Helping more people to look after their future

Admiral Group PLC

Annual Report and Accounts 2024

2024 Financial and Strategic Highlights

Financial Highlights

Group profit before tax[1]

£839.2m

2024	£839m
2023	£443m

EPS[1] (pence)

216.6p

2024	216.6p
2023	111.2p

RoE[1, 2]

56%

2024	56%
2023	36%

Insurance revenue

£4,776m

2024	£4,776m
2023	£3,486m

Turnover[2]

£6.15bn

2024	£6.15bn
2023	£4.81bn

Customers[3] (million)

11.1m

2024	11.1m
2023	9.7m

Dividend per share (pence)

192p

2024	192p
2023	103p

Solvency ratio[1, 2] (post dividend)

203%

2024	203%
2023	200%

Sustainable highlights

Gender split across the Group[4]
(2023: 50% female, 49% male)

51% Female

48% Male

Emissions[5] (tonnes CO_2 per employee)

0.07 tonnes

2024	0.07	
2023	0.08	0.15

Net Promoter Score (NPS)[6]
Group average across our operations (2023: >45)

>45

1 Group profit before tax, EPS, RoE, Dividend per share and Solvency ratio as reported include the impact of the favourable move in Personal Injury discount rate (Ogden) from -0.25% to +0.5%. See Strategic Report for further information.

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

3 Group customer numbers – refer to the end of the report for definition and explanation.

4 For 2024, 1% (2023: 1%) includes non-binary and other genders, and colleagues who'd prefer not to say.

5 Scope 1 and 2 market-based emissions per employee per SECR. 2023 SECR figures restated 12 months data actual data. See page 64 for further explanation.

6 Relational NPS.

In this document

Company Overview

Strategic Report

Corporate Governance

Financial Statements

Additional Information

Our purpose

Admiral Group's purpose is to help more people to look after their future, while always striving for better, together. Our purpose framework demonstrates how our purpose is embedded across the Group. The framework and its consideration of stakeholders provides a roadmap for the types of decisions taken across the business on issues of sustainability.

Our purpose framework

Read more on page 47

Expanding on our purpose

Helping more people to look after their future...

Admiral serves over 11.1 million customers in five countries with a range of financial products that meet their evolving needs, and we ensure that we are there for them when they need us the most.

What we have done this year

Keeping customers safe on our roads

Our UK, Italian and US businesses supported safe driving campaigns in 2024, including a nationwide cinema campaign in the UK to highlight the risks of dangerous driving.

Read more on page 36

Celebrating 20 years on the London Stock Exchange

In September, we celebrated 20 years as a listed business. We marked the occasion at the London Stock Exchange with colleagues who have been a part of our incredible journey of growth.

Read more on page 23

Serving more than 11 million customers across the Group

This year, we grew our Group customer base by 14% to over 11 million customers, and we have almost 6 million vehicles on cover in the UK. As well as being one of the largest motor insurers, we are proud to cover over 200,000 pets, nearly 2 million homes and over 900,000 travel policies in the UK, and over 2 million customers across our international franchises, demonstrating solid progress against our diversification strategy.

Read more on page 35

Expanding on our purpose
continued

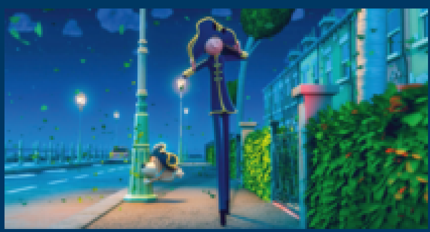
...always striving for better, together

Our unique culture and our dedicated colleagues are the secret to our success. We recognise that 'people who like what they do, do it better'. It's our success as a team that makes our business stronger.

What we have done this year

Leading the way in EV transition

As one of the UK's leading insurers of electric vehicles (EV), we pride ourselves on supporting customers with their transition to electric. We have been recognised by Defaqto as a Trailblazer for our innovative EV insurance product.



Battling extreme weather

Our local communities in the UK and Spain were impacted by severe flooding events this year. We used our Global Emergency Fund to help rebuild areas and support those affected.

Read more on page 55

A great place to work

We've been named as one of the World's Best Workplaces™ 2024 by Great Place To Work®.

Great Place To Work®

Making progress against our sustainability objectives

This year, we have made good progress on our sustainability strategy. Admiral Group received an MSCI ESG rating of AAA, upgraded from AA, our science-based targets were approved by the Science Based Targets initiative (SBTi), and we launched our Net Zero Transition Plan.

Read our full transition plan on our Group website

About us

Admiral Group plc is an established financial services provider offering Motor, Household, Travel, and Pet insurance, as well as personal lending products. We serve customers in five countries: the UK, France, Italy, Spain and the US.

People employed globally:

>15,000

Customers worldwide:

11.1 million

Turnover worldwide:

£6,147 million

1 United States

Insurance

elephant insurance
apparent

2 United Kingdom

Insurance

Admiral
Diamond
veygo
Gladiator
Bell
elephant
Admiral Business
MORE TH>N

Loans

Admiral Money

Europe
3 France, 4 Italy and 5 Spain

Insurance

balumba seguros
conte.it
L'olivier assurance

Our business segments

UK Motor Insurance

Admiral is one of the largest car and van insurers in the UK.

Brands

Customers:
5.7 million
(2023: 4.9 million)

Turnover[1]:
£4.5 billion
(2023: £3.4 billion)

UK Household Insurance

Admiral has a growing household business.

Brands

Customers:
2.0 million
(2023: 1.8 million)

Turnover[1]:
£475 million
(2023: £339 million)

International Insurance[2]

Admiral has motor insurance businesses in Italy, France, Spain, and the US, a household insurance business in France and a pet business in Italy.

Brands

Customers:
2.1 million
(2023: 2.2 million)

Turnover[1]:
£840 million
(2023: £895 million)

Admiral Money

Admiral offers unsecured personal loans and car finance products.

Brands

Customers:
155,000
(2023: 150,000)

Gross balances:
£1.17 billion
(2023: £0.96 billion)

1 Alternative Performance Measures – please refer to the end of the report for definition and explanation.
2 International Insurance numbers include Motor, Home and Pet.

Our business model

Everything starts with our purpose:
Help more people to look after their future. Always striving for better, together.

Our drivers of success help us to achieve our purpose

- Excellent customer service
- Unique company culture
- Operational excellence
- Efficient capital employment
- Track record of long-term profitable growth

Read more on page 10

What we do

So we can maximise the value we create for our stakeholders

- Customers
- People
- Partners and Suppliers
- Shareholders
- Communities
- Environment

Read more on page 11

Our business model
continued

What we do:
Our primary business is to offer car, van, home, travel, and pet insurance as well as unsecured personal lending products.

We also identify future sources of earnings by investing in new ventures and testing new products through Admiral Pioneer.

Our customers
We provide a broad range of general insurance and lending products to meet our customers' specific needs. Price comparison websites are our primary distribution channel for our insurance products, with a smaller proportion of our customers buying directly or through brokers and agents. We generate additional income from selling ancillary add-ons and from fees generated over the lifetime of a policy.

Managing claims
We engage closely with our customers throughout the claims process, working with our partners and suppliers, to ensure our customers are supported and receive a fair outcome in a timely manner.

Managing risk
Our customers pay us an agreed premium to insure themselves against specific risks. We efficiently pool these risks and share a proportion of that risk with reinsurers and co-insurers outside of the Group. This ensures that we have further protection from losses and means that we earn profit commission when the business generates overall profits. The extensive use of reinsurance and co-insurance is a key feature of our business model and success.

Our people
People are at the heart of our business. We have always focused on providing a supportive and inclusive environment that allows people to develop and grow. Our unique culture encourages openness and equality so that our colleagues are empowered to do the right thing for our customers.

Managing investments
We prudently invest the premiums we collect to generate investment income. Our investment strategy is focused on capital preservation and low volatility of returns relative to liabilities. We hold a prudent level of liquidity, and the investment portfolio has a high-quality credit profile. Our disciplined approach to capital management ensures that we can protect our customers when they need us.

Our shareholders
The difference between our revenue and our paid and expected claims and operating costs drives our profitability. The majority of our profits are paid out in dividends, with a proportion held back to continue enhancing our capabilities and exploring new business opportunities, which deliver long-term sustainable growth.

Our business model
continued

Our drivers of success

These enable us to fulfil our purpose and deliver long-term sustainable value for our stakeholders.

Excellent customer service

We aim to create good-quality, inclusive, sustainable insurance products that are easily understood and accessible through simple and clear communication to support our customers in the way that is most convenient for them.

Our customer-facing teams provide customers with all relevant information, including limitations, so they can make informed decisions, and we train colleagues to identify and support vulnerable customers. We actively review our practices against internal policies and regulatory requirements to ensure that our sales and claims processes are responsible and transparent.

We are also committed to offering environmentally-friendly products to support our customers with the transition to alternative-fuel vehicles.

We regularly measure customer satisfaction across key benchmarks, such as the Net Promoter Score® (NPS), to review our performance and improve our processes.

Unique Company culture

Our four pillars of culture are the foundation for why Admiral is celebrated as a Great Place To Work®, which is key to us attracting and retaining the talent we need to deliver for our customers and execute our strategy.

We promote an equal and inclusive environment where everyone can succeed and be themselves. Employee-led diversity and inclusion groups actively influence our workplace policies. We encourage open communication at all levels, with management operating an open-door policy, and initiatives such as 'Ask Milena', where colleagues can interact with our Group CEO.

Our share ownership scheme is key to recognising and rewarding colleagues, fostering a customer-centric mindset.

We believe that 'people who like what they do, do it better', which ensures better outcomes for our customers.

Operational excellence

We take great pride in providing good value and inclusive financial products and services that meet customer needs.

Our focus on risk selection and data analytics shapes our decision making and is built upon extensive claims experience, underwriting capabilities, and insights from big data.

Our efficient claims management is backed by a culture of continuous improvement, proactive engagement, great customer service, and decades of experience.

We remain focused on building long-term sustainable and profitable businesses through financial discipline.

Our cost-conscious approach is strongly embedded across the organisation and translates into a competitive expense ratio.

Efficient capital employment

Our partnerships with our reinsurers and co-insurers are underpinned by a track-record of strong underwriting results and good risk management. Sharing risk allows us to hold less capital, whilst ensuring protection from losses, thus supporting our commitment to strong shareholder returns.

Track record of long-term profitable growth

Our success is, in part, due to our prudent reserving philosophy. We release reserves over time as we gain more information on the development of claims or defaults across our insurance and loans businesses.

Our strong culture of innovation and organic growth has helped us build our businesses from the ground up with a test-and-learn approach. We identify opportunities, take measured steps to test our understanding, and acquire learnings.

Central to our approach to achieving lasting value creation is our continued dedication to drive positive outcomes for our stakeholders. As their needs evolve, we consciously adapt to remain a responsible, profitable, and sustainable business.

2024 highlights

Top 2
Trustpilot (or equivalent) for UK and Europe[1]

>45
Group average NPS[2] (2023: >45)

88%
of colleagues believe Admiral is a Great Place To Work®[3] (2023: 87%)

97%
of colleagues feel they are treated fairly regardless of race or sexual orientation[3] (2023: 96%)

285%
Total shareholder return over the last 10 years[4] (2023: 296%)

203%
solvency II capital cover ratio[5, 6] (2023: 200%)

1 Trustpilot for UK, ConTe, Seguros and Admiral Money, and Opinion Assurance for L'olivier.
2 Relational NPS.
3 Great Place To Work Survey (GPTW) result.
4 Total shareholder return is defined as the percentage change over the period, assuming reinvestment of income.
5 Group profit before tax, EPS, RoE, Dividend per share and Solvency ratio as reported include the impact of the favourable move in Personal Injury discount rate (Ogden) from -0.25% to +0.5%. See Strategic Report for further information.
6 Alternative Performance Measures – refer to the end of the report for definition and explanation

Our business model
continued

Creating value for our stakeholders

Customers

The needs of our customers shape our products and services. We strive to create good value, sustainable financial products to help more people to look after their future.

Value created in 2024

- We launched Genesys, our new cloud-based contact centre, which enhances our communication capabilities as well as the customer journey and experience
- During storm and flood events in the UK, we managed approximately 7,000 claims. Even during our peak periods, we achieved an average weekly call answer rate of 98%, demonstrating our dedication to supporting our customers.

People

Our distinctive culture promotes transparency, and happier and more productive employees, and ultimately better outcomes for all stakeholders.

Value created in 2024

- We were recognised as one of the Top 25 World's Best Workplaces by Great Place To Work® and Fortune magazine
- 95% of employees believe that 'When you join the company, you are made to feel welcome'[1]
- We held in-person Staff General Meetings across the Group for the first time since pre-Covid, allowing colleagues to interact and experience the event together.

Society: Environment

Conducting business responsibly and reducing any negative environmental impact are integral to our business model, in line with our values and those of our stakeholders.

Value created in 2024

- Our science-based targets were approved by the SBTi and our MSCI ESG rating was upgraded to a AAA grading[2]
- We launched our Net Zero Transition Plan, which sets out how we aim to achieve net zero carbon emissions by 2040
- We invested in Schroders Capital's Junior Infrastructure Debt Europe Fund III, which integrates ESG factors into its investment process.

Business: Shareholders

Market engagement is key to helping investors understand our investment case, strategy, and performance, and is an opportunity for us to listen to their views.

Value created in 2024

- We met with more than 250 shareholders, investors and analysts across more than 70 events including roadshows, conferences, salesforces and regular meetings
- We organised three visits to our Cardiff head office to provide investors with the opportunity to meet managers from across the business and experience our unique culture.

Business: Partners and Suppliers

Our partners and suppliers are essential to us achieving our strategic and sustainability goals, and we work hard to foster strong relationships and mitigate risks.

Value created in 2024

- We partnered with Google Cloud to help us accelerate our digital journey with customers, providing a seamless experience and allowing us to make data-driven decisions across Admiral UK
- We signed up to Flood Re's 'Build Back Better' scheme designed to reduce the impact of future floods
- Admiral partnered with Earthwatch Europe to sponsor the Green Earth Schools and Tiny Forest programmes in Wales.

Society: Communities

A culture of giving and a sense of responsibility is shared across our businesses so we can drive long-term change inside and outside the Group.

Value created in 2024

- We contributed over 32,000 volunteering hours in local communities[3]
- As part of our MP engagement programme, we met with the First Minister of Wales and Secretary of State for Wales to discuss how we can collaborate to deliver growth in Wales and the insurance industry
- We invested nearly £1 million into employability programmes and supported over 1,300 people into jobs outside of our organisation.

1 Great Place To Work Survey (GPTW) result.

2 The use by Admiral Group of any MSCI ESG research LLC or its affiliates (MSCI) data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Admiral Group by MSCI. MSCI services and data re the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

3 Volunteering hours completed by UK colleagues.

Strategic Report

In this section

Chair's statement

Another year of sustainable growth and delivering for even more stakeholders

Admiral Group performed very strongly in 2024 despite an unfavourable macroeconomic backdrop. The Group has achieved significant customer growth, while increasing customer satisfaction, and delivered an excellent UK Motor performance, supported by changes to the Ogden rate, with strong results in many other business lines. This has translated into profit before tax of £839.2 million and a proposed final dividend of 121.0 pence per share, making a total of 192.0 pence per share for the financial year.

The Group's impressive customer growth is a testament to its core value of doing what is right for customers. In the UK, due to better cycle management and in response to improved market conditions, Admiral reduced prices earlier than the market in early 2024.

Delivering growth, digitisation and sustainability

Defending and extending the competitive advantages of the UK motor business remains our number one priority, alongside our strategy of developing other franchises with the potential to drive future profitable growth. We have seen positive results across many of our newer franchises, with double-digit profit in the UK's Household and Money businesses and our French business.

The Group has made significant strides in enhancing its digital capabilities and unlocking the potential of new technologies to achieve a superior customer experience and greater productivity.

Admiral continues to navigate a challenging regulatory landscape to ensure its resilience and sustainability in the long term. As one of the UK's largest motor insurers, the business has been engaging with members of the motor insurance taskforce to identify solutions to tackle the current high costs of insurance.

Admiral continues to support customers to adopt greener behaviours and is one of the leading UK electric vehicle insurers. The publication of Admiral's Net Zero Transition Plan and the SBTi's approval of its science-based targets demonstrates our commitment to responsible and sustainable business practices.

Powered by our people

Admiral colleagues' expertise and dedication to supporting customers, colleagues and local communities is remarkable, so I was pleased that Admiral was, again, named one of the world's best workplaces. Similarly, it was an honour to be at the London Stock Exchange to celebrate 20 years of Admiral being a listed business and delivering for customers and shareholders, with colleagues who are custodians of the business' incredible culture.

I was sorry to say goodbye to Cristina Nestares who had successfully led the UK Insurance business since 2016. We all wish her the very best for the future. I'm pleased that, in line with the Group's strong track record on succession planning, Alistair Hargreaves has been appointed UK Insurance CEO.

We conducted an evaluation on the performance of the Board and its Committees. This process confirmed that these were operating effectively, that the business is managed for the long-term benefit of all stakeholders and provided a clear focus on areas for improvement for the forthcoming year. The findings can be found on page 138.

On behalf of the Board, I would like to thank Admiral colleagues for their ongoing commitment, and the management team for their excellent leadership and performance.

While the external landscape remains uncertain, I believe that the Group's competitive advantages, disciplined approach, and customer-first mindset will drive continued growth and shareholder value.

Mike Rogers
Group Chair

5 March 2025

Chief Executive Officer's statement

A truly fantastic performance achieved whilst maintaining our customer focus and discipline

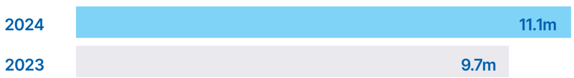
Our performance

Group profit before tax

£839 million

Group customer numbers

11.1 million



Overall, 2024 was a remarkable year for Admiral. It was not only a year of delivering excellent financial results but also one of continuous improvements in serving our customers and making solid progress on our strategy.

Despite persisting economic, political, and regulatory uncertainty, motor insurance market conditions improved and this – combined with our historical discipline and agility across the insurance market cycle allowed us to achieve a great many successes. We have welcomed 1.4 million new customers, improved customer satisfaction, added £1.3 billion in turnover, and increased profits by 90 per cent.

Our core business, UK Insurance, was the main driver of this success. It delivered just under £1 billion in profit, supported by the impact of the recent favourable Ogden Rate change, and strong growth across our other products. Our acquisition of the renewal rights for More Than completed in the first half of the year. The integration is progressing well with 7 months of renewals at the end of January and retention is in line with expectations.

To remain one of the most competitive insurers for the largest number of people is a priority for us so, when we saw conditions improve, we were quick to reflect this in our pricing. We led on reducing rates, doing it earlier than most at the start of the year, as we saw inflation easing. We also cut rates the day after the favourable Ogden rate change announcement.

Beyond UK motor, we have delivered double-digit profits within our UK Household, French and US Motor businesses and Admiral Money. We now serve over 11 million customers globally, with almost half of customer growth coming from other business lines across the Group.

We are proud of the pleasing turnaround that the US team has achieved. As previously mentioned, we're assessing the strategic options for our US business. We have made good progress and are in exclusive talks with a potential acquirer.

Across our European franchises, we now insure more than half a million French customers and have seen an improved performance in our Spanish business. In Italy, the team is focused on turning the business around following a disappointing financial performance in a tough market in 2024.

"The Group has delivered an excellent performance in UK Motor and sustainable growth in other franchises, underpinned by our pricing and underwriting expertise."

Milena Mondini de Focatiis
Group Chief Executive Officer

Chief Executive Officer’s statement
continued

We are conscious that there is more to do to unlock the potential of these businesses. We have ambitious plans to build on our UK customer base, to further improve the customer experience and harness the advantage of automation and AI to achieve even greater efficiency.

Taking a step back, our story has been one of continuous growth and, to celebrate 20 years as a listed company, colleagues joined Mike Rogers and I at the London Stock Exchange to close the market. This anniversary was a time for reflection on where the business has come from and, of course, where the business is going (and to celebrate Geraint who has been Group CFO for ten years – congratulations Mr Jones!).

Our success has been underpinned by our pricing, underwriting and claims management expertise, all united by a culture that is truly unique. We put our customers and people first, and are data-driven, agile and entrepreneurial.

We want to have a positive impact on society. We are one of the leading electric vehicle insurers and are proud of our commitment to improve road safety. In the UK, our Words to Live By campaign video was shown in cinemas nationwide.

I am proud of how our colleagues have supported customers impacted by flooding and we are working cross-industry to ensure that homes are more flood resistant or resilient. Our colleagues want to play a positive role in the communities in which we live and work, and the number of volunteering hours more than doubled in 2024.

We have published our Net Zero Transition Plan and are working hard to meet our sustainability goals. I was pleased to see our science-based targets officially approved and our MSCI ESG score upgraded to AAA.

We know that if our people like what they do, they will do it better, and it is brilliant to be recognised, once again, as one of the World’s Best Workplaces. We focus on being an inclusive employer and maintaining our unique culture to attract and retain the talent we need to execute our strategy.

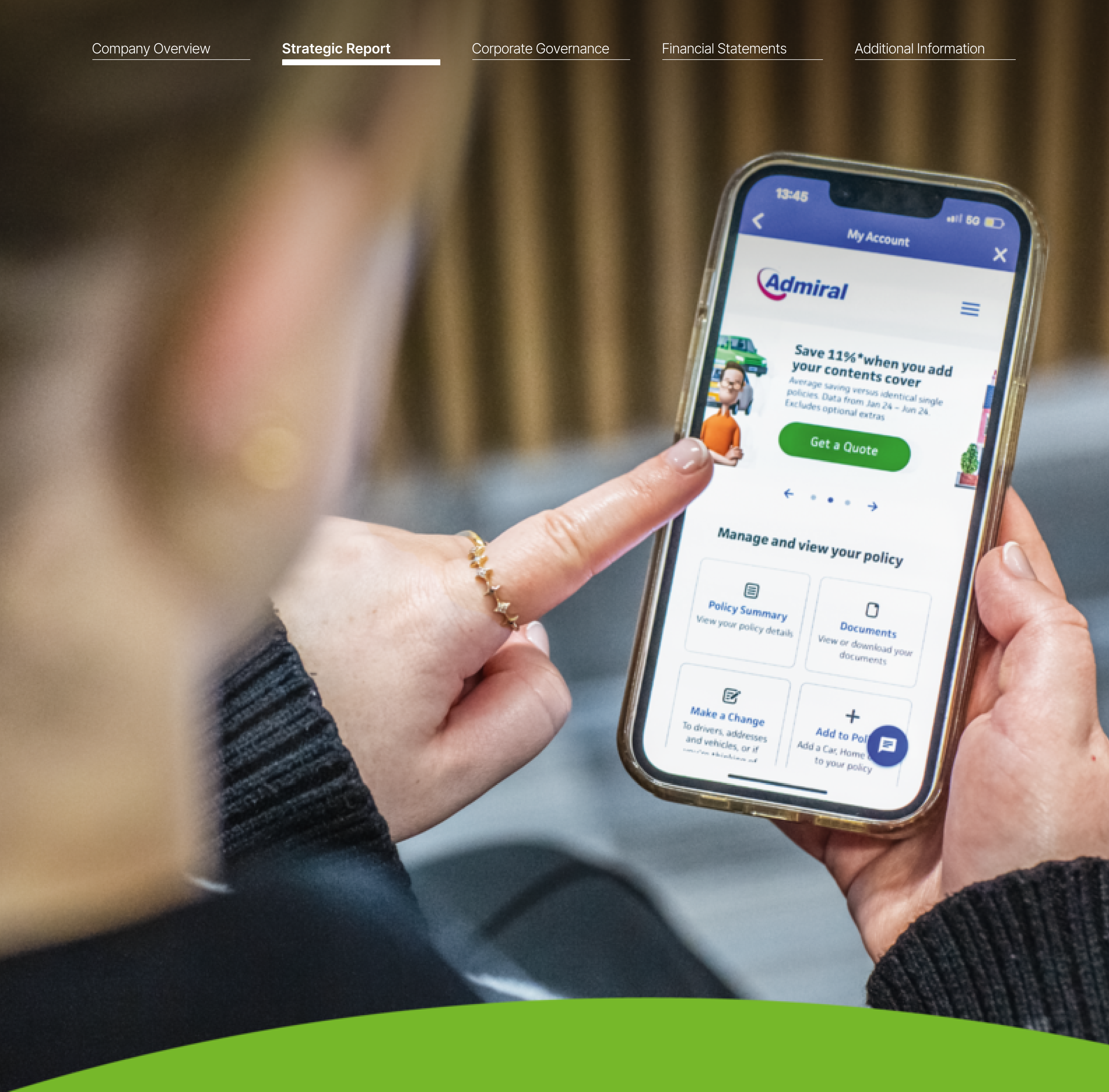
I am so proud of everything that we have been able to achieve this year thanks to our incredible colleagues. Ever since we floated, colleagues have been given a stake in the business so that they can benefit from their hard work and customer focus. This year, we have given colleagues an additional bonus to reward their commitment.

In October, we announced that Cristina Nestares was stepping down as CEO of our UK Insurance business to spend more time in her native Spain. We will miss Cristina’s passion and customer focus, which were key to building on the business’ position as a leading insurer. I was pleased to appoint Alistair Hargreaves as CEO. Alistair has significant leadership experience and extensive knowledge of our customers, colleagues, products and strategy, and I look forward to working even more closely with him as we continue to deliver for our growing customer base.

We are emerging from four years of challenge from the pandemic and cost-of-living crisis to inflation spikes and regulatory changes. Although, no doubt, further challenges lie ahead, I am optimistic about the opportunities too. Our priority will be to stay agile, lean, and efficient so that we can adapt as needed, leveraging our strong foundations and talented team to deliver long-term growth.

Milena Mondini de Focatiis
Group Chief Executive Officer

5 March 2025



Our strategy in action

Admiral UK partners with Google Cloud

In line with our Admiral 2.0 strategic pillar, our UK business has partnered with Google Cloud to host its policy management and billing platforms.

The partnership allows the business to use Google Cloud's data analytics, generative artificial intelligence and machine learning services to drive data-based decision making and produce more personalised products and services for customers. This includes customised offers and products that are tailored to the customer and provides a quicker, smoother journey and service across our digital channels.

Alan Patefield-Smith, Chief Information Officer, Admiral UK: "Having more enriched data can help us to grow our customer base and provide better pricing for our customers. Partnering with Google also means colleagues can benefit from their data analytics and cloud computing knowledge and training, which are integral skills for driving the business forward. I'm excited about this partnership and the projects that Google and Admiral have underway."

Our strategy

1

Accelerating towards Admiral 2.0

Overview

Our ambition is to advance our core businesses towards Admiral 2.0, maintaining traditional strengths, while becoming more agile, digital, and technology focused. Admiral 2.0 prioritises our customers and uses data and advanced analytics to enhance efficiency and improve the overall experience.

Core competencies

- Digital first
- Scaled agile
- Customer-centric innovation
- Hybrid working
- Data, advanced analytics and enhanced risk selection.

Progress in 2024:

Digital first

- Our UK operations have largely transitioned to the cloud. This allows us to improve our customer service by leveraging advanced, versatile technology platforms that provide an enhanced digital experience
- We have implemented Genesys, the cloud-based contact centre throughout our UK Insurance business. The solution integrates multiple customer contact channels into a single cloud-based platform. The enhancement provides a multi-channel experience and offers a more streamlined and efficient customer experience
- We provide customers with the ability to engage with us in the way that suits them best. In 2024, over 55% of customer interactions, sales, and renewals across the Group were completed online.

Scaled agile

- All entities are fully embracing and embedding the agile method
- Our UK Insurance business has focussed on recruiting and upskilling colleagues for roles in our Research, Service Design, UX and Agile Coaching teams, so that it can unlock more of the benefits of adopting scaled agile working practices
- We rolled out scaled agile working practices across each of the value streams and continued a test, learn, and refine cycle, alongside embedding agile coaches in each
- ConTe achieved a key milestone of completing the decommissioning process, resulting in the optimisation of over 85% of their systems. This ensures that their technological foundation is more robust, efficient, and future-ready.

Customer-centric innovation

- Admiral Money made significant improvements to the customer onboarding journey by redesigning the onboarding experience introducing a digital ID verification solution and further automating more of the affordability assessment
- Veygo launched a new communication service for customers called 'VeyBot'. It can efficiently answer customer queries and also summarise customer feedback. This helps the team to design products and services that meet the changing needs of its customers.

Hybrid working

- In line with our hybrid working model, we created additional areas for interaction and teamwork in our offices to enhance the value of office time. We regularly conduct Pulse surveys to assess staff satisfaction and the effectiveness of our new working methods, and we continue to provide support to all colleagues regardless of their location or work arrangement.

Data, advanced analytics and enhanced risk selection

- In the UK, we've completed the full roll-out of machine learning (ML) pricing. The benefit of ML pricing is better risk selection. As a business, we can benefit from better insights into the data we have, which offers us the flexibility to then decide how we approach our risk selection
- Generative AI models are enhancing our operations' efficiency. In the UK, the models are being used to reduce the need for manual elements of the complaints handling process, thus giving our colleagues more time to complete other meaningful actions for our customers. In L'olivier, interactions with customers (calls, emails, forms) are being transcribed to better understand customers' reasons for contacting the business, and to prioritise our responses and change processes. In Elephant, it is being integrated into the claims centre to help the adjuster in a range of scenarios from providing claims summaries to reviewing lawyer demands
- Europe focused on the adoption of a new data platform, decommissioning all the legacy models in the old platform. This suite of technologies aims to provide faster and more comprehensive data to support decision making.

Relevant principal risks

A B C D E G H I J

Read more from pages 88-95

2

Diversification

Overview

Diversification is key to our strategy of building a sustainable and resilient business. We leverage our established capabilities to build future successful propositions and support the transition to a low-carbon economy. We invest selectively in new opportunities that strengthen our current offerings. Over the past decade, we have launched numerous products including Household, Travel and Pet insurance, and a personal lending business. Our diversified model allows us to meet our customers' varied and evolving needs with our suite of products.

Core competencies

- Scale up promising products
- Strengthen customer propositions
- Leverage core strengths.

Progress in 2024:

Scale up promising products

- In 2024, we achieved strong growth across all UK Beyond Motor products (Household, Pet, and Travel), with turnover increasing by 52% and the number of customers rising by 27% overall to 3.1 million
- UK Household reported profits more than four times higher than in 2023, serving nearly 2 million customers
- UK Travel finished the year with more than 900,000 customers and was profitable for the second year in a row
- UK Pet customers were 2.9 times higher than 2023
- L'olivier Motor reported increased profits in 2024 due to its strong emphasis on risk selection, loss ratio improvements, and cost reduction. L'olivier Household saw a 45% increase in customers to >80,000, mainly as a result of cross-selling to motor customers
- Admiral Money continued to build its track-record with strong growth and profits 27% higher compared to the prior year as prudent risk selection and long-term focus continued. We also broadened our distribution and expanded our proposition to point-of-sale channels
- Our Toolbox brand started 2024 by rebranding to Admiral Business and overhauled our direct customer journeys. We significantly expanded our reach within the broker channel with several new partnerships going live.

Strengthen customer propositions

- We completed our first material acquisition in 2024, acquiring the renewal rights of RSA's home and pet business, More Than, and started renewing policies over the summer. As a result of the deal, we have welcomed new colleagues across operations, pricing and claims, in addition to More Than customers. This further strengthens our Household proposition and meaningfully accelerates our Pet business by widening our propositions and expanding our expertise
- Our Italian and Spanish operations have continued to refine their broker networks, as well as partnerships in the case of Spain, by focusing on risk management and propositions. New products were also launched in 2024 to reach a wider customer base in their respective markets
- We launched a new tiered product for UK Van insurance, offering customers more flexible and tailored cover to cater to the diverse needs and budgets of van owners and maintain our competitive edge
- The UK Household team signed up to Flood Re's 'Build Back Better' scheme to reduce the cost and impact of future floods by installing flood resilience measures
- We added new features and expanded what is covered in some of our UK Travel products. Our Gold and Platinum policies were awarded a Which? Best Buy for Travel accreditation
- ConTe Pet developed the existing partnership with pet store Arcaplanet by enabling a limited number of stores to sell pet policies directly to customers. The team also introduced product changes to cater to the various needs of their customers.

Leverage core strengths

- We are leveraging our strengths and knowledge from our core businesses to develop new products and ventures. This includes applying claims and pricing strategies from our UK motor business to our other businesses.

Relevant principal risks

A B D E F G H I J

Read more from pages 88-95

Our strategy in action

Welcoming More Than customers and colleagues

In April 2024, we completed the acquisition of the renewal rights for RSA's direct Home and Pet personal lines UK insurance operations and the More Than brand.

Until then, our story had largely been one of organic growth. However, this acquisition was a great cultural fit for the business and closely aligned to our diversification strategy.

We know that our customers are keen to use Admiral for more of their insurance products. This transaction allows us to scale up our existing Home and Pet businesses, and strengthen our expertise and capabilities in risk selection to better serve our customers.

We have now welcomed over 280 More Than colleagues to the Admiral family and, in the summer, we renewed our first More Than Home and Pet customers. We continue to work with RSA to ensure that colleagues and customers transferring to Admiral receive a seamless transition and service, with customer migration expected to complete by the second half of 2025.

Our strategy in action

Leading the market with our EV offerings

We have a key role to play in shaping a sustainable future and, as a leading motor insurer, we are dedicated to helping drivers make greener choices.

As one of the UK's leading insurers of electric vehicles (EVs), we pride ourselves on supporting customers with their transition to EVs. We have been recognised as a Trailblazer by Defaqto for our innovative EV insurance product, which includes additional benefits such as out-of-charge recovery service, and wall box cover, which we were first movers on in the sector. To help customers make informed decisions about EV ownership, we continue to provide insightful articles covering EV ownership and updating information on our evolving offering.

We have launched new television and out-of-home advertising in the UK, showcasing our commitment to making it easy for drivers to insure their EVs. We were also the EV insurance sponsor of the 2024 Everything Electric Shows, which took place in three venues across England and attracted attendees open to embracing greener alternatives.

3

Evolution of Motor

Overview

Our Evolution of Motor strategic pillar is designed to adapt our offerings in response to global mobility changes. While there are differing perspectives on future mobility trends and their potential impacts, we recognise that transportation methods are evolving. This presents an exciting opportunity for the industry, and it is imperative that we thoroughly understand these transformations and their implications for both our customers and our business. We are committed to supporting the transition to electric mobility and we are paving the way for a more sustainable future.

To stay ahead of these trends, we are employing a test-and-learn approach, examining emerging market propositions, and cultivating essential competencies that will be relevant in the future.

Core competencies

- Understand changes in mobility
- Evolve our proposition
- Develop competencies for the future

Progress in 2024:

Understand changes in mobility

- Our dedicated mobility team is actively investigating how evolving mobility trends will impact our customers and exploring ways to adapt our products to meet changing customer needs
- Admiral UK continues its partnership with Wayve, one of the leading autonomous vehicle software companies in the UK, and continues to insure Wayve's entire autonomous fleet in the UK.
- Admiral is actively collaborating on the BSI Flex 1888 framework, which focuses on establishing minimum risk manoeuvres for autonomous driving. This collaboration further underscores our commitment to ensuring that autonomous technology is safe and fit for purpose.

Evolve our proposition

- We are pleased to highlight our strong competitive position in the electric vehicle (EV) market. Our propositions and competitive pricing saw a significant increase in insured electric vehicles, exceeding our expected 2024 growth target for EVs. We were recognised by Defaqto as a Trailblazer for our developments in EV cover, a testament to our continuous drive to provide the best, most forward-thinking insurance solutions for our customers
- Admiral sponsored the Everything Electric events in 2024 as both a 'Test Driver Partner' and 'EV Insurance Sponsor'. It was an important opportunity to contribute to the growth of the electric vehicle industry and inspire individuals to embrace a greener future.

Develop competencies for the future

- Admiral Pioneer, our business aimed at creating new customer propositions, formed a partnership with fleet-focused insurer Flock. This collaboration will help Admiral Pioneer gain insights into the fleet market and learn from Flock's technology, while enabling Flock to support a broader range of fleet customers and benefit from Admiral Pioneer's insurance expertise. The Flock product is designed to help fleet managers lower risk and improve safety through telematics, while helping them to better manage insurance cost too.
- Veygo, which offers pay-as-you-go and subscription insurance, celebrated its seventh birthday in 2024, and grew their policy count and premiums strongly in the year. The Admiral approach to customers is deeply embedded in Veygo, and supporting customers' lifestyles is at the heart of what we do
- Veygo also launched the 'New Driver' product, which is a telematics-based proposition utilising smart phone technology by monitoring customers driving actions through the 'New Driver' app and giving them a score
- We are working with new-to-UK OEM carmakers and industry bodies to ensure that parts supply and repair methods are known, so that we are able to put damaged cars back on the road, and keep the premiums for these cars reasonable.

Relevant principal risks

A B D E F H I J

Read more from pages 88-95

Key performance indicators

In order to implement, develop and measure the Group's strategic performance, we monitor several financial and non-financial key performance indicators (KPIs).

Financial measures

Group profit[1]
Group profit before tax

£839m

2024	£839m
2023	£443m

Shareholder returns[1]
Dividend per share

192.0p

2024	192.0p
2023	103.0p

Capital position[1]
Solvency II ratio

203%

2024	203%
2023	200%

Non-Financial measures

Group growth[2]
Group customer numbers

+14%

2024	11.10m
2023	9.73m

International growth[3]
International customers

-3%

2024	2.1m
2023	2.2m

Diversification growth[4]
Beyond UK Motor customers

+13%

2024	5.41m
2023	4.80m

Customer satisfaction[5]
Customers likely to renew after a claim

>87%

2024	87%
2023	82%

Customer service[6]
Net Promoter Score

>48%

2024	48%
2023	46%

Digital progress[7]
Customer engagement

>54%

2024	54%
2023	54%

Great Place To Work®
GPTW ranking

6th

(2023: 6th)

Positive impact on society[8]
Number of hours donated by employees

>32,500

2024	32,571
2023	14,257

Net zero by 2040[9]
Movement in carbon emissions

-47%

2024	-47%
2023	26%

1 Group profit, shareholder returns and capital position include the favourable impact of the change in Ogden discount rate from -0.25% to +0.5%. See later in the Strategic Report for further details.
2 Group customer numbers - refer to the end of the report for definition and explanation.
3 International Insurance numbers include Motor, Home and Pet.
4 Beyond UK Motor includes all non-UK Motor product customers.
5 UK Motor Customers, monthly score averaged over the year.
6 Relational NPS.
7 Mid-term Adjustments (UK operations) – adjustments made to a policy mid-term, by the customer.
8 Volunteering hours completed by UK colleagues.
9 Scope 1 and 2 (market-based) emissions decreased by 47% vs 2023 per SECR on page 64. 2023: +26% (-33% change) excluding one-off leak event.

Case study

Celebrating 20 years on the London Stock Exchange

This year we celebrated 20 years as a public company.

To mark the occasion, our Group CEO, Milena Mondini, our Chair, Mike Rogers, and several colleagues, including some who have worked for the business for 20 years or more, headed to the London Stock Exchange to close the market.

It was an opportunity to reflect on our incredible story of evolution. From starting out as a UK motor insurance disruptor, we have become an international Group providing a range of products and services in insurance and lending across five different markets. We now employ more than 15,000 colleagues across eight countries who serve over 11 million customers.

Although a lot has changed since 2004, the business continues to embrace change and innovation to deliver better outcomes for our customers when they need us the most. The business has also retained its unique culture, which recognises the important role that our colleagues play in the Group's continued success. This was evident at the celebrations at the London Stock Exchange, and was also brought to life by colleagues who came together to create a commemorative video sharing their experience of working at Admiral for two decades – and the reasons why they choose to stay and grow their career here.

Group Chief Financial Officer's review

Our discipline and a supportive market have led to excellent results in 2024

Our performance

Earnings per share

216.6p

2024	216.6p
2023	111.2p

Solvency ratio (post-dividend)

203%

2024	203%
2023	200%

I closed my 2023 statement by saying I looked forward to seeing improved underlying margins feeding into reported results for 2024. These results have duly delivered.

There are many positives and milestones: customer numbers up by 1.37 million (record number and highest annual gain); turnover up £1.3 billion to £6.1 billion (same records as customers); highest ever investment return at £182 million; very strong solvency position (203%) maintained despite the significant 121.0p final dividend; some of the best results we have delivered in UK Motor (including a material boost from the review of the Personal Injury Discount Rate); and some encouraging results from businesses beyond UK Motor - over £70 million in aggregate from UK Household, Admiral Money, L'olivier Motor and Elephant US – each delivering their own record result.

In UK Motor Insurance, after the very challenging 2021 and 2022 underwriting years (both of which experienced severe claims inflation), 2023 and 2024 have been more positive – with a notably larger business (5.7 million risks at year-end 2024 v 4.9 million at year-end 2023), much higher revenue and more positive combined ratios for both years (driven by quite large cumulative price increases since the start of 2023). These factors have contributed to materially higher reported profit in 2024.

In terms of volumes, after very positive conditions in the market at the start of the year (very large new business volumes and very competitive Admiral prices), the environment became tougher from Q2 onwards, with prices drifting down quite steadily. Confidence in our loss ratios meant we were able to reduce prices around the start of 2024 (ahead of the market) and in H2 as well (partly to pass the benefits of the new discount rates to our customers), but inevitably our growth in the second half was lower than in H1.

Personal Injury Discount Rates

As we explain more fully on page 27, the Discount Rate for all parts of the UK changed during 2024, resulting in lower projected costs of large open claims. We estimate that in today's money, the total (positive) impact on profit is around £150 million (emphasis on estimate), of which £100 million has been recognised in 2024.

"I'm proud of our performance in 2024. Across the Group, we broke so many records and we are well-placed for continued positive results."

Geraint Jones
Group Chief Financial Officer

Group Chief Financial Officer's review
continued

Investments

Much larger balances (£5.2 billion at year-end '24 v £4.2 billion year-end '23) due to strong revenue growth combined with a higher yield (4.0% for 2024 v 3.3% for 2023 as the portfolio has been reinvested over the past couple of years) led to investment income for 2024 of £182 million, our highest ever.

Page 45 of the report sets out more details on the portfolio but there's been no change in our approach and only small changes in the asset allocation. Obviously, very subject to what happens to market interest rates and spreads, we'd expect the yield shown in the income statement to continue to increase but much more gradually in 2025.

Italy

In a generally very positive year, it's fair to call out the ConTe result as a disappointment. ConTe has been steadily profitable since 2014, and the loss for the year (£23 million compared to a profit in 2023 of £7 million) was obviously not in our plan. The disappointing performance came about, partly, because of an update to the Milan Court tables (used to determine the cost of many injury claims), but also because of some adverse experience, notably from some business written in 2023.

Our management team (along with pretty much the whole business) is very focused on restoring profitability through various actions as soon as possible, and I'm confident they'll achieve this. It might well come at the cost of some volume in the very short term, though we're still confident in ConTe's prospects.

At the risk of upsetting some of our terrific management teams, let me also call out a few other high points:

- Partly benefiting from lower than budgeted weather cost in 2024 (but also see an improving attritional loss ratio), UK Household Insurance reported its largest profit of £34 million. The team has also been well focused on the migration of the acquired More Than renewal rights portfolio as well as organic growth as we close in fast on two million policies
- After some quite bruising years in the US, huge credit goes to our team in Elephant Auto who have very much met their goal of materially improving the bottom line in 2024. The result swung impressively from a loss of £20 million to a profit of £14 million due to a much better loss ratio and a very solid expense outcome. And whilst acknowledging the portfolio has shrunk as a consequence, this is a pleasing turnaround and we're very proud of the team's work
- Veygo (mainly offering short-term car insurance in the UK) is possibly the Group's fastest growing business, reporting revenue of £64 million in 2024 (with a very healthy three-year CAGR of 45%) and also returned its first (albeit small in the Group context) profit
- Our French motor insurer L'olivier reported its highest profit of £11 million (2023: £7 million). With turnover above €260 million and a solid combined ratio, we're positive about the future in France
- And finally – partly stretching timeframe of the report – I'm very happy that Admiral Money has, in early 2025, signed its first deal to use third-party capital to grow the personal loan business – we think this is an important part of the model for the future

Internal capital model

As part of the process to ultimately use our own capital model to calculate our capital requirement, Admiral entered the pre-application phase (focused on UK car insurance) with the two main prudential regulators in mid-2024. We received feedback late in the year and are working to address that as well as finalise the other aspects of the model before submitting our full application. Lots of hard work is continuing on this important but complex project and we'll update on progress in due course.

Looking ahead to 2025

We move into the new year well-placed for continued positive results. There are one or two challenges for sure (a competitive market in UK motor and the need to restore profit in Italy to name two), but particularly noting the prudent claims reserves position in all lines of business at the end of 2024, we expect strong releases and profit to flow into 2025 and beyond. Subject to market conditions, we're still hoping to grow in pretty much all our operations too.

Big thanks to all Admiral colleagues for helping to achieve these great results!

Geraint Jones
Group Chief Financial Officer

5 March 2025

£m	2024	2023	Change vs 2023
UK Insurance	977	597	380
UK Insurance (Ogden -0.25%)	877	597	280
Europe Insurance	(20)	2	(22)
US Insurance	14	(20)	34
Admiral Money	13	10	3
Share scheme cost	(62)	(54)	(8)
Other costs including Admiral Pioneer	(83)	(92)	9
Pre-tax profit	**839**	**443**	**396**
Pre-tax profit (Ogden -0.25%)	**739**	**443**	**296**

2024 Group overview

2024 Group overview

£m	2024	2023	% change vs. 2023[4]
Group turnover (£bn)[1, 3]	**6.15**	**4.81**	**+28%**
Net insurance and investment result	798.7	363.1	+120%
Net interest income from financial services	76.3	68.1	+12%
Other income and expenses	(9.3)	31.7	nm
Operating profit	**865.7**	**462.9**	**+87%**
Group profit before tax	**839.2**	**442.8**	**+90%**
Analysis of profit			
UK Insurance	976.7	596.5	+64%
UK Insurance (Ogden -0.25%)	876.4	596.5	+47%
International Insurance	(5.3)	(18.0)	+71%
International Insurance – European Motor	(14.8)	6.1	nm
International Insurance – US Motor	14.4	(19.6)	nm
International Insurance – Other	(4.9)	(4.5)	-10%
Admiral Money	13.0	10.2	+28%
Other	(145.2)	(145.9)	+1%
Group profit before tax	**839.2**	**442.8**	**+90%**
Group profit before tax (Ogden -0.25%)	**738.9**	**442.8**	**+67%**
Key metrics			
Reported Group loss ratio[1, 2]	55.4%	63.9%	-9pts
Reported Group expense ratio[1, 2]	22.0%	24.8%	-3pts
Reported Group combined ratio[1, 2]	77.4%	88.7%	-11pts
Reported Group combined ratio (Ogden -0.25%)	79.7%	88.7%	-9pts
Insurance service margin[1, 2]	16.2%	10.2%	+6pts
Customer numbers (million)[1]	11.10	9.73	+14%
Earnings per share	216.6	111.2	+95%
Earnings per share (Ogden -0.25%)	190.2	111.2	+71%
Dividend per share	192.0	103.0	+86%
Return on equity[1]	56%	36%	+20pts
Solvency ratio[1]	203%	200%	+3pts

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

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

3 Alternative Performance Measures – refer to note 14 for explanation and reconciliation to statutory income statement measures.

4 Definition: nm – not meaningful.

2024 Group Overview
continued

Group highlights

Admiral reports strong growth in turnover and customer numbers and significantly higher profits in 2024.

- Group customer numbers increased by 14% and turnover was 28% higher, driven by UK Motor Insurance
- Group pre-tax profit was £839 million, 90% higher than 2023 as a result of a significantly improved current year underwriting performance and continued significant prior period releases, notably in the UK Motor Insurance business. Excluding the impact of the change in Personal Injury ('Ogden') Discount Rate (see below), pre-tax profit would have been £739 million, 67% higher than 2023
- Strong growth in UK Household pre-tax profit to £34 million (2023: £8 million). A relatively benign year for weather and an improved attritional loss year resulted in a favourable current year loss ratio
- Completion of the acquisition of the More Than direct UK Household and Pet Insurance renewal rights; renewals started to transfer to Admiral in the second half of 2024
- A lower overall loss in International Insurance (£5 million v £18 million), including a profit of £14 million in US motor, which was offset by a loss of £20 million in Europe
- Continued growth in Admiral Money profit to £13 million (2023: £10 million) and gross loan balances (+23% year-on-year growth).

Earnings per share

Earnings per share for 2024 were 216.6 pence (2023: 111.2 pence). The increase from 2023 is higher than the increase in pre-tax profit above due to a slightly lower effective tax rate.

Reflecting on a decade as Admiral Group CFO

As I look back, I'm really proud of the Company's progress over the last decade and it has been a privilege to be part of such a dedicated leadership team.

Together, we have successfully delivered growth and expansion into new products. We have also navigated unforeseen challenges, including a global pandemic, and I am proud of the way that we always put colleagues and customers at the heart of our response.

Although Admiral's story has, primarily, been one of organic growth, I've had the opportunity to work with talented colleagues on key projects such as our first significant acquisition, More Than, and before that the sale of our price comparison site businesses (although it was sad to say goodbye to incredible colleagues).

I'm proud to work for Wales' only FTSE 100 company and of the contribution that we make to the local economy. We support people to develop skills and find meaningful work both inside and outside of Admiral, we support grassroots rugby, women's football and so much more.

I love the way that our people support the communities where we live and work, our customers and each other. It makes for a unique culture, which makes working here fun. So, thank you to all my colleagues, past and present. I look forward to seeing what we achieve together in 2025!

Return on equity

Return on equity was 56% for 2024, 20 percentage points higher than the 36% reported for 2023. The increase is the result of the significantly higher post-tax profits, partially offset by higher average equity.

Dividends

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

The Board has proposed a final dividend of 121.0 pence per share (approximately £366.6 million) splits as follows:

- 91.4 pence per share normal dividend
- A special dividend of 29.6 pence per share.

The 2024 final dividend reflects a pay-out ratio of 87% of second half earnings per share. 121.0 pence per share is 133% higher than the final 2023 dividend (52.0 pence per share), in line with the growth in earnings per share.

The 2024 final dividend payment date is 13 June 2025, ex-dividend date 15 May 2025, and record date 16 May 2025.

Economic background

Whilst remaining higher than its long-term average, the elevated inflation observed over the course of 2022 and 2023 started to reduce in 2024. Price increases implemented to mitigate the impact of the higher inflation in the Group's main UK business in 2022 and 2023 have resulted in a strong current year underwriting performance compared to the prior year.

Admiral continues to focus on medium-term profitability and has maintained a disciplined approach to business volumes. The Group's customer base in UK Motor grew significantly at the start of 2024 as a result of price reductions ahead of the market, with market competition increasing in the second half. The Group continues to set claims reserves cautiously.

Admiral Money has continued to grow its consumer loans book, with a cautious approach to growth and evolving underwriting criteria to reflect the macroeconomic environment and potential financial impact on consumers. The business continues to hold appropriately cautious provisions for credit losses.

Change in UK personal injury discount rate ('Ogden')

The discount rate, which is used in setting personal injury compensation (referred to throughout the report as 'Ogden'), changed to +0.5% across the UK in H2 2024.

In Scotland and NI, the discount rate changed from -0.75% to +0.5%, effective from September 2024. In England and Wales, it was announced in December 2024 that the discount rate would change to +0.5% from the existing -0.25% rate, effective from 11 January 2025. The +0.5% rate is expected to remain in place for up to the next five years.

Given the announcements were made in 2024, the Group has updated its insurance contract liabilities to reflect the new rate. The impact of the change in rate is an increase in 2024 pre-tax profits of £100 million (with the ultimate profit impact estimated to be around £150 million).

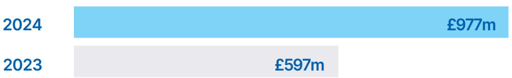
UK Insurance review

UK Insurance has performed strongly and we have taken the opportunity to grow

Our performance

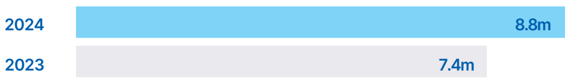
UK Insurance profit before tax

£977m



UK Insurance customer numbers

8.8 million



It is a great privilege and responsibility to be appointed UK Insurance CEO and I'm fortunate that in writing this statement, I'm able to reflect on the UK Insurance teams' many achievements in 2024, a very positive year. Our disciplined approach to managing uncertainty and the motor market cycle, alongside enhancements to propositions, pricing, claims and customer experience, helped us to welcome 1.4 million new customers, sustain our market-leading combined ratio and deliver £977 million profit before tax, while improving our Trustpilot customer rating to an industry-leading 4.6.

In Motor, price is the primary customer consideration. This was especially true in 2024 after the recent sustained period of elevated claims inflation drove market premiums up and motor insurance affordability made the headlines. Our discipline throughout 2022 and 2023, where we increased prices ahead of competitors and sacrificed growth, paid off in 2024. We were able to start reducing rates in early 2024, ahead of the market, and our competitive prices resulted in a 15% increase in motor policies to a record 5.7 million. This was achieved whilst maintaining strong service levels and repair times due to the strength of our repair network partners. UK Motor turnover grew by £1.1 billion in 2024 to £4.5 billion and profit before tax increased to £955 million, driven by our strong performance as well as a c.£100 million reserving benefit from the recent change to the Ogden discount rate, which impacts large personal injury claims. We passed the benefits from the new Ogden rate going forward to our customers by lowering prices accordingly the day after the announcement in December.

> "Our UK Insurance business has delivered a strong set of results demonstrating our competitive advantage in Motor, the value of our customer focus and progress within our other lines of business."

Alistair Hargreaves
CEO, UK Insurance

UK Insurance review
continued

Beyond Motor, our strong MultiCover proposition supported further growth in our Household insurance business, despite continued rate increases offsetting claims inflation.
The integration of the ‘More Than’ Pet and Home renewal rights from Royal Sun Alliance (RSA) is going well. The customer migration runs over 12 months and started in the summer of 2024. This has given a boost to our Household business, which finished the year with just under two million customers, and led to a significant acceleration for Pet with more than 200,000 policies. The renewal process will continue through to the summer of 2025. Our Travel business grew both new business and renewals with strong underwriting discipline leading to a small but growing profit.

We continue to invest to further improve customer journeys and maintain our market-leading insurance expertise. In 2024, we drove improvements in speed, both in feature development sprints and deploying machine-learning models across pricing, claims, and customer experience. This is supported by the fact that over 80% of our estate is now cloud-based. We are pleased with the continued growth of our digital experience, which enables customers to engage with us in the most convenient way for them. We give customers the choice to self-serve digitally, and half of mid-term changes and a third of claims notifications are now made this way. In Motor, our investment in customer proposition and claims is supporting strong growth in insured electric vehicles where we continue to be one of the industry leaders with a high teens market share.

The driving force of our business is our culture and people, we were pleased to, again, have been listed in the Top 10 for both Great Places to Work and for Great Places to Work for Women. One element of our culture, which I’m particularly proud of, is our continued support of our communities. In 2024, our colleagues spent over 30,000 hours helping over a thousand people to secure work or to gain new skills with funding and support for our community partners.

2024 has been a remarkable year for UK Insurance, and by delivering for our customers we’ve taken the opportunity to grow. Looking ahead, some uncertainty remains around near-term market dynamics, but our strong team and fundamentals give us a great platform to continue to provide value, ease and trust for customers and in doing so make the most of opportunities for sustainable profitable growth in 2025 and beyond.

UK Insurance financial performance

£m	2024	2023
Turnover[1 2]	5,108.5	3,776.0
Total premiums written[1]	4,745.2	3,502.6
Insurance revenue	3,873.4	2,596.9
Underwriting result[1]	**764.4**	**383.4**
Net investment income	70.5	55.2
Co-insurer profit commission and net other revenue	141.8	157.9
UK Insurance profit before tax[1]	**976.7**	**596.5**

Segment result: UK Insurance profit before tax[1]

£m	2024	2023
Motor	955.1	593.3
Motor (Ogden -0.25%)	854.8	593.3
Household	34.1	7.9
Travel and Pet	(12.5)	(4.7)
UK Insurance profit before tax	**976.7**	**596.5**
UK Insurance profit before tax (Ogden -0.25%)	**876.4**	**596.5**

Segment performance indicators[1]

	2024	2023
Vehicles insured	5.69	4.94
Households insured	1.97	1.76
Travel and Pet policies	1.14	0.69
Total UK Insurance customers	**8.80**	**7.39**

1 Alternative Performance Measures – refer to the end of this report for definition and explanation.
2 Alternative Performance Measures – refer to note 14 for explanation and reconciliation to statutory income statement measures.

UK Insurance review
continued

Highlights for the UK Insurance business include:

- In UK Motor:
  - A 15% increase in customer numbers, driven by reducing prices ahead of the market around the start of the year, after a period of prices moving higher to address significant claims cost inflation in the past few years
  - The increase in customers, combined with higher premiums, resulted in a 33% rise in turnover, and a 50% rise in insurance revenue
  - Profit of £955 million was 61% higher than 2023, driven by the resulting improved current year combined ratio and continued positive reserve releases, as well as the favourable impact of the Ogden Discount Rate change. Excluding the Ogden change, profit would have been £855 million, 44% higher than 2023.
- In UK Household:
  - An increase in customer numbers of 12% to 1.97 million (31 December 2023: 1.76 million). Growth continued, particularly in the second half of 2024 when rate increases in response to inflation eased, resulting in increased competitiveness
  - Profit grew strongly to £34 million (2023: £8 million) as a result of a positive current period combined ratio driven by higher earned premiums, a relatively benign year for severe weather, an improved attritional loss year plus continued prior period releases.
- In UK Travel and Pet Insurance:
  - Both business lines continued to grow their customer base and turnover
  - Travel delivers second consecutive annual profit, whilst there was an increased loss in Pet due to both integration costs (primarily IT) in relation to the More Than acquisition of £6.3 million, and the premium written as a result of More Than renewals not yet earning through.
- More Than acquisition:
  - In March 2024, the Group successfully completed its first significant acquisition, of the direct UK Household and Pet insurance renewal rights of the More Than brand and the transfer of over 280 colleagues from RSA. Liabilities relating to existing policies and those up to renewal remain with RSA
  - The integration of the business is now largely complete, with renewals having commenced in July 2024 for Household and in August 2024 for Pet
  - The 2024 UK Insurance results, therefore, include an impact of £11.9 million of integration costs in relation to the acquired business. See note 13 to the financial statements for further details.

UK Insurance review
continued

UK Motor Insurance financial review

UK Motor profit in 2024 was £955 million, 61% higher than 2023. Excluding the impact of the change in the Ogden Discount Rate, UK Motor profit was £855 million, 44% higher than 2023. This increase is the result of an improved current period combined ratio (driven by higher average premiums earning through), along with continued positive development of prior year claims, partly offset by recognising the reinsurer's share of releases on underwriting years 2021-2023.

In addition, favourable net investment income is driven by higher yields and investment balances.

£m	2024	2023
Turnover[1]	4,495.9	3,371.8
Total premiums written[1, 2]	4,157.7	3,118.2
Insurance premium revenue[1]	3,160.5	2,115.4
Other insurance revenue	209.0	134.8
Insurance revenue	3,369.5	2,250.2
Insurance revenue net of XoL[2, 4]	3,271.4	2,188.6
Insurance expenses[1, 2, 3]	(586.8)	(451.2)
Insurance claims incurred net of XoL[2, 4]	(2,078.1)	(1,729.0)
Insurance claims releases net of XoL[2, 4]	374.6	392.8
Quota share reinsurance result[2, 3]	(228.8)	(16.8)
Movement in onerous loss component net of reinsurance[2]	1.1	4.1
Underwriting result[2]	**753.4**	**388.5**
Investment income	150.0	111.8
Net insurance finance expenses	(83.4)	(58.2)
Net investment income	**66.6**	**53.6**
Co-insurer profit commission	53.3	76.5
Other net income	81.8	74.7
UK Motor Insurance profit before tax[1]	**955.1**	**593.3**
UK Motor Insurance profit before tax (Ogden -0.25%)	**854.8**	**593.3**

Segment performance indicators

	2024	2023
Reported Motor loss ratio[1, 2, 5]	52.1%	61.1%
Reported Motor expense ratio[1, 2, 5]	17.9%	20.6%
Reported Motor combined ratio[1, 2, 5]	70.0%	81.7%
Reported Motor combined ratio (Ogden -0.25%)[2]	73.2%	81.7%
Reported Motor Insurance service margin[1, 2, 5]	23.0%	17.7%
Core motor loss ratio before releases[1, 2, 6]	69.2%	87.0%
Core motor claims releases[1, 2, 6]	(12.7)%	(20.2)%
Core motor loss ratio[1, 2, 6]	56.5%	66.8%
Core motor expense ratio[1, 2, 6]	18.2%	21.4%
Core motor combined ratio[1, 6]	74.7%	88.2%
Core motor written expense ratio[1, 7]	16.8%	17.8%
Vehicles insured at period end[1]	5.69m	4.94m
Other revenue per vehicle[8]	£76	£62

1 Alternative Performance Measures – refer to the end of this report for definition and explanation.
2 Alternative Performance Measures – refer to Appendix 1b for explanation and reconciliation to statutory income statement measures.
3 Insurance expenses and quota share reinsurance result excludes gross and reinsurers' share of share scheme charges respectively. Share scheme charges reported in Other Group Items.
4 XoL refers to Excess of Loss (non-proportional) reinsurance; see glossary at end of report for further information.
5 Reported Motor loss ratio, expense ratio and insurance service margin are all net of XoL, as defined in the glossary. Reconciliation in Appendix 1b.
6 Core Motor loss ratio, expense ratio and combined ratio are all net of XoL, as defined in the glossary. Reconciliation in Appendix 1b.
7 Core motor written expense ratio defined as insurance expenses divided by core product written insurance premium, net of excess of loss reinsurance.
8 Other revenue per vehicle includes other revenue included within insurance revenue. See 'Other Revenue' section for explanation.

UK Insurance review
continued

Claims

Claims inflation continues to show signs of gradually reducing, with Admiral's current estimate of average claims cost inflation for full-year 2024 (compared to full-year 2023) being approximately in mid-to-high single-digits (2023: around 10%). Despite the significant growth in policy base, a small reduction in claims frequency has been observed.

As usual, the longer-term impacts of inflation on bodily injury claims remain uncertain. Admiral did not observe material changes in inflation for bodily injury claims settled in 2024, when compared to 2023. We maintain a prudent allowance held in the best estimate reserve to reflect potential impacts of higher than historic levels of future wage inflation on certain elements of large bodily injury claims reserves.

There is still uncertainty within motor claims across the market arising from inflation, and future developments relating to both whiplash reforms, and regulatory developments. As noted above, the new Ogden discount rate of +0.5%, as announced in December 2024, has been used within the best estimate reserves.

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

Although uncertainty remains over the final position, when fully concluded, the cost is not expected to have a significant impact on the financial statements. Taking account of current information, appropriate amounts are included within insurance contract liabilities at 31 December.

Admiral continues to hold a significant and prudent risk adjustment above best estimate reserves, with an increase in the confidence level to the 95th percentile (93rd percentile at 31 December 2023). When setting the level of risk adjustment due consideration has been given to the strong releases in the best estimate, inherent uncertainty in bodily injury claims, growth in the UK motor book along with an assessment of other external factors. There has been a slight reduction in the volatility of the reserve risk distribution from which the percentile is selected as a result of the strong reserve releases following the change in Ogden discount rate; otherwise it has not changed significantly since 2023.

The core motor loss ratio has reduced to 56.5% (2023: 66.8%) with offsetting movements in the current period loss ratio and prior year reserve releases, as follows:

Core Motor loss ratio[1 2]	Core motor loss ratio before releases	Impact of claims reserve releases	Core motor loss ratio
FY 2023	87.0%	(20.2%)	66.8%
Change in current period loss ratio excluding Ogden	(16.9%)	–	(16.9%)
Change in claims reserve release excluding Ogden	–	10.2%	10.2%
Impact of Ogden discount rate change	(0.9%)	(2.7%)	(3.6%)
FY 2024	**69.2%**	**(12.7%)**	**56.5%**

1 Reported Motor loss ratio shown on a discounted basis, excluding unwind of finance expenses

2 Alternative Performance Measures – refer to Appendix 1b for explanation and reconciliation to statutory income statement measures.

The rate increases that were implemented over the course of 2022 and 2023, as well as favourable frequency in 2024, have driven a significant improvement in the current period loss ratio.

The benefit from prior-period releases includes both the positive development of the best estimate reserve and the unwind of risk adjustment for prior-period claims. The absolute value of releases is consistent with 2023, with higher releases on the best estimate arising from significant favourable development, along with the benefit from the Ogden rate change, being offset by lower releases of risk adjustment given the increase in risk adjustment percentile. The lower release percentage is a result of significantly increased earned premiums.

Quota share reinsurance

Admiral's quota share reinsurance result reflects the net movement on ceded premiums, reinsurer margins and expected recoveries (claims and expenses, excluding share scheme charges) for underwriting years on which quota share reinsurance is in place (2021 underwriting year onwards).

The 'Group capital structure' section sets out further details on Admiral's UK Motor quota share arrangements.

Quota share reinsurance result[1]

£m	31 December 2024	31 December 2023	Quota share claims asset 31 December 2024
2021 and prior	(27.2)	(55.3)	15.0
2022	(84.0)	8.2	62.8
2023	(81.0)	30.3	–
2024	(36.6)	–	–
Total	**(228.8)**	**(16.8)**	**77.8**

1 Quota share result in underwriting year 2024 includes an £11.1 million re-charge for the reinsurer's assumed share scheme recoveries, out of other Group costs in line with prior period (2023: £11.1 million)

The significantly increased quota share charge in 2024 is the result of:

- Favourable developments in the underlying loss ratios on underwriting years 2021-2023 resulting in the reversal of quota share recoveries previously recognised
- A charge rather than credit on the most recent underwriting year (2024), as the booked combined ratio is below 100%, which means no quota share recoveries are recognised.

Co-insurer profit commission

Co-insurer profit commission of £53.3 million is lower than in 2023 (£76.5 million).

In 2024, a significant proportion of claims releases are on underwriting years 2021 and 2022, which reduce the losses on those years but do not result in profit commission, given the years are not yet profitable with booked combined ratios of over 100%.

In addition, the losses on those years are carried forward in line with contractual clauses, suppressing the recognition of profit commission on underwriting years 2023 and also, to a large extent, 2024.

UK Insurance review
continued

Net investment income

Net investment income increased to £66.6 million from £53.6 million, benefiting from higher investment income, which was largely offset by increased net insurance finance expenses.

Investment income grew by 34% to £150.0 million (2023: £111.8 million), as a result of increased investment balances (due to strong growth in premium collected) and higher average return. Further information on the Group's investment portfolio and the income generated in the period is provided later in the report.

Net insurance finance expense reflects the unwind of the discounting benefit recognised when claims are initially incurred. The expense has increased notably in 2024 (£83.4 million; 2023 £58.2 million) as a result of the unwind of discounting benefit recognised from early 2022 onwards, when there was a significant increase in risk-free interest rates. A significant proportion of the insurance finance expense in 2024 relates to claims incurred during 2022 and 2023.

Other revenue

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

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

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

Overall contribution increased to £321.8 million (2023: £247.3 million), primarily due to the growth in customer numbers in the past year. In particular, more customers along with the increased proportion of customers choosing to pay via monthly payments in the prior period has resulted in higher earned instalment income.

Other revenue was equivalent to £76 per vehicle (gross of costs), with net other revenue per vehicle at £61 per vehicle, both up compared to 2023 in line with the increased contribution.

Other revenue

UK Motor Insurance other revenue

	2024		
£m	Within underwriting result	Other net income	Total
Premium and revenue from additional products and fees[1]	139.8	83.4	223.2
Instalment income and administration fees[2]	209.0	45.7	254.7
Other revenue	**348.8**	**129.1**	**477.9**
Claims costs and allocated expenses[3]	(108.8)	(47.3)	(156.1)
Net other revenue	**240.0**	**81.8**	**321.8**
Other revenue per vehicle[4]			**£76**
Other revenue per vehicle net of internal costs			£61

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

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

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

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

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

UK Insurance review
continued

UK Household Insurance financial review

£m	2024	2023
Turnover[1]	475.4	338.6
Total premiums written[1]	450.3	318.8
Insurance revenue	**399.6**	**292.8**
Insurance revenue net of XoL[1]	376.4	275.3
Insurance expenses[1]	(102.9)	(80.9)
Insurance claims incurred net of XoL[1]	(225.7)	(199.8)
Insurance claims releases net of XoL[1]	37.0	6.4
Underwriting result, net of XoL reinsurance[1]	**84.8**	**1.0**
Quota share reinsurance result[1, 3]	(61.2)	(1.4)
Underwriting result[1]	**23.6**	**(0.4)**
Net insurance investment income	3.9	1.6
Other income	6.6	6.7
UK Household Insurance profit before tax[1]	**34.1**	**7.9**

Segment performance indicators

	2024	2023
Reported Household loss ratio[1, 2]	50.1%	70.2%
Reported Household expense ratio[1, 2]	27.3%	29.4%
Reported Household combined ratio[1, 2]	77.4%	99.6%
Household insurance service margin[2]	6.3%	(0.1)%
Household loss ratio before releases[2]	60.0%	72.6%
(Favourable) impact of weather on reported loss ratio vs budget[4]	(7.9)%	(3.8)%
Households insured at period end	1.97m	1.76m

1 Alternative Performance Measures – refer to the end of this report for definition and explanation
2 Alternative Performance Measures – refer to Appendix 1c for explanation and reconciliation to statutory income statement measures.
3 Quota share reinsurance result within the segment result excludes reinsurers' share of share scheme costs.
4 Weather impact, being the combined impact of claims related to freeze, flood, storm and subsidence, is disclosed relative to a budget expectation. The 2023 impact has been restated to align.

The UK Household Insurance business reported strong growth in turnover of 40% to £475.4 million (2023: £338.6 million). The number of homes insured increased by 12% to 1.97 million (31 December 2023: 1.76 million), despite price increases made by Admiral during 2024, in particular the first half, to reflect continued higher claims inflation. Competitors also increased prices, with Admiral's competitiveness in price comparison (the main distribution channel for new policies) relatively unchanged.

Profit before tax for the period was £34.1 million (2023: £7.9 million), the large increase arising as a result of:

- Strong prior year reserve releases of £37.0 million (2023: £6.4 million), reducing the loss ratio by 9.9 percentage points (2023:2.4 percentage points). These releases primarily reflect the unwind of best estimate reserves in relation to the freeze events in late 2022, along with some impact from the unwind of storm events in late 2023
- A lower current period combined ratio, with both a lower loss ratio and expense ratio driven in large part by higher earned premiums.

The reported loss ratio excluding releases decreased significantly to 60.0% (2023: 72.6%) as a result of the higher earned premiums, along with relatively benign weather and a reduction in claims frequency.

Weather was relatively benign in both periods. While there was some impact of freeze, flood and storm events, this was considered below a budget expectation, creating a net benefit to the current period loss ratio of just under 8% (2023: 3.8%).

Despite growth in absolute expenses during the year as the business grew, Admiral's expense ratio improved to 27.3% (from 29.4%), benefiting from the larger portfolio and the earning through of higher average premiums. Customer growth leading to higher acquisition costs and IT integration costs relating to the More Than acquisition were the primary drivers of the increase in absolute costs.

The quota share result for the period (a loss of £61.2 million compared to £1.4 million) arises as a result of the proportional sharing of the positive underlying underwriting result, with only a small amount of profit commission recognised to date on underwriting year 2024, due to a relatively cautious view of the written combined ratio.

Case study

Group growth

We reached a major milestone by surpassing 11 million customers across the Group, with growth in most of our markets.

This success highlights our ability to continuously evolve and remain agile in challenging market conditions, while staying true to our core value of doing what is right for our customers.

In France, we now provide cover for over 500,000 customers – a significant achievement. Since launching, L'olivier has disrupted the car insurance market with competitive prices and a strong focus on customer experience. The growth in our French customer base is a testament to this. Admiral Seguros has also shown impressive growth, expanding its market share and improving customer satisfaction.

These achievements reflect the successful execution of our diversification strategy. We look forward to looking after even more customers and evolving our offering across the Group to meet their needs.

Case study

Customer feedback from Nitin

Admiral Group is a place where you can make a difference. We prioritise doing what's right for our customers and our people.

Within our contact centres, our colleagues are empowered to take action that they believe could make a positive impact on our customers. Our customer-facing teams are always helping customers to get the most out of their policies and supporting them through the claims process.

One of our customer-facing colleagues, Nicola, received the following feedback from a customer following his motor claim: "I would like to express my heartfelt thank you to Nicola. She put us at the forefront of any decision making and communications that she carried out. She is simply the best – an asset to your organisation and there aren't many people like her in this world."

Our brilliant customer service is also reflected in our industry-leading TrustPilot score of 4.6.

Case study

Creating safer roads for all

In the UK, somebody is killed or seriously injured on roads every 16 minutes, with 32% of casualties involving at least one young male driver[1]. These crashes don't just have catastrophic consequences for those directly involved – they also devastate the lives of their loved ones.

We want to help more people to look after their future and, as a leading motor insurer, this means creating safer roads for all.

This autumn, we launched our nationwide hard-hitting 'Words To Live By' campaign to remind people of the impacts of dangerous driving and empower parents and young people to take road safety seriously, and change their driving behaviour.

Our research found that, although 75% of young people are told to 'drive safely' before getting in their car, the phrase had lost its meaning because it is said so frequently. Our 'Words To Live By' campaign was created to encourage motorists to really consider these words before getting into their car, to adopt safer driving habits, and ultimately, save more lives. We created a video highlighting the devastating impact of reckless driving on young people and their families, which has been shown in more than 150 cinemas in the UK.

To amplify this important campaign, we partnered with brain injury charity, Headway, to share real-life stories from survivors of serious road collisions with young drivers. We also worked with a psychotherapist to create a series of conversation starters, tips and advice to help parents and young drivers have deeper and more meaningful conversations about what it really means to drive safely, and wrote to MPs in constituencies with the highest claims frequencies by young people to share the campaign video and discuss how we could work together to tackle this issue. We will continue to promote the campaign and the need for safer roads in 2025.

Promoting road safety is a focus for us across our markets. In Italy, we have partnered with our Legal Protection provider, Allgemeine Rechtsschutz-Versicherungs-AG (ARAG), to raise awareness of dangerous driving behaviours. We attended roundtables on road safety with ARAG and Konsumer Italia, an Association for the Defence of Consumers and the Environment, and, ahead of the new Italian Highway Code coming into effect, we created social media adverts, which promoted safer driving habits. In the USA, we have a long-term partnership with Project Yellow Light, a scholarship competition designed to raise awareness of the dangers of distracted driving among young drivers. The competition sees students challenged to create video, radio and billboard adverts that encourage their peers to develop and embrace safer driving habits.

1 Department for Transport.

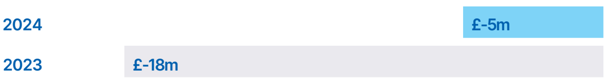
International Insurance review

We continue to prioritise margin and customer satisfaction across our markets

Our performance

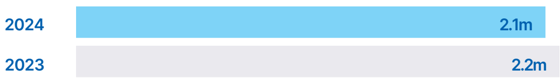
International Insurance profit before tax

£-5m



International Insurance customer numbers

2.1 million



In 2024 we continued to prioritise margin over growth, maintaining our pricing discipline which resulted in an improved performance in most of our markets.

Market conditions improved in France and Spain, with premiums finally increasing to reflect continued claims inflation. Having increased prices ahead of competitors in 2023, the businesses saw their competitiveness improve resulting in an improved performance year-on-year.

On 1st July, Julien Bouverot was appointed CEO of L'olivier which now insures 453,000 motorists and 83,000 homes. In 2024 the business has increased its turnover and delivered a double-digit profit. The team is also investing in its technological capabilities to make it easier to provide multiproduct propositions for its growing customer base.

In Spain, Admiral Seguros is making good progress against its distribution diversification strategy which aims to make it easier for customers to access insurance through the channels that best suit them. This approach is yielding positive results with a lower expense ratio despite the investment into new channels.

2024 was more challenging for ConTe, partly, driven by the update to the Milan Court tables which determine the cost of most bodily injury claims, inflation and because of some adverse experience, notably from some business written in 2023. The management team has already taken material pricing and other remediating actions to restore ConTe to profitability.

Our team in the US has achieved a great turnaround. Elephant delivered a profit of £14 million due to management's focus on improving the book mix and cost discipline. The business experienced a shrinkage of book size which is now stabilising. We are proud of the team's hard work. As previously mentioned, we've been assessing the strategic options for Elephant. We have made good progress and are in exclusive talks with a potential acquirer.

Our colleagues' commitment and dedication to our customers and each other is unmatched, which is why we continue to see positive customer satisfaction scores across the board and our businesses are recognised as Great Places to Work. The combination of our colleagues and management teams' strategic focus and expertise mean that we are well-placed for a positive 2025.

"The combination of our colleagues and management teams' strategic focus and expertise mean that we are well-placed for a positive 2025."

Costantino Moretti
CEO, International Insurance

International Insurance review
continued

France

Julien Bouverot
CEO L'olivier

2024 was my first year as CEO of L'olivier and I'm pleased to say that the business performed well in a French property and casualty insurance market where prices have finally increased after two years of relative stability, despite continued claims cost inflation.

In Motor, the disciplined strategy to raise prices ahead of competitors in 2023; double down on operational efficiencies; and optimise acquisition strategies has borne fruit. With a solid 90% written combined ratio, a 4% increase in turnover and an earned profit of £11 million, L'olivier has reached its 2024 objectives and is well positioned to achieve more. We now insure more than 450,000 customers (8% vs. prior year) and turnover grew to £224 million (2% vs. prior year).

In Household, the policy base grew by 45% (albeit from a low base) to reach 80,000 customers as the team is executing a prudent but sustainable growth strategy. We are investing in our technology to provide our customers with a more integrated multi-product offering.

I am grateful to the team for their commitment to our success.

Italy

Antonio Bagetta
CEO, ConTe

2024 was a challenging year for the Italian market due to competition and inflation, including sharp increases to the bodily injury settlement rates (Milan Court tables[1]).

This, alongside some portfolio underperformance, led to a disappointing year for ConTe. As a result, we strongly prioritised margins and rate increases, portfolio pruning, and rigorous cost management. This led to a c.10% increase in average premium, an improved reported expense ratio despite lower volumes, with further benefits from remediating actions expected to earn through in 2025.

Despite these headwinds, we continued to deliver an excellent service for our 984,000 customers. Thanks to our customer focus, our NPS and Trustpilot ratings are at the top end of the market.

Our inclusive culture earned us third place in GPTW with an 87% Trust Index for the second year.

Looking at 2025, we will continue to focus on margins and profit recovery, while embracing innovation and collaboration to seize new opportunities together.

Spain

Sarah Harris
CEO, Admiral Seguros

During 2024, Admiral Seguros focused on margins and discipline, whilst continuing to offer customers quality products and making good progress in new channel investments.

Following strong pricing action ahead of the market in 2023, our competitiveness improved this year as the market increased prices in response to persistent inflation. Average premiums were higher than 2023 as rate increases earned through. We also remained focused on cost management and delivered a lower expense ratio despite investments in distribution.

Our direct channel delivered a good performance and we started to see positive impacts from targeting higher margin segments in the broker channel. Our partnership with ING celebrated its first anniversary with good progress to date.

I am thankful to all the team for their hard work and enthusiasm with 2024 seeing Admiral Seguros, once again, voted 2nd Great Place to Work for its size. I look forward to building on the successes together during 2025.

US

Alberto Schiavon
CEO, Elephant

In 2024, we are pleased to deliver a profit of £14 million on the back of a 20 point-improvement in our combined ratio[2], outperforming market performance for 2024.

These results were achieved through a continued focus on rate adequacy and careful expense management. Whilst turnover decreased 26% year-on-year due to the competitive acquisition landscape and intentional actions to improve book mix, we maintain our customer focus and have improved our Trustpilot score. Top line trends started to improve in late 2024, which brings hope for a more stable book to accompany continued profits in 2025.

If there is one word to describe Elephant and its people it would be resilient. It makes me incredibly proud to see all the tremendous hard work every person has contributed toward Elephant's 2024 success.

1 Bodily injury rating tables in Italy which refer to the compensation associated with a given degree of permanent disability
2 Earned whole account basis net of XoL

International Insurance review
continued

International Insurance financial performance

£m	2024	2023
Turnover[1]	840.0	894.9
Total premiums written[1]	785.7	840.0
Insurance revenue	829.5	842.6
Insurance revenue net of XoL[1]	794.2	811.8
Insurance expenses[1]	(236.5)	(249.4)
Insurance claims net of XoL[1]	(564.5)	(565.2)
Underwriting result, net of XoL[1]	**(6.8)**	**(2.8)**
Quota share reinsurance result[1, 3]	(4.1)	(22.1)
Movement in net onerous loss component	0.4	0.6
Underwriting result[1]	**(10.5)**	**(24.3)**
Net investment income	6.1	4.3
Net other revenue	(0.9)	2.0
International Insurance loss before tax[1, 4]	**(5.3)**	**(18.0)**

Segment performance indicators

£m	2024	2023
Loss ratio[1, 2]	71.1%	69.6%
Expense ratio[1, 2]	29.8%	30.7%
Combined ratio[1]	100.9%	100.3%
Insurance service margin[1, 2]	(1.3%)	(3.0%)
Customers insured at period end[1]	2.10m	2.17m

International Motor Insurance - Geographical analysis[1]

2024	Spain	Italy	France	US	Total
Vehicles insured at period end	0.45m	0.96m	0.45m	0.14m	**2.00m**
Turnover (£m)	131.8	269.1	224.0	200.1	**825.0**

2023	Spain	Italy	France	US	Total
Vehicles insured at period end	0.45m	1.04m	0.42m	0.19m	**2.10m**
Turnover (£m)	121.8	272.4	219.1	271.2	**884.5**

Segment result: International Insurance result[1]

£m	2024	2023
European Motor	(14.8)	6.1
Spain Motor	(3.1)	(8.6)
Italy Motor	(22.8)	7.3
France Motor	11.1	7.4
US Motor	14.4	(19.6)
Other	(4.9)	(4.5)
International Insurance loss before tax	**(5.3)**	**(18.0)**

1 Alternative Performance Measures – refer to the end of this report for definition and explanation.
2 Alternative Performance Measures – refer to Appendix 1d for explanation and reconciliation to statutory income statement measures.
3 Quota share reinsurance result within the segment result excludes reinsurers' share of share scheme costs.
4 Costs related to the settlement of a historic Italian tax matter during 2023 are excluded from the International Insurance result and presented within Group other costs, given that these are not reflective of the underlying trading performance of the International Insurance business.

International Insurance review
continued

Admiral's International insurance businesses reported a 3% reduction in customer numbers at 31 December 2024 to 2.10 million (31 December 2023: 2.17 million), as a result of a continued reduction in the US, and a reduction in Italy following pricing action taken to prioritise margin over growth. Turnover fell to £840.0 million (2023: £894.9 million), driven by a reduction in the US, partially offset by higher turnover in the European businesses as a result of higher average premiums.

The combined result for the segment improved by around £13 million to a loss of £5.3 million (2023: loss of £18.0 million), driven by a significantly improved result in the US, which was partly offset by the disappointing Italian result.

The combined ratio increased slightly to 100.9% (2023: 100.3%). An improved expense ratio (30% v 31%) was offset by a higher loss ratio, which was impacted by higher Italian and lower US and other European loss ratios.

The European insurance operations in Spain, Italy and France insured 1.86 million vehicles at 31 December 2024 – 2% lower than a year earlier (31 December 2023: 1.91 million). Motor turnover was up 2% to £624.9 million (2023: £613.3 million), driven by continued price increases following continued focus on improving loss ratios.

The combined European Motor loss was £14.8 million (2023: £6.1 million), with the combined ratio increasing to 105.0% (2023: 95.4%) largely a result of the loss of £22.8 million recognised in ConTe in Italy (2023: profit of £7.3 million).

ConTe's performance in 2024 was adversely impacted by both the significant increase to the settlement inflation rate for large bodily injury claims provided by the court of Milan (known as the Milan tables) which had an impact of approximately £16 million, and also the impact of continued inflation on claims settlement costs, particularly on business written in 2023. Action has been taken with strong price increases to improve the loss ratio and restore profitability. Vehicles insured decreased by 7% to 0.96 million (2023: 1.04 million) as a result of the pricing action, with turnover decreasing by 1% to £269.1 million (2023: £272.4 million).

L'olivier assurance (France) continued to grow, with the customer base increasing by 8% to 0.45 million (31 December 2023: 0.42 million), and turnover increasing by 2% to £224.0 million (2023: £219.1 million). The business reported increased profits in 2024 (£11.1 million v £7.4 million) as a result of its focus over the past year on risk selection and loss ratio improvements, as well as cost reduction.

In Admiral Seguros (Spain) customer numbers were flat at 0.45 million, due to increased prices to target loss and expense ratio improvements. The loss for the year was notably lower (£3.1 million v £8.6 million). Admiral Seguros continues to focus on sustainable growth through distribution diversification in the broker channel and other partnerships alongside its direct offering.

In the US, Admiral underwrites motor insurance through its Elephant Auto business. Elephant delivered a significantly improved result in 2024 with a profit of £14.4 million (2023: loss of £19.6 million) due to strong management action on pricing, underwriting and expense control.

In early March 2025, Admiral entered into a memorandum of understanding with a counterparty with a view to signing a purchase agreement to sell Elephant. The agreement, if signed, would be subject to regulatory approval.

Meeting Europe's Chief Data Officer

I'm Paola, and I'm Europe's Chief Data Officer. My role involves defining and implementing our data strategy in Europe, overseeing data governance, and using advanced analytics to optimise risk management, improve customer insights, and support product innovation.

Across the Group, we are focused on evolving our technology and data capabilities to meet changing customer needs and trends. Effective data analytics is crucial because it means that we can accurately assess risks, improve how we price, and offer our customers a personalised experience. By transforming data into actionable insights, we can enhance our decision making. It also helps to encourage innovation and defend our competitive advantage in a rapidly evolving market.
AI helps us to evolve our proposition because it improves our risk assessment through more precise underwriting and faster identification of emerging patterns and trends. Within claims management, AI helps us to detect fraud and streamline claim processing which helps to resolve customer claims more quickly.

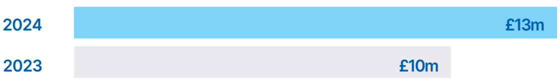
Admiral Money review

Being an efficient, customer-centric lender is proving to be a successful formula

Our performance

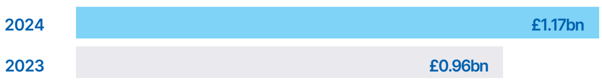
Admiral Money profit before tax

£13m



Gross loans

£1.17bn



I'm pleased to be able to say it has been a positive 2024 for Admiral Money. Throughout the year we have retained a firm focus on prime lending and continued to prioritise a controlled and conservative approach to growth. Our book at the end of December stands at £1.17 billion, 23% growth since FY 2023.

Our gross income of £112.5 million has grown 19% since FY 2023, reflecting the higher average balances through the year. Our book net interest margin finishes the year at a healthy 650bps and our credit performance has been more than satisfactory, with a full year of cost of risk of 2.5%. The outcome of this has been our third consecutive year of growing profits, achieved whilst maintaining an appropriately conservative provision to cover potential credit losses.

Our NPS score of 75 and Trust Pilot score of 4.4 provide continued evidence that our focus on being an efficient customer-focussed prime lender, providing certainty and transparency to UK customers on their lending needs through offering guaranteed rate solutions, is a successful formula.

In 2024 we have also continued our focus on being the lender of choice for Admiral Insurance customers. This is a key pillar of our strategy and where we have the most significant competitive advantage. Over 68% of our new customer flows in 2024 came from either current or recent Admiral Insurance customers.

When we set out Admiral Money's strategy in 2018, we identified four key ingredients for an 'Admiral-like' lender. Over seven years, we have clearly proven three: pricing excellence, expense efficiency, and product differentiation. I'm delighted to see us take our first step towards delivering the fourth, using third-party capital to enhance shareholder returns and manage risk. I'm pleased to confirm our first off-balance-sheet deal, a forward flow agreement consisting of £150 million back book and up to £300 million per annum, transferring loan risk off Admiral's balance sheet in exchange for origination and servicing fees. This milestone enables future growth beyond the Group's balance sheet and acts as a model for us to expand participation in consumer lending beyond the current asset classes.

Looking to 2025, we enter with strong momentum. I expect to see continued growth towards the £1.3 billion on-balance sheet loans, with total loans under management towards £1.6 billion. I'd like to finish by thanking our customers and all of my colleagues and wish everyone the best for 2025.

> **"We continue to deliver sustainable growth and are proud to announce our first deal using third-party capital to execute on our strategy to enhance shareholder returns."**

Scott Cargill
CEO, Admiral Money

Admiral Money review
continued

Admiral Money financial review

£m	2024	2023
Total interest income	112.5	94.7
Interest expense[1]	(43.2)	(28.3)
Net interest income	**69.3**	**66.4**
Other income	0.5	0.1
Total income	**69.8**	**66.5**
Credit loss charge	(26.9)	(33.4)
Expenses	(29.9)	(22.9)
Admiral Money profit before tax[2]	**13.0**	**10.2**

1 Includes £6.1 million intra-group interest expense (2023: £1.5 million).
2 Alternative Performance Measures – refer to the end of this report for definition and explanation.

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

Admiral Money recorded a pre-tax profit of £13.0 million in 2024, improved from £10.2 million profit in 2023, continuing the positive trajectory of growth in both the loan book and profit.

The business has continued to focus on writing high-quality loans, with the increase in profit largely driven by net interest income growth of 4% to £69.3 million (2023: £66.4 million), as well as a reduced provision charge driven by a focus on high-quality risk selection and positive loss performance. Increased interest expense is driven by market-linked funding instruments and continued investment to support the ongoing growth in the business, partially offset the increased net interest income and lower credit loss charge.

Gross loans balances totaled £1,174.0 million at the end of the year (31 December 2023: £956.8 million), with a £84.3 million (31 December 2023: £81.7 million) expected credit loss provision. This leads to a net loans balance of £1,089.7 million (31 December 2023: £875.1 million).

Credit loss models reflect the latest economic assumptions and appropriate post model adjustments remain in place to maintain an appropriately cautious level of provisioning. The provision to loans balance coverage ratio is lower at 7.2% (31 December 2023: 8.5%), with a £2.6 million increase in absolute provision size in the period to £84.3 million. The provision includes lower post model adjustments of £4.6 million (31 December 2023: £9.2 million) reflecting the improved UK economic outlook.

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

Other Group items

Other Group items financial review

£m	2024	2023
Share scheme charges	(62.2)	(54.4)
Other central costs	(51.2)	(41.7)
Admiral Pioneer result	(11.3)	(16.2)
Business development costs	(20.1)	(15.3)
Finance charges[1]	(26.4)	(20.3)
Compare.com loss before tax	–	(2.6)
Sale of shares in Insurify	12.5	–
Other interest and investment income	13.5	4.6
Total	**(145.2)**	**(145.9)**

1 Finance charges within other Group items include £1.8 million (2023: £1.7 million) that relate to intra-group arrangements, with the corresponding income presented within the UK Insurance result.

Share scheme charges relate to the Group's two employee share schemes. The increase in charge in the period is driven primarily by both higher vesting assumptions and increases in bonuses tied to dividends paid in the year.

Other central costs consist of Group-related expenses and include an allocation of Group employee costs as well as the cost of a number of significant Group projects. In 2024, these include the cost of a one-off employee bonus of approximately £8 million, along with higher project costs for the internal capital model development and the strategic review of the US Insurance business. In addition, central Group employee expenses increased relative to 2023.

Admiral launched Admiral Pioneer in 2020 to focus on new product diversification opportunities. Pioneer businesses include Veygo (short-term and learner driver car insurance in the UK) and Admiral Business (small business insurance in the UK). Pioneer's businesses reported a lower loss of £11.3 million in 2024 (2023: £16.2 million). The 2023 result was impacted by adverse large claims experienced in Veygo (one large claim in particular); the improvement in 2024 arises from continued growth and better claims experience, with Veygo reporting its first profit. The overall loss in Admiral Pioneer reflects continued investment in the development of new products, including for example, the partnership with Insurtech fleet insurer Flock, entered into in 2024.

Business development costs increased to £20.1 million (2023: £15.3 million), primarily as a result of non-recurring transaction and other costs of £6.5 million related to the More Than acquisition.

Finance charges of £26.4 million (2023: £20.3 million) primarily related to interest on the £250 million subordinated notes issued in July 2023 at a rate of 8.5%, with the charge in 2023 based on the original £200 million subordinated loan notes issued in July 2014. The increase in finance charges is largely offset by the increase in other interest and investment income, which arises primarily from the higher interest rate environment, with 2023 also including a loss on disposal of £3.6 million.

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

As the leading motor insurer, we always want to better understand emerging and evolving mobility trends.

In June, Admiral Pioneer, our business focused on building new customer propositions, entered into a partnership with Insurtech fleet insurer Flock. This partnership allows us to better understand the fleet market and learn from Flock's innovative technology, while enabling Flock to support a wider range of fleet customers, and benefit from our insurance expertise.

Group capital structure and financial position

The Group manages its capital to ensure that all entities are able to continue as going concerns and that regulated entities comfortably meet regulatory capital requirements. Surplus capital within subsidiaries is paid up to the Group holding company in the form of dividends.

The Group's regulatory capital is based on the Solvency II Standard Formula, with a capital add-on to reflect recognised limitations in the Standard Formula with respect to Admiral's business, predominantly in respect of profit commission arrangements in co-insurance and reinsurance agreements.

Admiral continues to develop its partial internal model to form the basis of calculating capital requirements post-approval. This programme is ongoing with regular engagement with the regulator on the application process and timing.

The current approved capital add-on is £24 million.

The estimated and unaudited Solvency ratio for the Group at the date of this report is as follows:

Group capital position (estimated and unaudited)

£bn	2024	2023
Eligible Own Funds (post-dividend)[1]	1.74	1.42
Solvency II capital requirement[2]	0.86	0.71
Surplus over capital requirement	**0.88**	**0.71**
Solvency ratio (post-dividend)[3]	**203%**	**200%**

1 Own Funds include approximately £250 million of Tier 2 capital following the Group's issue of ten-year subordinated loan notes.

2 Solvency capital requirement includes updated, unapproved capital add-on.

3 Solvency ratio calculated on a volatility adjusted basis.

The Group's solvency ratio is slightly improved compared with the closing position of 2024 at 203% (2023: 200%). Own funds increased following continued strong generation of economic capital in the core UK motor business as a result of the positive current period underwriting performance of UK Motor and prior period releases, including the impact of the change in Ogden discount rate, which offset a reduction of around 11 points of solvency ratio following the de-recognition of intangible assets recognised in the More Than acquisition due to Solvency II rules, and a higher foreseeable dividend

The SCR also increased over the year, though to a lesser extent. The increase of approximately £150 million was primarily due to the increase in premiums across all Group businesses and the associated impact on underwriting and operational risk elements of the capital requirement.

The estimated solvency ratio including the fixed Group capital add-on of £24 million, that is calculated at the balance sheet date rather than the date of this report, and is expected to be reported in the Group's 2024 Solvency and Financial Condition Report (SFCR) is as follows:

Regulatory solvency ratio (estimated and unaudited)	2024	2023
Solvency ratio as reported above	**203%**	**200%**
Change in valuation date[1]	(9)%	(11)%
Other (including impact of updated, unapproved capital add-on)	4%	(6)%
Solvency ratio to be reported (SFCR)	**198%**	**183%**

Solvency ratio sensitivities

	2024	2023
UK Motor – incurred loss ratio +5%	(26)%	(11)%
UK Motor – 1-in-200 catastrophe event	(3)%	(1)%
UK Household – 1-in-200 catastrophe event	(3)%	(5)%
Interest rate – yield curve up 100 bps	(1)%	(1)%
Interest rate – yield curve down 100 bps	– %	1 %
Credit spreads widen 100 bps	(2)%	(5)%
Currency – 10% (2023: 25%) movement in euro and US dollar	(2)%	(3)%
ASHE – long-term inflation assumption up 100 bps	(6)%	(3)%
Loans – 100% weighting to 'severe' scenario[2]	(1)%	(1)%

1 The solvency ratio reported above includes additional own funds generated post-year-end up to the date of this report.

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

The increased sensitivity of the incurred loss ratio stress is the result of the growth in premium exposure and relatively profitability of the most recent underwriting year, whilst the increased sensitivity to ASHE is due to both a slight increase in settled periodic payment orders (PPOs), and higher PPO propensity assumptions following the change in Ogden.

Group capital structure and financial position
continued

Investments and cash

Investment strategy

Admiral Group's investment strategy focuses on capital preservation and low volatility of returns relative to liabilities, and follows an asset liability matching strategy to control interest rate, inflation and currency risk. A prudent level of liquidity is held and the investment portfolio has a high-quality credit profile. In 2024, the focus remained on matching, and cashflows were invested into high-quality assets to take advantage of healthy risk-free rates, whilst being appropriately cautious on the credit outlook. The Group holds a range of government bonds, corporate bonds, alternative and private credit assets, alongside liquid holdings in cash and money market funds.

A further aim of the strategy is to reduce the Environmental, Social, and Governance (ESG) related risks in the portfolio whilst continuing to achieve sustainable long-term returns. In 2024, the portfolio weighted average ESG score was upgraded to an MSCI AAA rating.

Total investment income for 2024 was £175.6 million (2023: £126.7 million).

The investment return on the Group's investment portfolio (excluding unrealised gains and losses and the movement in provision for expected credit losses) was £182.1 million (2023: £124.4 million). The annualised rate of return was higher at 4.0% (2023: 3.3%) mainly as a result of higher investment yields, with the increased income driven by a combination of the higher yield and increased asset balances following the growth in the business.

Investment return

£m	2024	2023
Underlying investment income yield	4.0%	3.3%
Investment return	182.1	124.4
Unrealised losses on derivatives	(0.2)	(0.2)
Movement in provision for expected credit losses	(6.3)	2.5
Total investment return	**175.6**	**126.7**

Cash and investments analysis

£m	2024	2023
Fixed income and debt securities	3,335.4	2,825.9
Money market funds and other fair value through P&L investments	1,421.0	918.8
Cash deposits	91.7	116.7
Cash	313.6	353.1
Total[1]	**5,161.7**	**4,214.5**

1 Total Cash and Investments includes £354.5 million (2023: £278.2 million) of Level 3 investments. Refer to note 6f in the financial statements for further information.

Cashflow

£m	2024	2023
Operating cashflow, before movements in investments	**1,303.4**	**697.5**
Transfers to financial investments	(810.3)	(285.5)
Operating cashflow	**493.1**	**412.0**
Tax payments	(124.1)	(133.0)
Investing cashflows (capital expenditure)	(144.2)	(75.9)
Financing cashflows	(436.0)	(216.7)
Loans funding through special purpose entity	178.1	44.9
Foreign currency translation impact	(6.4)	24.8
Net cash movement	**(39.5)**	**56.1**
Unrealised gains on investments	11.4	98.1
Movement in accrued interest, foreign exchange and unrealised gains on derivatives	165.0	69.0
Net increase in cash and financial investments	**947.2**	**508.7**

Group capital structure and financial position
continued

The main items contributing to the operating cash inflow are as follows:

£m	2024	2023
Profit after tax	**662.9**	**337.2**
Change in net insurance contract liabilities	606.5	309.5
Net change in trade receivables and liabilities	46.3	(42.3)
Change in loans and advances to customers	(231.4)	(73.6)
Non-cash Income Statement items	42.8	61.1
Taxation expense	176.3	105.6
Operating cashflow, before movements in investments	**1,303.4**	**697.5**

The Group continues to generate significant amounts of cash, particularly notable during 2024, and its capital-efficient business model enables the distribution of the majority of post-tax profits as dividends. Total cash and investments at 31 December 2024 was £5,161.7 million (31 December 2023: £4,214.5 million), the increase reflecting the collections from higher written premium in UK Insurance.

The net increase in cash and investments in the period is £947.2 million (2023: increase of £508.7 million).

Taxation

The tax charge for the period is £176.3 million (2023: £105.6 million), which equates to 21.0% (2023: 23.8%) of profit before tax. The tax rate in 2023 was impacted by the settlement of a non-recurring historic Italian tax matter. In addition, in 2024, a greater proportion of profits has arisen in the Group's businesses outside the UK, leading to the lower effective tax rate. See note 10 to the financial statements for further details.

Co-insurance and reinsurance

Admiral makes significant use of proportional risk sharing agreements, where insurers outside the Group underwrite a majority of the risk generated, either through co-insurance or quota share reinsurance contracts. These arrangements include profit commission terms which allow Admiral to retain a significant portion of the profit generated.

Although the primary focus and disclosure is in relation to the UK Motor Insurance book, similar longer-term arrangements are in place in the Group's International Insurance operations and the UK Household and Van businesses.

UK Motor Insurance

Munich Re and its subsidiary entity, Great Lakes, currently underwrite 40% of the UK Car business. From 2022, 20% of this total is on a co-insurance basis (via Great Lakes) and will extend to 2029. The remaining 20% is on a quota share reinsurance basis and these arrangements now extend to 2026.

The Group also has other quota share reinsurance arrangements confirmed to at least 2025 covering 38% of the business written.

The nature of the co-insurance proportion underwritten by Munich Re (via Great Lakes) in the UK is such that 20% of all Car premium and claims accrue directly to Great Lakes and are not reflected in the Group's financial statements. Similarly, Great Lakes reimburses the Group for its proportional share of expenses incurred in acquiring and administering this business.

Admiral's UK Motor quota share reinsurance arrangements result in all premiums, claims and expenses that are ceded to reinsurers being included within the quota share result in the Group's financial statements, with a recovery recognised where years are not yet profitable.

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

Admiral tends to commute its UK Car Insurance quota share reinsurance contracts 24-36 months after inception of an underwriting year, assuming there is sufficient confidence in the profitability of the business covered by the reinsurance contract.

In 2024, there were commutations of a small number of remaining contracts from underwriting years 2017-2020. All arrangements covering the 2020 and prior underwriting years have now been commuted. In addition, a majority of contracts from underwriting year 2021 have been commuted during 2024. There was no significant impact on profit before tax as a result of the commutations.

UK Household Insurance

The Group's Household business is supported by long-term proportional reinsurance arrangements covering 70% of the risk, that runs to at least 2027. In addition, the Group has non-proportional reinsurance to cover the risk of catastrophes stemming from weather events.

International Car Insurance

In 2023 and 2024, Admiral retained 35% (Italy), 30% (France), 30% (Spain), and 40% (2023) and 60% (2024) (US) of the underwriting risk in each country, respectively. In 2025, Admiral will retain 60% of the underwriting risk in Italy and 100% of the underwriting risk in the US, with the retained share in France and Spain unchanged.

Excess of loss reinsurance

The Group also purchases excess of loss reinsurance to provide protection against large claims and reviews this cover annually. The UK Motor excess of loss cover in 2024 remained similar to prior years with cover starting at £10 million.

Sustainability

Looking forward to our future

Our sustainability journey

Admiral's purpose is 'to help more people to look after their future. Always striving for better, together'. This means that, in addition to providing great customer experiences and an inspiring place to work for our people, we also strive to make a positive impact on society.

Throughout 2024, we dedicated time and resource to a range of local, regional, and global sustainability issues, including projects focused on climate change, social and financial inclusion, and partnerships aiming to deliver employment opportunities for under-represented groups.

We continue to apply the United Nations Sustainable Development Goals (SDGs) to guide our approach to sustainability, helping us to balance our focus across a range of environmental, social, and governance issues.

In 2024, we expanded our sustainability expertise to help coordinate and support initiatives, and embed sustainability into core business strategy and decision making.
Work continues to help our business, supply chain, and partners transition to more sustainable practices and improve our understanding and measurement of our impact on society.

Our purpose framework

Sustainability
continued

Our sustainability ambition drives us to continuously reduce our net environmental impact, enhance the quality and effectiveness of our social purpose initiatives, and operate as a responsible business. Our progress in these three areas is measured through environmental, social and governance (ESG) ratings. We welcome the opportunity to be benchmarked, with improvements reflected in ratings such as our MSCI rating page 63.

We established ambitious targets for 2024, which we successfully achieved, including:

- Publishing our first Net Zero Transition Plan, which details how we plan to achieve net zero by 2040, and calculating our first Motor Insurance customer emissions footprint
- Through our partnership with The King's Trust, we supported more than 200 young people to access training that prepared them for digitally enabled roles
- Committing to deliver over 25,000 hours of community volunteering, known as impact hours
- Embedding our new sustainability governance structure and Sustainability Steering Committee.

In 2024, in line with our purpose, we made progress in broadening our international partnerships to support funding programmes across the globe, including Europe, Canada, and India. These were aimed at enhancing our global reach and impact, ensuring that we can contribute to various initiatives and projects worldwide.

We also had an active voice as part of our membership in key forums with national, regional, and local policymakers. We contributed to forums where we could share our experience, such as the Association of British Insurers (ABI) Climate Change Committee, and attended several thought leadership round tables and conferences.

As the only FTSE 100 company based in Wales, we believe that we have a pivotal role to play in inspiring collaboration and innovation, and helping policy makers, community advocates and innovators to work together to help shape the future. We aim to continue making a significant contribution to economic, environmental and social welfare across Wales, the UK and all of our global territories.

For greater detail on our sustainability activity please see our 2024 Sustainability Report.

Key achievements and focus areas

Our three key areas

- Reducing our environmental impact
- Strengthening our social purpose
- Operating as a responsible business

Key achievements in 2024

- Centralised sustainability team to support environmental, social and governance
- Converted our revolving credit facility to a sustainability-linked loan[1]
- Received approval of Admiral's first set of science-based targets
- Published Admiral's first Net Zero Transition Plan
- Improved MSCI rating from AA to AAA
- Supported 31 partnerships to deliver social impact
- Exceeded our target of 25,000 impact hours
- Embedded our sustainability governance framework

Areas of focus for 2025

1. Support more customers to make sustainable choices
2. Prepare for the evolving regulatory environment
3. Align social purpose with strategic goals
4. Further integrate net zero principles into our business
5. Build resilience and understanding of strategic ambition across our supply chain
6. Collaborate and innovate towards net zero

1 See Admiral's 2024 Sustainability Report for basis of reporting on sustainability-linked loan.

Sustainability
continued

Governance

In 2024, Admiral Group strengthened the integration of sustainability into its overall strategy, building on the sustainability governance framework approved by the Group Board in 2023.

This year also marked the first full year of the Group sustainability team, led by the Chief Sustainability Officer (CSO). The team has focused on embedding sustainability across all business activities and legal entities within the Group.

Our sustainability governance framework

Board responsibility

The Group Board is responsible for determining Admiral's overall strategy, setting priorities, and defining the Group's risk appetite, including considerations of sustainability. As climate change is a topic covered under 'ESG', it is included within the scope of our sustainability goals and targets.

Historically, the Group Board has delegated the responsibility for reviewing climate-related risks to the Group Risk Committee, and climate-related disclosures to the Group Audit Committee. In 2024, the Committees' scopes were formally expanded to fully cover sustainability, inclusive of climate change.

The Group Board also approved the creation of a Sustainability Steering Committee (SSC), delegating responsibility for the development and implementation of Admiral's sustainability approach to the SSC. The SSC, through its oversight of five sustainability working groups, oversees business activities, tracks progress on meeting our sustainability commitments and targets, and ensures that processes are in place to comply with sustainability regulations and industry standards.

The SSC reports material items to the Group Board. For example, in 2024 our Net Zero Transition Plan was taken through the sustainability governance channels, with SSC recommending it to the Group Board for approval. In addition, the Group Board annually reviews the sustainability strategy and receives a progress update on delivery of our targets and goals.

For details on Board composition and expertise see page 101-106.

The **Group Audit Committee** (GAC) reviews and challenges, where appropriate, the integrity of Admiral's sustainability and climate-related financial disclosures and the effectiveness of the controls around sustainability activities including climate-related risks. In 2024, it reviewed and approved the Task Force on Climate-related Financial Disclosures (TCFD) report, and the Streamlined Energy and Carbon Reporting (SECR) report.

In addition, GAC commissioned Deloitte to provide independent limited assurance over our absolute Scope 1 and 2 (market and location based) emissions and energy consumption, and percentage of women in senior management roles within this Annual Report and Accounts. For further information see page 143. The assurance engagement was planned and performed in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised)) and International Standard on Assurance Engagements 3410 (ISAE 3410). This independent assurance report is separate from Deloitte's audit report on the financial statements and is available at page 41 of the Sustainability Report.

The **Group Risk Committee** (GRC) oversees the identification, assessment and management of sustainability and climate-related risks, ensuring these are integrated into the Group's risk management framework and aligned with regulatory expectations and other industry standards. Sustainability and climate updates are included within the Chief Risk Officer's report, which is presented at each GRC meeting. Climate change considerations are also reported within the Own Risk and Solvency Assessment (ORSA) report and TCFD report, which is reviewed by the GRC before being recommended for approval by the Group Board.

The **Group Remuneration Committee** is responsible for aligning executive remuneration with Admiral's sustainability objectives, ensuring incentive structures support the achievement of climate-related targets and broader ESG commitments. For more detail on remuneration structures see page 151.

Climate-related risks and opportunities are also considered within the Group Investment Committee, the Group Assets and Liabilities Committee, and Group Reserving Committee. Please see TCFD section page 66 for more detail and examples on how these Committees specifically cover climate change.

The Group's **subsidiary Boards** have similar responsibilities to the Group Board and are supported by relevant Group functions (for example the Investment, Risk and Compliance, Finance and Sustainability teams) to embed sustainability and climate-related considerations locally. For example, with the incoming Corporate Sustainability Reporting Directive (CSRD) regulation, sustainability, inclusive of any climate considerations, is a standing agenda item at each Admiral Europe Compañía de Seguros's (AECS) Board.

Senior management accountability

The **Chief Executive Officer (CEO)** of Admiral Group is ultimately responsible for executing the sustainability approach. Day-to-day oversight is delegated to the Group Chief Risk and Compliance Officer (GCRCO), who also manages climate-related risks under the Financial Conduct Authority's Senior Managers and Certification Regime.

The **GCRCO**, assisted by the Group Sustainability and Risk functions' leadership team, oversees sustainability and climate-related risks, which are embedded in the Group risk management framework and reported to the Group Board and Group Risk Committee.

In 2024, the **CSO** expanded the Group Sustainability team's remit to better coordinate sustainability activities across the Group. The team took on new roles to increase expertise and meet the Group Board's sustainability commitments. This structure will evolve throughout 2025 to strengthen the approach to managing sustainability-related risks and opportunities. Investment management responsibilities, including responsible investment and climate change considerations, are held by the **Group Chief Financial Officer**.

Sustainability
continued

Sustainability governance framework

Sustainability governance structure

With the Group Board's approval, the Group Sustainability team established a tiered sustainability governance structure that includes a Sustainability Steering Committee (SSC) and five working groups focused on key sustainability areas. These working groups provide important support to business stakeholders, helping them to integrate sustainability considerations into all business areas and key decision making.

The SSC convenes quarterly to ensure a cohesive sustainability approach across the Group, including overseeing the achievement of our net zero objective and strategic embedding of sustainability. It is authorised by the Group Board to make decisions on sustainability initiatives and developments identified by the sustainability working groups.

The SSC is chaired by Admiral's GCRCO, who also serves as the Executive Sponsor for sustainability and Admiral's Diversity, Equity and Inclusion (DE&I) strategy. Other executive members include the CEO of Admiral Group, CEO of AECS, CSO, Director of Group Finance, and the Chairs of the five sustainability working groups. The CSO reports regularly on sustainability matters to the Group and entity Boards and other governance committees.

Where other committees consider climate-specific matters details of this have been included within the Task Force for Climate-related Disclosures (TCFD) on page 66.

Material sustainability topics

Aligning our approach with UN Sustainable Development Goals (SDGs)

We continue to align our approach to the 17 UN SDGs as they provide a useful approach to evaluate the contribution the business makes to a range of sustainability-linked issues. The SDGs also highlight the importance of access to decent work, education and services such as health care, and we believe that our role in facilitating access to transport and improving the mobility of communities through the insurance we provide, is an important element in facilitating this. For more detail on our contribution towards the SDGs, please see page 61-63.

Our approach to sustainability materiality

In 2024, we updated our view on the sustainability topics that matter most to our business. Our process evolved from our last assessment, where we considered financial materiality alone, to capturing both financial and impact materiality. This is known as a 'double materiality' assessment in which:

- **Financial materiality** (outside-in) identifies sustainability-related risks and opportunities that could impact our organisation's financial and business performance
- **Impact materiality** (inside-out) identifies sustainability-related impacts, both positive and negative, that our organisation can have on the world and wider society.

We enlisted external expertise to support our materiality assessment, allowing us to use proven methodology and incorporate qualitative and quantitative insights.

Stakeholders participated in workshops to score materiality of ESG impacts, risks and opportunities. Review and validation sessions ensured our process and results were robust and accurate, further assessed through our sustainability governance structure.

We believe that this approach to sustainability materiality is an essential foundation to developing our strategic ambitions and future regulatory readiness.

Sustainability
continued

Material sustainability issues

The following table summarises the results of our 2024 materiality assessment for Admiral Group[1], highlighting the most material topics for the Group. As the materiality assessment is an iterative process, the results could be subject to change in future years when the assessment is re-run.

For more detail on our Double Materiality Assessment (DMA), please see our 2024 Sustainability Report.

2024 materiality assessment results

Environment	Climate change	How we help to mitigate and adapt to climate change, which is the long-term shift in average temperatures and weather patterns of the Earth, alongside the use of energy in all our operations.
	Biodiversity and ecosystems	The interactions between our business and the natural environment occurring mainly through supply chain and policyholder activities, focusing on biodiversity, biodiversity loss, and the health and functionality of ecosystems.
	Resource use and circular economy	The careful use of natural resources such as fossil fuels and circular economy principles, which focuses on eliminating waste and preventing the depletion of natural resources within our operations while servicing customer claims.
Social	Own workforce	Maintenance of positive working conditions within our organisation, striving for equal treatment and opportunities for all colleagues, and upholding all other work-related rights.
	Workers in the value chain	The equal treatment, opportunities and work-related rights for those employed within our supply chain.
	Affected communities	How we engage with local communities through partnerships and providing support. We take pride in supporting our local communities, an ethos that has been in Admiral since the start.
	Consumers and end-users	How we ensure the personal safety of our customers and the protection of their personal data, and achieve social and financial inclusion.
Governance	Business conduct	How we strive to foster a strong corporate culture emphasising ethical behaviour and integrity, and are committed to responsible business practices and transparent reporting.

1 These results are not subject to assurance requirements, as the updated assessment is a voluntary, strategic update of the sustainability topics that are most material to the Group.

Responsible business practices

Responsible procurement

Our third-party risk management framework seeks to ensure all our outsourcers and suppliers align with our sustainability values in all key areas including the environment, financial crime, data protection, ethical working practices and modern slavery. Third-parties' practices are assessed across their life cycle, from initial due diligence and subsequent monitoring through the contract period. Where suppliers' responses demonstrate a lack of appropriate policies or procedures, we issue an assessment to the supplier to capture further information and to encourage improvements. In addition, during 2024, we sought to work more closely with key suppliers on collective sustainability issues – with our UK's motor damage supplier board, comprising of our largest 14 motor suppliers, meeting with us to discuss progress on sustainability and to identify areas of collaboration.

Responsible investment

We strive to invest in a way that supports environmental and social sustainability. Our Investment Policy recognises our duty to protect the interests of our customers, society, and environment when investing the premiums we collect. Our investment portfolio strategy supports our ambitions to be net zero by 2040, to help drive real economic carbon emissions reductions, and it follows the Institutional Investors Group on Climate Change (IIGCC) Net Zero Framework. The investment team and Investment Committee continually monitor progress towards our investment targets by regularly tracking and reviewing ESG figures and statistics, from Weighted Average Carbon Intensity to SDG contribution.

For more detail on how we follow responsible investment stewardship, please see our 2024 Sustainability Report.

Sustainability
continued

Responsible marketing and product governance

We are committed to responsible marketing and advertising. As one of the leading insurers and financial services companies in the UK, we believe in serving our customers, communities and planet to deliver positive impact and support people in their journey to a more sustainable future.

Marketing and advertising can have a positive influence on behavioural change. Our campaigns help to communicate important information about our products and services. It is also a way for us to engage with consumers on issues that matter to them, for example:

- Our 'Words To Live By' campaign raises awareness around the frequency of accidents involving young drivers and promotes safer driving
- We ran numerous campaigns and communication initiatives around 'winter readiness', promoting numerous ways drivers can be safer, and homes can be better prepared
- Our campaigns promoting the switch to electric vehicles have included social media, and website posts, along with TV and radio adverts, establishing us as a leading electric vehicle insurer.

Ensuring that marketing communications are accessible to all consumers, including those with different needs and preferences, is a priority for us. We embed a variety of considerations in our marketing processes to ensure good outcomes for all.

Our responsibilities include accessibility, consumer understanding (clear language, not misleading), customer vulnerabilities and adherence to the necessary marketing regulations. When creating marketing communication for example, our brand guidelines and plain numbers practitioners offers guidance to ensure they are not overly complicated or confusing, so that our customers will understand them. We also want to make sure they will not mislead a customer into making a decision that is not right for them, so we have numerous processes to test and evaluate good understanding of our communication.

Responsible operations

We are committed to reducing the environmental impact of our direct operations - our buildings and our people. We have set ambitious GHG emissions reduction targets for our operations, including net zero by 2040.

- **Operational emissions and targets:** Admiral Group's near-term targets include a 70% reduction in Scope 1 and 2 emissions by 2030, verified by the Science-Based Targets initiative (SBTi). We aim to achieve net zero in all operational areas by 2040, with minimal use of offsetting for residual emissions
- **Emissions reporting:** Admiral reports on its operational emissions across Scope 1, 2, and 3. For Scope 2, we report both market-based and location-based emissions, reflecting the variance between these methods. Please see our SECR disclosure on page 64 for our 2024 operational emissions
- **Internal activities and achievements:** Admiral has undertaken several initiatives to reduce operational emissions, including purchasing 100% renewable electricity in the UK, achieving BREEAM excellent rating for its Cardiff headquarters, and upgrading Building Management Systems. Operational GHG emissions have been offset by Gold Standard carbon credits since 2020.

External recognition

Named in the **top 20** of Equileap's Top 100 companies for Global Gender Equality List

Financial Times Diversity Leaders 2025 list, placing **6th** across UK and Europe

6th in the Great Place to Work's® UK Best Workplaces for Women 2024

Admiral Solutions, India **Top 50** Best Workplaces for Women

Admiral Canada named one of Canada's Best Workplaces for Inclusion 2024 by Great Place To Work® Canada

ConTe has been awarded 13th Best Workplaces for Diversity, Equity and Inclusion 2024 by Great Place to Work® Italia

Social purpose

At Admiral, our focus on sustainability means we prioritise the wellbeing and development of everyone associated with our business, from our employees to the broader community, promoting an inclusive and thriving environment for all.

Our people

Diversity, equity and inclusion

Our internal diversity, equity and inclusion (DE&I) vision is to create an environment where colleagues feel genuinely supported. Our DE&I colleague led networks represent gender equality, race, ethnicity and culture, LGBTQ+, disability and neurodiversity, social mobility and age. These networks support the business in creating a safe and healthy environment and actively encourage allyship. Consequently, 95% of our colleagues believe we are a diverse and inclusive workplace, according to our 2024 Great Place to Work® survey results.

Inclusivity begins at recruitment, with advertisements on diverse job pages, including those for disability, ethnicity, and LGBTQ+; and accessible toolkit, Recite Me, to reduce entry barriers; and we ask all applicants if they need adjustments throughout the recruitment journey. Recognised as a Disability Confident Leader in the UK, we ensure that colleagues with a disability are able to participate fully, and receive a fair chance and full consideration for job roles and development opportunities.

Our Wellbeing and Workplace Support team promotes wellbeing and supports health, disability, and neurodiversity management. In 2024, as accredited Workplace Needs Assessors, the team built Customised Adjustments Plans (CAP) to support employees with health conditions, neurodiverse traits, or disabilities throughout their careers. To align with a universal design for all staff members, tools like Claro Read are made available to everyone, regardless of any need to disclose.

Additionally, Admiral is a Neurodiversity Friendly Employer, Menopause friendly employer, a founding member of Wellbeing of Women Employer Membership programme, an Endometriosis Friendly Employer and a Living Wage Employer, and in 2024, we launched our colleague led community to support Women in Tech and Data.

Leadership accountability is crucial to fostering inclusivity and driving continuous improvement. In 2024, we welcomed new senior leadership sponsors, including our Group DE&I Executive Sponsor and ten appointed sponsors across our European and UK entities. We understand that representation is crucial to our success. Our ambition in 2025 is to continue to increase representation across the Group including female representation in leadership and ethnic diversity.

Engagement

We ensure our people feel valued and part of the bigger picture through employee consultation groups (ECG) across international locations. These groups give employees a voice at the highest organisational level. In 2024, the UK ECG held four meetings discussing customer outcomes, sustainability and culture.

We also encourage engagement with senior managers through various meetings and channels such as coffee meetings with the CEO, 'Friendly Forums', and live Q&As. We regularly post intranet blogs so colleagues are kept up to date with the latest important business news and stories from across the Group, which drive engagement with our unique culture and ethos. It is important to us that colleagues have a voice, so we run two global surveys a year, Great Place to Work® and Pulse, to understand colleagues' experiences. We make sure that the results of these surveys are shared along with an outline of what we are doing to make Admiral an even better place to work.

87%

of colleagues believe every effort is made to understand the opinions and thinking of colleagues in the Admiral Group (Group Pulse, June 2024)

Learning and development

In 2024, we retained our focus on people, learning and development. We offer a wide range of development opportunities for our colleagues including coaching, accreditations, workshops, peer-to-peer and digital learning on a wide range of topics such as leadership, human skills and role-specific development. In 2024, our colleagues completed over 1 million hours of learning, and we saw 1,374 internal promotions.

Our tools include LinkedIn Learning Hub, internal leadership programmes and development hubs, as well as mandatory training in core areas.

We have introduced Connect R, a tool for connecting mentors and mentees around the business, to help with upskilling, and cultivating a culture of continuous learning and development. Additionally, we launched a new agile learning programme aimed at empowering employees to work towards the Admiral 2.0 strategy of becoming more agile.

20,000+

course completions on LinkedIn Learning Hub in 2024

Sustainability
continued

Community investment

Our community investment programme is focused on creating sustainable, long-term value, and addressing the needs of the communities where we live and work. We identify opportunities where we can have a meaningful impact on a range of sustainability issues (as identified in the UN SDGs) such as access to quality education, skills and employment.

In 2024, we committed over £3.3 million to our community investment, split across three areas:

- Strategic partnerships
- Impact Funds (our Green Fund Initiative and Global Emergency Fund)
- Colleague engagement (including small grants and our volunteering initiative, which we refer to as Impact Hours).

Strategic partnerships

A large proportion of our Community Investment Fund is invested in partnering with organisations across the world to drive sustainable, long-term strategic value to local communities and support our commitment to 'Help more people to look after their future. Always striving for better, together'.

In 2024, we invested over £1.4 million in community programmes, educational initiatives, and local enterprises, to allow individuals and communities to thrive. Examples of partnerships include Generation, The King's Trust, Women Unlimited and Italia Uganda. Through our partnerships we aim to foster stronger, more resilient communities and produce societal and environmental benefits.

We're proud to have contributed over £800,000 in supporting over 1,300 people outside of our organisation to secure meaningful and sustainable employment across various sectors in 2024. Our 31 partners across the globe, such as Generation, not only reinforces our commitment to social impact but also underscores our belief in the power of collaborative efforts to create lasting positive change.

Our contributions extend beyond financial donations. Throughout 2024, we leveraged our resources and networks to offer additional support to our partners including offering skill-based volunteering, where colleagues provide professional expertise in areas such as marketing support, and mentorship. Additionally, we offered access to our our office spaces for events and meetings. Our multifaceted approach ensures that we foster a robust and dynamic ecosystem for sustainability.

Enabling employability

We strive to create a long-term positive impact both within and beyond the Group. As part of our Group community strategy, Better Together, we are working to equip people in our local communities with the skills and opportunities to secure sustainable employment.

In 2024, we donated £185,000 to Generation, a charity that helps jobseekers into long-term employment. Having had great success with programmes in India in 2023, we also funded an environmentally sustainable careers initiative in Spain and another in the UK. Our grant supported training programmes for 176 jobseekers with some having already started roles as retrofit advisors and solar panel installers.

In France, L'olivier collaborated with Ecole de la 2eme chance, a programme designed to support young people find employment. Our L'olivier colleagues conducted two employability workshops in Lille and Paris. The workshops included CV writing tips, advice on how to prepare for a job interview, and the best ways to use social media to find a job.

Our Italian entity, ConTe.it, partnered with Edgemony, a technology hub in Sicily providing specialised training and networking in the community. ConTe.it supported the creation of a career acceleration programme for women working in the technology sector.

Sustainability
continued

Impact funds

In addition to our investment in strategic partnerships, in 2024, we spent over £1.1 million across our two community funds: the Green Fund Initiative, which seeks to support environmental education and other green initiatives to drive environmental change; and the Global Emergency Fund, designed to give philanthropic help when needed most.

Admiral's Green Fund Initiative: In 2024, we launched eight environmentally-focused partnerships which funded the planning and building of the first Earth schools in Wales with Earthwatch Europe. We also funded an 'active travel' campaign to encourage the use of cycle paths with Sustrans UK; an aquatic habitat restoration and watershed reforestation initiative in Cape Breton, Canada; sustainable innovation in sports across Wales with Welsh Sports Association; and flood prevention activities with the National Trust and Wildfowl and Wetlands Trust.

Admiral's Global Emergency Fund: Supports disaster relief efforts aligning with our core value of community support. These investments not only address immediate humanitarian needs during crises, but also help to stabilise and rebuild affected regions, promoting long-term development and resilience.

In 2024, we used our Global Emergency Fund to support regions such as Valencia, Spain and South Wales, UK, which were impacted by devastating floods.

We donated over £400,000 to the Disaster Emergency Committee (DEC) and became members of the DEC Rapid Response Network, which enables us to use our people, platform, brand, and partners to broadcast emergency appeals for humanitarian crises across the globe.

Earth Schools

Since 2023, we've supported the creation of the first Green Earth Schools in Wales, in partnership with Earthwatch Europe, which works alongside communities and organisations to build an understanding and a love of nature, and help everyone to protect the natural world.

Earthwatch is an environmental charity that connects people with nature to inspire and empower them to take action for a sustainable future. They focus on scientific research, education, and community engagement to address environmental challenges such as climate change, biodiversity loss, and pollution.

In 2024, we donated £200,000 to the Green Earth Schools project, which will provide nature-immersed spaces for pupils in eight schools across Wales to be more connected to the outdoors while they learn.

Not only does this partnership include the transformation and development of nature-rich spaces in schools, which the students plan and design, the initiative aims to provide teachers with resources for outdoor education, inspire curiosity about the natural world, and equip children with a foundation of environmental knowledge.

Global Emergency Fund

At Admiral, we've always proudly supported the communities where we live and work. We use our Global Emergency Fund to provide swift humanitarian relief to communities all over the world in times of crisis.

In 2024, we donated over £400,000 to the Disaster Emergency Committee (DEC) who provide aid to people and places all over the world. We also provided support to areas local to our colleagues when they were impacted by floods.

Colleagues in our Spanish business responded to the flooding facing communities in the Valencia region of Spain by organising a collection drive at our Seville office. The team collected essential goods such as clothing, hygiene items and food for those affected. They also organised a fundraising drive raising almost €6,000 to enable continued support for local communities. Admiral's Global Emergency Fund also made a donation to support with immediate repairs and future flood prevention.

Sustainability
continued

471
organisations supported in 2024

£68,000
donated to charities that are close to our colleagues' hearts

Donating over
£209,000

90%
of colleagues feel good about the ways Admiral contributes to the community (GPTW survey, 2024)

Colleague volunteering and Community Small Grants

At Admiral, colleague engagement in social impact initiatives is a vital element of who we are. It not only fosters a culture of mutual support and shared values but also empowers our teams to actively contribute to meaningful change within our communities.

Colleague volunteering

Every year, our volunteering programme, Impact Hours, gives every colleague across the world two paid volunteering days to make positive impacts in their communities. In 2024, our colleagues collectively volunteered over 32,500 hours.

Colleagues engaged in various activities such as volunteering at youth centres, beach cleans, tree planting, and supporting local and national charities by sharing skills, talents and knowledge.

Community Small Grants

Through our Community Small Grants scheme, each year, UK colleagues can apply for a grant of up to £500 to help organisations, community groups and clubs that either they, or their direct family are involved in. In 2024, we supported more than 450 organisations donating over £209,000. Our grants were used to purchase sports equipment, educational resources and more.

Match Fund

Through our Match Fund scheme, UK colleagues can apply for Admiral to match the money they have raised for registered charities. In 2024, we received 95 applications and donated £68,000 to charities that are close to our colleagues' hearts. Throughout the course of the year, we saw colleagues complete sky dives, sponsored walks, marathon runs and bake sales.

Special interest groups

Supporting internal champions to deliver change is part of our DNA. In 2024, we enabled colleagues to deliver meaningful change in our offices as well as in their communities. For example, our employee environmental advocacy group, 'Green Team', facilitated another successful sustainability-focused week to promote environmental awareness and practices both within the Company and in the broader community, reflecting our commitment to environmental restoration and climate change mitigation.

Charity salary contributions

In the UK, colleagues can make charity donations direct from their salaries via the Give As You Earn (GAYE) scheme. In 2024, more than 600 colleagues made donations, totaling over £100,000 for a range of charities including Cancer Research UK, Dogs Trust Worldwide and the RSPCA.

Sustainability
continued

Environmental sustainability

As an insurer, we understand the major impact that environmental issues, such as floods and heatwaves, can have on our customers. These issues are exacerbated by climate change and environmental degradation. We understand that we must support customers by protecting against extreme weather events today and help address environmental issues to safeguard the futures of generations to come.

We also understand that our insurance business depends on assets like cars and homes that can contribute to the problem of climate change. Historically, transport has contributed significantly to greenhouse gas (GHG) emissions, and was estimated to be 15% of global emissions by the Intergovernmental Panel on Climate Change in 2022. Therefore, as a major insurer of motor vehicles, our environmental efforts include serving as a catalyst for change in mobility and transport. We aim to help our customers and communities who are transitioning to low-carbon vehicles and lifestyles, whilst acting to protect nature and biodiversity and reduce pollution.

Admiral's impact on climate change

We have committed to achieving net zero greenhouse gas emissions by 2040. We've also committed to halving our emissions from operations, supply chain, and investments by 2030 from a 2021 baseline, with the exception of Scope 1 and 2, where we've targeted a 70% reduction by 2030.

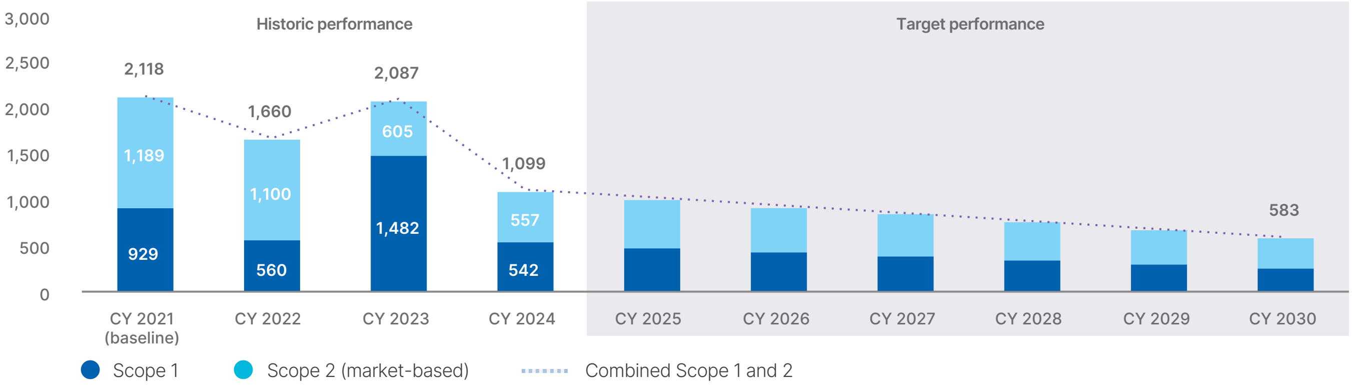
In December 2024, we published our inaugural Net Zero Transition Plan to indicate how we will seek to reduce greenhouse gas emissions across the entire Group in support of our 2040 net zero ambition. The transition plan details Admiral's full carbon footprint across our Scope 1, Scope 2 and Scope 3 emissions, including emissions from customers' vehicles that we underwrite. We were one of the first UK-based insurers to publish this 'insurance-associated emissions' figure. We chose to do this in order to acknowledge how insurance contributes to climate change and to encourage the wider insurance industry to do the same.

Also in 2024, we received approval on our first set of science-based targets (SBTs). Progress against these targets is shown below. We will continue to disclose progress against our SBTs annually.

Admiral's progress against our science based targets

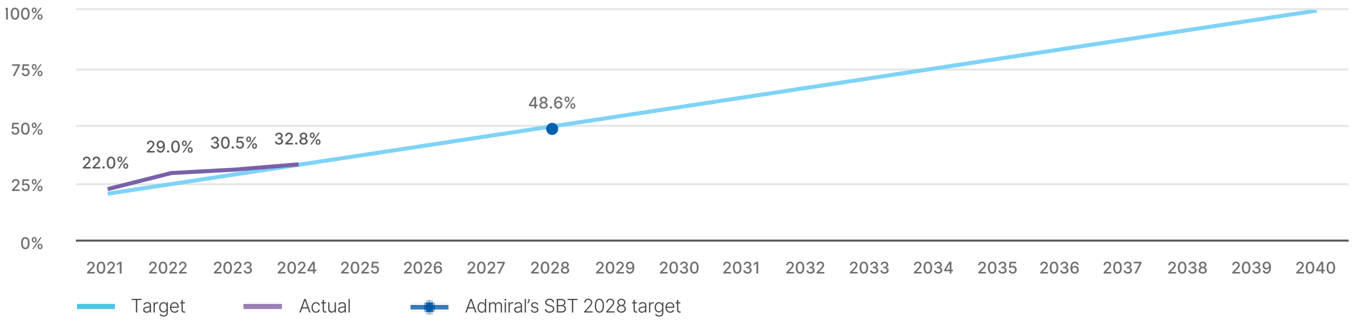
Scope 1 and 2: Admiral Group plc commits to reduce absolute Scope 1 and 2 GHG emissions 70% by 2030 from a 2021 base year.

Scope 1 and 2 GHG emissions



Corporate Bonds: Admiral Group plc commits to 48.6% of its corporate bonds portfolio by invested value setting SBTi-validated targets by 2028, from a 2021 base year.

Proportion of bond counterparties with science-based targets



Sustainability
continued

Progress in 2024 towards net zero

Below is a summary of actions taken by Admiral in 2024 to reduce greenhouse gas (GHG) emissions.

Area	Targeted impact	In 2024, we have...
Underwriting	• To support customers in adopting greener lifestyles via sustainable insurance products.	• Calculated the insurance-associated emissions of our Motor Insurance customers for the first time • Seen marked expansion of electric vehicle (EV) policies in the UK, making it one of our most successful years for EVs to date • Strengthened our EV underwriting capacity by engaging with EV manufacturers to open coverage for their vehicles • Encouraged customers to make greener choices by offering benefits like EV charging discounts • Supported customers with loans for green home retrofitting • Adopted FloodRe's 'Build Back Better' initiative for our UK home insurance customers.
Investments	• To facilitate decarbonisation of the real economy by investing in green assets and increasing exposure to investee companies who have pledged to set decarbonisation targets.	• Updated our Investment Policy to further support sustainable asset management and decarbonisation • Collaborated with asset managers to encourage investee companies to set science-based targets on GHG reduction • Reduced investment portfolio Weighted Average Carbon Intensity, progressed on our science-based target, and increased our contribution to the UN SDGs.
Supply Chain	• To implement policies that support sustainable procurement • To support net zero in the wider economy by encouraging suppliers to set decarbonisation targets • To reduce our own supply chain emissions by selecting sustainable suppliers • To reduce the environmental impact of claims.	• Set annual interim targets for 2024 to 2026 on the percentage of our corporate supply chain to be committed to decarbonisation targets • Ran a six-month engagement project with our UK suppliers, supporting them to disclose emissions and commit to decarbonisation • Reduced transport and material-related emissions by using remote inspection and triage in claims.
Own Operations	• To reduce GHG emissions of our direct operations • To support protection of the environment via community investment and employee volunteering.	• Gained SBTi approval for our interim Scope 1 and 2 GHG emissions reduction target • Included interim Scope 1 and 2 GHG emissions reduction targets as part of a sustainability-linked loan and as a non-financial measure for our Discretionary Free Share Scheme (DFSS) award for Directors and colleagues. See 2024 Sustainability Report for basis of reporting and page 75 of our Net Zero Transition Plan for more information • Offset operational emissions with Gold Standard carbon credits • For information on GHG performance, please see our Streamlined Energy and Carbon Reporting (SECR) disclosure on page 64.
Engagement	• To engage with government, public sector, communities, and civil society on climate change, with the aim to help build a world in which net zero is possible.	• Engaged with government on issues including the challenges of EV adoption and flooding • Engaged with UK drivers via our sponsorship of Everything Electric • Engaged with industry on issues including climate change, AI and Sustainability, and EVs via our board and committee membership of the Association of British Insurers • Deployed over £720,000 towards environmental causes as part of our community investment strategy and carbon sequestration funding.

For more detailed information about our net zero ambition, please see our 2024 Net Zero Transition Plan and our 2024 Sustainability Report.

Sustainability
continued

Impact of climate change on Admiral

Climate change impacts our business. In contrast to the management of our own greenhouse gas footprint, managing the climate's effect on us means evolving the resilience of our business through our risk management, strategy, and financial planning. The risks that climate change poses to Admiral include the following:

- **Physical risks** arise from the direct impact of climate change, such as extreme weather events. For Admiral and its customers, this could mean increased frequency and cost of claims due to damage from floods, storms, and other natural disasters
- **Transition risks** arise from the transition to a low-carbon economy. This can include changes in regulation, emerging technologies, and shifts in market preferences in areas such as motor, home and travel
- **Liability risks** arise from the potential for legal claims due to the Group's contribution to climate change or failure to manage climate-related risks.

Climate change also presents opportunities, such as by underwriting low-carbon assets like EVs and greener homes or investing in green bonds and other environmentally-positive assets.

Risks and opportunities are influenced by a range of external factors including the timing of policy and regulation, resilience of economies, regions, and cities to risks, and geopolitical and societal attitudes towards change. Internally, risks and opportunities are affected by customer demographics, supply chain resilience, and our own risk appetite.

Our Board has ultimate oversight of climate change-related risks and opportunities, ensuring that these are considered in the context of the Group's strategy and risk management.

For more information on the impact of climate change on Admiral, please see our Task Force on Climate-related Financial Disclosures statement on page 66. This includes information on our physical climate risk management, climate scenario analysis, and climate impact methodology.

Natural flood management

In 2024, Admiral invested in natural flood management initiatives for the first time, working with the National Trust in the UK to support nature-based solutions to the effects of climate change.

National Trust, Europe's largest conservation charity, is delivering Natural Flood Management solutions on its properties to help reduce flood risk and manage droughts, while enhancing landscape resilience and benefiting nature and wildlife. During 2024, Admiral provided £150,000 of funding for three projects that aim to improve flood management, biodiversity, and climate resilience by restoring waterways and wetlands, while also engaging communities with nature. The Cheshire Pondscapes Project will slow water and enhance wildlife. The Upper Conwy Catchment Restoration Project will re-wet peat, restoring its sponge-like properties and supporting specialist species. Finally, the Bolstering Buscot Project will support tenant farmers with solutions to slow the flow of water, improve water quality, and create new habitats.

Sustainability
continued

Impact on and risks from nature

We recognise that our responsibility to the environment extends beyond just mitigating climate change. We also have a duty to support the protection of nature and biodiversity. This includes reducing use of natural resources like water and raw materials, contributing to the development of the circular economy, reducing pollution from customers' vehicles that we underwrite and reducing waste, not only from our own operations but along our entire value chain.

Addressing nature impacts and risks at Admiral

In 2024, we deepened our exploration of assessing our impact on, and risks from, nature. This included completion of our first double materiality assessment page 51 covering the standards of Pollution, Water & Marine Resources, Biodiversity & Ecosystems, and Resource Use & the Circular Economy. We have also begun to explore how we might address the Task Force on Nature-related Financial Disclosures.

In addition, we began to address nature-related risks and opportunities via our sustainability governance structure. During 2024, sustainability governance reviewed papers on the effects of AI on water use, the contribution of our investments to Sustainable Development Goals, and woodland restoration projects via carbon sequestration.

Investing in nature

During 2024, our investments team began to explore ways to add nature-supporting assets and funds into our investment portfolio.

Also during 2024, we funded over £720,000 towards projects from our community investment and carbon sequestration funds to support nature-related initiatives in the UK, Italy, Canada, Guatemala, and the Gambia. This included support for Atlantic Coastal Action Plan, Italy ZeroCO2, the National Trust, the Wildfowl and Wetlands Trust, and more.

Protecting biodiversity

"This Admiral partnership means we are able to level up our freshwater protection and biodiversity enhancement in 2024 and offer training opportunities, so the next generation of environmental professionals are better prepared to meet future challenges."

ACAP Executive Director, Kathleen Aikens

Admiral has partnered with Atlantic Coastal Action Plan (ACAP), an environmental non-profit committed to building and educating sustainable communities in Cape Breton, Canada. Admiral's funding supports projects that restore plant life, improve water quality, plant 10,000 new trees to support biodiversity, and create internships for aspiring environmental professionals, enabling the next generation to help safeguard their future environment.

Sustainability
continued

External Benchmarks and Ratings

Our impact on the UN Sustainable Development Goals

The Sustainable Development Goals (SDGs) are a set of 17 global goals developed by the United Nations that define global sustainability priorities and aspirations for 2030. The goals aim to address major societal and environmental concerns. Each year, we seek to understand our contribution to the SDGs by mapping our activities to SDG targets. Below we've included the most relevant targets and how our work supports them.

Targets	Admiral's activity
Goal 3: Good Health and Wellbeing	
Target 3.4: Promote mental health and wellbeing.	• 30 colleagues trained as Mental Health First Aiders and almost 100 colleagues in our Wellbeing Representatives Network • Welfare Management and Support training for all people managers • A 'Proactive Health Management' programme and support for all colleagues • 'Lived experience' communities around neurodiversity and Women's Health • Webinars and education on addiction, testicular cancer, menopause, cancer, financial health, fertility, skin health and endometriosis
Goal 4: Quality Education	
Target 4.4: Increase the number of youths and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship.	• 22 partners across the globe who focus on supporting those who face barriers to employment to secure meaningful and sustainable jobs in sectors they feel passionately about, including Project Mahampy in Madagascar, The King's Trust 'Digital Skills Pathway' in Wales and SEEDS, India • Over 3,300 people enrolled on Admiral-funded employability programmes • Over 1,300 people into meaningful employment
Goal 5: Gender Equality	
Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic, and public life.	• Set annual target on percentage of women in senior leadership; aligned remuneration and treasury KPIs with this target • Invested in programmes to help more women into meaningful and sustainable employment including Project Mahampy, Madagascar, EVA, Italy, Women Unlimited in Canada, and Code First Girls in UK
Goal 8: Decent Work and Economic Growth	
Target 8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage growth of micro-, small- and medium-sized enterprises, including through access to financial services. **Target 8.6:** Substantially reduce the proportion of youth not in employment, education or training. **Target 8.10:** Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.	• By protecting against risks, insurance increases the capacity of individuals, households, and businesses to absorb financial shocks and continue participation in a healthy, inclusive economy • Invested in Llamau in UK, focused on supporting those furthest from the labour market, as well as in The Kings Trust, with more than 200 young people accessing training that prepared them for digitally-enabled roles • Supported small businesses in the UK with financial resilience through commercial insurance startup Admiral Business.

Sustainability
continued

Targets	Admiral's activity
Goal 9: Industry, Innovation, and Infrastructure	
Target 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.	• Invested in green infrastructure funds and green bonds via our net zero investments approach • Partnered with the Welsh Sports Association to provide seed funding for community innovation in sustainability • Contributed towards industry think tanks and sustainability forums e.g. ABI Climate Change Group
Goal 10: Reduced Inequalities	
Target 10.2: Empower and promote the social, economic, and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.	• Maintained 45% female representation at Group Board, as well as ethnically diverse representation • Welcomed over 150 colleagues to one or more of six colleague DE&I Working Groups, which help to drive education and awareness of under-represented groups across the business • Sponsored Pride Cymru for 24th consecutive year • Hosted the 2024 South Wales Race Equality Roundtable • Raised awareness of under-represented groups and the importance of DE&I across the business through campaigns such as National Inclusion Week, Black History Month, Pride Month, International Women's Day and International Day of People with Disabilities
Goal 11: Sustainable Cities and Communities	
Target 11.1: By 2030, ensure access for all to adequate, safe and affordable housing and basic services. **Target 11.2:** Provide access to safe, affordable, accessible, and sustainable transport systems for all. **Target 11.5:** By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations.	• Supported housing affordability via home insurance and home refurbishment loans • Supported access to transport via motor insurance, reducing the financial risk of car ownership and use • Supported rebuilding after extreme weather events by joining Build Back Better through Flood Re in the UK • Supported sustainable transport via EV underwriting and product innovation, and our Sustrans partnership • Donated to flood appeals in Valencia, Spain and South Wales, UK to support communities affected with immediate repairs and future flood prevention • Donated to the Disaster Emergency Committee to support their mission to save, protect and rebuild lives through effective humanitarian response, plus joined their Rapid Response Network to help raise funds quickly and efficiently in times of crisis

Sustainability
continued

Targets	Admiral's activity
Goal 12: Responsible Consumption and Production	
Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse. **Target 12.6:** Encourage companies, especially large and transnational companies, to adopt sustainable practices and integrate sustainability information into their reporting cycle.	• Reduced waste in our supply chain by encouraging repair over replacement and supporting customers to prevent risk occurrences • Encouraged other companies to adopt sustainable reporting and disclosures via engagement with investees and suppliers
Goal 13: Climate Action	
Target 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters. **Target 13.3:** Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	• Strengthened UK customers' resilience to climate change via household insurance features like Storm Hub and the Build Back Better initiative • Planned to address climate adaptive capacity of Admiral's value chain through our Net Zero Transition Plan • Supported climate resilience and education in our communities via partnerships with environmentally-driven charities • Educated employees on climate change mitigation and adaptation via Green Week and Green Team

ESG ratings and rankings

We welcome independent external assessment from a range of environmental, social, and governance (ESG) ratings providers. We do this as a way to engage with the wider industry and track our performance on various sustainability topics.

Our performance in 2024

In July 2024, we received an MSCI ESG rating of AAA, upgraded from AA. In December 2024, Morningstar Sustainalytics gave us an ESG risk rating of 24.2, and we were assessed to be at medium risk of experiencing material financial impacts from ESG factors. Admiral Group is a CDP discloser and in February 2025 received a rating of C.

MSCI ESG rating assessment[20]	2024: AAA 2023: AA 2022: AA 2021: A
CDP Climate Score	2024: C 2023: B 2022: D 2021: C
Sustainalytics ESG Risk Rating[21]	2024: 24.2 2023: 24.3 2022: 21.0 2021: 22.3
ISS ESG performance	2024: C- 2023: C- 2022: C- 2021: C-

20 The use by Admiral Group of any MSCI ESG research LLC or its affiliates ('MSCI') data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Admiral Group by MSCI. MSCI services and data re the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

21 Logo copyright ©2024 Sustainalytics, a Morningstar company. All rights reserved. This publication includes information and data provided by Sustainalytics and/or its content providers. In no event the ESG Risk Rating shall be construed as investment advice or expert opinion as defined by the applicable legislation. Information provided by Sustainalytics is not directed to or intended for use or distribution to India-based clients or users and its distribution to Indian resident individuals or entities is not permitted. Morningstar/Sustainalytics accepts no responsibility or liability whatsoever for the actions of third parties in this respect. Use of such data is subject to conditions available at https://www.sustainalytics.com/legal-disclaimers/

Streamlined Energy and Carbon Reporting (SECR)

This statement has been prepared in accordance with our greenhouse gas (GHG) emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, which implement the government's policy on Streamlined Energy and Carbon Reporting.

Energy and carbon reporting

During the reporting period January 2024 to December 2024, our measured Scope 1 and 2 emissions (market-based) totaled 1,099 tC0$_2$e. Reported figures for 2023 comprise of an additional column omitting fugitive emissions from refrigerant leakage. This is to demonstrate the impact of a one-off event activation of a fire suppression system in 2023.

	FY 2023 (tC0$_2$e)				FY 2024		
	UK[2]	Rest of world[2]	Total[2]	FY 2023 (tC0$_2$e) Total adjusted[1]	UK	Rest of world	Total
Scope 1	1,453	29	1,482	494	448	94	542
Scope 2 Location-based	1,300	673	1,973	1,973	1,254	771	2,025
Scope 2 Market-based	0.14	604	605	605	–	557	557
Total Scope 1 & 2 Location-based	2,753	702	3,455	2,467	1,702	866	2,568
Total Scope 1 & 2 Market-based	**1,453**	**633**	**2,087**	**1,099**	**448**	**651**	**1,099**
Scope 1 & 2 intensity per employee market-based[3]	0.18	0.44	0.22	0.11	0.05	0.12	0.07
Scope 1 & 2 intensity per employee location-based[3]	0.34	0.48	0.36	0.26	0.18	0.16	0.17
Scope 3[4]	694	1,241	1,935	1,935	961	1,375	2,336

1 Adjusted to show the emissions without the scope 1 fugitive gas leak.

2 Restated SECR figures using 12 months data and evidence (previously reported Admiral Group SECR in 2023 Annual Report was based on nine months data & evidence and three months modelled).

3 Intensity based on headcount.

4 Details of Scope 3 categories are provided on page 65.

Streamlined Energy and Carbon Reporting (SECR) continued

Explanation of movements

Admiral Group reports both Scope 2 market-based emissions and Scope 2 location-based emissions. A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using a grid-average emissions factor). A market-based method reflects emissions from electricity that companies have purposefully chosen to procure. Admiral reports both figures to demonstrate the variance between these two reporting methods and to report against Admiral's science-based target, set based on Scope 1 and 2 market-based emissions.

Overall, Scope 1 and 2 (market-based) emissions decreased by 47% versus 2023. Our Scope 1 and 2 location-based emissions decreased by 26% versus 2023. This decrease is predominantly due to a reduction in fugitive gas emissions in 2024 versus 2023. In 2023, a fire gas suppression system activation used to protect data centres from business impact caused a fugitive gas leak equal to 988 $tC0_2e$. Excluding the impact of the leak, Scope 1 and 2 (market-based) emissions were consistent with 2023.

In 2024, our Scope 1 emissions decreased to pre-2023 levels. Our Scope 1 emissions reduced by 63% between 2023 and 2024. Our natural gas usage decreased by 15% during the same period. This reduction is due to removing leased vehicles in the UK at the end of 2023 and in Halifax at the start of 2024, as well as reducing the consumption of natural gas in the UK sites. In 2024, we removed HFC-227ea from our final site in the UK and replaced it with IG55, which is a more sustainable and less impactful gas, whilst still protecting our data centres.

Admiral Group procures biogas for the full volume of natural gas used at our UK sites by means of certification. This 'green gas' procurement has not been used to adjust our Scope 1 emissions reporting in 2024, which is in line with the Greenhouse Gas (GHG) protocol guidance.

Though we have maintained a hybrid work model, the past year has seen an increase in colleagues working and spending time in our offices, and subsequently an increase in utilities consumption. Due to this, Scope 2 location-based emissions increased by 3% and Scope 2 market-based emissions decreased by 8% largely due to the expansion of renewable power use at an office in Delhi.

To mitigate the uplift in utilities consumption, we closely monitor energy usage. We upgraded our Building Management System (BMS) at our head office in Cardiff and our office in Swansea in 2024 to further optimise data and assist in the monitoring and performance of key building systems that contribute to Scope 1 and 2. We continue to engage all our sites on the quality of data collection and reporting to improve and enhance our Scope 1 and 2 contributors, and to operate in a more strategic and more efficient manner.

Our Scope 3 emissions are comprised of business travel, fuel and energy-related activities not included in Scope 1 or 2 (FERA), waste and water supply. Our measured Scope 3 emissions totaled 2,336 $tC0_2e$ in 2024, an increase of 21% from last year. This increase is caused by an increase in business travel emissions driven predominantly by UK-based travel. Increased waste reported by global sites caused an additional increase in Scope 3 emissions. Business travel emissions are being further reviewed in 2025 to develop accurate baselining and targets for future reductions and to develop sustainable alternatives.

During the year, our energy use due to fuel and electricity consumption totaled 10,687,520 kWh, of which 77% was consumed in the UK. The split between fuel and electricity is displayed below. All of the electricity consumed in the UK, Italy and one Spanish office comes from certified renewable resources, as does a proportion of the electricity consumed at one Delhi site, and we continue to look at options for net zero or renewable energy resources where geographically possible.

Methodology

We quantify and report our organisational GHG emissions in alignment with the World Resources Institute's Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (revised version) and in alignment with Scope 2 guidance. We consolidate our organisational boundary according to the operational control approach, which includes all our operations and sites. The GHG sources that constituted our operational boundary for the year are:

- Scope 1:
  - Natural gas combustion
  - Refrigerant gas leakage
  - Vehicle combustion
- Scope 2:
  - Purchased electricity - standard
  - Purchased electricity - renewable
- Scope 3:
  - FERA
  - Waste
  - Water
  - Business Travel

In some cases, where data is missing, values have been estimated by extrapolation of available data from the previous year as a proxy.

The Scope 2 guidance requires that we quantify and report Scope 2 emissions according to two different methodologies ('dual reporting'): (i) the location-based method, using average emissions factors for the country in the reported operations take place; and (ii) the market-based method, which uses the actual emissions factors of the energy procured.

	FY 2023 (kWh)			FY 2024 (kWh)		
Energy consumption (kWh)	**UK**	**Rest of world**	**Total**	**UK**	**Rest of world**	**Total**
Electricity	6,276,799	2,528,086	8,804,885	6,056,169	2,436,647	8,492,816
Fuels[1]	2,559,304	79,337	2,638,641	2,161,574	33,130	2,194,704

1 Natural gas and transportation fuels (petrol and diesel).

Task Force on Climate-related Financial Disclosures (TCFD)

Admiral is committed to tackling climate change and disclosing our approach to managing climate-related financial risk. The following sections of the report is compliant with the guidelines set out in the Task Force on Climate-related Financial disclosures (TCFD), the FCA's listing rule UKLR 6.6.6 (8) and the climate-related financial disclosures as required by the Companies Act. See the reference table on page 76 for more details on our compliance with the 11 recommendations of the TCFD guidelines.

Governance

Clear accountability and ownership enables us to deliver our strategy while managing our risk exposure.

Board responsibility

The Group Board is responsible for overseeing our climate change strategy and risk management practices. In 2024, the Board discussed climate in three meetings, one of which included discussion of an environmental deep-dive report.

The climate-specific responsibilities of the Board, and associated committees of Group Risk Committee, Group Audit Committee and Group Remuneration Committee, are integrated into the business as usual risk management framework. Climate-related matters are discussed alongside other environmental issues and sustainability issues with Group Risk Committee and Group Audit Committee discussing climate-related issues twice in 2024. More details of these sub-committees and their role in sustainability governance can be found on page 49.

Embedding sustainability in existing governance structures

Existing governance structures are increasingly required to consider climate risk-related matters. As with Board responsibility, the approach to climate-related issues is in line with wider sustainability-related issues. The Sustainability Steering Committee, which is discussed in detail on page 49, considers climate-related matters alongside other environmental matters.

The five working groups which form the core of the sustainability governance at Admiral, discuss climate-related issues. Of particular relevance to climate-related maters are the Risk, Compliance and Reporting Working Group, the Customer and Product Working Group, and the Operations and Investments Working Group. These are also discussed in more detail on page 50.

These committees and working groups support the activities of key members of senior management, namely the Group Chief Risk and Compliance Officer, Group Chief Sustainability Officer, Group Chief Executive Officer and Group Chief Financial Officer. Details of their specific roles in relation to sustainability and climate change are detailed on page 49.

In addition to the committees and working groups detailed, there are additional committees that have discussed climate-related matters. These are:

- **Group Investment Committee** has overseen the further inclusion of climate-related factors and considerations to drive the investment portfolio's strategic asset allocation. It has also approved investment in green finance, and overseen the development of Admiral's Investment Policy
- **Group Asset and Liability Committee** (GALCO) is responsible for overseeing reinsurance agreements, a key risk management mechanism for reducing Admiral's exposure to acute physical risks – especially for the household book. GALCO also oversee the climate scenarios which are used in the Own Risk and Solvency Assessment (ORSA) ahead of GRC approval
- **Product and Pricing Committee** (PPC) oversees the assumptions used in the pricing of our UK insurance products. As climate-related risks increase, this committee looks to include the latest information on expected weather patterns and technology trends into pricing
- **Reserving Committee** oversees the process of setting the claims reserves in line with the Group's reserving policies and IFRS 17 requirements. This includes ensuring that the impact of any serious weather events and the uncertainties associated with new technologies are considered. This helps to ensure that our financial statements capture any significant weather-related impact in the short-term while the Group Risk team run scenarios to consider if we are adequately covered in the medium to long-term.
  This approach also supports good customer outcomes by maintaining fair pricing and ensuring financial protection in the face of climate change and technological uncertainty.

An organisational chart has been included on page 50 showing the relationships between the key committees and working groups discussed above.

Task Force on Climate-related Financial Disclosures (TCFD)
continued

Risk management

Integrating climate-related risks into the Group risk management framework

The Group Risk function undertook significant steps this year to further integrate climate-related risks into the Group risk management framework, ensuring alignment with regulatory expectations, industry best practices, and Admiral's sustainability objectives. This work reflects the growing importance of climate risks to Admiral's long-term resilience and sustainability; and drives a systematic approach to the identification, assessment, management and reporting of climate risks across the Group. The development and integration activities were overseen by the Risk, Compliance and Reporting Sustainability Working Group.

Key integration developments in 2024

In 2024, we incorporated the following measures to integrate climate risk into our existing risk management structures:

Establishing climate risk appetite

Group risk developed its first climate risk appetite statement, outlining clear risk tolerances for climate-related exposures. This statement incorporates measurable metrics such as carbon intensity, sectoral exposure, and the Group's ability to manage long-term risks without compromising its solvency or operational resilience. To achieve this, key risk indicators have been established to monitor exposures and thresholds, with a trial phase throughout 2025 to ensure their effectiveness as early indicators of our climate risk exposures.

Integration into the risk taxonomy

The Group's risk taxonomy was enhanced to better incorporate climate-related risks, including subcategories for physical, transition, and liability risks. This ensured a robust framework for identifying and managing climate-related risks across the Group.

Developing a climate risk materiality framework

A tailored climate risk materiality framework was introduced to enable a consistent assessment of the materiality of climate-related risks. This framework aligns with the existing traditional risk materiality framework for other financial and non-financial risks, with tailored climate risk criteria introduced to support assessing the impact and probability of climate risks over short, medium and long-term time horizons. Part of this development included harmonising timescales, over which climate risks are considered to align more closely with existing business practices.

Establishing climate risk registers for our subsidiaries and Group

Climate risk registers were developed at the entity and Group levels to record identified risks, their potential impacts, and corresponding mitigation actions. These registers were dynamically updated through workshops with senior risk personnel and other business stakeholders, ensuring that the Group maintained a proactive and practical approach to climate risk identification and management.

Enhancing governance and reporting

Ensuring robust oversight, climate-related risks are being increasingly integrated into the Group's existing risk reporting mechanisms. Climate risks are reviewed by the Group Risk Committee within the GCRCO Report, with clear escalation protocols established for significant risk exposures in line with the Group's risk management framework.

Embedding climate risks into other risk management processes

Further integration of climate-related risks into broader risk management processes, include:

- Scenario analysis: Additional climate scenarios were included in ORSA stress tests to evaluate the resilience of the Group's financial and operational performance
- Resilience testing and assessments: The potential impact of extreme weather events is also a key consideration in operational resilience testing to support greater understanding of the impacts of physical risks
- Group ORSA integration: A climate-related ad-hoc ORSA trigger was established as part of the Group's ORSA Policy
- Investment risk management: Climate risk considerations are comprehensively factored into the evaluation of Admiral's investment portfolios and investment mandates, particularly for high-carbon and vulnerable sectors.

Looking ahead

This integration has established a solid basis for managing climate-related risks across the Group. However, Admiral's risk culture focuses on continually improving our risk management practices. Therefore, next year and beyond, the Group risk function intends to:

- Expand the use of scenario analysis to deepen understanding of long-term climate impacts
- Refine and expand upon the suite of key risk indicators to improve climate risk monitoring and early warning capabilities against risk appetite
- Further integrate subsidiary climate risk management into local policies and standards, and with our external partners and regulators to align practices with emerging standards.

Through these ongoing efforts, Admiral remains committed to maintaining its resilience against the effects of climate change and supporting the ongoing transition to a sustainable future.

Task Force on Climate-related Financial Disclosures (TCFD) continued

Risk appetite

The Board has established its approach to sustainability risk, focusing on assessing potential risks that could impact Admiral's ability to balance long-term financial performance with its ESG responsibilities.

Sustainability risk appetite is further defined at sub-risk levels, namely: climate change, social, governance, and other environmental risks. This allows for more precise management of these risks and their alignment with strategic goals. The Board takes a cautious approach to climate change, incorporating climate change risks into investment, underwriting, and strategy to align with the Group's net zero carbon emissions goal and support the transition to a low-carbon economy.

The Board approved the sustainability risk and sub-risk appetites, including climate change in October 2024. They will be road-tested throughout 2025 to verify that they operate as expected, in accordance with Key Risk Indicator thresholds, and to allow for a period of calibration.

The 2024 Spanish floods and the damage caused by Storm Darragh in Wales, serve as a powerful reminder of the growing prevalence of climate-related risks and the critical need for robust risk management frameworks. Natural disasters worldwide demand swift and decisive action to protect our customers, employees, and the communities we serve.

Effective crisis response begins with immediate incident notification, ensuring timely communication across Admiral. Our risk management escalation protocols enable us to rapidly assess the scope of the incident, identify impacted stakeholder groups, and prioritise actions to mitigate harm. From deploying resources to support affected staff, or swift responses to our customers in a crisis, our ability to act decisively is grounded in our commitment to resilience and crisis preparedness. By continuously refining our risk assessment processes we ensure that Admiral is well-equipped to respond in times of need. Whether addressing immediate safety concerns or contributing to long-term recovery efforts, our swift response underscores our commitment to protecting lives, livelihoods, and the environment.

This is not only an operational imperative for Admiral, but also a reflection of our responsibility to lead with care, ensuring we stand by our customers, employees and communities when they need us most.

Stepping through the risk management cycle

Climate risk management involves following the risk management cycle in the same manner as the Group's principal risks described on page 89-93, which includes identifying, assessing, managing, monitoring, and reporting risks. Climate risk is woven through our principal risks and does not give rise to a specific principal risk in its own right. See the table on page 70 for information on which principle risks are impacted by climate-related risks.

Risk identification

Admiral annually identifies and assesses emerging and existing climate risks through qualitative workshops with its subsidiaries. In 2024, the Group risk team led the development of climate-specific risk registers and materiality criteria, tested in workshops with subsidiary risk teams and other business stakeholders covering EUI Ltd, Admiral Pioneer, Admiral Money, and Admiral Europe. The outcome of the workshops informed a tailored list of climate risks categorised according to our internal climate risk taxonomy and an assessment of materiality, time horizon and business areas and/or product lines impacted.

Admiral Group is also part of the ABI climate change working group, which helps identify climate risks through industry expertise. These insights also inform our climate risk identification, scenarios and financial impact analyses.

Risk assessment

Assessing the materiality of climate-related risks involves evaluating both the size of the potential impact and the likelihood of risk occurrence across short, medium and long-term time horizons.

The size of impact considers financial, operational and reputational consequences of risk such as physical damage from extreme weather events or transitional risks arising from regulatory changes or shifts in market dynamics. In our analysis of impact, we consider four levels of increasing materiality, which are tailored for each area of the business. Broadly they may be collectively defined as:

- **Minor:** Impact resulting in manageable adjustments to business operations or models
- **Moderate:** Impact requires recalibration of underwriting and operating processes
- **Significant:** Impact required strategic adjustment to risk models and operations
- **Major:** Impact may lead to solvency challenges if management actions are not taken.

Likelihood is categorised across four levels by considering several factors such as scenario analysis, historical data and forward-looking assumptions to determine the probability of occurrence.

The likelihood and impact outcomes are combined to create a risk rating from low to very high. This structured methodology ensures a transparent and robust evaluation of climate risks, aligning with regulatory expectations and supporting prioritisation, informed decision making, and disclosures.

Risks are rated high or very high if they could significantly affect Admiral's ability to meet its strategic objectives, regulatory obligations, or commitments to our customers and wider stakeholders.

In 2024 this risk assessment was performed qualitatively using guidelines prepared as part of the introduction of our new climate risk materiality framework. This qualitative analysis is complimented by a quantitative stress and scenario analysis, the details of which are included on page 72-73.

Task Force on Climate-related Financial Disclosures (TCFD) continued

Time horizons

Climate risk time horizons have been adjusted[1] to better align with several key internal processes and industry practice:

Short term (0-3 years)

This corresponds to Admiral's typical business planning and operational cycle, capturing immediate risks and impacts that align with near-term strategic objectives and budgeting cycles.

Medium term (4-10 years)

This is more closely related with strategic planning, capital allocation and risk modelling timeframes, encompassing transition risks such as regulatory changes and shifts in market dynamics.

Long term (10+ years)

This is critical for assessing risks from a future view point such as the climate impacts under difference climate pathways, assessing the financial impact of physical and transition risks under different temperatures.

In addition to the qualitative assessments, we have established internal quantitative guidelines tailored for different business areas. These guidelines cover financial, claims, operational, customer, and investment impacts.

Climate risk impact assessment on Admiral Group's Statement of Financial Position

Group Finance, in collaboration with Group Risk, perform an annual assessment of potential impact and likelihoods of material climate-related risks against the Statement of Financial Position as reported (short term), and in the longer term, as follows:

1. The climate-related risks identified by Group Risk are used to analyse whether and how those risks could impact the Statement of Financial Position
2. The potential impact of climate-related risks is assessed for those balances that constitute more than 1% of the total assets, equity or liabilities. This threshold ensures that all material line items are captured
3. In addition, the completeness of the assessment is considered by considering all climate- risks identified and whether they could have a material impact on any line of the balance sheet.

Following this assessment, no such additional areas were identified as a result of this review and we continue with our methodology development so we can assess more fully the impact on our projected business plan in future periods and provide further disclosures.

Risk mitigation and monitoring

The main strategy for mitigating climate-related risk involves executing the Group strategy to diversify revenue and profit streams, reducing reliance on UK Motor thereby mitigating the transition risks of changes in the nature of mobility. Efforts include investing in new and existing businesses that develop and test products to meet evolving customer needs and preparing for the shift to EVs. Regulatory and reputation risks from climate change are managed by reducing GHG emissions supported by the approval this year of our GHG targets from SBTi.

We manage risks that climate change poses to our insurance portfolio in the same way as other insurance risks. This includes disciplined pricing, assessing the impact by peril, setting clear underwriting criteria, regularly evaluating our reserving approach, and transferring risk through reinsurance. We also leverage industry-leading flood, windstorm and other catastrophe models to understand the underlying physical underwriting risk, determine the amount of risk accepted, assess what risk is mitigated, and establish appropriate reinsurance protection for risk transfer. Pricing is the primary tool for managing climate-related risks; however, due to its commercial sensitivity, specific details about this approach are not disclosed.

The following table shows a selection of material risks from our climate risk register and key mitigation actions. For more detail on the steps Admiral is taking to manage exposures to transition risk, see the Transition Plan where these are detailed for each element of our value chain.

1 In 2023 the climate risk time horizons were defined as 0-4 years and 5-10 years for short and medium-term time horizons, respectively. Following significant work on redesigning our risk management framework, this change allowed for better integration with existing business process (see page 67).

Task Force on Climate-related Financial Disclosures (TCFD) continued

Climate change sub-risk types	Climate-related risks	Steps to manage - metrics and targets
Acute physical risks **Primary business impacted:** UK Home **Short-term impact:** Moderate **Medium-term impact:** Significant **Long-term impact:** Significant **PR&U affected:** Reserving, insurance, catastrophe	• Acute physical risks refer to severe weather events that can cause significant damage and higher-than-expected insurance claims. These include wildfires, freezes, hail, windstorms, and supply chain disruptions.	• Our primary mitigants for managing exposure is via pricing and reinsurance. Both mechanisms mitigate large losses from natural catastrophes • Our pricing and reserving is continually adjusted as we learn more about changes to our climate, in particular the volatility and increasingly frequency of large storms, heatwaves and freeze events • We monitor our claims experience, and this is used to provide a check and additional data for tailoring our pricing • We utilise Stress and Scenario Testing (SST) to assess the impact of natural catastrophe events on our balance sheet. A specific physical climate risk scenario has been modelled, focusing on the UK Motor and Household Insurance lines, which are significant aspects of our portfolio.
Chronic physical risks **Primary business impacted:** UK Home **Short-term impact:** Moderate **Medium-term impact:** Significant **Long-term impact:** Significant **PR&U affected:** Reserving, insurance, strategic, reinsurance	• Chronic physical risks involve long-term changes such as coastal erosion, persistent flooding, and subsidence that exceed expected and reserved levels, potentially leading to large financial losses or making certain risks uninsurable.	
Policy and legal transition risks **Primary business impacted:** All **Short-term impact:** Moderate **Medium-term impact:** Significant **Long-term impact:** Significant **PR&U affected:** Legal and regulatory, reputation	• Policy and legal transition risks stem from regulatory changes, such as mandatory internal carbon pricing or taxation, increased regulatory burden, and the consequent rise in compliance costs. These changes can impact our strategic decisions and increase non-compliance risks.	• In 2024, Group risk developed a litigation stress test to assess the impact of legal risks on our business. We expanded our sustainability team to manage resource pressures from increased regulation and also engaged external experts to support compliance through industry-aligned expertise.
Technology transition risks **Primary business impacted:** All **Short-term impact:** Moderate **Medium-term impact:** Moderate **Long-term impact:** Moderate **PR&U affected:** Strategic, insurance	• Technology transition risks involve the adoption of new technologies, such as electric vehicles (EVs) and eco-friendly building practices, which can cause unexpected changes in customer behaviour, revenue, and claims if they evolve differently from our business plans.	• Electric Vehicle underwriting is an essential component of our strategy, following a rigorous pricing approach similar to that applied to combustion engine vehicles • Modifications to home insurance policy underwriting conditions are evidence-based and follow tried and tested evidence-based change procedures • Claims experience from all business is closely monitored and feeds back into pricing assumptions. This is given particular focus for policies which include new technologies.
Market transition risks – Changing customer demand **Primary business impacted:** All **Short-term impact:** Moderate **Medium-term impact:** Significant **Long-term impact:** Significant **PR&U affected:** Strategic, insurance	• If customer climate expectations evolve at a different pace than Admiral's actions, it may result in a loss of business • Customer behaviour may change due to climate-related factors, such as increased adoption of electric vehicles or the introduction of lower speed limits, which could affect pricing models • Economic volatility resulting from climate change (e.g., loss of jobs in high-emission sectors or climate-driven inflation) could reduce individuals' ability to pay for insurance.	• Admiral actively assesses evolving market trends and customer preferences to understand potential impacts on our business. Through market research, we aim to identify shifts in demand and integrate these insights into our products and service development. This supports our response to changing expectations and emerging opportunities in the transition to a more sustainable economy • Admiral created Admiral Pioneer, a venture business to support diversification into non-traditional mobility insurance. An example of this is our investment into Veygo.

Task Force on Climate-related Financial Disclosures (TCFD)
continued

Climate change sub-risk types	Climate-related risks	Steps to manage - metrics and targets
Market transition risks – Supply chain **Primary business impacted:** All **Short-term impact:** Significant **Medium-term impact:** Significant **Long-term impact:** Significant **PR&U affected:** Strategic, insurance, reputation	• There are increasing costs associated with the supply chain due to climate-related risks • The cost of reinsurance is rising and cannot be passed on to customer rates • There is a risk that the supply chain may not transition in line with Admiral's future targets, potentially causing the Company to miss its publicly stated emissions goals • High-emission activities within the supply chain, such as mineral mining for batteries, could lead to reputational harm.	• Admiral is continuously refining its procurement and on-going third-party management process to better incorporate ESG (Environmental, Social, and Governance) performance criteria for all partners and suppliers – in order to promote sustainability and responsible business practices across the full third-party life cycles.
Market transition risks – Investments **Primary business impacted:** All **Short-term impact:** Moderate **Medium-term impact:** Significant **Long-term impact:** Significant **PR&U affected:** Market, reputation	• Investment returns could be adversely affected by transition risks, such as the downgrading of high-emission sectors, impacting overall investment performance.	• Admiral has integrated climate-related considerations into its investment decisions. The decision making process is designed to support investments in renewable energy infrastructure, green bonds, and other issuers with their own transition plans. Admiral has established specific climate-related metrics for its investments, with detailed targets that are regularly monitored • Investments are subject to strict concentration limits to effectively manage exposure. At a counterparty level limits are set to minimise exposure to specific high-emitting entities. At a sector level, limits are imposed to reduce exposure to high-risk sectors.
Market transition risks and opportunities	• This comprehensive assessment highlights key areas where market transition risks due to climate change could affect Admiral's operations, customer base, and investment strategies. Proactive measures and adaptive strategies are essential to mitigate these risks and support long-term sustainability. The transition also gives rise to climate opportunities such as insurance of new technologies.	

Notes to the table: these risks cover actions, which may be taken by the 1st and 2nd lines of defense. For more information on our three lines of defence model please see page 148. The four levels of impact are minor, moderate, significant and major as described on page 68.

Reporting on climate-related risks

Admiral is required to report publicly on material climate risks through several standards including TCFD and CFD. We are also preparing to report climate risks in line with the newly introduced CSRD regulations. In addition to our regulatory requirements, we voluntarily publish data on climate risk related to the carbon disclosure project (CDP).

Changes in the climate risk profile of the Group, and any progress on actions, is reported to the Group Risk Committee. Other information on sustainability activities is reported to the Sustainability Steering Group, Group Asset and Liability Committee, Investment Committee, and Product Pricing Committee's on a periodic basis as appropriate. See the governance section on page 49-50 for more details on reporting to Board Committees.

Scenario analysis and stress testing

Climate scenario analysis and stress testing are important risk management tools for evaluating Admiral's resilience under various climate pathways. These methodologies help assess the financial and non-financial impacts of physical, transition, and liability risks over short, medium, and long-term time periods. By modelling scenarios such as rapid decarbonisation or delayed policy action, we can identify potential vulnerabilities in our business model, investment strategies, and the products and services offered to customers.

From a customer perspective, this analysis helps Admiral prepare for maintaining good outcomes for customers through service continuity, effective claims management, and product design that addresses changing customer needs. It also shows Admiral's commitment to protecting policyholder interests by anticipating risks that may affect coverage, affordability and accessibility. Climate scenario and stress testing, therefore, provides a comprehensive assessment to support strategic decision making, enhance resilience, support regulatory compliance, and uphold solvency and financial viability for the benefit of all our stakeholders.

Scenario design and calibration

To design climate scenarios relevant for the business, the Group Risk function utilised industry-standard scenarios and adapted them specifically for Admiral's operations. We leveraged the Network for Greening the Financial System (NGFS) scenarios of 'Hot House' and 'Delayed Transition' to create three distinct scenarios for physical risk, transition risk, and litigation risk.

Scenario calibration

Calibrations were made to these scenarios to tailor them to our business. For example:

- Admiral's typically short-duration policies and investment portfolio required reducing the timelines in scenarios to evaluate impacts in the short and medium term.
- Several assumptions specific to motor insurance have been introduced, such as impacts on car and van damage claims and bodily injury reserves
- The investment impacts of transition risk were adjusted to reflect downgrades in industries that are sensitive to climate-related events
- Litigation risks suitable to the size of Admiral Group were considered based on an analysis of external, past experience and regulatory guidelines in the regions where we operate
- Risks associated with the pricing of electric vehicles were also considered, given the high exposure and the early stage of insurance for this technology.

Link to risk appetite and capital management

Our risk appetite for climate risks is part of our capital adequacy framework, with annual reviews to align with evolving climate risk understanding and regulations. We consider climate risks in our Own Risk and Solvency Assessment (ORSA) and conduct stress tests to assess their potential impact on solvency and capital. If the impact of climate risks causes our Solvency Capital Ratio to fall below regulatory thresholds, we take action, such as adjusting reinsurance arrangements or reallocating capital to manage these risks effectively.

Scenario analysis results directly influence several business activities:

- The ORSA, which incorporates at least three climate scenarios focused on transition, physical, and litigation risks for 2024
- Capital adequacy, ensuring significant risks are included in Admiral's provisions due to potential short-term physical risks
- Regulatory disclosures, particularly ISSB and TCFD public reporting, as well as PRA's SS3/19 guidance on scenario use in financial planning.

Due to the complexity of scenario development, it is crucial to communicate scenarios clearly, accurately describing their limitations and assumptions.

Task Force on Climate-related Financial Disclosures (TCFD)
continued

Scenario 1:

Hot House World (2.9°C by 2100)

The NGFS 'hot house world – current policies' scenario predicts no climate action, leading to a 2.9°C temperature rise by 2100. This will likely increase extreme weather in the UK, impacting households and causing inflation in car, van, and household insurance, similar to recent stress on a major UK insurer.

This scenario has been interpreted as resulting in increased incidents of extreme weather events, impacting the UK Household book, coupled with an inflationary environment impacting UK Car, Van and Household. The impact of inflationary pressures on AFSL loan defaults was also considered.

In line with the the PRA General Insurance Stress Test 2022 exercise, this scenario includes historical windstorms (Daria (1990), Capella (1976), the 1987 Great Storm (1987), and Vivian (1990)) causing windstorm, storm surge, and flood losses for UK households.

Scenario 2:

Disorderly Delayed Transition leading to Climate Litigation (1.7°C by 2100)

In the NGFS 'disorderly – delayed transition' the scenario assumes policies for net zero are delayed until 2030, causing economic disruption but limiting global warming to 1.7°C by 2100. This scenario assesses Admiral's litigation and legal risks under the FCAs new greenwashing laws that came into force this year, highlighting regulatory scrutiny like the Competitions and Markets Authority's review of online green claims.

This scenario parallels a recent greenwashing ruling by the UK Advertising Standards Authority against a UK financial services firm for misleading ads and environmental claims. It assumes Admiral's 'green' car insurance policy faces fines and legal action from NGOs due to misleading advertisements, omitting lifecycle impact details and lacking transparency in benefit calculations. These are assumed to result in further costs through reputational damage.

Scenario 3:

Disorderly Fast Transition (1.7°C by 2100)

This scenario also draws on the NGFS 'disorderly – delayed transition' but has been tailored to examine a faster-than-anticipated shift to net zero. It explores the transition risks related to the switch from petrol and diesel vehicles to electric vehicles within Admiral's UK motor book, which could impact profitability, including a mispricing of 15% for electric vehicles each year and two large losses per year through ordinary driving totaling £35 million.

The scenario also includes an asset stress component. Since the EU is the most proactive regulator regarding climate policies, this component of the scenario models the sector-wide downgrades for the two highest-emitting sectors in Europe: energy and transport.

Scenario results

Under the Climate Litigation scenario, the Group solvency ratio stays above the lower trigger of 150% over all three years. Without management actions, the Disorderly Delayed Transition and Hot House World scenarios see the ratio drop below this level, with Hot House World falling under 100%. These losses stem from increased claims and reduced profit commissions. By the end of 2026, the Disorderly Delayed Transition scenario reduces the ratio by 35%, while the Hot House World scenario sees a 96% reduction when compared to the base scenario.

Admiral would plan various management actions for each scenario such as changes to dividend policy, annual repricing of insurance policies, greater or different use of reinsurance, and changes to asset allocation in the investment portfolio. By applying the dividend management action only, both the Disorderly Delayed Transition and Hot House World scenarios maintain a Group solvency ratio above the lower trigger of 150%. Risk mitigation actions are detailed in the Risk Management section, and our climate risk strategy is outlined in our Transition Plan.

Task Force on Climate-related Financial Disclosures (TCFD)
continued

Strategy

Integration of climate risk into Admiral's business strategy

Our strategy focuses on ensuring long-term resilience and profitability in a world undergoing climate change, taking into consideration different climate-related scenarios as described on page 73. This involves not only mitigating risks but also seizing opportunities to offer innovative products to our customers and invest in sustainable growth areas.

Our strategy to reach net zero by 2024 across our key value chain elements of investments, operations, underwriting and supply chain activities is discussed at length in our transition plan. Below we include further detail of how we have incorporated climate risk, specifically into our strategic thinking.

Incorporating climate risk assessments

We incorporate climate risk assessments into our Group strategy. Our evaluation of transition risk and reputational risk drives our target to achieve net zero by 2040, which is a fundamental component of our strategy.

Further initiatives emerging from our climate risk assessment include our ambition to become a leading insurer of electric vehicles.

Our supply chain faces various climate risks, including physical and transition related. We aim to increase the amount of our corporate supply chain that aligns with SBTs to reduce both transition risk and global emissions.

To mitigate the effects of disrupted global supply chains for parts, we incentivise repairs over replacements to reduce costs and emissions. When we do replace, we partner with a UK 'green parts' specialist to promote recycled parts use.

Our Transition Plan outlines a comprehensive range of opportunities that form part of our strategy to reduce both transition risks and emissions.

Embedding physical and transition risk management

We recognise the increasing frequency and severity of climate-related events as key physical risks, particularly for our Household and Motor Insurance portfolios. Additionally, regulatory changes such as carbon pricing, EV mandates, and energy efficiency standards in buildings present significant transition risks. To address these:

- Underwriting strategy: Climate data, such as flood risk and temperature projections, is integrated into our risk selection and pricing processes. Motor insurance products are being adapted to account for the growing share of EVs in the market
- Investment strategy: The Group Investment team has implemented an Investment Policy, which sets out its climate change strategy, metrics and targets. This policy ensures that our investment portfolio is aligned with the transition to a low-carbon economy and delivering Admiral's commitment to be net zero by 2040.
- Financial planning: Weather modelling is vital to our financial planning, helping us estimate claims from weather events over a three-year period. We also consider growth in transition technologies, like EVs, and their impact on revenue and claims costs. This helps us prioritise opportunities aligned with our strategic initiatives and focus risk mitigation on significant risks
- Acquisitions: Our recent acquisition of More Than included a sustainability risk analysis that considered the impact that this activity could have on our climate-related risk portfolio.

Climate-related opportunities

We are proactively developing new products to meet growing customer demand for sustainable insurance solutions:

- Motor insurance: Admiral offers tailored products for electric vehicles, offering competitive premiums for environmentally conscious customers. A key part of our strategy is our aim to be a leader in electric vehicle insurance
- Household insurance: Green home insurance, providing cover for eco-friendly home improvements and materials that enhance energy efficiency.

We also take advantage of opportunities that may arise in our dealings with other businesses in our supply chain:

- We have invested in Green Bonds and continue to look for sustainability-related investment opportunities
- We work with our supply chain partners to take advantage of innovations such as the growing use of second hand parts in motor repairs.

The types of capital available to us has increased with the conversion of the Revolving Credit Facility (RCF) to a Sustainability-Linked Loan. Please see our 2024 Sustainability Report for basis of reporting on the sustainability-linked loan.

See our Transition Plan for more detail on opportunities we can access through the transition.

Admiral's business strategy influences our approach to climate risk management

Admiral uses the Group strategy and business plan to inform the development of climate scenarios, including stresses related to the adoption of EVs. We also incorporate business planning data to calibrate our internal risk measures, factoring in projected balance sheet sizes and future customer growth in our risk impact assessments.

Task Force on Climate-related Financial Disclosures (TCFD)
continued

Metrics and targets

Greenhouse gas metrics and targets

We have set an ambitious target of achieving net zero by 2040 across our Scope 1, 2 and 3 GHG emissions. Net zero is a rigorous commitment that requires organisations to reduce their emissions to as close to zero as possible, usually over 90%, with these remaining unavoidable emissions being balanced by offsets. Details of how we are aiming to achieve this are detailed throughout our Transition Plan.

Reducing our emissions profile reduces our exposure to transition risk in investments by ensuring we do not find our assets becoming less attractive, and in insurance-associated activities by ensuring we are not subject to large shifts in customer base because of EV-related regulation.

This year, we have expanded our GHG emissions calculations to include insurance-related emissions from our UK and EU Motor portfolios in line with the standards release by the Partnership for Carbon Accounting Financials (PCAF). This is in addition to our investment-related emissions arising from corporate bonds, our corporate supply chain emissions, our claims supply chain emissions and our operational emissions.

In this report, we have included detail on the two most significant emissions sources for the Group: Investments and Underwritten activities. Further detail on these methodologies, along with Scope 1, Scope 2, and supply chain emissions is included in the SECR reporting on page 64-65, and in our Transition Plan. Details of operational emissions targets are detailed further on page 57.

Investments

Target: Admiral aims to cut investment-related GHG carbon intensity by 25% by 2025 compared to the baseline set in 2021, 50% by 2030, and reach net zero by 2040.

Risks: Several challenges should be noted: sourcing reliable and consistent data, avoiding unintentional consequences such as under-diversification, and reliably determining the expected risk and return impact of the strategy.

Metrics: To guide and review progress toward overall targets, several metrics are tracked, as shown below. Investment metrics are calculated by identifying relevant non-cash assets and applying MSCI ESG data on a per security basis. Various metrics are subsequently calculated at the portfolio level.

Metric	2024	2023	2022
Weighted average carbon intensity	52 tCO^2e/ \$m revenue	58 tCO^2e/ \$m revenue	71 tCO^2e/ \$m revenue
% Allocated to coal and oil sands	–	–	–
Investment in Green bonds	£287m	£146m	£98m

Weighted average carbon intensity (WACI) is calculated using the latest available carbon emissions (Scope 1 and 2) per million USD of revenue for all our investments for which data is available. This is weighted by each security's market value relative to the part of the investment portfolio which is in-scope. The scope is determined by the data and methodology availability and includes public corporate bonds as defined by EIOPA's Complementary Identification Code (CIC). WACI indicates the carbon intensity per million USD of revenue for the average company in Admiral's investments.

Insurance-associated activities

Targets: Defining clear underwriting-specific targets will be an important step towards achieving our net zero goal, and our ambitions to help customers reduce emissions. The key driver of insurance-associated emissions is vehicle fuel type. We have set a target to increase the proportion of EVs in our underwriting portfolio in alignment with our net zero ambition and our Motor Evolution strategy pillar.

Risks: While there is action Admiral can take today to support a transition to EVs, there are significant risks relating to legislation on the sale of combustion engine vehicles alongside uncertainty about market uptake.

Metrics: In 2024, Group Risk undertook an activity to calculate insurance-associated emissions for Admiral's UK and EU motor portfolios. The UK combustion engine portfolio is calculated with vehicle-specific emissions factors using our external data provider CarWeb. Other calculations use UK national average emissions factors published by the Department for Energy Security and Net Zero.

Risk metrics and targets

Transition risk

To monitor Admiral's investment and supply chain transition risk exposure we currently calculate our exposure to those companies which have confirmed SBTs. Details of this figure for investments are included on page 57. The investment team also regularly monitors the diversity of our portfolio at a sector and counterparty level.

Physical risk

Physical risk exposure is difficult to quantify given the complexities in attributing weather events to climate change specifically. We monitor our total exposure to weather events allowing for any reinsurance, alongside monitoring the credit worthiness of our reinsurance partners.

To understand the extent of past physical risk exposure, Admiral looks at historic claims for weather events on the UK Household insurance portfolio. The table includes catastrophe losses of approximately £5.0 million and greater from 2021-2024:

Period	Perils	Paid (£m)	Incurred (£m)
2021	Flood and storm	5.6	5.9
2022	Flood and storm	37.6	51.6
2023	Freeze, flood and storm	5.0	5.8
2024	Freeze	5.2	7.0

Task Force on Climate-related Financial Disclosures (TCFD)
continued

Total amount of monetary losses attributable to insurance payout from natural catastrophes (net and gross reinsurance). Admiral does not differentiate losses from modelled and non-modelled catastrophes. The 2023 figures have been revised to allow for additional paid claims in 2024 arising from claims in 2023. The impact of storm Darragh remains below the £5.0 million threshold and so isn't included above however the impact continues to mature.

The TCFD outlines 11 recommendations for climate reporting. The table below indicates where these are detailed, both within our Annual Report and other sustainability reports. While we meet all recommendations, we aim to continuously enhance our climate risk management practices and our disclosures.

TCFD pillars	TCFD recommended disclosures	Section of the Strategic report, that disclosures are included in, in compliance with the Companies Act	Relevant codes, policies and statements available at www.admiralgroup.co.uk
Governance Disclose the organisation's governance around climate-related issues and opportunities	a) Describe the Board's oversight of climate-related risks and opportunities	Governance section of the sustainability section, page 49-50 Governance section of the TCFD section, page 66	Details are included in our Transition Plan page 72
	b) Describe management's role in assessing and managing climate-related risks and opportunities	Governance section of the sustainability section page 49-50 Governance section of the TCFD section, page 66	Details are included in our Transition Plan page 73
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term	Risk management section of the TCFD section, page 70-71	
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	Embedding physical and transition risk management section of the TCFD section, page 74	See our Transition Plan for details of how this applies to key elements of our value chain
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Scenario results of the TCFD section on page 73	
Risk management Disclose how the organisation identifies, assesses and manages climate-related risks	a) Describe the organisation's processes for identifying and assessing climate-related risks	Risk identification of the TCFD section on page 68	
	b) Describe the organisation's processes for managing climate-related risks	Risk by risk analysis included in pages 70-71	
	c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Key integration developments in 2024 in the TCFD section on page 67	
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Metrics and targets section of the TCFD section page 75	See our Transition Plan for details of how this applies to key elements of our value chain
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	SECR reporting section on page 64 for GHG emissions. Key risks highlighted on page 70-71	
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Targets are listed alongside key parts of the value chain on page 75	Targets for each element of the value chain are listed in out Transition Plan

Section 172 statement

Fulfilling the Boards' s172 duties to its shareholders and stakeholders

The Board of Directors confirm that during the year ended 31 December 2024, it has acted, in good faith, to promote the long-term success of the Company for the benefit of its shareholders, whilst having due regard to the matters set out in section 172 of the Companies Act 2006.

How the Board fulfills its duties under s172

Admiral's Directors, and the Board collectively, are bound by the duties set out under s172 of the Companies Act 2006, to promote the success of the Company for the benefit of our shareholders, whilst having due regard to Admiral's other stakeholders. Understanding the requirements, concerns and ambitions of our stakeholders is key to informing the Boards creation of an effective and sustainable business strategy. Ongoing consideration of these matters is integral to Board discussions and decisions, to ensure the progression of Admiral's strategy and promote the long-term success of the business. The Board understands the importance of the Company maintaining its reputation for the highest standards of business conduct. With this in mind, the Board ensures that different stakeholder groups are considered and treated fairly in its deliberations, whilst all decisions are taken in accordance with our purpose, culture and values.

During 2024, the Board reviewed its key stakeholder group profiles and confirmed that of the six groups identified within s172; people, shareholders, customers, suppliers and partners, community, and the environment, all remained material stakeholders for the Admiral Group and continued to be strategically important to the long-term success of Admiral's operations. As part of its 2024 review, the Board considered the current approach to engagement with, and governance around, each stakeholder group, feedback processes and the plans for stakeholder engagement for the year ahead.
It concluded that these processes were effective and provided Directors with a comprehensive understanding of the interests of its key stakeholders. Examples of how the Board takes into account the views of its key stakeholders can be found throughout this s172 statement. The principal decisions taken by the Board during the year, which take into account s172 considerations, can be found on page 110.

In October 2024, the Board oversaw Admiral's annual review of sustainability where it was confirmed that the business continued to embed sustainability into its core business strategy. This review considered a wide range of stakeholders and included support in setting strategic sustainability ambitions linked to Motor, Diversification and Admiral 2.0. Also included, was an additional strategic objective focused on strengthening Admiral's 'Social License to Operate', which exemplifies Admiral's approach to driving the business towards achieving success, underpinned by a core purpose of helping more people to look after their future, always striving for better together. Additional information on wider stakeholder engagement across the Admiral Group can be found within the Sustainability Report on page 47, and the Governance Report on page 98.

The Board balances the occasionally conflicting needs and priorities of Admiral's key stakeholders, whilst ensuring all decisions taken promote the long-term success of the Group.

Section 172 Statement
continued

The Board promotes the long-term success of the Admiral Group by ensuring it adheres to the highest standards of business conduct, through both its own actions and those of its employees; understanding the long-term implications of its decisions; and ensuring all stakeholders are treated fairly. It does this through:

Defining Admiral Group's purpose, culture, values and strategy: The Board has defined Admiral's purpose, and sets and monitors the culture and values within the Group. Our purpose culture and values, alongside engagement with, and an understanding of, the requirements of our stakeholders, assist in guiding the strategic direction and long-term interests of the Group, informing Board discussion, and ensuring decisions are taken in line with agreed strategy. The Board regularly reviews the strategic direction of the business to ensure it is fulfilling its obligations to all stakeholders. Board papers set out how each item to be discussed aligns with Admiral's defined purpose and strategy.

Understanding the required Board skills, knowledge and experience: Collectively, the Board has wide ranging, relevant expertise and experience, which it is able to use to inform and guide decision making to ensure this is of the highest quality and in the long-term interests of the Company, whilst ensuring a balanced and fair consideration of the expectations of relevant stakeholders. Individually, Directors are able to focus their varying expertise on different areas of the business, including environmental, social and governance matters to provide balance and robust oversight. The Board receives regular updates and training in developing areas to ensure its skills and knowledge remain optimal. See page 125 for further information.

Ensuring high-quality Board information: Board and Board Committee agenda planners set out matters to be considered by the Board and Board Committees during the year. These are reviewed regularly and updated during the year to ensure that Board meetings are of the highest standard and that the Board continues to meet the evolving demands of the business and its stakeholders. Board papers are subjected to a robust review process to ensure they are focused, accurate and of the highest quality. See page 124 for further information.

Considering stakeholder interests and impact: To assist the Board in fulfilling its obligations under s172, each Board paper is accompanied by a covering document outlining; i) which stakeholders could potentially be impacted by a decision taken by the Board on the matter in question, ii) an explanation of how those stakeholder interests have been considered, iii) the likely consequences of a Board decision for those stakeholders considered, and iv) how the impact on those stakeholders identified should be monitored going forwards.

Open Board discussion and decision making process: The Board is aware that in some situations it may have to prioritise conflicting stakeholder interests. Admiral's Board environment encourages an open, honest and accountable discussion, and decision making culture, which is subject to rigorous risk management and challenge to ensure those potentially conflicting stakeholder interests are understood and taken into account. In doing so, each stakeholder group is treated fairly, and decisions are made that support the overall long-term sustainable success of the Group.

Effective Board review process: The Board receives regular updates on the implementation and results of key decisions through its internal Board and Committee reporting framework. Both individual Directors, and the Board's collective performance are monitored to ensure the effectiveness of its discussion and decision making processes. This performance is appraised through the annual Board and Committee performance evaluation to ensure it maintains the highest standard of conduct. Further details on this process can be found on page 136.

The principal decisions taken by the Board during the year and how the requirements set out under s172 were taken into account are set out in the Governance Report on page 110.

Section 172 Statement
continued

People

Once again, Admiral has been acknowledged as one of the top employers in the UK and in other countries in which we operate. Our culture and values drive our commitment to fostering a diverse, inclusive, and supportive workplace.

Why engaging with our employees is important

At Admiral, it is our fundamental belief that people who enjoy what they do, do it better. The wellbeing and positive engagement of our colleagues is essential to the long-term success of our business. Our team has consistently been a powerful source of competitive advantage, and we take great pride in caring for our employees and, in turn, helping them look after their future. The Board's and senior management's engagement with the Admiral team fosters a happier and more productive workforce, supports operational excellence, and ultimately shapes better outcomes for our customers and other stakeholders.

How the business engages with our employees

Admiral employees are encouraged to engage across multiple channels. Key engagement activities include:

- UK and International employee consultation groups providing an employee voice and input into how the business operates
- Employee surveys capturing feedback and engagement across the business
- Regular communication through a variety of internal channels and social communication tools, including feedback schemes such as 'Ask Milena' and 'Have your say'
- A wide variety of employee forums and working groups around diversity and inclusion
- One to ones with managers and regular development meetings, alongside regular employee education and compliance courses.

Further examples of how we engage with our colleagues can be found on page 53.

How the Board engages with employees

The Board recognises the importance of engaging with its workforce and does so through a combination of formal and informal channels. The Board has established a UK Employee Consultation Group (ECG), and an International Employee Consultation Group (IECG) made up of, and representing, employees across the Group. At least one Non-Executive Director was present at each of the ECG meetings, which took place during the year. The Chairs of the employee forums report directly to the Board on the key areas discussed to provide an 'employee voice' at the Board table, and subsequently report back to the employee forums with updates on relevant Board discussions. The Board also regularly meets employees through visits to office sites, presentations at Board meetings, and is regularly updated by management on people matters, employee engagement, survey results and culture.

Outcomes and impact of engagement on Board decision making

The ECG and IECG Chairs were invited to selected Board meetings during the year to present output received from employee engagement to ensure the Board understood those issues of significant interest or concern to employees. As a result of this engagement, a wide range of topics including Admiral's approach to sustainability, employee working practices, employee compensation and improvements to employee engagement formed part of the Board's ongoing considerations and decision making processes.

The Board received a report on people and culture, including the results of an audit, undertaken by an external consultant, which focused on the effects that hybrid working was having on Admiral's unique culture. As a result, the Board concluded that overall the culture of the business was not being adversely affected by the changes to working practices.

The Board discussed financial measures to support employees and, as a result, approved a share award to employees to ensure a sense of shared ownership in the success of the business. The Board also had oversight over the transition of internal reward policies within the Group.

The Board was pleased that the significant work ongoing around the building of a diverse and inclusive culture was recognised through the results of the Great Place To Work® Survey, with 95% of employees believing Admiral was a diverse and inclusive employer. The Board confirmed that the significant activity streams already in place would continue and evolve, and that the Group would continue to focus on building its unique culture through these multiple channels.

For further information see:	Page
Awards and recognition	52
Employee consultation	117
Diversity and inclusion	53, 87, 132
Culture	113

Section 172 Statement
continued

Shareholders

Our aim is to generate long-term sustainable value for the Group, whilst managing our shareholder capital in a responsible and accountable manner.

Why engaging with our shareholders is important

Engaging with our shareholders is vital for securing continued investment and support to deliver our strategy for the benefit of all stakeholders over the long-term. Shareholder engagement fosters an alignment of interests between the owners of the business and the Board. It allows the Board to explain the rationale behind business and strategic decisions, whilst providing opportunities for shareholders to comment and challenge business priorities.

How the business engages with shareholders

Admiral aims to have regular and constructive engagement with shareholders through a varied number of channels, examples of which include:

- A comprehensive programme of investor engagement including site visits, conferences, results and non-results roadshows, and ad-hoc meetings
- The Annual General Meeting and corporate governance meetings
- Market disclosures, including the Annual Report, the Sustainability Report, and interim and full-year results announcements and presentations
- Regular analyst engagement
- Admiral's corporate website, which is regularly updated and contains all relevant shareholder information.

How the Board engages with shareholders

The Board maintains long-standing relationships with Admiral's largest shareholders, including the founders of the Group, and receives regular updates on the activities of the Investor Relations team, as well as meetings with investors held with the Board and management team. The Board receives investor feedback on a regular basis, integrating this information into its decision making framework to assist in informing its corporate governance and strategic decisions. Additionally, the Board is kept informed about market dynamics, share price performance, and changes to the share register.

Throughout the year, meetings, briefings, roadshows, and conferences with investors and analysts have been conducted both in-person and virtually, led by senior management or the Investor Relations team. Additionally, the Chair, Senior Independent Director, Executive Directors, and Chairs of the Remuneration and Audit Committees, along with other Board members, make themselves available to meet with significant shareholders as and when required. The Board engages with its retail shareholder base annually through the Company's Annual General Meeting (AGM), ensuring that all shareholders have the opportunity to engage directly with, and pose questions, to the Company's leadership.

Outcomes and impact of engagement on Board decision making

Feedback received from shareholders was reviewed by the Board for interim, final and special dividend approvals. Views gathered through the Company's comprehensive shareholder engagement programme were incorporated into the Board's discussions and decision making processes, alongside strategy sessions, to ensure alignment with values and purpose.

Admiral's significant shareholders views were sought on various matters ahead of the 2024 Annual General Meeting (AGM), including changes to the disapplication of pre-emption rights and to assist in formulating a revised Remuneration Policy. This consultation ensured there was an alignment of interests between the business and shareholders with the new Remuneration Policy being approved at the AGM with a 90% vote in favour. The Board continued to monitor Admiral's ESG Ratings and flag areas of improvement to continue to meet shareholder and investor expectations in all areas of sustainability.

As a result of the Board's good governance, strategic decision making and prudent management of the Company's assets, Admiral has consistently received strong credit ratings from major rating agencies. These positive ratings reflect Admiral's robust financial position, solid capital structure, and strong market presence. They underscore the Company's resilience and its ability to meet financial commitments, providing confidence to investors and stakeholders alike.

For further information see:	Page
Business model	8
Governance Report	98
Shareholder engagement	117
Remuneration Policy	149

Section 172 Statement
continued

Customers

We aim to provide a great customer experience.

Why engaging with our customers is important

Our customers are at the heart of our business and are the focus of our purpose to 'help more people to look after their future. Always striving for better together'. As a customer-centric organisation, we seek to provide more people with the opportunity to access competitive financial services products. The needs of our customers shape the products we deliver, and their feedback and expectations inform the design of our customer distribution channels and platforms.

The Consumer Duty regulation was introduced by the FCA in July 2023, with the aim of ensuring customers received communications they could understand; products and services that met their needs and offered fair value; and that they received the support they required when they needed it. During 2024, the business reviewed and assessed data and insights guiding these procedures, enhancing our processes where required, and undertaking ongoing improvements to our products and services, where necessary, to demonstrate and monitor positive customer outcomes. For further information, please refer to page 146.

How the business engages with our customers

The business has opportunities to communicate and engage with our customers, and vice versa, throughout the different points in the customer life cycle. Some of these mechanisms include:

- Online customer portals and customer feedback through comment forms, surveys, SMS, along with focus groups and panels
- Perception studies: Frequently reviewing the engagement mechanisms across our customer base, particularly throughout digital journeys, allows us to understand what is most important to our customers and helps us to continually refine and improve our service to customers
- Discussions with our customer service teams, new business and renewals teams, claims teams, and complaints teams
- Live chats with agents and 'Admiral App' messages
- Social media: Engagement and reviews communicated through several social media platforms and website updates
- Customer satisfaction is firmly embedded in our communication and culture. We ensure that there is a feedback loop from frontline teams to leadership.
- Customer satisfaction is also a key part of our reward and compensation practices. For example, it accounts for 12.5% of the overall vesting criteria for share awards for over 4,000 colleagues.

Further information as to how Admiral conducts responsible engagement with its customers is set out on page 52.

How the Board engages with our customers

Although the Board does not have significant direct interaction with customers, it regularly receives updates from management regarding how existing customers are treated and the processes in place designed to ensure fair outcomes throughout the customer journey, including reviews of the integration of processes around the Consumer Duty regulation. Customer-related targets have been included as part of the 2024 Board objectives, which are reviewed for progress at each Board meeting, see pages 109 and 138 for further information. Customer satisfaction data is incorporated into Board discussions, influencing strategic decisions such as digital investments and future product diversification plans. The Board also receives annual feedback on the Conduct Risk Framework through the Group Risk Committee.

Outcomes and impact of Board decision making

During 2024, the Board oversaw the ongoing enhancement of the governance and reporting processes as part of the implementation and integration of the Consumer Duty regulation throughout the Group. It also received updates on the progress to deliver new technology strategies, which would have a direct impact on improvements made to customer journeys. This resulted in the strengthening of monitoring and oversight to ensure the swift identification of any poor outcomes for customers and the agreement of actions to address these.

Following the review and reporting of customer outcomes, the Board was in agreement that the business was complying with its obligations to act and deliver good outcomes to customers across all products, whilst identifying and addressing areas of ongoing focus. The Board reconfirmed that its commitment to delivering good outcomes to its customers remained integral to Admiral's values, and an ongoing strategic priority.

For further information see:	Page
Business model	8
Strategic Report	12
Principal decisions	110
Consumer duty	146

Section 172 Statement
continued

Communities

Our aim is to ensure that Admiral's impact on society is a positive one.

Why engaging with our communities is important

Giving back to communities, both those in which we are based, and the wider society in which we live, is an integral part of Admiral's culture. Issues identified through engagement with our communities include employability, social mobility, educational opportunities, financial inclusion, and support for sports, arts, and culture. By addressing these, we demonstrate a genuine commitment to the wellbeing of our community stakeholders. This strategic engagement, alongside the high standards of business conduct by which we operate, not only reflects our values, but also positions us as a responsible corporate citizen, and contributes to long-term positive change both within and beyond the Group. In addition, as a large employer across several countries, we believe it is our responsibility to provide employment opportunities for those in the local areas in which we operate, whilst at the same time training and developing our people. We are committed to recognising and promoting diversity both within Admiral and within our local communities.

How the business engages with our communities

Giving back has always been a core part of what we do at Admiral. By investing in community programmes, educational initiatives, and local enterprises, we address immediate needs and empower charities, individuals and communities to thrive independently. Our approach seeks to deliver enduring societal benefits, and a stronger, more resilient community fabric. Admiral's community investment pillars are:

- Partnerships – we are proud to foster partnerships with organisations across the world, recognising the importance of collaboration in addressing key community issues. This collaboration leads to identification of areas of support where best Admiral can help. Listening to relevant organisations and communities is key to directing assistance to where it is required most
- Impact Funds – our impact funds were established to demonstrate our commitment to helping more people and places to transition to a greener future, and to support in times of crisis
- Colleague engagement – enabling colleagues to be change makers in their own right through our Community Small Grants and Match Fund schemes, our volunteering initiative and by joining special interest groups.

To manage risks and capitalise on opportunities as they evolve, our Community Strategy is continuously reviewed and adapted. Monitoring the impact of our actions is integral to our approach, with feedback mechanisms from our partners, our people, our communities, and external entities. This comprehensive system of monitoring ensures that our community engagement remains effective, responsive, and aligned with our strategic goals.

How the Board engages with our communities

The Board believes Admiral should be regarded as a positive influence within its communities and, to this end, oversees the execution of initiatives that align with this vision, receiving regular updates on their progress. In 2024, the Board supported over £3.3 million of community investment, including £1.4 million donated to strategic partners, and 32,500 Impact Hours of volunteering (2023: 14,257 hours). This is complemented by numerous community and sponsorship activities, further details of which can be found on our website.

Internationally, our Global Emergency Fund, supported by the Board, enables Admiral to provide swift donations when people and places need it most. In 2024, we donated over £400,000 to the Disaster Emergency Committee (DEC) who provide humanitarian relief to communities all over the world in times of crisis. We also provided financial aid to areas local to our colleagues when they were impacted by floods. We donated €56,980 to appeals in Valencia, Spain and £40,000 to appeals in South Wales, UK. These funds were used to support with immediate repairs and future flood prevention.

Outcomes and impact of Board decision making

The Board reviewed progress made on community impact and social purpose, and received updates on key community initiatives across the Group, such as our investment in Earth Schools, and our membership of the Disaster Emergency Committee Rapid Response Network. The Board provided strategic direction on Admiral's key priorities and future initiatives with respect to Social Purpose activities, and how Admiral aims to elevate this strategy even further in 2025 and beyond.

For further information see:	Page
Business model	8
Strategic Report	12
Sustainability Report	47

Section 172 Statement
continued

Environment

We are committed to achieving net zero greenhouse gas emissions by 2040.

Why engaging with environmental issues is important

Engaging with environmental issues is strategically important to Admiral and reflects our commitment to responsible business behaviour and addressing climate challenges. Mitigating climate change is essential for creating a viable future for ourselves, our customers, and our society. It aligns with our purpose of 'helping more people to look after their future; always striving for better, together'.

Our colleagues want to be part of a company that actively protects the environment. Customers expect us to safeguard not only their property, but also contribute to a more sustainable future. Shareholders and regulators are increasingly focused on how businesses handle environmental challenges. Our commitment involves minimising our carbon footprint, aiding customers transitioning to an environmentally sustainable economy, aligning with regulatory expectations, and finding opportunities to support wider industry and economic change. For further information see the Admiral Group Net Zero Transition Plan on our website.

How the business engages with environmental issues

Our engagement with environmental issues is multifaceted and reflects a proactive approach to increasing awareness and taking concrete actions. Key initiatives include:

- Net zero ambition: Admiral has formally committed to achieving net zero greenhouse gas emissions by 2040, and published its first Net Zero Transition Plan during 2024
- Sustainability governance: Admiral's Sustainability Steering Committee includes our Group CEO and provides guidance on the overall programme of sustainability-related work. Five working groups under the Steering Committee ensure a joined-up approach across all Group functions and entities
- Operational sustainability: Admiral's direct operations are carbon neutral. This covers Scope 1 and 2 emissions, and part of Scope 3
- Green Team initiatives: This colleague advocacy group supports green initiatives at our workplaces, lessening the impact from our direct operations on climate change. The Green Team organises special events, for example Green Week and Earth Day to raise awareness and promote environmentally responsible lifestyles
- Employee engagement: We actively engage with employees on sustainability through forums, CEO updates, and outreach by our Group Sustainability team. We have also embedded sustainability into the pillars of our Group strategy and set sustainability performance targets via our non-financial remuneration measures and Sustainability-Linked loan
- Monitoring and reporting: For 2024, Admiral made disclosures consistent with the Task Force on Climate-related Financial Disclosures (TCFD), Streamlined Energy and Carbon Reporting Framework (SECR), Sustainability Accounting Standards Board (SASB) Standards, and the Climate-related Financial Disclosure (CFD) requirements.

How the Board engages with environmental issues

The Board is the principal governing body overseeing sustainability and climate-related topics. The Board approves the Group's sustainability approach and ESG ambitions, which can have a material impact on Admiral. Directors bring a diverse range of experience and expertise across key areas of sustainability, providing robust oversight over ESG issues.

The Board receives regular updates on environment-related topics, including requirements from regulators and government initiatives with regards to sustainability and climate change. The Group CEO is the accountable owner of Sustainability at the Group Board, with the Group Chief Risk and Compliance Officer having responsibility for Climate change.

Outcomes and impact of Board decision making

In October 2024, the Board conducted its annual review of sustainability. As a result, Admiral continues to embed sustainability into the core business strategy. In addition to strategic sustainability ambitions linked to Motor, Diversification and Admiral 2.0, in 2024 this included an additional ambition on strengthening Admiral's 'Social License to Operate', for further information see our Sustainability Report on page 47 and page 77.

The Board reviewed progress made on environmental impact and approved Admiral's first Net Zero Transition Plan, which outlines Admiral's roadmap toward achieving net zero by 2040. This was published in December 2024. Through reporting, the Board continued to monitor Admiral's ESG ratings and flag areas of improvement on meeting stakeholder expectations.

For further information see:	Page
Sustainability	47
Responsible business practices	51
SECR and TCFD disclosures	64, 66

Section 172 Statement
continued

Partners and suppliers

We aim to build strong, mutually beneficial working relationships with our partners and suppliers.

Why engaging with our partners and suppliers is important

Our partners and suppliers are fundamental to us achieving our strategic goals. They encompass a diverse range of businesses, including financial partners, reinsurance partners, IT hosting providers, distribution and claims services partners, among many others. We work hard to foster strong relationships with our suppliers by having dedicated processes across the Group to govern end-to-end relationships. It is crucial that the Group manages these relationships effectively to mitigate the associated third-party risks across the supply chain.

We act responsibly when dealing with our suppliers, choosing to support local and regional providers where possible. We also choose and encourage an ethical and environmentally friendly supply chain and seek to pay in a timely manner to support the financial resilience of our suppliers.

How the business engages with our partners and suppliers

To ensure strong third-party supplier management there are dedicated processes across the Group to govern end-to-end relationships. Key business units have internal relationship managers responsible for ongoing performance management, which includes ensuring active contract renewals, negotiations, business reviews and service improvement. Admiral uses a dedicated contract management system to monitor and support the governance of procurement, provide tender management, contract management, supplier management and due diligence under a single platform. Further information as to how Admiral engages in responsible procurement practices can be found on page 51.

The Group's dedicated regulatory relationship teams maintain channels of communication with the FCA and PRA in the UK, and the Group's international regulated intermediaries and insurers have similar teams in place.

How the Board engages with our partners and suppliers

Whilst not having direct engagement with partners and suppliers, the Board receives updates from management on:

- Relationships with key partners and procurement, including Admiral's payment policies and practices
- Matters relating to partnerships and opportunities
- All proportional risk-sharing agreements, including co-insurance and reinsurance contracts
- Customer-facing suppliers
- Third-party risk management regulatory, technological and consumer trends
- Modern slavery risks in the supply chain.

The Board takes all updates into account when considering the long-term consequences of its strategies and business plan. The CFO provides updates on the activities related to the renewal of the Group's co-insurance, reinsurance and quota share contracts, including maintaining Admiral's ongoing strategic relationship with Munich Re.

Outcomes and impact of Board decision making

The Board has sought to improve external engagement, supporting a new programme of collaboration with major suppliers to create knowledge exchange and innovation across our value chain. The Group Board was briefed on the performance of our business partners and suppliers through comprehensive management and risk reports. It also examined supplier payment metrics, including adherence to the Prompt Payment Code, to which Admiral is a signatory. Additionally, the Board supervised the enforcement of Modern Slavery provisions with key suppliers and oversaw training initiatives for employees on proper conduct with suppliers and partners, encompassing anti-bribery, corruption, and modern slavery practices.

The Board approved Admiral's Modern Slavery Statement for 2024, underscoring the Company's firm stance against all forms of modern slavery. Admiral is committed to this through robust policies, comprehensive training, and vigilant risk management. For an in-depth look at our methods, you can read the complete Modern Slavery Statement on our website.

For further information see:	Page
Business model	8
Sustainability	47
Principal decisions	110
SECR and TCFD disclosures	64, 66

Non-Financial and sustainability information statement

The non-financial and sustainability reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006 are addressed within this section by means of cross reference, to indicate where they are located within the Annual Report and to avoid duplication.

Reporting requirement	Annual Report	Page	Relevant policies, statements and codes available at admiralgroup.co.uk
Our business	Business model	See page 8	• Group Underwriting Risk & Pricing Policy • Group Remuneration Policy
	Strategy	See page 16	• Group Investments Policy
	Group capital structure and financial position	See page 44	• Group Liquidity Management Policy • Group Capital Management Policy
	Key performance indicators	See page 22	• Group Tax Strategy Policy
Sustainability	Our sustainability journey	See page 47	• Sustainability Report 2024 • Net Zero Transition Plan
	Culture	See page 113	• Sustainability Report 2024
	Employees, diversity, equity and inclusion	See pages 53, 79, 87	
	Community investment	See page 54	
	Responsible investments	See page 51	• Group Investments Policy
Environmental	Environmental Sustainability	See pages 57, 83	• Sustainability Report 2024 • Net Zero Transition Plan
	Task Force on Climate-related Financial Disclosures (TCFD)	See page 66	
	Climate-related Financial Disclosures (CFD)	See page 66	
	Streamlined Energy and Carbon Reporting (SECR)	See page 64	
Social matters	Social purpose	See page 53	• Group Data Protection Policy • Group Board Diversity & Inclusion Policy
	Community investment	See page 54	• Sustainability Report 2024
Employees	People	See pages 55, 79	• Group Health and Safety Management Policy • Equality, Diversity and Dignity at Work Policy
Respect for Human Rights	Human Rights and Modern Slavery Responsible Business practices	See pages 51, 84	• Modern Slavery Statement • Group Procurement & Outsourcing Policy • Group Vulnerable Customers Policy • Equality, Diversity and Dignity at Work Policy • Anti-slavery, Exploitation and Human trafficking Policy
Anti-corruption and anti-bribery matters	Financial crime and anti-corruption and anti-bribery	See page 146	• Group Financial Crime Policy • Anti-Bribery Policy • Group Conduct Risk Policy
	Suppliers	See pages 58, 63, 71, 84	• Group Procurement & Outsourcing Policy • Group Whistleblowing Policy
Governance	Principal risks and uncertainties	See page 88	• Group Risk Management Policy • Group ORSA Policy
	Governance	See page 99	

Non-Financial and sustainability information statement
continued

Group Policies

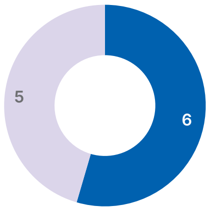
Admiral's overall governance structure as described throughout, supports the due diligence process in pursuance of these policies. Furthermore, input from the sustainability governance structure and DE&I working groups, ensure that appropriate matters are included and that there is an open communication channel within the business. The annual Great Place to Work® survey acts as a key due diligence method for identifying any social and employee-based issues. The result of this survey is discussed throughout the Annual Report, specifically across pages 10, 11, 56 and 115.

All our Group policies are subject to regular review, and all business areas in scope are required to detail how they adhere to the policy and their associated controls.

Policy	Description
Group Health and Safety Management Policy	This policy outlines our commitment to ensuring the health and safety of staff and anyone affected by our business activities, and our commitment to providing a safe environment for those attending our premises.
Equality, Diversity and Dignity at Work	In line with The Worker Protection (Amendment of Equality Act 2010) Act 2023, this policy outlines Admiral's commitment to ensuring that any type of unfair discrimination including harassment, victimisation, favouritism, and bullying is not accepted. It outlines the standards of behaviour that are expected from all employees to ensure that everyone at Admiral is treated with dignity and respect, feels comfortable in the workplace, and has equal opportunities.
Code of Conduct	Our Code of Conduct outlines the standards of behaviour that all colleagues must adhere to regardless of their role. Colleagues are expected to abide by these policies and act with integrity, due skill, care and diligence.
Group Data Protection Policy	This policy outlines our obligations and expectations regarding the processing of personal data. This Policy is supported by a comprehensive Privacy Compliance Programme. Adherence to the Policy and to the requirements contained within our Privacy Control Framework is monitored through regular reviews and audit activities, which are reported to Audit and Risk Committees.
Group Board Diversity & Inclusion Policy	This policy sets out the approach to Board diversity for Boards within Admiral Group, covering diversity of approach, skills and experience, race, age, gender, educational and professional background and other relevant personal attributes. Board appointments should be complementary to the existing Board's skills and experience and will always be made on merit against objective criteria, including diversity.
Group Vulnerable Customers Policy	This policy outlines the behaviour and standards expected when dealing with vulnerable customers throughout the end-to-end product lifecycle. It has been designed to ensure that Admiral acts to deliver good outcomes for customers with characteristics of vulnerability.
Modern Slavery	Our Anti-Slavery, Exploitation and Human Trafficking policy confirms Admiral's zero tolerance approach to modern slavery, outlines our ongoing commitment to eliminating unethical working practices, and provides guidance to employees on reporting any problems identified at work or in the community. We release an annual Modern Slavery Statement in line with the Modern Slavery Act 2015.
Group Conduct Risk Policy	This policy covers the risk that our products, services, culture, communication or interaction with customers may result in unfair customer outcomes. It demonstrates Admiral's commitment to ensuring that customers receive the outcomes they can reasonably expect from the products and services we provide, and how to mitigate conduct risk within the business.
Group Financial Crime Policy	This policy ensures that robust systems and controls are in place to detect, prevent and deter financial crime across the Group, ensuring compliance with laws and regulations in our operational jurisdictions. It covers all financial crimes, including money laundering, market abuse and insider trading, sanctions regime, modern slavery, tax evasion and bribery and corruption.
Group Anti-Bribery Policy	This policy strictly prohibits the solicitation or acceptance of any bribe, to or from any person or company, by an individual employee, Board member, agent or other person or body on Admiral's behalf, in order to gain any commercial, contractual, or regulatory advantage for Admiral in an unethical way or to gain any personal advantage for the individual or anyone connected with the individual.
Group Procurement & Outsourcing Policy	This policy requires employees engaging in procurement activity to uphold business integrity, combat unethical practices such as including modern slavery, comply with laws, and drive de-carbonisation with key suppliers. This is enforced through strict controls and monitoring.
Group Whistleblowing Policy	This policy encourages and enables employees to raise any concerns they have about serious malpractice or wrongdoing. It is designed to ensure that an employee can raise their concerns without fear of victimisation, subsequent discrimination, disadvantage, or dismissal. This policy details internal and external reporting lines for any employee concerns.

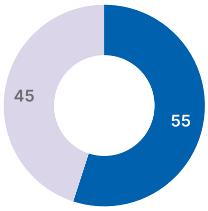
Non-Financial and sustainability information statement
continued

Number of Board members



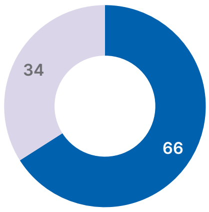
- Men
- Women
- Other
- Not specified/prefer not to say

Percentage of the Board



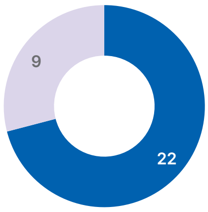
- Men
- Women
- Other
- Not specified/prefer not to say

Percentage of senior managers and direct reports[1]



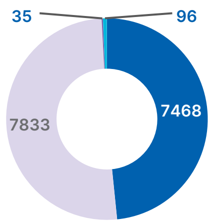
- Men
- Women
- Other
- Not specified/prefer not to say

Number of senior managers in accordance with the Companies Act 2006[2]



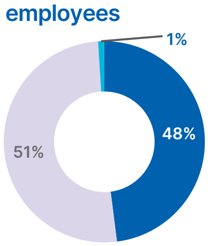
- Men
- Women
- Other
- Not specified/prefer not to say

Number of all employees[2]



- Men
- Women
- Other[3]
- Not specified/prefer not to say

Percentage of all employees



- Men
- Women
- Other[3]
- Not specified/prefer not to say

1 This figure is provided pursuant to the UK Corporate Governance Code 2018 requirement to confirm the gender balance of those in senior management and their direct reports. The definition of 'senior management' for this purpose is the Executive Committee or the first layer of management below Board level, including the Company Secretary.

2 The number of senior managers and the number of employees of each sex is disclosed for the purposes of section 414C(8) of the Companies Act 2006. In accordance with section 414C(9) and 414C(10), the definition of 'senior managers' includes the Executive Committee equivalent for Admiral Group and the Directors of the subsidiaries included in the consolidated accounts.

3 Other includes; Non-Binary, Gender Non-conforming and Other Genders

Being a great place to work for everyone

In 2024, Admiral made the Financial Times's Diversity Leader list and was once again, named one of the World's Best Workplaces.

This acknowledgement reflects the widespread belief across the Group that colleagues feel they are treated fairly regardless of their age, race, gender, sexual orientation or disability.

We pride ourselves on being a place where everyone can be themselves and thrive. We believe that having accountable leaders is essential for fostering inclusivity. This year, we introduced Keith Davies, Group Chief Risk and Compliance Officer, as the Executive Sponsor for Diversity, Equity and Inclusion.

In addition, our Group CEO, Milena Mondini de Focatiis, was recognised as an Executive Role Model by INvolve, an organisation championing diversity and inclusion in business. Milena was included in the list because of her commitment to breaking down gender barriers and driving inclusion. We believe that this is key to attracting and retaining the talent that we need to remain a successful and sustainable business.

Principal risks and uncertainties

The Board, with support from the Group Risk Committee and the Group Risk Function, undertakes a regular and robust assessment of the principal and emerging risks facing the Group alongside engaging with the management team on the Group Strategy. These risks have been summarised as those that would threaten its business model, future performance, solvency or liquidity, and reputation.

The table below sets out the principal risks and uncertainties (PR&Us) which Admiral has identified through its Enterprise Risk Management Framework (ERMF). Admiral continues to monitor the PR&Us alongside external events, including the risk of changing trade tariffs, and the market's reaction to these events, which have the potential to notably impact macroeconomic trends and continue to contribute to the challenging operating environment. The impact of the PR&Us, development of the risks during 2024, and actions taken to mitigate them are explained below. This section also includes a description of Admiral's approach to identify, manage, and govern emerging risks.

Admiral Group's risk management and strategy linked to climate change is discussed in the Task Force on Climate-related Financial Disclosures section.

Risk appetite: The Admiral Group risk strategy contains strategic risk statements for the relevant risks which help deliver the Group's business objectives. 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 Group CRO Report and other risk reporting.

Identification of risks

Principal risks (A–J)

- A Reserving risk
- B Insurance risk
- C Market risk
- D Operational risk
- E Legal and regulatory risk (including conduct)
- F Catastrophe risk
- G Credit risk
- H Reinsurance risk
- I Strategic risk
- J Reputation risk

See also note 3 to the financial statements which provides further details on a number of these risks.

The PR&Us reflect the main risks faced by the Company in achieving its strategic objectives with the links to the strategy noted against each PR&U (for more information on the strategy refer to pages 16-21).

A small number of refinements, overseen by GRC, have been made to the PR&Us since the 2023 Annual Report and Accounts, largely to align more closely with the risk universe, which was refreshed during the year. Of particular note:

- The premium risk (now insurance risk) and catastrophe risk PR&U has been split to form two separate PR&Us
- The reduced availability of co-insurance and reinsurance arrangements PR&U has been broadened to a reinsurance risk PR&U to capture impacts outside of just availability
- The more granular, strategy-related PR&Us (potential diminution of other revenue, erosion of competitive advantage in UK Car insurance, failure of geographic and/or product expansion, and reliance on the price comparison distribution channel) have been consolidated to form a higher-level strategic risk PR&U
- Conduct risk, which was previously captured under the operational risk PR&U, has moved to the legal and regulatory risk PR&U, given the closer correlation between conduct and regulatory risks.

Principal risks and uncertainties
continued

A Reserving risk

2024 trend

Possible impact on the strategic initiatives: 1 2 3

Admiral is exposed to reserving risk where claims reserves may prove insufficient to cover the ultimate cost of claims, which are by nature, uncertain. This is a particular risk for motor insurance liabilities, where the amount payable for bodily injury claims (particularly large claims) can change significantly during the lifetime of the claim due to risks such as changes in Ogden rates, increased propensity of Periodical Payment Orders (PPOs), and claims inflation.

This uncertainty, also impacted by economic, social, environmental, regulatory, or political change (such as geopolitical conflicts impacting supply chains) can lead to adverse development and higher claims costs than projected, resulting in higher loss ratios, reduced profits, or underwriting losses. The impact of environmental risks is drawn out in more detail for climate-related risks in the TCFD section on page 66.

In mitigation, the Group continues to reserve conservatively, setting its IFRS 17 risk adjustment in the financial statements between the 85th and 95th percentiles, which is aligned to Group risk appetite.

Best estimate reserves are estimated both internally and externally by independent actuaries and for very large claims Admiral purchases excess of loss reinsurance, which mitigates a portion of the loss.

B Insurance risk

2024 trend

Possible impact on the strategic initiatives: 1 2 3

Admiral has a high appetite for writing insurance and value-added ancillary products, while maintaining a low expense ratio. The Group is exposed to the risk that inappropriate premiums are charged for its insurance products leading to either insufficient premiums to cover claims costs or uncompetitive rates resulting in reduced business volumes. Insurance risk has been affected by global uncertainties, driving supply chain pressures and volatility in vehicle repair and replacement costs. This risk is increased during periods of changing inflation leading to greater market uncertainty and can be heightened by seemingly irrational behaviours by competitors.

The risk of increased claim costs, reduced business volumes, and/or higher loss ratios could be driven by potential economic, social, environmental, regulatory, or political change, such as geopolitical conflicts impacting supply chains, or new entrants to the market. New technologies such as electric vehicles and Advanced Driver Assistance Systems introduce additional insurance risk.

Mitigating factors which contribute to Admiral's strong UK underwriting results, include:

- A disciplined, dynamic and forward-looking approach to pricing and growth, with a focus on building the business for the long term
- Experienced and focused senior management teams, notably in pricing and claims
- Highly data-driven and analytical approach to the regular monitoring of claims and underwriting performance
- Capability to identify and resolve underperformance promptly through rapid and dynamic changes to key performance drivers, particularly pricing
- Continuous appraisal of, and investment in, employees, systems, and processes.

C Market risk

2024 trend

Possible impact on the strategic initiatives: 1

Market risk arises due to developments in economic and financial market conditions that result in movements in interest rates, credit spreads, and foreign exchange rates. Market volatility (notably significant changes in risk-free interest rates or material increases in credit spreads) can adversely impact the value of the Group's assets.

In addition, growth of the Group's businesses outside the UK has altered the exposure to net assets and liabilities in currencies other than pounds sterling, increasing the Group's exposure to euros and dollars in particular. A dedicated investment committee advises each subsidiary board and oversees the investment management of funds as well as advising on effective treasury and foreign currency exposure management of the Group's funds.

The Group investment and Group liquidity policies relating to the managing of cash and invested assets support the Group's compliance with the Prudent Person Principle and other regulatory expectations.

The Group's investment strategy focuses on preservation of the amount invested, low volatility of returns, matching duration and currency of liabilities, and strong liquidity. The majority of the portfolio is invested in high-quality fixed income and other debt securities, money market funds, and other similar funds, in order to achieve these objectives. This is reviewed regularly by the investments team, Investment Committee, and asset managers to ensure Admiral is adequately positioned.

Principal risks and uncertainties
continued

D Operational risk

2024 trend ↑

Possible impact on the strategic initiatives: 1 2 3

Admiral continues to review the impacts and level of operational risk in the context of a modern, digital, hybrid workplace.
The principal categories of operational risk for Admiral include transformation and change, which was heightened this year given the More Than acquisition, and integration, people, technology, information security/cyber, resilience, data management, and third-party management.

Operational risk can arise in a number of forms, including poor business decisions due to lack of data or weaknesses in the data, inadequate or failed internal/outsourced projects, processes, and systems, and from people-related sources such as hybrid working, or external events. These can lead to customer detriment/dissatisfaction, regulatory censure/enforcement, reduced earnings, and/or reputational damage due to Admiral's action or inaction. Cyber events specifically can lead to loss of service, loss of data, and potential ransom demands with financial, regulatory and reputational consequences.

Admiral operates a three lines of defence model, and internal controls are in place and are monitored to mitigate risks.
The following are a limited number of examples of how operational risks are managed:

- **Transformation and change:** Embedding change governance processes for reporting, assurance, and oversight at both entity and Group level, with external specialist support for development and delivery of transformation initiatives
- **People:** Employing targeted recruitment and identifying potential leaders through internal development, talent management, and retention processes for the purposes of succession planning; an ongoing commitment to diversity and inclusion and accreditation under the real living wage scheme in the UK. Admiral has embraced more flexible ways of working to hire, motivate, and retain employees with evolving hybrid working practices
- **Technology:** Development and continuous investment in infrastructure, coupled with regular executive and Board oversight of technology delivery, given its strategic importance in enhancing business decision making and improving customer experiences
- **Information security/cyber:** Tooling for endpoint protection, vulnerability management, and intrusion management to protect the Group from the continuously evolving cyber threat landscape. Clear incident detection and response procedures to ensure that people, processes, and technologies are resilient in the event of cyber-attacks, and robust mitigation plans to address containment and recovery
- **Resilience:** Line one incident management teams within entities and technology teams who maintain system availability. Business continuity and disaster recovery plans are in place and are regularly tested. Data is regularly backed-up to allow for its recovery in the event of corruption
- **Data management:** The Group is enhancing and further embedding its approach to data quality and ownership, as well as having a consistent approach to the recording of critical data definitions and lineage so that the data is better understood. The growing use of AI further increases the need for, and risks from, data quality and data ethics. As a result, the Risk Team is developing a Data Quality policy, and a Data Quality Governance forum is being established across the Group to facilitate the sharing of best practices among entities
- **Third-party management:** Strategic reviews are periodically undertaken to align procurement and outsourcing arrangements with the wider business strategy and in response to ongoing macroeconomic challenges. Outsourced activities are monitored through ongoing supplier relationships, performance management, and due diligence reviews.

Admiral also purchases a range of insurance covers to mitigate the impact of a number of operational risks, including Cyber Liability insurance subject to market capacity, Civil Liability insurance, and Employers' Liability insurance.

Principal risks and uncertainties
continued

E Legal and regulatory risk (including conduct)

2024 trend ↑

Possible impact on the strategic initiatives: 1 2 3

As Admiral operates globally, across various business lines and products, it is exposed to differing political regimes, legal jurisdictions, regulatory expectations, and tax systems.

Admiral has a very low appetite to legal and regulatory risk, which may arise where Admiral fails to identify, interpret, or fully comply with legal, tax, and/or regulatory requirements, including regulatory reporting in a timely manner. This could lead to regulatory intervention, censure, and/or enforcement action through fines and other sanctions, potential criminal and/or civil enforcement action, and potential customer detriment and/or dissatisfaction.

This risk may also arise where previous industry, tax, regulatory, and/or legal compliance standards are revisited with negative consequences and applied retrospectively, for the industry and/or the Group.

Failing to meet increasing expectations from regulators, legislators, and shareholders around climate change and broader environmental, social and governance matters could potentially lead to exposure to legal and regulatory risk and potentially adversely impact other stakeholders' perceptions.

Admiral operates a three lines of defence model with strong oversight from Group and entity boards to monitor the Group's compliance with current and proposed requirements. Admiral also interacts with regulators and consults with internal and external subject matter experts to advise on industry best practice.

Assurance is gained through external reviews and benchmarking exercises ensuring compliance with legal and regulatory requirements, and strong governance of change initiatives is a key control in managing regulatory change. Admiral continues to have a strong customer focus and monitors, manages, and reports on customer outcomes, including product value reports, and the ongoing enhancement of Admiral Group Customer Outcomes MI, and aims to attract, retain, and motivate quality employees to deliver superior customer service and to achieve business objectives.

F Catastrophe risk

2024 trend ↑

Possible impact on the strategic initiatives: 2 3

Admiral has a low appetite for net risk exposure caused by catastrophe events. Admiral is exposed to the risk of higher losses than anticipated due to the occurrence of manmade catastrophes or severe natural weather events, such as large floods, freeze events, subsidence, or windstorm, which could cause extensive property damage. The risk is likely to increase in frequency and severity due to climate change.

To mitigate this, Admiral monitors the impact arising from climate change risks, covering physical risks, as well as other emerging risks which may impact catastrophe drivers.

Admiral contributes a levy to the government-backed Flood Re. scheme to protect against large flood losses, and contributes to a similar scheme in Spain.

Admiral also purchases excess of loss reinsurance, which is designed to mitigate the impact of very large individual or catastrophe event claims.

Principal risks and uncertainties
continued

G Credit risk

2024 trend

Possible impact on the strategic initiatives: 1 2

Admiral is primarily exposed to institutional credit risk in the form of: (a) reinsurance counterparty credit risk; (b) banking counterparty credit risk; and (c) the credit risk of the investment portfolios. In addition, Admiral is exposed to retail credit risk in relation to customer defaults on Admiral Money's loan portfolio. One or more significant counterparties suffering financial difficulties could lead to a deterioration in their credit quality resulting in a downgrade by rating agencies or ultimate credit default.

The impact of the realisation of the credit risks detailed above could result in financial losses. Furthermore, capital requirements could increase if there is a wider deterioration of credit quality, and losses could lead to a liquidity strain for Group entities should there be a default event of any of its primary cash holding or facility-providing counterparties. Increased defaults could also impact future profitably and lending capabilities and Admiral may need to replace reinsurance cover in the event of a reinsurer default.

The Group reinsurance policy is to contract with reinsurers that are rated 'A-' or above. In addition, major reinsurance contracts are operated on a funds withheld basis, which substantially reduces credit risk, as Admiral holds the payments due as collateral.

The credit risk of Admiral's banking and (public and private) investment counterparties is managed by ensuring a well-diversified portfolio with respective counterparty limits based on their credit quality. This is supported by frequent monitoring and the appointment of specialist third-party asset managers. Currently, this is represented through the high average credit quality of the Group's bond mandate and that cash balances and deposits are placed only with highly rated counterparties. The Group also invests in a range of liquidity funds which hold a wide range of short duration, high-quality securities, and in fixed income funds holding primarily investment grade assets. All investments which are of elevated credit risk, are monitored via a credit watchlist by the investment team and the Investment Committee.

Admiral Money's credit risk appetite is set to ensure that the risk taken is commensurate with the expected returns, whilst also considering customer affordability. Admiral Money continuously monitors its criteria for new business pricing and the performance of its portfolio. Creditworthiness and affordability checks are in place, with additional support available to vulnerable customers.

H Reinsurance risk

2024 trend

Possible impact on the strategic initiatives: 1 2 3

Admiral has a low appetite for inappropriate or inefficient use of capital and therefore, uses proportional co-insurance and reinsurance across its insurance businesses to optimise the use of capital, to increase the return on the capital it does hold, and to mitigate the cost and risk of establishing new operations.

There is a risk that co-insurance and/or reinsurance cover will not be available, that it is ineffectively placed, or that it will only be available at an uneconomical price in the future. This could lead to a need to raise additional capital to support an increased underwriting share, and return on capital might reduce compared to current levels.

Inflationary uncertainty, geopolitical instability, and other factors could result in a change in reinsurer appetite and an increased cost of reinsurance protection for insurers. Climate change and the increased frequency and severity of extreme weather events, as well as increased chronic physical risks, could also adversely impact the availability and cost of reinsurance protection for insurers.

Admiral mitigates the risk to its reinsurance arrangements by regular monitoring, by ensuring that it has a diverse range of financially secure partners, and by staggering contract maturities to prevent a cliff-edge ending of large reinsurance covers. Admiral continues to enjoy strong, long-term relationships with several different co-insurers and reinsurers, some of which are among the world's largest. Quota share and co-insurance arrangements are contracted over a number of underwriting years and these long-term arrangements are in place throughout the UK and international businesses.

Principal risks and uncertainties
continued

I Strategic risk

2024 trend

Possible impact on the strategic initiatives: 1 2 3

Admiral is at risk of the Group's strategy being insufficient or inappropriate for achieving the business' objectives, or of internal or external factors leading to the business being unable to fully meet its strategic objectives.

Admiral's strategy is set to cover a three-year time horizon and is refreshed annually with input from a wide range of senior management. Entity and Group strategies are aligned with priorities shared top-down and bottom-up. The Group Board reviews and approves the Group strategy annually along with the priorities for the following year, which inform the Group KPIs and OKRs; these are tracked and reported on monthly.

Risks to the strategy can include the diminution of Admiral's other revenue, the erosion of Admiral's competitive advantage in UK Car insurance, the failure of geographic and/or product expansion, an overreliance on the price comparison distribution channel and/or the potential for the nature of motor mobility to evolve. In mitigation, Admiral seeks to minimise reliance on any single source by earning revenue from a range of products and territories, further supported by the recent More Than acquisition, and reacts quickly to market conditions and developments.

Admiral's approach to expansion and product development remains conservative with new businesses and products executing cautious launch strategies, usually backed by mitigating reinsurance support.

Admiral writes the majority of its new business volumes via price comparison websites and if the growth in this distribution channel were to slow, reverse, or cease, there could be a material adverse impact in UK new business. In mitigation, Admiral is continuing to grow its MultiCover and MultiCar products, which promote retention, has a direct offering to new and existing customers, and continues to invest in improving the online/digital offering. Admiral is also focused on growing broker distribution in our European markets, for small to medium-sized enterprises (through Admiral Business), and extending distribution for Admiral Money's car finance product.

Given the importance of Admiral's culture in underpinning successful delivery of the strategy, factors that could impact culture, e.g. hybrid working will need to be carefully managed.

J Reputation risk

2024 trend

Possible impact on the strategic initiatives: 1 2 3

Admiral has a very low appetite for reputation risk and could be exposed to an erosion in trust from customers, regulators, employees, shareholders, suppliers, and other stakeholders, as a result of decisions, associations, actions, or inactions, as well as accusations of greenwashing. A negative reputation could have a significant impact on the share price and brand value and could result in reduced sales, reduced profitability, difficulty in recruiting and retaining talent, and increased regulatory focus.

Reputational risk can be a secondary impact caused by failures in any part of the Group such as operational events. However, it can also be a primary risk should the firm's perceived behaviours or communications not meet stakeholder expectations.

Admiral monitors metrics that inform reputational risk analysis for different stakeholder groups, including customer feedback, social media metrics, staff surveys, and investor relation reports. Reputational impact is considered across key decisions and major internal and external events and Admiral has a crisis response and communications plan that seeks to minimise the reputational and other impacts of an event once it has materialised.

Moreover, given that reputation risk will often be a secondary impact of other types of risk event, controls that mitigate the primary risk also help limit reputational risk.

Principal risks and uncertainties
continued

Emerging risks

The management of emerging risks is a key element of Admiral's strategic risk management, and emerging risks and opportunities continued to be reviewed throughout 2024.

Admiral Group identifies and monitors emerging risks, issues which may be potentially significant, but may not be fully foreseen, assessed or allowed for in insurance terms and conditions, pricing, reserving or capital setting, or strategic and business decisions. By their very nature, emerging risks are many and varied, with a high degree of uncertainty around the likelihood of occurrence, severity and/or timing. The broad analysis of a wide range of emerging risks and opportunities may lead to a change in strategy, management behaviour, ways of working or risk management, and in turn, to a stronger and more robust business which better delivers on its commitments to customers, employees, and other stakeholders.

Emerging risks are identified via horizon scanning. This is conducted by the Group Risk Function and consists of an extensive literature review, consultations and blue sky thinking with internal working groups, and interviews with internal stakeholders, subject matter experts, and external specialists. The Group Risk Function assesses emerging risks using an internally-developed framework, which includes qualitative and quantitative analysis to grade each emerging risk on a scale designed to be comparable across entities and compatible with management of operationalised risks. Evaluation of the potential impact to Admiral includes consideration of how the risk may interact with existing principal risks and uncertainties (PR&Us), as well as any new risks that could arise. It also drives the precautionary deployment of management actions and mitigating controls.

Admiral's emerging risk radar captures an assessment of potential impact and time to crystallisation for emerging risks. It categorises each risk into four broad risk segments: (a) political, economic and social; (b) legal and regulatory; (c) technology and (d) environmental. Plotting emerging risks in this way can shed light on the macro trends with common drivers and effects.

Some risks are quickly approaching crystallisation. This includes 'Climate change transition risks' (1) – risks derived from the transition to a lower-carbon economy. These are driven by the complexity and rising standards regarding climate action, particularly with regards to compliance as initiatives such as the Corporate Sustainability Reporting Directive come into force. However, work is on track not only to comply with emerging regulation but also to adapt products and business practices as the transition develops.

Another high-velocity risk category is 'Changing claims landscape' (8). The introduction of legislation to enable autonomous vehicles in the UK is expected to drive major changes in the nature and complexity of motor insurance claims. This could substantially change operational demands and the financial profile of claims, and work is planned to better define the scope of the impact and identify any no-regret management actions.

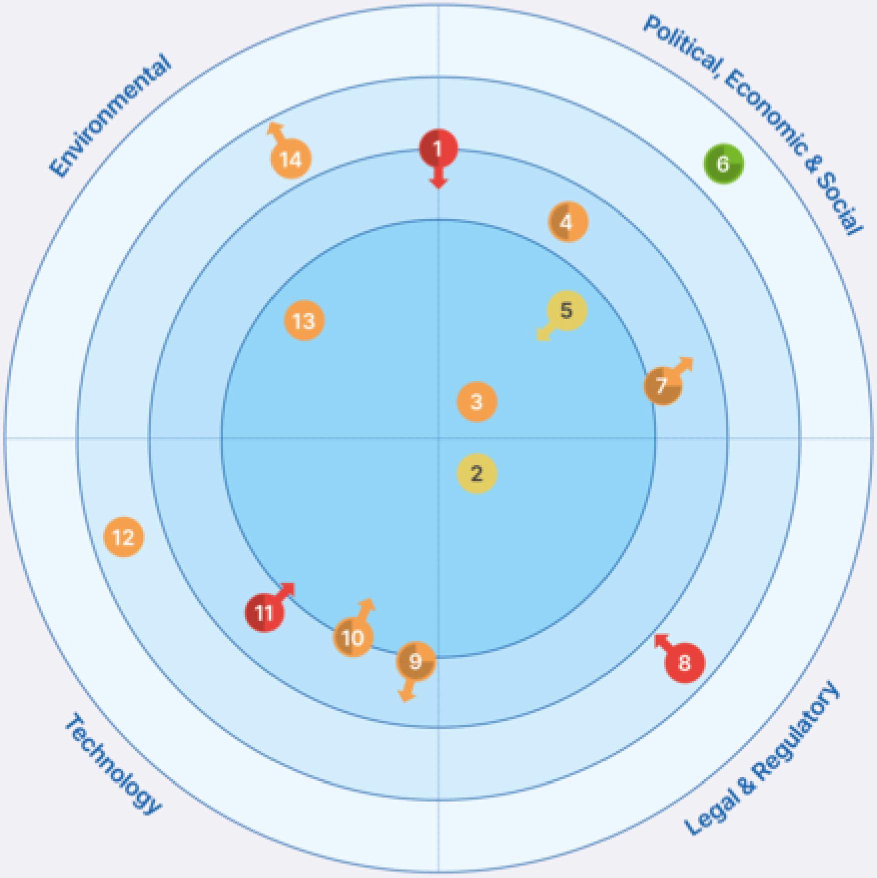
However, other risks have receded, such as 'Non-traditional competition' (9) – the risk posed by potential competitors such as OEMs, data brokers and technology companies for the time being at least. The withdrawal of a key non-traditional competitor from the UK insurance market and the mixed success of insurtech and OEM-bundled products in recent years has contributed to this evaluation; however, the landscape can change quickly. Drawing on analysis and lessons learned may, therefore, prove valuable not only to mitigate risks but also to capture opportunities arising from non-traditional competition, such as potential partnerships or acquisitions.

Finally, 'disruptive technology' (11) continues to approach crystallisation as artificial intelligence and GenAI applications increasingly interact with operational and enterprise risks.

Reporting on emerging risks and opportunities is provided by the Group Risk Function to the GRC and relevant Boards, is incorporated into the Group ORSA Report, approved by Group Board, and is discussed with the senior management and entity risk teams.

Principal risks and uncertainties
continued

Emerging risk radar 2024



Top emerging risks/ macro trends (1–14)

1. Climate change transition risks
2. Future workforce risks
3. Geopolitical instability
4. Changing consumer expectations
5. Domestic social dysfunctions
6. Sharing economy
7. Economic shocks and crises
8. Changing claims landscape
9. Non-traditional competition
10. New mobility solutions
11. Disruptive technology
12. Digital infrastructure failure
13. Climate change physical risks
14. Pandemics and infectious diseases

Risk-to-opportunity ratios

- Risk only
- Some opportunity
- Significant opportunity

Crystallisation

- <1 year
- 1-2 years
- 2-5 years
- 5+ years

Velocity

- Towards centre: approaching crystallisation
- Away from centre: becoming less immediate

Magnitude

- High
- Medium-high
- Medium-low
- Low

Viability statement

In accordance with provision 31 of the 2018 UK Corporate Governance Code, the Directors have assessed the prospects of the Company over a three-year period, having referenced the Group's business plan, Own Risk and Solvency Assessment (ORSA), the capital plan, risk strategy, risk appetite, principal risks and uncertainties, key risk drivers, and ongoing risk management activities.

As per provision 31, Admiral considers three years to be a period of assessment over which it has a reasonable degree of confidence. Although the Group reviews financial projections that extend beyond the three-year time horizon covering the years up to 2029, Admiral considers that there is an inherent risk and uncertainty in projecting beyond this three-year period, as the degree of certainty in the impact of internal and external developments reduces greatly due to the nature of Admiral's primary business (one-year insurance policies). However, these financial projections contain no information that would cause different conclusions to be reached over the longer-term viability of the Group. In addition, the Group considers the long-term prospects for its markets and products as part of its strategic planning, and considers liquidity on a rolling basis.

The Board utilises a range of relevant reporting to assess viability, including five-year financial projections reviewed twice a year, three-year solvency projections reviewed at least twice a year, the ORSA, and a one-year financial budget for the forthcoming 12 months approved on an annual basis, in addition to multiple time horizon liquidity projections.

The Group's business plan projects the Group to report profits throughout the viability projection period. The Risk Function has performed a high-level review and challenge of the business plan to give comfort over the robustness of the process and output. As part of the business planning process, several adverse scenarios were modelled in order to explore the impacts on profits of various risks to the plan, including:

- A more competitive market for UK Car resulting in reduced growth
- Capping of premium finance rates on UK Car
- Impact of a major weather event on UK Household
- Admiral Loans scenarios to consider the impact of reduced new business and higher default rates
- Impact on investment income of changes in investment strategy and risk free rates.

Another source of evidence is the alignment of the financial and business planning process and the solvency and liquidity assessments, referred to within Admiral as the capital plan. This makes sure that Admiral is appropriately capitalised and liquid at a fixed point in time as well as over the future planning time horizon, given Admiral's principal risks and uncertainties and a plausible range of potential stressed conditions. The capital plan is a key consideration for Group and Subsidiary Boards in assessing and approving the business strategy, business/financial plan, capacity to pay dividends, and key business decisions.

The Group seeks to hold a buffer on top of the regulatory capital requirement that is sufficient to protect its regulatory capital position against a range of significant but plausible potential shocks and stresses. The Board-approved capital risk appetite includes a lower trigger of intervention for the solvency ratio of 150%, which is a key criterion for the Board in assessing viability. Refer to the Strategic Report (page 44) for information on sensitivities to the reported 2024 solvency ratio position. The Group also 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.

At least annually, the Group produces an ORSA report, which is another source of evidence used by the Board to assess viability. The ORSA report sets out a detailed consideration of the principal risks and uncertainties facing the Group and also examines a series of stress and scenario tests (S&STs) and reverse stress tests (RSTs). These are examined and quantified based on the regulatory capital basis (which is the standard formula method with adjustments tailored to reflect Admiral's risk profile) to understand the potential impact of severe but plausible events on the Group's solvency, liquidity, and profitability over a three-year period. In addition to these Group tests, there are also entity-specific scenarios, considered of lower materiality to the Group, that are performed by each subsidiary insurance entity as part of their ORSA processes. In 2024 a range of scenarios have been performed, which includes a standalone liquidity scenario, capturing insurance risk, market/credit risk, strategic risk, natural catastrophe, climate change and cyber/operational risk. In total, 13 S&STs and four RSTs have been quantified to understand the potential impact on the Group's solvency ratio.

Viability Statement
continued

The results provide comfort that Admiral has sufficient capital and liquidity to withstand the extreme scenarios. Whilst the 150% lower solvency trigger is breached in several S&ST instances, should such scenarios actually occur, there would be a number of management actions that would be called on to alleviate financial pressures and maintain the solvency and liquidity ratios above their respective triggers. Depending on the nature, severity, and timing, these range from modest actions, e.g. pricing rate changes, to more significant changes, e.g. raising additional capital through the issuance of new shares, the sale of a business, or reducing planned dividend payments. For all S&STs considered, the SCR recovered to above the 150% trigger following adjustments to the dividend payments. Similarly for the respective liquidity scenario, the liquidity ratio had recovered post adjustments to the dividend payments and tactical Group funding allocations.

Other exceptions are extreme RSTs, combining several severe stresses. In the absence of management actions, these would result in a breach of the 100% minimum solvency ratio but, as is the intention of the RSTs, they are considered to be extremely remote outcomes, being well in excess of 1-in-200-year events. The results of the stress tests also form part of the process to set the Group's capital risk appetite.

Risk management is an essential part of Admiral's operations, and successful risk taking is key to the Group achieving its business objectives. Risk management is, therefore, a key consideration when setting the Group's strategy, managing performance, and rewarding success. The Admiral Group Risk Management Policy sets out Admiral's approach to risk management, as well as the governance of risk management across the Group. The current risks that are faced by the Group are captured in the risk universe, with the most notable risks captured in the Group's principal risks and uncertainties (page 88)[1], and the key risk drivers impacting Admiral being further discussed in the Group Risk Committee (GRC) report on page 145.

1 See note 3 to the financial statements for further details on the management of financial risks.

The Group also considers a range of emerging risks that could impact the Group to varying degrees in the future, but which are not yet fully understood (page 94). No emerging risks seem sufficiently likely to threaten the business model at this stage.

Admiral Group's strategy linked to climate change is discussed in more detail in the Task Force on Climate-related Financial Disclosures section on page 66.

Based on the results of all these activities, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due, for the period up to and including December 2027.

Strategic Report approval

The Strategic Report is approved for issue by the Board of Directors, and signed on behalf of the Board:

Milena Mondini de Focatiis
Group Chief Executive Officer

5 March 2025

Corporate Governance

In this section

Chair's introduction to governance

Building a diversified business within an effective governance framework

"As a Board, we are committed to advancing Admiral's purpose and promoting its culture through a framework of robust governance practices and established values, which will, in turn, ensure long-term, sustainable returns for our shareholders."

Mike Rogers
Group Chair

Dear Shareholder,

On behalf of the Board, I am pleased to present Admiral's Governance Report for the financial year ended 31 December 2024. This report describes the framework Admiral has put in place to ensure our Board and its Committees are operating effectively by supporting and challenging management to maintain high standards of governance across the Group as we continue to drive long-term value for all our stakeholders.

People and culture

Admiral is distinguished by its unique culture, deeply embedded within the organisation. Our values and our purpose are not mere statements; they are actively embodied by our teams every day and permeate all aspects of our business operations. On behalf of the Board, I extend my heartfelt gratitude to all our employees for their dedication, hard work, and enthusiasm throughout the year. It is our distinctive culture and exceptional people that sets us apart, making it even more significant that in 2024, Admiral was once again recognised as one of Fortune World's Best Workplaces. Detailed insights into our Company culture and why Admiral is celebrated as a top employer can be found throughout this report.

Engaging with our stakeholders

As Chair, I am acutely aware of our accountability to all shareholders and other stakeholders, including employees, customers, partners, suppliers, communities, and the environment.

We actively engage with our shareholders and maintain ongoing communication with all other stakeholders. Our section 172 statement on page 77, along with additional information on page 117, provides more insights into how we achieve this.

Board changes

Whilst there were no changes to the Admiral Group plc Board during the year, we did have a significant change of leadership within our UK insurance business. Cristina Nestares stood down as CEO of EUI Limited, Admiral Group's largest subsidiary, on 8 October, after leading the UK insurance business for eight years. Alistair Hargreaves, Deputy CEO of the UK business, was appointed as Cristina's successor in October 2024. The Group Nomination and Governance Committee played a significant role in considering and recommending approval of this appointment to the EUI Board. You can read more about this change on page 111.

Introducing new technology

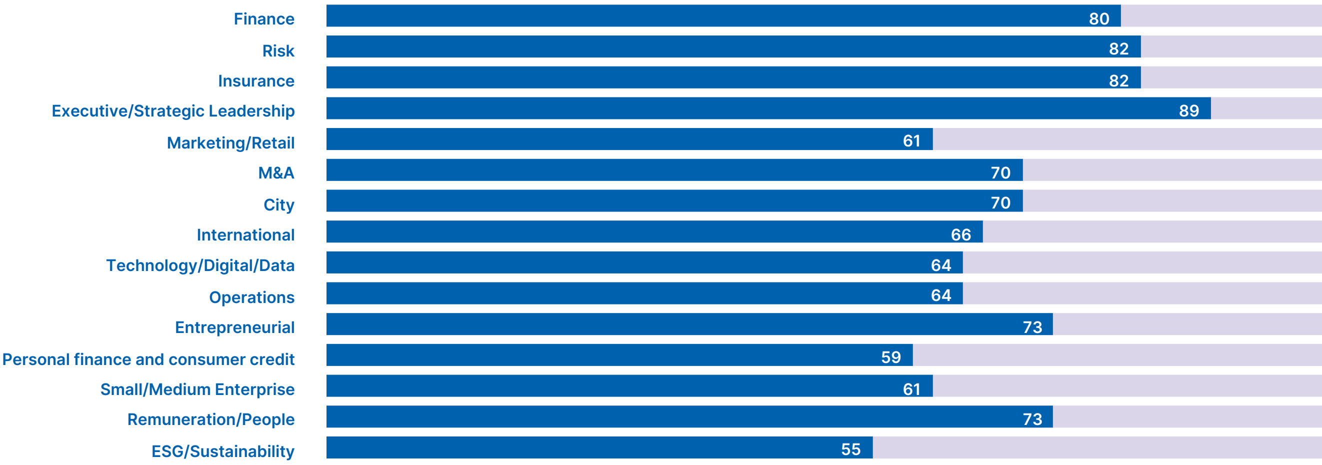
During the year, the Board has spent time overseeing the foundations of integrating AI into Admiral's operations by investing in advanced technology solutions. This has included the roll-out of the Genesys cloud-based contact centre, the partnership with Google Cloud for data analytics and AI services, and the adoption of Microsoft CoPilot to enhance efficiencies and customer experience.

These initiatives, overseen by the Board, are aimed at improving customer service, driving data-based decision making, and ensuring the Company remains agile and technologically advanced, while also addressing cyber security and data protection challenges. You can read more on how the Board has achieved this on page 112.

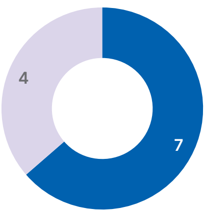
Chair's introduction to governance
continued

Governance at a glance

Skills and experience on the Board (%)

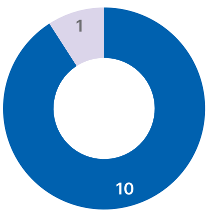


Board nationality

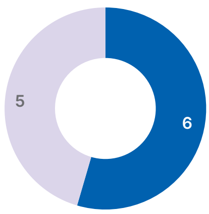


Board age

Board ethnicity



Board gender



ESG and sustainability

ESG and sustainability considerations are integral to our decision making processes and form a core part of our broader Group Strategy. I am pleased to report that, with 45% female representation throughout the year, the Admiral Board has exceeded the 40% target set by the FTSE Women Leaders Review. We have also achieved 'The Parker Review' objectives regarding Director ethnicity at the Group Board level. While these are commendable milestones, we recognise there is still work to be done to foster a fully inclusive environment and develop a diverse talent pipeline to propel our business forward. Further details on our diversity and inclusion initiatives, including our targets for ethnicity within our senior management team, can be found on page 132.

Regarding climate change and environmental stewardship, the Board is committed to meeting our environmental responsibilities, as detailed in our SECR and TCFD reporting on page 64 and 66.

Board and Board Committee effectiveness

The Board conducted an evaluation of its own performance and that of its Committees in December 2024. In accordance with its three-year cycle, this review was carried out internally by the Company Secretary in collaboration with myself.
As part of this review, all Directors also reflected on their own performance during the year. The findings from the 2024 evaluations, along with an update on the progress made against recommendations from the previous year's review process, can be found on page 137. This process provides a clear focus where areas of potential development for the Board, its Committees, and individual Directors have been identified for the forthcoming year, whilst also confirming their effective operation during the year under review, to ensure the business is managed for the long-term benefit of all stakeholders.

I would like to thank my fellow Board members for their insight and support during the year. I look forward to our 2025 AGM, which will be held on 9 May 2025. Further details will be published in the Notice of Annual General Meeting, which will be sent or made available to shareholders on the Company's website in due course.

Mike Rogers
Chair

5 March 2025

Board of Directors

Mike Rogers C
Chair

Current appointments
Chair of Experian plc

Background and experience
Mike was Group Chief Executive Officer of LV= Group from 2006 until 2016, during which time he grew the organisation into a significant player in the life and general insurance market.

Before that, Mike was with Barclays plc for more than 20 years, holding a number of senior roles, most recently as Managing Director, UK Retail Banking.

Mike was previously a Non-Executive Director of NatWest Group plc (where he Chaired its Group Sustainable Banking Committee and sat on the Group Performance and Remuneration Committee). He was also previously a non-Executive Director of the Association of British Insurers and Chair of Aegon UK.

Appointed
Appointed as Chair of the Board on 27 April 2023.

Contributions and reasons for appointment
Mike was appointed as Chair of the Board based on his wide business, insurance and financial services knowledge and on his ability to impact the strategic direction of Admiral. Mike has over 30 years of international financial services experience holding the senior positions described above. Mike also has a wealth of board experience; he is currently Chair of Experian plc and stepped down as Non-Executive Director of NatWest Group plc immediately prior to joining Admiral. Mike's recent and relevant background and experience, and the skills he has developed over his significant and distinguished career made him the ideal choice as Chair to lead Admiral Board and business through the next stage of its evolution.

Milena Mondini de Focatiis
Chief Executive Officer (CEO)

Current appointments
- Admiral Insurance Company Limited Board member (an Admiral Group subsidiary)
- Able Insurance Services Limited Board member (an Admiral Group subsidiary)
- Mentor for A-Road, Growth Capital.

Background and experience
Milena joined Admiral in 2007 and was appointed CEO in January 2021. She has been a member of the leadership team throughout her time at Admiral, has extensive experience of the Group's operations, and has attended and actively contributed at Board meetings as an observer since 2011. Her previous roles included being Head of UK and European Insurance and CEO of ConTe.it, Admiral's Italian insurance business, which she founded in 2008.

Before joining Admiral, Milena worked as a management consultant for Bain & Co and Accenture. She holds an MBA from INSEAD and a degree in Telecommunication Engineering from Universitá degli Studi di Napoli Federico II.

Appointed
Appointed to the Board in August 2020 and became CEO on 1 January 2021.

Contributions and reasons for appointment
Milena leads a very strong and experienced management team and is an effective CEO who continues to build an even stronger Admiral for the future. In 2023, Milena was awarded the Best Leader of a Big Company at the 2023 Best Companies Awards.

Committee membership
- Audit Committee member
- Remuneration Committee member
- Group Risk Committee member
- Nomination and Governance Committee member
- C Committee Chair
- Senior Independent Director

Board of Directors
continued

Geraint Jones
Chief Financial Officer (CFO)

Current appointments
- Admiral Financial Services Limited Board member (an Admiral Group subsidiary)
- Admiral Insurance (Gibraltar) Limited Board member (an Admiral Group subsidiary)
- Trustee and Chair of the Finance and Audit Committee of the Wales Millennium Centre
- Finance, Audit and Risk Committee member at the Football Association of Wales.

Background and experience
Geraint joined Admiral in 2002 and held several senior finance positions including Head of Finance, before being promoted to Deputy CFO in January 2012 and CFO in August 2014. Geraint is responsible for finance, investments and investor relations. A Fellow of the Institute of Chartered Accountants in England and Wales, Geraint spent the early part of his career as an external auditor at Ernst & Young and KPMG.

Appointed
Appointed in August 2014.

Contributions and reasons for appointment
Geraint has worked for Admiral for 20 years and has been Group CFO for ten years. He has a deep understanding of the Group's businesses and strategy, which, together with his significant financial and accounting experience, and broad range of skills and commercial expertise, makes him a valuable contributor both to the Board and the wider Group. Geraint is also able to use his financial and accounting experience to provide insight into the Group's financial reporting and risk management reporting processes.

Mike Brierley
Non-Executive Director

Current appointments
- Chair of Admiral Financial Services Limited (Admiral Money) (an Admiral Group subsidiary)
- Director, Trustee and Chair of Finance & Risk Committee of the Rose Theatre Trust
- Non-Executive Director and Chair of Audit Committee and Risk and Compliance Committee at Alpha Bank London Limited.

Background and experience
Mike was CFO of Metro Bank Plc between 2009 and 2018, helping lead the business from start-up to listing on the London Stock Exchange and profitability. He spent seven years at Capital One Europe in various roles including CFO Europe, CFO UK and Chief Risk Officer Europe. He has also served as CFO for Royal Trust Bank, Financial Controller at Industrial Bank of Japan (London Branch), Director Business Risk at Barclaycard and was co-founder, Deputy Managing Director and CFO of Gentra Limited. Mike is a Fellow of the Institute of Chartered Accountants in England and Wales.

Appointed
Appointed in October 2018.

Contributions and reasons for appointment
Mike brings a depth of knowledge from working at senior levels across multiple financial services sectors, jurisdictions and markets. As a result of his extensive financial and commercial experience, Mike is able to contribute effectively as a Non-Executive Director, and in his role as a member of the Audit, Investment and Remuneration Committees. Through his recent and relevant financial experience, he is able to effectively challenge management on the financial reporting and internal control matters that come before the Audit Committee. Mike demonstrates full commitment to the responsibilities that go with his Board and Committee roles, and offers appropriate challenge and guidance in respect of the matters considered in these forums.

Board of Directors
continued

Karen Green
Non-Executive Director

Current appointments
- Non-Executive Director, Senior Independent Director and Chair of the Sustainability Committee, member of the Nominations, Remuneration and Risk Committees Phoenix Group Holdings plc
- Non-Executive Director, and Risk and Audit Committee Chair and member of the Remuneration Committee of Miller Insurance Services LLP and Ben Nevis Clean Co Ltd
- Non-Executive Director, Senior Independent Director designate (effective 4 April 2025), member of the Audit, Nomination and Remuneration Committees, Great Portland Estates plc
- Board member and Audit Committee Chair of the TMF Group (Tucano Holdings Jersey Ltd)
- Charity Trusteeship, Member of the Audit Committee Wellbeing of Women
- Advisor role for an Insurtech, Cytora Limited.

Background and experience
Karen Green is the former CEO of Aspen UK. Other senior Aspen positions included Group Head of Strategy, Corporate Development, Office of the Group CEO and she was a member of the Group Executive Committee for 12 years. Prior to that, she held various corporate finance, M&A and private equity roles at GE Capital Europe and Stonepoint Capital having started her career in investment banking at Baring Brothers and Schroders.

Appointed
Appointed in December 2018.

Contributions and reasons for appointment
Karen has substantial financial services experience and has a deep understanding of insurance and reinsurance. Karen also has a strong background in strategic planning and corporate development, and her experience of sitting on remuneration committees of other businesses means that she is well placed to be the Chair of Admiral's Remuneration Committee.

Justine Roberts, CBE
Non-Executive Director

Current appointments
- CEO & Founder, Mumsnet.com & Gransnet.com
- Non-Executive Director of The Open Data Institute
- Non-Executive Director, and Chair of Remuneration Committee of English Football League.

Background and experience
Justine founded Mumsnet in 2000 and is responsible for creation, strategic direction and overall leadership. In May 2011, Justine founded Gransnet, a sister site to Mumsnet, for the over-50s. Before that Justine was a freelance football and cricket journalist for the Times and Daily Telegraph, after working for Warburgs and Deutsche Bank as an economist, strategist and head of South African Equities in New York.

Appointed
Appointed in June 2016.

Contributions and reasons for appointment
As CEO of the successful Mumsnet and Gransnet brands, Justine has strong digital and customer experience insights that she is able to bring to the Board decision making process. Justine also has a strong background in driving change through digital capabilities and brings a fresh and insightful perspective to the matters for consideration by the Board. Justine is also an effective member of the Nomination and Governance, and Remuneration Committees and demonstrates full commitment to those roles, as well as performing the role of Senior Independent Director.

Board of Directors
continued

Andrew Crossley
Non-Executive Director

Current appointments

- Chair of EUI Limited (an Admiral Group subsidiary)
- Non-Executive Director, member of Remuneration Committee, Risk Committee and Chair of Audit Committee at Vitality Health Ltd (Vitality Health Ltd, Vitality Life Ltd, Vitality Corporate Services Ltd) and Senior Independent Director of Vitality Life Ltd.

Background and experience

Andrew was CFO at Domestic & General Group from 2014 to 2017. He spent 14 years at Prudential Plc from 2000 as Director, Group Finance, Group Chief Risk Officer, and CFO and Deputy Chief Executive of Prudential UK. He previously held senior manager roles at Legal & General Group Plc, where he was Group Financial Controller, and Lloyds Bank plc. Andrew is a Fellow of the Institute of Chartered Accountants in England and Wales.

Appointed

Appointed in February 2018.

Contributions and reasons for appointment

Andrew has held a variety of senior roles relating to financial planning, strategy and risk across UK financial services. He has a wealth of commercial and financial experience and provides progressive insights to the matters that come before the Board. Andrew is a valuable contributor to the Board and as a member of the Group Risk Committee (of which he is Chair).

Jayaprakasa Rangaswami
Non-Executive Director

Current appointments

- Non-Executive Director and member of Remuneration Committee (joint with both Allfunds entities) of Allfunds Bank SA and Allfunds Group plc
- Non-Executive Director and member of Remuneration & Nominations, Audit & Risk Committees at Daily Mail and General Trust Plc (DMGT)
- Board Member and Chair of Quarterly Security Forum of Harmsworth Media
- Non-Executive Director and member of Audit Committee, Human Resources and Remuneration Committee and Chair, Sustainability, and Innovation Committee of National Bank of Greece S.A.
- Member and Chair, Business Development Committee, Board of Trustees, Cumberland Lodge
- Member, Board of Trustees, Web Science Trust.

Background and experience

Jayaprakasa Rangaswami (JP) has a wealth of large-scale IT operational experience gained through his roles as Chief Information Officer (CIO) with Dresdner Kleinwort (2001 to 2006) and Managing Director/Chief Scientist at BT Group (2006 to 2010). JP has also been Chief Scientist with Salesforce (a US cloud-based software company) (2010 to 2014) and was Chief Data Officer (CDO) and Group Head of Innovation with Deutsche Bank (2015 to 2018). JP is also a former global CIO of the Year as well as European Innovator of the Year.

Appointed

Appointed in April 2020.

Contributions and reasons for appointment

JP brings a wide range of IT skills and digital experience, which helps to complement and enhance the existing skills around the Board table. He has operated in financial services for over ten years and understands the challenges of working in a regulated environment. He is also able to effectively contribute to the Board debate and demonstrates full commitment to the role. JP is also a member of the Group Risk Committee, a role for which he has the relevant experience and capability.

Board of Directors
continued

Evelyn Bourke
Non-Executive Director

Current appointments
- Non-Executive Director, Chair of the Audit & Risk Committee and member of the Nomination Committee at Marks and Spencer Group Plc
- Non-Executive Director, Member of the Nominations Committee, Sustainability Committee, Remuneration Committee, Workforce Engagement NED at Bank of Ireland Group Plc (retired from these positions on 31 December 2024)
- Non-Executive Director, Senior Independent Director, member of Audit Committee, and Nominations Committee at AJ Bell plc
- Chair of GenisesCare UK Limited and Non-Executive Director of GenesisCare Cayman Holdings
- Director of Gatcombe court and Highgrove Court Management Company Limited.

Background and experience
Evelyn was Bupa Group's CFO between 2012 and 2016, before becoming Bupa's Group Chief Executive Officer from 2016 to 2020. Evelyn has held several senior leadership roles during her career including Chief Commercial Officer at Friends Life UK (2011-2012), CFO at Friends Provident (2009 – 2010), CFO at Standard Life Assurance (2006 -2008), and CEO at Chase de Vere (2004). Evelyn is a qualified actuary and holds an MBA from London Business School.

Appointed
Appointed in April 2021.

Contributions and reasons for appointment
Evelyn brings valuable general management, finance and strategy experience from life and health insurance, internationally. She complements and enhances the range of skills currently on the Board. Evelyn has held several leadership positions in financial services organisations and has the appropriate skills, knowledge and experience to perform her role as a Non-Executive Director. Through her recent and relevant financial experience, Evelyn is able to effectively challenge management on the financial reporting matters which come before the Audit Committee.

Bill Roberts
Non-Executive Director

Current appointments
- Independent Non-Executive Director Elephant Insurance Company (EIC) (an Admiral Group subsidiary).

Background and experience
Bill Roberts has a wealth of insurance, underwriting and marketing experience gained during his time at US insurer, GEICO, which he joined in 1984. Whilst at GEICO, Bill held several Executive appointments, including COO and President and CEO for all GEICO Insurance Companies, a position he held from 2018 until he was promoted to Vice Chairman, GEICO Insurance Companies in 2020. Bill held this role until he retired from GEICO in December 2020.

Appointed
Appointed in June 2021.

Contributions and reasons for appointment
Bill brings valuable insurance experience and insight on the US insurance market having held several senior Executive positions with US insurer, GEICO. Bill contributes and challenges effectively on the matters that come before the Board. His extensive US insurance experience and insight is of specific value to the Group's US businesses as they seek to continue to develop and grow. Bill does not currently have any other Executive or Non-Executive Director commitments outside of the Group that would impact the time commitment requirements for his roles as Non-Executive Director and member of the Nomination and Governance Committee.

Board of Directors
continued

Fiona Muldoon C
Non-Executive Director

Current appointments

- Non-Executive Director, Chair of the Risk Committee and member of the Audit Committee at Beazley plc
- Chair of Sretaw PE DAC.

Background and experience

Fiona has 30 years' experience in the insurance industry. Fiona was the CEO of FBD Holdings plc, a listed general insurer in Ireland, from 2015 to 2020. Prior to that, Fiona was Director of Credit Institutions and Insurance Supervision at the Central Bank of Ireland, the Irish regulator. Fiona spent 17 years of her career with XL group in various progressively senior finance and general management positions, in Dublin, London, and Bermuda. She is a Fellow of the Institute of Chartered Accountants in Ireland.

Appointed

Appointed in October 2023.

Contributions and reasons for appointment

Fiona has acquired extensive experience of the insurance sector during her career in financial services. Fiona has built a compelling portfolio in the financial services sector, demonstrating an ability to leverage her financial and commercial skills to make a useful contribution to Board discussions. Fiona's background and experience means that she has the relevant financial and industry expertise to be Chair of the Audit Committee. She demonstrates the commitment required to discharge effectively the responsibilities attached to this role and to challenge management on the Group's financial reporting and risk management processes.

Dan Caunt
Group Company Secretary and General Counsel

Appointed

Appointed in May 2022.

Background and experience

Dan trained at Field Fisher where he qualified into the IP disputes team in 2005. Dan relocated to Cardiff in 2008. He spent two years in the IP/commercial litigation team at Osborne Clarke before joining Admiral's in-house legal team in September 2010. Dan became Group Company Secretary and General Counsel at Admiral in May 2022, and leads the in-house Group Legal and Company Secretarial teams within the business. Dan is Secretary to the Admiral Group Board and all Group Board Committees.

Board leadership and Company purpose

UK Corporate Governance Code

The UK Corporate Governance Code (2018) ('the Code') available at www.frc.org.uk, applied to Admiral throughout the year ended 31 December 2024. At the heart of the Code is a set of principles which emphasise the value that good corporate governance can have on the long-term sustainable success of a business. By applying the principles, and following the more detailed provisions of the Code, the Board can demonstrate to Admiral's stakeholders how the creation of an effective, transparent and accountable corporate governance framework, aligned to the purpose and values of the Company, assists the Board in building our special Admiral culture and delivering the business strategy within the relevant legal and regulatory landscapes in which the Group operates.

Admiral is required to report to shareholders on how it has applied the principles and complied with the provisions of the Code during the year and, where we have not, the reasons for not doing so. The Board confirms that Admiral has complied with all of the provisions set out in the Code for the year ended 31 December 2024.

Details on how Admiral has applied the principles and complied with the provisions set out in the Code, and how governance operates throughout the Group, have been summarised throughout this Governance section and elsewhere in this Annual Report, and are set out in the table below.

Compliance with Corporate Governance Code principles

1	**Board leadership and Company purpose**	**Pages**
A	Effective Board	101, 121, 136
B	Purpose, values and culture	8, 107
C	Governance framework	98, 120
D	Stakeholder engagement	47, 77, 117
E	Workforce policies and practices	85, 113
2	**Division of responsibilities**	**Pages**
F	Board roles and responsibilities	101, 121
G	Independence	101, 130
H	External commitments and conflicts of interest	123,131
I	Board resources	124
3	**Composition, succession and evaluation**	**Pages**
J	Appointments to the Board	101, 129
K	Board skills, experience and knowledge	101, 131
L	Annual Board evaluation	136
4	**Audit, risk and internal control**	**Pages**
M	External Auditor and Internal Auditor	143
N	Fair, balanced and understandable review	139, 180
O	Internal financial controls and risk management	88, 139, 145
5	**Remuneration**	**Pages**
P	Linking remuneration to purpose and strategy	149
Q	Remuneration policy	153
R	Performance outcomes 2024	162

Board leadership and Company purpose
continued

Principal areas of focus: How the Board spent its time during 2024

In 2024, the Board held seven scheduled meetings and several ad hoc Board meetings to deal with significant matters that were unable to wait until the next scheduled meeting. A Board planner is in place, which sets out those items to be reviewed on an annual basis at scheduled Board meetings in accordance with the Schedule of Matters Reserved for the Board. The items below are not exhaustive but demonstrate some of the key areas of the Board's focus during the year ended 31 December 2024.

Strategy and business plan

- Received regular updates around key areas of business strategy across the Group including progress against current plan and strategic priorities for the business going forward
- A two-day Board strategy meeting took place at Admiral's Seville office in October where the Group's business strategy, five-year plan, Admiral 2.0, capital allocations and diversification were discussed
- Consideration of individual business strategies within the Group business presented by divisional CEOs, evaluating how these tied into the wider Group strategy
- Integration updates following the acquisition of UK direct home and pet personal lines insurance operations of RSA
- Review of ESG, sustainability and community strategies and how these are integrated throughout the wider business strategy
- Brand, technology and digital programme updates.

Operational performance, financial and risk management

- Review of the operational performance of the business through regular reports from the CEO and presentations from CEOs and senior management from across business divisions
- Regular updates from the CFO on the Group's financial performance against strategic objectives, business plans, capital allocation and budgets, tax planning and international tax considerations, planning liquidity and adequacy of solvency thresholds and prudential buffers considering market conditions, analyst forecasts and financial and non-financial KPIs
- Review and approval of the half-year and full-year results and consideration and approval of interim and final dividends
- Consideration of fair, balanced and understandable requirements in the half and full year financial reports, along with going concern and viability statements following review by the Audit Committee – see page 180
- Review and approval of the risk management framework, policy and appetite for the Group through the Risk Committee – see page 145
- Oversight of internal control environment and framework through updates from Audit Committee and Risk Committee including Cyber Risk, ORSA, Solvency II and Group Governance framework – see pages 139 and 145.

Culture and internal stakeholders

- Consideration of how the Group purpose and values have been embedded throughout the business
- Review of how Admiral's culture continued to develop including analysis of feedback from Great Place To Work® (GPTW) survey results, working groups, culture scorecard and Diversity and Inclusion Policy review – see more on pages 115 and 132
- Consideration of stakeholder map and respective stakeholder updates throughout the year, including engagement mechanisms – see more on pages 53, 77 and 117
- Presentations and discussion from the Chairs of the UK and Overseas Employee Consultation Groups – see page 117
- Overview of Group reward strategy including review of share-based awards through the Remuneration Committee – see page 149
- Talent management and succession planning throughout the Group
- Review of Investor Relations reports
- Group health and safety updates.

Society, environment and sustainability

- Oversight of Group ESG and sustainability strategy to ensure alignment with the Group's wider strategic objectives and culture – see page 47
- Review of climate change strategy, related activities and risk management including progress towards climate commitments and understanding the evolving expectations of stakeholders – see page 57
- Updates on progress against sustainability targets – see page 47
- Analysis of suppliers and partners and the communities within which Admiral operates – see pages 84 and 82
- Updates on volunteering and charity propositions within the Group as part of a wider community outreach strategy including sponsorship of community events, charitable giving, volunteering and fundraising – see page 54
- Updates on the customer journey, customer engagement and ensuring fair and reasonable claim outcomes for all customers with special consideration of vulnerable and disadvantaged groups within society – see pages 81.

Board leadership and Company purpose
continued

Governance and Regulatory

- Received regular reports from the Chairs of the Audit, Risk, Nomination and Governance, and the Remuneration Committees
- Consideration of the work of the Nomination and Governance Committee on Board composition and succession planning
- Regular updates and consideration of new regulatory requirements including implementation mechanisms for the Consumer Duty regulation – see page 81
- The fostering of good relations and open and constructive dialogue with regulators
- Discussions around conclusions of the Board evaluation findings and agreed areas of focus and Board objectives for 2024
- Consideration of skills, experience and time requirements for Directors and recommendations to shareholders regarding their reappointment
- Discussions around The Parker Review disclosure requirements for senior management ethnicity through Nomination and Governance Committee and the implications for succession planning
- Review and approval of Group policies including Board members' potential Conflicts of Interest, Modern Slavery and Anti-Bribery considerations and approval of Admiral's Modern Slavery Statement
- Considered and approved the Notice of 2024 Annual General Meeting (AGM) for issue to shareholders
- Reviewed matters reserved for the Board and the Committees' respective Terms of Reference.

Principal areas of focus for the Board in 2025

- Continued focus on improvements to customer experience, including claims service levels, customer satisfaction and loyalty
- Continued progress on the UK holistic strategy, including brand strategy, and technical and data enablers
- Oversight of a Group-wide artificial intelligence and data vision
- Oversight of progress of the Group's diversification strategy to ensure long-term resilience within the business, while strengthening and complementing existing customer propositions
- Monitoring the ongoing embedding of culture and values throughout the business, including closely monitoring the effects of hybrid working to ensure that the uniqueness of Admiral's culture is maintained and developed
- To continue focus on the Admiral internal model, supporting a planned regulatory application
- Provide steering and oversight for capital management and reinsurance
- Embedding the Group's sustainability strategy ensuring that it continues to be integral to the Group's wider strategy
- Focus on Board composition and skills in conjunction with Nomination and Governance Committee along with executive team succession planning
- Ensure diversity and inclusion objectives are embedded throughout the Group and continued progress is made in respect of ethnic diversity
- Continued deepening of the Board's understanding of external risk factors
- Ongoing oversight of FCA's Consumer Duty regime implementation across the business.

Strategic thinking at Admiral

Whilst a significant proportion of the Board's time is focused towards addressing the short to medium-term business considerations required in managing a business such as Admiral, it is also important that the Board is allowed the opportunity to take a step back and assess the bigger picture, to promote discussion and strategic planning over the medium to long term in order to identify and address those significant opportunities and risks that may present themselves. As well as being part of every Board meeting, Admiral annually dedicates two full days to focus on its strategy. In 2024, the Board was taken to Admiral's Seville office for their annual strategy meeting, at this meeting the following items are examples of some of those issues the Board addressed.

- Group-wide strategy and objectives
- Admiral 2.0
- Diversification strategy
- Motor evolution strategy
- UK insurance strategy
- Organic versus inorganic growth
- International business strategy
- Five-year plan
- Strategic opportunities
- Organisational requirements.

Board leadership and Company purpose
continued

s172 Principal decisions

Our section 172 statement, set out on page 77, highlights how the Board considers those matters set out under section 172 of the Companies Act 2006. On the pages that follow are examples of some of the key discussions and decisions taken by the Board during the year, along with details around how those considerations set out under section 172 were taken into account.

Key

Board considerations as defined under s172

- A Long-term impact
- B Interests of employees
- C Fostering business relationships
- D Impact on community and environment
- E Maintaining reputation for high standards of business
- F Treating stakeholders fairly

Stakeholders

- Customer
- Shareholders
- People
- Partners/Suppliers
- Communities

Product diversification – Admiral Pioneer's partnership with Flock

As announced on 25 June 2024, Admiral Pioneer, the Group's venture building business, entered into a new partnership with Flock, the London-based insuretech startup. This collaboration aims to transform UK fleet insurance with advanced technology and real-time risk management solutions. The partnership will empower Flock to expand its offering and support a wider range of fleet customers. The initial rollout will target courier fleets, business fleets such as tradespeople and service vehicles, along with short-term rental companies. The new product will be available to customers directly and through its growing network of trusted brokers. This expansion ensures that more fleets can benefit from Flock's innovative solutions and Admiral Pioneer's insurance expertise.

Through this partnership, Flock will continue to reward safer driving with premium rebates of up to 10% for customers demonstrating improved safety throughout the policy period. All customers will benefit from Flock's real-time safety portals and regular safety reviews, where the Flock team provides actionable insights into fleet risks and helps implement effective safety practices.

Prior to Admiral Pioneer entering into the partnership, the Group Board had oversight, including multiple discussions and updates during Group Board meetings. Heads of terms were signed by Admiral Pioneer after extensive due diligence and negotiation, to which the Group Board was kept abreast. The Admiral Pioneer Board's decision making process involved collaboration between various departments and consideration of strategic options and potential risks. The Board was briefed on the following:

- The strategic rationale, including:
  - Market context
  - Flock's business model
  - The partnership opportunity and the structure of the proposed deal
  - Advantages of the partnership
  - Strategic risks and mitigation
- The Group's priorities in the UK and the wider insurance market context
- The internal experience within Admiral Group of managing partnerships, including learnings from prior partnerships
- Product integration into e.g. multi-product offering
- The focus on end-to-end customer interaction
- The need for success criteria to assess the partnership in the future
- Impact on the Group's reputation
- Intra-Group governance relating to underwriting capacity for the partnership.

The Group Board raise several questions, which led to Admiral Pioneer's decision, balancing the potential risks with the long-term benefits of accelerating Admiral's entry into the Fleet market and leveraging Flock's innovative approach.

Key s172 criteria considered: A B C D E F

Relevant stakeholders considered: Customer, Shareholders, People, Partners/Suppliers

Board leadership and Company purpose
continued

Appointment of Alistair Hargreaves as CEO of EUI Limited

As announced on 8 October 2024, Cristina Nestares stepped down as CEO of the Group's largest subsidiary and its UK insurance business, EUI Limited ('EUI'), in October 2024. Before the EUI Board could make an ultimate decision to appoint a successor for Cristina, it had to make a recommendation to, and seek the approval of, the Group Nomination and Governance Committee. In accordance with its Terms of Reference, the Group Nomination and Governance Committee is responsible for approving such appointments to subsidiary boards, as well as periodically considering the Group's succession plans for such key roles, on behalf of the Group Board.

Alistair Hargreaves, formerly Deputy CEO of EUI, was appointed as Cristina's successor in October 2024, subject to regulatory approval.

In order to arrive at this decision, the Group Nomination and Governance Committee considered the following:

- The success profile of the EUI CEO role
- The succession plan for the EUI CEO and other potential internal candidates
- Whether a search for external candidates was necessary
- Alistair's biography, including a critical review of his experience and competencies mapped against the EUI CEO success profile, and his development needs
- 360 feedback from Alistair's current and former managers, peers, direct reports, members of the EUI Board and other key stakeholders (both internal and external)
- The impact on the composition of the EUI Board of Cristina stepping down (since Alistair was already a member on that Board) and (i) the potential need for an additional Director on the EUI Board; and (ii) diversity of the EUI Board
- The impact of regulatory accountabilities and Senior Management Function changes and applications required.

The Group Nomination and Governance Committee approved the recommendation to appoint Alistair as CEO of EUI on the basis that he was a strong fit for the role and that it was important to maintain stability and continuity within the Group's UK insurance business.

Key s172 criteria considered: A B C D E F

Relevant stakeholders considered:

Admiral Internal Model

The Board, along with the Group Risk Committee, continued its focus on the Admiral internal model during the year, receiving regular reporting to help drive key discussions and decisions in relation to the model. The Admiral internal model is being developed to calculate Admiral's solvency capital requirements in a way that reflects Admiral's risk profile more accurately than the standard formula and allows management to better incorporate capital considerations into business decisions.

The Board approved pre-application review submissions in June 2024 for the UK Car model to the Prudential Regulation Authority for Admiral Group, and to the Gibraltar Financial Services Commission for Admiral Insurance Gibraltar Limited. During 2024, the Board also oversaw a scope expansion of the Admiral internal model from year-end 2023 onwards to include all UK lines of business including Household, Van, Travel and Pet products, such that the Admiral internal model can produce Solvency Capital Requirements for Admiral Group, Admiral Insurance Gibraltar Limited and Admiral Insurance Company Limited. This progress, overseen by the Board, will help to ensure that the model is well placed to support a regulatory full-application submission towards future permission to use the Admiral internal model for setting regulatory capital for these legal entities.

Key s172 criteria considered: A B C D E F

Relevant stakeholders considered:

Board leadership and Company purpose
continued

New technology

A strategic priority for the Board is to accelerate the evolution of Admiral's core business and competencies toward 'Admiral 2.0', leveraging the Group's historical strengths whilst being even more agile and technology focused to ensure that it continues to put the customer first. To support this journey, the Board is overseeing the building of next generation architecture, leveraging cloud, data, analytics and digital to continually improve the customer experience. During the year, this included:

- **Genesys:** The roll out of the Genesys cloud-based contact centre throughout Admiral's UK business, this solution manages all inbound and outbound communications through a single cloud-based platform, delivering a more personalised customer experience
- **Google Cloud:** The UK business has partnered with Google Cloud to host its policy management and billing platforms. Enabling the use of Google Cloud's data analytics, generative artificial intelligence, and machine learning services to drive data-based decision making and produce more personalised products and services for customers
- **Microsoft CoPilot:** Admiral has invested in this sophisticated AI-powered tool to enhance efficiencies, improve collaboration, decision making and productivity, and deliver superior customer service and experiences.

The deployment of new technologies introduces advanced and capable platforms, enabling Admiral to develop superior features and experiences for customers. These technologies facilitate faster time to market, enhanced scalability, stability, and resilience. Additionally, they assist in mitigating the growing risks associated with customer data protection and cyber security.

The Board received updates and presentations from the business in addition to oversight of project milestones and agreed targets. As a result of the changes made as part of this transformation journey, Admiral aims to become a much more digitally diverse business both to customers and employees, and the changes will also help in meeting sustainability targets.

Key s172 criteria considered: A B C D E F

Relevant stakeholders considered:

Board leadership and Company purpose
continued

Culture

The Code emphasises the importance of the role of the Board regarding culture, with specific recommendations that the Board assesses and monitors culture, and ensures that workforce policies, practices and behaviours are aligned with the Company's purpose, values and strategy.

At Admiral, we believe that our culture is the real essence of what our business is; how we act, what makes us different, our character and personality, and how we treat our employees, customers and other key stakeholders. Our culture is a culmination of the implementation of our purpose through our values. The Board sets the tone and leads by example. This permeates through the business and creates a culture lived daily by colleagues as well as our wider stakeholders.

We strongly believe that Admiral's culture is unique as we aim to demonstrate throughout this report. It is fundamentally important that Admiral's culture evolves and adapts as the business environment changes. It is even more critical that those parts of our culture that we see as our competitive advantage and a key driver of our success to date, are fiercely protected, especially during continuing periods of change.

At Admiral we implement our purpose through our unique workplace culture. This is reinforced by our values – the 'Four Pillars of our Culture':

82%*

of employees believe that everyone has the opportunity to get special recognition. All colleagues in the business will receive up to the equivalent of £3,600 of shares in Admiral during the year.

85%*

of employees perceive Admiral as being a fun place to work.

95%*

of employees believe Admiral is a diverse and inclusive employer.

91%*

of employees believe that their managers share important knowledge and information with them.

Fun

A big part of working at Admiral Group, and one of the reasons it's a great place to work, is having fun. We want our people to feel proud to be part of the Group and look forward to working within a team where they can celebrate who they are and the value they bring each and every day.

What makes Admiral a fun place to work can be found throughout our Strategic Report and in our Governance Report on pages 53 and 114.

Communication

All our colleagues play an important role in our businesses delivering against our purpose and strategy so we encourage transparent communication at every level. We have an open floor office structure and encourage feedback across the Group. Further information can be found on page 53.

Equality

Our commitment to our people is to ensure an inclusive and supportive workplace where everyone feels that they can succeed. We continuously evolve our proposition and policies so that we can meet the needs of our people and empower colleagues to share views to inform our approach. Further information can be found in our Strategic Report on page 53 and the Nomination and Governance Committee Report on page 132.

Recognition and Reward

Recognising our colleague's dedication to our customers is crucial and our share ownership scheme is just one of the ways that we thank our people. We are proud to offer colleagues the opportunity to own part of the Group and to benefit financially from the hard work throughout the year. The Group's approach to investing in and rewarding its workforce can be found on page 153.

* 2024 Great Place to Work® survey results.

Board leadership and Company purpose
continued

Aligning our culture with our purpose, values, strategy, policies and practices

Admiral's culture is strongly aligned to our purpose to 'Help more people to look after their future. Always striving for better, together'. Providing customers with great products and services, whilst caring for our people and other important stakeholders is key to what we do.

Our Four Pillars of Culture are built into the fabric of our training, communication, policies and the way we do business. During the year, the Board received assurance from management that the Group purpose continued to be embedded within the operational processes and policies and that there continued to be alignment with its rewards and incentives. Maintaining culture continued to be a key part of Admiral's Board discussion throughout the year and remained at the forefront of its decision making rationale through the year.

Guiding and promoting culture

Our Board has the responsibility to act with integrity, to lead by example and to promote the desired culture. The Board does this through its governance framework, its decision making processes and its everyday interactions. We also ensure that any policies which apply to Directors, are consistent with those equivalent policies for the workforce.

Many initiatives take place during the year to promote Admiral's unique culture, examples of some of these are shown below:

Great Place To Work.

Admiral has been recognised in the top 6 UK Best Workplaces by 'Great Places to Work®' a global authority on workplace culture.

Admiral's cultural activities

Admiral Masterchef 2024. We had over 40 applications across our UK business areas (including UK Insurance, Admiral Law, Admiral Money, Admiral Pioneer, UK-based Group teams and AIGL). Through a competitive heats process, we selected eight UK finalists! We held a watch party to reveal our Grand Final winners in November and asked colleagues to send in their recipes to be considered for our Admiral Group Cookbook.	Flexible working arrangements. Empowering teams to define their own optimum working blueprint and self-organise in the most effective way, whilst coming together to share key moments
We ran an in-office event with players visiting from the Welsh Rugby Union (WRU). Colleagues had to throw rugby balls into a goal with 'target holes' for a chance to win tickets and merchandise from WRU.	Group-wide competitions, including the chance for colleagues to win a gift card for telling us how they deliver our Group Purpose in their role, and to name our new Group Intranet platform.
Department and team away days including spending allocated time for Impact Days to give back to the community.	A compensation and promotion structure based on meritocracy and excellent employee benefit offers.
Employee induction workshops focusing on Admiral's culture.	Star lunches where colleagues are recognised for their performance and are invited to attend a lunch with a senior manager.
Diversity and inclusion working groups and initiatives	Excellent opportunities for career development throughout the business leading to high retainment of employees
Group Top 10 competition: departments compete in a Group-wide competition, which includes a presentation to a panel of senior managers on a different subject each year in order to be awarded the best department.	Health and wellbeing initiatives to encourage employees to speak up if they needed support, a weekly health and wellbeing bulletin, yoga and meditation classes, choirs, running clubs, webinars, art classes, and financial wellbeing benefits such as Salary Finance, among many other things.
Annual manager awards.	Local reward and recognition programmes.
Encouraging use of training opportunities for work and personal development.	High- five feedback programmes, where employees can submit feedback on colleagues across departments who have given great service.
"People Who like…", (formerly "Ministry of Fun"), is an initiative that encapsulates not only fun but also various elements of engagement. It embodies three strands: talks (from internal and external speakers); events and learning opportunities, enabling colleagues to learn, connect and enjoy something outside of their '9-5 role'; and make the most out of their time at Admiral.	Regular Group-wide updates on business performance and matters of importance from Executive Directors and senior management.

Board leadership and Company purpose
continued

How the Board monitors and assesses culture

People and culture scorecard

The people and culture scorecard continues to provide a good analysis of the key people and culture metrics in order to help management and the Board's assessments of the overall health of the Group's culture. It also supports the identification of any trends in the evolution of the Group's workforce and culture, including any associated risks which could impact the execution and support of the Group's strategy.

The Group continues to view the following people and culture metrics that are derived from the annual Great Place To Work® (GPTW) survey and Admiral's internal pulse surveys as the lead indicators for people and culture at Admiral. The GPTW survey is an external survey that collates anonymised question responses from all colleagues to provide an overall result, as well as departmental results.

Scores pertaining to culture continue to be very high across the Group demonstrating the strength and impact of the Admiral culture. During the year, Admiral was recognised in the top 6 Best Workplaces by 'Great Places to Work' a global authority on workplace culture.

The Board received an update on the people and culture scorecard metrics during the year, alongside the outcome of the independent Culture Audit. The Board had oversight of several key metrics across the Group, including recruitment, engagement, productivity, absence and attrition trends, which are considered to be closely associated with the risks to culture, heightened by a move to a more permanent model of hybrid working.

Index	Score
GPTW Trust Index: The Trust Index comprises 60 questions from the GPTW survey, which are stable over time, benchmarked against the best companies in each market, and highly representative of the overall people sentiment of a positive culture.	**86%** 2023: 85%
GPTW Engagement Index: The Engagement Index is a specific measure comprising nine questions from the GPTW survey relating to willingness to go the extra mile, intention to stay with the business and likelihood of being an employer brand promoter. It is also benchmarked and stable over time, and has a proven correlation with business performance. According to the GPTW institute research, the drivers that are most correlated to higher engagement scores are: (i) teamwork; (ii) career development; (iii) values and ethics; (iv) empowerment and accountability; and (v) innovation.	**84%** 2023: 83%
GPTW Leadership Effectiveness Index: The Leadership Effectiveness Index is a specific measure comprising four questions from the GPTW survey relating to employee perception of management and their competency at running the business.	**87%** 2023: 86%
Pulse surveys: Based on colleague feedback about survey fatigue, the Pulse survey frequency has been adjusted to once a year in June. This year, we also developed a harmonised approach for the Pulse survey throughout the Group to ensure consistency in questions, facilitate best practice sharing, and achieve a more unified perspective on culture across Admiral Group. Since June 2024 marked the first occasion we conducted this harmonised, annual Pulse survey, results for the Group are only available for 2024. Next year, we will have the opportunity to draw comparisons and measure progress using the new approach.	**94%** "I believe Admiral Group is a diverse and inclusive employer." **91%** "My manager shares important knowledge and information with me." **89%** "I understand how my role brings to life Admiral Group's purpose to; Help more people to look after their future. Always striving for better, together." **87%** "In my opinion, the Admiral Group is truly customer focused."
Other people metrics: Recruitment, gender balance, headcount, absence, attrition.	

Board leadership and Company purpose
continued

Culture Audit

Towards the end of 2023, and up to February 2024, Admiral engaged EY to independently audit how hybrid working may have changed Admiral's culture. The scope of the review covered business units and teams across the UK, although primarily in EUI Limited (representing the largest proportion of our colleagues), selected by our Internal Audit function. The review methodology was based on EY's culture framework whereby the 'articulated' culture (fun/reward/communication/equality), the 'experienced' culture and the 'deep' culture are compared.

Overall EY's conclusion was that hybrid ways of working had not had a significant impact on Admiral's culture. EY shared the ways in which hybrid working had started to influence culture and proposed recommendations to address this, one of which related to the communication and alignment of colleagues' understanding of the four pillars. Admiral has taken the recommendations of the audit and combined them with its existing hybrid/culture action plan, which continues to be implemented.

How Admiral retains its unique culture, whilst offering flexibility in working practices

For a company of Admiral's size, there can be no 'one size fits all' solution to working practices. The Board understands that a post-Covid world has increased the opportunity and expectation for greater flexibility within the working environment, with a hybrid working model becoming more common practice. At Admiral, individual business functions and departments are empowered to define their own blueprint and self organise their teams in a manner, which they believe creates maximum benefit for the business, whilst, at the same time, ensuring that our special culture is retained and enhanced. For example, at a Group level, a guide as to where and when colleagues should be spending time together is driven by our 'Admiral Moments' model: these are key moments when it matters for colleagues to be together in-person. The Board enables each business division to interpret these principles in their own way to maximise workplace efficiencies and enhance culture throughout the Group.

Admiral Moments

Admiral promotes a hybrid working model, empowering business functions and departments to organise their own working arrangements in a manner that creates maximum benefit for the Group. However, our 'Admiral Moments' model below sets out examples where we encourage in-person or 'face-to-face' engagement amongst our teams, to ensure that Admiral's unique culture is retained and enhanced.

Other tools

In addition to employee participation in surveys and the annual GPTW survey, there are several other mechanisms used by the Group and the Board to monitor and assess culture. For example, 'Meet the Manager' meetings; the 'Ask Milena' scheme; regular online manager chats; ECG and IECG meetings (see page 117); mandatory training completion rates; health and safety data; whistleblowing and grievances; and customer net promoter score (NPS). All are felt to be valuable methods of capturing the mood of our people and to gauge the health of our culture.

The Board Committees also help the Board monitor and assess culture through their respective responsibilities, some examples of which are highlighted below.

Nomination and Governance Committee

Succession and talent management strategies, along with a diversity and inclusion strategy and policies and progress against targets to ensure alignment with the Group's strategy and values.

Remuneration Committee

Monitoring of alignment of workforce remuneration policies to culture and strategy, risk events reported to it by the Risk Committee under the malus and claw back framework.

Audit Committee

Whistleblowing, Internal Audit, Group Minimum Standards.

Risk Committee

Risk events that would impact remuneration from a malus and claw back perspective, financial crime and misconduct risks.

As well as receiving updates on the Group's culture at Board meetings, Directors utilise other mechanisms to assess and monitor culture, such as attending meetings of the UK ECG, subsidiary boards and performing site visits across the different entities within the Group which, during their discussions with a cross-section of colleagues, enables the Directors to gauge the culture for themselves. In 2024, the Board Chair and several other Non-Executive Directors visited the L'olivier office in Paris, the ConTe office in Rome, the Admiral Seguros offices in Seville and Madrid, and Admiral Insurance (Gibraltar) Limited in Gibraltar for meetings with the Boards, management team and employees.

Whistleblowing

The Board has in place arrangements by which employees can raise concerns in confidence and, if necessary, anonymously. During the year, the Board received an update on the Group's whistleblowing arrangements from the management team. The Audit Committee, chaired by the Group's Whistleblowing Champion, Fiona Muldoon, was satisfied that the update was proportionate for independent internal investigation of the matters raised and supported an ethical business culture where colleagues felt safe raising concerns. In addition, and on an exceptions basis, the Board is updated in respect of reports arising from matters that have been raised by employees under the Policy. The Audit Committee receives more regular updates in respect of whistleblowing matters, see page 144 for further information.

Board leadership and Company purpose
continued

Shareholder engagement

The Board has continued to focus on effective engagement with its stakeholders during the year, to ensure that their interests are taken into account in its decision making processes. Detailed information is set out in the Strategic Report on page 80, outlining how the Board has discharged its duties under s172(1) of the Companies Act, including further information on the ECG and IECG (see page 117), which constitute formal workforce advisory panels under the Code.

Communication and interaction with institutional shareholders and wider market participants remain very important and engagement occurs on a regular basis. Open and frequent dialogue enables shareholders to fully understand the Group's strategy, objectives and governance processes, as well as Admiral's performance and progress against these. The Investor Relations team ('IR') has day-to-day primary responsibility for managing communications with the market community. Meetings, briefings, roadshows, and conferences with investors and analysts have taken place both in-person and virtually, led by both senior management or IR. In addition, investor visits to Cardiff generally take place twice a year and offer market players the opportunity to meet with senior leaders from across the business.

Meetings with investors are supplemented by regular feedback to the Board. The Investor Relations team circulates a report on market feedback and IR activities at least twice a year for the Board's consideration. The report contains a summary of market dynamics and share price performance, details of any significant changes to the shareholders' register, alongside recent feedback and forecasts from analysts and investors.

The Senior Independent Director has specific responsibility to be available to investors who have any issues or concerns, and in cases where contact with the Chair, Chief Executive Officer and Chief Financial Officer has either failed to resolve their concerns, or where such contact is inappropriate. No such concerns have been raised in the year under review.

All shareholders are invited to attend the Company's Annual General Meeting (AGM) in person. The 2024 AGM was held on 25 April 2024 with the required quorum. Shareholders were able to vote on the important customary annual business and encouraged to submit questions to the Board in advance of the AGM. The Chairs of the Audit, Remuneration, Nomination and Governance, and Group Risk Committees attend the AGM along with the other Directors and are available to answer shareholders' questions on the activities of the Committees they chair. Shareholders are also invited to ask questions during the meeting and have an opportunity to meet with Directors after the formal business of the meeting has been concluded. Details of proxy voting by shareholders, including votes withheld, are made available on request and are placed on the Company's website following the meeting.

The Group maintains a corporate website (www.admiralgroup.co.uk) containing a wide range of information of interest to institutional and private investors. The major shareholders of the Company are listed in the Directors' Report on page 179.

Regulators

The regular channels of communication with both the Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA) that existed throughout the year were supplemented by the regulators being invited to attend Board meetings. The PRA attended the Board remotely in January 2024 regarding its periodic summary meeting letter. The FCA attended the Board remotely in 2023, which gave the Board an opportunity to directly hear their views on specific areas such as Consumer Duty, as well as wider market issues. The Board is also kept up to date with the regular communications between the Admiral Insurance (Gibraltar) Limited Board and the Gibraltar Financial Services Commission, as well as contact between the Group's other insurance subsidiaries and respective regulators.

Employee Consultation Group

Purpose

The Board recognises the importance of engaging with its workforce and does so through a combination of formal and informal channels. To ensure a two-way communication platform and an effective means by which the views of the workforce can be heard, the Board established a UK Employee Consultation Group (ECG) in 2019 with the aim of enhancing and formalising its pre-existing employee engagement arrangements. For the purposes of Provision 5 of the Code, the ECG is a formal workforce advisory panel.

Membership and attendance

Membership of the UK ECG comprises elected colleague representatives and the remit of the ECG is to act as a forum for employee consultation, gathering colleague opinion and fostering a safe environment to raise matters of interest and generate ideas. There is a democratic member election process and members are provided with an induction to ensure that there is clarity about the role and remit of the ECG, as well as their role as members.

Non-Executive Directors are invited to attend ECG meetings on a rotational basis and report back to the Board on matters discussed, as well as actions agreed at the ECG meeting. Taking this approach ensures that each of the Non-Executive Directors can engage with the workforce directly and hear first-hand the issues and matters that are affecting the workforce.

To ensure that the meetings remain a two-way mechanism, Non-Executive Directors are also asked to comment on any insights from ECG meetings at the following Board meeting and the Chair of the UK ECG is regularly invited to attend Board meetings to report on matters discussed by the ECG and highlight any areas of concern. Minutes of the ECG meetings are also published on the intranet for all employees to view. Non-Executive Directors also provide an update at ECG meetings on recent matters discussed by the Board.

Board leadership and Company purpose
continued

Areas of focus for the Employee Consultation Group

During 2024, the Employee Consultation Group (ECG) forum remained focused on important issues for employees, such as hybrid and remote working, remuneration, Great Places to Work® (GPTW) survey results and sustainability. There were four scheduled ECG meetings during 2024, with a wide range of topics discussed. There were also a number of ad hoc meetings where important one-off items were brought to the ECG's attention that required an 'employee voice' prior to being presented to the Board. Presentations on the following topics were given to the ECG during the year, the results of these discussions were presented to the Board by the ECG Chair:

Meeting	Main presentations and key topics discussed	Outcome/impact
January 2024	Great Place to Work®	The Engagement Manager introduced new members of the Engagement Team. The ECG discussed the GPTW results and completion rates. An overview was provided on the areas that scored highly and those areas where improvement was needed. Questions were asked on the completion rate, how many other insurers completed GPTW, whether information was available on how sections were weighted, and overall whether there was a plan to change the way the results were communicated.
	Director remuneration	The Chair of the Remuneration Committee took the meeting through the current Director's Remuneration Policy and the proposed changes to ensure that the ECG had full transparency around the Executive reward structure. The policy would run from 2024-2026. The ECG discussed its feedback.
	Hybrid working survey results	The hybrid working survey used various methods to ensure that hybrid working was not negatively impacting the business, and the results were overwhelmingly positive. The survey recommended continuing to focus on culture and flexible working, with input from People Partners to support employee wellbeing and contribution.
May 2024	UK Insurance, customer outcomes	The ECG was updated on the steps Admiral was taking to deliver excellent customer service. Topics discussed were Service, Consumer Duty and Complaints.
	Sustainability	Admiral's Sustainability Report, published on Earth Day 2024, outlines the Company's commitment to transitioning to net zero by 2040 and embedding sustainability into its core business strategy. The ECG was taken through the report including efforts in environmental, social, and governance areas, supporting local communities, investing in crisis relief, and enhancing customer support.
September 2024	Online customer experience	The Head of Online Service highlighted the growing popularity and performance of MyAccount. The aim was to transform the customer experience by providing a single login for all products, intelligent and seamless multi-channel support, and end-to-end claims self-service. This will align customer experiences with those in more developed sectors ensuring effortless and secure interactions.
November 2024	Social purpose	The Group Social Purpose Manager discussed Admiral's social sustainability efforts, which included investing up to 1% of operational profits into the community. Colleague engagement in social purpose was also discussed.
	Group purpose	The Head of Communications facilitated a discussion on Admiral's Group purpose, "Helping more people look after their future. Always striving for better, together". The ECG discussed the Purpose & Me campaign, particularly the toolkit that had helped colleagues understand their role in delivering the Group's purpose. The upcoming launch of the Engagement Ambassadors network was also discussed.
	Proactive and preemptive health programme	The Senior People Partner (Health and Wellbeing) discussed the programme and related initiatives that had been launched, such as the Wellbeing Representatives Network and the Customised Adjustments Plan. The ECG also discussed how the business had achieved recognition as a Neurodiversity Friendly Employer and a Disability Confident Leader, and how the team were exploring on-site health services and proactive health measures.

Whilst recognising that this engagement mechanism will evolve over time, the Board continues to believe that the operation of the ECG has been, and continues to be, an effective means of engaging with the workforce, to help the Board understand matters that concern the workforce and their specific interests, whilst having regard to these matters in the discussions and decisions that take place at the Board. The Board will ensure that the ECG continues to develop as an effective, formal workforce advisory panel and that regular interaction between the Board and the ECG is maintained.

Board leadership and Company purpose
continued

International Employee Consultation Group (IECG)

The International Employee Consultation Group has been formally meeting since 2022, and is chaired by Costantino Moretti, Head of International Insurance. This year, four IECG meetings took place, as outlined below. The meetings were attended by candidates chosen on a voluntary basis, with an agenda created to incorporate employee interests, questions and proposals.

Entity/Meeting	Topics discussed	Outcome/Impact
AECS – February 2024	Competitive advantages in the market	Discussions were held around the importance of building good practices within the Group and a strong senior leadership team with a high level of collaboration and cooperation between them.
	Better together	Employees commented that the sense of belonging to the Company and to the teams was strong. This was a significant achievement at a Group level.
	Look at the future	Members discussed how the insurance market had changed over the last year and how the business could be a stronger and more profitable entity, as well as the path to becoming even more significant within the Group.
Admiral Seguros and Admiral Tech - May 2024	Market developments	Members discussed the insurance sector and how it constantly changed to adapt to the needs of the market. Members also discussed the market shift from broker business to direct business over the years.
	Artificial intelligence	Members discussed the impact of AI on people's lives, especially in the workplace. They encouraged employees to investigate and implement AI tools. There was also a discussion on the importance of cybersecurity training.
	Product diversification	The meeting discussed product diversification that was being developed in France and Italy, including Pet, House, and Loans.
	Collaboration between IT & other business areas	Members discussed how working in an agile environment was an opportunity for improving communication. The European IT and Data teams were continuing to address this gap.
	UK Sustainability team	It was noted that there were legislative requirements at a UK level in respect of sustainability and that similar requirements would be applicable in Europe from 2026. Therefore, there was work to be completed within Admiral's European businesses.
L'olivier - September 2024	Market developments and product diversification	The importance of quickly adapting to insurance market changes was discussed. In respect of diversification, the importance of strengthening L'olivier's position within the European motor insurance market prior to launching new products was emphasised by members.
	Admiral's culture	Members discussed how Admiral's culture reflected the strong values and employees' happiness by working together. The positive atmosphere and the sense of belonging were very much appreciated by all employees.
	Sustainability	It was noted that Admiral was committed to sustainability in terms of social and environmental responsibility. All Group businesses avoided the use of plastics, encouraged the use of plastic-free water bottles, electric vehicles such as electric cars, push scooters or bicycles.
	Strategy plan for next years	Members commented that the focus for the next few years was to build a strong and solid data platform. Digitalisation and GenAI are key for the future of the company.
	French markets	Members discussed that L'olivier had adopted a development strategy and approach which aimed to increase the number and the quality of customers.
ConTe - November 2024	Hybrid working	The pros and cons of hybrid working for the business and for colleagues was discussed, noting that building connections and creating opportunities to network continued to be important.
	Artificial intelligence	The growth in the use of AI was discussed, including how it would be important for companies to invest in colleague training to ensure that the associated risks were minimised.
	Gender diversity	The importance of gender diversity was discussed, along with targets that had been set to increase gender diversity across the Group.

Division of responsibilities

Through the strong governance framework that it has in place, the Board is able to deliver on its strategy and, in doing so, provide strong, sustainable financial and operational performance for our shareholders and wider stakeholders.

Board and Committee framework

Our Board and Committee framework supports the development of the highest standards of governance practices across the Group which is integral to the successful delivery of our strategy.

Shareholders

The Board
The Board is collectively responsible for establishing the purpose, values and strategy of the Group and for promoting the long-term success of Admiral for the benefit of our shareholders and stakeholders.

Principal Board Committees

Audit Committee
Responsible for overseeing the Company's systems for internal financial control, risk management and financial reporting, and monitoring the integrity of the financial statements.
Read more on page 139

Nomination and Governance Committee
Reviews the composition of the Board, considers succession planning at both Board and senior management level and leads the process of appointments to the Board.
Read more on page 125

Remuneration Committee
Responsible for remuneration policy, performance-related pay schemes and share-based incentive plans.
Read more on page 149

Risk Committee
Assists with the oversight of the Group's risk appetite, tolerance and strategy. Monitors current and potential risk exposures and the effectiveness of the risk management framework.
Read more on page 145

CEO

Group Board Management Committees

- Group Reserving Committee
- Group Model Governance Committee
- Group Assets and Liabilities Committee
- Group Investments Committee
- Group Disclosure Committee

Divisional CEOs, Subsidiary Boards and Committees, Management Committees and Senior Management

Admiral Business

Division of responsibilities
continued

Board roles and responsibilities

The Chair is primarily responsible for leading the Board, setting its agenda and monitoring its effectiveness. He is supported by the Senior Independent Director, who acts as a sounding board and serves as an intermediary for the other Directors. Neither are involved in the day-to-day management of the Group.

Save for the matters reserved for the Board, the Chief Executive Officer (with the support of the Executive Directors and the senior executives) is responsible for proposing the strategy to be adopted by the Group, running the business in accordance with the strategy agreed by the Board and implementing Board decisions.

It is the Non-Executive Directors' role to provide constructive challenge, strategic guidance, offer their respective specialist advice and hold management to account.

It is the role of the Company Secretary to support the Chair and administer the workings of the Board and Committees, ensuring Directors have precise and timely information to enable an effective decision making process, whilst providing governance, legal and statutory advice and ensuring a record of decisions and actions is clear and attributable.

The Board has approved a statement that sets out the clear division of responsibilities between the Chair, Chief Executive Officer and SID. This, and the Schedule of Matters Reserved for decision by the Board, are reviewed annually and are available to review on Admiral's website at www.admiralgroup.co.uk.

Chair

- Runs the Board and sets its agenda, with an emphasis on strategic issues
- Ensures the Board has effective decision making processes and applies sufficient challenge to proposals
- Facilitates constructive Board relations, including effective contribution from Non-Executive Directors
- Ensures the Board has an appropriate balance of skills, knowledge, experience and diversity
- Leads the induction and development plans for new and existing Board members
- Communicates with major shareholders and ensures the Board understands their views
- Ensures the Board receives accurate, timely and clear information
- Leads the annual Board evaluation.

Senior Independent Director

- Supports the Chair in the delivery of their objectives
- Provides as a sounding board for the Chair and serves as an intermediary for the other directors
- Available to shareholders if they have concerns that cannot be resolved through the normal channels
- Works with the Chair and other Directors/shareholders to resolve significant issues where necessary
- Leads the annual performance evaluation of the Chair
- Leads the Chair appointment process.

Chief Executive Officer

- Runs the Group's business and delivers its commercial objectives
- Proposes and develops the Group's strategy, in close consultation with the Chair and the Board
- Implements the decisions of the Board and its Committees
- Ensures operational policies and practices drive appropriate behaviour, in line with the Group's culture
- Leads the communication programme with shareholders and other key stakeholders, including staff
- Ensures management provides the Board with appropriate information and necessary resources.

Division of responsibilities
continued

Role of the Board

The Board is responsible for promoting the long-term, sustainable success of the Group, generating value for shareholders, taking into consideration all of its stakeholders and contributing to the wider society in which Admiral operates its business. The Board is the principal decision making forum for the Group, providing entrepreneurial leadership, both directly and through its Committees, and delegating authority to the Executive Directors and the senior management team for the day-to-day operation of the business.

The Board has determined the Group's purpose, to 'help more people to look after their future. Always striving for better, together'. This is embedded in the culture of the business through our aligned values and strategy. Part of the Board's role is to promote the Group's culture and, in particular, ensure that its uniqueness is safeguarded. This has been especially important in recent years where there have been significant challenges to how the business operates and its culture, (see page 113).

The Board is responsible for organising and directing the affairs of the Group in a manner that generates and preserves value over the long-term. Through the strong governance framework that it has in place, the Board is able to deliver on its strategy of providing strong sustainable financial and operational performance. The Board is also accountable for ensuring that, in carrying out its duties, the Group's legal and regulatory obligations are being met; and for ensuring that it operates within appropriate risk parameters.

The Group's UK-regulated entities are accountable to the Financial Conduct Authority (FCA) and the Prudential Regulatory Authority (PRA) for ensuring compliance with the Group's UK regulatory obligations, and that dealings with the FCA and PRA are handled in a constructive, co-operative and transparent manner. Similar provisions apply in respect of the Group's international businesses with regard to the relevant regulatory authorities, such as the Gibraltar Financial Services Commission and Dirección General de Seguros y Fondos de Pensiones in Spain.

Board and Committee meetings

Directors are expected to attend all meetings of the Board and the Board Committees on which they serve, and to devote sufficient time to the Group to perform their duties. Where Directors are unable to attend meetings, they receive papers for that meeting, giving them the opportunity to raise any issues with the Chair in advance of the meeting. The number of scheduled Board and Board Committee meetings attended by each Director during 2024 is provided in the table below.

In addition to the scheduled meetings of the Board set out in the table below, the Board also held a number of additional, ad-hoc meetings to discuss matters that were of sufficient importance that they could not wait until the following scheduled Board meeting. All Directors are invited to participate in such meetings which, by their nature, are arranged at short notice. Where they are unable to do so due to pre-existing commitments, Directors are given the opportunity to contribute their views to the Chair prior to the meeting. The Board also delegates authority to a Board sub-committee for the approval of final drafts of announcements and proposals which had already been considered by the Board or its Committees. The Board met in-person for six out of seven of its scheduled meetings held during the year, including its strategy meeting (and October Board), which was held over two days in Seville.

Board and Committee meeting attendance

	Board	Audit Committee	Risk Committee	Nomination and Governance Committee	Remuneration Committee
Mike Rogers (Chair)	7/7			6/6	
Milena Mondini de Focatiis (Chief Executive Officer)	7/7				
Geraint Jones (Chief Financial Officer)	7/7				
Karen Green	7/7	6/6[7]	9/9		5/6[5]
Justine Roberts	7/7			6/6	6/6
Andy Crossley	7/7	2/2[2]	9/9		
Michael Brierley	7/7	8/8			6/6
Jayaprakasa (JP) Rangaswami	5/7[1]		7/9[4]		
Evelyn Bourke	7/7	4/4[3]			3/3[6]
William (Bill) Roberts	7/7			6/6	
Fiona Muldoon	7/7	8/8			

1 JP Rangaswami was unable to attend the October and December 2024 Board meetings due to illness.
2 Andy Crossley stepped down as a member of the Audit Committee on 7 March 2024.
3 Evelyn Bourke became a member of the Audit Committee on 25 April 2024.
4 JP Rangaswami was unable to attend the September and December 2024 Risk Committee meetings due to illness.
5 Karen Green was unable to attend the March Remuneration Committee due to a pre-existing commitment which had been arranged prior to her becoming a Committee member.
6 Evelyn Bourke stepped down from the Remuneration Committee on 25 April 2024.
7 Karen Green stepped down as a member of the Audit Committee on 1 September 2024.

Division of responsibilities
continued

Matters reserved for the Board

The Board has adopted a formal schedule of matters reserved for the Board's consideration. This is monitored by the Company Secretary and reviewed by the Board on an annual basis. Specific matters reserved to the Board include the approval of:

- The Group's long-term objectives and corporate strategy
- Operating and capital budgets, financial results, and any significant changes to accounting practices or policies
- The Group's capital structure
- Results and financial reporting
- The system of internal control and risk management
- The Group's overall risk appetite
- Changes to the structure, size and composition of the Board, including new appointments
- Succession plans for the Board and senior management
- Dividend policy and proposals for dividend payments
- Major acquisitions, disposals, and other transactions outside delegated limits
- The annual review of its own performance and that of its Board Committees
- Annual review of selected Group policies
- The review of the Group's overall corporate governance arrangements.

Board Committees

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 Board – the Audit, Remuneration, Risk, and Nomination and Governance Committees all comply with the requirements of the Code.

All Committees are chaired by an independent Non-Executive Director, except for the Nomination and Governance Committee, which is chaired by the Chair of the Board, and comprise a majority of independent Non-Executive Directors. In accordance with the Code, all members of the Audit Committee are independent Non-Executive Directors. Appointments to the Committees are made on the recommendation of the 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 and they are annually reappointed to the Board by shareholders. 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 who report on the proceedings of their Committee at the subsequent Board meeting. Copies of Committee minutes are also distributed to the Board. Committees are authorised to obtain outside legal or other independent professional advice if they consider it necessary. The Chair of each Committee attends the Annual General Meeting to respond to any shareholder questions that might be raised on the Committee's activities. An evaluation of the performance of each Committee against the duties set out in each Terms of Reference is carried out annually.

Group conflicts of interest

In compliance with the requirements of the Companies Act 2006 regarding Directors' duties in relation to conflicts of interest, the Group's Articles of Association allow the Board to authorise potential conflicts of interest that may arise, and to impose such limits as it thinks fit. The Group has a Conflicts of Interest Policy which deals with conflicts of interest, and this was reviewed and approved by the Board in October 2024. The Policy sets out the process and procedure by which the Board manages potential conflicts of interest that may arise at Board level, within Board Committees, and within the Group's Subsidiary Boards. Following this review, the Board concluded that the process continued to operate effectively.

In addition, each Board member is asked to complete, annually, a conflicts of interest questionnaire that sets out any situation in which they, or their connected persons, have, or could have, a direct or indirect interest that could conflict with the interests of the Company. Any current directorships that they, or their connected persons hold, any advisory roles or trusteeships held, together with any companies in which they hold more than 1% of the issued share capital are also disclosed. The Board is satisfied that none of the Directors had any potential conflicts of interest during the year which could not be authorised by the Board.

Division of responsibilities
continued

Information flows to and from the Board

Agendas and papers

Agendas and papers are circulated to the Board electronically in a secure manner in preparation for Board and Board Committee meetings. The Board agenda is structured by the Chair in consultation with the Company Secretary and CEO. An annual schedule of agenda items is reviewed and updated regularly to ensure that items are considered at the appropriate point in the financial and regulatory cycle. Meetings are structured so as to allow for consideration and debate of all matters. Routine Board papers are supplemented by information specifically requested by the Directors from time to time.

At each scheduled meeting, the Board receives updates from the Chair, the CEO and CFO as to the financial and operational performance of the Group and any specific developments of which the Board should be aware. In addition, there is an update provided at each Board meeting on the matters discussed and considered at each of the Group's principal subsidiary Board meetings. Additional meetings are called as and when required, and there is contact between the Board, Board Committees, subsidiary boards and management, where necessary, to progress the Group's business.

Attendees

The CEO of UK Insurance (Alistair Hargreaves), together with the Chief Risk and Compliance Officer (Keith Davies), the Head of International Insurance (Costantino Moretti) and the CEO of Admiral Money (Scott Cargill) are invited to attend every Board meeting and regular Board dinners. This has proved an effective means of ensuring that senior managers below Board level, have exposure to and gain experience of, the operation of the Board.

Dynamics

All Board and Committee meetings during the year were held in an open atmosphere conducive to robust and constructive challenge and debate. All Directors have, therefore, been able to bring independent judgement to bear on issues such as strategy, risk management, performance, and resources.

Cross-Committee membership

As shown on pages 101 and 122, Committee membership is composed in a way that supports cross-Committee membership, which allows items of importance to be flagged from Committee to Committee in a timely manner. This complements the Committee briefings that the Board receives on the key points of discussion following each Committee.

Advice

All the Directors have access to the advice and services of the Company Secretary, who has responsibility for ensuring that Board procedures are followed and for advising the Board, through the Chair, on governance matters. The Company Secretary provides updates to the Board on regulatory and corporate governance issues, new legislation, and Directors' duties and obligations. The appointment and removal of the Company Secretary is one of the matters reserved for the Board. Dan Caunt has held the position of Company Secretary since 1 May 2022, his biography can be found on page 106.

The Directors are also given access to independent professional advice at the Group's expense, should they deem it necessary to carry out their responsibilities.

Other information flows

The Board Chair met with a wide range of Admiral colleagues and visited various parts of the business during 2024. The Non-Executive Directors are invited to visit areas of the business for in-person on-site visits to meet employees and review business functions.

As referenced within the commentary on employee consultation on page 117, the Non-Executive Directors are invited to attend ECG meetings and participate in the two-way engagement with employees.

The Non-Executive Directors met in-person during the year without the Executive Directors being present. Non-Executive Directors individually met with the Chair for discussion ahead of each Board meeting in 2024 and also met with the CEO for a debrief at the conclusion of each scheduled Board meeting.

The Chair holds one-to-one meetings with members of the Group's senior management team either in-person or on a virtual basis. Members of the senior management team were invited to join Board dinners, which allowed the opportunity for informal interaction between Directors and the senior management team.

Training and professional development

The development and training of Directors is an ongoing process and is considered throughout the year. The Directors are regularly updated on the Group's business; legal matters concerning their roles and duties; the competitive environments in which the Group operates; and any other significant changes affecting the Group and the industry of which it is a part. During the year, the Board received deep dive updates, briefings and training on the following topics: Admiral internal model (AIM), Senior Management Functions, Conduct Rules and Reasonable Steps provided by KPMG, Market Abuse Regime provided by Clifford Chance, SME Market overview, amongst several business deep dives.

Nomination and Governance Committee report

Overseeing our Board composition

"The Nomination and Governance Committee is committed to having a diverse and effective leadership across the Group."

Mike Rogers
Chair of the Nomination Committee

Committee at a glance

Membership

- Mike Rogers (Chair)
- Justine Roberts
- Bill Roberts.

Roles and responsibilities

The Committee assists the Board with its oversight of Board composition, Board and senior management succession and corporate governance by:

- Reviewing of the structure, size and composition of the Board as a whole and identifying and nominating candidates for Board vacancies
- Considering the balance of skills, knowledge, experience, time commitment and diversity requirements of the Board and its Committees
- Reviewing and overseeing the effectiveness of Admiral's corporate governance framework to ensure effectiveness transparency and accountability
- Overseeing the Board, Board Committees and subsidiary board evaluations and implementation of any resulting recommendations
- Evaluating Admiral's leadership framework including skills and expertise requirements to ensure the Company remains competitive in a dynamic market
- Reviewing the Committee's own effectiveness.

The full terms of reference of the Committee can be found on our website: Board governance | Admiral Group Plc

Highlights

- Review of Non-Executive Director and Senior Independent Director succession planning
- Commencement of search process for new Non-Executive Director
- Oversight and approval of Board Committee changes, extensions to Non-Executive Director terms of appointment, senior internal appointments and Directors' external appointments
- Consideration and recommendation for appointment of new CEO of Admiral's UK business in line with established succession plan
- Consideration and review of diversity requirements in light of regulatory requirements
- Review of own effectiveness and recommendations from Board and Committee evaluations.

2025 priorities

- Succession planning for Executive and Non-Executive Directors, and Board and Board Committee composition and skills
- Oversight of subsidiary Board composition and governance effectiveness in light of subsidiary board evaluation recommendations
- Oversight of succession planning and execution for key senior management positions
- Review of gender and ethnic diversity requirements
- Review of Group governance structure to ensure effectiveness, transparency and accountability.

Nomination and Governance Committee report
continued

Dear Shareholder,

On behalf of the Board, I am pleased to present this year's report as Chair of the Nomination and Governance Committee (the Committee). The Committee plays a key role in overseeing Admiral's Board composition, ensuring it has the optimum balance of skills, experience and knowledge, as well as ensuring diversity in the broadest sense on the Board and all of its Board Committees. The Committee also ensures that the Group operates within a robust and transparent corporate governance framework. This report sets out the Committee's main activities, along with how it has discharged its responsibilities throughout the year ended 31 December 2024.

Succession planning continued to be a key focus for the Committee during 2024, both at Board and senior management level. The Board reviewed NED and Senior Independent Director (SID) succession in the context of Justine Roberts' nine year tenure which is due to end in June 2025. External consultancy, Spencer Stuart, have been engaged to begin a search process for a new NED. The Committee has also started to consider internal candidates for the role of SID against the role specification.

As part of Board succession planning and its regular review of Board composition, the Committee has also reviewed the skills and experience present on the Board and Board Committees to ensure these reflect the current requirements of the Admiral business, and meet the expectations of our stakeholders. Several changes to Board Committee composition took place during the year to refresh membership and to continue to ensure effective delivery of the Group's strategy. These are detailed later in this report on page 129.

At a senior management level, the Committee considered the succession of the CEO of Group's UK insurance business, EUI Limited, and subsequently recommended to the Board the appointment of Alistair Hargreaves. Further information on this decision is outlined on page 111.

Diversity and inclusion also continued to be key topics for Committee discussion during the year. The Committee ensured that the Board continued to meet the FTSE Women Leaders Review target that 40% of the Board should be female, in addition to The Parker Review's target that the Board should include at least one Director from an ethnic minority background.

The 2024 annual review of the Committee's effectiveness took place in December and was, again, carried out by way of an internal review led by myself in conjunction with the Company Secretary. This review concluded that, overall, the Committee remained effective but noted some areas for improvement. These are outlined on page 136 of this report.

The rest of this report sets out in more detail the activities of the Committee during 2024. I would like to thank the Committee members for their continued contributions and support throughout the year.

Mike Rogers
Chair of the Nomination and Governance Committee

5 March 2025

Nomination and Governance Committee report
continued

Committee meetings held during the year

The Committee meets at least twice per year, in accordance with its Terms of Reference, and at such other times as the Chair may require. During 2024, the Committee held six formal scheduled meetings. The Committee Chair agrees the meeting agendas for each meeting with the Company Secretary, items covered during the year are linked to an agenda planner covering the responsibilities of the Committee.

The table outlined on page 122 shows the attendance of Committee members at meetings during 2024.

Attendees at Committee meetings

The Company Secretary acts as Secretary to the Committee. Other individuals, such as the Chief Executive Officer, the Group Head of People Experience and representatives of different parts of the Group, may be invited to attend all, or part of, any meeting, as and when appropriate.

Key activities of the Committee during the year

A description of the activities the Committee has focused on during the year ended 31 December 2024 is outlined under the following headings.

Non-Executive Director appointment process

Appointments to the Board are the responsibility of the Board as a whole, acting on the advice and recommendations of the Nomination and Governance Committee. The Committee seeks to balance the retirement and recruitment of Non-Executive Directors well ahead of relevant deadlines so as to avoid a dislocation of Board process by losing experience and skills. The Committee is mindful of the need to promote diversity and inclusion in appointments to the Board and throughout the Group. Appointments are made on merit and against objective criteria, having due regard to the benefits of diversity, and with a view to ensuring the Board has the appropriate mix of personalities, skills and experience.

The policy on Board appointments involves the Committee developing an appropriate role specification that identifies the required skills and experience and, in most instances, engaging external recruitment consultants, to lead the search process and identify suitable candidates. Interviews of the shortlisted candidates are held with the Chair and members of the Committee. After consideration by the Committee, a recommendation is made to the Board to appoint a preferred candidate. The Committee is satisfied that this constitutes a formal, rigorous and transparent process for the appointment of new Directors to the Board and its subsidiaries, embracing a full evaluation of the skills, knowledge and experience required of new Directors.

External recruitment consultant

Spencer Stuart was engaged towards the end of 2024, as the external independent recruitment consultant in the search for a new Non-Executive Director in anticipation of Justine Roberts reaching the end of her nine-year tenure in June 2025. Spencer Stuart is committed to promoting diversity in the candidates that it presents on an annual, global and cumulative basis. Spencer Stuart has no other connection with the Admiral Group or its Board Directors.

Non-Executive Director induction

Upon appointment, our Non-Executive Directors embark on a bespoke and comprehensive induction programme, comprising common elements for all Non-Executive Directors, as well as elements tailored to the individual depending on their role, skills, knowledge and experience. The induction process, led by the Company Secretary, covers topics such as the role of a Non-Executive Director and their responsibilities, the workings of the Board and the Group's subsidiary boards, and the Company's operations. Non-Executive Directors are provided with a suite of background reading materials before induction sessions are arranged with individuals from each of the Group businesses, again, depending on the individual's induction requirements. Ongoing professional development needs of newly appointed Non-Executive Directors are then monitored via annual individual Director evaluations and the Committee's oversight of the Non-Executive Director skills matrix.

Inductions took place for both Mike Rogers, Chair, and Fiona Muldoon, Non-Executive Director, during 2023 and into 2024. The Annual Report for the prior financial year outlined a summary of Mike Rogers' induction process at Admiral. A summary of Fiona Muldoon's induction is outlined on the next page.

Nomination and Governance Committee report
continued

Fiona Muldoon – Non-Executive Director induction process

Chair
Fiona met with Mike to discuss the workings of the Board and its Committees, the contribution expected of Admiral NEDs, and the challenges and opportunities facing Admiral. This also included her work as Chair of the Audit Committee.

Senior management
Fiona met with key members of Admiral's senior management team including the Chief Executives of each of our UK and overseas business divisions along with the department heads of Legal, Investor Relations, Compliance, Finance and Actuarial, Risk Management, Internal Audit, IT, Pricing, IT Security and People Services, amongst others, to understand these key areas of businesses.

External advisors
Fiona met with Admiral's key external advisors including our external auditor.

CEO
Fiona and Milena Mondini de Focatiis met to discuss matters including the Group strategy, operations, risks, market positioning, management development and succession planning. Milena also provided an introduction to Admiral UK underwriting, claims, reserving and pricing processes.

Fiona Muldoon
Fiona joined Admiral as a NED on 2 October 2023. Fiona undertook a comprehensive and bespoke induction programme designed to provide her with the necessary information to effectively take on her role as NED on the Group Board, as a member of the Audit Committee, and subsequently as Chair of the Audit Committee from 25 April 2024.

Non-Executive Directors
Fiona met with each of the Non-Executive Directors who gave their insight into Board dynamics, culture and governance as well as highlighting their backgrounds and areas of expertise. Board Committee Chairs brought Fiona up to speed on their respective Committee's business.

CFO
Geraint Jones briefed Fiona on all Group finance matters including; financial performance and projections, investor feedback, market analysis, investments, capital management, budgets, reporting and control processes.

Significant shareholders
Fiona has met with one of the founders of the Company, David Stevens, to understand Admiral's history and his views on the business. There is the opportunity for individual retail shareholders to meet the Committee Chairs annually at the AGM.

Company Secretary
Dan Caunt spent time with Fiona explaining the Group governance framework; this included all operational aspects of the Board and its Committees as well as engagement with stakeholders, Admiral's AGM process, Director duties, UK Corporate Governance Code requirements, the Market Abuse Regime and Admiral's Share Dealing Code, Board policies, the results of the most recent Board evaluation and areas of Board focus for the coming year.

Information and educational materials
A comprehensive suite of educational materials was provided to Fiona by the Company Secretary including, for example; Admiral's business plan and strategy, key roles and responsibilities of the Board, its Committees, Directors, guidelines and policies for a UK Listed insurance Company regulated by the FCA and PRA, minutes of meetings, Terms of Reference etc.

Site visits
Fiona undertook various site visits during her first year and met with management and colleagues across the business, which included our UK sites in South Wales, as well as our Spanish operation in Seville.

Nomination and Governance Committee report
continued

Board Committee changes, term extensions and internal appointments addressed by the Committee during 2024

The Board, on recommendation from the Committee, agreed to the following proposals/changes during the year:

- The extension of Andy Crossley's 6 year term, to 9 years
- The extension of Evelyn Bourke's 3 year term, to 6 years
- The extension of Bill Roberts' 3 year term, to 6 years
- The appointment of Karen Green as Chair of the Remuneration Committee, and Evelyn Bourke stepping down as a member of the Remuneration Committee
- The appointment of Fiona Muldoon as Chair of the Audit Committee
- The appointment of Evelyn Bourke as a member of the Audit Committee
- Karen Green stepping down as a member of the Audit Committee
- The extension of Mike Brierley's 6 year term, to 9 years
- The extension of Karen Green's 6 year term, to 9 years
- Approval of additional external appointments for existing Board Directors
- Consideration of, and recommendation for reappointment of all Directors at 2024 AGM.

The Committee also considered and approved, on behalf of the Board, subsidiary board appointments, such as the appointment of Alistair Hargreaves as the CEO of EUI Limited. Further information on this particular decision is detailed on page 111.

Annual re-election

As set out in the Group's Articles of Association, all Directors should retire and offer themselves for re-election at each AGM, in accordance with the UK Corporate Governance Code (the Code) and the Company's current practice. Therefore, all Directors will be submitting themselves for election or re-election by shareholders at the forthcoming AGM.

Following a full review and evaluation during the year, the Board is satisfied that all Directors are properly qualified for their election or re-election by virtue of their skills and experience and their contribution to the Board and its Committees. Further details of why each Director's contribution is, and continues to be, important to the Company's long-term sustainable success is provided on page 101 and within the notes to the Notice of the 2025 Annual General Meeting.

Nomination and Governance Committee report
continued

Board composition and how we plan for succession

The composition of the Board is kept under constant review by the Committee. As at 31 December 2024, the Board comprised 11 Directors: The Chair (who was independent on appointment), two Executive Directors, and eight independent Non-Executive Directors – see page 101.

The Committee carefully considers the independence, composition, balance of skills and knowledge of the Board. As a result, the requirement to refresh Board and Committee memberships in an orderly manner is continually monitored so as to maintain the continuity of Board process and the strength of personal interaction, which underlies the effectiveness of the Board.

Our Board has a broad range of skills and experience which it uses to bring independent judgement to bear on issues of strategy, performance, risk management, resources and standards of conduct, which are integral to the success of the Group.

Board composition and succession planning

- Balance of skills, knowledge and experience
- Non-Executive tenure and independence
- Time commitment and external appointments
- Annual Board evaluation and individual Director appraisals
- Board diversity

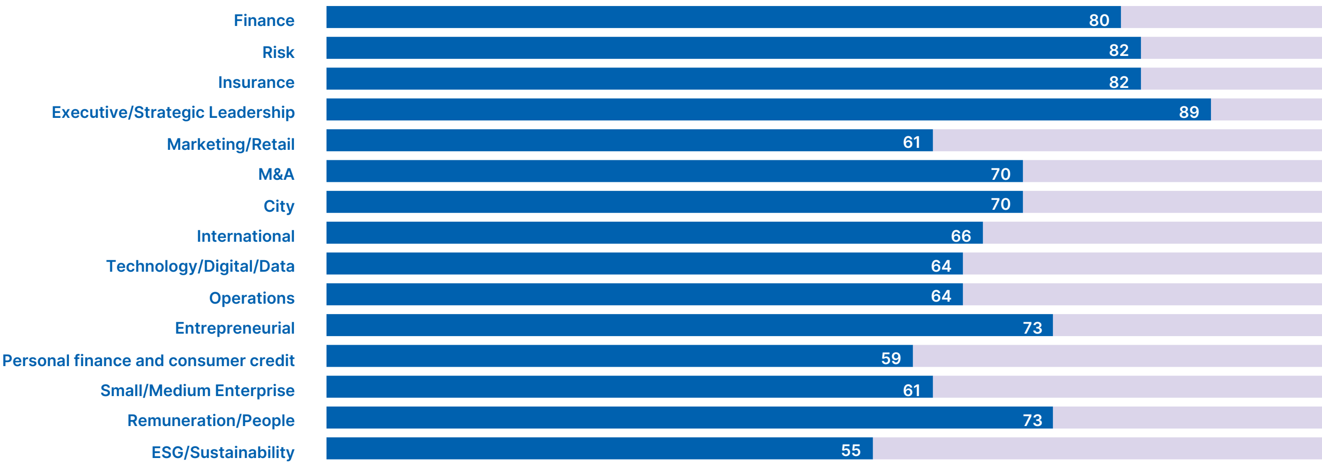
Tenure and independence

The table below details the length of service of the Chair and each of the current Directors. It illustrates the balance between experience and bringing in fresh perspective, as well as the independence of each of the Non-Executive Directors.

Director	Date of appointment	Length of service as a Director as at 31 December 2024	Independence
Non-Executive Directors			
Mike Rogers (Chair)	27 April 2023	1 year 8 months	On appointment
Justine Roberts	17 June 2016	8 years 6 months	Independent
Andy Crossley	27 February 2018	6 years 10 months	Independent
Michael Brierley	05 October 2018	6 years 3 months	Independent
Karen Green	14 December 2018	6 years	Independent
JP Rangaswami	29 April 2020	4 years 8 months	Independent
Evelyn Bourke	30 April 2021	3 years 8 months	Independent
Bill Roberts	11 June 2021	3 years 6 months	Independent
Fiona Muldoon	02 October 2023	1 year 3 months	Independent
Executive Directors			
Milena Mondini de Focatiis	Director – 11 August 2020 CEO – 1 January 2021	4 years 4 months	Executive Director
Geraint Jones	13 August 2014	10 years 4 months	Executive Director

Nomination and Governance Committee report
continued

Skills and experience on the Board (%)



The Chair, Senior Independent Director and independent Non-Executive Directors are currently appointed for fixed periods of three years, subject to election by shareholders. The initial three-year period may be extended for two further three-year periods subject to performance review and annual re-election by shareholders. Letters of appointment may be inspected at the Company's registered office or can be obtained on request from the Company Secretary.

On appointment, the Board considered that Mike Rogers met the independence criteria set out in provisions 9 and 10 of the Code. The Chair's biography can be found on page 101.

The independence of each Non-Executive Director has been assessed during the year, in line with the independence criteria contained within provision 10 of the Code. The Board has identified on page 130 which Directors it considers to be independent. The Board considered all the Non-Executive Directors to be independent during the year. For the year ended 31 December 2024, 80% of the Board, excluding the Chair, were considered independent Non-Executive Directors.

The number of independent Non-Executive Directors meets the requirements set out under provision 11 of the Code which requires that at least half of the Board, excluding the Chair, should be Non-Executive Directors whom the Board considers to be independent.

Balance of skills, knowledge and experience

The Directors have a broad range of skills, knowledge and experience, and can bring independent judgement to bear on issues of strategy, performance, risk management, resources and standards of conduct, which are integral to the success of the Group.

The Committee understands that a wide range of complementary skills on the Board will assist in the meeting of Board objectives and the delivery of Company strategy. The Committee regularly reviews the Board skills matrix, particularly in the context of succession planning and skills that are potentially lost at the end of a Director's tenure on the Board. An aggregated view of the current skills and experience on the Board is outlined above and an explanation regarding how this feeds into succession planning follows later in this report.

Time commitment and external appointments

On appointment, all Directors are advised of, and requested to make, the necessary time commitment required to discharge their responsibilities effectively. This time commitment is also outlined in the letters of appointment issued to the Chair and Non-Executive Directors. When making new appointments, the Committee takes into account other demands on the Directors' time. Prior to appointment, significant commitments are disclosed by Directors to the Committee and the Board.

As part of the annual performance evaluation each Director is appraised on their time commitment dedicated to the Company. The Committee also reviews the time commitment required of all Non-Executive Directors at least annually to consider whether the guidance on time commitment of certain roles needs to be extended due to market or responsibility changes. The Board is satisfied that all Directors have dedicated the required amount of time to the Company to effectively fulfil their roles, and that the Company has given the Non-Executive Directors sufficient time to perform the duties required of them.

As well as considering the demands of a Director's time upon appointment, as required under provision 15 of the Code, there is in place a formal procedure for the approval of additional external appointments for Directors through the Committee and the Board. The Committee and the Board are satisfied that the external commitments of all the Non-Executive Directors do not conflict with their duties and commitments as Directors of the Company.

Overall assessment of composition

The Board, through ongoing assessment and an annual performance review, remains satisfied that it has the appropriate balance of skills, experience, independence and knowledge of the Group to enable it, and its Committees, to discharge their duties and responsibilities effectively, as required by the Code. In addition, the Directors are aware of their legal duties under s172 of the Companies Act 2006 to act in a way they consider, in good faith, will be most likely to promote the success of the Company for its shareholders, as well as considering the interests of wider stakeholders. Further details of how the Board fulfills its duty in this regard are outlined on page 77.

Nomination and Governance Committee report
continued

Board and senior management diversity, equity and inclusion

As required by the Listing Rules, and Disclosure and Transparency Rules, a table setting out gender and ethnicity diversity at Board and senior management level is included on page 134. The Board diversity targets, which are in-line with the targets set by the FTSE Women Leader's Review and the Parker Review, are: at least 40% of the board are women; at least one of the senior board positions (Chair, SID, CEO and CFO) is held by a woman; and at least one member of the Board is from a minority ethnic background. As set out below, the Committee is content that Admiral meets the targets set out in Listing Rule 6.6.6(9)(a), and Disclosure Guidance and Transparency Rule 7.2.8.

Gender diversity

Diversity and inclusion, and the variety of perspectives that it brings, has been proven in studies to increase innovation and creativity, and, as a result, improves performance. It also has other positive impacts, such as providing greater awareness, widens the talent pool and challenges the views or practices that may have become embedded over time. Admiral depends on all of the above, which are enhanced through having a diverse workforce, to successfully implement its business strategy.

During the year, the Committee reviewed the Board Diversity and Inclusion Policy and discussed the progress made against the measurable targets previously set to increase diversity and inclusion at Board, Subsidiary board and senior management level. The wording of our policy explicitly references diversity aspects such as 'ethnicity, sexual orientation, disability and socio-economic background (in addition to the aspects of age, gender or educational and professional backgrounds)' and 'approach, skills and experience, race, age, gender, educational and professional background and other relevant personal attributes'. The Committee seeks to ensure that a clear recruitment strategy for Board and senior management appointments is in place and is aligned to this policy.

Measures that are covered under the Policy, including progress updates against each, include:

(i) Having one member of the senior executive team who is responsible and accountable for gender diversity and inclusion at Group level. Keith Davies (Group Chief Risk Officer) is the accountable executive for gender diversity

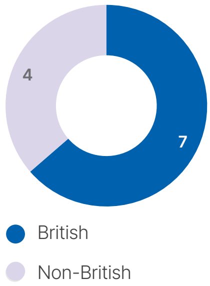
(ii) Setting internal targets for gender diversity in senior management. Progress against the Group's target of 40% of women in senior management across the Group by 2025 is detailed below

(iii) Publishing progress annually against these targets in reports on the Group's website

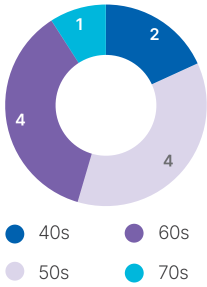
(iv) Linking the pay of the Group CEO to the progress made against internal targets on gender diversity.

The proportion of women on the Board has not changed since the position as at 31 December 2023, representing five (45%) of its 11 Director membership as at 31 December 2024. Admiral continues to be one of only a few FTSE 100 companies where the Board positions of CEO and Senior Independent Director are held by women, demonstrating Admiral's continued strong support for the progression of women in senior leadership roles. Official data published by the FTSE Women Leaders (succeeding the Women on Boards Report and Hampton Alexander Review) for 2024, issued in February 2025, reported that the percentage of women on FTSE 100 Boards was 44.7% improving from 42.6% in 2023.

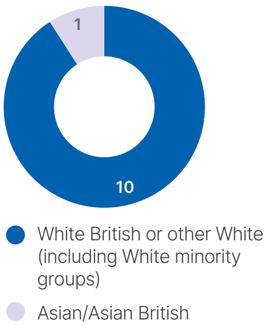
Board nationality



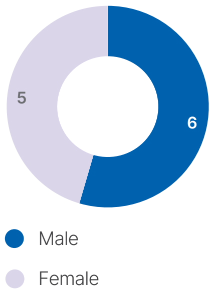
Board age



Board ethnicity



Board gender



As a result of the continued progress to balance gender diversity at Board level and to align with (i) the Women in Finance Charter's aim of increasing female representation at the UK senior executive level to 40%; and (ii) the FTSE Women Leaders target of 40% representation by 2025, the Committee previously aligned the annual target of women in senior management positions at 40%. The aim is to achieve this level of gender diversity at an aggregate level across the subsidiary boards too. The aim is to achieve this level of gender diversity at an aggregate level across the subsidiary boards too. As at 31 December 2024, women represented 29% of all of the subsidiary board appointments, which is a slight reduction on the position for 2023 (33%) due to several unplanned Board changes. However, the Committee has had oversight of work that has been in progress to improve gender diversity generally, and through these subsidiary board vacancies, and the aggregate position on gender diversity across the subsidiary boards is expected to quickly improve in Q1 2025, following the appropriate subsidiary board and regulatory approvals. Work will continue to improve gender diversity at this level throughout 2025.

Female representation was 33% of our Senior Executives (Executive Committee equivalent) and 32% of their direct reports. Admiral is working to ensure it progresses towards achieving the 40% target. As at 31 December 2024, the gender diversity split across the Admiral Group was 51% female/48% male. The remaining 1% included non-binary and other genders, and colleagues who'd prefer not to say.

Nomination and Governance Committee report
continued

Ethnic diversity

The Group remains strongly supportive of the principle of boardroom diversity, of which gender and ethnicity are important, but not the only, aspects. What is also important is diversity of thought, experience and approach and each new appointment must complement what already exists around the Board table.

The Committee continues to monitor the requirements of The Parker Review's report on ethnic diversity in the context of the composition of its Board and the new reporting requirements for senior management. It also monitors the initiatives that are being implemented across the Group to increase diversity, along with consideration as to how measures to develop a diverse pipeline of talent for Board and senior management appointments should be developed and monitored. The Board includes one Director from an ethnic minority background, which meets one of The Parker Review's key recommendations for FTSE 100 companies, as well as Listing Rule 6.6.6(9)(a) and Disclosure Guidance and Transparency Rule 7.2.8. Further information on how the Group is developing a pipeline of ethnically diverse candidates is outlined below.

Ethnic diversity amongst senior management and the wider workforce is something that Admiral continued to focus on throughout 2024. Admiral produced its second ethnicity pay gap report in the UK during the year, further demonstrating its commitment to ethnic diversity in the workplace. Whilst the Committee recognises that the workforce is not always comfortable with voluntarily sharing such personal information, there have been initiatives introduced to encourage more people to make such voluntary disclosures. This year, the disclosure rate was 83% in the UK.

In accordance with the Parker Review definition, the percentage of ethnic diversity at senior management level in the UK is 7% as at 31 December 2024. The Committee has discussed the Parker Review recommendations to implement a target for ethnic diversity representation at senior management level within the UK operation of the Group by 2027. The Committee has agreed a longer term goal of 10% by 2030 with an interim target to maintain the current position of 7% by 2027. This takes into consideration our current position in respect of ethnic diversity, our geographical location in the UK, and our plans to build a healthy pipeline into senior management.

Diversity highlights

Top 20
of Equileap's Top 100 companies on the Global Gender Equality List

6th
in the GPTW UK Best Workplaces for Women 2024

6th
in the Financial Times Diversity Leaders 2025 list

Top 50
Best Workplaces for Women 2024 Admiral Solutions (India)

Best workplaces
Admiral (Canada) named one of Canada's Best Workplaces for Inclusion 2024 by GPTW Canada

13th
ConTe named 13th Best Workplaces for Diversity, Equity and Inclusion 2024 by GPTW Italia

Nomination and Governance Committee report
continued

Activity to improve diversity, equity and inclusion in the talent pipeline

Examples of the work Admiral has undertaken to improve its diversity pipeline during the year are set out below, for further information see page 53.

1

Admiral introduced a talent and development program, in partnership with McKinsey which focuses on finding talented employees from ethnically diverse backgrounds at different levels and supporting these employees into leadership roles.

2

Admiral has completed its fourth year of the Admiral Aspire Programme, an internship aimed at offering students from ethnically diverse backgrounds and Women in STEM (Science, Technology, Engineering and Mathematics) valuable work experience over 12 weeks.

3

Admiral has partnered with a global diversity and talent consultancy called Green Park to undertake an in-depth 'Culture and Inclusion' audit, focused on Equality, Diversity and Inclusion. Insights from this were used to develop an actionable plan for future years.

4

Our culture gives colleagues the confidence and safe spaces to authentically represent themselves within our business, bolstered by our partnerships and accreditation; in the UK, we are a Disability Confident Leader, Endometriosis Friendly Employer, Neurodiversity Friendly, Living Wage Employer and we have been a proud sponsor of Pride Cymru for 24 years.

5

Our DE&I working groups focus on Gender Equality, Ethnicity and Culture, LGBTQ+, Accessibility and Neurodiversity, Social Mobility, and Age. These groups sit alongside other colleague communities, such as Women in Tech and Data, all of whom organise awareness-raising campaigns and inspiring events to actively encourage allyship and ensure visibility of representation.

6

At Admiral, we're committed to our business being a place 'Where You Can...', the name of our recently launched People Promise, which highlights that there's no one destination for work here; we're all different, with different talents, skills, goals, and paths we might want to travel. Our Where You Can promise captures and celebrates all the brilliant possibilities of life at Admiral.

Admiral remains committed to providing equal opportunities, eliminating discrimination, and encouraging diversity amongst its employees both in the UK and overseas. A breakdown of the gender and ethnicity of Directors and senior employees at the end of the financial year are set out in the tables below, in accordance with the FCA Listing Rule requirements.

Gender	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	6	55%	2	49	68%
Women	5	45%	2	23	32%
Other category	–	–	–	–	–
Not specified / prefer not to say	–	–	–	–	–

Ethnicity	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority white groups)	10	91%	4	43	60%
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	1	9%	–	1	1%
Black/African/Caribbean/Black British	–	–	–	–	–
Other Ethnic group, including Arab	–	–	–	3	4%
Not specified/prefer not to say	–	–	–	25	35%

Nomination and Governance Committee report
continued

Succession planning

The Committee oversees the succession planning strategy and appointment procedure for new Director's on behalf of the Board. The Committee reviews those skills present on the Board in order to understand where there are strengths and potential weaknesses, and where there may be the opportunity to bring in complementary skills to improve the functionality and depth of experience of the Board. These requirements are then fed through to an independent consultant who will seek out candidates matching the skillset provided and draw up a diverse shortlist of candidates for the Committee to review.

The Committee will also consider senior management appointments on behalf of the Board and consider where these appointments fit in with established Board succession planning strategy. Any new recruitment process for the Board is based on merit and assessed against objective criteria. The Committee considers diversity in all of its forms as a central consideration to this process.

Non-Executive Directors

Non-Executive Director succession planning is split into short, medium and longer-term horizons to ensure that all eventualities, as far as possible, are planned for.

Horizon: Emergency cover

There are emergency succession plans to ensure that there is sufficient short-term cover or a plan in place for key roles of the Board, namely, the Chair, the SID, Committee Chairs and, in turn, Committee members if a Committee Chair's absence is longer than expected. These plans take account of any requirements under the respective Committee's Terms of Reference, as well as any Code requirements.

Horizon: Medium term (3-6 year tenure)

The Committee's medium-term succession planning involves considering the replacement of Non-Executive Directors over time to refresh the Board. The Committee considers (i) each Director's period of tenure and aims to have staggered departure dates, (ii) the skills and experience gaps that will be created as each Director's tenure comes to an end, and (iii) the diversity gaps that might also become present.

Horizon: Longer term (6-9 year tenure)

The Committee's longer-term succession planning involves the consideration of the skills, experience, and diversity that the Board will need over the longer term, taking into account the Group's strategy and the main trends and factors that are likely to affect the Group's long-term success.

The regular review of these succession plans provides an opportunity for the Committee to discuss the insights provided by the data in order to inform the desired mix of skills, experience and diversity that the Board needs now and in the future, in the context of the Group's strategic objectives.

Executive Directors and senior management

The responsibility for making appointments within senior management rests with the CEO, with direction from the Committee. Talent management continues to be a key area of focus for the Committee to ensure that there is a diverse pipeline of talent for senior management and Executive Director succession. During 2024, the Committee considered progress in improving talent management and succession planning within the Group. The Committee strongly believes that an effective internal talent management process will ensure the preservation of Admiral's unique culture as far as possible.

During the year, the Committee also received an update on the succession planning framework which is used across the Group. This framework encourages more structured thinking about opportunities across departments and internationally, even in circumstances where this is a well embedded practice already within Admiral. Discussions on success profiles have also helped to visualise how success will look in the future for the critical senior management roles, whilst also providing future talent with visibility on what future development might look like for them.

The review of succession planning undertaken during the year concluded that there was a healthy pipeline of talent across the Group, with no immediate risk in respect of leadership continuity, and the right level of talent to execute our 'internally grown leaders' strategy. The Group continues to work to ensure that all areas of the business are working to achieve Admiral's commitment to diversity at all levels in all its forms. The Committee will continue to monitor levels of diversity across the business through 2025 and will work to improve the ethnic diversity of entities located in geographies where such diversity should be better represented. For further information on what the Company is doing in relation to diversity see pages 53 and 134.

The Committee remains satisfied that effective succession plans for Directors and senior management are in place to ensure the continued ability of the Group to implement strategy and compete effectively in the markets in which it operates.

Governance

The Committee also regularly reviews the Group's governance arrangements, including any changes to the subsidiary board or Committee structure, changes to the UK Corporate Governance Code and FCA Listing Rules, as well as oversight of the regulatory applications made under the Senior Managers Regime.

Nomination and Governance Committee report
continued

Committee effectiveness review

The Committee's 2024 annual review was conducted by way of a self-assessment, overseen by the Company Secretary, and involved completion of a wide-ranging questionnaire. The questionnaire asked a set of questions designed to provide objective assessment of the Committee's performance, including its effectiveness in monitoring Board composition, consideration of Executive and Non-Executive Director succession, overseeing talent management, senior management succession planning and developing Directors' knowledge.

The Committee discussed the output from this performance review at its meeting in December 2024 and concluded that, overall, the Committee had performed effectively during the year under review. Areas of focus for the Committee in 2025 were identified and included better oversight of governance around Admiral's subsidiary board structure, executive succession planning, Non-Executive Director succession planning (particularly in respect of Justine Roberts coming to the end of her nine-year tenure on the Group Board), and diversity and inclusion in the talent pipeline.

Annual performance review of the Board, Board Committees and individual Directors

How we assess our Board's effectiveness

Each year Admiral conducts a performance review to assess the skills, experience, independence and knowledge of the Board to confirm it has been able to discharge its duties and responsibilities effectively. The composition and diversity of the Board and it's Committees and how well the Directors are working together is considered, as well as the individual performance of the Directors and the Chair.

In line with the provisions of the Code, Admiral undertakes an externally facilitated evaluation every three years. In the two intervening years, internal reviews of the Board, its Committees and individual Directors are carried out.

This year, the process was facilitated internally by way of a questionnaire led by the Chair in conjunction with the Company Secretary. The 2022 Board evaluation was conducted by way of external evaluation by Bvalco Ltd. Progress against the Board objectives that stemmed from the 2024 Board evaluation process are set out below.

2022
External Board Evaluation

2023
Internal Board Evaluation

2024
Internal Board Evaluation

Nomination and Governance Committee report
continued

Progress against 2023 Board performance review recommendations

In November and December 2023, the Board undertook an internal review of the performance of the Board, Board Committees and individual Directors for the year ended 31 December 2023. The results of the internal performance review were discussed at the Board meeting in December 2023, they demonstrated a Board that appeared to be functioning well, with some identified opportunities for improvement.

The recommendations from the Board performance review fed into the Board's agreed objectives for 2024 and were detailed in the 2023 Annual Report as 'Principal areas of focus for the Board in 2024'. The Board discussed progress against these agreed areas for focus during 2024 and agreed good progress had been made against all recommendations during the year. This progress is set out in the table below.

Areas of focus for 2024	Progress update
To improve understanding around the impact of hybrid working on the Group's culture and the associated risks.	The Board received updates on culture and the impact of hybrid working during the year, one of which was on the Culture Audit undertaken by EY. Further information on this is on page 116. All business presentations and deep dives to the Board are required to include an update on people and hybrid working.
Environmental, social and governance considerations, including ensuring the Board has the correct information to monitor ESG performance, and the setting of ESG targets that reflect the Group's values.	A Chief Sustainability Officer was recruited at the end of 2023 and a Sustainability Steering Committee was formed to drive Admiral's approach. ESG and sustainability were topics that featured heavily on the Board's agenda during 2024, with updates on priorities for the year, strategy, performance and progress against targets and milestones. The Board also reviewed and approved the Group's Sustainability Report. Further information on sustainability is on page 47.
Review of control framework to ensure appropriate focus on compliance and changes to the regulatory risk outlook and associated risks.	During 2024, the Board and the Risk Committee has had oversight of the work to deliver a risk enhancement strategy. The continued delivery of this strategy, together with the recruitment of several senior managers in the Group's risk function has facilitated several improvements across the risk universe. See page 145.
Ensure standard reporting templates are rolled out across all Committees and subsidiary Boards for consistency of approach.	Standard Board and committee report templates have been rolled out across the subsidiary board and committees, and consistency of approach will continue to be monitored.
Consideration of further opportunities for informal Board and management interactions to ensure management was able to benefit from Non-Executive Director insight and experience. Group Board Non-Executive Directors to have further engagement with subsidiary board Non-Executive Director's to ensure sharing of knowledge and experience.	A calendar of 2024 events was collated for Group Board's Non-Executive Directors, which included events such as the staff general meeting, the Admiral leadership offsite meeting, Top 10 award dinner, and subsidiary board meetings. All members of the Board are invited to attend dinners and breakfasts around each Group Board meeting which provides them with the opportunity to informally meet with those presenting papers at the meetings. Further information on other opportunities the Board has to meet colleagues and senior managers is on page 124.

2024 Board performance review

Having carried out an external Board performance review in 2022 in accordance with the Code requirement, the 2024 Board performance review process was again facilitated internally, led by the Chair with the support of the Company Secretary. The performance review adapted a questionnaire developed by the external digital platform, BoardClic, which has no other connection with the Group or its Directors. The online questionnaire was used to evaluate the Board's performance and dynamics throughout 2024 and was sent to all Board members as well as regular Board attendees in November 2024. It considered:

- Board dynamics and the interaction between the Chair, Non-Executive Directors and executive management to achieve the Board's objectives
- Leadership and succession planning, including the oversight of the Group's processes for managing, developing and retaining talent
- Understanding by the Board of the prevailing culture within the Group Quality, timeliness of delivery and presentation of Board papers and Board support
- Time management and operational performance of Board and Committee meetings
- Risk management and the effectiveness of the Board in considering the Group's risk management framework and internal controls
- The effectiveness of the Board's strategic and operational oversight
- Priorities for change that would enhance Board performance.

Nomination and Governance Committee report
continued

The results of the evaluation were collated by the Company Secretary and discussed at the December 2024 Board meeting. The overall impression from the evaluation process was that the Admiral Board and it's Committees continued to be performing strongly and function effectively. The Board was open and inclusive and supported the culture of the Admiral Group with some opportunities for improvement identified.

A summary of the main recommendations resulting from the 2024 Board performance review are set out in the table below. Recommendations have fed into the Board's agreed objectives for 2025 and are detailed under the 'Principal areas of focus for the Board in 2025' section on page 109.

Outcomes and areas of focus for 2025

Board composition	Ongoing consideration of skills and experience on the Board to inform the board succession planning process for potential new Board members, given the limits to current director appointment terms.
Allocation of Board time and resources	To ensure the allocation of time and resources for governance and regulatory matters versus strategic, performance and operational matters is optimal.
Talent	Continued focus on succession planning for key senior management roles with emphasis on ongoing work to create a diverse senior talent pipeline.
Culture	Further consideration and analysis of the potential benefits and risks, alongside the impacts to Admiral's culture, arising from the implementation of a hybrid working model.
Control framework	Ongoing oversight of Admiral's control framework to ensure appropriate focus on compliance, including changes to the regulatory risk outlook and associated risks.
AI and new technology	Understanding and maximising opportunities for the business through the adoption of new technologies, including predictive and generative AI, and overseeing the Group-wide AI and data vision.
Customers	To oversee the continued improvement to Admiral's customer experience including the ongoing embedding of the Consumer Duty across all in-scope entities.
Strategic	Maintain focus on the Group's diversification strategy including organic and inorganic growth opportunities and development of a clear capital allocation framework.
Regulatory	Oversight of the delivery of a full internal model application submission along with Admiral's response to other key regulatory matters.

2024 Board Committee performance reviews

Further information on each of the Board Committee's performance reviews can be found within the respective Board Committee reports.

Individual Director performance reviews

The performance of the CFO is appraised annually by the CEO, to whom he reports. The Chair, taking into account the views of the other Directors, reviews the performance of the CEO. The Chair also carries out the performance assessments of each of the Non-Executive Directors. Each of the Directors were determined to have continued to effectively contribute to the work of the Board in 2024.

In addition, and in accordance with the requirements of Solvency II, the Senior Insurance Manager Regime, and the Group's Senior Managers & Certification Regime Policy, the Chair carried out the process of assessment for the CEO, Non-Executive Directors, and the Chairs of the Group's material, regulated subsidiaries; EUI Limited, Admiral Insurance Company Limited, Admiral Insurance (Gibraltar) Limited, and Admiral Financial Services Limited (Admiral Money), Able Insurance Services Limited (Admiral Pioneer), Elephant Insurance Company (USA), and Admiral Europe Compañia de Seguros – AECS (Europe) to ensure they continued to meet the requirements in terms of qualifications, capability, honesty and integrity.

The performance of the Chair is reviewed by the Board led by the Senior Independent Director. The latest review took place in December 2024 and was reported to the December Board. The Senior Independent Director considered and discussed with the Chair the comments and feedback that had been received from the Directors as part of the Chair's evaluation questionnaire and was able to confirm that his performance in 2024 continued to be effective.

Audit Committee report

Ensuring the integrity of Admiral's financial reporting and risk management processes

"The Committee has focused its time on supporting the Board in fulfilling its oversight responsibilities, including challenging the integrity of the financial accounting and reporting systems to ensure accurate and reliable financial information."

Fiona Muldoon
Chair of the Audit Committee

Audit Committee at a glance

Membership

- Fiona Muldoon (Chair from 25 April 2024)
- Michael Brierley
- Evelyn Bourke (from 25 April 2024)

Roles and responsibilities

The Audit Committee assists the Board with its oversight of financial, non-financial reporting and related controls by:

- Monitoring the integrity of the Group's financial statements and non-financial reporting disclosures, and related announcements, including the Solvency and Financial Condition Report and climate-related disclosures
- Together with the Risk Committee, monitoring the adequacy and effectiveness of the systems of internal control and risk management over financial, climate-related and non-financial disclosures
- Overseeing and monitoring the Group's whistleblowing processes
- Monitoring and reviewing the effectiveness, performance, independence and objectivity of both the internal and external auditors.

The full Terms of Reference of the Committee can be found on our website: Board governance | Admiral Group Plc

2024 highlights

- First full year of IFRS 17 reporting completed with no significant issues and a positive review from the FRC
- Good progress on the UK Corporate Governance Code changes, in preparation for a dry run of the Group's approach to making its declaration regarding the effectiveness of material controls under Provision 29 during 2025
- Ongoing focus on the reserving process and assumptions that impact the liability for incurred claims, in both the UK and international operations.

2025 priorities

- Overseeing the Group's approach to UK corporate governance reforms, particularly the declaration of the effectiveness of material internal controls
- Continuing to develop the framework around sustainability reporting and disclosures, in accordance with the Group's objectives and regulatory requirements
- Monitor increased utilisation of Admiral's internal model in the setting of insurance reserves
- Oversight of compliance with the Institute of Internal Auditors new Global Internal Audit Standards
- Overseeing the implementation of the enhanced Internal Audit grading and risk assessment methodology, and monitor its impact and effectiveness
- Ongoing monitoring of the IT and data control environment, given developments in technology.

Audit Committee report
continued

Dear Shareholder

I am pleased to share the Audit Committee (the Committee) report for the year ended 31 December 2024.

Committee composition requirements

The Committee comprises three Non-Executive Directors who fulfil the relevant Code and Disclosure and Transparency Rules (DTR) around financial expertise, experience and independence.

Having reviewed the composition of the Committee during the year, the Board continues to be satisfied that the Committee as a whole has the relevant competence in the insurance and broader financial services industry, such that its members are able to effectively analyse, challenge and debate the issues that fall within the Committee's remit. Further details about the qualifications of individual Committee members can be found within the Director biographies on page 101.

Financial and non-financial reporting highlights

Financial reporting

The Committee continued to place considerable focus on the critical accounting judgements and estimates in the Group's financial statements, in particular the recognition and measurement of insurance contract liabilities and reinsurance contract assets in accordance with IFRS 17 and the Group's reserving methodology. The Committee challenged key reserving assumptions such as the impact on claims liabilities of the changing economic environment, including inflation, the current Ogden assumptions and potential future path, and the profile of risks following growth in the UK Motor book, along with the changes to overseas motor claims liabilities because of the continued impact of inflation.

The Committee also spent time reviewing management's assessment of the expected credit loss provision held within Admiral Money and the impairment testing performed in relation to the Group Parent Company's investments in Group subsidiaries.

The Committee noted the positive results of the FRC's review, which is limited to consider compliance with relevant reporting requirements, of the Group's IFRS 17 disclosures in the 2023 Annual Report. No significant deficiencies were identified and there were a number of positive elements in relation to granularity of both the tabular disclosures and narrative descriptions of how insurance and reinsurance contracts are recognised.

Non-financial reporting

The Committee oversaw, in conjunction with the Group Risk Committee, the Group's development of its sustainability and climate-related financial disclosures, in particular a robust assessment of the impact of climate on the Statement of Financial Position.

In addition, the Audit Committee reviewed the delivery of enhanced external limited assurance work over sustainability and climate reporting within the Annual Report, including the separate public assurance report over a number of sustainability performance indicators.

Corporate governance and other regulatory reporting changes

The Committee continued to develop its understanding of the impact of the requirement of Provision 29 of the Corporate Governance Code, receiving a presentation setting out the key considerations and challenges, from the external advisor that provides support to the Group's implementation of the requirements.

In addition, regular updates were provided by management on the ongoing work in respect of the changes, to ensure compliance with the new requirements by the 2026 implementation date.

Fair, balanced and understandable

One of the responsibilities of the Committee is to assess whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, as well as ensuring it provides shareholders with the necessary information to assess the Company's position. The Committee reviewed and challenged management's assessment of the annual report in respect of the above requirements, in particular in relation to the balance of commentary on good and bad news, and disclosure of significant events in the period.

Internal controls

The Committee has continued to review the effectiveness of the internal control systems across the Group, receiving regular updates from the internal audit team and direct updates from business areas where potential control weaknesses and / or improvements had been identified through audit and other assurance reports.

Whistleblowing

On behalf of the Board, the Committee considered and reviewed the Group's whistleblowing policy and received quarterly updates on the use and effectiveness of the policy and the instances of whistleblowing that had been raised across the Group during the year. During the year, the Committee concluded that the Group's current whistleblowing arrangements continued to be appropriate and effective allowing employees to raise concerns in confidence and anonymously.

FRC Minimum Standard

The Committee can confirm that the Company is compliant with the FRC's Audit Committees and External Audit: Minimum Standard ('Minimum Standard'), as published in 2023.

Fiona Muldoon
Audit Committee Chair

5 March 2025

Audit Committee report
continued

Committee meetings held during the year

The Committee meets at least six times per year and has an agenda planner linked to events in the Company's financial calendar and other significant issues that arise throughout the year, which fall for consideration by the Committee under its remit. The Chair of the Audit Committee agrees the agenda for each meeting with the Company Secretary.

During 2024, there were eight scheduled Committee meetings held (with two of these meetings focused on reserving matters in conjunction with the half-year and full-year reporting and another on the approval of the Group's Solvency and Financial Condition Report).

The table outlined on page 122 shows the attendance of Committee members at meetings during 2024.

Attendees at Committee meetings

The Group Company Secretary acts as Secretary to the Committee. The Group Chief Financial Officer, Group Chief Risk Officer, Director of Group Finance and Group Head of Internal Audit normally attend all Committee meetings (other than certain private sessions). The Chair of the Board, Chief Executive Officer, Head of Group Compliance, and other representatives from across the Group, may be invited to attend all, or part of, any meeting as and when appropriate. The Chairs of the Audit Committees of the Group's European insurer and US subsidiary also attend at least one meeting each year to present on their activities.

The external auditor attended all the Committee's meetings held in 2024, except in respect of those agenda items when its own performance, reappointment and fees were reviewed and discussed, or where any other conflict was identified.

Key matters considered during 2024

The significant matters considered by the Committee during the year are outlined below.

Financial reporting

After discussion with both management and the external auditor, the Audit Committee determined that, as in the prior year, the key risks of misstatement of the Group's financial statements, related to the valuation of insurance contract liabilities under IFRS 17. This key risk of misstatement can be separated into the best estimate of future cashflows required to fulfil insurance contracts, and the methodology and measurement of the risk adjustment for non-financial risk. Whilst the inflation assumptions applied to UK Car bodily injury claims reserves were still a key focus area, given the stabilising inflationary environment, the Committee agreed that this should no longer be identified as a separate significant risk.

The IFRS 9 provision for expected credit losses in relation to the Group's lending business, Admiral Money, and the impairment testing exercise performed in relation to the Group Parent Company investments in Group subsidiaries, were key financial reporting estimates considered by the Committee These important issues were discussed with management during the year and with the external auditor at the time the Committee reviewed and agreed the external auditor's Group audit plan, when the external auditor reviewed the interim financial statements in August 2024 and also at the conclusion of the external audit of these full-year financial statements.

Other important financial reporting matters that were considered by the Audit Committee included:

- a number of critical IFRS 17 judgements, in particular the continuing use of the premium allocation approach for all insurance and reinsurance contracts, based on eligibility assessments, and the assessment of risk transfer and resulting classification of the Group's contracts with reinsurers as reinsurance contracts (see note 2 for further detail)
- the accounting and disclosure of the Group's acquisition of the direct Home and Pet renewal rights from the RSA Insurance Group Limited (RSA), as set out in note 13 to the financial statements.

Valuation of insurance contract liabilities

The Committee continued to spend significant time reviewing and challenging the approach, methodology and key assumptions adopted by management in setting reserves for insurance contract liabilities in the financial statements to ensure consistency with the Group's stated accounting policies.

In this context, the Committee challenged management on the important judgements and assumptions used in deriving the best estimate of future claims cashflows, including specific focus on the impact that growth in the UK Motor book could have on the profile of risks within the book, the impact and application of the Ogden rate change on UK Motor insurance contract liabilities, as well as an ongoing focus on the inflation assumptions applied in relation to UK Car bodily injury claims.

The Committee also spent time reviewing and challenging management's assessment of the impact and proposed disclosure of the industry-wide FCA review of total loss settlements on insurance contract liabilities.

The Committee reviewed management's papers setting out the basis for the measurement and selection of the risk adjustment for non-financial risk, considering the impact of emerging trends and analysis of uncertainties, in relation to the UK Car Insurance business.

Further information is set out in more detail in the critical accounting estimates section of note 2 to the financial statements.

As in previous periods, the Committee held meetings specifically focused on reserving, receiving presentations on UK Car Insurance reserves from the internal actuarial reserving and finance teams, as well as the independent external actuarial advisors. At these meetings management provided further information on the projected best estimate claims reserves, as well as payment patterns used to estimate the resulting future claims cashflows. Management also presented to the Committee on the measurement of the risk adjustment for non-financial risk including the methods used to estimate the reserve risk probability distribution and the selection of the confidence level in line with the Group's accounting policy. The Committee also received presentations from the external actuarial firm that performed independent validation of the best estimate claims reserves and the external Big Four firm that performed independent validation of the reserve risk distribution and the appropriateness of the risk adjustment at the target confidence level.

Audit Committee report
continued

The Committee reviewed and discussed the potential effects of the growth in the UK Car Insurance business on actuarial projections and resulting best estimate insurance contract liabilities, as well as assumptions and scenarios in relation to the change in Ogden rate, continued inflationary pressures on claims reserves in relation to both damage and bodily injury claims and updates regarding the FCA's multi-firm review of motor total loss claims. The Committee also reviewed management's assessment of the level of uncertainty inherent in the claims reserves, and changes to that assessment from previous periods as well as the results of management's reserve stress and scenario testing.

The Committee also received reports from the Group's external auditor, Deloitte, on its work in relation to this significant audit risk. This included reviewing management's actuarial data quality assessments, best estimate reserve projections and the risk adjustment for non-financial risk, as well as assessing management's qualitative and quantitative support for gross insurance contract liabilities included in the financial statements. Based on this work, the auditor was satisfied that the financial statement reserves remain appropriate and consistent with the Group's accounting policy.

The Committee also received reports on the reserving processes for the Group's insurance businesses other than UK Car Insurance. Management presented an overview of the claims reserving processes and resulting recommendations for UK Household and UK Van insurance, including external actuarial reserving reviews over these lines of business, as well as the European and US Motor businesses, including the results of actuarial best estimate reserving processes and justification for the risk adjustment for non-financial risk for each business.

The Committee spent time reviewing the updates to the Italian motor insurance contract liabilities as a result of both a deterioration in the best estimate following continued inflationary pressures and updates to the Milano tables used for bodily injury settlements in Italy, including challenging presentations from management on the additional work performed in relation to the Italian insurance contract liabilities as a result of the above changes.

Whilst acknowledging that the setting of reserves for claims which will settle in the future is a complex and judgemental area, having had the opportunity to challenge management's proposal in respect of both best estimate reserves and risk adjustment, the Committee is comfortable that an appropriate process has been followed, and that there has been sufficient scrutiny, challenge and debate to give confidence that the reserving levels set incorporate a risk adjustment for the uncertainty in the best estimate which is consistent with the Group's stated IFRS 17 accounting policies.

IFRS 9 provision for expected credit losses

During the year, the Committee has continued to review and challenge the IFRS 9 provision for expected credit loss arising through the Group's loans business, Admiral Money. Areas of focus included the continued impact of UK inflationary pressures and underlying forward-looking economic assumptions given the changing UK economic outlook as well as the judgements over post-model adjustments.

Further information on the provision and key assumptions are found in note 7 to the financial statements.

On the basis of the work performed and having had the opportunity to challenge management's proposal in respect of the provision for expected credit losses, the Committee was comfortable that an appropriate process has been followed, and that there has been sufficient scrutiny and challenge to give confidence that the provision has been set in line with the IFRS 9 requirements and included appropriate allowance for uncertainties arising from the current macroeconomic environment.

Impairment testing for the Group's investment in subsidiaries

During the year, the Committee considered management's work in relation to the Group Parent's investment in subsidiary entities. Under the relevant accounting standard, IAS 36 '*Impairment of Assets*' management identified entities with indicators of impairment and performed detailed impairment testing in relation to those investments, calculating recoverable amounts primarily using discounted cashflow calculations.

Management proposed the recognition of non-cash impairment losses in respect of investments in Elephant, the Group's US insurer, as well as subsidiary entities supporting the Group's newer growth businesses in the UK and in Italy. The impairment charge relating to these subsidiaries followed a similar approach to previous periods, reflecting the reduction in net assets of the business (used as a proxy for fair value less costs to sell) arising from losses incurred during 2024.

The Committee challenged management's proposal for recognition of impairment losses as well as conclusions for other subsidiary entities where indicators for impairment were present but no impairment was deemed necessary as a result of recoverable amounts being more than the carrying value of investments.

Misstatements

No material unadjusted audit differences were reported by the external auditor. The Committee confirms that it is satisfied that the auditor has fulfilled its responsibilities with diligence and appropriate professional scepticism.

Conclusion

After reviewing the presentations and reports from management and consulting, where necessary, with the auditor, the Committee is satisfied that the financial statements appropriately address the critical judgements and key sources of estimation uncertainty (both in respect to the amounts reported and the disclosures). The Committee is also satisfied that the significant assumptions used for determining the value of assets and liabilities have been appropriately scrutinised, challenged and are sufficiently robust.

Audit Committee report
continued

Sustainability and climate-related reporting

The Audit Committee received updates from the Group's Head of Sustainability in respect of updates to requirements such as the new rules over greenwashing, developments in sustainability and climate-related reporting, and the work ongoing to ensure its continued enhancement across the Group.

In addition, the Committee reviewed management's presentation setting out the work performed to set out a methodology framework and the results of the Group's identified climate-related risks on the financial statements, providing challenge to ensure a robust methodology and outcomes moving forward.

The Committee also received the auditor's limited assurance report over a number of the Group's key reported sustainability metrics, which was discussed and approved.

Internal controls and risk management system

As in prior years, the Committee performed its annual assessment placing, in part, reliance on a third line of defence review of the Group's systems of internal control and risk management performed by the Internal Audit function. However, a slightly revised approach has been taken this financial year in preparation for the introduction of the updated UK Corporate Governance Code (2024), due to come into effect in 2025/26. During this financial year, the Group Head of Internal Controls and the Group Chief Risk Officer also presented an annual assessment of the Group's internal controls to support the Committee's own annual assessment.

In addition to the above assessments from management, and as in previous years, the Committee received a report from the Group Risk Committee on its activities to support the Group Audit Committee's annual assessment of the Group's system of internal controls and risk management. Further details of the Group Risk Committee's activities to support this process is outlined on page 148.

Both annual assessments provided by management, together with the Group Risk Committee's report on its supporting activities, provided the Committee with adequate assurance on the level and maturity of the Group's internal control environment and system of risk management, based on an overall improving position in relation to risk and controls across the Group.

Annual assessment key considerations:

- Internal Audit reports
- GRC reportable risk events (red and notifiable)
- Residual Risk - open GRC reportable risk events, open Category A and B internal audit recommendations
- Red Group KRIs with associated internal controls
- Whistleblowing events and coverage of training
- Group Compliance and/or Group Data Protection Privacy & Ethics Regulatory notifications
- Notable reputational events
- Group Minimum Standards (GMS) entity self-attestations
- Timeliness and completeness of Regulatory reporting
- Performance of key financial crime controls.

UK Corporate Governance Code

During the year, the Committee considered updates from management on the forthcoming changes to the UK Corporate Governance Code (2024), particularly the changes relating to Provision 29 and the declaration regarding the effectiveness of material internal controls. The Committee also received training from external advisors, EY, on the impact of the changes to this UK Code provision.

Internal Audit

The Group Head of Internal Audit attended all Audit Committee meetings and provided a range of presentations and papers to the Committee, through which the Committee monitored the effectiveness of the Group's material internal controls, including financial, operational and compliance controls on behalf of the Board. Such papers included:

- A revised Group Internal Audit Policy approved by the Committee, which includes the Group Internal Audit Terms of Reference, setting out the role, objectives, reporting lines and accountability, authority, independence, and objectivity of the Internal Audit function
- The evolution and development of the Internal Audit function, and the role, competence and effectiveness of each internal audit function across the Group. The Group Head of Internal Audit continues to have responsibility to ensure the quality of the internal audit activities in the Group's overseas locations. The Chairs of the European and US Audit Committees each updated the Committee on their respective activities during the year
- All issued internal audit reports, enabling them to challenge the reports' content, including the rating, and related recommendations
- The Group internal audit plan and the subsidiaries' respective internal audit plans, which the Committee approved. The internal audit plans, effectiveness and workload of the internal audit functions, and the adequacy of available resources are monitored throughout the year.

The European operations have a dedicated internal audit team and the US business also has its own locally-based internal auditor. All reports are evaluated by the Group Internal Audit function to ensure the quality and effectiveness of the reported findings, and a summary of the key findings of each completed audit is provided to the Committee as part of the Group Head of Internal Audit's regular Committee update.

During the year, the Group Head of Internal Audit introduced enhancements to the Group's internal audit grading methodology, which were discussed and supported by the Committee. The changes, albeit not material, intended to (i) better reflect the categorisation of risks identified through the Group Internal Audit team's assurance activities in the short and longer term and (ii) provide more flexibility, allowing the use of professional judgement.

The Group Head of Internal Audit provided the Committee with several updates during 2024 on work to address gaps following the introduction of the new Global Internal Audit Standards, which came into effect in January 2025.

Private meetings were also held between the Group Head of Internal Audit and the Committee during the year to ensure that there was an opportunity to raise any issues or concerns without other members of management or the external auditor present.

Audit Committee report
continued

External Audit

Appointment

The Group last completed an audit tender during 2020/21 when, following the completion of a robust and independent audit tender process, Deloitte LLP were recommended to shareholders as the Group's auditor at the Annual General Meeting (AGM) in April 2021 and a resolution was passed to that effect. Deloitte LLP's overall tenure up to and including the 2024 financial year is nine years. The Committee confirms it is in compliance with the provisions of the Statutory Audit Services for Large Companies Market Investigation Order 2014.

When considering the re-appointment of Deloitte for the 2024 audit, the most critical factors discussed related to the quality of audit and the continuity of team. On the recommendation of the Committee, the Board approved that Deloitte should be recommended to shareholders for reappointment as the Group's auditors at the 2025 AGM. A resolution to that effect will be proposed at the AGM.

Audit fee

During 2024, the Committee reviewed and approved the audit fee proposal for the 2024 year-end Group audit. The agreed fee for the audit and other assurance-related services for 2024 is £3.49 million (2023: £3.48 million). The fee charged in 2023 captures additional cost in relation to the transition to IFRS17. The Committee approved the fee having discussed with the auditor the rationale for the proposal.

Safeguarding independence and objectivity

To ensure that the independence and objectivity of the external auditor is safeguarded, during the year, the Committee:

- Reviewed and approved the Group's policy on non-audit services and was satisfied that it continued to align with current regulatory guidance. Under the policy, the Group's statutory auditor will only be engaged to carry out non-audit services in prescribed circumstances or where there is a regulatory request, and where agreed by the Committee
- Monitored compliance with the FRC requirements around the rotation of the Group's lead audit partner and members of the senior audit team
- Reviewed and approved the policy governing restrictions on the employment of former employees of the external audit firm
- Sought confirmation from the external auditor that they remained independent and objective including assessing the impact of an independence breach relating to historic services provided to a branch of subsidiary in 2022. The Audit Committee agreed with the conclusion that it did not impact upon the integrity, objectivity and independence of the auditor. Further details on this matter can be found in the Independent Auditor's Report on page 184.

Effectiveness of the external audit process

The Committee also undertakes an annual review of the effectiveness of the external auditor, taking into consideration relevant professional and regulatory requirements, the progress achieved against the agreed audit plan, and the competence and objectivity with which the auditor handled the key accounting and audit judgements.

As part of its 2024 review, the Committee considered, among other things, (i) submissions by the external auditor relating to the firm's continued independence; (ii) the output of a questionnaire completed by all Committee members and relevant internal stakeholders, such as members of the Group's Finance and Internal Audit functions; and (iii) the findings of the FRC's Annual Review of Audit Quality, including the Deloitte LLP Audit Quality Inspection and Supervision Report 2024, published in July 2024. Following this review, the Committee concluded that the external auditor, Deloitte LLP, remained independent and that the external audit process remained effective.

Private meetings were held between the external auditor and the Committee throughout the year to ensure that there was an opportunity for the external auditor to raise any issues or concerns without management present.

Longer Term Viability Statement and Going Concern Assessment

The Committee challenged the support for the Longer Term Viability Statement (LTVS), reviewed by the Group Risk Committee, and going concern assessment prepared by management, and concluded that there was sufficient evidence to support the assessment and disclosures within the Annual Report. Further information on the LTVS and going concern assessments can be found on pages 96 and 180, respectively.

Whistleblowing

On behalf of the Board, the Committee received quarterly updates on the use and effectiveness of the Group's whistleblowing arrangements, key metrics and the instances of whistleblowing concerns that had been raised across the Group during the year. The Committee concluded in 2024, that the Group's current whistleblowing arrangements continued to be an appropriate means by which employees could raise concerns in confidence and anonymously.

Committee Performance Review

As part of the Committee's annual review of its performance, each Committee member completed a comprehensive questionnaire designed to provide objective assessment of the Committee's own performance, including its effectiveness in monitoring internal and external audit.

The Committee discussed the results of the review at its meeting in December 2024 and concluded that the Committee continued to operate effectively and within its remit. There were a small number of minor areas identified for further improvement, such as conciseness and timeliness of papers, and several areas of focus identified for 2025, which are outlined on page 139.

Group Risk Committee report

Managing risk effectively

"The Group Board is of the view that the Group's risk management and internal control systems have operated effectively during the year."

Andy Crossley
Chair of the Group Risk Committee

Group Risk Committee at a glance

Membership

- Andy Crossley (Chair)
- Karen Green
- JP Rangaswami.

The table outlined on page 122 shows the attendance of Committee members at meetings during 2024.

Roles and responsibilities

- Assess and oversee the Group's overall risk management framework, including risk policies and mitigation strategies
- Review Group-wide reporting on risk events, metrics and breaches, including those within the regular CRO Report
- Review and monitor the Group's prudential risk exposure, via the Own Risk and Solvency Assessment (ORSA) Report and stress and scenario testing
- Oversee and challenge the design and execution of the Group's capital policy setting process, including liquidity projections, proposed risk-based adjustments to remuneration, and proposed final dividend payments.

The full Terms of Reference of the Committee can be found on our website.

2024 highlights

Over the year, the Committee has received updates on key developments within its terms of reference, including:

- Admiral's risk framework and approach to risk management, including reviews of the risk appetite, monitoring a suite of key risk indicators, and the management of material risk events and emerging trends
- The impact of inflation, market volatility, and economic outlook on capital and liquidity risks across the Group
- Ongoing work to ensure Admiral is prepared to meet the challenges of climate change
- Continued response to regulatory initiatives
- Admiral's technology and information security posture
- The More Than acquisition and business transfer, and other key strategic initiatives.

2025 priorities

- Continued focus on the Admiral internal model, supporting a planned regulatory application
- Continued oversight of the evolution of the risk function, reflecting the changing risk and operating environment, as well as to respond to changing regulatory expectations.

Group Risk Committee report
continued

Dear Shareholder,

As Group Risk Committee (GRC) Chair, I am pleased to present the Committee's report for 2024.

Risk framework and approach to risk management

The Committee considered ongoing enhancements to the risk framework and risk management approach to continue supporting delivery of the Group's strategy. This involved review and challenge of key initiatives including a revised Risk Universe, accounting for an evolving and interconnected risk landscape, updated and appropriately modified risk appetite statements, and key risk indicators.

Progress of Admiral internal model (AIM)

The Committee received regular reporting throughout the year to help drive key decisions in relation to the AIM. Regulatory feedback was received for the UK Car model for Admiral Group as at year-end 2022, and the model has been expanded from year-end 2023 onwards to include UK Household, Van, Travel, and Pet products, such that the AIM can produce Solvency Capital Requirements for Admiral Group, AIGL, and AICL. This expanded scope partial internal model will be the basis of a regulatory full application to the PRA (Group and AICL) and GFSC (AIGL). The AIM models are subject to independent validation cycles prior to regulatory submissions, which are reviewed by the Committee. Regular communications with the PRA and GFSC are held at senior management and project levels to align delivery for the full-application regulatory reviews.

Capital management

The Committee monitored key ratios, and reviewed the Group's proposed dividend level, capital plan, and capital buffer in line with the Group Capital Management Policy. Reviews considered the expected impact on the Group's solvency ratio through various sensitivities and stress tests.

Economic and geopolitical uncertainty

The Committee monitored solvency and liquidity positions amid market, economic, and geopolitical uncertainty. Regular Committee reporting drove discussion of (claims) inflation, supply chain issues, cost-of-living pressures, and maintenance of strong service levels, given the business growth in 2024. In addition, the Committee was appraised of the potential impacts of geopolitical developments, including Labour's proposed investigation into insurance pricing, which informed stress testing on the business, supply chains, and inflation. The Committee also assessed the impact of market developments on the delivery of strategic objectives, including developments in the growing electric vehicle market and changes in the competitive landscape.

Climate and sustainability

GRC oversaw key initiatives, including the Net Zero Transition Plan, and confirmed its ambitious commitment to achieving net zero carbon emissions by 2040. The Committee was also updated on sustainability performance and data monitoring, notably following the completion of a Double Materiality Assessment in preparation for reporting on the Corporate Sustainability Reporting Directive (CSRD), the implementation of new approaches to measure social value, and the results of climate-related scenarios.

Regulatory change

The regulatory environment has undergone significant change in the last year. Admiral engages with regulators to identify requirements, assesses internal processes in line with regulatory change, and ensures regulatory requirements are met. Notably, the GRC has discussed information and review requests from the FCA, including in relation to Motor total loss settlements. The Consumer Duty continues to be a key focus, and Admiral is constantly looking to identify, understand, and utilise customer feedback to enhance products and services whilst consistently providing good outcomes for customers. Admiral continues to deliver training on responsible product governance and, this year, rolled out in-person training across the European entities. The delivery of good customer outcomes, which aligns with the Group's purpose, also remains at the forefront of the Board's agenda, with the production of Admiral's first annual Consumer Duty Board Report.

Financial crime, bribery and corruption

Admiral policies against financial crime, bribery, and corruption are reviewed and approved by GRC. They prohibit fraud, excessive gifts, hospitality, and facilitation payments. Both employees and third parties must meet ethical standards and comply with internal procedures. The Committee also oversees that new employees undertake and pass training on policies and regulations, and that existing staff undertake and pass annual refresher training. The Group Head of Financial Crime submits quarterly reports on the performance of systems and controls in addressing financial crime, including money laundering, covering declared gifts, gratuities, and third-party due diligence procedures.

Artificial Intelligence (AI)

The Committee was apprised of developments in AI, particularly with regards to the emerging field of 'generative AI', and considered use cases and associated risks, including cybercrime. An AI update and risk-based governance framework, since implemented, was reviewed and challenged by the Committee, and risks around proprietary data, ethics, reliability, and transparency were discussed.

Resilience

During 2024, resilience was a core focus for the Committee with regulations including the Digital Operational Resilience Act and UK Operational Resilience coming into force in 2025. Line 2 have supported regulatory project delivery through independent compliance reviews, aligning policies and procedures with new requirements, and in-flight monitoring, with updates shared with the Committee.

Technology and information security

In part, due to economic and geopolitical headwinds, cyber risk increased during the year, with an uptick in cyber-attack attempts via ransomware, phishing, and third-party vulnerabilities. The Committee was appraised of improvements in cyber security defence capabilities, including the implementation of advanced tooling, threat-led testing, and internal training.

Group Risk Committee report
continued

Data protection and privacy

The Committee continued to oversee Admiral's commitment to processing personal data responsibly. The Committee approves Admiral's Data Protection Policy, which outlines roles and responsibilities in ensuring an effective privacy compliance programme. As part of this, key projects and processes have received privacy assessments. Admiral also has a standalone Customer Privacy Notice, which provides information on how customers can exercise their data protection rights; performance metrics are in place to monitor the effectiveness of responses to these requests. More information on Admiral's approach to privacy can be found in Admiral's Sustainability Report.

People risk

The Committee considered the potential impact of risks such as increased use of technology and hybrid working patterns, and advised on appropriate improvements to controls, including updates to employee policies.

Risk culture

The Committee has continued to oversee that the risk function works collaboratively across the Group, ensuring that a positive risk culture is maintained. There are plans to further enhance and evidence the level and development of risk culture throughout the business, via metrics, non-financial measures, additional management training, and risk culture surveys.

Andy Crossley
Chair of the Group Risk Committee

5 March 2025

Group Risk Committee governance

The Committee Chair reports formally to the Board on the Committee's proceedings after each meeting, and reports on the activities of the Committee in a formal written report that is submitted to, and discussed by, the Board annually.

The work of the Committee is supported by more detailed work undertaken by subsidiary Boards and/or executive Risk Management Committees within the Group's operational entities.

To ensure that the Committee is operating effectively, it conducts a periodic review of its performance (last reviewed in January 2025) and at least annually reviews its constitution and Terms of Reference (last reviewed in November 2024). Any changes it considers necessary are recommended to the Group Board for approval. As part of the Committee's annual review of its performance, each Committee member was invited to complete a comprehensive questionnaire designed to provide objective assessment of the Committee's performance.

The Committee discussed the results of the 2024 review at its meeting in February 2025 and concluded that, overall, the Committee remained effective. Areas of strength included the Committee's willingness to bring, and constructively engage in, difficult matters where necessary, and areas of focus/improvement in 2025 included even greater focus on emerging risks and ESG, and further strengthening the information flows between the GRC and subsidiary businesses.

Summary of key Group Risk Committee activities in 2024

During the year, the Committee:

- Reviewed the Group's risk framework, supported by in-depth data on key risk indicators, and updates on risk events and developments pertaining to the individual Group entities, including Admiral Europe Compañia De Seguros (AECS), EUI, Admiral Money, and Pioneer
- Considered stress and scenario testing of a number of the Group's most significant risk areas, and recommended the 2024 Group ORSA Report for Board approval prior to submission of the report to the regulator
- Received and challenged updates on customer outcomes metrics and management information, supported by the implementation of Consumer Duty
- Provided challenge with respect to the findings of the FCA's multi-firm review of total loss settlement practices, and the mitigating actions following a deterioration in the Italian loss ratio, in part due to updates to the Milano tables used for bodily injury settlements in Italy
- Reviewed the Group's reinsurance provisions, considering the adequacy of risk mitigation measures and contingency planning
- Considered the annual renewal of the Group's corporate insurance coverage
- Received regular updates in relation to key programmes of work including the Admiral internal model and the acquisition and integration of the UK direct Home and Pet personal lines insurance operations of More Than, providing challenge to key project workstreams and risks
- Monitored climate change-related initiatives, including the inaugural Net Zero Transition Plan and progress towards reporting on the Corporate Sustainability Reporting Directive
- Continued to oversee Admiral's principal risks and uncertainties, which are discussed further on page 88.

Principal risks and uncertainties

The Board of Directors confirms that it has performed a robust assessment of the Group's principal and emerging risks. These risks, along with explanations of how they are being managed and mitigated, are included in the Strategic Report on page 88.

Group Risk Committee report
continued

Risk management and internal control systems

The system of risk management and internal control over Admiral's risks is designed to manage rather than eliminate the risk of failure to achieve business objectives and of breaches of risk appetites.

Furthermore, risk management can only provide reasonable and not absolute assurance against material misstatement or loss. The Group Board is ultimately responsible for the Group's system of risk management and internal control, and the Group Audit Committee (GAC) has reviewed the effectiveness of this system (a summary of GAC roles and responsibilities, as well as key GAC activities in 2024 is available on page 139).

The Group Board is of the view that there is an ongoing process for identifying, evaluating, and managing the Group's risks and internal controls; that it has been in place for the year ended 31 December 2024 and that it has operated effectively; and that, up to the date of approval of the Annual Report and Accounts, it has been regularly reviewed by the Group Board.

The Group Board confirms that it has performed a robust assessment of the Group's principal and emerging risks. These risks, along with explanations of how they are being managed and mitigated, are included in the Strategic Report on page 88, with key risk factors impacting Admiral being further discussed in the Group Risk Committee (GRC) report. The Group Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. This assessment supports the Group Board in monitoring the integrity of the Group's reported financial statements.

The Group Board has delegated the development, implementation, and maintenance of the Group's overall risk management framework to the GRC. The GRC reports on its activities to the Group Board and the GAC, supporting the overall opinion provided by the GAC that the Group's internal control, risk management, and compliance systems continue to operate effectively. Further details on the GAC's activities to support the process is outlined on page 143.

The Group Board has delegated to the GAC the review of the adequacy and effectiveness of the Company's internal financial controls, and internal control and risk management systems.

The Group operates a three lines of defence approach to risk and internal control.

The first line of defence is the senior management teams who have the day-to-day responsibility for implementing policies for risk identification, assessment, and management, and whose operational decisions must take into account risk and how it can be controlled effectively.

The second line of defence is led by the Group Chief Risk and Compliance Officer and comprises the Corporate Governance functions and Committees that are in place to provide oversight of the effective operation of the internal control framework across the Group. The Corporate Governance functions facilitate the oversight and operation of the Group Policy Framework and Group Minimum Standards, covering risk management and controls for the main risks to the Group. The Corporate Governance functions perform second-line reviews, including reviews of the capital modelling and business planning processes to support the Group Board's assessment of the Group's ongoing viability. Regular reviews of risks are undertaken in conjunction with senior management, with the results of these reviews recorded in risk registers and reported to the appropriate governance forums and boards.

The third line of defence comprises the independent assurance provided by the Group Internal Audit function, overseen by the GAC. Internal Audit undertakes a programme of risk-based audits covering aspects of both the first and second lines of defence. The findings from these audits are reported to the three lines of defence, i.e. management, the executive and oversight Committees, and the GAC.

The subsidiary boards, GRC, and entity risk and audit committees receive reports setting out key performance and risk indicators and consider possible control issues brought to their attention by early warning mechanisms that are embedded within the operational units. They, together with the GAC, also receive relevant reports from the Internal Audit function, which include recommendations for improvement of the control and operational environments.

The Chair of the GRC provides a written report to the Group Board of the activities carried out by the Committee on an annual basis (a summary of GRC roles and responsibilities, as well as key GRC activities in 2024 is available on page 145). In addition, the Group Board receives regular reports throughout the year from the Chairs of the GRC and GAC as to their activities, together with copies of the minutes from subsidiary board meetings, the GRC, and the GAC.

The GAC's ability to provide an opinion to the Group Board depends on the provision of periodic and independent confirmation, primarily by Group Internal Audit, that the controls established by management are operating effectively, and where necessary, provides a high-level challenge to the steps being taken by the GRC to implement the risk management framework.

Remuneration Committee report

Ensuring our people are supported

"The 2024 remuneration outcomes reflect a very successful year for Admiral. Our newly implemented 2024 Directors' Remuneration Policy continues to ensure strong alignment between remuneration arrangements and our strategy and purpose."

Karen Green
Chair of the Remuneration Committee

Remuneration Committee at a glance

Membership

- Karen Green (Chair from 25 April 2024)
- Evelyn Bourke (Chair until 25 April 2024)
- Michael Brierley
- Justine Roberts.

Roles and responsibilities

The Committee sets the Group's Remuneration Policy and, through the authority delegated to it by the Board, the Committee is responsible for making recommendations to the Board on the implementation of the Remuneration Policy. Its remit includes recommending the remuneration of the Group Board Chair and the Executive Directors; approving the remuneration of senior management; and determining the composition of, and awards made under, the performance-related incentive schemes.

Full Terms of Reference of the Committee can be found on our website: Board governance | Admiral Group Plc

2024 highlights

- 2024 Directors' Remuneration Policy approved at 2024 AGM and successfully implemented.
- Carbon Emissions targets included for the first time in the 2024 DFSS
- UK Insurance CEO appointment arrangements.

2025 priorities

- Providing oversight for ongoing reward transformation activity
- Preparation for EU Pay Transparency.

Remuneration Committee Report
continued

Dear Shareholder,

On behalf of the Remuneration Committee, I am pleased to present the Directors' Remuneration Report for the year ended 31 December 2024.

This is the first report since I took up the role of Committee Chair on 25 April 2024. I would like to thank my predecessor in the role, Evelyn Bourke, for her leadership of the Committee since 2021 and her support during the handover period.

I would also like to thank shareholders for supporting Admiral's Directors' Remuneration Policy and Annual Report on Remuneration at the April 2024 AGM with a vote of 90.38% and 91.09%, respectively.

2024 business context

2024 has been a very successful year for Admiral, underpinned by strong results and enabled by continued pricing and risk discipline and cycle management.

As Milena has highlighted in her statement this year, we have achieved many successes, evidenced by 1.4 million new customers, profit increasing to £839 million and increased turnover by £1.3 billion. We have been able to deliver this performance due to better cycle management, reacting to changing market conditions in offering customers reduced rates.

During 2024, we have continued to ensure that our people are supported through the ongoing challenge of higher living costs. It remains clear to us that the continuing success of Admiral is possible because of the hard work and dedication of the people who work for us. We will continue to ensure they are supported for 2025 and beyond.

Remuneration for 2024

Taking into account the approved remuneration structure and Admiral's business performance, the Committee made the following decisions during 2024.

2022-2024 Discretionary Free Shares Scheme (DFSS)

Based on our performance for the period 2022-2024, 76.73% of the DFSS award granted in 2022 will vest to Milena Mondini de Focatiis and Geraint Jones, respectively.

The full details of the vesting outcomes are on page 165.

2024 Annual Bonus Plan (ABP)

The formulaic outcome for the 2024 Annual Bonus Plan scorecard was 96.58% of maximum, which reflects significant out performance on profit, with very strong customer outcome data and Great Place to Work® Trust Index scores in line with the Benchmark. In line with the plan design, the Committee undertook a holistic review, and reflecting on key data, determined that an outcome of 96.58% of maximum was commensurate with performance and no discretion was applied to adjust the outcome. Milena Mondini de Focatiis and Geraint Jones will receive an Annual Bonus Plan award of £1,495,058 and £898,194 respectively, of which 40% will be subject to deferral into Admiral Group shares for three years. The full details of the Annual Bonus Plan calculations and considerations are on page 166.

2024 DFSS award

On 27 September 2024, Milena Mondini de Focatiis was granted an award of 95,000 shares and Geraint Jones was granted an award of 55,000 shares under the DFSS. Using the closing share price on the date of the grant of £28.00, this is the equivalent to £2,660,000 or 344% of Milena's base salary and £1,540,000 or 331% of Geraint's base salary respectively.

The awards will vest based on:

- EPS – 25% weighting
- TSR vs. FTSE 100 and insurance peer comparator group – 25% weighting
- RoE – 25% weighting
- Non-financial performance measures including Strategy, Customer and ESG – 25% weighting.

There will also be the potential for downwards adjustment subject to an assessment which will take account of risk events considered to have a material customer, regulatory or financial impact over the course of the performance period. Further details can be found on page 166.

2025 remuneration arrangements

Executive Director remuneration arrangements for 2025 will operate in line with the 2024 Remuneration Policy, subject to shareholder vote at the AGM.

We propose to increase Milena Mondini de Focatiis' salary by 3.00% to £797,220 and Geraint Jones's salary by 6.45% to £495,000, effective from 1 January 2025. For Milena, this increase is in line with the proposed base pay changes across the UK workforce of the Group, where we anticipate the average increase for colleagues to be of the order of 3% as we continue to support our people through the high inflationary environment. For Geraint, the Committee has continued to review his salary and address his positioning relative to the lower quartile of the market. As stated in the 2023 Annual Report, the Remuneration Committee intends to increase his salary to the lower quartile of the market by the end of this policy period, in increments. The Remuneration Committee will continue to review his increase each year to ensure it is appropriate and moves his positioning as intended. This means that the increase for Geraint may be ahead of those generally given to colleagues for the duration of the policy.

We propose that Milena Mondini de Focatiis be granted an award of 100,000 shares and Geraint Jones be granted an award of 57,500 shares under the DFSS for 2025. The Committee will review these awards prior to the September grant date to ensure the quantum remains appropriate.

The Committee reviewed the metrics that will apply to DFSS and Annual Bonus Plan awards for 2025. Further details are shown on page 171.

In summary

The Annual Report on Remuneration will be put to an advisory shareholder vote at the 2025 AGM. The Committee and I hope that you vote in favour of the report. I am happy to discuss our Annual Report on Remuneration with shareholders.

Karen Green
Chair of the Remuneration Committee

5 March 2025

Remuneration at a glance

“I would like to thank shareholders for supporting the Annual Report on Remuneration at the April 2024 AGM with a vote of 91.09%.”

Karen Green
Chair of the Remuneration Committee

How did we perform during 2024?

Profit:
£839.2m
(2023: £443m)

Earnings per share (pence):
216.6p
(2023: 111.2p)

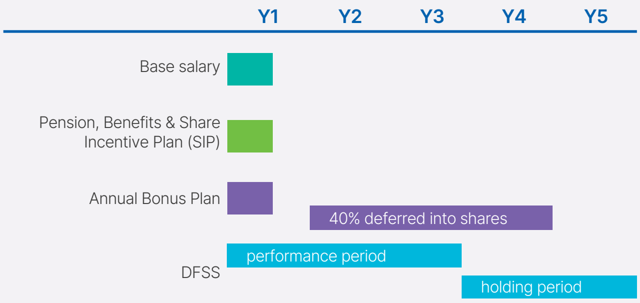
Return on equity (%):
56.2%
(2023: 36%)

Full-year dividend per share (pence):
192p
(2023: 103p)

1 year TSR:
6.36%
(2023: 33.10%)

Overview of the Directors’ Remuneration Policy

The following chart shows the operation of the key elements of the Directors’ Remuneration Policy for the 2024 performance year:



How are remuneration outcomes linked to Group purpose and strategy?

The table below details how each of the performance measures link to our Group purpose and strategy.

		Group Purpose				Strategy		
	Performance Measures	Great Customer Experiences	Successful Business	Positive Impact on Society	Great place to Work	Accelerating to Admiral 2.0	Diversification	Evolution of Motor
Financial Performance	EPS		●					
	ROE		●					
	TSR		●					
Non-Financial Performance	Strategic Assessment		●			●	●	●
	Customer Feedback	●						
	Customer Outcomes	●						
	Trust Index				●			
	Diversity			●	●			
	Inclusion			●	●			
	Carbon Emissions			●				

The Committee is dedicated to ensuring remuneration outcomes for the Executive Directors are commensurate with performance and are aligned to the Group purpose, strategic priorities, and shareholders’ interests. Variable pay is subject to stretching performance outcomes and is delivered primarily through shares to ensure a long-term focus and alignment with shareholders.

Remuneration at a Glance
continued

How was performance determined in 2024?

DFSS awards vesting on performance to 31 December 2024

A summary of the outcomes for the Executive Directors in respect of the 2022 DFSS award:

		Performance Range					
Performance Measure	**Weighting**	**Threshold**	**Stretch**	**Maximum**	**Outcome**	**Outcome as % maximum**	**Weighted outcome**
EPS	26.67%	120p		150p	217p	100.00%	
TSR vs. FTSE350	26.67%	Median		Upper Quartile	53rd percentile	34.91%	
Return on Equity	26.67%	20.00%	30.00%	40.00%	42.60%	100.00%	
Financial	80.00%					78.30%	62.64%
Non-financial performance	20.00%	Strategy, Customer and ESG measures, measured over three years			70.47%	70.47%	14.09%
Overall Vesting							76.73%

2024 Annual Bonus Plan

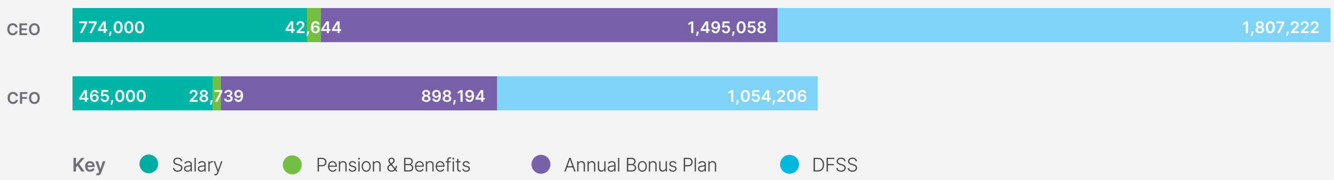
A summary of the 2024 ABP outcomes for the Executive Directors:

Measure	**Weighting**	**Threshold**	**Target**	**Maximum**	**2024 outcome**	**Outcome (% max)**	**Weighted outcome**
Profit	67.50%	£437m	£527m	£606m	£839m	100.00%	67.50%
Turnover Growth	7.50%	£541m	£1,133m	£1,726m	£1,335m	67.05%	5.03%
Customer Outcomes	12.50%	Weighted customer outcome scores from across the Group entities			92.42%	92.42%	11.55%
Trust Index	12.50%	9% under benchmark	4% under benchmark	At benchmark	At benchmark	100.00%	12.50%
Formulaic Total							96.58%
Committee adjustment			—%			Final outcome	96.58%

The Committee did not apply discretion to the outcome of the performance measures.

What did our Executive Directors earn in 2024?

- Pension, benefits and SIP include the 2024 pension contribution of £38,580 and £24,675 for the CEO and CFO, respectively
- ABP of £1,495,058 and £898,194 for the CEO and CFO
- DFSS value for the CEO and CFO relates to 76.73% of their 2022 DFSS awards vesting.



Directors' Remuneration Policy

Compliance Statement

This Remuneration Report has been prepared according to the requirements of the Companies Act 2006 (the Act), Regulation 11 and Schedule 8 of the Large and Medium-Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2018, the Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 and other relevant requirements of the FCA Listing Rules. In addition, the Board has adopted the principles of good corporate governance set out in the UK Corporate Governance Code (the Code) and the guidelines issued by its leading shareholders and bodies such as ISS, the Investment Association, and the Pensions and Lifetime Savings Association.

Unless otherwise stated, information contained within this Remuneration Report is unaudited.

The following Remuneration Policy (the '2024 Policy') was supported by a shareholder vote of 90.38% and came into effect from the April 2024 AGM.

Key principles of Admiral remuneration arrangements

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

This policy was reviewed in 2023 as part of the usual three-year cycle and was approved at the 2024 AGM.

The Board is satisfied that the 2024 Policy continues to meet the objectives of attracting and retaining high-quality executives across the Group.

The Committee reviews the remuneration framework and packages of the Executive Directors and senior managers and recognises the need to ensure that the Remuneration Policy is firmly linked to the Group's strategy, including its risk management approach. In setting the Policy and making remuneration decisions, the Committee takes into account pay and conditions elsewhere in the Group. The main principles underlying the Remuneration Policy are:

- **Competitive total package** – the Group aims to deliver total remuneration packages that are market-competitive, taking into account the role, job size, responsibility, and the individual's performance and effectiveness. Prevailing market and economic conditions and developments in governance are also considered, as are general salary levels throughout the organisation. There is sufficient opportunity within the variable pay of Executive Directors to reward outstanding levels of performance, taking into account the market context, with upper-quartile remuneration outcomes
- **Significantly share-based** – our base salaries are typically targeted towards the lower end of market but are combined with meaningful annual share awards that vest on long-term performance to ensure strong alignment with shareholders and the long-term interests of the Group. Executives are also encouraged to build up significant shareholdings in the Group to maximise shareholder alignment
- **Long-term perspective** – a significant part of senior executives' remuneration is based on the achievement of appropriate but stretching performance targets that support the delivery of the Group's strategy and shareholder value. The extended performance and vesting horizons promote a long-term perspective that is appropriate to the insurance sector
- **Effective risk management** – incentives are designed to ensure they do not encourage excessive risk-taking. They are aligned with the delivery of positive customer outcomes and reinforce the Group's risk policy
- **Open and honest culture** – the Group has a strong culture of focusing on collective success, whilst recognising individual contribution to the Group's performance, and this is reflected in our remuneration structure across the business
- **Transparency for stakeholders** – the remuneration structure is designed to be easy to understand, and all aspects are openly communicated to employees, shareholders, and regulators.

Directors' Remuneration Policy continued

Remuneration Policy table

This table describes the key components of the remuneration arrangements for Executive Directors.

Purpose and link to strategy	Operation	Opportunity and performance metrics
Base salary To attract and retain talent by setting base salaries at levels appropriate for the business.	Salaries are reviewed annually or following a significant change in responsibilities. Salary levels/increases take account of: • Scope and responsibility of the position • Individual performance and effectiveness, and experience of the individual in the role • Average increase awarded across the Group.	Any salary increases are applied in line with the outcome of the review. For current Executive Directors, increases in cash salary will not normally exceed the increase for the general employee population over the term of this Policy. More significant increases may be awarded in certain circumstances including, but not limited to: where there has been a significant increase in role size or complexity, to apply salary progression for a newly appointed Executive Director, or where the Executive Director's salary has fallen significantly behind market. Where increases are awarded in excess of that for the general employee population, the Committee will provide the rationale in the relevant year's Annual Report on Remuneration.
Pension To provide retirement benefits.	The Group operates a Personal Pension Plan, a Defined Contribution Scheme. This is available to all employees following completion of their probationary period.	Executive Directors receive an employer contribution consistent with that received by UK employees (currently matched contribution up to 6% of base salary) or the equivalent value in cash. Base salary is the only element of remuneration that is pensionable. The pension provision and rules are the same for Executive Directors and the main body of UK staff.
Other Benefits To provide competitive benefits.	Includes (but not limited to): • Death in service scheme • Private medical cover • Permanent health insurance • Relocation, at the Committee's discretion. All benefits are non-pensionable.	Benefits may vary by role. None of the existing Executive Directors received total taxable benefits exceeding 5% of base salary during the most recent financial year, and it is not anticipated that the cost of benefits provided will exceed this level over the term of this Policy. The Committee retains the discretion to approve a higher cost in exceptional circumstances (e.g. relocation), or in circumstances driven by factors outside the Company's control (e.g. material increases in healthcare insurance premiums).

Directors' Remuneration Policy continued

Purpose and link to strategy	Operation	Opportunity and performance metrics
Annual bonus To motivate and reward the delivery of stretching near-term financial and non-financial targets based on the business strategy.	Bonus payments are determined after the year-end and will be based on performance achieved against targets over the financial year. Forty percent of any bonus will be deferred into shares for a period of three years, with the remaining portion paid in cash. Any bonus earned is non-pensionable. Where any bonus is deferred, dividend equivalent shares may be accrued on awards during the deferral period, only receivable on shares which vest at the end of the period. Bonus payouts are subject to a potential downwards adjustment based on an assessment of risk events considered to have a significant customer, regulatory or financial impact over the course of the performance period. Bonus payouts are subject to malus and clawback provisions, i.e. forfeiture or reduction of unvested awards and recovery of vested awards. Events which may lead to the application of malus and clawback are set out in the Group's Malus and Clawback Framework and include material financial misstatement, responsibility for conduct which results in significant losses, material failure of risk management, misconduct, reputational damage and corporate failure. The Remuneration Committee has discretion – within the constraints of local legislation – to adjust the formulaic vesting outcome to ensure the final outcome is a fair and true reflection of underlying business performance, both financial and non-financial.	Maximum annual bonus potential for Executive Directors is 200% of base salary. For a Threshold level of performance, a bonus of 25% of the maximum potential award is payable and for Target performance 50% of Maximum is payable. Bonuses will be based on a combination of financial and non-financial performance targets. The Committee has the ability to determine the relevant metrics, weightings and targets each year based on evolving business priorities.

Directors' Remuneration Policy continued

Purpose and link to strategy	Operation	Opportunity and performance metrics
Discretionary Free Share Scheme (DFSS) To motivate and reward longer term performance, aid long-term retention of key executive talent, use capital efficiently, grow profits sustainably and further strengthen the alignment of the interests of shareholders and staff.	Executive Directors may be granted awards annually at the discretion of the Committee. Awards may be in the form of nil or nominal priced options or conditional shares. Awards are normally granted on an annual basis and vest after a minimum of three years subject to Group performance and continued employment. A two-year holding period applies to vested awards, during which time Executive Directors may not sell the vested awards except to cover tax liabilities. Awards are subject to a potential downwards adjustment based on an assessment of risk events considered to have a material customer, regulatory or financial impact over the course of the performance period. Awards are subject to malus and clawback provisions, i.e. forfeiture or reduction of unvested awards and recovery of vested awards. Events, which may lead to the application of malus and clawback, are set out in the Group's Malus and Clawback Framework and include material financial misstatement, responsibility for conduct which results in significant losses, material failure of risk management, misconduct, reputational damage, and corporate failure. The Remuneration Committee has discretion - within the constraints of local legislation - to adjust the formulaic vesting outcome to ensure the final outcome is a fair and true reflection of underlying business performance, both financial and non-financial. Dividend equivalent shares may be accrued on awards during the vesting period, only receivable on shares which vest at the end of the period.	Maximum opportunity: A maximum face value on award of 500% of base salary applies. Threshold performance will result in vesting of up to 25% of the maximum award. DFSS shares are granted as a fixed number of shares (subject to the quantum limits of the plan, as described above). The number granted is reviewed and may be adjusted by the Committee, for example, if there has been a significant change in share price. Vesting of DFSS awards is subject to the Group's performance over a three-year performance period. The performance measures may include EPS growth, ROE, relative TSR and a scorecard of Non-Financial metrics selected by the Committee. Details of the measures, weightings and performance targets used for specific DFSS grants are included in the relevant year's Annual Report on Remuneration.
Approved Free Share Incentive Plan (SIP) To encourage share ownership across all employees, using HMRC-approved schemes for eligible UK employees.	All eligible UK employees participate in the SIP after completing a minimum of 12 months' service. Grants are made twice a year based on the results of each half year and vest after three years subject to continued employment.	The SIP is an all-employee scheme and Executive Directors participate on the same terms as other employees. The acquisition of shares is therefore not subject to the satisfaction of a performance target. Maximum opportunity is in line with HMRC limits.
In-employment shareholding requirement To align interests of Executive Directors with shareholders.	Guideline to be met within five years of the later of the introduction of the guidelines and an Executive Director's appointment.	400% of base salary.
Post-termination shareholding requirement To further align the interests of Executive Directors with shareholders and encourage a focus on long-term sustainable performance.	Shareholding required to be maintained at the in-employment requirement (or number of shares held at time of termination, if lower) for a period of two years post termination.	400% of base salary (or number of shares held at time of termination, if lower).

Directors' Remuneration Policy continued

The Committee is satisfied that the Remuneration Policy is in the best interests of shareholders and does not promote excessive risk-taking. The Committee retains discretion to make changes required to satisfy legal or regulatory requirements and other non-significant changes to the Remuneration Policy without reverting to shareholders.

Notes to the Remuneration Policy table

Payments from existing awards

Executive Directors are eligible to receive payment from any award made prior to the approval and implementation of the 2024 Remuneration Policy. This includes all outstanding awards under the previous 2018 and 2021 Remuneration Policies, or any awards made prior to appointment to the Board. Details of any such payments will be set out in the Annual Report on Remuneration as they arise.

Selection of performance measures

Vesting under the DFSS is linked to the following financial measures: EPS growth, ROE, and relative TSR.

EPS growth has been selected as a performance measure as the Committee feels it is a strong indicator of both long-term shareholder return and the underlying financial performance of the business. It is transparent and highly visible to executives.

ROE has been selected as the Committee believes that a returns metric reinforces the focus on capital efficiency and delivery of strong returns for our shareholders, thereby further strengthening the alignment of incentives with Admiral's strategy.

Relative TSR has been selected to reflect value creation for Admiral's shareholders as compared to comparative alternative investments.

Since the 2019 award, vesting of DFSS awards is also linked to non-financial measures which may include strategic, customer and other measures. The Committee believes that the additional emphasis on these measures reinforces Admiral's focus on our customers and on other non-financial Group priorities, whilst also more clearly demonstrating alignment of Group remuneration practices with the requirements of Solvency II.

The specific performance measures and their respective weightings for each DFSS award may vary to reflect the strategic priorities at the time of the award.

For the annual bonus, forward-looking performance measures, weightings and targets are selected near the start of the year covering financial and non-financial measures to align with the Group's strategic objectives.

Performance targets are set taking into account the Company's strategic priorities and the economic environment in which the Company operates. The Committee believes the performance targets are stretching and motivational, and that maximum outcomes are available only for outstanding performance.

Remuneration Policy for other employees

The Company's approach to annual salary reviews is consistent across the Group, with consideration given to the role size, complexity, experience required, individual performance and pay levels in comparable companies.

In general, the Remuneration Policy which applies to other senior executives is consistent with that for Executive Directors. Remuneration is typically linked to Company and individual performance in a way that reinforces shareholder value creation.

Around 4,500 employees from across the Group, including the Executive Directors, participate in the DFSS. The Committee determines DFSS awards for those executives within its remit and on an aggregate basis for all other participants in the DFSS. For the Executive Directors, all DFSS share awards are subject to performance conditions. For other senior managers and employees, a proportion of awards (ranging from half to two-thirds) are subject to performance, with performance conditions either in line with those described above, and the remainder has no performance conditions attached other than the requirement that the recipient remains an employee of the Group at the date of vesting. Award sizes vary by organisational level and an assessment of both financial and non-financial performance.

Most holders of DFSS awards receive a DFSS cash bonus, which is equivalent to the dividend on unvested DFSS share awards. The bonus for a number of senior managers is adjusted for performance against a scorecard of customer and other non-financial metrics.

The Company operates a personal pension scheme which is available to all employees once they have completed their probationary period. For all employees, including the Executive Directors, the Company matches the employee contribution up to a maximum of 6% of salary or provides the equivalent value in cash.

All UK employees who have served a minimum tenure at Admiral are eligible to participate in the SIP on the same terms. Most overseas employees receive an equivalent award to the UK SIP awards and these awards have no performance measures attached.

Directors' Remuneration Policy continued

Service contracts and leaver/change of control provisions

The Company's Policy is to limit payments upon termination of employment to pre-established contractual arrangements. In the event that the employment of an Executive Director is terminated, any compensation payable will be determined in accordance with the terms of the service contract between the Company and the employee, as well as the rules of any incentive plans. Under normal circumstances, Executive Directors are entitled to receive termination payments in lieu of notice based on base salary and compensation for loss of benefits. The Company has the ability to pay such sums in instalments. The notice period for all Executive Directors is one year.

Executive Director	Date of appointment	Contract duration
Geraint Jones	13 August 2014	Rolling contract, 12-month notice period
Milena Mondini de Focatiis	11 August 2020	Rolling contract, 12-month notice period

There is no provision in the Executive Directors' contracts for compensation to be payable on early termination of their contract over and above the notice period element. The Executive Directors' service contracts are available to view at the Company's registered office.

When considering termination payments, the Committee reviews all potential incentive outcomes to ensure they are fair to both shareholders and participants. The table below summarises how the awards under the DFSS and Annual Bonus scheme are typically treated in specific circumstances, with the final treatment remaining subject to the Committee's discretion.

Plan	Scenario	Treatment of awards	Timing of vesting
DFSS	Resignation	Awards lapse under most circumstances e.g. dismissal for cause or resignation.	n/a
	Death, injury or disability, redundancy, retirement, or any other reasons the Committee may determine	Any unvested award will be pro-rated for time with reference to the proportion of the vesting period remaining at termination, and performance, unless the Committee determines otherwise.	Normal vesting date.
	Change of control	Any unvested award will be pro-rated for time with reference to the proportion of the vesting period remaining at termination, and performance, unless the Committee determines otherwise.	Immediately
Annual Bonus Plan	Resignation	Eligibility forfeited under most circumstances, e.g. dismissal for cause or resignation.	n/a
	Death, injury or disability, redundancy, retirement, or any other reasons the Committee may determine	Any bonus payable will be pro-rated for time with reference to the portion of the performance period remaining at termination, and performance, unless otherwise determined at the discretion of the Committee.	Normal payment date
	Change of control	Unless the Committee determines otherwise, any bonus eligibility will be pro-rated for time with reference to the proportion of the performance period remaining at change of control, and extent to which the Committee determines that the performance conditions have been met or are likely to be met at the point of change of control.	Immediately

For all leavers (with the exception of termination for cause), vested DFSS awards that are still subject to a holding period will normally be released in full at the end of the holding period, though the Committee has discretion to determine otherwise, taking into account the circumstances at the time.

Directors' Remuneration Policy continued

Non-Executive Directors

The Company has entered into letters of appointment with its Non-Executive Directors (NEDs). Summary details of terms and notice periods are included below.

NED	Term	Initial date of appointment	Commencement of current contract	Notice period
Mike Rogers	3 years	01/02/2023	01/02/2023	Three months
Justine Roberts	3 years	17/06/2016	17/06/2023	One month
Andrew Crossley	3 years	27/02/2018	27/02/2024	One month
Michael Brierley	3 years	05/10/2018	05/10/2024	One month
Karen Green	3 years	14/12/2018	14/12/2024	One month
Jayaprakasa Rangaswami	3 years	29/04/2020	29/04/2023	One month
Evelyn Bourke	3 years	30/04/2021	30/04/2024	One month
Bill Roberts	3 years	11/06/2021	11/06/2024	One month
Fiona Muldoon	3 years	02/10/2023	02/10/2023	One month

The NEDs are not eligible to participate in the SIP, DFSS or Annual Bonus scheme and do not receive any pension contributions.

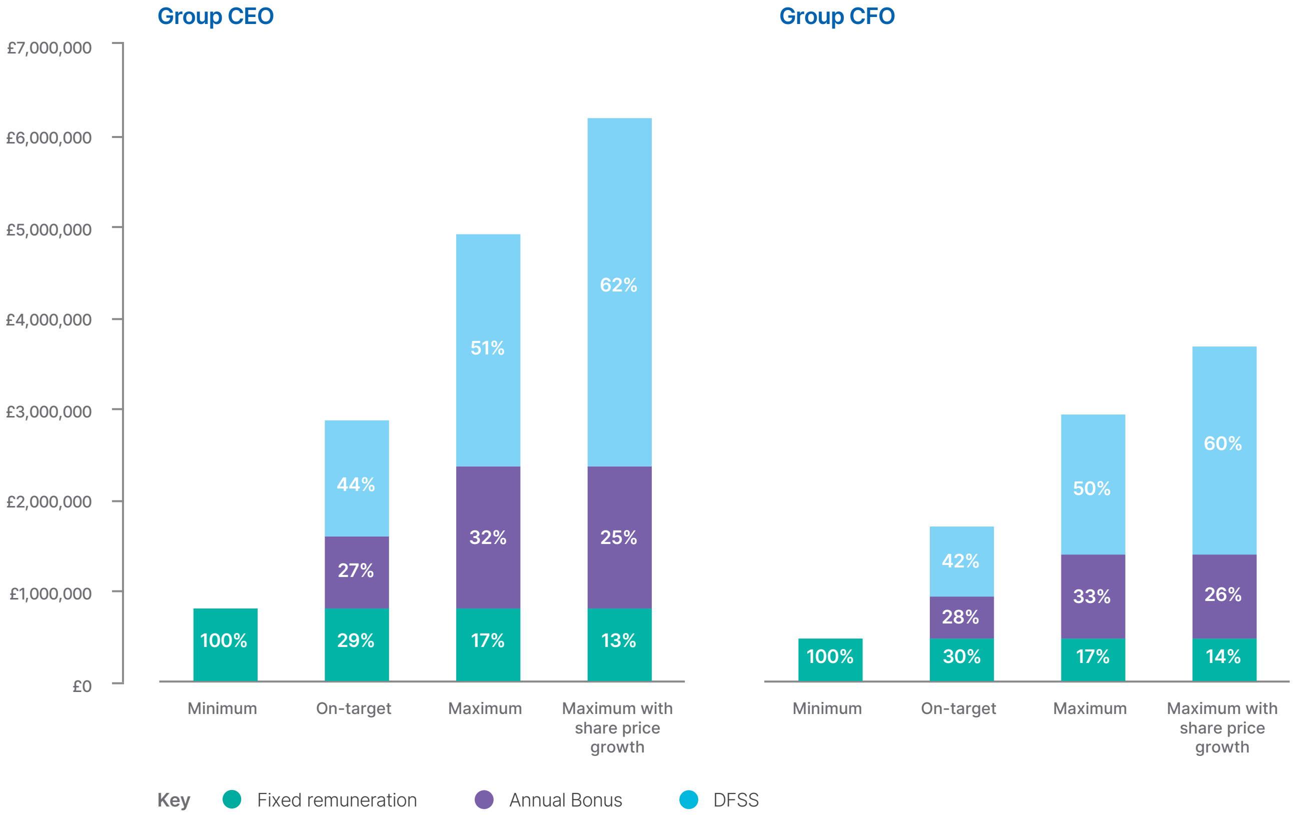
Details of the 2024 Policy on NED fees are set out in the table below:

Purpose and link to strategy	Operation	Opportunity and performance metrics
To attract and retain NEDs of the highest calibre with experience relevant to the Company	Fees are reviewed annually. The Group Chair fee is determined by the Committee after consultation with the Executive Directors. The NED fees are determined by the Group Chair together with the Executive Directors. Additional fees are payable for acting as Senior Independent Director or as Chair or member of a Board Committee and may be payable as appropriate in relation to other additional responsibilities (e.g. attending meetings overseas). Fees are paid in a mix of cash and Company shares for the Company Chair, and in cash for other Non-Executive Directors. The Board retains discretion to vary the mix or determine that fees are paid entirely in cash or Company shares.	Fee levels are set by reference to NED fees at companies of a similar size and complexity. In the event that there is a material misalignment with the market or a change in the complexity, responsibility or time commitment required to fulfil a NED role, the Board has discretion to make an appropriate adjustment to the fee level. The maximum aggregate annual fee for NEDs is capped at the limit provided for in the Company's Articles of Association.

Directors' Remuneration Policy continued

Pay-for-Performance: Scenario Analysis

The following charts provide an estimate of the potential future reward opportunities for the Executive Directors, and the potential split between the different elements of pay under different performance scenarios in a given year.



The value of DFSS awards is calculated based on the average share price in the last three months of 2024 of £26.17 and the number of DFSS shares to be awarded in 2025 (100,000 and 57,500 shares respectively).

The performance scenarios are based on the following assumptions:

Fixed remuneration	Comprising the 2025 base salary, benefits (based on the annualised 2024 single figure for the Group CEO and CFO) and a 6% pension contribution (uncapped).
Target remuneration	Fixed remuneration plus the value of the Annual Bonus and DFSS achieving on-target performance of 50% of maximum.
Maximum remuneration	Fixed remuneration plus the value of the Annual Bonus and DFSS achieving maximum performance.
Maximum remuneration with 50% share price appreciation	Maximum remuneration increased to assume a 50% increase to the value of the shares granted under the DFSS since the point of grant.

Directors' Remuneration Policy continued

Approach to remuneration relating to new Executive Director appointments

External appointments

When appointing a new Executive Director, the Committee's policy is to set the remuneration package for a new Executive Director in accordance with the approved Remuneration Policy at the time of the appointment.

In determining the appropriate remuneration for a new Executive Director, the Committee will consider all relevant factors to ensure that arrangements are in the best interests of the Company and its shareholders. Where an individual is appointed on an initial base salary that is below market, any shortfall may be managed with phased increases over a period of time, subject to the individual's performance and development in the role. This may result in above-average salary increases during this period.

The Committee may also make an award to 'buy out' incentive arrangements forfeited on leaving a previous employer. In doing so, the Committee will consider relevant factors including any performance conditions attached to the forfeited awards and the likelihood of those conditions being met to ensure that the value of the buy-out award is no greater than the fair value of the awards it replaces. The Committee may also avail itself of Listing Rule 9.4.2 R if appropriate for the buy-out of incentive arrangements (i.e. if the terms of participation for the prospective Executive Director are similar to all, or substantially all employees who participate in the plan, then approval by ordinary resolution of the shareholders of the listed company in general meeting is not required).

Internal appointments

Remuneration for new Executive Directors appointed by way of internal promotion will similarly be determined in line with the Policy for external appointees, as detailed above. Where an individual has contractual commitments made prior to their promotion to the Board, the Company will continue to honour these arrangements. Incentive opportunities for below-Board employees are typically no higher than for Executive Directors, but measures may vary if necessary.

Other directorships

Executive Directors are permitted to accept appointments as Non-Executive Directors of companies with the prior approval of the Group Board. Approval will be given only where the appointment does not present a conflict of interest with the Group's activities, and where the wider exposure gained will be beneficial to the development of the individual.

Considerations of conditions elsewhere in the Group

The Committee considers the pay and employment conditions elsewhere in the Group when determining remuneration for Executive Directors.

Considerations of shareholder views

When determining remuneration, the Committee takes into account best practice guidelines issued by institutional shareholder bodies. The Committee is open to feedback from shareholders on the Remuneration Policy. It will continue to monitor trends and developments in corporate governance and market practice to ensure the remuneration structure for our Executive Directors remains appropriate.

Considerations of regulatory requirements

The Committee regularly reviews the Remuneration Policy and structure in the context of Solvency II remuneration guidance, and EBA, PRA, and FCA expectations regarding the supervision of insurance firms. The Group Chief Risk Officer periodically attends Committee meetings as part of this process and provides support to the Committee in understanding any risk-related implications of remuneration decisions. Whilst the Remuneration Policy includes several features which help ensure compliance with current regulatory guidance, the Committee reserves the discretion to adjust the Remuneration Policy, and its execution, to take into account any developments in such regulatory guidance.

Annual report on remuneration

This section of the report provides details of how Admiral's Remuneration Policy was implemented in 2024 and how the Remuneration Committee intends to implement the proposed Remuneration Policy in 2025.

Remuneration Committee membership in 2024

The Board sets the Group's Remuneration Policy and, through the authority delegated to it by the Board, the Committee is responsible for making recommendations to the Board on the implementation of the Remuneration Policy. Its remit includes recommending the remuneration of the Group Board Chair and the Executive Directors; approving the remuneration of senior management; and determining the composition of, and awards made under, the performance-related incentive schemes.

At the end of 2024 the Committee comprised Michael Brierley, Justine Roberts and Karen Green. The Committee had seven scheduled meetings, and it also held a number of adhoc/late notice meetings to deal with specific issues in a timely manner.

The Group Chair, CEO, CFO and CRO are invited to meetings where the Committee considers it appropriate to obtain their advice on Group strategy and performance and senior executive pay strategy. The Group CEO typically attends all meetings. No director is involved in deciding their own remuneration outcome. The members of the Committee do not have any personal financial interests (other than shareholdings), or any conflicts, that relate to the business of the Committee. The Committee members do not have any day-to-day involvement in the running of the Group.

Committee activities

During the year ended 31 December 2024, in addition to its regular activities, the Committee also:

- Finalised the 2024 Directors' Remuneration Policy prior to a successful shareholder vote at the 2024 AGM
- Reviewed the performance ranges for Carbon Emissions targets which were implemented in the DFSS for the first time in 2024
- Approved Senior Management appointment arrangements.

As mentioned in the Governance Report, during the year ended 31 December 2024, the Committee also performed its regular activities:

- Reviewed the DFSS vesting and bonus arrangements for Executive Directors, senior management and relevant staff (Material Risk Takers) covered under Solvency II
- Reviewed Admiral's Gender Pay Gap reporting statistics
- Reviewed risk events and their impact on variable pay
- Undertook an evaluation of the Committee's performance during the year
- Reviewed the Committee's Terms of Reference
- Reviewed the Group's Malus and Clawback Framework
- Reviewed external remuneration trends and market conditions.

Remuneration topics were discussed with employees at the Employee Consultation Group (ECG), which met four times in the year. Key themes discussed at the ECG were: employee compensation, flexible working, employee benefits, reward review, maternity policy, pension and employee health and wellbeing initiatives.

On 1 March 2024, the Chair of the Remuneration Committee and Group Head of Reward met with the ECG to discuss the remuneration for the Executive Directors and the proposed changes to the 2024 Directors' Remuneration Policy. The detail of the Policy was covered in depth, with time set aside for members of the ECG to give feedback and ask any questions they felt were relevant. There was some good discussion about how the remuneration for Executive Directors linked to wider colleague pay.

Significant shareholder engagement was undertaken as part of the process for the 2024 Directors' Remuneration Policy, as outlined in last year's report. This activity carried on into 2024. The Committee Chair at the time, Evelyn Bourke, held meetings with one investor in February 2024 and additionally issued a letter outlining the changes to the four main proxy agencies, with follow up meetings occurring in January and February 2024.

Committee effectiveness review

As part of the Committee's annual review of its performance and processes, each Committee member and regular attendee the Committee. The Committee discussed the results of the review at its meeting in February 2025 and concluded that, overall, the Committee remained effective.

To help improve its performance over the coming year, the Committee highlighted the importance of ensuring key topics are socialised with the Committee in good time to facilitate debate and discussion.

Annual report on remuneration
continued

Advisors to the Committee

During the year, to enable the Committee to reach informed decisions, we obtained advice on market data and trends from independent consultants Willis Towers Watson (WTW). WTW reported directly to the Committee Chair and are signatories to, and abide by the Code of Conduct for Remuneration Consultants (which can be found at www.remunerationconsultantsgroup.com). WTW also provided advice to the Company in relation to capital management and claims benchmarking.

The fees paid to WTW for work supporting the Committee in 2024 (based on time and materials) totalled £96,800.

The Committee undertakes due diligence periodically to ensure that advisors remain independent of the Company and that the advice provided is impartial and objective. The Committee is satisfied that the advice provided by WTW is independent.

Summary of shareholder voting at the 2024 AGM

The table below shows the results of the advisory vote on the 2024 Directors' Remuneration Policy and the 2023 Annual Report on Remuneration.

	For	Against	Total votes cast	Abstentions
2024 Directors' Remuneration Policy - total number of votes	228,178,035	24,300,029	252,478,064	5,043
% of votes cast	90.38%	9.62%		
2023 Annual Report on Remuneration – total number of votes	229,990,614	22,488,522	252,479,136	3,971
% of votes cast	91.09%	8.91%		

Total Single Figure of Remuneration for Executive Directors (audited)

The table below sets out the total single figure remuneration received by each Executive Director for the years ended 31 December 2024 and 31 December 2023:

Executive Director		1. Base salary	2. Benefits	3. Pension	Total fixed pay	4. SIP	5. DFSS	6. ABP / DFSS bonus	Total variable pay	Total remuneration
Milena Mondini de Focatiis	2024	774,000	470	38,580	813,050	3,594	1,807,222	1,495,058	3,305,874	4,118,924
	2023	737,326	455	15,000	752,781	3,605	1,106,690	296,017	1,406,312	2,159,093
Geraint Jones	2024	465,000	470	24,675	490,145	3,594	1,054,206	898,194	1,955,994	2,446,139
	2023	433,472	455	15,000	448,927	3,605	645,120	172,676	821,401	1,270,328

The figures have been calculated as follows:

1. Base salary: amount earned for the year
2. Benefits: the taxable value of annual benefits received in the year
3. Pension: the value of the Company's contribution during the year
4. SIP: the face value at grant
5. DFSS: the value at vesting of shares vesting on performance over the three-year periods ending 31 December 2024 and 31 December 2023. For the 2024 figures, given that vesting occurs after the 2024 Directors' Remuneration Report is finalised, the figures are based on the average share price in the last three months of 2024 of £26.17. The 2023 figures have been trued up based on the actual share price on vesting of £28.10. For 2024, favourable movements of £316,281 and £184,496 are included in the DFSS value, attributable to an increase in the share price over the vesting period for Milena Mondini de Focatiis and Geraint Jones, respectively. For 2023, unfavourable movements of -£254,027 and -£148,079 are included in the DFSS value, attributable to a decrease in the share price over the vesting period for Milena Mondini de Focatiis and Geraint Jones, respectively
6. For 2024 the Annual Bonus has replaced the previous DFSS bonus scheme which was in place for 2023. The 2024 Annual Bonus performance outcome was 96.58% of maximum, or equivalent to 193.16% of base pay.

Annual report on remuneration
continued

Total single figure of remuneration for Non-Executive Directors (audited)

The table below sets out the total single figure remuneration received by each NED for the years ended 31 December 2024 and 31 December 2023.

	Total fees			
	2024		2023	
Director	Fees	Taxable benefits[8]	Fees	Taxable benefits[6]
Mike Rogers[1]	**386,350**	**2,051**	270,042	889
Evelyn Bourke[2]	**92,591**	**1,632**	95,000	3,605
Karen Green[3]	**130,248**	**1,252**	113,000	2,205
Jayaprakasa Rangaswami	**89,250**	**1,944**	85,955	932
Justine Roberts	**112,350**	**778**	106,045	1,253
Andrew Crossley[4, 5]	**184,525**	**4,957**	188,000	5,166
Michael Brierley[4]	**159,850**	**3,723**	152,000	4,806
Bill Roberts[6]	**109,865**	**26,369**	103,352	25,161
Fiona Muldoon[7]	**96,409**	**1,398**	20,928	–

1 Mike Rogers was appointed as the Group Chair on 27 April 2023. There was an overpayment of fees in 2024, which have been corrected and paid back in 2025, and will be reflected in Mike's 2025 fees.
2 Evelyn Bourke stepped down as Chair and as a member of the Group Remuneration Committee effective from April 2024. She subsequently joined the Group Audit Committee as a member.
3 Karen Green was appointed Chair of the Group Remuneration Committee effective from 25 April 2024. There was an overpayment of fees in 2024, which have been corrected and paid back in 2025, and will be reflected in Karen's 2025 fees.
4 The fees for Andrew Crossley and Michael Brierley include additional fees in relation to their positions as Chair of the EUI Limited Board of Directors and Admiral Financial Services Limited Board of Directors, respectively.
5 Andrew Crossley left the Group Audit Committee on 7 March 2024..
6 The fee for Bill Roberts includes an additional fee in relation to his position as a NED of the Elephant Board of Directors, which he was appointed to on 1 February 2023.
7 Fiona Muldoon was appointed Chair of the Group Audit Committee effective from 25 April 2024
8 Taxable benefits represent those expense reimbursements relating to travel, accommodation and subsistence in connection with the attendance at Board, Subsidiary and Committee meetings during the year, which are deemed by HMRC to be taxable. The amounts in the table are 'grossed-up' to include the UK tax paid by the Company on behalf of the Non-Executive Directors. Non-taxable expense reimbursements have not been included in the table.

Incentive outcomes for financial year to 31 December 2024 (audited)

DFSS awards vesting on performance to 31 December 2024

On 22 September 2022, Milena Mondini de Focatiis was granted an award under the DFSS of 90,000 shares with a value at the date of award of £1,943,100 (based on a grant date share price of £21.59).

On 22 September 2022, Geraint Jones was granted an award under the DFSS of 52,500 shares with a value at the date of award of £1,133,475 (based on a grant date share price of £21.59).

Vesting of the award was based 80% on the achievement of financial performance measures and 20% on a scorecard of non-financial measures.

Annual report on remuneration
continued

Financial performance outcomes

The performance measures applicable to these awards are: EPS growth, TSR vs. FTSE 350 (excluding investment companies), and ROE, weighted equally and all measured over the three-year period 1 January 2022 to 31 December 2024.

Both EPS and ROE have performed very strongly over the performance period, with outcomes above the maximum for the performance range at 217p and 42.61%, respectively. TSR is slightly above median vs the FTSE 350 benchmark, indicating a solid return for our shareholders over the period. The combination of these elements contributes to a vesting of 78.30% for the financial measures. The Committee reviewed this vesting outcome and concluded that it was appropriate.

The table below details the Company's performance against the performance range.

	Performance range					
Performance measure	Weighting	Threshold	Maximum	Vesting schedule	Performance outcome	Vesting Contribution (% of maximum)
EPS	33.33%	120p	150p	25% for reaching threshold, rising to 100% at maximum performance	217p	100.00%
TSR vs. FTSE 350 (excluding investment companies)	33.33%	Median	Upper quartile	25% for median, with straight line relationship to 100% for upper quartile	53rd percentile	34.91%
Return on Equity (ROE)	33.33%	20%	40%	25% for reaching threshold, rising to 75% for reaching stretch at 30% ROE, rising to 100% at maximum performance	42.61%	100.00%
Vesting						78.30%

Non-financial performance outcomes

The individual vesting contribution of the non-financial measures for Milena Mondini de Focatiis and Geraint Jones are set out in the table below. These aggregated to an overall rating across the 3 years of 70.47% and have a weighted outcome of 14.09%.

Details of the measures used in the scorecard and outcomes for 2024 are summarised in the table below:

			Outcomes (% out weighing for each category)	
Category	Metrics	Weighting	H1	H2
Strategy	Overall scoring from the Board on scorecard of measures around:			
	Progress towards Admiral 2.0	33.00%	22.44%	
	Diversification - existing non-motor product development			
	Diversification - development of new products			
	Progress towards defining motor mobility strategy			
Customer	Customer feedback (NPS)	17.00%	10.73%	11.01%
	Customer Outcomes (CRMI)	17.00%	15.53%	14.61%
ESG	People Trust Index	18.00%	18.00%	
	Diversity (Female representation at Senior level)	7.50%	5.25%	
	Inclusion (Inclusion survey results)	7.50%	7.50%	
Total		**100.00%**	**79.45%**	**78.81%**

Annual report on remuneration
continued

The Admiral Group Board makes an annual judgement based on its collective view of progress against the stated strategic measures. The Board was satisfied that progress against strategic aims continued to be solid, and having reviewed business context and supporting data, assessed this progress was commensurate with a scoring of 68% of maximum.

Customer outcomes for UK Insurance were very strong across the year, with outcomes achieving over 90% of maximum. Customer feedback remained strong at 60% of maximum across 2024. Admiral Seguros' customer metrics were improved across the year, with 0% outcomes in H1, improving to outcomes of 40% for customer feedback and 45% for customer outcomes in H2. Both ConTe and L'oliver enjoyed 100% outcomes for customer feedback across both halves of 2024.

Trust Index scores for 2024 were up 1% compared with 2023, moving to 86% from 85%. The GPTW benchmark score was down by 1% from 2023 to 86% for 2024, meaning that the score is at the benchmark, giving an outcome of 100% for the year.

The inclusion survey results continued to be strong in 2024, with all responses coming at or above the benchmark, resulting in a 100% outcome for this element.

The Diversity measure is slightly down on last year with a year-end position of 33.68%, which is gives an outcome of 70% of maximum.

Overall vesting

The vesting outcomes for Milena Mondini de Focatiis and Geraint Jones can be seen in the below table.

DFSS vesting component	Award weighting	Performance outcomes	Vesting (% of maximum)
Financial performance measures: EPS growth, TSR vs. FTSE 350 (excluding investment companies) and Return on Equity (ROE)	80.00%	78.30%	62.64%
Non-financial performance measures	20.00%	70.47%	14.09%
Total	**100.00%**		**76.73%**

The Committee reviewed the vesting outcomes and concluded that they were appropriate, and that no adjustments were required.

Based on performance and scorecard outcomes the total amount that will vest in September 2025 to Milena Mondini de Focatiis will therefore be 69,057 shares, and the total amount that will vest to Geraint Jones will be 40,283 shares, subject to their continued employment on the vesting date.

Vested DFSS awards are subject to clawback provisions. Events which may lead to the application of clawback are set out in the Group's Malus and Clawback Framework and include material financial misstatement, responsibility for conduct which results in significant losses, material failure of risk management, misconduct, reputational damage or corporate failure.

2024 Annual Bonus

As outlined in the 2024 Policy, the Executive Directors were eligible to participate in an annual incentive scheme which is worth up to a maximum of 200% of base pay, dependent on performance outcomes relative to the measures set out in the Policy review.

Step 1 – Formulaic review

The table below sets out performance outcomes against financial and non-financial measures to form a formulaic scorecard outcome. The scorecard applies to both Executive Directors:

	Measure	Weighting	Threshold	Target	Maximum	2024 outcome	Outcome (% max)	Weighted outcome
Financial Measures (75% of total)	Profit	67.50%	£437m	£527m	£606m	£839m	100.00%	67.50%
	Turnover growth	7.50%	£541m	£1,133m	£1,726m	£1,335m	67.05%	5.03%
Non-financial Measures (25% of total)	Customer Outcomes	12.50%	Weighted customer outcome scores from across the Group entities			92.42% of maximum	92.42%	11.55%
	Trust Index	12.50%	9% under benchmark	4% under benchmark	At benchmark	At benchmark	100.00%	12.50%
Total								**96.58%**

Annual report on remuneration
continued

Step 2 – Holistic review

The Committee considered the following key data, while reviewing the appropriateness of the formulaic outcomes:

Both Executive Directors received a performance rating of "consistently good", which is the second highest performance rating available to Admiral colleagues, indicating that both Executive Directors had performed strongly over the year.

From a strategic perspective, progress continued apace. As indicated earlier in this report, the Board awarded the Executive Directors a 68% of maximum outcome for progress against strategic aims for 2024.

Group combined ratio improved to 77.4% for financial year 2024, an improvement from 88.7% in the prior year; on a similar basis UK Motor combined ratio improved to 70.0% from 81.7%.

Solvency Capital Ratio was 203% at year-end 2024, which is significantly beyond the Group's long-term aim of 150%.

Significant progress was made during 2024 in developing the approach to Sustainability, with highlights including approval of Admiral's first set of science-based targets and the publication of Admiral's first Net Zero Transition Plan. Further information on sustainability can be found on page 47.

For DEI, the Group Board composition remains consistent at 45% female representation, women represented 29% of all of the subsidiary board appointments, which is a small reduction on the position from 2023 due to several unplanned board changes. However, work has been in progress to improve gender diversity generally and the aggregate position on gender diversity across the subsidiary boards is expected to quickly reverse in Q1 2025, following the appropriate subsidiary board and regulatory approvals. Female representation in senior management positions has regressed, putting our 40% aspiration at risk.

Inclusion, measured through the Great Place to Work survey is at a very high level, at the benchmark of the best workplaces in the world.

For technology-based milestones highlights include progress in Data AI and Machine Learning, with more models being completed, up over 40% from prior years; replacement of the telephony system complete; and a record-breaking year for IT Service with minimal incidents across the year.

The Committee considered that after the Holistic review, that an overall outcome of 96.58% of maximum was appropriate for the year. The final outcomes are outlined in the table below:

	Milena Mondini	Geraint Jones
Formulaic outcome (% maximum)	96.58%	96.58%
Holistic review outcome (adjustment)	–%	–%
Final outcome (% maximum)	96.58%	96.58%
Maximum opportunity for 2024 (% salary)	200.00%	200.00%
% salary	193.16%	193.16%
£ amount	£1,495,058	£898,194

In addition, the Executive Directors' DFSS bonus is subject to a further risk adjustment (downwards only) to take account of risk events considered to have a material customer, regulatory or financial impact.

During the year, and in addition to the above, the Committee took into account relevant trigger events as part of the established risk adjustment process, and determined it was not appropriate to apply a downwards adjustment on that basis

The Annual Bonus for the Executive Directors is subject to a 40% deferral into Admiral Group plc shares for a period of three years. This means that the £598,023 of Milena's bonus and £359,278 of Geraint's bonus will be deferred into an equivalent value of Admiral Group plc shares, which will vest three years after the award date.

Annual report on remuneration
continued

Scheme interests granted in 2024 (audited)

DFSS

On 27 September 2024, Milena Mondini de Focatiis was granted an award of 95,000 shares and Geraint Jones was granted an award of 55,000 shares under the DFSS. Using the closing share price on the date of the grant of £28.00, this is the equivalent to £2,660,000 or 344% of Milena's base salary and £1,540,000 or 331% of Geraint's base salary, respectively.

The three-year period over which performance will be measured is 1 January 2024 to 31 December 2026. The award is eligible to vest on the third anniversary of the date of grant i.e., September 2027, subject to performance and to continued employment. Vested awards will be subject to an additional two-year post-vest holding period.

The award will vest on EPS growth, TSR vs. FTSE 100 and insurance peer comparator group, ROE and a scorecard of strategic, customer and other non-financial measures, inclusive of customer outcomes, ESG and strategic measures. There will also be the potential for downwards adjustment subject to an assessment of risk events considered to have a material customer, regulatory or financial impact over the course of the performance period. The performance conditions are summarised in the table below:

					Performance range			
Award element	**Performance measure**		**Decription**	**Weighting**	**Threshold**	**Stretch**	**Maximum**	**Vesting**
Financial Performance	Earnings per share (EPS)		EPS growth over the performance period	25.00%	—%	35.00%	45.00%	25% for reaching Threshold, 75% for achieving Stretch and 100% for Maximum performance.
	Return on Equity (ROE)		ROE over the performance period	25.00%	30.00%	n/a	45.00%	25% for reaching Threshold, and 100% for Maximum performance.
	Total Shareholder Return (TSR)		TSR ranked on a relative basis vs FTSE 100 and insurance peer comparator	25.00%	Median	n/a	Top Quartile	25% for reaching Threshold and 100% for Maximum performance.
Non-financial Performance	Strategy	Strategic Assessment	The Board's assessment of progress towards strategic aims.	8.25%	N/A	N/A	n/a	Vesting of between 0% and 100% based on the outcome of the Board's assessment.
	Customer	Group NPS	The outcome of the Group NPS, weighted by entity customer headcount.	8.50%	35	48	55	25% for reaching Threshold, 75% for achieving Stretch and 100% for Maximum performance.
	ESG	Diversity	The proportion of women in senior management roles.	2.06%	30.00%	36.00%	40.00%	25% for reaching Threshold, 75% for achieving Stretch and 100% for Maximum performance.
		Inclusion	The Group's Inclusion scores from the GPTW Survey, scored on a basis	2.06%	>10% below benchmark	n/a	At benchmark	25% for reaching Threshold, 40% for >6% below benchmark and 100% for Maximum
		Carbon emissions	Alignment to the SBTi 2030 and 2040 scope 1 & 2 targets for pathway to net zero, halving our GHG impact in the next 5 years.	4.13%	3,280 tCO_2e	3,051 tCO_2e	2,746 tCO_2e	25% for reaching Threshold, 75% for achieving Stretch and 100% for Maximum performance.

DFSS awards are subject to malus and clawback provisions, which are set out in the Group's Malus and Clawback Framework, as outlined in page 166.

Annual report on remuneration
continued

SIP

In March 2024, Milena Mondini de Focatiis and Geraint Jones were granted awards under the SIP of 69 shares with a face value of £1,775.37, which will mature on 11 March 2027, subject to continued employment.

In August 2024 Milena Mondini de Focatiis and Geraint Jones were granted awards under the SIP of 62 shares with a face value of £1,818.46, which will mature on 20 August 2027, subject to continued employment.

Exit payments (audited)

No exit payments were made to an Executive Director during the year.

Payments to Past Directors (audited)

Following stepping down from the role of CEO on 31 December 2020, David Stevens has continued as an adviser to the Group in a part-time capacity. During 2024, he earned a salary of £53,252.

He also sat as a Non-Executive Director on the Board of Admiral Financial Services Limited until 27 September 2024, for which he received no fee.

Implementation of Remuneration Policy for 2025

Executive Directors

Salary, pension and benefits

Salaries for the Executive Directors in 2025 have been determined in line with the proposed Remuneration Policy. Milena Mondini de Focatiis' salary was increased by 3.00% to £797,220 and Geraint Jones' salary was increased by 6.45% to £495,000, both effective 1 January 2025.

Consideration was given to ensure these increases were fair relative to the proposed increases for employees across the Group for 2025. The average pay review in 2025 is expected to be in the region of 3.00%.

The Remuneration Committee notes the increase for Geraint Jones is above that which is expected for most colleagues. This increase begins to address the competitiveness of his base pay relative to the lower quartile of the market, as highlighted in last year's Annual Report. The Remuneration Committee intends to increase his salary to the lower quartile of the market by the end of this policy period, by increments. The Remuneration Committee will review his increase each year to ensure it is appropriate and moves his positioning as intended. This means that the increase for Geraint may be ahead of those generally given to colleagues for the duration of the policy.

The Executive Directors will continue to participate in the Group Personal Pension Plan on a consistent basis with other employees, where employee contributions are matched up to a maximum 6% of base salary. The Company will offer individuals a choice between pension contributions and cash in lieu. Both Executive Directors will continue to receive benefits in line with the Policy.

DFSS

The Committee intends to make awards under the DFSS to Milena Mondini de Focatiis and Geraint Jones in September 2025 of 100,000 and 57,500 shares, respectively. The Committee will confirm the size for each of the 2025 DFSS awards closer to the award date. In determining whether the award size should differ from the above number of shares, the Committee will consider any large share price change over the prior year, and in particular whether this is due to external factors out of management control. The actual 2025 DFSS awards will be disclosed in the 2025 Annual Report on Remuneration.

It is currently anticipated that the vesting of 2025 DFSS awards for Milena Mondini de Focatiis and Geraint Jones will continue to be assessed across the three-year performance period using an 75% performance weighting on EPS, TSR (measured on a relative basis, equally split between the FTSE 100 and a subset of insurance peers with substantial general insurance segments) and ROE, and a 25% weighting on a scorecard of strategic, customer and other non-financial metrics. The measures and performance ranges for the 2025 DFSS are set out in the following table.

Annual report on remuneration
continued

					Performance range			
Award element	**Performance measure**		**Decription**	**Weighting**	**Threshold**	**Stretch**	**Maximum**	**Vesting**
Financial Performance	Earnings per share (EPS)		EPS growth over the performance period	25.00%	—%	30.00%	45.00%	25% for reaching Threshold, 70% for achieving Stretch and 100% for Maximum performance.
	Return on Equity (ROE)		ROE over the performance period	25.00%	30.00%	n/a	45.00%	25% for reaching Threshold, and 100% for Maximum performance.
	Total Shareholder Return (TSR)		TSR ranked on a relative basis vs FTSE 100 and insurance peer comparator	25.00%	Median	n/a	Top Quartile	25% for reaching Threshold and 100% for Maximum performance.
Non-financial Performance	Strategy	Strategic Assessment	The Board's assessment of progress towards strategic aims.	8.25%	n/a	n/a	n/a	Vesting of between 0% and 100% based on the outcome of the Board's assessment.
	Customer	Group NPS	The outcome of the Group NPS, weighted by entity customer headcount.	8.50%	35	48	55	25% for reaching Threshold, 75% for achieving Stretch and 100% for Maximum performance.
	ESG	Diversity	The proportion of women in senior management roles.	2.06%	30%	36%	40%	25% for reaching Threshold, 75% for achieving Stretch and 100% for Maximum performance.
		Inclusion	The Group's Inclusion scores from the GPTW Survey, scored on a basis relative to the benchmark.	2.06%	>10% below benchmark	N/A	At benchmark	25% for reaching Threshold, 40% for >6% below benchmark and 100% for Maximum performance.
		Carbon emissions	Alignment to the SBTi 2030 and 2040 scope 1 & 2 targets for pathway to net zero, halving our GHG impact in the next 5 years.	4.13%	3,070 tCO_2e	2,791 tCO_2e	2,512 tCO_2e	25% for reaching Threshold, 75% for achieving Stretch and 100% for Maximum performance.

The Committee intends that this set of financial measures applies to the DFSS awards made throughout this policy period, which is to say the awards for 2024, 2025 and 2026.

It has been an aim of the Committee to include carbon emissions targets as part of the NFM scorecard to support the delivery of the Group's net zero targets. For the 2025 scheme, the non-financial measures will continue to comprise, Group NPS, Diversity, Inclusion and carbon emissions reduction targets.

There will be the potential for downwards adjustment subject to an assessment of risk events considered to have a material customer, regulatory or financial impact over the course of the performance period.

Annual report on remuneration
continued

Annual Bonus

Under the 2024 Policy, Milena Mondini de Focatiis and Geraint Jones will be eligible to participate in an Annual Bonus in 2025. The bonus opportunity will be 0-200% of base pay for the Executive Directors, with an on-target award of 100%. Performance will be based on the following measures and weightings:

Measure	Weighting
Financial Measures (75% of total)	
Profit	67.5%
Turnover	7.5%
Non-financial Measures (25% of total)	
Trust Index (people)	8.34%
Customer Feedback (NPS)	8.33%
Customer Outcomes (CRMI)	8.33%
Total	**100.00%**

The profit measure will be profit before tax. Turnover is the total value of the revenue generated by the Group. Both Profit and Turnover values are reported in the Annual Report, and the values used to determine Annual Bonus outcomes will be consistent with the reported figures.

Customer outcomes and customer feedback comprise customer measures and associated outcomes from the Group entities for the performance year, in which outcomes are scored relative to entity-set performance ranges, with mechanical outcomes based on performance for each month. The Trust Index is the average of employee responses to the core survey questions in the Great Place To Work (GPTW) survey. This is scored relative to the benchmark of the world's 25 best workplaces provided by GPTW.

The Remuneration Committee will follow a two-phase methodology for determining Executive Director Annual Bonus outcomes; the formulaic outcome against the measures detailed above followed by a holistic review of the extent to which that formulaic outcome is reflective of the overall performance of the Group.

Phase 1: Formulaic review. At the end of the performance period, the final performance against each measure is assessed on a standalone basis. Data for the measures is taken from the Group's financial reports which are reviewed by the Audit Committee and approved by the Board.

Phase 2: Holistic review. The Committee will then consider the overall fairness of the formulaic Group scorecard outcome in the context of the business performance in the prevailing market conditions, which can be assessed against a non-exhaustive basket of measures such as:

- Executive Director personal performance
- Dividend and/or share price performance
- Impact on strategic delivery
- Risk appetite adherence
- Loss and/or combined ratio outcomes
- Financial stability of the Group
- Wider ESG performance
- Inclusion and diversity measures
- Delivery of technology milestones.

The Committee will carefully determine a final bonus outcome for each Executive Director that is fair and appropriate for the year's performance and is in the best interests of shareholders.

A detailed summary of the factors used to determine bonus outcomes for the Executive Directors will be disclosed in the Director's Remuneration Report (DRR) following the performance period.

In line with the position set out in the Policy, 40% of any bonus earned will be subject to deferral into Admiral Group Shares for a period of three years.

There will be the potential for downwards adjustment subject to an assessment of risk events considered to have a material customer, regulatory or financial impact over the course of the performance period.

Annual report on remuneration
continued

Chair and Non-Executive Directors

Fees for the Board Chair and other Non-Executive Directors were reviewed in January 2025 having previously been last reviewed in 2024. Increases were made, effective 1 January 2025.

	2025 fee (p.a.)	2024 fee (p.a.)
Chair[1]	£398,000	£386,250
NED base fee	£76,000	£73,500
Additional fee for chairing[2]:		
- Audit Committee	£27,000	£26,250
- Group Risk Committee	£46,500	£45,150
- Remuneration Committee	£27,000	£26,250
- Nomination and Governance Committee	£11,000	£10,500
Additional fee for membership of:		
- Audit Committee	£16,500	£15,750
- Group Risk Committee	£16,500	£15,750
- Remuneration Committee	£13,000	£12,600
- Nomination and Governance Committee	£9,000	£8,400
Additional fee for being Senior Independent Director	£18,500	£17,850

1 The Board Chair does not receive any additional fees (e.g., for committee membership) as these are included in the overall Chair fee.

2 The fee payable for 2025 for Chairing the Group Risk Committee continues to include an additional fee of in recognition of the increased time commitment required due to the Admiral Internal Model process. It comprises a base fee of £26,250 and an additional fee of £18,900.

CEO pay ratio

The table below sets out the pay ratios for the CEO for the periods ended 31 December 2023 and 31 December 2024.

Year	Method	Lower quartile	Median	Upper quartile
2024		138:1	121:1	82:1
2023		75:1	64:1	43:1
2022	**Option A**	80:1	69:1	45:1
2021		95:1	81:1	50:1
2020		17:1	15:1	10:1

The lower quartile, median and upper quartile employees were determined using calculation methodology A which involved calculating the actual full-time equivalent remuneration for all UK employees for 2024. From this analysis, three employees were then identified as representing the 25th, 50th and 75th percentile of the UK employee population. Admiral chose this method as it is the preferred approach of the Government and investor bodies and Admiral had the systems in place to apply this method. It is also consistent with the approach used to calculate the ratios for 2018 to 2023.

The Committee has considered the pay data for the three employees identified and believes that it fairly reflects pay at the relevant quartiles amongst our UK workforce. The three individuals identified were full time employees during the year. None received an exceptional incentive award which would otherwise inflate their pay figures. No adjustments or assumptions were made by the Committee with the total remuneration of these employees calculated in accordance with the methodology used to calculate the single figure of the CEO. It should be noted that the lower quartile employee was in receipt of DFSS bonus and/or DFSS vesting in the year.

The employee pay levels for 2024 (as at 31 December 2024) are detailed below:

	CEO	P25 (lower quartile)	P50 (median)	P75 (upper quartile)
Salary	£774,000	£23,722	£30,600	£40,468
Total Remuneration[1]	**£4,118,924**	**£29,804**	**£33,925**	**£50,147**

1 The single figure of remuneration for the CEO includes actual salary and pension costs paid during 2024, in line with The Companies (Miscellaneous Reporting) regulations 2018. For other employees, salary and pension costs are included on an FTE basis, in line with the legislation. While the basis of calculation differs between CEO and other employees, management considers this a fair comparison of remuneration.

Annual report on remuneration
continued

The increase in CEO pay ratio was anticipated to be material this year as the changes in the 2024 Directors' Remuneration Policy were intended to address competitiveness with the market, with significantly higher variable pay outcomes for outperformance. It has been a very strong year for variable pay outcomes at 96.58% of maximum for the ABP and 76.73% of maximum for the DFSS, both of which are reflective of excellent financial performance.

A significant proportion of the Milena Mondini de Focatiis' remuneration is dependent on the Company's performance and therefore it may vary more materially, resulting in movements in the CEO pay ratio from year to year.

Relative importance of spend on pay

The table below shows the percentage change in dividends and total employee remuneration spend from the financial year ended 31 December 2023 to the financial year ended 31 December 2024.

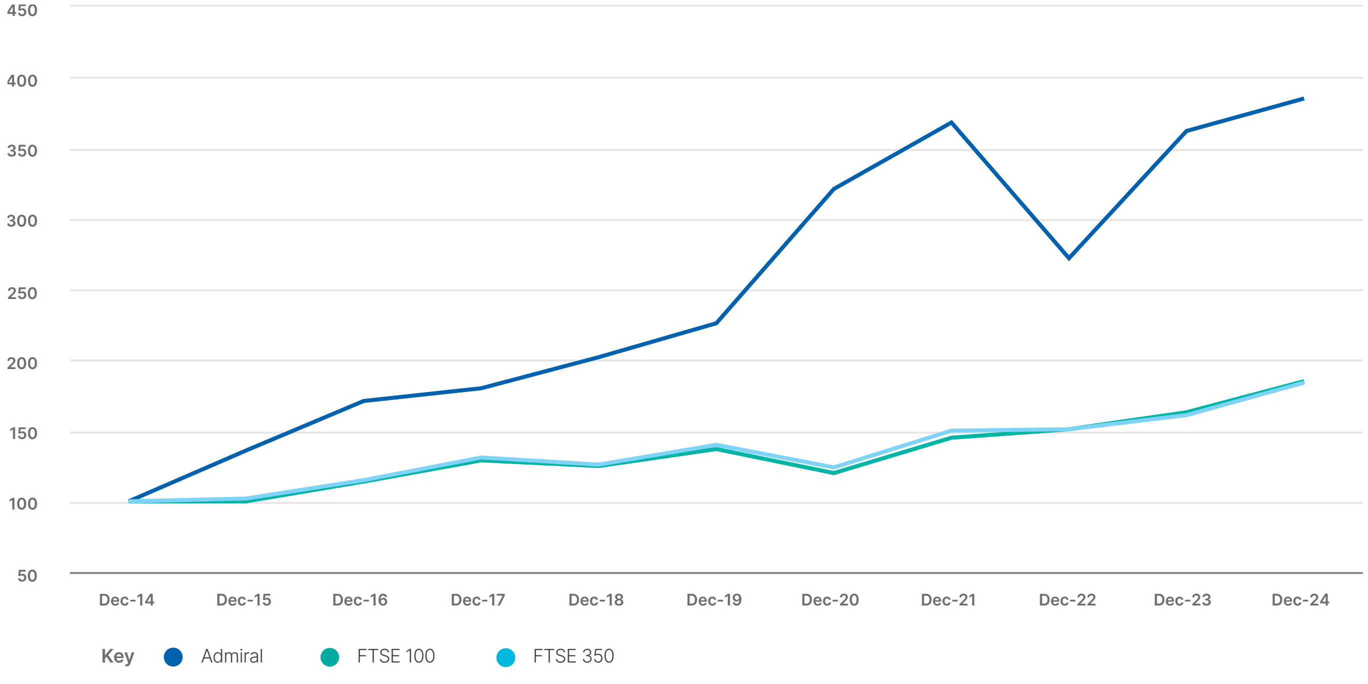
	2024 £m	2023 £m	% change
Distribution to shareholders	580	309	88%
Employee remuneration	537	501	7%

The Directors are proposing a final dividend for the year ended 31 December 2024 of 121 pence per share bringing the total dividend for 2024 to 192 pence per share (2023: 103 pence per share).

Pay for performance

The following graph sets out a comparison of Total Shareholder Return (TSR) for Admiral Group plc shares with that of the FTSE 100 and FTSE 350 indices, of which the Company is a constituent, over the ten-year period to 31 December 2024. The Directors consider these to be the most appropriate indices against which the Company should be compared. TSR is defined as the percentage change over the period, assuming reinvestment of income.

10 year TSR performance vs. FTSE 100 and FTSE 350 indices



Annual report on remuneration
continued

CEO	2015		2016	2017	2018	2019	2020	2021	2022	2023	2024
Incumbent	Henry Engelhardt	Henry Engelhardt[1]	David Stevens[2]	David Stevens[2]	David Stevens	David Stevens	David Stevens	Milena Mondini de Focatiis[4]	Milena Mondini de Focatiis	Milena Mondini de Focatiis	Milena Mondini de Focatiis
CEO single figure of remuneration	£397,688	£148,776	£246,023	£395,019	£403,662	£413,724	£421,285	£2,082,191[3]	£2,275,511	£2,159,093[4]	**£4,118,924**
DFSS vesting outcome (% of maximum	n/a	n/a	n/a	n/a	n/a	n/a	n/a	98.6%	59.2%	43.8%	**76.73%[5]**
Annual Bonus outcome (% of maximum	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	**96.58%[6]**

CFO	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Incumbent	Geraint Jones	Geraint Jones	Geraint Jones	Geraint Jones	Geraint Jones	Geraint Jones	Geraint Jones	Geraint Jones	Geraint Jones	Geraint Jones
CFO single figure of remuneration	£539,704	£599,139	£1,184,445	£1,461,813	£1,773,303	£2,329,513	£1,737,805	£1,333,709	£1,270,328[4]	**2,446,139**
DFSS vesting outcome (% of maximum)	69.0%	50% and 0%	74.2%	87.6%	88.8%	98.5%	93.1%	59.2%	43.7%	**76.73%[5]**
Annual Bonus outcome (% of maximum)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	**96.58%[6]**

1 Henry Engelhardt stepped down from the Board on 13 May 2016. His 2016 remuneration includes salary and benefits for his service as CEO.
2 David Stevens was appointed as the CEO on 13 May 2016. His 2016 remuneration includes salary, pension and benefits for his service as CEO.
3 Milena Mondini de Focatiis was appointed as the CEO on 1 January 2021. Her 2021 remuneration includes salary, pension and benefits for her service as CEO.
4 This figure has been trued up since the 2023 report for the value of the 2021 DFSS based on the actual share price on vest of £28.10.
5 76.73% of Milena Mondini De Focatiis' and Geraint Jones' 2022 DFSS award will vest in September 2025, subject to their continued employment on the vesting date.
6 The 2024 Annual Bonus outcomes for Milena Mondini De Focatiis and Geraint Jones are 96.58% of maximum.

There were no annual bonus outcomes to report in the table for the period 2015 to 2023 as the Admiral DFSS bonus is not structured as a traditional annual bonus scheme and consequently an outcome (as a percentage of maximum) was deemed meaningless. The 2024 Annual Bonus is a more traditional scheme with an outcome which can meaningfully be described as a percentage of maximum, and will be included in following years.

Annual report on remuneration
continued

Annual change of each Director's pay compared to the annual change in average employee pay

The following table summarises the annual percentage change of each Director's remuneration compared to the annual percentage change of the average remuneration of the Company's employees, calculated on a full-time equivalent basis.

	2024 (% change)		
Financial year-ended 31 December 2024	**Base salary/ fees**	**Taxable benefits**	**ABP / DFSS cash bonus**
Executive Directors			
Milena Mondini de Focatiis	4.97%	3.24%	405.06%
Geraint Jones	7.27%	3.24%	420.16%
Non-Executive Directors			
Mike Rogers	43.07%	130.66%	n/a
Evelyn Bourke	(2.54%)	(54.72%)	n/a
Karen Green	15.26%	(43.21%)	n/a
Jayaprakasa Rangaswami	3.83%	108.54%	n/a
Justine Roberts	5.95%	(37.93%)	n/a
Andrew Crossley	(1.85%)	(4.04%)	n/a
Michael Brierley	5.16%	(22.53%)	n/a
Bill Roberts	6.30%	4.80%	n/a
Fiona Muldoon	360.67%	-	n/a
Percentage change in employees' remuneration	9.86%	33.04%	56.50%

The percentage change in employee base pay is a view across the whole Group and is inclusive of colleague internal movements and promotions throughout 2024.

Fiona Muldoon's fee increase percentage is reflective of a her appointment in October 2023 compared with a full year in 2024.

The percentage changes for the Non-Executive Director taxable benefits relate to expenses for travel, accommodation and subsistence. These are generally modest in value, and small changes lead to comparatively large percentage increases.

For colleague taxable benefits, these are primarily driven by changes to individual private medical insurance; it is worth noting that the median and mode changes for this data set are 3.24% in line with the Executive Director changes.

Dilution

In 2024 the Company changed the way the employee share schemes are funded, having previously used new issue shares to fund the DFSS and SIP. Shares already assigned to the trust have been used to fund the schemes and then the Company will move to a market purchase funding model (likely from 2026 onwards).

Interests held by Directors (audited)

The Company has adopted Executive Director shareholding guidelines whereby all Executive Directors are required to acquire and retain a beneficial shareholding in the Company equal to at least 400% of base salary (excluding salary shares, where applicable), which can be built up over a period of five years from the later of the introduction of the guidelines and the individual's date of appointment. Both Executive Directors meet the shareholding requirement.

Annual report on remuneration
continued

As at 31 December 2024, the Directors held the following interests:

	Shares held					
	Beneficially owned outright	Subject to continued employment	Subject to perfomance conditions	Shareholding requirement (% of 2024 salary)	Current shareholding (% of 2024 salary)	Requirement met?
Milena Mondini de Focatiis	129,155	69,057	185,000	400%	> 400%	Yes
Geraint Jones	148,498	40,283	107,500	400%	> 400%	Yes
Mike Rogers	8,813					
Evelyn Bourke	7,459					
Jayaprakasa Rangaswami	–					
Justine Roberts	1,044					
Andy Crossley	4,984					
Michael Brierley	4,484					
Karen Green	–					
Bill Roberts	9,650					
Fiona Muldoon	–					

1 Total includes SIP shares both matured and awarded.
2 Total reflects shares from the 2022 DFSS award (performance test has been applied, and award is due to vest in September 2025).
3 The final column in the above table relates to meeting the current Remuneration Policy requirement of 400% of salary, based on a share price of £26.44 at closing on 31st December 2024.
4 Milena Mondini de Focatiis has 5 years from her appointment as Executive Director (11 August 2020) to meet the guideline.
5 There have been no changes in the Directors' holdings in the share capital of the Company, as set out in the table above, between 31 December 2024 and the date of this Report.

There have been no changes to Directors' shareholdings since 31 December 2024.

None of the Directors had an interest in the shares of any subsidiary undertaking of the Company or in any significant contracts of the Group.

Annual report on remuneration
continued

Executive Directors' interests in shares under the DFSS and SIP and salary share awards (audited)

Type	At start of year	Awarded during year	Vested/ matured during year	At end of year	Price at award[2] (£)	Value at award date (£)	Value at 31 Dec 2024 or maturity[1] (£)	Date of Award	Final vesting/ maturity date
Milena Mondini de Focatiis									
DFSS	90,000	–	39,380	–	£34.55	3,109,500	1,106,578	23/09/2021	23/09/2024
DFSS	90,000	–	–	90,000	£21.59	1,943,100	2,379,600	22/09/2022	22/09/2025
DFSS	90,000	–	–	90,000	£23.79	2,141,100	2,379,600	28/09/2023	28/09/2026
DFSS	–	95,000	–	95,000	£28.00	2,660,000	2,511,800	27/09/2024	27/09/2027
SIP	61	–	61	–	£29.44	1,796	1,667	12/03/2021	12/03/2024
SIP	50	–	50	–	£36.11	1,806	1,459	09/01/2021	01/09/2024
SIP	72	–	–	72	£24.81	1,786	1,904	03/11/2022	11/03/2025
SIP	81	–	–	81	£22.25	1,802	2,142	24/08/2022	24/08/2025
SIP	95	–	–	95	£18.82	1,787	2,512	13/03/2023	13/03/2026
SIP	77	–	–	77	£23.61	1,818	2,036	21/08/2023	21/08/2026
SIP	–	69	–	69	£25.73	1,775	1,824	03/11/2024	11/03/2027
SIP	–	62	–	62	£29.33	1,818	1,639	20/08/2024	20/08/2027
Geraint Jones									
DFSS	52,500	–	22,956	–	£34.55	1,813,875	645,064	23/09/2021	23/09/2024
DFSS	52,500	–	–	52,500	£21.59	1,133,475	1,388,100	22/09/2022	22/09/2025
DFSS	52,500	–	–	52,500	£23.79	1,248,975	1,388,100	28/09/2023	28/09/2026
DFSS	–	55,000	–	55,000	£28.00	1,540,000	1,454,200	27/09/2024	27/09/2027
SIP	61	–	61	–	£29.44	1,796	1,667	03/12/2021	12/03/2024
SIP	50	–	50	–	£36.11	1,806	1,459	09/01/2021	01/09/2024
SIP	72	–	–	72	£24.81	1,786	1,904	03/11/2022	11/03/2025
SIP	81	–	–	81	£22.25	1,802	2,142	24/08/2022	24/08/2025
SIP	95	–	–	95	£18.82	1,787	2,512	13/03/2023	13/03/2026
SIP	77	–	–	77	£23.61	1,818	2,036	21/08/2023	21/08/2026
SIP	–	69	–	69	£25.73	1,775	1,824	03/11/2024	11/03/2027
SIP	–	62	–	62	£29.33	1,818	1,639	20/08/2024	20/08/2027

1 The value at maturity relates only to shares vested.
2 For SIP the price at award reflects the average closing share price over the five days prior to the award date.

The closing price of Admiral shares on 31 December 2024 was £26.44 per share.

Approved by the Board of Directors,

Karen Green
Chair of the Remuneration Committee

5 March 2025

Directors' report

The Directors present their Annual Report and audited Financial Statements for the year ended 31 December 2024.

Directors

Directors and their interests

The present Directors of the Company are shown on page 101 of this Report. All Directors who have held office during the year ended 31 December 2024 are set out on page 101. The interests of Directors and Officers and their connected persons in the issued share capital of the Company are given in the Remuneration Report on page 177.

Appointments of Directors

The Company's Articles of Association (the Articles) give the Directors power to appoint and replace Directors. Under the Terms of Reference of the Group Nomination and Governance Committee, any appointment must be recommended by the Group Nomination and Governance Committee for approval by the Board of Directors. The Articles provide that all Directors will retire and offer themselves for re-election at each Annual General Meeting, in accordance with the UK Corporate Governance Code and the Company's current practice. Therefore, all Directors will be submitting themselves for either election or re-election by shareholders at the forthcoming AGM.

Powers of the Company Directors

The Directors are responsible for managing the business of the Company and may exercise all powers of the Company subject to the provisions of relevant statutes, to any directions given by special resolution and to the Company's Memorandum and Articles. The Articles, for example, contain specific provisions and restrictions concerning the Company's power to borrow money. Powers relating to the issuing of new shares and buyback of shares are also included in the Articles and such authorities are renewed by shareholders at the Annual General Meeting each year. At the 2025 Annual General Meeting (AGM), shareholders will be asked to renew the Directors' authority to allot new securities and buy back Company shares. Further details will be contained in the Notice of 2025 AGM, which will be available to shareholders alongside, or at a date near to the publication of the Annual Report.

Directors' indemnities and insurance

Directors and Officers insurance cover is in place for all Directors to provide cover against certain acts or omissions on behalf of the Company. A Deed Poll of Indemnity was executed in October 2015, indemnifying each of the Directors and Company Secretary, in relation to certain losses and liabilities that they might incur in the course of acting as Directors of the Company. The Deed Poll of Indemnity is categorised as qualifying third party provisions as defined by Section 234 of the Companies Act 2006 and remains in force for all past and present Directors of the Company.

The Board is of the view that it is in the best interests of the Group to attract and retain the services of the most able and experienced Directors by offering competitive terms of engagement, including the granting of such indemnities. Neither the Deed Poll of Indemnity nor insurance cover would provide any coverage in the event that a Director is proved to have acted fraudulently or dishonestly.

Share capital, AGM and related matters

Share capital

At 31 December 2024, 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 note 12d. The rights and obligations attached to the Company's ordinary shares are set out in the Articles of Association of the Company, copies of which can be obtained from Companies House.

Share class rights

If a poll is called at a general meeting, every member present in person or by proxy and entitled to vote shall have one vote for every ordinary share held. The notice of the general meeting specifies deadlines for exercising voting rights either by proxy notice or present in person or by proxy in relation to resolutions to be passed at general meeting. All proxy votes are counted and the numbers for, against or withheld in relation to each resolution are announced at the Annual General Meeting and published on the Company's website after the meeting.

There are no people who hold shares carrying special rights with regard to control of the Company.

Restrictions on the transfer of securities or voting rights

There are no restrictions on the transfer of ordinary shares or voting rights in the Company other than:

- Certain restrictions may from time to time be imposed by laws and regulations (for example, insider trading laws)
- Pursuant to the Listing Rules of the FCA whereby certain employees and Directors of the Company require the approval of the Company to deal in the Company's securities
- Restrictions under the Company's employee share incentive plans, where the shares are subject to the plan rules.

The Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities or voting rights.

Shares held in Employee Benefit Trust (EBT)

The EBT does not use its voting rights in respect of the shares it holds in the EBT at general meetings, however, it may choose to do so if recommended by the Company via a letter of wishes. If any offer is made to shareholders to acquire their shares, the trustee will not be obliged to accept or reject the offer in respect of any shares which are at that time subject to subsisting awards, but will have regard to the interests of the award holders and will have power to consult them to obtain their views on the offer. Subject to the above, the trustee may take action with respect to any offer it thinks fair. The trustee has waived its right to dividends on the shares held in the trust.

Further information on the rights attaching to shares under the employee share schemes are provided in the Remuneration Report on page 166.

Directors' Report
continued

Authority to purchase own shares

At the Company's 2024 AGM, shareholders approved an authority for the Company to buy back up to 15,315,233 ordinary shares. This authority is due to expire on 30 June 2025, or, if earlier, at the conclusion of the next AGM of the Company.

The Company has not purchased any of its own shares during the period and the Directors intend to seek to renew this power at the next AGM.

Major shareholders

Other than as stated below, as far as the Company is aware, there are no persons with significant direct or indirect holdings in the Company. Information provided to the Company pursuant to Rule 5 of the FCA's Disclosure and Transparency Rules (DTRs) is published on a Regulatory Information Service and on the Company's website.

The Company received notifications in accordance with the FCA's DTRs of the following notifiable interests in the voting rights in the Company's issued share capital:

	As at 31 December 2024	
Shareholder	Number of shares	% voting rights
Mawer Investment Management Ltd.	21,727,558	7.2%
Henry Engelhardt & Diane Briere de l'Isle	20,277,027	6.7%
BlackRock Inc.	17,849,752	5.8%
Moondance Foundation	15,400,000	5.1%
Rothschild and Co Wealth Management UK Limited	15,321,078	5.0%
Vanguard Group Holdings	12,560,052	4.1%
FMR LLC	11,711,392	3.9%
David & Heather Stevens	8,422,950	2.8%
Münchener Rückversicherungs-Gesellschaft AG	5,297,781	1.7%

The percentage of voting rights detailed above were calculated at the time the relevant disclosures were made in accordance with the DTRs. The DTRs require notification when the percentage voting rights (through shares and financial instruments) held by a shareholder reaches, exceeds or falls below an applicable threshold. The information provided below was correct at the date of notification, however, the date the notification was received may not have been within the current financial year. It should be noted that these holdings are likely to have changed since the Company was notified. However, notification of any change is not required until the next notifiable threshold is crossed.

There were no notifications received by the Company in accordance with the FCA's DTRs in the period from 31 December 2024 to 5 March 2025.

Group results and dividends

The profit for the year, after tax but before dividends, amounted to £662.9 million (2023: £337.2 million). The Directors declared and paid dividends of £369.8 million during 2024 (2023: £307.1 million). Refer to note 12b for further details.

The Directors have proposed a final dividend of £366.6 million (121.0 pence per share). Subject to shareholders' approval at the 2024 Annual General Meeting (AGM), the final dividend will be paid on 13 June 2025 to shareholders on the register at the close of business on 16 May 2025.

Further information on the Group's dividend policy is located on page 212.

Articles of Association

The Articles may only be amended by special resolution of the shareholders.

Annual General Meeting (AGM)

It is proposed that the next AGM be held at Tŷ Admiral, David Street, Cardiff CF10 2EH on Friday 9 May 2025, notice of which will be available to shareholders alongside, or at a date near to the publication of the Annual Report

Change of control

There are a number of agreements that alter or terminate upon a change of control of the Company following a takeover bid, such as commercial contracts (entered into in the normal course of business). None are considered to be significant in terms of their impact on the business of the Group as a whole. There are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that occur because of a takeover bid.

Significant contracts of material interest to shareholders

The Group considers its co-insurance and reinsurance contracts to be significant and of material interest to shareholders. A number of the Group's contractual arrangements with reinsurers include features that, in certain scenarios, allow for reinsurers to recover losses incurred to date. The overall impact of such scenarios would not lead to an overall net economic outflow from the Group. No other contractual arrangements are considered to be significant to the running of the Group's business.

Political donations

No political donations were made during the year.

Directors' Report
continued

Going concern and viability statement

In accordance with the UK Corporate Governance Code, the Board must confirm that it considers the going concern basis of accounting appropriate. In considering this requirement, the Directors have taken into account the factors outlined in note 1 to the financial statements on page 198. The Directors have concluded that there is a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report, and that it is therefore appropriate to adopt the going concern basis in preparing the consolidated financial statements.

In accordance with the UK Corporate Governance Code, the Directors have assessed the viability of the Group. The Viability Statement, which supports the going concern basis above, is included in the Strategic Report on page 96.

Reporting, accountability and audit

UK Corporate Governance Code

Admiral is subject to the UK Corporate Governance Code (the Code), published by the Financial Reporting Council (FRC) in July 2018 and available on their website, www.frc.org.uk. The Company's Annual Report and Accounts, taken as a whole, addresses the requirements of the 2018 Code.

The Code was applicable for the Group during the year under review, and the Group has applied the principles and fully complied with the provisions of the Code, as set out in the Corporate Governance Report on page 107.

Admiral has reviewed the changes to the revised Code which the FRC published on 22 January 2024, effective for companies with financial reporting periods beginning on or after 1 January 2025. Admiral intends to be fully compliant with the revised Code, which will largely apply from financial years starting on or after 1 January 2025, and will disclose the measures introduced to ensure compliance with the new Code in the 2025 Annual Report and Accounts to be published in 2026.

The Directors confirm that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

The Board is ultimately responsible for the Group's system of risk management and internal control and, through the Audit Committee, has reviewed the effectiveness of the Group's internal control and risk management arrangements relating to the financial reporting process and the principal risks facing the business. The Board is satisfied that the Group's internal control and risk management framework is prudent and effective and that, through the Audit Committee and Group Risk Committee, risk can be assessed, managed and assurance given that all material controls are reviewed and monitored.

Information on the composition and operation of the Board and its Committees is located in the following sections:

- Corporate Governance Report on page 98 in respect of the Board
- Nomination and Governance Committee Report on page 125
- Audit Committee Report on page 139
- Risk Committee Report on page 145
- Remuneration Committee Report on page 149.

The Group's gender diversity information for the financial year, together with an explanation of the policies related to diversity, are set out in the Strategic Report on page 12 and in the Nomination and Governance Committee Report on page 125.

Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law they are required to prepare the Group Financial Statements in accordance with United Kingdom adopted international accounting standards and applicable law and have elected to prepare the parent Company financial statements in accordance with UK accounting standards and applicable law, including FRS 101 *Reduced Disclosure Framework*.

Under Company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of their profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- For the Group financial statements, state whether they have been prepared in accordance with IFRS as adopted by the UK
- For the Parent Company financial statements, state whether applicable UK accounting standards, including FRS 101 Reduced Disclosure Framework, have been followed, subject to any material departures disclosed and explained in the Parent Company financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' Report
continued

Responsibility statement

The Directors confirm that to the best of their knowledge:

- The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- The Directors' Report and the Strategic Report include a fair review of the development and performance of the business and the position of the Company, and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Following the Board's approval of the Audit Committee's recommendation to reappoint the Company's auditor, Deloitte LLP has indicated willingness to continue in office and resolutions to reappoint it and to authorise the Directors to fix its remuneration will be proposed at the AGM.

Index of disclosures

Information included in the Strategic Report: As permitted by legislation, some matters required to be included in the Directors' Report have instead been included in the Strategic Report as the Board considers them to be of strategic importance. These are identified with an asterix (*) in the table below.[1]

Directors' Report
continued

1 Information required to be disclosed in the Annual Report under Listing Rule 6.6.1 is marked with an asterisk (*).

Approved by the Board of Directors and signed on its behalf by

Dan Caunt	**Geraint Jones**
Company Secretary	Chief Financial Officer
5 March 2025	5 March 2025

Financial Statements

In this section

Independent Auditor's Report
to the members of Admiral Group plc

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of Admiral Group plc (the 'Parent Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Consolidated and Parent Company Income Statements;
- the Consolidated and Parent Company Statements of Comprehensive Income;
- the Consolidated and Parent Company Statements of Financial Position;
- the Consolidated Cashflow Statement;
- the Consolidated and Parent Company Statements of Changes in Equity;
- the related notes 1 to 14 to the Group financial statements, excluding the capital adequacy disclosures in note 3.8 calculated in accordance with the Solvency II regime which are marked as unaudited; and
- the related notes 1 to 14 to the Parent Company financial statements.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group for the year are disclosed in note 9c to the financial statements.

We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the Parent Company with the exception of remuneration services provided in 2022 to an immaterial branch of an in-scope subsidiary entity, which represented 0.2% of the Group's assets. The branch itself was not in scope for the 2022 or 2024 Group audit. The services were identified in 2024 and were provided by a separate team to the subsidiary's audit team, limited to the sharing of data for non-executive reward levels and Deloitte did not exercise any judgement or enact any changes to the remuneration policy. The services provided did not impact the financial statements, internal controls over financial reporting nor any financial systems or systems with control over financial information. In our opinion, based on the fees of £4,500 for the services and the size of the branch, the impact of providing the services was immaterial and inconsequential, however this was a breach, albeit insignificant, of the Ethical Standard. The safeguards that were applied included asking our quality control review to explicitly concur with the engagement team's assessment that the branch was immaterial and posed no risk of misstatement to the Group financial statements. Following investigation, it was concluded in agreement with the Audit Committee that given the size of the services provided and their potential impact, as well as the safeguards in place, the provision of these services did not impact upon our integrity, objectivity and independence as auditor to the Group and the Parent Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

.

Independent Auditor's Report continued

to the members of Admiral Group plc

3. Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was: • Valuation of UK motor large bodily injury reserves within the gross liability for incurred claims.
Materiality	The materiality that we used for the Group financial statements was £41.9 million which was determined on the basis of 5% of profit before tax ('PBT').
Scoping	We identified five reporting components which we determined should be subject to an audit of the entire financial information in the current year. Specified audit procedures were completed in respect of seven further components in response to specific audit risks. The components within the scope of our audit of entire financial information and specified audit procedures account for above 99% of the Group's profit before tax, the Group's revenue and the Group's net assets.
Significant changes in our approach	Inflation levels in the current year have reduced from the levels experienced in the prior year, and whilst the uncertainty regarding future inflation remains, the reduction in volatility reduces the level of uncertainty in the current year. As a result, we no longer identify a separate key audit matter in relation to Inflation assumptions applied to UK motor bodily injury claims within the liability for incurred claims . Rather, this has been captured in the development assumptions in the valuation of UK motor large bodily injury reserves within the liability for incurred claims key audit matter. Initial adoption of IFRS 17 Insurance Contracts is no longer a key audit matter in the current year as this is the second year of adoption.

4. 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 financial statements is appropriate.

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

- We obtained an understanding of the relevant controls relating to the Board's going concern assessment process;
- 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 evaluated the Board's going concern assessment in light of the current macroeconomic uncertainties;
- We considered the available cash and cash equivalents balance at year-end and assessed how this is forecast to fluctuate over a period of at least 12 months from the date of signing the financial statements in line with the Board's forecast performance. This analysis included assessing the amount of headroom in the forecasts considering cash and regulatory liquidity requirements;
- We assessed management's stress testing and 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 obtained and inspected correspondence between the Group and its regulators, as well as reviewed the Group Risk Committee meeting minutes, to identify any items of interest which could potentially indicate either non-compliance with regulation or potential litigation or regulatory action held against the Group; and
- Assessing the appropriateness of the Going Concern disclosures included in the financial statements.

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 and Parent Company'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.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Valuation of UK motor large bodily injury reserves within the gross liability for incurred claims

Key audit matter description	The Group's gross liability for incurred claims totalled £3,673m as at 31 December 2024 (31 December 2023: £3,452m). Judgements made in determining the valuation of the gross liability for incurred claims are by far the most significant in terms of their impact on the Group's financial position. Setting these claims reserves is an inherently subjective exercise and small changes in underlying assumptions may have a material impact on the overall result reported. Specifically, our significant areas of focus are the Group's selection of the incurred claims development assumptions including inflation for large bodily injury claims arising in the UK motor insurance business. These particular claims result in higher individual claim reserves and are more judgemental, in terms of the development of the ultimate losses, due to the longer-term nature of the Group's exposure (compared to property damage claims). Therefore, we determine this as a key audit matter. Refer to page 141 in the Audit Committee report where this is included as a significant issue and note 3 and note 5f in the financial statements which refer to this matter.
How the scope of our audit responded to the key audit matter	In responding to this matter, we have involved our actuarial specialists and performed the following procedures: • We obtained an understanding of, and tested, the relevant controls governing the selection of the incurred claims development assumptions for large bodily injury claims in the UK motor insurance business, as well as the wider process supporting the valuation of the liability for incurred claims; • We obtained and inspected the reports from management and assessed management's incurred claims development assumptions for UK motor insurance business; • We benchmarked the 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 the assumptions considering the trends and patterns observed; and • We obtained and inspected the external actuary's reports and performed an assessment of the incurred claims development assumptions, including evaluating how these compare to management's selected assumptions, to support our assessment of management's incurred claims development assumptions for UK motor insurance business.
Key observations	Based on the procedures described above, we concluded that the valuation of UK motor large bodily injury reserves within the gross liability for incurred claims is appropriate.

Independent Auditor's Report continued
to the members of Admiral Group plc

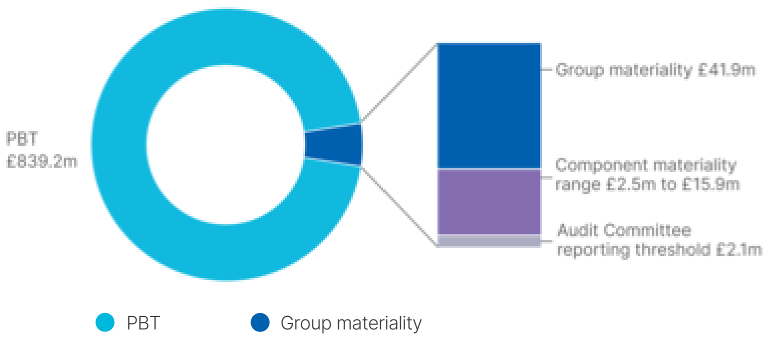
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent Company financial statements
Materiality	£41.9 million (2023: £22.1 million)	£6.2 million (2023: £4.4 million)
Basis for determining materiality	5% of profit before tax (2023: 5% of profit before tax).	3% of two-year average of net assets (2023: 3% of two-year average of net assets) pre final dividend.
Rationale for the benchmark applied	We consider profit before tax to be the critical benchmark of the performance of the Group and consider this benchmark to be suitable having compared to other benchmarks. Our materiality equates to 1% of insurance revenue and 3% of equity (2023: 1% of insurance revenue and 2% of equity).	The Parent Company primarily exists as the holding company which carries investments in Group subsidiaries and is the issuer of listed securities. We consider that net assets is the critical benchmark for the Parent Company. The measure uses a two-year average of net assets pre final dividend which we consider appropriate given the inherent volatility associated with the timing of dividend payments.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent Company financial statements
Performance materiality	70% (2023: 70%) of Group materiality	70% (2023: 70%) of Parent Company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: • our risk assessment, including our assessment of the Group's overall control environment and that we consider it appropriate to rely on controls over a number of business processes; and • our past experience of the audit, which has indicated a low number of uncorrected misstatements identified in prior periods.	

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £2.1m (2023: £1.1m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

Independent Auditor's Report continued

to the members of Admiral Group plc

7. An overview of the scope of our audit

7.1. Identification and scoping of components

The nature of the Group is such that we have identified components primarily by legal entity. We assessed the qualitative and quantitative characteristics of each financial statement line item and considered the relative contribution of each component to these line items in determining which components would be subject to an audit of the entire financial information, specified audit procedures, and review at group level.

Five (2023: five) components of the Group have been subject to an audit of the entire financial information: Admiral Insurance (Gibraltar) Limited, Admiral Insurance Company Limited, UK operations of EUI Limited, Admiral Europe Compañía de Seguros, and Admiral Group plc (the Parent company).

Specified audit procedures, designed to address specific audit risks, were completed for seven (2023: five) further components: Elephant Insurance Company, Admiral Intermediary Services S.A, Admiral Financial Services Limited, Seren One Limited, Seren Two Limited, Able Insurance Services Limited, and Admiral Law Limited.

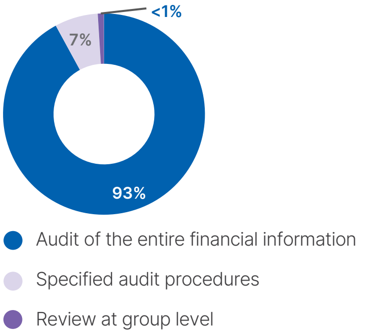
The scope of work over the above components was completed to individual component performance materiality levels which ranged from £2.5m to £15.9m (2023: £2.2m to £12.3m) dependent upon the relative financial contribution of each individual component to the Group.

For the remaining components, we performed analysis at an aggregated Group level to re-assess our evaluation that there were no identified risks of material misstatement in any of these components.

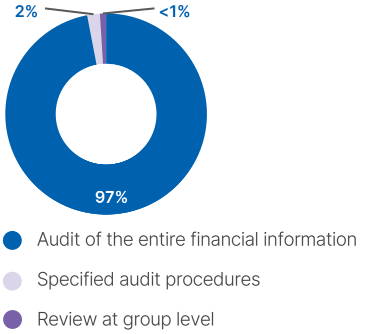
The components within the scope of our audit of entire financial information and specified audit procedures account for above 99% (2023: 98%) of the Group's profit before tax, above 99% (2023: 99%) of the Group's revenue and above 99% (2023: 99%) of the Group's net assets.

Finally, we performed audit procedures over the consolidation process by testing the material consolidation adjustments made by management in calculating their consolidated financial statements.

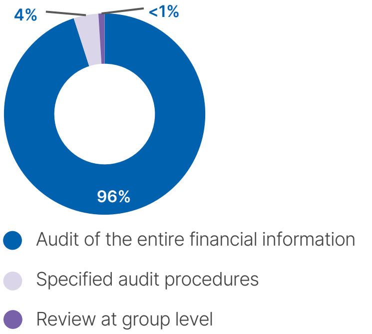
Revenue



Profit before tax



Net assets



Independent Auditor's Report continued
to the members of Admiral Group plc

7.2. Our consideration of the control environment

We obtained an understanding of and tested the relevant controls within the Group, including controls over the following business processes: financial reporting, insurance revenue, other revenue, liability for incurred claims, liability for remaining coverage, financial investments, reinsurance and coinsurance, cash and investments. We also identified the key IT systems in the Group that were relevant to the audit, and involved our IT specialists to support our testing of general IT controls over these systems, including the policy administration system, claims administration systems and the data warehouse.

7.3. Our consideration of climate-related risks

In planning our audit, we have considered the impact of climate change on the Group's operations and subsequent impact on its financial statements. The Group sets out its assessment of the potential impact on pages 94 to 95 of the Emerging Risks section.

In conjunction with our climate reporting specialists, we have held discussions with the Group to understand management's:

- process for identifying affected operations, including the governance and controls over this process, and the subsequent effect on the financial reporting of the Group; and
- long-term strategy to respond to climate-related risks as they emerge including the effect on the Group's forecasts.

In addition, our audit work also involved:

- challenging the completeness of the physical and transition risks identified based on our understanding of the Group, and considered in the Group's climate risk assessment and the conclusion that there is no material impact of climate change risk on the current year financial reporting;
- assessing the Group's qualitative analysis which supports the Group's conclusion that there is no material financial statement impact of climate risk; and
- assessing disclosures in the Annual Report against the requirements of the TCFD framework, paragraph 8(a) of Listing Rule 9.8.6R, as well as the mandatory climate-related financial disclosure requirements ('CFD'); and
- evaluating the appropriateness of disclosures included in the financial statements in Note 2.

We have not been engaged to provide assurance over the accuracy of TCFD disclosures set out on pages 66 to 76 of the annual report. As part of our procedures, we are required to read these disclosures and to consider whether they are materially inconsistent with the financial statements or our knowledge obtained during the course of our audit. We did not identify any material inconsistencies as a result of these procedures.

7.4. Working with other auditors

We engaged local component auditors, being Deloitte member firms in Spain and the US, to perform the audit work over entities residing in these respective territories. We also engaged component auditors in the Deloitte UK firm to perform the audit work over the Admiral Money segment of the Group. We directed and supervised the work of Deloitte Spain and Deloitte UK, including through in-person visits and through remote communication and review of their work.

For the US auditors we directed and supervised the work of the component auditor by having frequent phone calls with the component audit team, participating in video conferences and reviewing key audit documentation remotely.

8. Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express 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 financial statements 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 this gives rise to a material misstatement in the financial statements 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.

Independent Auditor's Report continued

to the members of Admiral Group plc

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole 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 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 economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. 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.

11.1 Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- results of our enquiries of management, internal audit, the directors and the Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team including significant component audit teams and relevant internal specialists, including tax, actuarial, financial instruments, IT, climate, and industry specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: valuation of UK motor large bodily injury claims reserves within the liability for incurred claims. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules, Solvency II regulation and relevant tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements 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, and the Financial Conduct Authority and the Prudential Regulation Authority regulations.

11.2. Audit response to risks identified

As a result of performing the above, we identified the valuation of UK motor large bodily injury reserves within the liability for incurred claims as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to that key audit matter.

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC, the Financial Conduct Authority and the Prudential Regulation Authority; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments 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.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including internal specialists and significant component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 180;
- the directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on pages 96 to 97;
- the directors' statement on fair, balanced and understandable set out on page 181;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 88;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 148; and
- the section describing the work of the Audit Committee set out on page 139.

Independent Auditor's Report continued

to the members of Admiral Group plc

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1. Auditor tenure

Following the recommendation of the Audit Committee, we were appointed by shareholders' approval at the Annual General Meeting on 25 April 2024 to audit the financial statements for the year ending 31 December 2024 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is nine years, covering the years ending 31 December 2016 to 31 December 2024.

15.2. Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

Adam Addis (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

5 March 2025

Consolidated Income Statement

For the year ended 31 December 2024

		Year ended	
	Note	31 December 2024 £m	31 December 2023 £m[1]
Insurance revenue	5	4,776.2	3,486.1
Insurance service expenses	5	(3,547.5)	(3,093.2)
Insurance service result before reinsurance		**1,228.7**	**392.9**
Net expense from reinsurance contracts held	5	(518.4)	(87.1)
Insurance service result		**710.3**	**305.8**
Investment return - Effective interest rate	6	106.3	81.1
Investment return - Other	6	74.6	41.8
Investment return	6	**180.9**	**122.9**
Finance expenses from insurance contracts issued	5	(128.4)	(94.5)
Finance income from reinsurance contracts held	5	35.9	28.9
Net insurance finance expenses		**(92.5)**	**(65.6)**
Net insurance and investment result		**798.7**	**363.1**
Interest income from financial services	7	113.5	94.9
Interest expense related to financial services	7	(37.2)	(26.8)
Net interest income from financial services		**76.3**	**68.1**
Other revenue and profit commission	8	189.6	205.7
Other operating expenses	9	(293.6)	(250.8)
Other operating expenses recoverable from co-insurers	9	129.3	107.8
Movement in expected credit loss provision and write-offs	6	(34.6)	(31.0)
Other income and expenses		**(9.3)**	**31.7**
Operating profit		**865.7**	**462.9**
Finance costs	6	(27.1)	(20.5)
Finance costs recoverable from coinsurers	6	0.6	0.4
Net finance costs		**(26.5)**	**(20.1)**
Profit before tax		**839.2**	**442.8**
Taxation expense	10	(176.3)	(105.6)
Profit after tax		**662.9**	**337.2**
Profit after tax attributable to:			
Equity holders of the parent		663.3	338.0
Non-controlling interests (NCI)		(0.4)	(0.8)
		662.9	**337.2**
Earnings per share			
Basic	12	216.6p	111.2p
Diluted	12	216.6p	110.8p
Dividends declared and paid (total)	12	369.8	307.1
Dividends declared and paid (per share)	12	123.0p	103.0p

1 The Consolidated Income Statement for the year ended 31 December 2023 has been re-presented to show the breakdown of Investment return between effective interest rate and investment return relating to other transactions, this having been provided within note 6b to the 2023 financial statements. For further detail, see note 6b to the financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

	Year ended	
	31 December 2024 £m	31 December 2023 £m[1]
Profit for the period	**662.9**	**337.2**
Other comprehensive income		
Items that are or may be reclassified to profit or loss		
Movements in fair value reserve	11.3	98.1
Deferred tax charge in relation to movement in fair value reserve	2.4	(5.7)
Movements in insurance finance reserve - insurance contracts	7.9	(128.1)
Deferred tax in relation to movement in insurance finance reserve - insurance contracts	(5.1)	14.5
Movements in insurance finance reserve - reinsurance contracts	3.3	49.2
Deferred tax in relation to movement in insurance finance reserve - reinsurance contracts	1.3	(4.8)
Exchange differences on translation of foreign operations	(4.2)	3.7
Movement in hedging reserve	(4.1)	(18.1)
Deferred tax charge in relation to movement in hedging reserve	1.0	4.5
Other comprehensive income for the period, net of income tax	**13.8**	**13.3**
Total comprehensive income for the period	**676.7**	**350.5**
Total comprehensive income for the period attributable to:		
Equity holders of the parent	677.1	351.3
Non-controlling interests	(0.4)	(0.8)
	676.7	**350.5**

1 Represented: see note 1 to the financial statements.

Consolidated Statement of Financial Position

As at 31 December 2024

	Note	As at 31 December 2024 £m	As at 31 December 2023 £m
ASSETS			
Property and equipment	11	87.8	90.1
Intangible assets	11	321.0	242.9
Deferred tax asset	10	19.8	46.1
Corporation tax asset		18.1	20.4
Reinsurance contract assets	5	988.6	1,191.9
Loans and advances to customers	7	1,106.9	879.4
Other receivables	6	225.2	409.9
Financial investments	6	4,863.2	3,862.4
Cash and cash equivalents	6	313.6	353.1
Total assets		**7,944.2**	**7,096.2**
EQUITY			
Share capital	12	0.3	0.3
Share premium account		13.1	13.1
Other reserves	12	(26.7)	(40.5)
Retained earnings		1,383.4	1,018.9
Total equity attributable to equity holders of the parent		**1,370.1**	**991.8**
Non-controlling interests		0.6	1.0
Total equity		**1,370.7**	**992.8**
LIABILITIES			
Lease liabilities	6	79.6	81.2
Subordinated and other financial liabilities	6	1,322.2	1,129.8
Corporation tax liabilities		35.0	4.9
Insurance contracts liabilities	5	4,961.4	4,581.7
Trade and other payables	6, 11	175.3	305.8
Total liabilities		**6,573.5**	**6,103.4**
Total equity and total liabilities		**7,944.2**	**7,096.2**

The accompanying notes form part of these financial statements. These financial statements were approved by the Board of Directors on 5 March 2025 and were signed on its behalf by:

Geraint Jones
Chief Financial Officer
Admiral Group plc

Company Number: 03849958

Consolidated Cashflow Statement

For the year ended 31 December 2024

	Note	Year ended 31 December 2024 £m	31 December 2023 £m[1]
Profit after tax		**662.9**	**337.2**
Adjustments for non-cash items:			
- Depreciation of property, plant and equipment and right-of-use assets	11	18.8	18.2
- Impairment/ disposal of property, plant and equipment and right-of-use assets	11	9.1	(4.0)
- Amortisation and impairment of intangible assets	11	66.7	40.5
- Movement in expected credit loss provision		10.3	15.7
- Share scheme charges	9	67.8	63.3
- Interest expense on funding for loans and advances to customers		32.3	26.2
- Investment return	6	(177.4)	(119.3)
- Profit on disposal of Insurify share option	9	(12.5)	–
- Finance costs, including unwinding of discounts on lease liabilities	6	27.7	20.5
- Taxation expense	10	176.3	105.6
Change in gross insurance contract liabilities	5	421.6	451.3
Change in reinsurance assets	5	184.9	(141.8)
Change in insurance and other receivables	6	182.4	(94.7)
Change in gross loans and advances to customers	7	(231.4)	(73.6)
Change in trade and other payables, including tax and social security	11	(136.1)	52.4
Cash flows from operating activities, before movements in investments		**1,303.4**	**697.5**
Purchases of financial instruments		(8,083.3)	(3,538.4)
Proceeds on disposal/ maturity of financial instruments		7,182.4	3,176.1
Interest and investment income received		90.6	76.8
Cash flows from operating activities, net of movements in investments		**493.1**	**412.0**
Taxation payments		(124.1)	(133.0)
Net cash flow from operating activities		**369.0**	**279.0**
Cash flows from investing activities:			
Purchases of property, equipment and software		(61.7)	(75.9)
Intangible assets acquired through business combinations		(82.5)	–
Net cash used in investing activities		**(144.2)**	**(75.9)**
Cash flows from financing activities:			
Proceeds on issue of loan backed securities	6	372.2	291.7
Repayment of loan backed securities	6	(194.1)	(246.8)
Proceeds from other financial liabilities	6	177.7	428.4
Repayment of other financial liabilities	6	(170.1)	(292.2)
Finance costs paid, including interest expense paid on funding for loans		(76.7)	(52.8)
Proceeds/(repayments) on hedging derivatives		15.6	17.7
Repayment of lease liabilities	6	(12.7)	(10.7)
Equity dividends paid	12	(369.8)	(307.1)
Net cash used in financing activities		**(257.9)**	**(171.8)**
Net increase in cash and cash equivalents		**(33.1)**	**31.3**
Cash and cash equivalents at 1 January		353.1	297.0
Effects of changes in foreign exchange rates		(6.4)	24.8
Cash and cash equivalents at 31 December	6	**313.6**	**353.1**

1 Represented: see note 1 to the financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Note	Share Capital £m	Share premium account £m	Fair value reserve £m	Hedging reserve £m	Foreign exchange reserve £m	Insurance finance reserve £m	Retained profit and loss £m	Total £m	Non-controlling interests £m	Total equity £m
		Attributable to the owners of the Company									
At 1 January 2023		**0.3**	**13.1**	**(205.9)**	**21.1**	**0.1**	**134.5**	**922.6**	**885.8**	**1.2**	**887.0**
Profit/(loss) for the period		–	–	–	–	–	–	338.0	**338.0**	(0.8)	**337.2**
Other comprehensive income		–	–	92.4	(13.6)	3.7	(69.2)	–	**13.3**	–	**13.3**
Total comprehensive income for the period		**–**	**–**	**92.4**	**(13.6)**	**3.7**	**(69.2)**	**338.0**	**351.3**	**(0.8)**	**350.5**
Transactions with equity holders											
Dividends	12	–	–	–	–	–	–	(307.1)	**(307.1)**	–	**(307.1)**
Share scheme credit		–	–	–	–	–	–	63.3	**63.3**	–	**63.3**
Deferred tax on share scheme credit		–	–	–	–	–	–	2.1	**2.1**	–	**2.1**
Transfer to loss on disposal of assets held for sale		–	–	–	–	(3.6)	–	–	**(3.6)**	0.6	**(3.0)**
Total transactions with equity holders		**–**	**–**	**–**	**–**	**(3.6)**	**–**	**(241.7)**	**(245.3)**	**0.6**	**(244.7)**
As at 31 December 2023		**0.3**	**13.1**	**(113.5)**	**7.5**	**0.2**	**65.3**	**1,018.9**	**991.8**	**1.0**	**992.8**

	Note	Share Capital £m	Share premium account £m	Fair value reserve £m	Hedging reserve £m	Foreign exchange reserve £m	Insurance finance reserve £m	Retained profit and loss £m	Total £m	Non-controlling interests £m	Total equity £m
		Attributable to the owners of the Company									
At 1 January 2024		**0.3**	**13.1**	**(113.5)**	**7.5**	**0.2**	**65.3**	**1,018.9**	**991.8**	**1.0**	**992.8**
Profit/(loss) for the period		–	–	–	–	–	–	663.3	**663.3**	(0.4)	**662.9**
Other comprehensive income		–	–	13.7	(3.1)	(4.2)	7.4	–	**13.8**	–	**13.8**
Total comprehensive income for the period		**–**	**–**	**13.7**	**(3.1)**	**(4.2)**	**7.4**	**663.3**	**677.1**	**(0.4)**	**676.7**
Transactions with equity holders											
Dividends	12	–	–	–	–	–	–	(369.8)	**(369.8)**	–	**(369.8)**
Share scheme credit		–	–	–	–	–	–	67.8	**67.8**	–	**67.8**
Deferred tax on share scheme credit		–	–	–	–	–	–	3.2	**3.2**	–	**3.2**
Transfer to loss on disposal of assets held for sale		–	–	–	–	–	–	–	**–**	–	**–**
Total transactions with equity holders		**–**	**–**	**–**	**–**	**–**	**–**	**(298.8)**	**(298.8)**	**–**	**(298.8)**
As at 31 December 2024		**0.3**	**13.1**	**(99.8)**	**4.4**	**(4.0)**	**72.7**	**1,383.4**	**1,370.1**	**0.6**	**1,370.7**

Notes to the consolidated financial statements

For the year ended 31 December 2024

General information

Admiral Group plc is a public limited Company incorporated in England and Wales. Its registered office is at Tŷ Admiral, David Street, Cardiff, CF10 2EH and its shares are listed on the London Stock Exchange. The nature of Admiral Group operations and its principal activities is set out in the Business model section on page 9.

1. Basis of preparation

The consolidated financial statements have been prepared and approved by the Directors in accordance with United Kingdom adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The Company has elected to prepare its Parent Company financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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

The financial statements are prepared on the historical cost basis, except for the revaluation of financial assets classified as fair value through profit or loss or as fair value through other comprehensive income, and insurance and reinsurance contract assets and liabilities which are measured at their fulfilment value in accordance with IFRS 17 Insurance Contracts. The Group and Company financial statements are presented in pounds sterling, rounded to the nearest £0.1 million.

Cashflows from operating activities before movements in investments comprise all cashflows arising from the Group's insurance and reinsurance activities, and from loans and advances issued to customers. Cashflows from financing activities include the cashflows on issues of loan backed securities, lease liabilities and other financial liabilities.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power over the entity.

In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

The Group has securitised certain loans and advances to customers by the transfer of the loans to special purpose entities (SPEs) controlled by the Group. Securitisation enables a subsequent issuance of debt by the SPEs to investors who gain the security of the underlying assets as collateral. These SPEs are fully consolidated into the Group financial statements under IFRS 10 *Consolidated Financial Statements*, as the Group controls the entity in line with the above definition.

In applying the Group's accounting policies as described in the notes to the financial statements, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is reviewed. To the extent that a change in an accounting estimate gives rise to changes in assets and liabilities, the movement is recognised by adjusting the carrying amount of the related asset or liability in the period in which the change occurs. Further information regarding the Group's critical accounting judgements and estimates is provided in note 2 to the financial statements.

Going concern

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

- The Group's profit projections, including:
  - Changes in premium rates and projected policy volumes across the Group's insurance businesses
  - Projected cost of settling claims across all of the Group's insurance businesses, including the impact of continuing, albeit reducing, high levels of inflation
  - Projected trends in motor claims frequency
  - Projected trends in other revenue generated by the Group's insurance business from fees and the sale of ancillary products
  - Projected contributions to profit from businesses other than the UK Motor insurance business
  - Expected trends in unemployment in the context of credit risks and the growth of the Group's consumer lending business
  - The impact of the More Than acquisition, which completed in the first half of 2024, with renewals starting in the second half of 2024.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

- The Group's solvency position, which continues to be closely monitored. The Group continues to maintain a strong solvency position above target levels
- The adequacy of the Group's liquidity position after considering all the factors noted above
- The results of business plan scenarios and stress tests on the projected profitability, solvency and liquidity positions including the impact of severe downside scenarios that assume severe adverse economic, credit and trading stresses
- The regulatory environment, focusing on regulatory guidance issued by the FCA and the PRA in the UK and regular communications between management and regulators
- A review of the Company's principal risks and uncertainties and the assessment of emerging risks, including climate-related risks.

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

Further information regarding the Company's business activities, together with the factors likely to affect its future development, performance and position, is set out in the Strategic Report. Further information regarding the financial position of the Company, its cashflows, liquidity position and borrowing facilities are also described in the Strategic Report. In addition, note 3 to the financial statements include the Group's insurance and financial risk management objectives, details of its financial instruments and its exposures to credit risk and liquidity risk; and its objectives, policies and processes for managing its capital.

Adoption of new and revised standards

The Group has adopted the following IFRSs and interpretations during the year, which have been issued and endorsed:

- Amendments to IAS 7 *Statement of Cashflows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements* (effective 1 January 2024)
- Amendments to IAS 1 *Presentation of Financial Statements: Classification of liabilities as Current or Non-current* (effective 1 January 2024)
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (effective 1 January 2024).

The application of the amendments listed above has not had a material impact on the Group's results, financial position and cashflows.

New and revised IFRS Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (effective 1 January 2025)
- IFRS 18: Presentation and Disclosure in Financial Statements (effective 1 January 2027)
  - IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. The group will apply the new standard from its mandatory effective date of 1 January 2027. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, it is anticipated that the application of these amendments may have an impact on the presentation group's consolidated financial statements in future periods.
- IFRS 19: Subsidiaries without Public Accountability: Disclosures (effective 1 January 2027).

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

Representation of Consolidated Cashflow Statement

The 2023 Consolidated Cashflow Statement has been re-presented to reflect the gross cashflows relating to the subordinated loan note, loan backed securities and other borrowings which were previously all presented on a net basis within the financial statement line items 'proceeds from other financial liabilities' and 'proceeds on issue of loan backed securities'. This has resulted in £292.2 million additional cash outflows within 'repayment of other financial liabilities' and the same inflow within 'proceeds from other financial liabilities' and £246.8 million additional cash outflows within 'repayment of loan backed securities' and the same inflow within 'proceeds on issue of loan backed securities'. There is no overall impact on resulting cash, or the Consolidated Statement of Financial Position, Consolidated Income Statement or the Earnings per share calculations within.

Representation of Consolidated Statement of Comprehensive Income

The 2023 Consolidated Statement of Comprehensive Income has been re-presented to show the breakdown of the movements in the insurance finance reserve between that attributed to insurance contracts and that attributed to reinsurance contracts. The resulting deferred tax movement has also been re-presented. The movements in the insurance finance reserve are included within the Insurance finance reserve within the Statement of Changes in Equity. For the breakdown of the insurance finance reserve between insurance contracts and reinsurance contracts, see note 5e to the financial statements.

Notes to the consolidated financial statements continued
For the year ended 31 December 2024

2. Critical accounting judgements and estimates

2.1 Critical accounting judgements

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Premium allocation approach ('PAA')

The Group applies the PAA to all of its insurance and reinsurance contracts.

The coverage period of insurance contracts is typically one year or less, including insurance contract services arising from all premiums within the contract boundary. The Group does not consider the existing products with more than 12 months coverage to be material. The Group's insurance contracts are therefore automatically eligible for the PAA.

However, the Group's reinsurance contracts are not automatically eligible for the PAA given that the coverage period is greater than one year. The Group has modelled the expected cashflows and reasonably possible future scenarios for its reinsurance contracts, and as a result expects that the measurement of the asset for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. Its reinsurance contracts are therefore eligible for the PAA.

The modelling of the cashflows associated with the Group's reinsurance contracts, and reasonably possible future scenarios, is a key area of judgement that impacts the PAA eligibility assessment and the resulting measurement of and presentation of reinsurance contracts in these financial statements.

Classification of the Group's contracts with reinsurers as reinsurance contracts

A contract is required to transfer significant insurance risk in order to be classified as such. Management reviews all terms and conditions of each such insurance and reinsurance contract in order to be able to make this judgement. In particular, all reinsurance contracts (both excess of loss and quota share contracts) held by the Group have been assessed and it has been concluded that all contracts transfer significant insurance risk and have therefore been classified and accounted for as reinsurance contracts within these financial statements.

Unit of account: combination of insurance contracts and separation of distinct components

The lowest unit of account in IFRS 17 is the contract and there is a presumption that a contract with the legal form of a single contract would generally be considered a single contract in substance. However, there might be certain facts and circumstances where legal form does not reflect the substance of the arrangement and separation of the contract is required, or alternatively circumstances when contracts should be combined, such as when a set of insurance contracts with the same or a related counterparty may achieve, or be designed to achieve, an overall commercial effect.

Overriding the legal contract to reflect substance is not a policy choice; it is a significant judgement requiring careful consideration of all relevant facts and circumstances. The following considerations are deemed relevant in assessing whether the contracts should be separated, or alternatively, combined:

- Whether there is interdependency between the different risks covered
- Whether components lapse together, and
- Whether components can be priced and sold separately.

In addition, any cashflows related to promises to transfer distinct goods or services, other than insurance contract services, that are within the host insurance contract are separated and recognised by applying IFRS 15. In determining whether there are such distinct components, the following is considered:

- Whether the policyholder can benefit from the good or service on its own or together with other resources available to the policyholder
- Whether the cashflows and risks associated with the good or services are highly interrelated with the cashflows and risks associated with the insurance components in the contract
- Whether the Group provides a significant service in integrating the good or service with the insurance components.

After separating any such distinct components, IFRS 17 is applied to all remaining components of the (host) insurance contract.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

The Group has determined that, in applying these requirements to its insurance contracts:

- The individual insurance policies contained in a 'multi-cover policy' are treated as separate contracts, given that the components can be priced and sold separately, there is little interdependency between the risks covered, and the components can lapse separately
- The cashflows associated with administration fees (for changes to the underlying insurance policy), and instalment income (being the additional fees payable by a policyholder associated with paying for an insurance contract over 12 months, rather than in one up-front payment), are non-distinct given that the policyholder cannot benefit from these services separately and the services are highly interrelated with the core insurance policy. These cashflows are therefore treated as insurance revenue under IFRS 17. However, for the component of the insurance policy that is underwritten outside the Group by a third party insurer, the Group is performing an agency service on behalf of the third party insurer, and therefore this component is treated as a separate component of revenue and accounted for under IFRS 15
- The cashflows associated with ancillary or 'add on' products (which are sold within the same set of contracts as the core product), are separated from the core product in cases where the policyholder can benefit from the product on its own, and where the cashflows are not highly interrelated with the insurance components in the contract or the Group does not provide a significant service in integrating the products.

In addition, the Group's quota share reinsurance contracts contain profit commission arrangements. Under these arrangements, there is a minimum guaranteed amount that the Group, as the policyholder, will always receive – either in the form of profit commission, or as claims, or another contractual payment irrespective of the insured event happening. The minimum guaranteed amounts have been assessed to be highly interrelated with the insurance component of the reinsurance contacts and are, therefore, non-distinct investment components which are not accounted for separately. Given that the receipt and payment of these non-distinct investment components do not relate to the provision of insurance services, the amounts are excluded from the net reinsurance expenses in the Group's income statement (i.e. both ceded reinsurance premiums and ceded recoveries are presented net of the minimum guaranteed amount that the Group will always receive).

Presentation of reinsurance 'funds withheld' contracts

The Group has a number of quota share reinsurance contracts that have funds withheld features, whereby the quota share proportion of ceded premiums and related recoveries are retained by the Group, and settled on a net basis at commutation. The only initial cashflows during the coverage period are therefore the payment of any reinsurer margin.

Under IFRS 17, the reinsurance assets related to these funds withheld contracts are presented on a cashflow basis i.e. the full proportional share of ceded premiums and recoveries is not presented in either the Income Statement or the Statement of Financial Position.

Consolidation of the Group's special purpose entities ('SPEs')

The Group has set up a number of SPEs in relation to the Admiral Money business, whereby the Group securitises certain loans by the transfer of the loans to the respective SPEs. The securitisation enables a subsequent issue of debt by the SPEs to investors who thereby gain the security of the underlying assets as collateral.

The accounting treatment of SPEs has been assessed and it has been concluded that the entities should be fully consolidated into the Group's financial statements under IFRS 10. This is due to the fact that despite not having legal ownership, the Group has control of the SPEs, being exposed to the returns and having the ability to affect those returns through its power over the SPEs.

The SPEs have therefore been fully consolidated in the Group's financial statements.

2.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Best estimate of future cashflows to fulfil insurance contracts

The ultimate cost of outstanding claims that have been incurred prior to the balance sheet date and that remain unsettled at the balance sheet date, for material lines of business, is estimated by internal actuarial teams using a range of standard actuarial claims projection techniques, (such as incurred and paid chain ladder techniques, Bornhuetter-Ferguson methods and initial expected assumptions) to allow an actuarial assessment of their potential outcome. This includes an allowance for unreported claims. The projection of the overall claims reserve is subject to comparison against equivalent outputs produced by an independent external actuarial specialist for material lines of business.

Claims are segmented into groups with similar characteristics and which are expected to develop and behave similarly, for example bodily injury (attritional and large) and damage claims, with specific projection methods selected for each head of damage. Key sources of estimation uncertainty arise from both the selection of the projection methods and the assumptions made in setting claims provisions.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

Internal and external factors may affect the cost of settling claims in ways that wouldn't be allowed for by standard actuarial techniques; where this occurs adjustments to the technique, assumptions or result may be applied. Examples of these factors include:

- Changes in the reporting patterns of claims impacting the frequency of bodily injury and damage claims
- Emerging inflationary trends on the average cost of bodily injury and damage claims
- The likelihood of bodily injury claims settling as Periodic Payment Orders
- Changes in the regulatory or legal environment that lead to changes in awards for bodily injury claims and associated legal costs
- Changes to the underlying process and methodologies employed in setting and reviewing case reserve estimates.

Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

The Group also has the right to pursue third parties for payment of some or all costs. Estimates of salvage recoveries and subrogation reimbursements are offset against ultimate claims costs. Other key circumstances affecting the reliability of assumptions include delays in settlement.

Outputs of the actuarial projections include ultimate average cost per claim and claim frequency by accident year, implied claims inflation metrics and ultimate loss ratios and burn costs by accident year and underwriting year. These metrics are reviewed and challenged as part of the process for making allowance for the uncertainties noted.

The Group also provides a best estimate for remediation cost relating to UK Motor total loss claims settled in previous periods and related processes. Management exercise judgement in assessing which customers should be remediated and apply estimation techniques in deriving the remediation amounts included in these financial statements.

Refer to the analysis in note 5 to the financial statements for further detail on the methodology used to estimate future cashflows to fulfil insurance contracts.

Methods used to measure the risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cashflows that arises from non-financial risk as the insurance contract is fulfilled. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Group's degree of risk aversion. The Group estimates an adjustment for non-financial risk separately from all other estimates.

Applying a confidence level technique (value at risk ('VaR')) on an ultimate basis, the Group estimates the probability distribution of the present value of the future cashflows from insurance contracts at each reporting date and calculates the risk adjustment for non-financial risk as the excess of the value at risk at the target confidence level over the expected present value of the future cashflows. Factors included in the scenarios used to derive the risk adjustment distribution include the impact of future claims inflation, Ogden shocks, and increases in claims costs due to regulatory decisions, and internal operational changes.

The Group's risk adjustment is set in a range between the 85th and 95th percentile, on a net of excess of loss reinsurance basis. The level and estimate of risk adjustment required at reporting date is made in a way that reflect the Group's degree of risk aversion, taking into account both internal factors (such as data quality and trends; diversification across portfolios) and external factors (such as inflation and potential changes in Ogden rate) that are relevant at that point in time.

To determine the risk adjustment for non-financial risk for reinsurance contracts, the Group applies these techniques both gross and net of excess of loss reinsurance and derives the amount of risk being transferred to the reinsurer as the difference between the two results. The net of excess of loss risk adjustment is allocated to quota share reinsurance contracts on a proportional basis.

The risk adjustment is calculated at the issuing entity level. Diversification benefit is included across portfolios within the entity, to reflect the diversification in contracts sold across entities.

The risk adjustment is then allocated down to each portfolio of contracts within the entity using a spread VaR methodology to inform the allocation, to ensure coherence of the gross and excess of loss reinsurance results for risk adjustment across the portfolios within an entity. Allocations of the risk adjustment to each underwriting year (annual cohort) of contracts within a portfolio is performed manually, based on a systematic approach using management judgement. This typically involves allocating a higher proportion of the risk adjustment to the more recent underwriting years that are less developed and therefore more uncertain, compared to the proportion of risk adjustment allocated to older, more developed years.

Where a risk adjustment is required for the liability for remaining coverage due to facts and circumstances indicating that contracts are onerous, this is derived using the risk adjustment for the earned portion of the reserves, adjusted for the unearned claims reserves to reflect the difference in exposure/size of reserves and difference in drivers of risk in the reserves.

Refer to the analysis in note 5 to the financial statements for further detail on the methods used in the period to measure risk adjustment for non-financial risk.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

Calculation of expected credit loss provision

The Group is required to calculate an expected credit loss ('ECL') allowance in respect of the carrying value of the Admiral Money loan book in line with the requirements of IFRS 9. Due to the size of the loan book, the calculation of the ECL is deemed to be a critical accounting judgement and includes key sources of estimation uncertainty.

Management applies judgement in:

- Determining the appropriate modelling solution for measuring the ECL
- Calibrating and selecting appropriate assumptions
- Setting the criteria for what constitutes a significant increase in credit risk
- Identification of key scenarios to include and determining the credit loss in these instances.

The key areas of estimation uncertainty are in the calculation of the probability of default ('PD') in the base scenario for stage 1 and 2 assets, and the determination, impact assessment and weighting of the forward-looking scenarios.

Refer to the analysis in note 7 to the financial statements for further detail on the Group's ECL methodology applied in the period.

Impact of climate-related risks on accounting judgements and estimates

Directors have assessed the impact of climate-related risks on the Group's Statement of Financial Position. Whilst there is inherent uncertainty in performing such an assessment, no material impact has been identified in respect of specific judgements or estimates related to climate-related risks on valuations included within the financial statements.

3. Financial risk

The Group's activities expose it primarily to financial risk including insurance, reinsurance and reserve risk, credit risks and wider market risks. The Board of Directors is ultimately responsible for the management of financial risks, although it has delegated the detailed oversight of supervising risk management and internal control to the Group Risk Committee.

There are several key elements to the risk management environment throughout the Group. These are detailed in full in the Corporate Governance Statement.

The Group's primary business is the issuance of insurance contracts that transfer risk from policyholders to the Group and its co-insurance partners. Primary risks arising from the issuance of insurance contracts include reserve risk; where claims reserves may prove inadequate to cover the ultimate cost of claims which are by nature uncertain, and insurance risk; where inappropriate premiums are charged for its insurance products leading to either insufficient premiums to cover claims costs or uncompetitive rates resulting in reduced business volumes.

The Board has ultimate responsibility for the management of insurance risk although as set out above, it has delegated the detailed oversight of risk management to the Group Risk Committee. The Group has a Group Reserving Committee as well as local Reserving Committees which are comprised of senior managers within the finance, claims, pricing and actuarial functions in the respective businesses which monitor reserving risks. The Reserving Committees primarily recommend the approach for claims reserving but also review the systems and controls in place to support accurate reserving and consider material reserving issues such as large bodily injury claims frequency and severity, the impact of changes in the claims systems and the external environment.

The Board implements certain policies to mitigate and control the level of risk accepted by the Group. These include pricing policies and claims management and administration processes, in addition to reserving policies and entering into reinsurance arrangements.

3.1. Reserve risk

Reserve risk arises from:

- The uncertain nature of claims, in particular the development of large bodily injury claims
- Unexpected future impact of socioeconomic trends or regulatory changes, for example changes to the Ogden discount rate
- Data issues and changes to the claims reporting process
- Failure to recognise claims trends in the market including a slow-down in the processing of recoveries and liabilities with third party insurers which increases the estimation risk of these amounts
- Changes in underwriting and business written so that past trends are not necessarily a predictor of the future.

Understatement of reserves may result in not being able to pay claims when they fall due. Alternatively, overstatement of reserves can lead to a surplus of funds being retained resulting in opportunity cost; for example, lost investment return or insufficient resource to pursue strategic projects and develop the business.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

Reserve risk is mitigated through a series of processes and controls. The key processes are as follows:

- Regular management and internal actuarial review of individual and aggregate case claim reserves, including regular reporting of management information and exception reporting of significant movements
- Regular management and internal actuarial review of large claims, including claims settled or potentially settled by PPOs for which the uncertainty is increased by factors such as the lifetime of the claimant and movements in the indexation for the cost of future care of the claimant
- Bi-annual external actuarial review of best estimate claims reserves using a variety of recognised actuarial techniques
- Internal actuarial analysis of reserve uncertainty through qualitative analysis, scenario testing and a range of stochastic reserving techniques
- Ad hoc external reviews of reserving related processes and assumptions
- The application of a risk adjustment aligned with Group risk appetite.

As described in note 2, critical accounting judgements and estimates, the Group includes the risk adjustment for non-financial risk within its measurement of insurance contracts and reinsurance contract assets, using a confidence level technique, with the risk adjustment being set in a range between the 85th and 95th percentile, on a net of excess of loss reinsurance basis. See note 3.4 for related sensitivity disclosures.

There have been no significant changes to the underlying methods to calibrate the reserve distribution during 2024, with the reserve risk modelling in 2024. There has been a slight reduction in the volatility of the reserve risk distribution from which the percentile is selected as a result of the strong reserve releases following the change in Ogden discount rate; otherwise it has not changed significantly since the end of 2023.

The reserves including risk adjustment at 31 December 2024 equated to a 95th percentile confidence level position (2023: 93rd percentile) to the nearest whole percentile. The change in the confidence level from 2023 is reflective of the Group's risk appetite, taking into account an assessment of uncertainty, including the strong releases in the best estimate, inherent uncertainty in bodily injury claims, growth in the UK motor book along with an assessment of other external factors.

3.2. Pricing risk

As noted above, the Group defines pricing risk as the risk that claims cost on business written but not yet earned is higher than allowed for in the premiums charged to policyholders. Pricing risk is considered within Insurance risk within the Group's principal risks and uncertainties.

Key processes and controls operating to mitigate pricing risk are as follows:

- Experienced and focused senior management and teams in relevant business areas including pricing and claims management
- A data-driven and analytical approach to regular monitoring of claims and underwriting performance
- Observations of weather events trends to understand climate impacts on frequency and severity
- Capability to identify and resolve underperformance promptly through changes to key performance drivers, in particular pricing.

3.3. Reinsurance risk

Reinsurance risk is the risk of placement of ineffective reinsurance arrangements, or the economic risk of reduced availability of reinsurance arrangements in future periods.

The Group mitigates these risks by ensuring that it has a diverse range of financially secure reinsurance partners, including a long-term relationship with Munich Re and a number of other large reinsurers.

The Group purchases reinsurance as part of its risk mitigation programme. Reinsurance held is placed on both an excess of loss basis, designed to protect the Group against very large individual claims and catastrophe losses, and a proportional basis i.e. quota–share reinsurance which is taken out to reduce the overall exposure of the Group to its insurance contracts.

Amounts recoverable from reinsurers are estimated in a manner consistent with underlying insurance contract liabilities and in accordance with the reinsurance contract terms. Although the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance held, to the extent that any reinsurer is unable to meet its obligations.

Information regarding reinsurance credit risk is provided in note 3.5.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

3.4. Sensitivity analysis

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

The sensitivities are shown for UK Motor only, being the line of business where such sensitivities could have a material impact at a Group level. The sensitivities are shown on a gross and net of quota share reinsurance basis to illustrate the impacts on shareholder profit and equity before and after risk mitigation from quota share reinsurance. The sensitivities (both gross and net) include the impacts of movements in co-insurance profit commission, given that underwriting year loss ratios including risk adjustment, are a direct input to the calculation of profit commission. Refer to note 8 to these financial statements for the accounting policy for co-insurance profit commission.

Risk adjustment

The sensitivities reflect the impact on profit before tax in 2024 and equity as at the end of 2024 for changes in the selection of the UK Motor risk adjustment confidence level at 31 December 2024, with all other assumptions remaining unchanged.

	2024			
£m	**Impact on profit before tax gross of reinsurance**	**Impact on profit before tax net of reinsurance**	**Impact on equity gross of reinsurance**	**Impact on equity net of reinsurance**
Risk adjustment decrease to 90th percentile	123.5	112.2	100.8	91.4
Risk adjustment decrease to 85th percentile	199.3	180.8	162.5	147.2

Undiscounted loss ratios, including risk adjustment

The sensitivities reflect the impact on profit before tax in 2024 and equity as at the end of 2024, of a change in in the booked loss ratios for individual underwriting years (UWY) as at 31 December 2024, with all other assumptions remaining unchanged.

	UWY 2021 impact on:		UWY 2022 impact on:		UWY 2023 impact on:		UWY 2024 impact on:	
£m[1]	**PBT**	**Equity**	**PBT**	**Equity**	**PBT**	**Equity**	**PBT**	**Equity**
Increase of 1%: gross of reinsurance	(14.8)	(11.2)	(15.8)	(13.1)	(21.0)	(17.8)	(16.4)	(13.8)
Increase of 5%: gross of reinsurance	(67.5)	(51.2)	(72.4)	(60.2)	(98.5)	(83.8)	(75.4)	(63.9)
Increase of 10%: gross of reinsurance	(133.3)	(101.1)	(143.2)	(119.2)	(195.3)	(166.3)	(149.2)	(126.6)
Decrease of 1%: gross of reinsurance	16.7	12.7	16.1	13.3	22.5	18.9	16.8	14.0
Decrease of 5%: gross of reinsurance	76.7	58.1	85.7	70.2	118.7	98.9	88.8	73.9
Decrease of 10%: gross of reinsurance	164.5	124.5	171.8	140.7	232.3	194.1	180.9	150.3
Increase of 1%: net of reinsurance	(11.7)	(8.8)	(9.0)	(7.2)	(21.0)	(17.8)	(16.4)	(13.8)
Increase of 5%: net of reinsurance	(51.9)	(38.8)	(37.6)	(30.8)	(79.8)	(67.7)	(69.8)	(59.0)
Increase of 10%: net of reinsurance	(102.1)	(76.3)	(73.5)	(60.3)	(124.7)	(105.4)	(111.7)	(94.2)
Decrease of 1%: net of reinsurance	13.6	10.2	9.1	7.3	22.5	18.9	16.8	14.0
Decrease of 5%: net of reinsurance	63.1	47.2	54.0	43.4	118.7	98.9	88.8	73.9
Decrease of 10%: net of reinsurance	148.3	111.6	118.0	95.2	232.3	194.1	180.9	150.3

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

The sensitivities below reflect the impact on co-insurance profit commission within profit before tax in 2024, of a change in in the booked loss ratios for individual underwriting years (UWY) as at 31 December 2024.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

£m	UWY 2021	UWY 2022	UWY 2023	UWY 2024
Increase of 1%: gross of reinsurance	(1.7)	(1.7)	(1.7)	(1.7)
Increase of 5%: gross of reinsurance	(1.7)	(1.7)	(1.7)	(1.7)
Increase of 10%: gross of reinsurance	(1.7)	(1.7)	(1.7)	(1.7)
Decrease of 1%: gross of reinsurance	3.6	2.0	3.1	2.0
Decrease of 5%: gross of reinsurance	10.9	14.9	21.8	15.0
Decrease of 10%: gross of reinsurance	32.8	30.3	38.7	33.4

3.5. Credit risk

The Group defines credit risk as the risk of financial loss if another party, with whom the group has contracted, fails to perform or meet its obligations. The key areas of exposure to credit risk for the Group result through its reinsurance programme, investments, bank deposits, loans and advances to customers and other receivables.

The Directors consider credit quality and counterparty exposure frequently and in significant detail. The Directors consider that the policies and procedures in place to manage credit exposure continue to be appropriate for the Group's risk appetite and, during 2024 and historically, no material credit losses have been experienced by the Group.

Financial investments and cash

Credit and counterparty risk is managed by the Group by investing in high quality money market funds, and setting suitable parameters for asset managers to adhere to when purchasing debt securities. Cash balances and deposits are placed only with highly rated credit institutions.

The Group primarily invests the following asset types:

- Debt securities are held within segregated mandates and investment funds. This includes corporate, government and private debt as well as asset backed securities. The investment guidelines ensure management of credit risk. Generally, the duration of the securities is relatively short and similar to the duration of the on book claims liabilities
- Equity securities including private equity and infrastructure equity are held within diversified funds.
- Liquidity funds, which in turn invest in a mixture of short-dated fixed and variable rate securities, such as cash deposits, certificates of deposits, floating rate notes and other commercial paper
- Deposits held with well rated institutions and which are short in duration (under three years). These are classified as held at amortised cost.

The detailed holdings are reviewed regularly by the Investment Committee.

Reinsurance assets

To mitigate the risk arising from exposure to reinsurers (in the form of reinsurance recoveries), the Group only conducts business with companies of appropriate financial strength ratings. In addition, many reinsurance contracts are operated on a funds withheld basis, which substantially reduces credit risk, as the Group retains the cash received from policyholders.

Loans and advances to customers

The risk appetite for the lending business is set to ensure that the risk taken is commensurate with the expected returns. The Company manages risks through a comprehensive framework of key risk indicators (KRIs). These indicators are regularly monitored and reviewed to ensure effective risk identification, measurement, and control. See note 7 for further information.

Other receivables

Trade receivables and other debtors are also subject to credit risk, although this is mitigated by a review of the credit worthiness of all counterparties prior to them being accepted.

All other assets are assessed as low credit risk under IFRS 9, with no significant amounts past due or impaired. No further disclosure is provided due to this having an immaterial impact on the financial statements.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

Credit exposure and quality analysis

The table below provides information regarding the credit risk exposure of the Group.

	31 December 2024					
	AAA £m	AA £m	A £m	BBB and Sub-BBB £m	Not rated £m	Total £m
Financial investments measured at FVTPL						
Money market and other funds	184.8	469.6	405.1	31.3	285.7	**1,376.5**
Equity Investments (designated FVTPL)	–	–	–	–	46.9	**46.9**
Derivative financial instruments	–	–	–	–	(2.4)	**(2.4)**
Financial investments classified as FVOCI						
Corporate and private debt securities	631.7	202.4	1,072.0	513.5	143.6	**2,563.2**
Government debt securities	53.4	711.1	5.1	2.6	–	**772.2**
Financial assets measured at amortised cost						
Deposits with credit institutions	–	–	81.7	10.0	–	**91.7**
Total financial investments	**869.9**	**1,383.1**	**1,563.9**	**557.4**	**473.8**	**4,848.1**
Cash and cash equivalents	–	12.7	288.7	12.0	0.2	**313.6**
Reinsurance contract assets	114.0	681.5	192.9	0.2	–	**988.6**
Other receivables	–	–	–	–	110.4	**110.4**
Loans and advances to customers (note 7)[1]	–	–	–	–	1,106.9	**1,106.9**
Total exposure	**983.9**	**2,077.3**	**2,045.5**	**569.6**	**1,691.3**	**7,367.6**

	31 December 2023					
	AAA £m	AA £m	A £m	BBB and Sub-BBB £m	Not rated £m	Total £m
Financial investments measured at FVTPL						
Money market and other funds	194.9	236.1	355.7	71.2	30.9	**888.8**
Equity Investments (designated FVTPL)	–	–	–	–	12.4	**12.4**
Derivative financial instruments	–	–	–	–	17.6	**17.6**
Financial investments classified as FVOCI						
Corporate and private debt securities	414.2	235.7	955.3	468.1	210.0	**2,283.3**
Government debt securities	57.2	455.3	5.2	1.9	–	**519.6**
Equity Investments (designated FVOCI)	**–**	**–**	**–**	**–**	**23.0**	**23.0**
Financial assets measured at amortised cost						
Deposits with credit institutions	–	–	116.7	–	–	**116.7**
Other						
Investment in associate	–	–	–	–	1.0	**1.0**
Total financial investments	**666.3**	**927.1**	**1,432.9**	**541.2**	**294.9**	**3,862.4**
Cash and cash equivalents	–	12.2	318.2	22.6	0.1	**353.1**
Reinsurance contract assets	–	913.8	277.4	0.7	–	**1,191.9**
Other receivables					75.0	**75.0**
Loans and advances to customers (note 7)[1]					879.4	**879.4**
Total exposure	**666.3**	**1,853.1**	**2,028.5**	**564.5**	**1,249.4**	**6,361.8**

1 Loans and advances to customers are assets generated within the Group and hence not externally rated. See note 7 for management's internal assessment of credit risk.

£126 million of unrated exposure stems from securities with AAA/AA rated money market funds. Not rated corporate and private debt represents debt securities without a public rating, here credit analysis is undertaken by Admiral's asset managers, while Admiral review the asset managers and their credit process. A watchlist is maintained across rated and not rated exposure to determine credit deterioration. Typical exposure stems from real estate debt, infrastructure debt, corporate loans and other assets.

There were no significant financial assets that were past due at the close of either 2024 or 2023.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

3.6. Market risk

The Group's activities expose it primarily to market risks of credit spread, interest rate, liquidity and currency risk. The detailed oversight of supervising risk management and internal control has been delegated to the Group Risk Committee.

There is also an Investment Committee that makes recommendations to the Group and subsidiary boards on investment strategy, and overseas the Group's investments, as well as advising on liquidity funding and foreign exchange management.

3.6.1. Credit spread risk

Spread risk is the risk of losses arising from changes in the spread between corporate bond yields and the risk-free yield curve. These losses may not be realised as bonds are typically held to maturity.

Sensitivity to credit spread risk

The impact on equity of 100 and 200 basis point increases in credit spreads on financial investments and cash at the relevant valuation date, is as follows:

	31 December 2024 £m	31 December 2023 £m
Reduction in equity – 100bps	(50.6)	(75.4)
Reduction in equity – 200bps	(99.0)	(150.8)

The impact on the income statement from movements in credit spreads at the valuation date is immaterial.

No sensitivity analysis has been presented in relation to the impact on insurance liabilities and reinsurance assets in respect of changes in credit spreads, as it has been assumed that there is no direct impact on the illiquidity premium as a result of a movement in credit spreads.

Also see note 7 for further information on sensitivity in respect of credit risk in relation to loans and advances to customers.

3.6.2. Interest rate risk

The Group considers interest rate risk to be the risk that unfavourable movements in interest rates could adversely impact on the capital values of financial assets and liabilities.

Interest rate risk on financial instruments arises primarily from the Group's investments in debt securities. These investments are exposed to the risk of adverse changes in fair values or future cashflows because of changes in market interest rates. Money market funds and other funds, and private debt are not materially affected by interest rate movements. As at 31 December 2024, debt securities of £815.0 million are floating rate and £2,675.2 million are fixed rate.

In addition, the value of insurance contract liabilities and reinsurance contracts assets recognised within the financial statements are impacted by changes in interest rates, given that these are discounted using a risk-free interest rate, plus illiquidity premium.

The Group manages interest rate risk by closely matching, where possible, the durations of insurance contracts with fixed and guaranteed terms and the supporting financial assets. The Group monitors its interest rate risk exposure through periodic reviews of asset and liability positions. Additionally, estimates of cashflows and the impact of interest rate fluctuations are modelled and reviewed every six months.

Loans and advances to customers

The Group's consumer loan portfolio consists of fixed rate loans, which are funded at a floating variable rate. The Group has interest rate swap arrangements in place to eliminate the majority of the interest rate risk variability in the cashflows payable on the loan backed securities.

Hedge accounting

Hedge accounting is applied when the criteria specified in IFRS 9 are met. In line with IFRS 9, the gain or loss on the hedged position as at the balance sheet date is recognised through other comprehensive income.

This results in a hedging reserve in relation to the interest rate swap.

Financial liabilities

The Group holds a financial liability in the form of a £250.0 million subordinated loan note with a ten year maturity and fixed rate coupon of 8.5% with a redemption date of 6 January 2034. This liability is recorded at amortised cost and therefore neither the carrying value of the deposits, nor the interest payable, will be impacted by fluctuations in interest rates.

Other financial assets and liabilities

There is no significant exposure to interest rate risk for other financial assets and liabilities due to these being held at amortised cost.

Notes to the consolidated financial statements continued
For the year ended 31 December 2024

Sensitivity to interest rate risk

The impact on profit (before tax) and equity arising from the impact of 100 basis point and 200 basis point increases and decreases in interest rates on insurance contract liabilities and reinsurance contract assets as at 31 December 2024, is as follows:

	31 December 2024			
£m	**Impact on profit before tax gross of reinsurance**	**Impact on profit before tax net of reinsurance**	**Impact on equity gross of reinsurance**	**Impact on equity net of reinsurance**
Increase of 100 basis points	–	–	60.8	58.3
Decrease of 100 basis points	–	–	(69.7)	(67.1)
Increase of 200 basis points	–	–	115.1	110.3
Decrease of 200 basis points	–	–	(152.2)	(146.9)

The impact on profit (before tax) and equity arising from the impact of 100 basis point and 200 basis point increases and decreases in interest rates on investments and cash as at 31 December 2024, is as follows:

	31 December 2024	
£m	**Impact on profit before tax**	**Impact on equity**
Increase of 100 basis points	–	(83.4)
Decrease of 100 basis points	–	90.4
Increase of 200 basis points	–	(161.0)
Decrease of 200 basis points	–	189.2

Admiral invests in fixed and floating rate securities. Investment income on floating rate securities increases with changes in interest rates, where as the market value of fixed rate securities is negatively correlated with changes in interest rates. Admiral's Money Market and Other funds and Private Debt are predominantly floating rate securities, whereas Corporate and Government debt are mostly fixed rate securities. Sensitivities for the 2023 comparative period are not significantly different to those provided above.

Changes in interest rates as at 31 December 2024 have no material impact on profit before tax (refer to Appendix 2 for the impact on profit before tax arising from the impact of 100 bps and 200 basis point increases and decreases in interest rates during 2024).

The changes impact equity as follows:

Equity

- Changes in the fair value of fixed-rate financial assets measured at FVOCI
- Insurance finance income and expenses recognised in OCI as a result of discounting future cashflows at a revised current rate
- The effect on profit or loss, net of tax.

The Group's Solvency II balance sheet, which includes technical provisions discounted using Bank of England and EIOPA yield curves reflects a low sensitivity to interest rates as a result of well-matched durations of assets and liabilities.

3.6.3. Liquidity risk

Liquidity risk is defined as the risk that the Group does not have sufficient available financial resources to enable it to meet its obligations as they fall due, or can only secure them at excessive cost.

The Group holds appropriate liquidity buffers at the Parent Company and subsidiary levels.

Further, as noted above, a significant portion of insurance funds are invested in investment funds with same day liquidity, meaning that a large proportion of the Group's cash and investments are readily available.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

Insurance and reinsurance contracts

The following table analyses the undiscounted, best estimate cashflows of the Group's claims liabilities under its insurance and reinsurance contracts, which reflects the dates on which the cashflows are expected to occur. Liabilities and assets for remaining coverage are excluded from this analysis.

Insurance contract liabilities	<1 year £m	1-2 years	2-3 years	3-4 years £m	4-5 years £m	>5 years £m
31 December 2024						
UK Motor	747.5	421.6	330.7	256.2	181.3	840.0
UK Non-motor insurance	142.3	32.4	11.5	4.6	1.4	0.2
International	287.3	121.1	60.8	34.8	24.0	128.8
31 December 2023						
UK Motor	667.1	382.1	309.1	246.8	182.0	791.9
UK Non-motor insurance	152.1	28.4	10.4	5.1	2.7	0.5
International	277.1	104.1	59.0	32.8	19.1	123.5

Reinsurance contract assets	<1 year £m	1-2 years	2-3 years	3-4 years £m	4-5 years £m	>5 years £m
31 December 2024						
UK Motor	27.0	14.1	14.1	17.7	59.3	153.5
UK Non-motor insurance	125.9	21.3	7.3	4.6	2.0	0.7
International	227.7	70.8	41.3	25.3	16.7	94.8
31 December 2023						
UK Motor	37.5	34.3	22.3	21.2	37.2	271.5
UK Non-motor insurance	115.2	32.2	8.6	5.0	2.9	0.6
International	255.5	57.3	32.7	23.3	17.9	120.0

Financial liabilities

31 December 2024	<1 year £m	1-3 years £m	3-5 years £m	>5 years £m
Financial liabilities				
Subordinated notes[1]	21.3	42.5	42.5	345.6
Loan backed securities	275.0	407.5	202.5	52.7
Other borrowings	117.4	–	–	–
Trade and other payables[2]	79.5	0.2	3.1	3.6
Lease liabilities[1]	7.2	14.6	11.2	51.9
Total financial liabilities	**500.4**	**464.8**	**259.3**	**453.8**

31 December 2023	<1 year £m	1-3 years £m	3-5 years £m	>5 years £m
Financial liabilities				
Subordinated notes[1]	79.4	42.5	42.5	366.9
Loan backed securities	258.9	341.6	128.3	30.8
Other borrowings	55.0	–	–	–
Trade and other payables[2]	303.8	1.9	0.1	–
Lease liabilities[1]	14.9	15.1	11.5	50.5
Total financial liabilities	**712.0**	**401.1**	**182.4**	**448.2**

1 Maturity analysis has been performed on a cash-settled basis.

2 Trade and other payables as at 31 December 2024 exclude deferred income, accruals and other tax and social security of £88.9 million.

A breakdown of the Group's other borrowings, trade payables and other payables is shown in note 11. The majority of trade and other payables will mature within three to six months of the balance sheet date.

Notes to the consolidated financial statements continued
For the year ended 31 December 2024

Financial assets

The following table analyses the carrying value of financial investments and cash and cash equivalents by contractual maturity, which can fund the repayment of liabilities as they crystallise, as well as the Group's other financial assets recognised under IFRS 9. The Group has disclosed a maturity analysis for financial assets that it holds as part of managing liquidity risk because it considers that this information is necessary to enable users of financial statements to evaluate the nature and extent of its liquidity risk.

31 December 2024	<1 year £m	1-3 years £m	3-5 years £m	>5 years £m
Financial investments				
Money market and other funds	1,237.9	31.0	67.6	40.0
Derivative financial instruments	(2.2)	0.4	(0.4)	(0.2)
Deposits with credit institutions	91.7	–	–	–
Debt securities	390.5	1,155.5	955.4	834.0
Total financial investments	**1,717.9**	**1,186.9**	**1,022.6**	**873.8**
Cash and cash equivalents	313.6	–	–	–
Total financial investments and cash	**2,031.5**	**1,186.9**	**1,022.6**	**873.8**
Insurance, trade and other receivables[1]	146.7	–	–	–
Loans and advances to customers	265.5	533.7	263.6	44.1
Total financial assets	**2,443.7**	**1,720.6**	**1,286.2**	**917.9**

1 Trade and other receivables as at 31 December 2024 exclude contract assets of £14.8 million.

31 December 2023	<1 year £m	1-3 years £m	3-5 years £m	>5 years £m
Financial investments				
Money market and other funds	888.8	–	–	–
Derivative financial instruments	19.1	(0.6)	(0.9)	–
Deposits with credit institutions	116.7	–	–	–
Debt securities	336.7	1,000.6	754.2	711.4
Total financial investments	**1,361.3**	**1,000.0**	**753.3**	**711.4**
Cash and cash equivalents	353.1	–	–	–
Total financial investments and cash	**1,714.4**	**1,000.0**	**753.3**	**711.4**
Insurance, trade and other receivables	347.7	–	–	–
Loans and advances to customers	251.4	439.4	167.1	21.5
Total financial assets	**2,313.5**	**1,439.4**	**920.4**	**732.9**

The Group's Directors believe that the cashflows arising from these assets will be consistent with this profile. Liquidity risk is not, therefore, considered to be significant.

3.6.4. Foreign exchange risk

Foreign exchange risk arises from unfavourable movements in foreign exchange rates that could adversely impact the valuation of overseas assets and liabilities.

The Group is exposed to foreign exchange risk mainly through its operations overseas. Although the relative size of the international operations means that the risks are relatively small, increasingly volatile foreign exchange rates could result in larger potential gains or losses. Assets held to fund insurance liabilities are held in the currency of the liabilities; however, surplus assets held as regulatory capital in foreign currencies remain exposed.

Beyond the overseas operations, the Group is exposed to foreign exchange risk arising through investments denominated in dollars and euros within its UK subsidiaries. The group mitigates the risk through the application of derivative positions resulting in an immaterial exposure.

The Group's exposure to net assets and profits in currencies other than the reporting currency is immaterial other than for US dollars and euros. The Group's exposure to net assets held in dollars at the balance sheet date was £9.9 million (2023: £3.9 million); the exposure to net assets held in euros was £123.4 million (2023: £76.8 million).

If the sterling exchange rates against US dollars had strengthened/weakened by 10%, the Group's profit before tax for the year would increase/decrease by £1.2 million (2023: £2.0 million).

If the sterling rates with euros had strengthened/weakened by 10%, the Group's profit before tax for the year would increase/decrease by £2.9 million (2023: £1.3 million).

3.7. Concentration of risk

The Directors do not believe there are significant concentrations of insurance risk and/or reserve risk. This is because the risks are spread across a large number of policies across a wide regional base. The International Insurance, UK Household, UK Travel and UK Pet businesses further contribute to the diversification of the Group's insurance risk.

The Group's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract.

The tables in note 5f(i) show the concentration of net insurance contract liabilities by product type and geographic area.

As seen in the notes above, there is no significant concentration of market or credit risk given that investments are diversified.

3.8. Objectives, policies and procedures for managing capital

The Group's capital management policy defines the Board oversight, risk appetite and tier structure of the Group's capital in addition to management actions that may be taken in respect of capital, such as dividend payments.

The Group aims to operate a capital-efficient business model by transferring a significant proportion of underwriting risk to co-insurance and reinsurance partners. This in turn reduces the amount of capital the Group needs to retain to operate and grow and allows the Group to distribute the majority of its earnings as dividends.

The Board has determined that it will hold capital as follows:

- Sufficient Solvency II Own Funds to meet all of the Group's Solvency II capital requirements (over a 1 year and ultimate time horizon)
- An additional contingency to cover unforeseen events and losses that could realistically arise. This risk appetite buffer is assessed via stress testing performed on an annual basis and is calibrated in relation to the one-year regulatory SCR.

The Group's current risk appetite buffer is 50% above the regulatory SCR.

The Group's dividend policy is to:

- Pay a normal dividend equal to 65% of post-tax profits for the period
- Pay a special dividend calculated with reference to distributable reserves and surplus capital held above the risk appetite buffer.

This policy gives the Directors flexibility in managing the Group's capital. Current risk appetite and dividend policy is consistent with the prior period.

As noted above, the Group's regulatory capital position is calculated under the Solvency II Framework. The Solvency Capital Requirement (SCR) is based on the Solvency II Standard Formula, with a capital-add-on to reflect limitations in the Standard Formula with respect to Admiral's risk profile (predominately in respect of profit commission arrangements in co-and reinsurance agreements and risks relating to Periodic Payment Order (PPO) claims).

Notes to the consolidated financial statements continued
For the year ended 31 December 2024

Solvency ratio (unaudited)
At the date of this report, the Group's regulatory solvency ratio, calculated using a capital add-on that has not been subject to regulatory approval, is 203% (2023: 200%). This includes the recognition of the 2024 final dividend of 121.0 pence per share (2023: 52.0 pence per share).

The Group's 2024 Solvency and Financial Condition Report (SFCR) will, when published, disclose a solvency ratio that is calculated at the balance sheet date rather than annual report date, using the capital add-on that was most recently subject to regulatory approval. The estimated and unaudited SFCR solvency ratio is 198%, with the reconciliation between this ratio and the 203% noted above being as follows:

	31 December 2024 £m	31 December 2023 £m
Regulatory solvency ratio (estimated and unaudited)		
Solvency ratio as reported above	**203%**	**200%**
Change in valuation date[1]	(9%)	(11%)
Other (including impact of updated, unapproved capital add-on)	4%	(6%)
Solvency ratio to be reported (SFCR)	**198%**	**183%**

1 The solvency ratio reported above includes additional own funds generated post year-end up to the date of this report.

The Group has complied with its regulatory capital requirements throughout the period.

Subsidiaries
The Group manages the capital of its subsidiaries 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 risk appetite buffer. Excess capital above these levels within subsidiaries is paid up to the Group Parent Company in the form of dividends on a regular basis.

4. Operating segments
4a. Accounting policies
(i) Group consolidation
The consolidated financial statements comprise the results and balances of the Company and all entities controlled by the Company, being its subsidiaries and SPEs (together referred to as the Group), for the year ended 31 December 2024 and comparative figures for the year ended 31 December 2023. The financial statements of the Company's subsidiaries and its SPEs are consolidated in the Group financial statements.

The Company controls 100% of the voting share capital of all its principal subsidiaries, except Admiral Law Limited.

An SPE is fully consolidated into the Group financial statements under IFRS 10, where the Group has control over the SPE.

The Parent Company financial statements present information about the Company as a separate entity and not about its Group. In accordance with IAS 24, transactions or balances between Group companies that have been eliminated on consolidation are not reported as related party transactions in the consolidated financial statements.

(ii) Foreign currency translation
Items included in the financial records of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in pounds sterling, the Group's presentational currency, rounded to the nearest £0.1 million.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

Non-monetary items measured at cost are translated at their historic rate and non-monetary items held at fair value are translated using the foreign exchange rate on the date that the fair value was established.

Notes to the consolidated financial statements continued
For the year ended 31 December 2024

The financial statements of foreign operations whose functional currency is not pounds sterling are translated into the Group presentation currency (pound sterling) as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- Income and expenses for each income statement are translated at an average exchange rate (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the date of the transaction)
- All resulting exchange differences are recognised in other comprehensive income and in a separate component of equity except to the extent that the translation differences are attributable to non-controlling interests.

On disposal of a foreign operation, the cumulative amount recognised in equity relating to that particular operation is recognised in the Income Statement.

4b. Segment reporting

The Group has four reportable segments, as described below. These segments represent the principal split of business that is regularly reported to the Group's Board of Directors, which is considered to be the Group's chief operating decision maker in line with IFRS 8 *Operating Segments*.

UK Insurance

The segment consists of the underwriting of Motor, Household, Pet and Travel insurance and other products that supplement these insurance policies within the UK. It also includes the generation of revenue from additional products and fees from underwriting insurance in the UK. The Directors consider the results of these activities to be reportable as one segment as the activities carried out in generating the revenue are not independent of each other and are performed as one business. This mirrors the approach taken in management reporting.

International Insurance

The segment consists of the underwriting of car and home insurance and the generation of revenue from additional products and fees from underwriting car insurance outside of the UK. It specifically covers the Group operations Admiral Seguros in Spain, ConTe in Italy, L'olivier Assurance in France and Elephant Auto in the US. None of these operations are reportable on an individual basis, based on the threshold requirements in IFRS 8.

Admiral Money

The segment relates to the Admiral Money business launched in 2017, which provides consumer finance and car finance products in the UK, through the comparison channel, credit scoring applications and direct channels including car dealers and brokers.

Other

The 'Other' segment is designed to be comprised of all other operating segments that are not separately reported to the Group's Board of Directors and do not meet the threshold requirements for individual reporting. It includes the results of Admiral Pioneer.

Taxes are not allocated across the segments and, as with the corporate activities, are included in the reconciliation to the Consolidated Income Statement and Consolidated Statement of Financial Position.

An analysis of the Group's revenue and results for the year ended 31 December 2024, by reportable segment, is shown below. The accounting policies of the reportable segments are materially consistent with those presented in the notes to the financial statements for the Group.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

	Year ended 31 December 2024					
	UK Insurance £m	International Insurance £m	Admiral Money £m	Other £m	Eliminations[3] £m	Total £m
Turnover[1]	5,108.5	840.0	108.3	89.9	–	**6,146.7**
Insurance revenue	3,873.4	829.5	–	73.3	–	**4,776.2**
Insurance revenue net of XoL	3,751.1	794.2	–	65.8	–	**4,611.1**
Insurance services expenses	(745.7)	(236.5)	–	(33.7)	–	**(1,015.9)**
Insurance claims net of XoL	(1,952.1)	(564.5)	–	(39.0)	–	**(2,555.6)**
Quota share reinsurance result	(290.0)	(4.1)	–	–	–	**(294.1)**
Net movement in onerous loss component	1.1	0.4	–	–	–	**1.5**
Underwriting result	**764.4**	**(10.5)**	**–**	**(6.9)**	**–**	**747.0**
Net investment income[2]	70.5	6.1	0.3	0.7	(7.9)	**69.7**
Net interest income from financial services	–	–	69.3	0.9	6.1	**76.3**
Net other revenue and operating expenses	141.8	(0.9)	(56.6)	(12.1)	–	**72.2**
Segment profit/(loss) before tax[4]	**976.7**	**(5.3)**	**13.0**	**(17.4)**	**(1.8)**	**965.2**
Other central revenue and expenses, including share						**(115.0)**
Investment and interest income						**13.5**
Finance costs						**(24.5)**
Consolidated profit before tax						**839.2**
Taxation expense						**(176.3)**
Consolidated profit after tax						**662.9**

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

	Year ended 31 December 2023					
	UK Insurance £m	International Insurance £m	Admiral Money £m	Other £m	Eliminations[3] £m	Total £m
Turnover[1]	3,776.0	894.9	92.1	48.5	–	**4,811.5**
Insurance revenue	2,596.8	842.6	–	46.7	–	**3,486.1**
Insurance revenue net of XoL	2,517.3	811.8	–	44.4	–	**3,373.5**
Insurance services expenses	(559.6)	(249.4)	–	(27.9)	–	**(836.9)**
Insurance claims net of XoL	(1,560.2)	(565.2)	–	(33.1)	–	**(2,158.5)**
Quota share reinsurance result	(18.4)	(22.1)	–	0.1	–	**(40.4)**
Net movement in onerous loss component	4.3	0.6	–	–	–	**4.9**
Underwriting result	**383.4**	**(24.3)**	**–**	**(16.5)**	**–**	**342.6**
Net investment income[2]	55.2	4.3	–	0.3	(3.2)	**56.6**
Net interest income from financial services	–	–	66.4	0.2	1.5	**68.1**
Net other revenue and operating expenses	157.9	2.0	(56.2)	(12.4)	–	**91.3**
Segment profit/(loss) before tax[4]	**596.5**	**(18.0)**	**10.2**	**(28.4)**	**(1.7)**	**558.6**
Other central revenue and expenses, including share						**(101.8)**
Investment and interest income						**4.6**
Finance costs						**(18.6)**
Consolidated profit before tax						**442.8**
Taxation expense						**(105.6)**
Consolidated profit after tax						**337.2**

1 Turnover is an Alternative Performance Measure presented before intra-group eliminations. Refer to the glossary and note 14 for further information.
2 Net Investment income is reported net of impairment of financial assets, in line with management reporting.
3 Eliminations are in respect of the intra-group interest charges related to the UK Insurance and Admiral Money segment.
4 Segment results exclude gross share scheme charges, and any quota share reinsurance recoveries; these net share scheme charges are presented within 'Other central revenue and expenses, including share scheme charges' in line with internal management reporting.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

Segment revenues

The UK and International Insurance reportable segments derive all insurance revenue from external policyholders. Revenue within these segments is not derived from an individual policyholder that represents 10% or more of the Group's total revenue.

Revenues from external customers for products and services are consistent with the split of reportable segment revenues.

All material revenues from external customers, and net assets attributed to a foreign country, are shown within the International Insurance reportable segment shown on the previous pages.

Segment assets and liabilities

The identifiable segment assets and liabilities at 31 December 2024 are as follows:

	Year ended 31 December 2024					
	UK Insurance £m	International Insurance £m	Admiral Money £m	Other £m	Eliminations £m	Total £m
Reportable segment assets	5,556.9	1,092.0	1,222.6	363.9	(600.8)	**7,634.6**
Reportable segment liabilities	(4,185.2)	(990.7)	(1,211.2)	(364.2)	600.8	**(6,150.5)**
Reportable segment net assets	**1,371.7**	**101.3**	**11.4**	**(0.3)**	**–**	**1,484.1**
Unallocated assets and liabilities						**(113.4)**
Consolidated net assets						**1,370.7**

Unallocated assets and liabilities consist of other central assets and liabilities, plus deferred and current corporation tax balances. These assets and liabilities are not regularly reviewed by the Board of Directors in the reportable segment format.

Eliminations represent inter-segment funding and balances included in insurance and other receivables.

The segment assets and liabilities at 31 December 2023 are as follows:

	Year ended 31 December 2023					
	UK Insurance £m	International Insurance £m	Admiral Money £m	Other £m	Eliminations £m	Total £m
Reportable segment assets	5,128.1	1,045.8	980.1	256.5	(610.8)	**6,799.7**
Reportable segment liabilities	(3,981.6)	(958.3)	(969.2)	(419.7)	610.8	**(5,718.0)**
Reportable segment net assets	**1,146.5**	**87.5**	**10.9**	**(163.2)**	**–**	**1,081.7**
Unallocated assets and liabilities						**(88.9)**
Consolidated net assets						**992.8**

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

5. Insurance Service result

5a. Accounting policies

(i) Insurance, Reinsurance and Co-insurance contracts classification

Under IFRS 17, an insurance contract is defined as a contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.

Insurance contracts

The Group issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Group determines whether it has significant insurance risk by comparing benefits payable after an insured event with benefits payable if the insured event did not occur.

Reinsurance contracts

The Group also enters into both excess of loss ('XoL') and quota share reinsurance contracts. A contract is only accounted for as a reinsurance contract in these financial statements where there is significant insurance risk transfer, after an assessment made by management based on the terms and conditions of the contracts.

Co-insurance contracts

Co-insurance arrangements are contracts entered into by the Group's intermediaries, under which insurance risks are shared on a proportional basis, with the co-insurer taking a specific percentage of premium written and being responsible for the same proportion of each claim. The co-insurer therefore takes direct insurance risk from the policyholder and is subsequently directly responsible to the claimant for its proportion of the claim. As the contractual liability is several and not joint, neither the premiums nor the claims relating to any external co-insurance contract (i.e. outside the group) are included in the income statement.

Under the terms of these arrangements, the co-insurers reimburse the Group for the same proportionate share of the directly attributable costs in fulfilling the insurance contracts.

(ii) Level of aggregation

IFRS 17 requires an entity to determine the level of aggregation for applying its requirements. The level of aggregation for the Group is determined firstly by dividing the business written into portfolios, which comprise contracts subject to similar risks and which are managed together.

The Group's insurance business is therefore divided into portfolios based on both the product (line of business such as motor, household etc), and geography (UK, Italy, Spain, France and the US).

IFRS 17 requires a further division of the portfolios into a 'group' of contracts (being the lowest unit of account) based on expected profitability, and also requires that no group contains contracts issued more than one year apart. However, the Group makes an evaluation of the smallest unit of account, i.e. whether a series of contracts need to be treated together as one unit based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts.

Following the application of the IFRS 17 level of aggregation requirements, each of the Group's portfolios (which are determined by geography and line of business) is further disaggregated by year of issue into a group of contracts based on expected profitability at inception into three categories:

1) A group of contracts that are onerous at initial recognition, if any

2) A group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently, if any

3) A group of the remaining contracts in the portfolio.

The Group has elected to group together those contracts that would fall into different groups only because law or regulation specifically constrains its practical ability to set a different price or level of benefits for policyholders with different characteristics.

To assess the profitability of groups of contracts, the Group determines the appropriate level at which reasonable and supportable information is available. The Group assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Group assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Group considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Pricing information
- Results of similar contracts it has recognised
- Environmental factors, e.g., a change in market experience or regulations.

The Group divides portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition.

Reinsurance contracts held are assessed for aggregation requirements on an individual contract basis. For many of the Group's reinsurance contracts held, a group comprises a single contract. The Group reports its reinsurance contracts by portfolio, which aggregate the contracts by type of reinsurance (e.g. quota share or XoL) and product.

These groups represent the level of aggregation at which insurance contracts issued and reinsurance contracts held are initially recognised and measured. Such groups are not subsequently reconsidered.

(iii) Recognition, modification and derecognition

Groups of insurance contracts issued are recognised from the earliest of the following:

- The beginning of the coverage period
- The date when the first payment from the policyholder is due or actually received, if there is no due date
- For a group of onerous contracts, when the Group determines that facts and circumstances indicate that the group is onerous.

A group of reinsurance contracts held is entered into from the earlier of:

- The beginning of the coverage period of the group of reinsurance contracts held. However, the Group delays the recognition of a group of reinsurance contracts held that provide fully proportionate coverage until the date any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held
- The date the Group recognises an onerous group of underlying insurance contracts if the Group entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

The Group derecognises an insurance or reinsurance contract when it is:

- Extinguished i.e. when the obligation specified in the insurance contract expires or is discharged or cancelled, or
- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Group derecognises the initial contract and recognises the modified contract as a new contract.

When a modification is not treated as a derecognition, the Group recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

(iv) Contract boundary

The Group includes in the measurement of a group of insurance contracts all the future cashflows within the boundary of each contract in the group. Cashflows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks, or
- Both of the following criteria are satisfied:

1. The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio
2. The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts. In assessing the practical ability to reprice, risks transferred from the policyholder to the Group, such as insurance risk and financial risk, are considered; other risks, such as lapse or surrender risk, are not included.

For groups of reinsurance contracts held, cashflows are within the contract boundary if they arise from substantive rights and obligations of the Group that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive services from the reinsurer.

(v) Presentation

The Group presents separately, in the Statement of Financial Position, the carrying amount of portfolios of insurance contracts issued that are assets, portfolios of insurance contracts issued that are liabilities, portfolios of reinsurance contracts held that are assets and portfolios of reinsurance contracts held that are liabilities.

The Group disaggregates the total amount recognised in the Consolidated Income Statement and Consolidated Statement of Other Comprehensive Income into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expenses.

The Group separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued. This is presented as one single amount in the Consolidated Income Statement, with additional disclosure provided in the notes to the financial statements.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

(vi) Measurement

Accounting policy choices

Area	IFRS 17 options	Adopted approach
Premium allocation approach ('PAA') eligibility	Subject to specified criteria, the PAA can be adopted as a simplified approach to the IFRS 17 general model.	Coverage period for the Group's insurance contracts assumed is one year or less and so qualifies automatically for PAA. Reinsurance contracts (both XoL and quota share) include contracts with a coverage period greater than one year. However, there is no material difference in the measurement of the asset for remaining coverage between PAA and the general model, therefore these qualify for PAA.
Insurance acquisition cashflows for insurance contracts issued	Where the coverage period of all contracts within a group is not longer than one year, insurance acquisition cashflows can either be expensed as incurred, or allocated, using a systematic and rational method, to groups of insurance contracts (including future groups containing insurance contracts that are expected to arise from renewals) and then amortised over the coverage period of the related group. For groups containing contracts longer than one year, insurance acquisition cashflows must be allocated to related groups of insurance contracts and amortised over the coverage period of the related group.	The Group's insurance contracts are all one year or less. The Group has therefore taken the option to expense acquisition costs as incurred.
Liability for Remaining Coverage ('LRC'), adjusted for financial risk and time value of money	Where there is no significant financing component in relation to the LRC, or where the time between providing each part of the services and the related premium due date is no more than a year, an entity is not required to make an adjustment for accretion of interest on the LRC.	There is no allowance made for accretion of interest on the LRC given that the premiums are received within one year of the coverage period.
Liability for Incurred Claims ('LIC') adjusted for time value of money	For PAA groups, where claims or directly attributable insurance expenses are expected to be paid within a year of the date that the claim is incurred, it is not required to adjust these amounts for the time value of money.	For some claims, for example within the travel product line in the UK, and other immaterial product lines across the Group, the incurred claims are expected to be paid out in less than one year. Similarly, the majority of directly attributable insurance expenses are expected to be settled within one year. For these claims and expenses, no adjustment is made for the time value of money. In addition, given the impact of discounting outstanding claims in the Group's US insurance operation is immaterial, no discounting has been applied. For all other business, the LIC is adjusted for the time value of money.
Insurance finance income and expense	There is an option to disaggregate part of the movement in the LIC, LRC, AIC and ARC resulting from changes in discount rates, and present this in Other Comprehensive Income ('OCI').	The impact on LIC, LRC, AIC and ARC of changes in discount rates will be captured within OCI, in line with the accounting for assets backing the insurance claims liabilities.
Interim reporting	Where an entity is required to apply IAS 34 (as for the Group) there is an option as to whether to choose a 'year-to-date' basis or a "period to date" basis for financial reporting.	The Group has opted to apply the option to use year-to-date accounting for interim reporting.

Fulfilment cashflows within the contract boundary

The fulfilment cashflows ('FCF') are the current estimates of the future cashflows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts. The estimates of future cashflows:

- Are based on a probability weighted mean of the full range of possible outcomes
- Are determined from the perspective of the Group, provided the estimates are consistent with observable market prices for market variables
- Reflect conditions existing at the measurement date.

In estimating future cashflows, the Group incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events. The estimates of future cashflows reflect the Group's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates.

For the Group's contracts which are measured under the PAA, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated and included within the measurement of the liability for incurred claims.

Risk of the Group's non-performance is not included in the measurement of groups of insurance contracts issued. In the measurement of reinsurance contracts held, the probability weighted estimates of the present value of future cashflows include potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer.

The Group estimates certain fulfilment cashflows at the portfolio level or higher and then allocates such estimates to groups of contracts.

The Group uses consistent assumptions to measure the estimates of the present value of future cashflows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

Discount rates

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

A separate risk-free yield is obtained for each currency, where a material amount of business is written in that currency. The risk-free yield curve is obtained using rates published by the Prudential Regulation Authority (PRA) for the UK insurance business, whilst for AECS the EIOPA risk free term structures are used. These curves are available from October 2015 and provides rates for terms up to 150 years.

For periods prior to October 2015, observable market data is available for terms up to 25 years for GBP (30 years for EUR). For terms that aren't directly observable from market data, the Smith-Wilson approach is used to derive the rates which extrapolates between the observable data and an assumed ultimate forward rate. The Smith-Wilson approach is used to derive the published Solvency II yield curves, which supports consistency over time.

Similarly to the approach to risk-free rates, an illiquidity premium will be set by currency. The illiquidity premium is determined by management considering various internal benchmarks. This includes considering the cost of liquidity for the Group (through its Revolving Credit Facilities), by deducting the risk-free rate and credit risk premium from a corporate bond reference portfolio, and by deducting public market yields from similarly rated private market yields. Each method points to a different mathematical result and judgement is applied when determining the illiquidity premium.

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

	31 December 2024				31 December 2023			
	1 year	3 years	5 years	10 years	1 year	3 years	5 years	10 years
UK Insurance	5.0%	4.7%	4.5%	4.6%	5.4%	4.3%	4.0%	3.9%
International (European motor)	2.7%	2.6%	2.6%	2.8%	4.0%	3.1%	3.0%	3.0%

Generally, the illiquidity premium is expected to be stable over time and re-assessment of the assumption will be triggered by significant changes in internal illiquidity benchmarks and/or changes in the illiquidity of the liabilities (e.g. claims mix). Quantitative analysis will be performed when the illiquidity premium changes, including performing sensitivity analysis on the assumption.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

Insurance revenue

The insurance revenue for the period is comprised of the amount of expected premium receipts (excluding any investment component) allocated to the period. The Group allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. However, if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, for example due to seasonality of claims, then the allocation is made on the basis of the expected timing of incurred insurance service expenses. For the periods presented, all insurance premium revenue has been recognised based on the passage of time. If a change in allocation is necessary due to a change of facts and circumstances, the change is accounted for prospectively as a change in accounting estimate.

The Group's insurance revenue is comprised of the following component parts:

- **Insurance premium revenue:** Insurance premium revenue reflects the expected premium receipts allocated to the period based on the passage of time, adjusted for seasonality if required. It excludes any additional income that arises from the writing of the insurance contract that is presented as part of insurance revenue as set out below.
- **Instalment income:** In contrast to IFRS 4, instalment income related to the risk attaching part of the premium that is retained within the Group is recognised as part of the insurance revenue cashflows due to it being considered non-distinct from the underlying insurance policy, as set out in note 2 to the financial statements.
- **Administration fees:** Administration fees are costs charged to the customer for arranging a change to their policy. The performance obligation is the change in a customer's policy and given that the obligation related to activities that are required to fulfil the insurance contract and the policyholder cannot benefit from the service by itself, it is considered as part of fulfilment cashflows, i.e., the full transaction price is therefore recognised as part of insurance revenue on a point in time basis.

IFRS 17 does not require separate insurance revenue analysis for insurance contracts measured under PAA. See Appendix 1 and note 14 for further information regarding the disaggretation of insurance revenue.

As stated in note 2, the Group has excluded any instalment income and administration fees from insurance revenue derived from the proportion of insurance coverage under the co-insurance arrangements where the Group bears no risks. Please see note 8a for the treatment of the co-insurance share retained by the group of instalment income and administration fees.

Insurance service expenses

The following elements are included in insurance service expenses:

- Incurred claims and benefits excluding investment components
- Other incurred directly attributable insurance service expenses, including administration (such as employee costs, depreciation and amortisation) and acquisition expenses, and share scheme expenses that are attributable to insurance services
- Changes that relate to past service (i.e. changes in the fulfilment cashflows relating to the Liability for Incurred Claims)
- Changes that relate to future service (i.e. losses/reversals on onerous groups of contracts from changes in the loss components).

Only items that reflect insurance service expenses (i.e. incurred claims and other insurance service expenses arising from insurance contracts the Group issues) are reported as insurance expenses. Cashflows that are not directly attributable to a portfolio of insurance contracts, such as some product development and training costs, are recognised in other operating expenses as incurred.

The total costs incurred in relation to the co-insurance share of insurance business are presented within other operating expenses, as is the reimbursement of these costs, given that they are not related to the costs directly attributable to fulfilling the Group's insurance contracts.

Non-cash costs that are directly attributable, such as depreciation, amortisation and IFRS 2 equity-settled share scheme costs, are recognised within insurance service expenses; these are transferred out of the LIC into the appropriate Financial Statement line item for presentation in the Statement of Financial Position.

Reinsurance net expense/income

The Group has presented the income or expenses from a group of reinsurance contracts held separately from insurance finance income or expenses as a single amount and has provided in the disclosure note a separate analysis of the amounts recovered from the reinsurer and an allocation of the premiums paid that together give a net amount equal to that single amount.

As part of its quota share arrangements, the Group typically recovers either a set ceding commission, or the quota share reinsurer's proportional share of the expenses that are incurred in fulfilling the insurance contracts.

These amounts are typically settled net with the premium charged and are not contingent on claims. As a result, under IFRS 17 the expenses and ceding commissions recovered are considered to reflect a reduction in the transaction price equivalent to charging a lower premium (with no corresponding ceding commission or expense recovery).

In addition, as set out in note 3 to these financial statements, where the reinsurance arrangements result in a "minimum recovery" from the reinsurer due to profit commission or sliding scale commission arrangements that is not contingent on claims, and the amount is not settled 'net' with premium, the minimum recovery is treated as a non-distinct investment component.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

As a result, the Group treats reinsurance cashflows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held, and excludes non-distinct investment components and commissions from the allocation of reinsurance premiums presented in the notes to the financial statements.

Insurance finance income and expense

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

1. The effect of the time value of money and changes in the time value of money
2. The effect of financial risk and changes in financial risk.

The Group has taken the option to disaggregate insurance finance income or expenses on insurance contracts issued between the Consolidated Income Statement and the Consolidated Statement of Other Comprehensive Income.

As a result, applying the premium allocation approach, claims incurred are discounted at the date of initial recognition and the finance expense recognised in the Consolidated Income Statement reflects the unwind of this discounting, at the locked in discount rate, over the expected payment period. The same approach is taken for reinsurance claims assets. Discounting on the liability and asset for remaining coverage only occurs in the case of the recognition of an onerous loss component (and related loss-recovery component) and as a result is not material.

The impact of changes in market interest rates on the value of the insurance assets and liabilities are reflected in Other Comprehensive Income in order to minimise accounting mismatches between the accounting for financial assets and insurance assets and liabilities. The Group's financial assets backing the insurance portfolios are predominantly measured at Fair Value through Other Comprehensive Income ('FVOCI').

Insurance contracts: Liability for remaining coverage

Initial measurement

For a group of contracts that is not onerous at initial recognition, the Group measures the liability for remaining coverage as:

- The premiums, if any, received at initial recognition
- Any other asset or liability previously recognised for cashflows related to the group of contracts that the Group pays or receives before the group of insurance contracts is recognised.

The Group recognises any insurance premium tax collected in relation to the premiums received as part of the premium receipts, but given it is acting as an agent, these taxes are not included as either insurance revenue or an insurance expense. Any outstanding insurance premium tax liability is presented within the liability for remaining coverage until paid.

There is no allowance for time value of money as the premiums are received within one year of the coverage period.

Where facts and circumstances indicate that contracts are onerous at initial recognition, the onerous contracts are separately grouped from other contracts and a loss is recognised in the Consolidated Income Statement for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cashflows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

Subsequent measurement

The Group measures the carrying amount of the liability for remaining coverage at the end of each reporting period as

- The liability for remaining coverage at the beginning of the period; plus
- Premiums received in the period; minus
- The amount recognised as insurance revenue for the services provided in the period; minus
- Payments to the tax authorities in respect of premium receipts.

The onerous loss component is re-measured over the coverage period so that at the end of the coverage period, it is reduced to £nil.

Insurance contracts: Liability for incurred claims

The Group estimates the liability for incurred claims as the fulfilment cashflows related to incurred claims, including any creditors related to directly attributable insurance expenses. The liability for incurred claims also includes an explicit adjustment for non-financial risk (the risk adjustment).

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

Reinsurance contracts held

Initial measurement

The Group measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues. However, they are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued.

Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses. The Group calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held. The Group uses a systematic and rational method to determine the portion of losses recognised on the group of insurance contracts covered by the reinsurance contracts held, in the case that there is partial coverage of underlying insurance contracts by reinsurance contracts. The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

The risk adjustment for non-financial risk is the amount of risk being transferred by the Group to the reinsurer and is calculated with reference to the gross risk adjustment, adjusted for any excess of loss risk adjustment, as required.

Subsequent measurement

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features and terms and conditions of the reinsurance contracts held. In addition, changes in the fulfilment cashflows that arise from changes in the risk of non-performance of the reinsurer are reflected within net expenses from reinsurance contracts held within the income statement.

Where the Group has established a loss-recovery component, the Group subsequently reduces the loss recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

The extinguishment or commutation of a reinsurance arrangement results in a derecognition of any reinsurance assets or liabilities related to the commuted contract from the balance sheet, so that the Group retains the full future risk of claims development. As a result of commutation, any difference arising between the present carrying value of reinsurance assets or liabilities and the cash settlement is recognised in the Consolidated Income Statement.

5b. Insurance revenue

Insurance revenue for the corresponding reportable segments for the period ended 31 December 2024 are shown below.

	31 December 2024				
	UK Motor £m	UK Non-motor £m	Int. Insurance £m	Other £m	Total Group £m
Insurance revenue related movement in liability for remaining coverage	3,369.5	503.9	829.5	73.3	**4,776.2**

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

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

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

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

5c. Insurance service expenses

Insurance service expenses for the corresponding reportable segments for the period ended 31 December 2024 are shown below.

	31 December 2024				
	UK Motor £m	UK Non-motor £m	Int. Insurance £m	Other £m	Total Group £m
Incurred claims					
Claims incurred in the period	2,107.2	298.2	583.7	48.9	**3,038.0**
Changes to liabilities for incurred claims	(496.1)	(51.4)	(11.1)	(1.3)	**(559.9)**
Total incurred claims	**1,611.1**	**246.8**	**572.6**	**47.6**	**2,478.1**
Movement in onerous contracts	(5.1)	0.1	(0.1)	–	**(5.1)**
Directly attributable expenses					
Administration expenses	461.5	113.7	175.2	18.7	**769.1**
Acquisition expenses	125.3	45.2	61.3	15.0	**246.8**
Insurance expenses	**586.8**	**158.9**	**236.5**	**33.7**	**1,015.9**
Share scheme expenses	40.7	5.4	11.1	1.4	**58.6**
Total insurance expenses including share scheme expenses	**627.5**	**164.3**	**247.6**	**35.1**	**1,074.5**
Total Insurance service expenses	**2,233.5**	**411.2**	**820.1**	**82.7**	**3,547.5**

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

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

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

5d. Net expenses from reinsurance contracts held

Net expenses from reinsurance contracts held for the corresponding reportable segments for the period ended 31 December 2024 are shown below.

	31 December 2024				
	UK Motor £m	UK Non-motor £m	Int. Insurance £m	Other £m	Total Group £m
Allocation of reinsurance premiums	145.8	45.8	153.9	7.6	**353.1**
Amounts recoverable from reinsurers for incurred insurance service expenses					
Incurred claims	(29.2)	3.1	(275.9)	(8.5)	**(310.5)**
Changes to liabilities for incurred claims	291.6	34.3	146.3	–	**472.2**
Net expense from reinsurance contracts excluding movement in onerous loss component	**408.2**	**83.2**	**24.3**	**(0.9)**	**514.8**
Other reinsurance recoveries including movement in onerous loss component	4.0	(0.1)	(0.3)	–	**3.6**
Net expenses/(income) from reinsurance contracts held	**412.2**	**83.1**	**24.0**	**(0.9)**	**518.4**

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

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

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

£m	31 December 2024	31 December 2023
Amounts recognised through the income statement		
Insurance finance expenses from insurance contracts issued	128.4	94.5
Insurance finance income from reinsurance contracts held	(35.9)	(28.9)
Net finance expense from insurance / reinsurance contracts issued	**92.5**	**65.6**

£m	31 December 2024	31 December 2023
Insurance finance reserve		
Insurance finance reserve – insurance contracts	119.0	111.1
Deferred tax in relation to insurance finance reserve - insurance contracts	(18.6)	(13.5)
Insurance finance reserve – reinsurance contracts	(32.4)	(35.7)
Deferred tax in relation to insurance finance reserve - reinsurance contracts	4.7	3.4
Total insurance finance reserve	**72.7**	**65.3**

See note 6b for details of the relationship between finance (expenses)/ income from insurance contracts held and reinsurance contracts issued, and investment return.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

5f. Insurance Liabilities and Reinsurance assets

(i) Analysis of recognised amounts

£m	Year ended 31 December 2024			Year ended 31 December 2023		
	Liability for remaining coverage	Liability for incurred claims	Total	Liability for remaining coverage	Liability for incurred claims	Total
Insurance contracts issued						
UK Motor	883.3	2,691.1	**3,574.4**	769.0	2,546.7	**3,315.7**
UK Non-motor	195.3	214.7	**410.0**	136.2	217.5	**353.7**
International Motor	201.4	690.2	**891.6**	221.0	641.5	**862.5**
Other	8.6	76.8	**85.4**	3.5	46.3	**49.8**
Total insurance contracts issued	**1,288.6**	**3,672.8**	**4,961.4**	**1,129.7**	**3,452.0**	**4,581.7**

	Asset/(liability) for remaining coverage	Asset for incurred claims	Total	Asset/(liability) for remaining coverage	Asset for incurred claims	Total
Reinsurance contracts held						
UK Motor	34.0	236.5	**270.5**	23.1	496.8	**519.9**
UK Non-Motor	11.2	173.5	**184.7**	21.4	170.2	**191.6**
International Motor	43.1	481.5	**524.6**	(21.0)	502.8	**481.8**
Other	(0.1)	8.9	**8.8**	(1.4)	–	**(1.4)**
Total reinsurance contracts held	**88.2**	**900.4**	**988.6**	**22.1**	**1,169.8**	**1,191.9**

	Liability/(asset) for remaining coverage	Liability/(asset) for incurred claims	Total	Liability/(asset) for remaining coverage	Liability/(asset) for incurred claims	Total
Net						
UK Motor	849.3	2,454.6	**3,303.9**	745.9	2,049.9	**2,795.8**
UK Non-Motor	184.1	41.2	**225.3**	114.8	47.3	**162.1**
International Motor	158.3	208.7	**367.0**	242.0	138.7	**380.7**
Other	8.7	67.9	**76.6**	4.9	46.3	**51.2**
Total insurance contracts issued	**1,200.4**	**2,772.4**	**3,972.8**	**1,107.6**	**2,282.2**	**3,389.8**

Notes to the consolidated financial statements continued
For the year ended 31 December 2024

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

UK Motor

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

	Liability for remaining coverage			Liability for incurred claims			
2024	**Excluding loss component**	**Loss component**	**Total**	**Present value of future cashflows**	**Risk adj. for non-financial risk**	**Total**	**Total**
£m							
Opening assets	–	–	**–**	–	–	**–**	**–**
Opening liabilities	(766.0)	(3.0)	**(769.0)**	(2,202.8)	(343.9)	**(2,546.7)**	**(3,315.7)**
Net opening balance	**(766.0)**	**(3.0)**	**(769.0)**	**(2,202.8)**	**(343.9)**	**(2,546.7)**	**(3,315.7)**
Insurance revenue	**3,369.5**	**–**	**3,369.5**	**–**	**–**	**–**	**3,369.5**
Insurance service expenses							
Incurred claims and insurance service expenses	–	–	**–**	(2,548.7)	(186.0)	**(2,734.7)**	**(2,734.7)**
Changes to liabilities for incurred claims	–	–	**–**	343.4	152.7	**496.1**	**496.1**
Losses and reversals of losses on onerous contracts	–	5.1	**5.1**	–	–	**–**	**5.1**
Insurance service result	**3,369.5**	**5.1**	**3,374.6**	**(2,205.3)**	**(33.3)**	**(2,238.6)**	**1,136.0**
Insurance finance income/ (expense) recognised in profit or loss	–	(2.4)	**(2.4)**	(86.5)	(15.3)	**(101.8)**	**(104.2)**
Insurance finance income/ (expense) recognised in OCI	–	0.3	**0.3**	16.2	2.2	**18.4**	**18.7**
Total changes in comprehensive income	**3,369.5**	**3.0**	**3,372.5**	**(2,275.6)**	**(46.4)**	**(2,322.0)**	**1,050.5**
Other changes	35.9	–	**35.9**	79.3	–	**79.3**	**115.2**
Cashflows							
Premiums received	(3,522.7)	–	**(3,522.7)**	–	–	**–**	**(3,522.7)**
Claims and other insurance service expenses paid	–	–	**–**	2,098.3	–	**2,098.3**	**2,098.3**
Other movements	–	–	**–**	–	–	**–**	**–**
Total cashflows	**(3,522.7)**	**–**	**(3,522.7)**	**2,098.3**	**–**	**2,098.3**	**(1,424.4)**
Net closing balance	**(883.3)**	**–**	**(883.3)**	**(2,300.8)**	**(390.3)**	**(2,691.1)**	**(3,574.4)**
Closing assets	–	–	**–**	–	–	**–**	**–**
Closing liabilities	(883.3)	–	**(883.3)**	(2,300.8)	(390.3)	**(2,691.1)**	**(3,574.4)**

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

	Liability for remaining coverage			Liability for incurred claims			
2023	**Excluding loss component**	**Loss component**	**Total**	**Present value of future cashflows**	**Risk adj. for non-financial risk**	**Total**	**Total**
£m							
Opening assets	–	–	**–**	–	–	**–**	**–**
Opening liabilities	(534.1)	(8.1)	**(542.2)**	(1,984.5)	(426.6)	**(2,411.1)**	**(2,953.3)**
Net opening balance	**(534.1)**	**(8.1)**	**(542.2)**	**(1,984.5)**	**(426.6)**	**(2,411.1)**	**(2,953.3)**
Insurance revenue	**2,250.2**	**–**	**2,250.2**	**–**	**–**	**–**	**2,250.2**
Insurance service expenses							
Incurred claims and insurance service expenses	–	–	**–**	(2,105.1)	(144.8)	**(2,249.9)**	**(2,249.9)**
Changes to liabilities for incurred claims	–	–	**–**	140.1	266.8	**406.9**	**406.9**
Losses and reversals of losses on onerous contracts	–	18.6	**18.6**	–	–	**–**	**18.6**
Insurance service result	**2,250.2**	**18.6**	**2,268.8**	**(1,965.0)**	**122.0**	**(1,843.0)**	**425.8**
Insurance finance income/(expense) recognised in profit or loss	–	(4.1)	**(4.1)**	(59.0)	(12.3)	**(71.3)**	**(75.4)**
Insurance finance income/(expense) recognised in OCI	–	(9.4)	**(9.4)**	(60.5)	(27.0)	**(87.5)**	**(96.9)**
Total changes in comprehensive income	**2,250.2**	**5.1**	**2,255.3**	**(2,084.5)**	**82.7**	**(2,001.8)**	**253.5**
Other changes[1]		–	**–**	64.0	–	**64.0**	**64.0**
Cashflows							
Premiums received	(2,482.1)	–	**(2,482.1)**	–	–	**–**	**(2,482.1)**
Claims and other insurance service expenses paid[1]	–	–	**–**	1,802.2	–	**1,802.2**	**1,802.2**
Other movements	–	–	**–**	–	–	**–**	**–**
Total cashflows	**(2,482.1)**	**–**	**(2,482.1)**	**1,802.2**	**–**	**1,802.2**	**(679.9)**
Net closing balance	**(766.0)**	**(3.0)**	**(769.0)**	**(2,202.8)**	**(343.9)**	**(2,546.7)**	**(3,315.7)**
Closing assets	–	–	**–**	–	–	**–**	**–**
Closing liabilities	(766.0)	(3.0)	**(769.0)**	(2,202.8)	(343.9)	**(2,546.7)**	**(3,315.7)**

1 Claims paid and other changes have been re-presented to separately present the transfer of non-cash insurance service expenses, (primarily depreciation, amortisation and IFRS 2 equity-settled share based payments), out of the LIC. There is no impact on the closing balance.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

UK Non-motor Insurance

The following tables reconcile the opening and closing balances of the LRC and LIC for other UK insurance (UK Household, Pet and Travel).

2024	Liability for remaining coverage			Liability for incurred claims			
	Excluding loss component	Loss component	Total	Present value of future cashflows	Risk adj. for non-financial risk	Total	Total
£m							
Opening assets	–	–	**–**	–	–	**–**	**–**
Opening liabilities	(136.2)	–	**(136.2)**	(193.6)	(23.9)	**(217.5)**	**(353.7)**
Net opening balance	**(136.2)**	**–**	**(136.2)**	**(193.6)**	**(23.9)**	**(217.5)**	**(353.7)**
Insurance revenue	**503.9**	**–**	**503.9**	**–**	**–**	**–**	**503.9**
Insurance service expenses							
Incurred claims and insurance service expenses	–	–	**–**	(444.8)	(17.7)	**(462.5)**	**(462.5)**
Changes to liabilities for incurred claims	–	–	**–**	32.6	18.8	**51.4**	**51.4**
Losses and reversals of losses on onerous contracts	–	–	**–**	–	(0.2)	**(0.2)**	**(0.2)**
Insurance service result	**503.9**	**–**	**503.9**	**(412.2)**	**0.9**	**(411.3)**	**92.6**
Insurance finance income/(expense) recognised in profit or loss	–	–	**–**	(8.0)	(0.9)	**(8.9)**	**(8.9)**
Insurance finance income/(expense) recognised in OCI	–	–	**–**	0.1	–	**0.1**	**0.1**
Total changes in comprehensive income	**503.9**	**–**	**503.9**	**(420.1)**	**–**	**(420.1)**	**83.8**
Other changes	–	–	**–**	14.9	–	**14.9**	**14.9**
Cashflows							
Premiums received	(563.0)	–	**(563.0)**	–	–	**–**	**(563.0)**
Claims and other insurance service expenses paid	–	–	**–**	408.0	–	**408.0**	**408.0**
Other movements	–	–	**–**	–	–	**–**	**–**
Total cashflows	**(563.0)**	**–**	**(563.0)**	**408.0**	**–**	**408.0**	**(155.0)**
Net closing balance	**(195.3)**	**–**	**(195.3)**	**(190.8)**	**(23.9)**	**(214.7)**	**(410.0)**
Closing assets	–	–	**–**	–	–	**–**	**–**
Closing liabilities	(195.3)	–	**(195.3)**	(190.8)	(23.9)	**(214.7)**	**(410.0)**

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

2023	Liability for remaining coverage: Excluding loss component	Liability for remaining coverage: Loss component	Liability for remaining coverage: Total	Liability for incurred claims: Present value of future cashflows	Liability for incurred claims: Risk adj. for non-financial risk	Liability for incurred claims: Total	Total
£m							
Opening assets	–	–	**–**	–	–	**–**	**–**
Opening liabilities	(100.9)	(0.1)	**(101.0)**	(141.2)	(25.5)	**(166.7)**	**(267.7)**
Net opening balance	**(100.9)**	**(0.1)**	**(101.0)**	**(141.2)**	**(25.5)**	**(166.7)**	**(267.7)**
Insurance revenue	346.6	–	**346.6**	–	–	**–**	**346.6**
Insurance service expenses							
Incurred claims and insurance service expenses	–	–	**–**	(363.6)	(2.1)	**(365.7)**	**(365.7)**
Changes to liabilities for incurred claims	–	–	**–**	4.3	4.8	**9.1**	**9.1**
Losses and reversals of losses on onerous contracts	–	2.4	**2.4**	–	–	**–**	**2.4**
Insurance service result	346.6	2.4	**349.0**	(359.3)	2.7	**(356.6)**	**(7.6)**
Insurance finance income/(expense) recognised in profit or loss	–	–	**–**	(5.4)	(0.9)	**(6.3)**	**(6.3)**
Insurance finance income/(expense) recognised in OCI	–	(2.3)	**(2.3)**	(1.4)	(0.2)	**(1.6)**	**(3.9)**
Total changes in comprehensive income	**346.6**	**0.1**	**346.7**	**(366.1)**	**1.6**	**(364.5)**	**(17.8)**
Other changes[1]	–	–	**–**	6.7	–	**6.7**	**6.7**
Cashflows							
Premiums received	(381.9)	–	**(381.9)**	–	–	**–**	**(381.9)**
Claims and other insurance service expenses paid[1]	–	–	**–**	307.0	–	**307.0**	**307.0**
Other movements	–	–	**–**	–	–	**–**	**–**
Total cashflows	**(381.9)**	**–**	**(381.9)**	**307.0**	**–**	**307.0**	**(74.9)**
Net closing balance	**(136.2)**	**–**	**(136.2)**	**(193.6)**	**(23.9)**	**(217.5)**	**(353.7)**
Closing assets	–	–	**–**	–	–	**–**	**–**
Closing liabilities	(136.2)	–	**(136.2)**	(193.6)	(23.9)	**(217.5)**	**(353.7)**

1 Claims paid and other changes have been re-presented to separately present the transfer of non-cash insurance service expenses, (primarily depreciation, amortisation and IFRS 2 equity-settled share based payments), out of the LIC. There is no impact on the closing balance.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

International Insurance

The following tables reconcile the opening and closing balances of the LRC and LIC for International Insurance.

2024	Liability for remaining coverage			Liability for incurred claims			
	Excluding loss component	Loss component	Total	Present value of future cashflows	Risk adj. for non-financial risk	Total	Total
£m							
Opening assets	–	–	**–**	–	–	**–**	**–**
Opening liabilities	(218.1)	(2.9)	**(221.0)**	(565.5)	(76.0)	**(641.5)**	**(862.5)**
Net opening balance	**(218.1)**	**(2.9)**	**(221.0)**	**(565.5)**	**(76.0)**	**(641.5)**	**(862.5)**
Insurance revenue	**829.5**	**–**	**829.5**	**–**	**–**	**–**	**829.5**
Insurance service expenses							
Incurred claims and insurance service expenses	–	–	**–**	(770.7)	(60.6)	**(831.3)**	**(831.3)**
Changes to liabilities for incurred claims	–	–	**–**	(50.1)	61.2	**11.1**	**11.1**
Losses and reversals of losses on onerous contracts	–	0.1	**0.1**	–	–	**–**	**0.1**
Insurance service result	**829.5**	**0.1**	**829.6**	**(820.8)**	**0.6**	**(820.2)**	**9.4**
Insurance finance income/ (expense) recognised in profit or loss	–	–	**–**	(12.7)	(2.4)	**(15.1)**	**(15.1)**
Insurance finance income/ (expense) recognised in OCI	–	(0.1)	**(0.1)**	(7.8)	(0.9)	**(8.7)**	**(8.8)**
Foreign exchange impact	9.3	(0.1)	**9.2**	21.3	3.2	**24.5**	**33.7**
Total changes in comprehensive income	**838.8**	**(0.1)**	**838.7**	**(820.0)**	**0.5**	**(819.5)**	**19.2**
Other changes	11.3	–	**11.3**	17.1	–	**17.1**	**28.4**
Cashflows							
Premiums received	(830.4)	–	**(830.4)**	–	–	**–**	**(830.4)**
Claims and other insurance service expenses paid	–	–	**–**	753.7	–	**753.7**	**753.7**
Other movements	–	–	**–**	–	–	**–**	**–**
Total cashflows	**(830.4)**	**–**	**(830.4)**	**753.7**	**–**	**753.7**	**(76.7)**
Net closing balance	**(198.4)**	**(3.0)**	**(201.4)**	**(614.7)**	**(75.5)**	**(690.2)**	**(891.6)**
Closing assets	–	–	**–**	–	–	**–**	**–**
Closing liabilities	(198.4)	(3.0)	**(201.4)**	(614.7)	(75.5)	**(690.2)**	**(891.6)**

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

2023	Liability for remaining coverage: Excluding loss component	Liability for remaining coverage: Loss component	Liability for remaining coverage: Total	Liability for incurred claims: Present value of future cashflows	Liability for incurred claims: Risk adj. for non-financial risk	Liability for incurred claims: Total	Total
£m							
Opening assets	–	–	**–**	–	–	**–**	**–**
Opening liabilities	(200.7)	(4.7)	**(205.4)**	(495.2)	(76.1)	**(571.3)**	**(776.7)**
Net opening balance	**(200.7)**	**(4.7)**	**(205.4)**	**(495.2)**	**(76.1)**	**(571.3)**	**(776.7)**
Insurance revenue	842.6	–	**842.6**	–	–	**–**	**842.6**
Insurance service expenses							
Incurred claims and insurance service expenses	–	–	**–**	(835.7)	(40.8)	**(876.5)**	**(876.5)**
Changes to liabilities for incurred claims	–	–	**–**	(22.6)	43.9	**21.3**	**21.3**
Losses and reversals of losses on onerous contracts	–	2.4	**2.4**	–	–	**–**	**2.4**
Insurance service result	842.6	2.4	**845.0**	(858.3)	3.1	**(855.2)**	**(10.2)**
Insurance finance income/ (expense) recognised in profit or loss	–	–	**–**	(8.2)	(1.7)	**(9.9)**	**(9.9)**
Insurance finance income/ (expense) recognised in OCI	–	(0.7)	**(0.7)**	(12.7)	(3.4)	**(16.1)**	**(16.8)**
Foreign exchange impact	2.3	0.1	**2.4**	15.7	2.0	**17.7**	**20.1**
Total changes in comprehensive income	**844.9**	**1.8**	**846.7**	**(863.5)**	**–**	**(863.5)**	**(16.8)**
Other changes[1]		–	**–**	16.1	0.1	**16.2**	**16.2**
Cashflows							
Premiums received	(862.3)	–	**(862.3)**	–	–	**–**	**(862.3)**
Claims and other insurance service expenses paid[1]	–	–	**–**	777.1	–	**777.1**	**777.1**
Other movements	–	–	**–**	–	–	**–**	**–**
Total cashflows	**(862.3)**	**–**	**(862.3)**	**777.1**	**–**	**777.1**	**(85.2)**
Net closing balance	**(218.1)**	**(2.9)**	**(221.0)**	**(565.5)**	**(76.0)**	**(641.5)**	**(862.5)**
Closing assets	–	–	**–**	–	–	**–**	**–**
Closing liabilities	(218.1)	(2.9)	**(221.0)**	(565.5)	(76.0)	**(641.5)**	**(862.5)**

1 Claims paid and other changes have been re-presented to separately present the transfer of non-cash insurance service expenses, (primarily depreciation, amortisation and IFRS 2 equity-settled share based payments), out of the LIC. There is no impact on the closing balance.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

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

UK Motor

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

2024	Asset for remaining coverage			Asset for incurred claims			
	Excluding loss component	Loss-recovery component	Total	Present value of future cashflows	Risk adj. for non-financial risk	Total	Total
£m							
Opening assets	20.8	2.3	**23.1**	313.2	183.6	**496.8**	**519.9**
Opening liabilities	–	–	**–**	–	–	**–**	**–**
Net opening balance	**20.8**	**2.3**	**23.1**	**313.2**	**183.6**	**496.8**	**519.9**
Allocation of reinsurance premiums	**(145.8)**	**–**	**(145.8)**	**–**	**–**	**–**	**(145.8)**
Amounts recoverable from reinsurers for incurred claims							
Incurred claims	–	–	**–**	22.2	7.0	**29.2**	**29.2**
Changes to liabilities for incurred claims	–	–	**–**	(158.6)	(133.0)	**(291.6)**	**(291.6)**
Changes in the loss recovery component	–	(4.0)	**(4.0)**	–	–	**–**	**(4.0)**
Net income/ (expense) from reinsurance contracts held	**(145.8)**	**(4.0)**	**(149.8)**	**(136.4)**	**(126.0)**	**(262.4)**	**(412.2)**
Reinsurance finance income/ (expense) recognised in profit or loss	–	1.8	**1.8**	11.1	7.9	**19.0**	**20.8**
Reinsurance finance income/ (expense) recognised in OCI	–	(0.1)	**(0.1)**	(2.8)	(1.5)	**(4.3)**	**(4.4)**
Total changes in comprehensive income	**(145.8)**	**(2.3)**	**(148.1)**	**(128.1)**	**(119.6)**	**(247.7)**	**(395.8)**
Cashflows							
Premiums paid	159.0	–	**159.0**	–	–	**–**	**159.0**
Claims recoveries	–	–	**–**	(0.9)	–	**(0.9)**	**(0.9)**
Recoveries as a result of commutations	–	–	**–**	(11.7)	–	**(11.7)**	**(11.7)**
Total cashflows	**159.0**	**–**	**159.0**	**(12.6)**	**–**	**(12.6)**	**146.4**
Net closing balance	**34.0**	**–**	**34.0**	**172.5**	**64.0**	**236.5**	**270.5**
Closing assets	34.0	–	**34.0**	172.5	64.0	**236.5**	**270.5**
Closing liabilities	–	–	**–**	–	–	**–**	**–**

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

	Asset for remaining coverage			Asset for incurred claims			
2023	**Excluding loss component**	**Loss-recovery component**	**Total**	**Present value of future cashflows**	**Risk adj. for non-financial risk**	**Total**	**Total**
£m							
Opening assets	20.2	6.3	**26.5**	255.4	175.6	**431.0**	**457.5**
Opening liabilities	–	–	**–**	–	–	**–**	**–**
Net opening balance	**20.2**	**6.3**	**26.5**	**255.4**	**175.6**	**431.0**	**457.5**
Allocation of reinsurance premiums	(93.6)	–	**(93.6)**	–	–	**–**	**(93.6)**
Amounts recoverable from reinsurers for incurred claims	–	–	**–**	–	–	**–**	**–**
Incurred claims	–	–	**–**	96.7	77.1	**173.8**	**173.8**
Changes to liabilities for incurred claims	–	–	**–**	(43.1)	(92.0)	**(135.1)**	**(135.1)**
Changes in the loss recovery component	–	(14.5)	**(14.5)**	–	–	**–**	**(14.5)**
Net income/ (expense) from reinsurance contracts held	**(93.6)**	**(14.5)**	**(108.1)**	**53.6**	**(14.9)**	**38.7**	**(69.4)**
Reinsurance finance income/ (expense) recognised in profit or loss	–	3.2	**3.2**	9.4	7.5	**16.9**	**20.1**
Reinsurance finance income/ (expense) recognised in OCI	–	7.3	**7.3**	12.5	15.4	**27.9**	**35.2**
Total changes in comprehensive income	**(93.6)**	**(4.0)**	**(97.6)**	**75.5**	**8.0**	**83.5**	**(14.1)**
Cashflows	–	–	**–**	–	–	**–**	**–**
Premiums paid	94.2	–	**94.2**	–	–	**–**	**94.2**
Claims recoveries	–	–	**–**	(2.2)	–	**(2.2)**	**(2.2)**
Recoveries as a result of commutations	–	–	**–**	(15.5)	–	**(15.5)**	**(15.5)**
Total cashflows	**94.2**	**–**	**94.2**	**(17.7)**	**–**	**(17.7)**	**76.5**
Net closing balance	**20.8**	**2.3**	**23.1**	**313.2**	**183.6**	**496.8**	**519.9**
Closing assets	20.8	2.3	**23.1**	313.2	183.6	**496.8**	**519.9**
Closing liabilities	–	–	**–**	–	–	**–**	**–**

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

UK Non-Motor

The following tables reconcile the opening and closing balances of the ARC and AIC for UK Non-motor insurance (Household, Travel and Pet).

	Asset for remaining coverage			Asset for incurred claims			
2024	Excluding loss component	Loss-recovery component	Total	Present value of future cashflows	Risk adj. for non-financial risk	Total	Total
£m							
Opening assets	21.4	–	**21.4**	154.9	15.3	**170.2**	**191.6**
Opening liabilities	–	–	**–**	–	–	**–**	**–**
Net opening balance	**21.4**	**–**	**21.4**	**154.9**	**15.3**	**170.2**	**191.6**
Allocation of reinsurance premiums	**(45.8)**	**–**	**(45.8)**	**–**	**–**	**–**	**(45.8)**
Amounts recoverable from reinsurers for incurred claims							
Incurred claims	–	–	**–**	(8.2)	5.1	**(3.1)**	**(3.1)**
Changes to liabilities for incurred claims	–	–	**–**	(12.3)	(22.0)	**(34.3)**	**(34.3)**
Changes in the loss recovery component	–	0.1	**0.1**	–	–	**–**	**0.1**
Net income/ (expense) from reinsurance contracts held	**(45.8)**	**0.1**	**(45.7)**	**(20.5)**	**(16.9)**	**(37.4)**	**(83.1)**
Reinsurance finance income/ (expense) recognised in profit or loss	–	–	**–**	6.1	0.6	**6.7**	**6.7**
Reinsurance finance income/ (expense) recognised in OCI	–	–	**–**	(0.3)	–	**(0.3)**	**(0.3)**
Total changes in comprehensive income	**(45.8)**	**0.1**	**(45.7)**	**(14.7)**	**(16.3)**	**(31.0)**	**(76.7)**
Reinsurance investment components	(178.6)	–	**(178.6)**	178.6	–	**178.6**	**–**
Cashflows							
Premiums paid	214.1	–	**214.1**	–	–	**–**	**214.1**
Claims recoveries	–	–	**–**	(144.3)	–	**(144.3)**	**(144.3)**
Recoveries as a result of commutations	–	–	**–**	–	–	**–**	**–**
Total cashflows	**214.1**	**–**	**214.1**	**(144.3)**	**–**	**(144.3)**	**69.8**
Net closing balance	**11.1**	**0.1**	**11.2**	**174.5**	**(1.0)**	**173.5**	**184.7**
Closing assets	11.1	0.1	**11.2**	174.5	(1.0)	**173.5**	**184.7**
Closing liabilities	–	–	**–**	–	–	**–**	**–**

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

2023	Asset for remaining coverage: Excluding loss component	Asset for remaining coverage: Loss-recovery component	Total	Asset for incurred claims: Present value of future cashflows	Asset for incurred claims: Risk adj. for non-financial risk	Total	Total
£m							
Opening assets	11.7	0.1	**11.8**	98.6	16.1	**114.7**	**126.5**
Opening liabilities	–	–	**–**	–	–	**–**	**–**
Net opening balance	**11.7**	**0.1**	**11.8**	**98.6**	**16.1**	**114.7**	**126.5**
Allocation of reinsurance premiums	(49.5)	–	**(49.5)**	–	–	**–**	**(49.5)**
Amounts recoverable from reinsurers for incurred claims							
Incurred claims	–	–	**–**	53.3	(1.3)	**52.0**	**52.0**
Changes to liabilities for incurred claims	–	–	**–**	1.7	(0.3)	**1.4**	**1.4**
Changes in the loss recovery component	–	(2.2)	**(2.2)**	–	–	**–**	**(2.2)**
Net income/ (expense) from reinsurance contracts held	**(49.5)**	**(2.2)**	**(51.7)**	**55.0**	**(1.6)**	**53.4**	**1.7**
Reinsurance finance income/ (expense) recognised in profit or loss	–	–	**–**	3.6	0.6	**4.2**	**4.2**
Reinsurance finance income/ (expense) recognised in OCI	–	2.1	**2.1**	0.9	0.2	**1.1**	**3.2**
Total changes in comprehensive income	**(49.5)**	**(0.1)**	**(49.6)**	**59.5**	**(0.8)**	**58.7**	**9.1**
Reinsurance investment components	(111.7)	–	**(111.7)**	111.7	–	**111.7**	**–**
Cashflows							
Premiums paid	170.9	–	**170.9**	–	–	**–**	**170.9**
Claims recoveries	–	–	**–**	(91.2)	–	**(91.2)**	**(91.2)**
Recoveries as a result of commutations	–	–	**–**	(23.7)	–	**(23.7)**	**(23.7)**
Total cashflows	**170.9**	**–**	**170.9**	**(114.9)**	**–**	**(114.9)**	**56.0**
Net closing balance	**21.4**	**–**	**21.4**	**154.9**	**15.3**	**170.2**	**191.6**
Closing assets	21.4	–	**21.4**	154.9	15.3	**170.2**	**191.6**
Closing liabilities	–	–	**–**	–	–	**–**	**–**

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

International Insurance

The following tables reconcile the opening and closing balances of the ARC and AIC for International Insurance.

2024	Asset for remaining coverage			Asset for incurred claims			
	Excluding loss component	Loss-recovery component	Total	Present value of future cashflows	Risk adj. for non-financial risk	Total	Total
£m							
Opening assets	–	2.2	**2.2**	465.4	37.4	**502.8**	**505.0**
Opening liabilities	(23.2)	–	**(23.2)**	–	–	**–**	**(23.2)**
Net opening balance	**(23.2)**	**2.2**	**(21.0)**	**465.4**	**37.4**	**502.8**	**481.8**
Allocation of reinsurance premiums	**(153.9)**	**–**	**(153.9)**	**–**	**–**	**–**	**(153.9)**
Amounts recoverable from reinsurers for incurred claims							
Incurred claims	–	–	**–**	212.3	63.6	**275.9**	**275.9**
Changes to liabilities for incurred claims	–	–	**–**	(82.4)	(63.9)	**(146.3)**	**(146.3)**
Changes in the loss recovery component	–	0.3	**0.3**	–	–	**–**	**0.3**
Net income/ (expense) from reinsurance contracts held	**(153.9)**	**0.3**	**(153.6)**	**129.9**	**(0.3)**	**129.6**	**(24.0)**
Reinsurance finance income/ (expense) recognised in profit or loss	–	–	**–**	7.4	1.1	**8.5**	**8.5**
Reinsurance finance income/ (expense) recognised in OCI	–	–	**–**	6.5	0.6	**7.1**	**7.1**
Foreign exchange impact	**(0.6)**	**(0.1)**	**(0.7)**	**(19.3)**	**0.3**	**(19.0)**	**(19.7)**
Total changes in comprehensive income	**(154.5)**	**0.2**	**(154.3)**	**124.5**	**1.7**	**126.2**	**(28.1)**
Reinsurance investment components	(175.0)	–	**(175.0)**	175.0	–	**175.0**	**–**
Cashflows							
Premiums paid	393.4	–	**393.4**	–	–	**–**	**393.4**
Claims recoveries	–	–	**–**	(322.5)	–	**(322.5)**	**(322.5)**
Recoveries as a result of commutations	–	–	**–**	–	–	**–**	**–**
Total cashflows	**393.4**	**–**	**393.4**	**(322.5)**	**–**	**(322.5)**	**70.9**
Net closing balance	**40.7**	**2.4**	**43.1**	**442.4**	**39.1**	**481.5**	**524.6**
Closing assets	40.7	2.4	**43.1**	442.4	39.1	**481.5**	**524.6**
Closing liabilities	–	–	**–**	–	–	**–**	**–**

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

2023	Asset for remaining coverage: Excluding loss component	Asset for remaining coverage: Loss-recovery component	Asset for remaining coverage: Total	Asset for incurred claims: Present value of future cashflows	Asset for incurred claims: Risk adj. for non-financial risk	Asset for incurred claims: Total	Total
£m							
Opening assets	–	3.4	**3.4**	412.7	35.1	**447.8**	**451.2**
Opening liabilities	(19.0)	–	**(19.0)**	–	–	**–**	**(19.0)**
Net opening balance	**(19.0)**	**3.4**	**(15.6)**	**412.7**	**35.1**	**447.8**	**432.2**
Allocation of reinsurance premiums	(190.0)	–	**(190.0)**	–	–	**–**	**(190.0)**
Amounts recoverable from reinsurers for incurred claims							
Incurred claims	–	–	**–**	243.7	26.6	**270.3**	**270.3**
Changes to liabilities for incurred claims	–	–	**–**	(69.8)	(26.1)	**(95.9)**	**(95.9)**
Changes in the loss recovery component	–	(1.7)	**(1.7)**	–	–	**–**	**(1.7)**
Net income/ (expense) from reinsurance contracts held	**(190.0)**	**(1.7)**	**(191.7)**	**173.9**	**0.5**	**174.4**	**(17.3)**
Reinsurance finance income/ (expense) recognised in profit or loss	–	–	**–**	4.0	0.6	**4.6**	**4.6**
Reinsurance finance income/ (expense) recognised in OCI	–	0.5	**0.5**	7.4	1.9	**9.3**	**9.8**
Foreign exchange impact	6.3	–	**6.3**	(11.7)	(0.7)	**(12.4)**	**(6.1)**
Total changes in comprehensive income	**(183.7)**	**(1.2)**	**(184.9)**	**173.6**	**2.3**	**175.9**	**(9.0)**
Reinsurance investment components	(148.9)	–	**(148.9)**	148.9	–	**148.9**	**–**
Cashflows							
Premiums paid	328.4	–	**328.4**	–	–	**–**	**328.4**
Claims recoveries	–	–	**–**	(269.8)	–	**(269.8)**	**(269.8)**
Recoveries as a result of commutations	–	–	**–**	–	–	**–**	**–**
Total cashflows	**328.4**	**–**	**328.4**	**(269.8)**	**–**	**(269.8)**	**58.6**
Net closing balance	**(23.2)**	**2.2**	**(21.0)**	**465.4**	**37.4**	**502.8**	**481.8**
Closing assets	–	2.2	**2.2**	465.4	37.4	**502.8**	**505.0**
Closing liabilities	(23.2)	–	**(23.2)**	–	–	**–**	**(23.2)**

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

(iv) Claims development

The tables below illustrate how estimates of cumulative claims for UK Motor, UK Non-Motor and International Insurance have developed over time on a gross and net of reinsurance basis.

Each table shows how the Group's estimates of total claims for each underwriting year have developed over time and reconciles the cumulative claims to the amount included in the Statement of Financial Position. Balances have been translated at the exchange rates prevailing at the reporting date. The Group has not disclosed information for underwriting years 2017 and prior for the International Insurance and Non-UK Motor Insurance businesses, given that the claims that remain outstanding on those years are immaterial.

IFRS 17 does not require an entity to disclose claims development information for which uncertainty about the amount and timing of the claims payments is typically resolved within one year. Therefore, the Group has not disclosed information about the claims in its other lines of business or related directly attributable expenses.

Gross claims development

	Financial year ended 31 December 2024											
Underwriting year	**2014 & prior £m**	**2015 £m**	**2016 £m**	**2017 £m**	**2018 £m**	**2019 £m**	**2020 £m**	**2021 £m**	**2022 £m**	**2023 £m**	**2024 £m**	**Total £m**
UK Motor (core)												
At end of year one		394	436	552	686	701	552	688	845	973	1,241	
At end of year two		701	829	1,144	1,175	1,067	985	1,326	1,584	1,812		
At end of year three		707	788	994	1,109	1,010	954	1,294	1,544			
At end of year four		680	727	947	1,064	996	921	1,270				
At end of year five		636	713	912	1,008	981	910					
At end of year six		619	690	890	1,000	938						
At end of year seven		606	656	865	959							
At end of year eight		594	652	849								
At end of year nine		585	657									
Ten years later		583										
Gross best estimates of undiscounted claims	3,803	583	657	849	959	938	910	1,270	1,544	1,812	1,241	**14,566**
Cumulative gross claims paid	(3,666)	(568)	(618)	(782)	(906)	(822)	(733)	(924)	(1,104)	(1,105)	(561)	**(11,789)**
Gross undiscounted best estimate liabilities	137	15	39	67	53	116	177	346	440	707	680	**2,777**
Risk adjustment (undiscounted)												**480**
Effect of discounting												**(673)**
Gross claims liabilities												**2,584**
Ancillary claims and expense liabilities												**107**
UK Motor Gross liabilities for incurred claims												**2,691**
UK Non-motor (core)												
At end of year one			26	29	56	55	53	58	116	146	160	
At end of year two		34	50	78	102	105	96	128	224	253		
At end of year three		35	47	76	102	103	95	124	227			
At end of year four		34	47	75	102	102	90	126				
At end of year five		33	47	76	102	93	93					
At end of year six		33	47	76	100	96						
At end of year seven		33	47	75	102							

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

	Financial year ended 31 December 2024											
Underwriting year	**2014 & prior £m**	**2015 £m**	**2016 £m**	**2017 £m**	**2018 £m**	**2019 £m**	**2020 £m**	**2021 £m**	**2022 £m**	**2023 £m**	**2024 £m**	**Total £m**
At end of year eight		33	48	77								
At end of year nine		33	48									
Ten years later		33										
Gross best estimates of undiscounted claims	24	33	48	77	102	96	93	126	227	253	160	**1,239**
Cumulative gross claims paid	(24)	(33)	(48)	(77)	(101)	(95)	(91)	(120)	(202)	(187)	(69)	**(1,047)**
Gross undiscounted best estimate liabilities	–	–	–	–	1	1	2	6	25	66	91	**192**
Risk adjustment (undiscounted)												**25**
Effect of discounting												**(7)**
Gross claims liabilities												**210**
Ancillary claims and expense liabilities												**5**
UK Non-motor Gross liabilities for incurred claims												**215**
International Insurance												
At end of year one					177	236	204	270	313	338	300	
At end of year two				259	356	382	368	496	601	580		
At end of year three			237	304	349	388	364	498	603			
At end of year four		181	253	300	350	384	365	499				
At end of year five		211	251	300	350	364	361					
At end of year six		211	251	300	339	362						
At end of year seven		211	251	296	338							
At end of year eight		212	248	294								
At end of year nine		233	247									
Ten years later		226										
Gross best estimates of undiscounted claims	540	226	247	294	338	362	361	499	603	580	300	**4,350**
Cumulative gross claims paid	(533)	(188)	(245)	(280)	(321)	(341)	(324)	(436)	(490)	(408)	(127)	**(3,693)**
Gross undiscounted best estimate liabilities	7	38	2	14	17	21	37	63	113	172	173	**657**
Risk adjustment (undiscounted)												**81**
Effect of discounting												**(81)**
Gross claims liabilities												**657**
Ancillary claims and expense liabilities												**33**
International Insurance Gross liabilities for incurred claims												**690**

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

Claims development net of XoL reinsurance

	Financial year ended 31 December 2024											
Underwriting year	**2014 & prior £m**	**2015 £m**	**2016 £m**	**2017 £m**	**2018 £m**	**2019 £m**	**2020 £m**	**2021 £m**	**2022 £m**	**2023 £m**	**2024 £m**	**Total £m**
UK Motor (core)												
At end of year one		378	427	510	646	675	520	661	825	951	1,220	
At end of year two		682	783	1,053	1,123	1,033	949	1,292	1,550	1,776		
At end of year three		667	743	917	1,053	986	927	1,257	1,517			
At end of year four		637	692	883	1,024	969	892	1,240				
At end of year five		607	677	860	974	950	886					
At end of year six		599	663	840	978	925						
At end of year seven		586	640	820	946							
At end of year eight		579	635	825								
At end of year nine		577	644									
Ten years later		580										
Net of XoL best estimates of undiscounted claims	3,773	580	644	825	946	925	886	1,240	1,517	1,776	1,220	**14,332**
Cumulative claims paid	(3,666)	(568)	(618)	(782)	(906)	(822)	(733)	(924)	(1,104)	(1,105)	(561)	**(11,789)**
Net of XoL undiscounted best estimate liabilities	107	12	26	43	40	103	153	316	413	671	659	**2,543**
Risk adjustment (undiscounted)												**428**
Effect of discounting												**(543)**
Net of XoL claims liabilities												**2,428**
Ancillary claims and expense liabilities												**107**
UK Motor Net of XoL liabilities for incurred claims												**2,535**
UK Non-motor (core)												
At end of year one			26	29	56	54	50	57	116	127	152	
At end of year two		34	50	78	102	96	91	126	220	229		
At end of year three		35	47	75	101	94	90	124	221			
At end of year four		34	47	75	101	93	90	127				
At end of year five		33	47	76	101	93	93					
At end of year six		33	47	75	100	96						
At end of year seven		33	47	75	102							
At end of year eight		33	48	77								
At end of year nine		33	48									
Ten years later		33										
Net of XoL best estimates of undiscounted claims	24	33	48	77	102	96	93	127	221	229	152	**1,202**
Cumulative claims paid	(24)	(33)	(48)	(77)	(101)	(95)	(91)	(120)	(200)	(178)	(69)	**(1,036)**

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

Underwriting year	Financial year ended 31 December 2024											
	2014 & prior £m	2015 £m	2016 £m	2017 £m	2018 £m	2019 £m	2020 £m	2021 £m	2022 £m	2023 £m	2024 £m	Total £m
Net of XoL undiscounted best estimate liabilities	–	–	–	–	1	1	2	7	21	51	83	**166**
Risk adjustment (undiscounted)												**22**
Effect of discounting												**(6)**
Net of XoL claims liabilities												**182**
Ancillary claims and expense liabilities												**5**
UK Non-motor Net of XoL liabilities for incurred claims												**187**
International Insurance												
At end of year one					177	236	204	270	313	335	299	
At end of year two				259	356	382	368	496	559	569		
At end of year three			237	304	349	388	364	477	561			
At end of year four		181	253	300	350	384	355	472				
At end of year five		211	251	300	350	360	353					
At end of year six		211	251	300	337	358						
At end of year seven		211	251	290	337							
At end of year eight		212	248	290								
At end of year nine		210	248									
Ten years later		204										
Net of XoL best estimates of undiscounted claims	537	204	248	290	337	358	353	472	561	569	299	**4,228**
Cumulative claims paid	(533)	(188)	(245)	(280)	(321)	(341)	(324)	(431)	(486)	(406)	(128)	**(3,683)**
Net of XoL undiscounted best estimate liabilities	4	16	3	10	16	17	29	41	75	163	171	**545**
Risk adjustment (undiscounted)												**73**
Effect of discounting												**(36)**
Net of XoL claims liabilities												**582**
Ancillary claims and expense liabilities												**32**
International Insurance Net of XoL liabilities for incurred claims												**614**

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

Claims development net of reinsurance

	Financial year ended 31 December 2024											
Underwriting year	**2014 & prior £m**	**2015 £m**	**2016 £m**	**2017 £m**	**2018 £m**	**2019 £m**	**2020 £m**	**2021 £m**	**2022 £m**	**2023 £m**	**2024 £m**	**Total £m**
UK Motor (core)												
At end of year one		378	427	493	625	626	520	657	762	939	1,220	
At end of year two		682	783	1,016	1,086	1,033	949	1,259	1,442	1,776		
At end of year three		667	743	886	1,018	986	927	1,239	1,470			
At end of year four		637	692	853	990	969	892	1,236				
At end of year five		607	677	830	957	950	886					
At end of year six		599	663	811	944	925						
At end of year seven		586	640	793	913							
At end of year eight		579	635	798								
At end of year nine		577	644									
Ten years later		580										
Net best estimates of undiscounted claims	3,773	580	644	798	913	925	886	1,236	1,470	1,776	1,220	**14,221**
Cumulative net claims paid	(3,666)	(568)	(618)	(755)	(874)	(822)	(733)	(924)	(1,104)	(1,105)	(561)	**(11,730)**
Net undiscounted best estimate liabilities	107	12	26	43	39	103	153	312	366	671	659	**2,491**
Risk adjustment (undiscounted)												**419**
Effect of discounting												**(528)**
Net claims liabilities												**2,382**
Ancillary claims and expense liabilities												**72**
UK Motor Net liabilities for incurred claims												**2,454**
UK Non-motor (core)												
At end of year one			7	6	20	18	16	16	43	68	78	
At end of year two		10	14	22	34	25	12	41	94	108		
At end of year three		10	12	24	33	31	19	36	88			
At end of year four		9	12	22	37	30	18	40				
At end of year five		9	12	24	37	29	21					
At end of year six		8	12	24	36	33						
At end of year seven		9	12	24	39							
At end of year eight		9	13	25								
At end of year nine		9	13									
Ten years later		9										
Net best estimates of undiscounted claims	8	9	13	25	39	33	21	40	88	108	78	**462**
Cumulative net claims paid	(8)	(9)	(13)	(25)	(38)	(32)	(20)	(36)	(86)	(106)	(59)	**(432)**
Net undiscounted best estimate liabilities	–	–	–	–	1	1	1	4	2	2	19	**30**
Risk adjustment (undiscounted)												**10**

Notes to the consolidated financial statements continued
For the year ended 31 December 2024

Underwriting year	2014 & prior £m	2015 £m	2016 £m	2017 £m	2018 £m	2019 £m	2020 £m	2021 £m	2022 £m	2023 £m	2024 £m	Total £m
	Financial year ended 31 December 2024											
Effect of discounting												**(2)**
Net claims liabilities												**38**
Ancillary claims and expense liabilities												**3**
UK Non-motor Net liabilities for incurred claims												**41**
International Insurance												
At end of year one					61	79	83	100	114	140	145	
At end of year two				85	120	129	145	185	218	224		
At end of year three			115	97	117	129	144	187	211			
At end of year four		92	132	96	119	130	144	192				
At end of year five		82	131	101	119	123	149					
At end of year six		83	86	101	115	128						
At end of year seven		70	86	99	118							
At end of year eight		70	85	103								
At end of year nine		83	87									
Ten years later		80										
Net best estimates of undiscounted claims	207	80	87	103	118	128	149	192	211	224	145	**1,644**
Cumulative net claims paid	(205)	(65)	(86)	(99)	(112)	(121)	(138)	(175)	(180)	(195)	(88)	**(1,464)**
Net undiscounted best estimate liabilities	2	15	1	4	6	7	11	17	31	29	57	**180**
Risk adjustment (undiscounted)												**27**
Effect of discounting												**(20)**
Net claims liabilities												**187**
Ancillary claims and expense liabilities												**21**
International Insurance Net liabilities incurred claims												**208**

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

(v) UK Motor Loss ratios and Changes to liabilities for incurred claims

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

UK Motor Insurance loss ratio development - undiscounted*, net of excess of loss reinsurance	31 December 2021	2022	2023	2024
Underwriting year				
2019	73%	71%	67%	64%
2020	68%	65%	58%	57%
2021	95%	91%	86%	82%
2022	–	104%	96%	91%
2023	–	–	94%	80%
2024	–	–	–	77%

* Booked undiscounted loss ratios presented from the transition date of IFRS 17 (1 January 2022) onwards.

UK Motor Insurance loss ratio development - discounted*, net of excess of loss reinsurance	31 December 2021	2022	2023	2024
Underwriting year				
2019	71%	69%	65%	63%
2020	67%	63%	57%	55%
2021	92%	86%	81%	77%
2022	–	97%	88%	83%
2023	–	–	86%	72%
2024	–	–	–	71%

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

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

	31 December 2024 £m	31 December 2023 £m
Gross		
Underwriting year		
2019 & prior	173.7	152.9
2020	41.8	98.2
2021	87.0	76.4
2022	107.1	79.4
2023	83.8	–
2024	–	–
Total UK Motor gross changes to liabilities for incurred claims	**493.4**	**406.9**
Net		
Underwriting year		
2019 & prior	99.6	145.6
2020	30.5	97.7
2021	70.6	80.1
2022	94.5	69.4
2023	76.7	–
2024	–	–
Total UK Motor net of excess of loss changes to liabilities for incurred claims	**371.9**	**392.8**

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

6. Investment income and finance costs

6a. Accounting policies

i) Financial assets

Classification and measurement

The classification and subsequent measurement of the financial asset under IFRS 9 depends on:

1. The Group's business model for managing the financial assets, and
2. The contractual cashflow characteristics of the financial asset.

Based on these factors, the financial asset is classified into one of the following categories:

Amortised cost

These comprise assets which are held in order to collect contractual cashflows and the contractual terms of the financial asset give rise to cashflows which are solely payments of principal and interest on the principal amount outstanding (SPPI), where the asset is not designated as fair value through profit or loss (FVTPL).

For the Group, these include deposits with credit institutions, cash and cash equivalents, insurance receivables, trade and other receivables and loans and advances to customers.

The interest income generated from these assets is included in investment returns, with the exception of loans and advances to customers and cash and cash equivalents relating to the loans business, where the interest receivable is recognised in interest income.

Fair value through other comprehensive income (FVOCI)

These comprise assets which are held both to collect contractual cashflows and to sell the asset, where the contractual terms of the financial asset give rise to cashflows which are solely payments of principal and interest on the principal amount outstanding (SPPI), where the asset is not designated as FVTPL.

For the Group, these assets include corporate, government and private debt securities. These assets are held to match policyholder liabilities or interest on debt liabilities. If sold before maturity, gains or losses on these assets impact the consolidated income statement.

In addition, IFRS 9 allows an irrevocable election at initial recognition to designate equity investments at FVOCI that otherwise would be held at FVTPL, provided these are not held for trading. The Group has made this election for certain investments which are not held for trading and are strategic investments to be designated as being reported through FVOCI. These represent open ended private debt securities held in investment funds.

Movements in the carrying amount are taken through OCI, with the exception of recognition of impairment gains or losses, interest revenue, dividend income and foreign exchange gains or losses which are recognised in profit or loss.

A gain or loss on disposal of an investment measured at FVOCI is presented within investment return in the period in which it arises.

Fair value through profit or loss (FVTPL)

These are assets which do not meet the criteria for amortised cost or FVOCI, or which are designated as FVTPL.

For the Group these assets include liquidity funds investing in short duration assets, other funds, closed ended private debt funds and derivative financial instruments. The regulatory capital within the Group is used to invest in these instruments in addition to any surplus funds which may be held. Buying and selling activity occurs depending on timing of different cashflows.

Impairment

The expected credit loss model (ECL) is used to calculate any impairment to be recognised for all assets measured at amortised cost, as well as financial investments measured at FVOCI. The general approach, which utilises the three-stage model, is used for loans and advances to customers (see note 7), as well as financial investments measured at FVOCI.

For financial investments measured at FVOCI, the approach is based on an assessment made based on an external credit rating agency or an assessment from the Group's external asset managers, to assess whether there has been a significant increase in credit risk, combined with other external data as follows:

- Financial assets in stage 1 are those where the credit risk has not increased significantly since initial recognition. A 12 month ECL is recognised. To determine the default rate, the average of external rates using Standard & Poor and Moody's is used, together with consideration of any overlay based on qualitative criteria
- Financial assets in stage 2 are those where credit risk has increased significantly since initial recognition, with the provision reflecting a lifetime loss. A significant increase in credit risk is defined as public assets that are downgraded outside of investment grade or by two or more credit ratings in investment grade, or for a bond purchased at sub-investment grade, a fall in of a full credit banding i.e. BB to B; and private assets which have been flagged on watchlists for significant credit deterioration.
  For assets in stage 2, the lifetime expected credit loss is based on the lifetime default rate which factors in the number of years from maturity

- For assets in stage 1 and stage 2, a recovery rate is also applied to the loss given default, based on an average of a number of external and internal sources
- Financial assets in stage 3 are credit impaired, which typically occurs when the asset has defaulted, restructured or is not expected to return full proceeds. Each asset in this category is reviewed to assess the recoverable amount based on the information available.

The credit rating of all assets is regularly monitored. As at the year-end reporting date, the majority of financial assets are considered low risk under IFRS 9 (2024 stage 1 assets: 99% of total investments). These therefore remain within stage 1 and a 12-month expected loss is used to calculate the impairment provision required.

The impairment provision at 31 December 2024 is £12.9 million (£6.9 million at 31 December 2023).

The calculated impairment loss within the fair value is recognised through the Income Statement whilst fair value movements are recognised in other comprehensive income.

Given there is no material change in the credit quality or type of financial assets in the year and the movement in provision is immaterial, no further disclosure has been made.

Derecognition

A financial asset is derecognised when the rights to receive cashflows from that asset have expired, or when the Group transfers the asset and all the attached substantial risks and rewards relating to the asset to a third party.

ii) Financial liabilities

Classification and subsequent measurement

All financial liabilities are classified as subsequently measured at amortised cost using the effective interest method, except for derivatives that are classified at fair value through profit or loss and subsequently measured at fair value.

Movements in the amortised cost are recognised through the income statement.

Derecognition

A financial liability is derecognised when the obligation under that liability is discharged, cancelled or expires.

iii) Investment return and finance costs

Investment return from financial assets comprises distributions as well as net realised and unrealised gains on financial assets classified as FVTPL, interest income and net realised gains from financial assets classified as FVOCI, and interest income from financial assets classified as amortised cost.

Finance costs from financial liabilities comprise interest expense on subordinated notes, credit facilities and lease liabilities, calculated using the effective interest rate method. The effective interest rate method calculates the amortised cost of a financial asset or liability (or group of financial assets or financial liabilities) and allocates the interest income or expense over the expected life of the asset or liability.

iv) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value in accordance with IAS 40. Fair value is determined based on valuations performed by independent professionally qualified valuers. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

6b. Investment return

	31 December 2024 £m			31 December 2023 £m		
	At EIR	Other	Total	At EIR	Other	Total
Investment return						
On assets classified as FVTPL	–	67.1	**67.1**	–	43.3	**43.3**
On assets classified as FVOCI[1, 3]	100.4	5.2	**105.6**	77.0	(3.6)	**73.4**
On assets classified as amortised cost[1]	5.9	–	**5.9**	4.1	–	**4.1**
Net unrealised losses						
Unrealised (loss) / gain on forward contracts	–	(0.2)	**(0.2)**	–	(0.2)	**(0.2)**
Share of associate profit/ loss	–	(1.0)	**(1.0)**	–	(1.3)	**(1.3)**
Interest income on cash and cash equivalents[1]	–	5.5	**5.5**	–	5.4	**5.4**
Investment fees	–	(2.0)	**(2.0)**	–	(1.8)	**(1.8)**
Total investment and interest income[2]	**106.3**	**74.6**	**180.9**	**81.1**	**41.8**	**122.9**

1 Interest received during the year was £90.6 million (2023: £76.8 million).
2 Total investment return excludes £7.9 million of intra-group interest (2023: £3.2 million).
3 Realised losses on sales of debt securities classified as FVOCI are £4.5 million (2023: £0.9 million).

Investment return, which is comprised of distributions as well as net realised and unrealised gains on financial assets classified as FVTPL, interest income and net realised gains from financial assets classified as FVOCI, and interest income from financial assets classified as amortised cost, is impacted by the interest rates on cash and financial investments.

Finance expense (note 5e), which reflects the unwind of discounting applied using a discount rate locked in at the date the claim is recognised over the expected payment period, is also impacted by interest rates derived from the EIOPA yield curve at the time of claim. Both these items are impacted by risk free interest rates, albeit with differences driven by timing of making investments versus the timing of claims recognition and payment. All other factors being equal, higher risk-free rates should result in an increase in both investment return and finance expense being recognised in the Income Statement.

Admiral primarily invests to match its liabilities hence the OCI impacts on assets within the fair value reserve should correlate to those on the insurance contract liabilities within the insurance finance reserve. However, Admiral invests in a diverse range of assets including corporate and government bonds hence the investment fair value reserve is driven by factors beyond the interest rates used in discounting the liabilities. These include market credit spreads as well as fair value movements on surplus assets not held to match the insurance liabilities and can move in the opposite direction to interest rates.

6c. Finance costs

	31 December 2024 £m	31 December 2023 £m
Interest expense on subordinated loan notes and other credit facilities[1, 2]	24.5	18.5
Interest expense on lease liabilities	2.6	2.0
Interest recoverable from co-insurers	(0.6)	(0.4)
Total finance costs[3]	**26.5**	**20.1**

1 Interest paid during the year was £27.0 million (2023: £20.5 million).
2 See note 7e for details of credit facilities.
3 No interest has been capitalised in the period

Finance costs represent interest payable on the £250.0 million (2023: £305.1 million) subordinated notes and other financial liabilities.

Interest expense on lease liabilities represents the unwinding of the discount on lease liabilities under IFRS 16.

6d. Expected credit losses

	Note	31 December 2024 £m	31 December 2023 £m
Expected credit (gains)/losses on financial investments	6f	6.3	(2.5)
Expected credit losses on loans and advances to customers[1]	7b	28.3	33.5
Total expense for expected credit losses		**34.6**	**31.0**

1 Includes £26.1 million (2023: £15.0 million) of write-offs, with total movement in the expected credit loss provision being £28.3 million (2023: £33.5 million).

Notes to the consolidated financial statements continued
For the year ended 31 December 2024

See note 6a and note 7b for details of the impairment methodology.

6e. Financial assets and liabilities
The Group's financial assets and liabilities can be analysed as follows:

	31 December 2024 £m	31 December 2023 £m
Financial investments measured at FVTPL		
Money market funds	902.6	587.5
Other funds[1]	473.9	301.3
Derivative financial instruments	5.8	17.6
Equity investments (designated FVTPL)	46.9	12.4
	1,429.2	**918.8**
Financial investments classified as FVOCI		
Corporate debt securities	2,410.9	2,040.6
Government debt securities[2]	772.2	519.6
Private debt securities	152.3	242.7
	3,335.4	**2,802.9**
Equity investments (designated FVOCI)	–	23.0
	3,335.4	**2,825.9**
Financial assets measured at amortised cost		
Deposits with credit institutions	91.7	116.7
Other		
Investment in Associate	–	1.0
Investment Property	6.9	–
Total financial investments	**4,863.2**	**3,862.4**
Other financial assets (measured at amortised cost)		
Insurance related receivables	51.1	272.7
Trade and other receivables	110.4	75.0
Insurance related and other receivables	**161.5**	**347.7**
Loans and advances to customers (note 7)	**1,106.9**	**879.4**
Cash and cash equivalents	313.6	353.1
Total financial assets	**6,445.2**	**5,442.6**
Financial liabilities		
Subordinated notes	258.9	315.2
Loan backed securities	937.7	759.6
Other borrowings	117.4	55.0
Derivative financial instruments	8.2	–
Subordinated and other financial liabilities	**1,322.2**	**1,129.8**
Trade and other payables[3]	175.3	305.8
Lease liabilities	79.6	81.2
Total financial liabilities	**1,577.1**	**1,516.8**

1 Other funds include funds which primarily invest in fixed income securities are recognised as fair value through profit and loss
2 Government debt securities include £0.6 million of short term UK government bonds held for collateral against foreign exchange hedging derivatives
3 Trade and other payables include deferred income, accruals and other tax and social security.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

6f. Fair value measurement

IFRS 13 requires assets and liabilities that are held at fair value to be classified according to a hierarchy which reflects the observability of significant market inputs, based on three levels. The Group policy is to recognise transfer between fair value hierarchy levels as at the end of the reporting period. There were no transfers between fair value hierarchy levels in the reporting period (2023: none).

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

	31 December 2024		31 December 2023	
	FVTPL £m	FVOCI £m	FVTPL £m	FVOCI £m
Level one (quoted prices in active markets)	1,221.2	3,183.1	888.8	2,560.1
Level two (use of observable inputs)	(2.4)	–	17.6	–
Level three (use of significant unobservable inputs)	202.2	152.3	12.4	265.8
Total	**1,421.0**	**3,335.4**	**918.8**	**2,825.9**

Fair value measurement using observable inputs (level two)

Level two investments represent derivatives used for interest rate and FX hedging purposes, these are valued using market interest rates and in the case of FX derivatives a combination of interest rates and spot FX rates.

Fair value measurement using significant unobservable inputs (level three)

Level three investments consist of debt investments and equity investments.

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

As these debt investments are held within investment funds where appropriate the Group elects to treat these investments as equity through OCI. Debt investments in which the funds are closed ended are classified as FVTPL within Other funds (2024: £154.8 million).

Equity securities are primarily comprised of investments in Private Equity and Infrastructure Equity funds, which are valued at the proportion of the Group's holding of the NAV reported by the investment vehicle. These are based on several unobservable inputs including market multiples and cashflow forecasts. These are held at FVTPL, with realised and unrealised gains/losses flowing through the P&L.

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

Notes to the consolidated financial statements continued
For the year ended 31 December 2024

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

Level Three Investments	31 December 2024 £m Equity Investments	Debt Investments	Total
Balance as at 1 January 2024	35.5	242.7	**278.2**
Gains/(losses) recognised in the Income Statement	(4.5)	9.6	**5.1**
Gains/(losses) recognised in Other Comprehensive Income	—	(2.8)	**(2.8)**
Purchases	16.1	94.9	**111.0**
Disposals	(0.2)	(36.8)	**(37.0)**
Balance as at 31 December 2024	**46.9**	**307.6**	**354.5**

Level Three Investments	31 December 2023 £m Equity Investments	Debt Investments	Total
Balance as at 1 January 2023	31.6	166.6	**198.2**
Gains/(losses) recognised in the Income Statement	(0.1)	10.0	**9.9**
Gains/(losses) recognised in Other Comprehensive Income	(1.0)	0.8	**(0.2)**
Purchases	6.1	89.6	**95.7**
Disposals	(1.1)	(24.3)	**(25.4)**
Balance as at 31 December 2023	**35.5**	**242.7**	**278.2**

Gains/(losses) recognised in the Income Statement are recognised within investment returns and gains/(losses) recognised in Other Comprehensive Income is recognised within movements in fair value reserve.

6g. Cash and cash equivalents

	31 December 2024 £m	31 December 2023 £m
Cash at bank and in hand[1]	313.6	353.1
Total cash and cash equivalents	**313.6**	**353.1**

1 Cash at bank and in hand includes £45.2 million (2023: £38.9 million) related to special purpose entities which is not available for use by the Group.

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term deposits with original maturities of three months or less.

An assessment has been completed for impairment purposes in line with that set out in note 6a above. Given the short-term duration of these assets and low risk of these assets, no impairment provision has been recognised.

For cash at bank and cash deposits, the fair value approximates to the book value due to their short maturity.

Notes to the consolidated financial statements continued
For the year ended 31 December 2024

6h. Other receivables

	31 December 2024 £m	31 December 2023 £m
Insurance related receivables	51.1	272.7
Trade and other receivables	110.4	75.0
Prepayments and accrued income	63.7	62.2
Total other receivables	**225.2**	**409.9**

Insurance related receivables

Insurance related receivables, which are measured at historic cost, reflect amounts relating to the Group's intermediary activities.

Given the short-term duration of these assets no material bad debt provision has been recognised.

Trade and other receivables

Classification. Trade and other receivables are measured at amortised cost, being made up of multiple types of receivable balances.

Impairment. Where a provision is required for these receivables, it is calculated in line with the simplified method for trade receivables per IFRS 9, whereby lifetime expected credit losses are recognised irrespective of the credit risk. In this case, the provision is based on a combination of

1) Aged debtor analysis

2) Historic experience of write-offs for each receivable

3) Any specific indicators of credit deterioration observed, and

4) Management judgement.

The level of provision is immaterial.

The amortised cost carrying amount of receivables is a reasonable approximation of fair value.

Contract balances

The following table provides information about receivables and contract assets from contracts with customers. Both balances are included in Trade and other receivables.

	31 December 2024 £m	31 December 2023 £m
Receivables	16.7	14.9
Contract assets	14.8	17.0

The contract asset relates to work undertaken in the law companies on behalf of clients which is ongoing and where the Company's right to consideration remains dependent on the Company's continued successful performance under the contract. The contract asset is transferred to trade receivables once only the passage of time is required before payment of the consideration is due, which is typically at the point of the fee being billed.

Notes to the consolidated financial statements continued
For the year ended 31 December 2024

Significant changes in the contract asset balance during the period are as follows:

Contract asset balance	31 December 2024 £m
At 1 January 2023	19.3
Revenue recognised	18.9
Transferred to trade receivables	(20.6)
Write-offs	(0.6)
At 31 December 2023	**17.0**
Revenue recognised	16.7
Transferred to trade receivables	(18.5)
Write-offs	(0.4)
At 31 December 2024	**14.8**

The amount of revenue recognised in 2024 from performance obligations satisfied (or partially satisfied) in previous periods in relation to the above contract balances is £nil (2023: £nil).

6i. Financial liabilities

	31 December 2024				
	Subordinated loans £m	Loan backed securities £m	Other borrowings and derivatives £m	Lease liabilities £m	Total £m
Financial liability at the start of the period	315.2	759.6	55.0	81.2	**1,211.0**
Interest expense per Income Statement	23.0	47.9	2.1	2.6	**75.6**
Cashflows relating to interest[1]	(24.2)	(47.9)	(2.1)	(2.4)	**(76.6)**
Cashflows relating to principal - payments	(55.1)	(194.1)	(115.0)	(12.7)	**(376.9)**
Cashflows relating to principal - receipts	–	372.2	177.7	–	**549.9**
Other foreign exchange and non-cash movements	–	–	7.9	10.9	**18.8**
Financial liability at the end of the period	**258.9**	**937.7**	**125.6**	**79.6**	**1,401.8**

	31 December 2023				
	Subordinated loans £m	Loan backed securities £m	Other borrowings and derivatives £m	Lease liabilities £m	Total £m
Financial liability at the start of the period	204.4	714.7	20.0	88.5	**1,027.6**
Interest expense per Income Statement	17.5	40.6	5.4	2.0	**65.5**
Cashflows relating to interest[1]	(7.0)	(40.6)	(5.4)	(1.9)	**(54.9)**
Cashflows relating to principal - payments	(147.2)	(246.8)	(145.0)	(8.8)	**(547.8)**
Cashflows relating to principal - receipts	248.4	291.7	180.0	–	**720.1**
Other foreign exchange and non-cash movements	(0.9)	–	–	1.4	**0.5**
Financial liability at the end of the period	**315.2**	**759.6**	**55.0**	**81.2**	**1,211.0**

1 Cashflows relating to interest are shown within finance costs paid, including expense paid on funding for loans

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

Subordinated notes

Financial liabilities are inclusive of £250.0 million subordinated notes issued on 6 July 2023 at a fixed rate of 8.5% per annum with a redemption date of 6 January 2034.

On 24 July 2024, the remaining 27.55% (£55.1 million) of subordinated loan notes issued on 25 July 2014 were repaid on maturity.

The notes are unsecured subordinated obligations of the Group and rank pari passu without any preference among themselves. In the event of a winding-up or bankruptcy, they are to be repaid only after the claims of all other senior creditors have been met.

There have been no defaults on any of the notes during the year. The Group has the requirement to defer interest payments on the notes in certain circumstances but to date none of these circumstances has arisen.

The fair value of subordinated notes (level one valuation based on quoted prices in active markets) at 31 December 2024 is £276.4 million (2023: £329.8 million).

The Group's subordinated loan notes deed requires confirmation there is non-existence of the event of default or potential event of default. The Group monitors compliance and there are no indicators that the default covenants will be breached in the foreseeable future.

Other borrowings

The Group holds various revolving credit facilities including a £300.0 million facility which expires in April 2026 and a €100.0 million facility which expires in August 2025. As at 31 December 2024, £117.4 million was drawn under these facilities (2023: £55.0 million), which is shown within other borrowings in the table above. This is made up of £105.0 million from the sterling facility expiring April 2026 (2023: £35.0 million) and £12.4 million from the euro facility expiring August 2025 (2023: nil).

The carrying value is a reasonable approximation of fair value.

The Group's revolving credit facility agreement includes a covenant requiring that a percentage of the Group's Debt does not exceed an adjusted net assets valuation as well as confirmation of no default. The Group monitors compliance and there are no indicators that the covenants will be breached in the foreseeable future.

Loan backed securities

Asset backed senior loan note facilities of £1,000.0 million have been established in relation to the Admiral Money business (see note 2 for details of the accounting treatment of SPEs). As at the year end, £937.7 million (2023: £759.6 million) of these facilities had been utilised.

The carrying value is a reasonable approximation of fair value.

Lease liabilities

The Group leases various properties, with rental contracts typically for fixed periods of 5 to 25 years although these may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

For each lease, a right-of-use asset and corresponding lease liability is recognised at the date at which the leased asset becomes available for use by the Group.

The lease liability is initially measured at the present value of remaining lease payments, which include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that are based on an index or a rate
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of a similar value in a similar economic environment, with similar terms and conditions. Generally, the Group uses its incremental borrowing rate as the discount rate.

Subsequently, lease payments are allocated to the lease liability, split between repayments of principal and interest. A finance cost is charged to the profit and loss so as to produce a constant period rate of interest on the remaining balance of the lease liability.

Whereby a change in lease term is identified, the lease liability is recalculated based on the present value of the remaining lease payments.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

7. Loans and Advances to Customers

7a. Accounting policies

Loans and advances to customers consist of unsecured personal loans and car finance products.

Classification

Loans and advances to customers are measured at amortised cost. This is because assets are held in order to collect contractual cashflows and the contractual terms of the financial asset demand cash inflows which are solely payments of principal and interest on the principal amount outstanding.

Interest income and expense

Interest income received in relation to loans and advances to customers is calculated using the effective interest method which allocates interest, direct and incremental fees and costs over the expected lives of the assets and liabilities.

Interest expense is calculated using the effective interest rate appropriate to each source of funding.

Finance leases

Included within loans and advances to customers are personal contract purchase (PCP) and hire purchase (HP) arrangements which are classified as finance leases under IFRS 16. A receivable equal to the net investment in the lease has been recognised. The net investment is equal to the gross investment in the lease discounted at the rate implicit in the lease.

Lease interest income is recognised within interest income in the income statement over the term of the lease using the effective interest rate method.

The title to the underlying vehicle remains with the Group until the lessee has made all contractual payments, at which point ownership is transferred to the lessee. In the event of breach of contract, such as non-payment, the vehicle itself acts as collateral for the finance lease, becoming available for repossession in most cases.

Some of the ways in which the Group maintains its rights to the vehicle, and thus manages the risk of loss associated with the finance lease, include:

- The Group does not enter into any finance leases with a maximum loan-to-value limit, reducing the risk of shortfall on termination of the contract
- The Group requires the lessee to insure the underlying vehicle at all times, reducing the risk of non-recovery if the asset is stolen or destroyed
- The estimated future value of each vehicle, which is sourced externally, is considered in the pricing of the lease contracts to provide protection against deterioration in that value.

7b. Loans and advances to customers

	31 December 2024 £m	31 December 2023 £m
Loans and advances to customers – gross carrying amount	1,174.0	956.8
Loans and advances to customers – provision	(84.3)	(81.7)
Total loans and advances to customers – Admiral Money	**1,089.7**	**875.1**
Total loans and advances to customers – Other	**17.2**	**4.3**
Total loans and advances to customers	**1,106.9**	**879.4**

Loans and advances to customers are comprised of the following:

	31 December 2024 £m	31 December 2023 £m
Unsecured personal loans	1,155.6	937.7
Finance leases	18.4	19.1
Other	18.6	4.4
Total loans and advances to customers, gross	**1,192.6**	**961.2**

Fair value measurement

The loans and advances are recognised at fair value at the point of origination and then subsequently on an amortised cost basis. This carrying value is deemed a reasonable approximation of fair value, which is calculated based on estimates using the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Expected credit losses

The expected credit loss model is a three-stage model based on forward looking information regarding changes in the credit quality since origination. Credit risk is measured using a Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) defined as follows:

- Probability of Default (PD): The likelihood of an account defaulting; calibrated through analysis of historic customer behaviour. Where customers have already met the definition of default this is 100%. For customers that are not in default the PD is determined through analysis of historic default data using external and internal data sources available at the reporting date.
- Exposure at Default: The amount of balance at the time of default. For loans that are in arrears the EAD is taken as the current balance plus any expected interest arrears. For up-to-date loans the EAD is calculated as the expected balance 3 months prior to each period, plus 3 months of interest arrears to account for the time it takes to default following falling into arrears.
- Loss Given Default (LGD): The amount of the asset not recovered following a borrower's default, determined through analysis of historic recovery performance.

The PD is applied to the EAD to calculate the expected loss excluding recoveries. The LGD is then applied to this loss to calculate the total expected loss including recoveries. A forward-looking provision is also calculated, as set out later in this note.

Loan assets are segmented into three stages of credit impairment:

- Stage 1 – no significant increase in credit risk of the financial asset since inception;
- Stage 2 – significant increase in credit risk of the financial asset since inception;
- Stage 3 – financial asset is credit impaired.

For assets in stage 1, the allowance is calculated as the expected credit losses from events within 12 months after the reporting date. For assets in stages 2 and 3 the allowance is calculated as the expected credit loss from events in the remaining lifetime of each asset. The allowance is calculated for each loan at an individual level.

Significant increase in credit risk (SICR) (stage 2)

As explained above, stage 1 assets have an ECL allowing for losses in the next twelve months, and stage 2 or 3 assets have an ECL allowing for losses over the remaining lifetime of the contract. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not prescribe a definition of significant increase in credit risk but does include a rebuttable presumption that this does occur for loan assets which are 30 days past due (which the Group does not rebut).

The Group has deemed a significant increase in credit risk to have occurred where:

- The loan is in arrears, or
- The behavioural PD at reporting date has moved outside a specified threshold from the origination PD
- The customer is identified as being one or more payments in arrears on a credit product with a third party and reported to the credit reference agency.
- The customer has hit a watchlist of high-risk statuses.

The Group maintains two probation periods:

- where a customer is up to date but previously has been 30+ days past due they will be held in stage 2 for 6 months;
- where a customer is up to date but previously Credit impaired (stage 3) they will be held in stage 2 for 12 months.

A range of metrics including accuracy rates, false positive rates, oscillation rates and the Mathews correlation are monitored to ensure the SICR criteria is effective.

Credit impaired (stage 3)

The Group does not rebut the presumption within IFRS 9 that default has occurred when an exposure is greater than 90 days past due, which is consistent with a customer being three or more payments in arrears. In addition, a loan is deemed to be credit impaired where:

- There is an Individual Voluntary Arrangement (IVA) agreement confirmed or proposed, or
- Customer has started or progressed bankruptcy action, or
- An external repayment plan is in place, or
- A customer is deceased.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

As at 31 December 2024, there were 8,400 loans totalling £48.5 million that were subject to forbearance (2023: 7,300 loans totalling £40.1 million). Of these, 7,800 loans totalling £47.4 million are included within Stage 3 (2023: 7,300 loans totalling £40.1 million). Significant categories of forbearance arrangements include Bankruptcy, Debt Management Plans and Individual Voluntary Arrangements.

Judgements required – Post Model Adjustments ('PMA's)

As at 31 December 2024, the expected credit loss allowance included PMAs totalling £4.6 million (2023: £9.2 million).

Post Model Adjustments	31 December 2024 £m	31 December 2023 £m
Model performance	1.5	2.0
Cost of Living	1.3	6.5
Economic scenarios	1.8	0.7
	4.6	**9.2**

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

Model performance

The LGD model considers long run recoveries over a period of up to five years post default. A potential shortfall has been identified for customers that roll straight through the arrears buckets up the point of write off. Although this shortfall is immaterial, an adjustment has been made to ensure it is accounted for in our expected credit loss.

Cost of Living

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

Economic scenarios

A new econometric model has been implemented to derive our forward-looking view of ECL's. The model is sensitive to the timing of forecasted peaks in, for example, unemployment rates. Given increased uncertainty driven by geo-political events, management has made an adjustment equivalent to a six-month advancement in the peak point of each scenario.

Write off policy

Loans are written off where there is no reasonable expectation of recovery. The Group considers there to be no reasonable expectation of recovery where an extensive set of collections processes has been completed, the debt is statute barred, the debtor cannot be traced or is deceased, or in situations involving significant financial hardship. The Group's policy is to write down balances to their estimated net realisable value. Write offs are actioned on a case-by-case basis taking into account the operational position and the collections strategy.

Forward-looking information

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

Management judgment has been used to define the weighting and severity of the different scenarios based on available data.

As at December 2024 there are three key economic drivers of credit losses factored into the scenarios, as follows:

- UK Unsecured DTI
- UK Employment Hazard Rates
- Annual UK GDP % Change

The variables are combined using a statistical model which will estimate the relative change in the PD of an account for each scenario over the life of the loan. The Group has moved from a single variable model as at December 2023 (Unemployment) to model containing three drivers in recognition of the fact that there are multiple macroeconomic drivers which can influence the direction of default rates.

The scenario weighting assumptions used are detailed below, along with the annual peak for each economic driver assumed in each scenario at 31 December 2024.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

At 31 December 2024	For the Forecast Year Ended 2025 %	2026 %	2027 %	2028 %	2029 %
Base - 50%					
Gross domestic product	1.6	1.6	1.6	1.7	1.7
Unemployment rate	4.4	4.3	4.1	4.1	4.1
UK Household Unsecured Debt to Income	13.2	13.7	14.1	14.4	14.5
Upside - 10%					
Gross domestic product	2.7	3.0	1.8	1.6	1.8
Unemployment rate	4.2	3.8	3.8	3.8	3.8
UK Household Unsecured Debt to Income	12.6	12.3	11.9	12.2	12.3
Downside - 30%					
Gross domestic product	0.9	0.1	3.0	3.0	2.7
Unemployment rate	5.6	6.0	5.6	4.9	4.6
UK Household Unsecured Debt to Income	13.4	14.5	15.0	15.1	15.1
Severe - 10%					
Gross domestic product	0.8	(1.1)	2.6	3.4	3.1
Unemployment rate	6.6	8.0	7.9	6.8	6.1
UK Household Unsecured Debt to Income	13.6	15.0	15.7	15.9	16.1
Probability-weighted					
Gross domestic product	1.4	1.0	2.1	2.3	2.1
Unemployment rate	5.0	5.1	4.9	4.6	4.4
UK Household Unsecured Debt to Income	13.2	13.9	14.3	14.5	14.6

At 31 December 2023	For the Forecast Year Ended 2025 %	2026 %	2027 %	2028 %	2029 %
Base - 50%					
Gross domestic product	1.5	1.6	1.6	1.8	1.9
Unemployment rate	4.7	4.2	4.1	4.1	4.1
UK Household Unsecured Debt to Income	13.8	14.2	14.4	14.5	14.5
Upside - 10%					
Gross domestic product	2.7	2.4	2.1	1.6	1.4
Unemployment rate	3.6	3.7	3.8	3.9	3.9
UK Household Unsecured Debt to Income	12.5	12.4	12.5	12.5	12.4
Downside - 30%					
Gross domestic product	0.1	3.0	3.0	3.0	2.3
Unemployment rate	6.0	5.7	4.9	4.6	4.5
UK Household Unsecured Debt to Income	14.5	14.8	15.0	15.2	15.2
Severe - 10%					
Gross domestic product	(1.8)	3.0	3.9	3.9	3.0
Unemployment rate	8.0	8.0	6.7	5.9	5.4
UK Household Unsecured Debt to Income	15.1	15.7	15.9	16.1	16.2
Probability-weighted					
Gross domestic product	0.8	2.2	2.3	2.3	2.1
Unemployment rate	5.3	4.9	4.6	4.4	4.3
UK Household Unsecured Debt to Income	14.0	14.4	14.6	14.7	14.7

The economic scenarios and forecasts have been updated in conjunction with a third party economics provider. The probability weightings reflect the view that there is a probability of 40% attached to recessionary outcomes.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

Sensitivities to key areas of estimation uncertainty

The key areas of estimation uncertainty identified, as per note 2 to the financial statements, are in the PD and the forward-looking scenarios.

	31 December 2024 Weighting	31 December 2024 Sensitivity	31 December 2023 Weighting	31 December 2023 Sensitivity
Base	50%	(1.7)	50%	(1.1)
Upturn	30%	(3.3)	10%	(5.2)
Downturn	10%	2.9	30%	2.5
Severe	10%	6.3	10%	8.2

The sensitivities in the above tables show the variance to ECL that would be expected if the given scenario unfolded rather than the weighted position the provision is based on. At 31 December 2024 the implied weighted peak unemployment rate is 5.0%: the table shows that in a downturn scenario with a 5.6% peak unemployment rate the provision would increase by £2.9 million, whilst the upturn would reduce the provision by £3.3 million, base case reduce by £1.7 million and severe increase the provision by £6.3 million.

Stage 1 assets represent 86.6% of the total loan assets; 0.1% increase in the stage 1 PD, i.e. from 2.3% to 2.4% would result in a £0.8 million increase in ECL.

Amounts arising from ECL: loans and advances to customers

The following table sets out information about the credit quality of the loans and advances to customers measured at amortised cost. Credit grades are used to segment customers by apparent credit risk at the time of acquisition. Higher grades are the lowest credit risk with each subsequent grade increasing in expected credit risk. The Group does not have any purchased or originated credit impaired assets. These tables are inclusive of the finance lease assets which are held by the Group, further analysis of these balances can be found in note 7c.

All probability of default figures included in this paragraph allow for forward-looking information, i.e. the PDs are a weighted average from the economic scenarios considered and relate to the Admiral Money consumer lending business. The average probability of default in for stage 1 assets is 3.3% (2023: 2.2%) reflecting the expectation of defaults within 12 months of the reporting date. The average PD for assets in stage 2 is 29.9% (2023: 36.8%) reflecting expected losses over the remaining life of the assets. The PD for assets in stage 3 is 100% (2023: 100%) as these assets are deemed to have defaulted.

				31 December 2024	31 December 2023
	Stage 1 12 month ECL £m	Stage 2 Lifetime ECL £m	Stage 3 Lifetime ECL £m	Total £m	Total £m
Credit Grade[1]					
Higher	786.5	67.6	–	**854.1**	649.3
Medium	171.2	21.3	–	**192.5**	186.6
Lower	53.9	9.1	–	**63.0**	65.4
Credit impaired	–	–	64.4	**64.4**	55.5
Gross carrying amount	1,011.6	98.0	64.4	**1,174.0**	956.8
Expected credit loss allowance	(15.5)	(19.8)	(48.5)	**(83.8)**	(81.1)
Other loss allowance[2]	(0.5)	–	–	**(0.5)**	(0.6)
Carrying amount – Admiral Money	**995.6**	**78.2**	**15.9**	**1,089.7**	**875.1**
Carrying amount – Other	**16.8**	**0.3**	**0.1**	**17.2**	**4.3**
Carrying amount	**1,012.4**	**78.5**	**16.0**	**1,106.9**	**879.4**

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

2 Other loss allowance covers losses due to a reduction in current or future vehicle value or costs associated with recovery and sale of vehicles and those as a result of changes in the performance of the EIR asset.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

The following tables reconcile the opening and closing gross carrying amount and expected credit loss allowance. Loans originated in the year are initially classified as Stage 1. In the following tables, the loans are presented in line with their staging as at each year end.

2024	Stage 1 12-Month ECL £m	Stage 2 Lifetime ECL £m	Stage 3 Lifetime ECL £m	Total
Gross carrying amount as at 1 January 2024	**779.6**	**126.0**	**55.6**	**961.2**
Transfers				
Transfers from stage 1 to stage 2	(50.1)	50.1	–	–
Transfers from stage 1 to stage 3	(20.7)	–	20.7	–
Transfers from stage 2 to stage 1	45.4	(45.4)	–	–
Transfers from stage 2 to stage 3	–	(17.5)	17.5	–
Transfers from stage 3 to stage 1	0.3	–	(0.3)	–
Transfers from stage 3 to stage 2	–	1.2	(1.2)	–
Principal redemption payments	(355.9)	(49.9)	(7.0)	**(412.8)**
Write offs	–	–	(25.4)	**(25.4)**
EIR adjustment	1.1	(0.2)	–	**0.9**
New financial assets originated or purchased	629.6	34.0	5.1	**668.7**
Gross carrying amount as at 31 December 2024	**1,029.3**	**98.3**	**65.0**	**1,192.6**

Of the amounts written off during the year, £13.6 million related to loans which were still subject to enforcement activity (2023: £8.3 million). The loss allowance in place in relation to these loans at the time of writing off totalled £13.6 million (2023: £7.9 million).

The EIR adjustment represents incremental acquisition costs incurred when advancing loans. These costs are spread over the expected economic lives of the loans under the effective interest rate method.

2023	Stage 1 12-Month ECL £m	Stage 2 Lifetime ECL £m	Stage 3 Lifetime ECL £m	Total
Gross carrying amount as at 1 January 2023	**728.3**	**125.3**	**34.0**	**887.6**
Transfers				
Transfers from stage 1 to stage 2	(60.2)	60.2	–	–
Transfers from stage 1 to stage 3	(19.4)	–	19.4	–
Transfers from stage 2 to stage 1	51.7	(51.7)	–	–
Transfers from stage 2 to stage 3	–	(10.8)	10.8	–
Transfers from stage 3 to stage 1	0.3	–	(0.3)	–
Transfers from stage 3 to stage 2	–	0.8	(0.8)	–
Principal redemption payments	(315.0)	(48.8)	(5.5)	**(369.3)**
Write offs	–	–	(15.6)	**(15.6)**
EIR adjustment	0.3	0.2	0.2	**0.7**
New financial assets originated or purchased	393.6	50.8	13.4	**457.8**
Gross carrying amount as at 31 December 2023	**779.6**	**126.0**	**55.6**	**961.2**

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

2024	Stage 1 12-Month ECL £m	Stage 2 Lifetime ECL £m	Stage 3 Lifetime ECL £m	Total £m
Expected credit loss allowance as at 1 January 2024	**12.7**	**29.3**	**39.3**	**81.3**
Movements with a profit and loss impact				
Transfers				
Transfers from stage 1 to stage 2	(1.5)	3.0	–	**1.5**
Transfers from stage 1 to stage 3	(0.7)	–	1.5	**0.8**
Transfers from stage 2 to stage 1	4.6	(8.2)	–	**(3.6)**
Transfers from stage 2 to stage 3	–	(6.4)	6.4	**–**
Transfers from stage 3 to stage 1	0.1	–	(0.2)	**(0.1)**
Transfers from stage 3 to stage 2	–	0.3	(0.3)	**–**
Changes in PDs/LGDs/EADs	(8.4)	(5.0)	24.4	**11.0**
New financial assets originated or purchased	10.2	7.1	3.7	**21.0**
Total profit and loss charge in the period	**4.3**	**(9.2)**	**35.5**	**30.6**
Write-offs	–	–	(26.1)	**(26.1)**
Expected credit loss allowance as at 31 December 2024	**17.0**	**20.1**	**48.7**	**85.8**

2023	Stage 1 12-Month ECL £m	Stage 2 Lifetime ECL £m	Stage 3 Lifetime ECL £m	Total £m
Expected credit loss allowance as at 1 January 2023	**13.4**	**23.5**	**26.2**	**63.1**
Movements with a profit and loss impact				
Transfers				
Transfers from stage 1 to stage 2	(1.9)	5.0	–	**3.1**
Transfers from stage 1 to stage 3	(0.7)	–	1.9	**1.2**
Transfers from stage 2 to stage 1	3.4	(7.4)	–	**(4.0)**
Transfers from stage 2 to stage 3	–	(3.2)	3.2	**–**
Transfers from stage 3 to stage 1	–	–	(0.1)	**(0.1)**
Transfers from stage 3 to stage 2	–	0.3	(0.3)	**–**
Changes in PDs/LGDs/EADs	(9.5)	(1.4)	13.6	**2.7**
New financial assets originated or purchased	8.0	12.5	9.8	**30.3**
Total profit and loss charge in the period	**(0.7)**	**5.8**	**28.1**	**33.2**
Write-offs	–	–	(15.0)	**(15.0)**
Expected credit loss allowance as at 31 December 2023	**12.7**	**29.3**	**39.3**	**81.3**

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

7c. Finance lease receivables

Loans and advances to customers include the following finance leases. The Group is the lessor for leases of cars.

	31 December 2024 £m	31 December 2023 £m
Gross investment in finance leases, receivable		
Less than 1 year	7.8	7.0
Between 1 to 5 years	13.4	14.3
More than 5 years	–	–
	21.2	**21.3**
Unearned finance income	(2.8)	(2.2)
Net investment in lease receivables	**18.4**	**19.1**
Less impairment allowance	(0.3)	(0.3)
	18.1	**18.8**
Net investment in finance leases, receivable		
Less than 1 year	6.4	5.7
Between 1 to 5 years	12.0	13.4
More than 5 years	–	–
	18.4	**19.1**

The net investment in finance leases shown above includes an unguaranteed residual value of £0.2 million (2023: The net investment in finance leases shown above is net of the unguaranteed residual value of £0.2 million).

7d. Interest income

	31 December 2024 £m	31 December 2023 £m
From loans and advances to customers	107.9	90.2
From finance leases	1.2	2.0
From bank interest	4.4	2.7
	113.5	**94.9**

Interest income receivable is recognised in the income statement using the effective interest method, which calculates the amortised cost of the financial asset and allocates the interest income over the expected product life.

Notes to the consolidated financial statements continued
For the year ended 31 December 2024

7e. Interest expense

	31 December 2024 £m	31 December 2023 £m
Interest payable on loan backed securities	32.0	23.4
Interest payable on other credit facilities	5.2	3.4
Total interest expense[1]	**37.2**	**26.8**

1 Interest paid in total net of swaps during the year was £42.7 million (2023: £25.6 million).

8. Other revenue and co-insurer profit commission

8a. Accounting policies

(i) Composition of Other revenue and co-insurer profit commission

Other revenue falling within the scope of IFRS 15 *Revenue from Contracts with Customers* is generated from:

- Fee and commission revenue related to the sale of insurance contracts (see note 5).

Where additional fee and commission revenue is generated from the sale of insurance contracts, but that revenue is separable from the host insurance contract in accordance with the principles of IFRS 17, and the goods or services provided to the policyholder are distinct, the revenue is recognised applying IFRS 15.

- Revenue from the Group's law firm
- Comparison income

Other revenue also includes instalment income on insurance premium paid via instalments, where it is not recognised under IFRS 17 (see note 5) due to the income being separable from the host insurance contract. This instalment income is recognised over time in line with the provision of the service.

Co-insurer profit commission revenue falling within the scope of IFRS 15 *Revenue from Contracts with Customers* relates primarily to a contractual arrangement between the Group's insurance intermediary EUI Limited, and an external co-insurer (Great Lakes, a subsidiary of Munich Re) which underwrites a share of the UK Car Insurance business generated by EUI Limited.

(ii) Nature of goods and services

The following is a description of the principal activities within the scope of IFRS 15 from which the Group generates its other revenue.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

Products and services	Nature, timing of satisfaction of performance obligations and significant payment terms
Fee and commission revenue, including instalment income and administration fees: where the income is separable from the underlying insurance contract	The performance obligation is the provision of insurance intermediary services, being a successful sale of ancillary product at which point the performance obligation is met, and in the case of instalment income, the provision of credit. Revenue for intermediary services is therefore recognised at a point in time, whilst revenue for the provision of credit is recognised over time, matching the Group's provision of services. Where the Group has no remaining obligations, the revenue is recognised immediately. An allowance is made for expected cancellations where the customer may be entitled to a refund of amounts charged. Payment from revenue generated from policyholders is due immediately, or in line with direct debit instalments. Payments from external parties is due within 30 days of the period close.
Revenue from law firm	The performance obligation is the pursuit of the compensation from the at fault party's insurer on behalf of the customer. Once the case is settled the performance obligation is fully satisfied. Revenue is therefore recognised over time using the expected value method. This method values revenue by multiplying hours incurred on open cases by a 12-month realisable rate. The realisable rate is a probability weighted transaction price based on closed cases. The expected value method therefore results in revenue recognised being constrained to that where there is a high probability of no significant reversal. Revenue is recognised over time because the Group has an enforceable right to payment for performance completed to date and the work performed to date has no alternative use to the Group. A contract asset is recognised equal to the work performed up to the balance sheet date. Refer to note 6h for further detail of this balance. Payment is due within 28 days of invoice.
Profit commission from co-insurers	Profit commission is generated if an individual year is profitable, based on the premiums written and expenses and claims costs incurred. Given that the ultimate outcome of the claims cost is uncertain for a period of time until final settlement, profit commission is therefore variable. The cumulative profit commission recognised at each point in time is calculated in aggregate across the contract, in line with contract terms, based on a number of detailed inputs for each individual underwriting year, the most material of which are as follows: • Premiums, defined as gross premiums ceded including any instalment income, less reinsurance premium (for excess of loss reinsurance). • Insurance expenses incurred. • Claims costs incurred. Whilst the premiums and insurance expenses related to an underwriting year are typically fixed at the conclusion of each underwriting year and are not subject to judgement, the claims cost is subject to inherent uncertainty. This results in the co-insurer profit commission recognised under IFRS 15 being a variable amount. As such: • The Group uses the expected value method for the initial calculation of profit commission revenue, based on known premiums and expenses, and the best estimate of claims costs. • The variable revenue estimated using the expected value method above is constrained through the inclusion of the risk adjustment within the claims cost element of the calculation, with the profit commission recognised aligned to the IFRS 17 booked loss ratios, discounted at locked-in rates, and inclusive of finance expense. The inclusion of the risk adjustment constrains the cumulative profit commission revenue recognised to a level where there is a high probability of no significant reversal. The key methods, inputs and assumptions used to estimate the variable consideration of profit commission are therefore in line with those used for the calculation of claims liabilities, as set out in note 3 to the financial statements, with further detail also included in note 5. There are no further critical accounting estimates or judgements in relation to the recognition of profit commission.
Comparison income	The performance obligation is the provision of insurance intermediary services, at which point the performance obligation is met. Revenue is therefore recognised at a point in time.

Profit commission from reinsurers is within the scope of IFRS 17, and not within the scope of IFRS 15 Revenue from Contracts with Customers due to the nature of the income.

Under IFRS 17 a significant proportion of "Other revenue" recognised as insurance revenue given that it is not separable from the underlying insurance contract.

Notes to the consolidated financial statements continued
For the year ended 31 December 2024

8b. Disaggregation of revenue
In the following tables, other revenue is disaggregated by major products/service lines and timing of revenue recognition. The total revenue disclosed in the table of £189.6 million (2023: £205.7 million) represents total other revenue and co-insurer profit commission and is disaggregated into the segments included in note 4.

	31 December 2024				
	UK Insurance £m	International Insurance £m	Admiral Money £m	Other £m	Total Group £m
Major products/service line					
Fee and commission revenue	119.5	0.1	0.2	0.2	**120.0**
Revenue from law firm	16.3	–	–	–	**16.3**
Comparison income	–	–	–	–	**–**
Total other revenue	**135.8**	**0.1**	**0.2**	**0.2**	**136.3**
Profit commission from co-insurers	53.3	–	–	–	**53.3**
Total other revenue and co-insurer profit commission	**189.1**	**0.1**	**0.2**	**0.2**	**189.6**
Timing of revenue recognition					
Point in time	139.0	0.1	0.2	0.2	**139.5**
Over time	50.1	–	–	–	**50.1**
	189.1	**0.1**	**0.2**	**0.2**	**189.6**

	31 December 2023				
	UK Insurance £m	International Insurance £m	Admiral Money £m	Other £m	Total Group £m
Major products/service line					
Fee and commission revenue	107.2	–	0.1	–	**107.3**
Revenue from law firm	18.3	–	–	–	**18.3**
Comparison income	–	–	–	1.6	**1.6**
Total other revenue	**125.5**	**–**	**0.1**	**1.6**	**127.2**
Profit commission from co-insurers	76.5	2.0	–	–	**78.5**
Total other revenue and co-insurer profit commission	**202.0**	**2.0**	**0.1**	**1.6**	**205.7**
Timing of revenue recognition					
Point in time	160.4	2.0	0.1	1.6	**164.1**
Over time	41.6	–	–	–	**41.6**
	202.0	**2.0**	**0.1**	**1.6**	**205.7**

Profit commission analysis

	31 December 2024 £m	31 December 2023 £m
Underwriting year		
2020 & prior	51.7	76.5
2021	–	–
2022	–	–
2023	–	–
2024	1.6	–
Total UK Motor profit commission	**53.3**	**76.5**

9. Directly attributable and other expenses

9a. Accounting policies

(i) Directly attributable insurance expenses

Directly attributable expenses are cashflows that are directly attributable to a portfolio of insurance contracts and recognised as incurred insurance service expenses. See note 5a for details of the types of expenses recognised as directly attributable insurance expenses.

(ii) Other operating expenses

All other operating expenses are charged to the income statement in the period that they are incurred.

(iii) Employee benefits

As detailed in the Remuneration Committee Report, the key elements of employee remuneration are:

- Base salaries and pension contributions;
- Share based incentive plans;
- A discretionary bonus, (the 'DFSS Bonus'), rather than an annual cash bonus, that is based on the number of DFSS awards held and actual dividends paid out to shareholders.

Within note 9b, the charges for base salaries and pension contributions (and the related social security costs) are recognised within Administration and acquisition expenses, Expenses relating to additional products and fees and Other expenses based on the role of the employee.

Charges for the share-based incentive plans (and related social security costs) and discretionary bonus are included within share scheme charges. These charges are not shown as part of the result for each reportable segment, or within the expense ratio, due to them being materially comprised of an accounting charge in line with IFRS 2 Share-based payments which does not result in a cash payment to employees but instead results in an issue of new shares (resulting in a dilution of existing shares).

The rules of the share schemes ensure that the actual dilution level does not exceed 10% in any rolling ten-year period.

Base salaries and pension contributions

Base salaries and the related employer social security costs are charged to the income statement in the period that they are incurred.

The Group contributes to defined contribution personal pension plans for its employees. The contributions payable to these schemes are charged in the accounting period to which they relate.

Share based incentive plans and related social security costs

The Group operates a number of equity and cash settled compensation schemes for its employees, the main ones being:

- A Share Incentive Plan (SIP), which is in place for all UK employees encouraging wide share ownership across employees, and
- The Discretionary Free Share Scheme (DFSS). DFSS shares are typically awarded to managers, and for the majority of employees 50% of DFSS shares awarded are subject to financial and non-financial performance conditions. The financial performance conditions are Earnings per Share growth, Return on Equity and Total Shareholder Return vs. the FTSE 350 (excluding investment companies) over a three-year period. The non-financial performance conditions include measures for group net promoter scores, diversity and inclusion. The other 50% of DFSS shares awarded are guaranteed with continued employment.

For both schemes, employees must remain in employment three years after the award date (i.e. at the vesting date), otherwise the shares are forfeited.

The majority of these schemes are classed as equity settled under IFRS 2, due to the employees receiving shares (rather than cash) as consideration for the services provided.

For equity settled schemes, the charge which represents the fair value of the employee services received and to which is measured by reference to the fair value of the shares granted, is recognised as an expense, with a corresponding increase in equity, as shown in Consolidated statement of changes in equity (2024: £67.8 million; 2023: £63.3 million).

For the cash settled schemes, the expense recognised for the fair value of services received results in a corresponding increase in liabilities.

The key drivers and assumptions used to calculate the charge for the schemes over the three year vesting period are:

- The number of shares awarded, which is set at the start of each scheme. Details of the number of shares awarded for each scheme where shares remain unvested is set out in note 9f(iii).
- The fair value of the shares;
  - For the SIP, the fair value of the shares awarded is the share price at the award date. Awards under the SIP are entitled to receive dividends, and hence no adjustment is made to this fair value.
  - For the DFSS equity settled awards, awards are not eligible for dividends, although a discretionary bonus is currently paid equivalent to the dividend that would have been paid on the shareholding, hence the fair value of the shares is revised downwards to take account of these expected dividends.
  - For the DFSS cash settled awards, the fair value is based on the share price at the vesting date. The closing share price at the end of each reporting period is used as an approximation for the closing price at the end of the vesting period.
- Employee attrition rates, which impact the ultimate number of shares that vest.
- In the case of the DFSS, the vesting rates based on the performance conditions, which also impact the ultimate number of shares that vest.

The number of shares that have ultimately vested compared to those originally awarded is set out in note 9f(iv).

At each balance sheet date, the Group revises its assumptions on the number of shares which will ultimately vest based on the latest forecast information for attrition rates and, for the DFSS, the extent to which the performance conditions are met.

The financial impact as a result of any change in the assumptions is recognised through the income statement. Any significant changes in assumptions may therefore result in an increased / decreased charge in an accounting period as a result of this true-up of the expected cumulative charge required.

Social security costs on share-based incentive plans

Social security costs are incurred by the Group in respect of the share-based incentive plans, with the expense recognised over the vesting period for each share scheme. For the SIP, these costs are paid when the employees sell the shares after vesting (typically 3-5 years after the grant date). For the DFSS, the costs are paid immediately upon vesting.

The total social security costs are calculated based on the following:

- The taxable value of the shares, being:
  - For the SIP, the lower of the share price at award date and the share price at the balance sheet date.
  - For the DFSS, the share price at the balance sheet date.
- The number of shares expected to vest for each scheme, driven by the number of shares awarded, attrition rates and, for the DFSS, the vesting rate based on performance conditions.
- The appropriate social security rate.

These assumptions are updated at the end of each reporting period. The financial impact as a result of any change in the assumptions is recognised through the income statement. Any significant changes in assumptions may therefore result in an increased / decreased charge in an accounting period as a result of this true-up of the expected cumulative charge required.

Discretionary bonus on shares allocated but unvested

The cost of the DFSS bonus is recognised and paid in each period equivalent to the dividends on shares allocated to employees that are still entitled to vest but have not yet vested. The cost shown also includes the social security costs on the discretionary bonus. No accrual is made for future discretionary bonus payments due to there being no contractual obligation for such a bonus at the balance sheet date.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

9b. Operating expenses and share scheme charges

	31 December 2024		
	Directly attributable expenses £m	Other operating expenses £m	Total expenses £m
Administration and acquisition expenses	1,015.9	121.3	**1,137.2**
Expenses relating to additional products and fees	–	46.2	**46.2**
Share scheme expenses	58.6	35.3	**93.9**
Loan expenses (excluding movement on ECL provision)	–	29.9	**29.9**
Movement in expected credit loss provision	–	34.6	**34.6**
Profit on disposal of Insurify share option	–	(12.5)	**(12.5)**
Other[1]	–	73.4	**73.4**
Total	**1,074.5**	**328.2**	**1,402.7**

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

1 Other includes centralised costs primarily for employees and projects (2024: £49.9 million, 2023: £34.5 million), business development costs (2024: £19.9 million, 2023: £15.3 million) and other costs (2024: £3.6 million, 2023: £7.3 million).

9c. Employee costs and other expenses

	31 December 2024 £m	31 December 2023 £m
Salaries	470.7	439.4
Social security charges on salaries	49.3	45.5
Pension costs	17.4	16.5
Share scheme charges (see note 9f)	93.9	83.8
Total employee expenses	**631.3**	**585.2**
Depreciation charge:		
– Owned assets	10.0	11.2
– ROU assets	8.8	7.0
Amortisation charge:		
– Software, customer contracts, relationships and brand	61.6	40.3
Auditor's remuneration (including VAT) (total Group):		
– Fees payable for the audit of the Company's annual accounts	0.5	0.3
– Fees payable for the audit of the Company's subsidiary accounts	2.5	3.0
– Fees payable for audit related assurance services pursuant to legislation or regulation	1.2	1.1

£141,600 (inclusive of VAT) (2023: £146,000) was payable to the auditor for other services in the year.

Refer to the Corporate Governance Report for details of the Audit Committee's policy on fees paid to the Company's auditor for non-audit services. Audit fees are 71% (2023: 74%) of total fees and 29% (2023: 26%) of total fees are for non-audit services, which are classed as audit related assurance services under the FRC rules on non-audit services.

The majority of amortisation of software is charged to directly attributable expenses in the income statement.

Notes to the consolidated financial statements continued
For the year ended 31 December 2024

9d. Employee numbers (including Directors)

	Average for the year	
	31 December 2024 Number	31 December 2023 Number
Direct customer contact employees	9,754	8,365
Support employees	4,766	4,276
Total	**14,520**	**12,641**

9e. Directors' remuneration

(i) Directors' remuneration

	31 December 2024 £m	31 December 2023 £m
Directors' emoluments	1.2	1.2
Amounts receivable under SIP and DFSS share schemes	5.3	2.1
Company contributions to money purchase pension plans	0.1	—
Total[1]	**6.6**	3.3

1 Directors' remuneration is stated as that of the Executive Directors. For information on Non-Executive Directors' remuneration see the remuneration report.

(ii) Number of Directors

	2024 Number	2023 Number
Retirement benefits are accruing to the following number of Directors under:		
– Money purchase schemes	2	2

9f. Employee share schemes

Total share scheme costs for the Group are analysed below:

	31 December 2024		
	SIP charge (i) £m	DFSS charge (ii) £m	Total charge £m
IFRS 2 charge for equity settled share schemes	18.8	49.1	**67.9**
IFRS 2 charge for cash settled share schemes	–	3.2	**3.2**
Total IFRS 2 charge	**18.8**	**52.3**	**71.1**
Social security costs on IFRS 2 charge	1.6	8.7	**10.3**
Discretionary bonus on shares allocated but unvested	–	12.5	**12.5**
Total share scheme charges	**20.4**	**73.5**	**93.9**
Amounts recovered from co-and reinsurance arrangements			**(31.7)**
Net share scheme charges			**62.2**

	31 December 2023		
	SIP charge (i) £m	DFSS charge (ii) £m	Total charge £m
IFRS 2 charge for equity settled share schemes	17.0	46.3	**63.3**
IFRS 2 charge for cash settled share schemes	–	3.2	**3.2**
Total IFRS 2 charge	**17.0**	**49.5**	**66.5**
Social security costs on IFRS 2 charge	1.3	7.3	**8.6**
Discretionary bonus on shares allocated but unvested	–	8.7	**8.7**
Total share scheme charges	**18.3**	**65.5**	**83.8**
Amounts recovered from co-and reinsurance arrangements			(29.4)
Net share scheme charges			**54.4**

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

Share scheme charges are presented on a net basis within the strategic report, after allocations to co-insurers (in the UK and Italy) and reinsurers, in line with internal management reporting. The proportion of net to gross share scheme charges would be expected to be consistent in each period, at approximately 65%.

	Financial year ended 31 December 2024				
Analysis of gross cost	2021 & prior £m	2022 £m	2023 £m	2024 £m	Total cumulative charge to date £m
Year of share scheme - SIP					
2020	9.8	5.4	3.1	–	**18.3**
2021	4.4	5.4	5.3	3.1	**18.2**
2022[1]	–	3.1	5.3	5.8	**14.2**
2023[1]	–	–	3.3	6.0	**9.3**
2024[1]				3.9	**3.9**
Gross IFRS 2 costs – SIP			**17.0**	**18.8**	
Year of share scheme - DFSS					
2020	17.7	14.6	10.0	–	**42.3**
2021	4.9	13.4	19.2	11.9	**49.4**
2022[2]	–	3.5	14.9	16.2	**34.6**
2023[2]	–	–	5.4	18.0	**23.4**
2024[2]				6.2	**6.2**
Gross IFRS 2 costs - DFSS			**49.5**	**52.3**	
Total IFRS 2 costs			**66.5**	**71.1**	

1 Awards are made in March and September of each year, and vest over 36 months from award date. On the 2022 schemes, an average of 5 months' charge remains outstanding, on the 2023 schemes an average of 17 months' charge remains outstanding, and on the 2024 schemes an average of 29 months' charge remains outstanding.

2 The main award is made in September of each year, with smaller awards made at other points through the year. The shares vest over 36 months from award date. On the 2022 main DFSS, 9 months' charge remains outstanding; on the 2023 main DFSS 21 months' charge remains outstanding, and on the 2024 main DFSS, 33 months' charge remains outstanding.

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

Eligible UK based employees 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 and the maximum number of shares that can vest relating to the 2024 schemes is 929,237 (2023 schemes: 1,045,697; 2022 schemes: 872,728).

The awards are made at the discretion of the Remuneration Committee, taking into account the Group's performance.

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

Under the DFSS, details of which are contained in the remuneration policy section of the Directors' Remuneration Report, individuals receive an award of free shares at no charge.

The maximum number of shares that can vest relating to the 2024 schemes is 3,516,290 (2023 scheme: 3,360,665; 2022 scheme: 3,070,323).

The vesting percentage for most employees for the 2021 DFSS scheme which vested during 2024 was 68.6% (2020 DFSS scheme: 78.25%).

(iii) Number of free share awards committed at 31 December 2024

	Awards outstanding[1]
SIP 2022[2]	872,728
SIP 2023[2]	1,045,697
SIP 2024[2]	929,237
DFSS 2022[3]	3,070,323
DFSS 2023[3]	3,360,665
DFSS 2024[3]	3,516,290
Total awards committed	**12,794,940**

1 Being the maximum number of awards committed before accounting for expected employee attrition and vesting conditions

2 Shares are awarded in March and September of each year, and vest three years later

3 The main award is made in September of each year, with smaller awards made at other points through the year

Notes to the consolidated financial statements continued
For the year ended 31 December 2024

(iv) Number of free share awards vesting during the year ended 31 December 2024
During the year ended 31 December 2024, awards under the SIP H1 2021 and H2 2021 schemes and the DFSS 2021 schemes vested. The total number of awards vesting for each scheme is as follows.

	Original awards	Awards vested
SIP 2021 schemes	688,384	570,961
DFSS 2021 schemes	2,850,114	1,724,677

The difference between the original and vested awards reflects employee attrition (SIP schemes) and both employee attrition and the vesting outcomes based on performance conditions noted above (DFSS schemes).

The weighted average fair value of the shares granted in the year was £23.54 (2023: £20.48).

The weighted average market share price at the date of exercise for shares exercised during the year was £27.94 (2023: £23.28).

10. Taxation
10a. Accounting policies
Income tax on the profit or loss for the periods presented comprise of current and deferred tax.

(i) Current tax
Current tax is the expected tax payable on the taxable income for the period, using tax rates that have been enacted or substantively enacted by the balance sheet date, and includes any adjustment to tax payable in respect of previous periods.

Current tax related to items recognised in other comprehensive income is also recognised in other comprehensive income and not in the income statement.

(ii) Deferred tax
Deferred tax is provided in full using the balance sheet liability method, providing for temporary differences arising between the carrying amount of assets and liabilities for accounting purposes and the amounts used for taxation purposes.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted by the balance sheet date and that are expected to apply in the period when the liability is settled, or the asset is realised.

The principal temporary differences arise from carried forward losses, differences between tax capital allowances and depreciation of property, plant and equipment, reserve movements and share scheme charges.

The resulting deferred tax is charged or credited in the income statement, except to the extent it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets (including those relating to carried forward losses) are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit, other than in a business combination or for transactions that give rise to equal taxable and deductible temporary differences. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill. For the recognition of deferred tax assets, the probability of the availability of future taxable profits is determined by a combination of the existence of taxable temporary differences and reviewing future profit projections for the businesses.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

10b. Taxation

	31 December 2024 £m	31 December 2023 £m
Current tax		
Corporation tax on profits for the year	139.3	91.6
Under provision relating to prior periods	1.8	21.3
Pillar Two income taxes	15.4	–
Current tax charge	**156.5**	**112.9**
Deferred tax		
Current period deferred taxation movement	16.4	0.7
Under/(over) provision relating to prior periods	3.4	(8.0)
Total tax charge per Consolidated Income Statement	**176.3**	**105.6**

Factors affecting the total tax charge are:

	31 December 2024 £m	31 December 2023 £m
Profit before tax	**839.2**	**442.8**
Corporation tax thereon at effective UK corporation tax rate of 25% (2023: 23.5%)	209.8	104.1
Expenses and provisions not deductible for tax purposes	4.1	3.0
Non-taxable income	(21.3)	(13.4)
Impact of change in UK tax rate on deferred tax balances	–	(0.4)
Adjustments relating to prior periods	5.2	13.5
Impact of Pillar Two income taxes	15.4	–
Impact of different overseas tax rates	(45.5)	(8.9)
Unrecognised deferred tax	8.6	7.7
Total tax charge for the period as above	**176.3**	**105.6**

Corporation tax assets as at 31 December 2024 totaled £18.1 million, with corporation tax liabilities of £35.0 million (2023: £20.4 million asset and £4.9 million liabilities). Corporation tax liabilities includes £15.4 million (2023: £nil) relating to Pillar Two income taxes.

The UK corporation tax rate for 2024 is 25% (2023: 23.5%).

The Group are within the scope of the OECD Pillar Two model rules which aims to ensure that large, multinational corporations pay their fair share of tax in the countries in which they operate by introducing a new global minimum corporate income tax rate of 15%. Under the new rules, top-up taxes can be payable either by the UK ultimate parent company or by an overseas entity if a jurisdiction has an effective tax rate of less than 15%, as calculated under the rules. Legislation has been enacted in various countries (including the United Kingdom), with the rules first coming into effect for the Group from 1 January 2024.

A current tax expense of £15.4 million has been included in the total tax charge for the year ended 31 December 2024, which relates to estimated top-up taxes payable by a subsidiary undertaking in Gibraltar, where the statutory corporate tax rate applicable for the year ended 31 December 2024 is 13.8% (due to a change in the rate from 12.5% to 15% from 1 July 2024). No top-up taxes for the year ended 31 December 2024 are expected to arise in relation to operations in other countries. The Pillar Two rules are complex and the Group continues to monitor ongoing developments in legislation and guidance to assess the impact.

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

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

10c. Deferred income tax asset / (liability)

Analysis of deferred tax asset / (liability)

	Tax treatment of share schemes £m	Capital allowances £m	Carried forward losses £m	Fair value reserve £m	Hedging reserve £m	Insurance finance reserve £m	IFRS recognition difference £m[1]	Other differences £m	Total £m
Balance brought forward at 1 January 2023	**3.4**	**7.1**	**37.6**	**6.9**	**(7.0)**	**(19.8)**	**–**	**0.2**	**28.4**
Tax treatment of share scheme charges through income or expense	1.7	–	–	–	–	–	–	–	**1.7**
Tax treatment of share scheme charges through reserves	2.1	–	–	–	–	–	–	–	**2.1**
Capital allowances	–	(11.0)	–	–	–	–	–	–	**(11.0)**
Carried forward losses	–	–	15.9	–	–	–	–	–	**15.9**
Movement in fair value reserve	–	–	–	(5.7)	–	–	–	–	**(5.7)**
Movement in hedging reserve	–	–	–	–	4.5	–	–	–	**4.5**
Movement in insurance finance reserve	–	–	–	–	–	9.7	–	–	**9.7**
Other differences	–	–	–	–	–	–	–	0.5	**0.5**
Balance carried forward at 31 December 2023	**7.2**	**(3.9)**	**53.5**	**1.2**	**(2.5)**	**(10.1)**	**–**	**0.7**	**46.1**
Reallocation of brought forward deferred tax	–	–	(15.1)	–	–	–	15.1	–	**–**
Tax treatment of share scheme charges through income or expense	(0.9)	–	–	–	–	–	–	–	**(0.9)**
Tax treatment of share scheme charges through reserves	3.2	–	–	–	–	–	–	–	**3.2**
Capital allowances - deferred tax acquired in business combination (see note 13)	–	(9.1)	–	–	–	–	–	–	**(9.1)**
Capital allowances	–	4.8	–	–	–	–	–	–	**4.8**
Carried forward losses	–	–	(38.4)	–	–	–	–	–	**(38.4)**
Movement in fair value reserve	–	–	–	2.4	–	–	–	–	**2.4**
Movement in hedging reserve	–	–	–	–	1.0	–	–	–	**1.0**
Movement in insurance finance reserve	–	–	–	–	–	(3.8)	–	–	**(3.8)**
Movement in IFRS recognition differences	–	–	–	–	–	–	14.0	–	**14.0**
Other differences	–	–	–	–	–	–	–	0.5	**0.5**
Balance carried forward at 31 December 2024	**9.5**	**(8.2)**	**–**	**3.6**	**(1.5)**	**(13.9)**	**29.1**	**1.2**	**19.8**

1 Deferred tax on IFRS recognition differences is now separately disclosed with a £15.1 million reallocation of the brought forward deferred tax asset at 1 January 2024 included above. The majority of deferred tax on IFRS recognition differences relates to timing differences in the recognition of intragroup profit commission across subsidiaries in different tax jurisdictions.

Positive amounts presented above relate to a deferred tax asset position.

The deferred tax asset has decreased during the year, mainly relating to the utilisation of carried forward tax losses in the UK and Gibraltar. Remaining deferred tax assets are recognised as it is considered probable that there are sufficient future taxable profits available against which the assets can be utilised.

At 31 December 2024, the Group had unused tax losses amounting to £249.3 million (2023: £233.0 million) and other deductible timing differences of £57.5 million (2023: £43.4 million), relating primarily to the Group's businesses in the US and Spain for which no deferred tax assets have been recognised. This is due to uncertainty over the availability and timing of future taxable profits against which to utilise these deferred tax assets. The earliest expiry date for the US tax losses is 2031, with no expiry for the losses in Spain.

11. Other Assets and Other Liabilities

11a. Accounting policies

(i) Property and equipment, and depreciation

All property and equipment are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method to write off the cost less residual values of the assets over their useful economic lives. These useful economic lives are as follows:

Improvements to short leasehold buildings	– four to ten years
Computer equipment	– two to four years
Office equipment	– four years
Furniture and fittings	– four years
Right-of-use assets	– two – twenty years, aligned to lease agreement

As set out further in note 6i to the financial statements, a right-of-use asset is established in relation the Group's lease arrangements.

The right-of-use asset is measured at cost, which comprises the following:

- The amount of the initial measurement of lease liability (note 6i to the financial statements)
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs.

The right-of-use asset is subsequently depreciated over the shorter of the lease term and the asset's useful life on a straight-line basis.

The Group does not have any significant leases which qualify for the short-term leases or leases of low-value assets exemption.

(ii) Impairment of property and equipment

In the case of property and equipment, carrying values are reviewed at each balance sheet date to determine whether there are any indicators of impairment. If any such indicators exist, the asset's recoverable amount is estimated and compared to the carrying value. The carrying value is the higher of the fair value of the asset less costs to sell and the asset's value in use. Impairment losses are recognised through the income statement.

(iii) Intangible assets

Goodwill

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

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

The goodwill held on the balance sheet at 31 December 2024 includes goodwill from acquisition of EUI Limited which has been allocated to the UK insurance segment, and goodwill arising from the acquisition of Home and Pet renewal rights from RSA Insurance Group Limited which has been allocated to the UK Pet and Household CGUs.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

Impairment of goodwill

The annual impairment review involves comparing the carrying amount to the estimated recoverable amount (by allocating the goodwill to CGUs) and recognising an impairment loss if the recoverable amount is lower. Impairment losses are recognised through the income statement and are not subsequently reversed.

The recoverable amount is the greater of the fair value of the asset less costs to sell and the value in use of the CGU.

The value in use calculations use cashflow projections based on financial budgets approved by management covering a period of up to five years.

The key assumptions used in the value in use calculations are those regarding revenue growth, along with expected changes in pricing and expenses incurred during the forecast period. Management estimates revenue growth rates and changes in pricing based on past practices and expected future changes in the market.

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

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

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

Brand (included within Customer contracts, relationships and brand)

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

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

Software

Purchased software is recognised as an intangible asset and amortised over its expected useful life (generally the license term which is typically between 2 and 4 years). Internally generated software is recognised as an intangible asset, with directly attributable costs incurred in the development stage capitalised. The internally generated software assets are amortised over the expected useful life of the systems (generally between 3 and 4 years) and amortisation commences when the software is available for use.

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

(iv) Provisions, contingent liabilities and contingent assets

Provisions are recognised when a legal or constructive obligation arises as a result of an event that occurred before the balance sheet date, when a cash-outflow relating to this obligation is probable and when the amount can be estimated reliably.

Where a material obligation exists, but the likelihood of a cash outflow or the amount is uncertain, or where there is a possible obligation arising from a past event that is contingent on a future event, a contingent liability is disclosed.

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of future events. Where it is probable that a cash inflow will arise from a contingent asset, this is disclosed.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

11b. Property and equipment

£m	Improvements to short leasehold buildings	Computer equipment	Office equipment	Furniture and fittings	ROU Asset - Leasehold buildings	Total
Cost						
At 1 January 2023	37.5	73.9	21.4	10.7	95.0	**238.5**
Additions	3.5	4.9	0.2	0.7	3.3	**12.6**
Impairment	–	–	–	–	6.1	**6.1**
Disposals	(10.9)	(20.8)	(2.8)	(1.9)	(5.6)	**(42.0)**
Foreign exchange and other movements	(0.4)	(0.7)	(0.5)	0.1	1.1	**(0.4)**
At 31 December 2023	**29.7**	**57.3**	**18.3**	**9.6**	**99.9**	**214.8**
Depreciation						
At 1 January 2023	28.1	61.1	19.5	9.2	30.8	**148.7**
Charge for the year	3.1	6.4	0.9	0.8	7.0	**18.2**
Impairment	–	–	–	–	(0.2)	**(0.2)**
Disposals	(9.5)	(20.8)	(2.8)	(1.7)	(5.4)	**(40.2)**
Foreign exchange and other movements	(0.1)	(0.9)	(0.4)	0.1	(0.5)	**(1.8)**
At 31 December 2023	**21.6**	**45.8**	**17.2**	**8.4**	**31.7**	**124.7**
Net book amount						
At 31 December 2023	**8.1**	**11.5**	**1.1**	**1.2**	**68.2**	**90.1**
Cost						
At 1 January 2024	29.7	57.3	18.3	9.6	99.9	**214.8**
Additions	2.6	5.4	0.5	0.2	17.4	**26.1**
Impairment	(0.6)	(3.2)	(0.6)	–	–	**(4.4)**
Disposals	(15.5)	(16.4)	(8.2)	(2.5)	(8.5)	**(51.1)**
Foreign exchange and other movements	(0.3)	(0.3)	(0.1)	(0.2)	(0.8)	**(1.7)**
At 31 December 2024	**15.9**	**42.8**	**9.9**	**7.1**	**108.0**	**183.7**
Depreciation						
At 1 January 2024	21.6	45.8	17.2	8.4	31.7	**124.7**
Charge for the year	2.8	6.3	0.5	0.4	8.8	**18.8**
Impairment	(0.5)	(2.8)	(0.4)	–	–	**(3.7)**
Disposals	(15.5)	(16.4)	(8.1)	(2.5)	(0.2)	**(42.7)**
Foreign exchange and other movements	(0.2)	(0.2)	(0.1)	(0.1)	(0.6)	**(1.2)**
At 31 December 2024	**8.2**	**32.7**	**9.1**	**6.2**	**39.7**	**95.9**
Net book amount						
At 31 December 2024	**7.7**	**10.1**	**0.8**	**0.9**	**68.3**	**87.8**

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

11c. Intangible assets

	Goodwill £m	Customer contracts, relationships and brand £m	Software – Internally generated £m	Software – Other £m	Total £m
At 1 January 2023	**62.3**	**–**	**136.4**	**18.9**	**217.6**
Additions	–	7.9	51.1	7.7	**66.7**
Amortisation charge	–	–	(34.8)	(5.5)	**(40.3)**
Disposals	–	–	(0.1)	–	**(0.1)**
Impairment	–	–	(0.2)	–	**(0.2)**
Foreign exchange movement & other movements	–	–	(0.4)	(0.4)	**(0.8)**
At 31 December 2023	**62.3**	**7.9**	**152.0**	**20.7**	**242.9**
Additions	49.8	44.5	48.8	3.1	**146.2**
Amortisation charge	–	(2.8)	(54.5)	(4.3)	**(61.6)**
Disposals	–	–	(0.3)	(0.4)	**(0.7)**
Impairment	–	–	(3.5)	(0.9)	**(4.4)**
Transfers	–	–	6.2	(6.2)	**–**
Foreign exchange movement & other movements	–	(0.3)	(0.6)	(0.5)	**(1.4)**
At 31 December 2024	**112.1**	**49.3**	**148.1**	**11.5**	**321.0**

Customer contracts, relationships and brand includes Home and Pet renewal rights which has a net carrying value of £34.5 million as at 31 December 2024 and an amortisation period of 9 years for Home renewal rights and 14 years for Pet renewal rights. See note 13 for further information. Internally generated software includes a new claims system implemented within the UK business in the year which has a carrying amount of £33.2 million as at 31 December 2024 and a remaining amortisation period of 2.8 years.

Goodwill relates to the acquisition of Group subsidiary EUI Limited (formerly Admiral Insurance Services Limited) in November 1999, and on the purchase of the direct Home and Pet renewal rights from the RSA Insurance Group Limited ('RSA') in April 2024. The carrying amount of goodwill as at 31 December 2024 is £112.1 million (2023: £62.3 million).

Goodwill is tested for impairment annually and whenever there is an indication of impairment at the level of the CGU to which it is allocated. Annual impairment reviews have indicated that the estimated recoverable value of the asset is greater than the carrying amount and therefore no impairment losses have been recognised.

Only one year of forecasts is required to support the recoverable value of goodwill from EUI acquisition. Given the short time period used to support the recoverable amount, no terminal growth rate or discounting is applied.

With regards to the goodwill arising from RSA acquisition, the recoverable amount of the CGU has been determined based on a value in use calculation using discounted cash flow projections based on financial budgets approved by the board of directors covering a five-year period and a pre-tax discount rate of 15%. Cash flows beyond the five year period are extrapolated into perpetuity as the fifth year represents a reasonable estimate of a steady state of business. No long term growth rate has been applied to the perpetuity calculations.

The key assumptions on which the cash flow projections are based on forecast growth in premiums written, related expenses and claims costs. The forecasts are based on past experience adjusted for market trends and strategic decisions made in respect of the Pet and Household lines of business.

Refer to the accounting policy for goodwill for further information.

Notes to the consolidated financial statements continued
For the year ended 31 December 2024

11d. Trade and other payables

	31 December 2024 £m	31 December 2023 £m
Trade payables	52.4	42.3
Other tax and social security	12.5	11.9
Amounts owed to co-insurers	—	156.9
Other payables	34.0	42.5
Accruals and deferred income	76.4	52.2
Total trade and other payables	**175.3**	**305.8**
Analysis of accruals and deferred income		
Accruals	48.2	28.3
Deferred income	28.2	23.9
Total accruals and deferred income as above	**76.4**	**52.2**

11e. Leases

The Group occupies various properties under leasing arrangements that are now recognised as right of use assets and lease liabilities.

Amounts recognised in the Statement of Financial Position are as follows:

	31 December 2024 £m	31 December 2023 £m
Lease liabilities		
Current	8.6	13.7
Non-Current	71.0	67.5
Total	**79.6**	**81.2**

See note 11b for right of use assets depreciation and the carrying amount of right of use asset at the end of the reporting period. Only one class of underlying assets is identified as leasehold buildings. Total cash outflows in relation to leases is disclosed under 6i.

The Group has no significant financial commitments other than those accounted for as right of use assets and lease liabilities under IFRS 16.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

11f. Contingent liabilities

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

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

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

The Group notes the ongoing Court of Appeal ruling relating to non-disclosure of commission to dealers in relation to motor finance. Prior to the Group's re-launch of motor finance lending, all lending was through price comparison websites. The Group had no lending through dealers and no discretionary commission structures in place. Accordingly the Group does not have an ongoing exposure to commission arrangements of this nature and therefore has not recognised any contingent liability in relation to the case.

The Group continues to monitor regulatory developments, including the Supreme Court decision which is expected later in 2025, ensuring the customer acquisition practices remain fully aligned with legal and regulatory requirements and industry best practices.

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 advisors if appropriate, and in cases where it is concluded that it is more likely than not that a payment will be made, a provision is established to reflect the best estimate of the liability. In some cases it will not be possible to form a view, for example if the facts are unclear or because further time is needed to properly assess the merits of the case or form a reliable estimate of its financial effect. In these circumstances, specific disclosure of a contingent liability and an estimate of its financial effect will be made where material, unless it is not practicable to do so.

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

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

12. Dividends, Earnings and Related Parties

The Group's capital includes share capital and the share premium account, other reserves which are comprised of the fair value reserve, insurance finance reserve, hedging reserve and foreign exchange reserve, and retained earnings.

12a. Accounting policies

(i) Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets.

(ii) Fair value reserve

For investments recognised as fair value through other comprehensive income (FVOCI), changes in fair value are accumulated within the fair value reserve within equity except for impairment gains and losses which are recognised in the income statement. The accumulated changes in fair value are transferred to profit or loss when the investment is derecognised or reclassified.

(iii) Hedging reserve

The hedging reserve includes the cash flow hedge reserve. The cash flow hedge reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges. Amounts are subsequently reclassified to profit or loss as appropriate.

(iv) Insurance finance reserve

The insurance finance reserve relates to the impact of changes in market interest rates on the value of the insurance and reinsurance assets and liabilities. These changes are reflected in the insurance finance reserve in order to minimise accounting mismatches between the accounting for financial assets and insurance assets and liabilities.

(v) Dividends

Dividends are recorded in the period in which they are declared and paid.

(vi) Earnings per share

Basic earnings per share is calculated by dividing profit or loss attributable to equity holders of the Group Parent Company, Admiral Group plc by the weighted average number of ordinary shares during the period.

Diluted earnings per share is calculated by dividing profit or loss attributable to equity holders of the Group Parent Company by the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

Notes to the consolidated financial statements continued
For the year ended 31 December 2024

12b. Dividends
Dividends were proposed, approved and paid as follows:

	31 December 2024 £m	31 December 2023 £m
Proposed March 2023 (52.0 pence per share, approved April 2023 and paid June 2023)	–	154.9
Declared August 2023 (51.0 pence per share, paid October 2023)	–	152.2
Proposed March 2024 (52.0 pence per share, approved April 2024 and paid May 2024)	156.2	–
Declared August 2024 (71.0 pence per share, paid October 2024)	213.6	–
Total dividends	**369.8**	**307.1**

The dividends proposed in March (approved in April) represent the final dividends paid in respect of the 2022 and 2023 financial years. The dividends declared in August are interim distributions in respect of 2023 and 2024.

A 2024 final dividend of 121.0 pence per share (approximately £366.6 million) has been proposed. Refer to the financial narrative for further detail.

12c. Earnings per share

	31 December 2024 £m	31 December 2023 £m
Profit for the financial year after taxation attributable to equity shareholders	663.3	338.0
Weighted average number of shares – basic	306,304,676	303,989,170
Unadjusted earnings per share – basic	216.6p	111.2p
Weighted average number of shares – diluted	306,304,676	305,052,941
Unadjusted earnings per share – diluted	216.6p	110.8p

The difference between the basic and diluted number of shares at the end of 2024 (being nil; 2023: 1,063,771) relates to awards committed, but not yet issued under the Group's share schemes. Refer to note 9 for further detail.

12d. Share capital

	31 December 2024 £m	31 December 2023 £m
Authorised		
500,000,00 ordinary shares of 0.1 pence	0.5	0.5
Issued, called up and fully paid		
306,304,676 ordinary shares of 0.1 pence	0.3	0.3

During 2024, nil (2023: 3,466,950) new ordinary shares of 0.1 pence were issued to the two trusts administering the Group's share schemes and 817,386 (2023: nil) existing shares were transferred from the Admiral Group Employee Benefit Trust ('EBT') to the Admiral Group Share Incentive Plan Trust ('SIP').

Nil (2023: 806,950) new shares were issued to the SIP for the purposes of this share scheme, resulting in cumulative shares issued and transferred in to the SIP at 31 December 2024 of 15,317,635 (2023: 14,500,249). Of the shares issued or transferred, 4,078,403 shares remain in the Trust at 31 December 2024 (2023: 4,028,579). These shares are entitled to receive dividends.

Nil (2023: 2,660,000) new shares were issued to the EBT for the purposes of the Discretionary Free Share Scheme, resulting in cumulative shares issued to the EBT net of transfers to the SIP of 32,391,641 (2023: 33,209,027). Of the shares issued, 3,324,258 remain in the Trust at 31 December 2024 (2023: 5,868,352) to be used for future vesting.

The balance of awards made to employees under the Discretionary Free Share Scheme that have not either vested or lapsed is 9,357,119 (2023: 8,755,431).

The Trustees have waived the right to dividend payments, other than to the extent of 0.001 pence per share, unless and to the extent otherwise directed by the Company from time to time.

There is one class of share with no unusual restrictions.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

12e. Group related undertakings

The Parent Company's subsidiaries are as follows:

Subsidiary	**Class of shares held**	**% Ownership**	**Principal Activity**
Incorporated in England and Wales			
Registered office: Ty Admiral, David Street, Cardiff, United Kingdom, CF10 2EH			
Admiral Law Limited	Ordinary	95	Legal Company
Able Insurance Services Limited	Ordinary	100	Insurance Intermediary
EUI Limited[2]	Ordinary	100	Insurance Intermediary
Admiral Insurance Company Limited	Ordinary	100	Insurance Company
Admiral Syndicate Limited	Ordinary	100	Dormant[1]
Admiral Syndicate Management Limited	Ordinary	100	Dormant[1]
Admiral Financial Services Limited	Ordinary	100	Financial Services Company
Incorporated in Gibraltar			
Registered office: 2Aa 2nd Floor, Leisure Island Business Centre, 23, Ocean Village Promenade, Gibraltar, GX11 1AA			
Admiral Insurance (Gibraltar) Limited	Ordinary	100	Insurance Company
Incorporated in France			
Registered office: 128 Rue la Boétie, 75008 Paris			
Pioneer Intermediary Europe Services	Ordinary	100 (indirect)	Insurance Intermediary
Incorporated in Italy			
Registered office: Via Della Bufalotta 374, 00139 Roma			
Admiral Financial Services Italia S.P.A.	Ordinary	100	Financial Services Company
Incorporated in Spain			
Registered office: Calle Rodríguez Marín 61 1ª Planta, 28016 Madrid			
Admiral Europe Compañía de Seguros, S.A.	Ordinary	100	Insurance Company
Registered office: Calle Albert Einstein, 10 41092 Sevilla			
Admiral Intermediary Services S.A.[3]	Ordinary	100	Insurance Intermediary
Incorporated in the United States of America			
Registered office: 8801 Park Central Drive, Suite 500, Richmond, VA 23227			
Elephant Insurance Company	Ordinary	100 (indirect)	Insurance Company
Grove General Agency Inc	Ordinary	100 (indirect)	Insurance Intermediary
Platinum General Agency Inc	Ordinary	100 (indirect)	Insurance Intermediary
Registered office: Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801			
Elephant Insurance Services LLC	Ordinary	100 (indirect)	Insurance Intermediary
Elephant Holding Company LLC	Ordinary	100	Holding Company
Subsidiaries by virtue of control			
The related undertakings below are subsidiaries in accordance with IFRS 10, as Admiral can exercise dominant influence or control over them:			
Registered office: 10th Floor, 5 Churchill Place, London, E14 5HU			
Seren One Limited	n/a	0	Special Purpose Entity
Seren Two Limited	n/a	0	Special Purpose Entity
Associates			
Registered office: Capital Tower, Greyfriars Road, Cardiff, Wales, CF10 3AD			
Wagonex Limited	Ordinary	22.80 (indirect)	Internet-based Subscription Platform

1 Exempt from audit under S480 of Companies Act 2006
2 EUI Limited has branches in India and Canada
3 Admiral Intermediary Services S.A. has branches in Italy and France

For further information on how the Group conducts its business across the UK, Europe and the US, refer to the Strategic Report.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

12f. Related party transactions

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

A summary of the remuneration of key management personnel is as follows, with further detail relating to the remuneration and shareholdings of key management personnel set out in the Directors' Remuneration Report.

Key management personnel received short term employee benefits in the year of £5,038,734 (2023: £2,900,278), post-employment benefits of £63,255 (2023: £30,000) and share based payments of £2,868,616 (2023: £1,608,776). Key management personnel are able to obtain discounted motor insurance at the same rates as all other Group employees, typically at a reduction of 15%.

12g. Post balance sheet events

During February 2025, the Group entered into an agreement with a third party which resulted in the sale of back book loans with a total carrying value of around £150 million. This agreement, signed after the reporting date, provides for the transfer of these loans to the counterparty in accordance with the agreed terms. Accordingly, no adjustment has been made to the financial statements for the year ended 31 December 2024.

The financial impact of the sale, including any gain arising from the transaction, will be recognised in the Group's financial statements for the year ending 31 December 2025.

In early March 2025, Admiral entered into a memorandum of understanding with a counterparty with a view to signing a purchase agreement to sell Elephant. The agreement, if signed, would be subject to regulatory approval.

No further events have occurred since the reporting date that materially impact these financial statements.

13. Business combinations

As at 2nd April 2024, Admiral successfully completed the purchase of the direct Home and Pet renewal rights from the RSA Insurance Group Limited ('RSA'), a general insurer based in the UK. The transaction includes the renewal rights, the "More Than" brand and the transfer of more than 280 people but does not include liabilities relating to existing policies which will remain with RSA. The acquisition is closely aligned to Admiral's strategy to diversify its product offering and build multi-product customer relationships in its core markets. It will strengthen Admiral's home business and accelerate its direct pet proposition launched in 2022.

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

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

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

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

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

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

The policies in relation to the acquisition started renewing in July 2024. As at 31 December 2024, transaction costs of £6.5 million have been recognised within operating expenses, along with integration costs of £11.9 million within insurance expenses.
The impact of the acquisition if it had happened as at the start of the reporting period is impractical for disclosure given the nature of the trade and assets acquired for integration.

The acquisition contributed £42.3 million of total premiums written and £9.9 million of insurance revenue, and £3.8 million of expenses for the period between the date of acquisition and the reporting date. Due to the acquired renewal rights being fully integrated into the existing business lines, it is impracticable to separately identify the specific profit contributions..

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

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

	Note	31 December 2024 £m	31 December 2023 £m
Insurance revenue related movement in liability for remaining coverage	5b	**4,776.2**	**3,486.1**
Less other insurance revenue		(281.7)	(202.8)
Insurance premium revenue		**4,494.5**	**3,283.3**
Movement in unearned premium and cancellations		346.7	528.3
Premiums written after coinsurance		**4,841.2**	**3,811.6**
Co-insurer share of written premiums		778.4	577.8
Total premiums written		**5,619.6**	**4,389.4**
Other insurance revenue	5b	281.7	202.8
Other revenue	8	136.3	127.2
Interest income on loans to customers		109.1	92.1
Turnover as per note 4 of financial statements		**6,146.7**	**4,811.5**

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

Appendix 1 to the Group Financial Statements (unaudited)

The following tables reconcile significant Key Performance Indicators (KPIs) and non-GAAP measures included in the Strategic Report to items included in the financial statements.

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

	31 December 2024				
£m	**Consolidated Financial Statement Note**	**Core product**	**Ancillary income**	**Total gross**	**Total, net of XoL reinsurance**
Insurance premium revenue		4,329.9	164.6	4,494.5	4,329.4
Administration fees, instalment income and non-separable ancillary commission		–	281.7	281.7	281.7
Insurance revenue (A)	5b/5d	4,329.9	446.3	4,776.2	4,611.1
Insurance expenses (B)	5c	(951.4)	(64.5)	(1,015.9)	(1,015.9)
Claims incurred (C)	5c/5d	(2,976.9)	(61.1)	(3,038.0)	(2,980.7)
Claims releases (D)	5c/5d	556.8	3.2	559.9	425.1
Claims incurred and releases excluding Ogden[1] (E)					(2,661.7)
Quota share reinsurance result[2 4]					(294.1)
Onerous loss component movement[3]					1.5
Underwriting result (F)					**747.0**
Net share scheme costs[4]					(36.7)
Insurance service result					**710.3**
Reported loss ratio ((C+D)/A)					**55.4%**
Reported loss ratio excluding Ogden[1] (E/A)					**57.7%**
Reported expense ratio (B/A)					**22.0%**
Insurance service margin (F/A)					**16.2%**

	31 December 2023				
£m	**Consolidated Financial Statement Note**	**Core product**	**Ancillary income**	**Total gross**	**Total, net of XoL reinsurance**
Insurance premium revenue		3,152.3	131.0	3,283.3	3,170.6
Administration fees, instalment income and non-separable ancillary commission		–	202.8	202.8	202.8
Insurance revenue (A)	5b/5d	3,152.3	333.8	3,486.1	3,373.4
Insurance expenses (B)	5c	(795.2)	(41.6)	(836.8)	(836.8)
Claims incurred (C)	5c/5d	(2,624.6)	(40.5)	(2,665.1)	(2,605.8)
Claims releases (D)	5c/5d	440.6	–	440.6	447.3
Quota share reinsurance result[2 4]					(40.4)
Onerous loss component movement[3]					4.9
Underwriting result (E)					**342.6**
Net share scheme costs[4]					(36.8)
Insurance service result					**305.8**
Reported loss ratio ((C+D)/A)					**63.9%**
Reported expense ratio (B/A)					**24.8%**
Insurance service margin (E/A)					**10.2%**

1 Excludes benefit from the Ogden discount rate change

2 Quota share reinsurance result excludes quota share reinsurers' share of share scheme costs and movement in onerous loss-recovery component

3 Onerous loss component movement is shown net of all reinsurance

4 Net share scheme costs of £36.7 million (2023: £36.8 million), being gross costs of £58.6 million (2023: £55.3 million, see note 5c) less reinsurers' share of share scheme costs of £21.9 million (2023: £18.5 million) are excluded from the underwriting result.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

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

	31 December 2024					
£m	**Consolidated Financial Statement Note**	**Core product**	**Ancillary income[1]**	**Total gross**	**Total, net of XoL reinsurance**	**Core product, net of XoL**
Total premiums written		4,006.6	151.1	4,157.7	4,033.3	3,882.2
Gross premiums written		3,234.1	151.1	3,385.2	3,284.7	3,133.6
Insurance premium revenue		3,020.7	139.8	3,160.5	3,062.4	2,922.5
Instalment income		—	155.9	155.9	155.9	–
Administration fees & non-separable ancillary commission		—	53.1	53.1	53.1	–
Insurance revenue (A)	5b/5d	3,020.7	348.8	3,369.5	3,271.4	2,922.5
Insurance expenses (B)	5c	(530.9)	(55.9)	(586.8)	(586.8)	(530.9)
Claims incurred (C)	5c/5d	(2,051.5)	(55.6)	(2,107.2)	(2,078.1)	(2,022.5)
Claims incurred excluding Ogden (D)		(2,078.5)	(55.6)	(2,134.1)	(2,105.1)	(2,049.5)
Claims releases (E)	5c/5d	493.4	2.7	496.1	374.6	371.9
Claims releases excluding Ogden (F)		414.2	2.7	416.9	295.4	292.7
Insurance service result, gross of quota share reinsurance		**931.7**	**240.0**	**1,171.7**	**981.1**	**741.0**
Quota share reinsurance result[2]					(228.8)	(228.8)
Onerous loss component movement					1.1	1.1
Underwriting result (G)					**753.4**	**513.3**
Current period loss ratio (C/A)					**63.5%**	**69.2%**
Claims releases (E/A)					**(11.4%)**	**(12.7%)**
Reported loss ratio ((C+E)/A)					**52.1%**	**56.5%**
Reported expense ratio (B/A)					**17.9%**	**18.2%**
Insurance service margin (G/A)					**23.0%**	**17.6%**
Current period loss ratio excluding Ogden (D/A)					**64.3%**	**70.1%**
Claims releases excluding Ogden (F/A)					**(9.0%)**	**(10.0%)**
Reported loss ratio excluding Ogden ((D+F)/A)					**55.3%**	**60.1%**

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

	31 December 2023					
£m	Consolidated Financial Statement Note	Core product	Ancillary income[1]	Total gross	Total, net of XoL reinsurance	Core product, net of XoL
Total premiums written		3,004.3	113.9	3,118.2	3,016.8	2,903.0
Gross premiums written		2,453.9	113.9	2,567.8	2,485.0	2,371.1
Insurance premium revenue		2,007.6	107.8	2,115.4	2,053.8	1,946.0
Instalment income		–	99.0	99.0	99.0	–
Administration fees non-separable ancillary commission		–	35.8	35.8	35.8	–
Insurance revenue (A)	5b/5d	2,007.6	242.6	2,250.2	2,188.6	1,946.0
Insurance expenses (B)	5c	(416.8)	(34.4)	(451.2)	(451.2)	(416.8)
Claims incurred (C)	5c/5d	(1,719.9)	(35.6)	(1,755.5)	(1,729.0)	(1,693.4)
Claims releases (D)	5c/5d	406.9	–	406.9	392.8	392.8
Insurance service result, gross of quota share reinsurance		**277.8**	**172.6**	**450.4**	**401.2**	**228.6**
Quota share reinsurance result[2]					(16.8)	(16.8)
Onerous loss component movement					4.1	4.1
Underwriting result (E)					**388.5**	**215.9**
Current period loss ratio (C/A)					**79.0%**	**87.0%**
Claims releases (D/A)					**(17.9%)**	**(20.2%)**
Reported loss ratio ((C+D)/A)					**61.1%**	**66.8%**
Reported expense ratio (B/A)					**20.6%**	**21.4%**
Insurance service margin (E/A)					**17.8%**	**11.1%**

1 Ancillary income combined with other net income is presented as part of UK motor insurance other revenue in reporting "Other revenue per vehicle". Total other revenue was £321.8 million (2023: £247.3 million).

2 Net share scheme costs of £29.6 million (2023: £32.1 million), being gross costs of £40.7 million (2023: £43.2 million, see note 5c) less reinsurers' share of share scheme costs of £11.1 million (2023: £11.1 million) are excluded from the underwriting result.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

1c. Reconciliation of reported loss and expense ratios: UK Non-Motor

£m	Consolidated Financial Statement Note	UK Household	UK Travel & Pet	UK Non-Motor	UK Household, net of XoL reinsurance
	31 December 2024				
Insurance revenue (A)	5b/5d	399.6	104.3	503.9	376.4
Insurance expenses (B)	5c	(102.9)	(56.0)	(158.9)	(102.9)
Claims incurred in the period (C)	5c/5d	(233.7)	(64.5)	(298.2)	(225.7)
Changes in liabilities for incurred claims (releases) (D)	5c/5d	46.3	5.1	51.4	37.0
Insurance service result, gross of quota share reinsurance		**109.3**	**(11.1)**	**98.2**	**84.8**
Quota share reinsurance result[1]					(61.2)
Onerous loss component movement					–
Underwriting result (E)					**23.6**
Current period loss ratio (C/A)					**60.0%**
Claims releases (D/A)					**(9.9%)**
Reported loss ratio ((C+D)/A)					**50.1%**
Reported expense ratio (B/A)					**27.3%**
Insurance service margin (E/A)					**6.3%**

£m	Consolidated Financial Statement Note	UK Household	UK Travel & Pet	UK Non-Motor	UK Household, net of XoL reinsurance
	31 December 2023				
Insurance revenue (A)	5b/5d	292.8	53.8	346.6	275.3
Insurance expenses (B)	5c	(80.9)	(27.4)	(108.3)	(80.9)
Claims incurred in the period (C)	5c/5d	(223.5)	(31.4)	(254.9)	(199.8)
Changes in liabilities for incurred claims (releases) (D)	5c/5d	8.3	0.8	9.1	6.4
Insurance service result, gross of quota share reinsurance		**(3.3)**	**(4.2)**	**(7.5)**	**1.0**
Quota share reinsurance result[1]					(1.4)
Onerous loss component movement					–
Underwriting result (E)					**(0.4)**
Current period loss ratio (C/A)					**72.6%**
Claims releases (D/A)					**(2.4%)**
Reported loss ratio ((C+D)/A)					**70.2%**
Reported expense ratio (B/A)					**29.4%**
Insurance service margin (E/A)					**(0.1%)**

1 Net share scheme costs of £1.6 million (2023: £0.7 million), being gross costs of £5.4 million (2023: £2.4 million, see note 5c) less reinsurers' share of share scheme costs of £3.8 million (2023: £1.7 million) are excluded from the underwriting result.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

1d. Reconciliation of reported loss and expense ratios: International

	31 December 2024		
£m	**Consolidated Financial Statement Note**	**Total gross**	**Total, net of XoL reinsurance**
Insurance revenue (A)	5b/5d	829.5	794.2
Insurance expenses (B)	5c	(236.5)	(236.5)
Claims incurred in the period less changes in liabilities for incurred claims (C)	5c/5d	(572.6)	(564.5)
Insurance service result, gross of quota share reinsurance		**20.4**	**(6.8)**
Quota share reinsurance result[1]			(4.1)
Onerous loss component movement			0.4
Underwriting result (D)			**(10.5)**
Reported loss ratio (C/A)			**71.1%**
Reported expense ratio (B/A)			**29.8%**
Insurance service margin (D/A)			**(1.3%)**

	31 December 2023		
£m	**Consolidated Financial Statement Note**	**Total gross**	**Total, net of XoL reinsurance**
Insurance revenue (A)	5b/5d	842.6	811.8
Insurance expenses (B)	5c	(249.4)	(249.4)
Claims incurred in the period less changes in liabilities for incurred claims (C)	5c/5d	(596.9)	(565.2)
Insurance service result, gross of quota share reinsurance		**(3.7)**	**(2.8)**
Quota share reinsurance result[1]			(22.1)
Onerous loss component movement			0.6
Underwriting result (D)			**(24.3)**
Reported loss ratio (C/A)			**69.6%**
Reported expense ratio (B/A)			**30.7%**
Insurance service margin (D/A)			**(3.0%)**

1 Net share scheme costs of £4.3 million (2023: £3.2 million), being gross costs of £11.1 million (2023: £8.9 million, see note 5c) less reinsurers' share of share scheme costs of £6.8 million (2023: £5.7 million) are excluded from the underwriting result.

Notes to the consolidated financial statements continued

For the year ended 31 December 2024

Appendix 2 to the Group Financial Statements (unaudited)

The following table of non-GAAP measures illustrates the sensitivity of profit and loss (before tax) arising from the impact of 100 and 200 basis point increases and decreases in interest rates over the financial year 2024.

2a. Additional sensitivities to interest rate risk

	31 December 2024		
	Insurance contract liabilities and reinsurance contract assets		Cash and investments
£m	Impact on profit before tax gross of reinsurance	Impact on profit before tax net of reinsurance	Impact on profit before tax
Increase of 100 basis points	25.9	25.9	19.9
Decrease of 100 basis points	(28.5)	(28.5)	(19.9)
Increase of 200 basis points	49.8	49.8	39.8
Decrease of 200 basis points	(60.6)	(60.6)	(39.8)

Changes impact profit before tax as follows:

- Interest revenue and other finance costs on floating-rate financial instruments (assuming that interest rates had varied by 100 basis points during the year)
- Changes in fixed-rate financial instruments measured at FVTPL
- Changes in the discounted fulfilment cashflows of onerous contracts
- Insurance claims expenses, reinsurance claims recoveries and finance income or expenses recognised in profit or loss, as a result of discounting future cashflows at a revised locked-in rate for the current period (i.e. assuming that interest rates had varied by 100 basis points during the year).

Parent Company financial statements

Parent Company Income Statement

	Note	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Administrative expenses	2	(51.4)	(29.9)
Operating loss		**(51.4)**	**(29.9)**
Investment and other interest income	3	592.8	362.8
Impairment expense	4	(29.7)	(37.2)
Gain/(loss) on disposal of subsidiaries		12.5	(3.2)
Interest payable	6	(26.1)	(20.4)
Profit before tax		**498.1**	**272.1**
Taxation credit	7	14.8	12.1
Profit after tax		**512.9**	**284.2**

Parent Company Statement of Comprehensive Income

	Note	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Profit for the period		**512.9**	**284.2**
Other comprehensive income			
Items that are or may be reclassified to profit or loss			
Movement in fair value reserve		(10.8)	13.4
Deferred tax in relation to movement in fair value reserve	7	2.7	(3.4)
Other comprehensive income for the period, net of income tax		**(8.1)**	**10.0**
Total comprehensive income for the period		**504.8**	**294.2**

Parent Company financial statements continued

For the year ended 31 December 2024

Parent Company Statement of Financial Position

	Note	As at 31 December 2024 £m	As at 31 December 2023 £m
ASSETS			
Investments in group undertakings	4	445.2	426.2
Intangible assets	5	–	–
Financial investments	6	263.2	220.2
Corporation tax asset	7	–	9.0
Deferred tax asset	7	0.9	10.0
Trade and other receivables	8	306.8	227.6
Cash and cash equivalents	6	3.6	5.0
Total assets		**1,019.7**	**898.0**
EQUITY			
Share capital	10	0.3	0.3
Share premium account		13.1	13.1
Fair value reserve		0.3	8.4
Retained earnings	10	348.3	137.2
Total equity		**362.0**	**159.0**
LIABILITIES			
Subordinated and other financial liabilities	6	376.3	370.2
Trade and other payables	9	281.4	368.8
Total liabilities		**657.7**	**739.0**
Total equity and total liabilities		**1,019.7**	**898.0**

The accompanying notes form part of these financial statements.

These financial statements were approved by the Board of Directors on 5 March 2025 and were signed on its behalf by:

Geraint Jones
Chief Financial Officer
Admiral Group plc

Company Number: 03849958

Parent Company financial statements continued

For the year ended 31 December 2024

Parent Company Statement of Changes in Equity

	Note	Share capital £m	Share premium account £m	Fair value reserve £m	Retained earnings £m	Total equity £m
At 1 January 2023		0.3	13.1	(1.6)	96.7	**108.5**
Profit for the period		–	–	–	284.2	**284.2**
Other comprehensive income						
Movements in fair value reserve	10	–	–	13.4	–	**13.4**
Deferred tax charge in relation to movements in fair value reserve	7	–	–	(3.4)	–	**(3.4)**
Total comprehensive income/(expense) for the period		**–**	**–**	**10.0**	**284.2**	**294.2**
Transactions with equity holders						**–**
Dividends	10	–	–	–	(307.1)	**(307.1)**
Issues of share capital	10	–	–	–	–	**–**
Share scheme credit		–	–	–	63.3	**63.3**
Deferred tax on share scheme credit		–	–	–	0.1	**0.1**
Total transactions with equity holders		**–**	**–**	**–**	**(243.7)**	**(243.7)**
As at 31 December 2023		**0.3**	**13.1**	**8.4**	**137.2**	**159.0**
At 1 January 2024		0.3	13.1	8.4	137.2	**159.0**
Profit for the period		–	–	–	512.9	**512.9**
Other comprehensive income		–	–	–	–	**–**
Movements in fair value reserve	10	–	–	(10.8)	–	**(10.8)**
Deferred tax charge in relation to movements in fair value reserve	7	–	–	2.7	–	**2.7**
Total comprehensive income/(expense) for the period		**–**	**–**	**(8.1)**	**512.9**	**504.8**
Transactions with equity holders						**–**
Dividends	10	–	–	–	(369.8)	**(369.8)**
Issues of share capital	10	–	–	–	–	**–**
Share scheme credit		–	–	–	67.8	**67.8**
Deferred tax on share scheme credit		–	–	–	0.2	**0.2**
Total transactions with equity holders		**–**	**–**	**–**	**(301.8)**	**(301.8)**
As at 31 December 2024		**0.3**	**13.1**	**0.3**	**348.3**	**362.0**

Notes to the Parent Company Financial Statements continued

For the year ended 31 December 2024

1. Accounting policies

1.1. Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The financial statements are prepared on the historical cost basis except for the revaluation of financial assets classified as fair value through the profit or loss or as fair value through other comprehensive income. The Parent Company financial statements are presented alongside the consolidated financial statements which can be found on page 426.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK ('Adopted IFRSs') but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Admiral Group plc is considered to be the parent entity and the ultimate parent Company of the Group.

1.2. Changes to accounting policies

No changes to accounting policies have been made in the period which have a material impact.

1.3. Disclosure exemptions applied under FRS 101

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- FRS 101.8 (a): the requirements of paragraph 45(b) and 46 to 52 of IFRS 2 *Share-based payment*
- FRS 101.8 (d): the requirement of IFRS 7 *Financial Instruments: Disclosure* to make disclosures about financial instruments
- FRS 101.8 (f): the requirement in paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of: paragraph 118(3) of IAS 38 Intangible Assets
- FRS 101.8 (g): the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 *Presentation of Financial Statements* to produce a cashflow statement, a third balance sheet and to make an explicit and unreserved statement of compliance with IFRSs
- FRS 101.8 (h): the requirements of IAS 7 *Statements of Cashflows* to produce a cashflow statement
- FRS 101.8 (i): the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* to include a list of new IFRSs that have been issued but that have yet to be applied
- FRS 101.8 (k): the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to transaction is wholly owned by such a member

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

1.4. Going concern

The financial statements have been prepared on a going concern basis. In considering the appropriateness of this assumption, the Board have reviewed the Company's projections for the next twelve months and beyond, including cashflow forecasts and regulatory capital surpluses.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

1.5. Critical accounting judgements and key source of estimation uncertainty

In applying the Company's accounting policies as described below, management consider there to be a key source of estimation uncertainty within the impairment testing of the Company's investments in group undertakings. Management recognises the estimation involved in determining whether the carrying value of the investment may be supported by the recoverable amount calculation based on the 'value in use' of the asset (the net present value of future cash-flows arising from the asset).

In calculating the net present value of future cash-flows, Management has made assumptions over the timing and amount of underlying profit projections of the relevant undertakings, long term growth rates in those projections and the discount rate applied to these projections that is appropriate to reflect the market's view of the risk of the relevant investment. Sensitivity of these assumptions is also considered in calculating the net present value and suitably incorporated in Management's valuations.

No key accounting judgements have been made in the process of applying the Company's accounting policies.

Notes to the Parent Company Financial Statements continued

For the year ended 31 December 2024

1.6. Shares in Group undertakings

Shares in Group undertakings are valued at cost less any provision for impairment in value.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Company's investments in subsidiaries. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases. See note 4 to these financial statements for further detail.

1.7. Employee share schemes

The Company operates a number of share schemes for employees of the Group's subsidiaries. For equity settled schemes, the fair value of the employee services received in exchange for the grant of free shares under the schemes is recognised as an increase in equity in the Company. A corresponding intercompany charge is made to the subsidiaries whose employees receive the free shares. For further detail, see note 9 in the consolidated financial statements.

1.8. Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax assets are recognised to the extent that they are regarded as recoverable. They are regarded as recoverable to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be sufficient taxable profits from which the future reversal of the underlying timing differences can be deducted.

1.9. Financial assets and financial liabilities

Under IFRS 9, classification and subsequent measurement of financial assets depend on:

- The Company's business model for managing the asset; and
- The cashflow characteristics of the asset.

Based on these factors, the Company classifies its financial assets into one of the three categories below:

- Amortised cost: assets held for collection of contractual cashflows where the cashflows represent solely payments of principal and interest, that are not designated as FVTPL.
- Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cashflows and selling the assets, where the assets' cashflows represent solely payments of principal and interest, and that are not designated at FVTPL.
- Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI, or which are designated as FVTPL at initial recognition.

In line with the above:

- Corporate debt securities, gilts and government debt securities are measured at FVOCI. Unrealised changes in the fair value of these assets are recognised in Other Comprehensive Income (OCI). The recognition of impairment gains or losses and interest revenue are recognised in the profit or loss.
- Investments measured at FVTPL are primarily money market funds. Interest income is recognised in the Income statement.

The expected credit loss model is used to calculate any impairment to be recognised for all assets measured at amortised cost, as well as financial investments measured at FVOCI.

Cash and cash equivalents include cash in hand and deposits held at call with banks. All cash and cash equivalents are measured at amortised cost.

The Company's financial liabilities comprise of subordinated notes and revolving credit facilities which are held at amortised cost using the effective interest method.

1.10. Intangible Assets

Purchased software licences are classified as an intangible asset and stated in the balance sheet at a cost less accumulated amortisation. Software is amortised from the point at which the asset is operational and is amortised over the licence period.

1.11. Trade and other receivables

Trade and other receivables are measured at amortised cost, less any impairment.

1.12. Trade and other payables

Trade and other payables are measured at amortised cost.

Notes to the Parent Company Financial Statements continued

For the year ended 31 December 2024

2. Administrative expenses

Included within administrative expenses are re-charges of £12.6 million (2023: £7.1 million) relating to employees within the Group who perform services on behalf of the Company. No employees are directly employed by the Company.

3. Investment and interest income

	31 December 2024 £m	31 December 2023 £m[1]
Dividend income from subsidiary undertakings	578.0	357.5
Interest income - other	3.2	1.3
Interest income at effective interest rate	11.6	7.6
Loss on disposal of Gilts	–	(3.6)
Total investment and interest income	**592.8**	**362.8**

1 Restated due to an error in allocation of £5.9 million between 'Interest income at effective interest rate' and 'Interest income - other'.

4. Investments in Group undertakings

	£m
Investments in subsidiary undertakings:	
At 1 January 2023	421.6
Additions	41.7
Disposals	–
Impairments	(37.1)
As at 31 December 2023	**426.2**
Additions	48.7
Disposals	–
Impairments	(29.7)
As at 31 December 2024	**445.2**

A full list of the Company's subsidiaries is disclosed in note 12 of the consolidated financial statements.

The additions to investments in the period of £48.7 million relate to the following:

- Further investment in Admiral Europe Compañía de Seguros ('AECS') (£35.2 million);
- Further investment in Able Insurance Services Limited ('Able') (£5.0 million);
- Further investment in Admiral Financial Services Italia S.P.A ('AFSI') (£8.5 million).

An annual impairment review is performed over the carrying value of the investments in subsidiary undertakings, which involves comparing the carrying amount to the estimated recoverable amount. The recoverable amount is the greater of the fair value of the asset less costs to sell, and the value in use of the subsidiary, calculated using cashflow projections based on financial budgets approved by the Group Board.

Notes to the Parent Company Financial Statements continued

For the year ended 31 December 2024

Elephant

In 2024 a non-cash impairment loss of £19.2 million (2023: £19.5 million) has been recognised by the Parent Company in respect of its investment in the Group's US Insurance business Elephant. The impairment charge is to bring the value of the investment to its recoverable amount, being its fair value less costs to sell (equivalent to a net asset value). Since the impairment booked in H1 2024, Elephant have since made a profit: the impairment previously booked has not been reversed given the ongoing strategic review. The investment value held as at 31 December 2024 is £17.7 million (2023: £36.9 million). The impairment charge is presented within the "Impairment losses" line of the Parent Company Income Statement.

Able

In 2024 a non-cash impairment loss of £3.2 million (2023: £7.9 million) has been recognised by the Parent Company in respect of its investment in the Group's UK based insurance business Able. The impairment charge is to bring the value of the investment to its recoverable amount, being its fair value less costs to sell (equivalent of net asset value), of £7.9 million (2023: £6.1 million).

AFSI

In 2024 a non-cash impairment loss of £6.9 million (2023: £9.8 million) has been recognised by the Parent Company in respect of its investment in the Group's Italian loans business AFSI. The impairment charge is to reflect the loss incurred during 2023 to bring the value of the investment to its recoverable amount, being its fair value less costs to sell (equivalent of net asset value), of £6.2 million (2023: £4.7 million).

The Board continues to explore new adventures and is committed to supporting Able and AFSI in its diversification strategy.

The carrying value of Elephant, Able and AFSI is based on fair value less costs of disposal, for which the net assets has been used as a reasonable approximation, using tier 3 of the fair value hierarchy. Due to limitations on evidential market information and restrictions in readily available information, net assets have been used to estimate fair value less costs to sell.

Impairment charges is presented within the "Impairment losses" line of the Parent Company Income Statement.

5. Intangible Assets

	Software £m	Total £m
Cost		
At 1 January 2024	0.4	0.4
Additions	–	–
Disposal	–	–
At 31 December 2024	**0.4**	**0.4**
Amortisation		
At 1 January 2024	0.4	0.4
Charge for the year	–	–
Disposal	–	–
At 31 December 2024	**0.4**	**0.4**
Net Book Value		
At 31 December 2023	–	–
At 31 December 2024	**–**	**–**

Notes to the Parent Company Financial Statements continued

For the year ended 31 December 2024

6. Financial assets and liabilities

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

	31 December 2024 £m	31 December 2023 £m
Investments classified as FVOCI		
Gilts and government debt securities	128.0	134.6
Corporate debt securities	75.7	78.2
	203.7	**212.8**
Investments classified as FVTPL		
Money market and other similar funds (level 1 of the IFRS 13 hiearchy)	59.5	7.4
Total financial investments	**263.2**	**220.2**
Financial assets held at amortised cost		
Trade and other receivables (note 8)	306.8	227.6
Cash and cash equivalents	3.6	5.0
Total financial assets	**573.6**	**452.8**
Financial liabilities		
Subordinated notes	258.9	315.2
Other borrowings	117.4	55.0
Trade and other payables (note 9)	281.4	368.8
Total financial liabilities	**657.7**	**739.0**

The amortised cost carrying amount of deposits and receivables is a reasonable approximation of fair value.

The table below compares the carrying value of subordinated notes (as per the Statement of Financial Position) with the fair value of the subordinated notes using a level one valuation:

	31 December 2024 £m		31 December 2023 £m	
	Carrying amount £m	Fair value £m	Carrying amount £m	Fair value £m
Financial liabilities				
Subordinated notes	258.9	276.4	315.2	329.8

On 24 July 2024, the remaining 27.55% (£55.1 million) of subordinated loan notes issued on 25 July 2014 was repurchased.

The subordinated notes balance at 31 December 2024 consists of notes issued on 6 July 2023 at a fixed rate of 8.5%, with a total value of £250 million and a redemption date of 6 January 2034.

Total interest payable of £26.1 million (2023: £20.4 million) was recognised, of which £23.0 million (2023: £17.5 million) was in relation to the subordinated loan notes.

Notes to the Parent Company Financial Statements continued
For the year ended 31 December 2024

7. Taxation
7a. Taxation credit

	31 December 2024 £m	31 December 2023 £m
Current tax		
Corporation tax credit on profits for the year	26.2	9.0
Change in provision relating to prior periods	0.6	(9.3)
Current tax credit	**26.8**	**(0.3)**
Deferred tax		
Current period deferred taxation movement	(12.0)	0.2
Change in provision relating to prior periods	–	12.2
Total tax credit per income statement	**14.8**	**12.1**

The UK corporation tax rate for 2024 is 25% (2023: 23.5%).

Factors affecting the total tax credit are:

	31 December 2024 £m	31 December 2023 £m
Profit before tax	**498.1**	**272.1**
Corporation tax thereon at effective UK corporation tax rate of 25% (2023: 23.5%)	124.5	63.9
Expenses and provisions not deductible for tax purposes	9.0	10.9
Adjustments relating to prior periods	(0.6)	(2.9)
Non-taxable income	(147.7)	(84.0)
Total tax credit for the period as above	**(14.8)**	**(12.1)**

At the year end, the corporation tax asset was £nil million (2023: £9.0 million).

Notes to the Parent Company Financial Statements continued

For the year ended 31 December 2024

7b. Deferred income tax (asset)/liability

Analysis of deferred tax (asset)/liability

	Tax treatment of share schemes £m	Carried forward losses £m	Fair value reserve £m	Total £m
Balance brought forward at 1 January 2023	**(0.3)**	**–**	**(0.6)**	**(0.9)**
Tax treatment of share scheme charges through income or expense	(0.2)	–	–	**(0.2)**
Tax treatment of share scheme charges through reserves	(0.1)	–	–	**(0.1)**
Carried forward losses	–	(12.2)	–	**(12.2)**
Movement in fair value reserve	–	–	3.4	**3.4**
Balance carried forward at 31 December 2023	**(0.6)**	**(12.2)**	**2.8**	**(10.0)**
Tax treatment of share scheme charges through income or expense	(0.2)	–	–	**(0.2)**
Tax treatment of share scheme charges through reserves	(0.2)	–	–	**(0.2)**
Carried forward losses	–	12.2	–	**12.2**
Movement in fair value reserve	–	–	(2.7)	**(2.7)**
Balance carried forward at 31 December 2024	**(1.0)**	**–**	**0.1**	**(0.9)**

The recognition of deferred tax assets is supported by the expected future taxable profits of the UK group.

Legislation to introduce a global minimum effective tax rate of 15% known as the Pillar Two rules was substantively enacted in the UK on 20 June 2023 under Finance (No.2) Act 2023. The rules introduce a domestic top-up tax and multinational top-up tax effective for accounting periods starting on or after 31 December 2023. Although the rules are in effect for the year ended 31 December 2024, there is no current tax impact for the Parent Company as it is not expected to be liable for any top-up taxes. The Pillar Two rules are complex and the Group continues to monitor ongoing developments in legislation and guidance to assess the impact. The Parent Company has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023. Further information can be found in note 10 of the consolidated financial statements.

8. Trade and other receivables

	31 December 2024 £m	31 December 2023 £m
Trade and other receivables	4.9	2.8
Amounts owed by subsidiary undertakings	301.9	224.8
Total trade and other receivables	**306.8**	**227.6**

Held within amounts owed by subsidiary undertakings is £300.8 million (2023: £223.7 million) which relate to loans with formal agreements in place including interest rates set with reference to external funding arrangements, between the parent and the subsidiary. The loans are unsecured and will be settled by cash in accordance with the repayment terms specified in the agreement. The estimated credit losses of these loans has been considered and any expected credit loss is considered to immaterial due to the assessment of credit risk being low due to the positive net value of assets of the subsidiaries and future trading projections.

Of the above amount, £175.7 million is due in greater than one year (2023: £28.5 million).

Notes to the Parent Company Financial Statements continued

For the year ended 31 December 2024

9. Trade and other payables

	31 December 2024 £m	31 December 2023 £m
Trade and other payables	11.8	10.3
Amounts owed to subsidiary undertakings	269.6	358.5
Total trade and other payables	**281.4**	**368.8**

Held within amounts owed to subsidiary undertakings is £199.8 million (2023: £201.4 million) which relate to loans with formal agreements in place including interest charges between the parent and the subsidiary.

Of the above amount, £155.6 million is due in greater than one year (2023: £42.4 million).

10. Share capital and reserves

Capital within the Company is comprised of share capital and the share premium account, the fair value reserve (which reflects movements in the fair value of assets classified as FVOCI) and retained earnings. Further information can be found within note 12 of the consolidated financial statements.

10a. Share capital

	31 December 2024 £m	31 December 2023 £m
Authorised		
500,000,000 ordinary shares of 0.1 pence	0.5	0.5
Issued, called up and fully paid		
306,304,680 (2023: 306,304,680) ordinary shares of 0.1 pence	0.3	0.3
	0.3	**0.3**

10b. Dividends

Dividends were proposed, approved and paid as follows:

	31 December 2024 £m	31 December 2023 £m
Proposed March 2023 (52.0 pence per share, approved April 2023 and paid June 2023)	–	154.9
Declared August 2023 (51.0 pence per share, paid October 2023)	–	152.2
Proposed March 2024 (52.0 pence per share, approved April 2024 and paid May 2024)	156.2	–
Declared August 2024 (71.0 pence per share, paid October 2024)	213.6	–
Total dividends	**369.8**	**307.1**

The dividends proposed in March (approved in April) represent the final dividends paid in respect of the 2022 and 2023 financial years. The dividends declared in August are interim distributions in respect of 2023 and 2024.

A final dividend of 121.0 pence per share (£366.6 million) has been proposed in respect of the 2024 financial year. Refer to the Chair's Statement and Strategic Report for further detail.

The profit and loss account of the Parent Company does not include any unrealised profits, therefore the amount available for distribution by reference to these accounts is £348.3 million. Interim accounts will be laid before Companies House prior to payment of the 2024 Final Dividend in order to demonstrate that profits are available for distribution.

The Group also has substantial retained profits in its subsidiary companies which are expected to flow up to the Parent Company in due course, such that surplus cash generated can continue to be returned to shareholders.

Notes to the Parent Company Financial Statements continued

For the year ended 31 December 2024

11. Related party transactions

The Company has taken advantage of the exemptions permitted by Financial Reporting Standard 101.8 (k) and not disclosed details of transactions with other wholly owned group undertakings.

The Board considers that only the Executive and Non-Executive Directors of Admiral Group plc are key management personnel. See note 12 to the consolidated financial statements for further information.

12. Guarantees and contingent liabilities

During 2018, a Special Purpose Entity (SPE) was set up in order to secure additional funding for the Admiral Money business, with a second such SPE set up in October 2021. The Company acts as guarantor for certain operational performance conditions of its subsidiary, AFSL, as seller and servicer for the SPEs, and indemnifies AFSL in respect of any amount that would have been payable by AFSL for non-compliance with such performance conditions.

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

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

13. Post balance sheet events

No events have occurred since the reporting date that materially impact these financial statements.

14. Continued application of Financial Reporting Standard (FRS) 101 - Reduced Disclosure Framework

Following the first time application of FRS 101 Reduced Disclosure Framework in 2015, the Board considers that it is in the best interests of the Group for Admiral Group plc to continue to apply the FRS 101 Reduced Disclosure Framework in future periods. A shareholder or shareholders holding in aggregate 5% or more of the total allotted shares in Admiral Group plc may serve objections to the use of the disclosure exemptions on Admiral Group plc, in writing, to its registered office (Tŷ Admiral, David Street, Cardiff CF10 2EH) no later than 30 June 2025.

Glossary

Alternative Performance Measures

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

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

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

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

Turnover	Turnover is defined as total premiums written (as below), Other insurance revenue, Other revenue and interest income from Admiral Money. It is reconciled to financial statement line items in note 14 to the financial statements. This measure has been presented by the Group in every Annual Report since it became a listed Group in 2004. It reflects the total value of the revenue generated by the Group and analysis of this measure over time provides a clear indication of the size and growth of the Group. The measure was developed as a result of the Group's business model. The UK Car insurance business has historically shared a significant proportion of the risks with Munich Re, a third party reinsurance Group, through a co-insurance arrangement, with the arrangement subsequently being replicated in some of the Group's international insurance operations. Premiums and claims accruing to the external co-insurer are not reflected in the Group's income statement and therefore presentation of this metric enables users of the Annual Report to see the scale of the Group's insurance operations in a way not possible from taking the income statement in isolation.
Total Premiums Written	Total premiums written are the total forecast premiums, net of forecast cancellations written in the underwriting year within the Group, including co-insurance. It is reconciled to financial statement line items in note 14 to the financial statements. This measure has been presented by the Group in every Annual Report since it became a listed Group in 2004. It reflects the total premiums written by the Group's insurance intermediaries and analysis of this measure over time provides a clear indication of the growth in premiums, irrespective of how co-insurance agreements have changed over time. The reasons for presenting this measure are consistent with that for the Turnover APM noted above.
Underwriting result (profit or loss)	For each insurance business an underwriting result is presented. This shows the insurance segment result before tax excluding investment income, finance expenses, co-insurer profit commission and other net income. It excludes both gross share scheme costs and any assumed quota share reinsurance recoveries on those share scheme costs. The calculations and compositions of the underwriting result are presented within Appendix 1 to these financial statements.
Loss Ratio	Loss ratios are reported as follows: **Reported loss ratios** are expressed as a percentage, of claims incurred, on a gross basis net of XoL reinsurance, divided by insurance revenue net of XoL reinsurance premiums ceded. The reported loss ratios use the total claims, and earned premium and related income (instalment income, administration fees and ancillary income where it is highly correlated to the core product). It is understood that this is consistent with the approach taken by peers, and it is considered to reflect the true profitability of products sold. **Core product loss ratios** use the total claims and earned premiums for the core product only (insurance premiums excluding instalment income, administration fees & ancillary income). This measure is more consistent with that used previously, and are reflective of the performance of the core product in a line of business. The calculations and compositions of the loss ratios are presented within Appendix 1 to these financial statements.

Glossary continued

Expense Ratio	Expense ratios are reported as follows: **Reported expense ratios** are expressed as a percentage, of expenses incurred, on a gross basis excluding share scheme costs, divided by insurance revenue net of XoL reinsurance premiums ceded.The reported expense ratios use the total expenses (excluding share scheme costs), and earned premium and related income (instalment income, administration fees and ancillary income where it is highly correlated to the core product). It is understood that this is consistent with the approach taken by peers, and it is considered to reflect the true profitability of products sold. **Core product expense ratios** use the total expenses (excluding share scheme costs) and earned premiums for the core product only (insurance premiums excluding instalment income, administration fees & ancillary income). This measure is more consistent with that used previously, and are reflective of the performance of the core product in a line of business. **Written expense ratios** are calculated using total expenses (excluding share scheme costs) and written premiums, net of cancellation provision, for the core product only. The calculations of the reported expense ratios are presented within Appendix 1 to the financial statements.
Combined Ratio	Combined ratios are the sum of the loss and expense ratios as defined above. Explanation of these figures is noted above.
Insurance service margin	This is the reported insurance segment underwriting result, divided by insurance revenue net of excess of loss premiums ceded. Reconciliation of the calculations are provided in Appendix 1.
Quota share result	The total result (ceded premiums minus ceded recoveries) from contractual quota share arrangements, excluding the quota share reinsurer's share of share scheme expenses, finance expenses and onerous loss component. Reconciliation of the calculations are provided in Appendix 1.
Segment result	The profit or loss before tax reported for individual business segments, which exclude net share scheme costs and other central expenses.
Return on Equity	Return on equity is calculated as profit after tax for the period attributable to equity holders of the Group divided by the average total equity attributable to equity holders of the Group in the year. This average is determined by dividing the opening and closing positions for the year by two. It excludes the impact of discontinued operations.
Group Customers	Group customer numbers reflect the total number of cars, vans, households and pets on cover at the end of the year, across the Group, and the total number of travel insurance, Admiral Money and Admiral Business customers. This measure has been presented by the Group in every Annual Report since it became a listed Group in 2004. It reflects the size of the Group's customer base and analysis of this measure over time provides a clear indication of the growth. It is also a useful indicator of the growing significance to the Group of the different lines of business and geographic regions. The measure has been restated from 2022 onwards to exclude Veygo policies, given the significant fluctuations that can arise at a point in time as a result of the short-term nature of the product.
Solvency Ratio	The Solvency UK regulatory framework requires insurers to hold funds in excess of the Solvency Capital Requirement (SCR). Own funds are available capital resources determined under Solvency UK. The SCR is calculated at a Group level using the standard formula, to reflect the cost of mitigating the risk of insolvency to a 99.5% confidence level over a one-year time horizon – equivalent to a 1 in 200 year event – against financial and non-financial shocks.

Glossary continued

Additional Terminology

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

Accident year	The year in which an accident occurs. Claims incurred may be presented on an accident year basis or an underwriting year basis, the latter sees the claims attach to the year in which the insurance policy incepted.
Actuarial best estimate	The probability-weighted average of all future claims and cost scenarios calculated using historical data, actuarial methods and judgement.
ASHE	'Annual Survey of Hours and Earnings' – a statistical index that is typically used for calculating the inflation of annual payment amounts under Periodic Payment Order (PPO) claims settlements.
Claims reserves	A monetary amount set aside for the future payment of incurred claims that have not yet been settled, thus representing a balance sheet liability.
Co-insurance	An arrangement in which two or more insurance companies agree to underwrite insurance business on a specified portfolio in specified proportions. Each co-insurer is directly liable to the policyholder for their proportional share.
Commutation	An agreement between a ceding insurer and the reinsurer that provides for the valuation, payment, and complete discharge of all obligations between the parties under a particular reinsurance contract. The Group typically commutes UK motor insurance quota share contracts after 24-36 months from the start of an underwriting year where it makes economic sense to do so.
Earnings per share	Earnings per share represents the profit after tax attributable to equity shareholders, divided by the weighted average number of basic shares.
Effective Tax Rate	Effective tax rate is defined as the approximate tax rate derived from dividing the tax charge going through the income statement by the Group's profit before tax. It is a measure historically presented by the Group and enables users to see how the tax cost incurred by the Group compares over time and to current corporation tax rates.
EIOPA	European Insurance and Occupational Pensions Authority: EIOPA is the European supervisory authority for occupational pensions and insurance.
Expected credit loss (ECL)	Expected Credit Loss (ECL) is the probability-weighted estimate of credit losses over the expected life of a Financial Instrument.
Insurance market cycle	The tendency for the insurance market to swing between highs and lows of profitability over time, with the potential to influence premium rates (also known as the "underwriting cycle").
Claims net of XoL reinsurance	The cost of claims incurred in the period, less any claims costs recovered via salvage and subrogation arrangements or under XoL reinsurance contracts. It includes both claims payments and movements in claims reserves.
Excess of Loss ('XoL') reinsurance	Contractual arrangements whereby the Group transfers part or all of the insurance risk accepted to another insurer on an excess of loss ('XoL') basis (full reinsurance for claims over an agreed value).
Insurance premium revenue	Insurance premium revenue reflects the expected premium receipts allocated to the period based on the passage of time, adjusted for seasonality if required. It excludes "Other insurance revenue" as defined below.
Insurance premium revenue net of XoL	Insurance premium revenue less the ceded XoL reinsurance earned in the period.
Other Insurance revenue	Insurance revenue minus insurance premium revenue as defined above. Other insurance revenue is comprised of revenue that is considered non-separable from the core insurance product sold and therefore under IFRS 17 is reported within insurance revenue. For the Group, this is typically the instalment income, administration fees and any other non-separable income related to the Group's retained share of the underwritten products.
Net promotor score	NPS is currently measured based on a subset of customer responding to a single question: On a scale of 0-10 (10 being the best score), how likely would you recommend our Company to a friend, family or colleague through phone, online or email. Answers are then placed in 3 groups; Detractors: scores ranging from 0 to 6; Passives/neutrals: scores ranging from 7 to 8; Promoters: scores ranging from 9 to 10 and the final NPS score is : % of promoters - % of detractors
Ogden discount rate	The discount rate used in calculation of personal injury claims settlements in the UK.
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.

Glossary continued

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

MIX
Paper | Supporting responsible forestry
FSC® C022913

Designed and produced by **Radley Yeldar** www.ry.com

This report is printed by Pureprint a CarbonNeutral® company. Both manufacturing mill and the printer are registered to the Environmental Management System ISO14001 and are Forest Stewardship Council® (FSC) chain-of-custody certified. If you have finished reading the Report and no longer wish to retain it, please pass it on to other interested readers or dispose of it in your recycled paper waste.

Registered Office
Tŷ Admiral
David Street
Cardiff
CF10 2EH
www.admiralgroup.co.uk