



Statement re Dividend Update

27 Apr 2020

Admiral Group plc 27 April 2020

Admiral Group plc ('Admiral', 'the Company' or 'the Group') provides an update on dividends and its response to the Covid-19 crisis.

Admiral's priorities throughout this challenging period have been to support and protect customers, staff and the long-term value of the Group. All the Group's businesses are operational with staff working remotely.

Amendment to 2019 final dividend proposal

In light of the regulatory guidance to insurers urging restraint on the payments of dividends due to the uncertainty of the current economic environment, the Board has decided to amend its recommendation in relation to the final dividend for the year ended 31 December 2019.

After careful consideration, the Board is recommending an unchanged normal dividend of 56.3p per ordinary share (payable on 1 June 2020 to all ordinary shareholders on the Company's register of members at the close of business on 11 May 2020), but is suspending the recommendation to pay a special dividend of 20.7p per ordinary share. The Board will review the position in relation to the special dividend alongside the Company's half year results. It currently intends to pay this part of the final dividend later in the year unless there is a significant deterioration in the company's financial position, trading or outlook.

Resolution 3 as set out in the Notice of Annual General Meeting (AGM) of the Company will be amended at the AGM to reflect the updated Board recommendation. All votes that have already been cast for or against Resolution 3 as set out in the Notice of AGM shall count towards the amended Resolution 3.

The Group has significant liquidity and a strong solvency position, well above its target level and regulatory thresholds. Robust stress tests against the

Company's financial position support the payment of the previously announced final dividend in full under normal circumstances. However, the Board is mindful of the call for heightened prudence from its regulators and has concluded that suspending the payment of the special dividend is appropriate at this time.

An update will be provided when the Company reports its interim results in August 2020.

Supporting customers, staff and the community

The Board's decision in relation to the final dividend is being taken in the context of a broader package of measures announced by Admiral on 21 April which aim to provide support to customers, staff and Admiral's communities during this unprecedented time. These include:

- Premium rebates worth £110 million to car and van insurance customers in recognition of customers staying at home and driving less during lockdown
- Committing an additional £80 million to reducing prices and supporting customers, NHS staff and the local community
- Supporting customers who are in financial hardship as a result of the pandemic. This includes flexibility with customers struggling with monthly payments for insurance and personal loans
- All employees are being paid their full salary at this time and no staff are being furloughed under the UK Government funded scheme. Admiral does not expect to require support from any other initiatives funded by the Government
- A £4 million Admiral Support Fund for Covid-19, which is predominantly providing funding and support in South Wales, where Admiral is based, to the NHS, charities, support groups and will also allow the Group to contribute to any insurance industry wide charitable effort

David Stevens, Group CEO commented:

“We find ourselves in extraordinary circumstances, and it has been a very difficult decision to suspend the special dividend as we are aware of the importance and impact to our shareholders and staff. However, the Board and I believe that this is the prudent and right thing to do at this time. We thank our customers, staff and shareholders for their continued support, and we remain committed to making decisions that are in their best interests in the long term.”

David Stevens has confirmed to Admiral that the normal dividend payable to

him and his wife will be donated in full to their charitable foundation to fund support for charities experiencing reduced income and increased needs during the Covid-19 crisis.

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

The person responsible for the release of the announcement is Mark Waters, Company Secretary.

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