11 October 2018

SABRE INSURANCE GROUP PLC

Trading Update

Sabre Insurance Group plc (the "Group", or "Sabre"), one of the UK's leading private motor insurance underwriters, today provides a trading update for the nine months ending 30 September 2018.

Summary

- The Group continues its strategy of focusing on underwriting profitability over growth
- Superior underwriting performance, underpinned by strong claims experience in the period under review, supports the Group's continued expectation of delivering a FY 2018 combined ratio better than our mid-70%'s target and slightly higher than the FY 2017 combined ratio, which was 68.5%
- Strong organic capital generation supports the potential for an attractive full-year dividend with a solvency coverage ratio of 195%(1) as at the end of September, above our 140% - 160% target range
- Appropriate pricing actions taken to cover anticipated claims inflation, with GWP for the first nine months of the year remaining broadly flat year on year at £162.6m(1) (2017: £165.0m). The Group maintains its expectations for FY 2018 GWP to be in line with 2017

Geoff Carter, Chief Executive Officer, commented:

Throughout a period of strong competition in the UK motor insurance sector, we have continued to apply our core philosophy of focusing on underwriting profitability, with volume remaining an output rather than target.

As communicated earlier in the year, we have sought to cover anticipated claims inflation and will continue this focus throughout the rest of this year. Whilst premiums for Q3 2018 were slightly below a strong comparative period in Q3 2017, we remain confident that we will end the year with premium in-line with 2017.

Our absolute focus on profitability has yielded a strong underwriting result for the year to date and has allowed us to generate significant excess capital during the period under review. Having paid an interim dividend of 7.2 pence per share, the solvency capital ratio as at 30 September 2018 is at 195%, well above our target operating range of 140%-160%. This provides the Board the option to return surplus capital to shareholders following the full-year results, should the capital position improve further throughout the remainder of 2018.

(1) Numerical information not subject to audit

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