Brit Limited

Interim Report 2024

writing the future

BRIT

Contents

Key points

A STRONG PERFORMANCE UNDERPINNED BY A CLEAR STRATEGIC FOCUS

- Profit before tax from continuing operations increased to $362.4m (restated 30 June 2023: $300.0m)
- Undiscounted combined ratio improved to 80.5% (restated 30 June 2023: 82.3%)
- Discounted combined ratio improved to 70.1% (restated 30 June 2023: 72.0%)
- Return on invested assets decreased to 2.0% (30 June 2023: 2.4%)
- Insurance premium written decreased to $1,964.7m (30 June 2023: $2,021.3m)
- Capital ratio increased to 167.7% (31 December 2023: 154.5%)
- Key business developments include:
  - Continued focus on underwriting capability development
  - Continued successful delivery of our digital, data and artificial intelligence (AI) strategy
  - Successful launch of Ki's enhanced offering allowing brokers to access third-party digital capacity through the Ki platform

Martin Thompson, Group CEO of Brit, commented:

'I am pleased to report a strong overall performance for the first half of 2024, with an undiscounted combined ratio of 80.5% (restated 30 June 2023: 82.3%), discounted combined ratio of 70.1% (restated 30 June 2023: 72.0%), and a profit before tax from continuing operations of $362.4m (restated 30 June 2023: $300.0m). These results reflect our clear strategic focus on driving performance and profitability rather than targeting overall premium growth.

We continue to build on our solid foundations as we invest in our technology strategy, broker relationships and underwriting capabilities to build on the established leadership positions of these respective parts of the Group, while retaining our long-term focus on careful, proactive management of the insurance cycle.

Looking ahead to the second half of the year and beyond, our diversified and balanced portfolio makes us well placed to benefit from the breadth of Brit's underwriting and our strong relationships, while remaining mindful of evolving market dynamics. Our strategy, positioning and unique culture gives me great confidence in the outlook for Brit.'

Brit at a Glance

Brit is a market leader in global specialty insurance and reinsurance, writing a broad range of commercial insurance. Brit is a highly regarded and an influential name in the Lloyd's market and we pride ourselves on our specialist underwriting and claims expertise.

We operate globally via a combination of our own international distribution network that benefits from Lloyd's global licences, and through our broker partners. Our underwriting capabilities are underpinned by a strong financial position, our underwriting expertise and discipline, enhanced by a data-led approach and strong focus on innovation.

We have a strong track record and are passionate about our business, our people and our clients and we have focused on cultivating a franchise that is built on delivering exceptional customer service. Our culture is centred on achievement, and we have established a framework that identifies and rewards strong performance.

Brit is a member of the Fairfax Financial Holdings Limited group of companies (Fairfax). The Fairfax financial result for the six months ended 30 June 2024, published on 1 August 2024, includes the Brit financial result.

Disclaimer

Interim Management Report

Key performance indicators and overview of Group result

At Brit we monitor and measure our performance by reference to certain key performance indicators (KPIs). These KPIs are used by us to manage our business.

The Group's income statement, re-presented to show the key components of our result, and our KPIs are set out below:

$m	6 months ended 30 June (unaudited)		
	2024	**(Restated[4]) 2023**	**Change**
Insurance premium written[1,2]	**1,964.7**	2,021.3	(56.6)
Net insurance revenue	**1,176.7**	1,257.9	(81.2)
Insurance service result	**351.4**	**352.3**	(0.9)
Net insurance finance expenses	**(50.9)**	(75.0)	24.1
Insurance operating result	**300.5**	277.3	23.2
Other income	45.8	26.6	19.2
Other expenses	(81.9)	(67.8)	(14.1)
Losses on other financial liabilities	(4.9)	(9.4)	4.5
Return on invested assets, net of fees	135.7	147.0	(11.3)
Finance costs	(7.8)	(9.3)	1.5
Profit on ordinary activities before tax and FX	387.4	364.4	23.0
FX movements	(25.0)	(64.4)	39.4
Profit before tax, from continuing operations	**362.4**	**300.0**	62.4
Tax expense	**(61.7)**	(1.3)	(60.4)
Profit from discontinued operations, net of tax	**-**	266.2	(266.2)
Profit after tax	**300.7**	**564.9**	(264.2)
Attributable to:			
Shareholders of Brit Limited	**267.2**	530.0	(262.8)
Non-controlling interests	**33.5**	34.9	(1.4)
Key performance indicators			
Return on net tangible assets (RoNTA)[2]	**12.5%**	19.7%	(7.2) pps
Undiscounted combined ratio[2]	**80.5%**	82.3%	(1.9) pps
Discounted combined ratio[2]	**70.1%**	72.0%	(1.9) pps
Risk adjusted premium rate change[2]	**(0.7)%**	7.7%	8.4 pps
Return on invested assets[2]	**2.0%**	2.4%	(0.4) pps
Capital ratio[2]	**167.7%**	154.5%[3]	13.2 pps

1 'Insurance premium written' is the equivalent to gross written premium as previously disclosed under IFRS 4.
2 Reconciliations of our KPIs and alternative performance measures are set out on pages 39 to 44.
3 Represents the capital ratio as at 31 December 2023.
4 Subsequent to the publication of the Brit Limited 2023 interim report, the Group continued work to refine the IFRS 17 operational and reporting processes. This has resulted in changes to figures previously reported for the period 30 June 2023.

In the first half of 2024, Brit delivered a strong performance, with profit before tax from continuing operations increasing by 20.8% to $362.4m (restated 30 June 2023: $300.0m).

This result reflects both strong underwriting and investment results.

The underwriting result was driven by a strong attritional performance, continued reserve releases and no major loss activity, partly offset by a reduction in insurance premium written and net insurance revenue. This resulted in the undiscounted combined ratio improving to 80.5% (restated 30 June 2023: 82.3%) and the discounted combined ratio improving to 70.1% (restated 30 June 2023: 72.0%). Brit underwriting (excluding Ki) achieved a discounted combined ratio of 67.3% (2023: 72.1%), while our Ki segment achieved a discounted combined ratio, excluding the benefits of commission receipts in respect of generating business for third-party digital capacity, of 78.6% (2023: 71.7%).

Return on adjusted net tangible assets (RoNTA) for all operations, excluding the effects of FX, was 12.5% (restated 30 June 2023: 19.7%), and our capital ratio improved by 13.2pps to 167.7%.

Underwriting performance

Premium volumes and risk-adjusted rate changes

Insurance premium written decreased by 2.8% to $1,964.7m (30 June 2023: $2,021.3m) and net insurance revenue decreased by 6.5% to $1,176.7m (30 June 2023: $1,257.9m) in the first six months of the year. This is driven by:

- A reduction in Core underwriting's level of participation in Syndicate 2988 for the 2024 Year of Account.
- A reduction in premiums written in Ki underwriting, predominantly driven by targeted reduction in underperforming business and an adjustment to prior year premium estimates. This figure excludes third party insurance premium written.
- Our decision to place certain lines into run-off, including Space and Nuclear.

These were partially offset by strong growth in Core underwriting's Property classes, across both North America and Worldwide.

While overall pricing levels remain adequate, with compound rate increases of 63.9% since 1 January 2018, market conditions across the portfolio have become more challenging as the year has progressed. Overall, we saw risk-adjusted rate changes of -0.7% in the half year (31 December 2023: +7.1%). While we have achieved rate increases in Property and Property Treaty, these have been offset by our Casualty lines. All teams remain focused on maintaining strict underwriting appetite and retaining core profitable accounts.

Claims

Our strict underwriting discipline has ensured that we continue to deliver a strong combined ratio. We are reporting a discounted combined ratio of 70.1% (restated 30 June 2023: 72.0%) and an undiscounted combined ratio of 80.5% (restated 30 June 2023: 82.3%) in the period. This reflects our strategic focus on driving performance and profitability and our ongoing investment in our underwriting capabilities.

Our claims ratio decreased by 2.7 percentage points to 42.4% (restated 30 June 2023: 45.1%). in the half year on a discounted basis, driven by three key factors:

- **Attritional losses.** We continue to see strong underlying performance from our underwriting portfolios, with our attritional performance stable year-on-year. Within our attritional performance we have provided for claims estimates arising from a small number of specific uncorrelated risk losses, including the Francis Scott Key Bridge collision in Baltimore and a transactional contingency loss.

- **Catastrophe and major losses**. No specific catastrophe or major losses were recorded in the first half of the year (30 June 2023: $nil). We had no material exposure to the natural catastrophe events during the first six months of 2024, most notably Japanese weather and earthquake events, flooding in Dubai, European storms and flooding and a high level of severe convective storm activity in the US. While we anticipate that some claims will emerge from these events, we expect them to be attritional in nature.

- **Prior year reserve releases**. We maintain our reserves at the 77th percentile, resulting in a net risk adjustment above the best estimate of $246.1m (31 December 2023: $231.1m, restated 30 June 2023: $251.8m). Prior year development continues to be positive which demonstrates the effectiveness of our reserving approach. Our net reserve releases of $81.5m (31 December 2023: $16.3m), comprised of a $39.4m release from best estimate on an undiscounted basis, with a discounting effect of $11.6m on the best estimate, and $30.5m from the release of the risk adjustment.

We continue to monitor the evolving nature of the Israeli / Gaza conflict. Any direct exposure to this event is expected to come from our Political Risks and Violence division. Claims information and notifications have been limited to date and we currently expect any losses arising to be attritional in nature.

Expenses

The overall expense ratio increased by 0.8 percentage points to 27.7% (restated 30 June 2023: 26.9%). This ratio comprises:

- The acquisition expense ratio increased by 0.4 percentage points to 22.5% (restated 30 June 2023: 22.1%), primarily reflecting a reduction in commission income in 2024 following the sale of Ambridge in May 2023. Excluding the impact of the Ambridge sale, the acquisition ratio reduced by 1.9%, reflecting our evolving business mix and our continued drive to reduce overall acquisition costs in the current market, together with the benefit from reducing our overall reinsurance spend.

- The administrative expense ratio, which under IFRS 17 includes only those expenses determined to be directly attributable to insurance operations, increased by 0.4 percentage points to 5.2% (restated 30 June 2023: 4.8%). This was primarily driven by a reduction in our net insurance revenue, with underlying expenses remaining broadly stable.

For the first six months of the year, non-directly attributable expenses, which are excluded from the insurance service result and from the overall expense ratio, totalled $81.9m (restated 30 June 2023: $67.8m).

Interest rate sensitivity

The below table illustrates how a 1% movement in yield curves would impact the measurement of our net reserves and profit before tax for the period:

Sensitivity analysis	**Unaudited 6 months ended 30 June 2024 $m**	Unaudited 6 months ended 30 June 2023 $m
1% increase		
Impact of change in reinsurance contract assets	**(44.3)**	(52.2)
Impact of change in insurance contract liabilities	**177.7**	165.1
Net impact	**133.4**	112.9
1% decrease		
Impact of change in reinsurance contract assets	**44.3**	52.2
Impact of change in insurance contract liabilities	**(177.7)**	(165.1)
Net impact	**(133.4)**	(112.9)

Investment performance

The aggregated return on invested assets (cash and cash equivalents, investments, investment related derivatives and associated undertakings), net of expenses, was a gain of $135.7m or 2.0% (30 June 2023: gain of $147.0m or 2.4%). This return exceeded the net insurance finance expenses that we recognised relating to our insurance operations of $50.9m (restated 30 June 2023: $75.0m)

The investment result was driven by market conditions which resulted in positive returns in equities ($24.3m), funds ($34.3m), debt securities ($43.3m), mortgages and loans ($3.6m) and cash and cash equivalents ($25.8m). The return also includes the gain on sale of our holding in Sutton, the Canadian MGA, which was classified as an asset held for sale at 31 December 2023.

The Group's return on invested assets is analysed in the table below:

Return on invested assets	**Unaudited 6 months ended 30 June 2024 $m**	Unaudited 6 months ended 30 June 2023 $m
Income	**136.2**	103.1
Realised gains/(losses)	**19.3**	(35.5)
Unrealised (losses)/gains	**(23.3)**	103.0
Return before fees	**132.2**	170.6
Investment management expenses	**(7.7)**	(11.1)
Return net of fees	**124.5**	159.5
Investment related derivative return	**(4.0)**	(13.4)
Return on associated undertakings	**-**	0.9
Profit on disposal of asset held for sale	**15.2**	-
Total return	**135.7**	147.0
Total return (non-annualised)	**2.0%**	2.4%

Invested assets (cash and cash equivalents, investments, investment related derivatives and associated undertakings) at 30 June 2024 totalled $6,980.7m (31 December 2023: $6,744.8m, 30 June 2023: $6,418.3m). The Group's asset allocation, on a look-through basis, is set out in the table below:

Invested assets	**Unaudited 6 months ended 30 June 2024 $m**	Unaudited 6 months ended 30 June 2023 $m	Year ended 31 December 2023 $m
Government debt securities	**3,055.0**	3,022.7	3,219.9
Corporate debt securities	**1,765.6**	1,461.5	1,613.9
Structured products	**25.8**	20.3	23.2
Loan instruments	**95.5**	104.9	94.9
Equity securities	**960.7**	901.9	942.4
Cash and cash equivalents	**1,079.6**	905.0	855.3
Derivatives (net) (investment related)	**(1.7)**	2.0	(4.8)
Total invested assets	**6,980.7**	6,418.3	6,744.8

The portfolio remains consistently positioned, with a large allocation to cash and cash equivalents ($1,079.6m or 15.5%) and fixed income securities ($4,916.2m or 70.4%). Brit's equity allocation at 30 June 2024 was $960.7m or 13.8%.

At 30 June 2024, 81.3% of our invested assets were investment grade quality (30 June 2023: 79.5%; 31 December 2023: 82.3%) and the duration of the portfolio has increased to 2.7 years (30 June 2023: 2.5 years; 31 December 2023: 3.0 years).

Profit from discontinued operation

No operations were classified as discontinued in 2024.

In 2023, the operations of Ambridge were classified as discontinued. On 10 May 2023, Brit completed the sale of Ambridge, its US and European based managing general underwriter (MGU) to Amynta. As Ambridge undertook a significant portion of the distribution activity of the Group and had a material balance sheet value, the results of the Ambridge business were reported as a discontinued operation.

Foreign exchange

We manage our currency exposures to mitigate the impact on solvency rather than to achieve a short-term impact on earnings. We experienced a total foreign exchange loss of $25.0m in the six months ended 30 June 2024 (restated 30 June 2023: loss of $64.4m), reflecting the movement of the US dollar against other currencies in which we trade and hold assets, and the impact of FX related derivatives purchased by the Group.

The allocation of the FX result within the Consolidated Income Statement is as follows:

Foreign exchange losses	**Unaudited 6 months ended 30 June 2024 $m**	Unaudited (Restated) 6 months ended 30 June 2023 $m
Net foreign exchange losses	**(33.8)**	**(61.0)**
Gains/(losses) on derivative contracts - FX related instruments	**8.8**	**(3.4)**
Total	**(25.0)**	**(64.4)**

Tax

Our tax on ordinary activities for the six months to 30 June 2024 resulted in a tax charge of $61.7m (restated 30 June 2023: charge of $1.3m), based on a Group profit on ordinary activities before tax of $362.4m (restated 30 June 2023: profit of $300.0m).

The Group is liable to taxes on its corporate income in a number of jurisdictions where its companies carry on business. Therefore, the Group effective rate is sensitive to the location of taxable profits and is a composite tax rate reflecting the mix of tax rates in those jurisdictions.

Capital

Brit remains strongly capitalised from both a regulatory and a ratings agency standpoint, a factor critical to the long-term success of an insurance company.

Our three syndicates continue to maintain strong ratings from trading through Lloyd's, including AA- (Very strong) stable outlook with S&P Global, AA- (Superior) stable outlook with AM Best, AA- (Very Strong) with Fitch Ratings, AA- (Very strong) stable outlook with Kroll Bond Rating Agency (KBRA).

At 30 June 2024 we held a management capital surplus of $1,228.3m or 67.7% (31 December 2023: $1,050.5m or 54.5%) over our Group management capital requirement of $1,815.3m (31 December 2023: $1,927.4m). This reflects increased available capital, reflecting the total comprehensive income for the period ($295.5m), less dividend payments of $187.9m, and reduced management capital requirements, primarily reflecting the unwind of the Sussex Diversified Fund and an increase in our Syndicate 2987 requirements.

Having considered the capital requirements of the business, dividends of $187.9m were paid during the period (30 June 2023: $303.6m). On 21 March 2024, dividends of $12.9m, were paid to Brit's minority shareholder, OMERS Administration Corporation, while on 21 March 2024, dividends of $175.0m were paid to Brit's majority shareholder, Fairfax Financial Holdings Limited.

Liquidity

Brit continues to retain a strong liquidity position with adjusted net tangible assets at 30 June 2024 totalled $2,583.1m (31 December 2023: $2,516.0m).

Brit has in place a $300.0m revolving credit facility (RCF), expiring on 31 December 2027. At 30 June 2024, drawings on the RCF were $nil of cash and a $10.0m uncollateralised letter of credit (LoC) (31 December 2023: $nil cash and a $10.0m uncollateralised LoC). At the date of this report, these borrowings were unchanged.

In addition, we have in issue £127.0m of 3.6757% subordinated debt with a carrying value of £127.0m/$160.5m (31 December 2023: £127.0m/$161.9m). This instrument, which is listed on the London Stock Exchange, was issued in December 2005 and matures in 2030.

At 30 June 2024, Brit's gearing ratio was 8.4% (31 December 2023: 7.1%).

Key business developments

Focus on underwriting capability development

Brit continues to make good progress with its investment in digital and data-enabled capabilities. The launch in 2023 of Brit's new strategic pricing and rating engine for North America Open Market Property, which marked an important step in our strategy to use technology to facilitate greater underwriting capability, has resulted in faster pricing calculations, improved data quality and consistency, easier updating of the pricing models and improved stability and performance. We continue to focus on expansion of the platform to other classes as well as exploring additional capabilities that can benefit multiple classes.

Ki – additional follow capacity

From 1 January 2024 brokers have been able to access third-party digital capacity, directly through the Ki platform, made possible through multi-year partnerships with trusted Lloyd's syndicates. As a result, Ki has become the first algorithmic underwriting business in the market to be able to underwrite and bind follow capacity on behalf of syndicates across Property, Specialty, and Casualty classes. This is a transformational change for the Lloyd's market, a major step towards a fully digital follow market, and provides a compelling proposition to Lloyd's brokers and clients. In aggregate, across Syndicate 1618 and third-party digital capacity, Ki continued to grow year on year.

Digital, data and artificial intelligence (AI) strategy

We continue to advance our strategy to deliver a digital, data and AI driven platform that improves our underwriting performance and capabilities. In H1 2024, we delivered the foundational phase, a cloud-native modern data platform, fully transitioning from our legacy data warehouse. This has greatly improved the stability of our reporting foundation, provides a scalable platform for future investments in data and analytics and will help manage cloud computing costs in the long-term.

Sutton sale completion

On 8 March 2024, the sale of Brit's share of Sutton, a Canadian managing general underwriter of a range of specialised insurance products, to Amynta Group, completed. The sale proceeds for Brit's 49% holding were $31.0m. Sutton will continue to be a strategic business partner of Brit.

Directorate change

On 1 January 2024, Ken Miner, the OMERS representative on the Brit Limited Board, resigned and was succeeded by Aviral Goel.

Risk management and principal risks

Risk management framework

Brit delivers shareholder value by actively seeking and accepting risk within agreed limits. Risk management within Brit is a continuous process that links directly to the organisation's business and risk management strategies and the associated Board risk tolerances.

Brit's Risk Management Framework (RMF) applies a consistent methodology and structure to how risks are identified, measured, managed and monitored. This process enables us to protect policyholders and maximise shareholder value by ensuring the risk and capital implications of business strategy are well understood.

The RMF is fully detailed in our 2023 Annual Report on pages 35 to 38.

Principal risks

Our principal risks and uncertainties in the current environment are:

Risk category	Risk	Description of risk
Insurance	Underwriting – pricing	Emerging experience is inconsistent with the assumptions and pricing models used.
	Underwriting – natural catastrophe	Natural catastrophe events impacting Brit's (re)insureds, leading to large volumes of claims.
	Reserving	Prior year reserves are insufficient to cover claims (net of reinsurance).
Investment	Investment market risk	Invested assets adversely affected by changes in economic variables, such as interest rates, bond yields, equity returns, credit spreads and credit ratings.
Operational and group	People	Failure to attract, motivate and retain key Directors, senior underwriters, senior management and other key personnel, on whom our future success is substantially dependent.

Emerging risks

Brit undertakes a formal emerging risk review annually with the results reported to the Risk Oversight Committee and included in the Own Risk & Solvency Assessment (ORSA) report and Commercial Insurer's Solvency Self-Assessment (CISSA) reports of the underwriting entities. The review is an important part of the risk identification aspect of the RMF and includes horizon scanning of the internal and external risk environment to identify potential new or developing risks to Brit. These risks can then be included in the risk register and managed appropriately as required.

The emerging risk review has previously identified risks such as climate change and cyber risk. These risks have been managed throughout their development and are now monitored as part of the business-as-usual risk management process.

Global economic environment

Inflation in the USA remains above target levels and interest rates have risen relative to recent years. Recessionary risks remain given these factors as well as geopolitical risks. Recessions may impact the frequency and cost of claims, investment results, the likelihood of counterparty defaults and the potential for operational risk events. Brit continues to actively monitor and respond to changes in the economic environment.

Brit has considered the impact of the increased level of inflation and the economic downturn. Increased focus has been placed on ensuring Brit's pricing models adequately address current inflationary trends. Feeding into these models is an enhanced framework assessing the key drivers of claim settlement costs for each class of business. Inflationary impacts were also considered during the year end reserving process.

We remain cognisant of the impact of inflation on the underlying portfolio. We continue to review the key drivers of claim settlement costs and frequency by class of business, which in turn will further inform any required recalibration of our pricing models. Our reserves continue to incorporate our current view of social and economic inflation and include a risk adjustment to allow for uncertainty.

Geopolitical events

Geopolitical events, such as the ongoing wars in Ukraine and the Middle East, have the potential to cause insurance losses and disruption to financial markets. Insurance losses could arise either as a result of direct damage from the conflicts or from second order impacts such as supply chain disruptions and economic instability. There may also be a potential impact on the operational costs of the Group attributable to the downstream effects of high inflation. The Group continues to monitor developments closely.

Ownership

Brit Limited's ultimate parent undertaking is Fairfax Financial Holdings Limited, a company registered in Canada. Fairfax Financial Holdings Limited is quoted on the Toronto Stock Exchange. As at the date of this report, the Fairfax Group owned 86.2% of Brit's ordinary shares while the remaining 13.8% was owned by OMERS Administration Corporation.

Auditor review

This interim financial report has not been audited or reviewed by the Company's independent auditor.

Responsibility statement of the Directors in respect of the Interim Report

We confirm that to the best of our knowledge:

- The condensed consolidated interim financial statements have been prepared in accordance with UK-adopted IAS 34 'Interim Financial Reporting'; and
- The interim management report includes a fair review of the information required by DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed consolidated interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year.

Martin Thompson
Group Chief Executive Officer
5 September 2024

Condensed Consolidated Income Statement
For 6 months ended 30 June 2024

	Note	**Unaudited 6 months ended 30 June 2024 $m**	(Restated) Unaudited 6 months ended 30 June 2023 $m
Continuing operations			
Insurance revenue	5	**1,507.8**	1,605.8
Insurance service expenses	5	**(1,066.7)**	(1,167.0)
Net expenses from reinsurance contracts held	5	**(89.7)**	(86.5)
Insurance service result		**351.4**	352.3
Net finance expenses from insurance contracts		**(76.4)**	(108.5)
Net finance income from reinsurance contracts held		**25.5**	33.5
Net insurance finance expenses		**(50.9)**	(75.0)
Interest revenue from financial assets not measured at FVTPL	6	**26.7**	22.4
Other investment return	6	**97.8**	137.1
Profit on disposal of associates		**15.2**	-
Return on derivative contracts	7	**4.8**	(16.8)
Other income	9	**45.8**	26.6
Losses on other financial liabilities		**(4.9)**	(9.4)
Investment return and other income		**185.4**	159.9
Other operating expenses		**(81.9)**	(67.8)
Net foreign exchange losses	10	**(33.8)**	(61.0)
Other expenses		**(115.7)**	(128.8)
Operating profit		**370.2**	308.4
Finance costs		**(7.8)**	(9.3)
Share of net profit of associates		**-**	0.9
Profit on ordinary activities before income tax		**362.4**	300.0
Tax expense	11(a)	**(61.7)**	(1.3)
Profit from continuing operations		**300.7**	298.7
Discontinued operation			
Profit from discontinued operation, net of tax	8	**-**	266.2
Profit for the period		**300.7**	564.9
Profit attributable to:			
Owners of the parent		**267.2**	530.0
Non-controlling interests		**33.5**	34.9
Profit for the period		**300.7**	564.9

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

Condensed Consolidated Statement of Comprehensive Income

For 6 months ended 30 June 2024

	Note	**Unaudited 6 months ended 30 June 2024 $m**	(Restated) Unaudited 6 months ended 30 June 2023 $m
Profit for the period		**300.7**	564.9
Other comprehensive (expense) / income			
Items not to be reclassified to profit or loss in subsequent periods:			
Actuarial gains on defined benefit pension scheme		**0.9**	0.2
Deferred tax loss relating to actuarial gains on defined benefit pension scheme	11(b)	**(5.3)**	(0.1)
Items that may be reclassified to profit or loss in subsequent periods:			
Change in unrealised foreign currency translation (losses)/gains on foreign operations		**(0.8)**	5.3
Total other comprehensive (expense) / income		**(5.2)**	5.4
Total comprehensive income for the period		**295.5**	570.3
Total comprehensive income attributable to:			
Owners of the parent		**262.0**	535.4
Non-controlling interests		**33.5**	34.9
Total comprehensive income for the period		**295.5**	570.3

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

Condensed Consolidated Statement of Financial Position

As at 30 June 2024

	Note	**Unaudited 30 June 2024 $m**	(Restated) Unaudited 30 June 2023 $m	Audited 31 December 2023 $m
Assets				
Intangible assets		**129.9**	118.7	122.7
Property, plant and equipment		**29.9**	42.1	32.8
Investments in associated undertakings		**-**	15.0	-
Reinsurance contract assets	12	**1,920.9**	1,972.6	1,942.8
Insurance contract assets	12	**-**	1.0	-
Employee benefits		**36.9**	67.3	37.1
Current taxation		**2.0**	13.7	3.3
Financial investments	14	**5,903.9**	5,503.0	5,875.4
Derivative contracts	15	**8.7**	10.3	20.2
Insurance and other receivables		**1,181.6**	838.9	923.6
Assets classified as held for sale		**-**	-	15.8
Cash and cash equivalents		**1,079.1**	897.8	853.8
Total assets		**10,292.9**	9,480.4	9,827.5
Liabilities and Equity				
Liabilities				
Insurance contract liabilities	12	**5,898.1**	5,525.7	5,869.7
Borrowings		**160.5**	181.6	161.9
Other financial liabilities		**6.7**	101.4	104.0
Provisions		**2.5**	2.4	2.9
Deferred taxation		**92.7**	80.7	42.3
Current taxation		**8.4**	1.0	0.2
Derivative contracts	15	**9.5**	13.8	23.7
Insurance and other payables		**923.4**	697.2	539.3
Total liabilities		**7,101.8**	6,603.8	6,744.0
Equity				
Called up share capital	16	**10.0**	10.0	10.0
Share premium		**932.6**	1,432.6	932.6
Capital redemption reserve		**1.0**	1.0	1.0
Capital contribution reserve		**32.2**	32.2	32.2
Foreign currency translation reserve		**(96.3)**	(97.3)	(95.5)
Retained earnings		**1,811.8**	1,056.1	1,736.9
Total equity attributable to owners of the parent		**2,691.3**	2,434.6	2,617.2
Non-controlling interests		**499.8**	442.0	466.3
Total equity		**3,191.1**	2,876.6	3,083.5
Total liabilities and equity		**10,292.9**	9,480.4	9,827.5

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

These financial statements were approved by the Board of Directors on 5 September 2024 and were signed on its behalf by:

Martin Thompson
Group Chief Executive Officer

Gavin Wilkinson
Group Chief Financial Officer

Registered number: 08821629

Condensed Consolidated Statement of Cash Flows

For 6 months ended 30 June 2024

	Note	**Unaudited 6 months ended 30 June 2024 $m**	Unaudited 6 months ended 30 June 2023 $m
Cash flows from operating activities			
Cash flows provided by / (used in) operating activities	18	**304.4**	(99.1)
Tax (paid) / received		**(6.0)**	8.2
Interest received		**117.2**	82.4
Dividends received		**3.8**	4.7
Purchase of shares for share-based payment schemes		**(2.4)**	(0.3)
Net cash inflows / (outflows) from operating activities		**417.0**	(4.1)
Cash flows from investing activities			
Purchase of intangible assets		**(12.0)**	(3.7)
Purchase of property, plant and equipment		**(0.1)**	(0.6)
Disposal of associated undertaking		**15.2**	-
Disposal of subsidiary undertakings, net of cash disposed		**-**	128.7
Dividends from associated undertakings		**-**	1.2
Net cash inflows from investing activities		**3.1**	125.6
Cash flows from financing activities			
Interest paid		**(3.9)**	(6.6)
Dividends paid to owners of the parent		**(187.9)**	(303.6)
Net cash outflows from financing activities		**(191.8)**	(310.2)
Net increase / (decrease) in cash and cash equivalents		**228.3**	(188.7)
Cash and cash equivalents at beginning of the period	18	**853.8**	1,079.4
Effect of exchange rate fluctuations on cash and cash equivalents		**(3.0)**	7.1
Cash and cash equivalents at the end of the period		**1,079.1**	897.8

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

Condensed Consolidated Statement of Changes in Equity

For 6 months ended 30 June 2024

	Note	Called up share capital $m	Share premium $m	Capital redemption reserve $m	Capital contribution reserve $m	Foreign currency translation reserve $m	Retained earnings $m	Total attributable to owners of the parent $m	Non-controlling interests $m	Total equity $m
At 1 January 2024		**10.0**	**932.6**	**1.0**	**32.2**	**(95.5)**	**1,736.9**	**2,617.2**	**466.3**	**3,083.5**
Profit for the year		**-**	**-**	**-**	**-**	**-**	**267.2**	**267.2**	**33.5**	**300.7**
Other comprehensive expense		**-**	**-**	**-**	**-**	**(0.8)**	**(4.4)**	**(5.2)**	**-**	**(5.2)**
Total comprehensive (expense) / income recognised		**-**	**-**	**-**	**-**	**(0.8)**	**262.8**	**262.0**	**33.5**	**295.5**
Dividends	17	**-**	**-**	**-**	**-**	**-**	**(187.9)**	**(187.9)**	**-**	**(187.9)**
At 30 June 2024		**10.0**	**932.6**	**1.0**	**32.2**	**(96.3)**	**1,811.8**	**2,691.3**	**499.8**	**3,191.1**

Condensed Consolidated Statement of Changes in Equity (continued)

For 6 months ended 30 June 2023

	Note	Called up share capital $m	Share premium $m	Capital redemption reserve $m	Capital contribution reserve $m	Foreign currency translation reserve $m	Retained earnings $m	Total attributable to owners of the parent $m	Non-controlling interests $m	Total equity $m
At 1 January 2023, as previously reported		10.0	1,432.6	1.0	32.2	(102.6)	395.1	1,768.3	374.5	2,142.8
Impact of retrospective application of new accounting policies (restated)		-	-	-	-	-	434.5	434.5	32.6	467.1
Restated balance at 1 January 2023		10.0	1,432.6	1.0	32.2	(102.6)	829.6	2,202.8	407.1	2,609.9
Profit for the year (restated)		-	-	-	-	-	530.0	530.0	34.9	564.9
Other comprehensive income		-	-	-	-	5.3	0.1	5.4	-	5.4
Total comprehensive income recognised (restated)		-	-	-	-	5.3	530.1	535.4	34.9	570.3
Dividends	17	-	-	-	-	-	(303.6)	(303.6)	-	(303.6)
At 30 June 2023 (restated)		10.0	1,432.6	1.0	32.2	(97.3)	1,056.1	2,434.6	442.0	2,876.6

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

1 General information

The condensed consolidated interim financial statements of Brit Limited and its subsidiaries (collectively, the Group) for the six months ended 30 June 2024 were authorised for issue in accordance with a resolution of the Directors on 5 September 2024. The Group's principal activity is the underwriting of general insurance and reinsurance business.

Brit Limited (the Company) is a private company limited by shares, incorporated and domiciled in England and Wales, United Kingdom. The address of the registered office is The Leadenhall Building, 122 Leadenhall Street, London, England, EC3V 4AB.

2 Accounting policies and basis of preparation

2.1 Basis of preparation

The condensed consolidated interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with UK-adopted IAS 34 'Interim Financial Reporting'. The accounting policies applied in these condensed consolidated interim financial statements are consistent with those applied in the consolidated financial statements of Brit Limited (the 'Group') as at the year ended 31 December 2023.

This 2024 condensed consolidated interim financial information does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006.

Statutory accounts for Brit Limited, for the year ended 31 December 2023 were prepared in accordance with UK-adopted international accounting standards and UK company law. The consolidated financial statements of the Brit Limited Group for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors on 26 March 2024.

These condensed consolidated interim financial statements have been prepared in accordance with the Disclosure and Transparency Rules issued by the Financial Conduct Authority. The information presented herein does not include all the disclosures typically required for full consolidated financial statements. Consequently, these financial statements should be read in conjunction with the full consolidated financial statements of the Brit Limited Group as at, and for the year ended 31 December 2023 available from the Company's registered office or from www.britinsurance.com.

The Directors have reviewed the principal risks and uncertainties faced by the Group as summarised on pages 8 and 9 of the Interim Management Report. These principal risks and uncertainties are largely unchanged from those disclosed on pages 35 to 38 of the Group's 2023 Annual Report. Brit manages such emerging risks in line with its risk management framework.

The capital position of the Group remains strong, following its performance in 2023 and the six months to 30 June 2024. A review of the financial performance of the Group is summarised on pages 3 to 7.

Subsequent to the publication of the Brit Limited 2023 Interim report, the Group continued work to refine the IFRS17 operational and reporting processes. This has resulted in changes to numbers previously reported for the period to 30 June 2023.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Therefore, they consider it appropriate to continue to adopt the going concern basis for the preparation of its condensed consolidated interim financial statements.

2.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiaries and the Group's participation in Lloyd's syndicates' assets, liabilities, revenues and expenses. Subsidiaries are those entities (including structured entities) that an investor controls, when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Non-controlling interests in the results are shown separately in the consolidated income statement, statement of comprehensive income, consolidated statement of changes in equity and statement of financial position respectively.

2 Accounting policies and basis of preparation (continued)

The financial statements of the subsidiaries are prepared up to 31 December each year. Consolidation adjustments are made to convert subsidiary financial statements from local GAAP into IFRS to remove any dissimilar accounting policies that may exist. Subsidiaries are consolidated from the date control is transferred to the Group and cease to be consolidated from the date control is transferred from the Group. All inter-company balances, profits and transactions are eliminated. The acquisition method of accounting is used to account for business combinations by the Group.

Included within the financial statements of the Group are structured entities where, under the requirements of IFRS 10 Consolidated Financial Statements, it has been determined that control exists. The third-party investment in these entities is recognised as a financial liability in accordance with IAS 32.

Underwriting members at Lloyd’s have several but not joint liability for the transactions of the syndicates in which they participate. Therefore, for each managed syndicate on which the Group participates, only the relevant proportion of the transactions, assets and liabilities of those syndicates are reflected in the consolidated financial statements. Syndicate assets are held subject to trust deeds for the benefit of the syndicate’s insurance creditors. As at 30 June 2024:

- Brit UW Limited, a subsidiary of the Group, provided 100% of the capital for Syndicate 2987 and therefore all transactions, assets and liabilities of Syndicate 2987 have been included in the Group’s financial statements.
- Subsidiaries of the Group participated as members of Syndicate 2988, providing 67.98%, 75.86% and 51.28% of the capital for the 2022, 2023 and 2024 years of account respectively. Consequently, the proportionate shares of the transactions, assets and liabilities of Syndicate 2988 have been included in the Group’s financial statements.
- Ki Member Limited, a subsidiary of the Group, provided 100% of the capital for Syndicate 1618 and therefore all transactions, assets and liabilities of Syndicate 1618 have been included in the Group’s financial statements.

If control of a subsidiary (including a structured entity) is lost during the reporting period, the assets and liabilities of that entity will be derecognised from the consolidated statement of financial position. The revenues and expenses of the entity will no longer be consolidated following the date that control is lost. The difference between the fair value of the consideration received, if any, from the transaction resulting in a loss of control and the fair value of the subsidiary’s net assets will be recognised as a gain or loss in the consolidated income statement.

Associates are those entities over which the Group has the power to exercise significant influence but not control. The Group’s investments in associated undertakings are accounted for under the equity method of accounting whereby associated undertakings are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group’s share of net assets of the associate, less any impairment in value. The consolidated income statement reflects the Group‘s share of the post-acquisition results of operations of the associated undertaking and the consolidated statement of comprehensive income reflects the Group’s share of the comprehensive income of the associated undertaking.

The acquisition method of accounting is used for business combinations. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest (NCI) in the acquiree, where relevant. Acquisition-related costs are expensed as incurred. Where goodwill or a bargain purchase arises, this is initially measured at cost, being the excess of the fair value of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

When the Group acquires a business, it assesses the identifiable assets acquired and liabilities assumed, measured initially at their fair values at the acquisition date, for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. No reclassification of insurance contracts is required as part of the accounting for the business combination. Thus, insurance contracts are classified on the basis of the contractual terms and other factors at the inception of the contract or modification date.

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest’s proportionate share of the acquired entity’s net identifiable assets.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

2 Accounting policies and basis of preparation (continued)

Any contingent consideration will be recognised at fair value at the acquisition date and, where relevant, remeasured at subsequent reporting dates. Contingent consideration that is classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability within or outside the scope of IFRS 9 is measured at fair value through profit or loss (FVTPL).

2.3 New accounting standards adopted in the period

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

2.4 Critical accounting estimates and judgements in applying accounting policies

Management is required to make various judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Estimates are regularly re-evaluated and are based on a combination of historical experience and other factors, including exposure analysis, expectations of future experience and expert judgement. Actual results may differ from these estimates.

The areas of critical accounting judgement the Group makes in applying accounting policies and the key sources of estimation uncertainty are unchanged from those applied to the Group's 2023 Annual Report and Accounts.

3 Risk management policies

The Group's financial, insurance and other risk management objectives and policies are consistent with those disclosed in Note 4 to the Group's consolidated financial statements as at and for the year ended 31 December 2023. The principal risks and uncertainties are unchanged and may be summarised as insurance risk, underwriting risk, reinsurance risk, reserving risk, investment risk, market risk, credit risk, liquidity risk, operational risk, emerging risk, capital management risk, Sussex: Governance Structure risk and Ki: Governance and Risk Management Framework risk.

The below table presents information on how a 1% movement in yield curves would impact profit before tax for the year:

	30 June 2024 $m	30 June 2023 $m
1% increase		
Impact from change in reinsurance contracts assets	**(44.3)**	(52.2)
Impact from change in insurance contract liabilities	**177.7**	165.1
Net impact of 1% increase	**133.4**	112.9
1% decrease		
Impact from change in reinsurance contracts assets	44.3	52.2
Impact from change in insurance contract liabilities	(177.7)	(165.1)
Net impact of 1% decrease	**(133.4)**	(112.9)

Subject to taxation, the effect on shareholder's equity would be the same as the effect on profit.

4 Seasonality of operations

The Group underwrites a wide range of risks, some of which are subject to potential seasonal variation. The most material of these is the Group's exposure to North Atlantic hurricanes which are largely concentrated into the second half of a calendar year. The Group actively participates in many regions and if any catastrophe events do occur, it is likely that the Group will share some of the market's losses. Consequently, the potential for significantly greater volatility in expected returns remains during the second half of the year.

5 Segmental information

As at 30 June 2024, the reportable segments identified were as follows:

- 'Core Underwriting' is Syndicate 2987, Brit's share of Syndicate 2988 and Brit Reinsurance (Bermuda) Limited, with trading between the two syndicates eliminated. It includes both direct and reinsurance business:
  - Direct business represents the Group's international and US business predominantly transacted with wholesale buyers of insurance, rather than individuals. Risks are large and usually syndicated by several underwriters by means of the subscription market; and
  - Reinsurance business (essentially the insurance of insurance and reinsurance companies) includes writing non-proportional cover for major events such as earthquakes or hurricanes. These insurance and reinsurance companies calculate how much risk they want to retain and then pass on their remaining exposure to reinsurers in return for a premium.
- 'Other Underwriting', includes the Group's special purpose vehicles, net of trading with the 'Core Underwriting' segment.
- 'Investments' represents the Group's investment activity, excluding that associated with the 'Ki' reporting segment.
- 'Corporate', which is made up of residual income and expenditure and foreign exchange movements not allocated to other segments.
- 'Ki Segment' represents the activities of the Ki Financial Limited sub-group, which underwrites business through Syndicate 1618. This information has been prepared for the purposes of Brit Limited segmental reporting and does not constitute stand-alone financials for Ki Syndicate 1618 or the Ki Financial Limited sub-group in whole or part.

The Group has presented a segmental profit and loss, disaggregating line items up to and including 'Profit on ordinary activities before tax'. The segments for the six months ended 30 June 2023 have been re-presented on this basis.

5 Segmental information (continued)

6 months ended 30 June 2024 $m	Core Underwriting	Other Underwriting	Total Brit Underwriting (excluding Ki)	Investments	Corporate	Total Brit (excluding Ki)	Ki Segment	Total Group
Insurance revenue	**1,143.9**	**2.7**	**1,146.6**	**-**	**-**	**1,146.6**	**361.2**	**1,507.8**
Acquisition costs	(193.5)	**(0.3)**	**(193.8)**	**-**	**-**	**(193.8)**	**(70.5)**	**(264.3)**
Incurred claims and changes to liabilities for incurred claims[1]	(614.7)	**0.6**	**(614.1)**	**-**	**-**	**(614.1)**	**(188.3)**	**(802.4)**
Insurance service expenses	**(808.2)**	**0.3**	**(807.9)**	**-**	**-**	**(807.9)**	**(258.8)**	**(1,066.7)**
Allocation of reinsurance premiums	(263.8)	**-**	**(263.8)**	**-**	**-**	**(263.8)**	**(67.3)**	**(331.1)**
Amount recoverable from reinsurers for incurred claims	213.6	**-**	**213.6**	**-**	**-**	**213.6**	**27.8**	**241.4**
Net expenses from reinsurance contracts held	**(50.2)**	**-**	**(50.2)**	**-**	**-**	**(50.2)**	**(39.5)**	**(89.7)**
Insurance service result	**285.5**	**3.0**	**288.5**	**-**	**-**	**288.5**	**62.9**	**351.4**
Net finance expense from insurance contracts	(63.7)	**(0.7)**	**(64.4)**	**-**	**-**	**(64.4)**	**(12.0)**	**(76.4)**
Net finance income from reinsurance contracts held	22.9	**-**	**22.9**	**-**	**-**	**22.9**	**2.6**	**25.5**
Net insurance finance expense	**(40.8)**	**(0.7)**	**(41.5)**	**-**	**-**	**(41.5)**	**(9.4)**	**(50.9)**
Interest revenue from financial assets not measured at FVTPL	-	**-**	**-**	**21.8**	**-**	**21.8**	**4.9**	**26.7**
Other investment return	-	**-**	**-**	**80.2**	**-**	**80.2**	**17.6**	**97.8**
Profit on disposal of associates	-	**-**	**-**	**-**	**15.2**	**15.2**	**-**	**15.2**
Return on derivative contracts	-	**-**	**-**	**(4.0)**	**8.8**	**4.8**	**-**	**4.8**
Other income	3.9	**2.8**	**6.7**	**-**	**31.3**	**38.0**	**7.8**	**45.8**
Losses on other financial liabilities	-	**(4.9)**	**(4.9)**	**-**	**-**	**(4.9)**	**-**	**(4.9)**
Investment return and other income	**3.9**	**(2.1)**	**1.8**	**98.0**	**55.3**	**155.1**	**30.3**	**185.4**
Other operating expenses	(57.4)	**-**	**(57.4)**	**-**	**(7.7)**	**(65.1)**	**(16.8)**	**(81.9)**
Net foreign exchange losses	-	**-**	**-**	**-**	**(32.1)**	**(32.1)**	**(1.7)**	**(33.8)**
Other expenses	**(57.4)**	**-**	**(57.4)**	**-**	**(39.8)**	**(97.2)**	**(18.5)**	**(115.7)**
Operating profit	**191.2**	**0.2**	**191.4**	**98.0**	**15.5**	**304.9**	**65.3**	**370.2**
Finance costs			**-**	**-**	**(5.8)**	**(5.8)**	**(2.0)**	**(7.8)**
Profit on ordinary activities before tax			**191.4**	**98.0**	**9.7**	**299.1**	**63.3**	**362.4**
Tax charge								**(61.7)**
Profit for the year								**300.7**
Combined ratio	**67.6%**		**67.3%**			**67.3%**	**78.6%**	**70.1%**

[1] Includes $61.4m of 'Other attributable expenses'.

5 Segmental information (continued)

6 months ended 30 June 2023 (restated) $m	Core Underwriting	Other Underwriting	Total Brit Underwriting (excluding Ki)	Investments	Corporate	Total Brit (excluding Ki)	Ki Segment	Total Group
Insurance revenue	**1,238.3**	**5.7**	**1,244.0**	**-**	**-**	**1,244.0**	**361.8**	**1,605.8**
Acquisition costs	(204.5)	(0.8)	(205.3)	-	-	(205.3)	(72.1)	(277.4)
Incurred claims and changes to liabilities for incurred claims[2]	(700.1)	(6.6)	(706.7)	-	-	(706.7)	(182.9)	(889.6)
Insurance service expenses	**(904.6)**	**(7.4)**	**(912.0)**	**-**	**-**	**(912.0)**	**(255.0)**	**(1,167.0)**
Allocation of reinsurance premiums	(304.3)	-	(304.3)	-	-	(304.3)	(43.6)	(347.9)
Amount recoverable from reinsurers for incurred claims	235.0	(0.4)	234.6	-	-	234.6	26.8	261.4
Net expenses from reinsurance contracts held	**(69.3)**	**(0.4)**	**(69.7)**	**-**	**-**	**(69.7)**	**(16.8)**	**(86.5)**
Insurance service result	**264.4**	**(2.1)**	**262.3**	**-**	**-**	**262.3**	**90.0**	**352.3**
Net finance expense from insurance contracts	(97.6)	(0.4)	(98.0)	-	-	(98.0)	(10.5)	(108.5)
Net finance income from reinsurance contracts held	33.6	(2.2)	31.4	-	-	31.4	2.1	33.5
Net insurance finance expense	**(64.0)**	**(2.6)**	**(66.6)**	**-**	**-**	**(66.6)**	**(8.4)**	**(75.0)**
Interest revenue from financial assets not measured at FVTPL	-	-	-	17.6	-	17.6	4.8	22.4
Other investment return	-	-	-	119.6	-	119.6	17.5	137.1
Profit on disposal of associates	-	-	-	-	-	-	-	-
Return on derivative contracts	-	-	-	(13.4)	(3.4)	(16.8)	-	(16.8)
Other income	4.6	1.5	6.1	-	20.5	26.6	-	26.6
Losses on other financial liabilities	-	(9.4)	(9.4)	-	-	(9.4)	-	(9.4)
Investment return and other income	**4.6**	**(7.9)**	**(3.3)**	**123.8**	**17.1**	**137.6**	**22.3**	**159.9**
Other operating expenses	(54.4)	-	(54.4)	-	(6.2)	(60.6)	(7.2)	(67.8)
Net foreign exchange losses	-	-	-	-	(58.1)	(58.1)	(2.9)	(61.0)
Other expenses	**(54.4)**	**-**	**(54.4)**	**-**	**(64.3)**	**(118.7)**	**(10.1)**	**(128.8)**
Operating profit / (loss)	**150.6**	**(12.6)**	**138.0**	**123.8**	**(47.2)**	**214.6**	**93.8**	**308.4**
Finance costs			-	-	(6.7)	(6.7)	(2.6)	(9.3)
Share of net profit of associates			-	0.9	-	0.9	-	0.9
Profit on ordinary activities before tax			**138.0**	**124.7**	**(53.9)**	**208.8**	**91.2**	**300.0**
Tax charge								(1.3)
Profit for the year								**298.7**
Combined ratio	**71.7%**		**72.1%**			**72.1%**	**71.7%**	**72.0%**

[2] Includes $60.5m of 'Other attributable expenses'.

6 Investment return

6 months ended 30 June 2024	Investment income $m	Net realised gains / (losses) $m	Net unrealised (losses) / gains $m	Total investment return $m
Cash and cash equivalents	**25.8**	**-**	**-**	**25.8**
Trade and other receivables	**0.9**	**-**	**-**	**0.9**
Interest revenue from financial assets not measured at FVTPL	**26.7**	**-**	**-**	**26.7**
Equity securities	**3.4**	**23.3**	**(2.4)**	**24.3**
Debt securities	**102.5**	**(6.2)**	**(53.0)**	**43.3**
Mortgages and loans	**3.6**	**-**	**-**	**3.6**
Specialised investment funds	**-**	**2.2**	**32.1**	**34.3**
Other investment return before expenses	**109.5**	**19.3**	**(23.3)**	**105.5**
Investment management expenses	**(7.7)**	**-**	**-**	**(7.7)**
Other investment return	**101.8**	**19.3**	**(23.3)**	**97.8**
Total investment return	**128.5**	**19.3**	**(23.3)**	**124.5**

During the six-month period ended 30 June 2024, all investment return relates to continuing operations.

6 months ended 30 June 2023	Investment income $m	Net realised gains / (losses) $m	Net unrealised (losses) / gains $m	Total investment return $m
Cash and cash equivalents	22.4	-	-	22.4
Trade and other receivables	0.6	-	-	0.6
Interest revenue from financial assets not measured at FVTPL	23.0	-	-	23.0
Equity securities	4.4	45.9	(11.3)	39.0
Debt securities	74.1	(80.8)	57.9	51.2
Mortgages and loans	1.8	-	-	1.8
Specialised investment funds	0.4	(0.6)	56.4	56.2
Other investment return before expenses	80.7	(35.5)	103.0	148.2
Investment management expenses	(11.1)	-	-	(11.1)
Other investment return	69.6	(35.5)	103.0	137.1
Total investment return	92.6	(35.5)	103.0	160.1

During the six-month period ended 30 June 2023, investment return in respect of the discontinued operation solely relates to the income from cash and cash equivalents of $0.6m. All 'Other investment return' relates to continuing operations.

7 Return on derivative contracts

	6 months ended 30 June 2024 $m	6 months ended 30 June 2023 $m
Investment-related non-currency options	**(4.0)**	(13.4)
Currency forwards	**8.8**	(3.4)
Total return on derivative contracts	**4.8**	(16.8)

8 Discontinued operations

There were no operations classified as discontinued operations at 30 June 2024 and no operations classified as held for sale at either 30 June 2023 or 30 June 2024.

In 2023, the operations of Ambridge were classified as discontinued. On 10 May 2023, Brit completed the sale of Ambridge, its US and European based managing general underwriter (MGU) to Amynta. As such, the results of the Ambridge business have been reported as a discontinued operation in the comparative period. In the event the operations of Ambridge achieved certain performance criteria during the period 1 January 2023 to 31 December 2023, additional cash consideration of up to $100.0m would be receivable in the second quarter of 2024. As the performance criteria were not met, no additional consideration was received.

For further information on discontinued operations in 2023, please refer to Note 10 of the Group's 2023 Annual Report.

9 Other income (including losses on other financial liabilities)

	6 months ended 30 June 2024 $m	6 months ended 30 June 2023 $m
Fees and commission from non-aligned syndicate	**3.1**	2.3
Change in value of ultimate parent company shares held by Brit	**31.3**	21.2
Net commission fee income from intermediary activities	**8.9**	16.8
Consortium income	**0.8**	2.3
Other	**1.7**	0.8
Other income	**45.8**	43.4
Change in value of other financial liabilities*	**(4.9)**	(9.4)
Total	**40.9**	34.0
Attributable to:		
Continuing operations	**40.9**	17.2
Discontinued operation	**-**	16.8
	40.9	34.0

*Other financial liabilities are investments by third parties in structured insurance and investment entities consolidated by the Group.

10 Net foreign exchange losses

The Group recognised foreign exchange losses of $33.8m (30 June 2023: losses of $62.0m) in the condensed consolidated income statement in the period. Foreign exchange gains and losses result from the translation of the condensed consolidated balance sheet to closing exchange rates and the condensed consolidated income statement to average exchange rates. During the six months period ended 30 June 2023, the net foreign exchange losses attributable to the discontinued operation were $1.0m.

Principal exchange rates applied are set out in the table below.

	6 months ended 30 June 2024		6 months ended 30 June 2023	
	Average	**Closing**	Average	Closing
Sterling	**0.791**	**0.791**	0.811	0.787
Canadian dollar	**1.359**	**1.368**	1.348	1.323
Euro	**0.925**	**0.933**	0.925	0.917
Australian dollar	**1.520**	**1.497**	1.480	1.502
South African rand	**18.731**	**18.260**	18.204	18.891

In accordance with IAS 1 'Presentation of Financial Statements', exchange gains and losses are presented on a net basis. They are reported within revenue where they result in a net gain and within expenses where they result in a net loss.

11 Tax expense

(a) Tax charged to the income statement

	6 months ended 30 June 2024 $m	(Restated) 6 months ended 30 June 2023 $m
Current tax:		
Current tax on income for the period	**(8.4)**	-
Overseas tax on income for the period	**(2.8)**	(4.0)
	(11.2)	(4.0)
Adjustments in respect of prior years	**(4.3)**	9.7
Total current tax	**(15.5)**	5.7
Deferred tax:		
Relating to the origination and reversal of temporary differences	**(49.8)**	1.1
Adjustments in respect of prior years	**3.6**	(8.6)
Total deferred tax	**(46.2)**	(7.5)
Total tax charged to income statement	**(61.7)**	(1.8)
Tax charged to the income statement is attributable to:		
Profit from continuing operations	**(61.7)**	(1.3)
Profit from discontinued operation	**-**	(0.5)
	(61.7)	(1.8)

Overseas taxes arise in respect of the Group's subsidiaries in the US, Bermuda, and South Africa and as a result of the Group's operations at Lloyd's. Double tax relief principally arises from taxes suffered as a result of the Group's operations at Lloyd's. Double tax relief is effectively limited to an amount equal to the tax due at the UK tax rate on the same source of income. The double tax relief amount is included within deferred tax on the basis that the amount will be recovered against future liabilities within the Group.

(b) Tax charged to other comprehensive income

	6 months ended 30 June 2024 $m	6 months ended 30 June 2023 $m
Deferred tax loss on actuarial gains on defined benefit pension schemes	**(5.3)**	(0.1)

(c) OECD 'Pillar Two' rules

Brit Limited and its subsidiaries are expected to fall within the scope of the Organisation for Economic Co-operation and Development's new global minimum tax framework known as the Pillar Two Model Rules.

- The UK legislation governing the Income Inclusion Rule and the UK's Qualifying Domestic Minimum Top-Up Tax effective from 1 January 2024 were substantively enacted in June 2023. A current tax charge of $8.4m arises in Q2 2024 under the UK QDMTT regime.
- Canada enacted its own Income Inclusion Rule on 20th June 2024 and the IIR liability will be recognised in the Fairfax Financial Holdings Limited accounts.
- The implementation of a 15% corporate income tax regime in Bermuda effective from 1 January 2025 was substantively enacted on 22nd December 2023. A DTA prior year adjustment of $4.1m in the Group arises in the period in respect of the Economic Transition Adjustment under this new Bermuda Corporate Income Tax regime. This represents the future tax benefits of the Bermuda domestic tax attribute which was recognised based on differences between the book value (UK GAAP) and market value of Brit Re's reserves as at 1 January 2025.

12 Insurance and reinsurance contracts

Composition of the consolidated statement of financial position

An analysis of the amounts presented on the consolidated statement of financial position for insurance and reinsurance contracts is included in the table below:

$m	30 June 2024	31 December 2023
Reinsurance contract assets[1]	**1,920.9**	1,942.8
Insurance contract liabilities:		
Insurance contracts liabilities excluding assets for insurance acquisition cash flows	**(5,909.9)**	(5,890.7)
Assets for insurance acquisition cash flows	**11.8**	21.0
Insurance contract liabilities[1]	**(5,898.1)**	(5,869.7)

[1]The Group does not have other pre-recognition cash flows included in either its insurance contract liabilities or reinsurance contract assets.

Movement in net insurance contract balances

Analysis by remaining coverage and incurred claims	**6 months ended 30 June 2024**				
	Remaining coverage	**Incurred claims**			**Total**
		Contracts not under PAA	**Contracts under PAA**		
$m			**Estimates of present value of future cash flows**	**Risk adjustment for non-financial risk**	
Reinsurance contracts held	**260.3**	**36.1**	**1,548.2**	**98.2**	**1,942.8**
Insurance contracts issued	**(23.3)**	**(317.0)**	**(5,275.7)**	**(274.7)**	**(5,890.7)**
Net opening balance	**237.0**	**(280.9)**	**(3,727.5)**	**(176.5)**	**(3,947.9)**
Changes in the consolidated income statement					
Insurance revenue, net of allocation of reinsurance premiums	**1,176.7**	**-**	**-**	**-**	**1,176.7**
Losses on claims and other insurance service expenses	**-**	**(246.1)**	**(374.8)**	**(21.6)**	**(642.5)**
Amortisation of insurance acquisition cash flows	**(264.3)**	**-**	**-**	**-**	**(264.3)**
Prior year development	**-**	**9.1**	**41.9**	**30.5**	**81.5**
Insurance service expenses, net of amounts recoverable from reinsurers	**(264.3)**	**(237.0)**	**(332.9)**	**8.9**	**(825.3)**
Insurance service result	**912.4**	**(237.0)**	**(332.9)**	**8.9**	**351.4**
Net finance income / (expense) from insurance and reinsurance contracts	**6.5**	**(8.9)**	**(48.5)**	**-**	**(50.9)**
Net effect of movements in exchange rates	**(1.2)**	**2.3**	**13.8**	**0.7**	**15.6**
Total changes in the consolidated income statement	**917.7**	**(243.6)**	**(367.6)**	**9.6**	**316.1**
Investment components	**3.6**	**-**	**(3.6)**	**-**	**-**
Cash flows					
Net premiums received	**(1,338.9)**	**-**	**-**	**-**	**(1,338.9)**
Net claims and other insurance service expenses paid	**-**	**(12.5)**	**545.5**	**-**	**533.0**
Insurance acquisition cash flows	**448.7**	**-**	**-**	**-**	**448.7**
Total cash flows	**(890.2)**	**(12.5)**	**545.5**	**-**	**(357.2)**
Net closing balance	**268.1**	**(537.0)**	**(3,553.2)**	**(166.9)**	**(3,989.0)**
Reinsurance contracts held	**270.2**	**31.7**	**1,523.7**	**95.3**	**1,920.9**
Insurance contracts issued	**(2.1)**	**(568.7)**	**(5,076.9)**	**(262.2)**	**(5,909.9)**
Net closing balance	**268.1**	**(537.0)**	**(3,553.2)**	**(166.9)**	**(3,989.0)**

12 Insurance and reinsurance contracts (continued)

Movement in net insurance contract balances

Analysis by remaining coverage and incurred claims	**12 months ended 31 December 2023**				
	Remaining coverage	**Incurred claims**			**Total**
		Contracts not under PAA	**Contracts under PAA**		
$m			**Estimates of present value of future cash flows**	**Risk adjustment for non-financial risk**	
Reinsurance contracts held	237.7	33.7	1,471.8	80.9	1,824.1
Insurance contracts issued	(76.9)	-	(5,089.5)	(263.7)	(5,430.1)
Net opening balance	160.8	33.7	(3,617.7)	(182.8)	(3,606.0)
Changes in the consolidated income statement					
Insurance revenue, net of allocation of reinsurance premiums	2,731.2	-	-	-	2,731.2
Losses on claims and other insurance service expenses	-	(259.9)	(1,151.1)	(50.1)	(1,461.1)
Amortisation of insurance acquisition cash flows	(638.0)	-	-	-	(638.0)
Prior year development	-	(0.1)	(41.6)	58.0	16.3
Insurance service expenses, net of amounts recoverable from reinsurers[1]	(638.0)	(260.0)	(1,192.7)	7.9	(2,082.8)
Insurance service result[2]	2,093.2	(260.0)	(1,192.7)	7.9	648.4
Net finance expense from insurance and reinsurance contracts	(8.9)	(12.6)	(204.3)	-	(225.8)
Net effect of movements in exchange rates	5.6	(2.3)	(38.0)	(1.6)	(36.3)
Total changes in the consolidated income statement	2,089.9	(274.9)	(1,435.0)	6.3	386.3
Investment components	4.1	-	(4.1)	-	-
Cash flows					
Net premiums received	(2,967.2)	-	-	-	(2,967.2)
Net claims and other insurance service expenses paid	-	(39.7)	1,329.3	-	1,289.6
Insurance acquisition cash flows	949.4	-	-	-	949.4
Changes in funds withheld account	-	-	-	-	-
Total cash flows	(2,017.8)	(39.7)	1,329.3	-	(728.2)
Net closing balance[3]	237.0	(280.9)	(3,727.5)	(176.5)	(3,947.9)
Reinsurance contracts held	260.3	36.1	1,548.2	98.2	1,942.8
Insurance contracts issued	(23.3)	(317.0)	(5,275.7)	(274.7)	(5,890.7)
Net closing balance	237.0	(280.9)	(3,727.5)	(176.5)	(3,947.9)

[1] Insurance service expenses include amounts attributed to the discounted operation.
[2] Of which $1.1m relates to operations that have been presented in discontinued operations.
[3] Opening and closing insurance contract balances exclude assets for insurance acquisition cash flows.

12 Insurance and reinsurance contracts (continued)

Movement in net insurance contract balances applying GMM

Analysis by remaining coverage and incurred claims	**6 months ended 30 June 2024**			
$m	**Estimates of present value of future cash flows**	**Risk adjustment for non-financial risk**	**CSM**	**Total**
Reinsurance contracts held	**316.5**	**1.2**	**3.7**	**321.4**
Insurance contracts issued	**(264.8)**	**(33.7)**	**(98.6)**	**(397.1)**
Net opening balance	**51.7**	**(32.5)**	**(94.9)**	**(75.7)**
Changes in the consolidated income statement				
Changes that relate to current service:				
CSM recognised for the services period	**-**	**-**	**70.1**	**70.1**
Changes in the risk adjustment for non-financial risk	**-**	**(0.1)**	**-**	**(0.1)**
Experience adjustments	**45.0**	**-**	**-**	**45.0**
Changes that relate to future service:				
Contracts initially recognised in the period	**76.1**	**(14.0)**	**(62.1)**	**-**
Changes in estimates that adjust the CSM	**(33.7)**	**-**	**33.7**	**-**
Changes that relate to past service:				
Prior year development	**7.7**	**1.4**	**-**	**9.1**
Net income / (expenses) from insurance contracts issued and reinsurance contracts held	**95.1**	**(12.7)**	**41.7**	**124.1**
Net finance income / (expense) from insurance and reinsurance contracts	**0.6**	**-**	**(3.0)**	**(2.4)**
Net effect of movements in exchange rates	**0.9**	**0.1**	**-**	**1.0**
Total changes in the consolidated income statement	**96.6**	**(12.6)**	**38.7**	**122.7**
Cash flows				
Net premiums received, net of ceding commissions and other directly attributable expenses paid	**(435.2)**	**-**	**-**	**(435.2)**
Net claims and other insurance service expenses received	**(12.5)**	**-**	**-**	**(12.5)**
Insurance acquisition cash flows	**127.2**	**-**	**-**	**127.2**
Total cash flows	**(320.5)**	**-**	**-**	**(320.5)**
Net closing balance	**(172.2)**	**(45.1)**	**(56.2)**	**(273.5)**
Reinsurance contracts held	**288.3**	**2.6**	**45.5**	**336.4**
Insurance contracts issued	**(460.5)**	**(47.7)**	**(101.7)**	**(609.9)**
Net closing balance	**(172.2)**	**(45.1)**	**(56.2)**	**(273.5)**

12 Insurance and reinsurance contracts (continued)

Movement in net insurance contract balances applying GMM

Analysis by remaining coverage and incurred claims	**12 months ended 31 December 2023**			
$m	**Estimates of present value of future cash flows**	**Risk adjustment for non-financial risk**	**CSM**	**Total**
Reinsurance contracts held	351.4	17.2	(14.9)	353.7
Net opening balance	351.4	17.2	(14.9)	353.7
Changes in the consolidated income statement				
Changes that relate to current service:				
CSM recognised for the services period	-	-	51.9	51.9
Changes in the risk adjustment for non-financial risk	-	(20.2)	-	(20.2)
Experience adjustments	(38.4)	-	-	(38.4)
Changes that relate to future service:				
Contracts initially recognised in the period	175.4	(29.2)	(146.2)	-
Changes in estimates that adjust the CSM	(18.3)	(1.1)	19.4	-
Net income / (expenses) from insurance contracts issued and reinsurance contracts held	118.7	(50.5)	(74.9)	(6.7)
Net finance expense from insurance and reinsurance contracts	(16.6)	-	(4.9)	(21.5)
Net effect of movements in exchange rates	1.6	0.8	(0.2)	2.2
Total changes in the consolidated income statement	103.7	(49.7)	(80.0)	(26.0)
Cash flows				
Net premiums received, net of ceding commissions and other directly attributable expenses paid	(633.2)	-	-	(633.2)
Net claims and other insurance service expenses paid	49.9	-	-	49.9
Insurance acquisition cash flows	179.9	-	-	179.9
Total cash flows	(403.4)	-	-	(403.4)
Net closing balance	51.7	(32.5)	(94.9)	(75.7)
Reinsurance contracts held	316.5	1.2	3.7	321.4
Insurance contracts issued	(264.8)	(33.7)	(98.6)	(397.1)
Net closing balance	51.7	(32.5)	(94.9)	(75.7)

13 Financial assets and financial liabilities

The fair values and carrying amounts of the Group's financial assets and financial liabilities, apart from lease liabilities, has been disclosed below:

		Note	30 June 2024 Fair value $m	30 June 2024 Carrying amount $m	31 December 2023 Fair value $m	31 December 2023 Carrying amount $m
Financial assets						
Investments – equity securities	FVTPL	14	**514.6**	**514.6**	509.2	509.2
Investments – debt securities	FVTPL	14	**4,744.3**	**4,744.3**	4,804.4	4,804.4
Investments – mortgages and loans	FVTPL	14	**82.0**	**82.0**	82.2	82.2
Investments – specialised investment funds	FVTPL	14	**563.0**	**563.0**	479.6	479.6
Other assets	FVTPL		**144.2**	**144.2**	118.7	118.7
Derivative contracts	FVTPL	15	**8.7**	**8.7**	20.2	20.2
Total financial assets			**6,056.8**	**6,056.8**	6,014.3	6,014.3
Financial liabilities						
Derivative contracts	FVTPL	15	**9.5**	**9.5**	23.7	23.7
Other financial liabilities	FVTPL		**6.7**	**6.7**	104.0	104.0
Borrowings	Amortised Cost		**126.6**	**160.5**	118.3	161.9
Total financial liabilities			**142.8**	**176.7**	246.0	289.6

Other financial instruments have not been disclosed in the table above as they are either short-term receivables or payables where carrying amounts are deemed a reasonable approximation of fair value.

14 Financial investments

The note summarises the total value of the financial assets of the Group and shows how much has been invested in each class of asset. It also explains how each asset is categorised under three different levels of hierarchy, the methods used to value assets within each level and assets transferred between level.

	30 June 2024 $m	31 December 2023 $m
Equity securities	**514.6**	509.2
Debt securities	**4,744.3**	4,804.4
Mortgages and loans	**82.0**	82.2
Specialised investment funds	**563.0**	479.6
	5,903.9	5,875.4

All financial investments have been measured at fair value through profit or loss.

Basis for determining the fair value hierarchy of financial instruments

The Group has classified the fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making those measurements. The fair value hierarchy comprises the following levels:

(a) Level one – Valuations based on quoted prices (unadjusted) in active markets for identical assets;

(b) Level two - Valuations based on inputs other than quoted prices included within level one that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(c) Level three - Valuations based on inputs for the assets that are not based on observable market data (unobservable inputs).

14 Financial investments (continued)

Assets are categorised as level one where fair values determined in whole directly by reference to an active market relate to prices which are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis, i.e. the market is still active.

For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of each reporting period. Fair values for level two and level three assets include:

- Values provided at the request of the Group by pricing services and which are not publicly available or values provided by external parties which are readily available but relate to assets for which the market is not always active; and
- Assets measured on the basis of valuation techniques including a varying degree of assumptions supported by market transactions and observable data.

For all assets not quoted in an active market or for which there is no active market, the availability of financial data can vary and is affected by a wide variety of factors, including the type of financial instrument, whether it is new and not yet established in the marketplace, and other characteristics specific to each transaction. To the extent that valuation is based on the models or inputs that are unobservable in the market, the determination of fair value requires more judgement. Accordingly, the degree of judgement exercised is higher for instruments classified in level three and the classification between level two and level three depends highly on the proportion of assumptions used, supported by market transactions and observable data.

Valuation techniques

Level one
Inputs represent unadjusted quoted prices for identical instruments exchanged in active markets (where transactions occur with sufficient frequency and volume). The fair values of securities sold short and the majority of the Group's equities are based on published quotes in active markets. These also include government bonds and treasury bills issued in the US and in the UK.

Level two
Inputs include directly or indirectly observable inputs (other than level one inputs) such as quoted prices for similar financial instruments exchanged in active markets, quoted prices for identical or similar financial instruments exchanged in inactive markets and other market observable inputs.

Level two securities contain certain investments in US and non-US government agency securities, US and non-US corporate debt securities and specialised investment funds. US government agency securities are priced using valuations from independent pricing vendors who use discounted cash flow models supplemented with market and credit research to gather specific information. Market observable inputs for these investments may include broker-dealer quotes, reported trades, issuer spreads and available bids. Non-US government agency securities are priced with OTC quotes or broker-dealer quotes. Other market observable inputs include benchmark yields and reported trades. Issuer spreads are also available for these types of investments.

Level two common stocks are priced using a combination of independent pricing service providers and internal valuation models that rely on directly or indirectly observable inputs.

Level three
Level three equities include investments in limited partnerships where the fund's underlying investments are not traded/quoted in an active market. In some instances, limited partnerships are classified as level three because they may require at least three months' notice to liquidate. This requirement results in an adjustment to the reported value for illiquidity which is unobservable.

Level three debt instruments include corporate loans with unobservable inputs used in the measurement of financial instruments. Management is required to use its own assumptions regarding unobservable inputs as there is little, if any, market activity in these instruments or related observable inputs that can be corroborated at the measurement date.

14 Financial investments (continued)

Level three specialised investment funds include securities that are valued using techniques appropriate to each specific investment. The valuation techniques include fair value by reference to net asset values (NAVs) adjusted and issued by fund managers based on their knowledge of underlying investments and credit spreads of counterparties. In some instances, certain investment funds are classified as level three because they may require at least three months' notice to liquidate. This requirement results in an adjustment to the reported value for illiquidity which is unobservable.

Disclosures of fair values in accordance with the fair value hierarchy

	Level one $m	Level two $m	Level three $m	Total $m
Equity securities	**207.9**	**-**	**306.7**	**514.6**
Debt securities	**2,590.3**	**2,120.9**	**33.1**	**4,744.3**
Mortgages and loans	**-**	**-**	**82.0**	**82.0**
Specialised investment funds	**-**	**517.5**	**45.5**	**563.0**
As at 30 June 2024	**2,798.2**	**2,638.4**	**467.3**	**5,903.9**
Equity securities	220.8	-	288.4	509.2
Debt securities	2,709.0	2,068.7	26.7	4,804.4
Mortgages and loans	-	-	82.2	82.2
Specialised investment funds	-	423.3	56.3	479.6
As at 31 December 2023	2,929.8	2,492.0	453.6	5,875.4

All unrealised losses of $23.3m (31 December 2023: gains of $265.4m) and realised gains of $19.3m (31 December 2023: losses of $80.2m) on financial investments held during the period, are presented in the 'Other investment return' line item in the condensed consolidated income statement.

Transfers between fair value levels

Fair values are classified as level one when the financial instrument or derivative is actively traded and a quoted price is available. In accordance with the Group's policy, if an instrument classified as level one subsequently ceases to be actively traded, it is immediately transferred out of level one. In such cases, instruments are classified into level two, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as level three. All fair value measurements above are recurring as they are required to be measured and recognised at the end of each reporting period.

Transfer from level one to level three

During the period, there were $0.1m (31 December 2023: $109.6m) of equity transfers from level one to level three. In 2023, Poseidon Acquisition Corp (Poseidon) acquired all outstanding common shares of Atlas Corp (Atlas) which was previously a public company. Accordingly, Brit's investment in Atlas common shares has now been converted to a holding in Poseidon common shares. As a result of the privatisation transaction, Brit's original investment has been transferred from level one to level three. Poseidon common shares will be monitored for significant events that could impact the valuation throughout the year, with a more in-depth valuation analysis to be completed in the future.

14 Financial investments (continued)

Reconciliation of movements in level three financial investments measured at fair value

	Equity securities $m	Debt securities $m	Mortgages and loans $m	Specialised investment funds $m	Total $m
At 1 January 2023	192.6	32.4	34.6	59.9	319.5
Transfers from level one to level three	109.6	-	-	-	109.6
Total gains / (losses) recognised in the income statement	20.3	(7.5)	1.5	(9.1)	5.2
Purchases	45.6	118.9	74.7	3.2	242.4
Sales	(80.9)	(117.8)	(30.5)	-	(229.2)
Foreign exchange gains	1.2	0.7	1.9	2.3	6.1
At 31 December 2023	288.4	26.7	82.2	56.3	453.6
Transfers from level one to level three	**0.1**	**-**	**-**	**-**	**0.1**
Total gains / (losses) recognised in the income statement	**18.4**	**(0.1)**	**0.1**	**(10.0)**	**8.4**
Purchases	**79.8**	**7.5**	**0.3**	**-**	**87.6**
Sales	**(78.2)**	**-**	**-**	**-**	**(78.2)**
Foreign exchange losses	**(1.8)**	**(1.0)**	**(0.6)**	**(0.8)**	**(4.2)**
At 30 June 2024	**306.7**	**33.1**	**82.0**	**45.5**	**467.3**

Total net gains recognised in the condensed consolidated income statement under 'Other investment return' in respect of level three financial investments for the period amounted to $8.4m (31 December 2023: gains of $5.2m). Included in this balance are $13.6m of unrealised losses (31 December 2023: losses of $6.9m) attributable to assets still held at the end of the period.

Sensitivity of level three financial investments measured at fair value to changes in key assumptions

The following table shows the sensitivity of the fair value of level three financial investments to changes in key assumptions.

	30 June 2024		31 December 2023	
	Carrying amount $m	**Effect of possible alternative assumptions (+/-) $m**	Carrying amount $m	Effect of possible alternative assumptions (+/-) $m
Equity securities	**306.7**	**16.5**	288.4	6.2
Debt securities	**33.1**	**0.2**	26.7	1.9
Mortgages and loans	**82.0**	**0.5**	82.2	0.6
Specialised investment funds	**45.5**	**2.7**	56.3	0.9
	467.3		453.6	

In order to determine reasonably possible alternative assumptions, the Group has monitored the price movements of the securities invested on a month-by-month basis during 2024, or since acquisition if acquired during the year. This has resulted in an average expected percentage change in the securities pricing, which forms the basis of this analysis.

15 Derivative contracts

This note summarises the total value of the derivative contracts of the Group. It also explains how each derivative contract is categorised under three different levels of hierarchy, the valuation methods used to value derivative contracts and amounts transferred between levels. At 30 June 2024 and 31 December 2023, the options formed part of the investment management strategy, while the currency forwards formed part of the foreign exchange management policy.

Derivative contract assets	Gross amounts of receivables on derivative contract assets $m	Gross amounts of payables on derivative contract assets $m	Derivative contract assets presented in the statement of financial position $m
30 June 2024			
Currency forwards	**620.1**	**(616.1)**	**4.0**
Options	**0.1**	**-**	**0.1**
Contingent consideration receivable	**2.4**	**-**	**2.4**
Interest rate swaps	**0.3**	**-**	**0.3**
Equity warrants	**1.9**	**-**	**1.9**
Total	**624.8**	**(616.1)**	**8.7**
31 December 2023			
Currency forwards	392.6	(379.2)	13.4
Options	2.4	-	2.4
Contingent consideration receivable	2.4	-	2.4
Interest rate swaps	0.3	-	0.3
Equity warrants	1.7	-	1.7
Total	399.4	(379.2)	20.2

Derivative contract liabilities	Gross amounts of payables on derivative contract liabilities $m	Gross amounts of receivables on derivative contract liabilities $m	Derivative contract liabilities presented in the statement of financial position $m
30 June 2024			
Currency forwards	**(334.1)**	**331.6**	**(2.5)**
Credit default swaps	**(6.2)**	**-**	**(6.2)**
Interest rate swaps	**(0.8)**	**-**	**(0.8)**
Total	**(341.1)**	**331.6**	**(9.5)**
31 December 2023			
Currency forwards	(564.6)	547.9	(16.7)
Credit default swaps	(6.6)	-	(6.6)
Interest rate swaps	(0.4)	-	(0.4)
Total	(571.6)	547.9	(23.7)

Disclosures of fair values in accordance with the fair value hierarchy

	Level two $m	Level three $m	Total $m
30 June 2024			
Derivative contract assets	**4.4**	**4.3**	**8.7**
Derivative contract liabilities	**(9.5)**	**-**	**(9.5)**
31 December 2023			
Derivative contract assets	16.1	4.1	20.2
Derivative contract liabilities	(23.7)	-	(23.7)

15 Derivative contracts (continued)

Valuation techniques

Level two

The fair value of the vast majority of the Group's derivative contracts are based primarily on non-binding third-party broker-dealer quotes that are prepared using level two inputs. Where third-party broker-dealer quotes are used, typically one quote is obtained from a broker-dealer with particular expertise in the instrument being priced.

The valuation technique used to determine the fair value of currency forwards is derived from observable inputs such as active foreign-exchange and interest-rate markets that may require adjustments for certain unobservable inputs.

Level three

Consumer price index (CPI)-linked derivatives are classified as level three and valued using broker-dealer quotes which management has determined utilise market observable inputs except for the inflation volatility input which is not market observable. The reasonableness of the fair values of CPI-linked derivative contracts are assessed by comparing the fair values received from third-party broker-dealers to recent market transactions where available and values determined using third-party pricing software based on the Black-Scholes option pricing model for European-style options that incorporates market observable and unobservable inputs such as the current value of the relevant CPI underlying the derivative, the inflation swap rate, nominal swap rate and inflation volatility. The fair values of CPI-linked derivative contracts are sensitive to assumptions such as market expectations of future rates of inflation and related inflation volatilities.

The forward contract that the Group has in respect of its associated undertaking has been classified as level three as the valuation of this derivative is derived from unobservable inputs that are linked to EBITDA calculations.

Reconciliation of movements in level three derivative contracts measured at fair value

	$m
At 1 January 2023	4.3
Purchases	10.3
Total losses recognised in the income statement	(5.4)
Sales	(5.9)
Foreign exchange gains	0.8
At 31 December 2023	4.1
Total gains recognised in the income statement	**0.8**
Foreign exchange losses	**(0.6)**
At 30 June 2024	**4.3**

Sensitivity of level three derivatives measured at fair value to changes in key assumptions

The following table shows the sensitivity of the fair value of level three derivatives to changes in key assumptions.

	30 June 2024		31 December 2023	
	Carrying amount $m	**Effect of possible alternative assumptions (+/-) $m**	Carrying amount $m	Effect of possible alternative assumptions (+/-) $m
Equity warrants	**1.9**	**0.3**	1.7	0.3
Contingent consideration receivable	**2.4**	**-**	2.4	-
	4.3	**0.3**	4.1	0.3

In order to determine reasonably possible alternative assumptions, the Group adjusted key unobservable model inputs, including inflation volatility inputs and credit risk inputs.

16 Share Capital

	30 June 2024 $m	31 December 2023 $m	**30 June 2024 1p each Number**	31 December 2023 1p each Number
Ordinary shares:				
Allotted, Issued and fully paid	**10.0**	10.0	**669,502,094**	669,502,094

As at 30 June 2024, 92,364,532 shares are class A shares and the remainder are class B shares. The class A and B shares rank pari-passu except that on a distribution of profits by the Company, the class A shareholders are entitled to a cumulative annual dividend which must be settled ahead of any equivalent distribution to class B shareholders.

The number of shares reported is for Brit Limited, the immediate parent of the Group.

As at the reporting date, Fairfax owns 86.2% of Brit Limited while the remaining 13.8% is owned by OMERS.

17 Dividends

In the six-month period ended 30 June 2024, a total dividend of $187.9m was paid (31 December 2023: $413.6m). Dividends of $12.9m (31 December 2023: $40.6m), an amount equal to $0.14 per share (31 December 2023: $0.44 per share) were paid to the class A shareholders on 21 March 2024 and dividends of $175.0m (31 December 2023: $373.0m), an amount equal to $0.30 per share (31 December 2023: $0.65 per share) was paid to the class B shareholders on 21 March 2024, in accordance with the Brit Limited shareholders' agreement.

18 Cash flows provided by operating activities

	6 months ended 30 June 2024 $m	(Restated) 6 months ended 30 June 2023 $m
Profit on ordinary activities before tax	**362.4**	566.7
Adjustments for non-cash movements:		
Realised and unrealised losses / (gains) on investments	**4.0**	(67.5)
Realised and unrealised (gains) / losses on derivatives	**(4.8)**	16.8
Amortisation of intangible assets	**4.4**	3.6
Depreciation and impairment of property, plant and equipment	**2.2**	5.4
Foreign exchange losses / (gains) on cash and cash equivalents	**2.7**	(6.3)
Share of profit after tax of associated undertakings	**-**	(0.8)
Loss on disposal of property, plant and equipment	**-**	0.1
Profit on disposal of subsidiaries	**-**	(259.1)
Profit on disposal of associate	**(15.2)**	-
Unrealised gains on shares held for share based payments	**(31.3)**	(23.7)
Charges in respect of share-based payment schemes	**28.5**	22.4
Interest income	**(132.8)**	(98.9)
Dividend income	**(3.4)**	(4.8)
Finance costs on borrowing	**7.8**	9.1
Movement in operating assets and liabilities:		
Insurance and other receivables excluding accrued income	**(221.0)**	(206.8)
Insurance and reinsurance contracts	**50.3**	(16.9)
Financial investments	**(12.6)**	(409.2)
Derivative contracts	**2.1**	(12.6)
Other financial liabilities	**(97.3)**	8.7
Insurance and other payables	**359.0**	376.6
Employee benefits	**(0.2)**	(2.1)
Provisions	**(0.4)**	0.2
Cash flows provided by / (used in) operating activities	**304.4**	(99.1)

Profit on ordinary activities before tax includes profits and losses arising from both continuing and discontinued operations:

Profit on ordinary activities before tax	**Continuing operations $m**	**Discontinued operation $m**	**Total $m**
Six months ended 30 June 2024	**362.4**	**-**	**362.4**
Six months ended 30 June 2023	300.0	266.7	566.7

19 Related party transactions

(a) Ultimate Parent Company

The ultimate parent company and controlling entity, and the largest group of which the Group is a member, is Fairfax Financial Holdings Limited (FFHL) which is registered in Canada and listed on the Toronto Stock Exchange. The consolidated financial statements for Fairfax are publicly available and can be obtained from the Corporate Secretary, 95 Wellington Street West, Suite 800, Toronto, Ontario, Canada, M5J 2N7 or from the website at www.fairfax.ca.

(b) Fairfax Financial Holdings Limited

In June 2015, Hamblin Watsa Investment Counsel Limited (HWIC), an affiliate of FFHL, was appointed as an investment manager to a number of Group companies. The Group incurred and paid investment management fees to HWIC of $5.7m (30 June 2023: $5.9m).

19 Related party transactions (continued)

(b) Fairfax Financial Holdings Limited (continued)

The Group has historically entered into various reinsurance arrangements with affiliates of Fairfax.

The amounts included in the condensed consolidated income statement relating to trading with Fairfax Financial Holdings Limited and its affiliates for the period were as follows:

	6 months to 30 June 2024 $m	(Restated) 6 months to 30 June 2023 $m
Insurance revenue	**9.7**	12.4
Insurance service expenses (exclusive of commissions costs below)	**(11.0)**	(5.3)
Ceded reinsurance revenue (gross of ceding commissions below)	**(7.7)**	(8.5)
Reinsurance recoveries	**9.9**	4.8
Net finance income	**0.1**	-
Commission income	**0.3**	0.2
Commission expense	**(1.2)**	(3.1)

The amounts included in the condensed consolidated statement of financial position outstanding with Fairfax Financial holdings Limited and its affiliates as at the period end were as follows:

	30 June 2024 $m	31 December 2023 $m
Insurance and reinsurance balances		
Insurance contract liabilities	**(53.8)**	(43.4)
Reinsurance contract assets	**33.8**	25.0

(c) Associated undertakings

Sutton Special Risk Inc. ('Sutton')

On 2 January 2019, Brit Insurance Holdings Limited acquired 49% of the issued shares of Sutton and recorded it as an investment in associated undertaking. Sutton was disposed of as an associated undertaking on 8 March 2024.

Trading with Sutton is undertaken on an arm's-length basis and is settled in cash. The amounts in the condensed consolidated income statement relating to trading with Sutton for the period up to 8 March 2024 were $1.9m (30 June 2023: $4.0m). Amounts recorded in the condensed consolidated statement of financial position in respect of premium net of commissions due from, and fees payable to Sutton as at 31 December 2023 were not material.

(d) Bryte Insurance Limited agreement

Prior to the acquisition of Camargue Underwriting Managers Proprietary Limited (Camargue) on 4 October 2021, the entity had already entered into an agreement with Bryte Insurance Limited (Bryte), another subsidiary of the Fairfax group. Camargue acts as an underwriting managing agent for Bryte, administering insurance policies on their behalf and providing risk management services over the lifetime of those policies.

The amounts in the condensed consolidated income statement related to trading with Bryte for the period ended 30 June 2024 were $0.1m (30 June 2023: $0.5m) in respect of administration fees and risk management fees. $0.2m was outstanding as at 30 June 2024 (31 December 2023: $0.2m).

Reconciliation of Key Performance Indicators and Alternative Performance Measures to the Financial Statements

Return on net tangible assets (RoNTA)

Return on net tangible assets (RoNTA) shows the return being generated by our operations compared to the adjusted net tangible assets deployed in our business.

(i) RoNTA from all operations

	Comment / financial statements reference	**Unaudited 6 months ended 30 June 2024 $m**	(Restated) Unaudited 6 months ended 30 June 2023 $m
Profit for the year after tax attributable to the owners of the parent	Consolidated income statement	**267.2**	530.0
Add back: Tax adjusted amortisation	Amortisation of intangibles, adjusted by the tax rate	**3.4**	3.4
Add back: Tax adjusted pension charge in income statement	Defined benefits schemes' impact on income statement	**0.7**	(0.8)
Add back: Tax adjusted FX	FX effect for the year, adjusted by the tax rate	**21.5**	47.0
Return, as adjusted for RoNTA calculation		**292.8**	579.6
Adjusted NTA at start of year	Per 2023 Annual Report	**2,516.0**	2,025.1
Less: Pension asset net of deferred tax at start of year	'Employee benefits' per Consolidated Statement of Financial Position less deferred tax at 35%	**(24.6)**	(40.1)
External distributions, share issuances and capital contributions	Weighted adjustment to reflect distributions and shares issued during the year.	**(144.8)**	(186.5)
NTA, as adjusted for RoNTA calculation		**2,346.6**	1,798.6
RoNTA	Return, as adjusted for RoNTA calculation, divided by NTA, as adjusted for RoNTA calculation.	**12.5%**	32.2%

Reconciliation of Key Performance Indicators and Alternative Performance Measures to the Financial Statements (continued)

(ii) RoNTA from continuing operations

	Comment / financial statements reference	Unaudited 6 months ended 30 June 2024 $m	(Restated) Unaudited 6 months ended 30 June 2023 $m
Profit for the year after tax attributable to the owners of the parent, excluding discontinued operation	Consolidated income statement	**267.1**	263.8
Add back: Tax adjusted amortisation	Amortisation of intangibles, adjusted by the tax rate	**3.4**	3.4
Add back: Tax adjusted pension charge in income statement	Defined benefits schemes' impact on income statement	**0.7**	(0.8)
Add back: Tax adjusted FX	FX effect for the year, adjusted by the tax rate	**21.5**	47.0
Return, as adjusted for RoNTA calculation		**292.8**	313.4
Adjusted NTA at start of year	Per 2023 Annual Report	**2,516.0**	2,025.1
Less: NTA relating to discontinued operations		**-**	(203.7)
Less: Pension asset net of deferred tax at start of year	Employee benefits per Consolidated Statement of Financial Position less deferred tax at 35%	**(24.6)**	(40.1)
External distributions, share issuances and capital contributions	Weighted adjustment to reflect distributions and shares issued during the year.	**(144.8)**	(186.4)
NTA, as adjusted for RoNTA calculation		**2,346.6**	1,594.9
RoNTA	Return, as adjusted for RoNTA calculation, divided by NTA, as adjusted for RoNTA calculation.	**12.5%**	19.7%

Reconciliation of Key Performance Indicators and Alternative Performance Measures to the Financial Statements (continued)

(iii) Adjusted net tangible assets

Adjusted net tangible assets at the end of each year are calculated as follows:

	Comment / financial statements reference	Unaudited 6 months ended 30 June 2024 $m	(Restated) Unaudited 6 months ended 30 June 2023 $m
Total equity attributable to owners of the parent	Consolidated statement of financial position	**2,691.3**	2,434.6
Less: Intangible assets	Consolidated statement of financial position	**(129.9)**	(118.7)
Net tangible assets		**2,561.4**	2,315.9
Add back deferred tax liability on intangible assets	Deferred taxation	**21.7**	20.5
Adjusted net tangible assets		**2,583.1**	2,336.4

Insurance premium written, net earned premium and underwriting profit

The company presents information on insurance premiums written and net earned premiums. Insurance premium written represents the total premiums on policies issued by the company during a specified period, irrespective of the portion ceded or earned, and is an indicator of the volume of new business generated. Net premiums written represents insurance premiums written less amounts ceded to reinsurers and is considered a measure of the new business volume and insurance risk that the company has chosen to retain from new business generated. These measures are used in the insurance industry and by the company primarily to evaluate business volumes, including related trends, and the management of insurance risk.

Insurance premium written: Reconciliation of insurance revenue to insurance premium written:

	Comment/financial statements reference	Unaudited 6 months ended 30 June 2024 $m	(Restated) Unaudited 6 months ended 30 June 2023 $m
Insurance revenue	Consolidated Income Statement	**1,507.8**	1,605.8
Changes to revenue due to IFRS 17 reinsurance assumed ceding commission		**161.8**	165.2
Changes to revenue for reinstatement premiums		**6.4**	16.0
Impact of GMM accounting		**13.7**	34.2
Other adjustments		**(6.4)**	(15.6)
		175.5	199.8
Gross premiums earned	Sub-total of above	**1,683.3**	1,805.6
Gross amount of change in provision for unearned premiums		**281.4**	215.7
Insurance premium written		**1,964.7**	2,021.3

Reconciliation of Key Performance Indicators and Alternative Performance Measures to the Financial Statements (continued)

Underwriting ratios

The combined ratio is our key underwriting metric and measures the profitability of our underwriting. It shows how much of every $1 of premium is spent in the total costs of sourcing and underwriting the business and settling claims. A combined ratio under 100% indicates underwriting profitability.

The discounted combined ratio is a performance measure of underwriting results under IFRS 17. It includes the discounted claims ratio, discounted acquisition ratio and expense ratio (consisting of other attributable expenses) and is calculated as insurance service expenses less recoveries of insurance service expenses divided by net insurance revenue.

Insurance service expenses consist of acquisition costs, incurred claims and changes to liabilities for incurred claims and other directly attributable expenses.

Net insurance revenue is calculated as insurance revenue less allocation of reinsurance premiums. The undiscounted combined ratio then removes the effect of discounting in relation to the net insurance revenue and net insurance service expenses.

Ratio calculations:

	Comment / financial statements reference	**Unaudited 6 months ended 30 June 2024 %**	Unaudited 6 months ended 30 June 2023 %
Combined ratio (Undiscounted)	'Undiscounted claims, acquisition costs and other attributable expenses' divided by 'net insurance revenue'.	**80.5**	82.3
Combined ratio (Discounted)	'Discounted claims, acquisition costs and other attributable expenses' divided by 'net insurance revenue'.	**70.1**	72.0
Claims ratio (Discounted)	'Incurred claims and changes to liabilities for incurred claims and amount recoverable from reinsurers for incurred claims' divided by 'net insurance revenue'.	**42.4**	45.1
Acquisition expense ratio (Discounted)	'Acquisition costs' divided by 'net insurance revenue'.	**22.5**	22.1
Administrative expense ratio	'Other attributable expenses' divided by 'net insurance revenue'.	**5.2**	4.8

Reconciliation of Key Performance Indicators and Alternative Performance Measures to the Financial Statements (continued)

Return on invested assets

We assess the performance of our investment portfolio by comparing the return generated by our invested assets, net of external investment related expenses, against the value of those invested assets.

	Comment / financial statements reference	**Unaudited 6 months ended 30 June 2024 $m**	Unaudited 6 months ended 30 June 2023 $m
Share of net profit of associates	Consolidated income statement	**-**	0.9
Profit on disposal of associates	Consolidated income statement	**15.2**	-
Total investment return	Note 6: Investment return	**124.5**	159.5
Return on investment related derivatives	Note 7: Return on derivative contracts	**(4.0)**	(13.4)
Return on invested assets ($m)		**135.7**	147.0
Investment in associated undertakings	Consolidated statement of financial position	**-**	15.0
Financial investments	Note 14: Financial investments	**5,903.9**	5,503.0
Derivative contracts (investment related)	Note 15: Derivative contracts	**(2.3)**	2.5
Cash and cash equivalents	Consolidated statement of financial position	**1,079.1**	897.8
Invested assets		**6,980.7**	6,418.3
Opening invested assets		**6,744.8**	6,011.3
Closing invested assets		**6,980.7**	6,418.3
Average invested assets		**6,862.8**	6,214.8
Return on invested assets (%)	Return on invested assets / Average invested assets	**2.0%**	2.4%

Reconciliation of Key Performance Indicators and Alternative Performance Measures to the Financial Statements (continued)

Capital ratio

The capital ratio measures the strength of our balance sheet by comparing our available capital resources to the capital we need to hold to meet our management entity capital requirements. It is calculated as follows:

	Comment / financial statements reference	**Unaudited 6 months ended 30 June 2024 $m**	Audited Year ended 31 December 2023 $m
Total equity attributable to owners of the parent	Consolidated statement of financial position	**2,691.3**	2,617.2
Less: Intangible assets	Consolidated statement of financial position	**(129.9)**	(122.7)
Net tangible assets		**2,561.4**	2,494.5
Add: Deferred tax liability on intangible assets	Per 2023 Annual Report	**21.7**	21.5
Adjusted net tangible assets		**2,583.1**	2,516.0
Subordinated debt	Per 2023 Annual Report	**160.5**	161.9
Letters of credit / contingent funding	Under our capital policy we have identified a maximum of $300.0m of our revolving credit facility to form part of our capital resources.	**300.0**	300.0
Total available capital resources		**3,043.6**	2,977.9
Management entity capital requirements	The capital required by an entity for business strategy and regulatory requirements.	**(1,815.3)**	(1,927.4)
Excess of capital resources over management entity capital requirements		**1,228.3**	1,050.5
Capital ratio	Total available capital resources divided by management entity capital requirements.	**167.7%**	154.5%

Risk adjusted rate change

The risk adjusted rate change (RARC) shows whether premium rates are increasing, reflecting a hardening market, or decreasing, reflecting a softening market. A hardening market is one indicator of increasing profitability.

The data reflects internal estimates by Brit's underwriters, based on available year-on-year underlying renewal data after allowing for changes to terms and conditions. Generally, no adjustment is made to the figures to reflect the impact of inflation beyond the level of inflation in the underlying exposure measure used in pricing.

By its nature, this metric cannot be reconciled to the financial statements.

Company information

Directors

Mr Gordon Campbell	- Chair
Mr Martin Thompson	- Group Chief Executive Officer
Mr Gavin Wilkinson	- Group Chief Financial Officer
Mr Mark Allan	- Executive Director
Mr Aviral Goel (appointed 1 January 2024)	- Non-executive Director
Mr Simon Lee	- Non-executive Director
Mr Michael Wallace	- Non-executive Director
Ms Andrea Welsch	- Non-executive Director
Mr Ken Miner (resigned 1 January 2024)	- Non-executive Director

Group Company Secretary

Mr Joe Marinelli

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