BRIT

BRIT INSURANCE HOLDINGS BV
PRESS RELEASE

1 AUGUST 2013
2013 HALF YEAR REPORT

STRONG OPERATING PERFORMANCE, TARGETED PREMIUM GROWTH AND CONTINUED IMPROVED UNDERWRITING PERFORMANCE

Financial highlights

- Operating profit of £85m (30 June 2012[1]: £60m) and profit after tax of £70m (30 June 2012[1]: £38m)
- Return on net tangible assets[2] (annualised) of 21.0% (30 June 2012: 15.1%).
- Combined ratio[3] improved to 86.0% (30 June 2012[1]: 92.8%).
- Attritional claims ratio improved to 51.5% (30 June 2012[1]: 53.3%), a 12.7 percentage point improvement since 2009.
- Investment and derivative return (non-annualised) of 0.8% (30 June 2012[1]: 1.5%).
- Gross written premiums of £671m (30 June 2012[1]: £657m).
- Closing net tangible assets (NTA) of £621m (31 December 2012: £649m), after distributions of £100m.
- Total value created[4] during period of £72m, equivalent to 11.5% of closing NTA (30 June 2012: £74m/8.3%). Total value created since 1 January 2010 of £390m.

Strategic highlights

- Continued focus on global specialty underwriting as one of the largest syndicates at Lloyd's.
- Further improvement in quality of underwriting coupled with premium growth in targeted segments.
- Entered Political and Credit Risk sector with new team hired.
- Continued recruitment of top underwriting talent, both in the UK and internationally.
- Expansion of US specialty operations, with over 50 employees across nine cities writing US$135m of run-rate premium.
  - Excess and Surplus (E&S) property business expanded with the acquisition of the renewal rights and the underwriting platform of Maiden Specialty.
  - Team hired to lead new Criminal Justice Services Operations (CJSO) programme.
- Senior management team has been further strengthened and is now complete.
  - Appointment of Chief Financial Officer Andrew Baddeley, from Atrium Underwriting.
  - Appointment of Director of Strategy and Corporate Development Joy Ferneyhough, from Espirito Santo Investment Bank.
  - Appointment of Chief Operating Officer Nigel Meyer, formerly Interim Chief Financial Officer at Brit.

Mark Cloutier, Group CEO of Brit Insurance, said:

'It has been a successful first half of 2013 for Brit, achieving £85m operating profit and an annualised 21% return on net tangible assets. This has been particularly pleasing given current trading conditions for both our underwriting and investment portfolios. While it has been a relatively benign period in terms of catastrophe losses, we see the continued reduction of our attritional loss ratio, down to 51.5% at HY13, as the best evidence of the material improvements which have been made to our core portfolio and as strong vindication of the strategic changes we have implemented over the course of the past three years.

Looking ahead, I am confident the strong platform we have now built as a global speciality underwriter and the momentum still to be captured by existing initiatives in 2013 and 2014, will see Brit continue to improve performance while at the same time exhibit the flexibility to take advantage of new opportunities, as we have successfully done throughout the first half of the year.'

Matthew Wilson, CEO of Brit Global Specialty commented

'This year, we have focused on building on the Global Specialty underwriting platform we spent the past three years developing. We have continued to grow our business successfully with the hiring of new teams in the United States, London and China. It is anticipated that these hires will generate, on an annual run rate basis, circa US$135m of new profitable business for our Lloyd's platform.'

For further information, please contact

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Notes

1 The 30 June 2012 results have been restated to reclassify Brit's non-core UK regional business as discontinued operations, following its disposal during 2012. These figures represent Brit's continuing business only.

2 Return on net tangible assets (RoNTA) is calculated as: Profit after tax before the effects of FX on non-monetary items and before any charges in respect of intangible assets, divided by the weighted average NTA during period. In arriving at this adjusted profit after tax figure for the period ended 30 June 2012, a £38.4m intangible asset impairment charge made on the sale of the non-core regional UK business has been written back. This is consistent with the Group's RoE calculations as presented in previous reporting periods. To derive an annualised figure for 2012, an annualisation factor has been applied to all the components of the H1 RoNTA with the exception of the £38.4m write back.

3 Excluding the effect of foreign exchange on non-monetary items.

4 Total value created represents the increase in net tangible assets during the period, before distributions.

About Brit

Brit is a market leader in global specialty insurance and reinsurance. We underwrite across all major classes of commercial insurance with a strong focus on Property, Casualty and Energy business. Brit is a reputable and influential name in the Lloyd's market and we pride ourselves on our specialist underwriting and claims expertise.

www.britinsurance.com

Disclaimer

HALF YEAR REVIEW

Financial highlights and key performance indicators

	6 months ended 30 June 2013 £m	6 months ended 30 June 2012 (restated[3]) £m	Year ended 31 December 2012 £m
Financial highlights			
Gross written premium (£m)			
Direct business	*471.2*	*441.8*	*847.6*
Reinsurance business	*200.0*	*215.1*	*300.3*
Total	671.2	656.9	1,147.9
Profit on ordinary activities before tax excluding the effect of foreign exchange on non-monetary items (£m)[1]	69.0	57.3	110.3
Profit on ordinary activities before tax (£m)	77.9	51.8	99.8
Profit from continuing operations after tax (£m)	71.8	47.5	93.0
Total profit after tax (including discontinued business)	70.1	38.3	84.7
Net assets (£m) (After distributions of £100.0m in 2013)	657.0	935.3	684.1
Net tangible assets (£m) (After distributions of £100.0m in 2013)	620.6	896.2	649.1
Key Performance Indicators			
RoNTA[2] (annualised)	21.0%	15.1%	16.8%
Total value created	71.5	74.0	121.9
Claims ratio[2]	48.0%	55.2%	56.3%
Expense ratio[2]	38.0%	37.6%	36.9%
Combined ratio[2]	86.0%	92.8%	93.2%
Attritional ratio[2]	51.5%	53.3%	51.9%
Gearing ratio	26.0%	13.9%	23.4%

[1] Under International Financial Reporting Standards (IFRS), unearned premium and deferred acquisition costs are classified as non-monetary items and therefore translated at historic exchange rates. Corresponding monetary items are translated at closing rates. If non-monetary items were to be translated at closing rates the 30 June 2013 result would decrease by £8.9m (30 June 2012 result increase by £5.5m; 31 December 2012 result increase by £10.5m).
[2] Excluding the effect of foreign exchange on non-monetary items.
[3] The 30 June 2012 results have been restated to reclassify Brit's non-core UK regional business as discontinued operations, following its disposal during 2012.

Basis of presentation

During 2012, Brit completed the sale of non-core regional UK business and the sale of its historic UK liabilities. These transactions resulted in the loss of control of a major area of operations and the results of this area of operations have been classified as discontinued operations. The 30 June 2012 comparative results have been restated on this basis.

Continuing operations

Premiums

Gross written premium (GWP) for the six months ended 30 June 2013 increased by 2.2% to £671.2m (30 June 2012 restated: £656.9m). At constant exchange rates the movement was an increase of 0.3%. Direct business totalled £471.2m (30 June 2012 restated: £441.8m) and reinsurance £200.0m (30 June 2012 restated: £215.1m).

Underlying these stable premium levels has been continued active management of the underwriting portfolio with a disciplined approach to renewal and new business. Brit has continued to focus its underwriting efforts on targeted lines where it sees the opportunity for further rate increases.

Premium rate increases during the period for Brit's continuing underwriting in Brit Global Specialty were 0.7% (30 June 2012: 4.2%). Strong rate increases were seen in a number of classes including marine (5.8%), property facilities (2.3%) and professional lines (1.8%). These increases were partly offset by rate reductions in treaty North America (1.7%) and energy (1.6%).

The Group retention rate for the period increased to 82.0% (30 June 2012: 76.0%).

Underwriting performance

The combined ratio excluding the effect of foreign exchange on non-monetary items was 86.0% (30 June 2012 restated: 92.8%). Both the 2012 and 2013 ratios reflect the relatively benign cat activity in the periods.

The improvement in the underlying attritional claims ratio has continued the trend since 2010. The underlying attritional claims ratio for the period was 51.5% (30 June 2012 restated: 53.3%). The total improvement since 2009 is 12.7 percentage points, equivalent to an increase in the underwriting result in the six months ended 30 June 2013 of £55.6m.

As part of its standard reserving process, Brit released £15.6m of claims reserves from prior years, the equivalent of a combined ratio reduction of 3.5% in contrast to the strengthening seen in the comparative period (30 June 2012 restated: strengthening of £8.7m / 2.3%). Brit's balance sheet remains strong and Brit continues to operate a robust reserving process.

Investment return and derivatives

Brit's investment return for the period was £12.5m (30 June 2012 restated: £43.9m), with the main contributors being the credit and growth asset portfolios. This reduced return reflects challenging market conditions, with lower interest rates continuing to put pressure on returns.

Return on derivatives for the period, which were used to manage the Group's FX exposure, was a gain of £9.0m (30 June 2012 restated: loss of £1.5m).

The combined non-annualised return for investments and derivatives was 0.8% (30 June 2012 restated: 1.5%).

Foreign exchange

Brit manages its currency exposures to mitigate its solvency capital requirements efficiently rather than to achieve a short-term impact on earnings.

Brit experienced a foreign exchange gain of £16.9m in the six months ended 30 June 2013 (30 June 2012 restated: loss of £8.3m). This £16.9m gain represented:

- an economic gain of £0.7m (30 June 2012 restated: £4.5m loss), on the mark to market element of Brit's capital that it holds in non-Sterling currencies; and
- an accounting gain of £16.2m (30 June 2012 restated: £3.8m loss), as a result of the IFRS requirement to recognise non-monetary assets and liabilities at historic exchange rates.

At 30 June 2013, the difference between recognising non-monetary assets and liabilities at historic rather than closing exchange rates was an additional £5.0m net asset. At 31 December 2012, the respective amount was an additional net liability of £3.9m.

Expenses

	6 months ended 30 June 2013 £m	6 months ended 30 June 2012 (restated) £m	Year ended 31 December 2012 £m
Underlying management expenses[1]	63.1	61.7	121.7
Project costs, timing differences and other cost adjustments	(0.5)	(2.5)	(0.5)
Total expenses	62.6	59.2	121.2

[1] Includes bonus provisions, excludes discontinued business

Underlying management expenses during the six months ended 30 June 2013 increased by 2.3% to £63.1m (30 June 2012 restated: £61.7m. This increase reflects costs associated with the targeted expansion of areas of the business including Brit Global Specialty USA and China.

The reduction of underlying management expenses compared to the six months ended 30 June 2010 (restated to reflect continuing operations only) was £6.3m or 9.1%, reflecting the initiatives taken by Brit in 2011 and 2012 to improve its efficiency and reduce its expense base together with ongoing expense management.

Result before tax

Brit's profit on ordinary activities before tax excluding the effect of foreign exchange on non-monetary items was £69.0m (30 June 2012 restated: £57.3m). Including the effect of foreign exchange on non-monetary items, the profit before tax increased to £77.9m (30 June 2012 restated: decreased to £51.8m).

Tax

The effective tax charge for continuing business was 7.8% (30 June 2012 restated: 8.3%).

Discontinued operations

Discontinued operations produced a loss of £1.7m after tax (30 June 2012 restated: £9.2m loss).

Discontinued operations relate to the Group's non-core regional UK business which was disposed of in 2012. The 2013 loss relates to the final adjustments to the proceeds of and the costs associated with the sale of the historic UK liabilities, partly offset by fees received for the transitional services provided by Brit.

Total profit after tax for the six months ended 30 June 2013 after including the result from discontinued operations was £70.1m (30 June 2012: £38.3m).

Capital and liquidity

Brit's balance sheet remains strong. Brit Syndicate 2987's effective rating from trading through Lloyd's is A+ (Strong) from Standard and Poor's and Fitch Ratings and A (Excellent) from AM Best.

During the period, Brit successfully renegotiated its revolving credit facility with its existing banking partners. The revised facility is increased to £225m (from £200m), with the amount available as a letter of credit now £125m (previously £75m). The facility has also been extended by one year to 31 December 2017. At 30 June 2013, the cash drawdown was £15m (31 December 2012: undrawn) and a US$80m letter of credit was in place (31 December 2012: US$80m).

In addition, Brit has in issue £135.0m of 6.625% Lower Tier Two subordinated debt with a carrying value of £133.4m (31 December 2012: £133.3m). This was issued in December 2005 and matures in 2030. It is callable in whole by the Group on 9 December 2020.

At 30 June 2013 Brit's gearing ratio, including the letter of credit, was 26.0% (31 December 2012: 23.4%).

NTA, RoNTA and total value created

At 30 June 2013 NTA was £620.6m (31 December 2012: £649.1m), after distributions during the period of £100.0m.

Return on net tangible assets, excluding the effects of FX on non-monetary items, was 21.0% annualised (30 June 2012: 15.1%). Return on net tangible assets, excluding the effect of all FX movements, was 19.0% annualised (30 June 2012: 15.6%). The second RoNTA measure has been included as the Directors believe that it gives a fairer reflection of underlying return. This is because Brit manages its currency exposures to mitigate its solvency capital requirements efficiently rather than for the short-term impact on earnings.

The total value created during the six months ended 30 June 2013, calculated as the increase in net tangible assets during the year before distributions, was £71.5m (30 June 2012: £74.0m). The total value created by the Group since 1 January 2010 is £390.3m, equivalent to 48.0% of the Group's NTA at that date.

Business development

Underwriting

- ***Overview***

  Following the Group restructuring in 2012 and the creation of Brit Global Specialty (BGS), Brit has continued to focus on the strategy of growing its core global specialty business through the Group's Lloyd's platform and developing its book in targeted areas including energy upstream, property open market, terrorism and North American professional lines.

- ***Political and Credit Risk***

  In June 2013 Brit announced its entrance into the Political and Credit Risk sector with the appointment of Peter Jenkins and John Lentaigne as Co-Heads of Political and Credit Risk. Brit's expansion into this sector will complement its existing war and terrorism team. Between them, Peter and John have 25 years' experience in political and credit risk underwriting, spanning the Lloyd's and Company markets in the UK, New York and Bermuda. Peter joins from Beazley, where he was Senior Underwriter - Political, Terrorism & Credit Risk, while John was previously with AXIS Speciality as Vice President - Capital Risk Solutions.

- ***Brit Global Specialty USA (BGSU)***

  Brit Global Specialty USA (BGSU) is the Group's Chicago based US service platform which writes business on behalf of Brit Syndicate 2987. During 2013, BGSU has continued to expand in targeted sectors and continues to attract high-quality speciality underwriting talent, now employing over 50 staff across nine offices.

  In March 2013 BGSU reached agreement to acquire a portion of the formerly exclusive wholesale broker, Protected Self Insurance Manager, from Risk Placement Services Inc. The team is based in Houston, Texas and Greensboro, Georgia.

  In March 2013 BGSU also hired a team to lead its new US Criminal Justice Services Operations (CJSO) programme. The operation will focus on all adjudicated care providers, including non-public commercial operators of private prisons, juvenile centres, immigration detention centres, halfway houses and tagging operations. The team, based in Scottsdale, Arizona and led by Mike Davis, has the experience and expertise necessary to capitalise on the favourable rating environment in this sector. This acquisition represents a further expansion of Brit's US specialty package footprint which now offers three products (Self Insured Retention, First Dollar, CJSO) underwritten from three locations.

  On 1 May 2013, BGSU acquired the renewal rights and the underwriting platform of Maiden Holdings Limited's Excess and Surplus (E&S) Property Business, Maiden Specialty. This arrangement included a temporary 100% quota share reinsurance of Maiden Specialty, upon expiry of which business will be renewed directly into Brit Syndicate 2987. This opportunity provides a rebalancing of BGSU's short-tail exposure relative to its existing specialty package business and also provides a springboard for growth in a coordinated yet distinct manner from the Group's established London business. The acquisition of the renewal rights of Maiden Specialty added an additional four offices and twenty-four staff to Brit, managed by Steve Brett.

- ***Brit Insurance China***

  In January 2013, Brit announced its participation as a 'Represented Syndicate' on the Lloyd's China platform. Brit's office is now established within the Lloyd's China operation in Shanghai, with HaoMing Zhou, the former CEO of AonCofco (Aon China) as Brit's representative. This is an important foothold for Brit in a developing and important market.

Investments

In the current low interest rate environment, Brit continues to consider opportunities to increase the investment yield on its assets. The key consideration is to ensure Brit remains capital efficient and continues to satisfy regulatory requirements, while operating within a sustainable control environment and within risk parameters delegated by the Board. As a result, Brit expects to marginally increase its exposure to both equity and credit markets as the market environment in Europe and the US further stabilises.

Xbridge Limited

In April 2013 Brit entered into an agreement to dispose of its equity holding in Xbridge Limited to Intercede 2463 Limited. This disposal received the approval of the Financial Conduct Authority on 24 June 2013 and completed on 17 July 2013. Brit's loan to Xbridge, together with accrued interest, was also repaid on this date.

At 30 June 2013 Xbridge Limited was classified as an 'asset held for sale' on the Group statement of financial position.

Senior management team

During 2013 the Group has continued to strengthen its senior management team.

Andrew Baddeley joined the Group in April 2013 as Chief Financial Officer. Andrew, previously Group Finance Director at Atrium Underwriting Group, brings a wealth of insurance and Lloyd's market experience. Andrew reports directly to Mark Cloutier.

On Andrew's arrival, Nigel Meyer was appointed to a new role of Chief Operating Officer for the Group. Nigel joined Brit in 2011 and served as Interim Chief Financial Officer from March 2012. Nigel has over 15 years experience within general insurance, having held senior finance positions within both Aviva and RSA. Nigel continues to report directly to Mark Cloutier.

On 28 June Brit announced the appointment of Joy Ferneyhough to a newly created role of Director of Strategy and Corporate Development. Joy will work closely with Mark Cloutier and the Brit executive team to identify opportunities to enhance Brit's performance through strategic initiatives and market relationships. She will also focus on developing Brit's external profile through key relationships in the capital markets. Joy was previously Head of Insurance Equity Research at Espirito Santo Investment Bank.

Board changes

On 30 June 2013, Nicholas Prettejohn, Group Chairman, retired from the Board following his appointment as a non-executive director of the Prudential Regulation Authority (PRA). Over the last two years the Group has benefited greatly from Nick's experience and knowledge of the insurance industry and he has made a significant contribution to Brit's success. Nick is an excellent addition to the board of the PRA and the Group wishes him every success. An announcement regarding his successor will be made in due course.

Principal risks and risk management

Brit identifies and manages risk under the following risk categories: group, market, insurance, credit, liquidity and operational.

Brit delivers shareholder value by actively seeking and accepting risk within agreed limits. Brit's risk management policy highlights the importance of managing the impact of risk on the economic value of the company. The Enterprise Risk Management (ERM) framework sets out a transparent process to identify, assess and manage risk and deploy risk appetite using an economic capital approach.

Brit's ERM framework ensures that a strong culture of risk control and management continues to be embedded across the Group. Risk appetite is set by the Board and cascaded throughout the organisation. Brit monitors the aggregation of risk across the business and has overarching limits in place to manage this. In addition to the overarching limits, the ERM framework clearly identifies the key risk categories and risk tolerances that are set for each risk category by the boards. Brit uses specialised risk management tools including sophisticated models to monitor current risk exposures relative to risk appetite.

The responsibility for risk management is clearly defined and spread throughout the organisation and Brit maintains a strong risk governance structure based on the three lines of defence principle. Within the first line of defence, individual risk committees monitor day-to-day risk control activities. Risk management, as a second line of defence provides oversight over business processes and sets out policies and procedures and reports directly to the Risk Oversight Committee of the Board. Internal Audit, reporting to the Audit Committee, is the third line of defence providing independent assurance and monitoring of the effectiveness of the risk management processes.

This risk governance structure ensures that information is passed to the relevant management committee or Board. This process enables Brit to protect policyholders and maximise shareholder value by ensuring the risk and capital implications of business strategy are well understood. Brit's ERM Framework will also enable the Group, and the legal entities within it, to comply fully with the regulatory requirements under Solvency II.

Ownership

Brit Insurance Holdings BV is directly owned by Achilles Netherlands Holdings BV and its ultimate parent undertaking is Achilles Holdings 1 Sàrl, a company registered in Luxembourg. The principal investors in Achilles Holdings 1 Sàrl are a number of Apollo and CVC investment funds. Apollo and CVC have equal representation on the Brit Insurance Holdings BV Board.

Outlook

2013 continues to present challenges for the insurance sector. The underwriting market remains highly competitive with excess capital putting pressure on rates in a number of classes. The investment environment also remains challenging with low yields and volatile returns.

In the second half of 2013 Brit will continue to take advantage of opportunities as they arise. The Group will continue to build on the improvements in underlying performance and continue to implement its strategic asset allocation initiative to optimise risk adjusted returns in its asset portfolio.

Amsterdam
31 July 2013

Mark Bertrand Cloutier – *Group Chief Executive Officer*
Ipe Jacob – *Non-Executive Director*
Willem Frans Casimir Stevens – *Non-Executive Director*
Maarten Joannes Hulshoff – *Non-Executive Director*
Hans-Peter Thomas Gerhardt – *Non-Executive Director*
Jonathan Philip Feuer – *Non- Executive Investor Director (CVC)*
Sachin Nagindas Mansukhlal Hansraj Khajuria – *Non-Executive Investor Director (Apollo)*
Gernot Wilhelm Friedrich Lohr – *Non-Executive Investor Director (Apollo)*
Sanjay Hiralal Patel – *Non-Executive Investor Director (Apollo)*
Peter William James Rutland – *Non-Executive Investor Director (CVC)*
Kamil Marc Salame – *Non-Executive Investor Director (CVC)*

Basis of preparation

The Group's condensed consolidated opening and closing statement of financial position, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income and the condensed consolidated statement of changes in equity have been prepared in accordance with IFRS. IFRS comprises standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and as endorsed by the EU.

In accordance with IFRS 4, 'Insurance Contracts', the Group continues to comply with the recommendations of the Statement of Recommended Practice on Accounting for Insurance Businesses issued by the Association of British Insurers in December 2005 (as revised in December 2006). However the Group has the option to make improvements to its policies if the changes make the financial statements more relevant and no less reliable to decision making needs of the users.

After making due enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future. For this reason, they continue to adopt the going concern basis for preparing financial statements.

CONDENSED CONSOLIDATED ACCOUNTS

Condensed Consolidated Income Statement

for the period ended 30 June 2013

	6 months ended 30 June 2013 £m	6 months ended 30 June 2012 (restated) £m	Year ended 31 December 2012 £m
Revenue			
Gross premiums written	671.2	656.9	1,147.9
Less premiums ceded to reinsurers	(161.3)	(145.8)	(210.9)
Premiums written, net of reinsurance	509.9	511.1	937.0
Gross amount of change in provision for unearned premiums	(132.9)	(103.0)	(3.6)
Reinsurers' share of change in provision for unearned premiums	60.8	54.1	9.6
Net change in provision for unearned premiums	(72.1)	(48.9)	6.0
Earned premiums, net of reinsurance	437.8	462.2	943.0
Investment return	12.5	43.9	91.6
Return on derivative contracts	9.0	(1.5)	(2.1)
Net foreign exchange gains	16.9	-	-
Other income	-	-	0.7
Total revenue	476.2	504.6	1,033.2
Expenses			
Claims incurred:			
Claims paid:			
Gross amount	(275.8)	(346.2)	(659.7)
Reinsurers' share	39.2	73.5	124.8
Claims paid, net of reinsurance	(236.6)	(272.7)	(534.9)
Change in the provision for claims:			
Gross amount	11.9	36.5	(19.0)
Reinsurers' share	10.2	(20.2)	23.9
Net change in the provision for claims	22.1	16.3	4.9
Claims incurred, net of reinsurance	(214.5)	(256.4)	(530.0)
Acquisition costs	(138.8)	(142.9)	(286.1)
Other operating expenses	(38.2)	(37.0)	(77.6)
Net foreign exchange losses	-	(8.3)	(25.9)
Total expenses excluding finance costs	(391.5)	(444.6)	(919.6)
Operating profit	84.7	60.0	113.6
Finance costs	(6.8)	(7.7)	(13.6)
Share of loss after tax of associated undertakings	-	(0.5)	(0.1)
Impairment of associated undertaking	-	-	(0.1)
Profit on ordinary activities before tax	77.9	51.8	99.8
Tax (expense)/income	(6.1)	(4.3)	(6.8)
Profit for the period from continuing operations	71.8	47.5	93.0
(Loss)/profit from discontinued operations	(1.7)	(9.2)	(8.3)
Profit attributable to owners of the parent for the period	70.1	38.3	84.7

Condensed Consolidated Statement of Comprehensive Income
for the period ended 30 June 2013

	6 months ended 30 June 2013 £m	6 months ended 30 June 2012 (restated) £m	Year ended 31 December 2012 £m
Profit for the period	**70.1**	38.3	84.7
Other comprehensive income:			
Items not to be reclassified to profit or loss in subsequent periods:			
Actuarial gains/(losses) on defined benefit pension scheme	**3.6**	(6.1)	(9.7)
Tax relating to actuarial gains/(losses) on defined benefit pension scheme	**(0.8)**	1.5	2.4
Effect of associates' capital movements	**-**	0.3	0.4
Net other comprehensive income not being reclassified to profit or loss in subsequent periods	**2.8**	(4.3)	(6.9)
Other comprehensive income for the period net of tax	**2.8**	(4.3)	(6.9)
Total comprehensive income for the period attributable to owners of the parent	**72.9**	34.0	77.8

Condensed Consolidated Statement of Financial Position
at 30 June 2013

	6 months ended 30 June 2013 £m	6 months ended 30 June 2012 (restated) £m	Year ended 31 December 2012 £m
Assets			
Property, plant and equipment	**5.3**	4.3	5.8
Intangible assets	**36.4**	39.1	35.0
Deferred acquisition costs	**140.2**	119.9	113.3
Investments in associated undertakings	**-**	15.3	14.7
Assets held for sale	**14.8**	1,806.5	1.9
Current taxation	**-**	17.8	-
Deferred taxation	**-**	-	5.3
Reinsurance contracts	**503.7**	202.7	414.3
Employee benefits	**18.6**	13.2	14.7
Financial investments	**1,954.1**	2,082.5	2,312.1
Derivative contracts	**6.2**	0.2	1.1
Insurance and other receivables	**513.8**	443.0	353.4
Cash and cash equivalents	**715.9**	193.8	300.9
Total assets	**3,909.0**	4,938.3	3,572.5
Liabilities and equity			
Liabilities			
Insurance contracts	**2,775.0**	2,201.7	2,561.3
Borrowings	**143.1**	142.8	133.3
Current taxation	**5.3**	-	12.6
Deferred taxation	**0.6**	12.1	-
Provisions	**4.0**	4.8	4.4
Derivative contracts	**2.1**	0.3	1.8
Insurance and other payables	**321.9**	142.6	175.0
Liabilities held for sale	**-**	1,498.7	-
Total liabilities	**3,252.0**	4,003.0	2,888.4
Equity			
Called up share capital	**225.3**	212.6	214.3
Share premium account	**415.9**	615.9	415.9
Retained earnings	**15.8**	106.8	53.9
Total equity attributable to owners of the parent	**657.0**	935.3	684.1
Total liabilities and equity	**3,909.0**	4,938.3	3,572.5

Condensed Consolidated Statement of Changes in Equity

for the 6 months ended 30 June 2013

	Called up share capital £m	Share premium account £m	Retained earnings £m	**Total equity attributable to owners of the parent £m**
At 1 January 2013	**214.3**	**415.9**	**53.9**	**684.1**
Total comprehensive income for the period	-	-	72.9	**72.9**
Equity dividends	-	-	(100.0)	**(100.0)**
Exchange difference on retranslation of share capital	11.0	-	(11.0)	**-**
At 30 June 2013	**225.3**	**415.9**	**15.8**	**657.0**

for the 6 months ended 30 June 2012 (restated)

	Called up share capital £m	Share premium account £m	Retained earnings £m	**Total equity attributable to owners of the parent £m**
At 1 January 2012	**219.7**	**615.9**	**140.6**	**976.2**
Total comprehensive income for the period	-	-	34.0	34.0
Equity dividends	-	-	(75.0)	(75.0)
Exchange difference on retranslation of share capital	(7.1)	-	7.1	-
Share-based payments	-	-	0.1	0.1
At 30 June 2012	**212.6**	**615.9**	**106.8**	**935.3**

for the 12 months ended 31 December 2012

	Called up share capital £m	Share premium account £m	Retained earnings £m	**Total equity attributable to owners of the parent £m**
At 1 January 2012	**219.7**	**615.9**	**140.6**	**976.2**
Total comprehensive income for the period	-	-	77.8	**77.8**
Equity dividends	-	(200.0)	(170.0)	**(370.0)**
Exchange difference on retranslation of share capital	(5.4)	-	5.4	**-**
Share-based payments	-	-	0.1	**0.1**
At 31 December 2012	**214.3**	**415.9**	**53.9**	**684.1**