

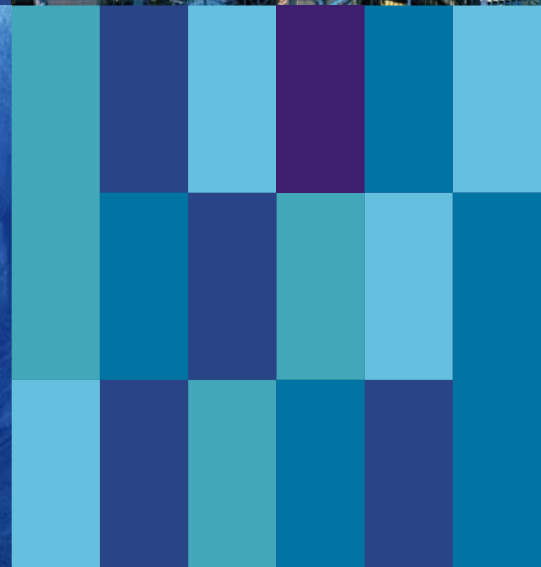
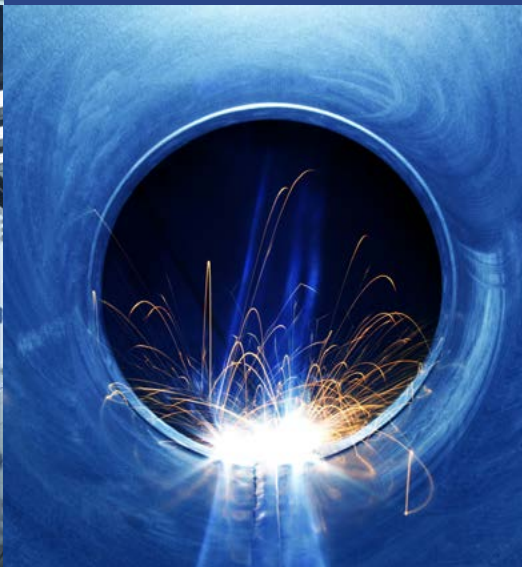
writing the future



BRIT

**Brit Group Holdings
Limited**

Interim Report 2025



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Key points

A STRONG PERFORMANCE FROM A RE-FOCUSED BRIT

- Profit before tax increased to \$307.7m (30 June 2024: \$301.3m)
- Undiscounted combined ratio of 95.2% (30 June 2024: 80.8%)
- Discounted combined ratio of 87.4% (30 June 2024: 70.8%)
- Return on invested assets increased to a non-annualised 4.7% (30 June 2024: 2.0%)
- Insurance premium written increased by 8.3% to \$1,692.2m (30 June 2024: \$1,562.4m)
- Capital ratio increased to 191.7% (31 December 2024: 157.2%)
- Key business developments include:
 - Continued focus on underwriting capability development
 - Continued successful delivery of our digital, data and artificial intelligence (AI) strategy
 - Brit Reinsurance (Bermuda) Limited (Brit Re) expansion
 - Successful placement of Brit-sponsored catastrophe bond
 - Brit became primary co-obligor on two senior unsecured notes totalling CAD700.0m

Martin Thompson, Group CEO of Brit, commented:

‘In the first half of 2025, Brit’s profit before tax increased to \$307.7m, reflecting a positive underwriting result and a strong investment performance. Against a backdrop of significantly increased major loss activity and more challenging market conditions, our insurance service result of \$138.1m and our undiscounted combined ratio of 95.2% demonstrate our underwriting discipline and our focus on areas in which we can deliver differentiated performance.

We remain focused on our four strategic pillars: Focus; Capability; Simplification; and Culture. This has seen us continue to invest in our lead underwriting platform, including deploying new underwriting tools and capabilities across our product range, allowing us to increase the quality and speed of our service for customers and brokers. We are also committed to ensuring our leadership in underwriting is matched by our leadership in claims, and our technology strategy is aimed at making sure our entire business is powered by best-in-class data, analytics and processes.

It is also pleasing to see the strategic expansion of Brit Re, our Bermuda operation, continuing to gain traction. We believe that there is a real opportunity to meaningfully build out this part of our business, and have been encouraged by the reception we have received from brokers and trading partners. The start of 2025 also saw Ki begin operating as a standalone company within the Fairfax Group, enabling both Brit and Ki to further focus on their strengths in lead and follow respectively.

Looking ahead to the second half of the year and beyond, we remain mindful of shifting market dynamics. Our diversified and balanced portfolio, alongside our strong balance sheet, makes us well placed to manage the cycle effectively and, in turn, support our customers through our stability, service and expertise. This, our clear strategy and our unique culture gives us continued 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 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 2025, published on 31 July 2025, includes the Brit financial result.

Disclaimer

This Interim Report does not constitute or form part of, and should not be construed as, an offer for sale or subscription of, or solicitation of any offer or invitation or advice or recommendation to subscribe for, underwrite or otherwise acquire or dispose of any securities (including share options and debt instruments) of the Company nor any other body corporate nor should it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever which may at any time be entered into by the recipient or any other person, nor does it constitute an invitation or inducement to engage in investment activity under Section 21 of the Financial Services and Markets Act 2000 (FSMA). This document does not constitute an invitation to effect any transaction with the Company or to make use of any services provided by the Company. Past performance cannot be relied on as a guide to future performance.

Interim Management Report

Brit Group Holdings Limited

This Interim Report presents the consolidated position for the Brit Group Holdings Limited Group ('Brit' or 'Group') for the first time. From 1 January 2025, the Brit and Ki Financial Limited ('Ki') businesses are operating independently, with these two holding companies being the key reporting entities for their respective businesses. Both Brit and Ki remain subsidiaries of Fairfax UK Holdings Limited (formerly Brit Limited).

All amounts presented in this Interim Report, including comparatives, are therefore for the consolidated Brit Group Holdings Limited Group only and therefore do not include amounts arising in the Ki group or in Fairfax UK Holdings Limited.

Further details are provided in the 'Group restructuring, including the separation of Ki' section of the Interim Report and in Note 2.1 of the condensed consolidated interim financial statements.

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)		
	2025	2024	Change
Insurance premium written ^{1,2}	1,692.2	1,562.4	129.8
Net insurance revenue	1,094.8	1,009.7	85.1
Insurance service result	138.1	294.7	(156.6)
Net insurance finance expenses	(131.2)	(48.1)	(83.1)
Other income	53.1	54.9	(1.8)
Other operating expenses	(74.7)	(91.9)	17.2
Losses on other financial liabilities	-	(4.8)	4.8
Return on invested assets, net of fees	300.0	111.3	188.7
Finance costs	(6.9)	(7.5)	0.6
Profit before tax and FX	278.4	308.6	(30.2)
Total foreign exchange gain/(loss)	29.3	(7.3)	36.6
Profit before tax	307.7	301.3	6.4
Tax expense	6.1	(56.6)	62.7
Profit after tax	313.8	244.7	69.1
Key performance indicators			
Return on net tangible assets (RoNTA) ²	13.4%	13.4%	0.0 pps
Undiscounted combined ratio ²	95.2%	80.8%	14.4 pps
Discounted combined ratio ²	87.4%	70.8%	16.6 pps
Risk-adjusted premium rate change ²	(3.8)%	(0.7)%	(3.1) pps
Return on invested assets ²	4.7%	2.0%	2.7 pps
Capital ratio ²	191.7%	157.2% ³	34.5 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 38 to 42.

³ Represents the capital ratio as at 31 December 2024.

In the first half of 2025, Brit delivered a strong performance, with profit before tax increasing by 2.1% to \$307.7m (30 June 2024: \$301.3m). This result demonstrates positive momentum in our underlying underwriting performance and strong returns on our invested assets.

We delivered a discounted combined ratio of 87.4% (30 June 2024: 70.8%) and an undiscounted combined ratio of 95.2% (30 June 2024: 80.8%), and an insurance service result of \$138.1m (30 June 2024: \$294.7m). This result reflects a resilient underwriting performance, supported by disciplined portfolio management and favourable prior year reserve development. While our discounted combined ratio increased 16.6pps in the period, primarily due to major loss experience from the California wildfires, the business continues to demonstrate strong underlying growth.

Return on adjusted net tangible assets (RoNTA), excluding the effects of FX, was 13.4% (30 June 2024: 13.4%), and our capital ratio improved by 34.5 pps to 191.7% since 31 December 2024.

Underwriting performance

Premium volumes and risk-adjusted rate changes

Insurance premiums written increased by 8.3% to \$1,692.2m (30 June 2024: \$1,562.4m). This growth was primarily driven by the implementation of our strategy to expand our third-party business underwritten out of Bermuda, introducing additional distribution for our Casualty Treaty and Property Treaty classes. There was also strong growth in our Property and Specialty classes, with our core Syndicate 2987 continuing to capitalise on new business opportunities and deploying increased lines. This was partly offset by premium reductions in our Programmes & Facilities division.

Net insurance revenue increased by \$85.1m to \$1,094.8m in the period (30 June 2024: \$1,009.7m). This was driven by prior year premium growth now earning through, as well as a reduction in our non-catastrophe reinsurance spend as we seek to retain more of our profitable business. Notably, this contrasts with the increase in our reinsurance written premium in the period, resulting from new reinsurance purchases in the first half of the year whose earnings are yet to be reflected in the income statement in 2025. This includes our new catastrophe bond and insurance linked warranties, which combine to provide \$200m of catastrophe cover in the event of large loss events relating to windstorms or earthquakes.

While overall pricing levels remain adequate, with compound rate increases of 56.6% since 1 January 2018, the low point of the last market cycle, market conditions continue to become more challenging across a number of classes. Overall, we saw risk-adjusted rate changes of -3.8% for period (30 June 2024: -0.7%) reflecting broader market softening. Despite this, rate increases were achieved in certain classes underscoring our ability to identify and capture opportunities in select segments. Overall, we remain firmly committed to underwriting discipline and focused on retaining our core profitable accounts.

Claims

Our claims ratio increased by 16.1pps to 52.5% (30 June 2024: 36.4%) on a discounted basis, predominantly due to large catastrophe losses in the period. The key components are as follows:

- **Attritional losses:** We continue to see strong underlying performance from our underwriting portfolios, with our attritional performance broadly stable year-on-year. During the first half of the year, we have provided for claims arising from smaller natural catastrophe events where exposure is expected to be limited; this includes the Myanmar/Thai Earthquake, US Storms/Tornadoes and the Australian Floods.
- **Catastrophe losses:** The California wildfires resulted in a undiscounted net losses after reinstatement premiums of \$132.6m, which falls at the very lower end of the \$130m to \$160m range communicated in our results announcement for the year ended 31 December 2024. This impact was further amplified by the associated risk adjustment recognised as well as a reduction in the discounting benefit given these losses emerged in shorter tail classes.
- **Prior year reserve releases:** Prior year development remained favourable, demonstrating the effectiveness of our reserving approach. This amounted to \$33.7m (30 June 2024: \$35.5m) of undiscounted best estimate releases, primarily driven by a reduction in loss estimates for Hurricane Milton which has now benefitted from recoveries on our catastrophe reinsurance programme, partly offset by strengthening within our Cyber classes for a large loss event.

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

Insurance-related expenses

Our expense ratio comprising of both acquisition and other directly attributable expenses, remained stable at 34.9% (30 June 2024: 34.4%). This reflects lower staff related expenses partly offset by higher costs from modernisation initiatives and the impact of foreign exchange movements.

- Acquisition expenses increased by 6.6% to \$343.0m (30 June 2024: \$321.8m). This consists of direct commission costs and an allocation of the expense base which are deemed directly related to the acquisition of insurance contracts. The increase in the acquisition expense is largely in line with the increase in net insurance revenue reflecting an overall stable commission ratio.
- Other attributable expenses increased by \$13.8m to \$38.9m (30 June 2024: \$25.1m), primarily due to updated cost allocations following an annual review with our cost centre managers. This resulted in a marginal reallocation of IT costs from non-attributable to attributable.

For the first six months of the year, non-directly attributable expenses, which are excluded from the insurance service result totalled \$74.7m (30 June 2024: \$91.9m).

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 \$300.0m or 4.7% (30 June 2024: gain of \$111.3m or 2.0%). This return exceeded our net insurance finance expenses relating to our insurance operations of \$131.2m (30 June 2024: \$48.1m), which increased in the period due to the reduction in yields.

The investment result was driven by market conditions which resulted in positive returns in debt securities (\$160.0m), funds (\$34.4m), equities (\$49.9m), other loans and mortgages (\$3.3m) and cash and cash equivalents (\$15.5m).

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

Return on invested assets	Unaudited 6 months ended 30 June 2025 \$m	Unaudited 6 months ended 30 June 2024 \$m
Income	114.5	106.8
Realised gains	6.2	20.8
Unrealised gains/(losses)	191.5	(20.6)
Return before fees	312.2	107.0
Investment management expenses	(8.3)	(6.9)
Return net of fees	303.9	100.1
Investment-related derivative return	(3.9)	(4.0)
Profit on disposal of associate	-	15.2
Total return	300.0	111.3
Total return (non-annualised)	4.7%	2.0%

Invested assets at 30 June 2025 totalled \$6,893.4m (31 December 2024: \$5,749.9m, 30 June 2024: \$5,678.9m). 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 2025 \$m	Unaudited 6 months ended 30 June 2024 \$m	Unaudited Year ended 31 December 2024 \$m
Government debt securities	2,798.5	2,467.0	2,607.6
Corporate debt securities	1,503.0	1,324.3	1,448.7
Structured products	29.2	25.8	27.8
Loan instruments	102.8	95.5	96.7
Loan to ultimate parent	200.0	-	-
Equity securities	1,245.0	960.7	1,084.3
Cash and cash equivalents	1,017.5	807.3	482.6
Derivatives (net) (investment-related)	(2.6)	(1.7)	2.2
Total invested assets	6,893.4	5,678.9	5,749.9

The portfolio remains consistently positioned, with a large allocation to cash and cash equivalents (\$1,017.5m or 14.8%) (31 December 2024: \$482.6m or 8.4%) and fixed income securities (\$4,604.3m or 66.8%) (31 December 2024: \$4,153.0m or 72.2%). Brit's equity allocation at 30 June 2025 was \$1,245.0m or 18.1%.

At 30 June 2025, 78.2% of our invested assets were investment grade quality (31 December 2024: 77.5%), and the duration of the portfolio has decreased to 2.0 years (31 December 2024: 3.0 years).

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 gain of \$29.3m in the six months ended 30 June 2025 (30 June 2024: loss of \$7.3m), 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 gains/(losses)	Unaudited 6 months ended 30 June 2025 \$m	Unaudited 6 months ended 30 June 2024 \$m
Net foreign exchange gains/(losses)	22.7	(17.8)
Gains on derivative contracts – FX-related instruments	6.6	10.5
Total	29.3	(7.3)

Tax

For the six months to 30 June 2025 we had a tax credit of \$6.1m (30 June 2024: charge of \$56.6m), based on a Group profit before tax of \$307.7m (30 June 2024: profit of \$301.3m).

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 and dividends

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

In the six months to 30 June 2025 the following transactions have strengthened the Group's capital position:

- Following the recent restructuring of the group, on 22 January 2025 Brit Group Holdings Limited was substituted in place of Brit Limited (renamed Fairfax UK Holdings Limited on 11 March 2025 and therefore referred to by this new name in this Interim Report) as issuer and principal debtor under listed subordinated debt notes that are denominated in GBP, have a principal amount of £127.0m, mature in 2030 and carry an effective interest rate of 3.7%. No terms of the subordinated debt notes were changed as part of the substitution. In consideration for this substitution the Group's borrowings from Fairfax UK Holdings Limited, which had the same terms as the listed subordinated notes, were effectively cancelled. The carrying amount of the listed subordinated notes at 30 June 2025 was \$174.0m.
- On 16 May 2025 the Group's revolving credit facility (RCF) was reduced from \$550.0m to \$415.0m and term extended from December 2027 to December 2029, with options to extend for either one or two years to either December 2030 or 2031. In accordance with the Group's Capital Policy, a maximum of \$300.0m of the RCF forms part of our available capital resources. In respect of this facility at 30 June 2025 and 31 December 2024 there was no letter of credit (LoC) outstanding and no cash drawings.
- On 17 June 2025 the Group became primary co-obligor on two senior unsecured notes previously issued by Fairfax Financial Holdings Limited. As part of this transaction the Group received \$519.8m in cash and cash equivalents, representing the fair value of the notes on that date. These notes, which are listed on the Dublin Stock Exchange, are denominated in Canadian Dollars (CAD) with terms as follows:
 - Notes with a total principal amount of CAD450.0m, with a coupon rate of 4.73% and maturity date of November 2034; and
 - Notes with a total principal amount of CAD250.0m, with a coupon rate of 5.23% and maturity date of November 2054.

The total carrying amount of these senior notes at 30 June 2025 was \$517.0m.

Our two syndicates continue to maintain strong ratings from trading through Lloyd's, including AA- (Very strong) stable outlook with S&P Global, A+ (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 2025 we held a management capital surplus of \$1,700.3m or 91.7% (31 December 2024: \$982.7m or 57.2%) over our Group management capital requirement of \$1,854.8m (31 December 2024: \$1,718.6m). The increase in the management capital surplus was primarily driven by the additional \$517.0m capital resources provided by the senior loan notes (see above) and total comprehensive income for the period (\$330.7m), partially offset by the increase in the Group's management capital requirement.

In the six months to 30 June 2025 no dividends were paid by Brit Group Holdings Limited. In the six months to 30 June 2024, no dividends were paid by Brit Insurance Holdings Limited to its parent (for further details on the recent restructuring of the group see the section 'Group restructuring, including the separation of Ki' below, and Note 2.1 of the condensed consolidated interim financial statements).

Liquidity

Brit has a strong liquidity position at 30 June 2025, with adjusted net tangible assets of \$2,564.1m (31 December 2024: \$2,241.8m) and cash and cash equivalents of \$1,016.1m (31 December 2024: \$481.1m).

Furthermore, the Group's \$415.0m RCF (see above) provides an important source of liquidity.

Group restructuring, including the separation of Ki

In December 2024 it was announced that Ki would become a separate operation within the Fairfax group from 1 January 2025. Over the last four years, Ki has grown significantly and evolved to become a digital follow platform offering capacity from multiple syndicates with over \$1 billion of insurance premium written through its platform in 2024. The scale, sophistication and growth potential of Ki made this separation a natural next step, enabling Brit and Ki to focus on their core strengths in 'lead' and 'follow' respectively. We are immensely proud of Ki's success and look forward to a continued close partnership between the Brit and Ki operations.

To facilitate the separation of Ki, the Fairfax UK Holdings Limited group was restructured under two holding companies:

- Brit Group Holdings Limited, a wholly owned direct subsidiary of Fairfax UK Holdings Limited incorporated on 7 August 2024, is the new holding company for the Brit insurance businesses. Brit Group Holdings Limited became the holding company for the Brit Group on 12 December 2024 when Fairfax UK Holdings Limited's investment in Brit Insurance Holdings Limited (an intermediate holding company itself) was transferred to it.
- Ki Financial Limited, also a direct subsidiary of Fairfax UK Holdings Limited, remains the holding company for the Ki insurance businesses.

From 1 January 2025, the Brit and Ki insurance businesses are operating independently, with these two holding companies preparing their own consolidated accounts and being the key reporting groups for their respective businesses.

The condensed consolidated financial statements included in this Interim Report, including comparatives, present the consolidated position for the Brit Group Holdings Limited Group for the first time. All amounts presented in this Interim Report, including comparatives, are for the consolidated Brit Group Holdings Limited Group only and therefore do not include amounts arising in the Ki Group or in Fairfax UK Holdings Limited. Refer to Note 2 of the condensed consolidated interim financial statements for further details.

Directorate

The Directors of Brit Group Holdings Limited and changes during the period are included on page 43.

Other key business developments

Focus on underwriting capability development

Brit continues to make good progress with its investment in digital and data-enabled capabilities. In H1 2025, we have successfully expanded our new pricing and rating engine platform to further classes, and continued to develop additional capabilities that will benefit multiple classes. This technology facilitates 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.

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 2025, we focused on adoption and accelerating experimentation via an AI lab for smarter underwriting. We have also launched our AI learning programme, for staff to learn how to use AI for maximum value and to adapt our ways of working to become more AI assisted.

Brit Reinsurance (Bermuda) Limited expansion

In 2024, Brit announced its intent to embark on a strategic plan to significantly expand its presence in Bermuda, to complement our existing reinsurance underwriting capabilities in London. In H1 2025 we have started to deliver on this plan, with Brit Re achieving third party insurance premium written of \$88.7m (2024: \$16.7m).

Successful placement of Brit-sponsored catastrophe bond

To provide additional long-term tail risk protection, Brit successfully sponsored a new catastrophe bond placement (named 'Lapis'), providing \$100m of cover from 1 April 2025 until the end of 2028. Current market conditions for catastrophe bonds make this a preferable option over traditional reinsurance. This bond has been issued via the Lloyd's 'London Bridge 2 PCC' investment platform, which provides an access point for qualifying institutional investors to deploy funds in a tax transparent way into the Lloyd's market. This also forms part of a wider restructure of our catastrophe protection alongside the purchase of a new \$100m Earthquake Industry Loss Warranty ('ILW') and Direct and Facultative Excess of Loss ('XoL') cover.

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 the Brit Limited Group's 2024 Annual Report (published before Brit Limited changed name to Fairfax UK Holdings Limited) on pages 34 to 37, which is available at www.britinsurance.com.

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 and man-made catastrophe	Natural and man-made 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 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.

Geopolitical uncertainty and the global economic environment

Geopolitical uncertainties driven by factors such as US trade policy and ongoing wars in Ukraine and the Middle East, have the potential to cause insurance losses for the Group and disruption to financial markets which could impact the Group's investments.

These factors give rise to recessionary and inflationary risks, which 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 increased levels of inflation and an 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 are also considered during the reserving process. Additionally, the investment portfolio is appropriately positioned amid the uncertainty with investment grade assets in excess of insurance liabilities, strong credit quality in the bond portfolio and the duration position materially consistent with the solvency matched position (immunising the solvency position against parallel movements in interest rates).

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 appetite framework 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.

Ownership

Brit Group Holdings 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.

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

30 July 2025

Condensed Consolidated Income Statement

For 6 months ended 30 June 2025

		Unaudited 6 months ended 30 June 2025 \$m	Unaudited 6 months ended 30 June 2024 \$m
	Note		
Insurance revenue	5	1,321.9	1,267.0
Insurance service expenses	5	(1,174.9)	(928.8)
Net expenses from reinsurance contracts held	5	(8.9)	(43.5)
Insurance service result		138.1	294.7
Net finance expenses from insurance contracts		(176.7)	(64.4)
Net finance income from reinsurance contracts held		45.5	16.3
Net insurance finance expenses		(131.2)	(48.1)
Interest revenue from financial assets not measured at FVTPL	6	15.7	21.7
Other investment return	6	288.2	78.4
Profit on disposal of associates		-	15.2
Return on derivative contracts	7	2.7	6.5
Other income	8	53.1	54.9
Losses on other financial liabilities	8	-	(4.8)
Net foreign exchange gains	9	22.7	-
Investment return and other income		382.4	171.9
Other operating expenses		(74.7)	(91.9)
Net foreign exchange losses	9	-	(17.8)
Other expenses		(74.7)	(109.7)
Finance costs		(6.9)	(7.5)
Profit before tax		307.7	301.3
Tax credit/(expense)	10(a)	6.1	(56.6)
Profit for the period		313.8	244.7

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 2025

		Unaudited 6 months ended 30 June 2025 \$m	Unaudited 6 months ended 30 June 2024 \$m
	Note		
Profit for the period		313.8	244.7
Other comprehensive income / (expense)			
Items not to be reclassified to profit or loss in subsequent periods:			
Actuarial gains on defined benefit pension scheme		3.2	0.9
Deferred tax loss relating to actuarial gains on defined benefit pension scheme	10(b)	(0.8)	(5.3)
Items that may be reclassified to profit or loss in subsequent periods:			
Change in unrealised foreign currency translation gains/(losses) on foreign operations		14.5	(0.8)
Total other comprehensive income / (expense)		16.9	(5.2)
Total comprehensive income for the period		330.7	239.5

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

Condensed Consolidated Statement of Financial Position

As at 30 June 2025

	Note	Unaudited 30 June 2025 \$m	Unaudited 30 June 2024 \$m	Unaudited 31 December 2024 \$m
Assets				
Intangible assets		63.3	49.8	54.2
Property, plant and equipment		22.5	29.8	22.2
Reinsurance contract assets	11	1,786.6	1,731.3	1,707.2
Employee benefits		40.9	36.9	35.0
Current taxation		1.1	1.9	0.4
Financial investments	12	5,883.3	4,872.5	5,269.3
Derivative contracts	13	8.6	8.7	15.0
Insurance and other receivables		567.3	1,110.9	673.6
Cash and cash equivalents		1,016.1	806.8	481.1
Total assets		9,389.7	8,648.6	8,258.0
Liabilities and Equity				
Liabilities				
Insurance contract liabilities	11	5,631.7	5,060.7	5,343.2
Borrowings	12	691.0	150.5	159.5
Other financial liabilities	12	-	6.7	-
Provisions		3.1	2.5	2.6
Deferred taxation		77.0	76.3	105.9
Current taxation		19.0	0.3	0.3
Derivative contracts	13	11.2	8.8	12.1
Insurance and other payables		334.4	1,141.8	342.8
Total liabilities		6,767.4	6,447.6	5,966.4
Equity				
Called up share capital	14	-	-	-
Share premium		1,055.2	1,055.2	1,055.2
Foreign currency translation reserve		(83.6)	(96.2)	(98.1)
Retained earnings		1,650.7	1,242.0	1,334.5
Total equity		2,622.3	2,201.0	2,291.6
Total liabilities and equity		9,389.7	8,648.6	8,258.0

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 30 July 2025 and were signed on its behalf by:

Martin Thompson
Group Chief Executive Officer

Gavin Wilkinson
Group Chief Financial Officer

Registered number: 15884169

Condensed Consolidated Statement of Cash Flows

For 6 months ended 30 June 2025

	Note	Unaudited 6 months ended 30 June 2025 \$m	Unaudited 6 months ended 30 June 2024 \$m
Cash flows from operating activities			
Cash flows (used in) / provided by operating activities	16	(70.3)	38.2
Tax paid		(7.9)	(6.0)
Interest received		71.4	71.8
Dividends received		7.3	3.9
Purchase of shares for share-based payment schemes		6.7	1.3
Net cash inflows from operating activities		7.2	109.2
Cash flows from investing activities			
Purchase of intangible assets		(10.3)	(8.6)
Purchase of property, plant and equipment		(0.4)	(0.1)
Disposal of associated undertaking		5.9	15.2
Net cash (outflows) / inflows from investing activities		(4.8)	6.5
Cash flows from financing activities			
Interest paid		(1.3)	(6.8)
Dividends paid		-	-
Debt issuances proceeds		519.8	-
Net cash inflows / (outflows) from financing activities		518.5	(6.8)
Net increase in cash and cash equivalents		520.9	108.9
Cash and cash equivalents at beginning of the period	16	481.1	700.9
Effect of exchange rate fluctuations on cash and cash equivalents		14.1	(3.0)
Cash and cash equivalents at the end of the period		1,016.1	806.8

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 2025

	Note	Called up share capital \$m	Share premium \$m	Foreign currency translation reserve \$m	Retained earnings \$m	Total equity \$m
At 1 January 2025		-	1,055.2	(98.1)	1,334.5	2,291.6
Profit for period		-	-	-	313.8	313.8
Other comprehensive expense		-	-	14.5	2.4	16.9
Total comprehensive (expense)/income		-	-	14.5	316.2	330.7
Dividends	15	-	-	-	-	-
At 30 June 2025		-	1,055.2	(83.6)	1,650.7	2,622.3

As at 30 June 2025 and 31 December 2024 Brit Group Holdings Limited had 1,000 ordinary shares of £1 each issued, called-up and fully paid.

For 6 months ended 30 June 2024

	Note	Called up share capital \$m	Share premium \$m	Foreign currency translation reserve \$m	Retained earnings \$m	Total equity \$m
At 1 January 2024		-	1,055.2	(95.4)	1,001.7	1,961.5
Profit for the period		-	-	-	244.7	244.7
Other comprehensive expense		-	-	(0.8)	(4.4)	(5.2)
Total comprehensive (expense)/income		-	-	(0.8)	240.3	239.5
Dividends	15	-	-	-	-	-
At 30 June 2024		-	1,055.2	(96.2)	1,242.0	2,201.0

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 Group Holdings Limited and its subsidiaries (collectively, 'Brit' or 'the Group') for the six months ended 30 June 2025 were authorised for issue in accordance with a resolution of the Directors on 30 July 2025. The Group's principal activity is the underwriting of general insurance and reinsurance business.

Brit Group Holdings 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 Corporate reorganisation

Brit Group Holdings Limited was incorporated on 7 August 2024 as a direct subsidiary of Fairfax UK Holdings Limited (formerly Brit Limited).

On 12 December 2024 Brit Group Holdings Limited acquired the entire share capital of Brit Insurance Holdings Limited (an intermediate holding company of the Brit insurance businesses) from Fairfax UK Holdings Limited in exchange for the issuance of share capital. Thus from 12 December 2024 Brit Group Holdings Limited is the new holding company for the Brit insurance businesses.

At the time its acquisition of Brit Insurance Holdings Limited, Brit Group Holdings Limited was a new parent company that did not meet the IFRS definition of a business. As a result, this acquisition is outside the scope of IFRS 3 Business Combinations. Furthermore, no substantive economic change has occurred as a result of the transaction (i.e. there was no change in ultimate ownership of the Brit Insurance Holdings Limited sub-group). The transaction has therefore been accounted for as a capital re-organisation, with the carrying values of the Brit Insurance Holdings Limited sub-group's assets and liabilities transferred from the Fairfax UK Holdings Limited group consolidated financial statements.

The share capital in the Brit Group Holdings Limited consolidated financial statements is that of Brit Group Holdings Limited.

Although Brit Insurance Holdings Limited was transferred to Brit Group Holdings Limited on 12 December 2024, in these condensed consolidated financial statements comparatives have been presented as if the transfer occurred before the start of the earliest period presented (i.e. before the start of 2024). For the part of the comparative period before Brit Group Holdings Limited's acquisition of Brit Insurance Holdings Limited, the comparative amounts presented relate to the Brit Insurance Holdings Limited sub-group only, except for share capital which is that of Brit Group Holdings Limited. This reflects the fact that the Brit Insurance Holdings Limited sub-group was ultimately controlled by the same party throughout the periods presented.

2.2 Basis of preparation

The condensed consolidated interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with UK-adopted IAS 34 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules issued by the Financial Conduct Authority.

The condensed consolidated interim financial statements for the six months ended 30 June 2025 and all comparative amounts presented are unaudited.

The accounting policies applied in these condensed consolidated interim financial statements are consistent with those applied in the consolidated financial statements of Fairfax UK Holdings Limited for the year ended 31 December 2024 (published before Brit Limited changed name to Fairfax UK Holdings Limited), which were prepared in accordance with UK-adopted international accounting standards and UK company law. Those consolidated financial statements have been filed with the Registrar of Companies and are available at www.britinsurance.com.

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

2 Accounting policies and basis of preparation (continued)

2.2 Basis of preparation (continued)

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.

2.3 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.

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 2025:

- 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 75.86%, 51.28% and 50.21% of the capital for the 2023, 2024 and 2025 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.

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.

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

An amendment to IAS 21 (Lack of Exchangeability) 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 this amendment.

2 Accounting policies and basis of preparation (continued)

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 Fairfax UK Limited Group's 2024 Annual Report and Accounts (published before Brit Limited changed name to Fairfax UK Holdings Limited), with the separation of the Ki businesses having not had a material impact.

3 Risk management

(a) Risk management overview

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. They are underwriting risk (including pricing and natural and man-made catastrophe), reserving risk, investment risk and people risk. These principal risks and uncertainties are largely consistent with those disclosed on pages 36 to 37 of the Fairfax UK Limited Group's 2024 Annual Report (published before Brit Limited changed name to Fairfax UK Holdings Limited), with the separation of the Ki businesses not having materially changed their nature.

Brit manages such risks and uncertainties in line with its Risk Management Framework as described on page 8 of the Interim Management Report.

(b) Interest rate sensitivity

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

	30 June 2025 \$m	30 June 2024 \$m
1% increase		
Impact from change in reinsurance contracts assets	(53.3)	(47.4)
Impact from change in insurance contract liabilities	169.2	155.8
Net impact of 1% increase	115.9	108.4
1% decrease		
Impact from change in reinsurance contracts assets	53.3	47.4
Impact from change in insurance contract liabilities	(169.2)	(155.8)
Net impact of 1% decrease	(115.9)	(108.4)

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 2025, the reportable segments identified were as follows:

- 'Lloyd's' includes Syndicate 2987 and Brit's share of Syndicate 2988, 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.
- 'Brit Re' is the result of Brit Reinsurance (Bermuda) Limited, net of trading with the other underwriting segments.
- Other Underwriting' includes amounts arising from the Group's other underwriting-related activities, net of trading with the other underwriting segments.
- 'Investments' represents the Group's investment activity.
- 'Corporate', which is made up of residual income and expenditure and foreign exchange movements not allocated to other segments.

The Group's methodology for deriving its segmental combined ratios is outlined on pages 40.

5 Segmental information (continued)

6 months ended 30 June 2025							
\$m	Lloyd's	Brit Re	Other Underwriting	Total Underwriting	Investments	Corporate	Total
Insurance revenue	1,298.3	23.6	-	1,321.9	-	-	1,321.9
Acquisition costs	(338.7)	(4.3)	-	(343.0)	-	-	(343.0)
Incurred claims and changes to liabilities for incurred claims and other directly attributable expenses	(807.0)	(24.9)	-	(831.9)	-	-	(831.9)
Insurance service expenses	(1,145.7)	(29.2)	-	(1,174.9)	-	-	(1,174.9)
Allocation of reinsurance premiums	(221.2)	(5.9)	-	(227.1)	-	-	(227.1)
Amount recoverable from reinsurers for incurred claims	207.0	11.2	-	218.2	-	-	218.2
Net expenses from reinsurance contracts held	(14.2)	5.3	-	(8.9)	-	-	(8.9)
Insurance service result	138.4	(0.3)	-	138.1	-	-	138.1
Net finance expenses from insurance contracts	(175.4)	(1.3)	-	(176.7)	-	-	(176.7)
Net finance income from reinsurance contracts held	45.3	0.2	-	45.5	-	-	45.5
Net insurance finance expenses	(130.1)	(1.1)	-	(131.2)	-	-	(131.2)
Interest revenue from financial assets not measured at FVTPL	-	-	-	-	15.7	-	15.7
Other investment return	-	-	-	-	288.2	-	288.2
Return on derivative contracts	-	-	-	-	(3.9)	6.6	2.7
Other income	11.4	-	7.5	18.9	-	34.2	53.1
Net foreign exchange gains	-	-	-	-	-	22.7	22.7
Investment return and other income	11.4	-	7.5	18.9	300.0	63.5	382.4
Other operating expenses	(71.1)	(3.6)	-	(74.7)	-	-	(74.7)
Other expenses	(71.1)	(3.6)	-	(74.7)	-	-	(74.7)
Finance costs	-	-	-	-	-	(6.9)	(6.9)
Profit/(loss) before tax	(51.4)	(5.0)	7.5	(48.9)	300.0	56.6	307.7
Tax credit							6.1
Profit for the period							313.8
Combined ratio	87.2%	101.7%		87.4%			87.4%

5 Segmental information (continued)

6 months ended 30 June 2024

\$m	Lloyd's	Brit Re	Other Underwriting	Total Underwriting	Investments	Corporate	Total
Insurance revenue	1,259.0	5.3	2.7	1,267.0	-	-	1,267.0
Acquisition costs	(320.5)	(1.0)	(0.3)	(321.8)	-	-	(321.8)
Incurred claims and changes to liabilities for incurred claims and other directly attributable expenses	(608.7)	1.1	0.6	(607.0)	-	-	(607.0)
Insurance service expenses	(929.2)	0.1	0.3	(928.8)	-	-	(928.8)
Allocation of reinsurance premiums	(255.3)	(2.0)	-	(257.3)	-	-	(257.3)
Amount recoverable from reinsurers for incurred claims	214.1	(0.3)	-	213.8	-	-	213.8
Net expenses from reinsurance contracts held	(41.2)	(2.3)	-	(43.5)	-	-	(43.5)
Insurance service result	288.6	3.1	3.0	294.7	-	-	294.7
Net finance expenses from insurance contracts	(63.3)	(0.4)	(0.7)	(64.4)	-	-	(64.4)
Net finance income from reinsurance contracts held	16.0	0.3	-	16.3	-	-	16.3
Net insurance finance expenses	(47.3)	(0.1)	(0.7)	(48.1)	-	-	(48.1)
Interest revenue from financial assets not measured at FVTPL	-	-	-	-	21.7	-	21.7
Other investment return	-	-	-	-	78.4	-	78.4
Profit on disposal of associates	-	-	-	-	-	15.2	15.2
Return on derivative contracts	-	-	-	-	(4.0)	10.5	6.5
Other income	18.5	-	5.1	23.6	-	31.3	54.9
Losses on other financial liabilities	-	-	(4.8)	(4.8)	-	-	(4.8)
Investment return and other income	18.5	-	0.3	18.8	96.1	57.0	171.9
Other operating expenses	(54.7)	(2.7)	-	(57.4)	-	(34.5)	(91.9)
Net foreign exchange losses	-	-	-	-	-	(17.8)	(17.8)
Other expenses	(54.7)	(2.7)	-	(57.4)	-	(52.3)	(109.7)
Finance costs	-	-	-	-	-	(7.5)	(7.5)
Profit before tax	205.1	0.3	2.6	208.0	96.1	(2.8)	301.3
Tax charge							(56.6)
Profit for the period							244.7
Combined ratio	71.2%	6.1%		70.8%			70.8%

6 Investment return

6 months ended 30 June 2025	Investment income \$m	Net realised gains / (losses) \$m	Net unrealised (losses) / gains \$m	Total investment return \$m
Cash and cash equivalents	15.5	-	-	15.5
Trade and other receivables	-	-	-	-
Loan to ultimate parent	0.2	-	-	0.2
Interest revenue from financial assets not measured at FVTPL	15.7	-	-	15.7
Equity securities	7.7	18.4	23.8	49.9
Debt securities	87.8	(12.2)	84.4	160.0
Other loans and mortgages	3.3	-	-	3.3
Specialised investment funds	-	-	83.3	83.3
Other investment return before expenses	98.8	6.2	191.5	296.5
Investment management expenses	(8.3)	-	-	(8.3)
Other investment return	90.5	6.2	191.5	288.2
Total investment return	106.2	6.2	191.5	303.9

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	20.8	-	-	20.8
Trade and other receivables	0.9	-	-	0.9
Interest revenue from financial assets not measured at FVTPL	21.7	-	-	21.7
Equity securities	3.4	23.3	(2.4)	24.3
Debt securities	78.1	(4.8)	(50.3)	23.0
Other loans and mortgages	3.6	-	-	3.6
Specialised investment funds	-	2.3	32.1	34.4
Other investment return before expenses	85.1	20.8	(20.6)	85.3
Investment management expenses	(6.9)	-	-	(6.9)
Other investment return	78.2	20.8	(20.6)	78.4
Total investment return	99.9	20.8	(20.6)	100.1

7 Return on derivative contracts

	6 months ended 30 June 2025 \$m	6 months ended 30 June 2024 \$m
Investment-related non-currency options	(3.9)	(4.0)
Currency forwards	6.6	10.5
Total return on derivative contracts	2.7	6.5

8 Other income (including losses on other financial liabilities)

	6 months ended 30 June 2025 \$m	6 months ended 30 June 2024 \$m
Fees and commission from non-aligned syndicates	7.3	17.7
Change in value of ultimate parent company shares held by Brit	34.2	31.3
Net commission fee income from intermediary activities	1.7	1.4
Consortium income	4.1	0.8
Other	5.8	3.7
Other income	53.1	54.9
Change in value of other financial liabilities*	-	(4.8)
Total	53.1	50.1

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

9 Net foreign exchange gains and losses

The Group recognised foreign exchange gains of \$22.7m (30 June 2024: losses of \$17.8m) 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.

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

	6 months ended 30 June 2025		6 months ended 30 June 2024	
	Average	Closing	Average	Closing
Sterling	0.770	0.730	0.791	0.791
Canadian dollar	1.409	1.365	1.359	1.368
Euro	0.914	0.852	0.925	0.933
Australian dollar	1.576	1.526	1.520	1.497
South African rand	18.381	17.771	18.731	18.260

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.

10 Tax

(a) Tax charged to the income statement

	6 months ended 30 June 2025 \$m	6 months ended 30 June 2024 \$m
Current tax:		
Current tax on income for the period	(12.1)	1.5
Overseas tax on income for the period	(14.7)	(0.6)
Adjustments in respect of prior years	1.4	0.5
Total current tax (charge) / credit	(25.4)	1.4
Deferred tax:		
Relating to the origination and reversal of temporary differences	31.2	(57.7)
Adjustments in respect of prior years	0.3	(0.3)
Total deferred tax credit / (charge)	31.5	(58.0)
Total tax credited / (charged) to income statement	6.1	(56.6)

Overseas taxes arise in respect of the Group's subsidiaries in Bermuda, India 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 2025 \$m	6 months ended 30 June 2024 \$m
Deferred tax charged on actuarial gains on defined benefit pension schemes	(0.8)	(5.3)

(c) OECD 'Pillar Two' rules

Brit Group Holdings Limited and its subsidiaries fall within the scope of the Organisation for Economic Co-operation and Development's (OECD) global minimum tax framework known as the Pillar Two Rules.

Fairfax Financial Holdings Limited (Fairfax), a Canadian entity, is the Ultimate Parent Entity of the Brit Group for the purpose of the Pillar Two Rules. Canada has implemented the global minimum tax in the form of the Income Inclusion Rule (IIR) and Domestic Minimum Top-Up Tax (DMT). Fairfax is liable for any top-up tax levied via the IIR on undertaxed profits arising in the Group's non-UK subsidiaries. Fairfax is in the process of determining whether any such cost would be re-charged to the Group, and if so, the re-charge mechanism that would be used.

The UK has its own IIR and DMT. To the extent that a UK DMT liability arises on undertaxed profits arising in the Group's UK subsidiaries, this will be recognised in the Group's financial statements. No UK DMT liability has been provided for by the Group as at Q2 2025.

The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the UK IIR and DMT and will account for it as a current tax if it is incurred in future.

As a response to the Pillar Two rules, a 15% corporate income tax regime has come into force in Bermuda with effect from 1 January 2025. In respect of tax arising from this regime a liability of \$13.3m was recognised on the statement of financial position at 30 June 2025.

11 Insurance and reinsurance contracts

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 2025	31 December 2024
Reinsurance contract assets¹	1,786.6	1,707.2
Insurance contract liabilities:		
Insurance contracts issued	5,642.2	5,364.7
Assets for insurance acquisition cash flows	(10.5)	(21.5)
Insurance contract liabilities¹	5,631.7	5,343.2

¹The 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 2025				
	Remaining coverage ²	Incurred claims			Total
		Contracts not under PAA	Contracts under PAA		
			Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
\$m					
Reinsurance contracts held	119.3	2.1	1,491.3	94.5	1,707.2
Insurance contracts issued	71.1	(558.4)	(4,627.9)	(249.5)	(5,364.7)
Net opening balance ¹	190.4	(556.3)	(3,136.6)	(155.0)	(3,657.5)
Changes in the consolidated income statement					
Insurance revenue, net of allocation of reinsurance premiums	1,094.8	-	-	-	1,094.8
Losses on claims and other insurance service expenses	-	(118.1)	(544.0)	(30.8)	(692.9)
Amortisation of insurance acquisition cash flows	(343.0)	-	-	-	(343.0)
Prior year development	-	27.6	30.4	25.8	83.8
Effect of changes in the risk of reinsurers non-performance	-	(0.1)	(4.5)	-	(4.6)
Insurance service expenses, net of amounts recoverable from reinsurers	(343.0)	(90.6)	(518.1)	(5.0)	(956.7)
Insurance service result	751.8	(90.6)	(518.1)	(5.0)	138.1
Net finance income / (expenses) from insurance and reinsurance contracts	6.2	(16.5)	(120.9)	-	(131.2)
Net effect of movements in exchange rates	11.2	(17.8)	(67.3)	(4.2)	(78.1)
Total changes in the consolidated income statement	769.2	(124.9)	(706.3)	(9.2)	(71.2)
Investment components	3.2	-	(3.2)	-	-
Cash flows					
Net premiums received	(1,139.1)	-	-	-	(1,139.1)
Net claims and other insurance service expenses paid	-	7.0	646.2	-	653.2
Insurance acquisition cash flows	359.0	-	-	-	359.0
Total cash flows	(780.1)	7.0	646.2	-	(126.9)
Net closing balance	182.7	(674.2)	(3,199.9)	(164.2)	(3,855.6)
Reinsurance contracts held	129.7	33.9	1,530.3	92.7	1,786.6
Insurance contracts issued	53.0	(708.1)	(4,730.2)	(256.9)	(5,642.2)
Net closing balance	182.7	(674.2)	(3,199.9)	(164.2)	(3,855.6)

¹ Opening and closing insurance contract balances exclude assets for insurance acquisition cash flows.

² The Group has no loss component within the liability for remaining coverage.

11 Insurance and reinsurance contracts (continued)

Movement in net insurance contract balances

Analysis by remaining coverage and incurred claims	12 months ended 31 December 2024				
	Remaining coverage ²	Incurred claims			Total
		Contracts not under PAA	Contracts under PAA		
			Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
\$m					
Reinsurance contracts held	242.7	36.1	1,415.5	90.7	1,785.0
Insurance contracts issued	103.4	(192.6)	(4,752.2)	(245.9)	(5,087.3)
Net opening balance ¹	346.1	(156.5)	(3,336.7)	(155.2)	(3,302.3)
Changes in the consolidated income statement					
Insurance revenue, net of allocation of reinsurance premiums	2,294.1	-	-	-	2,294.1
Losses on claims and other insurance service expenses	-	(318.9)	(767.5)	(51.0)	(1,137.4)
Amortisation of insurance acquisition cash flows	(715.5)	-	-	-	(715.5)
Prior year development	-	14.0	37.1	49.1	100.2
Insurance service expenses, net of amounts recoverable from reinsurers	(715.5)	(304.9)	(730.4)	(1.9)	(1,752.7)
Insurance service result	1,578.6	(304.9)	(730.4)	(1.9)	541.4
Net finance expense from insurance and reinsurance contracts	(4.9)	(21.6)	(143.9)	-	(170.4)
Net effect of movements in exchange rates	(2.8)	6.7	24.9	2.1	30.9
Total changes in the consolidated income statement	1,570.9	(319.8)	(849.4)	0.2	401.9
Investment components	10.8	-	(10.8)	-	-
Cash flows					
Net premiums received, net of ceding commissions	(2,426.3)	-	-	-	(2,426.3)
Net claims and other insurance service expenses paid	-	(80.0)	1,060.3	-	980.3
Insurance acquisition cash flows	688.9	-	-	-	688.9
Total cash flows	(1,737.4)	(80.0)	1,060.3	-	(757.1)
Net closing balance	190.4	(556.3)	(3,136.6)	(155.0)	(3,657.5)
Reinsurance contracts held	119.3	2.1	1,491.3	94.5	1,707.2
Insurance contracts issued	71.1	(558.4)	(4,627.9)	(249.5)	(5,364.7)
Net closing balance ¹	190.4	(556.3)	(3,136.6)	(155.0)	(3,657.5)

¹ Opening and closing insurance contract balances exclude assets for insurance acquisition cash flows.

² The Group has no loss component within the liability for remaining coverage.

11 Insurance and reinsurance contracts (continued)

Movement in net insurance contract balances applying GMM

Analysis by remaining coverage and incurred claims

\$m	6 months ended 30 June 2025			
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Reinsurance contracts held	256.6	0.2	(4.2)	252.6
Insurance contracts issued	(470.7)	(40.7)	(73.8)	(585.2)
Net opening balance	(214.1)	(40.5)	(78.0)	(332.6)

Changes in the consolidated income statement

Changes that relate to current service:				
CSM recognised for the services period	-	-	57.1	57.1
Changes in the risk adjustment for non-financial risk	-	(3.1)	-	(3.1)
Experience adjustments	8.2	-	-	8.2
Changes that relate to future service:				
Contracts initially recognised in the period	16.1	(1.3)	(14.8)	-
Changes in estimates that adjust the CSM	(2.0)	0.2	1.8	-
Changes that relate to past service:				
Adjustment to net liability for incurred claims	24.3	3.3	-	27.6
Effect of changes in the risk of reinsurers non-performance	(0.1)	-	-	(0.1)
Net income / (expenses) from insurance contracts issued and reinsurance contracts held	46.5	(0.9)	44.1	89.7
Net finance income / (expense) from insurance and reinsurance contracts	(8.5)	-	(1.8)	(10.3)
Net effect of movements in exchange rates	(11.4)	(1.3)	(0.3)	(13.0)
Total changes in the consolidated income statement	26.6	(2.2)	42.0	66.4

Cash flows

Net premiums received, net of ceding commissions and other directly attributable expenses paid	(288.1)	-	-	(288.1)
Net claims and other insurance service expenses received	7.0	-	-	7.0
Insurance acquisition cash flows	60.2	-	-	60.2
Total cash flows	(220.9)	-	-	(220.9)
Net closing balance	(408.4)	(42.7)	(36.0)	(487.1)
Reinsurance contracts held	240.2	1.2	(6.7)	234.7
Insurance contracts issued	(648.6)	(43.9)	(29.3)	(721.8)
Net closing balance	(408.4)	(42.7)	(36.0)	(487.1)

11 Insurance and reinsurance contracts (continued)

Movement in net insurance contract balances applying GMM

Analysis by remaining coverage and incurred claims

\$m	12 months ended 31 December 2024			
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Reinsurance contracts held	308.2	0.6	(7.6)	301.2
Insurance contracts issued	(139.1)	(18.7)	(61.3)	(219.1)
Net opening balance	169.1	(18.1)	(68.9)	82.1

Changes in the consolidated income statement

Changes that relate to current service:				
CSM recognised for the services period	-	-	80.8	80.8
Changes in the risk adjustment for non-financial risk		(5.9)	-	(5.9)
Experience adjustments	103.4	-	-	103.4
Changes that relate to future service:				
Contracts initially recognised in the period	141.7	(18.4)	(123.3)	-
Changes in estimates that adjust the CSM	(39.1)	(0.1)	39.2	-
Changes that relate to past service:				
Adjustment to net liability for incurred claims	12.6	1.5	-	14.1
Net income / (expenses) from insurance contracts issued and reinsurance contracts held	218.6	(22.9)	(3.3)	192.4
Net finance expense from insurance and reinsurance contracts	(20.3)	-	(6.2)	(26.5)
Net effect of movements in exchange rates	2.9	0.5	0.4	3.8
Total changes in the consolidated income statement	201.2	(22.4)	(9.1)	169.7
Cash flows				
Net premiums received, net of ceding commissions and other directly attributable expenses paid	(684.5)	-	-	(684.5)
Net claims and other insurance service expenses paid	(80.0)	-	-	(80.0)
Insurance acquisition cash flows	180.1	-	-	180.1
Total cash flows	(584.4)	-	-	(584.4)
Net closing balance	(214.1)	(40.5)	(78.0)	(332.6)
Reinsurance contracts held	256.6	0.2	(4.2)	252.6
Insurance contracts issued	(470.7)	(40.7)	(73.8)	(585.2)
Net closing balance	(214.1)	(40.5)	(78.0)	(332.6)

12 Financial assets and liabilities

The following table sets out the IFRS 9 measurement categories and carrying amounts of the Group's financial assets and financial liabilities:

	IFRS 9 category	30 June 2025 \$m	31 December 2024 \$m
Financial assets			
Investments – equity securities	FVTPL	702.1	620.2
Investments – debt securities	FVTPL	4,222.1	3,988.3
Investments – loan to ultimate parent	Amortised cost	200.0	-
Investments – other loans and mortgages	FVTPL	86.8	83.0
Investments – specialised investment funds	FVTPL	672.3	577.8
Other assets (Fairfax shares purchased for LTIPs)	FVTPL	178.3	152.7
Derivative contracts (Note 13)	FVTPL	8.6	15.0
Cash and cash equivalents	Amortised cost	1,016.1	481.1
Trade and other receivables	Amortised cost	360.7	508.0
Total financial assets		7,447.0	6,426.1
Financial liabilities			
Derivative contracts (Note 13)	FVTPL	11.2	12.1
Borrowings - senior notes	Amortised Cost	517.0	-
Borrowings - other	Amortised Cost	174.0	159.5
Trade and other payables	Amortised Cost	194.8	234.8
Lease liabilities	N/a – IFRS 16	20.1	19.1
Total financial liabilities		917.1	425.5

Borrowings

The following changes to the Group's borrowing occurred during the period:

- With effect from 22 January 2025 the Group was substituted in place of Fairfax UK Holdings Limited (formerly Brit Limited) as issuer and principal debtor under listed subordinated debt notes that are denominated in GBP, have a principal amount of £127.0m, mature in 2030 and carry an effective interest rate of 3.7%. In consideration for this change the Group's borrowings from Fairfax UK Holdings Limited, which had the same terms as the listed subordinated notes, were effectively cancelled. The listed subordinated notes and the borrowings from Fairfax UK Holdings Limited are presented in the table above within 'Borrowings – other'. At 30 June 2025 these borrowings had a fair value of \$152.8m (31 December 2024: \$135.9m).
- On 16 May 2025 the Group's RCF was reduced from \$550.0m to \$415.0m and term extended from December 2027 to December 2029, with options to extend for either one or two years to either December 2030 or 2031. In respect of this facility at 30 June 2025 and 31 December 2024 there was no letter of credit (LoC) outstanding and no cash drawings.
- On 17 June 2025 the Group became primary co-obligor on two senior unsecured notes previously issued by Fairfax Financial Holdings Limited. As part of this transaction the Group received \$519.8m in cash and cash equivalents, representing the fair value of the notes on that date. These notes, which are listed on the Dublin Stock Exchange, are denominated in Canadian Dollars (CAD) with terms as follows:
 - Notes with a total principal amount of C\$450.0m, with a coupon rate of 4.73% and maturity date of November 2034; and
 - Notes with a total principal amount of C\$250.0m, with a coupon rate of 5.23% and maturity date of November 2054.

The total fair value of these notes at 30 June 2025 was \$529.2m.

Fair value of financial assets and liabilities accounted for at amortised cost

The carrying values of financial instruments that are carried at amortised cost, other than borrowings, are deemed a reasonable approximation of fair value.

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).

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.

12 Financial assets and liabilities (continued)

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.

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.

A 5% decrease in the fair value of the Group's level three financial investments at 30 June 2025 would have had a negative \$27.1m impact on profit after tax and equity (31 December 2024: negative \$26.9m impact).

Disclosures of fair values in accordance with the fair value hierarchy

The following table analyses the Group's financial investments that are measured at fair value according to the fair value hierarchy:

	Level one \$m	Level two \$m	Level three \$m	Total \$m
Equity securities	289.4	-	412.7	702.1
Debt securities	2,347.9	1,874.2	-	4,222.1
Other loans and mortgages	-	-	86.8	86.8
Specialised investment funds	-	629.6	42.7	672.3
As at 30 June 2025	2,637.3	2,503.8	542.2	5,683.3
Equity securities	222.4	-	397.8	620.2
Debt securities	2,182.2	1,793.0	13.1	3,988.3
Other loans and mortgages	-	-	83.0	83.0
Specialised investment funds	-	533.7	44.1	577.8
As at 31 December 2024	2,404.6	2,326.7	538.0	5,269.3

All unrealised gains of \$191.5m (31 December 2024: losses of \$22.8m) and realised gains of \$6.2m (31 December 2024: gains of \$92.6m) 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 nil (31 December 2024: \$0.1m) of equity transfers from level one to level three.

12 Financial assets and liabilities (continued)

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

	Equity securities \$m	Debt securities \$m	Other loans and mortgages \$m	Specialised investment funds \$m	Total \$m
At 1 January 2024	288.5	26.7	82.1	56.3	453.6
Transfers from level one to level three	0.1	-	-	-	0.1
Total gains/(losses) recognised in the income statement	32.5	(21.8)	1.4	(10.6)	1.5
Purchases	266.7	11.0	0.6	-	278.3
Sales	(182.0)	-	-	-	(182.0)
Foreign exchange gains	(8.0)	(2.8)	(1.1)	(1.6)	(13.5)
At 31 December 2024	397.8	13.1	83.0	44.1	538.0
Transfers from level one to level three	-	-	-	-	-
Total gains / (losses) recognised in the income statement	6.5	(1.9)	-	(6.8)	(2.2)
Purchases	57.5	0.6	0.1	-	58.2
Sales	(54.7)	(13.0)	-	-	(67.7)
Foreign exchange losses	5.6	1.2	3.7	5.4	15.9
At 30 June 2025	412.7	-	86.8	42.7	542.2

Total net losses recognised in the condensed consolidated income statement under 'Other investment return' in respect of level three financial investments for the period amounted to \$2.2m (31 December 2024: gains of \$1.5m). Included in this balance are \$20.2m of unrealised losses (31 December 2024: losses of \$71.7m) attributable to assets still held at the end of the period.

13 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 2025 and 31 December 2024, 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 2025			
Currency forwards	575.5	(569.6)	5.9
Contingent consideration receivable	2.4	-	2.4
Equity warrants	0.3	-	0.3
Total	578.2	(569.6)	8.6
31 December 2024			
Currency forwards	549.7	(541.8)	7.9
Options	2.4	-	2.4
Contingent consideration receivable	2.4	-	2.4
Interest rate swaps	0.3	-	0.3
Equity warrants	1.9	-	1.9
Total	556.8	(541.8)	15.0

13 Derivative contracts (continued)

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 2025			
Currency forwards	(325.9)	323.4	(2.5)
Credit default swaps	(8.7)	-	(8.7)
Interest rate swaps	-	-	-
Total	(334.6)	323.4	(11.2)
31 December 2024			
Currency forwards	(354.0)	349.4	(4.6)
Credit default swaps	(7.5)	-	(7.5)
Total	(361.5)	349.4	(12.1)

Disclosures of fair values in accordance with the fair value hierarchy

	Level two \$m	Level three \$m	Total \$m
30 June 2025			
Derivative contract assets	5.9	2.7	8.6
Derivative contract liabilities	(11.2)	-	(11.2)
31 December 2024			
Derivative contract assets	10.7	4.3	15.0
Derivative contract liabilities	(12.1)	-	(12.1)

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.

A 5% decrease in the fair value of the Group's level three derivative assets at 30 June 2025 would have had a negative \$0.1m impact on profit after tax and equity (31 December 2024: negative \$0.2m impact).

13 Derivative contracts (continued)

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

	\$m
At 1 January 2024	4.1
Total gains recognised in the income statement	1.6
Foreign exchange losses	(1.4)
At 31 December 2024	4.3
Total losses recognised in the income statement	(4.3)
Foreign exchange gains	2.7
At 30 June 2025	2.7

14 Share Capital

As at 30 June 2025 and 31 December 2024 Brit Group Holdings Limited had 1,000 ordinary shares of £1 each issued, called-up and fully paid.

15 Dividends

In the six-month period ended 30 June 2025, no dividends were paid by Brit Group Holdings Limited.

In the six-month period ended 30 June 2024, no dividends were paid by Brit Insurance Holdings Limited to its parent (as explained in Note 2.1, for the part of the comparative period before Brit Group Holdings Limited's acquisition of Brit Insurance Holdings Limited, the comparative amounts presented in the condensed consolidated interim financial statements relate to the Brit Insurance Holdings Limited sub-group only).

16 Cash flows provided by operating activities

	6 months ended 30 June 2025 \$m	6 months ended 30 June 2024 \$m
Profit before tax	307.7	301.3
Adjustments for non-cash movements:		
Realised and unrealised gains on investments	(197.7)	(0.2)
Realised and unrealised gains on derivatives	(2.7)	(6.5)
Amortisation of intangible assets	9.8	3.6
Depreciation and impairment of property, plant and equipment	4.0	2.2
Foreign exchange (gains) / losses on cash and cash equivalents	(14.3)	3.0
Profit on disposal of associate	-	(15.2)
Unrealised gains on shares held for share based payments	(34.2)	(31.3)
Charges in respect of share-based payment schemes	38.5	28.5
Interest income	(106.8)	(103.4)
Dividend income	(7.7)	(3.4)
Finance costs on borrowing	6.9	7.5
Movement in operating assets and liabilities:		
Insurance and other receivables excluding accrued income	(68.8)	(218.6)
Insurance and reinsurance contracts	209.1	18.5
Financial investments	(179.5)	(40.8)
Derivative contracts	8.2	1.9
Other financial liabilities	-	(97.3)
Insurance and other payables	(42.4)	188.8
Employee benefits	(0.9)	-
Provisions	0.5	(0.4)
Cash flows (used in) / provided by operating activities	(70.3)	38.2

17 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

Senior notes

On 17 June 2025 the Group became primary co-obligor on two senior unsecured notes previously issued by Fairfax Financial Holdings Limited. As part of this transaction the Group received \$519.8m in cash and cash equivalents, representing the fair value of the notes on that date. Refer to Note 12 for further details.

Loan to ultimate parent

On 24 June 2025 the Group extended a \$200.0m loan to Fairfax Financial Holdings Limited. It has an arm's length interest rate of 4.75%, a maturity date of 31 March 2026, and can be recalled at any time. At 30 June 2025 this loan had a carrying amount on the condensed consolidated statement of financial position of \$200.0m, with interest income of \$0.2m recognised in the condensed consolidated income statement in the six months ended 30 June 2025.

17 Related party transactions (continued)

(c) Hamblin Watsa Investment Counsel Limited

Hamblin Watsa Investment Counsel Limited (HWIC), an affiliate of FFHL is an investment manager to a number of Group companies. The Group incurred and paid investment management fees to HWIC of \$7.0m during the period (30 June 2024: \$5.7m).

(d) Insurance and reinsurance transactions with Fairfax Financial Holdings Limited and its affiliates

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 2025 \$m	6 months to 30 June 2024 \$m
Insurance revenue	8.8	8.7
Insurance service expenses (exclusive of commissions costs below)	(1.6)	(9.9)
Ceded reinsurance revenue (gross of ceding commissions below)	(12.1)	(5.8)
Reinsurance recoveries	8.7	8.5
Net finance income	0.2	-
Commission income	0.6	0.2
Commission expense	(2.5)	(0.9)

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 2025 \$m	31 December 2024 \$m
Insurance and reinsurance balances		
Insurance contract liabilities	(45.1)	(36.1)
Reinsurance contract assets	28.6	28.4

(e) Fairfax UK Holdings Limited

With effect from 22 January 2025 the Group was substituted in place of Fairfax UK Holdings Limited (the Group's immediate parent company, formerly Brit Limited) as issuer and principal debtor under listed subordinated debt notes that are denominated in GBP, have a principal amount of £127.0m, mature in 2030 and carry an effective interest rate of 3.7%. In consideration for this change the Group's borrowings from Fairfax UK Holdings Limited, which had the same terms as the listed subordinated notes, were effectively cancelled. Refer to Note 12 for further details.

At 30 June 2025 a net payable to Fairfax UK Holdings Limited of \$6.4m was recognised on the condensed consolidated statement of financial position. At 31 December 2024 a net payable to Fairfax UK Holdings Limited of \$154.2m was recognised on the condensed consolidated statement of financial position, which included \$159.5m of borrowings as referred to above.

(f) Ki Group

During the period ended 30 June 2025 the Group has provided administration services to various entities within the Ki group of companies (Ki), of which Ki Financial Limited is the parent.

In respect of these services, in the period ending 30 June 2025 income of \$10.1m (year ending 31 December 2024: \$67.3m) was recognised in the condensed consolidated income statement and a net receivable of \$9.8m (31 December 2024: \$4.2m) was recorded on the condensed consolidated statement of financial position.

18 Events occurring after the reporting date

The Brit Group Services Limited Retirement Benefits Scheme (the Scheme), one of the Group's two funded defined benefit pension schemes, which completed a buy-in in December 2022, successfully moved to buy-out on 28 May 2025. The Scheme is now going through a wind-up process. As part of this process, under the Trust Deed and Rules of the Scheme, a surplus of \$31.0m, net of tax of \$7.8m, was paid in cash to Brit on 17 July 2025. These amounts were recognised in Brit's 30 June 2025 Condensed Consolidated Statement of Financial Position within 'employee benefits' and 'deferred taxation'.

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

	Comment / financial statements reference	Unaudited 6 months ended 30 June 2025 \$m	Unaudited 6 months ended 30 June 2024 \$m
Profit after tax	Consolidated income statement	313.8	244.7
Add back: Tax adjusted amortisation	Amortisation of intangibles, adjusted by the tax rate	4.1	2.6
Add back: Tax adjusted pension charge in income statement	Defined benefits schemes' impact on income statement	0.5	0.7
Add back: Tax adjusted FX	FX effect for the period, adjusted by the tax rate	(22.0)	5.5
Return, as adjusted for RoNTA calculation		296.3	253.5
Adjusted NTA at start of year	Calculated based on consolidated statement of financial position	2,241.8	1,919.6
Less: Pension asset net of deferred tax at start of year	'Employee benefits' per Consolidated Statement of Financial Position less deferred tax	(26.3)	(24.6)
External distributions, share issuances and capital contributions	Weighted adjustment to reflect distributions and shares issued during the period	-	-
NTA, as adjusted for RoNTA calculation		2,215.6	1,895.0
RoNTA	Return, as adjusted for RoNTA calculation, divided by NTA, as adjusted for RoNTA calculation	13.4%	13.4%

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

(ii) 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 2025 \$m	Unaudited 6 months ended 30 June 2024 \$m
Total equity	Consolidated statement of financial position	2,622.3	2,201.0
Less: Intangible assets	Consolidated statement of financial position	(63.3)	(49.8)
Net tangible assets		2,559.0	2,151.2
Add back deferred tax liability on intangible assets	Deferred taxation	5.1	3.7
Adjusted net tangible assets		2,564.1	2,154.9

Insurance revenue and insurance premium written

Insurance revenue and insurance premium written are used by the Group to measure and monitor levels of incoming business. Insurance revenue is a required measure of revenue under IFRS 17, while insurance premium written is equivalent to gross written premium under the old insurance accounting standard, IFRS 4.

	Comment/financial statements reference	Unaudited 6 months ended 30 June 2025 \$m	Unaudited 6 months ended 30 June 2024 \$m
Insurance revenue	Consolidated Income Statement	1,321.9	1,267.0
Commission expense	Reclassification of commissions expense on assumed business to net off against insurance revenue	23.3	18.6
Profit commissions and reinstatement premiums	Reclassification of profit commissions in relation to assumed business and reinstatement premiums between insurance revenue and insurance service expense	26.4	(1.6)
Non-distinct investment components and other adjustments	Net down of non-distinct investment components; and other GAAP adjustments	8.3	0.1
Gross premiums earned		1,379.9	1,284.1
Change in gross unearned premiums	Movement in the gross unearned premium reserve	312.3	278.3
Insurance premium written		1,692.2	1,562.4

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

Combined ratio, claims ratio and expense ratio

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 component parts of the combined ratio are the claims ratio and the expense ratio. The calculations of each of the ratios are set out below:

	Comment/financial statements reference	Unaudited 6 months ended 30 June 2025 \$m	Unaudited 6 months ended 30 June 2024 \$m
Insurance revenue		1,321.9	1,267.0
Allocation of reinsurance premium		(227.1)	(257.3)
Net insurance revenue	Note 11: Insurance and reinsurance contracts	1,094.8	1,009.7
Insurance service expense		1,174.9	928.8
Less directly attributable expenses	Includes insurance acquisition cash flows and all other directly attributable expenses	(381.9)	(346.9)
Amounts recoverable from reinsurers		(218.2)	(213.8)
Net claims		574.8	368.1
Claims ratio	Net claims divided by net insurance revenue	52.5%	36.4%
Expense ratio	Directly attributable expenses divided by net insurance revenue	34.9%	34.4%
Combined ratio	Claim ratio plus expense ratio	87.4%	70.8%
Effect of discounting	Initial discounting impact recognised in the insurance service result	7.8%	10.0%
Combined ratio (undiscounted)	Combined ratio excluding the effect of discounting	95.2%	80.8%

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

Investment return

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 2025 \$m	Unaudited 6 months ended 30 June 2024 \$m
Profit on disposal of associate	Consolidated income statement	-	15.2
Total investment return	Note 6: Investment return	303.9	100.1
Return on investment-related derivatives	Note 7: Return on derivative contracts	(3.9)	(4.0)
Return on invested assets		300.0	111.3
Financial investments	Note 12: Financial assets and liabilities	5,883.3	4,872.5
Derivative contracts (investment-related)		(6.0)	(0.4)
Cash and cash equivalents	Consolidated statement of financial position	1,016.1	806.8
Invested assets		6,893.4	5,678.9
Opening invested assets		5,749.9	5,511.1
Closing invested assets		6,893.4	5,678.9
Average invested assets		6,321.7	5,595.0
Investment return (%)	Return on invested assets divided by average invested assets	4.7%	2.0%

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 2025 \$m	Unaudited Year ended 31 December 2024 \$m
Total equity	Consolidated statement of financial position	2,622.3	2,291.6
Less: Intangible assets	Consolidated statement of financial position	(63.3)	(54.2)
Net tangible assets		2,559.0	2,237.4
Add: Deferred tax liability on intangible assets	Deferred taxation	5.1	4.4
Adjusted net tangible assets		2,564.1	2,241.8
Subordinated debt / intra-group borrowings ¹	Consolidated statement of financial position	174.0	159.5
Senior debt	Consolidated statement of financial position	517.0	-
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		3,555.1	2,701.3
Management entity capital requirements	The capital required by an entity for business strategy and regulatory requirements.	(1,854.8)	(1,718.6)
Excess of capital resources over management entity capital requirements		1,700.3	982.7
Capital ratio	Total available capital resources divided by management entity capital requirements.	191.7%	157.2%

¹As set out in Note 12, with effect from 22 January 2025 Brit Group Holdings Limited was substituted in place of Brit Limited as issuer and principal debtor under listed subordinated debt notes. Before this date this subordinated debt had been on-lent to Brit Insurance Holdings Limited. The amount shown in the table above at 31 December 2024 is this on-lent debt, which is included to aide comparison.

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 (appointed 21 January 2025)	- Chair
Mr Gavin Wilkinson (appointed 2 October 2024)	- Group Chief Financial Officer
Mr Martin Thompson (appointed 21 January 2025)	- Chief Executive Officer
Mr Jean-Jacques Henchoz (appointed 1 May 2025)	- Non-executive Director
Mr Simon Lee (appointed 21 January 2025)	- Non-executive Director
Mr Michael Wallace (appointed 21 January 2025)	- Non-executive Director
Ms Andrea Welsch (appointed 21 January 2025)	- Non-executive Director
Mr Antony Usher (resigned 24 January 2025)	- Non-executive Director

Group Company Secretary

Mr Joe Marinelli

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The Company website provides information about Brit Group Holdings Limited including information on the business, annual reports, half yearly reports and announcements to the London Stock Exchange.

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Intentionally blank



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