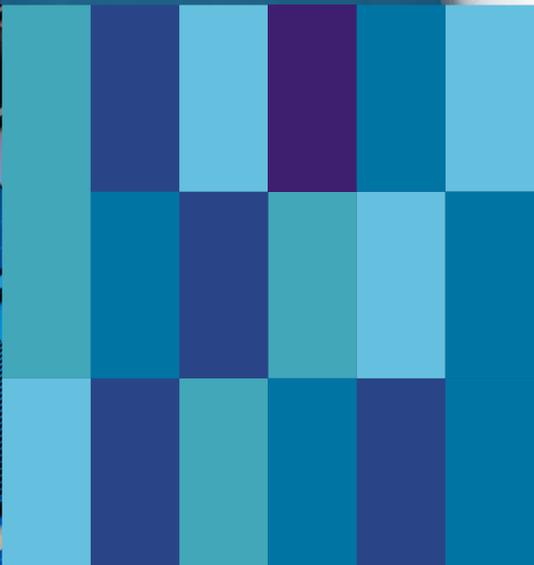
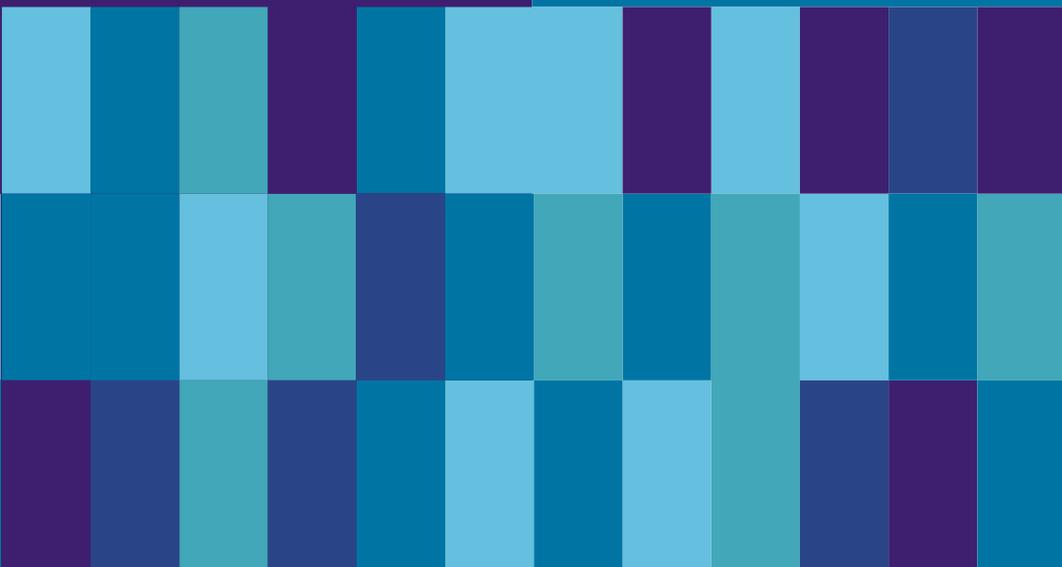


writing the future



BRIT

Brit Group
Holdings Limited
Annual Report 2025



writing the future

We exist to ensure that uncertainty never stands in the way of progress.

We provide market-leading specialty insurance and reinsurance.

We make disciplined and considered decisions.

We have a culture that is open, honest and fair.

We bring together the best talent and tools to provide service excellence.

We help people and businesses face the future and thrive.

Let's do it together.

BRIT


A focused Brit delivering a strong performance

- Group profit before tax of \$716.7m (2024: \$571.1m).
- Group profit after tax of \$651.8m (2024: \$478.4m).
- Return on net tangible assets of 28.8% (2024: 25.8%).
- Combined ratio after discounting of 81.9% (2024: 75.7%) and an undiscounted combined ratio of 89.3% (2024: 85.3%).
- Insurance service result of \$446.2m (2024: \$557.0m).
- Insurance premium written for 2025 of \$3,091.7m, an increase of 3.8% over 2024 (\$2,978.5m), or by 3.2% at constant rates of exchange.
- Strong investment return of \$586.5m or 9.0% (2024: \$272.3m or 4.8%).
- Capital position remains strong, with a surplus over our management capital requirement of \$1,524.7m or 175.2% (2024: \$823.1m or 147.9%), after dividend payments in the year of \$236.0m. A significant proportion of our investment portfolio remains invested in cash and fixed income securities (2025: 80.2%; 2024: 80.6%).
- Overall risk adjusted rate decrease of 4.8% (2024: decrease of 1.4%).
- Key developments include:
 - First year of trading following our separation from Ki;
 - Continued focus on developing our lead underwriting capability;
 - Through Brit Re, the strategic expansion of our Bermuda presence;
 - Successful placement of Brit-sponsored catastrophe bond;
 - Strengthening of capital base, with Brit becoming the co-obligor on two existing senior unsecured notes, issued by Fairfax, with a total nominal value of CAD 700.0m;
 - Continued focus on our customers through claims innovation; and
 - Development of our digital, data and AI strategy.

Note 1: This Annual 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 have operated 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). Unless otherwise stated, all amounts presented in this Annual 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. Further details are provided in the 'Group restructuring, including the separation of Ki' section of this Annual Report and in Note 2.1 of the consolidated financial statements.

Note 2: The calculations of the combined ratio and other ratios are set out in 'key performance indicators and alternative performance measures' on pages 183 to 186.

BRIT

We have a culture that is open, honest and fair so that our partnerships can be the most effective they can be.



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Strategic Report

The Strategic Report contains information about the Group, how we make money and how we run the business. It gives an insight into our markets, approach to governance, sustainability and risk management. It provides context for our Financial Statements, sets out our key performance indicators (KPIs) and analyses our financial performance. It also sets out how we engage with our people and other stakeholders and includes our Section 172(1) Statement

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This report sets out other information of interest to our stakeholders. It includes our Directors' Responsibility Statement and our Directors' Statement on Going Concern. It also explains our governance framework and contains our Modern Slavery and Human Trafficking Statement.

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This section presents the financial position, performance and development in accordance with generally accepted accounting practice for both the Group and the standalone parent company (Company). It also contains the Auditors' Report.

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In this section, we include definitions of the terms used in this Annual Report, focusing on terms specific to the insurance industry and to Brit.

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Disclaimer

This document 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.

strategic report

This Strategic Report contains information about our business and provides an insight into how we operate and our approach to sustainability and risk management. It provides context for our Financial Statements, sets out our key performance indicators (KPIs) and analyses our financial performance. All monetary figures in this report are presented in US dollars (\$), unless otherwise stated.

The calculations of the combined ratio and other underwriting ratios are set out on page 183 to 186.

6

Officer Statements

Martin Thompson, our Group CEO, and Gavin Wilkinson, our Group CFO, comment on the Group's performance and business developments during 2025 and look ahead to 2026.

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Business Review

We review market conditions, our underwriting activities and other business developments during 2025.

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Risk Management, Principal Risks and Uncertainties

We set out our Risk Management Framework and explain how we will manage the principal risks facing our business in 2026, to ensure we deliver our strategic priorities. We also consider emerging risks including climate related risk.

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Stakeholder Engagement

We set out our key stakeholders, as identified by the Board, together with why and how we engage with them and the outcomes of that engagement.

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Brit at a Glance

We introduce the Brit Group, explain who we are and what we do. We discuss our underwriting philosophy and the Brit offering. We also set out our track record.

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We set out our KPIs. We explain how we use them to monitor our performance and outline their performance from 2021 to 2025. We then provide an analysis of the performance of our business during 2025.

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Section 172(1) Statement

We set out how our Directors promote the success of the Company and discharge their responsibilities under Section 172(1) of the Companies Act.

12

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We set out our broad range of underwriting products and services, and analyse how each of our portfolios contributed to our premium income in 2024 and 2025.

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Financial Position and Capital Strength

We review our financial position at 31 December 2025. This section includes a discussion of our investment portfolio.

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Environmental Responsibility

We explain our progress on delivering our environmental responsibilities, and set out our related governance, strategy, risk management and metrics. This section includes our non-financial and sustainability information statement.

This Strategic Report was approved by the Board on 26 February 2026.

Martin Thompson
Group Chief Executive Officer

Gavin Wilkinson
Group Chief Financial Officer



We provide market-leading specialty insurance and reinsurance so you can present the best solutions to your clients.

BRIT

officer statements



I am pleased to report on the first set of annual results of the reconstituted Brit Group (Brit), following the separation of Ki Financial Limited (Ki) on 1 January 2025. Both Brit and Ki remain members of Fairfax, and we wish Ki well for its future development and success.

In 2025 we delivered a strong performance, generating profits for the year of \$651.8m and delivering a discounted combined ratio of 81.9% (2024: 75.7%). We also returned a dividend of \$236.0m to our shareholder, Fairfax.

Reflecting on the past twelve months, the unprecedented LA wildfires in January brought a turbulent start to 2025, and highlighted a few important principles:

- Our catastrophe exposure isn't defined solely by windstorms in the second half of the year;
- The importance of portfolio construction, diversification and managing aggregation; and
- Our claims service, diligence and speed enable our customers to get back on their feet – it's why we exist.

Against this backdrop, we have continued to deliver against our strategic objectives; driving consistent financial performance and profitability, while building a culture where we all do 'our best for Brit' and enjoy the opportunity to grow and develop.

We have remained focused on our four strategic pillars: Focus; Capability; Simplification; and Culture. These pillars provide us with a navigation point for delivering on our overarching objective and enable us to think about the bigger picture in terms of where we are today and what we need to build to compete and win in the future. They also help us fulfil our social and environmental responsibilities.

With Ki operating as a separate operation within the Fairfax group since the beginning of 2025, we have focused on building our position and reputation as a lead market. We lead on most of our business and are committed to both strengthening and broadening our leadership capabilities at Lloyd's. From Property and Casualty Treaty, Cyber, Property, Energy, Terror, Healthcare to name a few classes – we are setting price and terms and, with support from our excellent Claims team, we are improving our proposition to the market.

As a lead underwriter, it is important that we display strong underwriting leadership given the prevailing market conditions. Over 2025 we saw increasing pressure on both rate and terms across many parts of our book. This means our strategy to prioritise underwriting discipline and cycle management is now more important than ever. We still believe attractive margins remain in many lines, and this is where we are choosing to deploy our capital and grow.

I am pleased with how we executed against our plan to expand our presence in Bermuda this year. With Brit Re we are building a Bermudian reinsurance platform for the long term. The platform gives us access to business and talent outside of London and enables us to apply our great underwriting skills to develop a new market. The team in Bermuda have delivered a strong result in 2025, and we look forward to continuing the development of the platform in 2026 and beyond.

We continue to invest in our ability to equip our people with the tools they need to compete and win. This year we have made further strides in how we use data whilst upgrading our company-wide AI literacy, our underwriting platform and the sophistication of our pricing tools. We have also made significant progress with the simplification of our Operations, Reserving and Finance processes. This provides the basis for us to become a more nimble, dynamic and data-first organisation. Fundamentally, Brit recognises the importance of technology and will continue to invest heavily – not just in our tools, but in the skills of our people.

Our culture underpins our success across each of our other three strategic pillars, and it will drive our long-term success. At Brit we recognise that we work better when we work together. I am proud of how our unique culture sees Brit strive for excellence in everything we do, and would like to thank everyone at Brit for their hard work in delivering these results.

Looking ahead to 2026, our strategy remains unchanged. Our aspiration for the Group is to be a long-term winner at Lloyd's, supported by our clear strategic focus on lead underwriting and sustainable profitability. We are fortunate to have our ownership with Fairfax, which allows us to have a long-term mindset. In the near term, we remain focused on managing the cycle and delivering against our objectives, against the backdrop of a market which continues to become more competitive and challenging.

Martin Thompson
Group Chief Executive Officer



In 2025, following its separation from Ki at the start of the year, Brit delivered both a strong and resilient underwriting result and a very good investment performance. Overall, Brit returned a profit for the year of \$651.8m (2024: \$478.4m) and a return on net tangible assets

(RoNTA), excluding the effect of foreign exchange, of 28.8% (2024: 25.8%).

Our insurance service result remained profitable at \$446.2m (2024: \$557.0m). This result, together with our discounted combined ratio of 81.9% (2024: 75.7%) and our undiscounted combined ratio of 89.3% (2024: 85.3%), reflected good underwriting discipline and rigorous risk selection.

The increased competition we saw in 2025, with supply of capacity ultimately outstripping demand, translated to risk adjusted rate decreases of 4.8% (2024: 1.4% decrease). Despite this, we believe rate adequacy is attractive across large segments of our book and we continue to grow where there are higher margins.

The expansion of our reinsurance platform in Bermuda resulted in \$102.8m of additional insurance premium written for the Group and acted as the primary contributor to our overall growth in insurance premium written of \$113.2m to \$3,091.7m (2024: \$2,978.5m). We saw a modest increase in insurance premium written across our Lloyd's businesses.

Net insurance revenue grew by \$175.6m to \$2,469.7m in the year, partly explained by the growth in premium described above. The \$81.3m reduction in our allocation of reinsurance premiums also contributed to this improvement, driven by reduced expenditure on outwards reinsurance with the Group seeking to retain more of its profitable business.

Undiscounted net claims increased by \$220.8m to \$1,391.8m, reflecting increased major losses in the period. In total we recognised \$158.3m (2024: \$113.5m) of undiscounted best estimate reserves after reinstatement premiums from major losses, \$136.0m of which related to the wildfires in California. Whilst higher than prior year, current year net losses from catastrophes fell within budget. It was also pleasing to see healthy attritional experience and continued positive reserve releases. We continue to reserve conservatively and have increased our reserves to the 80th percentile (2024: 78th percentile), resulting in a net risk adjustment above the best estimate of claims reserve of \$231.1m (2024: \$186.4m).

We saw a reduction in the discounting benefit we gain in the insurance service result (2025: \$183.1m, 2024: \$220.6m) and in the discounted combined ratio (2025: 7.4%, 2024: 9.6%). This was driven by market movements, with yield curves reducing in the period. This movement in yields, alongside the unwind of initial discounting benefit, resulted in net finance expenses of \$244.2m (2024: \$170.4m).

Our return on invested assets net of fees was a strong \$586.5m or 9.0% (2024: \$272.3m or 4.8%), with all investment classes other than derivatives contributing to this return. The result reflects market conditions, with strong yields and positive equity market performance.

Our investment portfolio remains conservatively positioned. It includes a large allocation to debt securities and cash and cash equivalents of \$5,874.8m or 80.2% (2024: \$4,635.5m or 80.6%), while Brit's equity, fund and structured product allocation stands at \$1,445.6m or 19.7% (2024: \$1,112.3m or 19.3%). At 31 December 2025, 76.0% of our invested assets were investment grade quality (2024: 75.4%) and the duration of the portfolio was broadly neutral to the duration of our liabilities.

Our balance sheet remains strong and well capitalised, with adjusted net tangible assets of \$2,666.0m (2024: \$2,241.7m). Our management capital surplus was \$1,524.7m or 175.2% (2024: \$823.1m or 147.9%) over our management capital requirement. Our capital base has strengthened in the year, with us becoming the co-obligor on two existing senior unsecured notes, issued by Fairfax, with a total nominal of CAD 700.0m. We are therefore confident that we have sufficient capital to deploy in areas of the market we believe we can win and ultimately meet our strategic objectives.

Gavin Wilkinson
Group Chief Financial Officer

Brit at a glance

Brit Group Holdings Limited

This Annual 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 have operated 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).

Unless otherwise stated, all amounts presented in this Annual 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.

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

Overview

We are a market-leading global specialty (re)insurer and one of the largest businesses that trades primarily on the Lloyd's of London platform, the world's leading specialist commercial insurance market. We provide highly specialised insurance products to support our clients across a broad range of complex risks, underpinned by our strong underwriting and claims expertise.

We care deeply about our clients' needs, ensuring that we not only surround them with the best talent in the industry, but also combine the depth of our experience with technology to deliver innovation. Acting in open, honest partnership, our clients can be sure that with Brit by their side, the future is not something to be feared, it is something to be seized.

A full history of Brit can be found at www.britinsurance.com.

The Fairfax group

Since June 2015, Brit has been a member of the Fairfax Financial Holdings Limited group (Fairfax), a Canadian company whose shares are listed on the Toronto Stock Exchange (www.fairfax.ca). At 31 December 2025, Fairfax owned 100% of Brit Group Holdings Limited (BGHL).

We believe that Fairfax is an excellent parent for Brit, enabling us to enhance our global product offering. It provides us with a strong and stable base for long-term growth and affords us with opportunities to expand our underwriting and distribution channels, combined with the freedom to pursue our own identity, philosophy and ambitions.

Our financial strength

Our strong and efficient capital model results from our focus on Lloyd's. As part of the Fairfax group we also benefit from the group's financial strength. We believe that our efficient, flexible and scalable operating model provides a stable foundation that enables us to pursue our strategy of focusing on maximising profitability of the underwriting business and extending our global reach.

Our capabilities and ambition are underpinned by our strong financial position. Our business is underwritten primarily through our wholly-aligned Lloyd's Syndicate 2987, and the partly-aligned Lloyd's Syndicate 2988, which benefit from Lloyd's ratings of A+ (Superior) from A.M. Best, AA- (Very Strong) from Fitch Ratings, AA- (Very Strong) from S&P Global, and AA- (Very Strong) from Kroll Bond Rating Agency.

In addition, Brit Reinsurance (Bermuda) Limited (Brit Re) has an A.M. Best Financial Strength Rating of 'A' (Excellent) and a Long-Term Issuer Credit Rating of 'a' (Excellent). These ratings, reaffirmed in January 2026, reflect Brit Re's financial strength and the positive impact of having Fairfax as its ultimate parent.

At 31 December 2025, we had capital resources equal to 175.2% of the management capital requirement needed to support our business and Fairfax has supported our continued capital strength allowing us to take advantage of business opportunities as they arise. Our capital strength provides the flexibility to allow us to cope with major losses while not deviating from our commitment to fund profitable expansion and to provide attractive returns.

Providing a risk service

Choosing to work with Brit means clients are buying a service, not just buying a product. Every day, our multidisciplinary teams bring diverse skills and experience to our clients' businesses, and our deep underwriting expertise helps clients to effectively mitigate their risks. By working in close collaboration across Underwriting, Claims, Actuarial and Technology, our teams gain and share unparalleled insight into the risks that our clients face.

Extensive distribution network

We are proud of our extensive distribution network and are focused on tailoring our distribution strategy. We source our business through established trading relationships with Lloyd's brokers, wholesale brokers, retail agents and global reinsurance intermediaries. This network allows us to understand and exceed our clients' needs and serve them globally. In London, our specialist Delegated Underwriting Management team has a reputation for its commitment to providing an excellent broker and coverholder experience.

Our strategic objectives

In delivering our strategy, we focus on the four strategic pillars: Focus; Capability; Simplification; and Culture. We believe these are core to achieving outstanding cycle management, best-in-class underwriting, leadership at Lloyd's, and targeted returns, as well as helping us fulfil our social and environmental responsibilities.

Underwriting and claims excellence

Underscored by comprehensive underwriting, claims and risk services, we operate as a market lead across our primary underwriting classes. At Brit we pride ourselves on Underwriting and Claims excellence, deploying the latest tools and a disciplined approach, and we have a long record of strong performance.

Underwriting excellence

We predominantly underwrite complex, high value insurance and reinsurance risks. Our largest source of business is the US Excess and Surplus lines market and the majority of our premium income is denominated in US dollars, although the risks underwritten are distributed globally. We complement our core classes with highly specialised niche lines which provide both diversification and the potential for high returns.

We have an influential and respected presence within the Lloyd's of London insurance market. With one of the largest and most diverse portfolios, we underwrite through Syndicates 2987, Syndicate 2988, and Brit Re. We have a long and successful track record of leading an extensive range of insurance and reinsurance programmes, based on rigorous risk selection and a disciplined approach to underwriting. We hire the best people and develop their skills and expertise. Combining technical expertise with industry knowledge, we listen, we share and we collaborate, to create best-in-class insurance solutions for our clients.

Claims excellence

Should the worst happen, our team of claims professionals are committed to helping those affected not only to move on from the incident, but to move forward. When a customer has a claim, their life or business has been disrupted, or even put in peril. They expect their insurance to deliver – and it is our responsibility to fulfil that commitment.

Our team is highly experienced at both senior and adjuster levels, and has successfully managed claims arising from some of the market's most challenging events. Our claims professionals collaborate closely with our underwriters, giving them real insight into the risks that our clients face, enabling us to tailor our responses appropriately.

Broker surveys consistently highlight Brit's effective client engagement, proactive communications and case-by-case approach.

Market-leading innovation

By putting innovation at the heart of our business we are constantly looking for ways to provide the ongoing value that will help our customers thrive in a changing world. We have created a stimulating environment where talented original thinkers flourish, and we channel this creativity towards meeting real customer needs: turning smart ideas into cutting-edge insurance solutions.

Investment management

At Brit we have a significant investment portfolio comprising financial investments, investment-related derivatives and cash. The value of our invested assets at 31 December 2025 was \$7,325.4m. The investment portfolio is managed for the most part by Hamblin Watsa Investment Counsel Limited, a Fairfax subsidiary with an excellent long-term track record, whose sole business is managing investment portfolios of Fairfax companies.

Our culture

Our culture is the fabric that differentiates us from our competition, and we have many great aspects to our culture at Brit. We are low politics, we are very collaborative, and we have a strong belief people should feel safe being their authentic self.

We believe collaboration is essential to our success, working together across functions ensures a good understanding of our business and the knowledge of how working together ensures we achieve our goals while maintaining, protecting, and enjoying our culture.

Our social responsibility

We have a longstanding ethos of social responsibility and we have a strong culture of 'doing the right thing'; from volunteering in our local communities to supporting good causes further afield. The projects we choose align with our strategic priorities and each year ten charities are chosen by our employees for significant support.

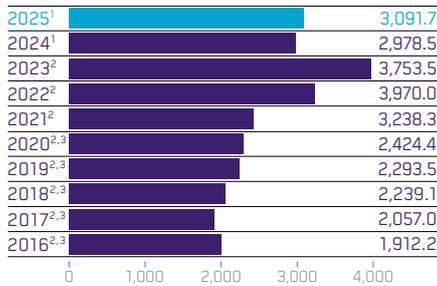
Our environmental responsibility

Our vision centres on 'Writing the future', responsibly – leveraging our culture and products to help deliver positive outcomes for people, the planet and our business. We actively consider the potential implications of climate change and sustainability, and reflect these in our underwriting and investment strategies. We are committed to responsible business practices and aim to act in unison with our regulator and the rest of our industry.

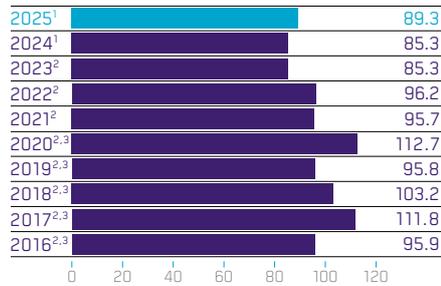
Brit at a glance

Our track record

Insurance premium written (\$m)



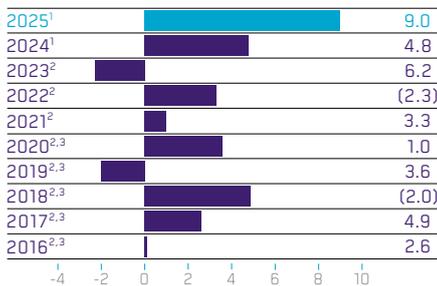
Combined ratio (undiscounted) (%)



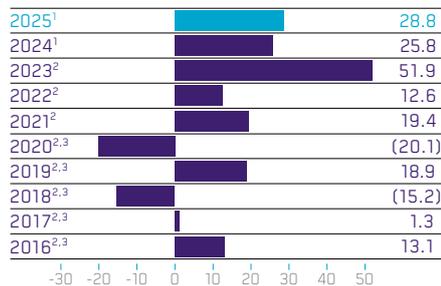
Combined ratio (discounted) (%)



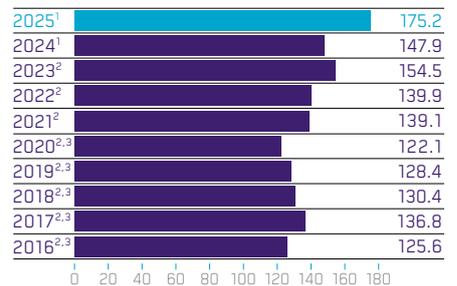
Investment return (net of fees) (%)



RoNTA⁴ (%)



Capital ratio (%)

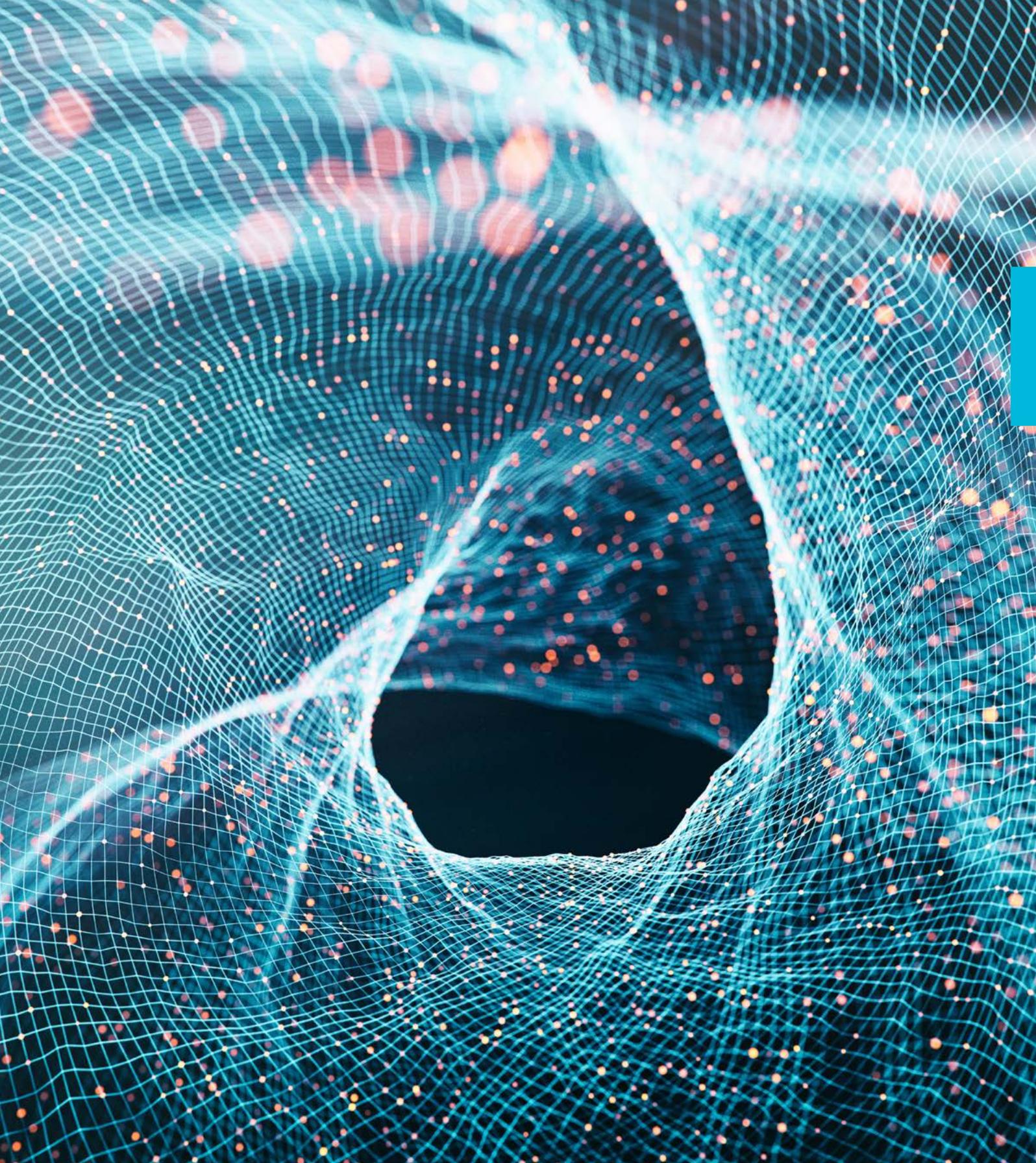


Note 1: The 2025 and 2024 figures are for Brit Group Holdings Limited. The calculations are set out in 'key performance indicators and alternative performance measures' on pages 183 to 186.

Note 2: The figures for 2016 to 2023 are as previously reported for Brit Limited and therefore include Ki from 2021 to 2023.

Note 3: The figures for 2016 to 2020 are as previously reported under IFRS 4.

Note 4: RoNTA from all operations, continuing and discontinued.



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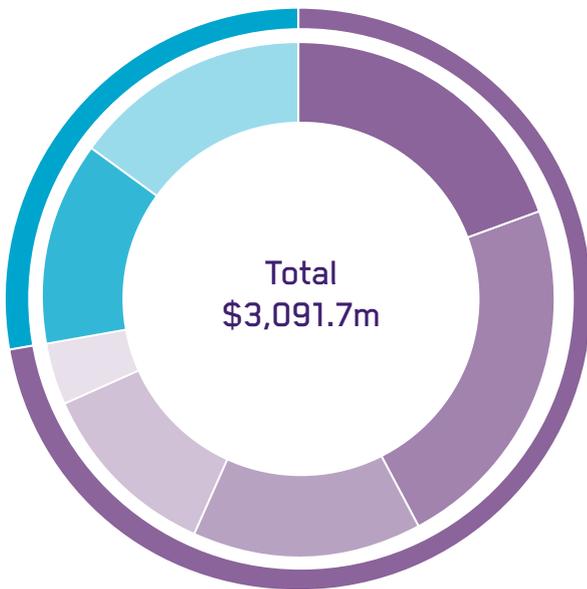
We make disciplined and considered decisions so you can rely on us to be here for the long term.

our underwriting

writing the future

The breadth of classes we support, the depth of our experience and our commitment to our clients differentiates us.

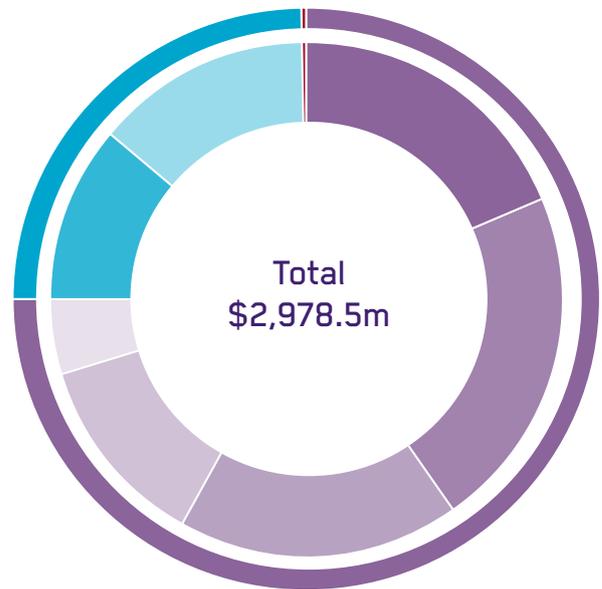
Insurance premium written by portfolio 2025 (\$m)



2025

- Total Direct portfolios, \$2,264.2m
 - Financial and Professional Liability, \$613.6m
 - Property, \$706.9m
 - Programmes and Facilities, \$458.5m
 - Specialty, \$358.4m
 - Casualty, \$126.8m
- Total Reinsurance portfolios, \$862.5m
 - Casualty Treaty, \$402.1m
 - Property Treaty, \$460.4m
- Underwriting classes in run-off, \$(15.4)m
- Other underwriting, \$(19.7)m

Insurance premium written by portfolio 2024 (\$m)



2024

- Total Direct portfolios, \$2,254.5m
 - Financial and Professional Liability, \$565.8m
 - Property, \$648.3m
 - Programmes and Facilities, \$536.8m
 - Specialty, \$361.6m
 - Casualty, \$142.0m
- Total Reinsurance portfolios, \$742.4m
 - Casualty Treaty, \$333.1m
 - Property Treaty, \$409.3m
- Underwriting classes in run-off, \$4.9m
- Other underwriting, \$(23.3)m

Direct Underwriting

Financial and Professional Liability

Financial Lines



Directors' and Officers' (D&O)

As recognised experts in the D&O market, specialising in tailoring products to precisely match individual clients' needs.



Financial Institutions

As acknowledged leaders in the traditional insurance lines, we also offer exclusive, innovative solutions for organisations of all sizes across mature and emerging economies.



Transactional

Through our specialist MGA partners we write the following Transactional classes: Representations and Warranties/Warranties and Indemnities.



Political and Credit Risk

We cover financial losses as a result of non-payment or performance of counterparties and confiscation, expropriation, nationalisation, deprivation, sequestration or forced abandonment of fixed and mobile assets in foreign countries.

Cyber



Global Cyber Privacy and Technology

Our knowledge of the cyber risk landscape gives us a deeper understanding of the different types of cyber risk. We provide cutting-edge products to clients ranging from agile start-ups to multinational corporations.

Professional Lines



Healthcare Liability

With a wealth of industry expertise, our healthcare team is committed to providing tailored insurance solutions, innovative products and related risk services. We focus on hospitals, allied health and medical liability coverage.



North American Professional Liability

An established leader in this sector, we provide cover on both an open market and binding authority basis. Clients range from small start-ups to the largest multinationals.

Property

Property Open Market



International Property

Our underwriting team offers significant breadth and depth of experience, and has access to our technical expertise in the areas such as catastrophe modelling and policy wordings. We offer a diverse range of market-leading property products throughout the world and insure a wide range of clients, diverse in size and occupancy.



North American Open Market Property

Our technical expertise in the areas of catastrophe modelling, pricing, policy wordings and claims has made our North American Open Market Property team a market of choice for both brokers and clients.



UK Property

We have a proven track record of writing and delivering flexible commercial solutions to address the precise nature of our customers' requirements, covering both commercial and residential property.

Political Risk and Violence



Political Violence/Terrorism

We offer a range of covers including physical damage, denial of access and business interruption losses arising from perils including terrorism, strikes, riots, civil commotion, malicious damage, insurrection, revolution, rebellion, mutiny, war and civil war.

Private Client and Specie



Private Client

Our team has over 25 years of underwriting experience in the high net worth market, specialising in tailoring products to clients' unique needs.



Fine Art and Specie

We offer broad flexible coverage on all risks of physical loss or damage basis. We have the ability to design bespoke policies in niche market areas.

Direct Underwriting

Programmes and Facilities

Accident and Health



Personal Accident and Medical Expenses

We are a leading Lloyd’s market offering a broad range of specialist products in the Accident and Health market, concentrating on adding value to our clients and commercial partners. Our

dynamic underwriting team is renowned for its diligence and responsiveness. We can structure bespoke coverage to a client’s specific needs, and we have a proven track record of working with our clients to respond to complex claims in a timely and efficient manner.



Contingency

A recognised lead market in Lloyd’s, we are able to offer extensive knowledge and significant capacity. We offer three main products (event cancellation, non-appearance, and film and prize indemnity)

and also offer specialist cover for diverse and esoteric risks.

Property Facilities



Commercial Property

Our long-established portfolio insures a variety of commercial risks throughout North America, including the Gulf and Atlantic coast territories.



Homeowners

We offer coverage for primary, secondary and vacant dwellings as well as condominium unit owners in the USA. We have the ability to include flood, earthquake and landslide, separately or as a package.



Flood

We offer primary and excess flood solutions for residential, condominium and commercial risks throughout the USA. Optional loss of rents and business interruption cover is also available.

Property Facilities



Financial Property

Where a financial institution forecloses on a property following loan default or an investor purchases a portfolio of properties, it can be covered under a real estate owned policy. We also

offer mortgage impairment coverage, which protects a financial institution’s owned and serviced loan portfolio against physical loss or damage where no other insurance exists and the loan is in default.



Transportation

Commercial transportation is the lifeblood of industry and commerce across North America and we understand what it takes to help clients move their business forward. We insure commercial

Automobile Physical Damage and Motor Truck Cargo across the USA and Canada. We support all sizes of fleet through our network of Lloyd’s brokers and coverholders.

Long Tail Facilities



Small North American Liability

We insure small and medium-sized (SMEs) enterprises in North America for errors and omissions liability through our dedicated team. Smaller enterprises are

no less complex and we take the time to write risks that enable a small business to continue on their growth path.

Direct Underwriting

Specialty

Marine



Cargo

Our experienced and respected team provide Cargo insurance for goods on land, sea, air and in storage in warehouses worldwide as well as project cargo for construction and pre-launch for satellites.



Marine Hull and War

An expert team providing market-leading Hull insurance across the Lloyd's platform. Brit insures a range of blue-water, inland and war risks and specialist operations on a worldwide basis.



Marine and Energy Liability

We offer specialist Marine Liability cover through the Marine IGA programme. Our specialist Energy Liability portfolio focuses on Upstream, Midstream and Onshore and Offshore Renewables.

Energy



A highly technical class with an experienced and well-respected team offering coverage for all aspects of Upstream and Midstream Energy operations, including Renewables.

Casualty

Casualty Direct



Our experienced team works with their clients to provide liability coverage to their specific market needs. Products include Public and Products Liability, Employers' Liability and Environmental Liability.

Through our specialist MGA partners, we also write Financial and Professional Liability (Cyber and Technology) and Specialty (Excess Casualty; General Liability).

Reinsurance Underwriting

Casualty Treaty



We have dedicated teams for North America and International business based in London, offering our clients a considerable breadth of expertise. We underwrite on a Worldwide basis and are a recognised quoting market. We are a lead market on approximately half of our business, with capacity varying according to class and source of risk. Retrocessional risks are also actively considered.

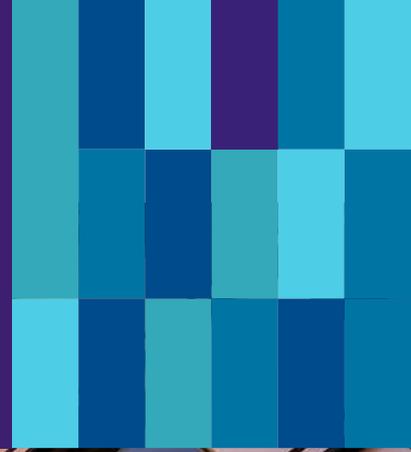
Property Treaty



Our teams of specialist underwriters in both London and Bermuda operate together to provide superior service and tailored solutions to brokers and clients utilising a blend of up-to-date technical expertise, embedded modelling capability and real-world market experience. Our client base represents a significant and established cross-section of carriers writing simple policies to complex risks. Our London office is focused on catastrophe excess of loss and risk excess of loss where significant capacity can be offered. The portfolio has global scope, focusing on US, Europe, Japan, and Australia. Our Bermuda office writes US Property catastrophe reinsurance.

BRIT

We bring together the best talent and tools to provide service excellence so you can rely on us to support you in winning and retaining business.



business review

2025 underwriting review

Overview

For the twelve months to 31 December 2025, Brit returned a combined ratio (CoR) before discounting for continuing operations of 89.3% (2024: 85.3%) and an insurance service result after discounting of \$446.2m (2024: \$557.0m).

Insurance premium written increased by 3.8% to \$3,091.7m (2024: \$2,978.5m), or by 3.2% at constant exchange rates. This primarily reflected an overall increase in current year insurance premium of \$114.0m, resulting from our focus on strong performing classes, and favourable foreign currency movements of \$16.9m, partly offset by unfavourable prior year premium development of \$17.7m.

Market conditions

In 2025, Brit experienced risk adjusted rate changes (RARC) of -4.8%, reflecting increased market competition with capacity outstripping demand. Compound RARC for the Brit Group since 1 January 2018, the low point of the last market cycle, is now 55.0%. While rate reductions have been experienced, and while conditions are expected to continue to be challenging, healthy margin remains in many lines of business, and we continue to underwrite for profit, not top-line income.

Rating increases/(decreases) by portfolio in 2024 and 2025 are as follows:

	2025 %	2024 %
Financial and Professional Liability	(7.0)	(8.7)
Property	(9.0)	(0.8)
Programmes and Facilities	(1.4)	3.9
Specialty	(4.2)	2.2
Casualty	0.7	0.5
Total Direct portfolios	(5.5)	(1.9)
Casualty Treaty	(0.3)	(0.5)
Property Treaty	(5.3)	0.4
Total Reinsurance portfolios	(2.9)	(0.1)
Total	(4.8)	(1.4)

The economic environment and the impact of inflation

Brit has carefully considered the impact of the higher levels of inflation. Focus is continually placed on ensuring Brit's pricing models adequately address current inflationary trends. Feeding into these models is a framework assessing the key drivers of claim settlement costs for each class of business.

Our reserves are set on a best estimate basis together with a risk adjustment. For 2025, this risk adjustment has been set at the 80th percentile (2024: 78th percentile) on a net basis. As part of the year-end reserving exercise, the impact of inflation was considered in detail by the Actuarial team to ensure that assumptions are consistent with our forward-looking expectations for claims inflation. Various techniques have been considered in line with guidance from Lloyd's and regulators.

2025 Major loss activity

Worldwide natural disasters in 2025 resulted in estimated economic losses of around \$220bn (2024: \$327bn), below the ten-year average of \$267bn, while estimated insured losses were in the region \$107bn (2024: \$141bn), below the ten-year average of \$111bn (Source: Swiss Re).

2025 produced the highest insured wildfire losses on record (\$40bn), driven by the LA wildfires, and insured losses from severe convective storms are estimated at \$50bn, making 2025 the third costliest year on record.

There were relatively low hurricane losses, despite an active wind season, with 13 named storms, five hurricanes, four major hurricanes and three category five hurricanes. Hurricane Melissa was the costliest hurricane, with insured losses estimated at \$2.5bn.

Brit's undiscounted best estimate reserves established for major natural catastrophe losses in 2025, net of amounts recoverable from reinsurers and reinstatement premiums, amounted to \$158.3m (2024: \$113.5m), comprising the LA wildfires (\$136.0m) and Hurricane Melissa (\$22.3m). Brit does not have material exposure to other natural catastrophe events which occurred during the year; while we anticipate that some claims will emerge, we expect these to be attritional in scale.

2024 and prior major loss activity

Net undiscounted best estimate reserves for 2024 and prior major losses reduced by \$23.3m during the year, driven by reductions in estimates for Hurricane Milton following favourable claims experience.

Middle East conflict

We continue to monitor events in the Middle East. Claims information and notifications continue to be limited and we currently expect any losses arising to be attritional in nature.

Russian invasion of Ukraine

During 2025, net undiscounted loss best estimate reserves arising from the Russian invasion of Ukraine increased by \$10.6m. The movement is largely driven by an increase in the estimate for Casualty Treaty, following the English High Court ruling that Aviation losses are recoverable under All-Risk War covers, rather than confined to the Aviation market.

Supporting our customers

Our customers are our priority. When a customer has a claim, we understand they are likely to be facing difficult and unexpected challenges. We believe they expect the insurance they have purchased to respond and deliver when they need it most. We see each claim as an opportunity to deliver the claims service our customers need to move forward with their lives.

The Claims team at Brit are pragmatic, transparent and innovative. We approach claims with a hands-on, practical mindset. Our efforts focus on solving challenges with agility. In that regard, if an innovative approach creates the best outcome for our customers, we embrace it. Transparency and open communication remain central to how we operate, internally, with our Market and with our insureds.

business review

We manage a wide variety of complex matters spanning different industries, geographies and legal frameworks. We equip market-leading talent with cutting-edge tools to enhance our service. We believe every client deserves to feel heard, supported and confident that they'll receive a fair resolution. Our goal is not just to collaborate with our Underwriters, but to function as one.

- **Complex claims management:**

The Brit Claims teams will often have to manage incredibly complex claims in challenging jurisdictions. In 2025, cyber events, geopolitical tensions, and natural catastrophes triggered events that required the Brit Claims team to respond with urgency and expertise. Our customers range from private homeowners and small businesses to large commercial insureds and sophisticated insurance carriers reinsured by Brit.

- **Market recognition:**

In 2025, the Brit Claims team was consistently recognised for its quality, leadership and service, winning five awards from different market associations, press and trade organisations. The Lloyd's Market Association (LMA) awarded the Brit Claims team with its Claims Innovation award for leading the market in developing a solution that transforms fragmented delegated claims bordereaux files into a structured, unified format, providing visibility and reporting of the data at the highest quality known in the market. Brit was awarded four additional awards during the year for 2025 Excellence in Claims Achievement and Claims Champion of the Year (Insurance Times), 2025 Claims Service Award (Insurance Insider) and the 2025 Major Loss Award Winner (British Insurance Awards).

The judges from the Insurance Times Claims Excellence Awards who gave Brit the Claims Achievement Award remarked, "when faced with unprecedented challenges in an exceptionally high-risk salvage operation, Brit showcased the very best in claims achievement. Through collective bravery and rapid actions, they demonstrate the vital role played by the insurance sector and Lloyd's of London, bringing together world-class specialists to mitigate a potential catastrophe in real time and at short notice."

Other underwriting developments

- **Focus on underwriting capability development**

Brit continues to make good progress with its investment in digital and data-enabled capabilities. In 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 and has resulted in faster pricing and improved performance.

- **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 2025 we have started to deliver on this plan, with Brit Re achieving third party insurance premium written of \$120.5m (2024: \$17.7m).

In January 2026, AM Best affirmed its Brit Re Financial Strength Rating of A (Excellent) and a Long-Term Issuer Credit Rating of 'a' (Excellent). In affirming Brit Re's rating, AM Best assessed its balance sheet strength as 'very strong' and noted this as being 'supported by historically profitable underwriting results'. We are pleased that AM Best has affirmed its rating as we continue our strategy to meaningfully grow Brit Re's third party premium income.

- **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 and Direct and Facultative Excess of Loss cover.

- **Senior underwriting appointments**

Syndicate 2988: Jonathan Mudd (Managing Director Financial Professional and Deputy Active Underwriter Syndicate 2988) succeeded Simon Bird as Active Underwriter for Syndicate 2988 with effect from 10 April 2025.

Other key business developments

Other key strategic developments during 2025 have included:

- **Ki separation**

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 consolidated financial statements included in this Annual Report, including comparatives, present the annual consolidated position for the Brit Group Holdings Limited Group for the first time. All amounts presented in these financial statements, 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 2.1 of the consolidated financial statements for further details.

- **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. Our strategy is to advance the development and adoption of AI solutions/AI Agents through three methods: our internal data science team, off-the-shelf products, and partnerships with external AI vendors. In 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. We have also embedded our AI Policy across the Group, selected several AI Champions and selected 20 AI proposals from our Champions for development and mobilisation.

- **Simplification**

We have continued to develop and implement our 'Simplification' strategy, including leveraging our AI and underwriting capability initiatives, and implementing revised outsourced support models.

- **Senior Brit corporate appointments**

- **Brit Group Holdings Limited Board changes:** Following the Brit group restructuring a new board was constituted comprising Gavin Wilkinson (appointed 2 October 2024) and Martin Thompson, Gordon Campbell, Simon Lee, Andie Welsch and Mike Wallace (all appointed 21 January 2025). Jean-Jacques Henchoz became a Non-Executive Director with effect from 1 May 2025.
- **Brit Syndicates Limited board changes:** On 2 April 2025, Brit announced the appointment of Jean-Jacques Henchoz to the board of Brit Syndicates Limited as a Non-Executive Director, with effect from 1 May 2025.

financial performance review

Key Performance Indicators

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 and allow us to see, at a glance, how we are performing.

Our five KPIs show the returns that we are generating, the performance of our underwriting activities, our risk adjusted rate change, our investment portfolio, and our financial strength. The development of our KPIs over the five years (set out below) reflects our focus on underwriting performance and improving underwriting market conditions, together with the challenges presented by the increased frequency and severity of catastrophe events, COVID-19, and the increase in investment market volatility.

A reconciliation of each KPI to the amounts presented in the financial statements, where relevant, is included in the 'key performance indicators and alternative performance measures' section of the Annual Report starting on page 183 and definitions of each of our KPIs are included in the Glossary starting on page 188.

The 2025 and 2024 figures are for Brit Group Holdings Limited. The figures for 2021 to 2023 are as previously reported for Brit Limited and therefore include Ki between 2021 and 2023. The figures for 2022 to 2025 are reported on an IFRS 17 (Insurance Contracts) basis, while the figures for 2021 are as previously reported under IFRS 4 (Insurance Contracts).

Overall performance Return on net tangible assets (RoNTA)

28.8%



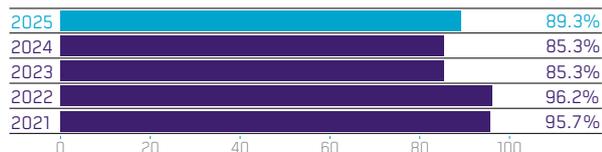
RoNTA shows the return generated by our operations for our shareholder before foreign exchange movements, compared to the adjusted net tangible assets deployed in our business attributable to our owners. The impact of the group's defined benefit pension schemes is excluded from both the return and the assets in the calculation.

In 2025, our RoNTA was 28.8%, reflecting a positive underwriting result and a strong return on invested assets.

Underwriting

Combined ratio (undiscounted basis)

89.3%



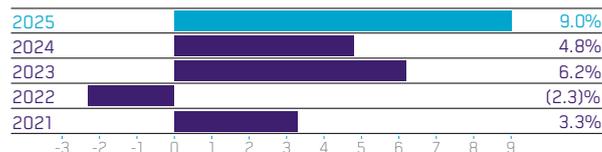
The combined ratio on an undiscounted basis in respect of continuing business is our key underwriting metric and measures the profitability of our underwriting. It shows how much of every \$1 of premium is spent in the total costs of sourcing and underwriting the business and settling claims. A combined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

Our undiscounted combined ratio in 2025 was 89.3% (2024: 85.3%).

Investment management

Investment return

9.0%



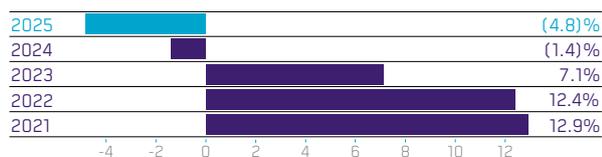
We assess the performance of our investment portfolio by comparing the return generated by our invested assets, net of external investment related expenses, against the average value of those invested assets.

Our investment strategy takes a long-term view of markets, which can lead to significant variations in our year-on-year return figures.

Underwriting

Risk adjusted rate change

(4.8)%



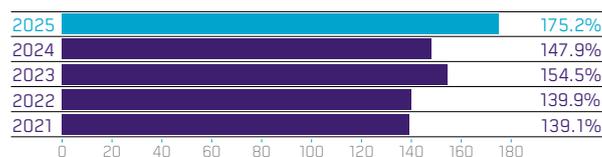
The risk adjusted rate change (RARC) shows whether premium rates are increasing, reflecting a hardening market, or decreasing, reflecting a softening market. A hardening market is one indicator of increasing profitability. The data reflects internal estimates by Brit's underwriters, based on available 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.

In 2025, we experienced RARC of -4.8% (2024: -1.4%).

Capital management

Capital ratio

175.2%



The available capital ratio measures our financial strength position by comparing our available capital resources to the capital we need to hold to meet our management capital requirements.

Our financial position remains strong. At 31 December 2025, Group capital resources totalled \$3,551.3m (2024: \$2,541.7m) giving surplus management capital of \$1,524.7m (2024: \$823.1m), or 175.2% over our Group management capital requirement. During the period, our management capital requirements increased from \$1,718.6m to \$2,026.6m, primarily resulting from our 2026 underwriting plans.

The increase in our capital resources in 2025 reflects strong profitability in the current period and the Group becoming the co-obligor on two existing unsecured senior notes, issued by Fairfax, with a total nominal of CAD 700.0m. This was partly offset by capital distributions to Fairfax.

financial performance review

Overview of Results

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

	2025 \$m	2024 \$m
Insurance premium written	3,091.7	2,978.5
Insurance revenue	2,950.3	2,856.0
Insurance service result	446.2	557.0
Net insurance finance expenses	(244.2)	(170.4)
Net investment return	586.5	272.3
Other income	92.3	122.6
Other operating expenses	(166.1)	(171.3)
Finance costs	(25.0)	(13.3)
Net foreign exchange gains/(losses)	27.0	(25.8)
Profit before tax	716.7	571.1
Tax charge	(64.9)	(92.7)
Profit for the year	651.8	478.4

Group performance

Our 2025 result reflected both strong underwriting and investment results.

The result for 2025 before tax was a profit of \$716.7m (2024: \$571.1m) and after tax was a profit of \$651.8m (2024: \$478.4m).

Return on adjusted net tangible assets (RoNTA) for all operations, excluding the effects of FX, was 28.8% (2024: 25.8%).

A reconciliation of each performance measure to the amounts presented in the financial statements is included in the Annual Report starting on page 183 and a definition of each measure is included in the Glossary starting on page 188.

Underwriting

Insurance service result

	2025 \$m	2024 \$m
Insurance revenue	2,950.3	2,856.0
Allocation of reinsurance premiums	(480.6)	(561.9)
Net insurance revenue	2,469.7	2,294.1
Insurance claims and claims-related expenses	(1,537.8)	(1,405.7)
Amounts recoverable from reinsurers	329.1	428.7
Net insurance claims	(1,208.7)	(977.0)
Acquisition expenses	(736.2)	(715.5)
Other directly attributable expenses	(78.6)	(44.6)
Insurance-related expenses	(814.8)	(760.1)
Insurance service result	446.2	557.0
Undiscounted combined ratio	89.3%	85.3%
Discounted combined ratio	81.9%	75.7%

Overall, we delivered a discounted combined ratio of 81.9% (2024: 75.7%) and an insurance service result of \$446.2m (2024: \$557.0m), a decrease of 19.9%. We have also delivered an undiscounted combined ratio of 89.3% (2024: 85.3%). This result demonstrates positive underlying underwriting performance despite market conditions and higher major losses.

(i) Net insurance revenue

Net insurance revenue, which comprises insurance revenue less an allocation of reinsurance premiums, increased by 7.7% to \$2,469.7m (2024: \$2,294.1m). This was driven by an increase in total insurance revenue and a reduction in reinsurance premiums, as set out below.

Insurance revenue

Insurance revenue increased by 3.3% to \$2,950.3m (2024: \$2,856.0m) during 2025. This increase was primarily driven by growth in Property and Specialty. This reflects strong writing trends from 2024 and growth this year as we continue to grow this segment. These gains were partially offset by revenue declines in other classes, most notably Programmes & Facilities following unfavourable prior year premium development.

Insurance revenue comprises gross premiums earned less inwards reinstatement premiums, profit commissions and non-distinct investment components, and is net of assuming ceding commissions earned on inwards reinsurance.

Allocation of reinsurance premiums

The allocation of reinsurance premiums decreased by 14.5% to \$480.6m (2024: \$561.9m). This reflects Brit's ongoing strategy to optimise the outwards programme to cede less profitable business.

The allocation of reinsurance premiums comprises ceded premiums earned less outwards reinstatement premiums, profit commissions and non-distinct investment components, and is net of outwards ceding commissions.

financial performance review

(ii) Net insurance claims

Net insurance claims, which comprises claims and claims-related expenses net of amounts recoverable from reinsurers, increased by 23.7% to \$1,208.7m (2024: \$977.0m).

Claims

Our claims ratio deteriorated by 6.3pps to 48.9% (2024: 42.6%) on a discounted basis, which reflects:

- **Attritional losses:** We continue to see strong underlying performance from our underwriting portfolios, with our attritional performance broadly stable year-on-year. This primarily reflects improved attritional ratios for Financial and Professional Liability, Property Treaty, and Property and Specialty.
- **Catastrophe losses:** Major losses relate primarily to the LA wildfires (\$159.3m) and to a lesser extent Hurricane Melissa (\$22.3m). The LA Wildfire losses were partially offset by \$23.3m recognised for related reinstatement premiums, resulting in total major losses of \$158.3m. This compares adversely to \$113.5m of major losses in the prior year relating to Hurricane Helene and Hurricane Milton. A breakdown is provided in the table below.
- **Prior year reserve releases:** We recognised favourable prior year development of \$58.4m in 2025 (2024: \$100.3m), after the impact of discounting. This was driven by a reduction in loss estimates for prior year catastrophes and prior year releases on our risk adjustment.

Brit's undiscounted best estimate reserves for major losses, net of amounts recoverable from reinsurers and reinstatement premiums, totalled \$158.3m (2024: \$113.5m). The events to which Brit had material exposure were as follows:

	2025 \$m	2024 \$m
LA wildfires	136.0	-
Hurricane Melissa	22.3	-
Hurricane Helene	-	47.3
Hurricane Milton	-	66.2
Total catastrophe losses	158.3	113.5

We continue to reserve conservatively and have increased our reserves to the 80th percentile (2024: 78th percentile), resulting in a net risk adjustment above the best estimate of claims reserve of \$231.1m (2024: \$186.4m).

(iii) Insurance-related expenses

Insurance-related expenses, which comprises acquisition expenses and other directly attributable expenses, increased by \$54.7m to \$814.8m (2024: \$760.1m).

Acquisition expenses increased by \$20.7m to \$736.2m (2024: \$715.5m). This consists of direct commission costs (2025: \$593.6m; 2024: \$573.2m) and an allocation of the expense base which are deemed directly related to the acquisition of insurance contracts (2025: \$142.7m; 2024: \$142.3m). The increase in commission costs is driven primarily to more contracts being written.

Other attributable expenses increased by \$34.0m to \$78.6m (2024: \$44.6m), driven by increased staff costs in the period, as well as an update to the allocation assumptions. The allocation updates shifted a proportion of underwriting and shared service costs from other operating expenses to insurance service expenses.

The Group expense base is discussed below.

Net finance (expense)/income from insurance and reinsurance contracts

The analysis between the unwind of discounting and the impact of changes in interest rates is as follows:

	2025 \$m			2024 \$m		
	Insurance contracts issued	Reinsurance contracts held	Total	Insurance contracts issued	Reinsurance contracts held	Total
Unwind of discount	225.7	(69.0)	156.7	270.8	(80.7)	190.1
Impact of changes in interest rates	106.3	(18.8)	87.5	(44.5)	24.8	(19.7)
	332.0	(87.8)	244.2	226.3	(55.9)	170.4

Net finance expense rose to \$244.2m, an increase of \$73.8m compared with the prior year. A key driver was the decline in discount rates – c80bps over the period – which had an unfavourable impact on the valuation of net insurance reserves. As discount rates fall, the present value of net insurance reserves increases, resulting in an insurance net finance expense.

Net investment return

The investment portfolio is managed, for the most part, by Hamblin Watsa Investment Counsel Limited, a Fairfax subsidiary with an excellent long-term track record, whose sole business is managing investment portfolios of Fairfax group companies. They are supported by a number of external managers covering core fixed income and specialised credit mandates.

Our net investment return was a positive \$586.5m or 9.0% (2024: \$272.3m or 4.8%). This result is analysed below:

	2025 \$m	2024 \$m
Income	246.4	223.8
Realised gains	18.9	92.6
Unrealised gains/(losses)	347.1	(22.7)
Investment return before fees	612.4	293.7
Investment management fees	(18.4)	(14.9)
Investment return, net of fees	594.0	278.8
Investment related derivative return	(7.5)	(6.5)
Total return	586.5	272.3
Total return	9.0%	4.8%

Equity markets were positive in 2025, buoyed by AI optimism and interest rate cuts, and weathered bouts of volatility driven by US trade policy announcements. Our equity portfolio generated a positive return of \$151.3m (2024: \$74.8m), benefiting from a value focused approach. Our return on fund investments was a positive \$151.2m (2024: \$97.4m).

The fixed income portfolio generated a return of \$260.6m (2024: \$78.0m), as capital gains added to income in the portfolio, while mortgages and loans generated \$6.6m (2024: \$8.3m). The US Government bond yield curve fell up to 77bps across the curve, excluding the 30-year tenor which rose 6bps, as markets evaluated the impact of trade tariffs and the One Big Beautiful Bill act introduced by the US President Trump and the US Federal Reserve cut rates 25bps in each of September, October and December. Over 2025, the US two-year yield fell from 4.24% to 3.48%, the five-year yield fell from 4.38% to 3.73% and the ten-year yield fell from 4.57% to 4.17%. Investment grade spreads narrowed in the US from 0.60% to 0.59% and from 0.92% to 0.66% in Europe. High yield spreads in the US narrowed from 2.87% to 2.68% and in Europe narrowed from 3.08% to 2.64%.

Cash and cash equivalents generated interest of \$37.9m (2024: \$35.2m). Our approach to cash management during the year has, and continues to be, to limit the amount of operational cash and to maximise amounts held within short-term government bills.

At 31 December 2025, the running yield (expressed as yield as a percentage of invested assets) of our total portfolio was 3.0% (2024 3.8%).

financial performance review

Other income

Other income totalled \$92.3m (2024: \$122.6m), as set out below:

	2025 \$m	2024 \$m
Fee and commission income	32.0	41.5
Losses on other financial liabilities	–	(4.6)
Change in value of ultimate parent company shares	46.8	65.9
Profit on sale of associate	–	15.2
Other	13.5	4.6
Total other income	92.3	122.6

Fee and commission income generated by the Group decreased by \$9.5m to \$32.0m (2024: \$41.5m). This was predominantly driven by a reduction in our managing agency income from our non-aligned syndicates, following the transfer of the management of Ki Syndicate 1618 from Brit Syndicates Limited to Asta Managing Agency Ltd on 1 January 2025. This was partly offset by increased commissions from consortia management.

Total operating expenses

Operating expenses were classified as follows:

	2025 \$m	2024 \$m
Insurance service expenses excluding claims and commissions	248.3	210.5
Net expenses from reinsurance contracts held	3.2	2.8
Other operating expenses	166.1	171.3
Total operating expenses	417.6	384.6

Total operating expenses during 2025 increased by 8.6% to \$417.6m (2024: \$384.6m). The main contributors to this increase were headcount, legal and professional fees, IT infrastructure costs and regulatory fees.

At 31 December 2025, Group headcount was 792 (2024: 770). The increase was primarily due to targeted underwriting expansion and the related growth of support functions.

A further breakdown of expenses is given in Note 10 to the financial statements.

Net foreign exchange gains/(losses)

We manage our currency exposures to mitigate the impact on solvency rather than to achieve a short-term impact on earnings. We experienced a foreign exchange gain of \$27.0m in 2025 (2024: loss of \$25.8m), 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.

	2025 \$m	2024 \$m
Net foreign exchange gains/(losses)	17.5	(51.3)
Gains on derivative contracts – FX related instruments	9.5	25.5
Total net foreign exchange gains/(losses)	27.0	(25.8)

Finance costs

Finance costs totalled \$25.0m (2024: \$13.3m) and represented cost of the revolving credit facility and other bank borrowings, the coupons on the subordinated debt, the coupons on senior debt and interest payable on lease liabilities.

Tax charge

Our tax charge for 2025 resulted in a tax charge of \$64.9m (2024: tax charge of \$92.7), based on a Group profit before tax of \$716.7m (2024: profit before tax of \$571.1m).

This charge of \$64.9m comprised current tax charge of \$53.1m and a deferred tax charge of \$11.8m.

The Group is liable to taxes on its corporate income in several jurisdictions where its companies carry on business, most notably the UK and Bermuda. The tax charge is calculated in each legal entity across the Group and then consolidated. 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.

The 2025 Group rate varies from the weighted average rate in those jurisdictions due to several factors. The principal factors are the impact of the reduction in the unrecognised deferred tax asset in respect of losses which is now fully recognised, prior year adjustments and realised and unrealised gains on equities which are not taxable in Bermuda. The rate is further influenced by the impact of exempt income such as dividend income, disallowable expenses and by non-UK taxes arising in our Lloyd's syndicates.



BRIT

financial position and capital strength

Financial position

At 31 December 2025, our adjusted net tangible assets totalled \$2,666.0m (2024: \$2,241.7m).

Summary consolidated statement of financial position

	2025 \$m	2024 \$m
Assets		
Intangible assets	65.1	54.2
Reinsurance contract assets	1,668.3	1,707.2
Insurance and other receivables	578.2	673.6
Financial investments and cash	7,321.7	5,750.5
Investment related derivatives	12.0	7.0
FX related derivatives	2.6	8.0
Other assets	33.2	57.6
Total assets	9,681.1	8,258.1
Liabilities		
Insurance contract liabilities	5,786.0	5,343.2
Borrowings	685.3	159.5
Investment related derivatives	8.3	7.6
FX related derivatives	5.2	4.5
Insurance and other payables	316.9	342.8
Other liabilities	155.6	108.9
Total liabilities	6,957.3	5,966.5
Net assets	2,723.8	2,291.6
Adjusted net tangible assets (Note 1)	2,666.0	2,241.7

Note 1: A reconciliation of adjusted net tangible assets to the amounts presented in the financial statements is included in the Annual Report on page 183.

All our net assets at 31 December 2024 and 31 December 2025 were attributable to the owners of Brit Group Holdings Limited.

In addition to the result recognised through the consolidated income statement, the other movements in our net assets as recognised in the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Changes in Equity included defined benefit pension scheme related gains and charges (2025: \$4.0m net gains; 2024: \$5.0m net loss); changes in unrealised foreign currency translation gains on foreign operations (2025: \$12.4m net gains; 2024: \$2.7m net loss); dividends paid (2025: \$236.0m; 2024: \$140.6m).

Capital strength

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.

At 31 December 2025 we held an available capital surplus of \$1,524.7m or 175.2% (31 December 2024: \$823.1m or 147.9%) over our Group management capital requirement of \$2,026.6m (31 December 2024: \$1,718.6m). The increase in the surplus was driven by the additional \$514.5m capital resources related to senior debt (see below), transfer of subordinated debt of

\$170.8m to BGHL in January 2025 and total comprehensive income for the period (\$668.2m), partially offset by the increase in the Group's management capital requirement.

- 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 Report) as issuer and principal debtor under the listed subordinated debt notes that are denominated in GBP, have a principal amount of £127.0m, mature in 2030 and carry a coupon rate of 3.6757%.
- 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 \$200.0m of the RCF forms part of our available capital resources (31 December 2024: \$300.0m). In respect of this facility at 31 December 2025 and 31 December 2024 there was no letter of credit (LoC) outstanding and no cash drawings.
- On 17 June 2025 the Group became 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). They consist of CAD 450.0m with a 4.73% coupon maturing in November 2034, and CAD 250.0m with a 5.23% coupon maturing in November 2054.

The total carrying amount of senior debt at 31 December 2025 was \$514.5m.

Dividends

During 2025, dividends totalling \$236.0m were paid from Brit Group Holdings Limited. In the comparative period dividends totalling \$140.6m were paid by Brit Insurance Holdings Limited.

Reserving policy

Preserving a strong financial position is critical to the long-term success of an insurance business. The Group maintains appropriate loss reserves to cover its estimated future liabilities. Reserves are estimates that involve actuarial and statistical projections of the expected cost of the ultimate settlement and administration of claims. The reserving process is robust and managed by the Chief Risk Officer and Chief Actuary and under the oversight of the Reserving Committee. Reserving estimates are prepared quarterly and are based on facts and circumstances then known, predictions of future developments, estimates of future trends in claims frequency and severity and other variable factors such as inflation. Movement in these reserves forms an integral element of our operating result.

Maintaining reserves is critical to safeguard future obligations to policyholders and our approach provides

financial position and capital strength

a secure foundation. It also provides a secure foundation for the pricing of new business which is particularly critical in a soft rating environment.

Our reserving policy is to reserve to a best estimate and carry an explicit risk adjustment, as required under IFRS 17 (Insurance Contracts) above that best estimate. Under the requirements of IFRS 17, we also apply discounting to our reserves.

Asset allocation

Brit's invested assets (financial investments, cash and cash equivalents and investment derivative contracts) at 31 December 2025 were \$7,325.4m (2024: \$5,749.9m).

Our asset allocation, on both a look-through basis and statutory disclosure basis, is set out in the tables below. The look-through basis sets out the underlying instruments held within our debt securities portfolio and within our specialised investment funds.

		Statutory basis							Total invested assets (look-through)	
		Equity securities	Debt securities	Loan ultimate parent	Loan instruments	Specialised investment funds	Cash and cash equivalents	Derivative assets (net)	Derivative liabilities	
		\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
31 December 2025										
	Government debt securities	-	4,312.2	-	-	180.8	-	-	-	4,493.0
	Corporate debt securities	-	443.0	-	-	77.1	-	-	-	520.1
	Structured products	-	-	-	-	29.6	-	-	-	29.6
	Loan instruments	-	-	200.0	70.4	12.5	-	-	-	282.9
	Equity securities	791.6	-	-	-	624.4	-	-	-	1,416.0
	Cash and cash equivalents	-	-	-	-	1.6	577.2	-	-	578.8
	Investment related derivatives	-	-	-	-	1.3	-	12.0	(8.3)	5.0
	Total invested assets (statutory)	791.6	4,755.2	200.0	70.4	927.3	577.2	12.0	(8.3)	7,325.4
31 December 2024										
	Government debt securities	-	2,444.2	-	-	168.0	-	-	-	2,612.2
	Corporate debt securities	-	1,367.3	-	-	81.5	-	-	-	1,448.8
	Structured products	-	-	-	-	27.8	-	-	-	27.8
	Loan instruments	-	-	-	83.0	13.6	-	-	-	96.6
	Equity securities	620.4	-	-	-	464.1	-	-	-	1,084.5
	Cash and cash equivalents	-	-	-	-	1.5	476.4	-	-	477.9
	Investment related derivatives	-	-	-	-	2.7	-	7.0	(7.6)	2.1
	Total invested assets (statutory)	620.4	3,811.5	-	83.0	759.2	476.4	7.0	(7.6)	5,749.9

The assets remain primarily invested in cash and fixed income securities (2025: \$5,874.8m or 80.2% of the portfolio; 2024: \$4,635.5m or 80.6%). The fixed income portfolio is short dated, with a majority allocation to government bills. Corporate bonds and other loan instruments represent 11.0% (2024: 26.9%) of the total portfolio with only 0.3% (2024: 0.5%) of this figure being below investment grade.

The allocation to credit decreased over the year. The allocation to credit risk, is primarily defensive, focused on high quality, investment grade non-cyclical companies. Equity allocations are invested in a portfolio of both listed and private (non-listed) equities and funds.

The exposure to equities, funds and structured products has increased over 2025 (2025: \$1,445.6m or 19.7% of the portfolio; 2024: \$1,112.3m or 19.3% of the portfolio), driven by market movements.

At 31 December 2025, the duration of our assets was marginally short compared to the duration of our liabilities.

At 31 December 2025, 76.0% of our invested assets were investment grade quality (2024: 75.4%). An analysis of the credit quality of our invested assets is set out below:

Invested assets by rating	2025 %	2024 %
AAA	6.8	48.7
AA	58.5	2.8
A	8.1	17.5
BBB and below	2.6	6.4
Other	24.0	24.6
Total	100.0	100.0

Other includes equities, funds and investment related derivatives

Gearing

At 31 December 2025, our gearing ratio was 20.4% (2024: 0.0%).

We have in issue £127.0m of 3.6757% subordinated debt with a carrying value of £127.0m/\$170.8m (2024: £nil/\$nil). The subordinated debt was previously held with Brit Limited and transferred to Brit Group Holdings Limited on 22 January 2025. This instrument, which is listed on the London Stock Exchange, was issued in December 2005 and matures on 9 December 2030.

Additionally, on 17 June 2025 the Group became co-obligor on two senior unsecured notes previously issued by Fairfax Financial Holdings Limited (the Group's ultimate parent). The senior debt consists of CAD 450.0m with a 4.73% coupon maturing in November 2034, and CAD 250.0m with a 5.23% coupon maturing in November 2054. 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).

Brit has in place a \$415.0m (2024: \$550.0m) revolving credit facility (RCF), the expiration date of which is 31 December 2029. Under our capital policy we have allocated a maximum of \$200.0m (2024: \$300.0m) of this facility to form part of our capital resources, with the balance available for liquidity funding. At 31 December 2025, the cash drawings on the facility were \$nil (2024: \$nil), with no letters of credit (LoCs) in place (2024: \$nil). At the date of this report, these borrowings were unchanged.

Adjusted Net Tangible Assets (NTA) at 31 December 2025 totalled \$2,666.0m. Total debt comprised \$514.5m of senior debt and \$170.8m of subordinated debt. On this basis, gearing is calculated as total borrowings (senior debt, subordinated debt, revolving credit facility cash drawdowns and uncollateralised drawn letters of credit) divided by adjusted NTA plus total borrowings. This results in a gearing ratio consistent with the 20.4% reported for the year.

Foreign exchange management

At 31 December 2025, our US-dollar denominated net assets equated to 109.3% of our total net assets (2024: 95.9%), reflecting the currency denomination of the majority of the business we write. Our net assets, analysed by currency, are as follows:

Net assets/(liabilities) by currency	2025 %	2024 %
US dollar	109.3	95.9
Sterling	1.3	(1.6)
Canadian dollar	(14.9)	3.4
Euro	4.6	2.4
Australian dollar	(0.3)	(0.1)
Total	100.0	100.0

The reporting currency for the Group's consolidated Financial Statements is US dollars, as are the functional and reporting currencies of a number of our subsidiaries, including all of our underwriting subsidiaries. A portion of our revenues and expenses, and assets and liabilities, are denominated in currencies other than US dollars, hence we are exposed to fluctuations in the values of those currencies against the US dollar. These fluctuations impact our reported operating results and our assets and liabilities.

Our strategic approach to managing FX risk is to match the currencies of our liabilities and capital requirements with the assets we hold. As a consequence of this, because we report our results in US dollars, we import some exchange rate volatility into the income statement through the revaluation of our net tangible assets. The Group's net tangible assets are, however, largely matched against our capital requirement, protecting our shareholder against the risk of additional capital being required as a result of FX volatility. Any excess is held in US dollars.

risk management, principal risks and uncertainties

Risk Management Framework

Brit delivers shareholder value by actively seeking and accepting risk within agreed limits. Risk management at 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 has the following key elements:

Element	Element Description	Responsibility	Oversight
Identification	Risk events, risks and relevant controls are identified and classified. This is a continuous process which considers any emerging and existing risks. The risk register sets out the significant risks faced by the business and identifies the potential impact and likelihood of each risk.	Chief Risk Officer, supported by the Risk function	Risk Oversight Committee (ROC)/Board
Measurement	Risks are assessed and quantified and controls are evaluated. This is done through a combination of stochastic modelling techniques, stress and scenario analysis, reverse stress testing and qualitative assessment using relevant internal and external data.	Chief Risk Officer, supported by the Risk function	ROC/Board
Management	The information resulting from risk identification and measurement is used to improve how the business is managed.	Senior management, with guidance from CRO and Risk function	ROC/Board

A key part of the RMF is the setting of risk tolerances and risk appetite. Risk tolerances are set by the relevant Board and represent the maximum amount of risk Brit is willing to accept to meet its strategic objectives. Risk appetites are set by management and reflect the maximum amount of risk that Brit wishes to take in the current market environment. The actual amount of risk taken is monitored against the tolerances and appetites on an ongoing basis.

The RMF, including the risk tolerances and appetite, reflects Brit's strategy and seeks to ensure that risk is accepted in the areas which are expected to maximise shareholder value whilst continuing to protect policyholders against extreme events. The process applies to both the Brit Group and to the individual underwriting entities.



The Risk Management function, led by the Group Chief Risk Officer & Chief Actuary, monitors whether Brit is operating within the risk tolerance levels approved by the relevant Boards. This includes assessments of any new strategic initiatives and the principal risks and uncertainties faced by the business as detailed below.

All Brit staff are involved in ensuring there is an appropriate risk culture which promotes the identification and management of risk. Brit’s risk culture aims to ensure the risk and capital implications of decisions are understood and there is open communication about risks and issues in all areas of the business.

Brit’s approach to risk management is designed to encourage clear decision-making as to which risks Brit takes and how these are managed based on the potential strategic, commercial, financial, compliance and legal implications of these risks.

The sections below set out the approach to risk governance, and the key risks identified, measured and managed under the RMF.

Risk Governance

The Board is responsible for overseeing our risk management and internal control systems, which management is responsible for implementing.

Brit maintains a strong risk governance framework using Risk Oversight Committees and Audit Committees whose membership consists of independent non-executive Directors. Board, Risk and Audit Committee agendas are designed to ensure all significant areas of risk are reported on and discussed. The Risk Oversight Committees monitor and review the risk profile and the effectiveness of all risk management activities and, in particular, monitor adherence to agreed risk limits.

Brit operates a three lines of defence model for governing risk. Within the first line of defence individual risk committees monitor day-to-day risk control activities. The Risk Management function, as a second line of defence, provides oversight of business processes and sets out policies and procedures. Internal Audit, as a third line of defence, provides independent assurance and monitors the effectiveness of the risk management processes.

Our Internal Audit function provides assurance to the Risk Oversight Committees, Audit Committees and Boards, while external experts are regularly used for independent assessments.

risk management, principal risks and uncertainties

Key risks

The RMF categorises the risks to Brit as follows:

- Individual risk categories: strategic, insurance, market, liquidity, credit, and operational and Group.
- Contingent risks: earnings, solvency and reputational.

Insurance risk is the key driver of our Group management capital requirements.

The key risks and uncertainties are set out in the following table and the principal risks in the current environment are further described below.

Risk category	Risk	Description	Principal risks
Overarching	Strategic	Risk that Brit's strategy is not appropriate or is not implemented effectively.	
	Earnings	Unexpected earnings volatility leads to unexpected losses.	
	Solvency	Capital ratio falls below the level targeted by management.	
Insurance	Underwriting – pricing	Emerging experience is inconsistent with the assumptions (e.g. inflation) and pricing models used.	✓
	Underwriting – natural catastrophe	Natural catastrophe events, including the impact of climate risk, impacting Brit's (re)insureds, leading to large volumes of claims.	✓
	Underwriting – man-made catastrophe	Extreme man-made events, such as terrorist attacks or cyber attacks, impacting Brit's (re)insureds, leading to large volumes of claims.	✓
	Underwriting – reinsurance	Failure to obtain reinsurance on attractive terms, or failure to recover under reinsurance arrangements.	
	Reserving	Prior year reserves are insufficient to cover claims (net of reinsurance) e.g. due to higher than anticipated inflation.	✓
Market	Investment market risk	Invested assets adversely affected by changes in economic variables, such as interest rates, inflation, bond yields, equity returns, credit spreads and credit ratings.	✓
	Currency	Exchange rate fluctuations materially impact our financial performance.	
Liquidity	Liquidity	Insufficient financial resources available to meet liabilities as they fall due.	
Credit	Counterparty risk	Deterioration in the creditworthiness of, defaults by, or reputational issues related to, premium debtors, reinsurers or other third parties with whom we transact business.	
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.	✓
	Systems and processes	Failure of our systems or processes, impacting our ability to conduct business and our ability to provide continuity of service to our clients.	
	Information security	Failure to properly protect information could compromise the confidentiality, integrity or availability of our information and data, potentially resulting in financial loss and legal, regulatory, and reputational consequences.	
	Outsourcing arrangements	Failure on the part of any third-party to perform agreed outsourced services, on which we are heavily reliant.	
	Reputational	Damage to reputation due to actions taken by Brit or related parties and the impact this has on Brit's business and operations.	
	Regulatory and legal	Legislation or regulation adversely affects Brit's operations.	
	Conduct	Failure to ensure the Group's products and services deliver the right outcomes for consumers.	
	Change management	Major projects or other key changes are not implemented effectively.	

Principal risks

The table below provides additional information on the principal risks in the current environment and how we manage them.

Principal risk	Mitigation tools	Metrics	Status
Underwriting – pricing			
Inadequate pricing could have a material adverse effect on our results for underwriting operations and financial condition.	<ul style="list-style-type: none"> Strategic focus on underwriting performance rather than on top line growth. Strong governance processes around strategy and planning. Pricing discipline is maintained through strict underwriting guidelines, monitoring of the delegated authorities and enforcement of the technical pricing framework. Efficient use of the outwards reinsurance programme. Monitoring of pricing adequacy metrics and risk adjusted rate change. 	Risk adjusted rate change (2025: decrease of 4.8%; 2024: decrease of 1.4%).	<p>Following years of rate rises from 2018 to 2023, the market started to soften in 2024 with further rate reductions experienced in 2025.</p> <p>Active rebalancing of the portfolio to manage the underwriting cycle remains a key focus for management.</p>

Underwriting – natural and man-made catastrophe

Naturally occurring or man-made catastrophic event(s) could result in large insured losses that adversely impact our financial results and potentially our capital position.	<ul style="list-style-type: none"> Diverse portfolio of risks written. Regular modelling and monitoring against natural and man-made catastrophe risk appetite by our exposure management team. Effective outwards reinsurance programme in place. Clear limits set for key accumulations and conservative use of line size by our underwriters. Identification and monitoring of emerging risks such as climate change, developing cyber threat landscape and geopolitical risks. 	<p>Largest five natural and man-made realistic disaster scenarios (based on net of reinsurance losses):</p> <table border="1"> <thead> <tr> <th>Event</th> <th>Gross \$m</th> <th>Net \$m</th> </tr> </thead> <tbody> <tr> <td colspan="3">Natural catastrophes</td> </tr> <tr> <td>San Francisco Earthquake</td> <td>1,512</td> <td>735</td> </tr> <tr> <td>Gulf of Mexico Windstorm</td> <td>1,200</td> <td>599</td> </tr> <tr> <td>Pinellas Windstorm</td> <td>1,051</td> <td>552</td> </tr> <tr> <td>North East Windstorm</td> <td>1,071</td> <td>527</td> </tr> <tr> <td>Los Angeles Earthquake</td> <td>844</td> <td>380</td> </tr> <tr> <td colspan="3">Man-made catastrophes</td> </tr> <tr> <td>Terror – Rockefeller Centre</td> <td>517</td> <td>371</td> </tr> <tr> <td>Terror – WTC</td> <td>527</td> <td>355</td> </tr> <tr> <td>NCBR – Nuclear</td> <td>364</td> <td>298</td> </tr> <tr> <td>Cyber – Cloud Cascade</td> <td>289</td> <td>180</td> </tr> <tr> <td>Cyber – Ransomware Contagion</td> <td>233</td> <td>144</td> </tr> </tbody> </table>	Event	Gross \$m	Net \$m	Natural catastrophes			San Francisco Earthquake	1,512	735	Gulf of Mexico Windstorm	1,200	599	Pinellas Windstorm	1,051	552	North East Windstorm	1,071	527	Los Angeles Earthquake	844	380	Man-made catastrophes			Terror – Rockefeller Centre	517	371	Terror – WTC	527	355	NCBR – Nuclear	364	298	Cyber – Cloud Cascade	289	180	Cyber – Ransomware Contagion	233	144	<p>Management has focused on actively optimising the portfolio to ensure gross exposure is in line with appetite, reinsurance protection is adequate, and that catastrophe exposed business is appropriately priced to ensure that the Group is resilient.</p> <p>Climate risk and the cyber threat landscape are key considerations, and Brit continues to develop its assessment, mitigation, and management of this risk.</p>
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risk management, principal risks and uncertainties

Principal risk	Mitigation tools	Metrics	Status
Reserving			
Estimating insurance reserves is inherently uncertain and, if insufficient, may have a material adverse effect on our results and financial condition.	<ul style="list-style-type: none"> • Brit's reserving philosophy has resulted in a track record of prior year reserve releases. • Actuarial team recommend reserves independently from underwriting division using established actuarial techniques 	Reserve releases, after discounting and including movement in risk adjustment, in 2025 of \$58.4m (2024: \$100.3m).	<p>Reserves are held at a best estimate, with an additional risk adjustment. Our reserves are discounted per the provisions of IFRS 17.</p> <p>No change to the best estimate approach from prior years.</p> <p>For 2025, the risk adjustment has been set at the 80th percentile (2024: 78th percentile) on a net basis.</p>
Investment risk			
Invested assets are susceptible to changes in economic conditions. A decrease in the value of our invested assets may have a material adverse effect on our results, financial condition and liquidity.	<ul style="list-style-type: none"> • Strong governance processes around investment strategy. • Regular monitoring against investment risk appetite which includes defined limits for solvency, earnings risk and liquidity risk. • Investment guidelines in place for individual asset classes and monitored regularly. 	<p>Return on invested assets, net of fees (2025: 9.0%; 2024: 4.8%).</p> <p>Running yield (2025: 3.0%; 2024: 3.8%).</p>	Financial markets remain volatile reflecting geopolitical and economic uncertainty. Our portfolio remains highly liquid, and was primarily invested in cash and investment grade fixed income securities at 31 December 2025.
People			
The loss of key employees or by an inability to attract and retain qualified personnel, could adversely affect Brit.	<ul style="list-style-type: none"> • Our remuneration strategy (including share-based remuneration) is designed to reward talent and success. We have a proven track record in being able to retain high-performing staff. • Succession and contingency plans are in place in the event of the loss of a key employee. • Regular monitoring of employee turnover and morale. • Our culture of openness, inclusiveness and collaboration. 	Staff turnover (2025: 8.2%; 2024: 10.7%).	<p>The Group's key functions continued to operate effectively.</p> <p>The current environment remains competitive with a number of our peers actively seeking talented staff. We actively manage our remuneration and HR policies to ensure we continue to retain and attract the best staff. Current turnover rates remain within our appetite.</p>

Geopolitical uncertainty and the global economic environment

Geopolitical uncertainties driven by factors such as US trade policy and the ongoing war in Ukraine 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. Brit continues to ensure that its 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).

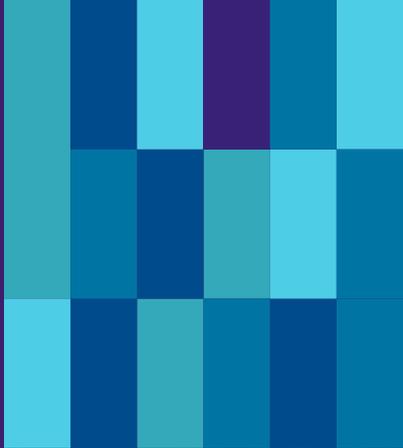
Emerging risks including climate change financial risks

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.

Climate change related financial risks are discussed on page 43. Other emerging risks are discussed in Note 4.7 to the financial statements, starting on page 117.

BRIT



our people, culture, social and community matters

Introduction

To generate value, we recognise that our people, culture, social and community strategies must be both sustainable and aligned to the long-term interests of all our stakeholders. We seek to make both a positive contribution to society and to be aware of the long-term consequences of our actions. We also seek to generate new commercial opportunities by developing strong stakeholder relationships and by recruiting and retaining a highly skilled, engaged and motivated workforce.

Our people and culture

Overview

Our people are our greatest asset and managing our talent appropriately contributes significantly to our success. Brit's culture is a key pillar of its strategy and is designed to support collaboration, innovation and inclusivity. We have a strong commitment to doing what is right for Brit and its employees.

During 2025 we continued to strengthen our highly committed team. Through the attraction and recruitment of new talent and the ongoing development of existing expertise, we continued to live our culture whilst increasing our capabilities. During 2025 we have had 99 joiners, primarily strengthening our Technology & Data, Actuarial and Underwriting teams. We have continued to recruit to support our strategic growth of Brit Re in Bermuda.

We are committed to developing the capability, behavioural and leadership skills required for our teams to outperform. A focus in 2025 was to improve our critical conversations capability through training and ongoing role modelling. We recognise that feedback is vital to deliver our strategy and demonstrates our ongoing commitment to developing essential management and leadership capability, fostering high-performance, and enabling constructive feedback.

In 2025 we rearticulated our vision for AI – leveraging it for smarter underwriting and simpler operations. As part of this vision, we launched a Group wide AI Literacy Programme to create awareness around AI, present the opportunities and the risks and upskill our employees to create value from it. We also appointed AI Champions from across the business to promote awareness, create buy-in, identify use cases and develop AI roadmaps for their business areas, facilitate collaboration across Brit and design, and pilot and scale AI solutions while working closely with our data talent.

In 2025, our mental health strategy and initiatives focused on fostering inclusive communities, reducing stigma, and equipping employees with practical tools and support, creating a measurable impact on wellbeing and organisational culture.

Brit Syndicates Limited continues to have Chartered Insurer status through the Chartered Insurance Institute. This prestigious designation signifies to our colleagues and customers that we are committed to the pursuit of the

highest standards and demonstrates our adherence to ethical good practice.

Brit's cross-functional Social Committee has continued to organise a range of social, sports, community and charitable events for employees during the year. We have an active football and netball team who regularly play friendly and competitive matches as well as running and cycling clubs.

In 2025 voluntary staff turnover was 8.2% (2024: 10.7%) and as at 31 December 2025, our headcount was 792 (2024: 770). 39.1% (2024: 26.7%) of employees had completed more than five years of service and 19.3% (2024: 12.0%) had completed more than ten years' service.

Details of Brit's employment policies are given in the 'Employment' section of the Directors' Report on page 56.

Inclusion and diversity (I&D)

2025 was another successful year for I&D at Brit.

Our four Employee Resource Groups (ERGs), covering Race and Belonging, LGBTQ+, Gender, and Disabilities, continue to be a focal point for our employees, alongside our Mental Health and Wellbeing Group. These groups are an opportunity for colleagues to come together in a safe-space and discuss issues of importance to them, including successes and challenges, and share ideas for events and initiatives. Our ERGs are empowered to produce informative communications and engaging events. Each ERG has an executive sponsor, demonstrating our commitment to I&D from our leadership team, as well as giving additional visibility to the groups.

Brit won the Inclusion and Diversity Award at the National Insurance Awards, and was nominated or shortlisted for the Insurance Insider Honours: Progress (DEI) Award, the Insurance Post I&D Awards, and three colleagues were finalists in the Women in Insurance awards.

Highlights from the year included: marking cultural moments, from Lunar New Year and Eid, to Pride and Black History Month, with events that sparked connection and learning across our business; deepening our partnership with iCAN (The Insurance Cultural Awareness Network), including supporting the market's first Eid celebration; supporting inclusive communities through volunteering with Tonic Housing during Pride Month; and launching our Sunflower lanyards to support colleagues with visible and non-visible disabilities.

In September 2025, responsibility for I&D in Brit moved to the ESG team. ESG principles form the cornerstone of how a responsible organisation operates, both now and in the future, and the alignment of I&D allows us to integrate our thinking, build stronger connections between our inclusion, diversity, sustainability and governance efforts, as well as helping to develop more holistic and impactful initiatives. Our Chief Actuary and Chief Risk Officer continues to be the Executive Sponsor for I&D.

Staff engagement

Engagement with our staff allows us to assess the extent to

our people, culture, social and community

which they are motivated and helps us identify where we need to focus. High engagement results have a positive impact on our team performance and employee retention, our service quality and our overall business performance, ultimately benefitting all stakeholders.

In 2025 we moved our staff survey from bi-annual to annual. Our survey results year-on-year improved. Following the survey, each team has developed a local action plan for 2026 to continue to drive engagement.

Brit participated in the Lloyd's culture survey in October 2025. We had a 66% completion rate and overall the survey result was 82% which is categorised by Lloyd's as 'Very Good'.

Brit believes that strong communication is key to enabling teams to perform at their best. The Board connects with employees through the Executive Directors, who champion open dialogue and use a variety of channels to share updates, invite feedback, and foster alignment around strategic priorities and goals. Communication is delivered through several core methods:

- The Hub (Brit's intranet) serves as the central source for news and evergreen resources. It also hosts internal podcasts featuring diverse voices from across the business.
- Email updates ensure key messages are shared in an engaging format. Monthly Spotlight articles provide deeper insights into different areas of the organisation.
- Working floor screens highlight information on employee benefits, company culture, ERGs, and underwriting products.
- Company-wide Town Halls bring colleagues together to hear updates on strategy, inclusion and diversity, and other important topics. These sessions feature presenters from all levels and departments, demonstrating collaboration in action.

Social and community

We are committed to supporting the communities in which we operate and charities that are meaningful to employees. Our objective is to select charitable giving and community projects based on three criteria: projects should be for a good cause and operate in an area relevant to us, financial involvement should be for the benefit of the good cause, and projects should offer alignment with our strategic priorities.

During 2025, Brit donated, or made arrangements to donate, \$9.5m (2024: \$3.8m) under its charitable initiatives. In addition to this, Brit employees completed 118.5 volunteering days (2024: 122.5 days). In the year, Brit:

- Made arrangements to donate \$4.7m to a centrally administered Fairfax charitable foundation.
- Supported ten charities chosen by employees. We donated a sum of money to each charity at the start of the year and continued donations with fundraising activities through the year;

- Further promoted staff involvement in the community by granting every employee two additional days of paid leave a year to volunteer their time to a registered local charity;
- Continued our support for the Soweto Academy, a school that educates boys and girls from the age of five to 18 in Kibera, the largest slum in Africa. Ten volunteers spent a week at the Soweto Academy in October 2025 where they painted classrooms and dormitories, landscaped the junior school playground and built furniture for a new science lab;
- Donated \$2.8m to Blood Cancer UK, funding research into the hardest to treat blood cancer and supporting those affected by these conditions;
- Set up new corporate partnerships with a number of UK charities, focusing on child welfare, loneliness and the environment;
- Supported Team BRIT, a team of disabled motor racing drivers, since 2017. In 2025, we continued our contract with Team BRIT, as title sponsor, to support their racing academy and success on the racetrack;
- Brit participated in The City Giving Day in September 2025 raising \$6k; and
- Continued to run a payroll giving scheme and match any money raised by employees participating in charitable events. In 2025 we paid out over \$281k through payroll and gave \$521k through sponsorship matching.

environmental responsibility

Environmental responsibility

Overview

Climate change will have a major impact on our business and on all our stakeholders. Brit actively considers the potential implications of climate change and sustainability on its investment and underwriting strategies, how it should engage more widely on environmental and ethical issues, and its own sustainability initiatives.

We remain committed to responsible business practices and aim to act in unison with our regulator and the rest of our industry. We are active members of Climate Wise, submitting our fifth report in 2025 (seeing a strong improvement in both score and ranking), and we participate in ESG initiatives within the Lloyd's market and the wider Fairfax group. Brit has also worked to incorporate guidance issued by the Taskforce of Climate Change-Related Financial Disclosures (TCFD) into its reporting.

During 2025 our ESG focus has been on delivering on the ESG strategy, which has included taking steps to begin developing an internal Transition Plan, in line with the guidance set out by the Transition Plan Taskforce (TPT).

Governance

Board oversight

Climate change has been on our Board's agenda since 2014. From this point, the Board has focused on developing its understanding of the uncertainty associated with climate change and climate-related risks and opportunities.

While retaining direct oversight of climate change and ESG related matters, the Board has delegated responsibility to subsidiary boards and committees.

The Brit Syndicates Limited (BSL) board receives quarterly ESG updates, and has nominated one of its non-executive directors to provide Board oversight to Brit's ESG roadmap. BSL's Chief Risk Officer is responsible for overseeing Brit's response to managing financial risks arising from climate change.

The Board committees have taken climate-related issues into consideration as follows:

- **BSL Audit Committee:** The Audit Committee is responsible for overseeing internal controls, adherence to reporting requirements, and approval of climate-related disclosures.
- **BSL Investment Committee:** ESG/Climate risk has been a standing agenda item since 2021. Climate risk metrics are provided on a monthly basis which are considered in strategic decisions as relevant.
- **BSL Risk Oversight Committee:** Oversees the financial risks arising from climate change. Its review focuses on natural catastrophe, liability and transition risk. It oversees key initiatives and, where necessary, makes risk-related recommendations to the BSL Board.
- **Brit Re Risk Oversight Committee:** Regularly considers climate change related risks.

Management oversight

Brit has implemented the following climate-related Committees and Working Groups:

- **Executive Committee (EC):** The EC has overall responsibility for ESG matters and is extensively involved in key strategic decisions involving climate change.
- **Climate Change Risk Working Party (CCRWP):** The multidisciplinary CCRWP is responsible for managing financial risks arising from climate change and it provides a forum for identifying and escalating any material risks that require further investigation. It reports to the entity ROCs.
- **ESG Steering Committee (ESGSC):** The ESGSC reports to the EC and has responsibility for delivering the ESG strategy. It is chaired by the Head of ESG and includes senior representation from Underwriting, Investments, Finance, Risk, Claims, Legal and Communications.
- **BSL Underwriting Committee:** Receives management information on natural catastrophe risk including regions and perils impacted by climate change. It is responsible for managing this risk in line with business appetite, and for reviewing the 'Brit View of Risk'.
- **Responsible Underwriting Working Group** is a sub-committee of the ESGSC, with specific focus on ESG related underwriting activities, including developing Brit's approach and framework to responsible underwriting, and embedding climate-related processes into Brit's underwriting guidelines, policies and operations.
- **ESG Data Working Group:** The ESG Data Working Group is a sub-group on the ESGSC. It has a specific focus on developing and analysing data, metrics and reporting, and ensures that all requests for ESG-related information are adequately and consistently responded to.

Strategy

In 2023 we refreshed our ESG Strategy guided by the development of a double-materiality assessment. The ESG strategy is closely linked to our business strategy, and in January 2024, we appointed our first Head of ESG.

Our vision centres on 'Writing the future, responsibly' – leveraging our culture and products to help deliver positive outcomes for people, the planet and our business.

At the start of 2025 we revisited the materiality assessment to ensure it is current and applicable. We re-interviewed a range of stakeholders and re-assessed the materiality. This confirmed that the materiality assessment was overall still current, and our strategy remained correct. Our strategy spans our underwriting and investment operations and has four key pillars:

- Reducing our Environmental Footprint
- Enabling the Net Zero Transition
- Responsible Product Deployment
- An inclusive culture for our people

environmental responsibility

Underwriting strategy

Brit's underwriting guidelines encourage an appropriate level of due diligence within the underwriting process at a product level, reducing exposure to businesses with poor sustainability practices. In the longer term, these will form part of a referral framework which will influence our business appetite and growth strategy. In addition, underwriters are actively encouraged to consider and assess ethical, sustainable and governance approach of insureds within their portfolio. We review our ESG appetite and underwriting criteria on an annual basis.

Across the business, we have undertaken various initiatives to align ourselves to the broader Lloyd's market, and have implemented products that promote improvements in ESG standards across our client base. These include:

- **Renewable Energy:** In Specialty, we identified opportunities to provide insurance cover for climate-transitioning business (e.g. the renewable energy sector). Brit continues to provide coverage for renewable energy producers, an area for further growth in 2026;
- **Cargo:** Our Marine Cargo team insure an increasing amount of parts and equipment that is destined for use in a number of green energy power plants, including solar, wind and hydro plants;
- **Financial Institutions and D&O:** We are using external data platforms for financial and ESG information about prospective clients. ESG scores are factored into the underwriting decision process; and
- **Financial Institutions:** In 2024 we partnered in a new facility offering cover for the risks relating to fraud within the Carbon Credit market.

In addition we have begun to perform a market scan to support the development of an internal white paper which looks at the opportunities that new ESG or sustainability related products could bring to our underwriting function.

Brit has been progressing the integration of externally sourced ESG scores into the underwriting process. The work to date has allowed Brit to better understand the composition of its portfolio and to better understand the drivers of these scores. In the longer term these insights will shape a key input to the Brit underwriting strategy, helping to optimise risk selection and business mix. In 2025 we also began the progress of baselining our insurance associated emissions (IAE) so that we can begin to internally track and measure our Scope 3 category 15 emissions, with this work continuing into 2026.

We have developed guidance for our underwriters when underwriting risks in ESG sensitive industries, and will be monitoring the impact this has on portfolio ESG scores. This included reviewing our underwriting in a number of ESG sensitive industries, to ensure we are best positioned to support insureds in their transition to net-zero. This support includes developing our understanding of their transition plans, and monitoring trends to assess how realistic those transition plans are.

We have also made a commitment that states 'We expect our customers in carbon intensive industries, to have clear and measurable transition plans'. As part of our underwriting process, we will review the transition plans of potential insureds in sectors where climate related transition risks are material, and incorporate these assessments into pricing and risk evaluation.

In 2025 we also began the process of developing an internal transition plan for the business, utilising global frameworks such as the Transition Plan Taskforce (TPT). Our transition plan will set our ambition across our core business activities: operations, underwriting and investment and is supportive of our sustainability strategy.

Investment strategy

ESG considerations are integrated across our investment strategy to ensure we fully understand the portfolio exposure.

We regularly review the sector exposure of our portfolios to ensure we monitor and fully understand the portfolio exposures to climate exposed sectors, and supplement this with detailed reports from external managers on the ESG positioning of the portfolios managed on our behalf along with the engagement they have with investee companies on our behalf. We also undertake annual ESG reviews of the equity positions in our portfolios.

When undertaking manager selection exercises, we ensure selected managers have strong ESG credentials, and integrate ESG into their security selection processes, and we include ESG guidelines in our external manager mandates. We aim to have a lower carbon intensity than the index and to reduce carbon intensity through time. We incorporate ESG into our annual due diligence reviews of the investment managers and hold regular discussions on the managers' ESG capabilities, and their engagement with companies.

We focus on asset classes where ESG considerations can be most impactful, such as equity and corporate bonds. Where we select commingled funds or exchange traded funds, we assess the ESG restrictions in the funds, and invest in funds which meet our ESG approach.

Risk management

Risk Management Framework

Brit's Risk Management Framework (RMF) (page 32) sets out the methodology by which Brit identifies, measures, and manages all risks, including those associated with climate change. Consideration is also given to other ESG related risks such as biodiversity and nature related risks.

Brit considers the impact of climate change on natural catastrophe, liability and investment risks to be the most material impact of ESG-related risks on our business. Using Board tolerances and management metrics, exposure to the above risk types is managed and monitored on an ongoing basis.

The RMF is reviewed annually, and regulatory developments are monitored on an ongoing basis. Brit's two syndicates have been compliant with PRA Supervisory Statement SS3/19 since 2021 which sets expectations for firms regarding their consideration of climate risk.

Climate risk management

Natural catastrophe risk

Natural catastrophe risk relates to the physical risks posed by both non-climatic and climatic hazards. Physical climate risk pertains to the increased frequency and severity of weather-related natural catastrophes, which will likely manifest as additional claims to a (re)-insurer. Climate change to date may already be affecting present-day weather events and therefore claims.

Brit's Research and Development team are responsible for evaluating third party catastrophe models and where appropriate applying adjustments to align the modelled risk landscape with the present-day. In areas where models are not licensed, Brit's Research and Development team offer risk management solutions, primarily based off empirical data and published research studies. Vendor models such as 'Verisk' and 'KatRisk' (developed by scientists and specialists) are used for the most material and established perils. The modelling is supplemented using the 'Brit View of Risk' which is a set of in-house adjustments used to apply Brit's view of risk to vendor model outputs. Brit continuously monitors scientific studies, and regularly reviews both the completeness of existing models and the application of the 'Brit View of Risk'.

Natural catastrophe modelling is leveraged in pricing, risk selection, capital setting, outwards reinsurance purchasing and in determining the risk appetite framework. Brit seeks to ensure a balanced and well diversified portfolio (including exposure to weather perils). Brit has reviewed its property underwriting strategy in recent years and has sought to reduce aggregation of exposure in peak catastrophe regions.

Brit's exposure to both natural catastrophe risks and physical climate risks at an overall and peril-region level at key return periods are monitored on an ongoing basis by the Risk Management function. Board limits are in place to ensure Brit is not over-exposed to natural catastrophe risk, and reinsurance is purchased to manage tail risk.

Liability risk

Climate change could result in liability claims arising from litigation against Brit's clients. For example, claims could arise from firms being held responsible for directly contributing to climate change, not taking climate change into account in business decisions or inadequate disclosures.

Brit's exposure is managed by use of limits on gross underwriting exposure, contract wording and through the purchase of reinsurance. There is uncertainty over whether courts rule against insurers and if so, over what time horizon. Brit's inhouse counsel is part of external working groups

to monitor emerging trends. The number of climate change litigation related claims notifications is monitored to enable early identification of any material increase.

Market risk

Investment losses have the potential to arise from exposure to industries contributing to climate change whose market value could reduce as the economy transitions away from fossil fuels. This transition risk could occur over the short or long-term depending on government policies and financial market movements.

Brit has a diversified investment portfolio, with limits on exposure to individual issuers. Additionally, Brit has developed metrics to monitor investment exposure to potentially 'at-risk' industries such as oil and gas or transport. An annual review of equity holdings is conducted which includes a review of the ESG strategy of the underlying companies.

Other risks

There may be reputational risk to firms if customers deem they are insufficiently responsive to concerns about climate change. Brit has developed an ESG strategy, as discussed above, which seeks to address this.

Scenario analysis

Brit annually performs climate change related scenario analysis (e.g. in each syndicate's ORSA and Brit Re's CISSA) which encompasses natural catastrophe, market and liability risks.

The findings from the various scenario analyses have been integrated into:

- The internally developed 'Brit View of Risk' which is used to supplement natural catastrophe modelling software;
- Brit's Property catastrophe underwriting strategy, identifying the regions and perils most sensitive to climate change;
- Industry level exposure monitoring for Brit's investment portfolio for 'high risk' sectors;
- Clarity on potential losses (e.g., natural catastrophe and liability risks) to be accounted for in underwriting and business planning decisions; and
- The ORSA process, to ensure climate change related risks are considered across relevant areas of the business.

Risk management policies are further addressed in Note 4 to the financial statements.

Metrics: climate and environment

Energy management and greenhouse gas reduction

As part of our dedication to our environmental responsibilities we continually seek to improve the sustainability of our business. In 2025 we have continued to focus on greenhouse gas (GHG) reduction, carbon management, staff engagement and data collection for our scope 3 emissions.

environmental responsibility

In 2025, we set emissions reduction targets for Scope 1 and 2, alongside selected Scope 3 categories. Our 2026 transition plan will set out how this process is being progressed, governed, and integrated into our broader decarbonisation trajectory.

Carbon management

Our carbon management focus during 2025 was as follows:

- **Net-zero:** We are currently carbon neutral. We are reviewing our operations to actively reduce our emissions, waste and water consumption. We currently offset our carbon emissions through ClimateCare.
- **Supply chain:** Work continues to streamline our supply chain, as we seek to minimise our carbon footprint. During 2025, we worked with our supply chain to identify and measure those suppliers who contribute most significantly to our Scope 3 Category 1 emissions. This allowed us to set a baseline and begin to work with our suppliers to deliver improvements.
- **Travel:** Brit's travel policy promotes lower-carbon flight choices and supports longer, less frequent trips to reduce overall travel impact, consistent with our business travel disclosures. To further limit travel requirements, Brit has invested heavily in flexible working and in the modernisation of its digital and video-conferencing infrastructure.
- **Employee commuting:** During 2024 we ran our first commuting survey for UK based employees. This allowed us to baseline average commuting (scope 3, category 7) emissions. Throughout 2025 we continued to encourage employees to commute using public transport, offering a season ticket loan scheme and a cycle to work scheme. Improvements to cycle parking and facilities that were carried out in 2025 in the Leadenhall Building are expected to encourage more of our employees to cycle to work.
- **Waste management:** In 2024, we changed our waste management supplier First Mile. We have been working with them to monitor our waste management through data provided by their client portal throughout 2025.
- **Internal hospitality:** We continue to use a hospitality provider that is committed to sustainable food procurement.
- **Staff engagement:** In 2025, Brit expanded its volunteering allowance to four days and continued to actively involve employees in ESG initiatives. We partnered with charities such as DEFRA, Little Village and HandsOn to deliver volunteering opportunities focused on social value, environmental impact and biodiversity.

Measurement and offset

We have continued with our initiative to offset our scope 1 and 2 carbon emissions through ClimateCare (www.climatecare.org). For every tonne of carbon generated we fund the equivalent reduction through ClimateCare's carbon reduction projects. At 31 December 2025, we remained fully Energy Saving Opportunities Scheme (ESOS) compliant.

We measure and monitor our carbon footprint covering scope 1, 2 and 3 (category 6). In 2025 our carbon emissions per employee covering scope 1, 2 and 3 (category 6) before offset were 2.5 tonnes (2024: 1.9 tonnes), all of which has been offset (2024: all offset).

The sources of our emissions were as follows:

Emission source	2025 CO ₂ (tonnes)	2024 CO ₂ (tonnes)
Gas (Note 1)	135	93
Electricity (Note 1)	168	133
Business travel – air (Note 2)	1,321	1,491
Business travel – hotels (Note 2)	61	30
Business travel – other (Note 2)	8	15
Total carbon footprint before offset	1,693	1,762
Offset	(1,693)	(1,762)
Total carbon footprint after offset	–	–

Emissions per employee were as follows:

	2025 CO ₂ (tonnes)	2024 CO ₂ (tonnes)
Number of employees at 31 December, excluding NEDs	684	673
Carbon footprint per employee before offset	2.5	2.6
Carbon footprint per employee after offset	–	–

Note 1: Where Brit operates from offices which form part of a larger commercial development, usage and emission data has been supplied by the building manager. Where data was unavailable, estimates have been used. Where Brit operates out of serviced office suites, it has no control over the management of utilities, with that responsibility falling to the landlord. Such serviced accommodation is considered out of scope for this purpose.

Note 2: For all travel including air, hotels and rail, data has been provided from our travel agent partner, through whom travel is arranged. The figures do not currently include radiative forcing (RF)

Brit's Streamlined Energy and Carbon Reporting (SECR) as follows:

	2025		2024	
	kWh	GHG (CO ₂ tonnes)	kWh	GHG (CO ₂ tonnes)
Scope 1	662,678	135.8	400,374	93.4
Scope 2	950,232	168.2	372,817	119.7

Note 1: The scope of table differs from the carbon emissions reported above, in that it only covers UK based operations, in accordance with SECR requirements for unlisted companies.

Note 2: Gas and Electricity values for the fourth quarter were estimated by using the values from the first quarter as the seasonality of the data for those quarters are closely aligned.

Note 3: Brit utilised the GHG conversion factors published by the UK Government on 10 June 2023 for these calculations.

Note 4: For all travel including air, hotels and rail, data has been provided from our travel agent partner, through whom travel is arranged.

Note 5: In the UK, Brit operates out of an office which forms part of a larger commercial development. Usage and emission data has been supplied by the building manager.

Note 6: Includes gas purchased for consumption in Brit's UK office, for which data has been supplied by the building manager.

Note 7: Includes electricity purchased for consumption in Brit's UK office, for which data has been supplied by the building manager.

The year-on-year CO₂ increase in scope 1 and 2 emissions reflects higher office utilisation and metered energy use, more intensive multi day travel evidenced by hotel emissions rising from 30 to 61, and a modest increase in headcount indicating operational rather than structural drivers.

Brit had de-minimis Scope 3 emissions from business travel in rental or employee-owned vehicles in 2025 and 2024.

Metrics in Brit's operations

The setting of risk tolerances and risk appetite is a key part of risk management. We are focused on developing a metrics and targets framework to manage climate-related risks and opportunities. We continue to advance the development of an internal ESG framework for our underwriting portfolio, aligned with the targets set out in our transition plan. This work is supported by several ESG integration initiatives currently in place, including the underwriting screening service provided to underwriting teams, the ESG analytics dashboard leveraging third party data from Dun & Bradstreet, and our ongoing efforts to enhance and streamline ESG processes across the organisation. In parallel, we maintain a set of climate risk metrics for our investment portfolio.

Work has progressed well on the integration of ESG scores from an external data provider into our underwriting processes, and our internal ESG dashboard now allows us to view ESG scores and CO₂ analysis at the portfolio and class level.

We also have a set of key climate change-related underwriting and investment metrics that are being monitored on a quarterly basis, and reported to the CCRWP on a half-yearly basis. These include board tolerance levels, the number of climate change related litigation notifications, and the investment exposure to higher risk industries.

non-financial and sustainability information statement (NFSIS)

Brit continues to develop aspects of its non-financial and sustainability information reporting, such as non-financial performance indicators and targets by which to manage climate-related risks. Brit's NFSIS statement, as required by section 414CA and 414CB of the Companies Act 2006, is set out below.

Matters relating to our employees and communities, our respect of human rights and how we address anti-corruption and anti-bribery are covered in the 'stakeholder engagement' and 'section 172(1) statement' sections of this Annual Report.

Non-financial reporting information	Section and page reference
A description of Brit's business model.	An overview of the business and strategy is presented per 'Brit at a Glance' (pages 8 to 10).
Principal risks relating to the non-financial matters set out in section 414CB (1) (a) to (e), arising in connection with Brit's operations, likely impacts from any such principal risks, and how they are managed.	Risk management, principal risks and uncertainties (pages 32 to 38). Environmental responsibility (pages 41 to 45).
Non-financial performance indicators.	Brit monitors a range of non-financial metrics relating to sustainability. Within Climate Change Risk Working Party (CCRWP) we have metrics for underwriting relating to natural catastrophe risk and breaches of board tolerance relating to climate change; Litigation risk and the number of climate litigation notifications by cedent. We also monitor our exposure to 'high risk' industries within our investments. As these figures are commercially sensitive, we are not disclosing them at this time, other than those set out in Climate and Environment (pages 43 to 45).
Sustainability and climate-related financial information	Section and page reference
The governance arrangements in relation to assessing and managing climate-related risks.	The governance arrangements to assess and manage climate-related risks and opportunities is outlined in the Governance section of the Environmental responsibility disclosure on page 41.
How Brit identifies, assesses, and manages climate-related risks and opportunities.	Brit's approach to identifying, assessing, and managing climate-related risks and opportunities is presented in the Risk management section of the Environmental responsibility disclosure on page 43.
How processes for identifying, assessing, and managing climate-related risks are integrated into Brit's overall risk management process.	Overall risk management processes are presented in the Risk management, principal risks and uncertainties disclosure from page 32.
A description of the principal climate-related risks and opportunities arising in connection with Brit's operations; and the time periods by reference to which those risks and opportunities are assessed.	Brit's approach to identifying, assessing, and managing climate-related risks and opportunities is presented in the Risk management section of the Environmental responsibility disclosure on page 43.
A description of the actual and potential impacts of the climate-related risks and opportunities on Brit's business model and strategy.	The actual and potential impacts of climate-related risks and opportunities are set out in the Risk management section of the Environmental responsibility disclosure on page 43, and also within our ClimateWise document, which can be found on our website. In addition, we are aware of the scale of the global investment that is required to achieve the global transition to 2050 net-zero, and are actively exploring the underwriting opportunities that a just transition will bring, be they new insurance products, new asset types, or emerging localities.

Sustainability and climate-related financial information	Section and page reference
<p>An analysis of the resilience of Brit's business model and strategy, taking into consideration different climate-related scenarios.</p>	<p>We are addressing climate-related scenarios in the resilience of the business model through several strategies:</p> <p>Physical Risk: We have focused on managing exposure to natural catastrophes by decreasing peak zone exposures, and non-renewing catastrophe-intensive accounts. We have also reduced reliance on catastrophe reinsurance due to its increasing cost.</p> <p>Transition Risk: We have identified opportunities to provide insurance cover for climate-transitioning businesses, such as the renewable energy sector. We expect customers in carbon-intensive industries to have clear and measurable transition plans, and underwriters consider this when pricing and quoting risks. ESG considerations are integrated within investment guidelines, with an objective of gradually increasing the ESG standing of the portfolio over time.</p> <p>Litigation Risk: We have introduced climate change exclusions within most of the Specialty book to clarify our stance. Underwriters consider potential climate change litigation losses as part of their due diligence.</p>
<p>Targets used by Brit to manage climate-related risks and to realise climate-related opportunities and performance against those targets.</p>	<p>During 2025 we focused on data quality and accuracy, using figures from our third-party ratings supplier. Following this, we now have the data to set an internal baseline figure for Scope 3 category 15 insurance associated emissions. This will allow us to investigate the appropriateness of targets in this emissions category, which we expect to be set out in our internal transition plan in 2026.</p>
<p>Brit's key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and a description of the calculations on which those key performance indicators are based.</p>	<p>Brit continues to develop its ESG related non-financial performance indicators and will report on these in future periods.</p>

stakeholder engagement

The Board recognises the importance of engaging with its broader stakeholder base. The Company's key stakeholders, as identified by the Board, are set out below, together with why and how we engage with them and the outcomes of that engagement.

Clients and Intermediaries

Why we engage	Form of engagement	Impact of engagement
<p>We work with brokers and partners to share expertise and deliver a seamless service for our clients.</p> <p>As a specialty insurer, almost 100% of Brit's business is distributed via intermediaries. Engagement and building strong relationships with them are crucial for us to source business and to deliver the best service and products for our insureds.</p> <p>Intermediaries also provide a range of services to Brit, for which we remunerate them via brokerage and commissions.</p>	<p>Any new intermediary is subject to a robust on-boarding process.</p> <p>Brit underwriters engage with intermediaries in a number of ways, including in person and by electronic means.</p> <p>To maximise our intermediary relationships, Brit has entered into Board-approved strategic partnership agreements with seven of our largest brokers, covering over 66% of our premium income. Under these agreements Brit pays an annual fee, which gives access to a range of services.</p>	<p>Broker surveys consistently highlight Brit's efficient client engagement, and proactive communications.</p> <p>By engaging with clients and intermediaries we provide a risk service that helps clients not only prepare for but manage and mitigate the risks they face.</p> <p>By building stronger and deeper relationships with our intermediaries, we believe we put ourselves in a stronger position to quickly take advantage of new opportunities and understand and satisfy changing customer needs.</p>
<p>When a client has a claim, their life or business has been disrupted, or even put in peril, they expect their insurance to deliver. It is our responsibility to fulfil that commitment. At Brit, we see every claim as an opportunity to help our clients move forward.</p>	<p>When a client has a claim we engage directly with them or their intermediary to ensure their needs are met. Following a major loss event, we instigate additional measures including 24/7 contact with claims administrators, and swiftly establishing dedicated loss funds.</p>	<p>Engagement with our clients, intermediaries and other service providers after an event reinforces our provision of a risk service that helps people not only move on from an event but helps them to move forward rapidly with confidence.</p>

Reinsurers

Why we engage	Form of engagement	Impact of engagement
<p>Brit purchases reinsurance to help manage risk, reduce volatility, enhance earnings, control aggregations and create capital efficiency.</p> <p>We also engage when we make recoveries.</p>	<p>Brit uses its appointed brokers for the majority of reinsurer interactions, allowing us to benefit from their expertise.</p> <p>Brit also engages directly with reinsurers. These tend to be with our largest reinsurance counterparties.</p>	<p>This engagement allows Brit to access up to date market information and a broad range of reinsurance counterparties and products, thereby effectively managing its risk appetite.</p> <p>When we make recoveries, such engagement helps to expedite the process.</p>

Investment managers

Why we engage	Form of engagement	Impact of engagement
<p>We manage the assets which support our underwriting and ensure that clients' claims can be paid. We manage those assets with a long-term view and aim to maximise return while controlling the level of market risk.</p> <p>We implement our investment strategy using the expertise of investment managers and we engage with them to monitor their performance, to ensure terms of the investment management agreements are met and to gain additional insights.</p>	<p>We have regular discussions with our managers to monitor performance and assess the outlook for investment markets. We also receive regular written investment reports.</p> <p>We have regular and ad-hoc discussions to review new investment opportunities. We also perform annual due diligence on their operational processes.</p> <p>Investment managers regularly present to the Investment Committee.</p>	<p>Engaging with our investment managers allows us to ensure that assets are managed within our risk tolerances and guidelines and that any changes are implemented in a timely fashion. Insights from our investment managers enhance our strategy and performance.</p> <p>Engagement allows us to discuss new opportunities, helps us understand their approach to ESG issues, validates the sustainability of our portfolio and helps us confirm assets are managed robustly and with effective controls in place.</p>

Capital providers

Why we engage	Form of engagement	Impact of engagement
<p>Working with third-party capital providers, primarily on Syndicate 2988, creates the opportunity to increase Brit's footprint and proposition to clients.</p> <p>Engagement with third-party capital providers also supports our growth strategy for those vehicles.</p>	<p>Brit regularly engages with current and prospective providers ahead of an underwriting year, to market Syndicate 2988, and to understand investor appetite. After an underwriting year incept, Brit formally meets each provider regularly to discuss performance, outlook and any other relevant matter.</p>	<p>Successful implementation of the Syndicate 2988 strategies is dependent on developing strong relationships with third-party investors. Such engagement helps facilitate this.</p> <p>The insight we gain from interactions and feedback helps us ensure that our propositions can continuously evolve in line with investor appetite.</p>

Members

Why we engage	Form of engagement	Impact of engagement
<p>Our aim is to provide long term sustainable value for our shareholder, Fairfax. Engagement ensures that our objectives are aligned and that our strategy, operating environment and performance are clearly understood.</p>	<p>Brit's ultimate shareholder is represented on the Brit Group Holdings Limited Board and there is regular contact between Brit executives and senior management and those of our shareholder.</p>	<p>This engagement helps ensure that Brit's strategy is aligned to and supported by our shareholder.</p> <p>It also presents us with underwriting and investment opportunities, including collaboration with other members of the Fairfax group.</p>

stakeholder engagement

Regulators

Why we engage	Form of engagement	Impact of engagement
<p>Regulators are key stakeholders and Brit's relevant Boards are pro-active in ensuring that Brit meets regulators' expectations around compliance, transparency and aligning the business with regulators' objectives.</p> <p>Brit engages with regulators to ensure that:</p> <ul style="list-style-type: none"> • We understand their regulatory objectives and how they apply to Brit; and • Regulators have a proper understanding of Brit's business model, strategy and risk appetite, and how they align to regulatory objectives. 	<p>Brit engages with its principal regulators through:</p> <ul style="list-style-type: none"> • Regular meetings between supervisory teams, key decision-makers and authorised persons at Brit, including Directors; • Sharing of key business updates and internal documents to ensure regulators have a thorough understanding of Brit's business; • Responding to thematic reviews and information requests; • Engaging with Lloyd's across the business including around business planning and compliance; and • Ensuring the relevant boards are kept up-to-date on regulatory matters as communicated by regulators. 	<ul style="list-style-type: none"> • The Periodic Summary and Close and Continuous supervision approach by the PRA enables Brit to respond promptly on any concerns or focus areas; • Engagement on thematic reviews and information requests enables Brit to contribute to regulators' understanding of the market; • Brit's regular engagement enables it to pro-actively plan its response to areas of regulatory focus, e.g. operational resilience; • Engagement assists Brit to meet the prudential and conduct standards required by regulators; and • Directors and employees understand their regulatory responsibilities.

Key suppliers

Why we engage	Form of engagement	Impact of engagement
<p>Supply chain integrity is critical as we rely on a number of key suppliers of goods and services to help us meet the needs of our customers and other stakeholders.</p> <p>On-going engagement helps us ensure that those needs are met and ensures that the standards set by those suppliers meet Brit's criteria.</p> <p>Such suppliers include providers of IT systems, claims management, professional services, facilities and travel providers.</p>	<p>Brit determines the risk of the potential engagement by investigating the potential spend value criticality of the services to be provided. Brit has a rigorous on-boarding process for new suppliers.</p> <p>Brit has strong partnerships with a number of critical suppliers, fostered by a range of activities including ongoing dialogue and meetings. We also engage with key suppliers in areas such as technical and product roadmaps, integration planning and disaster recovery.</p>	<p>Such supplier engagement enables us to:</p> <ul style="list-style-type: none"> • Provide a better service to, and satisfy the needs of, our stakeholders; • Enhance current operational processes, leading to better efficiencies and increased competitive advantage; • Comply with appropriate laws and regulations; • Improve the Company's technological resilience; and • Ensure the robustness and integrity of our suppliers, such as their compliance with the Modern Slavery Act 2015.

section 172(1) statement

Introduction

The Brit Group Holdings Limited Directors' key responsibility is to promote the success of the Company, and the broader Brit Group. This principle is embodied in the Board's terms of reference and is the cornerstone of their discussions and decision making. Each Director is cognisant that in discharging this key responsibility, they must have regard to:

- The likely consequences of any decisions in the long-term;
- The interests of the our employees;
- The need to foster the our business relationships with suppliers, customers and others;
- The impact of our operations on the community and environment;
- The desirability of maintaining our reputation for high standards of business conduct; and
- The need to act fairly between shareholders of the Company.

The Directors of Brit Group Holdings Limited consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act).

The Board's approach to section 172(1) and decision making

The Board's terms of reference, which are reviewed annually, clearly articulate the Board's responsibilities, the role of the Chair and matters reserved for the Board. They also set out which of the Board's powers and responsibilities may be delegated to other committees and the governance mechanisms by which the Board monitors those committees' activities and performance. The Chair ensures that these terms of reference are adhered to and, by doing so, ensures that Directors have due regard for all appropriate factors during the decision-making process.

Our strategy

The Board is responsible for a number of key strategic decisions, including approving the business plans, objectives and strategy of the Group. It is also responsible for managing Group capital, including the setting of Group Capital Policy and the recommendation of dividends to our shareholder.

The Group's strategy and business plans are approved annually by the Board. The Board also assesses how the strategy underpins long-term value creation, and on-going performance is discussed and monitored at Board meetings.

The Directors' assessment of long-term value creation also considers the Group's resilience. Directors monitor relevant underwriting, reserving, business, operational, credit, market and liquidity risk appetites and tolerances, and ensure the Group has an effective Risk Management Framework in place.

Board information

The Board receives regular information on a range of relevant topics, and receives information on other areas as requested by the Directors from time to time.

The Board receives regular formal reports on the operations and performance of the Group from the Group Chief Executive Officer and the Group Chief Financial Officer. The Board also receives regular reports from the chairs of the committees of the Board such as the Audit Committee, Remuneration Committee and Nomination Committee, and from the Chairs of its principal subsidiaries' boards including those of Brit Syndicates Limited and Brit Reinsurance (Bermuda) Limited. Each of these reports provides an update on areas necessary to help the Directors promote the success of Brit Group Holdings Limited.

In addition, the Board receives and considers a number of ad hoc or annual reports.

Our policies and practices

All relevant factors are appropriately addressed by the Board when considering matters reserved for it, as set out in its terms of reference.

The Board also ensures that appropriate consideration is given to relevant factors by the committees to which it delegates responsibilities. The Board reviews the terms of reference of such committees on an annual basis, and receives regular updates and reports from those committees' chairs.

The Board also reviews the Group's key policies on an annual basis, ensuring that all relevant considerations to assist it discharge its responsibilities are embedded in the key operations of the business. These policies help to promote the long-term success of the Group by focusing on areas such as the key operations of the Group.

The Board reviews its key stakeholder map on an annual basis. New key stakeholder relationships are identified through information received and considered by the Board on a regular basis, or through the Board's consideration and approval of substantial contracts and commitments.

Training

To assist the Directors in discharging their responsibilities, they are provided with on-going training and development opportunities. They have received a number of in-depth briefings on specific relevant issues.

For the wider workforce, there is a comprehensive staff development programme tailored to meet individual needs. Elements of this training are mandatory, with all staff required to successfully complete e-learning modules on key areas such as money laundering, bribery and corruption, data protection, fraud and cyber risk.

section 172(1) statement

Our culture

Building and maintaining the Group's reputation and its high standards of business conduct are essential to the future success of the Group. This is embedded in our culture.

Our brand purpose informs everything we do, from how we communicate, to how we develop and deliver our services, to how we work together.

The Group also maintains a 'Code of Conduct' setting out the standard we expect from all of our staff. This is regularly reviewed and updated, and compliance is attested to by each employee on an annual basis.

Our people

Our people are key to our success. How we engage with them and how we invest in them is set out on pages 39 to 40.

Our stakeholders

The Board recognises the importance of engaging with its broader stakeholder base. The Group's key stakeholders, as identified by the Board, are set out on pages 48 to 50, together with why and how we engage with them and the outcomes of that engagement.

Community and environment

The Board recognises the importance of not only generating value for our shareholder but also to contribute to wider society. We do this through a number of initiatives, as set out on page 40. We also monitor and manage our environmental impact, as set out on page 41.

Key decisions made by the Directors during the year

Capital restructuring

In April, the Board considered the recommendations of a capital structure review and approved the introduction of \$519.8m of long-term senior debt.

The Board considered the Group's current capital position, its growth plans and targets, and potential higher market volatility. It also considered the impact of effective cycle management on the Group's capital requirements, and the need to respond to market opportunities as they arise. The Board concluded that additional capital was required to support the delivery of these objectives. The Board also considered the most appropriate nature of this additional capital. It considered the relative merits of equity capital, bank borrowing and long-term debt, and considered the Group's low gearing levels. It also considered the views of the Group's shareholder. The Board concluded that long-term debt was the most appropriate instrument.

Revolving credit facility (RCF) amendment and restatement

In April, the Board considered and approved a proposal to amend the Group's undrawn RCF, reducing the facility from \$550.0m to \$415.0m, and the extension to the facility from 31 December 2027 to 31 December 2029.

The Board considered actual and potential overall borrowing levels and limits following the decision to introduce long-term senior debt, the Group's future requirements and the Group's strong liquidity position. It also considered the views of the Group's shareholder.

Capital reorganisation

In July, the Board considered and approved a capital reorganisation. It agreed to reduce the share premium account, and increase retained earnings, by \$400.0m.

The Board considered the Group's strong capital position, overall level of retained earnings and dividend paying capacity, overall capital structure, business plans, and the need for future financial flexibility. It also considered the views of the Group's shareholder.

Capital Policy

In July, the Board considered and approved the Group Capital Policy.

In reviewing and approving the policy, the Board considered regulatory requirements in each of the jurisdictions in which the Group operates, and the internal and external reporting bases and requirements. It also ensured the policy facilitated an appropriate framework for managing the Group's capital requirements. In addition, the Board considered the interests of the Group's stakeholders.

2025 Interim Report

On 30 July 2025, the Board approved the Group's 2025 Interim Report, the first consolidated financial report relating to the new Brit Group Holdings Limited group.

It considered and approved the Group's key accounting policies, and areas of key estimates and judgement, and ensured they were aligned to shareholder expectations. The Board also considered the claims reserves held by the Group's underwriting entities, and were mindful of the importance of those entities maintaining the policy of reserving on a best estimate basis with a risk adjustment. This policy provides robust security to our policyholders, while ensuring the long-term financial strength of the Group, thereby protecting the interests of our key stakeholders including our clients, members and employees.

2026 Brit Group business plan and capital requirements

In November, the Board reviewed and approved the 2026 business plan. The plan included the Group's underwriting and investment strategy, together with the capital needed to support the plan.

The Directors considered the Group's immediate and longer-term strategic priorities, together with the risks facing the business. They also considered the needs and expectations of the Group's shareholder, the interest of its clients and employees, and those of the wider stakeholder group. After due discussion, the Board concluded that the plans and attaching capital positioned the Group well for 2026 and the longer term.

Tax strategy

In November, the Board reviewed and approved the Group's tax strategy and approved its publication on the Brit website.

In reviewing and approving the tax strategy, the Board considered the Group's statutory obligations. It also ensured the strategy and policy enabled the Group to meet expectations around tax governance and risk management, and ensured they facilitated an appropriate framework for managing the Group's tax risks. In addition, the Board considered the interests of stakeholders, primarily those of the Group's shareholder.

Dividends

In December, the Board approved a dividend of \$236.0m.

In considering this decision, the Board assessed the Group's ongoing underwriting strategy and capital requirements, its capital policy, and its obligation to act fairly between members. The Board also liaised closely with the Group's shareholder with regard to the dividend payments.

BRIT



governance

Directors' Report

This report sets out other information of interest to our shareholder. It includes information on our shareholder, the Directors' responsibility statement and the Directors' statement on going concern.

Corporate Governance Report

This report explains our governance framework.

Modern Slavery and Human Trafficking Statement

This statement sets out the steps taken by us to ensure that slavery and human trafficking are not taking place in our supply chains or in any part of our business.

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directors' report

The Directors present their report together with the audited financial statements for the year ended 31 December 2025.

Principal activities, review of business and other disclosures

Details of the Company's principal activities and a review of the business, including how the business environment is likely to affect its future development and performance, are included in the Strategic Report.

Directors

The following Directors held office during the financial year:

Mr Gordon Campbell – Independent Non-executive Director (Chair) *(appointed 21 January 2025)*

Mr Martin Thompson – Group Chief Executive Officer *(appointed 21 January 2025)*

Mr Gavin Wilkinson – Group Chief Financial Officer *(appointed 2 October 2024)*

Mr Simon Lee – Independent Non-executive Director *(appointed 21 January 2025)*

Mr Michael Wallace – Non-executive Director *(appointed 21 January 2025)*

Ms Andrea Welsch – Independent Non-executive Director *(appointed 21 January 2025)*

Mr Jean-Jacques Henchoz – Independent Non-executive Director *(appointed 01 May 2025)*

Mr Antony Usher – Executive Director *(resigned 24 January 2025)*

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires that the Directors prepare financial statements for each financial year. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit and loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors confirm that, to the best of their knowledge:

- The consolidated financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group;
- The Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 102, give a true and fair view of the assets, liabilities and financial position of the Company; and
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

Dividends

A \$236.0m dividend was paid to the sole shareholder on 18 December 2025.

Share capital

The Company's share capital comprises 1,000 Ordinary Shares of £1.00 nominal value each, which is fully paid.

Shareholder

The Company's sole shareholder is Fairfax UK Holdings Limited.

Significant agreements

The following agreement, which was in force at 31 December 2025, may be terminated on a change of control of the Company.

Revolving credit facility

The Group has a syndicated revolving credit facility (RCF) which provides for \$415.0m of committed multi-currency financing. The RCF was refinanced on 16 May 2025, reducing the total facility from \$550.0m and extending the term by two years to 31 December 2029, with options to extend to December 2030 or December 2031.

The facility contains a standard change of control provision under which, upon the occurrence of a change of control of the Company, lenders may refuse to fund utilisation requests, cancel their commitments, and require immediate repayment of all outstanding amounts.

At 31 December 2025, there were no cash drawings on the facility (2024: \$nil) and no letter of credit in place (2024: \$nil). At the date of this report, these borrowings remain unchanged.

Employment

We employ a truly diverse, genuinely inclusive work environment. We comfortably and confidently bring our authentic selves to work, because we know we'll be respected, valued and accepted, whoever we are. Our Employee Resource Groups (ERG) are safe spaces for people to share their experiences, aspirations and suggestions about how we do things. Employees are encouraged to join our ERGs, which represent gender equality, LGBTQ+ and trans experiences, mental health, neurodiversity, visible and non-visible disabilities and race and belonging.

We have four pillars which represent our vision for inclusion and diversity at Brit:

- Our colleagues consider us to be a progressive organisation which demonstrates its commitment to inclusion and diversity both across the business and in our sector.
- We have a robust recruitment process to ensure we attract and recruit the best talent from a diverse talent pool and we make sure candidates are given an equitable playing field regardless of their identity or characteristic.
- We are an organisation that accepts, recognises, encourages, celebrates and promotes diversity in all its forms and adopts a zero-tolerance approach to all forms of discriminatory and non-inclusive behaviour.
- Our leadership and management populations act as role models and allies, actively raising awareness, challenging prejudice and demonstrating best practice approach regarding inclusion and diversity at Brit.

We encourage employees to speak up on any matters that concern them and have policies and processes to support and encourage this.

We provide a competitive remuneration and benefits package. This is kept under constant review to make sure it stays relevant. We also understand the power of 'thank you', so we make a point of acknowledging and rewarding extraordinary effort and achievement by teams or individuals. Our Employee Share Ownership Plan provides an opportunity for employees to be involved in the Company's performance.

Energy consumption and greenhouse gas emissions

Brit's energy consumption and greenhouse gas emissions, and its related strategy, are discussed on pages 44 to 45

Political donations

Neither the Company nor any of its subsidiaries made any political donations during the year (2024: \$nil).

Disclosure of information to the Group's and Company's auditor

In accordance with the provisions of section 418 of the Companies Act 2006, each of the persons who are Directors of the Company at the date of approval of this report confirms that:

- So far as the Director is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware; and
- The Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any

relevant audit information (as defined) and to establish that the Company's auditor is aware of that information.

External Auditor

PricewaterhouseCoopers LLP remain in office as the Group's and Company's auditor.

PricewaterhouseCoopers LLP was first appointed external auditor of the Company for the financial year ended 31 December 2024 by the directors and continues in office for the financial year ended 31 December 2025 following approval by our shareholder, in accordance with section 485 of the Companies Act 2006. PricewaterhouseCoopers LLP's uninterrupted engagement covers two financial years, and includes eight financial years as auditors of a predecessor entity.

Going concern

As part of its going concern assessment, the Board considered:

- **Brit's baseline 2026 financial plan and 2026 outlook:** While Brit expects premium rates reduction to continue during 2026, attractive margins remain in many areas of our underwriting portfolio. We anticipate modest growth within areas where conditions are most favourable and a reduced appetite where the market is more challenging.
- **Catastrophe exposure management:** The Directors assessed the Group's aggregate exposure to natural catastrophe risk within the 2026 plan by reference to the Cat Risk Management Framework and associated risk appetite. The framework defines the Group's catastrophe risk appetite relative to Shareholders' Equity using 1-in-250 Occurrence Exceedance Probability (OEP) metrics, calibrated for prevailing market conditions and pricing adequacy. Within this appetite, catastrophe capacity is allocated across underwriting teams based on available underwriting terms, pricing margin and relative risk-return characteristics. By proactively adjusting its risk profile, the Group aims to preserve profitability and financial resilience in changing market conditions.
- **Brit's recent underwriting performance:** During 2025, Brit continued to demonstrate the strength of its business with a combined ratio before the effects of discounting of 89.3%. This strong ratio is partly driven by market conditions, together with Brit's management of its underwriting portfolio. Brit's comparable 2024 combined ratio of 85.3% also reflected a robust underwriting performance. In considering underwriting performance, the Directors were able to assess the underlying quality of the underwriting portfolio and its reflection in the 2026 plan.
- **Market conditions:** In 2025, Brit experienced risk adjusted rate changes (RARC) of -4.8%, reflecting increased market competition with capacity outstripping demand. While rate reductions have been experienced, healthy margin remains in many lines of business, and we continue to underwrite for profit, not top-line income.
- **Brit's reserving policy and track record:** Brit has a policy of reserving on a best estimate basis and, under IFRS 17,

directors' report

carrying an explicit risk adjustment above that estimate. This policy has led to modest releases in the current and prior financial years. This reserving approach, which has been adopted unchanged for the 2026 plan, has demonstrated the robustness of Brit's approach.

- **Investment market conditions and outlook:** The Directors considered the current economic environment, and concluded it was appropriately reflected in the 2026 plan.
- **Liquidity:** The Directors considered the liquidity position of the Group. The Group ended 2025 in a strong position, with cash and cash equivalents of \$578.8m on a look through basis. The Directors also considered the duration of the investment portfolio and the forecast yields for 2026. The Directors also noted the availability of the \$415.0m Revolving Credit Facility to 31 December 2029. Brit's 2026 plan envisages the Group's strong liquidity position continuing in 2026.
- **Risk and risk management:** The Board considered the risks faced by Brit, and the management of those risks, including emerging risks such as those arising from climate change, US tariffs and geopolitical tensions, the global economic environment and insurance market trends. These risks are discussed in more detail on pages 32 to 37 and in Note 4 to the financial statements.

A review of the financial performance of the Group is set out on pages 20 to 27. The financial position of the Group, its cash flows and borrowing facilities are set out on pages 29 to 31.

After assessing the evidence from the reviews performed, the Directors concluded they have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The ability of the Company to continue as a going concern is contingent on the operational existence of the Group. The Directors therefore continue to adopt the going concern basis in preparing the Group and Company financial statements.

Information included in the Strategic Report

The information below is not shown in the Directors' report because it is shown in the Strategic Report instead under s414C(11).

- **Future developments of the business**
Disclosures regarding future developments of the business can be found on pages 17 to 19.
- **Employee engagement**
Disclosures regarding employee engagement can be found on pages 39 to 40.
- **Stakeholder engagement**
Disclosures regarding stakeholder engagement can be found on pages 48 to 50.
- **Charitable donations**
Disclosures regarding charitable donations can be found on page 40.
- **Financial instruments**
Details of the Group's Risk Management Framework supporting our investment in financial instruments is set out on pages 32 to 37.
- **Environmental related disclosures**
Disclosures regarding environmental matters can be found on pages 41 to 45.
- **Non-Financial and Sustainability Information Statement (NFSIS)**
Disclosures regarding NFSIS can be found on pages 46 to 47.
- **Streamlined Energy and Carbon Reporting (SECR)**
Disclosures regarding SECR can be found on page 45.

By order of the Board

Martin Thompson
Group Chief Executive Officer

26 February 2026

Brit Group Holdings Limited – 15884169

corporate governance report

This corporate governance statement is prepared in accordance with Disclosure Guidance and Transparency Rule 7.2.

Corporate Governance Policy

The governance arrangements adopted by the company concern the management of the Brit group of companies (Brit Group).

The company is not required to comply with any published corporate governance code and does not do so voluntarily. Instead, the company welcomes the flexibility to design, adapt and report against its corporate governance arrangements to suite its individual circumstances – including strategy, ownership structure and stakeholder network. The provisions of the published corporate governance codes are considered within that process.

Board of Directors

The Board of directors comprises:

- **Gordon Campbell** (independent non-executive) – Chair
- **Jean-Jacques Henchoz** (independent non-executive)
- **Simon Lee** (independent non-executive)
- **Mike Wallace** (non-executive)
- **Andie Welsch** (independent non-executive)
- **Martin Thompson** (Chief Executive Officer), and
- **Gavin Wilkinson** (Chief Financial Officer)

As outlined above, the Board comprises seven directors – two of whom are executive and five non-executive. Four of those non-executives are considered to be independent, while the fifth (Mike Wallace) is a representative of the ultimate shareholder, Fairfax. The composition ensures that executive management of the group is both guided and challenged by the ultimate shareholder and independent perspectives.

The primary responsibility of the Board is to review and oversee the achievement of group strategy and governance. In doing so, the Board ensures that the group is appropriately capitalised to support that strategy, and that material risks threatening its achievement are appropriately managed. Inherent in the latter is oversight of the group's internal control and compliance frameworks.

The Board meets quarterly and at such other times as required.

Chair of the Board

The chair of the Board is ultimately responsible for the Board's performance. In doing so, they manage and draw on the membership of the Board to ensure discussions benefit from an appropriate balance of executive leadership, independent non-executive challenge and an appreciation of stakeholder expectations. Further, with the assistance of the Company Secretary, the chair ensures that the Board has the resources and procedures it needs to operate effectively. To assist with these responsibilities, the chair periodically commissions a review of the Board's performance (as below).

Audit Committee

The Audit Committee comprises:

- **Gordon Campbell** (independent non-executive) – Chair
- **Andie Welsch** (independent non-executive)
- **Caroline Ramsay** (independent member)

In line with Disclosure Guidance and Transparency Rule 7.1, the Audit Committee comprises independent non-executive directors; at least one member with accounting or auditing experience; and a membership which, as a whole, has competence in the sector which the company operates. Caroline Ramsay is a member of the committee in her capacity as chair of the Audit Committee for Brit Syndicates Limited – a material subsidiary of the company. This arrangement improves connectivity between those committees – allowing for better oversight of matters material to the group.

The Audit Committee is responsible for:

- overseeing the effectiveness of the group internal control framework, which includes continuous monitoring of its performance and an annual review of its structure.
- overseeing the effectiveness of the group internal audit framework, which includes an annual review of the Internal Audit policy; active engagement in the Internal Audit Plan; the monitoring of internal audit findings, and collaboration with the Head of Internal Audit (including assessments of their ongoing independence). The Audit Committee periodically meets with the Head of Internal Audit in the absence of management.
- managing the relationship with the external auditor, which includes engagement in external audit planning procedures and the review of external audit findings. The Audit Committee periodically meets with the external audit partner in the absence of management, and
- monitoring the integrity of the group's financial statements, which is supported by the above assurance activities and ongoing review of material accounting policies and judgements.

The Audit Committee meets quarterly and at such other times as required. The committee reports into the Board after each meeting.

Remuneration Committee

The Remuneration Committee comprises:

- **Gordon Campbell** (independent non-executive) – Chair
- **Simon Lee** (independent non-executive)
- **Mike Wallace** (non-executive)
- **Martin Thompson** (Chief Executive Officer)

The committee contains one executive director and three non-executive directors. Two of those non-executives are independent while one is a representative of the ultimate shareholder, Fairfax. The composition ensures that remuneration discussions are informed by both executive management and shareholder expectations, yet subject to independent guidance and challenge.

corporate governance report

The Remuneration Committee is responsible for setting the remuneration policy of the group and the remuneration of executive directors. Remuneration is designed to be fair and to promote the achievement of group strategy. No director is involved in setting their own remuneration.

The Remuneration Committee meets biannually and at such other times as required. The committee reports into the Board after each meeting.

Nominations Committee

The Nominations Committee comprises:

- **Gordon Campbell** (independent non-executive) – Chair
- **Simon Lee** (independent member)
- **Mike Wallace** (non-executive)
- **Martin Thompson** (Chief Executive Officer)

The composition of the Nominations Committee is aligned to that of the Remuneration Committee, supported by the same rationale. Further, the chair of the Board occupies the chair of the Nominations Committee in support of their responsibility to manage the effectiveness of the Board – and Simon Lee is a member of the committee to similarly support his responsibilities as the chair of Brit Syndicates Limited.

The Nomination Committee leads the appointment of directors to the company and material subsidiaries, including Brit Syndicates Limited. As part of that role, the committee periodically assesses Board and committee composition against the skills and experiences required to achieve group strategy. The findings from those reviews are incorporated into succession planning.

The Nomination Committee meets biannually and at such other times as required. The committee reports into the Board after each meeting.

Effectiveness Reviews

The Board and Board committees are subject to periodic internal and external review. The most recent review was conducted internally in April 2025 and concluded that the Board and its committees continue to operate effectively. The last external review was conducted in February 2024, which similarly supported the effectiveness of the Board and committees, while proposing a number of enhancements. Those enhancements were implemented in full.

Board Diversity Policy

The Board have adopted a Diversity Policy applying to itself and its committees.

A clear and effective culture is a strategic imperative for the Brit Group. It enables the business to achieve its objectives by fostering collaborative and efficient ways of working. Diversity catalyses those benefits – allowing different perspectives to develop into new and innovative solutions. The aim of the Board Diversity Policy is reflective of the group position and aims to enhance the breadth and depth of boardroom discussion by ensuring directors offer varying perspectives.

The Board Diversity Policy articulates how the roles and responsibilities of the Nominations Committee ensure diversity. Specifically, it notes their role in:

1. assessing the composition of the Board and its committees against the range of qualities and experience required to deliver long-term strategy. As that strategy is reflective of the external environment (including its diversity), the qualities and experience required for its delivery are similarly reflective, and
2. ensuring the Board and its committees are subject to appropriate succession and renewal arrangements, to allow findings from composition assessments to be implemented.

These processes were fundamental to the appointment of Jean-Jacques Henchoz to the Board of Brit Group Holdings Limited and Brit Syndicates Limited in May 2025, where the Nominations Committee considered his extensive global experience across the reinsurance industry to complement and widen existing Board perspectives and support the business's strategic direction. The above processes have also been fundamental in developing succession plans for non-executive directors more widely.

The Nominations Committee recognises that the above processes should be operated in consideration of the principles and provisions of published corporate governance codes and in accordance with applicable statutory and regulatory obligations

Executive Management

Aside from the functions reserved to the Board or otherwise delegated to committees of the Board, all management functions are delegated to the Chief Executive Officer. In turn, the Chief Executive Officer delegates authority to the executive team, and operates the Executive Committee to manage that arrangement. These arrangements create clear accountability.

By order of the Board

Joe Marinelli
Company Secretary

26 February 2026

modern slavery and human trafficking statement

This statement sets out the steps taken by Brit Group Holdings Limited to ensure that slavery and human trafficking are not taking place in our supply chains or in any part of our business. Slavery and human trafficking can occur in many forms, such as forced labour, child labour, domestic servitude, sex trafficking and workplace abuse. Given the nature of the work that we do, we believe that there is a low risk of slavery or human trafficking having any connection with our business. We must, however, not be complacent, and all staff have a responsibility to be aware of any risks in our business and in our wider supply chains and report any concerns to senior management.

Our business

At Brit, we provide highly specialised insurance products to support our clients across a broad range of complex risks. We have a major presence in Lloyd's of London (Lloyd's), the world's specialist insurance market provider, and a significant US and international reach. We have local offices in Bermuda, India, South Africa and Japan.

We operate globally via our own international distribution network and broker partners. The average number of employees working at Brit during 2025, including non-executive Directors, was 789 and the result after tax in 2025 was a profit of \$651.8m.

Our supply chains

We source our business through trading relationships with Lloyd's brokers, wholesale brokers, retail agents and reinsurance intermediaries. Most of our reinsurance business is sourced through global reinsurance brokers.

We require that contractual agreements with third-party suppliers contain obligations to ensure compliance with the Modern Slavery Act 2015.

Our Global Procurement and Outsourcing Policy ensures that information around our requirements is detailed and available to our wider business.

Our policies on slavery and human trafficking

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. We believe in paying people fairly and properly for their work. This policy reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains.

Due diligence processes for slavery and human trafficking

As part of our initiative to identify and mitigate risk we have in place systems to:

- Identify and assess potential risk areas in our supply chains. We give all suppliers a copy of this statement and request a copy of their statement (if they are required to have one);
- Mitigate the risk of slavery and human trafficking occurring in our supply chains. We set clear expectations for our suppliers by informing them of our Code of Conduct, which states 'Brit does not tolerate modern slavery or any form of human trafficking within its business or supply chains.

Brit does not allow harsh or inhumane treatment and we expect our suppliers to share our values';

- Monitor potential risk areas in our supply chains. Staff are encouraged to report any concerns to senior management and there is a risk register operated by the Head of Operational Risk to record any such concerns;
- Ensure appropriate recruitment practices are carried out, using reputable employment agencies. We verify the practices of any new recruitment agency as part of our terms of business with them and before accepting any candidates and temporary workers from that agency. We also request a copy of the agency's modern slavery statement (if it is required to have one). We ask any agency supplying us with candidates to conduct verification checks on those individuals (including verification of identity, references, evidence of qualifications and criminal and financial checks). We also carry out more detailed pre-employment screening which include criminal and credit checks, media searches and regulatory checks as required for all future joiners; and
- Protect whistleblowers. At Brit, workers, customers and suppliers are encouraged to report any concerns related to our activities or supply chains. This includes circumstances which may give rise to increased risk of slavery or human trafficking. Our whistleblowing procedure is designed to make it easy for people to make disclosures without fear of retaliation.

Key Performance Indicators

Several key performance indicators are collated from across the business to measure the effectiveness of existing processes and controls and performance against specific appetites as set by the Board and/or management. These KPIs are proportionate to the risk profile of the Group and where applicable, include Modern Slavery and Human Trafficking considerations (e.g. the completion rate of staff mandatory training measures the completeness of all new starter training modules, of which Modern Slavery and Human Trafficking is one).

Training

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we provide appropriate training to members of staff.

Our commitment

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our Group's slavery and human trafficking statement for the financial year ending 31 December 2025.

This Modern Slavery and Human Trafficking Statement is reviewed by Brit's Board of Directors at least annually and may be amended from time to time.

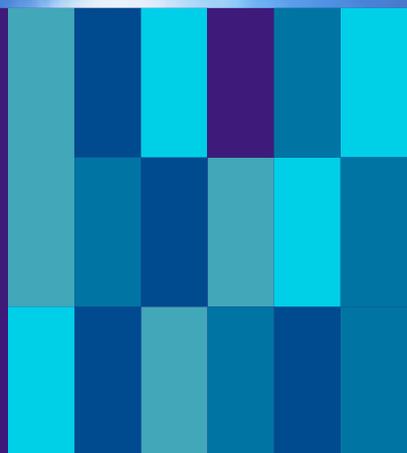
By order of the Board

Martin Thompson
Chief Executive Officer

26 February 2026



BRIT



financial statements

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Independent auditors' report to the members of Brit Group Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- Brit Group Holdings Limited's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2025 and of the group's profit and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise:

- the Consolidated Statement of Financial Position as at 31 December 2025;
- the Parent Company, Statement of Financial Position as at 31 December 2025;
- the Consolidated Income Statement for the year then ended;
- the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Statement of Cash Flows for the year then ended;
- the Consolidated Statement of Changes in Equity for the year then ended;
- the Parent Company, Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 12 of the group financial statements, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Context

Brit Group Holdings Limited was incorporated on 7 August 2024 as a direct subsidiary of Fairfax UK Holdings Limited (formerly Brit Limited until 11 March 2025). 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.

With effect from 22 January 2025 Brit Group Holdings Limited was substituted in place of Brit Limited as issuer and principal debtor of the listed subordinated debt notes that are denominated in GBP and listed on the London Stock Exchange. Accordingly, Brit Group Holdings Limited is now required to file consolidated financial statements with the London Stock Exchange.

This is Brit Group Holdings Limited's first set of consolidated financial statements since the Brit group restructuring (note 2.1) and the transfer of listed debt referenced above. Prior to this date, the corresponding figures disclosed in these consolidated financial statements for the year ended 31 December 2024 formed a part of the consolidated financial statements of Brit Limited. The corresponding figures of these consolidated financial statements have therefore not been subject to a statutory audit in accordance with the United Kingdom Companies Act 2006. However, the Brit Limited consolidated group financial statements for the year ended 31 December 2024, of which the Brit Group Holdings Limited figures formed a part, were audited and an unqualified opinion presented.

Overview

Audit scope

- Brit is a global specialty insurer and reinsurer, present in Lloyd's of London with operations in Bermuda, and writes insurance business internationally. The group maintains a finance team within the UK and utilises shared service centres within the wider Fairfax group;
- Our audit scope has been determined to provide coverage of all material financial statement line items. We performed full scope audit procedures over one of the group's components, namely the Lloyd's segment (comprising Lloyd's syndicate 2987 and the group's share of Lloyd's syndicate 2988). Shared service auditors were engaged to carry out audit testing and provide coverage, under the direction and supervision of the group team, over the group's IFRS 17 calculation system and certain investment balances. In addition, we have ensured appropriate coverage has been obtained over the Brit Group Holdings Limited group's consolidation adjustments;
- For certain other components, we performed audit procedures over specified financial statement line item balances; and
- For the remaining components that were not inconsequential, analytical procedures were performed by the group engagement team.

Key audit matters

- Valuation of the liability for incurred claims and the corresponding asset for incurred claims (group)
- Valuation of estimated premium receipts (group)
- Valuation of shares in group undertakings (parent)

Materiality

- Overall group materiality: \$29.5m based on 1% of insurance revenue (rounded down).
- Overall company materiality: \$15.6m based on 1% of total assets (net of intercompany assets) (rounded down).
- Performance materiality: \$22.1m (group) and \$11.7m (company) (rounded down).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Independent auditors' report to the members of Brit Group Holdings Limited

Key audit matter

Valuation of the liability for incurred claims and the corresponding asset for incurred claims (group)

See notes 2.5.1, 3.2.1, 3.3.1 and 18 of the group financial statements for disclosures of related accounting policies, judgements and estimates.

The Liability for Incurred Claims (LIC) and the corresponding Asset for Incurred Claims (AIC) are inherently uncertain and contain material estimates.

The most subjective element of the LIC and the AIC continues to be the incurred but not yet reported (IBNR) claims cash flows, which form part of the LIC, and the associated reinsurers' share of IBNR claims cash flows, which form part of AIC.

Management bases these estimates on the estimated ultimate cost of all claims, together with estimates of the related claims handling costs. These estimates can be materially impacted by numerous factors including:

- the underlying volatility attached to estimates for certain classes of business, where small changes in assumptions can lead to large changes in the levels of the estimate held;
- the risk of inappropriate assumptions used in determining current year estimates, especially for 'long-tailed' classes of business;
- the risk that key assumptions in respect of natural catastrophes and other large claim losses are inappropriate, particularly as they can be based on limited data; and
- the determination of discount rates (including the choice of illiquidity premium) and payment patterns used to derive the cash flows for incurred claims.

The valuation of AIC is uncertain due to the significant degree of judgement applied in valuing the underlying insurance contracts that have been reinsured, the complexity of the application and coverage of the reinsurance programme.

The LIC and AIC also include the risk adjustment to reflect the management's view of the compensation that it requires for bearing uncertainty about the amount and timing of cash flows from non-financial risks.

Given the inherent uncertainty and the judgement involved in the determination of the LIC and the AIC this was a focus area in our audit.

How our audit addressed the key audit matter

We tested the group's best estimates of the LIC and the AIC focussing specifically on the IBNR claims cashflows. We performed our work with the assistance of our actuarial specialists. Specifically:

- We understood, assessed and tested the design and operating effectiveness of key controls over the group's estimation of ultimate claims and the associated reinsurance recoveries. This included the review and approval of the ultimate claims and the associated reinsurance recoveries;
- We developed a point estimate of ultimate claims and the associated reinsurance recoveries related to non-catastrophe claims. We used our point estimates to challenge management's estimates;
- We understood the approach used to establish the ultimate claims and the associated reinsurance recoveries in relation to catastrophe events and the consistency of its application across the group. We tested the process by which management identified exposed insurance contracts and assessed key assumptions used by management. For catastrophe events that occurred in prior years we tested notifications received, payments made and assessed the assumptions made by management supporting the remaining best estimate liability and associated reinsurance recoveries. In concluding on the reasonableness of management's estimates in this area, we also considered PwC's market view for major events;
- We tested the underlying source data including ultimate premiums, claims incurred, claims payments, reinsurance purchases and reinsurance recoveries to supporting documentation; and
- We tested the application of the earning patterns and the claims payment patterns which are used to convert the ultimate claims and the associated reinsurance recoveries into the incurred best estimate liability/asset fulfilment cash flows, including those related to IBNR.

Furthermore:

- We assessed the appropriateness of the policy applied to determine the risk adjustment and tested the derivation of the adjustment made in respect of the LIC and the AIC accordingly; and
- We assessed the reasonableness of the yield curves used to discount the LIC and the AIC (inclusive of the risk adjustment) and conducted testing to ensure that the yield curves had been applied accurately.

Based on the work performed, the valuation of the LIC and the AIC were consistent with the evidence obtained.

Key audit matter

Valuation of estimated premium receipts (group)

See notes 2.5.1, 3.2.1, 3.3.1 and 18 of the group financial statements for disclosures of related accounting policies, judgements and estimates.

Insurance revenue in each reporting period represents the change in the Liability for Remaining Coverage (LRC) that relates to services for which the group expects to receive consideration. The associated estimated premium receipts ('estimated ultimate premiums') could be adjusted to alter the recognition of insurance revenue over time leading us to focus on this area in our audit.

Estimated ultimate premiums are formed by applying assumptions about past events, current conditions and forecasts of future conditions. These estimates are particularly uncertain where business is conducted through a delegated underwriting authority arrangement (DUA).

How our audit addressed the key audit matter

We tested the group's estimated ultimate premiums by undertaking the following work:

- We understood, assessed and tested the design and operating effectiveness of the governance and controls over the monitoring of estimated ultimate premium amounts;
- We performed a retrospective review for the 2024 and prior underwriting years to assess management's historical accuracy in estimating ultimate premiums;
- We developed a point estimate of the 2025 and 2024 underwriting years' ultimate premiums based on historical signing ratios and, assisted by our actuarial specialists, challenged management on the basis for their estimates;
- Assisted by our actuarial specialists, we reprojected estimated ultimate premiums by class of business and by underwriting year for the 2023 and prior underwriting years, challenging management to provide explanations where differences were identified;
- We tested the current calendar year data used in developing the point estimates and the actuarial projections noted above to source systems, and tested the historical data was consistent year-on-year; and
- We tested the conversion of the estimated ultimate premiums to fulfilment cashflows and tested the change in the LRC over the period, including amounts recognised within insurance revenue.

Based on the above procedures, the estimated ultimate premiums, the change in LRC over the period, and therefore insurance revenue, were found to be consistent with the evidence obtained.

Independent auditors' report to the members of Brit Group Holdings Limited

Key audit matter

Valuation of shares in group undertakings (parent)

See notes 1.2 and 3 of the parent company financial statements for disclosures of related accounting policies, judgements and estimates.

In the company's statement of financial position, the shares in group undertakings are reported at cost less impairment. Management carry out an impairment assessment on an annual basis which requires judgement and the application of underpinning assumptions and as such this was a focus for our audit.

How our audit addressed the key audit matter

We performed the following audit procedures to assess the valuation of the shares in group undertakings:

- We obtained management's impairment indicator assessment; and
- We challenged management's impairment indicator assessment taking into consideration our understanding of the group's undertakings, the underlying businesses, their financial condition and trading performance and the broader results of the group audit.

Based on these procedures, the valuation of the shares in group undertakings was found to be consistent with the evidence obtained.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

Brit is a global specialty insurer and reinsurer, present in Lloyd's of London with operations in Bermuda, and writes insurance business internationally. The group is structured into five segments (see Note 5 to the consolidated financial statements) and is a consolidation of a number of separate legal entities. The group maintains a finance team within the UK and utilises shared service centres within the wider Fairfax group.

For the purposes of the group audit, a full scope audit was performed over one significant component located in the United Kingdom, namely Lloyd's (comprising Lloyd's syndicate 2987 and the group's share of Lloyd's syndicate 2988). Shared service auditors were engaged to conduct audit testing and provide coverage over the group's IFRS 17 calculation system and certain investment balances.

For certain other components, we identified account balances which were considered to be significant in size or audit risk at the financial statement line item level in relation to the consolidated financial statements, and performed financial statement line item audit procedures over these specified balances.

In addition, we have ensured appropriate coverage has been obtained over the Brit Group Holding Limited group's consolidation adjustments. Analytical procedures over the remaining components that were not assessed as inconsequential were performed by the group engagement team.

In establishing our overall approach to the group audit, we determined the type of work that needed to be performed by us, as the group engagement team, or by the auditors of the shared service centres. Where the work was performed by auditors at the shared service centres, we determined the level of involvement we needed to have in the audit work over the IFRS 17 calculation system and the investment balances to be able to conclude whether sufficient appropriate audit evidence had been obtained. The group engagement team had regular interaction with the shared service centre auditors during the audit process. The engagement leader and senior members of the group engagement team reviewed, in detail, all reports with regards to the audit approach and findings submitted by the shared service centre auditors. This, together with additional procedures performed at the group level, as described above, gave us the evidence we needed for our opinion on the consolidated financial statements as a whole.

The parent company, Brit Group Holdings Limited, is a UK based holding company wholly owned by Fairfax Financial Holdings Limited. The company maintains a finance team within the UK. We have performed a full scope audit of the parent company, taking into account our determination of materiality and the risks of material misstatement of the company's financial statements.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the group's and company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risks. We assessed the consistency of the disclosures related to climate risk within the Annual Report against the knowledge obtained from our work. Our procedures did not identify any material impact as a result of climate risk on the group's and company's financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - group	Financial statements - company
<i>Overall materiality</i>	\$29.5m.	\$15.6m.
<i>How we determined it</i>	1% of insurance revenue (rounded down)	1% of total assets (net of intercompany assets) (rounded down)
<i>Rationale for benchmark applied</i>	In determining our materiality, we have considered financial metrics which we believe to be relevant to the primary users of the consolidated financial statements. We concluded a revenue based metric was most relevant to the users. A revenue based metric provides a good representation of the size and complexity of the group's business and it is not distorted by insured catastrophe events to which the group is exposed or to the levels of external reinsurance purchased by the group.	Due to the nature of the parent company's operations (a holding company) total assets (net of intercompany assets) is an appropriate and generally accepted benchmark.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was \$0.5m to \$28.0m (rounded down). Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to \$22.1m for the group financial statements and \$11.7m for the company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount in the middle of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above \$1.47m (group audit) and \$0.78m (company audit) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Inspecting management's going concern analysis as it related to the group's and the company's going concern;
- Evaluating management's analysis and supporting documentation, taking into consideration the results of our audit work; and
- Assessing the disclosures made in the financial statements in respect of going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent auditors' report to the members of Brit Group Holdings Limited

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of regulatory principles, such as those governed by the Prudential Regulation Authority and the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and UK tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journals and management bias in accounting estimates. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work.

Audit procedures performed by the group engagement team and/or component auditors included:

- Discussions with the Board, management, internal audit and the compliance function, including consideration of known or suspected instances of non-compliance with laws and regulations, and fraud;
- Assessment of matters reported on the Group's whistleblowing helpline and management's investigation of such matters;
- Reviewing relevant meeting minutes;
- Testing and challenging, where appropriate, the assumptions and judgements made by management in their significant accounting estimates;
- Identifying and testing journal entries identified as potential indicators of fraud; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

We were first appointed by the company for the financial year ended 31 December 2024. Our uninterrupted engagement covers 2 financial years, having been auditors for a predecessor entity for 8 financial years before.

Other matters

The group financial statements for the year ended 31 December 2024, forming the corresponding figures of the group financial statements for the year ended 31 December 2025, are unaudited.

The company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R – 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

Paul Pannell

Senior Statutory Auditor

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

26 February 2026



BRIT

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consolidated income statement

For the year ended 31 December 2025

	Note	Year ended 31 December 2025 \$m	(Unaudited) Year ended 31 December 2024 \$m
Insurance revenue	5, 18	2,950.3	2,856.0
Insurance service expenses	5, 18	(2,349.4)	(2,163.0)
Net expenses from reinsurance contracts held	5, 18	(154.7)	(136.0)
Insurance service result		446.2	557.0
Interest revenue from financial assets not measured at FVTPL	6	42.7	35.2
Other investment return	6	543.8	237.1
Net investment return		586.5	272.3
Net finance expenses from insurance contracts issued	7	(332.0)	(226.3)
Net finance income from reinsurance contracts held	7	87.8	55.9
Net insurance finance expenses		(244.2)	(170.4)
Other income	9	92.3	122.6
Other operating expenses	10	(166.1)	(171.3)
Finance costs	13	(25.0)	(13.3)
Foreign exchange gains/(losses)	14	27.0	(25.8)
Profit before tax		716.7	571.1
Tax charge	15	(64.9)	(92.7)
Profit for the year		651.8	478.4

The above consolidated income statement should be read in conjunction with the accompanying notes.

consolidated statement of comprehensive income

For the year ended 31 December 2025

	Note	Year ended 31 December 2025 \$m	(Unaudited) Year ended 31 December 2024 \$m
Profit for the year		651.8	478.4
Other comprehensive income/(expense)			
Items not to be reclassified to profit or loss in subsequent periods:			
Remeasurements of post-employment benefit obligations	19	5.1	0.1
Deferred tax loss relating to remeasurements of post-employment benefit obligations	20	(1.1)	(5.1)
Items that may be reclassified to profit or loss in subsequent periods:			
Change in unrealised foreign currency translation gains/(losses) on foreign operations		12.4	(2.7)
Total other comprehensive income/(expense)		16.4	(7.7)
Total comprehensive income for the year		668.2	470.7

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

consolidated statement of financial position

At 31 December 2025

	Note	31 December 2025 \$m	(Unaudited) 31 December 2024 \$m
Assets			
Intangible assets	16	65.1	54.2
Property, plant and equipment	17	20.5	22.2
Reinsurance contract assets	18	1,668.3	1,707.2
Employee benefits	19	11.9	35.0
Deferred tax assets	20	0.8	-
Current tax assets		-	0.4
Financial investments	21	6,744.5	5,274.1
Derivative contracts	22	14.6	15.0
Insurance and other receivables	23	578.2	673.6
Cash and cash equivalents	24	577.2	476.4
Total assets		9,681.1	8,258.1
Liabilities and Equity			
Liabilities			
Insurance contract liabilities	18	5,786.0	5,343.2
Borrowings	25	685.3	159.5
Provisions		6.2	2.7
Deferred tax liabilities	20	114.6	105.9
Current tax liabilities		34.8	0.3
Derivative contracts	22	13.5	12.1
Insurance and other payables	26	316.9	342.8
Total liabilities		6,957.3	5,966.5
Equity			
Called up share capital	27	-	-
Share premium		655.2	1,055.2
Foreign currency translation reserve		(85.7)	(98.1)
Retained earnings		2,154.3	1,334.5
Total equity		2,723.8	2,291.6
Total liabilities and equity		9,681.1	8,258.1

The above consolidated statement of financial position should be read in conjunction with the accompanying notes. These consolidated financial statements were approved by the Board of Directors on 26 February 2026 and were signed on its behalf by:

Martin Thompson
Group Chief Executive Officer

Gavin Wilkinson
Group Chief Financial Officer

Registered number: 15884169

consolidated statement of cash flows

For the year ended 31 December 2025

	Note	Year ended 31 December 2025 \$m	(Unaudited) Year ended 31 December 2024 \$m
Cash flows from operating activities			
Cash used in operating activities	29	(294.5)	(296.4)
Tax paid		(28.8)	(11.5)
Interest received		162.7	231.1
Dividends received		13.2	10.1
Purchase of shares for share-based payment schemes		(11.9)	(7.5)
Net cash used in operating activities		(159.3)	(74.2)
Cash flows from investing activities			
Purchase of intangible assets	16	(18.7)	(18.2)
Purchase of property, plant and equipment	17	(0.9)	(1.1)
Disposal of associated undertaking		5.9	15.2
Net cash used in investing activities		(13.7)	(4.1)
Cash flows from financing activities			
Net drawdown of immediate parent debt	25	-	14.7
Drawdown of senior debt		519.8	-
Interest paid		(21.5)	(13.6)
Dividends paid	28	(236.0)	(140.6)
Net cash generated from/(used in) financing activities		262.3	(139.5)
Net increase/(decrease) in cash and cash equivalents		89.3	(217.8)
Cash and cash equivalents at the beginning of the year		476.4	700.9
Effect of exchange rate fluctuations on cash and cash equivalents		11.5	(6.7)
Cash and cash equivalents at the end of the year	24	577.2	476.4

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

consolidated statement of changes in equity

For the year ended 31 December 2025

	Note	Called up share capital \$m	Share premium \$m	Foreign currency translation reserve \$m	Retained earnings \$m	Total equity \$m
At 1 January 2024 (unaudited)		-	1,055.2	(95.4)	1,001.7	1,961.5
Profit for the year		-	-	-	478.4	478.4
Other comprehensive expense		-	-	(2.7)	(5.0)	(7.7)
Total comprehensive income recognised		-	-	(2.7)	473.4	470.7
Dividends	28	-	-	-	(140.6)	(140.6)
At 31 December 2024 (unaudited)		-	1,055.2	(98.1)	1,334.5	2,291.6
Profit for the year		-	-	-	651.8	651.8
Other comprehensive income		-	-	12.4	4.0	16.4
Total comprehensive income recognised		-	-	12.4	655.8	668.2
Capital reduction¹		-	(400.0)	-	400.0	-
Dividends	28	-	-	-	(236.0)	(236.0)
At 31 December 2025		-	655.2	(85.7)	2,154.3	2,723.8

1. On 30 July 2025 Brit Group Holdings Limited effected a capital reduction, without the cancellation of any shares, which resulted in a \$400.0m reduction to share premium and a corresponding increase in retained earnings. Accordingly, there was no impact on total equity.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

notes to the consolidated financial statements

The first three Notes provide details of the basis of preparation and accounting policies applied in producing these financial statements and the significant accounting estimates and judgements therein.

1 General information

The consolidated financial statements of Brit Group Holdings Limited and its subsidiaries (collectively, the Group) for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the Directors on 26 February 2026. 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, 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 and impact on comparatives

2.1.1 Summary of corporate reorganisation

Brit Group Holdings Limited was incorporated on 7 August 2024 as a direct subsidiary of Fairfax UK Holdings Limited (formerly Brit Limited). Brit Group Holdings Limited subsequently 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 on 12 December 2024. Upon acquisition, Brit Group Holdings Limited became the new holding company for the Brit insurance businesses. A separate subsidiary of Fairfax UK Holdings Limited is the holding company for the Ki business, which is not included within this set of financial statements, but was included as part of Brit Limited previously.

Brit Group Holdings Limited was a new parent company at the point of acquisition, without an integrated set of activities and assets capable of providing goods or services or generating investment or other income. It therefore 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 resulted from 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 reorganisation, the assets and liabilities of the Brit Insurance Holdings Limited sub-group were transferred at their carrying values from the Fairfax UK Holdings Limited group consolidated financial statements.

2.1.2 Production of consolidated financial statements

As described in Note 25, on 22 January 2025 Brit Group Holdings Limited was substituted in place of Fairfax UK Holdings Limited as issuer and principal debtor under listed subordinated debt notes. In accordance with the relevant listing requirements, Brit Group Holdings Limited is now required to produce consolidated financial statements.

2.1.3 Impact of corporate reorganisation on comparatives

Although Brit Insurance Holdings Limited was transferred to Brit Group Holdings Limited on 12 December 2024, the comparatives in these consolidated financial statements 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.

As described in Note 2.1.1, the comparative amounts presented in these financial statements do not include any amounts relating to the Ki business, which is a separate sub-group within the Fairfax UK Holdings Limited group.

Due to the restructuring of the Group and there having been no requirement to produce consolidated financial statements for the Brit Group Holdings Limited group for the comparative period, the comparatives presented in these consolidated financial statements and accompanying notes have not been subject to a statutory audit and are therefore referenced as unaudited. These comparatives formed part of amounts included in the consolidated financial statements and accompanying notes of Brit Limited for the year ended 31 December 2024, which were audited and received an unqualified audit opinion. Brit Limited changed its name to Fairfax UK Holdings Limited on 11 March 2025. Copies of those financial statements can be obtained from The Leadenhall Building, 122 Leadenhall Street, London, England, EC3V 4AB or www.britinsurance.com.

2.2 Basis of preparation

The consolidated financial statements for the year ended 31 December 2025 have been prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The accounting policies of the Group have been applied consistently to all the years presented, unless otherwise stated.

notes to the consolidated financial statements

2 Accounting policies and basis of preparation (continued)**2.2 Basis of preparation (continued)**

The consolidated financial statements have been compiled on a going concern basis and prepared on a historical cost basis, with the exception of financial assets and liabilities classified as fair value through profit or loss, insurance and reinsurance contract assets and liabilities which are measured at their fulfilment value, and the defined benefit pension asset which is measured at the fair value of plan assets less the present value of the defined benefit pension obligation. The consolidated financial statements are presented in USD and all values are rounded to the nearest \$0.1m except where otherwise indicated.

Certain amounts recorded in the financial statements include estimates and assumptions made by management, particularly about (re)insurance assets and liabilities and investment valuations. Actual results may differ from the estimates made. Further details on estimates, judgements and assumptions are included within Note 3 to the consolidated financial statements.

The Directors have reviewed the principal risks and uncertainties faced by the Group as summarised in the Strategic Report. Brit manages these risks in line with its Risk Management Framework.

The Directors have considered various factors in order to be satisfied that a going concern basis of preparation is appropriate. Such factors include, but are not limited to, recent underwriting performance, reserving policy and track record, the Group's liquidity position and the Group's financial plans.

After assessing evidence in respect of these considerations, 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 consolidated financial statements.

The consolidated financial statements include the results of the Company and all its subsidiary undertakings (collectively, the Group) made up to the same accounting date.

2.2.1 New and amended standards adopted by the Group

The Group has applied the amendments to IAS 21, Lack of Exchangeability, for the first time for the annual reporting period commencing 1 January 2025. The amendment did not have any material impact on the amounts recognised in prior periods or the current period, and are not expected to significantly affect future periods.

2.2.2 New standards and interpretations not yet adopted

At the date of authorisation of these financial statements, the following amendment to a standard was in issue but not yet effective and has not been early adopted by the Group:

Amendment	Effective for periods commencing on or after
Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	1 January 2026

The Group is in the process of assessing the impact of this amendment on the Group's consolidated financial statements, but the current expectation is that any impact will not be material.

At the date of authorisation of these financial statements, the following standards which have not been applied in these financial statements were in issue but not yet effective:

Standard	Effective for periods commencing on or after
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

IFRS 18 will replace IAS 1 Presentation of Financial Statements, introducing new requirements that will increase the comparability of the financial performance of similar entities and provide more relevant information and transparency to users. IFRS 18 will not impact the recognition or measurement of items in the financial statements and therefore there will be no impact on the Group's net profit or net assets. However, there is likely to be an impact on presentation and disclosure in the Group's consolidated financial statements. The Group is in the process of assessing the detailed implications of IFRS 18 on the Group's consolidated financial statements.

IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS to apply reduced disclosure requirements. The Group does not expect this standard to impact its consolidated financial statements or have a significant impact on its operations.

2 Accounting policies and basis of preparation (continued)

2.3 Basis of consolidation and equity accounting

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.

- 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 31 December 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 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 income statement.

2.4 Business combinations

The acquisition method of accounting is used for business combinations. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest (NCI) in the acquiree, where relevant. Acquisition-related costs are expensed as incurred. Where goodwill or a bargain purchase arises, this is accounted for in accordance with the policy set out in Note 2.5.4(a).

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

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

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

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).

notes to the consolidated financial statements

2 Accounting policies and basis of preparation (continued)**2.5 Other accounting policies****2.5.1 Insurance and reinsurance contracts**

The accounting policies outlined below relate to both insurance contracts issued, and reinsurance contracts held, unless stated otherwise. The Group issues both insurance and reinsurance contracts to policyholders, therefore all references to insurance contracts issued also apply to reinsurance contracts issued by the Group.

(a) Classification

Contracts under which the Group accepts significant insurance risk are classified as insurance contracts. Contracts held by the Group under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts.

Insurance and reinsurance contracts that expose the Group to financial risk but do not transfer significant insurance risk are accounted for as financial instruments under IFRS 9. The Group does not have any insurance or reinsurance contracts that have been classified under IFRS 9.

Insurance contracts may be issued and reinsurance contracts may be initiated by the Group, or they may be acquired in a business combination or in a transfer of contracts that do not form a business. All references in these accounting policies to 'insurance contracts' and 'reinsurance contracts' include contracts issued, initiated or acquired by the Group, unless otherwise stated.

(b) Separating components from insurance and reinsurance contracts

The Group assesses its insurance contracts to determine if they contain distinct components which must be accounted for under another IFRS other than IFRS 17. After separating any distinct components, the Group applies IFRS 17 to all remaining components of the host. Currently, the Group's contracts issued and held do not include distinct components that require separation.

Some of the insurance contracts issued and reinsurance contracts held by the Group contain profit commission arrangements. These arrangements result in a minimum guaranteed amount being repaid to either the Group or the policyholder in all circumstances, either through the form of a claim, profit commission or both. The minimum guaranteed amounts meet the definition of a non-distinct investment component given they are highly interrelated with the insurance component of the reinsurance contracts. The non-distinct investment component is not accounted for separately but the value incurred each reporting period is excluded from insurance revenue and insurance service expenses for the insurance contracts issued by the Group, and the components of net expenses from reinsurance contracts held for the reinsurance contracts held by the Group. No further investment components have been identified by the Group.

(c) Level of aggregation

Insurance contracts are aggregated into groups for measurement purposes. Groups of insurance contracts are determined by:

- Identifying portfolios of insurance contracts;
- Dividing a portfolio into a minimum of three groups (contracts that are onerous on initial recognition; contracts that on initial recognition have no significant possibility of becoming onerous subsequently; and those contracts remaining in the portfolio);
- Dividing each set of contracts into annual cohorts (i.e. by year of issue) to arrive at groups of contracts.

Portfolios comprise contracts subject to similar risks and managed together. Contracts within a portfolio that would fall into different groups, only because law or regulation specifically constrains the Group's practical ability to set a different price or level of benefits for policyholders with different characteristics, are included in the same group.

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the IFRS 17 grouping requirements, reinsurance contracts held within each portfolio and annual cohort are aggregated into the below groups:

- A group of contracts for which there is a net gain at initial recognition;
- A group of contracts for which, on initial recognition, have no significant possibility of a net gain arising subsequently; and
- Any remaining groups of contracts in the annual cohort.

2 Accounting policies and basis of preparation (continued)

2.5 Other accounting policies (continued)

2.5.1 Insurance and reinsurance contracts (continued)

(d) Initial recognition

The Group recognises insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts;
- The date when the first payment from a policyholder in the group becomes due; and
- For a group of onerous contracts, when the group becomes onerous.

Groups of reinsurance contracts held are initially recognised from the earlier of the following:

- The beginning of the coverage period of the group of reinsurance contracts held; and
- The date the Group recognises an onerous group of underlying insurance contracts, if the Group entered into the related reinsurance contract held at or before that date.

Notwithstanding the above, the Group delays the recognition of a group of reinsurance contracts held that provide proportional coverage until the date that any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.

(e) Modification and derecognition

The Group derecognises an insurance contract when:

- It is extinguished, i.e. when the obligation specified in the insurance contract expires, is discharged or is cancelled; or
- If the terms of the contract are modified and additional criteria discussed below are met.

When the terms of an insurance contract are modified by the Group, for example by agreement with the counterparties or by a change in regulation, the Group treats the modification as a derecognition if any of the following conditions are met:

- The modified contract would have been excluded from the scope of IFRS 17;
- The Group would have separated different components from the host contract;
- The modified terms would have had a substantially different contract boundary;
- The modified contract would have been included in a different group of contracts; or
- The original contract was accounted for under the premium allocation approach (PAA), but the modification means the contract no longer meets the PAA eligibility criteria.

If a contract modification meets none of the conditions, the Group treats the changes in cash flows caused by the modification as changes in estimates of the fulfilment cash flows.

(f) Contract boundary

The measurement of a group of contracts includes all the future cash flows within the boundary of each contract in the group, determined as follows.

Insurance contracts

Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- a) The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks; or
- b) Both of the following criteria are satisfied:
 - i. the Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contains the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and
 - ii. the pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

notes to the consolidated financial statements

2 Accounting policies and basis of preparation (continued)**2.5 Other accounting policies (continued)****2.5.1 Insurance and reinsurance contracts (continued)***Reinsurance contracts*

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

A substantive right to receive services from the reinsurer ends when the reinsurer:

- a) Has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- b) Has a substantive right to terminate the coverage.

(g) Measurement – Contracts measured under the PAA

The Group's policy is to apply the PAA to all groups of insurance contracts when eligible. The PAA may be applied to a group of insurance contracts if at inception of the group:

- a) The coverage period of each contract in the group is one year or less; or
- b) The Group reasonably expects that such simplification would produce a measurement of the liability for remaining coverage (LRC) for the group that would not differ materially from the one that would be produced under the general measurement model (GMM).

On initial recognition of each group of contracts measured under the PAA, the carrying amount of the LRC is measured as the premiums received on initial recognition minus any insurance acquisition cash flows allocated to the group at that date. The Group has chosen not to expense insurance acquisition cash flows when they are incurred.

Subsequently, the carrying amount of the LRC is increased by any premiums received and the amortisation of insurance acquisition cash flows recognised as expenses, and decreased by the amount recognised as insurance revenue for services provided and any additional insurance acquisition cash flows allocated after initial recognition. On initial recognition of each group of contracts, the Group expects that the time between providing each part of the service and the related premium due date is no more than a year. Accordingly, the Group has chosen not to adjust the LRC to reflect the time value of money and the effect of financial risk.

If at any time during the coverage period facts and circumstances indicate that a group of contracts is onerous, then the Group recognises a loss in profit or loss and increases the LRC to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage exceed the carrying amount of the LRC.

The Group recognises the liability for incurred claims (LIC) of a group of insurance contracts at the amount of the fulfilment cash flows relating to incurred claims. The fulfilment cash flows comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk. The fulfilment cash flows are discounted at current rates and do not reflect the Group's own non-performance risk.

The estimates of future cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing, and uncertainty of those future cash flows. To do this, the Group estimates the expected value (i.e. the probability-weighted mean) of the full range of possible outcomes. The fulfilment cash flows use estimates that reflect conditions that exist at the measurement date.

The risk adjustment for non-financial risk for a group of insurance contracts, determined separately from the other estimates, is the compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

The Group applies the same accounting policies to measure a group of reinsurance contracts held with the following modifications:

- The carrying amount of a group of reinsurance contracts held at each reporting date is the sum of the asset for remaining coverage (ARC) and the asset for incurred claims (AIC).
- The Group measures the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer.
- The risk adjustment for non-financial risk is the amount of risk being transferred by the Group to the reinsurer.

2 Accounting policies and basis of preparation (continued)

2.5 Other accounting policies (continued)

2.5.1 Insurance and reinsurance contracts (continued)

(h) Measurement – Contracts not measured under the PAA

For certain groups of contracts recognised in 2023 and 2024, the Group determined that the criteria to be eligible for measurement under the PAA had not been met. These groups are typically those with a longer claim tail and have greater exposure to future changes in discount rates impacting the subsequent measurement of the fulfilment cash flows under the GMM.

The Group measures a group of insurance contracts not eligible for the PAA as the total of the fulfilment cash flows and the contractual service margin (CSM). The CSM of a group of insurance contracts represents the unearned profit that the Group will recognise in profit or loss as it provides services under those contracts.

On initial recognition of a group of insurance contracts, if the total of (a) the fulfilment cash flows, (b) any cash flows arising at that date (to the extent they are not included in the fulfilment cash flows), and (c) any amount arising from the derecognition of assets for insurance acquisition cash flows related to the group is a net inflow, then the group is not onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition. To the extent the contract is not profitable (also referred to as 'onerous'), there is no CSM to measure and a loss is recognised in the profit or loss immediately for the net cash outflow.

In the event of an onerous group of contracts a loss component will be established which determines the amounts of fulfilment cash flows that are subsequently presented in profit or loss as reversals of losses and excluded from insurance revenue when they occur. When the fulfilment cash flows are incurred, they are allocated between the loss component and the remaining LRC on a systematic basis.

Where a group of insurance contracts generates cash flows in a foreign currency, the Group treats the group of insurance contracts, including the CSM, as a monetary item. The CSM is denominated in a single currency before the translation to the functional currency. The CSM is set as the predominant currency within the group of insurance contracts.

The carrying amount of a group of insurance contracts at each reporting date is the sum of the LRC and the LIC. The LRC comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The LIC includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not reported.

The fulfilment cash flows of the group of insurance contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in the fulfilment cash flows are recognised as follows:

- Changes relating to future service – adjusted against the CSM, unless the group is onerous, and measured applying the inception discount rates for the group. If the group becomes onerous, then the CSM will be reduced to zero and a loss component established, whereas if the group becomes profitable the loss component will be reversed through profit or loss and a CSM established.
- Changes relating to current or past services – recognised in the insurance service result in profit or loss.
- Effect of the time value of money, financial risk and changes therein on estimated future cash flows – recognised as insurance finance income or expenses.

The carrying amount of the CSM at each subsequent reporting date is the carrying amount at the start of the reporting period, adjusted for:

- The CSM of any new contracts that are added to the group in the period.
- Interest accreted on the carrying amount of the CSM during the period, measured at the discount rate at inception of the group.
- Changes in fulfilment cash flows that relate to future service, except to the extent that the group is or becomes onerous and a loss component is established.
- The effect of any currency exchange differences on the CSM.
- The amount recognised as insurance revenue reflecting the services provided in the year.

Changes in the fulfilment cash flows that relate to future service typically arise from subsequent changes to: (a) the ultimate premiums expected to be received for a group of contracts; and (b) the ultimate value of claims that are expected to be incurred, set as a ratio to the ultimate expected premiums.

notes to the consolidated financial statements

2 Accounting policies and basis of preparation (continued)**2.5 Other accounting policies (continued)****2.5.1 Insurance and reinsurance contracts (continued)****(h) Measurement – Contracts not measured under the PAA (continued)**

For the measurement of a group of reinsurance contracts held, the Group applies the same accounting policies as those applied to insurance contracts issued, with the following modifications:

- The CSM represents a net cost or net gain on purchasing reinsurance, meaning the CSM can be either positive or negative unlike for issued groups of contracts. However, if any net cost on purchasing reinsurance coverage relates to insured events that have occurred already, then the Group recognises the cost immediately in profit or loss as an expense.
- The CSM is adjusted and as a result income is recognised in profit or loss when the underlying group of insurance contracts recognises a loss component on initial recognition, if the reinsurance contract is entered into before or at the same time as the underlying contracts are recognised.
- A loss-recovery component is created or adjusted for the group of reinsurance contracts held to depict the adjustment to the CSM, which determines that amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid.
- The same modifications described above in relation to contracts measured under the PAA.

(i) Insurance receivables and payables

The premiums and claims related to groups of insurance contracts will typically remain within the insurance contract liability or reinsurance contract asset until the point at which they are cash settled. However, there are exceptions to this rule whereby the Group will recognise a separate receivable or payable on the balance sheet. These include (a) where cash that has been received at the reporting date has yet to be allocated and it is not possible to reasonably determine whether the cash should be attributed to the LRC/ARC or the LIC/AIC; and (b) where the Group has extended a loss fund payment to a third party. Loss fund payments do not represent the settlement of a claim with the policyholder, therefore the Group does not account for these payments as a reduction to the fulfilment cash flows.

(j) Retroactive reinsurance

The Group holds reinsurance contracts that cover events that have already occurred but the financial effect of which is still uncertain. An example is loss portfolio transfer (LPT) held by the Group that provides insurance coverage against an adverse development of claims that have already occurred. In such contracts, the insured event is the determination of the ultimate cost of the claim. This means that the ARC is released over the expected settlement period of the claims of the underlying insurance contract (since that is, in effect, the coverage period of the reinsurance contract).

For such contracts, a CSM is only established on initial recognition if the contract is in a net gain position. If there is a net cost position on inception, the loss is immediately recognised in profit or loss as an expense. On subsequent measurement, any CSM established at initial recognition is not adjusted for changes in fulfilment cash flows.

(k) Presentation

Income and expenses from reinsurance contracts held are presented separately from income and expenses from insurance contracts issued. Income and expenses from reinsurance contracts held, other than insurance finance income or expenses, are presented on a net basis as 'net expenses from reinsurance contracts' in the insurance service result.

The Group does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk that relate to current or past services are included in the insurance service result.

The Group has chosen not to disaggregate amounts recognised in the statement of profit or loss and OCI.

Insurance revenue and insurance service expenses exclude any investment components and are recognised as follows.

2 Accounting policies and basis of preparation (continued)

2.5 Other accounting policies (continued)

2.5.1 Insurance and reinsurance contracts (continued)

(l) Insurance revenue

Contracts measured under the PAA

When applying PAA, insurance revenue for the period is the amount of expected premium receipts (excluding any investment component and adjusted to reflect the time value of money, if applicable) allocated to the period. For most groups of contracts, the Group allocates expected premium receipts to each period of insurance contract services on the basis of the passage of time. However, for some groups of insurance contracts, the expected pattern of release of risk during the coverage period differs significantly from the passage of time; therefore, the expected premium receipts are allocated based on the expected timing of incurred insurance service expenses. Additionally, ceding commissions that are not contingent on claims are accounted for as a reduction to insurance revenue for reinsurance contracts issued by the Group.

Contracts not measured under the PAA

The Group recognises insurance revenue as it satisfies its performance obligations. For contracts not measured under the PAA, the insurance revenue relating to services provided during the reporting period represents the total of the changes in the LRC that relate to services for which the Group expects to receive consideration, and comprises the following items:

- A release of the CSM, measured based on coverage units provided.
- Changes in the risk adjustment for non-financial risk relating to current services.
- Claims and other insurance service expenses incurred in the year, generally measured at the amounts expected at the beginning of the year.
- Other amounts if any, such as experience adjustments for premium receipts, other than those that relate to future service.

In addition, the Group allocates a portion of premiums that relate to recovering insurance acquisition cash flows to each period in a systematic way. The Group recognises the allocated amount, adjusted for interest accretion at the discount rates determined on initial recognition of the related group of contracts, as insurance revenue and an equal amount as insurance service expenses.

The amount of CSM recognised as insurance revenue in a reporting period is determined by identifying the coverage units in the group, allocating the CSM remaining at the end of the period (before any allocation) equally to each coverage unit provided in the period and expected to be provided in future periods, and recognising in profit or loss the amount of the CSM allocated to coverage units provided in the period. The number of coverage units is the quantity of services provided by the contracts in the group, determined by considering for each contract the quantity of benefits provided and its expected coverage period. The coverage units are updated at each reporting date and the Group has opted not to discount them.

(m) Insurance service expenses

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred and exclude investment components. These expenses comprise the following items:

- Incurred claims and other insurance service expenses;
- Amortisation of insurance acquisition cash flows: For contracts not measured under the PAA, this is equal to the amount of insurance revenue recognised in the year that relates to recovering insurance acquisition cash flows. For contracts measured under the PAA, the Group amortises insurance acquisition cash flows on a consistent basis to the earning of premiums in insurance revenue;
- Losses on onerous contracts and reversals of such losses;
- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein; and
- Impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses.

notes to the consolidated financial statements

2 Accounting policies and basis of preparation (continued)**2.5 Other accounting policies (continued)****2.5.1 Insurance and reinsurance contracts (continued)****(n) Net income/(expenses) from reinsurance contracts**

Net expenses from reinsurance contracts comprise an allocation of reinsurance premiums paid, less amounts recovered from reinsurers.

The Group recognises an allocation of reinsurance premiums paid in profit or loss as it receives service from a reinsurer. For contracts not measured under the PAA, the allocation of reinsurance premiums paid relating to services received for each period represents the total of the changes in the ARC that relate to services for which the Group expects to pay consideration. For contracts measured under the PAA, the allocation of reinsurance premiums paid for each period is the amount of expected premium payments for receiving services in the period.

The recognition of, or any subsequent changes to, the loss-recovery component will also be reflected in the allocation of reinsurance premiums paid in the period.

(o) Insurance and reinsurance finance income and expenses

Insurance and reinsurance finance income or expenses comprises the changes in the carrying amount of the group of (re)insurance contracts arising from the effect of the time value of money and changes in the time value of money.

2.5.2 Revenue recognition (other than insurance revenue)

Revenue is measured by the Group based on the consideration to which it expects to be entitled through contracts with customers (net of refunds). Amounts collected on behalf of third parties are excluded from revenue. When control of a service is transferred to a customer, the related revenue is then recognised.

(a) Management fee income

The Group receives administration and broking fees from non-aligned syndicates, in accordance with management agreements that are agreed on an annual basis and specify the services to be provided. These services are in relation to 'effectively managing and operating' the syndicate and are therefore provided continuously throughout the year. As a result, these services are treated as a single performance obligation. The price is fixed with no variable element and is matched against the single performance obligation. Consequently, the passage of time is used to measure the amount of fees and commission to be recognised.

(b) Underwriting agency fee income

The Group also receives commissions for the placement or underwriting of policies on behalf of other insurers. Such commissions, which are measured as a portion of the policy premium, are recognised at the later of the policy inception date or when the policy placement has been completed.

Brit also receives fees in respect of the costs and expenses of establishing and administering Lloyd's consortia and conducting the underwriting on their behalf.

The services provided are classed as 'establishing and administering' the consortia and are provided continuously throughout the year. As a result, this is treated as a single performance obligation and measured in accordance with the measurement bases set out in the relevant consortia agreements.

2.5.3 Financial instruments**(a) Other investment return**

Investment income comprises realised and unrealised gains and losses on the Group's financial assets held for investment purposes (investments) that have been measured at FVTPL, less investment management fees. Any interest and dividends are recognised as part of realised gains and losses, and the dividends are only recognised when the shareholders' right to receive the payment is established.

Realised gains and losses on investments are calculated as the difference between net sales proceeds and cost, and are recognised when the sale transaction occurs. Unrealised gains and losses on investments are calculated as the difference between the valuation at the date of the statement of financial position and the valuation at the last statement of financial position or purchase price, if acquired during the year. Unrealised investment gains and losses include adjustments in respect of unrealised gains and losses recorded in prior years, which have been realised during the year and are reported as realised gains and losses in the current year's income statement.

2 Accounting policies and basis of preparation (continued)

2.5 Other accounting policies (continued)

2.5.3 Financial instruments (continued)

(b) Interest revenue calculated using the effective interest method

Interest revenue is calculated using the effective interest method, by applying the effective interest rate (EIR) to the gross carrying amount of financial assets recognised at amortised cost. Where there is objective evidence of impairment ('credit-impaired' assets), the EIR is applied to the net carrying amount of financial assets recognised at amortised cost.

(c) Financial assets and financial liabilities

(i) Summary of measurement categories

The Group classifies its financial assets and liabilities in the following categories under IFRS 9:

	Classification	Rationale
Financial Assets		
Investments – equity securities	FVTPL	Mandatory
Investments – debt securities	FVTPL	Mandatory
Investments – Loan to ultimate parent	Amortised cost	Cash flow characteristics (solely payments of principal and interest), hold to collect business model
Investments – other loans and mortgages	FVTPL	Mandatory
Investments – specialised investment funds	FVTPL	Mandatory
Trade and other receivables	Amortised cost	Cash flow characteristics (solely payments of principal and interest), hold to collect business model
Other assets (Fairfax shares purchased for awards)	FVTPL	Mandatory
Derivative contracts	FVTPL	Mandatory
Cash and cash equivalents	Amortised cost	Cash flow characteristics (solely payments of principal and interest), hold to collect business model
Financial Liabilities		
Derivative contracts	FVTPL	Mandatory
Borrowings	Amortised cost	Mandatory
Other financial liabilities	FVTPL	Designated
Trade and other payables	Amortised cost	Mandatory

The accounting classification of any financial instrument issued or acquired by Brit is determined by assessing the fact pattern of the rights and obligations of both the issuer and acquirer and by applying the recognition criteria set out in the relevant accounting standard. In the case of issued financial instruments, this assessment includes the determination of whether an item is to be classified as either financial liability or equity.

Trade and other receivables refers to the 'insurance and other receivables' line item on the Group's statement of financial position but excludes 'prepayments' and 'other assets'.

Other assets refer to the investment in Fairfax shares held by the Group in order to settle long-term incentive plan (LTIP) awards.

Other financial liabilities refer to financial liabilities in respect of third-party investments in consolidated structured entities and investment funds.

Trade and other payables refers to the 'insurance and other payables' line item on the Group's statement of financial position but excludes 'deferred income', 'lease liabilities' and share-based payment liabilities recorded within 'other creditors'.

The Group does not apply hedge accounting.

notes to the consolidated financial statements

2 Accounting policies and basis of preparation (continued)**2.5 Other accounting policies (continued)****2.5.3 Financial instruments (continued)****(c) Financial assets and financial liabilities (continued)***(ii) Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All 'regular way purchases and sales' of financial assets are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases and sales are purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Immediately after initial recognition, an expected credit loss (ECL) allowance is recognised for financial assets measured at amortised cost.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. Fair value of borrowings on initial recognition is normally determined by reference to the fair value of the proceeds received.

(iii) Amortised cost and effective interest rate (EIR)

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method for any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. the amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider the ECL and includes transaction costs, premiums or discounts and fees, and points paid or received that are integral to the EIR. When the Group revises the estimates of future cash flows, the carrying amount of the respective financial asset or financial liability is adjusted to reflect the new estimate discounted using the original EIR. Any changes are recognised in the income statement.

The recognition of interest revenue is outlined in Note 2.5.3(b).

(iv) Classification and subsequent measurement of debt instrument assets

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective.

The classification and subsequent measurement of debt instruments depend on:

- The Group's business model for managing the asset; and
- The cash flow characteristics of the asset (represented by solely payments of principal and interest (SPPI)).

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent SPPI, and that are not designated at FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any ECL allowance recognised. Interest revenue from these financial assets is included in 'interest revenue from financial assets not measured at FVTPL' using the EIR method.
- **FVOCI:** Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent SPPI, and that are not designated at FVTPL, are measured at FVOCI. The Group does not hold any financial assets that would meet these criteria.
- **FVTPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss, other than those relating to foreign exchange movements, on a debt investment that is subsequently measured at FVTPL is recognised and presented in the consolidated statement of profit or loss within net gains on FVTPL investments in the period in which it arises. Foreign exchange gains or losses are recognised in 'net foreign exchange gains/(losses)' in the period in which they arise.

(v) Business Model

The business model reflects how the Group manages assets in order to generate cash flows. That is, it reflects whether the Group's objective is solely to collect the contractual cash flows from assets or to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of the other business model and measured at FVTPL.

2 Accounting policies and basis of preparation (continued)

2.5 Other accounting policies (continued)

2.5.3 Financial instruments (continued)

(c) Financial assets and financial liabilities (continued)

(v) Business Model (continued)

Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

The Group's debt instruments held for investment purposes are mandatorily classified as FVTPL in accordance with the Group's business model for managing investments on a fair value basis. There is a documented investment strategy to manage investments on a fair value basis, as opposed to primarily collecting contractual cash flows or primarily selling assets, and this is consistent with investment risk being assessed on a portfolio basis. Information relating to investments is provided internally to the Group's Directors and key managers on a fair value basis.

(vi) SPPI

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent SPPI (the SPPI test). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement (i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks, and a profit margin that is consistent with a basic lending arrangement). Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change.

The Group may also irrevocably designate financial assets at FVTPL, if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. The Group has not designated any such financial assets during the current period.

(vii) Classification and subsequent measurement of equity instrument assets

Equity instruments are instruments that meet the definition of equity from the issuer's perspective (i.e. instruments that do not contain a contractual obligation to pay, and that evidence a residual interest in the issuer's net assets). The Group subsequently measures all equity investments at FVTPL. Gains and losses on equity investments at FVTPL, other than those relating to foreign exchange, are included in the line 'investment return' in the income statement. Foreign exchange gains or losses are recognised in 'net foreign exchange gains/(losses)' in the period in which they arise.

The Group chooses not to apply the FVOCI option for equity instruments that are not held for trading.

(viii) Impairment of financial assets

The Group assesses, on a forward-looking basis, the ECL associated with its debt instrument assets carried at Amortised Cost (AC). The Group recognises a loss allowance for such losses at each reporting date. The measurement of the ECL reflects:

- An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events (including historical losses), current conditions, and forecasts of future economic conditions.

The Group applies the simplified approach for impairment of trade and other receivables as well as any contract assets arising from contracts with customers and recognises the lifetime ECL at initial recognition of such financial assets. Where it becomes probable that a counterparty will enter bankruptcy, any such assets with that counterparty are deemed to be 'credit-impaired'.

Individual receivables are written off by the Group when there is no reasonable expectation of recovering the asset or a portion thereof. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and when the Group determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

notes to the consolidated financial statements

2 Accounting policies and basis of preparation (continued)**2.5 Other accounting policies (continued)****2.5.3 Financial instruments (continued)****(c) Financial assets and financial liabilities (continued)***(ix) Derecognition of financial assets*

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Group transfers substantially all the risks and rewards of ownership; or (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

(x) Classification and subsequent measurement of financial liabilities

In both the current and prior period, financial liabilities are classified and subsequently measured at amortised cost, except for derivatives and other financial liabilities, which are measured at FVTPL.

Other financial liabilities are recognised in respect of third-party investments in consolidated structured entities and investment funds. The fair value of the investments by independent third parties is determined by reference to the net assets of those entities, which may also require reference to the underlying net assets of other vehicles or investment funds in which those entities have invested.

The Group has designated other financial liabilities as FVTPL to eliminate an accounting mismatch that would otherwise arise from recognising the gains or losses on these liabilities on a different basis. The insurance and investment assets and liabilities of consolidated structured entities and investment funds are measured at fair value and, in the absence of designation as FVTPL, the other financial liabilities would be measured at amortised cost (with changes in fair value not recognised). The Group has concluded that its financial statements would provide more relevant information if other financial liabilities were, therefore, measured as at FVTPL.

Accordingly, gains or losses in respect of changes in fair value of other financial liabilities are recognised through the income statement.

(xi) Derecognition of financial liabilities

A financial liability is derecognised when it is extinguished, which is when the obligation in the contract is discharged, cancelled or expired.

(xii) Derivative contracts

Derivative financial instruments include foreign exchange contracts, forward rate agreements, interest rate futures, currency and interest rate swaps, and other financial instruments that derive their value mainly from underlying interest rates, foreign exchange rates, credit indices, commodity values, or equity instruments.

Derivatives are initially recognised at fair value on the date on which the derivative contract is entered into, and are subsequently remeasured at FVTPL. All derivatives are carried as assets when fair value is positive, and as liabilities when fair value is negative.

Derivative contracts may be traded on an exchange or over-the-counter (OTC). Exchange-traded derivatives are standardised and include certain futures and option contracts. OTC derivative contracts are individually negotiated between contracting parties and include forwards and swaps.

Derivatives are subject to various risks including market, liquidity and credit risk, similar to those related to the underlying financial instruments. Many OTC transactions are contracted and documented under International Swaps and Derivatives Association (ISDA) master agreements, or their equivalent, which are designed to provide legally enforceable set-off in the event of default, reducing the Group's exposure to credit risk. The notional or contractual amounts associated with derivative financial instruments are not recorded as assets or liabilities on the statement of financial position as they do not represent the fair value of these transactions.

2 Accounting policies and basis of preparation (continued)

2.5 Other accounting policies (continued)

2.5.3 Financial instruments (continued)

(c) Financial assets and financial liabilities (continued)

(xiii) Fair value measurements

Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (which are the principal markets or, in the absence of a principal market, the most advantageous markets that maximise the amount that would be received to sell the asset, or minimise the amount that would be paid to transfer the liability) are based on quoted market bid and ask price for both financial assets and financial liabilities respectively.

The fair value of financial assets and liabilities that are not traded in an active market, including over-the-counter derivatives, is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques include the use of comparable recent arm's-length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and others commonly used by market participants which make the maximum use of observable inputs.

(xiv) Offsetting of financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or to realise the assets and settle the liability simultaneously.

2.5.4 Intangible assets

(a) Goodwill

Goodwill is initially measured at cost, being the excess of the fair value of the consideration transferred and the amount recognised for any non-controlling interests (NCIs) and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

After initial recognition, goodwill is not amortised but is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or circumstances indicate that it might be impaired. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to an appropriate cash generating unit (CGU) that is expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of, and the portion of the cash-generating unit retained.

(b) Trade names

Trade names that have been acquired on acquisition of a subsidiary are initially recognised at fair value. They are considered to have an indefinite useful life as they will provide benefits over an indefinite future period and are, therefore, not subject to an annual amortisation charge. The carrying value of the trade names is reviewed for impairment annually by reference to the expected future profit streams to be earned from the CGUs to which the trade names relate, with any impairment in value being charged to the income statement.

(c) Computer software

Acquired computer software licences are capitalised based on the costs incurred to acquire and bring into use the specific software. Internal development costs that are directly associated with the production of identifiable and unique software products, controlled by the Group, are also capitalised where the cost can be measured reliably, the Group intends to and has adequate resources to complete development, and the computer software will generate future economic benefits. All items of computer software are finite life assets and amortised on a straight-line basis over their expected useful lives, not exceeding a period of five years.

notes to the consolidated financial statements

2 Accounting policies and basis of preparation (continued)**2.5 Other accounting policies (continued)****2.5.4 Intangible assets (continued)****(d) Distribution channels**

Distribution channels that have been acquired on acquisition of a subsidiary are initially recognised at fair value. They are deemed to be finite life assets and amortised on a straight-line basis over their expected useful economic lives, not exceeding a period of 15 years.

Property, plant and equipment are carried at cost, less accumulated depreciation and any impairment in value. Depreciation is calculated so as to write-off the cost over their estimated useful lives on a straight-line basis having regard to the residual value of each asset, as follows:

Land	Indefinite
Buildings	30 years
Office refurbishment	3 to 15 years
Computers, office machinery, furniture and equipment	3 to 7 years

The assets' residual values and useful lives are reviewed at the date of each statement of financial position and adjusted if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on the disposal of property, plant and equipment are determined by comparing proceeds with the carrying amount of the asset and are included in the income statement. Costs for repairs and maintenance are expensed as incurred.

2.5.5 Impairment

Goodwill and trade names are not subjected to amortisation but are tested annually for impairment as they are assets with an indefinite useful life. Other assets, except for assets arising from insurance contracts, deferred tax assets, assets arising from employee benefits, financial assets within scope of IFRS 9 'Financial Instruments', and non-current assets (or disposal groups) classified as held for sale, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

If the carrying value of an asset is impaired, it is reduced to the recoverable amount by an immediate charge to the income statement. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is based on discounting cash flows at the Group's weighted average cost of capital which is loaded where significant uncertainties exist. Assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Cash flow forecasts have been performed to account for the impact of climate change.

Impairment reviews are made by comparing carrying value to recoverable amount.

2.5.6 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position include cash in hand, deposits held at call with banks, and other short-term, highly liquid investments with a maturity of three months or less at the date of acquisition.

2.5.7 Income taxes

Income tax comprises current and deferred tax. Income tax is recognised in the income statement except where it relates to an item which is recognised in equity.

(a) Current income tax

Current income tax is the expected tax payable on the taxable profit for the period using tax rates (and laws) enacted, or substantively enacted, at the date of the statement of financial position and any adjustment to the tax payable in respect of previous periods. The Group calculates current income tax using current income tax rates.

2 Accounting policies and basis of preparation (continued)

2.5 Other accounting policies (continued)

2.5.7 Income taxes (continued)

(b) Deferred income tax

Where relevant deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities, and their carrying amounts in the consolidated financial statements. If the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not recognised.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the date of the statement of financial position, and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax relating to items recognised in other comprehensive income is also recognised in other comprehensive income.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income taxes relate to the same fiscal authority.

Deferred tax assets and liabilities are not discounted.

(c) Pillar Two Model Rules

The Group has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

2.5.8 Employee benefits

The Group operates a number of defined contribution schemes. It also makes payments into a number of personal money purchase pension plans. Contributions in respect of these schemes are charged to the income statement in the period to which they relate.

The asset recognised in the statement of financial position in respect of a defined benefit scheme is the fair value of the scheme assets less the present value of the defined benefit obligation, which is determined by discounting the estimated future cash outflows. The discount rate is based on market yields at the reporting date of high-quality corporate bonds that have terms to maturity which approximate to those of the related pension liability. An asset is recognised only to the extent that it is considered available in the form of future refunds from the plan, in particular taking into consideration any minimum funding requirements that apply to the plan.

Actuarial gains and losses are recognised immediately through other comprehensive income.

The Group determines the net interest expense/income on the net defined benefit liability/asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/asset.

Past service costs arising in the period are recognised as an expense at the earlier of the date when the plan amendment or curtailment occurs, and the date when the Group recognises related restructuring costs or termination benefits.

A net pension asset is derecognised when a scheme completes a buy-out (i.e. full transfer of the obligation for paying members' benefits to an insurance company) and any remaining surplus has been paid to the Group by the scheme.

The Group recognises an accrual in respect of profit-sharing, bonus plans, and long service cash awards where a contractual obligation to employees exists or where there is a past practice that has created a constructive obligation.

notes to the consolidated financial statements

2 Accounting policies and basis of preparation (continued)**2.5 Other accounting policies (continued)****2.5.9 Share-based payments**

The fair value of equity instruments granted under share-based payment plans are recognised as an expense and spread over the vesting period of the instrument. The total amount to be expensed is determined by reference to the fair value of the awards made at the grant date.

At the date of each statement of financial position, the Group revises its estimate of the number of equity instruments that are expected to become exercisable and it recognises the impact of the revision of original estimates, if any, in the income statement.

Where the granted awards have been classified as equity-settled, a corresponding adjustment is made to equity. Awards are classified as equity-settled when the Group has no obligation to settle the award.

Where the awards have been granted by the Group and are treated as cash-settled, a liability is provided for settlement of the awards. The corresponding adjustment arising on a revision of the original estimate is made to that liability. In addition, the fair value of the award and ultimate expense are adjusted upon a change in the market share price of the underlying shares or at the valuation date. The liability is remeasured at each reporting date and on settlement, at which point it is derecognised from the statement of financial position.

2.5.10 Provisions and contingencies

Provisions are liabilities with uncertainties in the amount or timing of payments. Provisions are recognised if there is a present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made at the date of the statement of financial position.

A contingent liability is a possible obligation that arises from past events, or a present obligation that is not recognised as it is not probable that an outflow of resources will be required to settle the obligation, or the amount of obligation cannot be measured with sufficient reliability. A contingent liability is disclosed but not recognised.

2.5.11 Leases

The Group leases various offices under rental contracts that are typically from 1 to 15 years, but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. Leased assets are recognised as right-of-use assets and corresponding liabilities are recorded at the date at which the leased assets are available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions. To determine this, the Group uses recent third-party financing received by the individual lessee (where available) and, if necessary, makes adjustments to reflect subsequent changes in financing conditions and other adjustments specific to the lease (for example, to reflect lease term, country of leased asset, contract currency, and security).

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2 Accounting policies and basis of preparation (continued)

2.5 Other accounting policies (continued)

2.5.11 Leases (continued)

Right-of-use assets are measured at cost comprising of the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a term of 12 months or less.

Extension and termination options are included in a number of leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. Most of the extension and termination options held are exercisable only by the Group and not by the respective lessor.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption, then it classifies the sublease as an operating lease. The Group recognises assets held under a finance lease in its statement of financial position, and presents them as a receivable at an amount equal to the net investment in the lease. The lessor will derecognise the carrying amount of the underlying asset (i.e. right-of-use-asset) that relates to the sublease, and the difference between this and the net investment in lease is recognised in the income statement. Subsequently, finance income will be recognised over the lease term with a corresponding increase in the net investment in the lease. Any cash received by the Group is recorded as a reduction in the net investment in the lease.

2.5.12 Foreign currency translation

Items included in the financial statements of the parent and subsidiaries are measured using the functional currency, which is the primary economic environment in which the entity operates. The Group presents its consolidated financial statements in US dollars, which is the functional currency of the parent.

Foreign currency transactions are recorded in the functional currency for each entity using the exchange rates prevailing at the dates of the transactions, or at the average rate for the period when this is a reasonable approximation.

Substantially all of the Group's operations have US dollars as their functional currency. Monetary assets and liabilities denominated in foreign currencies are translated at period end exchange rates. The resulting exchange differences on translation are recorded in the income statement. Non-monetary assets and liabilities that are measured at historical cost denominated in a foreign currency are not retranslated.

The functional currencies of some of the Company's subsidiaries differ from the consolidated Group US dollar presentation currency. As a result, the assets and liabilities of these subsidiaries, including any goodwill arising on consolidation, are translated on consolidation at the rates of exchange prevailing at the balance sheet date. Revenue and expenses are translated at the average rate of exchange for the period. The unrealised gain or loss resulting from this translation is recognised in other comprehensive income and transferred to a foreign currency translation reserve.

2.5.13 Segmental reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker and for which discrete financial information is available.

2.5.14 Dividend and capital distributions

Dividend and capital distributions to the Company's shareholders are recognised in the Group's financial statements in the period in which they are declared and appropriately approved.

notes to the consolidated financial statements

2 Accounting policies and basis of preparation (continued)**2.5 Other accounting policies (continued)****2.5.15 Collateral**

The Group receives collateral from certain reinsurers and pledges collateral where required for regulatory purposes and other funding arrangements. Collateral received in the form of cash is recognised as an asset on the statement of financial position with a corresponding liability for the repayment. Non-cash collateral received is not recognised on the statement of financial position. Except where it is used for the purposes of the agreement to which it relates, collateral pledged is not derecognised from the statement of financial position unless it is cash or where the Group defaults on its obligations under the relevant agreement.

2.5.16 Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of, or is classified as held for sale, and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

3 Significant judgements and estimates**3.1 Introduction**

In preparing the Group's consolidated financial statements, management makes various judgements and estimates that affect the reported amount of assets, liabilities, income and expenses. Such judgements and 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.

3.2 Significant judgements

The judgements that management has made in applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements are outlined below.

3.2.1 Significant judgement involved in the measurement of insurance contract liabilities and reinsurance contract assets**(a) Relating to the asset and liability for remaining coverage****Level of aggregation**

The Group is required to identify portfolios of insurance contracts and subdivide these into groups of insurance contracts for measurement purposes. The assessment of which risks are similar and how contracts are managed, as well as how each portfolio should then be subdivided into groups of insurance contracts, requires judgement to be exercised by management.

The Group manages insurance contracts issued with reference to its Direct Portfolios, such as Financial and Professional Liability and Programmes and Facilities, which are reported to senior management for each insurance carrier and are referred to in the strategic report. After being subdivided into property, casualty and Specialty risks, the Group determined that these Direct Portfolios meet the definition of 'similar risks and managed together' and therefore comprise portfolios of insurance contracts under IFRS 17.

3 Significant judgements and estimates (continued)

3.2 Significant judgements (continued)

3.2.1 Significant judgement involved in the measurement of insurance contract liabilities and reinsurance contract assets (continued)

These portfolios are subdivided into groups of insurance contracts based on anticipated profitability and Year of Account. Management has chosen to subdivide these groups based on class of business to enable consistency across reporting bases. A class of business represents a specific risk that is underwritten within a Direct Portfolio, for instance insurance contracts covering cyber-related risks represent a class of business within the Financial and Professional Liability Direct Portfolio.

For contracts recognised from 1 January 2025, management has opted to further subdivide these classes of business into two separate groups of insurance contracts based on coverage period, thereby establishing:

- (1) One group where each contract has a coverage period of 12 months or less; and
- (2) Another group where each contract has a coverage period of greater than 12 months.

For simplicity, the Group has summarised the above into the following table:

Dimensions selected for subdividing portfolios into groups	Contracts recognised prior to 1 January 2025	Contracts recognised from 1 January 2025
Year of Account	✓	✓
Profitability	✓	✓
Class of Business	✓	✓
Coverage period		✓

The Group aggregates portfolios of reinsurance contracts held based on the type of reinsurance and the insurance carrier ceding the risk, further subdivided by property, casualty and Specialty risks.

PAA eligibility

The Group applies the simplified measurement model to all insurance contracts when the eligibility criteria are met. For contracts with coverage periods greater than 12 months, management must assess if the simplification would produce a measurement of the liability/asset for remaining coverage (LRC/ARC) for the group of contracts that would not differ materially from the one that would be produced under the General Measurement Model.

The criterion is not met if, at the inception of the group of contracts, the Group expects significant variability in the fulfilment cash flows that would affect the measurement of the LRC during the period before a claim is incurred. In making this assessment, the Group must assess what scenarios may reasonably be expected that would create significant variability in the fulfilment cash flows. The Group exercises judgement in setting criteria to assess whether the quantum of variability in fulfilment cash flows is considered significant.

Having subdivided insurance contracts recognised from 1 January 2025 into separate groups based on coverage period, all groups of insurance contracts recognised by the Group in 2025 met the PAA eligibility criteria determined by management. Prior to 2025, some groups of contracts did not meet the PAA eligibility criteria and were therefore measured under the GMM.

(b) Relating to the asset and liability for incurred claims

Future cash flows

The projection of future cashflows is estimated using a range of standard actuarial techniques, such as Basic Chain Ladder, Bornhuetter-Ferguson and Initial Expected Loss Ratio.

The key judgement underpinning the Basic Chain Ladder and Bornhuetter-Ferguson projection methods is that the historical development of cash flows is representative of future development. Claims inflation is taken into account in the Initial Expected Loss Ratio selections, but is otherwise assumed to be in line with historical inflation trends, unless explicit adjustments for other drivers of inflation such as legislative developments are deemed appropriate.

The initial ultimate selections derived by the actuarial department, along with the underlying key assumptions and methodology, are discussed with class underwriters, divisional underwriting directors and the claims team. The actuarial department may apply further judgement and adjust the initial ultimates following these discussions to reflect instances where past trends may not apply in future.

Following this exercise, the ultimate future cashflows are then reviewed and approved by the Reserving Committee.

3 Significant judgements and estimates (continued)

3.3 Significant estimates

The sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year have been outlined below.

3.3.1 Significant estimates in the measurement of insurance contract liabilities and reinsurance contract assets

(a) Relating to the asset and liability for remaining coverage

Insurance revenue

Estimation is required in calculating insurance revenue recognised in the period. This includes the estimation of premium written during the reporting period, especially with regards to delegated arrangements where financial information is provided to the Group on a periodic basis and assumptions are required to estimate the amounts written at the reporting date. Premiums are estimated net of commissions. The expected commissions are estimated based on historical average acquisition expenses applied to the estimated premiums.

The corresponding estimate of the amount of reinsurance premiums payable on outwards reinsurance contracts held is based on assumptions estimated on the underlying inwards insurance contract.

(b) Relating to the asset and liability for incurred claims

Future cash flows

Estimation is required in calculating the expected cash flows to settle obligations to pay for insured events that have occurred, and insurance contract services already provided plus any investment components. This includes loss events that have occurred, but not been reported, events not in data (ENIDs) and other incurred expenses. Uncertainty in the estimation of these cash flows primarily arises from the frequency and severity of claims, the estimated cash settlement patterns and uncertainties regarding future inflation rates. Where a class of business may not lend itself to statistical estimation techniques due to low data volumes, a policy-by-policy review will typically be performed to supplement statistical estimates. Lastly, in the event of a catastrophe, estimates of future cash flows are determined using a combination of outputs from modelling software and a detailed review of contracts exposed to the event in question.

The corresponding estimate of the amount of reinsurance claim recoveries on outwards reinsurance contracts held is based on assumptions estimated on the underlying inwards insurance contract, plus the effect of any risk of non-performance on recoveries by the reinsurer where material.

Sensitivities to a change in claims ratio against the carrying value of the insurance contract liabilities are included in Note 4.1.3.

3 Significant judgements and estimates (continued)

3.3 Significant estimates (continued)

3.3.1 Significant estimates in the measurement of insurance contract liabilities and reinsurance contract assets (continued)

(b) Relating to the asset and liability for incurred claims (continued)

Discount rates

Estimation is involved in determining discount rates that reflect the time value of money, and the financial risks associated with the cash flows of the insurance contract.

The risk-free rate component of the discount rate is calculated using standard Smith-Wilson Extrapolation including all liquid points available for government bonds. Estimation of the illiquidity premium component of the discount rate is required which is the difference between the risk-free rates and the current yields for a representative investment grade corporate bond portfolio, denominated in relevant currencies and adjusted to remove expected credit losses and credit risk premium.

The discount rates applied by currency in the current and prior period are as follows:

	Year ended 31 December 2025				Year ended 31 December 2024 (unaudited)			
	1 Year %	5 Years %	10 Years %	15 Years %	1 Year %	5 Years %	10 Years %	15 Years %
USD	3.82	4.06	4.65	5.08	4.64	4.83	5.17	5.37
GBP	3.89	4.29	4.97	5.46	4.74	4.68	5.14	5.51
EUR	2.04	2.63	3.33	3.79	2.38	2.50	2.91	3.23
CAD	2.70	3.76	4.47	4.76	3.36	3.82	4.43	4.60

Sensitivities to a change in discount rates against the carrying value of the insurance contract liabilities are included in Note 4.3.2.

Risk adjustment

Risk adjustment for non-financial risk is determined to reflect the compensation that an insurer would require for bearing non-financial risk. The Group has estimated the risk adjustment via a confidence level approach. This has been based on a review of distributions estimated using the Bootstrap method. The Bootstrap distributions are estimated gross and net of reinsurance contracts, with reinsurance contracts calculated as the difference between the two.

The chosen confidence level of the risk adjustment is set and reviewed annually. As at 31 December 2025, the risk adjustment is set at a net confidence level of 80% (2024: 78%) over the lifetime of the contracts.

Sensitivities to a change in confidence level against the carrying value of the insurance contract liabilities are included in Note 4.1.3.

3.3.2 Valuation of level 3 financial investments

The Group has categorised \$600.3m of equity securities, loans and mortgages and specialised investment funds as level 3 within the fair value hierarchy. Determining the fair value of these financial investments requires estimation and the incorporation of both observable and unobservable market inputs and assumptions.

Refer to Note 21 for further details on the valuation techniques that the Group uses, as well as the sensitivity of level 3 financial investments.

The \$200.0m loan to FFHL, with a maturity date of 31 March 2026, has not been identified as a key source of estimation uncertainty.

4 Risk management policies

This Note provides details of key risks that the Group is exposed to and explains the Group's strategies and the role of management in mitigating these risks.

4.1 Insurance risk

Insurance risk arises from the possibility of an adverse financial result due to actual experience being different from that expected when an insurance product was designed and priced. The actual performance of insurance contracts is subject to the inherent uncertainty in the occurrence, timing and amount of the final insurance liabilities. This is the principal risk the Group is exposed to as the Group's primary function is to underwrite insurance contracts. The risk arises due to the possibility of insurance contracts being under-priced, under-reserved or subject to unforeseen catastrophe claims.

The areas of insurance risk discussed below include underwriting (including aggregate exposure management), reinsurance and reserving.

notes to the consolidated financial statements

4 Risk management policies (continued)**4.1 Insurance risk (continued)****4.1.1 Underwriting risk****(a) Introduction**

Underwriting risk is the risk that insurance premiums will not be sufficient to cover the future losses and associated expenses. It arises from the fluctuations in the frequency and severity of financial losses incurred through the underwriting process by the Group as a result of unpredictable events.

The Group is also exposed to the risks resulting from its underwriters accepting risks for premiums which are insufficient to cover the ultimate claims which result from such policies. The underwriting and economic environment and the associated impact on premium rates, including trends due to the underwriting cycle and inflation, are factored into the Group's pricing models and risk management tools, and is continually monitored to assess whether any corrective action is required. Additional controls over the underwriting strategy are described in the section below.

The Group primarily writes its business through Lloyd's and therefore can take advantage of Lloyd's centralised infrastructure and service support. Lloyd's also has an established global distribution framework, with extensive licensing agreements providing the Group access to over 200 territories. Primarily using the Lloyd's platform to underwrite, subjects the Group to a number of underwriting risks. The Group relies on the efficient functioning of the Lloyd's market. If for any reason Brit Syndicates Limited (BSL) was restricted or otherwise unable to write insurance through the Lloyd's market, there would be a potentially material adverse effect on the Group's business. In particular, any damage to the brand or reputation of Lloyd's, increase in tax levies imposed on Lloyd's participants or deterioration in Lloyd's asset base when compared with its liabilities may have a material adverse effect on the Group's ability to write new business.

Brit also benefits from the ability to write business based on the Lloyd's financial rating, which allows the Group to write more business as part of the Lloyd's platform. A downgrade in Lloyd's financial strength ratings may have an adverse effect on the Group.

The Group also writes business through Brit Reinsurance (Bermuda) Limited (Brit Re).

(b) Controls over underwriting strategy

The Board sets the Group's underwriting strategy for accepting and managing underwriting risk. The Group, Brit Re and syndicates' Underwriting Committees meet regularly to drive the underwriting strategy and to monitor performance against the plans. The assessment of underwriting performance is all-encompassing applying underwriting key performance indicators (KPIs), technical pricing management information (MI), premium monitoring, delegated underwriting operations and claims. The risks are managed by the committees in line with the underwriting risk policy and within the risk tolerance set by the underwriting entity Boards and risk appetites set by the committee. The underwriting risk policy also sets out a number of controls, which are summarised below.

The Group carries out a detailed annual business planning process for each of its underwriting units. The resulting plans set out premium, territorial and aggregate limits and reinsurance protection thresholds for all classes of business and represent a key tool in managing concentration risk. Performance against the plans is monitored on a regular basis by the Underwriting Committees as well as by the Boards of the regulated entities. A dedicated Risk Aggregation Team also performs catastrophe modelling and scenario analysis including Realistic Disaster Scenario (RDS) analysis on a regular basis to ensure that the Group's net losses remain within its risk appetite.

The Group has developed underwriting guidelines, limits of authority and business plans which are binding upon all staff authorised to underwrite. These are detailed and specific to underwriters and classes of business. Gross and net line size limits are in place for each class of business with additional restrictions in place on catastrophe exposed business.

A proportion of the Group's insurance risks are written by third parties under delegated underwriting authorities, with the remaining being written through individual risk acceptances or through reinsurance treaties. The third parties are closely vetted in advance and are subject to tight reporting requirements. In addition, the performance of these contracts is closely monitored by underwriters and/or portfolio managers, and regular audits are carried out.

The technical pricing framework ensures that the pricing process in the Group is appropriate. It ensures pricing methodologies are demonstrable and transparent and that technical (or benchmark) prices are assessed for each risk. The underwriting and actuarial functions work together to maintain the pricing models and assess the difference between technical price and actual price. The framework also ensures that sufficient data is recorded and checked by underwriters to enable the Group to maintain an effective rate monitoring process.

Compliance is checked through both a peer review process and, periodically, by the Group's internal audit department which is entirely independent of the underwriting units. In order to limit risk, the number of reinstatements per policy is limited, deductibles are imposed, policy exclusions are applied and whenever allowed by statute, maximum indemnity limits are put in place per insured event.

4 Risk management policies (continued)

4.1 Insurance risk (continued)

4.1.1 Underwriting risk (continued)

(c) Underwriting risk profile

The Group underwrites a well-diversified portfolio across classes. The core insurance portfolio of property, cyber, marine, energy and casualty covers a variety of largely uncorrelated events and also provides some protection against the underwriting cycle as different classes are at different points in the underwriting cycle. The underwriting portfolio is managed to target top quartile underwriting performance and the mix of business is continually adjusted based on the current environment (including the current pricing strength of each class). This assessment is conducted as part of the business planning and strategy process which operates annually and uses inputs from the technical pricing framework. The business plan is approved by the entity level Boards and is monitored monthly.

(d) Geographical concentration of insurance revenue

The Group enters into policies with policyholders from all over the world, with the underlying risk relating to premiums spread worldwide. This allows the Group to benefit from a wide geographic diversification of risk. The four principal locations of the Group's policyholders are the United States, UK, Europe and Canada, with 78.1% of the insurance revenue for the Group in 2025 relating to either the United States or United Kingdom (2024: 79.7%). Further detail on the geographical concentration of insurance revenue is disclosed in Note 5(b).

(e) Portfolio mix

The Group underwrites business in a wide variety of classes. The breakdown of insurance revenue before reinsurance by principal lines of business is summarised below:

	2025 Insurance revenue		(Unaudited) 2024 Insurance revenue	
	\$m	%	\$m	%
Financial and Professional Liability	597.6	20.2	566.8	19.8
Programmes and Facilities	501.2	17.0	542.8	19.0
Property	650.9	22.0	513.3	17.9
Casualty	123.1	4.2	146.6	5.1
Specialty	379.7	12.9	372.9	13.1
Casualty Treaty	304.9	10.3	315.6	11.1
Property Treaty	382.4	13.0	379.1	13.3
Classes in run-off and Other lines	10.5	0.4	18.9	0.7
	2,950.3	100.0	2,856.0	100.0

The Group underwrites a mix of both insurance and reinsurance, long and short-tail business across a number of geographic areas which results in diversification within the Group's portfolio. The business mix is monitored on an ongoing basis.

The risk profile of Brit's underwriting portfolio is set out in more detail in the sections below.

(i) Core Underwriting

(1) Financial and Professional Liability (FinPro)

Directors and Officers (D&O)	Coverage provided to both directors and officers and companies for personal liability or securities-related lawsuits.
Financial Institutions (FI)	Coverage of financial institutions for risks including internal and external fraud, and liability to customers, shareholders and regulators.
Transactional	Transactional Insurance, including Representations and Warranties, and Warranties and Indemnities.
Cyber Privacy and Technology	Coverage of first- and third-party risks relating to network security, privacy and data protection risks.
Healthcare	Coverage of hospitals, allied health and long-term care liability, predominantly in the US.
US Professional Indemnity	Coverage for professional negligence, errors and omissions, provided on both an open market and a binding authority basis.

notes to the consolidated financial statements

4 Risk management policies (continued)**4.1 Insurance risk (continued)****4.1.1 Underwriting risk (continued)****(e) Portfolio mix (continued)***(i) Core Underwriting (continued)*

Financial and professional lines are typically long-tailed, meaning that on average the claims are not settled for several years after the expiry of the policy, which increases exposure to claims inflation. Other key risks relate to increasing claim frequency due to global recessions or systemic malpractice, as well as an increasing prevalence of cyber security risk. This portfolio is also exposed to the risk of latent claims arising from risks that were not envisaged at the time of writing the policy.

(2) Programmes and Facilities

Accident and Health	Coverage for personal accident and medical expenses, kidnap and ransom, and contingency.
Long Tail Facilities	Coverage of legal expenses for individuals, companies and affinity groups worldwide, and of professional negligence, errors and omissions for small and medium-sized enterprises predominantly in the US and Canada.
Property Facilities	Coverage of commercial and residential properties and for financial institutions, loan servicers and property investors, including lender-placed hazard and flood protection as well as commercial automobile physical damage and motor truck cargo predominantly across the US and Canada.

The Programmes and Facilities portfolio consists of business written on a delegated authority basis. Property Facilities is exposed to catastrophe claims, particularly US windstorms, earthquakes, floods and terrorist events, and to an increased frequency of fire and weather-related events.

Accident and Health offers diversification due to low correlation with other business lines. Personal accident has the potential to suffer from large losses due to a high concentration of multiple deaths from a catastrophe or large claims from highly valued insured individuals. Medical expense claims are subject to high inflationary costs and may experience a high claim frequency. Contingency classes have exposure to multiple claims from a single event.

The key risks relating to Long Tail Facilities lie with increasing claim frequency due to global recessionary events or systemic malpractice.

(3) Property

Political Risk and Trade Credit	Covers non-payment/performance of counterparties and confiscation, expropriation, nationalisation, deprivation, sequestration or forced abandonment of overseas assets.
Political Violence	Covers physical damage and business interruption losses due to perils including terrorism, riots, war, chemical, biological and/or radiological attacks.
Open Market and Worldwide Property	Coverage of commercial property in the US and internationally.
UK Property	UK property package covers for individuals and small or medium-sized enterprises.
Private Client	Coverage of fine art and private client risks.

Brit provides property cover on a worldwide basis, with the largest exposures in the US. The open market, UK and worldwide property lines are exposed to catastrophe claims, particularly windstorms, earthquakes, floods and terrorist events, and to an increased frequency of fire and weather-related events. The Political Risk and Political Violence classes are exposed to individual large losses arising from terrorist attacks or state action.

(4) Specialty

Marine	Coverage for cargo, hull, marine war and marine liability.
Energy	Coverage for upstream and midstream operations, including renewables.
Specie	Coverage of specie.

The Specialty portfolio includes a diverse range of business lines. However, the portfolio is exposed to large losses on individual risks, for example due to the loss of marine vessels or offshore oil platforms.

4 Risk management policies (continued)

4.1 Insurance risk (continued)

4.1.1 Underwriting risk (continued)

(e) Portfolio mix (continued)

(i) Core Underwriting (continued)

(5) Casualty

Specialist Liability	Coverage for UK and international liability business including Employers, Public, Products and Environmental Liability across a range of territories. North American portfolio, covering a range of classes including general liability, umbrella, professional liability, personal accident, auto liability, environmental liability, medical malpractice and workers compensation. Target client focus is broad and includes but is not limited to captives, regional, super-regional and nationwide carriers.
Casualty Treaty	Casualty and Accident Treaty reinsurance. Worldwide portfolio, writing predominantly non-proportional reinsurance (including retrocession) covering all the principal casualty classes as well as Personal Accident and other accident classes. These include Property Terror, Products Recall, Credit/Bond/Surety, Political Risks and Contingency.

Casualty business is exposed to man-made catastrophe claims such as terrorism, increased claim activity in the event of an economic downturn and the potential for latent claims which were not foreseen at the time the policies were underwritten. This division contains the longest tailed liabilities the Group holds, i.e. there can be a significant delay between the loss event and final settlement of a claim. This delay can result in the final settlement being subject to significant claims inflation.

The Employers' Liability (EL) and Public Liability (PL) portfolios are exposed to large losses resulting from bodily injury claims, and the risk of latent claims arising from risks that were not envisaged at the time of writing the policy.

(6) Property Treaty

Property Treaty	Catastrophe excess of loss, risk excess of loss reinsurance and retrocession.
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The key exposures for Property Treaty are US windstorms and Californian earthquakes. Property Treaty also has exposures to Japanese earthquakes and European windstorms.

(ii) Aggregate exposure management

The Group closely monitors aggregations of exposure to natural catastrophe events against agreed risk appetites using stochastic catastrophe modelling tools, along with knowledge of the business, historical loss information, and geographical accumulations. Climate change impacts natural catastrophe events and Brit's approach to climate change is discussed in section 4.7.1. Analysis and monitoring also measures the effectiveness of the Group's reinsurance programmes.

Aggregations of exposure to man-made catastrophes are monitored using in-house scenario analysis and Lloyd's Realistic Disaster Scenarios (RDS).

The Group's catastrophe risk tolerance is reviewed and set by the Boards on an annual basis. The last review of catastrophe risk tolerances was in December 2025.

For major natural catastrophe events, the Group has tolerances for gross and net Worldwide All Perils at the 1-in-250-year return period expressed as a percentage of the Brit Group Holdings Limited Shareholder Equity. More granular tolerances at lower return periods and by region are set for Brit's syndicates and Brit Re. Board tolerances are also set for major man-made catastrophe events.

notes to the consolidated financial statements

4 Risk management policies (continued)**4.1 Insurance risk (continued)****4.1.1 Underwriting risk (continued)****(e) Portfolio mix (continued)***(ii) Aggregate exposure management (continued)*

Stress and scenario tests are also run, such as Lloyd's and internally developed RDS's. Below are the key RDS losses to the Group for all classes combined (unaudited):

	Estimated industry loss at 1 October 2025 \$m	Modelled Group loss at 1 October 2025		Modelled Group loss at 1 October 2024	
		Gross \$m	Net \$m	Gross \$m	Net \$m
Gulf of Mexico windstorm	111,000	1,200	599	936	517
Florida Miami windstorm	131,000	637	278	506	262
US North East windstorm	81,000	1,071	527	915	331
San Francisco earthquake	80,000	1,512	735	1,468	756
Japan earthquake	54,000	330	183	291	192
Japan windstorm	12,000	108	53	88	54
European windstorm	28,000	162	93	110	74

Actual results may differ materially from the losses stated above given the significant uncertainties within model assumptions, techniques and simulations applied to calculate these event loss estimates. There could also be non-modelled losses which result in actual losses exceeding these figures. Moreover, the portfolio of insured risks changes dynamically over time.

4.1.2 Reinsurance

The Group purchases reinsurance to manage its exposure to individual risks and aggregation of risks arising from individual large claims and catastrophe events. This allows the Group to mitigate exposure to insurance losses, reduce volatility of reported results and protect capital.

Proportional quota share reinsurance is purchased to provide protection against claims arising either from individual large claims or aggregation of losses. Quota share reinsurance is also used to manage the Group's net exposure to classes of business where the Group's risk appetite is lower than the efficient operating scale of the class of business on a gross of reinsurance basis. These placements are reviewed on the basis of market conditions.

The Group also has in place a comprehensive programme of excess of loss reinsurances to protect itself from severe size or frequency of losses:

- Facultative reinsurance is used to reduce risk relating to individual contracts. The amount of cover bought varies by class of business. Facultative reinsurance is also used as a tool to manage the net line size on individual risks to within tolerance.
- Risk excess of loss reinsurance is used to protect a range of individual inwards contracts which could give rise to individual large claims. The optimal net retention per risk is assessed for each class of business given the Group's risk appetite during the business planning exercise.

In March 2025 Brit issued a catastrophe bond which provides \$100.0m of reinsurance protection to Group. The bond expires at the end of 2028 and covers annual aggregate losses from US named windstorms and US and Canadian earthquakes based on the territory-weighted industry loss from such events.

Given the fundamental importance of reinsurance protection to the Group's risk management, the Group has in place internal controls and processes to ensure that the reinsurance arrangements provide appropriate protection of capital and maintain our ability to meet policyholder obligations. The Syndicate and Brit Re Underwriting Committees oversee the purchase of reinsurance.

4 Risk management policies (continued)

4.1 Insurance risk (continued)

4.1.2 Reinsurance (continued)

The Group remains exposed to a number of risks relating to its reinsurance programme:

- It is possible for extremely severe losses to exhaust the reinsurance purchased. Any losses exceeding the reinsurance protection would be borne by the Group.
- Some parts of the programme have limited reinstatements which limit the amount that may be recovered from second or subsequent claims. If the entirety of the cover is exhausted, it may not be possible to purchase additional reinsurance at a reasonable price.
- A dispute may arise with a reinsurer which may mean the recoveries received are lower than anticipated.
- Basis risk on reinsurance which responds to something other than Brit's Ultimate Net Loss.

These risks are managed through a combination of techniques and controls including risk aggregation management, capital modelling and internal actuarial review of outward reinsurance costs. The counterparty risk in relation to reinsurance purchased is managed by the Credit Committee. This is further discussed in the Credit risk section below.

4.1.3 Reserving risk

Reserving risk relates to the risk that the actual cost of losses for policyholder obligations incurred is different from the amounts provided for within the liability for incurred claims, net of reinsurance, due to inaccurate assumptions or unforeseen circumstances. This is a key risk for the Group as the net liability for incurred claims is the largest component of the Group's liabilities and the actual final cost of losses incurred is inherently uncertain. The BSL Reserving Committee is responsible for the management of Brit Syndicates 2987 and 2988's reserving risk, and the Brit Re Reserving Committee performs a similar function for Brit Re.

The Group has a rigorous process for measuring incurred claims and a number of controls are used to mitigate reserving risk. The process starts with controls over claims data which ensure complete and accurate recording of all paid and notified claims. Claims adjusters validate policy terms and conditions, adjust claims and investigate suspicious or disputed claims in accordance with the Group's claims policy.

The liability for incurred claims includes an estimate of expected cash flows required to settle obligations to pay for insured events that have occurred as at the balance sheet date, which includes estimates for both reported and incurred but not reported (IBNR) claims. Reported claims are set using the experience of specialist claims adjusters, underwriters and external experts where necessary. For IBNR claims, estimates are calculated using further actuarial techniques to capture potential liabilities arising from claims not yet reported or where further liabilities could arise beyond information available to date. This is particularly the case for the longest tailed classes of business where the final settlement can occur several years after the claim occurred. Actuarial triangulation techniques are employed by the Group's experienced actuaries to establish the IBNR claims. These techniques project IBNR claims based on historical development of paid and incurred claims by underwriting year.

For the most uncertain claims, the triangulation techniques are supplemented by additional methods to ensure the established insurance contract liabilities are appropriate. The Actuarial function works closely with other business functions such as underwriting, claims and risk aggregation management to ensure that they have a full understanding of the emerging claims experience across the Group. Further details on the actuarial methods used can be found in Note 18. Inflation and other relevant economic factors are considered as part of the process.

The Group's Reserving Policy sets out the approach to estimating incurred claims and is designed to produce accurate and reliable estimates that are consistent over time and across classes of business. The Actuarial best estimate set out in the policy is subject to BSL and Brit Re Reserving Committee sign-off as part of the formal governance arrangements for the Group. The estimate agreed by the committees is used as a basis for the 'best estimate' component of the liability for incurred claims. A risk adjustment is also applied over and above the best estimate to allow for the inherent uncertainty within the best estimate reserve. Finally, the insurance contract liabilities are presented to the respective Audit Committees for recommendation to the relevant Boards.

The liabilities can be more or less than what will ultimately be required to meet the claims arising from earned business. The level of uncertainty varies significantly between the classes written by the Group but typically is highest for those classes where there are longer periods before final fulfilment of the claim. More specifically, the key areas of uncertainty are considered to be claims from the long-tailed direct and long-tailed reinsurance classes. The issues contributing to this heightened uncertainty are common to all entities which write such business. Further details on the insurance contract liabilities, including changes over time and claims development tables, can be found in Note 18.

notes to the consolidated financial statements

4 Risk management policies (continued)

4.1 Insurance risk (continued)

4.1.3 Reserving risk (continued)

The table below provides a sensitivity analysis of the potential impact of a change in the claims ratio and of a change in the confidence level used for determining the risk adjustment on the Group's profit or loss before tax. The sensitivity was calculated by adjusting the risk adjustment 2.5 percentage points above/below the current confidence level. Other potential risks beyond the ones described could have additional financial impacts on the Group.

	Impact of change on profit before tax			
	Gross 2025 \$m	Net 2025 \$m	(Unaudited)	
			Gross 2024 \$m	Net 2024 \$m
Change in claims ratio ¹ (1% increase)	(15.4)	(12.1)	(13.8)	(8.6)
Change in claims ratio ¹ (1% decrease)	15.4	12.1	13.8	8.6
Change in confidence level used for determining the risk adjustment (2.5% increase)	44.0	32.9	44.5	32.5
Change in confidence level used for determining the risk adjustment (2.5% decrease)	(45.6)	(34.1)	(38.9)	(28.4)

1. The calculations of the combined ratio and other ratios are set out in 'key performance indicators and alternative performance measures' section of the report.

The analysis is based on the information at the reporting date. It involves a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions might be correlated.

Subject to taxation, the impact on total equity would be the same as that on profit following a change in the net claims and risk adjustment confidence level.

4.2 Investment risk management

4.2.1 Introduction

This section describes the Group's approach to managing investment risk, from both a quantitative and a qualitative perspective. Investment risk includes market risk (which is covered in section 4.3), investment credit risk (which is covered in section 4.4) and liquidity risk (which is covered in section 4.5).

4.2.2 Investment governance framework

Investment risk is managed in line with the elements of the Risk Management Framework (RMF) – identification, measurement and management. The Brit Group Holdings Limited Board has overall responsibility for determining the overall Group investment strategy, with the BSL and Brit Re Boards exercising control over the syndicates' and Brit Re's investment portfolios, including defining risk tolerances. This is achieved through investment policies and guidelines, which reflect the risk appetite and the business strategy of the Group and individual entities within the Group.

The BSL Investment Committee and the Brit Re Operations Committee have been mandated to review, advise and make recommendations to the respective Boards on investment strategy with a view to optimising investment performance. The investment strategy is executed through outsourced investment management agreements, which is in line with prevailing regulations, with Hamblin Watsa Investment Counsel Limited (HWIC) and a range of other third-party investment managers.

The entity level Risk Oversight Committees ensure that the investment risk is managed within the framework and also report to the relevant Boards. An Investment and Treasury Operations Committee oversees the operational risk that is relevant to the investment management function.

Information is provided at least quarterly covering portfolio composition, performance, forecasting and the results of stress and scenario tests. Any operational issues and breaches to the risk appetite framework are reported to the entity level Risk Oversight Committee and the Board.

4 Risk management policies (continued)

4.2 Investment risk management (continued)

4.2.3 Risk tolerance

Investment risk tolerances are set by the entity Boards, defining the appetite to investments, solvency risk, concentration risk, credit quality, currency risk and liquidity risk. The appetite to these elements of investment risk is derived from the overall risk appetite and business strategy and reflects a number of factors, including the current and expected economic climate, capital management strategy, liquidity needs and asset liability matching (ALM) policy. The investment risk tolerance helps determine the strategic asset allocation.

Risk metrics are monitored and reported on regularly, to ensure that performance is within the Board-approved levels and limits continue to remain appropriate, within the governance framework highlighted above.

4.2.4 Solvency matching

Assets are considered by both currency and duration profile in relation to the liabilities thereby managing the impact of foreign exchange and interest rate risk on the solvency position.

Under this strategy, the total assets of each underwriting entity within the Group are sought to be held in proportion to the currencies of that entity's technical provisions. For each Group underwriting entity, a solvency matched benchmark is calculated. This benchmark is the cash flow profile for investments which would minimise the sensitivity of the Group's solvency position to changes in interest and exchange rates. The Group seeks to implement this through the use of cash, investments and foreign exchange forward contracts in the respective currencies. The investment guidelines for each entity stipulate duration limits and the positioning and sensitivity for both the asset and solvency position is reported quarterly.

As at 31 December 2025, the Group's asset portfolio duration was relatively matched to the Solvency Matched Benchmark duration, limiting the sensitivity of the solvency position to parallel shifts in interest rates. The sensitivity of the portfolio to interest rate changes is shown within Note 4.3.2.

4.2.5 Investment management

The investment management strategy is delivered, at the entity level, through outsourced Investment Management Agreements (IMAs) with HWIC and a range of other third-party investment managers. The IMAs prescribe the investment parameters within which investment managers are permitted to make asset allocation decisions on behalf of the respective entities. Each of the Group's investing entities is governed by separate investment policies; these detail the parameters, roles and responsibilities relating to the management of each entity's investment portfolio.

4.3 Market risk

4.3.1 Introduction

Market risk is the risk that the fulfilment cash flows of insurance and reinsurance contracts and the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Credit risk on financial investments and cash is covered in the credit risk section.

notes to the consolidated financial statements

4 Risk management policies (continued)

4.3 Market risk (continued)

4.3.2 Interest rate risk

Introduction

Interest rate risk in the context of Market risk is the risk that the value of the Group's assets and liabilities and/or future cash flows are adversely impacted by changes in market interest rates. The Group is exposed to interest rate risk, primarily in the US, through its investment portfolio, borrowings, cash and cash equivalents, insurance contract liabilities and reinsurance contract assets. This risk is managed by reducing the mismatch between asset and liability duration positions as discussed above. The sensitivity of financial investments to interest rate risk is indicated by their respective durations. This is defined as the modified duration, which is the change in the price of the security subject to a 100 basis points parallel shift in interest rates. The greater the duration of a security, the greater the possible price volatility.

The duration of the investment portfolio is set within an allowable range relative to the targeted duration and monitored on a quarterly basis.

Included within Note 4.5 are tables that set out the remaining maturity profile of the Group's monetary assets and liabilities, including financial investments and insurance contract liabilities. These maturity profiles provide an indication of the duration of these assets and liabilities and therefore their sensitivity to changes in market interest rates.

Sensitivity to changes in investment yields

The sensitivity of profit to the changes in investment yields is set out in the table below. The analysis is based on information at the reporting date. It involves a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions might be correlated.

This analysis demonstrates that the impact of changes in investment yields on financial investments and insurance and reinsurance contract balances is expected to be offset to an extent.

Impact on profit before tax	(Unaudited)			
	Financial investments 2025 \$m	Insurance and reinsurance contracts 2025 \$m	Financial investments 2024 \$m	Insurance and reinsurance contracts 2024 \$m
Increase				
50 basis points	(60.0)	61.7	(83.6)	56.4
100 basis points	(120.0)	123.3	(167.1)	112.8
Decrease				
50 basis points	60.0	(61.7)	83.6	(56.4)
100 basis points	120.0	(123.3)	167.1	(112.8)

Analysis of larger movements in yield is not shown above as the relationship between profit and investment yields is linear in respect of Brit's portfolio. Subject to taxation, the effect on total equity would be the same as the effect on profit.

4 Risk management policies (continued)

4.3 Market risk (continued)

4.3.3 Currency risk

Introduction

Currency risk is the risk that movements in exchange rates impact the financial performance or solvency position of the Group.

The investment policy includes requirements to ensure that assets are appropriately matched to the liabilities for each of the main currencies. The Group's main currencies are US dollar (USD), Sterling (GBP), Canadian dollar (CAD), Euro (EUR), and Australian dollar (AUD). The split of assets and liabilities for each of the Group's main currencies, converted to US dollars, is set out in the tables below:

	USD \$m	GBP £ Conv. \$m	CAD \$ Conv. \$m	EUR € Conv. \$m	AUD \$ Conv. \$m	Total Conv. \$m
At 31 December 2025						
Financial instruments ¹	6,376.6	117.2	185.6	264.5	69.4	7,013.3
Insurance and reinsurance contracts ²	(3,318.3)	(240.9)	(193.8)	(230.8)	(133.9)	(4,117.7)
Other assets and liabilities	(162.1)	(11.2)	-	1.5	-	(171.8)
Net assets/(liabilities) before the effect of foreign exchange derivatives	2,896.2	(134.9)	(8.2)	35.2	(64.5)	2,723.8
Adjustment for foreign exchange derivatives	80.6	171.6	(398.8)	89.9	56.7	-
Net assets/(liabilities) after the effect of foreign exchange derivatives	2,976.8	36.7	(407.0)	125.1	(7.8)	2,723.8
At 31 December 2024 (unaudited)						
Financial instruments ¹	5,017.8	114.2	625.6	181.5	61.6	6,000.7
Insurance and reinsurance contracts ²	(2,956.2)	(232.0)	(160.8)	(172.7)	(114.3)	(3,636.0)
Other assets and liabilities	(8.7)	(65.7)	-	1.3	-	(73.1)
Net assets/(liabilities) before the effect of foreign exchange derivatives	2,052.9	(183.5)	464.8	10.1	(52.7)	2,291.6
Adjustment for foreign exchange derivatives	144.1	146.0	(387.4)	45.8	51.5	-
Net assets/(liabilities) after the effect of foreign exchange derivatives	2,197.0	(37.5)	77.4	55.9	(1.2)	2,291.6

1. The Group's financial instruments are defined in Note 2.5.3(c) and reconciled to the financial statements in Note 21.

2. The Group's 'insurance and reinsurance contracts' refers to the following items presented on the Group's statement of financial position: reinsurance contract assets; and insurance contract liabilities.

The non-USD denominated net assets of the Group may lead to profits or losses (depending on the mix relative to the liabilities), should the USD vary relative to these currencies.

Foreign currency forward contracts may be used to achieve the desired exposure to each currency. From time to time the Group may also choose to utilise foreign currency derivatives to manage the risk of reported losses due to changes in foreign exchange rates. The details of all foreign currency derivative contracts entered into are given in Note 22.

The degree to which derivatives are used is dependent on the prevailing costs versus the perceived benefit to shareholder value from reducing the chance of a reported loss due to changes in foreign exchange rates.

notes to the consolidated financial statements

4 Risk management policies (continued)

4.3 Market risk (continued)

4.3.3 Currency risk (continued)

In accordance with IFRS, non-monetary items are recorded at original transaction rates and are not revalued at the reporting date. This means these amounts in the statement of financial position are carried at a different exchange rate to the remaining assets and liabilities, with the resulting exchange differences that are created being recognised in the income statement. The Group considers this to be a timing issue which can cause volatility in the income statement.

Sensitivity to changes in foreign exchange rates

The table below gives an indication of the impact on profit of a percentage movement in the relative strength of USD against the value of GBP, CAD, EUR, and AUD individually. The analysis is based on the information as at 31 December 2025. It involves the change in an assumption (i.e. single currency fluctuation) while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions might be correlated.

Impact on profit before tax	Financial instruments 2025 \$m	Insurance and reinsurance contracts 2025 \$m	(Unaudited)	
			Financial instruments 2024 \$m	Insurance and reinsurance contracts 2024 \$m
USD weakens				
10% against GBP	13.0	(26.8)	12.7	(25.8)
10% against CAD	20.6	(21.5)	69.5	(17.9)
10% against EUR	29.4	(25.6)	20.2	(19.2)
10% against AUD	7.7	(14.9)	6.8	(12.7)
USD strengthens				
10% against GBP	(10.7)	21.9	(10.4)	21.1
10% against CAD	(16.9)	17.6	(56.9)	14.6
10% against EUR	(24.0)	21.0	(16.5)	15.7
10% against AUD	(6.3)	12.2	(5.6)	10.4

Subject to taxation, the effect on total equity would be the same as the effect on profit.

4.3.4 Other price risk

Introduction

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Financial assets and derivatives that are recognised at their fair value are susceptible to losses due to adverse changes in their prices. This is known as price risk.

Listed investments are recognised in the financial statements at quoted bid price. If the market for the investment is not considered to be active, then the Group establishes fair valuation techniques. This includes using recent arm's-length transactions, consideration of the current fair value of other similar investments, discounted cash flow models and other valuation techniques that are commonly used by market participants.

4 Risk management policies (continued)

4.3 Market risk (continued)

4.3.4 Other price risk (continued)

Brit has a limit on the proportion of its assets it can invest in risk assets which includes equities and derivatives. This combined with active monitoring of exposure by geography and industry helps manage downside risk.

The prices of fixed and floating rate income securities are predominantly impacted by currency, interest rate and credit risks. Credit risk on investments is discussed in the following section of this Note.

Sensitivity to changes in other price risk

The sensitivity of profit to additional price changes in relation to the Group's equity holdings is set out in the table below. The analysis is based on information as at 31 December of each year presented. It involves the change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions might be correlated. No changes were made by the Group in the methods and assumptions used in preparing the below analysis.

Impact on profit before tax	2025 \$m	(Unaudited) 2024 \$m
Increase in fair value		
10%	171.9	137.9
20%	343.8	275.9
30%	515.7	413.8
Decrease in fair value		
10%	(171.9)	(137.9)
20%	(343.8)	(275.9)
30%	(515.7)	(413.8)

Subject to taxation, the effect on total equity would be the same as the effect on profit.

4.4 Credit risk

This is the risk that one party causes a financial loss for the other party by failing to discharge an obligation in a timely manner.

The main sources of credit risk relate to:

- Reinsurers: through the failure to pay valid claims against a reinsurance contract held by the Group;
- Brokers and coverholders: where counterparties fail to pass on premiums or claims collected or paid on behalf of the Group;
- Investments: through the issuer default of all or part of the value of a financial instrument or the market value of that instrument; and
- Cash and cash equivalents: through the default of the banks holding the cash and cash equivalents.

The insurance and non-insurance related counterparty credit risks are managed separately by the Group.

4.4.1 Non-insurance credit risk

Investment credit risk management process

The Group Board has overall responsibility for investment credit risk. The investment guidelines and investment policy set out clear limits and controls around the level of investment credit risk. This includes a tolerance on matching of asset and liabilities by currency, concentration guidelines that restrict the exposure to any individual counterparty and monitoring of exposure by industry and geography. The investment guidelines further limit the type, credit quality and maturity profile of both the Group's cash and investments. In addition, the investment risk framework further limits potential exposure to credit risk through aggregate investment risk limits.

During 2025, the BSL Investment Committee was chaired by Andie Welsch, a Non-Executive Director of the BSL Board. This committee is responsible for the immediate oversight of the syndicates' investments and the Brit Re Operations Committee is responsible for the immediate oversight of the Brit Re's investments. The Brit Group Holdings Limited Board oversees all Group investments.

notes to the consolidated financial statements

4 Risk management policies (continued)

4.4 Credit risk (continued)

4.4.1 Non-insurance credit risk (continued)

Non-insurance credit risk profile

The summary of the non-insurance credit risk exposures for the Group's assets is set out in the tables below.

	AAA \$m	AA \$m	A \$m	BBB and below \$m	Equities \$m	Not rated \$m	Total \$m
At 31 December 2025							
Financial investments	319.7	4,202.3	459.8	162.2	791.6	808.9	6,744.5
Derivative contracts	-	-	12.0	-	-	2.6	14.6
Trade and other receivables ¹	-	-	-	-	-	123.1	123.1
Other assets ¹	-	-	-	-	205.9	-	205.9
Cash and cash equivalents	196.9	209.0	140.0	31.3	0.0	0.0	577.2
	516.6	4,411.3	611.8	193.5	997.5	934.6	7,665.3
At 31 December 2024 (unaudited)							
Financial investments	2,614.1	69.3	955.2	335.9	620.4	679.2	5,274.1
Derivative contracts	-	-	10.7	-	-	4.3	15.0
Trade and other receivables ¹	-	-	-	-	-	177.1	177.1
Other assets ¹	-	-	-	-	152.7	-	152.7
Cash and cash equivalents	266.9	97.7	68.7	43.1	-	-	476.4
	2,881.0	167.0	1,034.6	379.0	773.1	860.6	6,095.3

1. 'Trade and other receivables' and 'Other assets' are defined in Note 2.5.3. To ensure the table presents non-insurance credit risk, debtors arising out of direct insurance operations and debtors arising out of reinsurance operations have been excluded, and are instead presented as part of insurance credit risk (Note 4.4.2). All 'Trade and other receivables' balances are presented before any allowance for credit losses.

The table above gives an indication of the level of credit worthiness of assets that are most exposed to credit risk. The ratings are mainly sourced from Standard & Poor's and where these are not available an equivalent rating agency.

4.4.2 Insurance credit risk

Insurance credit risk management process

Insurance credit risk arises primarily from reinsurers (whereby reinsurers fail to pay recoveries due to the Group in a timely manner), direct policyholders (where policy holders fail to pay premium in a timely manner) and brokers and coverholders (whereby intermediaries fail to pass on premiums due to the Group in a timely manner).

The BSL Credit Committee and Brit Re Operations Committee are responsible for the management of credit risk arising from insurance activities.

Reinsurer credit risk is managed by transacting only with reinsurance counterparties that satisfy a minimum level of financial strength or provide appropriate levels of collateral and have been approved for use by the BSL Credit Committee and Brit Re Operations Committee. The reinsurer security list, which sets out the list of approved reinsurance counterparties, is reviewed at least annually and following any significant change in risk profile, which includes any changes to reinsurers' financial ratings. Credit risk appetite limits are set for reinsurance entities and groups to limit accumulations of risk. These positions are monitored quarterly against current balance sheet exposures and in relation to a number of extreme loss scenarios.

Reinsurance aged debt is monitored by the BSL Credit and Brit Re Operations committees. In instances where there is deemed to be a specific risk of non-payment, this is allowed for within reinsurance contract assets. In respect of balances relating to insurance or reinsurance operations, which are outside the scope of IFRS 17, a loss allowance provision may be made.

Any breaches of credit risk tolerance and/or appetite are reported to the Risk Oversight Committee and the Board at least quarterly. Credit risk associated with insurance contracts issued is not considered a material risk to the Group as it has the right to terminate contracts should the policyholder default on its premium payment obligations.

4 Risk management policies (continued)

4.4 Credit risk (continued)

4.4.2 Insurance credit risk (continued)

Insurance credit risk profile

The reinsurance contract assets presented on the Group's statement of financial position include the asset for incurred claims (AIC) and the asset for remaining coverage (ARC).

A summary of the credit quality of the AIC, is set out in the tables below:

	AAA \$m	AA \$m	A \$m	BBB and below \$m	Equities \$m	Not rated \$m	Total \$m
At 31 December 2025							
Asset for incurred claims	2.5	948.8	555.3	0.0	41.1	15.6	1,563.3
At 31 December 2024 (unaudited)							
Asset for incurred claims	5.3	899.5	503.3	2.7	159.3	17.8	1,587.9

1. Collateralised recoveries relate to amounts held by an independent third party or segregated bank account, or through letters of credit issued for the benefit of the Group.

As at 31 December 2025, the maximum exposure to credit risk from insurance contracts is \$1,388.6m (2024: \$1,524.4m) which relates to premiums and other insurance receivables, and the maximum exposure to credit risk from reinsurance contracts is \$1,815.8m (2024: \$1,862.3m), which relates to reinsurance recoveries from claims outstanding.

As at 31 December 2025 the gross carrying amount of debtors arising from direct insurance operations and reinsurance operations, which are not credit-rated, is \$254.4m (2024: \$352.4m). These amounts are presented within 'Insurance and other receivables' in the consolidated statement of financial position and included within 'Trade and other receivables' in the Notes to the financial statements - refer to Note 2.5.3 for a definition of 'Trade and other receivables'.

4.5 Liquidity risk

Liquidity risk is the risk that the Group may not have cash available to pay obligations when due. The predominant liquidity risk the Group faces is the daily calls on its available cash resources in respect of claims arising from insurance contracts.

The Group monitors the levels of cash and cash equivalents on a daily basis, ensuring adequate liquidity to meet the expected cash flow requirements due over the short term.

The Group also limits the amount of investment in illiquid securities in line with the liquidity policy set by the Boards. This involves ensuring sufficient liquidity to withstand an internally developed stressed scenario which includes a severe catastrophe event (with associated payment and funding requirements) and financial market volatility. Contingent liquidity also exists in the form of a Group revolving credit facility. The investment portfolio invests in a diversified portfolio of securities. Concentration is managed via concentration risk limits and is monitored on an ongoing basis to ensure sufficient diversification.

The tables below present, for the Group's monetary assets and liabilities, the remaining maturity profile at the reporting date based on contractual terms or expected payment dates. The amounts presented are fair values or approximations of fair values except as follows:

- For insurance contract liabilities, the amounts presented are estimates of the present value of the future cash flows as included in the liability for remaining coverage of groups of insurance contracts accounted for under the general measurement model and in the liability for incurred claims of all groups of insurance contracts.
- For borrowings and lease liabilities, the amounts shown are undiscounted future cash flows.

notes to the consolidated financial statements

4 Risk management policies (continued)

4.5 Liquidity risk (continued)

31 December 2025	<1 year \$m	1-2 years \$m	2-3 years \$m	3-4 years \$m	4-5 years \$m	More than 5 years \$m	Equities \$m	Total \$m
Assets								
Financial investments	1,397.2	1,380.5	1,377.6	423.3	1,280.1	94.2	791.6	6,744.5
Derivative contracts	7.6	7.0	-	-	-	-	-	14.6
Trade and other receivables ¹	351.4	-	-	-	-	-	-	351.4
Other assets	-	-	-	-	-	-	205.9	205.9
Cash and cash equivalents	577.2	-	-	-	-	-	-	577.2
	2,333.4	1,387.5	1,377.6	423.3	1,280.1	94.2	997.5	7,893.6

31 December 2025

Liabilities								
Insurance contract liabilities	1,442.1	1,067.2	739.7	516.5	686.9	1,026.9	-	5,479.3
Derivative contracts	5.2	-	8.3	-	-	-	-	13.5
Borrowings	31.3	31.3	31.3	31.3	201.7	801.7	-	1,128.6
Trade and other payables ¹	163.7	-	-	-	-	-	-	163.7
Lease liabilities	4.4	4.4	4.3	4.2	1.7	-	-	19.0
	1,646.7	1,102.9	783.6	552.0	890.3	1,828.6	-	6,804.1

1. Refer to Note 2.5.3 for the Group's definitions of 'Trade and other receivables' and 'Trade and other payables'.

31 December 2024 (unaudited)	<1 year \$m	1-2 years \$m	2-3 years \$m	3-4 years \$m	4-5 years \$m	More than 5 years \$m	Equities \$m	Total \$m
Assets								
Financial investments	814.3	409.0	443.4	850.5	397.4	1,739.1	620.4	5,274.1
Derivative contracts	14.9	0.1	-	-	-	-	-	15.0
Trade and other receivables ¹	508.0	-	-	-	-	-	-	508.0
Other assets	-	-	-	-	-	-	152.7	152.7
Cash and cash equivalents	476.4	-	-	-	-	-	-	476.4
	1,813.6	409.1	443.4	850.5	397.4	1,739.1	773.1	6,426.2

31 December 2024 (unaudited)

Liabilities								
Insurance contract liabilities	1,244.8	943.9	678.6	504.9	672.4	1,054.0	-	5,098.6
Derivative contracts	4.8	-	-	7.3	-	-	-	12.1
Borrowings	6.0	6.0	6.0	6.0	6.0	164.9	-	194.9
Trade and other payables ¹	234.7	-	-	-	-	-	-	234.7
Lease liabilities	3.1	4.1	4.1	4.0	3.9	1.6	-	20.8
	1,493.4	954.0	688.7	522.2	682.3	1,220.5	-	5,561.1

1. Refer to Note 2.5.3 for the Group's definitions of 'Trade and other receivables' and 'Trade and other payables'.

4 Risk management policies (continued)

4.6 Operational risk

Operational risk is the potential for loss arising from the failure of people, process or technology or the impact of external events. The nature of operational risk means that it is dispersed across all functional areas of Brit. Operational risk exposures are managed through a consistent set of management processes that drive risk identification, assessment, control and monitoring.

The BSL Operations Committee, chaired by the Group Chief Operating Officer, is a key governance committee reporting to the Executive Committee. The BSL Operations Committee is responsible for managing operational risk in line with the operational risk policy and the risk tolerance and management appetite limits set by the BSL Board and management respectively. The Brit Re Operations Committee has the same responsibilities for Brit Re. Each committee is provided with relevant operational risk updates and these committees include operational risk owners within executive management who actively manage operational risk within their respective areas (such as Underwriting, Claims, Investments and Finance).

An operational Risk Management Framework is in place to ensure an appropriate standard approach is taken to managing operational risk across the Group. The key elements of this framework are:

- Allocation of responsibility for the identification and assessment of operational risk. Standard tools are used to facilitate these assessments;
- Definition of standard elements of sound operating controls that are expected to be in place to address all identified operational risks;
- A process that integrates with Brit's internal model to support the setting and monitoring of operational risk appetite and tolerances;
- Governance, reporting and escalation for operational risk;
- Infrastructure supporting the operational Risk Management Framework; and
- Operational risk management training and awareness.

A conduct risk framework is in place across the Group to ensure Brit's products and services continue to meet the needs of our customers.

4.7 Emerging risks

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

The emerging risk review has previously identified risks such as climate change, geopolitics and cyber risk. These risks are now considered as part of the business-as-usual risk management process for each of the main risks faced by the Group as described earlier in this Note (insurance risk, investment risk, market risk, credit risk, liquidity risk, operational risk) – refer to the relevant sections of this Note for details of the Group's approach to managing those risks. The nature of these emerging risks is described further below.

4.7.1 Climate change

Climate change has been recognised as an emerging risk since 2014 and has been an area of focus since having been identified as a high priority by Brit's 2018 emerging risks analysis. Its potential impact on the insurance industry is an area of focus for the wider insurance market and its regulators.

The financial risks to insurers may include the potential for increased frequency and severity of weather-related natural catastrophes, for example, hurricanes and wildfires. The three main areas of risk identified for Brit are natural catastrophes, liability claims and investment losses. Further details on the risk management approach are included in the Strategic Report.

4.7.2 Geopolitics

Geopolitical events, such as tariffs or wars (the ongoing war in Ukraine or future wars) have the potential to cause insurance losses and disruption to financial markets. Insurance losses could arise either as a result of direct damage from the conflicts or from second order impacts such as supply chain disruptions and economic instability.

There may also be a potential impact on the operational costs of the Group attributable to the downstream effects of increased inflation resulting from geopolitical events. Such events may also impact the global economy, which could in turn impact the value of Brit's investments.

The Group continues to monitor developments closely.

notes to the consolidated financial statements

4 Risk management policies (continued)**4.7 Emerging risks (continued)****4.7.3 Cyber risk**

The cyber threat landscape continues to develop with increasingly sophisticated attack techniques such as ransomware as a service, increasing interconnectivity (such as networked critical infrastructure and cloud data storage), and the advancement of artificial intelligence (AI).

Brit has invested significantly in developing our understanding of cyber underwriting risk, including the potential drivers of aggregate loss events. Third-party vendor tools have been licensed, providing enhanced modelling capabilities, threat intelligence and data. The ongoing development of the cyber exposure management approach remains an area of focus given the evolving threat environment.

Similarly, Brit has invested significantly in our own cybersecurity. An annual risk-based evaluation is conducted to ensure Brit retains the capability to detect security vulnerabilities and safeguard our systems.

4.8 Capital management

Brit defines management capital as the amount of capital that the Board of each underwriting entity determines that it should hold, taking into account the requirements of shareholders, regulators, policyholders, and the Boards' solvency risk appetite. The capital policy is set by the entity and Group Boards, while the Group Capital Committee is the responsible management committee. Management capital requirements are in excess of capital requirements under the Solvency UK capital regime, which replaced Solvency II in the UK effective 1 January 2025.

The capital requirements are based on the output of the internal models for each underwriting entity, which reflect the risk profile of each entity.

The capital policy requires capital to be held well in excess of regulatory minimum requirements, underpinning Brit's financial strength. The policy ensures the capital adequacy of the Group as a whole, and each entity, through an efficient capital structure. Brit proactively responds to developments in the financial environment to ensure its capital strength is maintained while optimising risk adjusted returns.

The Group's total available capital consists of net tangible assets (after the exclusion of the deferred tax liability on intangible assets and non-controlling interest), senior debt, subordinated debt, letters of credit, and contingent funding. Further details of the Group's total available capital and the management capital requirement (unaudited) are set out in 'key performance indicators and alternative performance measures' section of the report.

All regulatory capital requirements have been complied with during the year by the Group's individual insurance subsidiaries.

The Lloyd's market is subject to the solvency and capital adequacy requirements of the Prudential Regulation Authority (PRA). Any regulatory intervention by the PRA in respect of Lloyd's may adversely affect the Group. The PRA may impose more stringent requirements on Lloyd's which may result in higher capital requirements or a restriction on trading activities for entities within the Group. If Lloyd's fails to satisfy its solvency test in any year, the PRA may require Lloyd's to cease trading and/or its members to cease or reduce their underwriting exposure, which may result in a material adverse effect to the Group's reputation, financial condition and results of operations.

During 2025, Brit primarily underwrote through the Group's principal wholly aligned Lloyd's syndicate, Syndicate 2987, and through Syndicate 2988, which both benefit from the Lloyd's credit ratings of A+ (Excellent) from AM Best, AA- (Very Strong) from Fitch and AA- (Very Strong) from Standard & Poor's. Brit Re also benefits from a Financial Strength Rating of A (Excellent) and a Long-Term Issuer Credit Rating of A (Excellent) from AM Best. Any downgrade in Lloyd's or Brit Re's financial strength ratings may have an adverse effect on the Group.

The Group's business plan and underwriting capacity may be affected by any decrease in the value of the Group's Funds at Lloyd's or by recommendations from the Lloyd's Franchise Board. The Group is also reliant upon the compliance of Lloyd's with US regulations, including the maintenance by Lloyd's of its trading licences and approvals in the US.

5 Segmental information

This Note breaks down the operating results summarised in the income statement into the main business areas of the Group. It also shows how our insurance revenue is split globally. This analysis is designed to help you understand how each segment of our business has performed and how we have allocated the Group's capital.

Segmental information is presented based on the Group's management and internal reporting structures. This represents the level at which financial information is reported, performance is analysed and resources are allocated.

The Group's underwriting activities are presented across three operating segments: Lloyd's, Brit Re and Other Underwriting. The Lloyd's segment reflects our underwriting activity on the Lloyd's of London platform, which primarily takes place through our lead syndicate, Syndicate 2987. The segment also comprises Brit's share of Syndicate 2988, our third-party capital follow platform, and fees earned for managing the syndicate on behalf of members. The Brit Re segment then captures our growing Bermudian reinsurance platform, whilst the Other Underwriting segment captures the Group's special purpose vehicles which were predominantly closed in 2024.

In addition to these underwriting segments, the Group presents an Investments segment comprising investment-related activities, as well as a Corporate segment comprising residual income and expenditure, finance costs and foreign exchange movements.

(a) Income statement by segment

Year ended 31 December 2025

\$m	Lloyd's	Brit Re	Other Underwriting	Total Underwriting	Investments	Corporate	Total
Insurance revenue	2,880.5	69.8	-	2,950.3	-	-	2,950.3
Acquisition costs	(727.9)	(8.4)	-	(736.3)	-	-	(736.3)
Incurred claims and changes to liabilities for incurred claims and other directly attributable expenses	(1,573.6)	(39.5)	-	(1,613.1)	-	-	(1,613.1)
Insurance service expenses	(2,301.5)	(47.9)	-	(2,349.4)	-	-	(2,349.4)
Allocation of reinsurance premiums	(462.1)	(18.5)	-	(480.6)	-	-	(480.6)
Amount recoverable from reinsurers for incurred claims	315.0	10.9	-	325.9	-	-	325.9
Net expenses from reinsurance contracts held	(147.1)	(7.6)	-	(154.7)	-	-	(154.7)
Insurance service result	431.9	14.3	-	446.2	-	-	446.2
Interest revenue from financial assets not measured at FVTPL	-	-	-	-	42.7	-	42.7
Other investment return	-	-	-	-	543.8	-	543.8
Net investment return	-	-	-	-	586.5	-	586.5
Net finance expenses from insurance contracts	(329.5)	(2.5)	-	(332.0)	-	-	(332.0)
Net finance income from reinsurance contracts held	87.3	0.5	-	87.8	-	-	87.8
Net insurance finance expenses	(242.2)	(2.0)	-	(244.2)	-	-	(244.2)
Other income	32.0	-	-	32.0	-	60.3	92.3
Other operating expenses	(142.9)	(12.9)	-	(155.8)	-	(10.3)	(166.1)
Finance costs	-	-	-	-	-	(25.0)	(25.0)
Foreign exchange gains	-	-	-	-	-	27.0	27.0
Profit/(loss) before tax	78.8	(0.6)	-	78.2	586.5	52.0	716.7
Tax charge	-	-	-	-	-	(64.9)	(64.9)
Profit/(loss) for the year	78.8	(0.6)	-	78.2	586.5	(12.9)	651.8

notes to the consolidated financial statements

5 Segmental information (continued)

(a) Income statement by segment (continued)

Year ended 31 December 2024 (unaudited)

\$m	Lloyd's	Brit Re	Other Underwriting	Total Underwriting	Investments	Corporate	Total
Insurance revenue	2,842.2	12.1	1.7	2,856.0	-	-	2,856.0
Acquisition costs	(713.0)	(2.2)	(0.3)	(715.5)	-	-	(715.5)
Incurred claims and changes to liabilities for incurred claims and other directly attributable expenses	(1,450.9)	0.7	2.7	(1,447.5)	-	-	(1,447.5)
Insurance service expenses	(2,163.9)	(1.5)	2.4	(2,163.0)	-	-	(2,163.0)
Allocation of reinsurance premiums	(558.3)	(3.6)	-	(561.9)	-	-	(561.9)
Amount recoverable from reinsurers for incurred claims	425.4	0.5	-	425.9	-	-	425.9
Net expenses from reinsurance contracts held	(132.9)	(3.1)	-	(136.0)	-	-	(136.0)
Insurance service result	545.4	7.5	4.1	557.0	-	-	557.0
Interest revenue from financial assets not measured at FVTPL	-	-	-	-	35.2	-	35.2
Other investment return	-	-	-	-	237.1	-	237.1
Net investment return	-	-	-	-	272.3	-	272.3
Net finance expense from insurance contracts	(223.5)	(0.8)	(2.0)	(226.3)	-	-	(226.3)
Net finance income from reinsurance contracts held	55.4	0.6	(0.1)	55.9	-	-	55.9
Net insurance finance expenses	(168.1)	(0.2)	(2.1)	(170.4)	-	-	(170.4)
Other income	41.5	-	-	41.5	-	81.1	122.6
Other operating expenses	(158.5)	(6.9)	-	(165.4)	-	(5.9)	(171.3)
Finance costs	-	-	-	-	-	(13.3)	(13.3)
Net foreign exchange losses	-	-	-	-	-	(25.8)	(25.8)
Profit/(loss) before tax	260.3	0.4	2.0	262.7	272.3	36.1	571.1
Tax charge	-	-	-	-	-	(92.7)	(92.7)
Profit/(loss) for the year	260.3	0.4	2.0	262.7	272.3	(56.6)	478.4

5 Segmental information (continued)

(b) Geographical information

The Group's strategic business units operate mainly in five geographical areas, though the business is managed on a worldwide basis. The segmental split shown below is based on the location of the underlying risk.

	Year ended 31 December 2025 \$m	(Unaudited) Year ended 31 December 2024 \$m
Insurance revenue		
United States	1,962.3	1,934.7
United Kingdom	342.1	341.0
Canada	102.1	106.4
Europe (excluding UK)	142.8	124.1
Other (including worldwide)	401.0	349.8
	2,950.3	2,856.0

The nature of the London Market business is such that the insureds and reinsureds are often operating on a multi-territory or worldwide basis and hence coverage is often provided on a worldwide basis. Insurance revenue on a multi-territory or worldwide basis is included in 'Other' in the table above.

The table below provides an analysis of the Group's non-current assets in two geographical areas, though the business is managed on a worldwide basis. Non-current assets excludes financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts:

	Year ended 31 December 2025 \$m	(Unaudited) Year ended 31 December 2024 \$m
Non-current assets		
United Kingdom	63.7	56.6
Other (including worldwide)	21.9	19.8
	85.6	76.4

6 Investment return

This Note shows the income generated through investing funds. It also shows the gains and losses generated on various types of investment assets as a result of the movement in their market values.

	Investment income \$m	Net realised gains/(losses) \$m	Net unrealised gains/(losses) \$m	Total investment return \$m
Year ended 31 December 2025				
Cash and cash equivalents	37.9	-	-	37.9
Loan to ultimate parent company	4.8	-	-	4.8
Interest revenue from financial assets not measured at FVTPL	42.7	-	-	42.7
Equity securities	13.4	1.8	136.1	151.3
Debt securities	176.5	17.1	67.0	260.6
Other loans and mortgages	6.6	-	-	6.6
Specialised investment funds	7.2	-	144.0	151.2
Investment-related derivatives	-	(17.0)	9.5	(7.5)
Other investment return before expenses	203.7	1.9	356.6	562.2
Investment management expenses	(18.4)	-	-	(18.4)
Other investment return	185.3	1.9	356.6	543.8
Total investment return	228.0	1.9	356.6	586.5

notes to the consolidated financial statements

6 Investment return (continued)

Year ended 31 December 2024 (unaudited)	Investment income \$m	Net realised gains/(losses) \$m	Net unrealised gains/(losses) \$m	Total investment return \$m
Cash and cash equivalents	35.2	-	-	35.2
Interest revenue from financial assets not measured at FVTPL	35.2	-	-	35.2
Equity securities	9.8	92.6	(27.6)	74.8
Debt securities	164.9	(2.3)	(84.6)	78.0
Other loans and mortgages	8.3	-	-	8.3
Specialised investment funds	5.6	2.3	89.5	97.4
Investment-related derivatives	-	(10.0)	3.5	(6.5)
Other investment return before expenses	188.6	82.6	(19.2)	252.0
Investment management expenses	(14.9)	-	-	(14.9)
Other investment return	173.7	82.6	(19.2)	237.1
Total investment return	208.9	82.6	(19.2)	272.3

7 Net finance income or expenses from insurance and reinsurance contracts held

This Note shows the breakdown of net finance expenses from insurance contracts issued and the net finance income from reinsurance contracts held.

	Year ended 31 December 2025 \$m	(Unaudited) Year ended 31 December 2024 \$m
Net finance (expenses)/income from insurance contracts		
Interest accreted	(225.7)	(270.8)
Effect of changes in interest rates and other financial assumptions	(106.3)	44.5
Total net finance expenses from insurance contracts	(332.0)	(226.3)
Net finance income/(expenses) from reinsurance contracts held		
Interest accreted	69.0	80.7
Effect of changes in interest rates and other financial assumptions	18.8	(24.8)
Total net finance income from reinsurance contracts held	87.8	55.9

During 2025, Brit recognised net finance expenses from insurance contracts issued and reinsurance contracts held of \$(244.2)m and a total investment return on financial assets of \$586.5m (see Note 6), resulting in a net financial result of \$342.3m. In terms of relationship, the expense recognised from accruing interest on the net insurance liabilities is expected to partially offset against the investment income received on financial assets, whilst the impact of changes in discount rates on the net insurance liabilities is expected to partially offset against the fair value gains or losses arising on financial assets driven by their correlation to movements in interest rates. Brit expects that its investment strategy, which takes a long-term view of markets and can lead to volatility in year-on-year returns principally driven by fair value gains and losses, will produce a positive net financial result over a long-term time horizon.

8 Return on derivative contracts

This Note shows the effect on the income statement of derivative contracts held during the year which help manage exposure to fluctuations in interest rates and foreign exchange rates. Derivatives are shown analysed between investment and currency related derivatives, reflecting the way the business is managed.

	Year ended 31 December 2025 \$m	(Unaudited) Year ended 31 December 2024 \$m
Investment-related non-currency options (presented within 'Other investment return')	(7.5)	(6.5)
Currency forwards (presented within 'Foreign exchange gains/(losses)')	9.5	25.5
Return on derivative contracts	2.0	19.0

9 Other income

This Note shows the analysis of other income generated in the year, including changes in value of other financial liabilities.

	Year ended 31 December 2025 \$m	(Unaudited) Year ended 31 December 2024 \$m
Fees and commission from non-aligned syndicates	13.0	27.4
Change in value of ultimate parent company shares held by Brit	46.8	65.9
Net commission fee income from intermediary activities	5.6	5.8
Consortium income	13.4	8.3
Profit on sale of associate	-	15.2
Change in value of other financial liabilities	-	(4.6)
Other	13.5	4.6
Total other income	92.3	122.6

10 Other operating expenses

This Note provides a breakdown of total operating expenses incurred by the Group during the year. Expenses are presented within other operating expenses when they do not relate to the fulfilment of insurance contracts issued or reinsurance contracts held by the Group.

	Year ended 31 December 2025 \$m	(Unaudited) Year ended 31 December 2024 \$m
Salary, pension and social security costs (Note 11)	193.5	177.0
Other staff related costs	60.6	58.0
Depreciation, amortisation and impairment	16.8	14.9
Other expenses	146.7	134.7
Total operating expenses	417.6	384.6
Amounts presented in:		
Insurance service expenses	248.3	210.5
Net expenses from reinsurance contracts held	3.2	2.8
Other operating expenses	166.1	171.3
Total expenses	417.6	384.6

notes to the consolidated financial statements

11 Staff costs

This Note gives a breakdown of the total cost of employing staff (including Executive and Non-Executive Directors) and gives the average number of people employed by the Group during the year.

	Year ended 31 December 2025 \$m	(Unaudited) Year ended 31 December 2024 \$m
Wages and salaries	162.1	149.0
Social security costs	20.6	17.4
Pension costs	10.8	10.6
Total staff costs	193.5	177.0

The monthly average number of employees during the year, including Executive and Non-Executive Directors, was as follows:

	Year ended 31 December 2025 Number	(Unaudited) Year ended 31 December 2024 Number
Underwriters	216	201
Claims staff	70	70
Other underwriting and direct support staff	11	4
Management Administration	160 332	158 305
Total employees	789	738

Director emoluments are included within Note 9 of the Parent Company Financial Statements.

12 Auditors' remuneration

The Group engages PricewaterhouseCoopers LLP to perform the audit of the Group and all subsidiaries except for Camargue companies.

The remuneration of the auditors or their associates is analysed as follows:

	Year ended 31 December 2025 \$m	(Unaudited) Year ended 31 December 2024 \$m
Audit of the Group and Company financial statements	1.7	1.5
Audit of subsidiaries	1.1	1.1
Audit related assurance services	0.2	0.2
Total audit and audit related assurance services	3.0	2.8
Total non-audit services	-	-
Total audit and non-audit services	3.0	2.8

13 Finance costs

Finance costs arise from interest due on moneys borrowed by the Group and any other amounts payable in respect of those borrowings or borrowing facilities. Finance costs also include interest payable on lease liabilities. Further details of the Group's borrowings are set out in Note 25.

	Year ended 31 December 2025 \$m	(Unaudited) Year ended 31 December 2024 \$m
Revolving credit facility and other bank borrowings	4.4	3.7
Interest payable on lease liabilities	0.6	0.8
Subordinated debt	5.9	–
Senior debt	13.1	–
Guarantee fee in relation to senior debt	0.6	–
Borrowings from immediate parent	0.4	8.8
Total finance costs	25.0	13.3

14 Foreign exchange gains or losses

The Group operates in multiple countries and currencies and is exposed to gains and losses arising as a result of movement in various foreign currency exchange rates. This Note explains the foreign exchange gains or losses as a result of converting the income, expenses, assets and liabilities recognised by subsidiaries from transactional currency to functional currency.

The Group recognised foreign exchange gains of \$27.0m (2024: losses of \$25.8m) in the income statement in the year. Foreign exchange gains and losses result from the translation of the statement of financial position items using closing exchange rates, and translation of income statement items using the exchange rates prevailing at the dates of the relevant transactions, or at the average rate for the period when this is a reasonable approximation. Net foreign exchange gains/(losses) in the consolidated income statement also includes the return on currency forward derivatives.

	Year ended 31 December 2025 \$m	(Unaudited) Year ended 31 December 2024 \$m
Gains/(losses) on foreign exchange arising from:		
Financial instruments measured at FVTPL	50.1	(67.0)
Other items	(32.6)	15.7
Currency forwards	9.5	25.5
Net foreign exchange gains/(losses)	27.0	(25.8)

The principal exchange rates applied to USD are set out in the table below.

	Average	Year ended 31 December 2025 Closing	Average	(Unaudited) Year ended 31 December 2024 Closing
Sterling	0.758	0.743	0.782	0.798
Canadian dollar	1.397	1.371	1.370	1.438
Euro	0.884	0.851	0.924	0.966
Australian dollar	1.550	1.500	1.516	1.615
South African rand	17.851	16.570	18.319	18.870

notes to the consolidated financial statements

15 Tax charge

Income tax is tax charged on trading activities during the year. This Note shows the breakdown of tax payable in the current period (current tax) and also tax that may become payable sometime in the future (deferred tax).

(a) Tax (charged)/credited to the income statement

	Year ended 31 December 2025 \$m	(Unaudited) Year ended 31 December 2024 \$m
Current tax:		
Current taxes on income for the year	(25.8)	1.9
Overseas tax on income for the year	(35.8)	(4.6)
Double taxation relief	7.4	-
Adjustments in respect of prior years	1.1	(1.9)
Total current tax	(53.1)	(4.6)
Deferred tax:		
Relating to the origination and reversal of temporary differences	(19.9)	(78.6)
Adjustments in respect of prior years	8.1	(9.5)
Total deferred tax	(11.8)	(88.1)
Total tax charged to the income statement	(64.9)	(92.7)

A tax rate of 25% (2024: 25.0%) has been used in the calculation of the UK current tax.

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 in 2024 on the basis that the amount will be recovered against future liabilities within the Group.

15 Tax charge (continued)

(b) Tax charged to other comprehensive income

	Year ended 31 December 2025 \$m	(Unaudited) Year ended 31 December 2024 \$m
Deferred tax charge on actuarial (losses)/gains on defined benefit pension scheme (relates to continuing operations)	(1.1)	(5.1)

(c) Tax reconciliation

The tax on the Group's profit before tax differs from the theoretical amount that would arise based on the weighted average rate of tax as follows:

	Year ended 31 December 2025 \$m	(Unaudited) Year ended 31 December 2024 \$m
Profit before tax	716.7	571.1
Tax calculated at weighted average rate of tax on income	(143.8)	(82.8)
Non-deductible and non-taxable items	39.6	0.2
Profit on disposal of subsidiaries and associates	-	4.6
Taxes on income at rates in excess of the domestic rate and where credit is unavailable	(0.7)	(1.8)
Effect of temporary differences not recognised	30.8	(10.3)
Effect of revaluation of deferred tax following change in rate of tax	-	8.8
Adjustments to tax charge in respect of prior years	9.2	(11.4)
Total tax charged to income statement	(64.9)	(92.7)

The weighted average rate of tax is based on the geographic split of profit across Group entities in jurisdictions with differing tax rates. As the mix of taxable profits changes, so will the weighted average rate of tax.

(d) 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.

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 31 December 2025 (31 December 2024: \$nil).

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 \$31.2m was recognised on the statement of financial position at 31 December 2025 (31 December 2024: \$nil, as Bermuda's corporate income tax regime had not come into force).

notes to the consolidated financial statements

16 Intangible assets

An intangible asset is an asset without any physical substance but which has long-term value to the business. With the exception of goodwill and trade names, which are classified as indefinite life assets, the values of these assets are reduced according to their useful life by way of amortisation. Amortisation is included as an expense in the income statement.

	Goodwill \$m	Trade names \$m	Distribution channels \$m	Software \$m	Total \$m
Cost:					
At 1 January 2024	13.4	0.7	6.0	56.0	76.1
Additions	-	-	-	18.2	18.2
Foreign exchange effect	(0.4)	-	(0.2)	(1.0)	(1.6)
At 31 December 2024 (unaudited)	13.0	0.7	5.8	73.2	92.7
At 1 January 2025	13.0	0.7	5.8	73.2	92.7
Additions	-	-	-	18.7	18.7
Disposals	-	-	-	(29.7)	(29.7)
Foreign exchange effect	1.8	0.1	0.8	5.4	8.1
At 31 December 2025	14.8	0.8	6.6	67.6	89.8
Amortisation:					
At 1 January 2024	-	-	0.9	30.1	31.0
Charge for the year	-	-	0.4	7.8	8.2
Foreign exchange effect	-	-	-	(0.7)	(0.7)
At 31 December 2024 (unaudited)	-	-	1.3	37.2	38.5
At 1 January 2025	-	-	1.3	37.2	38.5
Charge for the year	-	-	0.4	12.3	12.7
Disposals	-	-	-	(29.7)	(29.7)
Foreign exchange effect	-	-	0.2	3.0	3.2
At 31 December 2025	-	-	1.9	22.8	24.7
Carrying amount:					
At 31 December 2024 (unaudited)	13.0	0.7	4.5	36.0	54.2
At 31 December 2025	14.8	0.8	4.7	44.8	65.1

The gross cost of software fully amortised but still in use is \$3.5m (2024: \$16.4m). All software additions in 2025 and 2024 were internally developed. The software amortisation charge is included in 'Insurance service expenses' and 'Other operating expenses' in the Income Statement. There were no impairments to software in 2025 (2024: \$nil). Assets not yet in use with a total cost of \$13.1m (2024: \$13.9m) are included in software.

Intangible assets with indefinite useful lives (goodwill and trade names) are reviewed annually for impairment. This impairment review is performed at the level of cash-generating units (CGUs), which are based on operating segments which earn revenues and incur expenses and whose results are regularly reviewed by management.

Goodwill and the trade names intangible asset arose from the Group's acquisition of Camargue in 2021, therefore these intangibles are fully allocated to the Camargue CGU for the purpose of the annual impairment review. At both 31 December 2025 and 31 December 2024, the recoverable amount of the Camargue CGU exceeded the carrying amount (including allocated intangible assets).

17 Property, plant and equipment

This Note gives a breakdown of the type of property, plant and equipment asset classes in use. The value of these assets are reduced according to their useful life by way of depreciation. Depreciation is included as an expense in the income statement. An annual assessment of the carrying value of these assets is carried out and, if necessary, an impairment charge to the income statement is made.

	Office refurbishment \$m	Computers, office machinery, furniture and equipment \$m	Land \$m	Buildings \$m	Right of use assets \$m	Total \$m
Cost:						
At 1 January 2024 (unaudited)	20.2	5.2	0.3	0.6	38.1	64.4
Additions	0.7	0.4	-	-	0.7	1.8
Disposals	(1.6)	(0.4)	-	-	(10.2)	(12.2)
Foreign exchange effect	(0.3)	(0.1)	-	-	(0.4)	(0.8)
At 31 December 2024 (unaudited)	19.0	5.1	0.3	0.6	28.2	53.2
At 1 January 2025	19.0	5.1	0.3	0.6	28.2	53.2
Additions	-	0.9	-	-	-	0.9
Disposals	(2.3)	(1.6)	-	-	-	(3.9)
Foreign exchange effect	1.3	0.4	-	0.1	1.9	3.7
At 31 December 2025	18.0	4.8	0.3	0.7	30.1	53.9
Depreciation:						
At 1 January 2024 (unaudited)	11.8	1.9	-	0.1	17.9	31.7
Charge for the year	1.2	0.8	-	-	3.2	5.2
Impairment	1.5	-	-	-	-	1.5
Disposals	(1.4)	-	-	-	(5.5)	(6.9)
Foreign exchange effect	(0.2)	-	-	-	(0.3)	(0.5)
At 31 December 2024 (unaudited)	12.9	2.7	-	0.1	15.3	31.0
At 1 January 2025	12.9	2.7	-	0.1	15.3	31.0
Charge for the year	1.0	0.6	-	-	2.5	4.1
Impairment	-	-	-	-	-	-
Disposals	(2.3)	(1.6)	-	-	-	(3.9)
Foreign exchange effect	0.9	0.2	-	-	1.1	2.2
At 31 December 2025	12.5	1.9	-	0.1	18.9	33.4
Carrying amount:						
At 31 December 2024 (unaudited)	6.1	2.4	0.3	0.5	12.9	22.2
At 31 December 2025	5.5	2.9	0.3	0.6	11.2	20.5

The gross cost of property, plant and equipment fully depreciated but still in use is \$0.1m (2024: \$2.0m). The depreciation charge for the year of \$4.1m (2024: \$5.2m) is included in the 'Insurance service expenses' and 'Other operating expenses' lines in the Income Statement. There were no impairment charges recognised in 2025 (2024: \$1.5m). A dilapidations provision of \$3.1m (2024: \$2.8m) has been set up in respect of the refurbishment of rented property.

notes to the consolidated financial statements

18 Insurance and reinsurance contracts

This Note presents an analysis of the current and non-current portions of insurance contract and reinsurance contract balances.

This Note also analyses the movement in insurance contract and reinsurance contract balances during the year, splitting them into their component parts. It also examines the in-year movement in insurance and reinsurance contract balances applying the general measurement model (GMM), the impact of GMM contracts recognised during the year, the movement in assets for insurance acquisition cash flows, and the expected recognition of the CSM in future periods. On transition to IFRS 17, the Group measured all insurance contracts issued and reinsurance contracts held using the fully retrospective approach.

The Note also shows how claims have developed over a period (before and after the effects of reinsurance) of time by setting out the cumulative development at the end of each calendar year in respect of claims arising from business written in a particular underwriting year.

Composition of the consolidated statement of financial position

An analysis of the amounts presented on the consolidated statement of financial position for insurance and reinsurance contracts is included in the table below, along with the presentation of current and non-current portions of the balances:

\$m	Year ended 31 December 2025			(Unaudited) Year ended 31 December 2024		
	Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
Reinsurance contract assets¹	533.8	1,134.5	1,668.3	539.5	1,167.7	1,707.2
Insurance contract liabilities:						
Insurance contract liabilities excluding assets for insurance acquisition cash flows	1,524.7	4,281.9	5,806.6	1,260.2	4,104.5	5,364.7
Assets for insurance acquisition cash flows	(20.6)	-	(20.6)	(21.5)	-	(21.5)
Insurance contract liabilities¹	1,504.1	4,281.9	5,786.0	1,238.7	4,104.5	5,343.2

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

18 Insurance and reinsurance contracts (continued)

Movement in insurance contract balances

Insurance contracts

Analysis by remaining coverage and incurred claims

	31 December 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					
Net opening balance¹	71.1	(558.4)	(4,627.9)	(249.5)	(5,364.7)
Changes in the consolidated income statement					
Insurance revenue³	2,950.3	-	-	-	2,950.3
Incurring claims and other insurance service expenses	-	(247.5)	(1,357.9)	(105.2)	(1,710.6)
Amortisation of insurance acquisition cash flows	(736.3)	-	-	-	(736.3)
Prior year development	-	8.6	18.0	70.9	97.5
Insurance service expenses	(736.3)	(238.9)	(1,339.9)	(34.3)	(2,349.4)
Insurance service result⁴	2,214.0	(238.9)	(1,339.9)	(34.3)	600.9
Net finance expense from insurance contracts	(2.5)	(35.7)	(293.8)	-	(332.0)
Effect of movements in exchange rates	9.0	(14.7)	(78.3)	(4.9)	(88.9)
Total changes in the consolidated income statement	2,220.5	(289.3)	(1,712.0)	(39.2)	180.0
Investment components	12.0	-	(12.0)	-	-
Cash flows					
Premiums received	(3,046.5)	-	-	-	(3,046.5)
Claims and other insurance service expenses paid	-	133.8	1,527.9	-	1,661.7
Insurance acquisition cash flows	763.0	(0.1)	-	-	762.9
Total cash flows	(2,283.5)	133.7	1,527.9	-	(621.9)
Net closing balance¹	20.1	(714.0)	(4,824.0)	(288.7)	(5,806.6)

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

2. The Group has no items of loss component included within Remaining coverage.

3. \$452.4m of insurance revenue related to contracts measured under the GMM, comprised of \$83.1m from CSM amortisation, \$10.4m from changes in risk adjustment, \$241.2m of expected incurred claims and other expenses, and \$117.7m from the recovery of insurance acquisition cash flows.

4. The insurance service result presented in this disclosure note excludes 'net expenses from reinsurance contract' held'.

notes to the consolidated financial statements

18 Insurance and reinsurance contracts (continued)

Movement in insurance contract balances (continued)

Insurance contracts

	31 December 2024 (unaudited)				
	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	
Analysis by remaining coverage and incurred claims					
Net opening balance¹	103.4	(192.6)	(4,752.2)	(245.9)	(5,087.3)
Changes in the consolidated income statement					
Insurance revenue³	2,856.0	-	-	-	2,856.0
Incurring claims and other insurance service expenses	-	(414.9)	(1,003.3)	(70.8)	(1,489.0)
Amortisation of insurance acquisition cash flows	(715.5)	-	-	-	(715.5)
Prior year development	-	14.1	(37.0)	64.4	41.5
Insurance service expenses	(715.5)	(400.8)	(1,040.3)	(6.4)	(2,163.0)
Insurance service result⁴	2,140.5	(400.8)	(1,040.3)	(6.4)	693.0
Net finance expense from insurance contracts	(3.0)	(21.8)	(201.5)	-	(226.3)
Effect of movements in exchange rates	(2.1)	6.8	40.0	2.8	47.5
Total changes in the consolidated income statement	2,135.4	(415.8)	(1,201.8)	(3.6)	514.2
Investment components	14.1	-	(14.1)	-	-
Cash flows					
Premiums received	(2,870.7)	-	-	-	(2,870.7)
Claims and other insurance service expenses paid	-	50.0	1,340.2	-	1,390.2
Insurance acquisition cash flows	688.9	-	-	-	688.9
Total cash flows	(2,181.8)	50.0	1,340.2	-	(791.6)
Net closing balance¹	71.1	(558.4)	(4,627.9)	(249.5)	(5,364.7)

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

2. The Group has no items of loss component included within Remaining coverage.

3. \$762.2m of insurance revenue related to contracts measured under the GMM, comprised of \$121.5m from CSM amortisation, \$17.7m from changes in risk adjustment, \$440.2m of expected incurred claims and other expenses, and \$182.8m from the recovery of insurance acquisition cash flows.

4. The insurance service result presented in this disclosure note excludes 'net expenses from reinsurance contract' held'.

18 Insurance and reinsurance contracts (continued)

Movement in reinsurance contract balances

Reinsurance contracts

Analysis by remaining coverage and incurred claims	31 December 2025				
	Remaining coverage ¹	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					
Net opening balance	119.3	2.1	1,491.3	94.5	1,707.2
Changes in the consolidated income statement					
Allocation of reinsurance premium	(480.6)	-	-	-	(480.6)
Recoveries on incurred claims and other insurance service expenses	-	62.5	279.0	27.5	369.0
Effect of changes in the risk of reinsurers' non-performance	-	-	(4.0)	-	(4.0)
Prior year development	-	2.0	(18.6)	(22.5)	(39.1)
Recoveries from reinsurers	-	64.5	256.4	5.0	325.9
Net (expenses)/income from reinsurance contracts held	(480.6)	64.5	256.4	5.0	(154.7)
Net finance income from reinsurance contracts held	11.7	0.2	75.9	-	87.8
Effect of movements in exchange rates	1.9	0.3	27.6	1.6	31.4
Total changes in the consolidated income statement	(467.0)	65.0	359.9	6.6	(35.5)
Investment components	(4.7)	-	4.7	-	-
Cash flows					
Premiums paid	457.4	-	-	-	457.4
Claims and other insurance service expenses recovered	-	(50.3)	(410.5)	-	(460.8)
Total cash flows	457.4	(50.3)	(410.5)	-	(3.4)
Net closing balance	105.0	16.8	1,445.4	101.1	1,668.3

1. The Group has no items of loss-recovery component included within Remaining coverage.

notes to the consolidated financial statements

18 Insurance and reinsurance contracts (continued)

Movement in reinsurance contract balances (continued)

Reinsurance contracts

	31 December 2024 (unaudited)				
	Remaining coverage ¹	Incurred claims			Total
		Contracts not under PAA	Contracts under PAA		
			Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
Analysis by remaining coverage and incurred claims					
Net opening balance	242.7	36.1	1,415.5	90.7	1,785.0
Changes in the consolidated income statement					
Allocation of reinsurance premium	(561.9)	-	-	-	(561.9)
Recoveries on incurred claims and other insurance service expenses	-	95.9	251.4	19.8	367.1
Prior year development	-	-	74.1	(15.3)	58.8
Recoveries from reinsurers	-	95.9	325.5	4.5	425.9
Net income from reinsurance contracts held	(561.9)	95.9	325.5	4.5	(136.0)
Net finance (expense)/income from reinsurance contracts held	(1.9)	0.2	57.6	-	55.9
Effect of movements in exchange rates	(0.7)	(0.1)	(15.1)	(0.7)	(16.6)
Total changes in the consolidated income statement	(564.5)	96.0	368.0	3.8	(96.7)
Investment components	(3.3)	-	3.3	-	-
Cash flows					
Premiums paid	444.4	-	-	-	444.4
Claims and other insurance service expenses recovered	-	(130.0)	(295.5)	-	(425.5)
Total cash flows	444.4	(130.0)	(295.5)	-	18.9
Net closing balance	119.3	2.1	1,491.3	94.5	1,707.2

1. The Group has no items of loss-recovery component included within Remaining coverage.

18 Insurance and reinsurance contracts (continued)

Movement in insurance contract balances applying GMM

Insurance contracts

	31 December 2025			
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Analysis by measurement component				
\$m				
Net opening balance	(470.7)	(40.7)	(73.8)	(585.2)
Changes in the consolidated income statement				
Changes that relate to current service				
CSM recognised for the services provided	-	-	83.1	83.1
Changes in the risk adjustment for non-financial risk	-	(9.6)	-	(9.6)
Experience adjustments	14.1	-	-	14.1
	14.1	(9.6)	83.1	87.6
Changes that relate to future service				
Contracts initially recognised in the period	20.8	(1.6)	(19.2)	-
Changes in estimates that adjust the CSM	(9.3)	0.1	9.2	-
	11.5	(1.5)	(10.0)	-
Changes that relate to past service				
Adjustments to net liability for incurred claims	0.4	8.2	-	8.6
Net income/(expense) from insurance contracts issued	26.0	(2.9)	73.1	96.2
Finance expense from insurance contracts issued	(34.5)	-	(3.6)	(38.1)
Effect of movements in exchange rates	(11.9)	(1.1)	(0.7)	(13.7)
Total amounts recognised in comprehensive income	(20.4)	(4.0)	68.8	44.4
Cash flows				
Premiums received	(382.9)	-	-	(382.9)
Claims and other insurance service expenses paid	133.7	-	-	133.7
Insurance acquisition cash flows	85.0	-	-	85.0
Total cash flows	(164.2)	-	-	(164.2)
Net closing balance	(655.3)	(44.7)	(5.0)	(705.0)

notes to the consolidated financial statements

18 Insurance and reinsurance contracts (continued)

Movement in insurance contract balances applying GMM (continued)

Insurance contracts

31 December 2024 (unaudited)

Analysis by measurement component

\$m	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Net opening balance	(139.1)	(18.7)	(61.3)	(219.1)

*Changes in the consolidated income statement***Changes that relate to current service**

CSM recognised for the services provided	-	-	121.5	121.5
Changes in the risk adjustment for non-financial risk	-	(5.5)	-	(5.5)
Experience adjustments	48.5	-	-	48.5
	48.5	(5.5)	121.5	164.5

Changes that relate to future service

Contracts initially recognised in the period	181.8	(18.5)	(163.3)	-
Changes in estimates that adjust the CSM	(36.0)	(0.1)	36.1	-
	145.8	(18.6)	(127.2)	-

Changes that relate to past service

Adjustments to net liability for incurred claims	12.5	1.6	-	14.1
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Net income/(expense) from insurance contracts issued

Finance expense from insurance contracts issued	(17.6)	-	(7.2)	(24.8)
Effect of movements in exchange rates	4.9	0.5	0.4	5.8

Total amounts recognised in comprehensive income	194.1	(22.0)	(12.5)	159.6
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Cash flows

Premiums received	(755.8)	-	-	(755.8)
Claims and other insurance service expenses paid	50.0	-	-	50.0
Insurance acquisition cash flows	180.1	-	-	180.1

Total cash flows	(525.7)	-	-	(525.7)
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Net closing balance	(470.7)	(40.7)	(73.8)	(585.2)
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18 Insurance and reinsurance contracts (continued)

Movement in reinsurance contract balances applying GMM

Reinsurance contracts

Analysis by measurement component

\$m	31 December 2025			
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Net opening balance	256.6	0.2	(4.2)	252.6
Changes in the consolidated income statement				
Changes that relate to current service				
CSM recognised for the services received	-	-	(4.8)	(4.8)
Changes in the risk adjustment for non-financial risk	-	(0.3)	-	(0.3)
Experience adjustments	40.4	-	-	40.4
	40.4	(0.3)	(4.8)	35.3
Changes that relate to future service				
Contracts initially recognised in the period	-	-	-	-
Changes in estimates that adjust the CSM	(2.9)	-	2.9	-
	(2.9)	-	2.9	-
Changes that relate to past service				
Adjustments to net liability for incurred claims	1.4	0.6	-	2.0
Effect of changes in the risk of reinsurers' non-performance	-	-	-	-
	1.4	0.6	-	2.0
Net income/(expense) from reinsurance contracts held	38.9	0.3	(1.9)	37.3
Finance income from reinsurance contracts held	12.0	-	-	12.0
Effect of movements in exchange rates	4.5	-	-	4.5
Total amounts recognised in comprehensive income	55.4	0.3	(1.9)	53.8
Cash flows				
Premiums paid	(10.5)	-	-	(10.5)
Claims and other insurance service expenses recovered	(50.3)	-	-	(50.3)
Total cash flows	(60.8)	-	-	(60.8)
Net closing balance	251.2	0.5	(6.1)	245.6

notes to the consolidated financial statements

18 Insurance and reinsurance contracts (continued)

Movement in reinsurance contract balances applying GMM (continued)

Reinsurance contracts

31 December 2024 (unaudited)

Analysis by measurement component

\$m	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Net opening balance	308.2	0.6	(7.6)	301.2
Changes in the consolidated income statement				
Changes that relate to current service				
CSM recognised for the services received	-	-	(40.7)	(40.7)
Changes in the risk adjustment for non-financial risk expired	-	(0.4)	-	(0.4)
Experience adjustments	54.9	-	-	54.9
	54.9	(0.4)	(40.7)	13.8
Changes that relate to future service				
Contracts initially recognised in the period	(40.1)	0.1	40.0	-
Changes in estimates that adjust the CSM	(3.1)	-	3.1	-
	(43.2)	0.1	43.1	-
Changes that relate to past service				
Prior year development	0.1	(0.1)	-	-
Net income/(expense) from reinsurance contracts held	11.8	(0.4)	2.4	13.8
Finance (expense)/income from reinsurance contracts held	(2.7)	-	1.0	(1.7)
Effect of movements in exchange rates	(2.0)	-	-	(2.0)
Total amounts recognised in comprehensive income	7.1	(0.4)	3.4	10.1
Cash flows				
Premiums paid	71.3	-	-	71.3
Claims and other insurance service expenses recovered	(130.0)	-	-	(130.0)
Total cash flows	(58.7)	-	-	(58.7)
Net closing balance	256.6	0.2	(4.2)	252.6

18 Insurance and reinsurance contracts (continued)

Impact of GMM contracts recognised in the year

\$m	31 December 2025	(Unaudited) 31 December 2024
Insurance contracts (profitable contracts issued¹)		
Claims and other insurance service expenses payable	(48.5)	(441.6)
Insurance acquisition cash flows	(20.0)	(185.7)
Estimates of present value of cash outflows	(68.5)	(627.3)
Estimates of present value of cash inflows	89.3	809.1
Risk adjustment for non-financial risk	(1.6)	(18.5)
CSM	(19.2)	(163.3)
Increase in insurance contract liabilities from contracts recognised in the year	-	-

1. The Group did not acquire any contracts or issue any onerous contracts in either year presented.

\$m	31 December 2025	(Unaudited) 31 December 2024
Reinsurance contracts held (initiated without a loss-recovery component¹)		
Estimates of present value of cash outflows	-	(44.2)
Estimates of present value of cash inflows	-	4.1
Risk adjustment for non-financial risk	-	0.1
CSM	-	40.0
Increase in reinsurance contract assets from contracts recognised in the year	-	-

1. The Group did not initiate any reinsurance contracts with loss-recovery components in either year presented.

Movement in assets for insurance acquisition cash flows

\$m	31 December 2025	(Unaudited) 31 December 2024
Opening balance	21.5	20.2
Cash flows recognised as an asset during the year	20.6	21.5
Amounts derecognised on initial recognition of groups of insurance contracts	(21.5)	(20.2)
Closing balance	20.6	21.5
Presented in insurance contract liabilities	20.6	21.5
Closing balance	20.6	21.5

As insurance acquisition cash flows are not allocated to renewals, all assets for insurance acquisition cash flows are expected to be derecognised within one year.

notes to the consolidated financial statements

18 Insurance and reinsurance contracts (continued)

Expected recognition of the CSM

Duration	1 year or less \$m	1 to 2 years \$m	2 to 3 years \$m	3 to 4 years \$m	4 to 5 years \$m	> 5 years \$m	Total ¹ \$m
31 December 2025							
Insurance contracts	5.0	–	–	–	–	–	5.0
Reinsurance contracts held	1.3	1.1	0.9	0.7	0.6	1.5	6.1
31 December 2024 (unaudited)							
Insurance contracts	71.5	2.3	–	–	–	–	73.8
Reinsurance contracts held	(1.9)	1.3	1.1	0.9	0.7	2.1	4.2

1. A CSM presented as a positive in this table is expected to release as an income to the consolidated income statement in future periods. A CSM presented as a negative in this table is expected to release as an expense to the consolidated income statement in future periods.

Insurance and reinsurance contracts – assumptions and changes in assumptions***Process used to decide on assumptions required***

The risks associated with these insurance liabilities and in particular with casualty insurance liabilities are complex and subject to a number of variables that complicate quantitative analysis.

The Group uses several statistical methods to incorporate the various assumptions made in order to estimate the ultimate costs of claims. It is typical to consider the attritional claims separately from the large claims, separately from the catastrophe losses. The two methods more commonly used are the chain-ladder and the Bornhuetter-Ferguson methods.

Chain-ladder methods may be applied to premiums, paid claims or incurred claims (i.e. paid claims plus case reserve estimates). The basic technique involves the analysis of historical claims development factors and the selection of estimated development factors based on these historical patterns. The selected development factors are then applied to cumulative claims data for each underwriting year, that is not yet fully developed, to produce an estimated ultimate claims cost for each underwriting year.

Chain-ladder techniques are most appropriate for mature classes of business that have a relatively stable development pattern. Chain-ladder techniques are less suitable in cases in which the insurer does not have a developed claims history for a particular class of business or for underwriting years at early stages of development where the outcome is still highly uncertain.

The Bornhuetter-Ferguson method uses a combination of a benchmark or market-based estimate and an estimate based on claims experience. The former is based on a measure of exposure such as premiums; the latter is based on the paid or incurred claims to date. The two estimates are combined using a formula that gives more weight to the experience-based estimate as time passes. This technique is used in situations in which developed claims experience is not available for the projection (recent underwriting years or new classes of business).

The choice of selected results for each year of each class of business depends on an assessment of the technique that has been most appropriate to observed historical developments. In certain instances, this has meant that different techniques or combination of techniques have been selected for the individual underwriting year, or groups of underwriting years within the same class of business.

In addition to the above statistical techniques, alternative approaches are often considered for a number of classes of business (e.g. Casualty Treaty) and particular events (e.g. natural catastrophes), therefore alternative methodologies may be employed to add additional rigour to the process. For example, losses from a catastrophe are typically formed from reviewing potential exposure on a policy by policy basis and taking account of market intelligence to determine Brit's share of the loss. An estimate of the large claims ultimate will typically be formed from estimating the number of unreported large claims, using the standard statistical techniques described above, and multiplying this with the expected severity of such losses.

Changes in assumptions

The Group did not change its estimation techniques in the current financial year.

18 Insurance and reinsurance contracts (continued)

Insurance and reinsurance contracts – assumptions and changes in assumptions (continued)

Claims development tables

The tables show the estimate of ultimate claim costs, inclusive of catastrophe losses, for each successive underwriting year at the end of each year, together with cumulative paid claims at the end of the current year.

The tables reconcile the cumulative claims to the amount included in the statement of financial position, with balances in foreign currencies converted into US dollars applying the 31 December 2025 exchange rates.

The claims development triangles include 100% of the estimate of ultimate claim costs rather than the estimate of ultimate claim costs that reflect the Group's proportionate share of each syndicate's underwriting capacity during the respective underwriting years. An adjustment to reflect the Group's consolidated share of Syndicate 2988 is included below the claims development triangle in the 'elimination of intercompany' row.

The 2020 and prior years of account are impacted by the loss portfolio reinsurance contracts entered into in 2018 and 2021 with RiverStone Managing Agency Limited (for and on behalf of Lloyd's Syndicate 3500).

18 Insurance and reinsurance contracts (continued)

Ultimate net claims

Underwriting year											
\$m	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Estimate of ultimate claims costs (net of reinsurance):											
At end of underwriting year	836.4	1,098.3	1,086.5	944.9	1,186.4	1,278.8	1,512.1	1,301.5	1,440.5	1,473.5	
One year later	931.8	1,143.3	1,177.3	1,097.7	1,144.2	1,324.7	1,441.4	1,212.2	1,453.5		
Two years later	952.5	1,164.6	1,254.0	1,110.7	1,166.0	1,298.1	1,398.9	1,197.9			
Three years later	955.3	1,198.7	1,139.6	1,129.8	1,195.0	1,289.0	1,386.6				
Four years later	964.6	1,114.7	1,141.3	1,179.0	1,199.8	1,275.1					
Five years later	927.9	1,115.0	1,162.6	1,163.7	1,176.2						
Six years later	951.9	1,127.5	1,178.3	1,181.1							
Seven years later	966.9	1,136.0	1,193.2								
Eight years later	971.1	1,140.6									
Nine years later	976.4										
\$m	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Total ultimate net claims at 31 December 2025	976.4	1,140.6	1,193.2	1,181.1	1,176.2	1,275.1	1,386.6	1,197.9	1,453.5	1,473.5	12,454.1
Less cumulative net paid claims	(903.5)	(1,050.3)	(1,045.7)	(880.7)	(894.2)	(840.8)	(775.7)	(466.5)	(337.8)	(46.8)	(7,242.0)
Unearned portion of net ultimate claims	-	-	-	-	-	-	-	-	(48.1)	(773.2)	(821.3)
Cumulative liability for incurred claims from 2015 & prior											250.4
Elimination of intercompany											(215.7)
Claims handling provision and other corporate adjustments											101.0
Reinstatement premiums											(115.4)
Profit commissions											20.0
Discounting											(609.4)
Risk adjustment for non-financial risk											282.8
Non-performance risk											4.9
IFRS 9 Receivables & Payables Reclass											(61.6)
Presentational adjustment LPT											225.6
Other											(10.0)
Total net liability for incurred claims at 31 December 2025											4,263.4

notes to the consolidated financial statements

19 Employee benefits

This Note explains the pension schemes operated by the Group for its employees.

(a) Defined benefit pension schemes

During 2025 the Group operated two funded defined benefit pension schemes providing pensions benefits to its members: the Brit Group Services Limited Retirement Benefits Scheme (the Scheme) and the RiverStone Holdings Management Pension and Life Assurance Plan (the Plan).

The Scheme, which had previously completed a buy-in in December 2022, successfully moved to buy-out on 28 May 2025. Under the Trust Deed and Rules of the Scheme, a surplus of \$29.5m, less tax of \$7.4m, was paid in cash to the Group on 17 July 2025. As a result of this payment the part of the net pension asset relating to the Scheme and the associated deferred tax liability were derecognised from the Consolidated Statement of Financial Position. The Scheme was formally wound up on 12 December 2025.

The Plan only has deferred members and is closed to new entrants. Following closure to future accrual, benefits now increase broadly in line with inflation. The weighted average duration to payment of the Plan's expected cash flows is 13 years (2024: 14 years).

The Plan is subject to UK regulations overseen by the Pensions Regulator and is approved by HMRC for tax purposes. The Plan is operated from a separate trust which has assets that are held separately from the Group. The trust is managed by a corporate Trustee, who is responsible for payment of the benefits and management of the Plan's assets.

In October 2023 the Plan purchased a bulk-annuity policy which matches the benefits due to members. This 'buy-in' is reflected in the figures below.

In accordance with the requirements set by the Pensions Regulator, every three years the Group and Trustees are required to agree a funding strategy and contribution schedule for the Plan. The most recent triennial review of the Plan was undertaken as at 31 March 2024 and identified a funding surplus of £7.0m.

On 19 May 2025, notice of the Group's intention for the Plan to be wound up was given to the Trustee of the Plan. As a consequence, a full pension risk transfer (i.e. a buy-out) was successfully completed on 13 January 2026, with a full wind-up of the Plan expected to complete by the end of 2026. This does not change the assets or liabilities of the scheme, or tax thereon, at the reporting date.

Net amount recognised in the statement of financial position:

	31 December 2025 \$m Scheme	31 December 2025 \$m Plan	(Unaudited) 31 December 2024 \$m Scheme	(Unaudited) 31 December 2024 \$m Plan
Present value of defined benefit obligation	–	(105.3)	(111.4)	(99.4)
Fair value of scheme assets	–	117.2	136.6	109.2
Net pension asset	–	11.9	25.2	9.8

19 Employee benefits (continued)

(a) Defined benefit pension schemes (continued)

Changes in the net pension asset recognised in the statement of financial position:

	31 December 2025 \$m Scheme	31 December 2025 \$m Plan	(Unaudited) 31 December 2024 \$m Scheme	(Unaudited) 31 December 2024 \$m Plan
Opening statement of financial position	25.2	9.8	26.4	10.7
(Expense)/credit to income statement	-	(0.8)	(0.4)	(1.5)
Foreign exchange effect	1.4	0.7	(0.4)	(0.1)
Amount recognised outside income statement	2.9	2.2	(0.4)	0.5
Contributions paid	-	-	-	0.2
Payment of surplus to the Group	(29.5)	-	-	-
Closing statement of financial position	-	11.9	25.2	9.8

A net pension asset is recognised on the statement of financial position in respect of the Plan as there is an unconditional right of the Group to be refunded the surplus in the scheme.

Net (expense)/credit recognised in the income statement comprised:

	31 December 2025 \$m Scheme	31 December 2025 \$m Plan	(Unaudited) 31 December 2024 \$m Scheme	(Unaudited) 31 December 2024 \$m Plan
Net interest on net defined benefit asset	0.9	0.5	0.1	0.5
Running costs	(0.9)	(1.3)	(0.5)	(2.0)
Net expense	-	(0.8)	(0.4)	(1.5)

For both the Scheme and the Plan there is no past service cost in 2025 (2024: \$nil).

This net expense has been recognised in 'Insurance service expenses' and 'Other operating expenses' in the Income Statement.

Contributions to the Group's defined contribution pension arrangements are in addition to those set out in this note and are charged directly to the Income Statement.

The allocation of the Scheme's and Plan's assets were as follows:

	31 December 2025 \$m Scheme	31 December 2025 \$m Plan	(Unaudited) 31 December 2024 \$m Scheme	(Unaudited) 31 December 2024 \$m Plan
Liability Driven Investment (LDI) funds	-	11.6	22.7	8.8
Cash and net current assets	-	0.3	5.1	0.7
Annuity policy	-	105.3	108.8	99.7
Fair value of scheme assets	-	117.2	136.6	109.2

notes to the consolidated financial statements

19 Employee benefits (continued)

(a) Defined benefit pension schemes (continued)

The Liability Driven Investment funds have quoted prices in active markets. The schemes do not invest directly in property occupied by the Group or in financial securities issued by the Group.

Investment strategy

The Trustee of the Plan determines the scheme's investment strategy after taking appropriate advice from investment consultants. The Plan has now completed a full buy-in, meaning the majority of the assets of the scheme are in respect of the buy-in policy. The management of the surplus assets is delegated to an investment manager. The Trustee's investment objectives are to ensure that the Plan has adequate resources to meet the members' entitlements under the Trust Deed and Rules as they fall due, and thereafter to minimise long-term costs of the Plan by maximising the return on the assets. As the Plan has a full buy-in there is very little investment risk.

Movements in the present value of the defined benefit obligation were as follows:

	31 December 2025 \$m Scheme	31 December 2025 \$m Plan	(Unaudited) 31 December 2024 \$m Scheme	(Unaudited) 31 December 2024 \$m Plan
Opening defined benefit obligation	111.4	99.4	127.5	109.4
Interest on defined benefit obligation	2.6	5.7	5.6	4.9
Remeasurements due to:				
Changes in financial assumptions	(4.8)	(4.4)	(12.7)	(11.8)
Changes in demographic assumptions	-	-	0.1	-
Experience on benefit obligations	-	1.1	0.4	3.6
Foreign exchange effect	5.9	7.3	(1.9)	(1.8)
Benefits paid	(2.5)	(3.8)	(7.6)	(4.9)
Settlement buy-out	(112.6)	-	-	-
Closing defined benefit obligation	-	105.3	111.4	99.4

Movements in the fair value of the schemes' assets were as follows:

	31 December 2025 \$m Scheme	31 December 2025 \$m Plan	(Unaudited) 31 December 2024 \$m Scheme	(Unaudited) 31 December 2024 \$m Plan
Opening fair value of scheme assets	136.6	109.2	153.9	120.1
Interest income	3.5	6.2	5.7	5.4
Actual return excluding interest income	(1.9)	(1.1)	(12.6)	(7.7)
Running costs	(0.9)	(1.3)	(0.5)	(2.0)
Foreign exchange effect	7.3	8.0	(2.3)	(1.9)
Contributions by the employer	-	-	-	0.2
Benefits paid	(2.5)	(3.8)	(7.6)	(4.9)
Settlement buy-out	(112.6)	-	-	-
Payment of surplus to the Group	(29.5)	-	-	-
Closing fair value of scheme assets	-	117.2	136.6	109.2

19 Employee benefits (continued)

(a) Defined benefit pension schemes (continued)

The principal actuarial assumptions at the year-end were:

	31 December 2025 Scheme	31 December 2025 Plan	(Unaudited) 31 December 2024 Scheme	(Unaudited) 31 December 2024 Plan
Discount rate	n/a	5.57% pa	5.46% pa	5.52% pa
Retail Prices Index (RPI) inflation	n/a	2.85% pa	3.18% pa	3.15% pa
Consumer Prices Index (CPI) inflation	n/a	2.42% pa	2.42% pa	2.63% pa
Pension increases in payment	n/a	2.90% pa	3.05% pa	3.18% pa
Mortality assumptions:				
Life expectancy of male aged 60 at statement of financial position date	n/a	27.4 years	27.3 years	27.3 years
Life expectancy of female aged 60 at statement of financial position date	n/a	29.9 years	30.2 years	29.8 years
Life expectancy of male aged 60 retiring in 20 years' time	n/a	28.9 years	28.8 years	28.8 years
Life expectancy of female aged 60 retiring in 20 years' time	n/a	31.3 years	31.6 years	31.2 years

The assumptions used to determine end-of-year benefit obligations are also used to calculate the following year's cost.

Sensitivity analysis:

Assumption	Change in assumption	Change in defined benefit obligation at end of the year (Plan)
Discount rate	Decrease by 0.5% pa	Increase by \$6.6m
Future RPI inflation increases	Increase by 0.5% pa	Increase by \$6.0m
Future CPI inflation increases	Increase by 0.5% pa	Increase by \$1.0m
Assumed life expectancy at age 60	Increase by 1 year	Increase by \$2.6m

The calculations in this section have been carried out using the same method and data as the Group's pensions and accounting figures with each assumption adjusted as shown above. Each assumption has been varied individually and a combination of changes in assumptions could produce a different result. Note that as the Plan is now insured any change to the liability would result in a materially equal and opposite change in the annuity asset.

Risks:

The Group is exposed to a number of risks in relation to its remaining defined benefit scheme (the Plan), the most significant of which are detailed below:

Risk	
Counterparty risk	Most of the Plan's liabilities are insured, which gives rise to counterparty risk (the risk of the insurer defaulting on its contractual obligations).
Regulatory	In future the Plan may have backdated claims or liabilities arising from future legislation, emerging practice or court judgements.

(b) Defined contribution pension plan

Brit Group Services Limited (a subsidiary of the Group) operates a defined contribution group personal pension plan. The assets of the scheme are held separately from those of the Group in an independently administered fund.

The pension cost charge represents contributions paid by Brit Group Services Limited to the fund and amounted to \$9.4m (2024: \$10.2m). At 31 December 2025 no contributions were payable to the fund (2024: \$nil).

The Group operates a number of other defined contribution pension plans, contributions to which had an immaterial effect on the Group's consolidated financial statements in both 2024 and 2025.

notes to the consolidated financial statements

20 Deferred tax

This Note describes the tax that may have to be paid in the future. Deferred tax arises from differences in the way that tax is calculated for accounting purposes and tax purposes.

The rate used in the calculation of the UK deferred tax assets and liabilities as at 31 December 2025 is 25%. For the pension surplus DTL a rate of 35% was used from 1 January 2024 as this was the applicable UK tax rate on pension surpluses before a reduction to 25% under The Authorised Surplus Payments Charge Order 2024 which was substantively enacted on 11 March 2024.

The deferred tax asset (DTA) is attributable to temporary differences arising on the following:

	Intangible assets \$m	Underwriting \$m	Losses \$m	Other \$m	Total \$m
At 1 January 2024 (unaudited)	-	-	105.6	29.9	135.5
Movements in the year:					-
Credited/(charged) credited to income statement	-	1.3	8.3	(15.0)	(5.4)
Disposal of subsidiaries	-	-	-	-	-
Foreign exchange effect	-	-	-	1.9	1.9
At 31 December 2024 (unaudited)	-	1.3	113.9	16.8	132.0
Deferred tax assets presented within deferred tax liabilities (see table below)					(132.0)
Net deferred tax asset at 31 December 2024 (unaudited)					-
At 1 January 2025	-	1.3	113.9	16.8	132.0
Movements in the year:					
Acquisitions	-	-	-	-	-
Credited/(charged) credited to income statement	-	2.5	(6.3)	(7.3)	(11.1)
Tax relating to components of other comprehensive income (Note 15(b))	-	-	-	-	-
Disposal of subsidiaries	-	-	-	-	-
Foreign exchange effect	-	-	-	(0.4)	(0.4)
At 31 December 2025	-	3.8	107.6	9.1	120.5
Deferred tax assets presented within deferred tax liabilities (see table below)					(119.7)
Net deferred tax asset at 31 December 2025					0.8

Deferred tax assets, the majority of which arise in the United Kingdom, are considered recoverable where it is expected that there will be future taxable profits based on the approved business plans and forecast profits for the Brit Group UK entities which are available for group relief, adjusted as appropriate to reflect the latest circumstances and supplemented by scenario modelling.

Based on this estimate of future taxable profits, management concluded that \$120.5m (2024: \$132.0m) deferred tax assets are recoverable, including \$107.6m (2024: \$113.9m) in respect of carried forward losses which arose due to significant catastrophe-related claims incurred in previous years. These carried forward losses can be carried forward indefinitely and have no expiry date.

At 31 December 2025 there were no deferred tax assets that were not recognised as an asset on the statement of financial position. At 31 December 2024 a deferred tax asset of \$30.8m relating to carried forward losses of \$123.6m was not recognised as an asset as it was not considered probable that the losses could be utilised in the foreseeable future.

20 Deferred tax (continued)

The DTL is attributable to temporary differences arising on the following:

	Pensions \$m	Intangible assets \$m	Underwriting \$m	Other \$m	Total \$m
At 1 January 2024 (unaudited)	(12.5)	(3.4)	(132.1)	(1.6)	(149.6)
Movements in the year:					
Credited/(charged) credited to income statement	9.2	(0.9)	(81.6)	(9.4)	(82.7)
Tax relating to components of other comprehensive income (Note 15(b))	(5.1)	-	-	-	(5.1)
Disposal of subsidiaries	-	-	-	-	-
Foreign exchange effect	(0.3)	-	-	(0.2)	(0.5)
At 31 December 2024 (unaudited)	(8.7)	(4.3)	(213.7)	(11.2)	(237.9)
Deferred tax assets presented within deferred tax liabilities (see table above)					132.0
Net deferred tax liability at 31 December 2024 (unaudited)					(105.9)
At 1 January 2025	(8.7)	(4.3)	(213.7)	(11.2)	(237.9)
Movements in the year:					
Acquisitions	-	-	-	-	-
Credited/(charged) credited to income statement	0.2	(2.6)	(9.2)	10.9	(0.7)
Tax relating to components of other comprehensive income (Note 15(b))	(1.1)	-	-	-	(1.1)
Derecognition due to payment of tax on pension surplus (Note 19)	7.4	-	-	-	7.4
Disposal of subsidiaries	-	-	-	-	-
Foreign exchange effect	(0.7)	(0.4)	(0.2)	(0.7)	(2.0)
At 31 December 2025	(2.9)	(7.3)	(223.1)	(1.0)	(234.3)
Deferred tax assets presented within deferred tax liabilities (see table above)					119.7
Net deferred tax liability at 31 December 2025					(114.6)

notes to the consolidated financial statements

21 Financial assets and liabilities

The Group holds a number of different financial instruments. This Note disaggregates the different classes of the Group's financial assets and liabilities and provides additional information in relation to them, including how financial assets are categorised under three different levels of hierarchy and the valuation methods adopted.

The carrying amounts of the financial assets and liabilities held by the Group are as follows:

31 December 2025	Note	Amortised Cost \$m	FVTPL Mandatory \$m	FVTPL Designated \$m	Outside scope of IFRS 9 \$m
Equity securities		-	791.6	-	-
Debt securities		-	4,755.2	-	-
Loan to ultimate parent		200.0	-	-	-
Other loans and mortgages		-	70.4	-	-
Specialised investment funds		-	927.3	-	-
Financial investments		200.0	6,544.5	-	-
Trade and other receivables ¹		351.4	-	-	-
Other assets (Fairfax shares purchased for LTIPs) ¹		-	205.9	-	-
Derivative contracts	22	-	14.6	-	-
Cash and cash equivalents	24	577.2	-	-	-
Other		928.6	220.5	-	-
Total financial assets		1,128.6	6,765.0	-	-
Derivative contracts	22	-	13.5	-	-
Borrowings		685.3	-	-	-
Trade and other payables ²		163.7	-	-	-
Lease liabilities ²		-	-	-	17.8
Total financial liabilities		849.0	13.5	-	17.8

1. Reconciliation to the financial statements for 'trade and other receivables' and 'other assets' is performed below.

2. Reconciliation to the financial statements for 'trade and other payables' and 'lease liabilities' is performed below.

21 Financial assets and liabilities (continued)

31 December 2024 (unaudited)	Note	Amortised Cost \$m	FVTPL Mandatory \$m	FVTPL Designated \$m	Outside scope of IFRS 9 \$m
Equity securities		-	620.4	-	-
Debt securities		-	3,811.5	-	-
Other loans and mortgages		-	83.0	-	-
Specialised investment funds		-	759.2	-	-
Financial investments		-	5,274.1	-	-
Trade and other receivables ¹		508.0	-	-	-
Other assets (Fairfax shares purchased for LTIPs) ¹		-	152.7	-	-
Derivative contracts	22	-	15.0	-	-
Cash and cash equivalents	24	476.4	-	-	-
Other		984.4	167.7	-	-
Total financial assets		984.4	5,441.8	-	-
Derivative contracts	22	-	12.1	-	-
Borrowings		159.5	-	-	-
Trade and other payables ²		234.7	-	-	-
Lease liabilities ²		-	-	-	19.1
Total financial liabilities		394.2	12.1	-	19.1

1. Reconciliation to the financial statements for 'trade and other receivables' and 'other assets' is performed below.

2. Reconciliation to the financial statements for 'trade and other payables' and 'lease liabilities' is performed below.

notes to the consolidated financial statements

21 Financial assets and liabilities (continued)**Reconciliation to the financial statements for Trade and other receivables and Other assets**

	31 December 2025 \$m	(Unaudited) 31 December 2024 \$m
Assets as presented in the statement of financial position:		
Insurance and other receivables	578.2	673.6
Less:		
Balances not in scope of IFRS 7	(20.9)	(12.9)
	557.3	660.7
As presented earlier in this note:		
Trade and other receivables	351.4	508.0
Other assets (Fairfax shares purchased for LTIPs)	205.9	152.7
	557.3	660.7

Reconciliation to the financial statements for Trade and other payables and Lease liabilities

	31 December 2025 \$m	(Unaudited) 31 December 2024 \$m
Liabilities as presented in the statement of financial position:		
Insurance and other payables	316.9	342.8
Less:		
Balances not in scope of IFRS 7	(135.4)	(89.0)
	181.5	253.8
As presented earlier in this note:		
Trade and other payables	163.7	234.7
Lease liabilities	17.8	19.1
	181.5	253.8

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

21 Financial assets and liabilities (continued)

Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position where Brit Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

No amounts were offset in either financial assets or financial liabilities as at 31 December 2025 and as at 31 December 2024.

Fair value measurement – items not measured at fair value

'Trade and other receivables', 'trade and other payables' and 'loan to ultimate parent' are short-term in nature where carrying amounts are deemed a reasonable approximation of fair value.

For the fair value of borrowings, please refer to Note 25.

Fair value measurement – fair value hierarchy for financial investments

The Group has classified the fair value measurements of its financial investments using a 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.

21 Financial assets and liabilities (continued)

Fair value measurement – fair value hierarchy for financial investments (continued)

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, UK and Canada.

Level two

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

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

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

Level three

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

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

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.

21 Financial assets and liabilities (continued)

Disclosures of fair values in accordance with the fair value hierarchy

	Level one \$m	Level two \$m	Level three \$m	Total \$m
31 December 2025				
Equity securities	309.1	-	482.5	791.6
Debt securities	4,312.2	443.0	-	4,755.2
Loan to ultimate parent	-	-	200.0	200.0
Other loans and mortgages	-	-	70.4	70.4
Specialised investment funds	-	879.9	47.4	927.3
	4,621.3	1,322.9	800.3	6,744.5
31 December 2024 (unaudited)				
Equity securities	222.6	-	397.8	620.4
Debt securities	2,444.2	1,354.2	13.1	3,811.5
Other loans and mortgages	-	-	83.0	83.0
Specialised investment funds	-	715.1	44.1	759.2
	2,666.8	2,069.3	538.0	5,274.1

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.

During the year, there were \$nil (2024: \$0.1m) of equity transfers from level one to level three.

During the year, there were \$nil (2024: \$nil) of equity transfers from level two to level three.

There were no transfers into level two during the period (2024: no transfers).

notes to the consolidated financial statements

21 Financial assets and liabilities (continued)

Reconciliation of movements in level three financial investments

	Equity securities \$m	Debt securities \$m	Loan to ultimate parent \$m	Other loans and mortgages \$m	Specialised investment funds \$m	Total \$m
At 1 January 2024 (unaudited)	288.4	26.7	-	82.1	56.3	453.5
Transfers from level one to level three	0.1	-	-	-	-	0.1
Total gains/(losses) recognised in the income statement	32.6	(21.8)	-	1.4	(10.6)	1.6
Purchases	152.4	11.0	-	0.6	-	164.0
Sales	(67.7)	-	-	-	-	(67.7)
Foreign exchange gains	(8.0)	(2.8)	-	(1.1)	(1.6)	(13.5)
At 31 December 2024 (unaudited)	397.8	13.1	-	83.0	44.1	538.0
At 1 January 2025	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	71.8	(2.5)	-	-	(8.1)	61.2
Purchases	18.4	1.3	200.0	0.1	6.6	226.4
Sales	(10.4)	(13.0)	-	(16.0)	-	(39.4)
Foreign exchange losses	4.9	1.1	-	3.3	4.8	14.1
At 31 December 2025	482.5	-	200.0	70.4	47.4	800.3

Total net gains recognised in the Income Statement under 'Other investment return' in respect of level three financial investments for the period amounted to \$61.2m (2024: gains of \$1.6m). Included in this balance are \$42.1m of unrealised gains (2024: losses of \$71.7m) attributable to assets still held at the end of the year.

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

Determining the fair value of the Group's level three financial investments requires estimation and the incorporation of both observable and unobservable market inputs and assumptions. To illustrate the sensitivity of the Group's consolidated financial statements to this estimation, the following table shows the impact that a 10% change in the estimated fair value of each category of level three financial investments, excluding the loan to ultimate parent, would have on their carrying value in the consolidated statement of financial position and, therefore, on profit or loss before tax.

	31 December 2025		31 December 2024	
	Carrying amount \$m	Effect of 10% change in fair value estimate (+/-) \$m	Carrying amount \$m	Effect of 10% change in fair value estimate (+/-) \$m
Equity securities	482.5	48.3	397.8	39.8
Debt securities	-	-	13.1	1.3
Other loans and mortgages	70.4	7.0	83.0	8.3
Specialised investment funds	47.4	4.7	44.1	4.4
	600.3	60.0	538.0	53.8

22 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. For the current and prior year, the options formed part of the investment management strategy, while the currency forwards formed part of the foreign exchange management strategy.

The disclosure provided in the tables below include derivatives recorded in the Group's statement of financial position.

	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
Derivative contract assets			
31 December 2025			
Currency forwards	342.8	(340.2)	2.6
Options	9.4	-	9.4
Contingent consideration receivable	1.4	-	1.4
Interest rate swaps	-	-	-
Equity warrants	1.2	-	1.2
Total	354.8	(340.2)	14.6
31 December 2024 (unaudited)			
Currency forwards	549.8	(541.8)	8.0
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
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
31 December 2025			
Currency forwards	(444.4)	439.2	(5.2)
Credit default swaps	(8.3)	-	(8.3)
Interest rate swaps	-	-	-
Total	(452.7)	439.2	(13.5)
31 December 2024 (unaudited)			
Currency forwards	(353.8)	349.3	(4.5)
Credit default swaps	(7.6)	-	(7.6)
Interest rate swaps	-	-	-
Total	(361.4)	349.3	(12.1)

notes to the consolidated financial statements

22 Derivative contracts (continued)

Disclosures of fair values in accordance with the fair value hierarchy	Level two \$m	Level three \$m	Total \$m
31 December 2025			
Derivative contract assets	12.0	2.6	14.6
Derivative contract liabilities	(13.5)	-	(13.5)
31 December 2024 (unaudited)			
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.

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

	Level three derivatives \$m
At 1 January 2024 (unaudited)	4.1
Purchases	-
Total losses recognised in the income statement	1.6
Sales	-
Foreign exchange gains	(1.4)
At 31 December 2024 (unaudited)	4.3
Purchases	-
Total gains recognised in the income statement	(4.3)
Sales	-
Foreign exchange losses	2.6
At 31 December 2025	2.6

23 Insurance and other receivables

This Note sets out the various categories of amounts which are owed to the Group.

	31 December 2025 \$m	(Unaudited) 31 December 2024 \$m
Arising out of direct insurance operations and reinsurance operations	249.2	343.8
Receivables from contracts with customers	30.0	30.5
Prepayments	20.9	12.9
Accrued income	53.4	38.3
Outstanding settlements on investments	0.6	0.9
Other assets	205.9	152.7
Other debtors	18.2	94.5
Total	578.2	673.6

Other assets relate to shares purchased to settle share-based payment awards. For further information, refer to Note 30.

The carrying amounts disclosed above reasonably approximate fair values as all amounts are receivable within one year of the date of the statement of financial position.

24 Cash and cash equivalents

This Note analyses the amounts of cash and cash equivalents. Cash equivalents are investment instruments with less than 90 days left to maturity when purchased by the Group. Additional analysis which explains where cash and cash equivalents are held and why they are being held is also provided.

	31 December 2025 \$m	(Unaudited) 31 December 2024 \$m
Cash at bank and on deposit	250.4	163.3
Cash equivalents	326.8	313.1
Total	577.2	476.4

The carrying amounts disclosed above reasonably approximate fair values.

Cash and cash equivalents comprise of cash at bank and in hand, short-term deposits and other highly liquid investments with a maturity of three months or less at the date of acquisition. Of the total cash and cash equivalents \$242.1m (2024 \$136.1m) was held in restricted accounts.

Additionally, \$896.3m (2024: \$667.4m) is the Group's total pledged cash held against Funds at Lloyd's - refer to Note 33.

notes to the consolidated financial statements

25 Borrowings

This Note describes the main sources of borrowing available to the Group and the amounts currently borrowed from each of those sources.

	Maturity	Effective interest rate	31 December 2025		(Unaudited) 31 December 2024	
			Amortised cost \$m	Fair value \$m	Amortised cost \$m	Fair value \$m
Non-current						
Borrowings from immediate parent	2030	3.7%	-	-	159.5	136.3
Subordinated debt	2030	3.7%	170.8	154.9	-	-
Senior debt (2034)	2034	4.6%	331.4	337.1	-	-
Senior debt (2054)	2054	5.2%	183.1	183.3	-	-
			685.3	675.3	159.5	136.3

Borrowings from immediate parent and subordinated debt

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 its immediate parent (Fairfax UK Holdings Limited), which had the same terms as the listed subordinated notes, were effectively cancelled.

As at 31 December 2025, the fair value of the subordinated debt was determined by reference to trading market values on recognised exchanges and was therefore categorised as a level one measurement in the fair value hierarchy. For further information relating to the fair value hierarchy, refer to Note 21.

Senior debt

On 17 June 2025 the Group became co-obligor on two senior unsecured notes previously issued by Fairfax Financial Holdings Limited (the Group's ultimate parent). 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 CAD 450.0m, with a coupon rate of 4.73% and maturity date of November 2034; and
- Notes with a total principal amount of CAD 250.0m, with a coupon rate of 5.23% and maturity date of November 2054.

The total fair value of these notes at 31 December 2025 was \$520.4m. This fair value was determined by reference to trading market values on recognised exchanges and therefore categorised as a level one measurement in the fair value hierarchy.

Revolving credit facility

The Group has a \$415.0m (2024: \$550.0m) revolving credit facility. On 16 May 2025 the term of this facility was extended from December 2027 to December 2029, with options to extend for either one or two years to either December 2030 or 2031. These extension options expire in April 2027. In respect of this facility, at 31 December 2025 there was no letter of credit outstanding (2024: none) and there were cash drawings of \$nil (2024: \$nil).

Other borrowings

As at 31 December 2025, the letter of credit facility to support Brit Reinsurance (Bermuda) Limited was \$35.0m, of which \$23.3m was utilised (2024: credit facility was \$25.0m, of which \$17.6m was utilised). Of this amount, \$34.9 m (2024: \$18.0m) was collateralised. This is an ongoing facility with no fixed expiry date.

26 Insurance and other payables

This Note sets out the various categories of amounts which are owed by the Group.

	31 December 2025 \$m	(Unaudited) 31 December 2024 \$m
Arising out of direct insurance operations and reinsurance operations	88.9	136.3
Other taxes and social security costs	4.4	4.0
Accruals and deferred income	74.0	61.8
Lease liabilities	17.8	19.1
Other creditors	131.8	121.6
Total	316.9	342.8

With the exception of lease liabilities, the carrying amounts disclosed above reasonably approximate fair values as all amounts are payable within one year of the date of the statement of financial position.

Of the total lease liabilities recognised above, \$3.9m is payable within one year (2024: \$2.5m). A maturity analysis of the contractual undiscounted cash flows is shown below:

	31 December 2025 \$m	(Unaudited) 31 December 2024 \$m
Maturity analysis for lease liabilities – contractual undiscounted cash flows		
Less than one year	4.4	3.1
One to five years	12.9	12.2
More than five years	1.7	5.5
Total undiscounted lease liabilities	19.0	20.8
Total lease liabilities included in Insurance and other payables	17.8	19.1
Current	3.9	2.5
Non-current	13.9	16.6

27 Called up share capital

This Note sets out the number of shares the Company has in issue and their nominal value.

	31 December 2025 £	(Unaudited) 31 December 2024 £	31 December 2025 £1 each Number	(Unaudited) 31 December 2024 £1 each Number
Ordinary shares:				
Allotted, issued and fully paid	1,000.0	1,000.0	1,000.0	1,000.0

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

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

All shares rank pari passu. There are no restrictions on the distribution of dividends and the repayment of capital. The total called up share capital as at 31 December 2025 was £1,000 (2024: £1,000).

During the current year, no share issuances took place.

notes to the consolidated financial statements

28 Dividends

This Note gives details of the amounts paid to shareholders during 2025 and 2024 by way of dividends.

	2025 \$/share	(Unaudited) 2024 \$/share	2025 \$m	(Unaudited) 2024 \$m
Dividend paid	236,000	–	236.0	–

During 2025 an interim dividend of \$236.0m was paid on 18 December 2025 at an amount equal to \$236,000 per share.

During the comparative period Brit Group Holdings Limited did not pay a dividend, as shown in the table above. However, during the part of the comparative period before Brit Group Holdings Limited's acquisition of Brit Insurance Holdings Limited (see Note 2.1) dividends totalling \$140.6m were paid by Brit Insurance Holdings Limited to its parent as follows:

- An in-specie distribution on 5 November 2024 with a value of \$0.6m in relation to the transfer of Ki Group Services Limited from Brit Insurance Holdings Limited to its parent company (Fairfax UK Holdings Limited).
- An interim dividend \$140.0m paid on 3 December 2024.

No final dividend was recommended or paid by Brit Insurance Holdings Limited during 2024.

29 Notes to the consolidated cash flow statement

The tables below show how the profit for the year translates into cash flows from operating activities and provide a reconciliation of the liabilities arising from financing activities.

	Year ended 31 December 2025 \$m	(Unaudited) Year ended 31 December 2024 \$m
Profit before tax	716.7	571.1
Adjustments for:		
Realised and unrealised gains on investments	(366.0)	(69.8)
Realised and unrealised gains on derivatives	(2.0)	(19.0)
Amortisation of intangible assets	13.9	8.1
Depreciation and impairment of property, plant and equipment	4.8	3.8
Foreign exchange (gains)/losses on cash and cash equivalents	(9.1)	5.9
Profit on disposal of an associate	–	(15.3)
Unrealised gains on shares held for share-based payments	(46.8)	(65.9)
Charges in respect of share-based payment schemes	62.6	69.6
Interest income	(225.8)	(208.4)
Dividend income	(20.6)	(15.4)
Finance costs on borrowings	25.0	13.3
Changes in operational assets and liabilities:		
Insurance and other receivables excluding accrued income	165.7	218.2
Insurance and reinsurance contracts	481.7	338.9
Financial investments	(1,049.0)	(427.2)
Derivative contracts	3.8	11.4
Other financial liabilities	–	(104.0)
Insurance and other payables	(79.7)	(612.9)
Employee benefits	26.8	1.5
Provisions	3.5	(0.3)
Cash used in operating activities	(294.5)	(296.4)

29 Notes to the consolidated cash flow statement (continued)

Reconciliation of liabilities arising from financing activities

31 December 2025	1 January 2025 \$m	Cash flows \$m	Foreign exchange movement \$m	Other changes \$m	31 December 2025 \$m
Long-term borrowings					
Subordinated debt	-	152.5	12.9	5.4	170.8
Borrowings from immediate parent	159.5	(158.7)	(0.8)	-	-
Senior debt	-	509.2	(5.1)	10.4	514.5
Short-term borrowings					
Revolving credit facility	-	(3.6)	-	3.6	-
Total liabilities from financing activities	159.5	499.4	7.0	19.4	685.3

31 December 2024 (unaudited)	1 January 2024 \$m	Cash flows \$m	Foreign exchange movement \$m	Other changes \$m	31 December 2024 \$m
Long-term borrowings					
Borrowings from immediate parent	147.2	8.7	(2.8)	6.4	159.5
Short-term borrowings					
Revolving credit facility	-	(2.9)	-	2.9	-
Total liabilities from financing activities	147.2	5.8	(2.8)	9.3	159.5

notes to the consolidated financial statements

30 Share-based payments

The Group rewards its employees through various share-based incentive schemes. This Note explains the different schemes used to facilitate those share-based payments and the charge recognised in the consolidated income statement in respect of these schemes.

The compensation cost recognised in the income statement under IFRS 2 'Share-based Payments' for the Group's share-based payments arrangements are shown below:

	Year ended 31 December 2025 \$m	(Unaudited) Year ended 31 December 2024 \$m
Equity-settled plans		
Employee Share Ownership Plan	1.9	1.7
Cash-settled plans		
Long Term Incentive Plan	60.7	67.9
Total	62.6	69.6

The total liability in respect of cash-settled plans at 31 December 2025 was \$122.6m (2024: \$76.1m). \$10.9m (2024: \$10.7m) is included within 'Other creditors' in respect of national insurance contributions on the share schemes.

(a) Long Term Incentive Plan (Performance Share Plan replacement)

On the Fairfax acquisition of the Brit Group, the 65% of performance share plan (PSP) awards that did not immediately vest were converted by Fairfax into awards under this scheme. The cost of the awards was recorded over the vesting period. The options vested in November 2018 and there are a further seven years to exercise the options.

Reconciliation of movement in the number of awards

	2025	(Unaudited) 2024
Outstanding at 1 January	184	239
Exercised	(184)	(55)
Outstanding at 31 December	-	184

In order to settle share-based payment awards, in 2015 the Group purchased \$10.7m of preference shares in FFHL Share Option 1 Corp. Of the purchase, \$3.9m related to this scheme and was recorded within equity so as to offset the share-based payment charges recorded in equity on exercise of the awards. There were no additional shares purchased for this scheme in 2024 and 2025. The remaining 184 shares were exercised during the year.

(b) Long Term Incentive Plan

The Group awards selected employees options to acquire shares in Fairfax at a nil exercise price. Subject to continued service, the options vest between two and ten years after the grant date and there are a further five years to exercise the options.

The fair value of the awards are determined by the market price of the underlying shares at the valuation date. The calculation of the compensation cost recognised in the income statement in respect of these awards assumes forfeitures due to employee turnover of 10% per annum (2024: 10%) prior to vesting, with subsequent adjustments to reflect actual experience.

30 Share-based payments (continued)

Reconciliation of movement in the number of awards

	2025	(Unaudited) 2024
Outstanding at 1 January	107,209	126,633
Granted	3,398	7,668
Exercised	(8,825)	(25,051)
Forfeited	(965)	(2,041)
Outstanding at 31 December	100,817	107,209

The total intrinsic value at the end of the period of liabilities for awards that have been vested, but not exercised, amounted to \$24.8m (2024: \$8.3m). The weighted average share price at the date of exercise for share options exercised during the period was \$1,536.74 (2024: \$1,085.23).

The weighted average fair value at date of grant for awards granted during 2025 was \$1,872.50 (2024: \$1,460.13).

In order to settle share-based payment awards, in 2025 the Group purchased \$11.9m (2024: \$7.5m) of preference shares in FFHL Share Option 1 Corp and that company has purchased shares in Fairfax. This has been recorded within 'Other Assets' so as to offset the share-based payment recorded as a liability within 'Other creditors' that accrues over the vesting period of the awards.

(c) Employee Share Ownership Plan (ESOP)

Under the terms of the ESOP which was established in 2015, eligible employees are given the election to purchase common shares in Fairfax in an amount up to 10% of their annual base salary. The Group purchases, on the employee's behalf, a number of Fairfax's common shares equal in value to 30% of the employee's contribution. In the event that the Group achieves certain performance targets, additional shares are purchased by the Group for the employee's benefit, to an amount equal in value to 20% of the employee's contribution during that year. In respect of both shares purchased by employees and matched by the Group, during the year ended 31 December 2025, the Group purchased a total of 3,103 common shares in Fairfax (2024: 3,795) at an average price of \$1,639.68 (2024: \$1,172.98).

notes to the consolidated financial statements

31 Consolidated entities

This Note sets out all the entities which are members of the Brit Group Holdings Limited Group and whose results and financial positions are consolidated to produce the Group result and financial position.

All subsidiaries of the Company are 100% owned, including those segregated accounts of Sussex Re Limited that are consolidated by the Brit Group.

As mentioned in Note 2.3, the percentage of the result and assets/liabilities of Syndicate 2988 included in these consolidated financial statements differs by year of account as follows: 2023 year of account: 75.86%; 2024 year of account: 51.28%; 2025 year of account: 50.21%.

The following changes to the Group's subsidiaries took place during the year:

- On 10 March 2025, Sussex Capital Limited was dissolved.
- On 11 June 2025, Brit Investment Holdings Limited was dissolved.
- On 14 November 2025, Brit Life Trustee Limited was incorporated as a subsidiary.

As described in note 2.1, on 12 December 2024 Brit Group Holdings Limited acquired the entire share capital of Brit Insurance Holdings Limited. For the part of the comparative period before this acquisition, the comparative amounts presented in these consolidated financial statements relate to the Brit Insurance Holdings Limited sub-group only. The following changes to the Brit Insurance Holdings Limited sub-group took place in 2024 before it was acquired by Brit Group Holdings Limited:

- On 21 February 2024, RSML Pension Trustee Limited was incorporated as a subsidiary.
- On 14 February 2024, voluntary wind up commenced for Brit Investment Holdings Limited.
- On 17 May 2024, BIGCC Services India Private Limited was incorporated as a subsidiary.

The subsidiaries of the Company at 31 December 2025, together with their main function, are listed below by country of incorporation. The registered address and principal place of business of each entity is The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AB unless otherwise stated.

31 Consolidated entities (continued)

Subsidiary	Principal activity	Registered address and principal place of business
United Kingdom		
Brit Insurance Holdings Limited	Intermediate holding company	The Leadenhall Building
Brit Syndicates Limited	Lloyd's managing agent	The Leadenhall Building
Brit UW Limited	Lloyd's corporate member	The Leadenhall Building
Brit Insurance Services Limited	Service company	The Leadenhall Building
Brit Group Services Limited	Group services company	The Leadenhall Building
Brit Group Finance Limited	Group services company	The Leadenhall Building
BGS Services (Bermuda) Limited	Service company	The Leadenhall Building
Brit Pension Trustee Limited	Corporate trustee (Dormant)	The Leadenhall Building
Brit Corporate Services Limited	Group services company (Dormant)	The Leadenhall Building
Brit Corporate Secretaries Limited	Group services company (Dormant)	The Leadenhall Building
Sussex Capital UK PCC Limited	Special purpose vehicle	The Leadenhall Building
NameCo (No. 1341) Limited	Lloyd's corporate member	5th Floor 40 Gracechurch Street, London, England, EC3V 0BT
Ki Capital Solutions Limited	Dormant company	The Leadenhall Building
Ki Technology Limited	Dormant company	The Leadenhall Building
Ki Risk Services Limited	Dormant company	The Leadenhall Building
Ki Shelf Company Limited	Dormant company	The Leadenhall Building
Brit Syndicates Trustee Limited	Corporate trustee (Dormant)	The Leadenhall Building
RSML Pension Trustee Limited	Corporate trustee (Dormant)	The Leadenhall Building
Brit Life Trustee Limited (incorporated on 14 November 2025)	Corporate trustee (Dormant)	The Leadenhall Building
Bermuda		
Sussex Capital Management Limited	Service company	Ground Floor Chesney House, The Waterfront, 96 Pitts Bay Road, Pembroke, HM 08
Sussex Re Limited	Special purpose vehicle	Wessex House, 3rd Floor, 45 Reid Street, Hamilton HM 12
Brit Reinsurance (Bermuda) Limited	Insurance company	Ground Floor Chesney House, The Waterfront, 96 Pitts Bay Road, Pembroke, HM 08
South Africa		
Camargue Underwriting Managers (Proprietary) Limited	Insurance intermediary	Camargue House, 33 Glenhove Road, Melrose Estate, 2196
Synergy XOL (Pty) Ltd.	Service company	Camargue House, 33 Glenhove Road, Melrose Estate, 2196
Phoenix Underwriting Managers (Pty) Ltd.	Service company (Dormant)	Camargue House, 33 Glenhove Road, Melrose Estate, 2196
India		
BIGCC Services India Private Limited	Service company	J Block, 1 st Floor, Outerring Rd, Manyata Embassy, Arabic College, Bangalore-560045

notes to the consolidated financial statements

32 Related party transactions and Ultimate Parent Company

The Group has a number of related parties which includes its principal investors and its Directors. Sometimes it transacts business with these related parties. This Note sets out those transactions.

The Group carries out a number of transactions with related parties which include paying management fees, carrying out insurance and reinsurance activities with affiliates of the ultimate parent company, Fairfax Financial Holdings Limited, and trading with its associates. All the transactions with related parties are undertaken on an arm's-length basis.

(a) Ultimate Parent Company

The ultimate parent company and controlling entity, and the 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 debt**

On 17 June 2025 the Group became co-obligor on two senior unsecured debt previously issued by FFHL. 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.

As FFHL continues to be a co-obligor on the senior debt Brit benefits from a lower interest rate than it would otherwise have been able to obtain. In respect of this benefit the Group incurred a 'guarantee fee' of \$0.6m in 2025 (2024: \$nil), payable to FFHL.

Refer to Note 25 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. In respect of this loan:

- In the year ended 31 December 2025 interest income of \$4.8m was recognised in the consolidated income statement.
- At 31 December 2025 \$204.8m was included on the consolidated statement of financial position (in respect of the principal and accrued interest).

(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 \$15.9m during the period (31 December 2024: \$12.7m).

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

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

	Year ended 31 December 2025 \$m	(Unaudited) Year ended 31 December 2024 \$m
Insurance revenue	18.7	16.1
Insurance service expenses	(10.9)	(13.1)
	7.8	3.0
Ceded reinsurance revenue	(43.1)	(9.3)
Reinsurance recoveries	16.4	6.8
	(26.7)	(2.5)

32 Related party transactions and Ultimate Parent Company (continued)

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

	Year ended 31 December 2025 \$m	(Unaudited) Year ended 31 December 2024 \$m
Insurance and reinsurance balances		
Insurance contract liabilities	(45.0)	(36.1)
Reinsurance contract assets	22.9	28.4

(e) Ki Group

The Ki group of companies (Ki), of which Ki Financial Limited is the parent, is a fellow subsidiary in the Fairfax Group.

The Group's (re)insurance transactions with Ki are included in Note 32(d) above. This section describes the Group's other transactions with Ki.

During the year ended 31 December 2025 the Group recognised net income from Ki of \$20.1m. This income was in respect of IT infrastructure services, and performance-related managing agency services provided to Ki's Lloyd's syndicate which the Group receives and passes on to Fairfax UK Holdings Limited.

During the year ended 31 December 2024 the Group recognised net income from Ki of \$67.3m. This income, most of which arose before Ki separated operationally from the Brit Group, was in respect of general expense recharges and managing agency services provided to Ki's Lloyd's syndicate.

At 31 December 2025 a net receivable from Ki of \$2.1m (31 December 2024: \$4.2m) was recorded in the consolidated statement of financial position in respect of unsettled amounts arising from the transactions described above.

In addition to the above, as part of the restructuring of the Fairfax UK Holdings Limited (formerly Brit Limited) group the Group transferred the following to Ki:

- 279 employees on 1 August 2024 and one further employee on 1 January 2025. Both transfers occurred pursuant to the Transfer of Undertakings (Protection of Employment) regulations 2006.
- Certain tangible fixed assets (furniture and IT equipment), on 1 August 2024.
- A lease for office space, on 1 November 2024.

The financial impacts of these transfers were immaterial.

(f) Fairfax UK Holdings Limited

Fairfax UK Holdings Limited is the Group's immediate parent. Refer to Note 28 for details of dividends paid by the Group to Fairfax UK Holdings Limited.

Group restructuring

As described in Note 2.1.1, Brit Group Holdings Limited was incorporated on 7 August 2024 as a direct subsidiary of Fairfax UK Holdings Limited (formerly Brit Limited). Brit Group Holdings Limited subsequently 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 on 12 December 2024. Upon acquisition, Brit Group Holdings Limited became the new holding company for the Brit insurance businesses.

Subordinated debt and related borrowings

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 25 for further details.

notes to the consolidated financial statements

32 Related party transactions and Ultimate Parent Company (continued)

In respect of the Group's borrowings from Fairfax UK Holdings Limited, which as above were effectively cancelled on 22 January 2025, the Group:

- Held a liability of \$159.5m on the consolidated statement of financial position at 31 December 2024.
- Recognised an interest expense in the consolidated income statement of \$8.9m and \$0.4m in 2024 and 2025 respectively.

Other transactions

In relation to transactions with Fairfax UK Holdings Limited other than the borrowings described above:

- In the year ended 31 December 2025 the Group recognised a net expense of \$6.5m. This was in respect of performance-related managing agency services provided to Ki's Lloyd's syndicate which the Group receives and passes on to Fairfax UK Holdings Limited.
- In the year ended 31 December 2024 the Group recognised a net expense of \$0.6m, underlying which was an expense in respect of the performance-related managing agency services provided to Ki's Lloyd's syndicate (as described above) and income in respect of expenses incurred by the Group and re-charged to Fairfax UK Holdings Limited.

At 31 December 2025 a net receivable from Fairfax UK Holdings Limited of \$0.6m (31 December 2024: \$6.2m) was recorded on the consolidated statement of financial position, relating to unsettled amounts arising from the transactions described above.

(g) Key management compensation

The amount of the emoluments granted in respect of the financial year to the members of the administrative, managerial and supervisory bodies by reason of their responsibilities, and any commitments arising or entered into in respect of retirement pension for former members of those bodies, are broken down as follows:

	Year ended 31 December 2025 \$m	(Unaudited) Year ended 31 December 2024 \$m
Salaries and other short-term employee benefits ¹	13.2	15.8
Post-employment benefits	0.7	1.0
Share-based payments	12.4	25.1
Total compensation	26.3	41.9

¹These amounts are inclusive of compensation paid to service companies.

For the purposes of IAS 24, 'Related Party Disclosures', key managers are defined as the Board of Directors and members of the Executive Committee which is the primary vehicle for implementing Board decisions in respect of UK-managed operations.

As at 31 December 2025, \$1.2m (2024: \$0.7m) was recorded in the statement of financial position in respect of unsecured loans to key management personnel.

33 Guarantees and contingent liabilities

This Note explains guarantees issued by Group companies and any contingent liabilities they may be exposed to.

(a) Lloyd's

Assets have been pledged, as Funds at Lloyd's, by way of deposits and fixed and floating charges for corporate member companies within the Group that participate on Lloyd's syndicates. The funds are held in trust and can be used to meet claims liabilities should syndicates fail to meet their claim liabilities. Each corporate member has its own funds and can only use its funds to meet its own claim liabilities.

As at 31 December 2025, the Group's total Funds at Lloyd's balance amounted to \$896.3m (2024: \$667.4m), of which \$nil (2024: \$nil) was attributable to letters of credit placed as Funds at Lloyd's.

(b) Credit facilities

The Group has in place a revolving credit facility and letters of credit. Refer to Note 25 for details of these facilities.

(c) Taxation

The Group operates in a wide variety of jurisdictions around the world through its Lloyd's syndicate and uncertainties therefore exist with respect to the interpretation of complex tax laws and practices of those territories. The Group establishes provisions for taxes other than current and deferred income tax if there is a present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. This assessment is made based upon various factors which are continually evaluated. Income taxes are provided for as set out in accounting policy refer to Note 2.5.7.



BRIT

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statement of financial position

At 31 December 2025

	Note	31 December 2025 \$m	31 December 2024 \$m
Non-current assets			
Shares in Group undertakings	3	1,565.5	1,055.2
Debtors: Amounts falling due after one year	4	177.5	-
		1,743.0	1,055.2
Current assets			
Debtors: Amounts falling due within one year	5	1.2	-
Cash at bank and in hand		1.5	-
		2.7	-
Current liabilities			
Creditors: Amounts falling due within one year	6	(20.5)	-
Net current assets		(17.8)	-
Total assets less current liabilities			
		1,725.2	1,055.2
Creditors: Amounts falling due after more than one year	7	(685.3)	-
Net assets		1,039.9	1,055.2
Capital and reserves			
Called up share capital	8	-	-
Share premium		655.2	1,055.2
Retained earnings		384.7	-
Total equity		1,039.9	1,055.2

The above statement of financial position should be read in conjunction with the accompanying notes.

These financial statements were approved by the Board of Directors on 26 February 2026 and were signed on its behalf by:

Martin Thompson
Group Chief Executive Officer

Gavin Wilkinson
Group Chief Financial Officer

statement of changes in equity

For the year ended 31 December 2025

	Note	Called up share capital \$m	Share premium \$m	Retained earnings \$m	Total equity \$m
At 7 August 2024 (date of incorporation)		-	-	-	-
Issue of share capital		-	1,055.2	-	1,055.2
At 31 December 2024		-	1,055.2	-	1,055.2
Profit and total comprehensive income for the year		-	-	220.7	220.7
Capital reduction¹		-	(400.0)	400.0	-
Dividends	11	-	-	(236.0)	(236.0)
At 31 December 2025		-	655.2	384.7	1,039.9

1. On 30 July 2025 Brit Group Holdings Limited effected a capital reduction, without the cancellation of any shares, which resulted in a \$400.0m reduction to share premium and a corresponding increase in retained earnings. Accordingly, there was no impact on total equity.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

notes to the parent company financial statements

1 Accounting policies and basis of preparation

This Note provides details of the basis of preparation and accounting policies applied in producing these parent company financial statements.

1.1 Basis of preparation

The Company financial statements present the information about the Company as a separate entity. The Company is incorporated and registered in England with registration number 15884169. The registered office of the Company at the date of this report is The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AB.

The Company has prepared its financial statements in accordance with Financial Reporting Standard 'FRS 102', the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and provisions of Section 396 of the Companies Act 2006. The Company has applied accounting policies consistently to all the years presented, other than where new policies have been adopted.

The financial statements have been compiled on a going concern basis and prepared on a historical cost basis, except for financial investments and financial liabilities which have been measured initially at fair value. The Company financial statements are presented in US dollars, which is also the functional currency of the Company, and all values are rounded to the nearest \$0.1m except where otherwise indicated.

1.2 Accounting policies

(a) Shares in Group undertakings

Investments in subsidiary undertakings are held at cost less accumulated impairment losses.

(b) Income from fixed asset investments

Dividend income is recognised when the shareholders' right to receive the payment is established.

(c) Long-term debt

Long-term debt is recognised initially at transaction price which is the fair value. It is subsequently measured at amortised cost using the effective interest rate method, in accordance with section 11 of FRS 102 (Basic Financial Instruments).

Interest payable is recognised using the effective interest rate method.

(d) Loans to Group undertakings

Loans to Group undertakings are recognised initially at transaction price which is the fair value, (including transaction costs incurred except in the initial measurement of financial liabilities that are measured at fair value through profit or loss) and subsequently measured at amortised cost using the effective interest rate method, in accordance with section 11 of FRS 102 (Basic Financial Instruments).

Interest receivable is recognised using the effective interest rate method.

(e) Expenses

All expenses are accounted for on an accruals basis. Expenses which are incidental to the acquisition or disposal of an investment are treated as part of the cost or proceeds of the investment.

(f) Foreign currency translation

Items included in the financial statements of the Company are measured using the functional currency, which is the primary economic environment in which it operates. The Company presents its financial statements in US dollars, which is its functional currency.

Transactions in foreign currencies other than Sterling, United States dollars, Canadian dollars and Euros are translated at the rate of exchange ruling at the date the transaction is processed. Unless otherwise stated, transactions in Sterling, Canadian dollars and Euros are translated at the average rates of exchange for the period. Amounts written off investments are translated at the historic rate of exchange that was initially used to record the shares in Group undertakings (investments in subsidiaries). Assets and liabilities in currencies other than United States dollars are translated at the rate of exchange ruling at 31 December of each year. Exchange differences arising on translation are dealt with in the income statement.

1 Accounting policies and basis of preparation (continued)

1.2 Accounting policies (continued)

(g) Deferred taxation

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the statement of financial position date, dividends have been accrued as receivable;
- where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination a deferred tax asset/liability shall be recognised. The amount attributed to goodwill is adjusted by the amount of the deferred tax recognised; and
- unrelieved tax losses and other deferred tax assets are recognised only to the extent that the Directors consider that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

(h) Share capital and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds. Called up share capital represents the nominal value of the shares issued. The share premium account represents the premium on issue of equity shares, net of any directly attributable issue costs.

(i) Other accounting estimate and judgement

The amounts recognised in the Company's financial statements in respect of shares in Group undertakings are assessed for any indicators of impairment on an annual basis. This may include an assessment of the recoverable amount of those shares, which in turn may require estimates of the subsidiary's future profits (in order to estimate its value in use). Where this is the case the estimates are based on forecasts approved by management. An impairment is recognised where the recoverable amount of the shares in Group undertakings (being the higher of fair value less costs to sell and value in use) is below the carrying value. For further information, refer to Note 3.

2 Auditors' remuneration

This Note sets out the fees paid in respect of the annual audit performed on the Company.

Audit fees charged to the Company amounted to \$32,977 (2024: \$60,000).

notes to the parent company financial statements

3 Shares in Group undertakings

This Note explains the direct shareholdings of the Company in other Group entities.

	31 December 2025 \$m	31 December 2024 \$m
Investment in Brit Insurance Holdings Limited	1,565.5	1,055.2

On 12 December 2024, Fairfax UK Holdings Limited's investment in Brit Insurance Holdings Limited was transferred to the Company in exchange for the issuance of share capital by the Company to Fairfax UK Holdings Limited. The Company recognised an investment in Brit Insurance Holdings Limited at \$1,055.2m, with a corresponding increase in share premium of \$1,055.2m.

The carrying value of this investment increased by \$510.3m on 31 July 2025 following a change in the rights attaching to preference shares in Brit Insurance Holdings Limited held by the Company that resulted in these instruments being reclassified as equity instruments in the Company's statement of financial position (see Note 4 for further details). The increase of \$510.3m was equal to the carrying amount of the preference shares in the Company's statement of financial position (within 'Loans to Group undertakings') immediately prior to the reclassification.

At the reporting date there were no indicators that the Company's investment in Brit Insurance Holdings Limited was impaired.

The subsidiaries of the Company as at 31 December 2025, and their principal activities, are disclosed in the consolidated financial statements, within Note 31.

4 Debtors: Amounts falling due after one year

This Note sets out moneys lent by the Company to other Group companies.

	31 December 2025 \$m	31 December 2024 \$m
Loans to Group undertakings	177.5	-

On-lending of subordinated debt to Brit Insurance Holdings Limited

As described in Note 7, on 22 January 2025, the Company was assigned the benefit of a loan to Brit Insurance Holdings Limited (a subsidiary of the Company) by Fairfax UK Holdings Limited (the Company's immediate parent). This loan has the same principal (£127.0m), effective interest rate (3.7%) and maturity date (2030) as the subordinated debt held by the Company (see Note 7 for further details).

Brit Insurance Holdings Limited preference shares

On 17 June 2025 the Company acquired from Fairfax Financial Holdings Limited (the Company's ultimate parent) preference shares in Brit Insurance Holdings Limited (a subsidiary of the Company) in exchange for the Company becoming co-obligor on two senior unsecured debt (see Note 7). The preference shares were classified as debt instruments (Loans to Group Undertakings) as their terms included mandatory payment of preferential dividends and mandatory redemption. The instruments were initially recognised at \$510.3m, being the transaction price (equal to the fair value of the senior debt at that date).

Subsequently on 31 July 2025 the terms of the preference shares were changed to align with the terms of Brit Insurance Holdings Limited's existing ordinary shares (which do not have mandatory dividend or redemption terms) and were renamed to ordinary shares. As a result, the instruments were reclassified as equity instruments (Shares in Group Undertakings) in the Company's statement of financial position (see Note 7), such that at 31 December 2025 there are no amounts within 'Loans to Group undertakings' in relation to these instruments.

The Company received \$3.7m of preference dividends in respect of the period before the terms of the preference shares were changed. This amount was recognised within profit or loss.

5 Debtors: Amounts falling due within one year

This Note sets out moneys owed to the Company that are due within 12 months of the reporting date.

	31 December 2025 \$m	31 December 2024 \$m
Interest receivable on loans to Group undertakings	-	-
Amounts owed by Group undertakings	0.3	-
Prepayments and accrued income	0.9	-
Other debtors	-	-
Total	1.2	-

'Amounts owed by Group undertakings' are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

6 Creditors: Amounts falling due within one year

This Note sets out moneys owed by the Company that are due within 12 months of the reporting date.

	31 December 2025 \$m	31 December 2024 \$m
Accruals and deferred income	4.4	-
Amounts owed to Group undertakings	16.1	-
Total	20.5	-

'Amounts owed to Group undertakings' are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

notes to the parent company financial statements

7 Creditors: Amounts falling due after more than one year

This Note sets out moneys owed by the Company that are due more than 12 months after the reporting date.

	Maturity	Effective interest rate	31 December 2025		31 December 2024	
			Amortised cost \$m	Fair value \$m	Amortised cost \$m	Fair value \$m
Subordinated debt	2030	3.7%	170.8	154.9	-	-
Senior debt (2034)	2034	4.6%	331.4	337.1	-	-
Senior debt (2054)	2054	5.2%	183.1	183.3	-	-
Total			685.3	675.3	-	-

Subordinated debt

With effect on and from 22 January 2025, the Company was substituted in place of Fairfax UK Holdings Limited (the Company's immediate parent) 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%. As consideration for this change, on 22 January 2025 Fairfax UK Holdings Limited assigned the benefit of its loan to Brit Insurance Holdings Limited (a subsidiary of the Company) to the Company (see Note 4). This loan has the same principal, interest rate and maturity date as the subordinated debt.

Senior debt

On 17 June 2025 the Company became co-obligor on two senior unsecured debt previously issued by Fairfax Financial Holdings Limited (the Group's ultimate parent).

In exchange for the senior debt the Company received preference shares in Brit Insurance Holdings Limited that had been issued to Fairfax Financial Holdings Limited on the same date. Refer to Note 4 for further details in relation to the preference shares.

The senior debt, which are listed on the Dublin Stock Exchange, are denominated in Canadian Dollars (CAD) with terms as follows:

- Senior debt with a total principal amount of CAD 450.0m, with a coupon rate of 4.73% and maturity date of November 2034; and
- Senior debt with a total principal amount of CAD 250.0m, with a coupon rate of 5.23% and maturity date of November 2054.

Further details

Further details of these borrowings, including the approach to determining the fair values presented in the table above, are included in Note 25 of the consolidated financial statements.

8 Called up share capital

This Note sets out the number of shares in issue and their nominal value.

	31 December 2025 £	31 December 2024 £	31 December 2025 £1 each Number	31 December 2024 £1 each Number
Ordinary shares:				
Allotted, issued and fully paid	1,000.0	1,000.0	1,000.0	1,000.0

All shares rank pari passu. There are no restrictions on the distribution of dividends and the repayment of capital. The total called up share capital as at 31 December 2025 was £1,000.0 (2024: £1,000.0).

For further information in respect of shares currently in issue and related movements in called up share capital during the current and prior period, please refer to Note 32 accompanying the Brit Group Holdings Limited consolidated financial statements.

9 Directors' emoluments

This Note gives a breakdown of emoluments paid to Directors both in total and in respect of the highest paid Director.

	Year ended 31 December 2025 \$m	Year ended 31 December 2024 \$m
Aggregate remuneration	5.1	–
Aggregate contributions to money purchase pension schemes	0.1	–
Total	5.2	–

The Directors' remuneration disclosed above includes the following amounts paid to the highest paid Director:

Aggregate remuneration	3.3	–
------------------------	-----	---

	Number	Number
Number of Directors with benefits accruing under money purchase pension schemes	1	0
Number of Directors who exercised share options	0	0
Number of Directors in respect of whose qualifying services, shares were received or receivable under long-term incentive schemes	2	0

Shares were received or receivable by the highest paid Director in respect of qualifying services under a long-term incentive scheme during 2025 and 2024. There were no shares exercised by the highest paid Director in 2025 or 2024.

10 Guarantees and contingent liabilities

This Note explains guarantees issued by the Company. The Company has no contingent liabilities.

The Company as at 31 December 2025 had a \$415.0m (2024: \$550.0m) revolving credit facility. On 16 May 2025, upon renegotiation, the facility size reduced from \$550.0m to \$415.0m and the term of the facility was extended from December 2027 to December 2029. There is an option to extend for one or two years to either December 2030 or December 2031; the option to extend expires in April 2027. In respect of this facility, at 31 December 2025 there was no letter of credit outstanding (2024: \$nil utilised and uncollateralised) and there were cash drawings of \$nil (2024: \$nil).

During 2024 Brit Group Holdings Limited replaced Fairfax UK Holdings Limited as the borrower and guarantor under this revolving credit facility.

11 Dividends

This Note gives details of the amounts paid to the Company's immediate parent during 2025 and 2024 by way of dividends.

Details of dividends paid by the Company to its immediate parent company during 2025 and 2024 are included in Note 28 of the notes accompanying the Brit Group Holdings Limited consolidated financial statements.

12 Disclosure exemptions

This Note explains the Company's approach to qualifying exemptions available in FRS 102.

The Company has taken advantage of the disclosure exemptions provided by paragraph 1.12 of FRS 102. Accordingly, these financial statements do not include the following:

- Statement of cash flows;
- Specific information relating to financial instruments that is included within equivalent disclosures for the Group;
- Specific information relating to share-based payments that is included within equivalent disclosures for the Group; and
- Disclosure of key management personnel compensation (included in Note 32 of the Group financial statements).

The Brit Group Holdings Limited consolidated financial statements and accompanying notes provide further detail in respect of these areas.

13 Ultimate parent company and other related undertakings

The ultimate parent company and controlling entity, and the largest group of which the Group is a member, is Fairfax of Fairfax Financial Holdings Limited (Fairfax) 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.

The Company is a wholly owned subsidiary of Fairfax UK Holdings Limited. The registered address of Fairfax UK Holdings Limited is The Leadenhall Building, 122 Leadenhall Street, London, England, EC3V 4AB.

Further information on other related undertakings of the Company can be found in Note 31 Consolidated Entities of the notes to the consolidated financial statements.

key performance indicators and alternative performance measures

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	2025 \$m	2024 \$m
Profit after tax	Consolidated income statement	651.8	478.4
Add back: Tax adjusted amortisation	Amortisation of intangibles, adjusted by the tax rate	9.5	6.2
Add back: Tax adjusted pension charge in income statement	Defined benefits schemes' impact on income statement	0.6	1.4
Add back: Tax adjusted FX	FX effect for the year, adjusted by the tax rate	(27.4)	0.2
Return, as adjusted for RoNTA calculation		634.5	486.2
Adjusted NTA at start of year	See '(ii) Adjusted net tangible assets' section below	2,241.7	1,919.8
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 year	(9.7)	(11.2)
NTA, as adjusted for RoNTA calculation		2,205.7	1,884.0
RoNTA	Return, as adjusted for RoNTA calculation, divided by NTA, as adjusted for RoNTA calculation.	28.8%	25.8%

(ii) Adjusted net tangible assets

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

	Comment/financial statements reference	2025 \$m	2024 \$m
Total equity	Consolidated statement of financial position	2,723.8	2,291.6
Less: Intangible assets	Consolidated statement of financial position	(65.1)	(54.2)
Net tangible assets		2,658.7	2,237.4
Add back deferred tax liability on intangible assets	Note 20: Deferred taxation	7.3	4.3
Adjusted net tangible assets		2,666.0	2,241.7

key performance indicators and alternative performance measures

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	2025 \$m	2024 \$m
Insurance revenue	Consolidated income statement	2,950.3	2,856.0
Commission expense	Reclassification of commissions expense on assumed business to net off against insurance revenue	56.1	42.8
Profit commissions and reinstatement premiums	Reclassification of profit commissions in relation to assumed business and reinstatement premiums between insurance revenue and insurance service expense	11.6	16.7
Non-distinct investment components and other adjustments	Net down of non-distinct investment components; and other GAAP adjustments	16.3	(1.9)
Gross earned premium		3,034.3	2,913.6
Change in gross unearned premiums	Movement in the gross unearned premium reserve	57.4	64.9
Insurance premium written		3,091.7	2,978.5

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	2025 \$m	2024 \$m
Insurance revenue	Note 18: insurance and reinsurance contracts	2,950.3	2,856.0
Allocation of reinsurance premium	Note 18: insurance and reinsurance contracts	(480.6)	(561.9)
Net insurance revenue		2,469.7	2,294.1
Insurance service expense	Note 18: insurance and reinsurance contracts	2,349.4	2,163.0
Less directly attributable expenses	Includes insurance acquisition cash flows and all other directly attributable expenses	(811.6)	(757.3)
Amounts recoverable from reinsurers for incurred claims	Note 18: insurance and reinsurance contracts	(325.9)	(425.9)
Less directly attributable reinsurance expenses	Note 10: Other operating expenses	(3.2)	(2.8)
Net claims		1,208.7	977.0
Claim ratio	Net claims divided by net insurance revenue	48.9%	42.6%
Expense ratio	Directly attributable expenses divided by net insurance revenue	33.0%	33.1%
Combined ratio	Claim ratio plus expense ratio	81.9%	75.7%
Effect of discounting	Initial discounting impact recognised in the insurance service result	7.4%	9.6%
Combined ratio (undiscounted)	Combined ratio minus effect of discounting	89.3%	85.3%

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	2025 \$m	2024 \$m
Return on invested assets		586.5	272.3
Financial investments	Note 21: Financial assets and liabilities	6,744.5	5,274.1
Derivative contracts (investment-related)	Note 22: Derivative contracts	3.7	(0.6)
Cash and cash equivalents	Note 24: Cash and cash equivalents	577.2	476.4
Invested assets		7,325.4	5,749.9
Opening invested assets		5,749.9	5,495.4
Closing invested assets		7,325.4	5,749.9
Average invested assets		6,537.7	5,622.7
Investment return (%)	Return on invested assets divided by average invested assets	9.0%	4.8%

key performance indicators and alternative performance measures

Capital ratio

The capital ratio measures the strength of our statement of financial position by comparing our available capital resources to the capital we need to hold to meet our management capital requirements.

	Comment/financial statements reference	2025 \$m	2024 \$m
Adjusted net tangible assets	Calculated earlier in this section	2,666.0	2,241.7
Subordinated debt ¹	Note 25: Borrowings	170.8	-
Senior debt	Consolidated statement of financial position	514.5	-
Letters of credit/contingent funding	Under our capital policy we have identified a maximum of \$200.0m (2024: \$300.0m) of our revolving credit facility to form part of our capital resources	200.0	300.0
Total available capital resources		3,551.3	2,541.7
Management capital requirement	The sum of our underwriting entities capital requirements, inclusive of a group-level diversification benefit	(2,026.6)	(1,718.6)
Excess of resources over management capital requirement		1,524.7	823.1
Capital ratio	Total available capital resources divided by management capital requirement	175.2%	147.9%

¹ Brit Limited was the issuer of the sub-debt until Jan 2025 at which time the issuer was transferred to Brit Group Holdings Limited. Therefore, it is excluded from the 31 December 2024 position.

Risk adjusted rate change

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

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

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

company information

Directors

Mr Gordon Campbell – Chair
(appointed 21 January 2025)

Mr Jean-Jacques Henchoz – Director
(appointed on 1 May 2025)

Mr Simon Lee – Director
(appointed 21 January 2025)

Mr Martin Thompson – Group Chief Executive Officer
(appointed 1 January 2025)

Mr Michael Wallace
(appointed 21 January 2025)

Mrs Andrea Welsch
(appointed 21 January 2025)

Mr Gavin Wilkinson – Group Chief Financial Officer
(appointed 2 October 2024)

Mr Joe Marinelli
(appointed 7 August 2024, resigned 2 October 2024)

Mr Antony Usher
(appointed 2 October 2024, resigned 24 January 2025)

Company Secretary

Mr Joe Marinelli
(appointed 10 December 2024)

Registered Office

The Leadenhall Building
122 Leadenhall Street
London
England
EC3V 4AB
UK
Telephone: +44 (0) 20 3857 0000

Website

www.britinsurance.com

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.

Registered Number

15884169

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

glossary

A

Adjusted net tangible assets or **adjusted NTA**: Total equity, less intangible assets net of the deferred tax liability on those intangible assets, less non-controlling interest.

Amortised cost: Other than cash and cash equivalents, financial assets measured at amortised cost.

Aggregate exposure: The expected maximum total of claims that could be incurred by an insurer in respect of any event or series of similar events. Also see 'realistic disaster scenarios'.

Asset allocation: The allocation of our investments across different kinds of asset classes, such as equities, bonds, and cash, in order to achieve a balance between return and risk.

Attritional claims or attritional losses: Common claims/losses, as opposed to major or catastrophe losses, incurred from ordinary insurance and/or reinsurance operations.

Available capital resources: Adjusted net tangible assets, senior debt, subordinated debt and balances outstanding on letters of credit/contingent funding.

B

Business model (when referring to financial assets): Financial assets are classified on the basis of the business model within which they are held and their contractual cash flow characteristics.

Brit View of Risk: An inhouse natural catastrophe specific load used by Brit to overlap its view of natural catastrophe risk over vendor models, with adjustment made to reflect expectations for example increasing the US hurricane frequency or incorporating a load for perils where vendor models are not licensed (e.g. due to Brit considering these models to still be in their infancy).

C

Capital ratio: Total available capital resources divided by management capital requirements.

Capital resources: Total equity, less intangible assets net of related plus subordinated debt, plus deferred tax, plus a proportion (as agreed from time to time) of our revolving credit facilities.

Captive: An entity that provides risk-mitigation services for other entities within the same Group only.

Catastrophe or **Cat**: Perils including earthquakes, hurricanes, hailstorms, severe winter weather, floods, fires, tornadoes, explosions and other natural or man-made disasters. Catastrophe losses may also arise from acts of war, acts of terrorism and political instability.

Claims reserves: Outstanding claims and claims incurred but not reported.

Combined ratio: Insurance service expenses net of recoveries from reinsurers, divided by insurance revenue net of allocation of reinsurance premium.

Constant FX rates: An increase or decrease in figures between two years after eliminating the effect of foreign exchange rate movements.

Corporate member: A company providing the capital to support the underwriting activity of a syndicate at Lloyd's. Brit's corporate members are Brit UW Limited, Nameco (No. 1341) Limited and Ki Member Limited.

Coverholder: An entity authorised by an insurer to enter into a contract of insurance on its behalf.

D

Double materiality assessment (DMA): Double materiality is analysis to assess the materiality of sustainability matters. It has two dimensions: impact materiality and financial materiality. A sustainability matter meets the criterion of double materiality if it is material from the impact perspective or the financial perspective or both.

Delegated authority or binding authority: An authority granted by an underwriter to an agent (known as a coverholder) whereby that agent is entitled to accept, within certain limits, insurance business on behalf of the underwriter. The coverholder has full power to commit the underwriter within the terms of the authority.

E

Events not in data (ENID): A loading in the claims and premium provisions intended to cover the difference between a best estimate of all possible outcomes and whatever the Group has a best estimate on an accounting or other basis.

Energy Savings Opportunity Scheme (ESOS): A mandatory government initiative to promote energy efficiency in large businesses.

Excess and Surplus (E&S): A generic US regulatory classification referring to insurance coverage not ordinarily written by insurers fully admitted in various states. The E&S lines of business is largely unregulated as to rate and form but insurers must be authorised to write such business in a state by the local regulator.

Excess of loss (XL): A type of reinsurance that covers specified losses incurred by the reinsured party in excess of a stated amount (the excess) up to a higher amount of limit, for example \$5m excess of \$1m. Such coverage can operate on a per loss basis or an aggregate basis.

Expected credit loss (ECL): The weighted average of credit losses with the respective risks of a default occurring as the weights.

F**Fair value through other comprehensive income (FVOCI):**

For financial assets and liabilities measured at fair value through other comprehensive income, some changes in fair value are recognised in other comprehensive income.

Fair value through profit or loss (FVTPL): For financial assets and liabilities measured at fair value through profit or loss, changes in fair value are recognised in profit or loss as part of net investment result.

Funds at Lloyd's (FAL): Funds held in trust at Lloyd's to support a Lloyd's underwriter's underwriting activities.

G

Gearing ratio: Calculated as total borrowings (senior debt, subordinated debt, revolving credit facility cash drawdowns and uncollateralised drawn letters of credit) divided by adjusted net tangible assets plus total borrowings.

H

Hardening or hard market: An insurance market where prevalent prices are high, with more restrictive terms and conditions offered by insurers.

I

Insurance-linked securities (ILS): ILSs are essentially financial instruments which are sold to investors whose value is affected by an insured loss event.

Incurred but not reported (IBNR): Claims incurred but not reported, including claims which are incurred but not enough reported (i.e. where the amount of the notification is insufficient).

Insurance premium written: A measure used by the Group to measure and monitor levels of incoming business. It is equivalent to gross written premium under the old insurance accounting standard, IFRS 4.

Invested assets: Financial investments, investment in associated undertaking, cash and cash equivalents and investment related derivatives.

Investment related derivatives: Includes options, credit default swaps and interest rate swaps. Excludes currency forwards.

Investment return percentage: Investment return expressed as a percentage of average invested assets.

L

Letter of credit (LoC): A written undertaking by a financial institution to provide funding if required.

Line size: The proportion of an insurance or reinsurance risk that is accepted by an underwriter or which an underwriter is willing to accept.

Lloyd's of London: The Society of Lloyd's and Corporation of Lloyd's created and governed by the Lloyd's Acts 1871-1982, including the Council of Lloyd's (and its delegates and other persons through whom the Council may act), as the context may require.

Long-tail: The term used to describe business where the difference between the timing of the average premium receipt and the timing of the average claim payment is over three years.

Loss portfolio transfer (LPT): A financial reinsurance transaction in which loss obligations that are already incurred and will ultimately be paid are ceded to a reinsurer.

M

Major claims or Major losses: Major claims are defined as claims which are initially assessed as having the potential to exceed \$15.0m (net of reinsurance and allowing for reinstatements), incurred from natural or man-made catastrophes, or from large single risk loss events.

Management capital requirement: The sum of our underwriting entities capital requirements, inclusive of a group-level diversification benefit.

N

Net tangible assets (NTA): The total assets of a company, minus any intangible assets, less all liabilities.

Net financial result: The Group's total investment return less net finance income or expenses from insurance contracts issued and reinsurance contracts held.

O

Outstanding claims: Claims which have been notified at the reporting date but not settled.

Own risk and solvency assessment (ORSA): The name given to the entirety of the processes and procedures employed by an insurer to identify, assess, monitor, manage and report the short and long-term risks it faces or may face and to determine the capital necessary to ensure that the insurer's overall solvency needs are met at all times.

P

Protected cell company (PCC): A company that has been separated into legally distinct portions or cells. The revenue streams, assets and liabilities of each cell are kept separate from all other cells. Each cell has its own separate portion of the PCC's overall share capital, allowing shareholders to maintain sole ownership of an entire cell.

glossary of terms

Q

Quota share (QS): A type of reinsurance which provides that the reassured shall cede to the reinsurer a specified percentage of all the premiums that it receives in respect of a given section or of all of its underwriting account for a given period in return for which the reinsurer is obliged to pay the same percentage of any claims and specified expenses arising on the reinsured business.

R

Radiative Forcing (RF): The additional warming effect from high-altitude aviation emissions—such as contrails—that trap heat in the atmosphere, for which a multiplier is applied in aviation-related carbon reporting (including Brit's Scope 3 travel emissions) because this impact can be as large as the direct CO₂ emissions themselves and must be accounted for to reflect aviation's true climate footprint.

Realistic Disaster Scenarios (RDS): Specific scenarios which the Group uses to test its ability to settle claims arising from certain types of disaster.

Reinsurance to close (RITC): A reinsurance which closes a year of account by transferring the responsibility for discharging all the liabilities that attach to that year of account (and any year of account closed into that year) plus the right to any income due to the closing year of account into an open year of account of the same or a different syndicate in return for a premium.

Risk adjusted rate change: Change in premium rates during the year expressed as a percentage of opening premium rates. 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.

Risk free rate (RFR): Theoretical rate of return on an investment with zero risk.

Risk Management Framework (RMF): The Group's own internal framework for risk management.

Return on net tangible assets (RoNTA): Profit/(loss) for the year after tax (adjusted for amortisation net of tax, defined benefit pension scheme's charges/credits net of tax, and foreign exchange movements net of tax), divided by total equity at start of year (less intangible assets net of deferred tax, and pension asset net of deferred tax), adjusted on a time weighted basis for any distributions and shares issued during the year.

Running yield: The income return, expressed either as a percentage or a monetary amount, on invested assets.

S

Service companies: Subsidiary companies set up to operate a binding authority on behalf of the Syndicate to write business from non-Lloyd's brokers or direct from policymakers.

Short-tail: The term used to describe business where the difference between the timing of the average premium receipt and the timing of the average claim payment is under three years.

Softening or soft market: An insurance market where prevalent prices are low, and terms and conditions offered by insurers are less restrictive.

Solvency capital requirement (SCR): The higher of the two capital levels required by Solvency II. The SCR is the prudent amount of assets to be held in excess of liabilities and functions as an early warning mechanism if it is breached. The SCR is calculated using either the standard formula or an approved internal model.

Solvency matched: The matching of the currencies of the Group's liabilities and management capital requirements with the currencies of the assets held by the Group.

Solvency II: A combination of several EU Directives that codify and harmonise EU insurance regulation, primarily concerning the amount of capital that EU insurance companies must hold to reduce the risk of insolvency. Principal components are Directive 2009/138/EC on the taking-up and pursuit of the business of insurance and reinsurance and Directive 2012/23/EU on the financial position of insurance undertakings. Solvency II came into force in all EU member states on 1 January 2016.

Strategic asset allocation (SAA): The Group's strategic asset allocation defines the overall Group investment strategy and reflects entity-level considerations and governance matters. See 'asset allocation'.

Syndicate: A group of underwriting members of Lloyd's or a single corporate member managed as a unit to underwrite insurance business at Lloyd's to which a particular syndicate number is assigned by or with the authority of Lloyd's of London.

T

Technical price: The price for the risk which is expected to produce the long-term required return on capital for the Group.

Total operating expenses: These represent all expenses incurred by the Group, excluding commission costs.

Treaty: A reinsurance contract pursuant to which the reinsurer is obliged to accept, within agreed limits, all risks underwritten by the reinsured within specified classes of business in a given time period.

U

Ultimate claims: The total forecast claims expected to arise from a policy or class of business. Ultimate claims include those losses paid, those notified and IBNR.

Underwriting capacity: The maximum premium income which a Lloyd's syndicate is permitted to underwrite. A capacity figure is assigned to each underwriting year and the relevant premium income is defined as gross written premiums less commission payable.



writing the future

BRIT

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