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Results for the period ended 30th June 2023

7th September 2023

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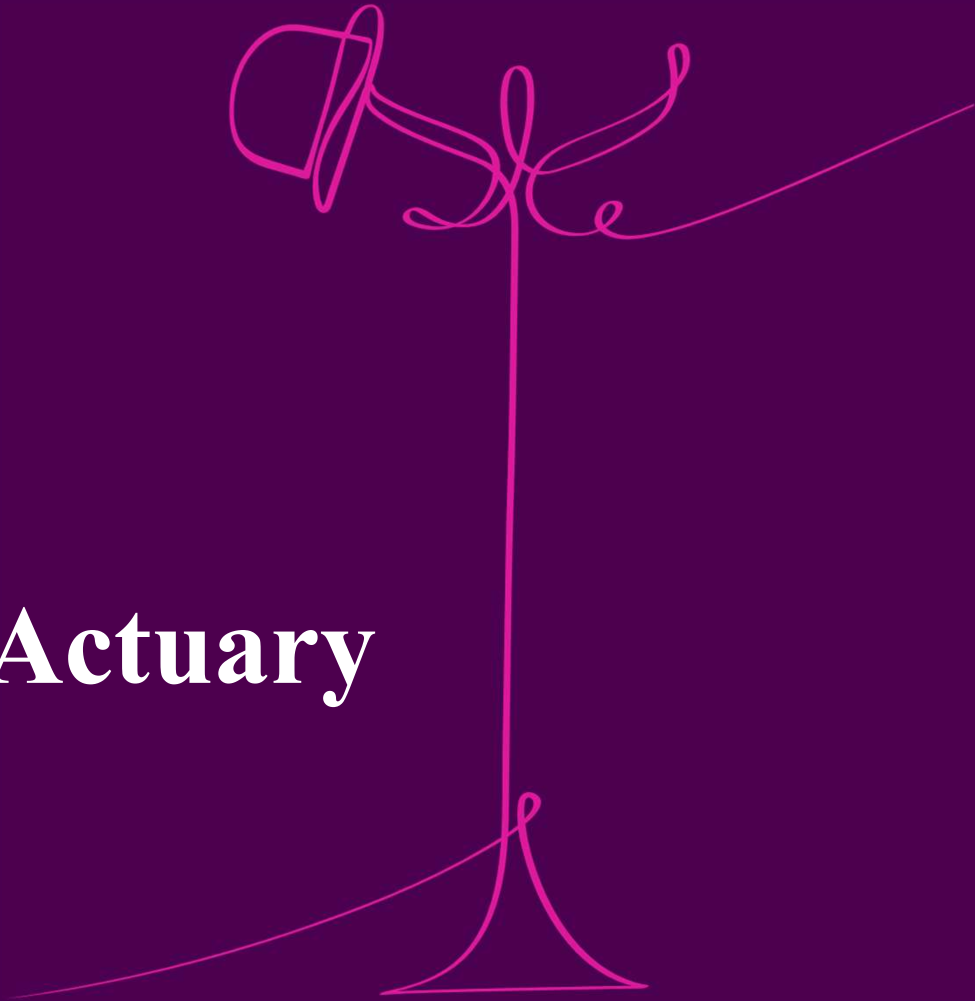
Adrian Cox, CEO
Sally Lake, CFO
Jahan Anzsar, Chief Actuary



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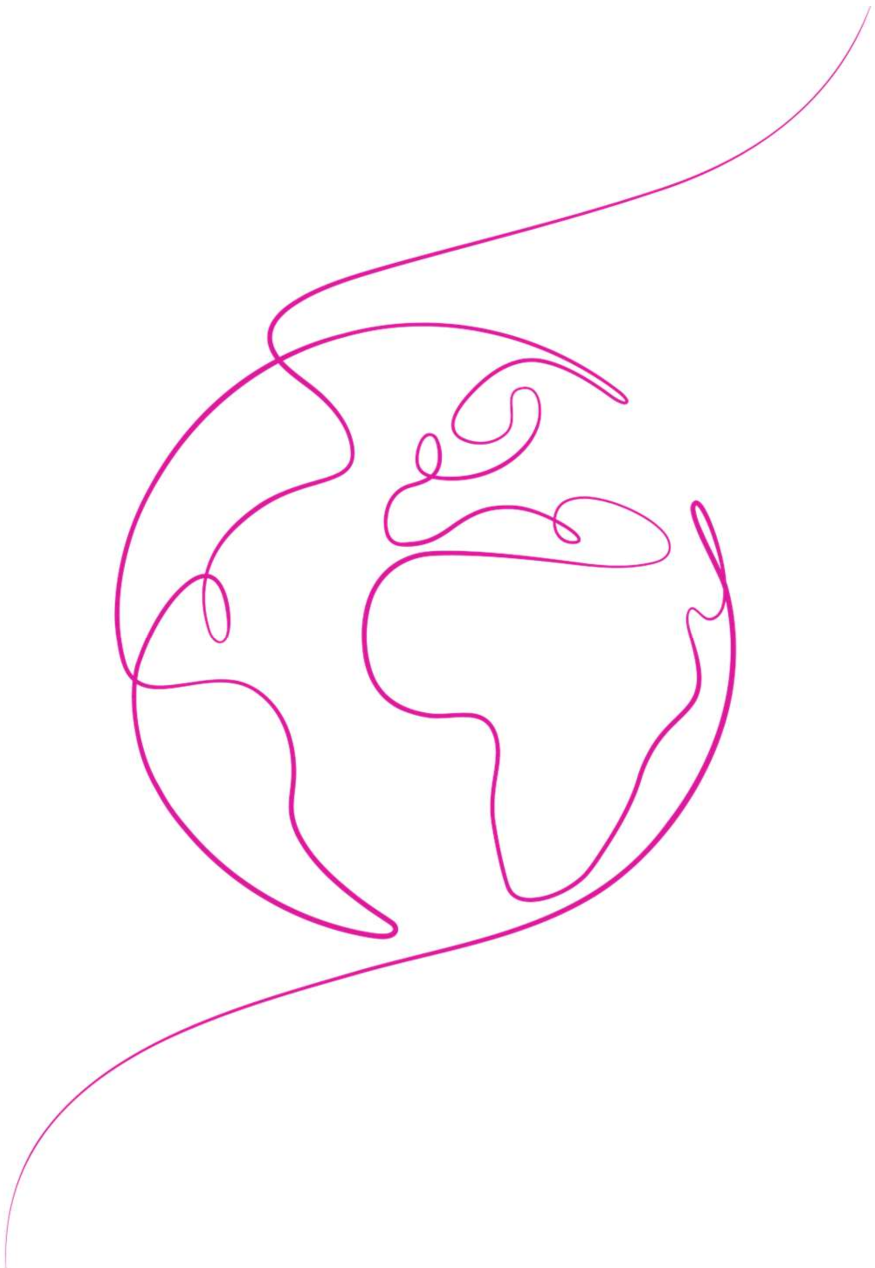
Highlights HY23

- Record half year profit of $366.4m
- On track to achieve full year guidance
- Leaning into the property opportunity
- Momentum continues in cyber – strong growth in Europe
- Platform strength continues to be built out – US E&S carrier
- Deployment of raised capital continues in 2023 to complete in 2024
- Challenging IFRS 17 implementation delivered



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Key financials

- Gross insurance written premiums - $2,921.1m (2022HY: $2,574.3m)
- Insurance service result - $342.2m (2022HY: $540.6m)
- Discounted combined ratio - 84% (2022HY: 71%)
- Undiscounted combined ratio - 88% (2022HY: 74%)
- IFRS 4 combined ratio - 88% (2022HY: 87%)
- Profit before tax - $366.4m (2022HY: $364.9m)
- Confidence level – 89th percentile (2022HY: 85th percentile)
- Return on equity - 18% (2022HY: 26%) annualised
- Investment return - 3.0% (2022HY: (5.0%)) annualised

IFRS 17

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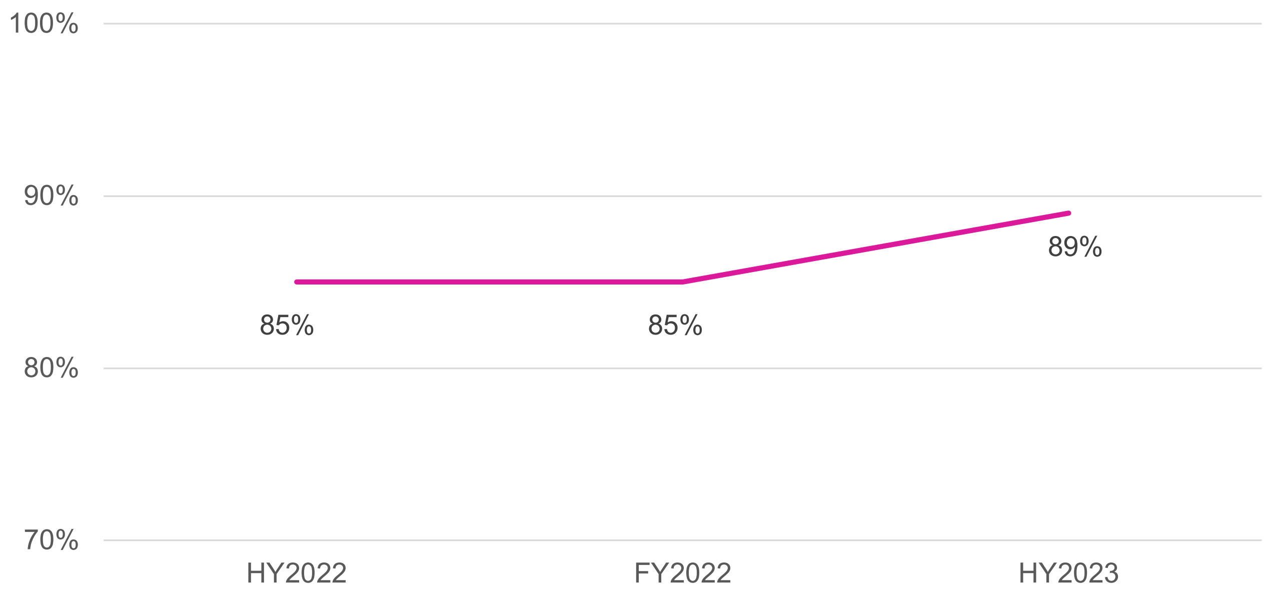
Reserving under IFRS 17

- Preferred confidence level is between the **80th to 90th percentile**
- Risk Adjustment is estimated using the **Cost of Capital Approach**
- IFRS 17 reserves are underpinned by **best estimates**



Reserving under IFRS 17

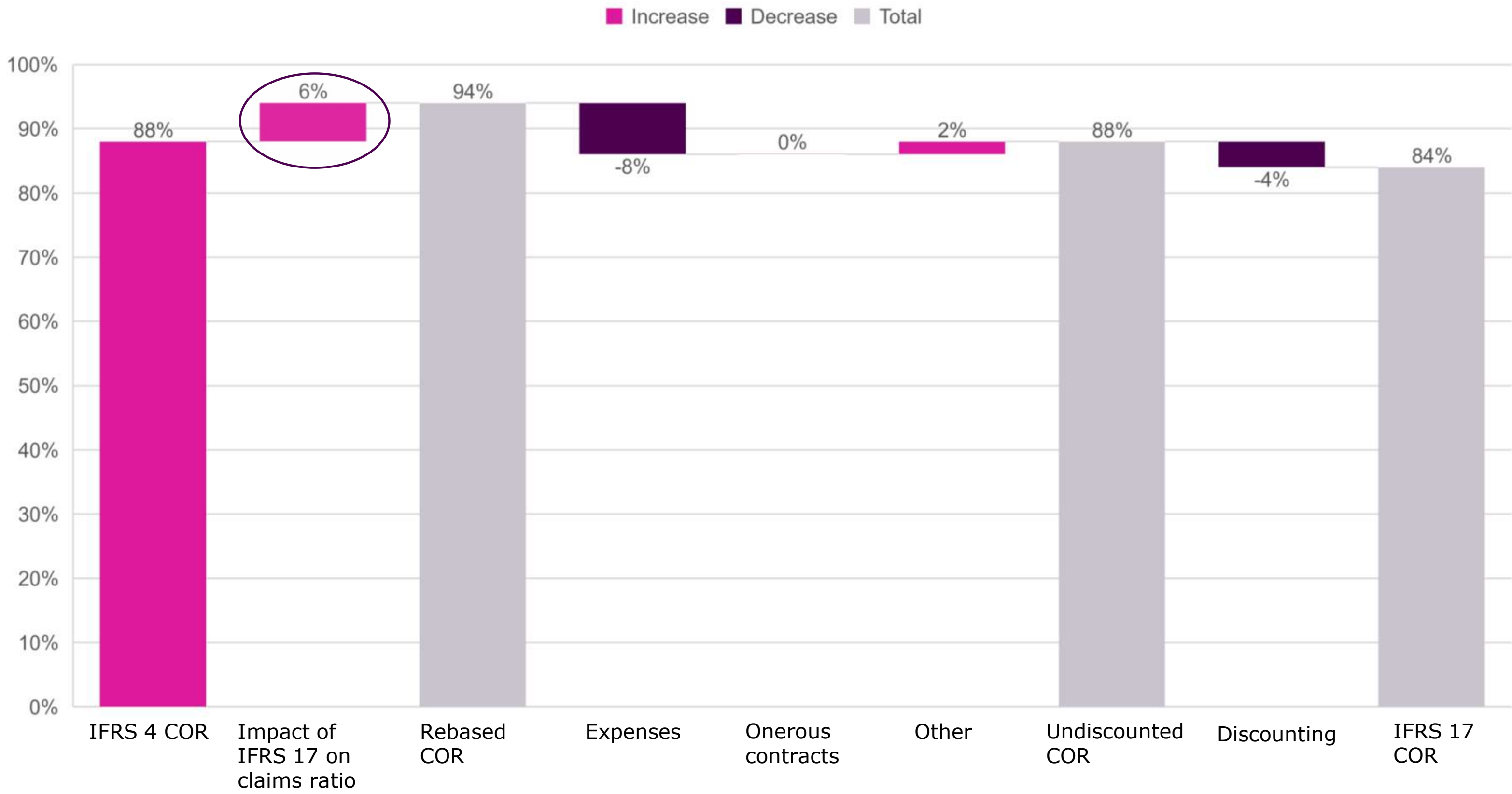
If we materially grow lines of business that are expected to have higher returns, then this will initially contribute to a higher risk adjustment

On our **Property Risks** business, we currently have a combination of the following effects driving the claims ratio:

- Rapid and material growth
- Expected higher returns
- Seasonality

….against a backdrop of improving best estimate loss ratios.

IFRS 4 to IFRS 17 HY2023 discounted COR bridge



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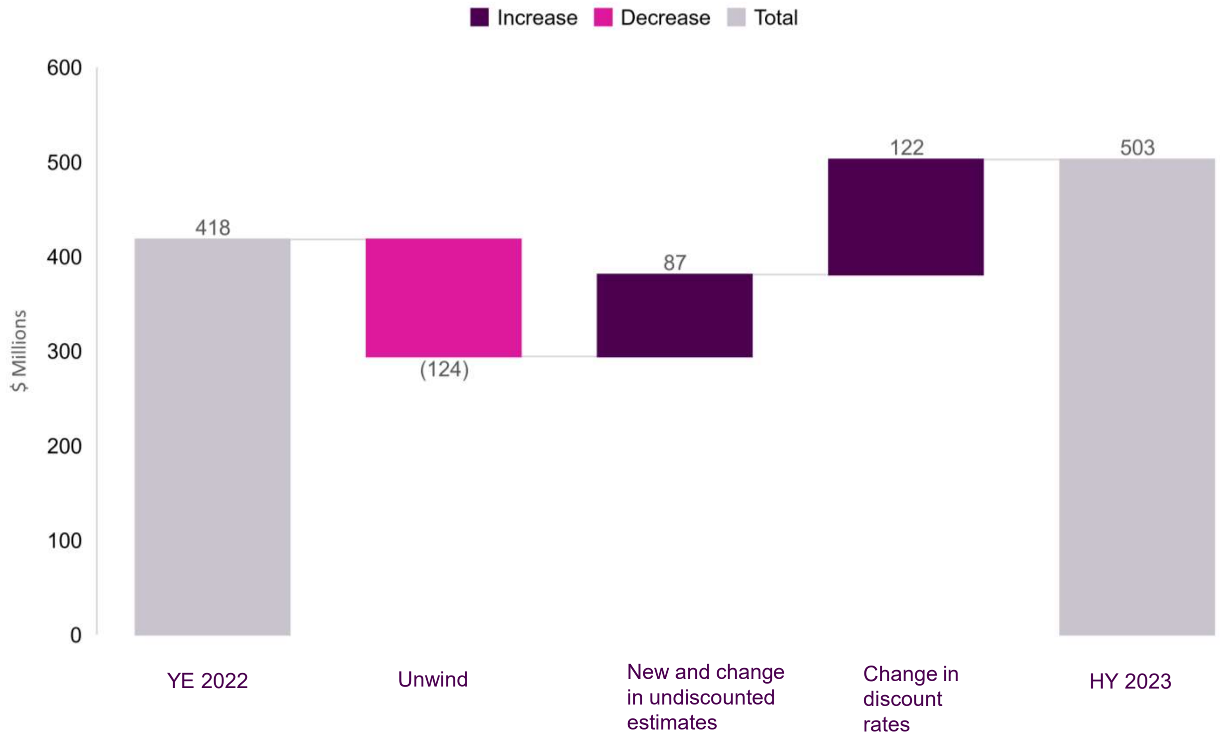
Discounting YE2022 to HY2023

- Increases profit by **$85m** in H12023
- Continued increase in discounting credit to half year 2023
- Driven by the change in discount rates during 2023



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Discount Rate Sensitivity Analysis

We have conducted sensitivity analysis on the yield curves as at HY23 and YE22 on both the assets and liabilities. The below table shows the **net of reinsurance impact on Profit after Tax ("PAT")** of each scenario considered.

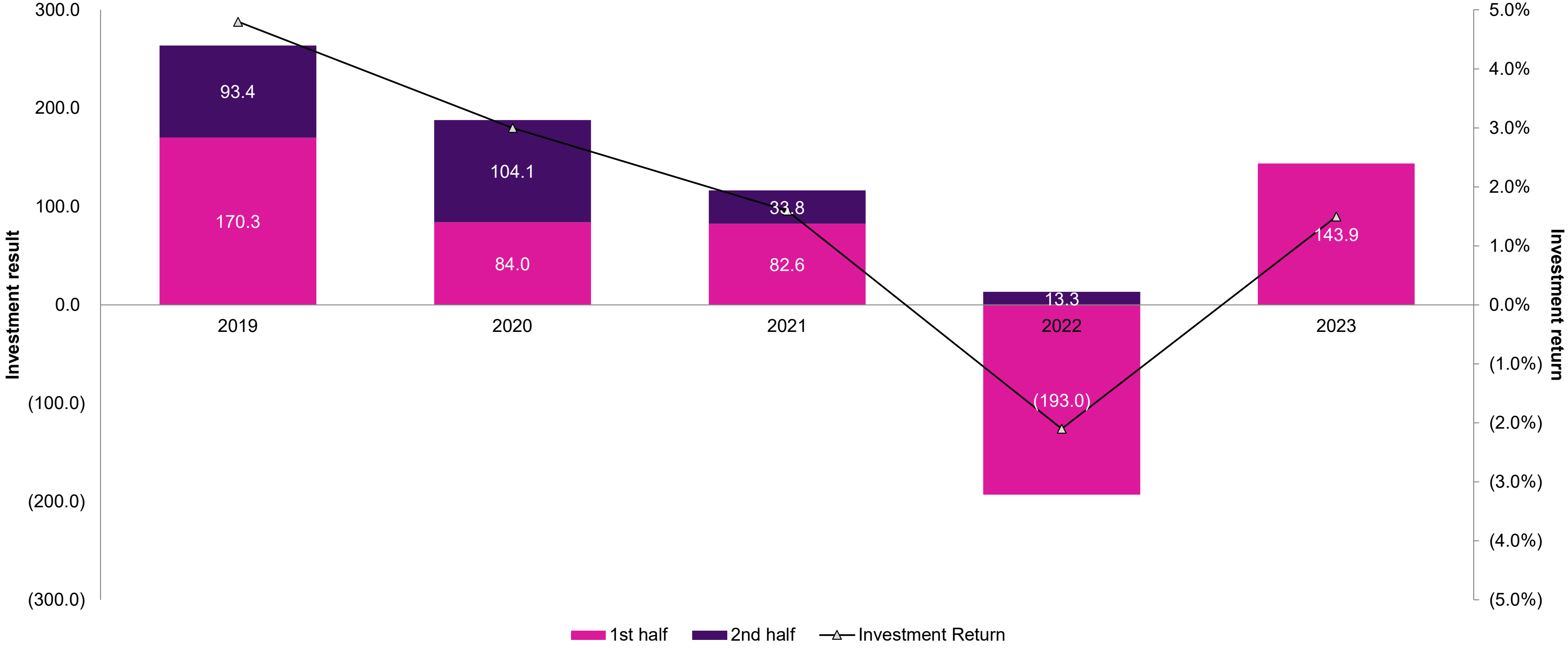
USD(m)	Assets		Liabilities		Total PAT Impact	
Shift in Yield (Basis Points)	**HY23**	**YE22**	**HY23**	**YE22**	**HY23**	**YE22**
150 basis point increase	(157.3)	(185.8)	122.4	133.5	(34.9)	(52.3)
100 basis point increase	(104.9)	(123.8)	82.5	110.1	(22.4)	(13.7)
50 basis point increase	(52.5)	(61.9)	41.7	45.6	(10.8)	(16.3)
50 basis point decrease	52.5	61.9	(42.7)	(46.7)	9.8	15.2
100 basis point decrease	104.9	123.8	(86.5)	(94.6)	18.4	29.2
150 basis point decrease	157.3	185.8	(132.7)	(143.7)	24.6	42.1

Financial performance

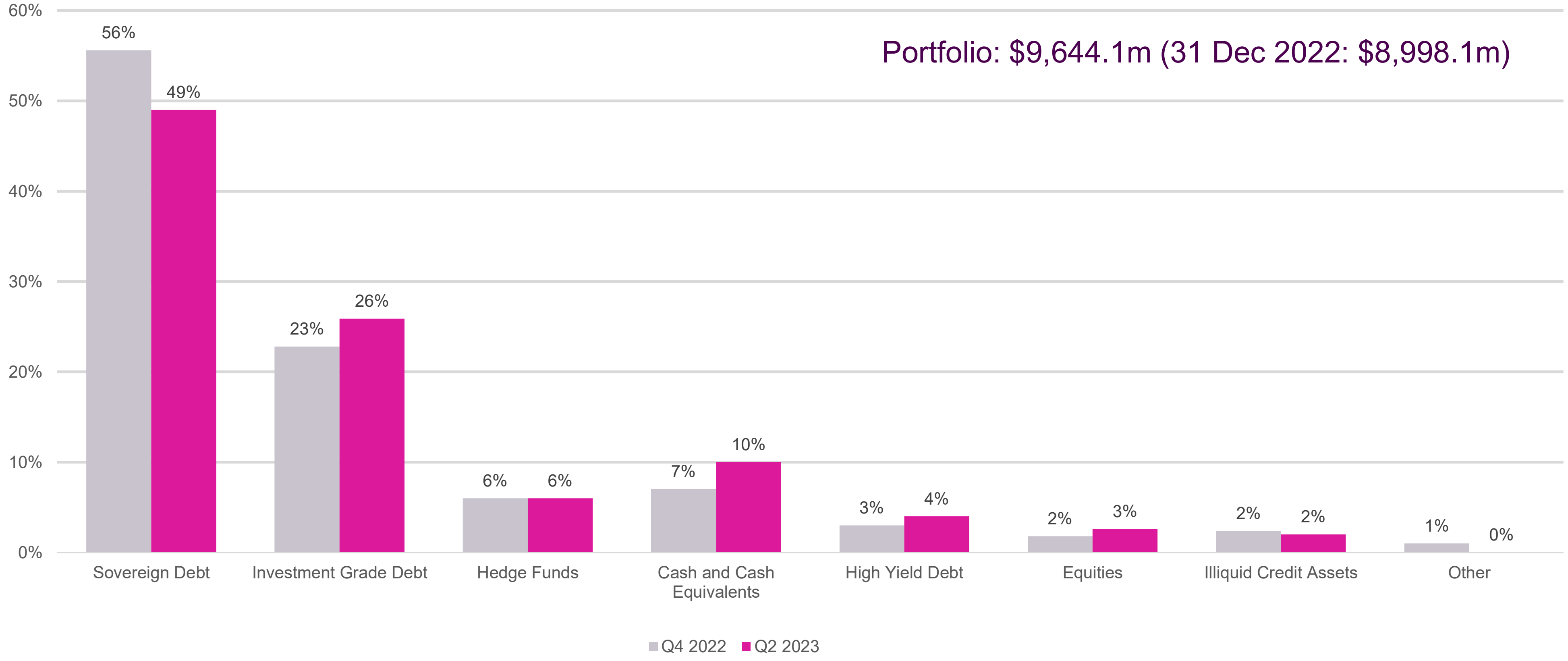
Financial performance

	HY ended 30 June 2023	HY ended 30 June 2022	% movement
Gross Insurance Written Premiums ($m)	2,921.1	2,574.3	13%
Net Insurance Written Premiums ($m)	2,349.6	1,808.2	30%
Net Insurance Revenue ($m)	2,089.5	1,857.8	12%
Insurance Service Result ($m)	342.2	540.6	(37%)
Profit before income tax ($m)	366.4	364.9	-
Claims ratio	49%	39%	
Expense ratio	35%	32%	
Combined ratio	84%	71%	
Earnings per share (pence)	34.9	37.1	(6%)
Net assets per share (pence)	376.6	319.5	18%
Net tangible assets per share (pence)	360.4	303.4	19%

Investment return



Investment Portfolio



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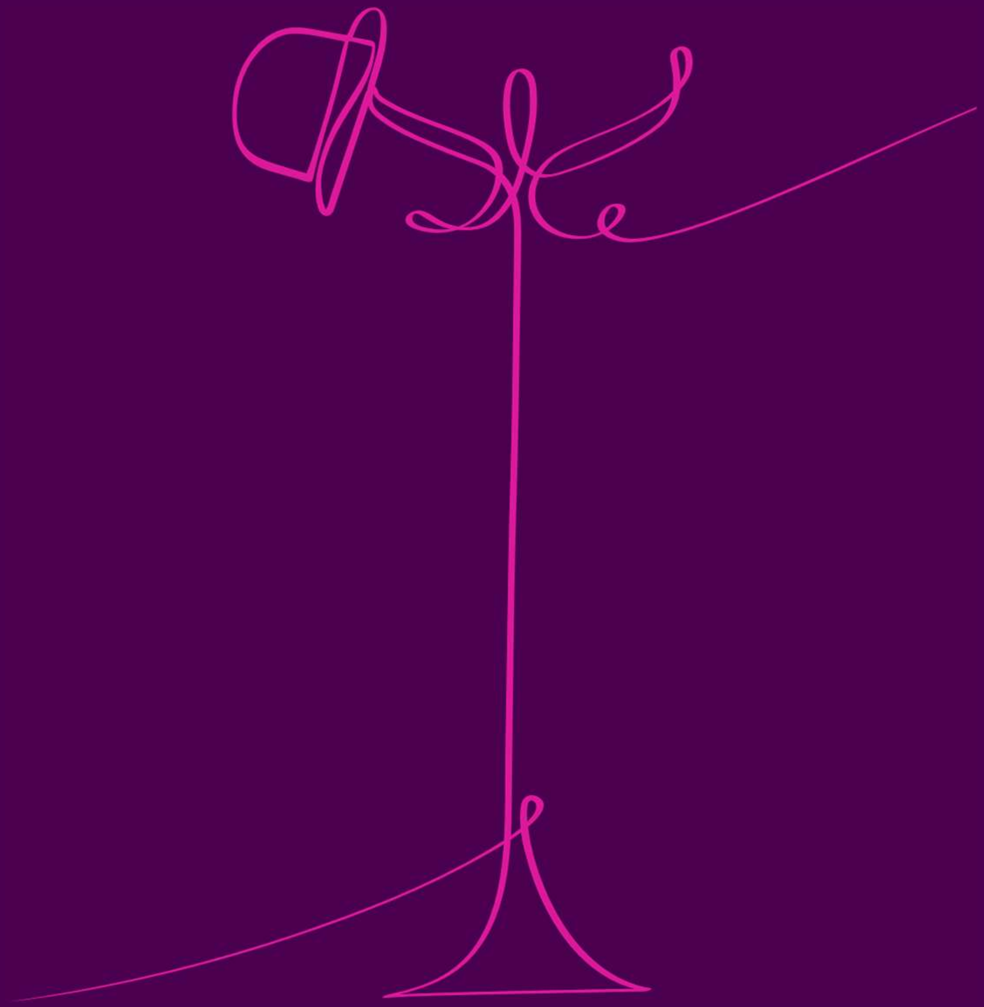
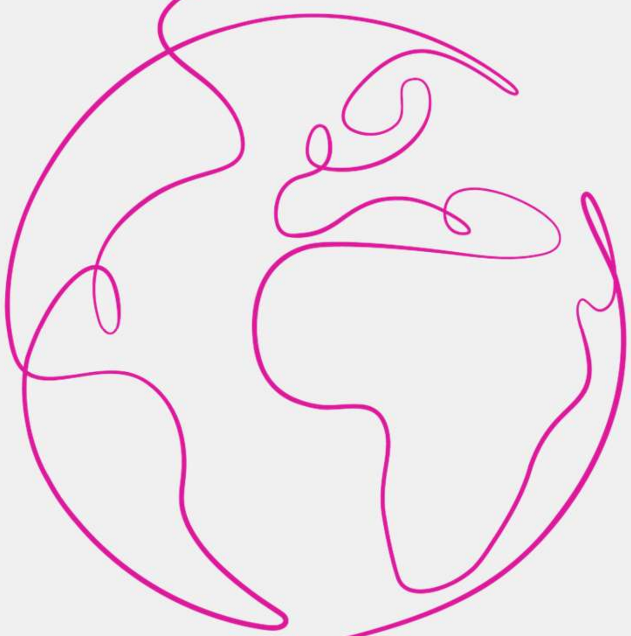
Platform strength



Three platform strategy update

- Our US, European and global wholesale platforms allow us to access business in locations where there is demand for our specialist products and expertise
- We plan to begin writing on new US Beazley E&S carrier (subject to regulatory approval) from 1/1/2024
- We expect to transfer $600m of premium to the new carrier in 2024
- A further $1.38bn premium is expected to be transferred by the end of 2026



Platform strength – cycle management and delivering growth

	Europe	North America	Global Wholesale Via Lloyd's
Long term trajectory	Multi decade growth journey	Long-term growth typically above market trend	Growth at same rate as the market
Short/medium term trajectory	Fast growing, in cyber where penetration is lower, tempered by cycle management in financial lines and social inflation exposed lines	Size of property opportunity makes this the fastest growing platform Despite undertaking cycle management in specialty risks and cyber	Currently fast moving due to demand in property, cyber and specialty products in MAP risks. Tempered by cycle management in financial lines and social inflation exposed lines
% premium share	9%	36% 25% Admitted business 75% Non admitted business	55%
Growth HY23 v HY22	9%	22%	9%

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Our underwriting

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Cyber Risks - continued momentum

- IWP $541.4m (2022HY $473.7m)
- Undiscounted COR 78% (2022HY 48%)
- Rate change (3%) (2022HY: 71%)
- Rates 2.8x higher than end of 2019
- Increasing frequency of ransomware has not impacted our book yet
- War wording uncertainty continues to dissipate
- Prior investment outside North America paying dividends with strong local demand growth, particularly in Europe where penetration rates are lower and there are fewer local carriers

Cyber risks - platform premium split

	Europe	North America		Global Wholesale Via Lloyd's
% premium share	18%	50%		32%
		22% Admitted business	78% Non admitted business	
Growth HY23 v HY22	34%	4%		22%

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Property Risks – capitalising on opportunity

- IWP $805.2m (2022HY: $487.4m)
- Undiscounted COR 84% (2022HY: 88%)
- Rate change 22% (2022HY: 9%)
- Property reinsurance in line with expectations and growth plan
- Property insurance growth slightly higher
- 1 in 250 risk appetite as a percentage of shareholder equity currently unchanged at less than 20%
- 1 in 10 AEP remains at 38%
- Expect continued significant growth in the US E&S and London wholesale markets

Property risks - platform premium split

	Europe	North America		Global Wholesale Via Lloyd's
% premium share	3%	37%		60%
		0% Admitted business	100% Non admitted business	
Growth HY23 v HY22	-11%	127%		48%

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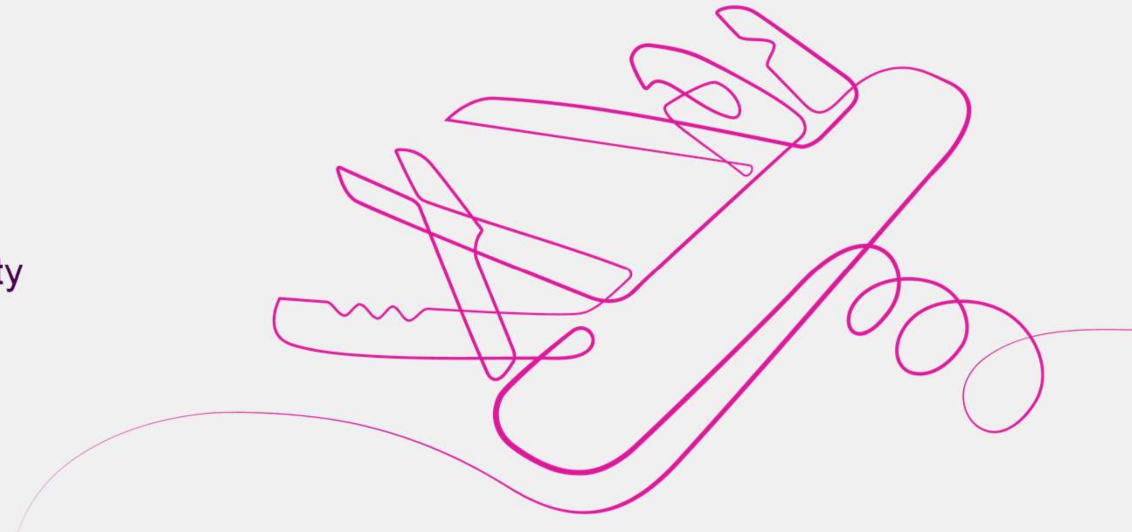
Specialty risks – balancing our portfolio

- IWP $941.3m (2022HY: $950.9m)
- Undiscounted COR 91% (2022HY: 70%)
- Rate change (1%) (2022HY: 4%)
- Growth focused on niches – such as and M&A and specialty casualty
- D&O will be a lower share and reduced growth driver
- Continued caution on areas exposed to social inflation



Specialty risks - platform premium split

	Europe	North America		Global Wholesale Via Lloyd's
% premium share	8%	39%		53%
		41% Admitted business	59% Non admitted business	
Growth HY23 v HY22	-14%	7%		-4%

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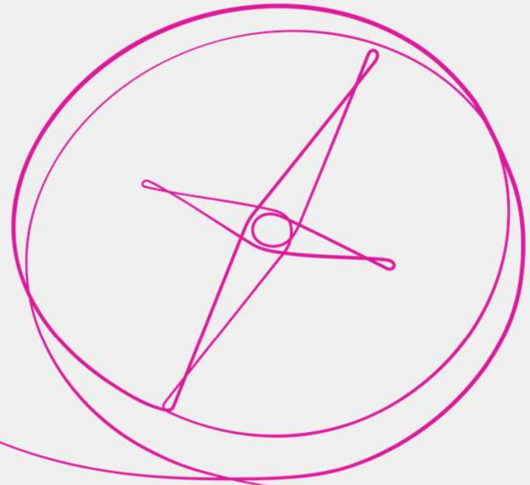
MAP Risks – Leveraging specialism

- IWP $522.4m (2022HY: $551.0m)
- Undiscounted COR 102% (2022HY: 100%)
- Rate change 6% (2022: 5%)
- Economic recovery and complex geopolitical environment generated increasing demand for our specialist products e.g. marine, aviation, war, contingency, political risks & violence
- The rating environment remains positive offering opportunity for sustainable growth across the business group
- We are the market leader in these specialty classes



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MAP risks - platform premium split

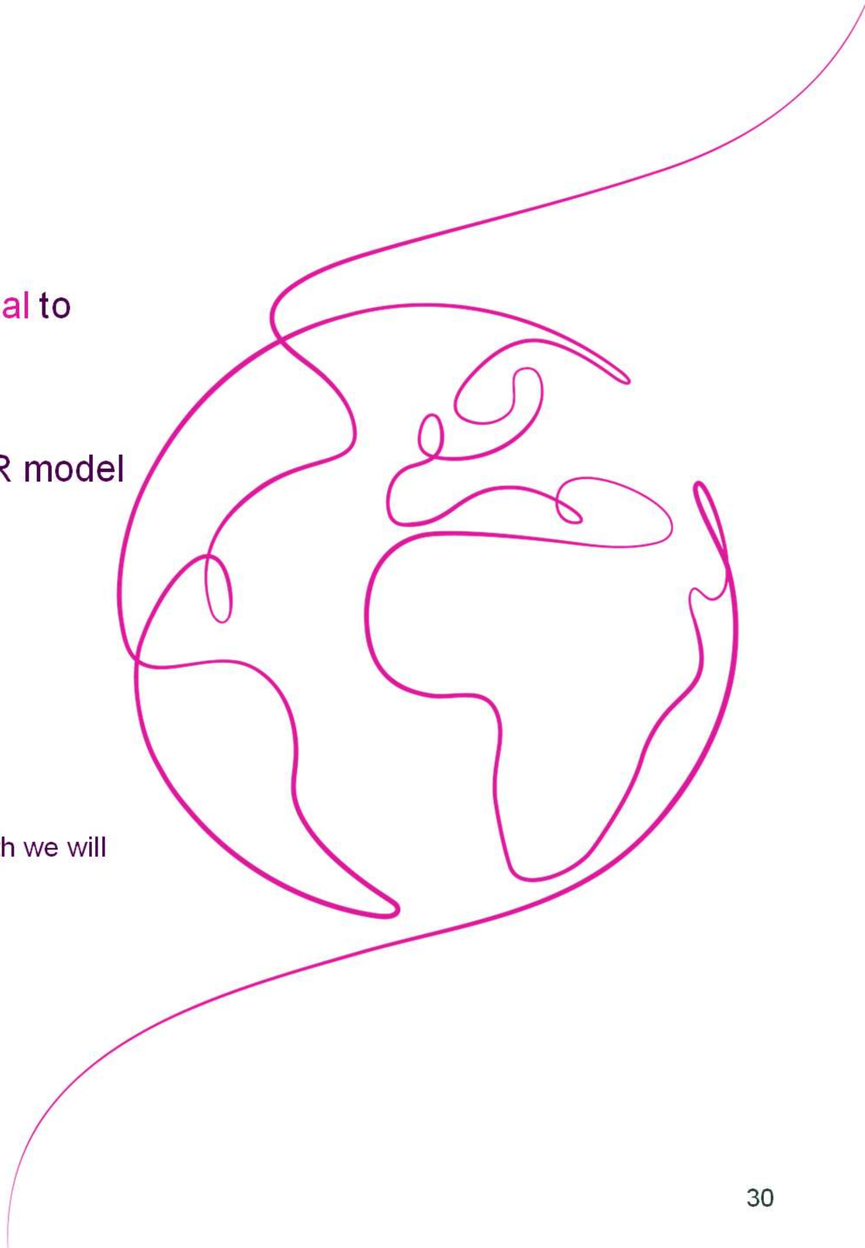
	Europe	North America		Global Wholesale Via Lloyd's
% premium share	5%	10%		85%
		79% Admitted business	21% Non admitted business	
Growth HY23 v HY22	50%	7%		-8% *

*Gross premium has reduced due to the portfolio underwriting business now being written by syndicate 5623 which is backed predominantly by third party capital. This has the effect of reducing year on year gross premium growth in the division. Net premium growth is not materially affected. (Growth excluding 5623 effect would be 23%)

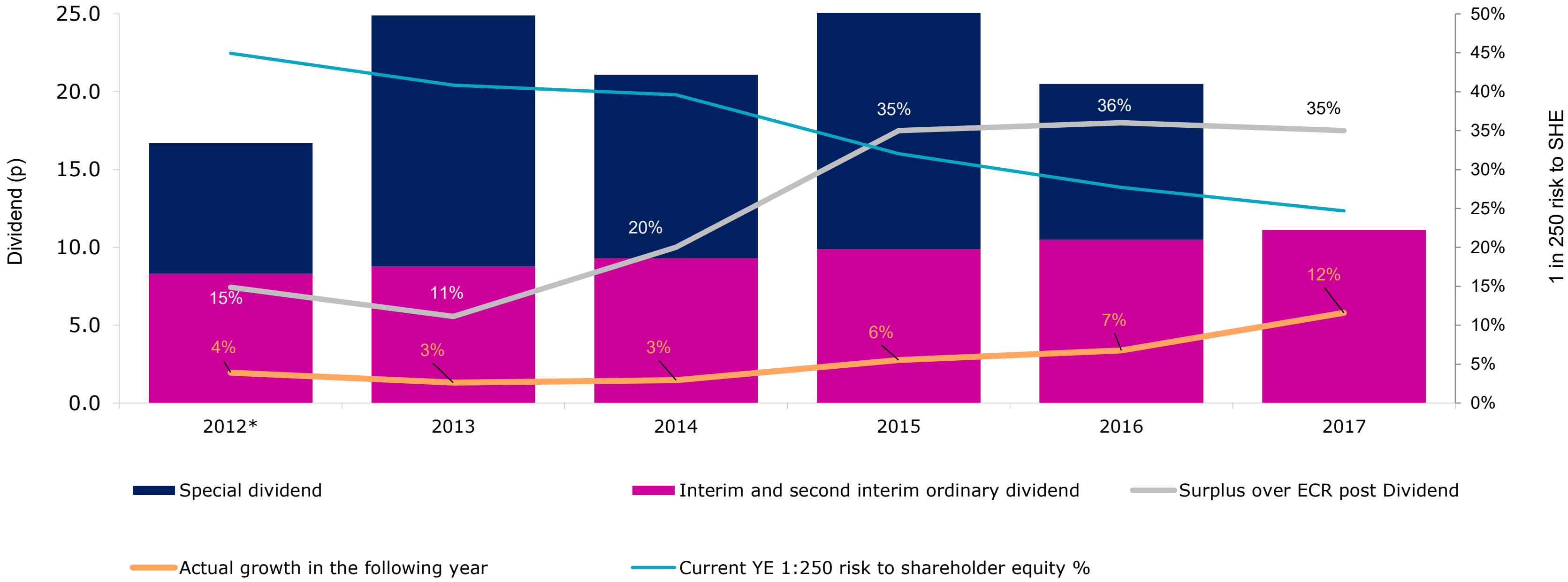
Capital strategy

Our capital strategy

- Focus is on maintaining a balanced portfolio, resilience and deploying capital to profitable classes
- Moving to internationally comparable SCR model from Lloyd's focused ECR model
- Capital raised in Nov 22 is being actively deployed in 2023 and 2024
- Approach to capital management has not changed:
    - Preference is to deploy capital to support profitable growth
    - Where capital levels are significantly above that which is required for investment in profitable growth we will return to shareholders



Active capital management



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New capital framework

Old basis	New basis	
Surplus over Lloyd's ECR	**Group SCR Coverage**	• Capital position representative of a global specialty insurer • Consistent basis for comparison vs. peers in the UK and Europe • Capital position is point in time at date reported
Calculated as: Surplus capital available to the group divided Lloyd's Capital Requirement	**Calculated as:** Group Own Funds divided by Group SCR	• Clear calculation basis in regulatory framework
15-25% surplus range above Lloyd's ECR	Aim to maintain solvency ratio above **170%**	• Transparent capital position aligned with growth ambitions • Increased flexibility allowing business mix to drive capital level held
Sensitivity scenarios: n/a	**Sensitivity scenarios:** Natural and Cyber Catastrophes Changes in interest rates	• Guidance on sensitivities provided to aid analysis

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YE surplus over ECR shows capital actively deployed for growth in 2023/2024

- Our estimated surplus over Lloyd's ECR at YE2023 is 23% above Lloyd's ECR which anticipates 2024 growth
- Surplus position currently contemplates around 20% growth net of reinsurance for 2024

	Year ended 31 Dec 2023 $m	Year ended 31 Dec 2022 $m
Lloyd's economic capital requirement (ECR)	3,289.8	2,577.1
Capital for US insurance company	180.4	180.9
	3,470.2	2,758.0

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HY capital position group solvency ratio

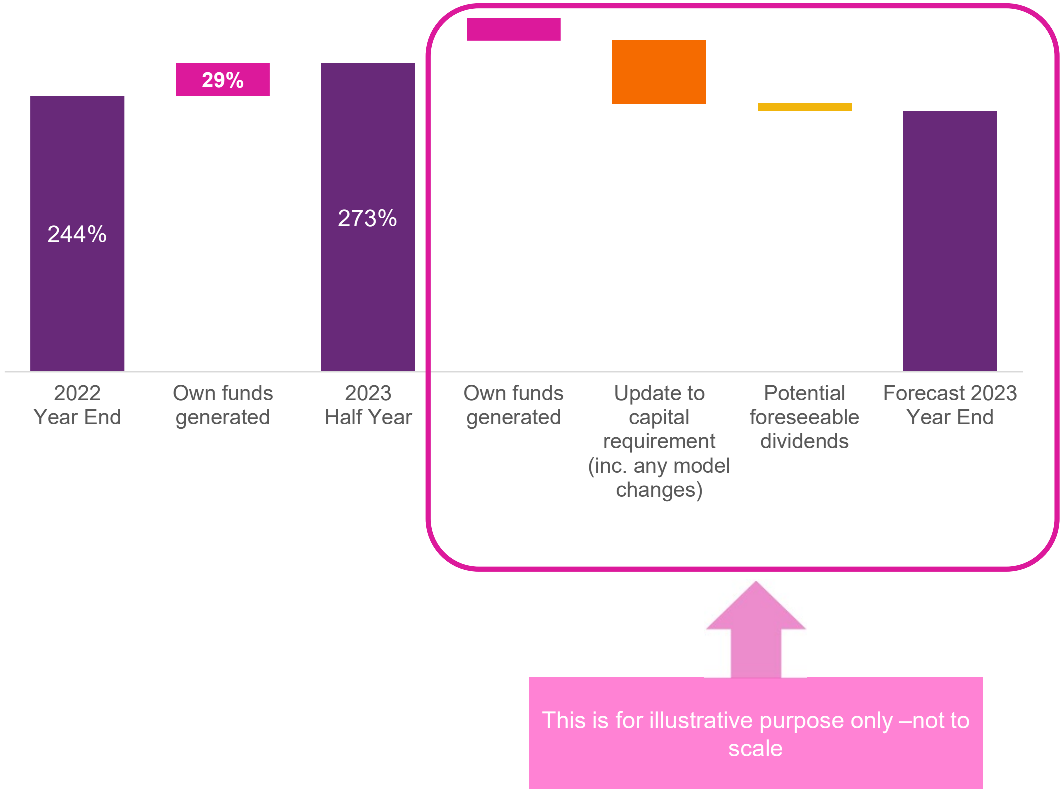
- The latest view of our group solvency capital ratio as at HY2023 is 273%
- Half year position does not include following years business plan and is therefore typically expected to be higher than year end position

	30th June 2023	31st Dec 2022
	$m	$m
Eligible Tier 1 capital after foreseeable distributions	3,782.5	3,330.5
Eligible Tier 2 capital – subordinated debt	516.7	506.2
Total Solvency II Eligible own funds	4,299.2	3,836.7
Capital requirement	1,573.8	1,573.8
Group Solvency II ratio	273%	244%

Capital seasonality

- Strong underwriting performance drives significant own funds generation – delivering positive HY SCR
- We typically expect HY SCR ratio to be higher than FY SCR as HY only includes current year capital requirements. The following year's business plan is recognised in the second half
- Capital ratio at the end of 2023 will be lower than at end of 2022 reflecting deployment of capital raised in November 2022

Illustrative example of SCR ratio movements between HY and FY



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Resilient capital position can withstand external shocks

Coverage remains strong even in the event of Cyber, Natural Catastrophe and Interest rate scenarios happening simultaneously (based on Solvency Capital Ratio as at 30 June 2023)

SCR ratio estimate as at HY 2023	**273%**
Scenario	**Impact on solvency capital ratio**
Cyber – current largest realistic disaster scenario	**(7%)**
One-off catastrophe loss equivalent to a 1-in-250 US Windstorm.	**(32%)**
50 bps decrease in interest rates*	**(13%)**

*Considers the impact on SCR in isolation to the impact on eligible own funds

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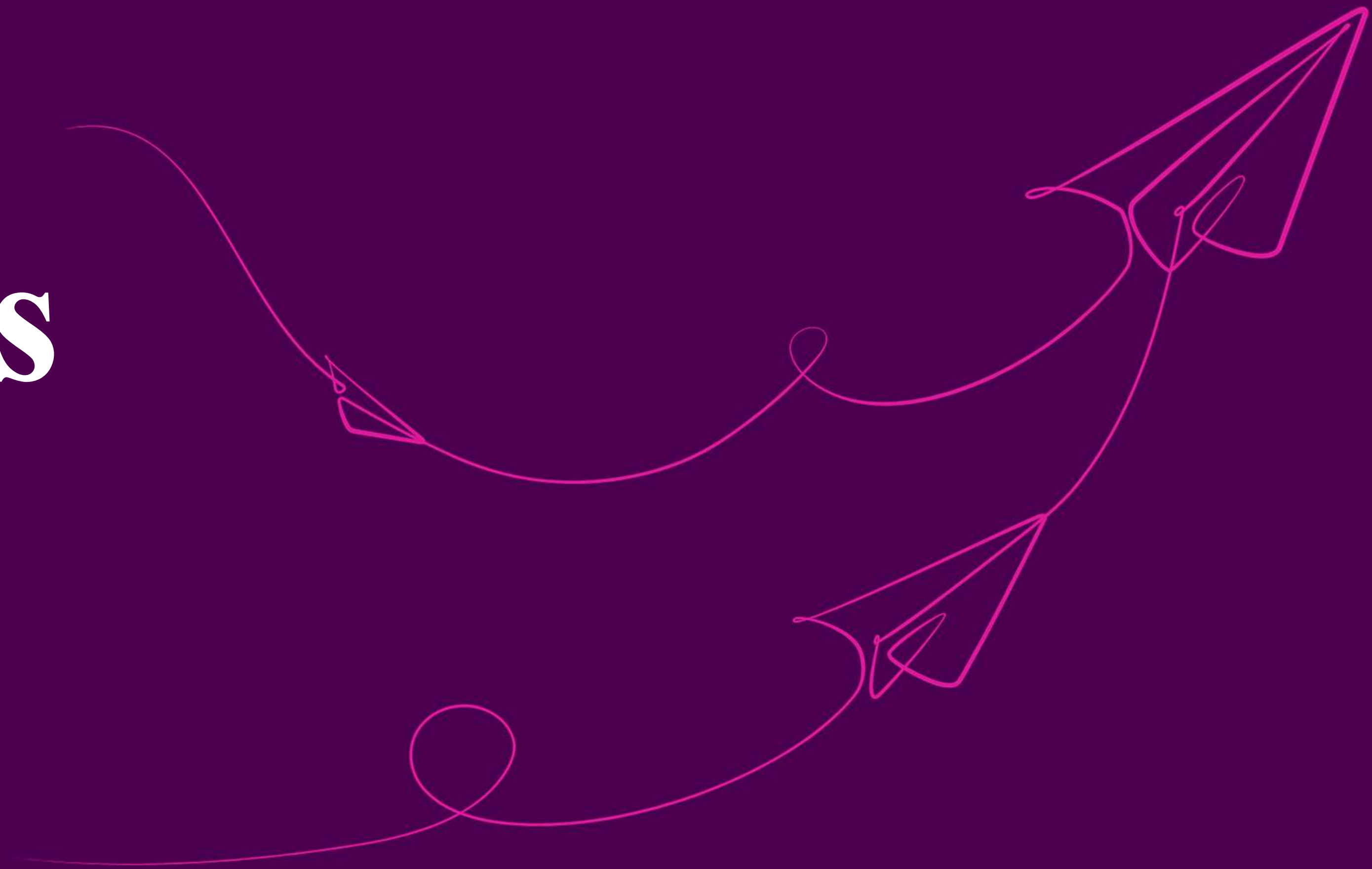
Outlook

Outlook

- Platform strength to deliver stable and consistent growth
- Continue to build on cyber opportunity in Europe and Property in US E&S
- Cyber war concerns dissipate and growth persists
- We reiterate year end growth of mid 20s net and mid-teens gross
- We expect a low 80s combined ratio on an IFRS 17 undiscounted basis at year end (equivalent to high 80s on an IFRS 4 basis as previously guided)
- Net growth to be higher than gross as capital raise allows more business to be retained on balance sheet
- Capital markets session on 30th November 2023

Questions



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Appendices

Discounting YE2022 to HY2023

Discounting figures are calculated at a granular class level, by currency and updated quarterly. The key components driving the $85m increase in profit as a result of discounting are shown below.

Category	Amount: HY23 vs HY22	Calculation approach	P&L line item
Unwind	$(124)m (HY22: $(36)m)	• Unwind is calculated on both **start of year reserves** and **new reserves established each quarter** during the current accounting period – the quarterly **opening yield curve** is used. • Quarterly calculation involves recalculating the discount credit assuming the **quarter end mean term of liabilities** with the opening yield curve – the difference between this and the beginning of quarter discount credit (that uses the start of quarter liability mean term) is the Unwind amount.	Recognised in **IFIE**
New and Change in Undiscounted Estimates	$87m (HY22: $59m)	• This is the discount credit arising from **new reserves established each quarter**. • Use **quarter-end yield curves** together with the mean term of the new liabilities. • Includes the **impact of the change in undiscounted liabilities**	Recognised in **Insurance Result**
Change in discount rates	$122m (HY22: $177m)	• **Applied to quarter-end reserves** – these will include reserves established in prior accounting periods as well as new reserves established in the current accounting period • Use **difference between start and end of quarter yield curves** applied to the quarter-end reserves	Recognised in **IFIE**

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Other Key Information

Discount rates & Liability Mean Terms

- Risk Free Rates derived using Moody's government bond yields by currency (USD/CAD/GBP EUR)
- Illiquidity premium also sourced from Moody's and adjusted to reflect the Group's own asset portfolio
- Discount rates as at HY23 and YE23 are shown below – these are the discount rates at the stated duration

HY23	1 year	3 year	5 year
USD	5.73%	5.04%	4.57%
CAD	5.69%	4.96%	4.45%
GBP	6.10%	5.75%	5.39%
EUR	3.77%	3.36%	3.15%

YE22	1 year	3 year	5 year
USD	5.23%	4.81%	4.54%
CAD	5.30%	4.64%	4.32%
GBP	4.40%	4.44%	4.45%
EUR	2.87%	3.10%	3.10%

- Undiscounted liability mean terms as at HY23 are shown below. As these are an **earned basis**, these will differ from those in the accounts previously as those were on an ultimate basis. The figures below are calculated using cashflows within the IFRS 17 LIC claims (i.e. Claims, Risk Adjustment and ENIDs)

Division	Mean Term/years
Specialty Risks	2.83
Cyber Risks	1.99
MAP Risks	2.11
Property Risks	1.28
Digital	2.00