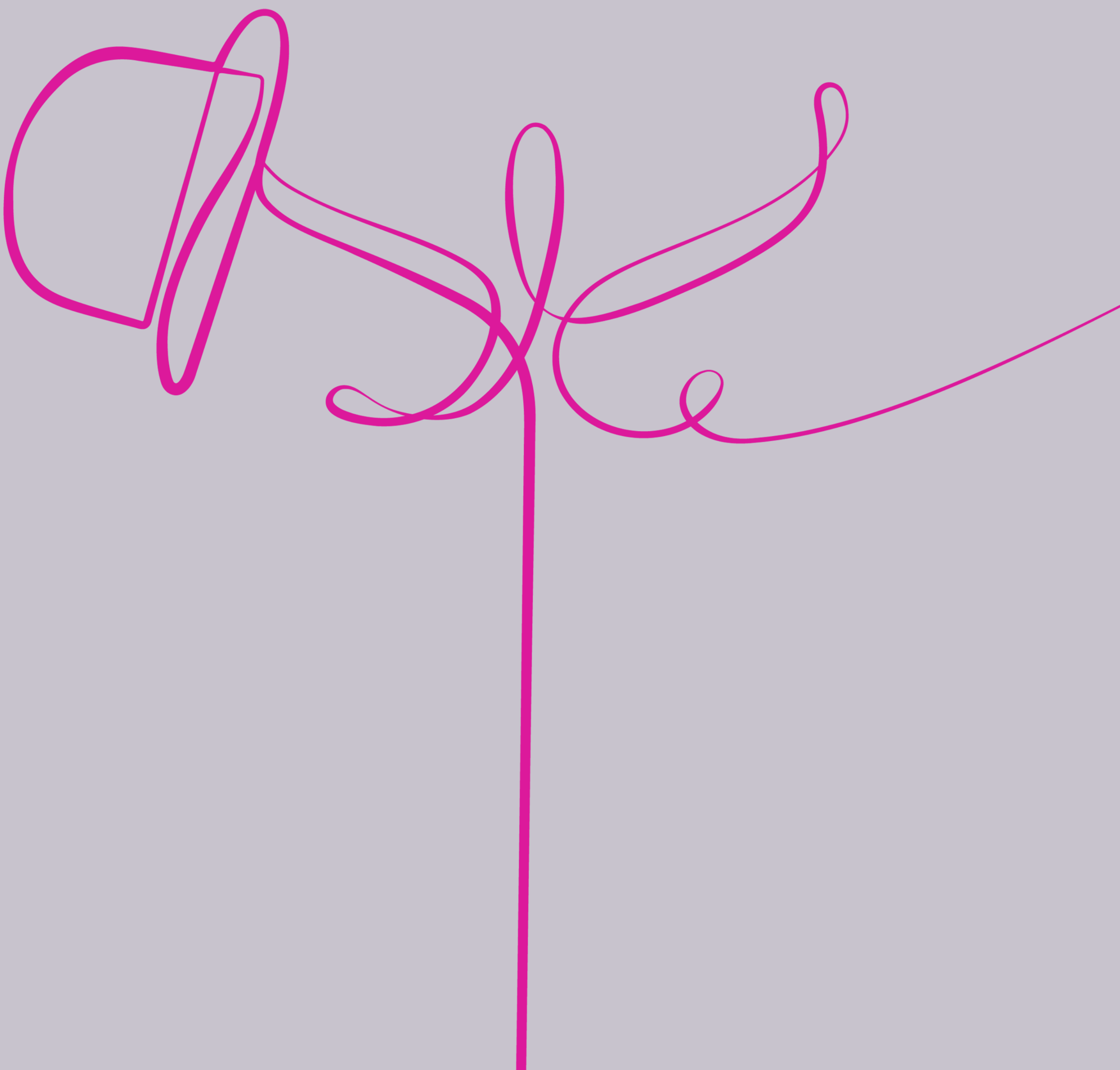
beazley

Insurance. Just different.



We live in an era of accelerating risk. Climate change, technology transformation and geopolitical uncertainty means business is increasingly focused on building resilience. By using the power of our risk management, underwriting and claims expertise, we are supporting businesses to become more resilient and to outperform over the long term.

Beazley's brand of specialty underwriting adds real value to businesses across the globe. Where fear of risk can limit creativity and stifle progress, our specialty insurance services and products are designed to deliver peace of mind. But more than this, our purpose at Beazley is to inspire our clients and people with the confidence and freedom to explore, create and build – enabling them to thrive.

We help build resilience for our clients by leveraging our expertise in managing and underwriting risk and effectively resolving claims leaving them to get on with their day job. Our expertise is built on deep experience coupled with a bold approach to creating new solutions that allow us to address emerging risks and challenges head on.

By doing the right thing and always striving for better, we are confident that over the long-term we and our clients are enabled to outperform.

Beazley's specialty underwriting adds value to businesses across the globe, building resilience amongst our clients, supporting our broker partners and empowering our people.

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About Beazley

Beazley plc is the parent company of our specialist insurance business with operations in Europe, the US, Canada, Latin America and Asia. Beazley is a proud participant in the Lloyd's market, one of the largest and oldest insurance markets in the world. Through the Lloyd's broker network and the market's trading licences, we are able to access a wide range of insurance and reinsurance business from around the world. Many of the lines of business we underwrite, such as Marine, Political Risks and Contingency, were pioneered at Lloyd's.

Beazley manages seven Lloyd's syndicates: syndicates 2623 and 623 underwrite a broad range of insurance and reinsurance business worldwide; syndicate 3622 is a dedicated life syndicate; syndicate 3623 writes a wide range of insurance and reinsurance business through our North American Coverholder; syndicate 6107 is a special purpose syndicate which writes reinsurance business; syndicate 5623 writes facilities business; and syndicate 4321 is a Lloyd's syndicate in a box, which focused on writing business on a consortium basis led by syndicate 2623/623 based on ESG scores of insureds. From 2024, this business has transitioned to being written out of syndicate 5623.

We also underwrite business directly in the US through Beazley Insurance Company, Inc. ("BICI"), an admitted carrier licensed to write in all 50 states, Beazley America Insurance Company, Inc. ("BAIC"), an admitted carrier licensed to write in 49 states, and Beazley Excess and Surplus Insurance, Inc. ("BESI"), a surplus line carrier in the US writing business from 2024.

Our European insurance company, Beazley Insurance dac ("BIdac") underwrites business throughout the European Economic Area, the United Kingdom and Switzerland. BIdac is licensed to write direct business through its branches in the UK, France, Germany, Spain and Switzerland. BIdac also acts as an internal reinsurer for a portion of the Group syndicates' business and for a portion of the business from BESI.

Further information about us is available at: www.beazley.com

Highlights

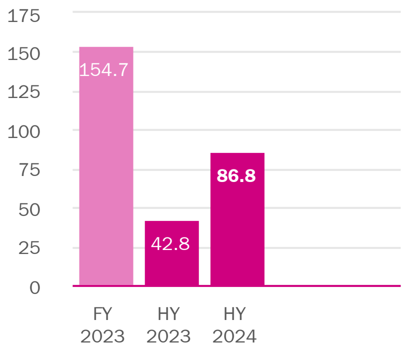
	6 months ended 30 June 2024	6 months ended 30 June 2023	Year to 31 December 2023
Insurance written premiums ($m)	3,123.3	2,921.1	5,601.4
Net insurance written premiums ($m)	2,586.5	2,349.6	4,696.2
Insurance service result ($m)	558.0	342.2	1,251.0
Profit before tax ($m)	728.9	366.4	1,254.4
Claims ratio	45%	49%	39%
Expense ratio	32%	35%	32%
Combined ratio	77%	84%	71%
Basic earnings per share (cents)	86.8	42.8	154.7
Net assets per share (cents)	647.1	470.8	585.8
Net tangible assets per share (cents)	619.4	450.5	560.9
Basic earnings per share (pence)	68.7	34.9	124.8
Net assets per share (pence)	504.7	376.6	468.6
Net tangible assets per share (pence)	483.1	360.4	448.7
Return on equity (annualised)	28%	18%	30%
Premium renewal rate change	0%	5%	4%
Investment return (annualised)	4.8%	3.0%	4.9%

The Beazley Group ("the Group") uses alternative performance measures ("APMs") to help explain its financial performance and position. The Group views some of the information contained above (in addition to its key performance indicators) to be APMs. Further information on these can be found on pages 41 to 43.

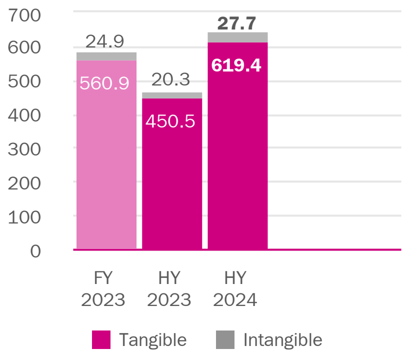
Key performance indicators

Financial

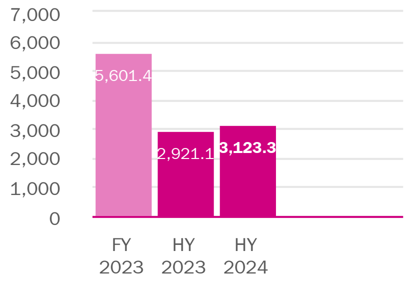
Earnings per share (c)



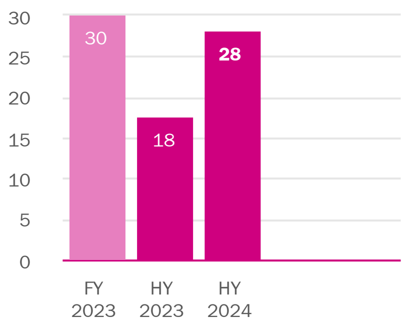
Net assets per share (c)*



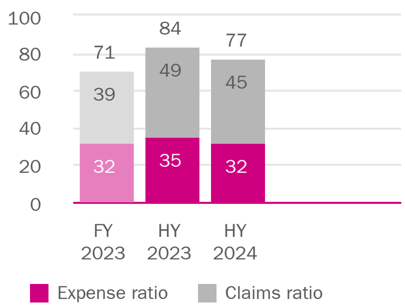
Insurance written premiums ($m)*



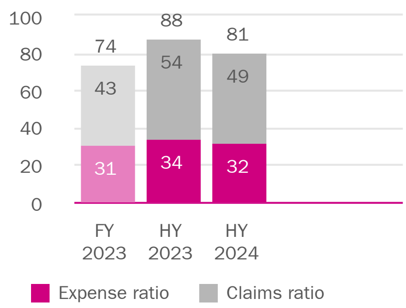
Return on equity (annualised) (%)*



Discounted combined ratio (%)*



Undiscounted combined ratio (%)*



The Group is of the view that some of its KPIs constitute APMs, as indicated by an asterisk (*). Further information is included in the APMs section on pages 41-43.

Interim results statement

"Our underwriting, claims and risk management expertise continues to add real value to businesses across the globe."

Adrian Cox
Chief Executive Officer

Beazley achieved a record interim profit before tax of $728.9m for the first half of 2024 (30 June 2023: $366.4m). This included an insurance service result of $558.0m (30 June 2023: $342.2m), resulting in a discounted combined ratio of 77% (30 June 2023: 84%) and an undiscounted combined ratio of 81% (30 June 2023: 88%). Our investment team achieved a strong investment result of $251.7m (30 June 2023: $143.9m) or 4.8% annualised (30 June 2023: 3.0%). Insurance written premiums growth across our business continued at 7%. Our annualised return on equity was 28% (30 June 2023: 18%).

Seizing the opportunity for specialty insurance

Beazley's performance in the first half of the year is a testament to the hard work and determination of our employees.

At 7%, growth is maintaining its positive trajectory, driven by our agile and disciplined approach to underwriting. As expected, the upwards rating environment, or hard market, of recent years is moderating and our clear priority is maintaining rate adequacy, whilst continuing with active cycle management to benefit from market opportunities and a change in risk reward ratios.

Achieving growth of 7% against a backdrop of a flat rating environment in total at the half year demonstrates how our robust approach to underwriting has delivered across Beazley.

Demand from brokers and businesses for specialty underwriting is strong, be that in the Excess & Surplus (E&S) market in the US, across our expanding European footprint or in the specialist classes we underwrite via Lloyd's.

On 19 July the world experienced its worst ever systems outage. I am proud of the response of all our teams to support clients during this incident, particularly those in Claims, Cyber Risks and at Beazley Security. We have long prepared for an incident of this nature and as a result I am pleased to confirm this event had no impact on our view of the outlook for the remainder of 2024. Our approach to cyber has been tested and proved resilient and we remain committed to a stable and sustainable rating environment.

We are proud that our approach to specialty underwriting was recognised at the prestigious British Insurance Awards, in July, where we were named Specialist Insurance Company of the Year 2024.

Interim results statement continued

Highlights of the half year

In January 2024, our onshore US E&S carrier began underwriting and we have seen strong interest from our US broker partners, particularly where their clients are located away from the coasts or have a strong preference for locally based cover.

Beazley Security officially launched at the end of June 2024, with the integration of our in-house Cyber Services team and our wholly owned cyber security company Lodestone.

Our experience of managing thousands of cyber incidents shows that organisations with integrated risk management services are better able to pre-empt, respond and adapt to cyber threats. We believe our ability to keep clients one step ahead of the cyber threat aids the client's experience and enhances our underwriting potential.

At the start of the year, we announced the launch of our first 144a Cyber Catastrophe bond. At $140m it was nearly twice the size of the cover we achieved in 2023, via the market’s first ever cyber catastrophe bond, and in May 2024, the bond more than doubled to $300m. Both of these have been a great success and we will continue to look at opportunities in a similar vein in the future.

We were also the first company to launch a property catastrophe bond on the Lloyd’s London Bridge platform at the start of the year. This is also the first time that Beazley has sponsored its own property catastrophe bond.

These developments are testament to the outstanding work of our team in managing and modelling cyber risk so that we have a specialist investor base eager to invest. Together we are creating a vibrant cyber reinsurance market which will benefit the development of the whole cyber insurance industry.

In June 2024 we were pleased that these efforts to innovate in the catastrophe bond arena were recognised by winning (Re)Insurer Sponsor of the Year at the Insurance Insider ILS awards.

Access to risk

We continue to believe in the importance of being located where our clients and brokers are based and developing product solutions to the risk landscape they face.

Our three platforms are split into Wholesale (Lloyd’s) 52%, North America 40% and Europe 8% at the half year. We continue the build out in Europe, with the appointment of Country Managers in France, Spain and the UK.

Changes to management

I want to welcome two new senior colleagues to Beazley, Carolyn Johnson, who joined the Board (and is Chair of our US holding company) in March and Barbara Plucnar Jensen who joined the Board as Chief Financial Officer in May. This is the first set of results I have worked on with Barbara and I am pleased to have such an experienced and capable colleague to lead our finance function.

Underwriting performance

Cyber Risks

The first half of the year saw attractive opportunities across international markets, where our strong underwriting discipline combined with ongoing rate adequacy was a significant driver of the 7% growth we saw in the division, although we are now seeing increased competition in this segment. In the US, the rating environment is now stabilising after rate reductions in the very competitive conditions of 2023. This reflects the ongoing maturing of the cyber insurance market, which sees increasing price stability, better cyber resilience and awareness of the threat amongst businesses leading to strong demand for both cyber security services and insurance.

Across our book we continue to see no material shift in ransomware claims despite the increased frequency in activity and we believe our integrated Full Spectrum Cyber offering is supporting our clients to build greater cyber resilience. We are also investing in our Cyber Risks management team with the appointment of new leads in North America and Europe.

Digital Risks

Our small business distribution division saw growth of 14%, mainly driven by specialty in Europe. The ongoing investment we are making into technology is supporting the digitisation of our underwriting processes as well as the distribution of specialty insurance solutions, to the small business segment which is the backbone of economies around the world.

Marine, Accident and Political ("MAP") Risks

We are seeing a positive rating environment as demand for our specialist insurance remains strong in the ongoing uncertain geopolitical environment. The division experienced a reduction to premium of 3% in 2024 (2023: decrease of 5%) driven by our planned platform changes within the Group in 2023 and 2024.

The value of our products has been clearly demonstrated in recent months. The tragic events in relation to the Middle East and the Baltimore Bridge incident in March show how a well functioning marketplace, like the Lloyd’s marine community, in which we are a leader, can act to ensure that claims are effectively processed and new cover quickly put in place, allowing business and trade to continue.

Property Risks

The first half of 2024 saw continued strong growth in our property business, at 25% (2023: 65%), albeit, as we expected, at a more moderate pace than the year before. We are seeing competitors that stepped back last year re-enter the market, but we have not yet seen a dramatic influx of capacity as the fundamental challenges of climate change, rising property valuations and inflation, together with the potential for an active hurricane season, temper competition.

By building relationships with brokers and clients for the long-term, particularly in the US E&S market with our onshore carrier, we are gaining positive feedback and developing brand loyalty for our consistent and disciplined approach to specialty property underwriting.

Specialty Risks

Growth in our niches remains strong, focused on demand led areas such as Environmental Liability and Programs, or Safeguard, which supports institutions to mitigate and recover from the impacts of a safeguarding incident.

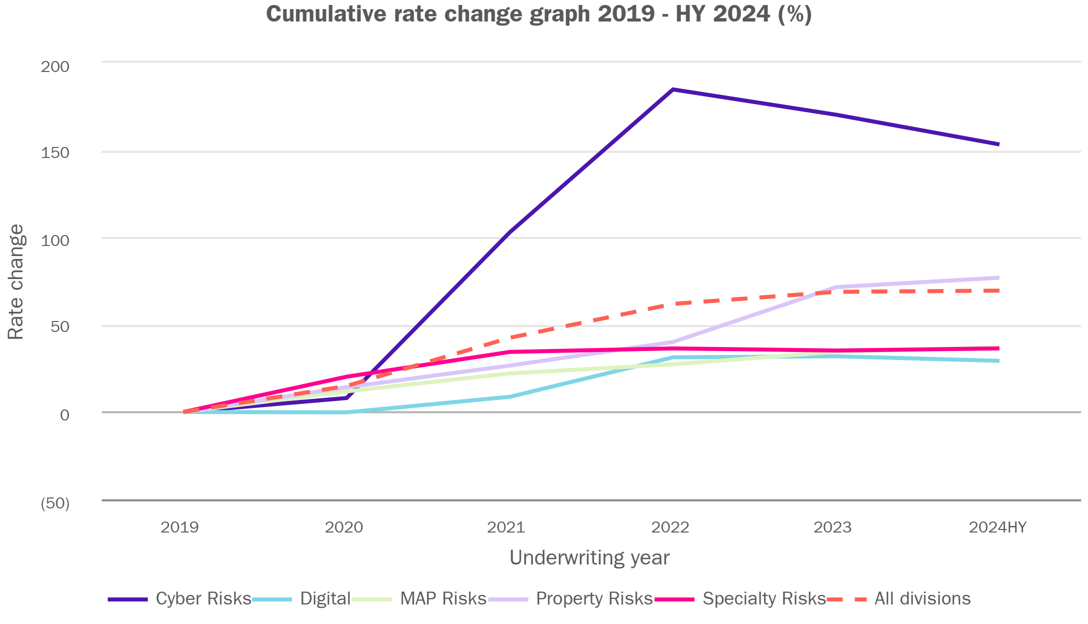
We continue to be cautious and exercise robust cycle management in the Directors & Officers (D&O) segment, although we may finally be seeing some nascent signs of plateauing of rates in D&O. Nevertheless we remain absolutely focused on ensuring rate adequacy after the challenging rating landscape of the last two and half years.

During the year, the terms of one of our major reinsurance contracts for the division were adjusted and we accrued for both additional premiums and a reduction of recoveries in the first six months contributing to an expense on the amount recoverable from reinsurers.

Reserving

Beazley has a consistent reserving philosophy, with initial reserves being set to include a risk adjustment that may be released over time as and when any uncertainty reduces. We maintain a preferred confidence level range of between the 80th and 90th percentile. This metric gives an indication about where the reserves sit compared to the best estimate and the capital requirement.

As at 30 June 2024, our reserve confidence level was at the 88th percentile (30 June 2023: 89th percentile, 31 December 2023: 85th percentile), which is towards the upper end of our preferred confidence level range.



Interim results statement continued

Investments

Our investment team enjoyed an excellent six monthly performance, delivering a strong return of $251.7m, or 2.4% in the first half of 2024 (30 June 2023: $143.9m, or 1.5%). The higher yield environment which began to benefit our returns last year remains in place and continues to support improved investment returns. However, risk-free yields have risen further this year, as expectations for lower interest rates were deferred, and this has generated some mark to market losses in the short-term. As a result, the overall return on our fixed income investments in the first half of 2024 is lower than yields would imply, at 1.8%. We reduced the duration of our fixed income investments at the beginning of the year, to 1.6 years, to help us manage asset/liability interest rate risks, and this helped protect our fixed income return in the period. Our capital growth investments have performed strongly, producing a return of 6.7%, led by our equity investments, which returned more than 14% in this period. We added to our equity, credit and hedge fund exposures during the first half and these changes have had a positive impact on our overall investment return. Looking ahead, the current yield of our fixed income investments, at 5.0%, provides an encouraging outlook for returns, although macro-economic risks remain elevated.

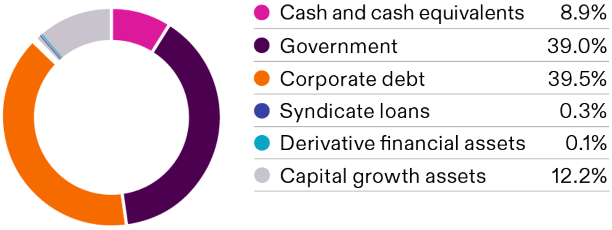
Investment performance

	30 June 2024 $m	30 June 2024 %	30 June 2023 $m	30 June 2023 %
Cash and cash equivalents	945.6	8.9	964.3	10.0
Fixed and floating rate debt securities				
– Government	4,166.6	39.0	4,724.1	49.0
– Corporate bonds				
– Investment grade	3,589.9	33.6	2,500.9	25.9
– High yield	632.4	5.9	362.7	3.8
Syndicate loans	28.8	0.3	33.2	0.3
Derivative financial assets	9.6	0.1	6.8	0.1
Core portfolio	9,372.9	87.8	8,592.0	89.1
Equity funds	432.2	4.1	251.2	2.6
Hedge funds	645.2	6.1	564.5	5.8
Illiquid credit assets	212.6	2.0	236.4	2.5
Capital growth assets	1,290.0	12.2	1,052.1	10.9
Investment portfolio total	**10,662.9**	**100.0**	**9,644.1**	**100.0**

	30 June 2024 $m	30 June 2024 annualised return %	30 June 2023 $m	30 June 2023 annualised return %
Core portfolio	171.9	3.6 %	100.7	2.5 %
Capital growth assets	79.8	13.4 %	43.2	9.1 %
Overall return	251.7	4.8 %	143.9	3.0 %

Investment by asset type

Investments portfolio split



Expenses

The expense ratio, which under IFRS 17 includes only expenses directly attributed to insurance activities, decreased to 32% for the first half of the year (30 June 2023: 35%). For the first six months of the year, non-directly attributable expenses of $160.4m (30 June 2023: $137.6m) fall outside the insurance result. Total expenses for the first six months of the year were $918.0m (30 June 2023: $863.6m).

We continue to focus on our total expense base and are pleased that net insurance revenue growth has outpaced total expense growth showing our commitment to growing profitably.

Interest rate sensitivity

The Group has conducted a sensitivity analysis of its financial assets (specifically debt and fixed income holdings) and its (re)insurance contract liabilities (being the net of reinsurance contract assets and insurance contract liabilities) to estimate the immediate impact of the movement in interest rates on profit after tax / equity for the period:

	Financial assets	
	30 June 2024 $m	31 December 2023 $m
Shift in yield (basis points)		
150 basis point increase	(161.1)	(190.6)
100 basis point increase	(107.4)	(127.1)
50 basis point increase	(53.7)	(63.5)
50 basis point decrease	53.7	63.5
100 basis point decrease	107.4	127.1
150 basis point decrease	161.1	190.6

	(Re)insurance contract liabilities	
	30 June 2024 $m	31 December 2023 $m
Shift in yield (basis points)		
150 basis point increase	118.6	114.3
100 basis point increase	80.0	77.1
50 basis point increase	40.5	39.1
50 basis point decrease	(41.5)	(40.0)
100 basis point decrease	(84.0)	(81.0)
150 basis point decrease	(127.6)	(123.0)

Capital

We have a number of requirements for capital at a Group and subsidiary level. Capital is required to support underwriting at Lloyd's, within the US and through our European insurance company and is subject to prudential regulation by local regulators (PRA, Lloyd's, CBI, and the US state level supervisors). Further capital requirements come from rating agencies who provide ratings for BICI, BAIC, BESI and BIdac. Beazley aims to manage its capital and leverage levels to obtain the ratings necessary to trade with its preferred client base.

The amount of surplus capital held is considered on an ongoing basis. We aim to maintain a Group Solvency II ratio in excess of 170% of Solvency Capital Requirement ("SCR"). A number of additional factors are considered including the opportunities to deploy capital by investing in sustainable profits which hit our ROE target of 15% cross cycle in a way that helps build a balanced and diversified business. We also contemplate peak risks to equity, including natural catastrophe and cyber risks, which are reflected in our capital sensitivities, when deciding on the level of capital to hold.

As at 31 December 2023, our Solvency II coverage ratio post-dividend and share buyback was 219%. We estimate our 30 June 2024 Solvency II ratio to be at 245% (including total estimated amount of the share buyback announced in March 2024). As at 30 June, we have bought back £137m worth of shares through the share buyback. We generally expect half year Solvency II ratios to be higher than those at the end of the year, due to the end of year ratios including a projection for the following year's growth.

The half year ratio is a result of good underwriting performance and a strong return on investments driving significant own funds generation, while capital requirements are aligned with 2023 year end and represent the current year business plan.

	30 June 2024 Estimate $m	31 December 2023 Actual $m
Eligible Tier 1 capital after foreseeable distributions	4,503.4	3,980.9
Eligible Tier 2 capital – subordinated debt	539.6	520.8
Total Solvency II Eligible own funds after foreseeable distributions	**5,043.0**	**4,501.7**
Capital requirement	**2,058.2**	**2,058.2**
Group Solvency II ratio	**245%**	**219%**

In the second half of the year, our capital requirements will be recalculated to reflect the growth expected in the business during 2025 as well as own fund generation in the period. When considered together, these factors are expected to increase our capital requirements, which will result in a decreased Solvency II ratio at 31 December 2024 when compared to 30 June 2024.

Scenario sensitivity analysis

The table below shows the impact on the Group's estimated Solvency II ratio in the event of the following scenarios as at 30 June 2024.

	Impact on Solvency II ratio
Cyber 1-in-250 scenario	(31)%
Nat Cat 1-in-250 combined scenario	(26)%
50 bps decrease in interest rates	(10)%

Outlook

Using integrated insurance and risk management expertise that delivers solutions to the technology, geopolitical and climate threats that businesses face, is how Beazley adds value and builds resilience for its clients. As we progress through 2024, we believe this makes us increasingly relevant to our brokers and clients and is driving significant opportunities for us and you, our investors.

We remain confident in the ability of our multi-platform distribution capabilities, combined with our robust approach to cycle management, to continue to deliver sustainable and strong results.

We see opportunities in the remainder of the year and are on track to deliver on our high single digit growth guidance. We are also pleased to improve our undiscounted combined ratio guidance for the full year to around 80%.

Adrian Cox

Chief Executive Officer

7 August 2024

Performance by division

Cyber Risks

Paul Bantick
Head of Cyber Risks

Our market leading Cyber insurance offering protects businesses against cyber threats by building resilience and minimising risk. Beazley is a pioneer in cyber insurance and has led the way in the development of an effective cyber ecosystem which protects clients, before, during and after a cyber incident and in the creation of the market's first cyber catastrophe bond.

Portfolio mix

Cyber	84%
Technology Errors & Omissions	16%

	HY 2024 $m	HY 2023 $m
Insurance written premiums	577.8	541.4
Net insurance written premiums	454.3	426.2
Segment result	184.6	135.8
Claims ratio	45%	50%
Expense ratio	24%	24%
Combined ratio	69%	74%
Undiscounted combined ratio	73%	78%
Rate change	-6%	-3%

Digital

Ian Fantozzi
Head of Digital
Executive Sponsor of the Beazley Proud Network

Working closely alongside our four divisions, Digital offers cross class specialist digital underwriting capabilities to the small business market. It gives brokers one Beazley point of contact, supported by a cross functional team, to access multiple product lines and digital services via their preferred platform or channel.

Portfolio mix

Digital MAP	8%
Digital Cyber	73%
Digital Specialty Risks	19%

	HY 2024 $m	HY 2023 $m
Insurance written premiums	126.8	110.8
Net insurance written premiums	111.9	97.2
Segment result	25.8	20.4
Claims ratio	26%	36%
Expense ratio	45%	44%
Combined ratio	71%	80%
Undiscounted combined ratio	74%	82%
Rate change	-2%	-1%

Performance by division continued

MAP Risks

Tim Turner
Head of MAP Risks
Executive Sponsor of the Beazley Veterans Network

Beazley's Marine, Aviation, Political, Accident, Contingency and Portfolio underwriting come together in MAP risks. These highly specialist classes are mainly underwritten on a wholesale basis and our expert underwriters are often the market leader.

Portfolio mix

Marine	51%
Portfolio Underwriting	8%
Political	14%
Accident	17%
Contingency	10%

	HY 2024 $m	HY 2023 $m
Insurance written premiums	506.9	522.4
Net insurance written premiums	435.3	429.2
Segment result	181.1	6.9
Claims ratio	24%	52%
Expense ratio	38%	47%
Combined ratio	62%	99%
Undiscounted combined ratio	64%	102%
Rate change	2%	6%

Property Risks

Richard Montminy
Head of Property Risks
Executive Sponsor of the Responsible Business Committee

Bringing together our direct and reinsurance Property underwriting, the division gives strategic insight of both site and high-level trends, delivering a bird's eye view of property market dynamics. Business is underwritten around the globe with an emphasis on North American based property risks.

Portfolio mix

Commercial Property	56%
Jewellers & Homeowners	6%
Small Property Business	12%
Treaty	26%

	HY 2024 $m	HY 2023 $m
Insurance written premiums	1,008.5	805.2
Net insurance written premiums	784.8	643.0
Segment result	175.4	76.9
Claims ratio	45%	46%
Expense ratio	34%	36%
Combined ratio	79%	82%
Undiscounted combined ratio	81%	84%
Rate change	3%	22%

Performance by division continued

Specialty Risks

Bethany Greenwood
Head of Specialty Risks

Specialty Risks offers scale and diversification over 27 different product lines, including Directors and Officers (D&O), Mergers and Acquisitions (M&A), Environmental Liability and specialist insurance for the life sciences industries.

Portfolio mix

Small Business	23%
Healthcare	15%
Executive Risks	20%
Global Treaty	14%
International Specialties	28%

	HY 2024 $m	HY 2023 $m
Insurance written premiums	903.5	941.3
Net insurance written premiums	800.2	754.0
Segment result	179.5	147.7
Claims ratio	57%	50%
Expense ratio	31%	34%
Combined ratio	88%	84%
Undiscounted combined ratio	98%	91%
Rate change	1%	-1%

Financial statements

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Condensed consolidated statement of profit or loss

for the six months ended 30 June 2024

	Note	6 months ended 30 June 2024 $m	6 months ended 30 June 2023 $m	Year to 31 December 2023 $m
Insurance revenue	3	2,730.6	2,628.1	5,442.4
Insurance service expenses	4	(1,824.9)	(2,080.5)	(3,592.6)
Allocation of reinsurance premium	5	(335.3)	(538.6)	(1,127.3)
Amounts recoverable from reinsurers for incurred claims	5	(12.4)	333.2	528.5
Insurance service result		**558.0**	**342.2**	**1,251.0**
Net investment income	6	251.7	143.9	480.2
Finance income/(expense) from insurance contracts issued	6	25.2	2.8	(169.3)
Finance income/(expense) from reinsurance contracts held	6	12.3	(4.2)	15.9
Net insurance and financial result		**847.2**	**484.7**	**1,577.8**
Other income	7	69.3	36.9	78.5
Operating expenses	8	(160.4)	(137.6)	(365.8)
Foreign exchange (losses)/gains		(7.7)	3.7	4.5
Results from operating activities		**748.4**	**387.7**	**1,295.0**
Finance costs	9	(19.5)	(21.3)	(40.6)
Profit before tax		**728.9**	**366.4**	**1,254.4**
Tax expense	10	(157.3)	(82.3)	(227.6)
Profit after tax for the period		**571.6**	**284.1**	**1,026.8**
Earnings per share (cents per share):				
Basic	11	86.8	42.8	154.7
Diluted	11	84.8	42.1	151.4
Earnings per share (pence per share):				
Basic	11	68.7	34.9	124.8
Diluted	11	67.1	34.3	122.1

Condensed consolidated statement of comprehensive income

for the six months ended 30 June 2024

	6 months ended 30 June 2024 $m	6 months ended 30 June 2023 $m	Year to 31 December 2023 $m
Profit after tax for the period	571.6	284.1	1,026.8
Items that will never be reclassified to profit or loss:			
Loss on remeasurement of retirement benefit obligations	—	—	(0.1)
Tax credit on defined benefit obligation	—	0.7	0.7
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation gains	7.9	4.0	5.7
Total other comprehensive income	7.9	4.7	6.3
Total comprehensive income recognised	**579.5**	**288.8**	**1,033.1**

Condensed consolidated statement of changes in equity

for the six months ended 30 June 2024

	Share capital $m	Share premium $m	Foreign currency translation reserve $m	Other reserves $m	Retained earnings[2] $m	Total $m
Balance as at 1 January 2023	46.6	9.7	(109.8)	(7.6)	3,015.1	2,954.0
Total comprehensive income	—	—	4.0	—	284.8	288.8
Dividends paid	—	—	—	—	(107.7)	(107.7)
Issue of shares	0.1	0.3	—	—	—	0.4
Equity settled share based payments	—	—	—	12.9	—	12.9
Acquisition of own shares held in trust	—	—	—	(27.2)	—	(27.2)
Tax on share option vesting	—	—	—	0.6	1.8	2.4
Transfer of shares to employees	—	—	—	(9.1)	9.1	—
Balance as at 30 June 2023	**46.7**	**10.0**	**(105.8)**	**(30.4)**	**3,203.1**	**3,123.6**
Total comprehensive income	—	—	1.7	—	742.6	744.3
Issue of shares	—	0.6	—	—	—	0.6
Equity settled share based payments	—	—	—	23.3	—	23.3
Acquisition of own shares held in trust	—	—	—	(6.4)	—	(6.4)
Tax on share option vesting	—	—	—	0.1	(3.4)	(3.3)
Transfer of shares to employees	—	—	—	0.6	(0.6)	—
Balance as at 31 December 2023	**46.7**	**10.6**	**(104.1)**	**(12.8)**	**3,941.7**	**3,882.1**
Total comprehensive income	—	—	7.9	—	571.6	579.5
Dividends paid	—	—	—	—	(120.5)	(120.5)
Share buyback[1]	(1.2)	—	—	1.2	(174.4)	(174.4)
Issue of shares	0.1	0.2	—	—	—	0.3
Equity settled share based payments	—	—	—	12.3	—	12.3
Acquisition of own shares held in trust	—	—	—	(2.3)	—	(2.3)
Tax on share option vesting	—	—	—	2.9	0.7	3.6
Transfer of shares to employees	—	—	—	(10.1)	10.1	—
Balance as at 30 June 2024	**45.6**	**10.8**	**(96.2)**	**(8.8)**	**4,229.2**	**4,180.6**

1 Refer to Note 15 for further details, including the value of the capital redemption reserve as at 30 June 2024.
2 Includes $6.4m of treasury shares held as at 30 June 2024, all of which were cancelled by 3 July 2024.

Condensed consolidated statement of financial position

as at 30 June 2024

	Note	30 June 2024 $m	30 June 2023 $m	31 December 2023 $m
Assets				
Intangible assets		178.4	134.8	165.3
Plant and equipment		21.4	15.3	15.9
Right-of-use assets		55.1	62.4	59.4
Deferred tax asset	10	105.9	35.7	46.9
Retirement benefit asset		4.6	4.7	4.5
Insurance contract assets	14	116.0	92.2	101.5
Reinsurance contract assets	14	2,422.7	2,492.8	2,426.7
Financial assets at fair value	13	9,717.3	8,679.8	9,665.5
Other assets		561.3	370.7	354.2
Current tax asset		35.0	6.4	13.2
Cash and cash equivalents		945.6	964.3	812.3
Total assets		**14,163.3**	**12,859.1**	**13,665.4**
Equity				
Share capital		45.6	46.7	46.7
Share premium		10.8	10.0	10.6
Foreign currency translation reserve		(96.2)	(105.8)	(104.1)
Other reserves	15	(8.8)	(30.4)	(12.8)
Retained earnings		4,229.2	3,203.1	3,941.7
Total equity		**4,180.6**	**3,123.6**	**3,882.1**
Liabilities				
Deferred tax liability	10	245.6	112.0	202.2
Financial liabilities	13	554.4	559.5	554.6
Lease liabilities		72.5	77.7	76.6
Insurance contract liabilities	14	8,118.7	7,858.3	7,992.2
Reinsurance contract liabilities	14	389.8	293.6	333.5
Current tax liability		82.4	30.7	13.7
Other liabilities		519.3	803.7	610.5
Total liabilities		**9,982.7**	**9,735.5**	**9,783.3**
Total equity and liabilities		**14,163.3**	**12,859.1**	**13,665.4**

Condensed consolidated statement of cash flows

for the six months ended 30 June 2024

	Notes	6 months ended 30 June 2024 $m	6 months ended 30 June 2023 $m	Year to 31 December 2023 $m
Cash flows from operating activities:				
Profit before tax		**728.9**	**366.4**	**1,254.4**
Adjustments for non-cash items:				
Interest and dividends receivable on financial assets	6	(152.8)	(103.5)	(215.3)
Finance costs payable	9	19.5	21.3	40.6
Net fair value gains on financial assets	6	(29.1)	(44.5)	(325.2)
Other non-cash items[1]		15.2	(13.9)	45.7
Changes in operational assets and liabilities:				
Increase in net insurance and reinsurance contracts	14	172.3	315.3	545.9
(Decrease)/increase in other liabilities		(91.2)	279.7	86.5
Increase in other assets		(207.1)	(166.5)	(150.0)
Purchase of investments		(4,108.6)	(3,216.5)	(7,115.9)
Proceeds from sale of investments		4,096.5	2,971.2	6,129.8
Repayment of syndicate loan	13	7.7	—	—
Interest and dividends received on financial assets	6	147.6	99.4	207.4
Tax paid		(109.6)	(14.9)	(110.7)
Net cash inflows from operating activities		**489.3**	**493.5**	**393.2**
Cash flows from investing activities:				
Purchase of plant and equipment		(7.2)	(1.8)	(4.3)
Expenditure on software development and other intangible assets		(17.0)	(12.5)	(50.9)
Net cash outflows from investing activities		**(24.2)**	**(14.3)**	**(55.2)**
Cash flows from financing activities:				
Acquisition of own shares in trust		(2.3)	(27.2)	(33.6)
Payment of lease liabilities		(12.1)	(6.6)	(12.0)
Share buyback		(171.5)	—	—
Finance costs paid	9	(18.0)	(19.5)	(37.5)
Dividend paid	12	(120.5)	(107.7)	(107.7)
Net cash outflows from financing activities		**(324.4)**	**(161.0)**	**(190.8)**
Net increase in cash and cash equivalents		140.7	318.2	147.2
Opening cash and cash equivalents		812.3	652.5	652.5
Effect of exchange rate changes on cash and cash equivalents		(7.4)	(6.4)	12.6
Closing cash and cash equivalents		**945.6**	**964.3**	**812.3**

1 Other non-cash items includes amounts relating to depreciation, amortisation and foreign exchange differences.

Notes to the condensed consolidated interim financial statements

for the six months ended 30 June 2024

1 Statement of accounting policies

Beazley plc ("the Group") is a company incorporated in England and Wales. The condensed consolidated interim financial statements of the Group for the six months ended 30 June 2024 comprise the parent company, its subsidiaries and the Group's interest in associates. These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*, the UK-adopted International Accounting Standard, and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

With the exception of the new and amended standards and interpretations outlined below, the accounting policies and methods of computation applied by management in preparing the condensed consolidated interim financial statements are the same as those applied to the consolidated financial statements as at and for the year to 31 December 2023. Note that whilst the performance of individual business lines may be seasonal, particularly with respect to exposure to insurance claims, the Group does not consider its overall result to be impacted by seasonality.

The information in these interim condensed consolidated financial statements is unaudited and does not constitute annual accounts within the meaning of Section 434 of the Companies Act 2006. The external auditor's report on the Group's annual report and accounts for the year to 31 December 2023 was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not include a statement under s.498(2) or (3) of the Companies Act 2006.

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements and key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year to 31 December 2023.

a. New and amended standards and interpretations

Effective at the reporting date

In these condensed consolidated financial statements, the Group has applied amendments to IFRS issued by the International Accounting Standards Board ("IASB") and endorsed by the UK Endorsement Board ("UKEB") that are mandatorily effective for accounting periods that begin on or after 1 January 2024. The new effective amendments are:

- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current & Non-current Liabilities with Covenants;
- Amendment to IFRS 16 - Lease Liability in a Sale and Leaseback; and
- Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements: Disclosures.

None of the amendments issued by the IASB and endorsed by the UKEB have had a material impact on the Group.

Not yet effective

The following new standards and amendments to existing standards have been issued by the IASB at the reporting date:

- Amendment to IAS 21 - Lack of exchangeability (UKEB endorsed, effective 1 January 2025);
- IFRS 18 - Presentation and Disclosure in Financial Statements (not yet endorsed by UKEB, effective 1 January 2027); and
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures (not yet endorsed by UKEB, effective 1 January 2027).

Beazley is in the process of reviewing the new standards and amendments and determining the impact on the consolidated financial statements.

b. Principal risks and uncertainties

The Group's principal risks and uncertainties are outlined in the risk management and compliance section of the Group's annual report and accounts 2023 (pages 69 to 74). These are insurance, market, credit, group, liquidity, regulatory and legal, operational, and strategic. The Group's exposure to and management of these risks has not changed since the last reporting date.

Additionally, further discussion of climate change risk and how it interacts with the principal risks and uncertainties is discussed in the Task Force on Climate-Related Financial Disclosures Section of Group's annual report and accounts 2023 (pages 22 to 44).

Notes to the condensed consolidated interim financial statements

for the six months ended 30 June 2024

1 Statement of accounting policies continued

c. Going concern

The Board has reviewed the Group's current and forecast solvency and liquidity positions for the 12 months from the date that the financial statements are authorised for issue, and no material uncertainty in relation to going concern has been identified. In addition, as verified by the most recent regulatory submission, the Group's capital ratios and its total capital resources are comfortably in excess of regulatory solvency requirements.

Based on the going concern assessment performed, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence over a period of 12 months from the date of this report being authorised for issue, and therefore believe that the Group is well placed to manage its business risks successfully. Accordingly, the condensed consolidated financial statements of Beazley plc have been prepared on a going concern basis.

Notes to the condensed consolidated interim financial statements

for the six months ended 30 June 2024

2 Segmental reporting

The Group's reporting segments and the basis of measurement of its segmental profit or loss are consistent with those applied in the consolidated financial statements for the year ended 31 December 2023. Information on the underwriting performance of each segment in the period has been included below.

Cyber Risks

Cyber has continued to perform favourably during the first half of 2024, with a lower claims ratio than in the same period in 2023. Despite an increase in ransomware activity, there has not been a material change in ransomware frequency in our book and with the significant rate change achieved in recent years, we continue to be satisfied with the margin within this book.

Digital

Digital continues to perform well, with best estimate reserves and risk adjustments development as expected.

MAP Risks

During 2024, MAP has seen a favourable claims environment, particularly within Political, Hull, Terrorism and Aviation. This has contributed to improvements within the best estimates. There have been structural changes to the intra group reinsurance arrangements within MAP risks, leading to a lower allocation of RI premium.

Property Risks

The half year 2024 Property claims ratio is comparable to that seen at half year 2023 representing continuing favourable experience within the segment. There have been reductions in gross claims estimates on some of the large losses that are currently within the reinsurance programme and this has contributed to a reduction in reinsurance recoveries. Under IFRS 17, the revenue within Property is recognised with the seasonality of the risk and thus there will be a higher insurance revenue and allocation of reinsurance premium within the second half of the year.

Specialty Risks

Overall, Specialty Risks has performed slightly adversely compared to half year 2023 from a claims perspective. During the year, the terms of one of our aggregate reinsurance contracts for the division were adjusted which resulted in a one-off reduction to our claims recoveries on this contract. This has led to an expense on the amount recoverable from reinsurers and has negatively impacted upon the combined ratio. We continue to monitor and make allowances for the current high economic & social inflation environment.

2 Segmental analysis continued

2024	Cyber Risks $m	Digital $m	MAP Risks $m	Property Risks $m	Specialty Risks $m	Total $m
	6 months ended 30 June 2024					
Insurance revenue	603.6	112.6	452.0	644.3	918.1	2,730.6
Insurance service expenses	(394.0)	(71.8)	(264.9)	(369.6)	(724.6)	(1,824.9)
Current and incurred past service claims	(274.9)	(28.2)	(111.1)	(184.6)	(470.7)	(1,069.5)
Insurance acquisition cash flows and directly attributable cash flows	(119.1)	(43.6)	(153.8)	(185.0)	(253.9)	(755.4)
Allocation of reinsurance premium	(89.7)	(15.2)	(37.7)	(112.4)	(80.3)	(335.3)
Amounts recoverable from reinsurers for incurred claims	39.7	2.7	6.6	(48.8)	(12.6)	(12.4)
Current claims recovered and past service movements	40.5	2.7	7.4	(49.0)	(11.8)	(10.2)
Current expense recovered and past service movements	(0.8)	—	(0.8)	0.2	(0.8)	(2.2)
Insurance service result	**159.6**	**28.3**	**156.0**	**113.5**	**100.6**	**558.0**
Net investment income	46.5	7.6	29.7	47.1	120.8	251.7
Finance (expense)/income from insurance contracts issued	(4.3)	1.5	5.2	6.4	16.4	25.2
Finance income/(expense) from reinsurance contracts held	1.9	0.2	0.3	11.2	(1.3)	12.3
Net insurance and financial result	**203.7**	**37.6**	**191.2**	**178.2**	**236.5**	**847.2**
Other income	15.3	2.9	11.5	16.4	23.2	69.3
Other operating expenses	(32.7)	(14.4)	(20.3)	(17.4)	(75.6)	(160.4)
Foreign exchange losses	(1.7)	(0.3)	(1.3)	(1.8)	(2.6)	(7.7)
Segment result	**184.6**	**25.8**	**181.1**	**175.4**	**181.5**	**748.4**
Finance costs						(19.5)
Profit before tax						**728.9**
Tax expense						(157.3)
Profit after tax						**571.6**
Claims ratio	46 %	26 %	25 %	44 %	58 %	45 %
Expense ratio	23 %	45 %	37 %	35 %	30 %	32 %
Combined ratio	69 %	71 %	62 %	79 %	88 %	77 %

Notes to the condensed consolidated interim financial statements continued

for the six months ended 30 June 2024

2 Segmental analysis continued

	6 months ended 30 June 2023					
	Cyber Risks	Digital	MAP Risks	Property Risks	Specialty Risks	Total
2023	$m	$m	$m	$m	$m	$m
Insurance revenue	602.1	113.4	498.5	454.4	959.7	2,628.1
Insurance service expenses	(447.7)	(86.6)	(383.1)	(293.3)	(869.8)	(2,080.5)
Current and incurred past service claims	*(332.5)*	*(42.5)*	*(217.1)*	*(156.2)*	*(607.1)*	*(1,355.4)*
Insurance acquisition cash flows and directly attributable cash flows	*(115.2)*	*(44.1)*	*(166.0)*	*(137.1)*	*(262.7)*	*(725.1)*
Allocation of reinsurance premium	(118.2)	(14.0)	(152.5)	(75.1)	(178.8)	(538.6)
Amounts recoverable from reinsurers for incurred claims	89.1	6.8	38.9	(16.8)	215.2	333.2
Current claims recovered and past service movements	*89.2*	*6.9*	*39.1*	*(16.6)*	*215.5*	*334.1*
Current expense recovered and past service movements	*(0.1)*	*(0.1)*	*(0.2)*	*(0.2)*	*(0.3)*	*(0.9)*
Insurance service result	125.3	19.6	1.8	69.2	126.3	342.2
Net investment income	26.4	5.0	16.7	22.0	73.8	143.9
Finance expense from insurance contracts issued	2.6	3.9	4.5	6.7	(14.9)	2.8
Finance (expense)/income from reinsurance contracts held	(3.0)	(0.4)	0.1	(1.2)	0.3	(4.2)
Net insurance and financial result	151.3	28.1	23.1	96.7	185.5	484.7
Other income	5.5	3.3	10.8	4.5	12.8	36.9
Other operating expenses	(21.9)	(11.2)	(27.7)	(24.9)	(51.9)	(137.6)
Foreign exchange gains	0.9	0.2	0.7	0.6	1.3	3.7
Segment result	135.8	20.4	6.9	76.9	147.7	387.7
Finance costs						(21.3)
Profit before tax						366.4
Tax expense						(82.3)
Profit after tax						284.1
Claims ratio	50 %	36 %	52 %	46 %	50 %	49 %
Expense ratio	24 %	44 %	47 %	36 %	34 %	35 %
Combined ratio	74 %	80 %	99 %	82 %	84 %	84 %

Notes to the condensed consolidated interim financial statements continued

for the six months ended 30 June 2024

2 Segmental analysis continued

2023	Cyber Risks $m	Digital $m	MAP Risks $m	Property Risks $m	Specialty Risks $m	Total $m
	Year to 31 December 2023					
Insurance revenue	1,174.9	224.7	1,015.4	1,145.2	1,882.2	5,442.4
Insurance service expenses	(802.1)	(144.0)	(635.5)	(643.9)	(1,367.1)	(3,592.6)
Current and incurred past service claims	*(576.7)*	*(54.2)*	*(340.8)*	*(362.1)*	*(899.8)*	*(2,233.6)*
Insurance acquisition cash flows and directly attributable cash flows	*(225.4)*	*(89.8)*	*(294.7)*	*(281.8)*	*(467.3)*	*(1,359.0)*
Allocation of reinsurance premium	(308.5)	(24.3)	(236.1)	(198.5)	(359.9)	(1,127.3)
Amounts recoverable from reinsurers for incurred claims	210.1	7.1	23.9	26.4	261.0	528.5
Current claims recovered and past service movements	*210.8*	*7.3*	*24.6*	*26.9*	*262.5*	*532.1*
Current expense recovered and past service movements	*(0.7)*	*(0.2)*	*(0.7)*	*(0.5)*	*(1.5)*	*(3.6)*
Insurance service result	**274.4**	**63.5**	**167.7**	**329.2**	**416.2**	**1,251.0**
Net investment income	86.6	14.8	53.5	75.2	250.1	480.2
Finance expense from insurance contracts issued	(17.5)	(2.9)	(12.6)	(10.9)	(125.4)	(169.3)
Finance (expense)/income from reinsurance contracts held	(1.3)	0.5	2.1	(13.7)	28.3	15.9
Net insurance and financial result	**342.2**	**75.9**	**210.7**	**379.8**	**569.2**	**1,577.8**
Other income	16.9	3.2	14.8	16.5	27.1	78.5
Other operating expenses	(52.7)	(19.9)	(68.1)	(42.5)	(182.6)	(365.8)
Foreign exchange gains	1.0	0.2	0.8	0.9	1.6	4.5
Segment result	**307.4**	**59.4**	**158.2**	**354.7**	**415.3**	**1,295.0**
Finance costs						(40.6)
Profit before tax						**1,254.4**
Tax expense						(227.6)
Profit after tax						**1,026.8**
Claims ratio	42 %	23 %	41 %	35 %	42 %	39 %
Expense ratio	26 %	45 %	38 %	30 %	31 %	32 %
Combined ratio	68 %	68 %	79 %	65 %	73 %	71 %

Notes to the condensed consolidated interim financial statements continued

for the six months ended 30 June 2024

3 Insurance revenue

Insurance revenue represents the total changes in the liability for remaining coverage that relate to services for which the Group expects to receive consideration. This includes the difference between the claims and other expenses expected at the beginning of the year versus those actually incurred (per Note 4), after the loss component allocation.

	6 months ended 30 June 2024 $m	6 months ended 30 June 2023 $m	Year to 31 December 2023 $m
Amounts relating to changes in the liability for remaining coverage:			
Expected incurred claims and other expenses after loss component allocation	1,502.7	1,400.8	3,015.7
Change in risk adjustment for non-financial risk for the risk expired after loss component allocation	137.2	146.2	316.8
Contractual service margin recognised in profit or loss for services provided	349.7	320.1	691.4
Other amounts including experience adjustments	248.0	314.8	503.7
Insurance acquisition cash flows recovery	493.0	446.2	914.8
Total insurance revenue	**2,730.6**	**2,628.1**	**5,442.4**

4 Insurance service expenses

The table below shows the insurance service expenses recognised on groups of insurance contracts issued by the Group. These are recognised in the statement of profit or loss as they are incurred.

	6 months ended 30 June 2024 $m	6 months ended 30 June 2023 $m	Year to 31 December 2023 $m
Current and incurred past service claims	1,069.5	1,355.4	2,233.8
Insurance acquisition cash flows and directly attributable cash flows	755.4	725.1	1,358.8
Total insurance service expenses	**1,824.9**	**2,080.5**	**3,592.6**

5 Net expenses from reinsurance contracts held

The table below shows the net expenses from reinsurance contracts held, comprised of the allocation of reinsurance premium and amounts recoverable from reinsurers for incurred claims.

	6 months ended 30 June 2024 $m	6 months ended 30 June 2023 $m	Year to 31 December 2023 $m
Amounts relating to changes in the remaining coverage:			
– Expected claims and other expenses recovery	(228.2)	(377.7)	(740.5)
– Changes in the risk adjustment recognised for the risk expired	(32.4)	(51.7)	(105.2)
– Contractual service margin recognised for the services received	(71.9)	(208.6)	(290.8)
– Other amounts including experience adjustments	(2.8)	99.4	9.2
Allocation of reinsurance premium	**(335.3)**	**(538.6)**	**(1,127.3)**
Current claims recovered and past service movements	(10.2)	334.1	532.1
Current expense recovered and past service movements	(2.2)	(0.9)	(3.6)
Amounts recoverable from reinsurers for incurred claims	**(12.4)**	**333.2**	**528.5**
Total net expenses from reinsurance contracts held	**(347.7)**	**(205.4)**	**(598.8)**

Notes to the condensed consolidated interim financial statements continued

for the six months ended 30 June 2024

6 Net financial result

Finance income/(expense) from insurance contracts issued and reinsurance contracts held represents the interest accreted and the effect of changes in discount rates and other financial assumptions. The net financial result is comprised of the Group's net investment income/(loss) and its net insurance finance income/(expense).

	6 months ended 30 June 2024 $m	6 months ended 30 June 2023 $m	Year to 31 December 2023 $m
Interest and dividends on financial assets at fair value	152.8	101.4	215.3
Interest on cash and cash equivalents	15.7	2.1	16.8
Net realised fair value gains/(losses) on financial assets at FVTPL	59.3	(49.7)	(69.2)
Net unrealised fair value gains on financial assets at FVTPL	29.1	94.2	325.2
Investment income from financial assets	256.9	148.0	488.1
Investment management expenses	(5.2)	(4.1)	(7.9)
Net investment income	**251.7**	**143.9**	**480.2**
Interest accreted	(175.8)	(162.8)	(379.1)
Effect of changes in financial assumptions	201.0	165.6	209.8
Net finance income/(expense) from insurance contracts issued	25.2	2.8	(169.3)
Interest accreted	42.5	39.3	84.4
Effect of changes in financial assumptions	(30.2)	(43.5)	(68.5)
Net finance income/(expense) from reinsurance contracts held	12.3	(4.2)	15.9
Net insurance finance income/(expense)	**37.5**	**(1.4)**	**(153.4)**
Net financial result	**289.2**	**142.5**	**326.8**

Investment income by category of financial asset

The tables below show the Group's investment income, split by category of financial asset. Note that 'Other financial assets' includes cash and cash equivalents & derivative financial assets.

6 months ended 30 June 2024	Debt securities and syndicate loans $m	Capital growth assets $m	Other financial assets $m	Total $m
Interest and dividends received	142.9	5.6	20.0	168.5
Net realised gains	3.4	54.7	1.2	59.3
Net unrealised fair value gains/(losses)	13.2	19.8	(3.9)	29.1
Total investment income from financial assets	**159.5**	**80.1**	**17.3**	**256.9**

6 months ended 30 June 2023	Debt securities and syndicate loans $m	Capital growth assets $m	Other financial assets $m	Total $m
Interest and dividends received	94.5	3.3	5.7	103.5
Net realised (losses)/gains	(50.9)	5.4	(4.2)	(49.7)
Net unrealised fair value gains	54.3	36.0	3.9	94.2
Total investment income from financial assets	**97.9**	**44.7**	**5.4**	**148.0**

Year to 31 December 2023	Debt securities and syndicate loans $m	Capital growth assets $m	Other financial assets $m	Total $m
Interest and dividends received	208.4	3.7	20.0	232.1
Net realised (losses)/gains	(117.8)	52.6	(4.0)	(69.2)
Net unrealised fair value gains	291.2	34.0	—	325.2
Total investment income from financial assets	**381.8**	**90.3**	**16.0**	**488.1**

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7 Other income

	6 months ended 30 June 2024 $m	6 months ended 30 June 2023 $m	Year to 31 December 2023 $m
Commissions received by Beazley service companies	19.4	22.8	42.8
Profit commissions and other income received from syndicates	45.2	8.8	29.9
Managing agent fees from third party syndicates	4.7	4.8	3.6
Other income	—	0.5	2.2
Total other income	**69.3**	**36.9**	**78.5**

8 Operating expenses

	6 months ended 30 June 2024 $m	6 months ended 30 June 2023 $m	Year to 31 December 2023 $m
Administrative expenses	526.3	456.7	928.8
Recharged to third party syndicates	(86.6)	(54.0)	(115.5)
Expenses reclassified within the insurance service result	(279.3)	(265.1)	(447.5)
Total operating expenses	**160.4**	**137.6**	**365.8**

9 Finance costs

	6 months ended 30 June 2024 $m	6 months ended 30 June 2023 $m	Year to 31 December 2023 $m
Interest expense on financial liabilities	15.7	15.7	31.6
Interest and charges related to letters of credit	2.3	3.8	5.9
Interest expense on lease liabilities	1.5	1.8	3.1
Total finance costs	**19.5**	**21.3**	**40.6**

10 Tax expense

	6 months ended 30 June 2024 $m	6 months ended 30 June 2023 $m	Year to 31 December 2023 $m
Current tax expense	152.7	54.5	121.8
Prior year adjustment	8.5	0.8	1.5
Pillar Two tax expense[1]	8.7	—	—
Current tax expense	169.9	55.3	123.3
Origination and reversal of temporary differences	(13.8)	18.7	97.3
Impact of change in UK tax rates	—	1.1	6.8
Prior year adjustments	1.2	7.2	0.2
Deferred tax (credit)/expense	(12.6)	27.0	104.3
Tax charge	**157.3**	**82.3**	**227.6**

1 Pillar Two tax expense relates to Qualified Domestic Minimum Top-Up Tax ("QDMTT") in Ireland.

	6 months ended 30 June 2024 $m	6 months ended 30 June 2023 $m	Year to 31 December 2023 $m
Deferred tax asset	105.9	35.7	46.9
Deferred tax liability	(245.6)	(112.0)	(202.2)
Net deferred tax liability	**(139.7)**	**(76.3)**	**(155.3)**

	6 months ended 30 June 2024 $m	6 months ended 30 June 2023 $m	Year to 31 December 2023 $m
UK	(180.5)	(65.5)	(152.8)
US	105.9	34.4	46.7
Ireland	(51.7)	(39.8)	(38.7)
Other[1]	(13.4)	(5.4)	(10.5)
Net deferred tax liability	**(139.7)**	**(76.3)**	**(155.3)**

1 Includes Canada, France, Germany, Spain and Switzerland.

The Organisation for Economic Co-Operation and Development Pillar Two framework seeks to ensure that large multinational enterprises pay a minimum corporate income tax rate of 15% in the countries in which they operate. In 2023 the UK government enacted legislation implementing the rules. Also in 2023, the Irish government enacted a QDMTT which applies a 15% minimum tax rate to in-scope companies. Both sets of rules apply to the Group for the first time from 1 January 2024.

We expect to pay additional tax in Ireland of $8.7m for this period under the QDMTT. We do not expect to pay additional tax in relation to other jurisdictions in which the Group operates as the tax rates in those jurisdictions are above 15%.

The Group has applied the temporary mandatory exemption from accounting for deferred taxes under the Pillar Two rules. Therefore no deferred taxes have been recognised by the Group in relation to the Pillar Two rules.

11 Earnings per share

	6 months ended 30 June 2024	6 months ended 30 June 2023	Year to 31 December 2023
Profit after tax ($m)	571.6	284.1	1,026.8
Weighted average number of shares in issue (millions)	658.3	664.3	663.8
Adjusted weighted average number of shares in issue (millions)	673.9	675.0	678.3
Basic (cents)	86.8c	42.8c	154.7c
Diluted (cents)	84.8c	42.1c	151.4c
Basic (pence)	68.7p	34.9p	124.8p
Diluted (pence)	67.1p	34.3p	122.1p

Basic earnings per share is calculated by dividing profit after tax by the weighted average number of shares in issue. Diluted earnings per share is calculated by dividing profit after tax by the adjusted weighted average number of shares in issue. This assumes conversion of dilutive potential ordinary shares, being shares from equity settled employee compensation schemes. Note that both calculations exclude the shares held in the Employee Share Options Plan of 8.8m as at 30 June 2024 (30 June 2023: 7.5m; 31 December 2023: 9.8m) until such time as they vest unconditionally with the employees.

When calculating the weighted average number of shares in issue over the reporting period, the purchases under the share buyback scheme (see Note 15) were considered on a daily basis. The overall effect of the buyback was a reduction by 6.4m in the average number of shares on both a basic and diluted basis, offset by the purchase of 1.9m shares relating to employee share schemes and the Beazley employee benefit trust on a basic basis (3.1m diluted).

Further details of equity compensation plans can be found in the Group's annual report and accounts 2023. Refer to Note 24 as well as in the Directors' remuneration report on pages 127 to 145.

12 Dividends per share

No dividend has been declared in respect of the six months ended 30 June 2024 (6 months ended 30 June 2023: nil).

A dividend of 14.2p per ordinary share was paid to eligible shareholders on 3 May 2024 in respect of the year ended 31 December 2023.

13 Financial assets and liabilities

13a Carrying values of financial assets and liabilities

Set out below are the carrying values of the Group's 'financial assets at fair value' and 'financial liabilities' per the statement of financial position. These amounts exclude the following financial assets and liabilities which are presented separately:
- Cash and cash equivalents carried at amortised cost; and
- Other receivables, lease liabilities, and other payables carried at amortised cost.

	30 June 2024 $m	30 June 2023 $m	31 December 2023 $m
Debt securities:			
– Government issued	4,166.6	4,724.1	4,469.1
– Corporate			
– Investment grade	3,589.9	2,500.9	3,578.3
– High yield	632.4	362.7	489.0
Syndicate loans	28.8	33.2	34.1
Total debt securities and syndicate loans	8,417.7	7,620.9	8,570.5
Equity funds	432.2	251.2	282.7
Hedge funds	645.2	564.5	582.2
Illiquid credit assets	212.6	236.4	220.1
Total capital growth assets	1,290.0	1,052.1	1,085.0
Total financial investments at fair value through statement of profit or loss	**9,707.7**	**8,673.0**	**9,655.5**
Derivative financial assets	9.6	6.8	10.0
Total financial assets at fair value	**9,717.3**	**8,679.8**	**9,665.5**

Investment corporate bonds are rated BBB-/Baa3 or higher by at least one major rating agency, while high yield corporate bonds have lower credit ratings. Hedge funds are investment vehicles pursuing alternative investment strategies, structured to have minimal correlation to traditional asset classes. Equity funds are investment vehicles which invest in equity securities and provide diversified exposure to global equity markets. Illiquid assets are investment vehicles that predominantly target private lending opportunities, often with longer investment horizons.

The fair value of these assets at 30 June 2024 excludes an unfunded commitment of $30.2m (30 June 2023: $30.6m, 31 December 2023: $32.0m).

	30 June 2024 $m	30 June 2023 $m	31 December 2023 $m
Tier 2 subordinated debt (2026)	249.6	249.4	249.5
Tier 2 subordinated debt (2029)	298.9	298.7	298.8
Derivative financial liabilities	5.9	11.4	6.3
Total financial liabilities	**554.4**	**559.5**	**554.6**

13 Financial assets and liabilities continued

13b Valuation hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy described as follows. If the inputs used to measure the fair value of an asset or a liability could be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Fair value is the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. Fair value is a market-based measure and in the absence of observable market prices in an active market, it is measured using the assumptions that market participants would use when pricing the asset or liability.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When the transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognised in profit or loss depending on the individual facts and circumstances of the transaction but before the valuation is supported wholly by observable market data or the transaction is closed out.

Level 1 – Valuations based on quoted prices in active markets for identical instruments. An active market is a market in which transactions for the instrument occur with sufficient frequency and volume on an ongoing basis such that quoted prices reflect prices at which an orderly transaction would take place between market participants at the measurement date.

Level 2 – Valuations based on quoted prices in markets that are not active, or based on pricing models for which significant inputs can be corroborated by observable market data, directly or indirectly (e.g. interest rates and exchange rates). Level 2 inputs include:
- Quoted prices for similar assets and liabilities in active markets;
- Quoted prices for identical or similar assets and liabilities in markets that are not active, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which little information is released publicly;
- Inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, implied volatilities and credit spreads); and
- Market corroborated inputs. Included within level 2 are government bonds and treasury bills, equity funds and corporate bonds which are not actively traded, hedge funds and senior secured loans.

Level 3 – Valuations based on inputs that are unobservable or for which there is limited market activity against which to measure fair value. The availability of financial data can vary for different financial assets 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 models or inputs that are unobservable in the market, the determination of fair value requires more judgement. Accordingly the degree of judgement exercised by management in determining fair value is greatest for instruments classified in level 3. The Group uses prices and inputs that are current as of the measurement date for valuation of these instruments.

Valuation approach - level 2 instruments

a) For the Group’s level 2 debt securities, our fund administrator obtains the prices used in the valuation from independent pricing vendors. The independent pricing vendors derive an evaluated price from observable market inputs. These inputs are verified in their pricing assumptions such as weighted average life, discount margins, default rates, and recovery and prepayments assumptions for mortgage securities.

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13 Financial assets and liabilities continued

b) For our hedge funds, the pricing and valuation of each fund is undertaken by administrators in accordance with each underlying fund's valuation policy. Individual fund prices are communicated by the administrators to all investors via the monthly investor statements. The fair value of the hedge fund portfolios are calculated by reference to the underlying net asset values of each of the individual funds. Our hedge funds are managed by Falcon Money Management Holdings Limited, an associate of the Group.

c) Subordinated debt and tier 2 subordinated debt fair value are based on quoted market prices.

Valuation approach - level 3 instruments

a) Our illiquid fund investments are generally closed ended limited partnerships or open ended funds. The Group relies on a third party fund manager to manage these investments and provide valuations. Note that while the funds report with full transparency on their underlying investments, the investments themselves are predominantly in private and unquoted instruments. The valuation techniques used by the fund managers to establish the fair values therefore require a degree of estimation. For example, these may incorporate discounted cash flow models or a more market-based approach, whilst the main inputs might include discount rates, fundamental pricing multiples, recent transaction prices, or comparable market information to create a benchmark multiple.

b) Syndicate loans are non-tradeable instruments provided by our Group syndicates to the Central Fund at Lloyd's in respect of the 2019 (repaid by Lloyd's during the period) and 2020 underwriting years. These are valued internally using discounted cash flow models provided by Lloyd's to the market, designed to appropriately reflect the credit and illiquidity risk of the instruments. Valuation outputs are then validated using a control model, with the following inputs and assumptions. Note that these internally valued instruments are deemed by management to be inherently more subjective than external valuations.

- Cash flows are comprised of the notional cost of the loans, annual interest income, and the final repayment of the loans at the end of the 5-year term. The weighted average interest rate applicable across the two tranches of syndicate loans is 3.7% (30 June 2023: 3.8%, 31 December 2023: 3.8%).
- A discount rate of 9.2% (30 June 2023: 8.5%, 31 December 2023: 7.0%) is applied. This is calculated using a combination of the long-term treasury bond risk-free rate, the industry/geographic average regression beta, and a selected risk premium.

A 10% decrease in the fair value of the Group's level 3 financial assets would have an impact of ($18.9m) on profit after tax / equity (30 June 2023: ($20.9m), 31 December 2023: ($20.8m)).

There were no changes in the valuation techniques during the year compared to those described in the Group's 2023 Annual Report and Accounts.

13 Financial assets and liabilities continued

13c Fair values of financial assets and liabilities

The following tables show the fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. The Group's cash and cash equivalents, other receivables, lease liabilities, and other payables have been excluded from these tables. These instruments are measured at amortised cost, and their carrying values are deemed to be reasonable approximations of fair values at the reporting date.

30 June 2024	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets carried at fair value				
Fixed and floating rate debt securities				
– Government issued	2,948.9	1,217.7	—	4,166.6
– Corporate				
– Investment grade	2,552.1	1,037.8	—	3,589.9
– High yield	632.4	—	—	632.4
Syndicate loans	—	—	28.8	28.8
Equity funds	432.2	—	—	432.2
Hedge funds	—	645.2	—	645.2
Illiquid credit assets	—	—	212.6	212.6
Derivative financial assets	9.6	—	—	9.6
Total financial assets carried at fair value	**6,575.2**	**2,900.7**	**241.4**	**9,717.3**
Financial liabilities carried at fair value				
Derivative financial liabilities	5.9	—	—	5.9
Total financial liabilities carried at fair value	**5.9**	**—**	**—**	**5.9**
Fair value of financial liabilities carried at amortised cost				
Tier 2 subordinated debt (2026)	—	245.7	—	245.7
Tier 2 subordinated debt (2029)	—	287.1	—	287.1
Total fair value of financial liabilities carried at amortised cost	**—**	**532.8**	**—**	**532.8**

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13 Financial assets and liabilities continued

30 June 2023	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets carried at fair value				
Fixed and floating rate debt securities				
– Government issued	3,544.9	1,179.2	—	4,724.1
– Corporate				
– Investment grade	1,656.0	844.9	—	2,500.9
– High yield	76.8	285.9	—	362.7
Syndicate loans	—	—	33.2	33.2
Equity funds	251.2	—	—	251.2
Hedge funds	—	564.5	—	564.5
Illiquid credit assets	—	—	236.4	236.4
Derivative financial assets	6.8	—	—	6.8
Total financial assets carried at fair value	**5,535.7**	**2,874.5**	**269.6**	**8,679.8**
Financial liabilities carried at fair value				
Derivative financial liabilities	11.4	—	—	11.4
Total financial liabilities carried at fair value	**11.4**	**—**	**—**	**11.4**
Fair value of financial liabilities carried at amortised cost				
Tier 2 subordinated debt (2026)	—	240.8	—	240.8
Tier 2 subordinated debt (2029)	—	275.8	—	275.8
Total fair value of financial liabilities carried at amortised cost	**—**	**516.6**	**—**	**516.6**

31 December 2023	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets carried at fair value				
Fixed and floating rate debt securities				
– Government issued	3,291.9	1,177.2	—	4,469.1
– Corporate				
– Investment grade	1,596.7	1,981.6	—	3,578.3
– High yield	488.1	0.9	—	489.0
Syndicate loans	—	—	34.1	34.1
Equity funds	282.7	—	—	282.7
Hedge funds	—	582.2	—	582.2
Illiquid credit assets	—	—	220.1	220.1
Derivative financial assets	10.0	—	—	10.0
Total financial assets carried at fair value	**5,669.4**	**3,741.9**	**254.2**	**9,665.5**
Financial liabilities carried at fair value				
Derivative financial liabilities	6.3	—	—	6.3
Total financial liabilities carried at fair value	**6.3**	**—**	**—**	**6.3**
Fair value of financial liabilities carried at amortised cost				
Tier 2 subordinated debt (2026)	—	241.7	—	241.7
Tier 2 subordinated debt (2029)	—	271.9	—	271.9
Total fair value of financial liabilities carried at amortised cost	**—**	**513.6**	**—**	**513.6**

13 Financial assets and liabilities continued

13d Transfers

The Group determines whether transfers have occurred between levels in the fair value hierarchy by assessing categorisation at the end of the reporting period. The following transfers between levels 1 & 2 for the period ended 30 June 2024 reflect the level of trading activities including frequency and volume derived from market data obtained from an independent external valuation tool. There were no transfers into or out of Level 3 in the 6 months ended 30 June 2024 (30 June 2023: nil, 31 December 2023: nil).

30 June 2024 vs 31 December 2023 transfer from level 2 to level 1	Level 1 $m	Level 2 $m
– Corporate Bonds – Investment grade	1,011.3	(1,011.3)

30 June 2024 vs 31 December 2023 transfer from level 1 to level 2	Level 1 $m	Level 2 $m
– Corporate Bonds – Investment grade	(284.8)	284.8
– Government issued	(71.0)	71.0

The values shown in the transfer tables above are translated using foreign exchange rates as at 30 June 2024.

13e Level 3 investment reconciliations

The table below shows a reconciliation from opening to closing of the Group's level 3 investments. All realised and unrealised gains/(losses) are recognised through net investment income in the statement of profit or loss (refer to Note 6).

	6 months ended 30 June 2024 $m	6 months ended 30 June 2023 $m	Year to 31 December 2023 $m
Opening position as at 1 January	254.2	255.4	255.4
Purchases	20.7	16.3	21.8
Sales	(35.0)	(12.6)	(37.4)
Repayment of syndicate loan	(7.7)	—	—
Realised gain	10.5	7.0	20.2
Unrealised (loss)/gain	(2.0)	2.8	(6.6)
Foreign exchange gain	0.7	0.7	0.8
Closing position	**241.4**	**269.6**	**254.2**

14 Insurance and reinsurance contract assets and liabilities

14a Analysis by measurement component

i) Insurance contracts issued

The tables below set out the estimated present value of future cash flows, the risk adjustment for non-financial risk and the contractual service margin ("CSM") for insurance contracts issued.

	Present value of future cash flows $m	Risk adjustment for non-financial risk $m	CSM $m	Total $m
Insurance contract assets	123.5	(12.9)	(26.5)	84.1
Insurance contract liabilities	(6,324.0)	(711.3)	(314.5)	(7,349.8)
Net balance at 1 January 2023	**(6,200.5)**	**(724.2)**	**(341.0)**	**(7,265.7)**
Insurance contract assets	99.3	(1.7)	(5.4)	92.2
Insurance contract liabilities	(6,624.6)	(883.0)	(350.7)	(7,858.3)
Net balance at 30 June 2023	**(6,525.3)**	**(884.7)**	**(356.1)**	**(7,766.1)**
Insurance contract assets	103.8	(1.2)	(1.1)	101.5
Insurance contract liabilities	(6,874.5)	(774.8)	(342.9)	(7,992.2)
Net balance at 31 December 2023	**(6,770.7)**	**(776.0)**	**(344.0)**	**(7,890.7)**
Insurance contract assets	117.5	(1.0)	(0.5)	116.0
Insurance contract liabilities	(6,916.1)	(748.9)	(453.7)	(8,118.7)
Net balance at 30 June 2024	**(6,798.6)**	**(749.9)**	**(454.2)**	**(8,002.7)**

ii) Reinsurance contracts held

The tables below set out the estimates of the present value of future cash flows, risk adjustment for non-financial risk and CSM for reinsurance contracts held.

	Present value of future cash flows $m	Risk adjustment for non-financial risk $m	CSM $m	Total $m
Reinsurance contract assets	1,853.3	184.6	137.4	2,175.3
Reinsurance contract liabilities	(193.8)	12.7	19.9	(161.2)
Net balance at 1 January 2023	**1,659.5**	**197.3**	**157.3**	**2,014.1**
Reinsurance contract assets	2,000.0	288.3	204.5	2,492.8
Reinsurance contract liabilities	(298.3)	(3.5)	8.2	(293.6)
Net balance at 30 June 2023	**1,701.7**	**284.8**	**212.7**	**2,199.2**
Reinsurance contract assets	2,143.4	166.2	117.1	2,426.7
Reinsurance contract liabilities	(404.4)	58.4	12.5	(333.5)
Net balance at 31 December 2023	**1,739.0**	**224.6**	**129.6**	**2,093.2**
Reinsurance contract assets	2,108.3	153.3	161.1	2,422.7
Reinsurance contract liabilities	(487.2)	21.1	76.3	(389.8)
Net balance at 30 June 2024	**1,621.1**	**174.4**	**237.4**	**2,032.9**

14 Insurance and reinsurance contract assets and liabilities continued

14b Analysis of the liability for remaining coverage and the liability for incurred claim

i) Insurance contracts issued

The tables below analyse insurance contract assets and liabilities between the liability for remaining coverage ("LRC") and the liability for incurred claims ("LIC") for insurance contracts issued.

	LRC			
	Excluding loss component $m	Loss component $m	LIC $m	Total $m
Insurance contract assets	87.2	—	(3.1)	84.1
Insurance contract liabilities	(824.7)	(10.1)	(6,515.0)	(7,349.8)
Net balance at 1 January 2023	**(737.5)**	**(10.1)**	**(6,518.1)**	**(7,265.7)**
Insurance contract assets	92.0	—	0.2	92.2
Insurance contract liabilities	(717.8)	(9.7)	(7,130.8)	(7,858.3)
Net balance at 30 June 2023	**(625.8)**	**(9.7)**	**(7,130.6)**	**(7,766.1)**
Insurance contract assets	101.7	—	(0.2)	101.5
Insurance contract liabilities	(848.8)	(8.3)	(7,135.1)	(7,992.2)
Net balance at 31 December 2023	**(747.1)**	**(8.3)**	**(7,135.3)**	**(7,890.7)**
Insurance contract assets	115.0	—	1.0	116.0
Insurance contract liabilities	(873.5)	(2.7)	(7,242.5)	(8,118.7)
Net balance at 30 June 2024	**(758.5)**	**(2.7)**	**(7,241.5)**	**(8,002.7)**

ii) Reinsurance contracts held

The tables below analyse reinsurance contract assets and liabilities between the asset for remaining coverage and asset for incurred claims for reinsurance contracts held.

	Remaining coverage $m	Incurred claims $m	Total $m
Reinsurance contract assets	24.9	2,150.4	2,175.3
Reinsurance contract liabilities	(254.7)	93.5	(161.2)
Net balance at 1 January 2023	**(229.8)**	**2,243.9**	**2,014.1**
Reinsurance contract assets	189.6	2,303.2	2,492.8
Reinsurance contract liabilities	(359.3)	65.7	(293.6)
Net balance at 30 June 2023	**(169.7)**	**2,368.9**	**2,199.2**
Reinsurance contract assets	758.4	1,668.3	2,426.7
Reinsurance contract liabilities	(1,080.3)	746.8	(333.5)
Net balance at 31 December 2023	**(321.9)**	**2,415.1**	**2,093.2**
Reinsurance contract assets	181.2	2,241.5	2,422.7
Reinsurance contract liabilities	(422.2)	32.4	(389.8)
Net balance at 30 June 2024	**(241.0)**	**2,273.9**	**2,032.9**

14 Insurance and reinsurance contract assets and liabilities continued

14c Future CSM release

The tables below show when the Group expects to release the closing CSM to the profit or loss, in appropriate future time bands which are based on calendar years (i.e 1 January to 31 December). It is presented for both insurance contracts issued and reinsurance contracts held.

Insurance contracts issued	30 June 2024 $m	30 June 2023 $m	31 December 2023 $m
Number of years until expected to be recognised			
1	294.2	241.6	299.0
2	116.1	82.7	14.7
3	15.9	10.4	10.5
4	10.8	7.4	7.6
5	7.0	5.5	5.1
6-10	10.2	8.5	7.1
Total	**454.2**	**356.1**	**344.0**

Reinsurance contracts held	30 June 2024 $m	30 June 2023 $m	31 December 2023 $m
Number of years until expected to be recognised			
1	127.3	113.8	118.7
2	100.0	82.2	3.7
3	3.9	4.9	2.6
4	2.4	3.3	1.8
5	1.6	2.6	1.2
6-10	2.2	5.9	1.6
Total	**237.4**	**212.7**	**129.6**

14d Changes in accounting estimates

Insurance and reinsurance contract assets and liabilities included within the Group's statement of financial position are made up of multiple components. The liability for remaining coverage includes an element of the present value of future cash flows, a risk adjustment for non-financial risk and the CSM. The liability for incurred claims includes the remainder of the present value of future cash flows and a risk adjustment for non-financial risk. For portfolios of issued insurance contracts that are onerous, a loss component is included within the LRC and recognised in profit or loss upon initial recognition. No loss component is recorded for reinsurance contracts held.

The present value of future cash flows is sensitive to changes in accounting estimates, in particular the estimation of future cash flows which are made on a best estimate basis, and discount rates. As estimates of premiums, expenses and claims change, this is reflected within the present value of future cash flows, in addition to the incorporation of cash flows relating to new business and crystallisation of expected cash flows relating to in-force business. The risk adjustment changes as amounts are released from in-force business, offset by the recognition of new business and any changes to the cost of capital applied. An explanation of how amounts have moved in the year is set out in Note 2. This includes an accrual for additional premiums and a reduction of recoveries contributing to an overall expense on the amount recoverable from reinsurers for incurred claims following a change in accounting estimate in relation to one of our major reinsurance contracts in the Specialty Risks division.

14 Insurance and reinsurance contract assets and liabilities continued

Future cash flows

The Group has estimated the amount, timing and probability of future cash flows. Estimates are formed by applying assumptions about past events, current conditions and forecasts of future conditions. These have been outlined below:

- Future expected premium cash flows are based on data entered into underwriting systems. These have a level of estimate embedded for certain contracts, with payment/settlement patterns used to determine timing.
- Gross and reinsured claims payments are determined using an approach whereby cash flows are set at a Year of Account and reserving class level based on the latest quarterly reserving exercise.
- Expenses are deemed to be within the contract boundary, and therefore included in the cash flows, when these are directly attributable to fulfilling insurance contracts.
- Lapses/cancellations are projected by applying assumptions determined through statistical measures based on the Group's experience. These vary by product type, policy duration and sales trends.

Discount rates

The discount rates applied to expected future cash flows in measuring insurance contract liabilities have been determined using the bottom-up approach. This method takes the risk-free rates and adjusts for an illiquidity premium. Risk-free rates are derived using government yield curves denominated in the same currency as the product being measured. The illiquidity premium represents the differences in the liquidity characteristics between the financial assets used to derive the risk-free yield and the insurance contract liability characteristics. Judgement has been applied by management in determining these liquidity characteristics. The illiquidity premium is sourced from Moody's and adjusted to reflect the Group's own asset portfolio. The discount rates applied in determining the Group's IFRS 17 results are as follows:

30 June 2024	1 Year	3 Year	5 Year
USD	5.4 %	4.9 %	4.7 %
CAD	5.1 %	4.5 %	4.3 %
GBP	5.0 %	4.6 %	4.4 %
EUR	3.5 %	3.1 %	3.0 %

30 June 2023	1 Year	3 Year	5 Year
USD	5.7 %	5.0 %	4.6 %
CAD	5.7 %	5.0 %	4.5 %
GBP	6.1 %	5.8 %	5.4 %
EUR	3.8 %	3.4 %	3.2 %

31 December 2023	1 Year	3 Year	5 Year
USD	5.1 %	4.5 %	4.3 %
CAD	5.3 %	4.4 %	4.1 %
GBP	4.9 %	4.0 %	3.8 %
EUR	3.5 %	2.7 %	2.6 %

Risk adjustment

Estimation of the risk adjustment for non-financial risk is based on the underwriting risk element of the Solvency II internal model which captures all of the material exposure elements for the Group. IFRS 17 does not prescribe a specific methodology for the calculation of the risk adjustment for non-financial risk and the Group has elected to use a cost of capital approach. The Group's cost of capital represents the return required to compensate for the exposure to non-financial risk, in order to comply with internal economic capital requirements. Under this method the risk adjustment is determined by applying a cost rate to the present value of projected capital relating to non-financial risk. The risk adjustment for insurance contracts is expected to have a reserve confidence level in the 80th to 90th percentile range.

As at 30 June 2024, the reserve confidence level was at the 88th percentile (30 June 2023: 89th percentile, 31 December 2023: 85th percentile), which is based on the outcomes of the recent Q1 2024 reserve review exercise. The results of this reserve review underpin the HY24 IFRS 17 financials.

15 Other reserves

	30 June 2024 $m	30 June 2023 $m	31 December 2023 $m
Employee share options reserve	47.5	27.0	50.7
Employee share trust reserve	(57.5)	(57.4)	(63.5)
Capital redemption reserve	1.2	—	—
Total other reserves	**(8.8)**	**(30.4)**	**(12.8)**

On 7 March 2024, Beazley plc announced to the market its intention to return up to $325.0m of surplus capital to its shareholders through a share repurchase programme running to 31 December 2024. Purchases began on 8 March 2024 and at the balance sheet date, 20.5m ordinary shares had been purchased for total consideration of $173.1m, of which 0.8m were held as treasury shares pending cancellation. At 30 June 2024, there were 654.9m ordinary shares in issue.

The price of shares purchased as part of the buyback scheme is recognised through retained earnings. On their cancellation, the nominal value of the ordinary shares is deducted from share capital and the equivalent amount is recognised within the capital redemption reserve.

16 Related party transactions

Aside from the changes noted below, the related party transactions of the Group are consistent in nature and scope with those disclosed in Note 32 of the Group's consolidated financial statements for the year ended 31 December 2023.

- From 1 January 2024, the reinsurance agreement between syndicates 2623 and 623 with 6107 was amended so that only Cyber business was ceded to syndicate 6107.
- From 1 January 2024, syndicate 3623 entered into a reinsurance agreement with syndicate 6107 to cede a portion of Cyber business to that syndicate.
- From 1 January 2024, syndicates 623 and 2623 entered into an agreement to cede a portion of its Property Treaty business to the Group's internal reinsurer, Beazley Insurance dac.
- For the 2024 Year of Account, the Group is providing 20% capacity to syndicate 5623.

17 Subsequent events

From 1 July 2024 until the approval of these interim financial statements on 7 August 2024, Beazley plc purchased 9.0m of its ordinary shares for a consideration of $76.1m pursuant to the Share Buyback programme announced on 8 March 2024. Of these shares, 7.8m were cancelled by 7 August 2024. The remaining 1.2m are held in treasury and will be cancelled in due course.

On 6 August 2024, Beazley plc announced that effective immediately, the Board had appointed Carolyn Johnson as a member of the Nomination and Risk Committees and Bob Stuchbery as a member of the Nomination Committee.

Responsibility statement of the Directors in respect of the interim report

We confirm that to the best of our knowledge:

- the condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the UK;
- the interim management report includes a fair review of the information required by:

a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that six months; and any changes in the related party transactions described in the last annual report that could do so.

B Plucnar Jensen
Chief Financial Officer

7 August 2024

Independent review report to Beazley plc

Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2024 which comprises the Condensed consolidated statement of profit or loss, Condensed consolidated statement of comprehensive income, Condensed consolidated statement of changes in equity, Condensed consolidated statement of financial position, Condensed consolidated statement of cash flows and the related notes 1 to 17. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2024 is not prepared, in all material respects, in accordance with UK-adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK) *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ("ISRE") issued by the Financial Reporting Council. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with UK-adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK-adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the Directors

The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the Directors are responsible for assessing 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion, including our Conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report.

Use of our report

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP
London
7 August 2024

Alternative performance measures ("APMs")

Beazley plc uses APMs to help explain its financial performance and position. These measures are not defined under IFRS. The Group is of the view that the use of these measures enhances the usefulness of our financial reporting and allows for improved comparison to industry peers.

Information on APMs used by the Group is set out below. Unless otherwise stated, amounts are disclosed in millions of dollars ($m).

Insurance written premiums & net insurance written premiums

Insurance written premiums ($m) is calculated by deducting the reinstatement premiums and profit commissions from the gross premiums written. Net insurance written premiums ($m) is calculated by adding insurance ceded premiums to this result. These APMs represent management's view of premiums written in each period, similar to the previous "Gross premiums written" metric reported under IFRS 4. The primary difference between insurance written premiums and insurance revenue relates to the deferral and earning of income over the period in which coverage is provided.

	6 months ended 30 June 2024 $m	6 months ended 30 June 2023 $m	Year to 31 December 2023 $m
Insurance written premiums	3,123.3	2,921.1	5,601.4
Earnings adjustment	(392.7)	(293.0)	(159.0)
Insurance revenue	**2,730.6**	**2,628.1**	**5,442.4**

	6 months ended 30 June 2024 $m	6 months ended 30 June 2023 $m	Year to 31 December 2023 $m
Insurance ceded premiums	(536.8)	(571.5)	(905.2)
Earnings adjustment	201.5	32.9	(222.1)
Allocation of reinsurance premiums	**(335.3)**	**(538.6)**	**(1,127.3)**

	6 months ended 30 June 2024 $m	6 months ended 30 June 2023 $m	Year to 31 December 2023 $m
Insurance written premiums	3,123.3	2,921.1	5,601.4
Add insurance ceded premiums	(536.8)	(571.5)	(905.2)
Net insurance written premiums	**2,586.5**	**2,349.6**	**4,696.2**

Contractual Service Margin ("CSM") sustainability index

The CSM reflects the expected profit of contracts within the liability for remaining coverage. The sustainability index (%) is calculated by dividing the closing CSM by the opening CSM at each period. A ratio of 100% and above shows that the expected profit within the LRC is higher than the previous valuation.

	6 months ended 30 June 2024 Gross	6 months ended 30 June 2024 Net	6 months ended 30 June 2023 Gross	6 months ended 30 June 2023 Net	Year to 31 December 2023 Gross	Year to 31 December 2023 Net
Closing CSM ($m)	454.2	216.8	356.1	143.4	344.0	214.4
Divided by opening CSM ($m)	344.0	214.4	341.0	183.7	341.0	183.7
CSM sustainability index	**132 %**	**101 %**	**104 %**	**78 %**	**101 %**	**117 %**

APMs continued

Claims, expense & combined ratios

Claims ratio (%) is calculated as insurance service expenses less directly attributable expenses, net of reinsurance recoveries, divided by insurance revenue net of reinsurance ceded revenue. Expense ratio (%) is calculated as the sum of insurance acquisition cash flows amortisation and other directly attributable expenses, divided by insurance revenue net of reinsurance ceded revenue. Combined ratio (%) is calculated as insurance service expenses net of reinsurance recoveries, divided by the insurance revenue net of reinsurance ceded revenue. This is also the sum of the claims and expense ratios. The combined ratio below is shown with and without the impact of discounting.

	6 months ended 30 June 2024	6 months ended 30 June 2023	Year to 31 December 2023
Insurance service expenses ($m)	1,824.9	2,080.5	3,592.6
Less directly attributable expenses ($m)[1]	(757.6)	(726.0)	(1,362.6)
Less current claims recovered and past service movements ($m)	10.2	(334.1)	(532.1)
Net claims ($m)	1,077.5	1,020.4	1,697.9
Insurance revenue ($m)	2,730.6	2,628.1	5,442.4
Less allocation of reinsurance premium ($m)	(335.3)	(538.6)	(1,127.3)
Divided by net insurance revenue ($m)	2,395.3	2,089.5	4,315.1
Claims ratio	**45%**	**49%**	**39%**
Directly attributable expenses ($m)[1]	757.6	726.0	1,362.6
Divided by net insurance revenue ($m)	2,395.3	2,089.5	4,315.1
Expense ratio	**32%**	**35%**	**32%**
Combined ratio (discounted)	**77%**	**84%**	**71%**
Effect of discounting	4%	4%	3%
Combined ratio (undiscounted)	**81%**	**88%**	**74%**

1 Directly attributable expenses are comprised of insurance acquisition cash flows amortisation, other directly attributable expenses, and current expense recovered and past service movements per Note 2.

Net assets per share & net tangible assets per share

Net assets per share is the ratio (in pence and cents) calculated by dividing the net assets or total equity of the Group by the number of shares in issue at the end of the period, excluding those held by the employee benefits trust. Net tangible assets per share excludes intangible assets from net assets in the above calculation.

The basis of this calculation has not changed as a result of the share buyback. The share buyback has resulted in a reduction of 19.7m shares in issue over the period (offset by 3.1m of allotments relating to employee share schemes and releases from the EBT). The impact of the share buyback on net assets can be seen in the Condensed Consolidated Statement of Changes in Equity on page 14.

	30 June 2024	30 June 2023	31 December 2023
Net assets ($m)	4,180.6	3,123.6	3,882.1
Less intangible assets ($m)	(178.4)	(134.8)	(165.3)
Net tangible assets ($m)	**4,002.2**	**2,988.8**	**3,716.8**
Divided by the shares in issue at the period end (millions)[1]:	646.1	663.5	662.7
Net assets per share (cents)	**647.1**	**470.8**	**585.8**
Net tangible assets per share (cents)	**619.4**	**450.5**	**560.9**
Converted at spot rate:	0.78	0.80	0.80
Net assets per share (pence)	**504.7**	**376.6**	**468.6**
Net tangible assets per share (pence)	**483.1**	**360.4**	**448.7**

1 Shares in issue at the period end exclude those held by the employee benefits trust.

Return on equity

Return on equity (%) is calculated by dividing the consolidated profit after tax by the average equity for the period, calculated as the average of the opening and closing equity positions. The basis of this calculation remains unchanged from previous periods following the share buyback.

	6 months ended 30 June 2024	6 months ended 30 June 2023	Year to 31 December 2023
Profit after tax ($m)	**571.6**	284.1	1,026.8
Divided by average total equity ($m)	**4,031.4**	3,038.8	3,418.6
Annualised return on equity	**28 %**	**18 %**	**30 %**

Investment return

Investment return (%) is calculated by dividing the net investment income by the average financial assets at fair value and cash and cash equivalents held by the Group over the period.

	6 months ended 30 June 2024	6 months ended 30 June 2023	Year to 31 December 2023
Net investment income ($m)	**251.7**	143.9	480.2
Opening invested assets:			
Financial assets at fair value ($m)	**9,665.5**	8,345.6	8,345.6
Cash and cash equivalents ($m)	**812.3**	652.5	652.5
Invested assets at the beginning of the period ($m):	**10,477.8**	8,998.1	8,998.1
Closing invested assets:			
Financial assets at fair value ($m)	**9,717.3**	8,679.8	9,665.5
Cash and cash equivalents ($m)	**945.6**	964.3	812.3
Invested assets at the end of the period: ($m)	**10,662.9**	9,644.1	10,477.8
Divided by average invested assets ($m)	**10,570.4**	9,321.1	9,738.0
Annualised investment return	**4.8 %**	**3.0 %**	**4.9 %**

Company information

Directors
Clive Bannister[1] (Chair)
Adrian P Cox (Chief Executive Officer)
Barbara Plucnar Jensen (Chief Financial Officer)
Carolyn Johnson[1]
Pierre-Olivier Desaulle[1]
Robert A Stuchbery[1]
A John Reizenstein[1]
Nicola Hodson[1]
Raj Agrawal[1]
Fiona Muldoon[1]
Cecilia Reyes[1]

1 Non-Executive Director

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