2021 INTERIM RESULTS

Ecclesiastical Insurance Office plc **28 September 2021**

Ecclesiastical Insurance Office plc ("Ecclesiastical"), the specialist financial services group, today announces its 2021 interim results. A copy of the results will be available on the Company's website at www.ecclesiastical.com

Group overview

- Profit before tax of £46.5m (H1 2020: loss before tax £59.7m), primarily driven by investment returns as a result of improving market conditions.
- Gross Written Premiums (GWP) grew 12% to £226.5m (H1 2020: £202.5m), supported by strong retention and rate increases as well as new business wins.
- Underwriting profit of £2.5m (H1 2020: loss of £1.3m). The overall underwriting result was impacted by a strengthening of reserves in our Australian business.
- We remained in a robust and strong capital position with AM Best and S&P affirming our excellent and strong ratings.
- We continued to prioritise the wellbeing of our colleagues and in June, we were awarded Best Companies' 2 star accreditation demonstrating 'outstanding' levels of employee engagement.
- Continued external recognition of the Group as a trusted and specialist financial services organisation. This included being named as the UK's most trusted home insurer for the 13th time by independent ratings agency Fairer Finance, and our Canadian team was named one of the Top Employers for Young People for the ninth consecutive year. Ecclesiastical UK won Digital Insurance Innovation of the Year Award at the British Insurance Awards for Smart Properties, while EdenTree was named Best Ethical Investment Provider at the 2021 Investment Life and Pensions Moneyfacts Awards for the 13th time.

Mark Hews, Group Chief Executive Officer of Ecclesiastical, said:

"After a challenging year in 2020 due to the impact of the COVID-19 pandemic, I'm delighted that the Group has made an excellent start to 2021 and reports a profit before tax of £46.5m (H1 2020: loss before tax £59.7m). Our decision to hold to our long-term investment strategy was validated as financial markets recovered from the lows of last year, helping us to deliver impressive investment returns and outperform the indices for most asset classes. We remain in a robust and strong capital position with AM Best and S&P affirming our excellent and strong ratings.

"In the UK and Canada, our GI businesses have reported robust growth due to rate increases, solid retention and new business. In Australia, we have strengthened our reserving following a rise in historic liability claims in the first half of the year. This has resulted in an overall underwriting performance of £2.5m (H1 2020: underwriting loss £1.3m).

"Increasing investor confidence saw strong inflows of money into our award-winning investment management business EdenTree. Bolstered by new recruits, EdenTree maintained its reputation as one of the leading responsible and sustainable investment firms with the launch of three new funds in July.

"With an ambition to grow our business to give more to those in need, the Group has remained committed to supporting charities and communities throughout the pandemic and we're proposing to make a donation to our charitable owner in the weeks ahead. We launched our third annual Movement for Good awards, which will see us give £1m to charities across the UK and Ireland. On behalf of all our charitable beneficiaries, I would like to thank all those who continue to support the Group's work.

"The first half of 2021 continued to be a challenging period for our colleagues and customers due to the ongoing pandemic restrictions. I'm proud of the way our teams across the business have continued to show great resilience and adaptability to deliver for our customers, brokers and communities. For the first time in May, we ran the b-Heard survey to give colleagues an opportunity to have their say on working at Ecclesiastical. I'm delighted that we were awarded Best Companies' 2 star accreditation demonstrating 'outstanding' levels of employee engagement. As we return to a more normal way of life, we will continue to prioritise the health, safety and wellbeing of our employees as we embrace new and more flexible ways of working.

"The easing of restrictions and the improving economic conditions are helping many of our customers recover from the financial impact of successive lockdowns and we are settling the small number of business interruption claims, where cover exists, as quickly as possible.

"We continue to make good progress against our strategic priorities. We launched a new visual identity for the Ecclesiastical Insurance brand and opened our head office in Gloucestershire, which is now welcoming colleagues with flexible ways of working. We are also continuing to invest in new systems to improve our efficiency and enhance the customer experience.

"As a responsible insurer, we are not only supporting and protecting customers, but we are also building our climate change commitments for the long-term too. We've been members of voluntary initiative ClimateWise for a number of years, and have established a climate strategy group that is considering how we can best respond to the climate crisis. Already, as part of our strategy we have committed to managing our portfolio of investments in a responsible and sustainable way. In January of this year, we adopted a new investment strategy that not only avoids investment in businesses that cause social harm but also proactively seeks to invest in markets that have positive impacts, as well as considering environmental, social and governance factors in every investment case.

"Another way we support our climate change commitments is by helping our customers reduce their impact through our risk management advice and guidance. We recently launched our Ecclesiastical Smart Properties proposition, which uses cutting-edge technology to protect properties. This technology not only protects customers from fires and escape of water, but can also help to save money and reduce the building's carbon footprint as well.

"Looking ahead, I'm excited about the future of the business. In the UK, we are investing significantly and have the appetite and capacity to grow across all the sectors we operate in, with an ambition to be the first choice for brokers placing business in our specialist markets. By growing our business and generating profits to donate to charity, we are fulfilling our purpose as an organisation committed to the greater good of society."

Results summary

	H1 2021	H1 2020
Gross written premiums	£226.5m	£202.5m
Group underwriting profit/(loss)*	£2.5m	(£1.3m)
Group combined operating ratio*	98.1%	101.1%
Investment return/(losses)	£58.2m	(£48.9m)
Profit/(loss) before tax	£46.5m	(£59.7m)
	30 June 2021	**31 Dec 2020**
Net asset value	£621m	£569m
Solvency II capital cover (solo)	224%	197%

*The Group uses APMs to help explain performance. More information on APMs is included in note 16.

Financial highlights

General Insurance – UK and Ireland

UK and Ireland GWP grew by 7% to £143m in the six months to 30 June 2021 (H1 2020: £134m). This has been driven by rate growth and new business, particularly across education and our regions. The business reported an underwriting profit of £15.3m and a net combined ratio of 81.5% (H1 2020: £2.7m profit, COR 96.7%) representing the strong performance in both property and casualty accounts.

The property result benefited from relatively benign weather conditions, despite some storm and freeze events earlier in the year. Our liability business has continued to perform well into 2021 with prior year claims broadly as expected and a current year claims experience similar to last year.

General Insurance – Canada

The Canadian business has reported GWP of £32.4m (H1 2020: £28.3m), delivering premium growth of 15.1% in local currency, driven by high retention and rate strengthening.

Adverse development of prior year liability claims has resulted in a small underwriting loss of £0.4m (H1 2020: £0.1m profit) and a COR of 101.5% (H1 2020: 99.9%). However, benign weather in 2021 has led to good returns in the property portfolio, helping to offset the adverse development of prior year liability claims.

General Insurance – Australia

Our Australian business continues to be successful in generating new business and strengthening rate, with premium growth of 21.9% in local currency leading to reported GWP of £49.6m (H1 2020: £38.3m).

The business reported an underwriting loss of £3.9m (H1 2020: £2.1m). The result was impacted by the Western Australia bushfires and New South Wales storms, as well as strengthening of historic liability claims.

Investment Returns

Our Investment portfolio has performed exceptionally well in the first half of the year, with the markets bouncing back from 2020 where worldwide markets were impacted by COVID-19. The Group's net investment return was a profit of £58.2m (H1 2020: £48.9m loss) predominantly driven by unrealised fair value gains as markets returned to close to pre-pandemic levels together with a change to valuation inputs for some unlisted equities. Income from financial assets was £14.2m (H1 2020: £16.8m) reflecting the continued low interest rate environment and downwards pressure on yields.

We discount some of our liability claims reserves at a rate that reflects the yield on long-term investment grade bonds. The reserves relate to liability policies, written over many decades, and represent very long-tail risks. The movement in yields from the year end resulted in a gain of £7.6m in the first six months of the year.

As economic reopening continues after the dual headwinds from the pandemic and Brexit, this has continued to be beneficial for our investment return. We continue to take a long-term view of risk and our approach to the management of risks resulting from the Group's exposure to financial markets is outlined in note 4 to our latest annual report.

Asset Management – EdenTree

In our investment management business, EdenTree, fee income grew by 9.8% to £6.8m (H1 2020: £6.2m) reflecting positive market movements and new flows. As expected, our emphasis on the continued investment in the business and people contributed to a loss of £1.2m (H1 2020: £0.2m). EdenTree were pleased to report net new money for funds not held by the Group of £312m.

Broking and Advisory – SEIB Insurance Brokers

Despite the competitive market, SEIB has continued to perform well and reported a half year profit before tax of £1.7m (H1 2020: £1.4m). SEIB general commission and fees, excluding profit share commission, has increased by 17.0% in the first half of the year to £5.6m (H1 2020: £4.8m) as a result of new business.

Life Business

Our life insurance business, reported a profit before tax of £0.7m at the half year (H1 2020: £0.2m loss). Assets and liabilities are well matched, though we expect small variances as the margins in reserves unwind.

Taxation

The Group's taxation charge in the period of £18.1m (H1 2020: £8.3m credit) is principally due to deferred tax charges from a change in the carrying value of the Group's pension obligations and as a result of the UK corporation tax rate changing to 25% from 1 April 2023 and its impact on the calculation of deferred tax liabilities.

Balance Sheet and Capital Position

Total shareholders' equity increased by £51.6m to £620.8m in the first six months of the year. Profits in the period were primarily driven by the investment return. There were also actuarial gains, net of tax of £28.2m, on retirement benefit plans. In February 2021 the Group raised EUR 30m in nominal amount of Tier 2 Capital by way of a privately-placed issue of 20-year subordinated bonds.

Strategic highlights

Despite the challenges of the pandemic, the Group continued to focus on its ambition to become the most trusted and ethical specialist financial services group. Our charitable purpose remains at the core of our Group, offering distinctive positioning and support for our customers and our communities. This is evident in our strategy which was adapted in mid-2020 to respond to the challenges faced by customers, brokers and wider society as a result of the pandemic.

We have continued to invest in our Group and people to drive business benefit and enable charitable giving to our communities. This is underpinned by our resilience and financial strength that support our trusted and ethical approach which is central to our strategy. Our current strategy is based on three themes, which encompass our longer-term ambitions, our short term priorities and our response to the pandemic.

Support and protect: the first strategic theme seeks to support and protect our customers, communities and our colleagues. This is a key focus area given the backdrop of the pandemic and provides a range of commercial and business activities that support our customers and our core purpose. This theme also focuses on our people, our teams and their well-being.

Innovate and grow: the world around us has changed over the past few decades and the needs of our customers and communities continue to change as part of this evolution. The Group continues to innovate to find new ways to meet the changing needs of our customers and communities. We have been building new propositions, including new product launches in our risk management and loss prevention solutions which support our growth ambitions. Together these propositions also deepen understanding of our portfolio which drive underwriting actions and improve profitability as well as improving outcomes for our customers.

Transform and thrive: the third strategic theme focuses on investment in our Group, helping our businesses to transform and thrive by investing in new technology, our people and our premises. Our new head office building enables flexible ways of working and highlights our drive to provide opportunities to increase our efficiency across the Group. Some of our investment spans several years, particularly the development of our new strategic platform for the UK & Ireland general insurance businesses. This new platform will provide improved processes and capacity, enabling an enhanced experience for our customers and broker partners.

The Group continues to evolve and its Next Chapter strategy is expected to be launched shortly. This refreshed strategy builds on our existing strategy and will consider some exciting new opportunities for the Group. It supports our ambitions to give even more to those in need and will enable us to continue our support for charities and communities in all our geographies.

Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Group and our approach to managing them are outlined in our latest annual report and in note 4 to these condensed financial statements. There has been no change to the principal risks and uncertainties since the year end.

Group Outlook

In the first half of the year we have seen a strong performance in our investment result, reflecting the economic reopening seen since the start of the year. We recognise that whilst there has been a strong rebound there remains economic uncertainty and this has the potential to create short-term volatility. The Group remains well placed to withstand such potential future volatility and continues to take a long-term view of risk. Throughout the pandemic the Group has proven to be both operationally and financially resilient and expects this to continue.

As restrictions in the UK gradually ease we are optimistic about the opportunities to continue to grow and evolve our business. We continue to invest in our people and technology, streamlining our processes and providing a more agile and responsive service for our customers and brokers.

Owned by a charity, Ecclesiastical is a commercial business with a purely charitable purpose. Core to our purpose is to deliver strong and sustainable returns to our ultimate shareholder, and to benefit not only our customers but also the wider communities we serve. Our third Movement for Good awards are currently underway and we will grant a further £500,000 to 10 charities during the second half of the year. We will also make a donation to our charitable owner in the weeks ahead.

Despite the challenges we face, we will continue to pursue our long-term charitable objective and fulfil our purpose as an organisation committed to the greater good of society.

By order of the Board
Mark Hews
Group Chief Executive
28 September 2021

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the 6 months to 30 June 2021

	30.06.21 6 months £000 (Unaudited)	30.06.20 6 months £000 (Unaudited)	31.12.20 12 months £000 (Audited)
Revenue			
Gross written premiums	**226,529**	202,487	437,299
Outward reinsurance premiums	**(97,571)**	(80,313)	(173,074)
Net change in provision for unearned premium	**2,444**	(980)	(16,562)
Net earned premiums	**131,402**	121,194	247,663
Fee and commission income	**37,275**	33,444	69,582
Other operating income	**1,000**	1,960	2,126
Net investment return	**58,177**	(48,859)	(4,298)
Total revenue	**227,854**	107,739	315,073
Expenses			
Claims and change in insurance liabilities	**(151,188)**	(139,152)	(222,794)
Reinsurance recoveries	**77,711**	68,104	94,581
Fees, commissions and other acquisition costs	**(45,211)**	(38,826)	(85,444)
Other operating and administrative expenses	**(61,613)**	(57,319)	(116,393)
Total operating expenses	**(180,301)**	(167,193)	(330,050)
Operating profit/(loss)	**47,553**	(59,454)	(14,977)
Finance costs	**(1,090)**	(258)	(769)
Profit/(loss) before tax	**46,463**	(59,712)	(15,746)
Tax (expense)/credit	**(18,050)**	8,275	526
Profit/(loss) for the financial period from continuing operations attributable to equity holders of the Parent	**28,413**	(51,437)	(15,220)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the 6 months to 30 June 2021

	30.06.21 6 months £000 (Unaudited)	30.06.20 6 months £000 (Unaudited)	31.12.20 12 months £000 (Audited)
Profit/(loss) for the period	**28,413**	(51,437)	(15,220)
Other comprehensive expense			
Items that will not be reclassified subsequently to profit or loss:			
Fair value losses on property	**-**	-	(15)
Actuarial gains/(losses) on retirement benefit plans	**35,510**	(15,433)	(17,318)
Attributable tax	**(7,314)**	3,100	3,521
	28,196	(12,333)	(13,812)
Items that may be reclassified subsequently to profit or loss:			
(Losses)/gains on currency translation differences	**(1,491)**	2,283	1,980
Gains/(losses) on net investment hedges	**1,258**	(2,653)	(2,339)
Attributable tax	**(183)**	367	265
	(416)	(3)	(94)
Other comprehensive income/(expense)	**27,780**	(12,336)	(13,906)
Total comprehensive income/(expense) attributable to equity holders of the Parent	**56,193**	(63,773)	(29,126)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the 6 months to 30 June 2021

	Share capital £000	Share premium £000	Revaluation reserve £000	Translation and hedging reserve £000	Retained earnings £000	Total £000
2021 (Unaudited)						
At 1 January	**120,477**	**4,632**	**599**	**18,230**	**425,290**	**569,228**
Profit for the period	**-**	**-**	**-**	**-**	**28,413**	**28,413**
Other net (expense)/income	**-**	**-**	***(21)***	***(416)***	**28,217**	**27,780**
Total comprehensive (expense)/income	**-**	**-**	**(21)**	**(416)**	**56,630**	**56,193**
Dividends on preference shares	**-**	**-**	**-**	**-**	**(4,591)**	**(4,591)**
Reserve transfers	**-**	**-**	**(313)**	**-**	**313**	**-**
At 30 June	**120,477**	**4,632**	**265**	**17,814**	**477,642**	**620,830**
2020 (Unaudited)						
At 1 January	120,477	4,632	565	18,324	463,537	607,535
Loss for the period	-	-	-	-	*(51,437)*	*(51,437)*
Other net expense	-	-	*(14)*	*(3)*	*(12,319)*	*(12,336)*
Total comprehensive expense	-	-	(14)	(3)	(67,756)	(63,773)
Dividends on preference shares	-	-	-	-	(4,591)	(4,591)
At 30 June	120,477	4,632	551	18,321	395,190	539,171
2020 (Audited)						
At 1 January	120,477	4,632	565	18,324	463,537	607,535
Loss for the year	-	-	-	-	*(15,220)*	*(15,220)*
Other net income/(expense)	-	-	*34*	*(94)*	*(13,846)*	*(13,906)*
Total comprehensive income/(expense)	-	-	34	(94)	(29,066)	(29,126)
Dividends on preference shares	-	-	-	-	(9,181)	(9,181)
At 31 December	120,477	4,632	599	18,230	425,290	569,228

The revaluation reserve represents cumulative net fair value gains on owner-occupied property. Further details of the translation and hedging reserve are included in note 11.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2021

	30.06.21	30.06.20	31.12.20
	£000	£000	£000
	(Unaudited)	(Unaudited)	(Audited)
Assets			
Goodwill and other intangible assets	**59,277**	46,197	54,353
Deferred acquisition costs	**42,082**	39,075	41,989
Deferred tax assets	**3,028**	2,973	1,078
Pension assets	**25,241**	-	1,053
Property, plant and equipment	**37,973**	18,487	38,316
Investment property	**146,266**	143,331	142,142
Financial investments	**847,561**	779,619	820,777
Reinsurers' share of contract liabilities	**258,464**	210,079	208,677
Current tax recoverable	**7,981**	7,322	7,986
Other assets	**252,836**	226,651	216,570
Cash and cash equivalents	**108,148**	94,574	104,429
Total assets	**1,788,857**	1,568,308	1,637,370
Equity			
Share capital	**120,477**	120,477	120,477
Share premium account	**4,632**	4,632	4,632
Retained earnings and other reserves	**495,721**	414,062	444,119
Total shareholders' equity	**620,830**	539,171	569,228
Liabilities			
Insurance contract liabilities	**921,131**	855,630	868,649
Lease obligations	**24,319**	11,688	25,450
Provisions for other liabilities	**9,350**	7,424	6,499
Pension liabilities	**-**	7,226	10,406
Retirement benefit obligations	**6,283**	6,166	6,530
Deferred tax liabilities	**54,641**	24,569	29,846
Current tax liabilities	**104**	1,005	1,293
Deferred income	**26,867**	24,217	25,908
Subordinated liabilities	**24,981**	-	-
Other liabilities	**100,351**	91,212	93,561
Total liabilities	**1,168,027**	1,029,137	1,068,142
Total shareholders' equity and liabilities	**1,788,857**	1,568,308	1,637,370

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the 6 months to 30 June 2021

	30.06.21	30.06.20	31.12.20
	6 months	6 months	12 months
	£000	£000	£000
	(Unaudited)	(Unaudited)	(Audited)
Profit/(loss) before tax	**46,463**	(59,712)	(15,746)
Adjustments for:			
Depreciation of property, plant and equipment	**3,128**	2,511	5,486
Revaluation of property, plant and equipment	**-**	-	(10)
Loss on disposal of property, plant and equipment	**28**	-	172
Amortisation of intangible assets	**413**	477	1,468
Net fair value (gains)/losses on financial instruments and investment property	**(34,285)**	54,641	18,602
Dividend and interest income	**(9,733)**	(12,080)	(21,814)
Finance costs	**1,090**	258	769
Adjustment for pension funding	**713**	455	1,003
	7,817	(13,450)	(10,070)
Changes in operating assets and liabilities:			
Net increase in insurance contract liabilities	**58,895**	78,161	94,180
Net increase in reinsurers' share of contract liabilities	**(52,761)**	(45,280)	(45,101)
Net increase in deferred acquisition costs	**(317)**	(152)	(3,352)
Net increase in other assets	**(37,376)**	(44,557)	(35,369)
Net increase in operating liabilities	**9,452**	7,142	16,642
Net increase in other liabilities	**2,778**	2,562	1,298
Cash (used)/generated by operations	**(11,512)**	(15,574)	18,228
Purchases of financial instruments and investment property	**(60,478)**	(36,735)	(121,754)
Sale of financial instruments and investment property	**62,504**	76,313	151,531
Dividends received	**2,929**	3,940	6,255
Interest received	**6,689**	7,170	14,519
Tax paid	**(4,042)**	(2,076)	(2,756)
Net cash (used by)/from operating activities	**(3,910)**	33,038	66,023
Cash flows from investing activities			
Purchases of property, plant and equipment	**(3,380)**	(405)	(6,028)
Proceeds from the sale of property, plant and equipment	**27**	-	1
Acquisition of business, net of cash acquired	**-**	-	(822)
Purchases of intangible assets	**(5,557)**	(7,813)	(15,602)
Proceeds from the sale of intangible assets	**62**	-	-
Net cash used by investing activities	**(8,848)**	(8,218)	(22,451)
Cash flows from financing activities			
Interest paid	**(1,090)**	(258)	(769)
Payment of principal element of lease liabilities	**(1,560)**	(1,455)	(5,090)
Proceeds from issue of subordinate debt, net of expenses	**25,014**	-	-
Dividends paid to Company's shareholders	**(4,591)**	(4,591)	(9,181)
Net cash from/(used by) financing activities	**17,773**	(6,304)	(15,040)
Net increase in cash and cash equivalents	**5,015**	18,516	28,532
Cash and cash equivalents at the beginning of the period	**104,429**	74,775	74,775
Exchange (losses)/gains on cash and cash equivalents	**(1,296)**	1,283	1,122
Cash and cash equivalents at the end of the period	**108,148**	94,574	104,429

NOTES TO THE CONDENSED SET OF FINANCIAL STATEMENTS

1. General information and basis of preparation

Ecclesiastical Insurance Office plc (hereafter referred to as the "Company"), a public limited company incorporated and domiciled in England, together with its subsidiaries (collectively the "Group") operates principally as a provider of general insurance and in addition offers a range of financial services, with offices in the UK & Ireland, Australia and Canada.

The annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) applicable at 31 December 2020 issued by the International Accounting Standards Board (IASB) in conformity with the requirements of the Companies Act 2006 and pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union (EU). The condensed set of financial statements included in the 2021 interim results has been prepared in accordance with UK adopted IAS 34, *Interim Financial Reporting.*

The information for the year ended 31 December 2020 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor reported on those accounts: its report was unqualified, did not draw attention to any matters by way of emphasis without qualifying the report, and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

These condensed consolidated interim financial statements were approved by the Board on 28 September 2021 and were reviewed by the Group's statutory auditor but not audited.

The Directors have assessed the going concern status of the Group. The Directors have considered the Group's plans and forecasts, financial resources, investment portfolio and solvency position. The Directors have also had consideration of the possible challenging market conditions due to the impact of the COVID-19 pandemic on the economy, pricing and customers. The Group's forecasts and projections, taking into account plausible scenarios, show that the group will have adequate resources to continue operating over a period of at least 12 months from the approval of the condensed consolidated interim financial statements. Accordingly, the Directors continue to adopt the going concern basis in preparing the consolidated interim financial statements.

2. Accounting policies

The same accounting policies and methods of computation are followed in the consolidated interim financial statements as applied in the Group's latest audited annual financial statements.

The following standards were in issue but not yet effective and have not been applied to these condensed financial statements.

IFRS 17, *Insurance Contracts*, was issued in May 2017 and is effective for periods beginning on or after 1 January 2023. The standard establishes revised principles for the recognition, measurement, presentation and disclosure of insurance contracts. The Group's long-term business is expected to be the most affected by the new standard. The Group expects to be able to use the simplified premium allocation approach to the majority of its general business insurance contracts, which applies mainly to short-duration contracts.

IFRS 9, *Financial Instruments*, which provides a new model for the classification and measurement of financial instruments, is effective for periods beginning on or after 1 January 2018. The Group has taken the option available to insurers to defer the application of IFRS 9 until the implementation of IFRS 17, which is now on or after 1 January 2023.

The Group continues to assess the impact of the application of both IFRS 17 and IFRS 9. As of 30 June 2021, it was not practicable to quantify what the potential impact would be on the Group's financial position or performance once these standards are adopted.

Other standards in issue but not yet effective are not expected to materially impact the Group.

3. Critical accounting estimates and judgements

In preparing these interim financial statements and applying the Group's accounting policies, the Directors have made judgements and estimates based on their best knowledge of current circumstances and expectation of future events. The judgements made in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 31 December 2020 consolidated financial statements. In 2020, the COVID-19 global pandemic had a significant impact on market conditions and the business. Estimates and their underlying assumptions continue to be reviewed on an ongoing basis with revisions to estimates being recognised prospectively. There have been no significant changes since 31 December 2020, however, as the pandemic continues, the following areas are those where specific consideration continues to be given:

- Valuation of insurance contract liabilities: the assumptions used in the estimated ultimate cost of all claims incurred but not settled include any suitable adjustments for the potential impact of COVID-19.

- Measurement of pension liabilities: although COVID-19 has impacted on the key assumptions in the valuation, the methodology used to determine key actuarial assumptions has remained consistent. A 0.6% increase in the discount rate, partially offset by a 0.3% increase in the inflation assumption at 30 June 2021, resulted in a net pension asset of £25.2m (31 December 2020: net pension liability of £9.4m).

- Valuation of investment properties: the emergence of COVID-19 increased the uncertainty surrounding the valuation of properties, leading to the valuation of investment properties to be considered a critical accounting estimate at 31 December 2020. The carrying value of investment properties has been updated as at 30 June 2021 and a gain of £3.1m (H1 2020: loss of £4.8m) has been recognised.

4. Risk management

The principal risks and uncertainties, together with details of the financial risk management objectives and policies of the Group, are disclosed in the latest annual report.

5. Segment information

The Group segments its business activities on the basis of differences in the products and services offered and, for general insurance, the underwriting territory. Expenses relating to Group management activities are included within 'Corporate costs'. This reflects the management and internal Group reporting structure.

The activities of each operating segment are described below.

- **General business**

  United Kingdom and Ireland

  The Group's principal general insurance business operation is in the UK, where it operates under the Ecclesiastical and Ansvar brands. The Group also operates an Ecclesiastical branch in the Republic of Ireland underwriting general business across the whole of Ireland.

  Australia

  The Group has a wholly-owned subsidiary in Australia underwriting general insurance business under the Ansvar brand.

  Canada

  The Group operates a general insurance Ecclesiastical branch in Canada.

  Other insurance operations

  This includes the Group's internal reinsurance function and operations that are in run-off or not reportable due to their immateriality.

- **Investment management**

  The Group provides investment management services both internally and to third parties through EdenTree Investment Management Limited.

- **Broking and Advisory**

  The Group provides insurance broking through SEIB Insurance Brokers Limited and financial advisory services through Ecclesiastical Financial Advisory Services Limited.

- **Life business**

  Ecclesiastical Life Limited provides long-term policies to support funeral planning products.

- **Corporate costs**

  This includes costs associated with Group management activities.

Inter-segment and inter-territory transfers or transactions are entered into under normal commercial terms and conditions that would also be available to unrelated third parties.

Segment revenue

The Group uses gross written premiums as the measure for turnover of the general and life insurance business segments. Turnover of the non-insurance segments comprises fees and commissions earned in relation to services provided by the Group to third parties. Segment revenues do not include net investment return or general business fee and commission income, which are reported within revenue in the consolidated statement of profit or loss.

Revenue is attributed to the geographical region in which the customer is based.

	6 months ended 30.06.21			6 months ended 30.06.20		
	Gross written premiums	**Non-insurance services**	**Total**	Gross written premiums	Non-insurance services	Total
	£000	**£000**	**£000**	£000	£000	£000
General business						
United Kingdom and Ireland	**142,751**	**-**	**142,751**	133,735	-	133,735
Australia	**49,594**	**-**	**49,594**	38,263	-	38,263
Canada	**32,399**	**-**	**32,399**	28,255	-	28,255
Other insurance operations	**1,784**	**-**	**1,784**	2,225	-	2,225
Total	**226,528**	**-**	**226,528**	202,478	-	202,478
Life business	**1**	**-**	**1**	9	-	9
Investment management	**-**	**6,848**	**6,848**	-	6,238	6,238
Broking and Advisory	**-**	**5,624**	**5,624**	-	4,556	4,556
Group revenue	**226,529**	**12,472**	**239,001**	202,487	10,794	213,281

	12 months ended 31.12.20		
	Gross written premiums	Non-insurance services	Total
	£000	£000	£000
General business			
United Kingdom and Ireland	276,618	-	276,618
Australia	80,178	-	80,178
Canada	75,953	-	75,953
Other insurance operations	4,538	-	4,538
Total	437,287	-	437,287
Life business	12	-	12
Investment management	-	12,382	12,382
Broking and Advisory	-	9,458	9,458
Group revenue	437,299	21,840	459,139

Segment result

General business segment results comprise the insurance underwriting profit or loss, investment activities and other expenses of each underwriting territory. The Group uses the industry standard net combined operating ratio (COR) as a measure of underwriting efficiency. The COR expresses the total of net claims costs, commission and underwriting expenses as a percentage of net earned premiums. Further details on the underwriting profit or loss and COR, which are alternative performance measures that are not defined under IFRS, are detailed in note 16.

The life business segment result comprises the profit or loss on insurance contracts (including return on assets backing liabilities in the long-term fund), shareholder investment return and other expenses.

All other segment results consist of the profit or loss before tax measured in accordance with IFRS.

6 months ended 30 June 2021	**Combined operating ratio**	**Insurance £000**	**Investments £000**	**Other £000**	**Total £000**
General business					
United Kingdom and Ireland	**81.5%**	**15,349**	**51,179**	**(952)**	**65,576**
Australia	**180.5%**	**(3,929)**	**104**	**(19)**	**(3,844)**
Canada	**101.5%**	**(446)**	**349**	**(80)**	**(177)**
Other insurance operations		**(8,466)**	**-**	**-**	**(8,466)**
	98.1%	**2,508**	**51,632**	**(1,051)**	**53,089**
Life business		**719**	**3,108**	**-**	**3,827**
Investment management		**-**	**-**	**(1,249)**	**(1,249)**
Broking and Advisory		**-**	**-**	**1,681**	**1,681**
Corporate costs		**-**	**-**	**(10,885)**	**(10,885)**
Profit/(loss) before tax		**3,227**	**54,740**	**(11,504)**	**46,463**

6 months ended 30 June 2020	Combined operating ratio	Insurance £000	Investments £000	Other £000	Total £000
General business					
United Kingdom and Ireland	96.7%	2,680	(48,701)	(108)	(46,129)
Australia	115.8%	(2,054)	(213)	(16)	(2,283)
Canada	99.9%	24	2,037	(91)	1,970
Other insurance operations		(1,964)	-	-	(1,964)
	101.1%	(1,314)	(46,877)	(215)	(48,406)
Life business		(233)	(3,031)	-	(3,264)
Investment management		-	-	(200)	(200)
Broking and Advisory		-	-	1,373	1,373
Corporate costs		-	-	(9,215)	(9,215)
Loss before tax		(1,547)	(49,908)	(8,257)	(59,712)

12 months ended 31 December 2020	Combined operating ratio	Insurance £000	Investments £000	Other £000	Total £000
General business					
United Kingdom and Ireland	92.5%	12,254	(12,123)	(479)	(348)
Australia	102.2%	(620)	1,678	(31)	1,027
Canada	91.2%	4,521	3,003	(176)	7,348
Other insurance operations		(4,103)	-	-	(4,103)
	95.1%	12,052	(7,442)	(686)	3,924
Life business		468	29	-	497
Investment management		-	-	(1,031)	(1,031)
Broking and Advisory		-	-	2,397	2,397
Corporate costs		-	-	(21,533)	(21,533)
Profit/(loss) before tax		12,520	(7,413)	(20,853)	(15,746)

6. Tax

Income tax for the six month period is calculated at rates representing the best estimate of the average annual effective income tax rate expected for the full year, applied to the pre-tax result of the six month period.

7. Preference shares

Interim dividends paid on the 8.625% Non-Cumulative Irredeemable Preference shares amounted to £4.6m (H1 2020: £4.6m). At the point these dividends were paid, consideration was given to the distributable reserves and capital position.

8. Financial investments

Financial investments summarised by measurement category are as follows:

	30.06.21	30.06.20	31.12.20
	£000	£000	£000
	(Unaudited)	(Unaudited)	(Audited)
Financial investments at fair value through profit or loss			
Equity securities			
- listed	**280,270**	238,225	262,598
- unlisted	**68,499**	47,544	59,288
Debt securities			
- government bonds	**165,705**	152,142	160,381
- listed	**330,016**	331,195	334,732
- unlisted	**551**	270	552
Derivative financial instruments			
- options	**790**	4,388	1,407
- forwards	**628**	-	672
	846,459	773,764	819,630
Financial investments at fair value through other comprehensive income			
Derivative financial instruments			
- forwards	**475**	-	401
Total financial investments at fair value	**846,934**	773,764	820,031
Loans and receivables			
Cash held on deposit	**-**	5,032	-
Other loans	**627**	823	746
Total financial investments	**847,561**	779,619	820,777

9. Financial instruments' held at fair value disclosures

IAS 34 requires that interim financial statements include certain of the disclosures about the fair value of financial instruments set out in IFRS 13, *Fair Value Measurement* and IFRS 7, *Financial Instruments Disclosures*.

The fair value measurement basis used to value those financial assets and financial liabilities held at fair value is categorised into a fair value hierarchy as follows:

Level 1: fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities. This category includes listed equities in active markets, listed debt securities in active markets and exchange-traded derivatives.

Level 2: fair values measured using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes listed debt or equity securities in a market that is not active and derivatives that are not exchange-traded.

Level 3: fair values measured using inputs for the asset or liability that are not based on observable market data (unobservable inputs). This category includes unlisted debt and equities, including investments in venture capital, and suspended securities. Where a look-through valuation approach is applied, underlying net asset values are sourced from the investee, translated into the Group's functional currency and adjusted to reflect current market conditions.

There have been no transfers between investment categories in the current period.

	Fair value measurement at the end of the reporting period based on			
	Level 1	Level 2	Level 3	Total
30 June 2021	**£000**	**£000**	**£000**	**£000**
Financial assets at fair value through profit or loss				
Financial investments				
Equity securities	**279,688**	**183**	**68,898**	**348,769**
Debt securities	**494,253**	**1,467**	**551**	**496,271**
Derivative securities	**-**	**1,418**	**-**	**1,418**
	773,941	**3,068**	**69,449**	**846,458**
Financial assets at fair value through other comprehensive income				
Financial assets				
Derivative securities	**-**	**475**	**-**	**475**
Total financial assets at fair value	**773,941**	**3,543**	**69,449**	**846,933**
30 June 2020				
Financial assets at fair value through profit or loss				
Financial investments				
Equity securities	237,620	205	47,944	285,769
Debt securities	482,307	898	402	483,607
Derivative securities	-	4,388	-	4,388
Total financial assets at fair value	719,927	5,491	48,346	773,764
Financial liabilities at fair value through profit or loss				
Financial liabilities				
Derivative securities	-	(3,327)	-	(3,327)
Financial liabilities at fair value through other comprehensive income				
Other liabilities				
Derivative securities	-	(3,194)	-	(3,194)
Total financial liabilities at fair value	-	(6,521)	-	(6,521)
31 December 2020				
Financial assets at fair value through profit or loss				
Financial investments				
Equity securities	262,014	185	59,687	321,886
Debt securities	493,601	1,512	552	495,665
Derivative securities	-	2,079	-	2,079
	755,615	3,776	60,239	819,630
Financial assets at fair value through other comprehensive income				
Financial assets				
Derivative securities	-	401	-	401
Total financial assets at fair value	755,615	4,177	60,239	820,031

The derivative liabilities of the Group at the end of the current period and prior year were measured at fair value through profit or loss and categorised as level 2.

Fair value measurements in level 3 consist of financial assets, analysed as follows:

	Financial assets at fair value through profit or loss		
	Equity securities £000	**Debt securities £000**	**Total £000**
2021			
At 1 January	**59,688**	**551**	**60,239**
Total gains/(losses) recognised in profit or loss	**9,210**	**-**	**9,210**
At 30 June	**68,898**	**551**	**69,449**
Total gains for the period included in profit or loss for assets held at the end of the reporting period	**9,210**	**-**	**9,210**
2020			
At 1 January	66,703	404	67,107
Total losses recognised in profit or loss	(18,759)	(2)	(18,761)
At 30 June	47,944	402	48,346
Total gains/(losses) for the period included in profit or loss for assets held at the end of the reporting period	(18,759)	(2)	18,761
2020			
At 1 January	66,703	404	67,107
Total (losses)/gains recognised in profit or loss	(7,015)	147	(6,868)
At 31 December	59,688	551	60,239
Total (losses)/gains for the period included in profit or loss for assets held at the end of the reporting period	(7,015)	147	(6,868)

All the above gains included in profit or loss for the period are presented in net investment return within the statement of profit or loss.

The valuation techniques used for instruments categorised in Levels 2 and 3 are described below.

Listed debt and equity securities not in active market (Level 2)

These financial assets are valued using third party pricing information that is regularly reviewed and internally calibrated based on management's knowledge of the markets.

Non exchange-traded derivative contracts (Level 2)

The Group's derivative contracts are not traded in active markets. Foreign currency forward contracts are valued using observable forward exchange rates corresponding to the maturity of the contract and the contract forward rate. Over-the-counter equity or index options and futures are valued by reference to observable index prices.

Unlisted equity securities (Level 3)

These financial assets are valued using observable net asset data, adjusted for unobservable inputs including comparable price-to-book ratios based on similar listed companies, and management's consideration of constituents as to what exit price might be obtainable.

The valuation is sensitive to the level of underlying net assets, the Euro exchange rate, the price-to-book ratio chosen, an illiquidity discount and a credit rating discount applied to the valuation to account for the risks associated with holding the asset. If the illiquidity discount or credit rating discount applied changes by +/-10%, the value of unlisted equity securities could move by +/-£8m (H1 2020: +/-£5m).

Unlisted debt (Level 3)

Unlisted debt is valued using an adjusted net asset method whereby management uses a look-through approach to the underlying assets supporting the loan, discounted using observable market interest rates of similar loans with similar risk, and allowing for unobservable future transaction costs.

The valuation is most sensitive to the level of underlying net assets, but it is also sensitive to the interest rate used for discounting and the projected date of disposal of the asset, with the exit costs sensitive to an expected return on capital of any purchaser and estimated transaction costs. Reasonably likely changes in unobservable inputs used in the valuation would not have a significant impact on shareholders' equity or the net result.

10. Changes in estimates

The estimation of the ultimate liability arising from claims made under general insurance business contracts is a critical accounting estimate. There are various sources of uncertainty as to how much the Group will ultimately pay with respect to such contracts. There is uncertainty as to the total number of claims made on each class of business, the amounts that such claims will be settled for and the timing of any payments.

During the six month period, changes to claims reserve estimates made in prior years as a result of reserve development resulted in a net increase of £20.0m (H1 2020: £10.8m) partially offset by a £7.6m decrease (H1 2020: £6.5m increase) in reserves due to discount rate movements.

The estimation of the ultimate liability arising from claims made under life insurance business contracts is also a critical accounting estimate. Estimates are made as to the expected number of deaths in each future year until claims have been paid on all policies, as well as expected future real investment returns from assets backing life insurance contracts. During the six month period there was a £2.1m decrease (H1 2020: £4.5m increase) in reserves due to discount rate movements.

11. Translation and hedging reserve

	Translation reserve £000	Hedging reserve £000	Total £000
2021			
At 1 January	**15,552**	**2,678**	**18,230**
Losses on currency translation differences	**(1,491)**	**-**	**(1,491)**
Gains on net investment hedges	**-**	**1,258**	**1,258**
Attributable tax	**-**	**(183)**	**(183)**
At 30 June	**14,061**	**3,753**	**17,814**
2020			
At 1 January	13,572	4,752	18,324
Gains on currency translation differences	2,283	-	2,283
Losses on net investment hedges	-	(2,653)	(2,653)
Attributable tax	-	367	367
At 30 June	15,855	2,466	18,321
2020			
At 1 January	13,572	4,752	18,324
Gains on currency translation differences	1,980	-	1,980
Losses on net investment hedges	-	(2,339)	(2,339)
Attributable tax	-	265	265
At 31 December	15,552	2,678	18,230

The translation reserve arises on consolidation of the Group's foreign operations. The hedging reserve represents the cumulative amount of gains and losses on hedging instruments in respect of net investments in foreign operations.

12. Insurance contract liabilities and reinsurers’ share of contract liabilities

	30.06.21	30.06.20	31.12.20
	6 months	6 months	12 months
	£000	£000	£000
Gross			
Claims outstanding	**614,960**	565,121	560,992
Unearned premiums	**233,808**	210,916	230,800
Life business provision	**72,363**	79,593	76,857
Total gross insurance contract liabilities	**921,131**	855,630	868,649
Recoverable from reinsurers			
Claims outstanding	**173,042**	135,565	129,284
Unearned premiums	**85,422**	74,514	79,393
Total reinsurers' share of contract liabilities	**258,464**	210,079	208,677
Net			
Claims outstanding	**441,918**	429,556	431,708
Unearned premiums	**148,386**	136,402	151,407
Life business provision	**72,363**	79,593	76,857
Total net insurance liabilities	**662,667**	645,551	659,972

13. Subordinated debt

In February 2021 the Group raised EUR 30m in nominal amount of Tier 2 Capital by way of a privately-placed issue of 20-year subordinated bonds, callable after year 10. The rate of interest until the call date is fixed at 6.3144%.

14. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation.

Charitable grants to the ultimate parent company are disclosed in the condensed consolidated statement of changes in equity.

There have been no material related party transactions in the period or changes thereto since the latest annual report which require disclosure.

15. Holding company

The ultimate holding company is Allchurches Trust Limited, a company limited by guarantee and a registered charity incorporated in England and Wales.

16. Reconciliation of Alternative Performance Measures

The Group uses alternative performance measures (APM) in addition to the figures which are prepared in accordance with IFRS. The financial measures in our key financial performance data include the combined operating ratio (COR). This measure is commonly used in the industries we operate in and we believe it provides useful information and enhances the understanding of our results.

Users of the accounts should be aware that similarly titled APM reported by other companies may be calculated differently. For that reason, the comparability of APM across companies might be limited.

In line with the European Securities and Markets Authority guidelines, we provide a reconciliation of the combined operating ratio to its most directly reconcilable line item in the financial statements.

		30.06.21						
		Insurance		Invt. return	Invt. mngt	Broking and Advisory	Corporate costs	Total
		General	Life					
		£000	£000	£000	£000	£000	£000	£000
Revenue								
Gross written premiums		**226,528**	**1**	**-**	**-**	**-**	**-**	**226,529**
Outward reinsurance premiums		**(97,571)**	**-**	**-**	**-**	**-**	**-**	**(97,571)**
Net change in provision for unearned premiums		**2,444**	**-**	**-**	**-**	**-**	**-**	**2,444**
Net earned premiums	[1]	**131,401**	**1**	**-**	**-**	**-**	**-**	**131,402**
Fee and commission income		**24,803**	**-**	**-**	**6,848**	**5,624**	**-**	**37,275**
Other operating income		**1,000**	**-**	**-**	**-**	**-**	**-**	**1,000**
Net investment return		**-**	**1,528**	**56,276**	**(5)**	**378**	**-**	**58,177**
Total revenue		**157,204**	**1,529**	**56,276**	**6,843**	**6,002**	**-**	**227,854**
Expenses								
Claims and change in insurance liabilities		**(150,545)**	**(643)**	**-**	**-**	**-**	**-**	**(151,188)**
Reinsurance recoveries		**77,711**	**-**	**-**	**-**	**-**	**-**	**77,711**
Fees, commissions and other acquisition costs		**(45,027)**	**-**	**-**	**(481)**	**297**	**-**	**(45,211)**
Other operating and administrative expenses		**(36,835)**	**(167)**	**(1,536)**	**(7,611)**	**(4,579)**	**(10,885)**	**(61,613)**
Total operating expenses		**(154,696)**	**(810)**	**(1,536)**	**(8,092)**	**(4,282)**	**(10,885)**	**(180,301)**
Operating profit/(loss)	[2]	**2,508**	**719**	**54,740**	**(1,249)**	**1,720**	**(10,885)**	**47,553**
Finance costs		**(1,051)**	**-**	**-**	**-**	**(39)**	**-**	**(1,090)**
Profit/(loss) before tax		**1,457**	**719**	**54,740**	**(1,249)**	**1,681**	**(10,885)**	**46,463**
Underwriting profit	[2]	**2,508**						
Combined operating ratio (= ([1] - [2]) / [1])		**98.1%**						

The underwriting profit of the Group is defined as the operating profit of the general insurance business.

The Group uses the industry standard net combined operating ratio as a measure of underwriting efficiency. The COR expresses the total of net claims costs, commission and underwriting expenses as a percentage of net earned premiums. It is calculated as ([1] - [2]) / [1].

		30.06.20						
		Insurance		Invt. return	Invt. mngt	Broking and Advisory	Corporate costs	Total
		General	Life					
		£000	£000	£000	£000	£000	£000	£000
Revenue								
Gross written premiums		202,478	9	-	-	-	-	202,487
Outward reinsurance premiums		(80,313)	-	-	-	-	-	(80,313)
Net change in provision for unearned premiums		(980)	-	-	-	-	-	(980)
Net earned premiums	[1]	121,185	9	-	-	-	-	121,194
Fee and commission income		22,650	-	-	6,238	4,556	-	33,444
Other operating income		1,960	-	-	-	-	-	1,960
Net investment return		-	(660)	(48,595)	(13)	409	-	(48,859)
Total revenue		145,795	(651)	(48,595)	6,225	4,965	-	107,739
Expenses								
Claims and change in insurance liabilities		(139,715)	563	-	-	-	-	(139,152)
Reinsurance recoveries		68,104	-	-	-	-	-	68,104
Fees, commissions and other acquisition costs		(38,448)	-	-	(535)	157	-	(38,826)
Other operating and administrative expenses		(37,050)	(145)	(1,313)	(5,890)	(3,706)	(9,215)	(57,319)
Total operating expenses		(147,109)	418	(1,313)	(6,425)	(3,549)	(9,215)	(167,193)
Operating (loss)/profit	[2]	(1,314)	(233)	(49,908)	(200)	1,416	(9,215)	(59,454)
Finance costs		(215)	-	-	-	(43)	-	(258)
(Loss)/profit before tax		(1,529)	(233)	(49,908)	(200)	1,373	(9,215)	(59,712)
Underwriting loss	[2]	(1,314)						
Combined operating ratio (= ([1] - [2]) / [1])		101.1%						

		31.12.20						
		Insurance		Invt. return	Invt. mngt	Broking and Advisory	Corporate costs	Total
		General	Life					
		£000	£000	£000	£000	£000	£000	£000
Revenue								
Gross written premiums		437,287	12	-	-	-	-	437,299
Outward reinsurance premiums		(173,074)	-	-	-	-	-	(173,074)
Net change in provision for unearned premiums		(16,562)	-	-	-	-	-	(16,562)
Net earned premiums	[1]	247,651	12	-	-	-	-	247,663
Fee and commission income		47,742	-	-	12,382	9,458	-	69,582
Other operating income		2,126	-	-	-	-	-	2,126
Net investment return		-	(484)	(4,600)	(25)	811	-	(4,298)
Total revenue		297,519	(472)	(4,600)	12,357	10,269	-	315,073
Expenses								
Claims and change in insurance liabilities		(224,127)	1,333	-	-	-	-	(222,794)
Reinsurance recoveries		94,581	-	-	-	-	-	94,581
Fees, commissions and other acquisition costs		(84,852)	(13)	-	(939)	360	-	(85,444)
Other operating and administrative expenses		(71,069)	(380)	(2,813)	(12,449)	(8,149)	(21,533)	(116,393)
Total operating expenses		(285,467)	940	(2,813)	(13,388)	(7,789)	(21,533)	(330,050)
Operating profit/(loss)	[2]	12,052	468	(7,413)	(1,031)	2,480	(21,533)	(14,977)
Finance costs		(686)	-	-	-	(83)	-	(769)
Profit/(loss) before tax		11,366	468	(7,413)	(1,031)	2,397	(21,533)	(15,746)
Underwriting profit	[2]	12,052						
Combined operating ratio (= ([1] - [2]) / [1])		95.1%						

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

(a) the consolidated interim financial statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting';

(b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

(c) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein).

The Board of Directors is as per the latest audited annual financial statements, with the following changes:

- Mrs Rita Bajaj was appointed as a Non-Executive Director on 15 July 2021
- Mrs Caroline Taylor resigned as a Non-Executive Director on 8 September 2021

By order of the Board,

Mark Hews	David Henderson
Group Chief Executive	Chairman
28 September 2021	

INDEPENDENT REVIEW REPORT TO ECCLESIASTICAL INSURANCE OFFICE PLC

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Ecclesiastical Insurance Office plc's condensed consolidated interim financial statements (the "interim financial statements") in the 2021 Interim Results of Ecclesiastical Insurance Office plc for the 6 month period ended 30 June 2021 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the Condensed Consolidated Statement of Financial Position as at 30 June 2021;
- the Condensed Consolidated Statement of Profit or Loss and Condensed Consolidated Statement of Comprehensive Income for the period then ended;
- the Condensed Consolidated Statement of Cash Flows for the period then ended;
- the Condensed Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the 2021 Interim Results of Ecclesiastical Insurance Office plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The 2021 Interim Results, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the 2021 Interim Results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the 2021 Interim Results based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. 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.

We have read the other information contained in the 2021 Interim Results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
Bristol
28 September 2021