

Underwriting comes **first**

Effectively **balance** risk and return

Operate **nimbly** through the cycle

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NOTE REGARDING FORWARD-LOOKING STATEMENTS:

CERTAIN STATEMENTS AND INDICATIVE PROJECTIONS (WHICH MAY INCLUDE MODELED LOSS SCENARIOS) MADE IN THIS RELEASE OR OTHERWISE THAT ARE NOT BASED ON CURRENT OR HISTORICAL FACTS ARE FORWARD-LOOKING IN NATURE INCLUDING, WITHOUT LIMITATION, STATEMENTS CONTAINING THE WORDS “BELIEVES”, “ANTICIPATES”, “PLANS”, “PROJECTS”, “FORECASTS”, “GUIDANCE”, “INTENDS”, “EXPECTS”, “ESTIMATES”, “PREDICTS”, “MAY”, “CAN”, “LIKELY”, “WILL”, “SEEKS”, “SHOULD”, OR, IN EACH CASE, THEIR NEGATIVE OR COMPARABLE TERMINOLOGY. ALL SUCH STATEMENTS OTHER THAN STATEMENTS OF HISTORICAL FACTS INCLUDING, WITHOUT LIMITATION, THE GROUP’S FINANCIAL POSITION, LIQUIDITY, RESULTS OF OPERATIONS, PROSPECTS, GROWTH, CAPITAL MANAGEMENT PLANS AND EFFICIENCIES, ABILITY TO CREATE VALUE, DIVIDEND POLICY, OPERATIONAL FLEXIBILITY, COMPOSITION OF MANAGEMENT, BUSINESS STRATEGY, PLANS AND OBJECTIVES OF MANAGEMENT FOR FUTURE OPERATIONS (INCLUDING DEVELOPMENT PLANS AND OBJECTIVES RELATING TO THE GROUP’S INSURANCE BUSINESS) ARE FORWARD LOOKING STATEMENTS. SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER IMPORTANT FACTORS THAT COULD CAUSE THE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS OF THE GROUP TO BE MATERIALLY DIFFERENT FROM FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS.

THESE FACTORS INCLUDE, BUT ARE NOT LIMITED TO: THE ACTUAL DEVELOPMENT OF LOSSES AND EXPENSES IMPACTING ESTIMATES FOR HURRICANES HARVEY, IRMA AND MARIA AND THE EARTHQUAKES IN MEXICO, THAT OCCURRED IN THE THIRD QUARTER OF 2017; THE IMPACT OF COMPLEX AND UNIQUE CAUSATION AND COVERAGE ISSUES ASSOCIATED WITH ATTRIBUTION OF LOSSES TO WIND OR FLOOD DAMAGE OR OTHER PERILS SUCH AS FIRE OR BUSINESS INTERRUPTION RELATING TO SUCH EVENTS; POTENTIAL UNCERTAINTIES RELATING TO REINSURANCE RECOVERIES, REINSTATEMENT PREMIUMS AND OTHER FACTORS INHERENT IN LOSS ESTIMATION; THE GROUP’S ABILITY TO INTEGRATE ITS BUSINESSES AND PERSONNEL; THE SUCCESSFUL RETENTION AND MOTIVATION OF THE GROUP’S KEY MANAGEMENT; THE INCREASED REGULATORY BURDEN FACING THE GROUP, THE NUMBER AND TYPE OF INSURANCE AND REINSURANCE CONTRACTS THAT THE GROUP WRITES OR MAY WRITE; THE GROUP’S ABILITY TO IMPLEMENT SUCCESSFULLY ITS BUSINESS STRATEGY DURING ‘SOFT’ AS WELL AS ‘HARD’ MARKETS; THE PREMIUM RATES WHICH MAY BE AVAILABLE AT THE TIME OF SUCH RENEWALS WITHIN THE GROUP’S TARGETED BUSINESS LINES; THE POSSIBLE LOW FREQUENCY OF LARGE EVENTS; POTENTIALLY UNUSUAL LOSS FREQUENCY; THE IMPACT THAT THE GROUP’S FUTURE OPERATING RESULTS, CAPITAL POSITION AND RATING AGENCY AND OTHER CONSIDERATIONS MAY HAVE ON THE EXECUTION OF ANY CAPITAL MANAGEMENT INITIATIVES OR DIVIDENDS; THE POSSIBILITY OF GREATER FREQUENCY OR SEVERITY OF CLAIMS AND LOSS ACTIVITY THAN THE GROUP’S UNDERWRITING, RESERVING OR INVESTMENT PRACTICES HAVE ANTICIPATED; THE RELIABILITY OF, AND CHANGES IN ASSUMPTIONS TO, CATASTROPHE PRICING, ACCUMULATION AND ESTIMATED LOSS MODELS; INCREASED COMPETITION FROM EXISTING ALTERNATIVE CAPITAL PROVIDERS, INSURANCE LINKED FUNDS AND COLLATERALISED SPECIAL PURPOSE INSURERS AND THE RELATED DEMAND AND SUPPLY DYNAMICS AS CONTRACTS COME UP FOR RENEWAL; THE EFFECTIVENESS OF THE GROUP’S LOSS LIMITATION METHODS; THE POTENTIAL LOSS OF KEY PERSONNEL; A DECLINE IN THE GROUP’S OPERATING SUBSIDIARIES’ RATING WITH A.M. BEST, S&P GLOBAL RATINGS, MOODY’S OR OTHER RATING AGENCIES; INCREASED COMPETITION ON THE BASIS OF PRICING, CAPACITY, COVERAGE TERMS OR OTHER FACTORS; A CYCLICAL DOWNTURN OF THE INDUSTRY; THE IMPACT OF A DETERIORATING CREDIT ENVIRONMENT FOR ISSUERS OF FIXED MATURITY INVESTMENTS; THE IMPACT OF SWINGS IN MARKET INTEREST RATES, CURRENCY EXCHANGE RATES AND SECURITIES PRICES; CHANGES BY CENTRAL BANKS REGARDING THE LEVEL OF INTEREST RATES; THE IMPACT OF INFLATION OR DEFLATION IN RELEVANT ECONOMIES IN WHICH THE GROUP OPERATES; THE EFFECT, TIMING AND OTHER UNCERTAINTIES SURROUNDING FUTURE BUSINESS COMBINATIONS WITHIN THE INSURANCE AND REINSURANCE INDUSTRIES; THE IMPACT OF TERRORIST ACTIVITY IN THE COUNTRIES IN WHICH THE GROUP WRITES RISKS; A RATING DOWNGRADE OF, OR A MARKET DECLINE IN, SECURITIES IN THE GROUP’S INVESTMENT PORTFOLIO; CHANGES IN GOVERNMENTAL REGULATIONS OR TAX LAWS IN JURISDICTIONS WHERE THE GROUP CONDUCTS BUSINESS; ANY OF THE GROUP’S BERMUDIAN SUBSIDIARIES BECOMING SUBJECT TO INCOME TAXES IN THE UNITED STATES OR THE UNITED KINGDOM; THE INAPPLICABILITY TO THE GROUP OF SUITABLE EXCLUSIONS FROM THE UK CFC REGIME; ANY CHANGE IN UK GOVERNMENT POLICY WHICH IMPACTS THE CFC REGIME OR OTHER TAX CHANGES; AND THE IMPACT OF THE “BREXIT” VOTE AND FUTURE NEGOTIATIONS REGARDING THE U.K.’S RELATIONSHIP WITH THE E.U., ON THE GROUP’S BUSINESS, REGULATORY RELATIONSHIPS, UNDERWRITING PLATFORMS OR THE INDUSTRY GENERALLY.

ALL FORWARD-LOOKING STATEMENTS IN THIS RELEASE SPEAK ONLY AS AT THE DATE OF PUBLICATION. LANCASHIRE EXPRESSLY DISCLAIMS ANY OBLIGATION OR UNDERTAKING (SAVE AS REQUIRED TO COMPLY WITH ANY LEGAL OR REGULATORY OBLIGATIONS INCLUDING THE RULES OF THE LONDON STOCK EXCHANGE) TO DISSEMINATE ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENT TO REFLECT ANY CHANGES IN THE GROUP’S EXPECTATIONS OR CIRCUMSTANCES ON WHICH ANY SUCH STATEMENT IS BASED.

1. basis of presentation and non-GAAP financial measures
2. consolidated financial highlights
3. growth in fully converted book value per share plus dividends since inception
4. summary consolidated income statements
5. premiums by line of business
6. total premiums under management
7. summary consolidated underwriting segment results
8. property segment - underwriting statement
9. energy segment - underwriting statement
10. marine segment - underwriting statement
11. aviation segment - underwriting statement
12. lloyd's segment - underwriting statement
13. total contribution from third party capital activities
14. summary consolidated cash flows
15. summary consolidated balance sheets
16. composition of investment portfolio
17. investment portfolio - corporate and global bond holdings
18. net losses and loss ratios
19. net losses and loss ratios (cont.)
20. losses by accident year excluding lloyd's
21. losses by accident year - lloyd's
22. losses by accident year - group
23. estimated exposures to peak zone elemental losses
24. earnings per share
25. basic and fully converted book value per share, tangible basic and tangible fully converted book value per share
26. summary Cathedral income statements

basis of presentation and non-GAAP financial measures

LANCASHIRE HOLDINGS LIMITED'S ("LANCASHIRE" OR "THE GROUP") AUDITED CONSOLIDATED FINANCIAL STATEMENTS ARE PREPARED IN ACCORDANCE WITH ACCOUNTING PRINCIPLES GENERALLY ACCEPTED UNDER INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") ENDORSED BY THE EUROPEAN UNION. WHERE IFRS IS SILENT, AS IT IS IN RESPECT OF CERTAIN ASPECTS RELATING TO THE MEASUREMENT OF INSURANCE PRODUCTS, THE IFRS FRAMEWORK ALLOWS REFERENCE TO ANOTHER COMPREHENSIVE BODY OF ACCOUNTING PRINCIPLES. IN SUCH INSTANCES, MANAGEMENT DETERMINES APPROPRIATE MEASUREMENT BASES, TO PROVIDE THE MOST USEFUL INFORMATION TO USERS OF THE CONSOLIDATED FINANCIAL STATEMENTS, USING THEIR JUDGMENT AND CONSIDERING THE ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES ("U.S. GAAP").

THIS FINANCIAL SUPPLEMENT HAS NOT BEEN AUDITED AND MAY CONTAIN DIFFERENCES TO NUMBERS AND DISCLOSURES PROVIDED IN OUR AUDITED AND / OR INTERIM FINANCIAL STATEMENTS. THESE DIFFERENCES ARE DUE TO MANAGEMENT'S PREFERRED PRESENTATION OR TO AID USERS' UNDERSTANDING OF THE GROUP.

THE FOLLOWING INFORMATION INCLUDED IN THIS DOCUMENT HAS NOT BEEN PREPARED IN ACCORDANCE WITH THE ACCOUNTING PRINCIPLES USED BY LANCASHIRE FOR ITS AUDITED AND / OR INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND INCLUDES NON IFRS/US GAAP MEASURES:

NET OPERATING INCOME (LOSS) ATTRIBUTABLE TO LANCASHIRE - NET OPERATING INCOME (LOSS) EXCLUDES: REALISED GAINS AND LOSSES NET OF IMPAIRMENTS; FOREIGN EXCHANGE AND TAX.

NET LOSS RATIO - THE NET LOSS RATIO IS THE NET INSURANCE LOSSES AND LOSS ADJUSTMENT EXPENSES DIVIDED BY NET PREMIUMS EARNED.

ACCIDENT YEAR LOSS RATIO - THE ACCIDENT YEAR LOSS RATIO IS CALCULATED USING THE ULTIMATE LIABILITY REVALUED AT THE CURRENT BALANCE SHEET DATE, DIVIDED BY NET PREMIUMS EARNED.

NET ACQUISITION COST RATIO - THE NET ACQUISITION COST RATIO IS THE NET ACQUISITION EXPENSES DIVIDED BY NET PREMIUMS EARNED.

ADMINISTRATIVE EXPENSE RATIO - THE ADMINISTRATIVE EXPENSE RATIO IS THE GENERAL AND ADMINISTRATIVE EXPENSES ("OTHER OPERATING EXPENSES"), BUT EXCLUDING RESTRICTED STOCK EXPENSES, DIVIDED BY NET PREMIUMS EARNED.

COMBINED RATIO - THE COMBINED RATIO IS THE SUM OF THE NET LOSS RATIO, THE NET ACQUISITION COST RATIO AND THE ADMINISTRATIVE EXPENSE RATIO.

FULLY CONVERTED BOOK VALUE PER SHARE ("FCBVS") ATTRIBUTABLE TO LANCASHIRE - THE CALCULATION IS BASED ON THE FOLLOWING: THE VALUE OF SHAREHOLDERS' EQUITY ATTRIBUTABLE TO LANCASHIRE AND DILUTIVE RESTRICTED STOCK UNITS AS CALCULATED UNDER THE TREASURY METHOD; DIVIDED BY: THE SUM OF ALL SHARES AND DILUTIVE RESTRICTED STOCK UNITS, ASSUMING ALL ARE EXERCISED. TANGIBLE FULLY CONVERTED BOOK VALUE PER SHARE ATTRIBUTABLE TO LANCASHIRE EXCLUDES INTANGIBLE ASSETS FROM CAPITAL.

CHANGE IN FULLY CONVERTED BOOK VALUE PER SHARE ADJUSTED FOR DIVIDENDS - THE CALCULATION IS THE INTERNAL RATE OF RETURN OF THE CHANGE IN FULLY CONVERTED BOOK VALUE PER SHARE IN THE PERIOD PLUS DIVIDENDS ACCRUED.

COMPOUND ANNUAL CHANGE IN FULLY CONVERTED BOOK VALUE PER SHARE ADJUSTED FOR DIVIDENDS ABOVE 3 MONTH TREASURY - THE CALCULATION IS THE INTERNAL RATE OF RETURN ON THE MOVEMENT IN FULLY CONVERTED BOOK VALUE SINCE INCEPTION ON AN ANNUALISED BASIS PLUS DIVIDENDS ACCRUED LESS THE ANNUALISED 3 MONTH TREASURY RATE.

DEBT TO TOTAL CAPITAL RATIO - THE CALCULATION IS BASED ON THE FOLLOWING AND IS AN INDICATION OF THE LEVERAGE OF THE COMPANY: LONG-TERM DEBT DIVIDED BY LONG-TERM DEBT PLUS SHAREHOLDERS' EQUITY ATTRIBUTABLE TO LANCASHIRE.

DEBT TO TOTAL TANGIBLE CAPITAL RATIO - THE CALCULATION IS BASED ON THE FOLLOWING AND IS AN INDICATION OF THE LEVERAGE OF THE COMPANY: LONG-TERM DEBT DIVIDED BY LONG-TERM DEBT PLUS SHAREHOLDERS' EQUITY ATTRIBUTABLE TO LANCASHIRE LESS INTANGIBLE ASSETS.

MANAGED CASH INCLUDES BOTH CASH MANAGED BY EXTERNAL INVESTMENT MANAGERS AND NON-OPERATING CASH MANAGED INTERNALLY.

ALL AMOUNTS, EXCLUDING SHARE DATA OR WHERE OTHERWISE STATED, ARE IN MILLIONS OF UNITED STATES DOLLARS.

MANAGEMENT BELIEVES THE FINANCIAL MEASURES INCLUDED IN THIS FINANCIAL SUPPLEMENT ARE IMPORTANT FOR UNDERSTANDING THE GROUP'S OVERALL RESULTS OF OPERATIONS. WE BELIEVE THAT THE MEASURES INCLUDED IN THIS DOCUMENT ARE IMPORTANT TO INVESTORS AND OTHER INTERESTED PARTIES AND THAT SUCH PERSONS BENEFIT FROM HAVING A CONSISTENT BASIS FOR COMPARISON WITH OTHER COMPANIES WITHIN THE INDUSTRY. HOWEVER, THESE MEASURES MAY NOT BE COMPARABLE TO SIMILARLY LABELED MEASURES USED BY COMPANIES INSIDE OR OUTSIDE THE INSURANCE INDUSTRY. IN ADDITION, THE INFORMATION HEREIN SHOULD NOT BE VIEWED AS A SUBSTITUTE FOR THE MEASURES DETERMINED IN ACCORDANCE WITH THE ACCOUNTING PRINCIPLES USED BY THE GROUP FOR ITS AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND IN ACCORDANCE WITH IFRS/US GAAP. WHERE INDICATED THROUGHOUT THIS DOCUMENT, REFERENCE SHOULD BE MADE TO COMPARABLE INFORMATION IN THE GROUP'S AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND INTERIM RESULTS ANNOUNCEMENT.

Lancashire Holdings Limited
consolidated financial highlights



	q3 2017	q3 2016	% change q3 - 17 vs. q3 - 16	ytd 2017	ytd 2016	% change ytd - 17 vs. ytd - 16
highlights						
gross premiums written	\$ 143.0	\$ 108.2	32%	\$ 524.2	\$ 538.8	(3%)
net premiums written	106.1	92.0	15%	345.9	370.6	(7%)
net premiums earned	119.0	109.3	9%	334.4	359.9	(7%)
net insurance losses	208.7	27.7	653%	264.8	100.7	163%
net investment income	8.0	7.0	14%	22.7	23.0	(1%)
net realised gains (losses) and impairments	0.5	1.9	(74%)	8.6	(5.5)	256%
(loss) profit after tax attributable to Lancashire	(134.2)	42.9	(413%)	(65.7)	102.7	(164%)
change in net unrealised gains / losses on investments	2.5	(1.3)	292%	8.6	20.6	(58%)
comprehensive (loss) income attributable to Lancashire	(131.7)	41.6	(417%)	(57.1)	123.3	(146%)
net operating (loss) income attributable to Lancashire ⁽¹⁾	\$ (139.0)	\$ 40.1	(447%)	\$ (82.9)	\$ 98.1	(185%)
total investments and cash	\$ 1,982.3	\$ 2,132.7	(7%)			
shareholders' equity attributable to Lancashire	\$ 1,116.4	\$ 1,321.0	(15%)			
per share data attributable to Lancashire						
net operating (loss) income per share - diluted ⁽²⁾	\$ (0.69)	\$ 0.20		\$ (0.41)	\$ 0.49	
(loss) profit after tax per share - diluted ⁽²⁾	\$ (0.67)	\$ 0.21		\$ (0.33)	\$ 0.51	
fully converted book value per share	\$ 5.53	\$ 6.55		\$ 5.53	\$ 6.55	
change in FCBVS adj for dividends ⁽³⁾	(10.4%)	3.1%		(5.1%)	10.5%	
change in FCBVS adj for dividends - tangible ⁽⁴⁾	(11.9%)	3.7%		(5.8%)	12.2%	
financial ratios						
net loss ratio	175.4%	25.3%		79.2%	28.0%	
net acquisition cost ratio	27.0%	26.6%		28.4%	26.7%	
administrative expense ratio	10.9%	21.9%		18.8%	20.9%	
combined ratio	<u>213.3%</u>	<u>73.8%</u>		<u>126.4%</u>	<u>75.6%</u>	
accident year net loss ratio	193.2%	29.6%		96.7%	45.0%	
net return on total investments including internal FX hedges	0.6%	0.6%		2.1%	2.2%	
net return on total investments excluding internal FX hedges	0.8%	0.5%		2.5%	2.2%	

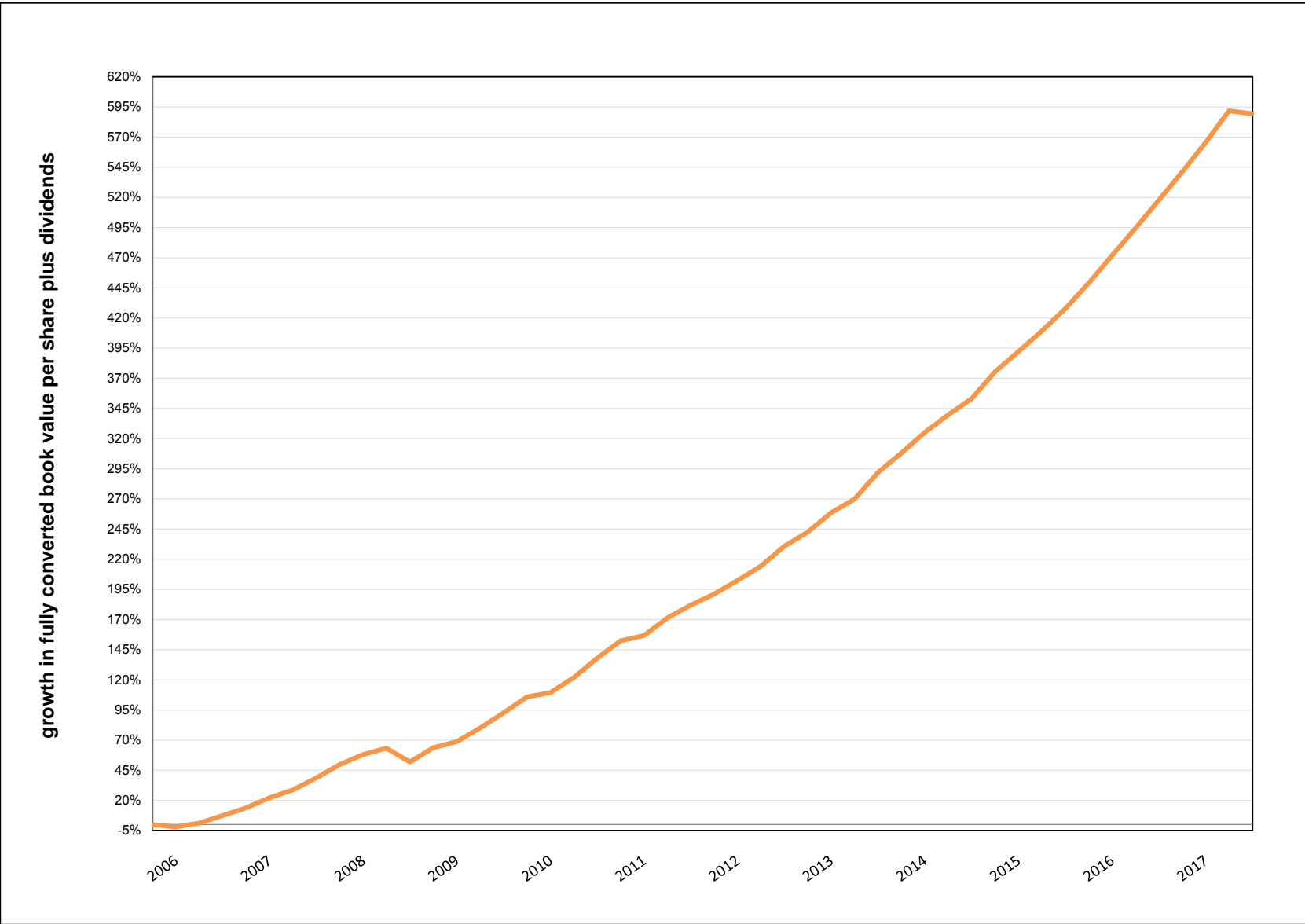
⁽¹⁾ excludes realised gains and losses, tax and foreign exchange gains and losses

⁽²⁾ earnings per share calculations use weighted average common shares outstanding - basic when in a net loss position

⁽³⁾ change in fully converted book value per share adjusted for dividends ("FCBVS") is the internal rate of return of the change in fully converted book value per share in the period adjusted for dividends accrued

⁽⁴⁾ change in tangible fully converted book value per share adjusted for dividends ("FCBVS") excludes intangible assets from capital

Lancashire Holdings Limited
growth in fully converted book value per share plus dividends since inception



*growth in fully converted book value per share plus dividends since inception to Q3 2017

Lancashire Holdings Limited
summary consolidated income statements

	q3 2017	q2 2017	q1 2017	q4 2016	q3 2016	ytd 2017	ytd 2016	full year 2016
gross premiums written	\$ 143.0	\$ 184.7	\$ 196.5	\$ 95.1	\$ 108.2	\$ 524.2	\$ 538.8	\$ 633.9
outwards reinsurance premiums	(36.9)	(21.2)	(120.2)	(7.0)	(16.2)	(178.3)	(168.2)	(175.2)
net premiums written	106.1	163.5	76.3	88.1	92.0	345.9	370.6	458.7
change in unearned premiums	36.4	(43.7)	(39.6)	73.9	48.9	(46.9)	(48.2)	25.7
change in unearned premiums on premiums ceded	(23.5)	(21.5)	80.4	(33.8)	(31.6)	35.4	37.5	3.7
net premiums earned	119.0	98.3	117.1	128.2	109.3	334.4	359.9	488.1
net investment income	8.0	8.2	6.5	6.8	7.0	22.7	23.0	29.8
net other investment income (losses)	0.4	(1.1)	(0.8)	3.4	4.0	(1.5)	3.5	6.9
net realised gains (losses) and impairments	0.5	5.4	2.7	3.1	1.9	8.6	(5.5)	(2.4)
share of (loss) profit of associate	(13.1)	0.7	0.7	0.7	2.7	(11.7)	4.4	5.1
other income	3.1	1.3	6.6	10.3	3.0	11.0	10.2	20.5
net foreign exchange gains	1.2	1.7	0.2	0.9	0.8	3.1	3.5	4.4
total net revenue	119.1	114.5	133.0	153.4	128.7	366.6	399.0	552.4
insurance losses	336.7	30.8	46.3	33.4	43.9	413.8	178.8	212.2
insurance losses recoverable	(128.0)	(18.9)	(2.1)	8.4	(16.2)	(149.0)	(78.1)	(69.7)
net insurance acquisition expenses	32.1	31.0	31.9	36.0	29.1	95.0	96.1	132.1
equity based compensation	(2.9)	2.9	(0.1)	0.6	1.7	(0.1)	10.1	10.7
other operating expenses	13.0	25.8	24.2	23.4	23.9	63.0	75.1	98.5
total expenses	250.9	71.6	100.2	101.8	82.4	422.7	282.0	383.8
(loss) profit before tax and finance costs	(131.8)	42.9	32.8	51.6	46.3	(56.1)	117.0	168.6
financing costs	(4.6)	(4.9)	(4.1)	(0.7)	(3.4)	(13.6)	(17.5)	(18.2)
(loss) profit before tax	(136.4)	38.0	28.7	50.9	42.9	(69.7)	99.5	150.4
tax credit	2.3	0.2	1.9	0.5	0.1	4.4	3.4	3.9
(loss) profit after tax	\$ (134.1)	\$ 38.2	\$ 30.6	\$ 51.4	\$ 43.0	\$ (65.3)	\$ 102.9	\$ 154.3
income attributable to non-controlling interests	(0.1)	–	(0.3)	(0.3)	(0.1)	(0.4)	(0.2)	(0.5)
(loss) profit after tax attributable to Lancashire	\$ (134.2)	\$ 38.2	\$ 30.3	\$ 51.1	\$ 42.9	\$ (65.7)	\$ 102.7	\$ 153.8
change in net unrealised gains / losses on investments	2.5	2.3	3.8	(16.5)	(1.3)	8.6	20.6	4.1
comprehensive (loss) income attributable to Lancashire	\$ (131.7)	\$ 40.5	\$ 34.1	\$ 34.6	\$ 41.6	\$ (57.1)	\$ 123.3	\$ 157.9
net loss ratio	175.4%	12.1%	37.7%	32.6%	25.3%	79.2%	28.0%	29.2%
net acquisition cost ratio	27.0%	31.5%	27.2%	28.1%	26.6%	28.4%	26.7%	27.1%
administrative expense ratio	10.9%	26.2%	20.7%	18.3%	21.9%	18.8%	20.9%	20.2%
combined ratio	213.3%	69.8%	85.6%	79.0%	73.8%	126.4%	75.6%	76.5%
net return on total investments including internal FX hedges	0.6%	0.8%	0.7%	(0.1%)	0.6%	2.1%	2.2%	2.1%
net return on total investments excluding internal FX hedges	0.8%	1.0%	0.7%	(0.3%)	0.5%	2.5%	2.2%	1.8%
basic (loss) earnings per share attributable to Lancashire	\$ (0.67)	\$ 0.19	\$ 0.15	\$ 0.26	\$ 0.22	\$ (0.33)	\$ 0.52	\$ 0.77
diluted (loss) earnings per share attributable to Lancashire	\$ (0.67)	\$ 0.19	\$ 0.15	\$ 0.25	\$ 0.21	\$ (0.33)	\$ 0.51	\$ 0.76

Lancashire Holdings Limited
premiums by line of business

	q3 2017	q2 2017	q1 2017	q4 2016	q3 2016	ytd 2017	ytd 2016	full year 2016
gross premiums written								
property cat excess of loss	\$ 24.8	\$ 30.6	\$ 43.4	\$ 2.5	\$ 22.6	\$ 98.8	\$ 97.3	\$ 99.8
terrorism	5.8	8.2	12.4	11.2	5.4	26.4	29.9	41.1
property political risk	6.7	9.5	4.7	11.5	5.1	20.9	32.6	44.1
property risk xl	4.2	3.2	4.6	0.2	3.4	12.0	11.1	11.3
property retrocession	2.7	1.9	6.4	(0.2)	2.1	11.0	13.0	12.8
other property	2.6	2.9	2.4	3.9	1.1	7.9	6.5	10.4
total property	46.8	56.3	73.9	29.1	39.7	177.0	190.4	219.5
worldwide offshore energy	18.9	20.4	22.2	19.4	11.2	61.5	69.3	88.7
gulf of mexico offshore energy	1.0	23.0	0.8	0.1	(0.8)	24.8	20.0	20.1
onshore energy	1.0	0.8	1.5	1.1	1.0	3.3	3.8	4.9
energy liabilities	0.4	0.9	1.8	0.1	0.6	3.1	3.4	3.5
construction energy	1.5	(0.4)	(1.8)	2.3	0.7	(0.7)	2.5	4.8
other energy	1.6	1.9	1.3	0.6	1.4	4.8	3.4	4.0
total energy	24.4	46.6	25.8	23.6	14.1	96.8	102.4	126.0
marine hull and total loss	4.6	11.5	2.0	1.6	2.3	18.1	11.5	13.1
marine builders risk	5.1	3.3	4.1	0.6	1.4	12.5	8.1	8.7
marine P&I clubs	–	0.1	8.2	1.2	0.2	8.3	7.2	8.4
marine hull war	1.3	3.7	1.4	0.7	0.6	6.4	3.4	4.1
other marine	4.3	4.2	4.6	0.7	0.4	13.1	2.2	2.9
total marine	15.3	22.8	20.3	4.8	4.9	58.4	32.4	37.2
AV 52	4.5	5.5	2.7	6.9	6.1	12.7	17.1	24.0
aviation satellite	0.2	(0.8)	0.2	0.6	3.8	(0.4)	9.2	9.8
other aviation	0.6	(0.3)	0.3	0.5	1.1	0.6	1.9	2.4
total aviation	5.3	4.4	3.2	8.0	11.0	12.9	28.2	36.2
property reinsurance	23.2	17.4	43.6	3.2	15.0	84.2	85.4	88.6
property direct and facultative	12.7	18.1	12.5	11.9	12.5	43.3	44.2	56.1
aviation and satellite	6.8	5.9	7.7	6.1	2.9	20.4	18.2	24.3
marine cargo	6.7	4.8	6.7	4.8	4.7	18.2	16.4	21.2
energy	1.5	7.0	2.3	1.7	1.7	10.8	13.2	14.9
terrorism	0.3	1.3	0.6	1.6	1.2	2.2	4.7	6.3
other	–	0.1	(0.1)	0.3	0.5	–	3.3	3.6
total lloyd's	51.2	54.6	73.3	29.6	38.5	179.1	185.4	215.0
total gross premiums written	\$ 143.0	\$ 184.7	\$ 196.5	\$ 95.1	\$ 108.2	\$ 524.2	\$ 538.8	\$ 633.9

Lancashire Holdings Limited
total premiums under management



	q3 2017	q2 2017	q1 2017	q4 2016	q3 2016	ytd 2017	ytd 2016	full year 2016
Lancashire gross premiums written								
property	46.8	56.3	73.9	29.1	39.7	177.0	190.4	219.5
energy	24.4	46.6	25.8	23.6	14.1	96.8	102.4	126.0
marine	15.3	22.8	20.3	4.8	4.9	58.4	32.4	37.2
aviation	5.3	4.4	3.2	8.0	11.0	12.9	28.2	36.2
lloyd's	51.2	54.6	73.3	29.6	38.5	179.1	185.4	215.0
total gross premiums written	\$ 143.0	\$ 184.7	\$ 196.5	\$ 95.1	\$ 108.2	\$ 524.2	\$ 538.8	\$ 633.9
additional premiums managed by Lancashire								
lloyd's 2010 syndicate	27.6	28.0	44.2	12.1	20.8	99.8	103.3	115.4
kinesis re	2.5	–	58.1	–	4.4	60.6	55.0	55.0
	30.1	28.0	102.3	12.1	25.2	160.4	158.3	170.4
total premiums managed by Lancashire	\$ 173.1	\$ 212.7	\$ 298.8	\$ 107.2	\$ 133.4	\$ 684.6	\$ 697.1	\$ 804.3

Lancashire Holdings Limited
summary consolidated underwriting segment results

	nine months ended 30 september 2017					
	property	energy	marine	aviation	lloyd's	consolidated
gross premiums written	\$ 177.0	\$ 96.8	\$ 58.4	\$ 12.9	\$ 179.1	\$ 524.2
net premiums written	115.8	55.9	47.9	5.1	121.2	345.9
net premiums earned	107.2	63.9	39.7	10.0	113.6	334.4
net insurance losses (recoveries)	115.6	15.8	11.5	(1.8)	123.7	264.8
net insurance acquisition expenses	21.4	27.8	14.9	5.4	25.5	95.0
other operating expenses ⁽¹⁾						63.0
	\$ (29.8)	\$ 20.3	\$ 13.3	\$ 6.4	\$ (35.6)	\$ (88.4)
net loss ratio	107.8%	24.7%	29.0%	(18.0%)	108.9%	79.2%
net acquisition cost ratio	20.0%	43.5%	37.5%	54.0%	22.4%	28.4%
administrative expense ratio ⁽¹⁾						18.8%
combined ratio	127.8%	68.2%	66.5%	36.0%	131.3%	126.4%
	nine months ended 30 september 2016					
	property	energy	marine	aviation	lloyd's	consolidated
gross premiums written	\$ 190.4	\$ 102.4	\$ 32.4	\$ 28.2	\$ 185.4	\$ 538.8
net premiums written	133.1	61.7	24.2	19.8	131.8	370.6
net premiums earned	110.8	76.4	25.8	18.9	128.0	359.9
net insurance (recoveries) losses	(4.8)	35.1	10.5	(0.7)	60.6	100.7
net insurance acquisition expenses	20.4	35.1	6.8	6.1	27.7	96.1
other operating expenses ⁽¹⁾						75.1
	\$ 95.2	\$ 6.2	\$ 8.5	\$ 13.5	\$ 39.7	\$ 88.0
net loss ratio	(4.3%)	45.9%	40.7%	(3.7%)	47.3%	28.0%
net acquisition cost ratio	18.4%	45.9%	26.4%	32.3%	21.6%	26.7%
administrative expense ratio ⁽¹⁾						20.9%
combined ratio	14.1%	91.8%	67.1%	28.6%	68.9%	75.6%

⁽¹⁾ administrative expenses are not allocated by segment

Lancashire Holdings Limited
property segment - underwriting statement

	q3 2017	q2 2017	q1 2017	q4 2016	q3 2016	full year 2016
underwriting (loss) income						
gross premiums written	\$ 46.8	\$ 56.3	\$ 73.9	\$ 29.1	\$ 39.7	\$ 219.5
outwards reinsurance premiums	(11.5)	1.3	(51.0)	(4.9)	(4.4)	(62.2)
net premiums written	35.3	57.6	22.9	24.2	35.3	157.3
change in unearned premiums	12.8	(10.4)	(24.2)	25.9	6.8	(15.0)
change in unearned premiums on premiums ceded	(7.7)	(14.4)	35.3	(12.4)	(12.4)	6.2
net premiums earned	\$ 40.4	\$ 32.8	\$ 34.0	\$ 37.7	\$ 29.7	\$ 148.5
underwriting expenses						
net insurance losses (recoveries)	105.3	2.9	7.4	18.5	(4.0)	13.7
net insurance acquisition expenses	7.5	7.3	6.6	7.6	6.0	28.0
total underwriting expenses	112.8	10.2	14.0	26.1	2.0	41.7
net underwriting (loss) income	\$ (72.4)	\$ 22.6	\$ 20.0	\$ 11.6	\$ 27.7	\$ 106.8
net loss ratio (% of net premiums earned)	260.6%	8.8%	21.8%	49.1%	(13.5%)	9.2%
net acquisition cost ratio (% of net premiums earned)	18.6%	22.3%	19.4%	20.2%	20.2%	18.9%
	279.2%	31.1%	41.2%	69.3%	6.7%	28.1%

Lancashire Holdings Limited
energy segment - underwriting statement

	q3 2017	q2 2017	q1 2017	q4 2016	q3 2016	full year 2016
underwriting income						
gross premiums written	\$ 24.4	\$ 46.6	\$ 25.8	\$ 23.6	\$ 14.1	\$ 126.0
outwards reinsurance premiums	(4.0)	(14.6)	(22.3)	0.5	(3.0)	(40.2)
net premiums written	20.4	32.0	3.5	24.1	11.1	85.8
change in unearned premiums	9.1	(22.7)	11.6	14.0	20.4	20.9
change in unearned premiums on premiums ceded	(6.6)	1.6	15.0	(9.0)	(8.7)	(1.2)
net premiums earned	\$ 22.9	\$ 10.9	\$ 30.1	\$ 29.1	\$ 22.8	\$ 105.5
underwriting expenses						
net insurance losses (recoveries)	4.8	(2.4)	13.4	6.4	3.8	41.5
net insurance acquisition expenses	8.8	7.2	11.8	12.5	10.5	47.6
total underwriting expenses	13.6	4.8	25.2	18.9	14.3	89.1
net underwriting income	\$ 9.3	\$ 6.1	\$ 4.9	\$ 10.2	\$ 8.5	\$ 16.4
net loss ratio (% of net premiums earned)	21.0%	(22.0%)	44.5%	22.0%	16.7%	39.3%
net acquisition cost ratio (% of net premiums earned)	38.4%	66.1%	39.2%	43.0%	46.1%	45.1%
	59.4%	44.1%	83.7%	65.0%	62.8%	84.4%

Lancashire Holdings Limited
marine segment - underwriting statement

	q3 2017	q2 2017	q1 2017	q4 2016	q3 2016	full year 2016
underwriting income (loss)						
gross premiums written	\$ 15.3	\$ 22.8	\$ 20.3	\$ 4.8	\$ 4.9	\$ 37.2
outwards reinsurance premiums	(1.7)	1.6	(10.4)	(0.1)	(0.5)	(8.3)
net premiums written	13.6	24.4	9.9	4.7	4.4	28.9
change in unearned premiums	0.3	(4.7)	(5.9)	6.7	5.0	6.6
change in unearned premiums on premiums ceded	(1.7)	(4.0)	7.8	(1.8)	(2.0)	(0.1)
net premiums earned	\$ 12.2	\$ 15.7	\$ 11.8	\$ 9.6	\$ 7.4	\$ 35.4
underwriting expenses						
net insurance losses (recoveries)	7.2	(5.5)	9.8	4.3	11.5	14.8
net insurance acquisition expenses	4.9	7.7	2.3	2.9	2.1	9.7
total underwriting expenses	12.1	2.2	12.1	7.2	13.6	24.5
net underwriting income (loss)	\$ 0.1	\$ 13.5	\$ (0.3)	\$ 2.4	\$ (6.2)	\$ 10.9
net loss ratio (% of net premiums earned)	59.0%	(35.0%)	83.1%	44.8%	155.4%	41.8%
net acquisition cost ratio (% of net premiums earned)	40.2%	49.0%	19.5%	30.2%	28.4%	27.4%
	99.2%	14.0%	102.6%	75.0%	183.8%	69.2%

Lancashire Holdings Limited
aviation segment - underwriting statement

	q3 2017	q2 2017	q1 2017	q4 2016	q3 2016	full year 2016
underwriting income						
gross premiums written	\$ 5.3	\$ 4.4	\$ 3.2	\$ 8.0	\$ 11.0	\$ 36.2
outwards reinsurance premiums	(1.0)	(3.0)	(3.8)	(1.1)	(1.3)	(9.5)
net premiums written	4.3	1.4	(0.6)	6.9	9.7	26.7
change in unearned premiums	1.3	0.8	3.1	0.7	(1.8)	0.6
change in unearned premiums on premiums ceded	(2.1)	0.6	1.2	(1.0)	(2.0)	(1.8)
net premiums earned	\$ 3.5	\$ 2.8	\$ 3.7	\$ 6.6	\$ 5.9	\$ 25.5
underwriting expenses						
net insurance (recoveries)	(0.4)	(0.9)	(0.5)	(0.5)	(0.4)	(1.2)
net insurance acquisition expenses	2.1	1.5	1.8	1.7	2.4	7.8
total underwriting expenses	1.7	0.6	1.3	1.2	2.0	6.6
net underwriting income	\$ 1.8	\$ 2.2	\$ 2.4	\$ 5.4	\$ 3.9	\$ 18.9
net loss ratio (% of net premiums earned)	(11.4%)	(32.1%)	(13.5%)	(7.6%)	(6.8%)	(4.7%)
net acquisition cost ratio (% of net premiums earned)	60.0%	53.6%	48.6%	25.8%	40.7%	30.6%
	48.6%	21.5%	35.1%	18.2%	33.9%	25.9%

Lancashire Holdings Limited
lloyd's segment - underwriting statement

	q3 2017	q2 2017	q1 2017	q4 2016	q3 2016	full year 2016
underwriting (loss) income						
gross premiums written	\$ 51.2	\$ 54.6	\$ 73.3	\$ 29.6	\$ 38.5	\$ 215.0
outwards reinsurance premiums	(18.7)	(6.5)	(32.7)	(1.4)	(7.0)	(55.0)
net premiums written	32.5	48.1	40.6	28.2	31.5	160.0
change in unearned premiums	12.9	(6.7)	(24.2)	26.6	18.5	12.6
change in unearned premiums on premiums ceded	(5.4)	(5.3)	21.1	(9.6)	(6.5)	0.6
net premiums earned	\$ 40.0	\$ 36.1	\$ 37.5	\$ 45.2	\$ 43.5	\$ 173.2
underwriting expenses						
net insurance losses	91.8	17.8	14.1	13.1	16.8	73.7
net insurance acquisition expenses	8.8	7.3	9.4	11.3	8.1	39.0
total underwriting expenses	100.6	25.1	23.5	24.4	24.9	112.7
net underwriting (loss) income	\$ (60.6)	\$ 11.0	\$ 14.0	\$ 20.8	\$ 18.6	\$ 60.5
net loss ratio (% of net premiums earned)	229.5%	49.3%	37.6%	29.0%	38.6%	42.6%
net acquisition cost ratio (% of net premiums earned)	22.0%	20.2%	25.1%	25.0%	18.6%	22.5%
	251.5%	69.5%	62.7%	54.0%	57.2%	65.1%

Lancashire Holdings Limited

total contribution from third party capital activities

	q3 2017	q2 2017	q1 2017	q4 2016	q3 2016	ytd 2017	ytd 2016	full year 2016
kinesis underwriting fees	\$ 2.2	\$ 0.7	\$ 0.7	\$ 1.1	\$ 2.2	\$ 3.6	\$ 3.3	\$ 4.4
kinesis profit commission	0.5	–	5.4	3.0	–	5.9	3.2	6.2
total kinesis	2.7	0.7	6.1	4.1	2.2	9.5	6.5	10.6
lloyd's managing agency fees	0.3	0.2	0.2	(0.5)	0.6	0.7	1.6	1.1
lloyd's consortium fees	0.1	0.1	0.3	1.2	0.2	0.5	0.5	1.7
lloyd's profit commission 2014 year of account	–	–	–	4.4	–	–	(0.1)	4.3
lloyd's profit commission 2015 year of account	–	0.3	–	1.1	–	0.3	1.7	2.8
total lloyd's	0.4	0.6	0.5	6.2	0.8	1.5	3.7	9.9
other income	\$ 3.1	\$ 1.3	\$ 6.6	\$ 10.3	\$ 3.0	\$ 11.0	\$ 10.2	\$ 20.5
share of (loss) profit of associate	\$ (13.1)	\$ 0.7	\$ 0.7	\$ 0.7	\$ 2.7	\$ (11.7)	\$ 4.4	\$ 5.1
total contribution from third party capital activities	\$ (10.0)	\$ 2.0	\$ 7.3	\$ 11.0	\$ 5.7	\$ (0.7)	\$ 14.6	\$ 25.6

Lancashire Holdings Limited
summary consolidated cash flows

cash flows	q3 2017	q2 2017	q1 2017	q4 2016	q3 2016	ytd 2017	ytd 2016	full year 2016
net cash flows from (used in) operating activities	\$ 12.0	\$ (2.6)	\$ (13.6)	\$ 8.4	\$ 23.9	\$ (4.2)	\$ 40.5	\$ 48.9
net cash flows from (used in) investing activities	3.1	(1.8)	16.6	167.3	(43.9)	17.9	1.4	168.7
net cash flows used in financing activities	(16.0)	(2.9)	(29.4)	(151.0)	(16.5)	(48.3)	(46.7)	(197.7)
net (decrease) increase in cash and cash equivalents	(0.9)	(7.3)	(26.4)	24.7	(36.5)	(34.6)	(4.8)	19.9
cash and cash equivalents opening	278.7	284.6	308.8	289.8	325.8	308.8	291.8	291.8
effect of exchange rate fluctuations	2.2	1.4	2.2	(5.7)	0.5	5.8	2.8	(2.9)
cash and cash equivalents closing	\$ 280.0	\$ 278.7	\$ 284.6	\$ 308.8	\$ 289.8	\$ 280.0	\$ 289.8	\$ 308.8

Lancashire Holdings Limited
summary consolidated balance sheets

	30 september 2017	30 june 2017	31 march 2017	31 december 2016	30 september 2016
assets					
cash and cash equivalents	\$ 280.0	\$ 278.7	\$ 284.6	\$ 308.8	\$ 289.8
accrued interest receivable	7.1	6.7	6.5	6.6	6.6
investments					
- fixed maturities - available for sale	1,494.7	1,482.0	1,446.6	1,446.2	1,645.0
- at fair value through profit or loss	25.7	25.7	52.9	51.6	25.4
- equity securities - available for sale	22.2	21.6	22.1	21.2	35.4
- hedge funds - at fair value through profit or loss	159.4	162.2	150.1	129.4	137.1
- other investments	0.3	(0.4)	-	-	-
reinsurance assets					
- unearned premiums on premiums ceded	69.3	92.8	114.3	33.9	67.7
- reinsurance recoveries	251.5	148.4	133.8	136.7	149.9
- other receivables	12.7	15.0	14.4	16.5	15.0
deferred acquisition costs	86.9	92.4	83.2	81.5	93.2
inwards premiums receivable from insureds and cedants	361.8	370.4	335.3	270.0	315.0
investment in associate	12.8	26.6	24.9	49.7	26.5
goodwill and other intangible assets	153.8	153.8	153.8	153.8	153.8
other assets	46.3	38.4	47.8	50.0	47.0
total assets	\$ 2,984.5	\$ 2,914.3	\$ 2,870.3	\$ 2,755.9	\$ 3,007.4
liabilities					
insurance contracts					
- losses and loss adjustment expenses	\$ 890.9	\$ 648.0	\$ 657.6	\$ 679.8	\$ 708.7
- unearned premiums	420.4	456.8	413.1	373.5	447.4
- other payables	55.2	47.7	39.9	37.4	38.9
amounts payable to reinsurers	83.0	86.0	116.1	52.7	64.2
deferred acquisition costs ceded	1.1	1.7	1.3	0.4	0.7
other payables	74.8	69.9	83.5	64.7	81.8
deferred tax liability	17.0	18.8	18.6	18.7	21.1
long-term debt	325.4	324.1	321.7	320.9	323.4
total liabilities	\$ 1,867.8	\$ 1,653.0	\$ 1,651.8	\$ 1,548.1	\$ 1,686.2
shareholders' equity					
share capital	100.7	100.7	100.7	100.7	100.7
own shares	(13.2)	(13.1)	(15.5)	(23.2)	(24.8)
other reserves	867.7	870.6	870.7	881.6	882.4
accumulated other comprehensive income (loss)	2.2	(0.3)	(2.6)	(6.4)	10.1
dividends	(29.9)	(19.9)	(19.9)	(178.9)	(29.8)
retained earnings	188.9	323.1	284.9	433.5	382.4
shareholders' equity attributable to Lancashire	\$ 1,116.4	\$ 1,261.1	\$ 1,218.3	\$ 1,207.3	\$ 1,321.0
non-controlling interests	0.3	0.2	0.2	0.5	0.2
total shareholders' equity	\$ 1,116.7	\$ 1,261.3	\$ 1,218.5	\$ 1,207.8	\$ 1,321.2
total liabilities and shareholders' equity	\$ 2,984.5	\$ 2,914.3	\$ 2,870.3	\$ 2,755.9	\$ 3,007.4
basic book value per share attributable to Lancashire	\$ 5.58	\$ 6.31	\$ 6.10	\$ 6.07	\$ 6.64
fully converted book value per share attributable to Lancashire	\$ 5.53	\$ 6.23	\$ 6.04	\$ 5.98	\$ 6.55
debt to total capital ratio	22.6%	20.4%	20.9%	21.0%	19.7%
debt to total tangible capital ratio	25.3%	22.6%	23.2%	23.3%	21.7%

Lancashire Holdings Limited
composition of investment portfolio

	30 september 2017	%	30 june 2017	%	31 march 2017	%	31 december 2016	%	30 september 2016	%
type of investment										
short-term investments	\$ 67.3	3.6%	\$ 56.4	3.0%	\$ 3.9	0.2%	\$ 5.3	0.3%	\$ 11.8	0.6%
fixed maturity funds	30.8	1.6%	12.1	0.6%	13.9	0.8%	14.5	0.8%	14.7	0.7%
U.S. treasuries	242.6	12.9%	252.5	13.5%	255.5	13.9%	305.5	16.6%	416.4	20.5%
other government bonds	71.4	3.8%	68.0	3.6%	71.7	3.9%	66.6	3.6%	67.5	3.3%
U.S. municipal bonds	6.0	0.3%	6.0	0.3%	2.3	0.1%	1.1	0.1%	4.0	0.2%
U.S. government agency debt	90.2	4.8%	92.9	5.0%	91.1	4.9%	81.9	4.4%	84.5	4.2%
asset backed securities	120.8	6.4%	126.2	6.7%	137.8	7.5%	110.2	6.0%	116.6	5.8%
U.S. government agency mortgage backed securities	136.8	7.3%	122.6	6.5%	121.2	6.6%	118.3	6.4%	158.4	7.8%
non-agency mortgage backed securities	12.0	0.6%	14.3	0.8%	15.0	0.8%	14.3	0.8%	15.8	0.8%
non-agency commercial mortgage backed securities	0.6	—	4.4	0.2%	7.0	0.4%	9.6	0.5%	13.4	0.7%
bank loans	110.7	5.9%	122.3	6.5%	123.7	6.7%	121.6	6.6%	118.2	5.8%
corporate bonds	605.5	32.1%	604.3	32.3%	603.5	32.7%	597.3	32.5%	623.7	30.7%
total fixed maturities - available for sale	1,494.7	79.3%	1,482.0	79.0%	1,446.6	78.5%	1,446.2	78.6%	1,645.0	81.1%
fixed maturities - at fair value through profit or loss	25.7	1.4%	25.7	1.4%	52.9	2.9%	51.6	2.8%	25.4	1.3%
equity securities - available for sale	22.2	1.2%	21.6	1.2%	22.1	1.2%	21.2	1.2%	35.4	1.7%
hedge funds - at fair value through profit or loss	159.4	8.5%	162.2	8.6%	150.1	8.1%	129.4	7.0%	137.1	6.8%
other investments	0.3	—	(0.4)	—	—	—	—	—	—	—
managed cash	181.1	9.6%	184.5	9.8%	170.6	9.3%	192.1	10.4%	184.8	9.1%
total investments	\$ 1,883.4	100.0%	\$ 1,875.6	100.0%	\$ 1,842.3	100.0%	\$ 1,840.5	100.0%	\$ 2,027.7	100.0%
credit quality of fixed maturities - available for sale										
AAA	236.4	15.8%	224.9	15.2%	180.4	12.5%	169.2	11.7%	175.3	10.7%
AA+, AA, AA-	622.0	41.7%	620.5	41.9%	637.4	44.0%	659.2	45.6%	826.2	50.2%
A+, A, A-	270.9	18.1%	267.3	18.0%	274.5	19.0%	273.4	18.9%	287.2	17.4%
BBB+, BBB, BBB-	259.0	17.3%	253.6	17.1%	235.5	16.3%	229.4	15.8%	246.7	15.0%
other	106.4	7.1%	115.7	7.8%	118.8	8.2%	115.0	8.0%	109.6	6.7%
\$	1,494.7	100.0%	\$ 1,482.0	100.0%	\$ 1,446.6	100.0%	\$ 1,446.2	100.0%	\$ 1,645.0	100.0%
corporate bonds & bank loans (AFS) and fixed maturities (FVTPL)										
industrials	\$ 399.0	53.8%	\$ 410.0	54.4%	\$ 422.5	54.1%	\$ 425.4	55.2%	\$ 442.2	57.6%
financials	306.5	41.3%	299.3	39.8%	314.9	40.4%	300.9	39.1%	284.0	37.0%
utilities	33.7	4.5%	42.6	5.7%	42.0	5.4%	43.7	5.7%	40.9	5.4%
supranationals	2.7	0.4%	0.4	0.1%	0.7	0.1%	0.5	—	0.2	—
\$	741.9	100.0%	\$ 752.3	100.0%	\$ 780.1	100.0%	\$ 770.5	100.0%	\$ 767.3	100.0%
quarterly net return including the impact of internal FX hedges		0.6%		0.8%		0.7%		(0.1%)		0.6%
quarterly net return excluding the impact of internal FX hedges		0.8%		1.0%		0.7%		(0.3%)		0.5%
rolling 12 month net return including the impact of internal FX hedges		2.0%		1.9%		2.0%		2.1%		2.1%
rolling 12 month net return excluding the impact of internal FX hedges		2.2%		2.0%		1.8%		1.8%		1.9%
average book yield of fixed maturities and managed cash		2.0%		2.0%		1.9%		1.8%		1.7%
average market yield of fixed maturities and managed cash		2.0%		2.0%		2.0%		1.9%		1.5%
average duration of fixed maturities and managed cash		1.9 years		2.0 years		1.9 years		1.9 years		1.9 years
average duration of fixed maturities, managed cash and derivative instruments		1.8 years		1.8 years		1.8 years		1.8 years		1.7 years
average credit quality of fixed maturities and managed cash		A+		A+		A+		A+		AA-
average credit quality of fixed maturities only		A+		A+		A+		A+		AA-

Lancashire Holdings Limited
corporate & global bond holdings

30 september 2017

	par value units	estimated fair value	accrued interest	unrealised gain	credit quality ⁽¹⁾
top twenty corporate holdings by issuer					
KKR Wolverine I Ltd	25.7	\$ 25.7	\$ 0.2	–	A-
Citigroup Inc.	13.2	13.3	0.1	–	A
Morgan Stanley	11.5	11.7	0.1	0.1	BBB+
Bank of America Corporation	11.5	11.6	0.1	0.1	BBB+
American Express Company	10.5	10.5	0.1	–	A-
Wells Fargo & Company	10.1	10.1	0.1	–	AA-
The PNC Financial Services Group, Inc.	8.2	8.2	–	–	A
British American Tobacco p.l.c.	8.0	8.1	–	–	BBB+
JPMorgan Chase & Co.	7.5	7.6	–	0.1	A-
Anheuser-Busch InBev	7.4	7.5	–	–	A-
Westpac Banking Corporation	7.2	7.3	–	–	AA-
UBS Group AG	6.7	7.1	0.1	0.2	A-
Apple Inc.	6.9	6.9	–	–	AA+
Caterpillar Inc.	6.8	6.8	–	–	A
Commonwealth Bank of Australia	6.6	6.7	–	–	AA-
Royal Bank of Canada	6.5	6.6	–	0.1	AA
BNP Paribas	6.1	6.3	0.1	0.1	A-
International Business Machines Corporation	6.2	6.2	–	–	A+
Reckitt Benckiser Group PLC	6.2	6.2	–	–	A-
BP p.l.c.	6.0	6.2	–	0.1	A-
		<u>\$ 180.6</u>	<u>\$ 0.9</u>	<u>\$ 0.8</u>	<u>A-</u>

top twenty holdings as a % of corporate bonds (AFS) and fixed maturities (FVTPL)

28.6%

30 september 2017

	financials	other industries	total ⁽²⁾	other government bonds
bonds by country				
United States	\$ 183.1	\$ 359.9	\$ 543.0	–
United Kingdom	14.0	19.6	33.6	2.0
Canada	18.2	14.4	32.6	19.1
Netherlands	12.8	9.6	22.4	7.4
France	15.1	5.2	20.3	5.3
Germany	8.1	11.5	19.6	16.2
Australia	17.6	0.2	17.8	1.0
Japan	11.6	3.2	14.8	–
Sweden	6.9	–	6.9	5.0
Luxembourg	1.6	4.0	5.6	–
Italy	4.5	–	4.5	–
Switzerland	3.5	0.3	3.8	–
Spain	3.3	–	3.3	–
Ireland	2.1	0.5	2.6	–
Norway	2.5	–	2.5	2.1
Denmark	1.9	–	1.9	3.4
Hong Kong	–	1.7	1.7	–
Belgium	1.0	0.2	1.2	–
India	0.9	–	0.9	2.3
Austria	–	0.2	0.2	1.8
Russian Federation	–	–	–	2.0
Finland	–	–	–	1.5
Other	0.5	2.2	2.7	2.3
	<u>\$ 309.2</u>	<u>\$ 432.7</u>	<u>\$ 741.9</u>	<u>\$ 71.4</u>

⁽¹⁾ credit quality is calculated based on the weighted average credit ratings of the underlying debt securities

⁽²⁾ includes corporate bonds & bank loans (AFS) and fixed maturities (FVTPL)

net losses and loss ratios

total	q3 2017	q2 2017	q1 2017	q4 2016	q3 2016	full year 2016
net reserves: start	\$ 499.6	\$ 523.8	\$ 543.1	\$ 558.8	\$ 572.6	\$ 587.1
paid losses	72.4	43.8	67.7	49.1	43.4	184.1
change in prior AY ⁽¹⁾	(19.9)	(27.2)	(10.6)	(23.9)	(4.9)	(85.8)
current year incurred losses	228.6	39.1	54.8	65.7	32.6	228.3
foreign exchange	3.5	7.7	4.2	(8.4)	1.9	(2.4)
net reserves: end	\$ 639.4	\$ 499.6	\$ 523.8	\$ 543.1	\$ 558.8	\$ 543.1
net premiums earned	119.0	98.3	117.1	128.2	109.3	488.1
net loss ratio	175.4%	12.1%	37.7%	32.6%	25.3%	29.2%
IBNR as % of net reserves	53.9%	36.2%	35.7%	34.6%	37.0%	34.6%

property	q3 2017	q2 2017	q1 2017	q4 2016	q3 2016	full year 2016
net reserves: start	\$ 118.3	\$ 128.6	\$ 125.8	\$ 116.4	\$ 124.4	\$ 147.1
paid losses	2.4	18.4	7.3	5.4	6.2	38.6
change in prior AY ⁽¹⁾	(7.5)	(3.7)	(6.5)	(6.0)	(9.0)	(36.6)
current year incurred losses	112.8	6.6	13.9	24.5	5.0	50.3
foreign exchange	0.9	5.2	2.7	(3.7)	2.2	3.6
net reserves: end	\$ 222.1	\$ 118.3	\$ 128.6	\$ 125.8	\$ 116.4	\$ 125.8
net premiums earned	40.4	32.8	34.0	37.7	29.7	148.5
net loss ratio	260.6%	8.8%	21.8%	49.1%	(13.5%)	9.2%

energy	q3 2017	q2 2017	q1 2017	q4 2016	q3 2016	full year 2016
net reserves: start	\$ 146.2	\$ 155.8	\$ 178.5	\$ 189.6	\$ 195.5	\$ 178.0
paid losses	29.4	7.2	36.3	16.5	10.0	41.8
change in prior AY ⁽¹⁾	(5.9)	(8.6)	(1.6)	3.4	(3.0)	(17.3)
current year incurred losses	10.7	6.2	15.0	3.0	6.8	58.8
foreign exchange	0.4	–	0.2	(1.0)	0.3	0.8
net reserves: end	\$ 122.0	\$ 146.2	\$ 155.8	\$ 178.5	\$ 189.6	\$ 178.5
net premiums earned	22.9	10.9	30.1	29.1	22.8	105.5
net loss ratio	21.0%	(22.0%)	44.5%	22.0%	16.7%	39.3%

⁽¹⁾ AY = accident year

Lancashire Holdings Limited
net losses and loss ratios (cont.)

	q3 2017	q2 2017	q1 2017	q4 2016	q3 2016	full year 2016
marine						
net reserves: start	\$ 69.6	\$ 76.9	\$ 70.5	\$ 69.9	\$ 62.4	\$ 68.1
paid losses	11.4	2.3	3.6	2.8	4.3	12.0
change in prior AY ⁽¹⁾	(3.1)	(9.3)	(2.2)	(0.6)	8.0	(1.9)
current year incurred losses	10.3	3.8	12.0	4.9	3.5	16.7
foreign exchange	0.3	0.5	0.2	(0.9)	0.3	(0.4)
net reserves: end	\$ 65.7	\$ 69.6	\$ 76.9	\$ 70.5	\$ 69.9	\$ 70.5
net premiums earned	12.2	15.7	11.8	9.6	7.4	35.4
net loss ratio	59.0%	(35.0%)	83.1%	44.8%	155.4%	41.8%
	q3 2017	q2 2017	q1 2017	q4 2016	q3 2016	full year 2016
aviation						
net reserves: start	\$ 2.6	\$ 4.3	\$ 4.7	\$ 5.3	\$ 5.8	\$ 16.2
paid losses	–	0.8	–	0.1	0.1	10.3
change in prior AY ⁽¹⁾	(0.7)	(0.7)	(1.0)	(0.7)	(0.8)	(3.9)
current year incurred losses	0.3	(0.2)	0.5	0.2	0.4	2.7
foreign exchange	–	–	0.1	–	–	–
net reserves: end	\$ 2.2	\$ 2.6	\$ 4.3	\$ 4.7	\$ 5.3	\$ 4.7
net premiums earned	3.5	2.8	3.7	6.6	5.9	25.5
net loss ratio	(11.4%)	(32.1%)	(13.5%)	(7.6%)	(6.8%)	(4.7%)
	q3 2017	q2 2017	q1 2017	q4 2016	q3 2016	full year 2016
lloyd's						
net reserves: start	\$ 162.9	\$ 158.2	\$ 163.6	\$ 177.6	\$ 184.5	\$ 177.7
paid losses	29.2	15.1	20.5	24.3	22.8	81.4
change in prior AY ⁽¹⁾	(2.7)	(4.9)	0.7	(20.0)	(0.1)	(26.1)
current year incurred losses	94.5	22.7	13.4	33.1	16.9	99.8
foreign exchange	1.9	2.0	1.0	(2.8)	(0.9)	(6.4)
net reserves: end	\$ 227.4	\$ 162.9	\$ 158.2	\$ 163.6	\$ 177.6	\$ 163.6
net premiums earned	40.0	36.1	37.5	45.2	43.5	173.2
net loss ratio	229.5%	49.3%	37.6%	29.0%	38.6%	42.6%

⁽¹⁾ AY = accident year

Lancashire Holdings Limited
losses by accident year excluding Lloyd's

gross losses excluding Lloyd's segment

accident year	2007 & prior	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
estimate of ultimate liability:											
at end of accident year	228.6	444.6	163.3	297.4	397.0	250.3	176.9	138.1	173.5	177.9	–
one year later	163.2	417.4	107.8	209.4	371.9	290.9	155.6	100.5	124.9	–	–
two years later	131.1	377.5	73.1	204.2	362.3	290.1	129.4	88.0	–	–	–
three years later	122.0	345.1	66.0	204.4	381.1	282.8	134.9	–	–	–	–
four years later	107.9	340.8	64.7	197.4	396.6	270.7	–	–	–	–	–
five years later	105.0	346.9	62.6	201.8	388.3	–	–	–	–	–	–
six years later	106.6	343.6	61.2	201.1	–	–	–	–	–	–	–
seven years later	107.3	347.1	82.1	–	–	–	–	–	–	–	–
eight years later	106.6	347.1	–	–	–	–	–	–	–	–	–
nine years later	107.9	–	–	–	–	–	–	–	–	–	–
as at 31 december 2016	\$ 107.9	\$ 347.1	\$ 82.1	\$ 201.1	\$ 388.3	\$ 270.7	\$ 134.9	\$ 88.0	\$ 124.9	\$ 177.9	–
as at 30 september 2017	\$ 107.1	\$ 347.0	\$ 82.5	\$ 200.9	\$ 387.8	\$ 267.3	\$ 133.2	\$ 85.3	\$ 113.5	\$ 175.7	\$ 233.3
payments made	(103.2)	(339.0)	(56.8)	(192.5)	(366.6)	(234.0)	(119.1)	(71.6)	(87.4)	(41.0)	(2.4)
total gross liability	\$ 3.9	\$ 8.0	\$ 25.7	\$ 8.4	\$ 21.2	\$ 33.3	\$ 14.1	\$ 13.7	\$ 26.1	\$ 134.7	\$ 230.9
accident year gross loss ratio ⁽¹⁾	10.7%	51.0%	12.7%	30.6%	61.0%	36.7%	20.4%	14.3%	24.1%	40.7%	73.8%

net losses excluding Lloyd's segment

accident year	2007 & prior	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
estimate of ultimate liability:											
at end of accident year	225.0	403.9	161.7	263.6	340.8	201.4	176.9	138.1	165.8	127.3	–
one year later	157.0	370.3	106.5	185.8	319.3	182.7	155.6	100.5	117.3	–	–
two years later	127.1	334.4	72.4	180.1	310.1	181.9	129.5	88.0	–	–	–
three years later	118.5	304.2	65.3	179.9	324.8	174.5	134.9	–	–	–	–
four years later	104.6	302.7	64.0	172.8	325.6	162.5	–	–	–	–	–
five years later	101.9	307.7	62.0	177.0	317.4	–	–	–	–	–	–
six years later	103.4	304.8	60.7	176.6	–	–	–	–	–	–	–
seven years later	104.1	307.7	81.6	–	–	–	–	–	–	–	–
eight years later	103.4	307.2	–	–	–	–	–	–	–	–	–
nine years later	104.7	–	–	–	–	–	–	–	–	–	–
as at 31 december 2016	\$ 104.7	\$ 307.2	\$ 81.6	\$ 176.6	\$ 317.4	\$ 162.5	\$ 134.9	\$ 88.0	\$ 117.3	\$ 127.3	–
as at 30 september 2017	\$ 104.0	\$ 307.1	\$ 82.0	\$ 176.4	\$ 315.6	\$ 159.1	\$ 133.2	\$ 85.3	\$ 105.8	\$ 109.2	\$ 191.4
payments made	(100.1)	(300.3)	(56.3)	(169.4)	(296.8)	(125.8)	(119.1)	(71.6)	(79.7)	(35.8)	(2.2)
total net liability	\$ 3.9	\$ 6.8	\$ 25.7	\$ 7.0	\$ 18.8	\$ 33.3	\$ 14.1	\$ 13.7	\$ 26.1	\$ 73.4	\$ 189.2
accident year net loss ratio ⁽¹⁾	12.2%	50.6%	13.8%	28.7%	54.9%	27.3%	25.2%	17.0%	28.7%	34.7%	86.9%
initial accident year net loss ratio	22.3%	66.5%	27.2%	42.9%	59.3%	34.6%	33.5%	27.5%	44.9%	40.4%	n/a
reduction in net loss ratio post accident year end	10.1%	15.9%	13.4%	14.2%	4.4%	7.3%	8.3%	10.5%	16.2%	5.7%	n/a

⁽¹⁾ accident year loss ratio is calculated using the ultimate liability revalued at the current balance sheet date

Lancashire Holdings Limited

losses by accident year - lloyd's

gross losses lloyd's segment

<u>accident year</u>	<u>2007 & prior</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
estimate of ultimate lloyd's segment liability: at acquisition ⁽²⁾	41.4	8.8	25.0	31.4	89.2	64.5	71.2				
at end of accident year							103.1	136.7	102.5	120.6	–
one year later						59.5	104.2	126.2	89.7	–	–
two years later					84.7	48.7	94.6	118.0	–	–	–
three years later				31.4	69.3	44.1	89.5	–	–	–	–
four years later			24.4	32.0	63.4	42.6	–	–	–	–	–
five years later		8.7	19.1	29.6	62.4	–	–	–	–	–	–
six years later	41.6	7.3	11.7	28.7	–	–	–	–	–	–	–
seven years later	39.1	6.5	8.7	–	–	–	–	–	–	–	–
eight years later	36.5	5.4	–	–	–	–	–	–	–	–	–
nine years later	34.5	–	–	–	–	–	–	–	–	–	–
as at 31 december 2016	\$ 34.5	\$ 5.4	\$ 8.7	\$ 28.7	\$ 62.4	\$ 42.6	\$ 89.5	\$ 118.0	\$ 89.7	\$ 120.6	–
as at 30 september 2017	\$ 34.8	\$ 5.4	\$ 6.9	\$ 28.5	\$ 63.1	\$ 42.9	\$ 89.7	\$ 117.1	\$ 84.3	\$ 128.0	\$ 218.5
payments made	(9.8)	(2.4)	(3.1)	(21.4)	(51.7)	(31.4)	(80.2)	(94.2)	(62.8)	(69.8)	(21.5)
total gross liability	\$ 25.0	\$ 3.0	\$ 3.8	\$ 7.1	\$ 11.4	\$ 11.5	\$ 9.5	\$ 22.9	\$ 21.5	\$ 58.2	\$ 197.0
accident year gross loss ratio ⁽¹⁾							58.6%	42.5%	33.6%	56.2%	135.6%

net losses lloyd's segment

<u>accident year</u>	<u>2007 & prior</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
estimate of ultimate lloyd's segment liability: at acquisition ⁽²⁾	15.4	7.4	15.8	22.7	47.8	49.8	65.3				
at end of accident year							93.2	118.9	94.9	98.1	–
one year later						45.9	95.3	112.1	85.1	–	–
two years later					44.5	34.9	85.7	104.9	–	–	–
three years later				22.4	36.7	31.2	81.5	–	–	–	–
four years later			15.1	22.2	31.1	29.6	–	–	–	–	–
five years later		7.2	12.7	19.8	30.5	–	–	–	–	–	–
six years later	15.7	6.3	9.7	17.5	–	–	–	–	–	–	–
seven years later	13.1	5.5	6.7	–	–	–	–	–	–	–	–
eight years later	10.9	4.4	–	–	–	–	–	–	–	–	–
nine years later	9.9	–	–	–	–	–	–	–	–	–	–
as at 31 december 2016	\$ 9.9	\$ 4.4	\$ 6.7	\$ 17.5	\$ 30.5	\$ 29.6	\$ 81.5	\$ 104.9	\$ 85.1	\$ 98.1	–
as at 30 september 2017	\$ 10.3	\$ 4.3	\$ 6.0	\$ 16.8	\$ 30.6	\$ 29.9	\$ 81.6	\$ 104.3	\$ 79.3	\$ 102.3	\$ 131.4
payments made	(5.8)	(1.9)	(4.1)	(10.3)	(24.1)	(21.9)	(72.7)	(86.2)	(60.4)	(60.4)	(21.6)
total net liability	\$ 4.5	\$ 2.4	\$ 1.9	\$ 6.5	\$ 6.5	\$ 8.0	\$ 8.9	\$ 18.1	\$ 18.9	\$ 41.9	\$ 109.8
accident year net loss ratio ⁽¹⁾							67.8%	48.7%	40.0%	59.1%	115.7%
initial accident year net loss ratio							70.1%	55.5%	47.9%	56.6%	n/a
reduction in net loss ratio post accident year end							2.3%	6.8%	7.9%	(2.5%)	n/a

⁽¹⁾ accident year loss ratio is calculated using the ultimate liability revalued at the current balance sheet date

⁽²⁾ accident year loss allocations for the lloyd's segment at acquisition and at 31 December 2013 have been re-estimated to bring in line with the Lancashire Group methodology

Lancashire Holdings Limited
losses by accident year - group

gross losses group

accident year	2007 & prior	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
estimate of ultimate liability:											
at end of accident year	228.6	444.6	163.3	297.4	397.0	250.3	280.0	274.8	276.0	298.5	–
one year later	163.2	417.4	107.8	209.4	371.9	350.4	259.8	226.7	214.6	–	–
two years later	131.1	377.5	73.1	204.2	447.0	338.8	224.0	206.0	–	–	–
three years later	122.0	345.1	66.0	235.8	450.4	326.9	224.4	–	–	–	–
four years later	107.9	340.8	89.1	229.4	460.0	313.3	–	–	–	–	–
five years later	105.0	355.6	81.7	231.4	450.7	–	–	–	–	–	–
six years later	148.2	350.9	72.9	229.8	–	–	–	–	–	–	–
seven years later	146.4	353.6	90.8	–	–	–	–	–	–	–	–
eight years later	143.1	352.5	–	–	–	–	–	–	–	–	–
nine years later	142.4	–	–	–	–	–	–	–	–	–	–
as at 31 december 2016	\$ 142.4	\$ 352.5	\$ 90.8	\$ 229.8	\$ 450.7	\$ 313.3	\$ 224.4	\$ 206.0	\$ 214.6	\$ 298.5	–
as at 30 september 2017	\$ 141.9	\$ 352.4	\$ 89.4	\$ 229.4	\$ 450.9	\$ 310.2	\$ 222.9	\$ 202.4	\$ 197.8	\$ 303.7	\$ 451.8
payments made	(113.0)	(341.4)	(59.9)	(213.9)	(418.3)	(265.4)	(199.3)	(165.8)	(150.2)	(110.8)	(23.9)
total gross liability	\$ 28.9	\$ 11.0	\$ 29.5	\$ 15.5	\$ 32.6	\$ 44.8	\$ 23.6	\$ 36.6	\$ 47.6	\$ 192.9	\$ 427.9
accident year gross loss ratio ⁽¹⁾							23.2%	23.2%	27.4%	46.0%	94.7%

net losses group

accident year	2007 & prior	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
estimate of ultimate liability:											
at end of accident year	225.0	403.9	161.7	263.6	340.8	201.4	270.1	257.0	260.7	225.4	–
one year later	157.0	370.3	106.5	185.8	319.3	228.6	250.9	212.6	202.4	–	–
two years later	127.1	334.4	72.4	180.1	354.6	216.8	215.2	192.9	–	–	–
three years later	118.5	304.2	65.3	202.3	361.5	205.7	216.4	–	–	–	–
four years later	104.6	302.7	79.1	195.0	356.7	192.1	–	–	–	–	–
five years later	101.9	314.9	74.7	196.8	347.9	–	–	–	–	–	–
six years later	119.1	311.1	70.4	194.1	–	–	–	–	–	–	–
seven years later	117.2	313.2	88.3	–	–	–	–	–	–	–	–
eight years later	114.3	311.6	–	–	–	–	–	–	–	–	–
nine years later	114.6	–	–	–	–	–	–	–	–	–	–
as at 31 december 2016	\$ 114.6	\$ 311.6	\$ 88.3	\$ 194.1	\$ 347.9	\$ 192.1	\$ 216.4	\$ 192.9	\$ 202.4	\$ 225.4	–
as at 30 september 2017	\$ 114.3	\$ 311.4	\$ 88.0	\$ 193.2	\$ 346.2	\$ 189.0	\$ 214.8	\$ 189.6	\$ 185.1	\$ 211.5	\$ 322.8
payments made	(105.9)	(302.2)	(60.4)	(179.7)	(320.9)	(147.7)	(191.8)	(157.8)	(140.1)	(96.2)	(23.8)
total net liability	\$ 8.4	\$ 9.2	\$ 27.6	\$ 13.5	\$ 25.3	\$ 41.3	\$ 23.0	\$ 31.8	\$ 45.0	\$ 115.3	\$ 299.0
accident year net loss ratio ⁽¹⁾							28.2%	26.5%	32.6%	43.3%	96.7%
initial accident year net loss ratio							36.1%	35.9%	46.0%	46.2%	n/a
reduction in net loss ratio post accident year end							7.9%	9.4%	13.4%	2.9%	n/a

⁽¹⁾ accident year loss ratio is calculated using the ultimate liability revalued at the current balance sheet date

Lancashire Holdings Limited
estimated exposures to peak zone elemental losses

zones	perils	1 october 2017 ⁽²⁾ 100 year return period		1 october 2017 ⁽²⁾ 250 year return period	
		estimated gross loss	estimated net loss	estimated gross loss	estimated net loss
gulf of mexico ⁽¹⁾	hurricane	\$ 352.1	\$ 162.2	\$ 534.3	\$ 241.7
non gulf of mexico - US	hurricane	401.1	130.4	727.3	293.3
california	earthquake	263.3	84.6	473.1	163.9
pacific northwest	earthquake	38.5	22.8	199.8	71.5
pan-european	windstorm	244.2	74.4	389.2	123.0
japan	earthquake	107.0	40.7	308.0	76.7
japan	typhoon	170.1	50.3	280.1	66.0

THE GROUP HAS DEVELOPED THE ESTIMATES OF LOSSES EXPECTED FROM CERTAIN CATASTROPHES FOR ITS PORTFOLIO OF PROPERTY AND ENERGY CONTRACTS USING COMMERCIALY AVAILABLE CATASTROPHE MODELS, WHICH ARE APPLIED AND ADJUSTED BY THE GROUP. THESE ESTIMATES INCLUDE ASSUMPTIONS REGARDING THE LOCATION, SIZE AND MAGNITUDE OF AN EVENT, THE FREQUENCY OF EVENTS, THE CONSTRUCTION TYPE AND DAMAGEABILITY OF PROPERTY IN A ZONE, AND THE COST OF REBUILDING PROPERTY IN A ZONE, AMONG OTHER ASSUMPTIONS. RETURN PERIOD REFERS TO THE FREQUENCY WITH WHICH LOSSES OF A GIVEN AMOUNT OR GREATER ARE EXPECTED TO OCCUR.

GROSS LOSS ESTIMATES ARE NET OF REINSTATEMENT PREMIUMS AND GROSS OF OUTWARD REINSURANCE, BEFORE INCOME TAX. NET LOSS ESTIMATES ARE NET OF REINSTATEMENT PREMIUMS AND NET OF OUTWARD REINSURANCE, BEFORE INCOME TAX.

THE ESTIMATES OF LOSSES ABOVE ARE BASED ON ASSUMPTIONS THAT ARE INHERENTLY SUBJECT TO SIGNIFICANT UNCERTAINTIES AND CONTINGENCIES. IN PARTICULAR, MODELLED LOSS ESTIMATES DO NOT NECESSARILY ACCURATELY PREDICT ACTUAL LOSSES, AND MAY SIGNIFICANTLY DEVIATE FROM ACTUAL LOSSES. SUCH ESTIMATES, THEREFORE, SHOULD NOT BE CONSIDERED AS A REPRESENTATION OF ACTUAL LOSSES AND INVESTORS SHOULD NOT RELY ON THE ESTIMATED EXPOSURE INFORMATION WHEN CONSIDERING INVESTMENT IN THE GROUP. THE GROUP UNDERTAKES NO DUTY TO UPDATE OR REVISE SUCH INFORMATION TO REFLECT THE OCCURRENCE OF FUTURE EVENTS.

⁽¹⁾ landing hurricane from florida to texas

⁽²⁾ gross and net losses include lloyd's segment

Lancashire Holdings Limited
earnings per share



	q3 2017	q3 2016	ytd 2017	ytd 2016	full year 2016
basic (loss) earnings per share:					
(loss) profit after tax attributable to Lancashire	\$ (134.2)	\$ 42.9	\$ (65.7)	\$ 102.7	\$ 153.8
net operating (loss) income attributable to Lancashire	\$ (139.0)	\$ 40.1	\$ (82.9)	\$ 98.1	\$ 144.0
dilutive shares					
weighted average shares outstanding - basic	199,958,916	198,678,240	199,635,748	198,473,911	198,565,378
dilutive effect of restricted stock	1,874,011	2,841,194	1,835,034	2,828,292	2,901,049
weighted average & equivalent shares outstanding - diluted	<u>201,832,927</u>	<u>201,519,434</u>	<u>201,470,782</u>	<u>201,302,203</u>	<u>201,466,427</u>
basic (loss) earnings per share attributable to Lancashire	<u>\$ (0.67)</u>	<u>\$ 0.22</u>	<u>\$ (0.33)</u>	<u>\$ 0.52</u>	<u>\$ 0.77</u>
diluted (loss) earnings per share attributable to Lancashire	<u>\$ (0.67)</u>	<u>\$ 0.21</u>	<u>\$ (0.33)</u>	<u>\$ 0.51</u>	<u>\$ 0.76</u>
diluted operating (loss) earnings per share attributable to Lancashire	<u>\$ (0.69)</u>	<u>\$ 0.20</u>	<u>\$ (0.41)</u>	<u>\$ 0.49</u>	<u>\$ 0.71</u>

Lancashire Holdings Limited
basic and fully converted book value per share

	30 september 2017	30 june 2017	31 march 2017	31 december 2016	30 september 2016
numerator (\$ in millions):					
shareholders' equity attributable to Lancashire	\$ 1,116.4	\$ 1,261.1	\$ 1,218.3	\$ 1,207.3	\$ 1,321.0
book value numerator	\$ 1,116.4	\$ 1,261.1	\$ 1,218.3	\$ 1,207.3	\$ 1,321.0
deduction for goodwill and other intangible assets	\$ 153.8	\$ 153.8	\$ 153.8	\$ 153.8	\$ 153.8
tangible book value numerator	\$ 962.6	\$ 1,107.3	\$ 1,064.5	\$ 1,053.5	\$ 1,167.2
denominator (in shares):					
common voting shares outstanding	199,959,265	199,958,275	199,749,615	198,877,892	198,805,323
shares relating to dilutive restricted stock	1,854,456	2,432,247	1,934,015	2,941,316	2,941,447
fully converted book value denominator	201,813,721	202,390,522	201,683,630	201,819,208	201,746,770
basic book value per share attributable to Lancashire	\$ 5.58	\$ 6.31	\$ 6.10	\$ 6.07	\$ 6.64
fully converted book value per share attributable to Lancashire	\$ 5.53	\$ 6.23	\$ 6.04	\$ 5.98	\$ 6.55
tangible basic book value per share attributable to Lancashire	\$ 4.81	\$ 5.54	\$ 5.33	\$ 5.30	\$ 5.87
tangible fully converted book value per share attributable to Lancashire	\$ 4.77	\$ 5.47	\$ 5.28	\$ 5.22	\$ 5.79
dividend per common share	\$ 0.05	–	\$ 0.10	\$ 0.75	\$ 0.05
change in FCBVS adj for dividends ⁽¹⁾ - quarter	(10.4%)	3.2%	2.7%	2.8%	3.1%
change in FCBVS adj for dividends ⁽¹⁾ - rolling 12 months	(2.0%)	12.2%	12.3%	13.5%	14.4%
compound annual change in FCBVS adj for dividends ⁽¹⁾	17.9%	18.3%	18.4%	18.4%	18.5%
compound annual change in FCBVS adj for dividends ⁽¹⁾ - above 3 month treasury	16.8%	17.3%	17.3%	17.4%	17.4%
change in FCBVS adj for dividends ⁽¹⁾ - since inception	589.3%	591.7%	565.5%	541.1%	517.8%
change in FCBVS excluding warrant exercises adj for dividends ⁽¹⁾ - quarter	(10.4%)	3.2%	2.7%	2.8%	3.1%
change in FCBVS excluding warrant exercises adj for dividends ⁽¹⁾ - rolling 12 months	(0.8%)	11.8%	11.9%	13.0%	14.2%
compound annual change in FCBVS excluding warrant exercises adj for dividends ⁽¹⁾	18.0%	18.5%	18.5%	18.6%	18.6%
compound annual change in FCBVS excluding warrant exercises adj for dividends ⁽¹⁾ - above 3 month treasury	17.0%	17.5%	17.5%	17.6%	17.6%
change in tangible FCBVS adj for dividends ⁽¹⁾ - quarter	(11.9%)	3.6%	3.1%	3.1%	3.7%
change in tangible FCBVS adj for dividends ⁽¹⁾ - rolling 12 months	(2.3%)	14.2%	14.1%	15.7%	16.7%

⁽¹⁾ change in fully converted book value per share ("FCBVS") adjusted for dividends is the internal rate of return of the change in fully converted book value per share in the period plus dividends accrued

Cathedral Capital Limited
summary consolidated income statements

	q3 2017	q2 2017	q1 2017	q4 2016	q3 2016	ytd 2017	ytd 2016	full year 2016
gross premiums written	\$ 51.2	\$ 54.6	\$ 73.3	\$ 29.6	\$ 38.5	\$ 179.1	\$ 185.4	\$ 215.0
outwards reinsurance premiums	(18.7)	(6.5)	(32.7)	(1.4)	(7.0)	(57.9)	(53.6)	(55.0)
net premiums written	32.5	48.1	40.6	28.2	31.5	121.2	131.8	160.0
change in unearned premiums	12.9	(6.7)	(24.2)	26.6	18.5	(18.0)	(14.0)	12.6
change in unearned premiums on premiums ceded	(5.4)	(5.3)	21.1	(9.6)	(6.5)	10.4	10.2	0.6
net premiums earned	40.0	36.1	37.5	45.2	43.5	113.6	128.0	173.2
net investment income	1.1	1.0	0.7	0.8	0.9	2.8	2.9	3.7
net realised gains (losses) and impairments	(0.1)	0.9	–	(0.9)	0.2	0.8	(0.2)	(1.1)
other income	0.4	0.6	0.5	6.2	0.8	1.5	3.7	9.9
net foreign exchange gains (losses)	0.9	(0.9)	0.1	1.9	1.0	0.1	8.6	10.5
total net revenue	42.3	37.7	38.8	53.2	46.4	118.8	143.0	196.2
insurance losses	177.8	21.3	14.5	4.3	23.2	213.6	88.0	92.3
insurance losses recoverable	(86.0)	(3.5)	(0.4)	8.8	(6.4)	(89.9)	(27.4)	(18.6)
net insurance acquisition expenses	8.8	7.3	9.4	11.3	8.1	25.5	27.7	39.0
equity based compensation	(0.3)	0.2	(2.0)	0.4	(1.3)	(2.1)	0.5	0.9
other operating expenses	3.6	7.1	7.3	9.1	7.4	18.0	23.1	32.2
total expenses	103.9	32.4	28.8	33.9	31.0	165.1	111.9	145.8
(loss) profit before tax and finance costs	(61.6)	5.3	10.0	19.3	15.4	(46.3)	31.1	50.4
financing costs	(0.8)	(0.8)	(0.8)	(0.2)	(0.8)	(2.4)	(2.8)	(3.0)
(loss) profit before tax	(62.4)	4.5	9.2	19.1	14.6	(48.7)	28.3	47.4
tax credit (expense)	1.8	0.4	0.6	(1.1)	(0.9)	2.8	(2.3)	(3.4)
(loss) profit after tax	\$ (60.6)	\$ 4.9	\$ 9.8	\$ 18.0	\$ 13.7	\$ (45.9)	\$ 26.0	\$ 44.0
change in net unrealised gains / losses on investments	(0.1)	(0.5)	0.1	(1.0)	0.4	(0.5)	1.8	0.8
comprehensive (loss) income	\$ (60.7)	\$ 4.4	\$ 9.9	\$ 17.0	\$ 14.1	\$ (46.4)	\$ 27.8	\$ 44.8
net loss ratio	229.5%	49.3%	37.6%	29.0%	38.6%	108.9%	47.3%	42.6%
net acquisition cost ratio	22.0%	20.2%	25.1%	25.0%	18.6%	22.4%	21.6%	22.5%
administrative expense ratio	9.0%	19.7%	19.5%	20.1%	17.0%	15.8%	18.0%	18.6%
combined ratio	260.5%	89.2%	82.2%	74.1%	74.2%	147.1%	86.9%	83.7%