

Underwriting comes **first**

Effectively **balance** risk and return

Operate **nimbly** through the cycle

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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 AND THE WILDFIRES WHICH IMPACTED PARTS OF CALIFORNIA DURING 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 “BREXIT” (FOLLOWING THE UK’S NOTIFICATION TO THE EUROPEAN COUNCIL UNDER ARTICLE 50 OF THE TREATY ON EUROPEAN UNION ON 29 MARCH 2017) 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. ALL SUBSEQUENT WRITTEN AND ORAL FORWARD-LOOKING STATEMENTS ATTRIBUTABLE TO THE GROUP OR INDIVIDUALS ACTING ON BEHALF OF THE GROUP ARE EXPRESSLY QUALIFIED IN THEIR ENTIRETY BY THIS PARAGRAPH. PROSPECTIVE INVESTORS SHOULD SPECIFICALLY CONSIDER THE FACTORS IDENTIFIED IN THIS RELEASE WHICH COULD CAUSE ACTUAL RESULTS TO DIFFER BEFORE MAKING AN INVESTMENT DECISION.

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**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 ACCIDENT YEAR 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**



	q4 2017	q4 2016	% change q4 - 17 vs. q4 - 16	full year 2017	full year 2016	% change full year - 17 vs. full year - 16
<b>highlights</b>						
gross premiums written	\$ 67.4	\$ 95.1	(29%)	\$ 591.6	\$ 633.9	(7%)
net premiums written	52.1	88.1	(41%)	398.0	458.7	(13%)
net premiums earned	93.5	128.2	(27%)	427.9	488.1	(12%)
net insurance losses	70.6	41.8	69%	335.4	142.5	135%
net investment income	7.8	6.8	15%	30.5	29.8	2%
net realised gains (losses) and impairments	0.5	3.1	(84%)	9.1	(2.4)	479%
(loss) profit after tax attributable to Lancashire	(5.4)	51.1	(111%)	(71.1)	153.8	(146%)
change in net unrealised gains / losses on investments	(3.7)	(16.5)	78%	4.9	4.1	20%
comprehensive (loss) income attributable to Lancashire	(9.1)	34.6	(126%)	(66.2)	157.9	(142%)
net operating (loss) income attributable to Lancashire <sup>(1)</sup>	\$ (3.1)	\$ 45.9	(107%)	\$ (86.0)	\$ 144.0	(160%)
total investments and cash	\$ 1,911.1	\$ 1,957.2	(2%)			
shareholders' equity attributable to Lancashire	\$ 1,106.9	\$ 1,207.3	(8%)			
<b>per share data attributable to Lancashire</b>						
net operating (loss) income per share - diluted <sup>(2)</sup>	\$ (0.03)	\$ 0.23		\$ (0.43)	\$ 0.71	
(loss) profit after tax per share - diluted <sup>(2)</sup>	\$ (0.03)	\$ 0.25		\$ (0.36)	\$ 0.76	
fully converted book value per share	\$ 5.48	\$ 5.98		\$ 5.48	\$ 5.98	
change in FCBVS adj for dividends <sup>(3)</sup>	(0.9%)	2.8%		(5.9%)	13.5%	
change in FCBVS adj for dividends - tangible <sup>(4)</sup>	(1.1%)	3.1%		(6.8%)	15.7%	
<b>financial ratios</b>						
net loss ratio	75.5%	32.6%		78.4%	29.2%	
net acquisition cost ratio	22.0%	28.1%		27.0%	27.1%	
administrative expense ratio	22.0%	18.3%		19.5%	20.2%	
combined ratio	<u>119.5%</u>	<u>79.0%</u>		<u>124.9%</u>	<u>76.5%</u>	
accident year net loss ratio	85.4%	49.6%		94.2%	46.2%	
net return on total investments including internal FX hedges	0.4%	(0.1%)		2.5%	2.1%	
net return on total investments excluding internal FX hedges	0.5%	(0.3%)		3.0%	1.8%	

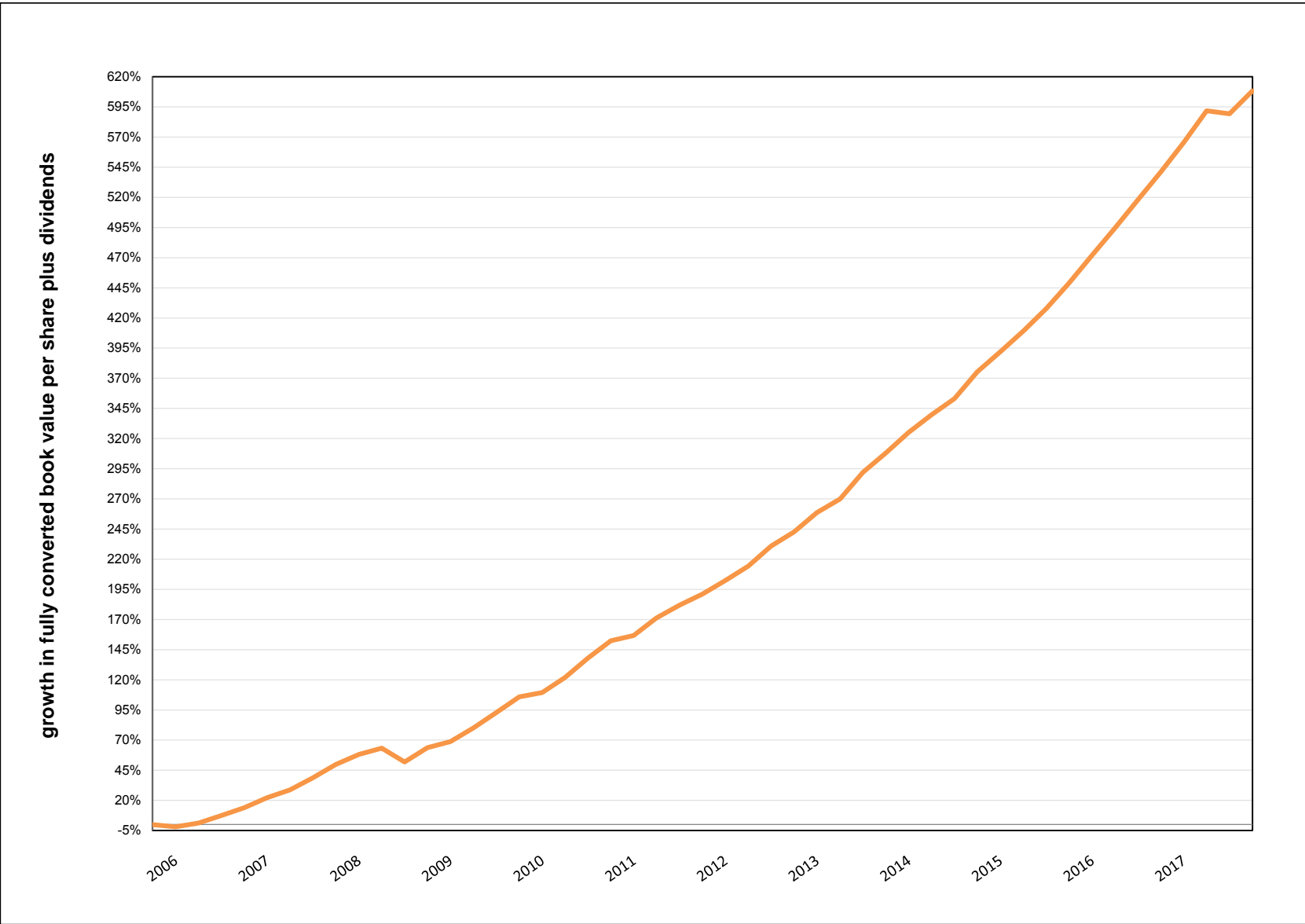
<sup>(1)</sup> excludes realised gains and losses, tax and foreign exchange gains and losses

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

<sup>(3)</sup> 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

<sup>(4)</sup> 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 Q4 2017

**Lancashire Holdings Limited**  
**summary consolidated income statements**

	q4 2017	q3 2017	q2 2017	q1 2017	q4 2016	full year 2017	full year 2016
gross premiums written	\$ 67.4	\$ 143.0	\$ 184.7	\$ 196.5	\$ 95.1	\$ 591.6	\$ 633.9
outwards reinsurance premiums	(15.3)	(36.9)	(21.2)	(120.2)	(7.0)	(193.6)	(175.2)
<b>net premiums written</b>	<b>52.1</b>	<b>106.1</b>	<b>163.5</b>	<b>76.3</b>	<b>88.1</b>	<b>398.0</b>	<b>458.7</b>
change in unearned premiums	69.5	36.4	(43.7)	(39.6)	73.9	22.6	25.7
change in unearned premiums on premiums ceded	(28.1)	(23.5)	(21.5)	80.4	(33.8)	7.3	3.7
<b>net premiums earned</b>	<b>93.5</b>	<b>119.0</b>	<b>98.3</b>	<b>117.1</b>	<b>128.2</b>	<b>427.9</b>	<b>488.1</b>
net investment income	7.8	8.0	8.2	6.5	6.8	30.5	29.8
net other investment income (losses)	2.7	0.4	(1.1)	(0.8)	3.4	1.2	6.9
net realised gains (losses) and impairments	0.5	0.5	5.4	2.7	3.1	9.1	(2.4)
share of profit (loss) of associate	2.3	(13.1)	0.7	0.7	0.7	(9.4)	5.1
other income	6.2	3.1	1.3	6.6	10.3	17.2	20.5
net foreign exchange (losses) gains	(0.8)	1.2	1.7	0.2	0.9	2.3	4.4
<b>total net revenue</b>	<b>112.2</b>	<b>119.1</b>	<b>114.5</b>	<b>133.0</b>	<b>153.4</b>	<b>478.8</b>	<b>552.4</b>
insurance losses	124.2	336.7	30.8	46.3	33.4	538.0	212.2
insurance losses recoverable	(53.6)	(128.0)	(18.9)	(2.1)	8.4	(202.6)	(69.7)
net insurance acquisition expenses	20.6	32.1	31.0	31.9	36.0	115.6	132.1
equity based compensation	(0.3)	(2.9)	2.9	(0.1)	0.6	(0.4)	10.7
other operating expenses	20.6	13.0	25.8	24.2	23.4	83.6	98.5
<b>total expenses</b>	<b>111.5</b>	<b>250.9</b>	<b>71.6</b>	<b>100.2</b>	<b>101.8</b>	<b>534.2</b>	<b>383.8</b>
<b>profit (loss) before tax and finance costs</b>	<b>0.7</b>	<b>(131.8)</b>	<b>42.9</b>	<b>32.8</b>	<b>51.6</b>	<b>(55.4)</b>	<b>168.6</b>
financing costs	(3.9)	(4.6)	(4.9)	(4.1)	(0.7)	(17.5)	(18.2)
<b>(loss) profit before tax</b>	<b>(3.2)</b>	<b>(136.4)</b>	<b>38.0</b>	<b>28.7</b>	<b>50.9</b>	<b>(72.9)</b>	<b>150.4</b>
tax (charge) credit	(2.1)	2.3	0.2	1.9	0.5	2.3	3.9
<b>(loss) profit after tax</b>	<b>\$ (5.3)</b>	<b>\$ (134.1)</b>	<b>\$ 38.2</b>	<b>\$ 30.6</b>	<b>\$ 51.4</b>	<b>\$ (70.6)</b>	<b>\$ 154.3</b>
income attributable to non-controlling interests	(0.1)	(0.1)	–	(0.3)	(0.3)	(0.5)	(0.5)
<b>(loss) profit after tax attributable to Lancashire</b>	<b>\$ (5.4)</b>	<b>\$ (134.2)</b>	<b>\$ 38.2</b>	<b>\$ 30.3</b>	<b>\$ 51.1</b>	<b>\$ (71.1)</b>	<b>\$ 153.8</b>
change in net unrealised gains / losses on investments	(3.7)	2.5	2.3	3.8	(16.5)	4.9	4.1
<b>comprehensive (loss) income attributable to Lancashire</b>	<b>\$ (9.1)</b>	<b>\$ (131.7)</b>	<b>\$ 40.5</b>	<b>\$ 34.1</b>	<b>\$ 34.6</b>	<b>\$ (66.2)</b>	<b>\$ 157.9</b>
net loss ratio	75.5%	175.4%	12.1%	37.7%	32.6%	78.4%	29.2%
net acquisition cost ratio	22.0%	27.0%	31.5%	27.2%	28.1%	27.0%	27.1%
administrative expense ratio	22.0%	10.9%	26.2%	20.7%	18.3%	19.5%	20.2%
combined ratio	119.5%	213.3%	69.8%	85.6%	79.0%	124.9%	76.5%
net return on total investments including internal FX hedges	0.4%	0.6%	0.8%	0.7%	(0.1%)	2.5%	2.1%
net return on total investments excluding internal FX hedges	0.5%	0.8%	1.0%	0.7%	(0.3%)	3.0%	1.8%
basic (loss) earnings per share attributable to Lancashire	\$ (0.03)	\$ (0.67)	\$ 0.19	\$ 0.15	\$ 0.26	\$ (0.36)	\$ 0.77
diluted (loss) earnings per share attributable to Lancashire	\$ (0.03)	\$ (0.67)	\$ 0.19	\$ 0.15	\$ 0.25	\$ (0.36)	\$ 0.76

Lancashire Holdings Limited  
premiums by line of business

	q4 2017	q3 2017	q2 2017	q1 2017	q4 2016	full year 2017	full year 2016
<b>gross premiums written</b>							
property cat excess of loss	\$ 3.1	\$ 24.8	\$ 30.6	\$ 43.4	\$ 2.5	\$ 101.9	\$ 99.8
terrorism	8.5	5.8	8.2	12.4	11.2	34.9	41.1
property political risk	10.2	6.7	9.5	4.7	11.5	31.1	44.1
property risk xl	0.9	4.2	3.2	4.6	0.2	12.9	11.3
property retrocession	(1.0)	2.7	1.9	6.4	(0.2)	10.0	12.8
other property	(0.7)	2.6	2.9	2.4	3.9	7.2	10.4
total property	21.0	46.8	56.3	73.9	29.1	198.0	219.5
worldwide offshore energy	5.1	18.9	20.4	22.2	19.4	66.6	88.7
gulf of mexico offshore energy	(0.4)	1.0	23.0	0.8	0.1	24.4	20.1
onshore energy	0.2	1.0	0.8	1.5	1.1	3.5	4.9
energy liabilities	(0.1)	0.4	0.9	1.8	0.1	3.0	3.5
construction energy	(0.4)	1.5	(0.4)	(1.8)	2.3	(1.1)	4.8
other energy	0.6	1.6	1.9	1.3	0.6	5.4	4.0
total energy	5.0	24.4	46.6	25.8	23.6	101.8	126.0
marine hull and total loss	1.9	4.6	11.5	2.0	1.6	20.0	13.1
marine builders risk	1.4	5.1	3.3	4.1	0.6	13.9	8.7
marine P&I clubs	1.8	–	0.1	8.2	1.2	10.1	8.4
marine hull war	0.7	1.3	3.7	1.4	0.7	7.1	4.1
other marine	3.4	4.3	4.2	4.6	0.7	16.5	2.9
total marine	9.2	15.3	22.8	20.3	4.8	67.6	37.2
AV 52	4.1	4.5	5.5	2.7	6.9	16.8	24.0
aviation satellite	0.2	0.2	(0.8)	0.2	0.6	(0.2)	9.8
other aviation	(0.3)	0.6	(0.3)	0.3	0.5	0.3	2.4
total aviation	4.0	5.3	4.4	3.2	8.0	16.9	36.2
property reinsurance	4.3	23.2	17.4	43.6	3.2	88.5	88.6
property direct and facultative	12.8	12.7	18.1	12.5	11.9	56.1	56.1
aviation and satellite	4.6	6.8	5.9	7.7	6.1	25.0	24.3
marine cargo	4.3	6.7	4.8	6.7	4.8	22.5	21.2
energy	–	1.5	7.0	2.3	1.7	10.8	14.9
terrorism	2.2	0.3	1.3	0.6	1.6	4.4	6.3
other	–	–	0.1	(0.1)	0.3	–	3.6
total lloyd's	28.2	51.2	54.6	73.3	29.6	207.3	215.0
<b>total gross premiums written</b>	<b>\$ 67.4</b>	<b>\$ 143.0</b>	<b>\$ 184.7</b>	<b>\$ 196.5</b>	<b>\$ 95.1</b>	<b>\$ 591.6</b>	<b>\$ 633.9</b>



**Lancashire Holdings Limited**  
**total premiums under management**

	q4 2017	q3 2017	q2 2017	q1 2017	q4 2016	full year 2017	full year 2016
<b>Lancashire gross premiums written</b>							
property	\$ 21.0	\$ 46.8	\$ 56.3	\$ 73.9	\$ 29.1	\$ 198.0	\$ 219.5
energy	5.0	24.4	46.6	25.8	23.6	101.8	126.0
marine	9.2	15.3	22.8	20.3	4.8	67.6	37.2
aviation	4.0	5.3	4.4	3.2	8.0	16.9	36.2
lloyd's	28.2	51.2	54.6	73.3	29.6	207.3	215.0
<b>total gross premiums written</b>	<b>\$ 67.4</b>	<b>\$ 143.0</b>	<b>\$ 184.7</b>	<b>\$ 196.5</b>	<b>\$ 95.1</b>	<b>\$ 591.6</b>	<b>\$ 633.9</b>
<b>additional premiums managed by Lancashire</b>							
lloyd's 2010 syndicate	13.3	27.6	28.0	44.2	12.1	113.1	115.4
kinesis re	12.3	2.5	-	58.1	-	72.9	55.0
	25.6	30.1	28.0	102.3	12.1	186.0	170.4
<b>total premiums managed by Lancashire</b>	<b>\$ 93.0</b>	<b>\$ 173.1</b>	<b>\$ 212.7</b>	<b>\$ 298.8</b>	<b>\$ 107.2</b>	<b>\$ 777.6</b>	<b>\$ 804.3</b>

**Lancashire Holdings Limited**  
**summary consolidated underwriting segment results**

	twelve months ended 31 december 2017					
	property	energy	marine	aviation	lloyd's	consolidated
gross premiums written	\$ 198.0	\$ 101.8	\$ 67.6	\$ 16.9	\$ 207.3	\$ 591.6
net premiums written	131.7	56.7	56.3	9.7	143.6	398.0
net premiums earned	146.5	70.4	50.7	11.6	148.7	427.9
net insurance losses (recoveries)	167.6	11.1	16.7	(2.2)	142.2	335.4
net insurance acquisition expenses	27.6	31.0	18.4	3.2	35.4	115.6
other operating expenses <sup>(1)</sup>						83.6
	\$ (48.7)	\$ 28.3	\$ 15.6	\$ 10.6	\$ (28.9)	\$ (106.7)
net loss ratio	114.4%	15.8%	32.9%	(19.0%)	95.6%	78.4%
net acquisition cost ratio	18.8%	44.0%	36.3%	27.6%	23.8%	27.0%
administrative expense ratio <sup>(1)</sup>						19.5%
combined ratio	133.2%	59.8%	69.2%	8.6%	119.4%	124.9%
	twelve months ended 31 december 2016					
	property	energy	marine	aviation	lloyd's	consolidated
gross premiums written	\$ 219.5	\$ 126.0	\$ 37.2	\$ 36.2	\$ 215.0	\$ 633.9
net premiums written	157.3	85.8	28.9	26.7	160.0	458.7
net premiums earned	148.5	105.5	35.4	25.5	173.2	488.1
net insurance losses (recoveries)	13.7	41.5	14.8	(1.2)	73.7	142.5
net insurance acquisition expenses	28.0	47.6	9.7	7.8	39.0	132.1
other operating expenses <sup>(1)</sup>						98.5
	\$ 106.8	\$ 16.4	\$ 10.9	\$ 18.9	\$ 60.5	\$ 115.0
net loss ratio	9.2%	39.3%	41.8%	(4.7%)	42.6%	29.2%
net acquisition cost ratio	18.9%	45.1%	27.4%	30.6%	22.5%	27.1%
administrative expense ratio <sup>(1)</sup>						20.2%
combined ratio	28.1%	84.4%	69.2%	25.9%	65.1%	76.5%

<sup>(1)</sup> administrative expenses are not allocated by segment

**Lancashire Holdings Limited**  
**property segment - underwriting statement**

	q4 2017	q3 2017	q2 2017	q1 2017	q4 2016	full year 2017	full year 2016
<b>underwriting (loss) income</b>							
gross premiums written	\$ 21.0	\$ 46.8	\$ 56.3	\$ 73.9	\$ 29.1	\$ 198.0	\$ 219.5
outwards reinsurance premiums	(5.1)	(11.5)	1.3	(51.0)	(4.9)	(66.3)	(62.2)
<b>net premiums written</b>	<b>15.9</b>	<b>35.3</b>	<b>57.6</b>	<b>22.9</b>	<b>24.2</b>	<b>131.7</b>	<b>157.3</b>
change in unearned premiums	33.4	12.8	(10.4)	(24.2)	25.9	11.6	(15.0)
change in unearned premiums on premiums ceded	(10.0)	(7.7)	(14.4)	35.3	(12.4)	3.2	6.2
<b>net premiums earned</b>	<b>\$ 39.3</b>	<b>\$ 40.4</b>	<b>\$ 32.8</b>	<b>\$ 34.0</b>	<b>\$ 37.7</b>	<b>\$ 146.5</b>	<b>\$ 148.5</b>
<b>underwriting expenses</b>							
net insurance losses	52.0	105.3	2.9	7.4	18.5	167.6	13.7
net insurance acquisition expenses	6.2	7.5	7.3	6.6	7.6	27.6	28.0
<b>total underwriting expenses</b>	<b>58.2</b>	<b>112.8</b>	<b>10.2</b>	<b>14.0</b>	<b>26.1</b>	<b>195.2</b>	<b>41.7</b>
<b>net underwriting (loss) income</b>	<b>\$ (18.9)</b>	<b>\$ (72.4)</b>	<b>\$ 22.6</b>	<b>\$ 20.0</b>	<b>\$ 11.6</b>	<b>\$ (48.7)</b>	<b>\$ 106.8</b>
net loss ratio (% of net premiums earned)	132.3%	260.6%	8.8%	21.8%	49.1%	114.4%	9.2%
net acquisition cost ratio (% of net premiums earned)	15.8%	18.6%	22.3%	19.4%	20.2%	18.8%	18.9%
	148.1%	279.2%	31.1%	41.2%	69.3%	133.2%	28.1%

**Lancashire Holdings Limited**  
**energy segment - underwriting statement**

	q4 2017	q3 2017	q2 2017	q1 2017	q4 2016	full year 2017	full year 2016
<b>underwriting income</b>							
gross premiums written	\$ 5.0	\$ 24.4	\$ 46.6	\$ 25.8	\$ 23.6	\$ 101.8	\$ 126.0
outwards reinsurance premiums	(4.2)	(4.0)	(14.6)	(22.3)	0.5	(45.1)	(40.2)
<b>net premiums written</b>	<b>0.8</b>	<b>20.4</b>	<b>32.0</b>	<b>3.5</b>	<b>24.1</b>	<b>56.7</b>	<b>85.8</b>
change in unearned premiums	9.5	9.1	(22.7)	11.6	14.0	7.5	20.9
change in unearned premiums on premiums ceded	(3.8)	(6.6)	1.6	15.0	(9.0)	6.2	(1.2)
<b>net premiums earned</b>	<b>\$ 6.5</b>	<b>\$ 22.9</b>	<b>\$ 10.9</b>	<b>\$ 30.1</b>	<b>\$ 29.1</b>	<b>\$ 70.4</b>	<b>\$ 105.5</b>
<b>underwriting expenses</b>							
net insurance (recoveries) losses	(4.7)	4.8	(2.4)	13.4	6.4	11.1	41.5
net insurance acquisition expenses	3.2	8.8	7.2	11.8	12.5	31.0	47.6
<b>total underwriting expenses</b>	<b>(1.5)</b>	<b>13.6</b>	<b>4.8</b>	<b>25.2</b>	<b>18.9</b>	<b>42.1</b>	<b>89.1</b>
<b>net underwriting income</b>	<b>\$ 8.0</b>	<b>\$ 9.3</b>	<b>\$ 6.1</b>	<b>\$ 4.9</b>	<b>\$ 10.2</b>	<b>\$ 28.3</b>	<b>\$ 16.4</b>
net loss ratio (% of net premiums earned)	(72.3%)	21.0%	(22.0%)	44.5%	22.0%	15.8%	39.3%
net acquisition cost ratio (% of net premiums earned)	49.2%	38.4%	66.1%	39.2%	43.0%	44.0%	45.1%
	(23.1%)	59.4%	44.1%	83.7%	65.0%	59.8%	84.4%

**Lancashire Holdings Limited**  
**marine segment - underwriting statement**

	q4 2017	q3 2017	q2 2017	q1 2017	q4 2016	full year 2017	full year 2016
<b>underwriting income (loss)</b>							
gross premiums written	\$ 9.2	\$ 15.3	\$ 22.8	\$ 20.3	\$ 4.8	\$ 67.6	\$ 37.2
outwards reinsurance premiums	(0.8)	(1.7)	1.6	(10.4)	(0.1)	(11.3)	(8.3)
<b>net premiums written</b>	<b>8.4</b>	<b>13.6</b>	<b>24.4</b>	<b>9.9</b>	<b>4.7</b>	<b>56.3</b>	<b>28.9</b>
change in unearned premiums	4.7	0.3	(4.7)	(5.9)	6.7	(5.6)	6.6
change in unearned premiums on premiums ceded	(2.1)	(1.7)	(4.0)	7.8	(1.8)	-	(0.1)
<b>net premiums earned</b>	<b>\$ 11.0</b>	<b>\$ 12.2</b>	<b>\$ 15.7</b>	<b>\$ 11.8</b>	<b>\$ 9.6</b>	<b>\$ 50.7</b>	<b>\$ 35.4</b>
<b>underwriting expenses</b>							
net insurance losses (recoveries)	5.2	7.2	(5.5)	9.8	4.3	16.7	14.8
net insurance acquisition expenses	3.5	4.9	7.7	2.3	2.9	18.4	9.7
<b>total underwriting expenses</b>	<b>8.7</b>	<b>12.1</b>	<b>2.2</b>	<b>12.1</b>	<b>7.2</b>	<b>35.1</b>	<b>24.5</b>
<b>net underwriting income (loss)</b>	<b>\$ 2.3</b>	<b>\$ 0.1</b>	<b>\$ 13.5</b>	<b>\$ (0.3)</b>	<b>\$ 2.4</b>	<b>\$ 15.6</b>	<b>\$ 10.9</b>
net loss ratio (% of net premiums earned)	47.3%	59.0%	(35.0%)	83.1%	44.8%	32.9%	41.8%
net acquisition cost ratio (% of net premiums earned)	31.8%	40.2%	49.0%	19.5%	30.2%	36.3%	27.4%
	79.1%	99.2%	14.0%	102.6%	75.0%	69.2%	69.2%

**Lancashire Holdings Limited**  
**aviation segment - underwriting statement**

	q4 2017	q3 2017	q2 2017	q1 2017	q4 2016	full year 2017	full year 2016
<b>underwriting income</b>							
gross premiums written	\$ 4.0	\$ 5.3	\$ 4.4	\$ 3.2	\$ 8.0	\$ 16.9	\$ 36.2
outwards reinsurance premiums	0.6	(1.0)	(3.0)	(3.8)	(1.1)	(7.2)	(9.5)
<b>net premiums written</b>	<b>4.6</b>	<b>4.3</b>	<b>1.4</b>	<b>(0.6)</b>	<b>6.9</b>	<b>9.7</b>	<b>26.7</b>
change in unearned premiums	(0.8)	1.3	0.8	3.1	0.7	4.4	0.6
change in unearned premiums on premiums ceded	(2.2)	(2.1)	0.6	1.2	(1.0)	(2.5)	(1.8)
<b>net premiums earned</b>	<b>\$ 1.6</b>	<b>\$ 3.5</b>	<b>\$ 2.8</b>	<b>\$ 3.7</b>	<b>\$ 6.6</b>	<b>\$ 11.6</b>	<b>\$ 25.5</b>
<b>underwriting expenses</b>							
net insurance (recoveries)	(0.4)	(0.4)	(0.9)	(0.5)	(0.5)	(2.2)	(1.2)
net insurance acquisition expenses	(2.2)	2.1	1.5	1.8	1.7	3.2	7.8
<b>total underwriting expenses</b>	<b>(2.6)</b>	<b>1.7</b>	<b>0.6</b>	<b>1.3</b>	<b>1.2</b>	<b>1.0</b>	<b>6.6</b>
<b>net underwriting income</b>	<b>\$ 4.2</b>	<b>\$ 1.8</b>	<b>\$ 2.2</b>	<b>\$ 2.4</b>	<b>\$ 5.4</b>	<b>\$ 10.6</b>	<b>\$ 18.9</b>
net loss ratio (% of net premiums earned)	(25.0%)	(11.4%)	(32.1%)	(13.5%)	(7.6%)	(19.0%)	(4.7%)
net acquisition cost ratio (% of net premiums earned)	(137.5%)	60.0%	53.6%	48.6%	25.8%	27.6%	30.6%
	(162.5%)	48.6%	21.5%	35.1%	18.2%	8.6%	25.9%

**Lancashire Holdings Limited**  
**lloyd's segment - underwriting statement**

	q4 2017	q3 2017	q2 2017	q1 2017	q4 2016	full year 2017	full year 2016
<b>underwriting income (loss)</b>							
gross premiums written	\$ 28.2	\$ 51.2	\$ 54.6	\$ 73.3	\$ 29.6	\$ 207.3	\$ 215.0
outwards reinsurance premiums	(5.8)	(18.7)	(6.5)	(32.7)	(1.4)	(63.7)	(55.0)
<b>net premiums written</b>	<b>22.4</b>	<b>32.5</b>	<b>48.1</b>	<b>40.6</b>	<b>28.2</b>	<b>143.6</b>	<b>160.0</b>
change in unearned premiums	22.7	12.9	(6.7)	(24.2)	26.6	4.7	12.6
change in unearned premiums on premiums ceded	(10.0)	(5.4)	(5.3)	21.1	(9.6)	0.4	0.6
<b>net premiums earned</b>	<b>\$ 35.1</b>	<b>\$ 40.0</b>	<b>\$ 36.1</b>	<b>\$ 37.5</b>	<b>\$ 45.2</b>	<b>\$ 148.7</b>	<b>\$ 173.2</b>
<b>underwriting expenses</b>							
net insurance losses	18.5	91.8	17.8	14.1	13.1	142.2	73.7
net insurance acquisition expenses	9.9	8.8	7.3	9.4	11.3	35.4	39.0
<b>total underwriting expenses</b>	<b>28.4</b>	<b>100.6</b>	<b>25.1</b>	<b>23.5</b>	<b>24.4</b>	<b>177.6</b>	<b>112.7</b>
<b>net underwriting income (loss)</b>	<b>\$ 6.7</b>	<b>\$ (60.6)</b>	<b>\$ 11.0</b>	<b>\$ 14.0</b>	<b>\$ 20.8</b>	<b>\$ (28.9)</b>	<b>\$ 60.5</b>
net loss ratio (% of net premiums earned)	52.7%	229.5%	49.3%	37.6%	29.0%	95.6%	42.6%
net acquisition cost ratio (% of net premiums earned)	28.2%	22.0%	20.2%	25.1%	25.0%	23.8%	22.5%
	80.9%	251.5%	69.5%	62.7%	54.0%	119.4%	65.1%

**Lancashire Holdings Limited**  
**total contribution from third party capital activities**

	q4 2017	q3 2017	q2 2017	q1 2017	q4 2016	full year 2017	full year 2016
kinesis underwriting fees	\$ 2.2	\$ 2.2	\$ 0.7	\$ 0.7	\$ 1.1	\$ 5.8	\$ 4.4
kinesis profit commission	–	0.5	–	5.4	3.0	5.9	6.2
<b>total kinesis</b>	<b>2.2</b>	<b>2.7</b>	<b>0.7</b>	<b>6.1</b>	<b>4.1</b>	<b>11.7</b>	<b>10.6</b>
lloyd's managing agency fees	0.3	0.3	0.2	0.2	(0.5)	1.0	1.1
lloyd's consortium fees	1.2	0.1	0.1	0.3	1.2	1.7	1.7
lloyd's profit commission 2014 year of account	–	–	–	–	4.4	–	4.3
lloyd's profit commission 2015 year of account	2.5	–	0.3	–	1.1	2.8	2.8
<b>total lloyd's</b>	<b>4.0</b>	<b>0.4</b>	<b>0.6</b>	<b>0.5</b>	<b>6.2</b>	<b>5.5</b>	<b>9.9</b>
<b>other income</b>	<b>\$ 6.2</b>	<b>\$ 3.1</b>	<b>\$ 1.3</b>	<b>\$ 6.6</b>	<b>\$ 10.3</b>	<b>\$ 17.2</b>	<b>\$ 20.5</b>
share of profit (loss) of associate	\$ 2.3	\$ (13.1)	\$ 0.7	\$ 0.7	\$ 0.7	\$ (9.4)	\$ 5.1
<b>total contribution from third party capital activities</b>	<b>\$ 8.5</b>	<b>\$ (10.0)</b>	<b>\$ 2.0</b>	<b>\$ 7.3</b>	<b>\$ 11.0</b>	<b>\$ 7.8</b>	<b>\$ 25.6</b>



**Lancashire Holdings Limited**  
**summary consolidated cash flows**

<b>cash flows</b>	<b>q4 2017</b>	<b>q3 2017</b>	<b>q2 2017</b>	<b>q1 2017</b>	<b>q4 2016</b>	<b>full year 2017</b>	<b>full year 2016</b>
net cash flows (used in) from operating activities	\$ (34.5)	\$ 12.0	\$ (2.6)	\$ (13.6)	\$ 8.4	\$ (38.7)	\$ 48.9
net cash flows from (used in) investing activities	13.4	3.1	(1.8)	16.6	167.3	31.3	168.7
net cash flows used in financing activities	(2.4)	(16.0)	(2.9)	(29.4)	(151.0)	(50.7)	(197.7)
<b>net (decrease) increase in cash and cash equivalents</b>	<b>(23.5)</b>	<b>(0.9)</b>	<b>(7.3)</b>	<b>(26.4)</b>	<b>24.7</b>	<b>(58.1)</b>	<b>19.9</b>
cash and cash equivalents opening	280.0	278.7	284.6	308.8	289.8	308.8	291.8
effect of exchange rate fluctuations	–	2.2	1.4	2.2	(5.7)	5.8	(2.9)
<b>cash and cash equivalents closing</b>	<b>\$ 256.5</b>	<b>\$ 280.0</b>	<b>\$ 278.7</b>	<b>\$ 284.6</b>	<b>\$ 308.8</b>	<b>\$ 256.5</b>	<b>\$ 308.8</b>

**Lancashire Holdings Limited**  
**summary consolidated balance sheets**

	31 december 2017	30 september 2017	30 june 2017	31 march 2017	31 december 2016
<b>assets</b>					
cash and cash equivalents	\$ 256.5	\$ 280.0	\$ 278.7	\$ 284.6	\$ 308.8
accrued interest receivable	6.1	7.1	6.7	6.5	6.6
investments					
- fixed maturities - available for sale	1,452.2	1,494.7	1,482.0	1,446.6	1,446.2
- at fair value through profit or loss	25.7	25.7	25.7	52.9	51.6
- equity securities - available for sale	23.2	22.2	21.6	22.1	21.2
- hedge funds - at fair value through profit or loss	154.0	159.4	162.2	150.1	129.4
- other investments	(0.5)	0.3	(0.4)	-	-
reinsurance assets					
- unearned premiums on premiums ceded	41.2	69.3	92.8	114.3	33.9
- reinsurance recoveries	284.1	251.5	148.4	133.8	136.7
- other receivables	20.7	12.7	15.0	14.4	16.5
deferred acquisition costs	76.7	86.9	92.4	83.2	81.5
inwards premiums receivable from insureds and cedants	297.9	361.8	370.4	335.3	270.0
investment in associate	59.4	12.8	26.6	24.9	49.7
goodwill and other intangible assets	153.8	153.8	153.8	153.8	153.8
other assets	45.0	46.3	38.4	47.8	50.0
<b>total assets</b>	<b>\$ 2,896.0</b>	<b>\$ 2,984.5</b>	<b>\$ 2,914.3</b>	<b>\$ 2,870.3</b>	<b>\$ 2,755.9</b>
<b>liabilities</b>					
insurance contracts					
- losses and loss adjustment expenses	\$ 933.5	\$ 890.9	\$ 648.0	\$ 657.6	\$ 679.8
- unearned premiums	350.9	420.4	456.8	413.1	373.5
- other payables	40.7	55.2	47.7	39.9	37.4
amounts payable to reinsurers	65.5	83.0	86.0	116.1	52.7
deferred acquisition costs ceded	2.5	1.1	1.7	1.3	0.4
other payables	52.8	74.8	69.9	83.5	64.7
deferred tax liability	16.5	17.0	18.8	18.6	18.7
long-term debt	326.3	325.4	324.1	321.7	320.9
<b>total liabilities</b>	<b>\$ 1,788.7</b>	<b>\$ 1,867.8</b>	<b>\$ 1,653.0</b>	<b>\$ 1,651.8</b>	<b>\$ 1,548.1</b>
<b>shareholders' equity</b>					
share capital	\$ 100.7	\$ 100.7	\$ 100.7	\$ 100.7	\$ 100.7
own shares	(12.1)	(13.2)	(13.1)	(15.5)	(23.2)
other reserves	866.2	867.7	870.6	870.7	881.6
accumulated other comprehensive (loss) income	(1.5)	2.2	(0.3)	(2.6)	(6.4)
dividends	(29.9)	(29.9)	(19.9)	(19.9)	(178.9)
retained earnings	183.5	188.9	323.1	284.9	433.5
<b>shareholders' equity attributable to Lancashire</b>	<b>\$ 1,106.9</b>	<b>\$ 1,116.4</b>	<b>\$ 1,261.1</b>	<b>\$ 1,218.3</b>	<b>\$ 1,207.3</b>
non-controlling interests	0.4	0.3	0.2	0.2	0.5
<b>total shareholders' equity</b>	<b>\$ 1,107.3</b>	<b>\$ 1,116.7</b>	<b>\$ 1,261.3</b>	<b>\$ 1,218.5</b>	<b>\$ 1,207.8</b>
<b>total liabilities and shareholders' equity</b>	<b>\$ 2,896.0</b>	<b>\$ 2,984.5</b>	<b>\$ 2,914.3</b>	<b>\$ 2,870.3</b>	<b>\$ 2,755.9</b>
basic book value per share attributable to Lancashire	\$ 5.53	\$ 5.58	\$ 6.31	\$ 6.10	\$ 6.07
fully converted book value per share attributable to Lancashire	\$ 5.48	\$ 5.53	\$ 6.23	\$ 6.04	\$ 5.98
debt to total capital ratio	22.8%	22.6%	20.4%	20.9%	21.0%
debt to total tangible capital ratio	25.5%	25.3%	22.6%	23.2%	23.3%

**Lancashire Holdings Limited**  
**composition of investment portfolio**

	31 december 2017	%	30 september 2017	%	30 june 2017	%	31 march 2017	%	31 december 2016	%
<b>type of investment</b>										
short-term investments	\$ 111.1	6.0%	\$ 67.3	3.6%	\$ 56.4	3.0%	\$ 3.9	0.2%	\$ 5.3	0.3%
fixed maturity funds	31.0	1.7%	30.8	1.6%	12.1	0.6%	13.9	0.8%	14.5	0.8%
U.S. treasuries	235.7	12.8%	242.6	12.9%	252.5	13.5%	255.5	13.9%	305.5	16.6%
other government bonds	71.4	3.9%	71.4	3.8%	68.0	3.6%	71.7	3.9%	66.6	3.6%
U.S. municipal bonds	6.0	0.3%	6.0	0.3%	6.0	0.3%	2.3	0.1%	1.1	0.1%
U.S. government agency debt	70.5	3.8%	90.2	4.8%	92.9	5.0%	91.1	4.9%	81.9	4.4%
asset backed securities	144.0	7.8%	120.8	6.4%	126.2	6.7%	137.8	7.5%	110.2	6.0%
U.S. government agency mortgage backed securities	141.0	7.7%	136.8	7.3%	122.6	6.5%	121.2	6.6%	118.3	6.4%
non-agency mortgage backed securities	13.2	0.7%	12.0	0.6%	14.3	0.8%	15.0	0.8%	14.3	0.8%
non-agency commercial mortgage backed securities	0.2	—	0.6	—	4.4	0.2%	7.0	0.4%	9.6	0.5%
bank loans	106.7	5.8%	110.7	5.9%	122.3	6.5%	123.7	6.7%	121.6	6.6%
corporate bonds	521.4	28.2%	605.5	32.1%	604.3	32.3%	603.5	32.7%	597.3	32.5%
<b>total fixed maturities - available for sale</b>	<b>1,452.2</b>	<b>78.7%</b>	<b>1,494.7</b>	<b>79.3%</b>	<b>1,482.0</b>	<b>79.0%</b>	<b>1,446.6</b>	<b>78.5%</b>	<b>1,446.2</b>	<b>78.6%</b>
fixed maturities - at fair value through profit or loss	25.7	1.4%	25.7	1.4%	25.7	1.4%	52.9	2.9%	51.6	2.8%
equity securities - available for sale	23.2	1.3%	22.2	1.2%	21.6	1.2%	22.1	1.2%	21.2	1.2%
hedge funds - at fair value through profit or loss	154.0	8.4%	159.4	8.5%	162.2	8.6%	150.1	8.1%	129.4	7.0%
other investments	(0.5)	—	0.3	—	(0.4)	—	—	—	—	—
managed cash	188.1	10.2%	181.1	9.6%	184.5	9.8%	170.6	9.3%	192.1	10.4%
<b>total investments</b>	<b>\$ 1,842.7</b>	<b>100.0%</b>	<b>\$ 1,883.4</b>	<b>100.0%</b>	<b>\$ 1,875.6</b>	<b>100.0%</b>	<b>\$ 1,842.3</b>	<b>100.0%</b>	<b>\$ 1,840.5</b>	<b>100.0%</b>
<b>credit quality of fixed maturities - available for sale</b>										
AAA	\$ 292.7	20.2%	\$ 236.4	15.8%	\$ 224.9	15.2%	\$ 180.4	12.5%	\$ 169.2	11.7%
AA+, AA, AA-	571.7	39.3%	622.0	41.7%	620.5	41.9%	637.4	44.0%	659.2	45.6%
A+, A, A-	249.6	17.2%	270.9	18.1%	267.3	18.0%	274.5	19.0%	273.4	18.9%
BBB+, BBB, BBB-	234.6	16.2%	259.0	17.3%	253.6	17.1%	235.5	16.3%	229.4	15.8%
other	103.6	7.1%	106.4	7.1%	115.7	7.8%	118.8	8.2%	115.0	8.0%
	<b>\$ 1,452.2</b>	<b>100.0%</b>	<b>\$ 1,494.7</b>	<b>100.0%</b>	<b>\$ 1,482.0</b>	<b>100.0%</b>	<b>\$ 1,446.6</b>	<b>100.0%</b>	<b>\$ 1,446.2</b>	<b>100.0%</b>
<b>corporate bonds &amp; bank loans (AFS) and fixed maturities (FVTPL)</b>										
industrials	\$ 329.1	50.3%	\$ 399.0	53.8%	\$ 410.0	54.4%	\$ 422.5	54.1%	\$ 425.4	55.2%
financials	289.5	44.3%	306.5	41.3%	299.3	39.8%	314.9	40.4%	300.9	39.1%
utilities	32.6	5.0%	33.7	4.5%	42.6	5.7%	42.0	5.4%	43.7	5.7%
supranationals	2.6	0.4%	2.7	0.4%	0.4	0.1%	0.7	0.1%	0.5	—
	<b>\$ 653.8</b>	<b>100.0%</b>	<b>\$ 741.9</b>	<b>100.0%</b>	<b>\$ 752.3</b>	<b>100.0%</b>	<b>\$ 780.1</b>	<b>100.0%</b>	<b>\$ 770.5</b>	<b>100.0%</b>
quarterly net return including the impact of internal FX hedges		0.4%		0.6%		0.8%		0.7%		(0.1%)
quarterly net return excluding the impact of internal FX hedges		0.5%		0.8%		1.0%		0.7%		(0.3%)
rolling 12 month net return including the impact of internal FX hedges		2.5%		2.0%		1.9%		2.0%		2.1%
rolling 12 month net return excluding the impact of internal FX hedges		3.0%		2.2%		2.0%		1.8%		1.8%
average book yield of fixed maturities and managed cash		2.0%		2.0%		2.0%		1.9%		1.8%
average market yield of fixed maturities and managed cash		2.1%		2.0%		2.0%		2.0%		1.9%
average duration of fixed maturities and managed cash		1.7 years		1.9 years		2.0 years		1.9 years		1.9 years
average duration of fixed maturities, managed cash and derivative instruments		1.7 years		1.8 years		1.8 years		1.8 years		1.8 years
average credit quality of fixed maturities and managed cash		AA-		A+		A+		A+		A+
average credit quality of fixed maturities only		A+		A+		A+		A+		A+

**Lancashire Holdings Limited**  
**corporate & global bond holdings**

	31 december 2017						
	par value units	estimated fair value	accrued interest	unrealised gain	credit quality <sup>(1)</sup>		
<b>top twenty corporate holdings by issuer</b>							
KKR Wolverine I Ltd	25.7	\$ 25.7	\$ 0.2	–	A-		
Bank of America Corporation	11.9	12.1	0.1	–	A-		
Citigroup Inc.	11.9	12.0	–	–	A		
Morgan Stanley	11.4	11.5	0.1	–	BBB+		
American Express Company	10.3	10.3	0.1	–	A-		
UBS Group AG	8.1	8.4	0.1	0.1	A-		
Caterpillar Inc.	7.6	7.5	–	–	A		
British American Tobacco p.l.c.	6.9	7.0	–	–	BBB+		
Apple Inc.	6.8	6.8	–	(0.1)	AA+		
The PNC Financial Services Group, Inc.	6.7	6.7	–	–	A		
Wells Fargo & Company	6.7	6.6	–	–	AA-		
JPMorgan Chase & Co.	6.4	6.5	0.1	–	A-		
ABI UK Holding 2 Limited	6.1	6.1	0.1	–	A-		
BNP Paribas	5.7	5.8	–	0.1	A-		
Banco Santander, S.A.	5.6	5.8	–	0.1	A-		
AT&T Inc.	5.6	5.6	–	–	BBB+		
BP P.L.C.	5.2	5.3	–	–	A-		
Reliance Standard Life II	5.2	5.2	0.1	–	A		
BB&T Corporation	5.1	5.1	–	–	A		
Daimler AG	5.0	5.0	–	–	A		
	<u>\$</u>	<u>165.0</u>	<u>\$</u>	<u>0.9</u>	<u>\$</u>	<u>0.2</u>	<u>A-</u>
<b>top twenty holdings as a % of corporate bonds (AFS) and fixed maturities (FVTPL)</b>		<u>30.2%</u>					

	31 december 2017							
	financials	other industries	total <sup>(2)</sup>	other government bonds				
<b>bonds by country</b>								
United States	\$ 183.4	\$ 300.2	\$ 483.6	\$	–			
United Kingdom	15.5	12.3	27.8		2.0			
Canada	13.4	13.6	27.0		19.3			
Netherlands	9.6	10.4	20.0		6.3			
France	15.0	3.5	18.5		5.1			
Japan	12.6	2.6	15.2		–			
Australia	14.5	0.2	14.7		1.0			
Germany	5.2	5.7	10.9		13.9			
Sweden	6.9	–	6.9		5.1			
Luxembourg	1.5	5.3	6.8		–			
Switzerland	3.0	2.6	5.6		–			
Spain	3.5	0.7	4.2		–			
Italy	2.6	–	2.6		–			
Ireland	1.6	0.8	2.4		–			
Denmark	2.1	0.3	2.4		3.9			
Norway	1.3	–	1.3		0.3			
China	–	1.2	1.2		2.7			
Austria	–	0.2	0.2		1.8			
India	–	–	–		4.2			
Russian Federation	–	–	–		2.0			
Finland	–	–	–		1.5			
Other	0.4	2.1	2.5		2.3			
	<u>\$</u>	<u>292.1</u>	<u>\$</u>	<u>361.7</u>	<u>\$</u>	<u>653.8</u>	<u>\$</u>	<u>71.4</u>

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

<sup>(2)</sup> includes corporate bonds & bank loans (AFS) and fixed maturities (FVTPL)

Lancashire Holdings Limited

net losses and loss ratios

	q4 2017	q3 2017	q2 2017	q1 2017	q4 2016	full year 2017	full year 2016
<b>total</b>							
net reserves: start	\$ 639.3	\$ 499.6	\$ 523.8	\$ 543.1	\$ 558.8	\$ 543.1	\$ 587.1
paid losses	63.2	72.5	43.8	67.7	49.1	247.2	184.1
change in prior AY <sup>(1)</sup>	(7.4)	(19.9)	(27.2)	(10.6)	(23.9)	(65.1)	(85.8)
current year incurred losses	78.0	228.6	39.1	54.8	65.7	400.5	228.3
foreign exchange	2.7	3.5	7.7	4.2	(8.4)	18.1	(2.4)
<b>net reserves: end</b>	<b>\$ 649.4</b>	<b>\$ 639.3</b>	<b>\$ 499.6</b>	<b>\$ 523.8</b>	<b>\$ 543.1</b>	<b>\$ 649.4</b>	<b>\$ 543.1</b>
net premiums earned	93.5	119.0	98.3	117.1	128.2	427.9	488.1
net loss ratio	75.5%	175.4%	12.1%	37.7%	32.6%	78.4%	29.2%
IBNR as % of net reserves	44.8%	53.9%	36.2%	35.7%	34.6%	44.8%	34.6%

<b>property</b>	q4 2017	q3 2017	q2 2017	q1 2017	q4 2016	full year 2017	full year 2016
net reserves: start	\$ 222.1	\$ 118.3	\$ 128.6	\$ 125.8	\$ 116.4	\$ 125.8	\$ 147.1
paid losses	15.2	2.4	18.4	7.3	5.4	43.3	38.6
change in prior AY <sup>(1)</sup>	3.3	(7.5)	(3.7)	(6.5)	(6.0)	(14.4)	(36.6)
current year incurred losses	48.7	112.8	6.6	13.9	24.5	182.0	50.3
foreign exchange	1.4	0.9	5.2	2.7	(3.7)	10.2	3.6
<b>net reserves: end</b>	<b>\$ 260.3</b>	<b>\$ 222.1</b>	<b>\$ 118.3</b>	<b>\$ 128.6</b>	<b>\$ 125.8</b>	<b>\$ 260.3</b>	<b>\$ 125.8</b>
net premiums earned	39.3	40.4	32.8	34.0	37.7	146.5	148.5
net loss ratio	132.3%	260.6%	8.8%	21.8%	49.1%	114.4%	9.2%

<b>energy</b>	q4 2017	q3 2017	q2 2017	q1 2017	q4 2016	full year 2017	full year 2016
net reserves: start	\$ 122.0	\$ 146.2	\$ 155.8	\$ 178.5	\$ 189.6	\$ 178.5	\$ 178.0
paid losses	4.8	29.4	7.2	36.3	16.5	77.7	41.8
change in prior AY <sup>(1)</sup>	(5.0)	(5.9)	(8.6)	(1.6)	3.4	(21.1)	(17.3)
current year incurred losses	0.3	10.7	6.2	15.0	3.0	32.2	58.8
foreign exchange	0.6	0.4	-	0.2	(1.0)	1.2	0.8
<b>net reserves: end</b>	<b>\$ 113.1</b>	<b>\$ 122.0</b>	<b>\$ 146.2</b>	<b>\$ 155.8</b>	<b>\$ 178.5</b>	<b>\$ 113.1</b>	<b>\$ 178.5</b>
net premiums earned	6.5	22.9	10.9	30.1	29.1	70.4	105.5
net loss ratio	(72.3%)	21.0%	(22.0%)	44.5%	22.0%	15.8%	39.3%

<sup>(1)</sup> AY = accident year

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

	q4 2017	q3 2017	q2 2017	q1 2017	q4 2016	full year 2017	full year 2016
<b>marine</b>							
net reserves: start	\$ 65.7	\$ 69.6	\$ 76.9	\$ 70.5	\$ 69.9	\$ 70.5	\$ 68.1
paid losses	2.4	11.4	2.3	3.6	2.8	19.7	12.0
change in prior AY <sup>(1)</sup>	(0.6)	(3.1)	(9.3)	(2.2)	(0.6)	(15.2)	(1.9)
current year incurred losses	5.8	10.3	3.8	12.0	4.9	31.9	16.7
foreign exchange	0.4	0.3	0.5	0.2	(0.9)	1.4	(0.4)
<b>net reserves: end</b>	<b>\$ 68.9</b>	<b>\$ 65.7</b>	<b>\$ 69.6</b>	<b>\$ 76.9</b>	<b>\$ 70.5</b>	<b>\$ 68.9</b>	<b>\$ 70.5</b>
net premiums earned	11.0	12.2	15.7	11.8	9.6	50.7	35.4
net loss ratio	47.3%	59.0%	(35.0%)	83.1%	44.8%	32.9%	41.8%
<b>aviation</b>							
net reserves: start	\$ 2.1	\$ 2.6	\$ 4.3	\$ 4.7	\$ 5.3	\$ 4.7	\$ 16.2
paid losses	(0.7)	0.1	0.8	–	0.1	0.2	10.3
change in prior AY <sup>(1)</sup>	(0.6)	(0.7)	(0.7)	(1.0)	(0.7)	(3.0)	(3.9)
current year incurred losses	0.2	0.3	(0.2)	0.5	0.2	0.8	2.7
foreign exchange	–	–	–	0.1	–	0.1	–
<b>net reserves: end</b>	<b>\$ 2.4</b>	<b>\$ 2.1</b>	<b>\$ 2.6</b>	<b>\$ 4.3</b>	<b>\$ 4.7</b>	<b>\$ 2.4</b>	<b>\$ 4.7</b>
net premiums earned	1.6	3.5	2.8	3.7	6.6	11.6	25.5
net loss ratio	(25.0%)	(11.4%)	(32.1%)	(13.5%)	(7.6%)	(19.0%)	(4.7%)
<b>lloyd's</b>							
net reserves: start	\$ 227.4	\$ 162.9	\$ 158.2	\$ 163.6	\$ 177.6	\$ 163.6	\$ 177.7
paid losses	41.5	29.2	15.1	20.5	24.3	106.3	81.4
change in prior AY <sup>(1)</sup>	(4.5)	(2.7)	(4.9)	0.7	(20.0)	(11.4)	(26.1)
current year incurred losses	23.0	94.5	22.7	13.4	33.1	153.6	99.8
foreign exchange	0.3	1.9	2.0	1.0	(2.8)	5.2	(6.4)
<b>net reserves: end</b>	<b>\$ 204.7</b>	<b>\$ 227.4</b>	<b>\$ 162.9</b>	<b>\$ 158.2</b>	<b>\$ 163.6</b>	<b>\$ 204.7</b>	<b>\$ 163.6</b>
net premiums earned	35.1	40.0	36.1	37.5	45.2	148.7	173.2
net loss ratio	52.7%	229.5%	49.3%	37.6%	29.0%	95.6%	42.6%

<sup>(1)</sup> AY = accident year

## Lancashire Holdings Limited

### losses by accident year excluding Lloyd's

#### gross losses excluding Lloyd's segment

<b>accident year</b>	<b>2007 &amp; prior</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
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 31 december 2017	\$ 107.1	\$ 347.6	\$ 82.6	\$ 201.4	\$ 388.4	\$ 266.1	\$ 132.9	\$ 83.4	\$ 114.7	\$ 180.7	\$ 336.5
payments made	(103.2)	(338.7)	(56.9)	(192.8)	(367.4)	(235.9)	(119.3)	(72.1)	(89.0)	(57.3)	(12.4)
<b>total gross liability</b>	<b>\$ 3.9</b>	<b>\$ 8.9</b>	<b>\$ 25.7</b>	<b>\$ 8.6</b>	<b>\$ 21.0</b>	<b>\$ 30.2</b>	<b>\$ 13.6</b>	<b>\$ 11.3</b>	<b>\$ 25.7</b>	<b>\$ 123.4</b>	<b>\$ 324.1</b>
accident year gross loss ratio <sup>(1)</sup>	10.7%	51.1%	12.7%	30.7%	61.1%	36.5%	20.4%	14.0%	24.4%	41.8%	83.7%

#### net losses excluding Lloyd's segment

<b>accident year</b>	<b>2007 &amp; prior</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
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 31 december 2017	\$ 103.9	\$ 307.7	\$ 82.1	\$ 176.8	\$ 316.2	\$ 157.9	\$ 132.9	\$ 83.4	\$ 107.0	\$ 107.8	\$ 247.9
payments made	(100.1)	(300.1)	(56.4)	(169.7)	(297.6)	(127.7)	(119.3)	(72.1)	(81.3)	(42.5)	(12.1)
<b>total net liability</b>	<b>\$ 3.8</b>	<b>\$ 7.6</b>	<b>\$ 25.7</b>	<b>\$ 7.1</b>	<b>\$ 18.6</b>	<b>\$ 30.2</b>	<b>\$ 13.6</b>	<b>\$ 11.3</b>	<b>\$ 25.7</b>	<b>\$ 65.3</b>	<b>\$ 235.8</b>
accident year net loss ratio <sup>(1)</sup>	12.2%	50.7%	13.8%	28.8%	55.0%	27.1%	25.2%	16.6%	29.0%	34.2%	89.0%
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%	15.8%	13.4%	14.1%	4.3%	7.5%	8.3%	10.9%	15.9%	6.2%	n/a

<sup>(1)</sup> 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 &amp; 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 <sup>(2)</sup>	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 31 december 2017	\$ 33.5	\$ 5.5	\$ 7.0	\$ 28.2	\$ 64.2	\$ 42.6	\$ 89.2	\$ 113.1	\$ 81.5	\$ 130.0	\$ 243.6
payments made	(9.9)	(2.4)	(3.3)	(23.1)	(54.0)	(31.4)	(80.7)	(95.4)	(64.5)	(77.0)	(59.6)
<b>total gross liability</b>	<b>\$ 23.6</b>	<b>\$ 3.1</b>	<b>\$ 3.7</b>	<b>\$ 5.1</b>	<b>\$ 10.2</b>	<b>\$ 11.2</b>	<b>\$ 8.5</b>	<b>\$ 17.7</b>	<b>\$ 17.0</b>	<b>\$ 53.0</b>	<b>\$ 184.0</b>
accident year gross loss ratio <sup>(1)</sup>							58.6%	41.1%	32.5%	57.1%	114.9%

#### net losses lloyd's segment

<u>accident year</u>	<u>2007 &amp; 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 <sup>(2)</sup>	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 31 december 2017	\$ 10.1	\$ 4.4	\$ 6.2	\$ 16.6	\$ 30.3	\$ 29.6	\$ 81.2	\$ 101.6	\$ 76.6	\$ 104.4	\$ 154.6
payments made	(5.7)	(2.0)	(4.3)	(11.8)	(24.6)	(21.8)	(73.3)	(87.4)	(60.2)	(65.6)	(54.2)
<b>total net liability</b>	<b>\$ 4.4</b>	<b>\$ 2.4</b>	<b>\$ 1.9</b>	<b>\$ 4.8</b>	<b>\$ 5.7</b>	<b>\$ 7.8</b>	<b>\$ 7.9</b>	<b>\$ 14.2</b>	<b>\$ 16.4</b>	<b>\$ 38.8</b>	<b>\$ 100.4</b>
accident year net loss ratio <sup>(1)</sup>							67.8%	47.5%	38.6%	60.3%	104.0%
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%	8.0%	9.3%	(3.7%)	n/a

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

<sup>(2)</sup> 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**

<b>accident year</b>	<b>2007 &amp; prior</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
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 31 december 2017	\$ 140.6	\$ 353.1	\$ 89.6	\$ 229.6	\$ 452.6	\$ 308.7	\$ 222.1	\$ 196.5	\$ 196.2	\$ 310.7	\$ 580.1
payments made	(113.1)	(341.1)	(60.2)	(215.9)	(421.4)	(267.3)	(200.0)	(167.5)	(153.5)	(134.3)	(72.0)
<b>total gross liability</b>	<b>\$ 27.5</b>	<b>\$ 12.0</b>	<b>\$ 29.4</b>	<b>\$ 13.7</b>	<b>\$ 31.2</b>	<b>\$ 41.4</b>	<b>\$ 22.1</b>	<b>\$ 29.0</b>	<b>\$ 42.7</b>	<b>\$ 176.4</b>	<b>\$ 508.1</b>

accident year gross loss ratio <sup>(1)</sup> 23.2% 22.6% 27.2% 47.1% 94.4%

**net losses group**

<b>accident year</b>	<b>2007 &amp; prior</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
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 31 december 2017	\$ 114.0	\$ 312.1	\$ 88.3	\$ 193.4	\$ 346.5	\$ 187.5	\$ 214.1	\$ 185.0	\$ 183.6	\$ 212.2	\$ 402.5
payments made	(105.8)	(302.1)	(60.7)	(181.5)	(322.2)	(149.5)	(192.6)	(159.5)	(141.5)	(108.1)	(66.3)
<b>total net liability</b>	<b>\$ 8.2</b>	<b>\$ 10.0</b>	<b>\$ 27.6</b>	<b>\$ 11.9</b>	<b>\$ 24.3</b>	<b>\$ 38.0</b>	<b>\$ 21.5</b>	<b>\$ 25.5</b>	<b>\$ 42.1</b>	<b>\$ 104.1</b>	<b>\$ 336.2</b>

accident year net loss ratio <sup>(1)</sup> 28.1% 25.9% 32.4% 43.5% 94.2%

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 8.0% 10.0% 13.6% 2.7% n/a

<sup>(1)</sup> 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 january 2018 <sup>(2)</sup> 100 year return period		1 january 2018 <sup>(2)</sup> 250 year return period	
		estimated gross loss	estimated net loss	estimated gross loss	estimated net loss
gulf of mexico <sup>(1)</sup>	hurricane	\$ 356.5	\$ 161.8	\$ 533.0	\$ 238.1
non gulf of mexico - US	hurricane	392.3	124.2	713.5	283.3
california	earthquake	230.6	78.7	424.5	136.0
pacific northwest	earthquake	35.7	21.9	187.4	72.6
pan-european	windstorm	253.6	70.3	393.5	116.7
japan	earthquake	113.4	43.8	319.7	83.5
japan	typhoon	164.3	36.4	279.3	46.0

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.

<sup>(1)</sup> landing hurricane from florida to texas

<sup>(2)</sup> gross and net losses include lloyd's segment

**Lancashire Holdings Limited**  
**earnings per share**

	<b>q4 2017</b>	<b>q4 2016</b>	<b>full year 2017</b>	<b>full year 2016</b>
<b>basic (loss) earnings per share:</b>				
(loss) profit after tax attributable to Lancashire	\$ (5.4)	\$ 51.1	\$ (71.1)	\$ 153.8
net operating (loss) income attributable to Lancashire	\$ (3.1)	\$ 45.9	\$ (86.0)	\$ 144.0
<b>dilutive shares</b>				
weighted average shares outstanding - basic	199,983,630	198,837,791	199,723,434	198,565,378
dilutive effect of restricted stock	1,810,800	2,937,122	1,780,368	2,901,049
weighted average & equivalent shares outstanding - diluted	<u>201,794,430</u>	<u>201,774,913</u>	<u>201,503,802</u>	<u>201,466,427</u>
<b>basic (loss) earnings per share attributable to Lancashire</b>	<b><u>\$ (0.03)</u></b>	<b><u>\$ 0.26</u></b>	<b><u>\$ (0.36)</u></b>	<b><u>\$ 0.77</u></b>
<b>diluted (loss) earnings per share attributable to Lancashire</b>	<b><u>\$ (0.03)</u></b>	<b><u>\$ 0.25</u></b>	<b><u>\$ (0.36)</u></b>	<b><u>\$ 0.76</u></b>
<b>diluted operating (loss) earnings per share attributable to Lancashire</b>	<b><u>\$ (0.03)</u></b>	<b><u>\$ 0.23</u></b>	<b><u>\$ (0.43)</u></b>	<b><u>\$ 0.71</u></b>

**Lancashire Holdings Limited**  
**basic and fully converted book value per share**

	31 december 2017	30 september 2017	30 june 2017	31 march 2017	31 december 2016
numerator (\$ in millions):					
shareholders' equity attributable to Lancashire	\$ 1,106.9	\$ 1,116.4	\$ 1,261.1	\$ 1,218.3	\$ 1,207.3
book value numerator	\$ 1,106.9	\$ 1,116.4	\$ 1,261.1	\$ 1,218.3	\$ 1,207.3
deduction for goodwill and other intangible assets	\$ 153.8	\$ 153.8	\$ 153.8	\$ 153.8	\$ 153.8
tangible book value numerator	\$ 953.1	\$ 962.6	\$ 1,107.3	\$ 1,064.5	\$ 1,053.5
denominator (in shares):					
common voting shares outstanding	200,008,691	199,959,265	199,958,275	199,749,615	198,877,892
shares relating to dilutive restricted stock	1,814,488	1,854,456	2,432,247	1,934,015	2,941,316
fully converted book value denominator	201,823,179	201,813,721	202,390,522	201,683,630	201,819,208
<b>basic book value per share attributable to Lancashire</b>	<b>\$ 5.53</b>	<b>\$ 5.58</b>	<b>\$ 6.31</b>	<b>\$ 6.10</b>	<b>\$ 6.07</b>
<b>fully converted book value per share attributable to Lancashire</b>	<b>\$ 5.48</b>	<b>\$ 5.53</b>	<b>\$ 6.23</b>	<b>\$ 6.04</b>	<b>\$ 5.98</b>
<b>tangible basic book value per share attributable to Lancashire</b>	<b>\$ 4.77</b>	<b>\$ 4.81</b>	<b>\$ 5.54</b>	<b>\$ 5.33</b>	<b>\$ 5.30</b>
<b>tangible fully converted book value per share attributable to Lancashire</b>	<b>\$ 4.72</b>	<b>\$ 4.77</b>	<b>\$ 5.47</b>	<b>\$ 5.28</b>	<b>\$ 5.22</b>
dividend per common share	–	\$ 0.05	–	\$ 0.10	\$ 0.75
change in FCBVS adj for dividends <sup>(1)</sup> - quarter	(0.9%)	(10.4%)	3.2%	2.7%	2.8%
change in FCBVS adj for dividends <sup>(1)</sup> - rolling 12 months	(5.9%)	(2.0%)	12.2%	12.3%	13.5%
compound annual change in FCBVS adj for dividends <sup>(1)</sup>	17.7%	17.9%	18.3%	18.4%	18.4%
compound annual change in FCBVS adj for dividends <sup>(1)</sup> - above 3 month treasury	16.7%	16.8%	17.3%	17.3%	17.4%
change in FCBVS adj for dividends <sup>(1)</sup> - since inception	608.2%	589.3%	591.7%	565.5%	541.1%
change in FCBVS excluding warrant exercises adj for dividends <sup>(1)</sup> - quarter	(0.9%)	(10.4%)	3.2%	2.7%	2.8%
change in FCBVS excluding warrant exercises adj for dividends <sup>(1)</sup> - rolling 12 months	(5.2%)	(0.8%)	11.8%	11.9%	13.0%
compound annual change in FCBVS excluding warrant exercises adj for dividends <sup>(1)</sup>	17.9%	18.0%	18.5%	18.5%	18.6%
compound annual change in FCBVS excluding warrant exercises adj for dividends <sup>(1)</sup> - above 3 month treasury	16.9%	17.0%	17.5%	17.5%	17.6%
change in tangible FCBVS adj for dividends <sup>(1)</sup> - quarter	(1.1%)	(11.9%)	3.6%	3.1%	3.1%
change in tangible FCBVS adj for dividends <sup>(1)</sup> - rolling 12 months	(6.8%)	(2.3%)	14.2%	14.1%	15.7%

<sup>(1)</sup> 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**

	q4 2017	q3 2017	q2 2017	q1 2017	q4 2016	full year 2017	full year 2016
gross premiums written	\$ 28.2	\$ 51.2	\$ 54.6	\$ 73.3	\$ 29.6	\$ 207.3	\$ 215.0
outwards reinsurance premiums	(5.8)	(18.7)	(6.5)	(32.7)	(1.4)	(63.7)	(55.0)
<b>net premiums written</b>	<b>22.4</b>	<b>32.5</b>	<b>48.1</b>	<b>40.6</b>	<b>28.2</b>	<b>143.6</b>	<b>160.0</b>
change in unearned premiums	22.7	12.9	(6.7)	(24.2)	26.6	4.7	12.6
change in unearned premiums on premiums ceded	(10.0)	(5.4)	(5.3)	21.1	(9.6)	0.4	0.6
<b>net premiums earned</b>	<b>35.1</b>	<b>40.0</b>	<b>36.1</b>	<b>37.5</b>	<b>45.2</b>	<b>148.7</b>	<b>173.2</b>
net investment income	0.8	1.1	1.0	0.7	0.8	3.6	3.7
net realised (losses) gains and impairments	(0.1)	(0.1)	0.9	–	(0.9)	0.7	(1.1)
other income	4.0	0.4	0.6	0.5	6.2	5.5	9.9
net foreign exchange gains (losses)	0.3	0.9	(0.9)	0.1	1.9	0.4	10.5
<b>total net revenue</b>	<b>40.1</b>	<b>42.3</b>	<b>37.7</b>	<b>38.8</b>	<b>53.2</b>	<b>158.9</b>	<b>196.2</b>
insurance losses	19.1	177.8	21.3	14.5	4.3	232.7	92.3
insurance losses recoverable	(0.6)	(86.0)	(3.5)	(0.4)	8.8	(90.5)	(18.6)
net insurance acquisition expenses	9.9	8.8	7.3	9.4	11.3	35.4	39.0
equity based compensation	(0.4)	(0.3)	0.2	(2.0)	0.4	(2.5)	0.9
other operating expenses	3.8	3.6	7.1	7.3	9.1	21.8	32.2
<b>total expenses</b>	<b>31.8</b>	<b>103.9</b>	<b>32.4</b>	<b>28.8</b>	<b>33.9</b>	<b>196.9</b>	<b>145.8</b>
<b>profit (loss) before tax and finance costs</b>	<b>8.3</b>	<b>(61.6)</b>	<b>5.3</b>	<b>10.0</b>	<b>19.3</b>	<b>(38.0)</b>	<b>50.4</b>
financing costs	(0.9)	(0.8)	(0.8)	(0.8)	(0.2)	(3.3)	(3.0)
<b>profit (loss) before tax</b>	<b>7.4</b>	<b>(62.4)</b>	<b>4.5</b>	<b>9.2</b>	<b>19.1</b>	<b>(41.3)</b>	<b>47.4</b>
tax (expense) credit	(1.2)	1.8	0.4	0.6	(1.1)	1.6	(3.4)
<b>profit (loss) after tax</b>	<b>\$ 6.2</b>	<b>\$ (60.6)</b>	<b>\$ 4.9</b>	<b>\$ 9.8</b>	<b>\$ 18.0</b>	<b>\$ (39.7)</b>	<b>\$ 44.0</b>
change in net unrealised gains / losses on investments	(0.8)	(0.1)	(0.5)	0.1	(1.0)	(1.3)	0.8
<b>comprehensive income (loss)</b>	<b>\$ 5.4</b>	<b>\$ (60.7)</b>	<b>\$ 4.4</b>	<b>\$ 9.9</b>	<b>\$ 17.0</b>	<b>\$ (41.0)</b>	<b>\$ 44.8</b>
net loss ratio	52.7%	229.5%	49.3%	37.6%	29.0%	95.6%	42.6%
net acquisition cost ratio	28.2%	22.0%	20.2%	25.1%	25.0%	23.8%	22.5%
administrative expense ratio	10.8%	9.0%	19.7%	19.5%	20.1%	14.7%	18.6%
combined ratio	91.7%	260.5%	89.2%	82.2%	74.1%	134.1%	83.7%