

UNDERWRITING
COMES FIRST

EFFECTIVELY BALANCE
RISK AND RETURN

OPERATE NIMBLY
THROUGH THE CYCLE

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 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; CYCLICAL DOWNTURNS 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; LANCASHIRE OR ANY OF THE GROUP’S BERMUDIAN SUBSIDIARIES BECOMING SUBJECT TO INCOME TAXES IN THE UNITED STATES OR THE BERMUDIAN SUBSIDIARIES BECOMING SUBJECT TO INCOME TAXES IN 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

	q1 2018	q1 2017	% change q1 - 18 vs. q1 - 17
highlights			
gross premiums written	\$ 215.8	\$ 196.5	10%
net premiums written	87.8	76.3	15%
net premiums earned	114.1	117.1	(3%)
net insurance losses	13.7	44.2	(69%)
net investment income	7.2	6.5	11%
net realised (losses) gains and impairments	(0.7)	2.7	(126%)
profit after tax attributable to Lancashire	42.2	30.3	39%
change in net unrealised gains / losses on investments	(9.3)	3.8	(345%)
comprehensive income attributable to Lancashire	32.9	34.1	(4%)
net operating income attributable to Lancashire ⁽¹⁾	\$ 40.5	\$ 25.2	61%
total investments and cash	\$ 1,905.5	\$ 1,956.3	(3%)
shareholders' equity attributable to Lancashire	\$ 1,119.1	\$ 1,218.3	(8%)
per share data attributable to Lancashire			
net operating income per share - diluted ⁽²⁾	\$ 0.20	\$ 0.13	
profit after tax per share - diluted ⁽²⁾	\$ 0.21	\$ 0.15	
fully converted book value per share	\$ 5.54	\$ 6.04	
change in FCBVS adj for dividends ⁽³⁾	2.9%	2.7%	
change in FCBVS adj for dividends - tangible ⁽⁴⁾	3.4%	3.1%	
financial ratios			
net loss ratio	12.0%	37.7%	
net acquisition cost ratio	30.6%	27.2%	
administrative expense ratio	22.6%	20.7%	
combined ratio	<u>65.2%</u>	<u>85.6%</u>	
accident year net loss ratio	34.3%	46.5%	
net return on total investments including internal FX hedges	(0.1%)	0.7%	
net return on total investments excluding internal FX hedges	-	0.7%	

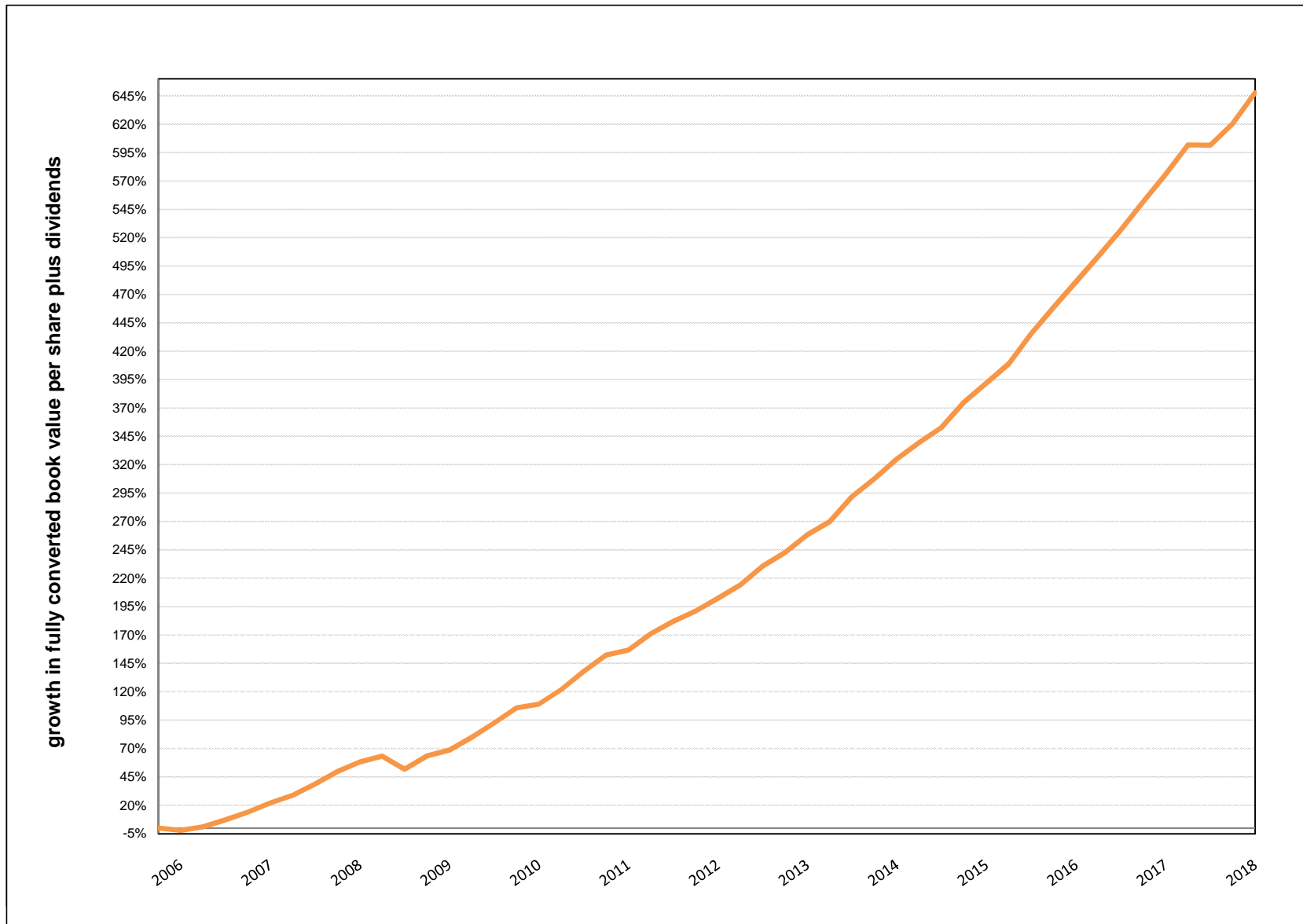
⁽¹⁾ excludes realised gains and losses, tax and foreign exchange gains and losses

⁽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 Q1 2018

** the chart excludes the impact of historical warrant exercises

Lancashire Holdings Limited
summary consolidated income statements

	q1 2018	q4 2017	q3 2017	q2 2017	q1 2017	full year 2017
gross premiums written	\$ 215.8	\$ 67.4	\$ 143.0	\$ 184.7	\$ 196.5	\$ 591.6
outwards reinsurance premiums	(128.0)	(15.3)	(36.9)	(21.2)	(120.2)	(193.6)
net premiums written	87.8	52.1	106.1	163.5	76.3	398.0
change in unearned premiums	(60.5)	69.5	36.4	(43.7)	(39.6)	22.6
change in unearned premiums on premiums ceded	86.8	(28.1)	(23.5)	(21.5)	80.4	7.3
net premiums earned	114.1	93.5	119.0	98.3	117.1	427.9
net investment income	7.2	7.8	8.0	8.2	6.5	30.5
net other investment (losses) income	(0.2)	2.7	0.4	(1.1)	(0.8)	1.2
net realised (losses) gains and impairments	(0.7)	0.5	0.5	5.4	2.7	9.1
share of (loss) profit of associate	(1.8)	2.3	(13.1)	0.7	0.7	(9.4)
other income	1.4	6.2	3.1	1.3	6.6	17.2
net foreign exchange gains (losses)	2.6	(0.8)	1.2	1.7	0.2	2.3
total net revenue	122.6	112.2	119.1	114.5	133.0	478.8
insurance losses	18.8	124.2	336.7	30.8	46.3	538.0
insurance losses recoverable	(5.1)	(53.6)	(128.0)	(18.9)	(2.1)	(202.6)
net insurance acquisition expenses	34.9	20.6	32.1	31.0	31.9	115.6
equity based compensation	1.6	(0.3)	(2.9)	2.9	(0.1)	(0.4)
other operating expenses	25.8	20.6	13.0	25.8	24.2	83.6
total expenses	76.0	111.5	250.9	71.6	100.2	534.2
profit (loss) before tax and finance costs	46.6	0.7	(131.8)	42.9	32.8	(55.4)
financing costs	(4.2)	(3.9)	(4.6)	(4.9)	(4.1)	(17.5)
profit (loss) before tax	42.4	(3.2)	(136.4)	38.0	28.7	(72.9)
tax (charge) credit	(0.3)	(2.1)	2.3	0.2	1.9	2.3
profit (loss) after tax	\$ 42.1	\$ (5.3)	\$ (134.1)	\$ 38.2	\$ 30.6	\$ (70.6)
loss (income) attributable to non-controlling interests	0.1	(0.1)	(0.1)	–	(0.3)	(0.5)
profit (loss) after tax attributable to Lancashire	\$ 42.2	\$ (5.4)	\$ (134.2)	\$ 38.2	\$ 30.3	\$ (71.1)
change in net unrealised gains / losses on investments	(9.3)	(3.7)	2.5	2.3	3.8	4.9
comprehensive income (loss) attributable to Lancashire	\$ 32.9	\$ (9.1)	\$ (131.7)	\$ 40.5	\$ 34.1	\$ (66.2)
net loss ratio	12.0%	75.5%	175.4%	12.1%	37.7%	78.4%
net acquisition cost ratio	30.6%	22.0%	27.0%	31.5%	27.2%	27.0%
administrative expense ratio	22.6%	22.0%	10.9%	26.2%	20.7%	19.5%
combined ratio	65.2%	119.5%	213.3%	69.8%	85.6%	124.9%
net return on total investments including internal FX hedges	(0.1%)	0.4%	0.6%	0.8%	0.7%	2.5%
net return on total investments excluding internal FX hedges	–	0.5%	0.8%	1.0%	0.7%	3.0%
basic earnings (loss) per share attributable to Lancashire	\$ 0.21	\$ (0.03)	\$ (0.67)	\$ 0.19	\$ 0.15	\$ (0.36)
diluted earnings (loss) per share attributable to Lancashire	\$ 0.21	\$ (0.03)	\$ (0.67)	\$ 0.19	\$ 0.15	\$ (0.36)

Lancashire Holdings Limited
premiums by line of business

	q1 2018	q4 2017	q3 2017	q2 2017	q1 2017	full year 2017
gross premiums written						
property cat excess of loss	\$ 50.1	\$ 3.1	\$ 24.8	\$ 30.6	\$ 43.4	\$ 101.9
terrorism	14.5	8.5	5.8	8.2	12.4	34.9
property political risk	(1.4)	10.2	6.7	9.5	4.7	31.1
property risk xl	7.0	0.9	4.2	3.2	4.6	12.9
property retrocession	4.6	(1.0)	2.7	1.9	6.4	10.0
other property	5.1	(0.7)	2.6	2.9	2.4	7.2
total property	79.9	21.0	46.8	56.3	73.9	198.0
worldwide offshore energy	21.9	5.1	18.9	20.4	22.2	66.6
gulf of mexico offshore energy	0.2	(0.4)	1.0	23.0	0.8	24.4
onshore energy	2.6	0.2	1.0	0.8	1.5	3.5
energy liabilities	2.1	(0.1)	0.4	0.9	1.8	3.0
construction energy	2.5	(0.4)	1.5	(0.4)	(1.8)	(1.1)
other energy	1.1	0.6	1.6	1.9	1.3	5.4
total energy	30.4	5.0	24.4	46.6	25.8	101.8
marine hull and total loss	1.9	1.9	4.6	11.5	2.0	20.0
marine builders risk	2.3	1.4	5.1	3.3	4.1	13.9
marine P&I clubs	5.4	1.8	–	0.1	8.2	10.1
marine hull war	4.0	0.7	1.3	3.7	1.4	7.1
other marine	1.3	3.4	4.3	4.2	4.6	16.5
total marine	14.9	9.2	15.3	22.8	20.3	67.6
AV 52	3.1	4.1	4.5	5.5	2.7	16.8
aviation satellite	0.5	0.2	0.2	(0.8)	0.2	(0.2)
other aviation	0.4	(0.3)	0.6	(0.3)	0.3	0.3
total aviation	4.0	4.0	5.3	4.4	3.2	16.9
property reinsurance	46.1	4.3	23.2	17.4	43.6	88.5
property direct and facultative	16.8	12.8	12.7	18.1	12.5	56.1
aviation and satellite	12.7	4.6	6.8	5.9	7.7	25.0
marine cargo	7.4	4.3	6.7	4.8	6.7	22.5
energy	3.0	–	1.5	7.0	2.3	10.8
terrorism	0.6	2.2	0.3	1.3	0.6	4.4
other	–	–	–	0.1	(0.1)	–
total lloyd's	86.6	28.2	51.2	54.6	73.3	207.3
total gross premiums written	\$ 215.8	\$ 67.4	\$ 143.0	\$ 184.7	\$ 196.5	\$ 591.6

Lancashire Holdings Limited
total premiums under management

	q1 2018	q4 2017	q3 2017	q2 2017	q1 2017	full year 2017
Lancashire gross premiums written						
property	\$ 79.9	\$ 21.0	\$ 46.8	\$ 56.3	\$ 73.9	\$ 198.0
energy	30.4	5.0	24.4	46.6	25.8	101.8
marine	14.9	9.2	15.3	22.8	20.3	67.6
aviation	4.0	4.0	5.3	4.4	3.2	16.9
lloyd's	86.6	28.2	51.2	54.6	73.3	207.3
total gross premiums written	\$ 215.8	\$ 67.4	\$ 143.0	\$ 184.7	\$ 196.5	\$ 591.6
additional premiums managed by Lancashire						
lloyd's 2010 syndicate	51.2	13.3	27.6	28.0	44.2	113.1
kinesis re	77.6	12.3	2.5	-	58.1	72.9
	128.8	25.6	30.1	28.0	102.3	186.0
total premiums managed by Lancashire	\$ 344.6	\$ 93.0	\$ 173.1	\$ 212.7	\$ 298.8	\$ 777.6

Lancashire Holdings Limited
summary consolidated underwriting segment results

	three months ended 31 march 2018					
	property	energy	marine	aviation	lloyd's	consolidated
gross premiums written	\$ 79.9	\$ 30.4	\$ 14.9	\$ 4.0	\$ 86.6	\$ 215.8
net premiums written	26.4	4.7	5.4	3.8	47.5	87.8
net premiums earned	32.8	23.8	11.7	3.2	42.6	114.1
net insurance (recoveries) losses	(4.5)	(0.8)	4.3	(0.3)	15.0	13.7
net insurance acquisition expenses	7.9	11.3	4.4	1.9	9.4	34.9
other operating expenses ⁽¹⁾						25.8
	\$ 29.4	\$ 13.3	\$ 3.0	\$ 1.6	\$ 18.2	\$ 39.7
net loss ratio	(13.7%)	(3.4%)	36.8%	(9.4%)	35.2%	12.0%
net acquisition cost ratio	24.1%	47.5%	37.6%	59.4%	22.1%	30.6%
administrative expense ratio ⁽¹⁾						22.6%
combined ratio	10.4%	44.1%	74.4%	50.0%	57.3%	65.2%

	three months ended 31 march 2017					
	property	energy	marine	aviation	lloyd's	consolidated
gross premiums written	\$ 73.9	\$ 25.8	\$ 20.3	\$ 3.2	\$ 73.3	\$ 196.5
net premiums written	22.9	3.5	9.9	(0.6)	40.6	76.3
net premiums earned	34.0	30.1	11.8	3.7	37.5	117.1
net insurance losses (recoveries)	7.4	13.4	9.8	(0.5)	14.1	44.2
net insurance acquisition expenses	6.6	11.8	2.3	1.8	9.4	31.9
other operating expenses ⁽¹⁾						24.2
	\$ 20.0	\$ 4.9	\$ (0.3)	\$ 2.4	\$ 14.0	\$ 16.8
net loss ratio	21.8%	44.5%	83.1%	(13.5%)	37.6%	37.7%
net acquisition cost ratio	19.4%	39.2%	19.5%	48.6%	25.1%	27.2%
administrative expense ratio ⁽¹⁾						20.7%
combined ratio	41.2%	83.7%	102.6%	35.1%	62.7%	85.6%

⁽¹⁾ administrative expenses are not allocated by segment

Lancashire Holdings Limited
property segment - underwriting statement

	q1 2018	q4 2017	q3 2017	q2 2017	q1 2017	full year 2017
underwriting income (loss)						
gross premiums written	\$ 79.9	\$ 21.0	\$ 46.8	\$ 56.3	\$ 73.9	\$ 198.0
outwards reinsurance premiums	(53.5)	(5.1)	(11.5)	1.3	(51.0)	(66.3)
net premiums written	26.4	15.9	35.3	57.6	22.9	131.7
change in unearned premiums	(31.3)	33.4	12.8	(10.4)	(24.2)	11.6
change in unearned premiums on premiums ceded	37.7	(10.0)	(7.7)	(14.4)	35.3	3.2
net premiums earned	\$ 32.8	\$ 39.3	\$ 40.4	\$ 32.8	\$ 34.0	\$ 146.5
underwriting expenses						
net insurance (recoveries) losses	(4.5)	52.0	105.3	2.9	7.4	167.6
net insurance acquisition expenses	7.9	6.2	7.5	7.3	6.6	27.6
total underwriting expenses	3.4	58.2	112.8	10.2	14.0	195.2
net underwriting income (loss)	\$ 29.4	\$ (18.9)	\$ (72.4)	\$ 22.6	\$ 20.0	\$ (48.7)
net loss ratio (% of net premiums earned)	(13.7%)	132.3%	260.6%	8.8%	21.8%	114.4%
net acquisition cost ratio (% of net premiums earned)	24.1%	15.8%	18.6%	22.3%	19.4%	18.8%
	10.4%	148.1%	279.2%	31.1%	41.2%	133.2%

Lancashire Holdings Limited
energy segment - underwriting statement

	q1 2018	q4 2017	q3 2017	q2 2017	q1 2017	full year 2017
underwriting income						
gross premiums written	\$ 30.4	\$ 5.0	\$ 24.4	\$ 46.6	\$ 25.8	\$ 101.8
outwards reinsurance premiums	(25.7)	(4.2)	(4.0)	(14.6)	(22.3)	(45.1)
net premiums written	4.7	0.8	20.4	32.0	3.5	56.7
change in unearned premiums	2.0	9.5	9.1	(22.7)	11.6	7.5
change in unearned premiums on premiums ceded	17.1	(3.8)	(6.6)	1.6	15.0	6.2
net premiums earned	\$ 23.8	\$ 6.5	\$ 22.9	\$ 10.9	\$ 30.1	\$ 70.4
underwriting expenses						
net insurance (recoveries) losses	(0.8)	(4.7)	4.8	(2.4)	13.4	11.1
net insurance acquisition expenses	11.3	3.2	8.8	7.2	11.8	31.0
total underwriting expenses	10.5	(1.5)	13.6	4.8	25.2	42.1
net underwriting income	\$ 13.3	\$ 8.0	\$ 9.3	\$ 6.1	\$ 4.9	\$ 28.3
net loss ratio (% of net premiums earned)	(3.4%)	(72.3%)	21.0%	(22.0%)	44.5%	15.8%
net acquisition cost ratio (% of net premiums earned)	47.5%	49.2%	38.4%	66.1%	39.2%	44.0%
	44.1%	(23.1%)	59.4%	44.1%	83.7%	59.8%

Lancashire Holdings Limited
marine segment - underwriting statement

	q1 2018	q4 2017	q3 2017	q2 2017	q1 2017	full year 2017
underwriting income (loss)						
gross premiums written	\$ 14.9	\$ 9.2	\$ 15.3	\$ 22.8	\$ 20.3	\$ 67.6
outwards reinsurance premiums	(9.5)	(0.8)	(1.7)	1.6	(10.4)	(11.3)
net premiums written	5.4	8.4	13.6	24.4	9.9	56.3
change in unearned premiums	(0.9)	4.7	0.3	(4.7)	(5.9)	(5.6)
change in unearned premiums on premiums ceded	7.2	(2.1)	(1.7)	(4.0)	7.8	-
net premiums earned	\$ 11.7	\$ 11.0	\$ 12.2	\$ 15.7	\$ 11.8	\$ 50.7
underwriting expenses						
net insurance losses (recoveries)	4.3	5.2	7.2	(5.5)	9.8	16.7
net insurance acquisition expenses	4.4	3.5	4.9	7.7	2.3	18.4
total underwriting expenses	8.7	8.7	12.1	2.2	12.1	35.1
net underwriting income (loss)	\$ 3.0	\$ 2.3	\$ 0.1	\$ 13.5	\$ (0.3)	\$ 15.6
net loss ratio (% of net premiums earned)	36.8%	47.3%	59.0%	(35.0%)	83.1%	32.9%
net acquisition cost ratio (% of net premiums earned)	37.6%	31.8%	40.2%	49.0%	19.5%	36.3%
	74.4%	79.1%	99.2%	14.0%	102.6%	69.2%

Lancashire Holdings Limited
aviation segment - underwriting statement

	q1 2018	q4 2017	q3 2017	q2 2017	q1 2017	full year 2017
underwriting income						
gross premiums written	\$ 4.0	\$ 4.0	\$ 5.3	\$ 4.4	\$ 3.2	\$ 16.9
outwards reinsurance premiums	(0.2)	0.6	(1.0)	(3.0)	(3.8)	(7.2)
net premiums written	3.8	4.6	4.3	1.4	(0.6)	9.7
change in unearned premiums	0.8	(0.8)	1.3	0.8	3.1	4.4
change in unearned premiums on premiums ceded	(1.4)	(2.2)	(2.1)	0.6	1.2	(2.5)
net premiums earned	\$ 3.2	\$ 1.6	\$ 3.5	\$ 2.8	\$ 3.7	\$ 11.6
underwriting expenses						
net insurance (recoveries)	(0.3)	(0.4)	(0.4)	(0.9)	(0.5)	(2.2)
net insurance acquisition expenses	1.9	(2.2)	2.1	1.5	1.8	3.2
total underwriting expenses	1.6	(2.6)	1.7	0.6	1.3	1.0
net underwriting income	\$ 1.6	\$ 4.2	\$ 1.8	\$ 2.2	\$ 2.4	\$ 10.6
net loss ratio (% of net premiums earned)	(9.4%)	(25.0%)	(11.4%)	(32.1%)	(13.5%)	(19.0%)
net acquisition cost ratio (% of net premiums earned)	59.4%	(137.5%)	60.0%	53.6%	48.6%	27.6%
	50.0%	(162.5%)	48.6%	21.5%	35.1%	8.6%

Lancashire Holdings Limited
lloyd's segment - underwriting statement

	q1 2018	q4 2017	q3 2017	q2 2017	q1 2017	full year 2017
underwriting income (loss)						
gross premiums written	\$ 86.6	\$ 28.2	\$ 51.2	\$ 54.6	\$ 73.3	\$ 207.3
outwards reinsurance premiums	(39.1)	(5.8)	(18.7)	(6.5)	(32.7)	(63.7)
net premiums written	47.5	22.4	32.5	48.1	40.6	143.6
change in unearned premiums	(31.1)	22.7	12.9	(6.7)	(24.2)	4.7
change in unearned premiums on premiums ceded	26.2	(10.0)	(5.4)	(5.3)	21.1	0.4
net premiums earned	\$ 42.6	\$ 35.1	\$ 40.0	\$ 36.1	\$ 37.5	\$ 148.7
underwriting expenses						
net insurance losses	15.0	18.5	91.8	17.8	14.1	142.2
net insurance acquisition expenses	9.4	9.9	8.8	7.3	9.4	35.4
total underwriting expenses	24.4	28.4	100.6	25.1	23.5	177.6
net underwriting income (loss)	\$ 18.2	\$ 6.7	\$ (60.6)	\$ 11.0	\$ 14.0	\$ (28.9)
net loss ratio (% of net premiums earned)	35.2%	52.7%	229.5%	49.3%	37.6%	95.6%
net acquisition cost ratio (% of net premiums earned)	22.1%	28.2%	22.0%	20.2%	25.1%	23.8%
	57.3%	80.9%	251.5%	69.5%	62.7%	119.4%

Lancashire Holdings Limited
total contribution from third party capital activities

	q1 2018	q4 2017	q3 2017	q2 2017	q1 2017	full year 2017
kinesis underwriting fees	\$ 1.0	\$ 2.2	\$ 2.2	\$ 0.7	\$ 0.7	\$ 5.8
kinesis profit commission	-	-	0.5	-	5.4	5.9
total kinesis	1.0	2.2	2.7	0.7	6.1	11.7
lloyd's managing agency fees	0.2	0.3	0.3	0.2	0.2	1.0
lloyd's consortium fees	0.2	1.2	0.1	0.1	0.3	1.7
lloyd's profit commission 2015 year of account	-	2.5	-	0.3	-	2.8
total lloyd's	0.4	4.0	0.4	0.6	0.5	5.5
other income	\$ 1.4	\$ 6.2	\$ 3.1	\$ 1.3	\$ 6.6	\$ 17.2
share of (loss) profit of associate	\$ (1.8)	\$ 2.3	\$ (13.1)	\$ 0.7	\$ 0.7	\$ (9.4)
total contribution from third party capital activities	\$ (0.4)	\$ 8.5	\$ (10.0)	\$ 2.0	\$ 7.3	\$ 7.8

Lancashire Holdings Limited
summary consolidated balance sheets

	31 march 2018	31 december 2017	30 september 2017	30 june 2017	31 march 2017
assets					
cash and cash equivalents	\$ 229.2	\$ 256.5	\$ 280.0	\$ 278.7	\$ 284.6
accrued interest receivable	5.8	6.1	7.1	6.7	6.5
investments					
- fixed maturities - available for sale	1,453.1	1,452.2	1,494.7	1,482.0	1,446.6
- at fair value through profit or loss	45.7	25.7	25.7	25.7	52.9
- equity securities - available for sale	22.8	23.2	22.2	21.6	22.1
- hedge funds - at fair value through profit or loss	154.8	154.0	159.4	162.2	150.1
- other investments	(0.1)	(0.5)	0.3	(0.4)	-
reinsurance assets					
- unearned premiums on premiums ceded	128.0	41.2	69.3	92.8	114.3
- reinsurance recoveries	247.8	284.1	251.5	148.4	133.8
- other receivables	17.5	20.7	12.7	15.0	14.4
deferred acquisition costs	83.6	76.7	86.9	92.4	83.2
inwards premiums receivable from insureds and cedants	369.4	297.9	361.8	370.4	335.3
investment in associate	39.9	59.4	12.8	26.6	24.9
goodwill and other intangible assets	153.8	153.8	153.8	153.8	153.8
other assets	42.5	45.0	46.3	38.4	47.8
total assets	\$ 2,993.8	\$ 2,896.0	\$ 2,984.5	\$ 2,914.3	\$ 2,870.3
liabilities					
insurance contracts					
- losses and loss adjustment expenses	\$ 852.2	\$ 933.5	\$ 890.9	\$ 648.0	\$ 657.6
- unearned premiums	411.4	350.9	420.4	456.8	413.1
- other payables	42.9	40.7	55.2	47.7	39.9
amounts payable to reinsurers	127.9	65.5	83.0	86.0	116.1
deferred acquisition costs ceded	3.1	2.5	1.1	1.7	1.3
other payables	93.4	52.8	74.8	69.9	83.5
deferred tax liability	15.9	16.5	17.0	18.8	18.6
long-term debt	327.6	326.3	325.4	324.1	321.7
total liabilities	\$ 1,874.4	\$ 1,788.7	\$ 1,867.8	\$ 1,653.0	\$ 1,651.8
shareholders' equity					
share capital	\$ 100.7	\$ 100.7	\$ 100.7	\$ 100.7	\$ 100.7
own shares	(5.7)	(12.1)	(13.2)	(13.1)	(15.5)
other reserves	859.1	866.2	867.7	870.6	870.7
accumulated other comprehensive (loss) income	(10.8)	(1.5)	2.2	(0.3)	(2.6)
dividends	(20.0)	(29.9)	(29.9)	(19.9)	(19.9)
retained earnings	195.8	183.5	188.9	323.1	284.9
shareholders' equity attributable to Lancashire	\$ 1,119.1	\$ 1,106.9	\$ 1,116.4	\$ 1,261.1	\$ 1,218.3
non-controlling interests	0.3	0.4	0.3	0.2	0.2
total shareholders' equity	\$ 1,119.4	\$ 1,107.3	\$ 1,116.7	\$ 1,261.3	\$ 1,218.5
total liabilities and shareholders' equity	\$ 2,993.8	\$ 2,896.0	\$ 2,984.5	\$ 2,914.3	\$ 2,870.3
basic book value per share attributable to Lancashire	\$ 5.58	\$ 5.53	\$ 5.58	\$ 6.31	\$ 6.10
fully converted book value per share attributable to Lancashire	\$ 5.54	\$ 5.48	\$ 5.53	\$ 6.23	\$ 6.04
debt to total capital ratio	22.6%	22.8%	22.6%	20.4%	20.9%
debt to total tangible capital ratio	25.3%	25.5%	25.3%	22.6%	23.2%

Lancashire Holdings Limited
composition of investment portfolio

	31 march 2018	%	31 december 2017	%	30 september 2017	%	30 june 2017	%	31 march 2017	%
type of investment										
short-term investments	\$ 157.2	8.5%	\$ 111.1	6.0%	\$ 67.3	3.6%	\$ 56.4	3.0%	\$ 3.9	0.2%
fixed maturity funds	13.7	0.7%	31.0	1.7%	30.8	1.6%	12.1	0.6%	13.9	0.8%
U.S. treasuries	218.6	11.9%	235.7	12.8%	242.6	12.9%	252.5	13.5%	255.5	13.9%
other government bonds	63.9	3.5%	71.4	3.9%	71.4	3.8%	68.0	3.6%	71.7	3.9%
U.S. municipal bonds	6.0	0.3%	6.0	0.3%	6.0	0.3%	6.0	0.3%	2.3	0.1%
U.S. government agency debt	91.7	5.0%	70.5	3.8%	90.2	4.8%	92.9	5.0%	91.1	4.9%
asset backed securities	143.1	7.8%	144.0	7.8%	120.8	6.4%	126.2	6.7%	137.8	7.5%
U.S. government agency mortgage backed securities	131.1	7.1%	141.0	7.7%	136.8	7.3%	122.6	6.5%	121.2	6.6%
non-agency mortgage backed securities	13.9	0.8%	13.2	0.7%	12.0	0.6%	14.3	0.8%	15.0	0.8%
non-agency commercial mortgage backed securities	0.2	—	0.2	—	0.6	—	4.4	0.2%	7.0	0.4%
bank loans	110.5	6.0%	106.7	5.8%	110.7	5.9%	122.3	6.5%	123.7	6.7%
corporate bonds	503.2	27.2%	521.4	28.2%	605.5	32.1%	604.3	32.3%	603.5	32.7%
total fixed maturities - available for sale	1,453.1	78.8%	1,452.2	78.7%	1,494.7	79.3%	1,482.0	79.0%	1,446.6	78.5%
fixed maturities - at fair value through profit or loss	45.7	2.5%	25.7	1.4%	25.7	1.4%	25.7	1.4%	52.9	2.9%
equity securities - available for sale	22.8	1.2%	23.2	1.3%	22.2	1.2%	21.6	1.2%	22.1	1.2%
hedge funds - at fair value through profit or loss	154.8	8.4%	154.0	8.4%	159.4	8.5%	162.2	8.6%	150.1	8.1%
other investments	(0.1)	—	(0.5)	—	0.3	—	(0.4)	—	—	—
managed cash	167.1	9.1%	188.1	10.2%	181.1	9.6%	184.5	9.8%	170.6	9.3%
total investments	\$ 1,843.4	100.0%	\$ 1,842.7	100.0%	\$ 1,883.4	100.0%	\$ 1,875.6	100.0%	\$ 1,842.3	100.0%
credit quality of fixed maturities - available for sale										
AAA	\$ 308.7	21.2%	\$ 292.7	20.2%	\$ 236.4	15.8%	\$ 224.9	15.2%	\$ 180.4	12.5%
AA+, AA, AA-	572.0	39.4%	571.7	39.3%	622.0	41.7%	620.5	41.9%	637.4	44.0%
A+, A, A-	244.6	16.8%	249.6	17.2%	270.9	18.1%	267.3	18.0%	274.5	19.0%
BBB+, BBB, BBB-	222.2	15.3%	234.6	16.2%	259.0	17.3%	253.6	17.1%	235.5	16.3%
other	105.6	7.3%	103.6	7.1%	106.4	7.1%	115.7	7.8%	118.8	8.2%
\$ 1,453.1	100.0%	\$ 1,452.2	100.0%	\$ 1,494.7	100.0%	\$ 1,482.0	100.0%	\$ 1,446.6	100.0%	
corporate bonds & bank loans (AFS) and fixed maturities (FVTPL)										
industrials	\$ 324.0	49.2%	\$ 329.1	50.3%	\$ 399.0	53.8%	\$ 410.0	54.4%	\$ 422.5	54.1%
financials	296.4	44.9%	289.5	44.3%	306.5	41.3%	299.3	39.8%	314.9	40.4%
utilities	34.8	5.3%	32.6	5.0%	33.7	4.5%	42.6	5.7%	42.0	5.4%
supranationals	4.2	0.6%	2.6	0.4%	2.7	0.4%	0.4	0.1%	0.7	0.1%
\$ 659.4	100.0%	\$ 653.8	100.0%	\$ 741.9	100.0%	\$ 752.3	100.0%	\$ 780.1	100.0%	
quarterly net return including the impact of internal FX hedges		(0.1%)		0.4%		0.6%		0.8%		0.7%
quarterly net return excluding the impact of internal FX hedges		—		0.5%		0.8%		1.0%		0.7%
rolling 12 month net return including the impact of internal FX hedges		1.7%		2.5%		2.0%		1.9%		2.0%
rolling 12 month net return excluding the impact of internal FX hedges		2.2%		3.0%		2.2%		2.0%		1.8%
average book yield of fixed maturities and managed cash		2.1%		2.0%		2.0%		2.0%		1.9%
average market yield of fixed maturities and managed cash		2.5%		2.1%		2.0%		2.0%		2.0%
average duration of fixed maturities and managed cash		1.7 years		1.7 years		1.9 years		2.0 years		1.9 years
average duration of fixed maturities, managed cash and derivative instruments		1.7 years		1.7 years		1.8 years		1.8 years		1.8 years
average credit quality of fixed maturities and managed cash		AA-		AA-		A+		A+		A+
average credit quality of fixed maturities only		AA-		A+		A+		A+		A+

Lancashire Holdings Limited

net losses and loss ratios

total	q1 2018	q4 2017	q3 2017	q2 2017	q1 2017	full year 2017
net reserves: start	\$ 649.4	\$ 639.3	\$ 499.6	\$ 523.8	\$ 543.1	\$ 543.1
paid losses	61.2	63.2	72.5	43.8	67.7	247.2
change in prior AY ⁽¹⁾	(25.2)	(7.4)	(19.9)	(27.2)	(10.6)	(65.1)
current year incurred losses	38.9	78.0	228.6	39.1	54.8	400.5
foreign exchange	2.5	2.7	3.5	7.7	4.2	18.1
net reserves: end	\$ 604.4	\$ 649.4	\$ 639.3	\$ 499.6	\$ 523.8	\$ 649.4
net premiums earned	114.1	93.5	119.0	98.3	117.1	427.9
net loss ratio	12.0%	75.5%	175.4%	12.1%	37.7%	78.4%
IBNR as % of net reserves	43.1%	44.8%	53.9%	36.2%	35.7%	44.8%

property	q1 2018	q4 2017	q3 2017	q2 2017	q1 2017	full year 2017
net reserves: start	\$ 260.3	\$ 222.1	\$ 118.3	\$ 128.6	\$ 125.8	\$ 125.8
paid losses	33.3	15.2	2.4	18.4	7.3	43.3
change in prior AY ⁽¹⁾	(12.5)	3.3	(7.5)	(3.7)	(6.5)	(14.4)
current year incurred losses	8.0	48.7	112.8	6.6	13.9	182.0
foreign exchange	0.5	1.4	0.9	5.2	2.7	10.2
net reserves: end	\$ 223.0	\$ 260.3	\$ 222.1	\$ 118.3	\$ 128.6	\$ 260.3
net premiums earned	32.8	39.3	40.4	32.8	34.0	146.5
net loss ratio	(13.7%)	132.3%	260.6%	8.8%	21.8%	114.4%

energy	q1 2018	q4 2017	q3 2017	q2 2017	q1 2017	full year 2017
net reserves: start	\$ 113.1	\$ 122.0	\$ 146.2	\$ 155.8	\$ 178.5	\$ 178.5
paid losses	0.8	4.8	29.4	7.2	36.3	77.7
change in prior AY ⁽¹⁾	(12.7)	(5.0)	(5.9)	(8.6)	(1.6)	(21.1)
current year incurred losses	11.9	0.3	10.7	6.2	15.0	32.2
foreign exchange	0.3	0.6	0.4	–	0.2	1.2
net reserves: end	\$ 111.8	\$ 113.1	\$ 122.0	\$ 146.2	\$ 155.8	\$ 113.1
net premiums earned	23.8	6.5	22.9	10.9	30.1	70.4
net loss ratio	(3.4%)	(72.3%)	21.0%	(22.0%)	44.5%	15.8%

⁽¹⁾ AY = accident year

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

	q1 2018	q4 2017	q3 2017	q2 2017	q1 2017	full year 2017
marine						
net reserves: start	\$ 68.9	\$ 65.7	\$ 69.6	\$ 76.9	\$ 70.5	\$ 70.5
paid losses	1.2	2.4	11.4	2.3	3.6	19.7
change in prior AY ⁽¹⁾	(1.6)	(0.6)	(3.1)	(9.3)	(2.2)	(15.2)
current year incurred losses	5.9	5.8	10.3	3.8	12.0	31.9
foreign exchange	0.2	0.4	0.3	0.5	0.2	1.4
net reserves: end	\$ 72.2	\$ 68.9	\$ 65.7	\$ 69.6	\$ 76.9	\$ 68.9
net premiums earned	11.7	11.0	12.2	15.7	11.8	50.7
net loss ratio	36.8%	47.3%	59.0%	(35.0%)	83.1%	32.9%
aviation						
	q1 2018	q4 2017	q3 2017	q2 2017	q1 2017	full year 2017
net reserves: start	\$ 2.4	\$ 2.1	\$ 2.6	\$ 4.3	\$ 4.7	\$ 4.7
paid losses	–	(0.7)	0.1	0.8	–	0.2
change in prior AY ⁽¹⁾	(0.5)	(0.6)	(0.7)	(0.7)	(1.0)	(3.0)
current year incurred losses	0.2	0.2	0.3	(0.2)	0.5	0.8
foreign exchange	–	–	–	–	0.1	0.1
net reserves: end	\$ 2.1	\$ 2.4	\$ 2.1	\$ 2.6	\$ 4.3	\$ 2.4
net premiums earned	3.2	1.6	3.5	2.8	3.7	11.6
net loss ratio	(9.4%)	(25.0%)	(11.4%)	(32.1%)	(13.5%)	(19.0%)
lloyd's						
	q1 2018	q4 2017	q3 2017	q2 2017	q1 2017	full year 2017
net reserves: start	\$ 204.7	\$ 227.4	\$ 162.9	\$ 158.2	\$ 163.6	\$ 163.6
paid losses	25.9	41.5	29.2	15.1	20.5	106.3
change in prior AY ⁽¹⁾	2.1	(4.5)	(2.7)	(4.9)	0.7	(11.4)
current year incurred losses	12.9	23.0	94.5	22.7	13.4	153.6
foreign exchange	1.5	0.3	1.9	2.0	1.0	5.2
net reserves: end	\$ 195.3	\$ 204.7	\$ 227.4	\$ 162.9	\$ 158.2	\$ 204.7
net premiums earned	42.6	35.1	40.0	36.1	37.5	148.7
net loss ratio	35.2%	52.7%	229.5%	49.3%	37.6%	95.6%

⁽¹⁾ AY = accident year

Lancashire Holdings Limited
estimated exposures to peak zone elemental losses

zones	perils	1 april 2018 ⁽²⁾		1 april 2018 ⁽²⁾	
		100 year return period		250 year return period	
		estimated gross loss	estimated net loss	estimated gross loss	estimated net loss
gulf of mexico ⁽¹⁾	hurricane	\$ 375.0	\$ 171.2	\$ 554.9	\$ 247.9
non gulf of mexico - US	hurricane	405.9	126.1	728.6	281.9
california	earthquake	248.8	84.4	448.1	145.0
pacific northwest	earthquake	36.5	22.9	193.8	73.9
pan-european	windstorm	267.9	76.8	410.1	126.3
japan	earthquake	150.9	51.3	425.0	119.2
japan	typhoon	159.8	39.2	299.9	57.4

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

	<u>q1</u> <u>2018</u>	<u>q1</u> <u>2017</u>	<u>full year</u> <u>2017</u>
basic earnings (loss) per share:			
profit (loss) after tax attributable to Lancashire	\$ 42.2	\$ 30.3	\$ (71.1)
net operating income (loss) attributable to Lancashire	\$ 40.5	\$ 25.2	\$ (86.0)
 dilutive shares			
weighted average shares outstanding - basic	200,276,561	199,153,001	199,723,434
dilutive effect of restricted stock	<u>1,440,705</u>	<u>1,956,717</u>	<u>1,780,368</u>
weighted average & equivalent shares outstanding - diluted	<u>201,717,266</u>	<u>201,109,718</u>	<u>201,503,802</u>
basic earnings (loss) per share attributable to Lancashire	<u>\$ 0.21</u>	<u>\$ 0.15</u>	<u>\$ (0.36)</u>
diluted earnings (loss) per share attributable to Lancashire	<u>\$ 0.21</u>	<u>\$ 0.15</u>	<u>\$ (0.36)</u>
diluted operating earnings (loss) per share attributable to Lancashire	<u>\$ 0.20</u>	<u>\$ 0.13</u>	<u>\$ (0.43)</u>

Lancashire Holdings Limited
basic and fully converted book value per share

	31 march 2018	31 december 2017	30 september 2017	30 june 2017	31 march 2017
numerator (\$ in millions):					
shareholders' equity attributable to Lancashire	\$ 1,119.1	\$ 1,106.9	\$ 1,116.4	\$ 1,261.1	\$ 1,218.3
book value numerator	\$ 1,119.1	\$ 1,106.9	\$ 1,116.4	\$ 1,261.1	\$ 1,218.3
deduction for goodwill and other intangible assets	\$ 153.8	\$ 153.8	\$ 153.8	\$ 153.8	\$ 153.8
tangible book value numerator	\$ 965.3	\$ 953.1	\$ 962.6	\$ 1,107.3	\$ 1,064.5
denominator (in shares):					
common voting shares outstanding	200,710,560	200,008,691	199,959,265	199,958,275	199,749,615
shares relating to dilutive restricted stock	1,307,133	1,814,488	1,854,456	2,432,247	1,934,015
fully converted book value denominator	202,017,693	201,823,179	201,813,721	202,390,522	201,683,630
basic book value per share attributable to Lancashire	\$ 5.58	\$ 5.53	\$ 5.58	\$ 6.31	\$ 6.10
fully converted book value per share attributable to Lancashire	\$ 5.54	\$ 5.48	\$ 5.53	\$ 6.23	\$ 6.04
tangible basic book value per share attributable to Lancashire	\$ 4.81	\$ 4.77	\$ 4.81	\$ 5.54	\$ 5.33
tangible fully converted book value per share attributable to Lancashire	\$ 4.78	\$ 4.72	\$ 4.77	\$ 5.47	\$ 5.28
dividend per common share	\$ 0.10	–	\$ 0.05	–	\$ 0.10
change in FCBVS adj for dividends ⁽¹⁾ - quarter	2.9%	(0.9%)	(10.4%)	3.2%	2.7%
change in FCBVS adj for dividends ⁽¹⁾ - rolling 12 months	(5.8%)	(5.9%)	(2.0%)	12.2%	12.3%
compound annual change in FCBVS excluding the impact of historical warrant exercises adj for dividends ⁽¹⁾	17.9%	17.9%	18.0%	18.5%	18.5%
compound annual change in FCBVS excluding the impact of historical warrant exercises adj for dividends ⁽¹⁾ - above 3 month treasury	16.8%	16.9%	17.0%	17.5%	17.5%
change in FCBVS excluding the impact of historical warrant exercises adj for dividends ⁽¹⁾ - since inception	647.9%	620.7%	601.6%	601.9%	575.9%
change in tangible FCBVS adj for dividends ⁽¹⁾ - quarter	3.4%	(1.1%)	(11.9%)	3.6%	3.1%
change in tangible FCBVS adj for dividends ⁽¹⁾ - rolling 12 months	(6.7%)	(6.8%)	(2.3%)	14.2%	14.1%

⁽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

	q1 2018	q4 2017	q3 2017	q2 2017	q1 2017	full year 2017
gross premiums written	\$ 86.6	\$ 28.2	\$ 51.2	\$ 54.6	\$ 73.3	\$ 207.3
outwards reinsurance premiums	(39.1)	(5.8)	(18.7)	(6.5)	(32.7)	(63.7)
net premiums written	47.5	22.4	32.5	48.1	40.6	143.6
change in unearned premiums	(31.1)	22.7	12.9	(6.7)	(24.2)	4.7
change in unearned premiums on premiums ceded	26.2	(10.0)	(5.4)	(5.3)	21.1	0.4
net premiums earned	42.6	35.1	40.0	36.1	37.5	148.7
net investment income	0.9	0.8	1.1	1.0	0.7	3.6
net realised (losses) gains and impairments	(0.7)	(0.1)	(0.1)	0.9	–	0.7
other income	0.4	4.0	0.4	0.6	0.5	5.5
net foreign exchange (losses) gains	(2.5)	0.3	0.9	(0.9)	0.1	0.4
total net revenue	40.7	40.1	42.3	37.7	38.8	158.9
insurance losses	20.7	19.1	177.8	21.3	14.5	232.7
insurance losses recoverable	(5.7)	(0.6)	(86.0)	(3.5)	(0.4)	(90.5)
net insurance acquisition expenses	9.4	9.9	8.8	7.3	9.4	35.4
equity based compensation	0.4	(0.4)	(0.3)	0.2	(2.0)	(2.5)
other operating expenses	7.5	3.8	3.6	7.1	7.3	21.8
total expenses	32.3	31.8	103.9	32.4	28.8	196.9
profit (loss) before tax and finance costs	8.4	8.3	(61.6)	5.3	10.0	(38.0)
financing costs	(0.9)	(0.9)	(0.8)	(0.8)	(0.8)	(3.3)
profit (loss) before tax	7.5	7.4	(62.4)	4.5	9.2	(41.3)
tax (charge) credit	(0.3)	(1.2)	1.8	0.4	0.6	1.6
profit (loss) after tax	\$ 7.2	\$ 6.2	\$ (60.6)	\$ 4.9	\$ 9.8	\$ (39.7)
change in net unrealised gains / losses on investments	(0.6)	(0.8)	(0.1)	(0.5)	0.1	(1.3)
comprehensive income (loss)	\$ 6.6	\$ 5.4	\$ (60.7)	\$ 4.4	\$ 9.9	\$ (41.0)
net loss ratio	35.2%	52.7%	229.5%	49.3%	37.6%	95.6%
net acquisition cost ratio	22.1%	28.2%	22.0%	20.2%	25.1%	23.8%
administrative expense ratio	17.6%	10.8%	9.0%	19.7%	19.5%	14.7%
combined ratio	74.9%	91.7%	260.5%	89.2%	82.2%	134.1%