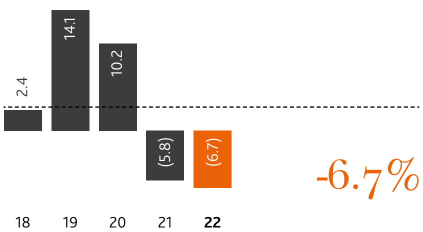
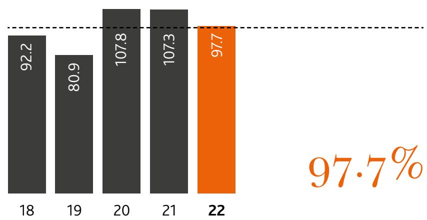
Change in FCBVS



The negative change in FCBVS is primarily due to the upwards trend in U.S. interest rates which resulted in **$93.2 million of unrealised losses** on our fixed maturity investment portfolio.

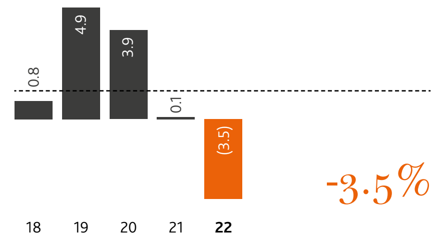
For the 2023 accounting year we will rename 'Change in FCBVS' to 'Change in Diluted Book Value Per Share'. This has no impact on the underlying calculation, given the Group has no warrants in issuance.

Combined ratio



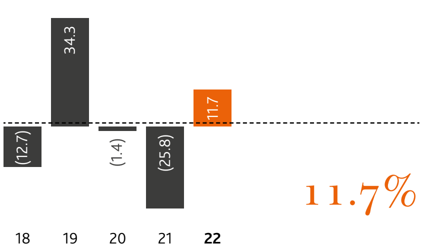
Net premiums earned have grown to $988.4 million compared to $696.5 million in the prior year. The profitable growth of our non-catastrophe lines of business has enabled Lancashire to mitigate the impact of the 2022 natural catastrophe loss events, such as hurricane Ian and the Australian floods. The **combined ratio of 97.7%** demonstrates how our recent disciplined growth helps deliver more balanced returns over the longer term and improves our ability to return an underwriting profit even in a year of significant losses.

Total investment return



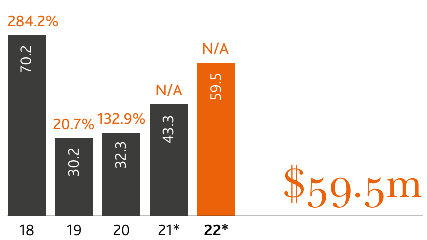
Lancashire reported a total net investment return of **negative 3.5%** for the year ended 31 December 2022. This was primarily driven by unrealised losses on our fixed maturity portfolio as a result of significant interest rate hikes by the U.S. Federal Reserve. Given the short duration of our investment portfolio we should benefit from the higher interest rate environment going forward.

Total Shareholder return



In 2022 there has been an overall stock market decline driven by the ongoing conflict in Ukraine, supply chain and inflationary pressures, a rapidly changing interest rate environment, exchange rate volatility and general economic uncertainty. This weighed on our total shareholder return for much of the year with a recovery in Q4 2022. We see further opportunities for profitable underwriting growth into 2023 and will continue to deliver on our strategy and manage the cycle.

Comprehensive income returned to shareholders



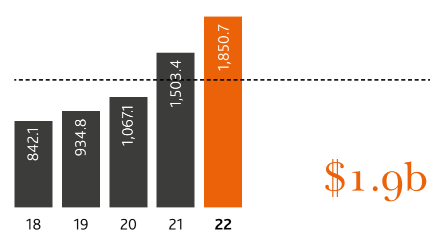
Ordinary / special dividends and shares repurchased ($)

% Comprehensive income returned to shareholders

* Due to 2022 and 2021 being N/A the five year % average is not calculated.

The Group has made a **comprehensive loss of $92.6 million** in 2022 primarily driven by unrealised investment losses of $93.2 million on our fixed maturity available for sale investment portfolio. We remain strongly capitalised to deliver on our long-term strategy and continued to deploy excess capital into the business to fund growth opportunities. We paid ordinary dividends of $36.2 million and repurchased shares of $23.3 million.

Gross premiums written under management



The Group continues to expand and diversify its underwriting portfolio taking advantage of a period of sustained rate increases across a number of lines of business. The Group's corporate member has also acquired additional syndicate participation rights in Syndicate 2010, which takes the Group's share of the 2023 year of account to 69.3%.

Key

KPI linked to Executive Directors' remuneration.
For more information see pages 96 to 117.

Alternative Performance Measures (APMs) refer to page 197.

----- Five-year average