

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”, “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, 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 MAY 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 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 PREMIUM RATES WHICH MAY BE AVAILABLE AT THE TIME OF SUCH RENEWALS WITHIN ITS 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; THE EFFECTIVENESS OF ITS LOSS LIMITATION METHODS; THE POTENTIAL LOSS OF KEY PERSONNEL; A DECLINE IN THE GROUP’S OPERATING SUBSIDIARIES’ RATING WITH A.M. BEST, STANDARD & POOR’S, 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 INCOME INVESTMENTS; THE IMPACT OF SWINGS IN MARKET INTEREST RATES AND SECURITIES PRICES; A RATING DOWNGRADE OF, OR A MARKET DECLINE IN, SECURITIES IN ITS INVESTMENT PORTFOLIO; CHANGES IN GOVERNMENTAL REGULATIONS OR TAX LAWS IN JURISDICTIONS WHERE THE GROUP CONDUCTS BUSINESS; ANY OF LANCASHIRE’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 NEW UK CFC REGIME; AND ANY CHANGE IN THE UK GOVERNMENT OR UK GOVERNMENT POLICY WHICH IMPACTS THE NEW CFC REGIME.

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 STATEMENTS TO REFLECT ANY CHANGES IN THE GROUP’S EXPECTATIONS OR CIRCUMSTANCES ON WHICH ANY SUCH STATEMENT IS BASED.

Lancashire Holdings Limited
table of contents

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

Lancashire Holdings Limited
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 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 ("US 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; 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

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 WARRANTS, OPTIONS AND RESTRICTED STOCK EXPENSES, DIVIDED BY NET PREMIUMS EARNED

COMBINED RATIO - THE COMBINED RATIO IS THE SUM OF THE 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 PLUS THE PROCEEDS THAT WOULD BE RECEIVED FROM THE EXERCISE OF ALL DILUTIVE OUTSTANDING OPTIONS, DILUTIVE WARRANTS AND DILUTIVE RESTRICTED STOCK UNITS AS CALCULATED UNDER THE TREASURY METHOD; DIVIDED BY: THE SUM OF ALL SHARES, DILUTIVE OPTIONS, DILUTIVE WARRANTS 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

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

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

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

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

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

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

Lancashire Holdings Limited
consolidated financial highlights



| | q3 2014 | q3 2013 | % change q3-14 vs. q3-13 | ytd 2014 | ytd 2013 | % change ytd-14 vs. ytd-13 |
|--|------------|------------|--------------------------------|-------------|-------------|----------------------------------|
| highlights | | | | | | |
| gross premiums written | \$ 152.1 | \$ 125.0 | 22% | \$ 787.2 | \$ 548.9 | 43% |
| net premiums written | 137.6 | 121.6 | 13% | 632.5 | 429.3 | 47% |
| net premiums earned | 179.6 | 134.0 | 34% | 540.9 | 394.5 | 37% |
| net insurance losses | 80.5 | 75.6 | 6% | 205.2 | 136.9 | 50% |
| net investment income | 6.7 | 6.1 | 10% | 21.4 | 18.7 | 14% |
| net realised gains (losses) and impairments | (0.4) | (3.0) | (87%) | (4.3) | 9.1 | (147%) |
| profit after tax attributable to Lancashire | 37.6 | 25.4 | 48% | 142.5 | 159.5 | (11%) |
| change in net unrealised gains / losses on investments | (9.0) | 6.9 | (230%) | 1.2 | (29.7) | 104% |
| comprehensive income attributable to Lancashire | 28.6 | 32.3 | (11%) | 143.7 | 129.8 | 11% |
| net operating income attributable to Lancashire ⁽¹⁾ | \$ 36.2 | \$ 11.2 | 223% | \$ 142.5 | \$ 132.7 | 7% |
| total investments and cash | \$ 2,553.2 | \$ 2,273.0 | 12% | | | |
| shareholders' equity attributable to Lancashire | \$ 1,529.8 | \$ 1,489.4 | 3% | | | |
| per share data attributable to Lancashire | | | | | | |
| net operating income per share - diluted ⁽²⁾ | \$ 0.18 | \$ 0.06 | | \$ 0.72 | \$ 0.71 | |
| profit after tax per share - diluted ⁽²⁾ | \$ 0.19 | \$ 0.13 | | \$ 0.72 | \$ 0.86 | |
| fully converted book value per share | \$ 7.74 | \$ 7.67 | | \$ 7.74 | \$ 7.67 | |
| change in FCBVS adj for dividends ⁽³⁾ | 1.6% | 7.4% | | 8.1% | 14.7% | |
| fully diluted book value per share | \$ 7.62 | \$ 7.39 | | \$ 7.62 | \$ 7.39 | |
| change in FDBVS adj for dividends ⁽⁴⁾ | 2.3% | 8.3% | | 11.2% | 15.8% | |
| financial ratios | | | | | | |
| net loss ratio | 44.8% | 56.4% | | 37.9% | 34.7% | |
| net acquisition cost ratio | 22.7% | 22.2% | | 21.0% | 22.2% | |
| administrative expense ratio | 14.9% | 12.2% | | 15.6% | 12.8% | |
| combined ratio | 82.4% | 90.8% | | 74.5% | 69.7% | |
| accident year loss ratio | 50.1% | 57.4% | | 39.4% | 36.8% | |
| net return on total investments excluding internal FX hedges | (0.3%) | 0.4% | | 0.6% | - | |
| net return on total investments including internal FX hedges | - | 0.4% | | 0.8% | - | |

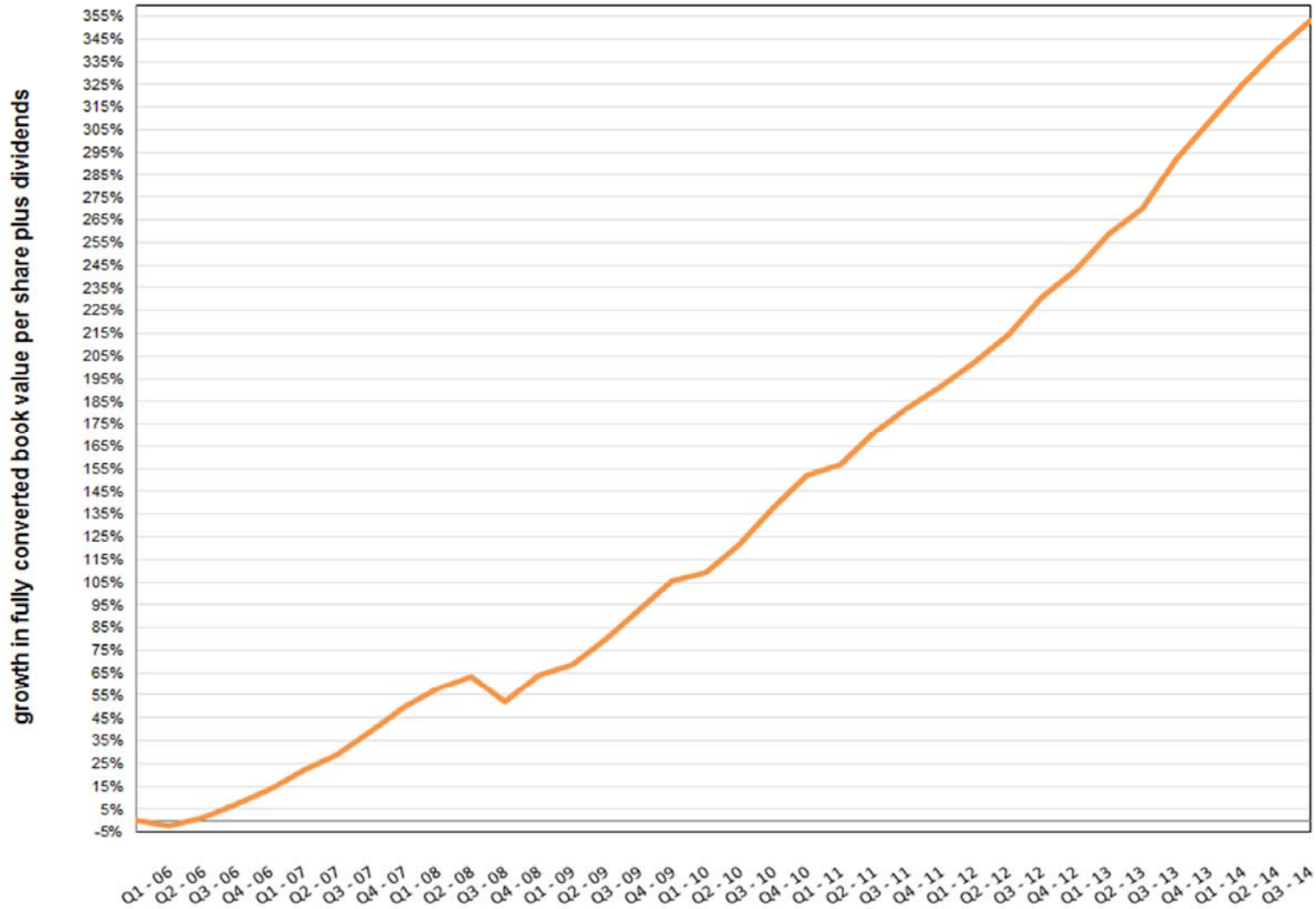
⁽¹⁾ excludes realised gains and losses, tax and foreign exchange gains and losses

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

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



Lancashire Holdings Limited
summary consolidated income statements



| | q3 2014 | q2 2014 | q1 2014 | q4 ⁽¹⁾ 2013 | q3 2013 | ytd 2014 | ytd 2013 | full year ⁽¹⁾ 2013 |
|--|----------------|----------------|----------------|---------------------------|----------------|-----------------|-----------------|----------------------------------|
| gross premiums written | \$ 152.1 | \$ 318.4 | \$ 316.7 | \$ 130.8 | \$ 125.0 | \$ 787.2 | \$ 548.9 | \$ 679.7 |
| outwards reinsurance premiums | (14.5) | (27.9) | (112.3) | (2.5) | (3.4) | (154.7) | (119.6) | (122.1) |
| net premiums written | 137.6 | 290.5 | 204.4 | 128.3 | 121.6 | 632.5 | 429.3 | 557.6 |
| change in unearned premiums | 67.3 | (97.6) | (103.2) | 83.0 | 38.1 | (133.5) | (58.7) | 24.3 |
| change in unearned premiums on premiums ceded | (25.3) | (6.5) | 73.7 | (37.7) | (25.7) | 41.9 | 23.9 | (13.8) |
| net premiums earned | 179.6 | 186.4 | 174.9 | 173.6 | 134.0 | 540.9 | 394.5 | 568.1 |
| net investment income | 6.7 | 7.6 | 7.1 | 6.7 | 6.1 | 21.4 | 18.7 | 25.4 |
| net other investment income (losses) | 0.9 | (1.2) | 0.3 | (0.8) | (1.6) | - | 2.2 | 1.4 |
| net realised gains (losses) and impairments | (0.4) | (1.0) | (2.9) | 3.5 | (3.0) | (4.3) | 9.1 | 12.6 |
| share of profit of associates | 1.8 | 0.9 | 1.6 | 0.5 | 2.5 | 4.3 | 8.7 | 9.2 |
| other income | 3.3 | 3.9 | 4.0 | 3.2 | 0.3 | 11.2 | 0.9 | 4.1 |
| net foreign exchange gains (losses) | (0.1) | (0.8) | (2.5) | 0.6 | 17.6 | (3.4) | 21.2 | 21.8 |
| total net revenue | 191.8 | 195.8 | 182.5 | 187.3 | 155.9 | 570.1 | 455.3 | 642.6 |
| insurance losses | 92.4 | 57.8 | 68.0 | 68.2 | 76.1 | 218.2 | 181.8 | 250.0 |
| insurance losses recoverable | (11.9) | 7.2 | (8.3) | (17.0) | (0.5) | (13.0) | (44.9) | (61.9) |
| net insurance acquisition expenses | 40.7 | 43.4 | 29.6 | 38.3 | 29.8 | 113.7 | 87.5 | 125.8 |
| equity based compensation | 3.7 | 8.3 | 2.4 | 4.9 | 4.6 | 14.4 | 11.8 | 16.7 |
| other operating expenses | 26.7 | 30.6 | 27.0 | 34.4 | 16.3 | 84.3 | 50.6 | 85.0 |
| total expenses | 151.6 | 147.3 | 118.7 | 128.8 | 126.3 | 417.6 | 286.8 | 415.6 |
| profit before tax and finance costs | 40.2 | 48.5 | 63.8 | 58.5 | 29.6 | 152.5 | 168.5 | 227.0 |
| financing expenses | (4.1) | (7.0) | (6.4) | (3.3) | (3.9) | (17.5) | (5.6) | (8.9) |
| profit before tax | 36.1 | 41.5 | 57.4 | 55.2 | 25.7 | 135.0 | 162.9 | 218.1 |
| tax credit (expense) | 1.8 | 3.2 | 2.6 | 7.3 | (0.4) | 7.6 | (3.5) | 3.8 |
| profit after tax | \$ 37.9 | \$ 44.7 | \$ 60.0 | \$ 62.5 | \$ 25.3 | \$ 142.6 | \$ 159.4 | \$ 221.9 |
| (income) loss attributable to non-controlling interest | (0.3) | 0.1 | 0.1 | 0.5 | 0.1 | (0.1) | 0.1 | 0.6 |
| profit after tax attributable to Lancashire | \$ 37.6 | \$ 44.8 | \$ 60.1 | \$ 63.0 | \$ 25.4 | \$ 142.5 | \$ 159.5 | \$ 222.5 |
| change in net unrealised gains / losses on investments | (9.0) | 6.8 | 3.4 | (2.8) | 6.9 | 1.2 | (29.7) | (32.5) |
| comprehensive income attributable to Lancashire | \$ 28.6 | \$ 51.6 | \$ 63.5 | \$ 60.2 | \$ 32.3 | \$ 143.7 | \$ 129.8 | \$ 190.0 |
| net loss ratio | 44.8% | 34.9% | 34.1% | 29.5% | 56.4% | 37.9% | 34.7% | 33.1% |
| net acquisition cost ratio | 22.7% | 23.3% | 16.9% | 22.1% | 22.2% | 21.0% | 22.2% | 22.1% |
| administrative expense ratio | 14.9% | 16.4% | 15.4% | 19.8% | 12.2% | 15.6% | 12.8% | 15.0% |
| combined ratio | 82.4% | 74.6% | 66.4% | 71.4% | 90.8% | 74.5% | 69.7% | 70.2% |
| net return on total investments excluding internal FX hedges | (0.3%) | 0.6% | 0.3% | 0.3% | 0.4% | 0.6% | - | 0.3% |
| net return on total investments including internal FX hedges | - | 0.5% | 0.3% | 0.3% | 0.4% | 0.8% | - | 0.3% |
| basic earnings per share attributable to Lancashire | \$ 0.20 | \$ 0.24 | \$ 0.33 | \$ 0.34 | \$ 0.15 | \$ 0.77 | \$ 0.96 | \$ 1.31 |
| diluted earnings per share attributable to Lancashire | \$ 0.19 | \$ 0.23 | \$ 0.30 | \$ 0.31 | \$ 0.13 | \$ 0.72 | \$ 0.86 | \$ 1.17 |

⁽¹⁾ includes Lloyd's segment results from the date of acquisition, 7 November 2013

Lancashire Holdings Limited
premiums by line of business

| | q3 2014 | q2 2014 | q1 2014 | q4 ⁽¹⁾ 2013 | q3 2013 | ytd 2014 | ytd 2013 | full year ⁽¹⁾ 2013 |
|-------------------------------------|-----------------|-----------------|-----------------|---------------------------|-----------------|-----------------|-----------------|----------------------------------|
| gross premiums written | | | | | | | | |
| property cat excess of loss | \$ 18.1 | \$ 35.4 | \$ 69.4 | \$ 1.2 | \$ 28.5 | \$ 122.9 | \$ 96.3 | \$ 97.5 |
| terrorism | 10.8 | 18.4 | 21.6 | 17.0 | 10.3 | 50.8 | 50.8 | 67.8 |
| property political risk | 14.6 | 3.2 | 12.0 | 16.2 | 24.8 | 29.8 | 50.2 | 66.4 |
| property retrocession | 1.3 | 6.5 | 10.7 | 3.1 | 3.3 | 18.5 | 77.7 | 80.8 |
| property direct and facultative | 0.1 | - | (0.1) | 2.8 | 2.6 | - | 7.2 | 10.0 |
| other property | 6.0 | 6.4 | 3.9 | 2.4 | 2.4 | 16.3 | 8.5 | 10.9 |
| total property | 50.9 | 69.9 | 117.5 | 42.7 | 71.9 | 238.3 | 290.7 | 333.4 |
| worldwide offshore energy | 34.1 | 48.8 | 37.4 | 24.1 | 23.7 | 120.3 | 125.1 | 149.2 |
| gulf of mexico offshore energy | (5.3) | 70.5 | 4.4 | 2.9 | 3.6 | 69.6 | 31.5 | 34.4 |
| construction energy | 0.1 | 2.2 | 5.0 | 4.0 | 3.0 | 7.3 | 8.9 | 12.9 |
| energy liabilities | 1.0 | 3.8 | 2.2 | 2.4 | 1.4 | 7.0 | 6.4 | 8.8 |
| onshore energy | - | 0.9 | 0.7 | 0.6 | 0.3 | 1.6 | 1.9 | 2.5 |
| other energy | 1.5 | 1.1 | 0.2 | - | 0.8 | 2.8 | 2.1 | 2.1 |
| total energy | 31.4 | 127.3 | 49.9 | 34.0 | 32.8 | 208.6 | 175.9 | 209.9 |
| marine hull and total loss | 4.5 | 14.0 | 7.9 | 3.9 | 3.0 | 26.4 | 20.9 | 24.8 |
| marine P&I clubs | 0.2 | 0.4 | 10.7 | 0.7 | 0.2 | 11.3 | 10.0 | 10.7 |
| marine builders risk | 3.7 | 3.3 | 4.2 | 2.4 | 2.6 | 11.2 | 7.9 | 10.3 |
| marine hull war | 2.1 | 3.1 | 3.1 | 3.1 | 3.7 | 8.3 | 11.9 | 15.0 |
| other marine | 0.4 | 1.1 | 0.8 | 0.5 | 0.6 | 2.3 | 1.7 | 2.2 |
| total marine | 10.9 | 21.9 | 26.7 | 10.6 | 10.1 | 59.5 | 52.4 | 63.0 |
| aviation satellite | 2.3 | 9.1 | 8.0 | 4.2 | 3.9 | 19.4 | 12.6 | 16.8 |
| AV 52 | 5.2 | 7.6 | 5.9 | 12.6 | 5.2 | 18.7 | 13.9 | 26.5 |
| other aviation | 1.1 | 0.6 | 0.5 | 2.2 | 1.1 | 2.2 | 3.4 | 5.6 |
| total aviation | 8.6 | 17.3 | 14.4 | 19.0 | 10.2 | 40.3 | 29.9 | 48.9 |
| property reinsurance | 16.5 | 25.6 | 59.9 | 3.4 | - | 102.0 | - | 3.4 |
| property direct and facultative | 15.5 | 30.4 | 20.8 | 13.0 | - | 66.7 | - | 13.0 |
| marine cargo | 7.7 | 9.1 | 12.3 | 5.0 | - | 29.1 | - | 5.0 |
| aviation and satellite | 4.9 | 2.1 | 13.3 | 2.6 | - | 20.3 | - | 2.6 |
| energy | 4.0 | 12.7 | - | - | - | 16.7 | - | - |
| contingency | 0.6 | 1.4 | 1.9 | 0.5 | - | 3.9 | - | 0.5 |
| terrorism | 1.1 | 0.7 | - | - | - | 1.8 | - | - |
| total Lloyd's | 50.3 | 82.0 | 108.2 | 24.5 | - | 240.5 | - | 24.5 |
| total gross premiums written | \$ 152.1 | \$ 318.4 | \$ 316.7 | \$ 130.8 | \$ 125.0 | \$ 787.2 | \$ 548.9 | \$ 679.7 |

⁽¹⁾ includes Lloyd's segment results from the date of acquisition, 7 November 2013

Lancashire Holdings Limited
summary consolidated underwriting segment results

nine months ending 30 september 2014

| | property | energy | marine | aviation | Lloyd's | consolidated |
|---|-----------------|----------------|---------------|-----------------|----------------|---------------------|
| gross premiums written | \$ 238.3 | \$ 208.6 | \$ 59.5 | \$ 40.3 | \$ 240.5 | \$ 787.2 |
| net premiums written | 203.8 | 165.3 | 50.1 | 33.9 | 179.4 | 632.5 |
| net premiums earned | 170.2 | 127.9 | 43.5 | 39.5 | 159.8 | 540.9 |
| net insurance losses | 15.6 | 44.6 | 26.6 | 32.2 | 86.2 | 205.2 |
| net insurance acquisition expenses | 20.0 | 37.8 | 14.1 | 6.7 | 35.1 | 113.7 |
| other operating expenses ⁽¹⁾ | | | | | | 84.3 |
| | <u>\$ 134.6</u> | <u>\$ 45.5</u> | <u>\$ 2.8</u> | <u>\$ 0.6</u> | <u>\$ 38.5</u> | <u>\$ 137.7</u> |
| net loss ratio | 9.2% | 34.9% | 61.1% | 81.5% | 53.9% | 37.9% |
| net acquisition cost ratio | 11.8% | 29.6% | 32.4% | 17.0% | 22.0% | 21.0% |
| administrative expense ratio ⁽¹⁾ | | | | | | 15.6% |
| combined ratio | <u>21.0%</u> | <u>64.5%</u> | <u>93.5%</u> | <u>98.5%</u> | <u>75.9%</u> | <u>74.5%</u> |

nine months ending 30 september 2013

| | property | energy | marine | aviation | Lloyd's | consolidated |
|---|-----------------|----------------|------------------|-----------------|----------------|---------------------|
| gross premiums written | \$ 290.7 | \$ 175.9 | \$ 52.4 | \$ 29.9 | \$ - | \$ 548.9 |
| net premiums written | 224.4 | 137.1 | 41.7 | 26.1 | | 429.3 |
| net premiums earned | 164.3 | 150.1 | 46.0 | 34.1 | - | 394.5 |
| net insurance losses | 21.8 | 44.8 | 50.8 | 19.5 | - | 136.9 |
| net insurance acquisition expenses | 22.4 | 41.2 | 16.1 | 7.8 | - | 87.5 |
| other operating expenses ⁽¹⁾ | | | | | | 50.6 |
| | <u>\$ 120.1</u> | <u>\$ 64.1</u> | <u>\$ (20.9)</u> | <u>\$ 6.8</u> | <u>\$ -</u> | <u>\$ 119.5</u> |
| net loss ratio | 13.3% | 29.8% | 110.4% | 57.2% | - | 34.7% |
| net acquisition cost ratio | 13.6% | 27.4% | 35.0% | 22.9% | - | 22.2% |
| administrative expense ratio ⁽¹⁾ | | | | | | 12.8% |
| combined ratio | <u>26.9%</u> | <u>57.2%</u> | <u>145.4%</u> | <u>80.1%</u> | <u>-</u> | <u>69.7%</u> |

⁽¹⁾ administrative expenses are not allocated by segment

Lancashire Holdings Limited
property segment - underwriting statement

| | q3 2014 | q2 2014 | q1 2014 | q4 2013 | q3 2013 | full year 2013 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------|
| underwriting income | | | | | | |
| gross premiums written | \$ 50.9 | \$ 69.9 | \$ 117.5 | \$ 42.7 | \$ 71.9 | \$ 333.4 |
| outwards reinsurance premiums | (0.9) | (5.4) | (28.2) | (0.6) | (1.6) | (66.9) |
| net premiums written | 50.0 | 64.5 | 89.3 | 42.1 | 70.3 | 266.5 |
| change in unearned premiums | 12.4 | (3.9) | (53.4) | 28.3 | 2.3 | (39.9) |
| change in unearned premiums on premiums ceded | (7.9) | (1.5) | 20.7 | (15.9) | (14.9) | (7.8) |
| net premiums earned | \$ 54.5 | \$ 59.1 | \$ 56.6 | \$ 54.5 | \$ 57.7 | \$ 218.8 |
| underwriting expenses | | | | | | |
| net insurance losses (recoveries) | 20.7 | (10.4) | 5.3 | 8.4 | 25.3 | 30.2 |
| net insurance acquisition expenses | 8.7 | 9.4 | 1.9 | 7.0 | 7.9 | 29.4 |
| total underwriting expenses (recoveries) | 29.4 | (1.0) | 7.2 | 15.4 | 33.2 | 59.6 |
| net underwriting income | \$ 25.1 | \$ 60.1 | \$ 49.4 | \$ 39.1 | \$ 24.5 | \$ 159.2 |
| net loss ratio (% of net premiums earned) | 38.0% | (17.6%) | 9.4% | 15.4% | 43.8% | 13.8% |
| net acquisition cost ratio (% of net premiums earned) | 16.0% | 15.9% | 3.4% | 12.8% | 13.7% | 13.4% |
| | 54.0% | (1.7%) | 12.8% | 28.2% | 57.5% | 27.2% |

Lancashire Holdings Limited
energy segment - underwriting statement

| | q3 2014 | q2 2014 | q1 2014 | q4 2013 | q3 2013 | full year 2013 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------|
| underwriting income (loss) | | | | | | |
| gross premiums written | \$ 31.4 | \$ 127.3 | \$ 49.9 | \$ 34.0 | \$ 32.8 | \$ 209.9 |
| outwards reinsurance premiums | (2.1) | (10.0) | (31.2) | 0.3 | (1.7) | (38.5) |
| net premiums written | 29.3 | 117.3 | 18.7 | 34.3 | 31.1 | 171.4 |
| change in unearned premiums | 19.3 | (70.0) | 4.4 | 28.2 | 25.2 | 27.8 |
| change in unearned premiums on premiums ceded | (8.6) | (0.2) | 17.7 | (9.5) | (8.5) | 3.9 |
| net premiums earned | \$ 40.0 | \$ 47.1 | \$ 40.8 | \$ 53.0 | \$ 47.8 | \$ 203.1 |
| underwriting expenses | | | | | | |
| net insurance losses | 6.7 | 12.6 | 25.3 | 9.1 | 37.9 | 53.9 |
| net insurance acquisition expenses | 13.4 | 14.2 | 10.2 | 15.0 | 14.4 | 56.2 |
| total underwriting expenses | 20.1 | 26.8 | 35.5 | 24.1 | 52.3 | 110.1 |
| net underwriting income (loss) | \$ 19.9 | \$ 20.3 | \$ 5.3 | \$ 28.9 | \$ (4.5) | \$ 93.0 |
| net loss ratio (% of net premiums earned) | 16.8% | 26.8% | 62.0% | 17.2% | 79.3% | 26.5% |
| net acquisition cost ratio (% of net premiums earned) | 33.5% | 30.1% | 25.0% | 28.3% | 30.1% | 27.7% |
| | 50.3% | 56.9% | 87.0% | 45.5% | 109.4% | 54.2% |

Lancashire Holdings Limited
marine segment - underwriting statement

| | q3 2014 | q2 2014 | q1 2014 | q4 2013 | q3 2013 | full year 2013 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------|
| underwriting income (loss) | | | | | | |
| gross premiums written | \$ 10.9 | \$ 21.9 | \$ 26.7 | \$ 10.6 | \$ 10.1 | \$ 63.0 |
| outwards reinsurance premiums | 0.1 | - | (9.5) | (0.5) | (0.1) | (11.2) |
| net premiums written | 11.0 | 21.9 | 17.2 | 10.1 | 10.0 | 51.8 |
| change in unearned premiums | 6.9 | (4.2) | (11.6) | 7.0 | 7.0 | 9.9 |
| change in unearned premiums on premiums ceded | (2.4) | (2.3) | 7.0 | (1.4) | (1.4) | - |
| net premiums earned | \$ 15.5 | \$ 15.4 | \$ 12.6 | \$ 15.7 | \$ 15.6 | \$ 61.7 |
| underwriting expenses | | | | | | |
| net insurance losses | 0.9 | 21.8 | 3.9 | 14.2 | 10.3 | 65.0 |
| net insurance acquisition expenses | 5.0 | 5.3 | 3.8 | 5.4 | 4.8 | 21.5 |
| total underwriting expenses | 5.9 | 27.1 | 7.7 | 19.6 | 15.1 | 86.5 |
| net underwriting income (loss) | \$ 9.6 | \$ (11.7) | \$ 4.9 | \$ (3.9) | \$ 0.5 | \$ (24.8) |
| net loss ratio (% of net premiums earned) | 5.8% | 141.6% | 31.0% | 90.4% | 66.0% | 105.3% |
| net acquisition cost ratio (% of net premiums earned) | 32.3% | 34.4% | 30.2% | 34.4% | 30.8% | 34.8% |
| | 38.1% | 176.0% | 61.2% | 124.8% | 96.8% | 140.1% |

Lancashire Holdings Limited
aviation segment - underwriting statement

| | q3 2014 | q2 2014 | q1 2014 | q4 2013 | q3 2013 | full year 2013 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------|
| underwriting (loss) income | | | | | | |
| gross premiums written | \$ 8.6 | \$ 17.3 | \$ 14.4 | \$ 19.0 | \$ 10.2 | \$ 48.9 |
| outwards reinsurance premiums | - | (3.7) | (2.7) | - | - | (3.8) |
| net premiums written | 8.6 | 13.6 | 11.7 | 19.0 | 10.2 | 45.1 |
| change in unearned premiums | 7.2 | (2.6) | (1.9) | (7.4) | 3.6 | (0.4) |
| change in unearned premiums on premiums ceded | (1.5) | 2.6 | 1.8 | (1.0) | (0.9) | - |
| net premiums earned | \$ 14.3 | \$ 13.6 | \$ 11.6 | \$ 10.6 | \$ 12.9 | \$ 44.7 |
| underwriting expenses | | | | | | |
| net insurance losses | 14.3 | 17.4 | 0.5 | 0.5 | 2.1 | 20.0 |
| net insurance acquisition expenses | 1.6 | 2.9 | 2.2 | 2.3 | 2.7 | 10.1 |
| total underwriting expenses | 15.9 | 20.3 | 2.7 | 2.8 | 4.8 | 30.1 |
| net underwriting (loss) income | \$ (1.6) | \$ (6.7) | \$ 8.9 | \$ 7.8 | \$ 8.1 | \$ 14.6 |
| net loss ratio (% of net premiums earned) | 100.0% | 127.9% | 4.3% | 4.7% | 16.3% | 44.7% |
| net acquisition cost ratio (% of net premiums earned) | 11.2% | 21.3% | 19.0% | 21.7% | 20.9% | 22.6% |
| | 111.2% | 149.2% | 23.3% | 26.4% | 37.2% | 67.3% |

Lancashire Holdings Limited
Lloyd's segment - underwriting statement

| | q3 2014 | q2 2014 | q1 2014 | q4 ⁽¹⁾ 2013 | q3 2013 | full year ⁽¹⁾ 2013 |
|---|----------------|----------------|----------------|---------------------------|-------------|----------------------------------|
| underwriting income | | | | | | |
| gross premiums written | \$ 50.3 | \$ 82.0 | \$ 108.2 | \$ 24.5 | \$ - | \$ 24.5 |
| outwards reinsurance premiums | (11.6) | (8.8) | (40.7) | (1.7) | - | (1.7) |
| net premiums written | 38.7 | 73.2 | 67.5 | 22.8 | - | 22.8 |
| change in unearned premiums | 21.5 | (16.9) | (40.7) | 26.9 | - | 26.9 |
| change in unearned premiums on premiums ceded | (4.9) | (5.1) | 26.5 | (9.9) | - | (9.9) |
| net premiums earned | \$ 55.3 | \$ 51.2 | \$ 53.3 | \$ 39.8 | \$ - | \$ 39.8 |
| underwriting expenses | | | | | | |
| net insurance losses | 37.9 | 23.6 | 24.7 | 19.0 | - | 19.0 |
| net insurance acquisition expenses | 12.0 | 11.6 | 11.5 | 8.6 | - | 8.6 |
| total underwriting expenses | 49.9 | 35.2 | 36.2 | 27.6 | - | 27.6 |
| net underwriting income | \$ 5.4 | \$ 16.0 | \$ 17.1 | \$ 12.2 | \$ - | \$ 12.2 |
| net loss ratio (% of net premiums earned) | 68.5% | 46.1% | 46.3% | 47.7% | - | 47.7% |
| net acquisition cost ratio (% of net premiums earned) | 21.7% | 22.7% | 21.6% | 21.6% | - | 21.6% |
| | 90.2% | 68.8% | 67.9% | 69.3% | - | 69.3% |

⁽¹⁾ includes Lloyd's segment results from the date of acquisition, 7 November 2013

Lancashire Holdings Limited
summary consolidated cash flows



| cash flows | q3 2014 | q2 2014 | q1 2014 | q4 ⁽¹⁾ 2013 | q3 2013 | ytd 2014 | ytd 2013 | full year ⁽¹⁾ 2013 |
|---|--------------------|--------------------|--------------------|-----------------------------------|--------------------|---------------------|---------------------|--|
| net cash flows from operating activities | \$ 82.1 | \$ 68.4 | \$ 29.3 | \$ 57.1 | \$ 33.1 | \$ 179.8 | \$ 110.6 | \$ 167.7 |
| net cash flows from (used in) investing activities | (44.1) | (178.0) | 106.0 | (219.6) | 23.2 | (116.1) | 306.6 | 87.0 |
| net cash flows from (used in) financing activities | (10.6) | (78.4) | (7.9) | (96.6) | 182.5 | (96.9) | (50.1) | (146.7) |
| net increase (decrease) in cash and cash equivalents | 27.4 | (188.0) | 127.4 | (259.1) | 238.8 | (33.2) | 367.1 | 108.0 |
| cash and cash equivalents, opening | 345.4 | 532.4 | 403.0 | 663.7 | 413.6 | 403.0 | 295.8 | 295.8 |
| effect of exchange rate fluctuations | (8.3) | 1.0 | 2.0 | (1.6) | 11.3 | (5.3) | 0.8 | (0.8) |
| cash and cash equivalents, closing | \$ 364.5 | \$ 345.4 | \$ 532.4 | \$ 403.0 | \$ 663.7 | \$ 364.5 | \$ 663.7 | \$ 403.0 |

(1) includes Lloyd's segment results from the date of acquisition, 7 November 2013

Lancashire Holdings Limited
summary consolidated balance sheets



| | 30 september 2014 | 30 june 2014 | 31 march 2014 | 31 december 2013 ⁽¹⁾ | 30 september 2013 |
|---|-------------------|-------------------|-------------------|---------------------------------|-------------------|
| assets | | | | | |
| cash and cash equivalents | \$ 364.5 | \$ 345.4 | \$ 532.4 | \$ 403.0 | \$ 663.7 |
| accrued interest receivable | 7.6 | 8.5 | 8.0 | 8.9 | 7.1 |
| investments | | | | | |
| - fixed income securities - available for sale | 2,038.6 | 2,016.6 | 1,917.5 | 1,966.1 | 1,605.4 |
| - at fair value through profit or loss | 30.8 | 30.7 | 30.1 | 29.6 | - |
| - equity securities - available for sale | 16.1 | 17.2 | 15.4 | 15.6 | - |
| - hedge funds - at fair value through profit or loss | 99.9 | 89.5 | - | - | - |
| - other investments | 3.3 | 1.7 | 4.3 | 4.7 | 3.9 |
| reinsurance assets | | | | | |
| - unearned premiums on premiums ceded | 56.8 | 82.1 | 88.6 | 14.9 | 35.4 |
| - reinsurance recoveries | 124.3 | 123.5 | 140.5 | 183.0 | 67.6 |
| - other receivables | 6.8 | 6.9 | 19.6 | 10.8 | 1.8 |
| deferred acquisition costs | 119.6 | 123.6 | 96.9 | 73.8 | 74.7 |
| inwards premiums receivable from insureds and cedants | 368.8 | 464.5 | 384.8 | 288.4 | 234.4 |
| investment in associates | 30.1 | 28.3 | 23.6 | 64.7 | 56.1 |
| goodwill and other intangible assets | 153.8 | 157.8 | 164.8 | 177.2 | - |
| other assets | 34.2 | 36.0 | 26.8 | 27.1 | 53.9 |
| total assets | \$ 3,455.2 | \$ 3,532.3 | \$ 3,453.3 | \$ 3,267.8 | \$ 2,804.0 |
| liabilities | | | | | |
| insurance contracts | | | | | |
| - losses and loss adjustment expenses | \$ 843.8 | \$ 831.5 | \$ 824.6 | \$ 853.4 | \$ 521.7 |
| - unearned premiums | 575.6 | 642.9 | 545.3 | 442.1 | 402.0 |
| - other payables | 36.1 | 39.3 | 29.0 | 28.9 | 18.3 |
| amounts payable to reinsurers | 40.9 | 70.5 | 78.9 | 30.9 | 25.9 |
| deferred acquisition costs ceded | 0.4 | 0.7 | 0.8 | 0.2 | 2.0 |
| other payables | 63.7 | 73.3 | 144.6 | 80.9 | 84.1 |
| deferred tax liability | 35.6 | 37.4 | 38.8 | 38.7 | - |
| long-term debt | 328.5 | 331.9 | 332.2 | 332.3 | 259.5 |
| total liabilities | 1,924.6 | 2,027.5 | 1,994.2 | 1,807.4 | 1,313.5 |
| shareholders' equity | | | | | |
| share capital | 96.1 | 94.6 | 92.7 | 92.7 | 92.7 |
| own shares | (28.6) | (21.2) | (34.4) | (36.8) | (41.7) |
| share premium | - | - | 192.2 | 192.2 | 192.2 |
| contributed surplus | 856.6 | 837.3 | 647.7 | 645.7 | 649.0 |
| accumulated other comprehensive income | 4.1 | 13.1 | 6.3 | 2.9 | 5.7 |
| other reserves | 24.9 | 31.0 | 49.3 | 55.2 | 52.2 |
| dividends | (73.6) | (63.2) | (63.2) | (325.6) | (231.1) |
| retained earnings | 650.3 | 612.7 | 567.9 | 833.4 | 770.4 |
| shareholders' equity attributable to Lancashire | \$ 1,529.8 | \$ 1,504.3 | \$ 1,458.5 | \$ 1,459.7 | \$ 1,489.4 |
| non-controlling interest | 0.8 | 0.5 | 0.6 | 0.7 | 1.1 |
| total shareholders' equity | \$ 1,530.6 | \$ 1,504.8 | \$ 1,459.1 | \$ 1,460.4 | \$ 1,490.5 |
| total liabilities and shareholders' equity | \$ 3,455.2 | \$ 3,532.3 | \$ 3,453.3 | \$ 3,267.8 | \$ 2,804.0 |
| basic book value per share attributable to Lancashire | \$ 8.10 | \$ 8.05 | \$ 8.02 | \$ 8.06 | \$ 8.25 |
| fully converted book value per share attributable to Lancashire | \$ 7.74 | \$ 7.67 | \$ 7.49 | \$ 7.50 | \$ 7.67 |
| fully diluted book value per share attributable to Lancashire | \$ 7.62 | \$ 7.50 | \$ 7.25 | \$ 7.19 | \$ 7.39 |
| debt to total capital ratio | 17.7% | 18.1% | 18.6% | 18.5% | 14.8% |
| debt to total tangible capital ratio | 19.3% | 19.8% | 20.4% | 20.6% | 14.8% |

⁽¹⁾ includes Lloyd's segment assets and liabilities as at 31 December 2013

Lancashire Holdings Limited
composition of investment portfolio



| | 30 september 2014 | | | 30 june 2014 | | | 31 march 2014 | | | 31 december 2013 | | | 30 september 2013 | | |
|---|-------------------|-----------|--------|--------------|-----------|--------|---------------|---------|-----------|------------------|-----------|--------|-------------------|-----------|--------|
| | | | % | | | % | | | % | | | % | | | % |
| type of investment | | | | | | | | | | | | | | | |
| short term investments | \$ | 104.1 | 4.2% | \$ | 158.2 | 6.5% | \$ | 255.2 | 10.6% | \$ | 231.0 | 9.8% | \$ | 50.1 | 2.3% |
| fixed income funds | | 16.7 | 0.7% | | 20.9 | 0.9% | | 26.2 | 1.1% | | 26.3 | 1.1% | | - | - |
| U.S. treasuries | | 419.9 | 17.0% | | 370.1 | 15.2% | | 260.0 | 10.7% | | 217.3 | 9.2% | | 249.0 | 11.3% |
| other government bonds | | 87.2 | 3.5% | | 100.3 | 4.1% | | 98.4 | 4.1% | | 107.9 | 4.5% | | 99.4 | 4.5% |
| U.S. municipal bonds | | 18.7 | 0.8% | | 20.5 | 0.8% | | 20.5 | 0.8% | | 21.4 | 0.9% | | 23.4 | 1.1% |
| U.S. government agency debt | | 34.1 | 1.4% | | 42.5 | 1.7% | | 41.9 | 1.7% | | 98.2 | 4.1% | | 108.8 | 4.9% |
| asset backed securities | | 190.3 | 7.7% | | 169.2 | 7.0% | | 135.3 | 5.6% | | 151.4 | 6.4% | | 103.6 | 4.7% |
| U.S. government agency mortgage backed securities | | 231.9 | 9.4% | | 217.6 | 8.9% | | 223.4 | 9.3% | | 252.0 | 10.7% | | 279.1 | 12.7% |
| non-agency mortgage backed securities | | 23.2 | 0.9% | | 30.7 | 1.3% | | 33.0 | 1.4% | | 8.8 | 0.4% | | 6.7 | 0.3% |
| agency commercial mortgage backed securities | | 5.5 | 0.2% | | 5.6 | 0.2% | | 4.0 | 0.2% | | 4.2 | 0.2% | | 1.3 | 0.1% |
| non-agency commercial mortgage backed securities | | 46.1 | 1.9% | | 47.3 | 1.9% | | 36.9 | 1.5% | | 37.9 | 1.6% | | 36.1 | 1.6% |
| bank loans | | 138.7 | 5.6% | | 140.7 | 5.8% | | 134.1 | 5.6% | | 107.8 | 4.5% | | 76.2 | 3.5% |
| corporate bonds | | 722.2 | 29.1% | | 693.0 | 28.5% | | 648.6 | 26.9% | | 701.9 | 29.7% | | 571.7 | 26.0% |
| total fixed income securities - available for sale | | 2,038.6 | 82.4% | | 2,016.6 | 82.8% | | 1,917.5 | 79.5% | | 1,966.1 | 83.1% | | 1,605.4 | 73.0% |
| | | | | | | | | | | | | | | | |
| fixed income - at fair value through profit or loss | | 30.8 | 1.2% | | 30.7 | 1.3% | | 30.1 | 1.2% | | 29.6 | 1.3% | | - | - |
| equity securities - available for sale | | 16.1 | 0.7% | | 17.2 | 0.7% | | 15.4 | 0.6% | | 15.6 | 0.7% | | - | - |
| hedge funds - at fair value through profit or loss | | 99.9 | 4.0% | | 89.5 | 3.7% | | - | - | | - | - | | - | - |
| other investments | | 3.3 | 0.1% | | 1.7 | 0.1% | | 4.3 | 0.2% | | 4.7 | 0.2% | | 3.9 | 0.2% |
| managed cash | | 287.2 | 11.6% | | 280.0 | 11.4% | | 446.5 | 18.5% | | 346.6 | 14.7% | | 590.4 | 26.8% |
| total investments | \$ | 2,475.9 | 100.0% | \$ | 2,435.7 | 100.0% | \$ | 2,413.8 | 100.0% | \$ | 2,362.6 | 100.0% | \$ | 2,199.7 | 100.0% |
| | | | | | | | | | | | | | | | |
| credit quality of fixed income securities | | | | | | | | | | | | | | | |
| AAA | \$ | 446.9 | 21.6% | \$ | 481.0 | 23.5% | \$ | 542.2 | 27.8% | \$ | 481.2 | 24.1% | \$ | 277.5 | 17.3% |
| AA+, AA, AA- | | 931.9 | 45.0% | | 887.2 | 43.3% | | 775.3 | 39.8% | | 847.9 | 42.5% | | 798.6 | 49.8% |
| A+, A, A- | | 365.6 | 17.7% | | 353.6 | 17.3% | | 339.8 | 17.5% | | 368.7 | 18.5% | | 276.7 | 17.2% |
| BBB+, BBB, BBB- | | 187.7 | 9.1% | | 188.7 | 9.2% | | 162.4 | 8.3% | | 186.5 | 9.3% | | 155.7 | 9.7% |
| other | | 137.3 | 6.6% | | 136.8 | 6.7% | | 127.9 | 6.6% | | 111.4 | 5.6% | | 96.9 | 6.0% |
| | \$ | 2,069.4 | 100.0% | \$ | 2,047.3 | 100.0% | \$ | 1,947.6 | 100.0% | \$ | 1,995.7 | 100.0% | \$ | 1,605.4 | 100.0% |
| | | | | | | | | | | | | | | | |
| corporate bonds & bank loans (AFS) and fixed income (FVTPL) | | | | | | | | | | | | | | | |
| industrials | \$ | 486.0 | 54.5% | \$ | 469.9 | 54.4% | \$ | 432.9 | 53.3% | \$ | 452.8 | 53.9% | \$ | 365.5 | 56.4% |
| financials | | 354.8 | 39.8% | | 340.9 | 39.4% | | 325.6 | 40.0% | | 336.5 | 40.1% | | 243.3 | 37.5% |
| utilities | | 45.5 | 5.1% | | 47.3 | 5.5% | | 47.1 | 5.8% | | 42.8 | 5.1% | | 36.7 | 5.7% |
| supranationals | | 5.4 | 0.6% | | 6.3 | 0.7% | | 7.2 | 0.9% | | 7.2 | 0.9% | | 2.4 | 0.4% |
| | \$ | 891.7 | 100.0% | \$ | 864.4 | 100.0% | \$ | 812.8 | 100.0% | \$ | 839.3 | 100.0% | \$ | 647.9 | 100.0% |
| | | | | | | | | | | | | | | | |
| quarterly net return excluding the impact of internal FX hedges | | (0.3%) | | | 0.6% | | 0.3% | | 0.3% | | 0.3% | | | 0.4% | |
| quarterly net return including the impact of internal FX hedges | | - | | | 0.5% | | 0.3% | | 0.3% | | 0.3% | | | 0.4% | |
| rolling 12 month net return excluding the impact of internal FX hedges | | 0.9% | | | 1.6% | | 0.5% | | 0.3% | | 0.3% | | | 0.3% | |
| rolling 12 month net return including the impact of internal FX hedges | | 1.1% | | | 1.6% | | 0.5% | | 0.3% | | 0.3% | | | 0.3% | |
| | | | | | | | | | | | | | | | |
| average book yield of fixed income and managed cash | | 1.4% | | | 1.3% | | 1.2% | | 1.4% | | 1.4% | | | 1.4% | |
| average market yield of fixed income and managed cash | | 1.3% | | | 1.1% | | 1.1% | | 1.2% | | 1.2% | | | 1.1% | |
| average duration of fixed income and managed cash | | 1.8 years | | | 1.7 years | | 1.5 years | | 1.6 years | | 1.6 years | | | 1.6 years | |
| average duration of fixed income, managed cash and derivative instruments | | 1.5 years | | | 1.3 years | | 1.0 years | | 1.0 years | | 1.0 years | | | 1.0 years | |
| average credit quality of fixed income and managed cash | | AA- | | | AA- | | AA- | | AA- | | AA- | | | AA- | |
| average credit quality of fixed income only | | AA- | | | AA- | | AA- | | AA- | | AA- | | | AA- | |

| 30 september 2014 | | | | | |
|--|-------------------------|--------------------------------|----------------------------------|------------------------------|---|
| | estimated fair value | weighted average book yield | weighted average market yield | weighted average duration | weighted average rating ⁽²⁾ |
| type of investment | | | | | |
| short term investments | \$ 104.1 | 0.1% | 0.1% | 0.5 | AAA |
| fixed income funds | 16.7 | 2.1% | 2.1% | 1.5 | AA |
| U.S. treasuries | 419.9 | 0.9% | 0.9% | 2.9 | AA+ |
| other government bonds | 87.2 | 1.7% | 1.6% | 2.3 | AA |
| U.S. municipal bonds | 18.7 | 2.6% | 1.6% | 2.9 | AA- |
| U.S. government agency debt | 34.1 | 2.1% | 2.1% | 5.3 | AA+ |
| asset backed securities | 190.3 | 1.2% | 1.1% | 0.7 | AAA |
| U.S. government agency mortgage backed securities | 231.9 | 2.4% | 2.1% | 3.1 | AA+ |
| non-agency mortgage backed securities | 23.2 | 1.5% | 1.1% | 0.3 | AA- |
| agency commercial mortgage backed securities | 5.5 | 0.5% | 1.2% | 5.6 | AA+ |
| non-agency commercial mortgage backed securities | 46.1 | 1.6% | 1.1% | 1.6 | AAA |
| bank loans | 138.7 | 3.9% | 4.3% | - | BB |
| corporate bonds | 722.2 | 1.7% | 1.4% | 2.2 | A |
| total fixed income securities - available for sale | 2,038.6 | 1.6% | 1.5% | 2.1 | AA- |
| fixed income securities at fair value through profit or loss | 30.8 | - | - | 1.1 | A- |
| managed cash ⁽¹⁾ | 287.2 | 0.1% | 0.1% | - | A+ |
| total fixed income securities and managed cash | \$ 2,356.6 | 1.4% | 1.3% | 1.8 | AA- |

| 31 december 2013 | | | | | |
|--|-------------------------|--------------------------------|----------------------------------|------------------------------|---|
| | estimated fair value | weighted average book yield | weighted average market yield | weighted average duration | weighted average rating ⁽²⁾ |
| type of investment | | | | | |
| short term investments | \$ 231.0 | 0.3% | 0.2% | 0.4 | AA+ |
| fixed income funds | 26.3 | 2.0% | 2.0% | 1.5 | AA+ |
| U.S. treasuries | 217.3 | 0.5% | 0.6% | 2.0 | AA+ |
| other government bonds | 107.9 | 2.5% | 2.5% | 2.6 | AA- |
| U.S. municipal bonds | 21.4 | 2.8% | 2.3% | 2.6 | A+ |
| U.S. government agency debt | 98.2 | 0.9% | 1.0% | 3.2 | AA+ |
| asset backed securities | 151.4 | 1.0% | 0.9% | 0.5 | AA+ |
| U.S. government agency mortgage backed securities | 252.0 | 2.0% | 2.0% | 3.1 | AA+ |
| non-agency mortgage backed securities | 8.8 | 2.3% | 2.0% | 0.6 | AA |
| agency commercial mortgage backed securities | 4.2 | 0.6% | 1.2% | 4.3 | AA+ |
| non-agency commercial mortgage backed securities | 37.9 | 2.0% | 1.5% | 2.2 | AA+ |
| bank loans | 107.8 | 4.1% | 4.0% | - | BB- |
| corporate bonds | 701.9 | 1.8% | 1.3% | 2.1 | A+ |
| total fixed income securities - available for sale | 1,966.1 | 1.6% | 1.4% | 1.9 | AA- |
| fixed income securities at fair value through profit or loss | 29.6 | 0.7% | 0.7% | 1.9 | A- |
| managed cash ⁽¹⁾ | 346.6 | 0.2% | 0.2% | - | A+ |
| total fixed income securities and managed cash | \$ 2,342.3 | 1.4% | 1.2% | 1.6 | AA- |

⁽¹⁾ managed cash includes money market funds, t-bills, and repurchase agreements. Where book yields are not available, book yield is assumed to be equal to market yield

⁽²⁾ primary rating source is S&P. If it is not available, the S&P equivalent rating of other nationally recognised rating agencies is used

Lancashire Holdings Limited
corporate & global bond holdings

| | 30 september 2014 | | | | |
|--|--------------------|-------------------------|---------------------|---------------------------|----------------------------------|
| | par value units | estimated fair value | accrued interest | unrealised gain (loss) | credit quality ⁽¹⁾ |
| top twenty corporate holdings by issuer | | | | | |
| Lloyds Banking Group Plc | 32.1 | \$ 33.2 | \$ - | \$ 0.8 | A- |
| Verizon Communications Inc. | 18.6 | 18.8 | 0.1 | - | BBB+ |
| DNB Boligkredit AS | 14.2 | 14.5 | - | 0.1 | AAA |
| Bank of Nova Scotia | 13.6 | 13.7 | - | 0.1 | AA+ |
| General Electric Co | 13.4 | 13.6 | 0.1 | - | AA+ |
| BP Plc | 12.5 | 12.5 | 0.1 | - | A |
| Australia & New Zealand Banking Group Ltd. | 11.9 | 12.1 | - | 0.1 | AA+ |
| JPMorgan Chase & Co. | 10.8 | 11.4 | 0.1 | - | A |
| Mitsubishi UFJ Financial Group Inc. | 10.5 | 10.6 | - | - | A+ |
| Berkshire Hathaway Inc. | 9.9 | 10.3 | 0.1 | 0.1 | A+ |
| Total SA | 9.6 | 9.7 | - | - | AA- |
| Morgan Stanley | 8.9 | 9.7 | 0.2 | 0.1 | A- |
| UBS AG | 9.0 | 9.5 | - | - | AA- |
| Credit Suisse Group AG | 9.0 | 9.3 | 0.1 | 0.1 | A+ |
| Abbvie Inc. | 8.6 | 8.4 | 0.1 | (0.1) | A |
| The Goldman Sachs Group Inc. | 7.7 | 8.3 | 0.1 | 0.2 | A- |
| Apple Inc. | 8.2 | 8.2 | - | 0.1 | AA+ |
| Ford Motor Credit Company | 7.1 | 7.7 | 0.1 | - | BBB- |
| TransCanada Corporation | 7.4 | 7.4 | - | - | A- |
| Roche Holding AG | 7.2 | 7.3 | - | - | AA |
| | | <u>\$ 236.2</u> | <u>\$ 1.1</u> | <u>\$ 1.6</u> | <u>A+</u> |

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

31.4%

| | 30 september 2014 | | | |
|-------------------------|-------------------|---------------------|----------------------|------------------------------|
| | financials | other industries | total ⁽²⁾ | other government bonds |
| bonds by country | | | | |
| United States | \$ 139.5 | \$ 378.0 | \$ 517.5 | \$ - |
| United Kingdom | 45.6 | 44.6 | 90.2 | 0.4 |
| Canada | 38.7 | 19.6 | 58.3 | 28.0 |
| Australia | 33.0 | 8.2 | 41.2 | 10.1 |
| Netherlands | 17.8 | 11.8 | 29.6 | 6.7 |
| France | 11.3 | 15.7 | 27.0 | 4.0 |
| Switzerland | 18.1 | 2.8 | 20.9 | - |
| Germany | 2.8 | 17.1 | 19.9 | 13.7 |
| Japan | 11.2 | 7.7 | 18.9 | - |
| Norway | 17.9 | 0.8 | 18.7 | 2.0 |
| Sweden | 17.2 | - | 17.2 | 0.2 |
| Luxembourg | - | 7.3 | 7.3 | - |
| Supranationals | 5.4 | - | 5.4 | - |
| Hong Kong | - | 3.4 | 3.4 | - |
| Belgium | - | 3.2 | 3.2 | - |
| Mexico | - | 3.0 | 3.0 | 3.7 |
| Marshall Islands | - | 2.9 | 2.9 | - |
| Spain | - | 2.0 | 2.0 | - |
| Macau | - | 1.6 | 1.6 | - |
| Chile | 1.3 | - | 1.3 | - |
| Italy | - | 1.2 | 1.2 | - |
| Finland | 0.4 | - | 0.4 | 1.2 |
| China | - | 0.2 | 0.2 | 1.5 |
| United Arab Emirates | - | 0.2 | 0.2 | 3.5 |
| South Korea | - | 0.2 | 0.2 | 2.0 |
| Russian Federation | - | - | - | 3.4 |
| Qatar | - | - | - | 2.2 |
| Brazil | - | - | - | 1.5 |
| Other | - | - | - | 3.1 |
| | <u>\$ 360.2</u> | <u>\$ 531.5</u> | <u>\$ 891.7</u> | <u>\$ 87.2</u> |

⁽¹⁾ credit quality is calculated based on the weighted average credit ratings of the underlying debt securities. Primary rating source is S&P. If it is not available, the S&P equivalent rating of other nationally recognised rating agencies is used

⁽²⁾ Includes corporate bonds & bank loans (AFS) and fixed income (FVTPL)

Lancashire Holdings Limited
net losses and loss ratios

| total | q3 2014 | q2 2014 | q1 2014 | q4 2013 | q3 2013 | full year 2013 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------|
| net reserves: start | \$ 708.0 | \$ 684.1 | \$ 670.4 | \$ 454.1 | \$ 426.6 | \$ 464.4 |
| net reserves in Lloyd's segment ⁽¹⁾ | - | - | - | 224.2 | - | 224.2 |
| paid losses | 54.3 | 43.6 | 51.9 | 55.2 | 51.3 | 192.0 |
| change in prior AY ⁽²⁾ | (11.3) | (8.2) | 10.1 | (8.2) | (0.4) | (15.9) |
| current year incurred losses | 91.8 | 73.2 | 49.6 | 59.4 | 76.0 | 204.0 |
| foreign exchange | (14.7) | 2.5 | 5.9 | (3.9) | 3.2 | (14.3) |
| net reserves: end | \$ 719.5 | \$ 708.0 | \$ 684.1 | \$ 670.4 | \$ 454.1 | \$ 670.4 |
| net premiums earned | 179.6 | 186.4 | 174.9 | 173.6 | 134.0 | 568.1 |
| net loss ratio | 44.8% | 34.9% | 34.1% | 29.5% | 56.4% | 33.1% |
| IBNR as % of net reserves | 29.9% | 29.4% | 32.7% | 31.8% | 31.5% | 31.8% |

| property | q3 2014 | q2 2014 | q1 2014 | q4 2013 | q3 2013 | full year 2013 |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------|
| net reserves: start | \$ 187.8 | \$ 206.9 | \$ 202.0 | \$ 212.6 | \$ 200.9 | \$ 250.2 |
| paid losses | 7.8 | 9.5 | 6.4 | 14.2 | 16.0 | 62.4 |
| change in prior AY ⁽²⁾ | (1.2) | (16.0) | (1.3) | (0.8) | 0.4 | (13.2) |
| current year incurred losses | 21.9 | 5.6 | 6.6 | 9.2 | 24.9 | 43.4 |
| foreign exchange | (8.5) | 0.8 | 6.0 | (4.8) | 2.4 | (16.0) |
| net reserves: end | \$ 192.2 | \$ 187.8 | \$ 206.9 | \$ 202.0 | \$ 212.6 | \$ 202.0 |
| net premiums earned | 54.5 | 59.1 | 56.6 | 54.5 | 57.7 | 218.8 |
| net loss ratio | 38.0% | (17.6%) | 9.4% | 15.4% | 43.8% | 13.8% |

| energy | q3 2014 | q2 2014 | q1 2014 | q4 2013 | q3 2013 | full year 2013 |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------|
| net reserves: start | \$ 181.9 | \$ 172.5 | \$ 150.7 | \$ 157.1 | \$ 141.5 | \$ 159.8 |
| paid losses | 4.0 | 3.5 | 3.6 | 15.4 | 22.6 | 63.0 |
| change in prior AY ⁽²⁾ | (5.6) | (2.0) | 9.8 | 2.9 | 0.2 | (18.4) |
| current year incurred losses | 12.3 | 14.6 | 15.5 | 6.2 | 37.7 | 72.3 |
| foreign exchange | (0.9) | 0.3 | 0.1 | (0.1) | 0.3 | - |
| net reserves: end | \$ 183.7 | \$ 181.9 | \$ 172.5 | \$ 150.7 | \$ 157.1 | \$ 150.7 |
| net premiums earned | 40.0 | 47.1 | 40.8 | 53.0 | 47.8 | 203.1 |
| net loss ratio | 16.8% | 26.8% | 62.0% | 17.2% | 79.3% | 26.5% |

⁽¹⁾ net reserves in Lloyd's segment on date of acquisition, 7 November 2013

⁽²⁾ AY = accident year

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

| <u>marine</u> | q3 2014 | q2 2014 | q1 2014 | q4 2013 | q3 2013 | full year 2013 |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|-------------------|
| net reserves: start | \$ 91.1 | \$ 76.9 | \$ 88.9 | \$ 81.1 | \$ 83.1 | \$ 52.1 |
| paid losses | 3.4 | 7.5 | 15.9 | 6.6 | 12.7 | 29.0 |
| change in prior AY ⁽¹⁾ | (3.3) | 16.0 | (0.8) | (1.2) | (1.0) | 23.4 |
| current year incurred losses | 4.2 | 5.8 | 4.7 | 15.4 | 11.3 | 41.6 |
| foreign exchange | (0.8) | (0.1) | - | 0.2 | 0.4 | 0.8 |
| net reserves: end | \$ 87.8 | \$ 91.1 | \$ 76.9 | \$ 88.9 | \$ 81.1 | \$ 88.9 |
| net premiums earned | 15.5 | 15.4 | 12.6 | 15.7 | 15.6 | 61.7 |
| net loss ratio | 5.8% | 141.6% | 31.0% | 90.4% | 66.0% | 105.3% |

| <u>aviation</u> | q3 2014 | q2 2014 | q1 2014 | q4 2013 | q3 2013 | full year 2013 |
|-----------------------------------|----------------|----------------|---------------|---------------|---------------|-------------------|
| net reserves: start | \$ 20.5 | \$ 3.1 | \$ 3.8 | \$ 3.3 | \$ 1.1 | \$ 2.3 |
| paid losses | 2.3 | - | 1.2 | - | - | 18.6 |
| change in prior AY ⁽¹⁾ | (0.5) | 0.3 | (0.3) | - | - | 1.4 |
| current year incurred losses | 14.8 | 17.1 | 0.8 | 0.5 | 2.1 | 18.6 |
| foreign exchange | (0.1) | - | - | - | 0.1 | 0.1 |
| net reserves: end | \$ 32.4 | \$ 20.5 | \$ 3.1 | \$ 3.8 | \$ 3.3 | \$ 3.8 |
| net premiums earned | 14.3 | 13.6 | 11.6 | 10.6 | 12.9 | 44.7 |
| net loss ratio | 100.0% | 127.9% | 4.3% | 4.7% | 16.3% | 44.7% |

| <u>Lloyd's</u> | q3 2014 | q2 2014 | q1 2014 | q4 2013 | q3 2013 | full year 2013 |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-------------|-------------------|
| net reserves: start | \$ 226.7 | \$ 224.7 | \$ 225.0 | \$ 224.2 | \$ - | \$ 224.2 |
| paid losses | 36.8 | 23.1 | 24.8 | 19.0 | - | 19.0 |
| change in prior AY ⁽¹⁾ | (0.7) | (6.5) | 2.7 | (9.1) | - | (9.1) |
| current year incurred losses | 38.6 | 30.1 | 22.0 | 28.1 | - | 28.1 |
| foreign exchange | (4.4) | 1.5 | (0.2) | 0.8 | - | 0.8 |
| net reserves: end | \$ 223.4 | \$ 226.7 | \$ 224.7 | \$ 225.0 | \$ - | \$ 225.0 |
| net premiums earned | 55.3 | 51.2 | 53.3 | 39.8 | - | 39.8 |
| net loss ratio | 68.5% | 46.1% | 46.3% | 47.7% | - | 47.7% |

⁽¹⁾ AY = accident year

Lancashire Holdings Limited
losses by accident year

gross losses

| accident year | 2006 & prior | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|-------------------------|----------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| estimate of ultimate liability: | | | | | | | | | |
| at end of accident year | 39.1 | 154.8 | 444.6 | 163.3 | 297.4 | 397.0 | 250.3 | 176.9 | - |
| one year later | 34.7 | 131.2 | 417.4 | 107.8 | 209.4 | 371.9 | 290.9 | - | - |
| two years later | 32.0 | 103.5 | 377.5 | 73.1 | 204.2 | 362.3 | - | - | - |
| three years later | 27.6 | 94.8 | 345.1 | 66.0 | 204.4 | - | - | - | - |
| four years later | 27.2 | 83.5 | 340.8 | 64.7 | - | - | - | - | - |
| five years later | 24.4 | 81.0 | 346.9 | - | - | - | - | - | - |
| six years later | 24.0 | 81.7 | - | - | - | - | - | - | - |
| seven years later | 24.9 | - | - | - | - | - | - | - | - |
| as at 31 december 2013 | \$ 24.9 | \$ 81.7 | \$ 346.9 | \$ 64.7 | \$ 204.4 | \$ 362.3 | \$ 290.9 | \$ 176.9 | \$ - |
| as at 30 september 2014 | \$ 25.1 | \$ 82.2 | \$ 344.5 | \$ 62.8 | \$ 198.0 | \$ 378.0 | \$ 291.7 | \$ 168.3 | \$ 122.9 |
| payments made | (23.3) | (76.8) | (326.4) | (53.8) | (176.4) | (204.7) | (205.9) | (66.5) | (2.3) |
| total gross liability | \$ 1.8 | \$ 5.4 | \$ 18.1 | \$ 9.0 | \$ 21.6 | \$ 173.3 | \$ 85.8 | \$ 101.8 | \$ 120.6 |
| accident year gross loss ratio ⁽¹⁾ | 8.3% | 11.8% | 50.6% | 9.7% | 30.2% | 59.5% | 40.1% | 25.8% | 27.4% |

estimate of ultimate Lloyd's segment liability:

| | | | | | | | | | |
|---------------------------------------|----------------|---------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|
| at acquisition ⁽²⁾ | 35.6 | 5.8 | 8.8 | 25.0 | 31.4 | 89.2 | 64.5 | 71.2 | - |
| as at 31 december 2013 ⁽²⁾ | \$ 35.7 | \$ 5.9 | \$ 8.7 | \$ 24.4 | \$ 31.4 | \$ 84.7 | \$ 59.5 | \$ 103.1 | \$ - |
| as at 30 september 2014 | \$ 35.3 | \$ 5.6 | \$ 8.3 | \$ 19.7 | \$ 30.6 | \$ 73.2 | \$ 54.4 | \$ 108.1 | \$ 109.0 |
| payments made | (2.3) | (1.5) | (1.1) | (2.7) | (7.8) | (29.6) | (18.3) | (46.7) | (27.8) |
| total gross liability | \$ 33.0 | \$ 4.1 | \$ 7.2 | \$ 17.0 | \$ 22.8 | \$ 43.6 | \$ 36.1 | \$ 61.4 | \$ 81.2 |
| total group gross liability | \$ 34.8 | \$ 9.5 | \$ 25.3 | \$ 26.0 | \$ 44.4 | \$ 216.9 | \$ 121.9 | \$ 163.2 | \$ 201.8 |

net losses

| accident year | 2006 & prior | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|-------------------------|----------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| estimate of ultimate liability: | | | | | | | | | |
| at end of accident year | 39.1 | 151.2 | 403.9 | 161.7 | 263.6 | 340.8 | 201.4 | 176.9 | - |
| one year later | 34.7 | 125.0 | 370.3 | 106.5 | 185.8 | 319.3 | 182.7 | - | - |
| two years later | 32.0 | 99.5 | 334.4 | 72.4 | 180.1 | 310.1 | - | - | - |
| three years later | 27.6 | 91.3 | 304.2 | 65.3 | 179.9 | - | - | - | - |
| four years later | 27.2 | 80.2 | 302.7 | 64.0 | - | - | - | - | - |
| five years later | 24.4 | 77.9 | 307.7 | - | - | - | - | - | - |
| six years later | 24.0 | 78.5 | - | - | - | - | - | - | - |
| seven years later | 24.9 | - | - | - | - | - | - | - | - |
| as at 31 december 2013 | \$ 24.9 | \$ 78.5 | \$ 307.7 | \$ 64.0 | \$ 179.9 | \$ 310.1 | \$ 182.7 | \$ 176.9 | \$ - |
| as at 30 september 2014 | \$ 25.1 | \$ 79.0 | \$ 305.6 | \$ 62.2 | \$ 173.5 | \$ 320.4 | \$ 183.5 | \$ 168.3 | \$ 122.9 |
| payments made | (23.3) | (73.6) | (289.7) | (53.2) | (153.7) | (181.2) | (100.9) | (66.5) | (2.3) |
| total net liability | \$ 1.8 | \$ 5.4 | \$ 15.9 | \$ 9.0 | \$ 19.8 | \$ 139.2 | \$ 82.6 | \$ 101.8 | \$ 120.6 |
| accident year net loss ratio ⁽¹⁾ | 10.3% | 12.9% | 50.3% | 10.5% | 28.2% | 55.8% | 31.5% | 31.9% | 32.2% |

estimate of ultimate Lloyd's segment liability:

| | | | | | | | | | |
|---------------------------------------|----------------|---------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|
| at acquisition ⁽²⁾ | 10.7 | 4.7 | 7.4 | 15.8 | 22.7 | 47.8 | 49.8 | 65.3 | - |
| as at 31 december 2013 ⁽²⁾ | \$ 10.6 | \$ 5.1 | \$ 7.2 | \$ 15.1 | \$ 22.4 | \$ 44.5 | \$ 45.9 | \$ 93.2 | \$ - |
| as at 30 september 2014 | \$ 9.8 | \$ 4.7 | \$ 7.0 | \$ 13.3 | \$ 22.1 | \$ 40.2 | \$ 40.7 | \$ 99.2 | \$ 90.1 |
| payments made | (0.6) | (1.3) | (1.1) | (1.3) | (4.4) | (12.7) | (13.2) | (44.1) | (25.0) |
| total net liability | \$ 9.2 | \$ 3.4 | \$ 5.9 | \$ 12.0 | \$ 17.7 | \$ 27.5 | \$ 27.5 | \$ 55.1 | \$ 65.1 |
| total group net liability | \$ 11.0 | \$ 8.8 | \$ 21.8 | \$ 21.0 | \$ 37.5 | \$ 166.7 | \$ 110.1 | \$ 156.9 | \$ 185.7 |

| | | | | | | | | | |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| initial accident year net loss ratio | 16.1% | 24.7% | 66.5% | 27.2% | 42.9% | 59.3% | 34.6% | 33.5% | 39.4% |
| reduction (increase) in net loss ratio post accident year end | 5.8% | 11.8% | 16.2% | 16.7% | 14.7% | 3.5% | 3.1% | 1.6% | n/a |

⁽¹⁾ accident year loss ratio for Lancashire excluding the Lloyd's segment is calculated using the ultimate liability revalued at the current balance sheet date

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

Lancashire Holdings Limited
estimated exposures to peak zone elemental losses

| zones | perils | 1 october 2014 ⁽²⁾ | | 1 october 2014 ⁽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 | \$ 400.3 | \$ 251.9 | \$ 575.5 | \$ 374.2 |
| non gulf of mexico - US | hurricane | 419.1 | 256.1 | 695.0 | 460.2 |
| california | earthquake | 271.6 | 152.2 | 439.2 | 241.8 |
| pacific northwest | earthquake | 53.2 | 40.0 | 205.1 | 123.8 |
| pan-european | windstorm | 271.9 | 137.0 | 399.2 | 212.4 |
| japan | earthquake | 183.6 | 120.0 | 327.6 | 196.5 |
| japan | typhoon | 124.9 | 63.2 | 205.4 | 92.7 |

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

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

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

⁽¹⁾ landing hurricane from florida to texas

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

Lancashire Holdings Limited
earnings per share

| | q3 2014 | q3 2013 | ytd 2014 | ytd 2013 | full year 2013 |
|--|--------------------|--------------------|---------------------|---------------------|---------------------------|
| basic earnings per share: | | | | | |
| profit after tax attributable to Lancashire | \$ 37.6 | \$ 25.4 | \$ 142.5 | \$ 159.5 | \$ 222.5 |
| net operating income attributable to Lancashire | \$ 36.2 | \$ 11.2 | \$ 142.5 | \$ 132.7 | \$ 184.2 |
| dilutive shares | | | | | |
| weighted average shares outstanding - basic | 188,991,523 | 173,722,997 | 184,728,780 | 165,408,537 | 169,270,681 |
| dilutive effect of warrants | 9,832,985 | 17,438,062 | 10,575,115 | 17,871,645 | 17,788,368 |
| dilutive effect of restricted stock | 1,955,980 | 3,080,047 | 2,139,938 | 3,123,715 | 3,431,739 |
| weighted average & equivalent shares outstanding - diluted | <u>200,780,488</u> | <u>194,241,106</u> | <u>197,443,833</u> | <u>186,403,897</u> | <u>190,490,788</u> |
| basic earnings per share attributable to Lancashire | \$ 0.20 | \$ 0.15 | \$ 0.77 | \$ 0.96 | \$ 1.31 |
| diluted earnings per share attributable to Lancashire | \$ 0.19 | \$ 0.13 | \$ 0.72 | \$ 0.86 | \$ 1.17 |
| diluted operating earnings per share attributable to Lancashire | \$ 0.18 | \$ 0.06 | \$ 0.72 | \$ 0.71 | \$ 0.97 |

Lancashire Holdings Limited
basic and fully converted book value per share

| | <u>30 september 2014</u> | <u>30 june 2014</u> | <u>31 march 2014</u> | <u>31 december 2013</u> | <u>30 september 2013</u> |
|---|--------------------------|-----------------------|-----------------------|-------------------------|--------------------------|
| numerator (\$ in millions): | | | | | |
| shareholders' equity attributable to Lancashire | \$ 1,529.8 | \$ 1,504.3 | \$ 1,458.5 | \$ 1,459.7 | \$ 1,489.4 |
| proceeds from assumed exercise of outstanding dilutive warrants | 94.2 | 108.3 | 140.3 | 141.9 | 143.2 |
| book value numerator | <u>\$ 1,624.0</u> | <u>\$ 1,612.6</u> | <u>\$ 1,598.8</u> | <u>\$ 1,601.6</u> | <u>\$ 1,632.6</u> |
| deduction for goodwill and other intangible assets | 153.8 | 157.8 | 164.8 | 177.2 | - |
| tangible book value numerator | <u>\$ 1,470.2</u> | <u>\$ 1,454.8</u> | <u>\$ 1,434.0</u> | <u>\$ 1,424.4</u> | <u>\$ 1,632.6</u> |
| denominator (in shares): | | | | | |
| common voting shares outstanding | 188,814,736 | 186,756,533 | 181,771,038 | 181,026,145 | 180,581,212 |
| shares issuable upon exercise of outstanding dilutive warrants | 18,938,878 | 21,768,088 | 28,793,021 | 29,116,692 | 29,365,827 |
| shares relating to dilutive restricted stock | 1,963,584 | 1,677,037 | 2,900,651 | 3,489,304 | 3,121,321 |
| fully converted book value denominator | <u>209,717,198</u> | <u>210,201,658</u> | <u>213,464,710</u> | <u>213,632,141</u> | <u>213,068,360</u> |
| basic book value per share attributable to Lancashire | <u>\$ 8.10</u> | <u>\$ 8.05</u> | <u>\$ 8.02</u> | <u>\$ 8.06</u> | <u>\$ 8.25</u> |
| fully converted book value per share attributable to Lancashire | <u>\$ 7.74</u> | <u>\$ 7.67</u> | <u>\$ 7.49</u> | <u>\$ 7.50</u> | <u>\$ 7.67</u> |
| tangible basic book value per share attributable to Lancashire | <u>\$ 7.29</u> | <u>\$ 7.21</u> | <u>\$ 7.12</u> | <u>\$ 7.08</u> | <u>\$ -</u> |
| tangible fully converted book value per share attributable to Lancashire | <u>\$ 7.01</u> | <u>\$ 6.92</u> | <u>\$ 6.72</u> | <u>\$ 6.67</u> | <u>\$ -</u> |
| dividend per common share ⁽¹⁾ | \$ 0.05 | \$ - | \$ 0.30 | \$ 0.45 | \$ 0.05 |
| change in FCBVS adj for dividends ⁽²⁾ - quarter | 1.6% | 2.4% | 3.9% | 3.7% | 7.4% |
| change in FCBVS adj for dividends ⁽²⁾ - rolling 12 months | 12.1% | 18.6% | 17.9% | 18.9% | 17.9% |
| compound annual change in FCBVS adj for dividends ⁽²⁾ | 18.9% | 19.0% | 19.2% | 19.2% | 19.3% |
| compound annual change in FCBVS adj for dividends ⁽²⁾ - above 3 month treasury | 17.6% | 17.8% | 17.8% | 17.9% | 17.9% |
| change in FCBVS adj for dividends ⁽²⁾ - since inception | 353.0% | 339.8% | 325.1% | 308.0% | 292.1% |
| change in tangible FCBVS adj for dividends ⁽²⁾ - quarter | 2.0% | 3.0% | 5.3% | n/a | n/a |

⁽¹⁾ warrants and restricted stock contain anti-dilution provisions in regards to dividends; the exercise price of options may be adjusted for dividend payments

⁽²⁾ 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

Lancashire Holdings Limited
basic and fully diluted book value per share



| | <u>30 september 2014</u> | <u>30 june 2014</u> | <u>31 march 2014</u> | <u>31 december 2013</u> | <u>30 september 2013</u> |
|---|--------------------------|-----------------------|-----------------------|-------------------------|--------------------------|
| shareholders' equity attributable to Lancashire | \$ 1,529.8 | \$ 1,504.3 | \$ 1,458.5 | \$ 1,459.7 | \$ 1,489.4 |
| deduction for goodwill and other intangible assets | \$ 153.8 | \$ 157.8 | \$ 164.8 | \$ 177.2 | - |
| tangible shareholders' equity attributable to Lancashire | <u>\$ 1,376.0</u> | <u>\$ 1,346.5</u> | <u>\$ 1,293.7</u> | <u>\$ 1,282.5</u> | <u>\$ 1,489.4</u> |
| weighted average exercise price per share of dilutive warrants | \$ 4.97 | \$ 4.98 | \$ 4.87 | \$ 4.87 | \$ 4.88 |
| denominator (in shares): | | | | | |
| common voting shares outstanding | 188,814,736 | 186,756,533 | 181,771,038 | 181,026,145 | 180,581,212 |
| unvested restricted shares and restricted share units | 1,963,584 | 1,677,037 | 2,900,651 | 3,489,304 | 3,121,321 |
| dilutive warrants outstanding | 18,938,878 | 21,768,088 | 28,793,021 | 29,116,692 | 29,365,827 |
| proforma warrants bought back | <u>(9,074,964)</u> | <u>(9,679,865)</u> | <u>(12,311,581)</u> | <u>(10,570,639)</u> | <u>(11,517,859)</u> |
| proforma net shares issued | 9,863,914 | 12,088,223 | 16,481,440 | 18,546,053 | 17,847,968 |
| proforma dilutive shares outstanding | <u>200,642,234</u> | <u>200,521,793</u> | <u>201,153,129</u> | <u>203,061,502</u> | <u>201,550,501</u> |
| basic book value per share attributable to Lancashire | <u>\$ 8.10</u> | <u>\$ 8.05</u> | <u>\$ 8.02</u> | <u>\$ 8.06</u> | <u>\$ 8.25</u> |
| fully diluted book value per share attributable to Lancashire | <u>\$ 7.62</u> | <u>\$ 7.50</u> | <u>\$ 7.25</u> | <u>\$ 7.19</u> | <u>\$ 7.39</u> |
| tangible basic book value per share attributable to Lancashire | <u>\$ 7.29</u> | <u>\$ 7.21</u> | <u>\$ 7.12</u> | <u>\$ 7.08</u> | <u>\$ -</u> |
| tangible fully diluted book value per share attributable to Lancashire | <u>\$ 6.86</u> | <u>\$ 6.71</u> | <u>\$ 6.43</u> | <u>\$ 6.32</u> | <u>\$ -</u> |
| dividend per common share ⁽¹⁾ | \$ 0.05 | \$ - | \$ 0.30 | \$ 0.45 | \$ 0.05 |
| change in FDBVS adj for dividends ⁽²⁾ - quarter | 2.3% | 3.5% | 5.0% | 3.2% | 8.3% |
| change in FDBVS adj for dividends ⁽²⁾ - rolling 12 months | 14.7% | 21.7% | 20.4% | 19.6% | 19.1% |
| compound annual change in FDBVS adj for dividends ⁽²⁾ | 18.7% | 18.9% | 19.0% | 18.9% | 19.0% |
| compound annual change in FDBVS adj for dividends ⁽²⁾ - above 3 month treasury | 17.5% | 17.6% | 17.6% | 17.5% | 17.6% |
| change in FDBVS adj for dividends ⁽²⁾ - since inception | 349.6% | 335.0% | 318.4% | 299.6% | 284.9% |
| change in tangible FDBVS adj for dividends ⁽²⁾ - quarter | 3.0% | 4.4% | 6.5% | n/a | n/a |

⁽¹⁾ warrants and restricted stock contain anti-dilution provisions in regards to dividends; the exercise price of options may be adjusted for dividend payments

⁽²⁾ change in fully diluted book value per share ("FDBVS") adjusted for dividends is the internal rate of return of the change in fully diluted book value per share in the period plus dividends accrued

Cathedral Capital Limited
summary consolidated income statements ⁽¹⁾

| | q3 2014 | q2 2014 | q1 2014 | q4 2013 | q3 2013 | ytd 2014 | ytd 2013 | full year 2013 |
|--|-----------------|---------------|---------------|---------------|---------------|----------------|----------------|-------------------|
| gross premiums written | \$ 50.3 | \$ 82.0 | \$ 108.2 | \$ 34.2 | \$ 51.6 | \$ 240.5 | \$ 254.0 | \$ 288.2 |
| outwards reinsurance premiums | (11.6) | (8.8) | (40.7) | (5.7) | (9.2) | (61.1) | (60.2) | (65.9) |
| net premiums written | 38.7 | 73.2 | 67.5 | 28.5 | 42.4 | 179.4 | 193.8 | 222.3 |
| change in unearned premiums | 21.5 | (16.9) | (40.7) | 42.1 | 26.1 | (36.1) | (39.7) | 2.4 |
| change in unearned premiums on premiums ceded | (4.9) | (5.1) | 26.5 | (13.3) | (6.9) | 16.5 | 13.2 | (0.1) |
| net premiums earned | 55.3 | 51.2 | 53.3 | 57.3 | 61.6 | 159.8 | 167.3 | 224.6 |
| net investment income | 0.5 | 0.6 | 0.6 | 1.3 | 1.9 | 1.7 | 5.8 | 7.1 |
| net other investment income (losses) | 0.1 | (0.2) | - | 0.8 | 0.7 | (0.1) | (1.4) | (0.6) |
| net realised gains (losses) and impairments ⁽²⁾ | (0.3) | 0.2 | (0.1) | (0.2) | (0.4) | (0.2) | (0.6) | (0.8) |
| other income | 0.5 | 3.1 | 0.4 | 3.0 | 0.4 | 4.0 | 5.9 | 8.9 |
| net foreign exchange gains (losses) | (2.0) | 0.2 | (0.9) | (1.4) | (7.3) | (2.7) | (1.2) | (2.6) |
| total net revenue | 54.1 | 55.1 | 53.3 | 60.8 | 56.9 | 162.5 | 175.8 | 236.6 |
| insurance losses | 51.9 | 17.0 | 25.2 | 30.3 | 31.4 | 94.1 | 73.4 | 103.7 |
| insurance losses recoverable | (14.0) | 6.6 | (0.5) | (1.8) | (2.5) | (7.9) | (11.6) | (13.4) |
| net insurance acquisition expenses | 12.0 | 11.6 | 11.5 | 12.3 | 14.2 | 35.1 | 39.7 | 52.0 |
| equity based compensation | 0.7 | 1.5 | 1.0 | - | - | 3.2 | - | - |
| other operating expenses | 9.7 | 8.9 | 10.9 | 8.9 | 4.0 | 29.5 | 22.4 | 31.3 |
| total expenses | 60.3 | 45.6 | 48.1 | 49.7 | 47.1 | 154.0 | 123.9 | 173.6 |
| profit (loss) before tax and finance costs | (6.2) | 9.5 | 5.2 | 11.1 | 9.8 | 8.5 | 51.9 | 63.0 |
| financing expenses | (0.8) | (0.7) | (0.7) | (5.9) | (4.3) | (2.2) | (13.7) | (19.6) |
| profit (loss) before tax | (7.0) | 8.8 | 4.5 | 5.2 | 5.5 | 6.3 | 38.2 | 43.4 |
| tax credit (expense) | 1.1 | (0.1) | 2.5 | 2.7 | 1.1 | 3.5 | (8.4) | (5.7) |
| profit (loss) after tax | \$ (5.9) | \$ 8.7 | \$ 7.0 | \$ 7.9 | \$ 6.6 | \$ 9.8 | \$ 29.8 | \$ 37.7 |
| change in net unrealised gains / losses on investments | (0.9) | 1.0 | 0.1 | 0.3 | - | 0.2 | - | 0.3 |
| comprehensive income (loss) | \$ (6.8) | \$ 9.7 | \$ 7.1 | \$ 8.2 | \$ 6.6 | \$ 10.0 | \$ 29.8 | \$ 38.0 |
| net loss ratio | 68.5% | 46.1% | 46.3% | 49.7% | 46.9% | 53.9% | 36.9% | 40.2% |
| net acquisition cost ratio | 21.7% | 22.7% | 21.6% | 21.5% | 23.1% | 22.0% | 23.7% | 23.2% |
| administrative expense ratio | 17.5% | 17.4% | 20.5% | 15.5% | 6.5% | 18.5% | 13.4% | 13.9% |
| combined ratio | 107.7% | 86.2% | 88.4% | 86.7% | 76.5% | 94.4% | 74.0% | 77.3% |

⁽¹⁾ 2013 information is being provided for informational purposes only. Lancashire financial statements include results of Cathedral from the date of acquisition, 7 November 2013. Cathedral results from the date of acquisition include acquisition related adjustments and do not therefore reflect the company's stand-alone position.

⁽²⁾ Includes unrealised gains and losses prior to 7 November 2013