

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 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, STANDARD & POOR’S, MOODY’S OR OTHER RATING AGENCIES; INCREASED COMPETITION ON THE BASIS OF PRICING, CAPACITY, COVERAGE TERMS OR OTHER FACTORS; A CYCLICAL DOWNTURN OF THE INDUSTRY; THE IMPACT OF A DETERIORATING CREDIT ENVIRONMENT FOR ISSUERS OF FIXED INCOME INVESTMENTS; THE IMPACT OF SWINGS IN MARKET INTEREST 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 WE OPERATE; 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 WE WRITE RISKS; 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 THE GROUP’S BERMUDIAN SUBSIDIARIES BECOMING SUBJECT TO INCOME TAXES IN THE UNITED STATES OR THE UNITED KINGDOM; THE INAPPLICABILITY TO THE GROUP OF SUITABLE EXCLUSIONS FROM THE UK CFC REGIME; AND ANY CHANGE IN UK GOVERNMENT POLICY WHICH IMPACTS THE CFC REGIME OR OTHER TAX CHANGES.

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. total premiums under management
7. summary consolidated underwriting segment results
8. property segment - underwriting statement
9. energy segment - underwriting statement
10. marine segment - underwriting statement
11. aviation segment - underwriting statement
12. lloyd's segment - underwriting statement
13. total contribution from third party capital activities
14. summary consolidated cash flows
15. summary consolidated balance sheets
16. composition of investment portfolio
17. investment portfolio - sector detail
18. investment portfolio - corporate and global bond holdings
19. net losses and loss ratios
20. net losses and loss ratios (cont.)
21. losses by accident year excluding lloyd's
22. losses by accident year - lloyd's
23. losses by accident year - group
24. estimated exposures to peak zone elemental losses
25. earnings per share
26. basic and fully converted book value per share, tangible basic and tangible fully converted book value per share
27. basic and fully diluted book value per share, tangible basic and tangible fully diluted book value per share
28. 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.

ACCIDENT YEAR LOSS RATIO - THE ACCIDENT YEAR LOSS RATIO IS CALCULATED USING THE ULTIMATE LIABILITY REVALUED AT THE CURRENT BALANCE SHEET DATE, DIVIDED BY 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 OPTIONS AND 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 PLUS THE PROCEEDS THAT WOULD BE RECEIVED FROM THE EXERCISE OF ALL DILUTIVE WARRANTS AND DILUTIVE RESTRICTED STOCK UNITS AS CALCULATED UNDER THE TREASURY METHOD; DIVIDED BY: THE SUM OF ALL SHARES, 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 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**

	q1 2016	q1 2015	% change q1-16 vs. q1-15
<b>highlights</b>			
gross premiums written	\$ 230.8	\$ 244.3	(6%)
net premiums written	121.6	129.2	(6%)
net premiums earned	137.2	154.2	(11%)
net insurance losses	40.6	45.1	(10%)
net investment income	7.5	7.6	(1%)
net realised gains (losses) and impairments	(7.9)	(0.2)	(3,850%)
profit after tax attributable to Lancashire	28.3	53.7	(47%)
change in net unrealised gains / losses on investments	14.8	9.0	64%
comprehensive income attributable to Lancashire	43.1	62.7	(31%)
net operating income attributable to Lancashire <sup>(1)</sup>	\$ 32.4	\$ 52.1	(38%)
total investments and cash	\$ 2,069.0	\$ 2,321.6	(11%)
shareholders' equity attributable to Lancashire	\$ 1,246.1	\$ 1,302.1	(4%)
<b>per share data attributable to Lancashire</b>			
net operating income per share - diluted <sup>(2)</sup>	\$ 0.16	\$ 0.27	
profit after tax per share - diluted <sup>(2)</sup>	\$ 0.14	\$ 0.28	
fully converted book value per share	\$ 6.20	\$ 6.52	
change in FCBVS adj for dividends <sup>(3)</sup>	3.8%	2.3%	
change in FCBVS adj for dividends - tangible <sup>(4)</sup>	4.5%	2.3%	
change in FCBVS adj for dividends - excluding warrant exercises <sup>(5)</sup>	3.8%	4.3%	
fully diluted book value per share	\$ 6.20	\$ 6.51	
change in FDBVS adj for dividends <sup>(6)</sup>	3.8%	3.5%	
change in FDBVS adj for dividends - tangible <sup>(7)</sup>	4.5%	4.1%	
<b>financial ratios</b>			
net loss ratio	29.6%	29.2%	
net acquisition cost ratio	24.4%	25.4%	
administrative expense ratio	18.7%	17.4%	
combined ratio	<u>72.7%</u>	<u>72.0%</u>	
accident year net loss ratio	42.5%	45.4%	
net return on total investments including internal FX hedges	0.7%	1.0%	
net return on total investments excluding internal FX hedges	0.8%	0.7%	

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

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

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

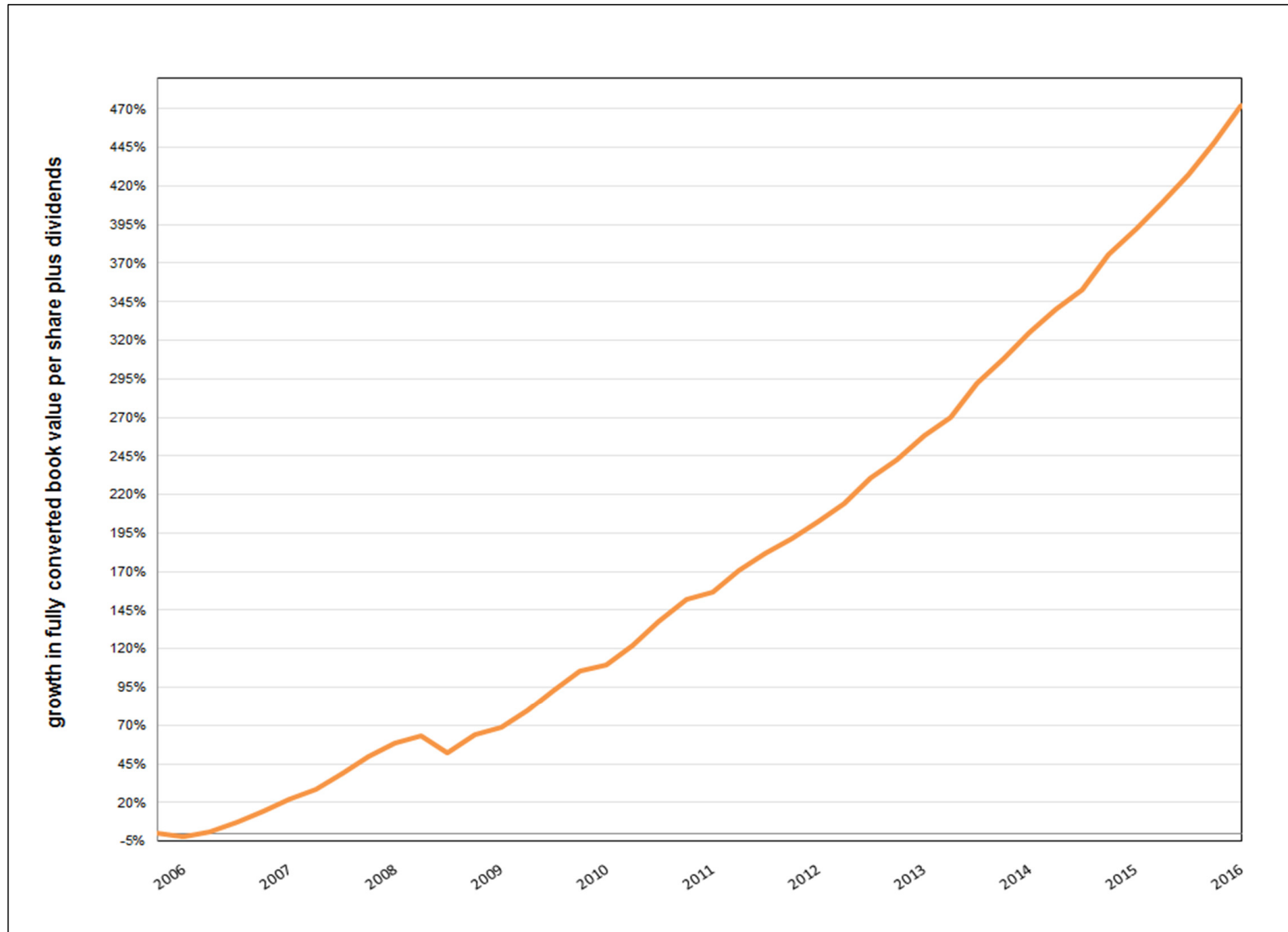
<sup>(4)</sup> change in tangible fully converted book value per share adjusted for dividends ("FCBVS") excludes intangible assets from capital

<sup>(5)</sup> change in tangible fully converted book value per share adjusted for dividends ("FCBVS") excludes the impact of warrants exercised. All remaining warrants were exercised during 2015 and there is therefore no impact of warrants on 2016 FCBVS.

<sup>(6)</sup> 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

<sup>(7)</sup> change in tangible fully diluted book value per share adjusted for dividends ("FDBVS") 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 2016

**Lancashire Holdings Limited**  
summary consolidated income statements

	q1 2016	q4 2015	q3 2015	q2 2015	q1 2015	full year 2015
gross premiums written	\$ 230.8	\$ 97.1	\$ 120.4	\$ 179.3	\$ 244.3	\$ 641.1
outwards reinsurance premiums	(109.2)	(9.8)	(10.3)	(24.2)	(115.1)	(159.4)
<b>net premiums written</b>	<b>121.6</b>	<b>87.3</b>	<b>110.1</b>	<b>155.1</b>	<b>129.2</b>	<b>481.7</b>
change in unearned premiums	(58.9)	72.3	58.7	0.1	(51.2)	79.9
change in unearned premiums on premiums ceded	74.5	(28.8)	(30.1)	(11.8)	76.2	5.5
<b>net premiums earned</b>	<b>137.2</b>	<b>130.8</b>	<b>138.7</b>	<b>143.4</b>	<b>154.2</b>	<b>567.1</b>
net investment income	7.5	7.4	7.8	7.0	7.6	29.8
net other investment income (losses)	(1.4)	(0.2)	(5.3)	(0.8)	5.0	(1.3)
net realised gains (losses) and impairments	(7.9)	(0.8)	(2.4)	0.6	(0.2)	(2.8)
share of profit (loss) of associate	1.3	(0.2)	2.7	0.9	0.7	4.1
other income	2.6	5.0	5.1	3.6	6.2	19.9
net foreign exchange gains (losses)	(0.5)	2.6	(2.0)	(2.1)	(0.9)	(2.4)
<b>total net revenue</b>	<b>138.8</b>	<b>144.6</b>	<b>144.6</b>	<b>152.6</b>	<b>172.6</b>	<b>614.4</b>
insurance losses	47.1	24.1	38.2	56.3	58.9	177.5
insurance losses recoverable	(6.5)	(0.1)	(1.6)	(6.3)	(13.8)	(21.8)
net insurance acquisition expenses	33.5	33.1	35.7	38.2	39.2	146.2
equity based compensation	3.6	3.6	7.4	0.4	4.4	15.8
other operating expenses	25.7	30.7	25.1	24.0	26.8	106.6
<b>total expenses</b>	<b>103.4</b>	<b>91.4</b>	<b>104.8</b>	<b>112.6</b>	<b>115.5</b>	<b>424.3</b>
<b>profit before tax and finance costs</b>	<b>35.4</b>	<b>53.2</b>	<b>39.8</b>	<b>40.0</b>	<b>57.1</b>	<b>190.1</b>
financing costs	(8.9)	(3.0)	(6.9)	(2.9)	(5.6)	(18.4)
<b>profit before tax</b>	<b>26.5</b>	<b>50.2</b>	<b>32.9</b>	<b>37.1</b>	<b>51.5</b>	<b>171.7</b>
tax credit	1.9	4.3	1.4	1.8	2.5	10.0
<b>profit after tax</b>	<b>\$ 28.4</b>	<b>\$ 54.5</b>	<b>\$ 34.3</b>	<b>\$ 38.9</b>	<b>\$ 54.0</b>	<b>\$ 181.7</b>
income attributable to non-controlling interests	(0.1)	(0.1)	(0.2)	-	(0.3)	(0.6)
<b>profit after tax attributable to Lancashire</b>	<b>\$ 28.3</b>	<b>\$ 54.4</b>	<b>\$ 34.1</b>	<b>\$ 38.9</b>	<b>\$ 53.7</b>	<b>\$ 181.1</b>
change in net unrealised gains / losses on investments	14.8	(9.4)	(3.8)	(7.1)	9.0	(11.3)
<b>comprehensive income attributable to Lancashire</b>	<b>\$ 43.1</b>	<b>\$ 45.0</b>	<b>\$ 30.3</b>	<b>\$ 31.8</b>	<b>\$ 62.7</b>	<b>\$ 169.8</b>
net loss ratio	29.6%	18.3%	26.4%	34.9%	29.2%	27.5%
net acquisition cost ratio	24.4%	25.3%	25.7%	26.6%	25.4%	25.8%
administrative expense ratio	18.7%	23.5%	18.1%	16.7%	17.4%	18.8%
combined ratio	72.7%	67.1%	70.2%	78.2%	72.0%	72.1%
net return on total investments including internal FX hedges	0.7%	(0.2%)	(0.2%)	-	1.0%	0.7%
net return on total investments excluding internal FX hedges	0.8%	(0.2%)	(0.3%)	0.1%	0.7%	0.2%
basic earnings per share attributable to Lancashire	\$ 0.14	\$ 0.27	\$ 0.17	\$ 0.20	\$ 0.28	\$ 0.93
diluted earnings per share attributable to Lancashire	\$ 0.14	\$ 0.27	\$ 0.17	\$ 0.19	\$ 0.28	\$ 0.91

Lancashire Holdings Limited  
premiums by line of business

	q1 2016	q4 2015	q3 2015	q2 2015	q1 2015	full year 2015
<b>gross premiums written</b>						
property cat excess of loss	\$ 49.7	\$ 1.6	\$ 18.0	\$ 24.8	\$ 46.2	\$ 90.6
terrorism	14.2	8.0	6.6	14.0	15.2	43.8
property political risk	10.8	15.7	12.4	1.8	3.4	33.3
property retrocession	7.8	0.2	1.1	4.4	7.9	13.6
property risk xl	4.0	1.7	2.0	4.1	2.2	10.0
other property	2.1	0.6	0.7	2.7	1.9	5.9
<b>total property</b>	<b>88.6</b>	<b>27.8</b>	<b>40.8</b>	<b>51.8</b>	<b>76.8</b>	<b>197.2</b>
worldwide offshore energy	25.7	15.1	17.0	33.6	27.1	92.8
gulf of mexico offshore energy	0.9	-	0.1	3.4	2.6	6.1
onshore energy	1.2	0.9	0.9	1.6	0.3	3.7
energy liabilities	1.5	0.2	-	1.6	1.5	3.3
construction energy	1.0	(1.2)	0.5	-	3.5	2.8
other energy	0.5	-	0.4	1.3	1.6	3.3
<b>total energy</b>	<b>30.8</b>	<b>15.0</b>	<b>18.9</b>	<b>41.5</b>	<b>36.6</b>	<b>112.0</b>
marine hull and total loss	4.2	5.2	1.7	6.4	6.6	19.9
marine P&I clubs	5.9	1.4	0.3	1.3	10.0	13.0
marine builders risk	3.6	1.4	1.3	1.7	2.1	6.5
marine hull war	1.6	0.9	1.6	1.3	2.2	6.0
other marine	1.0	0.3	(0.2)	0.7	1.4	2.2
<b>total marine</b>	<b>16.3</b>	<b>9.2</b>	<b>4.7</b>	<b>11.4</b>	<b>22.3</b>	<b>47.6</b>
AV 52	7.0	7.0	5.5	5.9	5.1	23.5
aviation satellite	3.9	2.8	3.5	0.4	5.5	12.2
other aviation	0.5	(0.2)	0.3	0.4	0.4	0.9
<b>total aviation</b>	<b>11.4</b>	<b>9.6</b>	<b>9.3</b>	<b>6.7</b>	<b>11.0</b>	<b>36.6</b>
property reinsurance	47.2	5.1	14.4	21.5	51.9	92.9
property direct and facultative	12.9	13.4	16.0	20.9	15.9	66.2
marine cargo	7.4	5.3	7.4	6.9	10.0	29.6
aviation and satellite	9.8	7.2	3.8	5.1	12.4	28.5
energy	3.4	2.3	2.9	10.5	4.4	20.1
terrorism	1.3	1.6	1.5	1.8	1.1	6.0
contingency	1.7	0.6	0.7	1.2	1.9	4.4
<b>total lloyd's</b>	<b>83.7</b>	<b>35.5</b>	<b>46.7</b>	<b>67.9</b>	<b>97.6</b>	<b>247.7</b>
<b>total gross premiums written</b>	<b>\$ 230.8</b>	<b>\$ 97.1</b>	<b>\$ 120.4</b>	<b>\$ 179.3</b>	<b>\$ 244.3</b>	<b>\$ 641.1</b>



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



	<u>q1</u> <u>2016</u>	<u>q4</u> <u>2015</u>	<u>q3</u> <u>2015</u>	<u>q2</u> <u>2015</u>	<u>q1</u> <u>2015</u>	<u>full year</u> <u>2015</u>
<b>Lancashire gross premiums written</b>						
property	88.6	27.8	40.8	51.8	76.8	197.2
energy	30.8	15.0	18.9	41.5	36.6	112.0
marine	16.3	9.2	4.7	11.4	22.3	47.6
aviation	11.4	9.6	9.3	6.7	11.0	36.6
lloyd's	83.7	35.5	46.7	67.9	97.6	247.7
<b>total gross premiums written</b>	<b><u>\$ 230.8</u></b>	<b><u>\$ 97.1</u></b>	<b><u>\$ 120.4</u></b>	<b><u>\$ 179.3</u></b>	<b><u>\$ 244.3</u></b>	<b><u>\$ 641.1</u></b>
<b>additional premiums managed by Lancashire</b>						
lloyd's 2010 syndicate	49.3	14.8	23.8	32.7	57.0	128.3
kinesis re	50.6	-	7.4	-	62.2	69.6
	<u>99.9</u>	<u>14.8</u>	<u>31.2</u>	<u>32.7</u>	<u>119.2</u>	<u>197.9</u>
<b>total premiums managed by Lancashire</b>	<b><u>\$ 330.7</u></b>	<b><u>\$ 111.9</u></b>	<b><u>\$ 151.6</u></b>	<b><u>\$ 212.0</u></b>	<b><u>\$ 363.5</u></b>	<b><u>\$ 839.0</u></b>

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

	three months ending 31 march 2016					
	property	energy	marine	aviation	lloyd's	consolidated
gross premiums written	\$ 88.6	\$ 30.8	\$ 16.3	\$ 11.4	\$ 83.7	\$ 230.8
net premiums written	48.3	9.1	4.4	8.7	51.1	121.6
net premiums earned	39.8	34.7	7.4	8.2	47.1	137.2
net insurance (recoveries) losses	(4.8)	20.9	5.0	-	19.5	40.6
net insurance acquisition expenses	6.7	13.4	1.6	2.1	9.7	33.5
other operating expenses <sup>(1)</sup>						25.7
	<u>\$ 37.9</u>	<u>\$ 0.4</u>	<u>\$ 0.8</u>	<u>\$ 6.1</u>	<u>\$ 17.9</u>	<u>\$ 37.4</u>
net loss ratio	(12.1%)	60.2%	67.6%	-	41.4%	29.6%
net acquisition cost ratio	16.8%	38.6%	21.6%	25.6%	20.6%	24.4%
administrative expense ratio <sup>(1)</sup>						18.7%
combined ratio	<u>4.7%</u>	<u>98.8%</u>	<u>89.2%</u>	<u>25.6%</u>	<u>62.0%</u>	<u>72.7%</u>

	three months ending 31 march 2015					
	property	energy	marine	aviation	lloyd's	consolidated
gross premiums written	\$ 76.8	\$ 36.6	\$ 22.3	\$ 11.0	\$ 97.6	\$ 244.3
net premiums written	40.1	10.3	8.4	8.1	62.3	129.2
net premiums earned	43.6	40.8	10.7	8.1	51.0	154.2
net insurance (recoveries) losses	(5.1)	25.8	3.6	2.3	18.5	45.1
net insurance acquisition expenses	9.1	12.8	4.5	2.0	10.8	39.2
other operating expenses <sup>(1)</sup>						26.8
	<u>\$ 39.6</u>	<u>\$ 2.2</u>	<u>\$ 2.6</u>	<u>\$ 3.8</u>	<u>\$ 21.7</u>	<u>\$ 43.1</u>
net loss ratio	(11.7%)	63.2%	33.6%	28.4%	36.3%	29.2%
net acquisition cost ratio	20.9%	31.4%	42.1%	24.7%	21.2%	25.4%
administrative expense ratio <sup>(1)</sup>						17.4%
combined ratio	<u>9.2%</u>	<u>94.6%</u>	<u>75.7%</u>	<u>53.1%</u>	<u>57.5%</u>	<u>72.0%</u>

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

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

	<u>q1</u> <u>2016</u>	<u>q4</u> <u>2015</u>	<u>q3</u> <u>2015</u>	<u>q2</u> <u>2015</u>	<u>q1</u> <u>2015</u>	<u>full year</u> <u>2015</u>
<b>underwriting income</b>						
gross premiums written	\$ 88.6	\$ 27.8	\$ 40.8	\$ 51.8	\$ 76.8	\$ 197.2
outwards reinsurance premiums	(40.3)	(2.8)	(1.3)	(10.6)	(36.7)	(51.4)
<b>net premiums written</b>	<b><u>48.3</u></b>	<b><u>25.0</u></b>	<b><u>39.5</u></b>	<b><u>41.2</u></b>	<b><u>40.1</u></b>	<b><u>145.8</u></b>
change in unearned premiums	(38.9)	25.7	11.8	2.4	(20.3)	19.6
change in unearned premiums on premiums ceded	30.4	(9.8)	(9.7)	1.6	23.8	5.9
<b>net premiums earned</b>	<b><u>\$ 39.8</u></b>	<b><u>\$ 40.9</u></b>	<b><u>\$ 41.6</u></b>	<b><u>\$ 45.2</u></b>	<b><u>\$ 43.6</u></b>	<b><u>\$ 171.3</u></b>
<b>underwriting expenses</b>						
net insurance (recoveries) losses	(4.8)	9.8	20.3	(6.8)	(5.1)	18.2
net insurance acquisition expenses	6.7	7.1	7.7	7.7	9.1	31.6
<b>total underwriting expenses</b>	<b><u>1.9</u></b>	<b><u>16.9</u></b>	<b><u>28.0</u></b>	<b><u>0.9</u></b>	<b><u>4.0</u></b>	<b><u>49.8</u></b>
<b>net underwriting income</b>	<b><u>\$ 37.9</u></b>	<b><u>\$ 24.0</u></b>	<b><u>\$ 13.6</u></b>	<b><u>\$ 44.3</u></b>	<b><u>\$ 39.6</u></b>	<b><u>\$ 121.5</u></b>
net loss ratio (% of net premiums earned)	(12.1%)	24.0%	48.8%	(15.0%)	(11.7%)	10.6%
net acquisition cost ratio (% of net premiums earned)	16.8%	17.4%	18.5%	17.0%	20.9%	18.4%
	<b><u>4.7%</u></b>	<b><u>41.4%</u></b>	<b><u>67.3%</u></b>	<b><u>2.0%</u></b>	<b><u>9.2%</u></b>	<b><u>29.0%</u></b>

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

	<u>q1</u> <u>2016</u>	<u>q4</u> <u>2015</u>	<u>q3</u> <u>2015</u>	<u>q2</u> <u>2015</u>	<u>q1</u> <u>2015</u>	<u>full year</u> <u>2015</u>
<b>underwriting income (loss)</b>						
gross premiums written	\$ 30.8	\$ 15.0	\$ 18.9	\$ 41.5	\$ 36.6	\$ 112.0
outwards reinsurance premiums	(21.7)	2.1	(1.4)	(5.0)	(26.3)	(30.6)
<b>net premiums written</b>	<b>9.1</b>	<b>17.1</b>	<b>17.5</b>	<b>36.5</b>	<b>10.3</b>	<b>81.4</b>
change in unearned premiums	11.9	16.3	20.0	0.9	11.4	48.6
change in unearned premiums on premiums ceded	13.7	(8.7)	(8.1)	(5.8)	19.1	(3.5)
<b>net premiums earned</b>	<b>\$ 34.7</b>	<b>\$ 24.7</b>	<b>\$ 29.4</b>	<b>\$ 31.6</b>	<b>\$ 40.8</b>	<b>\$ 126.5</b>
<b>underwriting expenses</b>						
net insurance losses (recoveries)	20.9	(6.5)	3.6	23.9	25.8	46.8
net insurance acquisition expenses	13.4	9.2	11.9	13.4	12.8	47.3
<b>total underwriting expenses</b>	<b>34.3</b>	<b>2.7</b>	<b>15.5</b>	<b>37.3</b>	<b>38.6</b>	<b>94.1</b>
<b>net underwriting income (loss)</b>	<b>\$ 0.4</b>	<b>\$ 22.0</b>	<b>\$ 13.9</b>	<b>\$ (5.7)</b>	<b>\$ 2.2</b>	<b>\$ 32.4</b>
net loss ratio (% of net premiums earned)	60.2%	(26.3%)	12.2%	75.6%	63.2%	37.0%
net acquisition cost ratio (% of net premiums earned)	38.6%	37.2%	40.5%	42.4%	31.4%	37.4%
	<b>98.8%</b>	<b>10.9%</b>	<b>52.7%</b>	<b>118.0%</b>	<b>94.6%</b>	<b>74.4%</b>

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

	<u>q1</u> <u>2016</u>	<u>q4</u> <u>2015</u>	<u>q3</u> <u>2015</u>	<u>q2</u> <u>2015</u>	<u>q1</u> <u>2015</u>	<u>full year</u> <u>2015</u>
<b>underwriting income</b>						
gross premiums written	\$ 16.3	\$ 9.2	\$ 4.7	\$ 11.4	\$ 22.3	\$ 47.6
outwards reinsurance premiums	(11.9)	(0.6)	(0.3)	2.9	(13.9)	(11.9)
<b>net premiums written</b>	<u>4.4</u>	<u>8.6</u>	<u>4.4</u>	<u>14.3</u>	<u>8.4</u>	<u>35.7</u>
change in unearned premiums	(6.1)	1.6	6.7	0.5	(6.9)	1.9
change in unearned premiums on premiums ceded	9.1	(2.4)	(2.3)	(4.4)	9.2	0.1
<b>net premiums earned</b>	<u>\$ 7.4</u>	<u>\$ 7.8</u>	<u>\$ 8.8</u>	<u>\$ 10.4</u>	<u>\$ 10.7</u>	<u>\$ 37.7</u>
<b>underwriting expenses</b>						
net insurance losses (recoveries)	5.0	2.5	(0.4)	(0.5)	3.6	5.2
net insurance acquisition expenses	1.6	2.4	3.0	3.0	4.5	12.9
<b>total underwriting expenses</b>	<u>6.6</u>	<u>4.9</u>	<u>2.6</u>	<u>2.5</u>	<u>8.1</u>	<u>18.1</u>
<b>net underwriting income</b>	<u>\$ 0.8</u>	<u>\$ 2.9</u>	<u>\$ 6.2</u>	<u>\$ 7.9</u>	<u>\$ 2.6</u>	<u>\$ 19.6</u>
net loss ratio (% of net premiums earned)	67.6%	32.1%	(4.5%)	(4.8%)	33.6%	13.8%
net acquisition cost ratio (% of net premiums earned)	21.6%	30.8%	34.1%	28.8%	42.1%	34.2%
	<u>89.2%</u>	<u>62.9%</u>	<u>29.6%</u>	<u>24.0%</u>	<u>75.7%</u>	<u>48.0%</u>

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

	<u>q1</u> <u>2016</u>	<u>q4</u> <u>2015</u>	<u>q3</u> <u>2015</u>	<u>q2</u> <u>2015</u>	<u>q1</u> <u>2015</u>	<u>full year</u> <u>2015</u>
<b>underwriting income (loss)</b>						
gross premiums written	\$ 11.4	\$ 9.6	\$ 9.3	\$ 6.7	\$ 11.0	\$ 36.6
outwards reinsurance premiums	(2.7)	(5.2)	(1.8)	(4.3)	(2.9)	(14.2)
<b>net premiums written</b>	<u>8.7</u>	<u>4.4</u>	<u>7.5</u>	<u>2.4</u>	<u>8.1</u>	<u>22.4</u>
change in unearned premiums	(0.6)	1.4	1.6	4.3	(0.9)	6.4
change in unearned premiums on premiums ceded	0.1	2.6	(1.2)	2.3	0.9	4.6
<b>net premiums earned</b>	<u>\$ 8.2</u>	<u>\$ 8.4</u>	<u>\$ 7.9</u>	<u>\$ 9.0</u>	<u>\$ 8.1</u>	<u>\$ 33.4</u>
<b>underwriting expenses</b>						
net insurance losses (recoveries)	-	5.1	(1.1)	13.0	2.3	19.3
net insurance acquisition expenses	2.1	2.4	1.9	2.5	2.0	8.8
<b>total underwriting expenses</b>	<u>2.1</u>	<u>7.5</u>	<u>0.8</u>	<u>15.5</u>	<u>4.3</u>	<u>28.1</u>
<b>net underwriting income (loss)</b>	<u>\$ 6.1</u>	<u>\$ 0.9</u>	<u>\$ 7.1</u>	<u>\$ (6.5)</u>	<u>\$ 3.8</u>	<u>\$ 5.3</u>
net loss ratio (% of net premiums earned)	-	60.7%	(13.9%)	144.4%	28.4%	57.8%
net acquisition cost ratio (% of net premiums earned)	25.6%	28.6%	24.1%	27.8%	24.7%	26.3%
	<u>25.6%</u>	<u>89.3%</u>	<u>10.2%</u>	<u>172.2%</u>	<u>53.1%</u>	<u>84.1%</u>

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

	<u>q1</u> <u>2016</u>	<u>q4</u> <u>2015</u>	<u>q3</u> <u>2015</u>	<u>q2</u> <u>2015</u>	<u>q1</u> <u>2015</u>	<u>full year</u> <u>2015</u>
<b>underwriting income</b>						
gross premiums written	\$ 83.7	\$ 35.5	\$ 46.7	\$ 67.9	\$ 97.6	\$ 247.7
outwards reinsurance premiums	(32.6)	(3.3)	(5.5)	(7.2)	(35.3)	(51.3)
<b>net premiums written</b>	<u><b>51.1</b></u>	<u><b>32.2</b></u>	<u><b>41.2</b></u>	<u><b>60.7</b></u>	<u><b>62.3</b></u>	<u><b>196.4</b></u>
change in unearned premiums	(25.2)	27.3	18.6	(8.0)	(34.5)	3.4
change in unearned premiums on premiums ceded	21.2	(10.5)	(8.8)	(5.5)	23.2	(1.6)
<b>net premiums earned</b>	<u><b>\$ 47.1</b></u>	<u><b>\$ 49.0</b></u>	<u><b>\$ 51.0</b></u>	<u><b>\$ 47.2</b></u>	<u><b>\$ 51.0</b></u>	<u><b>\$ 198.2</b></u>
<b>underwriting expenses</b>						
net insurance losses	19.5	13.1	14.2	20.4	18.5	66.2
net insurance acquisition expenses	9.7	12.0	11.2	11.6	10.8	45.6
<b>total underwriting expenses</b>	<u><b>29.2</b></u>	<u><b>25.1</b></u>	<u><b>25.4</b></u>	<u><b>32.0</b></u>	<u><b>29.3</b></u>	<u><b>111.8</b></u>
<b>net underwriting income</b>	<u><b>\$ 17.9</b></u>	<u><b>\$ 23.9</b></u>	<u><b>\$ 25.6</b></u>	<u><b>\$ 15.2</b></u>	<u><b>\$ 21.7</b></u>	<u><b>\$ 86.4</b></u>
net loss ratio (% of net premiums earned)	41.4%	26.7%	27.8%	43.2%	36.3%	33.4%
net acquisition cost ratio (% of net premiums earned)	20.6%	24.5%	22.0%	24.6%	21.2%	23.0%
	<u>62.0%</u>	<u>51.2%</u>	<u>49.8%</u>	<u>67.8%</u>	<u>57.5%</u>	<u>56.4%</u>

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

	<u>q1</u> <u>2016</u>	<u>q4</u> <u>2015</u>	<u>q3</u> <u>2015</u>	<u>q2</u> <u>2015</u>	<u>q1</u> <u>2015</u>	<u>full year</u> <u>2015</u>
kinesis underwriting fees	\$ 0.5	\$ 1.5	\$ 2.6	\$ 0.8	\$ 0.7	\$ 5.6
kinesis profit commission	1.8	0.1	1.9	0.2	5.1	7.3
<b>total kinesis</b>	<b>2.3</b>	<b>1.6</b>	<b>4.5</b>	<b>1.0</b>	<b>5.8</b>	<b>12.9</b>
lloyd's managing agency fees	0.3	0.4	0.4	0.3	0.4	1.5
lloyd's consortium fees	-	0.1	0.2	-	-	0.3
lloyd's profit commission 2013 year of account	-	1.2	-	1.5	-	2.7
lloyd's profit commission 2014 year of account	-	1.7	-	0.8	-	2.5
<b>total lloyd's</b>	<b>0.3</b>	<b>3.4</b>	<b>0.6</b>	<b>2.6</b>	<b>0.4</b>	<b>7.0</b>
<b>other income</b>	<b>\$ 2.6</b>	<b>\$ 5.0</b>	<b>\$ 5.1</b>	<b>\$ 3.6</b>	<b>\$ 6.2</b>	<b>\$ 19.9</b>
share of profit (loss) of associate	\$ 1.3	\$ (0.2)	\$ 2.7	\$ 0.9	\$ 0.7	\$ 4.1
<b>total contribution from third party capital activities</b>	<b>\$ 3.9</b>	<b>\$ 4.8</b>	<b>\$ 7.8</b>	<b>\$ 4.5</b>	<b>\$ 6.9</b>	<b>\$ 24.0</b>



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

<b>cash flows</b>	<b>q1 2016</b>	<b>q4 2015</b>	<b>q3 2015</b>	<b>q2 2015</b>	<b>q1 2015</b>	<b>full year 2015</b>
net cash flows (used in) from operating activities	\$ (13.0)	\$ 18.4	\$ 9.1	\$ 68.2	\$ 2.4	\$ 98.1
net cash flows from (used in) investing activities	42.9	213.0	(42.2)	(119.5)	182.8	234.1
net cash flows used in financing activities	(27.1)	(191.1)	(16.3)	(122.3)	(8.3)	(338.0)
<b>net increase (decrease) in cash and cash equivalents</b>	<b>2.8</b>	<b>40.3</b>	<b>(49.4)</b>	<b>(173.6)</b>	<b>176.9</b>	<b>(5.8)</b>
cash and cash equivalents, opening	291.8	251.1	303.0	475.5	303.5	303.5
effect of exchange rate fluctuations	2.7	0.4	(2.5)	1.1	(4.9)	(5.9)
<b>cash and cash equivalents, closing</b>	<b>\$ 297.3</b>	<b>\$ 291.8</b>	<b>\$ 251.1</b>	<b>\$ 303.0</b>	<b>\$ 475.5</b>	<b>\$ 291.8</b>

**Lancashire Holdings Limited**  
summary consolidated balance sheets

	<u>31 march 2016</u>	<u>31 december 2015</u>	<u>30 september 2015</u>	<u>30 june 2015</u>	<u>31 march 2015</u>
<b>assets</b>					
cash and cash equivalents	\$ 297.3	\$ 291.8	\$ 251.1	\$ 303.0	\$ 475.5
accrued interest receivable	6.8	6.5	7.5	6.9	7.4
investments					
- fixed maturities - available for sale	1,583.7	1,576.9	1,766.9	1,717.8	1,641.7
- at fair value through profit or loss	24.7	24.8	55.1	56.7	31.7
- equity securities - available for sale	14.8	15.6	15.1	16.7	15.6
- hedge funds - at fair value through profit or loss	148.8	156.0	170.1	173.9	156.6
- other investments	(0.3)	-	0.2	(0.3)	0.5
reinsurance assets					
- unearned premiums on premiums ceded	104.7	30.2	59.0	89.1	100.9
- reinsurance recoveries	88.2	83.9	87.9	95.9	97.6
- other receivables	2.9	2.7	3.4	8.4	7.8
deferred acquisition costs	95.7	87.2	98.0	108.5	110.6
inwards premiums receivable from insureds and cedants	334.4	253.7	307.6	380.3	368.6
investment in associate	23.2	47.5	28.2	31.5	26.7
goodwill and other intangible assets	153.8	153.8	153.8	153.8	153.8
other assets	49.3	45.0	31.7	33.0	86.1
<b>total assets</b>	<b>\$ 2,928.0</b>	<b>\$ 2,775.6</b>	<b>\$ 3,035.6</b>	<b>\$ 3,175.2</b>	<b>\$ 3,281.1</b>
<b>liabilities</b>					
insurance contracts					
- losses and loss adjustment expenses	\$ 679.1	\$ 671.0	\$ 697.8	\$ 746.6	\$ 735.2
- unearned premiums	458.1	399.2	471.5	530.2	530.3
- other payables	38.2	36.2	42.4	46.5	38.2
amounts payable to reinsurers	72.8	26.6	39.0	74.1	81.5
deferred acquisition costs ceded	1.3	0.3	0.7	0.8	1.1
other payables	85.0	73.6	72.6	91.7	241.8
deferred tax liability	23.6	25.6	27.2	28.5	28.2
long-term debt	323.7	322.3	323.4	322.8	321.9
<b>total liabilities</b>	<b>\$ 1,681.8</b>	<b>\$ 1,554.8</b>	<b>\$ 1,674.6</b>	<b>\$ 1,841.2</b>	<b>\$ 1,978.2</b>
<b>shareholders' equity</b>					
share capital	\$ 100.7	\$ 100.7	\$ 100.2	\$ 100.2	\$ 100.2
own shares	(28.7)	(30.4)	(24.9)	(25.8)	(33.5)
other reserves	881.6	880.8	872.4	866.4	874.8
accumulated other comprehensive income (loss)	4.3	(10.5)	(1.1)	2.7	9.8
dividends	(19.8)	(317.5)	(128.9)	(119.0)	(119.0)
retained earnings	308.0	597.2	542.8	508.7	469.8
<b>shareholders' equity attributable to Lancashire</b>	<b>\$ 1,246.1</b>	<b>\$ 1,220.3</b>	<b>\$ 1,360.5</b>	<b>\$ 1,333.2</b>	<b>\$ 1,302.1</b>
non-controlling interests	0.1	0.5	0.5	0.8	0.8
<b>total shareholders' equity</b>	<b>\$ 1,246.2</b>	<b>\$ 1,220.8</b>	<b>\$ 1,361.0</b>	<b>\$ 1,334.0</b>	<b>\$ 1,302.9</b>
<b>total liabilities and shareholders' equity</b>	<b>\$ 2,928.0</b>	<b>\$ 2,775.6</b>	<b>\$ 3,035.6</b>	<b>\$ 3,175.2</b>	<b>\$ 3,281.1</b>
basic book value per share attributable to Lancashire	\$ 6.28	\$ 6.16	\$ 6.88	\$ 6.74	\$ 6.61
fully converted book value per share attributable to Lancashire	\$ 6.20	\$ 6.07	\$ 6.78	\$ 6.66	\$ 6.52
fully diluted book value per share attributable to Lancashire	\$ 6.20	\$ 6.07	\$ 6.77	\$ 6.66	\$ 6.51
debt to total capital ratio	20.6%	20.9%	19.2%	19.5%	19.8%
debt to total tangible capital ratio	22.9%	23.2%	21.1%	21.5%	21.9%

Lancashire Holdings Limited  
composition of investment portfolio



	31 march 2016	%	31 december 2015	%	30 september 2015	%	30 june 2015	%	31 march 2015	%
<b>type of investment</b>										
short-term investments	\$ 17.3	0.9%	\$ 20.6	1.1%	\$ 42.0	1.9%	\$ 55.3	2.6%	\$ 4.7	0.2%
fixed maturity funds	11.4	0.6%	11.4	0.6%	11.3	0.5%	13.7	0.6%	13.5	0.6%
U.S. treasuries	384.6	19.7%	393.3	20.0%	390.2	18.0%	334.5	15.5%	328.6	15.7%
other government bonds	62.1	3.2%	65.4	3.3%	70.6	3.2%	69.9	3.2%	64.0	3.1%
U.S. municipal bonds	5.3	0.3%	5.2	0.3%	24.3	1.1%	24.2	1.1%	25.3	1.2%
U.S. government agency debt	4.9	0.3%	3.9	0.2%	18.3	0.8%	15.7	0.7%	16.9	0.8%
asset backed securities	111.9	5.7%	113.9	5.8%	180.9	8.3%	180.2	8.3%	184.3	8.8%
U.S. government agency mortgage backed securities	151.1	7.7%	143.8	7.3%	165.1	7.6%	176.2	8.2%	150.1	7.2%
non-agency mortgage backed securities	18.5	0.9%	21.8	1.1%	23.5	1.1%	21.3	1.0%	23.9	1.1%
agency commercial mortgage backed securities	-	-	-	-	1.6	0.1%	1.7	0.1%	1.9	0.1%
non-agency commercial mortgage backed securities	18.2	0.9%	28.8	1.5%	31.7	1.5%	35.5	1.6%	38.1	1.8%
bank loans	114.4	5.9%	115.0	5.9%	128.3	5.9%	130.4	6.0%	129.1	6.2%
corporate bonds	684.0	34.9%	653.8	33.2%	679.1	31.3%	659.2	30.5%	661.3	31.7%
<b>total fixed maturities - available for sale</b>	<b>1,583.7</b>	<b>81.0%</b>	<b>1,576.9</b>	<b>80.3%</b>	<b>1,766.9</b>	<b>81.3%</b>	<b>1,717.8</b>	<b>79.4%</b>	<b>1,641.7</b>	<b>78.5%</b>
fixed maturities - at fair value through profit or loss	24.7	1.3%	24.8	1.3%	55.1	2.5%	56.7	2.6%	31.7	1.5%
equity securities - available for sale	14.8	0.8%	15.6	0.8%	15.1	0.7%	16.7	0.8%	15.6	0.7%
hedge funds - at fair value through profit or loss	148.8	7.6%	156.0	8.0%	170.1	7.8%	173.9	8.1%	156.6	7.5%
other investments	(0.3)	-	-	-	0.2	-	(0.3)	-	0.5	-
managed cash	182.2	9.3%	187.5	9.6%	165.6	7.7%	195.1	9.1%	245.7	11.8%
<b>total investments</b>	<b>\$ 1,953.9</b>	<b>100.0%</b>	<b>\$ 1,960.8</b>	<b>100.0%</b>	<b>\$ 2,173.0</b>	<b>100.0%</b>	<b>\$ 2,159.9</b>	<b>100.0%</b>	<b>\$ 2,091.8</b>	<b>100.0%</b>
<b>credit quality of fixed maturities - available for sale</b>										
AAA	\$ 184.1	11.6%	\$ 215.4	13.7%	\$ 311.1	17.6%	\$ 331.1	19.3%	\$ 295.1	18.0%
AA+, AA, AA-	716.0	45.2%	722.6	45.8%	769.0	43.6%	711.7	41.4%	674.4	41.1%
A+, A, A-	325.6	20.6%	295.7	18.8%	336.3	19.0%	329.5	19.2%	333.9	20.3%
BBB+, BBB, BBB-	245.1	15.5%	230.7	14.6%	219.2	12.4%	211.4	12.3%	202.1	12.3%
other	112.9	7.1%	112.5	7.1%	131.3	7.4%	134.1	7.8%	136.2	8.3%
	<b>\$ 1,583.7</b>	<b>100.0%</b>	<b>\$ 1,576.9</b>	<b>100.0%</b>	<b>\$ 1,766.9</b>	<b>100.0%</b>	<b>\$ 1,717.8</b>	<b>100.0%</b>	<b>\$ 1,641.7</b>	<b>100.0%</b>
<b>corporate bonds &amp; bank loans (AFS) and fixed maturities (FVTPL)</b>										
industrials	\$ 476.1	57.9%	\$ 457.9	57.7%	\$ 482.1	55.9%	\$ 475.0	56.1%	\$ 471.7	57.4%
financials	315.6	38.3%	308.5	38.9%	347.0	40.2%	335.8	39.7%	317.5	38.6%
utilities	30.8	3.7%	26.7	3.4%	32.8	3.8%	34.9	4.1%	30.5	3.7%
supranationals	0.6	0.1%	0.5	-	0.6	0.1%	0.6	0.1%	2.4	0.3%
	<b>\$ 823.1</b>	<b>100.0%</b>	<b>\$ 793.6</b>	<b>100.0%</b>	<b>\$ 862.5</b>	<b>100.0%</b>	<b>\$ 846.3</b>	<b>100.0%</b>	<b>\$ 822.1</b>	<b>100.0%</b>
quarterly net return including the impact of internal FX hedge:		0.7%		(0.2%)		(0.2%)		-		1.0%
quarterly net return excluding the impact of internal FX hedge:		0.8%		(0.2%)		(0.3%)		0.1%		0.7%
rolling 12 month net return including the impact of internal FX hedge:		0.3%		0.7%		1.0%		1.2%		1.7%
rolling 12 month net return excluding the impact of internal FX hedge:		0.4%		0.2%		0.5%		0.6%		1.0%
average book yield of fixed maturities and managed cash:		1.7%		1.6%		1.6%		1.5%		1.5%
average market yield of fixed maturities and managed cash:		1.7%		1.9%		1.6%		1.5%		1.4%
average duration of fixed maturities and managed cash:		1.8 years		1.8 years		1.8 years		1.8 years		1.8 years
average duration of fixed maturities, managed cash and derivative instrument:		1.6 years		1.5 years		1.5 years		1.6 years		1.5 years
average credit quality of fixed maturities and managed cash:		A+		AA-		AA-		AA-		AA-
average credit quality of fixed maturities only:		A+		A+		AA-		AA-		A+

Lancashire Holdings Limited  
investment portfolio - sector detail

31 march 2016						
	estimated fair value	weighted average book yield	weighted average market yield	weighted average duration	weighted average rating	
<b>type of investment</b>						
short-term investments	\$ 17.3	0.6%	0.6%	0.6	AA+	
fixed maturity funds	11.4	1.7%	1.7%	1.2	AA	
U.S. treasuries	384.6	0.9%	0.8%	2.3	AA+	
other government bonds	62.1	1.6%	1.4%	1.8	AA	
U.S. municipal bonds	5.3	4.5%	2.2%	3.6	AA-	
U.S. government agency debt	4.9	1.2%	0.9%	1.9	AA+	
asset backed securities	111.9	1.4%	2.1%	0.3	AAA	
U.S. government agency mortgage backed securities	151.1	2.6%	2.2%	2.5	AA+	
non-agency mortgage backed securities	18.5	1.4%	1.5%	0.2	AA+	
non-agency commercial mortgage backed securities	18.2	2.0%	2.5%	0.8	AAA	
bank loans	114.4	4.4%	5.1%	0.3	BB-	
corporate bonds	684.0	2.1%	1.9%	2.5	A	
<b>total fixed maturities - available for sale</b>	<b>1,583.7</b>	<b>1.9%</b>	<b>1.9%</b>	<b>2.0</b>	<b>A+</b>	
fixed maturities at fair value through profit or loss	24.7	-	-	1.0	A- <sup>(2)</sup>	
managed cash <sup>(1)</sup>	182.2	0.1%	0.1%	-	AA-	
<b>total fixed maturities and managed cash</b>	<b>\$ 1,790.6</b>	<b>1.7%</b>	<b>1.7%</b>	<b>1.8</b>	<b>A+</b>	

31 december 2015						
	estimated fair value	weighted average book yield	weighted average market yield	weighted average duration	weighted average rating	
<b>type of investment</b>						
short term investments	\$ 20.6	0.7%	0.8%	0.5	AA+	
fixed maturity funds	11.4	1.7%	1.7%	1.2	AA	
U.S. treasuries	393.3	0.9%	1.1%	2.2	AA+	
other government bonds	65.4	1.6%	1.8%	2.2	AA	
U.S. municipal bonds	5.2	4.5%	2.8%	3.9	AA-	
U.S. government agency debt	3.9	1.2%	1.4%	2.3	AA+	
asset backed securities	113.9	1.5%	2.4%	0.4	AAA	
U.S. government agency mortgage backed securities	143.8	2.3%	2.4%	3.0	AA+	
non-agency mortgage backed securities	21.8	1.1%	1.4%	0.2	AA+	
non-agency commercial mortgage backed securities	28.8	0.5%	1.7%	0.7	AAA	
bank loans	115.0	4.3%	5.1%	0.3	BB-	
corporate bonds	653.8	2.0%	2.3%	2.4	A	
<b>total fixed maturities - available for sale</b>	<b>1,576.9</b>	<b>1.8%</b>	<b>2.1%</b>	<b>2.0</b>	<b>A+</b>	
fixed maturities at fair value through profit or loss	24.8	-	-	1.3	A- <sup>(2)</sup>	
managed cash <sup>(1)</sup>	187.5	-	-	-	AA	
<b>total fixed maturities and managed cash</b>	<b>\$ 1,789.2</b>	<b>1.6%</b>	<b>1.9%</b>	<b>1.8</b>	<b>AA-</b>	

<sup>(1)</sup> 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.

<sup>(2)</sup> rating of capital protected structured notes is a weighted average of the credit ratings of the underlying issuing banks.

Lancashire Holdings Limited  
corporate & global bond holdings

	31 march 2016				
	par value units	estimated fair value	accrued interest	unrealised gain (loss)	credit quality <sup>(1)</sup>
<b>top twenty corporate holdings by issuer</b>					
Barclays PLC	29.7	\$ 29.4	\$ -	\$ (0.3)	A- <sup>(2)</sup>
Verizon Communications, Inc.	14.4	15.1	-	0.3	BBB+
The PNC Financial Services Group, Inc.	11.2	11.3	0.1	0.1	A
Mitsubishi UFJ Financial Group, Inc.	11.2	11.3	0.1	0.1	A+
Anheuser-Busch InBev	10.3	10.5	-	0.2	A-
The Walt Disney Company	10.3	10.5	-	0.2	A
Morgan Stanley	9.7	10.0	0.1	0.1	BBB+
JPMorgan Chase & Co.	9.7	9.9	0.1	0.1	A-
Commonwealth Bank of Australia	9.8	9.9	-	0.1	AA-
Westpac Banking Corporation	8.8	8.9	0.1	-	AA-
Berkshire Hathaway Inc.	8.6	8.9	0.1	0.1	AA-
The Goldman Sachs Group, Inc.	8.1	8.6	0.1	0.1	BBB+
Banco Santander, S.A.	8.3	8.4	-	-	A-
Wells Fargo & Company	8.3	8.3	-	-	A+
Stichting ING Aandelen	8.2	8.2	-	-	A
Porsche Automobil Holding SE	8.0	8.0	0.1	-	BBB+
Ford Motor Company	6.9	7.3	0.1	-	BBB
AbbVie, Inc.	7.0	7.1	0.1	0.2	A
Coöperatieve Rabobank U.A.	6.7	6.9	0.1	0.1	A-
Bayer US Finance LLC	6.6	6.8	0.1	0.2	A-
		<u>\$ 205.3</u>	<u>\$ 1.2</u>	<u>\$ 1.6</u>	<u>A-</u>
<b>top twenty holdings as a % of corporate bonds (AFS) and fixed maturities (FVTPL)</b>		<u>29.0%</u>			

	31 march 2016			
	financials	other industries	total <sup>(3)</sup>	other government bonds
<b>bonds by country</b>				
United States	\$ 152.7	\$ 412.8	565.5	\$ -
United Kingdom	47.7	22.7	70.4	1.0
Canada	18.5	13.6	32.1	12.9
Netherlands	18.2	11.1	29.3	6.3
France	14.9	7.0	21.9	7.4
Germany	5.2	11.5	16.7	11.4
Australia	21.9	6.0	27.9	-
Japan	13.8	-	13.8	-
Luxembourg	4.0	9.5	13.5	-
Sweden	10.9	0.6	11.5	0.3
Norway	2.1	0.6	2.7	5.4
Switzerland	4.0	1.9	5.9	-
Hong Kong	-	4.8	4.8	-
Mexico	-	1.1	1.1	3.6
Russian Federation	-	-	-	2.9
Denmark	-	-	-	2.9
Qatar	-	-	-	2.2
Spain	-	2.0	2.0	-
China	-	0.2	0.2	1.5
Finland	0.3	-	0.3	1.0
Chile	1.3	-	1.3	-
Brazil	-	-	-	1.2
Slovenia	-	-	-	1.0
Austria	-	0.4	0.4	0.5
Other	0.7	1.1	1.8	0.6
	<u>\$ 316.2</u>	<u>\$ 506.9</u>	<u>\$ 823.1</u>	<u>\$ 62.1</u>

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

<sup>(2)</sup> includes capital protected structured notes, for which the credit rating of the underlying issuing bank has been used.

<sup>(3)</sup> includes corporate bonds & bank loans (AFS) and fixed maturities (FVTPL).

Lancashire Holdings Limited  
net losses and loss ratios



<b>total</b>	<b>q1 2016</b>	<b>q4 2015</b>	<b>q3 2015</b>	<b>q2 2015</b>	<b>q1 2015</b>	<b>full year 2015</b>
net reserves: start	\$ 587.1	\$ 609.9	\$ 650.7	\$ 637.6	\$ 640.2	640.2
paid losses	42.0	45.7	81.1	42.4	45.3	214.5
change in prior AY <sup>(1)</sup>	(17.7)	(16.6)	(29.9)	(35.2)	(26.0)	(107.7)
current year incurred losses	58.3	40.6	66.5	85.2	71.1	263.4
foreign exchange	5.2	(1.1)	3.7	5.5	(2.4)	5.7
<b>net reserves: end</b>	<b>\$ 590.9</b>	<b>\$ 587.1</b>	<b>\$ 609.9</b>	<b>\$ 650.7</b>	<b>\$ 637.6</b>	<b>587.1</b>
net premiums earned	137.2	130.8	138.7	143.4	154.2	567.1
net loss ratio	29.6%	18.3%	26.4%	34.9%	29.2%	27.5%
IBNR as % of net reserves	32.6%	35.2%	35.4%	32.0%	32.7%	35.2%

<b>property</b>	<b>q1 2016</b>	<b>q4 2015</b>	<b>q3 2015</b>	<b>q2 2015</b>	<b>q1 2015</b>	<b>full year 2015</b>
net reserves: start	\$ 147.1	\$ 147.8	\$ 147.1	\$ 155.4	\$ 170.5	170.5
paid losses	7.5	10.7	24.8	3.2	14.6	53.3
change in prior AY <sup>(1)</sup>	(12.0)	4.7	(3.4)	(13.3)	(14.4)	(26.4)
current year incurred losses	7.2	5.1	23.7	6.5	9.3	44.6
foreign exchange	3.7	0.2	5.2	1.7	4.6	11.7
<b>net reserves: end</b>	<b>\$ 138.5</b>	<b>\$ 147.1</b>	<b>\$ 147.8</b>	<b>\$ 147.1</b>	<b>\$ 155.4</b>	<b>147.1</b>
net premiums earned	39.8	40.9	41.6	45.2	43.6	171.3
net loss ratio	(12.1%)	24.0%	48.8%	(15.0%)	(11.7%)	10.6%

<b>energy</b>	<b>q1 2016</b>	<b>q4 2015</b>	<b>q3 2015</b>	<b>q2 2015</b>	<b>q1 2015</b>	<b>full year 2015</b>
net reserves: start	\$ 178.0	\$ 196.5	\$ 199.1	\$ 179.6	\$ 161.3	161.3
paid losses	10.6	11.9	5.8	4.8	7.1	29.6
change in prior AY <sup>(1)</sup>	(6.9)	(8.5)	(9.3)	(8.6)	(8.8)	(35.2)
current year incurred losses	27.8	2.0	12.9	32.5	34.6	82.0
foreign exchange	1.1	(0.1)	(0.4)	0.4	(0.4)	(0.5)
<b>net reserves: end</b>	<b>\$ 189.4</b>	<b>\$ 178.0</b>	<b>\$ 196.5</b>	<b>\$ 199.1</b>	<b>\$ 179.6</b>	<b>178.0</b>
net premiums earned	34.7	24.7	29.4	31.6	40.8	126.5
net loss ratio	60.2%	(26.3%)	12.2%	75.6%	63.2%	37.0%

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

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

<u>marine</u>	q1 2016	q4 2015	q3 2015	q2 2015	q1 2015	full year 2015
net reserves: start	\$ 68.1	\$ 70.6	\$ 74.5	\$ 80.8	\$ 78.8	\$ 78.8
paid losses	1.5	5.1	3.9	6.5	0.4	15.9
change in prior AY <sup>(1)</sup>	0.8	(3.1)	(3.6)	(5.5)	(1.6)	(13.8)
current year incurred losses	4.2	5.6	3.2	5.0	5.2	19.0
foreign exchange	0.3	0.1	0.4	0.7	(1.2)	-
<b>net reserves: end</b>	<b>\$ 71.9</b>	<b>\$ 68.1</b>	<b>\$ 70.6</b>	<b>\$ 74.5</b>	<b>\$ 80.8</b>	<b>\$ 68.1</b>
net premiums earned	7.4	7.8	8.8	10.4	10.7	37.7
net loss ratio	67.6%	32.1%	(4.5%)	(4.8%)	33.6%	13.8%

<u>aviation</u>	q1 2016	q4 2015	q3 2015	q2 2015	q1 2015	full year 2015
net reserves: start	\$ 16.2	\$ 11.1	\$ 33.2	\$ 20.2	\$ 20.0	\$ 20.0
paid losses	5.0	-	21.4	-	1.6	23.0
change in prior AY <sup>(1)</sup>	(1.4)	(0.6)	(2.5)	(0.8)	1.0	(2.9)
current year incurred losses	1.4	5.7	1.4	13.8	1.3	22.2
foreign exchange	0.1	-	0.4	-	(0.5)	(0.1)
<b>net reserves: end</b>	<b>\$ 11.3</b>	<b>\$ 16.2</b>	<b>\$ 11.1</b>	<b>\$ 33.2</b>	<b>\$ 20.2</b>	<b>\$ 16.2</b>
net premiums earned	8.2	8.4	7.9	9.0	8.1	33.4
net loss ratio	-	60.7%	(13.9%)	144.4%	28.4%	57.8%

<u>lloyd's</u>	q1 2016	q4 2015	q3 2015	q2 2015	q1 2015	full year 2015
net reserves: start	\$ 177.7	\$ 183.9	\$ 196.8	\$ 201.6	\$ 209.6	\$ 209.6
paid losses	17.4	18.0	25.2	27.9	21.6	92.7
change in prior AY <sup>(1)</sup>	1.8	(9.1)	(11.1)	(7.0)	(2.2)	(29.4)
current year incurred losses	17.7	22.2	25.3	27.4	20.7	95.6
foreign exchange	-	(1.3)	(1.9)	2.7	(4.9)	(5.4)
<b>net reserves: end</b>	<b>\$ 179.8</b>	<b>\$ 177.7</b>	<b>\$ 183.9</b>	<b>\$ 196.8</b>	<b>\$ 201.6</b>	<b>\$ 177.7</b>
net premiums earned	47.1	49.0	51.0	47.2	51.0	198.2
net loss ratio	41.4%	26.7%	27.8%	43.2%	36.3%	33.4%

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

**Lancashire Holdings Limited**  
**losses by accident year excluding Lloyd's**



**gross losses excluding Lloyd's segment**

<u>accident year</u>	<u>2006 &amp; prior</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
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	138.1	173.5	-
one year later	34.7	131.2	417.4	107.8	209.4	371.9	290.9	155.6	100.5	-	-
two years later	32.0	103.5	377.5	73.1	204.2	362.3	290.1	129.4	-	-	-
three years later	27.6	94.8	345.1	66.0	204.4	381.1	282.8	-	-	-	-
four years later	27.2	83.5	340.8	64.7	197.4	396.6	-	-	-	-	-
five years later	24.4	81.0	346.9	62.6	201.8	-	-	-	-	-	-
six years later	24.0	81.7	343.6	61.2	-	-	-	-	-	-	-
seven years later	24.9	82.3	347.1	-	-	-	-	-	-	-	-
eight years later	25.0	81.9	-	-	-	-	-	-	-	-	-
nine years later	24.7	-	-	-	-	-	-	-	-	-	-
as at 31 december 2015	<u>\$ 24.7</u>	<u>\$ 81.9</u>	<u>\$ 347.1</u>	<u>\$ 61.2</u>	<u>\$ 201.8</u>	<u>\$ 396.6</u>	<u>\$ 282.8</u>	<u>\$ 129.4</u>	<u>\$ 100.5</u>	<u>\$ 173.5</u>	<u>\$ -</u>
as at 31 march 2016	<u>\$ 24.7</u>	<u>\$ 82.2</u>	<u>\$ 346.8</u>	<u>\$ 61.0</u>	<u>\$ 202.1</u>	<u>\$ 397.0</u>	<u>\$ 282.3</u>	<u>\$ 128.0</u>	<u>\$ 95.9</u>	<u>\$ 164.9</u>	<u>\$ 45.2</u>
payments made	(24.5)	(79.0)	(337.8)	(56.1)	(186.5)	(293.2)	(226.2)	(102.1)	(45.8)	(37.0)	-
<b>total gross liability</b>	<b>\$ 0.2</b>	<b>\$ 3.2</b>	<b>\$ 9.0</b>	<b>\$ 4.9</b>	<b>\$ 15.6</b>	<b>\$ 103.8</b>	<b>\$ 56.1</b>	<b>\$ 25.9</b>	<b>\$ 50.1</b>	<b>\$ 127.9</b>	<b>\$ 45.2</b>
accident year gross loss ratio <sup>(1)</sup>	8.2%	11.8%	51.0%	9.4%	30.8%	62.4%	38.8%	19.6%	16.1%	35.1%	39.9%

**net losses excluding Lloyd's segment**

<u>accident year</u>	<u>2006 &amp; prior</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
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	138.1	165.8	-
one year later	34.7	125.0	370.3	106.5	185.8	319.3	182.7	155.6	100.5	-	-
two years later	32.0	99.5	334.4	72.4	180.1	310.1	181.9	129.5	-	-	-
three years later	27.6	91.3	304.2	65.3	179.9	324.8	174.5	-	-	-	-
four years later	27.2	80.2	302.7	64.0	172.8	325.6	-	-	-	-	-
five years later	24.4	77.9	307.7	62.0	177.0	-	-	-	-	-	-
six years later	24.0	78.5	304.8	60.7	-	-	-	-	-	-	-
seven years later	24.9	79.1	307.7	-	-	-	-	-	-	-	-
eight years later	25.0	78.7	-	-	-	-	-	-	-	-	-
nine years later	24.7	-	-	-	-	-	-	-	-	-	-
as at 31 december 2015	<u>\$ 24.7</u>	<u>\$ 78.7</u>	<u>\$ 307.7</u>	<u>\$ 60.7</u>	<u>\$ 177.0</u>	<u>\$ 325.6</u>	<u>\$ 174.5</u>	<u>\$ 129.5</u>	<u>\$ 100.5</u>	<u>\$ 165.8</u>	<u>\$ -</u>
as at 31 march 2016	<u>\$ 24.7</u>	<u>\$ 79.1</u>	<u>\$ 307.4</u>	<u>\$ 60.5</u>	<u>\$ 177.5</u>	<u>\$ 326.0</u>	<u>\$ 174.0</u>	<u>\$ 128.0</u>	<u>\$ 95.9</u>	<u>\$ 157.3</u>	<u>\$ 40.6</u>
payments made	(24.5)	(76.0)	(299.2)	(55.6)	(163.3)	(245.9)	(118.1)	(102.1)	(45.8)	(29.4)	-
<b>total net liability</b>	<b>\$ 0.2</b>	<b>\$ 3.1</b>	<b>\$ 8.2</b>	<b>\$ 4.9</b>	<b>\$ 14.2</b>	<b>\$ 80.1</b>	<b>\$ 55.9</b>	<b>\$ 25.9</b>	<b>\$ 50.1</b>	<b>\$ 127.9</b>	<b>\$ 40.6</b>
accident year net loss ratio <sup>(1)</sup>	10.1%	12.9%	50.6%	10.2%	28.9%	56.7%	29.9%	24.2%	19.1%	42.6%	45.1%
initial accident year net loss ratio	16.1%	24.7%	66.5%	27.2%	42.9%	59.3%	34.6%	33.5%	27.5%	44.9%	n/a
reduction in net loss ratio post accident year end	6.0%	11.8%	15.9%	17.0%	14.0%	2.6%	4.7%	9.3%	8.4%	2.3%	n/a

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



Lancashire Holdings Limited  
losses by accident year - lloyd's

gross losses lloyd's segment

accident year	2006 & prior	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
estimate of ultimate lloyd's segment liability: at acquisition <sup>(2)</sup>	35.6	5.8	8.8	25.0	31.4	89.2	64.5	71.2	-	-	-
as at 31 december 2013 <sup>(2)</sup>	35.7	5.9	8.7	24.4	31.4	84.7	59.5	103.1	-	-	-
as at 31 december 2014	33.6	5.5	7.3	19.1	32.0	69.3	48.7	104.2	136.7	-	-
as at 31 december 2015	\$ 31.8	\$ 4.7	\$ 6.5	\$ 11.7	\$ 29.6	\$ 63.4	\$ 44.1	\$ 94.6	\$ 126.2	\$ 102.5	\$ -
as at 31 march 2016	\$ 31.9	\$ 4.7	\$ 6.4	\$ 11.7	\$ 29.5	\$ 64.2	\$ 43.2	\$ 93.7	\$ 127.3	\$ 104.7	\$ 19.1
payments made	(5.8)	(2.2)	(1.9)	(4.6)	(16.6)	(45.2)	(26.5)	(74.6)	(84.1)	(35.1)	(2.6)
<b>total gross liability</b>	<b>\$ 26.1</b>	<b>\$ 2.5</b>	<b>\$ 4.5</b>	<b>\$ 7.1</b>	<b>\$ 12.9</b>	<b>\$ 19.0</b>	<b>\$ 16.7</b>	<b>\$ 19.1</b>	<b>\$ 43.2</b>	<b>\$ 69.6</b>	<b>\$ 16.5</b>
accident year gross loss ratio <sup>(1)</sup>								58.6%	46.2%	41.7%	32.6%

net losses lloyd's segment

accident year	2006 & prior	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
estimate of ultimate lloyd's segment liability: at acquisition <sup>(2)</sup>	10.7	4.7	7.4	15.8	22.7	47.8	49.8	65.3	-	-	-
as at 31 december 2013 <sup>(2)</sup>	10.6	5.1	7.2	15.1	22.4	44.5	45.9	93.2	-	-	-
as at 31 december 2014	8.5	4.6	6.3	12.7	22.2	36.7	34.9	95.3	118.9	-	-
as at 31 december 2015	\$ 7.1	\$ 3.8	\$ 5.5	\$ 9.7	\$ 19.8	\$ 31.1	\$ 31.2	\$ 85.7	\$ 112.1	\$ 94.9	\$ -
as at 31 march 2016	\$ 7.2	\$ 3.8	\$ 5.4	\$ 9.7	\$ 19.7	\$ 31.9	\$ 30.3	\$ 84.9	\$ 113.1	\$ 96.7	\$ 17.7
payments made	(2.7)	(1.7)	(1.5)	(4.3)	(9.0)	(21.7)	(18.4)	(68.3)	(76.9)	(33.5)	(2.6)
<b>total net liability</b>	<b>\$ 4.5</b>	<b>\$ 2.1</b>	<b>\$ 3.9</b>	<b>\$ 5.4</b>	<b>\$ 10.7</b>	<b>\$ 10.2</b>	<b>\$ 11.9</b>	<b>\$ 16.6</b>	<b>\$ 36.2</b>	<b>\$ 63.2</b>	<b>\$ 15.1</b>
accident year net loss ratio <sup>(1)</sup>								67.8%	52.8%	48.8%	37.6%
initial accident year net loss ratio								70.1%	55.5%	47.9%	n/a
reduction (increase) in net loss ratio post accident year end								2.3%	2.7%	(0.9%)	n/a

Lancashire Holdings Limited  
losses by accident year - group



gross losses group

accident year	2006 & prior	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
estimate of ultimate liability:											
at end of accident year	39.1	154.8	444.6	163.3	297.4	397.0	250.3	280.0	274.8	276.0	-
one year later	34.7	131.2	417.4	107.8	209.4	371.9	350.4	259.8	226.7	-	-
two years later	32.0	103.5	377.5	73.1	204.2	447.0	338.8	224.0	-	-	-
three years later	27.6	94.8	345.1	66.0	235.8	450.4	326.9	-	-	-	-
four years later	27.2	83.5	340.8	89.1	229.4	460.0	-	-	-	-	-
five years later	24.4	81.0	355.6	81.7	231.4	-	-	-	-	-	-
six years later	24.0	87.6	350.9	72.9	-	-	-	-	-	-	-
seven years later	60.6	87.8	353.6	-	-	-	-	-	-	-	-
eight years later	58.6	86.6	-	-	-	-	-	-	-	-	-
nine years later	56.5	-	-	-	-	-	-	-	-	-	-
as at 31 december 2015	\$ 56.5	\$ 86.6	\$ 353.6	\$ 72.9	\$ 231.4	\$ 460.0	\$ 326.9	\$ 224.0	\$ 226.7	\$ 276.0	\$ -
as at 31 march 2016	\$ 56.6	\$ 86.9	\$ 353.2	\$ 72.7	\$ 231.6	\$ 461.2	\$ 325.5	\$ 221.7	\$ 223.2	\$ 269.6	\$ 64.3
payments made	(30.3)	(81.2)	(339.7)	(60.7)	(203.1)	(338.4)	(252.7)	(176.7)	(129.9)	(72.1)	(2.6)
<b>total gross liability</b>	<b>\$ 26.3</b>	<b>\$ 5.7</b>	<b>\$ 13.5</b>	<b>\$ 12.0</b>	<b>\$ 28.5</b>	<b>\$ 122.8</b>	<b>\$ 72.8</b>	<b>\$ 45.0</b>	<b>\$ 93.3</b>	<b>\$ 197.5</b>	<b>\$ 61.7</b>
accident year gross loss ratio <sup>(1)</sup>								22.5%	25.6%	37.4%	37.4%

net losses group

accident year	2006 & prior	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
estimate of ultimate liability:											
at end of accident year	39.1	151.2	403.9	161.7	263.6	340.8	201.4	270.1	257.0	260.7	-
one year later	34.7	125.0	370.3	106.5	185.8	319.3	228.6	250.9	212.6	-	-
two years later	32.0	99.5	334.4	72.4	180.1	354.6	216.8	215.2	-	-	-
three years later	27.6	91.3	304.2	65.3	202.3	361.5	205.7	-	-	-	-
four years later	27.2	80.2	302.7	79.1	195.0	356.7	-	-	-	-	-
five years later	24.4	77.9	314.9	74.7	196.8	-	-	-	-	-	-
six years later	24.0	83.6	311.1	70.4	-	-	-	-	-	-	-
seven years later	35.5	83.7	313.2	-	-	-	-	-	-	-	-
eight years later	33.5	82.5	-	-	-	-	-	-	-	-	-
nine years later	31.8	-	-	-	-	-	-	-	-	-	-
as at 31 december 2015	\$ 31.8	\$ 82.5	\$ 313.2	\$ 70.4	\$ 196.8	\$ 356.7	\$ 205.7	\$ 215.2	\$ 212.6	\$ 260.7	\$ -
as at 31 march 2016	\$ 31.9	\$ 82.9	\$ 312.8	\$ 70.2	\$ 197.2	\$ 357.9	\$ 204.3	\$ 212.9	\$ 209.0	\$ 254.0	\$ 58.3
payments made	(27.2)	(77.7)	(300.7)	(59.9)	(172.3)	(267.6)	(136.5)	(170.4)	(122.7)	(62.9)	(2.6)
<b>total net liability</b>	<b>\$ 4.7</b>	<b>\$ 5.2</b>	<b>\$ 12.1</b>	<b>\$ 10.3</b>	<b>\$ 24.9</b>	<b>\$ 90.3</b>	<b>\$ 67.8</b>	<b>\$ 42.5</b>	<b>\$ 86.3</b>	<b>\$ 191.1</b>	<b>\$ 55.7</b>
accident year net loss ratio <sup>(1)</sup>								27.3%	29.2%	44.8%	42.5%
initial accident year net loss ratio								36.1%	35.9%	46.0%	n/a
reduction in net loss ratio post accident year end								8.8%	6.7%	1.2%	n/a

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

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

**Lancashire Holdings Limited**  
**estimated exposures to peak zone elemental losses**

zones	perils	1 april 2016 <sup>(2)</sup>		1 april 2016 <sup>(2)</sup>	
		100 year return period		250 year return period	
		estimated gross loss	estimated net loss	estimated gross loss	estimated net loss
gulf of mexico <sup>(1)</sup>	hurricane	\$ 365.4	\$ 194.3	\$ 534.9	\$ 291.7
non gulf of mexico - US	hurricane	425.6	187.4	725.2	377.4
california	earthquake	293.2	103.5	455.3	184.4
pacific northwest	earthquake	50.6	28.7	189.6	67.2
pan-european	windstorm	235.6	77.5	358.2	129.0
japan	earthquake	133.3	47.2	344.0	106.1
japan	typhoon	137.1	51.8	226.8	82.0

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

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

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

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

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

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



	<u>q1</u> <u>2016</u>	<u>q4</u> <u>2015</u>	<u>q3</u> <u>2015</u>	<u>q2</u> <u>2015</u>	<u>q1</u> <u>2015</u>	<u>full year</u> <u>2015</u>
<b>basic earnings per share:</b>						
profit after tax attributable to Lancashire	\$ 28.3	\$ 54.4	\$ 34.1	\$ 38.9	\$ 53.7	\$ 181.1
net operating income attributable to Lancashire	\$ 32.4	\$ 45.8	\$ 37.1	\$ 38.4	\$ 52.1	\$ 173.4
<b>dilutive shares</b>						
weighted average shares outstanding - basic	198,239,109	197,887,700	197,752,043	197,348,950	189,492,108	195,649,042
dilutive effect of warrants	-	-	303,857	290,941	702,815	-
dilutive effect of restricted stock	2,687,464	3,042,631	2,696,553	2,305,782	2,240,826	2,982,711
weighted average & equivalent shares outstanding - diluted	<u>200,926,573</u>	<u>200,930,331</u>	<u>200,752,453</u>	<u>199,945,673</u>	<u>192,435,749</u>	<u>198,631,753</u>
<b>basic earnings per share attributable to Lancashire</b>	<u>\$ 0.14</u>	<u>\$ 0.27</u>	<u>\$ 0.17</u>	<u>\$ 0.20</u>	<u>\$ 0.28</u>	<u>\$ 0.93</u>
<b>diluted earnings per share attributable to Lancashire</b>	<u>\$ 0.14</u>	<u>\$ 0.27</u>	<u>\$ 0.17</u>	<u>\$ 0.19</u>	<u>\$ 0.28</u>	<u>\$ 0.91</u>
<b>diluted operating earnings per share attributable to Lancashire</b>	<u>\$ 0.16</u>	<u>\$ 0.23</u>	<u>\$ 0.18</u>	<u>\$ 0.19</u>	<u>\$ 0.27</u>	<u>\$ 0.87</u>

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

	<u>31 march 2016</u>	<u>31 december 2015</u>	<u>30 september 2015</u>	<u>30 june 2015</u>	<u>31 march 2015</u>
numerator (\$ in millions):					
shareholders' equity attributable to Lancashire	\$ 1,246.1	\$ 1,220.3	\$ 1,360.5	\$ 1,333.2	\$ 1,302.1
proceeds from assumed exercise of outstanding dilutive warrants	-	-	3.0	3.0	7.5
book value numerator	<u>\$ 1,246.1</u>	<u>\$ 1,220.3</u>	<u>\$ 1,363.5</u>	<u>\$ 1,336.2</u>	<u>\$ 1,309.6</u>
deduction for goodwill and other intangible assets	153.8	153.8	153.8	153.8	153.8
tangible book value numerator	<u>\$ 1,092.3</u>	<u>\$ 1,066.5</u>	<u>\$ 1,209.7</u>	<u>\$ 1,182.4</u>	<u>\$ 1,155.8</u>
denominator (in shares):					
common voting shares outstanding	198,389,687	198,197,858	197,806,760	197,717,052	197,047,291
shares issuable upon exercise of outstanding dilutive warrants	-	-	594,776	594,776	1,497,093
shares relating to dilutive restricted stock	2,567,149	2,877,885	2,737,475	2,283,085	2,187,855
fully converted book value denominator	<u>200,956,836</u>	<u>201,075,743</u>	<u>201,139,011</u>	<u>200,594,913</u>	<u>200,732,239</u>
<b>basic book value per share attributable to Lancashire</b>	<u>\$ 6.28</u>	<u>\$ 6.16</u>	<u>\$ 6.88</u>	<u>\$ 6.74</u>	<u>\$ 6.61</u>
<b>fully converted book value per share attributable to Lancashire</b>	<u>\$ 6.20</u>	<u>\$ 6.07</u>	<u>\$ 6.78</u>	<u>\$ 6.66</u>	<u>\$ 6.52</u>
<b>tangible basic book value per share attributable to Lancashire</b>	<u>\$ 5.51</u>	<u>\$ 5.38</u>	<u>\$ 6.10</u>	<u>\$ 5.97</u>	<u>\$ 5.83</u>
<b>tangible fully converted book value per share attributable to Lancashire</b>	<u>\$ 5.44</u>	<u>\$ 5.30</u>	<u>\$ 6.01</u>	<u>\$ 5.89</u>	<u>\$ 5.76</u>
dividend per common share <sup>(1)</sup>	\$ 0.10	\$ 0.95	\$ 0.05	\$ -	\$ 0.60
change in FCBVS adj for dividends <sup>(2)</sup> - quarter	3.8%	3.5%	2.6%	2.2%	2.3%
change in FCBVS adj for dividends <sup>(2)</sup> - rolling 12 months	12.4%	10.9%	13.6%	12.2%	12.3%
compound annual change in FCBVS adj for dividends <sup>(2)</sup>	18.6%	18.6%	18.6%	18.7%	18.8%
compound annual change in FCBVS adj for dividends <sup>(2)</sup> - above 3 month treasury	17.5%	17.5%	17.5%	17.5%	17.6%
change in FCBVS adj for dividends <sup>(2)</sup> - since inception	471.9%	449.0%	427.8%	409.2%	392.0%
change in FCBVS excluding warrant exercises adj for dividends <sup>(2)</sup> - quarter	3.8%	3.5%	2.6%	2.3%	4.3%
change in FCBVS excluding warrant exercises adj for dividends <sup>(2)</sup> - rolling 12 months	12.4%	13.5%	15.9%	14.6%	15.2%
compound annual change in FCBVS excluding warrant exercises adj for dividends <sup>(2)</sup>	18.7%	18.8%	18.8%	18.9%	19.0%
change in tangible FCBVS adj for dividends <sup>(2)</sup> - quarter	4.5%	4.0%	2.9%	2.3%	2.3%
change in tangible FCBVS adj for dividends <sup>(2)</sup> - rolling 12 months	14.2%	11.8%	14.6%	13.3%	13.9%

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

<sup>(2)</sup> change in fully converted book value per share ("FCBVS") adjusted for dividends is the internal rate of return of the change in fully converted book value per share in the period plus dividends accrued

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

	<u>31 march 2016</u>	<u>31 december 2015</u>	<u>30 september 2015</u>	<u>30 june 2015</u>	<u>31 march 2015</u>
shareholders' equity attributable to Lancashire	\$ 1,246.1	\$ 1,220.3	\$ 1,360.5	\$ 1,333.2	\$ 1,302.1
deduction for goodwill and other intangible assets	\$ 153.8	\$ 153.8	\$ 153.8	\$ 153.8	\$ 153.8
tangible shareholders' equity attributable to Lancashire	<u>\$ 1,092.3</u>	<u>\$ 1,066.5</u>	<u>\$ 1,206.7</u>	<u>\$ 1,179.4</u>	<u>\$ 1,148.3</u>
weighted average exercise price per share of dilutive warrants	\$ -	\$ -	\$ 5.00	\$ 5.00	\$ 5.00
denominator (in shares):					
common voting shares outstanding	198,389,687	198,197,858	197,806,760	197,717,052	197,047,291
unvested restricted shares and restricted share units	2,567,149	2,877,885	2,737,475	2,283,085	2,187,855
dilutive warrants outstanding	-	-	594,776	594,776	1,497,093
proforma warrants bought back	-	-	(284,507)	(306,975)	(808,256)
proforma net shares issued	-	-	310,269	287,801	688,837
proforma dilutive shares outstanding	<u>200,956,836</u>	<u>201,075,743</u>	<u>200,854,504</u>	<u>200,287,938</u>	<u>199,923,983</u>
<b>basic book value per share attributable to Lancashire</b>	<u><b>\$ 6.28</b></u>	<u><b>\$ 6.16</b></u>	<u><b>\$ 6.88</b></u>	<u><b>\$ 6.74</b></u>	<u><b>\$ 6.61</b></u>
<b>fully diluted book value per share attributable to Lancashire</b>	<u><b>\$ 6.20</b></u>	<u><b>\$ 6.07</b></u>	<u><b>\$ 6.77</b></u>	<u><b>\$ 6.66</b></u>	<u><b>\$ 6.51</b></u>
<b>tangible basic book value per share attributable to Lancashire</b>	<u><b>\$ 5.51</b></u>	<u><b>\$ 5.38</b></u>	<u><b>\$ 6.10</b></u>	<u><b>\$ 5.97</b></u>	<u><b>\$ 5.83</b></u>
<b>tangible fully diluted book value per share attributable to Lancashire</b>	<u><b>\$ 5.44</b></u>	<u><b>\$ 5.30</b></u>	<u><b>\$ 6.01</b></u>	<u><b>\$ 5.89</b></u>	<u><b>\$ 5.74</b></u>
dividend per common share <sup>(1)</sup>	\$ 0.10	\$ 0.95	\$ 0.05	\$ -	\$ 0.60
change in FDBVS adj for dividends <sup>(2)</sup> - quarter	3.8%	3.7%	2.4%	2.3%	3.5%
change in FDBVS adj for dividends <sup>(2)</sup> - rolling 12 months	12.6%	12.5%	15.5%	15.0%	16.0%
compound annual change in FDBVS adj for dividends <sup>(2)</sup>	18.6%	18.6%	18.6%	18.7%	18.8%
compound annual change in FDBVS adj for dividends <sup>(2)</sup> - above 3 month treasury	17.4%	17.5%	17.5%	17.5%	17.6%
change in FDBVS adj for dividends <sup>(2)</sup> - since inception	471.9%	449.0%	427.5%	409.2%	391.7%
change in tangible FDBVS adj for dividends <sup>(2)</sup> - quarter	4.5%	4.0%	2.9%	2.6%	4.1%
change in tangible FDBVS adj for dividends <sup>(2)</sup> - rolling 12 months	14.6%	14.4%	17.6%	17.3%	18.9%

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

<sup>(2)</sup> 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 <sup>(1)</sup>

	q1 2016	q4 2015	q3 2015	q2 2015	q1 2015	full year 2015
gross premiums written	\$ 83.7	\$ 35.5	\$ 46.7	\$ 67.9	\$ 97.6	\$ 247.7
outwards reinsurance premiums	(32.6)	(3.3)	(5.5)	(7.2)	(35.3)	(51.3)
<b>net premiums written</b>	<b>51.1</b>	<b>32.2</b>	<b>41.2</b>	<b>60.7</b>	<b>62.3</b>	<b>196.4</b>
change in unearned premiums	(25.2)	27.3	18.6	(8.0)	(34.5)	3.4
change in unearned premiums on premiums ceded	21.2	(10.5)	(8.8)	(5.5)	23.2	(1.6)
<b>net premiums earned</b>	<b>47.1</b>	<b>49.0</b>	<b>51.0</b>	<b>47.2</b>	<b>51.0</b>	<b>198.2</b>
net investment income	1.1	0.8	0.8	0.6	0.9	3.1
net realised gains (losses) and impairments	(0.6)	(0.5)	(0.2)	0.1	-	(0.6)
other income	0.3	3.4	0.6	2.6	0.4	7.0
net foreign exchange gains (losses)	4.1	1.1	(1.1)	(2.7)	(1.2)	(3.9)
<b>total net revenue</b>	<b>52.0</b>	<b>53.8</b>	<b>51.1</b>	<b>47.8</b>	<b>51.1</b>	<b>203.8</b>
insurance losses	21.3	13.2	15.7	18.7	17.4	65.0
insurance losses recoverable	(1.8)	(0.1)	(1.5)	1.7	1.1	1.2
net insurance acquisition expenses	9.7	12.0	11.2	11.6	10.8	45.6
equity based compensation	(0.8)	1.4	2.2	0.8	2.1	6.5
other operating expenses	7.9	10.3	8.6	7.1	8.1	34.1
<b>total expenses</b>	<b>36.3</b>	<b>36.8</b>	<b>36.2</b>	<b>39.9</b>	<b>39.5</b>	<b>152.4</b>
<b>profit before tax and finance costs</b>	<b>15.7</b>	<b>17.0</b>	<b>14.9</b>	<b>7.9</b>	<b>11.6</b>	<b>51.4</b>
financing costs	(1.3)	(0.8)	(0.8)	(0.5)	(0.7)	(2.8)
<b>profit before tax</b>	<b>14.4</b>	<b>16.2</b>	<b>14.1</b>	<b>7.4</b>	<b>10.9</b>	<b>48.6</b>
tax credit (expense)	(0.9)	(1.0)	(0.3)	0.3	(1.6)	(2.6)
<b>profit after tax</b>	<b>\$ 13.5</b>	<b>\$ 15.2</b>	<b>\$ 13.8</b>	<b>\$ 7.7</b>	<b>\$ 9.3</b>	<b>\$ 46.0</b>
change in net unrealised gains / losses on investments	1.3	-	(1.3)	0.4	0.5	(0.4)
<b>comprehensive income</b>	<b>\$ 14.8</b>	<b>\$ 15.2</b>	<b>\$ 12.5</b>	<b>\$ 8.1</b>	<b>\$ 9.8</b>	<b>\$ 45.6</b>
net loss ratio	41.4%	26.7%	27.8%	43.2%	36.3%	33.4%
net acquisition cost ratio	20.6%	24.5%	22.0%	24.6%	21.2%	23.0%
administrative expense ratio	16.8%	21.0%	16.9%	15.0%	15.9%	17.2%
combined ratio	78.8%	72.2%	66.7%	82.8%	73.4%	73.6%

<sup>(1)</sup> Cathedral results include group adjustments and do not therefore reflect the company's stand-alone position.