

***UNDERWRITING***  
**COMES FIRST**

***EFFECTIVELY BALANCE***  
**RISK AND RETURN**

***OPERATING NIMBLY***  
**THROUGH THE CYCLE**

**NOTE REGARDING FORWARD-LOOKING STATEMENTS:**

CERTAIN STATEMENTS AND INDICATIVE PROJECTIONS (WHICH MAY INCLUDE MODELLED 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, TAX RESIDENCY, LIQUIDITY, RESULTS OF OPERATIONS, PROSPECTS, GROWTH, CAPITAL MANAGEMENT PLANS AND EFFICIENCIES, ABILITY TO CREATE VALUE, DIVIDEND POLICY, OPERATIONAL FLEXIBILITY, COMPOSITION OF MANAGEMENT, BUSINESS STRATEGY, PLANS AND OBJECTIVES OF MANAGEMENT FOR FUTURE OPERATIONS (INCLUDING DEVELOPMENT PLANS AND OBJECTIVES RELATING TO THE GROUP’S INSURANCE BUSINESS) ARE FORWARD-LOOKING STATEMENTS. SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER IMPORTANT FACTORS THAT COULD CAUSE THE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS OF THE GROUP TO BE MATERIALLY DIFFERENT FROM FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS.

THESE FACTORS INCLUDE, BUT ARE NOT LIMITED TO: THE ACTUAL DEVELOPMENT OF LOSSES AND EXPENSES IMPACTING ESTIMATES FOR HURRICANE MICHAEL AND THE WILDFIRES WHICH IMPACTED PARTS OF CALIFORNIA DURING THE FOURTH QUARTER OF 2018, HURRICANE FLORENCE, THE TYPHOONS AND MARINE LOSSES THAT OCCURRED IN THE THIRD QUARTER OF 2018, HURRICANES HARVEY, IRMA AND MARIA AND THE EARTHQUAKES IN MEXICO THAT OCCURRED IN THE THIRD QUARTER OF 2017 AND THE WILDFIRES WHICH IMPACTED PARTS OF CALIFORNIA DURING THE FOURTH QUARTER OF 2017; THE IMPACT OF COMPLEX AND UNIQUE CAUSATION AND COVERAGE ISSUES ASSOCIATED WITH ATTRIBUTION OF LOSSES TO WIND OR FLOOD DAMAGE OR OTHER PERILS SUCH AS FIRE OR BUSINESS INTERRUPTION RELATING TO SUCH EVENTS; POTENTIAL UNCERTAINTIES RELATING TO REINSURANCE RECOVERIES, REINSTATEMENT PREMIUMS AND OTHER FACTORS INHERENT IN LOSS ESTIMATION; THE GROUP’S ABILITY TO INTEGRATE ITS BUSINESSES AND PERSONNEL; THE SUCCESSFUL RETENTION AND MOTIVATION OF THE GROUP’S KEY MANAGEMENT; THE INCREASED REGULATORY BURDEN FACING THE GROUP; THE NUMBER AND TYPE OF INSURANCE AND REINSURANCE CONTRACTS THAT THE GROUP WRITES OR MAY WRITE; THE GROUP’S ABILITY TO IMPLEMENT SUCCESSFULLY ITS BUSINESS STRATEGY DURING ‘SOFT’ AS WELL AS ‘HARD’ MARKETS; THE PREMIUM RATES WHICH MAY BE AVAILABLE AT THE TIME OF SUCH RENEWALS WITHIN THE GROUP’S TARGETED BUSINESS LINES; THE POSSIBLE LOW FREQUENCY OF LARGE EVENTS; POTENTIALLY UNUSUAL LOSS FREQUENCY; THE IMPACT THAT THE GROUP’S FUTURE OPERATING RESULTS, CAPITAL POSITION AND RATING AGENCY AND OTHER CONSIDERATIONS MAY HAVE ON THE EXECUTION OF ANY CAPITAL MANAGEMENT INITIATIVES OR DIVIDENDS; THE POSSIBILITY OF GREATER FREQUENCY OR SEVERITY OF CLAIMS AND LOSS ACTIVITY THAN THE GROUP’S UNDERWRITING, RESERVING OR INVESTMENT PRACTICES HAVE ANTICIPATED; THE RELIABILITY OF, AND CHANGES IN ASSUMPTIONS TO, CATASTROPHE PRICING, ACCUMULATION AND ESTIMATED LOSS MODELS; INCREASED COMPETITION FROM EXISTING ALTERNATIVE CAPITAL PROVIDERS, INSURANCE LINKED FUNDS AND COLLATERALISED SPECIAL PURPOSE INSURERS AND THE RELATED DEMAND AND SUPPLY DYNAMICS AS CONTRACTS COME UP FOR RENEWAL; THE EFFECTIVENESS OF THE GROUP’S LOSS LIMITATION METHODS; THE POTENTIAL LOSS OF KEY PERSONNEL; A DECLINE IN THE GROUP’S OPERATING SUBSIDIARIES’ RATING WITH A.M. BEST, S&P GLOBAL RATINGS, MOODY’S OR OTHER RATING AGENCIES; INCREASED COMPETITION ON THE BASIS OF PRICING, CAPACITY, COVERAGE TERMS OR OTHER FACTORS; CYCLICAL DOWNTURNS OF THE INDUSTRY; THE IMPACT OF A DETERIORATING CREDIT ENVIRONMENT FOR ISSUERS OF FIXED MATURITY INVESTMENTS; THE IMPACT OF SWINGS IN MARKET INTEREST RATES, CURRENCY EXCHANGE RATES AND SECURITIES PRICES; CHANGES BY CENTRAL BANKS REGARDING THE LEVEL OF INTEREST RATES; THE IMPACT OF INFLATION OR DEFLATION IN RELEVANT ECONOMIES IN WHICH THE GROUP OPERATES; THE EFFECT, TIMING AND OTHER UNCERTAINTIES SURROUNDING FUTURE BUSINESS COMBINATIONS WITHIN THE INSURANCE AND REINSURANCE INDUSTRIES; THE IMPACT OF TERRORIST ACTIVITY IN THE COUNTRIES IN WHICH THE GROUP WRITES RISKS; A RATING DOWNGRADE OF, OR A MARKET DECLINE IN, SECURITIES IN THE GROUP’S INVESTMENT PORTFOLIO; CHANGES IN GOVERNMENTAL REGULATIONS OR TAX LAWS IN JURISDICTIONS WHERE THE GROUP CONDUCTS BUSINESS; LANCASHIRE OR ANY OF THE GROUP’S BERMUDIAN SUBSIDIARIES BECOMING SUBJECT TO INCOME TAXES IN THE UNITED STATES OR IN THE UNITED KINGDOM; THE IMPACT OF THE CHANGE IN TAX RESIDENCE ON STAKEHOLDERS OF THE COMPANY; AND THE IMPACT OF “BREXIT” (FOLLOWING THE UK’S NOTIFICATION TO THE EUROPEAN COUNCIL UNDER ARTICLE 50 OF THE TREATY ON EUROPEAN UNION ON 29 MARCH 2017) AND FUTURE NEGOTIATIONS REGARDING THE UK’S RELATIONSHIP WITH THE EU ON THE GROUP’S BUSINESS, REGULATORY RELATIONSHIPS, UNDERWRITING PLATFORMS OR THE INDUSTRY GENERALLY.

ALL FORWARD-LOOKING STATEMENTS IN THIS RELEASE SPEAK ONLY AS AT THE DATE OF PUBLICATION. LANCASHIRE EXPRESSLY DISCLAIMS ANY OBLIGATION OR UNDERTAKING (SAVE AS REQUIRED TO COMPLY WITH ANY LEGAL OR REGULATORY OBLIGATIONS INCLUDING THE RULES OF THE LONDON STOCK EXCHANGE) TO DISSEMINATE ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENT TO REFLECT ANY CHANGES IN THE GROUP’S EXPECTATIONS OR CIRCUMSTANCES ON WHICH ANY SUCH STATEMENT IS BASED. ALL SUBSEQUENT WRITTEN AND ORAL FORWARD-LOOKING STATEMENTS ATTRIBUTABLE TO THE GROUP OR INDIVIDUALS ACTING ON BEHALF OF THE GROUP ARE EXPRESSLY QUALIFIED IN THEIR ENTIRETY BY THIS NOTE. PROSPECTIVE INVESTORS SHOULD SPECIFICALLY CONSIDER THE FACTORS IDENTIFIED IN THIS RELEASE WHICH COULD CAUSE ACTUAL RESULTS TO DIFFER BEFORE MAKING AN INVESTMENT DECISION.

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**basis of presentation and non-GAAP financial measures**

LANCASHIRE HOLDINGS LIMITED'S ("LANCASHIRE" OR "THE GROUP") AUDITED CONSOLIDATED FINANCIAL STATEMENTS ARE PREPARED ON A GOING CONCERN BASIS IN ACCORDANCE WITH ACCOUNTING PRINCIPLES GENERALLY ACCEPTED UNDER INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") ENDORSED BY THE EUROPEAN UNION. WHERE IFRS IS SILENT, AS IT IS IN RESPECT OF CERTAIN ASPECTS RELATING TO THE MEASUREMENT OF INSURANCE PRODUCTS, THE IFRS FRAMEWORK ALLOWS REFERENCE TO ANOTHER COMPREHENSIVE BODY OF ACCOUNTING PRINCIPLES. IN SUCH INSTANCES, MANAGEMENT DETERMINES APPROPRIATE MEASUREMENT BASES, TO PROVIDE THE MOST USEFUL INFORMATION TO USERS OF THE CONSOLIDATED FINANCIAL STATEMENTS, USING THEIR JUDGEMENT AND CONSIDERING THE ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES ("U.S. GAAP").

THIS FINANCIAL SUPPLEMENT HAS NOT BEEN AUDITED AND MAY CONTAIN DIFFERENCES TO NUMBERS AND DISCLOSURES PROVIDED IN OUR AUDITED AND / OR INTERIM CONSOLIDATED 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/U.S. GAAP MEASURES:

NET OPERATING INCOME (LOSS) ATTRIBUTABLE TO LANCASHIRE - NET OPERATING INCOME (LOSS) EXCLUDES: REALISED GAINS AND LOSSES NET OF IMPAIRMENTS; FOREIGN EXCHANGE AND TAX.

NET LOSS RATIO - THE NET LOSS RATIO IS THE NET INSURANCE LOSSES AND LOSS ADJUSTMENT EXPENSES DIVIDED BY NET PREMIUMS EARNED.

ACCIDENT YEAR LOSS RATIO - THE ACCIDENT YEAR LOSS RATIO IS CALCULATED USING THE ACCIDENT YEAR ULTIMATE LIABILITY REVALUED AT THE CURRENT BALANCE SHEET DATE, DIVIDED BY NET PREMIUMS EARNED.

NET ACQUISITION COST RATIO - THE NET ACQUISITION COST RATIO IS THE NET ACQUISITION EXPENSES DIVIDED BY NET PREMIUMS EARNED.

NET EXPENSE RATIO - THE NET EXPENSE RATIO IS THE GENERAL AND ADMINISTRATIVE EXPENSES ("OTHER OPERATING EXPENSES"), BUT EXCLUDING RESTRICTED STOCK EXPENSES, DIVIDED BY NET PREMIUMS EARNED.

COMBINED RATIO - THE COMBINED RATIO IS THE SUM OF THE NET LOSS RATIO, THE NET ACQUISITION COST RATIO AND THE NET EXPENSE RATIO.

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

CHANGE IN FULLY CONVERTED BOOK VALUE PER SHARE ADJUSTED FOR DIVIDENDS - THE CALCULATION IS THE INTERNAL RATE OF RETURN OF THE CHANGE IN FULLY CONVERTED BOOK VALUE PER SHARE IN THE PERIOD PLUS DIVIDENDS ACCRUED.

COMPOUND ANNUAL CHANGE IN FULLY CONVERTED BOOK VALUE PER SHARE ADJUSTED FOR DIVIDENDS ABOVE 3 MONTH TREASURY - THE CALCULATION IS THE INTERNAL RATE OF RETURN ON THE MOVEMENT IN FULLY CONVERTED BOOK VALUE SINCE INCEPTION ON AN ANNUALISED BASIS PLUS DIVIDENDS ACCRUED LESS THE ANNUALISED 3 MONTH TREASURY RATE.

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

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

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

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

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

**Lancashire Holdings Limited**  
**consolidated financial highlights**

	q4 2018	q4 2017	% change q4 - 18 vs. q4 - 17	full year 2018	full year 2017	% change full year - 18 vs. full year - 17
<b>highlights</b>						
gross premiums written	\$ 130.8	\$ 67.4	94%	\$ 638.5	\$ 591.6	8%
net premiums written	97.4	52.1	87%	417.7	398.0	5%
net premiums earned	106.5	93.5	14%	413.5	427.9	(3%)
net insurance losses	63.9	70.6	(9%)	165.4	335.4	(51%)
net investment income	9.9	7.8	27%	34.7	30.5	14%
net realised (losses) gains and impairments	(2.8)	0.5	(660%)	(5.1)	9.1	(156%)
(loss) profit after tax attributable to Lancashire	(14.1)	(5.4)	(161%)	37.5	(71.1)	153%
change in net unrealised gains / losses on investments	(2.3)	(3.7)	38%	(12.8)	4.9	(361%)
comprehensive (loss) income attributable to Lancashire	(16.4)	(9.1)	(80%)	24.7	(66.2)	137%
net operating (loss) income attributable to Lancashire <sup>(1)</sup>	\$ (13.9)	\$ (3.1)	(348%)	\$ 39.8	\$ (86.0)	146%
total investments and cash	\$ 1,813.6	\$ 1,911.1	(5%)			
shareholders' equity attributable to Lancashire	\$ 1,067.2	\$ 1,106.9	(4%)			
<b>per share data attributable to Lancashire</b>						
net operating (loss) income per share - diluted <sup>(2)</sup>	\$ (0.07)	\$ (0.03)		\$ 0.20	\$ (0.43)	
(loss) profit after tax per share - diluted <sup>(2)</sup>	\$ (0.07)	\$ (0.03)		\$ 0.19	\$ (0.36)	
fully converted book value per share	\$ 5.26	\$ 5.48		\$ 5.26	\$ 5.48	
change in FCBVS adj for dividends <sup>(3)</sup>	(1.4%)	(0.9%)		2.4%	(5.9%)	
change in FCBVS adj for dividends - tangible <sup>(4)</sup>	(1.5%)	(1.1%)		3.0%	(6.8%)	
<b>financial ratios</b>						
net loss ratio	60.0%	75.5%		40.0%	78.4%	
net acquisition cost ratio	31.1%	22.0%		30.6%	27.0%	
net expense ratio	16.3%	22.0%		21.6%	19.5%	
combined ratio	<u>107.4%</u>	<u>119.5%</u>		<u>92.2%</u>	<u>124.9%</u>	
accident year net loss ratio	95.1%	85.4%		70.0%	94.2%	
net return on total investments including internal FX hedges	(0.1%)	0.4%		0.8%	2.5%	
net return on total investments excluding internal FX hedges	(0.2%)	0.5%		0.6%	3.0%	

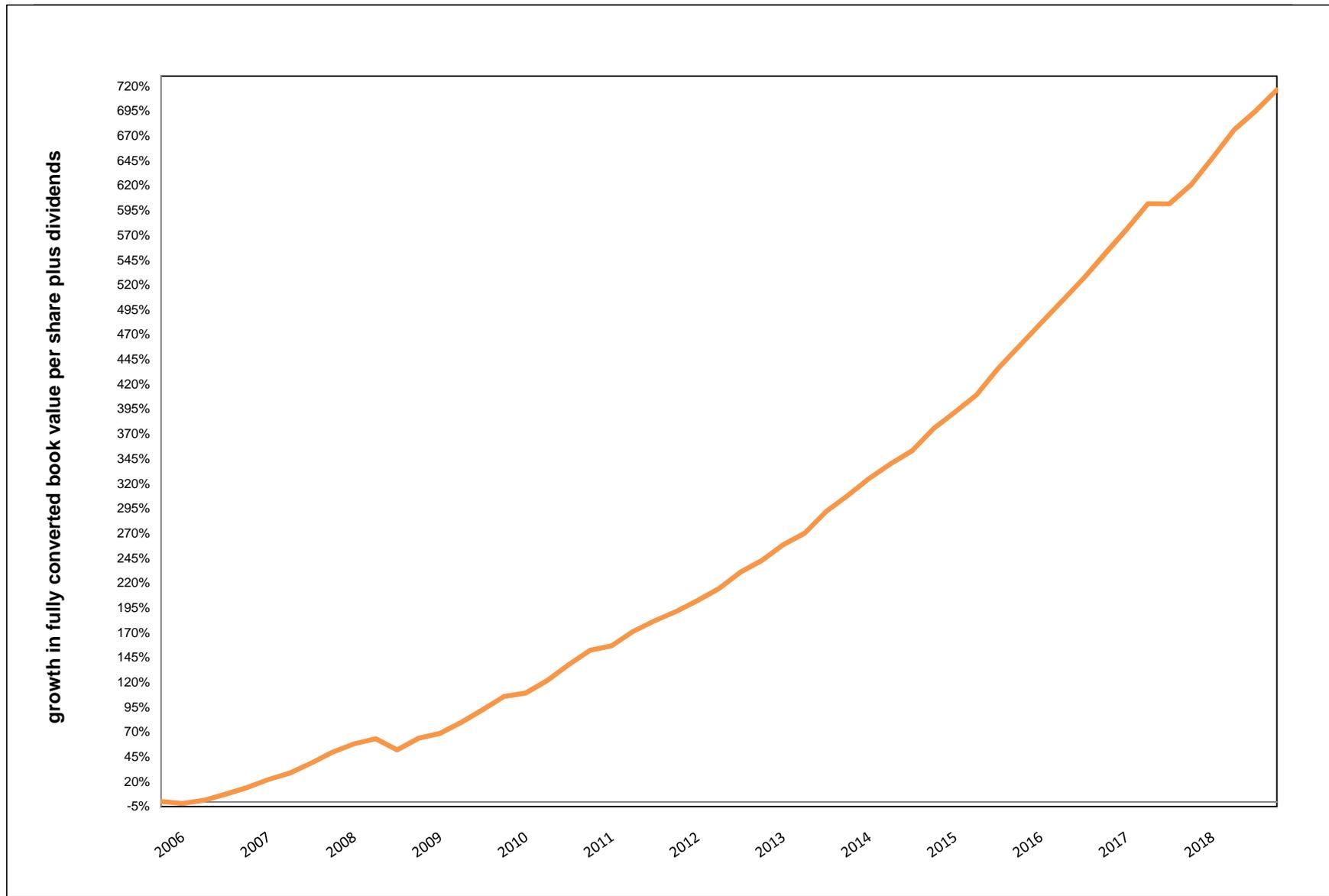
<sup>(1)</sup> excludes realised gains and losses, tax and foreign exchange gains and losses

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

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

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

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



\* growth in fully converted book value per share plus dividends since inception to Q4 2018

\*\* the chart excludes the impact of historical warrant exercises

## summary consolidated income statements

	q4 2018	q3 2018	q2 2018	q1 2018	q4 2017	full year 2018	full year 2017
gross premiums written	\$ 130.8	\$ 115.2	\$ 176.7	\$ 215.8	\$ 67.4	\$ 638.5	\$ 591.6
outwards reinsurance premiums	(33.4)	(28.9)	(30.5)	(128.0)	(15.3)	(220.8)	(193.6)
<b>net premiums written</b>	<b>97.4</b>	<b>86.3</b>	<b>146.2</b>	<b>87.8</b>	<b>52.1</b>	<b>417.7</b>	<b>398.0</b>
change in unearned premiums	32.9	34.9	(27.0)	(60.5)	69.5	(19.7)	22.6
change in unearned premiums on premiums ceded	(23.8)	(32.3)	(15.2)	86.8	(28.1)	15.5	7.3
<b>net premiums earned</b>	<b>106.5</b>	<b>88.9</b>	<b>104.0</b>	<b>114.1</b>	<b>93.5</b>	<b>413.5</b>	<b>427.9</b>
net investment income	9.9	8.9	8.7	7.2	7.8	34.7	30.5
net other investment (losses) income	(6.7)	(0.6)	3.3	(0.2)	2.7	(4.2)	1.2
net realised (losses) gains and impairments	(2.8)	(0.3)	(1.3)	(0.7)	0.5	(5.1)	9.1
share of (loss) profit of associate	(7.0)	2.3	(0.6)	(1.8)	2.3	(7.1)	(9.4)
other income	6.4	3.2	1.4	1.4	6.2	12.4	17.2
net foreign exchange gains (losses)	0.4	(0.6)	(4.0)	2.6	(0.8)	(1.6)	2.3
<b>total net revenue</b>	<b>106.7</b>	<b>101.8</b>	<b>111.5</b>	<b>122.6</b>	<b>112.2</b>	<b>442.6</b>	<b>478.8</b>
insurance losses	139.1	117.2	32.3	18.8	124.2	307.4	538.0
insurance losses recoverable	(75.2)	(48.6)	(13.1)	(5.1)	(53.6)	(142.0)	(202.6)
net insurance acquisition expenses	33.1	30.6	27.8	34.9	20.6	126.4	115.6
equity based compensation	2.1	2.0	2.2	1.6	(0.3)	7.9	(0.4)
other operating expenses	17.4	21.0	25.0	25.8	20.6	89.2	83.6
<b>total expenses</b>	<b>116.5</b>	<b>122.2</b>	<b>74.2</b>	<b>76.0</b>	<b>111.5</b>	<b>388.9</b>	<b>534.2</b>
<b>(loss) profit before tax and finance costs</b>	<b>(9.8)</b>	<b>(20.4)</b>	<b>37.3</b>	<b>46.6</b>	<b>0.7</b>	<b>53.7</b>	<b>(55.4)</b>
financing costs	(6.2)	(4.9)	(4.8)	(4.2)	(3.9)	(20.1)	(17.5)
<b>(loss) profit before tax</b>	<b>(16.0)</b>	<b>(25.3)</b>	<b>32.5</b>	<b>42.4</b>	<b>(3.2)</b>	<b>33.6</b>	<b>(72.9)</b>
tax credit (charge)	1.9	1.3	1.1	(0.3)	(2.1)	4.0	2.3
<b>(loss) profit after tax</b>	<b>\$ (14.1)</b>	<b>\$ (24.0)</b>	<b>\$ 33.6</b>	<b>\$ 42.1</b>	<b>\$ (5.3)</b>	<b>\$ 37.6</b>	<b>\$ (70.6)</b>
(income) loss attributable to non-controlling interests	–	(0.2)	–	0.1	(0.1)	(0.1)	(0.5)
<b>(loss) profit after tax attributable to Lancashire</b>	<b>\$ (14.1)</b>	<b>\$ (24.2)</b>	<b>\$ 33.6</b>	<b>\$ 42.2</b>	<b>\$ (5.4)</b>	<b>\$ 37.5</b>	<b>\$ (71.1)</b>
change in net unrealised gains / losses on investments	(2.3)	0.9	(2.1)	(9.3)	(3.7)	(12.8)	4.9
<b>comprehensive (loss) income attributable to Lancashire</b>	<b>\$ (16.4)</b>	<b>\$ (23.3)</b>	<b>\$ 31.5</b>	<b>\$ 32.9</b>	<b>\$ (9.1)</b>	<b>\$ 24.7</b>	<b>\$ (66.2)</b>
net loss ratio	60.0%	77.2%	18.5%	12.0%	75.5%	40.0%	78.4%
net acquisition cost ratio	31.1%	34.4%	26.7%	30.6%	22.0%	30.6%	27.0%
net expense ratio	16.3%	23.6%	24.0%	22.6%	22.0%	21.6%	19.5%
combined ratio	107.4%	135.2%	69.2%	65.2%	119.5%	92.2%	124.9%
net return on total investments including internal FX hedges	(0.1%)	0.5%	0.5%	(0.1%)	0.4%	0.8%	2.5%
net return on total investments excluding internal FX hedges	(0.2%)	0.5%	0.3%	–	0.5%	0.6%	3.0%
basic (loss) earnings per share attributable to Lancashire	\$ (0.07)	\$ (0.12)	\$ 0.17	\$ 0.21	\$ (0.03)	\$ 0.19	\$ (0.36)
diluted (loss) earnings per share attributable to Lancashire	\$ (0.07)	\$ (0.12)	\$ 0.17	\$ 0.21	\$ (0.03)	\$ 0.19	\$ (0.36)

Lancashire Holdings Limited  
premiums by line of business

	q4 2018	q3 2018	q2 2018	q1 2018	q4 2017	full year 2018	full year 2017
<b>gross premiums written</b>							
property cat excess of loss	\$ 6.1	\$ 17.7	\$ 29.8	\$ 50.1	\$ 3.1	\$ 103.7	\$ 101.9
terrorism	11.1	4.0	11.7	14.5	8.5	41.3	34.9
property political risk	18.8	5.1	12.9	(1.4)	10.2	35.4	31.1
property risk xl	0.9	2.5	4.6	7.0	0.9	15.0	12.9
property retrocession	1.3	0.4	3.7	4.6	(1.0)	10.0	10.0
other property	(0.1)	2.7	1.5	5.1	(0.7)	9.2	7.2
total property	38.1	32.4	64.2	79.9	21.0	214.6	198.0
worldwide offshore energy	10.4	14.0	17.5	21.9	5.1	63.8	66.6
onshore energy	4.1	2.1	5.8	2.6	0.2	14.6	3.5
gulf of mexico offshore energy	–	2.4	8.0	0.2	(0.4)	10.6	24.4
construction energy	(0.1)	(0.1)	1.8	2.5	(0.4)	4.1	(1.1)
energy liabilities	–	0.3	0.7	2.1	(0.1)	3.1	3.0
other energy	0.5	1.6	3.6	1.1	0.6	6.8	5.4
total energy	14.9	20.3	37.4	30.4	5.0	103.0	101.8
marine hull and total loss	6.0	0.9	5.2	1.9	1.9	14.0	20.0
marine P&I clubs	1.0	(0.1)	1.0	5.4	1.8	7.3	10.1
marine builders risk	1.6	0.8	1.3	2.3	1.4	6.0	13.9
marine hull war	0.3	0.6	0.6	4.0	0.7	5.5	7.1
other marine	(3.1)	(0.8)	0.9	1.3	3.4	(1.7)	16.5
total marine	5.8	1.4	9.0	14.9	9.2	31.1	67.6
AV 52	6.5	5.7	4.1	3.1	4.1	19.4	16.8
aviation deductible	11.1	–	–	–	–	11.1	–
aviation satellite	–	0.2	0.5	0.5	0.2	1.2	(0.2)
other aviation	0.3	0.4	0.2	0.4	(0.3)	1.3	0.3
total aviation	17.9	6.3	4.8	4.0	4.0	33.0	16.9
property reinsurance	3.5	15.4	17.3	46.1	4.3	82.3	88.5
property direct and facultative	18.2	18.2	21.2	16.8	12.8	74.4	56.1
other aviation and satellite	11.0	6.6	7.4	12.7	4.6	37.7	25.0
marine cargo and hull	7.6	8.3	8.6	7.4	4.3	31.9	22.5
energy	5.4	5.4	5.2	3.0	–	19.0	10.8
aviation deductible	6.4	–	–	–	–	6.4	–
terrorism	2.0	0.9	1.6	0.6	2.2	5.1	4.4
total lloyd's	54.1	54.8	61.3	86.6	28.2	256.8	207.3
<b>total gross premiums written</b>	<b>\$ 130.8</b>	<b>\$ 115.2</b>	<b>\$ 176.7</b>	<b>\$ 215.8</b>	<b>\$ 67.4</b>	<b>\$ 638.5</b>	<b>\$ 591.6</b>

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

	q4 2018	q3 2018	q2 2018	q1 2018	q4 2017	full year 2018	full year 2017
<b>Lancashire gross premiums written</b>							
property	\$ 38.1	\$ 32.4	\$ 64.2	\$ 79.9	\$ 21.0	\$ 214.6	\$ 198.0
energy	14.9	20.3	37.4	30.4	5.0	103.0	101.8
marine	5.8	1.4	9.0	14.9	9.2	31.1	67.6
aviation	17.9	6.3	4.8	4.0	4.0	33.0	16.9
lloyd's	54.1	54.8	61.3	86.6	28.2	256.8	207.3
<b>total gross premiums written</b>	<b>\$ 130.8</b>	<b>\$ 115.2</b>	<b>\$ 176.7</b>	<b>\$ 215.8</b>	<b>\$ 67.4</b>	<b>\$ 638.5</b>	<b>\$ 591.6</b>
<b>additional premiums managed by Lancashire</b>							
lloyd's 2010 syndicate	16.6	25.8	30.4	51.2	13.3	124.0	113.1
kinesis re	2.0	-	-	77.6	12.3	79.6	72.9
	18.6	25.8	30.4	128.8	25.6	203.6	186.0
<b>total premiums managed by Lancashire</b>	<b>\$ 149.4</b>	<b>\$ 141.0</b>	<b>\$ 207.1</b>	<b>\$ 344.6</b>	<b>\$ 93.0</b>	<b>\$ 842.1</b>	<b>\$ 777.6</b>

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

	twelve months ended 31 december 2018					
	property	energy	marine	aviation	lloyd's	consolidated
gross premiums written	\$ 214.6	\$ 103.0	\$ 31.1	\$ 33.0	\$ 256.8	\$ 638.5
net premiums written	123.8	74.1	10.9	22.0	186.9	417.7
net premiums earned	131.9	75.9	21.5	17.8	166.4	413.5
net insurance losses (recoveries)	44.8	(20.6)	22.0	0.4	118.8	165.4
net insurance acquisition expenses	31.5	33.6	12.0	8.4	40.9	126.4
other operating expenses <sup>(1)</sup>						89.2
	\$ 55.6	\$ 62.9	\$ (12.5)	\$ 9.0	\$ 6.7	\$ 32.5
net loss ratio	34.0%	(27.1%)	102.3%	2.2%	71.4%	40.0%
net acquisition cost ratio	23.9%	44.3%	55.8%	47.2%	24.6%	30.6%
net expense ratio <sup>(1)</sup>						21.6%
combined ratio	57.9%	17.2%	158.1%	49.4%	96.0%	92.2%
	twelve months ended 31 december 2017					
	property	energy	marine	aviation	lloyd's	consolidated
gross premiums written	\$ 198.0	\$ 101.8	\$ 67.6	\$ 16.9	\$ 207.3	\$ 591.6
net premiums written	131.7	56.7	56.3	9.7	143.6	398.0
net premiums earned	146.5	70.4	50.7	11.6	148.7	427.9
net insurance losses (recoveries)	167.6	11.1	16.7	(2.2)	142.2	335.4
net insurance acquisition expenses	27.6	31.0	18.4	3.2	35.4	115.6
other operating expenses <sup>(1)</sup>						83.6
	\$ (48.7)	\$ 28.3	\$ 15.6	\$ 10.6	\$ (28.9)	\$ (106.7)
net loss ratio	114.4%	15.8%	32.9%	(19.0%)	95.6%	78.4%
net acquisition cost ratio	18.8%	44.0%	36.3%	27.6%	23.8%	27.0%
net expense ratio <sup>(1)</sup>						19.5%
combined ratio	133.2%	59.8%	69.2%	8.6%	119.4%	124.9%

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

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

	q4 2018	q3 2018	q2 2018	q1 2018	q4 2017	full year 2018	full year 2017
<b>underwriting (loss) income</b>							
gross premiums written	\$ 38.1	\$ 32.4	\$ 64.2	\$ 79.9	\$ 21.0	\$ 214.6	\$ 198.0
outwards reinsurance premiums	(13.6)	(12.0)	(11.7)	(53.5)	(5.1)	(90.8)	(66.3)
<b>net premiums written</b>	<b>24.5</b>	<b>20.4</b>	<b>52.5</b>	<b>26.4</b>	<b>15.9</b>	<b>123.8</b>	<b>131.7</b>
change in unearned premiums	21.3	15.0	(9.9)	(31.3)	33.4	(4.9)	11.6
change in unearned premiums on premiums ceded	(8.8)	(8.8)	(7.1)	37.7	(10.0)	13.0	3.2
<b>net premiums earned</b>	<b>\$ 37.0</b>	<b>\$ 26.6</b>	<b>\$ 35.5</b>	<b>\$ 32.8</b>	<b>\$ 39.3</b>	<b>\$ 131.9</b>	<b>\$ 146.5</b>
<b>underwriting expenses</b>							
net insurance losses (recoveries)	38.0	4.4	6.9	(4.5)	52.0	44.8	167.6
net insurance acquisition expenses	9.5	6.5	7.6	7.9	6.2	31.5	27.6
<b>total underwriting expenses</b>	<b>47.5</b>	<b>10.9</b>	<b>14.5</b>	<b>3.4</b>	<b>58.2</b>	<b>76.3</b>	<b>195.2</b>
<b>net underwriting (loss) income</b>	<b>\$ (10.5)</b>	<b>\$ 15.7</b>	<b>\$ 21.0</b>	<b>\$ 29.4</b>	<b>\$ (18.9)</b>	<b>\$ 55.6</b>	<b>\$ (48.7)</b>
net loss ratio (% of net premiums earned)	102.7%	16.5%	19.4%	(13.7%)	132.3%	34.0%	114.4%
net acquisition cost ratio (% of net premiums earned)	25.7%	24.4%	21.4%	24.1%	15.8%	23.9%	18.8%
	128.4%	40.9%	40.8%	10.4%	148.1%	57.9%	133.2%

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

	q4 2018	q3 2018	q2 2018	q1 2018	q4 2017	full year 2018	full year 2017
<b>underwriting income</b>							
gross premiums written	\$ 14.9	\$ 20.3	\$ 37.4	\$ 30.4	\$ 5.0	\$ 103.0	\$ 101.8
outwards reinsurance premiums	2.2	(0.1)	(5.3)	(25.7)	(4.2)	(28.9)	(45.1)
<b>net premiums written</b>	<b>17.1</b>	<b>20.2</b>	<b>32.1</b>	<b>4.7</b>	<b>0.8</b>	<b>74.1</b>	<b>56.7</b>
change in unearned premiums	11.5	6.9	(12.5)	2.0	9.5	7.9	7.5
change in unearned premiums on premiums ceded	(9.5)	(9.5)	(4.2)	17.1	(3.8)	(6.1)	6.2
<b>net premiums earned</b>	<b>\$ 19.1</b>	<b>\$ 17.6</b>	<b>\$ 15.4</b>	<b>\$ 23.8</b>	<b>\$ 6.5</b>	<b>\$ 75.9</b>	<b>\$ 70.4</b>
<b>underwriting expenses</b>							
net insurance (recoveries) losses	(11.7)	(1.5)	(6.6)	(0.8)	(4.7)	(20.6)	11.1
net insurance acquisition expenses	7.6	8.9	5.8	11.3	3.2	33.6	31.0
<b>total underwriting expenses</b>	<b>(4.1)</b>	<b>7.4</b>	<b>(0.8)</b>	<b>10.5</b>	<b>(1.5)</b>	<b>13.0</b>	<b>42.1</b>
<b>net underwriting income</b>	<b>\$ 23.2</b>	<b>\$ 10.2</b>	<b>\$ 16.2</b>	<b>\$ 13.3</b>	<b>\$ 8.0</b>	<b>\$ 62.9</b>	<b>\$ 28.3</b>
net loss ratio (% of net premiums earned)	(61.3%)	(8.5%)	(42.9%)	(3.4%)	(72.3%)	(27.1%)	15.8%
net acquisition cost ratio (% of net premiums earned)	39.8%	50.6%	37.7%	47.5%	49.2%	44.3%	44.0%
	(21.5%)	42.1%	(5.2%)	44.1%	(23.1%)	17.2%	59.8%

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

	q4 2018	q3 2018	q2 2018	q1 2018	q4 2017	full year 2018	full year 2017
<b>underwriting income (loss)</b>							
gross premiums written	\$ 5.8	\$ 1.4	\$ 9.0	\$ 14.9	\$ 9.2	\$ 31.1	\$ 67.6
outwards reinsurance premiums	(1.4)	(10.7)	1.4	(9.5)	(0.8)	(20.2)	(11.3)
<b>net premiums written</b>	<b>4.4</b>	<b>(9.3)</b>	<b>10.4</b>	<b>5.4</b>	<b>8.4</b>	<b>10.9</b>	<b>56.3</b>
change in unearned premiums	1.8	6.8	2.9	(0.9)	4.7	10.6	(5.6)
change in unearned premiums on premiums ceded	(1.8)	(2.0)	(3.4)	7.2	(2.1)	-	-
<b>net premiums earned</b>	<b>\$ 4.4</b>	<b>\$ (4.5)</b>	<b>\$ 9.9</b>	<b>\$ 11.7</b>	<b>\$ 11.0</b>	<b>\$ 21.5</b>	<b>\$ 50.7</b>
<b>underwriting expenses</b>							
net insurance (recoveries) losses	(3.1)	19.5	1.3	4.3	5.2	22.0	16.7
net insurance acquisition expenses	2.3	1.8	3.5	4.4	3.5	12.0	18.4
<b>total underwriting expenses</b>	<b>(0.8)</b>	<b>21.3</b>	<b>4.8</b>	<b>8.7</b>	<b>8.7</b>	<b>34.0</b>	<b>35.1</b>
<b>net underwriting income (loss)</b>	<b>\$ 5.2</b>	<b>\$ (25.8)</b>	<b>\$ 5.1</b>	<b>\$ 3.0</b>	<b>\$ 2.3</b>	<b>\$ (12.5)</b>	<b>\$ 15.6</b>
net loss ratio (% of net premiums earned)	(70.5%)	(433.3%)	13.1%	36.8%	47.3%	102.3%	32.9%
net acquisition cost ratio (% of net premiums earned)	52.3%	(40.0%)	35.4%	37.6%	31.8%	55.8%	36.3%
	(18.2%)	(473.3%)	48.5%	74.4%	79.1%	158.1%	69.2%

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

	q4 2018	q3 2018	q2 2018	q1 2018	q4 2017	full year 2018	full year 2017
<b>underwriting income</b>							
gross premiums written	\$ 17.9	\$ 6.3	\$ 4.8	\$ 4.0	\$ 4.0	\$ 33.0	\$ 16.9
outwards reinsurance premiums	(5.5)	(0.1)	(5.2)	(0.2)	0.6	(11.0)	(7.2)
<b>net premiums written</b>	<b>12.4</b>	<b>6.2</b>	<b>(0.4)</b>	<b>3.8</b>	<b>4.6</b>	<b>22.0</b>	<b>9.7</b>
change in unearned premiums	(9.1)	0.3	0.7	0.8	(0.8)	(7.3)	4.4
change in unearned premiums on premiums ceded	2.6	(1.8)	3.7	(1.4)	(2.2)	3.1	(2.5)
<b>net premiums earned</b>	<b>\$ 5.9</b>	<b>\$ 4.7</b>	<b>\$ 4.0</b>	<b>\$ 3.2</b>	<b>\$ 1.6</b>	<b>\$ 17.8</b>	<b>\$ 11.6</b>
<b>underwriting expenses</b>							
net insurance losses (recoveries)	0.4	–	0.3	(0.3)	(0.4)	0.4	(2.2)
net insurance acquisition expenses	1.9	2.8	1.8	1.9	(2.2)	8.4	3.2
<b>total underwriting expenses</b>	<b>2.3</b>	<b>2.8</b>	<b>2.1</b>	<b>1.6</b>	<b>(2.6)</b>	<b>8.8</b>	<b>1.0</b>
<b>net underwriting income</b>	<b>\$ 3.6</b>	<b>\$ 1.9</b>	<b>\$ 1.9</b>	<b>\$ 1.6</b>	<b>\$ 4.2</b>	<b>\$ 9.0</b>	<b>\$ 10.6</b>
net loss ratio (% of net premiums earned)	6.8%	–	7.5%	(9.4%)	(25.0%)	2.2%	(19.0%)
net acquisition cost ratio (% of net premiums earned)	32.2%	59.6%	45.0%	59.4%	(137.5%)	47.2%	27.6%
	39.0%	59.6%	52.5%	50.0%	(162.5%)	49.4%	8.6%

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

	q4 2018	q3 2018	q2 2018	q1 2018	q4 2017	full year 2018	full year 2017
<b>underwriting (loss) income</b>							
gross premiums written	\$ 54.1	\$ 54.8	\$ 61.3	\$ 86.6	\$ 28.2	\$ 256.8	\$ 207.3
outwards reinsurance premiums	(15.1)	(6.0)	(9.7)	(39.1)	(5.8)	(69.9)	(63.7)
<b>net premiums written</b>	<b>39.0</b>	<b>48.8</b>	<b>51.6</b>	<b>47.5</b>	<b>22.4</b>	<b>186.9</b>	<b>143.6</b>
change in unearned premiums	7.4	5.9	(8.2)	(31.1)	22.7	(26.0)	4.7
change in unearned premiums on premiums ceded	(6.3)	(10.2)	(4.2)	26.2	(10.0)	5.5	0.4
<b>net premiums earned</b>	<b>\$ 40.1</b>	<b>\$ 44.5</b>	<b>\$ 39.2</b>	<b>\$ 42.6</b>	<b>\$ 35.1</b>	<b>\$ 166.4</b>	<b>\$ 148.7</b>
<b>underwriting expenses</b>							
net insurance losses	40.3	46.2	17.3	15.0	18.5	118.8	142.2
net insurance acquisition expenses	11.8	10.6	9.1	9.4	9.9	40.9	35.4
<b>total underwriting expenses</b>	<b>52.1</b>	<b>56.8</b>	<b>26.4</b>	<b>24.4</b>	<b>28.4</b>	<b>159.7</b>	<b>177.6</b>
<b>net underwriting (loss) income</b>	<b>\$ (12.0)</b>	<b>\$ (12.3)</b>	<b>\$ 12.8</b>	<b>\$ 18.2</b>	<b>\$ 6.7</b>	<b>\$ 6.7</b>	<b>\$ (28.9)</b>
net loss ratio (% of net premiums earned)	100.5%	103.8%	44.1%	35.2%	52.7%	71.4%	95.6%
net acquisition cost ratio (% of net premiums earned)	29.4%	23.8%	23.2%	22.1%	28.2%	24.6%	23.8%
	129.9%	127.6%	67.3%	57.3%	80.9%	96.0%	119.4%

## total contribution from third party capital activities

	q4 2018	q3 2018	q2 2018	q1 2018	q4 2017	full year 2018	full year 2017
kinesis underwriting fees	\$ 1.9	\$ 2.7	\$ 1.0	\$ 1.0	\$ 2.2	\$ 6.6	\$ 5.8
kinesis profit commission	–	–	–	–	–	–	5.9
<b>total kinesis</b>	<b>1.9</b>	<b>2.7</b>	<b>1.0</b>	<b>1.0</b>	<b>2.2</b>	<b>6.6</b>	<b>11.7</b>
lloyd's managing agency fees	0.3	0.4	0.3	0.2	0.3	1.2	1.0
lloyd's consortium fees	1.5	0.1	0.1	0.2	1.2	1.9	1.7
lloyd's profit commission 2015 year of account	–	–	–	–	2.5	–	2.8
lloyd's profit commission 2016 year of account	2.7	–	–	–	–	2.7	–
<b>total lloyd's</b>	<b>4.5</b>	<b>0.5</b>	<b>0.4</b>	<b>0.4</b>	<b>4.0</b>	<b>5.8</b>	<b>5.5</b>
<b>other income</b>	<b>\$ 6.4</b>	<b>\$ 3.2</b>	<b>\$ 1.4</b>	<b>\$ 1.4</b>	<b>\$ 6.2</b>	<b>\$ 12.4</b>	<b>\$ 17.2</b>
share of (loss) profit of associate	\$ (7.0)	\$ 2.3	\$ (0.6)	\$ (1.8)	\$ 2.3	\$ (7.1)	\$ (9.4)
<b>total contribution from third party capital activities</b>	<b>\$ (0.6)</b>	<b>\$ 5.5</b>	<b>\$ 0.8</b>	<b>\$ (0.4)</b>	<b>\$ 8.5</b>	<b>\$ 5.3</b>	<b>\$ 7.8</b>

## summary consolidated balance sheets

	31 december 2018	30 september 2018	30 june 2018	31 march 2018	31 december 2017
<b>assets</b>					
cash and cash equivalents	\$ 154.6	\$ 170.7	\$ 212.4	\$ 229.2	\$ 256.5
accrued interest receivable	6.8	6.4	6.7	5.8	6.1
investments					
- fixed maturities - available for sale	1,442.4	1,509.2	1,458.1	1,453.1	1,452.2
- at fair value through profit or loss	45.0	46.5	45.7	45.7	25.7
- equity securities - available for sale	22.7	24.5	23.2	22.8	23.2
- hedge funds - at fair value through profit or loss	149.2	161.3	162.7	154.8	154.0
- other investments	(0.3)	0.3	(0.3)	(0.1)	(0.5)
reinsurance assets					
- unearned premiums on premiums ceded	56.7	80.5	112.8	128.0	41.2
- reinsurance recoveries	322.9	266.4	238.7	247.8	284.1
- other receivables	9.8	19.5	20.5	17.5	20.7
deferred acquisition costs	74.2	77.2	80.9	83.6	76.7
inwards premiums receivable from insureds and cedants	318.1	310.0	384.7	369.4	297.9
investment in associate	67.1	38.8	36.5	39.9	59.4
goodwill and other intangible assets	153.8	153.8	153.8	153.8	153.8
other assets	36.7	36.5	47.3	42.5	45.0
<b>total assets</b>	<b>\$ 2,859.7</b>	<b>\$ 2,901.6</b>	<b>\$ 2,983.7</b>	<b>\$ 2,993.8</b>	<b>\$ 2,896.0</b>
<b>liabilities</b>					
insurance contracts					
- losses and loss adjustment expenses	\$ 915.0	\$ 862.6	\$ 826.8	\$ 852.2	\$ 933.5
- unearned premiums	370.6	403.5	438.4	411.4	350.9
- other payables	36.0	33.2	39.9	42.9	40.7
amounts payable to reinsurers	81.3	77.9	113.2	127.9	65.5
deferred acquisition costs ceded	7.1	4.0	4.3	3.1	2.5
other payables	46.7	59.1	68.0	93.4	52.8
deferred tax liability	11.2	14.4	14.9	15.9	16.5
long-term debt	324.3	324.9	325.1	327.6	326.3
<b>total liabilities</b>	<b>\$ 1,792.2</b>	<b>\$ 1,779.6</b>	<b>\$ 1,830.6</b>	<b>\$ 1,874.4</b>	<b>\$ 1,788.7</b>
<b>shareholders' equity</b>					
share capital	\$ 101.0	\$ 100.7	\$ 100.7	\$ 100.7	\$ 100.7
own shares	(9.4)	(4.9)	(5.0)	(5.7)	(12.1)
other reserves	869.0	862.7	860.6	859.1	866.2
accumulated other comprehensive loss	(14.3)	(12.0)	(12.9)	(10.8)	(1.5)
dividends	(70.2)	(30.1)	(20.0)	(20.0)	(29.9)
retained earnings	191.1	205.2	229.4	195.8	183.5
<b>shareholders' equity attributable to Lancashire</b>	<b>\$ 1,067.2</b>	<b>\$ 1,121.6</b>	<b>\$ 1,152.8</b>	<b>\$ 1,119.1</b>	<b>\$ 1,106.9</b>
non-controlling interests	0.3	0.4	0.3	0.3	0.4
<b>total shareholders' equity</b>	<b>\$ 1,067.5</b>	<b>\$ 1,122.0</b>	<b>\$ 1,153.1</b>	<b>\$ 1,119.4</b>	<b>\$ 1,107.3</b>
<b>total liabilities and shareholders' equity</b>	<b>\$ 2,859.7</b>	<b>\$ 2,901.6</b>	<b>\$ 2,983.7</b>	<b>\$ 2,993.8</b>	<b>\$ 2,896.0</b>
basic book value per share attributable to Lancashire	\$ 5.31	\$ 5.59	\$ 5.74	\$ 5.58	\$ 5.53
fully converted book value per share attributable to Lancashire	\$ 5.26	\$ 5.54	\$ 5.70	\$ 5.54	\$ 5.48
debt to total capital ratio	23.3%	22.5%	22.0%	22.6%	22.8%
debt to total tangible capital ratio	26.2%	25.1%	24.6%	25.3%	25.5%

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

	31 december 2018	%	30 september 2018	%	30 june 2018	%	31 march 2018	%	31 december 2017	%
<b>type of investment</b>										
short-term investments	\$ 225.5	12.9%	\$ 209.2	11.4%	\$ 155.7	8.5%	\$ 157.2	8.5%	\$ 111.1	6.0%
fixed maturity funds	11.4	0.7%	11.7	0.6%	12.4	0.7%	13.7	0.7%	31.0	1.7%
U.S. treasuries	186.6	10.7%	209.1	11.4%	205.9	11.2%	218.6	11.9%	235.7	12.8%
other government bonds	58.7	3.4%	66.9	3.6%	65.2	3.6%	63.9	3.5%	71.4	3.9%
U.S. municipal bonds	5.4	0.3%	5.2	0.3%	7.1	0.4%	6.0	0.3%	6.0	0.3%
U.S. government agency debt	88.1	5.1%	98.6	5.4%	100.1	5.5%	91.7	5.0%	70.5	3.8%
asset backed securities	129.3	7.4%	131.2	7.1%	142.5	7.8%	143.1	7.8%	144.0	7.8%
U.S. government agency mortgage backed securities	79.9	4.6%	113.7	6.2%	123.3	6.6%	131.1	7.1%	141.0	7.7%
non-agency mortgage backed securities	21.1	1.2%	21.7	1.2%	19.2	1.0%	13.9	0.8%	13.2	0.7%
agency commercial mortgage backed securities	5.2	0.3%	5.4	0.3%	—	—	—	—	—	—
non-agency commercial mortgage backed securities	0.5	—	0.5	—	0.2	—	0.2	—	0.2	—
bank loans	109.1	6.3%	112.2	6.1%	113.8	6.2%	110.5	6.0%	106.7	5.8%
corporate bonds	521.6	29.9%	523.8	28.5%	512.7	28.0%	503.2	27.2%	521.4	28.2%
<b>total fixed maturities - available for sale</b>	<b>1,442.4</b>	<b>82.8%</b>	<b>1,509.2</b>	<b>82.1%</b>	<b>1,458.1</b>	<b>79.5%</b>	<b>1,453.1</b>	<b>78.8%</b>	<b>1,452.2</b>	<b>78.7%</b>
fixed maturities - at fair value through profit or loss	45.0	2.6%	46.5	2.5%	45.7	2.5%	45.7	2.5%	25.7	1.4%
equity securities - available for sale	22.7	1.3%	24.5	1.3%	23.2	1.3%	22.8	1.2%	23.2	1.3%
hedge funds - at fair value through profit or loss	149.2	8.5%	161.3	8.8%	162.7	8.9%	154.8	8.4%	154.0	8.4%
other investments	(0.3)	—	0.3	—	(0.3)	—	(0.1)	—	(0.5)	—
managed cash	83.7	4.8%	98.3	5.3%	143.9	7.8%	167.1	9.1%	188.1	10.2%
<b>total investments</b>	<b>\$ 1,742.7</b>	<b>100.0%</b>	<b>\$ 1,840.1</b>	<b>100.0%</b>	<b>\$ 1,833.3</b>	<b>100.0%</b>	<b>\$ 1,843.4</b>	<b>100.0%</b>	<b>\$ 1,842.7</b>	<b>100.0%</b>
<b>credit quality of fixed maturities - available for sale</b>										
AAA	\$ 271.1	18.8%	\$ 333.9	22.1%	\$ 296.1	20.3%	\$ 308.7	21.2%	\$ 292.7	20.2%
AA+, AA, AA-	586.2	40.6%	580.3	38.4%	573.5	39.3%	572.0	39.4%	571.7	39.3%
A+, A, A-	267.8	18.6%	262.8	17.4%	255.3	17.5%	244.6	16.8%	249.6	17.2%
BBB+, BBB, BBB-	219.7	15.2%	228.7	15.2%	226.1	15.5%	222.2	15.3%	234.6	16.2%
other	97.6	6.8%	103.5	6.9%	107.1	7.4%	105.6	7.3%	103.6	7.1%
	<b>\$ 1,442.4</b>	<b>100.0%</b>	<b>\$ 1,509.2</b>	<b>100.0%</b>	<b>\$ 1,458.1</b>	<b>100.0%</b>	<b>\$ 1,453.1</b>	<b>100.0%</b>	<b>\$ 1,452.2</b>	<b>100.0%</b>
<b>corporate bonds &amp; bank loans (AFS) and fixed maturities (FVTPL)</b>										
industrials	\$ 344.8	51.0%	\$ 334.0	49.0%	\$ 330.1	49.1%	\$ 324.0	49.2%	\$ 329.1	50.3%
financials	293.0	43.4%	313.5	45.9%	310.6	46.2%	296.4	44.9%	289.5	44.3%
utilities	30.9	4.6%	30.1	4.4%	26.6	4.0%	34.8	5.3%	32.6	5.0%
supranationals	7.0	1.0%	4.9	0.7%	4.9	0.7%	4.2	0.6%	2.6	0.4%
	<b>\$ 675.7</b>	<b>100.0%</b>	<b>\$ 682.5</b>	<b>100.0%</b>	<b>\$ 672.2</b>	<b>100.0%</b>	<b>\$ 659.4</b>	<b>100.0%</b>	<b>\$ 653.8</b>	<b>100.0%</b>
quarterly net return including the impact of internal FX hedges		(0.1%)		0.5%		0.5%		(0.1%)		0.4%
quarterly net return excluding the impact of internal FX hedges		(0.2%)		0.5%		0.3%		—		0.5%
rolling 12 month net return including the impact of internal FX hedges		0.8%		1.3%		1.4%		1.7%		2.5%
rolling 12 month net return excluding the impact of internal FX hedges		0.6%		1.2%		1.5%		2.2%		3.0%
average book yield of fixed maturities and managed cash		2.7%		2.4%		2.3%		2.1%		2.0%
average market yield of fixed maturities and managed cash		3.1%		2.9%		2.8%		2.5%		2.1%
average duration of fixed maturities and managed cash		1.7 years		1.7 years		1.8 years		1.7 years		1.7 years
average duration of fixed maturities, managed cash and derivative instruments		1.5 years		1.6 years		1.6 years		1.7 years		1.7 years
average credit quality of fixed maturities and managed cash		A+		AA-		AA-		AA-		AA-
average credit quality of fixed maturities only		A+		AA-		A+		AA-		A+

Lancashire Holdings Limited

net losses and loss ratios

	q4 2018	q3 2018	q2 2018	q1 2018	q4 2017	full year 2018	full year 2017
<b>total</b>							
net reserves: start	\$ 596.2	\$ 588.1	\$ 604.4	\$ 649.4	\$ 639.3	\$ 649.4	\$ 543.1
paid losses	65.2	60.5	29.2	61.2	63.2	216.1	247.2
change in prior AY <sup>(1)</sup>	(39.9)	(35.2)	(26.6)	(25.2)	(7.4)	(126.9)	(65.1)
current year incurred losses	103.8	103.8	45.8	38.9	78.0	292.3	400.5
foreign exchange	(2.8)	–	(6.3)	2.5	2.7	(6.6)	18.1
<b>net reserves: end</b>	<b>\$ 592.1</b>	<b>\$ 596.2</b>	<b>\$ 588.1</b>	<b>\$ 604.4</b>	<b>\$ 649.4</b>	<b>\$ 592.1</b>	<b>\$ 649.4</b>
net premiums earned	106.5	88.9	104.0	114.1	93.5	413.5	427.9
net loss ratio	60.0%	77.2%	18.5%	12.0%	75.5%	40.0%	78.4%
IBNR as % of net reserves	39.3%	45.0%	42.5%	43.1%	44.8%	39.3%	44.8%

<b>property</b>	q4 2018	q3 2018	q2 2018	q1 2018	q4 2017	full year 2018	full year 2017
net reserves: start	\$ 200.0	\$ 222.7	\$ 223.0	\$ 260.3	\$ 222.1	\$ 260.3	\$ 125.8
paid losses	24.8	27.6	4.5	33.3	15.2	90.2	43.3
change in prior AY <sup>(1)</sup>	(9.5)	(18.6)	(5.9)	(12.5)	3.3	(46.5)	(14.4)
current year incurred losses	47.5	23.0	12.8	8.0	48.7	91.3	182.0
foreign exchange	(0.1)	0.5	(2.7)	0.5	1.4	(1.8)	10.2
<b>net reserves: end</b>	<b>\$ 213.1</b>	<b>\$ 200.0</b>	<b>\$ 222.7</b>	<b>\$ 223.0</b>	<b>\$ 260.3</b>	<b>\$ 213.1</b>	<b>\$ 260.3</b>
net premiums earned	37.0	26.6	35.5	32.8	39.3	131.9	146.5
net loss ratio	102.7%	16.5%	19.4%	(13.7%)	132.3%	34.0%	114.4%

<b>energy</b>	q4 2018	q3 2018	q2 2018	q1 2018	q4 2017	full year 2018	full year 2017
net reserves: start	\$ 94.2	\$ 103.2	\$ 111.8	\$ 113.1	\$ 122.0	\$ 113.1	\$ 178.5
paid losses	5.9	6.6	2.1	0.8	4.8	15.4	77.7
change in prior AY <sup>(1)</sup>	(18.7)	(6.4)	(17.2)	(12.7)	(5.0)	(55.0)	(21.1)
current year incurred losses	7.0	4.9	10.6	11.9	0.3	34.4	32.2
foreign exchange	(0.1)	(0.9)	0.1	0.3	0.6	(0.6)	1.2
<b>net reserves: end</b>	<b>\$ 76.5</b>	<b>\$ 94.2</b>	<b>\$ 103.2</b>	<b>\$ 111.8</b>	<b>\$ 113.1</b>	<b>\$ 76.5</b>	<b>\$ 113.1</b>
net premiums earned	19.1	17.6	15.4	23.8	6.5	75.9	70.4
net loss ratio	(61.3%)	(8.5%)	(42.9%)	(3.4%)	(72.3%)	(27.1%)	15.8%

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

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

	q4 2018	q3 2018	q2 2018	q1 2018	q4 2017	full year 2018	full year 2017
<b>marine</b>							
net reserves: start	\$ 88.9	\$ 70.4	\$ 72.2	\$ 68.9	\$ 65.7	\$ 68.9	\$ 70.5
paid losses	1.4	1.5	2.4	1.2	2.4	6.5	19.7
change in prior AY <sup>(1)</sup>	(4.7)	(2.4)	(3.4)	(1.6)	(0.6)	(12.1)	(15.2)
current year incurred losses	1.6	21.9	4.7	5.9	5.8	34.1	31.9
foreign exchange	(0.9)	0.5	(0.7)	0.2	0.4	(0.9)	1.4
<b>net reserves: end</b>	<b>\$ 83.5</b>	<b>\$ 88.9</b>	<b>\$ 70.4</b>	<b>\$ 72.2</b>	<b>\$ 68.9</b>	<b>\$ 83.5</b>	<b>\$ 68.9</b>
net premiums earned	4.4	(4.5)	9.9	11.7	11.0	21.5	50.7
net loss ratio	(70.5%)	(433.3%)	13.1%	36.8%	47.3%	102.3%	32.9%
	q4 2018	q3 2018	q2 2018	q1 2018	q4 2017	full year 2018	full year 2017
<b>aviation</b>							
net reserves: start	\$ 1.9	\$ 5.4	\$ 2.1	\$ 2.4	\$ 2.1	\$ 2.4	\$ 4.7
paid losses	0.1	3.5	(3.0)	–	(0.7)	0.6	0.2
change in prior AY <sup>(1)</sup>	(0.2)	(0.2)	(0.5)	(0.5)	(0.6)	(1.4)	(3.0)
current year incurred losses	0.6	0.2	0.8	0.2	0.2	1.8	0.8
foreign exchange	–	–	–	–	–	–	0.1
<b>net reserves: end</b>	<b>\$ 2.2</b>	<b>\$ 1.9</b>	<b>\$ 5.4</b>	<b>\$ 2.1</b>	<b>\$ 2.4</b>	<b>\$ 2.2</b>	<b>\$ 2.4</b>
net premiums earned	5.9	4.7	4.0	3.2	1.6	17.8	11.6
net loss ratio	6.8%	–	7.5%	(9.4%)	(25.0%)	2.2%	(19.0%)
	q4 2018	q3 2018	q2 2018	q1 2018	q4 2017	full year 2018	full year 2017
<b>lloyd's</b>							
net reserves: start	\$ 211.2	\$ 186.4	\$ 195.3	\$ 204.7	\$ 227.4	\$ 204.7	\$ 163.6
paid losses	33.0	21.3	23.2	25.9	41.5	103.4	106.3
change in prior AY <sup>(1)</sup>	(6.8)	(7.6)	0.4	2.1	(4.5)	(11.9)	(11.4)
current year incurred losses	47.1	53.8	16.9	12.9	23.0	130.7	153.6
foreign exchange	(1.7)	(0.1)	(3.0)	1.5	0.3	(3.3)	5.2
<b>net reserves: end</b>	<b>\$ 216.8</b>	<b>\$ 211.2</b>	<b>\$ 186.4</b>	<b>\$ 195.3</b>	<b>\$ 204.7</b>	<b>\$ 216.8</b>	<b>\$ 204.7</b>
net premiums earned	40.1	44.5	39.2	42.6	35.1	166.4	148.7
net loss ratio	100.5%	103.8%	44.1%	35.2%	52.7%	71.4%	95.6%

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

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

**gross losses excluding Lloyd's segment**

<b>accident year</b>	<b>2008 &amp; prior</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
estimate of ultimate liability:											
at end of accident year	836.4	163.3	297.4	397.0	250.3	176.9	138.1	173.5	177.9	336.5	–
one year later	548.5	107.8	209.4	371.9	290.9	155.6	100.5	124.9	180.7	–	–
two years later	499.5	73.1	204.2	362.3	290.1	129.4	88.0	114.7	–	–	–
three years later	453.0	66.0	204.4	381.1	282.8	134.9	83.4	–	–	–	–
four years later	445.8	64.7	197.4	396.6	270.7	132.9	–	–	–	–	–
five years later	453.5	62.6	201.8	388.3	266.1	–	–	–	–	–	–
six years later	450.9	61.2	201.1	388.4	–	–	–	–	–	–	–
seven years later	453.7	82.1	201.4	–	–	–	–	–	–	–	–
eight years later	455.0	82.6	–	–	–	–	–	–	–	–	–
nine years later	454.7	–	–	–	–	–	–	–	–	–	–
as at 31 december 2017	\$ 454.7	\$ 82.6	\$ 201.4	\$ 388.4	\$ 266.1	\$ 132.9	\$ 83.4	\$ 114.7	\$ 180.7	\$ 336.5	–
as at 31 december 2018	\$ 453.5	\$ 59.1	\$ 200.2	\$ 383.3	\$ 260.2	\$ 130.6	\$ 80.7	\$ 111.1	\$ 154.0	\$ 288.1	\$ 262.4
payments made	(442.3)	(58.4)	(193.8)	(369.3)	(238.7)	(120.4)	(74.1)	(92.6)	(87.2)	(112.3)	(18.7)
<b>total gross liability</b>	<b>\$ 11.2</b>	<b>\$ 0.7</b>	<b>\$ 6.4</b>	<b>\$ 14.0</b>	<b>\$ 21.5</b>	<b>\$ 10.2</b>	<b>\$ 6.6</b>	<b>\$ 18.5</b>	<b>\$ 66.8</b>	<b>\$ 175.8</b>	<b>\$ 243.7</b>
accident year gross loss ratio <sup>(1)</sup>	27.0%	9.1%	30.5%	60.3%	35.7%	20.0%	13.6%	23.6%	35.6%	71.6%	67.6%

**net losses excluding Lloyd's segment**

<b>accident year</b>	<b>2008 &amp; prior</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
estimate of ultimate liability:											
at end of accident year	785.9	161.7	263.6	340.8	201.4	176.9	138.1	165.8	127.3	247.9	–
one year later	497.4	106.5	185.8	319.3	182.7	155.6	100.5	117.3	107.8	–	–
two years later	452.9	72.4	180.1	310.1	181.9	129.5	88.0	107.0	–	–	–
three years later	408.8	65.3	179.9	324.8	174.5	134.9	83.4	–	–	–	–
four years later	404.6	64.0	172.8	325.6	162.5	132.9	–	–	–	–	–
five years later	411.1	62.0	177.0	317.4	157.9	–	–	–	–	–	–
six years later	408.9	60.7	176.6	316.2	–	–	–	–	–	–	–
seven years later	411.1	81.6	176.8	–	–	–	–	–	–	–	–
eight years later	411.9	82.1	–	–	–	–	–	–	–	–	–
nine years later	411.6	–	–	–	–	–	–	–	–	–	–
as at 31 december 2017	\$ 411.6	\$ 82.1	\$ 176.8	\$ 316.2	\$ 157.9	\$ 132.9	\$ 83.4	\$ 107.0	\$ 107.8	\$ 247.9	–
as at 31 december 2018	\$ 410.4	\$ 58.5	\$ 175.9	\$ 312.1	\$ 152.0	\$ 130.5	\$ 80.5	\$ 103.4	\$ 81.6	\$ 201.3	\$ 160.7
payments made	(400.5)	(57.9)	(170.7)	(298.1)	(130.5)	(120.4)	(73.9)	(84.9)	(54.3)	(83.7)	(16.7)
<b>total net liability</b>	<b>\$ 9.9</b>	<b>\$ 0.6</b>	<b>\$ 5.2</b>	<b>\$ 14.0</b>	<b>\$ 21.5</b>	<b>\$ 10.1</b>	<b>\$ 6.6</b>	<b>\$ 18.5</b>	<b>\$ 27.3</b>	<b>\$ 117.6</b>	<b>\$ 144.0</b>
accident year net loss ratio <sup>(1)</sup>	28.1%	9.8%	28.6%	54.3%	26.1%	24.7%	16.1%	28.0%	25.9%	72.3%	65.6%
initial accident year net loss ratio	66.5%	27.2%	42.9%	59.3%	34.6%	33.5%	27.5%	44.9%	40.4%	89.0%	n/a
reduction in net loss ratio post accident year end	38.4%	17.4%	14.3%	5.0%	8.5%	8.8%	11.4%	16.9%	14.5%	16.7%	n/a

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

**Lancashire Holdings Limited**  
**losses by accident year - lloyd's**

**gross losses lloyd's segment**

<u>accident year</u>	<u>2008 &amp; prior</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
estimate of ultimate lloyd's segment liability: at acquisition <sup>(2)</sup>	50.2	25.0	31.4	89.2	64.5	71.2					
at end of accident year						103.1	136.7	102.5	120.6	243.6	–
one year later					59.5	104.2	126.2	89.7	130.0	–	–
two years later				84.7	48.7	94.6	118.0	81.5	–	–	–
three years later			31.4	69.3	44.1	89.5	113.1	–	–	–	–
four years later		24.4	32.0	63.4	42.6	89.2	–	–	–	–	–
five years later	50.3	19.1	29.6	62.4	42.6	–	–	–	–	–	–
six years later	46.4	11.7	28.7	64.2	–	–	–	–	–	–	–
seven years later	43.0	8.7	28.2	–	–	–	–	–	–	–	–
eight years later	39.9	7.0	–	–	–	–	–	–	–	–	–
nine years later	39.0	–	–	–	–	–	–	–	–	–	–
as at 31 december 2017	\$ 39.0	\$ 7.0	\$ 28.2	\$ 64.2	\$ 42.6	\$ 89.2	\$ 113.1	\$ 81.5	\$ 130.0	\$ 243.6	–
as at 31 december 2018	\$ 33.8	\$ 6.3	\$ 28.1	\$ 63.6	\$ 39.3	\$ 87.8	\$ 112.7	\$ 78.5	\$ 120.4	\$ 259.0	\$ 167.3
payments made	(12.9)	(3.5)	(23.9)	(55.1)	(31.6)	(82.0)	(97.9)	(68.6)	(93.8)	(149.4)	(38.5)
<b>total gross liability</b>	<b>\$ 20.9</b>	<b>\$ 2.8</b>	<b>\$ 4.2</b>	<b>\$ 8.5</b>	<b>\$ 7.7</b>	<b>\$ 5.8</b>	<b>\$ 14.8</b>	<b>\$ 9.9</b>	<b>\$ 26.6</b>	<b>\$ 109.6</b>	<b>\$ 128.8</b>
accident year gross loss ratio <sup>(1)</sup>						58.6%	40.9%	31.3%	52.9%	122.2%	72.5%

**net losses lloyd's segment**

<u>accident year</u>	<u>2008 &amp; prior</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
estimate of ultimate lloyd's segment liability: at acquisition <sup>(2)</sup>	22.8	15.8	22.7	47.8	49.8	65.3					
at end of accident year						93.2	118.9	94.9	98.1	154.6	–
one year later					45.9	95.3	112.1	85.1	104.4	–	–
two years later				44.5	34.9	85.7	104.9	76.6	–	–	–
three years later			22.4	36.7	31.2	81.5	101.6	–	–	–	–
four years later		15.1	22.2	31.1	29.6	81.2	–	–	–	–	–
five years later	22.9	12.7	19.8	30.5	29.6	–	–	–	–	–	–
six years later	19.4	9.7	17.5	30.3	–	–	–	–	–	–	–
seven years later	16.4	6.7	16.6	–	–	–	–	–	–	–	–
eight years later	14.3	6.2	–	–	–	–	–	–	–	–	–
nine years later	14.5	–	–	–	–	–	–	–	–	–	–
as at 31 december 2017	\$ 14.5	\$ 6.2	\$ 16.6	\$ 30.3	\$ 29.6	\$ 81.2	\$ 101.6	\$ 76.6	\$ 104.4	\$ 154.6	–
as at 31 december 2018	\$ 12.7	\$ 5.8	\$ 15.9	\$ 29.4	\$ 26.6	\$ 79.9	\$ 101.0	\$ 73.2	\$ 96.1	\$ 160.8	\$ 129.7
payments made	(7.9)	(4.5)	(11.9)	(24.7)	(21.9)	(74.5)	(89.7)	(63.7)	(77.3)	(101.2)	(37.0)
<b>total net liability</b>	<b>\$ 4.8</b>	<b>\$ 1.3</b>	<b>\$ 4.0</b>	<b>\$ 4.7</b>	<b>\$ 4.7</b>	<b>\$ 5.4</b>	<b>\$ 11.3</b>	<b>\$ 9.5</b>	<b>\$ 18.8</b>	<b>\$ 59.6</b>	<b>\$ 92.7</b>
accident year net loss ratio <sup>(1)</sup>						67.8%	47.2%	36.9%	55.5%	108.1%	76.4%
initial accident year net loss ratio						70.1%	55.5%	47.9%	56.6%	104.0%	n/a
reduction in net loss ratio post accident year end						2.3%	8.3%	11.0%	1.1%	(4.1%)	n/a

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

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

**Lancashire Holdings Limited**  
**losses by accident year - group**

**gross losses group**

<b>accident year</b>	<b>2008 &amp; prior</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
estimate of ultimate liability:											
at end of accident year	836.4	163.3	297.4	397.0	250.3	280.0	274.8	276.0	298.5	580.1	–
one year later	548.5	107.8	209.4	371.9	350.4	259.8	226.7	214.6	310.7	–	–
two years later	499.5	73.1	204.2	447.0	338.8	224.0	206.0	196.2	–	–	–
three years later	453.0	66.0	235.8	450.4	326.9	224.4	196.5	–	–	–	–
four years later	445.8	89.1	229.4	460.0	313.3	222.1	–	–	–	–	–
five years later	503.8	81.7	231.4	450.7	308.7	–	–	–	–	–	–
six years later	497.3	72.9	229.8	452.6	–	–	–	–	–	–	–
seven years later	496.7	90.8	229.6	–	–	–	–	–	–	–	–
eight years later	494.9	89.6	–	–	–	–	–	–	–	–	–
nine years later	493.7	–	–	–	–	–	–	–	–	–	–
as at 31 december 2017	\$ 493.7	\$ 89.6	\$ 229.6	\$ 452.6	\$ 308.7	\$ 222.1	\$ 196.5	\$ 196.2	\$ 310.7	\$ 580.1	–
as at 31 december 2018	\$ 487.3	\$ 65.4	\$ 228.3	\$ 446.9	\$ 299.5	\$ 218.4	\$ 193.4	\$ 189.6	\$ 274.4	\$ 547.1	\$ 429.7
payments made	(455.2)	(61.9)	(217.7)	(424.4)	(270.3)	(202.4)	(172.0)	(161.2)	(181.0)	(261.7)	(57.2)
<b>total gross liability</b>	<b>\$ 32.1</b>	<b>\$ 3.5</b>	<b>\$ 10.6</b>	<b>\$ 22.5</b>	<b>\$ 29.2</b>	<b>\$ 16.0</b>	<b>\$ 21.4</b>	<b>\$ 28.4</b>	<b>\$ 93.4</b>	<b>\$ 285.4</b>	<b>\$ 372.5</b>
accident year gross loss ratio <sup>(1)</sup>						22.8%	22.2%	26.3%	41.6%	89.1%	69.4%

**net losses group**

<b>accident year</b>	<b>2008 &amp; prior</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
estimate of ultimate liability:											
at end of accident year	785.9	161.7	263.6	340.8	201.4	270.1	257.0	260.7	225.4	402.5	–
one year later	497.4	106.5	185.8	319.3	228.6	250.9	212.6	202.4	212.2	–	–
two years later	452.9	72.4	180.1	354.6	216.8	215.2	192.9	183.6	–	–	–
three years later	408.8	65.3	202.3	361.5	205.7	216.4	185.0	–	–	–	–
four years later	404.6	79.1	195.0	356.7	192.1	214.1	–	–	–	–	–
five years later	434.0	74.7	196.8	347.9	187.5	–	–	–	–	–	–
six years later	428.3	70.4	194.1	346.5	–	–	–	–	–	–	–
seven years later	427.5	88.3	193.4	–	–	–	–	–	–	–	–
eight years later	426.2	88.3	–	–	–	–	–	–	–	–	–
nine years later	426.1	–	–	–	–	–	–	–	–	–	–
as at 31 december 2017	\$ 426.1	\$ 88.3	\$ 193.4	\$ 346.5	\$ 187.5	\$ 214.1	\$ 185.0	\$ 183.6	\$ 212.2	\$ 402.5	–
as at 31 december 2018	\$ 423.1	\$ 64.3	\$ 191.8	\$ 341.5	\$ 178.6	\$ 210.4	\$ 181.5	\$ 176.6	\$ 177.7	\$ 362.1	\$ 290.4
payments made	(408.4)	(62.4)	(182.6)	(322.8)	(152.4)	(194.9)	(163.6)	(148.6)	(131.6)	(184.9)	(53.7)
<b>total net liability</b>	<b>\$ 14.7</b>	<b>\$ 1.9</b>	<b>\$ 9.2</b>	<b>\$ 18.7</b>	<b>\$ 26.2</b>	<b>\$ 15.5</b>	<b>\$ 17.9</b>	<b>\$ 28.0</b>	<b>\$ 46.1</b>	<b>\$ 177.2</b>	<b>\$ 236.7</b>
accident year net loss ratio <sup>(1)</sup>						27.7%	25.4%	31.1%	36.4%	84.8%	70.0%
initial accident year net loss ratio						36.1%	35.9%	46.0%	46.2%	94.2%	n/a
reduction in net loss ratio post accident year end						8.4%	10.5%	14.9%	9.8%	9.4%	n/a

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

**estimated exposures to peak zone elemental losses**

zones	perils	1 january 2019 <sup>(2)</sup> 100 year return period		1 january 2019 <sup>(2)</sup> 250 year return period	
		estimated gross loss	estimated net loss	estimated gross loss	estimated net loss
gulf of mexico <sup>(1)</sup>	hurricane	\$ 402.2	\$ 123.1	\$ 608.9	\$ 198.2
non gulf of mexico - US	hurricane	460.4	82.0	765.7	286.8
california	earthquake	296.2	78.3	508.4	138.0
pacific northwest	earthquake	17.7	12.1	176.9	62.6
pan-european	windstorm	265.8	55.9	390.9	84.8
japan	earthquake	181.7	52.6	381.9	87.9
japan	typhoon	183.4	48.1	297.0	64.4

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

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

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

<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

	q4 2018	q4 2017	full year 2018	full year 2017
<b>basic (loss) earnings per share:</b>				
(loss) profit after tax attributable to Lancashire	\$ (14.1)	\$ (5.4)	\$ 37.5	\$ (71.1)
net operating (loss) income attributable to Lancashire	\$ (13.9)	\$ (3.1)	\$ 39.8	\$ (86.0)
<b>dilutive shares</b>				
weighted average shares outstanding - basic	200,800,640	199,983,630	200,655,440	199,723,434
dilutive effect of restricted stock	1,915,733	1,810,800	1,960,322	1,780,368
weighted average & equivalent shares outstanding - diluted	<u>202,716,373</u>	<u>201,794,430</u>	<u>202,615,762</u>	<u>201,503,802</u>
<b>basic (loss) earnings per share attributable to Lancashire</b>	<u>\$ (0.07)</u>	<u>\$ (0.03)</u>	<u>\$ 0.19</u>	<u>\$ (0.36)</u>
<b>diluted (loss) earnings per share attributable to Lancashire</b>	<u>\$ (0.07)</u>	<u>\$ (0.03)</u>	<u>\$ 0.19</u>	<u>\$ (0.36)</u>
<b>diluted operating (loss) earnings per share attributable to Lancashire</b>	<u>\$ (0.07)</u>	<u>\$ (0.03)</u>	<u>\$ 0.20</u>	<u>\$ (0.43)</u>

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

	31 december 2018	30 september 2018	30 june 2018	31 march 2018	31 december 2017
numerator (\$ in millions):					
shareholders' equity attributable to Lancashire	\$ 1,067.2	\$ 1,121.6	\$ 1,152.8	\$ 1,119.1	\$ 1,106.9
book value numerator	\$ 1,067.2	\$ 1,121.6	\$ 1,152.8	\$ 1,119.1	\$ 1,106.9
deduction for goodwill and other intangible assets	\$ 153.8	\$ 153.8	\$ 153.8	\$ 153.8	\$ 153.8
tangible book value numerator	\$ 913.4	\$ 967.8	\$ 999.0	\$ 965.3	\$ 953.1
denominator (in shares):					
common voting shares outstanding	200,809,467	200,795,580	200,788,024	200,710,560	200,008,691
shares relating to dilutive restricted stock	1,919,664	1,670,594	1,293,972	1,307,133	1,814,488
fully converted book value denominator	202,729,131	202,466,174	202,081,996	202,017,693	201,823,179
<b>basic book value per share attributable to Lancashire</b>	<b>\$ 5.31</b>	<b>\$ 5.59</b>	<b>\$ 5.74</b>	<b>\$ 5.58</b>	<b>\$ 5.53</b>
<b>fully converted book value per share attributable to Lancashire</b>	<b>\$ 5.26</b>	<b>\$ 5.54</b>	<b>\$ 5.70</b>	<b>\$ 5.54</b>	<b>\$ 5.48</b>
<b>tangible basic book value per share attributable to Lancashire</b>	<b>\$ 4.55</b>	<b>\$ 4.82</b>	<b>\$ 4.98</b>	<b>\$ 4.81</b>	<b>\$ 4.77</b>
<b>tangible fully converted book value per share attributable to Lancashire</b>	<b>\$ 4.51</b>	<b>\$ 4.78</b>	<b>\$ 4.94</b>	<b>\$ 4.78</b>	<b>\$ 4.72</b>
dividend per common share	\$ 0.20	\$ 0.05	–	\$ 0.10	–
change in FCBVS adj for dividends <sup>(1)</sup> - quarter	(1.4%)	(1.9%)	2.9%	2.9%	(0.9%)
change in FCBVS adj for dividends <sup>(1)</sup> - rolling 12 months	2.4%	2.9%	(6.2%)	(5.8%)	(5.9%)
compound annual change in FCBVS excluding the impact of historical warrant exercises adj for dividends <sup>(1)</sup>	17.5%	17.6%	17.8%	17.9%	17.9%
compound annual change in FCBVS excluding the impact of historical warrant exercises adj for dividends <sup>(1)</sup> - above 3 month treasury	16.4%	16.6%	16.8%	16.8%	16.9%
change in FCBVS excluding the impact of historical warrant exercises adj for dividends <sup>(1)</sup> - since inception	716.3%	694.5%	675.7%	647.9%	620.7%
change in tangible FCBVS adj for dividends <sup>(1)</sup> - quarter	(1.5%)	(2.2%)	3.4%	3.4%	(1.1%)
change in tangible FCBVS adj for dividends <sup>(1)</sup> - rolling 12 months	3.0%	3.4%	(7.0%)	(6.7%)	(6.8%)

<sup>(1)</sup> change in fully converted book value per share ("FCBVS") adjusted for dividends is the internal rate of return of the change in fully converted book value per share in the period plus dividends accrued

**Cathedral Capital Limited**  
**summary consolidated income statements**

	q4 2018	q3 2018	q2 2018	q1 2018	q4 2017	full year 2018	full year 2017
gross premiums written	\$ 54.1	\$ 54.8	\$ 61.3	\$ 86.6	\$ 28.2	\$ 256.8	\$ 207.3
outwards reinsurance premiums	(15.1)	(6.0)	(9.7)	(39.1)	(5.8)	(69.9)	(63.7)
<b>net premiums written</b>	<b>39.0</b>	<b>48.8</b>	<b>51.6</b>	<b>47.5</b>	<b>22.4</b>	<b>186.9</b>	<b>143.6</b>
change in unearned premiums	7.4	5.9	(8.2)	(31.1)	22.7	(26.0)	4.7
change in unearned premiums on premiums ceded	(6.3)	(10.2)	(4.2)	26.2	(10.0)	5.5	0.4
<b>net premiums earned</b>	<b>40.1</b>	<b>44.5</b>	<b>39.2</b>	<b>42.6</b>	<b>35.1</b>	<b>166.4</b>	<b>148.7</b>
net investment income	1.2	1.1	1.4	0.9	0.8	4.6	3.6
net realised (losses) gains and impairments	–	(0.1)	(0.1)	(0.7)	(0.1)	(0.9)	0.7
other income	4.5	0.5	0.4	0.4	4.0	5.8	5.5
net foreign exchange (losses) gains	(0.1)	–	0.1	(2.5)	0.3	(2.5)	0.4
<b>total net revenue</b>	<b>45.7</b>	<b>46.0</b>	<b>41.0</b>	<b>40.7</b>	<b>40.1</b>	<b>173.4</b>	<b>158.9</b>
insurance losses	66.7	52.4	22.5	20.7	19.1	162.3	232.7
insurance losses recoverable	(26.4)	(6.2)	(5.2)	(5.7)	(0.6)	(43.5)	(90.5)
net insurance acquisition expenses	11.8	10.6	9.1	9.4	9.9	40.9	35.4
equity based compensation	0.6	0.5	0.6	0.4	(0.4)	2.1	(2.5)
other operating expenses	4.1	7.3	8.6	7.5	3.8	27.5	21.8
<b>total expenses</b>	<b>56.8</b>	<b>64.6</b>	<b>35.6</b>	<b>32.3</b>	<b>31.8</b>	<b>189.3</b>	<b>196.9</b>
<b>(loss) profit before tax and finance costs</b>	<b>(11.1)</b>	<b>(18.6)</b>	<b>5.4</b>	<b>8.4</b>	<b>8.3</b>	<b>(15.9)</b>	<b>(38.0)</b>
financing costs	(1.0)	(1.0)	(1.0)	(0.9)	(0.9)	(3.9)	(3.3)
<b>(loss) profit before tax</b>	<b>(12.1)</b>	<b>(19.6)</b>	<b>4.4</b>	<b>7.5</b>	<b>7.4</b>	<b>(19.8)</b>	<b>(41.3)</b>
tax credit (charge)	0.6	0.2	0.2	(0.3)	(1.2)	0.7	1.6
<b>(loss) profit after tax</b>	<b>\$ (11.5)</b>	<b>\$ (19.4)</b>	<b>\$ 4.6</b>	<b>\$ 7.2</b>	<b>\$ 6.2</b>	<b>\$ (19.1)</b>	<b>\$ (39.7)</b>
change in net unrealised gains / losses on investments	0.5	–	–	(0.6)	(0.8)	(0.1)	(1.3)
<b>comprehensive (loss) income</b>	<b>\$ (11.0)</b>	<b>\$ (19.4)</b>	<b>\$ 4.6</b>	<b>\$ 6.6</b>	<b>\$ 5.4</b>	<b>\$ (19.2)</b>	<b>\$ (41.0)</b>
net loss ratio	100.5%	103.8%	44.1%	35.2%	52.7%	71.4%	95.6%
net acquisition cost ratio	29.4%	23.8%	23.2%	22.1%	28.2%	24.6%	23.8%
net expense ratio	10.2%	16.4%	21.9%	17.6%	10.8%	16.5%	14.7%
combined ratio	140.1%	144.0%	89.2%	74.9%	91.7%	112.5%	134.1%