

### Annual General Meeting

The Company's AGM is scheduled for 27 April 2022 and is to be held at the Company's registered and head office at Power House, 7 Par-la-Ville Road, Hamilton HM 11, Bermuda. Notice of this year's AGM and forms of proxy and direction shall be delivered to shareholders by electronic means. If you have any queries regarding the notice or AGM voting requirements please contact Chris Head, Company Secretary, using Tel: +44 (0) 20 7264 4000 and email: [chris.head@lancashiregroup.com](mailto:chris.head@lancashiregroup.com).

### Further information

Lancashire Holdings Limited is registered in Bermuda under company number EC 37415 and has its registered office at Power House, 7 Par-la-Ville Road, Hamilton HM 11, Bermuda. Further information about the Group including this Annual Report and Accounts, press releases and the Company's share price is available on our website at [www.lancashiregroup.com](http://www.lancashiregroup.com). Please address any enquiries to [info@lancashiregroup.com](mailto:info@lancashiregroup.com).

### Note regarding forward-looking statements

Some of the statements in this document include forward-looking statements which reflect the Directors' current views with respect to financial performance, business strategy, plans and objectives of management for future operations (including development plans relating to the Group's products and services). These statements include forward-looking statements both with respect to the Group and the sectors and industries in which the Group operates. Statements containing the words 'believes', 'anticipates', 'aims', 'plans', 'projects', 'forecasts', 'guidance', 'intends', 'expects', 'estimates', 'predicts', 'may', 'can', 'likely', 'will', 'seeks', 'should' or, in each case, their negative or comparable terminology and similar statements are of a future or forward-looking nature. All forward-looking statements address matters that involve known and unknown risks and uncertainties. Accordingly, there are or will be 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 claims which arise as a

result of the COVID-19 pandemic which is an ongoing event as at the date of this report, the Kentucky tornadoes, hurricane Ida and the European storms which occurred in the second half of 2021, winter storm Uri which occurred during the first quarter of 2021, hurricanes Laura and Sally, the Midwest Derecho storm and the wildfires in California which occurred in 2020, the 2020 and 2021 large loss events across the Group's specialty business lines, typhoon Hagibis in the fourth quarter of 2019, hurricane Dorian and typhoon Faxai in the third quarter of 2019, the Californian wildfires and hurricane Michael which occurred in 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 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 estimations; the Group's ability to integrate its business 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 successfully implement its business strategy during 'soft' as well as 'hard' markets; the premium rates which may be available at the time of such renewals within its targeted business lines; 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 and insurance-linked funds and collateralised special purpose insurers, and the related demand and supply dynamics as contracts come up for renewal; the effectiveness of its loss limitation methods; the potential loss of key personnel; a decline in the Group's operating subsidiaries' ratings 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 its investment portfolio; changes in governmental regulations or tax laws in jurisdictions where the Group conducts business; Lancashire or its 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 Group; and the impact of the expiration of the transition period on 31 December 2020 following the United Kingdom's withdrawal from the European Union on the Group's business, regulatory relationships, underwriting platforms or the industry generally, the focus and scrutiny on ESG-related matters regarding the insurance industry from key stakeholders of the Group, and any adverse asset, credit, financing or debt or capital market conditions generally which may affect the ability of the Group to manage its liquidity.

Any estimates relating to loss events involve the exercise of considerable judgement and reflect a combination of ground-up evaluations, information available to date from brokers and insureds, market intelligence, initial and/or tentative loss reports and other sources. Judgements in relation to loss arising from natural catastrophe and man-made events are influenced by complex factors. The Group cautions as to the preliminary nature of the information used to prepare such estimates as subsequently available information may contribute to an increase in these types of losses.

These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking (save as required to comply with any legal or regulatory obligations including the rules of the LSE) to disseminate any updates or revisions to any forward-looking statement to reflect any changes in the Group's expectations or circumstances on which any such statement is based. All subsequent written and oral forward-looking statements attributable to the Group or individuals acting on behalf of the Group are expressly qualified in their entirety by this paragraph. Prospective investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision.

**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

**Active Underwriter**

The individual at a Lloyd's syndicate with principal authority to accept insurance and reinsurance risk on behalf of the syndicate

**Additional case reserves (ACR)**

Additional reserves deemed necessary by management

**AFS**

Available for sale

**Aggregate**

Accumulations of insurance loss exposures which result from underwriting multiple risks that are exposed to common causes of loss

**AGM**

Annual General Meeting

**AIM**

A sub-market of the LSE

**AIR**

AIR Worldwide

**A.M. Best Company (A.M. Best)**

A.M. Best is a full-service credit rating organisation dedicated to serving the financial services industry, focusing on the insurance sector

**APMs**

Alternative performance measures

**BCP**

Business Continuity Plan

**BMA**

Bermuda Monetary Authority

**Board of Directors; Board**

Unless otherwise stated refers to the LHL Board of Directors

**Book value per share (BVS)**

Calculated by dividing the value of the total shareholders' equity by the sum of all common voting shares outstanding

**BREEAM**

Building Research Establishment Environmental Assessment Method

**BSCR**

Bermuda Solvency Capital Requirement

**BSX**

Bermuda Stock Exchange

**CCHL**

Cathedral Capital Holdings Limited

**CCL**

Cathedral Capital Limited

**CCL 1998**

Cathedral Capital (1998) Limited

**CCL 1999**

Cathedral Capital (1999) Limited

**CCWG**

Climate Change Working Group

**CDP**

Carbon Disclosure Project

**Ceded**

To transfer insurance risk from a direct insurer to a reinsurer and/or from a reinsurer to a retrocessionaire

**CEND**

Confiscation, Expropriation, Nationalisation and Deprivation

**CEO**

Chief Executive Officer

**CFO**

Chief Financial Officer

**CGU**

Cash generating unit

**Change in FCBVS**

The IRR of the change in FCBVS in the period plus accrued dividends

**CIO**

Chief Investment Officer

**The Code**

UK Corporate Governance Code published by the UK FRC ([www.frc.org.uk](http://www.frc.org.uk))

**Combined ratio**

Ratio, in per cent, of the sum of net insurance losses, net acquisition expenses and other operating expenses to net premiums earned

**Compound Annual Change in FCBVS adjusted for dividends**

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

**Consolidated financial statements**

Includes the independent auditor's report, consolidated primary statements, accounting policies, risk disclosures and related notes

**Consolidated primary statements**

Includes the consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in shareholders' equity and the statement of consolidated cash flows

**COO**

Chief Operating Officer

**CRO**

Chief Risk Officer

**CSX**

Cayman Islands Stock Exchange

**CUL**

Cathedral Underwriting Limited

**CUO**

Chief Underwriting Officer

**D&F**

Direct and facultative (re)insurance

**Deferred acquisition costs**

Costs incurred for the acquisition or the renewal of insurance policies (e.g. brokerage and premium taxes) which are deferred and amortised over the term of the insurance contracts to which they relate

**Delegated authorities**

Arrangements under which a managing agent or (re)insurer delegates its authority to another to enter into contracts of insurance on its behalf

**Diluted earnings per share**

Calculated by dividing the net profit for the year attributable to shareholders by the weighted average number of common shares outstanding during the year plus the weighted average number of common shares that would be issued on the conversion of all potentially dilutive equity-based compensation awards into common shares under the treasury stock method

**Directors' fees and expenses**

Unless otherwise stated includes fees and expenses of all Directors across the Group

**Dividend yield**

Calculated by dividing the annual dividends per share by the share price on the last day of the given year

**Duration**

Duration is the weighted average maturity of a security's cash flows, where the present values of the cash flows serve as the weights. The effect of the convexity, or sensitivity, of the portfolio's response to changes in interest rates is also factored in to the calculation

**Earnings per share (EPS)**

Calculated by dividing net profit for the year attributable to shareholders by the weighted average number of common shares outstanding during the year, excluding treasury shares and shares held by the EBT

**EBT**

Lancashire Holdings Employee Benefit Trust

**ECA**

Economic Capital Assessment

**ECR**

Enhanced Capital Requirement

**EEA**

European Economic Area

**ERM**

Enterprise Risk Management

**ESG**

Environmental, Social and Governance matters

**EU**

European Union

**EURIBOR**

The Euro Interbank Offered Rate

**Excess of loss**

Reinsurance or insurance that indemnifies the reinsured or insured against all or a specified portion of losses on an underlying insurance policy in excess of a specified amount

**Facultative reinsurance**

A reinsurance risk that is placed by means of a separately negotiated contract as opposed to one that is ceded under a reinsurance treaty

**FAL**

Funds at Lloyd's

**FCA**

Financial Conduct Authority

**Financial industry category**

Includes banks, insurance companies, real estate and other financial institutions

**FRC**

Financial Reporting Council

**FSMA**

The Financial Services and Markets Act 2000 (as amended from time to time)

**FTE**

Full-Time Employee

**Fully converted book value per share (FCBVS)**

Calculated based on the value of the total shareholders' equity attributable to the Group 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

**FVTPL**

Fair value through profit or loss

**G10**

Belgium, Canada, Germany, France, Italy, Japan, the Netherlands, Sweden, the United Kingdom, and the United States

**GDPR**

General Data Protection Regulation

**GHG**

Greenhouse gas emissions covers carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFC), perfluorocarbons (PFC), nitrogen trifluoride (NF<sub>3</sub>) and sulphur hexafluoride (SF<sub>6</sub>)

**The Group or the Lancashire Group**

LHL and its subsidiaries

**GWP**

Gross premiums written. Amounts payable by the insured, excluding any taxes or duties levied on the premium, including any brokerage and commission deducted by intermediaries

**ICM**

International Care Ministries

**IFRIC**

International Financial Reporting Interpretations Committee

**IFRS**

International Financial Reporting Standard(s)

**IFRS 9**

International Financial Reporting Standard on Financial Instruments

**IFRS 17**

International Financial Reporting Standard on Insurance Contracts

**ILS**

Insurance Linked Securities

**Incurred but not reported (IBNR)**

These are anticipated or likely losses that may result from insured events which have taken place, but for which no losses have yet been reported. IBNR also includes a reserve for possible adverse development of previously reported losses

**Industry loss warranty (ILW)**

A type of reinsurance or derivative contract through which one party will purchase protection based on the total loss arising from an event to the entire insurance industry rather than their own losses

**Internal Audit Charter**

A formal written document that sets out the mission, scope, responsibilities, authority, professional standards and the relationship with the external auditors and regulatory bodies of the internal audit function with the Company and its subsidiaries

**International Accounting Standard(s) (IAS)**

Standards, created by the IASB, for the preparation and presentation of financial statements

**International Accounting Standards Board (IASB)**

An international panel of accounting experts responsible for developing IAS and IFRS

**IRR**

Internal rate of return

**IRRC**

Investment Risk and Return Committee

**ISA**

International Standards on Auditing (UK)

**ISE**

Irish Stock Exchange

**KHL**

Kinesis Holdings I Limited

**Kinesis**

The Group's third-party capital management division encompassing LCM, LCMMSL and the management of KHL and KRL

**KPMG LLP**

KPMG LLP, a UK limited liability partnership

**KPI**

Key performance indicator

**KRI**

Key risk indicator

**KRL (Kinesis Re)**

Kinesis Reinsurance I Limited

**Lancashire Foundation or Foundation**

The Lancashire Foundation is a charity registered in England and Wales

**Lancashire Insurance Companies**

LICL and LUK

**LAPL**

Lancashire Australia Pty Ltd

**LCM**

Lancashire Capital Management Limited. Formerly Kinesis Capital Management Limited

**LCMMSL**

LCM Marketing Services Limited. Formerly KCM Marketing Services Limited

**LHAPL**

Lancashire Holdings Australia Pty Limited

**LHFT**

Lancashire Holdings Financing Trust I Limited

**LHL (The Company)**

Lancashire Holdings Limited

**LIBOR**

London Interbank Offered Rate

**LICL**

Lancashire Insurance Company Limited

**LIHL**

Lancashire Insurance Holdings (UK) Limited

**LIMSL**

Lancashire Insurance Marketing Services Limited

**LISL**

Lancashire Insurance Services Limited

**Listing Rules**

The listing rules made by the FCA under part VI of FSMA (as amended from time to time)

**Lloyd's**

The Society of Lloyd's

**Lloyd's Brussels**

Lloyd's Insurance Company SA, the insurer that Lloyd's has established in Brussels

**LMSCS**

Lancashire Management Services (Canada) Limited

**LOC**

Letter of credit

**Losses**

Demand by an insured for indemnity under an insurance contract

**LSE**

London Stock Exchange

**LSL or Lancashire Syndicate**

Lancashire Syndicates Limited. Formerly Cathedral Underwriting Limited. The managing agent of the syndicates

**LUAPL**

Lancashire Underwriting Australia Pty Ltd

**LUK**

Lancashire Insurance Company (UK) Limited

**Managed cash**

Managed cash includes both cash managed by external investment managers and non-operating cash managed internally

**MBRT**

Multi-beneficiary reinsurance trust

**Moody's Investors Service (Moody's)**

Moody's Corporation is the parent company of Moody's Investors Service, which provides credit ratings and research covering debt instruments and securities, and Moody's Analytics, which offers software, advisory services and research for credit and economic analysis and financial risk management

**MSCI**

A provider of tools and services for the global investment community

**MSF**

Médecins Sans Frontières

**Nameco**

Nameco (No. 801) Ltd

**NAV**

Net asset value

**Net acquisition cost ratio**

Ratio, in per cent, of net insurance acquisition expenses to net premiums earned

**Net expense ratio**

Ratio, in per cent, of other operating expenses, excluding restricted stock expenses, to net premiums earned

**Net loss ratio**

Ratio, in per cent, of net insurance losses to net premiums earned

**Net premiums earned**

Net premiums earned is equal to net premiums written less the change in unearned premiums and change in unearned premiums on premiums ceded

**Net premiums written**

Net premiums written is equal to gross premiums written less outwards reinsurance premiums written

**Official List**

The official list of the UK Listing Authority

**ORSA**

Own Risk and Solvency Assessment

**OTC**

Over the counter

**PIPA**

Personal Information Protection Act

**PML**

Probable maximum loss. The Group's exposure to certain peak zone elemental losses

**PRA**

Prudential Regulation Authority

**Pro-rata/proportional**

Reinsurance or insurance where the reinsurer or insurer shares a proportional part of the original premiums and losses of the reinsured or insured

**RCCC**

Risk Capital and Compliance Committee

**RCF**

Revolving credit facility

**RCP**

Representative Concentration Pathway

**RDS**

Realistic Disaster Scenarios

**Renewal Price Index (RPI)**

The RPI is an internal methodology that management uses to track trends in premium rates of a portfolio of insurance and reinsurance contracts. The RPI written in the respective segments is calculated on a per-contract basis and reflects management's assessment of relative changes in price, terms, conditions and limits and is weighted by premium volume. The RPI does not include new business, to offer a consistent basis for analysis. The calculation involves a degree of judgement in relation to comparability of contracts and assessment noted above. To enhance the RPI methodology, management may revise the methodology assumptions underlying the RPI, so that the trends in premium rates reflected in the RPI may not be comparable over time. Consideration is only given to renewals of a comparable nature so it does not reflect every contract in the portfolio of contracts. The future profitability of the portfolio of contracts within the RPI is dependent upon many factors besides the trends in premium rates. RPIs are expressed as an approximate percentage of pricing achieved on similar contracts written in the corresponding year.

**Retrocession**

The insurance of a reinsurance account

**Return on Equity (RoE)**

The IRR of the change in FCBVS in the period plus accrued dividends

**Risk Free Rate of Return (RFRoR)**

Being the 13 week U.S. Treasury bill rate, unless otherwise stated

**RMF**

Risk Management Framework

**RMS**

Risk Management Solutions

**RRC**

Risk and Return Committee

**RSC**

Reinsurance Security Committee

**RSS**

Restricted share scheme

**S&P Global Ratings (S&P)**

S&P Global Ratings is a worldwide insurance rating and information agency whose ratings are recognised as a benchmark for assessing the financial strength of insurance-related organisations

**SCR**

Solvency Capital Requirement

**SECR**

Streamlined Energy and Carbon Reporting

**SGT**

St Giles Trust

**Syndicate 2010**

Lloyd's Syndicate 2010, managed by LSL. The Group provides capital to support 62.3% of the stamp for the 2022 underwriting year

**Syndicate 3010**

Lloyd's Syndicate 3010, managed by LSL. The Group provides capital to support 100.0% of the stamp

**TCFD**

Task Force on Climate-related Financial Disclosures

**The syndicates**

Syndicate 2010 and 3010

**TOBA**

Terms of business agreement

**Total Investment Return**

Total investment return measures investment income and net realised and unrealised gains and losses produced by the Group's managed investment portfolio

**Total Shareholder Return (TSR)**

The increase/(decrease) in share price in the period, measured on a total return basis, which assumes the reinvestment of dividends

**Treaty reinsurance**

A reinsurance contract under which the reinsurer agrees to offer and to accept all risks of a certain size within a defined class

**UK**

United Kingdom

**UMCC**

Underwriting Marketing Conference Call

**Unearned premiums**

The portion of premium income that is attributable to periods after the balance sheet date that is deferred and amortised to future accounting periods

**UNEP FI**

The United Nations Environment Programme Finance Initiative

**UNL**

Ultimate net loss

**UNPRI**

UN-supported Principles for Responsible Investment

**uSCR**

Ultimate solvency capital requirement

**U.S.**

United States of America

**U.S. GAAP**

Accounting principles generally accepted in the United States

**UURC**

The Underwriting and Underwriting Risk Committee, a committee of the Board

**Value at Risk (VaR)**

A measure of the risk of loss of a specific portfolio of financial assets

### Alternative Performance Measures ('APMs')

As is customary in the insurance industry, the Group utilises certain non-GAAP measures in order to evaluate, monitor and manage the business and to aid users' understanding of the Group. Management believes that the APMs included in the Annual Report and Accounts are important for understanding the Group's overall results of operations and may be helpful to investors and other interested parties who may benefit from having a consistent basis for comparison with other companies within the industry. However, these measures may not be comparable to similarly labelled measures used by companies inside or outside the insurance industry. In addition, the information contained herein should not be viewed as superior to, or a substitute for, the measures determined in accordance with the accounting principles used by the Group for its audited consolidated financial statements or in accordance with GAAP.

In compliance with the Guidelines on APMs of the European Securities and Markets Authority and as suggested by the FRC, as applied by the FCA, information on APMs which the Group uses is described below. This information has not been audited.

All amounts, excluding share data, percentages or where otherwise stated, are in millions of U.S. dollars.

**Net loss ratio:** Ratio, in per cent, of net insurance losses to net premiums earned. This ratio gives an indication of the amount of claims expected to be paid out per \$1.00 of net premium earned in the financial year. The net loss ratio may also be presented with net insurance losses absent catastrophe and other large losses.

	31 December 2021	31 December 2020
Net insurance losses	470.5	283.8
Divided by net premiums earned	696.5	475.8
Net loss ratio	67.6%	59.6%

**Net acquisition cost ratio:** Ratio, in per cent, of net insurance acquisition expenses to net premiums earned. This ratio gives an indication of the amount expected to be paid out to insurance brokers and other insurance intermediaries per \$1.00 of net premium earned in the financial year.

	31 December 2021	31 December 2020
Net acquisition expenses	157.0	115.0
Divided by net premiums earned	696.5	475.8
Net acquisition cost ratio	22.5%	24.2%

**Net expense ratio:** Ratio, in per cent, of other operating expenses, excluding restricted stock expenses, to net premiums earned. This ratio gives an indication of the amount of operating expenses expected to be paid out per \$1.00 of net premium earned in the financial year.

	31 December 2021	31 December 2020
Other operating expenses	119.6	114.4
Divided by net premiums earned	696.5	475.8
Net expense ratio	17.2%	24.0%

**Combined ratio (KPI):** Ratio, in per cent, of the sum of net insurance losses, net acquisition expenses and other operating expenses to net premiums earned. The Group aims to price its business to ensure that the combined ratio across the cycle is less than 100%.

	31 December 2021	31 December 2020
Net loss ratio	67.6%	59.6%
Net acquisition cost ratio	22.5%	24.2%
Net expense ratio	17.2%	24.0%
Combined ratio	107.3%	107.8%

**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. This ratio shows the amount of claims expected to be paid out per \$1.00 of net premium earned in an accident year.

	31 December 2021	31 December 2020
Current accident year ultimate liability	557.0	339.1
Divided by net premiums earned*	687.9	474.9
Accident year loss ratio	81.0%	71.4%

\* For the accident year loss ratio, net premiums earned excludes inwards and outwards reinstatement premium from prior accident years.

**Fully converted book value per share ('FCBVS') attributable to the Group:** Calculated based on the value of the total shareholders' equity attributable to the Group 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. Shows the Group net asset value on a diluted per share basis for comparison to the market value per share.

	31 December 2021	31 December 2020
Shareholders' equity attributable to the Group	1,412,308,553	1,538,466,664
Common voting shares outstanding*	241,839,109	241,811,908
Shares relating to dilutive restricted stock	2,805,365	3,333,356
Fully converted book value denominator	244,644,474	245,145,264
Fully converted book value per share	\$5.77	\$6.28

\* Common voting shares outstanding comprise issued share capital less amounts held in trust (see note 19).



**Change in FCBVS (KPI):** The internal rate of return of the Change in FCBVS in the period plus accrued dividends. Sometimes referred to as ROE. The Group's aim is to maximise risk-adjusted returns for shareholders across the cycle through a purposeful and sustainable business culture.

	31 December 2021	31 December 2020
Opening FCBVS	(\$6.28)	(\$5.84)
Q1 dividend per share	–	–
Q2 dividend per share	\$0.10	\$0.10
Q3 dividend per share	\$0.05	\$0.05
Q4 dividend per share + closing FCBVS	\$5.77	\$6.28
Change in FCBVS*	(5.8%)	10.2%

\* Calculated using the internal rate of return.

**Total investment return (KPI):** Total investment return, in percentage terms, is calculated by dividing the total investment return excluding foreign exchange by the investment portfolio net asset value, including managed cash on a daily basis. These daily returns are then annualised through geometric linking of daily returns. The return can be approximated by dividing the total investment return excluding foreign exchange by the average portfolio net asset value, including managed cash. The Group's primary investment objectives are to preserve capital and provide adequate liquidity to support the Group's payment of claims and other obligations. Within this framework we aim for a degree of investment portfolio return.

	31 December 2021	31 December 2020
Total investment return	1.3	69.1
Average invested assets*	2,167.5	1,873.9
Approximate total investment return	0.1%	3.7%
Reported total investment return	0.1%	3.9%

\* Calculated as the average between the opening and closing investments as per note 11 and externally managed cash as per note 10.

**Total shareholder return (KPI):** The increase/(decrease) in share price in the period, measured on a total return basis, which assumes the reinvestment of dividends. The Group's aim is to maximise the Change in FCBVS over the longer term and we would expect that to be reflected in our share price and multiple. This is a long-term goal, recognising that the cyclical and volatility of both the insurance market and the financial markets in general will impact management's ability to maximise the Change in FCBVS in the immediate term. The total return measurement basis used will generally approximate the simple method of calculating the increase/(decrease) in share price adjusted for dividends as recalculated below.

	31 December 2021	31 December 2020
Opening share price	(\$9.88)	(\$10.17)
Q1 dividend per share	–	–
Q2 dividend per share	\$0.10	\$0.10
Q3 dividend per share	\$0.05	\$0.05
Q4 dividend per share + closing share price	\$7.17	\$9.88
Total shareholder return	(25.8%)	(1.4%)

**Comprehensive income returned to shareholders (KPI):** The percentage of comprehensive income returned to shareholders equals the total capital returned to shareholders through dividends and share repurchases in a given year, divided by the Group's comprehensive income. The Group aims to carry the right level of capital to match attractive underwriting opportunities, utilising an optimal mix of capital tools. Over time, through proactive and flexible capital management across the cycle, we aim to maximise risk-adjusted returns for shareholders.

	31 December 2021	31 December 2020
Capital returned	43.3	32.3
Comprehensive income attributable to the Group	(92.9)	24.3
Comprehensive income returned to shareholders	n/a*	132.9%

\* The % comprehensive income returned to shareholders is n/a when reporting a comprehensive loss for the period.

**Gross premiums written under management (KPI):** The gross premiums written under management equals the total of the Group's consolidated gross premiums written plus the external Names' portion of the gross premiums written in Syndicate 2010 plus the gross premiums written in LCM on behalf of KRL. The Group aims to operate nimbly through the cycle. We will grow in existing and new classes where favourable and improving market conditions exist, whilst monitoring and managing our risk exposures and not seek top-line growth for the sake of it in markets where we do not believe the right opportunities exist.

	31 December 2021	31 December 2020
Gross premiums written by the Group	1,225.2	814.1
LSL Syndicate 2010 – external Names' portion of gross premiums written (unconsolidated)	142.3	126.6
LCM gross premiums written (unconsolidated)	135.9	126.4
Total gross premiums written under management	1,503.4	1,067.1

## CONTACT INFORMATION

### Registered and Head office

Lancashire Holdings Limited  
Power House  
7 Par-la-Ville Road  
Hamilton HM 11  
Bermuda

Phone: + 1 441 278 8950  
Fax: + 1 441 278 8951

### Bermuda office

Lancashire Insurance Company Limited  
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Bermuda

Phone: + 1 441 278 8950  
Fax: + 1 441 278 8951

### UK office

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29th Floor  
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United Kingdom

Phone: + 44 (0) 20 7264 4000  
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### Lancashire Syndicates Limited

Lancashire Syndicates Limited  
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### Lancashire Capital Management

Lancashire Capital Management Limited  
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Bermuda

Phone: + 1 441 278 8950  
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### Lancashire Underwriting Australia Pty Ltd

Registered Office – Level 20, 56 Pitt Street,  
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