

# LANCASHIRE HOLDINGS LIMITED

## PROFIT AFTER TAX OF \$293.4 MILLION WITH STRONG UNDERWRITING RESULTS AND INVESTMENT RETURNS DELIVERING AN ROE OF 20.9%

5 March 2026  
Hamilton, Bermuda

Lancashire Holdings Limited (“Lancashire” or “the Group”) today announces its results for the year ended 31 December 2025.

### Highlights:

- Gross premiums written increased 5.1% year-on-year to \$2,259.3 million. Insurance revenue increased 5.4% year-on-year to \$1,860.4 million.
- Insurance service result of \$381.1 million, discounted combined ratio of 83.7%, undiscounted combined ratio of 93.1%.
- Profit after tax of \$293.4 million, resulting in an RoE (change in DBVS) of 20.9%.
- Total investment return of 7.0%, including unrealised gains and losses.
- Total dividends with respect to 2025 of \$357.0 million, including final ordinary dividend of \$0.15 per share, subject to shareholder approval, and additional special dividend of \$0.50 per share.

For the year ended	31 December 2025	31 December 2024
	\$m	\$m
<b>Highlights</b>		
Gross premiums written <sup>1</sup>	2,259.3	2,149.6
Insurance revenue	1,860.4	1,765.1
Insurance service result	381.1	379.9
Net investment return	218.0	162.2
Profit after tax	293.4	321.3
<b>Financial ratios</b>		
Net insurance ratio <sup>1</sup>	73.5%	71.3%
Combined ratio (discounted) <sup>1</sup>	83.7%	80.0%
Combined ratio (undiscounted) <sup>1</sup>	93.1%	89.1%
Total investment return <sup>1</sup>	7.0%	5.0%
<b>Per Share data</b>		
Diluted book value per share <sup>1</sup>	\$6.01	\$6.03
Change in diluted book value per share ("ROE") <sup>1</sup>	20.9%	23.4%
Dividends per common share paid in the financial year <sup>2</sup>	\$1.225	\$1.475
Diluted earnings per share	\$1.17	\$1.30

1. Please refer to the end of this release for details of how these Alternative Performance Measures (APMs) are calculated.

2. Includes special dividend of 25 cents per share paid in April 2025 in respect of the year ended 31 December 2024 financial results.

### Alex Maloney, Group Chief Executive Officer, commented

“The excellent results we are reporting today are the outcome of another successful 12 months for Lancashire, with strong underwriting profit supported by healthy investment returns.

Our results for 2025, a year that marked 20 years since Lancashire was founded, demonstrate the strategic progress we have made in refocusing the business to become more diversified across product lines and geographies. We have increased our resilience and significantly reduced volatility in our earnings. This has enabled the Group to deliver an excellent outcome for shareholders and positions the business to capture future market opportunities.

Lancashire is a very different business now compared to just a few years ago. That is evidenced by today's results, as well as the confidence we have as a management team to continue to deliver sustainable returns over the coming years. It is important to emphasise the quality of people we have been able to retain and attract, which has underpinned this performance and continues to be a genuine competitive differentiator for our business.

At Lancashire, we have always believed in the market cycle and that successfully managing its varying phases is the key to long-term and sustainable value creation. Looking ahead, while we expect 2026 to be more competitive, we are still in a healthy place when it comes to rate adequacy. We continue to take advantage of underwriting opportunities, with our usual focus on disciplined underwriting and actively managing capital and risk exposures.

We have also invested in the business, including the development of Lancashire US, and through our buy-out of underwriting capacity for Syndicate 2010. This acquisition means we now provide all of the capacity for both our syndicates, offering us additional optionality within our Lloyd's platform. Our confidence is supported by our strong capital position and the recent upgrade of our long-term issuer credit and financial strength ratings, from A- to A by S&P Global Ratings is validation of the improved financial resilience of the business.

During 2025, we continued to grow in line with the underwriting opportunity with gross premiums written increasing \$109.7 million to \$2,259.3 million, producing an insurance service result (underwriting profit) of \$381.1 million. Insurance revenue also increased by 5.4% to \$1,860.4 million and, for 2025, the undiscounted combined ratio was 93.1%, or 83.7% on a discounted basis.

Even in a year which began with the devastating California wildfires, the largest ever wildfire loss for the industry, our profit after tax of \$293.4 million further illustrates the success of our approach.

Our strong underwriting results were supported by the performance of our investment portfolio, which has grown in line with the expansion of the wider business. In 2025, the portfolio returned 7.0%, or \$218.0 million, making a valuable contribution to our overall profitability and we anticipate a continued stream of investment income in the coming years.

The Group's robust capital position and excellent operating performance meant we were both able to invest in the business and return capital to our shareholders, and, during 2025, we paid aggregate special and ordinary dividends of \$1.225 per share or \$296.5 million. I am pleased to say that we have also declared a special dividend of \$0.50 per share for the full-year 2025, in addition to a final ordinary dividend. Since inception Lancashire has returned more than \$3.7 billion to shareholders, including over 100% of our profits over the past two years, while still investing in and growing the business. This is fully aligned to our long-term capital management philosophy, and we will seek to continue to return excess capital to shareholders, while still maintaining our underwriting momentum.

Of course, we would not be able to report these excellent results today without the hard work and commitment of our staff. I want to thank them all for their support and enthusiasm and for playing their role in retaining our unique and positive culture, which is highly valued. During 2025, we carried out an engagement survey for all employees, which had an excellent response rate with 85% of people saying they feel proud to work at Lancashire. Our Bermuda business was also named a top three employer on the island during the year.

Our strong culture also feeds into our efforts to have a positive wider social impact, through financial donations and the skills of our people, and to help those less fortunate. I am pleased to say that since its inception in 2007, the Lancashire Foundation has now donated more than \$24.8 million to charitable organisations, including \$0.8 million in 2025.

Lancashire is a distinctive and high-value business, and we will continue to leverage the strong franchise we have built over the past 20 years. I am confident that through our diverse underwriting platforms and products, our focus on the efficient and disciplined use of capital, and our talented teams, who thrive in a performance-driven culture, we can look forward to many more successful years ahead."

## Underwriting results

For the year ended	31 December 2025			31 December 2024		
	Reinsurance \$m	Insurance \$m	Total \$m	Reinsurance \$m	Insurance \$m	Total \$m
Gross premiums written	1,187.2	1,072.1	2,259.3	1,097.8	1,051.8	2,149.6
RPI	97%	95%	96%	101%	101%	101%
Insurance revenue	904.4	956.0	1,860.4	855.1	910.0	1,765.1
<b>Insurance service result</b>	<b>292.4</b>	<b>88.7</b>	<b>381.1</b>	<b>264.1</b>	<b>115.8</b>	<b>379.9</b>
<b>Net insurance ratio</b>	<b>60.5%</b>	<b>87.3%</b>	<b>73.5%</b>	<b>61.6%</b>	<b>81.9%</b>	<b>71.3%</b>

### Gross premiums written

Gross premiums written increased by \$109.7 million, or 5.1%, during 2025 compared to 2024. Excluding the impact of reinstatement premiums, underlying growth in gross premiums written was 3.3%, in line with the low single digit guidance we have previously given.

In the reinsurance segment, the rating environment softened marginally with a reinsurance segment RPI of 97%. In the context of rating adequacy remaining very healthy, we took the opportunity to grow and build out our relationships and franchise value with core clients. Premiums across the reinsurance segment grew 8.1% year-on-year, with each pillar contributing to growth.

In the insurance segment, market conditions softened slightly for the first year since 2017, however, given seven years of rate increases, the majority of product lines remain very well priced with embedded underwriting margin. Given favourable rate adequacy we continued to selectively grow our footprint and increased premiums year-on-year. The insurance segment RPI was 95% and we have increased our premiums by 1.9% year-on-year. The overall RPI for the Group was 96%.

### Insurance revenue

Insurance revenue increased by \$95.3 million, or 5.4%, for 2025 compared to 2024. Gross premiums earned, the key driver of insurance revenue, as a percentage of gross premiums written was 97.5% for 2025 compared to 95.1% for 2024. The increased percentage reflects premium earnings from prior underwriting years where the business saw substantial growth.

### Allocation of reinsurance premiums

Allocation of reinsurance premiums decreased by \$15.9 million, or 3.6%, during 2025 compared to 2024. The allocation of reinsurance premiums as a percentage of insurance revenue for the Group was 22.8%, compared to 24.9% in the prior period, reflecting more efficient reinsurance purchasing as the Group seeks to achieve efficiencies and to benefit from its increasingly diversified underwriting portfolio.

### Net loss environment

During 2025, the Group experienced net losses (undiscounted, excluding reinstatement premiums) from catastrophe, weather and large loss events totalling \$277.0 million. Catastrophe and weather losses were \$184.7 million. The net loss impact of the California wildfires of \$163.4 million, which is within the original range disclosed, represents the majority of this figure. The Group also experienced net losses (undiscounted, excluding reinstatement premiums) from large risk events totalling \$92.3 million. None of the large risk event losses were individually material for the Group.

In comparison, during 2024, the Group experienced net losses (undiscounted, excluding reinstatement premiums) from catastrophe, weather and large loss events totalling \$215.2 million.

Favourable prior accident year loss development for the undiscounted net movement in loss reserves was \$122.8 million during 2025. This was primarily due to general IBNR, catastrophe and large loss reserve releases on the 2024 and 2023 accident years and a further strengthening in reserves of \$32.9 million relating to direct and indirect losses from the Ukraine conflict.

In comparison, the favourable prior accident year undiscounted net movement in loss reserves during 2024 was \$93.3 million.

This continues our track record of favourable reserve releases and the Group remains conservatively reserved at an 85% confidence interval.

### Net discounting benefit

The table below shows the total net impact of discounting in respect of both insurance contracts issued, and reinsurance contracts held, by financial statement line item.

For the year ended	31 December 2025			31 December 2024		
	Insurance contracts issued \$m	Reinsurance contracts held \$m	Total \$m	Insurance contracts issued \$m	Reinsurance contracts held \$m	Total \$m
<b>Initial discount included in insurance service result</b>	<b>169.3</b>	<b>(33.9)</b>	<b>135.4</b>	<b>144.4</b>	<b>(24.1)</b>	<b>120.3</b>
Unwind of discount	(101.1)	23.6	(77.5)	(95.5)	26.9	(68.6)
Impact of change in assumptions	(32.5)	7.1	(25.4)	17.6	(2.9)	14.7
<b>Finance (expense) income</b>	<b>(133.6)</b>	<b>30.7</b>	<b>(102.9)</b>	<b>(77.9)</b>	<b>24.0</b>	<b>(53.9)</b>
<b>Total net discounting income (expense)</b>	<b>35.7</b>	<b>(3.2)</b>	<b>32.5</b>	<b>66.5</b>	<b>(0.1)</b>	<b>66.4</b>

The total impact of discounting for 2025 was a net benefit of \$32.5 million, compared to a net benefit of \$66.4 million for 2024. The higher net initial discount in 2025 compared to 2024 is primarily due to the continued growth in the Group's underwriting portfolio and the impact of catastrophe and large losses events contributing to a higher quantum of initial loss reserves being established.

The discount rates for US dollar and pounds sterling have decreased in 2025. This has driven an adverse impact from the change in discount rate assumptions. The unwind of discount has increased and reflects the growth in the discount provision over recent years in what has been a relatively high discount rate environment.

In 2024, the discount rates increased across all major currencies creating a positive impact from the change in discount rate assumptions and a higher overall net benefit from discounting.

### Investments

For the year ended	31 December 2025 \$m	31 December 2024 \$m
<b>Total net investment return</b>	<b>218.0</b>	<b>162.2</b>

Total investment return, including net investment income, net realised gains and losses and net change in unrealised gains and losses, was \$218.0 million for 2025 compared to \$162.2 million for 2024. Net investment income, excluding realised and unrealised gains and losses, was \$164.7 million in 2025, an increase of 13.7% compared to 2024.

The investment portfolio generated a total investment return of 7.0% during 2025. The returns were driven by investment income, benefiting from higher yields combined with rising prices due to falling Treasury rates and a modest tightening of investment-grade credit spreads. In addition, the non-US dollar portfolios and cash, held for hedging purposes, benefitted from a weakening US dollar which added 50bps or \$15.8 million of investment return. The private investment funds also contributed strong returns during the year.

For 2024, the investment portfolio generated a positive return of 5.0%. The returns were driven primarily from investment income given the higher yields throughout most of the year. In addition to

positive returns from the fixed income portfolio, the risk assets, notably the bank loans and the private credit funds, contributed positively to the overall investment return.

The managed portfolio was invested as follows:

As at	31 December 2025 \$m	31 December 2024 \$m
Fixed maturity securities	2,810.2	2,603.8
Managed cash and cash equivalents	161.2	294.4
Private investment funds	291.2	253.1
Hedge funds	8.8	7.9
Other investments	(0.3)	0.1
<b>Total</b>	<b>3,271.1</b>	<b>3,159.3</b>

Key investment portfolio statistics for our fixed maturity securities and managed cash and cash equivalents were:

As at	31 December 2025	31 December 2024
Duration	2.1 years	2.0 years
Credit quality	A+	AA-
Book yield	4.6%	4.7%
Market yield	4.4%	5.0%

### Other operating expenses

For the year ended	31 December 2025 \$m	31 December 2024 \$m
Operating expenses - fixed	217.8	184.8
Operating expenses - variable	47.7	36.4
<b>Total operating expenses</b>	<b>265.5</b>	<b>221.2</b>
Directly attributable expenses allocated to insurance service expenses	(119.3)	(105.3)
<b>Other operating expenses</b>	<b>146.2</b>	<b>115.9</b>

The most significant driver of the increase in operating expenses for 2025, compared to 2024, was an increase in fixed and variable employment expenses. Our increased headcount, and the underlying growth in the underwriting portfolio, drove increases in IT, operational processing and office costs, as expected. In 2025, operating expenses also included some one-off project-related consultancy fees and an impairment charge recognised on internally generated intangible assets.

In 2025, \$119.3 million of operating expenses were considered directly attributable to the fulfillment of insurance contracts issued, and have therefore been re-allocated to insurance service expenses and form part of the insurance service result. This compares to \$105.3 million for 2024, and is reflective of the increase within the Group's operating expense base.

### Capital

As at 31 December 2025, total capital available to Lancashire was approximately \$2.0 billion, comprising shareholders' equity of \$1.5 billion and \$0.5 billion of long-term debt. Tangible capital was approximately \$1.7 billion. Leverage was 22.9% on total capital and 26.3% on tangible capital. Total capital and total tangible capital as at 31 December 2024 were \$1.9 billion and \$1.7 billion, respectively.

### Dividends

On 4 March 2026, Lancashire's Board of Directors declared a final ordinary dividend of \$0.15 (approximately £0.12) per common share, subject to a shareholder vote of approval at the AGM to be held on 29 April 2026, which will result in an aggregate payment of approximately \$36.0 million. The dividend will be paid in pounds sterling on 12 June 2026 (the "Dividend Payment Date") to shareholders of record on 15 May 2026 (the "Record Date") using the £ / \$ spot market exchange rate at 12 noon London time on the Record Date.

Lancashire's Board of Directors has declared a special dividend of \$0.50 per common share (approximately £0.37 per common share at the current exchange rate), which will result in an aggregate payment of approximately \$121.0 million. The dividend will be paid in pounds sterling on 17 April 2026 (the "Dividend Payment Date") to shareholders of record on 20 March 2026 (the "Record Date") using the £ / \$ spot market exchange rate at 12 noon London time on the Record Date.

### **Financial information**

The Audited Consolidated Financial Statements for the year ended 31 December 2025 are published on Lancashire's website at [www.lancashiregroup.com](http://www.lancashiregroup.com).

The 2025 Annual Report and Accounts will be available on Lancashire's website from 27 March 2026.

### **Analyst and investor earnings conference call**

There will be an analyst and investor conference call on the results at 1pm UK time / 9am Bermuda time / 8am EST on Thursday 5 March 2026. The conference call will be hosted by Lancashire management.

### **Participant registration and access information:**

#### **Audio conference call access:**

<https://emportal.ink/3Ly3NWb>

Please register at this link to obtain your personal audio conference pin and call details.

#### **Webcast access:**

<https://onlinexperiences.com/Launch/QReg/ShowUUID=B72B93FA-15FA-45DB-BC7E-38B5B78FDA0C>

Please use this link to register and access the call via webcast.

A webcast replay facility will be available for 12 months and accessible at:

<https://www.lancashiregroup.com/en/investors/results-reports-and-presentations.html>

For further information, please contact:

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## About Lancashire

Lancashire, through its operating subsidiaries, is a provider of global specialty insurance and reinsurance products. The Group companies carry the following ratings:

	<b>Financial Strength Rating<sup>1</sup></b>	<b>Financial Strength Outlook<sup>1</sup></b>	<b>Long Term Issuer Rating<sup>2</sup></b>
A.M. Best	A (Excellent)	Stable	bbb+
S&P Global Ratings	A	Stable	BBB+
Moody's	A3	Stable	Baa2

1. Financial Strength Rating and Financial Strength Outlook apply to Lancashire Insurance Company Limited and Lancashire Insurance Company (UK) Limited.

2. Long Term Issuer Rating applies to Lancashire Holdings Limited.

Lancashire Syndicates Limited benefits from Lloyd's ratings: A.M. Best: A+ (Excellent); S&P Global Ratings: AA- (Very Strong); and Fitch: AA- (Very Strong).

Lancashire's common shares trade in the equity shares (commercial companies) category of the Main Market of the London Stock Exchange under the ticker symbol LRE. Lancashire has its head office and registered office at Power House, 7 Par-la-Ville Road, Hamilton HM 11, Bermuda.

The Bermuda Monetary Authority is the Group Supervisor of the Lancashire Group.

For more information, please visit Lancashire's website at [www.lancashiregroup.com](http://www.lancashiregroup.com).

This release contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR. Upon the publication of this release via the Regulatory Information Service, this inside information will be considered to be in the public domain. The information was submitted for publication, through the agency of the contact persons set out above, at 07:00 UK time on 5 March 2026.

## Alternative Performance Measures (APMs)

As is common practice within the insurance industry, the Group also utilises certain non-GAAP measures to evaluate, monitor and manage the business and to aid users' understanding of the Group. Management believes that APMs 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 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 Financial Reporting Council, as applied by the Financial Conduct Authority, information on APMs which the Group use is described below. This information has not been audited.

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

### Net insurance ratio:

Ratio, in per cent, of net insurance expenses to net insurance revenue. Net insurance expenses represent the insurance service expenses less amounts recoverable from reinsurers. Net insurance revenue represents insurance revenue less allocation of reinsurance premium.

<b>For the year ended 31 December</b>	<b>2025</b>	<b>2024</b>
Insurance service expenses	1,451.2	1,186.1
Amounts recoverable from reinsurers	(395.4)	(240.3)
<b>Net insurance expenses</b>	<b>1,055.8</b>	<b>945.8</b>
Insurance revenue	1,860.4	1,765.1
Allocation of reinsurance premium	(423.5)	(439.4)
<b>Net insurance revenue</b>	<b>1,436.9</b>	<b>1,325.7</b>
<b>Net insurance ratio</b>	<b>73.5%</b>	<b>71.3%</b>

### Operating expense ratio:

Ratio, in per cent, of other operating expenses, excluding equity-based compensation expense, to net insurance revenue.

<b>For the year ended 31 December</b>	<b>2025</b>	<b>2024</b>
Other operating expenses	146.2	115.9
Net insurance revenue	1,436.9	1,325.7
<b>Operating expense ratio</b>	<b>10.2%</b>	<b>8.7%</b>

### Combined ratio (discounted):

Ratio, in per cent, of the sum of net insurance expenses plus other operating expenses to net insurance revenue.

<b>For the year ended 31 December</b>	<b>2025</b>	<b>2024</b>
Net insurance ratio	73.5%	71.3%
Operating expense ratio	10.2%	8.7%
<b>Combined ratio (discounted)</b>	<b>83.7%</b>	<b>80.0%</b>

### Combined ratio (undiscounted) (KPI):

Ratio, in per cent, of the sum of net insurance expenses plus other operating expenses to net insurance revenue. This ratio excludes the impact of the discounting recognised within net insurance expenses.

<b>For the year ended 31 December</b>	<b>2025</b>	<b>2024</b>
Combined ratio (discounted)	83.7%	80.0%
Discount included in net insurance expenses	135.4	120.3
Net insurance revenue	1,436.9	1,325.7
Discounting impact on combined ratio	9.4%	9.1%
<b>Combined ratio (undiscounted)</b>	<b>93.1%</b>	<b>89.1%</b>

### Diluted book value per share ('DBVS') attributable to the Group:

Calculated based on the value of the total shareholders' equity attributable to the Group, divided by the sum of all shares and dilutive restricted stock units (as calculated under the treasury stock method), assuming all are exercised.

<b>As at 31 December</b>	<b>2025</b>	<b>2024</b>
Shareholders' equity attributable to the Group	1,509.3	1,493.3
Common voting shares outstanding*	242,559,721	240,584,795
Shares relating to dilutive restricted stock	8,555,268	6,877,762
Fully converted book value denominator	251,114,989	247,462,557
<b>Diluted book value per share</b>	<b>\$6.01</b>	<b>\$6.03</b>

\*Common voting shares outstanding comprise issued share capital less amounts held in trust.

**Change in DBVS (KPI):**

The internal rate of return of the change in DBVS in the period plus accrued dividends. Sometimes referred to as RoE.

As at 31 December	2025	2024
Opening DBVS	\$6.03	\$6.17
Q1 dividend per share	\$0.25	\$0.50
Q2 dividend per share	\$0.15	\$0.15
Q3 dividend per share	\$0.075	\$0.075
Q4 dividend per share	\$0.75	\$0.75
Closing DBVS	\$6.01	\$6.03
<b>Change in DBVS</b>	<b>20.9%</b>	<b>23.4%</b>

**Total investment return (KPI):**

Total investment return in percentage terms is calculated by dividing the total net investment return, excluding interest income on non-managed cash and cash equivalents, by the investment portfolio net asset value, including managed cash and cash equivalents, on a daily basis. These daily returns are then geometrically linked to provide a total return for the period, which includes the net impact of foreign exchange. The total investment return can be approximated by dividing the total net investment return, excluding interest on non-managed cash and cash equivalents, and including net foreign exchange gains and losses related to investments and managed cash and cash equivalents, by the average portfolio net asset value, including managed cash and cash equivalents.

For the year ended 31 December	2025	2024
Net investment return	218.0	162.2
Less interest income on non-managed cash and cash equivalents	(13.8)	(13.6)
Net foreign exchange gains / (losses) related to investments and managed cash and cash equivalents	15.8	(6.0)
<b>Net investment return adjusted for interest and foreign exchange</b>	<b>220.0</b>	<b>142.6</b>
Average invested assets including managed cash and cash equivalents*	3,215.2	2,939.3
Approximate total investment return	6.8%	4.9%
<b>Reported total investment return</b>	<b>7.0%</b>	<b>5.0%</b>

\*Calculated as the average between the opening and closing investments and managed cash and cash equivalents.

**Total shareholder return (KPI):**

Determined using the simple method of calculating the increase/(decrease) in the Group's share price, adjusted for dividends (included at the ex-dividend date) as recalculated below. This measurement basis will generally approximate the increase/(decrease) in share price in the period measured on a total return basis, which assumes the reinvestment of dividends.

As at 31 December	2025	2024
Opening share price	\$8.25	\$7.96
Q1 dividend per share	\$0.25	\$0.50
Q2 dividend per share	\$0.75	\$0.15
Q3 dividend per share	\$0.075	\$0.075
Q4 dividend per share	\$0.75	\$0.75
Q4 closing share price	\$8.62	\$8.25
<b>Total shareholder return</b>	<b>19.4%</b>	<b>22.1%</b>

**Gross premiums written:**

The Group adopted IFRS 17 on 1 January 2023. Under IFRS 4, the previous insurance accounting standard, the Group reported gross premiums written on the consolidated statement of comprehensive income as amounts payable by the insured, excluding any taxes or duties levied on the premium, including brokerage and commission deducted by intermediaries and any inwards reinstatement premiums. The Group continues to report gross premiums written as a growth metric and non-GAAP APM.

The table below reconciles gross premiums written on an IFRS 4 basis to insurance revenue on an IFRS 17 basis.

For the year ended 31 December	2025	2024
Gross premiums written	2,259.3	2,149.6
Change in unearned premiums	(57.3)	(105.9)
<b>Gross premiums earned</b>	<b>2,202.0</b>	<b>2,043.7</b>
Adjust for reinstatement premiums	(44.6)	(5.3)
Less commission and non-distinct investment components	(297.0)	(273.3)
<b>Total insurance revenue</b>	<b>1,860.4</b>	<b>1,765.1</b>

**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.

For the year ended 31 December	2025	2024
Gross premiums written by the Group	2,259.3	2,149.6
LSL Syndicate 2010 - external Names portion of gross premiums written (unconsolidated)	81.0	120.5
<b>Total gross premiums written under management</b>	<b>2,340.3</b>	<b>2,270.1</b>

#### **NOTE REGARDING RPI METHODOLOGY**

THE RENEWAL PRICE INDEX (“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 THE ASSESSMENT NOTED ABOVE. TO ENHANCE THE RPI METHODOLOGY, MANAGEMENT MAY REVISE THE METHODOLOGY AND ASSUMPTIONS UNDERLYING THE RPI, SO 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.

#### **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”, “AIMS”, “ANTICIPATES”, “PLANS”, “PROJECTS”, “FORECASTS”, “GUIDANCE”, “POLICY”, “INTENDS”, “EXPECTS”, “ESTIMATES”, “PREDICTS”, “MAY”, “CAN”, “LIKELY”, “WILL”, “SEEKS”, “SHOULD”, OR, IN EACH CASE, THEIR NEGATIVE OR COMPARABLE TERMINOLOGY. 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 IMPACT OF THE ONGOING CONFLICT IN UKRAINE, INCLUDING ANY ESCALATION OR EXPANSION THEREOF, THE CONTINUED UNCERTAINTY OF THE SITUATION IN RUSSIA, INCLUDING ISSUES RELATING TO COVERAGE AND THE IMPACT OF SANCTIONS, THE SECURITIES IN THE GROUP’S INVESTMENT PORTFOLIO AND ON GLOBAL FINANCIAL MARKETS GENERALLY, AS WELL AS ANY GOVERNMENTAL OR REGULATORY CHANGE ARISING THEREFROM; AND OTHER ADVERSE MARKET CONDITIONS GENERALLY; POTENTIAL FURTHER HOSTILITIES IN THE MIDDLE EAST, INCLUDING ANY ESCALATION THEREOF AND ITS IMPACT ON THE STABILITY OF THE REGION, GLOBAL SUPPLY ROUTES AND INSURANCE AND FINANCIAL MARKETS; THE ACTUAL DEVELOPMENT OF LOSSES AND EXPENSES IMPACTING ESTIMATES FOR CLAIMS WHICH ARISE AS A RESULT OF THE WILDFIRES IN CALIFORNIA, WHICH OCCURRED IN THE FIRST QUARTER OF 2025, HURRICANES MILTON, DEBBY AND HELENE, THE CALGARY HAILSTORMS AND EUROPEAN STORM BORIS, ALL OF WHICH OCCURRED IN THE SECOND HALF OF 2024, THE IMPACT OF THE COLLAPSE OF THE FRANCIS SCOTT KEY BRIDGE IN BALTIMORE, WHICH OCCURRED IN THE FIRST QUARTER OF 2024; HURRICANE IAN, WHICH OCCURRED IN THE THIRD QUARTER OF 2022, THE COVID-19 PANDEMIC, 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, AND FURTHER HURRICANES, TYPHOONS, MARINE LOSSES, EARTHQUAKES AND WILDFIRES, WHICH OCCURRED IN 2017 TO 2020, 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 RELEVANT 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; THE AVAILABILITY TO THE GROUP OF THE EXCLUSION THAT REMOVES COMPANIES WITH A LIMITED INTERNATIONAL PRESENCE FROM THE SCOPE OF BERMUDA CORPORATE INCOME TAX FOR A PERIOD OF UP TO FIVE YEARS FROM 1 JANUARY 2025 AND THE IMPACT OF 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 INSURED, MARKET INTELLIGENCE, INITIAL AND/OR TENTATIVE LOSS REPORTS AND OTHER SOURCES. JUDGEMENTS IN RELATION TO LOSSES 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 ANY SUCH ESTIMATES AS SUBSEQUENTLY AVAILABLE INFORMATION MAY CONTRIBUTE TO AN INCREASE IN THESE TYPES OF LOSSES. ALL FORWARD-LOOKING STATEMENTS IN THIS RELEASE OR OTHERWISE 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 COULD CAUSE ACTUAL RESULTS TO DIFFER BEFORE MAKING AN INVESTMENT DECISION.

## Consolidated statement of comprehensive income

For the year ended 31 December	2025 \$m	2024 \$m
Insurance revenue	1,860.4	1,765.1
Insurance service expenses	(1,451.2)	(1,186.1)
<b>Insurance service result before reinsurance contracts held</b>	<b>409.2</b>	<b>579.0</b>
Allocation of reinsurance premium	(423.5)	(439.4)
Amounts recoverable from reinsurers	395.4	240.3
<b>Net expense from reinsurance contracts held</b>	<b>(28.1)</b>	<b>(199.1)</b>
<b>Insurance service result</b>	<b>381.1</b>	<b>379.9</b>
Net investment return	218.0	162.2
Finance expense from insurance contracts issued	(133.6)	(77.9)
Finance income from reinsurance contracts held	30.7	24.0
<b>Net insurance and investment result</b>	<b>496.2</b>	<b>488.2</b>
Share of profit of associate	3.2	8.6
Other income	7.3	10.4
Net foreign exchange gains (losses)	1.7	(2.6)
Other operating expenses	(146.2)	(115.9)
Equity based compensation	(23.5)	(19.0)
Financing costs	(33.8)	(33.0)
<b>Profit before tax</b>	<b>304.9</b>	<b>336.7</b>
Tax charge	(11.5)	(15.4)
<b>Profit after tax</b>	<b>293.4</b>	<b>321.3</b>
<b>Earnings per share</b>		
Basic	\$1.21	\$1.34
Diluted	\$1.17	\$1.30

## Consolidated statement of financial position

As at 31 December	2025 \$m	2024 \$m
<b>Assets</b>		
Cash and cash equivalents	561.4	684.3
Accrued interest receivable	24.6	22.0
Investments	3,109.9	2,864.9
Reinsurance contract assets	717.8	557.2
Other receivables	101.2	20.5
Corporation tax receivable	0.4	—
Investment in associate	4.8	9.1
Right-of-use assets	22.7	16.2
Property, plant and equipment	8.2	8.7
Intangible assets	253.0	197.0
<b>Total assets</b>	<b>4,804.0</b>	<b>4,379.9</b>
<b>Liabilities</b>		
Insurance contract liabilities	2,712.1	2,300.4
Other payables	89.8	91.9
Corporation tax payable	—	2.7
Deferred tax liability	15.6	22.3
Lease liabilities	29.7	22.3
Long-term debt	447.5	447.0
<b>Total liabilities</b>	<b>3,294.7</b>	<b>2,886.6</b>
<b>Shareholders' equity</b>		
Share capital	122.0	122.0
Own shares	(8.7)	(20.5)
Other reserves	1,249.6	1,242.3
Retained earnings	146.4	149.5
<b>Total shareholders' equity</b>	<b>1,509.3</b>	<b>1,493.3</b>
<b>Total liabilities and shareholders' equity</b>	<b>4,804.0</b>	<b>4,379.9</b>

## Consolidated statement of cash flows

For the year ended 31 December	2025 \$m	2024 \$m
<b>Cash flows from operating activities</b>		
Profit before tax	304.9	336.7
<b>Adjustments for:</b>		
Tax paid	(20.9)	(7.7)
Depreciation	7.3	6.3
Amortisation on intangible assets	3.0	1.2
Impairment of internally generated intangible assets	10.3	—
Interest expense on long-term debt	25.8	25.8
Interest expense on lease liabilities	1.4	1.3
Interest income	(145.4)	(131.5)
Dividend income	(18.5)	(16.6)
Net unrealised gains on investments	(58.2)	(20.4)
Net realised gains on investments	(1.3)	(2.7)
Equity based compensation	23.5	19.0
Foreign exchange losses	4.4	1.2
Share of profit of associate	(3.2)	(8.6)
<b>Changes in operational assets and liabilities</b>		
Insurance and reinsurance contracts	210.5	316.9
Other assets and liabilities	(21.3)	52.9
<b>Net cash flows from operating activities</b>	<b>322.3</b>	<b>573.8</b>
<b>Cash flows used in investing activities</b>		
Interest income received	142.9	126.2
Dividend income received	18.5	16.6
Purchase of property, plant and equipment	(2.3)	(1.5)
Purchase of syndicate participation rights	(68.0)	(11.2)
Internally generated intangible assets	(1.3)	(5.9)
Investment in associate	7.5	15.7
Advance to purchase private investment fund	(70.0)	—
Purchase of investments	(1,586.2)	(1,785.8)
Proceeds on sale of investments	1,425.3	1,394.0
<b>Net cash flows used in investing activities</b>	<b>(133.6)</b>	<b>(251.9)</b>
<b>Cash flows used in financing activities</b>		
Interest paid	(25.8)	(25.8)
Lease liabilities paid	(6.0)	(4.0)
Dividends paid	(296.5)	(354.2)
Distributions by trust	(5.1)	(2.1)
<b>Net cash flows used in financing activities</b>	<b>(333.4)</b>	<b>(386.1)</b>
Net decrease in cash and cash equivalents	(144.7)	(64.2)
Cash and cash equivalents at beginning of year	684.3	756.9
Effect of exchange rate fluctuations on cash and cash equivalents	16.1	(8.2)
Effect of other items on cash and cash equivalents <sup>1</sup>	5.7	(0.2)
<b>Cash and cash equivalents at end of year</b>	<b>561.4</b>	<b>684.3</b>