

OCIL CONSOLIDATED STATEMENT OF  
SHAREHOLDERS' EQUITY (UNAUDITED)

(\$'000)	28-Feb-17
<b>Capital</b>	
Common shares at beginning of period	280
Shares issued in period	-
Shares redeemed in period	-
Common shares outstanding at end of period	<u>280</u>
<b>Retained earnings</b>	
Retained earnings at beginning of period	538,841
Net income for period	<u>30,937</u>
Retained earnings at end of period	<u>569,778</u>
<b>Total shareholders' equity</b>	<u><u>570,058</u></u>



Bertil C. Olsson

*President & Chief Executive Officer*

3 BERMUDIANA ROAD  
HAMILTON HM 08  
BERMUDA

P.O. BOX HM 1751  
HAMILTON HM GX  
BERMUDA

TEL: 441-295-0905  
FAX: 441-295-0351  
WWW.OCIL.BM



OIL CASUALTY INSURANCE, LTD.

FIRST  
QUARTER  
REPORT  
2017

OIL CASUALTY INSURANCE, LTD.  
FIRST QUARTER REPORT FOR THE PERIOD  
ENDING FEBRUARY 28, 2017

OCIL CONSOLIDATED STATEMENTS OF  
OPERATIONS (UNAUDITED)

OCIL CONSOLIDATED BALANCE SHEETS  
(UNAUDITED)

**INSURANCE OPERATIONS:**

Premiums written for the three months ended February 28, 2017, increased to \$46.2 million compared to \$31.6 million in the comparative period. The increase in premiums written is primarily due to an increase in the assumed reinsurance business and OCIL's Lloyd's corporate member business written in the period. Net premiums earned for the three months ended February 28, 2017 increased to \$32.2 million compared to \$26.7 million in the comparative period. The increase was primarily due to the increase in assumed reinsurance business in 2016 and 2017.

During the three months ended February 28, 2017, losses and loss expenses incurred of \$9.3 million related to: (i) net case reserves totaling \$6.8 million on the Company's assumed reinsurance book of business; (ii) an increase in provisions for losses incurred but not reported totaling \$1.9 million across the Company's entire book of business; (iii) net reserves on OCIL's Lloyd's corporate member business of \$0.3 million; and (iv) \$0.3 million loss and loss adjustment expenses incurred in the period.

During the three months ended February 28, 2017, the Company recorded net income of \$30.9 million compared to a net loss of \$18.9 million in the comparative period.

**INVESTMENTS:**

During the three month period ended February 28, 2017, bond, fund of hedge funds and global equity markets all increased. For the three months ended February 28, 2017, returns on the Company's global equity, global fixed income and fund of hedge fund portfolios were approximately, 8.0%, 1.6% and 2.0%, respectively. Including cash, the Company's invested assets returned 1.9% over the three month period.

(\$'000)	THREE MONTHS ENDED		(\$'000)	28-Feb-17	30-Nov-16
	28-Feb-17	28-Feb-16			
<b>Income</b>			<b>Assets</b>		
Premiums written	46,174	31,618	Cash and cash equivalents	85,984	93,058
Change in unearned premiums written	(4,424)	6,017	Investments at fair value	783,991	765,712
Premiums earned	41,750	37,635	Other investments	86,300	85,203
Premiums ceded	(4,525)	(3,672)	Restricted assets	168,399	150,244
Change in prepaid reinsurance premiums	(5,012)	(7,242)	Investment sales pending settlement	32,241	52,882
Net premiums earned	32,213	26,721	Accrued investment income	4,441	4,132
Losses and loss expenses incurred	(9,271)	(13,259)	Losses recoverable from reinsurers	193,087	192,944
Commission and brokerage fees	(4,971)	(4,286)	Accounts receivable	88,702	81,514
<b>Net underwriting income (loss)</b>	17,971	9,176	Funds withheld	18,814	15,822
Interest income	4,365	3,910	Prepaid reinsurance premiums	12,956	17,968
Net gains (losses) on investments	15,885	(24,337)	Other assets	15,402	14,104
Dividend income	143	197	<b>Total assets</b>	1,490,317	1,473,583
Investment advisory and custodian fees	(826)	(1,054)	<b>Liabilities</b>		
Interest expenses	(2,902)	(3,017)	Outstanding losses and loss expenses	522,943	522,691
<b>Net investment income (loss)</b>	16,665	(24,301)	Unearned premiums	114,163	109,739
General and administrative expenses	(3,699)	(3,761)	Securities sold short	18,050	18,022
<b>Net income (loss)</b>	30,937	(18,886)	Investment purchases pending settlement	62,017	82,691
			Loan payable	141,176	141,144
			Reinsurance premium payable	32,015	36,616
			Amounts due to affiliates	3,235	949
			Accounts payable	26,660	22,610
			<b>Total liabilities</b>	920,259	934,462
			<b>Shareholders' equity</b>		
			Common shares	280	280
			Retained earnings	569,778	538,841
			<b>Total shareholders' equity</b>	570,058	539,121
			<b>Total liabilities and shareholders' equity</b>	1,490,317	1,473,583