

OCIL CONSOLIDATED STATEMENT OF  
SHAREHOLDERS' EQUITY (UNAUDITED)

(\$'000)	28-Feb-18
<b>Capital</b>	
Common shares at beginning of period	270
Shares issued in period	-
Shares redeemed in period	(5)
Common shares outstanding at end of period	265
<b>Retained earnings</b>	
Retained earnings at beginning of period	545,634
Net income for period	284
Retained earnings at end of period	545,918
<b>Total shareholders' equity</b>	<b>546,183</b>



Bertil C. Olsson

*President & Chief Executive Officer*



FIRST  
QUARTER  
REPORT  
2018



OIL CASUALTY INSURANCE, LTD.

OIL CASUALTY INSURANCE, LTD.  
FIRST QUARTER REPORT FOR THE PERIOD  
ENDING FEBRUARY 28, 2018

OCIL CONSOLIDATED STATEMENTS OF  
OPERATIONS (UNAUDITED)

OCIL CONSOLIDATED BALANCE SHEETS  
(UNAUDITED)

**INSURANCE OPERATIONS:**

Premiums written for the three months ended February 28, 2018, increased to \$58.9 million compared to \$46.2 million in the comparative period. Net premiums earned for the three months ended February 28, 2018 increased to \$42.6 million compared to \$32.2 million in the comparative period. The increase in premium written and earned was primarily due to an increase in assumed reinsurance business and OCIL's Lloyd's corporate member business in the period.

During the three months ended February 28, 2018, losses and loss expenses incurred of \$27.1 million primarily related to: (i) net case and IBNR reserves totaling \$14.8 million on the assumed reinsurance book of business; (ii) net case and IBNR reserves totaling \$6.6 million on the direct liability and property books of business; and (iii) net reserves on OCIL's Lloyd's corporate member business of \$5.2 million.

During the three months ended February 28, 2018, the Company recorded net underwriting income of \$6.8 million compared to net underwriting income of \$18.0 million in the comparative period.

**INVESTMENTS:**

During the three month period ended February 28, 2018, the global equity portfolio returned gains whilst the bond and fund of hedge funds portfolios declined. For the three months ended February 28, 2018, returns on the Company's global equity, global fixed income and fund of hedge fund portfolios were approximately, 2.4%, (0.2)% and (0.9)%, respectively. Including cash, the Company's invested assets were flat over the three month period.

**NET INCOME:**

During the three months ended February 28, 2018, the Company recorded net income of \$0.3 million compared to net income of \$30.9 million in the comparative period.

(\$'000)	THREE MONTHS ENDED		(\$'000)	28-Feb-18	30-Nov-17
	28-Feb-18	28-Feb-17			
<b>Income</b>			<b>Assets</b>		
Premiums written	58,940	46,174	Cash and cash equivalents	91,380	96,042
Change in unearned premiums written	(3,278)	(4,424)	Investments at fair value	731,636	733,272
Premiums earned	55,662	41,750	Other investments	87,432	88,260
Premiums ceded	(5,253)	(4,525)	Restricted assets	218,687	218,110
Change in prepaid reinsurance premiums	(7,856)	(5,012)	Investment sales pending settlement	35,712	29,675
Net premiums earned	42,553	32,213	Accrued investment income	4,078	3,763
Losses and loss expenses incurred	(27,061)	(9,271)	Losses recoverable from reinsurers	245,771	247,680
Commission and brokerage fees	(8,653)	(4,971)	Accounts receivable	157,165	135,603
Net underwriting income (loss)	6,839	17,971	Funds withheld	32,448	20,524
Interest income	5,064	4,365	Prepaid reinsurance premiums	18,950	26,805
Net gains (losses) on investments	(4,507)	15,885	Other assets	22,357	19,347
Dividend income	727	143	<b>Total assets</b>	<b>1,645,616</b>	<b>1,619,081</b>
Investment advisory and custodian fees	(1,026)	(826)	<b>Liabilities</b>		
Interest expenses	(2,872)	(2,902)	Outstanding losses and loss expenses	632,364	622,240
Net investment income (loss)	(2,614)	16,665	Unearned premiums	140,511	137,234
General and administrative expenses	(3,941)	(3,699)	Securities sold short	15,720	16,336
Net income (loss)	284	30,937	Investment purchases pending settlement	61,576	64,642
			Loan payable	139,332	139,301
			Reinsurance premium payable	42,080	49,731
			Amounts due to affiliates	4,574	3,120
			Accounts payable	63,276	40,573
			<b>Total liabilities</b>	<b>1,099,433</b>	<b>1,073,177</b>
			<b>Shareholders' equity</b>		
			Common shares	265	270
			Retained earnings	545,918	545,634
			<b>Total shareholders' equity</b>	<b>546,183</b>	<b>545,904</b>
			<b>Total liabilities and shareholders' equity</b>	<b>1,645,616</b>	<b>1,619,081</b>