Hiscox Ltd
Interim results

For the six months ended 30 June 2018

A good start to the year

- GWP up by 21% to $2.2bn
  - – Retail up 20%
  - – London Market up 16%
  - – Re & ILS up 29%
- Combined ratio 87.9%
- Profit before tax $164m, up 27%
- Interim dividend 13.25¢, up 5%
- On track to exceed one million retail customers in 2018

Financial performance

Group performance
Strong underwriting and growth

	30 June 2018 $m	30 June 2017 $m	**Change %**
Growth			
Gross premiums written	**2,228.8**	1,836.2	**21**
Net premiums written	**1,399.3**	1,275.0	**10**
Earnings			
Underwriting profit	**167.8**	121.8	**38**
Investment return	**19.7**	58.5*	**(66)**
Profit before tax	**163.6**	129.1	**27**
Profit before tax excl. monetary FX	**172.1**	167.9	**3**
Combined ratio excl. monetary FX	**87.8%**	89.7%	**(1.9)**
Capital			
Ordinary dividend (¢)	**13.25**	12.6	**5**
Net asset value			
$m	**2,419.7**	2,416.5	**0**
¢ per share	**853.1**	855.0	**0**
Return on equity	**13.5%**	11.2%	**2.3**

- Strong GWP growth in constant currency of 16%
- Underwriting profit up 38% to $168m
- Varied claims experience in first half
- Challenging environment for investments, improved in second quarter
- Reserve releases $154m (2017: $121m), 5% of opening net reserves
- Reducing loss estimates for 2017 catastrophes
- Dividend declared in US Dollars, up by 5%
- Change to US Dollar reporting largely moderates FX volatility

*Re-classification of investment fees.

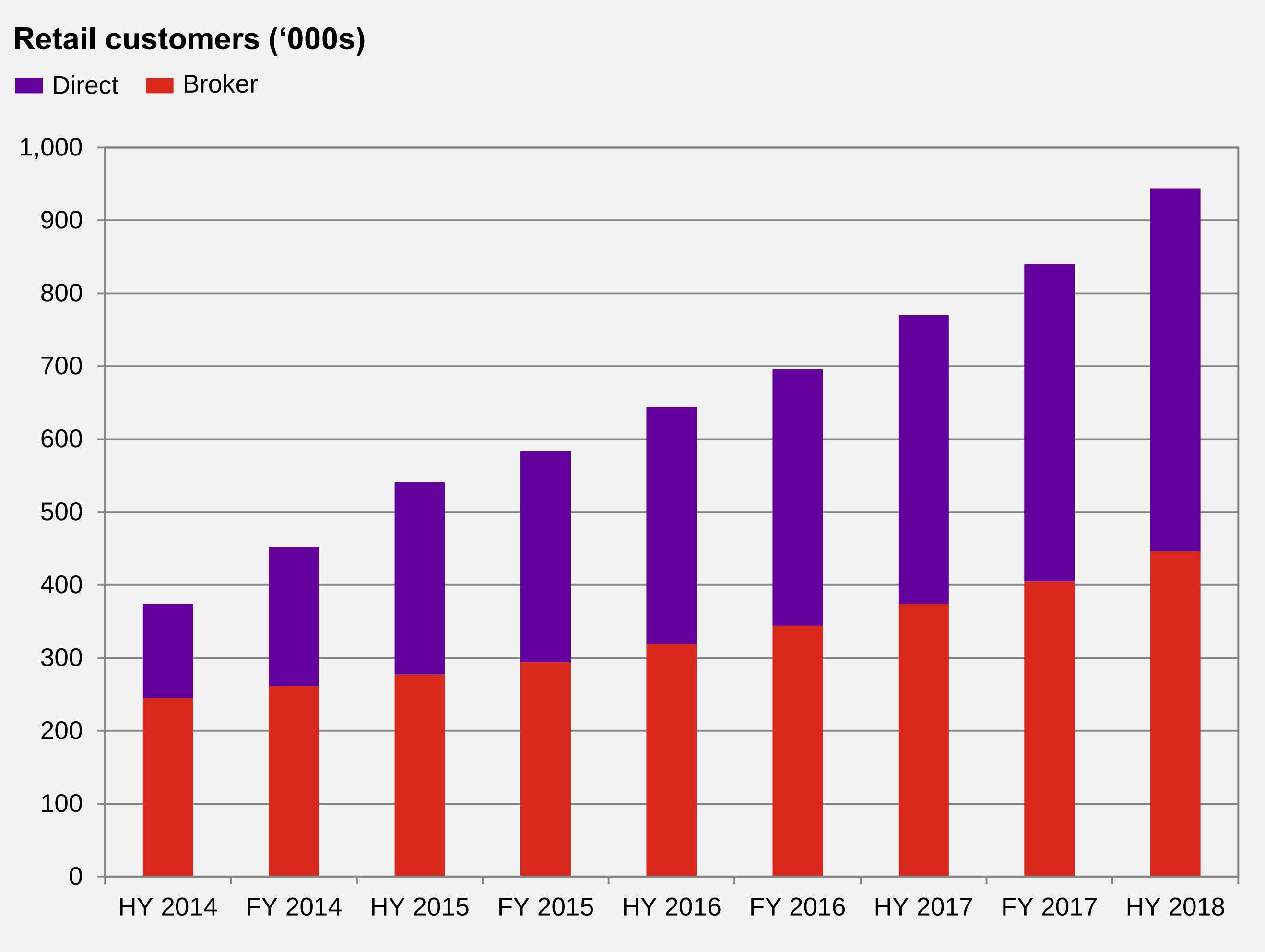
Hiscox Retail
Growth engine keeps delivering

	30 June 2018 $m	30 June 2017 $m
Growth		
Gross premiums written	**1,113.0**	930.4
Net premiums written	**982.2**	857.6
Earnings		
Underwriting profit	**91.8**	75.1
Investment result	**4.0**	14.7*
Profit before tax	**93.7**	92.3
Profit before tax excl. monetary FX	**95.8**	89.8
Combined ratio excl. monetary FX	**90.4%**	90.8%

- Strong GWP growth in constant currency of 13%
  - Hiscox UK & Ireland: 7%
  - Hiscox Europe: 10%
  - Hiscox USA: 22%
- Hiscox USA percentage growth expected to naturally taper as business reaches scale
- Retail delivers 55% of Group underwriting profits
- Benign commercial claims experience; uptick in household claims

*Re-classification of investment fees.

Hiscox Retail
The march towards one million retail customers



- Evolution of retail leadership structure
- Marketing spend for 2018 $75m
- 945,000 retail customers
- Investment in infrastructure supports future growth

Hiscox London Market
Growing where the opportunity is greatest

	30 June 2018 $m	30 June 2017 $m
Growth		
Gross premiums written	**458.7**	395.8
Net premiums written	**277.0**	251.3
Earnings		
Underwriting profit	**38.0**	22.1
Investment result	**4.9**	10.0
Profit before tax	**41.9**	21.7
Profit before tax excl. monetary FX	**42.8**	32.1
Combined ratio excl. monetary FX	**88.4%**	90.8%

- Growth of 13% in constant currency
- Out of the blocks quickly post-HIM, capitalising on rate improvement in:
  - major property
  - US household and commercial property binders
- Disciplined where rates are weaker
- Benefiting from earlier remedial action

Hiscox Re & ILS
Remaining focused and disciplined

	30 June 2018 $m	30 June 2017 $m
Growth		
Gross premiums written	**655.6**	510.0
Net premiums written	**197.4**	166.2
Earnings		
Underwriting profit	**52.1**	34.3
Investment result	**3.1**	16.3
Profit before tax	**57.1**	48.0
Profit before tax excl. monetary FX	**54.5**	49.9
Combined ratio excl. monetary FX	**72.3%**	81.2%

- Growth of 25% in constant currency – expected to slow in second half
- Capitalising on rate improvements in catastrophe-exposed and excess of loss business
- ILS and quota share profit commissions down after last year's HIM events
- Risk and specialist lines affected by large individual losses
  - California wildfires
  - ADNOC
  - Thomas Foods International
- ILS investors re-loaded, AUM now $1.6bn

Challenging investment environment
Investment return of $19.7m

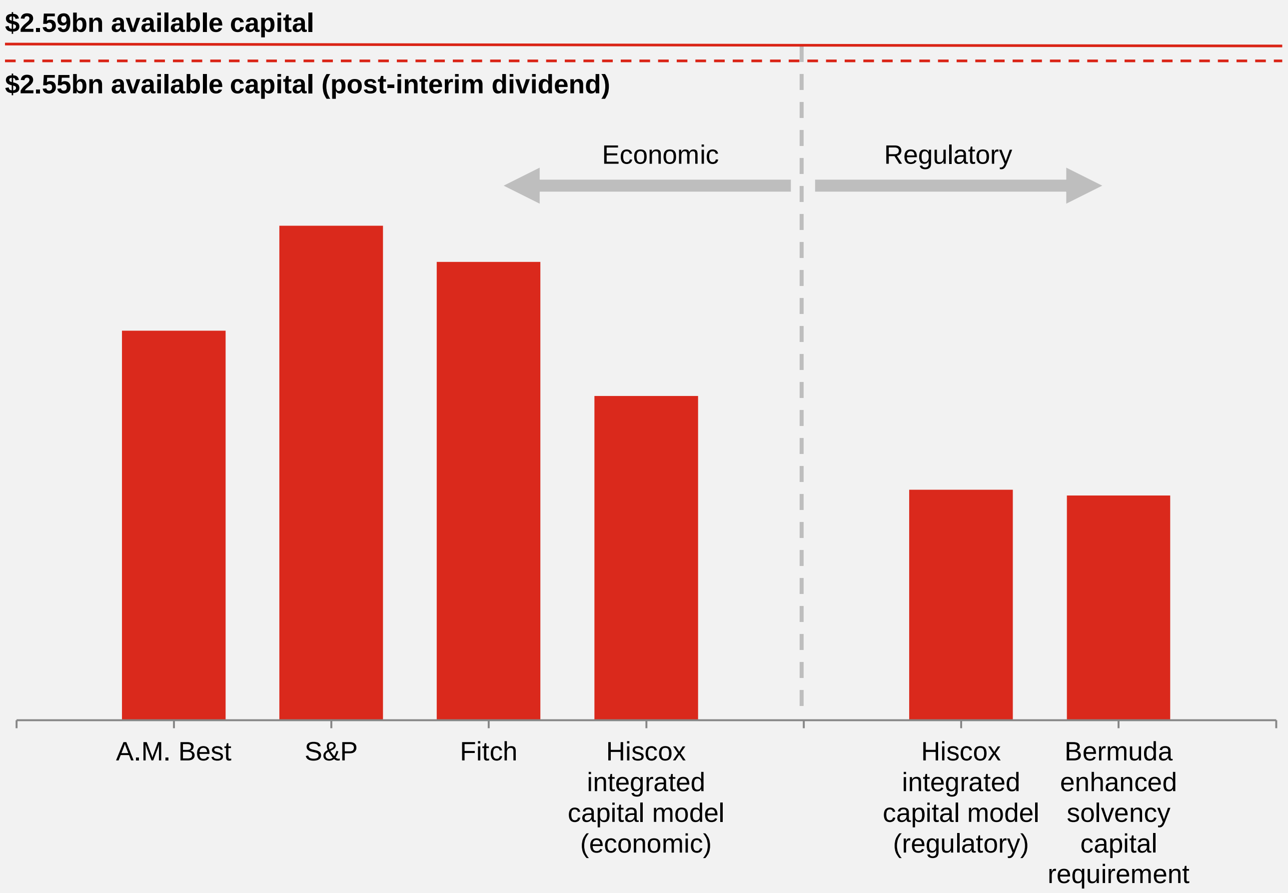
		30 June 2018			30 June 2017		
		Asset allocation %	**Annualised return %**	**Return $000**	Asset allocation %	Annualised return %	Return $000
Bonds	£	**13.2**	**0.2**		14.0	0.9	
	$	**50.8**	**0.6**		52.1	2.0	
	Other	**4.5**	**0.3**		8.8	(0.5)	
Bonds total		**68.5**	**0.5**	**11,604**	74.9	1.5	32,053
Equities		**6.7**	**2.1**	**4,610**	7.4	15.7	29,698
Deposits/cash/bonds <three months		**24.8**	**0.8**	**5,648**	17.7	0.4	1,810
Investment result – financial assets			**0.7**	**21,862**		2.3	63,561
Derivative returns				**709**			(1,974)
Investment fees				**(2,824)**			(3,054)
Investment result				**19,747**			58,533
Group invested assets				**$6,460m**			$5,740m

- Yield to maturity of bond portfolio 2.1% at 30 June 2018 (1.6% at 31 December 2017)
- Coupon income increasing, offset by effects of mark to market accounting
- Re-investing at rates above 2% for the first time since 2010
- Growth in Group invested assets includes $380m bond issuance

Well capitalised

HISCOX

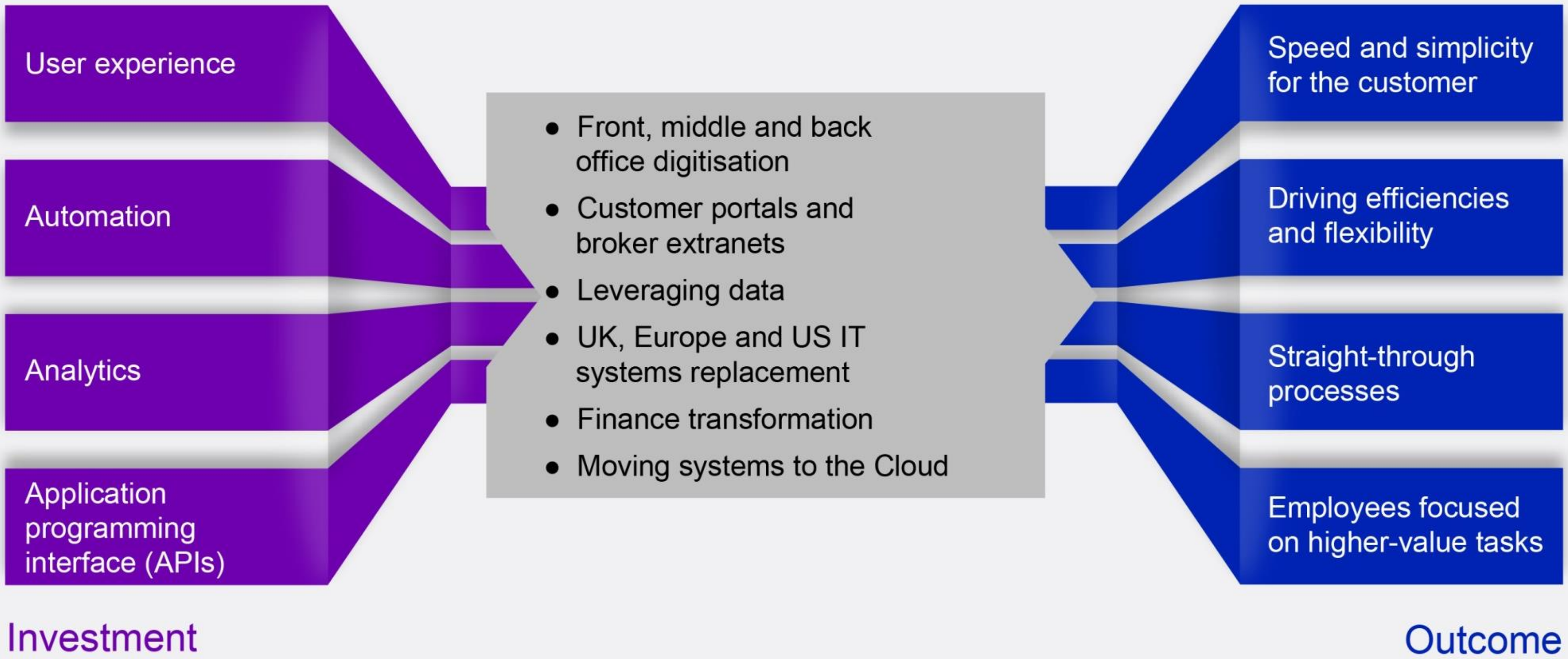
30 June 2018



- All capital bases satisfactorily capitalised
- Key constraint remains rating agency capital

Rating agency assessments shown are internal Hiscox assessments of the agency capital requirements on the basis of projected year end 2018. Hiscox uses the internally developed Hiscox integrated capital model to assess its own capital needs on both a trading (economic) and purely regulatory basis. All capital requirements have been normalised with respect to variations in the allowable capital in each assessment for comparison to a consistent available capital figure. The available capital figure comprises net tangible assets and subordinated debt.

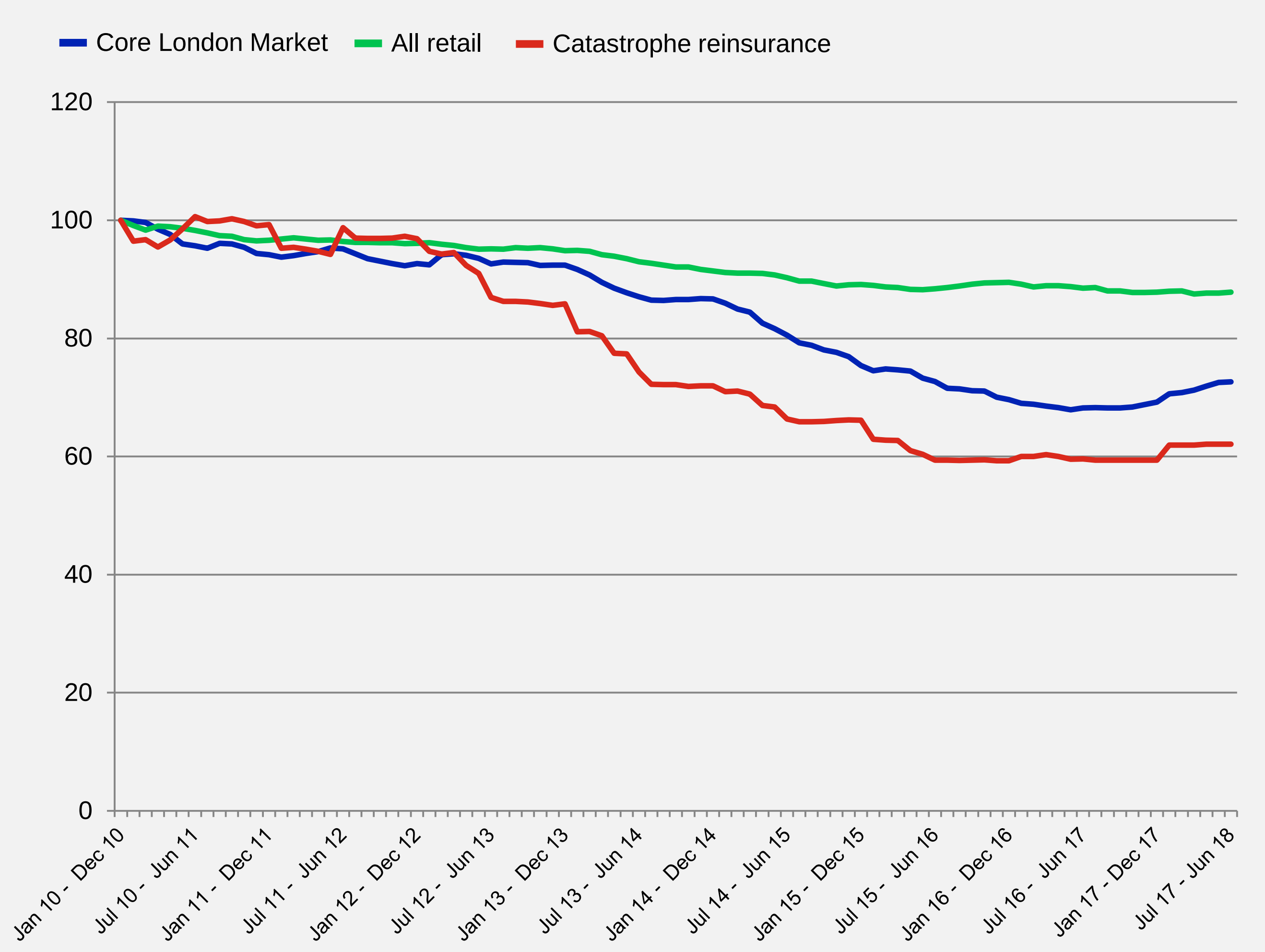
On-going investment in IT and digital
Building a business for the future



Cumulative annualised impact: +1% to +1.5% to expense ratio (three to five years)

Underwriting

Opportunity across the portfolio as big-ticket rate momentum slows



- Hiscox London Market
  - Overall rates up 5%
  - Major property up 16%
  - US household and commercial property binders up 10%
- Hiscox Re & ILS
  - Overall rates up 10%
  - North American catastrophe up 7%
  - International catastrophe flat
  - Risk excess up 10%
- Hiscox Retail
  - Rates remain stable
- Rates flattening at half year

An actively managed business

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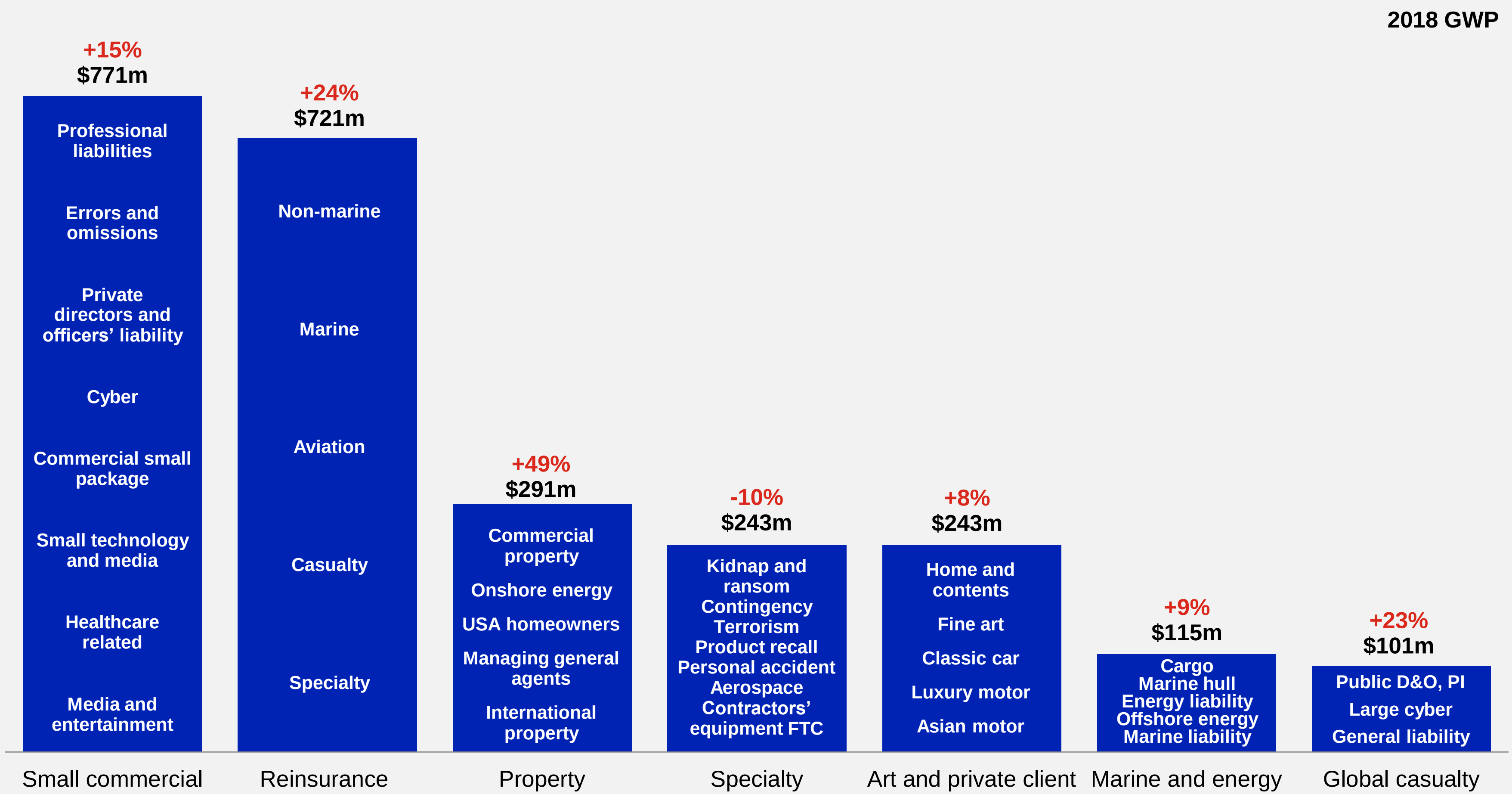
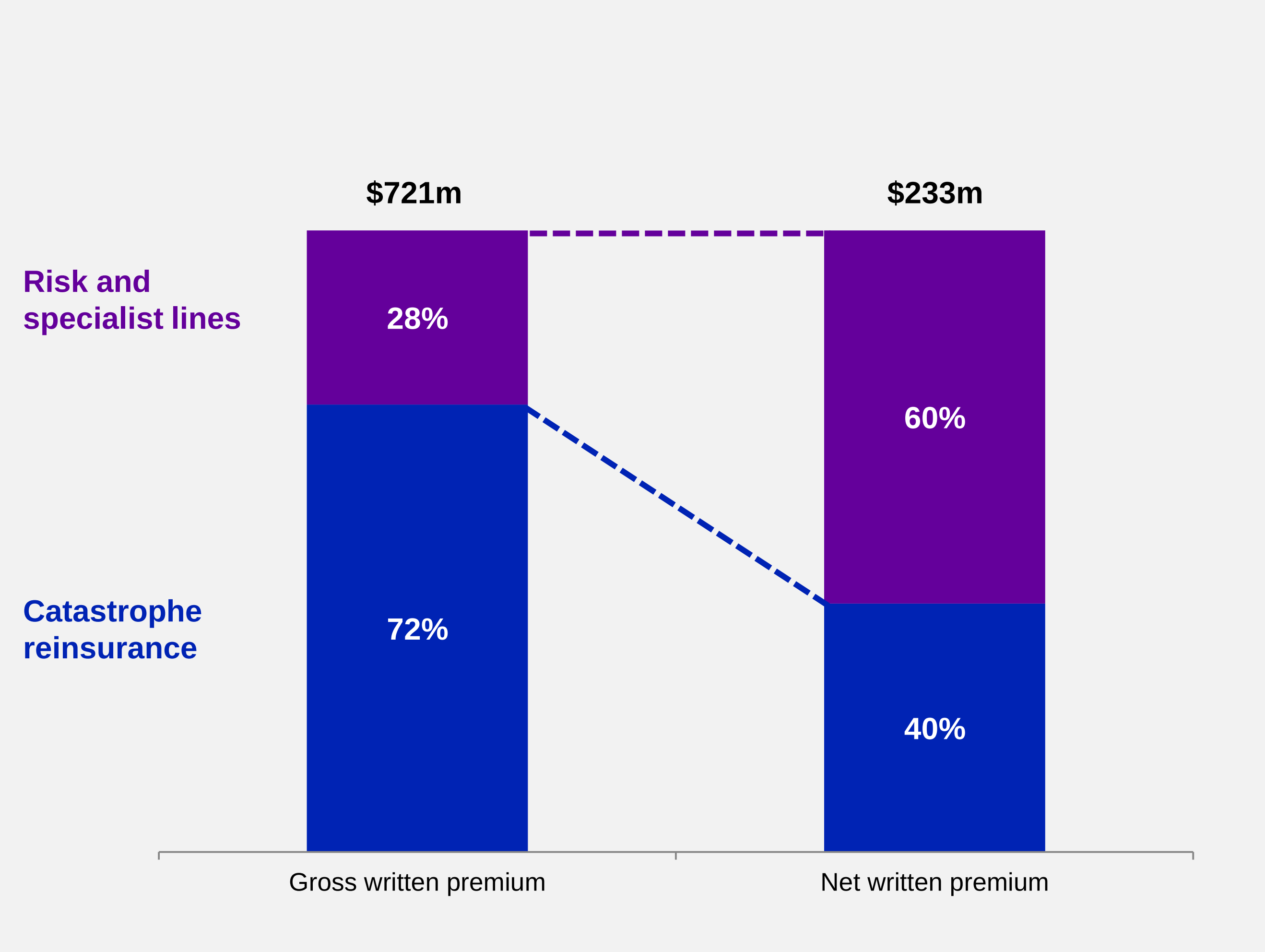
Total Group controlled premium 30 June 2018: $2,485 million

Period-on-period in constant currency



Our hybrid reinsurance strategy
More than a catastrophe bet



Risk and specialist lines

- Supported by Hiscox balance sheet
- Partially protected by reinsurance
- Hiscox economics driven by underwriting performance with some fees and commissions

Catastrophe reinsurance

- Higher vertical exposure
- Supported by quota share and third-party capital (ILS)
- Hiscox economics improved by fees, profit commissions and underwriting performance

100% controlled premium.

Hiscox UK direct commercial
Human where it matters, digital where it counts

Advanced analytics
- Uses proprietary data and analytics
- Identifies common traits to ensure customers buy the right products
- Continuous improvement through machine learning

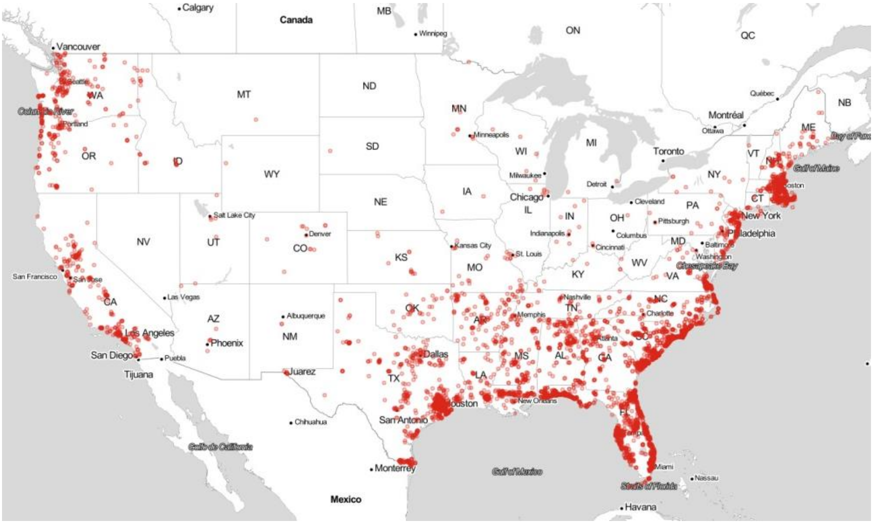
Hiscox benefits
- More value per customer
- Deeper relationships
- Better retention

Customer benefits
- More focused conversations
- More appropriate coverage
- Less underinsurance
- More informed customer choice

FloodPlus
Leading in data and distribution

- New technology and APIs give coverholders direct access to market-leading private flood product
- Real-time pricing and exposure management for Hiscox
- Platform automatically underwrites risks
- Advanced analytics identifies poor performing segments quickly
- Better cover, fairer price for customers
- Seven consortium partners
- Hiscox takes 30% share of all risks

FloodPlus platform quoting 1,200 risks per day



Dots represent policies.

Developing a service-led offering
Security Incident Response

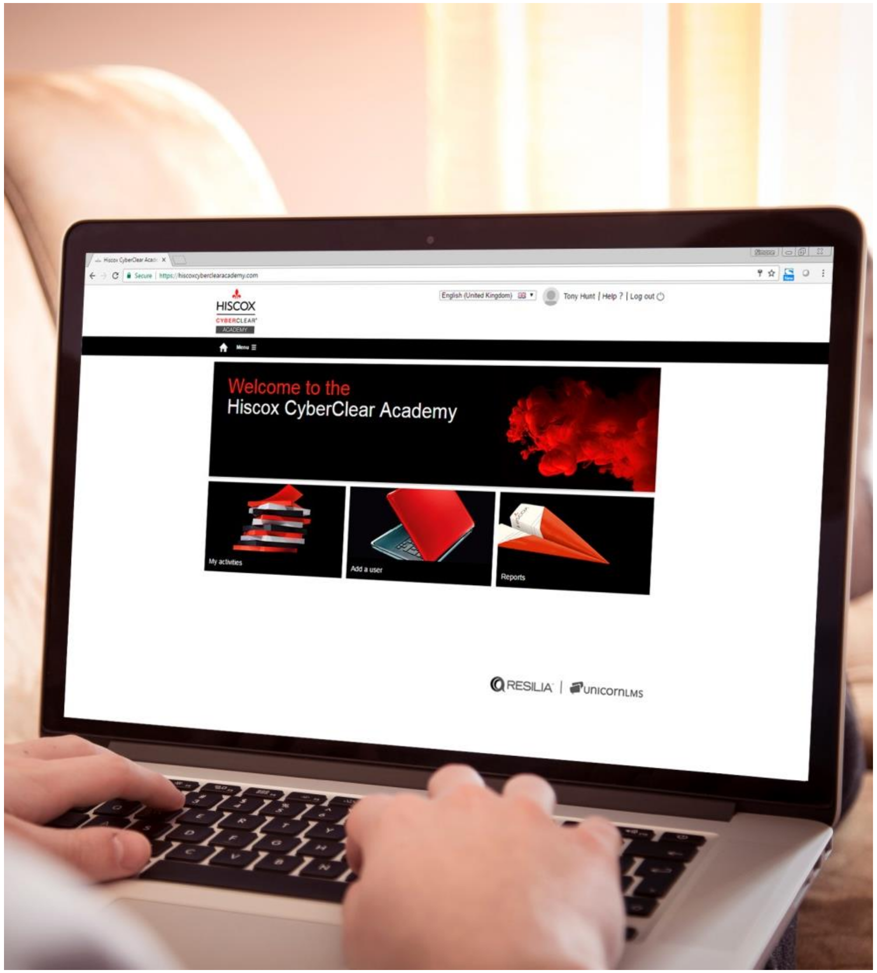
Helping businesses respond to complex security and crisis issues

- Builds on our market-leading K&R product
- Covers a wide range of security issues including; criminal threats, workplace violence, corporate espionage, and cyber extortion
- Access to Control Risks' investigation and crisis management expertise
- Helps prevent an issue from becoming a crisis

Developing a service-led offering
Cyber

Helping SMEs reduce their risk

- Market-leading risk prevention
  - Hiscox CyberClear Academy – only GCHQ accredited cyber training for SMEs
  - CyberMatics – physical internet security box blocks malicious traffic
- Improves customer retention
  - Embedded within indemnity policy
  - Reduction in deductible if services used



Business performance and outlook

Managing the business

Year to 30 June 2018	GWP $m	GWP change %	Constant currency GWP change %
Hiscox Retail	**1,113.0**	**19.6**	**12.9**
Hiscox UK & Ireland	411.3	17.4	7.4
Hiscox USA	423.9	22.3	22.3
Hiscox Europe	198.7	24.0	10.2
Hiscox Special Risks	69.8	5.7	2.6
DirectAsia	9.3	30.5	23.3
Hiscox London Market	**458.7**	**15.9**	**13.1**
Hiscox Re & ILS	**655.6**	**28.5**	**25.4**
Total*	**2,227.3**	**21.3**	**16.4**

*Excludes business allocated to Corporate Centre of $1.5 million.

Adapting to change and building for the future

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Responding to regulatory and political challenges

- Brexit – $15 million in 2018
- EU General Data Protection Regulation
- Insurance Distribution Directive
- New York Cybersecurity Regulation
- Senior Managers and Certification Regime
- IFRS 17 accounting standard

Investing in infrastructure

- New capital model and new HR system complete
- System replacements
  - UK nearing completion
  - US in year one, investment ramping up
  - Europe soon to commence
- Finance transformation entering second year

Evolving our structure and leadership

- Putting the right people behind the right opportunities
- Focus on developing underwriting talent across the Group

Outlook
Execute and seize opportunities

- Deliver on regulatory projects
- Respond to the markets with discipline
- Invest in our strengths to grow
  - Brand and infrastructure to drive growth in Hiscox Retail
  - Innovation in core products using data and analytics

Appendices

- Big-ticket and retail business
- Geographical reach
- Strategic focus
- A symbiotic relationship
- Long-term growth
- An actively managed business
- Segmental analysis
- Hiscox Ltd results
- Boxplot and whisker diagram of Hiscox Ltd
- Realistic disaster scenarios
- Casualty extreme loss scenarios
- GWP geographical and currency split
- Group reinsurance security
- Reinsurance
- Portfolio – asset mix
- Portfolios – USD bond portfolios
- Portfolios – GBP, EUR and CAD bond portfolios
- Business segments

What do we mean by big-ticket and retail business?

- We characterise **big-ticket** as larger premium, catastrophe exposed business written mainly through Hiscox Re & ILS and Hiscox London Market. We expand and shrink these lines according to market conditions.

- **Retail** is smaller premium, less volatile business written mainly through Hiscox Retail. Investment in our brand and specialist knowledge differentiates us here. We aim to grow this business between 5-15% per annum.

Geographical reach
34 offices in 14 countries

Strategic focus

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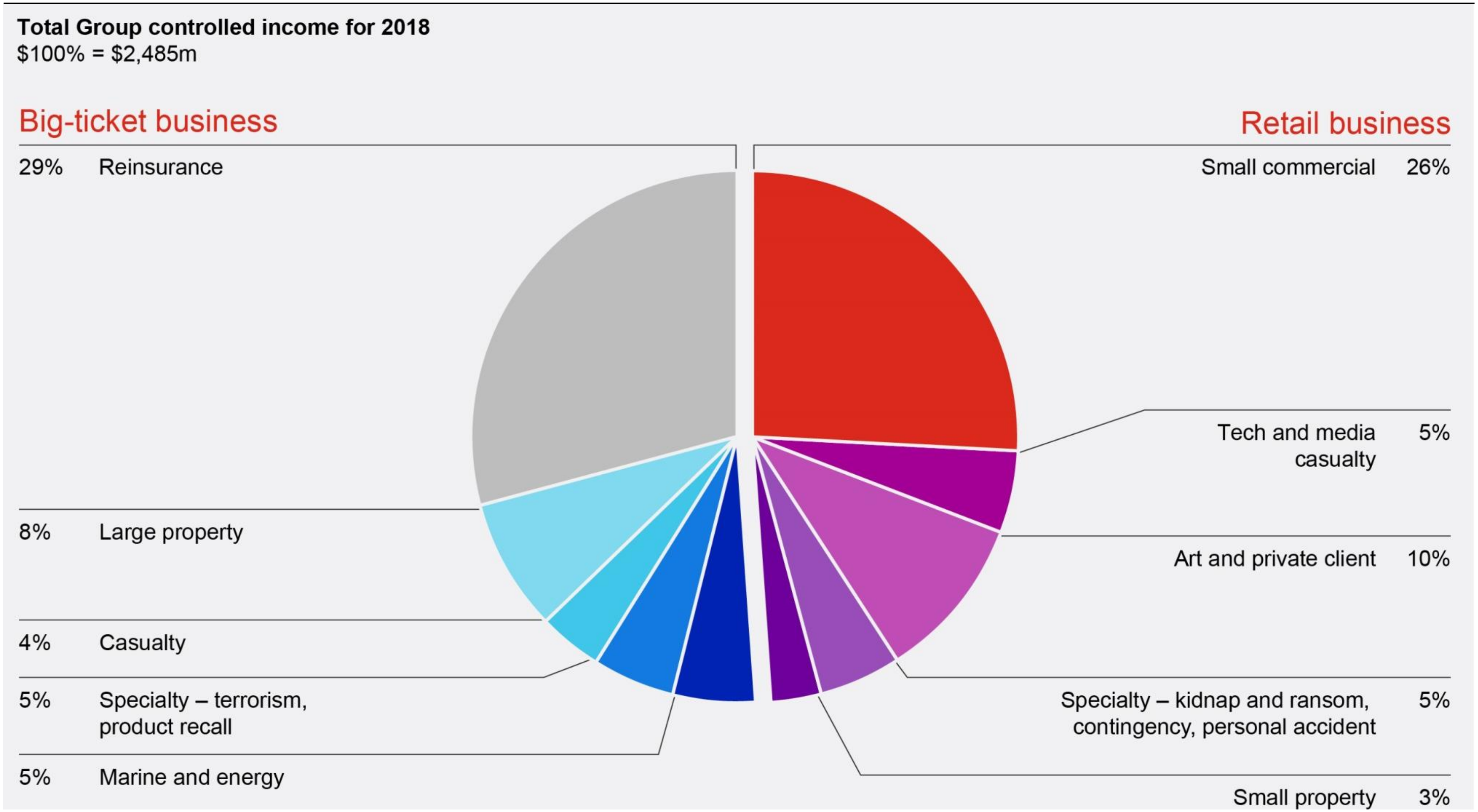

A symbiotic relationship

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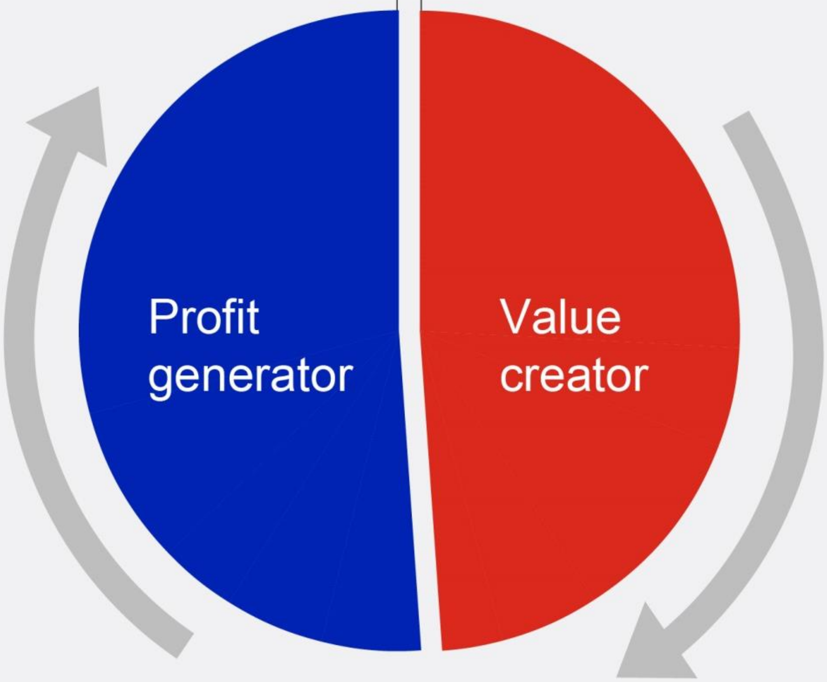
Big-ticket business

- Larger premium, globally traded, catastrophe exposed business written mainly through Hiscox London Market and Hiscox Re & ILS
- Shrinks and expands according to pricing environment
- Excess profits allow further investment in retail development



Retail business

- Smaller premium, locally traded, less volatile business written mainly through Hiscox Retail
- Growth between 5-15% per annum
- Pays dividends
- Specialist knowledge differentiates us and investment in brand builds strong market position
- Profits act as additional capital

Long-term growth

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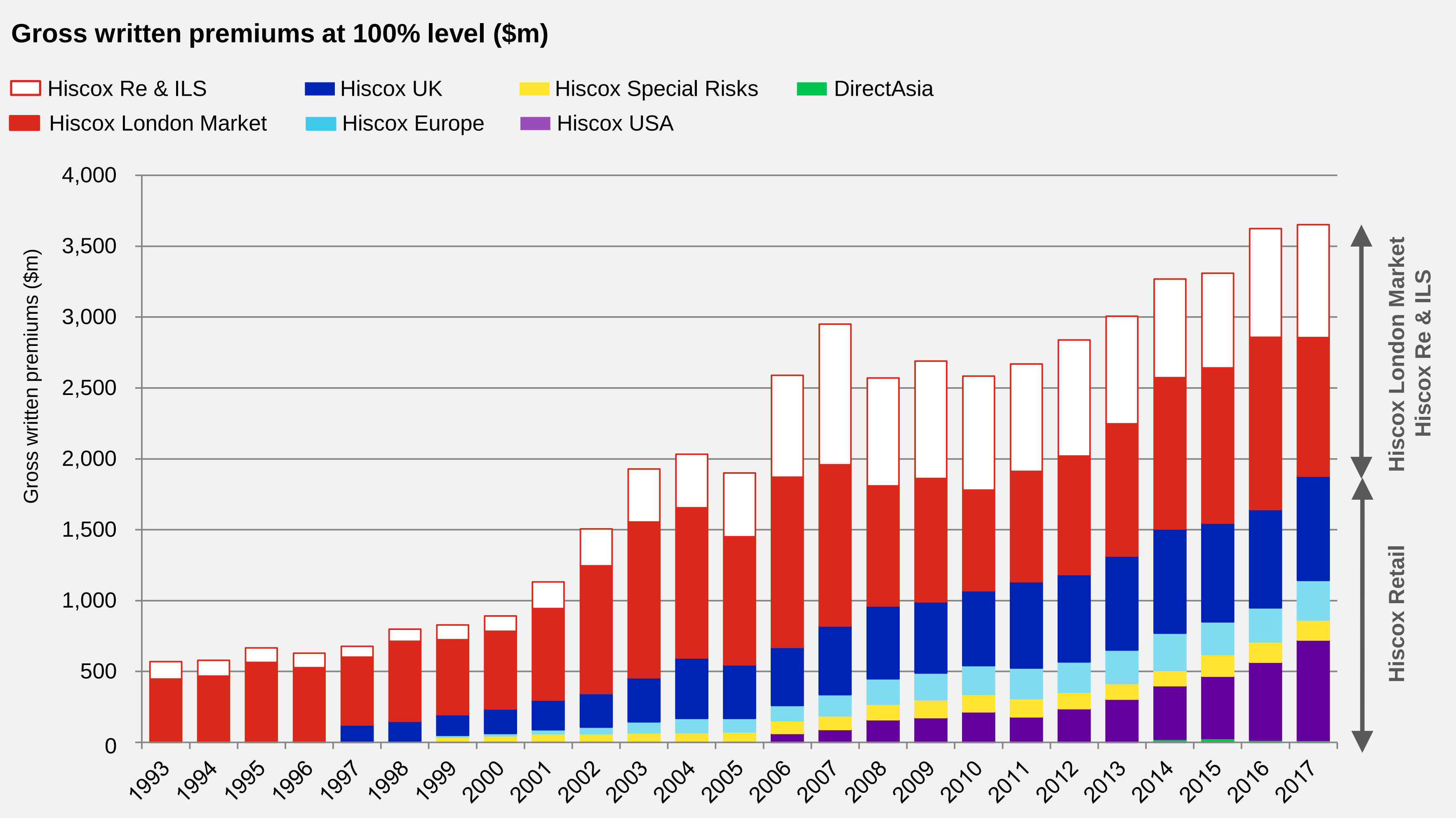


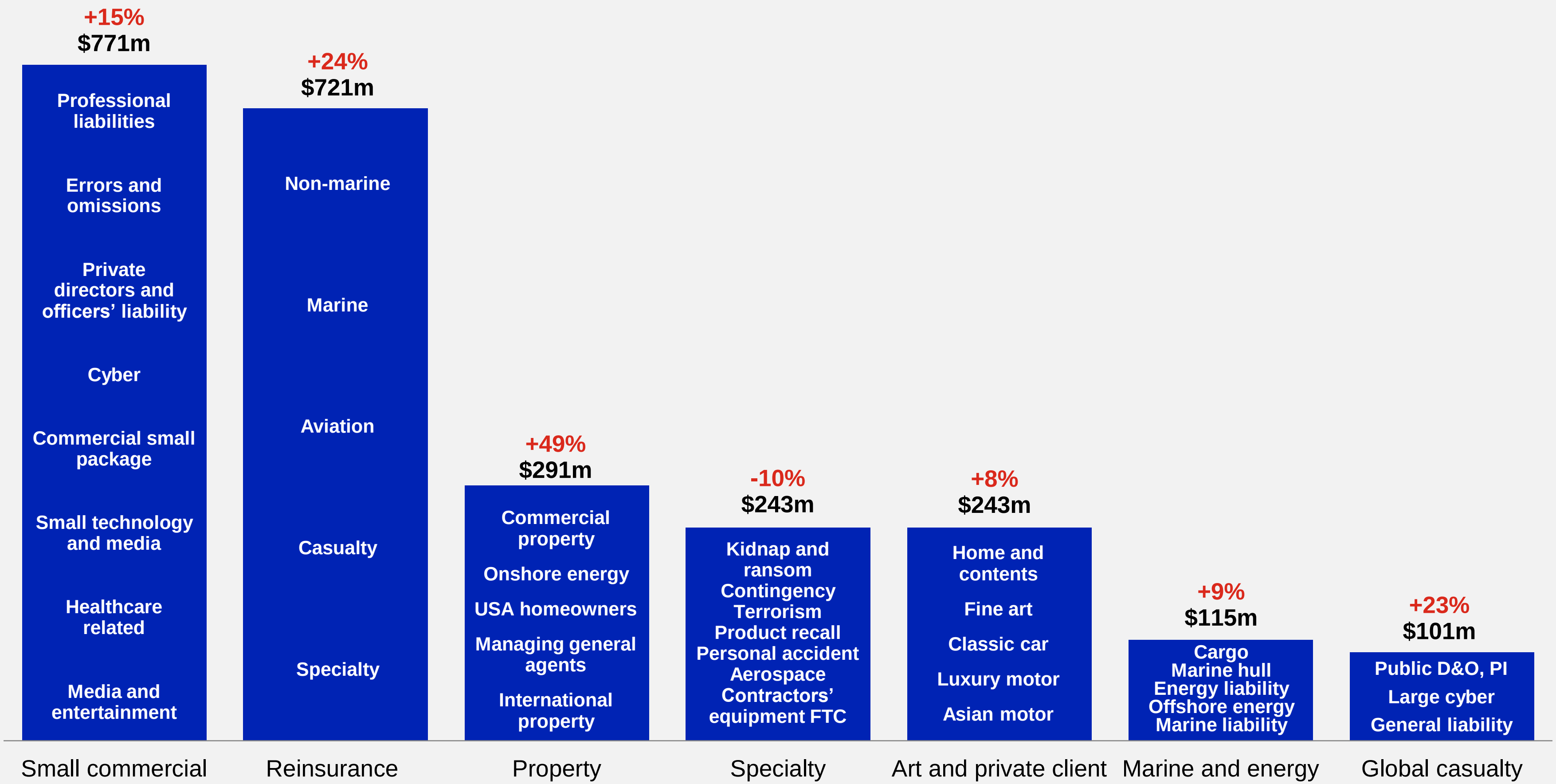
The increase in GWP in 2007 is as a result of strengthening GBP to £1 : $2, with weakening GBP thereafter to an average rate in 2017 of £1 : $1.289.

An actively managed business

Total Group controlled premium 30 June 2018: $2,485 million

Period-on-period in constant currency

2018 GWP



Segmental analysis

	30 June 2018					30 June 2017				
	Hiscox Retail $000	**Hiscox London Market $000**	**Hiscox Re & ILS $000**	**Corporate Centre $000**	**Total $000**	Hiscox Retail $000	Hiscox London Market $000	Hiscox Re & ILS $000	Corporate Centre $000	Total $000
Gross premiums written	**1,113,036**	**458,692**	**655,575**	**1,518**	**2,228,821**	930,360	395,769	510,049	–	1,836,178
Net premiums written	**982,217**	**277,041**	**197,438**	**(57,409)**	**1,399,287**	857,561	251,286	166,193	–	1,275,040
Net premiums earned	**900,505**	**284,208**	**150,626**	**(57,409)**	**1,277,930**	757,809	289,539	130,935	–	1,178,283
Investment result	**3,986**	**4,855**	**3,120**	**7,786**	**19,747**	14,711	9,958	16,331	17,533	58,533
Foreign exchange (losses)/gains	**(2,020)**	**(960)**	**2,521**	**(8,027)**	**(8,486)**	2,497	(10,375)	(1,852)	(29,106)	(38,836)
Profit/(loss) before tax	**93,737**	**41,865**	**57,054**	**(29,063)**	**163,593**	92,310	21,697	48,009	(32,917)	129,099
Combined ratio	**90.7%**	**88.6%**	**71.5%**	**–**	**87.9%**	90.5%	94.6%	83.4%	–	90.8%
Combined ratio excluding monetary FX	**90.4%**	**88.4%**	**72.3%**	**–**	**87.8%**	90.8%	90.8%	81.2%	–	89.7%

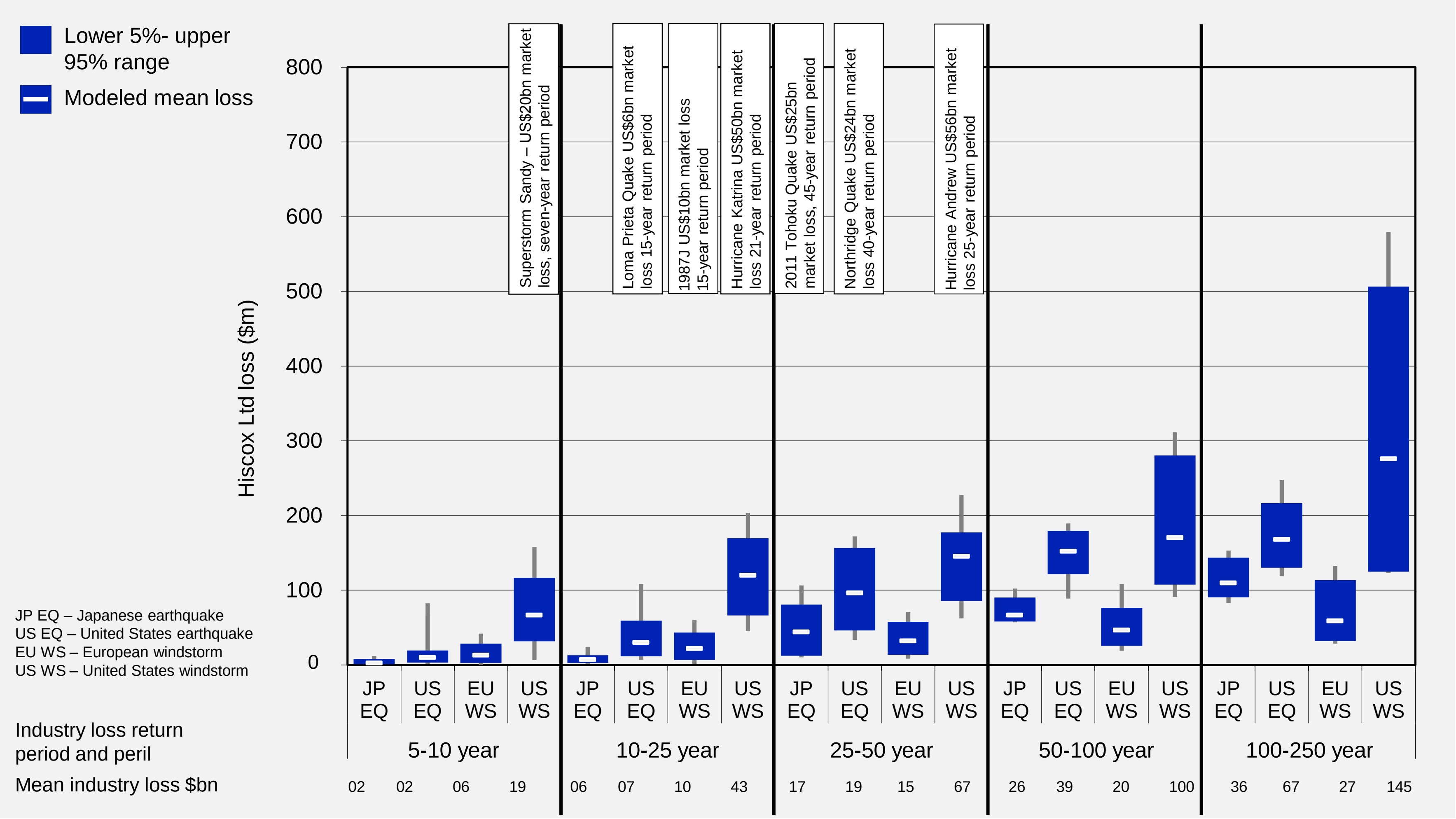
Business segments described in appendices.

Hiscox Ltd results

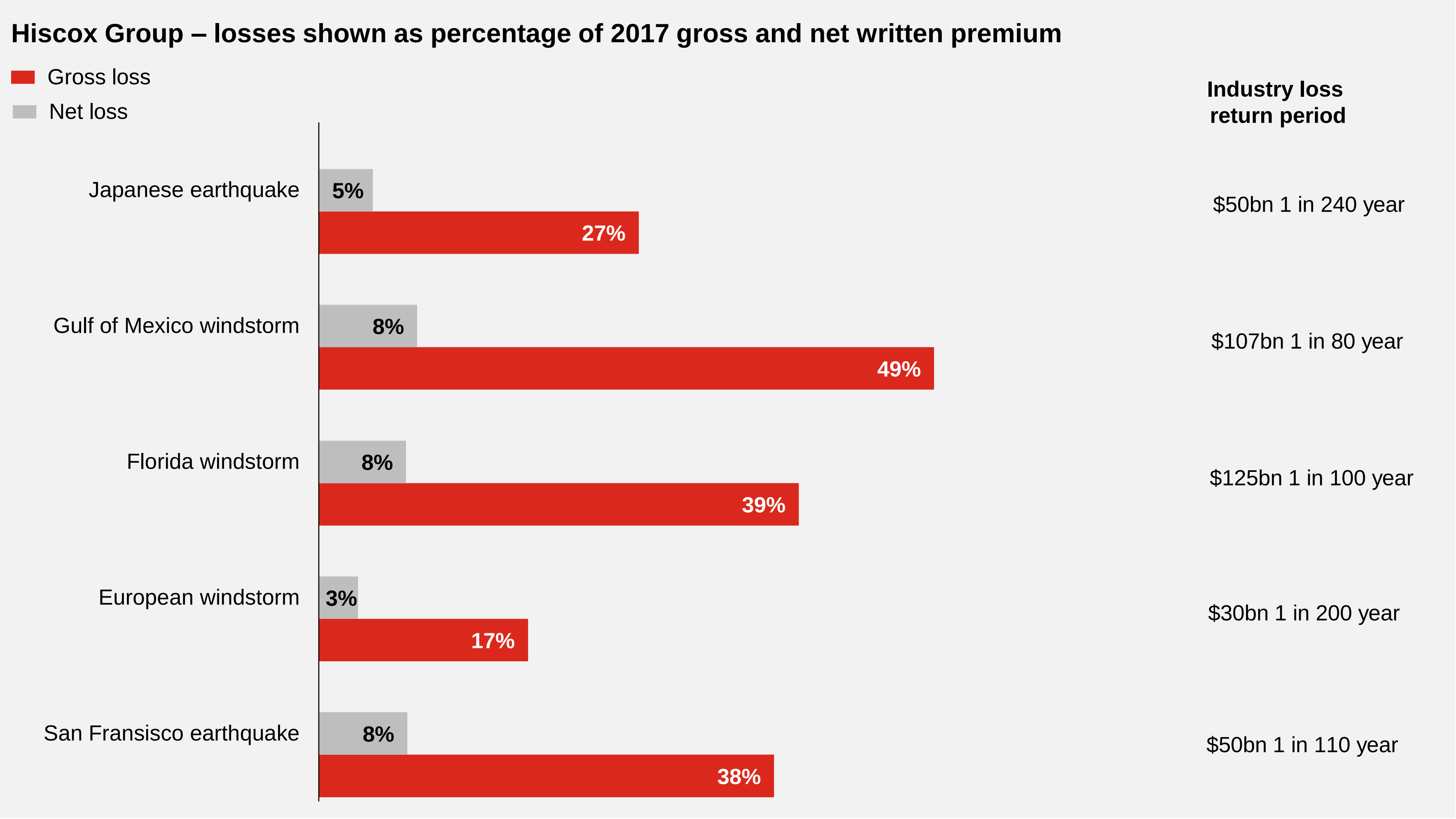
$m	2017	2016	2015	2014	2013	2012
Gross premiums written	**3,286.0**	3,257.9	2,972.7	2,894.3	2,656.3	2,481.4
Net premiums written	**2,403.0**	2,424.5	2,403.3	2,213.9	2,143.0	2,009.6
Net premiums earned	**2,416.2**	2,271.3	2,194.1	2,169.2	2,005.8	1,899.5
Investment return*	**104.8**	95.8	47.6	85.7	87.5	140.9
Profit before tax	**39.7**	480.8	330.4	380.8	382.2	344.6
Profit after tax	**33.9**	457.0	320.9	356.2	371.6	329.6
Basic earnings per share (¢)	**12.0**	162.5	111.3	111.1	103.6	84.1
Dividend (¢)	**39.8**	34.8	34.7	35.7	34.0	27.6
Invested assets (incl. cash)†	**5,957.1**	5,468.0	5,305.8	5,062.0	5,163.7	4,981.0
Net asset value						
$m	**2,368.4**	2,254.8	2,247.4	2,268.6	2,325.6	2,225.6
¢ per share	**835.1**	805.9	801.2	721.5	663.6	564.6
Combined ratio**	**99.9%**	84.2%	85.0%	83.9%	83.0%	85.5%
Return on equity after tax***	**1.5%**	23.0%	16.0%	17.1%	19.3%	17.1%

*Re-classification of investment fees.
†Excluding derivatives, insurance linked funds and third-party assets managed by Kiskadee Investment Managers.
**Combined ratio for years 2012-2015 remains gross of investment fees for comparability to original accounts.
***Annualised post tax, based on adjusted opening shareholders' funds.

Boxplot and whisker diagram of modeled Hiscox Ltd net loss ($m) April 2018



Realistic disaster scenarios



Estimates calculated in accordance with Lloyd's guidelines using models provided by Risk Management Solutions, Inc. and AIR Worldwide Corporation.
Industry return periods estimated using Lloyd's guideline industry loss figures.

Casualty extreme loss scenarios
Changing portfolios, changing risk

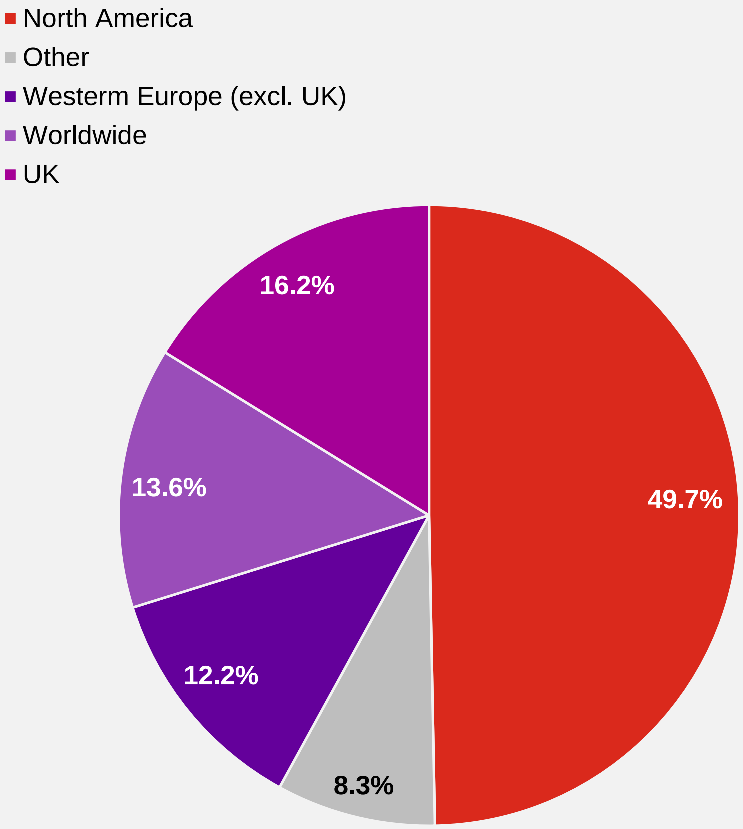
- As our casualty businesses continue to grow, we develop extreme loss scenarios to better understand and manage the associated risks
- Losses in the region of $200m-$550m could be suffered in the following extreme scenarios:

Event		**Est. loss**
Pandemic	Global Spanish flu type event (high infection, low mortality) 45% infection rate, 20% medical treatment, 0.3% case fatality rate	$200m
Multi-year loss ratio deterioration	5% deterioration on three years' casualty premiums of c.$3.8bn	$210m
Economic collapse	US GDP drop of 10% to 15%, approximately three times the 2007-08 financial crisis*	$550m
Casualty reserve deterioration	35% deterioration on existing casualty reserves of c.$1.5bn Est. 1 in 200 year event*	$550m
Cyber	A range of cyber scenarios including mass ransomware outbreaks and cloud outages. Includes 'silent cyber' exposures	$200m - $550m
Property catastrophe	1 in 200 year catastrophe event from $220bn US windstorm	$360m

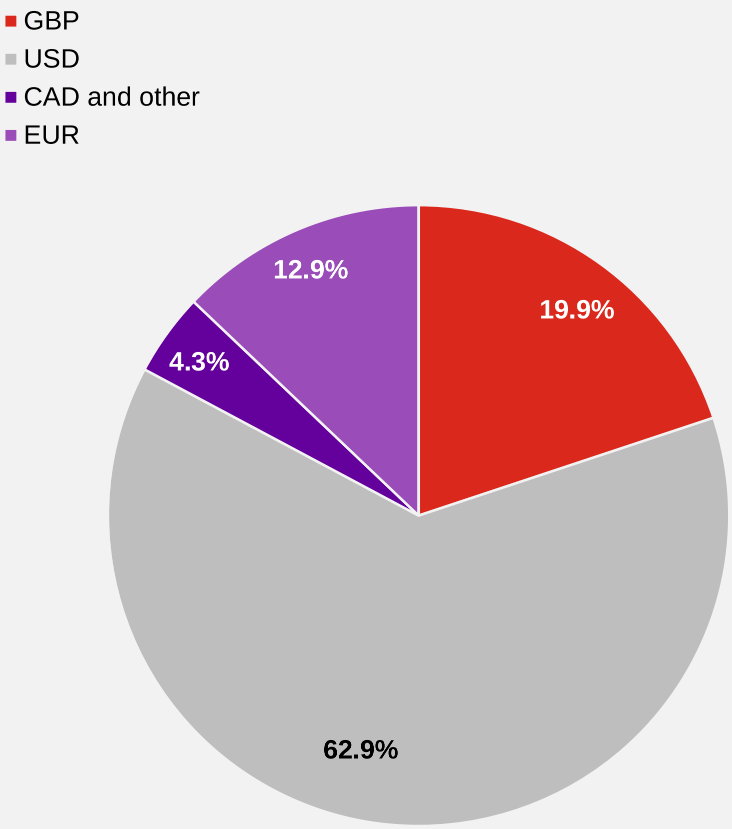
*Losses spread over multiple years.

GWP geographical and currency split

2018 geographical split – controlled income

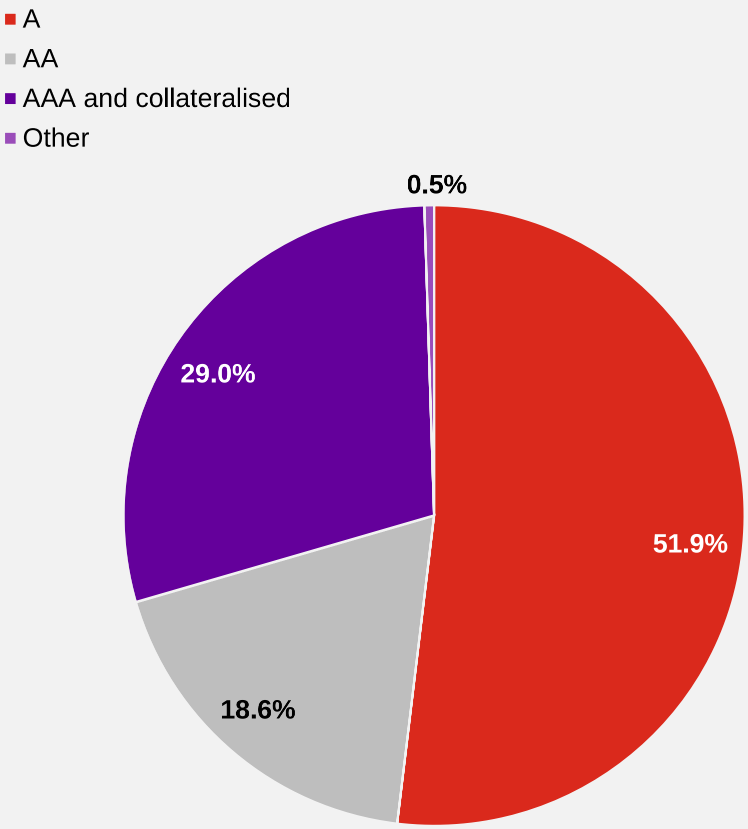


2018 currency split – controlled income

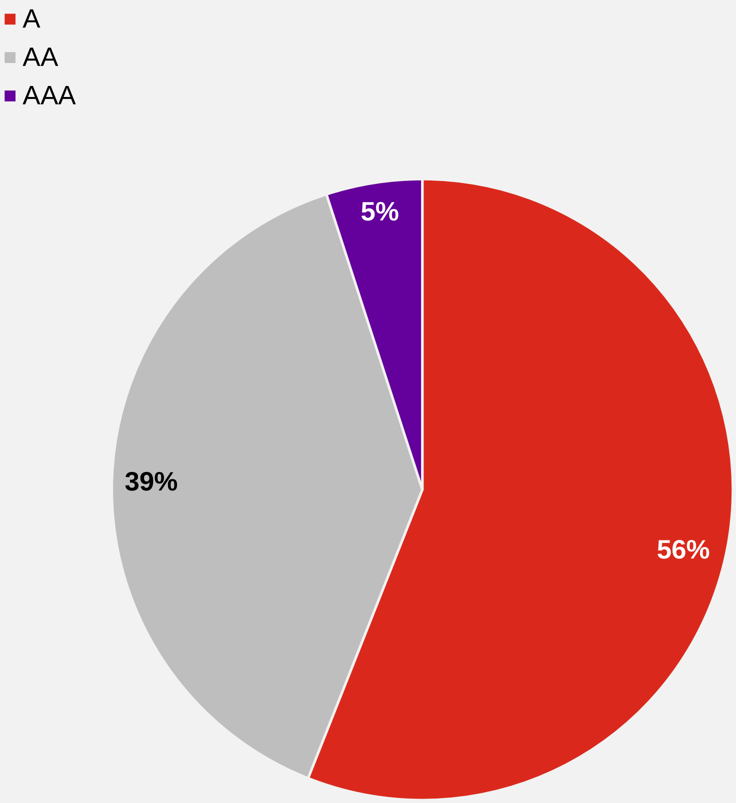


Group reinsurance security

Receivables at 30 June 2018 of $2,149 million



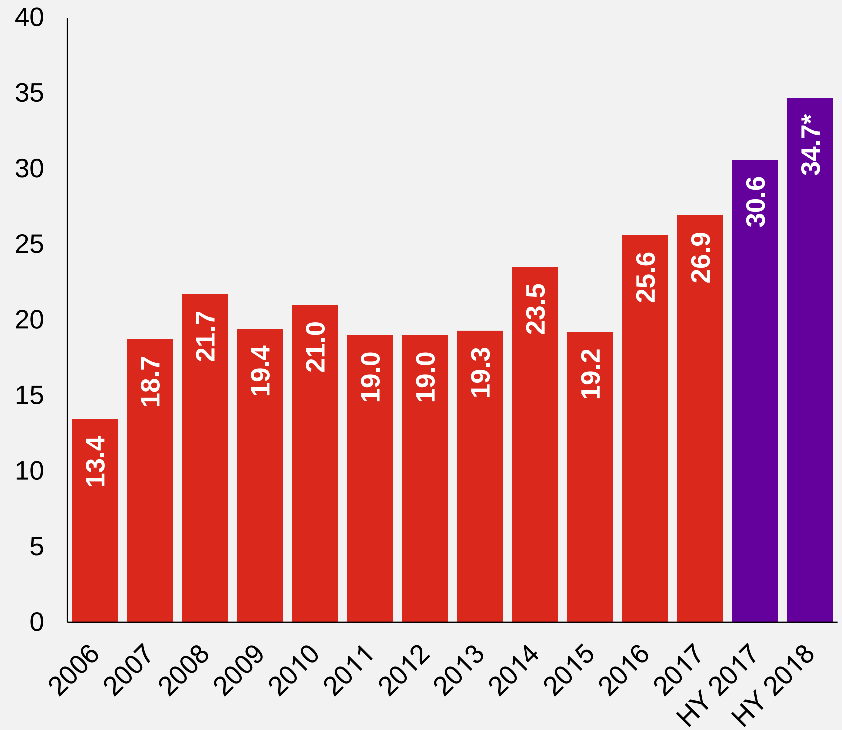
2018 reinsurance protections*
First loss exposure by rating



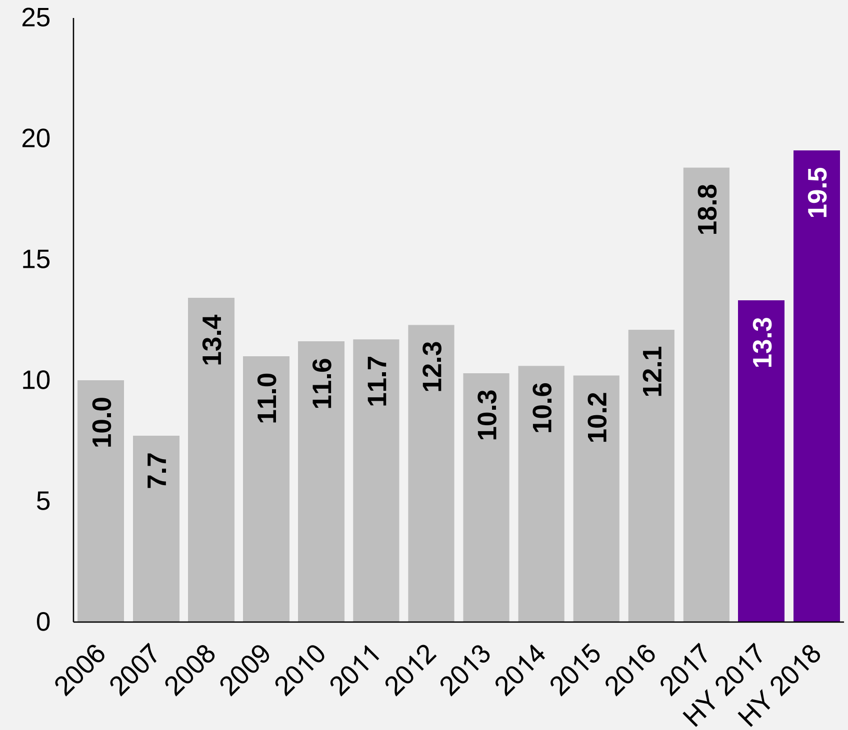
*Reinsurance placements in force at 23 July 2018.

Reinsurance

Ceded as a percentage of GWP



Reinsurance receivables as a percentage of total assets

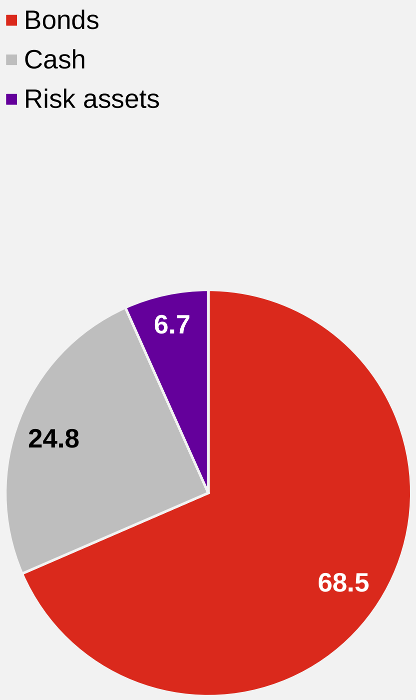


*Excluding run-off casualty portfolio reported under Corporate Centre following completion of a loss portfolio transfer reinsurance treaty effective from 2018 ceding any future payments on losses arising from the claims developments related to policies written from 2010-2016.

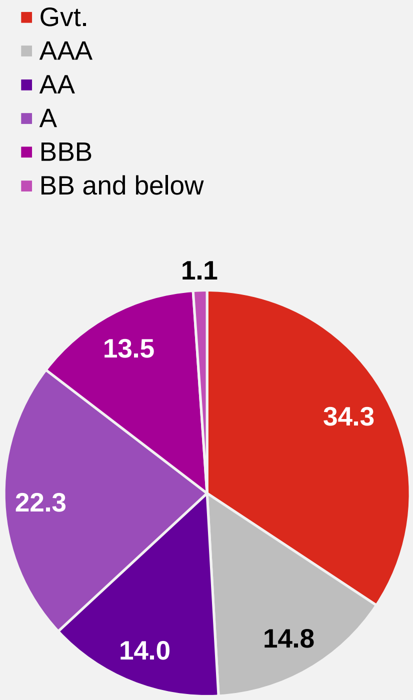
Portfolio – asset mix
High quality, conservative portfolio

Investment portfolio $6,460 million as at 30 June 2018

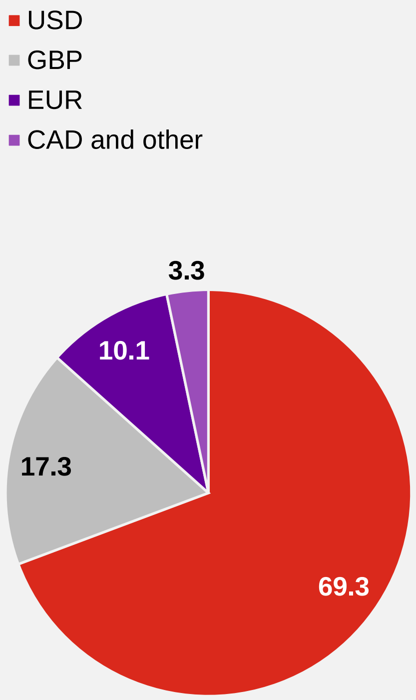
Asset allocation



Bond credit quality



Bond currency split



Portfolio – USD bond portfolios
as at 30 June 2018

Portfolios: $3.1 billion	AAA %	AA %	A %	BBB %	BB and below %	**Total %**	**Duration years**
Government issued		41.2				**41.2**	**1.7**
Government supported*	1.3	3.6	1.4	0.1		**6.4**	**1.5**
Asset backed	2.6					**2.6**	**0.2**
Mortgage backed agency		4.8				**4.8**	**3.9**
Non agency	0.2				0.8	**1.0**	**1.7**
Commercial MBS	0.8					**0.8**	**0.7**
Corporates	0.9	6.6	22.3	12.2	0.2	**42.2**	**1.3**
Lloyd's deposits	0.6	0.1	0.2	0.1		**1.0**	**1.0**
Total	**6.4**	**56.3**	**23.9**	**12.4**	**1.0**	**100.0**	**1.5**

*Includes agency debt, Canadian provincial debt and government guaranteed bonds.

Portfolio – GBP, EUR and CAD bond portfolios as at 30 June 2018

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GBP portfolios: $761 million	AAA %	AA %	A %	BBB %	BB and below %	**Total %**	**Duration years**
Government issued		21.0				**21.0**	**1.9**
Government supported*	18.9	4.7	2.3			**25.9**	**1.3**
Asset backed	5.0		0.5	0.4		**5.9**	**2.1**
Corporates	11.6	2.4	14.7	18.5		**47.2**	**2.1**
Total	**35.5**	**28.1**	**17.5**	**18.9**		**100.0**	**1.9**

EUR and CAD portfolios: $592 million	AAA %	AA %	A %	BBB %	BB and below %	**Total %**	**Duration years**
Government issued	16.1					**16.1**	**2.6**
Government supported*	10.6	11.5		0.7		**22.8**	**1.5**
Asset backed	0.7				0.2	**0.9**	**2.4**
Corporates	13.1	4.2	19.4	11.0		**47.7**	**2.0**
Lloyd’s deposits	6.3	1.7	1.2	0.6	2.7	**12.5**	**1.1**
Total	**46.8**	**17.4**	**20.6**	**12.3**	**2.9**	**100.0**	**1.9**

*Includes supranational and government guaranteed bonds.

Business segments

HISCOX

Hiscox Retail
Hiscox Retail brings together the results of the UK and Europe, and Hiscox International being the US, Special Risks and Asia retail business divisions. Hiscox UK and Europe underwrite European personal and commercial lines business through Hiscox Insurance Company Limited, together with the fine art and non-US household insurance business written through Syndicate 33. In addition, Hiscox UK includes elements of specialty and international employees and officers' insurance written by Syndicate 3624, and Hiscox Europe excludes the kidnap and ransom business written by Hiscox Insurance Company Limited. Hiscox International comprises the specialty and fine art lines written through Hiscox Insurance Company (Guernsey) Limited, and the motor business written via DirectAsia, together with US commercial and specialty business written by Syndicate 3624 and Hiscox Insurance Company Inc. via the Hiscox USA business division. It also includes the European kidnap and ransom business written by Hiscox Insurance Company Limited and Syndicate 33.

Hiscox London Market
Hiscox London Market comprises the internationally-traded insurance business written by the Group's London-based underwriters via Syndicate 33, including lines in property, marine and energy, casualty and other specialty insurance lines, excluding the kidnap and ransom business.

Hiscox Re & ILS
Hiscox Re & ILS is the reinsurance division of the Group, combining the underwriting platforms in Bermuda, London and Paris. The segment comprises the performance of Hiscox Insurance Company (Bermuda) Limited, excluding the internal quota share arrangements, with the reinsurance contracts written by Syndicate 33. In addition, the casualty reinsurance contracts written in Bermuda on Syndicate capacity are also included. The segment also captures the performance and fee income of the ILS funds, further details of which can be found in note 2.3 of the Group's Report and Accounts for the year ended 31 December 2017.

Corporate Centre
Corporate Centre comprises the investment return, finance costs and administrative costs associated with Group management activities. Corporate Centre also includes the majority of foreign currency items on economic hedges and intragroup borrowings, further details of which can be found at note 12 of the Group's Report and Accounts for the year ended 31 December 2017. Corporate Centre forms a reportable segment due to its investment activities which earn significant external returns.