Hiscox Ltd
Preliminary results

For the year ended 31 December 2021

A strong result in a challenging year for the industry

HISCOX

- Excellent underwriting and good risk selection in a year of elevated natural catastrophes
- Renewed ambition under new leadership
- Great opportunities ahead
- Final dividend of 23.0 cents per share

HISCOX

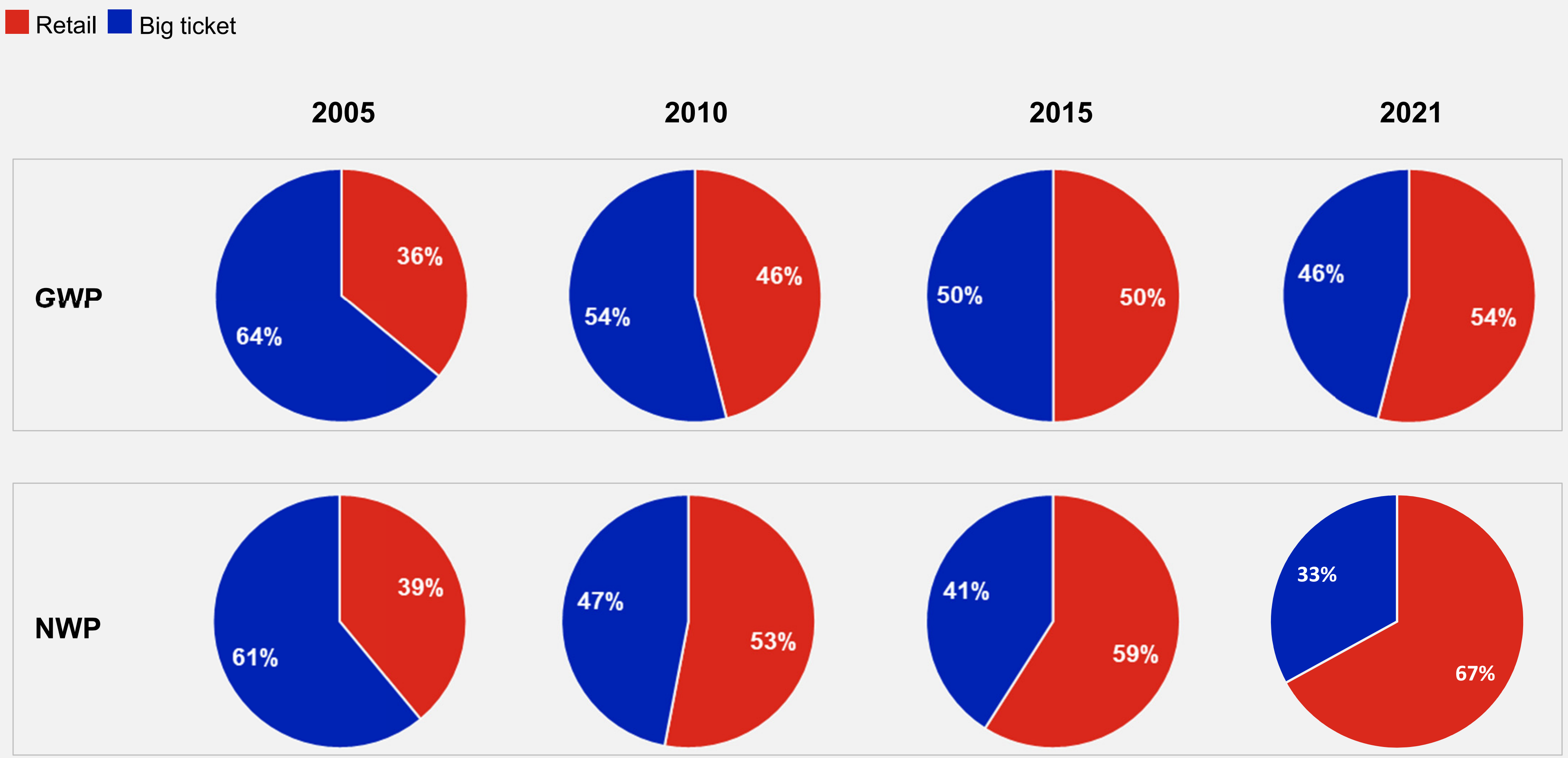
Strategy, building on strong foundations

Building on best-in-class assets and capabilities

HISCOX

- Strong growth and capital generative business
- Underwriting ecosystem excellence, from individual complex risks to algo-underwriting of simpler risks...
- ...combining technology, data and analytics to drive faster and better decisions
- International brand
- Unique culture and sense of purpose
- Active capital management and allocation underpinning sustainable and attractive shareholder returns through the cycle

Balanced strategy continues to evolve



Hiscox is a unique business…

HISCOX

Balanced portfolio of large and complex risks

- Global risks through Lloyd's platform
- Heritage of deep technical expertise
- Leading the market in applying technology to distribution and underwriting

Delivers profits and capital generation for reinvestment

- Specialist reinsurance capability
- Holistic risk insights
- Expert alternative capital manager

Delivers underwriting profit and capital-light fee income

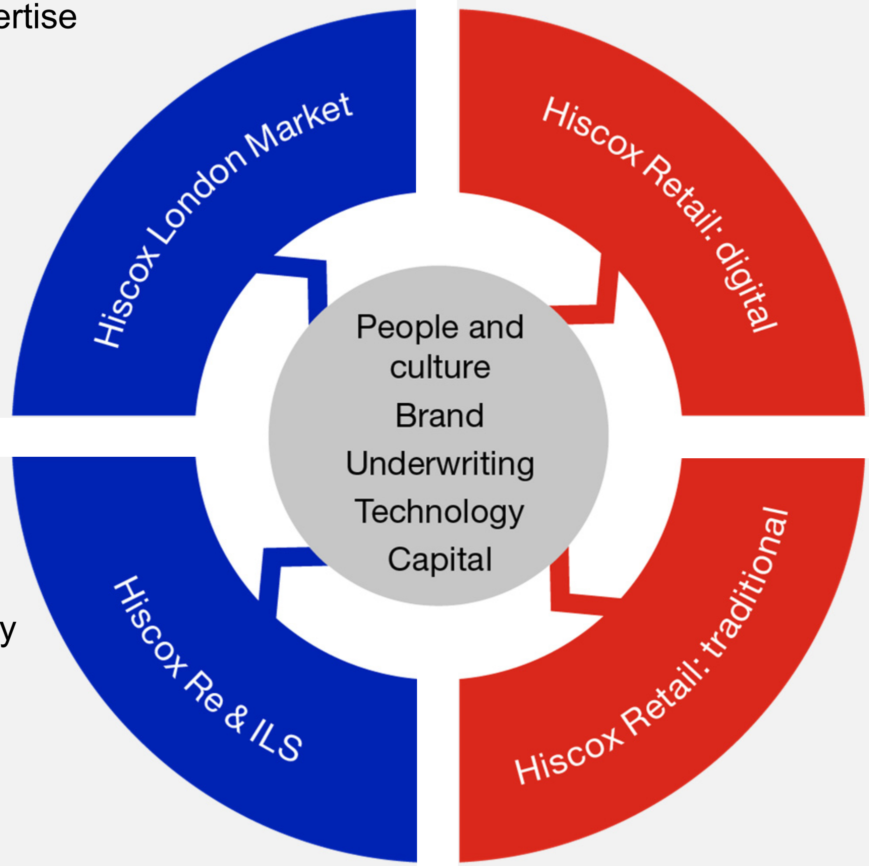
SME and personal lines

- Small and micro businesses
- Digitally traded, with low-cost distribution and auto-underwriting
- Partnership management capability through digital connectivity

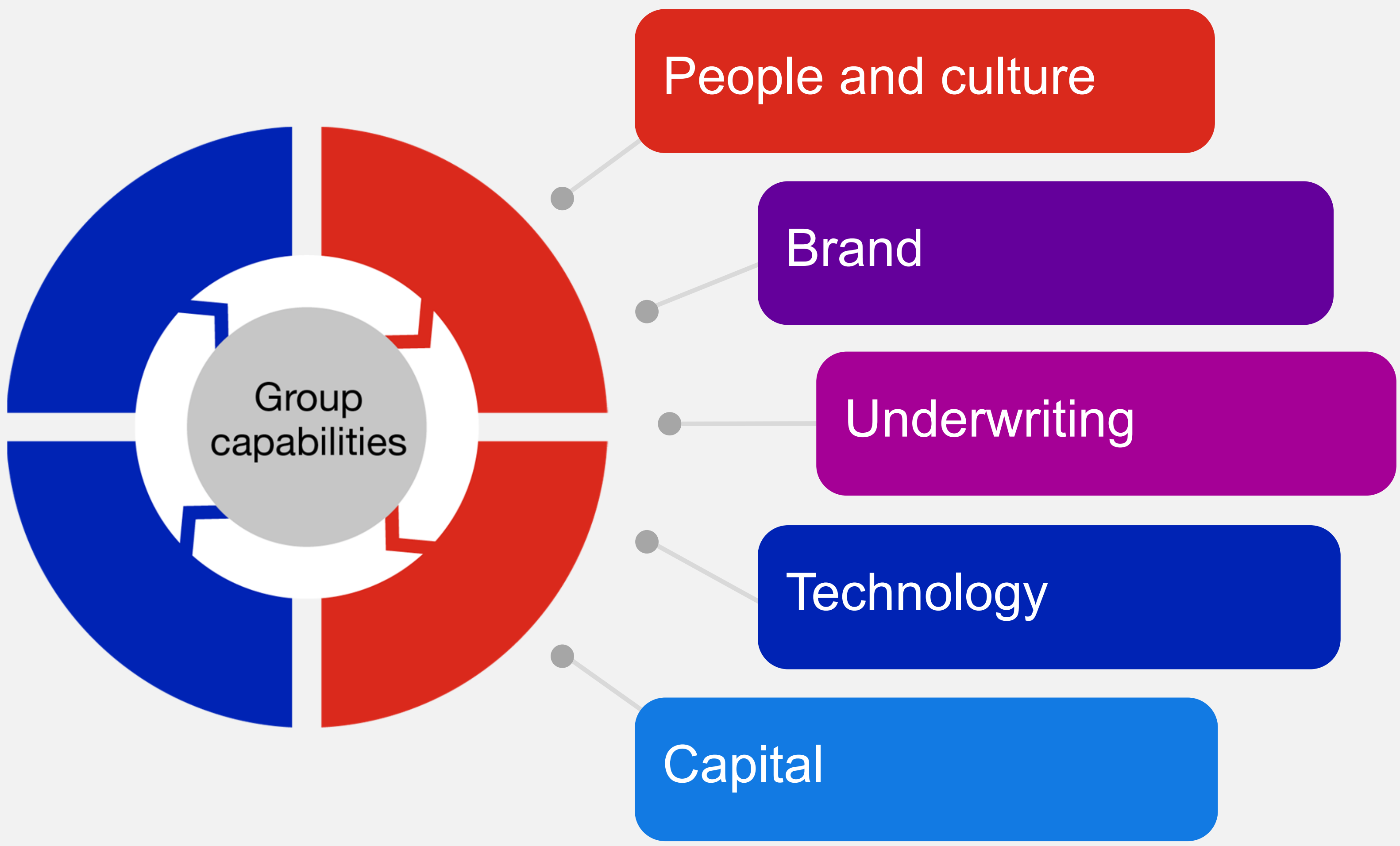
Significant structural growth opportunity

- Focus on SMEs, not traded digitally
- Leadership in specialist lines
- Long-term broker partnerships

Delivers stable profit generation and growth



...supported by five core Group capabilities...



...measured by four overarching performance metrics

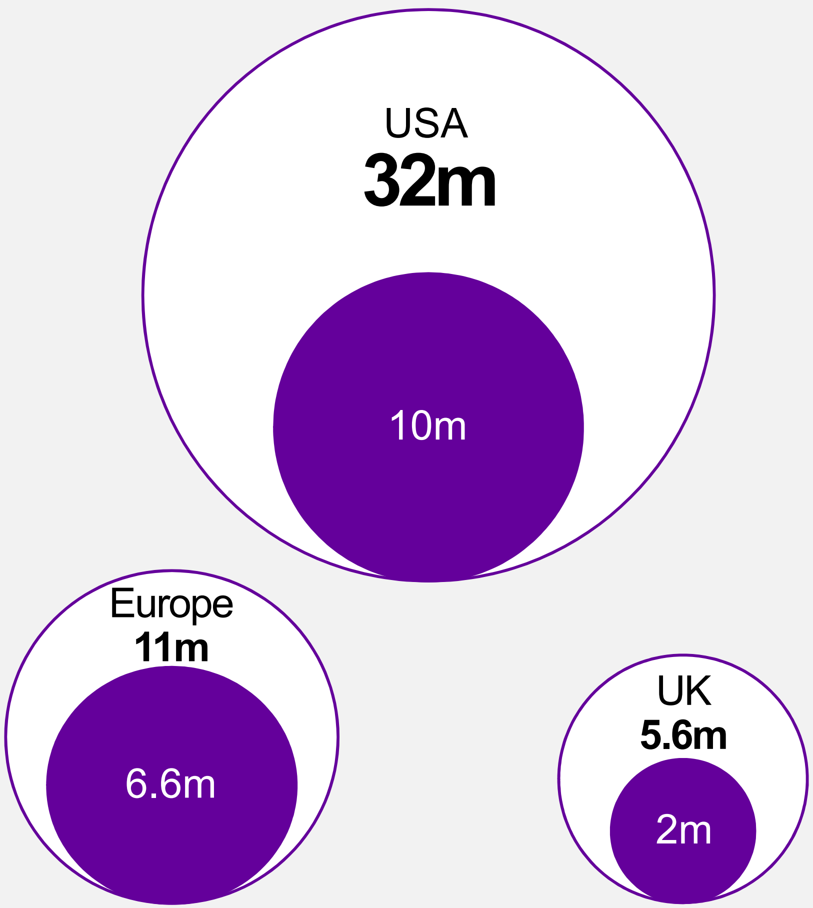
Non-financial performance metrics	Financial performance metrics
Customer	Growth
People and culture	ROE

Building a sustainable business

Retail digital
Growing fast

Large and attractive SME market

Total SME market　Target addressable SME market today



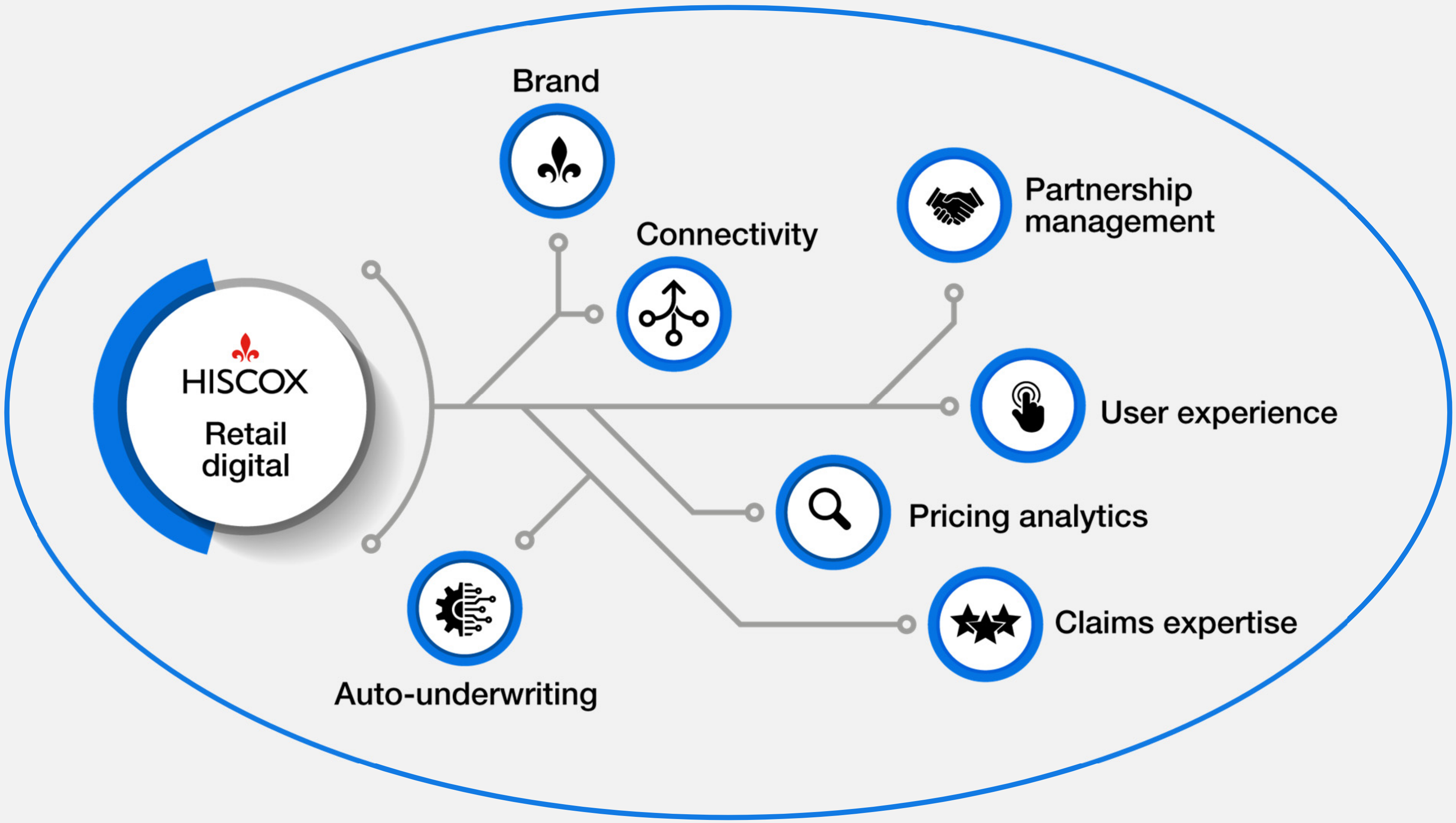
Building scale at pace

520,000 customers
GWP CAGR +35.3% (2016-2021)
in local currency

175,000 customers
GWP CAGR +8.2% (2016-2021)
in local currency

87,000 customers
GWP CAGR +48.6% (2016-2021)
in local currency

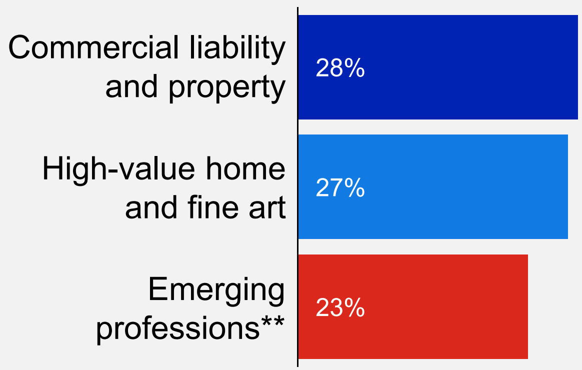
Retail digital ecosystem
Technical excellence combined with technology – powerful competitive advantage



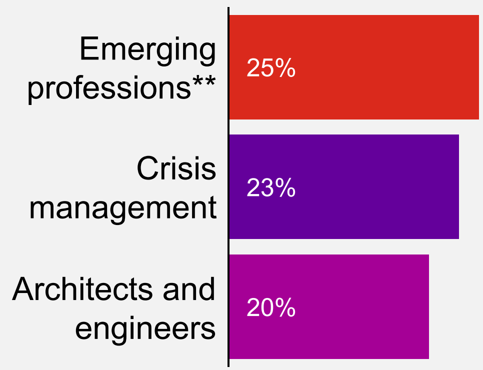
Retail traditional
Operating in attractive niches where we have expertise

HISCOX

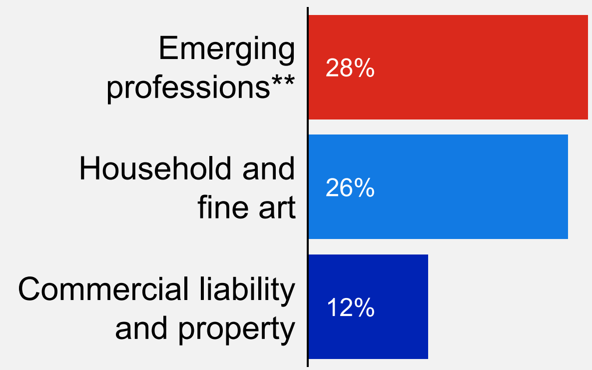
% of Broker GWP (2021)*



% of Broker GWP (2021)



% of Broker GWP (2021)

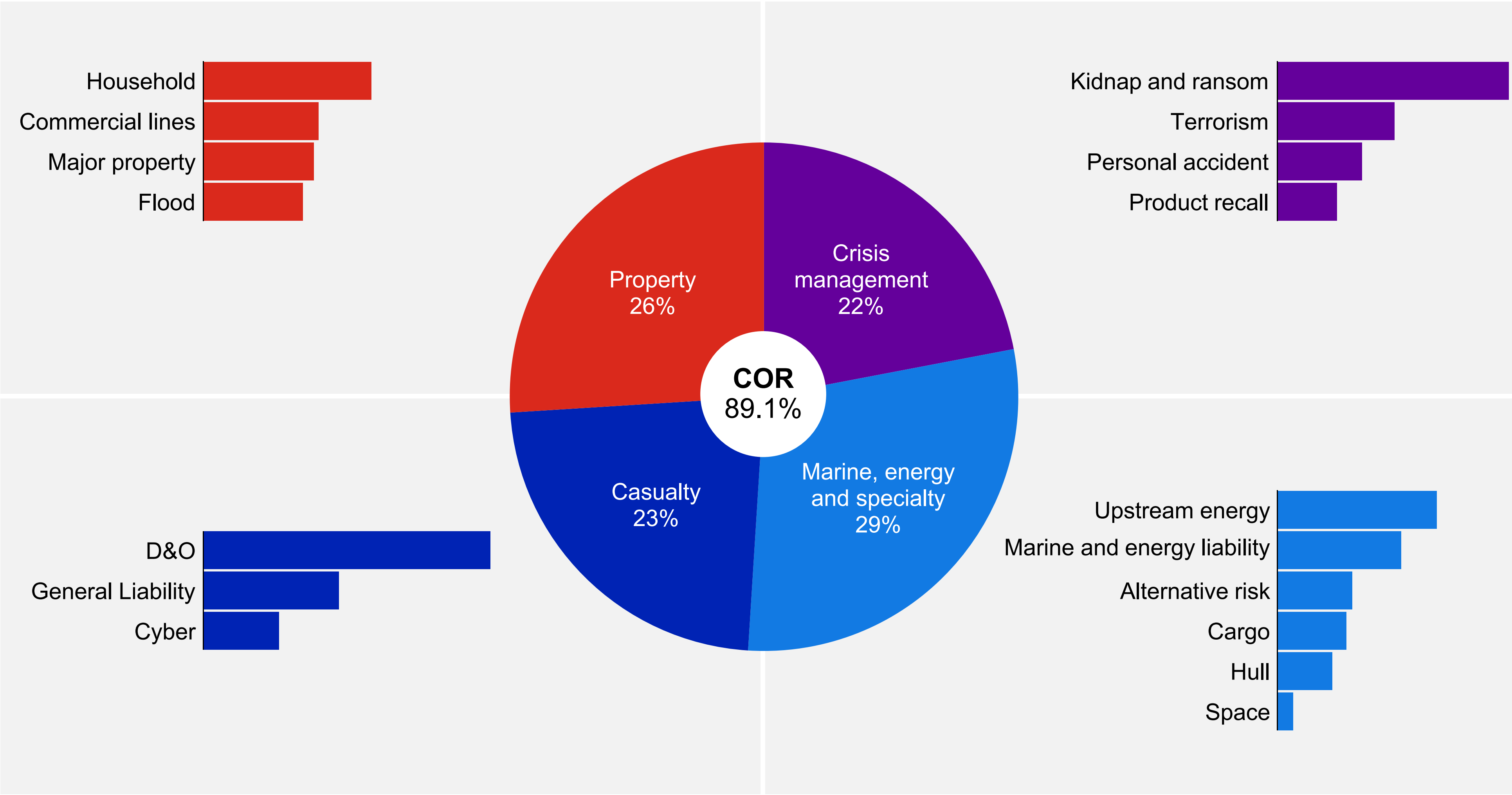


Specialist product > underwriting insight > claims handling

*Top three business classes (by GWP), does not add up to 100%.
**Emerging professions covers professional indemnity for management consultants, media and technology, real estate agents, medical and health, coaching and education.

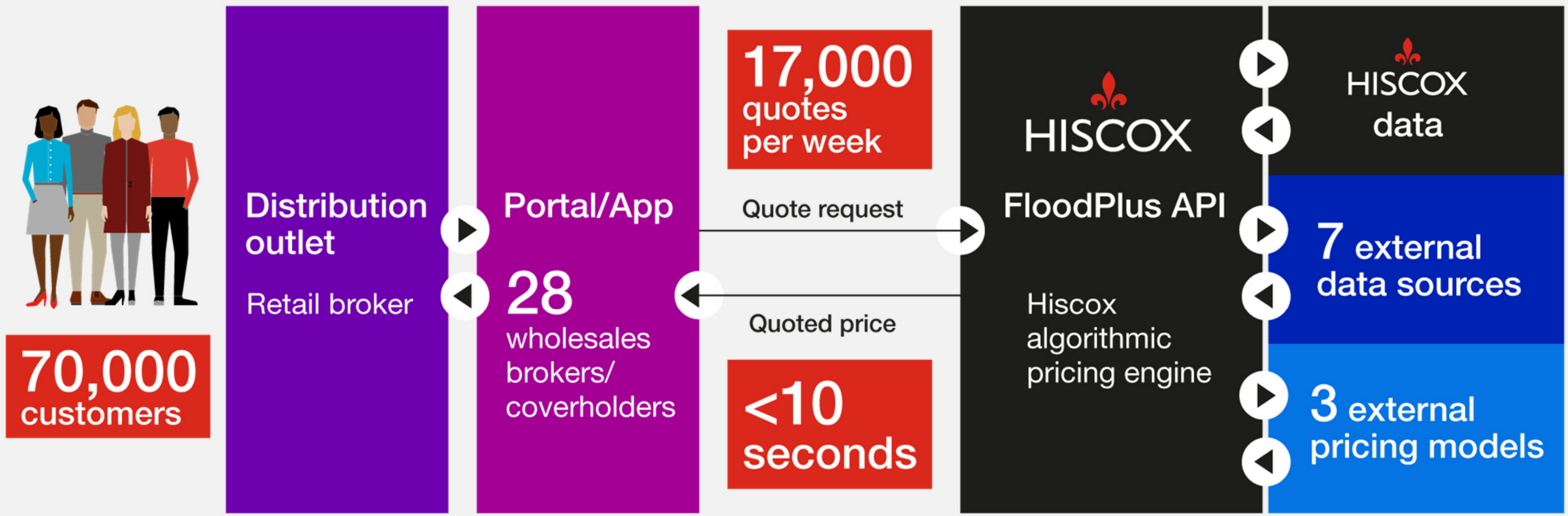
London Market
Building a diversified, balanced portfolio

London Market net earned premiums (% of total portfolio)



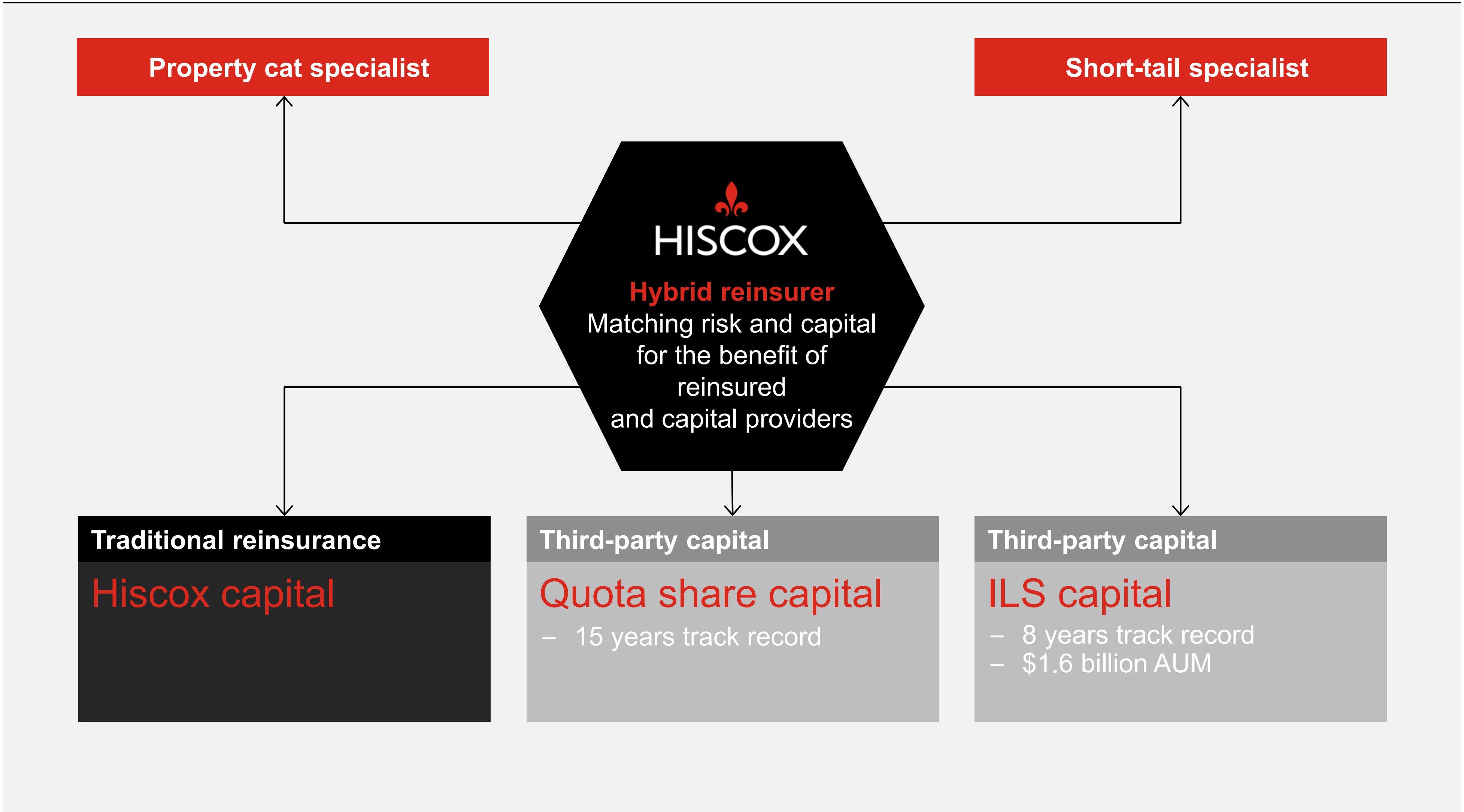
London Market
Combining underwriting excellence with digital innovation

Hiscox FloodPlus



Real-time | Risk-based pricing | Improved cover | Control of aggregate at zip code and flood zone level

Re & ILS
Hybrid reinsurer with short-tail specialty focus



My executive team
Aligned in purpose, strategy and values

Liz Breeze
Interim Group Chief Financial Officer
Joined Hiscox: May 2012

Amanda Brown
Chief Human Resources Officer
Joined Hiscox: October 2006

Hanna Kam
Group Chief Risk Officer
Joined Hiscox: February 2015

Joanne Musselle
Group Chief Underwriting Officer
Joined Hiscox: April 2002

Robert Dietrich
Chief Executive Officer, Hiscox Europe
Joined Hiscox: June 1997

Stéphane Flaquet
Interim Chief Executive Officer, Hiscox UK
Joined Hiscox: March 2010

Kevin Kerridge
Chief Executive Officer, Hiscox USA
Joined Hiscox: December 1996

Kate Markham
Chief Executive Officer, Hiscox London Market
Joined Hiscox: June 2012

Kathleen Reardon
Chief Executive Officer, Hiscox Re & ILS
Joined Hiscox: January 2021

Building talent excellence
People are our greatest asset

Nurturing great internal capabilities...

25%
of workforce are underwriters

+43%
Actuaries, modellers, statisticians, since 2016

32%
of senior leaders with 10+ years experience at Hiscox

+92%
Claims experts since 2016

...and attracting high-calibre experienced talent

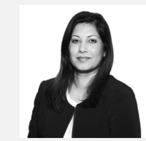
Hiscox London Market

Colin Buchanan
Casualty Divisional Director

Steven Pearsall
D&O Line Underwriter

Helen Rose
CFO, London Market

Hiscox RE & ILS



Nisha Manaktala
Technology Director, Re & ILS

Vincent Prabis
ILS Managing Principal

Matthew Wilken
CUO, Re & ILS

Hiscox Retail

Alvaro Benito
Head of Commercial Lines, Europe

Jodi Cartwright
Distribution Director, UK

Jerry Cox
CFO, US

Group Executive Committee

Paul Cooper
Group CFO

Jon Dye
CEO, UK

Our strategic priorities

- Strong and profitable growth in Retail
- Delivering sustainable returns across all business segments
- Advanced data, analytics and technology underpinning underwriting and distribution
- Attracting and nurturing the best talent
- Building a sustainable business

Financial performance

Group financial performance
Strong result despite impact of natural catastrophes

	31 December 2021 $m	31 December 2020 $m
Growth		
Gross premiums written	4,269.2	4,033.1
Net premiums written	2,955.0	2,750.4
Net premiums earned	2,919.9	2,752.2
Earnings		
Underwriting profit/(loss)	215.6	(370.6)
Investment result	51.2	197.5
Profit/(loss) before tax	190.8	(268.5)
Combined ratio	93.2%	114.5%
Shareholder returns		
Final ordinary dividend (¢)	23.0	–
Net asset value		
$m	2,539.3	2,353.9
¢ per share	739.8	689.0
EPS		
¢ per share	55.3	(91.6)
Return on equity	8.1%	(11.8)%

- Growth across the Group underpinned by continued positive rate momentum and strong customer growth in Retail
- Return to positive underwriting result in all business segments
- Strongest underwriting profit in five years despite above mean natural catastrophe year
- Underwriting and expense control actions bearing fruit
- Covid-19 net loss estimate broadly unchanged
- Final dividend of 23.0 cents per share

Hiscox Retail
Good progress towards delivering Retail COR guidance

	31 December 2021 $m	31 December 2020* $m
Growth		
Gross premiums written	2,290.0	2,180.0
Net premiums written	1,969.3	1,907.8
Net premiums earned	1,958.6	1,886.5
Earnings		
Underwriting profit/(loss)	34.9	(397.7)
Investment result	26.9	103.4
Profit/(loss) before tax	54.9	(295.6)
Combined ratio	98.9%	123.4%
Combined ratio excl. Covid-19 net claims and LPT cost	97.3%	99.9%

- GWP up 5.0% or 1.5% in CCY
- Exited over $100m of US broker business; underlying portfolio** up 6.8% in CCY
- Positive rate momentum in all geographies
- 18.2% growth in global Digital Partnerships and Direct (DPD)
  - GWP of $694m
  - c.910,000 customers
- 25.5% growth in US DPD
  - GWP of $424m
  - 520,000 customers
- Underlying COR† is a 2.6ppt improvement on prior year; on track to deliver 90% to 95% COR in 2023

*Numbers have been re-presented to reflect reclassification of the Special Risks division.
**Adjusted for the reduction in US broker GWP over the course of 2021 to strategically reshape the portfolio towards smaller business customers.
†Excludes loss portfolio transfer costs and Covid-19 net loss impact. 2020 London Market and Retail numbers have been re-presented to reflect reclassification of the Special Risks division.

Hiscox London Market
Strong performance with focus on profitability

	31 December 2021 $m	31 December 2020* $m
Growth		
Gross premiums written	1,171.4	1,109.7
Net premiums written	711.5	649.9
Net premiums earned	690.3	637.6
Earnings		
Underwriting profit/(loss)	89.6	94.8
Investment result	15.8	60.5
Profit before tax	104.8	155.2
Combined ratio	89.1%	89.2%

- Growing top line where opportunity is attractive
- NWP up 9.5%, almost double the GWP growth rate, as we retained more in a hard market
- Underwriting discipline and portfolio actions bearing fruit; property binder exposure reduced by 39%
- Strong underwriting profit despite elevated natural catastrophe losses
- Good progress in digital trading

*Numbers have been re-presented to reflect reclassification of the Special Risks division.

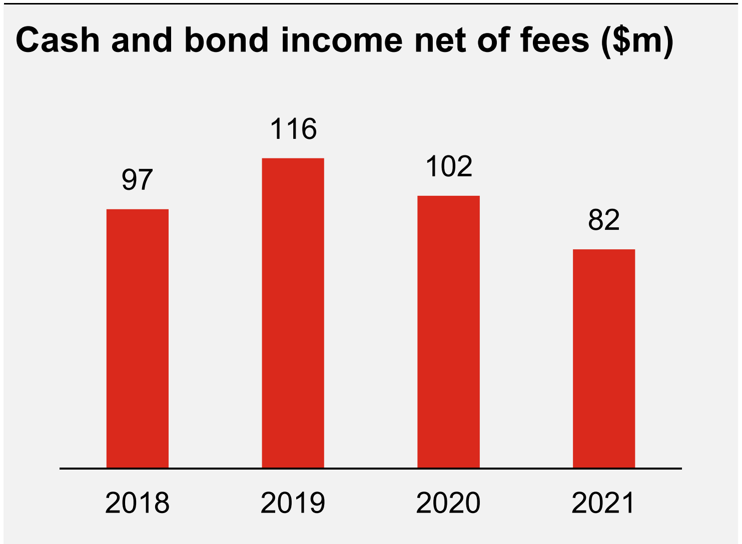
Hiscox Re & ILS
Outstanding result in a heavy natural catastrophe year

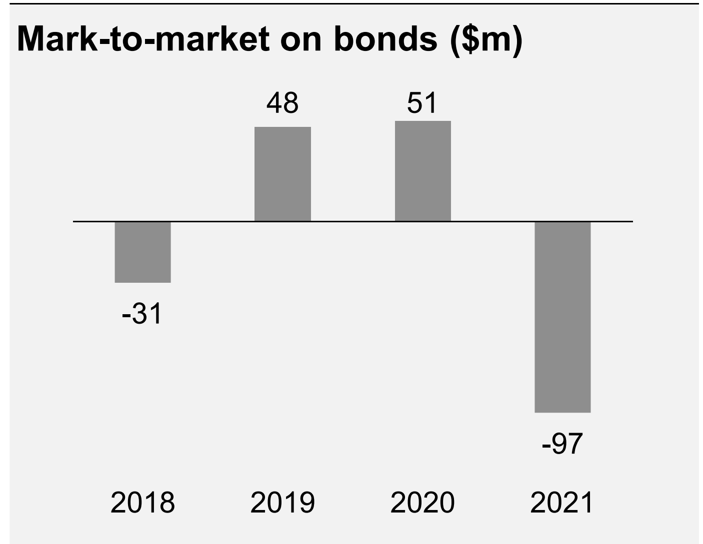
	31 December 2021 $m	31 December 2020 $m
Growth		
Gross premiums written	807.8	743.4
Net premiums written	274.2	192.7
Net premiums earned	271.0	228.1
Earnings		
Underwriting profit/(loss)	91.1	(67.7)
Investment result	8.8	33.6
Profit/(loss) before tax	98.5	(35.1)
Combined ratio	68.0%	131.8%

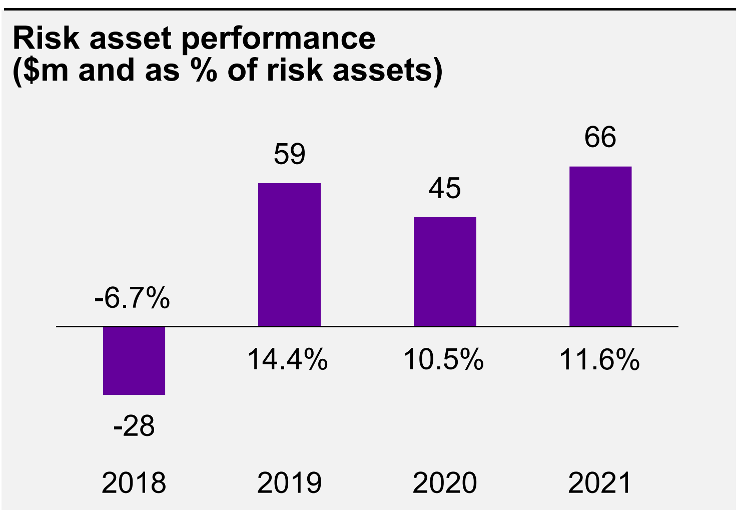
- GWP up 8.7% and NWP up 42.3%, as we deployed own capital in improved rate environment
- Strong non-catastrophe loss experience as the portfolio benefits from multiple years of underwriting action
- Exceptional COR, despite $122.0m of natural catastrophe losses, helped by prior year reserve releases from historic catastrophes
- $190m gross inflows into ILS in 2021; further $217m in January 2022; ILS AUM at $1.6bn at 1 January 2022 ($1.4bn at 31 December 2021)

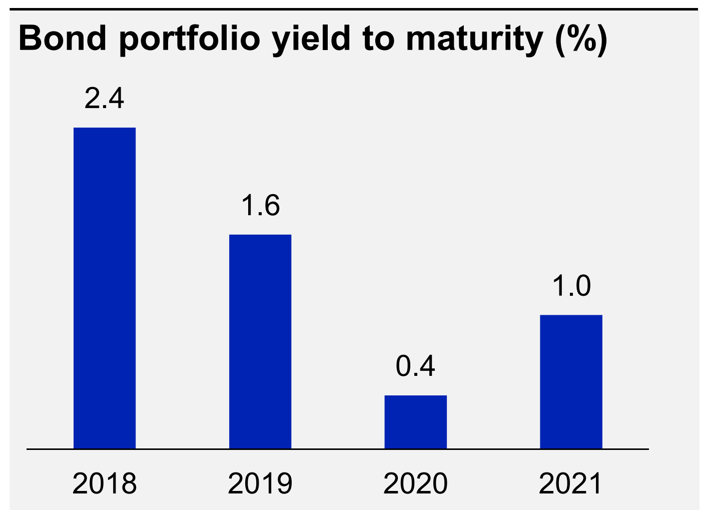
Investment performance

HISCOX







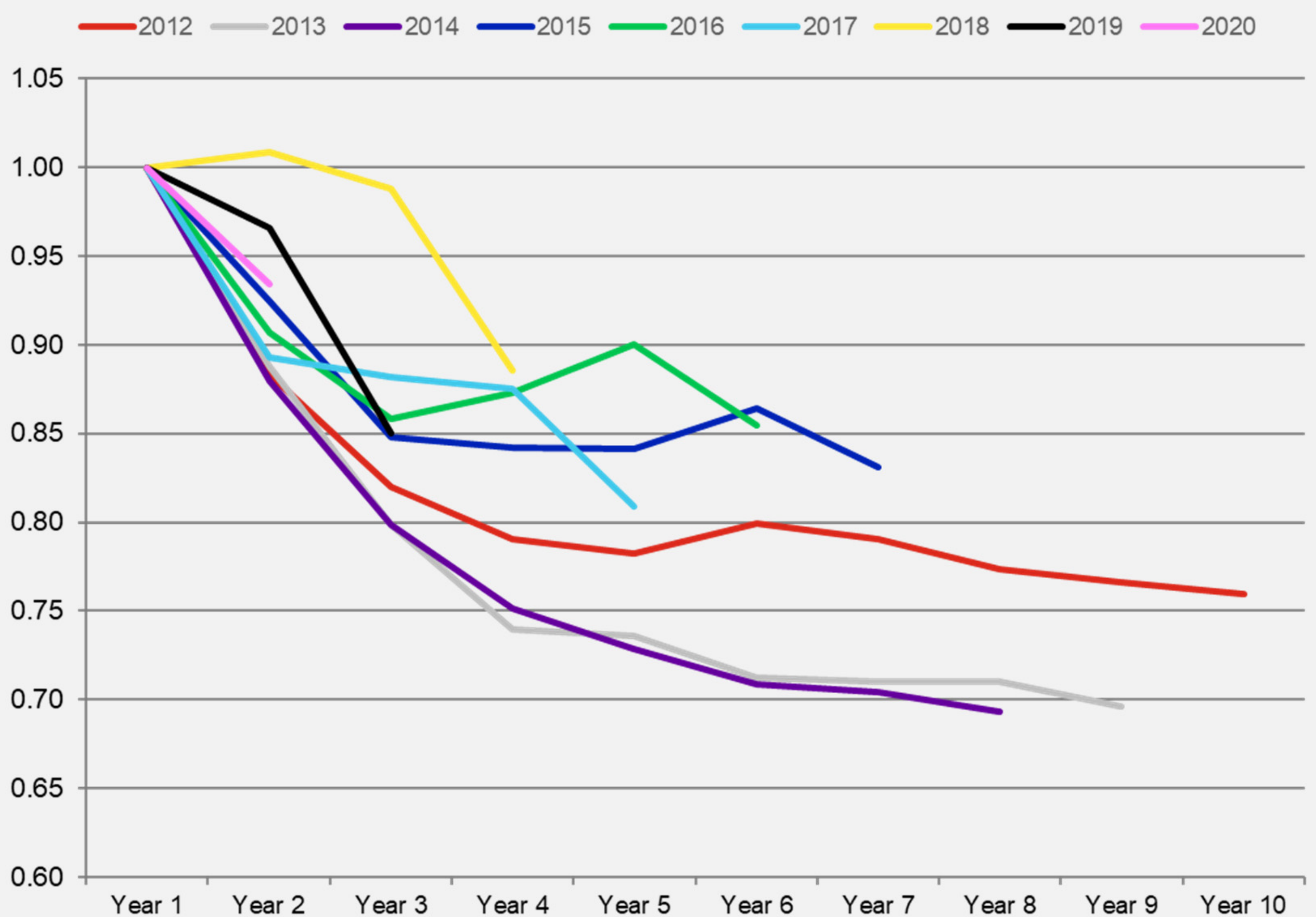


- Investment result $51.2m (2020: $197.5m), return of 0.7% (2020: 2.8%)
- Mark-to-market losses incurred in bonds as yields increased
- Contribution from equity and hedge funds more than offset losses from bond portfolio
- Average bond duration: 1.7 years (2020: 1.6 years)
- Group invested assets $7.3bn at 31 December 2021
- Further mark-to-market losses YTD. Yield has risen to 1.7%, up from 1% at end December 2021

Numbers have been re-presented to reflect reclassification of bond mutual funds.

Reserve resilience continues
$149m positive reserve development

Loss development* by accident year

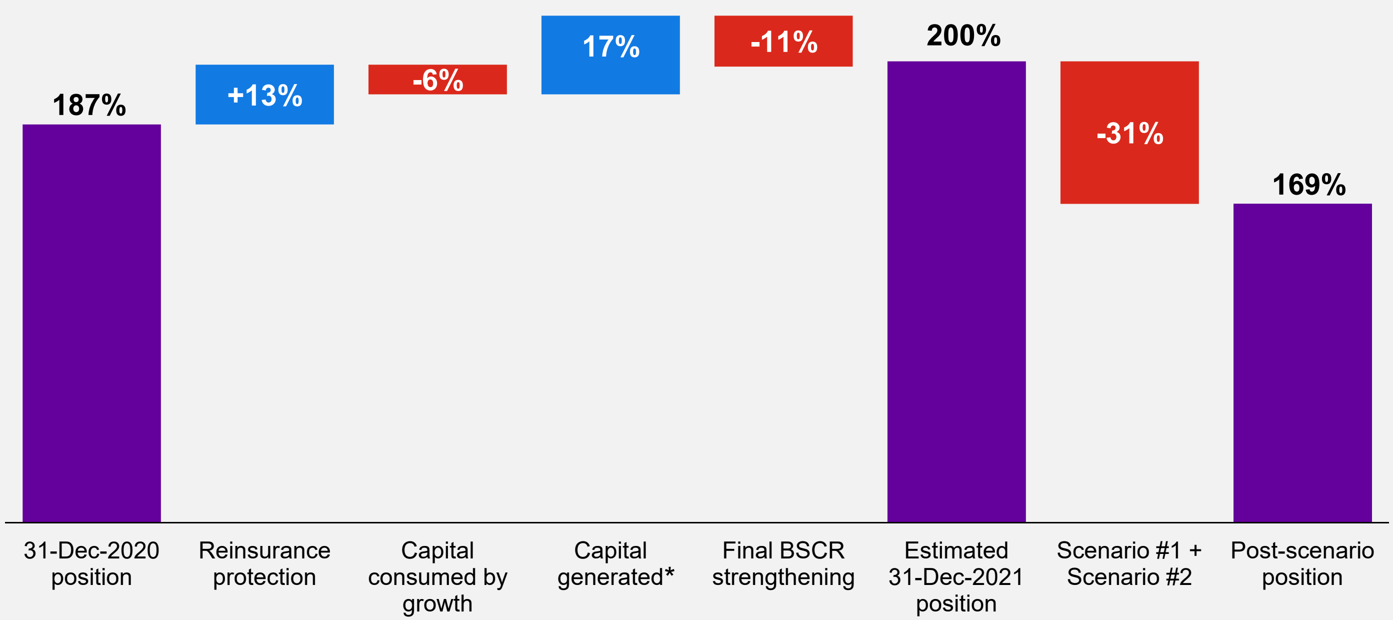


- Margin of $372m (2020: $348m); 11.7% (2020: 9.8%) above actuarial estimate
- Positive reserve development of $149m (2020: $32m)
- Reserve releases 3.7% of opening balance
- LPTs limiting potential for back-year volatility
  - 15% of 2019 reserves and prior are now reinsured
  - Cover equivalent to a 1-in-200 return period reserve deterioration
- 2018 and 2019 catastrophes reducing in 2021
- All operating segments saw favourable development

*Includes impact of Syndicate 3624 LPT.

Strong capital base
Robust capital generation provides strategic flexibility

Bermuda solvency capital requirement (BSCR)



Illustrative scenario		Description	Modelled loss
#1	Natural catastrophe	US windstorm modelled mean loss for a 100-250 year return period	$235m
#2	Economic recession	$60m loss in equity markets, yields increase by 1ppt leading to $80m net mark-to-market loss on bond portfolio and 2ppts Group loss ratio deterioration	$200m

- Regulatory and ratings capital position robust; post-scenario position consistent with S&P A rating
- Key changes during the year:
  - Two LPTs completed
  - Pension deficit narrowed
- Final BSCR strengthening at lower end of previously indicated range
- Strong capital generation provides significant loss absorption capacity and ability to support growth
- Severe downside scenario assumptions:
  - $235m loss from US windstorm
  - $200m economic recession losses

*Capital generated includes payment of interim dividend and movement in pension deficit.

Upcoming changes

S&P model updates

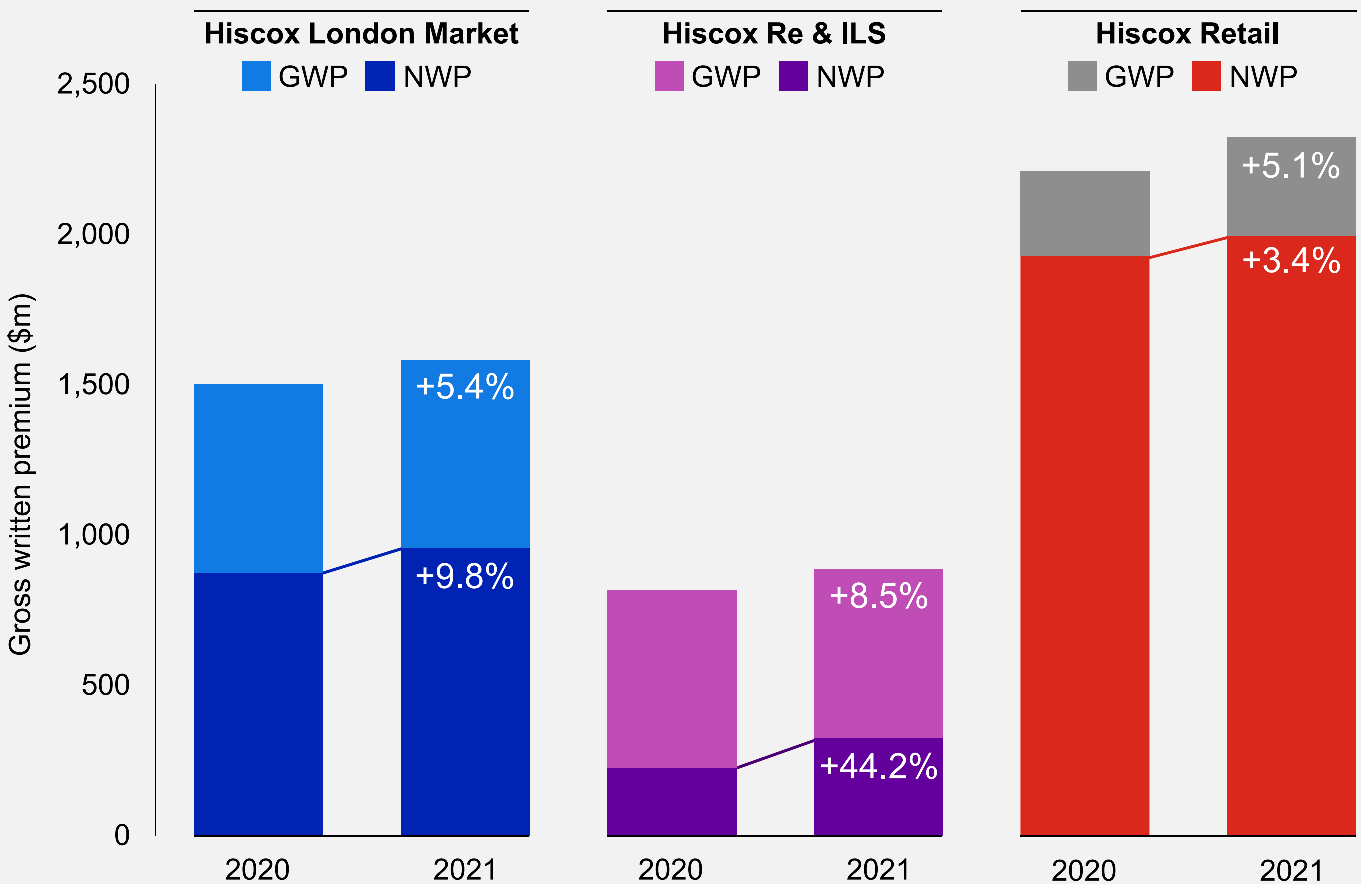
IFRS 17

OECD base erosion and profit shifting (BEPS)

Underwriting

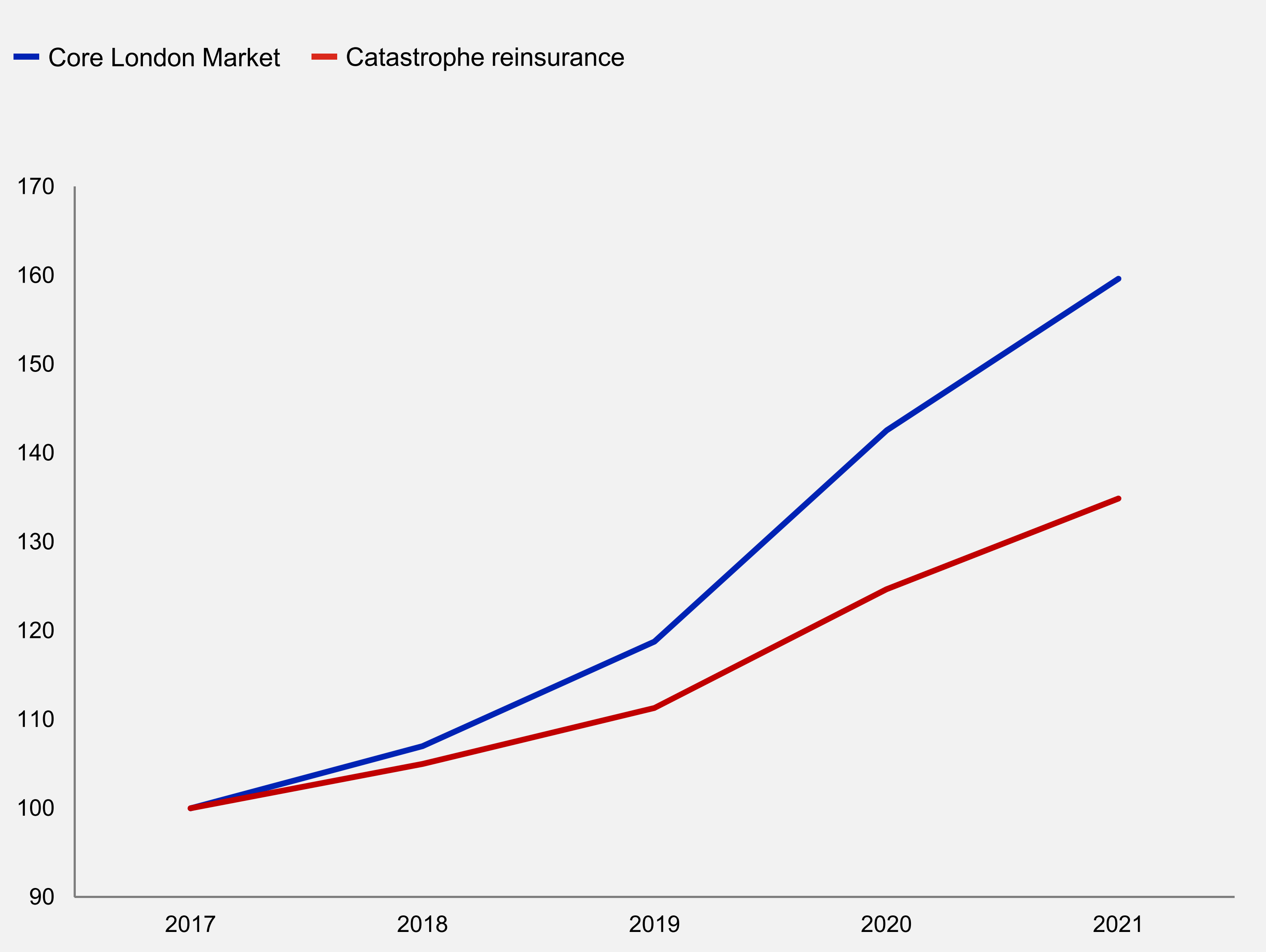
Managing our net exposure
Growing where there is opportunity

2021 Total Group gross/net written premium (100%)
GWP $4,795 million; NWP $3,279 million



- London Market
  - Portfolio balance and more premium net in an improving market
  - Binder remediation near completion and growth in investment lines
- Re & ILS
  - Re-underwriting completed, with LPT protecting run-off
  - More premium net in an improving market
- Hiscox Retail
  - Successfully exited over $100m in USA as we accelerate the focus to small business
  - Good underlying growth with progress towards 90% to 95% COR in 2023

Global market hardening
Rate momentum continues in big-ticket



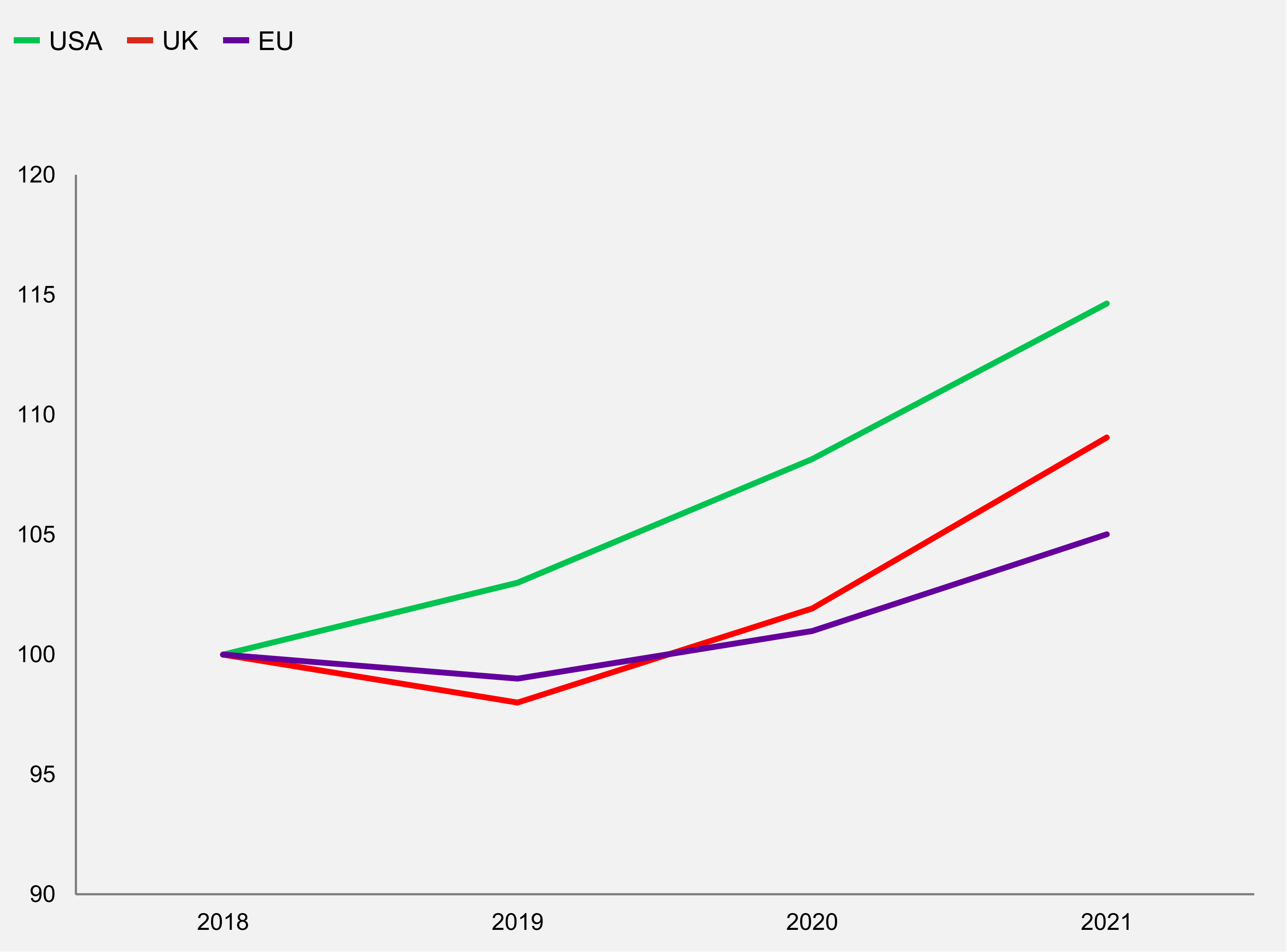
London Market

- Rates up 13% in 2021
- 60% cumulative rise since 2017
  - Early rises offsetting increased risk
  - Now significant margin improvement
- Rate adequacy remains solid

Re & ILS

- Rates up 8% in 2021
- 35% cumulative rise since 2017
  - Early rises offsetting increased risk
  - Now strong margin improvement...
- ...but further rate increases are necessary to achieve satisfactory returns through the cycle in all property lines

Retail market hardening
Rate momentum in all business units



Retail

- Rates up 5% with accelerated momentum during 2021
- More nuanced by segment
  – US up 6%, 15% cumulative since 2018
  – UK up 7%, 9% cumulative since 2018
  – Europe up 4%, 5% cumulative with increased momentum at 01/01
- Rates have been consistently adequate in UK and Europe driving good returns
- US portfolio course correction and cumulative rate now driving rate adequacy in go-forward lines

Claims inflation management
Consideration in planning, pricing, capital and reserving

Economic e.g. costs and wages
- Property – index linking sums insured
- Casualty – accurate exposures e.g. turnover
- Attachment, SIRs* and deductibles

Climate e.g. physical risk and litigation
- Property – investment in external models, augmented with data and expertise to create Hiscox view of risk for peak and secondary perils
- Casualty – understanding future litigation

Social e.g. legal, regulatory and moral
- Internal and external metrics tracking, e.g. assignment of benefits or jury awards
- Underwriting and portfolio adjustments

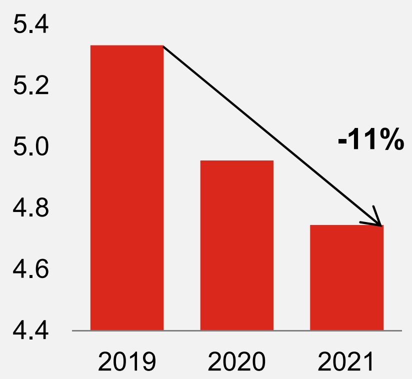
Reserving
- Two- to three-year average duration
- LPTs on certain casualty lines
- Prudent best estimate and substantial margin

Premium growth in excess of inflation expectation for 2022

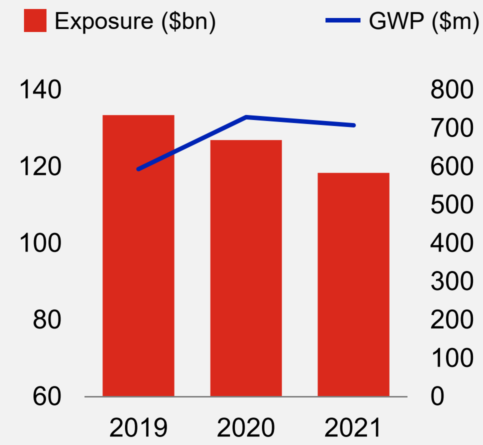
*SIRs = self insured retentions.

London Market
More premium, less risk – taking control ahead of the cycle

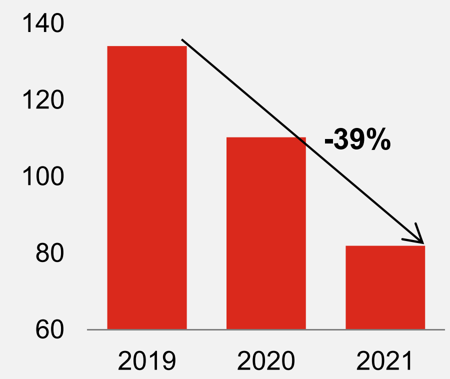
Open market line size ($m)



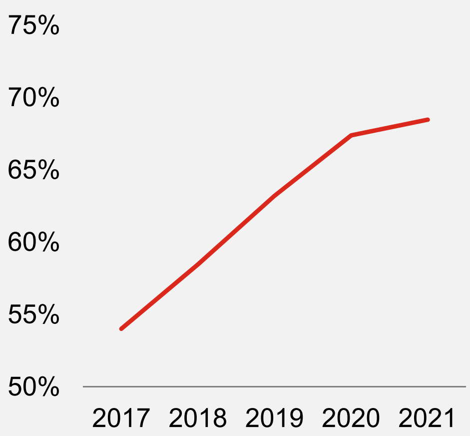
Open market exposure



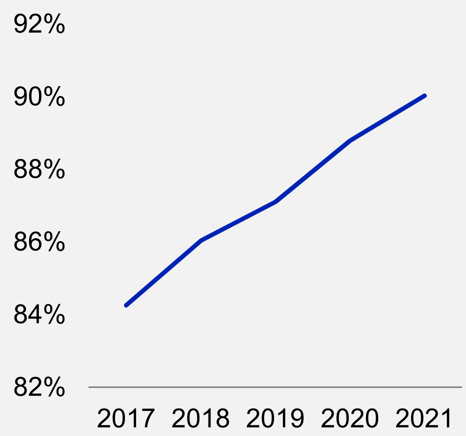
Property binder exposure ($bn)



Lead % GWP



% of risks placed open market

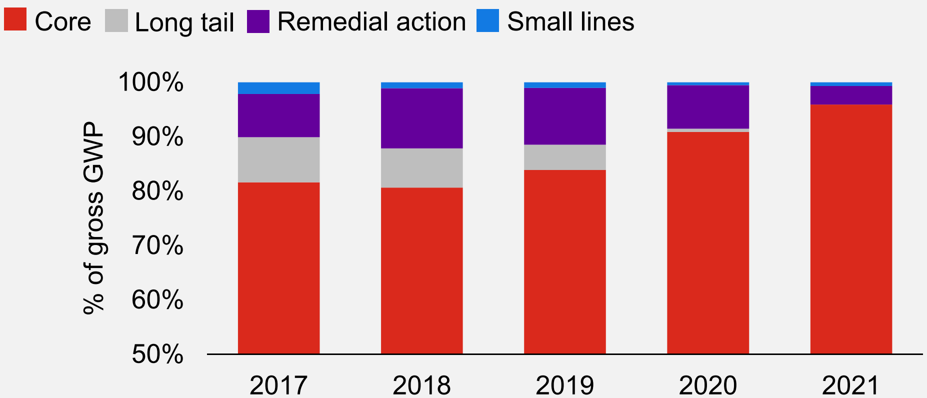


Taking control ahead of the cycle

- +30% in underwriting, pricing and exposure management specialists since 2017
- Growing premium, whilst reducing exposure
- Increased focus in lead and open market gives more control on portfolio in a changing market

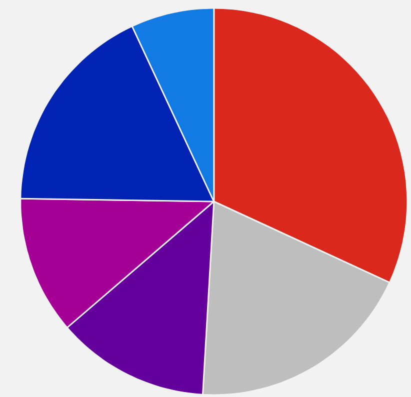
Re & ILS
Re-focused, driving rate – positioned well for the future

Re-focus away from loss drivers



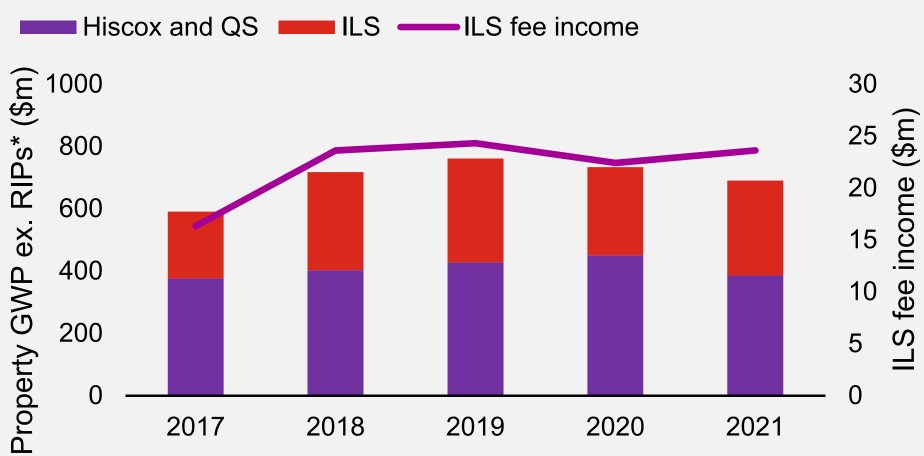
Drive rate

	Cumulative rate (2017 – 2021)
Cat	+26%
Retro	+57%
Agg	+38%
Risk	+40%
Specialty	+102%
Other	+16%



Core: property catastrophe excess of loss (excluding the small lines), risk excess (non-risk aggregate product), retro, specialty and marine.
Long tail: casualty and healthcare. **Remedial action**: risk aggregate product, aggregate, pro rata. **Small lines**: programmes with expected average profit < $100k.

Third-party capital strategy positions us well for the future



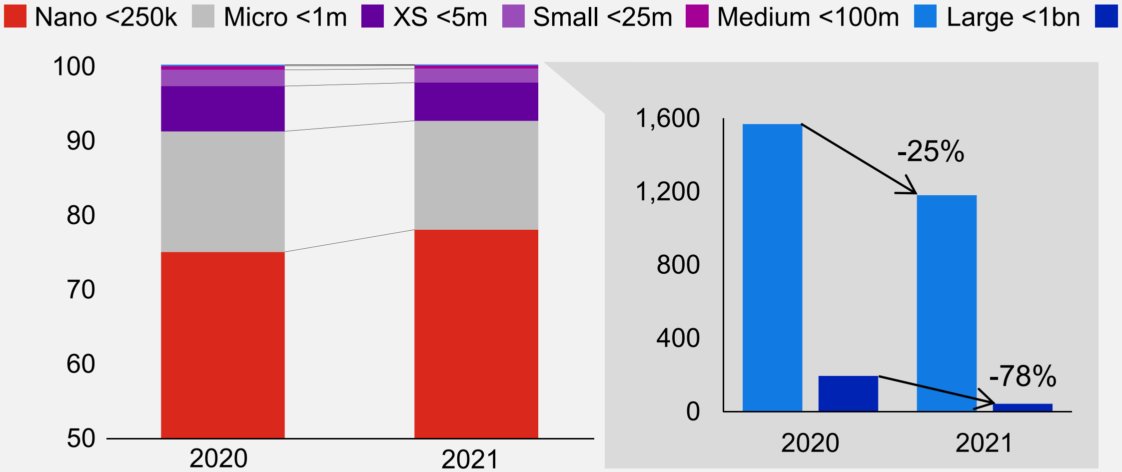
Data, analytics and portfolio management

- +40% in underwriting, pricing and exposure management specialists since 2017
- Updated view of risk in US hurricane, wildfire, Japanese typhoon and social inflation in Florida
- Climate research on frequency and secondary perils

*Reinstatement premiums.

Retail
Automated underwriting driving consistent results

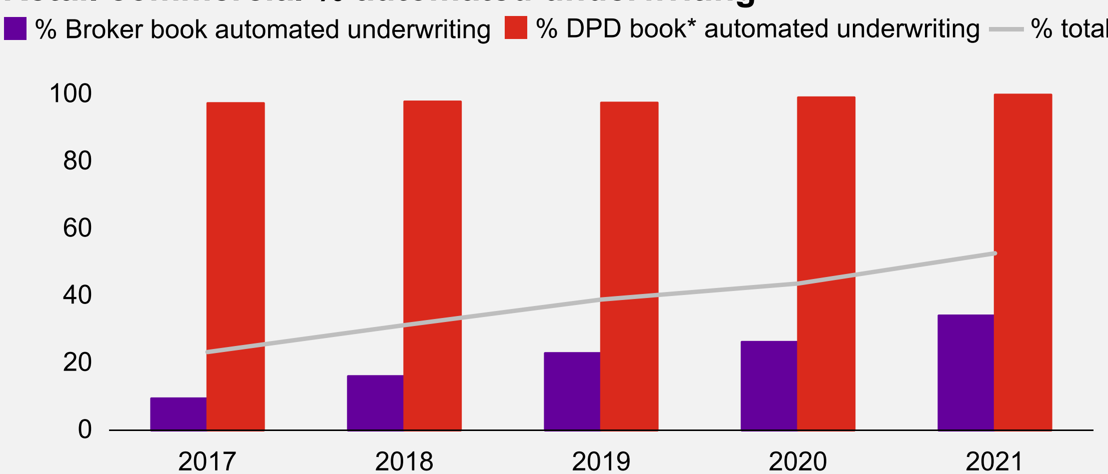
Retail commercial – % policy count by revenue band



Accelerate to small business in commercial

- 90% of the portfolio has a turnover of < $£€1m
  - These customers are often buying for first time
  - And buy smaller limits, driving lower volatility
- Larger customers significantly reduced with US portfolio and cyber remediation

Retail commercial % automated underwriting



Data, analytics and automated underwriting

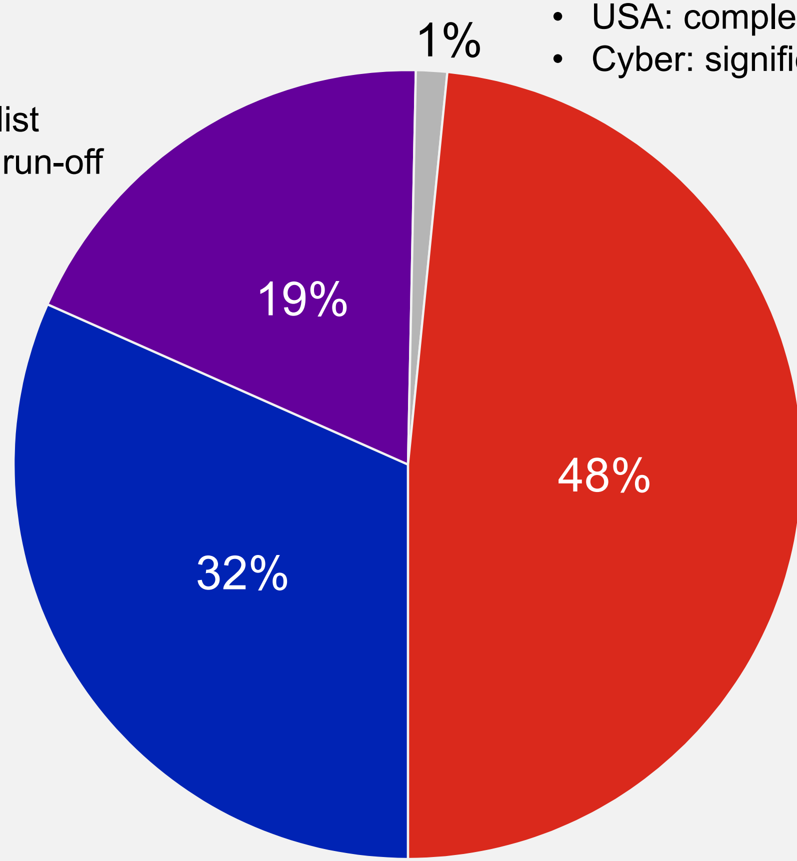
- Consistent – pricing, underwriting and wording
- Response at scale – constant course correction
- Efficient – operating model and implementation
- Case underwriting – where it adds value
- Results – driving consistent growth and profit

*DPD excludes personal lines in UK, Europe and DirectAsia.

Underwriting 2022 outlook
Portfolios well positioned to capture growth

Hiscox Re & ILS*
- Continued rate momentum
- Short-tail reinsurance specialist
- Reinsurance protection from run-off

Hiscox London Market*
- Continued rate momentum
- Reduction in catastrophe exposure
- Growth in investment lines



Hiscox 2022 course correction lines
- USA: complete small business acceleration
- Cyber: significant rate increases in all countries

Hiscox Retail*
- Positioned for growth:
  - Strategic repositioning of the US broker portfolio to businesses with lower revenue is nearly completed
  - Digital businesses continues strong growth
- Tailored propositions in specialist segments

Established culture of active portfolio management and improved data and analytics

*Retail, London Market and Re & ILS segments exclude 2022 course correction lines.

Closing remarks

Outlook

- Outlook is strong for 2022 and beyond
- London Market and Re & ILS – more balanced, more controlled and better rated. Positioned well to realise strong profits and take advantage of cyclical growth opportunities
- Retail return to strong growth, towards middle of 5% to 15% range in 2022 and on track to deliver a 90% to 95% COR in 2023
- Balance sheet strength creates flexibility to invest in people, data, analytics and technology to ensure Hiscox has market-leading underwriting ecosystem and distribution capabilities

Appendices

- Geographical reach
- Hiscox investment case
- Strategic focus
- Long-term growth
- An actively managed business
- Hiscox ESG framework
- ESG progress update
- Demonstrating capital resilience
- Group performance
- 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
- Investment result
- Portfolio – asset mix
- Portfolios – USD debt and fixed income holdings
- Portfolios – GBP and other currencies debt and fixed income holdings
- Business segments

Geographical reach
35 offices in 14 countries

Hiscox investment case

Balanced portfolio of large and complex risks

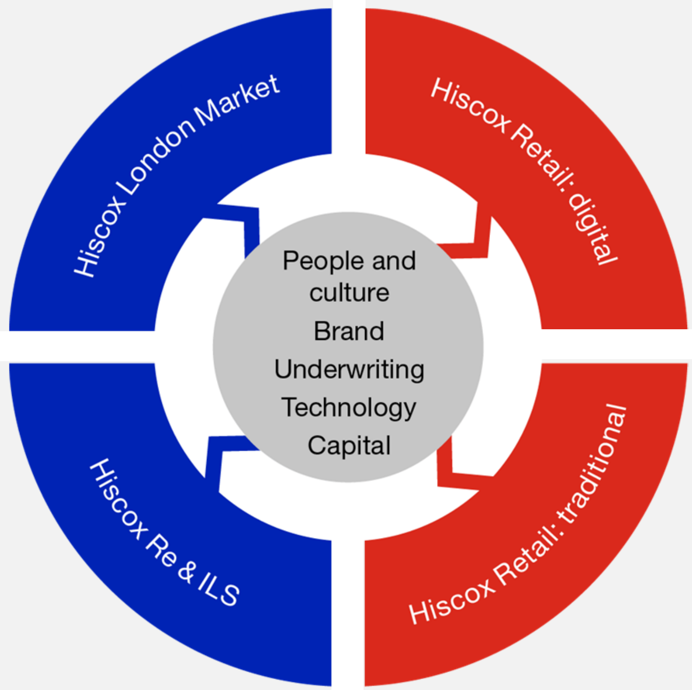
Delivers profits and capital generation for reinvestment

Delivers underwriting profit and capital-light fee income

SME and personal lines

Significant structural growth opportunity

Delivers stable profit generation and growth



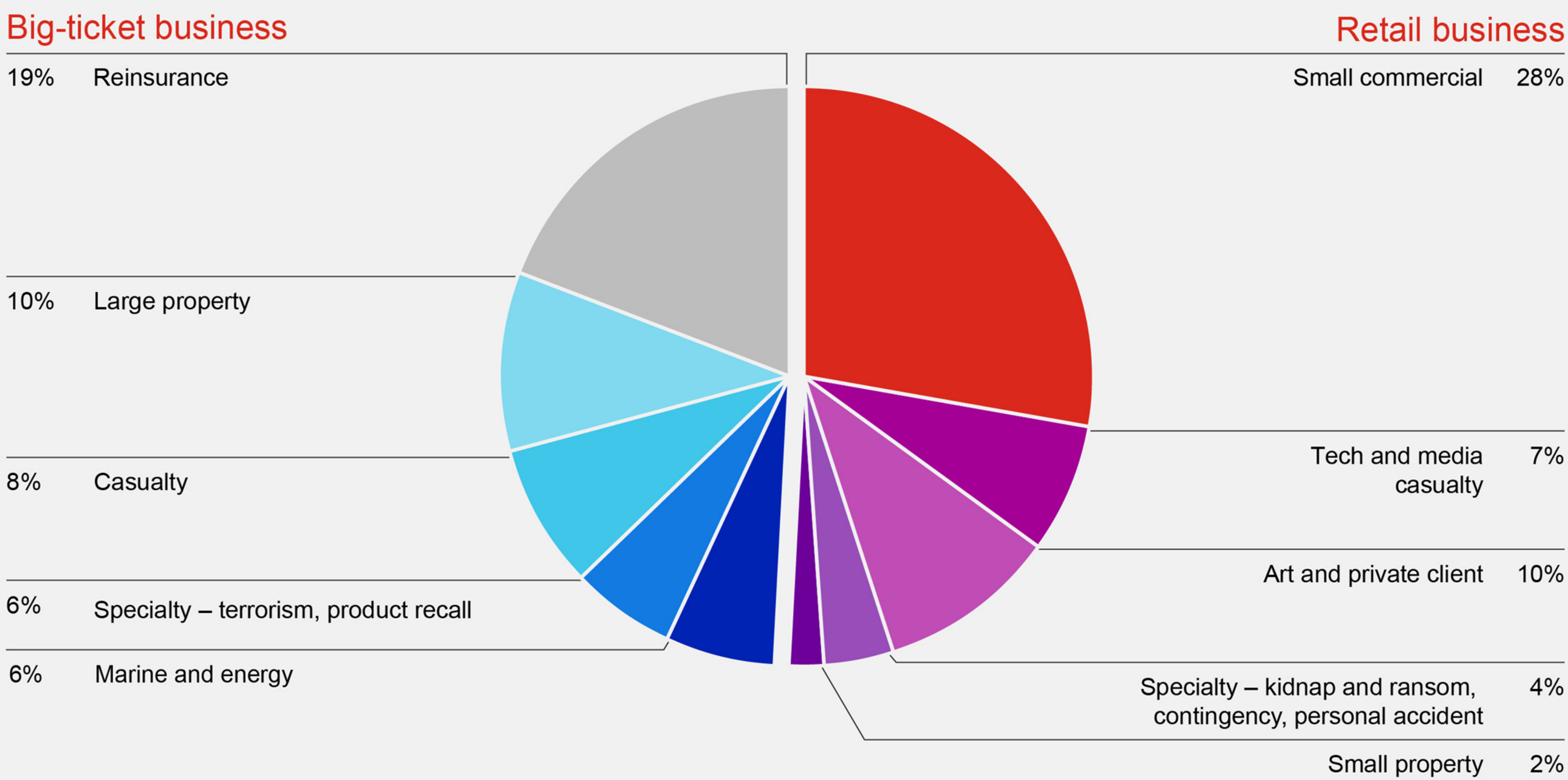
Attractive and sustainable returns for shareholders

Long-term profitable growth	Operational leverage	Attractive and sustainable ROE	Managed volatility delivering lower cost of capital	Dividend

Strategic focus

HISCOX

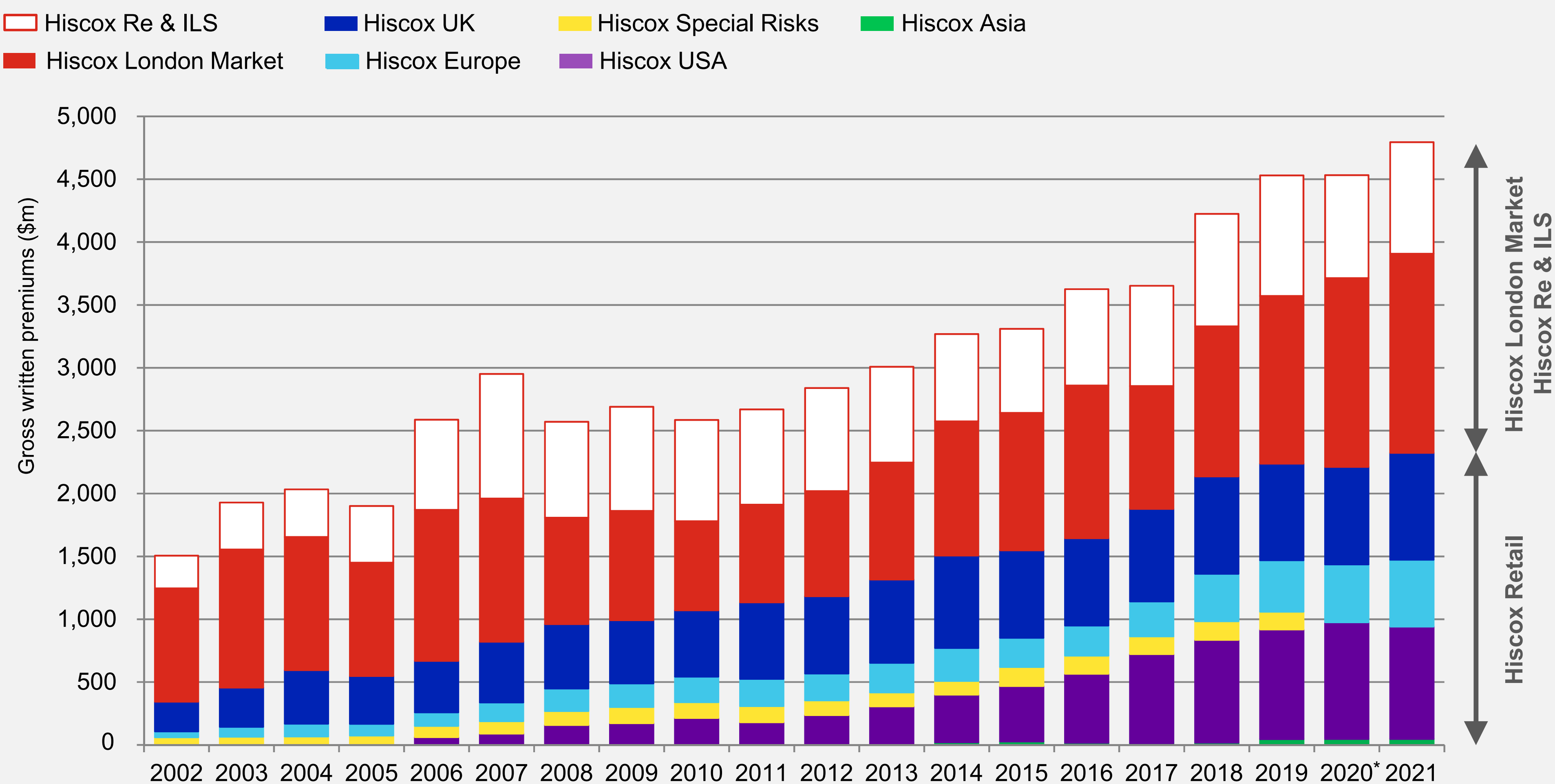
Total Group controlled income for 2021
100% = $4,795 million



Long-term growth

HISCOX

Total Group controlled income ($)



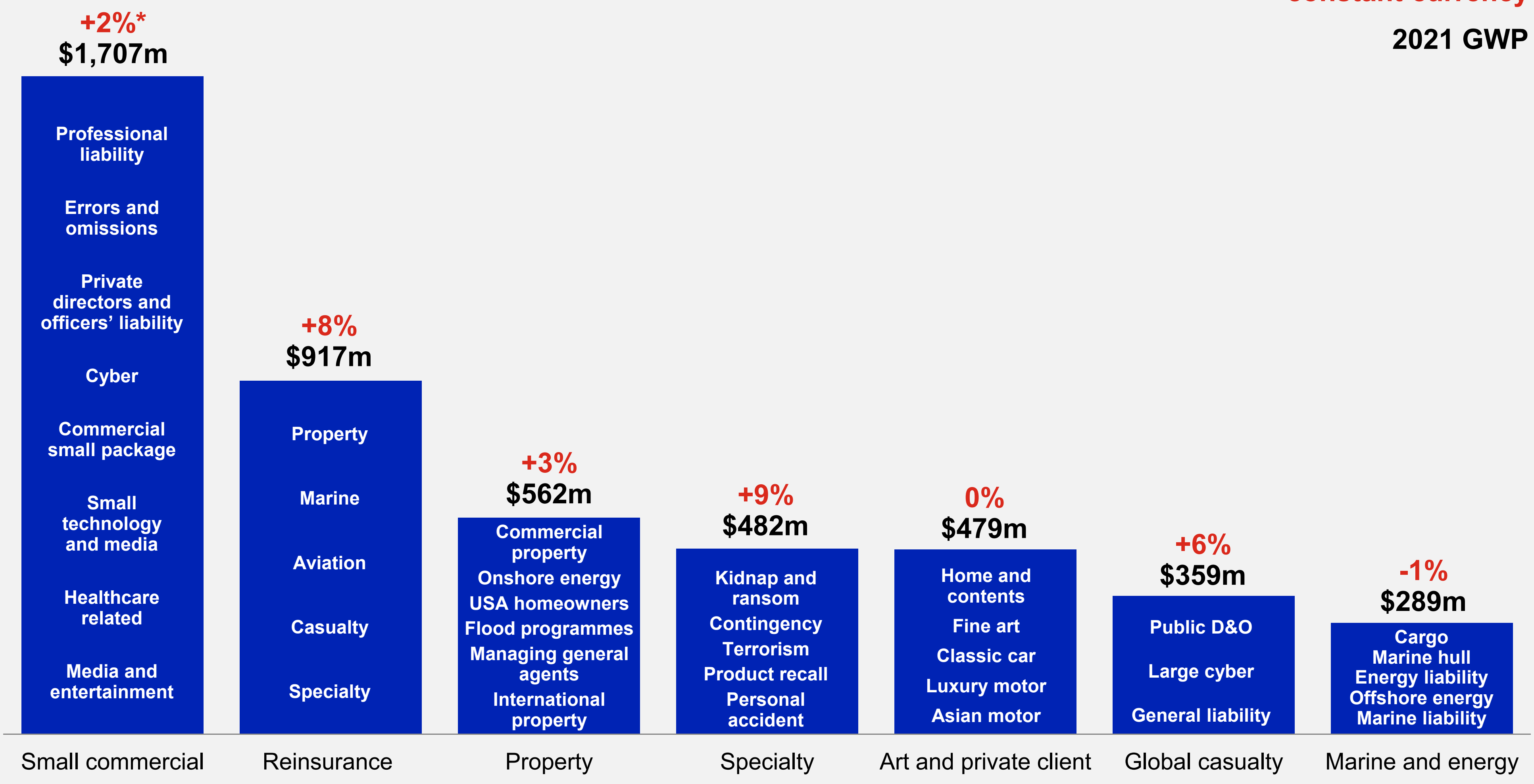
*2020 restated for Hiscox Special Risks.

An actively managed business
Strategy of balance continues

Total Group controlled premium 31 December 2021: $4,795m

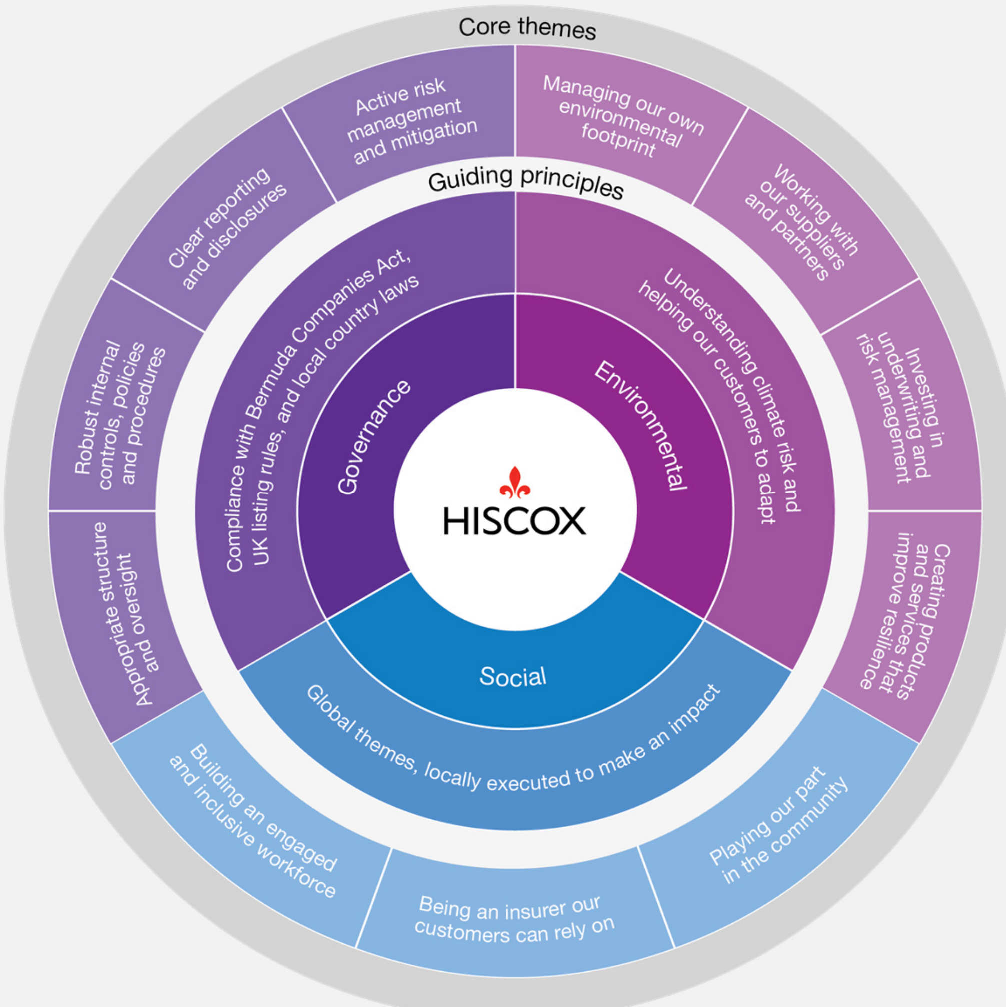
Period-on-period in constant currency

2021 GWP



*8% including $109m of US exited business.

Hiscox ESG framework
A pragmatic approach



Environmental, social and governance
Good progress in areas material to the business

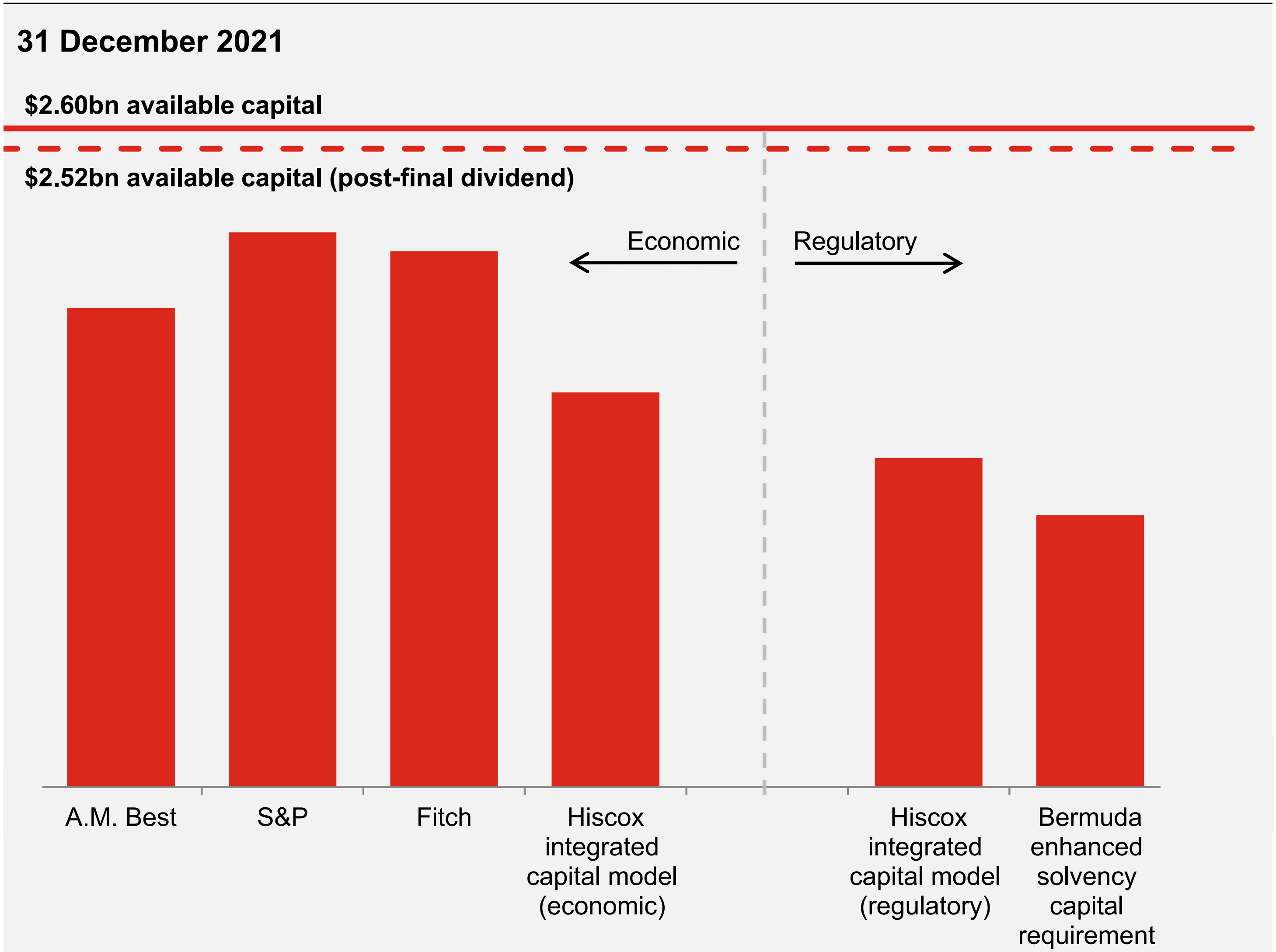
HISCOX

- Underwriting and investment exclusion policy came into force at 1/1/22
- New Board-approved, SBTi-aligned GHG targets to support net zero by 2050 trajectory
- Growing appetite for sustainable underwriting products
- Continued progress in climate risk stress testing, including participation in industry wide exercises

- Paid out $1.25bn in claims
- Customer tools to help manage risks, e.g. CyberClear Training Academy, cyber exposure calculator
- Growing team of 60+ trained mental health first aiders
- 15 employee network chapters including Latino and Pan-African communities, Pride, WeMind and Parents and Caregivers
- $1.5m donated to charitable causes and over 1,000 volunteering hours in 2021

- 45% female representation currently at Board level, and 60% within the Group Executive Committee
- New Sustainability Steering Committee, boosting senior oversight and accountability
- Fifth year of progress in closing UK gender pay gap (2021: 19.1%)
- Signatories to the Principles for Responsible Investment (PRI) and Principles for Sustainable Insurance (PSI)

Demonstrating capital resilience



Rating agency assessments shown are internal Hiscox assessments of the agency capital requirements on the basis of projected year-end 2021. 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.

- Strongly capitalised above all regulatory, economic, and management bases
- BMA's Bermuda Solvency Capital Requirement (BSCR) is Solvency II equivalent
- BSCR est.200% (2020: 187%), equivalent to a regulatory capital surplus of $1.5bn
- BSCR standard formula strengthening now complete
- All ratings for the Group affirmed in Q4 with stable outlooks maintained

Group performance

HISCOX

Year to 31 December 2021	GWP $m	GWP change %	Constant currency GWP change %
Hiscox Retail	**2,290.0**	**5.0**	**1.5**
Hiscox UK	831.1	9.9	2.9
Hiscox Europe	532.0	15.4	9.8
Hiscox USA	879.2	(3.9)	(3.9)
Hiscox Asia	47.7	(1.0)	(0.2)
Hiscox London Market	**1,171.4**	**5.6**	**4.1**
Hiscox Re & ILS	**807.8**	**8.7**	**7.4**
Total	**4,269.2**	**5.9**	**3.3**

Segmental analysis

HISCOX

	31 December 2021					31 December 2020*				
	Hiscox Retail $m	**Hiscox London Market $m**	**Hiscox Re & ILS $m**	**Corporate Centre $m**	**Group Total $m**	Hiscox Retail $000	Hiscox London Market $000	Hiscox Re & ILS $000	Corporate Centre $000	Group Total $000
Gross premiums written	**2,290.0**	**1,171.4**	**807.8**	**–**	**4,269.2**	2,180.0	1,109.7	743.4	–	4,033.1
Net premiums written	**1,969.3**	**711.5**	**274.2**	**–**	**2,955.0**	1,907.8	649.9	192.7	–	2,750.4
Net premiums earned	**1,958.6**	**690.3**	**271.0**	**–**	**2,919.9**	1,886.5	637.6	228.1	–	2,752.2
Investment result	**26.9**	**15.8**	**8.8**	**(0.3)**	**51.2**	103.4	60.5	33.6	–	197.5
Foreign exchange gains/(losses)	**–**	**–**	**–**	**0.7**	**0.7**	–	–	–	(14.5)	(14.5)
Profit/(loss) before tax	**54.9**	**104.8**	**98.5**	**(67.4)**	**190.8**	(295.6)	155.2	(35.1)	(93.0)	(268.5)
Combined ratio	**98.9%**	**89.1%**	**68.0%**	**–**	**93.2%**	123.4%	89.2%	131.8%	–	114.5%
Combined ratio excl. Covid-19	**98.4%**	**89.6%**	**67.8%**	**–**	**92.9%**	99.9%	87.3%	107.2%	–	97.0%

*Re-presented to reflect reclassification of the Special Risks division.

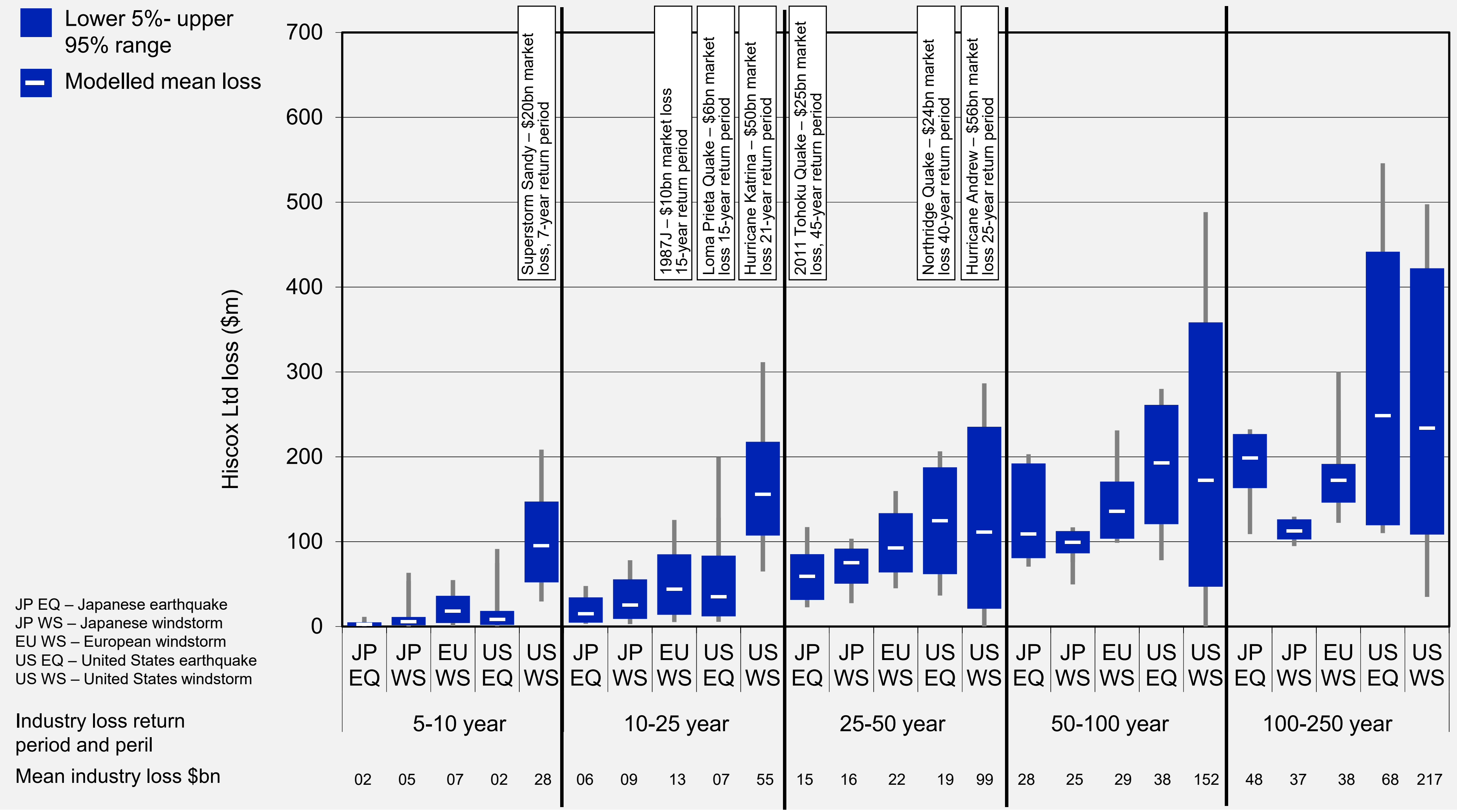
Hiscox Ltd results

HISCOX

$m	2021	2020	2019	2018	2017
Gross premiums written	**4,269.2**	4,033.1	4,030.7	3,778.3	3,286.0
Net premiums written	**2,955.0**	2,750.4	2,678.8	2,581.5	2,403.0
Net premiums earned	**2,919.9**	2,752.2	2,635.6	2,573.6	2,416.2
Investment return	**51.2**	197.5	223.0	38.1	104.8
Profit/(loss) before tax	**190.8**	(268.5)	53.1	135.6	37.8
Profit/loss after tax	**189.5**	(293.7)	48.9	117.9	22.7
Basic earnings per share (¢)	**55.3**	(91.6)	17.2	41.6	8.1
Dividend (¢)	**34.5**	–	13.8	41.9	39.8
Invested assets (incl. cash)*	**7,290.0**	7,630.0	6,592.2	6,261.8	5,957.1
Net asset value					
$m	**2,539.3**	2,353.9	2,189.7	2,259.0	2,317.2
¢ per share	**739.8**	689.0	768.2	798.6	817.0
£m	**1874.7**	1,721.7	1,653.5	1,773.6	1,797.4
p per share	**546.2**	503.9	580.1	627.0	605.3
Combined ratio	**93.2%**	114.5%	106.8%	94.4%	98.8%
Return on equity after tax**	**8.1%**	(11.8%)	2.2%	5.3%	1.0%

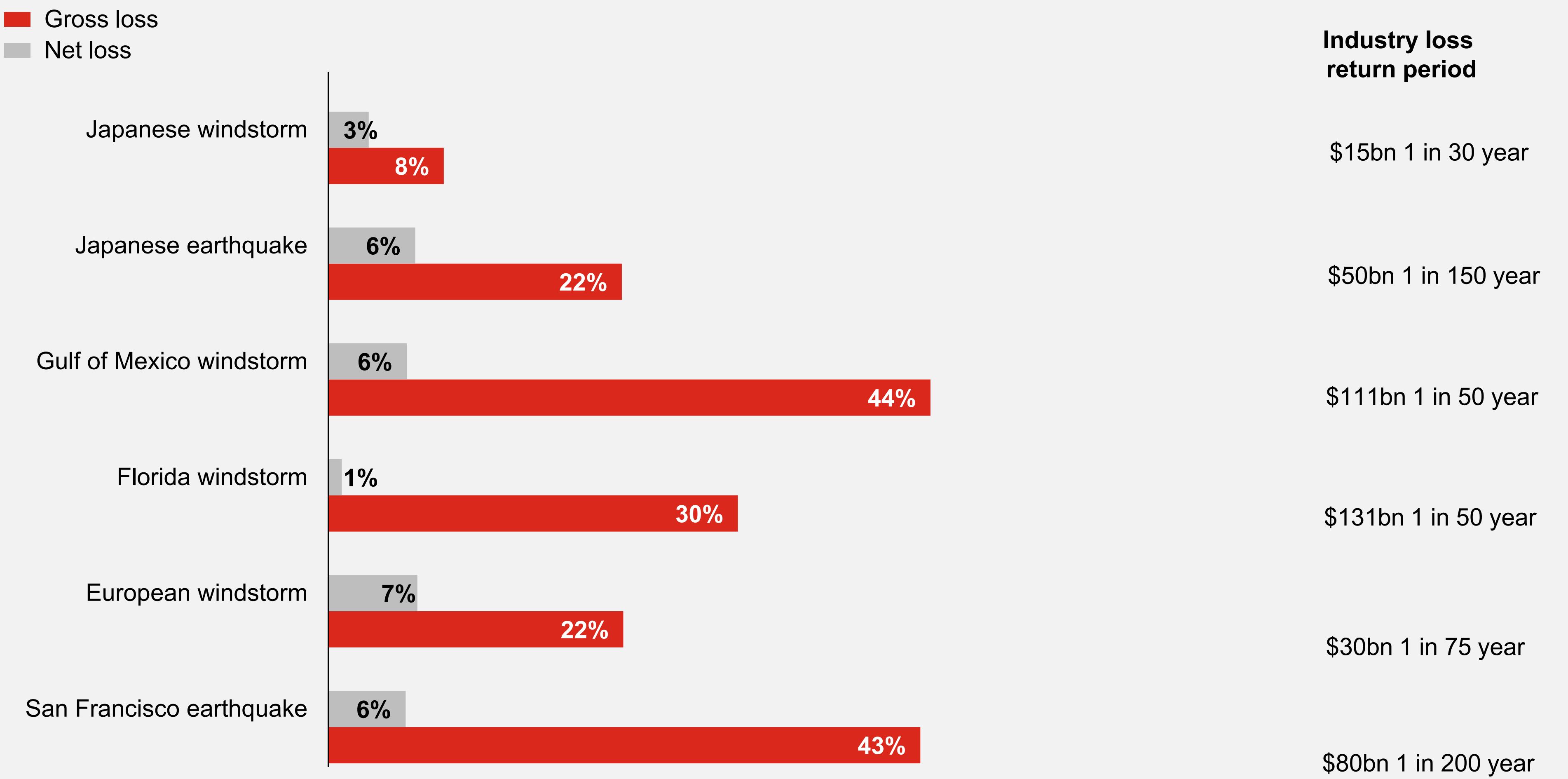
*Excluding derivatives, insurance-linked funds and third-party assets managed by Kiskadee Investment Managers.
**Annualised post-tax, based on adjusted opening shareholders' funds.

Boxplot and whisker diagram of modelled Hiscox Ltd net loss ($m) January 2022



Realistic disaster scenarios
January 2022

Hiscox Group – losses shown as percentage of gross and net written premium



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.

Non-natural catastrophe extreme loss scenarios
Changing portfolios, changing risk

HISCOX

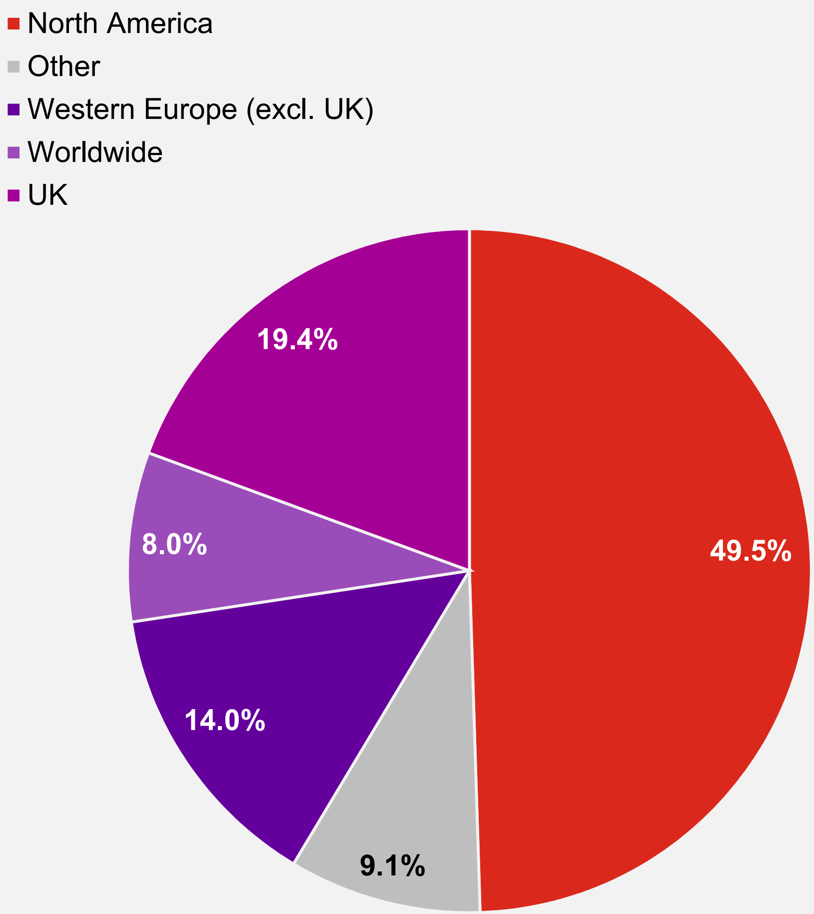
- As our casualty businesses continue to grow, we develop extreme loss scenarios to better understand and manage the associated risks
- We have included more loss scenarios to illustrate other non-natural catastrophe events
- Losses in the region of $50m-$850m could be suffered in the following extreme scenarios

Event		Est. loss
Multi-year loss ratio deterioration	5% deterioration on three years casualty premiums	**$200m**
Economic collapse	An event more extreme than witnessed since World War II*	**$500m**
Casualty reserve deterioration	Est. 1:200 view of a casualty reserve deterioration on current reserves of c.$2bn	**$850m**
Cyber	A range of cyber scenarios including mass ransomware outbreaks and cloud outages. Includes 'silent cyber' exposures**	**$100m-$600m**
Marine scenarios	Range of events covering collision and sinking of vessels and any resultant pollution	**up to $50m**
Offshore platform	Total loss to a major offshore platform complex	**up to $75m**
Terrorism	Aircraft strike terror attack in a major city	**up to $300m**
Property catastrophe†	1-in-200 year catastrophe event from $220bn US windstorm	**$318m**

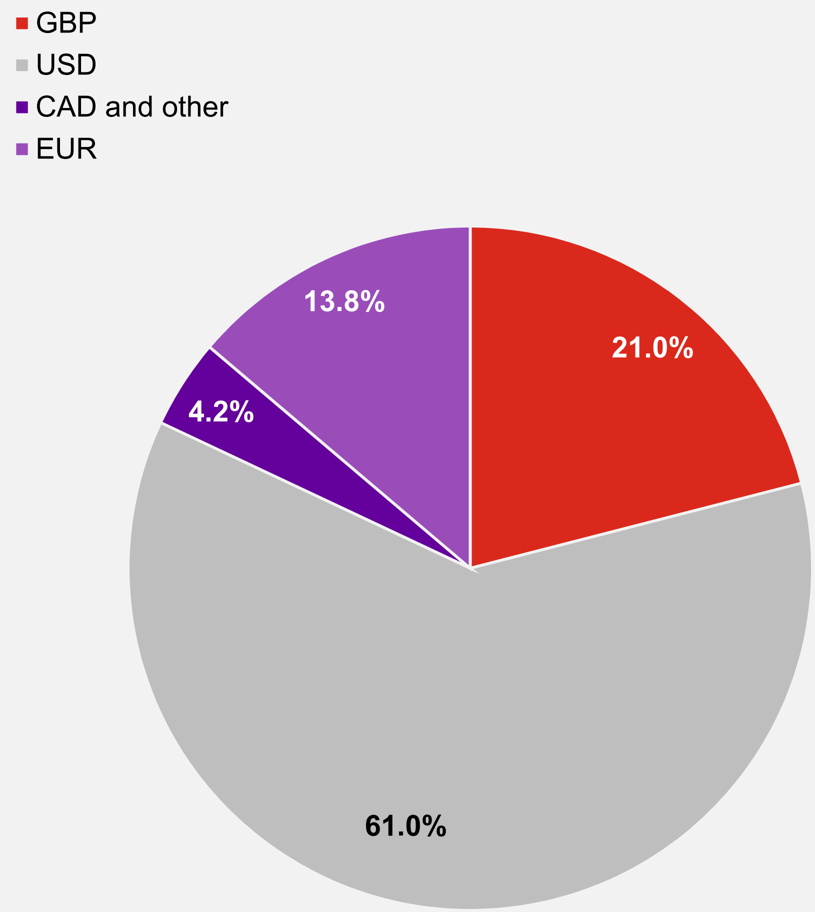
*Losses spread over multiple years.
**'Silent cyber' refers to losses incurred from non-Cyber product lines from a cyber event.
†As a point of comparison.

GWP geographical and currency split

2021 geographical split – controlled income

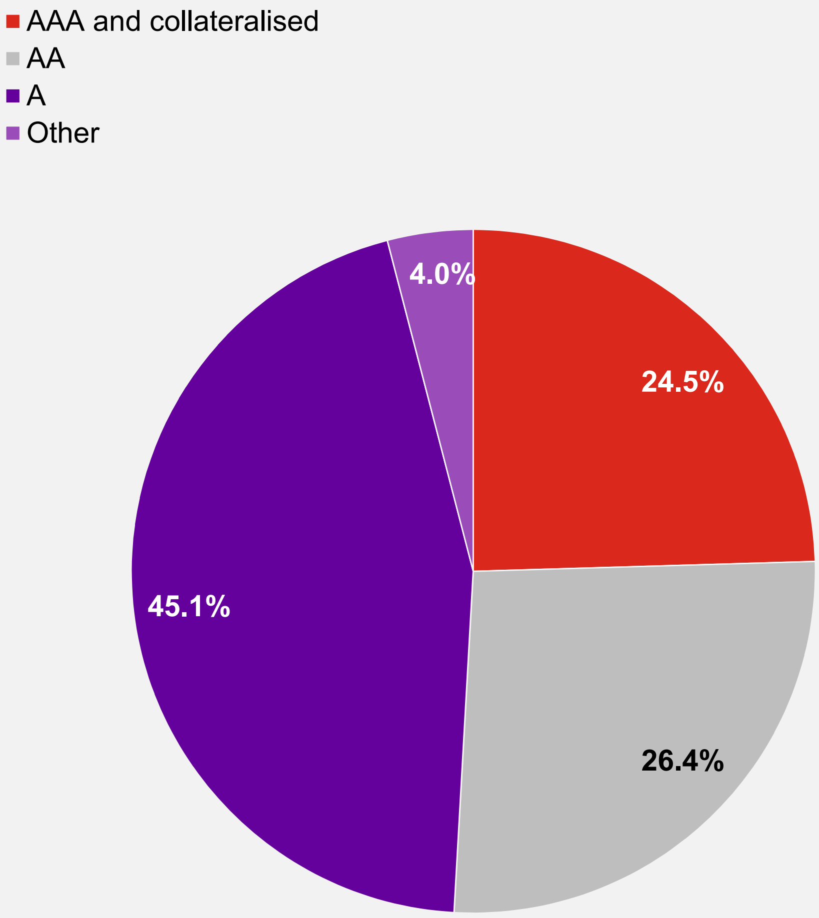


2021 currency split – controlled income

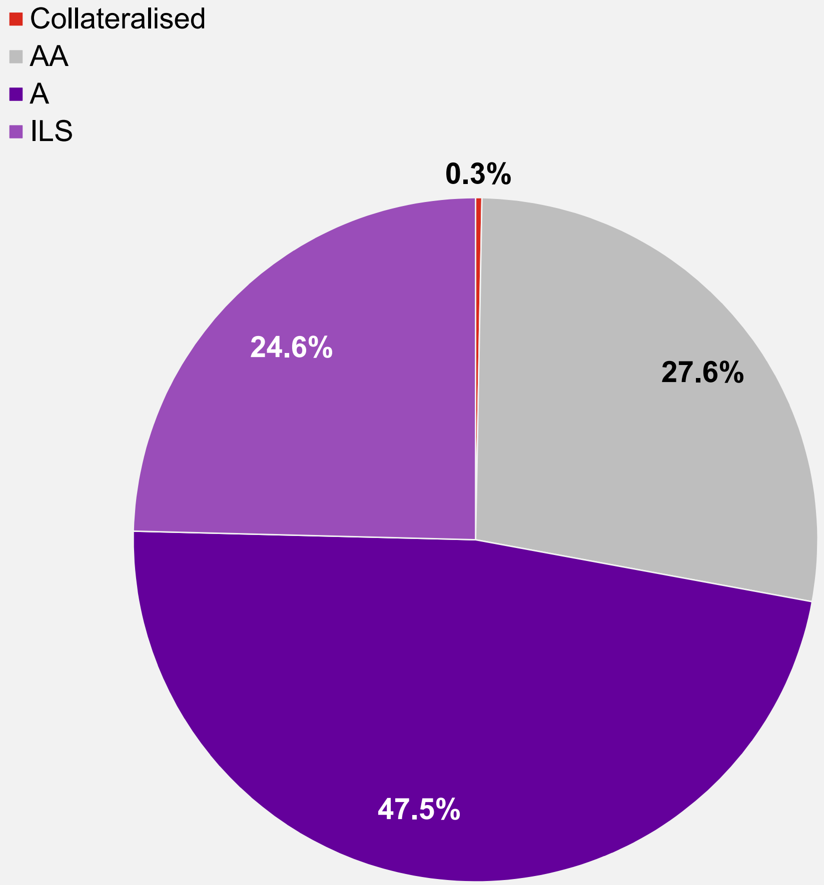


Group reinsurance security

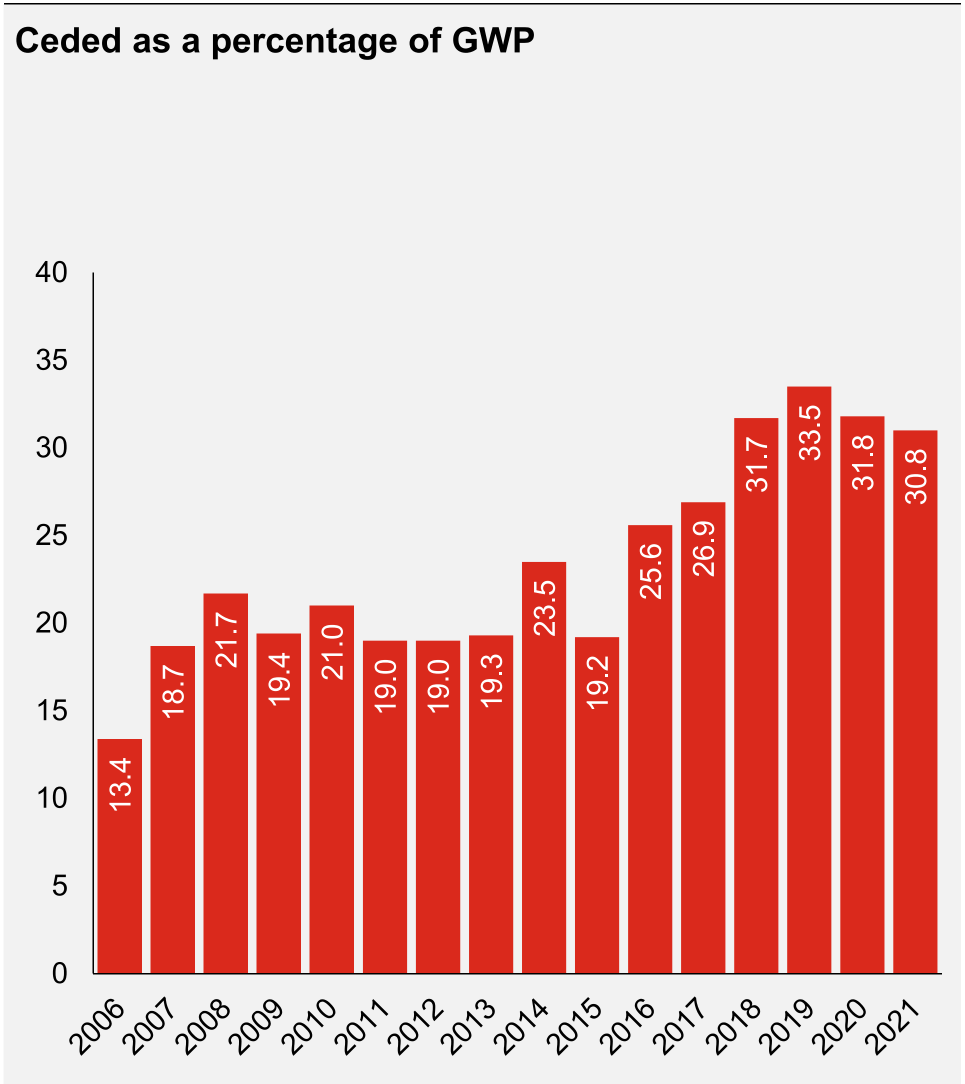
Receivables at 31 December 2021 of $3,908.0m

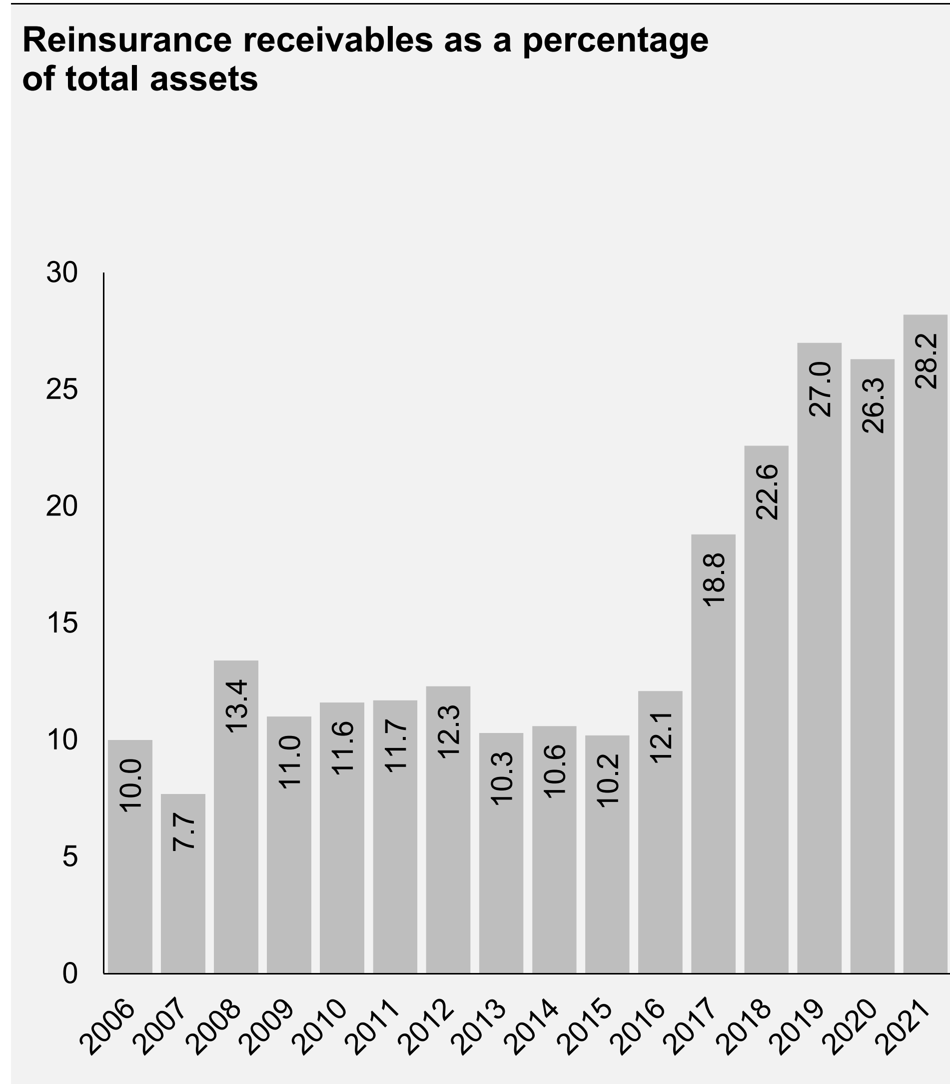


2021 reinsurance protections
First loss exposure by rating



Reinsurance





Investment result
Return of $51.2m (2020: $197.5m)

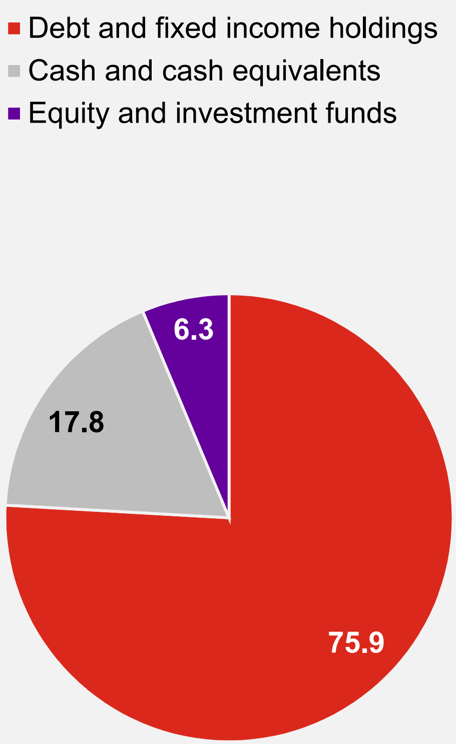
		31 December 2021			30 December 2020	
	Asset allocation %	**Annualised return %**	**Return $m**	Asset allocation %	Annualised return %	Return $m
Bonds £	**13.1**			13.0		
$	**53.6**			51.0		
Other	**9.2**			9.2		
Bonds total	**75.9**	**(0.2)**	**(11.4)**	73.2	3.0	154.6
Equities	**6.3**	**11.6**	**66.2**	6.1	10.5	45.1
Cash and cash equivalents	**17.8**	**0.0**	**0.6**	20.7	0.3	4.4
Investment result – financial assets		**0.7**	**55.4**		2.8	204.1
Derivative returns			**1.7**			(2.1)
Investment fees			**(5.9)**			(4.5)
Investment result			**51.2**			197.5
Group invested assets			**7,290.0**			7,630.0

2020 numbers re-presented for reclassification of bond holdings.

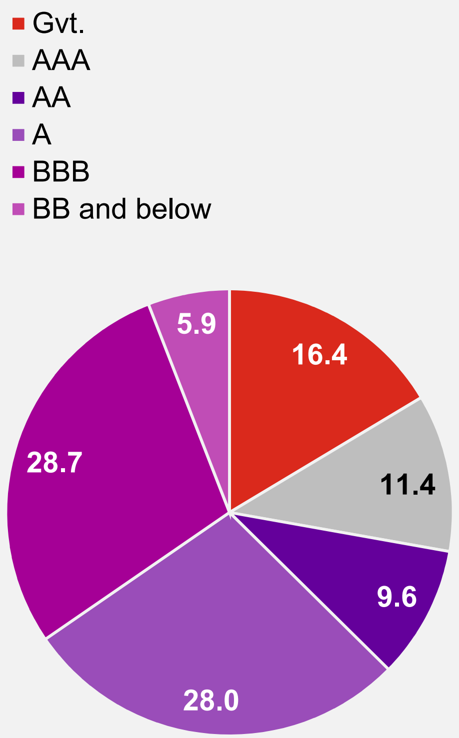
Portfolio – asset mix
High quality, conservative portfolio

Investment portfolio $7,290 million as at 31 December 2021

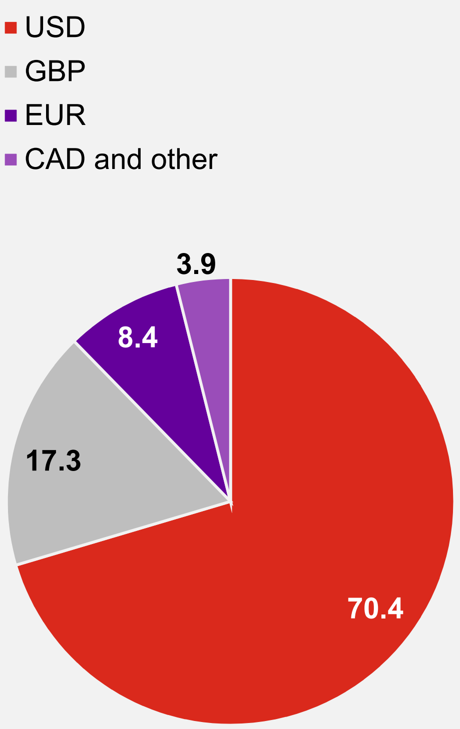
Asset allocation



Debt and fixed income holdings credit quality



Debt and fixed income holdings currency split



Portfolio – USD debt and fixed income holdings
as at 31 December 2021

Portfolios: $3.9 billion	AAA %	AA %	A %	BBB %	BB and below and unrated %	**Total %**	**Duration years**
Government issued		18.0			1.4	**19.4**	**1.4**
Government supported*		1.6	0.4	0.2	0.4	**2.6**	**1.6**
Asset backed	2.9				0.1	**3.0**	**1.6**
Mortgage backed agency		4.5				**4.5**	**2.3**
Mortgage backed non agency	3.3				1.4	**4.7**	**2.1**
Corporates	0.6	5.9	28.0	25.9	2.7	**63.1**	**1.6**
Lloyd's deposits and credit funds	0.2	0.1	0.1		2.3	**2.7**	**0.3**
Total	**7.0**	**30.1**	**28.5**	**26.1**	**8.3**	**100.0**	**1.6**

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

Portfolio – GBP and other currencies debt and fixed income holdings
as at 31 December 2021

GBP portfolios: $958 million	AAA %	AA %	A %	BBB %	BB and below and unrated %	**Total %**	**Duration years**
Government issued		10.1				**10.1**	**0.7**
Government supported*	7.6		0.5			**8.1**	**1.9**
Corporates	18.5	2.3	28.7	32.3		**81.8**	**2.0**
Total	**26.1**	**12.4**	**29.2**	**32.3**	**–**	**100.0**	**1.8**

Other currencies: $680million	AAA %	AA %	A %	BBB %	BB and below and unrated %	**Total %**	**Duration years**
Government issued	4.2	0.4	1.1	2.9		**8.6**	**2.5**
Government supported*	3.2	0.8	0.4			**4.4**	**2.5**
Corporates	7.5	3.7	22.9	36.6	3.2	**73.9**	**2.4**
Lloyd's deposits	5.1	1.1	1.0	0.9	5.0	**13.1**	**0.9**
Total	**20.0**	**6.0**	**25.4**	**40.4**	**8.2**	**100.0**	**2.2**

*Includes supranational, Canadian Provincial, multilateral development banks and government guaranteed bonds.

Business segments

HISCOX

Hiscox Retail
Hiscox Retail brings together the results of the Group's retail business divisions in the UK, Europe, USA and Asia. Hiscox UK and Hiscox Europe underwrite personal and commercial lines of business through Hiscox Insurance Company Limited and Hiscox Société Anonyme (Hiscox SA), together with the fine art and non-US household insurance business written through Syndicate 33. Hiscox USA comprises commercial, property and specialty business written by Hiscox Insurance Company Inc. and Syndicate 3624.

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. In addition, the segment includes elements of business written by Syndicate 3624 being auto physical damage and aviation business, however, these are in run-off.

Hiscox Re & ILS
Hiscox Re & ILS is the reinsurance division of the Hiscox Group, combining the underwriting platforms in Bermuda and London. 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 healthcare and casualty reinsurance contracts written in the Bermuda hub on Syndicate capacity are also included. The segment also includes the performance and fee income from the ILS funds, along with the gains and losses made as a result of the Group's investment in the funds.

Corporate Centre
Corporate Centre comprises finance costs and administrative costs associated with Group management activities and intragroup borrowings, as well as foreign exchange gains and losses. The segment includes results from run-off portfolios where the Group has ceded all insurance risks to a third-party reinsurer.

In January 2021, we restructured our Special Risks division, integrating its locally written European and US kidnap and ransom activities with Hiscox Europe and Hiscox USA, and including its activities in Guernsey, Miami and London in a newly created Crisis Management division in Hiscox London Market. Comparative figures have been re-presented to reflect this change, along with the previously reported figures where the Special Risk was fully allocated to Hiscox Retail. The legal entity structure is not impacted by this re-presentation.