

OCIL CONSOLIDATED STATEMENT OF
SHAREHOLDERS' EQUITY (UNAUDITED)

(\$'000)	29-Feb-16
Capital	
Common shares at beginning of period	290
Shares issued in period	5
Shares redeemed in period	(5)
Common shares outstanding at end of period	<u>290</u>
Retained earnings	
Retained earnings at beginning of period	537,174
Net income for period	(18,886)
Retained earnings at end of period	<u>518,288</u>
Total shareholders' equity	<u><u>518,578</u></u>



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OIL CASUALTY INSURANCE, LTD.

FIRST
QUARTER
REPORT
2016



OIL CASUALTY INSURANCE, LTD.
FIRST QUARTER REPORT FOR THE PERIOD
ENDING FEBRUARY 29, 2016

OCIL CONSOLIDATED STATEMENTS OF
OPERATIONS (UNAUDITED)

OCIL CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

INSURANCE OPERATIONS:

Premiums written for the three months ended February 29, 2016, increased to \$31.6 million compared to \$29.3 million in the comparative period. There was minimal change in net premiums earned during the period.

During the three months ended February 29, 2016, losses and loss expenses incurred of \$13.3 million related to: (i) the establishment of a provision for losses incurred but not reported totaling \$5.6 million on the Company's assumed reinsurance book of business; (ii) case reserves totaling \$6.9 million on the Company's assumed reinsurance book of business; (iii) the establishment of a provision for losses incurred but not reported totaling \$0.7 million on the Company's direct property book of business; and (v) loss expenses incurred of \$0.1 million.

During the three months ended February 29, 2016, net underwriting income decreased to \$9.2 million from \$13.1 million in the comparative period.

INVESTMENTS:

During the three month period ended February 29, 2016, global equity, bond and fund of hedge funds markets all declined. For the three months ended February 29, 2016, returns on the Company's global equity, global fixed income and fund of hedge fund portfolios were approximately, (8.5)%, (0.6)% and (5.0)%, respectively, with a total return on cash and invested assets of (2.1)%.

(\$'000)	THREE MONTHS ENDED	
	29-Feb-16	28-Feb-15
Income		
Premiums written	31,618	29,334
Change in unearned premiums written	6,017	9,992
Premiums earned	37,635	39,326
Premiums ceded	(3,672)	(3,114)
Change in prepaid reinsurance premiums	(7,242)	(8,826)
Net premiums earned	26,721	27,386
Losses and loss expenses incurred	(13,259)	(9,873)
Commission and brokerage fees	(4,286)	(4,457)
Net underwriting income (loss)	9,176	13,056
Interest income	3,910	4,384
Net gains (losses) on investments	(24,337)	6,848
Dividend income	197	171
Investment advisory and custodian fees	(1,054)	(972)
Interest expenses	(3,017)	(3,090)
Net investment income (loss)	(24,301)	7,341
General and administrative expenses	(3,761)	(3,845)
Net income (loss)	(18,886)	16,552

(\$'000)	29-Feb-16	30-Nov-15
Assets		
Cash and term deposits	99,625	106,844
Investments at fair value	673,818	698,887
Other Investments	107,105	112,738
Assets pledged under Insurance Trusts	104,907	89,651
Investment sales pending settlement	6,311	27,708
Accrued investment income	3,995	4,339
Losses recoverable from reinsurers	164,314	165,567
Accounts receivable	51,478	55,533
Funds withheld	24,761	22,757
Prepaid reinsurance premiums	13,706	20,947
Other assets	14,153	15,393
Total assets	1,264,173	1,320,364
Liabilities		
Outstanding losses and loss expenses	431,238	441,055
Unearned premiums	91,145	97,163
Securities sold short	22,087	24,284
Investment purchases pending settlement	14,783	25,578
Loan payable	143,400	148,400
Reinsurance premium payable	19,692	26,976
Amounts due to affiliates	4,819	1,054
Accounts payable	18,431	18,390
Total liabilities	745,595	782,900
Shareholders' equity		
Common shares	290	290
Retained earnings	518,288	537,174
Total shareholders' equity	518,578	537,464
Total liabilities and shareholders' equity	1,264,173	1,320,364