

OCIL CONSOLIDATED STATEMENT OF
SHAREHOLDERS' EQUITY (UNAUDITED)

(\$'000)	31-Aug-17
Capital	
Common shares at beginning of period	280
Shares issued in period	-
Shares redeemed in period	(5)
Common shares outstanding at end of period	275
Retained earnings	
Retained earnings at beginning of period	538,841
Net income for period	13,044
Retained earnings at end of period	551,885
Total shareholders' equity	552,160



Bertil C. Olsson

President & Chief Executive Officer



THIRD
QUARTER
REPORT
2017



OIL CASUALTY INSURANCE, LTD.

OIL CASUALTY INSURANCE, LTD.
THIRD QUARTER REPORT FOR THE PERIOD
ENDING AUGUST 31, 2017

OCIL CONSOLIDATED STATEMENTS OF
OPERATIONS (UNAUDITED)

OCIL CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

INSURANCE OPERATIONS:

Premiums written for the nine months ended August 31, 2017, increased to \$154.4 million compared to \$126.3 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 nine months ended August 31, 2017 increased to \$100.2 million compared to \$70.3 million in the comparative period. The increase was primarily due to the increase in assumed reinsurance and Lloyd's corporate member business in the period, and lower reinstatement premiums accrued on the Company's ceded liability treaty relative to the 2016 comparative period.

During the nine months ended August 31, 2017, losses and loss expenses incurred of \$98.6 million primarily related to: (i) net case and IBNR reserves totaling \$37.8 million on the direct liability and property books of business; (ii) net case and IBNR reserves totaling \$55.5 million on the assumed reinsurance book of business; and (iii) net reserves on OCIL's Lloyd's corporate member business of \$3.9 million. Loss and loss expenses incurred include \$28.5 million relating to Hurricane Harvey.

During the nine months ended August 31, 2017, the Company recorded net income of \$13.0 million compared to net income of \$2.8 million in the comparative period.

INVESTMENTS:

During the nine month period ended August 31, 2017, global equity, bond, and fund of hedge funds markets continued to post solid gains. For the nine months ended August 31, 2017, returns on the Company's global equity, global fixed income and fund of hedge fund portfolios were approximately, 18.4%, 4.4% and 5.3%, respectively. Including cash, the Company's invested assets returned 4.8% over the nine month period.

(\$'000)	THREE MONTHS ENDED		NINE MONTHS ENDED		(\$'000)	31-Aug-17	30-Nov-16
	31-Aug-17	31-Aug-16	31-Aug-17	31-Aug-16			
Income					Assets		
Premiums written	57,886	52,605	154,411	126,341	Cash and cash equivalents	125,277	93,058
Change in unearned premiums written	(12,920)	(15,422)	(21,431)	(13,935)	Investments at fair value	744,431	765,712
Premiums earned	44,966	37,183	132,980	112,406	Other investments	88,506	85,203
Premiums ceded	(37,121)	(32,280)	(46,202)	(48,368)	Restricted assets	186,817	150,244
Change in prepaid reinsurance premiums	25,936	24,482	13,395	6,274	Investment sales pending settlement	34,046	52,882
Net premiums earned	33,781	29,385	100,173	70,312	Accrued investment income	4,092	4,132
Losses and loss expenses incurred	(49,302)	2,119	(98,642)	(58,987)	Losses recoverable from reinsurers	204,814	192,944
Commission and brokerage fees	(6,168)	(4,410)	(17,057)	(13,046)	Accounts receivable	115,392	81,514
Net underwriting income (loss)	(21,689)	27,094	(15,526)	(1,721)	Funds withheld	17,512	15,822
Interest income	7,159	3,793	16,450	11,336	Prepaid reinsurance premiums	31,363	17,968
Net gains (losses) on investments	8,163	17,087	33,851	15,067	Other assets	18,793	14,104
Dividend income	220	349	870	1,341	Total assets	1,571,043	1,473,583
Investment advisory and custodian fees	(835)	(690)	(2,524)	(2,749)	Liabilities		
Interest expenses	(2,941)	(3,050)	(8,776)	(9,047)	Outstanding losses and loss expenses	583,573	522,691
Net investment income (loss)	11,766	17,489	39,871	15,948	Unearned premiums	131,170	109,739
General and administrative expenses	(3,413)	(4,047)	(11,301)	(11,406)	Securities sold short	15,232	18,022
Net income (loss)	(13,336)	40,536	13,044	2,821	Investment purchases pending settlement	61,045	82,691
					Loan payable	139,269	141,144
					Reinsurance premium payable	53,053	36,616
					Amounts due to affiliates	2,744	949
					Accounts payable	32,797	22,610
					Total liabilities	1,018,883	934,462
					Shareholders' equity		
					Common shares	275	280
					Retained earnings	551,885	538,841
					Total shareholders' equity	552,160	539,121
					Total liabilities and shareholders' equity	1,571,043	1,473,583