

# Catlin Group Limited

## 2009 Financial Results

Stephen Catlin, Chief Executive Officer

Benjamin Meuli, Chief Financial Officer

Paul Brand, Chief Underwriting Officer

11 February 2010

# Disclaimer

This Document and the presentation to which it relates ('Presentation') do not constitute or form part of, and should not be construed as, an issue for sale or subscription of, or solicitation of any offer or invitation to subscribe for, underwrite or otherwise acquire or dispose of any securities of Catlin Group Limited (the 'Company') nor should they or any part of them form the basis of, or be relied on in connection with, any contract or commitment whatsoever which may at any time be entered into by the recipient or any other person, nor do they constitute an invitation or inducement to engage in investment activity under section 21 of the Financial Services and Markets Act 2000 ('FSMA'). The Document and the Presentation do not constitute an invitation to effect any transaction with the Company or to make use of any services provided by the Company.

No representation or warranty, express or implied, is made as to the fairness, accuracy or completeness of the information or opinions contained in this document and the Presentation, which information and opinions should not be relied or acted on, whether by persons who do not have professional experience in matters relating to investments or persons who do have such experience. The information contained in the Presentation has not been audited nor has it been subject to formal or independent verification. The information and opinions contained in this Document and the Presentation are provided as at the date of this Document and the Presentation and are subject to change without notice. None of the Company, its subsidiaries, its associates nor any officer, director, employee or representative of the Company accepts any liability whatsoever for any loss howsoever arising, directly or indirectly, from any use of this Document or its contents or attendance at the Presentation.

Past performance cannot be relied on as a guide to future performance.

None of the Company's securities have been, nor will be, registered under the US Securities Act of 1933 (as amended) or under the securities legislation of any state or other jurisdiction of the United States. Such securities may not be directly or indirectly offered, sold, renounced, transferred, taken up or delivered in, into or within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act of 1933 (as amended) and in compliance with state securities laws.

Some of the statements in this presentation include forward-looking statements which reflect our current views with respect to future events and financial performance. Such statements include forward-looking statements both with respect to us in general and the insurance and reinsurance sectors specifically, both as to underwriting and investment matters. Generally, statements which include the words "expect," "intend," "plan," "believe," "project," "anticipate," "seek," "will," and similar statements of a future or forward-looking nature identify forward-looking statements in this presentation.

All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or may be important factors that could cause actual results to differ from those indicated in the forward-looking statements. These factors include, but are not limited to, developments in the world's financial and capital markets that could adversely affect the performance of our investment portfolio or access to capital, changes in the composition of our investment portfolio, competition, possible terrorism or the outbreak of war, the frequency or severity of unpredictable catastrophic events, changes in demand for insurance or reinsurance, rating agency actions, uncertainties in our reserving process, a change in our tax status, acceptance of our products, the availability of reinsurance or retrocessional coverage, retention of key personnel, political conditions, the impact of current legislation and regulatory initiatives, changes in accounting policies, changes in general economic conditions and other factors described in our most recent public filings.

Forward-looking statements speak only as of the date on which they are made, and we undertake no obligation publicly (except as required by the Listing Rules and the Disclosure and Transparency Rules and the rules of the London Stock Exchange) to update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

By accepting this Document and attending the Presentation, you agree to be bound by the foregoing limitations, undertakings and restrictions and agree that you have solicited the information contained in this Document and disclosed at the Presentation.

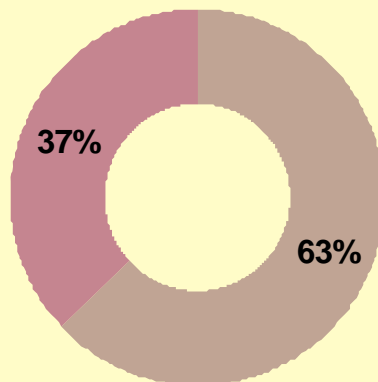
# Introduction

Stephen Catlin  
Chief Executive Officer

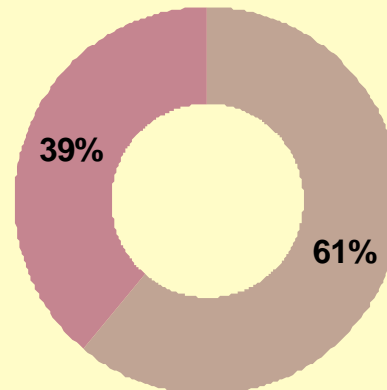
# 2009: A Watershed Year

- After ten years of building our six underwriting hubs, the investment is now paying off:
  - ◆ Non-London hubs wrote \$1.4 billion in GPW, 37% of Group's total
  - ◆ Non-London hubs' GPW increased by 37% on constant currency basis
  - ◆ Non-London hubs produced \$255 million in underwriting contribution, 39% of the Group's total
- These hubs are positioned to grow profitably in 2010 and beyond

2009 Gross Premiums Written



2009 Underwriting Contribution

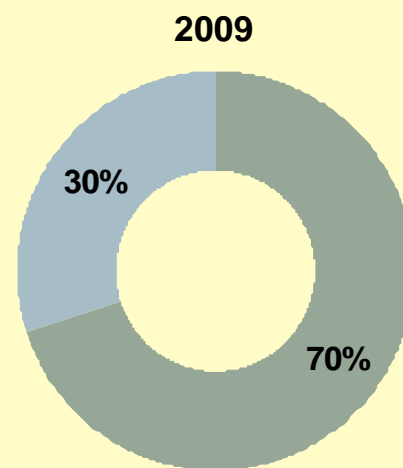
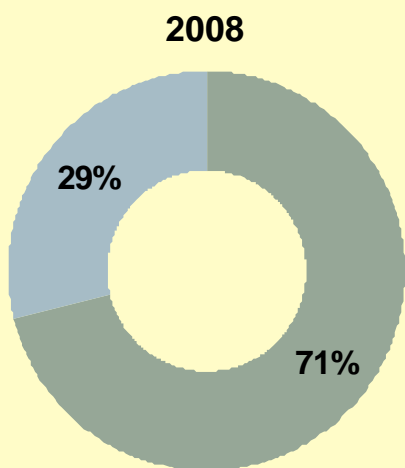


■ London  
 ■ Non-London\*

\* Non-London hubs includes Bermuda, US and International (Asia-Pacific, Europe and Canada)

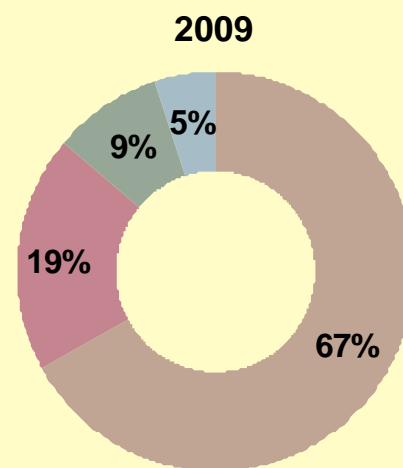
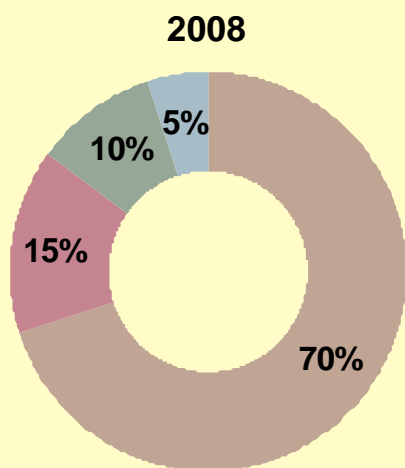
# Mix of Business

Direct vs Reinsurance (GPW)



- Direct
- Reinsurance

Property vs Casualty (GPW)



- Property
- Casualty Short Tail
- Casualty Long Tail
- Casualty Reinsurance

# 2009 in Review

- \$603 million in profit before tax
- \$509 million in net income to common stockholders
- 33% return on net tangible assets<sup>1</sup>
- 24% return on equity<sup>1</sup>
- 27% increase in net tangible book value per share in US dollars
- 8% increase in full-year dividend to 25 pence (40 cents), reflecting confidence in future prospects; final dividend to be paid on 26 March

<sup>1</sup> Returns on net tangible assets and equity exclude preferred shares and are calculated by reference to opening balances (adjusted for capital issued during the year).

# 2009 in Review

- 12% increase in gross premiums written to \$3.7 billion on constant currency basis
  - ◆ 8% increase as reported
- 17% increase in net premiums earned to \$2.9 billion on constant currency basis
  - ◆ 12% increase as reported
- 58% loss ratio (2008: 63%)
  - ◆ 54% attritional loss ratio (2008: 54%)
- 31% expense ratio (2008: 32%)<sup>1</sup>
- 89% combined ratio (2008: 95%)<sup>1</sup>
- \$94 million reserve release; equal to 2% of opening net loss reserves (2008: \$118 million)
- 5.9% total investment return

<sup>1</sup> The expense ratio and the combined ratio include policy acquisition costs and administrative expenses. These ratios now exclude profit-related bonuses, share option scheme costs and certain other Group corporate costs; these costs had previously been included.

# Capital Adequacy

## Policyholder Perspective

US\$m	31 Dec 2009
Paid-up capital (net of intangibles)	2,066
Preferred shares	590
Subordinated debt	97
Lloyd's LOC facilities	518
<b>Total</b>	<b>3,271</b>
Regulatory capital at risk <sup>1</sup>	1,849
Surplus capital to regulatory capital at risk	1,422
Surplus capital as % of regulatory capital at risk	77%

<sup>1</sup> Total regulatory capital is \$2.2 billion and represents the sum of Funds at Lloyd's and UK, Bermuda and US regulatory capital. Regulatory capital at risk reflects Catlin's assessment of regulatory capital held in respect of third-party business underwritten

# Capital Adequacy

## Investor Perspective

US\$m	31 Dec 2009
Paid-up capital (net of intangibles)	2,066
Preferred shares	590
Capital available for underwriting	2,656
Economic capital <sup>1</sup>	2,231
Capital buffer to economic requirements	425
Capital buffer as % of economic capital	19%

1 Economic capital represents management's view of the minimum capital required to operate the business, based on the Group's internal model.

# Financial Results

Benjamin Meuli  
Chief Financial Officer

# 2009 Income Statement

US\$m	2009	2008
Gross premiums written	3,715	3,437
Net premiums written	3,168	2,611
Net premiums earned	2,918	2,596
Investment & other income	417	(110)
<b>Total revenues</b>	<b>3,335</b>	<b>2,486</b>
Loss and operating expenses	(2,732)	(2,499)
<b>Income before income tax</b>	<b>603</b>	<b>(13)</b>
Income tax and preferred share dividends <sup>1</sup>	(94)	(34)
<b>Net income to common stockholders</b>	<b>509</b>	<b>(47)</b>
Earnings per share (US\$) <sup>2</sup>	1.52	(0.16)

1 2009 and 2008 preferred share dividend: \$44 million

2 2008 earnings per share restated for impact of Rights Issue

# Analysis of Profit Before Tax

US\$m	2009	2008
Net underwriting contribution <sup>1</sup>	651	454
Total investment return	419	(85)
Foreign exchange & other income	3	(19)
Hub expenses	(194)	(186)
Group expenses	(90)	(89)
Lloyd's charges	(49)	(44)
Other expenses <sup>2</sup>	(137)	(44)
<b>Profit before tax</b>	<b>603</b>	<b>(13)</b>

1 Net underwriting contribution is defined as net premiums earned less losses and loss expenses and policy acquisition costs.

2 Other expenses include profit-related bonuses, employee share schemes, certain Group corporate expenses, investment expenses and financing costs.

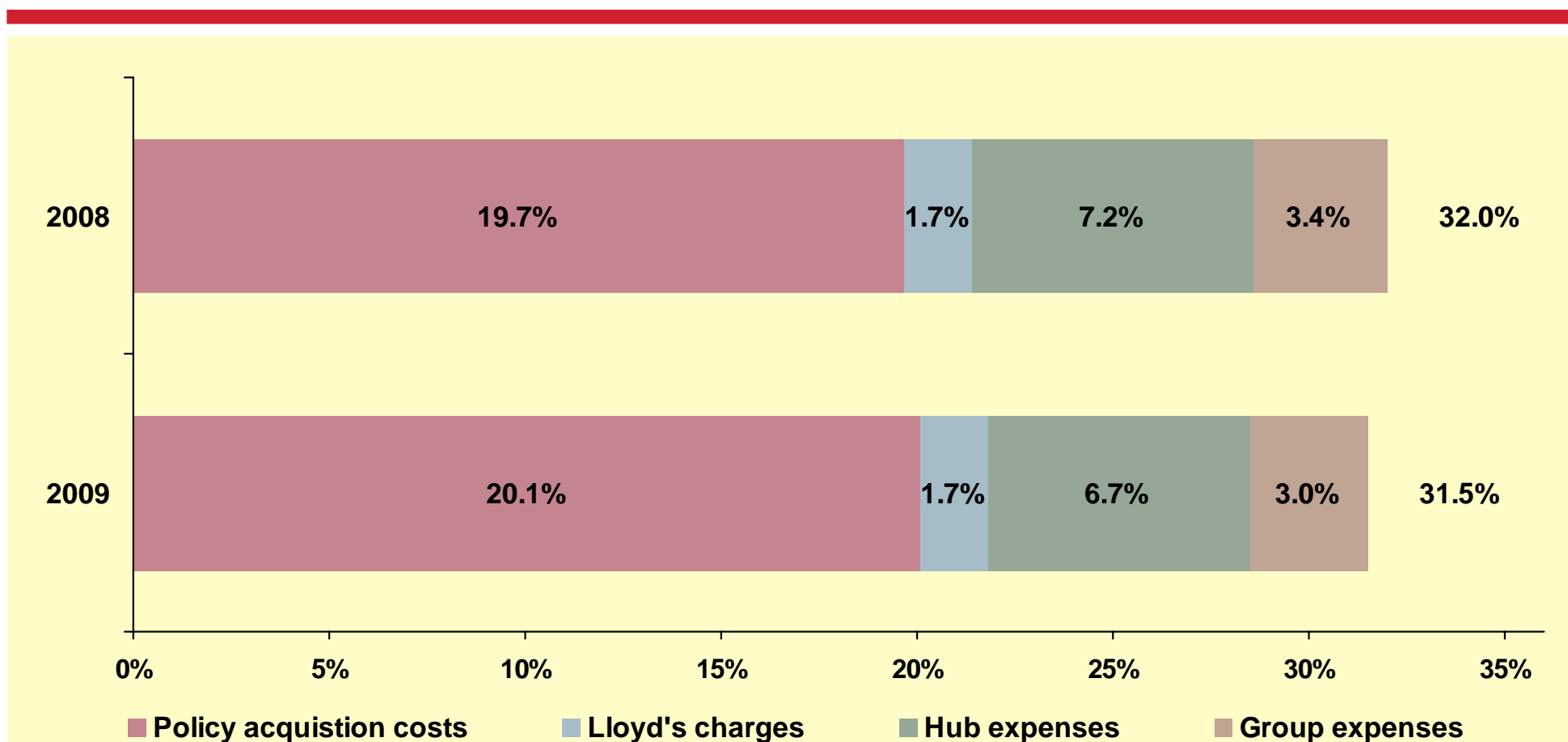
# Operating Ratios

	2009 constant currency	2009 actual	2008
Year on year GPW growth	11.6%	8.1%	2.3%
Year on year NPW growth	25.6%	21.3%	1.5%
Year on year NPE growth	16.6%	12.4%	4.3%
-----			
Loss ratio <sup>1</sup>		57.6%	62.9%
Expense ratio <sup>1</sup>		31.5%	32.0%
Combined ratio <sup>1</sup>		89.1%	94.9%
Investment return		5.9%	(1.4%)
Effective tax rate		8.3%	NM
Return on net tangible assets <sup>2</sup>		33.2%	(2.8%)
Return on equity <sup>2</sup>		24.3%	(1.9%)

1 Loss, expense and combined ratios are calculated with reference to net premiums earned; expense ratio excludes profit-related bonuses, employee share option schemes and certain Group corporate costs and financing costs.

2 ROE and RONTA exclude preferred shares

# Expense Ratio Analysis



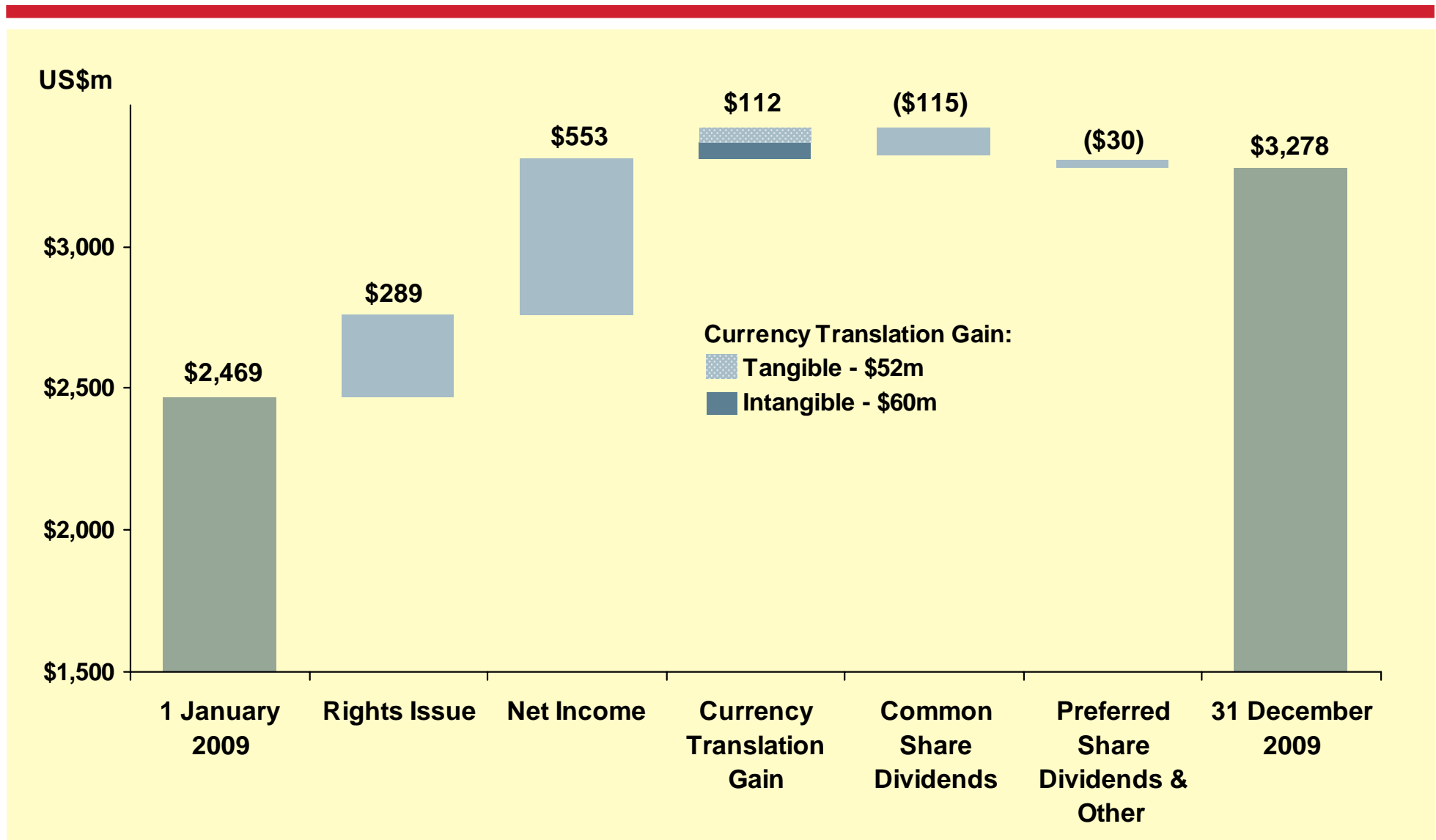
Note: Expense ratio now excludes profit-related bonuses, share option scheme costs and certain other Group corporate costs; these costs had previously been included. Also excluded from expense ratio are financing/amortisation costs and integration costs sustained in 2008.

# Balance Sheet

US\$m	31 Dec 2009	31 Dec 2008
Investments and cash	7,693	5,933
Premiums receivable	1,133	1,080
Reinsurance recoverable	1,441	1,226
Deferred acquisition costs	292	247
Intangible assets and goodwill (net of deferred tax)	622 <sup>1</sup>	564
Other assets	405	523
Unpaid losses and loss adjustment expenses	(5,392)	(4,606)
Unearned premiums	(1,724)	(1,536)
Subordinated debt	(97)	(98)
Other liabilities	(1,095)	(864)
<b>Total stockholders' equity</b>	<b>3,278</b>	<b>2,469</b>

<sup>1</sup> Increase primarily related to currency movements

# Growth in Stockholders' Equity



# Consistent Reserving Philosophy

US\$m	2009	2008	2007	2006 <sup>1</sup>	2005
Net loss reserves	4,220 <sup>2</sup>	3,536	3,377	3,008	1,420
Prior period release	94	118	139	17	94
Release as % of opening reserves	2%	3%	4%	1%	7%
Stockholders' equity	3,278	2,469	3,017	2,018	931
Net loss reserves as % of equity	129%	143%	112%	149%	152%
Net loss reserves as % of total assets	36%	37%	35%	34%	37%

- The Group sets reserves conservatively, expecting to make a small release in most years

1 Catlin and Wellington combined

2 Net loss reserves at 1 January 2009 increased by an additional \$431 million following reinsurance to close from Syndicate 2020.

# Net Asset Currency Split

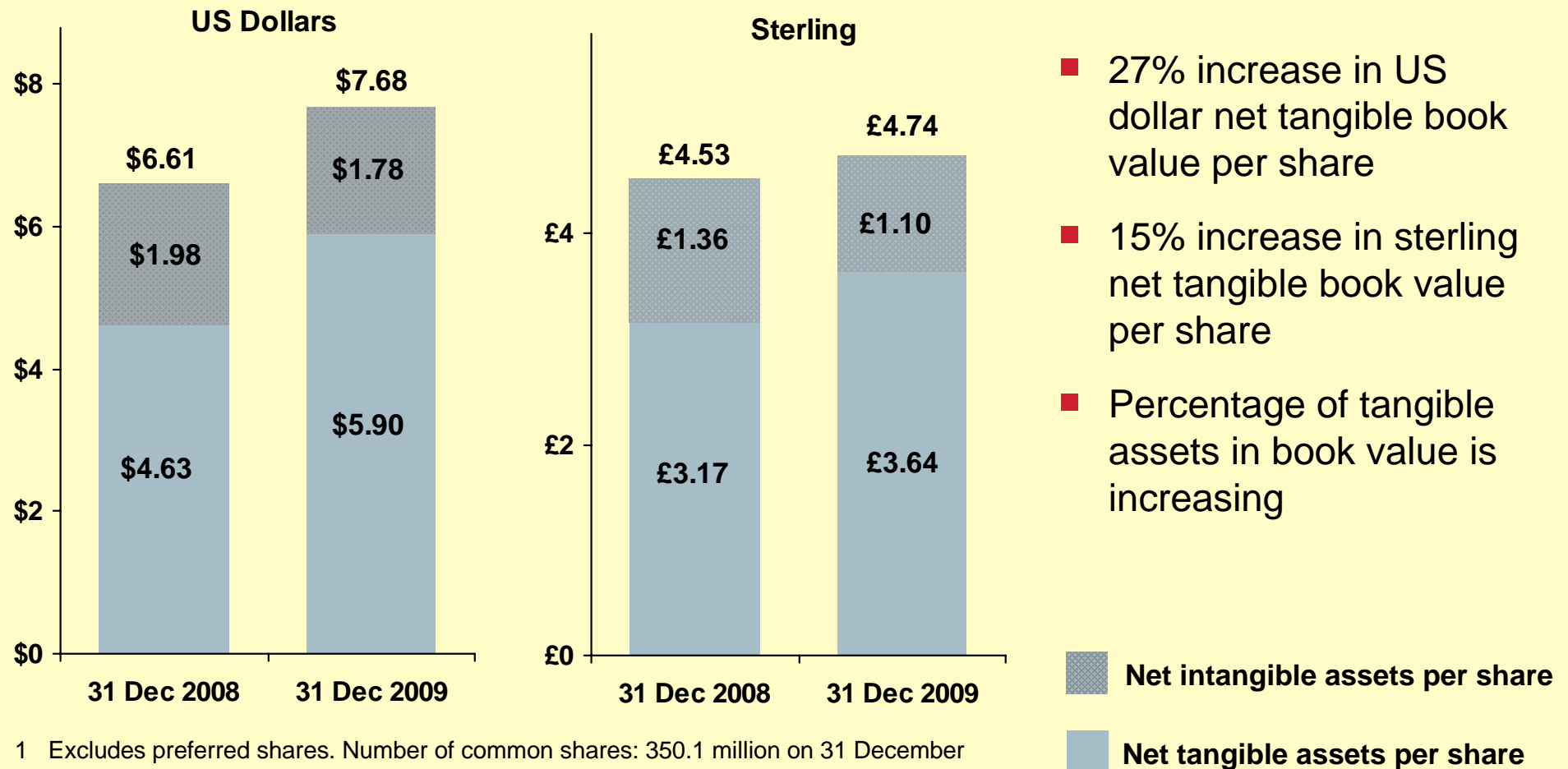
US\$m	Amount	US\$	Sterling	Other	Total
Net tangible assets*	2,066	76%	18%	6%	100%
Intangible assets	622	3%	97%	-	100%
Net assets*	2,688	59%	36%	5%	100%

- Approximately 85% of sterling intangible assets are expected to be re-allocated to US dollars in 2010

\* Excludes preferred shares

# Shareholder Value

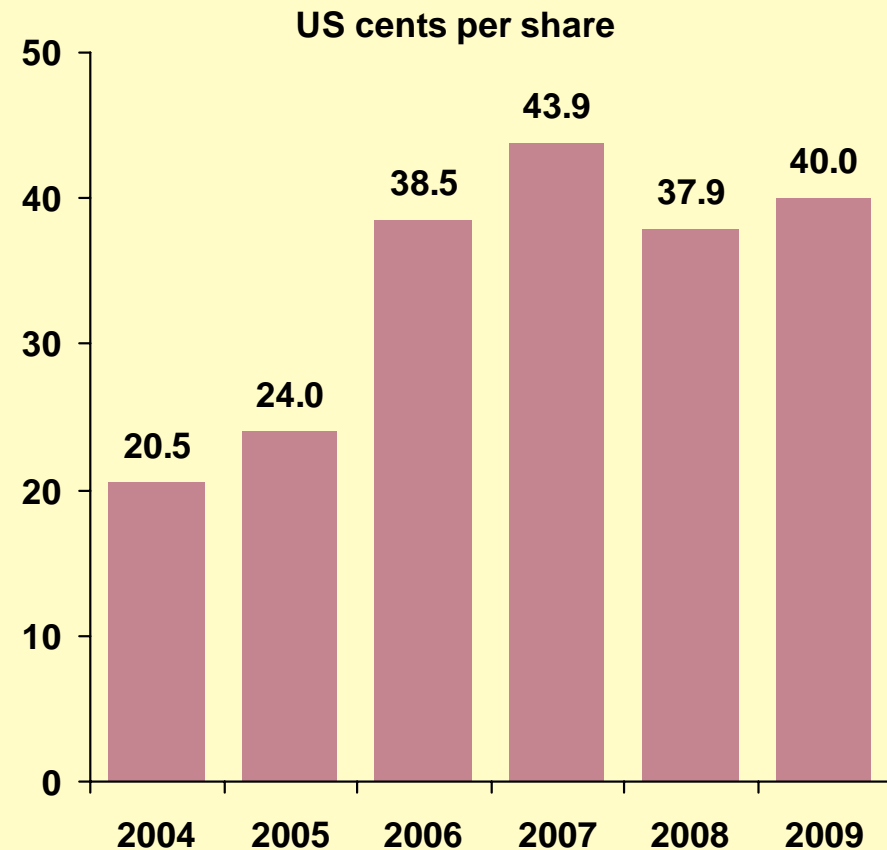
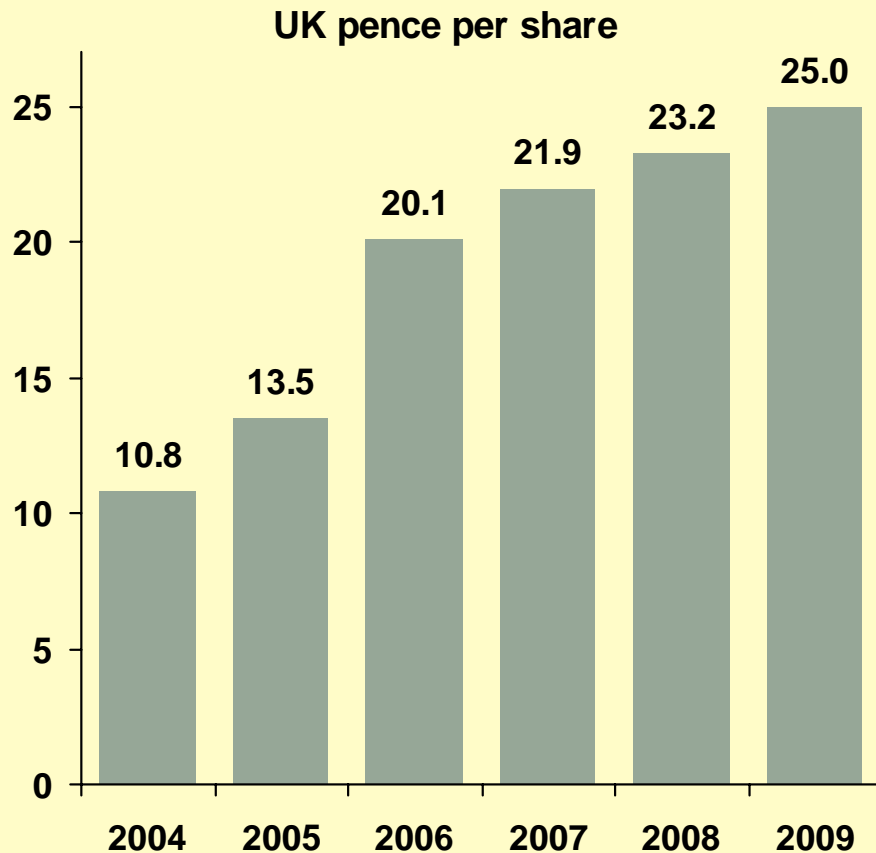
## Book Value per Share<sup>1</sup>



<sup>1</sup> Excludes preferred shares. Number of common shares: 350.1 million on 31 December 2009; 248.4 million on 31 December 2008; prior periods adjusted for the impact of the Rights Issue; treasury shares excluded from calculations

# Dividend Growth

- Sterling-denominated dividend has increased 131% since IPO



Note: 2008 and prior year amounts restated for impact of Rights Issue

# Results Overview

US\$m	2009	2008	Comments
Gross premiums written	3,715	3,437	<ul style="list-style-type: none"> <li>■ NPE increased 17% on a constant currency basis</li> <li>■ Record underwriting contribution</li> <li>■ Expense ratio has continued to decrease</li> <li>■ Investment return of 5.9%</li> <li>■ 33% return on net tangible assets</li> <li>■ 27% increase in tangible book value per share (US\$)</li> <li>■ 8% increase in total dividend</li> </ul>
Net premiums earned	2,918	2,596	
Net underwriting contribution	651	454	
Investment return	419	(85)	
<b>Profit before tax</b>	<b>603</b>	<b>(13)</b>	
<b>Net income to common stockholders</b>	<b>509</b>	<b>(47)</b>	
Unearned premiums	1,724	1,536	
Combined ratio	89%	95%	
Return on equity	24%	(2%)	
Return on net tangible assets	33%	(3%)	
	<b>31 Dec 2009</b>	<b>31 Dec 2008</b>	
Stockholders' equity (US\$m)	3,278	2,469	
Book value per share (US\$) <sup>1</sup>	\$7.68	\$6.61	
Book value per share (£) <sup>1</sup>	£4.74	£4.53	
Net tangible assets per share (US\$) <sup>1</sup>	\$5.90	\$4.63	
Net tangible assets per share (£) <sup>1</sup>	£3.64	£3.17	

<sup>1</sup> Prior periods adjusted for impact of Rights Issue

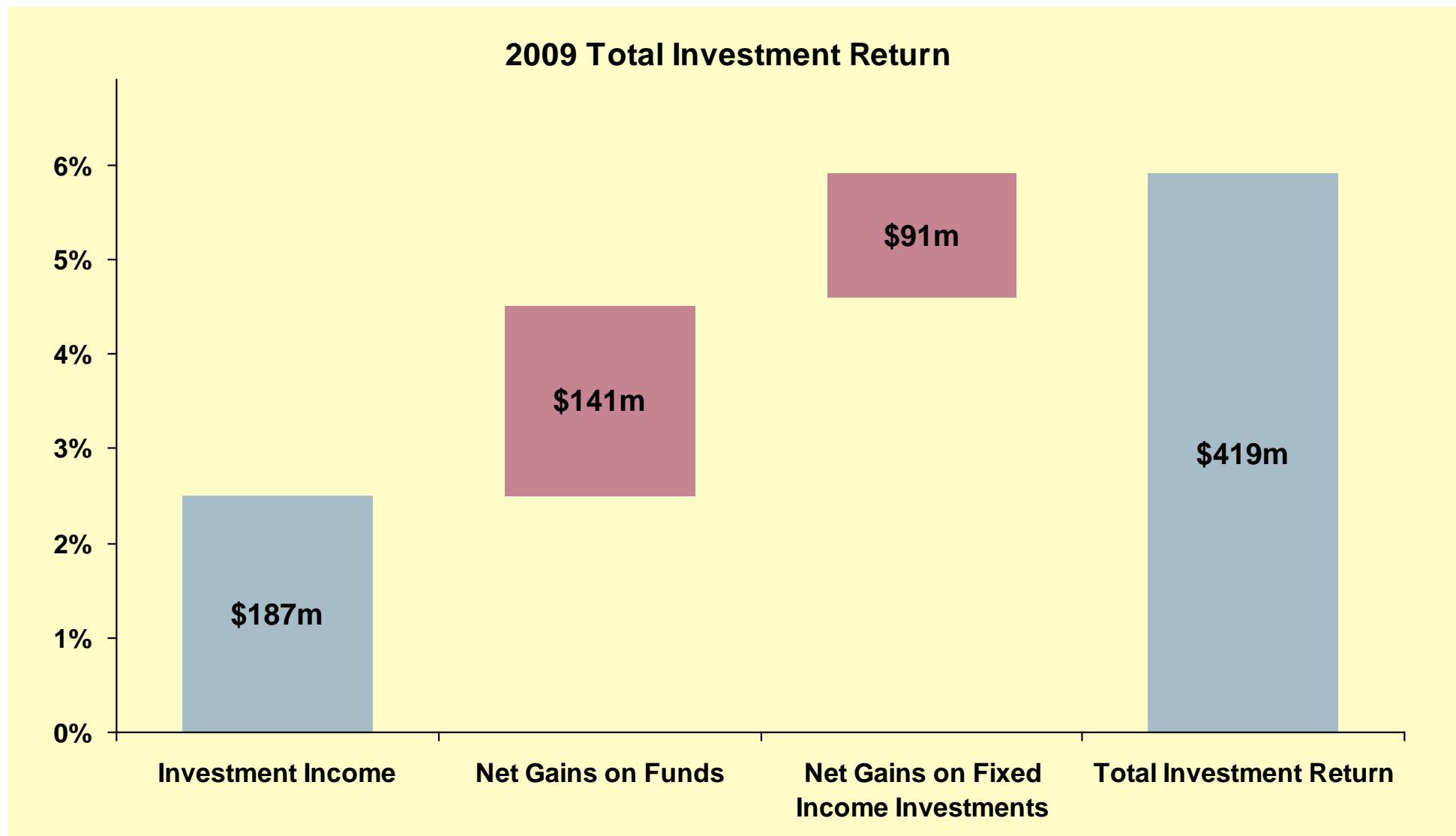
# Investments

# 2009 Investment Overview

- Cash and investments increased by 30% to \$7.7 billion
- Total investment return of 5.9%
- Strong performance from fixed income and diversified assets
- Equity fund holdings sold during 2009
- \$340 million of hedge fund/funds of funds assets redeemed;
  - ◆ Additional redemptions at year end totalled approximately \$170 million
- Highly liquid portfolio allows Group to take advantage of tactical opportunities in 2010
  - ◆ Cash, cash equivalents and short-terms increased to 43% (2008: 40%)
  - ◆ Liquid assets<sup>1</sup> amounted to 62% of portfolio (2008: 60%)
  - ◆ Fixed income portfolio duration is short at 2.3 years

<sup>1</sup> Liquid assets defined as cash, government securities and fixed income securities with less than six months to maturity

# Analysis of Investment Return



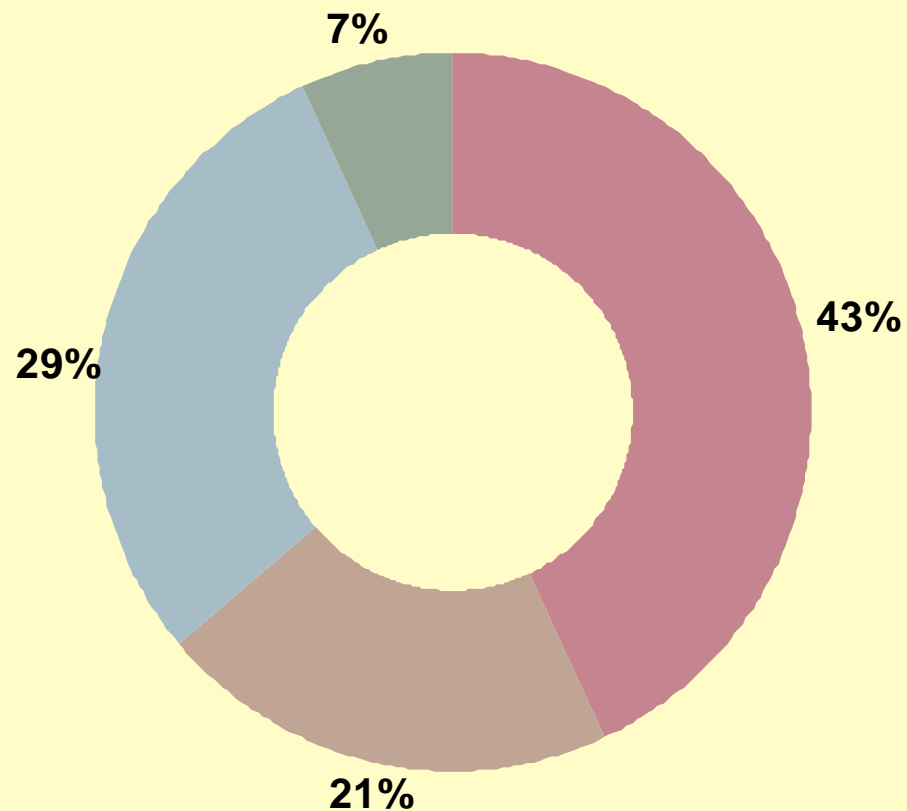
# Total Return Analysis

31 December 2009	Average allocation \$m	Average allocation %	Return \$m	Return %
Fixed income	3,355	47.1%	245	7.3%
Cash & short-term investments	3,000	42.1%	33	1.1%
Diversified assets	765	10.8%	141	18.5%
<b>Total</b>	<b>7,120</b>	<b>100.0%</b>	<b>419</b>	<b>5.9%</b>

- Strong performance from fixed income and diversified assets
- Narrowing spreads have led to some recovery of losses on fixed income sustained in 2008

# Asset Allocation

31 December 2009



- Cash & short terms
- Government & agencies
- Fixed income
- Diversified assets

- Cash and short-term holdings increased from 40% to 43%
- Diversified assets reduced from 13% to 7% (5% including year-end redemptions)
- Tactically added highly rated and FDIC-backed corporate bonds

# High-Quality Fixed Income Portfolio

- 96% of fixed income portfolio rated 'A' or higher
- 95% of government/agencies are G7 and 94% are 'AAA'

31 December 2009	Govt/Agency	AAA	AA	A	BBB/ Lower	Assets US\$m
US government/agencies	19%	--	--	--	--	745
Non-US government/agencies	22%	--	--	--	--	836
Agency-backed mortgage securities	11%	--	--	--	--	410
FDIC-backed corporate bonds	10%	--	--	--	--	375
Asset-backed securities	--	6%	*	*	*	260
Non-agency mortgage-backed securities	--	1%	*	*	3%	169
Commercial mortgage-backed securities	--	4%	1%	*	*	204
Corporate bonds	--	1%	6%	15%	1%	868
<b>Total</b>	<b>62%</b>	<b>12%</b>	<b>7%</b>	<b>15%</b>	<b>4%</b>	<b>3,867</b>

\* Less than 0.5%

# Investment Outlook

- Investment return is likely to be significantly lower in 2010 in comparison to 5.9% achieved in 2009
  - ◆ Yields on cash and government bonds at historically low levels
  - ◆ Large cash/government bond holdings
  - ◆ Fixed income spreads have narrowed
- Catlin remains cautious regarding economic fundamentals
  - ◆ Group to retain conservative investment approach
- High liquidity level positions Catlin to take advantage of market dislocations as they occur

# Underwriting

Paul Brand  
Chief Underwriting Officer

# 2009 Underwriting Overview

- Combined ratio: 89% (2008: 95%)
- Record underwriting contribution: \$651 million (2008: \$454 million)
  - ◆ Strong contribution from outside the UK: \$255 million (39% of total)
- Group average weighted rate increase of 6%
  - ◆ Catastrophe lines: +10%; Non-catastrophe lines: +3%
  - ◆ These increases will significantly contribute to 2010 earnings
- 17% increase in net premiums earned to \$2.9 billion on a constant currency basis
- 12% increase in gross premiums written to \$3.7 billion on constant currency basis
  - ◆ \$115 million ahead of mid-year forecast

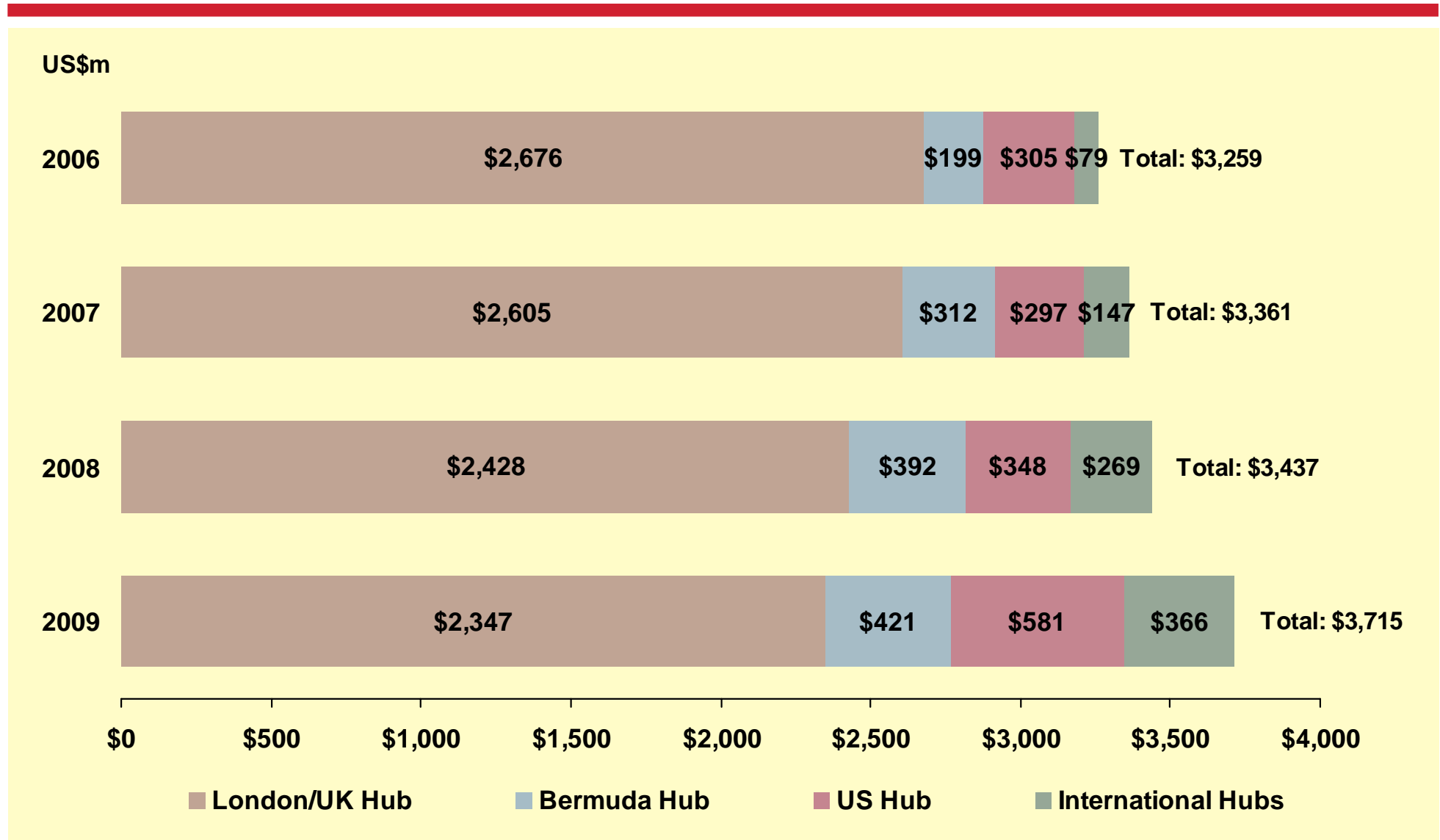
# Underwriting Results

## By Underwriting Hub

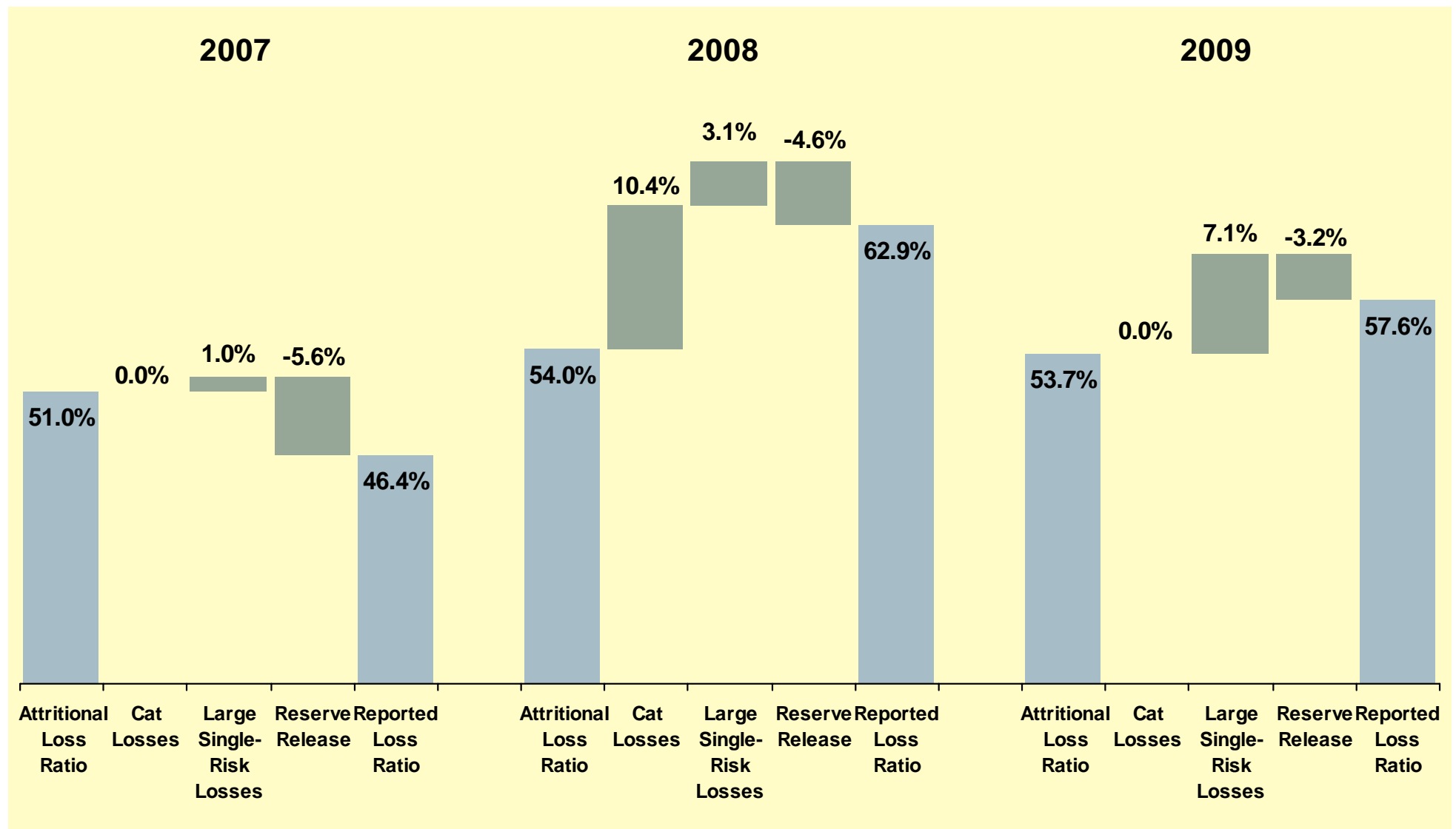
US\$m	London	Bermuda	US	International <sup>1</sup>	Group
Gross premiums written	2,347	421	581	366	3,715
Net premiums written	1,984	371	487	326	3,168
Net premiums earned	1,891	348	409	270	2,918
Underwriting contribution	397	123	105	26	651
Loss ratio	58%	43%	57%	72%	58%
Attritional loss ratio	55%	41%	57%	59%	54%

1 International hub includes Asia-Pacific, Europe and Canada

# Gross Premiums Written



# Loss Experience

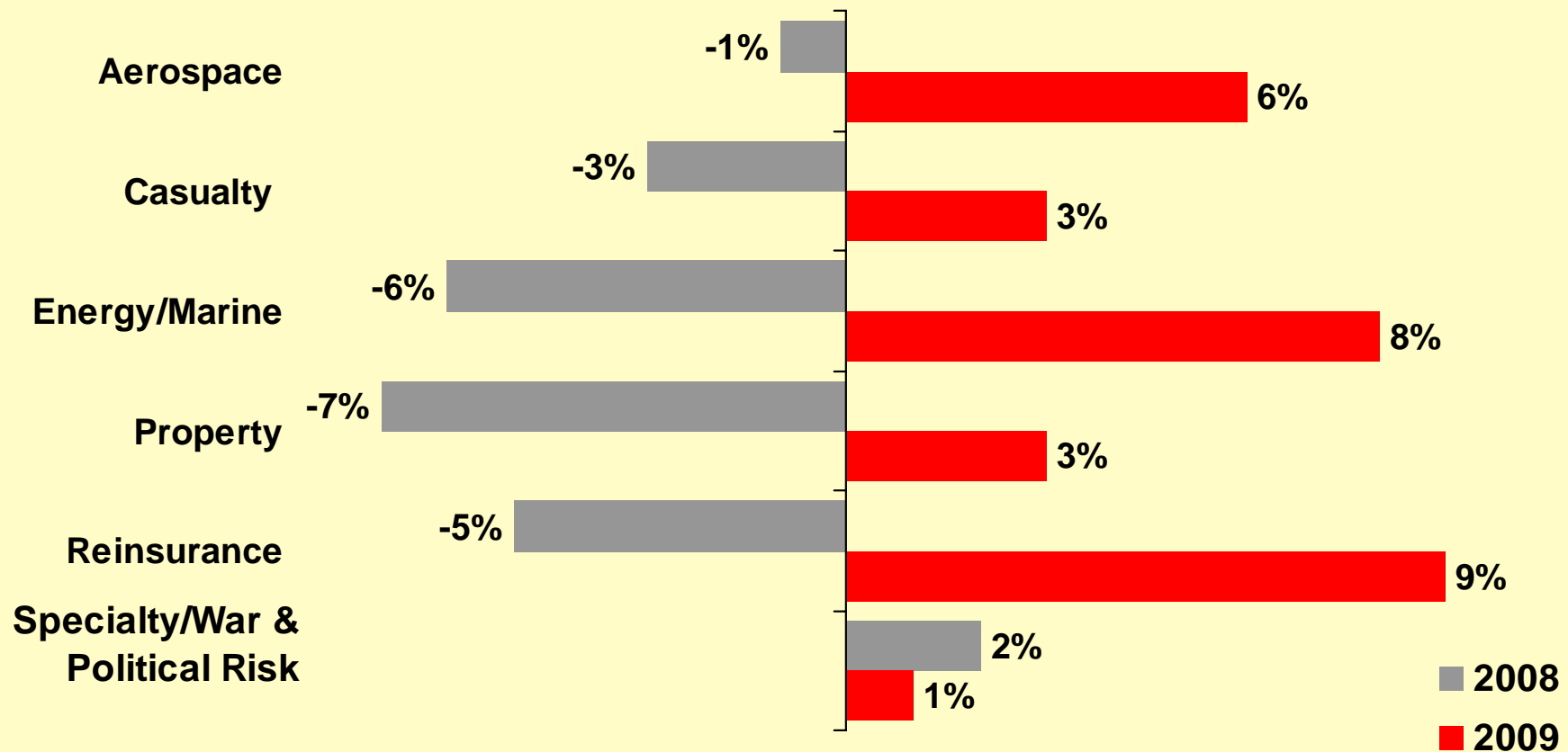


# 2009 Loss Ratio Breakdown

- Attritional loss ratio marginally better than 2008
- No catastrophe costs
- Large single-risk loss ratio of 7.1%, of which 2.9% relates to Credit insurance losses booked in the first half
- Loss ratio for 2010 will benefit from earning higher prices charged during 2009

# 2009 Pricing by Product Group

- Average weighted premium rates increased by 6% in 2009
  - ◆ Catastrophe lines: +10%, Non-catastrophe lines: +3%



# Product Group Performance

US\$m	By Product Group <sup>1</sup>				
	Gross premiums written	Net premiums written	Net premiums earned	Underwriting contribution	Loss ratio
Aerospace	490	412	365	77	60%
Casualty	797	678	648	(27)	86%
Energy/Marine	577	469	470	98	55%
Property	378	300	282	56	47%
Reinsurance	1,070	947	906	376	40%
Specialty/War & Political Risk	403	385	378	75	61%

<sup>1</sup> Product group data excludes effects of Names' quota-share reinsurance of Syndicate 2003

# Product Group Performance

- Aerospace saw strong second half with significant increases in Airline pricing
- Reinsurance benefitted from pricing, benign catastrophe experience and Group's flexibility to respond to changing conditions
- Property generated strong contribution and loss ratio, partly due to pricing post-2008 loss experience
- Marine grew through global infrastructure, offset by reductions in Energy volumes as insureds purchased less/restructured coverage
- Specialty lines grew, but offset by a reduction in Credit volume
  - ◆ Improved pricing will present opportunities in 2010

# Product Group Performance

- Casualty loss ratio and underwriting contribution impacted by large losses
  - ◆ Australian bush fires, WTC clean-up, Washington Metro and Italian Rail losses (c\$60 million)
  - ◆ Adjusted loss ratio and underwriting contribution of 77% and \$33 million respectively
- Volume reductions in long-tail Casualty lines due to continued erosion of margins
  - ◆ Long-tail NPE reducing 2009 through 2010
- Growth in shorter-tail Casualty lines
  - ◆ Financial lines and niche Professional products
- Short term: Continued focus on specialty short-tail lines
- Medium term: Casualty remains a core class, wider pricing will improve

# 2010 Renewals

- In line with expectations
- Rates broadly flat in aggregate, increasing by 1% across portfolio
  - ◆ Catastrophe classes static (+1%)
    - Small reductions in Property Treaty pricing, but less than anticipated
  - ◆ Signs of discipline across non-catastrophe lines (+1%)
- Volumes
  - ◆ GPW increased by 8% on a constant currency basis in January
    - 11% on as reported basis
  - ◆ Strong business retention in London
    - Property Treaty signings strong despite increased market capacity
  - ◆ Continued growth outside UK
    - Non-UK hubs' GPW increased by 35% on a constant currency basis
      - 37% on an as reported basis

# 2010 Underwriting Outlook

- A good start: January renewals in line with expectations
- Attractive 2009 rates will be earned during 2010
- Increasing growth and contribution coming from non-London hubs
- Strong business retention and signings in UK
- 2010 offers the opportunity to further differentiate Catlin through:
  - ◆ Product and geographical diversity
  - ◆ Ongoing investments in technical processes and risk selection
  - ◆ Continued active management of capital and catastrophe aggregate

# Conclusion

Stephen Catlin  
Chief Executive Officer

# Catlin's Strong Position

- Good prospects for 2010
  - ◆ Market conditions better than many expected
  - ◆ Strong 2009 rates will earn during 2010
  - ◆ Challenging investment climate
  - ◆ Robust and liquid balance sheet
- Catlin is in a strong position
  - ◆ International infrastructure now paying off
  - ◆ Hub structure has increased diversification of portfolio
  - ◆ Positive contributions produced by all underwriting hubs
  - ◆ Continued premium, profit growth expected from international hubs
    - Increased traction from existing underwriting teams
    - Growth in business classes underwritten

# Consistent Catlin Strategy

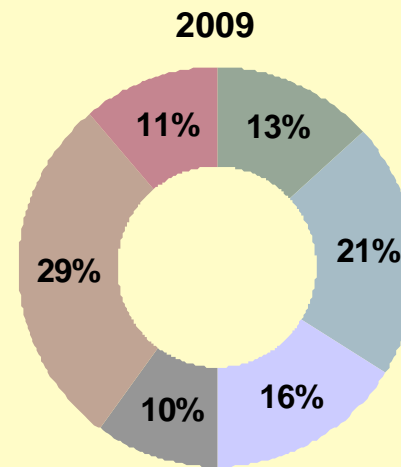
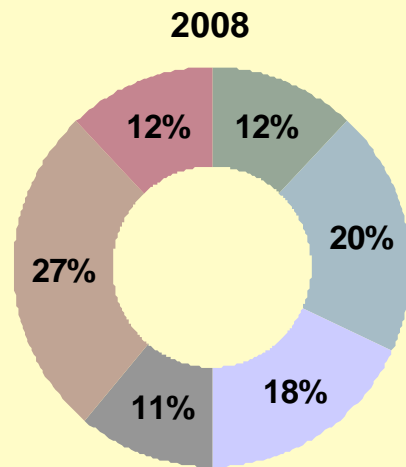
---

- Building a business for the future
- Disciplined underwriting
- Multiple underwriting hubs
- Benefit from investment in geographic expansion
- Building uncorrelated risk
- Not 'betting the bank'
- Excellent position to take advantage of market opportunities
- Catlin looks ahead with confidence

# Appendix

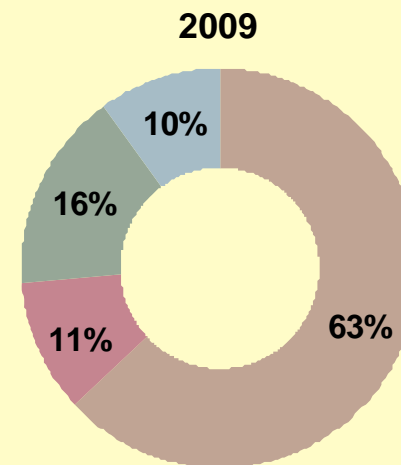
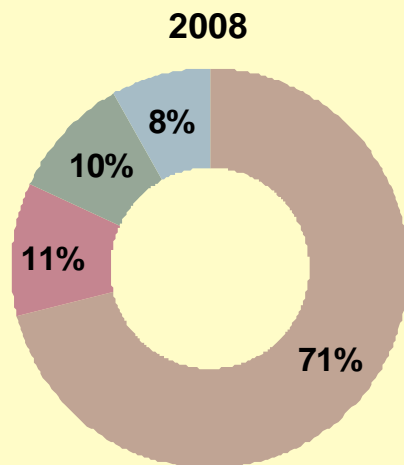
# Mix of Business

By Product Group (GPW)



- Aerospace
- Casualty
- Energy/Marine
- Property
- Reinsurance
- Specialty/War & Political Risk

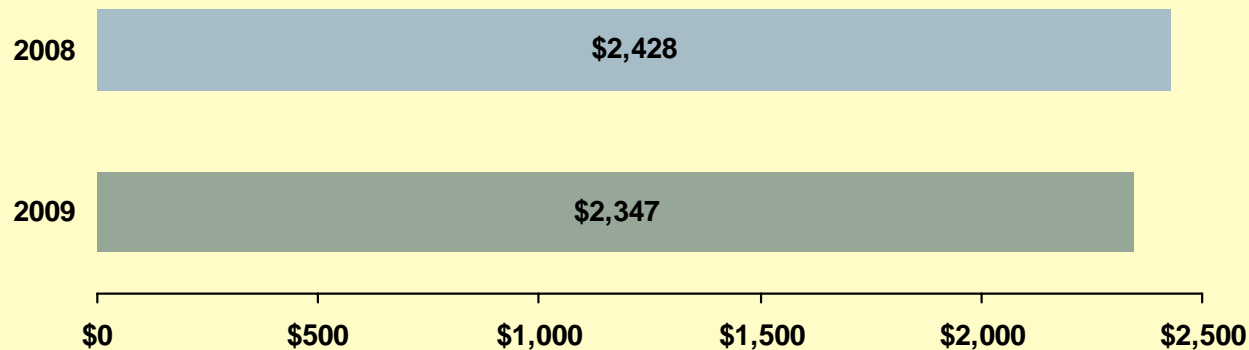
By Underwriting Hub (GPW)



- London
- Bermuda
- US
- International

# London Underwriting Hub

Gross premiums written by London/UK Underwriting Hub (\$m)

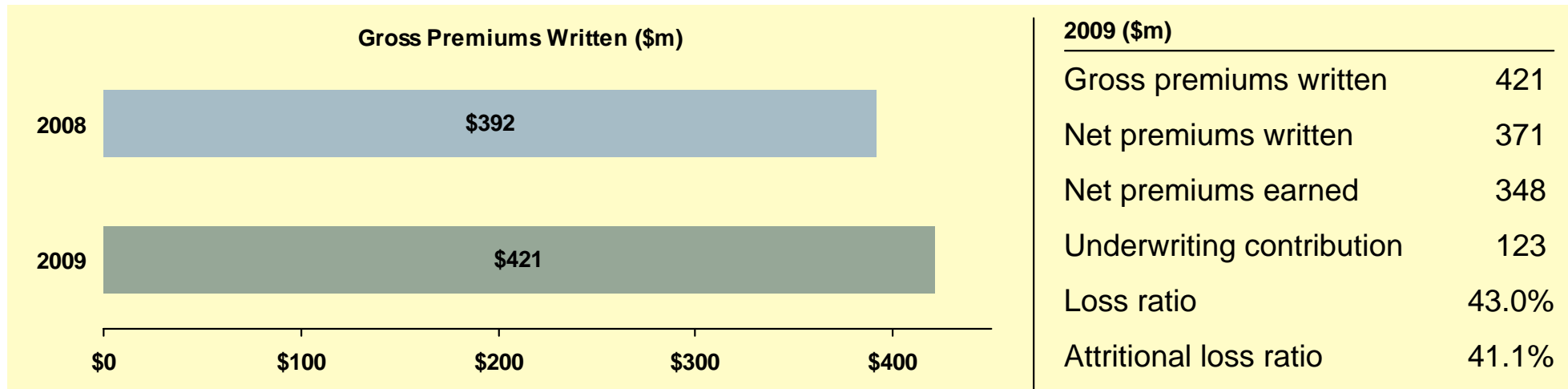


2009 (\$m)

Gross premiums written	2,347
Net premiums written	1,984
Net premiums earned	1,891
Underwriting contribution	397
Loss ratio	58.4%
Attritional loss ratio	54.6%

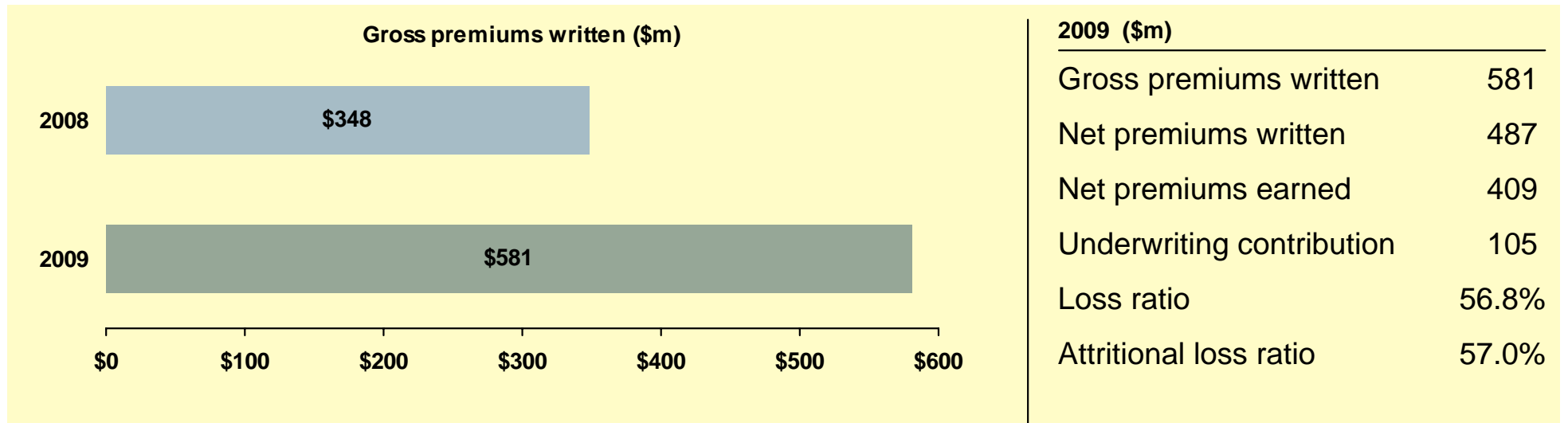
- Strong contribution, in line with expectations
- Volumes reflect underwriting discipline
- Lloyd's remains the largest specialty marketplace in the world
  - ◆ Largest syndicate, strong business retention and signings
  - ◆ Catlin leads market in most lines with strong underwriting teams
  - ◆ Excellent technical support

# Bermuda Underwriting Hub



- Strong underwriting contribution
- Group flexibility; reallocation of capital and exposure
- A balanced portfolio – more than just a ‘cat play’
  - ◆ Significant contribution from Casualty Reinsurance

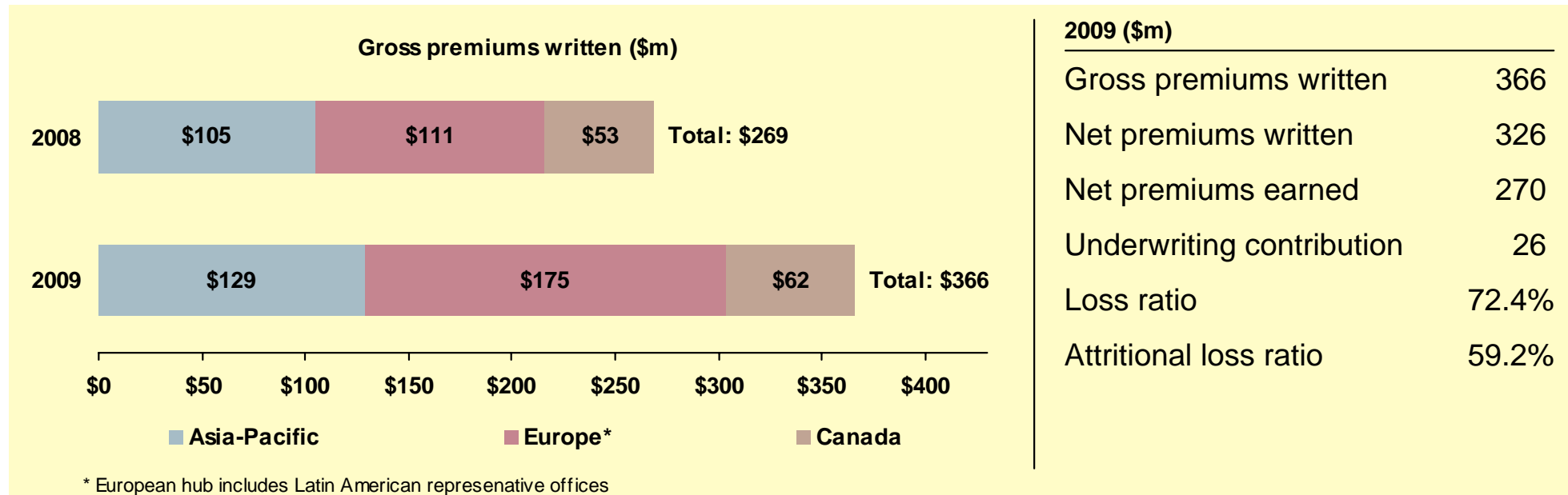
# US Underwriting Hub



1 Includes business underwritten by Catlin US on behalf of Catlin Syndicate and Catlin UK

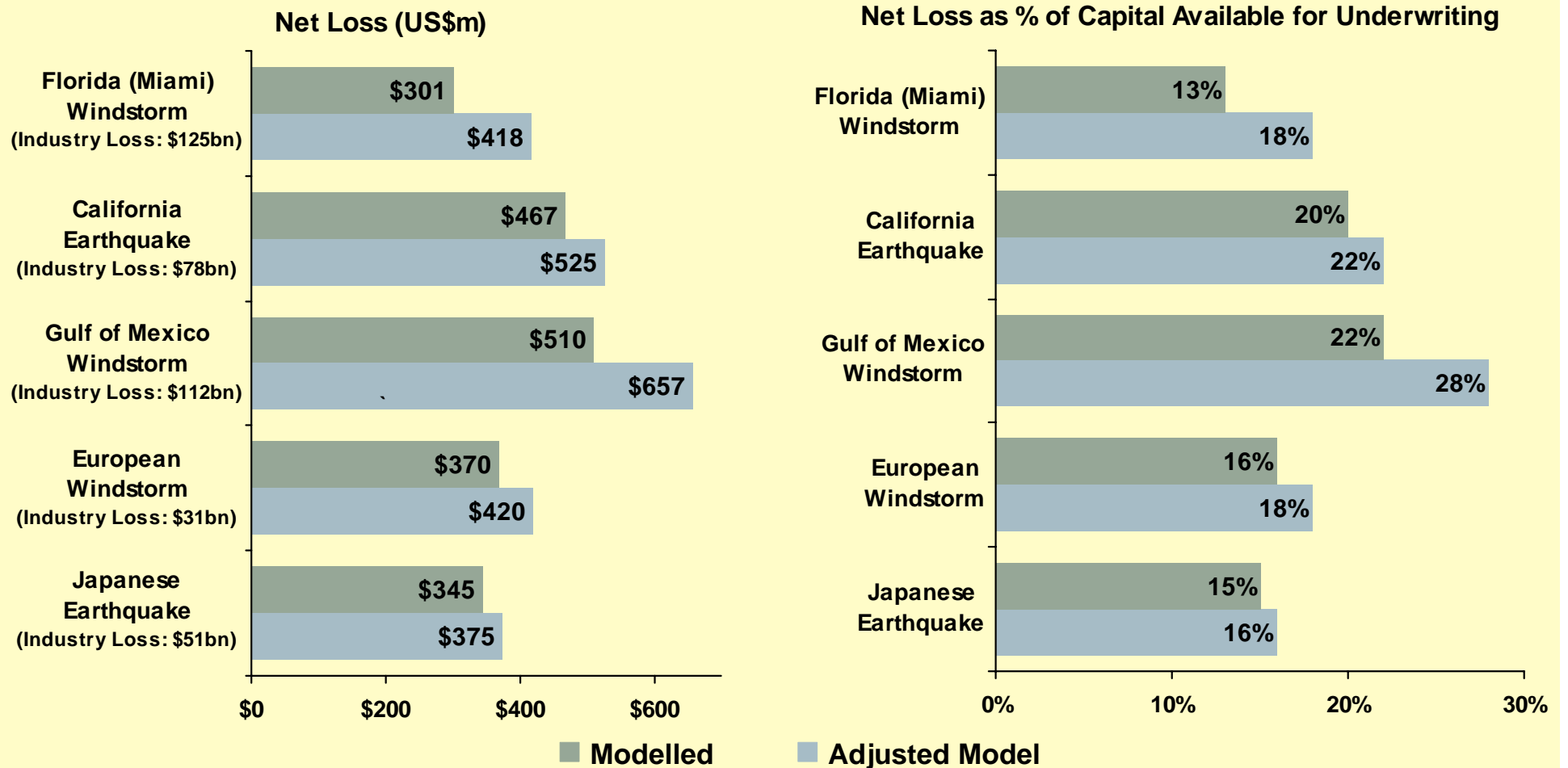
- Benefitted from prior year investment in underwriting teams and diversifying products
  - ◆ Top line growth produced meaningful contribution to Group's bottom line
  - ◆ Loss ratio in line with Group
- Confident of continued success in 2010

# International Underwriting Hubs



- Continued growth in contribution
- Loss ratio affected by \$36 million in large losses
  - ◆ Air France, satellite claims
  - ◆ Attritional loss ratio in line with expectations
- Continued traction in niche product areas and distribution

# Catastrophe Threat Scenarios



Outcomes derived as at 1 October 2009; capital available for underwriting amounted to US\$2.4 billion at 30 June 2009, defined as total stockholders' equity (including preferred shares), less intangible assets net of associated deferred tax

# Rebased Per Share Amounts and Ratios

	2009	2008	2007	2006	2005
Basic earnings per share (US\$) <sup>1</sup>	1.52	-0.16	1.61	1.39	0.11
Dividends per share (US cents) <sup>1</sup>	40.0	37.91	43.85	38.52	24.02
Dividends per share (pence) <sup>1</sup>	25.0	23.23	21.92	20.09	13.54
Book value per share (US\$) <sup>1</sup>	7.68	6.61	8.38	7.05	5.22
Book value per share (£) <sup>1</sup>	4.74	4.53	4.21	3.60	3.03
Net tangible assets per share (US\$) <sup>1</sup>	5.90	4.63	5.73	4.46	4.86
Net tangible assets per share (£) <sup>1</sup>	3.64	3.17	2.88	2.28	2.83
Expense ratio <sup>2</sup>	31.5%	32.0%	34.1%	32.6% <sup>4</sup>	30.9%
Combined ratio <sup>2</sup>	89.1%	94.9%	80.6%	82.6% <sup>4</sup>	102.0%
Return on equity <sup>3</sup>	24.3%	-1.9%	22.9%	26.2% <sup>4</sup>	2.0%
Return on net tangible assets <sup>3</sup>	33.2%	-2.8%	36.1%	29.4% <sup>4</sup>	2.2%

1 Per share amounts previously reported have been adjusted to reflect the effects of the Rights Issue in March 2009. All per share amounts have been adjusted by a factor of 87.34%.

2 The methodology for calculating the expense ratio now excludes variable staff costs and certain corporate costs, which were previously included.

3 The methodology for calculating the return on equity and return on net tangible assets has been changed. Under the amended methodology, returns are calculated by reference to opening balances, adjusted for the effects of capital movements in the year. Previously, returns were based on average balances.

4 Catlin and Wellington combined.

CATLIN