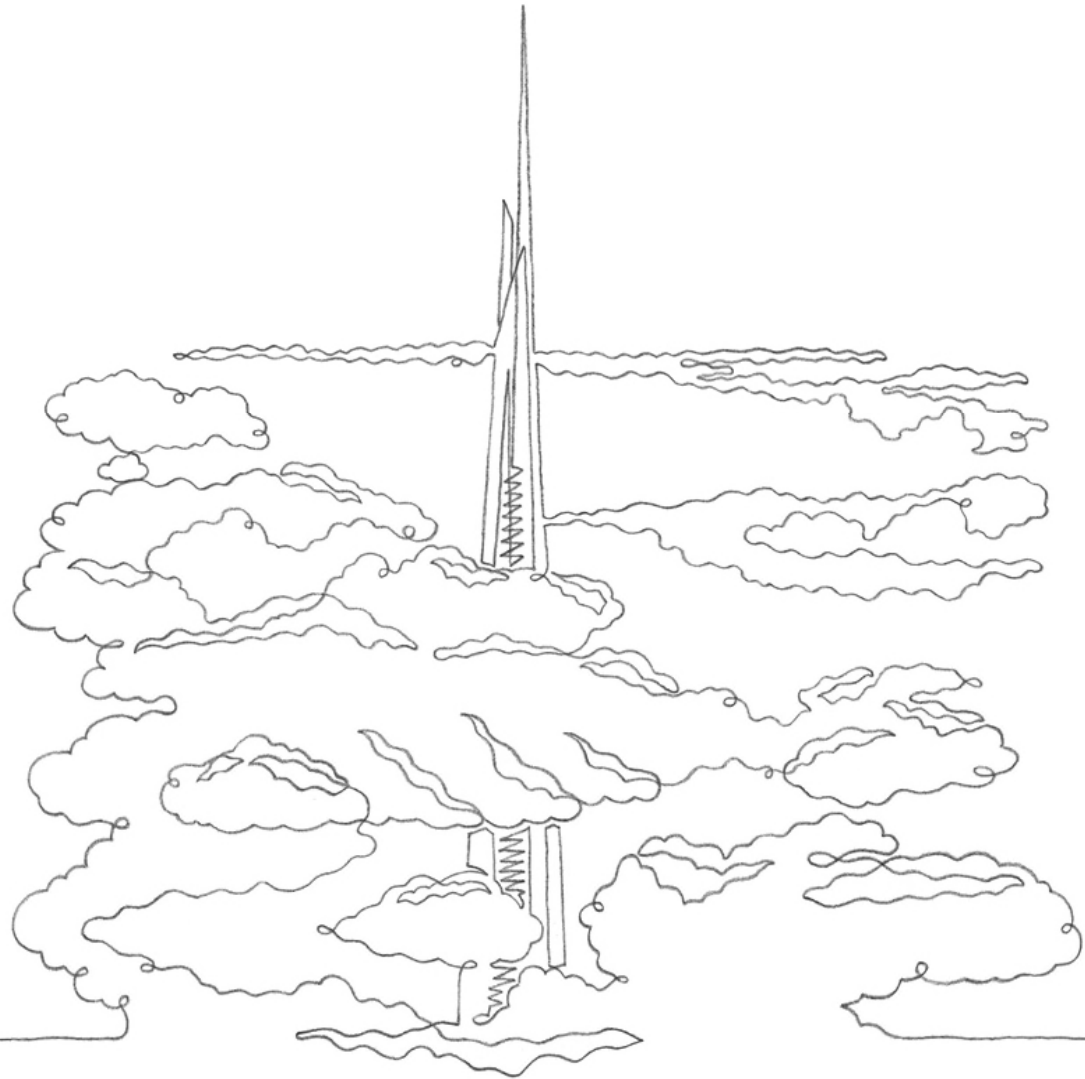


Results for the year ended 31 December 2016

Friday, 3rd February 2017

Beautifully
designed
insurance

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Disclaimer notice

Certain statements made in this presentation, both oral and written, are or may constitute “forward looking statements” with respect to the operation, performance and financial condition of the Company and/or the Group. These forward looking statements are not based on historical facts but rather reflect current beliefs and expectations regarding future events and results. Such forward looking statements can be identified from words such as “anticipates”, “may”, “will”, “believes”, “expects”, “intends”, “could”, “should”, “estimates”, “predict” and similar expressions in such statements or the negative thereof, or other variations thereof or comparable terminology. These forward looking statements appear in a number of places throughout this document and involve significant inherent risks, uncertainties and other factors, known or unknown, which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Given these uncertainties, such forward looking statements should not be read as guarantees of future performance or results and no undue reliance should be placed on such forward looking statements. A number of factors could cause actual results to differ materially from the results discussed in these forward looking statements.

The information and opinions contained in this presentation, including any forward looking statements, are provided, and reflect knowledge and information available, as at the date of this presentation and are subject to change without notice. There is no intention, nor is any duty or obligation assumed by the Company, the Group or the Directors to supplement, amend, update or revise any of the information, including any forward looking statements, contained in this presentation.

All subsequent written and oral forward looking statements attributable to the Company and/or the Group or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this document.

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Overview of 2016

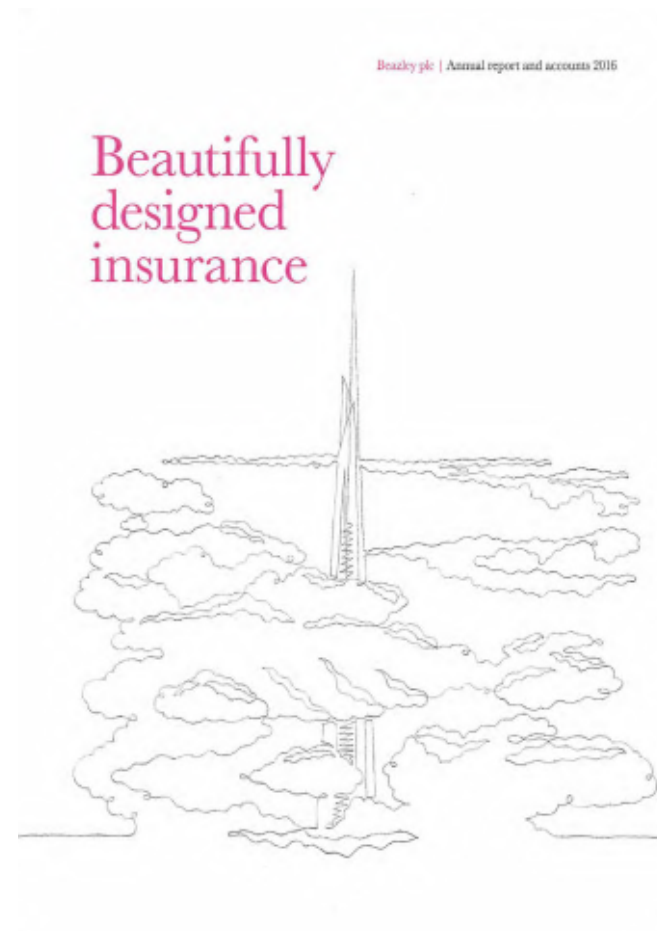
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Good performance across the board in 2016

- Profit before income tax of \$293.2m (2015: \$284.0m)
- Return on equity of 18% (2015: 19%)
- Gross premiums written increased by 6% to \$2,195.6m (2015: \$2,080.9m)
- Combined ratio of 89% (2015: 87%)
- Rate reduction of 2% on renewal portfolio (2015: reduction of 2%)
- Prior year reserve releases of \$180.7m (2015: \$176.3m)
- Net investment income of \$93.1m (2015: \$57.6m)
- Second interim dividend of 7.0p (2015: 6.6p) taking full year dividend to 10.5p (2015: Full year 9.9p). Special dividend of 10.0p (2015: 18.4p)

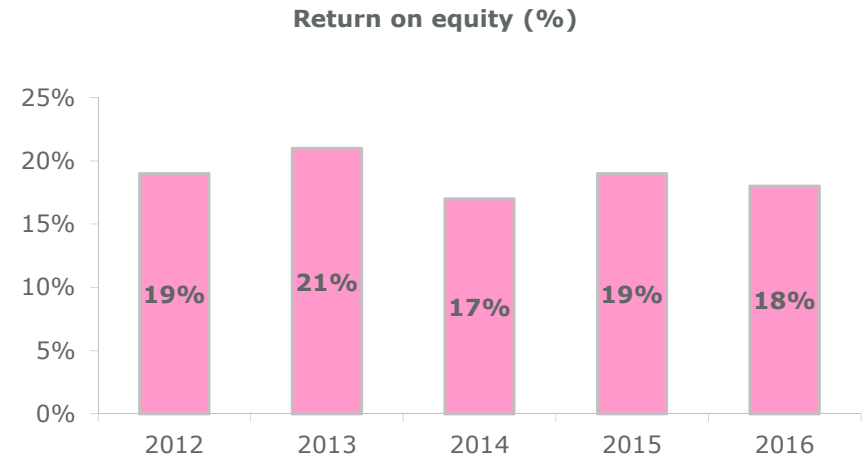
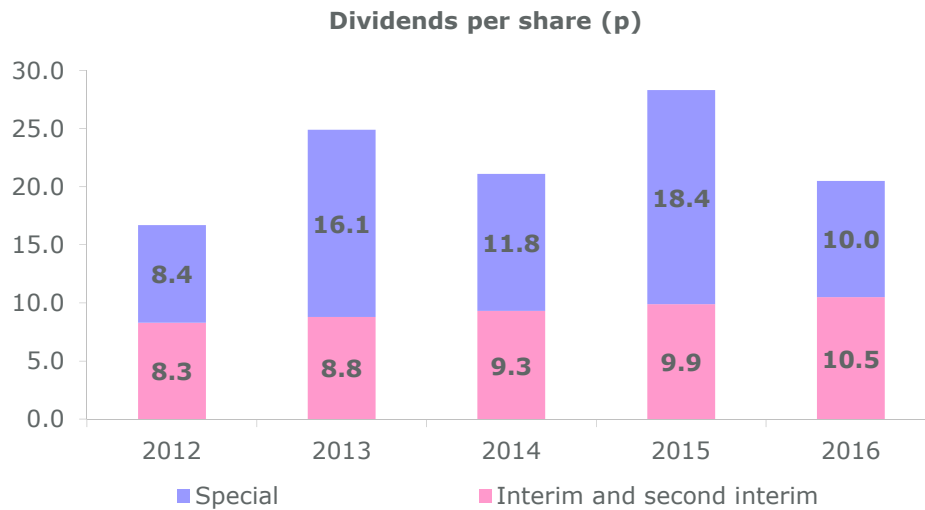
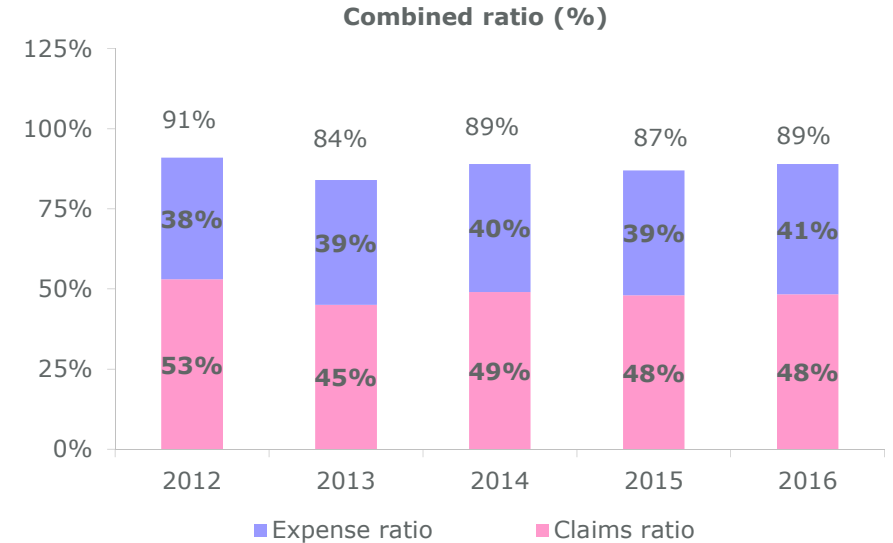
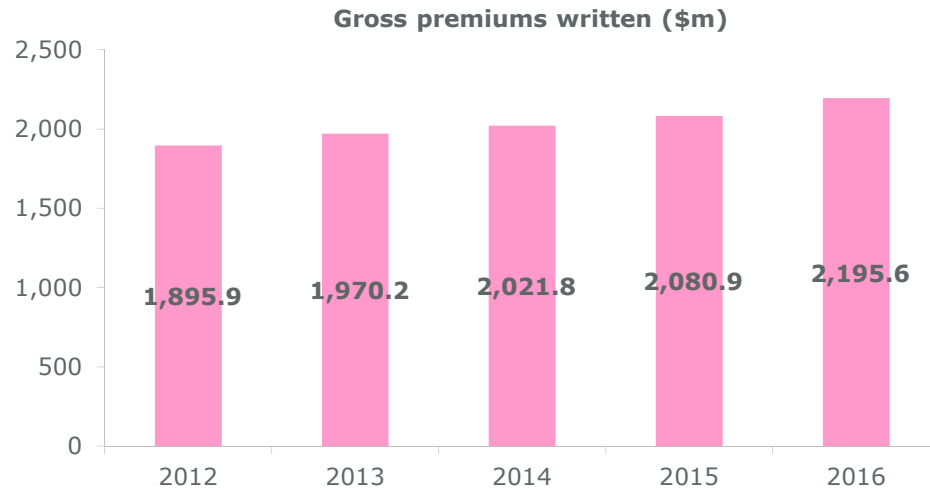
Strategic update – a busy year

- Invested in our teams
 - Hired 63 new underwriters
 - Acquired Leviathan and the Marketform team
- Opened or expanded offices in Atlanta, Los Angeles, Miami, Houston, Paris and Birmingham
- Launched our SL International business in Europe and RoW
 - Gerard Bloom joined us in December to head team
 - Converting Beazley Re to an insurance company
- US premiums continue to grow strongly with 20% growth in 2016
- Partnered with Munich Re to offer expanded cyber cover of up to \$100m and continued to work with Korean Re
- Active on corporate finance side
 - Continued capital management
 - Successful debt issuance
 - Completed change of group domicile

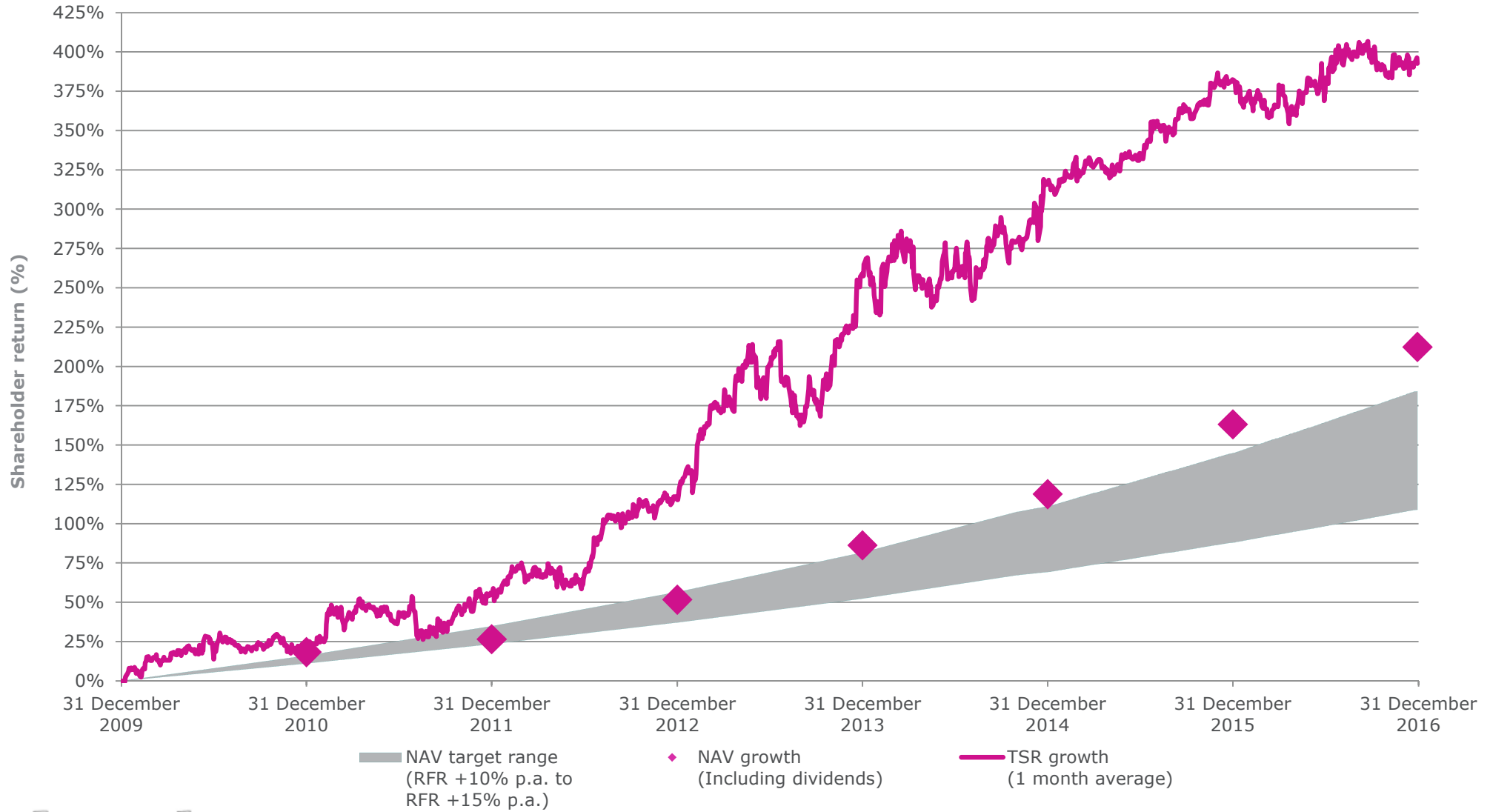


In 2016 we unveiled *Beautifully designed insurance* as the company's global brand positioning

Sustained high performance



Excellent total shareholder return - TSR 21.6% per annum since 31.12.09



* Average NAV growth (including dividends) over the past 7 years of 17.7%

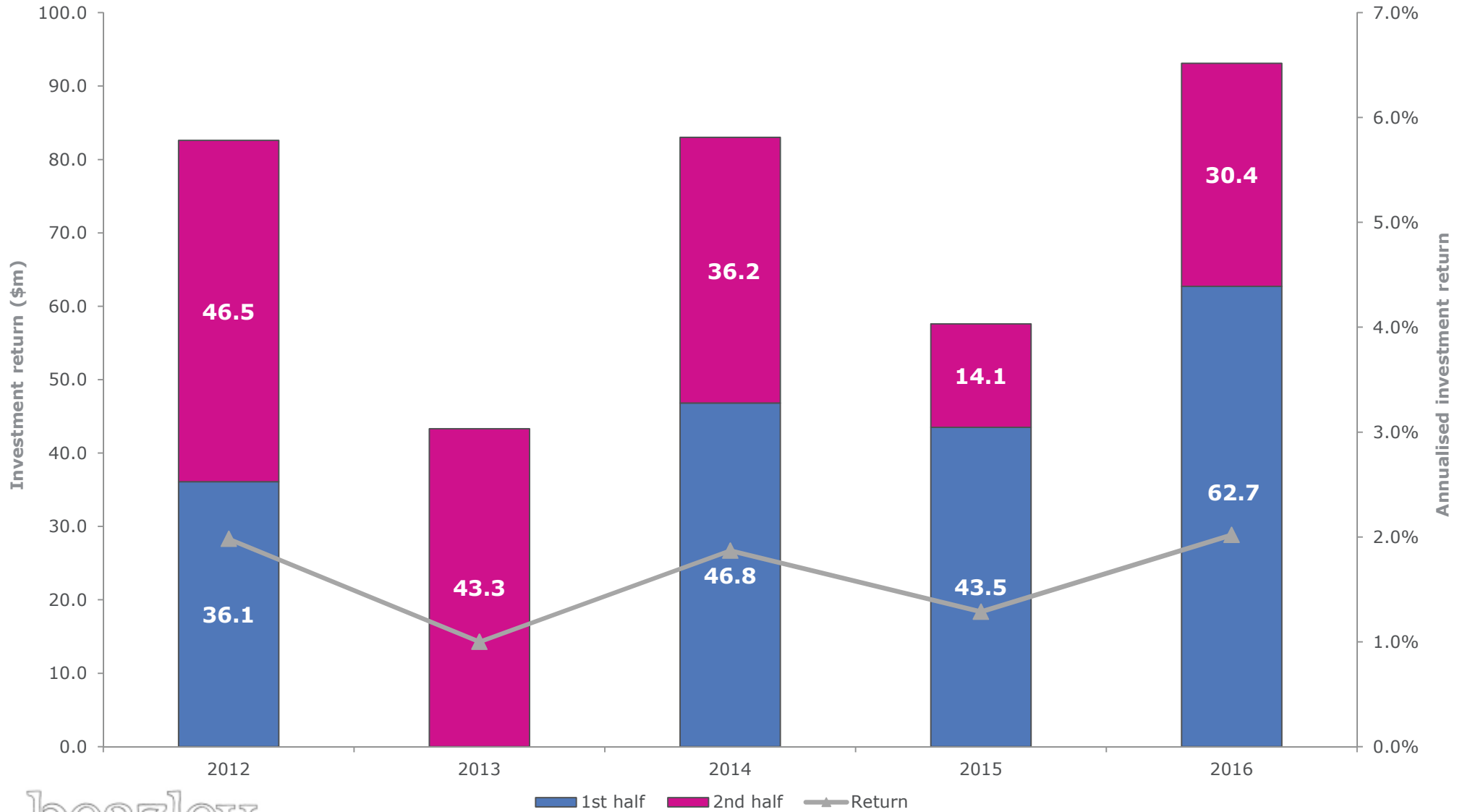
Financials

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Strong performance across all metrics

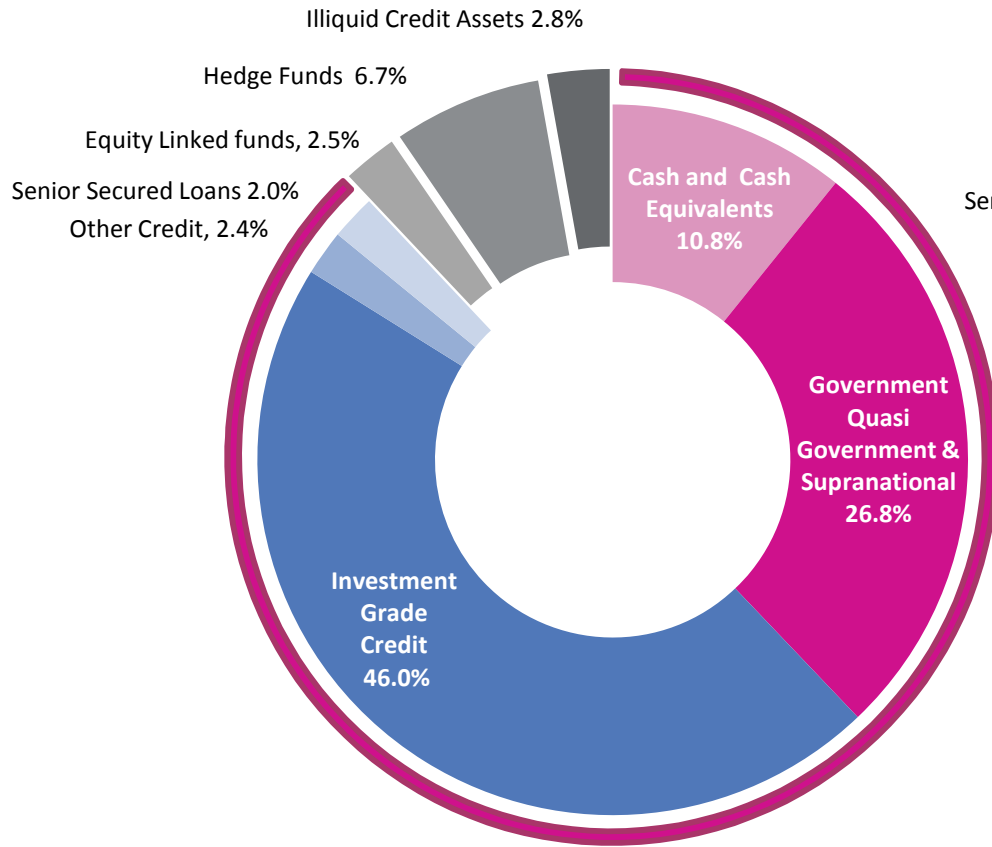
	Year ended 31 December 2016	Year ended 31 December 2015	% Increase
Gross premiums written (\$m)	2,195.6	2,080.9	6%
Net premiums written (\$m)	1,854.0	1,713.1	8%
Net earned premiums (\$m)	1,768.2	1,698.7	4%
Profit before income tax (\$m)	293.2	284.0	3%
Earnings per share (pence)	35.5	31.9	
Dividend per share (pence)	10.5	9.9	
Special dividend (pence)	10.0	18.4	
Net assets per share (pence)	225.9	186.5	
Net tangible assets per share (pence)	211.2	174.8	

Portfolio delivered highest ever investment income



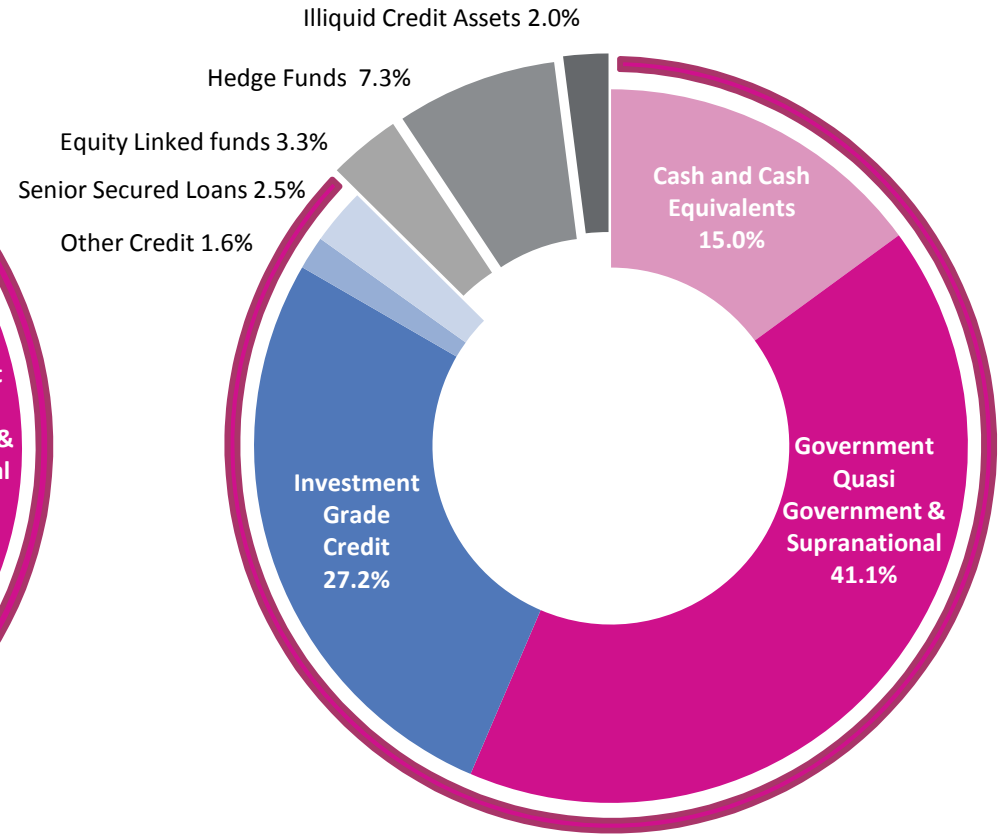
Minor changes to portfolio mix

31 December 2016



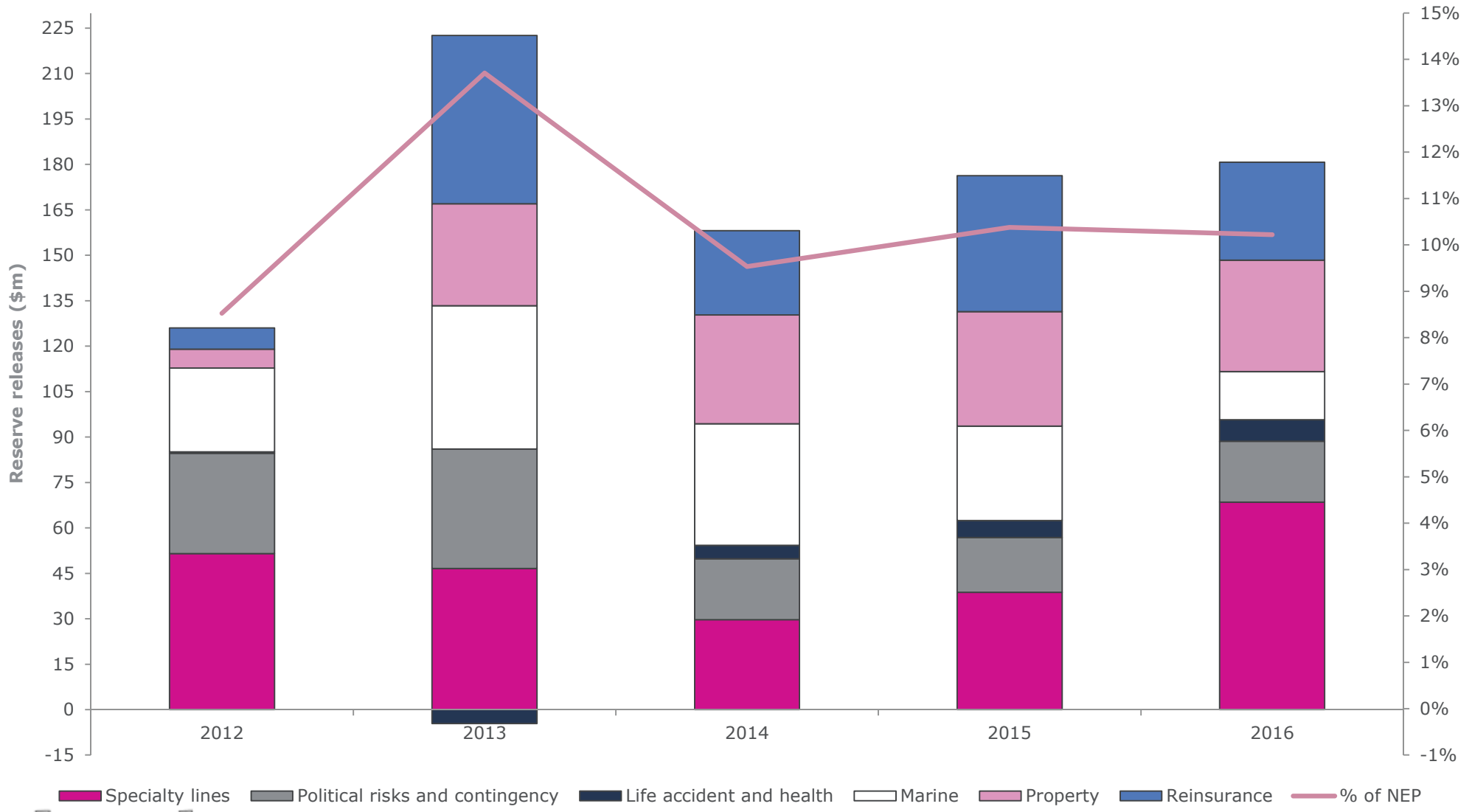
Core Portfolio

31 December 2015



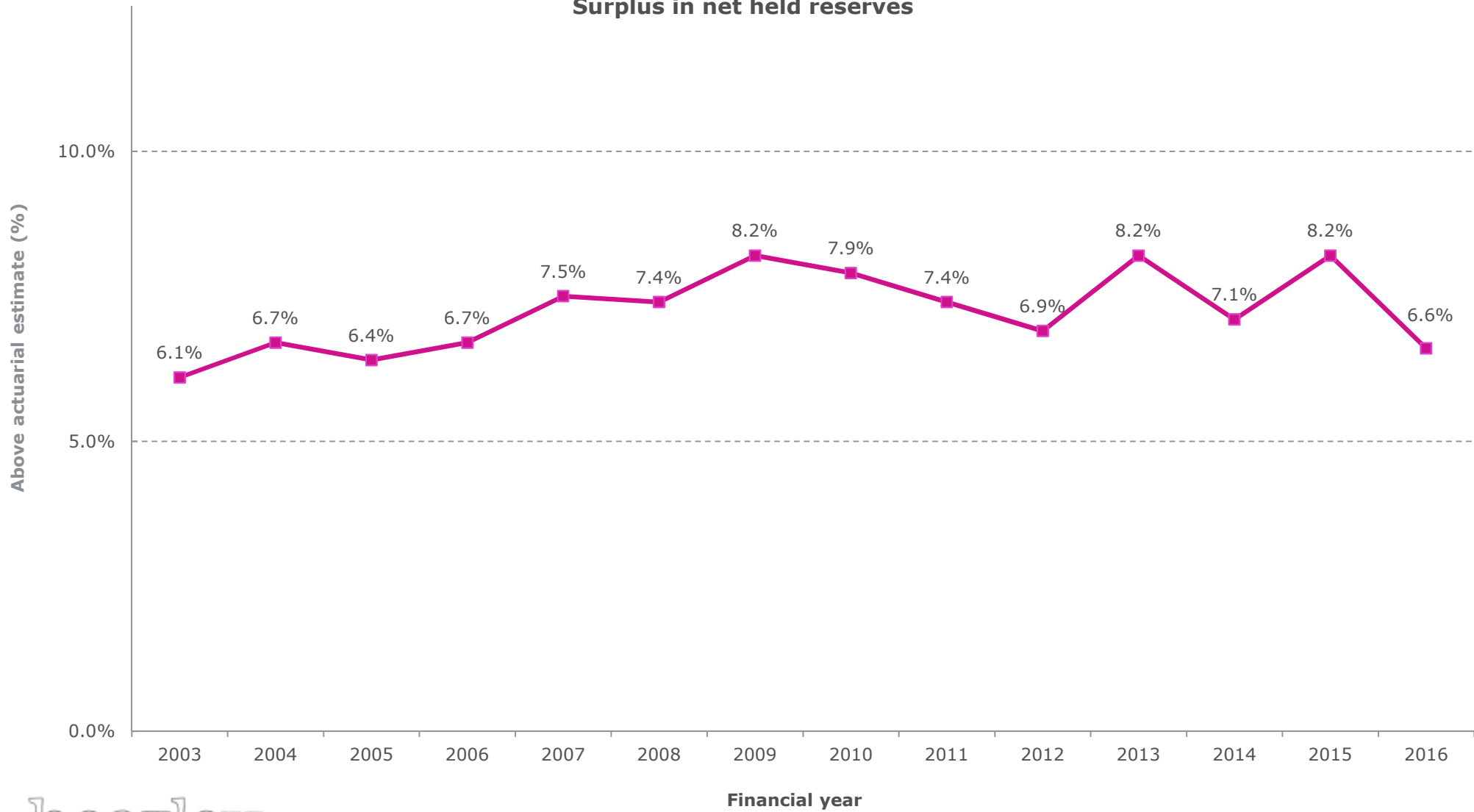
Core Portfolio

Prior year reserve releases very stable



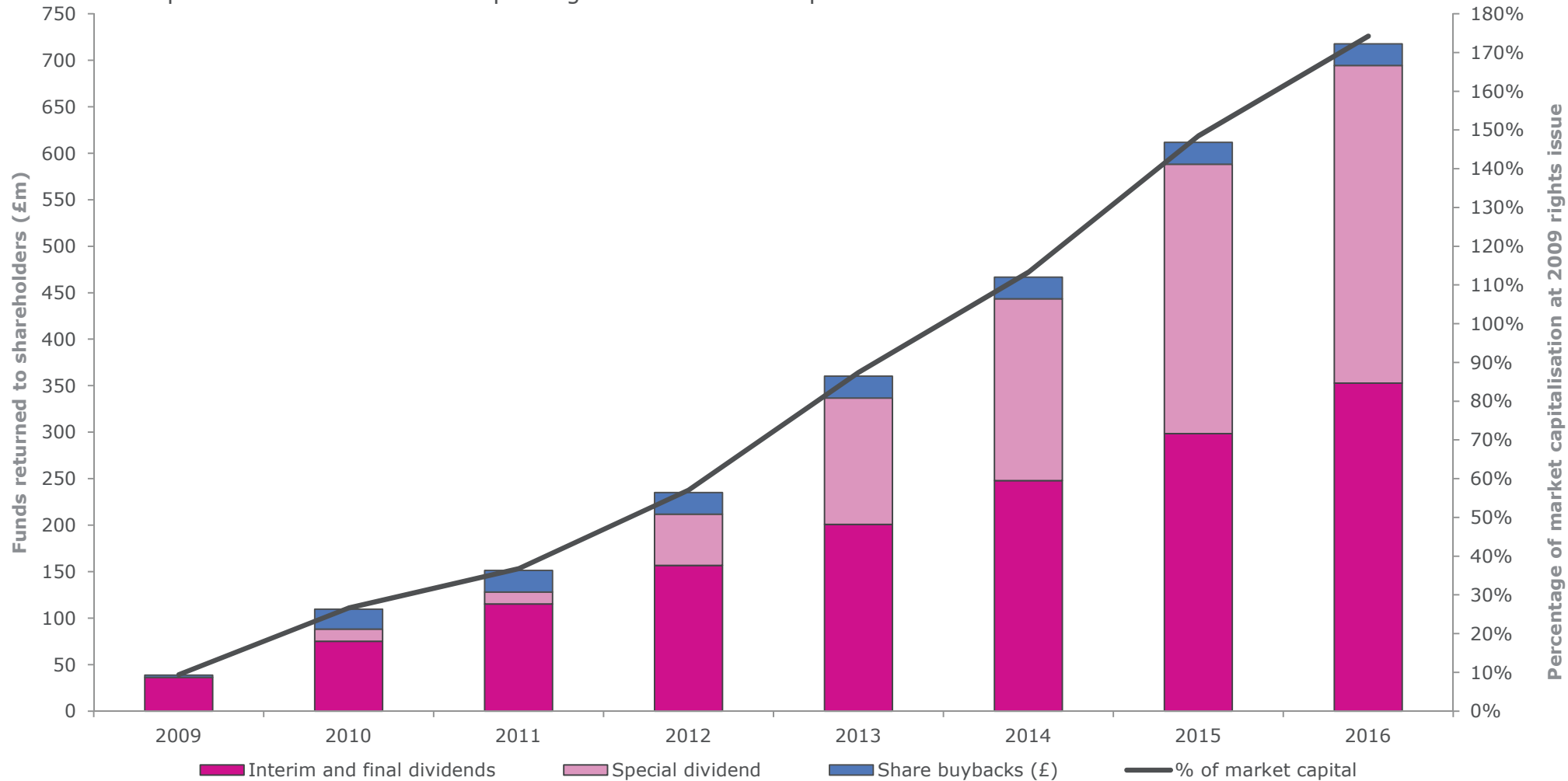
Whole account reserve strength within our target range

Surplus in net held reserves



Capital management discipline continues

- We have returned capital of £717.6m in the past 7 years
- This represents 174% of our 2009 post rights-issue market capitalisation



Updated capital position remains strong

- Group capital requirement

	Year ended 31 December 2016 \$m	Year ended 31 December 2015 \$m
Lloyd's economic capital requirement (ECR)	1,489.2	1,326.9
Capital for US insurance company	107.7	107.7
	1,596.9	1,434.6

- Our funding is made up of our own equity (on a Solvency II basis) plus \$361.0m of debt and an undrawn banking facility of \$225.0m
- At 31 December 2016 surplus capital post dividend of 36% of ECR, including Solvency II adjustments
- We expect high single digit growth in underwriting capital and premiums going forwards

Underwriting review

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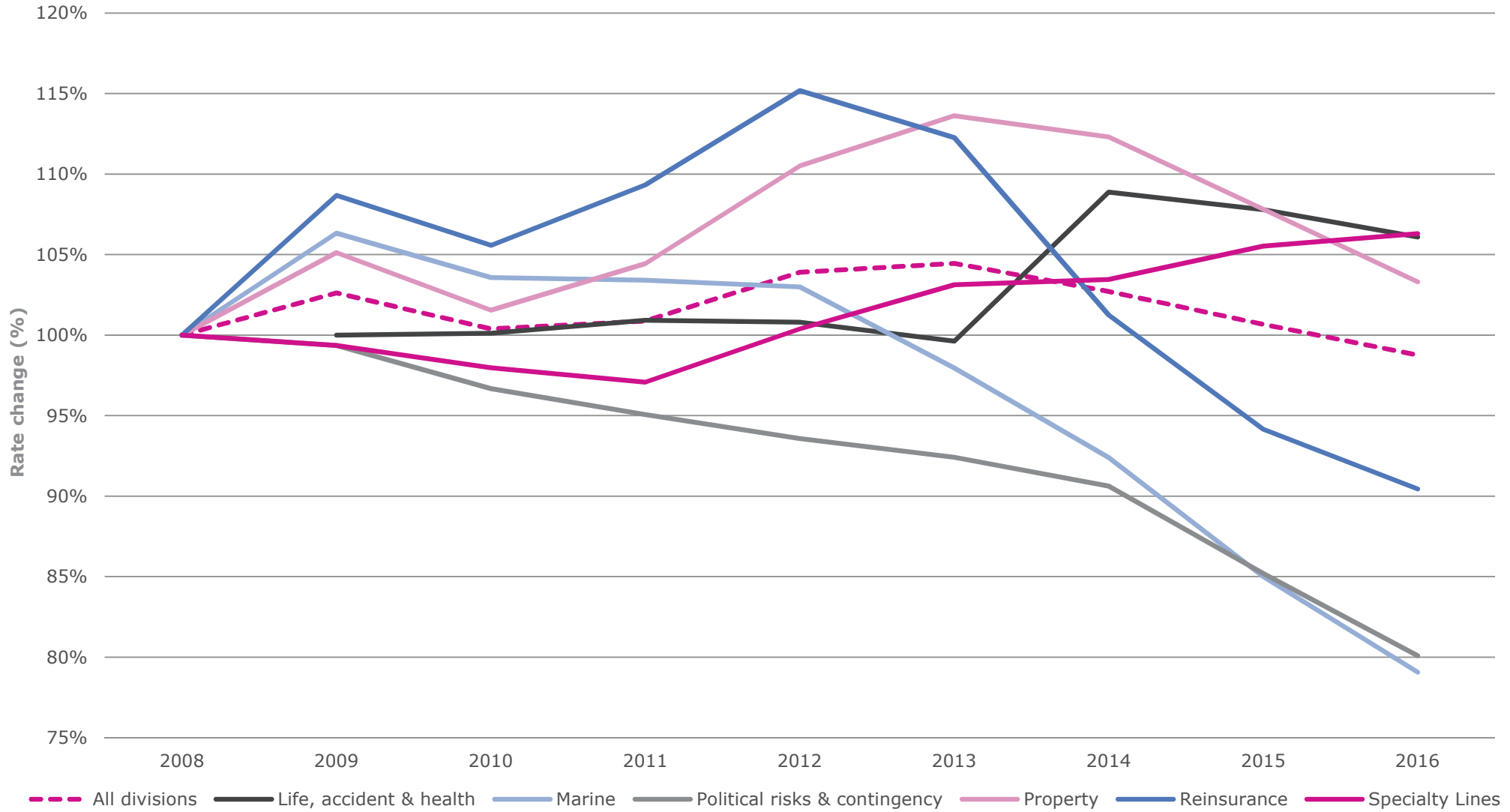
Underwriting review – 2016 achievements

- Combined ratio of 89%
- Growth in gross premiums written of 6% to \$2,195.6m
 - Specialty lines, our largest division, achieved growth of 14%
 - 20% growth in locally underwritten US premium
- Rating environment remains challenging with reductions of 2% across portfolio as a whole
- Favourable claims experience with natural catastrophe losses within our budget
- We continue to reserve consistently, maintaining our surplus over actuarial estimate between 5-10%

Underwriting review

	Year ended 31 December 2016	Year ended 31 December 2015	% Increase
Gross premiums written (\$m)	2,195.6	2,080.9	6%
Net premiums written (\$m)	1,854.0	1,713.1	8%
Net earned premiums (\$m)	1,768.2	1,698.7	4%
Expense ratio	41%	39%	
Claims ratio	48%	48%	
Combined ratio	89%	87%	
Rate change on renewals	(2%)	(2%)	

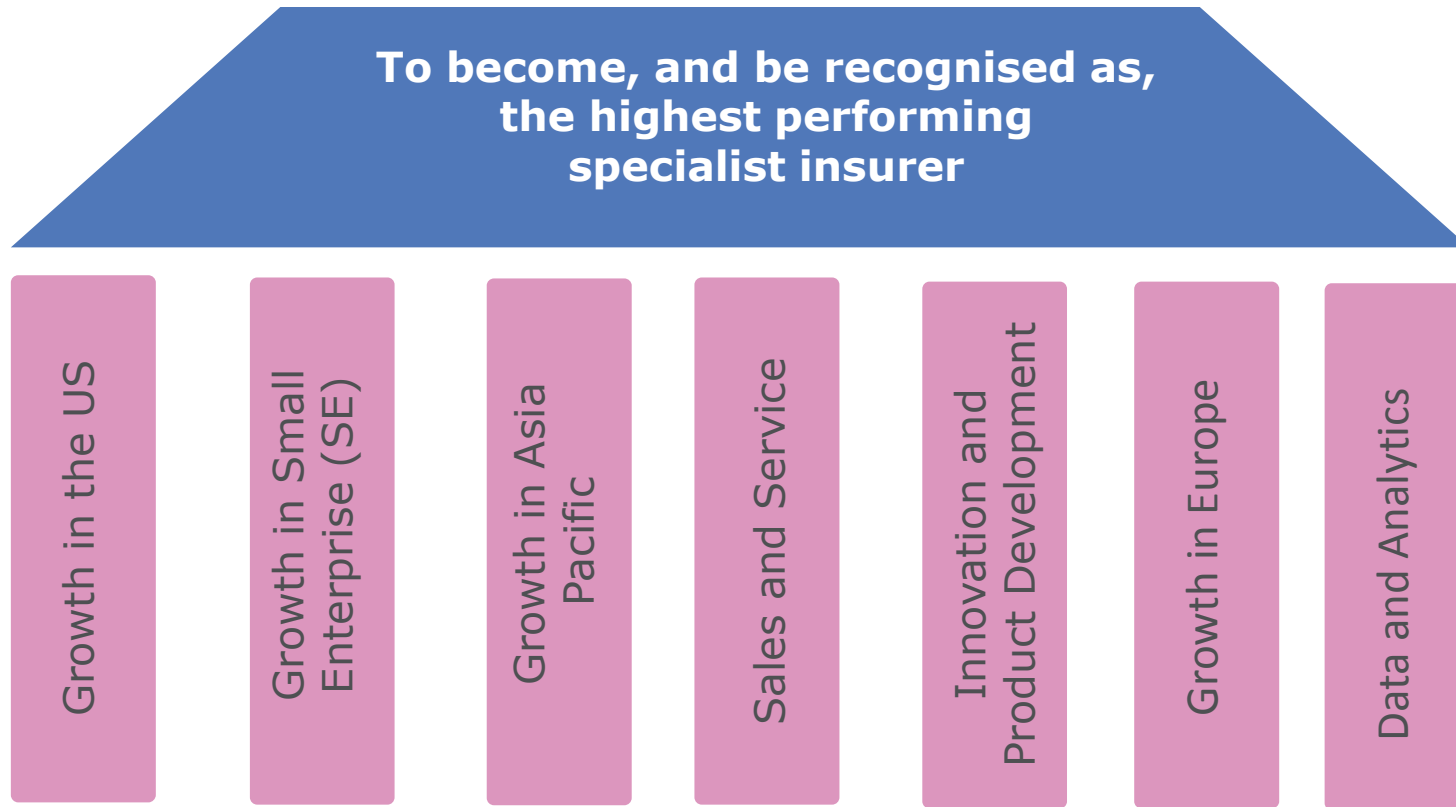
Cumulative rate changes since 2008



2017 underwriting outlook

- Competitive market conditions expected to continue
- Diverse portfolio allows disciplined underwriting approach where competitive pressures are strongest
- We see opportunities for growth in 2017
 - Cyber demand continues to increase
 - Locally underwritten US premium
 - SL international business

Our vision and strategic priorities



Outlook for 2017

- Political and economic landscape remains uncertain
- Premium rates expected to decline across portfolio as a whole
- Continue our organic growth strategy by attracting talented teams and individuals
- Opportunities for high single digit growth led by our specialty lines business
- Plan for full launch of SL International on Lloyd's and company paper
- Merging PCG and LAH divisions under Christian Tolle's leadership
- New strategic initiative on data

Any questions?

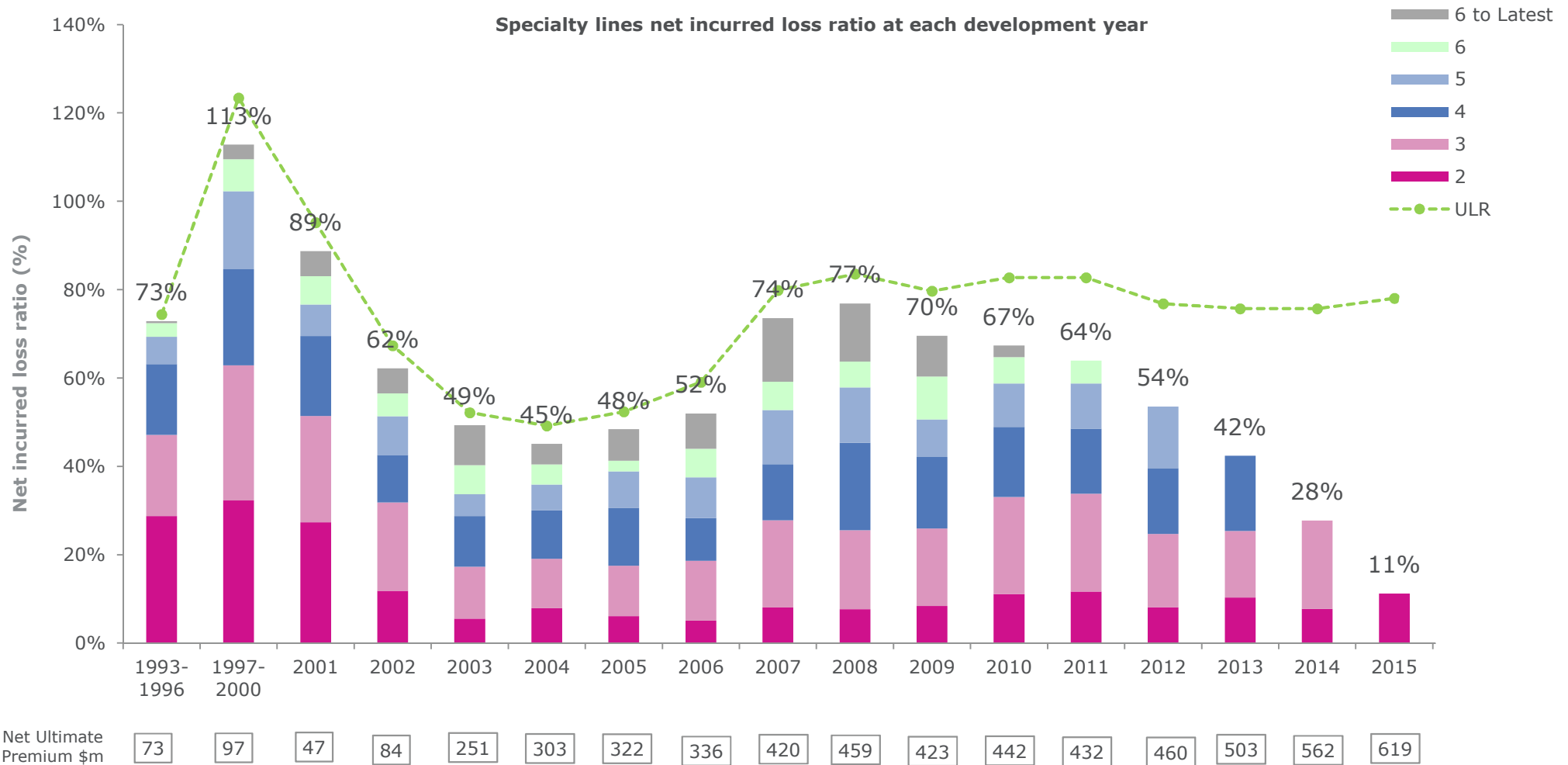
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Appendix

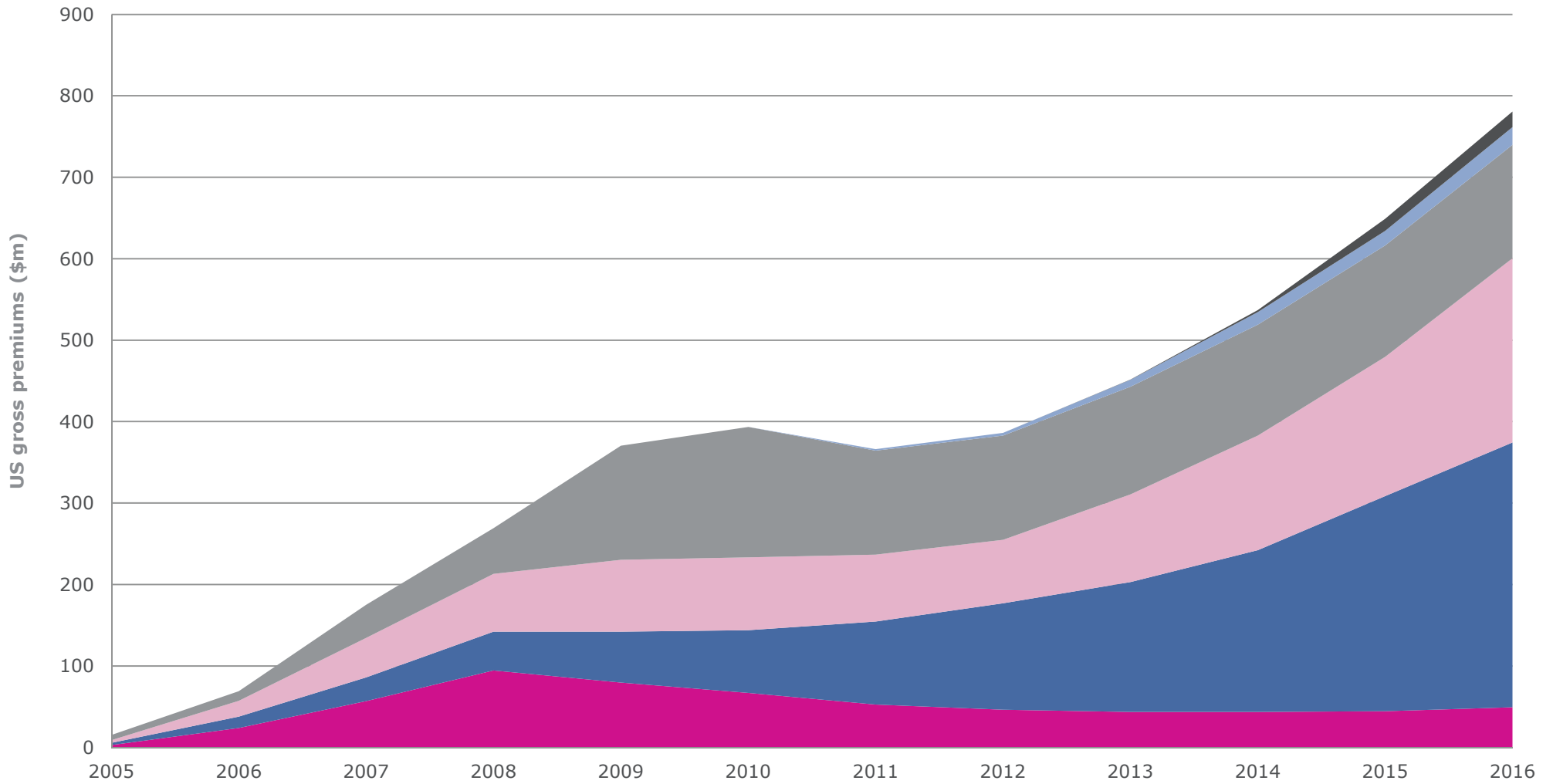
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Specialty lines incurred claims remain in line with expectations



Please note that this graph is gross of internal commissions

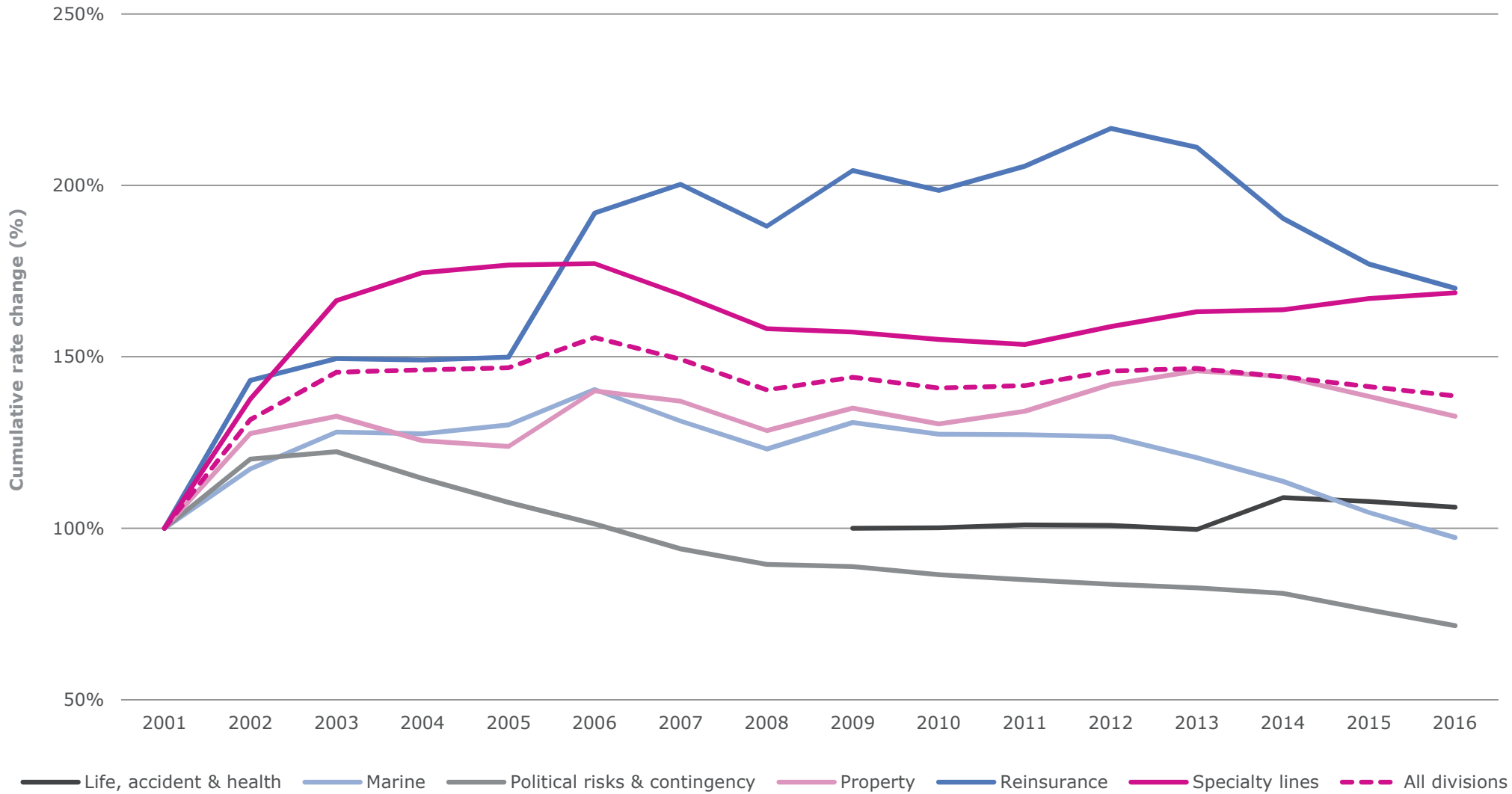
US gross premium growth



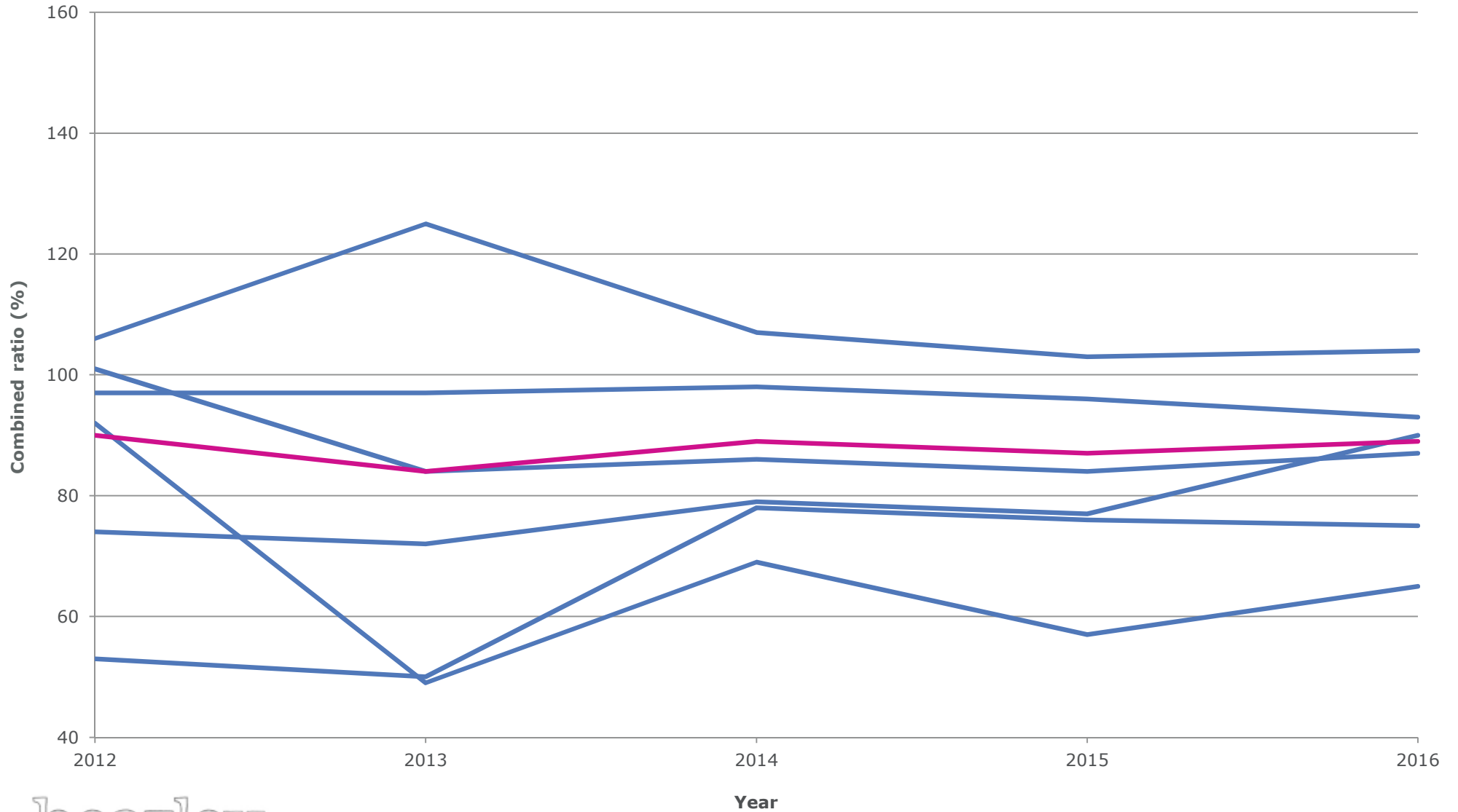
■ Architects and engineers professional indemnity
 ■ Technology, media and business services
 ■ Other specialty lines
 ■ Property
 ■ PCG & marine
 ■ Accident and health



Cumulative rate changes since 2001



Portfolio management achieves consistent combined ratio through market cycles



Performance by division

Year ended 31 December 2016

	Life, accident & health	Marine	PCG	Property	Reinsurance	Specialty lines
Gross premiums written (\$m)	126.6	247.4	118.7	329.7	213.4	1,159.8
Net premiums written (\$m)	118.0	220.7	97.6	277.1	141.2	999.4
Net earned premiums (\$m)	117.5	223.2	103.6	287.0	138.4	898.5
Result from operating activities (\$m)	(3.9)	34.5	31.5	51.5	60.9	133.9
Claims ratio	59%	44%	29%	40%	29%	56%
Rate change on renewals	(2%)	(7%)	(6%)	(4%)	(4%)	1%
Percentage of business led	62%	54%	70%	70%	46%	95%