



PRESS RELEASE

20 March 2014

CANOPIUS CELEBRATES 10TH ANNIVERSARY WITH RECORD RESULTS

Canopus Group Limited ("Canopus"), a leading specialist (re)insurance underwriting business, today announces its financial results for the year ended 31 December 2013.

Financial highlights¹

- Gross written premiums: £866 million, up 25% from £692 million in 2012
- Record post-tax profit: £99 million, more than double that of last year (£49 million)
- Return on equity (post tax): 25% (2012:17%)
- Combined ratio: 85% (2012: 95%), including 7% from catastrophe and large losses (2012: 12%)
- Attritional loss ratio: 49% (2012: 54%)
- Investment return: 1.4% return on average invested funds
- Net tangible assets attributable to shareholders: £409 million (2012: £335 million)
- Group financial resources: £605 million (2012: £517 million)

Michael Watson, Chairman and Chief Executive Officer, commented:

"2013 was a landmark year for Canopus: a 25% increase in gross premiums, driven by acquisitions and organic growth, record post-tax profits of £99 million, a return on equity of 25%, and a combined ratio of 85%. A sparkling set of results and a fitting finale to our first decade. Given our business mix, I am especially pleased by the reduction in our attritional loss ratio to 49%, one of the lowest in the market. This demonstrates our focus on underwriting fundamentals and the skills of our underwriters in challenging market conditions.

We look forward to our second decade with confidence. The acquisition of Canopus by NKSJ Holdings is anticipated to complete in the second quarter of 2014. We are proud to become the global specialty (re)insurance platform of one of the largest insurance groups in the world, and eagerly anticipate building a business of appropriate breadth and scale for NKSJ. With the additional financial backing and global licence network that NKSJ provides, our track record of growth, both organically and through M&A, is set to continue".

¹ Unaudited results

ENDS

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Notes to Editors:

1. Incorporated in Guernsey, Canopus Group Limited is an international (re)insurance group with operations in the UK, US, Bermuda, Ireland, Switzerland, Singapore and Australia.
2. Canopus is currently majority owned by funds managed by Bregal Capital LLP. Canopus management owns a 5% share. On 18 December 2013, NKSJ Holdings announced that it has signed an agreement, through its insurance subsidiary Sampo Japan Insurance Inc. to purchase 100 per cent of the shares of Canopus Group Limited. Subject to regulatory approval, the transaction is expected to close in the second quarter of 2014.
3. Canopus Group comprises three strategic business units writing the following (re)insurance lines of business:

Global Property

- Direct and facultative commercial property
- North American excess and surplus lines binding authorities
- Property treaty reinsurance

Global Specialty

- Marine and energy insurance
- Marine treaty reinsurance
- Casualty, including excess casualty, professional indemnity and financial institutions
- Casualty treaty reinsurance
- Construction and engineering
- International accident & health
- Crisis management, including product contamination, war, sabotage & terrorism, aviation war and kidnap & ransom
- Political risk, including expropriation, contract frustration, aircraft repossession and structured trade credit

UK Specialty

- Household and specialist property/niche personal lines
- Commercial combined for the SME sector
- Casualty, including accident & health and professional indemnity
- Motor including personal, commercial and specialist vehicles

For more information, visit www.canopus.com

4. **About NKSJ Holdings**

NKSJ Holdings, listed on the Tokyo Stock Exchange, No. 8630, is one of the three mega property and casualty insurers in Japan with a net premium written market share in Japan of 28%. NKSJ Holdings consists of property and casualty insurance companies, Sompo Japan, Nipponkoa, Saison Automobile & Fire, life insurance companies NKSJ Himawari Life and Sompo Japan DIY Life, and other businesses including asset management company, Sompo Japan Nipponkoa Asset Management. The company was formed in April 2010 when Sompo Japan and Nipponkoa Insurance created a joint holding company to integrate their two businesses. The integration is scheduled to be completed in 2014. As of March 31, 2013, NKSJ Group had total assets of \$90.0 billion, ordinary income of \$27.9 billion, profit after tax of \$428 million and a solvency margin ratio of 688.3%, and as of December 13, 2013, the Group had a market capitalization of \$11.3 billion. For further information, please see: <http://www.nksj-hd.com/en>.