

ENDURANCE INSURANCE
FINANCIAL REPORT
4TH QUARTER 2016

INSURANCE LINES

ARMtech ARMtech, our U.S. crop insurance subsidiary, offers multi-peril crop insurance, crop hail, livestock risk protection and other agricultural risk management products through independent agents.

Bermuda Insurance Working through an international network of brokers, we serve insureds ranging from mid-sized companies to the largest multinational corporations providing the following products:

- Direct & Facultative Property
- Excess Casualty
- Healthcare Liability
- Professional Lines (Commercial Management Liability, Endurance Pro, Financial Institutions)

Global Risk Solutions Serving the Real Estate & Hospitality, Financial Institutions, and Professional Services industries where we have depth of expertise, we work exclusively through retail brokers focusing on middle-market and large accounts. We offer the following products:

- Property
- General Liability
- Package
- Auto
- Workers' Comp
- Umbrella/Excess Casualty
- Professional Lines (Real Estate & Hospitality)
- Builders' Risk
- Environmental
- Surety
- Weather Protection

International Insurance Working through our London-based platform and our Lloyd's syndicate, Endurance at Lloyd's, to service accounts around the world, we offer the following products through our broad distribution network outside of North America:

- Aerospace
- Casualty
- Energy
- Marine
- Political & Financial Risk
- Professional Lines (Professional Indemnity, Management Liability, Financial Institutions)
- Property

U.S. Insurance Servicing clients from small businesses to multi-nationals, our specialized teams offer a diversified set of insurance products through our network of wholesale and retail brokers, MGUs and binding agents including:

- Aviation via W. Brown Associates
- Commercial Property
- Excess Casualty – E&S
- Excess Casualty – Retail
- Healthcare Liability
- Inland Marine
- Ocean Marine
- Primary Casualty – E&S
- Professional Lines (Commercial Management Liability, Endurance Pro, Financial Institutions)
- Property – E&S
- Small Commercial Package & GL (Endurance Express)
- Surety

FINANCIAL HIGHLIGHTS

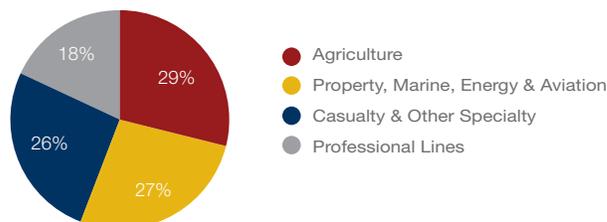
(in millions of U.S. dollars, except percentages)

	QUARTER ENDED DEC 31, 2016 (UNAUDITED)	YEAR ENDED DEC 31, 2016 (UNAUDITED)	YEAR ENDED DEC 31, 2015 (AUDITED)	YEAR ENDED DEC 31, 2014 (AUDITED)
ENDURANCE SPECIALTY HOLDINGS LTD.				
Gross premiums written	\$692.9	\$4,202.2	\$3,320.9	\$2,894.1
Net premiums written	364.3	2,369.9	1,950.5	1,934.2
Net income before preferred dividends	23.8	357.0	344.1	348.5
Loss ratio	61.7%	55.9%	46.4%	52.1%
Combined ratio	93.7%	88.1%	82.9%	86.0%
Total assets	\$14,122.9	\$14,122.9	\$13,241.5	\$9,640.7
Total shareholders' equity*	4,882.4	4,882.4	4,856.3	3,185.2
Debt to total capitalization	12.6%	12.6%	12.9%	14.1%
Annualized ROAE, Operating Income	4.8%	6.5%	9.7%	11.5%
ENDURANCE INSURANCE				
Gross premiums written	\$573.4	\$2,570.5	\$2,085.9	\$1,716.1
Net premiums written	243.0	1,056.3	880.4	860.4
Underwriting income	1.8	34.7	103.4	25.5
Loss ratio	70.2%	67.9%	60.8%	71.4%
Combined ratio	99.3%	96.6%	87.5%	96.9%

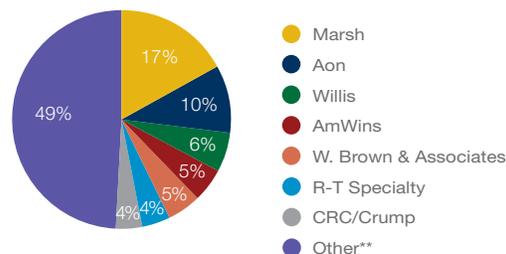
*Total shareholders' equity excludes non-controlling interests.

Twelve Months Ended December 31, 2016

Insurance Gross Premiums Written = \$2,570.5 Million



Production by Major Brokers on Gross Premiums Written*



* Excludes Agriculture, which is distributed by Endurance's ARMtech operating subsidiary through independent agents

**Includes multiple brokers with less than 3% share

EXCELLENT FINANCIAL STRENGTH AND LIQUIDITY

(December 31, 2016)

Strong and Flexible Capital Structure (in millions of U.S. dollars)



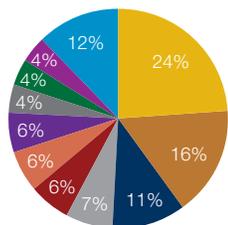
Increase in capital is a result of the acquisition of Montpelier Re Holdings Ltd. on July 31, 2015. Total capital above excludes non-controlling interests.

Investment Portfolio as of December 31, 2016

Fair Value = \$8.83 Billion*

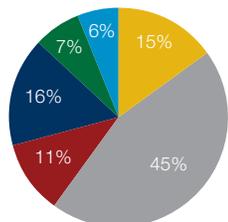
Type of Investment

- Corporate Securities
- U.S. Government Agency Residential Mortgage-Backed Securities
- U.S. Government & Agencies Notes
- Other Investments
- Non-Agency Commercial Mortgage-Backed Securities
- Equity Securities
- Asset-Backed Securities
- Collateralized Debt & Loan Obligations
- Short-Term Investments
- Other Fixed Income Securities**
- Cash & Equivalents



Investment Portfolio Ratings***

- U.S. Government & Agencies
- AAA/Aaa
- AA/Aa
- A/A
- BBB
- BBB and Below/Not Rated



* Investment totals net of investments pending settlement
 ** Includes multiple types of securities with a 3% or less share
 *** Excludes cash and cash equivalents, equity securities and other investments

About Endurance

Endurance Specialty Holdings Ltd., a New York Stock Exchange listed insurance and reinsurance company, is domiciled in Bermuda and operates through subsidiaries on a global basis.

Endurance Group Financial Ratings

A.M. Best — *A (Excellent)*
 XV Financial Strength
 Stable Outlook

Standard & Poor's — *A (Strong)*
 Stable Outlook

Moody's — *A2*
 Stable Outlook

NYSE: ENH

Excluding non-controlling interests, Endurance's total capital was \$5.59 billion as of December 31, 2016 and includes \$4.88 billion of shareholders' equity available to the Company.

Endurance maintains significant levels of liquidity with approximately 43% of investments in cash, short-term investments, U.S. Government, and U.S. Government backed securities at December 31, 2016.

Endurance's investment portfolio is comprised of high quality assets with an average rating of AA for our fixed income investments at December 31, 2016. Our priority is capital preservation while achieving attractive risk adjusted returns.

Endurance's investment portfolio has been managed to an average duration of 3.04 years at December 31, 2016 to minimize interest rate risk. We carefully manage our asset-liability exposure and ensure that more than sufficient liquidity is available.

ENDURANCE INSURANCE LEADERSHIP

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