

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

June 7, 2019

Date of Report (Date of earliest event reported)

**WHITE MOUNTAINS INSURANCE GROUP, LTD.**  
(Exact name of registrant as specified in its charter)

**Bermuda**  
(State or other jurisdiction of  
incorporation or organization)

**1-8993**  
(Commission file number)

**94-2708455**  
(I.R.S. Employer Identification No.)

**80 South Main Street, Hanover, New Hampshire 03755**  
(Address of principal executive offices)

**(603) 640-2200**  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**ITEM 7.01 Regulation FD Disclosure.**

The Registrant's executive officers intend to utilize the presentation furnished as Exhibit 99.1 to this Form 8-K, in whole or in part, at the Registrant's Annual Investor Information Meeting to be held on June 7, 2019. The presentation is incorporated by reference herein.

The information in this report (including Exhibit 99.1) is being furnished pursuant to Item 7.01 and shall not be deemed to be filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise be subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act.

**ITEM 9.01 Financial Statements and Exhibits.**

(d) Exhibits. The following exhibit is furnished herewith:

**EXHIBIT INDEX**

99.1 Supplemental Regulation FD Disclosure.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WHITE MOUNTAINS INSURANCE GROUP, LTD.  
(Registrant)

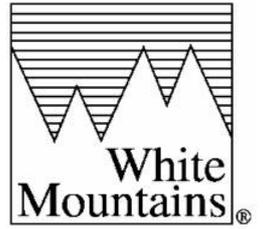
Date: June 7, 2019

By: /s/ J. Brian Palmer  
\_\_\_\_\_  
J. Brian Palmer  
Managing Director and Chief Accounting Officer

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**White Mountains Insurance Group, Ltd.**

Annual Investor Meeting – June 7, 2019



# Forward-Looking Statements

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## Forward-Looking Statements

This presentation may contain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts, included or referenced in this presentation which address activities, events or developments which White Mountains expects or anticipates will or may occur in the future are forward-looking statements. The words “will,” “believe,” “intend,” “expect,” “anticipate,” “project,” “estimate,” “predict” and similar expressions are also intended to identify forward-looking statements. These forward-looking statements include, among others, statements with respect to White Mountains: (i) change in book value or adjusted book value per share or return on equity; (ii) business strategy; (iii) financial and operating targets or plans; (iv) incurred loss and loss adjustment expenses and the adequacy of its loss and loss adjustment expense reserves; (v) projections of revenues, income (or loss), earnings (or loss) per share, EBITDA, dividends, market share or other financial forecasts; (vi) expansion and growth of its business and operations; and (vii) future capital expenditures.

These statements are based on certain assumptions and analyses made by White Mountains in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors believed to be appropriate in the circumstances. However, whether actual results and developments will conform to its expectations and predictions is subject to a number of risks and uncertainties that could cause actual results to differ materially from expectations, including: (i) the risks factors set forth in our Form 10-K filed on February 27, 2019; (ii) business opportunities (or lack thereof) that may be presented to it and pursued; (iii) actions taken by ratings agencies from time to time, such as financial strength or credit ratings downgrades or placing ratings on negative watch; (iv) the continued availability of capital and financing; (v) general economic, market or business conditions; (vi) competitive forces, including the conduct of other insurers; (vii) changes in domestic or foreign laws or regulations, or their interpretation, applicable to White Mountains, its competitors or its customers; (viii) an economic downturn or other economic condition adversely affecting its financial condition or results of operations; (ix) other factors, most of which are beyond White Mountains’ control.

Consequently, all of the forward-looking statements made in this presentation are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by White Mountains will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, White Mountains or its business or operations. White Mountains assumes no obligation to publicly update any such forward-looking statements, whether as a result of new information, future events or otherwise.

# Notes and Non-GAAP Financial Measures

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## Notes

Management has adjusted certain amounts within this presentation. Management believes the adjusted amounts to be useful to management and investors in depicting and evaluating White Mountains' financial condition and performance. The adjusted amounts are noted and described on p. 39 in the Appendices.

## Non-GAAP Financial Measures

Management believes the non-GAAP measures included in this presentation to be useful to management and investors in depicting and evaluating White Mountains' financial condition and performance. The non-GAAP financial measures included in this presentation, and the number of the page on which each measure is first shown, are listed below.

- Growth in ABVPS (p. 4)
- Fixed income (p. 14)
- Equities (p. 14)
- Equity exposure (p. 14)
- Total return on investment portfolio (p. 15)
- Fixed income return (p. 15)
- Equity return (p. 15)
- Owners' Capital per Share (p. 17)
- ABVPS (p. 17)
- BAM total premiums (p. 20)
- NSM TTM Pro Forma Adjusted EBITDA (p. 24)
- MediaAlpha TTM Adjusted EBITDA (p. 29)

Please see p. 40 in the Appendices for a reconciliation of each non-GAAP measure to its most closely comparable GAAP financial measure.

## Electronic Copy of Presentation

An electronic copy of this presentation can be found at our website: [www.whitemountains.com](http://www.whitemountains.com)

## Introductions

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- WTM Board of Directors
- WTM senior team
- Senior teams of:
  - BAM
  - NSM
  - Kudu
  - MediaAlpha
  - PassportCard / DavidShield

## Performance Recap

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(\$ in millions)	Years ended			Quarter
	2016	2017	2018 <sup>[1]</sup>	ended 1Q19 <sup>[1]</sup>
Growth in ABVPS	13.3%	16.1%	3.2%	3.9%
Growth in MVPS	15.2%	1.9%	0.9%	8.0%
Transaction gains	\$ 559	\$ 560	\$ 174	\$ -
Post-OneBeacon distributions, cumulative		\$ 729	\$ 1,252	\$ 1,260
Post-OneBeacon deployments, cumulative		273	553	824
Total		\$ 1,002	\$ 1,805	\$ 2,084

## 2018 Returns in Context

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### Book value returns

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WTM ABVPS <sup>[1]</sup> 3.2%

Dowling & Partners Composite TVC <sup>[2]</sup> -2.3%

### Market value returns

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WTM 0.9%

Dowling & Partners Composite <sup>[3]</sup> -1.7%

S&P 500 -4.4%

Business Insurance Index <sup>[4]</sup> -6.1%

S&P Financials -13.0%

## Track Record vs. S&P 500

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	Return periods ended December 31, 2018				Since WTM IPO (1985)
	1-year	5-year	10-year	20-year	
WTM - ABVPS <sup>[1]</sup>	3.2%	8.1%	10.5%	11.8%	13.6%
WTM - MVPS	0.9%	7.4%	12.6%	10.1%	11.9%
S&P 500	-4.4%	8.5%	13.1%	5.6%	10.5%

## Post-OneBeacon Expectations & Update

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Expected to...	Update
1. Shrink before we grew again, targeting distributions of \$1.5 - \$2.0 billion	<ul style="list-style-type: none"><li>▶ Distributed \$1.3 billion</li><li>▶ Repurchased 31% of shares outstanding</li><li>▶ Average repurchase price of \$872 per share</li></ul>
2. Target deployments of \$0.2 billion annually	<ul style="list-style-type: none"><li>▶ \$0.8 billion deployed</li><li>▶ \$1.1 billion undeployed capital remaining</li></ul>
3. Reduce parent company expense base and shift our human capital	<ul style="list-style-type: none"><li>▶ Parent company expenses down 25%</li><li>▶ Leaner investments operation; heavier deal team</li></ul>
4. Maintain opportunistic approach to shareholder value creation	<ul style="list-style-type: none"><li>▶ Executed MediaAlpha transaction</li></ul>
5. Improve ABVPS returns from low single digits	<ul style="list-style-type: none"><li>▶ LTIP targets increased: 4% → 5% → 6% → 7%</li><li>▶ Run rate returns in mid single digits today</li></ul>

## Distributions and Deployments



## Recent Deployments: Themes

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- Fee-based revenue models
- High-quality partners and management teams
- Proprietary transactions; not auctions
- Generally fair to full prices, but for quality operating businesses
- Platform businesses with capacity for knock-on / roll-up capital deployment

## Platform Investments

(\$ in millions)

NSM		Kudu		MediaAlpha	
Investment	Equity capital deployed	Investment	Equity capital deployed	Investment	Equity capital deployed
Fresh	\$ -	Versus	\$ 62	Oversee	\$
KBK	30	Fair Oaks	20	Healthplans.com	
Embrace	58	TIG	20		
		BOS	23		
		Savanna	20		
Total	\$ 88	Total	\$ 145	Total	\$

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**Financial Position & Investment Portfolio**

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## Current Financial Position

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- Total capital of \$3.3 billion, substantially all in common shareholders' equity
- Undeployed capital <sup>[7]</sup> of \$1.1 billion, or 34% of total capital
- No parent company financial leverage
- Total debt to total capital of 6%
- Virtually no traditional insurance liabilities

## Investments: Philosophy and Approach

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- Invest for total return
- Policyholder funds invested conservatively; shareholder funds invested more aggressively
- Invested assets today are primarily shareholder funds, with minimal policyholder funds
- Relative to peers, our portfolio generally has (i) shorter duration and (ii) higher equity exposure
- In early 2017, adopted a “core-satellite” strategy for equities
  - 67% <sup>[8]</sup> currently in passive vehicles, seeking beta returns from US large-cap and mid-cap stocks
  - 33% <sup>[8]</sup> currently in active mandates, seeking alpha returns from international stocks and alternatives
- Investment decisions take into account broader capital position and corporate needs

## Investments: Portfolio Composition <sup>[9]</sup>

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(\$ in millions)	<u>4Q18</u>	<u>1Q19</u>
Fixed income	\$ 790	\$ 909
Equities	<u>1,086</u>	<u>1,071</u>
Total portfolio	\$ 1,876	\$ 1,979
Fixed income duration	3.0 years	2.7 years
Fixed income credit quality	A+	AA-
Equity exposure	40%	37%

## Investments: Performance <sup>[10]</sup>

	Years ended		Quarter ended	2-year trailing ended
	2017	2018	1Q19	1Q19 (annualize)
<b>Total return on investment portfolio</b>	<b>7.0%</b>	<b>-3.4%</b>	<b>7.4%</b>	<b>4.6%</b>
ICE BofAML 10YT + 150 bps	3.6%	1.5%	3.5%	3.7%
Conventional Wisdom Benchmark <sup>[11]</sup>	6.1%	-0.5%	4.5%	4.3%
<b>Fixed income return</b>	<b>3.0%</b>	<b>0.6%</b>	<b>2.5%</b>	<b>2.6%</b>
BBG Intermediate U.S. Aggregate Index	2.3%	0.9%	2.3%	2.3%
<b>Equity return</b>	<b>19.8%</b>	<b>-4.7%</b>	<b>11.1%</b>	<b>9.5%</b>
S&P 500 Index	21.8%	-4.4%	13.6%	11.7%

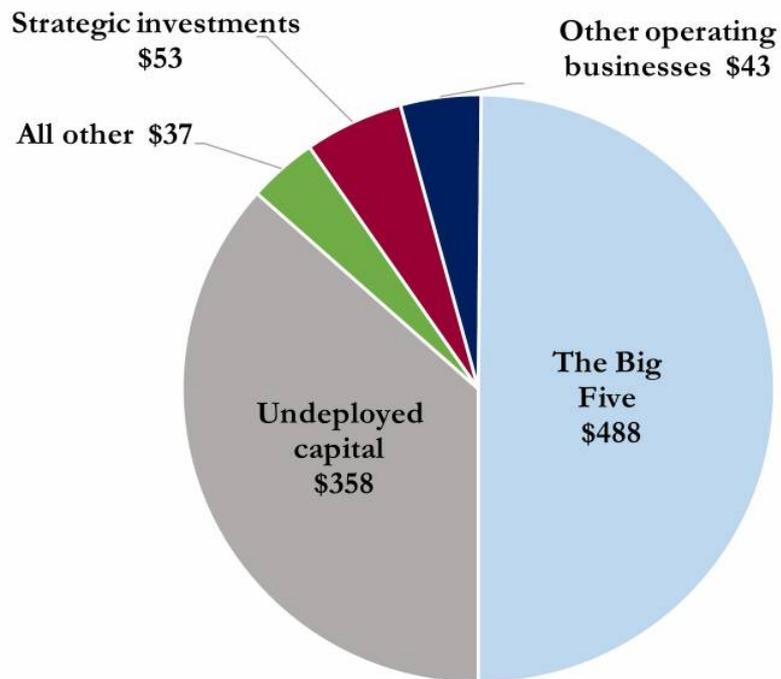
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**Operating Businesses**

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## Owners' Capital Per Share at 1Q19 <sup>[12]</sup>

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**Total: \$979 ABVPS**

## “Big Five” Investments

Company	Initial investment year	WTM ownership <sup>[13]</sup>	Management ownership <sup>[13]</sup>	ABV <sup>[12]</sup> (\$ in millions)	Per share <sup>[12]</sup>
<b>H G Global Ltd.</b>	2012	97%	3%	\$740	\$234
 NSM Insurance Group	2018	87%	13%	353	112
 KUDU INVESTMENT MANAGEMENT	2018	85%	15%	258	82
 MediaAlpha	2014	42%	27%	115	36
 PassportCard DavidShield	2015	50%	50%	75	24
<b>Total</b>				<b>\$1,541</b>	<b>\$488</b>

## HG Global / BAM: Overview

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- Financial guarantor, insuring only essential public purpose municipal bonds
- BAM is a mutual company owned by its municipality policyholders; principally provides primary coverage
- HG Re is a stock company owned by WTM; provides first-loss reinsurance to BAM
- WTM economics come in two forms: (i) surplus notes interest and (ii) HG Re reinsurance profits
- Launched into challenging environment; results have improved in recent years; plan to “hold and mature”

## HG Global / BAM: Recent Results

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- Total premiums <sup>[14]</sup> of \$111 million in 2018, up 7% year over year
  - Par insured up nicely (15%)
  - Total pricing <sup>[14]</sup> down modestly (-7%)
  - \$2.2 billion par assumed reinsurance transaction
  
- BAM made a \$23 million cash payment of surplus note P&I (vs. \$5 million in 2017)
  
- Tough fundamental market conditions in 1Q19 (rates, spreads, penetration, pricing)
- Total premiums <sup>[14]</sup> of \$16 million in 1Q19, up 27% year over year (vs. soft 1Q18)
- Secondary market activity up substantially; big driver of future results

## HG Global / BAM: Market Environment

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(\$ in billions)	Years ended			Quarter
	2016	2017	2018	ended 1Q19
Total new municipal bond issuance	\$ 425	\$ 413	\$ 324	\$ 76
Insured penetration, overall	6%	6%	6%	5%
Insured penetration, target market	20%	19%	19%	16%
BAM market share (transactions)	46%	46%	54%	46%
10YT (period end)	2.45%	2.40%	2.69%	2.41%
AA-A credit spread (average)	10 bps	11 bps	13 bps	10 bps

## HG Global / BAM: Financial Highlights

(\$ in millions, except where stated)	Years ended			Quarter
	2016	2017	2018	ended 1Q19
Par insured (\$ billions)	\$ 11.3	\$ 10.4	\$ 12.0	\$ 1.9
Total pricing <sup>[14]</sup>	68 bps	99 bps	93 bps	83 bps
S&P Risk Adjusted Pricing	3.53%	4.52%	4.44%	4.59%
Total premiums <sup>[14]</sup>	\$ 77	\$ 103	\$ 111	\$ 16
Secondary market premiums	\$ 17	\$ 33	\$ 28	\$ 10
Assumed reinsurance premiums	\$ -	\$ -	\$ 20	\$ -
Gross expenses	\$ 43	\$ 47	\$ 54	\$ 16
Claims paying resources	\$ 644	\$ 708	\$ 871	\$ 878
97% of HG Global's UPR, net of DAC	\$ 49	\$ 80	\$ 102	\$ 105
P&I paid on surplus notes	\$ -	\$ 5	\$ 23	\$ -

## NSM: Overview

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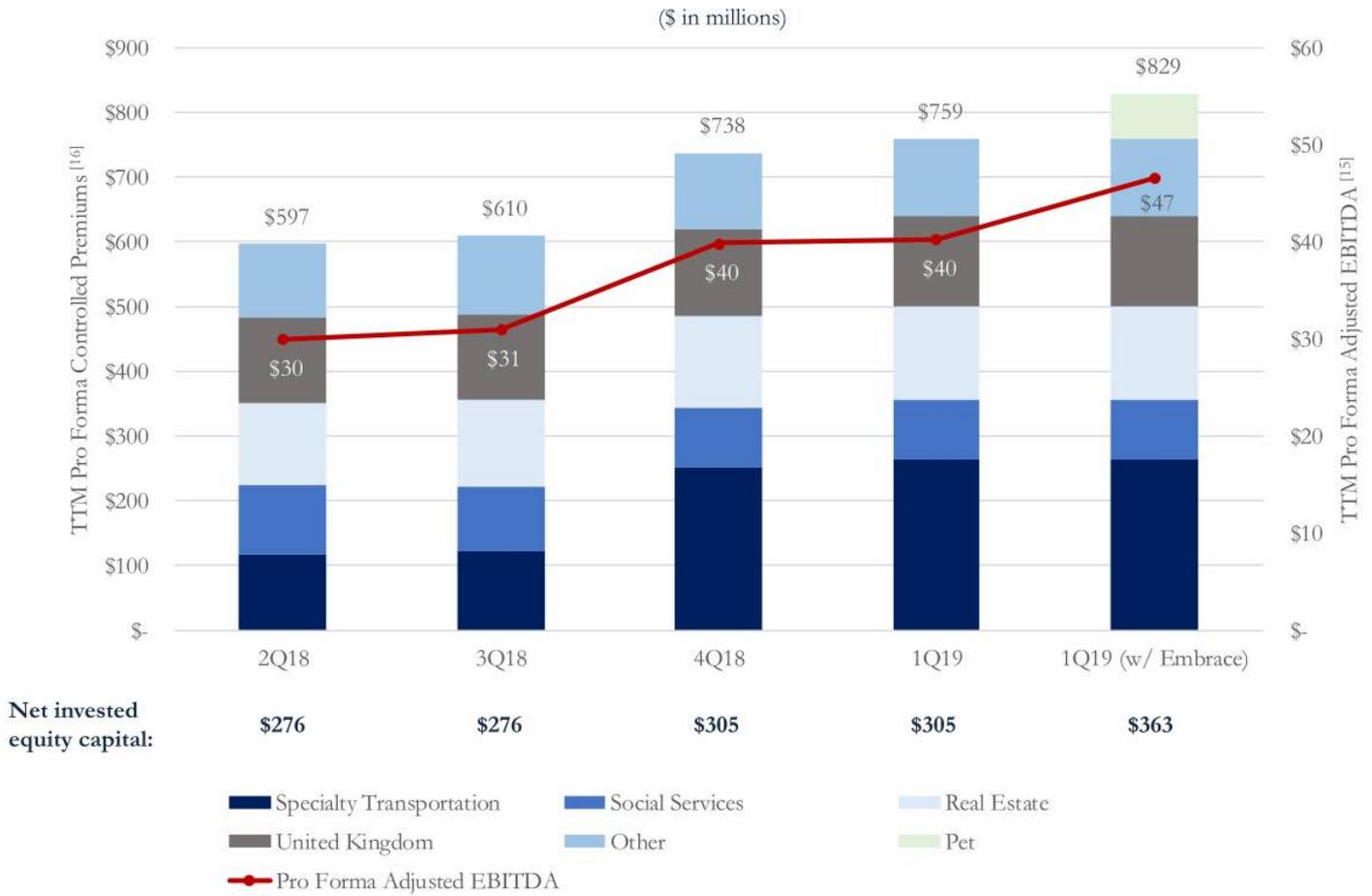
- Full-service specialty MGU and program administrator (US and UK)
- Specialty lines include collector cars and other specialty transportation, social services, real estate and pet
- Economic model is commission-based (90% base and 10% profit)
- Platform business with high capacity and appetite for follow-on investments

## NSM: Recent Results

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- Good results since our acquisition in May 2018
  - Solid organic growth, most notably in specialty transportation and real estate
  - Net of significant investment in people and technology
- Executing well on “specialty rollup” strategy
  - Fresh Insurance, a UK-based non-standard personal lines MGA
  - KBK, a US-based towing and trucking MGA
  - Embrace, a US-based pet insurance MGA
- TTM Pro Forma Adjusted EBITDA <sup>[15]</sup> of \$47 million at end of 1Q19 (including Embrace)

# NSM: Financial Highlights



## Kudu: Overview

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- Provides capital solutions and advisory services to asset management and wealth management firms
  - Generational ownership transfers
  - Management buyouts
  - Acquisition and growth finance
  - Legacy partner liquidity
- Deals typically structured as revenue shares; target a healthy running cash yield plus an equity kicker
- In 2Q19, we purchased Oaktree's interest in Kudu
  - Total capital commitment now \$250 million
  - Total ownership now 99% of shares outstanding (85% on a fd/fc basis)

## Kudu: Recent Results

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- Productive first year:
  - Deployed \$145 million of equity capital
  - Closed five deals
- Partnered with a diverse set of high-quality managers:

Manager	Asset class	AUM (\$ in billions)
Savanna	Real estate	\$ 1.4
TIG Advisors	Multi manager hedge fund	4.9
Bingham Osborn & Scarborough	Registered investment advisor	4.3
Fair Oaks Capital	Alternative credit	2.4
Versus Capital Advisors	Real asset interval funds	4.0

- Good financial results emerging:
  - Average cash yield at inception of 9.5% (on five deals closed)
  - Kudu, the enterprise, turned cash flow positive in 1Q19

## MediaAlpha: Overview

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- Marketing technology company
- Provides platform solutions for real-time transactions in customer clicks, calls and leads
- Initially focused on auto insurance; has diversified into other insurance and non-insurance “verticals”
- Economic model is primarily fee based; MediaAlpha earns a “toll” on all transaction volume it facilitates
- In 1Q19, we closed a deal to bring Insignia Capital on board as a value-added partner

## MediaAlpha: Recent Results

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- Breakout year for MediaAlpha
- Strong organic growth across all key verticals:
  - Strong growth in P&C insurance and health & life insurance verticals
  - Gaining traction in newer verticals, such as travel and mortgage
- TTM revenues of \$308 million at end of 1Q19, up 53% year over year
- TTM Adjusted EBITDA of \$31 million at end of 1Q19, up 55% year over year
- 2018 regular cash dividend of \$10 million (9% cash yield)

# MediaAlpha: Financial Snapshot

(\$ in millions)



## MediaAlpha: Transaction

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- Sold 16 points of equity ownership at a \$350 million valuation
- Implies a 5.0x multiple of invested capital
  - 2.5x returned in cash
  - 2.5x reflects the fair value of our go-forward stake
- Why do this deal?
  - Recognizes value created to date
  - Retains substantial upside
  - Adds quality partner in Insignia Capital
  - Sets stage for further value creation

## PassportCard / DavidShield: Overview

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- Travel and expat medical insurance MGA
- Originally launched in Israel; now expanding internationally
- Real-time, paperless insurance solution, delivered via debit card technology
- Superior customer experience, premium pricing and high “reactivation” rates
- Economic model is commission based (95% base and 5% profit)

## PassportCard / DavidShield: Recent Results

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- Achieved record results in 2018
- Results driven largely by PassportCard, now the largest travel insurance provider in the Israeli market
- Continue to reinvest substantially all free cash flow into international expansion
  - Launched in Australia in April 2018 (under “TravelCard” brand); market is 3x the size of Israel
  - Preparing to launch in Germany; market is 6x the size of Israel
- TTM controlled premiums of \$138 million at end of 1Q19, up 22% year over year
- TTM Core EBITDA of \$14 million at end of 1Q19, up 35% year over year

## PassportCard / DavidShield: Financial Snapshot

(\$ in millions)



Net invested capital <sup>[17]</sup>:      \$21                      \$21                      \$21                      \$49                      \$49

■ Premiums written      ■ Premiums - license/fee arrangements      ● Total customers

## Elementum Advisors

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- On May 31, we closed an investment in Elementum Advisors
  - Acquired 30% of the management company; founding management retained 70%
  - Paid cash consideration of \$55 million
  - Separately, invested \$50 million from our investment portfolio into the Elementum funds
  
- Elementum is a well-positioned business in an attractive sector
  - \$4 billion of AUM; third largest independent ILS manager
  - Focus on natural catastrophe exposures
  - Strong investment performance track record, spanning 15 years
  - Experienced management team, led by Tony Rettino and John DeCaro
  - Fee-based business; does not entail underwriting risk

## What to Expect from Us

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- More of the same
- Patient deployment of capital
  - In insurance, broader financial services and adjacent sectors
  - In chunkier deployments (nine figures and up), typically in control positions
  - In tuck-in and follow-on deployments through current businesses
  - Acknowledging a continuing “seller’s market” in our core sectors
- Focused on growing value per share, over long periods of time; not focused on near-term GAAP results
- Adhering to our core operating principles:
  - Underwriting comes first
  - Maintain a disciplined balance sheet
  - Invest for total return
  - Think like owners



“In the short run, the market is a voting machine, but in the long run it is a weighing machine.”

**Benjamin Graham**

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## Appendices

1. Notes (p. 39)
  2. Non-GAAP Financial Measures (p. 40)
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## Notes

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1. Growth in ABVPS, transaction gains and ABVPS are adjusted to reflect the estimated \$55 per share gain from the MediaAlpha transaction as if it had closed 12/31/18.
2. Composite total value creation (tangible book value plus dividends) for 53 publicly-traded underwriters reported by Dowling & Partners.
3. Composite performance for 59 publicly traded underwriters and brokers reported by Dowling & Partners.
4. Composite performance for 40 publicly traded underwriters and brokers reported by Business Insurance.
5. 1Q17 and 2Q17 undeployed capital amounts are adjusted to reflect the OneBeacon transaction as if it had closed on 3/31/17 and 6/30/17, respectively.
6. Deployments include unfunded commitments of \$540 million at 3/31/18, including WTM's acquisition of NSM (\$274 million).
7. Deployments include unfunded commitments of \$392 million at 3/31/19, including WTM's acquisition of Oaktree Capital Management's position in Kudu (\$133 million), NSM's acquisition of Embrace (\$58 million) and WTM's acquisition of a 30% interest in Elementum (\$55 million).
8. Equity allocation percentages are shown on a management basis as on p. 43 in the Appendices. Equities excludes MediaAlpha, PassportCard / DavidShield, unconsolidated other operating businesses and Kudu.
9. Total portfolio is shown on a management basis as on p. 42 and p. 43 in the Appendices. It excludes BAM's investment portfolio, MediaAlpha, PassportCard / DavidShield, unconsolidated other operating businesses and Kudu.
10. Investment performance is shown on a management basis as on p. 44 in the Appendices.
11. The Conventional Wisdom Benchmark is comprised of 85% of the BBG U.S. Aggregate Index return and 15% of the S&P 500 return.
12. Amounts reflect all unfunded commitments as if they were fully funded at 3/31/19. See endnote 1 and p. 45 in the Appendices for additional information.
13. Ownership is presented on a fully-diluted, fully-converted basis with the exception of HG Global (preferred stock ownership is presented) and PassportCard / DavidShield (basic ownership is presented).
14. BAM Total premiums and BAM Total pricing include gross written premiums, member surplus contributions collected, the present value of future installment member surplus contributions not yet collected and gross written premium adjustments on existing installment policies.
15. NSM TTM Pro Forma Adjusted EBITDA includes the earnings of acquired businesses for the period of time over the previous twelve months that the businesses were not owned by NSM.
16. NSM TTM Pro Forma Controlled Premiums includes the controlled premiums of acquired businesses for the period of time over the previous twelve months that the businesses were not owned by NSM. They exclude administrative services premiums of \$45 million (4Q18), \$47 million (1Q19) and \$47 million (1Q19 w/ Embrace).
17. Net invested capital amounts exclude a \$13.5 million loan provided by WTM in 1Q18 to its partner in PassportCard / DavidShield in order to facilitate the DavidShield transaction and related restructuring.

## Non-GAAP Financial Measures

### White Mountains Insurance Group, Ltd.

Reconciliation of GAAP book value per share ("BVPS") to adjusted book value per share ("ABVPS") and growth in ABVPS

(\$ millions, except per share amounts; shares in thousands)

	2015	2016	2017	2018	1Q19
<b>Numerator</b>					
GAAP common shareholders' equity (GAAP BVPS numerator)	\$ 3,903	\$ 3,583	\$ 3,493	\$ 2,843	\$ 3,122
Equity in net unrealized losses (gains) from Symetra's fixed maturity portfolio, net of applicable taxes	-	-	-	-	-
Time value of money discount on BAM surplus notes [a]	n/a	n/a	(157)	(141)	(139)
HG Global's unearned premium reserve [a]	n/a	n/a	104	137	140
HG Global's net deferred acquisition costs [a]	n/a	n/a	(24)	(35)	(36)
Adjusted common shareholders' equity	3,903	3,583	3,415	2,804	3,088
Future proceeds from options	-	30	-	-	-
ABVPS numerator	<u>\$ 3,903</u>	<u>\$ 3,612</u>	<u>\$ 3,415</u>	<u>\$ 2,804</u>	<u>\$ 3,088</u>
<b>Denominator</b>					
Common shares outstanding (GAAP BVPS denominator)	5,624	4,564	3,750	3,173	3,181
Plus: options assumed issued	-	40	-	-	-
Less: unearned restricted common shares	(25)	(26)	(17)	(15)	(25)
ABVPS denominator	<u>5,599</u>	<u>4,578</u>	<u>3,733</u>	<u>3,158</u>	<u>3,156</u>
GAAP book value per share	\$ 694	\$ 785	\$ 931	\$ 896	\$ 981
Adjusted book value per share	\$ 697	\$ 789	\$ 915	\$ 888	\$ 979
Adjustment for MediaAlpha transaction				\$ 55	
GAAP book value per share, adjusted				\$ 951	
Adjusted book value per share, adjusted				\$ 943	
Growth in GAAP BVPS, including dividends [b], reported/adjusted		13.2%	18.8%	-3.7%/2.2%	9.6%/3.3%
Growth in ABVPS, including dividends [b], reported/adjusted		<b>13.3%</b>	<b>16.1%</b>	<b>-2.8%/3.2%</b>	<b>10.3%/3.9%</b>

[a] Amount reflects White Mountains's preferred share ownership of HG Global of 97%

[b] White Mountains declared \$1.00 per share dividend in the first quarter of each period shown

## Non-GAAP Financial Measures

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### White Mountains Insurance Group, Ltd.

Comparison of GAAP book value per share ("BVPS") return to adjusted book value per share ("ABVPS") returns

	Return periods ended December 31, 2018				Since WTM IPO (1985)
	1-year	5-year	10-year	20-year	
WTM - BVPS	-3.7%	7.3%	10.7%	12.8%	14.0%
WTM - ABVPS	-2.8%	6.8%	9.9%	11.4%	13.4%
WTM - ABVPS [1]	<b>3.2%</b>	<b>8.1%</b>	<b>10.5%</b>	<b>11.8%</b>	<b>13.6%</b>

## Non-GAAP Financial Measures

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### White Mountains Insurance Group, Ltd.

Reconciliation of GAAP fixed maturity and short-term investments to fixed income

(\$ millions)

	4Q18	1Q19
GAAP fixed maturity and short-term investments	\$ 1,292	\$ 1,402
Remove: BAM fixed maturity and short-term investments	(514)	(502)
All other	12	9
Fixed income	<b>\$ 790</b>	<b>\$ 909</b>

## Non-GAAP Financial Measures

### White Mountains Insurance Group, Ltd.

Reconciliation of GAAP common equity securities and other long term investments to equities and equity exposure

(\$ millions)

	4Q18	1Q19
<b>Numerator</b>		
GAAP common equity securities and other long-term investments	\$ 1,251	\$ 1,403
Remove:		
MediaAlpha	-	(115)
PassportCard/DavidShield	(75)	(75)
Unconsolidated other operating businesses	(59)	(71)
Kudu	(31)	(72)
Equities	<b>1,086</b>	<b>1,071</b>
Add: Kudu	31	72
Equity exposure numerator	<b>\$ 1,117</b>	<b>\$ 1,143</b>
<b>Denominator</b>		
Common shareholders' equity	\$ 2,843	\$ 3,122
Time value of money discount on BAM surplus notes [a]	(141)	(139)
HG Global's unearned premium reserve [a]	137	140
HG Global's net deferred acquisition costs [a]	(35)	(36)
Adjusted shareholders' equity	<b>\$ 2,804</b>	<b>\$ 3,088</b>
GAAP common equity securities and other long term investments exposure	44%	45%
Equity exposure	<b>40%</b>	<b>37%</b>

[a] Amount reflects White Mountains's preferred share ownership of HG Global of 97%

## Non-GAAP Financial Measures

### White Mountains Insurance Group, Ltd.

Reconciliation of GAAP investment returns to total return on investment portfolio, fixed income return and equity return

(returns in USD)	1Q17	2017	2018	1Q19	Trailing 2-year 1Q19 (annualized)
GAAP total return on investment portfolio	1.5%	5.6%	-1.7%	10.1%	6.1%
Adjusting items					
Remove BAM invested assets	0.1%	0.4%	-1.1%	1.2%	
Remove MediaAlpha transaction gain	0.0%	0.0%	0.0%	-4.6%	
Remove PassportCard/DavidShield and unconsolidated other operating businesses	0.0%	0.4%	-0.7%	0.7%	
All other	0.1%	0.6%	0.1%	0.0%	
Total return on investment portfolio	1.7%	<b>7.0%</b>	<b>-3.4%</b>	<b>7.4%</b>	<b>4.6%</b>
GAAP fixed maturity and short-term investment return	0.9%	3.5%	1.2%	2.3%	3.1%
Adjusting items					
Remove BAM invested assets	0.0%	0.0%	-0.4%	0.2%	
Reclass currency forward contract(s)	0.0%	-0.4%	-0.2%	0.0%	
All other	0.0%	-0.1%	0.0%	0.0%	
Fixed income return	0.9%	<b>3.0%</b>	<b>0.6%</b>	<b>2.5%</b>	<b>2.6%</b>
GAAP common equity securities and other long-term investments return	4.2%	12.7%	-3.6%	19.0%	11.4%
Adjusting items					
Remove MediaAlpha transaction gain	0.0%	0.0%	0.0%	-11.0%	
Remove PassportCard/DavidShield and unconsolidated other operating businesses	0.3%	2.5%	-1.6%	2.8%	
Remove OneBeacon Surplus Notes	0.4%	0.6%	0.0%	0.0%	
Reclass currency forward contract(s)	0.2%	1.7%	0.3%	0.0%	
All other	0.6%	2.3%	0.2%	0.3%	
Equity return	5.7%	<b>19.8%</b>	<b>-4.7%</b>	<b>11.1%</b>	<b>9.5%</b>

## Non-GAAP Financial Measures

### White Mountains Insurance Group, Ltd.

Reconciliation of GAAP book value and GAAP book value per share allocation of capital to adjusted book value and adjusted book value per share allocation of capital

(\$ millions, except per share amounts)

	1Q19 Value				1Q19 Value Per Share		
	GAAP Book Value	Adjustments	Adjusted Book Value	Allocation of Commitments	Allocated Adjusted Book Value	GAAP Book Value	Allocated Adjusted Book Value
The "Big Five"							
HG Global	\$ 774	\$ (34)	\$ 740 [a]	\$ -	\$ 740	\$ 243	\$ 234
NSM	295	-	295	58 [b]	353	93	112
Kudu	72	-	72	186 [b]	258	23	82
MediaAlpha	115	-	115	-	115	36	36
PassportCard / DavidShield	75	-	75	-	75	24	24
Total "Big Five"	1,331	(34)	1,297	244	1,541	418	488
Strategic investments	99	-	99	68 [b]	167	31	53
Other operating businesses	71	-	71	64 [b]	135	22	43
Other	421	-	421	(306) [b]	115	132	37
Undeployed capital	1,200	-	1,200	(70) [b]	1,130	377	358
Total	\$ 3,122	\$ (34)	\$ 3,088	\$ -	\$ 3,088	\$ 981	\$ 979

[a] Adjusted book value is adjusted for (i) time value of money discount on BAM surplus notes and (ii) HG Global's unearned premium reserve and deferred acquisition costs

[b] Adjusted book value includes unfunded commitments

## Non-GAAP Financial Measures

### White Mountains Insurance Group, Ltd.

Reconciliation of BAM GAAP gross written premiums and member surplus contributions (MSC) collected to gross written premiums and MSC from new business (total premiums)

(\$ millions, unless otherwise noted)

	2016	2017	2018	1Q19
GAAP gross written premiums and member surplus contributions (MSC) collected	\$ 77	\$ 101	\$ 107	\$ 16
Present value of future installment MSC collections	-	3	3	-
Gross written premium adjustments on existing installment policies	-	-	1	-
Gross written premiums and MSC from new business (Total premiums)	<b>\$ 77</b>	<b>\$ 103</b>	<b>\$ 111</b>	<b>\$ 16</b>
Memo: Total gross par value of market policies issued (\$ billions)	\$ 11.3	\$ 10.4	\$ 12.0	\$ 1.9
Memo: Total pricing	68 bps	99 bps	93 bps	83 bps

## Non-GAAP Financial Measures

### White Mountains Insurance Group, Ltd.

Reconciliation of NSM TTM GAAP net income (loss) to NSM TTM EBITDA, TTM Adjusted EBITDA and TTM Pro Forma Adjusted EBITDA

(\$ millions)	2Q18	3Q18	4Q18	1Q19	1Q19 (w/ Embrace)
TTM GAAP net income (loss)	\$ (12)	\$ (17)	\$ (18)	\$ (20)	\$ (20)
Add back:					
Interest expense	11	12	14	16	16
Income tax expense	-	1	1	1	1
Depreciation of intangible assets	14	14	14	17	17
TTM EBITDA	13	10	11	13	13
Add back:					
Change in fair value of contingent consideration earnout liabilities	(1)	3	4	5	5
Acquisition-related transaction expenses	12	12	12	13	13
Investments made in the development of new business lines	1	2	2	2	2
Restructuring expenses	-	-	-	-	-
TTM Adjusted EBITDA	25	27	29	33	33
Add:					
Fresh Insurance's Adjusted EBITDA from beginning of period shown to May 18, 2018	5	3	2	1	1
TTM Pro Forma Adjusted EBITDA, including Fresh Insurance	<u>\$ 30</u>	<u>\$ 31</u>	31	34	34
Add:					
KBK's Adjusted EBITDA from beginning of period shown to December 3, 2018			8	6	6
TTM Pro Forma Adjusted EBITDA, including KBK			<u>\$ 40</u>	<u>\$ 40</u>	40
Add:					
Embrace's Adjusted EBITDA from April 1, 2018 to March 31, 2019					7
TTM Pro Forma Adjusted EBITDA, including Embrace					<u>\$ 47</u>

## Non-GAAP Financial Measures

### White Mountains Insurance Group, Ltd.

Reconciliation of MediaAlpha GAAP net income (loss) to MediaAlpha Adjusted EBITDA

(\$ millions)

	2013	2014	2015	2016	2017	2018	1Q19 TTM
GAAP net income (loss)	\$ 1	\$ 6	\$ (2)	\$ (4)	\$ -	\$ 9	\$ 4
Add back:							
interest expense	-	-	1	1	1	1	2
income tax expense	-	-	-	-	-	-	-
general and administrative expenses - depreciation	-	-	-	-	-	-	-
amortization of other intangible assets	-	-	8	10	10	10	10
EBITDA	1	6	7	7	11	21	16
non-cash equity-based compensation expense	-	-	-	-	-	12	9
transaction expenses	-	-	-	-	-	-	6
Adjusted EBITDA	\$ 1	\$ 6	\$ 7	\$ 7	\$ 11	\$ 32	\$ 31

