



# Enstar Group Overview

Q2 2023

Mid-Year Review

August 2023



# DISCLAIMER

For more complete information about Enstar Group Limited, you should read our reports filed with the SEC. You may get these documents for free through EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov), or through our website at <https://investor.enstargroup.com/sec-filings>.

## INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This presentation, and oral statements made with respect to information contained in this presentation, may include certain forward-looking statements regarding our views with respect to our business, operations, loss reserves, strategy, investment portfolio, economic model, and our expected performance for future periods, as well as the insurance market and industry conditions. These statements are intended as “forward-looking statements” under the Private Securities Litigation Reform Act of 1995. Actual results may materially differ from those set forth in the forward-looking statements. You may identify forward-looking statements by the use of words such as “believe,” “expect,” “plan,” “intend,” “anticipate,” “estimate,” “predict,” “potential,” “may,” “should,” “could,” “will” or other words or expressions of similar meaning, although not all forward-looking statements contain such terms.

Forward-looking statements involve significant risks and uncertainties, including risks of changing and uncertain economic conditions, the success of implementing our business strategies, the adequacy of our loss reserves, ongoing and future regulatory developments disrupting our business, lengthy and unpredictable litigation, risks relating to our acquisitions, increasing competitive pressures, loss of key personnel, the performance of our investment portfolio and liquidity, and other factors detailed in our Annual Report on Form 10-K for the year ended December 31, 2022 and our other reports filed from time to time with the Securities and Exchange Commission (“SEC”).

Any forward-looking statement you see or hear during the presentation reflects Enstar Group Limited’s current views with respect to future events and is subject to these and other risks, uncertainties and assumptions. If any of these risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary significantly from what we projected. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. The date of this presentation is listed on the cover page and Enstar does not undertake to update or keep it accurate after such date.

## NON-GAAP FINANCIAL MEASURES

In addition to our key financial measures presented in accordance with GAAP, this presentation includes other non-GAAP financial measures that we use to manage our business, compare our performance against prior periods and against our peers, and as performance measures in our incentive compensation programs.

These non-GAAP financial measures provide an additional view of our operational performance over the long-term and allow investors the opportunity to analyze our results in a way that is more aligned with the manner in which our management measures our underlying performance.

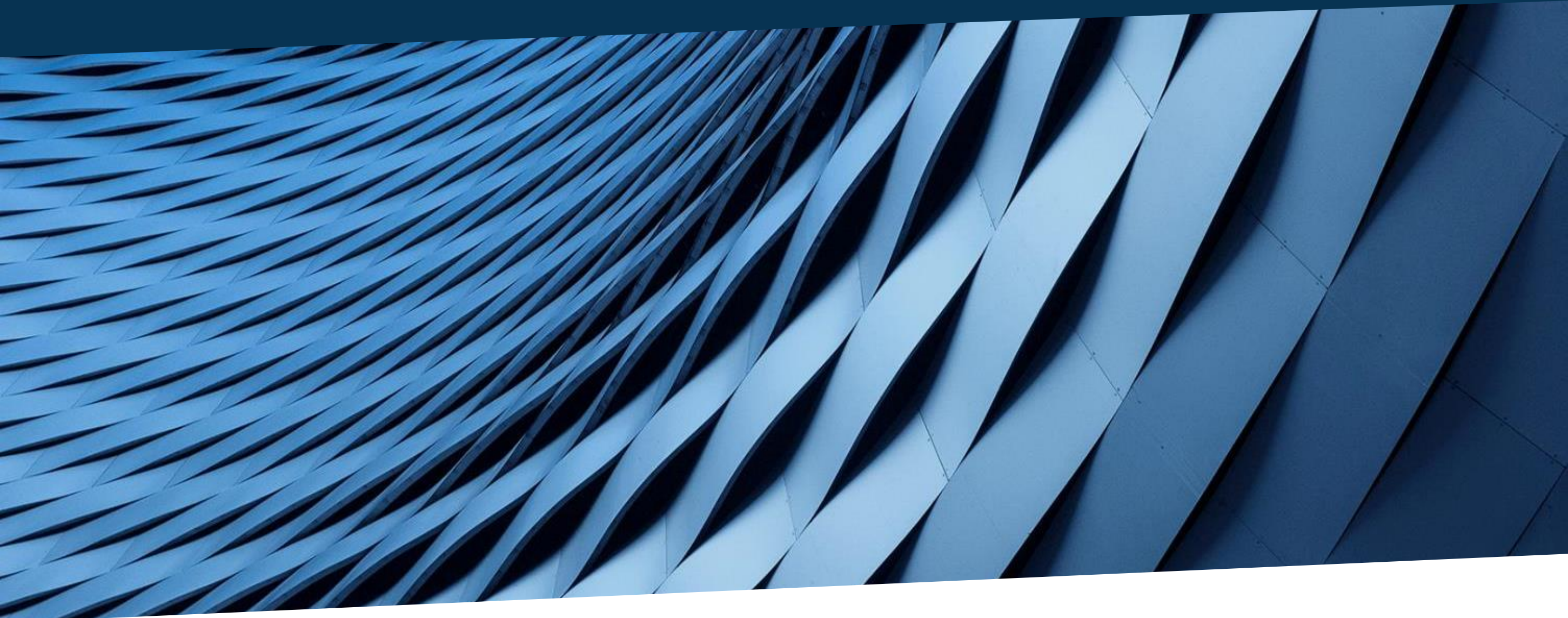
The presentation of these non-GAAP financial measures, which may be defined and calculated differently by other companies, is used to enhance the understanding of certain aspects of our financial performance. It is not meant to be considered in isolation, superior to, or as a substitute for the directly comparable financial measures prepared in accordance with GAAP. Refer to slides 23 through 27 of this presentation for further details regarding our non-GAAP measures and reconciliations of these measures to the most directly comparable GAAP measure.

## ADDITIONAL INFORMATION

The company has an effective shelf registration statement (including a prospectus) on file with the SEC. Any offering of securities will be made only by means of a prospectus supplement, which will be filed with the SEC. In the event that the company undertakes an offering, you may obtain a copy of the prospectus supplement and accompanying prospectus for the offering by visiting EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov).

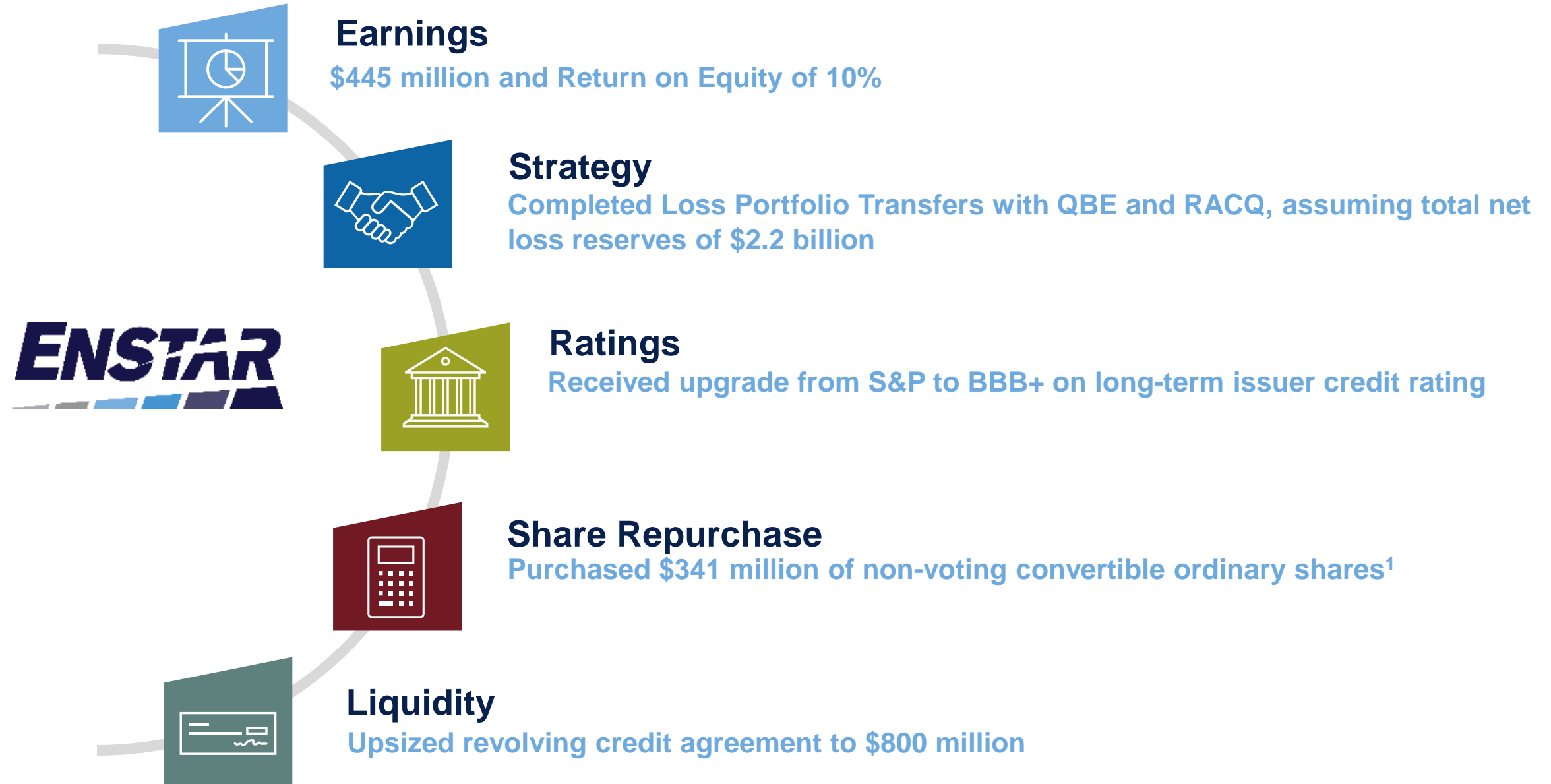


# KEY MESSAGES



# YTD HIGHLIGHTS

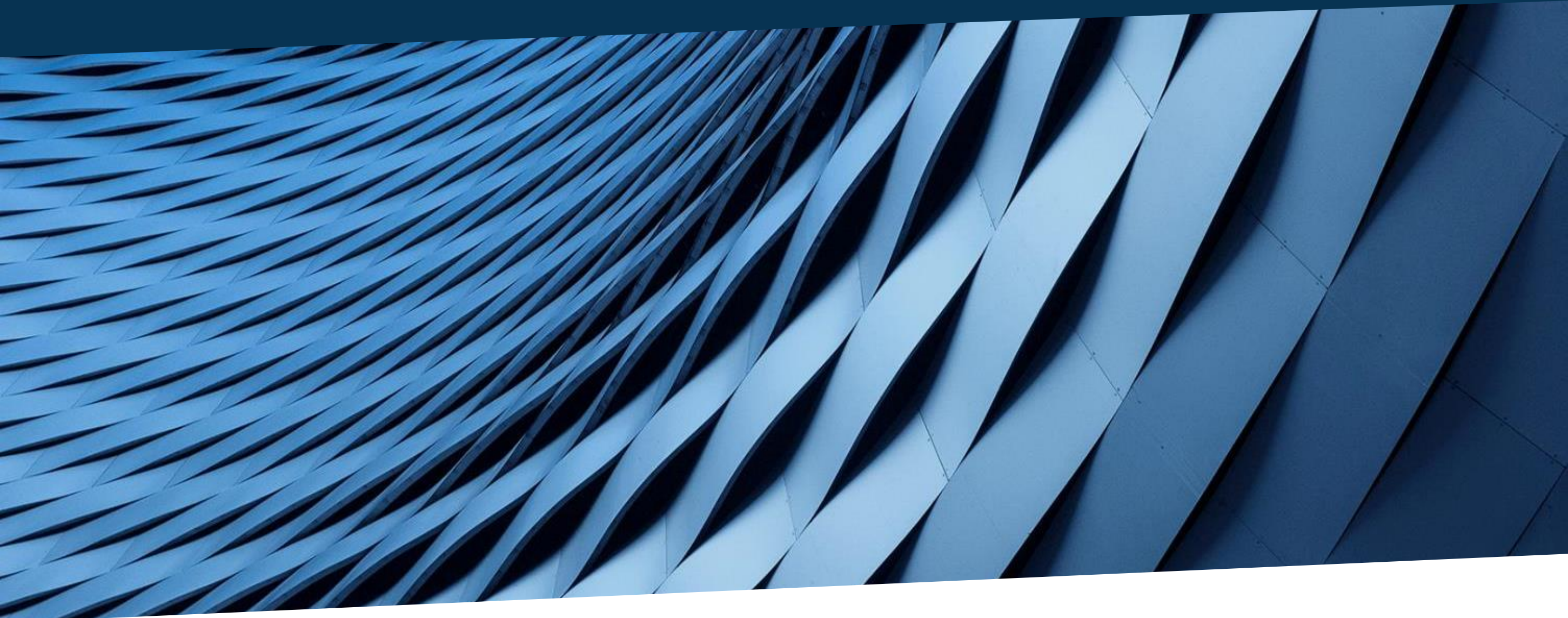
Six months ended June 30, 2023



1. Repurchased remaining \$341 million of non-voting convertible ordinary shares, at a price that represented a 13% discount to year-end book value at the time the repurchase was negotiated as reported in our Annual Report on Form 10-K for the year ended December 31, 2022, simplifying Enstar's capital structure. Following the adoption of ASU 2018-12 on a retrospective basis, the price paid in the repurchase transaction represented a 23% discount to year-end book value as reported in and further described in our Quarterly Report on Form 10-Q for the period ended June 30, 2023.



# BUSINESS AND MARKET



# LEADING GLOBAL PROVIDER OF CAPITAL RELIEF SOLUTIONS

Full suite of risk management solutions designed to create shareholder value

## What We Do

**Deliver Capital Release and Risk Management Solutions to Insurance Market**  
Industry founder and largest standalone provider

**Generate Positive Claims Outcomes**  
"Enstar Effect" drives decades of Run-off Liability Earnings

**Growing Asset Base Using Origination Capabilities**  
\$19.2bn investable assets; 4.2x investment leverage<sup>1</sup>

## How We Do It

  
**Specialized M&A Expertise**

  
**Well Established Leadership, Culture and Capabilities**

  
**Best-in-Class Claims Function**

  
**Investments and Capital Optimization**

1. Investment leverage is calculated as average investable assets for the six months ended June 30, 2023, divided by opening equity as of December 31, 2022.

# COMPETITIVE LANDSCAPE

Unparalleled leadership in global run-off market, built on scale, flexibility, and track record of claims management excellence

	Run-off Focused				Diversified Business	
		Riverstone Int.	DARAG	Compre	Swiss Re	NICO
Longevity (>20yrs in Operation)						
Presence in Global Run-off Markets						
Experience in All Types of Run-off Transactions						
Deals Announced Since Inception <sup>1</sup>	117	~37	~60	~52	Not Published	Not Published
Shareholders' Equity (\$ Billions) <sup>2</sup>	4.9	~1.2	Not Published	~0.5	~14.2	~237 <sup>3</sup>

<sup>1</sup> These approximations are based upon publicly announced information including the company's website data

<sup>2</sup> As of latest company filings. As of 30-June-2023 for Enstar, NICO, Riverstone and Swiss Re. 31-Dec-2022 for Compre.

<sup>3</sup> Reflects policy-holders' surplus.

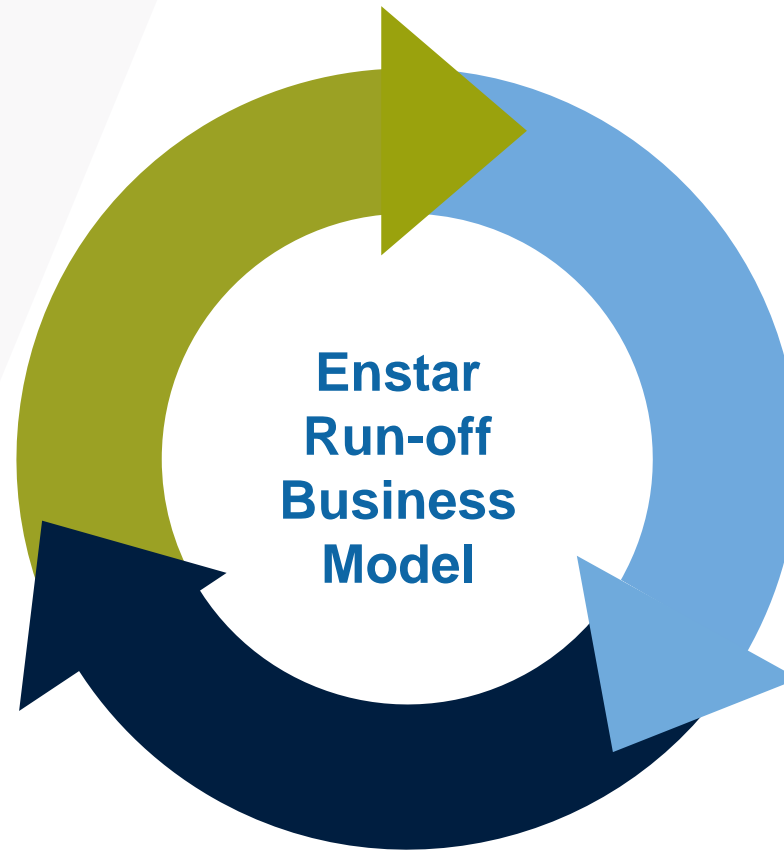
# CONSISTENT ECONOMIC MODEL

Strong source of book value growth and internal financing

## Source, Diligence and Acquire New Portfolios

Leverage our **industry relationships** and **position** to source new business opportunities

**Fully-integrated M&A and Claims** units provide ground-up view of risk



## Manage Liabilities and Investments

Apply claims management strategies to **generate Run-off Liability Earnings** and manage investments to **obtain attractive risk adjusted returns**

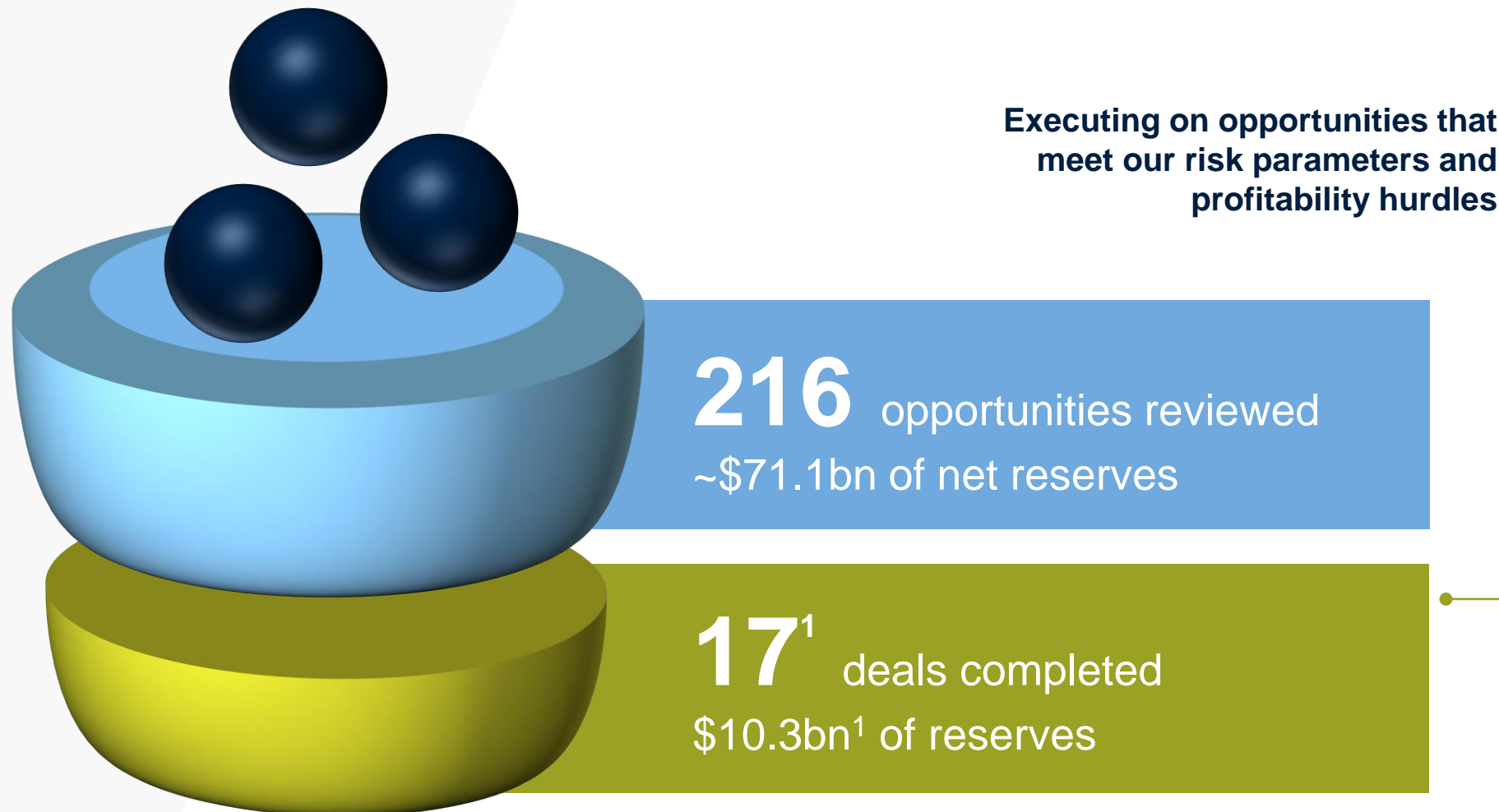
## Redeploy Capital

**Reduce capital requirements** as claims are settled; any excess may be **redeployed in the business**



# ROBUST TRANSACTION PIPELINE

Consistent financial and operational discipline applied to pipeline to drive returns



Data from January 2020 – June 2023

1. Excludes Enhanced Re.

# RETURN ON EQUITY (“ROE”) COMPONENTS

Generating attractive returns

**RUN-OFF LIABILITY EARNINGS (“RLE”)**

Leverage Factor<sup>1</sup>: 2.8x



**TOTAL INVESTMENT RETURN (“TIR”)**

Leverage Factor<sup>1</sup>: 4.2x

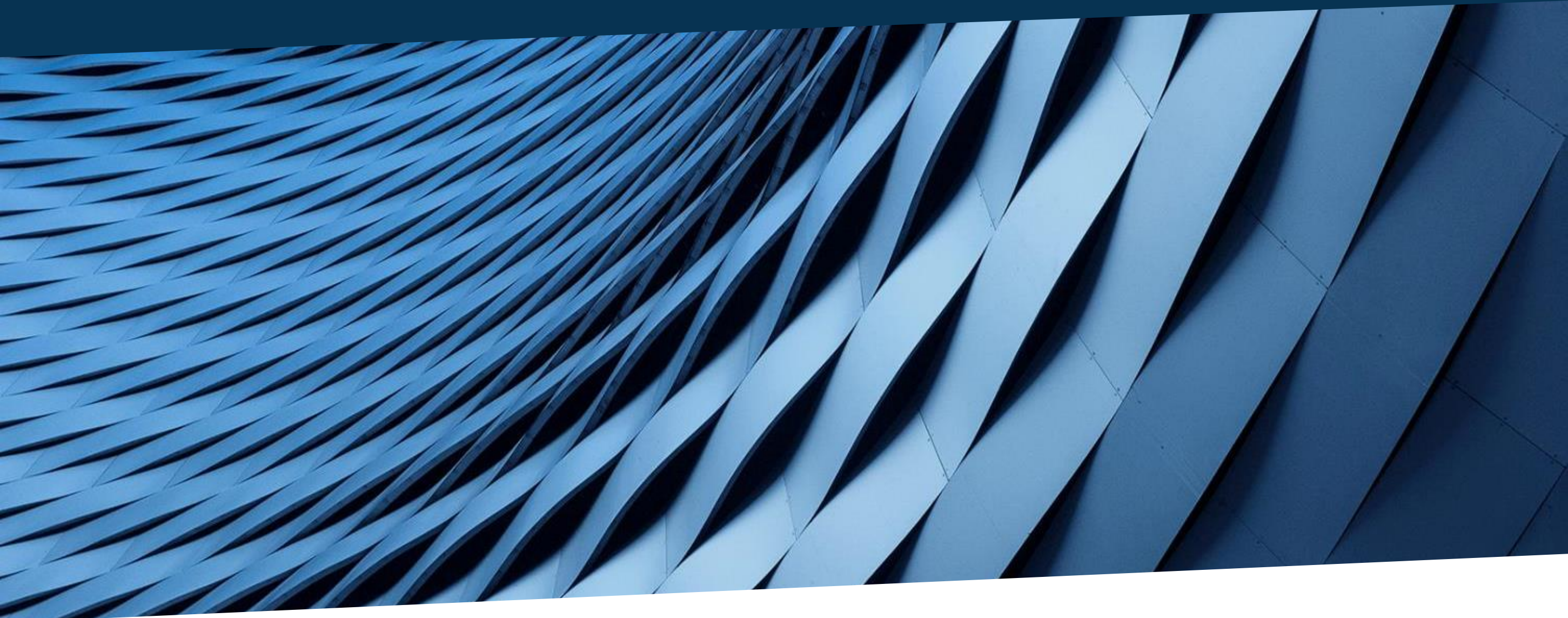


**EXPENSES & OTHER  
(INC. NON-CASH<sup>2</sup>)**



1. TIR and RLE leverage factors are calculated as average investable assets and average net loss reserves, respectively, for the six months ended June 30, 2023, divided by opening equity as of December 31, 2022.  
2. Non-cash items include amortization of net deferred charge assets.

# PERFORMANCE





# FINANCIAL HIGHLIGHTS

Six months ended June 30, 2023

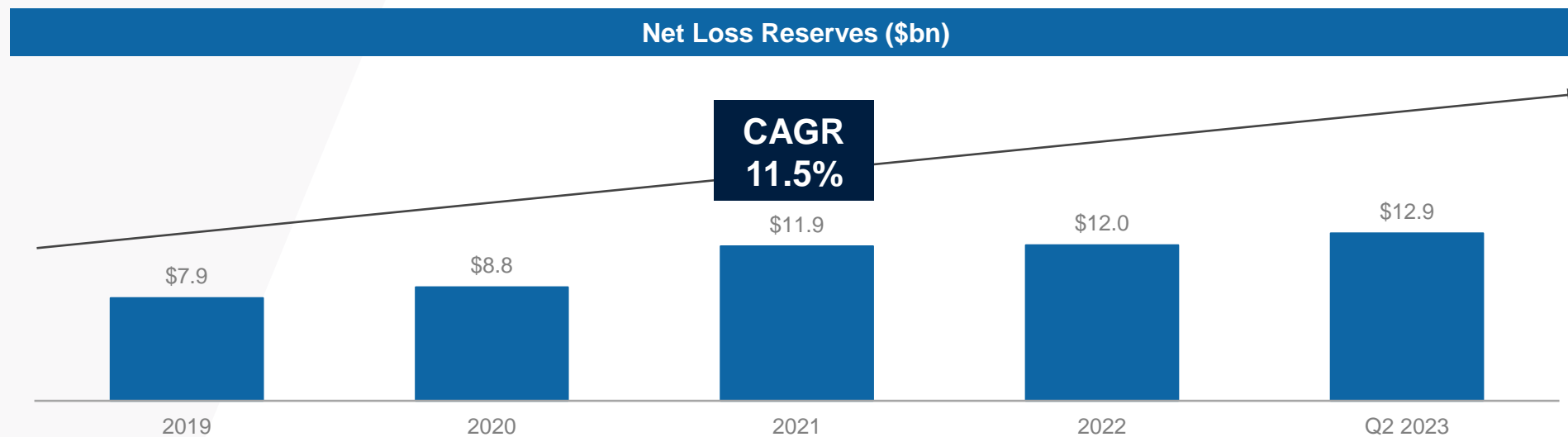
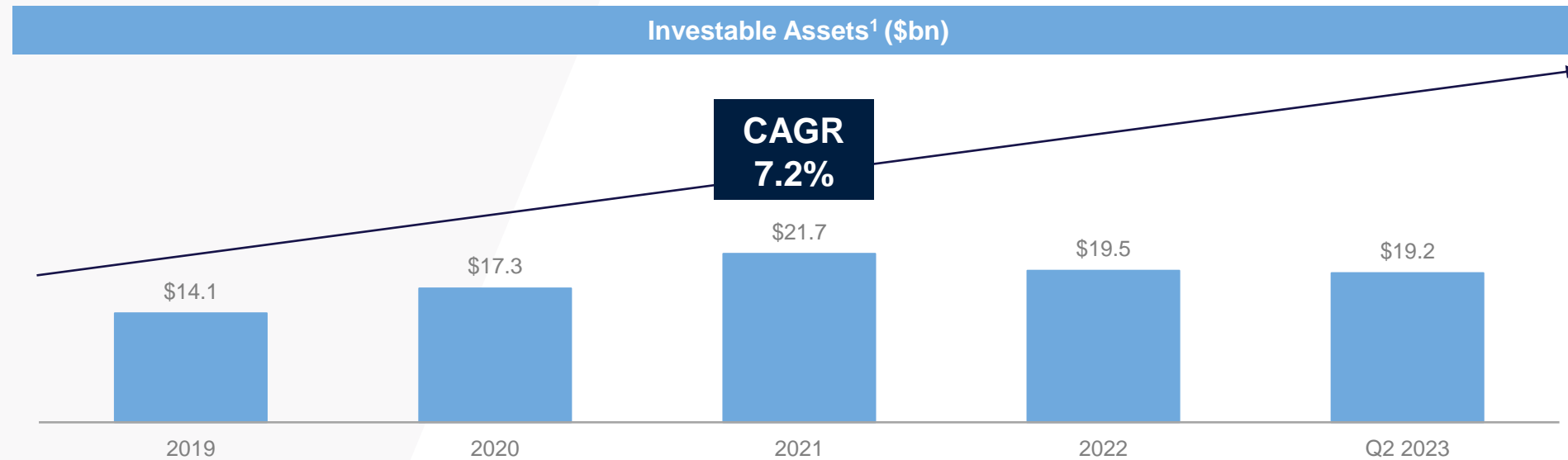


1. Includes losses and loss adjustment expenses and defendant A&E liabilities.

2. The average credit ratings calculation includes cash and cash equivalents, short-term investments, fixed maturities and the fixed maturities within our funds held - directly managed portfolios.

# A GROWING BALANCE SHEET

A platform for delivering balanced and sustainable growth through investable assets and reserves

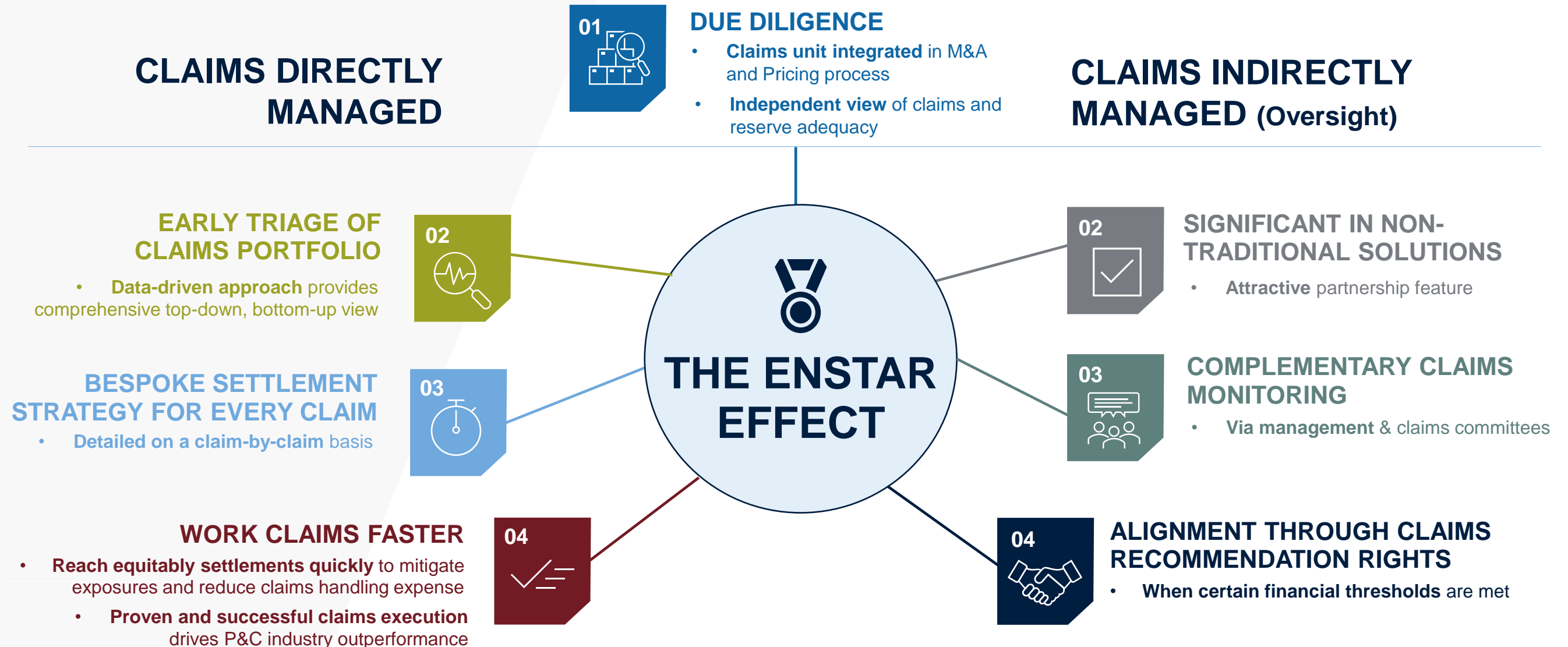


1. Investable Assets is the sum of total investments, cash and cash equivalents, restricted cash and cash equivalents and funds held.

# THE ENSTAR EFFECT

For most insurance companies, claims experience is an expense item.

For Enstar, driving superior claims outcomes is a major competitive advantage



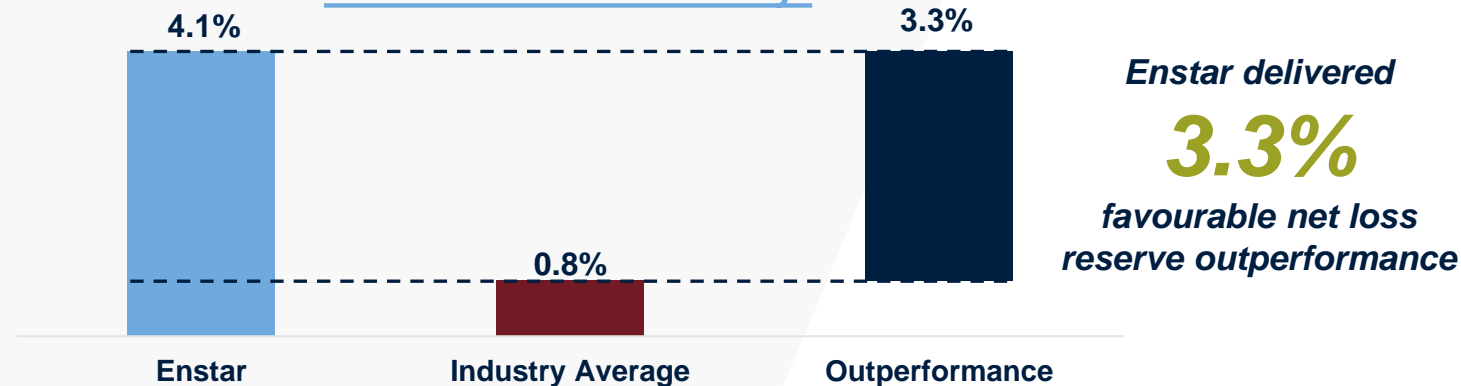


# ENSTAR EFFECT ENABLES OUTPERFORMANCE

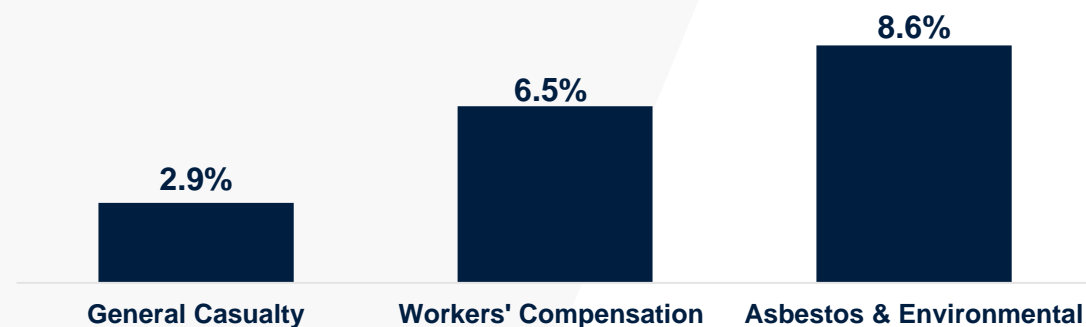
## Enstar Loss Reserve Outperformance vs US P&C Industry

Weighted Average of Latest Five Years Ended 2022

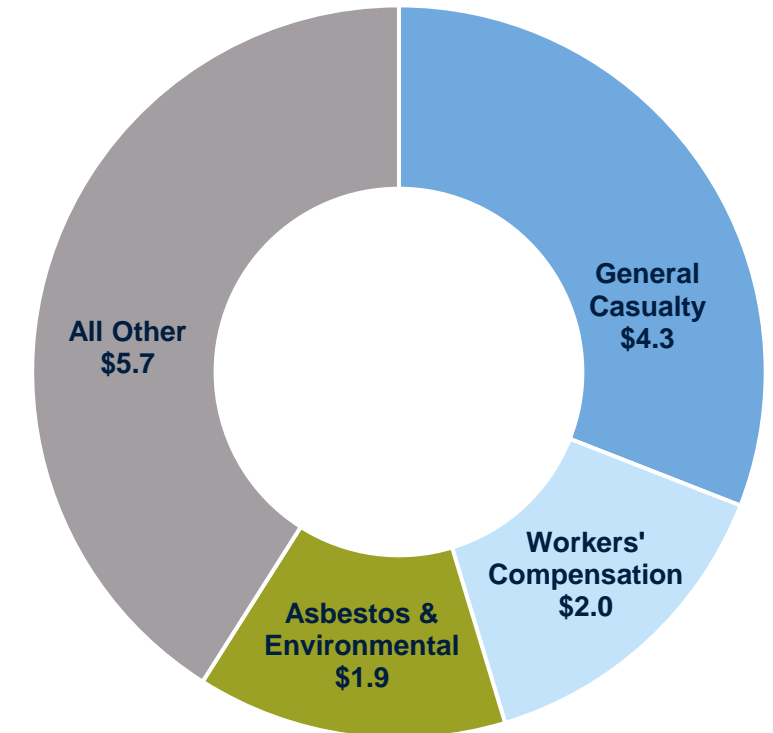
### Enstar vs P&C Industry<sup>1</sup>



### Outperformance By Line Of Business<sup>2,3</sup>



## Enstar Total Q223 Adjusted Net Loss Reserves<sup>4</sup> (\$ in billions)



1. We calculated the weighted average Adjusted RLE % for the last five calendar years and compared the results to the total of the Combined US P&C Industry, which includes ULAE and changes in ULAE provisions (source: US Annual Statements through SNL). To remove any potential distortions due to mix of accident years, we have adjusted the industry reserves' accident-year-weighting to match Enstar's. Adjusted RLE % is a Non-GAAP measure. Refer to "Non-GAAP Financial Measures" in the Appendix for explanatory notes and a reconciliation to the most directly comparable GAAP measure.
2. We calculated the change in estimates of net ultimate losses for the last five calendar years divided by average net loss reserves on our three largest lines of business within our Run-off segment (General Casualty, Workers' Compensation and Asbestos & Environmental), and compared the results to the total of the Combined US P&C Industry (source: US Annual Statements through SNL). To remove any potential distortions due to mix of accident years, we have matched the industry reserves' accident-year-weighting to match Enstar's.
3. The weighted average reduction in estimates of net ultimate losses divided by average net loss reserves by line of business relating to our Run-off segment for the five-year period ended 2022 was as follows: i) General Casualty – Enstar (1.2)%, Industry (4.1)%; ii) Workers' Compensation – Enstar 11.0%, Industry 4.5%; iii) Asbestos & Environmental – Enstar 0.9%, Industry (7.7)%.
4. Adjusted Net Loss Reserves comprise Run-off segment average net loss reserves (OLR and IBNR) by line of business, in addition to ULAE and the net nominal liabilities and estimated future expenses related to our defendant asbestos & environmental liabilities, which are not allocated by line of business. Adjusted Net Loss Reserves is a Non-GAAP measure. Refer to "Non-GAAP Financial Measures" in the Appendix for explanatory notes and a reconciliation to the most directly comparable GAAP measure.

# HISTORY OF ENHANCING BOOK VALUE

30 year history operating in run-off space

117 total acquisitive transactions completed to date



# CAPACITY FOR GROWTH

Well-funded as of June 30, 2023



## Significant Liquidity to Support Growth

- \$1.2bn of cash, cash equivalents and restricted cash
- \$800m of unused revolving credit facility capacity



## Well-Capitalized with Moderate Leverage

- 27.1% financial leverage, in line with 25% - 30% long-term target
- Over 5-years, BSCR (solvency) year-end range 179% - 210%; above Bermuda BSCR minimum targets
- FY22 BSCR ratio of 210%, lower as of June 30, 2023 due to recent deals but remains within 5-year range



## Ratings<sup>1</sup>

- BBB+ with stable outlook by S&P (ICR) and BBB+ with stable outlook by Fitch (IDR)



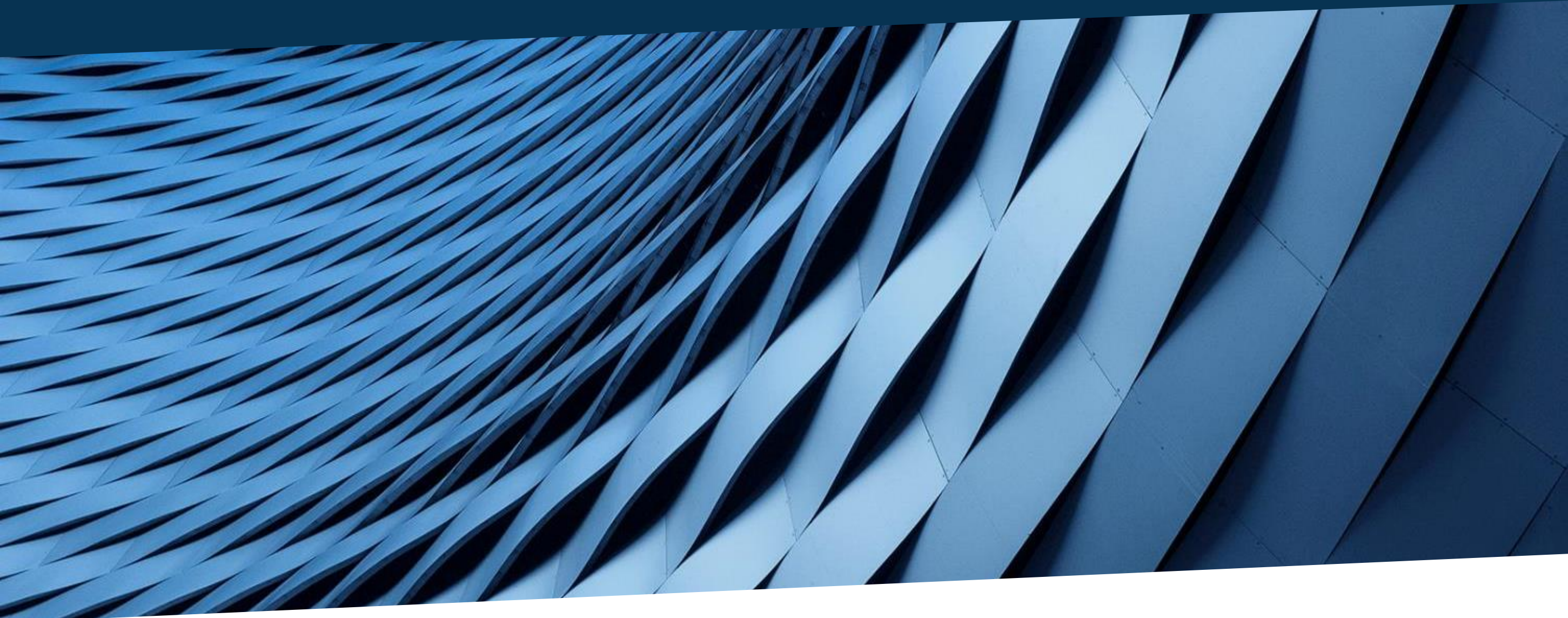
## Capacity

- Completed LPT with QBE in Q2 23 assuming \$2.0bn of net loss reserves
- Completed LPT with RACQ in Q2 23 assuming \$179m of net loss reserves
- Significant capacity remains for additional M&A

1. Credit ratings are provided by third parties, Standard and Poor's and Fitch Ratings, and are subject to certain limitations and disclaimers. For information on these ratings, refer to the rating agencies' websites and other publications.



# APPENDIX



# INVESTMENT PORTFOLIO COMPOSITION

**\$19.2bn**  
Total Investable  
Assets<sup>1</sup>

**\$1.2bn**  
Cash and  
restricted cash

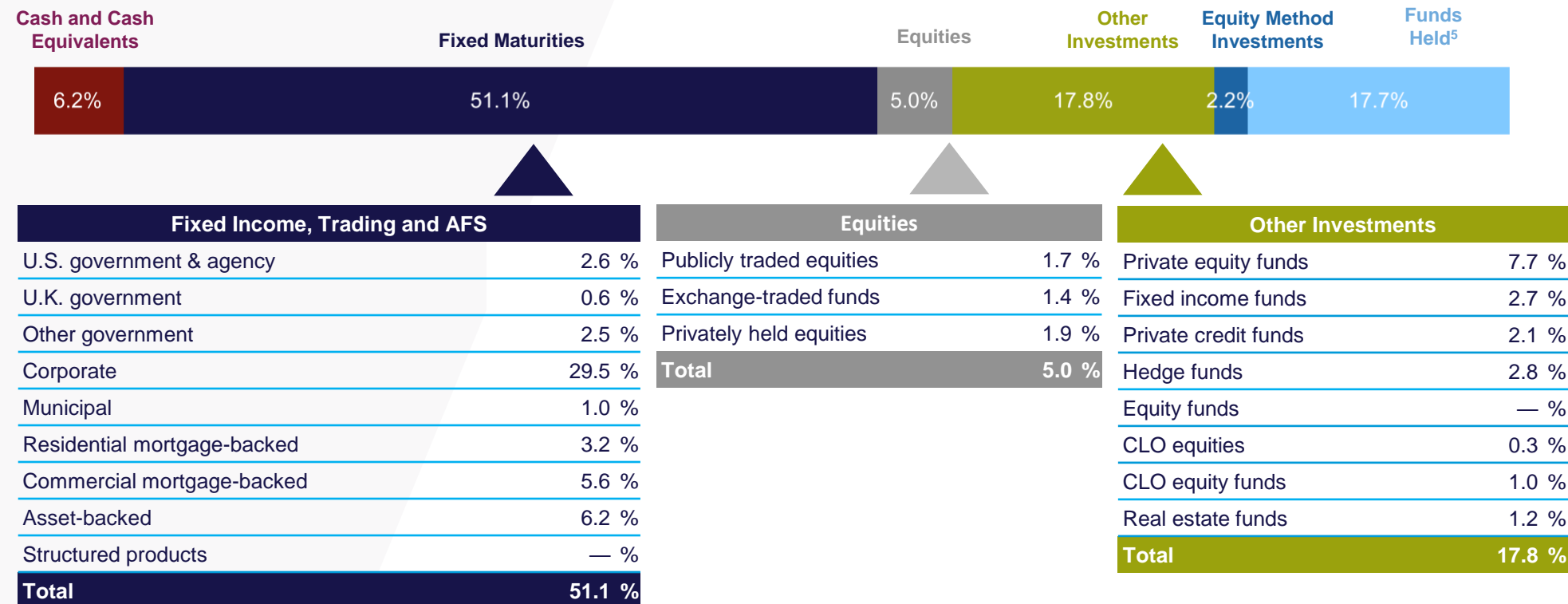
**\$14.5bn**  
Investment Portfolio<sup>2</sup>

**3.76 yrs**  
Average Duration<sup>3</sup>

**A+**  
Average Investment  
Portfolio Credit  
Rating<sup>4</sup>

**3.78%**  
Book Yield

## Investable Assets (As of June 30, 2023) - Composition by Asset Class



1. The sum of total investments, cash and cash equivalents, restricted cash and cash equivalents and funds held.

2. Excludes equity method investments.

3. The average duration calculation includes cash and cash equivalents, short-term investments and fixed maturity securities, as well as the fixed maturity securities and cash and cash equivalents within our funds held – directly managed portfolios.

4. The average credit ratings calculation includes cash and cash equivalents, short-term investments, fixed maturity securities and the fixed maturity securities within our funds held – directly managed portfolios.

5. Includes funds held by reinsured companies and other assets within funds held – directly managed.



# MANAGEMENT WELL-ALIGNED WITH SHAREHOLDERS

Seasoned leadership with exceptional track record of value creation



**Dominic Silvester**  
CEO & Co-founder

Years at Enstar: 30  
Industry Experience: 40+ years

Age: 63



**Orla Gregory**  
President

Years at Enstar: 19  
Industry Experience: 30+ years

Age: 49



**David Ni**  
Chief Strategy Officer

Years at Enstar: 3  
Industry Experience: 15+ years

Age: 39



**Paul Brockman**  
Chief Operations Officer &  
Chief Claims Officer

Years at Enstar: 10  
Industry Experience: 25+ years

Age: 51



**Matthew Kirk**  
Chief Financial Officer

Years at Enstar: 3  
Industry Experience: 25+ years

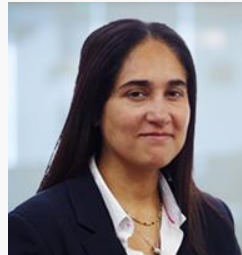
Age: 49



**Nazar Alobaidat**  
Chief Investment Officer

Years at Enstar: 6  
Industry Experience: 20+ years

Age: 45



**Seema Thaper**  
Group Chief Risk Officer

Years at Enstar: 4  
Industry Experience: 20+ years

Age: 43



**Audrey Taranto**  
General Counsel

Years at Enstar: 11  
Industry Experience: 10+ years

Age: 43



**Laurence Plumb**  
Chief of Business Operations

Years at Enstar: 3  
Industry Experience: 15+ years

Age: 39

Average Industry Experience: 24 years

Collective Industry Experience: 212+ years



# FINANCIAL DATA

## Summary Income Statement

\$ millions	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Net premiums earned	\$ 7	\$ 14	\$ 15	\$ 48
Net investment income and net realized and unrealized gains (losses)	145	(523)	489	(861)
Other income	2	23	282	37
Net incurred losses and LAE	7	146	7	309
Policyholder benefit expenses	—	(6)	—	(18)
Amortization of net deferred charge assets	(24)	(21)	(41)	(39)
Acquisition costs	(4)	(12)	(6)	(20)
Interest expense	(22)	(23)	(45)	(48)
General and administrative expenses and net foreign exchange (losses) gains	(90)	(70)	(173)	(158)
Income tax benefit	4	4	5	4
Earnings from equity method investments	14	1	25	32
<b>Net earnings (loss)</b>	<b>39</b>	<b>(467)</b>	<b>558</b>	<b>(714)</b>
Net (earnings) loss attributable to noncontrolling interests	(9)	42	(95)	31
Dividends on preferred shares	(9)	(9)	(18)	(18)
<b>Net earnings (loss) attributable to Enstar ordinary shareholders</b>	<b>\$ 21</b>	<b>\$ (434)</b>	<b>\$ 445</b>	<b>\$ (701)</b>

# FINANCIAL DATA

## Summary Balance Sheet

\$ millions	June 30, 2023	December 31, 2022
<b>Assets</b>		
Investable assets	19,219	19,540
Reinsurance balances recoverable	1,093	1,131
Net deferred charge assets	797	658
Other	752	825
<b>Total Assets</b>	<b>21,861</b>	<b>22,154</b>
<b>Liabilities</b>		
Losses and loss adjustment expenses	13,834	13,007
Future policyholder benefits	—	821
Defendant asbestos and environmental liabilities	587	607
Debt obligations	1,830	1,829
Other	508	562
<b>Total Liabilities</b>	<b>16,759</b>	<b>16,826</b>
<b>Redeemable noncontrolling interests (“RNCI”)</b>	<b>178</b>	<b>168</b>
<b>Shareholders' Equity</b>		
Ordinary shareholders' equity	4,403	4,464
Series D & E preferred shares	510	510
Noncontrolling interests	11	186
<b>Total Shareholders' Equity</b>	<b>4,924</b>	<b>5,160</b>
<b>Total Liabilities, RNCI &amp; Shareholders' Equity</b>	<b>\$ 21,861</b>	<b>\$ 22,154</b>

# NON-GAAP MEASURE

Non-GAAP Measure	Definition	Purpose of Non-GAAP Measure over GAAP Measure
<a href="#">Adjusted run-off liability earnings (%)</a>	Adjusted PPD divided by average adjusted net loss reserves.	Calculating the RLE as a percentage of our adjusted average net loss reserves provides a more meaningful and comparable measurement of the impact of our claims management strategies on our loss portfolios across acquisition years and also to our overall financial periods.
<b>Adjusted prior period development (numerator)</b>	<p>Prior period net incurred losses and LAE, adjusted to:</p> <p><i>Remove:</i></p> <ul style="list-style-type: none"> <li>-Legacy Underwriting and Assumed Life operations</li> <li>-amortization of fair value adjustments,</li> <li>-change in fair value of insurance contracts for which we have elected the fair value option <sup>(1)</sup>, and</li> </ul> <p><i>Add:</i></p> <ul style="list-style-type: none"> <li>-the reduction/(increase) in estimates of net ultimate liabilities and reduction in estimated future expenses of our defendant A&amp;E liabilities.</li> </ul>	<p>We use this measure to evaluate the impact of our claims management strategies because it provides visibility into our ability to settle our claims obligations for amounts less than our initial estimate at the point of acquiring the obligations.</p> <p>The following components of periodic recurring net incurred losses and LAE and net loss reserves are not considered key components of our claims management performance for the following reasons:</p> <ul style="list-style-type: none"> <li>• Prior to the settlement of the contractual arrangements, the results of our Legacy Underwriting segment were economically transferred to a third party primarily through use of reinsurance and a Capacity Lease Agreement<sup>(2)</sup>; as such, the results were not a relevant contribution to Adjusted RLE, which is designed to analyze the impact of our claims management strategies;</li> <li>• The results of our Assumed Life segment relate only to our prior exposure to active property catastrophe business; as this business was not in run-off, the results were not a relevant contribution to Adjusted RLE;</li> <li>• The change in fair value of insurance contracts for which we have elected the fair value option<sup>(1)</sup> has been removed to support comparability between the two acquisition years for which we elected the fair value option in reserves assumed and the acquisition years for which we did not make this election (specifically, this election was only made in the 2017 and 2018 acquisition years and the election of such option is irrevocable); and</li> <li>• The amortization of fair value adjustments are non-cash charges that obscure our trends on a consistent basis.</li> </ul> <p>We include our performance in managing claims and estimated future expenses on our defendant A&amp;E liabilities because such performance is relevant to assessing our claims management strategies even though such liabilities are not included within the loss reserves.</p> <p>We use this measure to assess the performance of our claim strategies and part of the performance assessment of our past acquisitions.</p>
<b>Adjusted net loss reserves (denominator)</b>	<p>Net losses and LAE, adjusted to:</p> <p><i>Remove:</i></p> <ul style="list-style-type: none"> <li>-Legacy Underwriting and Assumed Life net loss reserves</li> <li>-current period net loss reserves</li> <li>-net fair value adjustments associated with the acquisition of companies,</li> <li>-the fair value adjustments for contracts for which we have elected the fair value option <sup>(1)</sup> and</li> </ul> <p><i>Add:</i></p> <ul style="list-style-type: none"> <li>-net nominal defendant A&amp;E liability exposures and estimated future expenses.</li> </ul>	

<sup>(1)</sup> Comprises the discount rate and risk margin components.

<sup>(2)</sup> The reinsurance contractual arrangements (including the Capacity Lease Agreement) described in Note 5 to our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2022 were settled during the second quarter of 2023. As a result of the settlement, we do not expect to record any transactions in the Legacy Underwriting segment in 2023.

# RECONCILIATION TO ADJUSTED RUN-OFF LIABILITY EARNINGS – YTD Q2 2023

	Six Months Ended	As of			Six Months Ended		
	June 30, 2023	June 30, 2023	December 31, 2022	June 30, 2023	June 30, 2023	June 30, 2023	
	RLE / PPD	Net loss reserves	Net loss reserves	Average net loss reserves	RLE %	Annualized RLE %	
		(in millions of U.S. dollars)					
<b>PPD/net loss reserves/RLE/Annualized RLE</b>	\$ 20	\$ 12,939	\$ 12,011	\$ 12,475	0.2 %	0.3 %	
Non-GAAP Adjustments:							
Net loss reserves - current period	—	(11)	—	(6)			
Legacy Underwriting	—	—	(139)	(70)			
Amortization of fair value adjustments / Net fair value adjustments associated with the acquisition of companies	9	116	124	120			
Changes in fair value - fair value option / Net fair value adjustments for contracts for which we have elected the fair value option <sup>(1)</sup>	12	312	294	303			
Change in estimate of net ultimate liabilities - defendant A&E / Net nominal defendant A&E liabilities	2	550	572	561			
Reduction in estimated future expenses - defendant A&E / Estimated future expenses - defendant A&E	1	34	35	35			
<b>Adjusted PPD/Adjusted net loss reserves/Adjusted RLE/Annualized Adjusted RLE*</b>	<b>\$ 44</b>	<b>\$ 13,940</b>	<b>\$ 12,897</b>	<b>\$ 13,418</b>	<b>0.3 %</b>	<b>0.7 %</b>	

<sup>(1)</sup> Comprises the discount rate and risk margin components.

\* Non-GAAP financial measure.



# RECONCILIATION TO ADJUSTED RUN-OFF LIABILITY EARNINGS – 2022 AND 2021

	Year Ended	As of				Year Ended
	December 31, 2022	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2022	
	PPD	Net loss reserves	Net loss reserves	Average net loss reserves	RLE %	
<b>PPD/net loss reserves/RLE</b>	\$ 756	\$ 12,011	\$ 11,926	\$ 11,969	6.3 %	
Non-GAAP Adjustments:						
Net loss reserves - current period	—	(45)	—	(23)		
Assumed Life	(55)	—	(181)	(91)		
Legacy Underwriting	3	(135)	(153)	(144)		
Amortization of fair value adjustments / Net fair value adjustments associated with the acquisition of companies	(18)	124	106	115		
Changes in fair value - fair value option / Net fair value adjustments for contracts for which we have elected the fair value option <sup>(1)</sup>	(200)	294	107	201		
Change in estimate of net ultimate liabilities - defendant A&E / Net nominal defendant A&E liabilities	2	572	573	573		
Reduction in estimated future expenses - defendant A&E / Estimated future expenses - defendant A&E	1	35	37	36		
<b>Adjusted PPD/Adjusted net loss reserves/Adjusted RLE*</b>	<b>\$ 489</b>	<b>\$ 12,856</b>	<b>\$ 12,415</b>	<b>\$ 12,636</b>	<b>3.9 %</b>	

	Year Ended	As of				Year Ended
	December 31, 2021	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2021	
	PPD	Net loss reserves	Net loss reserves	Average net loss reserves	RLE %	
<b>PPD/net loss reserves/RLE</b>	\$ 403	\$ 11,926	\$ 8,763	\$ 10,344	3.9 %	
Non-GAAP Adjustments:						
Net loss reserves - current period	—	(143)	—	(72)		
Assumed Life	—	(179)	—	(90)		
Legacy Underwriting	(6)	(140)	(955)	(548)		
Amortization of fair value adjustments / Net fair value adjustments associated with the acquisition of companies	16	106	128	117		
Changes in fair value - fair value option / Net fair value adjustments for contracts for which we have elected the fair value option <sup>(1)</sup>	(75)	107	33	70		
Change in estimate of net ultimate liabilities - defendant A&E / Net nominal defendant A&E liabilities	38	573	615	594		
Reduction in estimated future expenses - defendant A&E / Estimated future expenses - defendant A&E	5	37	43	40		
<b>Adjusted PPD/Adjusted net loss reserves/Adjusted RLE*</b>	<b>\$ 381</b>	<b>\$ 12,287</b>	<b>\$ 8,627</b>	<b>\$ 10,455</b>	<b>3.6 %</b>	

<sup>(1)</sup> Comprises the discount rate and risk margin components.

\* Non-GAAP financial measure.



# RECONCILIATION TO ADJUSTED RUN-OFF LIABILITY EARNINGS – 2020 AND 2019

	Year Ended	As of				Year Ended
	December 31, 2020	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2020	
	PPD	Net loss reserves	Net loss reserves	Average net loss reserves	RLE %	
	(in millions of U.S. dollars)					
<b>PPD/Net loss reserves/RLE</b>	\$ 32	\$ 8,763	\$ 7,941	\$ 8,352	0.4 %	
Non-GAAP Adjustments:						
Net loss reserves - current period	—	(273)	—	(137)		
Legacy Underwriting	(4)	(702)	(1,184)	(943)		
Amortization of fair value adjustments / Net fair value adjustments associated with the acquisition of companies	28	128	152	140		
Changes in fair value - fair value option / Net fair value adjustments for contracts for which we have elected the fair value option <sup>(1)</sup>	119	33	130	82		
Change in estimate of net ultimate liabilities - defendant A&E / Net nominal defendant A&E liabilities	103	615	561	588		
Reduction in estimated future expenses - defendant A&E / Estimated future expenses - defendant A&E	9	43	52	48		
<b>Adjusted PPD/Adjusted net loss reserves/Adjusted RLE*</b>	<u>\$ 287</u>	<u>\$ 8,607</u>	<u>\$ 7,652</u>	<u>\$ 8,129</u>	<u>3.5 %</u>	

	Year Ended	As of				Year Ended
	December 31, 2019	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2019	
	PPD	Net loss reserves	Net loss reserves <sup>(2)</sup>	Average net loss reserves <sup>(2)</sup>	RLE %	
	(in millions of U.S. dollars)					
<b>PPD/Net loss reserves/RLE</b>	\$ 4	\$ 7,941	\$ 7,341	\$ 7,641	0.1 %	
Non-GAAP Adjustments:						
Net loss reserves - current period	—	(401)	—	(201)		
Legacy Underwriting	106	(842)	(1,162)	(1,002)		
Amortization of fair value adjustments / Net fair value adjustments associated with the acquisition of companies	51	152	199	176		
Changes in fair value - fair value option / Net fair value adjustments for contracts for which we have elected the fair value option <sup>(1)</sup>	117	130	244	187		
Change in estimate of net ultimate liabilities - defendant A&E / Net nominal defendant A&E liabilities	4	561	84	323		
Reduction in estimated future expenses - defendant A&E / Estimated future expenses - defendant A&E	3	52	20	36		
<b>Adjusted PPD/Adjusted net loss reserves/Adjusted RLE*</b>	<u>\$ 285</u>	<u>\$ 7,593</u>	<u>\$ 6,726</u>	<u>\$ 7,160</u>	<u>4.0 %</u>	

<sup>(1)</sup> Comprises the discount rate and risk margin components.

<sup>(2)</sup> The 2018 balance sheet has not been restated to reflect the impact of the 2020 StarStone U.S. discontinued operations classification.

\* Non-GAAP financial measure.



# RECONCILIATION TO ADJUSTED RUN-OFF LIABILITY EARNINGS – 2018

	Year Ended	As of			Year Ended
	December 31, 2018	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2018
	PPD	Net loss reserves <sup>(2)</sup>	Net loss reserves <sup>(2)</sup>	Average net loss reserves <sup>(2)</sup>	RLE %
	(in millions of U.S. dollars)				
<b>PPD/Net loss reserves/RLE</b>	\$ 223	\$ 7,341	\$ 5,528	\$ 6,435	3.5 %
Non-GAAP Adjustments:					
Net loss reserves - current period	—	(357)	—	(179)	
Legacy Underwriting	115	(818)	(946)	(882)	
Amortization of fair value adjustments / Net fair value adjustments associated with the acquisition of companies	7	199	103	151	
Changes in fair value - fair value option / Net fair value adjustments for contracts for which we have elected the fair value option <sup>(1)</sup>	7	244	183	213	
Change in estimate of net ultimate liabilities - defendant A&E / Net nominal defendant A&E liabilities	23	84	113	99	
Reduction in estimated future expenses - defendant A&E / Estimated future expenses - defendant A&E	—	20	—	10	
<b>Adjusted PPD/Adjusted net loss reserves/Adjusted RLE*</b>	<b>\$ 375</b>	<b>\$ 6,713</b>	<b>\$ 4,981</b>	<b>\$ 5,847</b>	<b>6.4 %</b>

<sup>(1)</sup> Comprises the discount rate and risk margin components.

<sup>(2)</sup> The 2017 and 2018 balance sheets have not been restated to reflect the impact of the 2020 StarStone U.S. discontinued operations classification.

\* Non-GAAP financial measure.