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A.M. Best Removes From Under Review With Negative Implications and Affirms Credit Ratings of Sirius International Group, Ltd. and Its Main Rated Subsidiaries; Assigns Issuer Credit Rating to Sirius International Insurance Group, Ltd.

LONDON, 29 November 2018—A.M. Best has removed from under review with negative implications and affirmed the Financial Strength Rating of A (Excellent) and the Long-Term Issuer Credit Rating (Long-Term ICR) of “a” of Sirius Bermuda Insurance Company Ltd. (Sirius Bermuda) (Bermuda), Sirius International Insurance Corporation (publ) (Sirius International) (Sweden) and its subsidiary, Sirius America Insurance Company (Sirius America) (New York, NY). Additionally, A.M. Best has removed from under review with negative implications and affirmed the Long-Term ICR of “bbb” of Sirius International Group, Ltd. (SIG) (Bermuda), an intermediate non-operating holding company. Concurrently, A.M. Best has assigned a Long-Term ICR of “bbb” to Sirius International Insurance Group, Ltd. (SIIG) (Bermuda) [NASDAQ: SG]. The outlook assigned to these Credit Ratings (ratings) is stable.

The removal of the ratings from under review follows SIIG’s listing on the Nasdaq, via a business combination with Easterly Acquisition Corp., on 5 November 2018. A.M. Best believes that by complying promptly with the Nasdaq listing requirements, SIIG has strengthened its governance and improved its transparency, and thereby has reinforced its independence from its ultimate parent, China Minsheng Investment Group Corp., Ltd (CMIG). The enhanced governance and independence safeguards now in place, as well as the

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strong regulatory oversight of the jurisdictions in which SIIG and its rated subsidiaries operate, are expected to shield SIIG's financial strength from potential adverse parental influence.

The ratings reflect SIIG's consolidated balance sheet strength, which A.M. Best categorises as very strong, as well as the group's strong operating performance, neutral business profile and appropriate enterprise risk management. The ratings of Sirius Bermuda, Sirius International and Sirius America factor in their strategic importance to SIIG.

SIIG's balance sheet strength is underpinned by its risk-adjusted capitalisation, which was comfortably at the strongest level at year-end 2017, as measured by Best's Capital Adequacy Ratio (BCAR). Risk-adjusted capitalisation was supported by the full retention of earnings in recent years and relatively low underwriting leverage. The combination of an expected increase in underwriting risk associated with strong planned growth, an anticipated dividend yield of 1.75% and changes in capital structure following the public listing are expected to put some pressure on prospective BCAR results. Nevertheless, A.M. Best anticipates risk-adjusted capitalisation to remain in line with the strongest assessment over the medium term. The balance sheet strength assessment also considers SIIG's moderate financial leverage and capital fungibility, which is considered limited, as a significant portion of consolidated shareholders' equity is held as a Safety Reserve in Sweden.

SIIG has a long-term track record of strong operating performance, supported by solid underwriting results. The combined ratio increased to 107.6% in 2017, much higher than the five-year (2013-2017) weighted average of 89%, due to large losses. A.M. Best expects technical results to return to pre-2017 levels in the short to medium term, supported by successful execution of growth plans and stable earnings in the accident and health segment.

SIIG is an established midsized international reinsurer, specialising in shorter tail lines of business, which

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leads or co-leads over half of its reinsurance business, and benefits from a stable client base. The group has a good level of diversification by line of business and by geography, which has been enhanced in recent years by expansion into the accident and health segments, as well as into selected specialty and casualty lines.

This press release relates to Credit Ratings that have been published on A.M. Best’s website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see A.M. Best’s [Recent Rating Activity](#) web page. For additional information regarding the use and limitations of Credit Rating opinions, please view [Understanding Best’s Credit Ratings](#). For information on the proper media use of Best’s Credit Ratings and A.M. Best press releases, please view [Guide for Media - Proper Use of Best’s Credit Ratings and A.M. Best Rating Action Press Releases](#).

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