

ARCH REINSURANCE LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(U.S. Dollars in thousands, except share data)

	(Unaudited) March 31, 2020	December 31, 2019
Assets		
Investments:		
Fixed maturities available for sale, at fair value (amortized cost: \$16,755,086 and \$16,593,210); net of allowance for credit losses: \$9,909 at March 31, 2020)	\$ 16,839,571	\$ 16,888,927
Short-term investments available for sale, at fair value (amortized cost: \$943,879 and \$957,085); net of allowance for credit losses: \$29 at March 31, 2020)	943,531	956,353
Collateral received under securities lending, at fair value (amortized cost: \$182,274 and \$388,366)	182,284	388,376
Equity securities, at fair value	1,181,903	838,925
Investments accounted for using the fair value option	3,310,517	3,663,477
Investments accounted for using the equity method	1,676,055	1,660,396
Total investments	24,133,861	24,396,454
Cash	807,691	631,536
Accrued investment income	118,076	117,920
Securities pledged under securities lending, at fair value (amortized cost: \$175,218 and \$378,910)	177,442	379,868
Premiums receivable (net of allowance for credit losses: \$27,990 and \$21,003)	2,155,204	1,778,717
Reinsurance recoverable on unpaid and paid losses and loss adjustment expenses (net of allowance for credit losses: \$13,700 and \$1,364)	4,303,135	4,346,816
Contractholders receivables (net of allowance for credit losses: \$9,038 and \$0)	2,140,724	2,119,460
Ceded unearned premiums	1,357,284	1,234,683
Deferred acquisition costs	708,848	633,400
Receivable for securities sold	221,573	24,133
Goodwill and intangible assets	705,450	738,083
Other assets	1,403,346	1,281,833
Total assets	\$ 38,232,634	\$ 37,682,903
Liabilities		
Reserve for losses and loss adjustment expenses	\$ 14,309,580	\$ 13,891,842
Unearned premiums	4,817,191	4,339,549
Reinsurance balances payable	737,597	667,072
Contractholder payables	2,149,762	2,119,460
Collateral held for insured obligations	211,597	206,698
Senior notes	1,574,588	1,574,372
Revolving credit agreement borrowings	500,587	484,287
Securities lending payable	182,274	388,366
Payable for securities purchased	327,359	87,579
Other liabilities	1,356,612	1,453,970
Total liabilities	26,167,147	25,213,195
Commitments and Contingencies		
Redeemable noncontrolling interests	55,376	55,404
Shareholder's Equity		
Common shares (\$1.00 par, shares authorized: 2,625,000, issued: 2,560,423)	2,560	2,560
Additional paid-in capital	4,157,202	4,138,555
Retained earnings	7,336,754	7,299,888
Accumulated other comprehensive income (loss), net of deferred income tax	20,810	210,524
Total shareholder's equity available to Arch	11,517,326	11,651,527
Non-redeemable noncontrolling interests	492,785	762,777
Total shareholder's equity	12,010,111	12,414,304
Total liabilities, noncontrolling interests and shareholder's equity	\$ 38,232,634	\$ 37,682,903

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ARCH REINSURANCE LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(U.S. Dollars in thousands, except share data)

	(Unaudited)	
	Three Months Ended	
	March	
	2020	2019
Revenues		
Net premiums written	\$ 2,137,246	\$ 1,525,259
Change in unearned premiums	(392,802)	(156,393)
Net premiums earned	1,744,444	1,368,866
Net investment income	146,239	160,533
Net realized gains (losses)	(366,966)	140,261
Other underwriting income	6,852	8,825
Equity in net income (loss) of investment funds accounted for using the equity method	(4,209)	46,867
Other income	8,614	1,321
Total revenues	1,534,974	1,726,673
Expenses		
Losses and loss adjustment expenses	1,115,419	718,532
Acquisition expenses	247,283	197,848
Other operating expenses	239,038	204,404
Amortization of intangible assets	16,631	20,417
Interest expense	27,190	23,783
Net foreign exchange (gains) losses	(72,689)	(3,523)
Total expenses	1,572,872	1,161,461
Income before income taxes	(37,898)	565,212
Income tax expense	(28,083)	(45,912)
Net income (loss)	\$ (65,981)	\$ 519,300
Net (income) loss attributable to noncontrolling interests	232,791	(46,970)
Net income available to Arch	\$ 166,810	\$ 472,330

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