

PRESS RELEASE: 19th October 2021

Citadel Risk Group ***Capital raise and structural changes***

Citadel Risk today announces major capital changes to Citadel Reinsurance Company Limited Bermuda (Citadel) and American Millennium Insurance Company (AMIC) balance sheets. Both companies are very pleased to report significant capital investment and balance sheet improvement.

Three separate arrangements* have been concluded by the Group:

- 1) \$25 million has been injected into Citadel's balance sheet which at 30 September 2021 stands at \$47.1 million
- 2) \$10 million has been injected into AMIC's balance sheet which at 30 September 2021 stands at \$21.9 million
- 3) A reinsurance stop loss has been put in place to "cap" the AMIC losses which led to the rating downgrade in February 2021.

Consolidated pre-tax profit for the 6 months to 30 June 2021 was \$2.5 million, and consolidated surplus at year end 2021 will be approximately \$55 million, with an additional \$20 million expected in early 2022.

The Group's CEO, Tony Weller, commented *"It has been a tough year for Citadel, and I am extremely pleased to announce this major investment and financial strengthening of the Group's balance sheet. The enhanced capital base will allow us to write larger lines and develop AMIC into a wider and more diverse insurance entity. The Group will be preparing new submissions for an immediate rerating with AM Best, and the enhanced capital structure will be a positive uplift. I sincerely thank all our clients and partners for their support during a difficult time and look forward to working with them to explore many new opportunities."*

*Note – all 3 deals are subject to regulatory approval

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Notes to editors:

Citadel Risk is a niche, rated reinsurance carrier, owns a rated US insurance entity, has a rent a captive facility in Bermuda and provides back office services to the (re)insurance sector. Since its beginnings in the late 1970s, Citadel Risk remains fiercely independent. Underpinned by a strong balance sheet Citadel Risk has grown significantly from its original Bermuda base. www.citadelrisk.com