

Sirius International Group, Ltd.
Consolidated Balance Sheets
As at June 30, 2018 and December 31, 2017

(Expressed in millions of U.S. dollars, except share information)

	June 30, 2018	December 31, 2017
Assets	Unaudited	
Fixed maturity investments, trading at fair value (<i>Amortized cost 2018: \$1,879.5; 2017: \$2,191.3</i>)	\$ 1,881.9	\$ 2,176.1
Short-term investments, at fair value (<i>Amortized cost 2018: \$801.3; 2017: \$550.7</i>)	806.4	594.2
Equity securities, trading at fair value (<i>Cost 2018: \$390.4; 2017: \$275.1</i>)	415.1	299.2
Other long-term investments, at fair value (<i>Cost 2018: \$285.7; 2017: \$246.5</i>)	316.6	269.5
Cash	114.0	215.6
Restricted cash	15.9	14.8
Total investments and cash	3,549.9	3,569.4
Accrued investment income	12.5	14.1
Insurance and reinsurance premiums receivable	807.4	543.6
Reinsurance recoverable on unpaid losses	358.3	319.7
Reinsurance recoverable on paid losses	17.8	17.5
Funds held by ceding companies	157.4	153.2
Ceded unearned insurance and reinsurance premiums	207.3	106.6
Deferred acquisition costs	151.4	120.9
Deferred tax asset	206.2	244.1
Accounts receivable on unsettled investment sales	-	0.3
Goodwill	400.8	401.0
Intangible assets	208.4	216.3
Other assets	82.2	81.1
Total assets	\$ 6,159.6	\$ 5,787.7
Liabilities		
Loss and loss adjustment expense reserves	\$ 1,827.1	\$ 1,898.5
Unearned insurance and reinsurance premiums	800.5	506.8
Ceded reinsurance payable	254.2	139.1
Funds held under reinsurance treaties	72.6	73.4
Deferred tax liability	255.7	282.2
Debt	695.9	723.2
Accounts payable on unsettled investment purchases	6.2	0.3
Other liabilities	147.9	133.5
Total liabilities	4,060.1	3,757.0
Equity		
Common shareholders' equity		
Common shares (<i>shares issued and outstanding: 12,000</i>)	0.1	0.1
Additional paid-in surplus	1,419.7	1,409.7
Retained earnings	880.5	760.6
Accumulated other comprehensive (loss)	(201.8)	(139.9)
Total common shareholder's equity	2,098.5	2,030.5
Non-controlling interests	1.0	0.2
Total equity	2,099.5	2,030.7
Total liabilities and equity	\$ 6,159.6	\$ 5,787.7

Sirius International Group, Ltd.
Consolidated Statements of Income
Unaudited

<i>(Expressed in millions of U.S. dollars, except share and per share information)</i>	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Revenues				
Net earned insurance and reinsurance premiums	\$ 308.9	\$ 243.9	\$ 593.4	\$ 467.8
Net investment income	19.1	16.5	29.8	31.9
Net realized investment gains (losses)	7.8	2.2	4.1	(2.6)
Net unrealized investment gains (losses)	24.7	(16.2)	40.7	(22.6)
Net foreign exchange (losses)	25.6	3.5	22.1	1.6
Other revenue	14.7	1.7	38.0	1.3
Total revenues	400.8	251.6	728.3	477.4
Expenses				
Loss and loss adjustment expenses	151.4	133.1	292.4	255.4
Insurance and reinsurance acquisition expenses	66.8	44.5	129.8	94.0
Other underwriting expenses	38.2	30.8	81.4	57.9
General and administrative expenses	15.6	21.1	28.3	31.2
Intangible asset amortization expenses	4.0	2.4	7.9	2.4
Interest expense on debt	7.8	4.8	15.5	9.6
Total expenses	283.8	236.7	555.3	450.5
Pre-tax income	117.0	14.9	173.0	26.9
Income tax expense	(42.8)	(5.1)	(54.0)	(4.8)
Net income	74.2	9.8	119.0	22.1
Income attributable to non-controlling interests	(0.4)	(0.2)	(0.6)	0.4
Income before dividends on preference shares	73.8	9.6	118.4	22.5
Dividends on SIG preference shares	-	(9.4)	-	(9.4)
Net income attributable to Sirius Group's common shareholder	\$ 73.8	\$ 0.2	\$ 118.4	\$ 13.1

Sirius International Group, Ltd.
Consolidated Statements of Comprehensive Income
Unaudited

<i>(Expressed in millions of U.S. dollars)</i>	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Comprehensive Income				
Net income	\$ 74.2	\$ 9.8	\$ 119.0	\$ 22.1
Other comprehensive (loss) income				
Change in foreign currency translation, net of tax	(48.5)	33.4	(61.9)	47.1
Total other comprehensive (loss) income	(48.5)	33.4	(61.9)	47.1
Comprehensive income	25.7	43.2	57.1	69.2
Net (income) loss attributable to non-controlling interests	(0.4)	(0.2)	(0.6)	0.4
Comprehensive income attributable to Sirius Group's common shareholder	\$ 25.3	\$ 43.0	\$ 56.5	\$ 69.6

Sirius International Group, Ltd.
Consolidated Statements of Shareholder's Equity
Unaudited

<i>(Expressed in millions of U.S. dollars)</i>	Six months ended June 30,	
	2018	2017
Common shares		
Balance at beginning and end of period	\$ 0.1	\$ 0.1
Additional paid-in surplus		
Balance at beginning of period	1,409.7	1,384.0
Capital contribution from parent	10.0	201.1
Balance at end of period	1,419.7	1,585.1
Retained earnings		
Balance at beginning of period	760.6	1,035.3
Cumulative effect of an accounting change	1.6	-
Balance at beginning of period, as adjusted	762.2	1,035.3
Net income	119.0	22.1
Income attributable to non-controlling interests	(0.6)	0.4
Dividends to parent	-	(50.0)
Dividends to SIG preference shareholders	-	(9.4)
Other, net	(0.1)	-
Balance at end of period	880.5	998.4
Accumulated other comprehensive (loss)		
Balance at beginning of period	(139.9)	(211.6)
Accumulated net foreign currency translation gains (losses)		
Balance at beginning of period	(139.9)	(211.6)
Net change in foreign currency translation	(61.9)	47.2
Balance at the end of period	(201.8)	(164.4)
Balance at the end of period	(201.8)	(164.4)
Total common shareholder's equity	\$ 2,098.5	\$ 2,419.2
Non-controlling interests	1.0	0.2
Total equity	\$ 2,099.5	\$ 2,419.4

Sirius International Group, Ltd.
Consolidated Statements of Cash Flows
Unaudited

<i>(Expressed in millions of U.S. dollars)</i>	Six months ended June 30,	
	2018	2017
Cash flows from operations:		
Net income attributable to common shareholder	\$ 118.4	\$ 13.1
Adjustments to reconcile net income to net cash provided from (used for) operations:		
Net realized and unrealized investment gains (losses)	(44.8)	25.2
Amortization of premium on fixed maturity investments	5.6	10.0
Amortization of intangible assets	7.9	2.4
Depreciation and other amortization	4.8	3.7
Dividends on preference shares	-	9.4
Other operating items:		
Net change in loss and loss adjustment expense reserves	18.6	(30.7)
Net change in reinsurance recoverable on paid and unpaid losses	(69.1)	3.3
Net change in funds held by ceding companies	(18.9)	(28.8)
Net change in unearned insurance and reinsurance premiums	348.1	139.4
Net change in ceded reinsurance payable	141.1	13.7
Net change in ceded unearned insurance and reinsurance premiums	(123.4)	13.8
Net change in insurance and reinsurance premiums receivable	(320.0)	(129.6)
Net change in deferred acquisition costs	(38.2)	(36.3)
Net change in funds held under reinsurance treaties	4.7	(5.8)
Net change in current and deferred income taxes, net	42.1	(0.7)
Net change in other assets and liabilities, net	(32.5)	(13.1)
Net cash provided from (used for) operations	44.4	(11.0)
Cash flows from investing activities:		
Net change in short-term investments	(236.2)	(14.3)
Sales of fixed maturities and convertible fixed maturity investments	944.7	932.1
Maturities, calls, and paydowns of fixed maturity and convertible fixed maturity investments	58.0	193.7
Sales of common equity securities	189.0	23.9
Distributions and redemptions of other long-term investments	60.2	37.3
Sales of consolidated subsidiaries and unconsolidated affiliates, net of cash sold	-	0.8
Contributions to other long-term investments	(94.8)	(89.3)
Purchases of common equity securities	(317.3)	(107.7)
Purchases of fixed maturities and convertible fixed maturity investments	(753.2)	(609.6)
Purchases of consolidated and unconsolidated affiliates, net of cash acquired	-	(354.5)
Net change in unsettled investment purchases and sales	6.7	0.7
Other, net	(1.8)	(3.1)
Net cash (used for) provided from investing activities	(144.7)	10.0
Cash flows from financing activities:		
Capital contribution from parent	10.0	61.0
Repayment of debt	-	(3.7)
Collateral provided by interest rate cap counterparties	-	(0.8)
Cash dividends paid on common shares	-	(50.0)
Cash dividends paid on preference shares	-	(9.4)
Other, net	-	(0.8)
Net cash provided from financing activities	10.0	(3.7)
Effect of exchange rate changes on cash	(10.3)	6.8
Net (decrease) increase in cash during period	(100.6)	2.1
Cash and restricted cash balance at beginning of period	230.5	137.1
Cash and restricted cash balance at end of period	\$ 129.9	\$ 139.2