

Sirius International Group, Ltd.
Consolidated Balance Sheets

(Millions, except share amounts)	March 31, 2017	December 31, 2016
Assets	Unaudited	
Fixed maturity investments, at fair value	\$ 2,681.5	\$ 2,886.7
Short-term investments, at amortized cost (which approximates fair value)	638.3	504.6
Common equity securities, at fair value	105.2	118.0
Other long-term investments	144.1	124.8
Total investments	3,569.1	3,634.1
Cash	228.4	137.1
Reinsurance recoverable on unpaid losses	293.6	291.5
Reinsurance recoverable on paid losses	13.8	17.1
Insurance and reinsurance premiums receivable	560.2	394.6
Funds held by ceding companies	128.3	100.0
Deferred acquisition costs	103.1	84.7
Deferred tax asset	286.2	279.1
Ceded unearned insurance and reinsurance premiums	157.6	101.1
Accrued investment income	15.5	19.0
Other assets	69.0	50.2
Total assets	\$ 5,424.8	\$ 5,108.5
Liabilities		
Loss and loss adjustment expense reserves	\$ 1,638.4	\$ 1,620.1
Unearned insurance and reinsurance premiums	590.3	398.0
Debt	395.7	396.2
Deferred tax liability	240.9	239.7
Funds held under reinsurance treaties	74.2	63.4
Ceded reinsurance payable	138.4	99.6
Accounts payable on unsettled investment purchases	14.9	7.6
Other liabilities	96.9	74.8
Total liabilities	3,189.7	2,899.4
Equity		
Common shareholders' equity		
Common shares at \$1.00 par value per share - authorized 12,000 shares; issued and outstanding, 12,000 shares	0.1	0.1
Preference shares at \$0.01 par value per share - 250,000 shares	-	-
Additional paid-in surplus - common shares	1,134.0	1,134.0
Additional paid-in surplus - preference shares	250.0	250.0
Retained earnings	1,048.2	1,035.3
Accumulated other comprehensive (loss), after-tax:		
Net unrealized foreign currency translation (losses)	(197.9)	(211.6)
Total common shareholders' equity	2,234.4	2,207.8
Non-controlling interests	0.7	1.3
Total equity	2,235.1	2,209.1
Total liabilities and equity	\$ 5,424.8	\$ 5,108.5

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

(Millions)	Three Months Ended	
	March 31,	
	2017	2016
Revenues		
Gross written insurance and reinsurance premiums	\$ 506.3	\$ 436.4
Net written insurance and reinsurance premiums	<u>\$ 355.7</u>	<u>\$ 311.3</u>
Earned insurance and reinsurance premiums	\$ 223.9	\$ 202.4
Net investment income	15.4	12.2
Net realized investment gains	(4.8)	232.2
Net unrealized investment gains	(6.4)	(236.3)
Net foreign exchange gains	(1.9)	(0.5)
Other revenue	<u>(0.4)</u>	<u>(3.6)</u>
Total revenues	<u>225.8</u>	<u>206.4</u>
Expenses		
Loss and loss adjustment expenses	122.3	113.7
Insurance and reinsurance acquisition expenses	49.5	48.4
Other underwriting expenses	27.1	26.6
General and administrative expenses	10.1	3.4
Accretion of fair value adjustment to loss and loss adjustment expense reserves	-	0.2
Interest expense on debt	<u>4.8</u>	<u>6.6</u>
Total expenses	<u>213.8</u>	<u>198.9</u>
Pre-tax income	12.0	7.5
Income tax benefit	<u>0.3</u>	<u>0.3</u>
Income before equity in earnings of unconsolidated affiliates	12.3	7.8
Equity in earnings of unconsolidated affiliates, net of tax	<u>-</u>	<u>6.6</u>
Income before income attributable to non-controlling interests	12.3	14.4
Net income attributable to non-controlling interests	<u>0.6</u>	<u>-</u>
Net income attributable to Sirius Group's common shareholders	12.9	14.4
Other comprehensive income, net of tax		
Change in foreign currency translation, net of tax	13.7	37.2
Net change in other, net of tax	-	0.1
Comprehensive income attributable to Sirius Group's common shareholders	<u>\$ 26.6</u>	<u>\$ 51.7</u>

Sirius International Group, Ltd.
Consolidated Statements of Changes in Equity
Unaudited

Sirius Group's Shareholders' Equity							
(Millions)	Common shares and paid-in surplus	Preference shares and paid- in surplus	Retained earnings	AOCI, after-tax	Total	Non- Controlling Interests	Total Equity
Balances at January 1, 2017	\$ 1,134.1	\$ 250.0	\$ 1,035.3	\$ (211.6)	\$ 2,207.8	\$ 1.3	\$ 2,209.1
Net income	-	-	12.9	-	12.9	(0.6)	12.3
Net change in foreign currency translation	-	-	-	13.7	13.7	-	13.7
Net change in other	-	-	-	-	-	-	-
Comprehensive income (loss)	-	-	12.9	13.7	26.6	(0.6)	26.0
Dividends declared on common shares	-	-	-	-	-	-	-
Other, net	-	-	-	-	-	-	-
Balances at March 31, 2017	\$ 1,134.1	\$ 250.0	\$ 1,048.2	\$ (197.9)	\$ 2,234.4	\$ 0.7	\$ 2,235.1

Sirius Group's Shareholders' Equity							
(Millions)	Common shares and paid-in surplus	Preference shares and paid- in surplus	Retained earnings	AOCI, after-tax	Total	Non- Controlling Interests	Total Equity
Balances at January 1, 2016	\$ 1,091.9	\$ 250.0	\$ 986.2	\$ (145.5)	\$ 2,182.6	\$ 0.1	\$ 2,182.7
Net income	-	-	14.4	-	14.4	-	14.4
Net change in foreign currency translation	-	-	-	37.2	37.2	-	37.2
Net change in other	-	-	-	0.1	0.1	-	0.1
Comprehensive income (loss)	-	-	14.4	37.3	51.7	-	51.7
Dividends declared on common shares	-	-	(20.0)	-	(20.0)	-	(20.0)
Other, net	0.1	-	-	-	0.1	-	0.1
Balances at March 31, 2016	\$ 1,092.0	\$ 250.0	\$ 980.6	\$ (108.2)	\$ 2,214.4	\$ 0.1	\$ 2,214.5

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

(Millions)	Three Months Ended	
	March 31,	
	2017	2016
Cash flows from operations:		
Net income	\$ 12.9	\$ 14.4
(Credits) charges to reconcile net income to net cash provided from (used for) operations:		
Net realized and unrealized investment gains	11.2	4.1
Amortization and depreciation	8.2	6.0
Undistributed equity in earnings of unconsolidated affiliates, after-tax	-	(6.6)
Other operating items:		
Net change in loss and LAE reserves	7.9	(24.9)
Net change in reinsurance recoverable on paid and unpaid losses	3.6	2.5
Net change in funds held by ceding companies	(26.2)	0.3
Net change in unearned insurance and reinsurance premiums	187.7	142.1
Net change in ceded reinsurance premiums payable	36.3	53.1
Net change in ceded unearned insurance and reinsurance premiums	(54.9)	(41.6)
Net change in insurance and reinsurance premiums receivable	(161.8)	(143.6)
Net change in deferred acquisition costs	(17.4)	(14.4)
Net change in funds held under reinsurance treaties	9.9	2.6
Net change in current and deferred income taxes, net	(4.6)	(30.0)
Net change in other assets and liabilities, net	0.6	(1.0)
Net cash provided from (used in) operations	13.4	(37.0)
Cash flows from investing activities:		
Net change in short-term investments	(130.7)	(144.3)
Sales of fixed maturity investments	528.1	322.5
Maturities, calls and paydowns of fixed maturity investments	17.2	49.6
Sales of common equity securities	15.0	588.2
Distributions and redemptions of other long-term investments	10.4	10.0
Contributions to other long-term investments	(28.8)	(1.0)
Purchases of common equity securities	(1.9)	(60.9)
Purchases of fixed maturity investments	(337.7)	(741.4)
Net change in unsettled investment purchases and sales	7.3	24.5
Other, net	(2.0)	(0.8)
Net cash provided from investing activities	76.9	46.4
Cash flows from financing activities:		
Collateral provided by interest rate cap counterparties	-	(0.7)
Cash dividends paid on common shares	-	(20.0)
Other, net	(0.1)	-
Net cash used for financing activities	(0.1)	(20.7)
Effect of exchange rate changes on cash	1.1	4.2
Net increase (decrease) in cash during year	91.3	(7.1)
Cash balance at beginning of year	137.1	141.5
Cash balance at end of year	\$ 228.4	\$ 134.4