

Sirius International Group, Ltd.
Consolidated Balance Sheets
As at June 30, 2019 and December 31, 2018

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

	June 30, 2019	December 31, 2018
	<i>Unaudited</i>	
Assets		
Fixed maturity investments, trading at fair value	\$ 1,792.0	\$ 1,946.4
Short-term investments, at fair value	877.1	681.7
Equity securities, trading at fair value	387.7	380.0
Other long-term investments, at fair value	379.9	365.0
Cash	116.8	119.4
Restricted cash	13.7	12.8
Total investments and cash	3,567.2	3,505.3
Accrued investment income	13.1	14.1
Insurance and reinsurance premiums receivable	861.3	630.6
Reinsurance recoverable on unpaid losses	357.4	350.2
Reinsurance recoverable on paid losses	69.8	55.0
Funds held by ceding companies	237.6	186.8
Ceded unearned insurance and reinsurance premiums	188.1	159.8
Deferred acquisition costs	158.8	141.6
Deferred tax asset	171.9	202.5
Accounts receivable on unsettled investment sales	2.0	5.0
Goodwill	400.6	400.6
Intangible assets	187.7	195.6
Other assets	128.6	81.5
Total assets	\$ 6,344.1	\$ 5,928.6
Liabilities		
Loss and loss adjustment expense reserves	\$ 2,023.3	\$ 2,016.7
Unearned insurance and reinsurance premiums	879.5	647.2
Ceded reinsurance payable	256.9	206.9
Funds held under reinsurance treaties	126.6	110.6
Deferred tax liability	229.7	237.4
Debt	685.9	696.8
Accounts payable on unsettled investment purchases	2.6	3.2
Other liabilities	160.4	125.3
Total liabilities	4,364.9	4,044.1
Commitments and contingencies		
Common shareholder's equity		
Common shares (<i>shares issued and outstanding: 12,000</i>)	0.1	0.1
Additional paid-in surplus	1,553.2	1,524.8
Retained earnings	651.4	559.7
Accumulated other comprehensive (loss)	(228.5)	(201.8)
Total common shareholder's equity	1,976.2	1,882.8
Non-controlling interests	3.0	1.7
Total equity	1,979.2	1,884.5
Total liabilities and equity	\$ 6,344.1	\$ 5,928.6

Sirius International Group, Ltd.
Consolidated Statements of Income
For the three and six months ended June 30, 2019 and 2018
Unaudited

<i>(Expressed in millions of U.S. dollars)</i>	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Revenues				
Net earned insurance and reinsurance premiums	\$ 370.7	\$ 308.9	\$ 682.6	\$ 593.4
Net investment income	24.3	19.1	44.3	29.8
Net realized investment gains	15.6	7.8	24.6	4.1
Net unrealized investment gains	15.4	24.7	89.4	40.7
Net foreign exchange (loss) gains	(0.6)	25.6	4.5	22.1
Other revenue	17.5	14.7	37.1	38.0
Total revenues	442.9	400.8	882.5	728.3
Expenses				
Loss and loss adjustment expenses	278.0	151.4	461.9	292.4
Insurance and reinsurance acquisition expenses	77.0	66.8	140.3	129.8
Other underwriting expenses	35.5	38.2	70.8	81.4
General and administrative expenses	17.7	15.6	36.3	28.3
Intangible asset amortization expenses	4.0	4.0	7.9	7.9
Interest expense on debt	8.0	7.8	15.6	15.5
Total expenses	420.2	283.8	732.8	555.3
Pre-tax income	22.7	117.0	149.7	173.0
Income tax expense	(3.9)	(42.8)	(21.8)	(54.0)
Net income	18.8	74.2	127.9	119.0
Income attributable to non-controlling interests	(0.8)	(0.4)	(1.2)	(0.6)
Net income attributable to Sirius Group	\$ 18.0	\$ 73.8	\$ 126.7	\$ 118.4

Sirius International Group, Ltd.
Consolidated Statements of Comprehensive (Loss) Income
For the three and six months ended June 30, 2019 and 2018
Unaudited

<i>(Expressed in millions of U.S. dollars)</i>	Three months ended		Six months ended	
	June 30,		June 30,	
	2019	2018	2019	2018
Comprehensive income				
Net income	\$ 18.8	\$ 74.2	\$ 127.9	\$ 119.0
Other comprehensive income (loss), net of tax				
Change in foreign currency translation, net of tax	1.1	(48.5)	(26.7)	(61.9)
Total other comprehensive income (loss)	1.1	(48.5)	(26.7)	(61.9)
Comprehensive income	19.9	25.7	101.2	57.1
Income attributable to non-controlling interests	(0.8)	(0.4)	(1.2)	(0.6)
Comprehensive income attributable to Sirius Group	\$ 19.1	\$ 25.3	\$ 100.0	\$ 56.5

Sirius International Group, Ltd.
Consolidated Statements of Shareholder's Equity
For the three and six months ended June 30, 2019 and 2018
Unaudited

<i>(Expressed in millions of U.S. dollars)</i>	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Common shares				
Balance at beginning and end of period	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
Additional paid-in surplus				
Balance at beginning of period	1,553.2	1,409.7	1,524.8	1,409.7
Capital contribution	-	10.0	28.4	10.0
Other, net	-	-	-	-
Balance at end of period	1,553.2	1,419.7	1,553.2	1,419.7
Retained earnings				
Balance at beginning of period	663.4	806.8	559.7	760.6
Cumulative effect of an accounting change	-	-	-	1.6
Balance at beginning of period, as adjusted	663.4	806.8	559.7	762.2
Net income	18.8	74.2	127.9	119.0
Income attributable to non-controlling interests	(0.8)	(0.4)	(1.2)	(0.6)
Dividends declared on common shares	(30.0)	-	(35.0)	-
Other, net	(0.1)	(0.1)	-	(0.1)
Balance at end of period	651.4	880.5	651.4	880.5
Accumulated other comprehensive (loss)				
Balance at beginning of period	(229.6)	(153.3)	(201.8)	(139.9)
Accumulated net foreign currency translation (losses)				
Balance at beginning of period	(229.6)	(153.3)	(201.8)	(139.9)
Net change in foreign currency translation	1.1	(48.5)	(26.7)	(61.9)
Balance at the end of period	(228.5)	(201.8)	(228.5)	(201.8)
Balance at the end of period	(228.5)	(201.8)	(228.5)	(201.8)
Total common shareholder's equity	\$ 1,976.2	\$ 2,098.5	\$ 1,976.2	\$ 2,098.5
Non-controlling interests	3.0	1.0	3.0	1.0
Total equity	\$ 1,979.2	\$ 2,099.5	\$ 1,979.2	\$ 2,099.5

Sirius International Group, Ltd.
Consolidated Statements of Cash Flows
For the six months ended June 30, 2019 and 2018
Unaudited

<i>(Expressed in millions of U.S. dollars)</i>	Six months ended June 30,	
	2019	2018
Cash flows from operations:		
Net income	\$ 127.9	\$ 119.0
Adjustments to reconcile net income to net cash provided from operations:		
Net realized and unrealized investment (gains)	(114.0)	(44.8)
Amortization of premium on fixed maturity investments	(3.1)	5.6
Amortization of intangible assets	7.9	7.9
Depreciation and other amortization	4.3	4.8
Other operating items:		
Net change in loss and loss adjustment expense reserves	46.6	18.6
Net change in reinsurance recoverable on paid and unpaid losses	(36.0)	(69.1)
Net change in funds held by ceding companies	(54.7)	(18.9)
Net change in unearned insurance and reinsurance premiums	252.6	348.1
Net change in ceded reinsurance payable	50.4	141.1
Net change in ceded unearned insurance and reinsurance premiums	(35.8)	(123.4)
Net change in insurance and reinsurance premiums receivable	(252.0)	(320.0)
Net change in deferred acquisition costs	(20.2)	(38.2)
Net change in funds held under reinsurance treaties	18.4	4.7
Net change in current and deferred income taxes, net	6.7	42.1
Net change in other assets and liabilities, net	29.6	(33.1)
Net cash provided from operations	28.6	44.4
Cash flows from investing activities:		
Net change in short-term investments	(159.7)	(236.2)
Sales of fixed maturities and convertible fixed maturity investments	239.7	944.7
Maturities, calls, and paydowns of fixed maturity and convertible fixed maturity investments	154.7	58.0
Sales of common equity securities	152.2	189.0
Distributions and redemptions of other long-term investments	33.6	60.2
Contributions to other long-term investments	(41.3)	(94.8)
Purchases of common equity securities	(125.8)	(317.3)
Purchases of fixed maturities and convertible fixed maturity investments	(247.9)	(753.2)
Net change in unsettled investment purchases and sales	2.4	6.7
Other, net	0.7	(1.8)
Net cash provided from (used for) investing activities	8.6	(144.7)
Cash flows from financing activities:		
Dividends to common shareholder	(35.0)	-
Change in collateral held on Interest Rate Cap	(0.1)	-
Capital contribution from parent	-	10.0
Net cash (used for) financing activities	(35.1)	10.0
Effect of exchange rate changes on cash	(3.8)	(10.3)
Net (decrease) increase in cash and restricted cash during period	(1.7)	(100.6)
Cash and restricted cash balance at beginning of period	132.2	230.5
Cash and restricted cash balance at end of period	\$ 130.5	\$ 129.9