

Sirius International Group, Ltd.
Consolidated Balance Sheets

(Millions, except share amounts)	June 30, 2017	December 31, 2016
Assets	Unaudited	
Fixed maturity investments, at fair value	\$ 2,394.9	\$ 2,886.7
Short-term investments, at amortized cost (which approximates fair value)	539.8	504.6
Common equity securities, at fair value	209.4	118.0
Other long-term investments	390.2	124.8
Total investments	3,534.3	3,634.1
Cash	122.8	137.1
Reinsurance recoverable on unpaid losses	316.7	291.5
Reinsurance recoverable on paid losses	13.6	17.1
Insurance and reinsurance premiums receivable	555.5	394.6
Funds held by ceding companies	139.0	100.0
Deferred acquisition costs	110.5	84.7
Deferred tax asset	305.0	279.1
Ceded unearned insurance and reinsurance premiums	142.0	101.1
Accrued investment income	13.7	19.0
Goodwill	122.7	-
Intangible assets	85.1	5.0
Other assets	36.3	45.2
Total assets	\$ 5,497.2	\$ 5,108.5
Liabilities		
Loss and loss adjustment expense reserves	\$ 1,659.3	\$ 1,620.1
Unearned insurance and reinsurance premiums	576.9	398.0
Debt	392.2	396.2
Deferred tax liability	254.3	239.7
Funds held under reinsurance treaties	61.3	63.4
Ceded reinsurance payable	138.8	99.6
Accounts payable on unsettled investment purchases	8.5	7.6
Other liabilities	173.7	74.8
Total liabilities	3,265.0	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	1,145.0	1,134.0
Additional paid-in surplus - preference shares	250.0	250.0
Retained earnings	1,001.4	1,035.3
Accumulated other comprehensive (loss), after-tax:		
Net unrealized foreign currency translation (losses)	(164.5)	(211.6)
Total common shareholders' equity	2,232.0	2,207.8
Non-controlling interests	0.2	1.3
Total equity	2,232.2	2,209.1
Total liabilities and equity	\$ 5,497.2	\$ 5,108.5

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

(Millions)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2017	2016	2017	2016
Revenues				
Gross written insurance and reinsurance premiums	\$ 303.3	\$ 290.5	\$ 809.6	\$ 726.9
Net written insurance and reinsurance premiums	\$ 232.8	\$ 220.9	\$ 588.5	\$ 532.2
Earned insurance and reinsurance premiums	\$ 235.5	\$ 217.2	\$ 459.4	\$ 419.6
Net investment income	17.8	12.9	33.2	25.1
Net realized investment gains (losses)	2.2	41.0	(2.6)	271.6
Net unrealized investment (losses) gains	(16.2)	21.5	(22.6)	(213.2)
Net foreign exchange gains (losses)	3.5	(7.4)	1.6	(7.9)
Other revenue	2.4	8.2	2.0	4.6
Total revenues	245.2	293.4	471.0	499.8
Expenses				
Loss and loss adjustment expenses	129.1	156.7	251.4	270.4
Insurance and reinsurance acquisition expenses	48.1	56.9	97.6	105.3
Other underwriting expenses	30.7	23.2	57.8	49.8
General and administrative expenses	13.9	31.2	24.0	34.6
Intangible asset amortization expenses	1.4	-	1.4	-
Accretion of fair value adjustment to loss and loss adjustment expense reserves	0.1	0.2	0.1	0.4
Interest expense on debt	4.8	6.7	9.6	13.3
Total expenses	228.1	274.9	441.9	473.8
Pre-tax income	17.1	18.5	29.1	26.0
Income tax benefit	(4.3)	(3.5)	(4.0)	(3.2)
Income before equity in earnings of unconsolidated affiliates	12.8	15.0	25.1	22.8
Equity in earnings of unconsolidated affiliates, net of tax	-	-	-	6.6
Income before income attributable to non-controlling interests	12.8	15.0	25.1	29.4
Net income (loss) attributable to non-controlling interests	(0.2)	-	0.4	-
Net income before dividends on preference shares	12.6	15.0	25.5	29.4
Dividends on preference shares	(9.4)	(9.4)	(9.4)	(9.4)
Net income attributable to Sirius Group's common shareholders	3.2	5.6	16.1	20.0
Other comprehensive income, net of tax				
Change in foreign currency translation, net of tax	33.4	(44.4)	47.1	(7.2)
Net change in other, net of tax	-	0.9	-	1.0
Comprehensive income (loss) attributable to Sirius Group's common shareholders	\$ 36.6	\$ (37.9)	\$ 63.2	\$ 13.8

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	AOCL, 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	-	-	16.1	-	16.1	(0.4)	15.7
Net change in foreign currency translation	-	-	-	47.1	47.1	-	47.1
Net change in other	-	-	-	-	-	-	-
Comprehensive income (loss)	-	-	16.1	47.1	63.2	(0.4)	62.8
Dividends declared on common shares	-	-	(50.0)	-	(50.0)	-	(50.0)
Capital contribution from parent	11.0	-	-	-	11.0	-	11.0
Contribution from sale of OneBeacon	-	-	-	-	-	-	-
Other, net	-	-	-	-	-	(0.7)	(0.7)
Balances at June 30, 2017	\$ 1,145.1	\$ 250.0	\$ 1,001.4	\$ (164.5)	\$ 2,232.0	\$ 0.2	\$ 2,232.2

Sirius Group's Shareholders' Equity

(Millions)	Common shares and paid-in surplus	Preference shares and paid- in surplus	Retained earnings	AOCL, 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	-	-	20.0	-	20.0	-	20.0
Net change in foreign currency translation	-	-	-	(7.2)	(7.2)	-	(7.2)
Net change in other	-	-	-	1.0	1.0	-	1.0
Comprehensive income (loss)	-	-	20.0	(6.2)	13.8	-	13.8
Dividends declared on common shares	-	-	(20.0)	-	(20.0)	-	(20.0)
Capital contribution from parent	-	-	-	-	-	-	-
Contribution from sale of OneBeacon	22.1	-	-	-	22.1	-	22.1
Other, net	0.1	-	-	-	0.1	0.7	0.8
Balances at June 30, 2016	\$ 1,114.1	\$ 250.0	\$ 986.2	\$ (151.7)	\$ 2,198.6	\$ 0.8	\$ 2,199.4

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

(Millions)	Six Months Ended June 30,	
	2017	2016
Cash flows from operations:		
Net income	\$ 25.5	\$ 29.4
(Credits) charges to reconcile net income to net cash provided from (used for) operations:		
Net realized and unrealized investment gains	25.2	(58.4)
Amortization and depreciation	13.7	7.5
Excess of fair value of acquired net assets over cost	-	(6.7)
Undistributed equity in earnings of unconsolidated affiliates, after-tax	-	(6.6)
Other operating items:		
Net change in loss and LAE reserves	(16.5)	5.5
Net change in reinsurance recoverable on paid and unpaid losses	(8.7)	3.0
Net change in funds held by ceding companies	(28.8)	(5.8)
Net change in unearned insurance and reinsurance premiums	145.4	149.4
Net change in ceded reinsurance premiums payable	30.7	15.3
Net change in ceded unearned insurance and reinsurance premiums	(26.8)	(34.9)
Net change in insurance and reinsurance premiums receivable	(128.7)	(148.1)
Net change in deferred acquisition costs	(21.3)	(19.4)
Net change in funds held under reinsurance treaties	(5.2)	2.7
Net change in current and deferred income taxes, net	(1.6)	(37.6)
Net change in other assets and liabilities, net	(11.8)	5.4
Net cash provided from (used in) operations	(8.9)	(99.4)
Cash flows from investing activities:		
Net change in short-term investments	(14.7)	(153.0)
Sales of fixed maturity investments	932.0	1,458.2
Maturities, calls and paydowns of fixed maturity investments	193.7	90.4
Sales of common equity securities	23.9	809.2
Distributions and redemptions of other long-term investments	37.3	18.9
Sales of consolidated subsidiaries and unconsolidated affiliates, net of cash sold	-	173.5
Contributions to other long-term investments	(298.7)	(14.4)
Purchases of common equity securities	(107.7)	(177.2)
Purchases of fixed maturity investments	(608.7)	(2,225.3)
Purchases of consolidated affiliates, net of cash acquired	(113.4)	27.5
Net change in unsettled investment purchases and sales	0.7	136.1
Other, net	(2.9)	1.3
Net cash provided from investing activities	41.5	145.2
Cash flows from financing activities:		
Capital contribution from parent	11.0	-
Contribution from sale of OneBeacon	-	22.1
Repayment of debt	(3.7)	-
Collateral provided by interest rate cap counterparties	(0.8)	(1.2)
Cash dividends paid on common shares	(50.0)	(20.0)
Cash dividends paid on preference shares	(9.4)	(9.4)
Other, net	(0.8)	0.8
Net cash used for financing activities	(53.7)	(7.7)
Effect of exchange rate changes on cash	6.8	(3.6)
Net increase (decrease) in cash during year	(14.3)	34.6
Cash balance at beginning of year	137.1	141.5
Cash balance at end of year	\$ 122.8	\$ 176.1