

Sirius International Group, Ltd.
Consolidated Balance Sheets
Unaudited

Millions, except share and per share amounts	September 30, 2017	December 31, 2016
Assets		
Fixed maturity investments, at fair value	\$ 2,246.4	\$ 2,886.7
Short-term investments, at amortized cost (which approximates fair value)	887.5	504.6
Common equity securities, at fair value	252.0	118.0
Other long-term investments	435.8	124.8
Total investments	3,821.7	3,634.1
Cash	129.7	137.1
Reinsurance recoverable on unpaid losses	347.9	291.5
Reinsurance recoverable on paid losses	18.2	17.1
Insurance and reinsurance premiums receivable	630.5	394.6
Funds held by ceding companies	141.7	100.0
Deferred acquisition costs	105.9	84.7
Deferred tax asset	307.3	279.1
Ceded unearned insurance and reinsurance premiums	166.1	101.1
Accrued investment income	11.5	19.0
Goodwill	122.7	-
Intangible assets	83.8	-
Other assets	61.1	50.2
Total assets	\$ 5,948.1	\$ 5,108.5
Liabilities		
Loss and loss adjustment expense reserves	\$ 1,916.5	\$ 1,620.1
Unearned insurance and reinsurance premiums	597.5	398.0
Debt	724.9	396.2
Mandatorily redeemable preference shares	250.0	-
Deferred tax liability	257.7	239.7
Funds held under reinsurance treaties	69.1	63.4
Ceded reinsurance payable	174.0	99.6
Accounts payable on unsettled investment purchases	1.4	7.6
Other liabilities	191.5	74.8
Total liabilities	4,182.6	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
Retained earnings	759.2	1,035.3
Accumulated other comprehensive (loss), after-tax:		
Net unrealized foreign currency translation (losses)	(138.5)	(211.6)
Total common shareholders' equity	1,765.8	2,207.8
Non-controlling interests	(0.3)	1.3
Total equity	1,765.5	2,209.1
Total liabilities and equity	\$ 5,948.1	\$ 5,108.5

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

Millions	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2017	2016	2017	2016
Revenues				
Gross written insurance and reinsurance premiums	\$ 356.6	\$ 293.8	\$ 1,166.2	\$ 1,020.7
Net written insurance and reinsurance premiums	\$ 253.7	\$ 223.5	\$ 842.2	\$ 755.7
Earned insurance and reinsurance premiums	\$ 259.9	\$ 229.3	\$ 719.3	\$ 648.9
Net investment income	15.4	14.2	48.6	39.3
Net realized investment (losses) gains	(24.4)	4.8	(27.0)	276.4
Net unrealized investment (losses) gains	(4.6)	7.1	(27.2)	(206.1)
Net foreign exchange gains (losses)	15.7	(5.8)	17.3	(13.7)
Other revenue	10.7	1.5	12.7	6.1
Total revenues	272.7	251.1	743.7	750.9
Expenses				
Loss and loss adjustment expenses	359.6	118.3	611.0	388.7
Insurance and reinsurance acquisition expenses	59.3	53.5	156.9	158.8
Other underwriting expenses	28.8	27.2	86.6	77.0
General and administrative expenses	11.6	7.1	35.6	41.7
Intangible asset amortization expenses	1.3	-	2.7	-
Accretion of fair value adjustment to loss and loss adjustment expense reserves	-	0.1	0.1	0.5
Interest expense on debt	5.0	6.8	14.6	20.1
Total expenses	465.6	213.0	907.5	686.8
Pre-tax (loss) income	(192.9)	38.1	(163.8)	64.1
Income tax benefit (expense)	14.9	(4.4)	10.9	(7.6)
(Loss) income before equity in earnings of unconsolidated affiliates	(178.0)	33.7	(152.9)	56.5
Equity in earnings of unconsolidated affiliates, net of tax	-	-	-	6.6
(Loss) income before income attributable to non-controlling interests	(178.0)	33.7	(152.9)	63.1
Net income attributable to non-controlling interests	0.5	-	0.9	-
Net (loss) income before dividends on preference shares	(177.5)	33.7	(152.0)	63.1
Dividends on preference shares	(4.7)	-	(14.1)	(9.4)
Net (loss) income attributable to Sirius Group's common shareholder	(182.2)	33.7	(166.1)	53.7
Other comprehensive income (loss), net of tax				
Change in foreign currency translation, net of tax	26.0	(14.9)	73.1	(22.1)
Net change in other, net of tax	-	-	-	1.0
Comprehensive (loss) income attributable to Sirius Group's common shareholder	\$ (156.2)	\$ 18.8	\$ (93.0)	\$ 32.6

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

Sirius Group's Shareholders' Equity

Millions	Common shares and paid-in surplus	Preference shares and paid-in surplus	Retained earnings	AOI, 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 (loss) income	-	-	(152.0)	-	(152.0)	(0.9)	(152.9)
Net change in foreign currency translation	-	-	-	73.1	73.1	-	73.1
Net change in interest rate swap	-	-	-	-	-	-	-
Dividends declared on Preference Shares	-	-	(14.1)	-	(14.1)	-	(14.1)
Net change in other	-	-	-	-	-	-	-
Comprehensive (loss) income	-	-	(166.1)	73.1	(93.0)	(0.9)	(93.9)
Dividends declared on common shares	-	-	(110.0)	-	(110.0)	-	(110.0)
Capital contribution from parent	11.0	-	-	-	11.0	-	11.0
Redemption of preference shares	-	(250.0)	-	-	(250.0)	-	(250.0)
Contribution from sale of OneBeacon	-	-	-	-	-	-	-
Other, net	-	-	-	-	-	(0.7)	(0.7)
Balances at September 30, 2017	\$ 1,145.1	\$ -	\$ 759.2	\$ (138.5)	\$ 1,765.8	\$ (0.3)	\$ 1,765.5

Sirius Group's Shareholders' Equity

Millions	Common shares and paid-in surplus	Preference shares and paid-in surplus	Retained earnings	AOI, 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 (loss) income	-	-	63.1	-	63.1	-	63.1
Net change in foreign currency translation	-	-	-	(22.1)	(22.1)	-	(22.1)
Net change in interest rate swap	-	-	-	0.2	0.2	-	0.2
Dividends declared on Preference Shares	-	-	(9.4)	-	(9.4)	-	(9.4)
Net change in other	-	-	-	0.8	0.8	-	0.8
Comprehensive (loss) income	-	-	53.7	(21.1)	32.6	-	32.6
Dividends declared on common shares	-	-	(20.0)	-	(20.0)	-	(20.0)
Capital contribution from parent	-	-	-	-	-	-	-
Redemption of preference shares	-	-	-	-	-	-	-
Contribution from sale of OneBeacon	22.1	-	-	-	22.1	-	22.1
Other, net	0.1	-	-	-	0.1	0.8	0.9
Balances at September 30, 2016	\$ 1,114.1	\$ 250.0	\$ 1,019.9	\$ (166.6)	\$ 2,217.4	\$ 0.9	\$ 2,218.3

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

Millions	Nine Months Ended September 30,	
	2017	2016
Cash flows from operations:		
Net (loss) income	\$ (152.0)	\$ 63.1
(Credits) charges to reconcile net income to net cash provided from (used for) operations:		
Net realized and unrealized investment gains	54.2	(70.4)
Amortization and depreciation	19.9	11.6
Excess of fair value of acquired net assets over cost	-	(6.2)
Undistributed equity in earnings of unconsolidated affiliates, after-tax	-	(6.6)
Other operating items:		
Net change in loss and loss adjustment expense reserves	217.8	10.0
Net change in reinsurance recoverable on paid and unpaid losses	(39.5)	(8.9)
Net change in funds held by ceding companies	(26.9)	(7.5)
Net change in unearned insurance and reinsurance premiums	150.0	134.3
Net change in ceded reinsurance payable	59.4	17.0
Net change in ceded unearned insurance and reinsurance premiums	(43.8)	(21.4)
Net change in insurance and reinsurance premiums receivable	(188.5)	(134.8)
Net change in deferred acquisition costs	(14.7)	(22.4)
Net change in funds held under reinsurance treaties	1.4	8.1
Net change in current and deferred income taxes, net	(22.0)	(22.3)
Net change in other assets and liabilities, net	(26.2)	(6.7)
Net cash (used in) operations	(10.9)	(63.1)
Cash flows from investing activities:		
Net change in short-term investments	(352.9)	10.3
Sales of fixed maturities and convertible fixed maturity investments	1,529.8	1,842.1
Maturities, calls and paydowns of fixed maturity and convertible fixed maturity investments	227.6	114.3
Sales of common equity securities	29.1	830.3
Distributions and redemptions of other long-term investments	38.4	20.8
Sales of consolidated subsidiaries and unconsolidated affiliates, net of cash sold	-	173.5
Contributions to other long-term investments	(347.7)	(35.8)
Purchases of common equity securities	(141.6)	(211.5)
Purchases of fixed maturities and convertible fixed maturity investments	(1,087.9)	(2,746.5)
Purchases of consolidated and unconsolidated affiliates, net of cash acquired	(113.4)	27.5
Net change in unsettled investment purchases and sales	(6.6)	48.9
Other, net	(4.3)	4.5
Net cash (used in) provided from investing activities	(229.5)	78.4
Cash flows from financing activities:		
Issuance of debt, net of issuance costs	342.5	-
Repayment of debt	(3.8)	(10.5)
Collateral provided by interest rate cap counterparties	(0.8)	(1.2)
Capital contribution from parent	11.0	-
Contribution from sale of OneBeacon	-	22.1
Cash dividends paid on common shares	(110.0)	(10.6)
Cash dividends paid on preference shares	(14.1)	(18.8)
Other, net	(0.9)	0.8
Net cash provided from (used in) financing activities	223.9	(18.2)
Effect of exchange rate changes on cash	9.1	(5.6)
Net decrease in cash during the period	(7.4)	(8.5)
Cash balance at beginning of year	137.1	141.5
Cash balance at end of period	\$ 129.7	\$ 133.0