
Section 1: 8-K (8-K)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **August 7, 2019**

SIRIUS INTERNATIONAL INSURANCE GROUP, LTD.

(Exact name of registrant as specified in charter)

Bermuda
(State or other jurisdiction of
incorporation)

001-38731
(Commission
File Number)

98-0529995
(IRS Employer
Identification No.)

14 Wesley Street
Hamilton HM 11, Bermuda
(Address of principal executive offices)

(441) 278-3140
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading symbol(s) | Name of each exchange on which registered |
|---|-------------------|---|
| Common shares, par value \$0.01 per share | SG | Nasdaq Global Select Market |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On August 7, 2019, Sirius International Insurance Group, Ltd. issued a press release reporting its financial results for the second quarter ended June 30, 2019 and announcing the availability of its second quarter ended June 30, 2019 investor financial supplement. A copy of the press release and the investor financial supplement are attached hereto as Exhibit 99.1 and Exhibit 99.2, respectively, and are incorporated herein by reference.

The information contained in this Item 2.02 of this Current Report on Form 8-K, including Exhibit 99.1 and Exhibit 99.2 attached hereto, are being furnished pursuant to this Item 2.02. This information shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, or incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits. The following exhibits are filed or furnished, as applicable, herewith.

| Exhibit Number | Description of Exhibit |
|---------------------------|---|
| 99.1 | <u>Press Release dated August 7, 2019, announcing the earnings of Sirius International Insurance Group, Ltd. for the Second Quarter Ended June 30, 2019</u> |
| 99.2 | <u>Second Quarter Ended June 30, 2019 Investor Financial Supplement</u> |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Sirius International Insurance Group, Ltd.

Date: August 7, 2019

By: /s/ RALPH A. SALAMONE
Name: Ralph A. Salamone
Title: Chief Financial Officer

3

[\(Back To Top\)](#)

Section 2: EX-99.1 (EX-99.1)

Exhibit 99.1



SIRIUS INTERNATIONAL INSURANCE GROUP, LTD. REPORTS SECOND QUARTER 2019 RESULTS

Hamilton, Bermuda, August 7, 2019 — Sirius International Insurance Group, Ltd. (Nasdaq: SG) (“Sirius Group” or the “Company”) today reported results for the second quarter ended June 30, 2019. The Company reported comprehensive income of \$8 million for the second quarter of 2019 compared to \$49 million for the second quarter of 2018. For the six months ended June 30, 2019, comprehensive income was \$84 million. Book value per common share was \$15.47 as of June 30, 2019 compared to \$14.80 as of December 31, 2018, an increase of 4.5% for the six months.

Adjusted book value per share⁽¹⁾, which assumes that the Series B preference shares will convert into common shares on a one-for-one basis, and also incorporates the impact of dilution arising from share-based compensation programs, was \$15.87 as of June 30, 2019, compared to \$15.24 as of December 31, 2018, an increase of 4.1% for the six months.

“Our bottom line results continued to be positive due to the strong investment environment in the second quarter,” said Kip Oberting, President and Chief Executive Officer of Sirius Group. “However, we experienced adverse development on prior year property reinsurance reserves, driven primarily by 2018 Japanese events, which weighed on our earnings for the quarter. Changes in pricing and terms are mixed, as we continue to shed underperforming accounts, but note positive movement, primarily in loss affected areas. There are also incremental growth opportunities in Global A&H, Specialty & Casualty, and our run-off Solutions business.”

- Net income attributable to common shareholders for the second quarter of 2019 was \$7 million. Basic and diluted earnings per common share was \$0.05. This compares to net income attributable to common shareholders of \$98 million and basic and diluted earnings per common share of \$0.78 for the second quarter of 2018.
- For the six months ended June 30, 2019, net income attributable to common shareholders was \$102 million, a return on beginning common shareholders’ equity of 6.0% for the six months. Basic and diluted earnings per common share was \$0.80. This compares to net income attributable to common shareholders of \$138 million and basic and diluted earnings per common share of \$1.11 for the six months ended June 30, 2018. The first six months of 2019 results reflect the \$9 million charge related to the increase in redemption value of the Series B preference shares.
- For the second quarter of 2019, Operating (loss) attributable to common shareholders⁽¹⁾ was \$(19) million compared to Operating income attributable to common shareholders of \$41 million for the second quarter of 2018. For the six months ended June 30, 2019, Operating (loss) attributable to common shareholders was \$(1) million compared to Operating income attributable to common shareholders of \$71 million for same period in 2018.

⁽¹⁾ Adjusted book value, Adjusted book value per share and Operating (loss) income attributable to common shareholders are non-GAAP financial measures. See the accompanying Reconciliation of Non-GAAP Financial Measures.

Chief Financial Officer, Ralph Salamone further commented, “Our Operating income, and more specifically our Global Property underwriting results were negatively impacted in the quarter by additions to net prior year loss reserves. Most of the additions relate to prior year catastrophe losses with the largest increase being Typhoon Jebi, where industry loss estimates have increased dramatically since the event occurred. Offsetting this on a bottom line basis, our investments performed well as did our Global A&H segment, which continues to produce nice, steady profits. Overall, net premium volume was more than 10% higher for the six months compared to last year, with growth coming in Accident & Health and Casualty lines.”

Second Quarter and Year to Date 2019 Summary

Underwriting

Sirius Group’s combined ratio was 105% for the second quarter of 2019 compared to 83% for the second quarter of 2018. The increase in the combined ratio was driven by higher net unfavorable prior year loss reserve development mainly in the Global Property segment. The second quarter of 2019 included 17 points of net unfavorable prior year loss reserve development compared to 3 points of net favorable prior year loss reserve development for the second quarter of 2018. Catastrophe losses were light for both periods; the second quarter of 2019 and 2018 combined ratios included 2 points and less than 1 point, respectively, of current year catastrophe losses, net of reinsurance and reinstatement premiums.

- Gross written premiums for the second quarter of 2019 were \$487 million, a decrease of 4% compared to the second quarter of 2018. Absent the effect of a single fronting arrangement within the Global Property segment, Gross written premiums increased by 20% compared to the same period last year.
- Pre-tax catastrophe losses, net of reinsurance and reinstatement premiums, amounted to \$8 million in the quarter.
- Highlights by reportable segment for the second quarter of 2019 include the following:
 - Global Property produced a \$(14) million underwriting (loss) and a 108% combined ratio driven mainly by net unfavorable prior year loss reserve development of \$56 million primarily from Typhoon Jebi.
 - Global A&H produced \$8 million of underwriting income, including net service fee income from IMG and Armada, and a combined ratio of 97%.
 - Specialty & Casualty produced a \$(8) million underwriting (loss) and a combined ratio of 109%, driven mainly by net unfavorable prior year loss reserve development of \$6 million and higher current accident year losses for the Aviation & Space book.
 - Runoff & Other produced a \$(6) million underwriting (loss) mainly from net unfavorable prior year loss reserve development.

For the six months ended June 30, 2019, Sirius Group’s combined ratio was 99% compared to 85% for the six months ended June 30, 2018. The increase in the combined ratio was driven by higher net unfavorable prior year loss reserve development mainly in the Global Property segment. The first six months of 2019 included 12 points of net unfavorable prior year loss reserve development compared to 2 points of net favorable prior year loss reserve development for the six months ended June 30, 2018. Catastrophe losses were light for both periods; the first six months of 2019 and 2018 combined ratios each included 1 point of current year catastrophe losses, net of reinsurance and reinstatement premiums.

- Gross written premiums for the first six months of 2019 were \$1,109 million, a decrease of 1% compared to the same period in 2018. Absent the effect of a single fronting arrangement within

the Global Property segment, Gross written premiums increased by 7% compared to the same period last year.

- Pre-tax catastrophe losses, net of reinsurance and reinstatement premiums, amounted to \$10 million for the six months ended June 30, 2019.
- Highlights by reportable segment for the six months of 2019 included the following:
 - Global Property produced underwriting income of \$19 million and a 94% combined ratio driven mainly by net unfavorable prior year loss reserve development of \$67 million, partially offset by low current year catastrophe losses.
 - Global A&H produced \$20 million of underwriting income, including net service fee income from IMG and Armada of \$19 million, and a combined ratio of 99%. Underwriting results were adversely impacted by \$5 million of net unfavorable prior year loss reserve development.
 - Specialty & Casualty produced a \$(10) million underwriting (loss) and a combined ratio of 106%, driven mainly by a \$4 million loss from the first quarter 2019 Ethiopian Airline flight crash and net unfavorable prior year loss reserve development of \$5 million.
 - Runoff & Other produced a \$(11) million underwriting (loss) mainly due to net unfavorable prior year loss reserve movements.

Investments and Other

- During the second quarter of 2019, the investment portfolio returned 1.5% in original currencies and 1.7% in U.S. Dollars.
 - Net investment income increased \$5 million or 26% for the second quarter of 2019 to \$24 million, from \$19 million for the second quarter of 2018, primarily due to a higher interest rate environment.
 - Net realized and unrealized investment gains were \$31 million for the second quarter of 2019 compared to \$33 million for the second quarter of 2018. The decrease was driven by unrealized foreign currency losses.
- For the first six months of 2019, the investment portfolio returned 3.6% in both original currencies and in U.S. Dollars, respectively.
 - Net investment income increased \$15 million or 50% for the six months ended June 30, 2019 to \$45 million, from \$30 million for the same period last year, primarily due to a higher interest rate environment.
 - Net realized and unrealized investment gains were \$114 million for the six months ended June 30, 2019 compared to \$45 million for the same period last year. The increase was driven by unrealized gains arising from investments consistent with overall market performance, which were somewhat offset by foreign currency translation losses recognized through other comprehensive income of \$42 million.
- Common shareholders' equity ended the second quarter of 2019 at \$1,784 million as compared to \$1,705 million at December 31, 2018. The increase is primarily due to comprehensive income of \$84 million. Adjusted book value(1) ended the second quarter of 2019 at \$2,027 million compared to \$1,937 million at December 31, 2018.

Conference Call

A conference call discussing the second quarter results will be held on August 8, 2019 at 8:30 a.m. Eastern Time. A live, listen-only webcast of the call will be available via the Investor Relations section of our website located at <http://ir.siriusgroup.com>. A replay of the webcast will be available on the website

shortly after the call and archived for 1 year. The teleconference can be accessed by dialing (844) 746-0740 for U.S. callers and (412) 317-5272 for international callers.

Supplemental Materials

In addition to this press release, we have provided supplemental financial information relating to second quarter results. Recipients are encouraged to visit the “Financial Information” section of Sirius Group’s website located at <http://ir.siriusgroup.com> to view the supplemental financial information.

Non-GAAP Financial Measures

In presenting Sirius Group’s results, management has included and discussed non-GAAP financial measures: Adjusted book value, Adjusted book value per share and Operating (loss) income attributable to common shareholders. The Company believes that these non-GAAP financial measures, which may be defined and calculated differently by other companies, better explain and enhance the understanding of the Company’s results of operations. However, these measures should not be viewed as a substitute for those determined in accordance with generally accepted accounting principles in the United States of America (“GAAP”). A reconciliation of Adjusted book value, Adjusted book value per share and Operating (loss) income attributable to common shareholders to the most comparable GAAP measures is included in the attached financial information in accordance with Regulation G.

About Sirius Group

Sirius Group, with roots back to 1945 in Stockholm, is a global multi-line (re)insurer that utilizes its unique global branch network to provide solutions to approximately 1,800 clients in over 150 countries, with approximately 7,500 treaties in force. The primary (re)insurance operating subsidiaries are located in Bermuda, Stockholm, New York, and London. Sirius Group provides a fully diversified set of health and travel products to consumers through its two managing general underwriters, ArmadaGlobal and International Medical Group. Sirius Group has been publicly traded since November 2018. Additional information is available at Sirius Group’s website located at www.siriusgroup.com.

Cautionary Note Regarding Forward-Looking Statements

We have made statements in this press release that are forward-looking statements within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995, including statements about Sirius Group’s products’ pricing and terms and potential growth in certain segments. You can identify forward-looking statements by the use of forward-looking terminology such as “plan,” “believe,” “expect,” “anticipate,” “intend,” “outlook,” “estimate,” “forecast,” “project,” “target,” “continue,” “could,” “may,” “might,” “will,” “possible,” “potential,” “predict,” “should,” “would,” “seeks,” “likely,” and other similar words and expressions, but the absence of these words does not mean that a statement is not forward-looking. The forward-looking statements are based on the current expectations of the management of Sirius Group and speak only as of the date of this document. There can be no assurance that future developments will be those that have been anticipated. These forward-looking statements involve a number of risks, uncertainties or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, Sirius Group’s exposure to unpredictable catastrophic and casualty events and unexpected accumulations of attritional losses; increased competition from existing insurers and reinsurers and from alternative capital providers, such as insurance-linked funds and collateralized special purpose insurers; decreased demand for Sirius Group’s insurance or reinsurance products, consolidation and cyclical changes in the insurance and reinsurance industry; the inherent uncertainty of estimating loss and loss adjustment expenses reserves,

including asbestos and environmental reserves, and the possibility that such reserves may be inadequate to cover Sirius Group's ultimate liability for losses; a decline in Sirius Group's operating subsidiaries' ratings with rating agencies; the exposure of Sirius Group's investments to interest rate, credit, equity risks and market volatility, which may limit Sirius Group's net income and may affect the adequacy of its capital and liquidity; the impact of various risks associated with transacting business in foreign countries, including foreign currency exchange-rate risk and political risks on investments in, and revenues from, Sirius Group's operations outside the U.S.; the possibility that Sirius Group may become subject to additional onerous governmental or regulatory requirements or fail to comply with applicable regulatory and solvency requirements; Sirius Group's significant deferred tax assets may become materially impaired as a result of insufficient taxable income or a reduction in applicable corporate tax rates or other change in applicable tax law; a decrease in the fair value of Global A&H and/or Sirius Group's intangible assets may result in future impairments; the limited liquidity and trading of Sirius Group's securities; CMIG International Holding Pte. Ltd.'s status as a controlling shareholder; Sirius Group's status as a publicly traded company, foreign private issuer and controlled company; and other subsequent factors identified in Sirius Group's Annual Report on Form 10-K for the year ended December 31, 2018, Quarterly Reports on Form 10-Q and other filings with the U.S. Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize, or should any of the assumptions made by the management of Sirius Group prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. Except as required by applicable law, we disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, or new information, data or methods, future events or other changes.

Contact:

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Sirius International Insurance 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 Unaudited | December 31, 2018 |
|---|----------------------------|-------------------|
| Assets | | |
| Fixed maturity investments, trading, at fair value (<i>Amortized cost 2019: \$1,774.2; 2018: \$1,952.9</i>) | \$ 1,815.7 | \$ 1,949.2 |
| Short-term investments, at fair value (<i>Amortized cost 2019: \$881.3; 2018: \$716.1</i>) | 882.9 | 715.5 |
| Equity securities, trading, at fair value (<i>Cost 2019: \$376.2; 2018: \$409.4</i>) | 387.8 | 380.0 |
| Other long-term investments, at fair value (<i>Cost 2019: \$349.9; 2018: \$337.6</i>) | 379.9 | 365.0 |
| Cash | 116.8 | 119.4 |
| Restricted cash | 13.7 | 12.8 |
| Total investments and cash | 3,596.8 | 3,541.9 |
| Accrued investment income | 13.3 | 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 | 174.4 | 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 | 171.4 | 124.0 |
| Total assets | \$ 6,419.2 | \$ 6,007.7 |
| 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 | 186.3 | 150.5 |
| Total liabilities | 4,390.8 | 4,069.3 |
| Commitments and contingencies | | |
| Mezzanine equity | | |
| Series B preference shares | 241.3 | 232.2 |
| Common shareholders' equity | | |
| Common shares (<i>shares issued and outstanding, 2019: 115,296,918; 2018: 115,151,251</i>) | 1.2 | 1.2 |
| Additional paid-in surplus | 1,093.5 | 1,089.1 |
| Retained earnings | 918.5 | 816.6 |
| Accumulated other comprehensive (loss) | (229.1) | (202.4) |
| Total common shareholders' equity | 1,784.1 | 1,704.5 |
| Non-controlling interests | 3.0 | 1.7 |
| Total equity | 1,787.1 | 1,706.2 |
| Total liabilities, mezzanine equity, and equity | \$ 6,419.2 | \$ 6,007.7 |

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

| (Expressed in millions of U.S. dollars, except share and per share information) | 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 | 24.4 | 19.2 | 44.5 | 30.0 |
| Net realized investment gains | 15.6 | 7.8 | 24.6 | 4.1 |
| Net unrealized investment gains | 15.5 | 24.7 | 89.5 | 40.7 |
| Net foreign exchange (losses) gains | (0.6) | 25.6 | 4.5 | 22.1 |
| Other revenue | 15.4 | 55.6 | 35.0 | 79.0 |
| Total revenues | 441.0 | 441.8 | 880.7 | 769.3 |
| 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 | 28.2 | 24.2 | 52.6 | 38.5 |
| 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 | 430.7 | 292.4 | 749.1 | 565.5 |
| Pre-tax income | 10.3 | 149.4 | 131.6 | 203.8 |
| Income tax expense | (2.1) | (51.2) | (19.3) | (62.3) |
| Net income | 8.2 | 98.2 | 112.3 | 141.5 |
| Income attributable to non-controlling interests | (0.8) | (0.4) | (1.2) | (0.6) |
| Income attributable to Sirius Group | 7.4 | 97.8 | 111.1 | 140.9 |
| Change in carrying value of Series B preference shares | (0.8) | — | (9.2) | — |
| Accrued dividends on Series A redeemable preference shares | — | — | — | (2.6) |
| Net income attributable to Sirius Group's common shareholders | \$ 6.6 | \$ 97.8 | \$ 101.9 | \$ 138.3 |
| Net income per common share and common share equivalent | | | | |
| Basic earnings per common share and common share equivalent | \$ 0.05 | \$ 0.78 | \$ 0.80 | \$ 1.11 |
| Diluted earnings per common share and common share equivalent | \$ 0.05 | \$ 0.78 | \$ 0.80 | \$ 1.11 |
| Weighted average number of common shares and common share equivalents outstanding: | | | | |
| Basic weighted average number of common shares and common share equivalents outstanding | 115,243,685 | 120,000,000 | 115,212,772 | 120,000,000 |
| Diluted weighted average number of common shares and common share equivalents outstanding | 115,796,367 | 120,000,000 | 127,542,402 | 120,000,000 |

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

| <u>(Expressed in millions of U.S. dollars)</u> | <u>Three months ended June 30,</u> | | <u>Six months ended June 30,</u> | |
|--|------------------------------------|-----------------------|----------------------------------|-----------------------|
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Comprehensive income | | | | |
| Net income | \$ 8.2 | \$ 98.2 | \$ 112.3 | \$ 141.5 |
| Other comprehensive income (loss) | | | | |
| 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 | 9.3 | 49.7 | 85.6 | 79.6 |
| Net (income) attributable to non-controlling interests | (0.8) | (0.4) | (1.2) | (0.6) |
| Comprehensive income attributable to Sirius Group | <u>\$ 8.5</u> | <u>\$ 49.3</u> | <u>\$ 84.4</u> | <u>\$ 79.0</u> |

Sirius International Insurance Group, Ltd.
Consolidated Underwriting Results by Segment

| (Expressed in millions of U.S. dollars) | Three months ended June 30, 2019 | | | | | |
|---|----------------------------------|---------------|-------------------------|-------------------|--------------------------|------------------|
| | Global Property | Global A&H | Specialty & Casualty | Runoff & Other | Corporate Elimination | Total |
| Gross written premiums | \$ 236.2 | \$ 152.8 | \$ 96.9 | \$ 1.2 | \$ — | \$ 487.1 |
| Net written premiums | \$ 191.6 | \$ 120.6 | \$ 89.2 | \$ 0.3 | \$ — | \$ 401.7 |
| Net earned insurance and reinsurance premiums | \$ 164.3 | \$ 118.8 | \$ 87.3 | \$ 0.3 | \$ — | \$ 370.7 |
| Loss and allocated LAE | (131.3) | (71.8) | (61.3) | (2.4) | — | (266.8) |
| Insurance and reinsurance acquisition expenses | (27.2) | (36.0) | (24.6) | (1.8) | 12.6 | (77.0) |
| Technical profit (loss) | 5.8 | 11.0 | 1.4 | (3.9) | 12.6 | 26.9 |
| Unallocated LAE | (2.6) | (2.0) | (2.2) | (0.2) | (4.2) | (11.2) |
| Other underwriting expenses | (17.0) | (5.9) | (6.7) | (1.1) | (4.8) | (35.5) |
| Underwriting income (loss) | (13.8) | 3.1 | (7.5) | (5.2) | 3.6 | (19.8) |
| Service fee revenue | — | 30.3 | — | — | (13.7) | 16.6 |
| Managing general underwriter unallocated LAE | — | (5.3) | — | — | 5.3 | — |
| Managing general underwriter other underwriting expenses | — | (4.8) | — | — | 4.8 | — |
| General and administrative expenses, MGU + Runoff & Other | — | (15.0) | — | (1.0) | — | (16.0) |
| Underwriting income (loss), including net service fee income | \$ (13.8) | \$ 8.3 | \$ (7.5) | \$ (6.2) | \$ — | \$ (19.2) |
| Underwriting Ratios (1) (2) | | | | | | |
| Loss ratio | 81.5% | 62.1% | 72.7% | NM | NM | 75.0% |
| Acquisition expense ratio | 16.6% | 30.3% | 28.2% | NM | NM | 20.8% |
| Other underwriting expense ratio | 10.3% | 5.0% | 7.7% | NM | NM | 9.6% |
| Combined ratio | 108.4% | 97.4% | 108.6% | NM | NM | 105.4% |

(1) Underwriting ratios are calculated by dividing the related expense by net earned insurance and reinsurance premiums.

(2) Ratios considered not meaningful (“NM”) to Runoff & Other and Corporate Eliminations.

Sirius International Insurance Group, Ltd.
Consolidated Underwriting Results by Segment

| (Expressed in millions of U.S. dollars) | Three months ended June 30, 2018 | | | | | |
|---|----------------------------------|----------------|-------------------------|-------------------|--------------------------|----------------|
| | Global Property | Global A&H | Specialty & Casualty | Runoff & Other | Corporate Elimination | Total |
| Gross written premiums | \$ 325.4 | \$ 112.3 | \$ 60.9 | \$ 6.4 | \$ — | \$ 505.0 |
| Net written premiums | \$ 177.0 | \$ 82.8 | \$ 55.1 | \$ 5.4 | \$ — | \$ 320.3 |
| Net earned insurance and reinsurance premiums | \$ 167.5 | \$ 80.8 | \$ 55.5 | \$ 5.1 | \$ — | \$ 308.9 |
| Loss and allocated LAE | (68.2) | (40.9) | (31.7) | (0.3) | — | (141.1) |
| Insurance and reinsurance acquisition expenses | (34.1) | (26.4) | (14.6) | (1.5) | 9.8 | (66.8) |
| Technical profit | 65.2 | 13.5 | 9.2 | 3.3 | 9.8 | 101.0 |
| Unallocated LAE | (2.5) | (1.0) | (1.7) | — | (5.1) | (10.3) |
| Other underwriting expenses | (18.1) | (6.3) | (7.9) | (2.4) | (3.5) | (38.2) |
| Underwriting income (loss) | 44.6 | 6.2 | (0.4) | 0.9 | 1.2 | 52.5 |
| Service fee revenue | — | 27.4 | — | — | (9.8) | 17.6 |
| Managing general underwriter unallocated LAE | — | (5.1) | — | — | 5.1 | — |
| Managing general underwriter other underwriting expenses | — | (3.5) | — | — | 3.5 | — |
| General and administrative expenses, MGU + Runoff & Other | — | (14.2) | — | (1.0) | — | (15.2) |
| Underwriting income (loss), including net service fee income | \$ 44.6 | \$ 10.8 | \$ (0.4) | \$ (0.1) | \$ — | \$ 54.9 |
| Underwriting Ratios (1) (2) | | | | | | |
| Loss ratio | 42.2% | 51.9% | 60.2% | NM | NM | 49.0% |
| Acquisition expense ratio | 20.4% | 32.7% | 26.3% | NM | NM | 21.6% |
| Other underwriting expense ratio | 10.8% | 7.8% | 14.2% | NM | NM | 12.4% |
| Combined ratio | 73.4% | 92.4% | 100.7% | NM | NM | 83.0% |

(1) Underwriting ratios are calculated by dividing the related expense by net earned insurance and reinsurance premiums.

(2) Ratios considered not meaningful (“NM”) to Runoff & Other and Corporate Eliminations.

Sirius International Insurance Group, Ltd.
Consolidated Underwriting Results by Segment

| (Expressed in millions of U.S. dollars) | Six months ended June 30, 2019 | | | | | |
|---|--------------------------------|----------------|-------------------------|-------------------|--------------------------|----------------|
| | Global Property | Global A&H | Specialty & Casualty | Runoff & Other | Corporate Elimination | Total |
| Gross written premiums | \$ 566.9 | \$ 322.1 | \$ 217.8 | \$ 2.6 | \$ — | \$ 1,109.4 |
| Net written premiums | \$ 432.9 | \$ 255.5 | \$ 197.4 | \$ 0.7 | \$ — | \$ 886.5 |
| Net earned insurance and reinsurance premiums | \$ 304.0 | \$ 214.9 | \$ 163.0 | \$ 0.7 | \$ — | \$ 682.6 |
| Loss and allocated LAE | (193.9) | (135.0) | (108.9) | (3.5) | — | (441.3) |
| Insurance and reinsurance acquisition expenses | (53.0) | (62.6) | (45.1) | (2.5) | 22.9 | (140.3) |
| Technical profit (loss) | 57.1 | 17.3 | 9.0 | (5.3) | 22.9 | 101.0 |
| Unallocated LAE | (4.7) | (3.5) | (4.1) | (0.7) | (7.6) | (20.6) |
| Other underwriting expenses | (33.2) | (12.0) | (14.9) | (3.2) | (7.5) | (70.8) |
| Underwriting income (loss) | 19.2 | 1.8 | (10.0) | (9.2) | 7.8 | 9.6 |
| Service fee revenue | — | 66.6 | — | — | (24.7) | 41.9 |
| Managing general underwriter unallocated LAE | — | (9.4) | — | — | 9.4 | — |
| Managing general underwriter other underwriting expenses | — | (7.5) | — | — | 7.5 | — |
| General and administrative expenses, MGU + Runoff & Other | — | (31.2) | — | (1.8) | — | (33.0) |
| Underwriting income (loss), including net service fee income | \$ 19.2 | \$ 20.3 | \$ (10.0) | \$ (11.0) | \$ — | \$ 18.5 |
| Underwriting Ratios (1) (2) | | | | | | |
| Loss ratio | 65.3% | 64.4% | 69.3% | NM | NM | 67.7% |
| Acquisition expense ratio | 17.4% | 29.1% | 27.7% | NM | NM | 20.6% |
| Other underwriting expense ratio | 10.9% | 5.6% | 9.1% | NM | NM | 10.4% |
| Combined ratio | 93.6% | 99.1% | 106.1% | NM | NM | 98.7% |

(1) Underwriting ratios are calculated by dividing the related expense by net earned insurance and reinsurance premiums.

(2) Ratios considered not meaningful (“NM”) to Runoff & Other and Corporate Eliminations.

Sirius International Insurance Group, Ltd.
Consolidated Underwriting Results by Segment

| (Expressed in millions of U.S. dollars) | Six months ended June 30, 2018 | | | | | |
|---|--------------------------------|---------------|-------------------------|-------------------|--------------------------|--------------|
| | Global Property | Global A&H | Specialty & Casualty | Runoff & Other | Corporate Elimination | Total |
| Gross written premiums | \$ 672.0 | \$ 257.9 | \$ 176.4 | \$ 13.9 | \$ — | \$ 1,120.2 |
| Net written premiums | \$ 424.2 | \$ 198.3 | \$ 155.7 | \$ 11.5 | \$ — | \$ 789.7 |
| Net earned insurance and reinsurance premiums | \$ 303.6 | \$ 168.8 | \$ 109.9 | \$ 11.1 | \$ — | \$ 593.4 |
| Loss and allocated LAE | (138.6) | (86.7) | (53.3) | 2.1 | — | (276.5) |
| Insurance and reinsurance acquisition expenses | (63.4) | (55.6) | (28.7) | (2.2) | 20.1 | (129.8) |
| Technical profit | 101.6 | 26.5 | 27.9 | 11.0 | 20.1 | 187.1 |
| Unallocated LAE | (4.4) | (2.6) | (2.9) | (0.9) | (5.1) | (15.9) |
| Other underwriting expenses | (35.5) | (14.3) | (15.9) | (3.8) | (11.9) | (81.4) |
| Underwriting income (loss) | 61.7 | 9.6 | 9.1 | 6.3 | 3.1 | 89.8 |
| Service fee revenue | — | 60.2 | — | — | (20.1) | 40.1 |
| Managing general underwriter unallocated LAE | — | (5.1) | — | — | 5.1 | — |
| Managing general underwriter other underwriting expenses | — | (11.9) | — | — | 11.9 | — |
| General and administrative expenses, MGU + Runoff & Other | — | (23.7) | — | (2.1) | — | (25.8) |
| Underwriting income (loss), including net service fee income | 61.7 | 29.1 | 9.1 | 4.2 | — | 104.1 |
| Underwriting Ratios (1) (2) | | | | | | |
| Loss ratio | 47.1% | 52.9% | 51.1% | NM | NM | 49.3% |
| Acquisition expense ratio | 20.9% | 32.9% | 26.1% | NM | NM | 21.9% |
| Other underwriting expense ratio | 11.7% | 8.5% | 14.5% | NM | NM | 13.7% |
| Combined ratio | 79.7% | 94.3% | 91.7% | NM | NM | 84.9% |

(1) Underwriting ratios are calculated by dividing the related expense by net earned insurance and reinsurance premiums.

(2) Ratios considered not meaningful (“NM”) to Runoff & Other and Corporate Eliminations.

Sirius International Insurance Group, Ltd.
Reconciliation of Non-GAAP Financial Measures

Adjusted book value per share

Adjusted book value and Adjusted book value per share are non-GAAP financial measures used to show the Company's total worth on a per-share basis and is useful to management and investors in analyzing the intrinsic value of the Company.

Adjusted shares outstanding is derived by summing Common shares outstanding, Series B preference shares outstanding (which were issued to the cornerstone investors), and the Earned portion of share-based compensation awards. Adjusted book value is derived by summing Total common shareholders' equity, the Series B preference share amount reflected in mezzanine equity, and the Earned portion of future proceeds from stock option awards. Outstanding warrants are excluded as they are anti-dilutive as of the respective reporting dates.

At June 30, 2019, Adjusted book value and Adjusted book value per share include the earned effects of share-based compensation awards issued during 2019.

Adjusted book value per share is derived by dividing the Adjusted book value by the Adjusted shares outstanding. The reconciliation to Total common shareholders' equity and Book value per common share, the most directly comparable GAAP measures, are presented in the table below.

| (Expressed in millions of U.S. Dollars, except share amounts) | June 30, 2019 | December 31, 2018 |
|--|--------------------------|------------------------------|
| Common shares outstanding | 115,296,918 | 115,151,251 |
| Series B preference shares outstanding | 11,901,670 | 11,901,670 |
| Earned share-based compensation awards, excluding stock options | 374,912 | — |
| Earned portion of Stock option awards issued | 152,772 | — |
| Adjusted shares outstanding | 127,726,272 | 127,052,921 |
| Total common shareholders' equity | \$ 1,784.1 | \$ 1,704.5 |
| Series B preference shares | 241.3 | 232.2 |
| Earned portion of future proceeds from stock option awards | 1.9 | — |
| Adjusted book value | \$ 2,027.3 | \$ 1,936.7 |
| Book value per common share | \$ 15.47 | \$ 14.80 |
| Adjusted book value per share | \$ 15.87 | \$ 15.24 |

Operating (loss) income attributable to common shareholders

The Company uses Operating (loss) income attributable to common shareholders as a measure to evaluate the underlying fundamentals of its operations and believes it to be a useful measure of its core performance. Operating (loss) income attributable to common shareholders as used herein differs from net income attributable to common shareholders, which the Company believes is the most directly comparable GAAP measure, by the exclusion of net realized and unrealized gains and losses on investments, net foreign exchange gains (losses) and the associated income tax expense or benefit. The Company's management believes that Operating (loss) income attributable to common shareholders is useful to investors because it is more reflective of the Company's core business, as it removes the variability arising from fluctuations in the Company's fixed maturity investment portfolio, equity investments trading, investments-related derivatives, and net foreign exchange gains (losses) and the associated income tax expense or benefit of those fluctuations. The following is a reconciliation of net income attributable to common shareholders to Operating (loss) income attributable to common shareholders:

| (Expressed in Millions) | Three months ended June 30, | | Six months ended June 30, | |
|--|--------------------------------|----------------|------------------------------|-----------------|
| | 2019 | 2018 | 2019 | 2018 |
| Net income attributable to common shareholders | \$ 6.6 | \$ 97.8 | \$ 101.9 | \$ 138.3 |
| Adjustment for net realized and unrealized gains on investments | (31.1) | (32.5) | (114.1) | (44.8) |
| Adjustment for net foreign exchange gains | — | (25.6) | (5.1) | (22.1) |
| Adjustment for income tax expense (1) | 5.1 | 0.8 | 16.8 | — |
| Operating (loss) income attributable to common shareholders | \$ (19.4) | \$ 40.5 | \$ (0.5) | \$ 71.4 |

- (1) Adjustment for income tax expense represents the income tax expense associated with the adjustment for net realized and unrealized gains on investments and the income tax expense associated with the adjustment for net foreign exchange gains. The income tax impact is estimated by applying the statutory rates of applicable jurisdictions, after consideration of other relevant factors.

[\(Back To Top\)](#)

Section 3: EX-99.2 (EX-99.2)

Exhibit 99.2



Sirius International Insurance Group, Ltd.

Investor Financial Supplement
June 30, 2019

(Unaudited)

This financial supplement is for informational purposes only. It should be read in conjunction with documents filed with the Securities and Exchange Commission by Sirius International Insurance Group, Ltd., including its Quarterly Report on Form 10-Q for the quarter ended June 30, 2019.

Sirius International Insurance Group, Ltd.
Table of Contents

| | <u>Page</u> |
|--|-------------|
| Basis of Presentation and Cautionary Statements | 1 |
| Key Performance Indicators | 3 |
| Consolidated Financial Statements | |
| Consolidated Statements of Income | 4 |
| Consolidated Statements of Comprehensive Income | 5 |
| Consolidated Balance Sheets | 6 |
| Consolidated Statements of Shareholders' Equity | 7 |
| Segment Information | |
| Consolidated Statements of Income — Segment Results Format | 8 |
| Consolidated Underwriting Results by Segment | 9 |
| Segment Data - Quarterly | |
| Global Property | 11 |
| Global A&H | 12 |
| Specialty & Casualty | 13 |
| Runoff & Other | 14 |
| Gross Written Premiums by Segment | 15 |
| Net Earned Insurance and Reinsurance Premiums by Segment | 16 |
| Investment Information | |
| Net Investment Income | 17 |
| Investment Holdings - Cost to Fair Value Reconciliation | 18 |
| Investment Holdings - Quarterly | |
| Investment Type | 19 |
| Credit Quality and Maturity Profile | 20 |
| Impact of Foreign Currency Translation | 21 |
| Net Realized and Unrealized Investment Gains (Losses) | 22 |
| Other | |
| Book Value Per Share and Adjusted Book Value Per Share | 23 |
| Basic and Diluted Earnings Per Share | 24 |
| Return on Common Shareholders' Equity - Consecutive Quarters | 25 |
| Reserves for Unpaid Losses and Loss Adjustment Expenses | 26 |
| Reconciliation of Non-GAAP Financial Measures | 27 |

Sirius International Insurance Group, Ltd.
Basis of Presentation and Cautionary Statements

BASIS OF PRESENTATION AND NON-GAAP FINANCIAL MEASURES:

Sirius International Insurance Group, Ltd. (the “Company”) is a Bermuda exempted company whose principal businesses are conducted through its wholly-owned insurance and reinsurance subsidiaries and other affiliates (collectively with the Company, “Sirius Group”, “we,” “our” and “us”). Sirius Group provides insurance, reinsurance and insurance services on a worldwide basis.

We have made rounding adjustments to reach some of the figures included in this financial supplement and, unless otherwise indicated, percentages presented in this financial supplement are approximate.

In presenting Sirius Group’s results, management has included and discussed non-GAAP financial measures: Adjusted book value, Adjusted book value per share and Operating (loss) income attributable to common shareholders. The Company believes that these non-GAAP financial measures, which may be defined and calculated differently by other companies, better explain and enhance the understanding of the Company’s results of operations. However, these measures should not be viewed as a substitute for those determined in accordance with generally accepted accounting principles in the United States of America (“GAAP”). A reconciliation of Adjusted book value, Adjusted book value per share and Operating (loss) income attributable to common shareholders to the most comparable GAAP measures is included in the attached financial information in accordance with Regulation G.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS:

This financial supplement contains forward-looking statements within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995. Forward-looking statements are typically identified by forward-looking terminology such as “plan,” “believe,” “expect,” “anticipate,” “intend,” “outlook,” “estimate,” “forecast,” “project,” “target,” “continue,” “could,” “may,” “might,” “will,” “possible,” “potential,” “predict,” “should,” “would,” “seeks,” “likely” and other similar words and expressions, but the absence of these words does not mean that a statement is not forward-looking. The forward-looking statements are based on the current expectations of the management of the Company and speak only as of the date of this document. There can be no assurance that future developments will be those that have been anticipated. These forward-looking statements involve a number of risks, uncertainties or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, the following:

- Sirius Group’s exposure to unpredictable catastrophic and casualty events and unexpected accumulations of attritional losses;
- increased competition from existing insurers and reinsurers and from alternative capital providers, such as insurance-linked funds and collateralized special purpose insurers;
- decreased demand for Sirius Group’s insurance or reinsurance products, consolidation and cyclical changes in the insurance and reinsurance industry;
- the inherent uncertainty of estimating loss and loss adjustment expenses reserves, including asbestos and environmental reserves, and the possibility that such reserves may be inadequate to cover Sirius Group’s ultimate liability for losses;
- a decline in the Company’s operating subsidiaries’ ratings with rating agencies;
- the exposure of Sirius Group’s investments to interest rate, credit, equity risks and market volatility, which may limit Sirius Group’s net income and may affect the adequacy of its capital and liquidity;
- the impact of various risks associated with transacting business in foreign countries, including foreign currency exchange-rate risk and political risks on investments in, and revenues from, Sirius Group’s operations outside the U.S.;
- the possibility that Sirius Group may become subject to additional onerous governmental or regulatory requirements or fail to comply with applicable regulatory and solvency requirements;
- Sirius Group’s significant deferred tax assets may become materially impaired as a result of insufficient taxable income or a reduction in applicable corporate tax rates or other change in applicable tax law;
- a decrease in the fair value of Global A&H and/or Sirius Group’s intangible assets may result in future impairments;
- the limited liquidity and trading of the Company’s securities;
- CMIG International Holding Pte. Ltd.’s status as a controlling shareholder;
- risks related to Sirius Group’s status as a publicly traded company, foreign private issuer and controlled company; and
- risks identified in Sirius Group’s Annual Report on Form 10-K for the year ended December 31, 2018, subsequent Quarterly Reports on Form 10-Q, and other filings with the U.S. Securities and Exchange Commission.

Should one or more of these risks or uncertainties materialize, or should any of the assumptions made by the management of the Company prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. Except to the extent required by applicable law or regulation, Sirius Group undertakes no obligation to publicly update or revise any forward-looking statements to reflect changes in underlying assumptions or factors, or new information, data or methods, future events or other circumstances after the date of this financial supplement.

Sirius International Insurance Group, Ltd.
Key Performance Indicators

| (Expressed in millions of U.S. dollars, except share and per share information) | Three months ended June 30, | | Six months ended June 30, | |
|---|-----------------------------|-------------|---------------------------|-------------|
| | 2019 | 2018 | 2019 | 2018 |
| Key Underwriting Metrics: | | | | |
| Underwriting (loss) income (1) | \$ (19.8) | \$ 52.5 | \$ 9.6 | \$ 89.8 |
| Combined ratio (2) | 105.4% | 83.0% | 98.7% | 84.9% |
| Key Investment Return Metrics: | | | | |
| Net investment income | \$ 24.4 | \$ 19.2 | \$ 44.5 | \$ 30.0 |
| Total return on investments: | | | | |
| U.S. dollars | 1.7% | -0.4% | 3.6% | -0.2% |
| Local currencies | 1.5% | 0.5% | 3.6% | 0.7% |
| Selected Financial Data: | | | | |
| Basic earnings per common share and common share equivalent | \$ 0.05 | \$ 0.78 | \$ 0.80 | \$ 1.11 |
| Diluted earnings per common share and common share equivalent | \$ 0.05 | \$ 0.78 | \$ 0.80 | \$ 1.11 |
| Basic weighted average number of common shares and common share equivalents outstanding | 115,243,685 | 120,000,000 | 115,212,772 | 120,000,000 |
| Diluted weighted average number of common shares and common share equivalents outstanding | 115,796,367 | 120,000,000 | 127,542,402 | 120,000,000 |
| Operating (loss) income attributable to common shareholders (3) | \$ (19.4) | \$ 40.5 | \$ (0.5) | \$ 71.4 |
| Return on equity (4) | 0.4% | 5.0% | 6.0% | 7.2% |
| Growth in Adjusted book value per share | 0.3% | 2.5% | 4.1% | 4.1% |

- (1) Underwriting (loss) income is calculated as net earned insurance and reinsurance premiums less loss and loss adjustment expenses, insurance and reinsurance acquisition expenses, and other underwriting expenses.
- (2) The combined ratio is calculated by combining the loss ratio, the acquisition expense ratio, and the other underwriting expense ratio.
- (3) Operating (loss) income attributable to common shareholders is a non-GAAP financial measure. See the accompanying Reconciliation of Non-GAAP Financial Measures for an explanation and calculation of Operating (loss) income attributable to common shareholders.
- (4) Return on equity is calculated by dividing net income attributable to Sirius Group's common shareholders for the period by the beginning common shareholders' equity.

| | June 30, 2019 | March 31, 2019 | December 31, 2018 | September 30, 2018 | June 30, 2018 |
|-------------------------------------|---------------|----------------|-------------------|--------------------|---------------|
| Selected Balance Sheet Data: | | | | | |
| Book value per common share | \$ 15.47 | \$ 15.38 | \$ 14.80 | \$ 16.44 | \$ 16.64 |
| Adjusted book value per share (1) | \$ 15.87 | \$ 15.82 | \$ 15.24 | \$ 16.44 | \$ 16.64 |

- (1) Adjusted book value per share is a non-GAAP financial measure. See the accompanying Reconciliation of Non-GAAP Financial Measures for an explanation and calculation of Adjusted book value per share.

Sirius International Insurance Group, Ltd.
Consolidated Statements of Income
For the Three and Six Months Ended June 30, 2019 and 2018

| (Expressed in millions of U.S. dollars) | 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 | 24.4 | 19.2 | 44.5 | 30.0 |
| Net realized investment gains | 15.6 | 7.8 | 24.6 | 4.1 |
| Net unrealized investment gains | 15.5 | 24.7 | 89.5 | 40.7 |
| Net foreign exchange (losses) gains | (0.6) | 25.6 | 4.5 | 22.1 |
| Other revenue | 15.4 | 55.6 | 35.0 | 79.0 |
| Total revenues | 441.0 | 441.8 | 880.7 | 769.3 |
| 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 | 28.2 | 24.2 | 52.6 | 38.5 |
| 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 | 430.7 | 292.4 | 749.1 | 565.5 |
| Pre-tax income | 10.3 | 149.4 | 131.6 | 203.8 |
| Income tax expense | (2.1) | (51.2) | (19.3) | (62.3) |
| Net income | 8.2 | 98.2 | 112.3 | 141.5 |
| Less: Income attributable to non-controlling interests | (0.8) | (0.4) | (1.2) | (0.6) |
| Net income attributable to Sirius Group | 7.4 | 97.8 | 111.1 | 140.9 |
| Less: Change in carrying value of Series B preference shares | (0.8) | — | (9.2) | — |
| Less: Accrued dividends on Series A redeemable preference shares | — | — | — | (2.6) |
| Net income attributable to Sirius Group's common shareholders | \$ 6.6 | \$ 97.8 | \$ 101.9 | \$ 138.3 |

Sirius International Insurance Group, Ltd.
Consolidated Statements of Comprehensive Income
For the Three and Six Months Ended June 30, 2019 and 2018

| (Expressed in millions of U.S. dollars) | Three months ended June 30, | | Six months ended June 30, | |
|--|-----------------------------|----------------|---------------------------|----------------|
| | 2019 | 2018 | 2019 | 2018 |
| Comprehensive income | | | | |
| Net income | \$ 8.2 | \$ 98.2 | \$ 112.3 | \$ 141.5 |
| Other comprehensive income (loss) | | | | |
| 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 | 9.3 | 49.7 | 85.6 | 79.6 |
| Net (income) attributable to non-controlling interests | (0.8) | (0.4) | (1.2) | (0.6) |
| Comprehensive income attributable to Sirius Group | \$ 8.5 | \$ 49.3 | \$ 84.4 | \$ 79.0 |

Sirius International Insurance Group, Ltd.
Consolidated Balance Sheets

| (Expressed in millions of U.S. dollars, except share information) | June 30, 2019 | March 31, 2019 | December 31, 2018 | September 30, 2018 | June 30, 2018 |
|---|-------------------|-------------------|-------------------|--------------------|-------------------|
| Assets | | | | | |
| Fixed maturity investments, trading at fair value | \$ 1,815.7 | \$ 1,846.4 | \$ 1,949.2 | \$ 1,979.6 | \$ 1,885.4 |
| Short-term investments, at fair value | 882.9 | 833.6 | 715.5 | 760.0 | 819.6 |
| Equity securities, trading at fair value | 387.8 | 394.4 | 380.0 | 430.4 | 415.1 |
| Other long-term investments, at fair value | 379.9 | 389.7 | 365.0 | 349.0 | 316.6 |
| Cash | 116.8 | 116.0 | 119.4 | 106.5 | 114.1 |
| Restricted cash | 13.7 | 13.0 | 12.8 | 15.0 | 15.9 |
| Total investments and cash | 3,596.8 | 3,593.1 | 3,541.9 | 3,640.5 | 3,566.7 |
| Accrued investment income | 13.3 | 12.7 | 14.1 | 12.1 | 12.5 |
| Insurance and reinsurance premiums receivable | 861.3 | 818.7 | 630.6 | 762.5 | 807.4 |
| Reinsurance recoverable on unpaid losses | 357.4 | 349.3 | 350.2 | 349.0 | 358.3 |
| Reinsurance recoverable on paid losses | 69.8 | 50.5 | 55.0 | 29.8 | 17.8 |
| Funds held by ceding companies | 237.6 | 202.8 | 186.8 | 180.0 | 157.4 |
| Ceded unearned insurance and reinsurance premiums | 188.1 | 200.5 | 159.8 | 191.2 | 207.3 |
| Deferred acquisition costs | 158.8 | 152.6 | 141.6 | 152.8 | 151.4 |
| Deferred tax asset | 174.4 | 171.6 | 202.5 | 197.7 | 197.9 |
| Accounts receivable on unsettled investment sales | 2.0 | 1.7 | 5.0 | 0.1 | — |
| Goodwill | 400.6 | 400.7 | 400.6 | 400.7 | 400.8 |
| Intangible assets | 187.7 | 191.7 | 195.6 | 207.5 | 208.4 |
| Other assets | 171.4 | 161.1 | 124.0 | 134.8 | 124.2 |
| Total assets | \$ 6,419.2 | \$ 6,307.0 | \$ 6,007.7 | \$ 6,258.7 | \$ 6,210.1 |
| Liabilities | | | | | |
| Loss and loss adjustment expense reserves | \$ 2,023.3 | \$ 1,976.3 | \$ 2,016.7 | \$ 1,891.0 | \$ 1,827.1 |
| Unearned insurance and reinsurance premiums | 879.5 | 860.5 | 647.2 | 766.9 | 800.5 |
| Ceded reinsurance payable | 256.9 | 231.3 | 206.9 | 239.2 | 254.2 |
| Funds held under reinsurance treaties | 126.6 | 123.4 | 110.6 | 105.4 | 72.6 |
| Deferred tax liability | 229.7 | 230.6 | 237.4 | 256.9 | 255.7 |
| Debt | 685.9 | 686.1 | 696.8 | 697.7 | 695.9 |
| Accounts payable on unsettled investment purchases | 2.6 | 9.9 | 3.2 | 18.1 | 6.2 |
| Other liabilities | 186.3 | 173.1 | 150.5 | 200.6 | 191.8 |
| Total liabilities | 4,390.8 | 4,291.2 | 4,069.3 | 4,175.8 | 4,104.0 |
| Mezzanine equity | | | | | |
| Series B preference shares | 241.3 | 240.6 | 232.2 | — | — |
| Series A redeemable preference shares | — | — | — | 108.8 | 108.8 |
| Total mezzanine equity | 241.3 | 240.6 | 232.2 | 108.8 | 108.8 |
| Common shareholders' equity | | | | | |
| Common shares | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 |
| Additional paid-in surplus | 1,093.5 | 1,090.2 | 1,089.1 | 1,199.3 | 1,199.3 |
| Retained earnings | 918.5 | 911.8 | 816.6 | 970.2 | 998.2 |
| Accumulated other comprehensive (loss) | (229.1) | (230.2) | (202.4) | (197.7) | (202.4) |
| Total common shareholders' equity | 1,784.1 | 1,773.0 | 1,704.5 | 1,973.0 | 1,996.3 |
| Non-controlling interests | 3.0 | 2.2 | 1.7 | 1.1 | 1.0 |
| Total equity | 1,787.1 | 1,775.2 | 1,706.2 | 1,974.1 | 1,997.3 |
| Total liabilities, mezzanine equity, and equity | \$ 6,419.2 | \$ 6,307.0 | \$ 6,007.7 | \$ 6,258.7 | \$ 6,210.1 |

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

| (Expressed in millions of U.S. dollars) | Year to date for the period ended, | | | | |
|--|------------------------------------|-------------------|-------------------|--------------------|-------------------|
| | June 30, 2019 | March 31, 2019 | December 31, 2018 | September 30, 2018 | June 30, 2018 |
| Common shares | | | | | |
| Balance at beginning of period | \$ 1.2 | \$ 1.2 | \$ 1.2 | \$ 1.2 | \$ 1.2 |
| Issue of common shares | — | — | 0.1 | — | — |
| Share repurchase from CM Bermuda | — | — | (0.1) | — | — |
| Balance at end of period | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 |
| Additional paid-in surplus | | | | | |
| Balance at beginning of period | 1,089.1 | 1,089.1 | 1,197.9 | 1,197.9 | 1,197.9 |
| Issuance of common shares and warrants, net of expenses | — | — | 52.7 | — | — |
| Share compensation expense | 4.5 | 1.2 | 2.5 | — | — |
| Share repurchase from CM Bermuda | — | — | (163.9) | — | — |
| Return of capital to CM Bermuda | — | — | (1.6) | — | — |
| Capital contribution from former parent | — | — | 1.4 | 1.4 | 1.4 |
| Other, net | (0.1) | (0.1) | 0.1 | — | — |
| Balance at end of period | 1,093.5 | 1,090.2 | 1,089.1 | 1,199.3 | 1,199.3 |
| Retained earnings | | | | | |
| Balance at beginning of period | 816.6 | 816.6 | 858.4 | 858.4 | 858.4 |
| Cumulative effect of an accounting change | — | — | 1.6 | 1.6 | 1.6 |
| Balance at beginning of period, as adjusted | 816.6 | 816.6 | 860.0 | 860.0 | 860.0 |
| Net income (loss) | 112.3 | 104.1 | (16.7) | 113.8 | 141.5 |
| Income attributable to non-controlling interest | (1.2) | (0.4) | (1.4) | (0.9) | (0.6) |
| Change in carrying value of Series B preference shares | (9.2) | (8.4) | (36.4) | — | — |
| Accrued dividends on Series A redeemable preference shares | — | — | (2.6) | (2.6) | (2.6) |
| Redemption of Series A redeemable preference shares | — | — | 13.8 | — | — |
| Other, net | — | (0.1) | (0.1) | (0.1) | (0.1) |
| Balance at end of period | 918.5 | 911.8 | 816.6 | 970.2 | 998.2 |
| Accumulated other comprehensive (loss) | | | | | |
| Balance at beginning of period | (202.4) | (202.4) | (140.5) | (140.5) | (140.5) |
| Accumulated net foreign currency translation (losses) | | | | | |
| Balance at beginning of period | (202.4) | (202.4) | (140.5) | (140.5) | (140.5) |
| Net change in foreign currency translation | (26.7) | (27.8) | (61.9) | (57.2) | (61.9) |
| Balance at end of period | (229.1) | (230.2) | (202.4) | (197.7) | (202.4) |
| Balance at the end of period | (229.1) | (230.2) | (202.4) | (197.7) | (202.4) |
| Total common shareholders' equity | 1,784.1 | 1,773.0 | 1,704.5 | 1,973.0 | 1,996.3 |
| Non-controlling interests | 3.0 | 2.2 | 1.7 | 1.1 | 1.0 |
| Total equity | \$ 1,787.1 | \$ 1,775.2 | \$ 1,706.2 | \$ 1,974.1 | \$ 1,997.3 |

Sirius International Insurance Group, Ltd.
Consolidated Statements of Income — Segment Results Format
For the Three and Six Months Ended June 30, 2019 and 2018

| (Expressed in millions of U.S. dollars) | Three months ended June 30, | | Six months ended June 30, | |
|--|-----------------------------|----------------|---------------------------|-----------------|
| | 2019 | 2018 | 2019 | 2018 |
| Underwriting Results: | | | | |
| Gross written premiums | \$ 487.1 | \$ 505.0 | \$ 1,109.4 | \$ 1,120.2 |
| Net written premiums | \$ 401.7 | \$ 320.3 | \$ 886.5 | \$ 789.7 |
| Net earned insurance and reinsurance premiums | \$ 370.7 | \$ 308.9 | \$ 682.6 | \$ 593.4 |
| Loss and allocated loss adjustment expenses (“LAE”) | (266.8) | (141.1) | (441.3) | (276.5) |
| Insurance and reinsurance acquisition expenses | (77.0) | (66.8) | (140.3) | (129.8) |
| Technical profit | 26.9 | 101.0 | 101.0 | 187.1 |
| Unallocated LAE | (11.2) | (10.3) | (20.6) | (15.9) |
| Other underwriting expenses | (35.5) | (38.2) | (70.8) | (81.4) |
| Underwriting (loss) income | (19.8) | 52.5 | 9.6 | 89.8 |
| Service fee revenue | 16.6 | 17.6 | 41.9 | 40.1 |
| General and administrative expenses, MGU + Runoff & Other | (16.0) | (15.2) | (33.0) | (25.8) |
| Underwriting (loss) income, including net service fee income | (19.2) | 54.9 | 18.5 | 104.1 |
| Net investment income | 24.4 | 19.2 | 44.5 | 30.0 |
| Net realized investment gains | 15.6 | 7.8 | 24.6 | 4.1 |
| Net unrealized investment gains | 15.5 | 24.7 | 89.5 | 40.7 |
| Net foreign exchange (losses) gains | (0.6) | 25.6 | 4.5 | 22.1 |
| Other revenue | (1.2) | 38.0 | (6.9) | 38.9 |
| General and administrative expenses | (12.2) | (9.0) | (19.6) | (12.7) |
| Intangible asset amortization expenses | (4.0) | (4.0) | (7.9) | (7.9) |
| Interest expense on debt | (8.0) | (7.8) | (15.6) | (15.5) |
| Pre-tax income | 10.3 | 149.4 | 131.6 | 203.8 |
| Income tax (expense) | (2.1) | (51.2) | (19.3) | (62.3) |
| Net income | 8.2 | 98.2 | 112.3 | 141.5 |
| Less: Income attributable to non-controlling interests | (0.8) | (0.4) | (1.2) | (0.6) |
| Net income attributable to Sirius Group | 7.4 | 97.8 | 111.1 | 140.9 |
| Less: Change in carrying value of Series B preference shares | (0.8) | — | (9.2) | — |
| Less: Accrued dividends on Series A redeemable preference shares | — | — | — | (2.6) |
| Net income attributable to Sirius Group’s common shareholders | \$ 6.6 | \$ 97.8 | \$ 101.9 | \$ 138.3 |

Sirius International Insurance Group, Ltd.
Consolidated Underwriting Results by Segment

| (Expressed in millions of U.S. dollars) | Three months ended June 30, 2019 | | | | | |
|---|----------------------------------|---------------|----------------------|-----------------|-----------------------|------------------|
| | Global Property | Global A&H | Specialty & Casualty | Runoff & Other | Corporate Elimination | Total |
| Gross written premiums | \$ 236.2 | \$ 152.8 | \$ 96.9 | \$ 1.2 | \$ — | \$ 487.1 |
| Net written premiums | \$ 191.6 | \$ 120.6 | \$ 89.2 | \$ 0.3 | \$ — | \$ 401.7 |
| Net earned insurance and reinsurance premiums | \$ 164.3 | \$ 118.8 | \$ 87.3 | \$ 0.3 | \$ — | \$ 370.7 |
| Loss and allocated LAE | (131.3) | (71.8) | (61.3) | (2.4) | — | (266.8) |
| Insurance and reinsurance acquisition expenses | (27.2) | (36.0) | (24.6) | (1.8) | 12.6 | (77.0) |
| Technical profit (loss) | 5.8 | 11.0 | 1.4 | (3.9) | 12.6 | 26.9 |
| Unallocated LAE | (2.6) | (2.0) | (2.2) | (0.2) | (4.2) | (11.2) |
| Other underwriting expenses | (17.0) | (5.9) | (6.7) | (1.1) | (4.8) | (35.5) |
| Underwriting (loss) income | (13.8) | 3.1 | (7.5) | (5.2) | 3.6 | (19.8) |
| Service fee revenue | — | 30.3 | — | — | (13.7) | 16.6 |
| Managing general underwriter unallocated LAE | — | (5.3) | — | — | 5.3 | — |
| Managing general underwriter other underwriting expenses | — | (4.8) | — | — | 4.8 | — |
| General and administrative expenses, MGU + Runoff & Other | — | (15.0) | — | (1.0) | — | (16.0) |
| Underwriting income (loss), including net service fee income | \$ (13.8) | \$ 8.3 | \$ (7.5) | \$ (6.2) | \$ — | \$ (19.2) |
| Underwriting ratios (1) (2) | | | | | | |
| Loss ratio | 81.5% | 62.1% | 72.7% | NM | NM | 75.0% |
| Acquisition expense ratio | 16.6% | 30.3% | 28.2% | NM | NM | 20.8% |
| Other underwriting expense ratio | 10.3% | 5.0% | 7.7% | NM | NM | 9.6% |
| Combined ratio | 108.4% | 97.4% | 108.6% | NM | NM | 105.4% |

(1) Underwriting ratios are calculated by dividing the related expense by net earned insurance and reinsurance premiums.

(2) Ratios considered not meaningful (“NM”) to Runoff & Other and Corporate Eliminations.

Sirius International Insurance Group, Ltd.
Consolidated Underwriting Results by Segment

| (Expressed in millions of U.S. dollars) | Six months ended June 30, 2019 | | | | | |
|---|--------------------------------|----------------|----------------------|------------------|-----------------------|----------------|
| | Global Property | Global A&H | Specialty & Casualty | Runoff & Other | Corporate Elimination | Total |
| Gross written premiums | \$ 566.9 | \$ 322.1 | \$ 217.8 | \$ 2.6 | \$ — | \$ 1,109.4 |
| Net written premiums | \$ 432.9 | \$ 255.5 | \$ 197.4 | \$ 0.7 | \$ — | \$ 886.5 |
| Net earned insurance and reinsurance premiums | \$ 304.0 | \$ 214.9 | \$ 163.0 | \$ 0.7 | \$ — | \$ 682.6 |
| Loss and allocated LAE | (193.9) | (135.0) | (108.9) | (3.5) | — | (441.3) |
| Insurance and reinsurance acquisition expenses | (53.0) | (62.6) | (45.1) | (2.5) | 22.9 | (140.3) |
| Technical profit (loss) | 57.1 | 17.3 | 9.0 | (5.3) | 22.9 | 101.0 |
| Unallocated LAE | (4.7) | (3.5) | (4.1) | (0.7) | (7.6) | (20.6) |
| Other underwriting expenses | (33.2) | (12.0) | (14.9) | (3.2) | (7.5) | (70.8) |
| Underwriting income (loss) | 19.2 | 1.8 | (10.0) | (9.2) | 7.8 | 9.6 |
| Service fee revenue | — | 66.6 | — | — | (24.7) | 41.9 |
| Managing general underwriter unallocated LAE | — | (9.4) | — | — | 9.4 | — |
| Managing general underwriter other underwriting expenses | — | (7.5) | — | — | 7.5 | — |
| General and administrative expenses, MGU + Runoff & Other | — | (31.2) | — | (1.8) | — | (33.0) |
| Underwriting income (loss), including net service fee income | \$ 19.2 | \$ 20.3 | \$ (10.0) | \$ (11.0) | \$ — | \$ 18.5 |
| Underwriting ratios (1) (2) | | | | | | |
| Loss ratio | 65.3% | 64.4% | 69.3% | NM | NM | 67.7% |
| Acquisition expense ratio | 17.4% | 29.1% | 27.7% | NM | NM | 20.6% |
| Other underwriting expense ratio | 10.9% | 5.6% | 9.1% | NM | NM | 10.4% |
| Combined ratio | 93.6% | 99.1% | 106.1% | NM | NM | 98.7% |

(1) Underwriting ratios are calculated by dividing the related expense by net earned insurance and reinsurance premiums.

(2) Ratios considered not meaningful (“NM”) to Runoff & Other and Corporate Eliminations.

Sirius International Insurance Group, Ltd.
Segment Data — Quarterly
Global Property

| (Expressed in millions of U.S. dollars) | Q2 2019 | Q1 2019 | Q4 2018 | Q3 2018 | Q2 2018 |
|--|------------------|----------------|------------------|------------------|----------------|
| Gross written premiums | \$ 236.2 | \$ 330.7 | \$ 86.7 | \$ 203.7 | \$ 325.4 |
| Net written premiums | 191.6 | 241.3 | 85.9 | 144.9 | 177.0 |
| Net earned insurance and reinsurance premiums | 164.3 | 139.7 | 159.7 | 172.7 | 167.5 |
| Loss and allocated LAE | (131.3) | (62.6) | (206.4) | (173.2) | (68.2) |
| Insurance and reinsurance acquisition expenses | (27.2) | (25.8) | (27.6) | (30.1) | (34.1) |
| Technical profit (loss) | 5.8 | 51.3 | (74.3) | (30.6) | 65.2 |
| Unallocated LAE | (2.6) | (2.1) | (2.8) | (3.3) | (2.5) |
| Other underwriting expenses | (17.0) | (16.2) | (15.2) | (17.5) | (18.1) |
| Underwriting (loss) income | \$ (13.8) | \$ 33.0 | \$ (92.3) | \$ (51.4) | \$ 44.6 |
| Underwriting ratios (1) | | | | | |
| Loss ratio | 81.5% | 46.3% | 131.0% | 102.2% | 42.2% |
| Acquisition expense ratio | 16.6% | 18.5% | 17.3% | 17.4% | 20.4% |
| Other underwriting expense ratio | 10.3% | 11.6% | 9.5% | 10.1% | 10.8% |
| Combined ratio | 108.4% | 76.4% | 157.8% | 129.7% | 73.4% |

(1) Underwriting ratios are calculated by dividing the related expense by net earned insurance and reinsurance premiums.

Sirius International Insurance Group, Ltd.
Segment Data — Quarterly
Global A&H

| (Expressed in millions of U.S. dollars) | Q2 2019 | Q1 2019 | Q4 2018 | Q3 2018 | Q2 2018 |
|--|---------------|----------------|----------------|----------------|----------------|
| Gross written premiums | \$ 152.8 | \$ 169.3 | \$ 125.6 | \$ 117.1 | \$ 112.3 |
| Net written premiums | 120.6 | 134.9 | 93.6 | 87.9 | 82.8 |
| Net earned insurance and reinsurance premiums | 118.8 | 96.1 | 99.2 | 89.6 | 80.8 |
| Loss and allocated LAE | (71.8) | (63.2) | (51.0) | (51.3) | (40.9) |
| Insurance and reinsurance acquisition expenses | (36.0) | (26.6) | (27.4) | (26.7) | (26.4) |
| Technical profit | 11.0 | 6.3 | 20.8 | 11.6 | 13.5 |
| Unallocated LAE | (2.0) | (1.5) | (1.6) | (1.7) | (1.0) |
| Other underwriting expenses | (5.9) | (6.1) | (6.7) | (6.4) | (6.3) |
| Underwriting income (loss) | 3.1 | (1.3) | 12.5 | 3.5 | 6.2 |
| Service fee revenue | 30.3 | 36.3 | 26.2 | 29.3 | 27.4 |
| MGU unallocated LAE | (5.3) | (4.1) | (4.2) | (4.7) | (5.1) |
| MGU other underwriting expenses | (4.8) | (2.7) | (2.2) | (2.0) | (3.5) |
| MGU General and administrative expenses | (15.0) | (16.2) | (16.1) | (13.8) | (14.2) |
| Underwriting income, including net service fee income | \$ 8.3 | \$ 12.0 | \$ 16.2 | \$ 12.3 | \$ 10.8 |
| Underwriting ratios (1) | | | | | |
| Loss ratio | 62.1% | 67.3% | 53.0% | 59.2% | 51.9% |
| Acquisition expense ratio | 30.3% | 27.7% | 27.6% | 29.8% | 32.7% |
| Other underwriting expense ratio | 5.0% | 6.3% | 6.8% | 7.1% | 7.8% |
| Combined ratio | 97.4% | 101.3% | 87.4% | 96.1% | 92.4% |

(1) Underwriting ratios are calculated by dividing the related expense by net earned insurance and reinsurance premiums.

Sirius International Insurance Group, Ltd.
Segment Data — Quarterly
Specialty & Casualty

| (Expressed in millions of U.S. dollars) | Q2 2019 | Q1 2019 | Q4 2018 | Q3 2018 | Q2 2018 |
|--|-----------------|-----------------|------------------|-----------------|-----------------|
| Gross written premiums | \$ 96.9 | \$ 120.9 | \$ 72.2 | \$ 76.5 | \$ 60.9 |
| Net written premiums | 89.2 | 108.2 | 64.4 | 72.6 | 55.1 |
| Net earned insurance and reinsurance premiums | 87.3 | 75.7 | 71.2 | 58.4 | 55.5 |
| Loss and allocated LAE | (61.3) | (47.6) | (55.5) | (34.1) | (31.7) |
| Insurance and reinsurance acquisition expenses | (24.6) | (20.5) | (20.6) | (16.2) | (14.6) |
| Technical profit (loss) | 1.4 | 7.6 | (4.9) | 8.1 | 9.2 |
| Unallocated LAE | (2.2) | (1.9) | (1.4) | (1.6) | (1.7) |
| Other underwriting expenses | (6.7) | (8.2) | (3.9) | (8.4) | (7.9) |
| Underwriting (loss) | \$ (7.5) | \$ (2.5) | \$ (10.2) | \$ (1.9) | \$ (0.4) |
| Underwriting ratios (1) | | | | | |
| Loss ratio | 72.7% | 65.4% | 79.9% | 61.1% | 60.2% |
| Acquisition expense ratio | 28.2% | 27.1% | 28.9% | 27.7% | 26.3% |
| Other underwriting expense ratio | 7.7% | 10.8% | 5.5% | 14.4% | 14.2% |
| Combined ratio | 108.6% | 103.3% | 114.3% | 103.2% | 100.7% |

(1) Underwriting ratios are calculated by dividing the related expense by net earned insurance and reinsurance premiums.

Sirius International Insurance Group, Ltd.
Segment Data — Quarterly
Runoff & Other

| (Expressed in millions of U.S. dollars) | Q2 2019 | Q1 2019 | Q4 2018 | Q3 2018 | Q2 2018 |
|--|-----------------|-----------------|-----------------|---------------|-----------------|
| Gross written premiums | \$ 1.2 | \$ 1.4 | \$ 18.3 | \$ 0.7 | \$ 6.4 |
| Net written premiums | 0.3 | 0.4 | 17.8 | 0.3 | 5.4 |
| Net earned insurance and reinsurance premiums | 0.3 | 0.4 | 17.7 | 0.4 | 5.1 |
| Loss and allocated LAE | (2.4) | (1.1) | (25.3) | 10.2 | (0.3) |
| Insurance and reinsurance acquisition expenses | (1.8) | (0.7) | (0.5) | (0.1) | (1.5) |
| Technical (loss) profit | (3.9) | (1.4) | (8.1) | 10.5 | 3.3 |
| Unallocated LAE | (0.2) | (0.5) | — | (0.7) | — |
| Other underwriting expenses | (1.1) | (2.1) | (1.1) | (1.4) | (2.4) |
| Underwriting (loss) income | (5.2) | (4.0) | (9.2) | 8.4 | 0.9 |
| General and administrative expenses | (1.0) | (0.8) | (0.2) | (0.8) | (1.0) |
| Underwriting (loss) income | \$ (6.2) | \$ (4.8) | \$ (9.4) | \$ 7.6 | \$ (0.1) |

Sirius International Insurance Group, Ltd.
Gross Written Premiums by Segment

| (Expressed in millions of U.S. dollars) | Three months ended | | | | | Six months ended | |
|---|--------------------|-------------------|----------------------|-----------------------|------------------|-------------------|-------------------|
| | June 30, 2019 | March 31, 2019 | December 31, 2018 | September 30, 2018 | June 30, 2018 | June 30, 2019 | June 30, 2018 |
| Global Property | | | | | | | |
| Other Property | \$ 114.8 | \$ 152.8 | \$ 79.0 | \$ 138.8 | \$ 232.5 | \$ 267.6 | \$ 405.2 |
| Property Catastrophe Excess | 78.8 | 165.3 | 7.8 | 55.3 | 45.6 | 244.1 | 212.2 |
| Agriculture | 42.6 | 12.6 | (0.1) | 9.6 | 47.3 | 55.2 | 54.6 |
| Total | 236.2 | 330.7 | 86.7 | 203.7 | 325.4 | 566.9 | 672.0 |
| Global A&H | 152.8 | 169.3 | 125.6 | 117.1 | 112.3 | 322.1 | 257.9 |
| Specialty & Casualty | | | | | | | |
| Casualty | 56.1 | 61.8 | 39.8 | 41.4 | 28.1 | 117.9 | 55.2 |
| Aviation & Space | 17.1 | 17.3 | 27.1 | 13.5 | 10.8 | 34.4 | 31.9 |
| Trade Credit | 10.3 | 19.7 | (9.8) | 10.7 | 6.2 | 30.0 | 47.2 |
| Marine | 6.5 | 14.4 | 7.1 | 1.5 | 8.5 | 20.9 | 26.1 |
| Contingency | 1.4 | 1.7 | 3.4 | 2.8 | 3.5 | 3.1 | 10.4 |
| Environmental | 3.9 | 4.4 | 3.4 | 3.9 | 2.4 | 8.3 | 2.8 |
| Surety | 1.6 | 1.6 | 1.2 | 2.7 | 1.4 | 3.2 | 2.8 |
| Total | 96.9 | 120.9 | 72.2 | 76.5 | 60.9 | 217.8 | 176.4 |
| Runoff & Other | 1.2 | 1.4 | 18.3 | 0.7 | 6.4 | 2.6 | 13.9 |
| Total | \$ 487.1 | \$ 622.3 | \$ 302.8 | \$ 398.0 | \$ 505.0 | \$ 1,109.4 | \$ 1,120.2 |

Sirius International Insurance Group, Ltd.
Net Earned Insurance and Reinsurance Premiums by Segment

| (Expressed in millions of U.S. dollars) | Three months Ended | | | | | Six months Ended | |
|---|--------------------|-------------------|----------------------|-----------------------|------------------|------------------|------------------|
| | June 30, 2019 | March 31, 2019 | December 31, 2018 | September 30, 2018 | June 30, 2018 | June 30, 2019 | June 30, 2018 |
| Global Property | | | | | | | |
| Other Property | \$ 90.3 | \$ 90.4 | \$ 101.7 | \$ 98.6 | \$ 103.1 | \$ 180.7 | \$ 196.4 |
| Property Catastrophe Excess | 51.9 | 44.1 | 45.2 | 50.9 | 42.0 | 96.0 | 84.4 |
| Agriculture | 22.1 | 5.2 | 12.8 | 23.2 | 22.4 | 27.3 | 22.8 |
| Total | 164.3 | 139.7 | 159.7 | 172.7 | 167.5 | 304.0 | 303.6 |
| Global A&H | 118.8 | 96.1 | 99.2 | 89.6 | 80.8 | 214.9 | 168.8 |
| Specialty & Casualty | | | | | | | |
| Casualty | 50.2 | 38.4 | 30.1 | 23.2 | 16.8 | 88.6 | 27.5 |
| Aviation & Space | 14.3 | 14.6 | 16.2 | 14.1 | 15.3 | 28.9 | 30.1 |
| Trade Credit | 11.2 | 10.8 | 10.2 | 11.7 | 9.5 | 22.0 | 20.6 |
| Marine | 7.7 | 8.5 | 9.2 | 4.0 | 9.6 | 16.2 | 23.0 |
| Contingency | 1.3 | 1.6 | 3.7 | 3.1 | 3.7 | 2.9 | 8.2 |
| Surety | 1.8 | 1.2 | 1.4 | 1.9 | 0.5 | 3.0 | 0.4 |
| Environmental | 0.8 | 0.6 | 0.4 | 0.4 | 0.1 | 1.4 | 0.1 |
| Total | 87.3 | 75.7 | 71.2 | 58.4 | 55.5 | 163.0 | 109.9 |
| Runoff & Other | 0.3 | 0.4 | 17.7 | 0.4 | 5.1 | 0.7 | 11.1 |
| Total | \$ 370.7 | \$ 311.9 | \$ 347.8 | \$ 321.1 | \$ 308.9 | \$ 682.6 | \$ 593.4 |

Sirius International Insurance Group, Ltd.
Net Investment Income

| (Expressed in millions of U.S. dollars) | Three months ended, | | | | | Six months ended, | |
|--|----------------------------|---------------------------|------------------------------|-------------------------------|--------------------------|--------------------------|--------------------------|
| | June 30, 2019 | March 31, 2019 | December 31, 2018 | September 30, 2018 | June 30, 2018 | June 30, 2019 | June 30, 2018 |
| Fixed maturity investments | \$ 13.1 | \$ 14.1 | \$ 15.4 | \$ 14.2 | \$ 13.7 | \$ 27.2 | \$ 23.6 |
| Short-term investments | 4.8 | 3.1 | 1.4 | 2.4 | 0.5 | 7.9 | 1.3 |
| Equity securities | 7.1 | 2.7 | 2.3 | 5.9 | 7.1 | 9.8 | 8.3 |
| Other long-term investments | 3.2 | 3.9 | 2.7 | 2.7 | 1.3 | 7.1 | 2.5 |
| Total investment income | 28.2 | 23.8 | 21.8 | 25.2 | 22.6 | 52.0 | 35.7 |
| Investment expenses | (3.8) | (3.7) | (2.2) | (3.4) | (3.4) | (7.5) | (5.7) |
| Net investment income | \$ 24.4 | \$ 20.1 | \$ 19.6 | \$ 21.8 | \$ 19.2 | \$ 44.5 | \$ 30.0 |

Sirius International Insurance Group, Ltd.
Investment Holdings — Cost to Fair Value Reconciliation

| | June 30, 2019 | | | | | |
|--|---------------------------|------------------------------|----------------------------|----------------------------------|-------------------|---------------|
| (Expressed in millions of U.S. dollars) | Cost or amortized cost | Gross unrealized gains | Gross unrealized losses | Net foreign currency gains | Fair value | Percentage |
| Fixed Maturity Investments | | | | | | |
| Corporate debt securities | \$ 588.8 | \$ 5.0 | \$ (1.1) | \$ 13.9 | \$ 606.6 | 17.5% |
| Asset-backed securities | 510.9 | 1.0 | (1.8) | 3.5 | 513.6 | 14.8% |
| Residential mortgage-backed securities | 381.5 | 9.9 | (1.7) | 8.3 | 398.0 | 11.5% |
| U.S. government and government agency | 155.1 | 1.1 | (0.1) | 1.3 | 157.4 | 4.5% |
| Commercial mortgage-backed securities | 106.3 | 0.8 | (0.5) | 1.2 | 107.8 | 3.1% |
| Non-U.S. government and government agency | 27.9 | — | — | 0.6 | 28.5 | 0.8% |
| Preferred stocks | 1.1 | 0.1 | — | — | 1.2 | 0.1% |
| U.S. States, municipalities and political subdivision | 2.6 | — | — | — | 2.6 | 0.1% |
| Total fixed maturity investments | 1,774.2 | 17.9 | (5.2) | 28.8 | 1,815.7 | 52.4% |
| Equity securities | | | | | | |
| Investment grade fixed income mutual funds | 151.8 | 0.3 | (3.9) | 3.7 | 151.9 | 4.4% |
| Common stocks | 222.2 | 38.0 | (32.8) | 6.0 | 233.4 | 6.7% |
| Other | 2.2 | 0.3 | — | — | 2.5 | 0.1% |
| Total equity securities | 376.2 | 38.6 | (36.7) | 9.7 | 387.8 | 11.2% |
| Total fixed maturity and equity securities | 2,150.4 | 56.5 | (41.9) | 38.5 | 2,203.5 | 63.6% |
| Other long-term investments | | | | | | |
| Hedge funds and private equity funds | 274.1 | 23.9 | (13.6) | 7.5 | 291.9 | 8.4% |
| Limited liability companies and private equity securities | 75.8 | 20.3 | (11.0) | 2.9 | 88.0 | 2.5% |
| Total other long-term investments | 349.9 | 44.2 | (24.6) | 10.4 | 379.9 | 10.9% |
| Short-term investments | 881.3 | 0.8 | — | 0.8 | 882.9 | 25.5% |
| Total investments | \$ 3,381.6 | \$ 101.5 | \$ (66.5) | \$ 49.7 | \$ 3,466.3 | 100.0% |

Sirius International Insurance Group, Ltd.
Investment Holdings — Quarterly
Investment Type

| | <u>June 30, 2019</u> | <u>March 31, 2019</u> | <u>December 31, 2018</u> | <u>September 30, 2018</u> | <u>June 30, 2018</u> |
|---|----------------------|-----------------------|--------------------------|---------------------------|----------------------|
| | <u>Fair Value %</u> | <u>Fair Value %</u> | <u>Fair Value %</u> | <u>Fair Value %</u> | <u>Fair Value %</u> |
| Cash and investment holdings | | | | | |
| Fixed maturity investments | | | | | |
| Corporate debt securities | 16.8% | 17.4% | 19.6% | 21.8% | 21.9% |
| Asset-backed securities | 14.2% | 13.3% | 14.0% | 11.4% | 8.9% |
| Residential mortgage-backed securities | 11.1% | 11.9% | 11.7% | 12.2% | 12.2% |
| U.S. government and government agency | 4.4% | 4.3% | 4.7% | 3.2% | 2.7% |
| Commercial mortgage-backed securities | 3.0% | 3.2% | 3.3% | 4.2% | 4.7% |
| Non-U.S. government and government agency | 0.8% | 1.1% | 1.4% | 1.3% | 2.3% |
| Preferred stocks | 0.1% | 0.1% | 0.2% | 0.3% | 0.2% |
| U.S. States, municipalities and political subdivision | 0.1% | 0.1% | 0.1% | 0.0% | 0.0% |
| Total fixed maturity investments | 50.5% | 51.4% | 55.0% | 54.4% | 52.9% |
| Equity securities | | | | | |
| Investment grade fixed income mutual funds | 4.2% | 4.5% | 4.4% | 4.3% | 5.0% |
| Common stocks | 6.5% | 6.4% | 6.3% | 7.5% | 6.6% |
| Other | 0.1% | 0.1% | — | — | — |
| Total equity securities | 10.8% | 11.0% | 10.7% | 11.8% | 11.6% |
| Total fixed maturity and equity securities | 61.3% | 62.4% | 65.7% | 66.2% | 64.5% |
| Other long-term investments | | | | | |
| Hedge funds and private equity funds | 8.1% | 8.4% | 8.6% | 7.7% | 7.0% |
| Limited liability companies and private equity securities | 2.4% | 2.4% | 1.8% | 1.9% | 1.9% |
| Total other long-term investments | 10.5% | 10.8% | 10.4% | 9.6% | 8.9% |
| Short-term investments | 24.6% | 23.2% | 20.2% | 20.9% | 23.0% |
| Total investments | 96.4% | 96.4% | 96.3% | 96.7% | 96.4% |
| Cash and restricted cash | 3.6% | 3.6% | 3.7% | 3.3% | 3.6% |
| Total cash and invested assets | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

Sirius International Insurance Group, Ltd.
Investment Holdings — Quarterly
Credit Quality and Maturity Profile

| | <u>June 30, 2019</u> | <u>March 31, 2019</u> | <u>December 31, 2018</u> | <u>September 30, 2018</u> | <u>June 30, 2018</u> |
|---|----------------------|-----------------------|--------------------------|---------------------------|----------------------|
| | Fair Value % | Fair Value % | Fair Value % | Fair Value % | Fair Value % |
| Credit Quality of Fixed Maturities | | | | | |
| AAA | 32.9% | 31.1% | 30.9% | 28.9% | 27.9% |
| AA | 41.1% | 43.3% | 42.0% | 38.8% | 37.3% |
| A | 15.3% | 13.8% | 14.9% | 17.7% | 17.6% |
| BBB | 7.4% | 8.4% | 8.6% | 10.0% | 11.0% |
| Other | 3.3% | 3.4% | 3.6% | 4.6% | 6.2% |
| Total fixed maturity investments | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Maturity Profile of Fixed Maturities | | | | | |
| Due in one year or less | 11.2% | 13.6% | 13.2% | 12.1% | 9.4% |
| Due after one year through five years | 29.7% | 30.7% | 32.6% | 35.0% | 37.0% |
| Due after five years through ten years | 2.9% | 0.6% | 1.3% | 1.3% | 4.1% |
| Due after ten years | 0.0% | 0.0% | 0.0% | 0.0% | 0.4% |
| Mortgage-backed and asset-backed securities | 56.1% | 55.0% | 52.5% | 51.0% | 48.7% |
| Preferred Stocks | 0.1% | 0.1% | 0.4% | 0.6% | 0.4% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

Sirius International Insurance Group, Ltd.
Impact of Foreign Currency Translation

| (Expressed in millions of U.S. dollars) | Three months ended | | | | Six months ended | | |
|--|--------------------|-------------------|----------------------|-----------------------|------------------|------------------|----------------|
| | June 30, 2019 | March 31, 2019 | December 31, 2018 | September 30, 2018 | June 30, 2018 | June 30, 2018 | |
| Net realized investment gains - foreign currency(1) | \$ 9.6 | \$ 10.9 | \$ 6.6 | \$ 4.7 | \$ 7.1 | \$ 20.5 | \$ 6.0 |
| Net unrealized investment (losses) gains - foreign currency(2) | (7.2) | 25.0 | (7.4) | (5.5) | 29.7 | 17.8 | 48.6 |
| Net realized and unrealized investment gains (losses) - foreign currency | 2.4 | 35.9 | (0.8) | (0.8) | 36.8 | 38.3 | 54.6 |
| Net foreign exchange gains (losses) - foreign currency translation gains (losses)(3) | 0.9 | 4.1 | (3.0) | (0.4) | 21.5 | 5.0 | 19.4 |
| Net foreign exchange gains (losses) - currency swaps(3) | 1.4 | 1.0 | 4.0 | (0.1) | 4.3 | 2.4 | 3.0 |
| Net foreign exchange (losses) - currency forwards(3) | (3.0) | — | — | — | — | (3.0) | — |
| Net foreign exchange (losses) - other(3) | — | — | — | — | (0.1) | — | (0.2) |
| Income tax benefit (expense) | 1.1 | (0.2) | 2.4 | 0.1 | — | 0.9 | (0.5) |
| Total foreign currency remeasurement gains (losses) recognized through net income (loss), after tax | 2.8 | 40.8 | 2.6 | (1.2) | 62.5 | 43.6 | 76.3 |
| Change in foreign currency translation on investments recognized through other comprehensive income (loss), after tax | (0.1) | (41.7) | (4.0) | 6.4 | (78.6) | (41.8) | (99.0) |
| Change in foreign currency translation on non-investment net liabilities recognized through other comprehensive income (loss), after tax | 1.2 | 13.9 | (0.7) | (1.7) | 30.1 | 15.1 | 37.1 |
| Total foreign currency translation gains (losses) recognized through other comprehensive income (loss), after tax | 1.1 | (27.8) | (4.7) | 4.7 | (48.5) | (26.7) | (61.9) |
| Total foreign currency gains (losses) recognized in comprehensive income (loss), after tax | \$ 3.9 | \$ 13.0 | \$ (2.1) | \$ 3.5 | \$ 14.0 | \$ 16.9 | \$ 14.4 |

- (1) Component of Net realized investment gains (losses) on the Consolidated Statements of Income
(2) Component of Net unrealized investment gains (losses) on the Consolidated Statements of Income
(3) Component of Net foreign exchange gains (losses) on the Consolidated Statements of Income

Sirius International Insurance Group, Ltd.
Net Realized and Unrealized Investment Gains (Losses)

| (Expressed in millions of U.S. dollars) | Three months ended | | | | Six months ended | | |
|--|--------------------|-------------------|----------------------|-----------------------|------------------|------------------|----------------|
| | June 30, 2019 | March 31, 2019 | December 31, 2018 | September 30, 2018 | June 30, 2018 | June 30, 2018 | |
| Gross realized gains | \$ 26.9 | \$ 14.1 | \$ 10.6 | \$ 11.3 | \$ 12.0 | \$ 41.0 | \$ 20.4 |
| Gross realized (losses) | (11.3) | (5.1) | (16.3) | (7.4) | (4.2) | (16.4) | (16.3) |
| Net realized gains (losses) on investments(1)(2) | 15.6 | 9.0 | (5.7) | 3.9 | 7.8 | 24.6 | 4.1 |
| Net unrealized gains (losses) on investments(3)(4) | 15.5 | 74.0 | (52.2) | (11.7) | 24.7 | 89.5 | 40.7 |
| Net realized and unrealized gains (losses) on investments | \$ 31.1 | \$ 83.0 | \$ (57.9) | \$ (7.8) | \$ 32.5 | \$ 114.1 | \$ 44.8 |

(1) Includes \$9.6 million, \$10.9 million, \$6.6 million, \$4.7 million and \$7.1 million of realized gains due to foreign currency for the three months ended June 30, 2019, March 31, 2019, December 31, 2018, September 30, 2018 and June 30, 2018, respectively.

(2) Includes \$20.5 million and \$6.0 million of realized gains due to foreign currency for the six months ended June 30, 2019 and June 30, 2018, respectively.

(3) Includes \$(7.2) million, \$25.0 million, \$(7.4) million, \$(5.5) million and \$29.7 million of unrealized (losses) gains due to foreign currency for the three months ended June 30, 2019, March 31, 2019, December 31, 2018, September 30, 2018 and June 30, 2018, respectively.

(4) Includes \$17.8 million and \$48.6 million of unrealized gains due to foreign currency for the six months ended June 30, 2019 and June 30, 2018, respectively.

Sirius International Insurance Group, Ltd.
Book Value Per Share and Adjusted Book Value Per Share

| (Expressed in millions of U.S. dollars except share amounts) | June 30, 2019 | March 31, 2019 | December 31, 2018 | September 30, 2018 | June 30, 2018 |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Numerator: | | | | | |
| Total common shareholders' equity (A) | \$ 1,784.1 | \$ 1,773.0 | \$ 1,704.5 | \$ 1,973.0 | \$ 1,996.3 |
| Series B preference shares | 241.3 | 240.6 | 232.2 | — | — |
| Earned portion of future proceeds from stock option awards | 1.9 | 0.5 | — | — | — |
| Adjusted book value (1) numerator (B) | <u>\$ 2,027.3</u> | <u>\$ 2,014.1</u> | <u>\$ 1,936.7</u> | <u>\$ 1,973.0</u> | <u>\$ 1,996.3</u> |
| Denominator: | | | | | |
| Common shares outstanding (C) | 115,296,918 | 115,262,303 | 115,151,251 | 120,000,000 | 120,000,000 |
| Series B preference shares outstanding | 11,901,670 | 11,901,670 | 11,901,670 | — | — |
| Earned share-based compensation awards, excluding stock options | 374,912 | 95,541 | — | — | — |
| Earned portion of Stock option awards issued | 152,772 | 38,193 | — | — | — |
| Adjusted shares outstanding (D) | <u>127,726,272</u> | <u>127,297,707</u> | <u>127,052,921</u> | <u>120,000,000</u> | <u>120,000,000</u> |
| Book value per common share (A)/(C) | <u>\$ 15.47</u> | <u>\$ 15.38</u> | <u>\$ 14.80</u> | <u>\$ 16.44</u> | <u>\$ 16.64</u> |
| Adjusted book value per share (1) (B)/(D) | <u>\$ 15.87</u> | <u>\$ 15.82</u> | <u>\$ 15.24</u> | <u>\$ 16.44</u> | <u>\$ 16.64</u> |

(1) Adjusted book value and Adjusted book value per share are non-GAAP financial measures. See the accompanying Reconciliation of Non-GAAP Financial Measures for an explanation and calculation of Adjusted book value and Adjusted book value per share. Outstanding warrants are excluded as they are anti-dilutive as of the respective reporting dates.

Sirius International Insurance Group, Ltd.
Basic and Diluted Earnings Per Share

| (Expressed in millions of U.S. dollars except for share and per share amounts) | Three months ended, | | Six months ended, | |
|---|---------------------|----------------|-------------------|-----------------|
| | June 30, 2019 | June 30, 2018 | June 30, 2019 | June 30, 2018 |
| Numerator: | | | | |
| Net income | \$ 8.2 | \$ 98.2 | \$ 112.3 | \$ 141.5 |
| Less: Income attributable to non-controlling interests | (0.8) | (0.4) | (1.2) | (0.6) |
| Less: Accrued dividends on Series A redeemable preference shares | — | — | — | (2.6) |
| Adjustment of Series B preference carrying value | (0.8) | — | (9.2) | — |
| Net income available for dividends out of undistributed earnings | 6.6 | 97.8 | 101.9 | 138.3 |
| Less: Earnings attributable to Series B preference shares | (0.6) | — | (9.5) | — |
| Less: Earnings attributable to Series A redeemable preference shares | — | (4.0) | — | (5.7) |
| Net income available to Sirius Group's common shareholders | \$ 6.0 | \$ 93.8 | \$ 92.4 | \$ 132.6 |
| Adjustment of Series B preference carrying value | — | — | 9.2 | — |
| Net income available to Sirius Group's common shareholders on a fully diluted basis | <u>\$ 6.0</u> | <u>\$ 93.8</u> | <u>\$ 101.6</u> | <u>\$ 132.6</u> |
| Denominator: | | | | |
| Weighted average shares outstanding for basic earnings per share | 115,243,685 | 120,000,000 | 115,212,772 | 120,000,000 |
| Weighted average shares outstanding for diluted earnings per share | 115,796,367 | 120,000,000 | 127,542,402 | 120,000,000 |
| Earnings per share | | | | |
| Basic earnings per share | <u>\$ 0.05</u> | <u>\$ 0.78</u> | <u>\$ 0.80</u> | <u>\$ 1.11</u> |
| Diluted earnings per share | <u>\$ 0.05</u> | <u>\$ 0.78</u> | <u>\$ 0.80</u> | <u>\$ 1.11</u> |

Sirius International Insurance Group, Ltd.
Return on Common Shareholders' Equity — Consecutive Quarters

| | Three months ended | | | | | Six months ended | |
|--|--------------------|-------------------|----------------------|-----------------------|------------------|------------------|------------------|
| | June 30, 2019 | March 31, 2019 | December 31, 2018 | September 30, 2018 | June 30, 2018 | June 30, 2019 | June 30, 2018 |
| (Expressed in millions of U.S. dollars) | | | | | | | |
| Beginning common shareholders' equity | \$ 1,773.0 | \$ 1,704.5 | \$ 1,973.0 | \$ 1,996.3 | \$ 1,947.0 | \$ 1,704.5 | \$ 1,917.0 |
| Net income (loss) attributable to common shareholders | \$ 6.6 | \$ 95.3 | \$ (153.6) | \$ (28.0) | \$ 97.8 | \$ 101.9 | \$ 138.3 |
| Return on beginning common shareholders' equity | 0.4% | 5.6% | -7.8% | -1.4% | 5.0% | 6.0% | 7.2% |

Sirius International Insurance Group, Ltd.
Reserves for Unpaid Losses and Loss Adjustment Expenses

| (Expressed in millions of U.S. dollars) | Three months ended | | Six months ended | |
|--|--------------------|-------------------|-------------------|-------------------|
| | June 30, 2019 | June 30, 2018 | June 30, 2019 | June 30, 2018 |
| Gross beginning balance | \$ 1,976.3 | \$ 1,875.9 | \$ 2,016.7 | \$ 1,898.5 |
| Less: beginning reinsurance recoverable on unpaid losses | (349.3) | (327.8) | (350.2) | (319.7) |
| Net loss and LAE reserve balance | 1,627.0 | 1,548.1 | 1,666.5 | 1,578.8 |
| Losses and LAE incurred relating to: | | | | |
| Current year losses | 214.1 | 161.8 | 381.4 | 305.3 |
| Prior years losses | 63.9 | (10.4) | 80.5 | (12.9) |
| Total net incurred losses and LAE | 278.0 | 151.4 | 461.9 | 292.4 |
| Foreign currency translation adjustment to net loss and LAE reserves | 3.4 | (22.2) | — | (15.5) |
| Accretion of fair value adjustment to net loss and LAE reserves | 0.1 | — | 0.1 | — |
| Loss and LAE paid relating to: | | | | |
| Current year losses | 120.9 | 40.7 | 157.1 | 72.0 |
| Prior years losses | 121.7 | 167.8 | 305.5 | 314.9 |
| Total loss and LAE payments | 242.6 | 208.5 | 462.6 | 386.9 |
| Net ending balance | 1,665.9 | 1,468.8 | 1,665.9 | 1,468.8 |
| Plus ending reinsurance recoverable on unpaid losses | 357.4 | 358.3 | 357.4 | 358.3 |
| Gross ending balance | \$ 2,023.3 | \$ 1,827.1 | \$ 2,023.3 | \$ 1,827.1 |

Sirius International Insurance Group, Ltd.
Reconciliation of Non-GAAP Financial Measures
Adjusted book value per share

Adjusted book value and Adjusted book value per share are non-GAAP financial measures used to show the Company's total worth on a per-share basis and is useful to management and investors in analyzing the intrinsic value of the Company.

Adjusted shares outstanding is derived by summing Common shares outstanding, Series B preference shares outstanding (which were issued to the cornerstone investors), and the Earned portion of share-based compensation awards. Adjusted book value is derived by summing Total common shareholders' equity, the Series B preference share amount reflected in mezzanine equity, and the Earned portion of future proceeds from stock option awards. Outstanding warrants are excluded as they are anti-dilutive as of the respective reporting dates.

At June 30, 2019, Adjusted book value and Adjusted book value per share include the earned effects of share-based compensation awards issued during 2019.

Adjusted book value per share is derived by dividing the Adjusted book value by the Adjusted shares outstanding. The reconciliation to Total common shareholders' equity and Book value per common share, the most directly comparable GAAP measures, are presented in the table below.

| <u>(Expressed in millions of U.S. dollars, except share amounts)</u> | <u>June 30, 2019</u> | <u>December 31, 2018</u> |
|--|----------------------|--------------------------|
| Common shares outstanding | 115,296,918 | 115,151,251 |
| Series B preference shares outstanding | 11,901,670 | 11,901,670 |
| Earned share-based compensation awards, excluding stock options | 374,912 | — |
| Earned portion of Stock option awards issued | 152,772 | — |
| Adjusted shares outstanding | 127,726,272 | 127,052,921 |
| Total common shareholders' equity | \$ 1,784.1 | \$ 1,704.5 |
| Series B preference shares | 241.3 | 232.2 |
| Earned portion of future proceeds from stock option awards | 1.9 | — |
| Adjusted book value | \$ 2,027.3 | \$ 1,936.7 |
| Book value per common share | \$ 15.47 | \$ 14.80 |
| Adjusted book value per share | \$ 15.87 | \$ 15.24 |

Sirius International Insurance Group, Ltd.
Reconciliation of Non-GAAP Financial Measures
Operating (loss) income attributable to common shareholders

The Company uses Operating (loss) income attributable to common shareholders as a measure to evaluate the underlying fundamentals of its operations and believes it to be a useful measure of its core performance. Operating (loss) income attributable to common shareholders as used herein differs from net income attributable to common shareholders, which the Company believes is the most directly comparable GAAP measure, by the exclusion of net realized and unrealized gains and losses on investments, net foreign exchange gains (losses) and the associated income tax expense or benefit. The Company's management believes that Operating (loss) income attributable to common shareholders is useful to investors because it is more reflective of the Company's core business, as it removes the variability arising from fluctuations in the Company's fixed maturity investment portfolio, equity investments trading, investments-related derivatives, and net foreign exchange gains (losses) and the associated income tax expense or benefit of those fluctuations. The following is a reconciliation of net income attributable to common shareholders to Operating (loss) income attributable to common shareholders:

| <u>(Expressed in millions of U.S. dollars)</u> | <u>Three months ended June 30,</u> | | <u>Six months ended June 30,</u> | |
|--|------------------------------------|----------------|----------------------------------|-----------------|
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Net income attributable to common shareholders | \$ 6.6 | \$ 97.8 | \$ 101.9 | \$ 138.3 |
| Adjustment for net realized and unrealized gains on investments | (31.1) | (32.5) | (114.1) | (44.8) |
| Adjustment for net foreign exchange gains | — | (25.6) | (5.1) | (22.1) |
| Adjustment for income tax expenses (1) | 5.1 | 0.8 | 16.8 | — |
| Operating (loss) income attributable to common shareholders | \$ (19.4) | \$ 40.5 | \$ (0.5) | \$ 71.4 |

-
- (1) Adjustment for income tax expenses represents the income tax expense associated with the adjustment for net realized and unrealized gains on investments and the income tax expense associated with the adjustment for net foreign exchange gains. The income tax impact is estimated by applying the statutory rates of applicable jurisdictions, after consideration of other relevant factors.