

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): **November 6, 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:

<u>Title of each class</u>	<u>Trading symbol(s)</u>	<u>Name of each exchange on which registered</u>
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 November 6, 2019, Sirius International Insurance Group, Ltd. issued a press release reporting its financial results for the third quarter ended September 30, 2019 and announcing the availability of its third quarter ended September 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 November 6, 2019, announcing the earnings of Sirius International Insurance Group, Ltd. for the Third Quarter Ended September 30, 2019</u>
99.2	<u>Third Quarter Ended September 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: November 6, 2019

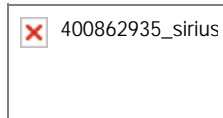
By: /s/ RALPH A. SALAMONE

Name: Ralph A. Salamone

Title: Chief Financial Officer

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

Section 2: EX-99.1 (EXHIBIT 99.1)



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

Hamilton, Bermuda, November 6, 2019 — Sirius International Insurance Group, Ltd. (Nasdaq: SG) (“Sirius Group” or the “Company”) today reported results for the third quarter ended September 30, 2019. The Company reported a comprehensive (loss) of \$(50) million for the third quarter of 2019 compared to \$(23) million for the third quarter of 2018. For the nine months ended September 30, 2019, comprehensive income was \$34 million. Book value per common share was \$15.11 as of September 30, 2019 compared to \$14.80 as of December 31, 2018, an increase of 2.1% for the nine months.

Adjusted book value per share⁽¹⁾ was \$15.47 as of September 30, 2019, compared to \$15.24 as of December 31, 2018, an increase of 1.5% for the nine months. Adjusted tangible book value per share⁽¹⁾ was \$11.10 at September 30, 2019, compared to \$10.76 as of December 31, 2018, an increase of 3.2% for the nine months.

“Our 2019 results continued to benefit from strong investment performance, but our underwriting results came up short, primarily due to catastrophe losses, in the third quarter,” said Kip Oberting, President and Chief Executive Officer of Sirius Group. “Operationally, we are making progress. During the quarter we globalized our underwriting leadership creating a more unified organization. This organizational change helps us to more holistically and efficiently serve our clients across business lines and geographies, and drive underwriting portfolio enhancements. These changes also allow us to drive in operating improvements to facilitate future growth. Finally, in addition to growing in our reinsurance business organically, we continue to invest in the build out of our new specialty insurance lines.”

- ➔ Net (loss) attributable to common shareholders for the third quarter of 2019 was \$(3) million. Basic earnings per common share was \$(0.02) and diluted earnings per common share was \$(0.06). This compares to net (loss) attributable to common shareholders of \$(28) million and basic and diluted earnings per common share of \$(0.23) for the third quarter of 2018.
- ➔ For the nine months ended September 30, 2019, net income attributable to common shareholders was \$99 million, a return on beginning common shareholders’ equity of 5.8% for the nine months. Basic and diluted earnings per common share was \$0.78. This compares to net income attributable to common shareholders of \$110 million and basic and diluted earnings per common share of \$0.88 for the nine months ended September 30, 2018.
- ➔ For the third quarter of 2019, Operating (loss) attributable to common shareholders⁽¹⁾ was \$(65) million compared to Operating (loss) attributable to common shareholders of \$(21) million for the third quarter of 2018. For the nine months ended September 30, 2019, Operating (loss) attributable to common shareholders was \$(66) million compared to Operating income

attributable to common shareholders of \$50 million for the same period in 2018.

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

Chief Financial Officer, Ralph Salamone further commented, "We recorded \$109 million of catastrophe losses in the third quarter, mainly from Hurricane Dorian and Typhoon Faxai. Our Dorian loss is consistent with an industry loss of \$8.5 billion, and our Faxai loss implies an industry loss of around \$9 billion. We continue to invest in businesses such as environmental and surety insurance as well as ArmadaHealth. These investments are a drag on our current results but are expected to provide diversifying profits in the future."

Third Quarter and Year to Date 2019 Summary

Underwriting

Sirius Group's combined ratio was 123% for the third quarter of 2019 compared to 111% for the third quarter of 2018. The increase in the combined ratio was driven by higher catastrophe losses in the Global Property segment and higher current accident year losses in the Specialty & Casualty segment. The third quarter of 2019 included 29 points of current year catastrophe losses, net of reinsurance and reinstatement premiums, compared to 24 points of current year catastrophe losses, net of reinsurance and reinstatement premiums, for the third quarter of 2018. The third quarter of 2019 also included 2 points of net unfavorable prior year loss reserve development compared to 3 points of net favorable prior year loss reserve development for the third quarter of 2018.

- Gross written premiums for the third quarter of 2019 were \$414 million, an increase of 4% compared to the third quarter of 2018.
- Pre-tax catastrophe losses, net of reinsurance and reinstatement premiums, amounted to \$109 million for the third quarter of 2019 compared to \$77 million for the third quarter of 2018.
- Highlights by reportable segment for the third quarter of 2019 include the following:
 - Global Property produced a \$(74) million underwriting (loss) and a 146% combined ratio driven mainly by catastrophe losses and current accident year losses. Current year catastrophe losses, net of reinsurance and reinstatement premiums, were \$109 million for the quarter primarily from Typhoon Faxai (\$52 million) and Hurricane Dorian (\$44 million).
 - Global A&H produced \$18 million of underwriting income, including net service fee income, and a combined ratio of 91%. Underwriting results included \$6 million of net favorable prior year loss reserve development.
 - Specialty & Casualty produced a \$(26) million underwriting (loss) and a combined ratio of 126%, driven mainly by net unfavorable prior year loss reserve development of \$10 million, primarily from the Casualty reinsurance book, as well as higher current accident year losses for the Aviation & Space and Trade Credit books.
 - Runoff & Other produced a \$(3) million underwriting (loss) mainly from net unfavorable prior year loss reserve development.

For the nine months ended September 30, 2019, Sirius Group's combined ratio was 107% compared to 94% for the nine months ended September 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 and higher current accident year losses in the Specialty & Casualty segment. The first nine months of 2019 included 8 points of net unfavorable prior year loss reserve development compared to 3 points of net favorable prior year loss reserve development for the nine months ended September 30, 2018. The combined ratios for the nine months of 2019 and 2018 included 11 points and 9 points, respectively, of current year catastrophe losses, net of reinsurance and reinstatement premiums.

- Gross written premiums for the nine months of 2019 were \$1,523 million, relatively flat compared to \$1,518 million for 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 in 2018.

- Pre-tax catastrophe losses, net of reinsurance and reinstatement premiums, amounted to \$119 million for the nine months ended September 30, 2019 compared to \$80 million for the same period in 2018.
- Highlights by reportable segment for the nine months of 2019 included the following:
 - Global Property produced an underwriting (loss) of \$(55) million and a 112% combined ratio driven by catastrophes losses, net unfavorable prior year loss reserve development of \$68 million and higher current accident year losses. Catastrophe losses, net of reinsurance and reinstatement premiums, were \$118 million primarily from Typhoon Faxai (\$52 million) and Hurricane Dorian (\$44 million).
 - Global A&H produced \$38 million of underwriting income, including net service fee income from IMG and Armada of \$26 million, and a combined ratio of 96%.
 - Specialty & Casualty produced a \$(36) million underwriting (loss) and a combined ratio of 114%, driven mainly by higher current accident year losses for the Trade Credit (including \$6 million from the Thomas Cook bankruptcy loss) and Aviation & Space (including \$4 million from the 1Q19 Ethiopian Airline flight crash) books. Underwriting results were also negatively impacted by net unfavorable prior year loss reserve development of \$15 million, primarily from the Casualty reinsurance book.
 - Runoff & Other produced an underwriting (loss) of \$(14) million mainly due to net unfavorable prior year loss reserve movements.

Investments and Other

- During the third quarter of 2019, the investment portfolio returned 1.2% in original currencies and 0.8% in U.S. Dollars.
 - Net realized and unrealized investment gains (losses) were \$69 million for the third quarter of 2019 compared to \$(8) million for the third quarter of 2018. The increase was primarily driven by realized and unrealized foreign currency gains of \$48 million.
- For the first nine months of 2019, the investment portfolio returned 4.8% in original currencies and 4.4% in U.S. Dollars.
 - Net investment income increased \$15 million or 29.9% for the nine months ended September 30, 2019 to \$67 million, from \$52 million for the same period last year, primarily due to a higher interest rate environment.
 - Net realized and unrealized investment gains were \$183 million for the nine months ended September 30, 2019 compared to \$37 million for the same period last year. The increase was driven by unrealized gains of \$92 million arising from investments consistent with overall market performance as well as foreign currency gains of \$86 million.
- Common shareholders' equity ended the third quarter of 2019 at \$1,743 million compared to \$1,705 million at December 31, 2018. The increase is primarily due to comprehensive income of \$34 million. Adjusted book value⁽¹⁾ ended the third quarter of 2019 at \$1,982 million compared to \$1,937 million at December 31, 2018.

Conference Call

A conference call discussing the third quarter results will be held on November 7, 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 third quarter results. Readers 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, Adjusted tangible book value, Adjusted tangible 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, Adjusted tangible book value, Adjusted tangible 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 \$2.6 billion of total capital and roots dating back to 1945, is a global multi-line (re)insurer headquartered in Bermuda with a unique global branch network, including offices in Stockholm, New York and London. Sirius Group’s success over the years has come from working with honest, capable partners. Sirius Group provides a fully diversified set of tailored risk products to clients in approximately 150 countries, including health and travel products to consumers through its two managing general underwriters, ArmadaCorp Capital, LLC and International Medical Group Acquisition, Inc. Sirius Group has been publicly traded since November 2018. You can learn more by visiting 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 the future growth and performance of Sirius Group, its (re)insurance business, its specialty insurance lines and its environmental, surety and Armada businesses. 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, including its affiliates' liquidity issues; Sirius Group's status as a publicly traded company, foreign private issuer and controlled company; and other 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 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 or regulation, 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 circumstances after the date of this release.

Contact:

Sirius Group

Matthew Kirk

Investor Relations

investor.relations@siriusgroup.com

(212) 312-2525

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

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

	September 30, 2019	December 31, 2018
	Unaudited	
Assets		
Fixed maturity investments, trading, at fair value (Amortized cost 2019: \$1,702.1; 2018: \$1,952.9)	\$ 1,771.4	\$ 1,949.2
Short-term investments, at fair value (Amortized cost 2019: \$981.5; 2018: \$716.1)	989.3	715.5
Equity securities, trading, at fair value (Cost 2019: \$359.4; 2018: \$409.4)	384.3	380.0
Other long-term investments, at fair value (Cost 2019: \$332.6; 2018: \$337.6)	368.4	365.0
Cash	145.8	119.4
Restricted cash	14.0	12.8
Total investments and cash	3,673.2	3,541.9
Accrued investment income	11.5	14.1
Insurance and reinsurance premiums receivable	842.6	630.6
Reinsurance recoverable on unpaid losses	392.9	350.2
Reinsurance recoverable on paid losses	55.2	55.0
Funds held by ceding companies	236.8	186.8
Ceded unearned insurance and reinsurance premiums	173.8	159.8
Deferred acquisition costs	155.2	141.6
Deferred tax asset	162.8	202.5
Accounts receivable on unsettled investment sales	12.9	5.0
Goodwill	400.4	400.6
Intangible assets	183.8	195.6
Other assets	164.0	124.0
Total assets	\$ 6,465.1	\$ 6,007.7
Liabilities		
Loss and loss adjustment expense reserves	\$ 2,186.4	\$ 2,016.7
Unearned insurance and reinsurance premiums	807.7	647.2
Ceded reinsurance payable	250.4	206.9
Funds held under reinsurance treaties	135.9	110.6
Deferred tax liability	208.6	237.4
Debt	670.3	696.8
Accounts payable on unsettled investment purchases	34.7	3.2
Other liabilities	189.1	150.5
Total liabilities	4,483.1	4,069.3
Commitments and contingencies		
Mezzanine equity		
Series B preference shares	236.0	232.2
Common shareholders' equity		
Common shares (shares issued and outstanding, 2019: 115,299,342; 2018: 115,151,251)	1.2	1.2
Additional paid-in surplus	1,097.0	1,089.1
Retained earnings	915.8	816.6
Accumulated other comprehensive (loss)	(271.4)	(202.40)
Total common shareholders' equity	1,742.6	1,704.5
Non-controlling interests	3.4	1.7
Total equity	1,746.0	1,706.2
Total liabilities, mezzanine equity, and equity	\$ 6,465.1	\$ 6,007.7

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

<i>(Expressed in millions of U.S. dollars, except share and per share information)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Revenues				
Net earned insurance and reinsurance premiums	\$ 374.2	\$ 321.1	\$ 1,056.8	\$ 914.5
Net investment income	22.8	21.8	67.3	51.8
Net realized investment gains	15.3	3.9	39.9	8.0
Net unrealized investment gains (losses)	53.9	(11.7)	143.4	29.0
Net foreign exchange gains (losses)	4.9	(0.4)	9.4	21.7
Other revenue	16.3	17.0	51.3	96.0
Total revenues	487.4	351.7	1,368.1	1,121.0
Expenses				
Loss and loss adjustment expenses	\$ 348.6	\$ 260.4	\$ 810.5	\$ 552.8
Insurance and reinsurance acquisition expenses	75.1	59.2	215.4	189.0
Other underwriting expenses	35.4	35.7	106.2	117.1
General and administrative expenses	28.0	19.5	80.6	58.0
Intangible asset amortization expenses	3.9	3.9	11.8	11.8
Interest expense on debt	7.7	7.6	23.3	23.1
Total expenses	498.7	386.3	1,247.8	951.8
Pre-tax (loss) income	(11.3)	(34.6)	120.3	169.2
Income tax benefit (expense)	3.7	6.9	(15.6)	(55.4)
Net (loss) income	(7.6)	(27.7)	104.7	113.8
Income attributable to non-controlling interests	(0.4)	(0.3)	(1.6)	(0.9)
Income (loss) attributable to Sirius Group	(8.0)	(28.0)	103.1	112.9
Change in carrying value of Series B preference shares	5.3	—	(3.9)	—
Accrued dividends on Series A redeemable preference shares	—	—	—	(2.6)
Net (loss) income attributable to Sirius Group's common shareholders	\$ (2.7)	\$ (28.0)	\$ 99.2	\$ 110.3
Net (loss) income per common share and common share equivalent				
Basic earnings per common share and common share equivalent	\$ (0.02)	\$ (0.23)	\$ 0.78	\$ 0.88
Diluted earnings per common share and common share equivalent	\$ (0.06)	\$ (0.23)	\$ 0.78	\$ 0.88
Weighted average number of common shares and common share equivalents outstanding:				
Basic weighted average number of common shares and common share equivalents outstanding	115,251,853	120,000,000	115,225,942	120,000,000
Diluted weighted average number of common shares and common share equivalents outstanding	127,153,523	120,000,000	115,619,222	120,000,000

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

<i>(Expressed in millions of U.S. dollars)</i>	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Comprehensive (loss) income				
Net (loss) income	\$ (7.6)	\$ (27.7)	\$ 104.7	\$ 113.8
Other comprehensive (loss) income				
Change in foreign currency translation, net of tax	(42.3)	4.7	(69.0)	(57.2)
Total other comprehensive (loss) income	(42.3)	4.7	(69.0)	(57.2)
Comprehensive (loss) income	(49.9)	(23.0)	35.7	56.6
Net (income) attributable to non-controlling interests	(0.4)	(0.3)	(1.6)	(0.9)
Comprehensive (loss) income attributable to Sirius Group	\$ (50.3)	\$ (23.3)	\$ 34.1	\$ 55.7

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

Three months ended September 30, 2019

(Expressed in millions of U.S. dollars)

	Global Property	Global A&H	Specialty & Casualty	Runoff & Other	Corporate Elimination	Total
Gross written premiums	\$ 153.6	\$ 137.4	\$ 120.6	\$ 2.1	\$ —	\$ 413.7
Net written premiums	\$ 103.7	\$ 104.6	\$ 113.2	\$ 0.8	\$ —	\$ 322.3
Net earned insurance and reinsurance premiums	\$ 159.9	\$ 115.1	\$ 98.7	\$ 0.5	\$ —	\$ 374.2
Loss and allocated LAE	(184.4)	(63.6)	(85.5)	(0.9)	—	(334.4)
Insurance and reinsurance acquisition expenses	(29.2)	(32.5)	(27.1)	(0.1)	13.8	(75.1)
Technical (loss) profit	(53.7)	19.0	(13.9)	(0.5)	13.8	(35.3)
Unallocated LAE	(5.5)	(2.0)	(3.0)	(0.2)	(3.5)	(14.2)
Other underwriting expenses	(14.7)	(6.8)	(8.8)	(1.4)	(3.7)	(35.4)
Underwriting (loss) income	(73.9)	10.2	(25.7)	(2.1)	6.6	(84.9)
Service fee revenue	—	31.0	—	—	(14.6)	16.4
Managing general underwriter unallocated LAE	—	(4.3)	—	—	4.3	—
Managing general underwriter other underwriting expenses	—	(3.7)	—	—	3.7	—
General and administrative expenses, MGU + Runoff & Other	—	(15.1)	—	(1.2)	—	(16.3)
Underwriting (loss) income, including net service fee income	\$ (73.9)	\$ 18.1	\$ (25.7)	\$ (3.3)	\$ —	\$ (84.8)
Underwriting Ratios ^{(1) (2)}						
Loss ratio	118.8%	57.0%	89.7%	NM	NM	93.2%
Acquisition expense ratio	18.3%	28.2%	27.5%	NM	NM	20.1%
Other underwriting expense ratio	9.2%	5.9%	8.9%	NM	NM	9.5%
Combined ratio	146.3%	91.1%	126.1%	NM	NM	122.8%

⁽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

Three months ended September 30, 2018

(Expressed in millions of U.S. dollars)

	Global Property	Global A&H	Specialty & Casualty	Runoff & Other	Corporate Elimination	Total
Gross written premiums	\$ 203.7	\$ 117.1	\$ 76.5	\$ 0.7	\$ —	\$ 398.0
Net written premiums	\$ 144.9	\$ 87.9	\$ 72.6	\$ 0.3	\$ —	\$ 305.7
Net earned insurance and reinsurance premiums	\$ 172.7	\$ 89.6	\$ 58.4	\$ 0.4	\$ —	\$ 321.1
Loss and allocated LAE	(173.2)	(51.3)	(34.1)	10.2	—	(248.4)
Insurance and reinsurance acquisition expenses	(30.1)	(26.7)	(16.2)	(0.1)	13.9	(59.2)
Technical (loss) profit	(30.6)	11.6	8.1	10.5	13.9	13.5
Unallocated LAE	(3.3)	(1.7)	(1.6)	(0.7)	(4.7)	(12.0)
Other underwriting expenses	(17.5)	(6.4)	(8.4)	(1.4)	(2.0)	(35.7)
Underwriting (loss) income	(51.4)	3.5	(1.9)	8.4	7.2	(34.2)
Service fee revenue	—	29.3	—	—	(13.9)	15.4
Managing general underwriter unallocated LAE	—	(4.7)	—	—	4.7	—
Managing general underwriter other underwriting expenses	—	(2.0)	—	—	2.0	—
General and administrative expenses, MGU + Runoff & Other	—	(13.8)	—	(0.8)	—	(14.6)
Underwriting (loss) income, including net service fee income	\$ (51.4)	\$ 12.3	\$ (1.9)	\$ 7.6	\$ —	\$ (33.4)
Underwriting Ratios ^{(1) (2)}						
Loss ratio	102.2%	59.2%	61.1%	NM	NM	81.1%
Acquisition expense ratio	17.4%	29.8%	27.7%	NM	NM	18.4%
Other underwriting expense ratio	10.1%	7.1%	14.4%	NM	NM	11.1%
Combined ratio	129.7%	96.1%	103.2%	NM	NM	110.6%

⁽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

Nine months ended September 30, 2019

(Expressed in millions of U.S. dollars)

	Global Property	Global A&H	Specialty & Casualty	Runoff & Other	Corporate Elimination	Total
Gross written premiums	\$ 720.5	\$ 459.5	\$ 338.4	\$ 4.7	\$ —	\$ 1,523.1
Net written premiums	\$ 536.6	\$ 360.1	\$ 310.6	\$ 1.5	\$ —	\$ 1,208.8
Net earned insurance and reinsurance premiums	\$ 463.9	\$ 330.0	\$ 261.7	\$ 1.2	\$ —	\$ 1,056.8
Loss and allocated LAE	(378.3)	(198.6)	(194.4)	(4.4)	—	(775.7)
Insurance and reinsurance acquisition expenses	(82.2)	(95.1)	(72.2)	(2.6)	36.7	(215.4)
Technical profit (loss)	3.4	36.3	(4.9)	(5.8)	36.7	65.7
Unallocated LAE	(10.2)	(5.5)	(7.1)	(0.9)	(11.1)	(34.8)
Other underwriting expenses	(47.9)	(18.8)	(23.7)	(4.6)	(11.2)	(106.2)
Underwriting (loss) income	(54.7)	12.0	(35.7)	(11.3)	14.4	(75.3)
Service fee revenue	—	97.6	—	—	(39.3)	58.3
Managing general underwriter unallocated LAE	—	(13.7)	—	—	13.7	—
Managing general underwriter other underwriting expenses	—	(11.2)	—	—	11.2	—
General and administrative expenses, MGU + Runoff & Other	—	(46.3)	—	(3.0)	—	(49.3)
Underwriting (loss) income, including net service fee income	\$ (54.7)	\$ 38.4	\$ (35.7)	\$ (14.3)	\$ —	\$ (66.3)
Underwriting Ratios ^{(1) (2)}						
Loss ratio	83.7%	61.8%	77.0%	NM	NM	76.7%
Acquisition expense ratio	17.7%	28.8%	27.6%	NM	NM	20.4%
Other underwriting expense ratio	10.3%	5.7%	9.1%	NM	NM	10.0%
Combined ratio	111.7%	96.3%	113.7%	NM	NM	107.1%

⁽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

Nine months ended September 30, 2018

(Expressed in millions of U.S. dollars)

	Global Property	Global A&H	Specialty & Casualty	Runoff & Other	Corporate Elimination	Total
Gross written premiums	\$ 875.7	\$ 375.0	\$ 252.9	\$ 14.6	\$ —	\$ 1,518.2
Net written premiums	\$ 569.1	\$ 286.2	\$ 228.3	\$ 11.8	\$ —	\$ 1,095.4
Net earned insurance and reinsurance premiums	\$ 476.3	\$ 258.4	\$ 168.3	\$ 11.5	\$ —	\$ 914.5
Loss and allocated LAE	(311.8)	(138.0)	(87.4)	12.3	—	(524.9)
Insurance and reinsurance acquisition expenses	(93.5)	(82.3)	(44.9)	(2.3)	34.0	(189.0)
Technical profit	71.0	38.1	36.0	21.5	34.0	200.6
Unallocated LAE	(7.7)	(4.3)	(4.5)	(1.6)	(9.8)	(27.9)
Other underwriting expenses	(53.0)	(20.7)	(24.3)	(5.2)	(13.9)	(117.1)
Underwriting income	10.3	13.1	7.2	14.7	10.3	55.6
Service fee revenue	—	89.5	—	—	(34.0)	55.5
Managing general underwriter unallocated LAE	—	(9.8)	—	—	9.8	—
Managing general underwriter other underwriting expenses	—	(13.9)	—	—	13.9	—
General and administrative expenses, MGU + Runoff & Other	—	(37.5)	—	(2.9)	—	(40.4)
Underwriting income, including net service fee income	\$ 10.3	\$ 41.4	\$ 7.2	\$ 11.8	\$ —	\$ 70.7
Underwriting Ratios ^{(1) (2)}						
Loss ratio	67.1%	55.1%	54.6%	NM	NM	60.4%
Acquisition expense ratio	19.6%	31.8%	26.7%	NM	NM	20.7%
Other underwriting expense ratio	11.1%	8.0%	14.4%	NM	NM	12.8%
Combined ratio	97.8%	94.9%	95.7%	NM	NM	93.9%

⁽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, Adjusted book value per share, Adjusted tangible book value, and Adjusted tangible book value per share

Adjusted book value, Adjusted book value per share, Adjusted tangible book value, and Adjusted tangible book value per share are non-GAAP financial measures. Adjusted book value and Adjusted book value per share are used to show the Company's total worth on a per-share basis and are useful to management and investors in analyzing the intrinsic value of the Company. Adjusted tangible book value and Adjusted tangible book value per share are useful to investors because they measure the realizable value of shareholder returns, excluding the impact of goodwill, intangible assets, and net deferred liability on intangible assets.

Adjusted shares outstanding is derived by summing Common shares outstanding, Series B preference shares outstanding, 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. Adjusted tangible book value is derived by subtracting Goodwill, Intangible assets and Net deferred tax liability on intangible assets from Adjusted book value.

At September 30, 2019, Adjusted book value, Adjusted book value per share, Adjusted tangible book value, and Adjusted tangible 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. Adjusted tangible book value per share is derived by dividing Adjusted tangible 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.

<i>(Expressed in millions of U.S. dollars, except share and per share amounts)</i>	September 30, 2019	December 31, 2018
Common shares outstanding	115,299,342	115,151,251
Series B preference shares outstanding	11,901,670	11,901,670
Earned share-based compensation awards, excluding stock options	648,551	—
Earned portion of Stock option awards issued	267,350	—
Adjusted shares outstanding	128,116,913	127,052,921
Total common shareholders' equity	\$ 1,742.6	\$ 1,704.5
Series B preference shares	236.0	232.2
Earned portion of future proceeds from stock option awards	3.4	—
Adjusted book value	\$ 1,982.0	\$ 1,936.7
Goodwill	(400.4)	(400.6)
Intangible assets	(183.8)	(195.6)
Net deferred tax liability on intangible assets	24.0	26.3
Adjusted tangible book value	\$ 1,421.8	\$ 1,366.8
Book value per common share	\$ 15.11	\$ 14.80
Adjusted book value per share	\$ 15.47	\$ 15.24
Adjusted tangible book value per share	\$ 11.10	\$ 10.76

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 (loss) 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 (loss) income attributable to common shareholders to Operating (loss) income attributable to common shareholders:

<i>(Expressed in millions of U.S. dollars)</i>	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Net (loss) income attributable to common shareholders	\$ (2.7)	\$ (28.0)	\$ 99.2	\$ 110.3
Adjustment for net realized and unrealized (gains) losses on investments	(69.2)	7.8	(183.3)	(37.0)
Adjustment for net foreign exchange (gains) losses	(4.3)	0.4	(9.4)	(21.7)
Adjustment for income tax expense (benefit) ⁽¹⁾	10.8	(1.6)	27.6	(1.6)
Operating (loss) income attributable to common shareholders	\$ (65.4)	\$ (21.4)	\$ (65.9)	\$ 50.0

⁽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 (EXHIBIT 99.2)



Sirius International Insurance Group, Ltd.

Investor Financial Supplement September 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 September 30, 2019.

Sirius International Insurance Group, Ltd.

Table of Contents

	Page
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 Common Share, Adjusted Book Value Per Share and Adjusted Tangible 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, Adjusted tangible book value, Adjusted tangible 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, Adjusted tangible book value, Adjusted tangible 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 may contain 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 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 the Company's securities;
- CMIG International Holding Pte. Ltd.'s status as a controlling shareholder, including its affiliates' liquidity issues;
- Sirius Group's status as a publicly traded company, foreign private issuer and controlled company; and
- other 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 as 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

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
<i>(Expressed in millions of U.S. dollars, except share and per share information)</i>				
Key Underwriting Metrics:				
Underwriting (loss) income ⁽¹⁾	(\$84.9)	(\$34.2)	(\$75.3)	\$55.6
Combined ratio ⁽²⁾	122.8 %	110.6 %	107.1%	93.9%
Key Investment Return Metrics:				
Net investment income	\$22.8	\$21.8	\$67.3	\$51.8
Total return on investments:				
U.S. dollars	0.8 %	0.6 %	4.4%	0.4%
Local currencies	1.2 %	0.5 %	4.8%	1.3%
Selected Financial Data:				
Basic earnings per common share and common share equivalent	(\$0.02)	(\$0.23)	\$0.78	\$0.88
Diluted earnings per common share and common share equivalent	(\$0.06)	(\$0.23)	\$0.78	\$0.88
Basic weighted average number of common shares and common share equivalents outstanding	115,251,853	120,000,000	115,225,942	120,000,000
Diluted weighted average number of common shares and common share equivalents outstanding	127,153,523	120,000,000	115,619,222	120,000,000
Operating (loss) income attributable to common shareholders ⁽³⁾	(\$65.4)	(\$21.4)	(\$65.9)	\$50.0
Return on equity ⁽⁴⁾	-0.2 %	-1.4 %	5.8%	5.8%
Growth in Adjusted book value per share	-2.5 %		1.5%	
Growth in Adjusted tangible book value per share	-3.2 %		3.2%	

- (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.

	September 30, 2019	December 31, 2018
Selected Balance Sheet Data:		
Book value per common share	\$15.11	\$14.80
Adjusted book value per share ⁽¹⁾	\$15.47	\$15.24
Adjusted tangible book value per share ⁽¹⁾	\$11.10	\$10.76

- (1) Adjusted book value per share and Adjusted tangible 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 per share and Adjusted tangible book value per share.

Sirius International Insurance Group, Ltd.
Consolidated Statements of Income
For the three months and nine months ended September 30, 2019 and 2018

(Expressed in millions of U.S. dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Revenues				
Net earned insurance and reinsurance premiums	\$374.2	\$321.1	\$1,056.8	\$914.5
Net investment income	22.8	21.8	67.3	51.8
Net realized investment gains	15.3	3.9	39.9	8.0
Net unrealized investment gains (losses)	53.9	(11.7)	143.4	29.0
Net foreign exchange gains (losses)	4.9	(0.4)	9.4	21.7
Other revenue	16.3	17.0	51.3	96.0
Total revenues	487.4	351.7	1,368.1	1,121.0
Expenses				
Loss and loss adjustment expenses	348.6	260.4	810.5	552.8
Insurance and reinsurance acquisition expenses	75.1	59.2	215.4	189.0
Other underwriting expenses	35.4	35.7	106.2	117.1
General and administrative expenses	28.0	19.5	80.6	58.0
Intangible asset amortization expenses	3.9	3.9	11.8	11.8
Interest expense on debt	7.7	7.6	23.3	23.1
Total expenses	498.7	386.3	1,247.8	951.8
Pre-tax (loss) income	(11.3)	(34.6)	120.3	169.2
Income tax benefit (expense)	3.7	6.9	(15.6)	(55.4)
Net (loss) income	(7.6)	(27.7)	104.7	113.8
Less: Income attributable to non-controlling interests	(0.4)	(0.3)	(1.6)	(0.9)
Net (loss) income attributable to Sirius Group	(8.0)	(28.0)	103.1	112.9
Less: Change in carrying value of Series B preference shares	5.3	—	(3.9)	—
Less: Accrued dividends on Series A redeemable preference shares	—	—	—	(2.6)
Net (loss) income attributable to Sirius Group's common shareholders	(\$2.7)	(\$28.0)	\$99.2	\$110.3

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

(Expressed in millions of U.S. dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Comprehensive (loss) income				
Net (loss) income	(\$7.6)	(\$27.7)	\$104.7	\$113.8
Other comprehensive (loss) income				
Change in foreign currency translation, net of tax	(42.3)	4.7	(69.0)	(57.2)
Total other comprehensive (loss) income	(42.3)	4.7	(69.0)	(57.2)
Comprehensive (loss) income	(49.9)	(23.0)	35.7	56.6
Net (income) attributable to non-controlling interests	(0.4)	(0.3)	(1.6)	(0.9)
Comprehensive (loss) income attributable to Sirius Group	(\$50.3)	(\$23.3)	\$34.1	\$55.7

Sirius International Insurance Group, Ltd.
Consolidated Balance Sheets

(Expressed in millions of U.S. dollars)

	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018
Assets					
Fixed maturity investments, trading at fair value	\$1,771.4	\$1,815.7	\$1,846.4	\$1,949.2	\$1,979.6
Short-term investments, at fair value	989.3	882.9	833.6	715.5	760.0
Equity securities, trading at fair value	384.3	387.8	394.4	380.0	430.4
Other long-term investments, at fair value	368.4	379.9	389.7	365.0	349.0
Cash	145.8	116.8	116.0	119.4	106.5
Restricted cash	14.0	13.7	13.0	12.8	15.0
Total investments and cash	3,673.2	3,596.8	3,593.1	3,541.9	3,640.5
Accrued investment income	11.5	13.3	12.7	14.1	12.1
Insurance and reinsurance premiums receivable	842.6	861.3	818.7	630.6	762.5
Reinsurance recoverable on unpaid losses	392.9	357.4	349.3	350.2	349.0
Reinsurance recoverable on paid losses	55.2	69.8	50.5	55.0	29.8
Funds held by ceding companies	236.8	237.6	202.8	186.8	180.0
Ceded unearned insurance and reinsurance premiums	173.8	188.1	200.5	159.8	191.2
Deferred acquisition costs	155.2	158.8	152.6	141.6	152.8
Deferred tax asset	162.8	174.4	171.6	202.5	197.7
Accounts receivable on unsettled investment sales	12.9	2.0	1.7	5.0	0.1
Goodwill	400.4	400.6	400.7	400.6	400.7
Intangible assets	183.8	187.7	191.7	195.6	207.5
Other assets	164.0	171.4	161.1	124.0	134.8
Total assets	\$6,465.1	\$6,419.2	\$6,307.0	\$6,007.7	\$6,258.7
Liabilities					
Loss and loss adjustment expense reserves	\$2,186.4	\$2,023.3	\$1,976.3	\$2,016.7	\$1,891.0
Unearned insurance and reinsurance premiums	807.7	879.5	860.5	647.2	766.9
Ceded reinsurance payable	250.4	256.9	231.3	206.9	239.2
Funds held under reinsurance treaties	135.9	126.6	123.4	110.6	105.4
Deferred tax liability	208.6	229.7	230.6	237.4	256.9
Debt	670.3	685.9	686.1	696.8	697.7
Accounts payable on unsettled investment purchases	34.7	2.6	9.9	3.2	18.1
Other liabilities	189.1	186.3	173.1	150.5	200.6
Total liabilities	4,483.1	4,390.8	4,291.2	4,069.3	4,175.8
Mezzanine equity					
Series B preference shares	236.0	241.3	240.6	232.2	—
Series A redeemable preference shares	—	—	—	—	108.8
Total mezzanine equity	236.0	241.3	240.6	232.2	108.8
Common shareholders' equity					
Common shares	1.2	1.2	1.2	1.2	1.2
Additional paid-in surplus	1,097.0	1,093.5	1,090.2	1,089.1	1,199.3
Retained earnings	915.8	918.5	911.8	816.6	970.2
Accumulated other comprehensive (loss)	(271.4)	(229.1)	(230.2)	(202.4)	(197.7)
Total common shareholders' equity	1,742.6	1,784.1	1,773.0	1,704.5	1,973.0
Non-controlling interests	3.4	3.0	2.2	1.7	1.1
Total equity	1,746.0	1,787.1	1,775.2	1,706.2	1,974.1
Total liabilities, mezzanine equity, and equity	\$6,465.1	\$6,419.2	\$6,307.0	\$6,007.7	\$6,258.7

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

	Year to date for the period ended,				
	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018
<i>(Expressed in millions of U.S. dollars)</i>					
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	1,089.1	1,197.9	1,197.9
Issuance of common shares and warrants, net of expenses	—	—	—	52.7	—
Share compensation expense	7.9	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
Other, net	—	(0.1)	(0.1)	0.1	—
Balance at end of period	1,097.0	1,093.5	1,090.2	1,089.1	1,199.3
Retained earnings					
Balance at beginning of period	816.6	816.6	816.6	858.4	858.4
Cumulative effect of an accounting change	—	—	—	1.6	1.6
Balance at beginning of period, as adjusted	816.6	816.6	816.6	860.0	860.0
Net income (loss)	104.7	112.3	104.1	(16.7)	113.8
Income attributable to non-controlling interest	(1.6)	(1.2)	(0.4)	(1.4)	(0.9)
Change in carrying value of Series B preference shares	(3.9)	(9.2)	(8.4)	(36.4)	—
Accrued dividends on Series A redeemable preference shares	—	—	—	(2.6)	(2.6)
Redemption of Series A redeemable preference shares	—	—	—	13.8	—
Other, net	—	—	(0.1)	(0.1)	(0.1)
Balance at end of period	915.8	918.5	911.8	816.6	970.2
Accumulated other comprehensive (loss)					
Balance at beginning of period	(202.4)	(202.4)	(202.4)	(140.5)	(140.5)
Accumulated net foreign currency translation (losses)					
Balance at beginning of period	(202.4)	(202.4)	(202.4)	(140.5)	(140.5)
Net change in foreign currency translation	(69.0)	(26.7)	(27.8)	(61.9)	(57.2)
Balance at end of period	(271.4)	(229.1)	(230.2)	(202.4)	(197.7)
Balance at the end of period	(271.4)	(229.1)	(230.2)	(202.4)	(197.7)
Total common shareholders' equity	1,742.6	1,784.1	1,773.0	1,704.5	1,973.0
Non-controlling interests	3.4	3.0	2.2	1.7	1.1
Total equity	\$1,746.0	\$1,787.1	\$1,775.2	\$1,706.2	\$1,974.1

Sirius International Insurance Group, Ltd.
Consolidated Statements of Income – Segment Results Format
For the Three and Nine Months Ended September 30, 2019 and 2018

(Expressed in millions of U.S. dollars)

Underwriting Results:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Gross written premiums	\$ 413.7	\$ 398.0	\$ 1,523.1	\$ 1,518.2
Net written premiums	\$ 322.3	\$ 305.7	\$ 1,208.8	\$ 1,095.4
Net earned insurance and reinsurance premiums	\$ 374.2	\$ 321.1	\$ 1,056.8	\$ 914.5
Loss and allocated loss adjustment expenses (“LAE”)	(334.4)	(248.4)	(775.7)	(524.9)
Insurance and reinsurance acquisition expenses	(75.1)	(59.2)	(215.4)	(189.0)
Technical (loss) profit	(35.3)	13.5	65.7	200.6
Unallocated LAE	(14.2)	(12.0)	(34.8)	(27.9)
Other underwriting expenses	(35.4)	(35.7)	(106.2)	(117.1)
Underwriting (loss) income	(84.9)	(34.2)	(75.3)	55.6
Service fee revenue	16.4	15.4	58.3	55.5
General and administrative expenses, MGU + Runoff & Other	(16.3)	(14.6)	(49.3)	(40.4)
Underwriting (loss) income, including net service fee income	(84.8)	(33.4)	(66.3)	70.7
Net investment income	22.8	21.8	67.3	51.8
Net realized investment gains	15.3	3.9	39.9	8.0
Net unrealized investment gains	53.9	(11.7)	143.4	29.0
Net foreign exchange gains (losses)	4.9	(0.4)	9.4	21.7
Other revenue	(0.1)	1.6	(7.0)	40.5
General and administrative expenses	(11.7)	(4.9)	(31.3)	(17.6)
Intangible asset amortization expenses	(3.9)	(3.9)	(11.8)	(11.8)
Interest expense on debt	(7.7)	(7.6)	(23.3)	(23.1)
Pre-tax income	(11.3)	(34.6)	120.3	169.2
Income tax benefit (expense)	3.7	6.9	(15.6)	(55.4)
Net income	(7.6)	(27.7)	104.7	113.8
Less: Income attributable to non-controlling interests	(0.4)	(0.3)	(1.6)	(0.9)
Net income attributable to Sirius Group	(8.0)	(28.0)	103.1	112.9
Less: Change in carrying value of Series B preference shares	5.3	—	(3.9)	—
Less: Accrued dividends on Series A redeemable preference shares	—	—	—	(2.6)
Net income attributable to Sirius Group’s common shareholders	\$ (2.7)	\$ (28.0)	\$ 99.2	\$ 110.3

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

Three Months Ended September 30, 2019

(Expressed in millions of U.S. dollars)

	Global Property	Global A&H	Specialty & Casualty	Runoff & Other	Corporate Elimination	Total
Gross written premiums	\$153.6	\$137.4	\$120.6	\$2.1	\$—	\$413.7
Net written premiums	\$103.7	\$104.6	\$113.2	\$0.8	\$—	\$322.3
Net earned insurance and reinsurance premiums	\$159.9	\$115.1	\$98.7	\$0.5	\$—	\$374.2
Loss and allocated LAE	(184.4)	(63.6)	(85.5)	(0.9)	—	(334.4)
Insurance and reinsurance acquisition expenses	(29.2)	(32.5)	(27.1)	(0.1)	13.8	(75.1)
Technical profit (loss)	(53.7)	19.0	(13.9)	(0.5)	13.8	(35.3)
Unallocated LAE	(5.5)	(2.0)	(3.0)	(0.2)	(3.5)	(14.2)
Other underwriting expenses	(14.7)	(6.8)	(8.8)	(1.4)	(3.7)	(35.4)
Underwriting (loss) income	(73.9)	10.2	(25.7)	(2.1)	6.6	(84.9)
Service fee revenue	—	31.0	—	—	(14.6)	16.4
Managing general underwriter unallocated LAE	—	(4.3)	—	—	4.3	—
Managing general underwriter other underwriting expenses	—	(3.7)	—	—	3.7	—
General and administrative expenses, MGU + Runoff & Other	—	(15.1)	—	(1.2)	—	(16.3)
Underwriting income (loss), including net service fee income	(73.9)	\$18.1	(25.7)	(3.3)	\$—	(84.8)
Underwriting ratios ^{(1) (2)}						
Loss ratio	118.8%	57.0%	89.7%	NM	NM	93.2%
Acquisition expense ratio	18.3%	28.2%	27.5%	NM	NM	20.1%
Other underwriting expense ratio	9.2%	5.9%	8.9%	NM	NM	9.5%
Combined ratio	146.3%	91.1%	126.1%	NM	NM	122.8%

(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

Nine Months Ended September 30, 2019

(Expressed in millions of U.S. dollars)

	Global Property	Global A&H	Specialty & Casualty	Runoff & Other	Corporate Elimination	Total
Gross written premiums	\$720.5	\$459.5	\$338.4	\$4.7	\$—	\$1,523.1
Net written premiums	\$536.6	\$360.1	\$310.6	\$1.5	\$—	\$1,208.8
Net earned insurance and reinsurance premiums	463.9	330.0	261.7	1.2	—	1,056.8
Loss and allocated LAE	(378.3)	(198.6)	(194.4)	(4.4)	—	(775.7)
Insurance and reinsurance acquisition expenses	(82.2)	(95.1)	(72.2)	(2.6)	36.7	(215.4)
Technical profit (loss)	3.4	36.3	(4.9)	(5.8)	36.7	65.7
Unallocated LAE	(10.2)	(5.5)	(7.1)	(0.9)	(11.1)	(34.8)
Other underwriting expenses	(47.9)	(18.8)	(23.7)	(4.6)	(11.2)	(106.2)
Underwriting income (loss)	(54.7)	12.0	(35.7)	(11.3)	14.4	(75.3)
Service fee revenue	—	97.6	—	—	(39.3)	58.3
Managing general underwriter unallocated LAE	—	(13.7)	—	—	13.7	—
Managing general underwriter other underwriting expenses	—	(11.2)	—	—	11.2	—
General and administrative expenses, MGU + Runoff & Other	—	(46.3)	—	(3.0)	—	(49.3)
Underwriting income (loss), including net service fee income	(\$54.7)	\$38.4	(\$35.7)	(\$14.3)	\$—	(\$66.3)
Underwriting ratios ^{(1) (2)}						
Loss ratio	83.7%	61.8%	77.0%	NM	NM	76.7%
Acquisition expense ratio	17.7%	28.8%	27.6%	NM	NM	20.4%
Other underwriting expense ratio	10.3%	5.7%	9.1%	NM	NM	10.0%
Combined ratio	111.7%	96.3%	113.7%	NM	NM	107.1%

(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)

	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Gross written premiums	\$153.6	\$236.2	\$330.7	\$86.7	\$203.7
Net written premiums	103.7	191.6	241.3	85.9	144.9
Net earned insurance and reinsurance premiums	159.9	164.3	139.7	159.7	172.7
Loss and allocated LAE	(184.4)	(131.3)	(62.6)	(206.4)	(173.2)
Insurance and reinsurance acquisition expenses	(29.2)	(27.2)	(25.8)	(27.6)	(30.1)
Technical (loss) profit	(53.7)	5.8	51.3	(74.3)	(30.6)
Unallocated LAE	(5.5)	(2.6)	(2.1)	(2.8)	(3.3)
Other underwriting expenses	(14.7)	(17.0)	(16.2)	(15.2)	(17.5)
Underwriting (loss) income	(\$73.9)	(\$13.8)	\$33.0	(\$92.3)	(\$51.4)
Underwriting ratios ⁽¹⁾					
Loss ratio	118.8%	81.5%	46.3%	131.0%	102.2%
Acquisition expense ratio	18.3%	16.6%	18.5%	17.3%	17.4%
Other underwriting expense ratio	9.2%	10.3%	11.6%	9.5%	10.1%
Combined ratio	146.3%	108.4%	76.4%	157.8%	129.7%

(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
Global A&H

(Expressed in millions of U.S. dollars)

	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Gross written premiums	\$137.4	\$152.8	\$169.3	\$125.6	\$117.1
Net written premiums	104.6	120.6	134.9	93.6	87.9
Net earned insurance and reinsurance premiums	115.1	118.8	96.1	99.2	89.6
Loss and allocated LAE	(63.6)	(71.8)	(63.2)	(51.0)	(51.3)
Insurance and reinsurance acquisition expenses	(32.5)	(36.0)	(26.6)	(27.4)	(26.7)
Technical profit	19.0	11.0	6.3	20.8	11.6
Unallocated LAE	(2.0)	(2.0)	(1.5)	(1.6)	(1.7)
Other underwriting expenses	(6.8)	(5.9)	(6.1)	(6.7)	(6.4)
Underwriting income (loss)	10.2	3.1	(1.3)	12.5	3.5
Service fee revenue	31.0	30.3	36.3	26.2	29.3
MGU unallocated LAE	(4.3)	(5.3)	(4.1)	(4.2)	(4.7)
MGU other underwriting expenses	(3.7)	(4.8)	(2.7)	(2.2)	(2.0)
MGU General and administrative expenses	(15.1)	(15.0)	(16.2)	(16.1)	(13.8)
Underwriting income, including net service fee income	\$18.1	\$8.3	\$12.0	\$16.2	\$12.3
Underwriting ratios ⁽¹⁾					
Loss ratio	57.0%	62.1%	67.3%	53.0%	59.2%
Acquisition expense ratio	28.2%	30.3%	27.7%	27.6%	29.8%
Other underwriting expense ratio	5.9%	5.0%	6.3%	6.8%	7.1%
Combined ratio	91.1%	97.4%	101.3%	87.4%	96.1%

(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)

	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Gross written premiums	\$120.6	\$96.9	\$120.9	\$72.2	\$76.5
Net written premiums	113.2	89.2	108.2	64.4	72.6
Net earned insurance and reinsurance premiums	98.7	87.3	75.7	71.2	58.4
Loss and allocated LAE	(85.5)	(61.3)	(47.6)	(55.5)	(34.1)
Insurance and reinsurance acquisition expenses	(27.1)	(24.6)	(20.5)	(20.6)	(16.2)
Technical (loss) profit	(13.9)	1.4	7.6	(4.9)	8.1
Unallocated LAE	(3.0)	(2.2)	(1.9)	(1.4)	(1.6)
Other underwriting expenses	(8.8)	(6.7)	(8.2)	(3.9)	(8.4)
Underwriting (loss)	(\$25.7)	(\$7.5)	(\$2.5)	(\$10.2)	(\$1.9)
Underwriting ratios ⁽¹⁾					
Loss ratio	89.7%	72.7%	65.4%	79.9%	61.1%
Acquisition expense ratio	27.5%	28.2%	27.1%	28.9%	27.7%
Other underwriting expense ratio	8.9%	7.7%	10.8%	5.5%	14.4%
Combined ratio	126.1%	108.6%	103.3%	114.3%	103.2%

(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)

	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Gross written premiums	\$2.1	\$1.2	\$1.4	\$18.3	\$0.7
Net written premiums	0.8	0.3	0.4	17.8	0.3
Net earned insurance and reinsurance premiums	0.5	0.3	0.4	17.7	0.4
Loss and allocated LAE	(0.9)	(2.4)	(1.1)	(25.3)	10.2
Insurance and reinsurance acquisition expenses	(0.1)	(1.8)	(0.7)	(0.5)	(0.1)
Technical (loss) profit	(0.5)	(3.9)	(1.4)	(8.1)	10.5
Unallocated LAE	(0.2)	(0.2)	(0.5)	0.0	(0.7)
Other underwriting expenses	(1.4)	(1.1)	(2.1)	(1.1)	(1.4)
Underwriting (loss) income	(2.1)	(5.2)	(4.0)	(9.2)	8.4
General and administrative expenses	(1.2)	(1.0)	(0.8)	(0.2)	(0.8)
Underwriting (loss) income	(\$3.3)	(\$6.2)	(\$4.8)	(\$9.4)	\$7.6

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

	Three months ended					Nine months ended	
	43738	June 30, 2019	March 31, 2019	December 31, 2018	43373	43738	43373
<i>(Expressed in millions of U.S. dollars)</i>							
Global Property							
Other Property	\$103.3	\$114.8	\$152.8	\$79.0	\$138.8	\$370.9	\$544.0
Property Catastrophe Excess	42.3	78.8	165.3	7.8	55.3	286.4	267.5
Agriculture	8.0	42.6	12.6	(0.1)	9.6	63.2	64.2
Total	153.6	236.2	330.7	86.7	203.7	720.5	875.7
Global A&H	137.4	152.8	169.3	125.6	117.1	459.5	375.0
Specialty & Casualty							
Casualty	74.1	56.1	61.8	39.8	41.4	192.0	96.6
Aviation & Space	20.4	17.1	17.3	27.1	13.5	54.8	45.4
Trade Credit	11.5	10.3	19.7	(9.8)	10.7	41.5	57.9
Marine	6.1	6.5	14.4	7.1	1.5	27.0	27.6
Contingency	0.9	1.4	1.7	3.4	2.8	4.0	13.2
Environmental	4.8	3.9	4.4	3.4	3.9	13.1	6.7
Surety	2.8	1.6	1.6	1.2	2.7	6.0	5.5
Total	120.6	96.9	120.9	72.2	76.5	338.4	252.9
Runoff & Other	2.1	1.2	1.4	18.3	0.7	4.7	14.6
Total	\$413.7	\$487.1	\$622.3	\$302.8	\$398.0	\$1,523.1	\$1,518.2

Sirius International Insurance Group, Ltd.

Net Earned Insurance and Reinsurance Premiums by Segment

<i>(Expressed in millions of U.S. dollars)</i>	Three months ended					Nine months ended	
	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	September 30, 2019	September 30, 2018
Global Property							
Other Property	\$86.7	\$90.3	\$90.4	\$101.7	\$98.6	\$267.4	\$295.0
Property Catastrophe Excess	49.4	51.9	44.1	45.2	50.9	145.4	135.3
Agriculture	23.8	22.1	5.2	12.8	23.2	51.1	46.0
Total	159.9	164.3	139.7	159.7	172.7	463.9	476.3
Global A&H	115.1	118.8	96.1	99.2	89.6	330.0	258.4
Specialty & Casualty							
Casualty	57.6	50.2	38.4	30.1	23.2	146.2	50.7
Aviation & Space	18.0	14.3	14.6	16.2	14.1	46.9	44.2
Trade Credit	12.7	11.2	10.8	10.2	11.7	34.7	32.3
Marine	6.6	7.7	8.5	9.2	4.0	22.8	27.0
Contingency	1.4	1.3	1.6	3.7	3.1	4.3	11.3
Surety	1.4	1.8	1.2	1.4	1.9	4.4	2.3
Environmental	1.0	0.8	0.6	0.4	0.4	2.4	0.5
Total	98.7	87.3	75.7	71.2	58.4	261.7	168.3
Runoff & Other	0.5	0.3	0.4	17.7	0.4	1.2	11.5
Total	\$374.2	\$370.7	\$311.9	\$347.8	\$321.1	\$1,056.8	\$914.5

Sirius International Insurance Group, Ltd.
Net Investment Income

<i>(Expressed in millions of U.S. dollars)</i>	Three months ended					Nine months ended	
	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	September 30, 2019	September 30, 2018
Fixed maturity investments	\$12.8	\$13.1	\$14.1	\$15.4	\$14.2	\$40.0	\$37.8
Short-term investments	4.1	4.8	3.1	1.4	2.4	12.0	3.7
Equity securities	2.7	7.1	2.7	2.3	5.9	12.5	14.2
Other long-term investments	5.2	3.2	3.9	2.7	2.7	12.3	5.2
Total investment income	24.8	28.2	23.8	21.8	25.2	76.8	60.9
Investment expenses	(2.0)	(3.8)	(3.7)	(2.2)	(3.4)	(9.5)	(9.1)
Net investment income	\$22.8	\$24.4	\$20.1	\$19.6	\$21.8	\$67.3	\$51.8

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

	September 30, 2019					
<i>(Expressed in millions of U.S. dollars)</i>	Cost or amortized cost	Gross unrealized gains	Gross unrealized losses	Net foreign currency gains	Fair value	Percentage
Fixed Maturity Investments						
Corporate debt securities	\$517.7	\$6.3	(\$0.3)	\$24.0	\$547.7	15.6%
Asset-backed securities	501.4	1.1	(1.9)	6.6	507.2	14.4%
Residential mortgage-backed securities	365.9	11.9	(0.8)	14.5	391.5	11.1%
U.S. government and government agency	157.6	1.7	0.0	3.0	162.3	4.6%
Commercial mortgage-backed securities	102.0	1.2	(0.4)	1.8	104.6	3.0%
Non-U.S. government and government agency	37.8	0.3	(0.1)	0.4	38.4	1.1%
Preferred stocks	18.0	0.1	(0.1)	(0.1)	17.9	0.5%
U.S. States, municipalities and political subdivision	1.7	—	—	0.1	1.8	0.1%
Total fixed maturity investments	1,702.1	22.6	(3.6)	50.3	1,771.4	50.4%
Equity securities						
Investment grade fixed income mutual funds	149.5	0.3	(4.1)	5.2	150.9	4.3%
Common stocks	208.5	46.3	(31.1)	8.1	231.8	6.6%
Other	1.4	0.2	—	—	1.6	0.0%
Total equity securities	359.4	46.8	(35.2)	13.3	384.3	10.9%
Total fixed maturity and equity securities	2,061.5	69.4	(38.8)	63.6	2,155.7	61.3%
Other long-term investments						
Hedge funds and private equity funds	263.5	32.5	(17.7)	9.4	287.7	8.2%
Limited liability companies and private equity securities	69.1	20.2	(12.0)	3.4	80.7	2.3%
Total other long-term investments	332.6	52.7	(29.7)	12.8	368.4	10.5%
Short-term investments	981.3	0.3	—	7.7	989.3	28.2%
Total investments	\$3,375.4	\$122.4	(\$68.5)	\$84.1	\$3,513.4	100.0%

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

	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018
	Fair Value %	Fair Value %	Fair Value %	Fair Value %	Fair Value %
Cash and investment holdings					
Fixed maturity investments					
Corporate debt securities	14.9%	16.8%	17.4%	19.6%	21.8%
Asset-backed securities	13.8%	14.2%	13.3%	14.0%	11.4%
Residential mortgage-backed securities	10.7%	11.1%	11.9%	11.7%	12.2%
U.S. government and government agency	4.4%	4.4%	4.3%	4.7%	3.2%
Commercial mortgage-backed securities	2.8%	3.0%	3.2%	3.3%	4.2%
Non-U.S. government and government agency	1.0%	0.8%	1.1%	1.4%	1.3%
Preferred stocks	0.5%	0.1%	0.1%	0.2%	0.3%
U.S. States, municipalities and political subdivision	0.1%	0.1%	0.1%	0.1%	0.0%
Total fixed maturity investments	48.2%	50.5%	51.4%	55.0%	54.4%
Equity securities					
Investment grade fixed income mutual funds	4.2%	4.2%	4.5%	4.4%	4.3%
Common stocks	6.3%	6.5%	6.4%	6.3%	7.5%
Other	0.0%	0.1%	0.1	—	—
Total equity securities	10.5%	10.8%	11.0%	10.7%	11.8%
Total fixed maturity and equity securities	58.7%	61.3%	62.4%	65.7%	66.2%
Other long-term investments					
Hedge funds and private equity funds	7.8%	8.1%	8.4%	8.6%	7.7%
Limited liability companies and private equity securities	2.2%	2.4%	2.4%	1.8%	1.9%
Total other long-term investments	10.0%	10.5%	10.8%	10.4%	9.6%
Short-term investments	26.9%	24.6%	23.2%	20.2%	20.9%
Total investments	95.6%	96.4%	96.4%	96.3%	96.7%
Cash and restricted cash	4.4%	3.6%	3.6%	3.7%	3.3%
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

	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018
	Fair Value %	Fair Value %	Fair Value %	Fair Value %	Fair Value %
Credit Quality of Fixed Maturities					
AAA	32.4%	32.9%	31.1%	30.9%	28.9%
AA	41.8%	41.1%	43.3%	42.0%	38.8%
A	14.6%	15.3%	13.8%	14.9%	17.7%
BBB	6.8%	7.4%	8.4%	8.6%	10.0%
Other	4.4%	3.3%	3.4%	3.6%	4.6%
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	9.2%	11.2%	13.6%	13.2%	12.1%
Due after one year through five years	29.0%	29.7%	30.7%	32.6%	35.0%
Due after five years through ten years	2.4%	2.9%	0.6%	1.3%	1.3%
Due after ten years	1.8%	0.0%	0.0%	0.0%	0.0%
Mortgage-backed and asset-backed securities	56.6%	56.1%	55.0%	52.5%	51.0%
Preferred stocks	1.0%	0.1%	0.1%	0.4%	0.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

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

<i>(Expressed in millions of U.S. dollars)</i>	Three months ended					Nine months ended	
	43738	June 30, 2019	March 31, 2019	December 31, 2018	43373	43738	43373
Net realized investment gains - foreign currency ⁽¹⁾	\$14.0	\$9.6	\$10.9	\$6.6	\$4.7	\$34.5	\$10.7
Net unrealized investment (losses) gains - foreign currency ⁽²⁾	33.9	(7.2)	25.0	(7.4)	(5.5)	51.7	43.1
Net realized and unrealized investment gains (losses) - foreign currency	47.9	2.4	35.9	(0.8)	(0.8)	86.2	53.8
Net foreign exchange gains (losses) - foreign currency translation gains (losses) ⁽³⁾	9.0	0.9	4.1	(3.0)	(0.4)	14.0	19.0
Net foreign exchange gains (losses) - currency swaps ⁽³⁾	3.7	1.4	1.0	4.0	(0.1)	6.1	2.9
Net foreign exchange (losses) - currency forwards ⁽³⁾	(7.8)	(3.0)	—	—	—	(10.8)	—
Net foreign exchange (losses) - other ⁽³⁾	—	—	—	—	—	—	(0.2)
Income tax benefit (expense)	(0.8)	1.1	(0.2)	2.4	0.1	0.1	(0.4)
Total foreign currency remeasurement gains (losses) recognized through net income (loss), after tax	52.0	2.8	40.8	2.6	(1.2)	95.6	75.1
Change in foreign currency translation on investments recognized through other comprehensive income (loss), after tax	(67.8)	(0.1)	(41.7)	(4.0)	6.4	(109.6)	(92.6)
Change in foreign currency translation on non-investment net liabilities recognized through other comprehensive income (loss), after tax	25.5	1.2	13.9	(0.7)	(1.7)	40.6	35.4
Total foreign currency translation gains (losses) recognized through other comprehensive income (loss), after tax	(42.3)	1.1	(27.8)	(4.7)	4.7	(69.0)	(57.2)
Total foreign currency gains (losses) recognized in comprehensive income (loss), after tax	\$9.7	\$3.9	\$13.0	(\$2.1)	\$3.5	\$26.6	\$17.9

⁽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)

<i>(Expressed in millions of U.S. dollars)</i>	Three months ended					Nine months ended	
	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	September 30, 2019	September 30, 2018
Gross realized gains	\$22.1	\$26.9	\$14.1	\$10.6	\$11.3	\$63.1	\$31.7
Gross realized (losses)	(6.8)	(11.3)	(5.1)	(16.3)	(7.4)	(23.2)	(23.7)
Net realized gains (losses) on investments⁽¹⁾⁽²⁾	15.3	15.6	9.0	(5.7)	3.9	39.9	8.0
Net unrealized gains (losses) on investments ⁽³⁾⁽⁴⁾	53.9	15.5	74.0	(52.2)	(11.7)	143.4	29.0
Net realized and unrealized gains (losses) on investments	\$69.2	\$31.1	\$83.0	(\$57.9)	(\$7.8)	\$183.3	\$37.0

- (1) Includes \$14.0 million, \$9.6 million, \$10.9 million, \$6.6 million and \$4.7 million of realized gains due to foreign currency for the three months ended September 30, 2019, June 30, 2019, March 31, 2019, December 31, 2018 and September 30, 2018, respectively.
- (2) Includes \$34.5 million and \$10.7 million of realized gains due to foreign currency for the nine months ended September 30, 2019 and September 30, 2018, respectively.
- (3) Includes \$33.9 million, \$(7.2) million, \$25.0 million, \$(7.4) million and \$(5.5) million of unrealized gains (losses) due to foreign currency for the three months ended September 30, 2019, June 30, 2019, March 31, 2019, December 31, 2018 and September 30, 2018, respectively.
- (4) Includes \$51.7 million and \$43.1 million of unrealized gains due to foreign currency for the nine months ended September 30, 2019 and September 30, 2018, respectively.

Sirius International Insurance Group, Ltd.

Book Value Per Common Share, Adjusted Book Value Per Share and Adjusted Tangible Book Value Per Share

<i>(Expressed in millions of U.S. dollars except share amounts)</i>	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018
Total common shareholders' equity ^(A)	\$1,742.6	\$1,784.1	\$1,773.0	\$1,704.5	\$1,973.0
Series B preference shares	236.0	241.3	240.6	232.2	—
Earned portion of future proceeds from stock option awards	3.4	1.9	0.5	—	—
Adjusted book value ⁽¹⁾ numerator ^(B)	\$1,982.0	\$2,027.3	\$2,014.1	\$1,936.7	\$1,973.0
Goodwill	(400.4)	(400.6)	(400.7)	(400.6)	(400.7)
Intangible Assets	(183.8)	(187.7)	(191.6)	(195.6)	(207.5)
Net deferred tax liability on intangible assets	24.0	25.0	26.0	26.3	29.1
Adjusted tangible book value ⁽¹⁾ numerator ^(C)	\$1,421.8	\$1,464.0	\$1,447.8	\$1,366.8	\$1,393.9
Denominator:					
Common shares outstanding ^(D)	115,299,342	115,296,918	115,262,303	115,151,251	120,000,000
Series B preference shares outstanding	11,901,670	11,901,670	11,901,670	11,901,670	—
Earned share-based compensation awards, excluding stock options	648,551	374,912	95,541	—	—
Earned portion of Stock option awards issued	267,350	152,772	38,193	—	—
Adjusted shares outstanding ^(E)	128,116,913	127,726,272	127,297,707	127,052,921	120,000,000
Book value per common share ^{(A)/(D)}	\$15.11	\$15.47	\$15.38	\$14.80	\$16.44
Adjusted book value per share ⁽¹⁾ ^{(B)/(E)}	\$15.47	\$15.87	\$15.82	\$15.24	\$16.44
Adjusted tangible book value per share ⁽¹⁾ ^{(C)/(E)}	\$11.10	\$11.46	\$11.37	\$10.76	\$11.62

(1) Adjusted book value, Adjusted book value per share and Adjusted tangible 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, Adjusted book value per share, Adjusted tangible book value and Adjusted tangible 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

	Three months ended,		Nine months ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
<i>(Expressed in millions of U.S. dollars except for share and per share amounts)</i>				
Numerator:				
Net (loss) income	(\$7.6)	(\$27.7)	\$104.7	\$113.8
Less: Income attributable to non-controlling interests	(0.4)	(0.3)	(1.6)	(0.9)
Adjustment of Series B preference carrying value	5.3	—	(3.9)	—
Less: Accrued dividends on Series A redeemable preference shares	—	—	—	(2.6)
Net income (loss) available for dividends out of undistributed earnings	(2.7)	(28.0)	99.2	110.3
Less: Earnings attributable to Series B preference shares	—	—	(9.3)	—
Less: Earnings attributable to Series A redeemable preference shares	—	—	—	(4.5)
Net income (loss) available to Sirius Group's common shareholders	(2.7)	(28.0)	89.9	105.8
Adjustment of Series B preference carrying value	(5.3)	—	—	—
Net income (loss) available to Sirius Group's common shareholders on a fully diluted basis	(\$8.0)	(\$28.0)	\$89.9	\$105.8
Denominator:				
Weighted average shares outstanding for basic earnings per share	115,251,853	120,000,000	115,225,942	120,000,000
Weighted average shares outstanding for diluted earnings per share	127,153,523	120,000,000	115,619,222	120,000,000
Earnings per share				
Basic earnings per share	(\$0.02)	(\$0.23)	\$0.78	\$0.88
Diluted earnings per share	(\$0.06)	(\$0.23)	\$0.78	\$0.88

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

<i>(Expressed in millions of U.S. dollars)</i>	Three months ended					Nine months ended	
	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	September 30, 2019	September 30, 2018
Beginning common shareholders' equity	\$1,784.1	\$1,773.0	\$1,704.5	\$1,973.0	\$1,996.3	\$1,704.5	\$1,917.0
Net income (loss) attributable to common shareholders	(\$2.7)	\$6.6	\$95.3	(\$153.6)	(\$28.0)	\$99.2	\$110.3
Return on beginning common shareholders' equity	-0.2 %	0.4%	5.6%	-7.8 %	-1.4 %	5.8%	5.8%

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

(Expressed in millions of U.S. dollars)

	Three months ended		Nine months ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Gross beginning balance	\$2,023.3	\$1,827.1	\$2,016.7	\$1,898.5
Less: beginning reinsurance recoverable on unpaid losses	(357.4)	(358.3)	(350.2)	(319.7)
Net loss and LAE reserve balance	1,665.9	1,468.8	1,666.5	1,578.8
Losses and LAE incurred relating to:				
Current year losses	342.2	270.5	723.6	575.8
Prior years losses	6.4	(10.1)	86.9	(23.0)
Total net incurred losses and LAE	348.6	260.4	810.5	552.8
Foreign currency translation adjustment to net loss and LAE reserves	(15.3)	(5.4)	(15.3)	(20.9)
Acquisitions	—	0.2		0.2
Accretion of fair value adjustment to net loss and LAE reserves	—	0.1	0.1	0.1
Loss and LAE paid relating to:				
Current year losses	97.7	80.5	254.8	152.5
Prior years losses	108.0	101.6	413.5	416.5
Total loss and LAE payments	205.7	182.1	668.3	569.0
Net ending balance	1,793.5	1,542.0	1,793.5	1,542.0
Plus ending reinsurance recoverable on unpaid losses	392.9	349.0	392.9	349.0
Gross ending balance	\$2,186.4	\$1,891.0	\$2,186.4	\$1,891.0

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

Adjusted book value, Adjusted book value per share, Adjusted tangible book value, and Adjusted tangible book value per share

Adjusted book value, Adjusted book value per share, Adjusted tangible book value, and Adjusted tangible book value per share are non-GAAP financial measures. Adjusted book value and Adjusted book value per share are used to show the Company's total worth on a per-share basis and are useful to management and investors in analyzing the intrinsic value of the Company. Adjusted tangible book value and Adjusted tangible book value per share are useful to investors because they measure the realizable value of shareholder returns, excluding the impact of goodwill, intangible assets, and net deferred liability on intangible assets.

Adjusted shares outstanding is derived by summing Common shares outstanding, Series B preference shares outstanding, 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. Adjusted tangible book value is derived by subtracting Goodwill, Intangible assets and Net deferred tax liability on intangible assets from Adjusted book value.

At September 30, 2019, Adjusted book value, Adjusted book value per share, Adjusted tangible book value, and Adjusted tangible 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. Adjusted tangible book value per share is derived by dividing Adjusted tangible 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.

<i>(Expressed in millions of U.S. dollars, except share and per share amounts)</i>	September 30, 2019	December 31, 2018
Common shares outstanding	115,299,342	115,151,251
Series B preference shares outstanding	11,901,670	11,901,670
Earned share-based compensation awards, excluding stock options	648,551	—
Earned portion of Stock option awards issued	267,350	—
Adjusted shares outstanding	128,116,913	127,052,921
Total common shareholders' equity	\$ 1,742.6	\$ 1,704.5
Series B preference shares	236.0	232.2
Earned portion of future proceeds from stock option awards	3.4	—
Adjusted book value	\$ 1,982.0	\$ 1,936.7
Goodwill	(400.4)	(400.6)
Intangible assets	(183.8)	(195.6)
Net deferred tax liability on intangible assets	24.0	26.3
Adjusted tangible book value	\$ 1,421.8	\$ 1,366.8
Book value per common share	\$ 15.11	\$ 14.80
Adjusted book value per share	\$ 15.47	\$ 15.24
Adjusted tangible book value per share	\$ 11.10	\$ 10.76

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 (loss) 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 (loss) income attributable to common shareholders to Operating (loss) income attributable to common shareholders:

	Three months ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
<i>(Expressed in millions of U.S. dollars)</i>				
Net (loss) income attributable to common shareholders	(\$2.7)	(\$28.0)	\$99.2	\$110.3
Adjustment for net realized and unrealized (gains) losses on investments	(69.2)	7.8	(183.3)	(37.0)
Adjustment for net foreign exchange (gains) losses	(4.3)	0.4	(9.4)	(21.7)
Adjustment for income tax expenses (benefits) ⁽¹⁾	10.8	(1.6)	27.6	(1.6)
Operating (loss) income attributable to common shareholders	(\$65.4)	(\$21.4)	(\$65.9)	\$50.0

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