

Sirius International Group, Ltd.
Consolidated Balance Sheets

Millions, except share and per share amounts	December 31,	
	2016	2015
Assets		
Fixed maturity investments, at fair value	\$ 2,886.7	\$ 2,359.0
Short-term investments, at amortized cost (which approximates fair value)	504.6	323.2
Common equity securities, at fair value	118.0	730.1
Other long-term investments	124.8	78.2
Total investments	3,634.1	3,490.5
Cash	138.1	141.5
Reinsurance recoverable on unpaid losses	291.5	283.1
Reinsurance recoverable on paid losses	17.1	10.2
Insurance and reinsurance premiums receivable	393.7	323.6
Funds held by ceding companies	100.0	90.6
Investments in unconsolidated affiliates	-	151.9
Deferred acquisition costs	67.7	74.6
Deferred tax asset	279.1	275.7
Ceded unearned insurance and reinsurance premiums	101.1	87.7
Accrued investment income	19.0	16.8
Other assets	44.3	99.3
Total assets	\$ 5,085.7	\$ 5,045.5
Liabilities		
Loss and loss adjustment expense reserves	\$ 1,620.1	\$ 1,644.4
Unearned insurance and reinsurance premiums	398.0	342.2
Debt	396.2	403.0
Deferred tax liability	239.7	263.6
Funds held under reinsurance treaties	63.4	52.9
Ceded reinsurance payable	76.9	67.1
Accounts payable on unsettled investment purchases	7.6	-
Other liabilities	74.7	89.6
Total liabilities	2,876.6	2,862.8
Equity		
Common shareholders' equity		
Common shares at \$1.00 par value per share - authorized 12,000 shares;		
issued and outstanding, 12,000 shares	0.1	0.1
Preference shares at \$0.01 par value per share - 250,000 shares;	-	-
Additional paid-in surplus - common shares	1,134.0	1,091.8
Additional paid-in surplus - preference shares	250.0	250.0
Retained earnings	1,035.3	986.2
Accumulated other comprehensive income (loss), after-tax:		
Net unrealized foreign currency translation (losses)	(211.6)	(144.3)
Other, net	-	(1.2)
Total common shareholders' equity	2,207.8	2,182.6
Non-controlling interests	1.3	0.1
Total equity	2,209.1	2,182.7
Total liabilities and equity	\$ 5,085.7	\$ 5,045.5

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

Millions	Year to date December 31,		
	2016	2015	2014
Revenues			
Gross written insurance and reinsurance premiums	\$ 1,269.0	\$ 1,160.5	\$ 1,136.6
Net written insurance and reinsurance premiums	\$ 938.1	\$ 847.6	\$ 882.5
Earned insurance and reinsurance premiums	\$ 890.1	\$ 847.0	\$ 873.9
Net investment income	56.4	39.8	41.1
Net realized and unrealized investment gains	49.9	241.0	209.2
Other revenue	(1.9)	(20.6)	(62.4)
Total revenues	994.5	1,107.2	1,061.8
Expenses			
Loss and loss adjustment expenses	519.3	422.7	345.3
Insurance and reinsurance acquisition expenses	210.3	189.8	193.6
Other underwriting expenses	107.3	107.9	129.7
General and administrative expenses	48.1	10.5	13.5
Accretion of fair value adjustment to loss and loss adjustment expense reserves	0.5	0.7	0.7
Interest expense on debt	34.6	26.6	26.3
Total expenses	920.1	758.2	709.1
Pre-tax income	74.4	349.0	352.7
Income tax benefit (expense)	7.4	(47.1)	(71.7)
Income before equity in earnings of unconsolidated affiliates	81.8	301.9	281.0
Equity in earnings of unconsolidated affiliates, net of tax	6.6	23.9	42.9
Net income	88.4	325.8	323.9
Net (income) loss attributable to non-controlling interests	(0.5)	-	-
Net income before dividends on preference shares	87.9	325.8	323.9
Dividends on preference shares	(18.8)	(18.8)	(18.8)
Net income attributable to common shareholders	69.1	307.0	305.1
Other comprehensive income, net of tax			
Change in equity in net unrealized gains from investments			
in unconsolidated affiliates, net of tax	-	(29.8)	66.1
Change in foreign currency translation, net of tax	(67.3)	(65.4)	(167.9)
Net change in other, net of tax	1.2	0.2	(1.5)
Comprehensive income attributable to common shareholders	\$ 3.0	\$ 212.0	\$ 201.8

Sirius Group's Shareholders' Equity

Millions	Common shares and paid-in surplus	Preference shares and paid- in surplus	Retained earnings	AOCI, after- tax	Total	Non- Controlling Interests	Total Equity
Balances at December 31, 2013	\$ 1,091.2	\$ 250.0	\$ 487.7	\$ 52.8	\$ 1,881.7	\$ -	\$ 1,881.7
Net income before dividends on preference shares	-	-	323.9	-	323.9	-	323.9
Net change in unrealized investment gains from investments in unconsolidated affiliates	-	-	-	66.1	66.1	-	66.1
Net change in foreign currency translation	-	-	-	(167.9)	(167.9)	-	(167.9)
Net change in interest rate swap	-	-	-	0.3	0.3	-	0.3
Dividends declared on preference shares	-	-	(18.8)	-	(18.8)	-	(18.8)
Net change in other	-	-	-	(1.8)	(1.8)	-	(1.8)
Comprehensive income (loss)	-	-	305.1	(103.3)	201.8	-	201.8
Dividends declared on common shares	-	-	(65.4)	-	(65.4)	-	(65.4)
Dividends/distributions to non-controlling interests	-	-	-	-	-	-	-
Other, net	0.5	-	-	-	0.5	-	0.5
Balances at December 31, 2014	1,091.7	250.0	727.4	(50.5)	2,018.6	-	2,018.6
Net income before dividends on preference shares	-	-	325.8	-	325.8	-	325.8
Net change in unrealized investment gains from investments in unconsolidated affiliates	-	-	-	(29.8)	(29.8)	-	(29.8)
Net change in foreign currency translation	-	-	-	(65.4)	(65.4)	-	(65.4)
Net change in interest rate swap	-	-	-	0.3	0.3	-	0.3
Dividends declared on preference shares	-	-	(18.8)	-	(18.8)	-	(18.8)
Net change in other	-	-	-	(0.1)	(0.1)	-	(0.1)
Comprehensive income (loss)	-	-	307.0	(95.0)	212.0	-	212.0
Dividends declared on common shares	-	-	(48.0)	-	(48.0)	-	(48.0)
Dividends/distributions to non-controlling interests	-	-	-	-	-	-	-
Other, net	0.2	-	(0.2)	-	-	0.1	0.1
Balances at December 31, 2015	1,091.9	250.0	986.2	(145.5)	2,182.6	0.1	2,182.7
Net income before dividends on preference shares	-	-	87.9	-	87.9	0.5	88.4
Net change in unrealized investment gains from investments in unconsolidated affiliates	-	-	-	-	-	-	-
Net change in foreign currency translation	-	-	-	(67.3)	(67.3)	-	(67.3)
Net change in interest rate swap	-	-	-	-	-	-	-
Dividends declared on preference shares	-	-	(18.8)	-	(18.8)	-	(18.8)
Net change in other	-	-	-	1.2	1.2	-	1.2
Comprehensive income (loss)	-	-	69.1	(66.1)	3.0	0.5	3.5
Dividends declared on common shares	-	-	(20.0)	-	(20.0)	-	(20.0)
Capital contribution from parent	20.0	-	-	-	20.0	-	20.0
Contribution from sale of OneBeacon	22.1	-	-	-	22.1	-	22.1
Other, net	0.1	-	-	-	0.1	0.7	0.8
Balances at December 31, 2016	\$ 1,134.1	\$ 250.0	\$ 1,035.3	\$ (211.6)	\$ 2,207.8	\$ 1.3	\$ 2,209.1

Sirius International Group, Ltd.
Consolidated Statements of Cash Flows

Millions	Year Ended December 31,		
	2016	2015	2014
Cash flows from operations:			
Net income	\$ 87.9	\$ 325.8	\$ 323.9
(Credits) charges to reconcile net income to net cash provided from (used for) operations:			
Net realized and unrealized investment gains	(49.9)	(241.0)	(209.2)
Net gain on sale of consolidated affiliates	-	(1.0)	(1.0)
Amortization and depreciation	18.4	27.2	31.5
Excess of fair value of acquired net assets over cost	(4.3)	-	-
Undistributed equity in earnings of unconsolidated affiliates, after-tax	(6.6)	(23.9)	(42.9)
Other operating items:			
Net change in loss and LAE reserves	18.1	(100.7)	(92.5)
Net change in reinsurance recoverable on paid and unpaid losses	(23.6)	24.6	(9.8)
Net change in funds held by ceding companies	(15.1)	(4.8)	(0.2)
Net change in unearned insurance and reinsurance premiums	60.8	27.4	62.0
Net change in ceded reinsurance premiums payable	(11.2)	8.4	34.6
Net change in ceded unearned insurance and reinsurance premiums	(1.9)	(18.9)	(17.5)
Net change in insurance and reinsurance premiums receivable	(94.5)	(39.2)	(79.2)
Net change in deferred acquisition costs	2.9	(8.6)	(10.8)
Net change in funds held under reinsurance treaties	13.0	(0.9)	4.7
Net change in current and deferred income taxes, net	(12.0)	12.0	72.0
Net change in other assets and liabilities, net	15.7	37.7	107.6
Net cash provided from (used in) operations	(2.3)	24.1	173.2
Cash flows from investing activities:			
Net change in short-term investments	(198.2)	135.0	(209.9)
Sales of fixed maturities and convertible fixed maturity investments	2,438.4	2,159.0	2,803.6
Maturities, calls and paydowns of fixed maturity and convertible fixed maturity investments	141.8	178.3	176.8
Sales of common equity securities	848.4	312.6	51.1
Distributions and redemptions of other long-term investments	27.9	13.2	38.4
Sales of consolidated subsidiaries and unconsolidated affiliates, net of cash sold	173.5	14.3	12.6
Contributions to other long-term investments	(73.5)	(10.7)	(22.3)
Purchases of common equity securities	(224.7)	(266.1)	(39.1)
Purchases of fixed maturities and convertible fixed maturity investments	(3,186.0)	(2,434.1)	(2,825.7)
Purchases of consolidated and unconsolidated affiliates, net of cash acquired	27.5	-	(9.1)
Net change in unsettled investment purchases and sales	38.4	(12.2)	(17.3)
Other, net	4.3	(9.2)	(7.6)
Net cash provided from investing activities	17.9	80.1	(48.5)
Cash flows from financing activities:			
Capital contribution from parent	20.0	-	-
Contribution from sale of OneBeacon	22.1	-	-
Issuance of debt, net of issuance costs	392.4	-	-
Repayment of debt	(405.6)	-	-
Collateral provided by interest rate cap counterparties	(0.5)	(2.4)	(6.5)
Cash dividends paid on common shares	(20.0)	(48.0)	(65.4)
Cash dividends paid on preference shares	(18.8)	(18.8)	(18.8)
Other, net	0.8	-	-
Net cash used for financing activities	(9.6)	(69.2)	(90.7)
Effect of exchange rate changes on cash	(9.4)	(4.5)	(14.3)
Net increase in cash during year	(3.4)	30.5	19.7
Cash balance at beginning of year	141.5	111.0	91.3
Cash balance at end of year	\$ 138.1	\$ 141.5	\$ 111.0