

AMERICAN OVERSEAS GROUP LTD.

NET INCOME AND OPERATING INCOME BY SEGMENT

(dollars in thousands)

December 31, 2016

	Net income available to common shareholders	Net realized loss on sales of investments	Net change in fair value of credit derivatives	Fair value adjustments	Amortization of intangibles	Operating income
Property and casualty:						
Net premiums earned	\$ 3,600					\$ 3,600
Losses and loss adjustment expenses	(2,037)					(2,037)
Acquisition expenses	(896)					(896)
Fee income	12,091					12,091
Operating expenses	(9,740)					(9,740)
Amortization expense	-				-	-
Income tax	(7)					(7)
Property and casualty	3,011	-	-	-	-	3,011
						-
Financial guaranty:						
Net premiums earned	(506)			9,857		9,351
Net change in fair value of credit derivatives	10,542		(8,162)			2,380
Losses and loss adjustment expenses	(12,242)			(4,285)		(16,527)
Acquisition expenses	244			(4,447)		(4,203)
Operating expenses	(7,236)					(7,236)
Financial guaranty	(9,198)	-	(8,162)	1,125	-	(16,235)
						-
Corporate and Investing						
Net investment income	1,763					1,763
Net realized loss on sales of investments	(1,905)	1,905				-
Fair value adjustment	1,958			(1,958)		-
Operating expenses	520					520
Interest expense	(3,265)					(3,265)
Other expense, net of other income	(391)					(391)
Corporate and investing	(1,320)	1,905	-	(1,958)	-	(1,373)
Group total	\$ (7,507)	\$ 1,905	\$ (8,162)	\$ (833)	\$ -	\$ (14,597)

AMERICAN OVERSEAS GROUP LTD.

NET INCOME AND OPERATING INCOME BY SEGMENT

(dollars in thousands)

December 31, 2015

	Net income available to common shareholders	Net realized loss on sales of investments	Net change in fair value of credit derivatives	Fair value adjustments	Amortization of intangibles	Operating income
Property and casualty:						
Net premiums earned	\$ 6,399					\$ 6,399
Losses and loss adjustment expenses	(3,991)					(3,991)
Acquisition expenses	(901)					(901)
Fee income	12,517					12,517
Operating expenses	(9,075)					(9,075)
Amortization expense	(2,238)				2,238	-
Income tax	(7)					(7)
Property and casualty	2,704	-	-	-	2,238	4,942
						-
Financial guaranty:						
Net premiums earned	25			7,060		7,085
Net change in fair value of credit derivatives	30,529		(30,070)			459
Losses and loss adjustment expenses	(7,593)			(5,630)		(13,223)
Acquisition expenses	36			(4,481)		(4,445)
Operating expenses	(5,983)					(5,983)
Financial guaranty	17,014	-	(30,070)	(3,051)	-	(16,107)
						-
Corporate and Investing						
Net investment income	2,783					2,783
Net realized loss on sales of investments	(88)	88				-
Fair value adjustment	2,408			(2,408)		-
Operating expenses	(869)					(869)
Interest expense	(5,376)					(5,376)
Other expense, net of other income	(27)					(27)
Corporate and investing	(1,169)	88	-	(2,408)	-	(3,489)
Group total	\$ 18,549	\$ 88	\$ (30,070)	\$ (5,459)	\$ 2,238	\$ (14,654)