

AMERICAN OVERSEAS GROUP LTD.

NET INCOME AND OPERATING INCOME BY SEGMENT

(dollars in thousands)	June 30, 2017					
	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
<b>Property and casualty:</b>						
Net premiums earned	\$ 1,753					\$ 1,753
Losses and loss adjustment expenses	(2,493)					(2,493)
Acquisition expenses	(199)					(199)
Fee income	5,919					5,919
Operating expenses	(634)					(634)
Amortization expense	-					-
Income tax	(4)					(4)
Property and casualty	4,342	-	-	-	-	4,342
<b>Financial guaranty:</b>						
Net premiums earned	134			2,985		3,119
Net change in fair value of credit derivatives	3,037		(2,946)			91
Losses and loss adjustment expenses	(9,955)			(2,039)		(11,994)
Acquisition expenses	(61)			(2,675)		(2,736)
Operating expenses	(3,361)					(3,361)
Financial guaranty	(10,206)	-	(2,946)	(1,729)	-	(14,881)
<b>Corporate and Investing</b>						
Net investment income	886					886
Net realized loss on sales of investments	(221)	221				-
Fair value adjustment	739			(739)		-
Operating expenses	(2,915)					(2,915)
Interest expense	(1,188)					(1,188)
Other expense, net of other income	348					348
Corporate and investing	(2,351)	221	-	(739)	-	(2,869)
Group total	\$ (8,215)	\$ 221	\$ (2,946)	\$ (2,468)	\$ -	\$ (13,407)

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	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
<b>Property and casualty:</b>						
Net premiums earned	\$ 1,948				\$	1,948
Losses and loss adjustment expenses	(1,596)					(1,596)
Acquisition expenses	(515)					(515)
Fee income	6,360					6,360
Operating expenses	(492)					(492)
Amortization expense	-					-
Income tax	(4)					(4)
Property and casualty	5,701	-	-	-	-	5,701
						-
<b>Financial guaranty:</b>						
Net premiums earned	518			5,235		5,753
Net change in fair value of credit derivatives	(4,727)		4,624			(103)
Losses and loss adjustment expenses	(4,797)			(2,143)		(6,940)
Acquisition expenses	709			(2,040)		(1,331)
Operating expenses	(3,859)					(3,859)
Financial guaranty	(12,156)	-	4,624	1,052	-	(6,480)
<b>Corporate and Investing</b>						
Net investment income	1,046					1,046
Net realized loss on sales of investments	(1,899)	1,899				-
Fair value adjustment	979			(979)		-
Operating expenses	(3,830)					(3,830)
Interest expense	(1,767)					(1,767)
Other expense, net of other income	(192)					(192)
Corporate and investing	(5,663)	1,899	-	(979)	-	(4,743)
Group total	\$ (12,118)	\$ 1,899	\$ 4,624	\$ 73	\$ -	\$ (5,522)