



American Overseas Reinsurance Limited
Operating Supplement ⁽¹⁾
June 30, 2017

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⁽¹⁾ Information included in this report is unaudited

American Overseas Reinsurance Company Limited
Outstanding Portfolio Profile by Bond Type
Net Par Outstanding*
(dollars in millions)

	Outstanding as of June 30, 2017		Outstanding as of December 31, 2016	
	Net Amount	%	Net Amount	%
US Public Finance				
General Obligation and Lease	\$ 813	25.6%	\$ 886	24.8%
Tax backed	180	5.7%	191	5.4%
Transportation	232	7.3%	269	7.5%
Healthcare	215	6.8%	244	6.8%
Utility	227	7.1%	261	7.3%
Investor Owned Utilities	0	0.0%	0	0.0%
Higher Education	17	0.5%	24	0.7%
Housing	15	0.5%	16	0.4%
Other	46	1.4%	46	1.3%
Escrowed Transaction ¹	427	13.4%	564	15.8%
Total US Public Finance	\$ 2,171	68.4%	\$ 2,502	70.1%
US Structured Finance				
Commercial ABS	\$ 81	2.6%	\$ 121	3.4%
Home Equity	26	0.8%	29	0.8%
Autos	0	0.0%	0	0.0%
Mortgage Backed Securities	49	1.5%	53	1.5%
Banks and Other Corporate	0	0.0%	0	0.0%
Other Consumer ABS	50	1.6%	50	1.4%
Total US Structured Finance	\$ 206	6.5%	\$ 254	7.1%
International				
Asset Backed				
Commercial ABS	\$ 121	3.8%	\$ 154	4.3%
Autos	0	0.0%	0	0.0%
Mortgage Backed Securities	7	0.2%	7	0.2%
Other Consumer ABS	1	0.0%	6	0.2%
Tax-Backed	0	0.0%	0	0.0%
Housing	0	0.0%	0	0.0%
Public Finance	323	10.2%	309	8.7%
Investor Owned Utilities and Other	347	10.9%	339	9.5%
Total International	\$ 798	25.1%	\$ 815	22.8%
Total	\$ 3,175	100.0%	\$ 3,571	100.0%

¹ Escrowed transactions are defeased bond issuances where our financial guaranty policy is not legally extinguished although cash and securities in an amount sufficient to pay remaining obligations under such bonds have been deposited in an escrow account for the benefit of bondholders. Although we believe we have little to no remaining credit risk on these transactions, they remain outstanding for reporting under Generally Accepted Accounting Principles.

* All numbers in the tables above are unaudited.

American Overseas Reinsurance Company Limited
Outstanding Portfolio Profile by Geographic Distribution
Net Par Outstanding
(dollars in millions)

	Outstanding as of June 30, 2017		Outstanding as of December 31, 2016	
	Net Amount	%	Net Amount	%
Geographic Distribution				
United States				
CALIFORNIA	\$ 500	15.7%	\$ 533	14.9%
MASSACHUSETTS	245	7.7%	272	7.6%
ILLINOIS	158	5.0%	175	4.9%
PUERTO RICO	148	4.6%	148	4.2%
NEW YORK	116	3.7%	181	5.1%
PENNSYLVANIA	102	3.2%	111	3.1%
TEXAS	96	3.0%	98	2.8%
MICHIGAN	77	2.4%	89	2.5%
WASHINGTON	66	2.1%	132	3.7%
FLORIDA	57	1.8%	58	1.6%
OTHER STATES	\$ 615	19.4%	\$ 714	20.0%
MULTI-STATE	\$ 198	6.3%	\$ 246	6.9%
US Sub-total	\$ 2,377	74.9%	\$ 2,756	77.2%
International				
United Kingdom	\$ 484	15.2%	\$ 483	13.5%
Australia	81	2.6%	76	2.1%
France	65	2.0%	60	1.7%
Italy	60	1.9%	56	1.6%
Austria	43	1.4%	42	1.2%
Spain	18	0.6%	17	0.5%
Chile	12	0.4%	15	0.4%
Japan	5	0.2%	5	0.1%
Mexico	3	0.1%	3	0.1%
Poland	2	0.1%	2	0.0%
Other Countries	\$ 6	0.2%	\$ 10	0.3%
Multinational	\$ 20	0.6%	\$ 46	1.3%
Int. Sub-total	\$ 798	25.1%	\$ 815	22.8%
Total Par	\$ 3,175	100.0%	\$ 3,571	100.0%

* All numbers in the tables above are unaudited. The table above includes escrowed transactions. (See Bond Type table, footnote 1).

American Overseas Reinsurance Company Limited

Largest Exposures by Sector (1 of 4)

Net Par Outstanding

as of June 30, 2017

(dollars in millions)

50 Largest U.S. Public Finance Exposures:	NPO	AORe Rating ¹
1 Massachusetts (State of) - GO Appropriation	\$ 98	AA
2 Puerto Rico Highway & Transportation Authority	91	BIG
3 Massachusetts Water Resources Authority, MA	78	AA
4 Chicago, IL	52	BBB+
5 California (State of) - GO/Appropriation	45	A
6 Puerto Rico MFA, PR - State Moral Obligation	45	BIG
7 Sacramento County Airport, CA	41	A-
8 New York City, NY	36	AA
9 Partners Healthcare System, Inc. Capital Asset	33	AA
10 Sacramento Municipal Utility District, CA Electric	32	AA-
11 Pennsylvania (State of) - GO / Appropriation	29	A-
12 Catholic Healthcare West	28	A-
13 Detroit Public Schools, MI - GO	28	AA-
14 North Texas Tollway Authority, Dallas North	27	A
15 Carolinas Hlt Sys Charl-Meckl	26	AA-
16 Maryland Transportation Authority, MD	26	A+
17 Denver International Airport, CO	25	A+
18 Wisconsin (State of) - GO	25	A+
19 Green Stadco-New York Jets Stadium	25	BBB
20 San Diego Unified SD, CA - GO	23	AA
21 MultiCare Health System	22	AA-
22 Lambert-Saint Louis International Airport, MO	22	BBB+
23 Los Angeles, CA - SD	21	AA-
24 Kentucky (State of) - GO/Appropriation	18	A+
25 Metropolitan Transit Authority, NY	17	A
26 Children's Memorial Hospital - Illinois	17	A+
27 Christus Health, TX	15	A
28 Atlanta, GA Water & Sewer	14	A-
29 Carilion Health System, VA Hospital Revenue Bonds	14	A-
30 St. Luke's Regional Medical Center, ID	13	A
31 Philadelphia, PA - GO	13	BBB+
32 Riverside City, CA Electric	12	AA-
33 Miami-Dade County Airport, FL	12	A
34 New York, NY Muni Water Finance Authority	12	AA
35 Palomar Pomerado Hospital, CA	12	BBB-
36 Elgin SD U46, IL - GO	11	A
37 Pennsylvania Turnpike Comm	11	BBB
38 Oregon Sch Dt LT Pension Pool	11	A+
39 Illinois Regional Transportation Auth, IL - Sales Tax Statewide	11	AA
40 Anaheim Redevelopment Agency (California) 2007	11	A
41 Worcester (City), MA - GO	10	A+
42 Louisville Arena Authority Inc.	10	BBB-
43 Chicago Board Of Education, IL	10	BBB-
44 Hospital Authority Of Gwinnett County, Georgia	9	A
45 New York (State of), GO / Appropriation	9	AA-
46 Alvord Union, CA - SD	9	A+
47 Catholic Health Partners, OH	9	A
48 Contra Costa County, CA - GO/Appropriation	9	AA-
49 New York State Power Authority	8	AA
50 Desert Community College District General	8	AA
Total Top 50 U.S. Public Finance Exposures:	\$ 1,194	

1 Ratings are assigned by AORE, which takes into consideration ratings assigned by the primary insurers and the rating agencies. Ratings are assigned as of August 21, 2017. Escrowed transactions are included in the table above and are assigned a rating of the higher of "AA" or the current AORE rating. (See Bond Type table, footnote 1)

* All numbers in the table above are unaudited.

American Overseas Reinsurance Company Limited

Largest Exposures by Sector (2 of 4)

Net Par Outstanding

as of June 30, 2017

(dollars in millions)

50 Largest U.S. Structured Finance Exposures:	Amount	AORe Rating ¹
1 SLM Private Credit Student Loan Trust 2007-A	\$ 50	A+
2 Pooled Actuarial Risk	48	AA
3 Impac CMB Trust Series 2007-A	14	A+
4 Doral 2006-1 - Deutsche Mortg Sec 2006-PR1	7	BIG
5 Alesco Preferred Funding XVI, Ltd.	7	BIG
6 Fortress Credit Opportunities I, LP	7	AA
7 Countrywide Home Equity Loan Trust 2007-D	6	BIG
8 Kingsland CBO IV	5	AAA
9 Terwin Mortgage Trust 2007-6 ALT	5	BIG
10 CWHEQ Rev Home Eq Trst (Countrywide), 2006-I	5	BIG
11 Future Flow	5	A-
12 ACE Securities Corp. Mort Loan 2007-D1	4	BIG
13 CWHEQ Revolving HEL Trust 2006-F	3	BIG
14 Manufactured Housing	3	AAA
15 CWHEQ Revolving Hel 2006-H wrap of wrap	2	BIG
16 GMACM Hel 2004-HE3	2	BIG
17 CWHEQ Rev Hel Trust, Series 2005-D	2	BIG
18 CWHEQ Revolving Home Equity Loan Trust, Series 2005-C	2	BIG
19 CWHEQ Revolv HEL Trst 2007-A	2	BIG
20 IG Pooled Corporate CDS	2	AAA
21 IG Pooled Corporate CDS	2	AAA
22 IG Pooled Corporate CDS	2	AAA
23 IG Pooled Corporate CDS	1	AAA
24 High Yield TRuPS CDO	1	AA
25 CWABS Asset-Backed Cert Trust 2007-4	1	A
26 High Yield Cash Flow CLO	1	AAA
27 High Yield Cash Flow CLO	1	AAA
28 CWHEQ Revolv HEL Trst 2007-B	1	BIG
29 New Century Home Equity Loan Trust 2005-A	1	BIG
30 Soundview Home Ln TR 2007-WMC1	1	BIG
31 Terwin Mortg trst 2006-10SL	1	BIG
32 Renaissance Home Equity Loan 2003-1	1	AAA
33 IMC Home Equity 1997-7	1	BIG
34 Long Beach Mortgage 2004-4	1	AAA
35 Option One Mortg Ln Tr 2007-FXD2	1	BIG
36 NAAC 2007-1 2nds	1	BIG
37 Mastr Asset Backed Sec 2007-NCW	1	BIG
38 Soundview Home Loan Trust 2008-1	1	BIG
39 Wells Fargo Home Equity Trust 2004-2	1	AAA
40 ACE Securities He Loan Tr 2007-SL1	0	BIG
41 Renaissance Home Equity Loan 2002-3	0	AAA
42 American Home Mort 2007-4	0	BIG
43 OOMLT 2003-6	0	AAA
44 OOMLT 2003-4	0	AAA
45 TERWIN MORTGAGE TRUST 2005-16HE	0	BIG
46 AMSI 2004-R1	0	AAA
47 AMSI 2003-13	0	AAA
48 Deutsche Alt-B 2006-AB1	0	BIG
49 AMSI 2003-11	0	AAA
50 Consec Finance Mfg'd Housing	0	BIG
Total Top 50 U.S. Public Finance Exposures:	\$ 199	

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American Overseas Reinsurance Company Limited

Largest Exposures by Sector (3 of 4)

Net Par Outstanding

as of June 30, 2017

(dollars in millions)

25 Largest Non U.S. Exposures:	Amount	AORE Rating ¹
1 Thames Water Utilities Finance PLC	\$ 53	A-
2 International Infrastructure Pool	51	BBB+
3 International Infrastructure Pool	50	AAA
4 International Infrastructure Pool	50	AAA
5 Southern Water Services	44	A-
6 Verbund - Wachovia Wrap Of Securities Lease And	42	AAA
7 Campania Region - Healthcare Receivable	39	BBB-
8 International Utility Finance	36	BBB
9 Envestra Limited	35	BBB+
10 International Utility Finance	24	A-
11 International Utility Finance	21	BBB+
12 Integrated Accomodation Services plc	20	BBB+
13 Airspeed Limited	20	BBB
14 Valencia Fair	18	BIG
15 Brisbane Airports Corporation Limited	18	BBB
16 International Utility Finance	17	BBB+
17 International Project Finance	17	BBB-
18 United Utilities Water Plc	14	BBB+
19 National Grid Gas	14	BBB+
20 International Utility Finance	14	BBB+
21 Sutton and East Surrey Water Plc	14	BBB+
22 Rutas del Pacifico (Santiago-Valparaiso Tollroad)	12	BBB+
23 International Utility Finance	12	BBB
24 Severn Trent Water Utilities Finance PLC	12	BBB+
25 Millau Viaduct	11	BBB-
Total Top 50 U.S. Public Finance Exposures:	\$ 661	

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American Overseas Reinsurance Company Limited

Largest Exposures by Sector (4 of 4)

Net Par Outstanding

as of June 30, 2017

(dollars in millions)

10 Largest U.S. Residential Mortgage Servicers' Exposures:	NPO		
1 Countrywide	\$ 26		
2 GMAC Mortgage Corporation	16		
3 Wells Fargo Bank	8		
4 Banco Popular	7		
5 LITTON LOAN SERVICING LP	5		
6 MIDSTATE HOMES, INC.	2		
7 Option One Mortgage Corporation	2		
8 OCWEN LOAN SERVICING, LLC	2		
9 AMERIQUEST MORTGAGE COMPANY	1		
10 Washington Mutual	1		
Total Top 10 U.S. Residential Mortgage Servicers' Exposures:	\$ 69		
10 Largest U.S. Healthcare Exposures:	NPO	AORe Rating	State
1 Partners Healthcare System, Inc. Capital Asset	\$ 33	AA	MA
2 Catholic Healthcare West	28	A-	CA
3 Carolinas Hlt Sys Charl-Meckl	26	AA-	NC
4 MultiCare Health System	22	AA-	WA
5 Children's Memorial Hospital - Illinois	17	A+	IL
6 Christus Health, TX	15	A	TX
7 Carilion Health System, VA Hospital Revenue Bonds	14	A-	VA
8 St. Luke's Regional Medical Center, ID	13	A	ID
9 Palomar Pomerado Hospital, CA	12	BBB-	CA
10 Hospital Authority Of Gwinnett County, Georgia	9	A	GA
Total Top 10 U.S. Healthcare Exposures:	\$ 188		

1 Ratings are assigned by AORE, which takes into consideration ratings assigned by the primary insurers and the rating agencies. Ratings are assigned as of August 21, 2017. Escrowed transactions are included in the table above and are assigned a rating of the higher of "AA" or the current AORE rating. (See Bond Type table, footnote 1)

* All numbers in the table above are unaudited.

American Overseas Reinsurance Company Limited
Outstanding Portfolio Profile by Credit Quality Distribution

Par Outstanding

as of June 30, 2017

(dollars in millions)

	Outstanding as of June 30, 2017 ¹		Outstanding as of December 31, 2016 ¹	
	Amount	%	Amount	%
Public Finance				
AAA	\$ 45	1.4%	\$ 46	1.3%
AA	1,049	33.0%	1,236	34.6%
A	867	27.3%	973	27.2%
BBB	694	21.9%	701	19.6%
Below Investment Grade	185	5.8%	194	5.4%
Total	\$ 2,840	89.5%	\$ 3,150	88.2%

	Outstanding as of June 30, 2017 ¹		Outstanding as of December 31, 2016 ¹	
	Amount	%	Amount	%
Structured Finance				
AAA	\$ 133	4.2%	\$ 175	4.9%
AA	60	1.9%	72	2.0%
A	55	1.7%	57	1.6%
BBB	26	0.8%	28	0.8%
Below Investment Grade	61	1.9%	89	2.5%
Total	\$ 335	10.5%	\$ 421	12%

	Outstanding as of June 30, 2017 ¹		Outstanding as of December 31, 2016 ¹	
	Amount	%	Amount	%
Total				
AAA	\$ 177	5.6%	\$ 220	6.2%
AA	1,109	34.9%	1,308	36.6%
A	923	29.1%	1,030	28.9%
BBB	720	22.7%	729	20.4%
Below Investment Grade	246	7.8%	283	7.9%
Total	\$ 3,175	100.0%	\$ 3,571	100%

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American Overseas Reinsurance Company Limited

Non-Investment Grade Exposures

Net Par Outstanding

as of June 30, 2017

(dollars in millions)

	NPO	AORE Rating
Public Finance BIG Exposures Greater Than \$7 Million		
Name or description		
U.S. Public Finance		
Puerto Rico Highway & Transportation Authority - Highway	\$ 61	CC
Puerto Rico MFA, PR - State Moral Obligation	\$ 45	CCC-
Puerto Rico Highway & Transportation Authority - Transportation	\$ 31	CC-
Louisville Arena Authority Inc.	\$ 10	BB
Total	\$ 147	
Non-U.S. Public Finance		
Valencia Fair	\$ 18	BB-
Total	\$ 18	
Total	\$ 165	
Structured Finance BIG Exposures Greater than \$7 Million		
	NPO	AORE Rating
Name or description		
U.S. Structured Finance		
U.S. RMBS:		
Doral 2006-1 - Deutsche Mortg Sec 2006-PR1	\$ 8	B
Total U.S. RMBS	\$ 8	
Other:		
Alesco Preferred Funding XVI, Ltd.	\$ 7	BB
Total Other	\$ 7	
Total	\$ 15	

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American Overseas Reinsurance Company Ltd.

Changes in Credit Derivative Liabilities

(dollars in thousands)

The following table presents changes in the net credit derivative liabilities balance for which fair value was measured using significant unobservable inputs for the period ended June 30, 2017 and year ended December 31, 2016.

	Period ended June 30, 2017	Year ended December 31, 2016
Balance, beginning of period	\$ (8,358)	\$ (16,779)
Total unrealized (losses)/gains included in earnings	2,946	8,162
Total realized (losses)/gains included in earnings	91	2,380
Net cash payments/(receipts) ⁽¹⁾	(202)	(2,121)
Balance, end of period	<u>\$ (5,523)</u>	<u>\$ (8,358)</u>

⁽¹⁾ Net cash payments/receipts includes all ongoing contractual cash payments inclusive of payments to commute credit derivatives.

* All numbers in the tables above are unaudited.

American Overseas Reinsurance Limited Operating Supplement

Introductory Notes

This operating supplement presents information on the financial guaranty business of American Overseas Reinsurance Company Limited, (the "Company") on a U.S. GAAP basis unless otherwise.

This Supplement should be read in conjunction with the financial statements of American Overseas Group Limited and financial information posted on our website at www.aoreltd.com.

This Supplement should also be read in conjunction with various footnotes and explanatory notes contained herein. Certain measures reported in this Supplement are not in conformity with U.S. GAAP and should not be considered as a substitute for GAAP measures. They are provided with the intent of enhancing information available to analysts and investors.

Safe Harbor Statement

Any forward-looking statements made in this supplement reflect the Company's current views and assumptions with respect to future events and financial performance and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties that may cause actual results to differ materially from those set forth in these statements. For example, the Company's forward-looking statements regarding future installment premiums and present value of future installment premiums could be affected by early termination of policies, general economic conditions, losses in excess of amounts anticipated in the Company's loss reserving, changes in accounting policies or practices, developments in the financial guaranty industry, as well as management's responses to these factors. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the dates on which they are made or on which estimates were prepared. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events, or otherwise.