

AMERICAN OVERSEAS GROUP LTD.

NET INCOME AND OPERATING INCOME BY SEGMENT

(dollars in thousands)	December 31, 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
Property and casualty:						
Net premiums earned	\$ 3,497					\$ 3,497
Losses and loss adjustment expenses	(3,960)					(3,960)
Acquisition expenses	(430)					(430)
Fee income	11,531					11,531
Operating expenses	(9,593)					(9,593)
Amortization expense	-					-
Income tax	14					14
Property and casualty	1,059	-	-	-	-	1,059
Financial guaranty:						
Net premiums earned	(1,550)			7,242		5,692
Net change in fair value of credit derivatives	8,238		(8,125)			113
Losses and loss adjustment expenses	(15,823)			(4,078)		(19,901)
Acquisition expenses	(17)			(3,580)		(3,597)
Operating expenses	(6,415)					(6,415)
Financial guaranty	(15,567)	-	(8,125)	(416)	-	(24,108)
Corporate and Investing						
Net investment income	1,762					1,762
Net realized loss on sales of investments	154	(1,034)		\$ 880		-
Fair value adjustment	1,453			(1,453)		-
Operating expenses	2,235					2,235
Interest expense	(2,304)					(2,304)
Other expense, net of other income	591					591
Corporate and investing	3,891	(1,034)	-	(573)	-	2,284
Group total	\$ (10,617)	\$ (1,034)	\$ (8,125)	\$ (989)	\$ -	\$ (20,765)

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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
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)