

AMERICAN OVERSEAS GROUP LTD.

NET INCOME AND OPERATING INCOME BY SEGMENT

(dollars in thousands)

December 31, 2018

	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	\$ 2,361					\$ 2,361
Losses and loss adjustment expenses	(1,060)					(1,060)
Acquisition expenses	(556)					(556)
Fee income	11,470					11,470
Operating expenses	(9,278)					(9,278)
Amortization expense	-					-
Income tax	(4)					(4)
Property and casualty	2,933	-	-	-	-	2,933
Financial guaranty:						
Net premiums earned	(2,576)			8,649		6,073
Net change in fair value of credit derivatives	75		(60)			15
Losses and loss adjustment expenses	(1,533)			(3,848)		(5,381)
Acquisition expenses	1,133			(2,360)		(1,227)
Operating expenses	(3,975)					(3,975)
Financial guaranty	(6,877)	-	(60)	2,441	-	(4,495)
Corporate and Investing						
Net investment income	2,809					2,809
Net realized loss on sales of investments	8	(15,608)		15,600		-
Fair value adjustment	332			(332)		-
Operating expenses	(139)					(139)
Interest expense	(2,191)					(2,191)
Other expense, net of other income	532					532
Corporate and investing	1,351	(15,608)	-	15,268	-	1,011
Group total	\$ (2,592)	\$ (15,608)	\$ (60)	\$ 17,709	\$ -	\$ (551)

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	1,060	-	-	-	-	1,060
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	(3,532)					(3,532)
Financial guaranty	(12,684)	-	(8,125)	(416)	-	(21,225)
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	(648)					(648)
Interest expense	(2,304)					(2,304)
Other expense, net of other income	591					591
Corporate and investing	1,008	(1,034)	-	(573)	-	(599)
Group total	\$ (10,617)	\$ (1,034)	\$ (8,125)	\$ (989)	\$ -	\$ (20,764)