



**Results of Operations for the Year Ended December 31, 2022** - American Overseas Group Limited Announces Net Loss Of \$1.5 Million For the Year Ended December 31, 2022.

HAMILTON, Bermuda, April 28, 2023 (BUSINESS WIRE) -- American Overseas Group Limited BSX: AORE.BH) (Pink Sheets: AOREF.PK) ("AOG" or the "Company") today reported consolidated net loss available to common shareholders of \$1.5 million, or \$31.42 per diluted share, for the year ended December 31, 2022. This compares to consolidated net loss available to common shareholders of \$5.5 million, or \$117.07 per diluted share, for the year ended December 31, 2021. Book value per weighted share at December 31, 2022 was \$758.44, a decline from the book value per weighted share of \$916.83 at December 31, 2021.

For the three months ended December 31, 2022, net earned property and casualty premiums increased \$0.2 million from \$4.9 million a year ago to \$5.1 million. For the year ended December 31, 2022, net earned property and casualty premiums decreased \$0.7 million from \$20.8 million to \$20.1 million.

Quarter to Date fee income increased \$0.4 million from \$2.6 million to \$3.0 million and gross written premiums increased \$16.6 million, moving from \$101.5 million to \$118.1 million. Quarter to Date direct written premiums were positively impacted by continued expansion of new programs, rate increases, and overall economic recovery. Quarter to Date Loss and loss adjustment expenses as a percentage of earned premium decreased from 84.8% to 82.2%.

For the year ended December 31, 2022, fee income increased \$0.5 million from \$11.2 million a year ago to \$11.7 million and gross written premiums increased \$32.6 million, moving from \$420.5 million to \$453.1 million. Year to date direct written premiums were positively impacted by continued expansion of new programs, rate increases, and overall economic recovery. Year to Date Loss and loss adjustment expenses as a percentage of earned premium increased from 69.1% to 72.1%.

For the three months ended December 31, 2022, operating expenses decreased \$0.2 million from \$3.2 million to \$3.0 million. For the year ended December 31, 2022, operating expenses decreased \$2.7 million from \$14.2 million to \$11.5 million largely due to a one-time recognition in the amount of \$1.2 million in 2021 of items previously held as a receivable against a personal guarantee contract and a \$1.5 million decrease in taxes, licenses and fees largely related to increased Louisiana taxes in 2021.

As part of its ongoing capital management efforts, the Company will continue to redirect excess capital within the group to debt reduction unless other compelling opportunities present themselves.

## **Forward-Looking Statements**

This release contains statements that may be considered "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements include, without limitation, the Company's expectations respecting the volatility of its insured portfolio, losses, loss reserves and loss development, the adequacy and availability of its liquidity and capital resources, its current run off strategy, its strategy for writing other reinsurance businesses and its expense reduction measures. These statements are based on current expectations and the current views of the economic and operating environment and are not guarantees of future performance. A number of risks and uncertainties, including economic competitive conditions, could cause actual results to differ materially from those projected in forward-looking statements. The Company's actual results could differ materially from those expressed or implied in the forward-looking statements.

## **Information About the Company**

American Overseas Group Limited is an insurance holding company incorporated in Bermuda and a tax resident of the United Kingdom. Its operating subsidiaries provide specialty property/casualty insurance, reinsurance and insurance management services. More information can be found at [www.aoreltd.com](http://www.aoreltd.com).

American Overseas Group Limited

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**American Overseas Group Limited**  
**Consolidated Balance Sheets**  
**(unaudited)**  
**As at December 31, 2022 and December 31, 2021**  
**(dollars in thousands)**

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<b><u>Assets</u></b>		
Investments:		
Fixed-maturity securities held as available for sale, at fair value	\$ 97,646	\$ 102,678
Equity investments held as available for sale, at fair value	2,708	3,781
Cash and cash equivalents	32,212	31,908
Restricted cash	3,968	4,440
Accrued investment income	455	553
Premiums receivable	94,704	76,626
Deferred insurance premiums	132,602	108,904
Reinsurance balances receivable, net	248,234	223,982
Deferred policy acquisition costs	4,029	4,588
Intangible assets	4,800	4,800
Goodwill	33,050	33,050
Other assets	3,978	3,166
<b>Total Assets</b>	<b>\$ 658,386</b>	<b>\$ 598,476</b>
 <b><u>Liabilities and Equity</u></b>		
<b>Liabilities:</b>		
Loss and loss expense reserve	\$ 253,886	\$ 215,642
Deferred commission income	2,661	3,210
Unearned premiums	137,929	113,423
Ceded premium payable	88,117	82,059
Payable to general agents	5,469	7,121
Funds withheld	99,409	104,257
Accounts payable and accrued liabilities	16,499	12,420
Notes payable	18,021	16,521
Non-owned interest in VIE	300	300
Interest payable	464	451
<b>Total Liabilities</b>	<b>622,755</b>	<b>555,404</b>
 <b>Shareholders' Equity:</b>		
Common shares	4,698	4,698
Additional paid-in capital	189,179	189,179
Accumulated other comprehensive (loss) income	(4,240)	1,124
Retained deficit	(159,459)	(157,982)
<b>Total Shareholders' Equity</b>	<b>30,178</b>	<b>37,019</b>
Non-controlling interest of preferred shares of subsidiaries	5,453	6,053
<b>Total Equity</b>	<b>35,631</b>	<b>43,072</b>
 <b>Total Liabilities and Equity</b>	 <b>\$ 658,386</b>	 <b>\$ 598,476</b>

See Notes to December 31, 2022 Consolidated Financial Statements available on American Overseas Group Ltd. Website at [www.aoreltd.com](http://www.aoreltd.com)

**American Overseas Group Limited**  
**Consolidated Statements of Operations**  
(unaudited)  
(dollars in thousands, except share and per share amounts)

	Three months ended December 31,		Twelve Months ended December 31,	
	2022	2021	2022	2021
<b>Revenues</b>				
Net premiums earned	\$ 5,101	\$ 4,905	\$ 20,126	\$ 20,840
Fee income	3,007	2,582	11,693	11,248
Net investment income	122	232	263	439
Net realized gains on investments	-	5	237	55
Other income	20	22	936	128
<b>Total revenues</b>	<b>8,250</b>	<b>7,746</b>	<b>33,255</b>	<b>32,710</b>
<b>Expenses</b>				
Losses and loss adjustment expenses	4,191	4,161	14,506	14,392
Acquisition expenses	1,573	1,624	6,342	7,130
Operating expenses	2,940	3,200	11,540	14,238
Other expense	-	-	-	-
Interest expense	464	451	1,816	1,803
<b>Total expenses</b>	<b>9,168</b>	<b>9,436</b>	<b>34,204</b>	<b>37,563</b>
<b>Pre-tax net profit / (loss)</b>	<b>\$ (918)</b>	<b>\$ (1,690)</b>	<b>\$ (949)</b>	<b>\$ (4,853)</b>
Income tax (expense)	-	(36)	-	(62)
<b>Net profit / (loss) before dividends</b>	<b>(918)</b>	<b>(1,726)</b>	<b>(949)</b>	<b>(4,915)</b>
Dividends on preference shares of subsidiary	(527)	-	(527)	(585)
<b>Net profit / (loss) available to common shareholders</b>	<b>\$ (1,445)</b>	<b>\$ (1,726)</b>	<b>\$ (1,476)</b>	<b>\$ (5,500)</b>
Net profit / (loss) per common share:				
Basic	\$ (30.76)	\$ (36.73)	\$ (31.42)	\$ (117.07)
Diluted	(30.76)	(36.73)	(31.42)	(117.07)
Weighted-average number of common shares outstanding:				
Basic	46,979	46,979	46,979	46,979
Diluted	46,979	46,979	46,979	46,979

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