



Results of Operations for the Three Months Ended March 31, 2023 - American Overseas Group Limited Announces Net Income Of \$1.4 Million For the Three Months March 31, 2023.

HAMILTON, Bermuda, June 30, 2023 (BUSINESS WIRE) -- American Overseas Group Limited BSX: AORE.BH) (Pink Sheets: AOREF.PK) ("AOG" or the "Company") today reported consolidated net income available to common shareholders of \$1.4 million, or \$30.44 per diluted share, for the three months ended March 31, 2023. This compares to consolidated net income available to common shareholders of \$0.7 million, or \$15.06 per diluted share, for the three months ended March 31, 2022. Book value per weighted share at March 31, 2023 was \$798.21, a decline from the book value per weighted share of \$850.78 at March 31, 2022.

For the three months ended March 31, 2023, net earned property and casualty premiums increased \$0.5 million from \$5.1 million a year ago to \$5.6 million.

Quarter to Date fee income increased \$0.5 million from \$3.3 million to \$3.8 million and gross written premiums increased \$25.8 million, moving from \$108.1 million to \$133.9 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 remained constant at 64.0%.

For the three months ended March 31, 2023, operating expenses decreased \$0.2 million from \$3.0 million to \$2.8 million.

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.

American Overseas Group Limited

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American Overseas Group Limited
Consolidated Balance Sheets
(unaudited)
As at March 31, 2023 and December 31, 2022
(dollars in thousands)

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
<u>Assets</u>		
Investments:		
Fixed-maturity securities held as available for sale, at fair value	\$ 125,823	\$ 97,646
Equity investments held as available for sale, at fair value	-	2,708
Cash and cash equivalents	20,884	32,212
Restricted cash	3,965	3,968
Accrued investment income	774	455
Premiums receivable	114,782	94,704
Deferred insurance premiums	149,651	132,602
Reinsurance balances receivable, net	255,430	248,234
Deferred policy acquisition costs	4,855	4,029
Intangible assets	4,800	4,800
Goodwill	33,050	33,050
Other assets	4,940	3,978
Total Assets	\$ 718,954	\$ 658,386
 <u>Liabilities and Equity</u>		
Liabilities:		
Loss and loss expense reserve	\$ 256,497	\$ 253,886
Deferred commission income	3,374	2,661
Unearned premiums	155,846	137,929
Ceded premium payable	108,022	88,117
Payable to general agents	7,553	5,469
Funds withheld	115,637	99,409
Accounts payable and accrued liabilities	15,709	16,499
Notes payable	18,021	18,021
Non-owned interest in VIE	300	300
Interest payable	496	464
Total Liabilities	681,455	622,755
 Shareholders' Equity:		
Common shares	4,698	4,698
Additional paid-in capital	189,179	189,179
Accumulated other comprehensive (loss) income	(3,802)	(4,240)
Retained deficit	(158,029)	(159,459)
Total Shareholders' Equity	32,046	30,178
Non-controlling interest of preferred shares of subsidiaries	5,453	5,453
Total Equity	37,499	35,631
Total Liabilities and Equity	\$ 718,954	\$ 658,386

See Notes to March 31, 2023 Consolidated Financial Statements available on American Overseas Group Ltd. Website at www.aoreltd.com

American Overseas Group Limited
Consolidated Statements of Operations
(unaudited)

(dollars in thousands, except share and per share amounts)

	Three Months ended March 31,	
	<u>2023</u>	<u>2022</u>
Revenues		
Net premiums earned	\$ 5,588	\$ 5,088
Fee income	3,825	3,295
Net investment income (expense)	162	(69)
Net realized gains (losses) on investments	412	(11)
Other income	<u>28</u>	<u>841</u>
Total revenues	10,015	9,144
Expenses		
Losses and loss adjustment expenses	3,574	3,266
Acquisition expenses	1,759	1,698
Operating expenses	2,756	3,021
Interest expense	<u>496</u>	<u>451</u>
Total expenses	8,585	8,436
Pre-tax net profit / (loss)	\$ 1,430	\$ 708
Income tax (expense)	-	-
Net profit / (loss) before dividends	1,430	708
Dividends on preference shares of subsidiary	-	-
Net profit / (loss) available to common shareholders	<u>\$ 1,430</u>	<u>\$ 708</u>
Net profit / (loss) per common share:		
Basic	\$ 30.44	\$ 15.06
Diluted	30.44	15.06
Weighted-average number of common shares outstanding:		
Basic	46,979	46,979
Diluted	46,979	46,979

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