

Ariel Reinsurance Company Ltd.
Balance sheet
As at September 30, 2008
(expressed in United States dollars)

	30-Sep-08	31-Dec-07
Assets		
Fixed maturity investments, available for sale, at fair value (amortized cost \$1,074,342,530 and \$992,027,682 respectively)	1,045,643,266	1,002,396,070
Other Investments	161,898,799	192,645,283
Short term investments	37,210,204	10,930,727
Cash and cash equivalents	86,004,678	30,271,822
Premiums receivable	173,646,258	69,410,107
Accrued investment income	9,243,368	9,466,862
Deferred acquisition costs	22,377,310	14,923,979
Prepaid reinsurance	4,619,295	836,872
Reinsurance recoverable balances	696,677	344,808
Intercompany receivable	52,019,095	25,081,841
Intangible assets	-	-
Fixed assets	6,059,164	3,792,469
Prepaid expenses	1,930,085	1,223,376
Other assets	658,860	691,770
Securities receivable	224,321,427	8,594,970
Total assets	1,826,328,486	1,370,610,956
Liabilities		
Reserve for losses and loss adjustment expenses	271,461,586	49,224,174
Unearned premiums	175,176,625	110,686,318
Deposit Liability	306,256	675,844
Reinsurance premiums payable	144,000	777,838
Losses Payable	-	-
Accounts payable	208,990	199,540
Accrued liabilities	5,876,673	9,722,224
Securities payable	238,247,822	30,802,396
Other liabilities	-	-
Total liabilities	691,421,952	202,088,334
Shareholder's equity		
Ordinary share capital (1,000,000 shares outstanding, par value \$1)	1,000,000	1,000,000
Additional paid-in capital	999,000,000	999,000,000
Deferred stock grant compensation	-	-
Retained earnings	134,906,534	168,522,622
Accumulated other comprehensive (loss) income	-	-
Total shareholder's equity	1,134,906,534	1,168,522,622
Total liabilities and shareholder's equity	1,826,328,486	1,370,610,956

Ariel Reinsurance Company Ltd.
Income statement
For the period ended September 30, 2008
(expressed in United States dollars)

	QTD 30-Sep-08	YTD 30-Sep-08
Revenue		
Gross premiums written	106,516,684	378,991,034
Net premiums written	102,974,086	369,308,545
Change in unearned net premiums	15,563,429	(60,707,883)
Net premiums earned	118,537,515	308,600,662
Other underwriting Income	537,521	(204,465)
Net investment income	14,511,384	46,176,605
Net foreign exchange gain (loss)	(2,642,894)	(2,528,780)
Net realized gains (losses) on investments	(5,272,686)	205,635
Net unrealized (loss) gain on investments	(32,976,492)	(55,404,423)
	<u>92,694,348</u>	<u>296,845,234</u>
Losses and expenses		
Losses and loss adjustment expenses	208,108,557	268,387,779
Acquisition costs	11,704,127	34,029,213
General and administrative expenses	9,072,873	28,044,330
Amortization of intangible assets	-	-
	<u>228,885,557</u>	<u>330,461,322</u>
Net income	<u>(136,191,209)</u>	<u>(33,616,088)</u>
Underwriting result	(109,810,521)	(22,065,125)
Operating income	(95,299,137)	24,111,480
Loss ratio	175.56%	86.97%
Acquisition expense ratio	9.87%	11.03%
General and administrative expense ratio	7.65%	9.09%
Combined Ratio	193.09%	107.08%