
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported) November 8, 2004

Annuity and Life Re (Holdings), Ltd.

(Exact Name of Registrant as Specified in its Charter)

Bermuda

1-16561

66-0619270

(Commission
File Number)

(IRS Employer
Identification No.)

Cumberland House, 1 Victoria Street, Hamilton, Bermuda

HM 11

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: (441) 296-7667

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

The following information, furnished under “Item 2.02. Results of Operations and Financial Condition,” shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such a filing.

On November 8, 2004, Annuity and Life Re (Holdings), Ltd. (the “Company”) issued a press release, which is attached hereto as Exhibit 99.1 and incorporated herein by reference. The press release disclosed the Company’s financial results for the three month period ended September 30, 2004. Also on November 8, 2004, the Company posted on its website unaudited supplemental financial information, which is attached hereto as Exhibit 99.2 and incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ANNUITY AND LIFE RE (HOLDINGS), LTD.

Date: November 8, 2004

By: /s/ John W. Lockwood

John W. Lockwood
Chief Financial Officer

EXHIBIT INDEX

- 99.1 Press Release dated November 8, 2004
- 99.2 Unaudited Supplemental Financial Information



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FOR IMMEDIATE RELEASE

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441-296-7667

ANNUITY & LIFE RE SEPTEMBER 2004 EARNINGS REPORT

Hamilton, Bermuda, November 8, 2004, 6:00 p.m. ET – Annuity and Life Re (Holdings), Ltd. (ANNRF.OB) today reported financial results for the three month period ended September 30, 2004. The Company reported a net loss of \$(3,095,705) or \$(0.12) per fully diluted share for the three month period ended September 30, 2004, as compared to a net loss of \$(3,786,905) or \$(0.15) per fully diluted share for the three month period ended September 30, 2003. The third quarter 2004 loss includes a \$2.4 million charge related to the recapture of the Company's GMDB/GMIB agreement with GIGNA, a net loss of \$2.1 million from the Company's annuity reinsurance agreement with Transamerica, a loss of \$0.7 million from the Company's second largest life reinsurance agreement and a loss of \$0.3 million from the Company's second largest annuity reinsurance agreement. These losses were partially offset by income from some of the Company's other remaining life reinsurance agreements, including income of approximately \$2.1 million from the Company's largest life reinsurance agreement.

Net realized investment losses for the three month period ended September 30, 2004 were \$(84,868), as compared with net realized investment losses of \$(52,025) for the three month period ended September 30, 2003.

Unrealized gains on the Company's investments were \$1,038,094 as of September 30, 2004, as compared to gains of \$1,840,849 at December 31, 2003. The Company's investment portfolio currently maintains an average credit quality of AA. Cash used by operations for the nine months ended September 30, 2004 was \$57,327,851 as compared to cash used by operations of \$97,859,548 for the nine month period ended September 30, 2003. The cash used by operations in the nine months ended September 30, 2004 includes payments made in connection with the settlement of the Met Life recapture, payments made to Transamerica under an annuity reinsurance agreement and payments made to CIGNA related to the recapture of the Company's GMDB/GMIB reinsurance agreement with CIGNA.

Book value per share at September 30, 2004 was \$4.78, as compared to \$5.11 at December 31, 2003. The Company adopted SOP 03-1 effective as of January 1, 2004, which required it to increase its liabilities by approximately \$36.6 million and its deferred acquisition costs by approximately \$36.2 million. As a result, the Company's tangible book value, which is GAAP book value less deferred acquisition costs, declined from \$2.50 per share at December 31, 2003 to \$1.12 as of January 1, 2004. Tangible book value per share has increased to \$1.15 at September 30, 2004.

Jay Burke, the Company's Chief Executive Officer, commented:

"We are very pleased that the Company and CIGNA were able to work together to resolve the long standing problems with the GMDB/GMIB agreement. We still have the Transamerica annuity reinsurance agreement, which continues to negatively impact the

Company's operating results and cash position, but we are seeking to work with Transamerica to find a mutually acceptable resolution to the problems created by that agreement."

Annuity and Life Re (Holdings), Ltd. provides annuity and life reinsurance to insurers through its wholly owned subsidiaries, Annuity and Life Reassurance, Ltd. and Annuity and Life Reassurance America, Inc.

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by the Company or on its behalf. All statements which address operating performance, events, or developments that the Company expects or anticipates may occur in the future are forward-looking statements. These statements are made on the basis of management's views and assumptions; as a result, there can be no assurance that management's expectations will necessarily come to pass. The Company cautions that actual results could differ materially from those expressed or implied in forward-looking statements. Important factors that could materially and adversely affect the Company's operations and financial condition and/or cause the Company's actual results of operations or financial condition to differ from those expressed or implied in the Company's forward-looking statements include, but are not necessarily limited to, the Company's ability to meet the obligations associated with the Company's current business and to fund the Company's continuing operations; the Company's ability to reduce or otherwise satisfy the Company's collateral obligations; the Company's ability to pursue strategic alternatives on favorable terms; the outcome of pending legal proceedings involving the Company; the Company's ability to obtain adequate financial ratings; the ability of the Company's cedents to manage successfully assets they hold on the Company's behalf; the Company's success in managing its investments; the Company's ability to list its common shares on a national exchange or automated quotation system; changes in mortality, morbidity and claims experience; the Company's ability to make accurate estimates and assumptions regarding future mortality, persistency, lapses, expenses and investment performance based upon historical results and information provided to it by its cedents; the Company's ability to underwrite business; unanticipated withdrawal or surrender activity; changes in market conditions, including changes in interest rate levels; the competitive environment; the impact of recent and possible future terrorist attacks and the U.S. government's response thereto; the Company's ability to attract and retain clients; the loss of a key executive; regulatory changes (such as changes in U.S. tax law and insurance regulation that directly affect the competitive environment for the Company's products); and a prolonged economic downturn. Investors are also directed to consider the risks and uncertainties discussed in documents the Company has filed with the Securities and Exchange Commission, and in particular, the Company's Annual Report on Form 10-K for the year ended December 31, 2003, as amended. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on the Company's behalf.

This press release and the attached financial statements are available in the "Press Releases" section of the Company's website at www.alre.bm/releases_2004.html. Certain financial information that has been made available to financial analysts is available in the "Financial Reports" section of the Company's website at www.alre.bm/reports.html.

ANNUITY AND LIFE RE (HOLDINGS), LTD.
CONDENSED CONSOLIDATED BALANCE SHEETS
(U.S. dollars)

	September 30, 2004	December 31, 2003
Assets	(unaudited)	
Cash and cash equivalents	\$ 56,933,773	\$ 80,068,310
Fixed maturity investments at fair value (amortized cost of \$81,880,490 and \$115,594,199 at September 30, 2004 and December 31, 2003)	83,287,548	117,812,445
Funds withheld at interest	596,544,390	667,824,819
Accrued investment income	1,033,470	1,491,170
Receivable for reinsurance ceded	82,627,663	88,480,172
Other reinsurance receivables	3,656,664	4,580,745
Deferred policy acquisition costs	95,787,457	68,942,628
Other assets	752,990	682,050
Total Assets	\$ 920,623,955	\$1,029,882,339
Liabilities		
Reserves for future policy benefits	\$ 151,673,217	\$ 161,105,541
Interest sensitive contracts liability	621,979,101	670,717,546
Other reinsurance liabilities	15,381,098	55,826,940
Accounts payable and accrued expenses	5,519,109	7,059,733
Total Liabilities	794,552,525	894,709,760
Stockholders' Equity		
Preferred shares (par value \$1.00; 50,000,000 shares authorized; no shares outstanding)	—	—
Common shares (par value \$1.00; 100,000,000 shares authorized; 26,395,928 and 26,454,195 shares outstanding at September 30, 2004 and December 31, 2003)	26,395,928	26,454,195
Additional paid-in capital	334,041,944	334,418,029
Stock warrants	1,350,000	1,250,000.00
Unamortized stock-based compensation	(781,376)	(1,509,022)
Accumulated other comprehensive income	1,038,094	1,840,849
Accumulated deficit	(235,973,160)	(227,281,472)
Total Stockholders' Equity	\$ 126,071,430	\$ 135,172,579
Total Liabilities and Stockholders' Equity	\$ 920,623,955	\$1,029,882,339

ANNUITY AND LIFE RE (HOLDINGS), LTD.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited and in U.S. dollars)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2004	2003	2004	2003
Revenues				
Net premiums	\$ 9,906,337	\$ 28,657,263	\$ 34,565,859	\$ 148,586,899
Investment income, net of related expenses	4,780,211	16,250,225	17,875,012	30,143,651
Net realized investment (losses) gains	(84,868)	(52,025)	456,172	6,508,019
Net change in fair value of embedded derivatives	565,939	2,808,427	1,692,113	14,845,749
Surrender fees and other revenues	1,024,405	1,667,997	3,609,905	6,061,022
Total Revenues	16,192,024	49,331,887	58,199,061	206,145,340
Benefits and Expenses				
Claims and policy benefits	5,669,394	19,075,004	24,683,101	178,589,650
Interest credited to interest sensitive products	5,513,653	7,642,151	10,865,545	16,731,452
Policy acquisition costs and other insurance expenses	5,693,745	22,796,448	18,529,269	119,928,722
Operating expenses	2,410,937	3,605,189	12,446,874	15,873,678
Total Benefits and Expenses	19,287,729	53,118,792	66,524,789	331,123,502
Loss before cumulative effect of a change in accounting principle	(3,095,705)	(3,786,905)	(8,325,728)	(124,978,162)
Cumulative effect of a change in accounting principle	—	—	(365,960)	—
Net Loss	\$ (3,095,705)	\$ (3,786,905)	\$ (8,691,688)	\$ (124,978,162)
Loss per common share before cumulative effect of a change in accounting principle per common share				
Basic	\$ (0.12)	\$ (0.15)	\$ (0.32)	\$ (4.83)
Diluted	\$ (0.12)	\$ (0.15)	\$ (0.32)	\$ (4.83)
Cumulative effect of a change in accounting principle per common share				
Basic	\$ —	\$ —	\$ (0.01)	\$ —
Diluted	\$ —	\$ —	\$ (0.01)	\$ —
Net Loss per common share				
Basic	\$ (0.12)	\$ (0.15)	\$ (0.33)	\$ (4.83)
Diluted	\$ (0.12)	\$ (0.15)	\$ (0.33)	\$ (4.83)

ANNUITY AND LIFE RE (HOLDINGS), LTD.
CONSOLIDATED STATEMENTS OF SEGMENT INCOME (LOSS)
(Unaudited and in U.S. dollars)

	Life Reinsurance	Annuity Reinsurance	Corporate	Consolidated
Three Months Ended September 30, 2003				
Revenues	\$ 30,013,563	\$ 19,107,200	\$ 211,124	\$ 49,331,887
Benefits and Expenses	29,434,795	22,548,719	1,135,278	53,118,792
Segment Income (Loss)	\$ 578,768	\$ (3,441,519)	\$ (924,154)	\$ (3,786,905)
Total Assets	\$ 273,604,371	\$ 730,598,264	\$ 77,216,650	\$ 1,081,419,285
Fully Diluted Earnings per Share	\$ 0.02	\$ (0.13)	\$ (0.04)	\$ (0.15)
Three Months Ended September 30, 2004				
Revenues	\$ 10,620,367	\$ 5,026,576	\$ 545,081	\$ 16,192,024
Benefits and Expenses	8,016,909	9,781,795	1,489,025	19,287,729
Segment Income (Loss)	\$ 2,603,458	\$ (4,755,219)	\$ (943,944)	\$ (3,095,705)
Total Assets	\$ 197,754,315	\$ 642,979,101	\$ 79,890,539	\$ 920,623,955
Fully Diluted Earnings per Share	\$ 0.10	\$ (0.18)	\$ (0.04)	\$ (0.12)
Nine Months Ended September 30, 2003				
Revenues	\$ 147,690,979	\$ 50,977,130	\$ 7,477,231	\$ 206,145,340
Benefits and Expenses	231,596,707	95,353,065	4,173,730	331,123,502
Segment (Loss) Income	\$ (83,905,728)	\$ (44,375,935)	\$ 3,303,501	\$ (124,978,162)
Total Assets	\$ 273,604,371	\$ 730,598,264	\$ 77,216,650	\$ 1,081,419,285
Fully Diluted Earnings per Share	\$ (3.25)	\$ (1.71)	\$ 0.13	\$ (4.83)
Book Value per share				\$ 5.39
Nine Months Ended September 30, 2004				
Revenues	\$ 35,750,909	\$ 19,948,919	\$ 2,499,233	\$ 58,199,061
Benefits and Expenses	32,238,504	24,584,137	9,702,148	66,524,789
Segment Income (Loss) before cumulative effect of a change in accounting principle	\$ 3,512,405	\$ (4,635,218)	\$ (7,202,915)	\$ (8,325,728)
Cumulative effect of a change in accounting principle	—	(365,960)	—	\$ (365,960)
Segment Income (Loss)	\$ 3,512,405	\$ (5,001,178)	\$ (7,202,915)	\$ (8,691,688)
Total Assets	\$ 197,754,315	\$ 642,979,101	\$ 79,890,539	\$ 920,623,955
Fully Diluted Earnings per Share	\$ 0.13	\$ (0.19)	\$ (0.27)	\$ (0.33)
Book Value per share				\$ 4.78

Annuity & Life Re (Holdings), Ltd.
Quarterly Statement of Net Income and Other Financial Data

	9/30/2004	6/30/2004	3/31/2004	12/31/2003	9/30/2003	6/30/2003	3/31/2003	12/31/2002	9/30/2002
Revenues									
Net Premiums	\$ 9,906,337	\$10,348,881	\$14,310,641	\$18,385,942	\$28,657,263	\$ 58,563,721	\$ 61,365,914	\$ 89,090,406	\$ 84,934,401
Investment Income	4,780,211	3,844,066	9,250,735	(1,101,429)	16,250,225	5,734,738	8,158,689	20,055,130	31,127,396
Realized gains (losses)	(84,868)	(137,885)	678,925	(101,432)	(52,025)	4,896,176	1,663,868	8,935,951	9,297,351
Net Change in FV of ED's	565,939	518,786	607,388	1,846,939	2,808,427	(1,717,537)	13,754,859	(7,591,580)	(13,277,823)
Other Revenue	1,024,405	1,510,568	1,074,932	1,235,993	1,667,997	3,002,778	1,390,247	2,549,743	3,549,362
Total Revenues	\$16,192,024	\$16,084,416	25,922,621	20,266,013	49,331,887	70,479,876	86,333,577	113,039,650	115,630,687
Benefits and Expenses									
Claims and Benefits	\$ 5,669,394	\$ 8,769,049	\$10,244,658	\$19,413,255	19,075,004	84,425,206	75,089,440	127,768,226	91,381,831
Annuity Interest	5,513,653	1,822,643	3,529,250	(2,750,729)	7,642,151	4,217,542	4,871,759	14,154,754	18,345,349
Policy Acquisition & Insurance costs	5,693,745	4,654,527	8,180,997	8,620,567	22,796,448	44,631,210	52,501,064	52,177,650	17,492,342
Financing Costs	—	—	—	—	—	—	—	6,867,795	3,731,580
Operating Expenses	2,410,937	7,268,575	2,767,362	2,160,343	3,605,189	5,922,358	6,346,130	11,951,126	3,826,602
Total Benefits and Expenses	\$19,287,729	\$22,514,794	24,722,267	27,443,436	53,118,792	139,196,316	138,808,393	212,919,551	134,777,704
Cumulative Effect	—	—	(365,960)	—	—	—	—	—	—
Net Income (Loss)	\$ (3,095,705)	\$ (6,430,378)	\$ 834,394	\$ (7,177,423)	\$ (3,786,905)	\$ (68,716,440)	\$ (52,474,816)	\$ (99,879,901)	\$ (19,147,017)
Adjustments to Net Income to Get to Operating Income, Excluding Transamerica									
Realized Gains & Losses	(84,868)	(137,885)	678,925	(101,432)	(52,025)	4,896,176	1,663,868	8,935,951	9,297,351
Net Change in FV of ED's (3)	565,939	518,786	607,388	1,846,939	2,808,427	(1,717,537)	13,754,859	(7,591,580)	(13,277,823)
Change in DAC Amort from ED's	—	—	—	—	—	—	(6,953,904)	981,124	5,790,244
Shareholder lawsuit settlement	—	(5,000,000)	—	—	—	—	—	—	—
Transamerica	(2,058,655)	(1,779,533)	930,342	602,126	(4,449,469)	(102,918)	883,041	(2,799,031)	2,000
Operating (Loss) Income, X-TA	\$ (1,518,121)	\$ (31,746)	\$ (1,382,261)	\$ (9,525,056)	\$ (2,093,838)	\$ (71,792,162)	\$ (61,822,680)	\$ (99,406,365)	\$ (20,958,789)
Net Income (Loss) per Share									
Basic									
Shares	25,945,328	25,874,495	25,786,161	25,957,081	25,893,861	25,841,057	25,796,195	25,755,411	25,733,141
Earnings	\$ (0.12)	\$ (0.25)	\$ 0.03	\$ (0.28)	\$ (0.15)	\$ (2.66)	\$ (2.03)	\$ (3.88)	\$ (0.74)
Diluted									
Shares	25,945,328	25,874,495	26,126,451	25,957,081	25,893,861	26,324,716	26,325,845	26,089,620	26,100,766
Earnings	\$ (0.12)	\$ (0.25)	\$ 0.03	\$ (0.28)	\$ (0.15)	\$ (2.66)	\$ (2.03)	\$ (3.88)	\$ (0.74)
Operating (Loss) Income, per fully diluted share X-TA (2)	\$ (0.06)	\$ (0.00)	\$ (0.05)	\$ (0.37)	\$ (0.08)	\$ (2.73)	\$ (2.35)	\$ (3.81)	\$ (0.80)
Life Insurance In force									
Face Amount (000's)	\$15,340,800	\$16,446,500	\$16,695,700	\$17,510,100	\$30,488,600	\$ 60,397,300	\$ 68,989,300	\$117,511,100	\$150,948,700
Premium	\$44,000,000	\$51,200,000	\$56,000,000	\$54,580,000	\$96,281,000	\$156,300,000	\$261,541,595	\$261,541,595	\$325,350,000
Annuity Deposits (000s)	\$ 621,979	\$ 643,402	\$ 677,459	\$ 670,718	\$ 704,798	\$ 815,685	\$ 998,609	\$ 1,443,143	\$ 1,464,668
Expense Ratio as a % of Revenue, x-Change in FV of Embedded Derivatives									
Current Quarter	15.43%	46.70%	10.93%	11.73%	7.75%	8.20%	8.74%	9.91%	2.97%
YTD	22.03%	24.55%	10.93%	8.60%	8.30%	8.47%	8.74%	4.68%	2.94%
Book Value per Share (1)	\$ 4.78	\$ 4.81	\$ 5.18	\$ 5.11	\$ 5.39	\$ 5.52	\$ 8.23	\$ 10.28	\$ 14.73

[Additional columns below]

- (1) Computed as reported BV divided by outstanding shares.
- (2) Utilizes fully diluted shares even if they are anti-dilutive.
- (3) Includes cumulative effect of a change in accounting principle.

[Continued from above table, first column(s) repeated]

	6/30/2002	3/31/2002	12/31/01	9/30/01	6/30/01	3/31/01	12/31/00	9/30/00	6/30/00
Revenues									
Net Premiums	\$ 92,065,743	\$ 78,006,891	\$ 69,837,478	\$ 66,813,664	\$ 61,628,943	\$ 53,513,153	\$ 49,901,622	\$ 44,588,022	\$ 37,684,372
Investment Income	26,366,669	24,589,790	24,194,090	24,239,602	19,605,194	23,089,810	60,286,132	23,745,266	25,819,232
Realized gains (losses)	1,837,672	(321,708)	(195,145)	1,078,933	320,629	25,621	(1,133,867)	(702,549)	(2,417,880)
Net Change in FV of ED's	(6,566,805)	1,590,098	8,596,369	(5,265,396)	1,846,981	(148,927)	—	—	—
Other Revenue	6,161,207	3,896,125	5,228,601	5,512,939	4,644,690	3,133,471	1,829,461	1,689,451	1,589,357
Total Revenues	119,864,486	107,761,196	107,661,393	92,379,742	88,046,437	79,613,128	110,883,348	69,320,190	62,675,081
Benefits and Expenses									
Claims and Benefits	74,443,139	58,815,606	54,325,087	74,873,807	45,201,447	41,624,668	33,913,597	36,040,180	29,898,304
Annuity Interest	20,948,167	17,922,346	18,768,251	14,401,290	7,797,407	8,291,470	43,692,693	5,322,440	8,063,576
Policy Acquisition & Insurance costs	40,571,869	15,636,118	31,359,643	43,306,421	26,889,334	25,025,150	16,286,966	14,922,217	14,919,657
Financing Costs	1,053,037	1,295,704	1,200,000	—	—	—	—	—	—
Operating Expenses	3,142,272	3,657,792	3,719,608	2,478,698	2,689,045	2,665,070	3,926,303	2,328,514	2,165,313
Total Benefits and Expenses	140,158,484	97,327,566	109,372,589	135,060,216	82,577,233	77,606,358	97,819,559	58,613,351	55,046,850
Cumulative Effect	—	—	—	—	—	(3,665,735)	—	—	—
Net Income (Loss)	\$ (20,293,998)	\$ 10,433,630	\$ (1,711,196)	\$ (42,680,474)	\$ 5,469,204	\$ (1,658,965)	\$ 13,063,789	\$ 10,706,839	\$ 7,628,231
Adjustments to Net Income to Get to Operating Income, Excluding Transamerica									
Realized Gains & Losses	1,837,672	(321,708)	(195,145)	1,078,933	320,629	25,621	(1,133,867)	(702,549)	(2,417,880)
Net Change in FV of ED's (3)	(6,566,805)	1,590,098	8,596,369	(5,265,396)	1,846,981	(3,814,662)	—	—	—
Change in DAC Amort from ED's	903,739	598,981	(2,730,908)	269,009	257,264	884,451	—	—	—
Shareholder lawsuit settlement Transamerica	(24,123,300)	(2,300)	(15,778,360)	(22,024,398)	(7,222,726)	(7,020,468)	2,842,156	4,120,238	4,011,938
Operating (Loss) Income, X-TA	\$ 7,654,696	\$ 8,568,559	\$ 8,396,848	\$ (16,738,622)	\$ 10,267,056	\$ 8,266,093	\$ 11,355,500	\$ 7,289,150	\$ 6,034,173
Net Income (Loss) per Share									
Basic									
Shares	25,722,016	25,705,328	25,695,578	25,683,328	25,591,746	25,501,331	25,499,999	25,499,999	25,499,999
Earnings	\$ (0.79)	\$ 0.41	\$ (0.07)	\$ (1.66)	\$ 0.21	\$ (0.07)	\$ 0.51	\$ 0.42	\$ 0.30
Diluted									
Shares	26,755,190	26,968,835	27,813,418	28,534,245	28,211,313	27,960,971	27,676,641	27,419,525	27,311,063
Earnings	\$ (0.79)	\$ 0.39	\$ (0.07)	\$ (1.66)	\$ 0.19	\$ (0.07)	\$ 0.47	\$ 0.39	\$ 0.28
Operating (Loss) Income, per fully diluted share X-TA (2)	\$ 0.29	\$ 0.32	\$ 0.30	\$ (0.59)	\$ 0.36	\$ 0.30	\$ 0.41	\$ 0.27	\$ 0.22
Life Insurance In force									
Face Amount (000's)	\$137,182,089	\$129,238,000	\$117,400,000	\$104,000,000	\$ 91,105,000	\$ 83,205,000	\$ 77,016,000	\$ 61,419,000	\$ 55,467,000
Premium	\$333,800,000	\$310,400,000	\$240,100,000	\$227,000,000	\$203,600,000	\$184,900,000	\$159,000,000	\$140,600,000	\$136,700,000
Annuity Deposits (000s)	\$ 1,464,394	\$ 1,503,144	\$ 1,516,796	\$ 1,629,042	\$ 1,550,816	\$ 1,553,352	\$ 1,595,129	\$ 1,480,004	\$ 1,569,619
Expense Ratio as a % of Revenue, x-Change in FV of Embedded Derivatives									
Current Quarter	2.49%	3.45%	3.75%	2.54%	3.12%	3.34%	3.54%	3.36%	3.45%
YTD	2.92%	3.45%	3.19%	2.97%	3.23%	3.34%	3.39%	3.30%	3.27%
Book Value per Share (1)	\$ 15.21	\$ 15.78	\$ 15.65	\$ 15.91	\$ 17.36	\$ 17.33	\$ 17.13	\$ 16.43	\$ 16.02

[Additional columns below]

- (1) Computed as reported BV divided by outstanding shares.
- (2) Utilizes fully diluted shares even if they are anti-dilutive.
- (3) Includes cumulative effect of a change in accounting principle.

[Continued from above table, first column(s) repeated]

	3/31/00	12/31/99	9/30/99	6/30/99	3/31/99	12/31/98	9/30/98	6/30/98
Revenues								
Net Premiums	\$ 36,230,006	\$ 43,114,344	\$21,101,366	\$18,372,285	\$18,247,102	\$17,878,140	\$10,065,750	
Investment Income	26,797,697	26,724,547	19,528,879	20,677,325	18,159,060	14,464,369	5,366,566	4,299,615
Realized gains (losses)	(562,825)	(597,464)	(793,008)	(157,755)	263,458	1,505,617	1,018,990	148,674
Net Change in FV of ED's Other Revenue	1,807,601	1,575,505	1,250,961	149,262	239,701	311,243		
Total Revenues	64,272,479	70,816,932	41,088,198	39,041,117	36,909,321	34,159,369	16,451,306	4,448,289
Benefits and Expenses								
Claims and Benefits	32,958,111	31,447,754	17,232,038	15,507,499	15,765,869	14,897,615	8,399,500	
Annuity Interest	8,763,595	9,724,666	4,762,521	3,948,668	3,876,829	1,989,000		
Policy Acquisition & Insurance costs	12,856,683	16,751,414	9,052,163	8,991,772	7,405,339	6,341,697	200,175	
Financing Costs	—	—	—	—	—	—	—	—
Operating Expenses	1,991,214	3,133,536	1,326,416	1,846,935	1,378,915	1,705,631	1,191,465	873,278
Total Benefits and Expenses	56,569,603	61,057,370	32,373,138	30,294,874	28,426,952	24,933,943	9,791,140	873,278
Cumulative Effect	—	—	—	—	—	—	—	—
Net Income (Loss)	\$ 7,702,876	\$ 9,759,562	\$ 8,715,060	\$ 8,746,243	\$ 8,482,369	\$ 9,225,426	\$ 6,660,166	\$ 3,575,011
Adjustments to Net Income to Get to Operating Income, Excluding Transamerica								
Realized Gains & Losses	(562,825)	(597,464)	(793,008)	(157,755)	263,458	1,505,617	1,018,990	148,674
Net Change in FV of ED's (3)	—	—	—	—	—	—	—	—
Change in DAC Amort from ED's	—	—	—	—	—	—	—	—
Shareholder lawsuit settlement	—	—	—	—	—	—	—	—
Transamerica	4,008,208	3,446,911	3,429,323	4,062,300	2,653,060	2,242,565	—	—
Operating (Loss) Income, X-TA	\$ 4,257,493	\$ 6,910,115	\$ 6,078,745	\$ 4,841,698	\$ 5,565,851	\$ 5,477,244	\$ 5,641,176	\$ 3,426,337
Net Income (Loss) per Share								
Basic								
Shares	25,499,999	25,499,999	25,499,999	25,499,999	25,499,999	25,499,999	25,499,999	21,016,483
Earnings	\$ 0.30	\$ 0.38	\$ 0.34	\$ 0.34	\$ 0.33	\$ 0.36	\$ 0.26	\$ 0.17
Diluted								
Shares	27,443,307	27,369,033	27,218,541	27,114,771	27,181,315	27,373,430	26,629,834	22,405,132
Earnings	\$ 0.28	\$ 0.36	\$ 0.32	\$ 0.32	\$ 0.31	\$ 0.34	\$ 0.25	\$ 0.16
Operating (Loss) Income, per fully diluted share X-TA (2)	\$ 0.16	\$ 0.25	\$ 0.22	\$ 0.18	\$ 0.20	\$ 0.20	\$ 0.21	\$ 0.15
Life Insurance In force								
Face Amount (000's)	\$ 52,654,000	\$ 45,407,000	\$36,558,000	\$31,229,000	\$29,960,000	\$22,538,000	\$15,000,000	
Premium	\$131,200,000	\$110,000,000	\$79,200,000	\$73,700,000	\$73,000,000	\$54,900,000	\$40,000,000	
Annuity Deposits (000s)	\$ 1,651,256	\$ 1,603,383	\$ 1,625,983	\$ 1,607,049	\$ 1,510,639	\$ 1,283,676	\$ 1,057,702	
Expense Ratio as a % of Revenue, x-Change in FV of Embedded Derivatives								
Current Quarter	3.10%	4.42%	3.23%	4.73%	3.74%	4.99%	7.24%	19.63%
YTD	3.10%	4.09%	3.89%	4.25%	3.74%	6.85%	9.88%	19.63%
Book Value per Share (1)	\$ 15.64	\$ 15.37	\$ 15.18	\$ 14.95	\$ 14.88	\$ 14.72	\$ 14.55	\$ 14.03

(1) Computed as reported BV divided by outstanding shares.

(2) Utilizes fully diluted shares even if they are anti-dilutive.

(3) Includes cumulative effect of a change in accounting principle.