

HANNOVER FINANCE, INC.
CONSOLIDATED BALANCE SHEET - IFRS BASIS
DECEMBER 31, 2012 vs PRIOR YEAR END
\$000's unless otherwise indicated
Package Results

	<u>12/31/2012</u>	<u>12/31/2011</u>	Increase (Decrease)	%
ASSETS				
Fixed income securities	217,590	182,044	35,546	19.5%
Equity securities	0	(0)	0	-117.4%
Other invested assets	276,151	288,702	(12,551)	-4.3%
Short-term inv incl interest	-	3,000	(3,000)	-100.0%
Cash and cash equivalents	328	549	(221)	-40.3%
Total cash and investments	<u>494,068</u>	<u>474,295</u>	19,773	4.2%
Agent's balances	-	-	-	0.0%
Reinsurance recoverable - paid losses	-	-	-	0.0%
Reinsurance recoverable - unpaid losses	-	-	-	0.0%
Prepaid reinsurance	-	-	-	0.0%
Funds withheld by reinsurers	-	-	-	0.0%
Deferred acquisition costs, net	-	-	-	0.0%
Accrued investment income	-	-	-	0.0%
Federal income tax receivable	(93)	206	(299)	-145.4%
Deferred tax assets, net	16,901	23,976	(7,075)	-29.5%
Fixed assets	38	65	(27)	-41.8%
Goodwill and intangible assets	(0)	(0)	-	0.0%
Other receivables	0	-	0	0.0%
Total assets	<u>510,913</u>	<u>498,541</u>	12,372	2.5%
LIABILITIES				
Unpaid loss and loss adj expenses	-	-	-	0.0%
Unearned premium reserves	-	-	-	0.0%
Reinsurance balances payable	-	-	-	0.0%
Funds withheld under reins treaties	-	-	-	0.0%
Other amts withheld for others	-	-	-	0.0%
Debt	-	-	-	0.0%
Derivative FMV	-	-	-	0.0%
Derivative accrued interest	-	-	-	0.0%
Accrued expenses	-	-	-	0.0%
Federal income taxes payable	292	292	-	0.0%
Other liabilities	708	3,445	(2,738)	-79.5%
Total liabilities	<u>1,000</u>	<u>3,738</u>	(2,738)	-73.2%
Common stock	-	-	-	0.0%
Preferred stock	2	2	-	0.0%
Additional paid-in capital	1,009,397	1,009,397	-	0.0%
Accumulated OCI	3,794	(2,230)	6,024	-270.1%
Retained earnings	(503,279)	(512,366)	9,087	-1.8%
Total stockholder's equity	<u>509,913</u>	<u>494,803</u>	15,110	3.1%
Total liabilities and stockholder's equity	<u>510,913</u>	<u>498,541</u>	12,372	2.5%