

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

	December 31, 2003	December 31, 2002
	(unaudited)	
Assets		
Cash and cash equivalents	\$ 80,068,310	\$ 152,930,908
Fixed income investments at fair value (amortized cost of \$115,594,199 and \$146,487,903 at December 31, 2003 and December 31, 2002)	117,812,445	153,415,429
Funds withheld at interest	667,824,819	1,427,093,380
Accrued investment income	1,491,170	2,141,338
Receivable for reinsurance ceded	88,480,172	93,669,173
Other reinsurance receivables	4,580,745	25,025,453
Deferred policy acquisition costs	68,942,628	187,913,648
Other assets	682,050	2,508,858
	\$ 1,029,882,339	\$ 2,044,698,187
Liabilities		
Reserves for future policy benefits	\$ 161,105,541	\$ 269,619,809
Interest sensitive contracts liability	670,717,546	1,443,143,080
Other reinsurance liabilities	55,826,940	51,139,164
Accounts payable and accrued expenses	7,059,733	12,459,423
	\$ 894,709,760	\$ 1,776,361,476
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; 26,454,195 and 26,106,328 shares outstanding at December 31, 2003 and December 31, 2002)	26,454,195	26,106,328
Additional paid-in capital	334,418,029	335,334,932
Notes receivable from stock sales	-	(1,626,493)
Unamortized stock grant compensation	(1,509,022)	(2,514,693)
Stock warrants	1,250,000	-
Accumulated other comprehensive income (Accumulated Deficit)	1,840,849	6,162,525
	(227,281,472)	(95,125,888)
Total Stockholders' Equity	\$ 135,172,579	\$ 268,336,711
Total Liabilities and Stockholders' Equity	\$ 1,029,882,339	\$ 2,044,698,187

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

	<u>For the Three Months Ended December 31,</u>		<u>For the Year Ended December 31,</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Revenues				
Net premiums	\$ 18,385,942	\$ 89,090,406	\$ 166,972,840	\$ 344,097,441
Investment income, net of related expenses	(1,101,429)	20,055,130	29,042,223	102,138,985
Net realized investment (losses) gains	(101,432)	8,935,951	6,406,587	19,749,266
Net change in fair value of embedded derivatives	1,846,939	(7,591,580)	16,692,688	(25,846,110)
Surrender fees and other revenues	<u>1,235,993</u>	<u>2,549,743</u>	<u>7,297,015</u>	<u>16,156,437</u>
Total Revenues	<u>\$ 20,266,013</u>	<u>\$ 113,039,650</u>	<u>\$ 226,411,353</u>	<u>\$ 456,296,019</u>
Benefits and Expenses				
Claims and policy benefits	\$ 19,413,255	\$ 127,768,226	\$ 198,002,905	\$ 352,408,801
Interest credited to interest sensitive products	(2,750,729)	14,154,754	13,980,723	71,370,616
Policy acquisition costs and other insurance expenses	8,620,567	52,177,650	128,549,288	125,877,980
Collateral costs	-	6,867,795	-	12,948,115
Operating expenses	<u>2,160,343</u>	<u>11,951,126</u>	<u>18,034,021</u>	<u>22,577,792</u>
Total Benefits and Expenses	<u>\$ 27,443,436</u>	<u>\$ 212,919,551</u>	<u>\$ 358,566,937</u>	<u>\$ 585,183,304</u>
Net (Loss)	<u>\$ (7,177,423)</u>	<u>\$ (99,879,901)</u>	<u>\$ (132,155,584)</u>	<u>\$ (128,887,285)</u>
Net (loss) per common share				
Basic	\$ (0.28)	\$ (3.88)	\$ (5.11)	\$ (5.01)
Diluted	\$ (0.28)	\$ (3.88)	\$ (5.11)	\$ (5.01)

ANNUITY AND LIFE RE (HOLDINGS), LTD.
SEGMENT RESULTS
(Unaudited and in U.S. dollars)

<u>Three Months Ending December 31, 2003</u>	<u>Life</u> <u>Reinsurance</u>	<u>Annuity</u> <u>Reinsurance</u>	<u>Corporate</u>	<u>Consolidated</u>
Revenues	\$ 18,642,054	\$ 1,145,289	\$ 478,670	\$ 20,266,013
Benefits and expenses	<u>25,172,601</u>	<u>1,140,293</u>	<u>1,130,542</u>	<u>27,443,436</u>
Segment (Loss) Income	<u>\$ (6,530,547)</u>	<u>\$ 4,996</u>	<u>\$ (651,872)</u>	<u>\$ (7,177,423)</u>
Total Assets	<u>\$ 250,732,481</u>	<u>\$ 695,317,546</u>	<u>\$ 83,832,312</u>	<u>\$ 1,029,882,339</u>
Fully Diluted Earnings per Share	<u>\$ (0.25)</u>	<u>\$ 0.00</u>	<u>\$ (0.03)</u>	<u>\$ (0.28)</u>
Book Value per share				<u>\$ 5.11</u>
<u>Three Months Ending December 31, 2002</u>				
Revenues	\$ 91,863,790	\$ 11,581,062	\$ 9,594,798	\$ 113,039,650
Benefits and expenses	<u>162,898,564</u>	<u>44,772,847</u>	<u>5,248,140</u>	<u>212,919,551</u>
Segment (Loss) Income	<u>\$ (71,034,774)</u>	<u>\$ (33,191,785)</u>	<u>\$ 4,346,658</u>	<u>\$ (99,879,901)</u>
Total Assets	<u>\$ 528,577,026</u>	<u>\$ 1,527,343,080</u>	<u>\$ (11,221,919)</u>	<u>\$ 2,044,698,187</u>
Fully Diluted Earnings per Share	<u>\$ (2.76)</u>	<u>\$ (1.29)</u>	<u>\$ 0.17</u>	<u>\$ (3.88)</u>
Book Value per share				<u>\$ 10.28</u>
<u>Year Ending December 31, 2003</u>				
Revenues	\$ 166,333,033	\$ 52,122,419	\$ 7,955,901	\$ 226,411,353
Benefits and expenses	<u>256,769,309</u>	<u>96,493,357</u>	<u>5,304,271</u>	<u>358,566,937</u>
Segment (Loss) Income	<u>\$ (90,436,276)</u>	<u>\$ (44,370,938)</u>	<u>\$ 2,651,630</u>	<u>\$ (132,155,584)</u>
Fully Diluted Earnings per Share	<u>\$ (3.49)</u>	<u>\$ (1.72)</u>	<u>\$ 0.10</u>	<u>\$ (5.11)</u>
Book Value per share				<u>\$ 5.11</u>
<u>Year Ending December 31, 2002</u>				
Revenues	\$ 352,183,178	\$ 78,427,733	\$ 25,685,108	\$ 456,296,019
Benefits and expenses	<u>419,364,331</u>	<u>156,674,132</u>	<u>9,144,841</u>	<u>585,183,304</u>
Segment (Loss) Income	<u>\$ (67,181,153)</u>	<u>\$ (78,246,399)</u>	<u>\$ 16,540,267</u>	<u>\$ (128,887,285)</u>
Fully Diluted Earnings per Share	<u>\$ (2.61)</u>	<u>\$ (3.04)</u>	<u>\$ 0.64</u>	<u>\$ (5.01)</u>
Book Value per share				<u>\$ 10.28</u>