

FAI General Insurance Company Limited
(In Liquidation and subject to Schemes of Arrangement)

Balance Sheet

as at 30th June 2007

All values in AUD

| | RATA as at 30 June 2007 | RATA as at 30 September 2005 |
|---|----------------------------|---------------------------------|
| | \$'000 | \$'000 |
| Assets not specifically charged | | |
| Cash | | |
| Cash at bank | 36,092 | 26,347 |
| | <u>36,092</u> | <u>26,347</u> |
| Receivables | | |
| Trade debtors | 0 | 0 |
| Amounts due from reinsurers, other insurers and statutory bodies | 6,363 | 0 |
| Amounts owing by related bodies corporate | 155,001 | 94,037 |
| Accrued premiums | 0 | 0 |
| Accrued interest, commission and other income | 0 | 0 |
| GST Recoverable | 290 | 1,102 |
| Other debtors | 0 | 0 |
| | <u>161,654</u> | <u>95,139</u> |
| Investments | | |
| Short term deposits | 74,271 | 199,826 |
| Managed Investments | 261,048 | 355,042 |
| ADD back: Scheme Payments made | 238,441 | 0 |
| Loans secured | 56 | 0 |
| Shares in controlled entities | 10,707 | 9,314 |
| Swiss Re Funds | 220,573 | 0 |
| Other - Overseas equities | 139 | 192 |
| | <u>805,235</u> | <u>564,374</u> |
| Reinsurance recoveries receivable | 33,706 | 91,819 |
| Renewal rights | 0 | 0 |
| Other | | |
| Prepayments | 0 | 0 |
| Other receivables | 23,500 | 159,648 |
| | <u>23,500</u> | <u>159,648</u> |
| Total assets not specifically charged | <u><u>1,060,186</u></u> | <u><u>937,327</u></u> |
| Assets subject to specific charges | | |
| Investments | | |
| LOC related deposits | 1,089 | 3,741 |
| Statutory Reinsurance Cut-Through | 42,020 | 0 |
| Total assets subject to specific charges | <u>43,109</u> | <u>3,741</u> |
| TOTAL ASSETS | <u><u>1,103,295</u></u> | <u><u>941,068</u></u> |
| Amounts payable in advance of secured creditors | | |
| Provision for redundancy, employee entitlements and employee claims | 0 | 0 |
| Total amounts payable in advance of secured creditors | <u>0</u> | <u>0</u> |
| Liabilities secured by specific charge over assets | | |
| Accounts payable | | |
| Amounts payable in relation to letters of credit | (1,089) | (3,741) |
| Statutory Reinsurance Cut-Through | (42,020) | 0 |
| Total liabilities secured by specific charge over assets | <u>(43,109)</u> | <u>(3,741)</u> |
| Unsecured creditors | | |
| Accounts payable | | |
| Trade Creditors | (28,321) | (23,853) |
| Sundry creditors | (55) | (29) |
| AIG surety bond | 0 | 0 |
| | <u>(28,376)</u> | <u>(23,882)</u> |
| ACC's | (1,024,217) | (418,085) |
| Claims Reserves | (190,944) | (903,597) |
| IBNR Claims | (236,733) | (617,586) |
| Outstanding claims | <u>(1,451,894)</u> | <u>(1,939,268)</u> |
| Unearned premiums | 0 | 0 |
| Other liabilities | | |
| Other creditors, accruals and provisions | (100,000) | 0 |
| Amounts owing to related bodies corporate | (419,096) | (390,615) |
| | <u>(519,096)</u> | <u>(390,615)</u> |
| Total unsecured creditors | <u>(1,999,365)</u> | <u>(2,353,765)</u> |
| TOTAL LIABILITIES | <u><u>(2,042,474)</u></u> | <u><u>(2,357,506)</u></u> |
| NET DEFICIT | <u><u>(939,179)</u></u> | <u><u>(1,416,438)</u></u> |