

National Annuity Company in Liquidation
Balance Sheet at June 30, 2010

Liquidation Date: March 23, 2007

	Balances as of		Net Change Increase (Decrease)
	March 23, 2007	June 30, 2010	
Bonds	\$8,676,523	\$4,068,358	(\$4,608,165)
Preferred Stock	3,482,555	0	(3,482,555)
Mortgage Loans	9,631,800	428,729	(9,203,071)
Less Valuation for Bad Debts or Market Writedowns		(85,761)	(85,761)
Real Estate Owned		871,000	871,000
Less Valuation for Bad Debts or Market Writedowns		(174,200)	(174,200)
Cash and Short-Term Investments	3,004,305	884,271	(2,120,034)
Other Invested Assets	5,493,294	4,331,184	(1,162,110)
Less Valuation for Bad Debts or Market Writedowns		(1,617,679)	(1,617,679)
Investment Income Due and Accrued	227,880	592,291	364,411
Less Valuation for Bad Debts or Market Writedowns		(448,835)	(448,835)
Other Receivables			0
	<u>\$30,516,357</u>	<u>\$8,849,358</u>	<u>(\$21,666,999)</u>
Aggregate Contract Claims	\$30,163,323	\$0	(\$30,163,323)
Contract Claims - Payable to Guaranty Associations		12,047,392	12,047,392
Contract Claims - Not Covered by Guaranty Associations		3,149,487	3,149,487
Accounts Payable - POC's			0
Other Liabilities			0
General Expenses Due and Accrued	7,926	44,501	36,575
Guaranty Association Expenses Due and Accrued		41,753	41,753
	<u>30,171,249</u>	<u>15,283,133</u>	<u>(14,888,116)</u>
Common Capital Stock	499,980	499,980	0
Surplus Notes	425,000	425,000	0
Gross Paid In and Contributed Surplus	121,697	121,697	0
Unassigned Funds (Surplus)	(701,569)	(6,954,583)	(6,253,014)
Current Year Profit/(Loss)		(525,869)	(525,869)
	<u>345,108</u>	<u>(6,433,775)</u>	<u>(6,778,883)</u>
	<u>\$30,516,357</u>	<u>\$8,849,358</u>	<u>(\$21,666,999)</u>

National Annuity Company in Liquidation
Income and Expense Statement
For the Period Ending June 30, 2010

Liquidation Date: March 23, 2007

	For The Period January 1, 2010 to June 30, 2010
Income:	
Premiums and Annuity Considerations	\$0
Investment Income on Marketable Securities	110,068
Investment Income on Mortgage Securities	15,543
Investment Income on Other Invested Assets	6,086
Real Estate Income	0
Other Income	72
Realized Gains/Losses on Assets	(308,924)
Change in Unrealized Gains/Losses on Assets	(40,062)
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Total Revenue	(217,217)
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Expenses:	
Change in Contract Claims	0
Change in Valuation Reserves for Bad Debts	(67,451)
Commission and Other Contract Expenses	0
Salaries and Benefits	0
Rent	1,890
Legal Fees	253,912
Outside Professional Services	83,018
Contract Labor	0
Guaranty Assoc. Administrative Expenses	0
General Office and Administrative Expenses	8,699
Investment and Bank Service Charges	28,234
Insurance Expenses	350
Other Fees, Taxes & Assessments	0
Miscellaneous Expense	0
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Total Expenses	308,652
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Net Income (Loss)	(\$525,869)
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