

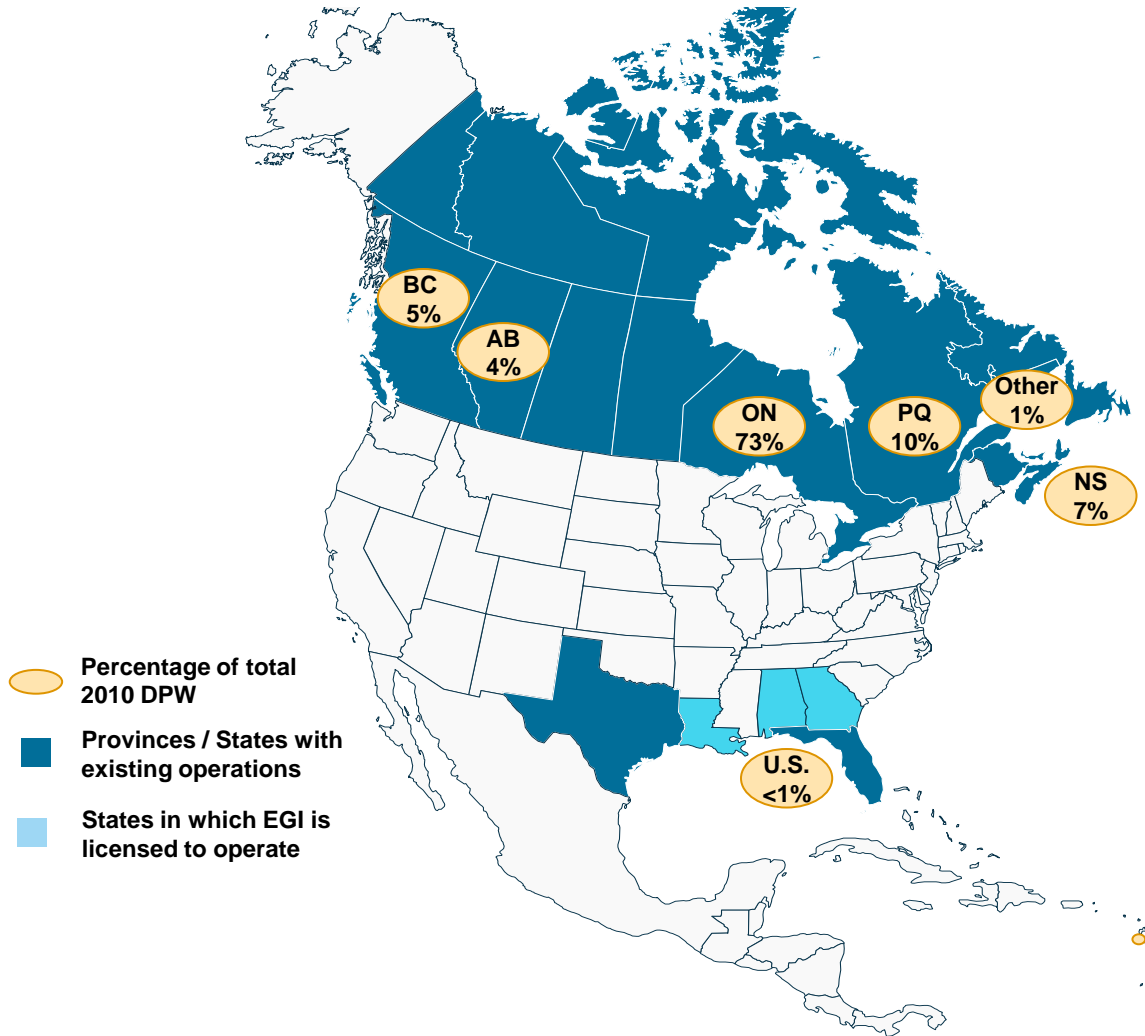


EGI Financial Holdings Inc.

Company Update

March, 2011

Company Overview



Q4 Scorecard

Third consecutive profitable quarter

Fourth consecutive quarter of improved underwriting results

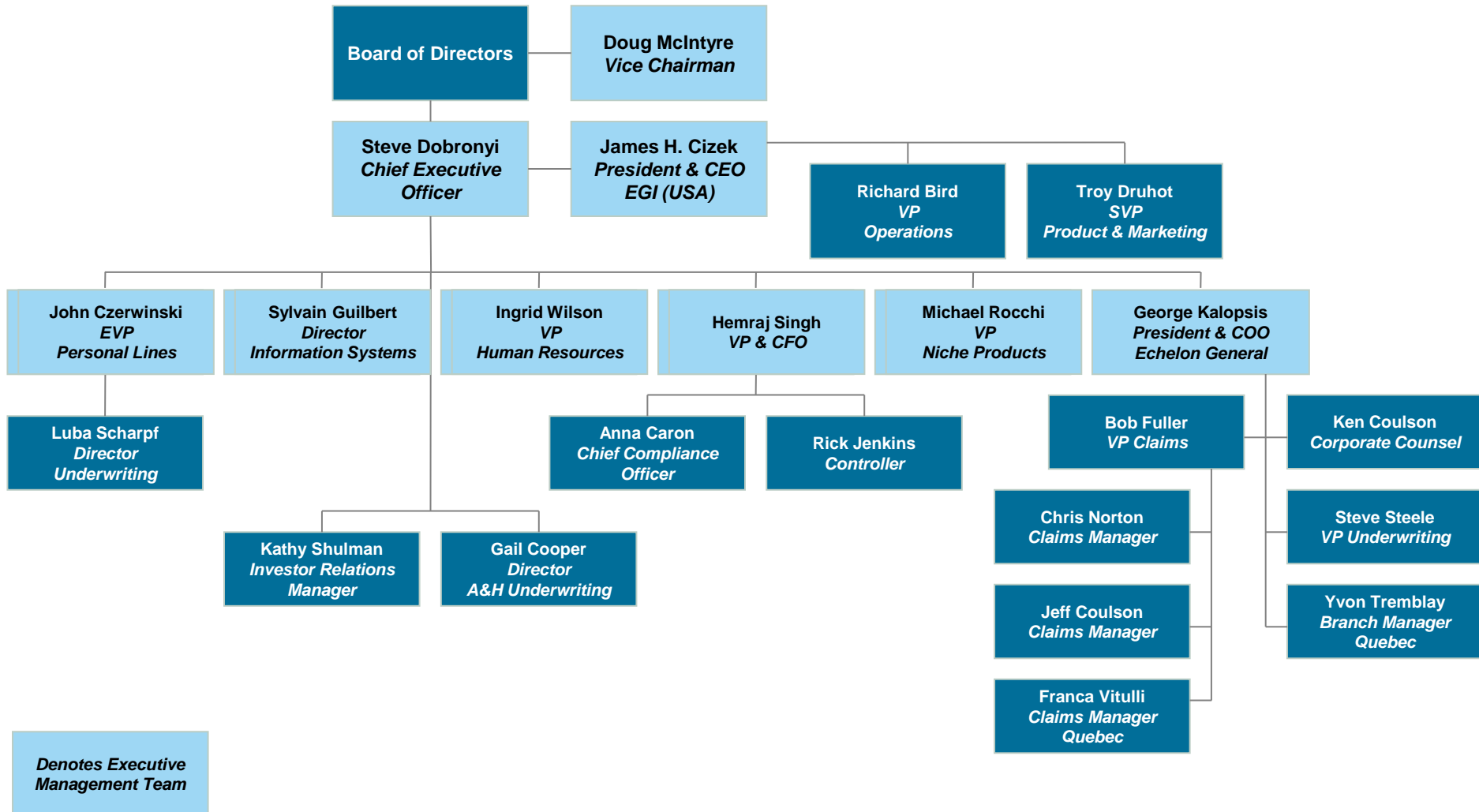
Earnings		Combined Ratio	95%
- per diluted share	\$ 0.26	Underwriting Income	\$ 2.1m
- including OCI	\$ 0.42	- Personal Lines	\$ 0.5m
Book Value Per Share	\$ 12.14	- Niche Products	\$ 2.0m
Net Earned Premiums	+ 16%	- International	\$ (0.2)m

A value investment

- Seasoned management team
- Consistent growth and demonstrated profitability
- Solid balance sheet
- Improved underwriting results
- Investment leverage
- Currently trading at 0.67 times tangible book value ⁽¹⁾

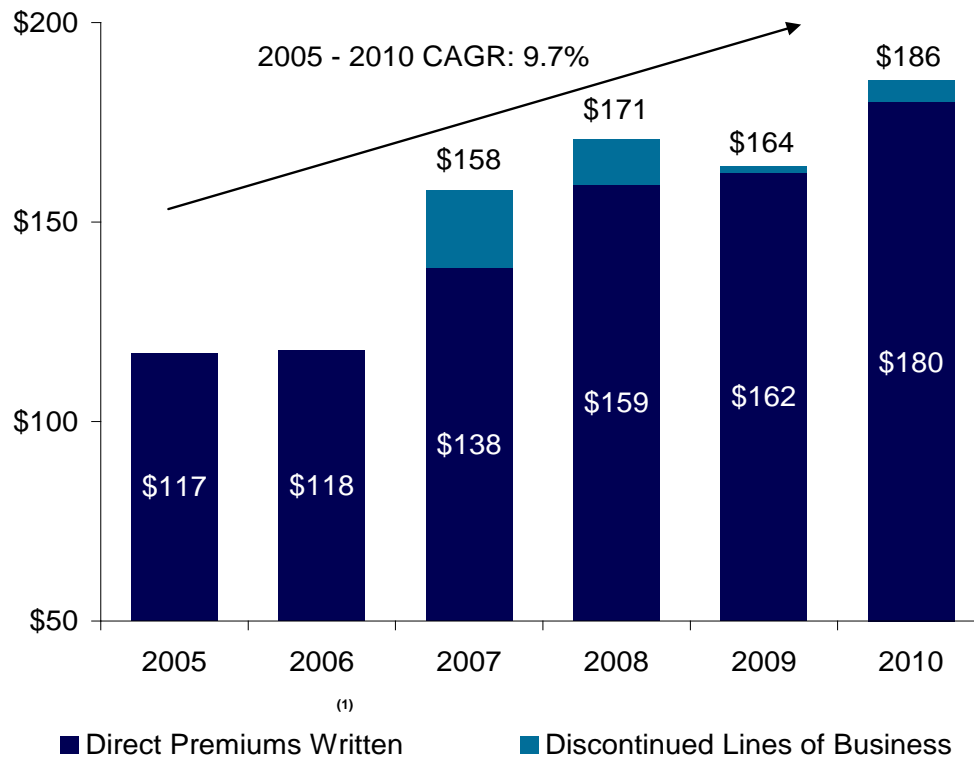
(1) As of March 2, 2011

Seasoned management team

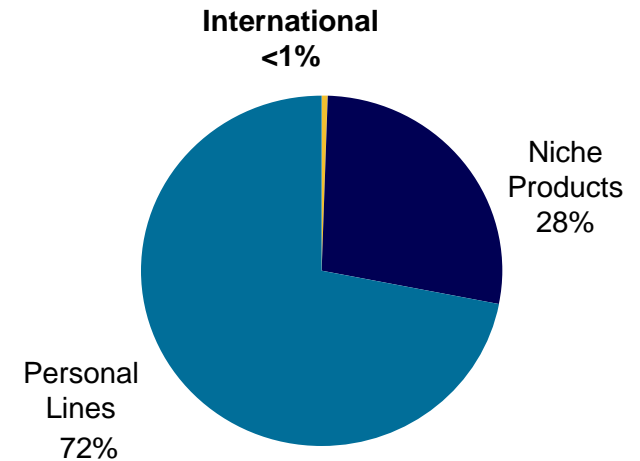


Consistent growth

Total Direct Premiums Written (C\$m)



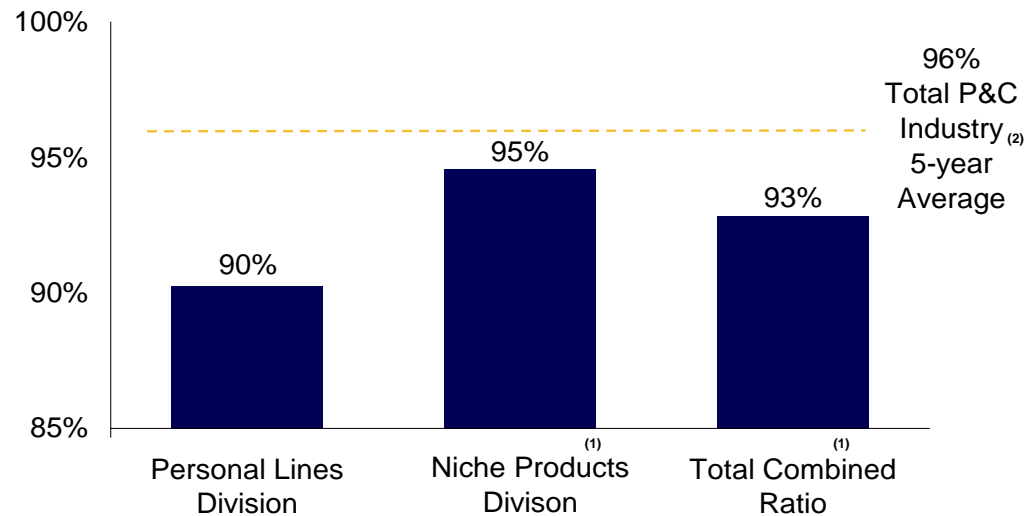
(1) Includes assumed premiums written and warranty fees.



EGI Financial Holdings Inc.

Demonstrated profitability

2005 to 2009 Average Combined Ratios



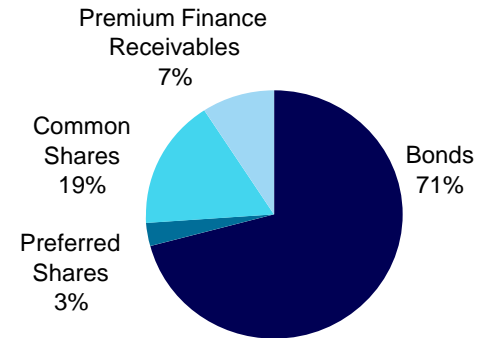
(1) Excluding discontinued Emergency Travel Health insurance coverage for broker-sold out-of-country medical insurance.

(2) Source: MSA Research Inc. Excludes Lloyds, due to its non-representative specialist insurance products, as well as the Insurance Corporation of British Columbia (ICBC) and Saskatchewan Auto Fund (SAF), as they are government-owned corporations.

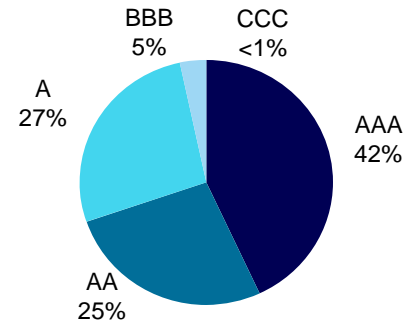
Solid balance sheet

- Conservative asset mix
- High bond quality
- No goodwill
- Few intangible assets
- Consistently redundant reserves
 - 5 Year Average = 5% = \$10 m
 - \$22 m provisions for adverse deviation

Invested Asset Mix



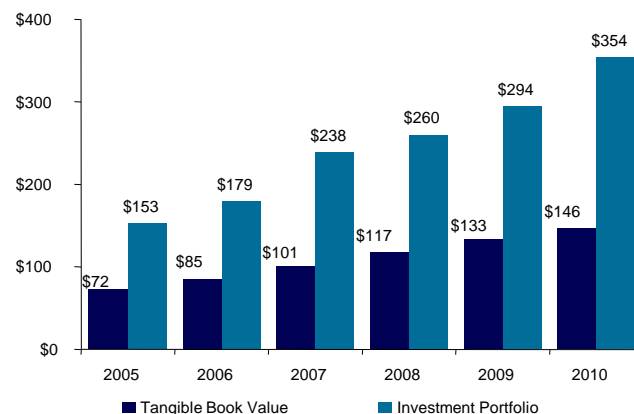
Fixed Income Credit Quality



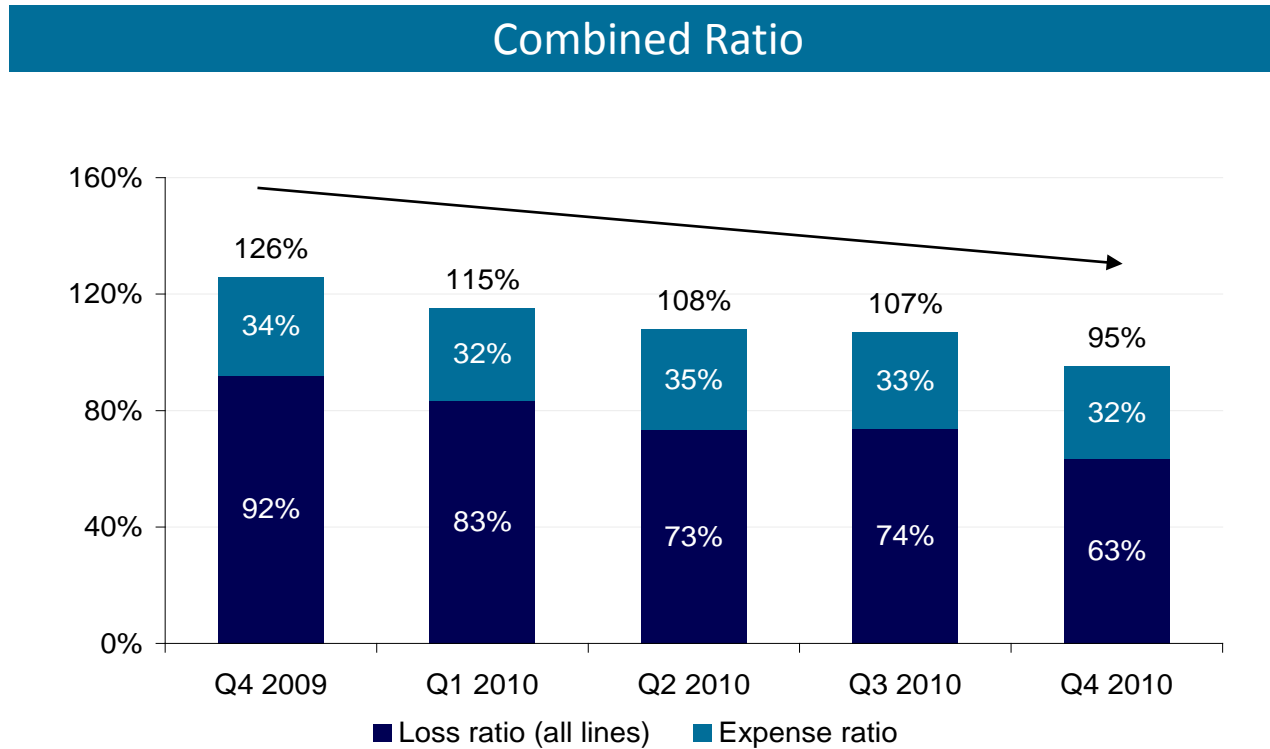
Strong Capital Position

- Direct written premiums to equity ratio of 1.3
- Well capitalized regulated entities
 - Echelon MCT = 250%
 - Echelon A.M. Best rating of B++
- Capital to fund future growth
 - \$10m American Colonial
 - \$20m CIMRe
 - \$6m EGI Financial Holdings
- No debt, opportunity for leverage

Tangible Book Value and Investment Portfolio (C\$m)



Improved Underwriting Results



Remedial Actions

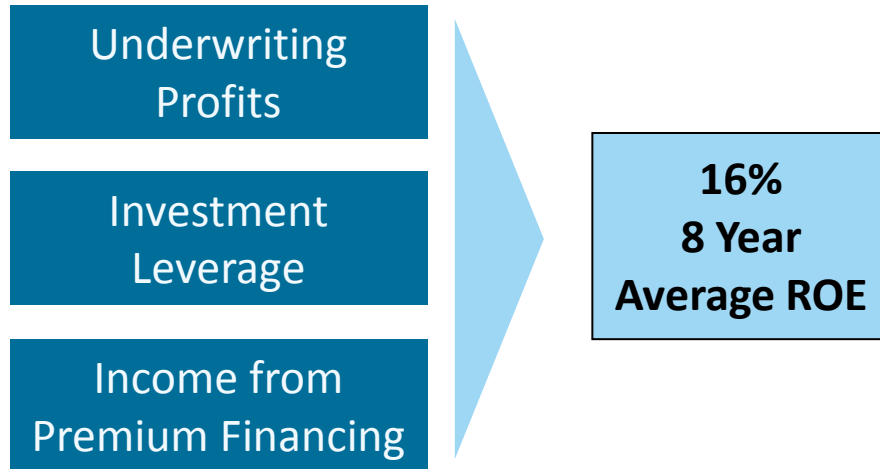
Personal Lines targeting Greater Toronto claims exposure

- *Rate increases*
- *Underwriting restrictions and process changes*
- *Broker terminations and rehabilitations*
- *Reduced commissions*
- *Judicious use of the risk sharing pool*

Niche Products “back to basics” approach

- *Strict adherence to operating principles*
- *More active program management*

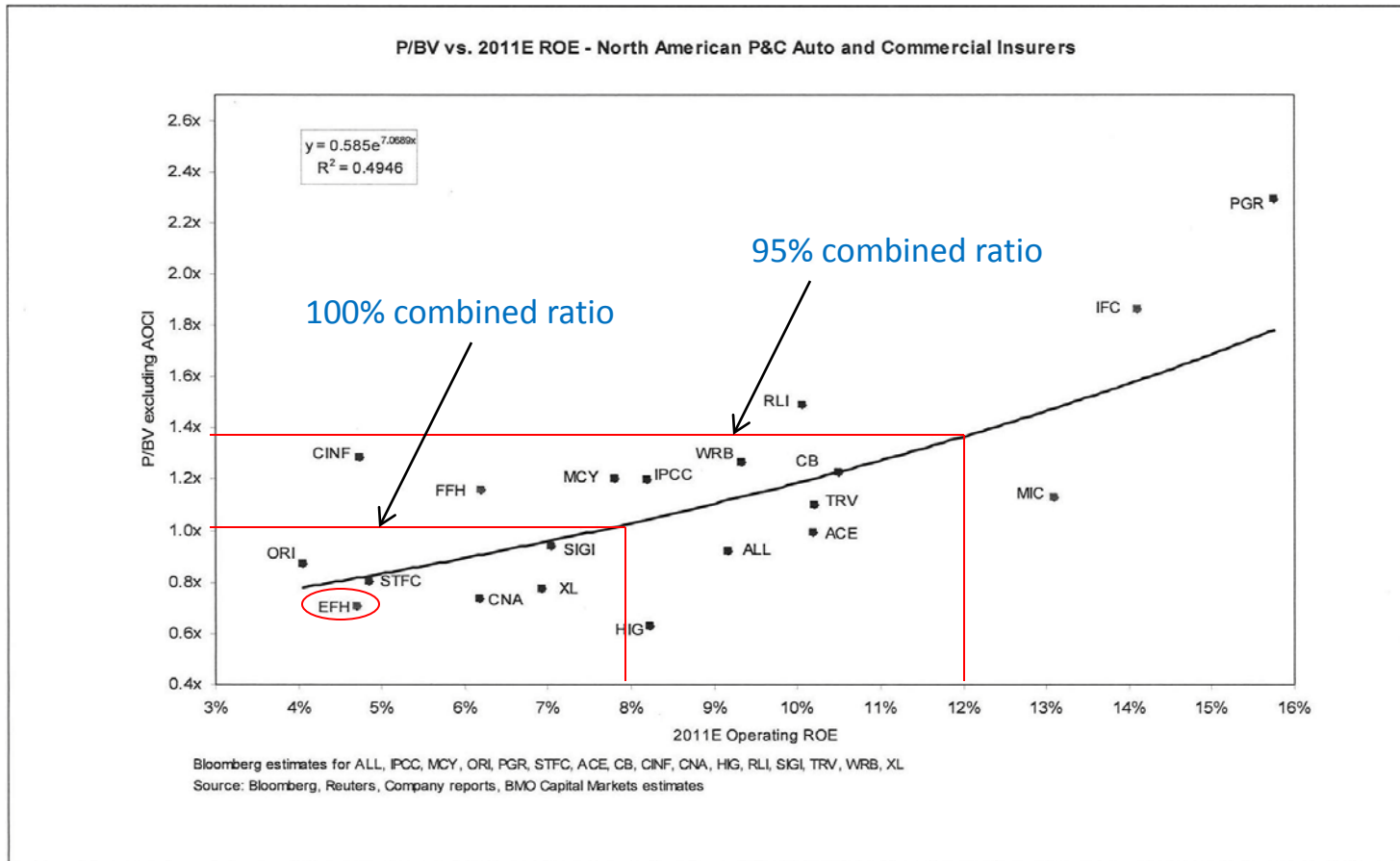
Target profitability



Target Return on Capital

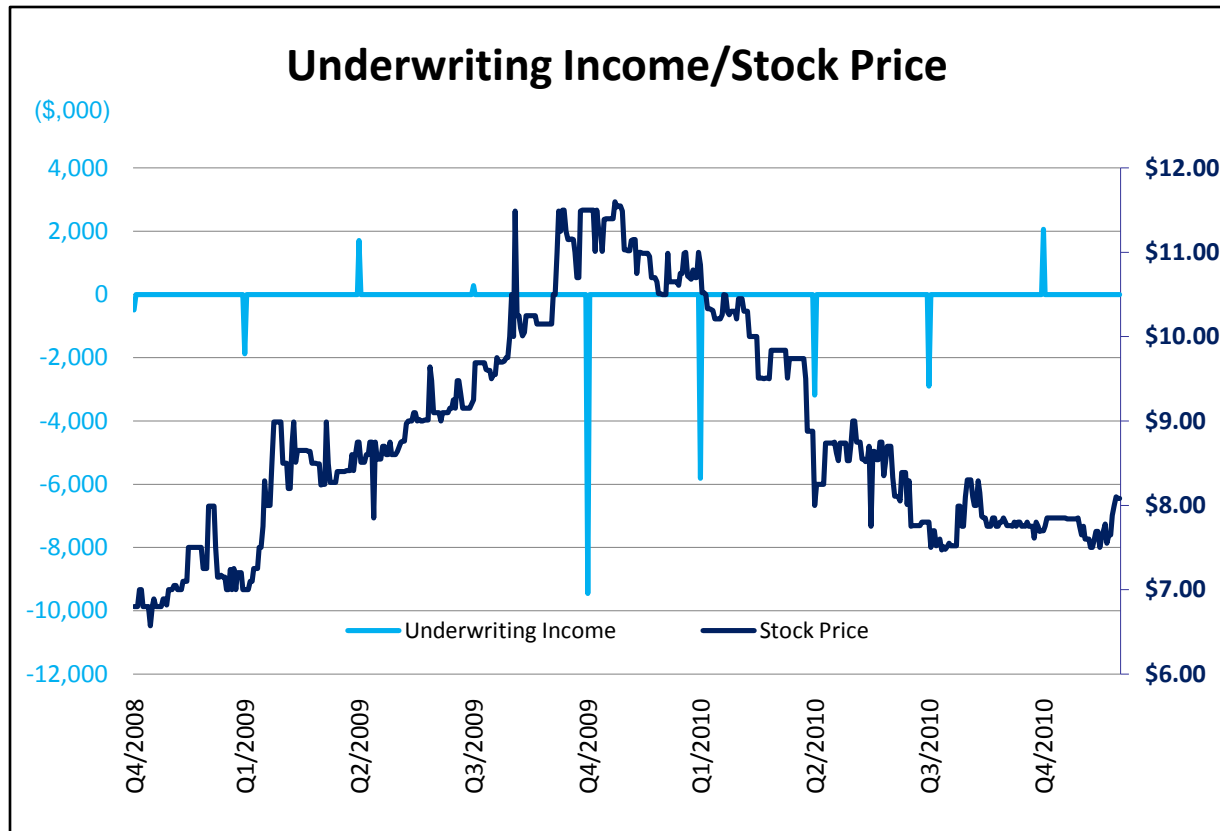
Asset Rate of Return	4%
Investment Leverage	<u>2.7x</u>
Investment Return	11%
Combined Ratio	95%
Premiums to Capital	<u>1.3x</u>
Underwriting Return	6%
Total ROC	<u>17%</u>
Post-Tax ROC <small>(before debt)</small>	12%

Upside potential



Source: BMO Capital Markets, February 28, 2011

Price is tied to underwriting profit ... with a lag



An opportune time in the P&C cycle

“The combination of reasonable valuations, improving conditions, and potential for a significant M&A-driven restructuring of the industry over the next 24 to 36 months creates attractive investment opportunities in Canada’s property & casualty (P&C) insurance industry.”⁽¹⁾

“... we believe that we have seen the trough of the current cycle. ... We expect industry profitability to gradually improve over the next two to three years, supporting growth in book value and multiple expansion.”⁽¹⁾

(1) Source: Scotia Capital, “Attractive Opportunities Large & Small – The Canadian P&C Industry”, January 2011

Strategic Focus

1. Increase the level of sophistication in the selection and management of risk
2. Improve service and ease of doing business

Strategic Plan

Protect the Core	Diversify by Product	Diversify Geographically	Expertly Service Producers	Invest in People and Tools
<ul style="list-style-type: none"> • Ensure that core nonstandard auto businesses in Canada remain strong and profitable • Generate profitability and growth through sophisticated analytics and precise segmentation of risk 	<ul style="list-style-type: none"> • Strategically develop Accident & Health business • Continue to seek profitable niches in commercial Property & Casualty 	<ul style="list-style-type: none"> • Gradually enter non-standard auto insurance in select US markets • Monitor other Canadian jurisdictions for emerging opportunities • Opportunistically evaluate acquisitions that accelerate our strategy 	<ul style="list-style-type: none"> • Provide the optimum level of service at the right cost • Develop processes, tools and technology that make a producer want to do business with us 	<ul style="list-style-type: none"> • Attract and develop talented employees • Leverage technology to enhance risk selection and improve service