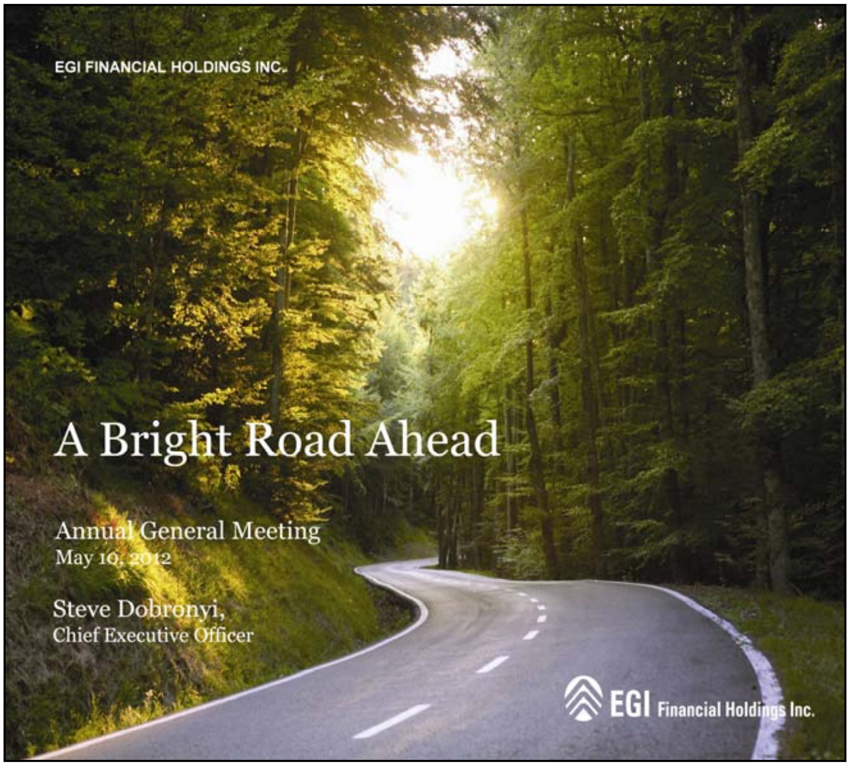
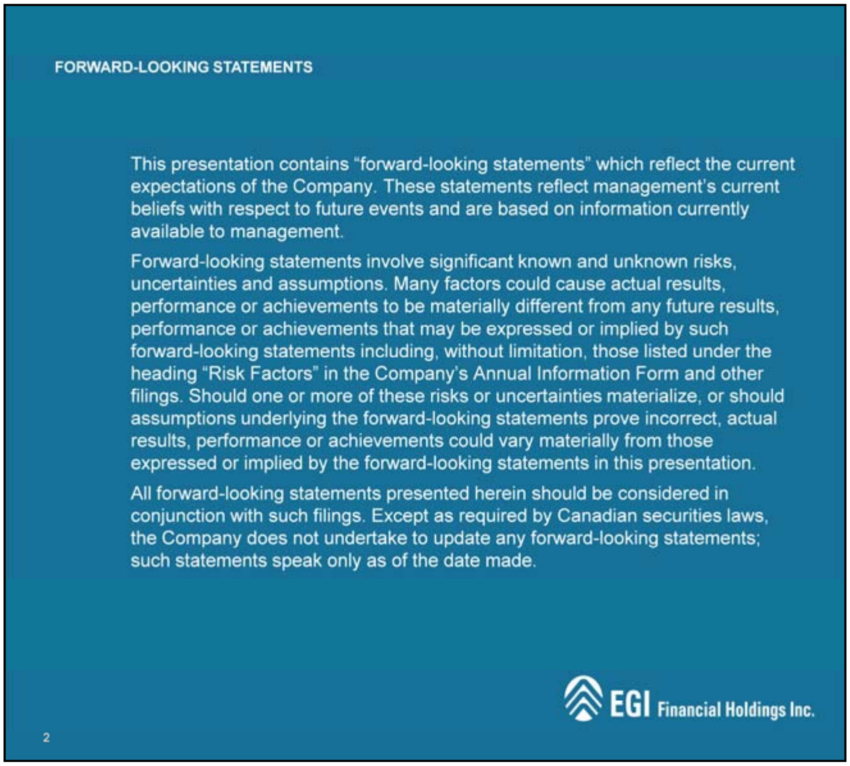



Thank you and good afternoon ladies and gentlemen. Now that the formal portion of the meeting has concluded, we'd like to review our operational and financial performance for 2011, as well as some Q1 2012 highlights, and then conclude with an overview of our strategies for future growth.




Before I begin, I would like to draw your attention to the disclaimer behind me.

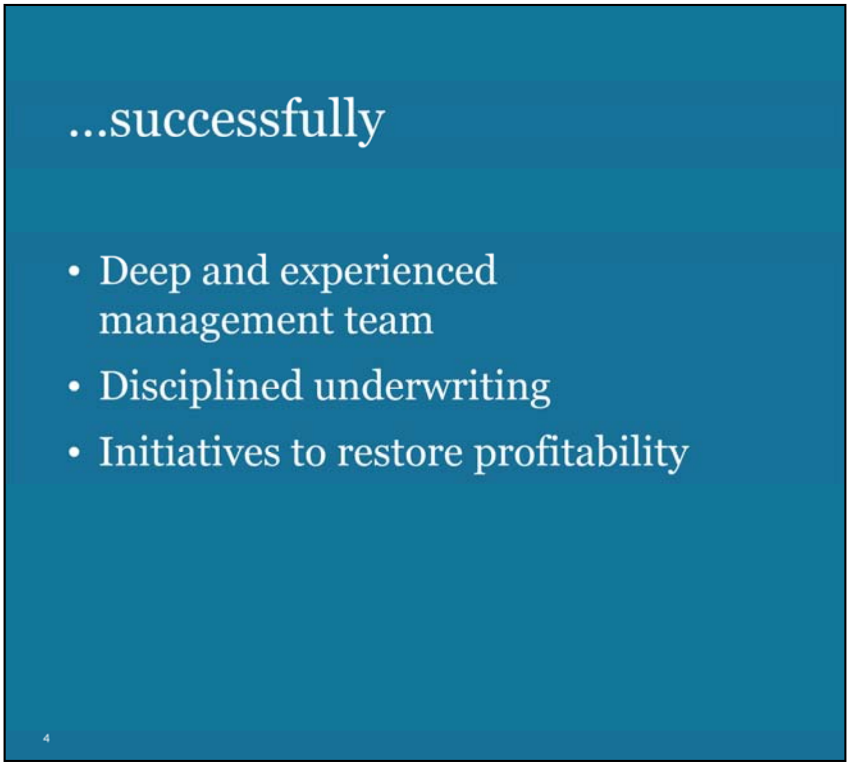
We will be making certain forward-looking statements during the presentation. Please be aware that these statements are subject to inherent risks and uncertainties, and that actual results may differ materially from expectations or estimates.


EGI operates in the property and casualty insurance industry, primarily in non-standard automobile and niche insurance lines. The past few years have been demanding for the industry, especially in the Ontario automobile market as loss ratios escalated due to inadequate pricing and claims for accident benefits.

In 2011 though, market conditions begin to turn. Auto reforms implemented by the Ontario government, effective September 1, 2010, had a positive impact and the industry has seen an improvement in Ontario accident benefit claims. Though we are cautiously optimistic, it remains to be seen how sustainable these impacts will be.

EGI has not been reliant on these government reforms.

When confronted with the industry downturn, we instead refocused ourselves on ensuring profitability in our core businesses.




First, we made the decision to curtail our growth in order to concentrate our efforts on underwriting profitability. We continue to grow but we are now growing profitably at a manageable rate and on a solid foundation.

Second, we increased the level of sophistication in attracting and selecting risks. Our Ontario premium rates are much better sculpted to profitable segments and to better recognize market position. We will continue to invest in sophisticated analytics to generate growth and profitability in both existing and new markets.

In Ontario Auto, we are focused on profitable growth in rural and small urban areas and we have de-emphasized the unprofitable Greater Toronto Area and will continue to de-emphasize it until it shows signs of recovery.

In our Niche Products division, we cancelled, re-priced, or rehabilitated many of our programs.

This remedial action plan to re-establish financial stability and profitable growth was implemented by our excellent management team. This group has extensive knowledge of non-standard and niche insurance products and an average of more than 20 years experience in senior positions within the insurance industry.

# Underwriting profitability

**99.6%**

combined ratio 2011

**10%** Net incurred claims

**2%** Net earned premiums



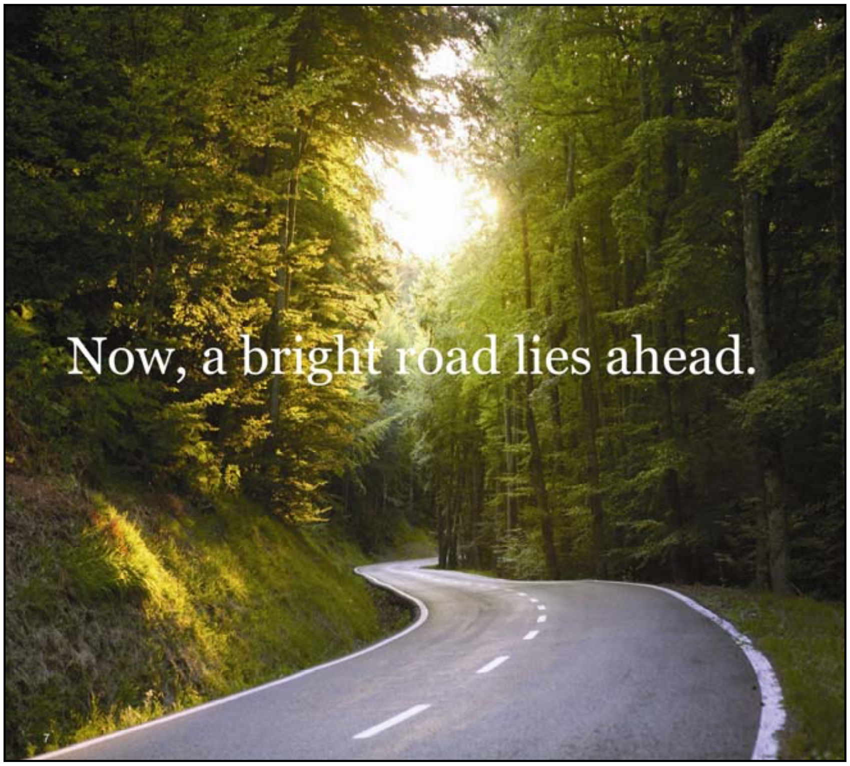
The result of our initiatives has been impressive.

We produced an underwriting profit for the full company in 2011, placing us a full year ahead of the timeline we outlined in our strategic plans. Our combined ratio – a measure of incurred claims and expenses as a percentage of premium – was 99.6% for the full year.

The remedial actions we undertook resulted in lowered claims in both our Personal Lines and Niche Products divisions. We experienced an overall 10% drop in incurred claims, despite a 2% growth in premiums.


This underwriting performance, combined with our continued healthy investment performance, ensured we met our primary objective by recording our 10th straight profitable year, seven as a public company…

…with 7.5 million dollars in net income, or 64 cents per share, an 88% increase over 2010.




I am pleased to report that the current state of our business is strong.

We are focused on ensuring that the momentum we have generated in our Canadian businesses translates into consistent underwriting profits. And that we have the financial strength to grow and diversify our businessgeographically.

In short, it's an ideal time for us to use the stable platform we've built to explore profitable new segments in specialized insurance.


I'd now like to guide you through some of our highlights from 2011.


Driven by a turnaround in our largest business – Ontario auto – our Personal Lines division, which accounts for almost 75% of our premium volume, achieved its target profitability with an impressive 94.5% combined ratio, a remarkable result in the current environment. In real dollars, this resulted in a $14 million improvement in underwriting income and a divisional profit of $5.5 million.

The remedial actions we took in Ontario Auto were primarily targeted at deterring unprofitable business in the Greater Toronto Area, where high claims costs have had a disproportionate negative impact on our overall results. They included targeted rate increases, cancelling unprofitable brokers, implementing a maximum policy term of six months, commission reductions in specific territories and judicial use of the Ontario risk sharing pool. As mentioned, Ontario Auto also benefited from regulatory reforms made by the Province in the fall of 2010. We are continuing to monitor the sustainability of these reforms.


This chart illustrates the positive impact our remedial actions to restore profitability has had on incurred claims across our organization.

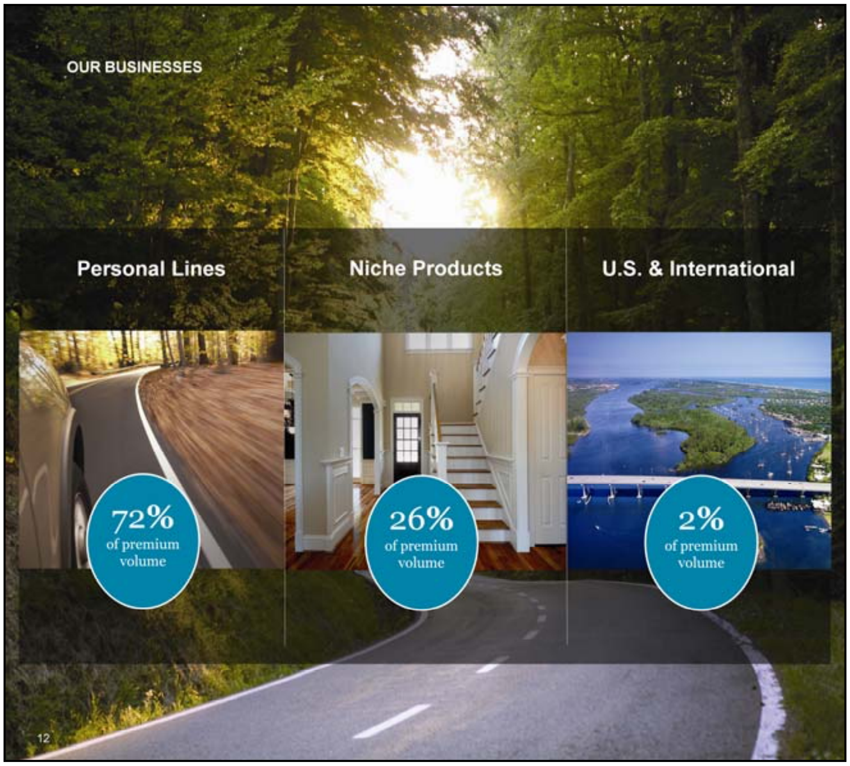
In 2011, we recorded year-over-year improvement in our claims ratio in all four quarters.

Our claims ratio in the fourth quarter of 2011 was the lowest we've had in more than four years and is dramatically lower than where it stood in 2009 prior to our initiatives to restore profitability.


Turning now to some financial highlights for the year…

- Our net operating income rose more than 800%.
- And our book value per share increased to $12.85.

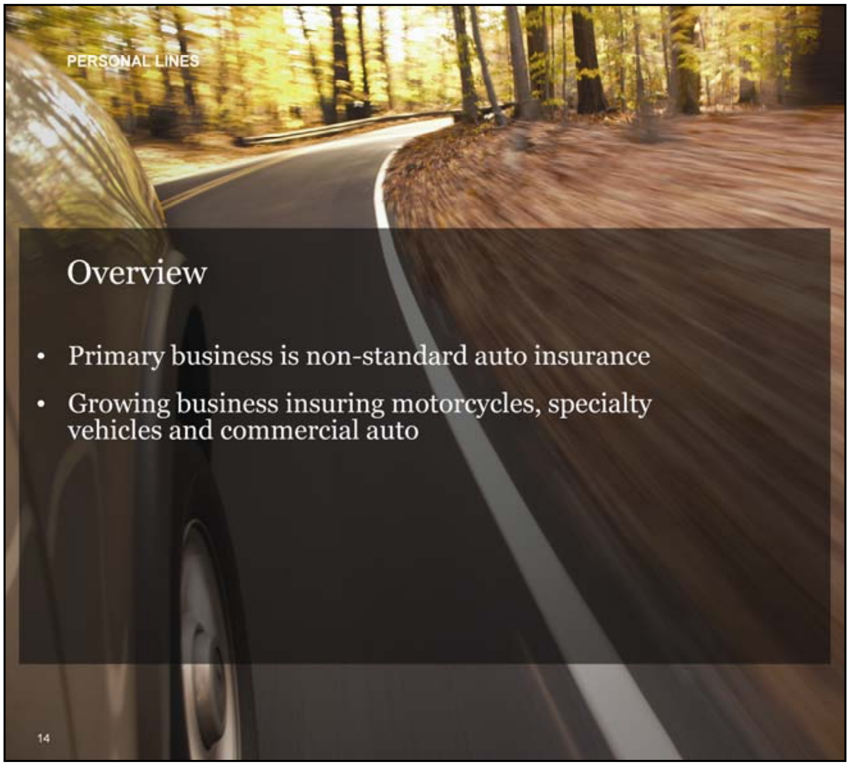
On a related note, we believe the market has not recognized the value of our shares in our trading price. Therefore, we recently instituted a normal course issuer bid to repurchase and cancel up to seven hundred thousand common shares, approximately 10% of our public float as of March 23.




Now…looking at where we operate, we are organized into four distinct divisions:

- Our core Personal Lines business, representing 72% of our business;
- Our growing Niche Products division, representing 26%;
- Our start-up U.S. Division, representing2%;
- And lastly, our International division, which represents our business outside Canada and the United States.


Let's first look at our core business, the Personal Lines division.



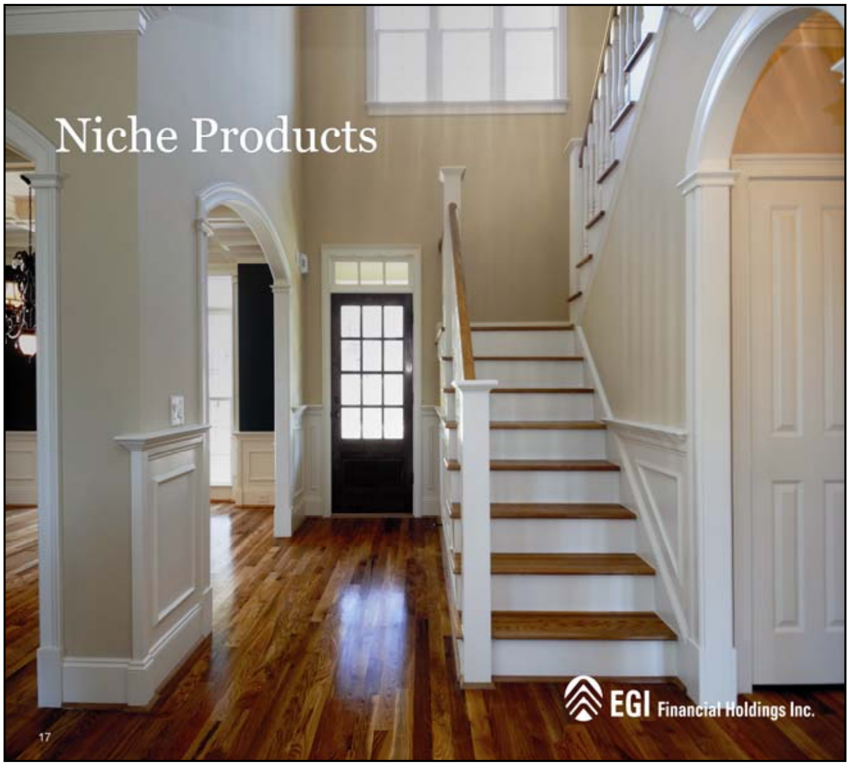

The division's vision is to be recognized as the leading provider of specialized auto insurance products in Canada. It concentrates on non-standard auto insurance in Canada, a business segment which comprises approximately 8 to 10% of all licensed drivers. These are typically drivers who, because of their driving record, are not able to get insurance from a standard insurance company. We are very selective within this group, concentrating on what we call "reformers" rather than "repeaters".

Approximately 50% of EGI's total business is in Ontario non-standard auto insurance. However, the Personal Lines division has diversified over the past several years through expansion in Quebec, Nova Scotia and into specialty vehicles such as antique cars and motorcycles.

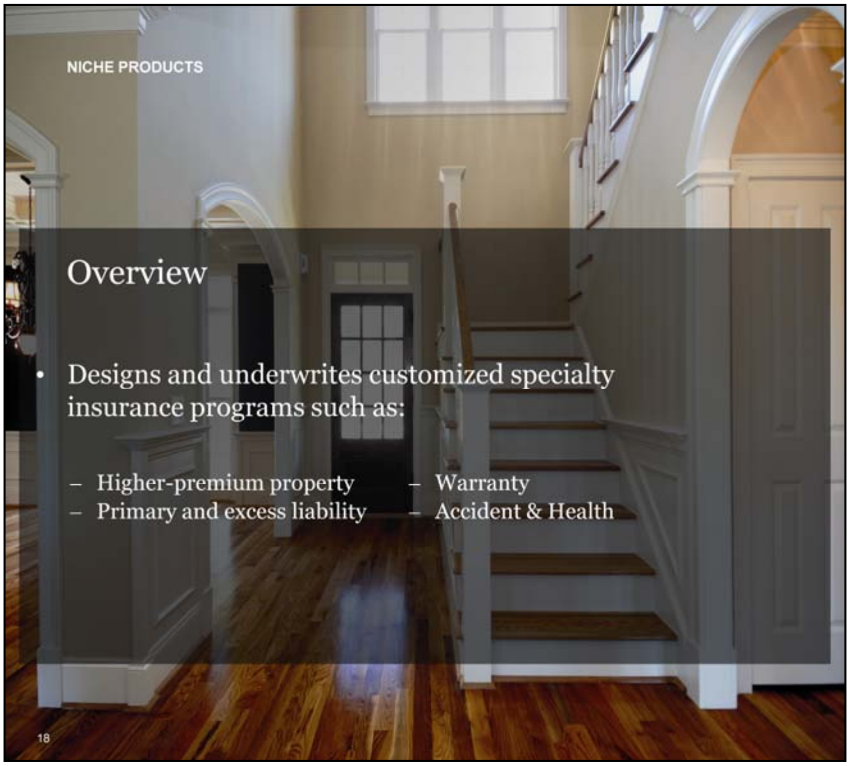

The Personal Lines division recorded a remarkable 12 point improvement in its claims ratio in 2011 and a 10-point improvement in its combined ratio. In fact, as demonstrated by this graph, Personal Lines delivered a significant improvement in profitability in every quarter.

And with a 94.5% combined ratio, the division exceeded its target profitability.


We continue to strive to reduce our reliance on the highly regulated Ontario auto market and diversify our business by investing in and growing product lines where we have existing expertise. These efforts have been successful. Quebec and Nova Scotia now combine for over 25% of the division's business.

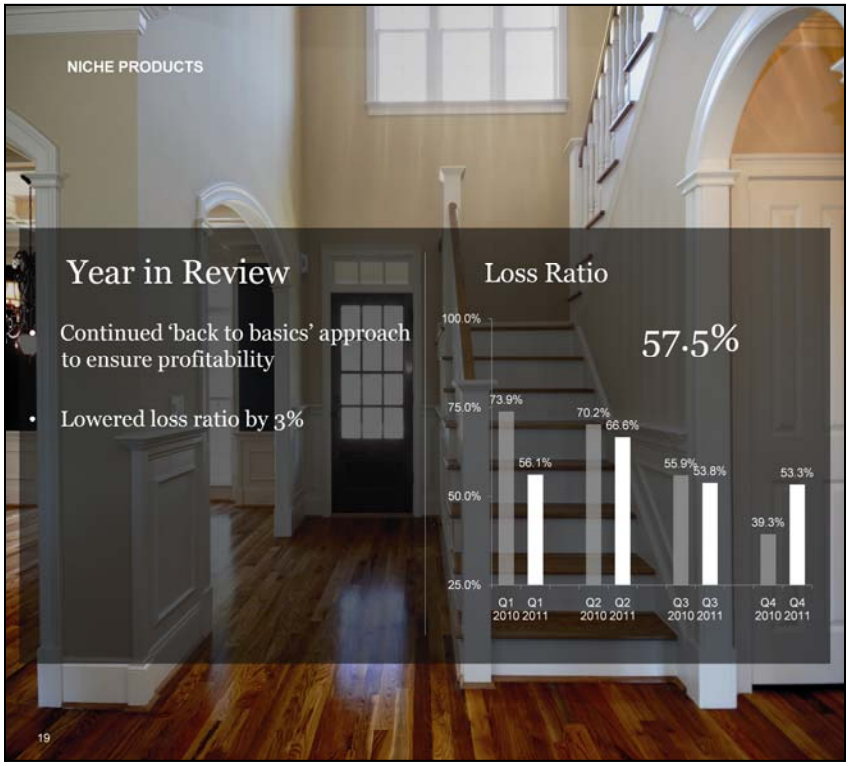



Turning now to our Niche Products division….




Our Niche Products Division covers a wide range of insurance lines which are typically not covered by standard insurers. We design and underwrite customized specialty insurance programs, in consultation with distribution partners and in response to a niche market demand, in segments such as:

- higher premium property;
- primary and excess liability;
- warranty; and
- accident and health Insurance.




The Niche Products division has refocused itself on its core operating principles:

- Maintaining control of underwriting and claims
- Closely monitoring results and
- Reacting quickly to emerging trends

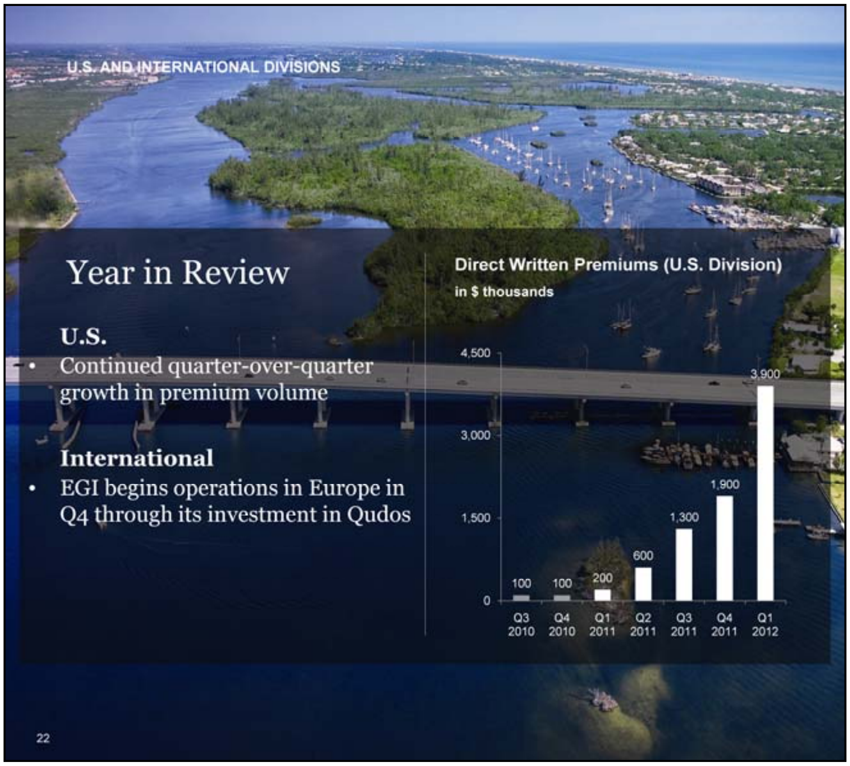
As we did in Personal Lines, we initiated remedial actions in Niche Products to exercise greater financial discipline and take a back to basics approach to program management. In 2011, we cancelled or re-priced underperforming programs and rehabilitated others. The result was an improved claims ratio in all quarters except Q4, when we incurred one large claim.


Finally, let's look at our U.S. and International divisions…


Both divisions continue to operate in start-up mode though we expect premiums written to be of a material level in 2012.

The U.S. division is focused on Personal Lines business, specifically non-standard automobile insurance, in the southeastern United States. We currently operate in Florida and Texas, where we are cautiously growing our premium volume. We also have licenses in Georgia, Louisiana and Alabama, which provides the potential for future expansion.

Our International division includes "Qudos" – our new European-based property & casualty insurance operation. Qudos is involved in the underwriting of European niche and specialty insurance programs of the type currently underwritten by our Niche Products division in Canada. It commenced writing premiums in the first quarter.




In 2011, our U.S. division began to generate premium volume and recorded written premium of $4 million and earned premium of $2.3 million. That has continued to grow and in Q1 2012, premiums written were $4 million, the same amount for all of 2011.

The momentum that we are building on premium volume is on plan and we can now turn our attention to expenses and emerging trends in claims ratios.

We are pleased with what we have experienced to date in Florida. Our claims are tracking as expected. Market conditions are improving. We recently implemented 4% price increase. And favourable regulatory reforms have recently been passed, which take effect July 1, 2012. We expect these improving market conditions to provide further benefits to EGI which, as a new entrant, is not constrained by legacy pricing structures and underwriting templates.

Our experience in Texas has not been as favourable and, in the short term, we will be concentrating greater attention to the Florida market.

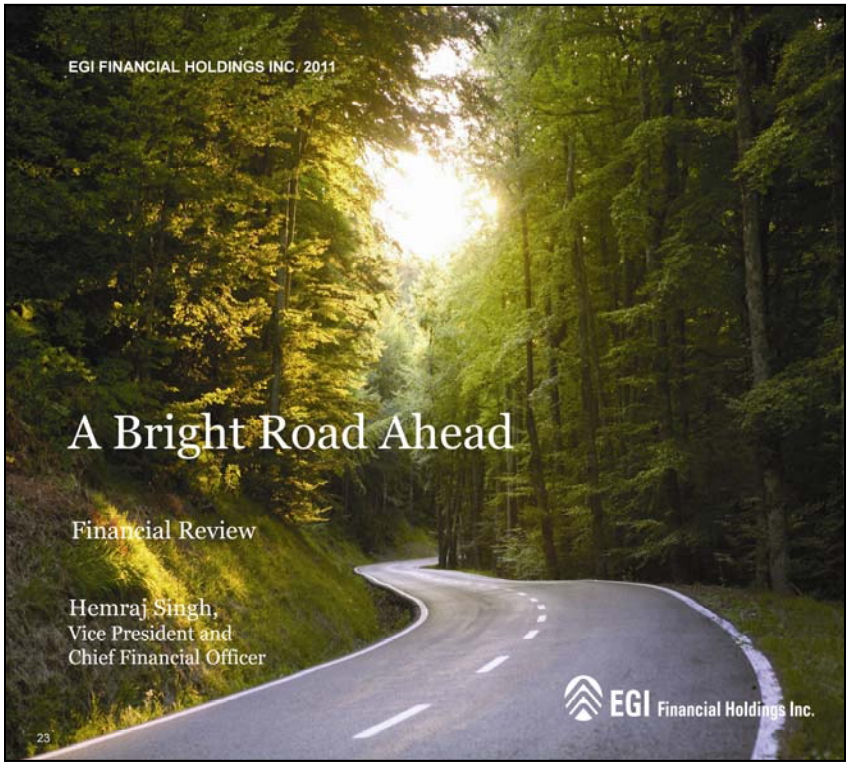
We anticipate reaching break-even in our underwriting income in the U.S. division by the end of next year, as we achieve a certain level of scale and increase the percentage of more profitable renewals into our mix of business.

As mentioned, we launched Qudos in the fourth quarter of 2011 and it commenced writing premiums in this past first quarter.

The launch of the company is consistent with our growth strategy to expand our core business into profitable adjacencies. Much of the initial business that we will write will be existing business transferred from other carriers.

Certain management and directors of EGI have long-standing relationships with the minority shareholders of Qudos. The market opportunities are well known to them and the profitability of the business has been demonstrated over many years. We have the infrastructure and capacity to support the business.

We expect the operation itself to be financially profitableand anticipate additional benefits through the use of our captive reinsurance operation in Barbados.




I'll now pass it over to our CFO Hemraj Singh to take you through a quick review of our financial performance for 2011 and the first quarter of 2012…


Thanks Steve. Here's a more detailed look at some of the financial performance highlights for 2011.

I'm pleased to say, that despite the difficult operating environment, we once again delivered solid financial results:

- As mentioned, while net incurred claims dropped 10%, net earned premiums increased by 2% to $165 million. They have grown at a compound annual growth rate of more than 8% over the past five years.
- Investment income decreased from 2010, but still stood at a healthy $14 million in 2011. This result came despite an extremely low interest rate environment and volatile equities markets.

## 2011 Financial Highlights

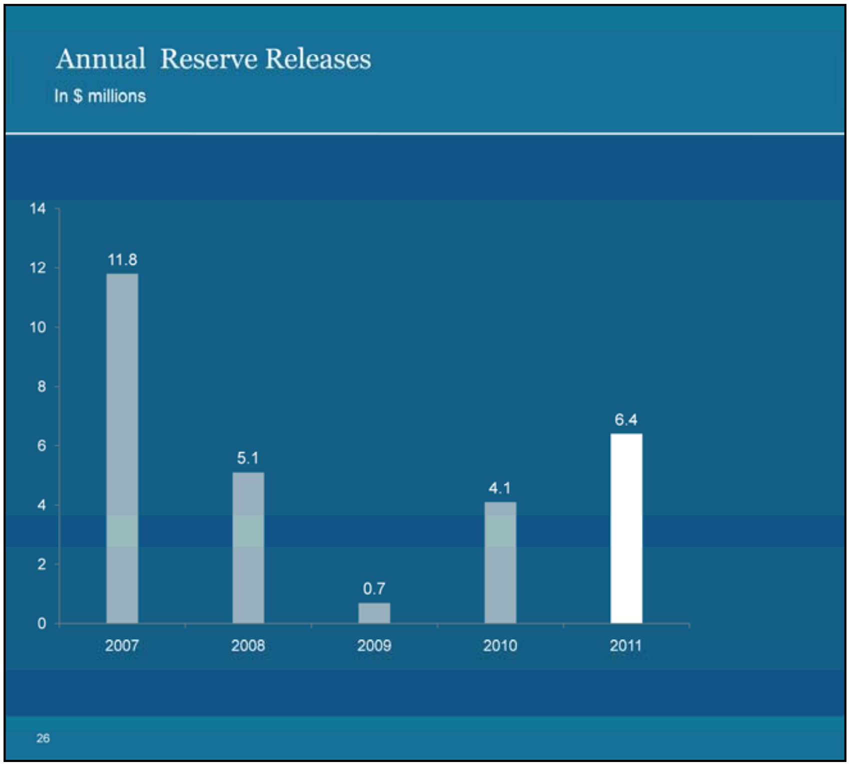
Year ended December 31 ($ millions except per share amts.)

| | 2011 | 2010 |
|---|---|---|
| Net earned premiums | 165.5 | 162.9 |
| Underwriting income (loss) | 0.6 | (9.3) |
| Investment income | 13.9 | 17.5 |
| Net income | 7.5 | 4.2 |
| Net income per diluted share | $0.64 | $0.34 |

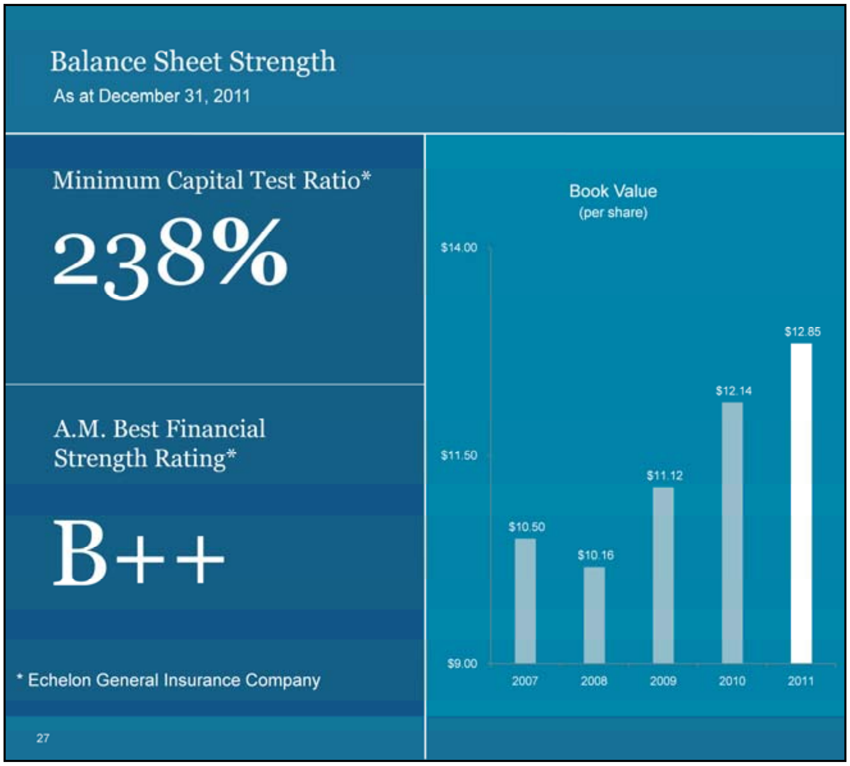


Other highlights include:

- Total underwriting contribution for the year was six hundred thousand dollars. This was a $10 million improvement over 2010.
- Net income was $7.5 million, or $0.64 per diluted share.




EGI has been consistently conservative in its reserving practices, which has resulted in reserve redundancy. Over the past 5 years, there has been an average of over 3% in redundancy reserves.




I would now like to comment on the strength of our year-end balance sheet…

- Book value per share, as of the end of the year, was $12.85. That was a 6% increase over where it stood at the end of 2010.
- The minimum capital test ratio of Echelon General Insurance Company, our main subsidiary, was 238% as at year end.
- And A.M. Best's Financial Strength Rating for Echelon General was B++.
- Our premiums-to-capital ratio is a very conservative 1.0 to 1.
- The company has no debt, no goodwill and few intangible assets.


As an insurance company, we take risks on the underwriting side of the business. Conversely, we take a more conservative approach to our investments.

Our investment portfolio is heavily weighted in high quality fixed income securities, which provide a steady, predictable level of income and reasonable liquidity with minimum risk. That has helped us build up a capital base to support future growth.

## Q1 2012 Financial Highlights

Quarter ended March 31 ($ millions except per share amts.)

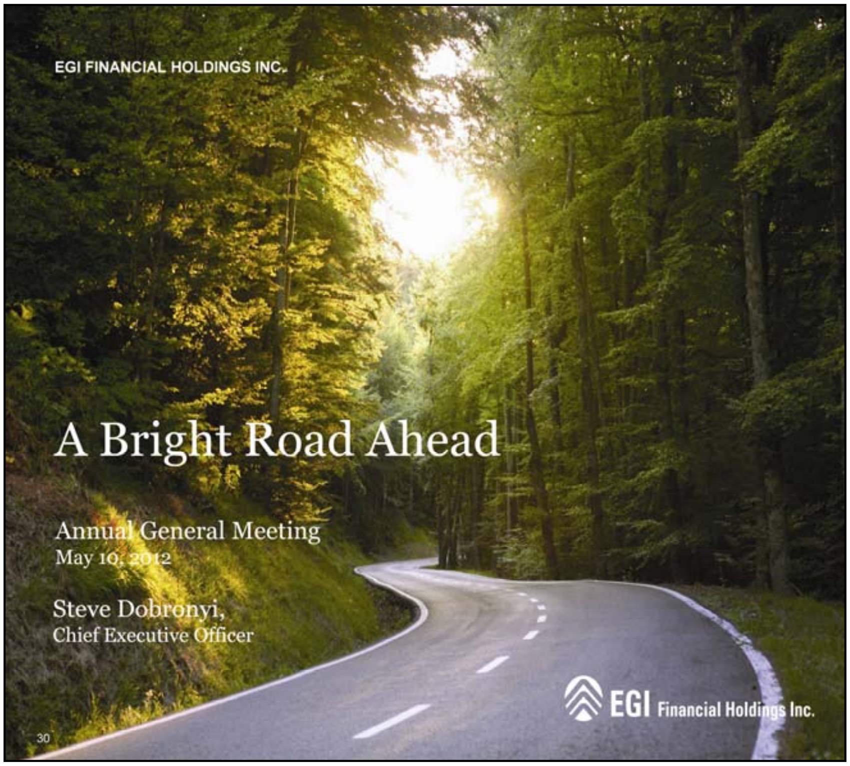
| | 2012 | 2011 |
|---|---|---|
| Net earned premiums | 42.2 | 40.3 |
| Underwriting income (loss) | (1.0) | (0.1) |
| Investment income | 6.0 | 4.4 |
| Net income | 3.8 | 3.0 |
| Net income per diluted share | $0.33 | $0.25 |

29

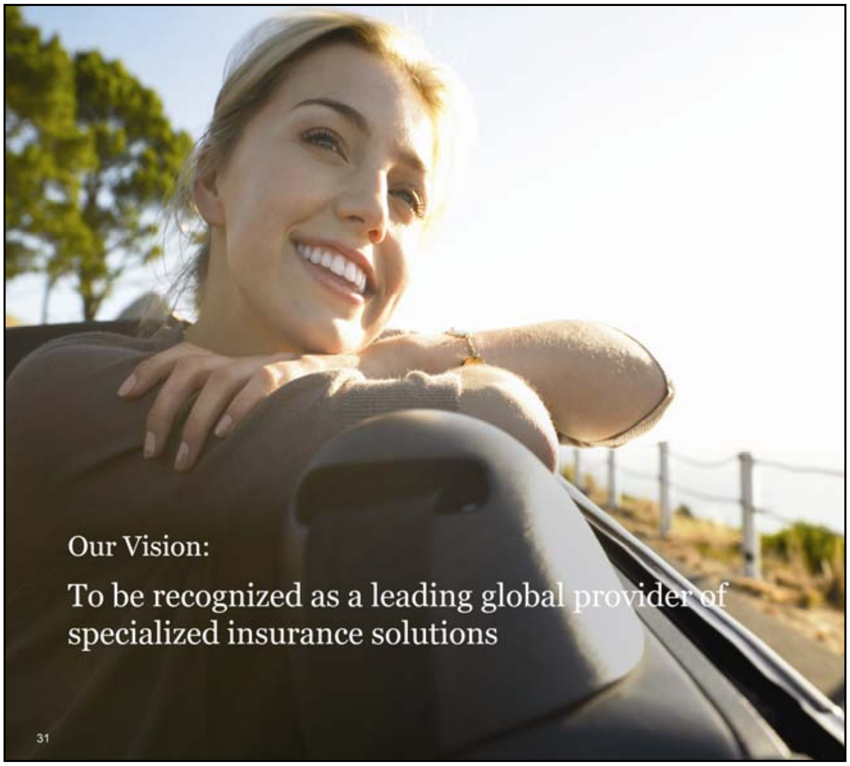
I will now run through a few financial highlights for our first quarter, 2012, which ended March 31. The quarterly results were announced earlier today.

- Net earned premiums rose 4.5% to $42 million
- We produced a 41% increase in underwriting profit in our Canadian operations, which accounts for more than 90% of our business. There was a significant increase in underwriting profitability in our Niche Products division, primarily due to an improvement in claims experience, most notably in commercial property, liability and errors and omissions insurance.
- Overall, the Company reported an underwriting loss of $1 million, due to expenses associated with the start up of our International and U.S. divisions, and to the negative impact on our loss ratio of storms in Texas.
- Investment income increased significantly to $6 million, or 36% more than in Q1 2011.
- Net income of $3.8 million was a 25% improvement over the first quarter of 2011.
- Net income per diluted share was $0.33
- Finally, book value per share increased to $13.14.

With that, I'll turn it back to Steve.




Thanks Hemraj. I would now like to take a few minutes to discuss our plans for future growth…

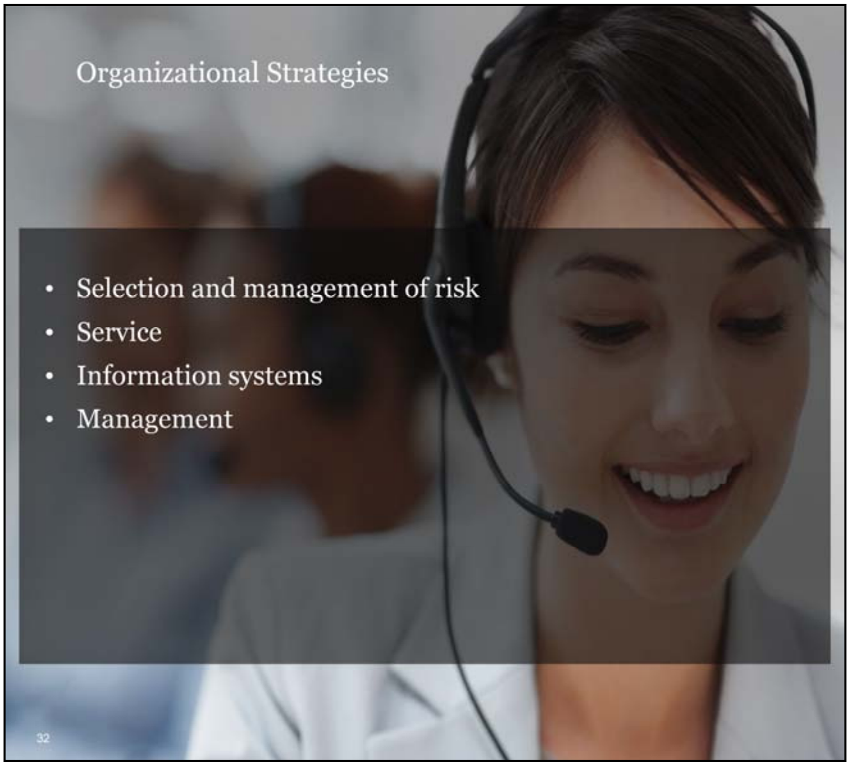



EGI's vision is to be recognized as a leading global provider of specialized insurance solutions.

We will focus on markets where we can differentiate ourselves and that require the high level of expertise of our organization.  We will differentiate ourselves through service and the sophisticated assessment of risk.

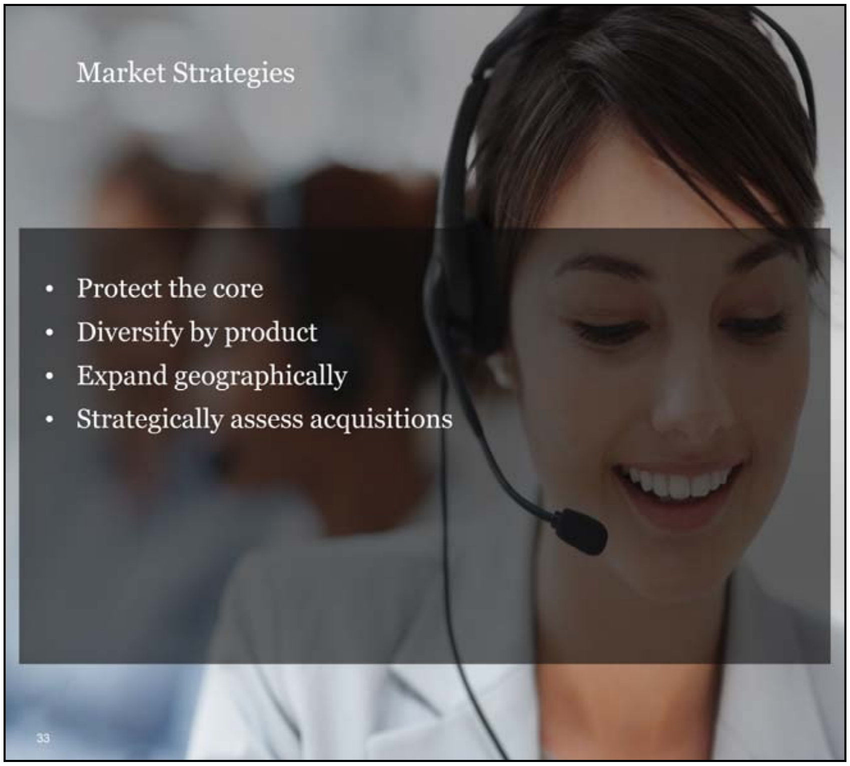
We avoid competing in the mass market where low cost and price are the differentiating factors.

We will operate in a responsible, ethical manner while generating high growth, strong underwriting results and a superior return on shareholders equity.




So how do we differentiate ourselves? And where will we focus our efforts as we continue to grow?

- First, through the assessment, selection and management of risk. We use sophisticated pricing analytics to price our business. We maintain disciplined underwriting and claims practices.
- Second, through providing an optimum level of service to our distributors and our customers.
- Third, by utilizing technology to make it easy to do business with and to build strong ties with our brokers and policyholders.
- And finally, through people – by having a deep and broad team of leaders and technical professionals.
- Good people, with good tools providing good service in profitable markets.




So how do we apply these core competencies that we've built?

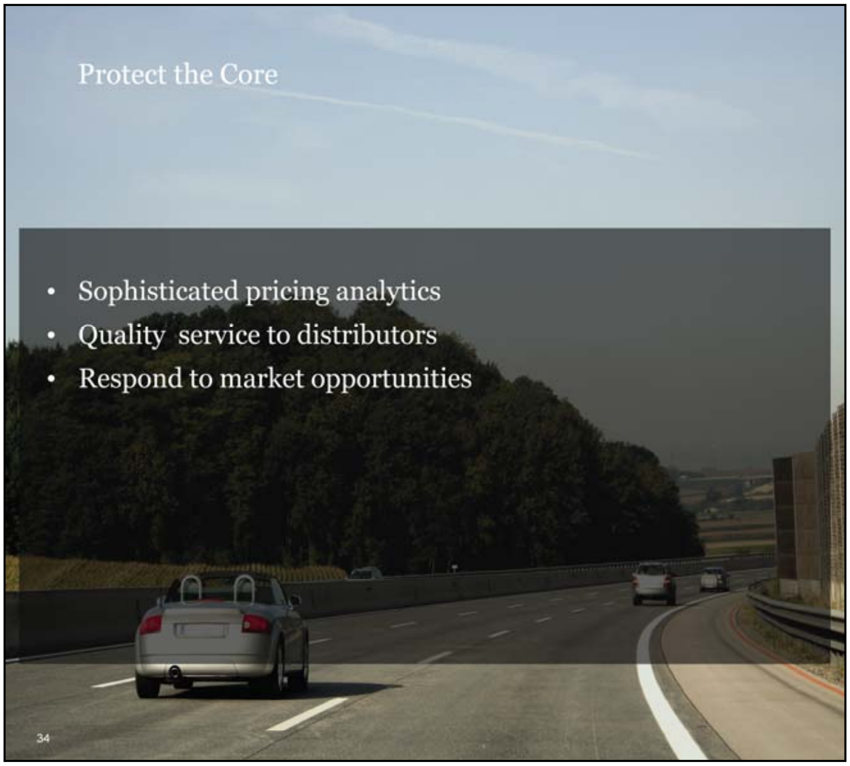
Our market strategies are to:

1. Ensure that our core non-standard auto business is strong and profitable

2. Expand our product expertise beyond non-standard auto and re-position ourselves as a provider of specialty insurance solutions

3. Expand geographically – both within and outside of Canada; and finally,

4. Strategically assess acquisitions that accelerate our growth strategy




Let's start with protecting the core.

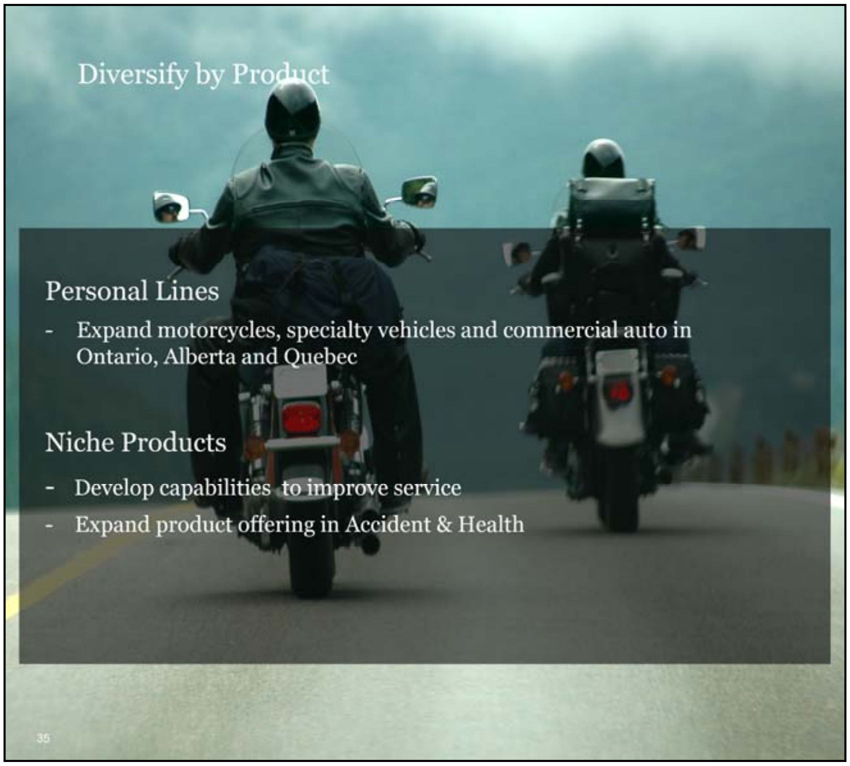
EGI maintains a dominant position in the Canadian non-standard auto insurance market. We will protect that position through

1. Sophisticated pricing analytics: We are continuously improving the sophistication of our pricing, utilizing predictive modeling techniques and a developing a finer segmentation of risks than our competitors.

2. Quality service to our distributors: We will make it easier for distributors to transact business with us, providing them with tools and integrating our business processes with theirs.

3. Respond to market opportunities

   - We will take advantage of the hardening market conditions in Ontario
   - We will maintain our focus on the rural and small urban territories and avoid the risks of the Greater Toronto Area
   - We will test further expansion into the "grey" market by offering standard premium rates for our renewing customers
   - We will continue to grow non-standard auto outside of Ontario, with an emphasis on Quebec and Atlantic Canada




Next, diversify by product.

We will continue to development into a leading provider of specialized insurance solutions.

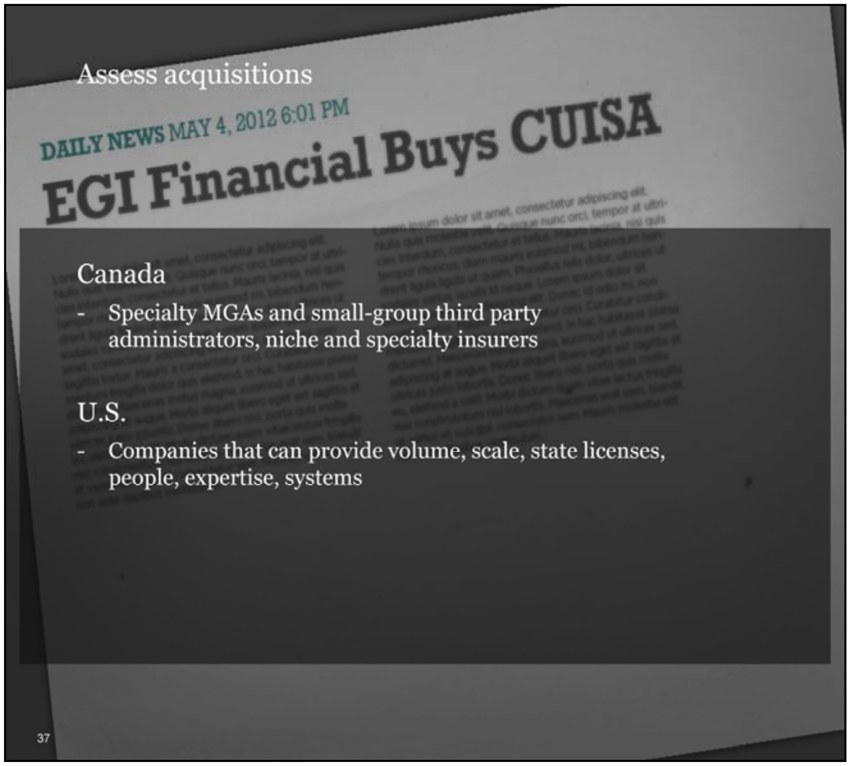
In Personal Lines, we are concentrating our efforts on opportunities in Ontario, Alberta and Quebec for motorcycles, commercial auto and specialty vehicles – antique cars, motorhomes, trailers, snowmobiles and ATVs.

In Niche Products, we are planning growth through a transformation of the business model. We will continue to assess program business that originates from managing general agencies (MGA's); but we will also target new market opportunities by developing broader operational capabilities in the areas of individual underwriting and policy administration. We believe that this will allow us broader access to distribution and closer contact with the broker and policyholder. We also plan to expand our product offering in Accident & Health insurance.


Expand geographically.

EGI has built a start-up non-standard insurance operation in the United States and commenced selling policies in Texas and Florida in 2010. The infrastructure is now in place – the regulatory framework, products, management team, technical professionals, systems, financials and fully automated issuance and operational processes. And in the past 12 months, we have developed considerable momentum building premium volume. We will continue to grow our Texas and Florida business and expand gradually and cautiously into other Southeastern states. At the same time, we will seek acquisitions in our markets that accelerate our strategies.

We will expand our niche program business in Europe through a joint venture in Qudos. The legal and regulatory framework for Qudos has been established and have commence writing premium in 2012. The timing of the growth of Qudos is difficult to predict at this time but we believe that the upside potential is significant.




Finally, to seek and assess acquisition opportunities that accelerate our growth strategy. In Canada, we will pursue niche and specialty insurers and specialty managing general agencies and distributors.

In the United States, we will assess non-standard auto insurance companies and managing general agencies that can provide us with volume, scale and possibly other benefits such as systems, state licenses, people, expertise and/or systems.

Subsequent to the end of the quarter, on May 4, EGI announced the acquisition of CUISA MGA, a specialty managing general agency. We expect CUISA MGA to accelerate our growth strategy by providing us with:

- $10 million of specialty insurance premiums
- Geographic diversification and access to specialty distribution through BC credit unions
- A strengthened national presence and a Western Canada sales and service office
- An experience management and service team, and
- Information systems and infrastructure to enhance our service offering


With that, I conclude my presentation.

As you can tell, we are very pleased with the current state of our business. EGI Financial has a proud history and I feel honored to have the opportunity to lead the organization.

But even more exciting is the outlook that we have for the future – I know that the best is yet to come.

Thanks to all of you for joining us today. For your interest in our company. And for your continued support.

I will now welcome any questions that you may have.