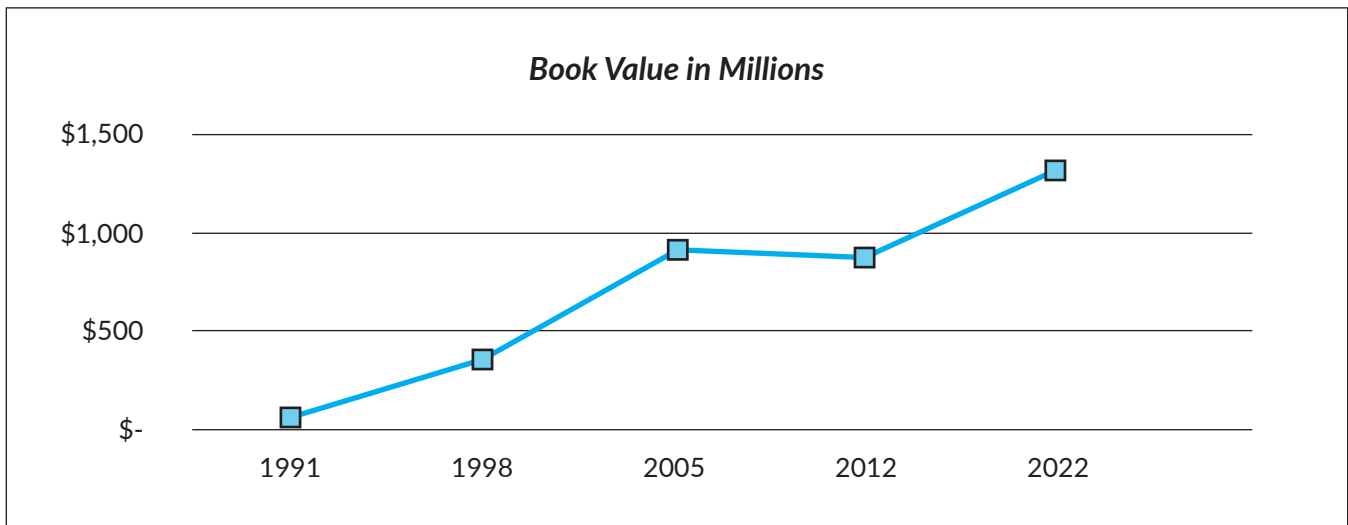




# Financial Highlights

Founded in 1991 by the Peter R. Kellogg family with just \$11.5 million of GAAP equity (“Book Value”), IAT Insurance Group is one of the largest privately held insurers with a Book Value of \$1.3 billion at the end of 2022. The company has remained focused on steady growth and has produced an industry leading 17% compound annual return since inception. The entire growth in Book Value since 1991 has been derived from operations and the return on the investment portfolio.



IAT ended 2022 with a Book Value of \$1.3 billion. Over the past two years, IAT has increased Book Value by 8% despite 2021 being our worst year for catastrophe losses on record, and despite the significant decline in Book Value for the entire insurance industry in 2022 due to the significant declines in the value of bond portfolios.



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	(Dollar Amounts in Thousands)		
	As of December 31		
	2022	2021	2020
<b>Assets</b>			
Cash and short term investments	\$248,643	\$329,591	\$345,097
Bonds at fair value	1,021,629	956,404	1,036,745
Cash and fixed income securities	1,270,272	1,285,995	1,381,842
Other invested assets	1,404,692	1,494,143	1,195,724
Total cash and invested assets	2,674,964	2,780,138	2,577,566
Other assets	1,214,828	1,474,308	1,232,664
Total assets	<b>\$3,889,792</b>	<b>\$4,254,446</b>	<b>\$3,810,230</b>
<b>Liabilities and Shareholders' Equity</b>			
Reserves for losses and LAE	\$1,540,387	\$1,644,921	\$1,479,764
Unearned and advance premiums	732,868	782,764	711,859
Other liabilities	352,609	492,106	455,564
Total liabilities	2,625,864	2,919,791	2,647,187
Shareholders' Equity	1,263,928	1,334,655	1,163,043
Total Liabilities and Shareholders' Equity	<b>\$3,889,792</b>	<b>\$4,254,446</b>	<b>\$3,810,230</b>

- IAT's investment strategy is a mix of fixed income and equity-based investments; our long-term goal is an investment allocation of 60% cash and fixed income and 40% equities/other. Despite the potential for equity market volatility, our investment strategy has worked to our advantage and has contributed to our Book Value growth.
- In 2022, IAT's GAAP equity decreased 5.3%, compared to an industry decline ranging from 15-40%. The primary reason IAT fared better is due to IAT's more conservative balance sheet compared to the industry.
- Our asset leverage is approximately half the leverage of the industry composite.

#### IAT Leverage Compared to Composite

	IAT	Composite (A)
Total Assets	\$3,889,792	\$179,717,000
Total Liabilities	\$2,625,864	\$146,609,000
Book Value	\$1,263,928	\$30,108,000
Assets/Book Value	3.1	6.0
Liabilities/Book Value	2.1	4.9

(A) Composite is comprised of top two publicly traded surety writers.



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## IAT Surety

IAT acquired International Fidelity Insurance Company in 2018, significantly expanding the Surety group's financial resources. As of December 2022, Harco National Insurance Company had approximately 8x the capital and treasury listing capacity than the business had prior to the acquisition by IAT.

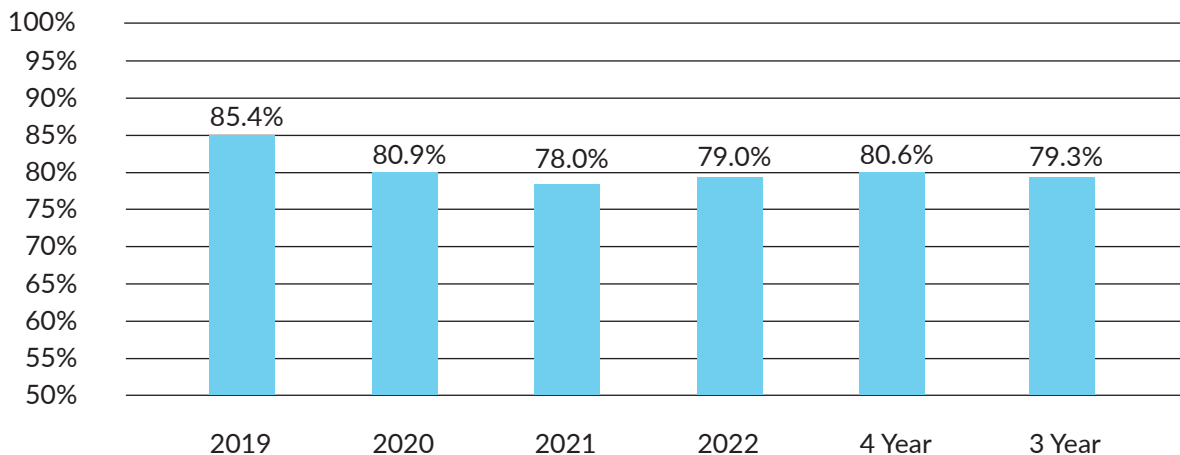
Our Surety business is written through Harco National Insurance Company, and IAT is committed to providing financial support to ensure that its writing companies remain well-capitalized. IAT Surety provides single bonds and aggregate support of \$75 Million/ \$150 Million respectively. The company can extend beyond these limits when circumstances allow.

According to SFAA, IAT Surety is the 21st largest domestic Surety with just under \$132 Million in Gross Written Premium.

(Dollar Amounts in Thousands)

	International Fidelity Insurance Company As of 12/31/2018	Harco National Insurance Company As of 12/31/2022
<b>Assets</b>		
Cash and short term investments	\$42,240	\$336,422
Other invested assets	170,065	1,850,214
Total cash and invested assets	212,305	2,186,636
Other assets	15,844	533,033
Total Assets (Liabilities, Capital and Surplus)	\$228,150	\$2,719,670
Reserves	\$12,640	\$1,024,390
Unearned premiums	38,600	639,206
Other liabilities	81,035	319,198
Total Liabilities	132,274	1,982,794
<b>Capital and Surplus</b>	<b>95,875</b>	<b>736,875</b>
Total Liabilities, Capital and Surplus	\$228,150	\$2,719,670
<b>Treasury Listing</b>	<b>\$7,108</b>	<b>\$67,328</b>

### Combined Ratios for IAT Surety



A copy of IAT Insurance Group's audited financial statements is available upon request.



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