

Lawyers Financial
Consolidated Financial Information
For the year ended November 30, 2025

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Compilation Engagement Report

To the Board of Directors of Lawyers Financial

On the basis of information provided by management, we have compiled the consolidated balance sheet of Lawyers Financial as at November 30, 2025, the consolidated statement of operations and changes in fund balances for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled consolidated financial information (the "consolidated financial information").

Management is responsible for the accompanying consolidated financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the consolidated financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the consolidated financial information.

Readers are cautioned that the consolidated financial information may not be appropriate for their purposes.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Oakville, Ontario
May 4, 2026

Lawyers Financial Consolidated Balance Sheet

November 30

	2025			2024
	Operating Fund	Reserve Fund	Total	Total
Assets				
Cash	\$ 369,076	\$ 274,662	\$ 643,738	\$ 482,407
Due from insurers	647,025	-	647,025	704,445
Settlement due from ceding insurer	-	9,528,325	9,528,325	2,774,981
Prepaid expenses and deposits	216,854	83,332	300,186	377,866
Investments	-	144,824,351	144,824,351	134,108,281
Interfund receivable (payable)	2,868,390	(2,868,390)	-	-
Funds withheld by ceding insurer	-	10,826,148	10,826,148	10,877,882
Capital and intangible assets	1,245,694	-	1,245,694	1,260,851
	\$ 5,347,039	\$ 162,668,428	\$ 168,015,467	\$ 150,586,713
Liabilities and Fund Balances				
Accounts payable and accrued liabilities	\$ 1,902,622	\$ 128,436	\$ 2,031,058	\$ 1,956,578
Buyout liability	217,542	-	217,542	373,744
Actuarial reserves	-	19,031,865	19,031,865	24,040,925
	2,120,164	19,160,301	21,280,465	26,371,247
Fund balances	3,226,875	143,508,127	146,735,002	124,215,466
	\$ 5,347,039	\$ 162,668,428	\$ 168,015,467	\$ 150,586,713

The accompanying notes are an integral part of this consolidated financial information.

Lawyers Financial

Consolidated Statement of Operations and Changes in Fund Balances

For the year ended November 30

	2025		2024	
	Operating Fund	Reserve Fund	Total	Total
Revenue				
Net premiums and commissions earned	\$ -	\$ 42,793,024	\$ 42,793,024	\$ 42,934,606
Experience activity	-	(287,332)	(287,332)	(143,831)
Administration fees	8,520,247	-	8,520,247	8,305,812
Investment income	-	12,891,914	12,891,914	20,159,017
Other	140,669	-	140,669	251,930
	8,660,916	55,397,606	64,058,522	71,507,534
Expenses				
Claims incurred	-	18,402,835	18,402,835	27,410,414
Ceding insurer's fees and other expenses	-	10,373,396	10,373,396	10,260,733
Operating expenses	9,788,522	1,242,294	11,030,816	10,717,983
The Canadian Bar Association fees	1,311,359	-	1,311,359	1,253,164
Amortization of capital and intangible assets	420,580	-	420,580	382,489
	11,520,461	30,018,525	41,538,986	50,024,783
Excess (deficiency) of revenue over expenses for the year	(2,859,545)	25,379,081	22,519,536	21,482,751
Fund balances, beginning of year	2,786,420	121,429,046	124,215,466	102,732,715
Interfund transfer	3,300,000	(3,300,000)	-	-
Fund balances, end of year	\$ 3,226,875	\$143,508,127	\$146,735,002	\$124,215,466

The accompanying notes are an integral part of this consolidated financial information.

Lawyers Financial Note to Consolidated Financial Information

November 30, 2025

1. Basis of Accounting

The basis of accounting applied in the preparation of the consolidated financial information is on the historical cost basis, reflecting cash transactions, with the addition of:

- Insurance activity including actuarial reserves, net premiums earned, experience activity, due from insurers, settlement due from ceding insurer and funds withheld by ceding insurer
- Investments measured at fair value or amortized cost
- Capital and intangible assets amortized over their useful life
- Accounts payable and accrued liabilities
- Income taxes

Principles of Consolidation

Lawyers Financial records its wholly-owned subsidiaries on a consolidated basis. This consolidated financial information includes the accounts of Lawyers Financial and its wholly-owned subsidiaries Chancery Reinsurance Limited and Lawyers Financial Advisory Services Inc. Transactions between the entities have been eliminated upon consolidation.