

**STONETRUST COMMERCIAL INSURANCE COMPANY AND SUBSIDIARY**

**CONSOLIDATED BALANCE SHEETS**

**GAAP BASIS**

	<u>03/31/24</u>	<u>12/31/23</u>
<b><u>ASSETS</u></b>		
Investments:		
Bonds, at fair value	\$ 56,245,837	\$ 59,103,101
Derivatives, at fair value	985,600	-
Collateral loan	30,000,000	30,000,000
Common stocks, at fair value	89,497,770	78,577,087
Total investments	<u>176,729,207</u>	<u>167,680,188</u>
Cash and cash equivalents	61,393,445	60,263,813
Premiums receivable	19,987,579	18,625,946
Reinsurance receivables and recoverables	3,262,735	3,149,293
Deferred policy acquisition costs	1,768,732	1,615,189
Right of use asset - leases	1,030,616	1,072,901
Income taxes receivable	636,816	1,611,568
Accrued investment income	1,973,583	1,206,756
Property, plant and equipment	659,660	737,038
Receivable for securities	-	1,717,923
Other assets	2,337,206	1,929,992
Total assets	<u>\$ 269,779,579</u>	<u>\$ 259,610,607</u>
<b><u>LIABILITIES</u></b>		
Losses and loss adjustment expenses	\$ 69,426,797	\$ 67,754,762
Unearned premiums	23,560,953	21,630,123
Advance premiums	556,336	915,919
Ceded reinsurance payable	180,301	203,258
Insurance related taxes and assessments	3,170,536	3,216,130
Income taxes payable	579,173	947,267
Commissions payable	1,201,447	1,495,792
Deferred tax liability	7,845,928	6,774,516
Accounts payable and other liabilities	1,186,275	2,737,734
Lease liability	1,044,637	1,085,764
Due to parent	360,575	353,894
Security deposits	1,041,403	1,021,064
Derivatives - at fair value	1,624,516	355,910
Total liabilities	<u>111,778,877</u>	<u>108,492,133</u>
<b><u>STOCKHOLDER'S EQUITY</u></b>		
Common stock	2,500,000	2,500,000
Additional paid-in-capital	32,500,000	32,500,000
Retained earnings	124,639,216	117,202,672
Accumulated other comprehensive income (loss) - net	(1,638,514)	(1,084,198)
Total stockholder's equity	<u>158,000,702</u>	<u>151,118,474</u>
Total liabilities and stockholder's equity	<u>\$ 269,779,579</u>	<u>\$ 259,610,607</u>

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**THESE STATEMENTS ARE UNAUDITED AND ARE FOR MANAGEMENT AND INTERNAL USE ONLY**

**STONETRUST COMMERCIAL INSURANCE COMPANY AND SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME**

**GAAP BASIS**

	<b>Three Months Ended March 31, 2024</b>	<b>Year Ended December 31, 2023</b>
<b><u>REVENUES</u></b>		
Net premiums earned	\$ 13,099,790	\$ 51,756,323
Net investment income	1,661,328	7,028,077
Net realized gains on securities:		
Net realized gains (losses) on securities	44,154	(5,686,185)
Net holding gains	6,086,987	21,382,003
Other income	56,097	238,707
Total revenues	<u>20,948,356</u>	<u>74,718,925</u>
<b><u>EXPENSES</u></b>		
Losses and loss adjustment expenses	5,979,834	20,108,535
Underwriting and operating expenses	5,292,389	20,129,538
Bad debt expense	198,433	603,781
Interest expense	-	-
Total expenses	<u>11,470,656</u>	<u>40,841,854</u>
<b><u>INCOME BEFORE INCOME TAXES</u></b>	9,477,700	33,877,071
Income tax expense	<u>2,041,156</u>	<u>7,491,389</u>
<b><u>NET INCOME</u></b>	<u>7,436,544</u>	<u>26,385,682</u>
<b><u>OTHER COMPREHENSIVE (LOSS) INCOME - NET</u></b>		
Urealized holding (losses) arising during the period	(657,513)	(786,294)
Reclassification adjustment for (gain)/loss included in net income	<u>(44,154)</u>	<u>2,194,622</u>
Other comprehensive (loss)/income before taxes	(701,667)	1,408,328
Income tax benefit/(expense) related to other comprehensive income/(loss)	<u>147,351</u>	<u>(295,749)</u>
Other comprehensive (loss)/income net of taxes	<u>(554,316)</u>	<u>1,112,579</u>
<b><u>COMPREHENSIVE INCOME</u></b>	<u>\$ 6,882,228</u>	<u>\$ 27,498,261</u>

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**STONETRUST COMMERCIAL INSURANCE COMPANY AND SUBSIDIARY**

**CONSOLIDATED STATEMENT OF STOCKHOLDER'S EQUITY**

**GAAP BASIS**

	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Income (Loss)</u>	<u>Total</u>
<b>Balance, December 31, 2022</b>	\$ 2,500,000	\$ 32,500,000	\$ 100,861,437	\$ (2,196,777)	\$ 133,664,660
Net income	-	-	26,385,682	-	26,385,682
Dividends paid	-	-	(10,044,447)	-	(10,044,447)
Other comprehensive income - net	-	-	-	1,112,579	1,112,579
<b>Balance, December 31, 2023</b>	\$ 2,500,000	\$ 32,500,000	\$ 117,202,672	\$ (1,084,198)	\$ 151,118,474
Net income	-	-	7,436,544	-	7,436,544
Other comprehensive income - net	-	-	-	(554,316)	(554,316)
<b>Balance, March 31, 2024</b>	<u>\$ 2,500,000</u>	<u>\$ 32,500,000</u>	<u>\$ 124,639,216</u>	<u>\$ (1,638,514)</u>	<u>\$ 158,000,702</u>
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