definity.

Q4-2021 Supplementary Information

Unaudited

Definity Financial Corporation (TSX : DFY)

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FINANCIAL HIGHLIGHTS

(in millions of Canadian dollars, except as otherwise noted - unaudited)

		2021				2020				2019	2021	2020	2019	2018
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Annual	Annual	Annual	Annual
Financial results														
Gross written premiums	1	**846.6**	**851.5**	**874.6**	**658.7**	**755.9**	**753.9**	**728.7**	**576.2**	**667.0**	**3,231.4**	**2,814.7**	**2,511.0**	**2,456.3**
Change YOY	2	*12.0%*	*12.9%*	*20.0%*	*14.3%*	*13.3%*	*11.7%*	*10.5%*	*13.0%*	*3.4%*	*14.8%*	*12.1%*	*2.2%*	*7.4%*
Net written premiums	3	**777.1**	**788.7**	**815.0**	**610.5**	**702.6**	**708.3**	**688.3**	**540.5**	**625.1**	**2,991.3**	**2,639.8**	**2,331.0**	**2,380.7**
Change YOY	4	*10.6%*	*11.4%*	*18.4%*	*13.0%*	*12.4%*	*11.2%*	*20.1%*	*9.1%*	*0.4%*	*13.3%*	*13.2%*	*(2.1%)*	*7.3%*
Net earned premiums	5	**745.0**	**725.1**	**697.2**	**666.3**	**665.5**	**645.0**	**607.7**	**590.5**	**585.5**	**2,833.6**	**2,508.7**	**2,343.2**	**2,244.6**
Change YOY	6	*11.9%*	*12.4%*	*14.7%*	*12.8%*	*13.7%*	*8.6%*	*6.7%*	*(0.6%)*	*0.5%*	*13.0%*	*7.1%*	*4.4%*	*3.6%*
Net claims and adjustment expenses	7	470.2	439.0	422.5	389.8	379.9	398.3	377.0	407.0	418.2	1,721.5	1,562.3	1,713.9	1,694.7
Underwriting expenses (net of other underwriting revenues)	8	234.5	231.0	233.5	218.5	212.9	207.6	193.8	195.8	188.2	917.6	810.0	747.6	815.5
Underwriting income (loss)	9	**40.3**	**55.1**	**41.2**	**58.0**	**72.7**	**39.1**	**36.9**	**(12.3)**	**(20.9)**	**194.5**	**136.4**	**(118.3)**	**(265.6)**
Impact of discounting	10	9.4	1.9	(10.1)	43.4	(10.1)	(13.7)	(55.9)	(34.3)	13.2	44.7	(114.0)	(29.0)	4.3
Underwriting income (loss) after the impact of discounting	11	**49.7**	**57.0**	**31.1**	**101.4**	**62.6**	**25.4**	**(19.0)**	**(46.6)**	**(7.7)**	**239.2**	**22.4**	**(147.3)**	**(261.3)**
Net investment income	12	25.1	24.6	24.2	22.9	23.7	25.0	25.1	26.5	25.3	96.8	100.3	105.4	102.6
Recognized (losses) gains on investments	13	(9.2)	(7.1)	5.0	(9.5)	4.0	7.7	55.0	13.1	(8.8)	(20.8)	79.8	68.3	58.9
Other (expenses) income	14	(20.5)	(5.0)	(3.6)	(4.9)	(1.5)	-	(1.2)	0.8	(1.6)	(34.0)	(1.9)	(6.0)	(0.4)
Restructuring recovery (expense)	15	-	-	-	-	-	-	-	-	0.8	-	-	0.8	(17.3)
Income (loss) before income taxes	16	**45.1**	**69.5**	**56.7**	**109.9**	**88.8**	**58.1**	**59.9**	**(6.2)**	**8.0**	**281.2**	**200.6**	**21.2**	**(117.5)**
Income tax (expense) recovery	17	(11.4)	(16.2)	(12.8)	(27.5)	(22.1)	(12.5)	(15.1)	3.0	(1.2)	(68.0)	(46.7)	(3.8)	44.5
Effective tax rate	18	*25.3%*	*23.3%*	*22.6%*	*25.1%*	*24.8%*	*21.6%*	*25.2%*	*48.3%*	*15.0%*	*24.2%*	*23.3%*	*18.0%*	*37.9%*
Net income (loss)	19	**33.7**	**53.3**	**43.9**	**82.4**	**66.7**	**45.6**	**44.8**	**(3.2)**	**6.8**	**213.2**	**153.9**	**17.4**	**(73.0)**
Non-operating (losses) gains	20	(17.3)	(10.1)	(11.8)	29.6	(9.1)	(7.8)	(3.0)	(21.7)	2.9	(9.7)	(41.5)	31.1	37.6
Operating income (loss)	21	**62.4**	**79.6**	**68.5**	**80.3**	**97.9**	**65.9**	**62.9**	**15.5**	**5.1**	**290.9**	**242.1**	**(9.9)**	**(155.1)**
Operating net income (loss)	22	**46.5**	**60.7**	**52.6**	**60.6**	**73.4**	**51.3**	**47.0**	**12.7**	**4.7**	**220.4**	**184.4**	**(5.4)**	**(100.5)**
Underwriting ratios														
Claims ratio	23	63.1%	60.5%	60.6%	58.5%	57.1%	61.8%	62.0%	68.9%	71.4%	60.8%	62.3%	73.1%	75.5%
Expense ratio	24	31.5%	31.9%	33.5%	32.8%	32.0%	32.1%	31.9%	33.2%	32.2%	32.3%	32.3%	31.9%	36.3%
Combined ratio	25	**94.6%**	**92.4%**	**94.1%**	**91.3%**	**89.1%**	**93.9%**	**93.9%**	**102.1%**	**103.6%**	**93.1%**	**94.6%**	**105.0%**	**111.8%**
Return on equity (for the last 12 months)														
ROE	26	10.7%	13.1%	13.2%	14.1%	9.0%	5.7%	2.5%	1.1%	1.1%	10.7%	9.0%	1.1%	(4.4%)
Operating ROE	27	11.5%	13.6%	13.5%	13.5%	11.0%	7.0%	3.4%	1.2%	(0.3%)	11.5%	11.0%	(0.3%)	(6.2%)
Financial position														
Total investments	28	5,365.8	4,969.8	4,828.6	4,601.0	4,366.3	4,430.9	4,285.7	4,066.2	4,191.0	5,365.8	4,366.3	4,191.0	3,940.7
Total assets	29	7,891.4	7,251.6	6,941.1	6,547.9	6,620.3	6,432.8	6,176.1	5,818.6	5,956.5	7,891.4	6,620.3	5,956.5	5,710.4
Total equity	30	2,396.3	2,029.8	1,961.0	1,879.2	1,818.0	1,722.7	1,642.6	1,525.1	1,611.0	2,396.3	1,818.0	1,611.0	1,567.3
Minimum capital test (MCT) ratio[1]	31	275%	272%	272%	275%	268%	253%	242%	223%	239%	275%	268%	239%	227%
Financial capacity	32	1,057.8	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1,057.8	n/a	n/a	n/a
Per share (in $) and share data (in 000's)														
Earnings (loss) per common share, basic	33	$ 0.31	$ 0.51	$ 0.42	$ 0.79	$ 0.64	$ 0.44	$ 0.43	$ (0.03)	$ 0.07	$ 2.03	$ 1.48	$ 0.17	$ (0.70)
Earnings (loss) per common share, diluted	34	$ 0.31	$ 0.51	$ 0.42	$ 0.79	$ 0.64	$ 0.44	$ 0.43	$ (0.03)	$ 0.07	$ 2.02	$ 1.48	$ 0.17	$ (0.70)
Operating earnings per share	35	$ 0.42	$ 0.58	$ 0.51	$ 0.58	$ 0.71	$ 0.49	$ 0.45	$ 0.12	$ 0.04	$ 2.09	$ 1.77	$ (0.05)	$ (0.97)
Book value per share	36	$ 20.68	$ 19.52	$ 18.86	$ 18.07	$ 17.48	$ 16.57	$ 15.80	$ 14.67	$ 15.49	$ 20.68	$ 17.48	$ 15.49	$ 15.07
Weighted average common shares outstanding, diluted	37	109,647	103,976	103,976	103,976	103,976	103,976	103,976	103,976	103,976	105,405	103,976	103,976	103,976

[1] Consolidated Definity Insurance Company.

CONSOLIDATED RESULTS OF OPERATIONS

(in millions of Canadian dollars, except as otherwise noted - unaudited)

		2021				2020				2019	2021	2020	2019	2018
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Annual	Annual	Annual	Annual
Comprehensive income (loss)														
Net income (loss)	1	**33.7**	**53.3**	**43.9**	**82.4**	**66.7**	**45.6**	**44.8**	**(3.2)**	**6.8**	**213.2**	**153.9**	**17.4**	**(73.0)**
Net unrealized gains (losses) on AFS investments	2	24.8	3.9	53.3	14.6	51.9	48.6	99.4	(123.4)	9.0	96.6	76.8	73.7	(90.3)
Reclassification to net income (loss) of net recognized (gains) losses on AFS investments	3	(2.8)	(2.2)	(1.1)	(43.0)	(2.5)	(0.2)	(0.2)	8.0	(7.2)	(49.2)	5.0	(39.2)	(58.9)
Foreign exchange (loss) gain on investments in associates	4	(0.1)	0.6	(0.4)	(0.5)	(1.2)	(0.6)	(1.0)	2.5	(0.6)	(0.3)	(0.5)	(1.5)	2.4
Income tax (expense) recovery	5	(4.6)	(0.4)	(13.9)	7.7	(13.0)	(13.3)	(25.5)	30.2	(0.3)	(11.2)	(21.6)	(9.6)	40.2
Items that may be reclassified subsequently to net income (loss)	6	**17.3**	**1.9**	**37.9**	**(21.2)**	**35.2**	**34.5**	**72.7**	**(82.7)**	**0.9**	**35.9**	**59.7**	**23.4**	**(106.6)**
Post-employment benefit obligation gain (loss)	7	10.9	18.4	-	-	(8.8)	-	-	-	3.2	29.3	(8.8)	4.2	22.6
Income tax (expense) recovery	8	(2.9)	(4.8)	-	-	2.2	-	-	-	(2.3)	(7.6)	2.2	(1.3)	(6.1)
Items that may not be reclassified subsequently to net income (loss)	9	**8.0**	**13.6**	**-**	**-**	**(6.6)**	**-**	**-**	**-**	**0.9**	**21.7**	**(6.6)**	**2.9**	**16.5**
Other comprehensive income (loss)	10	**25.3**	**15.5**	**37.9**	**(21.2)**	**28.6**	**34.5**	**72.7**	**(82.7)**	**1.8**	**57.6**	**53.1**	**26.3**	**(90.1)**
Comprehensive income (loss)	11	**59.0**	**68.8**	**81.8**	**61.2**	**95.3**	**80.1**	**117.5**	**(85.9)**	**8.6**	**270.8**	**207.0**	**43.7**	**(163.1)**
Net investment income														
Total interest income	12	**18.5**	**18.0**	**17.6**	**17.4**	**17.7**	**18.4**	**19.0**	**20.3**	**20.4**	**71.5**	**75.3**	**82.5**	**71.8**
Preferred shares	13	4.6	4.5	4.6	4.5	4.6	4.7	4.7	4.6	4.1	18.2	18.6	17.1	16.5
Common shares	14	3.9	3.2	3.0	2.4	2.8	2.6	2.5	2.6	2.2	12.5	10.5	9.9	18.9
Total dividend income	15	**8.5**	**7.7**	**7.6**	**6.9**	**7.4**	**7.3**	**7.2**	**7.2**	**6.3**	**30.7**	**29.1**	**27.0**	**35.4**
Investment income, before expenses	16	**27.0**	**25.7**	**25.2**	**24.3**	**25.1**	**25.7**	**26.2**	**27.5**	**26.7**	**102.2**	**104.4**	**109.5**	**107.2**
Investment expenses	17	(1.9)	(1.1)	(1.0)	(1.4)	(1.4)	(0.7)	(1.1)	(1.0)	(1.4)	(5.4)	(4.1)	(4.1)	(4.6)
Net investment income	18	**25.1**	**24.6**	**24.2**	**22.9**	**23.7**	**25.0**	**25.1**	**26.5**	**25.3**	**96.8**	**100.3**	**105.4**	**102.6**
Recognized gains (losses) on investments														
Realized gains on AFS investments	19	3.3	2.2	1.1	43.0	4.5	2.1	0.4	5.6	7.2	49.7	12.6	39.5	74.6
Realized (losses) gains on FVTPL investments	20	(2.5)	0.9	(0.8)	(2.9)	(1.0)	(0.7)	(0.2)	2.1	4.3	(5.3)	0.2	12.6	(22.4)
Unrealized (losses) gains on FVTPL investments	21	(9.5)	(10.2)	4.7	(49.6)	2.5	8.2	55.0	19.0	(20.3)	(64.7)	84.6	16.5	22.4
Impairment losses on AFS investments	22	(0.5)	-	-	-	(2.0)	(1.9)	(0.2)	(13.6)	-	(0.5)	(17.6)	(0.3)	(15.7)
Total recognized (losses) gains on investments	23	**(9.2)**	**(7.1)**	**5.0**	**(9.5)**	**4.0**	**7.7**	**55.0**	**13.1**	**(8.8)**	**(20.8)**	**79.8**	**68.3**	**58.9**
Non-operating gains (losses)														
Recognized gains (losses) on investments														
Realized gains on sale of AFS investments	24	3.3	2.2	1.1	43.0	4.5	2.1	0.4	5.6	7.2	49.7	12.6	39.5	74.6
Net (losses) gains on FVTPL investments	25	(12.0)	(9.3)	3.9	(52.5)	1.5	7.5	54.8	21.1	(16.0)	(70.0)	84.8	29.1	-
Impairment losses on AFS investments	26	(0.5)	-	-	-	(2.0)	(1.9)	(0.2)	(13.6)	-	(0.5)	(17.6)	(0.3)	(15.7)
Impact of discounting	27	9.4	1.9	(10.1)	43.4	(10.1)	(13.7)	(55.9)	(34.3)	13.2	44.7	(114.0)	(29.0)	4.3
Demutualization and IPO-related expenses	28	(16.7)	(4.7)	(5.2)	(3.5)	(1.6)	(0.5)	(0.8)	(0.9)	(1.1)	(30.1)	(3.8)	(4.8)	(9.7)
Amortization of intangible assets recognized in business combinations	29	(0.6)	(0.8)	(1.1)	(1.0)	(1.2)	(1.1)	(1.1)	(1.1)	(1.1)	(3.5)	(4.5)	(4.4)	(4.3)
Gain on sale of investments in associates	30	-	-	-	-	-	-	-	-	-	-	-	-	5.5
Restructuring recovery (expenses)	31	-	-	-	-	-	-	-	-	0.8	-	-	0.8	(17.3)
Other	32	(0.2)	0.6	(0.4)	0.2	(0.2)	(0.2)	(0.2)	1.5	(0.1)	-	1.0	0.2	0.2
Total non-operating (losses) gains	33	**(17.3)**	**(10.1)**	**(11.8)**	**29.6**	**(9.1)**	**(7.8)**	**(3.0)**	**(21.7)**	**2.9**	**(9.7)**	**(41.5)**	**31.1**	**37.6**

UNDERWRITING PERFORMANCE

(in millions of Canadian dollars, except as otherwise noted - unaudited)

		2021				2020				2019	2021	2020	2019	2018
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Annual	Annual	Annual	Annual
Underwriting results														
Net earned premiums	1	**745.0**	**725.1**	**697.2**	**666.3**	**665.5**	**645.0**	**607.7**	**590.5**	**585.5**	**2,833.6**	**2,508.7**	**2,343.2**	**2,244.6**
Net claims and adjustment expenses	2	470.2	439.0	422.5	389.8	379.9	398.3	377.0	407.0	418.2	1,721.5	1,562.3	1,713.9	1,694.7
Underwriting expenses (net of other underwriting revenues)	3	234.5	231.0	233.5	218.5	212.9	207.6	193.8	195.8	188.2	917.6	810.0	747.6	815.5
Underwriting income (loss)	4	**40.3**	**55.1**	**41.2**	**58.0**	**72.7**	**39.1**	**36.9**	**(12.3)**	**(20.9)**	**194.5**	**136.4**	**(118.3)**	**(265.6)**
Claims ratio	5	63.1%	60.5%	60.6%	58.5%	57.1%	61.8%	62.0%	68.9%	71.4%	60.8%	62.3%	73.1%	75.5%
Expense ratio	6	31.5%	31.9%	33.5%	32.8%	32.0%	32.1%	31.9%	33.2%	32.2%	32.3%	32.3%	31.9%	36.3%
Combined ratio	7	**94.6%**	**92.4%**	**94.1%**	**91.3%**	**89.1%**	**93.9%**	**93.9%**	**102.1%**	**103.6%**	**93.1%**	**94.6%**	**105.0%**	**111.8%**
Net claims and adjustment expenses														
Core accident year claims	8	469.3	416.9	417.7	401.8	369.1	387.1	340.1	402.3	426.4	1,705.8	1,498.8	1,685.4	1,608.4
Catastrophe losses	9	33.8	37.0	12.6	8.3	19.5	9.8	46.1	17.7	9.7	91.7	93.1	66.4	105.1
Prior year (favourable) adverse claims development	10	(32.9)	(14.9)	(7.8)	(20.3)	(8.7)	1.4	(9.2)	(13.0)	(17.9)	(76.0)	(29.6)	(37.9)	(18.8)
Net claims and adjustment expenses	11	**470.2**	**439.0**	**422.5**	**389.8**	**379.9**	**398.3**	**377.0**	**407.0**	**418.2**	**1,721.5**	**1,562.3**	**1,713.9**	**1,694.7**
Core accident year claims ratio	12	62.7%	57.5%	59.9%	60.4%	55.5%	60.1%	55.9%	68.1%	72.8%	60.2%	59.8%	71.9%	71.6%
Catastrophe losses ratio[1]	13	4.8%	5.1%	1.8%	1.2%	2.9%	1.5%	7.6%	3.0%	1.7%	3.3%	3.7%	2.8%	4.7%
Prior year (favourable) adverse claims development ratio	14	(4.4%)	(2.1%)	(1.1%)	(3.1%)	(1.3%)	0.2%	(1.5%)	(2.2%)	(3.1%)	(2.7%)	(1.2%)	(1.6%)	(0.8%)
Claims ratio	15	**63.1%**	**60.5%**	**60.6%**	**58.5%**	**57.1%**	**61.8%**	**62.0%**	**68.9%**	**71.4%**	**60.8%**	**62.3%**	**73.1%**	**75.5%**
Underwriting expenses (net of other underwriting revenues)														
Net commissions	16	100.8	109.3	110.8	105.5	97.9	100.8	90.9	89.9	87.0	426.5	379.6	361.3	381.0
Operating expenses (net of other underwriting revenues)	17	105.4	94.3	96.5	88.0	90.1	82.9	80.4	84.1	79.6	384.2	337.3	300.1	353.8
Premium taxes	18	28.3	27.4	26.2	25.0	24.9	23.9	22.5	21.8	21.6	106.9	93.1	86.2	80.7
Underwriting expenses (net of other underwriting revenues)	19	**234.5**	**231.0**	**233.5**	**218.5**	**212.9**	**207.6**	**193.8**	**195.8**	**188.2**	**917.6**	**810.0**	**747.6**	**815.5**
Net commissions, %	20	13.5%	15.1%	15.9%	15.8%	14.7%	15.6%	15.0%	15.2%	14.9%	15.0%	15.1%	15.4%	17.0%
Operating expenses (net of other underwriting revenues), %	21	14.2%	13.0%	13.8%	13.2%	13.6%	12.8%	13.2%	14.3%	13.6%	13.5%	13.5%	12.8%	15.7%
Premium taxes, %	22	3.8%	3.8%	3.8%	3.8%	3.7%	3.7%	3.7%	3.7%	3.7%	3.8%	3.7%	3.7%	3.6%
Expense ratio	23	**31.5%**	**31.9%**	**33.5%**	**32.8%**	**32.0%**	**32.1%**	**31.9%**	**33.2%**	**32.2%**	**32.3%**	**32.3%**	**31.9%**	**36.3%**

[1] The impact of the reinsurance reinstatement premiums on the claims ratio is fully reflected in catastrophe losses.

PERSONAL INSURANCE

(in millions of Canadian dollars, except as otherwise noted - unaudited)

		2021				2020				2019	2021	2020	2019	2018
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Annual	Annual	Annual	Annual
Personal insurance														
Policies in force (in '000)	1	**1,550.7**	**1,526.4**	**1,485.4**	**1,441.2**	**1,416.1**	**1,390.4**	**1,363.6**	**1,345.4**	**1,341.8**	**1,550.7**	**1,416.1**	**1,341.8**	**1,334.0**
Change YOY	2	*9.5%*	*9.8%*	*8.9%*	*7.1%*	*5.5%*	*3.2%*	*0.3%*	*(1.2%)*	*0.6%*	*9.5%*	*5.5%*	*0.6%*	*7.5%*
Gross written premiums	3	**592.6**	**631.0**	**623.6**	**473.9**	**540.3**	**578.5**	**534.2**	**433.1**	**492.5**	**2,321.1**	**2,086.1**	**1,894.2**	**1,778.5**
Change YOY	4	*9.7%*	*9.1%*	*16.7%*	*9.4%*	*9.7%*	*9.0%*	*8.8%*	*13.9%*	*4.8%*	*11.3%*	*10.1%*	*6.5%*	*15.7%*
Broker channel gross written premiums	5	**497.0**	**526.0**	**531.6**	**405.4**	**458.4**	**492.5**	**458.2**	**378.1**	**419.7**	**1,960.1**	**1,787.2**	**1,632.8**	**1,595.3**
Change YOY	6	*8.4%*	*6.8%*	*16.0%*	*7.2%*	*9.2%*	*8.6%*	*7.4%*	*13.6%*	*0.8%*	*9.7%*	*9.5%*	*2.4%*	*13.4%*
Direct channel gross written premiums[1]	7	**95.6**	**105.0**	**92.0**	**68.5**	**81.9**	**86.0**	**76.0**	**55.0**	**72.8**	**361.0**	**298.9**	**261.4**	**183.2**
Change YOY	8	*16.7%*	*22.1%*	*21.1%*	*24.5%*	*12.5%*	*11.6%*	*18.4%*	*16.3%*	*36.3%*	*20.8%*	*14.3%*	*42.7%*	*41.1%*
Net written premiums	9	**559.1**	**597.6**	**593.0**	**448.9**	**513.5**	**550.7**	**507.6**	**410.5**	**466.8**	**2,198.5**	**1,982.2**	**1,764.9**	**1,752.5**
Change YOY	10	*8.9%*	*8.5%*	*16.8%*	*9.4%*	*10.0%*	*8.9%*	*21.6%*	*9.4%*	*0.9%*	*10.9%*	*12.3%*	*0.7%*	*16.3%*
Net earned premiums	11	**548.0**	**532.7**	**517.6**	**495.4**	**500.7**	**486.9**	**457.2**	**448.1**	**443.0**	**2,093.7**	**1,892.9**	**1,747.4**	**1,593.8**
Change YOY	12	*9.4%*	*9.4%*	*13.2%*	*10.6%*	*13.0%*	*8.5%*	*9.4%*	*2.4%*	*4.1%*	*10.6%*	*8.3%*	*9.6%*	*11.4%*
Underwriting income (loss)	13	**31.5**	**28.9**	**21.2**	**46.1**	**54.2**	**32.2**	**29.8**	**(2.0)**	**(21.6)**	**127.6**	**114.2**	**(108.4)**	**(173.3)**
Combined ratio	14	**94.3%**	**94.6%**	**95.9%**	**90.7%**	**89.2%**	**93.4%**	**93.5%**	**100.5%**	**104.9%**	**93.9%**	**94.0%**	**106.2%**	**110.9%**
Personal auto														
Policies in force (in '000)	15	**761.6**	**759.4**	**748.6**	**733.4**	**727.0**	**719.1**	**711.8**	**710.1**	**718.8**	**761.6**	**727.0**	**718.8**	**751.8**
Change YOY	16	*4.8%*	*5.6%*	*5.2%*	*3.3%*	*1.1%*	*(2.1%)*	*(5.6%)*	*(7.3%)*	*(4.4%)*	*4.8%*	*1.1%*	*(4.4%)*	*8.4%*
Gross written premiums	17	**355.5**	**381.7**	**386.6**	**302.7**	**339.2**	**369.2**	**337.0**	**290.0**	**322.6**	**1,426.5**	**1,335.4**	**1,261.9**	**1,224.4**
Change YOY	18	*4.8%*	*3.4%*	*14.7%*	*4.4%*	*5.1%*	*3.6%*	*4.4%*	*11.4%*	*(0.5%)*	*6.8%*	*5.8%*	*3.1%*	*17.6%*
Net written premiums	19	**341.0**	**366.2**	**370.9**	**290.1**	**325.5**	**354.5**	**322.9**	**277.8**	**308.5**	**1,368.1**	**1,280.8**	**1,183.5**	**1,219.9**
Change YOY	20	*4.8%*	*3.3%*	*14.9%*	*4.4%*	*5.5%*	*3.7%*	*18.0%*	*7.1%*	*(4.5%)*	*6.8%*	*8.2%*	*(3.0%)*	*17.6%*
Net earned premiums	21	**344.3**	**337.0**	**331.8**	**319.4**	**327.4**	**321.7**	**302.2**	**299.9**	**297.8**	**1,332.5**	**1,251.2**	**1,195.6**	**1,099.2**
Change YOY	22	*5.2%*	*4.8%*	*9.8%*	*6.5%*	*9.9%*	*4.2%*	*5.4%*	*(0.9%)*	*0.5%*	*6.5%*	*4.7%*	*8.8%*	*12.1%*
Core accident year claims	23	260.5	217.8	207.4	209.7	215.0	207.9	182.6	241.9	268.2	895.6	847.4	1,015.3	905.3
Catastrophe losses	24	0.3	5.0	0.6	0.2	3.0	-	8.0	-	0.8	6.1	11.0	3.5	12.7
Prior year (favourable) adverse claims development	25	(31.4)	(10.8)	(15.7)	(14.6)	-	2.1	(4.0)	(9.4)	(15.5)	(72.6)	(11.3)	(25.7)	(44.9)
Net claims and adjustment expenses	26	**229.4**	**212.0**	**192.3**	**195.3**	**218.0**	**210.0**	**186.6**	**232.5**	**253.5**	**829.1**	**847.1**	**993.1**	**873.1**
Underwriting expenses (net of other underwriting revenues)	27	97.2	95.5	101.0	92.9	93.3	90.8	86.3	88.5	88.4	386.6	358.9	341.9	381.3
Underwriting income (loss)	28	**17.7**	**29.5**	**38.5**	**31.2**	**16.1**	**20.9**	**29.3**	**(21.1)**	**(44.1)**	**116.8**	**45.2**	**(139.4)**	**(155.2)**
Core accident year claims ratio	29	75.7%	64.6%	62.5%	65.7%	65.7%	64.7%	60.3%	80.6%	90.0%	67.1%	67.7%	84.9%	82.3%
Catastrophe losses ratio	30	0.1%	1.5%	0.2%	-	0.9%	-	2.7%	-	0.3%	0.5%	0.9%	0.3%	1.2%
Prior year (favourable) adverse claims development ratio	31	(9.1%)	(3.2%)	(4.7%)	(4.6%)	-	0.6%	(1.3%)	(3.1%)	(5.2%)	(5.4%)	(0.9%)	(2.1%)	(4.1%)
Claims ratio	32	**66.7%**	**62.9%**	**58.0%**	**61.1%**	**66.6%**	**65.3%**	**61.7%**	**77.5%**	**85.1%**	**62.2%**	**67.7%**	**83.1%**	**79.4%**
Net commissions, %	33	10.3%	11.8%	12.5%	12.5%	11.6%	12.3%	11.0%	12.4%	11.7%	11.8%	11.8%	12.1%	13.7%
Operating expenses (net of other underwriting revenues), %	34	14.5%	13.2%	14.5%	13.2%	13.5%	12.5%	14.2%	13.7%	14.6%	13.8%	13.5%	13.1%	17.7%
Premium taxes, %	35	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.3%
Expense ratio	36	**28.2%**	**28.4%**	**30.4%**	**29.1%**	**28.5%**	**28.2%**	**28.6%**	**29.5%**	**29.7%**	**29.0%**	**28.7%**	**28.6%**	**34.7%**
Combined ratio	37	**94.9%**	**91.3%**	**88.4%**	**90.2%**	**95.1%**	**93.5%**	**90.3%**	**107.0%**	**114.8%**	**91.2%**	**96.4%**	**111.7%**	**114.1%**
Personal property[1]														
Policies in force (in '000)	38	**789.1**	**767.0**	**736.8**	**707.8**	**689.1**	**671.3**	**651.8**	**635.3**	**623.0**	**789.1**	**689.1**	**623.0**	**582.2**
Change YOY	39	*14.5%*	*14.3%*	*13.0%*	*11.4%*	*10.6%*	*9.5%*	*7.7%*	*6.6%*	*7.0%*	*14.5%*	*10.6%*	*7.0%*	*6.3%*
Gross written premiums	40	**237.1**	**249.3**	**237.0**	**171.2**	**201.1**	**209.3**	**197.2**	**143.1**	**169.9**	**894.6**	**750.7**	**632.3**	**554.1**
Change YOY	41	*17.9%*	*19.1%*	*20.2%*	*19.6%*	*18.4%*	*20.0%*	*17.3%*	*19.3%*	*16.7%*	*19.2%*	*18.7%*	*14.1%*	*11.8%*
Net written premiums	42	**218.1**	**231.4**	**222.1**	**158.8**	**188.0**	**196.2**	**184.6**	**132.6**	**158.4**	**830.4**	**701.4**	**581.4**	**532.7**
Change YOY	43	*16.0%*	*17.9%*	*20.3%*	*19.8%*	*18.7%*	*19.9%*	*28.6%*	*14.5%*	*13.6%*	*18.4%*	*20.6%*	*9.1%*	*13.2%*
Net earned premiums	44	**203.7**	**195.7**	**185.8**	**176.0**	**173.3**	**165.2**	**155.0**	**148.2**	**145.2**	**761.2**	**641.7**	**551.8**	**494.6**
Change YOY	45	*17.5%*	*18.5%*	*19.9%*	*18.8%*	*19.4%*	*17.8%*	*17.9%*	*9.8%*	*12.2%*	*18.6%*	*16.3%*	*11.6%*	*10.0%*
Core accident year claims	46	95.6	100.1	116.0	94.8	71.4	93.2	85.6	72.5	73.4	406.4	322.8	299.6	268.2
Catastrophe losses	47	24.5	30.4	12.0	3.0	4.1	0.7	17.2	6.8	3.7	69.9	28.8	37.0	54.6
Prior year adverse (favourable) claims development	48	1.4	(3.1)	6.2	(1.0)	(1.6)	1.0	(1.9)	(4.1)	(2.2)	3.5	(6.7)	(6.9)	(7.6)
Net claims and adjustment expenses	49	**121.5**	**127.4**	**134.2**	**96.8**	**73.9**	**94.9**	**100.9**	**75.2**	**74.9**	**479.8**	**344.9**	**329.7**	**315.2**
Underwriting expenses (net of other underwriting revenues)	50	68.4	68.9	68.9	64.3	61.3	59.0	53.6	53.9	47.8	270.6	227.8	191.1	197.5
Underwriting income (loss)	51	**13.8**	**(0.6)**	**(17.3)**	**14.9**	**38.1**	**11.3**	**0.5**	**19.1**	**22.5**	**10.8**	**69.0**	**31.0**	**(18.1)**
Core accident year claims ratio	52	46.2%	51.2%	62.3%	53.9%	41.3%	56.4%	55.2%	48.9%	50.5%	53.1%	50.2%	54.4%	54.2%
Catastrophe losses ratio[2]	53	12.7%	15.5%	6.5%	1.7%	2.4%	0.4%	11.1%	4.6%	2.6%	9.4%	4.5%	6.7%	11.0%
Prior year adverse (favourable) claims development ratio	54	0.7%	(1.6%)	3.4%	(0.6%)	(1.0%)	0.6%	(1.2%)	(2.8%)	(1.5%)	0.5%	(1.0%)	(1.3%)	(1.5%)
Claims ratio	55	**59.6%**	**65.1%**	**72.2%**	**55.0%**	**42.7%**	**57.4%**	**65.1%**	**50.7%**	**51.6%**	**63.0%**	**53.7%**	**59.8%**	**63.7%**
Net commissions, %	56	16.4%	18.9%	20.0%	19.4%	17.6%	19.3%	18.3%	17.8%	17.1%	18.6%	18.3%	18.1%	20.5%
Operating expenses (net of other underwriting revenues), %	57	13.0%	12.1%	13.0%	13.0%	13.6%	12.4%	12.2%	14.5%	11.7%	12.8%	13.1%	12.4%	15.5%
Premium taxes, %	58	4.2%	4.2%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.2%	4.1%	4.1%	4.0%
Expense ratio	59	**33.6%**	**35.2%**	**37.1%**	**36.5%**	**35.3%**	**35.8%**	**34.6%**	**36.4%**	**32.9%**	**35.6%**	**35.5%**	**34.6%**	**40.0%**
Combined ratio	60	**93.2%**	**100.3%**	**109.3%**	**91.5%**	**78.0%**	**93.2%**	**99.7%**	**87.1%**	**84.5%**	**98.6%**	**89.2%**	**94.4%**	**103.7%**

[1] Includes Petline.

[2] The impact of the reinsurance reinstatement premiums on the claims ratio is fully reflected in catastrophe losses.

COMMERCIAL INSURANCE

(in millions of Canadian dollars, except as otherwise noted - unaudited)

		2021				2020				2019	2021	2020	2019	2018
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Annual	Annual	Annual	Annual
Commercial insurance														
Gross written premiums	1	**254.0**	**220.5**	**251.0**	**184.8**	**215.6**	**175.4**	**194.5**	**143.1**	**174.5**	**910.3**	**728.6**	**616.8**	**677.8**
Change YOY	2	*17.8%*	*25.7%*	*29.0%*	*29.1%*	*23.6%*	*21.8%*	*15.5%*	*10.2%*	*(0.4%)*	*24.9%*	*18.1%*	*(9.0%)*	*(9.6%)*
Net written premiums	3	**218.0**	**191.2**	**222.0**	**161.6**	**189.1**	**157.7**	**180.8**	**129.9**	**158.2**	**792.8**	**657.5**	**566.1**	**628.2**
Change YOY	4	*15.3%*	*21.2%*	*22.8%*	*24.4%*	*19.5%*	*19.9%*	*15.9%*	*8.0%*	*(0.9%)*	*20.6%*	*16.1%*	*(9.9%)*	*(11.6%)*
Net earned premiums	5	**197.0**	**192.4**	**179.6**	**170.9**	**164.8**	**158.1**	**150.5**	**142.4**	**142.5**	**739.9**	**615.8**	**595.8**	**650.8**
Change YOY	6	*19.5%*	*21.7%*	*19.3%*	*20.0%*	*15.6%*	*8.8%*	*(0.5%)*	*(9.2%)*	*(9.3%)*	*20.2%*	*3.4%*	*(8.5%)*	*(11.5%)*
Core accident year claims	7	113.2	99.0	94.4	97.3	82.7	86.0	71.9	88.0	84.8	403.8	328.6	370.5	434.9
Catastrophe losses	8	9.0	1.6	-	5.1	12.4	9.1	20.9	10.9	5.2	15.7	53.3	25.9	37.8
Prior year (favourable) adverse claims development	9	(2.9)	(1.0)	1.7	(4.7)	(7.1)	(1.7)	(3.3)	0.5	(0.2)	(6.9)	(11.6)	(5.3)	33.7
Net claims and adjustment expenses	10	**119.3**	**99.6**	**96.1**	**97.7**	**88.0**	**93.4**	**89.5**	**99.4**	**89.8**	**412.6**	**370.3**	**391.1**	**506.4**
Underwriting expenses (net of other underwriting revenues)	11	68.9	66.6	63.5	61.3	58.3	57.8	53.9	53.3	52.0	260.4	223.3	214.6	236.7
Underwriting income (loss)	12	**8.8**	**26.2**	**20.0**	**11.9**	**18.5**	**6.9**	**7.1**	**(10.3)**	**0.7**	**66.9**	**22.2**	**(9.9)**	**(92.3)**
Core accident year claims ratio	13	57.0%	51.5%	52.4%	57.0%	50.2%	54.4%	47.8%	61.8%	59.6%	54.4%	53.3%	62.2%	66.8%
Catastrophe losses ratio[1]	14	5.0%	0.8%	-	3.0%	7.5%	5.8%	13.9%	7.6%	3.6%	2.3%	8.7%	4.3%	5.8%
Prior year (favourable) adverse claims development ratio	15	(1.5%)	(0.5%)	1.0%	(2.8%)	(4.3%)	(1.1%)	(2.2%)	0.4%	(0.2%)	(0.9%)	(1.9%)	(0.9%)	5.2%
Claims ratio	16	**60.5%**	**51.8%**	**53.4%**	**57.2%**	**53.4%**	**59.1%**	**59.5%**	**69.8%**	**63.0%**	**55.8%**	**60.1%**	**65.6%**	**77.8%**
Net commissions, %	17	16.2%	17.0%	17.9%	18.4%	17.8%	18.5%	19.4%	18.6%	19.1%	17.3%	18.6%	19.5%	19.9%
Operating expenses (net of other underwriting revenues), %	18	14.8%	13.6%	13.6%	13.4%	13.6%	14.2%	12.6%	15.0%	13.6%	13.9%	13.8%	12.8%	12.7%
Premium taxes, %	19	4.0%	4.0%	4.0%	4.0%	4.0%	3.8%	3.8%	3.8%	3.8%	4.0%	3.9%	3.8%	3.8%
Expense ratio	20	**35.0%**	**34.6%**	**35.5%**	**35.8%**	**35.4%**	**36.5%**	**35.8%**	**37.4%**	**36.5%**	**35.2%**	**36.3%**	**36.1%**	**36.4%**
Combined ratio	21	**95.5%**	**86.4%**	**88.9%**	**93.0%**	**88.8%**	**95.6%**	**95.3%**	**107.2%**	**99.5%**	**91.0%**	**96.4%**	**101.7%**	**114.2%**

[1] The impact of the reinsurance reinstatement premiums on the claims ratio is fully reflected in catastrophe losses.

CATASTROPHE LOSSES BY LINE OF BUSINESS

(in millions of Canadian dollars, except as otherwise noted - unaudited)

		2021				2020				2019	2021	2020	2019	2018
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Annual	Annual	Annual	Annual
By line of business														
Personal auto	1	0.3	5.0	0.6	0.2	3.0	-	8.0	-	0.8	6.1	11.0	3.5	12.7
Personal property	2	24.5	30.4	12.0	3.0	4.1	0.7	17.2	6.8	3.7	69.9	28.8	37.0	54.6
Commercial lines	3	9.0	1.6	-	5.1	12.4	9.1	20.9	10.9	5.2	15.7	53.3	25.9	37.8
Total catastrophe losses (excluding reinstatement premiums)	4	**33.8**	**37.0**	**12.6**	**8.3**	**19.5**	**9.8**	**46.1**	**17.7**	**9.7**	**91.7**	**93.1**	**66.4**	**105.1**
By line of business, as % of NEP[1]														
Personal auto	5	0.1%	1.5%	0.2%	-	0.9%	-	2.7%	-	0.3%	0.5%	0.9%	0.3%	1.2%
Personal property	6	12.7%	15.5%	6.5%	1.7%	2.4%	0.4%	11.1%	4.6%	2.6%	9.4%	4.5%	6.7%	11.0%
Commercial lines	7	5.0%	0.8%	-	3.0%	7.5%	5.8%	13.9%	7.6%	3.6%	2.3%	8.7%	4.3%	5.8%
Total catastrophe losses	8	**4.8%**	**5.1%**	**1.8%**	**1.2%**	**2.9%**	**1.5%**	**7.6%**	**3.0%**	**1.7%**	**3.3%**	**3.7%**	**2.8%**	**4.7%**

HISTORICAL PRIOR YEAR CLAIMS DEVELOPMENT

By line of business														
Personal auto	9	(31.4)	(10.8)	(15.7)	(14.6)	-	2.1	(4.0)	(9.4)	(15.5)	(72.6)	(11.3)	(25.7)	(44.9)
Personal property	10	1.4	(3.1)	6.2	(1.0)	(1.6)	1.0	(1.9)	(4.1)	(2.2)	3.5	(6.7)	(6.9)	(7.6)
Commercial lines	11	(2.9)	(1.0)	1.7	(4.7)	(7.1)	(1.7)	(3.3)	0.5	(0.2)	(6.9)	(11.6)	(5.3)	33.7
Total (favourable) adverse claims development	12	**(32.9)**	**(14.9)**	**(7.8)**	**(20.3)**	**(8.7)**	**1.4**	**(9.2)**	**(13.0)**	**(17.9)**	**(76.0)**	**(29.6)**	**(37.9)**	**(18.8)**
By line of business, as % of NEP														
Personal auto	13	(9.1%)	(3.2%)	(4.7%)	(4.6%)	-	0.6%	(1.3%)	(3.1%)	(5.2%)	(5.4%)	(0.9%)	(2.1%)	(4.1%)
Personal property	14	0.7%	(1.6%)	3.4%	(0.6%)	(1.0%)	0.6%	(1.2%)	(2.8%)	(1.5%)	0.5%	(1.0%)	(1.3%)	(1.5%)
Commercial lines	15	(1.5%)	(0.5%)	1.0%	(2.8%)	(4.3%)	(1.1%)	(2.2%)	0.4%	(0.2%)	(0.9%)	(1.9%)	(0.9%)	5.2%
Total (favourable) adverse claims development	16	**(4.4%)**	**(2.1%)**	**(1.1%)**	**(3.1%)**	**(1.3%)**	**0.2%**	**(1.5%)**	**(2.2%)**	**(3.1%)**	**(2.7%)**	**(1.2%)**	**(1.6%)**	**(0.8%)**
Total YTD (favourable) adverse claims development as % of prior year closing unpaid claim liabilities, undiscounted	17	**(2.8%)**	**(1.6%)**	**(1.0%)**	**(0.7%)**	**(1.1%)**	**(0.8%)**	**(0.8%)**	**(0.5%)**	**(1.5%)**	**(2.8%)**	**(1.1%)**	**(1.5%)**	**(0.8%)**

[1] The impact of the reinsurance reinstatement premiums on the claims ratio is fully reflected in catastrophe losses.

INVESTMENT PORTFOLIO

(in millions of Canadian dollars, except as otherwise noted - unaudited)

		2021				2020				2019	2021	2020	2019	2018
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Annual	Annual	Annual	Annual
Total portfolio														
By class														
Short-term investments	1	88.8	148.1	173.1	153.9	218.2	266.1	171.1	192.4	228.1	88.8	218.2	228.1	329.7
Bonds	2	4,233.8	3,826.6	3,744.8	3,598.6	3,400.7	3,442.2	3,449.2	3,290.5	3,223.8	4,233.8	3,400.7	3,223.8	2,792.4
Preferred stocks	3	405.7	404.1	384.4	388.1	336.6	338.6	298.8	262.4	345.1	405.7	336.6	345.1	334.0
Common stocks	4	570.5	522.2	487.6	420.9	329.8	304.1	280.9	241.9	296.8	570.5	329.8	296.8	329.9
Pooled funds	5	42.7	34.2	3.1	2.9	43.4	40.9	39.7	36.8	44.4	42.7	43.4	44.4	53.2
Commercial loans	6	24.3	34.6	35.6	36.6	37.6	39.0	46.0	42.2	52.8	24.3	37.6	52.8	101.5
Total	7	**5,365.8**	**4,969.8**	**4,828.6**	**4,601.0**	**4,366.3**	**4,430.9**	**4,285.7**	**4,066.2**	**4,191.0**	**5,365.8**	**4,366.3**	**4,191.0**	**3,940.7**
Region of issuer														
Canada	8	5,112.6	4,729.3	4,621.7	4,421.2	4,205.5	4,276.6	4,129.2	3,931.7	4,034.2	5,112.6	4,205.5	4,034.2	3,636.5
United States	9	164.6	145.0	123.4	103.1	86.2	79.5	75.1	61.0	69.0	164.6	86.2	69.0	142.2
Europe	10	37.0	34.1	31.7	26.2	25.2	24.1	21.9	21.2	25.6	37.0	25.2	25.6	35.1
Other	11	27.3	26.8	16.2	13.9	11.8	11.7	13.5	10.1	9.4	27.3	11.8	9.4	25.4
Total	12	**5,341.5**	**4,935.2**	**4,793.0**	**4,564.4**	**4,328.7**	**4,391.9**	**4,239.7**	**4,024.0**	**4,138.2**	**5,341.5**	**4,328.7**	**4,138.2**	**3,839.2**
Credit quality														
Fixed-income securities														
AAA	13	1,072.6	1,034.2	1,125.2	1,027.3	1,102.9	1,180.3	1,156.8	1,215.8	1,189.3	1,072.6	1,102.9	1,189.3	1,642.5
AA	14	1,800.5	1,578.4	1,416.1	1,381.0	1,170.3	1,028.5	1,021.0	981.6	980.5	1,800.5	1,170.3	980.5	358.7
A	15	1,080.1	974.9	948.1	916.3	854.3	960.7	990.1	800.8	767.8	1,080.1	854.3	767.8	589.3
BBB	16	280.6	239.1	255.4	274.0	273.2	272.7	281.3	292.3	286.2	280.6	273.2	286.2	201.9
Total	17	**4,233.8**	**3,826.6**	**3,744.8**	**3,598.6**	**3,400.7**	**3,442.2**	**3,449.2**	**3,290.5**	**3,223.8**	**4,233.8**	**3,400.7**	**3,223.8**	**2,792.4**
Preferred shares														
P1	18	11.9	12.3	8.6	4.2	-	-	-	-	-	11.9	-	-	3.2
P2	19	305.4	304.4	294.8	297.1	272.9	281.6	248.6	217.9	288.5	305.4	272.9	288.5	278.3
P3 or not rated	20	88.4	87.4	81.0	86.8	63.7	57.0	50.2	44.5	56.6	88.4	63.7	56.6	52.5
Total	21	**405.7**	**404.1**	**384.4**	**388.1**	**336.6**	**338.6**	**298.8**	**262.4**	**345.1**	**405.7**	**336.6**	**345.1**	**334.0**
Unrealized gains (losses) on AFS securities														
Short-term investments	22	0.1	0.1	0.1	0.2	0.3	0.8	0.9	1.4	1.9	0.1	0.3	1.9	0.8
Bonds	23	9.3	12.3	17.6	8.7	54.8	56.6	52.7	18.5	(0.2)	9.3	54.8	(0.2)	(5.6)
Preferred stocks	24	10.9	14.6	4.6	(11.9)	(48.2)	(77.1)	(109.1)	(141.4)	(58.6)	10.9	(48.2)	(58.6)	(56.1)
Common stocks	25	106.8	77.8	79.9	53.3	71.9	53.4	41.8	11.0	53.7	106.8	71.9	53.7	27.0
Pooled funds	26	0.1	0.4	1.3	1.1	1.0	(3.4)	(4.5)	(6.9)	1.2	0.1	1.0	1.2	(2.6)
Total	27	**127.2**	**105.2**	**103.5**	**51.4**	**79.8**	**30.3**	**(18.2)**	**(117.4)**	**(2.0)**	**127.2**	**79.8**	**(2.0)**	**(36.5)**
Investment portfolio sector mix														
Government	28	49%	49%	48%	48%	49%	51%	49%	48%	46%	49%	49%	46%	45%
Financials	29	29%	28%	29%	31%	29%	29%	31%	32%	32%	29%	29%	32%	34%
Energy	30	4%	4%	4%	3%	4%	3%	3%	3%	5%	4%	4%	5%	6%
Communication services	31	2%	2%	2%	2%	2%	2%	2%	2%	3%	2%	2%	3%	2%
Industrials	32	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	2%
Utilities	33	4%	5%	5%	5%	5%	5%	5%	4%	4%	4%	5%	4%	3%
Consumer discretionary	34	2%	2%	2%	2%	2%	1%	1%	1%	1%	2%	2%	1%	1%
Materials	35	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Consumer staples	36	1%	1%	1%	1%	1%	1%	1%	2%	1%	1%	1%	1%	3%
Information technology	37	2%	2%	2%	1%	1%	1%	1%	1%	1%	2%	1%	1%	1%
Health care	38	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Real estate	39	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Total	40	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

INVESTMENT PORTFOLIO (cont'd)

(in millions of Canadian dollars, except as otherwise noted - unaudited)

		2021				2020				2019	2021	2020	2019	2018
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Annual	Annual	Annual	Annual
Sector mix by asset class														
Short-term investments and bonds														
Government	1	61%	62%	59%	59%	60%	60%	57%	55%	56%	61%	60%	56%	56%
Financials	2	25%	24%	26%	27%	25%	25%	27%	29%	29%	25%	25%	29%	32%
Energy	3	2%	2%	2%	1%	2%	2%	2%	2%	2%	2%	2%	2%	4%
Communication services	4	2%	1%	2%	2%	1%	1%	2%	2%	2%	2%	1%	2%	1%
Industrials	5	3%	3%	3%	3%	4%	4%	4%	4%	4%	3%	4%	4%	1%
Utilities	6	4%	5%	5%	5%	5%	4%	4%	4%	3%	4%	5%	3%	2%
Consumer discretionary	7	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	-
Materials	8	-	-	-	-	-	-	-	-	-	-	-	-	-
Consumer staples	9	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	3%
Information technology	10	-	-	-	-	-	-	-	-	-	-	-	-	1%
Health care	11	-	-	-	-	-	1%	1%	1%	1%	-	-	1%	-
Real estate	12	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	-
Total	13	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Preferred stocks														
Government	14	-	-	-	-	-	-	-	-	-	-	-	-	-
Financials	15	70%	69%	70%	72%	75%	77%	76%	78%	77%	70%	75%	77%	71%
Energy	16	16%	16%	16%	15%	14%	13%	13%	13%	15%	16%	14%	15%	16%
Communication services	17	4%	4%	4%	4%	2%	2%	2%	2%	2%	4%	2%	2%	2%
Industrials	18	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	19	8%	9%	8%	7%	7%	7%	7%	7%	6%	8%	7%	6%	9%
Consumer discretionary	20	-	-	-	-	-	-	-	-	-	-	-	-	-
Materials	21	-	-	-	-	-	-	-	-	-	-	-	-	-
Consumer staples	22	-	-	-	-	-	-	-	-	-	-	-	-	-
Information technology	23	-	-	-	-	-	-	-	-	-	-	-	-	-
Health care	24	-	-	-	-	-	-	-	-	-	-	-	-	-
Real estate	25	2%	2%	2%	2%	2%	1%	2%	-	-	2%	2%	-	2%
Total	26	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Common stocks														
Government	27	-	-	-	-	-	-	-	-	-	-	-	-	-
Financials	28	29%	30%	28%	28%	27%	24%	25%	27%	28%	29%	27%	28%	30%
Energy	29	11%	11%	11%	11%	10%	10%	10%	12%	18%	11%	10%	18%	20%
Communication services	30	6%	6%	7%	7%	6%	6%	7%	9%	7%	6%	6%	7%	6%
Industrials	31	11%	11%	10%	11%	11%	12%	12%	11%	10%	11%	11%	10%	11%
Utilities	32	3%	3%	3%	3%	3%	4%	4%	4%	3%	3%	3%	3%	1%
Consumer discretionary	33	6%	6%	6%	6%	6%	6%	5%	5%	6%	6%	6%	6%	7%
Materials	34	8%	8%	8%	9%	11%	12%	12%	10%	11%	8%	11%	11%	11%
Consumer staples	35	5%	4%	4%	4%	4%	6%	6%	6%	5%	5%	4%	5%	3%
Information technology	36	15%	15%	16%	15%	16%	14%	13%	11%	7%	15%	16%	7%	6%
Health care	37	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Real estate	38	1%	1%	2%	1%	1%	1%	1%	-	-	1%	1%	-	-
Total	39	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Pooled funds														
Government	40	-	-	-	-	-	-	-	-	-	-	-	-	-
Financials	41	11%	11%	14%	15%	14%	12%	14%	14%	16%	11%	14%	16%	15%
Energy	42	3%	3%	3%	3%	3%	3%	3%	3%	7%	3%	3%	7%	8%
Communication services	43	10%	11%	9%	9%	10%	8%	8%	8%	6%	10%	10%	6%	12%
Industrials	44	8%	8%	10%	10%	9%	9%	8%	8%	9%	8%	9%	9%	6%
Utilities	45	2%	2%	3%	3%	10%	12%	18%	18%	15%	2%	10%	15%	16%
Consumer discretionary	46	13%	12%	13%	13%	7%	7%	4%	4%	6%	13%	7%	6%	4%
Materials	47	3%	3%	5%	5%	5%	3%	3%	3%	4%	3%	5%	4%	3%
Consumer staples	48	6%	6%	7%	7%	11%	13%	13%	13%	12%	6%	11%	12%	13%
Information technology	49	28%	28%	22%	21%	16%	15%	10%	10%	8%	28%	16%	8%	7%
Health care	50	13%	13%	11%	11%	12%	15%	17%	17%	13%	13%	12%	13%	11%
Real estate	51	3%	3%	3%	3%	3%	3%	2%	2%	4%	3%	3%	4%	5%
Total	52	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

CONSOLIDATED BALANCE SHEET

(in millions of Canadian dollars, except as otherwise noted - unaudited)

		2021				2020				2019	2021	2020	2019	2018
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Annual	Annual	Annual	Annual
Balance sheet														
Cash and investments														
Cash and cash equivalents	1	387.3	339.9	257.4	231.9	510.3	251.3	171.6	87.6	94.7	387.3	510.3	94.7	135.3
Short-term investments	2	88.8	148.1	173.1	153.9	218.2	266.1	171.1	192.4	228.1	88.8	218.2	228.1	329.7
Bonds	3	4,233.8	3,826.6	3,744.8	3,598.6	3,400.7	3,442.2	3,449.2	3,290.5	3,223.8	4,233.8	3,400.7	3,223.8	2,792.4
Preferred stocks	4	405.7	404.1	384.4	388.1	336.6	338.6	298.8	262.4	345.1	405.7	336.6	345.1	334.0
Common stocks	5	570.5	522.2	487.6	420.9	329.8	304.1	280.9	241.9	296.8	570.5	329.8	296.8	329.9
Pooled funds	6	42.7	34.2	3.1	2.9	43.4	40.9	39.7	36.8	44.4	42.7	43.4	44.4	53.2
Commercial loans	7	24.3	34.6	35.6	36.6	37.6	39.0	46.0	42.2	52.8	24.3	37.6	52.8	101.5
Total cash and investments	8	**5,753.1**	**5,309.7**	**5,086.0**	**4,832.9**	**4,876.6**	**4,682.2**	**4,457.3**	**4,153.8**	**4,285.7**	**5,753.1**	**4,876.6**	**4,285.7**	**4,076.0**
Restricted cash	9	110.8	-	-	-	-	-	-	-	-	110.8	-	-	-
Accrued investment income	10	21.3	23.3	18.1	23.0	16.8	23.2	18.1	22.6	18.8	21.3	16.8	18.8	15.5
Premiums receivable	11	1,075.9	1,052.0	1,014.1	908.0	958.7	920.9	885.9	804.2	850.7	1,075.9	958.7	850.7	837.0
Income taxes receivable	12	0.2	0.9	2.6	3.6	2.1	2.8	4.2	4.0	3.0	0.2	2.1	3.0	13.0
Reinsurance receivable and recoverable	13	179.2	140.4	127.9	115.1	95.6	111.3	104.8	101.4	95.1	179.2	95.6	95.1	64.7
Deferred policy acquisition expenses	14	295.1	288.4	275.2	250.8	260.2	253.9	242.3	226.1	235.6	295.1	260.2	235.6	230.1
Property and equipment	15	57.0	54.8	56.6	57.4	56.9	58.0	57.7	58.5	61.1	57.0	56.9	61.1	38.9
Deferred income tax assets	16	62.5	42.5	43.3	39.7	40.2	55.1	81.9	122.5	89.8	62.5	40.2	89.8	105.0
Goodwill and intangible assets	17	219.7	213.6	210.5	216.1	211.6	215.5	214.4	211.7	210.9	219.7	211.6	210.9	225.6
Other assets	18	116.6	126.0	106.8	101.3	101.6	109.9	109.5	113.8	105.8	116.6	101.6	105.8	104.6
Total assets	19	**7,891.4**	**7,251.6**	**6,941.1**	**6,547.9**	**6,620.3**	**6,432.8**	**6,176.1**	**5,818.6**	**5,956.5**	**7,891.4**	**6,620.3**	**5,956.5**	**5,710.4**
Unearned premiums	20	1,599.2	1,564.0	1,498.6	1,374.9	1,433.1	1,394.6	1,329.2	1,245.0	1,294.5	1,599.2	1,433.1	1,294.5	1,268.5
Claim liabilities	21	3,336.1	3,246.5	3,124.8	3,023.3	3,026.3	3,024.1	2,942.6	2,842.0	2,808.2	3,336.1	3,026.3	2,808.2	2,670.6
Accounts payable and other liabilities	22	393.4	363.8	322.1	257.3	324.2	288.4	258.9	204.2	240.6	393.4	324.2	240.6	204.0
Income taxes payable	23	55.6	47.5	34.6	13.2	18.7	3.0	2.8	2.3	2.2	55.6	18.7	2.2	-
Demutualization amounts outstanding	24	110.8	-	-	-	-	-	-	-	-	110.8	-	-	-
Total liabilities	25	**5,495.1**	**5,221.8**	**4,980.1**	**4,668.7**	**4,802.3**	**4,710.1**	**4,533.5**	**4,293.5**	**4,345.5**	**5,495.1**	**4,802.3**	**4,345.5**	**4,143.1**
Share capital	26	2,307.8	-	-	-	-	-	-	-	-	2,307.8	-	-	-
Contributed surplus	27	19.3	-	-	-	-	-	-	-	-	19.3	-	-	-
Retained (deficit) earnings	28	(28.8)	1,949.1	1,882.2	1,838.3	1,755.9	1,695.8	1,650.2	1,605.4	1,608.6	(28.8)	1,755.9	1,608.6	1,588.3
Accumulated other comprehensive income (loss) (AOCI)	29	98.0	80.7	78.8	40.9	62.1	26.9	(7.6)	(80.3)	2.4	98.0	62.1	2.4	(21.0)
Total equity	30	**2,396.3**	**2,029.8**	**1,961.0**	**1,879.2**	**1,818.0**	**1,722.7**	**1,642.6**	**1,525.1**	**1,611.0**	**2,396.3**	**1,818.0**	**1,611.0**	**1,567.3**
Total liabilities and equity	31	**7,891.4**	**7,251.6**	**6,941.1**	**6,547.9**	**6,620.3**	**6,432.8**	**6,176.1**	**5,818.6**	**5,956.5**	**7,891.4**	**6,620.3**	**5,956.5**	**5,710.4**

CAPITAL AND LIQUIDITY RESOURCES

(in millions of Canadian dollars, except as otherwise noted - unaudited)

		2021				2020				2019	2021	2020	2019	2018
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Annual	Annual	Annual	Annual
Capital management														
Capital available[1]	1	1,789.1	1,711.4	1,652.6	1,555.3	1,477.8	1,356.3	1,250.7	1,094.4	1,217.3	1,789.1	1,477.8	1,217.3	1,146.4
Capital required[1]	2	651.6	629.1	607.9	566.5	550.8	535.6	516.6	489.9	509.2	651.6	550.8	509.2	504.9
Minimum capital test (MCT) ratio[1]	3	275%	272%	272%	275%	268%	253%	242%	223%	239%	275%	268%	239%	227%
Excess capital at 200% for Definity Insurance Company	4	485.9	453.2	436.8	422.3	376.3	285.1	217.5	114.5	198.8	485.9	376.3	198.8	136.5
Additional capital at Definity Financial Corporation	5	273.4	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	273.4	n/a	n/a	n/a
Total excess capital	6	**759.3**	**453.2**	**436.8**	**422.3**	**376.3**	**285.1**	**217.5**	**114.5**	**198.8**	**759.3**	**376.3**	**198.8**	**136.5**
Leverage capacity[2]	7	298.5	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	298.5	n/a	n/a	n/a
Financial capacity	8	**1,057.8**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**1,057.8**	**n/a**	**n/a**	**n/a**
Liquidity														
Cash provided by (used in) operating activities	9	**176.7**	**256.2**	**206.8**	**15.5**	**158.3**	**186.0**	**166.5**	**(20.4)**	**36.6**	**655.2**	**490.2**	**138.5**	**44.6**
Investments purchased, net of investments sold	10	(399.3)	(152.7)	(177.0)	(279.1)	111.1	(101.2)	(66.0)	9.1	(64.5)	(1,008.1)	(47.0)	(204.5)	(38.9)
Commercial loans collected, net of commercial loans advanced	11	10.3	1.0	1.0	1.0	1.4	7.0	(3.8)	10.6	3.9	13.3	15.2	48.7	(5.3)
Other assets purchased	12	(6.3)	(22.0)	(5.3)	(15.8)	(11.8)	(12.1)	(12.7)	(6.4)	(5.4)	(49.4)	(42.8)	(23.3)	(49.5)
Business dispositions	13	-	-	-	-	-	-	-	-	-	-	-	-	18.0
Cash (used in) provided by investing activities	14	**(395.3)**	**(173.7)**	**(181.3)**	**(293.9)**	**100.7**	**(106.3)**	**(82.5)**	**13.3**	**(66.0)**	**(1,044.2)**	**(74.6)**	**(179.1)**	**(75.7)**
Net proceeds from the issuance of common shares	15	2,285.7	-	-	-	-	-	-	-	-	2,285.7	-	-	-
Distribution of demutualization benefits	16	(1,908.9)	-	-	-	-	-	-	-	-	(1,908.9)	-	-	-
Cash provided by financing activities	17	**376.8**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**376.8**	**-**	**-**	**-**
Net increase (decrease) in cash and cash equivalents, and restricted cash	18	**158.2**	**82.5**	**25.5**	**(278.4)**	**259.0**	**79.7**	**84.0**	**(7.1)**	**(29.4)**	**(12.2)**	**415.6**	**(40.6)**	**(31.1)**
Balance, beginning of the period	19	339.9	257.4	231.9	510.3	251.3	171.6	87.6	94.7	124.1	510.3	94.7	135.3	166.4
Balance, end of the period	20	498.1	339.9	257.4	231.9	510.3	251.3	171.6	87.6	94.7	498.1	510.3	94.7	135.3

[1] Consolidated Definity Insurance Company.

[2] Leverage capacity is monitored prospectively from the date of the IPO. Of this amount, approximately $117.9 million of the 2% debt limit under the ICA was utilized as at December 31, 2021.

SHAREHOLDER INFORMATION

(in millions of Canadian dollars, except as otherwise noted - unaudited)

		2021 Q4	2021 Annual
Number of shares outstanding (in 000's)			
Common shares			
End of period	1	115,893	115,893
Weighted average common shares outstanding (Basic)	2	109,028	105,249
Weighted average common shares outstanding (Diluted)	3	109,647	105,405
Common share performance			
Common share price (in $)			
High	4	30.27	30.27
Low	5	26.00	26.00
Close	6	29.53	29.53
Market capitalization ($ millions)	7	3,422	3,422
Rating information			
Issuer ratings[1]			
DBRS	8	BBB	BBB
Financial strength ratings (FSR)[2]			
AM Best	9	A- (Excellent)	A- (Excellent)
DBRS	10	A (low)	A (low)

[1] Definity Financial Corporation.

[2] Definity Insurance Company.

NON-GAAP FINANCIAL MEASURES AND NON-GAAP RATIOS

(in millions of Canadian dollars, except as otherwise noted - unaudited)

		2021				2020				2019	2021	2020	2019	2018
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Annual	Annual	Annual	Annual
ROE														
Net income (loss)	1	**33.7**	**53.3**	**43.9**	**82.4**	**66.7**	**45.6**	**44.8**	**(3.2)**	**6.8**	**213.2**	**153.9**	**17.4**	**(73.0)**
Net income (loss) - last 12 months	2	**213.2**	**246.3**	**238.5**	**239.5**	**153.9**	**94.0**	**40.9**	**18.0**	**17.4**	**213.2**	**153.9**	**17.4**	**(73.0)**
Average adjusted total equity	3	1,993.3	1,876.2	1,801.8	1,702.2	1,714.5	1,661.5	1,626.5	1,563.0	1,589.2	1,993.3	1,714.5	1,589.2	1,648.9
ROE for the last 12 months	4	**10.7%**	**13.1%**	**13.2%**	**14.1%**	**9.0%**	**5.7%**	**2.5%**	**1.1%**	**1.1%**	**10.7%**	**9.0%**	**1.1%**	**(4.4%)**
Operating net income, Operating EPS, and Operating ROE														
Net income (loss)	5	**33.7**	**53.3**	**43.9**	**82.4**	**66.7**	**45.6**	**44.8**	**(3.2)**	**6.8**	**213.2**	**153.9**	**17.4**	**(73.0)**
Remove: income tax (expense) recovery	6	(11.4)	(16.2)	(12.8)	(27.5)	(22.1)	(12.5)	(15.1)	3.0	(1.2)	(68.0)	(46.7)	(3.8)	44.5
Remove: non-operating gains (losses)														
Recognized (losses) gains on investments														
Realized gains on sale of AFS investments	7	3.3	2.2	1.1	43.0	4.5	2.1	0.4	5.6	7.2	49.7	12.6	39.5	74.6
Net (losses) gains on FVTPL investments	8	(12.0)	(9.3)	3.9	(52.5)	1.5	7.5	54.8	21.1	(16.0)	(70.0)	84.8	29.1	-
Impairment losses on AFS investments	9	(0.5)	-	-	-	(2.0)	(1.9)	(0.2)	(13.6)	-	(0.5)	(17.6)	(0.3)	(15.7)
Impact of discounting	10	9.4	1.9	(10.1)	43.4	(10.1)	(13.7)	(55.9)	(34.3)	13.2	44.7	(114.0)	(29.0)	4.3
Demutualization and IPO-related expenses	11	(16.7)	(4.7)	(5.2)	(3.5)	(1.6)	(0.5)	(0.8)	(0.9)	(1.1)	(30.1)	(3.8)	(4.8)	(9.7)
Amortization of intangible assets recognized in business combinations	12	(0.6)	(0.8)	(1.1)	(1.0)	(1.2)	(1.1)	(1.1)	(1.1)	(1.1)	(3.5)	(4.5)	(4.4)	(4.3)
Gain on sale of investments in associates	13	-	-	-	-	-	-	-	-	-	-	-	-	5.5
Restructuring recovery (expenses)	14	-	-	-	-	-	-	-	-	0.8	-	-	0.8	(17.3)
Other	15	(0.2)	0.6	(0.4)	0.2	(0.2)	(0.2)	(0.2)	1.5	(0.1)	-	1.0	0.2	0.2
Non-operating (losses) gains	16	(17.3)	(10.1)	(11.8)	29.6	(9.1)	(7.8)	(3.0)	(21.7)	2.9	(9.7)	(41.5)	31.1	37.6
Operating income (loss)	17	**62.4**	**79.6**	**68.5**	**80.3**	**97.9**	**65.9**	**62.9**	**15.5**	**5.1**	**290.9**	**242.1**	**(9.9)**	**(155.1)**
Operating income tax (expense) recovery	18	(15.9)	(18.9)	(15.9)	(19.7)	(24.5)	(14.6)	(15.9)	(2.8)	(0.4)	(70.5)	(57.7)	4.5	54.6
Operating net income (loss)	19	**46.5**	**60.7**	**52.6**	**60.6**	**73.4**	**51.3**	**47.0**	**12.7**	**4.7**	**220.4**	**184.4**	**(5.4)**	**(100.5)**
Weighted average common shares outstanding, diluted (in millions)	20	109.6	104.0	104.0	104.0	104.0	104.0	104.0	104.0	104.0	105.4	104.0	104.0	104.0
Operating EPS, basic and diluted (in $)	21	**0.42**	**0.58**	**0.51**	**0.58**	**0.71**	**0.49**	**0.45**	**0.12**	**0.04**	**2.09**	**1.77**	**(0.05)**	**(0.97)**
Operating net income (loss) - last 12 months	22	**220.4**	**247.4**	**237.9**	**232.3**	**184.4**	**115.6**	**55.0**	**19.1**	**(5.4)**	**220.4**	**184.4**	**(5.4)**	**(100.5)**
Average adjusted total equity, excluding AOCI	23	1,913.3	1,822.4	1,766.2	1,721.9	1,682.3	1,647.3	1,628.4	1,595.0	1,598.5	1,913.3	1,682.3	1,598.5	1,616.6
Operating ROE for the last 12 months	24	**11.5%**	**13.6%**	**13.5%**	**13.5%**	**11.0%**	**7.0%**	**3.4%**	**1.2%**	**(0.3%)**	**11.5%**	**11.0%**	**(0.3%)**	**(6.2%)**
Underwriting expenses (net of other underwriting revenues)														
Net claims and underwriting expenses	25	**706.7**	**672.1**	**658.0**	**610.4**	**594.8**	**607.7**	**572.8**	**604.5**	**608.2**	**2,647.3**	**2,379.8**	**2,471.6**	**2,525.6**
Remove: net claims and adjustment expenses	26	470.2	439.0	422.5	389.8	379.9	398.3	377.0	407.0	418.2	1,721.5	1,562.3	1,713.9	1,694.7
Remove: other underwriting revenues	27	2.0	2.1	2.0	2.1	2.0	1.8	2.0	1.7	1.8	8.2	7.5	10.1	15.4
Underwriting expenses (net of other underwriting revenues)	28	**234.5**	**231.0**	**233.5**	**218.5**	**212.9**	**207.6**	**193.8**	**195.8**	**188.2**	**917.6**	**810.0**	**747.6**	**815.5**
Operating expenses (net of other underwriting revenues)														
Operating expenses	29	**107.4**	**96.4**	**98.5**	**90.1**	**92.1**	**84.7**	**82.4**	**85.8**	**81.4**	**392.4**	**344.8**	**310.2**	**369.2**
Remove: other underwriting revenues	30	2.0	2.1	2.0	2.1	2.0	1.8	2.0	1.7	1.8	8.2	7.5	10.1	15.4
Operating expenses (net of other underwriting revenues)	31	**105.4**	**94.3**	**96.5**	**88.0**	**90.1**	**82.9**	**80.4**	**84.1**	**79.6**	**384.2**	**337.3**	**300.1**	**353.8**

ADDITIONAL INFORMATION

(in millions of Canadian dollars, except as otherwise noted - unaudited)

Claims development table, net of reinsurance

		Accident year										
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Estimate of ultimate claims												
1 year later	1	1,005.6	1,211.9	1,241.1	1,248.0	1,445.0	1,586.3	1,672.1	1,681.0	1,507.4		
2 years later	2	1,003.5	1,211.5	1,238.1	1,278.9	1,448.9	1,581.3	1,664.9	1,669.7			
3 years later	3	1,003.4	1,225.1	1,245.2	1,277.0	1,446.7	1,549.3	1,658.4				
4 years later	4	1,010.5	1,234.6	1,252.7	1,273.6	1,430.1	1,564.4					
5 years later	5	1,014.6	1,232.9	1,252.9	1,281.1	1,426.1						
6 years later	6	1,015.0	1,228.7	1,264.8	1,289.0							
7 years later	7	1,016.3	1,233.0	1,262.4								
8 years later	8	1,021.4	1,230.8									
9 years later	9	1,022.5										
Adverse (favourable) development recognized in the year, undiscounted	10	**1.1**	**(2.2)**	**(2.4)**	**7.9**	**(4.0)**	**15.1**	**(6.5)**	**(11.3)**	**(43.2)**		**(45.5)**
Favourable development recognized from 2011 and prior accident years	11											(22.4)
Favourable development recognized from FA and RSP/PRR ceded and assumed in the year	12											(8.1)
Total favourable development recognized in the year	13											**(76.0)**

Unpaid and unreported claims, net of reinsurance

		Accident year										
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Current estimate of ultimate claims	14	1,022.5	1,230.8	1,262.4	1,289.0	1,426.1	1,564.4	1,658.4	1,669.7	1,507.4	1,758.0	14,388.7
Cumulative claims paid	15	997.0	1,193.5	1,191.3	1,196.8	1,275.6	1,318.3	1,313.3	1,255.0	982.9	755.6	11,479.3
Current unpaid and unreported claims before discounting	16	**25.5**	**37.3**	**71.1**	**92.2**	**150.5**	**246.1**	**345.1**	**414.7**	**524.5**	**1,002.4**	**2,909.4**
Current unpaid and unreported claims before discounting pertaining to 2011 and prior accident years	17											83.9
Impact of discounting (including PfAD)	18											158.3
FA and RSP/PRR ceded and assumed, unpaid and unreported	19											50.5
Unpaid and unreported claims, net of reinsurance	20											**3,202.1**

SUPPLEMENTARY FINANCIAL MEASURES AND NON-GAAP FINANCIAL MEASURES AND RATIOS

We measure and evaluate performance of our business using a number of financial measures. Among these measures are the "supplementary financial measures", "non-GAAP financial measures", and "non-GAAP ratios" (as such terms are defined under Canadian Securities Administrators' National Instrument 52-112 – Non-GAAP and Other Financial Measures Disclosure), and in each case are not standardized financial measures under GAAP. The supplementary financial measures, non-GAAP financial measures, and non-GAAP ratios in this supplementary information may not be comparable to similar measures presented by other companies. These measures should not be considered in isolation or as a substitute for analysis of our financial information reported under GAAP. These measures are used by financial analysts and others in the P&C insurance industry and facilitate management's comparisons to our historical operating results in assessing our results and strategic and operational decision-making. For more information about these supplementary financial measures, non-GAAP financial measures, and non-GAAP ratios, including (where applicable) definitions and explanations of how these measures provide useful information, refer to Section 12 – Supplementary financial measures and non-GAAP financial measures and ratios in the Q4-2021 Management's Discussion and Analysis dated February 10, 2022, which is available on our website at www.definityfinancial.com and on SEDAR at www.sedar.com.

GLOSSARY

Terms		Definitions
Book value per share[1]	*1*	The Company's total equity divided by the total common shares outstanding as at the balance sheet date.
Catastrophe losses[1]	*2*	An event causing gross losses in excess of $2 million, and generally greater than 100 claims, or a single claim with a gross loss in excess of $3 million.
Claims development	*3*	The difference between prior year-end estimates of ultimate undiscounted claim costs and the current estimates for the same block of claims. A favourable development represents a reduction in the estimated ultimate claim costs during the period for that block of claims.
Claims ratio[1]	*4*	Net claims and adjustment expenses during a defined period expressed as a percentage of net earned premiums for the same period.
Combined ratio[1]	*5*	The total of our net claims and adjustment expenses and underwriting expenses (net of other underwriting revenues) during a defined period expressed as a percentage of net earned premiums for the same period.
Core accident year claims ratio[1]	*6*	Net claims and adjustment expenses less catastrophe losses and prior year claims development during a defined period expressed as a percentage of net earned premiums for the same period.
Discounting	*7*	To reflect the time value of money, the expected future payments of claim liabilities are discounted back to present value using the market yield rate of the investments used to support those liabilities. Provisions for adverse deviation are also included when determining the discounted value.
Expense ratio[1]	*8*	The total of our net commissions, operating expenses (net of other underwriting revenues), and premium taxes during a defined period, expressed as a percentage of net earned premiums for the same period.
Financial capacity[1]	*9*	The sum of excess capital at 200% and leverage capacity.
Gross written premiums (GWP)	*10*	The total premiums from the sale of insurance during a specific period.
Leverage capacity[1]	*11*	The amount of financial leverage that can be assumed, comprised of the Company's current debt limit as an ICA (2% of total assets) and a target capitalization level of 5% in preferred shares and hybrids.
Minimum capital test (MCT)	*12*	A regulatory formula defined by the Office of the Superintendent of Financial Institutions, that is a risk-based test of capital available relative to capital required.
Net earned premiums (NEP)	*13*	The portion of NWP equal to the expired period of time an insurance policy is in effect in the current period presented.
Net written premiums (NWP)	*14*	GWP less the cost of reinsurance coverage.
Non-operating gains (losses)[1]	*15*	Recognized gains (losses) on investments, impact of discounting, demutualization and IPO-related expenses, amortization of intangible assets recognized in business combinations, transaction costs in business combinations, restructuring costs, and other expenses or revenues that in the view of management are not part of our insurance operations.
Operating earnings per share[1]	*16*	Operating net income for the 12 months ended at a specified date divided by the Company's weighted average diluted common shares outstanding during the period.
Operating net income[1]	*17*	Net income less (or plus) non-operating gains (losses) net of applicable income taxes.
Operating return on equity (Operating ROE)[1]	*18*	Operating net income for the 12 months ended at a specified date divided by the average of total equity, excluding accumulated OCI, adjusted for significant capital transactions if applicable, over the same 12-month period.
Policies in force (PIF)	*19*	The number of insurance policies that are in effect at a specified date.
Provision for adverse deviation (PfAD)	*20*	An amount that is added to claim liabilities to reduce the uncertainty of potential adverse effects that are inherent in the assumptions and data used to estimate such liabilities.
Return on equity (ROE)[1]	*21*	Net income (loss) for the 12 months ended at a specific date divided by the average total equity, adjusted for significant capital transactions if applicable, over the same 12-month period.
Underwriting income (loss)	*22*	Net earned premiums for a defined period less the sum of net claims and adjustment expenses, net commissions, operating expenses (net of other underwriting revenues), and premium taxes during the same period.
Underwriting expenses (net of other underwriting revenues) / Operating expenses (net of other underwriting revenues)[1]	*23*	Underwriting expenses consist of net commissions, operating expenses (net of other underwriting revenues), and premium taxes. When calculating our combined ratio and expense ratio, we deduct other underwriting revenues (which consist of various customer service fees).

[1] This is a supplementary financial measure, non-GAAP financial measure, or a non-GAAP ratio.