

definity.



# Q2-2022 Supplementary Information

Unaudited

Definity Financial Corporation (TSX : DFY)



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## FINANCIAL HIGHLIGHTS

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

		2022		2021				2020			2022	2021	2021	2020	2019	2018
		Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	YTD	YTD	Annual	Annual	Annual	Annual
<b>Financial results</b>																
<b>Gross written premiums</b>	1	984.7	742.5	846.6	851.5	874.6	658.7	755.9	753.9	728.7	1,727.2	1,533.3	3,231.4	2,814.7	2,511.0	2,456.3
Change YOY	2	12.6%	12.7%	12.0%	12.9%	20.0%	14.3%	13.3%	11.7%	10.5%	12.6%	17.5%	14.8%	12.1%	2.2%	7.4%
<b>Net written premiums</b>	3	929.3	747.7	777.1	788.7	815.0	610.5	702.6	708.3	688.3	1,677.0	1,425.5	2,991.3	2,639.8	2,331.0	2,380.7
Change YOY	4	14.0%	22.5%	10.6%	11.4%	18.4%	13.0%	12.4%	11.2%	20.1%	17.6%	16.0%	13.3%	13.2%	(2.1%)	7.3%
<b>Net earned premiums</b>	5	799.6	768.4	745.0	725.1	697.2	666.3	665.5	645.0	607.7	1,568.0	1,363.5	2,833.6	2,508.7	2,343.2	2,244.6
Change YOY	6	14.7%	15.3%	11.9%	12.4%	14.7%	12.8%	13.7%	8.6%	6.7%	15.0%	13.8%	13.0%	7.1%	4.4%	3.6%
Net claims and adjustment expenses	7	501.1	455.8	470.2	439.0	422.5	389.8	379.9	398.3	377.0	956.9	812.3	1,721.5	1,562.3	1,713.9	1,694.7
Underwriting expenses (net of other underwriting revenues)	8	264.5	252.4	234.5	231.0	233.5	218.5	212.9	207.6	193.8	516.9	452.0	917.6	810.0	747.6	815.5
<b>Underwriting income (loss)</b>	9	34.0	60.2	40.3	55.1	41.2	58.0	72.7	39.1	36.9	94.2	99.2	194.5	136.4	(118.3)	(265.6)
Impact of discounting	10	61.3	83.0	9.4	1.9	(10.1)	43.4	(10.1)	(13.7)	(55.9)	144.3	33.3	44.7	(114.0)	(29.0)	4.3
<b>Underwriting income (loss) after the impact of discounting</b>	11	95.3	143.2	49.7	57.0	31.1	101.4	62.6	25.4	(19.0)	238.5	132.5	239.2	22.4	(147.3)	(261.3)
Net investment income	12	31.8	25.8	25.1	24.6	24.2	22.9	23.7	25.0	25.1	57.6	47.1	96.8	100.3	105.4	102.6
Recognized (losses) gains on investments	13	(97.5)	(102.3)	(9.2)	(7.1)	5.0	(9.5)	4.0	7.7	55.0	(199.8)	(4.4)	(20.8)	79.8	68.3	58.9
Other (expenses) income	14	(4.8)	(3.9)	(20.5)	(5.0)	(3.6)	(4.9)	(1.5)	-	(1.2)	(8.7)	(8.6)	(34.0)	(1.9)	(6.0)	(0.4)
Restructuring recovery (expense)	15	-	-	-	-	-	-	-	-	-	-	-	-	-	0.8	(17.3)
<b>Income (loss) before income taxes</b>	16	24.8	62.8	45.1	69.5	56.7	109.9	88.8	58.1	59.9	87.6	166.6	281.2	200.6	21.2	(117.5)
Income tax (expense) recovery	17	(3.8)	(14.5)	(11.4)	(16.2)	(12.8)	(27.5)	(22.1)	(12.5)	(15.1)	(18.3)	(40.3)	(68.0)	(46.7)	(3.8)	44.5
Effective tax rate	18	15.5%	23.1%	25.3%	23.3%	22.6%	25.1%	24.8%	21.6%	25.2%	20.9%	24.2%	24.2%	23.3%	18.0%	37.9%
<b>Net income (loss)</b>	19	21.0	48.3	33.7	53.3	43.9	82.4	66.7	45.6	44.8	69.3	126.3	213.2	153.9	17.4	(73.0)
Non-operating (losses) gains	20	(37.8)	(22.1)	(17.3)	(10.1)	(11.8)	29.6	(9.1)	(7.8)	(3.0)	(59.9)	17.7	(9.7)	(41.5)	31.1	37.6
Operating income (loss)	21	62.6	84.9	62.4	79.6	68.5	80.3	97.9	65.9	62.9	147.5	148.9	290.9	242.1	(9.9)	(155.1)
<b>Operating net income (loss)</b>	22	48.8	64.6	46.5	60.7	52.6	60.6	73.4	51.3	47.0	113.4	113.2	220.4	184.4	(5.4)	(100.5)
<b>Underwriting ratios</b>																
Claims ratio	23	62.7%	59.3%	63.1%	60.5%	60.6%	58.5%	57.1%	61.8%	62.0%	61.0%	59.6%	60.8%	62.3%	73.1%	75.5%
Expense ratio	24	33.1%	32.9%	31.5%	31.9%	33.5%	32.8%	32.0%	32.1%	31.9%	33.0%	33.1%	32.3%	32.3%	31.9%	36.3%
<b>Combined ratio</b>	25	95.8%	92.2%	94.6%	92.4%	94.1%	91.3%	89.1%	93.9%	93.9%	94.0%	92.7%	93.1%	94.6%	105.0%	111.8%
<b>Return on equity (for the last 12 months)</b>																
ROE	26	7.6%	8.8%	10.7%	13.1%	13.2%	14.1%	9.0%	5.7%	2.5%	7.6%	13.2%	10.7%	9.0%	1.1%	(4.4%)
Operating ROE	27	10.7%	11.2%	11.5%	13.6%	13.5%	13.5%	11.0%	7.0%	3.4%	10.7%	13.5%	11.5%	11.0%	(0.3%)	(6.2%)
<b>Financial position</b>																
Total investments	28	4,915.5	5,142.9	5,365.8	4,969.8	4,828.6	4,601.0	4,366.3	4,430.9	4,285.7	4,915.5	4,828.6	5,365.8	4,366.3	4,191.0	3,940.7
Total assets	29	7,770.5	7,519.0	7,891.4	7,251.6	6,941.1	6,547.9	6,620.3	6,432.8	6,176.1	7,770.5	6,941.1	7,891.4	6,620.3	5,956.5	5,710.4
Total equity	30	2,244.7	2,359.7	2,396.3	2,029.8	1,961.0	1,879.2	1,818.0	1,722.7	1,642.6	2,244.7	1,961.0	2,396.3	1,818.0	1,611.0	1,567.3
Minimum capital test (MCT) ratio <sup>1</sup>	31	206%	215%	275%	272%	272%	275%	268%	253%	242%	206%	272%	275%	268%	239%	227%
Financial capacity	32	909.5	1,020.9	1,057.8	n/a	n/a	n/a	n/a	n/a	n/a	909.5	n/a	1,057.8	n/a	n/a	n/a
<b>Per share (in \$) and share data (in 000's)</b>																
Earnings (loss) per common share, basic	33	\$ 0.18	\$ 0.42	\$ 0.31	\$ 0.51	\$ 0.42	\$ 0.79	\$ 0.64	\$ 0.44	\$ 0.43	\$ 0.60	\$ 1.21	\$ 2.03	\$ 1.48	\$ 0.17	\$ (0.70)
Earnings (loss) per common share, diluted	34	\$ 0.18	\$ 0.41	\$ 0.31	\$ 0.51	\$ 0.42	\$ 0.79	\$ 0.64	\$ 0.44	\$ 0.43	\$ 0.59	\$ 1.21	\$ 2.02	\$ 1.48	\$ 0.17	\$ (0.70)
Operating earnings (loss) per share	35	\$ 0.42	\$ 0.55	\$ 0.42	\$ 0.58	\$ 0.51	\$ 0.58	\$ 0.71	\$ 0.49	\$ 0.45	\$ 0.97	\$ 1.09	\$ 2.09	\$ 1.77	\$ (0.05)	\$ (0.97)
Book value per share	36	\$ 19.51	\$ 20.41	\$ 20.68	\$ 19.52	\$ 18.86	\$ 18.07	\$ 17.48	\$ 16.57	\$ 15.80	\$ 19.51	\$ 18.86	\$ 20.68	\$ 17.48	\$ 15.49	\$ 15.07
Dividends paid per share	37	\$ 0.125	\$ 0.175	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 0.300	n/a	n/a	n/a	n/a	n/a
Weighted average common shares outstanding, diluted	38	117,241	117,523	109,647	103,976	103,976	103,976	103,976	103,976	103,976	117,356	103,976	105,405	103,976	103,976	103,976

<sup>1</sup> Consolidated Definity Insurance Company.

## CONSOLIDATED RESULTS OF OPERATIONS

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

### Comprehensive income (loss)

	2022		2021			2020			2022	2021	2021	2020	2019	2018	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	YTD	YTD	Annual	Annual	Annual	
<b>Net income (loss)</b>	<b>21.0</b>	<b>48.3</b>	<b>33.7</b>	<b>53.3</b>	<b>43.9</b>	<b>82.4</b>	<b>66.7</b>	<b>45.6</b>	<b>44.8</b>	<b>69.3</b>	<b>126.3</b>	<b>213.2</b>	<b>153.9</b>	<b>17.4</b>	<b>(73.0)</b>
Net unrealized (losses) gains on AFS investments	(186.9)	(110.4)	24.8	3.9	53.3	14.6	51.9	48.6	99.4	(297.3)	67.9	96.6	76.8	73.7	(90.3)
Reclassification to net income (loss) of net recognized losses (gains) on AFS investments	35.3	10.5	(2.8)	(2.2)	(1.1)	(43.0)	(2.5)	(0.2)	(0.2)	45.8	(44.2)	(49.2)	5.0	(39.2)	(58.9)
Foreign exchange (loss) gain on investments in associates	0.9	(0.4)	(0.1)	0.6	(0.4)	(0.5)	(1.2)	(0.6)	(1.0)	0.5	(0.8)	(0.3)	(0.5)	(1.5)	2.4
Income tax recovery (expense)	39.4	26.6	(4.6)	(0.4)	(13.9)	7.7	(13.0)	(13.3)	(25.5)	66.0	(6.2)	(11.2)	(21.6)	(9.6)	40.2
<b>Items that may be reclassified subsequently to net income (loss)</b>	<b>(111.3)</b>	<b>(73.7)</b>	<b>17.3</b>	<b>1.9</b>	<b>37.9</b>	<b>(21.2)</b>	<b>35.2</b>	<b>34.5</b>	<b>72.7</b>	<b>(185.0)</b>	<b>16.7</b>	<b>35.9</b>	<b>59.7</b>	<b>23.4</b>	<b>(106.6)</b>
Post-employment benefit obligation gain (loss)	6.6	17.5	10.9	18.4	-	-	(8.8)	-	-	24.1	-	29.3	(8.8)	4.2	22.6
Income tax (expense) recovery	(1.7)	(4.6)	(2.9)	(4.8)	-	-	2.2	-	-	(6.3)	-	(7.6)	2.2	(1.3)	(6.1)
<b>Items that may not be reclassified subsequently to net income (loss)</b>	<b>4.9</b>	<b>12.9</b>	<b>8.0</b>	<b>13.6</b>	<b>-</b>	<b>-</b>	<b>(6.6)</b>	<b>-</b>	<b>-</b>	<b>17.8</b>	<b>-</b>	<b>21.7</b>	<b>(6.6)</b>	<b>2.9</b>	<b>16.5</b>
<b>Other comprehensive (loss) income</b>	<b>(106.4)</b>	<b>(60.8)</b>	<b>25.3</b>	<b>15.5</b>	<b>37.9</b>	<b>(21.2)</b>	<b>28.6</b>	<b>34.5</b>	<b>72.7</b>	<b>(167.2)</b>	<b>16.7</b>	<b>57.6</b>	<b>53.1</b>	<b>26.3</b>	<b>(90.1)</b>
<b>Comprehensive (loss) income</b>	<b>(85.4)</b>	<b>(12.5)</b>	<b>59.0</b>	<b>68.8</b>	<b>81.8</b>	<b>61.2</b>	<b>95.3</b>	<b>80.1</b>	<b>117.5</b>	<b>(97.9)</b>	<b>143.0</b>	<b>270.8</b>	<b>207.0</b>	<b>43.7</b>	<b>(163.1)</b>

### Net investment income

<b>Total interest income</b>	<b>24.8</b>	<b>19.7</b>	<b>18.5</b>	<b>18.0</b>	<b>17.6</b>	<b>17.4</b>	<b>17.7</b>	<b>18.4</b>	<b>19.0</b>	<b>44.5</b>	<b>35.0</b>	<b>71.5</b>	<b>75.3</b>	<b>82.5</b>	<b>71.8</b>
Preferred shares	4.3	4.3	4.6	4.5	4.6	4.5	4.6	4.7	4.7	8.6	9.1	18.2	18.6	17.1	16.5
Common shares	3.9	3.4	3.9	3.2	3.0	2.4	2.8	2.6	2.5	7.3	5.4	12.5	10.5	9.9	18.9
<b>Total dividend income</b>	<b>8.2</b>	<b>7.7</b>	<b>8.5</b>	<b>7.7</b>	<b>7.6</b>	<b>6.9</b>	<b>7.4</b>	<b>7.3</b>	<b>7.2</b>	<b>15.9</b>	<b>14.5</b>	<b>30.7</b>	<b>29.1</b>	<b>27.0</b>	<b>35.4</b>
<b>Investment income, before expenses</b>	<b>33.0</b>	<b>27.4</b>	<b>27.0</b>	<b>25.7</b>	<b>25.2</b>	<b>24.3</b>	<b>25.1</b>	<b>25.7</b>	<b>26.2</b>	<b>60.4</b>	<b>49.5</b>	<b>102.2</b>	<b>104.4</b>	<b>109.5</b>	<b>107.2</b>
Investment expenses	(1.2)	(1.6)	(1.9)	(1.1)	(1.0)	(1.4)	(1.4)	(0.7)	(1.1)	(2.8)	(2.4)	(5.4)	(4.1)	(4.1)	(4.6)
<b>Net investment income</b>	<b>31.8</b>	<b>25.8</b>	<b>25.1</b>	<b>24.6</b>	<b>24.2</b>	<b>22.9</b>	<b>23.7</b>	<b>25.0</b>	<b>25.1</b>	<b>57.6</b>	<b>47.1</b>	<b>96.8</b>	<b>100.3</b>	<b>105.4</b>	<b>102.6</b>

### Recognized gains (losses) on investments

Realized (losses) gains on AFS investments	(16.0)	(10.5)	3.3	2.2	1.1	43.0	4.5	2.1	0.4	(26.5)	44.2	49.7	12.6	39.5	74.6
Realized (losses) gains on FVTPL investments	(17.5)	(3.8)	(2.5)	0.9	(0.8)	(2.9)	(1.0)	(0.7)	(0.2)	(21.3)	(3.7)	(5.3)	0.2	12.6	(22.4)
Unrealized (losses) gains on FVTPL investments	(44.7)	(88.0)	(9.5)	(10.2)	4.7	(49.6)	2.5	8.2	55.0	(132.7)	(44.9)	(64.7)	84.6	16.5	22.4
Impairment losses on AFS investments	(19.3)	-	(0.5)	-	-	-	(2.0)	(1.9)	(0.2)	(19.3)	-	(0.5)	(17.6)	(0.3)	(15.7)
<b>Total recognized (losses) gains on investments</b>	<b>(97.5)</b>	<b>(102.3)</b>	<b>(9.2)</b>	<b>(7.1)</b>	<b>5.0</b>	<b>(9.5)</b>	<b>4.0</b>	<b>7.7</b>	<b>55.0</b>	<b>(199.8)</b>	<b>(4.4)</b>	<b>(20.8)</b>	<b>79.8</b>	<b>68.3</b>	<b>58.9</b>

### Non-operating gains (losses)

Recognized (losses) gains on investments															
Realized (losses) gains on sale of AFS investments	(16.0)	(10.5)	3.3	2.2	1.1	43.0	4.5	2.1	0.4	(26.5)	44.2	49.7	12.6	39.5	74.6
Net (losses) gains on FVTPL investments	(62.2)	(91.8)	(12.0)	(9.3)	3.9	(52.5)	1.5	7.5	54.8	(154.0)	(48.6)	(70.0)	84.8	29.1	-
Impairment losses on AFS investments	(19.3)	-	(0.5)	-	-	-	(2.0)	(1.9)	(0.2)	(19.3)	-	(0.5)	(17.6)	(0.3)	(15.7)
Impact of discounting	61.3	83.0	9.4	1.9	(10.1)	43.4	(10.1)	(13.7)	(55.9)	144.3	33.3	44.7	(114.0)	(29.0)	4.3
Demutualization and IPO-related expenses	(0.4)	(1.9)	(16.7)	(4.7)	(5.2)	(3.5)	(1.6)	(0.5)	(0.8)	(2.3)	(8.7)	(30.1)	(3.8)	(4.8)	(9.7)
Amortization of intangible assets recognized in business combinations	(0.7)	(0.6)	(0.6)	(0.8)	(1.1)	(1.0)	(1.2)	(1.1)	(1.1)	(1.3)	(2.1)	(3.5)	(4.5)	(4.4)	(4.3)
Gain on sale of investments in associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.5
Restructuring recovery (expenses)	-	-	-	-	-	-	-	-	-	-	-	-	-	0.8	(17.3)
Other	(0.5)	(0.3)	(0.2)	0.6	(0.4)	0.2	(0.2)	(0.2)	(0.2)	(0.8)	(0.4)	-	1.0	0.2	0.2
<b>Total non-operating (losses) gains</b>	<b>(37.8)</b>	<b>(22.1)</b>	<b>(17.3)</b>	<b>(10.1)</b>	<b>(11.8)</b>	<b>29.6</b>	<b>(9.1)</b>	<b>(7.8)</b>	<b>(3.0)</b>	<b>(59.9)</b>	<b>17.7</b>	<b>(9.7)</b>	<b>(41.5)</b>	<b>31.1</b>	<b>37.6</b>

## UNDERWRITING PERFORMANCE

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

### Underwriting results

	2022			2021			2020			2022	2021	2021	2020	2019	2018
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	YTD	YTD	Annual	Annual	Annual	Annual
1 Net earned premiums	799.6	768.4	745.0	725.1	697.2	666.3	665.5	645.0	607.7	1,568.0	1,363.5	2,833.6	2,508.7	2,343.2	2,244.6
2 Net claims and adjustment expenses	501.1	455.8	470.2	439.0	422.5	389.8	379.9	398.3	377.0	956.9	812.3	1,721.5	1,562.3	1,713.9	1,694.7
3 Underwriting expenses (net of other underwriting revenues)	264.5	252.4	234.5	231.0	233.5	218.5	212.9	207.6	193.8	516.9	452.0	917.6	810.0	747.6	815.5
4 Underwriting income (loss)	34.0	60.2	40.3	55.1	41.2	58.0	72.7	39.1	36.9	94.2	99.2	194.5	136.4	(118.3)	(265.6)
5 Claims ratio	62.7%	59.3%	63.1%	60.5%	60.6%	58.5%	57.1%	61.8%	62.0%	61.0%	59.6%	60.8%	62.3%	73.1%	75.5%
6 Expense ratio	33.1%	32.9%	31.5%	31.9%	33.5%	32.8%	32.0%	32.1%	31.9%	33.0%	33.1%	32.3%	32.3%	31.9%	36.3%
7 Combined ratio	95.8%	92.2%	94.6%	92.4%	94.1%	91.3%	89.1%	93.9%	93.9%	94.0%	92.7%	93.1%	94.6%	105.0%	111.8%

### Net claims and adjustment expenses

8 Core accident year claims	480.8	460.8	469.3	416.9	417.7	401.8	369.1	387.1	340.1	941.6	819.5	1,705.8	1,498.8	1,685.4	1,608.4
9 Catastrophe losses	41.5	17.3	33.8	37.0	12.6	8.3	19.5	9.8	46.1	58.8	20.9	91.7	93.1	66.4	105.1
10 Prior year (favourable) adverse claims development	(21.2)	(22.3)	(32.9)	(14.9)	(7.8)	(20.3)	(8.7)	1.4	(9.2)	(43.5)	(28.1)	(76.0)	(29.6)	(37.9)	(18.8)
11 Net claims and adjustment expenses	501.1	455.8	470.2	439.0	422.5	389.8	379.9	398.3	377.0	956.9	812.3	1,721.5	1,562.3	1,713.9	1,694.7
12 Core accident year claims ratio	59.5%	59.9%	62.7%	57.5%	59.9%	60.4%	55.5%	60.1%	55.9%	59.8%	60.2%	60.2%	59.8%	71.9%	71.6%
13 Catastrophe losses ratio <sup>1</sup>	5.8%	2.3%	4.8%	5.1%	1.8%	1.2%	2.9%	1.5%	7.6%	4.0%	1.5%	3.3%	3.7%	2.8%	4.7%
14 Prior year (favourable) adverse claims development ratio	(2.6%)	(2.9%)	(4.4%)	(2.1%)	(1.1%)	(3.1%)	(1.3%)	0.2%	(1.5%)	(2.8%)	(2.1%)	(2.7%)	(1.2%)	(1.6%)	(0.8%)
15 Claims ratio	62.7%	59.3%	63.1%	60.5%	60.6%	58.5%	57.1%	61.8%	62.0%	61.0%	59.6%	60.8%	62.3%	73.1%	75.5%

### Underwriting expenses (net of other underwriting revenues)

16 Net commissions	127.2	126.6	100.8	109.3	110.8	105.5	97.9	100.8	90.9	253.8	216.3	426.5	379.6	361.3	381.0
17 Operating expenses (net of other underwriting revenues)	107.6	97.6	105.4	94.3	96.5	88.0	90.1	82.9	80.4	205.2	184.5	384.2	337.3	300.1	353.8
18 Premium taxes	29.7	28.2	28.3	27.4	26.2	25.0	24.9	23.9	22.5	57.9	51.2	106.9	93.1	86.2	80.7
19 Underwriting expenses (net of other underwriting revenues)	264.5	252.4	234.5	231.0	233.5	218.5	212.9	207.6	193.8	516.9	452.0	917.6	810.0	747.6	815.5
20 Net commissions ratio	15.9%	16.5%	13.5%	15.1%	15.9%	15.8%	14.7%	15.6%	15.0%	16.2%	15.9%	15.0%	15.1%	15.4%	17.0%
21 Operating expenses (net of other underwriting revenues) ratio	13.5%	12.7%	14.2%	13.0%	13.8%	13.2%	13.6%	12.8%	13.2%	13.1%	13.4%	13.5%	13.5%	12.8%	15.7%
22 Premium taxes ratio	3.7%	3.7%	3.8%	3.8%	3.8%	3.8%	3.7%	3.7%	3.7%	3.7%	3.8%	3.8%	3.7%	3.7%	3.6%
23 Expense ratio	33.1%	32.9%	31.5%	31.9%	33.5%	32.8%	32.0%	32.1%	31.9%	33.0%	33.1%	32.3%	32.3%	31.9%	36.3%

<sup>1</sup> The impact of 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)

**Personal insurance**

	2022		2021				2020		2022	2021	2021	2020	2019	2018	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3							Q2
<b>Policies in force (in '000)</b>	1,596.0	1,576.4	1,550.7	1,526.4	1,485.4	1,441.2	1,416.1	1,390.4	1,363.6	1,596.0	1,485.4	1,550.7	1,416.1	1,341.8	1,334.0
Change YOY	7.4%	9.4%	9.5%	9.8%	8.9%	7.1%	5.5%	3.2%	0.3%	7.4%	8.9%	9.5%	5.5%	0.6%	7.5%
<b>Gross written premiums</b>	688.7	522.6	592.6	631.0	623.6	473.9	540.3	578.5	534.2	1,211.3	1,097.5	2,321.1	2,086.1	1,894.2	1,778.5
Change YOY	10.4%	10.3%	9.7%	9.1%	16.7%	9.4%	9.7%	9.0%	8.8%	10.4%	13.5%	11.3%	10.1%	6.5%	15.7%
<b>Broker channel gross written premiums</b>	584.7	439.8	497.0	528.0	531.6	405.4	458.4	492.5	458.2	1,024.5	937.0	1,960.1	1,787.2	1,632.8	1,595.3
Change YOY	10.0%	8.5%	8.4%	6.8%	16.0%	7.2%	9.2%	8.6%	7.4%	9.3%	12.0%	9.7%	9.5%	2.4%	13.4%
<b>Direct channel gross written premiums<sup>1</sup></b>	104.0	82.8	95.6	105.0	92.0	68.5	81.9	86.0	76.0	186.8	160.5	361.0	298.9	261.4	183.2
Change YOY	13.0%	20.9%	16.7%	22.1%	21.1%	24.5%	12.5%	11.6%	18.4%	16.4%	22.5%	20.8%	14.3%	42.7%	41.1%
<b>Net written premiums</b>	670.1	555.2	559.1	597.6	593.0	448.9	513.5	550.7	507.6	1,225.3	1,041.9	2,198.5	1,982.2	1,764.9	1,752.5
Change YOY	13.0%	23.7%	8.9%	8.5%	16.8%	9.4%	10.0%	8.9%	21.6%	17.6%	13.5%	10.9%	12.3%	0.7%	16.3%
<b>Net earned premiums</b>	585.3	565.6	548.0	532.7	517.6	495.4	500.7	486.9	457.2	1,150.9	1,013.0	2,093.7	1,892.9	1,747.4	1,593.8
Change YOY	13.1%	14.2%	9.4%	9.4%	13.2%	10.6%	13.0%	8.5%	9.4%	13.6%	11.9%	10.6%	8.3%	9.6%	11.4%
<b>Underwriting income (loss)</b>	18.0	30.7	31.5	28.9	21.2	46.1	54.2	32.2	29.8	48.7	67.3	127.6	114.2	(108.4)	(173.3)
<b>Combined ratio</b>	96.9%	94.6%	94.3%	94.6%	95.9%	90.7%	89.2%	93.4%	93.5%	95.8%	93.4%	93.9%	94.0%	106.2%	110.9%

**Personal auto**

<b>Policies in force (in '000)</b>	778.6	770.5	761.6	759.4	748.6	733.4	727.0	719.1	711.8	778.6	748.6	761.6	727.0	718.8	751.8
Change YOY	4.0%	5.1%	4.8%	5.6%	5.2%	3.3%	1.1%	(2.1%)	(5.6%)	4.0%	5.2%	4.8%	1.1%	(4.4%)	8.4%
<b>Gross written premiums</b>	420.0	322.2	355.5	381.7	386.6	302.7	339.2	369.2	337.0	742.2	689.3	1,426.5	1,335.4	1,261.9	1,224.4
Change YOY	8.6%	6.4%	4.8%	3.4%	14.7%	4.4%	5.1%	3.6%	4.4%	7.7%	10.0%	6.8%	5.8%	3.1%	17.6%
<b>Net written premiums</b>	417.6	347.8	341.0	366.2	370.9	290.1	325.5	354.5	322.9	765.4	661.0	1,368.1	1,280.8	1,183.5	1,219.9
Change YOY	12.6%	19.9%	4.8%	3.3%	14.9%	4.4%	5.5%	3.7%	18.0%	15.8%	10.0%	6.8%	8.2%	(3.0%)	17.6%
<b>Net earned premiums</b>	366.7	349.1	344.3	337.0	331.8	319.4	327.4	321.7	302.2	715.8	651.2	1,332.5	1,251.2	1,195.6	1,099.2
Change YOY	10.5%	9.3%	5.2%	4.8%	9.8%	6.5%	9.9%	4.2%	5.4%	9.9%	8.2%	6.5%	4.7%	8.8%	12.1%
<b>Core accident year claims</b>	244.9	237.9	260.5	217.8	207.3	209.7	215.0	207.9	182.6	482.8	417.1	895.6	847.4	1,015.3	905.3
Catastrophe losses	3.0	0.4	0.3	5.0	0.6	0.2	3.0	-	8.0	3.4	0.8	6.1	11.0	3.5	12.7
Prior year (favourable) adverse claims development	(15.0)	(6.6)	(31.4)	(10.8)	(15.7)	(14.6)	-	2.1	(4.0)	(21.6)	(30.3)	(72.6)	(11.3)	(25.7)	(44.9)
<b>Net claims and adjustment expenses</b>	232.9	231.7	229.4	212.0	192.2	195.3	218.0	210.0	186.6	464.6	387.6	829.1	847.1	993.1	873.1
Underwriting expenses (net of other underwriting revenues)	107.1	104.2	97.2	95.5	101.1	92.9	93.3	90.8	86.3	211.3	193.8	386.6	358.9	341.9	381.3
<b>Underwriting income (loss)</b>	26.7	13.2	17.7	29.5	38.5	31.2	16.1	20.9	29.3	39.9	69.8	116.8	45.2	(139.4)	(155.2)
<b>Core accident year claims ratio</b>	66.8%	68.2%	75.7%	64.6%	62.5%	65.7%	65.7%	64.7%	60.3%	67.4%	64.1%	67.1%	67.7%	84.9%	82.3%
Catastrophe losses ratio	0.8%	0.1%	0.1%	1.5%	0.2%	-	0.9%	-	2.7%	0.5%	0.1%	0.5%	0.9%	0.3%	1.2%
Prior year (favourable) adverse claims development ratio	(4.1%)	(1.9%)	(9.1%)	(3.2%)	(4.7%)	(4.6%)	-	0.6%	(1.3%)	(3.0%)	(4.7%)	(5.4%)	(0.9%)	(2.1%)	(4.1%)
<b>Claims ratio</b>	63.5%	66.4%	66.7%	62.9%	58.0%	61.1%	66.6%	65.3%	61.7%	64.9%	59.5%	62.2%	67.7%	83.1%	79.4%
<b>Net commissions ratio</b>	12.5%	13.5%	10.3%	11.8%	12.5%	12.5%	11.6%	12.3%	11.0%	13.0%	12.5%	11.8%	11.8%	12.1%	13.7%
Operating expenses (net of other underwriting revenues) ratio	13.4%	13.0%	14.5%	13.2%	14.5%	13.2%	13.5%	12.5%	14.2%	13.2%	13.9%	13.8%	13.5%	13.1%	17.7%
Premium taxes ratio	3.3%	3.3%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.3%	3.4%	3.4%	3.4%	3.4%	3.3%
<b>Expense ratio</b>	29.2%	29.8%	28.2%	28.4%	30.4%	29.1%	28.5%	28.2%	28.6%	29.5%	29.8%	29.0%	28.7%	28.6%	34.7%
<b>Combined ratio</b>	92.7%	96.2%	94.9%	91.3%	88.4%	90.2%	95.1%	93.5%	90.3%	94.4%	89.3%	91.2%	96.4%	111.7%	114.1%

**Personal property<sup>1</sup>**

<b>Policies in force (in '000)</b>	817.4	805.9	789.1	767.0	736.8	707.8	689.1	671.3	651.8	817.4	736.8	789.1	689.1	623.0	582.2
Change YOY	10.9%	13.9%	14.5%	14.3%	13.0%	11.4%	10.6%	9.5%	7.7%	10.9%	13.0%	14.5%	10.6%	7.0%	6.3%
<b>Gross written premiums</b>	268.7	200.4	237.1	249.3	237.0	171.2	201.1	209.3	197.2	469.1	408.2	894.6	750.7	632.3	554.1
Change YOY	13.4%	17.1%	17.9%	19.1%	20.2%	19.6%	18.4%	20.0%	17.3%	14.9%	20.0%	19.2%	18.7%	14.1%	11.8%
<b>Net written premiums</b>	252.5	207.4	218.1	231.4	222.1	158.8	188.0	196.2	184.6	459.9	380.9	830.4	701.4	581.4	532.7
Change YOY	13.7%	30.6%	16.0%	17.9%	20.3%	19.8%	18.7%	19.9%	28.6%	20.7%	20.1%	18.4%	20.6%	9.1%	13.2%
<b>Net earned premiums</b>	218.6	216.5	203.7	195.7	185.8	176.0	173.3	165.2	155.0	435.1	361.8	761.2	641.7	551.8	494.6
Change YOY	17.7%	23.0%	17.5%	18.5%	19.9%	18.8%	19.4%	17.8%	17.9%	20.3%	19.3%	18.6%	16.3%	11.6%	10.0%
<b>Core accident year claims</b>	124.8	113.2	95.6	100.1	116.0	94.8	71.4	93.2	85.6	238.0	210.8	406.4	322.8	299.6	268.2
Catastrophe losses	24.0	15.4	24.5	30.4	12.0	3.0	4.1	0.7	17.2	39.5	15.0	69.9	28.8	37.0	54.6
Prior year (favourable) adverse claims development	(3.4)	(7.8)	1.4	(3.1)	6.2	(1.0)	(1.6)	1.0	(1.9)	(11.2)	5.2	3.5	(6.7)	(6.9)	(7.6)
<b>Net claims and adjustment expenses</b>	145.4	120.8	121.5	127.4	134.2	96.8	73.9	94.9	100.9	266.3	231.0	479.8	344.9	329.7	315.2
Underwriting expenses (net of other underwriting revenues)	81.9	78.2	68.4	68.9	68.9	64.3	61.3	59.0	53.6	160.1	133.3	270.6	227.8	191.1	197.5
<b>Underwriting income (loss)</b>	(8.7)	17.5	13.8	(0.6)	(17.3)	14.9	38.1	11.3	0.5	8.8	(2.5)	10.8	69.0	31.0	(18.1)
<b>Core accident year claims ratio</b>	55.5%	52.3%	46.2%	51.2%	62.3%	53.9%	41.3%	56.4%	55.2%	54.0%	58.2%	53.1%	50.2%	54.4%	54.2%
Catastrophe losses ratio <sup>2</sup>	12.5%	7.1%	12.7%	15.5%	6.5%	1.7%	2.4%	0.4%	11.1%	9.8%	4.2%	9.4%	4.5%	6.7%	11.0%
Prior year (favourable) adverse claims development ratio	(1.5%)	(3.6%)	0.7%	(1.6%)	3.4%	(0.6%)	(1.0%)	0.6%	(1.2%)	(2.6%)	1.4%	0.5%	(1.0%)	(1.3%)	(1.5%)
<b>Claims ratio</b>	66.5%	55.8%	59.6%	65.1%	72.2%	55.0%	42.7%	57.4%	65.1%	61.2%	63.8%	63.0%	53.7%	59.8%	63.7%
<b>Net commissions ratio</b>	20.2%	20.2%	16.4%	18.9%	20.0%	19.4%	17.6%	19.3%	18.3%	20.2%	19.7%	18.6%	18.3%	18.1%	20.5%
Operating expenses (net of other underwriting revenues) ratio	13.2%	11.9%	13.0%	12.1%	13.0%	13.0%	13.6%	12.4%	12.2%	12.5%	13.1%	12.8%	13.1%	12.4%	15.5%
Premium taxes ratio	4.1%	4.0%	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%
<b>Expense ratio</b>	37.5%	36.1%	33.6%	35.2%	37.1%	36.5%	35.3%	35.8%	34.6%	36.8%	36.9%	35.6%	35.5%	34.6%	40.0%
<b>Combined ratio</b>	104.0%	91.9%	93.2%	100.3%	109.3%	91.5%	78.0%	93.2%	99.7%	98.0%	100.7%	98.6%	89.2%	94.4%	103.7%

<sup>1</sup> Includes Petline

<sup>2</sup> The impact of 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)

### Commercial insurance

	2022		2021			2020		2022	2021	2021	2020	2019	2018		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	YTD	YTD	Annual	Annual	Annual	Annual
<b>Gross written premiums</b>	<b>296.0</b>	<b>219.9</b>	<b>254.0</b>	<b>220.5</b>	<b>251.0</b>	<b>184.8</b>	<b>215.6</b>	<b>175.4</b>	<b>194.5</b>	<b>515.9</b>	<b>435.8</b>	<b>910.3</b>	<b>728.6</b>	<b>616.8</b>	<b>677.8</b>
Change YOY	17.9%	19.0%	17.8%	25.7%	29.0%	29.1%	23.6%	21.8%	15.5%	18.4%	29.0%	24.9%	18.1%	(9.0%)	(9.6%)
<b>Net written premiums</b>	<b>259.2</b>	<b>192.5</b>	<b>218.0</b>	<b>191.2</b>	<b>222.0</b>	<b>161.6</b>	<b>189.1</b>	<b>157.7</b>	<b>180.8</b>	<b>451.7</b>	<b>383.6</b>	<b>792.8</b>	<b>657.5</b>	<b>566.1</b>	<b>628.2</b>
Change YOY	16.8%	19.1%	15.3%	21.2%	22.8%	24.4%	19.5%	19.9%	15.9%	17.8%	23.5%	20.6%	16.1%	(9.9%)	(11.6%)
<b>Net earned premiums</b>	<b>214.3</b>	<b>202.8</b>	<b>197.0</b>	<b>192.4</b>	<b>179.6</b>	<b>170.9</b>	<b>164.8</b>	<b>158.1</b>	<b>150.5</b>	<b>417.1</b>	<b>350.5</b>	<b>739.9</b>	<b>615.8</b>	<b>595.8</b>	<b>650.8</b>
Change YOY	19.3%	18.7%	19.5%	21.7%	19.3%	20.0%	15.6%	8.8%	(0.5%)	19.0%	19.7%	20.2%	3.4%	(8.5%)	(11.5%)
Core accident year claims	111.1	109.7	113.2	99.0	94.4	97.3	82.7	86.0	71.9	220.9	191.6	403.8	328.6	370.5	434.9
Catastrophe losses	14.5	1.5	9.0	1.6	-	5.1	12.4	9.1	20.9	15.9	5.1	15.7	53.3	25.9	37.8
Prior year (favourable) adverse claims development	(2.8)	(7.9)	(2.9)	(1.0)	1.7	(4.7)	(7.1)	(1.7)	(3.3)	(10.7)	(3.0)	(6.9)	(11.6)	(5.3)	33.7
<b>Net claims and adjustment expenses</b>	<b>122.8</b>	<b>103.3</b>	<b>119.3</b>	<b>99.6</b>	<b>96.1</b>	<b>97.7</b>	<b>88.0</b>	<b>93.4</b>	<b>89.5</b>	<b>226.1</b>	<b>193.7</b>	<b>412.6</b>	<b>370.3</b>	<b>391.1</b>	<b>506.4</b>
Underwriting expenses (net of other underwriting revenues)	75.5	70.0	68.9	66.6	63.5	61.3	58.3	57.8	53.9	145.5	124.9	260.4	223.3	214.6	236.7
<b>Underwriting income (loss)</b>	<b>16.0</b>	<b>29.5</b>	<b>8.8</b>	<b>26.2</b>	<b>20.0</b>	<b>11.9</b>	<b>18.5</b>	<b>6.9</b>	<b>7.1</b>	<b>45.5</b>	<b>31.9</b>	<b>66.9</b>	<b>22.2</b>	<b>(9.9)</b>	<b>(92.3)</b>
Core accident year claims ratio	51.7%	54.1%	57.0%	51.5%	52.4%	57.0%	50.2%	54.4%	47.8%	52.9%	54.7%	54.4%	53.3%	62.2%	66.8%
Catastrophe losses ratio <sup>1</sup>	6.9%	0.7%	5.0%	0.8%	-	3.0%	7.5%	5.8%	13.9%	3.9%	1.5%	2.3%	8.7%	4.3%	5.8%
Prior year (favourable) adverse claims development ratio	(1.3%)	(3.9%)	(1.5%)	(0.5%)	1.0%	(2.8%)	(4.3%)	(1.1%)	(2.2%)	(2.6%)	(0.9%)	(0.9%)	(1.9%)	(0.9%)	5.2%
<b>Claims ratio</b>	<b>57.3%</b>	<b>50.9%</b>	<b>60.5%</b>	<b>51.8%</b>	<b>53.4%</b>	<b>57.2%</b>	<b>53.4%</b>	<b>59.1%</b>	<b>59.5%</b>	<b>54.2%</b>	<b>55.3%</b>	<b>55.8%</b>	<b>60.1%</b>	<b>65.6%</b>	<b>77.8%</b>
Net commissions ratio	17.4%	17.7%	16.2%	17.0%	17.9%	18.4%	17.8%	18.5%	19.4%	17.5%	18.1%	17.3%	18.6%	19.5%	19.9%
Operating expenses (net of other underwriting revenues) ratio	13.8%	12.9%	14.8%	13.6%	13.6%	13.4%	13.6%	14.2%	12.6%	13.4%	13.5%	13.9%	13.8%	12.8%	12.7%
Premium taxes ratio	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	3.8%	3.8%	4.0%	4.0%	4.0%	3.9%	3.8%	3.8%
<b>Expense ratio</b>	<b>35.2%</b>	<b>34.6%</b>	<b>35.0%</b>	<b>34.6%</b>	<b>35.5%</b>	<b>35.8%</b>	<b>35.4%</b>	<b>36.5%</b>	<b>35.8%</b>	<b>34.9%</b>	<b>35.6%</b>	<b>35.2%</b>	<b>36.3%</b>	<b>36.1%</b>	<b>36.4%</b>
<b>Combined ratio</b>	<b>92.5%</b>	<b>85.5%</b>	<b>95.5%</b>	<b>86.4%</b>	<b>88.9%</b>	<b>93.0%</b>	<b>88.8%</b>	<b>95.6%</b>	<b>95.3%</b>	<b>89.1%</b>	<b>90.9%</b>	<b>91.0%</b>	<b>96.4%</b>	<b>101.7%</b>	<b>114.2%</b>

<sup>1</sup> The impact of 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)

		2022			2021			2020			2022	2021	2021	2020	2019	2018
		Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	YTD	YTD	Annual	Annual	Annual	Annual
<b>By line of business</b>																
Personal auto	1	3.0	0.4	0.3	5.0	0.6	0.2	3.0	-	8.0	3.4	0.8	6.1	11.0	3.5	12.7
Personal property	2	24.0	15.4	24.5	30.4	12.0	3.0	4.1	0.7	17.2	39.5	15.0	69.9	28.8	37.0	54.6
Commercial lines	3	14.5	1.5	9.0	1.6	-	5.1	12.4	9.1	20.9	15.9	5.1	15.7	53.3	25.9	37.8
<b>Total catastrophe losses (excluding reinstatement premiums)</b>	4	<b>41.5</b>	<b>17.3</b>	<b>33.8</b>	<b>37.0</b>	<b>12.6</b>	<b>8.3</b>	<b>19.5</b>	<b>9.8</b>	<b>46.1</b>	<b>58.8</b>	<b>20.9</b>	<b>91.7</b>	<b>93.1</b>	<b>66.4</b>	<b>105.1</b>
<b>By line of business, as % of NEP<sup>1</sup></b>																
Personal auto	5	0.8%	0.1%	0.1%	1.5%	0.2%	-	0.9%	-	2.7%	0.5%	0.1%	0.5%	0.9%	0.3%	1.2%
Personal property	6	12.5%	7.1%	12.7%	15.5%	6.5%	1.7%	2.4%	0.4%	11.1%	9.8%	4.2%	9.4%	4.5%	6.7%	11.0%
Commercial lines	7	6.9%	0.7%	5.0%	0.8%	-	3.0%	7.5%	5.8%	13.9%	3.9%	1.5%	2.3%	8.7%	4.3%	5.8%
<b>Total catastrophe losses</b>	8	<b>5.8%</b>	<b>2.3%</b>	<b>4.8%</b>	<b>5.1%</b>	<b>1.8%</b>	<b>1.2%</b>	<b>2.9%</b>	<b>1.5%</b>	<b>7.6%</b>	<b>4.0%</b>	<b>1.5%</b>	<b>3.3%</b>	<b>3.7%</b>	<b>2.8%</b>	<b>4.7%</b>

## HISTORICAL PRIOR YEAR CLAIMS DEVELOPMENT

<b>By line of business</b>																
Personal auto	9	(15.0)	(6.6)	(31.4)	(10.8)	(15.7)	(14.6)	-	2.1	(4.0)	(21.6)	(30.3)	(72.6)	(11.3)	(25.7)	(44.9)
Personal property	10	(3.4)	(7.8)	1.4	(3.1)	6.2	(1.0)	(1.6)	1.0	(1.9)	(11.2)	5.2	3.5	(6.7)	(6.9)	(7.6)
Commercial lines	11	(2.8)	(7.9)	(2.9)	(1.0)	1.7	(4.7)	(7.1)	(1.7)	(3.3)	(10.7)	(3.0)	(6.9)	(11.6)	(5.3)	33.7
<b>Total (favourable) adverse claims development</b>	12	<b>(21.2)</b>	<b>(22.3)</b>	<b>(32.9)</b>	<b>(14.9)</b>	<b>(7.8)</b>	<b>(20.3)</b>	<b>(8.7)</b>	<b>1.4</b>	<b>(9.2)</b>	<b>(43.5)</b>	<b>(28.1)</b>	<b>(76.0)</b>	<b>(29.6)</b>	<b>(37.9)</b>	<b>(18.8)</b>
<b>By line of business, as % of NEP</b>																
Personal auto	13	(4.1%)	(1.9%)	(9.1%)	(3.2%)	(4.7%)	(4.6%)	-	0.6%	(1.3%)	(3.0%)	(4.7%)	(5.4%)	(0.9%)	(2.1%)	(4.1%)
Personal property	14	(1.5%)	(3.6%)	0.7%	(1.6%)	3.4%	(0.6%)	(1.0%)	0.6%	(1.2%)	(2.6%)	1.4%	0.5%	(1.0%)	(1.3%)	(1.5%)
Commercial lines	15	(1.3%)	(3.9%)	(1.5%)	(0.5%)	1.0%	(2.8%)	(4.3%)	(1.1%)	(2.2%)	(2.6%)	(0.9%)	(0.9%)	(1.9%)	(0.9%)	5.2%
<b>Total (favourable) adverse claims development</b>	16	<b>(2.6%)</b>	<b>(2.9%)</b>	<b>(4.4%)</b>	<b>(2.1%)</b>	<b>(1.1%)</b>	<b>(3.1%)</b>	<b>(1.3%)</b>	<b>0.2%</b>	<b>(1.5%)</b>	<b>(2.8%)</b>	<b>(2.1%)</b>	<b>(2.7%)</b>	<b>(1.2%)</b>	<b>(1.6%)</b>	<b>(0.8%)</b>
<b>Total YTD favourable claims development as % of prior year closing unpaid claim liabilities, undiscounted</b>	17	<b>(1.4%)</b>	<b>(0.7%)</b>	<b>(2.8%)</b>	<b>(1.6%)</b>	<b>(1.0%)</b>	<b>(0.7%)</b>	<b>(1.1%)</b>	<b>(0.8%)</b>	<b>(0.8%)</b>	<b>(1.4%)</b>	<b>(1.0%)</b>	<b>(2.8%)</b>	<b>(1.1%)</b>	<b>(1.5%)</b>	<b>(0.8%)</b>

<sup>1</sup> The impact of reinsurance reinstatement premiums on the claims ratio is fully reflected in catastrophe losses.





## CONSOLIDATED BALANCE SHEET

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

### Balance sheet

#### Cash and investments

	2022		2021				2020			2021	2020	2019	2018
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Annual	Annual	Annual	Annual
Cash and cash equivalents	268.3	252.5	387.3	339.9	257.4	231.9	510.3	251.3	171.6	387.3	510.3	94.7	135.3
Short-term investments	112.9	74.5	88.8	148.1	173.1	153.9	218.2	266.1	171.1	88.8	218.2	228.1	329.7
Bonds	3,897.6	4,033.7	4,233.8	3,826.6	3,744.8	3,598.6	3,400.7	3,442.2	3,449.2	4,233.8	3,400.7	3,223.8	2,792.4
Preferred stocks	349.6	390.9	405.7	404.1	384.4	388.1	336.6	338.6	298.8	405.7	336.6	345.1	334.0
Common stocks	492.5	570.1	570.5	522.2	487.6	420.9	329.8	304.1	280.9	570.5	329.8	296.8	329.9
Pooled funds	40.3	45.3	42.7	34.2	3.1	2.9	43.4	40.9	39.7	42.7	43.4	44.4	53.2
Commercial loans	22.6	28.4	24.3	34.6	35.6	36.6	37.6	39.0	46.0	24.3	37.6	52.8	101.5
<b>Total cash and investments</b>	<b>5,183.8</b>	<b>5,395.4</b>	<b>5,753.1</b>	<b>5,309.7</b>	<b>5,086.0</b>	<b>4,832.9</b>	<b>4,876.6</b>	<b>4,682.2</b>	<b>4,457.3</b>	<b>5,753.1</b>	<b>4,876.6</b>	<b>4,285.7</b>	<b>4,076.0</b>
Restricted cash	319.1	116.8	110.8	-	-	-	-	-	-	110.8	-	-	-
Accrued investment income	23.6	25.4	21.3	23.3	18.1	23.0	16.8	23.2	18.1	21.3	16.8	18.8	15.5
Premiums receivable	1,133.9	1,018.4	1,075.9	1,052.0	1,014.1	908.0	958.7	920.9	885.9	1,075.9	958.7	850.7	837.0
Income taxes receivable	103.1	46.8	0.2	0.9	2.6	3.6	2.1	2.8	4.2	0.2	2.1	3.0	13.0
Reinsurance receivable and recoverable	185.9	147.6	179.2	140.4	127.9	115.1	95.6	111.3	104.8	179.2	95.6	95.1	64.7
Deferred policy acquisition expenses	307.9	282.5	295.1	288.4	275.2	250.8	260.2	253.9	242.3	295.1	260.2	235.6	230.1
Property and equipment	62.4	56.1	57.0	54.8	56.6	57.4	56.9	58.0	57.7	57.0	56.9	61.1	38.9
Deferred income tax assets	56.8	56.8	62.5	42.5	43.3	39.7	40.2	55.1	81.9	62.5	40.2	89.8	105.0
Goodwill and intangible assets	229.0	227.2	219.7	213.6	210.5	216.1	211.6	215.5	214.4	219.7	211.6	210.9	225.6
Other assets	165.0	146.0	116.6	126.0	106.8	101.3	101.6	109.9	109.5	116.6	101.6	105.8	104.6
<b>Total assets</b>	<b>7,770.5</b>	<b>7,519.0</b>	<b>7,891.4</b>	<b>7,251.6</b>	<b>6,941.1</b>	<b>6,547.9</b>	<b>6,620.3</b>	<b>6,432.8</b>	<b>6,176.1</b>	<b>7,891.4</b>	<b>6,620.3</b>	<b>5,956.5</b>	<b>5,710.4</b>
Unearned premiums	1,665.7	1,533.5	1,599.2	1,564.0	1,498.6	1,374.9	1,433.1	1,394.6	1,329.2	1,599.2	1,433.1	1,294.5	1,268.5
Claim liabilities	3,246.8	3,239.4	3,336.1	3,246.5	3,124.8	3,023.3	3,026.3	3,024.1	2,942.6	3,336.1	3,026.3	2,808.2	2,670.6
Accounts payable and other liabilities	294.2	269.6	393.4	363.8	322.1	257.3	324.2	288.4	258.9	393.4	324.2	240.6	204.0
Income taxes payable	-	-	55.6	47.5	34.6	13.2	18.7	3.0	2.8	55.6	18.7	2.2	-
Demutualization amounts outstanding	319.1	116.8	110.8	-	-	-	-	-	-	110.8	-	-	-
<b>Total liabilities</b>	<b>5,525.8</b>	<b>5,159.3</b>	<b>5,495.1</b>	<b>5,221.8</b>	<b>4,980.1</b>	<b>4,668.7</b>	<b>4,802.3</b>	<b>4,710.1</b>	<b>4,533.5</b>	<b>5,495.1</b>	<b>4,802.3</b>	<b>4,345.5</b>	<b>4,143.1</b>
Share capital	2,279.9	2,299.7	2,307.8	-	-	-	-	-	-	2,307.8	-	-	-
Contributed surplus	28.2	23.6	19.3	-	-	-	-	-	-	19.3	-	-	-
Retained earnings (deficit)	23.6	12.1	(28.8)	1,949.1	1,882.2	1,838.3	1,755.9	1,695.8	1,650.2	(28.8)	1,755.9	1,608.6	1,588.3
Accumulated other comprehensive (loss) income (AOCI)	(87.0)	24.3	98.0	80.7	78.8	40.9	62.1	26.9	(7.6)	98.0	62.1	2.4	(21.0)
<b>Total equity</b>	<b>2,244.7</b>	<b>2,359.7</b>	<b>2,396.3</b>	<b>2,029.8</b>	<b>1,961.0</b>	<b>1,879.2</b>	<b>1,818.0</b>	<b>1,722.7</b>	<b>1,642.6</b>	<b>2,396.3</b>	<b>1,818.0</b>	<b>1,611.0</b>	<b>1,567.3</b>
<b>Total liabilities and equity</b>	<b>7,770.5</b>	<b>7,519.0</b>	<b>7,891.4</b>	<b>7,251.6</b>	<b>6,941.1</b>	<b>6,547.9</b>	<b>6,620.3</b>	<b>6,432.8</b>	<b>6,176.1</b>	<b>7,891.4</b>	<b>6,620.3</b>	<b>5,956.5</b>	<b>5,710.4</b>

## CAPITAL AND LIQUIDITY RESOURCES

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

### Capital management

	2022		2021				2020			2021	2020	2019	2018
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Annual	Annual	Annual	Annual
Capital available <sup>1</sup>	1,278.7	1,368.1	1,789.1	1,711.4	1,652.6	1,555.3	1,477.8	1,356.3	1,250.7	1,789.1	1,477.8	1,217.3	1,146.4
Capital required <sup>1</sup>	621.0	636.1	651.6	629.1	607.9	566.5	550.8	535.6	516.6	651.6	550.8	509.2	504.9
Minimum capital test (MCT) ratio <sup>1</sup>	206%	215%	275%	272%	272%	275%	268%	253%	242%	275%	268%	239%	227%
Excess capital at 200% for Definity Insurance Company	36.7	95.8	485.9	453.2	436.8	422.3	376.3	285.1	217.5	485.9	376.3	198.8	136.5
Additional capital at Definity Financial Corporation	585.0	636.5	273.4	n/a	n/a	n/a	n/a	n/a	n/a	273.4	n/a	n/a	n/a
<b>Total excess capital</b>	<b>621.7</b>	<b>732.3</b>	<b>759.3</b>	<b>453.2</b>	<b>436.8</b>	<b>422.3</b>	<b>376.3</b>	<b>285.1</b>	<b>217.5</b>	<b>759.3</b>	<b>376.3</b>	<b>198.8</b>	<b>136.5</b>
Leverage capacity <sup>2</sup>	287.8	288.6	298.5	n/a	n/a	n/a	n/a	n/a	n/a	298.5	n/a	n/a	n/a
<b>Financial capacity</b>	<b>909.5</b>	<b>1,020.9</b>	<b>1,057.8</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>1,057.8</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

### Liquidity

<b>Cash provided by (used in) operating activities</b>	<b>113.7</b>	<b>(93.4)</b>	<b>176.7</b>	<b>256.2</b>	<b>206.8</b>	<b>15.5</b>	<b>158.3</b>	<b>186.0</b>	<b>166.5</b>	<b>655.2</b>	<b>490.2</b>	<b>138.5</b>	<b>44.6</b>
Investments purchased, net of investments sold	(30.6)	19.1	(399.3)	(152.7)	(177.0)	(279.1)	111.1	(101.2)	(66.0)	(1,008.1)	(47.0)	(204.5)	(38.9)
Commercial loans collected, net of commercial loans advanced	5.8	(4.1)	10.3	1.0	1.0	1.0	1.4	7.0	(3.8)	13.3	15.2	48.7	(5.3)
Other assets purchased	(23.9)	(28.0)	(6.3)	(22.0)	(5.3)	(15.8)	(11.8)	(12.1)	(12.7)	(49.4)	(42.8)	(23.3)	(49.5)
Business acquisitions	(15.0)	-	-	-	-	-	-	-	-	-	-	-	18.0
<b>Cash (used in) provided by investing activities</b>	<b>(63.7)</b>	<b>(13.0)</b>	<b>(395.3)</b>	<b>(173.7)</b>	<b>(181.3)</b>	<b>(293.9)</b>	<b>100.7</b>	<b>(106.3)</b>	<b>(82.5)</b>	<b>(1,044.2)</b>	<b>(74.6)</b>	<b>(179.1)</b>	<b>(75.7)</b>
Net proceeds from the issuance of common shares	-	-	2,285.7	-	-	-	-	-	-	2,285.7	-	-	-
Dividends paid on common shares	(14.4)	(20.3)	-	-	-	-	-	-	-	-	-	-	-
Common shares purchased and held in trust	(19.8)	(8.1)	-	-	-	-	-	-	-	-	-	-	-
Change in demutualization amounts outstanding	202.3	6.0	(1,908.9)	-	-	-	-	-	-	(1,908.9)	-	-	-
<b>Cash provided by (used in) financing activities</b>	<b>168.1</b>	<b>(22.4)</b>	<b>376.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>376.8</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents, and restricted cash</b>	<b>218.1</b>	<b>(128.8)</b>	<b>158.2</b>	<b>82.5</b>	<b>25.5</b>	<b>(278.4)</b>	<b>259.0</b>	<b>79.7</b>	<b>84.0</b>	<b>(12.2)</b>	<b>415.6</b>	<b>(40.6)</b>	<b>(31.1)</b>
Balance, beginning of the period	369.3	498.1	339.9	257.4	231.9	510.3	251.3	171.6	87.6	510.3	94.7	135.3	166.4
Balance, end of the period	587.4	369.3	498.1	339.9	257.4	231.9	510.3	251.3	171.6	498.1	510.3	94.7	135.3

<sup>1</sup> Consolidated Definity Insurance Company.

<sup>2</sup> Leverage capacity is monitored prospectively from the date of the IPO. Of this amount, approximately \$16.9 million of the 2% debt limit under the ICA was utilized as at June 30, 2022.

## SHAREHOLDER INFORMATION

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

### Number of shares outstanding (in 000's)

#### Common shares

		2022	2021	2021	
		Q2	Q1	Q4	Annual
End of period	1	115,893	115,893	115,893	115,893
Weighted average common shares outstanding (Basic)	2	115,317	115,855	109,028	105,249
Weighted average common shares outstanding (Diluted)	3	117,241	117,523	109,647	105,405

### Common share performance

#### Common share price (in \$)

High	4	35.56	33.18	30.27	30.27
Low	5	30.60	27.00	26.00	26.00
Close	6	33.27	31.93	29.53	29.53
Market capitalization (\$ millions)	7	3,856	3,700	3,422	3,422

### Dividends

#### Common shares

Dividends declared per share (in \$)	8	0.125	17.5%	n/a	n/a
Dividends paid per share (in \$)	9	0.125	17.5%	n/a	n/a

### Rating information

#### Financial strength ratings (FSR)<sup>1</sup>

AM Best	10	A- (Excellent)	A- (Excellent)	A- (Excellent)	A- (Excellent)
DBRS	11	A (low)	A (low)	A (low)	A (low)

#### Issuer rating<sup>2</sup>

DBRS	12	BBB	BBB	BBB	BBB
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<sup>1</sup> Definity Insurance Company.

<sup>2</sup> Definity Financial Corporation.

**NON-GAAP FINANCIAL MEASURES AND NON-GAAP RATIOS**

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

**ROE**

	2022		2021			2020			2022	2021	2021	2020	2019	2018	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	YTD	YTD	Annual	Annual	Annual	
1 <b>Net income (loss)</b>	21.0	48.3	33.7	53.3	43.9	82.4	66.7	45.6	44.8	69.3	126.3	213.2	153.9	17.4	(73.0)
2 <b>Net income (loss) - last 12 months</b>	156.3	179.2	213.2	246.3	238.5	239.5	153.9	94.0	40.9	156.3	238.5	213.2	153.9	17.4	(73.0)
3 Average adjusted total equity	2,052.2	2,037.1	1,993.3	1,876.2	1,801.8	1,702.2	1,714.5	1,661.5	1,626.5	2,052.2	1,801.8	1,993.3	1,714.5	1,589.2	1,648.9
4 <b>ROE for the last 12 months</b>	7.6%	8.8%	10.7%	13.1%	13.2%	14.1%	9.0%	5.7%	2.5%	7.6%	13.2%	10.7%	9.0%	1.1%	(4.4%)

**Operating net income, Operating EPS, and Operating ROE**

5 <b>Net income (loss)</b>	21.0	48.3	33.7	53.3	43.9	82.4	66.7	45.6	44.8	69.3	126.3	213.2	153.9	17.4	(73.0)
6 Remove: income tax (expense) recovery	(3.8)	(14.5)	(11.4)	(16.2)	(12.8)	(27.5)	(22.1)	(12.5)	(15.1)	(18.3)	(40.3)	(68.0)	(46.7)	(3.8)	44.5
7 Remove: non-operating gains (losses)															
Recognized (losses) gains on investments															
Realized (losses) gains on sale of AFS investments	(16.0)	(10.5)	3.3	2.2	1.1	43.0	4.5	2.1	0.4	(26.5)	44.2	49.7	12.6	39.5	74.6
Net (losses) gains on FVTPL investments	(62.2)	(91.8)	(12.0)	(9.3)	3.9	(52.5)	1.5	7.5	54.8	(154.0)	(48.6)	(70.0)	84.8	29.1	-
Impairment losses on AFS investments	(19.3)	-	(0.5)	-	-	-	(2.0)	(1.9)	(0.2)	(19.3)	-	(0.5)	(17.6)	(0.3)	(15.7)
Impact of discounting	61.3	83.0	9.4	1.9	(10.1)	43.4	(10.1)	(13.7)	(55.9)	144.3	33.3	44.7	(114.0)	(29.0)	4.3
Demutualization and IPO-related expenses	(0.4)	(1.9)	(16.7)	(4.7)	(5.2)	(3.5)	(1.6)	(0.5)	(0.8)	(2.3)	(8.7)	(30.1)	(3.8)	(4.8)	(9.7)
Amortization of intangible assets recognized in business combinations	(0.7)	(0.6)	(0.6)	(0.8)	(1.1)	(1.0)	(1.2)	(1.1)	(1.1)	(1.3)	(2.1)	(3.5)	(4.5)	(4.4)	(4.3)
Gain on sale of investments in associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.5
Restructuring recovery (expenses)	-	-	-	-	-	-	-	-	-	-	-	-	-	0.8	(17.3)
Other	(0.5)	(0.3)	(0.2)	0.6	(0.4)	0.2	(0.2)	(0.2)	(0.2)	(0.8)	(0.4)	-	1.0	0.2	0.2
16 Non-operating (losses) gains	(37.8)	(22.1)	(17.3)	(10.1)	(11.8)	29.6	(9.1)	(7.8)	(3.0)	(59.9)	17.7	(9.7)	(41.5)	31.1	37.6
17 <b>Operating income (loss)</b>	62.6	84.9	62.4	79.6	68.5	80.3	97.9	65.9	62.9	147.5	148.9	290.9	242.1	(9.9)	(155.1)
18 Operating income tax (expense) recovery	(13.8)	(20.3)	(15.9)	(18.9)	(15.9)	(19.7)	(24.5)	(14.6)	(15.9)	(34.1)	(35.7)	(70.5)	(57.7)	4.5	54.6
19 <b>Operating net income (loss)</b>	48.8	64.6	46.5	60.7	52.6	60.6	73.4	51.3	47.0	113.4	113.2	220.4	184.4	(5.4)	(100.5)
20 Weighted average common shares outstanding, diluted (in millions)	117.2	117.5	109.6	104.0	104.0	104.0	104.0	104.0	104.0	117.4	104.0	105.4	104.0	104.0	104.0
21 <b>Operating EPS, diluted (in \$)</b>	0.42	0.55	0.42	0.58	0.51	0.58	0.71	0.49	0.45	0.97	1.09	2.09	1.77	(0.05)	(0.97)
22 <b>Operating net income (loss) - last 12 months</b>	220.6	224.4	220.4	247.4	237.9	232.3	184.4	115.6	55.0	220.6	237.9	220.4	184.4	(5.4)	(100.5)
23 Average adjusted total equity, excluding AOCI	2,056.4	2,004.4	1,913.3	1,822.4	1,766.2	1,721.9	1,682.3	1,647.3	1,628.4	2,056.4	1,766.2	1,913.3	1,682.3	1,598.5	1,616.6
24 <b>Operating ROE for the last 12 months</b>	10.7%	11.2%	11.5%	13.6%	13.5%	13.5%	11.0%	7.0%	3.4%	10.7%	13.5%	11.5%	11.0%	(0.3%)	(6.2%)

**Underwriting expenses (net of other underwriting revenues)**

25 <b>Net claims and underwriting expenses</b>	767.8	710.4	706.7	672.1	658.0	610.4	594.8	607.7	572.8	1,478.2	1,268.4	2,647.3	2,379.8	2,471.6	2,525.6
26 Remove: net claims and adjustment expenses	501.1	455.8	470.2	439.0	422.5	389.8	379.9	398.3	377.0	956.9	812.3	1,721.5	1,562.3	1,713.9	1,694.7
27 Remove: other underwriting revenues	2.2	2.2	2.0	2.1	2.0	2.1	2.0	1.8	2.0	4.4	4.1	8.2	7.5	10.1	15.4
28 <b>Underwriting expenses (net of other underwriting revenues)</b>	264.5	252.4	234.5	231.0	233.5	218.5	212.9	207.6	193.8	516.9	452.0	917.6	810.0	747.6	815.5

**Operating expenses (net of other underwriting revenues)**

29 <b>Operating expenses</b>	109.8	99.8	107.4	96.4	98.5	90.1	92.1	84.7	82.4	209.6	188.6	392.4	344.8	310.2	369.2
30 Remove: other underwriting revenues	2.2	2.2	2.0	2.1	2.0	2.1	2.0	1.8	2.0	4.4	4.1	8.2	7.5	10.1	15.4
31 <b>Operating expenses (net of other underwriting revenues)</b>	107.6	97.6	105.4	94.3	96.5	88.0	90.1	82.9	80.4	205.2	184.5	384.2	337.3	300.1	353.8

## 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 11 – Supplementary financial measures and non-GAAP financial measures and ratios in the Q2-2022 Management’s Discussion and Analysis dated August 2, 2022, which is available on our website at [www.definityfinancial.com](http://www.definityfinancial.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

## GLOSSARY

Terms	Definitions
<b>Book value per share<sup>1</sup></b>	1 The Company’s total equity divided by the total common shares outstanding, net of shares held in trust, as at the balance sheet date.
<b>Catastrophe losses<sup>1</sup></b>	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.
<b>Claims development</b>	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.
<b>Claims ratio<sup>1</sup></b>	4 Net claims and adjustment expenses during a defined period expressed as a percentage of net earned premiums for the same period.
<b>Combined ratio<sup>1</sup></b>	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.
<b>Core accident year claims ratio<sup>1</sup></b>	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.
<b>Discounting</b>	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.
<b>Expense ratio<sup>1</sup></b>	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.
<b>Financial capacity<sup>1</sup></b>	9 The sum of excess capital at 200% and leverage capacity.
<b>Gross written premiums (GWP)</b>	10 The total premiums from the sale of insurance during a specific period.
<b>Leverage capacity<sup>1</sup></b>	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.
<b>Minimum capital test (MCT)</b>	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.
<b>Net earned premiums (NEP)</b>	13 The portion of NWP equal to the expired period of time an insurance policy is in effect in the current period presented.
<b>Net written premiums (NWP)</b>	14 GWP less the cost of reinsurance coverage.
<b>Non-operating gains (losses)<sup>1</sup></b>	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.
<b>Operating earnings per share<sup>1</sup></b>	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.
<b>Operating net income<sup>1</sup></b>	17 Net income less (or plus) non-operating gains (losses) net of applicable income taxes.
<b>Operating return on equity (Operating ROE)<sup>1</sup></b>	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.
<b>Policies in force (PIF)</b>	19 The number of insurance policies that are in effect at a specified date.
<b>Provision for adverse deviation (PfAD)</b>	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.
<b>Return on equity (ROE)<sup>1</sup></b>	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.
<b>Underwriting income (loss)</b>	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.
<b>Underwriting expenses (net of other underwriting revenues) / Operating expenses (net of other underwriting revenues)<sup>1</sup></b>	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).

<sup>1</sup> This is a supplementary financial measure, non-GAAP financial measure, or a non-GAAP ratio.