TORONTO (TSX: DFY) – May 9, 2024
(in Canadian dollars except as otherwise noted)

# NEWS RELEASE: Definity Financial Corporation Reports First Quarter 2024 Results

## Highlights

- Gross written premium[1] growth accelerated to 12.8% in Q1 2024, driven by continued momentum in commercial insurance and the benefit of our proactive rate actions in a firm auto environment
- Combined ratio[1] of 93.9% in Q1 2024 reflected the solid performance in personal property, the impact of higher earned rates in personal auto, and expense efficiencies
- Operating net income[1] of $75.2 million in Q1 2024, compared to $63.4 million in Q1 2023, resulting in operating EPS[1] of $0.65 per share; trailing 12-month operating ROE[1] was 9.4%
- Net income attributable to common shareholders of $105.2 million drove book value per share[1] to $25.40, 10.9% higher than a year ago

## Executive Messages

"We began 2024 with an improved competitive position following proactive rate actions in 2023 to protect the profitability of our auto business in the context of a high-theft environment. The firm conditions in auto, continued favourable conditions in commercial insurance, and our strong broker proposition combined to generate significant growth momentum as premiums increased 12.8% in the first quarter. We delivered a 93.9% combined ratio in the quarter, highlighted by improved core accident year claims ratio and improving expense efficiencies. I am pleased with the solid start to the year and am confident that we will deliver on our financial targets, while advancing our strategic objectives in 2024."
**– Rowan Saunders, President & CEO**

"We ended the first quarter with book value per share of $25.40, up 10.9% from a year ago, as we continue to deliver value to shareholders. Our efforts to diversify the profitability of the business in recent years were reflected in our robust net investment income and ongoing contributions from the significant expansion of our broker distribution platform, both of which met our expectations for a first quarter. These results combined with solid underwriting income to generate an operating return on equity of 9.4% over the past 12 months. With substantial financial capacity, exceeding $1.3 billion, there is significant flexibility available to support the ongoing growth of our business."
**– Philip Mather, EVP & CFO**

## Consolidated Results

| (in millions of dollars, except as otherwise noted) | Q1 2024 | Q1 2023 | *Change* |
|---|---|---|---|
| Insurance revenue | 991.9 | 907.5 | *9.3%* |
| Gross written premiums[1] | 955.6 | 846.9 | *12.8%* |
| Net underwriting revenue[1] | 905.3 | 839.1 | *7.9%* |
| Claims ratio[1] | 62.6% | 62.6% | *- pts* |
| Expense ratio[1] | 31.3% | 32.7% | *(1.4) pts* |
| **Combined ratio[1]** | **93.9%** | **95.3%** | ***(1.4) pts*** |
| Insurance service result | 123.6 | 93.9 | *29.7* |
| Underwriting income[1] | 54.8 | 39.5 | *15.3* |
| Net investment income | 48.2 | 41.0 | *7.2* |
| Distribution income[1] | 10.0 | 9.5 | *0.5* |
| **Net income attributable to common shareholders** | **105.2** | **100.9** | ***4.3*** |
| **Operating net income[1]** | **75.2** | **63.4** | ***11.8*** |

[1] This is a supplementary financial measure, non-GAAP financial measure, or a non-GAAP ratio. Refer to Supplementary financial measures and non-GAAP financial measures and ratios in this news release, and Section 11 – Supplementary financial measures and non-GAAP financial measures and ratios in the Q1 2024 Management's Discussion and Analysis dated May 9, 2024 for further details, which is hereby incorporated by reference and is available on the Company's website at www.definityfinancial.com and on SEDAR+ at www.sedarplus.ca.

| | Q1 2024 | Q1 2023 | *Change* |
|---|---|---|---|
| **Per share measures (in dollars)** | | | |
| Diluted earnings per share | 0.90 | 0.87 | *0.03* |
| Operating earnings per share[1] | 0.65 | 0.54 | *0.11* |
| Book value per share[1] | 25.40 | 22.90 | *2.50* |
| **Return on equity** | | | |
| Return on equity ("ROE")[1] | 12.7% | 9.5% | *3.2 pts* |
| Operating ROE[1] | 9.4% | 9.3% | *0.1 pts* |

- **Gross written premiums ("GWP")** for Q1 2024 increased by $108.7 million or 12.8% compared to Q1 2023, with growth across all of our lines of business. Personal lines GWP was up 11.5%, driven by growth in our broker channel fuelled by strong auto rate increases. Commercial lines GWP increased 15.8% as we continued to drive significant profitable growth in this line of business.
- **Underwriting income** for Q1 2024 was $54.8 million and the combined ratio was 93.9%, compared to underwriting income of $39.5 million and a combined ratio of 95.3% in Q1 2023. The combined ratio reflects improvements in the expense ratio and the core accident year claims ratio, and higher favourable prior year claims development. These improvements were partially offset by an increase in catastrophe losses.
- **Net investment income** increased $7.2 million in Q1 2024 due primarily to higher interest income driven by higher fixed income yields captured within the portfolio.
- **Distribution income** of $10.0 million in Q1 2024 increased slightly from $9.5 million in Q1 2023. In Q1 2023, we benefitted from an unusually high true-up of contingent profit commission accruals to payments received, which contributed almost half of the distribution income in that quarter. Excluding this impact, the Q1 2024 distribution income effectively doubled driven by the contributions from acquisitions completed since May 2023.

**Net Income and Operating Net Income**

- **Net income attributable to common shareholders** was $105.2 million in Q1 compared to $100.9 million in Q1 2023. The increase was due primarily to increases in underwriting income, net investment income, and mark-to-market gains on our equity portfolio, which were partially offset by mark-to-market losses on our fixed income portfolio.
- **Operating net income** was $75.2 million in Q1 2024 compared to $63.4 million in Q1 2023. The increase was due to higher underwriting income and net investment income.
- **Operating ROE** was 9.4% for the twelve-month period ended March 31, 2024 compared to 9.3% for the twelve-month period ended March 31, 2023.

[1] This is a supplementary financial measure, non-GAAP financial measure, or a non-GAAP ratio. Refer to Supplementary financial measures and non-GAAP financial measures and ratios in this news release, and Section 11 – Supplementary financial measures and non-GAAP financial measures and ratios in the Q1 2024 Management's Discussion and Analysis dated May 9, 2024 for further details, which is hereby incorporated by reference and is available on the Company's website at www.definityfinancial.com and on SEDAR+ at www.sedarplus.ca.

## Line of Business Results

| (in millions of dollars, except as otherwise noted) | Q1 2024 | Q1 2023 | *Change* |
|---|---|---|---|
| **Personal insurance** | | | |
| **Gross written premiums**[1] | | | |
| Auto | 413.5 | 357.8 | *15.6%* |
| Property | 236.5 | 225.3 | *5.0%* |
| **Total** | **650.0** | **583.1** | ***11.5%*** |
| | | | |
| **Combined ratio**[1] | | | |
| Auto | 97.1% | 100.9% | *(3.8) pts* |
| Property | 91.0% | 91.1% | *(0.1) pts* |
| **Total** | **94.7%** | **97.0%** | ***(2.3) pts*** |
| | | | |
| **Commercial insurance** | | | |
| **Gross written premiums**[1] | **305.6** | **263.8** | ***15.8%*** |
| **Combined ratio**[1] | **92.1%** | **90.9%** | ***1.2 pts*** |

### Personal Insurance

- **Personal lines** GWP increased 11.5% in Q1 2024 with strong growth in our broker channel. Direct channel GWP was $96.0 million in Q1 2024, an increase of 1.8% compared to $94.3 million in Q1 2023. Direct channel GWP was negatively impacted by our profitability actions, including those taken in response to the ongoing rate restrictions in Alberta auto.
- **Personal auto** GWP increased 15.6% in Q1 2024, reflecting an increase in average written premiums as approved rate increases take hold in a firm market environment, higher premiums assumed from industry pools, and the benefit of portfolio transfers. The combined ratio was 97.1% in Q1 2024, an improvement compared to 100.9% in Q1 2023 reflecting decreases in both the expense ratio, due to active expense management, and the core accident year claims ratio, due in part to relatively benign winter weather. The core accident year claims ratio continues to benefit from higher earned rates but was negatively impacted by heightened levels of theft together with some volatility from industry pools in Q1 2024.
- **Personal property** GWP increased 5.0% in Q1 2024, benefitting from continued firm market conditions driving increases in average written premiums. This was partially offset by lower levels of portfolio transfers than the same period in 2023 and our actions to address risk concentration in territories with a higher propensity to peril events. The combined ratio in Q1 2024 was 91.0% compared to 91.1% in Q1 2023. An improvement in prior year claims development and a decrease in the expense ratio were largely offset by increases in catastrophe losses and the core accident year claims ratio. Catastrophe losses in Q1 2024 were driven by a deep freeze winter event in British Columbia, and reflective of our higher market share in the province.

### Commercial Insurance

- Strong growth momentum in **commercial lines** continued in Q1 2024 driven by targeted growth across strategic segments. GWP increased 15.8% in Q1 2024, driven by strong retention and rate achievement in a firm market environment, and further expansion of our small business and specialty capabilities.
- **Commercial lines** benefitted from continued focus on underwriting execution with a combined ratio of 92.1% in Q1 2024 compared to 90.9% in Q1 2023. The increase in the combined ratio was driven primarily by non-weather-related catastrophe losses reflective of the increased scale and product expansion of the commercial insurance business, and lower favourable prior year claims development. These were partially offset by reductions in the core accident year claims ratio and the expense ratio.

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## Financial Position

| (in millions of dollars) | As at March 31, 2024 | As at December 31, 2023 | *Change* |
|---|---|---|---|
| **Financial position** | | | |
| Equity attributable to common shareholders | 2,926.7 | 2,847.7 | *79.0* |
| Financial capacity[1] | 1,313.6 | 1,269.6 | *44.0* |

Note: Financial capacity as at December 31, 2023 is shown pro forma for the CBCA continuance effective January 1, 2024.

- Our capital position as of March 31, 2024 remains strong and well in excess of our capital targets.
- Equity attributable to common shareholders increased by $79.0 million, or 2.8%, as at March 31, 2024, due primarily to the net income generated in Q1 2024.
- The increase in financial capacity as at March 31, 2024 relates primarily to capital generated from operating net income and recognized gains on investments. These were partially offset by capital deployed in continuing acquisitions in our national broker platform.

### Dividend

- On May 9, 2024, our Board of Directors declared a $0.16 per share dividend, payable on June 27, 2024 to shareholders of record at the close of business on June 13, 2024.

### Normal Course Issuer Bid ("NCIB")

- On May 9, 2024, our Board of Directors approved the renewal of the NCIB, on the same terms and conditions as the current NCIB, subject to the approval of the Toronto Stock Exchange, which has not yet been obtained.

## Conference Call

Definity will conduct a conference call to review information included in this news release and related matters at 11:00 a.m. ET on May 10, 2024. The conference call will be available simultaneously and in its entirety to all interested investors and the news media at www.definityfinancial.com. A transcript will be made available on Definity's website within two business days.

## About Definity Financial Corporation

Definity Financial Corporation ("Definity", which includes its subsidiaries where the context so requires) is one of the leading property and casualty insurers in Canada, with over $4.1 billion in gross written premiums for the 12 months ended March 31, 2024 and over $2.9 billion in equity attributable to common shareholders as at March 31, 2024.

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## Cautionary Note Regarding Forward-Looking Information

This news release contains “forward-looking information” within the meaning of applicable securities laws in Canada. Forward-looking information may relate to our future business, financial outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategies, addressable markets, budgets, operations, financial results, taxes, dividend policy, plans and objectives. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “targets”, “expects” or “does not expect”, “is expected”, “an opportunity exists”, “budget”, “scheduled”, “estimates”, “forecasts”, “projection”, “prospects”, “strategy”, “intends”, “anticipates”, “does not anticipate”, “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might”, “will”, “will be taken”, “occur” or “be achieved”. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding possible future events or circumstances.

Forward-looking information in this news release is based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Forward-looking information is necessarily based on a number of opinions, estimates and assumptions that we considered appropriate and reasonable as at the date such statements are made, and are subject to many factors that could cause our actual results, performance or achievements, or other future events or developments, to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors:

- Definity’s ability to continue to offer competitive pricing or product features or services that are attractive to customers;
- Definity’s ability to appropriately price its insurance products to produce an acceptable return, particularly in provinces where the regulatory environment requires auto insurance rate increases to be approved or that otherwise impose regulatory constraints on auto insurance rates;
- Definity’s ability to accurately assess the risks associated with the insurance policies that it writes;
- Definity’s ability to assess and pay claims in accordance with its insurance policies;
- litigation and regulatory actions, including potential claims in relation to demutualization and our IPO, and COVID-19-related class-action lawsuits that have arisen and which may arise, together with associated legal costs;
- Definity’s ability to predetermine the amount of unclaimed demutualization benefits upon the expiry of the benefit claim deadline, whether in the form of cash or common shares;
- Definity’s ability to obtain adequate reinsurance coverage to transfer risk;
- Definity’s ability to accurately predict future claims frequency or severity, including the frequency and severity of weather-related events and the impact of climate change;
- Definity’s ability to address inflationary cost pressures through pricing, supply chain, or cost management actions;
- the occurrence of unpredictable catastrophe events;
- unfavourable capital market developments, interest rate movements, changes to dividend policies or other factors which may affect our investments or the market price of our common shares;
- changes associated with the transition to a low-carbon economy, including reputational and business implications from stakeholders’ views of our climate change approach, that of our industry, or that of our customers;
- Definity’s ability to successfully manage credit risk from its counterparties;
- foreign currency fluctuations;
- Definity’s ability to meet payment obligations as they become due;
- Definity’s ability to maintain its financial strength rating or credit rating;
- Definity’s dependence on key people;
- Definity’s ability to attract, develop, motivate, and retain an appropriate number of employees with the necessary skills, capabilities, and knowledge;
- Definity’s ability to appropriately collect, store, transfer, and dispose of information;
- Definity’s reliance on information technology systems and internet, network, data centre, voice or data communications services and the potential disruption or failure of those systems or services, including as a result of cyber security risk;
- failure of key service providers or vendors to provide services or supplies as expected, or comply with contractual or business terms;

- Definity's ability to obtain, maintain and protect its intellectual property rights and proprietary information or prevent third parties from making unauthorized use of our technology;
- compliance with and changes in legislation or its interpretation or application, or supervisory expectations or requirements, including changes in the scope of regulatory oversight, effective income tax rates, risk-based capital guidelines, and accounting standards;
- failure to design, implement and maintain effective controls over financial reporting and disclosure which could have a material adverse effect on our business;
- deceptive or illegal acts undertaken by an employee or a third party, including fraud in the course of underwriting insurance or administering insurance claims;
- Definity's ability to respond to events impacting its ability to conduct business as normal;
- Definity's ability to implement its strategy or operate its business as management currently expects;
- general business, economic, financial, political, and social conditions, particularly those in Canada;
- the emergence or continuation of widespread health emergencies or pandemics, and their impact on local, national, or international economies, as well as their heightening of certain risks that may affect our business or future results;
- the competitive market environment and cyclical nature of the P&C insurance industry;
- the introduction of disruptive innovation or alternative business models by current market participants or new market entrants;
- distribution channel risk, including Definity's reliance on brokers to sell its products;
- Definity's dividend payments being subject to the discretion of the Board and dependent on a variety of factors and conditions existing from time to time;
- the discontinuance, modification, or failure to renew or complete Definity's normal course issuer bid;
- Definity's dependence on the results of operations of its subsidiaries and the ability of the subsidiaries to pay dividends;
- Definity's ability to manage and access capital and liquidity effectively;
- Definity's ability to successfully identify, complete, integrate and realize the benefits of acquisitions or manage the associated risks;
- management's estimates and judgments in respect of the adoption of IFRS 17 and its impact on various financial metrics;
- periodic negative publicity regarding the insurance industry, Definity, or Definity Insurance Foundation; and
- management's estimates and expectations in relation to interests in the broker distribution channel and the resulting impact on growth, income, and accretion in various financial metrics.

If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information. The opinions, estimates or assumptions referred to above and described in greater detail in the "12 – Risk Management and Corporate Governance" section of the Management's Discussion and Analysis for the year ended December 31, 2023 should be considered carefully by readers.

Although we have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, the factors above are not intended to represent a complete list and there may be other factors not currently known to us or that we currently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information, which speaks only as at the date made. The forward-looking information contained in this news release represents our expectations as at the date of this news release (or as at the date they are otherwise stated to be made) and are subject to change after such date. However, we disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws in Canada.

All of the forward-looking information contained in this news release is expressly qualified by the foregoing cautionary statements.

## Contacts

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## 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 news release 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 Q1 2024 Management's Discussion and Analysis dated May 9, 2024, which is available on our website at www.definityfinancial.com and on SEDAR+ at www.sedarplus.ca.

Below are quantitative reconciliations of non-GAAP measures for the three months ended March 31, 2024 and March 31, 2023:

### Distribution income

| (in millions of dollars) | Q1 2024 | Q1 2023 |
|---|---|---|
| Distribution revenues[1] | 40.4 | 25.5 |
| Distribution business expenses[2] | (30.4) | (16.0) |
| **Distribution income** | **10.0** | **9.5** |

[1] Distribution revenues includes commissions on policies underwritten by external insurance companies.
[2] Included in Other (expenses) income in our interim consolidated financial statements. These amounts exclude amortization of intangible assets recognized in business combinations and acquisition-related expenses.

### Net claims and adjustment expenses

| (in millions of dollars) | Q1 2024 | Q1 2023 |
|---|---|---|
| Claims and adjustment expenses[1,2] | 634.8 | 557.5 |
| Impact of onerous insurance contracts[3] | (1.8) | (1.2) |
| Claims recoverable from reinsurers for incurred claims[2,4] | (66.6) | (31.2) |
| **Net claims and adjustment expenses** | **566.4** | **525.1** |

[1] Included in Insurance service expenses and Other (expenses) income in our interim consolidated financial statements.
[2] Excludes the impact of discounting and risk adjustment.
[3] Included in Insurance service expenses.
[4] Included in Net expenses from reinsurance contracts held in our interim consolidated financial statements.

### Net commissions

| (in millions of dollars) | Q1 2024 | Q1 2023 |
|---|---|---|
| Commissions[1] | 148.1 | 136.5 |
| Commissions earned on ceded reinsurance[2] | (14.3) | (11.7) |
| **Net commissions** | **133.8** | **124.8** |

[1] Included in Insurance service expenses in our interim consolidated financial statements.
[2] Included in Net expenses from reinsurance contracts held in our interim consolidated financial statements.

### Net underwriting revenue

| (in millions of dollars) | Q1 2024 | Q1 2023 |
|---|---|---|
| Insurance revenue | 991.9 | 907.5 |
| Earned reinsurance premiums ceded[1] | (86.6) | (68.4) |
| **Net underwriting revenue** | **905.3** | **839.1** |

[1] Included in Net expenses from reinsurance contracts held in our interim consolidated financial statements.

### Operating net income, Operating income, Non-operating gains (losses)

Net income attributable to common shareholders is the most directly comparable GAAP financial measure disclosed in our interim consolidated financial statements to operating net income, operating income, and non-operating gains (losses), which are considered non-GAAP financial measures.

| (in millions of dollars) | Q1 2024 | Q1 2023 |
|---|---|---|
| Net income attributable to common shareholders | 105.2 | 100.9 |
| Remove: income tax expense | 34.7 | 30.6 |
| **Income before income taxes** | **139.9** | **131.5** |
| | | |
| Remove: non-operating gains (losses) | | |
| Recognized gains on FVTPL investments | 25.0 | 91.7 |
| Discounting[1] | 28.7 | 16.4 |
| Risk adjustment[1] | 5.0 | 2.3 |
| Finance expenses from insurance contracts issued | (16.8) | (64.5) |
| Finance income from reinsurance contracts held | 1.4 | 5.6 |
| Interest on restricted cash, less demutualization and IPO-related expenses[2] | 2.4 | 2.5 |
| Amortization of intangible assets recognized in business combinations[2] | (6.5) | (3.2) |
| Other[2,3] | 1.6 | 0.1 |
| **Non-operating gains[4]** | **40.8** | **50.9** |
| **Operating income** | **99.1** | **80.6** |
| Operating income tax expense | (23.9) | (17.2) |
| **Operating net income** | **75.2** | **63.4** |

[1] Included in Insurance service expenses and Net expenses from reinsurance contracts held in our interim consolidated financial statements.
[2] Included in Other (expenses) income in our interim consolidated financial statements.
[3] Other represents miscellaneous expenses or revenues that in the view of management are not part of our insurance operations and are individually and in the aggregate not material, such as income or expenses pertaining to fintech venture capital funds, and acquisition-related expenses.
[4] Non-operating gains is a non-GAAP financial measure.

### Prior year claims development

| (in millions of dollars) | Q1 2024 | Q1 2023 |
|---|---|---|
| Changes in fulfilment cash flows relating to the liabilities for incurred claims[1] | 6.5 | (10.8) |
| Changes to amounts recoverable for incurred claims[2] | (19.7) | 3.1 |
| Remove: discounting included above | (17.0) | (16.0) |
| Remove: risk adjustment included above | 18.8 | 16.0 |
| **Prior year claims development** | **(11.4)** | **(7.7)** |

[1] Included in Insurance service expenses in our interim consolidated financial statements.
[2] Included in Net expenses from reinsurance contracts held in our interim consolidated financial statements.

### Net underwriting expenses

| (in millions of dollars) | Q1 2024 | Q1 2023 |
|---|---|---|
| Net commissions | 133.8 | 124.8 |
| Operating expenses | 116.4 | 118.4 |
| Premium taxes | 33.9 | 31.3 |
| **Net underwriting expenses** | **284.1** | **274.5** |

### Underwriting income

| (in millions of dollars) | Q1 2024 | Q1 2023 |
|---|---|---|
| Net underwriting revenue | 905.3 | 839.1 |
| Net claims and adjustment expenses | 566.4 | 525.1 |
| Net commissions | 133.8 | 124.8 |
| Operating expenses | 116.4 | 118.4 |
| Premium taxes | 33.9 | 31.3 |
| **Underwriting income** | **54.8** | **39.5** |

Below are quantitative reconciliations of non-GAAP ratios for the periods ended March 31, 2024 and March 31, 2023:

## ROE

| (in millions of dollars, except as otherwise noted) | For the 12 months ended March 31, 2024 | 2023 |
|---|---|---|
| Net income attributable to common shareholders | 354.5 | 244.4 |
| Equity attributable to common shareholders[1] | 2,926.7 | 2,637.2 |
| Adjusted equity attributable to common shareholders | 2,926.7 | 2,637.2 |
| Average adjusted equity attributable to common shareholders[2] | 2,781.9 | 2,572.0 |
| ROE | 12.7% | 9.5% |

[1] Equity attributable to common shareholders is as at March 31, 2024 and March 31, 2023.
[2] Average adjusted equity attributable to common shareholders is the average of adjusted equity attributable to common shareholders (equity attributable to common shareholders as shown on our consolidated balance sheets, adjusted for significant capital transactions or other unusual adjustments to equity, if applicable) at the end of the period and the end of the preceding 12-month period. Equity attributable to common shareholders and adjusted equity attributable to common shareholders as at March 31, 2022 was $2,506.9 million (restated for the impacts of IFRS 17 – *Insurance Contracts* ("IFRS 17") and IFRS 9 – *Financial Instruments* ("IFRS 9")).

## Operating ROE

| (in millions of dollars, except as otherwise noted) | For the 12 months ended March 31, 2024 | 2023 |
|---|---|---|
| Operating net income[1] | 258.3 | 236.9 |
| Equity attributable to common shareholders, excluding AOCI[2] | 2,942.0 | 2,668.1 |
| Adjustment for unrealized gains on FVTPL equity instruments | (103.6) | (30.3) |
| Adjusted equity attributable to common shareholders, excluding AOCI[3] | 2,838.4 | 2,637.8 |
| Average adjusted equity attributable to common shareholders, excluding AOCI[4] | 2,738.1 | 2,536.1 |
| Operating ROE | 9.4% | 9.3% |

[1] Operating net income is a non-GAAP financial measure.
[2] Equity attributable to common shareholders, excluding accumulated other comprehensive (loss) income ("AOCI") is as at March 31, 2024 and March 31, 2023.
[3] Adjusted equity attributable to common shareholders, excluding AOCI, is equity attributable to common shareholders and AOCI each as shown on our consolidated balance sheets, adjusted for significant capital transactions or other unusual adjustments to equity, if applicable, and excluding unrealized gains or losses on FVTPL equity instruments.
[4] Average adjusted equity attributable to common shareholders, excluding AOCI, is the average of adjusted equity attributable to common shareholders, excluding AOCI at the end of the period and the end of the preceding 12-month period. Adjusted equity attributable to common shareholders, excluding AOCI, as at March 31, 2022 was $2,434.4 million (restated for the impacts of IFRS 17 and IFRS 9).