TORONTO (TSX: IFC) – August 2, 2023
(in Canadian dollars except as otherwise noted)

PRESS RELEASE
Intact Financial Corporation reports Q2-2023 results

Highlights[1]

- **Operating DPW[2] growth of 6% in Q2-2023** driven by rate actions in supportive market conditions
- **Net operating income per share[2] decreased 30% to $2.30**, largely due to an increase in catastrophe losses to $421 million, partially offset by higher investment income
- **EPS of $1.30** was lower than last year, which had benefited from the sale of Codan Denmark and large gains on equity investments
- **Combined ratio[2] of 92.2% (96.3% undiscounted)** included 8 points of catastrophe losses that were twice as high as expected, while underlying performance was strong in all geographies
- **Personal auto results were strong at a 91.2% combined ratio[2],** reflecting our profitability actions and moderating inflation
- **Operating ROE[2] of 12.8%** (and ROE[2] of 9.0%) despite elevated catastrophe losses and **$2.5 billion of total capital margin[2]**

Charles Brindamour, Chief Executive Officer, said:
"With multiple severe weather events this quarter, our employees were often first on site in affected communities, offering a reassuring presence and support to customers in a time of need. Despite the scale of the fire, flood, and freeze events, we maintained a strong balance sheet and delivered a 13% operating ROE, a testament to the resilience of our operations. We will continue to leverage our experience with natural disasters to collaborate with governments and help communities adapt to climate change."

Consolidated Highlights (in millions of Canadian dollars except as otherwise noted)	Q2-2023	Q2-2022 *restated[3]*	Change	H1-2023	H1-2022 *restated[3]*	Change
Operating direct premiums written[1, 2]	**6,226**	5,801	6%	**11,035**	10,457	5%
Combined ratio (discounted)[2]	**92.2%**	88.0%	4.2 pts	**89.8%**	88.4%	1.4 pts
Combined ratio (undiscounted)[2]	**96.3%**	90.2%	6.1 pts	**94.2%**	91.2%	3.0 pts
Underwriting income[2]	**391**	576	(32)%	**1,004**	1,107	(9)%
Operating net investment income[2]	**326**	211	55%	**621**	416	49%
Net unwind of discount on claims liabilities[2]	**(216)**	(88)	nm	**(442)**	(171)	nm
Operating net investment result[2]	**110**	123	(11)%	**179**	245	(27)%
Distribution income[2]	**137**	142	(4)%	**242**	234	3%
Net operating income attributable to common shareholders[2]	**402**	581	(31)%	**939**	1,097	(14)%
Net income	**260**	1,235	(79)%	**637**	1,722	(63)%
Per share measures (in dollars)						
Net operating income per share (NOIPS)[2]	**$2.30**	$3.30	(30)%	**$5.36**	$6.23	(14)%
Earnings per share (EPS)	**$1.30**	$6.93	(81)%	**$3.36**	$9.68	(65)%
Book value per share[2]	**$76.29**	$83.74	(9)%			
Return on equity for the last 12 months						
Operating ROE[2]	**12.8%**	15.4%	n/a			
ROE[2]	**9.0%**	18.5%	n/a			
Total capital margin[2]	**2,482**	2,479	3			
Adjusted debt-to-total capital ratio[2]	**22.5%**	19.8%	2.7 pts			

12-Month Industry Outlook

- Over the next twelve months, we expect firm-to-hard insurance market conditions to continue in most lines of business, driven by inflation, natural disasters, and a hard reinsurance market.
- In Canada, we expect firm-to-hard market conditions in personal lines. Both personal property and auto premiums are expected to grow by high single-digits in response to inflation and evolving driving patterns.
- In commercial and specialty lines across all geographies, we expect hard market conditions to continue in most lines of business.
- In the UK&I, the personal property market is firming, with further rate increases expected.

[1] DPW change (growth) is presented in constant currency.
[2] This release contains Non-GAAP financial measures, Non-GAAP ratios and other financial measures (each as defined in National Instrument 52-112 "Non-GAAP and Other Financial Measures Disclosure"). Refer to Section 21 – Non-GAAP and other financial measures in the Q2-2023 Management's Discussion and Analysis for further details.
[3] Comparatives were restated for IFRS 17 but not for IFRS 9. OROE and ROE are not restated for IFRS 17, given that 2021 P&L figures were not restated for IFRS 17.

Segment Results

(in millions of Canadian dollars except as otherwise noted)	Q2-2023	Q2-2022 *restated*	Change	H1-2023	H1-2022 *restated*	Change
Operating direct premiums written[1,2]						
Canada	**4,270**	4,035	6%	**7,266**	6,928	5%
UK&I	**1,202**	1,164	(2)%	**2,437**	2,456	(1)%
US	**754**	602	19%	**1,332**	1,073	17%
Total	**6,226**	5,801	6%	**11,035**	10,457	5%
Combined ratio[2]						
Canada	**97.9%**	89.6%	8.3 pts	**94.9%**	90.3%	4.6 pts
UK&I	**94.1%**	92.0%	2.1 pts	**94.3%**	95.2%	(0.9) pts
US	**91.3%**	91.0%	0.3 pts	**90.2%**	88.9%	1.3 pts
Combined ratio (undiscounted)	**96.3%**	90.2%	6.1 pts	**94.2%**	91.2%	3.0 pts
Impact of discounting[3]	**(4.1)%**	(2.2)%	(1.9) pts	**(4.4)%**	(2.8)%	(1.6) pts
Combined ratio (discounted)	**92.2%**	88.0%	4.2 pts	**89.8%**	88.4%	1.4 pts

Q2-2023 Consolidated Performance

- **Operating DPW growth accelerated to 6%, or 7% excluding strategic exits** (such as UK personal lines motor and certain delegated relationships)**,** reflecting solid rate momentum across all lines of business.
- **Overall combined ratio of 96.3% (undiscounted)** included 4 points of higher-than-expected catastrophe losses. Strong performance in commercial lines was tempered by pressures in personal property, while personal auto performed well and in line with expectations.
- **Including the impact of discounting, the overall combined ratio of 92.2%** was 4.2 points worse than last year. This was driven by the underwriting results mentioned above, offset in part by the benefit of underwriting discount build at higher interest rates compared to last year.
- **Operating net investment income of $326 million** for the quarter increased 55% year-over-year, due to higher reinvestment yields, increased portfolio turnover, and a $25 million special dividend.
- **Distribution income declined 4% to $137 million**, reflecting both elevated variable commissions and contribution from On Side restoration in the prior-year period, while underlying profitability and acquisition pipeline remained solid in Q2-2023.

Lines of Business[4]

P&C Canada

- **Personal auto** premiums increased 6% from the prior year, as a result of rate actions in firming market conditions and an improving unit trajectory. The combined ratio of 91.2% is reflective of our profitability actions, favourable seasonality and elevated but moderating inflation. We expect to remain at a seasonally adjusted sub-95 combined ratio over the next 12 months.
- **Personal property** premiums grew by 5% in firm-to-hard market conditions. The combined ratio was elevated at 119.2%, or 22.7 points worse than last year due to higher catastrophe losses, elevated large losses, and inflation. We are well positioned to protect profitability through rate actions in supportive market conditions, while continuing to control costs through supply chain and other claims improvements.
- **Commercial lines** premium growth of 6% reflected continued rate increases and strong retention in most lines, offset in part by targeted actions to optimize the portfolio. The combined ratio was a solid 89.5%, but 7.4 points higher than last year primarily due to higher catastrophe losses.

P&C UK&I

- **Personal lines** premiums declined 7% on a constant currency basis. Excluding the impact of our UK personal lines motor market exit, growth was 6% in the quarter, reflecting rate actions in firming market conditions. The combined ratio of 98.0% reflects inflation and adverse weather, offset by the benefits of ongoing profitability actions.
- **Commercial lines** premiums grew 1% on a constant currency basis, as continued strong rate increases were tempered 5 points by strategic exits. The combined ratio improved 2.1 points to a solid 92.1%, despite 9.0 points of catastrophe losses.

[1] DPW change (growth) is presented in constant currency.
[2] This release contains Non-GAAP financial measures, Non-GAAP ratios and other financial measures (each as defined in National Instrument 52-112 "Non-GAAP and Other Financial Measures Disclosure"). Refer to Section 21 – Non-GAAP and other financial measures in the Q2-2023 Management's Discussion and Analysis for further details.
[3] Includes the impact of discount build on our claims liabilities for all P&C segments. Refer to Section 3 - IFRS 17 transitional impact in the Q2-2023 Management's Discussion and Analysis for further details.
[4] Combined ratios within the Lines of Business are reported on an undiscounted basis.

P&C U.S.

- **US Commercial** premiums grew 19% on a constant currency basis, driven by new products (following the Highland acquisition last year), new business, and rate increases. The combined ratio remained solid at 91.3%, but slightly higher than last year due to higher catastrophe losses.

Net Operating Income, EPS and ROE

- **Net operating income attributable to common shareholders of $402 million** was 31% lower than Q2-2022, as a $176 million increase in catastrophe losses offset the impact of higher earned premiums and investment income.
- **Earnings per share of $1.30** reflected lower operating income and an expected level of non-operating expenses. EPS was elevated in the comparable period last year due to the sale of Codan Denmark and other investment gains.
- **Operating ROE of 12.8%** and **ROE of 9.0%** for the 12 months to June 30, 2023 reflected solid operating performance despite elevated catastrophe losses. As the benefits of the pension de-risking activities are fully realized, we expect this to contribute approximately 1 point to ROE by year-end.

Balance Sheet

- The Company ended the quarter in a strong financial position, with a **total capital margin of $2.5 billion** and solid regulatory capital ratios in all jurisdictions.
- **The adjusted debt-to-total capital ratio of 22.5%** was in line with our expectations and on track to return towards 20% over the next few quarters.
- IFC's **book value per share (BVPS) was $76.29** at June 30, 2023, down 2% from Q1-2023. Solid earnings were offset by unfavourable market movements on fixed income securities.

Common Share Dividend

- The Board of Directors approved the quarterly dividend to $1.10 per share on the Company's outstanding common shares. The dividends are payable on September 29, 2023, to shareholders of record on September 15, 2023.

Preferred Share Dividends

- The Board of Directors also approved a quarterly dividend of 30.25625 cents per share on the Company's Class A Series 1 preferred shares, 21.60625 cents per share on the Class A Series 3 preferred shares, 32.50 cents per share on the Class A Series 5 preferred shares, 33.125 cents per share on the Class A Series 6 preferred shares, 37.575 cents per share on the Class A Series 7 preferred shares, 33.75 cents per share on the Class A Series 9 preferred shares, and 32.8125 cents per share on the Class A Series 11 preferred shares. The dividends are payable as of September 30, 2023, to shareholders of record on September 15, 2023.

Analysts' Estimates

- The average estimate of **earnings per share** and **net operating income per share** for the quarter among the analysts who follow the Company was $1.84 and $2.34, respectively.

Management's Discussion and Analysis (MD&A) and interim condensed Consolidated Financial Statements
This Press Release, which was approved by the Company's Board of Directors on the Audit Committee's recommendation, should be read in conjunction with the Q2-2023 MD&A, as well as the Q2-2023 interim condensed Consolidated Financial Statements, which are available on the Company's website at www.intactfc.com and later today on SEDAR at www.sedar.com.

For the definitions of measures and other insurance-related terms used in this Press Release, please refer to the MD&A and to the glossary available in the "Investors" section of the Company's website at www.intactfc.com.

Conference Call Details
Intact Financial Corporation will host a conference call to review its earnings results tomorrow at 11:00 a.m. ET. To listen to the call via live audio webcast and to view the Company's interim condensed Consolidated Financial Statements, MD&A, presentation slides, Supplementary financial information and other information not included in this press release, visit the Company's website at www.intactfc.com and link to "Investors". The conference call is also available by dialing 416-764-8659 or 1-888-664-6392 (toll-free in North America). Please call 10 minutes before the start of the call. A replay of the call will be available on August 3, 2023 at 2:00 p.m. ET until midnight on August 10, 2023. To listen to the replay, call 416-764-8677 or 1-888-390-0541 (toll-free in North America), entry code 721275. A transcript of the call will also be made available on Intact Financial Corporation's website.

About Intact Financial Corporation
Intact Financial Corporation (TSX: IFC) is the largest provider of property and casualty (P&C) insurance in Canada, a leading provider of global specialty insurance, and, with RSA, a leader in the U.K. and Ireland. Our business has grown organically and through acquisitions to over $21 billion of total annual premiums.

In Canada, Intact distributes insurance under the Intact Insurance brand through a wide network of brokers, including its wholly-owned subsidiary BrokerLink, and directly to consumers through belairdirect. Intact also provides affinity insurance solutions through the Johnson Affinity Groups.

In the U.S., Intact Insurance Specialty Solutions provides a range of specialty insurance products and services through independent agencies, regional and national brokers, and wholesalers and managing general agencies.

In the U.K., Ireland, and Europe, Intact provides personal, commercial and specialty insurance solutions through the RSA brands.

Media Inquiries:
David Barrett
Director, Media, Social and Owned Channels
416 227-7905 / 514 985-7165
media@intact.net

Investor Inquiries:
Shubha Khan
Vice President, Investor Relations
416 341-1464 ext. 41004
shubha.khan@intact.net

Non-GAAP and other financial measures

Non-GAAP financial measures and Non-GAAP ratios (which are calculated using Non-GAAP financial measures) do not have standardized meanings prescribed by IFRS (or GAAP) and may not be comparable to similar measures used by other companies in our industry. Non-GAAP and other financial measures are used by management and financial analysts to assess our performance. Further, they provide users with an enhanced understanding of our financial results and related trends, and increase transparency and clarity into the core results of the business.

Non-GAAP financial measures and Non-GAAP ratios used in this Press Release and the Company's financial reports include measures related to our consolidated performance, our underwriting performance and our financial strength.

For more information about these supplementary financial measures, Non-GAAP financial measures, and Non-GAAP ratios, including definitions and explanations of how these measures provide useful information, refer to Section 21 – Non-GAAP and other financial measures in the Q2-2023 MD&A dated August 2, 2023, which is available on our website at www.intactfc.com and on SEDAR at www.sedar.com.

Table 1 Reconciliation of NOI, NOIPS and OROE to Net income attributable to shareholders, as reported under IFRS

	Q2-2023	Q2-2022 *Restated* [1]	H1-2023	H1-2022 *Restated* [1]
Net income attributable to shareholders, as reported under IFRS	**252**	1,234	**629**	1,733
Remove: Pre-tax non-operating results	**191**	(725)	**332**	(723)
Remove: Non-operating tax expense (benefit)	**(18)**	94	**17**	140
Remove: Non operating component of NCI	**-**	(6)	**-**	(24)
NOI attributable to shareholders	**425**	597	**978**	1,126
Remove: preferred share dividends and other equity distribution	**(23)**	(16)	**(39)**	(29)
NOI attributable to common shareholders	**402**	581	**939**	1,097
Divided by weighted-average number of common shares (in millions)	**175.3**	175.8	**175.3**	175.9
NOIPS, basic and diluted (in dollars)	**2.30**	3.30	**5.36**	6.23
NOI to common shareholders for the last 12 months [2]	**1,935**	2,199		
Adjusted average common shareholders' equity, excluding AOCI [2]	**15,145**	14,275		
OROE for the last 12 months [2]	**12.8%**	15.4%		

[1] Restated for the adoption of IFRS 17 – Insurance contracts

[2] These measures are not restated for IFRS 17, given that the 2021 P&L figures were not restated for IFRS 17

Table 2 Reconciliation of underwriting results on a MD&A basis with the interim condensed consolidated financial statements (quarterly)

Financial statements	FS *IFRS 17*	1	2	3	4	5	6	7	8	9	Total	MD&A *IFRS 17*	MD&A
Quarter ended June 30, 2023													
Insurance revenue	**6,243**	**(808)**	**(73)**				**(321)**		**(55)**	**30**	**(1,227)**	**5,016**	Operating net underwriting revenue
Insurance service expense	**(5,500)**	**541**	**110**	**(112)**	**6**	**(34)**	**339**	**-**	**55**	**(30)**	**875**	**(4,625)**	Sum of: Operating net claims ($2,902 million) and Operating net underwriting expenses ($1,723 million)
Allocation of reinsurance premiums	**(808)**	**808**									**808**	**-**	**n/a**
Amounts recoverable from reinsurers	**541**	**(541)**									**(541)**	**-**	**n/a**
Insurance service result	**476**	**-**	**37**	**(112)**	**6**	**(34)**	**18**	**-**	**-**	**-**	**(85)**	**391**	**Underwriting income (loss)**
Quarter ended June 30, 2022													
Insurance revenue	**6,408**	(905)	(146)				(564)		(51)	60	**(1,606)**	**4,802**	Operating net underwriting revenue
Insurance service expense	**(5,532)**	718	158	(55)	11	(38)	567	(46)	51	(60)	**1,306**	**(4,226)**	Sum of: Operating net claims ($2,647 million) and Operating net underwriting expenses ($1,579 million)
Allocation of reinsurance premiums	**(905)**	905									**905**	**-**	**n/a**
Amounts recoverable from reinsurers	**718**	(718)									**(718)**	**-**	**n/a**
Insurance service result	**689**	**-**	**12**	**(55)**	**11**	**(38)**	**3**	**(46)**	**-**	**-**	**(113)**	**576**	**Underwriting income (loss)**

Reconciling items in the table above:

1	Adjustment to present results net of reinsurance
2	Adjustment to exclude net underwriting revenue, net claims, net underwriting expenses from exited lines (treated as non-operating)
3	Adjustment to include indirect underwriting expenses (from Other income and expense under IFRS)
4	Adjustment to exclude the non-operating pension expense
5	Adjustment to reclassify intercompany commissions (to Distribution income & Other corporate income (expense))
6	Adjustment to exclude Net insurance service results from claims acquired in a business combination (treated as non-operating)
7	Adjustment to normalize discount build in IFRS 17 transition year (from Net insurance financial result under IFRS)
8	Adjustment to reclassify Assumed (ceded) commissions and premium adjustments
9	Adjustment to reclassify Net insurance revenue from retroactive reinsurance contracts

Table 3 Reconciliation of underwriting results on a MD&A basis with the interim condensed consolidated financial statements (year-to-date)

Financial statements	FS *IFRS 17*	1	2	3	4	5	6	7	8	9	Total	MD&A *IFRS 17*	MD&A
Six-month period ended June 30, 2023													
Insurance revenue	**12,597**	**(1,655)**	**(153)**				**(862)**		**(114)**	**67**	**(2,717)**	**9,880**	Operating net underwriting revenue
Insurance service expense	**(11,096)**	**1,274**	**250**	**(198)**	**12**	**(69)**	**904**	**-**	**114**	**(67)**	**2,220**	**(8,876)**	Sum of: Operating net claims ($5,501 million) and Operating net underwriting expenses ($3,375 million)
Allocation of reinsurance premiums	**(1,655)**	**1,655**									**1,655**	**-**	**n/a**
Amounts recoverable from reinsurers	**1,274**	**(1,274)**									**(1,274)**	**-**	**n/a**
Insurance service result	**1,120**	**-**	**97**	**(198)**	**12**	**(69)**	**42**	**-**	**-**	**-**	**(116)**	**1,004**	**Underwriting income (loss)**
Six-month period ended June 30, 2022													
Insurance revenue	**13,214**	(1,791)	(294)				(1,548)		(107)	89	**(3,651)**	**9,563**	Operating net underwriting revenue
Insurance service expense	**(11,574)**	1,410	340	(164)	23	(60)	1,558	(7)	107	(89)	**3,118**	**(8,456)**	Sum of: Operating net claims ($5,310 million) and Operating net underwriting expenses ($3,146 million)
Allocation of reinsurance premiums	**(1,791)**	1,791									**1,791**	**-**	**n/a**
Amounts recoverable from reinsurers	**1,410**	(1,410)									**(1,410)**	**-**	**n/a**
Insurance service result	**1,259**	**-**	**46**	**(164)**	**23**	**(60)**	**10**	**(7)**	**-**	**-**	**(152)**	**1,107**	**Underwriting income (loss)**

Reconciling items in the table above:

1	Adjustment to present results net of reinsurance
2	Adjustment to exclude net underwriting revenue, net claims, net underwriting expenses from exited lines (treated as non-operating)
3	Adjustment to include indirect underwriting expenses (from Other income and expense under IFRS)
4	Adjustment to exclude the non-operating pension expense
5	Adjustment to reclassify intercompany commissions (to Distribution income & Other corporate income (expense))
6	Adjustment to exclude Net insurance service results from claims acquired in a business combination (treated as non-operating)
7	Adjustment to normalize discount build in IFRS 17 transition year (from Net insurance financial result under IFRS)
8	Adjustment to reclassify Assumed (ceded) commissions and premium adjustments
9	Adjustment to reclassify Net insurance revenue from retroactive reinsurance contracts

Table 4 Reconciliation of the components within Operating net claims

	Q2-2023	Q2-2022 *Restated*	H1-2023	H1-2022 *Restated*
Operating net claims, *as reported in Tables 2 - 3*	**2,902**	2,647	**5,501**	5,310
Remove: net current year CAT losses	**(421)**	(245)	**(529)**	(427)
Remove: favourable (unfavourable) PYD	**238**	205	**497**	488
Operating net claims excluding current year CAT losses and PYD	**2,719**	2,607	**5,469**	5,371
Operating net underwriting revenue	**5,016**	4,802	**9,880**	9,563
Underlying current year loss ratio	**54.2%**	54.2%	**55.3%**	56.2%
CAT loss ratio	**8.4%**	5.1%	**5.4%**	4.5%
(Favourable) unfavourable PYD ratio	**(4.7)%**	(4.2)%	**(5.0)%**	(5.2)%
Claims ratio	**57.9%**	55.1%	**55.7%**	55.5%

Table 5 Reconciliation of the components within Operating net underwriting expenses

	Q2-2023	Q2-2022 *Restated*	H1-2023	H1-2022 *Restated*
Operating net underwriting expenses, *as reported in Tables 2 - 3*	**1,723**	1,579	**3,375**	3,146
Commissions	**799**	790	**1,600**	1,532
General expenses	**784**	654	**1,499**	1,342
Premium taxes	**140**	135	**276**	272
Operating net underwriting revenue	**5,016**	4,802	**9,880**	9,563
Commissions ratio	**15.9%**	16.5%	**16.2%**	16.0%
General expenses ratio	**15.6%**	13.6%	**15.1%**	14.0%
Premium taxes ratio	**2.8%**	2.8%	**2.8%**	2.9%
Expense ratio	**34.3%**	32.9%	**34.1%**	32.9%
Claims ratio *(as reported in Table 4)*	**57.9%**	55.1%	**55.7%**	55.5%
Combined ratio	**92.2%**	88.0%	**89.8%**	88.4%

Table 6 Reconciliation of Operating net investment income to Net investment income, as reported under IFRS

	Q2-2023	Q2-2022 *Restated*	H1-2023	H1-2022 *Restated*
Net investment income, as reported under IFRS	**326**	213	**621**	420
Remove: investment income from the RSA Middle-East exited operations	**-**	(2)	**-**	(4)
Operating net investment income	**326**	211	**621**	416

Table 7 Reconciliation of Net unwind of discount on claims liabilities to Net insurance financial result, as reported under IFRS

	Q2-2023	Q2-2022 *Restated*	H1-2023	H1-2022 *Restated*
Net insurance financial result, as reported under IFRS	**79**	113	**(172)**	486
Remove: Changes in discount rates and other financial assumptions	**(225)**	(316)	**(133)**	(821)
Remove: Net foreign currency gains (losses)	**(53)**	118	**(97)**	171
Remove: Net insurance financial result from claims acquired in a business combination	**(17)**	(3)	**(40)**	(7)
Net unwind of discount on claims liabilities	**(216)**	(88)	**(442)**	(171)

Table 8 Reconciliation of ROE to Net income attributable to shareholders, as reported under IFRS

	Q2-2023	Q2-2022 *Restated*	H1-2023	H1-2022 *Restated*
Net income attributable to shareholders, as reported under IFRS	**252**	1,234	**629**	1,733
Remove: preferred share dividends and other equity distribution	**(23)**	(16)	**(39)**	(29)
Net income attributable to common shareholders	**229**	1,218	**590**	1,704
Divided by weighted-average number of common shares (in millions)	**175.3**	175.8	**175.3**	175.9
EPS, basic and diluted (in dollars)	**1.30**	6.93	**3.36**	9.68
Net income attributable to common shareholders for the last 12 months[1]	**1,280**	2,573		
Adjusted average common shareholders' equity[1]	**14,226**	13,934		
ROE for the last 12 months[1]	**9.0%**	18.5%		

[1] These measures are not restated for IFRS 17, given that the 2021 P&L figures were not restated for IFRS 17

Table 9 Reconciliation of consolidated results on a MD&A basis with the interim condensed consolidated financial statements (quarterly)

	MD&A captions					Pre-tax		
As presented in the Financial statements	**Distribution income**	**Total finance costs**	**Other operating income (expense)**	**Operating net investment result**	**Total income taxes**	**Non-operating results**	**Underwriting income (loss)**	**Total F/S caption**
For the quarter ended June 30, 2023								
Insurance service result	**9**		**25**			**(61)**	**503**	**476**
Net investment income				**326**		**-**		**326**
Net gains (losses) on investment portfolio						**(295)**		**(295)**
Net insurance financial result				**(216)**		**295**		**79**
Share of profits from investments in associates and joint ventures	**50**	**(4)**	**(2)**		**(11)**	**(5)**		**28**
Other net gains (losses)						**2**		**2**
Other income and expense	**78**		**(70)**			**(51)**	**(112)**	**(155)**
Other finance costs		**(52)**						**(52)**
Acquisition, integration and restructuring costs						**(76)**		**(76)**
Income tax benefit (expense)					**(73)**			**(73)**
Total, as reported in MD&A	**137**	**(56)**	**(47)**	**110**	**(84)**	**(191)**	**(391)**	
For the quarter ended June 30, 2022 *(Restated)*								
Insurance service result	31		7			(26)	677	689
Net investment income				211		2		213
Net gains (losses) on investment portfolio						221		221
Net insurance financial result				(88)		247	(46)	113
Share of profits from investments in associates and joint ventures	59	(3)	(1)		(14)	(4)		37
Other net gains (losses)						443		443
Other income and expense	52		(53)			(55)	(55)	(111)
Other finance costs		(43)						(43)
Acquisition, integration and restructuring costs						(103)		(103)
Income tax benefit (expense)					(224)			(224)
Total, as reported in MD&A	142	(46)	(47)	123	(238)	725	576	

Table 10 Reconciliation of consolidated results on a MD&A basis with the interim condensed consolidated financial statements (year-to-date)

	MD&A captions					Pre-tax		
As presented in the Financial statements	Distribution income	Total finance costs	Other operating income (expense)	Operating net investment result	Total income taxes	Non-operating results	Underwriting income (loss)	Total F/S caption
For the six-month period ended June 30, 2023								
Insurance service result	**45**		**24**			**(151)**	**1,202**	**1,120**
Net investment income				**621**				**621**
Net gains (losses) on investment portfolio						**(146)**		**(146)**
Net insurance financial result				**(442)**		**270**		**(172)**
Share of profits from investments in associates and joint ventures	**97**	**(8)**	**(1)**		**(21)**	**(9)**		**58**
Other net gains (losses)						**19**		**19**
Other income and expense	**100**		**(101)**			**(103)**	**(198)**	**(302)**
Other finance costs		**(102)**						**(102)**
Acquisition, integration and restructuring costs						**(212)**		**(212)**
Income tax benefit (expense)					**(247)**			**(247)**
Total, as reported in MD&A	**242**	**(110)**	**(78)**	**179**	**(268)**	**(332)**	**1,004**	
For the six-month period ended June 30, 2022 *(Restated)*								
Insurance service result	51		9			(79)	1,278	1,259
Net investment income				416		4		420
Net gains (losses) on investment portfolio						-		-
Net insurance financial result				(171)		664	(7)	486
Share of profits from investments in associates and joint ventures	97	(4)	-		(22)	(9)		62
Other net gains (losses)						423		423
Other income and expense	86		(92)			(113)	(164)	(283)
Other finance costs		(84)						(84)
Acquisition, integration and restructuring costs						(167)		(167)
Income tax benefit (expense)					(394)			(394)
Total, as reported in MD&A	234	(88)	(83)	245	(416)	723	1,107	

Table 11 Calculation of BVPS and BVPS, excluding AOCI

As at June 30,	2023	2022 *Restated*
Equity attributable to shareholders, as reported under IFRS	**14,989**	16,245
Remove: Preferred shares and other equity, as reported under IFRS	**(1,619)**	(1,322)
Common shareholders' equity	**13,370**	14,923
Remove: AOCI, as reported under IFRS	**670**	70
Common shareholders' equity (excluding AOCI)	**14,040**	14,993
Number of common shares outstanding at the same date (in millions)	**175.3**	176.0
BVPS	**76.29**	84.78
BVPS, excluding AOCI[1]	**80.11**	85.18

[1] The Company adopted IFRS 9 retrospectively on January 1, 2023 and elected to recognize any IFRS 9 measurement differences by adjusting its Consolidated balance sheet on January 1, 2023, as a result comparative information was not restated. Prior periods continue to be reported under IAS 39 – Financial instruments: recognition and measurement ("IAS 39").

Table 12 Adjusted average common shareholders' equity and Adjusted average common shareholders' equity,excluding AOCI

As at June 30,	2023	2022[1]
Ending common shareholders' equity	**13,370**	14,193
Remove: significant capital transaction during the period	**1,195**	-
Ending common shareholders' equity, excluding significant capital transaction	**14,565**	14,193
Beginning common shareholders' equity[2]	**14,699**	13,676
Average common shareholders' equity, excluding significant capital transaction	**14,632**	13,934
Weighted impact of significant capital transaction	**(406)**	-
Adjusted average common shareholders' equity	**14,226**	13,934
Ending common shareholders' equity, excluding AOCI	**14,040**	15,358
Remove: significant capital transaction during the period	**1,195**	-
Ending common shareholders' equity, excluding AOCI and significant capital transaction	**15,235**	15,358
Beginning common shareholders' equity, excluding AOCI[2]	**15,867**	13,193
Average common shareholders' equity, excluding AOCI and significant capital transaction	**15,551**	14,275
Weighted impact of significant capital transaction	**(406)**	-
Adjusted average common shareholders' equity, excluding AOCI	**15,145**	14,275

[1] These measures are not restated for IFRS 17, given that the 2021 P&L figures were not restated for IFRS 17.
[2] Beginning common shareholders' equity has not been adjusted for the adoption of IFRS 9 – Financial instruments ("IFRS 9") for purposes of calculating average common shareholders' equity.

Table 13 Reconciliation of Debt outstanding (excluding hybrid debt) and Total capital to Debt outstanding, Equity attributable to shareholders and Equity attributable to NCI, as reported under IFRS

As at	June 30 2023	March 31 2023	Dec. 31 2022 *Restated*
Debt outstanding, as reported under IFRS	**4,741**	4,789	4,522
Remove: hybrid subordinated notes	**(247)**	(247)	(247)
Debt outstanding (excluding hybrid debt)	**4,494**	4,542	4,275
Debt outstanding, as reported under IFRS	**4,741**	4,789	4,522
Equity attributable to shareholders, as reported under IFRS	**14,989**	15,241	15,843
Preferred shares from Equity attributable to non-controlling interests	**285**	285	285
Adjusted total capital	**20,015**	20,315	20,650
Debt outstanding (excluding hybrid debt)	**4,494**	4,542	4,275
Adjusted total capital	**20,015**	20,315	20,650
Adjusted debt-to-total capital ratio	**22.5%**	22.4%	20.7%
Debt outstanding, as reported under IFRS	**4,741**	4,789	4,522
Preferred shares and other equity, as reported under IFRS	**1,619**	1,619	1,322
Preferred shares from Equity attributable to non-controlling interests	**285**	285	285
Debt outstanding and preferred shares (including NCI)	**6,645**	6,693	6,129
Adjusted total capital	**20,015**	20,315	20,650
Total leverage ratio	**33.2%**	32.9%	29.7%
Adjusted debt-to-total capital ratio	**22.5%**	22.4%	20.7%
Preferred shares and hybrids	**10.7%**	10.5%	9.0%

Forward Looking Statements

Certain statements made in this news release are forward-looking statements. These statements include, without limitation, statements relating to the outlook for the property and casualty insurance industry in Canada, the U.S. and the UK, the Company's business outlook, the Company's growth prospects, and the acquisition and integration of RSA. All such forward-looking statements are made pursuant to the 'safe harbour' provisions of applicable Canadian securities laws.

Forward-looking statements, by their very nature, are subject to inherent risks and uncertainties and are based on several assumptions, both general and specific, which give rise to the possibility that actual results or events could differ materially from our expectations expressed in or implied by such forward-looking statements as a result of various factors, including those discussed in the Company's most recently filed Annual Information Form dated February 7, 2023 and available on SEDAR at www.sedar.com. As a result, we cannot guarantee that any forward-looking statement will materialize and we caution you against relying on any of these forward-looking statements. Except as may be required by Canadian securities laws, we do not undertake any obligation to update or revise any forward-looking statements contained in this news release, whether as a result of new information, future events or otherwise. Please read the cautionary note at the beginning of the Q2-2023 MD&A.