



## PRESS RELEASE

### Intact Financial Corporation reports Q3-2023 results

#### Highlights

- **Net operating income per share<sup>1</sup> of \$2.10** despite elevated catastrophe losses, driven by solid underlying performance in all geographies and 50% growth in net investment income
- **Undiscounted combined ratio<sup>1</sup> of 98.3% (93.5% discounted)** included 8 points of catastrophe losses in excess of expectations, while inflation moderated as expected in personal auto, and results remained strong across commercial lines
- **Operating DPW<sup>1,2</sup> growth of 6%** led by good momentum in personal lines, and continued rate action across all business segments
- **Strong balance sheet with \$2.8 billion of total capital margin<sup>1</sup> and BVPS<sup>1</sup> increasing 1% sequentially, reflecting EPS of \$0.83** and an equity issuance for the acquisition of Direct Line Insurance Group plc's brokered commercial lines operations
- **Accelerated our strategy** by materially increasing our presence in the outperforming UK commercial lines business, while a strategic review of UK personal lines is underway

#### Charles Brindamour, Chief Executive Officer, said:

"Our teams remain hard at work getting customers back on track after several months of elevated severe weather activity. It is in precisely these moments that we can best demonstrate our purpose – to help people, businesses and society be resilient in bad times," said Charles Brindamour, Chief Executive Officer of Intact Financial Corporation. "We have a long track record of successfully navigating volatility in catastrophe losses. The third quarter was no different, as we delivered an operating ROE of 12.2%, and our balance sheet remained strong with \$2.8 billion of total capital margin. I am pleased to see continued organic growth momentum, in the context of strong underlying underwriting performance and an acceleration in the UK&I segment's path to outperformance."

Consolidated Highlights (in millions of Canadian dollars except as otherwise noted)	Q3-2023	Q3-2022 restated <sup>b</sup>	Change	YTD 2023	YTD 2022 restated <sup>b</sup>	Change
<b>Operating direct premiums written<sup>1, 2</sup></b>	<b>5,925</b>	5,423	6%	<b>16,960</b>	15,880	5%
<b>Combined ratio (discounted)<sup>1</sup></b>	<b>93.5%</b>	90.4%	3.1 pts	<b>91.1%</b>	89.1%	2.0 pts
<b>Combined ratio (undiscounted)<sup>1</sup></b>	<b>98.3%</b>	91.7%	6.6 pts	<b>95.6%</b>	91.3%	4.3 pts
Underwriting income <sup>1</sup>	<b>340</b>	472	(28)%	<b>1,344</b>	1,579	(15)%
Operating net investment income <sup>1</sup>	<b>349</b>	232	50%	<b>970</b>	648	50%
Net unwind of discount on claims liabilities <sup>1</sup>	<b>(225)</b>	(90)	nm	<b>(667)</b>	(261)	nm
Operating net investment result <sup>1</sup>	<b>124</b>	142	(13)%	<b>303</b>	387	(22)%
Distribution income <sup>1</sup>	<b>116</b>	113	3%	<b>358</b>	347	3%
Net operating income attributable to common shareholders <sup>1</sup>	<b>370</b>	488	(24)%	<b>1,309</b>	1,585	(17)%
<b>Net income</b>	<b>163</b>	375	(57)%	<b>800</b>	2,097	(62)%
<b>Per share measures (in dollars)</b>						
Net operating income per share (NOIPS) <sup>1</sup>	<b>\$2.10</b>	\$2.78	(24)%	<b>\$7.46</b>	\$9.01	(17)%
Earnings per share (EPS)	<b>\$0.83</b>	\$2.05	(60)%	<b>\$4.19</b>	\$11.75	(64)%
Book value per share <sup>1</sup>	<b>\$77.24</b>	\$81.82	(6)%			
<b>Return on equity for the last 12 months</b>						
Operating ROE <sup>1</sup>	<b>12.2%</b>	15.0%	n/a			
ROE <sup>1</sup>	<b>7.8%</b>	19.1%	n/a			
Total capital margin <sup>1</sup>	<b>2,841</b>	2,490	351			
Adjusted debt-to-total capital ratio <sup>1</sup>	<b>22.7%</b>	21.9%	0.8 pts			

#### 12-Month Industry Outlook

- Over the next twelve months, we expect hard insurance market conditions to continue in most lines of business, driven by inflation and natural disasters.
- In Canada, both personal property and auto premiums are expected to grow by high single-digits in response to higher severity.
- In commercial and specialty lines across all geographies, we expect hard market conditions to continue in most lines of business, with high single-digit premium growth on average.
- Given the rise in interest rates, we expect pre-tax investment yield for the industry to continue increasing as portfolios roll over.

<sup>1</sup> 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 19 – Non-GAAP and other financial measures in the Q3-2023 Management's Discussion and Analysis for further details.

<sup>2</sup> DPW change (growth) is presented in constant currency.

<sup>3</sup> 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)	Q3-2023	Q3-2022 <i>restated</i>	Change	YTD 2023	YTD 2022 <i>restated</i>	Change
<b>Operating direct premiums written<sup>1,2</sup></b>						
Canada	3,943	3,657	8%	11,209	10,585	6%
UK&I	1,157	1,058	(2)%	3,594	3,514	(2)%
US	825	708	13%	2,157	1,781	16%
Total	5,925	5,423	6%	16,960	15,880	5%
<b>Combined ratio<sup>1</sup></b>						
Canada	101.8 %	92.5%	9.3 pts	97.3%	91.1%	6.2 pts
UK&I	92.5%	90.3%	2.2 pts	93.7%	93.6%	0.1 pts
US	88.5%	89.3%	(0.8) pts	89.6%	89.0%	0.6 pts
Combined ratio (undiscounted)	98.3%	91.7%	6.6 pts	95.6%	91.3%	4.3 pts
Impact of discounting <sup>3</sup>	(4.8)%	(1.3)%	(3.5) pts	(4.5)%	(2.2)%	(2.3) pts
Combined ratio (discounted)	93.5%	90.4%	3.1 pts	91.1%	89.1%	2.0 pts

### Q3-2023 Consolidated Performance

- **Overall operating DPW growth was 6%, or 8% excluding strategic exits** (such as UK personal lines motor and certain delegated relationships), led by strong momentum in personal lines, and continued rate actions across all geographies.
- **Overall combined ratio of 98.3% (undiscounted)** included 12 points of catastrophe losses, mainly from severe weather events in Canada. Underlying performance was strong across all regions, particularly in commercial lines.
- **Including the impact of discounting, the overall combined ratio of 93.5%** was 3.1 points higher than last year, mostly 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 \$349 million** for the quarter increased 50% year-over-year, benefiting from the rising yields and increased turnover over the last 12 months.
- **Distribution income increased by 3% to \$116 million**, reflecting strong core profitability and contributions from recent acquisitions, tempered by moderating variable commissions.

### Lines of Business<sup>4</sup>

#### P&C Canada

- **Personal auto** premiums growth accelerated to 9%, driven by our rate actions in hard market conditions as well as an improving unit growth trajectory. The combined ratio of 95.4% included roughly 2 points of higher-than-expected catastrophe losses and industry pools. We expect to remain at a seasonally adjusted sub-95 combined ratio over the next 12 months.
- **Personal property** premiums grew by 7%, up 2 points from the preceding quarter, reflecting rate actions in hard market conditions and strengthening unit growth. The elevated combined ratio of 123.7% included 34 points of catastrophe losses in excess of expectations. We remain 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 7% was up 1 point from the preceding quarter, driven by continued rate increases and strong retention. The combined ratio at 92.7% was 5.1 points higher than last year, mainly due to elevated catastrophe losses. We remain well positioned to continue to deliver a low-90s or better combined ratio, as a result of our profitability actions in the prevailing hard market conditions.

#### P&C UK&I

- **Commercial lines** premiums decreased 1% on a constant currency basis, as strong growth in specialty lines was offset by a 9-point impact from strategic exits, continued optimization of our commercial delegated portfolio, and the end of a large commercial motor contract. The combined ratio of 90.6% reflected strong current year performance and the absence of catastrophes, offset by an unusually high level of adverse prior year development.
- **Personal lines** premiums declined 2% on a constant currency basis, reflecting a 15-point headwind from the exit of the UK personal lines motor portfolio. The combined ratio of 96.6% benefitted from our ongoing rating actions, as well as an absence of catastrophe losses. We continue to believe that this line of business is operating at a high 90s run rate. We are exploring strategic options for our UK Personal Lines business, including a possible sale.

#### P&C U.S.

- **Commercial lines** premiums grew 13% on a constant currency basis, led by a 7-point contribution from new products (following the Highland MGA acquisition a year ago), as well as rate increases. The combined ratio improved to 88.5%, driven by greater exposure to more profitable lines of business, as well as rate increases.

<sup>1</sup> 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 19 – Non-GAAP and other financial measures in the Q3-2023 Management's Discussion and Analysis for further details.

<sup>2</sup> DPW change (growth) is presented in constant currency.

<sup>3</sup> Includes the impact of discount build on our claims liabilities for all P&C segments.

<sup>4</sup> Combined ratios within the Lines of Business are reported on an undiscounted basis.

## Net Operating Income, EPS and ROE

- **Net operating income attributable to common shareholders of \$370 million** was 24% lower than Q3-2022, as a \$373 million increase in catastrophe losses offset the impact of improving underwriting fundamentals, and higher earned premiums and investment income.
  - **Earnings per share of \$0.83** due to increased catastrophe losses of approximately \$1.60 per share and higher non-operating losses.
  - As of September 30, 2023, the **Operating ROE remained healthy at 12.2%**, despite a 3-point impact from catastrophe losses over the last 12 months. The **ROE of 7.8%** reflected the operating challenge mentioned above, as well as exited lines and equity investment losses.
- 

## Balance Sheet

- The Company ended the quarter in a strong financial position, with a **total capital margin of \$2.8 billion** and solid regulatory capital ratios in all jurisdictions.
  - **The adjusted debt-to-total capital ratio of 22.7%** was relatively stable as a portion of the financing of the Direct Line Insurance Group plc's brokered Commercial Lines operations (the "UK Commercial Lines acquisition") was temporarily used to reduce short-term debt. Following the closing of the acquisition in Q4, our adjusted debt-to-total capital ratio is expected to be below 24%.
  - IFC's **book value per share (BVPS) was \$77.24** at September 30, 2023, and 1% higher than Q2-2023, reflecting the resilience of the platform and an equity issuance to partially fund the UK Commercial Lines acquisition.
- 

## M&A Update

- On September 6, 2023 we announced the acquisition of Direct Line Insurance Group plc's brokered Commercial Lines operations, another significant step to accelerate our strategy and better position our UK&I operations for outperformance. We closed the UK Commercial Lines acquisition on October 26, 2023. Substantially all of the future economics of the business have been transferred to RSA effective October 1, 2023. Starting in Q4-2023, results from these operations will be reported within our UK&I Commercial Lines segment.
  - We continue to explore strategic options for our UK Personal Lines business, including a possible sale.
- 

## 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 December 29, 2023, to shareholders of record on December 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 December 31, 2023, to shareholders of record on December 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 \$0.86 and \$1.46, 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 Q3-2023 MD&A, as well as the Q3-2023 interim condensed Consolidated Financial Statements, which are available on the Company's website at [www.intactfc.com](http://www.intactfc.com) and later today on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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](http://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](http://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 November 7, 2023 at 2:00 p.m. ET until midnight on November 15, 2023. To listen to the replay, call 416-764-8677 or 1-888-390-0541 (toll-free in North America), entry code 778214. 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](mailto:media@intact.net)

### **Investor Inquiries:**

Shubha Khan  
Vice President, Investor Relations  
416 341-1464 ext. 41004  
[shubha.khan@intact.net](mailto: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 19 – Non-GAAP and other financial measures in the Q3-2023 MD&A dated November 7, 2023, which is available on our website at [www.intactfc.com](http://www.intactfc.com) and on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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

	Q3-2023	Q3-2022 <i>Restated</i> <sup>1</sup>	YTD-2023	YTD-2022 <i>Restated</i> <sup>1</sup>
<b>Net income attributable to shareholders, as reported under IFRS</b>	<b>163</b>	<b>375</b>	<b>792</b>	<b>2,108</b>
Remove: pre-tax non-operating results	<b>292</b>	161	<b>624</b>	(562)
Remove: non-operating tax expense (benefit)	<b>(68)</b>	(33)	<b>(51)</b>	107
Remove: non-operating component of NCI	-	-	-	(24)
NOI attributable to shareholders	<b>387</b>	503	<b>1,365</b>	1,629
Remove: preferred share dividends and other equity distribution	<b>(17)</b>	(15)	<b>(56)</b>	(44)
<b>NOI attributable to common shareholders</b>	<b>370</b>	488	<b>1,309</b>	1,585
Divided by weighted-average number of common shares (in millions)	<b>175.9</b>	175.4	<b>175.5</b>	175.7
<b>NOIPS, basic and diluted (in dollars)</b>	<b>2.10</b>	2.78	<b>7.46</b>	9.01
<b>NOI attributable to common shareholders for the last 12 months</b> <sup>2</sup>	<b>1,817</b>	2,167		
Adjusted average common shareholders' equity, excluding AOCI <sup>2</sup>	<b>14,894</b>	14,415		
<b>OROE for the last 12 months</b> <sup>2</sup>	<b>12.2%</b>	15.0%		

<sup>1</sup> Restated for the adoption of IFRS 17 – Insurance contracts

<sup>2</sup> 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
<b>Quarter ended September 30, 2023</b>													
Insurance revenue	6,385	(815)	(63)				(245)		(67)	31	(1,159)	5,226	Operating net underwriting revenue
Insurance service expense	(5,948)	780	121	(97)	5	(42)	259	-	67	(31)	1,062	(4,886)	Sum of: Operating net claims (\$3,168 million) and Operating net underwriting expenses (\$1,718 million)
Allocation of reinsurance premiums	(815)	815									815	-	n/a
Amounts recoverable from reinsurers	780	(780)									(780)	-	n/a
<b>Insurance service result</b>	<b>402</b>	<b>-</b>	<b>58</b>	<b>(97)</b>	<b>5</b>	<b>(42)</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(62)</b>	<b>340</b>	<b>Underwriting income (loss)</b>
<b>Quarter ended September 30, 2022</b>													
Insurance revenue	6,296	(817)	(63)				(478)		(36)	16	(1,378)	4,918	Operating net underwriting revenue
Insurance service expense	(5,555)	746	112	(112)	12	(39)	481	(111)	36	(16)	1,109	(4,446)	Sum of: Operating net claims (\$2,806 million) and Operating net underwriting expenses (\$1,640 million)
Allocation of reinsurance premiums	(817)	817									817	-	n/a
Amounts recoverable from reinsurers	746	(746)									(746)	-	n/a
<b>Insurance service result</b>	<b>670</b>	<b>-</b>	<b>49</b>	<b>(112)</b>	<b>12</b>	<b>(39)</b>	<b>3</b>	<b>(111)</b>	<b>-</b>	<b>-</b>	<b>(198)</b>	<b>472</b>	<b>Underwriting income (loss)</b>

**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
<b>Nine-month period ended September 30, 2023</b>													
Insurance revenue	18,982	(2,470)	(216)				(1,107)		(181)	98	(3,876)	15,106	Operating net underwriting revenue
Insurance service expense	(17,044)	2,054	371	(295)	17	(111)	1,163	-	181	(98)	3,282	(13,762)	Sum of: Operating net claims (\$8,669 million) and Operating net underwriting expenses (\$5,093 million)
Allocation of reinsurance premiums	(2,470)	2,470									2,470	-	n/a
Amounts recoverable from reinsurers	2,054	(2,054)									(2,054)	-	n/a
<b>Insurance service result</b>	<b>1,522</b>	<b>-</b>	<b>155</b>	<b>(295)</b>	<b>17</b>	<b>(111)</b>	<b>56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(178)</b>	<b>1,344</b>	<b>Underwriting income (loss)</b>
<b>Nine-month period ended September 30, 2022</b>													
Insurance revenue	19,510	(2,608)	(357)				(2,026)		(143)	105	(5,029)	14,481	Operating net underwriting revenue
Insurance service expense	(17,129)	2,156	452	(276)	35	(99)	2,039	(118)	143	(105)	4,227	(12,902)	Sum of: Operating net claims (\$8,116 million) and Operating net underwriting expenses (\$4,786 million)
Allocation of reinsurance premiums	(2,608)	2,608									2,608	-	n/a
Amounts recoverable from reinsurers	2,156	(2,156)									(2,156)	-	n/a
<b>Insurance service result</b>	<b>1,929</b>	<b>-</b>	<b>95</b>	<b>(276)</b>	<b>35</b>	<b>(99)</b>	<b>13</b>	<b>(118)</b>	<b>-</b>	<b>-</b>	<b>(350)</b>	<b>1,579</b>	<b>Underwriting income (loss)</b>

**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**

	Q3-2023	Q3-2022 <i>Restated</i>	YTD-2023	YTD-2022 <i>Restated</i>
<b>Operating net claims</b>	<b>3,168</b>	2,806	<b>8,669</b>	8,116
Remove: net current year CAT losses	(611)	(238)	(1,140)	(665)
Remove: favourable (unfavourable) PYD	189	215	686	703
Operating net claims excluding current year CAT losses and PYD	<b>2,746</b>	2,783	<b>8,215</b>	8,154
<b>Operating net underwriting revenue</b>	<b>5,226</b>	4,918	<b>15,106</b>	14,481
Underlying current year loss ratio	<b>52.5%</b>	56.7%	<b>54.4%</b>	56.3%
CAT loss ratio	<b>11.7%</b>	4.8%	<b>7.5%</b>	4.6%
(Favourable) unfavourable PYD ratio	<b>(3.6)%</b>	(4.4)%	<b>(4.5)%</b>	(4.8)%
<b>Claims ratio</b>	<b>60.6%</b>	57.1%	<b>57.4%</b>	56.1%

**Table 5 Reconciliation of the components within Operating net underwriting expenses**

	Q3-2023	Q3-2022 <i>Restated</i>	YTD-2023	YTD-2022 <i>Restated</i>
<b>Operating net underwriting expenses</b>	<b>1,718</b>	1,640	<b>5,093</b>	4,786
Commissions	833	829	2,433	2,361
General expenses	748	674	2,247	2,016
Premium taxes	137	137	413	409
<b>Operating net underwriting revenue</b>	<b>5,226</b>	4,918	<b>15,106</b>	14,481
Commissions ratio	<b>16.0%</b>	16.8%	<b>16.1%</b>	16.3%
General expenses ratio	<b>14.3%</b>	13.7%	<b>14.9%</b>	13.9%
Premium taxes ratio	<b>2.6%</b>	2.8%	<b>2.7%</b>	2.8%
<b>Expense ratio</b>	<b>32.9%</b>	33.3%	<b>33.7%</b>	33.0%
<b>Claims ratio</b>	<b>60.6%</b>	57.1%	<b>57.4%</b>	56.1%
<b>Combined ratio (discounted)</b>	<b>93.5%</b>	90.4%	<b>91.1%</b>	89.1%

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

	Q3-2023	Q3-2022 <i>Restated</i>	YTD-2023	YTD-2022 <i>Restated</i>
<b>Net investment income, as reported under IFRS</b>	<b>349</b>	232	<b>970</b>	652
Remove: investment income from the RSA Middle-East exited operations	-	-	-	(4)
<b>Operating net investment income</b>	<b>349</b>	232	<b>970</b>	648

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

	Q3-2023	Q3-2022 <i>Restated</i>	YTD-2023	YTD-2022 <i>Restated</i>
<b>Net insurance financial result, as reported under IFRS</b>	<b>(149)</b>	35	<b>(321)</b>	521
Remove: Changes in discount rates and other financial assumptions <sup>1</sup>	(105)	(180)	(238)	(1,001)
Remove: Net foreign currency gains (losses) <sup>1</sup>	43	57	(54)	228
Remove: Net insurance financial result from claims acquired in a business combination	(14)	(2)	(54)	(9)
<b>Net unwind of discount on claims liabilities</b>	<b>(225)</b>	(90)	<b>(667)</b>	(261)

<sup>1</sup> Included within Note 17 –Net investment return and net insurance financial result from the interim condensed consolidated financial statements.

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

	Q3-2023	Q3-2022 <i>Restated</i>	YTD-2023	YTD-2022 <i>Restated</i>
<b>Net income attributable to shareholders, as reported under IFRS</b>	<b>163</b>	375	<b>792</b>	2,108
Remove: preferred share dividends and other equity distribution	(17)	(15)	(56)	(44)
<b>Net income attributable to common shareholders</b>	<b>146</b>	360	<b>736</b>	2,064
Divided by weighted-average number of common shares (in millions)	<b>175.9</b>	175.4	<b>175.5</b>	175.7
<b>EPS, basic and diluted (in dollars)</b>	<b>0.83</b>	2.05	<b>4.19</b>	11.75
<b>Net income attributable to common shareholders for the last 12 months<sup>1</sup></b>	<b>1,066</b>	2,647		
Adjusted average common shareholders' equity <sup>1</sup>	<b>13,695</b>	13,888		
<b>ROE for the last 12 months<sup>1</sup></b>	<b>7.8%</b>	19.1%		

<sup>1</sup> 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)**

As presented in the Financial statements	MD&A captions				Pre-tax			Total F/S caption
	Distribution income	Total finance costs	Other operating income (expense)	Operating net investment result	Total income taxes	Non-operating results	Underwriting income (loss)	
<b>For the quarter ended September 30, 2023</b>								
Insurance service result	26		16			(77)	437	402
Net investment income				349				349
Net gains (losses) on investment portfolio						(137)		(137)
Net insurance financial result				(225)		76		(149)
Share of profits from investments in associates and joint ventures	32	(2)			(7)	(7)		16
Other net gains (losses)						9		9
Other income and expense	58		(50)			(47)	(97)	(136)
Other finance costs		(61)						(61)
Acquisition, integration and restructuring costs						(109)		(109)
Income tax benefit (expense)					(21)			(21)
<b>Total, as reported in MD&amp;A</b>	<b>116</b>	<b>(63)</b>	<b>(34)</b>	<b>124</b>	<b>(28)</b>	<b>(292)</b>	<b>340</b>	
<b>For the quarter ended September 30, 2022 (Restated)</b>								
Insurance service result	33		6			(64)	695	670
Net investment income				232				232
Net gains (losses) on investment portfolio						(187)		(187)
Net insurance financial result				(90)		236	(111)	35
Share of profits from investments in associates and joint ventures	37	(3)			(8)	(3)		23
Other net gains (losses)						16		16
Other income and expense	43		(48)			(57)	(112)	(174)
Other finance costs		(43)						(43)
Acquisition, integration and restructuring costs						(102)		(102)
Income tax benefit (expense)					(95)			(95)
<b>Total, as reported in MD&amp;A</b>	<b>113</b>	<b>(46)</b>	<b>(42)</b>	<b>142</b>	<b>(103)</b>	<b>(161)</b>	<b>472</b>	

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

As presented in the Financial statements	MD&A captions					Pre-tax		
	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
<b>For the nine-month period ended September 30, 2023</b>								
Insurance service result	71		40			(228)	1,639	1,522
Net investment income				970				970
Net gains (losses) on investment portfolio						(283)		(283)
Net insurance financial result				(667)		346		(321)
Share of profits from investments in associates and joint ventures	129	(10)	(1)		(28)	(16)		74
Other net gains (losses)						28		28
Other income and expense	158		(151)			(150)	(295)	(438)
Other finance costs		(163)						(163)
Acquisition, integration and restructuring costs						(321)		(321)
Income tax benefit (expense)					(268)			(268)
<b>Total, as reported in MD&amp;A</b>	<b>358</b>	<b>(173)</b>	<b>(112)</b>	<b>303</b>	<b>(296)</b>	<b>(624)</b>	<b>1,344</b>	
<b>For the nine-month period ended September 30, 2022 (Restated)</b>								
Insurance service result	84		15			(143)	1,973	1,929
Net investment income				648		4		652
Net gains (losses) on investment portfolio						(187)		(187)
Net insurance financial result				(261)		900	(118)	521
Share of profits from investments in associates and joint ventures	134	(7)			(30)	(12)		85
Other net gains (losses)						439		439
Other income and expense	129		(140)			(170)	(276)	(457)
Other finance costs		(127)						(127)
Acquisition, integration and restructuring costs						(269)		(269)
Income tax benefit (expense)					(489)			(489)
<b>Total, as reported in MD&amp;A</b>	<b>347</b>	<b>(134)</b>	<b>(125)</b>	<b>387</b>	<b>(519)</b>	<b>562</b>	<b>1,579</b>	

**Table 11 Calculation of BVPS and BVPS, excluding AOCI**

As at September 30,	2023	2022 <i>Restated</i>
Equity attributable to shareholders, as reported under IFRS	15,392	15,662
Remove: Preferred shares and other equity, as reported under IFRS	(1,619)	(1,322)
<b>Common shareholders' equity</b>	<b>13,773</b>	<b>14,340</b>
Remove: AOCI, as reported under IFRS	767	1,632
<b>Common shareholders' equity (excluding AOCI)</b>	<b>14,540</b>	<b>15,972</b>
Number of common shares outstanding at the same date (in millions)	178.3	175.3
<b>BVPS</b>	<b>77.24</b>	<b>81.82</b>
<b>BVPS (excluding AOCI)<sup>1</sup></b>	<b>81.54</b>	<b>91.13</b>

<sup>1</sup> 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 September 30,	2023	2022 <sup>1</sup>
Ending common shareholders' equity	13,773	13,828
Remove: significant capital transactions during the period	638	-
Ending common shareholders' equity, excluding significant capital transaction	14,411	13,828
Beginning common shareholders' equity <sup>2</sup>	14,340	13,948
Average common shareholders' equity, excluding significant capital transaction	14,376	13,888
Weighted impact of significant capital transactions <sup>3</sup>	(681)	-
<b>Adjusted average common shareholders' equity</b>	<b>13,695</b>	<b>13,888</b>
Ending common shareholders' equity, excluding AOCI	14,540	15,457
Remove: significant capital transaction during the period	638	-
Ending common shareholders' equity, excluding AOCI and significant capital transaction	15,178	15,457
Beginning common shareholders' equity, excluding AOCI <sup>2</sup>	15,972	13,373
Average common shareholders' equity, excluding AOCI and significant capital transaction	15,575	14,415
Weighted impact of significant capital transactions <sup>3</sup>	(681)	-
<b>Adjusted average common shareholders' equity, excluding AOCI</b>	<b>14,894</b>	<b>14,415</b>

<sup>1</sup> These measures are not restated for IFRS 17, given that the 2021 P&L figures were not restated for IFRS 17.

<sup>2</sup> 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.

<sup>3</sup> Represents the net weighted impact of the September 13, 2023 and February 27, 2023 significant capital transactions.

**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	Sept. 30, 2023	June 30, 2023	Dec. 31, 2022 <i>Restated</i>
<b>Debt outstanding, as reported under IFRS</b>	<b>4,927</b>	<b>4,741</b>	<b>4,522</b>
Remove: hybrid subordinated notes	(247)	(247)	(247)
<b>Debt outstanding (excluding hybrid debt)</b>	<b>4,680</b>	<b>4,494</b>	<b>4,275</b>
Debt outstanding, as reported under IFRS	4,927	4,741	4,522
Equity attributable to shareholders, as reported under IFRS	15,392	14,989	15,843
Preferred shares from Equity attributable to non-controlling interests	285	285	285
<b>Adjusted total capital</b>	<b>20,604</b>	<b>20,015</b>	<b>20,650</b>
Debt outstanding (excluding hybrid debt)	4,680	4,494	4,275
Adjusted total capital	20,604	20,015	20,650
<b>Adjusted debt-to-total capital ratio</b>	<b>22.7%</b>	<b>22.5%</b>	<b>20.7%</b>
Debt outstanding, as reported under IFRS	4,927	4,741	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)	6,831	6,645	6,129
Adjusted total capital	20,604	20,015	20,650
<b>Total leverage ratio</b>	<b>33.2%</b>	<b>33.2%</b>	<b>29.7%</b>
Adjusted debt-to-total capital ratio	22.7%	22.5%	20.7%
Preferred shares and hybrids	10.5%	10.7%	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 UK Commercial Lines acquisition. 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.sedarplus.ca](http://www.sedarplus.ca). 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 Q3-2023 MD&A.