

# Intact Financial Corporation reports Q3-2024 results



Toronto (TSX: IFC) – November 5, 2024

(in Canadian dollars except as otherwise noted)

## Highlights

- Organic operating DPW<sup>1,2</sup> growth of 6%, excluding acquisitions and exits, led by continued momentum in Personal lines
- Combined ratio<sup>1</sup> of 103.9% included 22 points of catastrophe losses, offsetting otherwise strong underlying performances across all geographies
- Net operating income per share<sup>1</sup> was \$1.01 (and EPS of \$1.06), despite \$5.03 of catastrophe losses, with double-digit growth in investment and distribution income
- Operating ROE<sup>1</sup> remained strong at 15.8% over the last 12 months, up 4 points year-over-year, with BVPS<sup>1</sup> of \$90.60, up 3% sequentially, despite the unusually challenging operating environment
- Strong and resilient balance sheet with \$2.6 billion of total capital margin<sup>1</sup> and an adjusted debt-to-total capital ratio<sup>1</sup> of 20.3%

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

*“The devastating effects from severe weather events in the quarter have impacted the lives of tens of thousands of customers. Our employees were on the ground within the first hours of these events providing immediate assistance to affected communities. We are leveraging our competitive advantages, which include On Side Restoration and Intact Service Centres, to minimize losses for our customers. In this context, our operations have shown great financial resiliency, reflected by our strong capital position and mid-teens operating ROE over the last 12 months. It’s in these challenging moments that we demonstrate our purpose - to help people, businesses and society prosper in good times and be resilient in bad.”*

Consolidated Highlights (in millions of Canadian dollars except as otherwise noted)	Q3-2024	Q3-2023	Change	YTD-2024	YTD-2023	Change
<b>Operating direct premiums written<sup>1,2</sup></b>	<b>6,207</b>	5,925	4%	<b>17,972</b>	16,960	5%
<b>Combined ratio<sup>1</sup></b>	<b>103.9%</b>	98.3%	5.6 pts	<b>94.2%</b>	95.6%	(1.4) pts
Underwriting (loss) income <sup>1</sup>	<b>(215)</b>	88	(344)%	<b>925</b>	666	39%
Operating net investment income	<b>394</b>	349	13%	<b>1,161</b>	970	20%
Distribution income <sup>1</sup>	<b>132</b>	116	14%	<b>401</b>	358	12%
Net operating income attributable to common shareholders <sup>1</sup>	<b>182</b>	349	(48)%	<b>1,695</b>	1,301	30%
<b>Net income</b>	<b>212</b>	163	30%	<b>1,643</b>	800	105%
<b>Per share measures (in dollars)</b>						
Net operating income per share (NOIPS) <sup>1,3</sup>	<b>\$1.01</b>	\$1.98	(49)%	<b>\$9.49</b>	\$7.41	28%
Earnings per share (EPS) – diluted <sup>3</sup>	<b>\$1.06</b>	\$0.83	28%	<b>\$8.78</b>	\$4.19	110%
Book value per share <sup>1</sup>	<b>\$90.60</b>	\$77.24	17%			
<b>Return on equity for the last 12 months</b>						
Operating ROE <sup>1</sup>	<b>15.8%</b>	12.0%	3.8 pts			
Adjusted ROE <sup>1</sup>	<b>16.7%</b>	10.6%	6.1 pts			
ROE <sup>1</sup>	<b>13.8%</b>	7.8%	6.0 pts			
Total capital margin <sup>1</sup>	<b>2,566</b>	2,841	(275)			
Adjusted debt-to-total capital ratio <sup>1</sup>	<b>20.3%</b>	22.7%	(2.4) pts			

## 12-Month Industry Outlook

- We expect the current insurance market conditions to persist, in light of the recent elevated catastrophe losses:
  - In both Personal auto and property, we expect low double-digit premium growth; and
  - In Commercial and Specialty lines across all geographies, we expect mid-single-digit premium growth.

<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 14 – Non-GAAP and other financial measures in the Q3-2024 Management’s Discussion and Analysis for further details.

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

<sup>3</sup> Per share metric is calculated based on the weighted-average diluted number of common shares.

## Segment Results

(in millions of Canadian dollars except as otherwise noted)	Q3-2024	Q3-2023	Change	YTD-2024	YTD-2023	Change
<b>Operating direct premiums written<sup>1,2</sup></b>						
Canada	4,261	3,943	8%	12,076	11,209	8%
UK&I <sup>3</sup>	1,075	1,157	(11)%	3,635	3,594	(2)%
US	871	825	4%	2,261	2,157	4%
Total	6,207	5,925	4%	17,972	16,960	5%
<b>Combined ratio<sup>1</sup></b>						
Canada	109.5%	101.8%	7.7 pts	95.4%	97.3%	(1.9) pts
UK&I <sup>3</sup>	91.9%	92.5%	(0.6) pts	92.9%	93.7%	(0.8) pts
US	87.4%	88.5%	(1.1) pts	88.0%	89.6%	(1.6) pts
Combined ratio	103.9%	98.3%	5.6 pts	94.2%	95.6%	(1.4) pts

## Q3-2024 Consolidated Performance

- Overall operating DPW increased 4%, with organic growth of 6%, after excluding the net impact from acquisitions and exits. This was led by rate increases and unit growth in hard market conditions across Personal lines. Within Commercial lines, growth was led by rates in the mid-single digits, with market conditions varying by line of business and increased competition in large accounts.
- Overall combined ratio was elevated at 103.9% after incurring 22 points of catastrophe losses (approximately 17 points in excess of expectations) driven by severe weather events, mainly impacting our Canadian segment. Our results otherwise reflected robust underlying performance (excluding catastrophe losses and prior year development) across all geographies.
- Operating net investment income of \$394 million increased 13% year-over-year, mainly due to higher reinvestment yields captured in 2023.
- Distribution income of \$132 million increased 14% from last year, driven by strong contributions from our M&A activities, along with improved margins within BrokerLink.

## Lines of Business

### P&C Canada

- Personal auto operating DPW grew 12%, reflecting rates and continued unit momentum in hard market conditions. The combined ratio of 97.6% included 7 points of catastrophe losses, more than 4 points above expectations. Excluding this, performance was strong, with an underlying improvement of 3 points year-over-year, which offset lower favourable PYD in the quarter.
- Personal property operating DPW grew by 8%, reflecting rates and unit growth in hard market conditions. The combined ratio of 147.5% was elevated after absorbing 72 points of catastrophe losses in the quarter. This line of business has shown long-term resiliency with an average combined ratio of 90% over the last 10 years.
- Commercial lines operating DPW grew by 2%, reflecting mid-single-digit rate increases, offset by the impact of continued competition in large accounts. The combined ratio remained solid at 94.4%, as elevated catastrophe losses were largely offset by strong favourable PYD and a very robust underlying performance.

### P&C UK&I<sup>2</sup>

- Excluding the impact of the UK Personal lines exit, operating DPW growth was 28%, mainly due to the Q4-2023 DLG brokered Commercial lines acquisition. Organic growth was muted in the quarter, as mid-single-digit rate actions and solid new business in Commercial lines were offset by moderating market conditions, particularly in large accounts in specialty lines. The combined ratio remained solid at 91.9%, in line with expectations following the DLG acquisition.

### P&C US<sup>2</sup>

- Operating DPW grew 4%, reflecting mid-single-digit or better rate actions in most lines of business, offset by the impact of corrective actions taken in certain lines of business. The combined ratio was strong at 87.4% for the quarter, 1 point better than the prior year, reflecting continued underwriting discipline.

<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 14 – Non-GAAP and other financial measures in the Q3-2024 Management's Discussion and Analysis for further details.

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

<sup>3</sup> The comparative period results presented in the table are on a reported basis. Following the exit of the UK Personal lines operations in 2023, performance of this segment is now analyzed on a pro-forma basis (which excludes UK Personal lines results) for comparability. Pro-forma growth in constant currency was 28% in Q3-2024 and 33% in YTD-2024. Pro-forma combined ratios were 90.4% for Q3-2023 and 89.7% for YTD-2023.

## Net Operating Income, EPS and ROE

- Net operating income attributable to common shareholders remained profitable at \$182 million after absorbing \$1,216 million of catastrophe losses in the quarter. This reflected strong underwriting fundamentals, coupled with solid growth in distribution and investment activities.
- Earnings Per Share increased year-over-year to \$1.06, despite the challenging environment, driven by our diversified sources of income and further supported by gains on our equity securities.
- Operating ROE was resilient at 15.8%, withstanding the negative impact from catastrophe losses over the past 12 months.

## Balance Sheet

- The Company ended the quarter in a strong financial position, with a robust total capital margin of \$2.6 billion despite the heavy catastrophe losses in the quarter. Regulatory capital ratios remained solid in all jurisdictions.
- Adjusted debt-to-total capital ratio was 20.3% as at September 30, 2024, up slightly from last quarter, following the severe weather events in the period combined with the cancellation of RSA's preferred shares.
- IFC's book value per share (BVPS) of \$90.60 as at September 30, 2024 increased 17% year-over-year, and was 3% higher than Q2-2024, led by solid earnings and market-related gains on our bond portfolio.

## Common Share Dividend

- The Board of Directors approved the quarterly dividend of \$1.21 per share on the Company's outstanding common shares. The dividends are payable on December 31, 2024, to shareholders of record on December 16, 2024.

## 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, 2024, to shareholders of record on December 16, 2024.

## 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 a loss of \$(0.17) and \$(0.06), respectively.

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## 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 Q3-2024 MD&A, as well as the Q3-2024 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 437-900-0527 or 1-888-510-2154 (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 6, 2024 at 1:00 p.m. ET until 11:59 p.m. ET on November 13, 2024. To listen to the replay, call 289-819-1450 or 1-888-660-6345 (toll-free in North America), entry code 05046. 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 UK and Ireland. Our business has grown organically and through acquisitions to over \$22 billion of total annual operating DPW.

In Canada, Intact distributes insurance under the Intact Insurance brand through agencies and a wide network of brokers, including its wholly-owned subsidiary BrokerLink. Through belairdirect, Intact distributes directly to consumers. Intact also provides affinity insurance solutions through affinity groups, travel insurance, as well as exclusive and tailored offerings through Intact Prestige.

In the US, 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 UK, Ireland, and Europe, Intact provides Personal, Commercial and/or Specialty insurance solutions through the RSA, 123.ie, NIG and FarmWeb brands.

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## 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 other Company's financial reports include measures related to our consolidated performance, underwriting performance and 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 14 – Non-GAAP and other financial measures in the Q3-2024 MD&A dated September 30, 2024, 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**

	Q3-2024	Q3-2023	YTD-2024	YTD-2023
<b>Net income attributable to shareholders, as reported under IFRS</b>	<b>207</b>	163	<b>1,630</b>	792
Remove: pre-tax non-operating results	(23)	265	117	613
Remove: non-operating tax expense (benefit)	15	(62)	10	(48)
<b>NOI attributable to shareholders</b>	<b>199</b>	366	<b>1,757</b>	1,357
Remove: preferred share dividends and other equity distribution	(17)	(17)	(62)	(56)
<b>NOI attributable to common shareholders</b>	<b>182</b>	349	<b>1,695</b>	1,301
Divided by weighted-average diluted number of common shares (in millions)	178.6	175.9	178.6	175.5
<b>NOIPS (in dollars)</b>	<b>1.01</b>	1.98	<b>9.49</b>	7.41
<b>NOI attributable to common shareholders for the last 12 months</b>	<b>2,408</b>	1,791		
Adjusted average common shareholders' equity, excluding AOCI	15,277	14,894		
<b>OROE for the last 12 months</b>	<b>15.8%</b>	12.0%		

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

Financial statements	F/S	1	2	3	4	5	6	7	8	9	Total	MD&A	MD&A
<b>Quarter ended September 30, 2024</b>													
Insurance revenue	6,757	(645)	(354)					(250)	(25)	22	(1,252)	5,505	Operating net underwriting revenue
Insurance service expense	(6,809)	848	375	(130)	8	(49)	(230)	264	25	(22)	1,089	(5,720)	Sum of: Operating net claims (\$3,934 million) and Operating net underwriting expenses (\$1,786 million)
Expense from reinsurance contracts	(645)	645									645	-	n/a
Income from reinsurance contracts	848	(848)									(848)	-	n/a
<b>Insurance service result</b>	<b>151</b>	<b>-</b>	<b>21</b>	<b>(130)</b>	<b>8</b>	<b>(49)</b>	<b>(230)</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>(366)</b>	<b>(215)</b>	<b>Underwriting income (loss)</b>
<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)	(252)	259	67	(31)	810	(5,138)	Sum of: Operating net claims (\$3,420 million) and Operating net underwriting expenses (\$1,718 million)
Expense from reinsurance contracts	(815)	815									815	-	n/a
Income from reinsurance contracts	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>(252)</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>(314)</b>	<b>88</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 operating income (expense))
6	Adjustment to exclude discount build on claims liabilities (treated as non-operating)
7	Adjustment to exclude Net insurance service results from claims acquired in a business combination (treated as non-operating)
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	F/S	1	2	3	4	5	6	7	8	9	Total	MD&A	MD&A
<b>Nine-month period ended September 30, 2024</b>													
Insurance revenue	19,756	(1,937)	(1,069)					(738)	(57)	44	(3,757)	15,999	Operating net underwriting revenue
Insurance service expense	(17,363)	1,527	1,165	(392)	24	(142)	(695)	789	57	(44)	2,289	(15,074)	Sum of: Operating net claims (\$9,691 million) and Operating net underwriting expenses (\$5,383 million)
Expense from reinsurance contracts	(1,937)	1,937									1,937	-	n/a
Income from reinsurance contracts	1,527	(1,527)									(1,527)	-	n/a
<b>Insurance service result</b>	<b>1,983</b>	<b>-</b>	<b>96</b>	<b>(392)</b>	<b>24</b>	<b>(142)</b>	<b>(695)</b>	<b>51</b>	<b>-</b>	<b>-</b>	<b>(1,058)</b>	<b>925</b>	<b>Underwriting income (loss)</b>
<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)	(678)	1,163	181	(98)	2,604	(14,440)	Sum of: Operating net claims (\$9,347 million) and Operating net underwriting expenses (\$5,093 million)
Expense from reinsurance contracts	(2,470)	2,470									2,470	-	n/a
Income from reinsurance contracts	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>(678)</b>	<b>56</b>	<b>-</b>	<b>-</b>	<b>(856)</b>	<b>666</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 operating income (expense))
6	Adjustment to exclude discount build on claims liabilities (treated as non-operating)
7	Adjustment to exclude Net insurance service results from claims acquired in a business combination (treated as non-operating)
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 ROE to Net income attributable to shareholders**

	Q3-2024	Q3-2023	YTD-2024	YTD-2023
<b>Net income attributable to shareholders, as reported under IFRS</b>	<b>207</b>	163	<b>1,630</b>	792
Remove: preferred share dividends and other equity distribution	(17)	(17)	(62)	(56)
<b>Net income attributable to common shareholders</b>	<b>190</b>	146	<b>1,568</b>	736
Divided by weighted-average number of common shares (in millions)	<b>178.4</b>	175.9	<b>178.3</b>	175.5
<b>EPS, basic (in dollars)</b>	<b>1.07</b>	0.83	<b>8.79</b>	4.19
Divided by weighted-average diluted number of common shares <sup>1</sup> (in millions)	<b>178.6</b>	175.9	<b>178.6</b>	175.5
<b>EPS, diluted (in dollars)</b>	<b>1.06</b>	0.83	<b>8.78</b>	4.19
<b>Net income attributable to common shareholders for the last 12 months</b>	<b>2,064</b>	1,066		
Adjusted average common shareholders' equity	<b>14,967</b>	13,695		
<b>ROE for the last 12 months</b>	<b>13.8%</b>	7.8%		

<sup>1</sup> Includes the net effect of the exercise of stock options. See **Note 18 – Earnings per share** to the interim condensed consolidated financial statements for more details.

**Table 5 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		
	Distribution income	Total finance costs	Other operating income (expense)	Operating net investment income	Total income taxes	Non-operating results	Underwriting income (loss)	Total F/S caption
<b>For the quarter ended September 30, 2024</b>								
Insurance service result	28		21			187	(85)	151
Net investment income				394				394
Net gains (losses) on investment portfolio						399		399
Net insurance financial result						(408)		(408)
Share of profits from investments in associates and joint ventures	31	(4)	(1)		(7)	(2)		17
Other net gains (losses)						5		5
Other income and expense	73		(59)			(81)	(130)	(197)
Other finance costs		(55)						(55)
Acquisition, integration and restructuring costs						(77)		(77)
Income tax benefit (expense)					(17)			(17)
<b>Total, as reported in MD&amp;A</b>	<b>132</b>	<b>(59)</b>	<b>(39)</b>	<b>394</b>	<b>(24)</b>	<b>23</b>	<b>(215)</b>	
<b>For the quarter ended September 30, 2023</b>								
Insurance service result	26		16			175	185	402
Net investment income				349				349
Net gains (losses) on investment portfolio						(137)		(137)
Net insurance financial result						(149)		(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>349</b>	<b>(28)</b>	<b>(265)</b>	<b>88</b>	

**Table 6 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			Total F/S caption
	Distribution income	Total finance costs	Other operating income (expense)	Operating net investment income	Total income taxes	Non-operating results	Underwriting income (loss)	
<b>For the nine-month period ended September 30, 2024</b>								
Insurance service result	99		43			524	1,317	1,983
Net investment income				1,161				1,161
Net gains (losses) on investment portfolio						325		325
Net insurance financial result						(700)		(700)
Share of profits from investments in associates and joint ventures	121	(12)			(25)	(17)		67
Other net gains (losses)						259		259
Other income and expense	181		(170)			(228)	(392)	(609)
Other finance costs		(166)						(166)
Acquisition, integration and restructuring costs						(280)		(280)
Income tax benefit (expense)					(397)			(397)
<b>Total, as reported in MD&amp;A</b>	<b>401</b>	<b>(178)</b>	<b>(127)</b>	<b>1,161</b>	<b>(422)</b>	<b>(117)</b>	<b>925</b>	
<b>For the nine-month period ended September 30, 2023</b>								
Insurance service result	71		40			450	961	1,522
Net investment income				970				970
Net gains (losses) on investment portfolio						(283)		(283)
Net insurance financial result						(321)		(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>970</b>	<b>(296)</b>	<b>(613)</b>	<b>666</b>	

**Table 7 Reconciliation of AEPS and AROE to Net income attributable to shareholders**

	Q3-2024	Q3-2023	YTD-2024	YTD-2023
<b>Net income attributable to shareholders, as reported under IFRS</b>	<b>207</b>	163	<b>1,630</b>	792
Remove acquisition-related items, after tax				
Amortization of acquired intangible assets	<b>58</b>	50	<b>171</b>	149
Acquisition and integration costs	<b>32</b>	44	<b>128</b>	127
Tax adjustments on acquisition-related items	<b>1</b>	2	<b>4</b>	4
Net result from claims acquired in a business combination	<b>1</b>	1	<b>2</b>	2
Adjusted net income attributable to shareholders	<b>299</b>	260	<b>1,935</b>	1,074
Remove: preferred share dividends and other equity distribution	<b>(17)</b>	(17)	<b>(62)</b>	(56)
<b>Adjusted net income attributable to common shareholders</b>	<b>282</b>	243	<b>1,873</b>	1,018
Divided by weighted-average diluted number of common shares (in millions)	<b>178.6</b>	175.9	<b>178.6</b>	175.5
<b>AEPS (in dollars)</b>	<b>1.58</b>	1.38	<b>10.49</b>	5.80
<b>Adjusted net income attributable to common shareholders for the last 12 months</b>	<b>2,492</b>	1,446		
Adjusted average common shareholders' equity	<b>14,967</b>	13,695		
<b>AROE for the last 12 months</b>	<b>16.7%</b>	10.6%		

**Table 8 Calculation of BVPS and BVPS (excluding AOCI)**

As at September 30,	2024	2023
Equity attributable to shareholders, as reported under IFRS	<b>17,780</b>	15,392
Remove: Preferred shares and other equity, as reported under IFRS	<b>(1,619)</b>	(1,619)
<b>Common shareholders' equity</b>	<b>16,161</b>	13,773
Remove: AOCI, as reported under IFRS	<b>(148)</b>	767
<b>Common shareholders' equity (excluding AOCI)</b>	<b>16,013</b>	14,540
Number of common shares outstanding at the same date (in millions)	<b>178.4</b>	178.3
<b>BVPS</b>	<b>90.60</b>	77.24
<b>BVPS (excluding AOCI)</b>	<b>89.77</b>	81.54

**Table 9 Adjusted average common shareholders' equity and Adjusted average common shareholders' equity, excluding AOCI**

As at September 30,	2024	2023
Ending common shareholders' equity	<b>16,161</b>	13,370
Remove: significant capital transaction in the last 12 months	-	638
Ending common shareholders' equity, excluding significant capital transaction	<b>16,161</b>	14,411
Beginning common shareholders' equity	<b>13,773</b>	14,340
Average common shareholders' equity, excluding significant capital transaction	<b>14,967</b>	14,376
Weighted impact of significant capital transactions <sup>1</sup>	-	(681)
<b>Adjusted average common shareholders' equity</b>	<b>14,967</b>	13,695
Ending common shareholders' equity, excluding AOCI	<b>16,013</b>	14,540
Remove: significant capital transaction in the last 12 months	-	638
Ending common shareholders' equity, excluding AOCI and significant capital transaction	<b>16,013</b>	15,178
Beginning common shareholders' equity, excluding AOCI	<b>14,540</b>	15,972
Average common shareholders' equity, excluding AOCI and significant capital transaction	<b>15,277</b>	15,575
Weighted impact of significant capital transactions <sup>1</sup>	-	(681)
<b>Adjusted average common shareholders' equity, excluding AOCI</b>	<b>15,277</b>	14,894

<sup>1</sup> September 30, 2023 figure represents the net weighted impact of the September 13, 2023 and February 27, 2023 significant capital transaction.

**Table 10 Reconciliation of Debt outstanding (excluding hybrid debt) and Total capital to Debt outstanding, Equity attributable to shareholders and Equity attributable to NCI**

As at	Sept. 30, 2024	June 30, 2024	Dec. 31, 2023
<b>Debt outstanding, as reported under IFRS</b>	<b>4,843</b>	4,650	5,081
Remove: hybrid subordinated notes	(247)	(247)	(247)
<b>Debt outstanding (excluding hybrid debt)</b>	<b>4,596</b>	4,403	4,834
Debt outstanding, as reported under IFRS	4,843	4,650	5,081
Equity attributable to shareholders, as reported under IFRS	17,780	17,315	16,190
Preferred shares from Equity attributable to non-controlling interests	-	285	285
<b>Adjusted total capital</b>	<b>22,623</b>	22,250	21,556
Debt outstanding (excluding hybrid debt)	4,596	4,403	4,834
Adjusted total capital	22,623	22,250	21,556
<b>Adjusted debt-to-total capital ratio</b>	<b>20.3%</b>	19.8%	22.4%
Debt outstanding, as reported under IFRS	4,843	4,650	5,081
Preferred shares and other equity, as reported under IFRS	1,619	1,619	1,619
Preferred shares from Equity attributable to non-controlling interests	-	285	285
Debt outstanding and preferred shares (including NCI)	6,462	6,554	6,985
Adjusted total capital	22,623	22,250	21,556
<b>Total leverage ratio</b>	<b>28.6%</b>	29.5%	32.4%
Adjusted debt-to-total capital ratio	20.3%	19.8%	22.4%
Preferred shares and hybrids	8.3%	9.7%	10.0%

## 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 U.K., the Company's business outlook, the Company's growth prospects and the recently acquired Direct Line Insurance Group plc's brokered Commercial lines operations integration. 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 13, 2024 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 Q3-2024 MD&A.