Intact Financial Corporation reports Q4-2024 results

(in Canadian dollars except as otherwise noted)

TORONTO, Feb. 11, 2025 /CNW/ - (TSX: IFC)

Highlights

- Operating DPW[1,2] grew 5%, led by continued momentum in Personal lines
- Combined ratio[1] was strong at 86.5%, mainly due to solid underlying results across all geographies and lines of business
- Net operating income per share[1] rose 23% to $4.93, with robust underwriting results, as well as investment and distribution income increasing by 6% and 13%, respectively
- BVPS[1] up 13% from last year to $92.67, reflecting EPS of $12.36 for 2024 and the overall strength of our platform
- Solid operating ROE[1] at 16.5% (ROE[1] of 14.2%) and a strong balance sheet with $2.9 billion of total capital margin[1]
- Quarterly dividend increased by $0.12 to $1.33 per common share, representing a 10-year compounded annual growth rate of 10%

Charles Brindamour, Chief Executive Officer, said:

"We ended the year with another quarter of very strong results across all geographies and a 16.5% operating ROE in 2024. The $1.5 billion of catastrophe losses incurred this past year from numerous natural disasters further demonstrated the resilience of our platform, as well as our purpose to help people, businesses and society be resilient in bad times. At the same time, we continue to build on our competitive advantages and execute on our growth strategy. Against this backdrop and with the strength of our balance sheet, we are well positioned to deliver a NOIPS growth of 10% annually over time and exceed the industry ROE by 500 basis points. We are also pleased to increase dividends to common shareholders for the 20th consecutive year."

Consolidated Highlights

(in millions of Canadian dollars except as otherwise noted)	Q4-2024	Q4-2023	Change	2024	2023	Change
Operating direct premiums written[1,2]	**5,755**	5,410	5 %	**23,727**	22,370	5 %
Combined ratio[1,3]	**86.5 %**	90.1 %	(3.6) pts	**92.2 %**	94.2 %	(2.0) pts
Underwriting income (loss)[1,3]	**764**	517	48 %	**1,689**	1,183	43 %
Operating net investment income	**398**	376	6 %	**1,559**	1,346	16 %
Distribution income[1]	**123**	109	13 %	**524**	467	12 %
Net operating income attributable to common shareholders[1]	**881**	713	24 %	**2,576**	2,014	28 %
Net income	**667**	531	26 %	**2,310**	1,331	74 %
Per share measures (in dollars)						
Net operating income per share (NOIPS)[1,4]	**$4.93**	$4.00	23 %	**$14.43**	$11.43	26 %
Earnings per share (EPS) – diluted[4]	**$3.58**	$2.78	29 %	**$12.36**	$6.99	77 %
Book value per share[1]	**$92.67**	$81.71	13 %			
Return on equity for the last 12 months						
Operating ROE[1]	**16.5 %**	13.9 %	2.6 pts			
Adjusted ROE[1]	**16.8 %**	11.7 %	5.1 pts			
ROE[1]	**14.2 %**	8.8 %	5.4 pts			
Total capital margin[1]	**2,890**	2,671	219			

Adjusted debt-to-total capital ratio[1]	**19.4 %**	22.4 %	(3.0) pts

12-Month Industry Outlook

- We expect the current insurance market conditions to persist, in light of elevated catastrophe losses this past year:
  - 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.

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1 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 29 – Non-GAAP and other financial measures in the Q4-2024 Management's Discussion and Analysis for further details.

2 DPW change (growth) is presented in constant currency.

3 Presented on an undiscounted basis Underwriting income comparative figures have been reclassified accordingly.

4 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)	**Q4-2024**	**Q4-2023**	**Change**	**2024**	**2023**	**Change**
Operating direct premiums written[1,2]						
Canada	**3,984**	3,682	8 %	**16,060**	14,891	8 %
UK&I[3]	**1,140**	1,112	(3) %	**4,775**	4,706	(2) %
US	**631**	616	- %	**2,892**	2,773	3 %
Total	**5,755**	5,410	5 %	**23,727**	22,370	5 %
Combined ratio[1]						
Canada	**84.9 %**	86.7 %	(1.8) pts	**92.7 %**	94.5 %	(1.8) pts
UK&I[3]	**92.7 %**	104.6 %	(11.9) pts	**92.8 %**	96.4 %	(3.6) pts
US	**86.1 %**	86.4 %	(0.3) pts	**87.5 %**	88.7 %	(1.2) pts
Combined ratio	**86.5 %**	90.1 %	(3.6) pts	**92.2 %**	94.2 %	(2.0) pts

Q4-2024 Consolidated Performance

- Overall operating DPW growth was 5%, driven by rates and continued unit growth in Personal lines. Within Commercial lines, growth was led by mid-single-digit rates and favourable market conditions across most lines of business.
- Overall combined ratio was strong at 86.5%, improving 3.6 points from last year, reflecting the benefit of our profitability actions, including higher earned premiums, and milder weather.
- Operating net investment income increased by 6% to $398 million, mainly due to higher book yields.
- Distribution income increased by 13% from last year to $123 million, driven by solid organic growth, contributions from our M&A activities, as well as higher variable commissions.

Lines of Business

P&C Canada

- Personal auto operating DPW increased by 12%, reflecting rate actions as well as unit growth of 3%. The combined ratio of 94.2% for the quarter reflected strong underlying results and was in line with our seasonally adjusted sub-95 guidance.
- Personal property operating DPW grew by 9%, primarily due to rates in hard market conditions. The combined ratio was very strong at 77.1% for the quarter, reflecting robust underlying performance and low catastrophe losses.
- Commercial lines operating DPW grew by 4%, driven by mid-single-digit rates other than in large accounts where we continue to see increased competition. The combined ratio stood at 78.8% for the quarter, 6 points better than last year, driven by continued underwriting discipline coupled with muted CAT losses.

P&C UK[2]

- Operating DPW decreased 3%, reflecting profitability actions taken within the DLG portfolio. Otherwise, overall conditions remain conducive to appropriate rate actions. The combined ratio was strong at 92.7% for the quarter, considering elevated CAT losses.

P&C US[2]

- Operating DPW growth was flat, reflecting corrective actions taken in certain lines of business. Excluding these, growth was 4%. The combined ratio was strong at 86.1% for the quarter, reflecting continued underwriting discipline.

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[2] DPW change (growth) is presented in constant currency.

[3] 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 23% in 2024. Pro-forma combined ratio was 94.3% for 2023.

Net Operating Income, EPS and ROE

- Net operating income attributable to common shareholders of $881 million increased 24%, driven by a robust underwriting performance, further bolstered by strong growth in distribution and investment results.
- Earnings per share increased 29% to $3.58 in the quarter, aligned with increased operating income. EPS also benefitted from fewer exited lines, restructuring and integration costs year-over-year.
- Operating ROE of 16.5%, despite 3 points of catastrophe losses above expectations over the past 12 months, driven by a robust performance across all lines of business and geographies. Adjusted ROE of 16.8% and ROE of 14.2% were strong, with an increase of 5 points from last year, primarily due to higher operating earnings and other gains.

Balance Sheet

- The Company ended the quarter in a strong financial position with a total capital margin of $2.9 billion and solid regulatory capital ratios in all jurisdictions.
- Adjusted debt-to-total capital ratio stood at 19.4% as at December 31, 2024, an improvement vs. Q3-2024, as strong capital generation in the quarter allowed for the repayment of short-term debt.
- IFC's book value per share (BVPS) of $92.67 as at December 31, 2024, increasing 13% year-over-year, driven by strong earnings over the last twelve months, as well as gains related to favourable market movements in the period.

Common Share Dividend

- The Board of Directors approved the quarterly dividend of $1.33 per share on the Company's outstanding common shares. The common share dividends are payable on March 31, 2025, to shareholders of record on March 14, 2025. This represents a $0.12 increase and marks the 20th consecutive annual increase in our common share dividend since our IPO in 2004.

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, 32.5 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 on March 31, 2025, to shareholders of record on March 14, 2025.

Normal Course Issuer Bid

- As at December 31, 2024, the Company had repurchased and cancelled 110,921 common shares at an average price of $220, under its normal course issued bid ("NCIB") program. The Board has authorized, subject to TSX approval, the renewal of the NCIB to repurchase for cancellation up to 3% of the Company's issued and outstanding common shares

over the subsequent 12-month period, commencing February 17, 2025.

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 $3.84 and $4.31, respectively.

Management's Discussion and Analysis (MD&A) and 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 Q4-2024 MD&A, as well as the Q4-2024 Consolidated financial statements, which are available on the Company's website at www.intactfc.com and later today on SEDAR+ at 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.

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 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 416-945-7677 or 1-888-699-1199 (toll-free in North America). Please call 10 minutes before the start of the call. A replay of the call will be available on February 12, 2025 at 1:00 p.m. ET until 11:59 p.m. ET on February 19, 2025. To listen to the replay, call 289-819-1450 or 1-888-660-6345 (toll-free in North America), entry code 09807. 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 Specialty lines insurer with international expertise and a leader in Commercial lines in the UK and Ireland. The business has grown organically and through acquisitions to almost $24 billion of total annual operating direct premiums written (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. Intact also distributes directly to consumers through the belairdirect brand and affinity partnerships. Additionally, Intact provides exclusive and tailored offerings to high-net-worth customers 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, wholesalers and managing general agencies.

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

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 29 – Non-GAAP and other financial measures in the Q4-2024 MD&A dated December 31, 2024, which is available on our website at www.intactfc.com and on SEDAR+ at www.sedarplus.ca.

Table 1 Reconciliation of NOI, NOIPS and OROE to Net income attributable to shareholders

	Q4-2024	**Q4-2023**	**2024**	**2023**
Net income attributable to shareholders, as reported under IFRS	**667**	524	**2,297**	1,316

Remove: pre-tax non-operating results	**330**	152	**447**	765
Remove: non-operating tax expense (benefit)	**(88)**	65	**(78)**	17
NOI attributable to shareholders	**909**	741	**2,666**	2,098
Remove: preferred share dividends and other equity distribution	**(28)**	(28)	**(90)**	(84)
NOI attributable to common shareholders	**881**	713	**2,576**	2,014
Divided by weighted-average diluted number of common shares (in millions)	**178.6**	178.3	**178.6**	176.2
NOIPS (in dollars)	**4.93**	4.00	**14.43**	11.43
NOI attributable to common shareholders for the last 12 months	**2,576**	2,014		
Adjusted average common shareholders' equity, excluding AOCI	**15,619**	14,518		
OROE for the last 12 months	**16.5 %**	13.9 %		

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

Financial statements	**F/S**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**Total**	**MD&A**	**MD&A**
Quarter ended December 31, 2024													
Insurance revenue	**6,767**	**(642)**	**(326)**				**(104)**	**(38)**	**2**		**(1,108)**	**5,659**	Operating net underwriting revenue
Insurance service expense	**(5,055)**	**133**	**338**	**(161)**	**8**	**(61)**	**(230)**	**97**	**38**	**(2)**	**160**	**(4,895)**	Sum of: Operating net claims ($2,994 million) and Operating net underwriting expenses ($1,901 million)
Expense from reinsurance contracts	**(642)**	**642**									**642**	**-**	n/a
Income from reinsurance contracts	**133**	**(133)**									**(133)**	**-**	n/a
Insurance service result	**1,203**	**-**	**12**	**(161)**	**8**	**(61)**	**(230)**	**(7)**	**-**	**-**	**(439)**	**764**	**Underwriting income (loss)**
Quarter ended December 31, 2023													
Insurance revenue	6,525	(586)	(346)				(311)	(63)	40		(1,266)	5,259	Operating net underwriting revenue
Insurance service expense	(5,540)	388	504	(122)	5	(40)	(270)	310	63	(40)	798	(4,742)	Sum of: Operating net claims ($3,027 million) and Operating net underwriting expenses ($1,715 million)
Expense from reinsurance contracts	(586)	586									586	-	n/a
Income from reinsurance contracts	388	(388)									(388)	-	n/a
Insurance service result	**787**	**-**	**158**	**(122)**	**5**	**(40)**	**(270)**	**(1)**	**-**	**-**	**(270)**	**517**	**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 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 Consolidated financial statements (for the year)

Financial statements	**F/S**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**Total**	**MD&A**	**MD&A**
Twelve-month period ended December 31, 2024													

Insurance revenue	**26,523**	**(2,579)**	**(1,395)**		**(842)**	**(95)**	**46**	**(4,865)**	**21,658**	Operating net underwriting revenue
Insurance service expense	**(22,418)**	**1,660**	**1,503**	**(553)**	**32**	**(203)**	**(925)**	**886**	**95**	**(46)**	**2,449**	**(19,969)**	Sum of: Operating net claims ($12,685 million) and Operating net underwriting expenses ($7,284 million)
Expense from reinsurance contracts	**(2,579)**	**2,579**									**2,579**	**-**	n/a
Income from reinsurance contracts	**1,660**	**(1,660)**									**(1,660)**	**-**	n/a
Insurance service result	**3,186**	**-**	**108**	**(553)**	**32**	**(203)**	**(925)**	**44**	**-**	**-**	**(1,497)**	**1,689**	**Underwriting income (loss)**
Twelve-month period ended December 31, 2023													
Insurance revenue	25,507	(3,056)	(562)				(1,418)	(244)	138	(5,142)	20,365	Operating net underwriting revenue
Insurance service expense	(22,584)	2,442	875	(417)	22	(151)	(948)	1,473	244	(138)	3,402	(19,182)	Sum of: Operating net claims ($12,374 million) and Operating net underwriting expenses ($6,808 million)
Expense from reinsurance contracts	(3,056)	3,056									3,056	-	n/a
Income from reinsurance contracts	2,442	(2,442)									(2,442)	-	n/a
Insurance service result	**2,309**	**-**	**313**	**(417)**	**22**	**(151)**	**(948)**	**55**	**-**	**-**	**(1,126)**	**1,183**	**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 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

	Q4-2024	**Q4-2023**	**2024**	**2023**
Net income attributable to shareholders, as reported under IFRS	**667**	524	**2,297**	1,316
Remove: preferred share dividends and other equity distribution	**(28)**	(28)	**(90)**	(84)
Net income attributable to common shareholders	**639**	496	**2,207**	1,232
Divided by weighted-average basic number of common shares (in millions)	**178.4**	178.3	**178.3**	176.2
EPS, basic (in dollars)	**3.58**	2.78	**12.37**	6.99
Divided by weighted-average diluted number of common shares[1] (in millions)	**178.6**	178.3	**178.6**	176.2
EPS, diluted (in dollars)	**3.58**	2.78	**12.36**	6.99
Net income attributable to common shareholders for the last 12 months	**2,207**	1,232		
Adjusted average common shareholders' equity	**15,550**	14,021		
ROE for the last 12 months	**14.2 %**	8.8 %		

[1] Includes the net effect of the exercise of stock options. See ***Note 27 – Earnings per share*** to the Consolidated financial statements for more details.

Table 5 Reconciliation of consolidated results on a MD&A basis with the 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 income**	**Total income taxes**	**Non-operating results**	**Underwriting income (loss)**	**Total F/S caption**
For the quarter ended December 31, 2024								
Insurance service result	**81**	**-**	**(20)**	**-**	**-**	**217**	**925**	**1,203**
Net investment income	**-**	**-**	**-**	**398**	**-**	**-**	**-**	**398**
Net gains (losses) on investment portfolio	**-**	**-**	**-**	**-**	**-**	**(177)**	**-**	**(177)**
Net insurance financial result	**-**	**-**	**-**	**-**	**-**	**(199)**	**-**	**(199)**
Share of profits from investments in associates and joint ventures	**44**	**(4)**	**-**	**-**	**(8)**	**(10)**	**-**	**22**
Other net gains (losses)	**-**	**-**	**-**	**-**	**-**	**44**	**-**	**44**
Other income and expense	**(2)**	**-**	**(29)**	**-**	**-**	**(78)**	**(161)**	**(270)**
Other finance costs	**-**	**(56)**	**-**	**-**	**-**	**-**	**-**	**(56)**
Acquisition, integration and restructuring costs	**-**	**-**	**-**	**-**	**-**	**(127)**	**-**	**(127)**
Income tax benefit (expense)	**-**	**-**	**-**	**-**	**(171)**	**-**	**-**	**(171)**
Total, as reported in MD&A	**123**	**(60)**	**(49)**	**398**	**(179)**	**(330)**	**764**	
For the quarter ended December 31, 2023								
Insurance service result	78	-	(38)	-	-	108	639	787
Net investment income	-	-	-	376	-	-	-	376
Net gains (losses) on investment portfolio	-	-	-	-	-	532	-	532
Net insurance financial result	-	-	-	-	-	(573)	-	(573)
Share of profits from investments in associates and joint ventures	38	(3)	1	-	(7)	(7)	-	22
Other net gains (losses)	-	-	-	-	-	22	-	22
Other income and expense	(7)	-	(8)	-	-	(52)	(122)	(189)
Other finance costs	-	(59)	-	-	-	-	-	(59)
Acquisition, integration and restructuring costs	-	-	-	-	-	(182)	-	(182)
Income tax benefit (expense)	-	-	-	-	(205)	-	-	(205)
Total, as reported in MD&A	109	(62)	(45)	376	(212)	(152)	517	

Table 6 Reconciliation of consolidated results on a MD&A basis with the Consolidated financial statements (for the year)

	MD&A captions				Pre-tax			
As presented in the Financial statements	**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**
For the twelve-month period ended December 31, 2024								

Insurance service result	**180**	**-**	**23**	**-**	**-**	**741**	**2,242**	**3,186**
Net investment income	**-**	**-**	**-**	**1,559**	**-**	**-**	**-**	**1,559**
Net gains (losses) on investment portfolio	**-**	**-**	**-**	**-**	**-**	**148**	**-**	**148**
Net insurance financial result	**-**	**-**	**-**	**-**	**-**	**(899)**	**-**	**(899)**
Share of profits from investments in associates and joint ventures	**165**	**(16)**	**-**	**-**	**(33)**	**(27)**	**-**	**89**
Other net gains (losses)	**-**	**-**	**-**	**-**	**-**	**303**	**-**	**303**
Other income and expense	**179**	**-**	**(199)**	**-**	**-**	**(306)**	**(553)**	**(879)**
Other finance costs	**-**	**(222)**	**-**	**-**	**-**	**-**	**-**	**(222)**
Acquisition, integration and restructuring costs	**-**	**-**	**-**	**-**	**-**	**(407)**	**-**	**(407)**
Income tax benefit (expense)	**-**	**-**	**-**	**-**	**(568)**	**-**	**-**	**(568)**
Total, as reported in MD&A	**524**	**(238)**	**(176)**	**1,559**	**(601)**	**(447)**	**1,689**	
For the twelve-month period ended December 31, 2023								
Insurance service result	149	-	2	-	-	558	1,600	2,309
Net investment income	-	-	-	1,346	-	-	-	1,346
Net gains (losses) on investment portfolio	-	-	-	-	-	249	-	249
Net insurance financial result	-	-	-	-	-	(894)	-	(894)
Share of profits from investments in associates and joint ventures	167	(13)	-	-	(35)	(23)	-	96
Other net gains (losses)	-	-	-	-	-	50	-	50
Other income and expense	151	-	(159)	-	-	(202)	(417)	(627)
Other finance costs	-	(222)	-	-	-	-	-	(222)
Acquisition, integration and restructuring costs	-	-	-	-	-	(503)	-	(503)
Income tax benefit (expense)	-	-	-	-	(473)	-	-	(473)
Total, as reported in MD&A	467	(235)	(157)	1,346	(508)	(765)	1,183	

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

	Q4-2024	**Q4-2023**	**2024**	**2023**
Net income attributable to shareholders, as reported under IFRS	**667**	524	**2,297**	1,316
Remove acquisition-related items, after tax				
Amortization of acquired intangible assets	**62**	55	**233**	204
Acquisition and integration costs	**44**	66	**172**	193
Tax adjustments on acquisition-related items	**1**	2	**5**	6
Net result from claims acquired in a business combination	**1**	-	**3**	2
Adjusted net income attributable to shareholders	**775**	647	**2,710**	1,721
Remove: preferred share dividends and other equity distribution	**(28)**	(28)	**(90)**	(84)
Adjusted net income attributable to common shareholders	**747**	619	**2,620**	1,637
Divided by weighted-average diluted number of common shares (in millions)	**178.6**	178.3	**178.6**	176.2
AEPS (in dollars)	**4.18**	3.47	**14.67**	9.29
Adjusted net income attributable to common shareholders for the last 12 months	**2,620**	1,637		
Adjusted average common shareholders' equity	**15,550**	14,021		
AROE for the last 12 months	**16.8 %**	11.7 %		

Table 8 Calculation of BVPS and BVPS (excluding AOCI)

As at December 31,	2024	2023
Equity attributable to shareholders, as reported under IFRS	**18,148**	16,190
Remove: Preferred shares and other equity, as reported under IFRS	**(1,619)**	(1,619)
Common shareholders' equity	**16,529**	14,571
Remove: AOCI, as reported under IFRS	**(183)**	321
Common shareholders' equity (excluding AOCI)	**16,346**	14,892
Number of common shares outstanding at the same date (in millions)	**178.4**	178.3
BVPS	**92.67**	81.71
BVPS (excluding AOCI)	**91.64**	83.51

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

As at December 31,	2024	2023
Ending common shareholders' equity	**16,529**	14,571
Remove: significant capital transaction in the last 12 months	**-**	638
Ending common shareholders' equity, excluding significant capital transaction	**16,529**	15,209
Beginning common shareholders' equity	**14,571**	14,521
Impact of the initial application of IFRS 9	**n/a**	(2)
Beginning common shareholders' equity, adjusted for the impact of IFRS 9	**14,571**	14,519
Average common shareholders' equity, excluding significant capital transaction	**15,550**	14,864
Weighted impact of significant capital transactions[1]	**-**	(843)
Adjusted average common shareholders' equity	**15,550**	14,021
Ending common shareholders' equity, excluding AOCI	**16,346**	14,892
Remove: significant capital transaction in the last 12 months	**-**	638
Ending common shareholders' equity, excluding AOCI and significant capital transaction	**16,346**	15,530
Beginning common shareholders' equity, excluding AOCI	**14,892**	15,612
Impact of the initial application of IFRS 9	**n/a**	(420)
Beginning common shareholders' equity, excluding AOCI and adjusted for the impact of IFRS 9	**14,892**	15,192
Average common shareholders' equity, excluding AOCI and significant capital transaction	**15,619**	15,361
Weighted impact of significant capital transactions[1]	**-**	(843)
Adjusted average common shareholders' equity, excluding AOCI	**15,619**	14,518

[1] December 31, 2023 figure represents the net weighted impact of the September 13, 2023 and February 27, 2023 significant capital transactions.

Table 10 Reconciliation of Total debt outstanding before hybrid subordinated notes and Total capital to Debt outstanding, Equity attributable to shareholders and Equity attributable to NCI

As at	Dec. 31, 2024	Sept. 30, 2024	Dec. 31, 2023
Debt outstanding, as reported under IFRS	**4,681**	4,843	5,081
Remove: hybrid subordinated notes	**(247)**	(247)	(247)
Total debt outstanding before hybrid subordinated notes	**4,434**	4,596	4,834
Debt outstanding, as reported under IFRS	**4,681**	4,843	5,081
Equity attributable to shareholders, as reported under IFRS	**18,148**	17,780	16,190
Preferred shares from Equity attributable to non-controlling interests	**-**	-	285
Adjusted total capital	**22,829**	22,623	21,556
Total debt outstanding before hybrid subordinated notes	**4,434**	4,596	4,834
Adjusted total capital	**22,829**	22,623	21,556
Adjusted debt-to-total capital ratio	**19.4 %**	20.3 %	22.4 %
Debt outstanding, as reported under IFRS	**4,681**	4,843	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
Debt outstanding and preferred shares (including NCI)	**6,300**	6,462	6,985
Adjusted total capital	**22,829**	22,623	21,556
Total leverage ratio	**27.6 %**	28.6 %	32.4 %
Adjusted debt-to-total capital ratio	**19.4 %**	20.3 %	22.4 %
Preferred shares and hybrids	**8.2 %**	8.3 %	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 integration of Direct Line Insurance Group plc's brokered Commercial lines operations. 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 11, 2025 and available on SEDAR+ at 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 Q4-2024 MD&A.

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