Intact Financial Corporation
(TSX: IFC)

Recommendation: Buy | **Target Price:** $311 | **Implied Upside:** 21.9%

Team C
Februrary 6, 2026

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Intact Overview

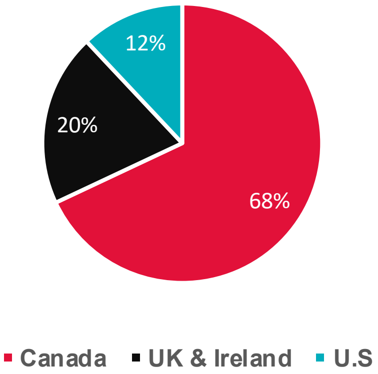
Business Overview

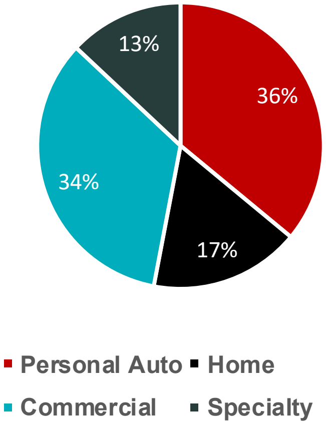
Intact Financial Corporation is a Canada-based property and casualty insurance company providing protection to individuals and businesses

Intact operates across three core geographic platforms: Canada (personal and commercial insurance), UK&I (commercial and selected personal lines), United States (specialty commercial insurance)

Intact generates revenue primarily through insurance premiums, with profitability driven by disciplined underwriting, efficient claims management, and investment income earned on premiums held prior to claim payouts

Revenue Breakdown





Financial/Market Data (as of Feb 2, 2026)

Capitalization Data

Ticker	***TSE***	IFC
Share Price	*CAD*	$253.50
Shares Outstanding	*M*	2383.53
Market Capitalization	*CAD (B)*	$45.04
Enterprise Value	*CAD (B)*	$51.06

Financial Data

LTM Revenue	*CAD (B)*	$25.53
LTM EBITDA	*CAD (B)*	$4.97

Impressive Management Execution

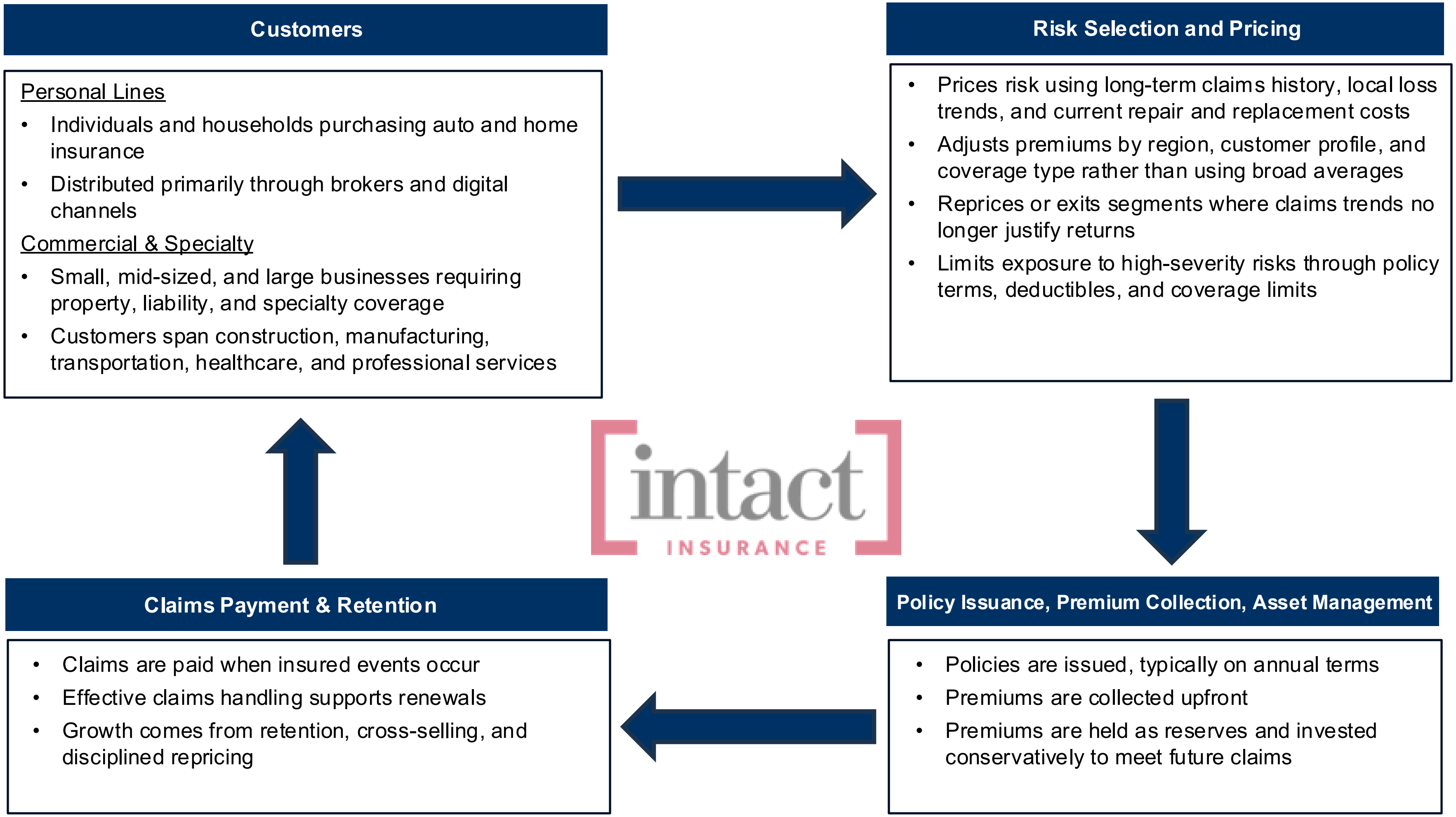
- **650 bps** average ROE outperformance over the last 10 years reflects consistent underwriting and capital discipline
- **10%** NOIPS CAGR in the last decade
- **89%** combined ratio over the last 12 months reflects strong pricing, claims management even in high-risk periods
- **20%** average IRR on **$10B** of M&A deployed over the past decade shows disciplined acquisition and successful integration
- Canadian combined ratio outperformance of **5 pts** vs industry for 10-yr average

Intact generates recurring premium revenue, supported by best-in-class underwriting discipline and scale that deliver resilient profitability through market cycles.

Source: Intact Q3 2025 Earnings Report, S&P Capital IQ

Notes: All market data are as of market close on February 4, 2026, unless otherwise stated.

Business Model



Customers

Personal Lines

- Individuals and households purchasing auto and home insurance
- Distributed primarily through brokers and digital channels

Commercial & Specialty

- Small, mid-sized, and large businesses requiring property, liability, and specialty coverage
- Customers span construction, manufacturing, transportation, healthcare, and professional services

Risk Selection and Pricing

- Prices risk using long-term claims history, local loss trends, and current repair and replacement costs
- Adjusts premiums by region, customer profile, and coverage type rather than using broad averages
- Reprices or exits segments where claims trends no longer justify returns
- Limits exposure to high-severity risks through policy terms, deductibles, and coverage limits

Policy Issuance, Premium Collection, Asset Management

- Policies are issued, typically on annual terms
- Premiums are collected upfront
- Premiums are held as reserves and invested conservatively to meet future claims

Claims Payment & Retention

- Claims are paid when insured events occur
- Effective claims handling supports renewals
- Growth comes from retention, cross-selling, and disciplined repricing

Intact's competitive edge is its ability to price risk accurately and control claims costs, resulting in durable underwriting profitability.

Source: Intact Q3 2025 Earnings Report, S&P Capital IQ
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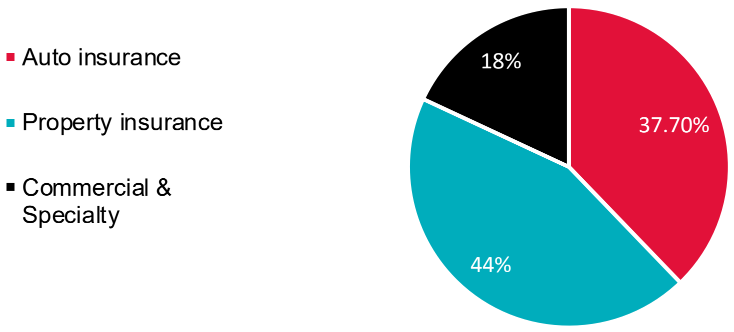
Industry Overview

A fragmented industry where scale, data, and execution separate winners from everyone else.

Industry Structure

- Canada’s P&C market is highly fragmented with over 100 insurers, but Intact is the clear leader with ~21.3% market share, more than double its nearest competitor.
- Licensing is accessible, but achieving profitability requires large data sets, pricing discipline, and claims efficiency developed over decades.
- Because annual switching costs are meaningful, customer base is sticky and customer retention is based on pricing accuracy and broker relationship

Approximate Share of Canadian P&C Premiums (2025)



Operational Dependencies

Pricing accuracy: Small pricing errors compound quickly. For example, a 1% deterioration in loss ratio can erase most underwriting profit.

Claim management: Claims represent **65-70% of premiums** paid out over time, making severity control and fraud detection critical.

Data quality and scale: Effective underwriting depends on long historical loss data across regions, perils, and customer types.

Capital strength: Insurers must hold sufficient capital to absorb catastrophe losses and regulatory stress scenarios.

Competitive Differentiators

- Expense efficiency through scale: Large insurers spread fixed costs (IT, analytics, compliance) over a larger premium base; Intact consistently runs a lower expense ratio than the industry average.
- Superior risk selection: Leading insurers use granular segmentation to price risk more precisely rather than competing on headline price.
- Claims execution speed: Faster claims settlement improves retention and reduces leakage; Intact automates ~20% of simple claims.
- Diversification across geographies and products: Exposure across Canada, U.S., UK, and Ireland reduces reliance on any single market or weather pattern.

Source: Intact Q3 2025 Earnings Report, S&P Capital IQ

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Competitive Positioning

Canada scale advantage + differentiated distribution; execution-driven upside internationally

Significant scale allows for premium pricing and leverage

- Intact dominates with approximate 21.3% Canada's market share, significantly ahead of fragmented competitors.
- The company is a proven industry integrator, having successfully completed 19 acquisitions since 1988.
- Massive scale allows it to spread fixed technology and administrative costs over a larger premium base, resulting in an expense ratio consistently lower than the industry average.

AI-enabled underwriting & pricing expertise

- Intact manages over 1 trillion data points, creating the largest insurance "data lab" in Canada to refine risk selection.
- The company has over 500 AI models in production, which assist in pricing accuracy and automate roughly 20% of straightforward claims.
- AI-driven tools process thousands of broker submissions at scale to identify emerging market trends and untapped opportunities.

Vertical integration: #1 brand awareness in Canada

- Expansive distribution (2,000 broker relationships)
- Intact's channel represents 2/3 of personal lines premiums written in 2024 (including personal auto).
- Intact's direct channel (1/3 of personal lines premiums) is led by belairdirect (25% brand awareness).
- Intact expects affinity programs to bolster growth in the near-term, with 500+ Affinity Partners.

belairdirect. 123.ie BrokerLink ON SIDE RESTORATION.

Disciplined underwriting culture

- Intact targets an ROE outperformance of 500 basis points over the industry average and met that goal in 9 of the last 10 years.
- Combined ratios typically in the low 90s (e.g., 89.8% in Q3-2025), even in years with high catastrophe losses.
- Risk quality is more important than volume

Intact's scale, data, and underwriting discipline consistently drive superior, cycle-proof returns.

Source: Intact Q3 2025 Earnings Report, S&P Capital IQ

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Investment Thesis I

intact INSURANCE

Market leadership and superior underwriting capabilities drive industry-leading returns. Intact's scale enables expense leverage, pricing accuracy, and durable competitive advantages that support a sustainably high operating ROE.

Scale Advantages & Structural Benefits

Canada's #1 P&C insurer: More than 2x the size of nearest competitor with ~18-20% market share; #1 most recognized insurance brand nationally for 5 consecutive years.

Expense ratio leverage: Fixed cost absorption across larger premium base drives structural cost advantage that smaller competitors cannot replicate.

Data & talent moat: 500+ data scientists operating 500+ AI models across pricing, claims, and customer service; ML identifies segments 10x riskier than others

Proven turnaround capability: U.S. Specialty Lines improved from 100% to low-80s combined ratio post-acquisition; Global Specialty grew from $600M to $6B+ premiums while maintaining sub-90% CR

Digital scale: Digital portfolio now generates >$1B in DPW; GenAI tools enable 20% more quotes in Commercial Lines

Long-Term Performance Track Record

10%	+650bps	90%
NOIPS CAGR Target	ROE vs. Industry (10yr)	Combined Ratio (10yr)

ROE Outperformance Breakdown

Q3 2025 Operating ROE reached **20%**. Investment & distribution income generate **9-10pts** of base ROE before underwriting. Investment strategies alone add **>120bps** to outperformance gap.

ROE Sources:

3-year avg ROE of 17.4% vs. 10.2% global benchmark. Target: outperform industry ROE by 500bps+ annually.

AI/ML generates >$150M in annual recurring underwriting profit. Pricing and risk selection powered by predictive AI contributes 1/3 of total ROE outperformance.

Source: Company Filings, Investor Presentations, Team Analysis

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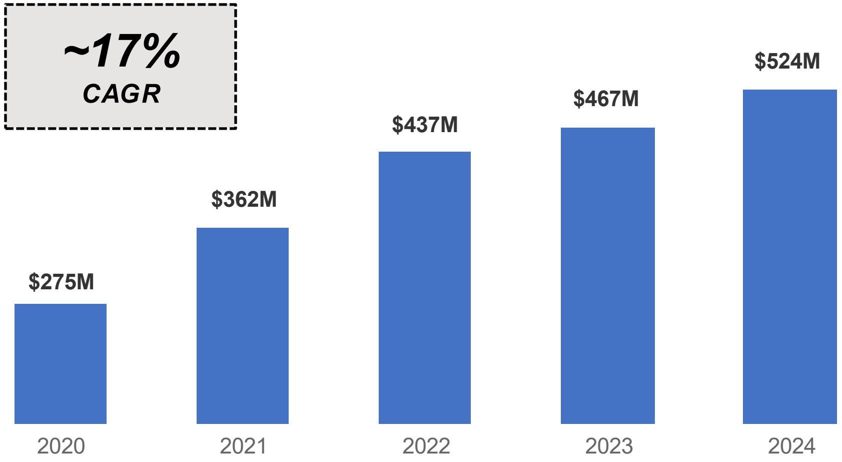
Investment Thesis II

Distribution advantages through broker relationships and BrokerLink create a capital-light, high-value earnings stream. Vertical integration supports stronger customer economics and stable fee-based income.

Broker Channel Value Proposition

- Broker channel represents ~2/3 of personal lines premiums in Canada
- Higher customer lifetime value through stronger retention & cross-sell
- 93% retention ratio in Commercial lines demonstrates stickiness
- Contact CL platform (2025) covers 1,000+ SIC codes

Distribution Income (C$ millions, 2020 – 2024)



BrokerLink: Vertical Integration Advantage

- Owns distribution capacity while maintaining broker ecosystem credibility
- Two earnings sources: underwriting profit + distribution commissions
- 15%+ IRR track record on broker acquisitions

Distribution Income Characteristics

~ 20%	**> 10%**	**Low**	**High**
of Pre-tax Op. Income	Target CAGR through 2030	Capital Intensity	Cash Flow Stability

4 out of 5 brokers cite Intact's specialized expertise as a key value driver, reflecting embedded reliance on capabilities and systems that increase switching friction.

Source: Company Filings, Investor Presentations, Team Analysis

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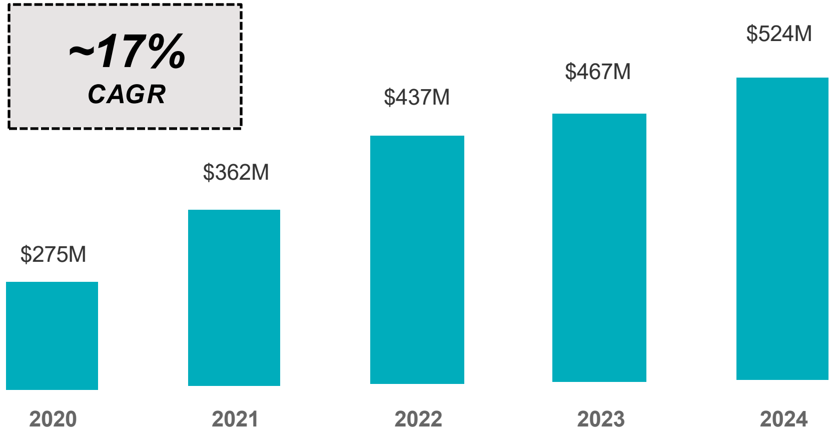

BrokerLink: Vertical Integration Advantage

Owns distribution capacity while maintaining broker ecosystem credibility

Two earnings sources: underwriting profit + distribution commissions

15%+ IRR track record on broker acquisitions

Distribution Income Characteristics

~ 20%
of Pre-tax Op. Income

> 10%
Target CAGR through 2030

Low
Capital Intensity

High
Cash Flow Stability

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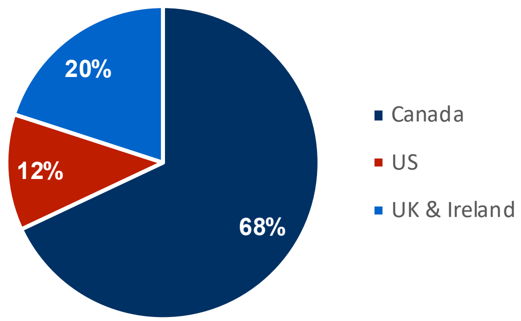
Investment Thesis III

Strategic global expansion diversifies geographic risk and unlocks long-term growth runaway. International operations extend Intact's proven underwriting and analytics capabilities to new markets.

Revenue by Geography

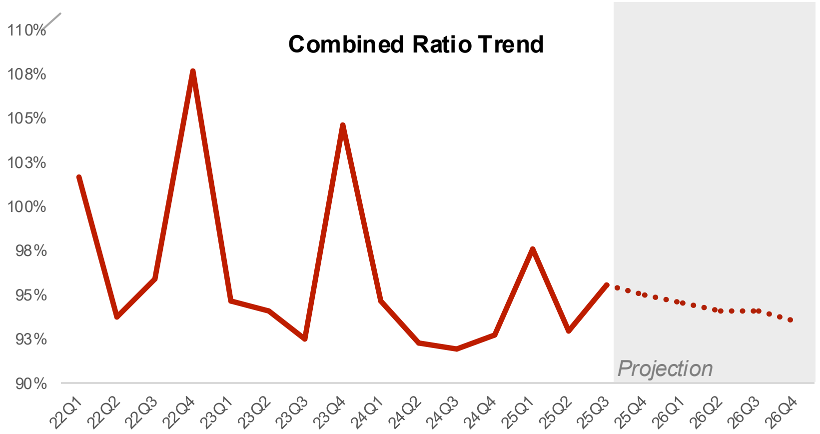


US Specialty Lines

- **Strategic Moat:** Focus on high-barrier, non-commoditized niches (Surety, Cyber, A&H) where specialized underwriting expertise creates a defensive moat against pricing pressure.
- **The "Alpha" Driver:** Success comes from pairing locally embedded US underwriting teams with Intact's proprietary Canadian AI & data infrastructure to price risk more accurately than peers.
- **Quality of Growth:** ~8% growth is driven by strong new business production and high client retention, proving these specialty lines are "sticky" and less sensitive to general market cycles.

83.6% Combined Ratio
(US Specialty)

UK & Ireland Turnaround



- **Proven Execution:** Active portfolio remediation (exiting low-quality lines/repricing) successfully drove the Combined Ratio from **99.3% (2022)** to **92.8% (2024)**—validating the "fix-it" strategy.
- **The "Data Arbitrage" Upside:** UK commercial pricing sophistication significantly lags Canada. Transferring Intact's mature AI/ML models to this under-penetrated market creates a long runway for further margin expansion.
- **Growth Inflection Point:** The revenue drag from exiting bad business is concluding. The segment is now pivoting from "remediation mode" to sustainable, profitable organic growth.
- **Strategic Asset:** This region is no longer just a diversification play; it is becoming a proven platform for exporting Intact's operational discipline to international markets.

Geographic diversification reduces reliance on a single region's weather patterns, regulatory environment, and claims trends, lowering risk of localized shocks impacting consolidated performance.

Source: Company Filings, CapIQ, Statista
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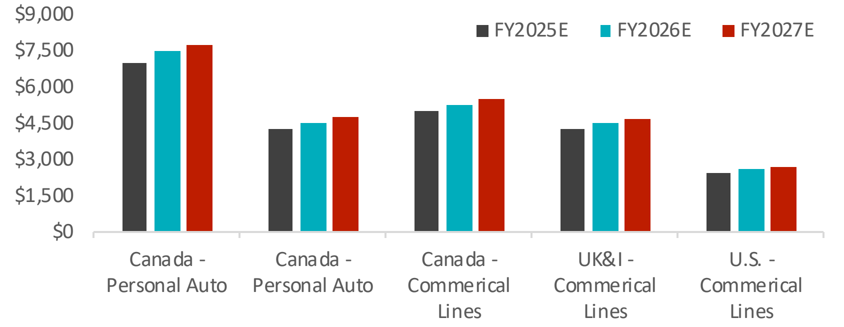
Operating Earnings Drivers

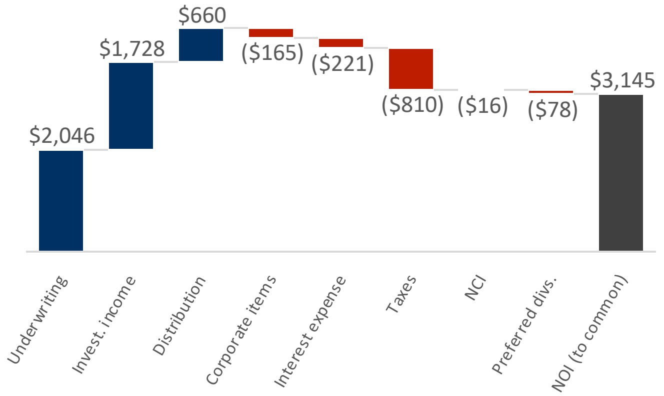
Intact's valuation is primarily driven by underwriting income expansion across Commercial lines, steady net investment income growth from a stable asset base, and rising distribution income from fee-based broker activity.

Net Premiums Earned by Segment



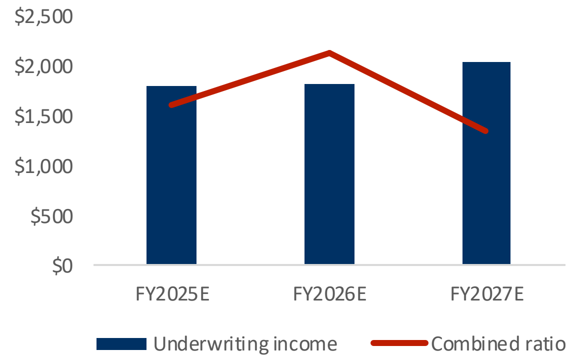
Modest-to-moderate y/y net premium growth is expected across all segments

Earnings bridge to NOI (FY2027E)



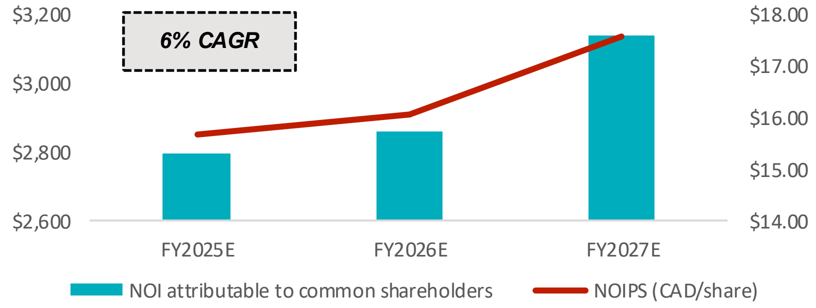
Investment and distribution income are projected to grow steadily through 2027 on higher yields and expanding fee income

Combined Ratio Trend Line



We model a modest normalization in the combined ratio through 2027 as pricing momentum moderates and loss cost inflation persists

NOI CAGR (FY2025E-FY2027E)



Forecasted NOI shows steady growth while NOIPS trends upward through 2027

These drivers collectively produce durable NOI growth and support a sustainable mid-teens operating ROE through the forecast period.

Source: Company Filings, Investor Presentations, S&P Capital IQ, Team Analysis

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Comparable Company Analysis

A comparable company analysis was conducted to assess Intact's relative valuation using P/E multiples from industry peers.

Comparable Valuation

Company	Ticker	Market Data		Operating Metric (TTM, $000s)		Valuation		
		Share Price	Market Cap	Revenue	Net Income Common Stockholders	Trailing P/E	Forward P/E	Price/Book
Canadian P&C								
Definity Financial	TSE: DFY	65.70	8.03B	4,799,900	476,800	16.75x	17.76x	2.03x
Fairfax Financial	TSE: FFH	2,238.98	52.71B	30,400,100	4,691,200	8.07x	9.45x	1.44x
U.S. Diversified P&C								
The Travelers Companies	NYSE: TRV	288.23	62.69B	48,828,000	6,242,000	10.41x	10.33x	1.89x
The Hartford	NYSE: HIG	138.44	38.61B	28,071,000	3,815,000	10.14x	10.31x	2.01x
Cincinnati Financial	NASDAQ: CINF	163.84	25.56B	12,078,000	2,122,000	11.98x	18.94x	1.63x
Specialty Underwriters								
Chubb Limited	NYSE: CB	313.38	123.33B	58,911,000	9,675,000	12.94x	11.36x	1.70x
WR Berkley	NYSE: WRB	69.19	26.10B	14,639,850	1,779,403	15.23x	14.27x	2.63x
Beazley	LON: BEZ	1,160.00	6.97B	1,158,300	979,000	10.36x	12.27x	1.98x
Intact Financial	**TSE: IFC**	**255.62**	**45.63B**	**25,567,000**	**2,981,000**	**15.19x**	**14.93x**	**2.46x**
Mean						*11.99x*	*13.09x*	*1.91x*
Median						*11.20x*	*11.82x*	*1.94x*

Comparable Companies: Analysis Commentary

Justification for Comps Selection

- Public P&C insurers with underwriting-driven earnings, ROE focus, and similar claims and catastrophe risk profiles.
- Mix of Canadian, U.S., and specialty carriers reflecting Intact's geography, commercial focus, and broker-led model.

P/E Valuation and Limitations

- Applying the peer median P/E multiple implies a fair value of about $241 per share for IFC based on normalized earnings.
- P/E is less reliable for P&C insurers as earnings are volatile and reserve, catastrophe, and investment swings distort net income.

Source: Company Filings, Investor Presentations, S&P Capital IQ, Team Analysis

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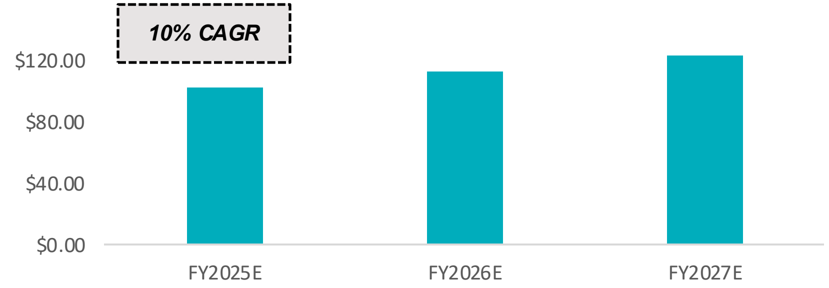
Capital Compounding Supports Premium P/B Valuation

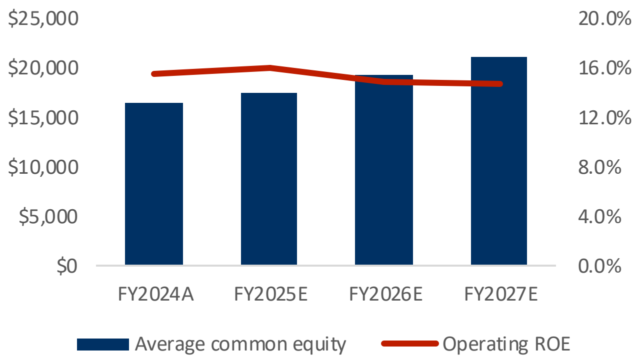
We value Intact on a Price-to-Book basis, as shareholder value is driven by the company's ability to consistently compound book value through disciplined underwriting and capital retention.

Book Value per Share Growth



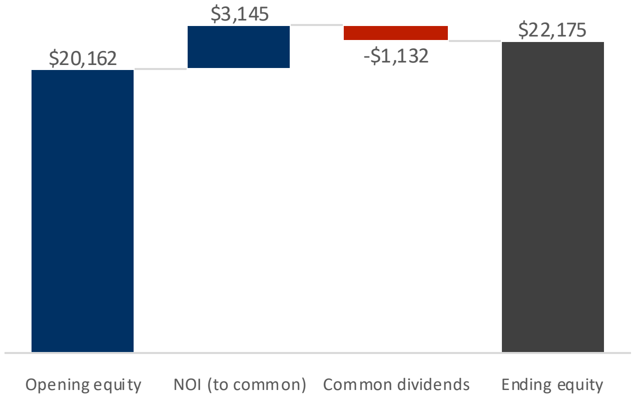
Rising BVPS through 2027 reflects sustained earnings retention, expands underwriting capacity, and supports long-term equity value growth

Sustained Mid-Teens Operating ROE



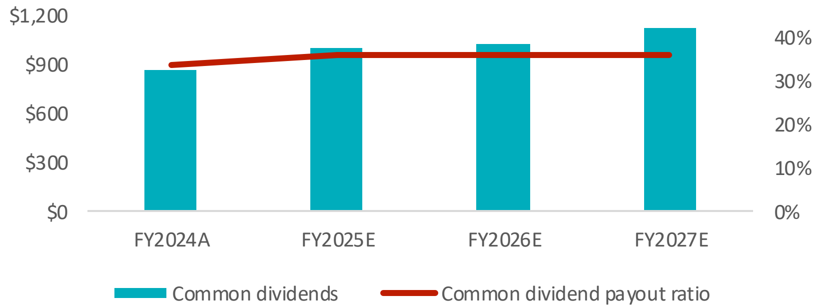
ROE is projected to remain stable in the mid-teens despite equity growth, reflecting disciplined capital deployment and durable profitability

FY2027E Common Equity Build



Our common equity build estimates future book value by rolling forward equity with net income and dividends, forming the base for ROE and P/B valuation

Disciplined Capital Returns



Dividends rise with earnings, but the payout ratio stays disciplined, meaning IFC funds growth internally while still returning cash to shareholders

Stable ROE, rising book value, and disciplined payouts support a premium P/B multiple reflecting durable earnings quality and capital efficiency.

Source: Company Filings, Investor Presentations, S&P Capital IQ, Team Analysis

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Price-to-Book (P/B) Valuation

We value Intact at $311 per share by applying a 2.5x P/B multiple to our FY2027E book value per share estimate, linking valuation to its projected capital base and sustainable mid-teens operating ROE.

Premium Multiple Justification

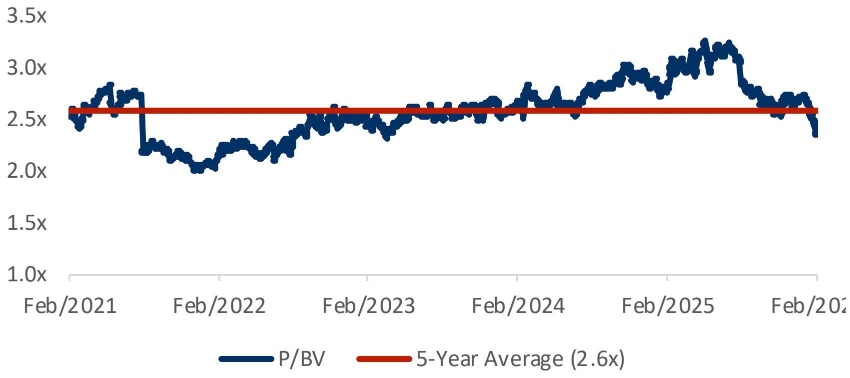
Mid-teens sustainable ROE	Supports premium P/B
Underwriting discipline	Lower earnings volatility
Scale in Canada	Expense leverage
Distribution income	Capital-light earnings

Sensitivity Analysis

NOIPS (CAD/share)

P/B Multiple	$15.40	$15.96	$16.52	$17.08	$17.64	$18.20	$18.76	$19.32	$19.88
2.1x	$258	$259	$260	$260	$261	$262	$263	$263	$264
2.2x	$270	$271	$272	$273	$274	$274	$275	$276	$277
2.3x	$283	$284	$284	$285	$286	$287	$288	$289	$289
2.4x	$295	$296	$297	$298	$298	$299	$300	$301	$302
2.5x	$307	$308	$309	$310	**$311**	$312	$313	$314	$315
2.6x	$320	$321	$321	$322	$323	$324	$325	$326	$327
2.7x	$332	$333	$334	$335	$336	$337	$338	$339	$340
2.8x	$344	$345	$346	$347	$348	$349	$350	$351	$352
2.9x	$357	$358	$359	$360	$361	$362	$363	$364	$365

Historical P/B Chart



With a 5-year average P/B of 2.6x and Intact's stock currently below that (~2.4x), a 2.5x multiple balances long-term fundamentals and recent normalization

Bear Case vs. Bull Case

Case	Scenario	Price & Upside
Bull	Stronger rate realization, improved combined ratios, higher investment yields and distribution growth; capital discipline maintained	$338 +32.4%
Base	Mid-single-digit premium growth, stable combined ratios, steady investment and distribution income; consistent payout policy	$311 +21.9%
Bear	Lower premium growth, weaker combined ratios, softer investment yields; payout and capital discipline unchanged	$284 +11.5%

Source: Company Filings, Investor Presentations, S&P Capital IQ, Team Analysis

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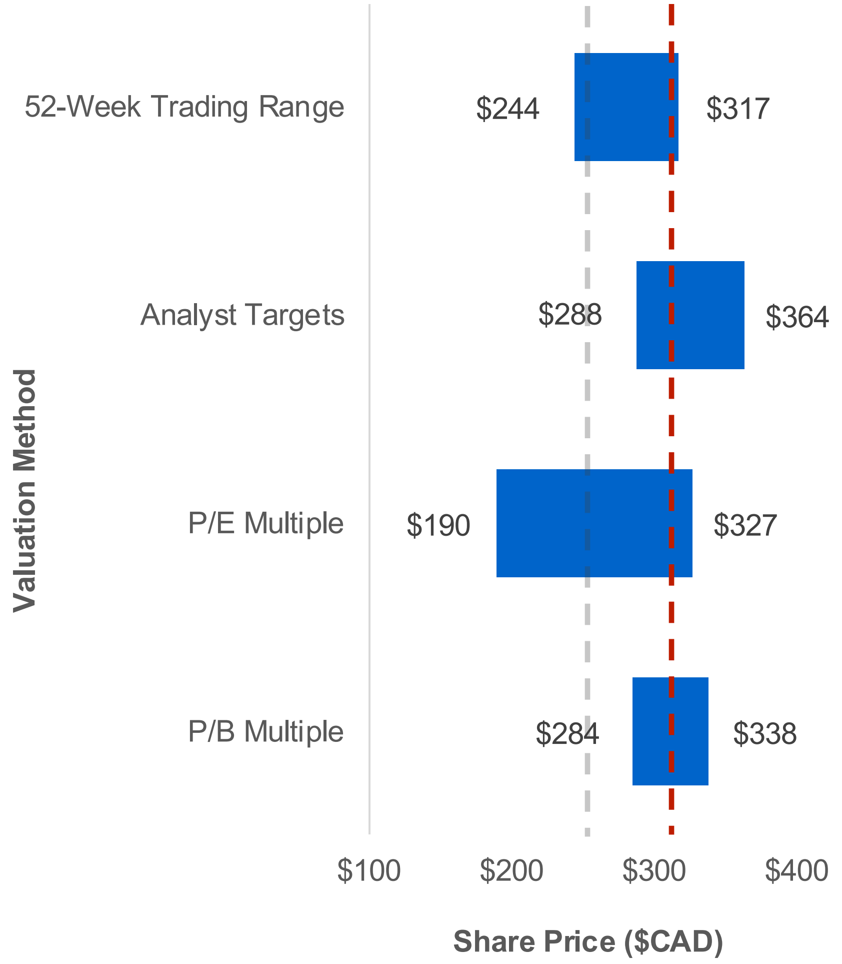
Buy Recommendation – Target Price of $311

The valuation analysis supports a Buy recommendation with a target price of $311, implying 21.9% upside from the current price of $255.62, with most weighting placed on the P/B multiple method and a modest allocation to analyst expectations.

Valuation Range



Method Selection

DCF and P/E receive no weighting due to earnings volatility, heavy capital requirements, reserve and catastrophe variability, and accounting noise typical of insurers

P/B receives the highest weighting as it best reflects capital strength and ROE generation, with a modest allocation to analyst estimates to incorporate market-based expectations

Price Target

Method	Price	Weight
P/B Multiple	$311	80%
P/E Multiple	$241	0%
Analyst Targets	$313	20%
Price Target	**$311**	**100%**

Current Price: $255.62

Implied Upside: +21.9%

Source: Company Filings, Investor Presentations, S&P Capital IQ, Team Analysis

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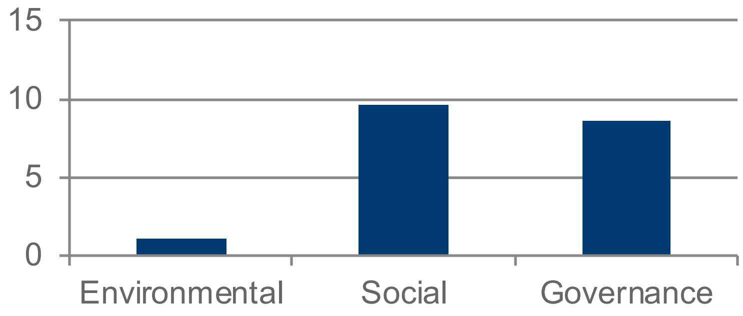
ESG Overview

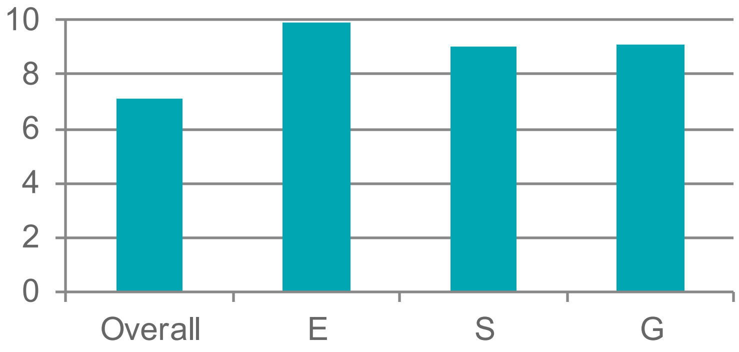
Most material through climate exposure, catastrophe outcomes, and governance discipline

Total risk: 19.3 (Low) | Controversy: 2 (Moderate)

Sustainalytics unmanaged risk (points)



Converted scorecard (1–10; higher = lower risk)



Financially material ESG pathways

Environmental

- Physical climate risk → CAT losses
- Reinsurance pricing + capital volatility
- Adaptation/resilience investments

Social

- Claims handling outcomes & trust
- Affordability / access in high-loss years
- Workforce capability and fatigue

Governance

- Underwriting discipline and reserves
- AI model governance & fairness
- Capital allocation through the cycle

Source: Company filings

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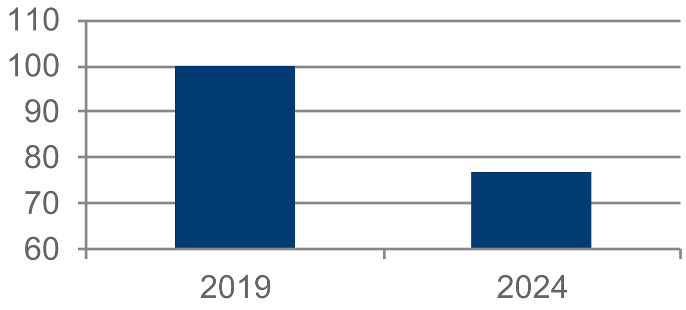
E — Climate Exposure & Resilience

Physical climate risk is the first-order economic ESG factor for P&C insurers

Key metrics (2024)

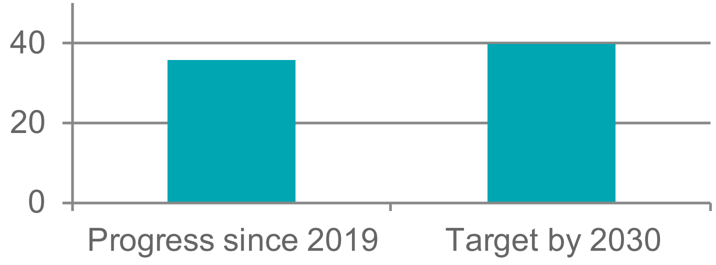
CAT losses	**C$1.54B**
CAT loss ratio	**7.1%**
1-in-100 PML impact	**~5.7% BVPS**
Resilience spend	**C$27.4M (since 2010)**

Operational emissions (Scope 1+2)



Down ~23% vs 2019

Investment portfolio decarbonization



PCAF-aligned methods; ~50% of invested assets covered

Investor takeaway: ESG "E" is best judged through underwriting results, pricing agility, and reinsurance structure — not operational footprint alone.

Source: Company filings
Notes: All market data are as of market close on February 4, 2026, unless otherwise stated.

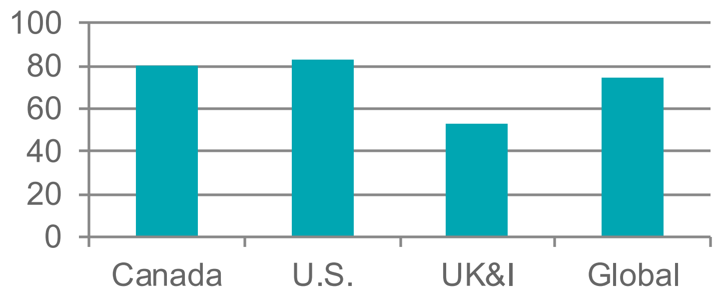
S — Customer Outcomes & Workforce

Material through claims handling quality, affordability, and execution capacity

Key indicators

Employees	Retention (2024)	Voluntary turnover	Complaints-to-claims
~31,000	**90.4%**	**9.6%**	**≈2:1000**

Employee engagement (2024)



Diversity & community

- Women on board: 46%
- BPOCI among executive officers: 0% (pipeline gap to monitor)
- Donations: C$13.7M | Volunteer hours: 34,000
- Service levels during CAT years are the key reputational stress test

Investor takeaway: Social performance shows up during high-catastrophe years — claims capacity, communication quality, and affordability discipline.

Source: Company filings

Notes: All market data are as of market close on February 4, 2026, unless otherwise stated.

G — Governance & Model Risk

Disciplined underwriting + AI governance are central to through-cycle ROE

Governance strengths

- Board-level ESG oversight integrated into enterprise risk management (three lines of defence)
- ESG metrics embedded in executive STIP (engagement, diversity, customer outcomes, climate factors)
- Formal AI Governance Framework effective Jan 1, 2025 (bias, fairness, guardrails for GenAI)
- Cybersecurity and data-privacy governance supported by ecosystem investments

AI / model governance workflow

Data & ontology

Model training

Bias & fairness

Deploymen t guardrails

Monitoring & audit

What investors should monitor

- Whether governance frameworks translate into consistent combined ratios and prudent reinsurance purchasing
- Model risk in extreme CAT years (segmentation, fairness, and reserve adequacy)
- Capital allocation discipline (dividends, buybacks, and M&A) through the underwriting cycle

Governance quality is only valuable if it shows up in underwriting results and controlled volatility during stress periods.

Source: Company filings

Notes: All market data are as of market close on February 4, 2026, unless otherwise stated.

Investment Risks and Mitigations

Intact faces execution risks in UK integration, exposure to P&C pricing cycle softening, and regulatory complexity in international markets. However, scale, diversification, and disciplined underwriting provide meaningful downside protection.

Key Risks

UK&I Integration Risk
DLG integration ongoing; 5-point CR drag in recent quarters; -5% operating DPW in UK&I (Q3 2025); strategic exits from delegated relationships.

P&C Pricing Cycle Softening
Hard market transitioning to relaxed pricing; competition intensifying on large accounts; tariffs driving inflationary pressure; climate-driven claims severity increasing.

Geopolitical & Regulatory Complexity
UK Solvency framework evolving; FCA pricing rules alter dynamics; distinct requirements across UK, Ireland, Luxembourg limit dividend flexibility; trade tensions monitored.

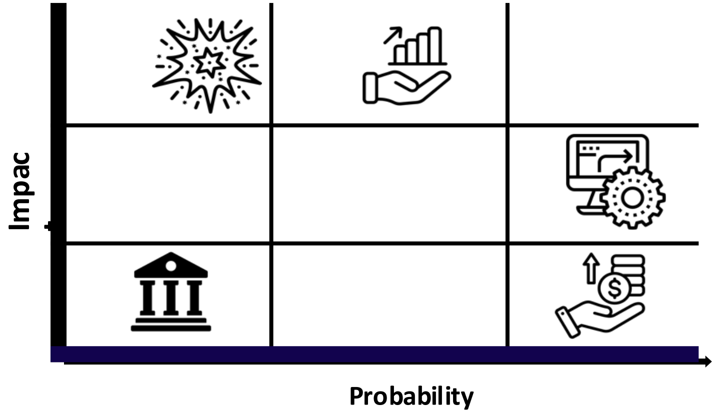
Mitigations

Strategic Rebranding & Tech Unification
RSA, NIG, FarmWeb unifying under Intact brand (2025); AI pricing at ~40% of Global Specialty; CR improved 99.3%→92.8%; DLG drag expected to taper in 2026.

SME Focus & Disciplined Underwriting
Limited large account exposure; 10-year 90% CR track record; AI pricing agility; only 7% claims cost exposed to tariffs (~5bps CR impact); sub-95% CR guidance maintained.

Diversification & Capital Buffers
USD/GBP revenue provides currency hedge; capital above Board thresholds in all jurisdictions; Enterprise Risk Committee stress tests scenarios; A.M. Best A+ reaffirmed 2025.

Risks & Catalysts Likelihood



Catalysts

DLG Portfolio Remediation Delays
5-point CR drag continues; technology integration and legacy IT decommissioning execution risk; UK employee engagement remains priority.

Macro/Tariff Pressures Intensify
Tariffs up to 35% on imports; competitors pricing below sustainable returns for market share; climate-driven claims severity acceleration.

Source: Company Filings, Investor Presentations, Team Analysis
Notes: All market data are as of market close on February 4, 2026, unless otherwise stated.

Appendix A: Underwriting and Earnings Forecast by Segment

	31-Dec-22	31-Dec-23	31-Dec-24	31-Dec-25	31-Dec-26	31-Dec-27
	FY2022A	FY2023A	FY2024A	FY2025E	FY2026E	FY2027E
Canada - Personal Auto						
Operating net underwriting revenue	$5,557	$5,808	$6,392	$6,999	$7,454	$7,752
Y/Y growth	*15.2%*	*4.5%*	*10.1%*	*9.5%*	*6.5%*	*4.0%*
Combined ratio	93.2%	94.7%	95.4%	92.5%	93.5%	92.0%
Underwriting income	**$376**	**$306**	**$292**	**$525**	**$485**	**$620**
Canada - Personal Property						
Net premiums earned	$3,493	$3,650	$3,949	$4,265	$4,521	$4,724
Y/Y growth	*19.5%*	*4.5%*	*8.2%*	*8.0%*	*6.0%*	*4.5%*
Combined ratio	89.2%	100.7%	96.5%	94.0%	95.0%	94.0%
Underwriting income	**$376**	**-$26**	**$138**	**$256**	**$226**	**$283**
Canada - Commerical Lines						
Net premiums earned	$4,481	$4,628	$4,843	$5,013	$5,263	$5,526
Y/Y growth	*21.1%*	*3.3%*	*4.6%*	*3.5%*	*5.0%*	*5.0%*
Combined ratio	87.2%	89.3%	86.0%	89.0%	90.0%	90.5%
Underwriting income	**$576**	**$493**	**$678**	**$551**	**$526**	**$525**
UK&I - Commerical Lines						
Net premiums earned	$4,107	$4,143	$4,199	$4,283	$4,476	$4,632
Y/Y growth	*224.7%*	*0.9%*	*1.4%*	*2.0%*	*4.5%*	*3.5%*
Combined ratio	99.3%	96.4%	92.8%	95.5%	94.5%	94.5%
Underwriting income	**$27**	**$151**	**$301**	**$193**	**$246**	**$255**
U.S. - Commerical Lines						
Net premiums earned	$1,866	$2,114	$2,272	$2,408	$2,577	$2,706
Y/Y growth	*13.0%*	*13.3%*	*7.5%*	*6.0%*	*7.0%*	*5.0%*
Combined ratio	87.8%	88.7%	87.5%	88.5%	87.0%	87.0%
Underwriting income	**$228**	**$239**	**$285**	**$277**	**$335**	**$352**

Source: Team Analysis, Management Guidance, Company Filings

Appendix B: Net Operating Income Bridge

	31-Dec-22 FY2022A	31-Dec-23 FY2023A	31-Dec-24 FY2024A	31-Dec-25 FY2025E	31-Dec-26 FY2026E	31-Dec-27 FY2027E
Net Operating Income						
Canada	$1,326	$773	$1,108	$1,332	$1,237	$1,429
UK&I	$27	$151	$301	$193	$246	$255
U.S.	$228	$239	285	$277	$335	$352
Corporate	$17	$20	($5)	$11	$11	$11
Total underwriting income	**$1,598**	**$1,183**	**$1,689**	**$1,813**	**$1,829**	**$2,046**
Net investment income	$927	$1,346	$1,559	$1,614	$1,670	$1,728
Distribution income	$441	$467	$524	$566	$611	$660
Net operating income before corporate items	**$2,966**	**$2,996**	**$3,772**	**$3,992**	**$4,110**	**$4,435**
Corporate & other operating items	($163)	($157)	($176)	($165)	($165)	($165)
Operating income (pre-interest, pre-tax)	**$2,803**	**$2,839**	**$3,596**	**$3,827**	**$3,945**	**$4,270**
Net interest expense (finance costs)	($189)	($235)	($238)	($221)	($221)	($221)
Pre-tax operating income (PTOI)	**$2,614**	**$2,604**	**$3,358**	**$3,606**	**$3,724**	**$4,049**
Operating income tax expense	($504)	($491)	($679)	($721)	($745)	($810)
Net operating income (after-tax)	**$2,110**	**$2,113**	**$2,679**	**$2,885**	**$2,979**	**$3,239**
Non-controlling interests (NCI)	($20)	($15)	($13)	($16)	($16)	($16)
Preferred dividends & equity	($60)	($84)	($90)	($78)	($78)	($78)
NOI attributable to common shareholders	**$2,030**	**$2,014**	**$2,576**	**$2,791**	**$2,885**	**$3,145**
NOIPS (CAD/share)	**$11.56**	**$11.43**	**$14.45**	**$15.65**	**$16.18**	**$17.64**

Source: Team Analysis, Management Guidance, Company Filings

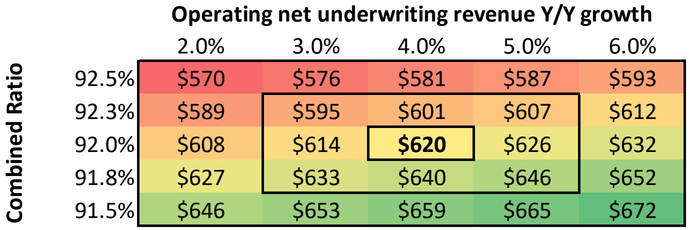
Appendix C: Equity, ROE, and Valuation Bridge

Simplified Common Equity Roll-Forward & ROE				
Opening common equity		$16,529	$18,315	$20,162
(+) NOI attributable to common shareholders		$2,791	$2,885	$3,145
Ending common equity	**$16,529**	**$18,315**	**$20,162**	**$22,175**
Average common equity	$16,529	$17,422	$19,239	$21,168
Operating ROE	15.6%	16.0%	15.0%	14.9%
Valuation				
Target P/B				2.5x
Book value per share (BVPS)	$92.70	$102.72	$113.08	$124.37
Target Price				**$311**

Source: Team Analysis, Management Guidance, Company Filings

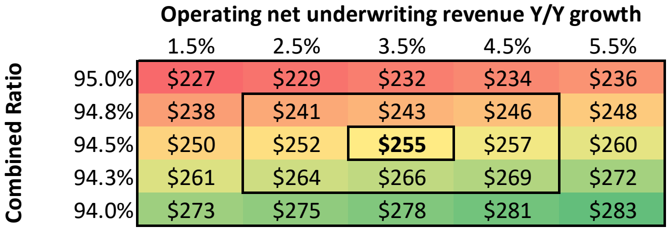
Appendix D: Segment-Level Underwriting Income Sensitivity (FY2027E)

Canada - Personal and Auto



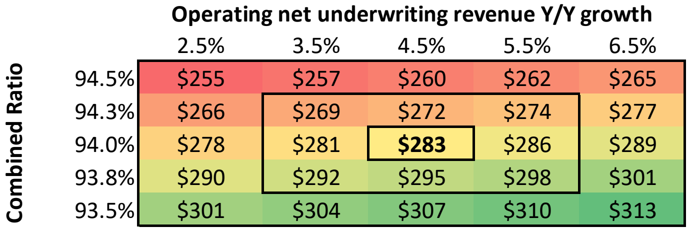
	Operating net underwriting revenue Y/Y growth				
Combined Ratio	2.0%	3.0%	4.0%	5.0%	6.0%
92.5%	$570	$576	$581	$587	$593
92.3%	$589	$595	$601	$607	$612
92.0%	$608	$614	**$620**	$626	$632
91.8%	$627	$633	$640	$646	$652
91.5%	$646	$653	$659	$665	$672

UK&I - Commercial Lines



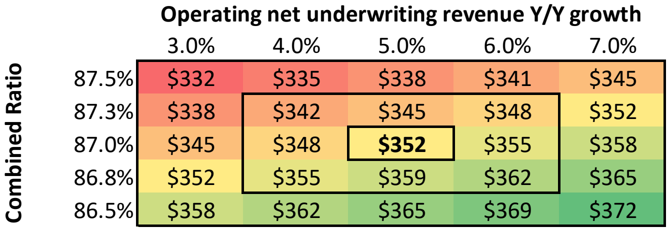
	Operating net underwriting revenue Y/Y growth				
Combined Ratio	1.5%	2.5%	3.5%	4.5%	5.5%
95.0%	$227	$229	$232	$234	$236
94.8%	$238	$241	$243	$246	$248
94.5%	$250	$252	**$255**	$257	$260
94.3%	$261	$264	$266	$269	$272
94.0%	$273	$275	$278	$281	$283

Canada - Personal Property



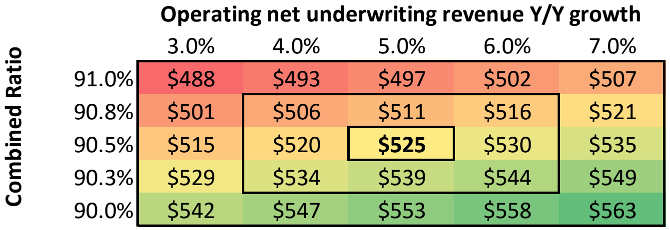
	Operating net underwriting revenue Y/Y growth				
Combined Ratio	2.5%	3.5%	4.5%	5.5%	6.5%
94.5%	$255	$257	$260	$262	$265
94.3%	$266	$269	$272	$274	$277
94.0%	$278	$281	**$283**	$286	$289
93.8%	$290	$292	$295	$298	$301
93.5%	$301	$304	$307	$310	$313

U.S. - Commercial Lines



	Operating net underwriting revenue Y/Y growth				
Combined Ratio	3.0%	4.0%	5.0%	6.0%	7.0%
87.5%	$332	$335	$338	$341	$345
87.3%	$338	$342	$345	$348	$352
87.0%	$345	$348	**$352**	$355	$358
86.8%	$352	$355	$359	$362	$365
86.5%	$358	$362	$365	$369	$372

Canada - Commercial Lines



	Operating net underwriting revenue Y/Y growth				
Combined Ratio	3.0%	4.0%	5.0%	6.0%	7.0%
91.0%	$488	$493	$497	$502	$507
90.8%	$501	$506	$511	$516	$521
90.5%	$515	$520	**$525**	$530	$535
90.3%	$529	$534	$539	$544	$549
90.0%	$542	$547	$553	$558	$563

Source: Team Analysis, Management Guidance, Company Filings

Appendix E: FY2027 Target Price Sensitivity

P/B Multiple	Net operating income before corporate items								
	$4,100	$4,200	$4,300	$4,400	$4,500	$4,600	$4,700	$4,800	$4,900
2.10x	$259	$260	$260	$261	$262	$262	$263	$263	$264
2.20x	$271	$272	$273	$273	$274	$275	$275	$276	$277
2.30x	$284	$284	$285	$286	$286	$287	$288	$288	$289
2.40x	$296	$297	$298	$298	$299	$300	$300	$301	$302
2.50x	$309	$309	$310	$311	**$311**	$312	$313	$314	$314
2.60x	$321	$322	$322	$323	$324	$325	$325	$326	$327
2.70x	$333	$334	$335	$336	$336	$337	$338	$339	$339
2.80x	$346	$346	$347	$348	$349	$350	$350	$351	$352
2.90x	$358	$359	$360	$360	$361	$362	$363	$364	$365

Source: Team Analysis, Management Guidance, Company Filings