

Non-GAAP reconciliation – Net Operating Earnings

| (\$000's) | Year ended December 31, | | | | |
|--|-------------------------|-----------|-----------|-----------|-----------|
| | 2018 | 2019 | 2020 | 2021 | 2022 |
| Net income | \$33,787 | \$63,316 | \$88,419 | \$152,659 | \$159,114 |
| Adjustments: | | | | | |
| Change in the fair value of equity securities, before taxes | 6,555 | (12,389) | (16,855) | (22,812) | 27,723 |
| Income tax expense (benefit) ⁽¹⁾ | (1,377) | 2,602 | 3,540 | 4,791 | (5,822) |
| Change in the fair value of equity securities, after taxes | 5,178 | (9,787) | (13,315) | (18,021) | 21,901 |
| Net realized investment gains, before taxes | (281) | (359) | (3,533) | (2,828) | (1,191) |
| Income tax expense ⁽¹⁾ | 59 | 75 | 742 | 594 | 250 |
| Net realized investment gains, after taxes | (222) | (284) | (2,791) | (2,234) | (941) |
| Change in allowance for credit losses on investments, before taxes | - | - | - | - | 366 |
| Income tax benefit ⁽¹⁾ | - | - | - | - | (77) |
| Change in allowance for credit losses on investments, after taxes | - | - | - | - | 289 |
| Net operating earnings | \$38,743 | \$53,245 | \$72,313 | \$132,404 | \$180,363 |
| Average stockholders' equity | \$251,088 | \$334,933 | \$491,059 | \$637,787 | \$722,392 |
| Operating return on equity ⁽²⁾ | 15.4% | 15.9% | 14.7% | 20.8% | 25.0% |

¹ Income taxes on adjustments to reconcile net income to net operating earnings use an effective tax rate of 21%; ² Operating return on equity is net operating earnings expressed as a percentage of average beginning and ending stockholders' equity during the period.