

# Non-GAAP Reconciliation – Net Operating Earnings

(\$000's)	Year ended December 31,				
	2020	2021	2022	2023	2024
Net income	\$ 88,419	\$ 152,659	\$ 159,114	\$ 308,093	\$ 414,843
Adjustments:					
Change in the fair value of equity securities, before taxes	(16,855)	(22,812)	27,723	(15,277)	(43,367)
Income tax expense (benefit) <sup>(1)</sup>	3,540	4,791	(5,822)	3,208	9,107
Change in the fair value of equity securities, after taxes	(13,315)	(18,021)	21,901	(12,069)	(34,260)
Net realized investment gains, before taxes	(3,533)	(2,828)	(1,191)	(6,040)	(6,831)
Income tax expense <sup>(1)</sup>	742	594	250	1,268	1,435
Net realized investment gains, after taxes	(2,791)	(2,234)	(941)	(4,772)	(5,396)
Change in allowance for credit losses on investments, before taxes	-	-	366	187	(526)
Income tax benefit <sup>(1)</sup>	-	-	(77)	(39)	110
Change in allowance for credit losses on investments, after taxes	-	-	289	148	(416)
Net operating earnings	\$ 72,313	\$ 132,404	\$ 180,363	\$ 291,400	\$ 374,771
<b>Diluted operating earnings per share:</b>					
Diluted earnings per share	\$ 3.87	\$ 6.62	\$ 6.88	\$ 13.22	\$ 17.78
Change in the fair value of equity securities, after taxes, per share	(0.58)	(0.78)	0.95	(0.52)	(1.47)
Net realized investment gains, after taxes, per share	(0.12)	(0.10)	(0.04)	(0.20)	(0.23)
Change in allowance for credit losses on investments, after taxes, per share	-	-	0.01	0.01	(0.02)
Diluted operating earnings per share <sup>(2)</sup>	\$ 3.16	\$ 5.74	\$ 7.80	\$ 12.50	\$ 16.06
Average stockholders' equity	\$ 491,059	\$ 637,787	\$ 722,392	\$ 916,141	\$ 1,285,197
Annualized operating return on equity <sup>(3)</sup>	14.7%	20.8%	25.0%	31.8%	29.2%

<sup>1</sup> Income taxes on adjustments to reconcile net income to net operating earnings use an effective tax rate of 21%; <sup>2</sup> Diluted operating earnings per share may not add due to rounding; <sup>3</sup> Operating return on equity is net operating earnings expressed as a percentage of average beginning and ending stockholders' equity during the period