

NEWS RELEASE: Definity Financial Corporation Reports Third Quarter 2025 Results

Highlights

- Gross written premium¹ growth of 7.5% in Q3 2025, reflecting our proactive rate actions in personal auto, continued firm market conditions in personal property, and strong execution in commercial insurance leveraging our small business and specialty capabilities
- Combined ratio¹ of 89.4% in Q3 2025 reflects ongoing actions to improve our operational efficiency and catastrophe losses¹ that came in below expectations
- Operating net income¹ of \$125.2 million in Q3 2025 resulting in record operating EPS¹ of \$1.03; trailing 12-month operating ROE¹ substantially improved to 12.5%
- Financial position robust, with book value per share¹ of \$33.43, 24% higher than a year prior reflecting strong earnings and our private placements of common shares in the second quarter of 2025
- Financing now fully in place for the Travelers Transaction following the successful completion of a \$1 billion private placement of senior unsecured notes during Q3 2025; Transaction completion tracking favourably to initial expectations, with closing targeted in the first half of Q1 2026

Executive Messages

"The third quarter of 2025 set a record for quarterly earnings at Definity. Our strong underwriting performance, underpinned by lower-than-expected levels of catastrophe losses, higher net investment income, and continued momentum in our insurance broker platform, combined to produce operating net income of \$125.2 million, or \$1.03 per share. This result was substantially higher than the catastrophe loss-impacted \$0.13 per share in Q3 2024. From a top-line perspective, we again delivered growth in line with our expectations, as gross written premiums increased 7.5% in the quarter to exceed \$4.7 billion over the last 12 months. Overall, the company is performing strongly and is in a great position to begin the process of integrating Travelers' Canadian P&C insurance business early next year."

– **Rowan Saunders, President & CEO**

"We ended the third quarter with shareholders' equity above \$4 billion for the first time, 24% higher on a per share basis than a year prior, inclusive of strong financial results as well as our private placements of common shares to fund part of the Travelers Transaction. Operating results in the quarter included \$54.1 million of net investment income, and \$18.2 million of distribution income reflecting strong performance from our broker distribution platform. These results combined with robust underwriting income to generate an operating return on equity of 12.5% over the past 12 months. We successfully completed a \$1 billion private placement of senior unsecured notes during the quarter, our inaugural offering and the final piece required to fund our upcoming acquisition. We are in excellent shape both financially and operationally as we look ahead toward a targeted closing in the first half of Q1 2026."

– **Philip Mather, EVP & CFO**

Consolidated Results

(in millions of dollars, except as otherwise noted)	Q3 2025	Q3 2024	Change	2025 YTD	2024 YTD	Change
Insurance revenue	1,183.6	1,095.5	8.0%	3,457.6	3,133.5	10.3%
Gross written premiums ¹	1,228.5	1,143.3	7.5%	3,596.0	3,338.6	7.7%
Net underwriting revenue ¹	1,074.1	981.8	9.4%	3,124.7	2,836.5	10.2%
Claims ratio ¹	60.2%	74.5%	(14.3) pts	62.5%	65.8%	(3.3) pts
Expense ratio ¹	29.2%	28.9%	0.3 pts	29.7%	30.1%	(0.4) pts
Combined ratio¹	89.4%	103.4%	(14.0) pts	92.2%	95.9%	(3.7) pts

¹ This is a supplementary financial measure, non-GAAP financial measure, or a non-GAAP ratio. Refer to Supplementary financial measures and non-GAAP financial measures and ratios in this news release, and Section 12 – Supplementary financial measures and non-GAAP financial measures and ratios in the Q3 2025 Management's Discussion and Analysis dated November 6, 2025 for further details, which is hereby incorporated by reference and is available on the Company's website at www.definity.com and on SEDAR+ at www.sedarplus.ca.

² Please refer to the Company's May 27, 2025 news release announcing its agreement with the Travelers Companies, Inc. ("Travelers") to acquire Travelers' Canadian operations, excluding surety and certain select business lines retained by Travelers, for cash consideration of approximately \$3.3 billion (the "Travelers Transaction").

(in millions of dollars, except as otherwise noted)	Q3 2025	Q3 2024	Change	2025 YTD	2024 YTD	Change
Insurance service result	168.2	25.6	142.6	435.8	315.4	120.4
Underwriting income (loss) ¹	113.6	(33.1)	146.7	243.2	115.4	127.8
Net investment income	54.1	49.0	5.1	154.6	147.1	7.5
Distribution income ¹	18.2	15.8	2.4	51.1	43.0	8.1
Net income attributable to common shareholders	193.1	104.8	88.3	360.2	313.8	46.4
Operating net income¹	125.2	14.6	110.6	300.0	199.8	100.2

Per share measures (in dollars)						
Diluted earnings per share	1.59	0.90	76.7%	3.05	2.69	13.4%
Operating earnings per share ¹	1.03	0.13	692.3%	2.54	1.71	48.5%
Book value per share ¹				33.43	26.96	24.0%

Return on equity						
Return on equity ("ROE") ¹				14.0%	18.9%	(4.9) pts
Operating ROE ¹				12.5%	10.7%	1.8 pts

- **Gross written premiums ("GWP")** for Q3 2025 increased by \$85.2 million or 7.5% compared to Q3 2024, with balanced growth across all our lines of business. Personal lines GWP were up 7.4%, driven by unit growth and auto rate increases along with continued rate increases in property. Commercial lines GWP increased 7.5%, driven by strong retention and ongoing rate achievement, and continued expansion in small business and specialty. Year to date, GWP increased by \$257.4 million or 7.7% compared to 2024. Personal lines GWP increased 7.1% and commercial lines GWP increased 9.2%.
- **Underwriting income** for Q3 2025 was \$113.6 million and the combined ratio was 89.4%, compared to an underwriting loss of \$33.1 million and a combined ratio of 103.4% in Q3 2024. The improvement in the combined ratio in Q3 2025 was driven by an unusually benign level of catastrophe losses, compared to significant catastrophe losses in Q3 2024. Year to date, our underwriting income increased by \$127.8 million and led to a combined ratio of 92.2%, compared to 95.9% in 2024, driven by the decrease in catastrophe losses.
- **Net investment income** was \$54.1 million in Q3 2025 and \$154.6 million year to date compared to \$49.0 million in Q3 2024 and \$147.1 million in 2024 year to date. The increase was due to an increase in interest income driven by higher holdings of bonds.
- **Distribution income** was \$18.2 million in Q3 2025 and \$51.1 million year to date compared to \$15.8 million in Q3 2024 and \$43.0 million in 2024 year to date. The increase was driven by the contributions from acquisitions and solid underlying organic growth. When including the beneficial impact of the commission offset, the contribution to operating income has increased by approximately 26% in Q3 2025 and year to date compared to 2024.

Net Income and Operating Net Income

- **Net income attributable to common shareholders** was \$193.1 million in Q3 2025 compared to \$104.8 million in Q3 2024. The increase was driven by higher underwriting income, partially offset by lower gains on bonds. Year to date, net income attributable to common shareholders was \$360.2 million compared to \$313.8 million in 2024.
- **Operating net income** was \$125.2 million in Q3 2025 compared to \$14.6 million in Q3 2024, driven by an increase in underwriting income due primarily to lower catastrophe losses. Year to date, operating net income was \$300.0 million compared to \$199.8 million in 2024.
- **Operating ROE** was 12.5% for the twelve-month period ended September 30, 2025 compared to 10.7% for the twelve-month period ended September 30, 2024. The increase in operating ROE was driven by lower comparative catastrophe losses and our ongoing actions to improve our operational efficiency, partially offset by the significant growth in equity.

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Line of Business Results

(in millions of dollars, except as otherwise noted)	Q3 2025	Q3 2024	Change	2025 YTD	2024 YTD	Change
Personal insurance						
Gross written premiums¹						
Auto	517.0	486.8	6.2%	1,520.2	1,428.7	6.4%
Property	359.6	329.1	9.3%	960.6	888.7	8.1%
Total	876.6	815.9	7.4%	2,480.8	2,317.4	7.1%
Combined ratio¹						
Auto	94.0%	98.3%	(4.3) pts	95.2%	96.9%	(1.7) pts
Property	83.6%	124.9%	(41.3) pts	90.5%	101.0%	(10.5) pts
Total	90.0%	108.8%	(18.8) pts	93.4%	98.5%	(5.1) pts
Commercial insurance						
Gross written premiums¹	351.9	327.4	7.5%	1,115.2	1,021.2	9.2%
Combined ratio¹	88.1%	89.9%	(1.8) pts	89.4%	89.5%	(0.1) pts

Personal Insurance

- **Personal lines** GWP increased 7.4% in Q3 2025 (7.1% year to date) with strong growth in our broker channel. Direct channel GWP decreased by 0.4% in Q3 2025 (0.3% increase year to date, excluding Sonnet Alberta personal auto in both periods).
- **Personal auto** GWP increased 6.2% in Q3 2025 (6.4% year to date) reflecting our proactive approach to rates and unit growth, partially offset by the outsized impacts of portfolio transfers in the prior year. Year to date, GWP increased 8.6% when excluding the premiums of our exited line from both periods. The combined ratio was 94.0% in Q3 2025 compared to 98.3% in Q3 2024, driven by lower catastrophe losses, earned rate increases, and improved Sonnet profitability. Year to date, the personal auto combined ratio improved due to the same factors that impacted the third quarter.
- **Personal property** GWP increased 9.3% in Q3 2025 (8.1% year to date), benefitting from increases in average written premiums and improved unit growth as we taper our actions in regions with a higher propensity for peril events. The combined ratio in Q3 2025 was strong at 83.6% compared to 124.9% in Q3 2024, driven by lower catastrophe losses. Q3 2025 experienced an unusually benign level of catastrophe losses, with catastrophe losses contributing only 3.6 percentage points in the quarter compared to significant catastrophe losses of 46.4 percentage points in Q3 2024. Year to date, the personal property combined ratio improved, driven by lower catastrophe losses and a decrease in the expense ratio.

Commercial Insurance

- **Commercial lines** GWP increased 7.5% in Q3 2025 (9.2% year to date), driven by strong retention and rate achievement, and continued expansion in small business and specialty.
- **Commercial lines** continued to benefit from our focus on underwriting execution and rate adequacy, with a strong combined ratio of 88.1% in Q3 2025 compared to 89.9% in Q3 2024. The improvement in the combined ratio was driven by lower catastrophe losses, partially offset by increases in the core accident year claims ratio and expense ratio. The decrease in catastrophe losses and the corresponding increase in the core accident year claims ratio was impacted by the change in definition for a single claim catastrophe loss in 2025. Year to date, the commercial lines combined ratio was also strong at 89.4%, compared to 89.5% in 2024.

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Financial Position

(in millions of dollars)	As at September 30, 2025	As at December 31, 2024	Change
Financial position			
Equity attributable to common shareholders	4,007.4	3,319.8	687.6
Financial capacity ¹	2,846.5	1,651.7	1,194.8

Note: Financial capacity excludes the \$1.1 billion excess capital term loan facility which will be temporarily drawn upon to fund the Travelers Transaction.

- Our capital position as of September 30, 2025 remains strong and well in excess of our capital targets.
- Equity attributable to common shareholders increased by \$687.6 million, or 20.7%, as at September 30, 2025, driven by an increase of \$375.2 million (after payment of underwriter commissions and net of applicable taxes) from our concurrent private placements of common shares, which closed on June 11, 2025, and operating net income generated year to date. Our equity attributable to common shareholders has reached over \$4 billion, an increase of \$1.6 billion since December 31, 2021, the first quarter end subsequent to our IPO.
- The increase in financial capacity as at September 30, 2025 was due primarily to our concurrent private placements of common shares, a change in our leverage capacity calculation to 30% (from 25%) to better reflect our anticipated leverage ratio for the Travelers Transaction, and capital generated from operating net income. These were partially offset by ongoing deployment of capital for broker acquisitions, and disciplined deployment of capital to support our organic growth and dividend priorities.

Dividend

- On November 6, 2025, our Board of Directors declared a \$0.1875 per share dividend, payable on December 24, 2025 to shareholders of record at the close of business on December 12, 2025.

Travelers Transaction

- On May 27, 2025, we announced that we had entered into a definitive agreement with Travelers to acquire its Canadian P&C insurance business for cash consideration of approximately \$3.3 billion.
- The Travelers Transaction is subject to customary closing conditions, including approvals from the Minister of Finance (Canada), and the remaining steps to complete the Travelers Transaction are tracking favourably, with closing anticipated in the first half of Q1 2026. Unconditional clearance under the *Competition Act* (Canada) was received on July 17, 2025.
- On September 12, 2025, we completed a private placement of notes for gross proceeds of \$1 billion comprised of (i) \$650 million principal amount of 3.709% Series 1 senior unsecured notes due September 12, 2030 and (ii) \$350 million principal amount of 4.393% Series 2 senior unsecured notes due September 12, 2035.

Conference Call

Definity will host a conference call to review information included in this news release and related matters at 11:00 a.m. ET on November 7, 2025. The conference call will be available simultaneously and in its entirety to all interested investors and the news media at www.definity.com. A transcript will be made available on Definity's website within two business days.

About Definity Financial Corporation

Definity Financial Corporation ("Definity", which includes its subsidiaries where the context so requires) is one of the leading property and casualty insurers in Canada, with over \$4.7 billion in gross written premiums for the 12 months ended September 30, 2025 and over \$4.0 billion in equity attributable to common shareholders as at September 30, 2025.

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Cautionary Note Regarding Forward-Looking Information

This news release contains “forward-looking information” within the meaning of applicable securities laws in Canada. Forward-looking information may relate to our future business, financial outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategies, addressable markets, budgets, operations, financial results, taxes, dividend policy, plans and objectives. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “aims”, “targets”, “expects” or “does not expect”, “is expected”, “an opportunity exists”, “budget”, “scheduled”, “estimates”, “forecasts”, “projection”, “prospects”, “strategy”, “intends”, “anticipates”, “does not anticipate”, “believes”, or variations of such words and phrases or statements that certain actions, events or results “can”, “may”, “could”, “would”, “might”, “will”, “will be taken”, “occur” or “be achieved”. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts, but instead represent management’s expectations, estimates and projections regarding possible future events or circumstances. This news release contains forward-looking statements with respect to the Travelers Transaction and its completion.

Estimates and assumptions have been made regarding, among other things, the receipt of all requisite approvals relating to the Travelers Transaction in a timely manner and on terms acceptable to the Company, the realization of the expected strategic, financial, and other benefits of the Travelers Transaction, and the implications of the economic and political environments and industry conditions at close and during the integration period. The completion of the Travelers Transaction is subject to customary closing conditions, termination rights, and other risks and uncertainties, including, without limitation, regulatory approvals, and there can be no assurance that the Travelers Transaction will be completed. There can also be no assurance that if the Travelers Transaction is completed, the strategic and financial benefits expected to result from the Travelers Transaction will be realized.

Forward-looking information in this news release is based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Forward-looking information is necessarily based on a number of opinions, estimates and assumptions that we considered appropriate and reasonable as at the date such statements are made, and are subject to many factors that could cause our actual results, performance or achievements, or other future events or developments, to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors:

- Definity’s ability to continue to offer competitive pricing or product features or services that are attractive to customers;
- Definity’s ability to appropriately price its insurance products to produce an acceptable return, particularly in provinces where the regulatory environment requires auto insurance rate increases to be approved or that otherwise impose regulatory constraints on auto insurance rates;
- Definity’s ability to accurately assess the risks associated with the insurance policies that it writes;
- Definity’s ability to assess and pay claims in accordance with its insurance policies;
- Definity’s ability to obtain adequate reinsurance coverage to manage risk;
- Definity’s ability to accurately predict future claims frequency or severity, including the frequency and severity of weather-related events and the impact of climate change;
- Definity’s ability to address inflationary cost pressures through pricing, supply chain, or cost management actions;
- the occurrence of unpredictable catastrophe events;
- litigation and regulatory actions, including potential claims in relation to demutualization and our IPO and unclaimed demutualization benefits and the tax treatment of related amounts transferred to the Company, and COVID-19-related class-action lawsuits that have arisen and which may arise, together with associated legal costs;
- Definity’s ability to successfully identify, complete, integrate and realize the benefits of acquisitions or manage the associated risks;
- the uncertainty of obtaining in a timely manner, or at all, the regulatory approvals required to complete the Travelers Transaction;
- Definity’s ability to improve its combined ratio, retain and attract new business, retain key employees, achieve synergies, and maintain market position during and after the integration of the Travelers Transaction;
- Definity’s ability to complete the integration of the Travelers Transaction within anticipated time periods and at the expected cost;

- estimates and expectations in relation to future economic and business conditions and other factors in relation to the Travelers Transaction and any resulting impacts on growth and accretion in various financial metrics, including the pricing and terms of related financing;
- unfavourable capital market developments, interest rate movements, changes to dividend policies or other factors which may affect our investments or the market price of our common shares;
- changes associated with the transition to a low-carbon economy, including reputational and business implications from stakeholders' views of our climate change approach or of our environmental or climate change-related representations (i.e. "greenwashing"), those of our industry, or those of our customers;
- Definity's ability to successfully manage credit risk from its counterparties;
- foreign currency fluctuations;
- Definity's ability to meet payment obligations as they become due;
- Definity's ability to maintain its financial strength rating or credit ratings;
- Definity's dependence on key people;
- Definity's ability to attract, develop, motivate, and retain an appropriate number of employees with the necessary skills, capabilities, and knowledge;
- Definity's ability to appropriately collect, store, transfer, and dispose of information;
- Definity's reliance on information technology systems, software, internet, network, data centre, voice or data communications services and the potential disruption or failure of those systems or services, including disruption as a result of cyber security risk or of a third-party service provider;
- failure of key service providers or vendors to provide services or supplies as expected, or comply with contractual or business terms;
- Definity's ability to obtain, maintain and protect its intellectual property rights and proprietary information or prevent third parties from making unauthorized use of our technology;
- Definity's ability to effectively govern the use of models, artificial intelligence, and generative AI technology;
- compliance with and changes in legislation or its interpretation or application, or supervisory expectations or requirements, including changes in the scope of regulatory oversight, effective income tax rates, risk-based capital guidelines, accounting standards, and generally accepted actuarial techniques;
- changes in domestic or foreign government policies, such as cross-border tariffs or trade policies, may negatively impact the Canadian economy and the P&C insurance industry and/or exacerbate other risks to Definity;
- failure to design, implement and maintain effective controls over financial reporting and disclosure which could have a material adverse effect on our business;
- deceptive or illegal acts undertaken by an employee or a third party, including fraud in the course of underwriting insurance or administering insurance claims;
- Definity's ability to respond to events impacting its ability to conduct business as normal;
- Definity's ability to implement its strategy or operate its business as management currently expects;
- general business, economic, financial, political, and social conditions, particularly those in Canada;
- the emergence or continuation of widespread health emergencies or pandemics, and their impact on local, national, or international economies, as well as their heightening of certain risks that may affect our business or future results;
- the competitive market environment and cyclical nature of the P&C insurance industry;
- the introduction of advanced technologies, disruptive innovation or alternative business models by current market participants or new market entrants;
- distribution channel risk, including Definity's reliance on brokers to sell its products;
- Definity's dividend payments being subject to the discretion of the Board and dependent on a variety of factors and conditions existing from time to time;
- the Company's implementation of a new normal course issuer bid;
- Definity's dependence on the results of operations of its subsidiaries and the ability of the subsidiaries to pay dividends;
- Definity's ability to manage and access capital and liquidity effectively;
- management's estimates and judgments in respect of IFRS 17 and its impact on various financial metrics;
- periodic negative publicity regarding the insurance industry, Definity, Definity Insurance Foundation, or the Canadian operations of Travelers; and
- management's estimates and expectations in relation to interests in the broker distribution channel and the resulting impact on growth, income, and accretion in various financial metrics.

If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results might vary materially from those anticipated in the forward-looking information. The opinions, estimates or assumptions referred to above and described in greater detail in the “11 – Risk Management and Corporate Governance” section of the Management’s Discussion and Analysis for the year ended December 31, 2024 should be considered carefully by readers.

Although we have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, the factors above are not intended to represent a complete list and there may be other factors not currently known to us or that we currently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such forward-looking information will prove to be accurate, as actual results could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information, which speaks only as at the date made. The forward-looking information contained in this news release represents our expectations as at the date of this news release (or as at the date they are otherwise stated to be made) and are subject to change after such date. However, we disclaim any intention, obligation, or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws in Canada.

All of the forward-looking information contained in this news release is expressly qualified by the foregoing cautionary statements.

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Supplementary Financial Measures and Non-GAAP Financial Measures and Ratios

We measure and evaluate performance of our business using a number of financial measures. Among these measures are the “supplementary financial measures”, “non-GAAP financial measures”, and “non-GAAP ratios” (as such terms are defined under Canadian Securities Administrators’ National Instrument 52-112 – Non-GAAP and Other Financial Measures Disclosure), and in each case are not standardized financial measures under GAAP. The supplementary financial measures, non-GAAP financial measures, and non-GAAP ratios in this news release may not be comparable to similar measures presented by other companies. These measures should not be considered in isolation or as a substitute for analysis of our financial information reported under GAAP. These measures are used by financial analysts and others in the P&C insurance industry and facilitate management’s comparisons to our historical operating results in assessing our results and strategic and operational decision-making. For more information about these supplementary financial measures, non-GAAP financial measures, and non-GAAP ratios, including (where applicable) definitions and explanations of how these measures provide useful information, refer to Section 12 – Supplementary financial measures and non-GAAP financial measures and ratios in the Q3 2025 Management’s Discussion and Analysis dated November 6, 2025, which is available on our website at www.definity.com and on SEDAR+ at www.sedarplus.ca.

Below are quantitative reconciliations of non-GAAP measures for the three and nine months ended September 30, 2025 and 2024:

Net underwriting revenue

(in millions of dollars)	Q3 2025	Q3 2024	2025 YTD	2024 YTD
Insurance revenue	1,183.6	1,095.5	3,457.6	3,133.5
Earned reinsurance premiums ¹	(108.2)	(100.1)	(318.2)	(283.4)
Remove: impact of exited lines	(1.3)	(13.6)	(14.7)	(13.6)
Net underwriting revenue	1,074.1	981.8	3,124.7	2,836.5

¹ Included in Net expenses from reinsurance contracts held in our interim consolidated financial statements.

Net claims and adjustment expenses

(in millions of dollars)	Q3 2025	Q3 2024	2025 YTD	2024 YTD
Claims and adjustment expenses ^{1,2}	706.0	824.1	2,147.3	2,075.7
Impact of onerous insurance contracts ³	(3.0)	(1.0)	(13.3)	(4.6)
Claims recoverable from reinsurers for incurred claims ^{2,4}	(53.5)	(71.4)	(163.3)	(183.6)
Remove: impact of exited lines	(3.0)	(20.0)	(18.7)	(20.0)
Net claims and adjustment expenses	646.5	731.7	1,952.0	1,867.5

¹ Included in Insurance service expenses and Other expenses in our interim consolidated financial statements.

² Excludes the impact of discounting and risk adjustment.

³ Included in Insurance service expenses.

⁴ Included in Net expenses from reinsurance contracts held in our interim consolidated financial statements.

Prior year claims development

(in millions of dollars)	Q3 2025	Q3 2024	2025 YTD	2024 YTD
Changes in fulfilment cash flows relating to the liabilities for incurred claims ¹	(18.2)	(29.0)	(59.7)	(48.5)
Changes to amounts recoverable for incurred claims ²	0.4	2.2	(1.8)	(16.6)
Remove: discounting included above	(5.8)	(1.3)	(27.6)	(18.3)
Remove: risk adjustment included above	9.3	7.6	38.9	36.4
Remove: impact of exited lines	(1.4)	(1.8)	(3.9)	(1.8)
Prior year claims development	(15.7)	(22.3)	(54.1)	(48.8)

¹ Included in Insurance service expenses in our interim consolidated financial statements.

² Included in Net expenses from reinsurance contracts held in our interim consolidated financial statements.

Net underwriting expenses

(in millions of dollars)	Q3 2025	Q3 2024	2025 YTD	2024 YTD
Net commissions	155.7	138.8	453.5	409.2
Net operating expenses	118.1	107.0	358.7	336.5
Net premium taxes	40.2	37.4	117.3	107.9
Net underwriting expenses	314.0	283.2	929.5	853.6

Net commissions

(in millions of dollars)	Q3 2025	Q3 2024	2025 YTD	2024 YTD
Commissions ¹	174.1	153.2	506.3	453.8
Commissions earned on ceded reinsurance ²	(18.7)	(14.7)	(54.5)	(44.9)
Remove: impact of exited lines	0.3	0.3	1.7	0.3
Net commissions	155.7	138.8	453.5	409.2

¹ Included in Insurance service expenses in our interim consolidated financial statements.

² Included in Net expenses from reinsurance contracts held in our interim consolidated financial statements.

Net operating expenses

(in millions of dollars)	Q3 2025	Q3 2024	2025 YTD	2024 YTD
Operating expenses ¹	119.1	109.2	364.5	338.7
Remove: impact of exited lines	(1.0)	(2.2)	(5.8)	(2.2)
Net operating expenses	118.1	107.0	358.7	336.5

¹ Included in Insurance service expenses in our interim consolidated financial statements.

Net premium taxes

(in millions of dollars)	Q3 2025	Q3 2024	2025 YTD	2024 YTD
Premium taxes ¹	40.3	38.0	118.1	108.5
Remove: impact of exited lines	(0.1)	(0.6)	(0.8)	(0.6)
Net premium taxes	40.2	37.4	117.3	107.9

¹ Included in Insurance service expenses in our interim consolidated financial statements.

Underwriting income (loss)

(in millions of dollars)	Q3 2025	Q3 2024	2025 YTD	2024 YTD
Net underwriting revenue	1,074.1	981.8	3,124.7	2,836.5
Less:				
Net claims and adjustment expenses	646.5	731.7	1,952.0	1,867.5
Net commissions	155.7	138.8	453.5	409.2
Net operating expenses	118.1	107.0	358.7	336.5
Net premium taxes	40.2	37.4	117.3	107.9
Underwriting income (loss)	113.6	(33.1)	243.2	115.4

Operating net income, Operating income, Non-operating gains

Net income attributable to common shareholders is the most directly comparable GAAP financial measure disclosed in our interim consolidated financial statements to operating net income, operating income, and non-operating gains, which are considered non-GAAP financial measures.

(in millions of dollars)	Q3 2025	Q3 2024	2025 YTD	2024 YTD
Net income attributable to common shareholders	193.1	104.8	360.2	313.8
Remove: income tax expense	56.2	33.8	122.8	103.4
Income before income taxes	249.3	138.6	483.0	417.2
Remove: non-operating gains (losses)				
Recognized gains on FVTPL investments	95.5	172.8	161.8	206.7
Discounting ¹	30.2	42.2	92.7	107.6
Risk adjustment ¹	(4.0)	(6.4)	(4.7)	(2.7)
Finance expenses from insurance contracts issued	(55.9)	(74.6)	(128.8)	(145.6)
Finance income from reinsurance contracts held	5.7	7.0	12.8	13.1
Underwriting loss from exited lines	(2.5)	(8.9)	(8.9)	(8.9)
Demutualization-related expenses, less interest on restricted cash ²	(0.4)	1.1	(3.7)	3.5
Amortization of intangible assets recognized in business combinations ²	(7.3)	(6.3)	(20.5)	(19.0)
Change in foreign exchange forward contract hedge ineffectiveness ²	27.8	-	-	-
Acquisition-related expenses ²	(2.0)	(0.1)	(17.3)	(0.4)
Integration expenses ²	(7.7)	-	(9.5)	-
Gain on sale of property ²	-	-	5.9	-
Other ^{2,3}	2.1	(4.3)	4.0	0.3
Non-operating gains	81.5	122.5	83.8	154.6
Operating income	167.8	16.1	399.2	262.6
Operating income tax expense	(42.6)	(1.5)	(99.2)	(62.8)
Operating net income	125.2	14.6	300.0	199.8

¹ Included in Insurance service expenses and Net expenses from reinsurance contracts held in our interim consolidated financial statements.

² Included in Other expenses in our interim consolidated financial statements.

³ Other represents miscellaneous expenses or revenues that in the view of management are not part of our insurance operations and are individually and in the aggregate not material, such as gains or losses pertaining to fintech venture capital funds.

Distribution income

(in millions of dollars)	Q3 2025	Q3 2024	2025 YTD	2024 YTD
Distribution revenues ¹	60.9	50.6	172.8	139.4
Distribution business expenses ²	(42.7)	(34.8)	(121.7)	(96.4)
Distribution income	18.2	15.8	51.1	43.0

¹ Distribution revenues includes commissions on policies underwritten by external insurance companies.

² Included in Other expenses in our interim consolidated financial statements. These amounts exclude amortization of intangible assets recognized in business combinations and acquisition-related expenses.

Below are quantitative reconciliations of non-GAAP ratios for the periods ended September 30, 2025 and 2024:

ROE

(in millions of dollars, except as otherwise noted)	September 30,	
	2025	2024
Net income attributable to common shareholders for the last 12 months	476.8	539.7
Equity attributable to common shareholders ¹	4,007.4	3,089.6
Adjustment for the return of restricted cash ²	(9.9)	-
Adjustment for the issuance of common shares ³	(260.1)	-
Adjusted equity attributable to common shareholders	3,737.4	3,089.6
Average adjusted equity attributable to common shareholders ⁴	3,413.5	2,861.7
ROE for the last 12 months	14.0%	18.9%

¹ Equity attributable to common shareholders is as at September 30, 2025 and 2024.

² The return of restricted cash was prorated for the 23 days prior to October 23, 2024.

³ The issuance of common shares was prorated for the 253 days prior to June 11, 2025.

⁴ Average adjusted equity attributable to common shareholders is the average of adjusted equity attributable to common shareholders (equity attributable to common shareholders as shown on our interim consolidated balance sheets, adjusted for significant capital transactions or other unusual adjustments to equity, if applicable) at the end of the period and the end of the preceding 12-month period. Equity attributable to common shareholders and adjusted equity attributable to common shareholders as at September 30, 2023 was \$2,633.8 million.

Operating ROE

(in millions of dollars, except as otherwise noted)	September 30,	
	2025	2024
Operating net income for the last 12 months	410.4	300.9
Equity attributable to common shareholders, excluding AOCI ¹	3,987.3	3,097.2
Adjustment for unrealized gains on FVTPL equity instruments	(144.3)	(128.7)
Adjustment for the return of restricted cash ²	(9.9)	-
Adjustment for the issuance common of shares ³	(260.1)	-
Adjusted equity attributable to common shareholders, excluding AOCI ⁴	3,573.0	2,968.5
Average adjusted equity attributable to common shareholders, excluding AOCI ⁵	3,270.7	2,806.7
Operating ROE for the last 12 months	12.5%	10.7%

¹ Equity attributable to common shareholders, excluding AOCI is as at September 30, 2025 and 2024.

² The return of restricted cash was prorated for the 23 days prior to October 23, 2024.

³ The issuance of common shares was prorated for the 253 days prior to June 11, 2025.

⁴ Adjusted equity attributable to common shareholders, excluding AOCI, is equity attributable to common shareholders and AOCI each as shown on our interim consolidated balance sheets, adjusted for significant capital transactions or other unusual adjustments to equity, if applicable, and excluding unrealized gains or losses on FVTPL equity instruments.

⁵ Average adjusted equity attributable to common shareholders, excluding AOCI, is the average of adjusted equity attributable to common shareholders, excluding AOCI at the end of the period and the end of the preceding 12-month period. Adjusted equity attributable to common shareholders, excluding AOCI, as at September 30, 2023 was \$2,645.0 million.