

NEWS RELEASE: Definity Financial Corporation Reports Fourth Quarter and Full Year 2025 Results

Highlights

- Gross written premium¹ growth of 9.2% in Q4 2025, full year growth of 8.8% adjusted for our exited line, was the result of balanced, solid growth in all three lines of business
- Combined ratio¹ of 89.9% in Q4 2025 reflected strong performance across our portfolio; full year combined ratio robust at 91.6% as both personal property and commercial insurance delivered sub-90 combined ratios
- Operating net income¹ of \$120.7 million in Q4 2025, compared to \$110.4 million in Q4 2024, resulting in operating EPS¹ of \$0.99. Operating ROE¹ was 12.2% over the last twelve months
- Book value per share¹ of \$33.78 was up 16.0% from a year ago, reflecting strong operating earnings and our private placements of common shares in Q2 2025
- Quarterly dividend increased for the fourth consecutive year, by 14.7% to \$0.215 per share, supported by confidence in our operational outlook and our strong financial position
- Definity closed its transformational Travelers Transaction² on January 2, 2026, enhancing our pro forma gross written premiums by approximately \$1.5 billion and delivering on our top-5 strategic aspiration

Executive Messages

"2025 was a transformational year for Definity, as we delivered strong financial results, while announcing a milestone acquisition. We again met or exceeded all financial targets for the year, with top line growth of 8.8% adjusted for our exited line, a robust full year combined ratio of 91.6%, and an operating ROE of 12.2%. Since completing our landmark IPO four years ago, we have grown premiums by \$1.6 billion, delivered consistent underwriting profits, built the 10th largest property and casualty insurance brokerage in Canada, grown book value per share by more than 63%, and increased our quarterly dividends per share by 72%. The additional premiums from our recently closed Travelers Transaction bring us to a pro forma \$6.3 billion in combined annual gross written premiums, which represents a top-5 position in the industry. As we welcome our new colleagues, we begin a new era for Definity, one that is grounded in our ambition to build a Canadian champion and to continue delivering on our commitment to help our customers and communities adapt and thrive."

– **Rowan Saunders, President & CEO**

"In the fourth quarter, strong underwriting income together with meaningful contributions from our insurance brokerage platform and net investment income combined to generate operating net income of \$120.7 million. This operating performance coupled with our private placements of common shares in the second quarter of 2025 supported a 16.0% increase in book value per share in 2025. We enter 2026 with top and bottom-line momentum in all three lines of business, which is an ideal foundation from which to begin the integration of our recently closed \$3.3 billion acquisition. The approximately 15% increase in our quarterly dividend, which extends our track record of consistent dividend growth, demonstrates our confidence in our operational outlook and strong capital position."

– **Philip Mather, EVP & CFO**

Consolidated Results

(in millions of dollars, except as otherwise noted)	Q4 2025	Q4 2024	Change	2025	2024	Change
Insurance revenue	1,219.5	1,124.9	8.4%	4,677.1	4,258.4	9.8%
Gross written premiums ¹	1,212.1	1,109.5	9.2%	4,808.1	4,448.1	8.1%
Net underwriting revenue ¹	1,101.5	1,006.0	9.5%	4,226.2	3,842.5	10.0%
Claims ratio ¹	60.6%	60.7%	(0.1) pts	62.0%	64.5%	(2.5) pts
Expense ratio ¹	29.3%	29.6%	(0.3) pts	29.6%	30.0%	(0.4) pts
Combined ratio¹	89.9%	90.3%	(0.4) pts	91.6%	94.5%	(2.9) 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 13 – Supplementary financial measures and non-GAAP financial measures and ratios in the Q4 2025 Management's Discussion and Analysis dated February 12, 2026 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 St. Paul Fire and Marine Insurance Company and Travelers Casualty and Surety Company (collectively, "Travelers") to acquire Travelers' Canadian P&C insurance operations, excluding its Canadian surety business 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)	Q4 2025	Q4 2024	Change	2025	2024	Change
Insurance service result	154.6	164.9	(10.3)	590.4	480.3	110.1
Underwriting income ¹	111.5	97.0	14.5	354.7	212.4	142.3
Net investment income	61.1	51.1	10.0	215.7	198.2	17.5
Distribution income ¹	10.9	11.4	(0.5)	62.0	54.4	7.6
Net income attributable to common shareholders	58.0	116.6	(58.6)	418.2	430.4	(12.2)
Operating net income¹	120.7	110.4	10.3	420.7	310.2	110.5
Per share measures (in dollars)						
Diluted earnings per share	0.48	1.00	(52.0%)	3.51	3.69	(4.9%)
Operating earnings per share ¹	0.99	0.95	4.2%	3.53	2.66	32.7%
Book value per share ¹				33.78	29.13	16.0%
Return on equity						
Return on equity ("ROE") ¹				11.6%	14.2%	(2.6) pts
Operating ROE ¹				12.2%	10.6%	1.6 pts

- **Gross written premiums ("GWP")** for Q4 2025 increased by \$102.6 million or 9.2% compared to Q4 2024, with growth across all our lines of business. Personal lines GWP were up 10.4%, driven by unit growth and rate increases. Commercial lines GWP increased 6.9%, driven by strong retention and ongoing rate achievement, and continued expansion in small business and specialty. For the year, GWP increased by \$360.0 million or 8.1% compared to 2024. Personal lines GWP increased 7.9% and commercial lines GWP increased 8.6%.
- **Underwriting income** for Q4 2025 was \$111.5 million and the combined ratio was 89.9%, compared to underwriting income of \$97.0 million and a combined ratio of 90.3% in Q4 2024. The improvement in the combined ratio in Q4 2025 was driven by a decrease in the expense ratio. For the year, our underwriting income increased by \$142.3 million and led to a combined ratio of 91.6%, compared to 94.5% in 2024, driven by robust performances in personal property and commercial insurance.
- **Net investment income** was \$61.1 million in Q4 2025 and \$215.7 million for the year, compared to \$51.1 million in Q4 2024 and \$198.2 million in 2024. The increase was due to an increase in interest income driven by the proceeds of our private placement of senior unsecured notes which were invested in short-term investments, and higher holdings of bonds.
- **Distribution income** was \$10.9 million in Q4 2025 and \$62.0 million for the year, compared to \$11.4 million in Q4 2024 and \$54.4 million in 2024. The decrease in Q4 2025 was driven primarily by an increase in Definity's proportion of business written through our majority-owned brokers. When combining distribution income and the impact of the commission offset, broker operating income increased by \$3.2 million in Q4 2025 (17.8% increase) and \$18.3 million for the year (24.0% increase), as the business grew as a result of both acquisitions and solid underlying organic growth.

Net Income and Operating Net Income

- **Net income attributable to common shareholders** was \$58.0 million in Q4 2025 compared to \$116.6 million in Q4 2024. The decrease was driven by \$74 million in pre-tax expenses in connection with the Travelers Transaction, including the impact of CAD/USD currency movements on the foreign exchange forward contract entered into to hedge the purchase price of the Travelers Transaction and integration expenses, and interest expense on the private placement of senior unsecured notes. These were partially offset by higher underwriting income and net investment income. For the year, net income attributable to common shareholders was \$418.2 million compared to \$430.4 million in 2024.
- **Operating net income** was \$120.7 million in Q4 2025 compared to \$110.4 million in Q4 2024, driven by an increase in underwriting income and net investment income, partially offset by interest expense on the private placement of senior unsecured notes. For the year, operating net income was \$420.7 million compared to \$310.2 million in 2024, driven by the same factors that impacted the fourth quarter.
- **Operating ROE** was 12.2% in 2025 compared to 10.6% in 2024. The increase in operating ROE was driven by an increase in operating net income, partially offset by the significant growth in equity in the year.

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 13 – Supplementary financial measures and non-GAAP financial measures and ratios in the Q4 2025 Management's Discussion and Analysis dated February 12, 2026 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.

Line of Business Results

(in millions of dollars, except as otherwise noted)	Q4 2025	Q4 2024	Change	2025	2024	Change
Personal insurance						
Gross written premiums¹						
Auto	481.2	438.7	9.7%	2,001.4	1,867.4	7.2%
Property	329.3	295.2	11.6%	1,289.9	1,183.9	9.0%
Total	810.5	733.9	10.4%	3,291.3	3,051.3	7.9%
Combined ratio¹						
Auto	95.0%	96.1%	(1.1) pts	95.1%	96.7%	(1.6) pts
Property	82.7%	82.8%	(0.1) pts	88.5%	96.3%	(7.8) pts
Total	90.2%	90.9%	(0.7) pts	92.5%	96.5%	(4.0) pts
Commercial insurance						
Gross written premiums¹	401.6	375.6	6.9%	1,516.8	1,396.8	8.6%
Combined ratio¹	89.1%	89.0%	0.1 pts	89.3%	89.4%	(0.1) pts

Personal Insurance

- **Personal lines** GWP increased 10.4% in Q4 2025 (7.9% for the year) with strong growth in our broker channel. Direct channel GWP decreased by 1.9% in Q4 2025 (0.3% decrease for the year, excluding Sonnet Alberta personal auto in both periods), driven primarily by a lower contribution from industry pools.
- **Personal auto** GWP increased 9.7% in Q4 2025 (7.2% for the year) reflecting our proactive approach to rates and unit growth. For the year, GWP increased 8.9% when excluding the premiums of our exited line from both periods. The combined ratio was 95.0% in Q4 2025 compared to 96.1% in Q4 2024, driven by earned rate increases, improved Sonnet profitability, and a decrease in the expense ratio. For the year, the personal auto combined ratio improved due to the same factors that impacted the fourth quarter, as well as lower catastrophe losses.
- **Personal property** GWP increased 11.6% in Q4 2025 (9.0% for the year), 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 Q4 2025 was strong at 82.7% compared to 82.8% in Q4 2024. For the year, the personal property combined ratio improved by 7.8 pts, driven by lower catastrophe losses.

Commercial Insurance

- **Commercial lines** GWP increased 6.9% in Q4 2025 (8.6% for the year), 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 89.1% in Q4 2025 compared to 89.0% in Q4 2024. An increase in the core accident year claims ratio was offset by a decrease in the expense ratio. For the year, the commercial lines combined ratio remained strong at 89.3%, compared to 89.4% in 2024, driven by a decrease in catastrophe losses and a decrease in the expense ratio, partially offset by an increase in the core accident year claims ratio.

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Financial Position

(in millions of dollars)	As at December 31, 2025	As at December 31, 2024	Change
Financial position			
Equity attributable to common shareholders	4,049.7	3,319.8	729.9
Financial capacity ¹	2,892.0	1,651.7	1,240.3

Note: Financial capacity excludes the \$1.1 billion excess capital term loan facility which was temporarily drawn upon to fund the Travelers Transaction on January 2, 2026.

- Our capital position as of December 31, 2025 remains strong and well in excess of our capital targets.
- Equity attributable to common shareholders increased by \$729.9 million, or 22.0%, as at December 31, 2025, driven by operating net income generated for the year and 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. Our equity attributable to common shareholders has reached over \$4 billion, an increase of approximately \$1.7 billion since December 31, 2021, the first quarter end subsequent to our IPO.
- The increase in financial capacity as at December 31, 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 February 12, 2026, our Board of Directors declared a \$0.215 per share dividend, payable on March 23, 2026 to shareholders of record at the close of business on March 11, 2026, representing an increase of 14.7% from the prior year.

Travelers Transaction

- On January 2, 2026, we successfully completed the Travelers Transaction. This achieved our strategic objective to become one of the five largest P&C insurers in Canada, with approximately \$6.3 billion in combined annual gross written premiums in 2025, accelerating our growth strategy as a leading player in the Canadian market.

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 February 13, 2026. 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 \$4.8 billion (\$6.3 billion pro forma Travelers Transaction) in gross written premiums in 2025 and over \$4.0 billion in equity attributable to common shareholders as at December 31, 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.

Estimates and assumptions have been made regarding, among other things, the realization of the expected strategic, financial, and other benefits of the Travelers Transaction, and the implications of the economic, political and geopolitical environments and industry conditions during the integration period. There can be no assurance that the strategic, financial, and other 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;
- 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;
- 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, and extract value from, models, artificial intelligence, generative AI, and agentic AI technologies;
- 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, trade policies, or trade agreements 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, geopolitical, and social conditions, particularly those in Canada;
- the emergence or continuation of widespread health emergencies or communicable disease, 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 including AI and agentic AI, 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;
- 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, or Definity Insurance Foundation; 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 “12 – Risk Management and Corporate Governance” section of the Management’s Discussion and Analysis for the year ended December 31, 2025 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 13 – Supplementary financial measures and non-GAAP financial measures and ratios in the Q4 2025 Management’s Discussion and Analysis dated February 12, 2026, 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 months and years ended December 31, 2025 and 2024:

Net underwriting revenue

(in millions of dollars)	Q4 2025	Q4 2024	2025	2024
Insurance revenue	1,219.5	1,124.9	4,677.1	4,258.4
Earned reinsurance premiums ¹	(116.8)	(107.6)	(435.0)	(391.0)
Remove: impact of exited lines	(1.2)	(11.3)	(15.9)	(24.9)
Net underwriting revenue	1,101.5	1,006.0	4,226.2	3,842.5

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

Net claims and adjustment expenses

(in millions of dollars)	Q4 2025	Q4 2024	2025	2024
Claims and adjustment expenses ^{1,2}	733.1	688.0	2,880.4	2,763.7
Impact of onerous insurance contracts ³	(0.5)	(4.7)	(13.8)	(9.3)
Claims recoverable from reinsurers for incurred claims ^{2,4}	(54.1)	(57.5)	(217.4)	(241.1)
Remove: impact of exited lines	(11.2)	(15.4)	(29.9)	(35.4)
Net claims and adjustment expenses	667.3	610.4	2,619.3	2,477.9

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

Prior year claims development

(in millions of dollars)	Q4 2025	Q4 2024	2025	2024
Changes in fulfilment cash flows relating to the liabilities for incurred claims ¹	(13.5)	(21.7)	(73.2)	(70.2)
Changes to amounts recoverable for incurred claims ²	7.2	(0.2)	5.4	(16.8)
Remove: discounting included above	(14.6)	(6.3)	(42.2)	(24.6)
Remove: risk adjustment included above	12.1	11.4	51.0	47.8
Remove: impact of exited lines	(8.2)	(1.9)	(12.1)	(3.7)
Prior year claims development	(17.0)	(18.7)	(71.1)	(67.5)

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

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

Net underwriting expenses

(in millions of dollars)	Q4 2025	Q4 2024	2025	2024
Net commissions	161.4	142.3	614.9	551.5
Net operating expenses	120.3	118.6	479.0	455.1
Net premium taxes	41.0	37.7	158.3	145.6
Net underwriting expenses	322.7	298.6	1,252.2	1,152.2

Net commissions

(in millions of dollars)	Q4 2025	Q4 2024	2025	2024
Commissions ¹	179.5	158.5	685.8	612.3
Commissions earned on ceded reinsurance ²	(18.2)	(16.9)	(72.7)	(61.8)
Remove: impact of exited lines	0.1	0.7	1.8	1.0
Net commissions	161.4	142.3	614.9	551.5

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

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

Net operating expenses

(in millions of dollars)	Q4 2025	Q4 2024	2025	2024
Operating expenses ¹	120.6	120.8	485.1	459.5
Remove: impact of exited lines	(0.3)	(2.2)	(6.1)	(4.4)
Net operating expenses	120.3	118.6	479.0	455.1

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

Net premium taxes

(in millions of dollars)	Q4 2025	Q4 2024	2025	2024
Premium taxes ¹	41.0	38.1	159.1	146.6
Remove: impact of exited lines	-	(0.4)	(0.8)	(1.0)
Net premium taxes	41.0	37.7	158.3	145.6

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

Underwriting income

(in millions of dollars)	Q4 2025	Q4 2024	2025	2024
Net underwriting revenue	1,101.5	1,006.0	4,226.2	3,842.5
Less:				
Net claims and adjustment expenses	667.3	610.4	2,619.3	2,477.9
Net commissions	161.4	142.3	614.9	551.5
Net operating expenses	120.3	118.6	479.0	455.1
Net premium taxes	41.0	37.7	158.3	145.6
Underwriting income	111.5	97.0	354.7	212.4

Operating net income, Operating income, Non-operating (losses) gains

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

(in millions of dollars)	Q4 2025	Q4 2024	2025	2024
Net income attributable to common shareholders	58.0	116.6	418.2	430.4
Remove: income tax expense	26.1	38.9	148.9	142.3
Income before income taxes	84.1	155.5	567.1	572.7
Remove: non-operating gains (losses)				
Recognized (losses) gains on FVTPL investments	(7.4)	7.7	154.4	214.4
Discounting ¹	19.6	32.9	112.3	140.5
Risk adjustment ¹	(3.2)	0.3	(7.9)	(2.4)
Finance expenses from insurance contracts issued	(17.1)	(20.4)	(145.9)	(166.0)
Finance income from reinsurance contracts held	1.4	1.4	14.2	14.5
Underwriting loss from exited lines	(10.2)	(6.0)	(19.1)	(14.9)
Demutualization-related expenses, less interest on restricted cash ²	(1.5)	(1.1)	(5.2)	2.4
Amortization of intangible assets recognized in business combinations ²	(7.5)	(6.6)	(28.0)	(25.6)
Change in foreign exchange forward contract hedge ineffectiveness ²	(27.8)	-	(27.8)	-
Acquisition-related expenses ²	(3.7)	(0.8)	(21.0)	(1.2)
Integration expenses ²	(17.8)	-	(27.3)	-
Gain on sale of property ²	-	-	5.9	-
Other ^{2,3}	(0.2)	1.1	3.8	1.4
Non-operating (losses) gains	(75.4)	8.5	8.4	163.1
Operating income	159.5	147.0	558.7	409.6
Operating income tax expense	(38.8)	(36.6)	(138.0)	(99.4)
Operating net income	120.7	110.4	420.7	310.2

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

² Included in Other expenses in our audited 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)	Q4 2025	Q4 2024	2025	2024
Distribution revenues ¹	56.6	46.6	229.4	186.0
Distribution business expenses ²	(45.7)	(35.2)	(167.4)	(131.6)
Distribution income	10.9	11.4	62.0	54.4

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

² Included in Other expenses in our audited 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 years ended December 31:

ROE

(in millions of dollars, except as otherwise noted)	December 31,	
	2025	2024
Net income attributable to common shareholders for the last 12 months	418.2	430.4
Equity attributable to common shareholders ¹	4,049.7	3,319.8
Adjustment for the return of restricted cash ²	-	(121.3)
Adjustment for the issuance of common shares ³	(166.1)	-
Adjusted equity attributable to common shareholders ⁴	3,883.6	3,198.5
Average adjusted equity attributable to common shareholders ⁵	3,601.7	3,023.1
ROE for the last 12 months	11.6%	14.2%

¹ Equity attributable to common shareholders is as at December 31, 2025 and 2024.

² In 2024, the return of restricted cash was prorated for the 296 days prior to October 23, 2024.

³ The issuance of common shares was prorated for the 161 days prior to June 11, 2025.

⁴ Adjusted equity attributable to common shareholders is equity attributable to common shareholders as shown on our audited consolidated balance sheets, adjusted for significant capital transactions or other unusual adjustments to equity, if applicable.

⁵ Average adjusted equity attributable to common shareholders is the average of adjusted equity attributable to common shareholders 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 December 31, 2023 was \$2,847.7 million.

Operating ROE

(in millions of dollars, except as otherwise noted)	December 31,	
	2025	2024
Operating net income for the last 12 months	420.7	310.2
Equity attributable to common shareholders, excluding AOCI ¹	4,028.5	3,320.9
Adjustment for unrealized gains on FVTPL equity instruments	(160.9)	(141.9)
Adjustment for the return of restricted cash ²	-	(121.3)
Adjustment for the issuance common of shares ³	(166.1)	-
Adjusted equity attributable to common shareholders, excluding AOCI ⁴	3,701.5	3,057.7
Average adjusted equity attributable to common shareholders, excluding AOCI ⁵	3,440.3	2,935.8
Operating ROE for the last 12 months	12.2%	10.6%

¹ Equity attributable to common shareholders, excluding AOCI is as at December 31, 2025 and 2024.

² In 2024, the return of restricted cash was prorated for the 296 days prior to October 23, 2024.

³ The issuance of common shares was prorated for the 161 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 audited 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 December 31, 2023 was \$2,813.9 million.