TORONTO (TSX: DFY) – July 30, 2026

(in Canadian dollars except as otherwise noted)

NEWS RELEASE: Definity Financial Corporation Reports Second Quarter 2026 Results

Highlights

- Integration of the Travelers Transaction[2] continues to progress well, enabling us to increase our annual pre-tax expense synergy target by 25% to $125 million
- Gross written premium[1] growth of 34.7% in Q2 2026, driven by robust retention of the acquired business and solid underlying growth[3], keeping us on track to achieve our full-year target of $6.5 billion
- Consolidated combined ratio[1] of 93.9% in Q2 2026, inclusive of the results from the acquired business
- Operating EPS[1] increased 15.5% to $0.97, driven by growth in operating net income[1] to $118 million in Q2 2026; trailing 12-month operating ROE[1] of 12.5%
- Financial position remained strong at the end of Q2 2026, with book value per share[1] of $35.01, 11.5% higher than a year ago, and financial capacity[1] exceeding $1.2 billion

Executive Messages

"Our second quarter results demonstrate the continued momentum of our business under our expanded scale. Gross written premium growth of 34.7% in the quarter keeps us firmly on track to achieve our full-year target of $6.5 billion. The integration of the Travelers Transaction continues to progress well. We are particularly pleased with our customer retention as policies began to renew on Definity systems this quarter. This success, combined with our integration momentum and early cost savings, supports increasing our annual expense synergy target by 25%. These results demonstrate the value and resilience of our diversified business model. By focusing on disciplined execution across our portfolios, our teams delivered a strong underwriting performance. Our capital position continues to provide us with financial flexibility to support our organic growth, fund accretive acquisitions, and deliver on our capital priorities. We remain highly confident in our ability to build on this scale to deliver sustainable, long-term value for our shareholders."
– Rowan Saunders, President & CEO

"Our financial results for the second quarter highlight the enhanced earnings power of our expanded business. We delivered operating earnings of $0.97 per share, representing a 15.5% increase over the prior year, with 11.5% book value per share growth, while our capital position remains robust with more than $1.2 billion of financial capacity. Our earnings quality remains high, driven by underwriting income of $88.3 million, net investment income of $79.5 million, and a 20% increase in broker operating income to $35.7 million, in line with our full-year guidance. We delivered an impressive consolidated combined ratio of 93.9%, inclusive of the results from the acquired business. We have now reached a $52 million synergy run rate, with $11 million earned in the quarter. This rapid pace of realization underpins our confidence in our updated $125 million target, and we expect approximately one-third of these increased synergies to be earned in 2026. Looking ahead, these strong operating results and early progress on synergy capture support our objective to deliver a sustainable, mid-teens operating ROE post integration."
– Philip Mather, EVP & CFO

Consolidated Results

(in millions of dollars, except as otherwise noted)	Q2 2026	Q2 2025	*Change*	2026 YTD	2025 YTD	*Change*
Insurance revenue	1,793.7	1,162.1	*54.3%*	3,617.6	2,274.0	*59.1%*
Gross written premiums[1]	1,801.3	1,337.4	*34.7%*	3,195.9	2,367.5	*35.0%*
Net underwriting revenue[1]	1,445.2	1,048.8	*37.8%*	2,859.6	2,050.6	*39.5%*
Claims ratio[1]	64.2%	63.2%	*1.0 pts*	63.3%	63.7%	*(0.4) pts*
Expense ratio[1]	29.7%	29.7%	*- pts*	30.1%	30.0%	*0.1 pts*
Combined ratio[1]	**93.9%**	**92.9%**	***1.0 pts***	**93.4%**	**93.7%**	***(0.3) 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 Q2 2026 Management's Discussion and Analysis dated July 30, 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").
[3] Underlying GWP growth Includes retention of the Definity renewal book and all new business.

(in millions of dollars, except as otherwise noted)	Q2 2026	Q2 2025	Change	2026 YTD	2025 YTD	Change
Insurance service result	186.3	144.3	*42.0*	378.2	267.6	*110.6*
Underwriting income[1]	88.3	74.6	*13.7*	188.4	129.6	*58.8*
Net investment income	79.5	50.7	*28.8*	159.4	100.5	*58.9*
Distribution income[1]	24.5	21.9	*2.6*	35.7	32.9	*2.8*
Net income attributable to common shareholders	**152.4**	**75.1**	***77.3***	**216.3**	**167.1**	***49.2***
Operating net income[1]	**118.0**	**98.9**	***19.1***	**236.1**	**174.8**	***61.3***
Per share measures (in dollars)						
Diluted earnings per share	1.25	0.64	*95.3%*	1.77	1.43	*23.8%*
Operating earnings per share[1]	0.97	0.84	*15.5%*	1.94	1.50	*29.3%*
Book value per share[1]				35.01	31.39	*11.5%*
Return on equity						
Return on equity (“ROE”)[1]				11.7%	12.2%	*(0.5) pts*
Operating ROE[1]				12.5%	9.6%	*2.9 pts*

- **Gross written premiums (“GWP”)** for Q2 2026 increased by $463.9 million or 34.7% compared to Q2 2025, inclusive of 24.5% growth from the acquired renewal book as retention rates continue to converge with the underlying Definity business. Personal lines GWP were up 35.8%, driven by retention of the acquired renewal book and strong underlying growth. Commercial lines GWP increased 32.2%, driven by retention of the acquired renewal book, and ongoing pricing increases and market share gains in small business and specialty lines. Year to date, GWP increased by $828.4 million or 35.0% compared to 2025. Personal lines GWP increased 35.9% and commercial lines GWP increased 33.0%.
- **Underwriting income** for Q2 2026 was $88.3 million and the combined ratio was 93.9%, inclusive of the acquired business. This compares to underwriting income of $74.6 million and a combined ratio of 92.9% in Q2 2025. The performance was driven by the strength of our operations, initial capture of synergies, and catastrophe losses that were somewhat lower than expectations. Year to date, our underwriting income increased by $58.8 million and led to a combined ratio of 93.4%, compared to 93.7% in 2025.
- **Net investment income** was $79.5 million in Q2 2026 and $159.4 million year to date, compared to $50.7 million in Q2 2025 and $100.5 million in 2025 year to date. The increase was driven by the larger investment portfolio arising from the acquired business and proactive trading into higher prevailing market yields.
- **Distribution income** was $24.5 million in Q2 2026 and $35.7 million year to date, compared to $21.9 million in Q2 2025 and $32.9 million in 2025 year to date. When combining distribution income and the impact of the commission offset, broker operating income increased by $6.0 million in Q2 2026 (20.2% increase) and $10.2 million year to date (21.9% increase). Distribution income benefitted from solid underlying organic growth and business growth related to acquisitions.

Net Income and Operating Net Income

- **Net income attributable to common shareholders** was $152.4 million in Q2 2026 compared to $75.1 million in Q2 2025, driven by increased gains on bonds and common stocks, an increase in operating net income, and a decrease in acquisition-related expenses. These were partially offset by higher integration expenses. Year to date, net income attributable to common shareholders was $216.3 million compared to $167.1 million in 2025.
- **Operating net income** was $118.0 million in Q2 2026 compared to $98.9 million in Q2 2025, driven by increases in net investment income, underwriting income, and distribution income, partially offset by higher interest expense. Year to date, operating net income was $236.1 million compared to $174.8 million in 2025.
- **Operating ROE** was 12.5% for the twelve-month period ended June 30, 2026 compared to 9.6% for the twelve-month period ended June 30, 2025. The increase in operating ROE was driven by an increase in operating net income, partially offset by the significant growth in average adjusted equity.

[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 Q2 2026 Management’s Discussion and Analysis dated July 30, 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)	Q2 2026	Q2 2025	*Change*	2026 YTD	2025 YTD	*Change*
Personal insurance						
Gross written premiums[1]						
Auto	762.3	564.4	*35.1%*	1,356.1	1,003.2	*35.2%*
Property	474.4	346.0	*37.1%*	824.6	601.0	*37.2%*
Total	**1,236.7**	**910.4**	***35.8%***	**2,180.7**	**1,604.2**	***35.9%***
Combined ratio[1]						
Auto	95.1%	94.2%	*0.9 pts*	96.3%	95.8%	*0.5 pts*
Property	92.8%	94.3%	*(1.5) pts*	88.9%	94.2%	*(5.3) pts*
Total	**94.2%**	**94.2%**	***- pts***	**93.4%**	**95.1%**	***(1.7) pts***
Commercial insurance						
Gross written premiums[1]	**564.6**	**427.0**	***32.2%***	**1,015.2**	**763.3**	***33.0%***
Combined ratio[1]	**93.1%**	**89.6%**	***3.5 pts***	**93.5%**	**90.1%**	***3.4 pts***

Personal Insurance

- **Personal lines** GWP increased 35.8% in Q2 2026 (35.9% year to date), driven by continued strong retention of the acquired renewal book, as well as robust underlying growth in our broker channel. Direct channel GWP increased by 2.7% in Q2 2026 (2.4% year to date).
- **Personal auto** GWP increased 35.1% in Q2 2026 (35.2% year to date), inclusive of 22.6% growth in the quarter from the retention of the acquired renewal book, as well as solid underlying growth. The combined ratio was 95.1% in Q2 2026 compared to 94.2% in Q2 2025, as we absorbed the temporary and expected impact of the acquired business prior to fully realizing synergy benefits, partially offset by an improvement in the expense ratio. Year to date, the personal auto combined ratio increased due to the same factors that impacted the second quarter.
- **Personal property** GWP increased 37.1% in Q2 2026 (37.2% year to date), inclusive of 25.5% growth in the quarter from the retention of the acquired renewal book, and continued unit growth and rate achievement. The combined ratio of 92.8% in Q2 2026 improved compared to 94.3% in Q2 2025, driven by lower catastrophe losses. Year to date, the personal property combined ratio improved driven by the same factor that impacted the second quarter.

Commercial Insurance

- **Commercial lines** GWP increased 32.2% in Q2 2026 (33.0% year to date), inclusive of 26.3% growth in the quarter from continued strong retention of the acquired renewal book, as well as ongoing pricing increases and market share gains in small business and specialty lines, which offset continued elevated competition in large accounts.
- **Commercial lines** continued to benefit from our focus on underwriting discipline. As expected, the combined ratio of 93.1% in Q2 2026 increased compared to 89.6% in Q2 2025. This result was driven primarily by the inclusion of the acquired business and its associated expenses, which we expect will temporarily increase the claims and expense ratios prior to the full benefit of future planned synergies, as well as an increase in catastrophe losses. Year to date, the commercial lines combined ratio increased due to the same factors that impacted the second quarter.

[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 Q2 2026 Management's Discussion and Analysis dated July 30, 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.

Financial Position

(in millions of dollars)	As at June 30, 2026	As at December 31, 2025	*Change*
Financial position			
Equity attributable to common shareholders	4,204.3	4,049.7	*154.6*
Financial capacity[1]	1,266.7	2,892.0	*(1,625.3)*

- Our capital position as of June 30, 2026 remains strong and well in excess of our capital targets.
- Equity attributable to common shareholders increased by $154.6 million, or 3.8%, as at June 30, 2026, driven by operating net income generated in the first half of 2026 as well as recognized gains on our investment portfolio. These were partially offset by dividends to common shareholders, as well as integration and acquisition-related expenses.
- Financial capacity as of June 30, 2026 remained strong, exceeding $1.2 billion after the deployment of capital for the Travelers Transaction and external dividends. Ongoing capital generation from operating performance, and a reduction in required regulatory capital due to the alignment of reinsurance structures to our risk appetite and a reduction of equity weights in the investment portfolio provided further capacity for future deployment.

Dividend

- On July 30, 2026, our Board of Directors declared a $0.215 per share dividend, payable on September 23, 2026 to shareholders of record at the close of business on September 11, 2026.

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 July 31, 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 approximately $6.4 billion in gross written premiums (pro forma with the Travelers Transaction) for the 12 months ended June 30, 2026 and $4.2 billion in equity attributable to common shareholders as at June 30, 2026.

[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 Q2 2026 Management's Discussion and Analysis dated July 30, 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.

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.

Contacts

Investor inquiries:
Dennis Westfall
VP, Investor Relations
(C) 416-435-5568
dennis.westfall@definity.com

Media inquiries:
Sarah Attwells
AVP, Corporate Communication
(C) 226-753-1130
sarah.attwells@definity.com

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 Q2 2026 Management's Discussion and Analysis dated July 30, 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 and six months ended June 30, 2026 and 2025:

Net underwriting revenue

(in millions of dollars)	Q2 2026	Q2 2025	2026 YTD	2025 YTD
Insurance revenue	1,793.7	1,162.1	3,617.6	2,274.0
Earned reinsurance premiums[1]	(166.6)	(108.0)	(319.9)	(210.0)
Remove: net impact of applying GMM for claims acquired in a business combination	(181.0)	-	(436.3)	-
Remove: impact of exited lines	(0.9)	(5.3)	(1.8)	(13.4)
Net underwriting revenue	**1,445.2**	**1,048.8**	**2,859.6**	**2,050.6**

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

Net claims and adjustment expenses

(in millions of dollars)	Q2 2026	Q2 2025	2026 YTD	2025 YTD
Claims and adjustment expenses[1,2]	1,208.1	727.0	2,432.1	1,441.3
Impact of onerous insurance contracts[3]	-	(4.1)	-	(10.3)
Claims recoverable from reinsurers for incurred claims[2,4]	(103.3)	(53.1)	(191.9)	(109.8)
Remove: net impact of applying GMM for claims acquired in a business combination	(175.3)	-	(426.6)	-
Remove: impact of exited lines	(1.7)	(7.5)	(3.6)	(15.7)
Net claims and adjustment expenses	**927.8**	**662.3**	**1,810.0**	**1,305.5**

[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] Onerous insurance contracts accounted for under the premium allocation approach 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)	Q2 2026	Q2 2025	2026 YTD	2025 YTD
Changes in fulfilment cash flows relating to the liabilities for incurred claims[1]	(20.0)	(20.1)	(36.3)	(41.5)
Changes to amounts recoverable for incurred claims[2]	(0.5)	(1.4)	(2.2)	(2.2)
Remove: discounting included above[3]	(10.8)	(7.3)	(25.9)	(21.8)
Remove: risk adjustment included above[3]	11.6	13.6	27.3	29.6
Remove: net impact of applying GMM for claims acquired in a business combination	(0.2)	-	(3.4)	-
Remove: impact of exited lines	-	(2.4)	-	(2.5)
Prior year claims development	**(19.9)**	**(17.6)**	**(40.5)**	**(38.4)**

[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.
[3] Included in Changes in fulfilment cash flows relating to the liabilities for incurred claims and Changes to amounts recoverable for incurred claims.

Net underwriting expenses

(in millions of dollars)	Q2 2026	Q2 2025	2026 YTD	2025 YTD
Net commissions	207.3	150.6	412.4	297.8
Net operating expenses	167.2	121.8	341.4	240.6
Net premium taxes	54.6	39.5	107.4	77.1
Net underwriting expenses	**429.1**	**311.9**	**861.2**	**615.5**

Net commissions

(in millions of dollars)	Q2 2026	Q2 2025	2026 YTD	2025 YTD
Commissions[1]	234.1	167.2	463.1	332.2
Commissions earned on ceded reinsurance[2]	(26.8)	(17.2)	(50.7)	(35.8)
Remove: impact of exited lines	-	0.6	-	1.4
Net commissions	**207.3**	**150.6**	**412.4**	**297.8**

[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 operating expenses

(in millions of dollars)	Q2 2026	Q2 2025	2026 YTD	2025 YTD
Operating expenses[1]	167.2	123.7	341.4	245.4
Remove: impact of exited lines	-	(1.9)	-	(4.8)
Net operating expenses	**167.2**	**121.8**	**341.4**	**240.6**

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

Net premium taxes

(in millions of dollars)	Q2 2026	Q2 2025	2026 YTD	2025 YTD
Premium taxes[1]	54.6	39.8	107.4	77.8
Remove: impact of exited lines	-	(0.3)	-	(0.7)
Net premium taxes	**54.6**	**39.5**	**107.4**	**77.1**

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

Underwriting income

(in millions of dollars)	Q2 2026	Q2 2025	2026 YTD	2025 YTD
Net underwriting revenue	1,445.2	1,048.8	2,859.6	2,050.6
Less:				
Net claims and adjustment expenses	927.8	662.3	1,810.0	1,305.5
Net commissions	207.3	150.6	412.4	297.8
Net operating expenses	167.2	121.8	341.4	240.6
Net premium taxes	54.6	39.5	107.4	77.1
Underwriting income	**88.3**	**74.6**	**188.4**	**129.6**

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

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 (losses), which are considered non-GAAP financial measures.

(in millions of dollars)	Q2 2026	Q2 2025	2026 YTD	2025 YTD
Net income attributable to common shareholders	152.4	75.1	216.3	167.1
Remove: income tax expense	52.2	36.3	78.5	66.6
Income before income taxes	**204.6**	**111.4**	**294.8**	**233.7**
Remove: non-operating gains (losses)				
Recognized gains on FVTPL investments	107.9	14.1	71.2	66.3
Discounting[1]	48.8	31.3	90.9	62.5
Risk adjustment[1]	(10.5)	0.5	(18.5)	(0.7)
Finance expenses from insurance contracts issued	(78.0)	(15.6)	(107.2)	(72.9)
Finance income from reinsurance contracts held	8.7	1.2	11.2	7.1
Net impact of applying GMM for claims acquired in a business combination[2]	5.7	-	9.7	-
Underwriting loss from exited lines	(0.8)	(3.8)	(1.8)	(6.4)
Amortization of intangible assets recognized in business combinations[3]	(13.6)	(6.7)	(27.0)	(13.2)
Change in foreign exchange forward contract hedge ineffectiveness[3]	-	(27.8)	-	(27.8)
Acquisition-related expenses[3]	(0.2)	(13.8)	(16.7)	(15.3)
Integration expenses[3]	(16.8)	(1.8)	(33.4)	(1.8)
Other[3,4]	(3.5)	2.9	2.0	4.5
Non-operating gains (losses)	**47.7**	**(19.5)**	**(19.6)**	**2.3**
Operating income	**156.9**	**130.9**	**314.4**	**231.4**
Operating income tax expense	(38.9)	(32.0)	(78.3)	(56.6)
Operating net income	**118.0**	**98.9**	**236.1**	**174.8**

[1] Included in Insurance service expenses and Net expenses from reinsurance contracts held in our interim consolidated financial statements.
[2] Excludes GMM impact on discounting, risk adjustment, finance expenses from insurance contracts issued, and finance income from reinsurance contracts held.
[3] Included in Other expenses in our interim consolidated financial statements.
[4] 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)	Q2 2026	Q2 2025	2026 YTD	2025 YTD
Distribution revenues[1]	71.0	62.9	126.6	111.9
Distribution business expenses[2]	(46.5)	(41.0)	(90.9)	(79.0)
Distribution income	**24.5**	**21.9**	**35.7**	**32.9**

[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 June 30, 2026 and 2025:

ROE

	June 30,	
(in millions of dollars, except as otherwise noted)	2026	2025
Net income attributable to common shareholders for the last 12 months	467.4	388.6
Equity attributable to common shareholders[1]	4,204.3	3,763.3
Adjustment for the return of restricted cash[2]	-	(49.5)
Adjustment for the issuance of common shares[3]	-	(354.6)
Adjusted equity attributable to common shareholders[4]	4,204.3	3,359.2
Average adjusted equity attributable to common shareholders[5]	3,983.8	3,183.2
ROE for the last 12 months	11.7%	12.2%

[1] Equity attributable to common shareholders is as at June 30, 2026 and 2025.
[2] In 2025, the return of restricted cash was prorated for the 115 days prior to October 23, 2024.
[3] In 2025, the issuance of common shares was prorated for the 345 days prior to June 11, 2025.
[4] Adjusted equity attributable to common shareholders is 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.
[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 June 30, 2024 was $3,007.1 million.

Operating ROE

	June 30,	
(in millions of dollars, except as otherwise noted)	2026	2025
Operating net income for the last 12 months	482.0	299.7
Equity attributable to common shareholders, excluding AOCI[1]	4,183.5	3,802.6
Adjustment for unrealized gains on FVTPL equity instruments	(198.1)	(99.9)
Adjustment for the return of restricted cash[2]	-	(49.5)
Adjustment for the issuance of common shares[3]	-	(354.6)
Adjusted equity attributable to common shareholders, excluding AOCI[4]	3,985.4	3,298.6
Average adjusted equity attributable to common shareholders, excluding AOCI[5]	3,844.1	3,112.2
Operating ROE for the last 12 months	12.5%	9.6%

[1] Equity attributable to common shareholders, excluding AOCI is as at June 30, 2026 and 2025.
[2] In 2025, the return of restricted cash was prorated for the 115 days prior to October 23, 2024.
[3] In 2025, the issuance of common shares was prorated for the 345 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 June 30, 2024 was $2,925.7 million.