

# Building a Canadian Champion

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Investor Presentation  
Q4-2025

definity.



# Advisory Regarding Forward-Looking Information

- This presentation contains forward-looking information.
- Forward-looking information is information regarding possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action, and it includes information regarding our expectations, intentions, projections or other characterizations of future results, performance, events or circumstances.
- Actual results may vary materially from those anticipated in the forward-looking information.
- Forward-looking information is based on our opinions, estimates and assumptions.
- Our opinions, estimates and assumptions are subject to factors that could cause our actual results or other future events to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the factors set out in FURTHER ADVISORY REGARDING FORWARD-LOOKING INFORMATION included later in this presentation.
- There can be no assurance that our opinions, estimates and assumptions will prove to be correct.
- Forward-looking information in this presentation represents our expectations as at the date of this presentation (or as at the date it is otherwise stated to be made) and is subject to change after that date.
- 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.
- Forward-looking information contained in this presentation is expressly qualified by this advisory.
- This presentation contains forward-looking statements with respect to the Company's 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").
- 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.

# Supplementary Financial Measures and Non-GAAP Financial Measures and Ratios

The Company's audited consolidated financial statements and accompanying notes as at and for the year ended December 31, 2025 have been prepared in accordance with International Financial Reporting Standards ("IFRS" or "GAAP").

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) included in this presentation, 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 presentation 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.

The information presented in this presentation includes the following supplementary financial measures, non-GAAP financial measures, and non-GAAP ratios:

**Supplementary Financial Measures:** Book value per share, catastrophe losses, financial capacity, gross written premiums, leverage capacity, and underwriting loss from exited lines.

**Non-GAAP Financial Measures:** Adjusted equity attributable to common shareholders, adjusted equity attributable to common shareholders excluding AOCI, core accident year claims and adjustment expenses, distribution income, net claims and adjustment expenses, net commissions, net operating expenses, net premium taxes, net underwriting expenses, net underwriting revenue, non-operating (losses) gains, operating income, operating net income, prior year claims development, and underwriting income.

**Non-GAAP Ratios:** Claims ratio, combined ratio, expense ratio, return on equity ("ROE"), operating return on equity ("operating ROE"), operating earnings per common share ("operating EPS"), and certain other ratios.

# Company Overview

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# Company Highlights

**Leading Canadian P&C Insurer in a Large and Growing Market**

**Superior Customer and Broker Experience**

**Highly Scalable Digital Platforms and Growing Broker Distribution Capabilities**

**Market Leading Commercial Insurance Capabilities**

**Sophisticated Pricing Methodologies and Disciplined Underwriting Underpin Profitability**

**Significant Financial Flexibility to Support Value Creation**

**Seasoned Management Team and Dynamic Corporate Culture**

# Definity Is a Leading Canadian P&C Insurer

We are a personal and commercial P&C insurer offering auto, property, liability, pet, and specialty insurance solutions through multiple distribution channels



**Over 150 Years of Operations in Canada**



**6<sup>th</sup> Largest P&C Insurance Carrier in Canada<sup>(1)</sup>**

**3<sup>rd</sup> Largest Carrier in Broker Channel Canada<sup>(1)</sup>**



**Deeply Engaged Team**

~3,500<sup>(3)</sup> employees in 12 regional offices and a national network of over 600 independent brokerage firms



**Advanced Data Analytics Capabilities and a Passion for Innovation**

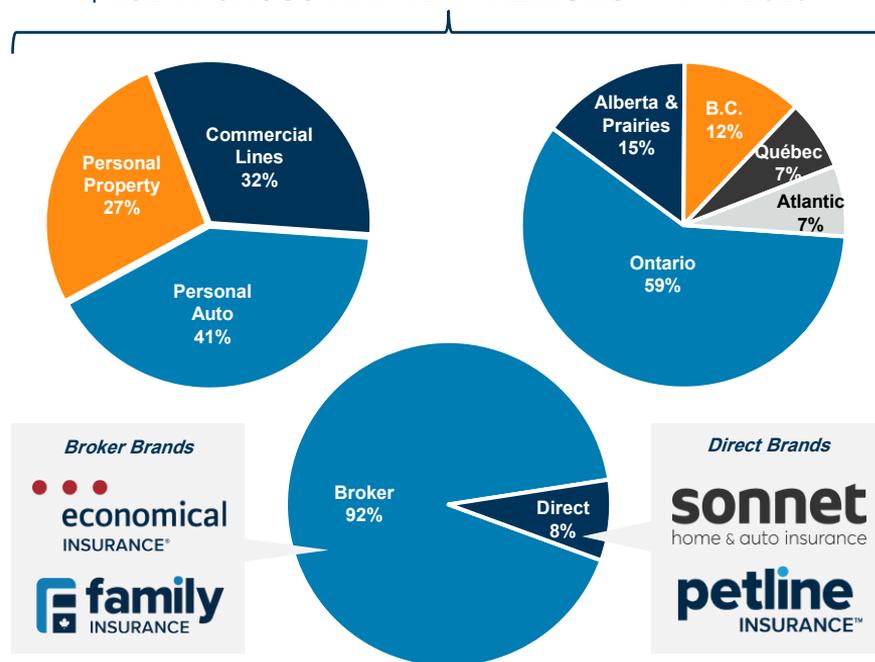
Demonstrated by award-winning digital platforms



**Profitable Growth Driving Shareholder Value**

Targeting GWP<sup>(2)</sup> growth by at least 35% over 2025 to exceed \$6.5B while targeting a sub-95% combined ratio<sup>(2)</sup>

**\$4.8B IN GROSS WRITTEN PREMIUMS<sup>(2)</sup> IN FY 2025**



1. As of June 30, 2025, based on insurance revenue from insurance contracts as disclosed by MSA Research. Market share of Canadian P&C insurance industry insurance revenue of \$43.5 billion for the six months ended June 30, 2025, excluding accident and sickness insurance and policies for insurance written outside of Canada, Canada Guaranty Mortgage Insurance Company, Genworth Financial Mortgage Insurance Company, Mortgage Insurance Company of Canada, Green Shield Canada, Insurance Corporation of British Columbia, Lloyd's Underwriters Canada, Saskatchewan Auto Fund, and Saskatchewan Government Insurance.

2. This is a supplementary financial measure, non-GAAP financial measure, or a non-GAAP ratio. Refer to Supplementary Financial Measures and Ratios advisory and Section 13— *Supplementary financial measures and non-GAAP financial measures and ratios* in the Q4-2025 MD&A for further details.

3. Excludes employees from our National Broker Platform and employees acquired from Travelers' Canadian P&C insurance operations.

# Our Strategy

## OUR PURPOSE

Building a better world by helping our clients and communities adapt and thrive

## OUR AMBITION

To be one of Canada's leading and most innovative P&C insurers

## OUR PROMISE

Making insurance better

## STRATEGIC OBJECTIVES

Become one of the three largest Canadian P&C insurers

Grow our digital and AI advantage

Consistently deliver disciplined financial management

Position Definity as a purpose-driven sustainability leader

## STRATEGIC PILLARS

Combine sound fundamentals with exceptional experiences

Drive industry leading growth, productivity, and resilience through scalable platforms, innovation and integrated AI

Strengthen our presence in distribution

Augment organic growth and diversification inorganically

Empower top talent with an inclusive culture that delivers on our brand

# Superior customer and broker experience

Our digital platforms, Sonnet and Vyne, enable our customers and brokers to access competitively priced insurance in a fast, easy to use manner

## sonnet INSURANCE

- ✓ Purchase insurance in as little as 5 minutes
- ✓ Easy-to-understand language and available support
- ✓ Fully digital
- ✓ Real-time customization, processing and underwriting
- ✓ Automated underwriting and advanced data analytics used to deliver personalized pricing

## vyne™ GROW WITH CONFIDENCE

- ✓ Quickly obtain and process bindable quotes
- ✓ Integration with all major BMS<sup>(1)</sup> and quoting vendors
- ✓ Uses the technology and learnings of Sonnet
- ✓ Real-time customization, processing and underwriting
- ✓ Automated underwriting and advanced data analytics used to deliver personalized pricing

## IMPACT EVERY ASPECT OF THE VALUE CHAIN

We believe that our sophisticated digital platforms **enable rapid scaling of our business**

Ability to **directly drive new business** from thousands of individual brokers and customers who engage with us directly **while reducing variable costs**

Ability to **respond to market conditions with greater speed and agility** drives improvements in our personal lines claims ratio

**Automated, data-driven model supports** customer acquisition and retention

We expect that these platforms will also enable us to **drive synergies in connection with ongoing and future acquisitions**

1. Broker management systems.

# Using Analytics & AI to create business value



200+ data & analytics practitioners



Over 25 years of high-quality, digitized data and access to extensive third-party datasets



A robust enterprise data & analytics strategy



Early adoption of generative AI to drive further business value in a safe & responsible manner



Large-scale technology initiatives to continuously improve our data platforms & analytics capabilities, including strategic partnership with Google Cloud established in 2022

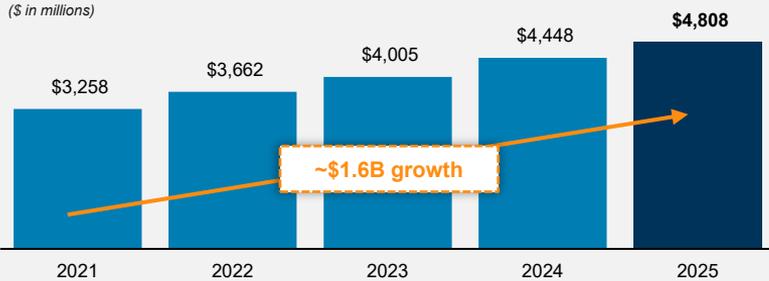


Leading model risk management and data & analytics ethics practices

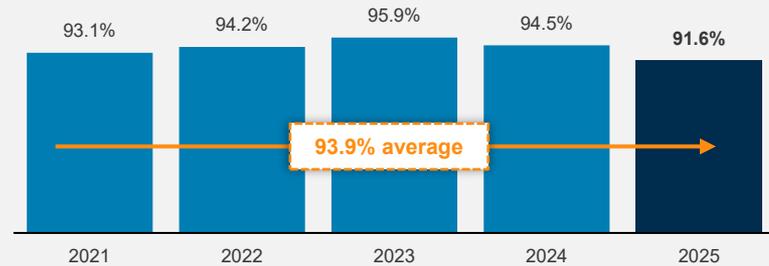
 ALL LINES	 PERSONAL LINES	 COMMERCIAL LINES
<p>Numerous models <b>triage &amp; evaluate claims in real time</b> upon first notification of loss</p>	<p>Predictive modelling evaluates <b>customer profitability, loss propensity, conversion, retention</b>, and need for <b>underwriter intervention</b></p>	<p>Predictive models are foundational to our <b>pricing, target market identification, and quote prioritization</b></p>
<p>Analytics &amp; machine learning <b>enable effective claim management &amp; fraud detection</b> throughout the claim lifecycle</p>	<p>Real-time underwriting <b>fraud detection &amp; deflection</b> to protect Sonnet profitability</p>	<p>Machine learning <b>prioritizes building inspections &amp; consultative risk services</b> for targeted customers</p>
<p>Granular analytics <b>assess broker performance</b></p>	<p>AI deployed to improve <b>contact centre efficiency &amp; customer experience</b></p>	<p>AI deployed to <b>improve intake efficiency &amp; broker experience</b></p>
<p><b>135+ predictive models to improve profitability, growth, and the customer experience</b></p>		

# Profitable growth with a diversified earnings profile

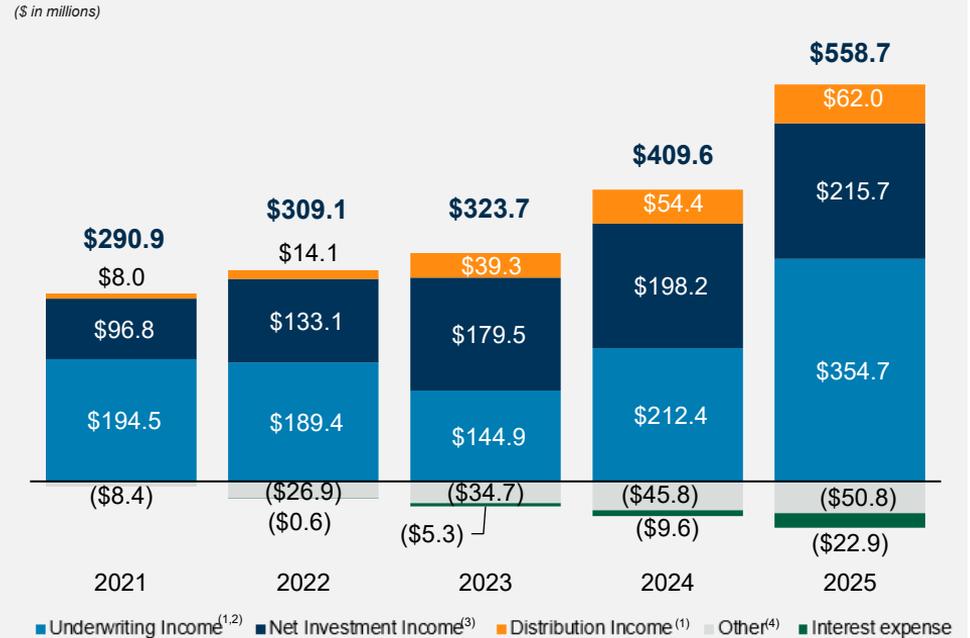
## GROSS WRITTEN PREMIUMS<sup>(1)</sup>



## COMBINED RATIO<sup>(1,2,5)</sup>



## OPERATING INCOME<sup>(1)</sup>



<sup>1</sup>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 advisory and Section 13 – *Supplementary financial measures and non-GAAP financial measures and ratios* in the Q4-2025 MD&A for further details.

<sup>2</sup> The combined ratio and underwriting income exclude the impact of discounting.

<sup>3</sup> Net investment income is dividend and interest income less investment expenses.

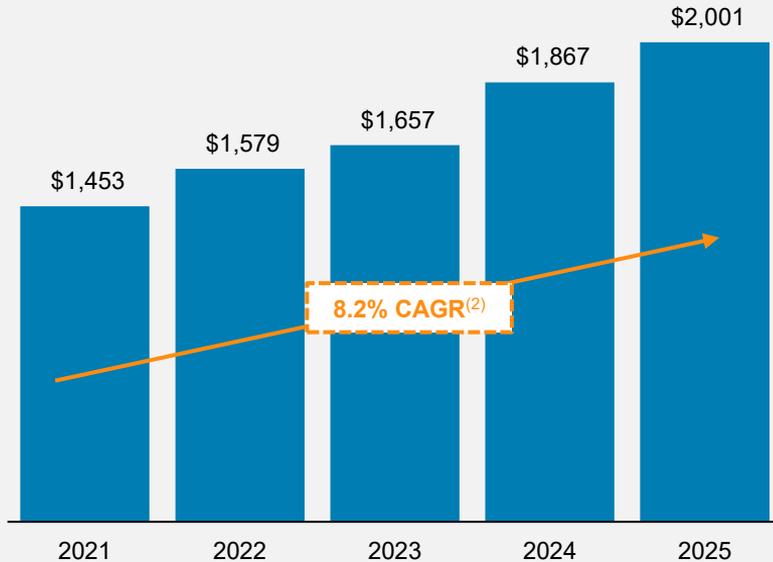
<sup>4</sup> Includes corporate expenses, non-controlling interests, and other.

<sup>5</sup> The year 2021 is under IFRS 4 and 2022 to 2025 are under IFRS 17.

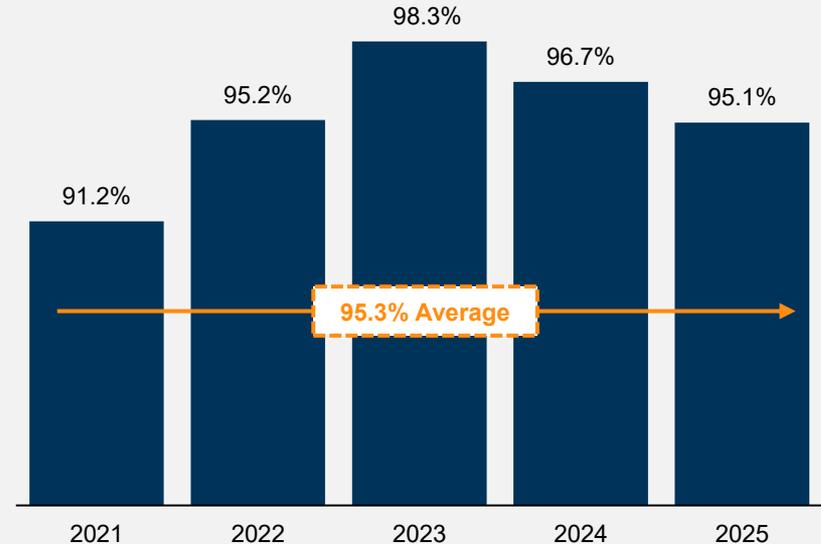
# Driving profitable growth in Personal Auto by leveraging digital assets and broker relationships

## PERSONAL AUTO GWP<sup>(1)</sup> GROWTH

(\$ in millions)



## PERSONAL AUTO COMBINED RATIO<sup>(1,3)</sup>



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 advisory and Section 13 – *Supplementary financial measures and non-GAAP financial measures and ratios* in the Q4-2025 MD&A for further details.

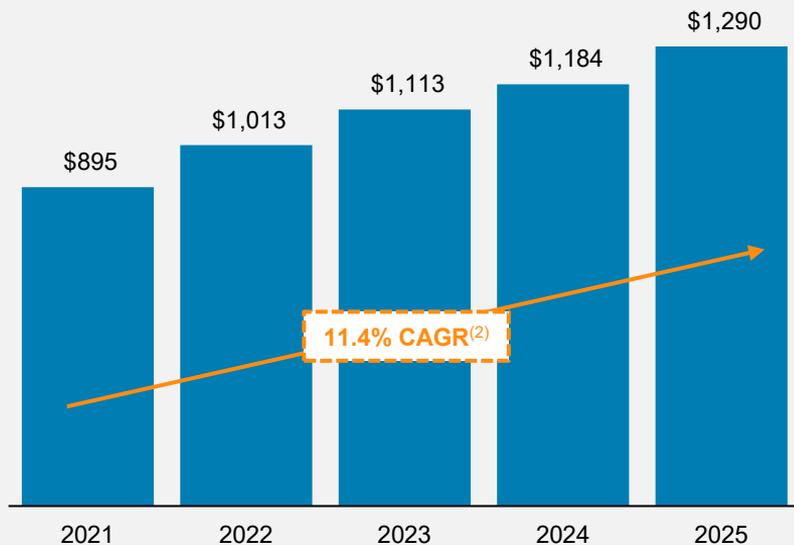
2. 5Y CAGR from 2020-2025.

3. The year 2021 is under IFRS 4 and 2022 to 2025 are under IFRS 17.

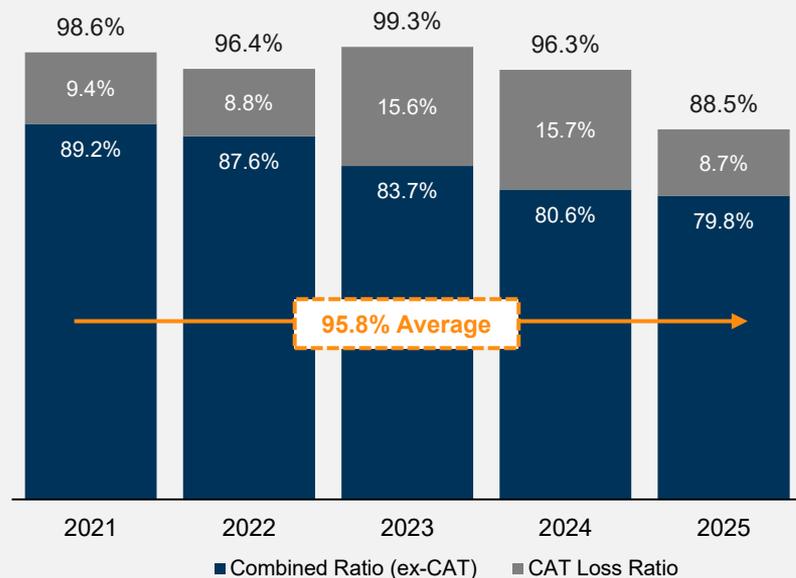
# Solid growth in Personal Property with a strong track record of underwriting

## PERSONAL PROPERTY GWP<sup>(1)</sup> GROWTH

(\$ in millions)



## PERSONAL PROPERTY COMBINED RATIO<sup>(1,3)</sup>



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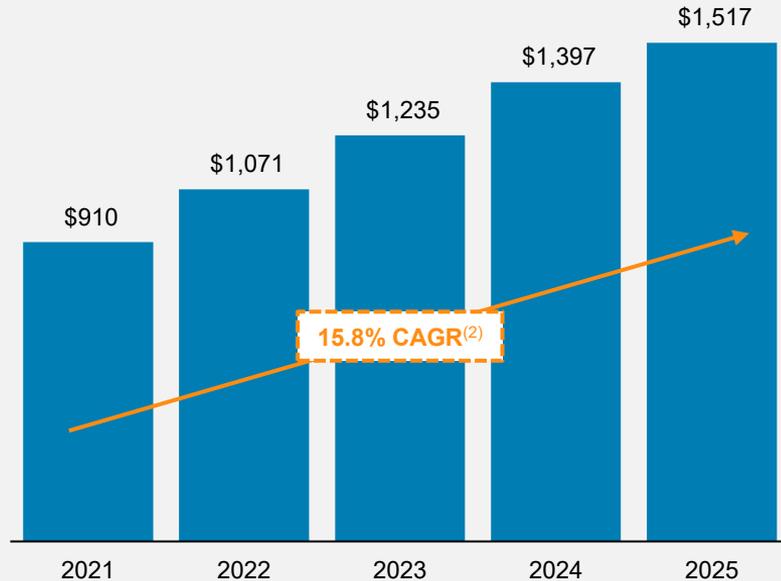
2. 5Y CAGR from 2020-2025.

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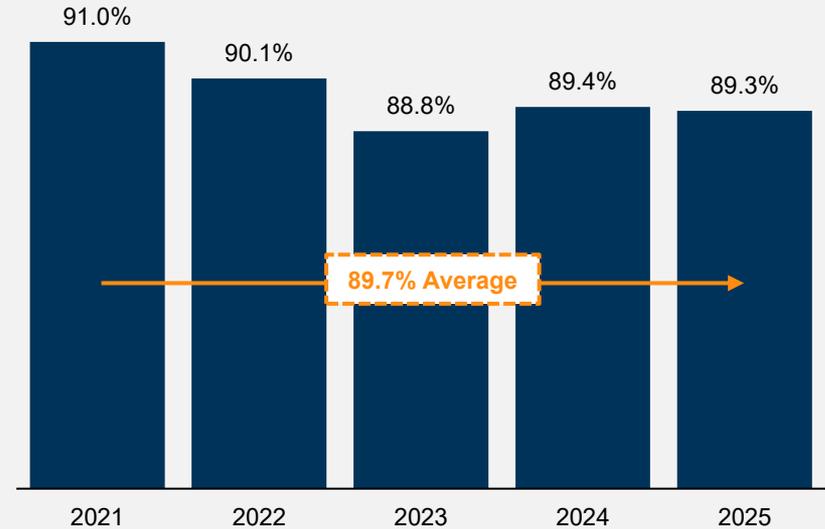
# Growing Commercial Insurance capabilities with a meaningful competitive advantage in underwriting

## COMMERCIAL INSURANCE GWP<sup>(1)</sup> GROWTH

(\$ in millions)



## COMMERCIAL INSURANCE COMBINED RATIO<sup>(1,3)</sup>



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2. 5Y CAGR from 2020-2025.

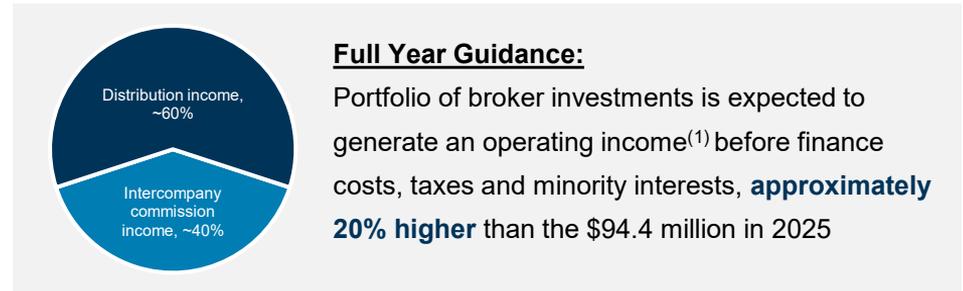
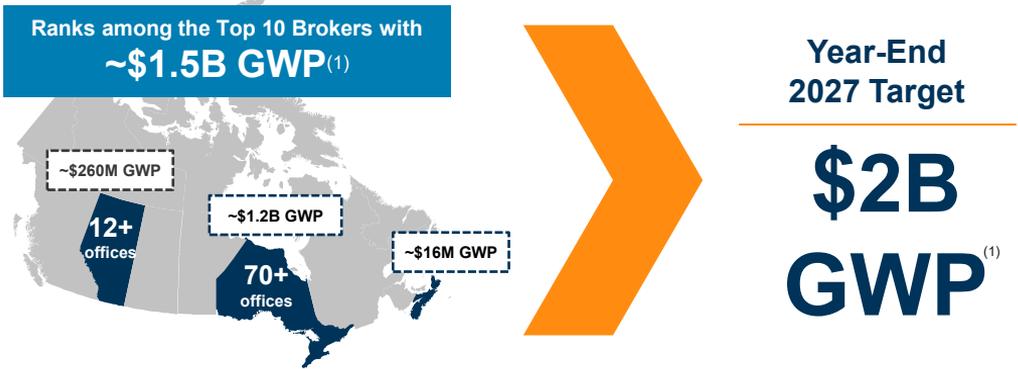
3. The year 2021 is under IFRS 4 and 2022 to 2025 are under IFRS 17.

# Our Leading Broker Platform

Benefitting from a stream of recurring income from our broker distribution platform

Year	Activity	Acquired GWP <sup>(2)</sup>
2022	1 acquisition	~\$500M
2023	6 acquisitions	~\$400M
2024	9 acquisitions	~\$200M
2025	10 acquisitions	~\$185M

- Platform ranks among the top 10 P&C insurance brokers in Canada
- Scale positions in two priority provinces (Ontario and Alberta) with deep management team and proven M&A expertise; entered Nova Scotia through a strategic acquisition in Q2-2025
- Well positioned to source additional opportunities



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# A heightened focus on culture and proven executive bench strength



**Rowan Saunders**  
President & CEO

- President & CEO since November 2016 as well as a member of the Board of Directors
- Extensive background in P&C insurance, which includes 12 years as President & CEO of Royal & Sun Alliance Insurance Company of Canada
- Past Chairman and member of the board of directors of the Insurance Bureau of Canada



**Philip Mather**  
Chief Financial Officer



**Fabian Richenberger**  
Chief Operating Officer



**Paul MacDonald**  
EVP, Personal Insurance and Digital Channels



**Obaid Rahman**  
EVP, Commercial Insurance



**Innes Dey**  
SVP, Corporate Affairs, holding the offices of Chief Risk Officer, Chief Legal Officer and Chief Strategy Officer



**Tatjana Lalkovic**  
SVP & Chief Technology Officer



**Brigid Pelino**  
SVP & Chief People and Culture Officer



**Liam McFarlane**  
Chief Actuarial Officer

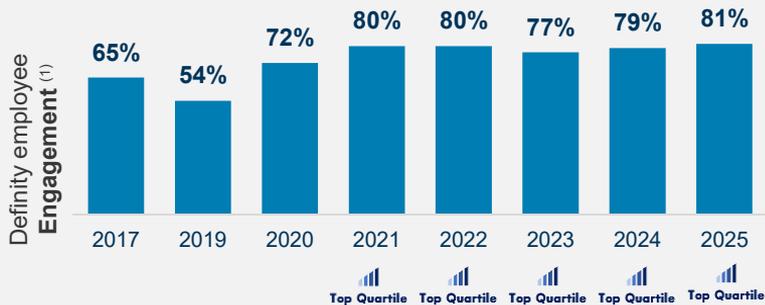
- ✓ **Highly experienced and stable leadership core**, with deep expertise across P&C insurance and an average executive tenure at Definity of approximately eight years, supporting strong continuity and execution.
- ✓ **Proven track record in major enterprise transformation and M&A integration**, including leadership roles in Definity's demutualization and IPO, demonstrating sophisticated capabilities in governance, strategy, and risk management.
- ✓ **Comprehensive functional strength across finance, underwriting, operations, technology, corporate affairs, people & culture, and ESG**, reflecting a well-rounded team aligned with the company's long-term strategic objectives.

# Definity, It's Better Here

## Company Recognition 2023-2025



## Our engagement journey



## A better employee experience <sup>(2)</sup>

+27 pts increase in employee engagement since 2019 <sup>(1)</sup>

98% of eligible employees have ownership in Definity Financial Corporation through the Definity Share Ownership Plan as of year end 2025

88% of employees feel accepted and included for who they are at work

96% of SLT level employees are engaged

84% of employees at Definity feel they have the flexibility they need in their work schedule to meet work and personal needs

86% of employees would recommend Definity as a great place to work

## 2025 Key Statistics



**95%** retention rate of high-performers in 2025



**73%** of all leadership roles at Definity are filled by internal candidates as of year end



**54%** of all job opportunities at Definity are filled by internal candidates



**52%** of employees who have completed the Confidential Self-Disclosure process identified as **Black, Indigenous, Person of Colour, LGBTQ+ and/or Person with Disability** as of year end



**49%** of all hires are **women**



**48%** of managerial positions are held by **women** as of year end

1. Engagement surveys conducted with several providers over the time period highlighted. Scores based on equivalent 3-5 dimensions. The last measured engagement score for each year is included in the graph.

2. All metrics reflect the latest available results from Definity's employee engagement surveys. Surveys are conducted twice yearly with rotating question sets; each measure reflects the most recent data point collected.

# Sustainability Highlights

**Our purpose:** Building a better world by helping our clients and communities adapt and thrive.

## ENVIRONMENT

- Target: Achieve **net zero emissions from operations and investments<sup>(1)</sup> by 2040** or sooner, including interim targets
- **Scope 1 & 2 GHG emissions** (market-based) - 35% relative to 2019, surpassing our 2025 interim target of a 30% reduction.
- Active member of **Climate Proof Canada** coalition advocating for investment and timely implementation of National Adaptation Strategy

## SOCIAL

- Target: At least **30% women, 15% BIPOC / LGBTQ+ / with disabilities in VP+ roles by 2026**
- First Canadian P&C insurer signatory to **UN Women's Empowerment Principles**
- Awarded **Best Reward & Recognition Strategy** at the 2025 Canadian HR Awards
- **Over \$5M in 2025 charitable giving**, the highest in our 150+ year history

## GOVERNANCE

- **11 of 12 Board directors are independent<sup>(2)</sup>**, including the Chair
- **Sustainability-linked loan** ties credit facility pricing to annual sustainability performance metrics aligned with executive compensation
- MSCI ESG Rating – “AAA”
- **Best ESG Reporting (mid-cap)** award (2025 IR Impact Awards – Canada)

1. Listed equities and corporate bonds.  
2. Only non-independent Board director is the CEO.

# Financial Performance and Analysis



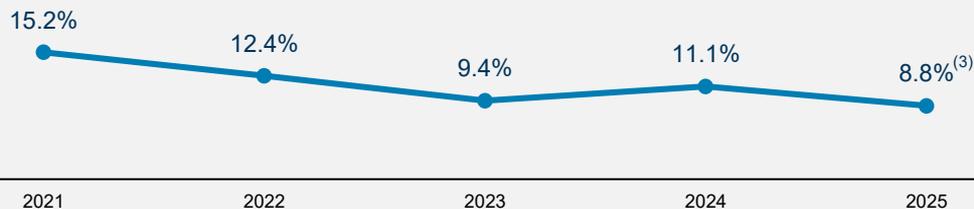
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# Our Financial Targets for 2026

## Gross Written Premiums<sup>(1)</sup>

Grow premiums by at least 35% over 2025 to **exceed \$6.5B**



## Combined Ratio<sup>(1,2)</sup>

Achieve a **sub-95% full year combined ratio**



## Operating ROE<sup>(1,2)</sup>

Generate a full year operating ROE in the range of **10% to below teens in 2026**



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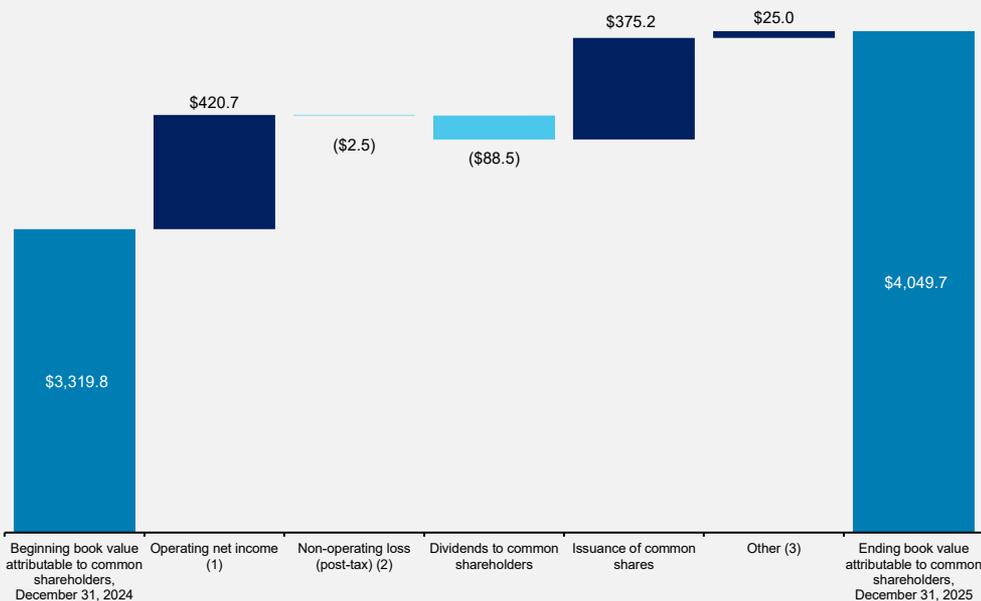
2. The year 2021 is under IFRS 4 and 2022 to 2025 are under IFRS 17.

3. Adjusted for exit of Sonnet Alberta Auto.

# Balance Sheet Strength

## BOOK VALUE

(\$ in millions)



## DEBT CAPITALIZATION

Our leverage target remains at 25%, in-line with previously provided guidance and other rated Canadian P&C peers



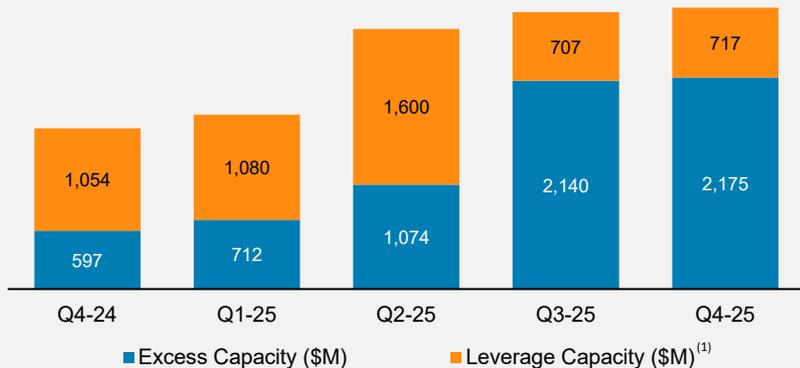
## CREDIT RATINGS

Financial Strength Ratings	Credit Rating Agency	Rating	Outlook	Date
Definity Insurance	AM Best	A (Excellent)	Stable	May 28, 2025
Definity Insurance	DBRS	A	Positive	June 6, 2025

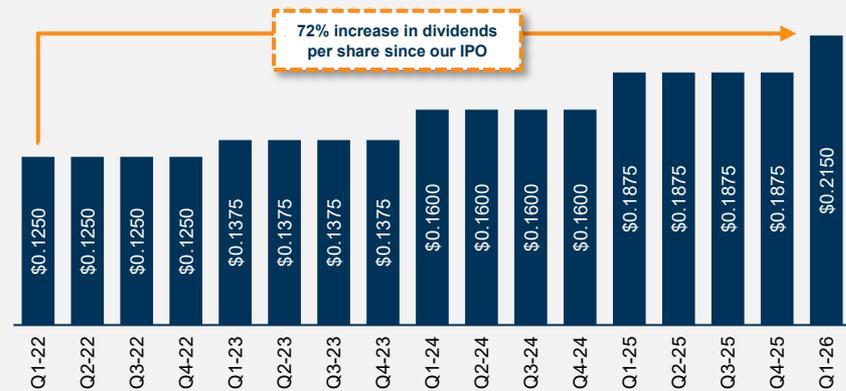
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2. Non-operating gains of \$8.4 million pre-tax, less income tax expense of \$10.9 million
3. Represents other comprehensive income, and changes in share capital and contributed surplus

# Capital Management

## FINANCIAL CAPACITY<sup>(1)</sup>



## DIVIDEND GROWTH<sup>(2)</sup>



## Capital Deployment Priorities

### Organic Growth

We retain capital to support the growth in our premium volumes as well as invest in talent and technology that advance our strategic objectives.

### Common Shareholder Dividends

We intend to have a sustainable and growing dividend per common share that will be reviewed on a regular basis.

### Inorganic Growth

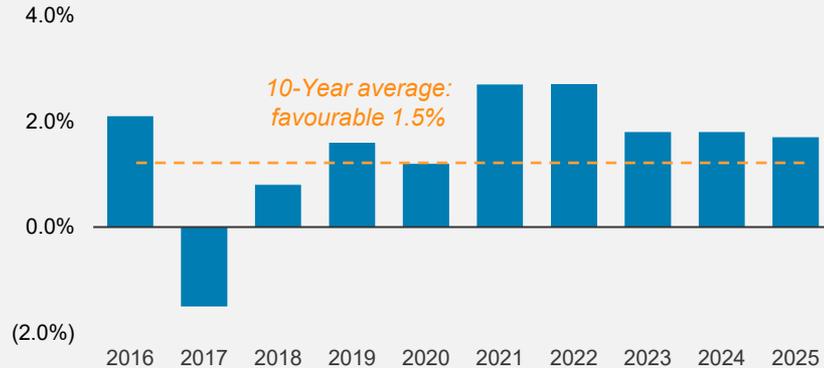
We intend to continue to actively pursue carrier and distribution opportunities in the Canadian market.

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 2. Does not include the \$0.05 dividend for stub period between the initial public offering and December 31, 2021, paid on March 28, 2022.

# Prudent Approach to Reserving and Reinsurance

## PRUDENT RESERVING PRACTICES

- Closely monitor **adequacy of reserves**
- Favourable prior year development (PYD)<sup>(1)</sup> in **9 out of 10 years** between 2016-2025
- 2016-2025 **average favourable PYD<sup>(1)</sup> of 1.5%**<sup>(2)</sup>



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2. Favourable (adverse) development on prior year claims, undiscounted. The years of 2016 - 2021 are under IFRS 4 and 2022-2025 are under IFRS 17.

3. Excludes co-participation.

4. Excludes reinstatement premiums, co-participations between the retention level and maximum limit, and tax impacts.

## ROBUST REINSURANCE FRAMEWORK

Structured to provide **protection against individual large losses and catastrophe** events above a certain threshold and to assist with mitigating underwriting risk

Upper limit on our CAT Excess-of-Loss (XOL) increased from \$2.075B in 2025 to **\$2.68B<sup>(3)</sup>** in **2026**

Increased base retention from **\$75M** to **\$90M<sup>(4)</sup>** driven by the acquisition of the Travelers portfolio, organic growth, inflation, market conditions and risk appetite

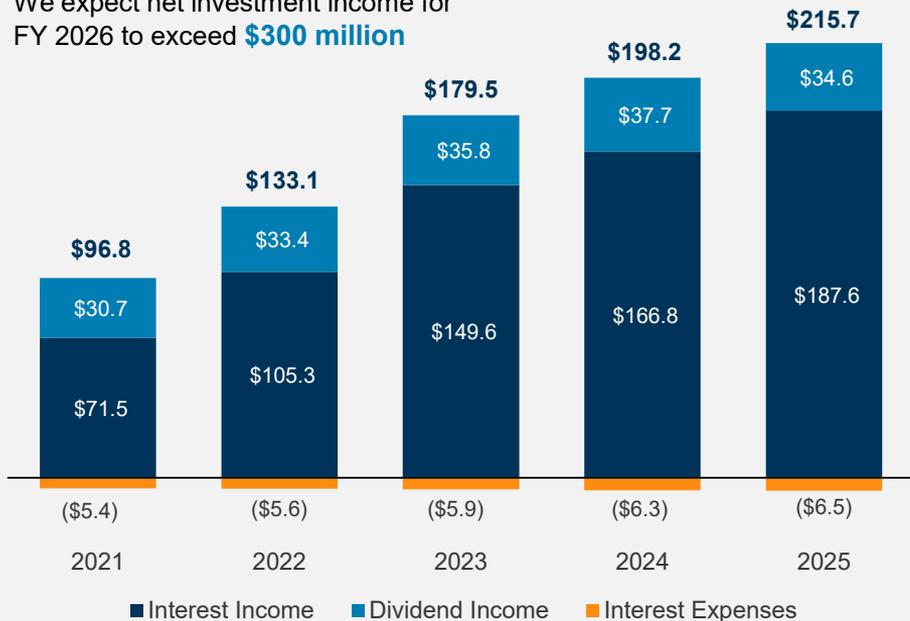
We fully reinsure losses on CAT events between the net company retention of **\$90M** and **\$630M**

**Additional reinsurance programs in place** provide further protections for commercial and/or casualty exposures

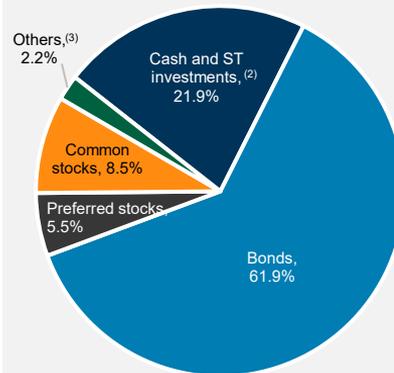
# High-quality Investment Portfolio

## NET INVESTMENT INCOME (\$M)

We expect net investment income for FY 2026 to exceed **\$300 million**



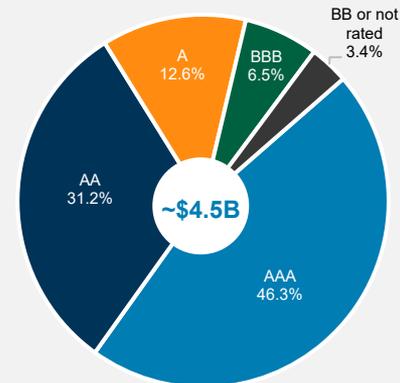
## PRUDENT ASSET ALLOCATION



~84% of total portfolio in high quality fixed income securities, cash, and short-term investments

86% of the preferred stocks in the portfolio rated "P2L" or better

## FIXED INCOME PORTFOLIO<sup>(1)</sup>



~90% of the bonds in our portfolio are rated "A-" or better

Significant concentration in the government and financial services sectors

Note: Data as of December 31, 2025, unless otherwise noted.

1. Using DBRS ratings.

2. Cash and ST Investments includes Cash and cash eq. of 4.9% and Short-term investments of 17.0%.

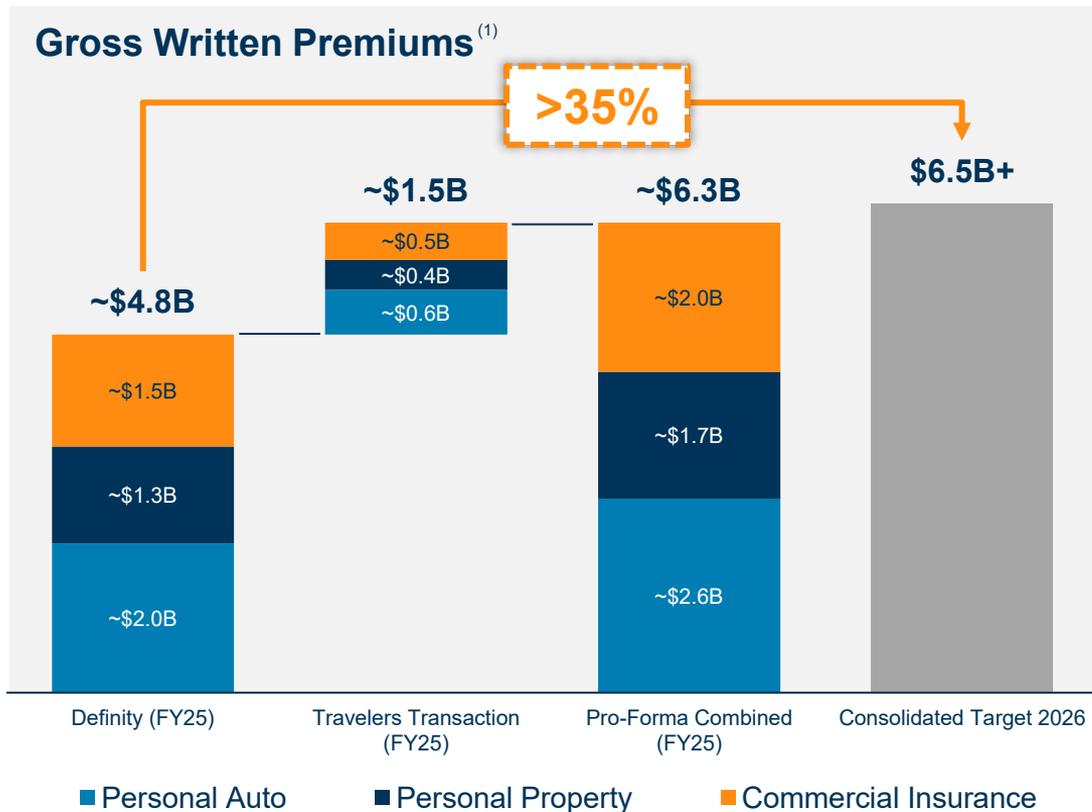
3. Others includes Pooled Funds of 2.1% and Commercial loans of 0.1%.

# Travelers Transaction



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# Meaningfully Advancing our Strategy & Market Position



## SUMMARY OF THE ACQUIRED BUSINESS FROM THE TRAVELERS TRANSACTION

### Personal Insurance (~\$1B of GWP<sup>(1)</sup>)

- Scales and fast tracks growth while strengthening existing position with brokers
- Scale benefits allow for enhanced underwriting and pricing segmentation as well as leveraging cost efficiencies

### Commercial Insurance (~\$0.5B of GWP<sup>(1)</sup>)

- Significantly bolsters our commercial lines portfolio and adds new capabilities
- Well-positioned to expand the business given alignment of core products, geographic spread and broker distribution network

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# Integration Timeline

Travelers Transaction closed on January 2<sup>nd</sup> with a seamless experience for customers and employees; integration activities on track and policy conversion to begin shortly



## KEY ACCOMPLISHMENTS & FORWARD PRIORITIES

### Day 1

- Seamless Day 1 experience for brokers and policyholders facilitated by thorough preparations
- Transition services fully operational supporting uninterrupted business continuity
- Employees onboarded under unified leadership
- Strong cultural alignment amplified by in-person employee townhalls reiterating our employee promise

### H1-2026

- Move new business intake to Definity and advance our journey to harmonize product offerings under one broker brand
- Preparations on track to start policy conversion process in Q2-2026
- Execute planned integration activities to achieve deal value
- Sustain effective change management activities for employees and brokers

### H2-2026 – YE2028

- Leverage broader product offerings and enhanced underwriting capabilities to drive business growth and profitability
- Achieve economies of scale by rationalizing systems and platforms
- Retain and develop key talent through ongoing change management activities
- Complete integration and business separation, and achieve target end state for the combined company

# Clear Path to Realizing Expense Synergies

Our efficient operating base gives us strong confidence in the realization of synergy commitments

## \$100M+

(pre-tax) run-rate expense synergies expected to be realized **within 36 months**

*High confidence in the underlying sources ...*



**Technology platform consolidation**

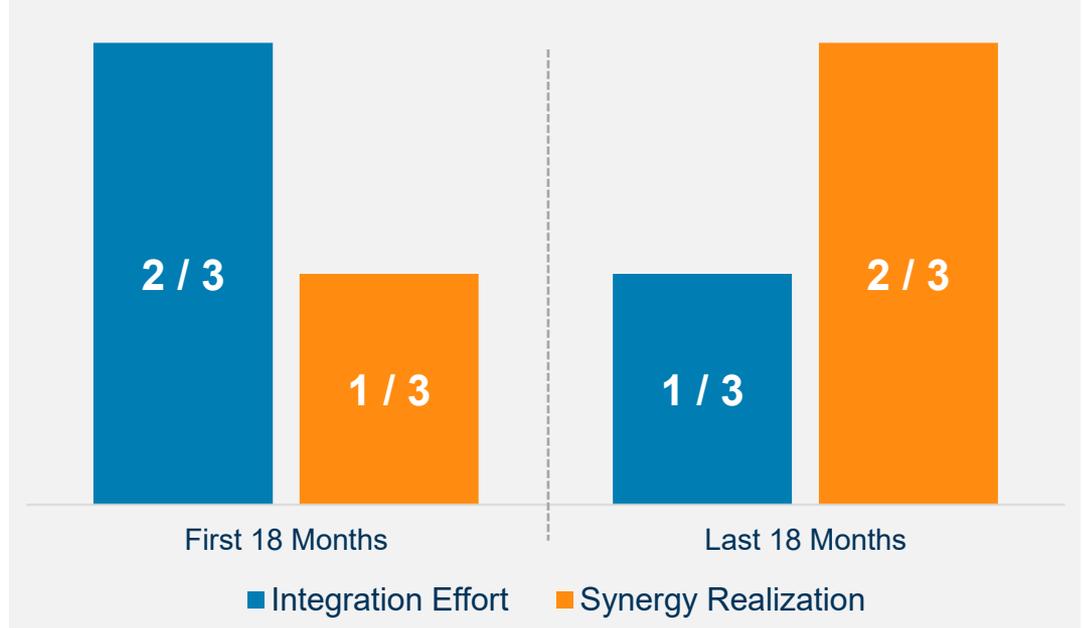


**Elimination of U.S. parent company charges**



**Operational efficiencies**

### SYNERGY TIMING



# Appendix

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definity.



# 12-month Industry Outlook



## Personal Auto

- **We expect conditions in personal auto to remain firm as insurers aim to keep pace with loss cost trends.**
- The uncertainty of loss cost trends related to auto repairs and replacements is expected to influence industry pricing with a focus across the industry on disciplined underwriting for the next 12 months.



## Personal Property

- **We expect market conditions to remain firm over the next 12 months** as the industry continues to remain diligent, taking underwriting and pricing actions required to fund weather event losses amid heightened climate risk.
- Primary insurers are expected to remain focused on loss prevention and mitigation, coverage design, and accumulation management.



## Commercial Insurance

- While **we expect overall commercial lines market conditions to remain attractive**, we are continuing to see that some commercial segments have become more competitive.
- Overall, we expect industry growth to be in the **low-to-mid-single digits** over the next 12 months, varying by segment.

# Financial Results

(in millions of Canadian dollars, except as otherwise noted - unaudited)

	Q4 2025	Q4 2024	FY 2025	FY 2024	FY 2023	FY 2022
Insurance revenue	1,219.5	1,124.9	4,677.1	4,258.4	3,850.3	3,485.7
Insurance service expenses	(1,018.6)	(922.5)	(3,930.3)	(3,672.8)	(3,377.1)	(3,028.9)
Net expenses from reinsurance contracts held	(46.3)	(37.5)	(156.4)	(105.3)	(48.8)	(14.9)
<b>Insurance service result</b>	<b>154.6</b>	<b>164.9</b>	<b>590.4</b>	<b>480.3</b>	<b>424.4</b>	<b>441.9</b>
Net investment income	61.1	51.1	215.7	198.2	179.5	133.1
Recognized (losses) gains on FVTPL investments	(7.4)	7.7	154.4	214.4	151.8	(446.1)
Finance (expenses) income from insurance contracts issued	(17.1)	(20.4)	(145.9)	(166.0)	(152.4)	96.3
Finance income (expenses) from reinsurance contracts held	1.4	1.4	14.2	14.5	13.3	(5.2)
Distribution revenues	56.6	46.6	229.4	186.0	127.4	19.9
Other expenses	(150.5)	(92.7)	(457.5)	(339.1)	(271.5)	(125.5)
Interest expense	(12.8)	(2.0)	(22.9)	(9.6)	(5.3)	(0.6)
<b>Income before income taxes</b>	<b>85.9</b>	<b>156.6</b>	<b>577.8</b>	<b>578.7</b>	<b>467.2</b>	<b>113.8</b>
Income tax expense	(26.6)	(39.1)	(151.8)	(143.8)	(112.7)	(2.3)
<b>Net income</b>	<b>59.3</b>	<b>117.5</b>	<b>426.0</b>	<b>434.9</b>	<b>354.5</b>	<b>111.5</b>
<b>Net income attributable to common shareholders</b>	<b>58.0</b>	<b>116.6</b>	<b>418.2</b>	<b>430.4</b>	<b>350.1</b>	<b>110.9</b>
<b>Net income attributable to non-controlling interests</b>	<b>1.3</b>	<b>0.9</b>	<b>7.8</b>	<b>4.5</b>	<b>4.4</b>	<b>0.6</b>
Gross written premiums <sup>1</sup>	1,212.1	1,109.5	4,808.1	4,448.1	4,005.2	3,662.3
Net underwriting revenue <sup>1</sup>	1,101.5	1,006.0	4,226.2	3,842.5	3,542.6	3,251.2
Underwriting income <sup>1</sup>	111.5	97.0	354.7	212.4	144.9	189.4
Net investment income	61.1	51.1	215.7	198.2	179.5	133.1
Distribution income <sup>1</sup>	10.9	11.4	62.0	54.4	39.3	14.1
Interest expense	(12.8)	(2.0)	(22.9)	(9.6)	(5.3)	(0.6)
Other operating expenses	(11.2)	(10.5)	(50.8)	(45.8)	(34.7)	(26.9)
<b>Operating income<sup>1</sup></b>	<b>159.5</b>	<b>147.0</b>	<b>558.7</b>	<b>409.6</b>	<b>323.7</b>	<b>309.1</b>
<b>Operating net income<sup>1</sup></b>	<b>120.7</b>	<b>110.4</b>	<b>420.7</b>	<b>310.2</b>	<b>248.2</b>	<b>237.8</b>

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 advisory and Section 13 – *Supplementary financial measures and non-GAAP financial measures and ratios* in the Q4-2025 MD&A for further details.

# Selected Financial Ratios

	Q4 2025	Q4 2024	FY 2025	FY 2024	FY 2023	FY 2022
Gross written premium <sup>1</sup> YOY Growth	9.2%	7.4%	8.1%	11.1%	9.4%	12.4%
Claims ratio <sup>1</sup>	60.6%	60.7%	62.0%	64.5%	65.1%	61.7%
Expense ratio <sup>1</sup>	29.3%	29.6%	29.6%	30.0%	30.8%	32.5%
<b>Combined ratio<sup>1</sup></b>	<b>89.9%</b>	<b>90.3%</b>	<b>91.6%</b>	<b>94.5%</b>	<b>95.9%</b>	<b>94.2%</b>
ROE <sup>1</sup>	11.6%	14.2%	11.6%	14.2%	13.0%	4.3%
Operating ROE <sup>1</sup>	12.2%	10.6%	12.2%	10.6%	9.2%	9.5%
Minimum capital test (MCT) ratio <sup>2</sup>	202%	204%	202%	204%	205%	204%
Earnings per common share, basic	\$ 0.48	\$ 1.02	\$ 3.57	\$ 3.75	\$ 3.04	\$ 0.96
Earnings per common share, diluted	\$ 0.48	\$ 1.00	\$ 3.51	\$ 3.69	\$ 3.00	\$ 0.95
Operating earnings per common share <sup>1</sup>	\$ 0.99	\$ 0.95	\$ 3.53	\$ 2.66	\$ 2.13	\$ 2.03

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2. Consolidated Definity Insurance Company. 2022 MCT does not reflect the adoption of IFRS 17 and IFRS 9, and was not restated for OSFI's MCT 2023 guidelines

# Balance Sheet

	FY 2025	FY 2024	FY 2023	FY 2022
Total cash and investments	7,252.8	5,592.6	5,128.5	5,097.7
Restricted cash	-	14.8	244.0	302.1
Income taxes receivable	0.9	6.7	-	81.7
Reinsurance contract assets	366.7	346.2	330.4	305.1
Property and equipment	98.6	104.8	103.1	83.8
Deferred income tax assets	21.0	13.2	23.6	25.2
Goodwill and intangible assets	1,562.3	1,397.5	1,229.9	771.6
Other assets	275.0	217.5	200.0	152.5
<b>Total assets</b>	<b>9,577.3</b>	<b>7,693.3</b>	<b>7,259.5</b>	<b>6,819.7</b>
Insurance contract liabilities	3,801.7	3,603.3	3,493.8	3,577.7
Accounts payable and other liabilities	186.3	148.1	131.9	139.0
Income taxes payable	21.2	42.3	117.9	-
Deferred income tax liabilities	153.3	154.3	150.7	103.5
Securities sold under repurchase agreements	-	110.1	-	-
Debt outstanding	1,122.7	114.3	114.3	39.1
Demutualization amounts outstanding	-	14.8	244.0	302.1
<b>Total liabilities</b>	<b>5,285.2</b>	<b>4,187.2</b>	<b>4,252.6</b>	<b>4,161.4</b>
Share capital	2,599.7	2,220.4	2,273.0	2,254.2
Contributed surplus	53.0	42.4	40.4	40.2
Retained earnings	1,375.8	1,058.1	561.3	287.8
Accumulated other comprehensive income (loss) (AOCI)	21.2	(1.1)	(27.0)	(32.4)
Equity attributable to common shareholders	4,049.7	3,319.8	2,847.7	2,549.8
Non-controlling interests	242.4	186.3	159.2	108.5
<b>Total equity</b>	<b>4,292.1</b>	<b>3,506.1</b>	<b>3,006.9</b>	<b>2,658.3</b>
<b>Total liabilities and equity</b>	<b>9,577.3</b>	<b>7,693.3</b>	<b>7,259.5</b>	<b>6,819.7</b>

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 advisory and Section 13 – *Supplementary financial measures and non-GAAP financial measures and ratios* in the Q4-2025 MD&A for further details.

2. Consolidated Definity Insurance Company.

# Financial Strength and Issuer Ratings

Issuer, debt, and financial strength ratings have been assigned to Definity Financial Corporation, and its subsidiary Definity Insurance, where applicable, by major credit rating agencies. The ratings are reflective of Definity's strong capitalization and liquidity, extensive distribution network, and established enterprise risk management framework. The ratings were updated following the announcement of the Travelers Transaction on May 27, 2025 and are indicative of Definity's ability to meet its obligations to policyholders, creditors, and others.

	Credit Rating Agency	Rating	Outlook	Date
<i>Financial strength ratings</i>				
Definity Insurance	AM Best	A (Excellent)	Stable	May 28, 2025
Definity Insurance	DBRS	A	Positive	June 6, 2025
<i>Issuer rating</i>				
Definity Financial Corporation	DBRS	BBB (high)	Positive	June 6, 2025
<i>Senior unsecured debt rating</i>				
Definity Financial Corporation	DBRS	(P) BBB (high)	Positive	September 11, 2025

# Further Advisory Regarding Forward-Looking Information

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.

# Contact Us

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