

definity.



# Building a Canadian Champion

Investor Presentation  
Q1-2026



# 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 interim financial statements and accompanying notes as at and for the quarter ended March 31, 2026 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



# 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**



**Top 5 P&C Insurance Carrier in Canada<sup>(1)</sup>**

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



**Deeply Engaged Team**

~6,300<sup>(3)</sup> employees in offices across six provinces and a national network of ~700 independent brokerage firms



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

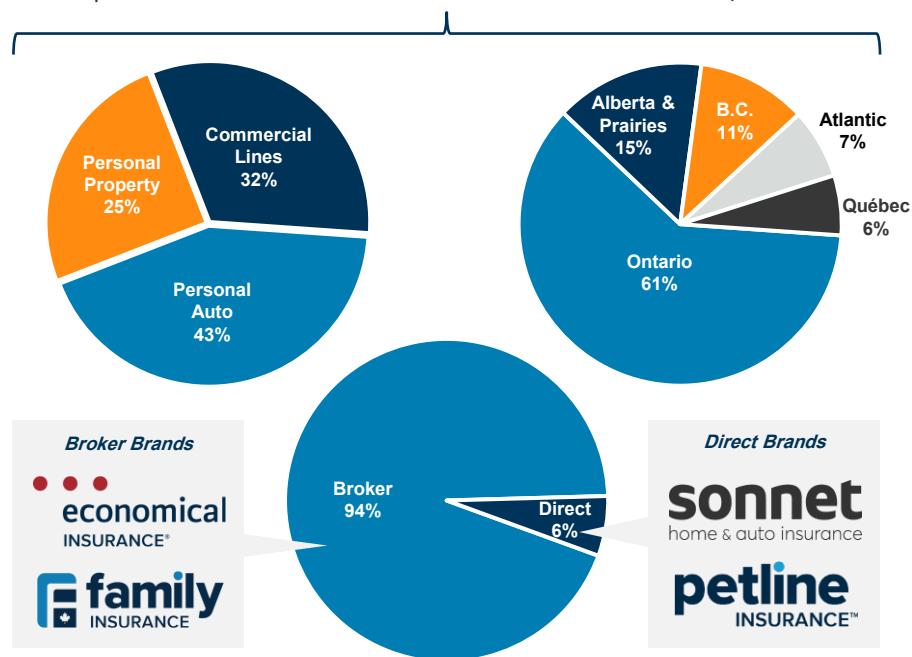
Demonstrated by award-winning digital platforms



**Profitable Growth Driving Shareholder Value**

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

**~\$6.3B IN GROSS WRITTEN PREMIUMS<sup>(1,2)</sup> TTM Q1-2026**



1. Determined on a pro forma basis following completion of the Travelers Transaction. Charts reflect gross written premiums for Q1-2026.

2. 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 12- Supplementary financial measures and non-GAAP financial measures and ratios in the Q1-2026 MD&A for further details.

3. Figure includes employees of Definity Insurance and the national broker platform.

# 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

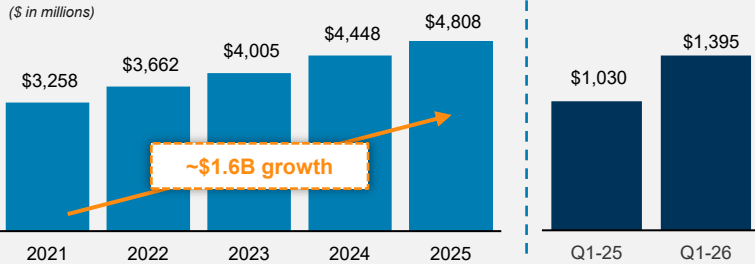


Leading model risk management and data & analytics ethics practices

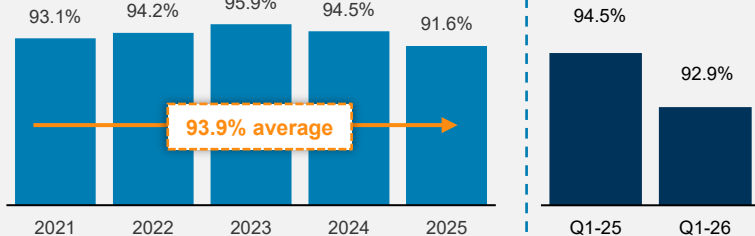
 <b>ALL LINES</b>	 <b>PERSONAL LINES</b>	 <b>COMMERCIAL LINES</b>
<p>Numerous models <b>triage &amp; evaluate claims in real time</b> upon first notification of loss</p>	<p>Predictive modelling evaluates <b>customer profitability, loss propensity, conversion, retention</b>, and need for <b>underwriter 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

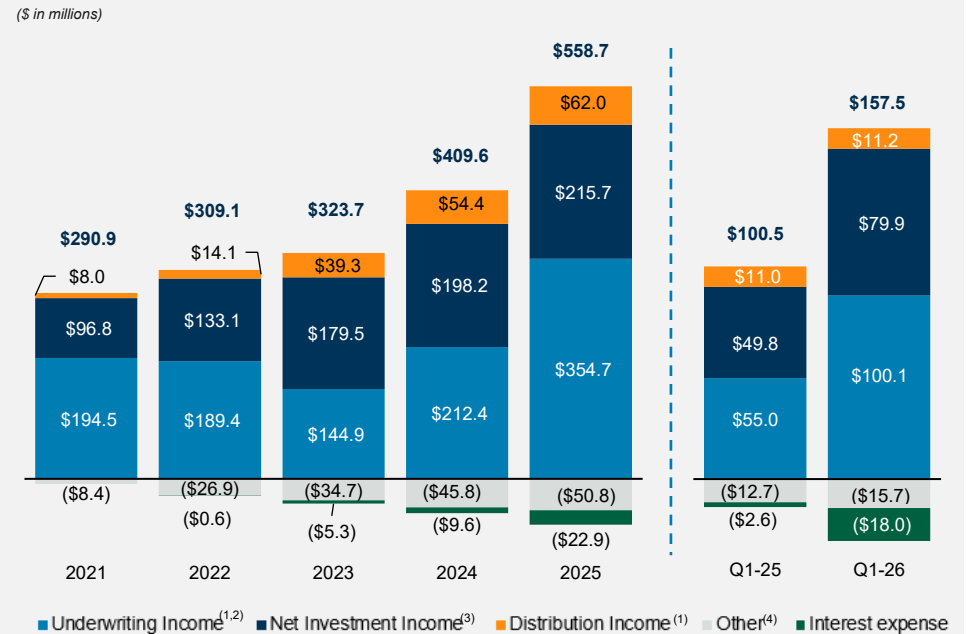
## GROSS WRITTEN PREMIUMS<sup>(1)</sup>



## 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 12 – *Supplementary financial measures and non-GAAP financial measures and ratios* in the Q1-2026 MD&A for further details.

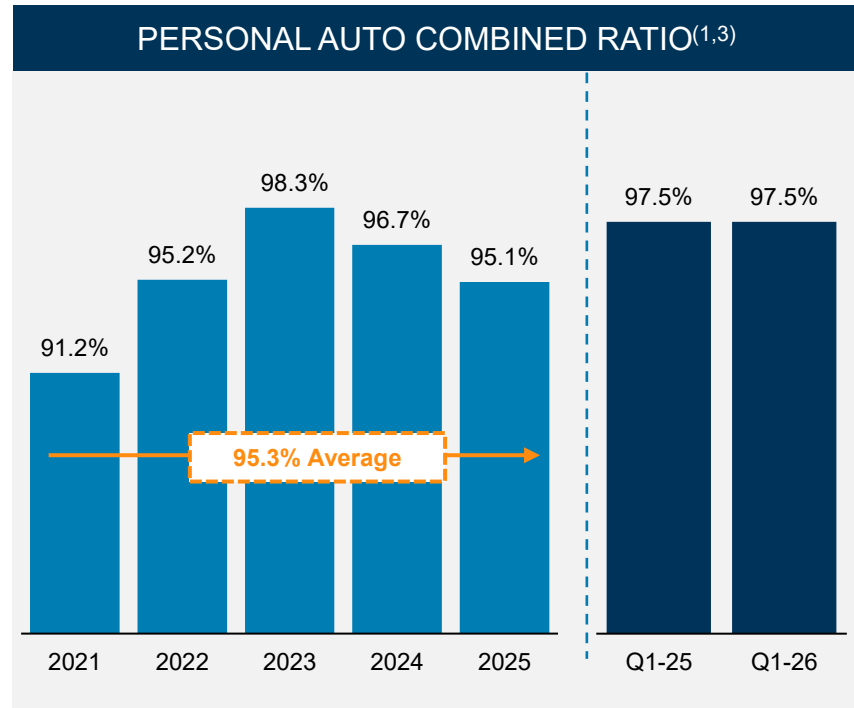
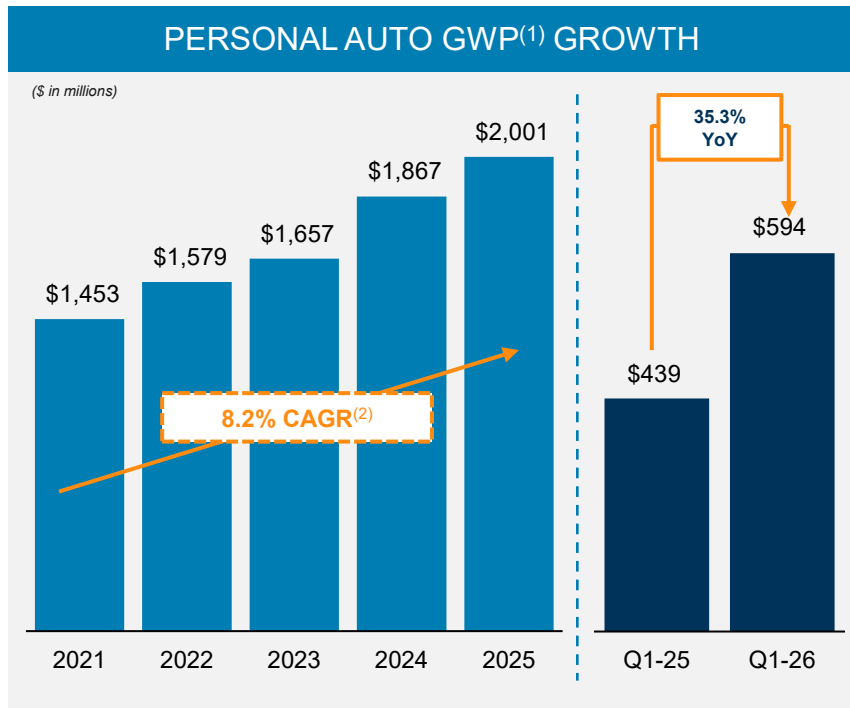
<sup>2</sup> The combined ratio and underwriting income exclude the impact of discounting.

<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 onwards are under IFRS 17.

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

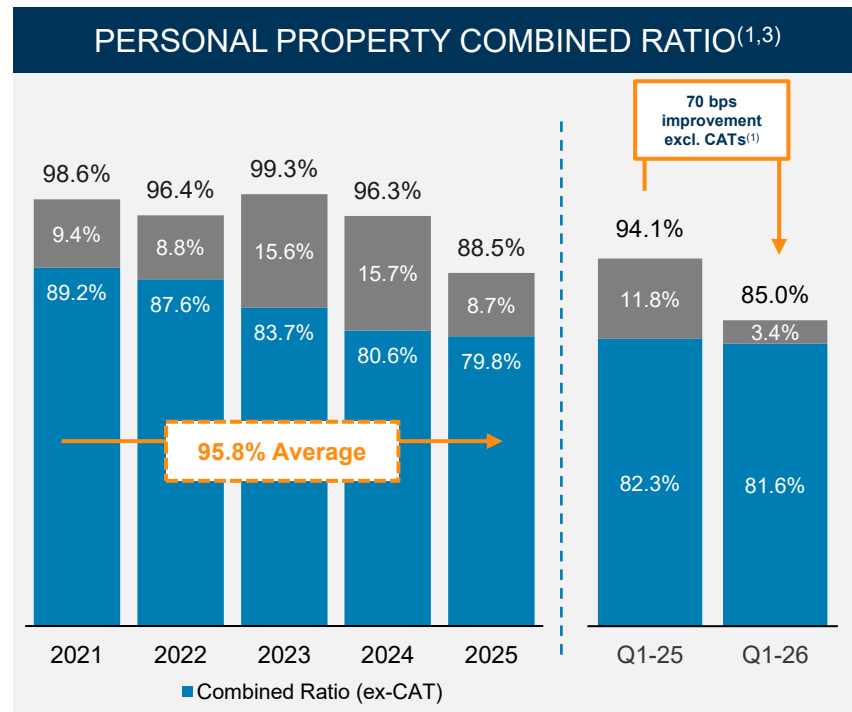
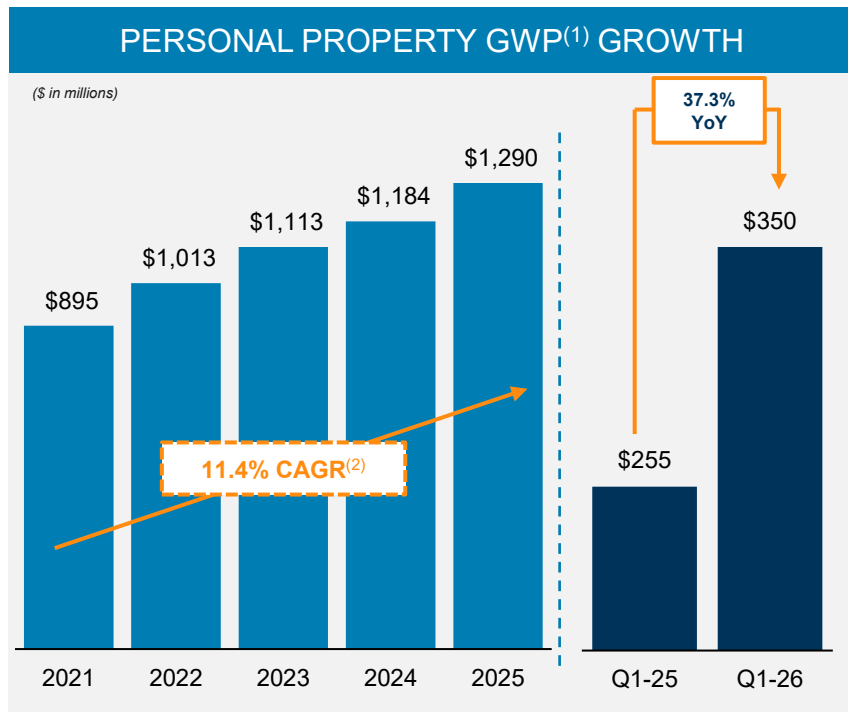


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2. 5Y CAGR from 2020-2025.

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

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



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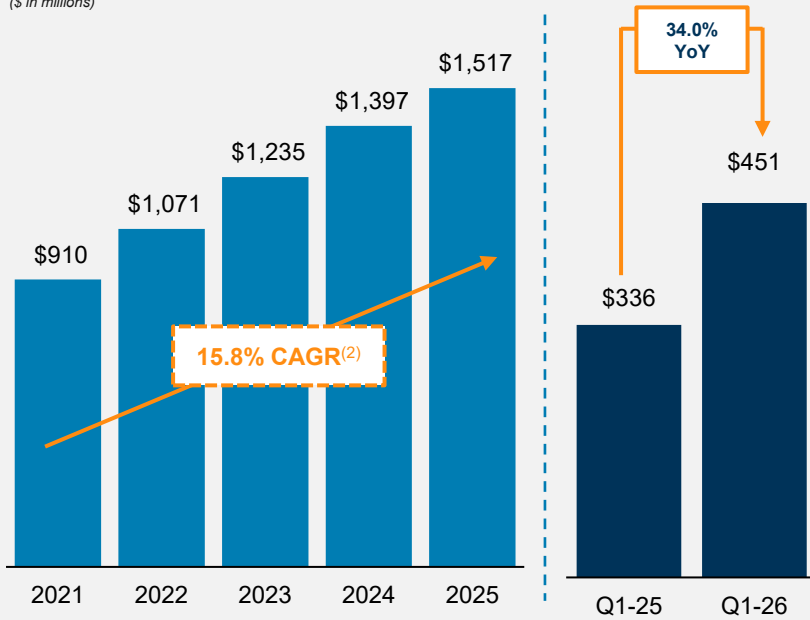
2. 5Y CAGR from 2020-2025.

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

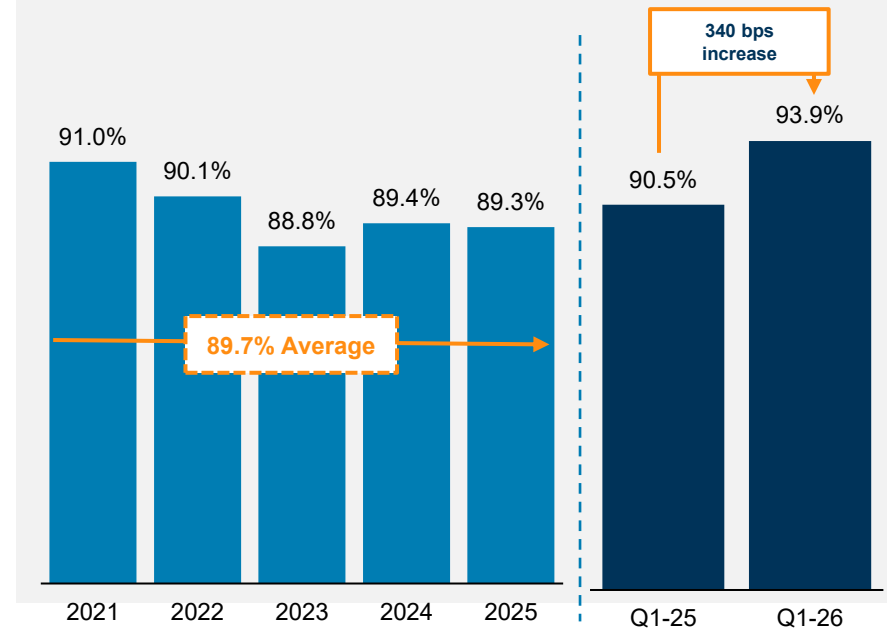
# Growing Commercial Insurance capabilities with a meaningful competitive advantage in underwriting

## 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.

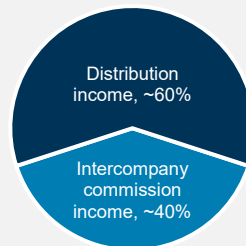
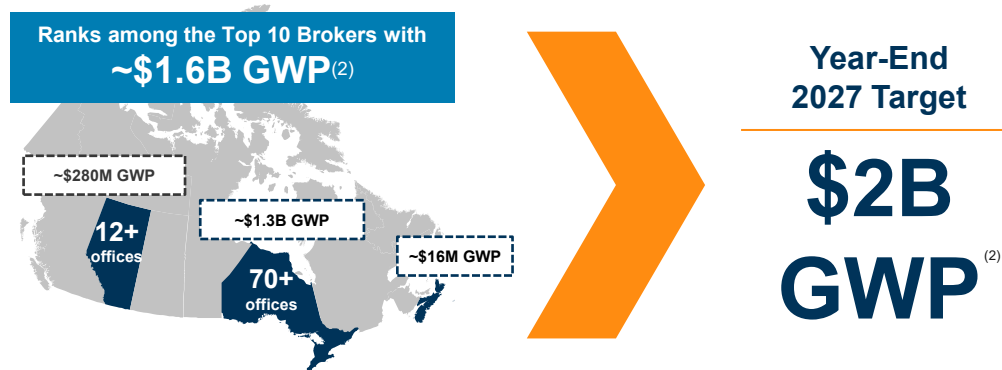
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# Our Leading Broker Platform

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
YTD-26 <sup>(1)</sup>	2 acquisitions	~\$23M

- 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
- Well positioned to source additional opportunities



### Full Year Guidance:

In 2026, the portfolio of broker investments is expected to generate operating income before finance costs, taxes and minority interests<sup>(2)</sup> that is **approximately 20% higher** than the \$94.4 million generated in 2025

1. Year to date May 7, 2026

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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

- ✓ **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 sustainability**, reflecting a well-rounded team aligned with the Definity's long-term strategic objectives.

# Definity, It's Better Here

## Company Recognition 2024-2026



## Our engagement journey



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

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

93% 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 Senior Leadership Team 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

## Q1 2026 Key Statistics



**97%** retention rate of high-performers



**89%** of all leadership roles at Definity are filled by internal candidates



**65%** 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 the end of Q1



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



**50%** of managerial positions are held by **women** as of the end of Q1

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 as of Q1 2026. 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

- **Outperformed 2025 operational emissions target** of -30% by achieving a 36% reduction in Scope 1 and Scope 2 (market-based) emissions relative to 2019 levels
- **Achieved 2025 financed emissions target**, a 30% reduction in emissions intensity of investments in listed equity and corporate bonds, relative to 2020 levels
- Partnered with Université du Québec à Montréal to establish **research chair dedicated to climate risk modelling**

## SOCIAL

- **Exceeded 2026 representation goal** of at least 15% of Vice-President+ roles held by individuals who self-identify as Black, Indigenous, People of Colour, LGBTQ+, and/or persons with disabilities, reaching 29%
- Awarded **Best Workplaces™ with Most Trusted Executive Team 2025** (Great Place to Work®)
- Contributed **\$5.3 million** in charitable giving in 2025, the largest amount in Definity's history

## GOVERNANCE

- **11 of 12 Board directors are independent<sup>(1)</sup>**, including the Chair
- **Sustainability-linked loan** ties credit facility pricing to annual ESG performance metrics aligned with executive compensation
- MSCI ESG Rating – “AAA”
- Awarded “**Best Sustainability Reporting (Mid-Cap)**” at 2026 IR Impact Awards – Canada

1. Only non-independent Board director is the CEO.



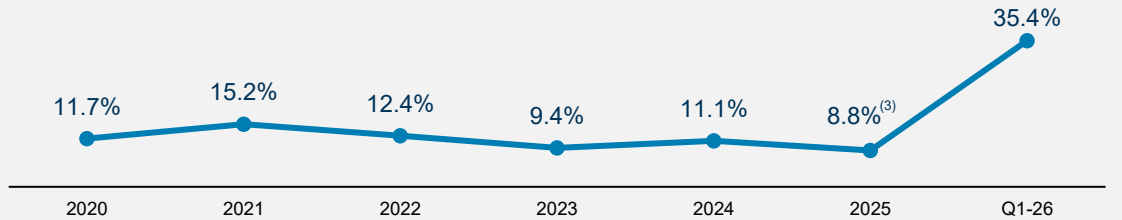
# Financial Performance and Analysis



# Our Financial Targets for 2026

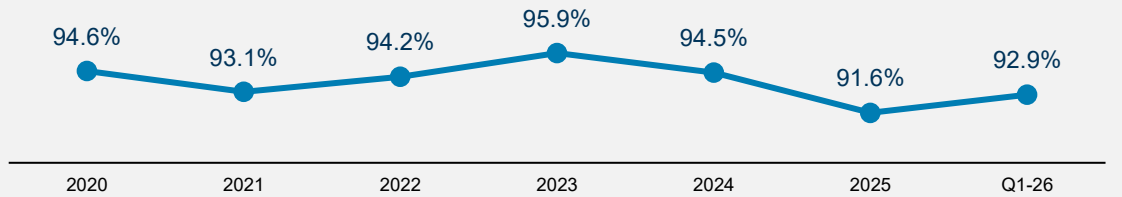
## Gross Written Premiums<sup>(1)</sup>

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



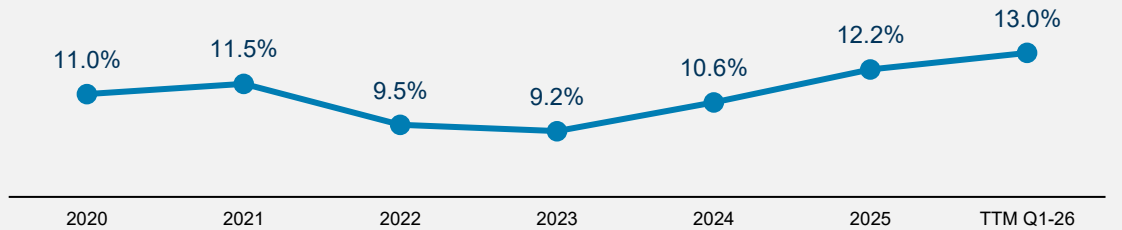
## Combined Ratio<sup>(1,2)</sup>

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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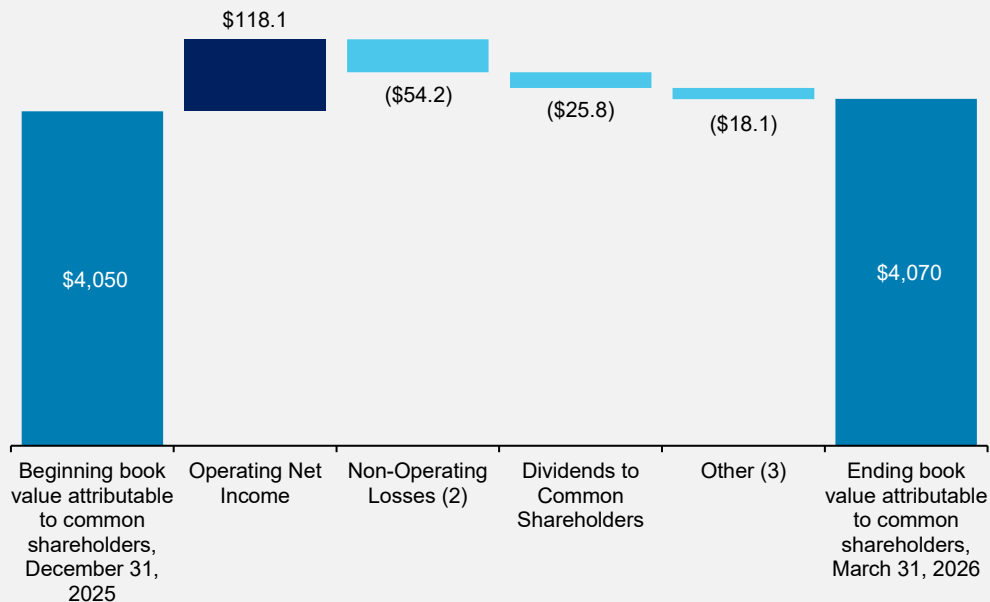
2. The year 2020-2021 are under IFRS 4 and 2022 onwards are under IFRS 17.

3. Adjusted for exit of Sonnet Alberta Auto.

# Balance Sheet Strength

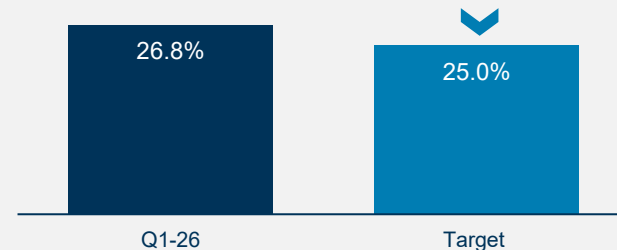
## BOOK VALUE

(\$ in millions)



## DEBT CAPITALIZATION

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



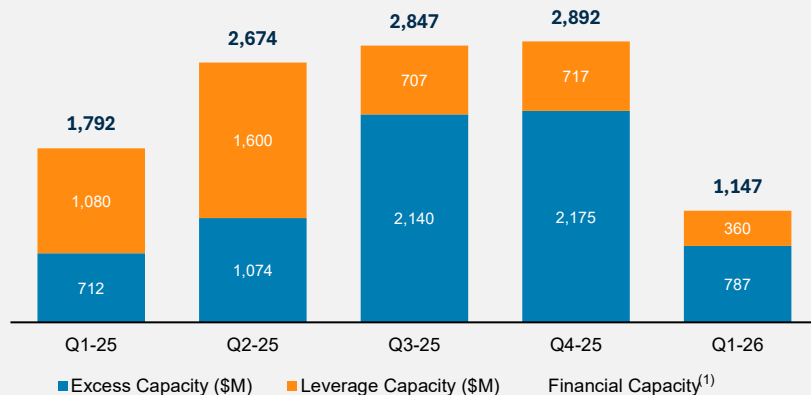
## CREDIT RATINGS

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

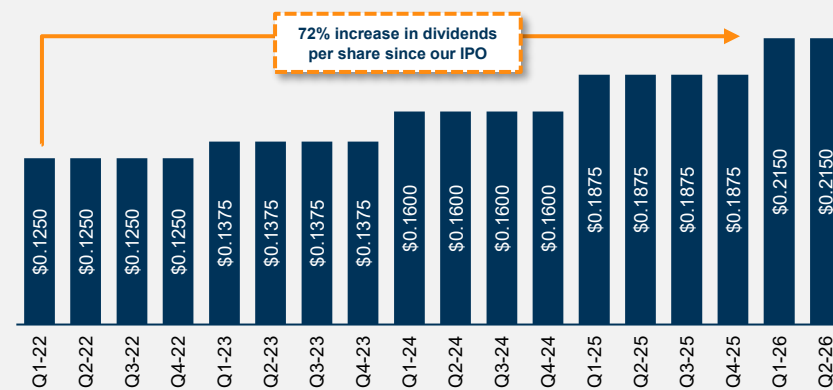
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- Non-operating losses mainly driven by unrealized losses on bonds, and acquisition-related expenses and integration expenses in connection with the Travelers Transaction.
- Represents other comprehensive income, and changes in share capital and contributed 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.

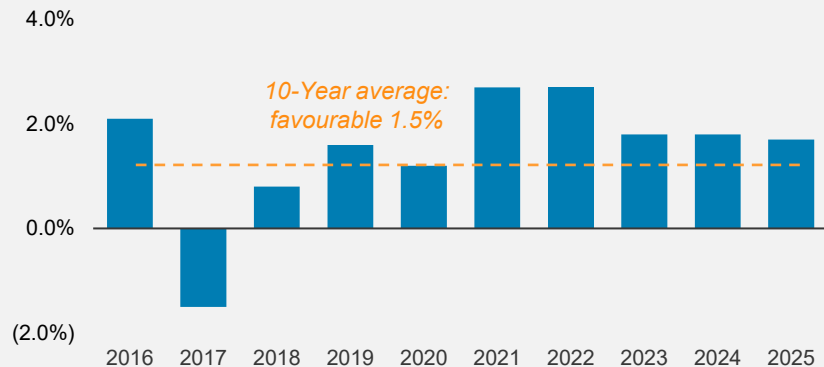
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2. Does not include the \$0.05 dividend for stub period between the initial public offering and December 31, 2021, paid on March 28, 2022.

# 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>



## 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

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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.

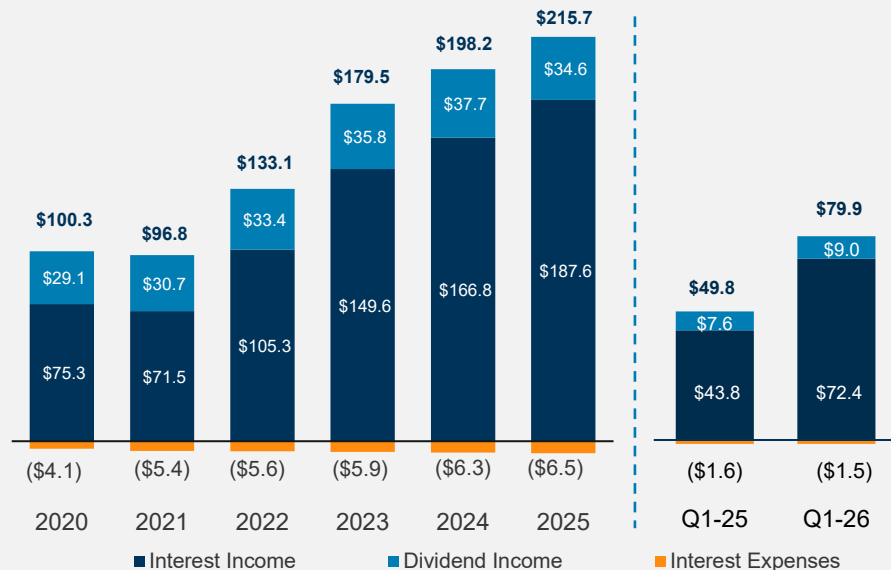
3. Excludes co-participation.

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

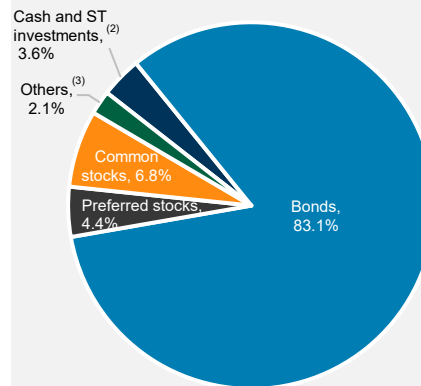
# High-quality Investment Portfolio

## NET INVESTMENT INCOME (\$M)

We expect net investment income for FY 2026 of approximately **\$320 million**



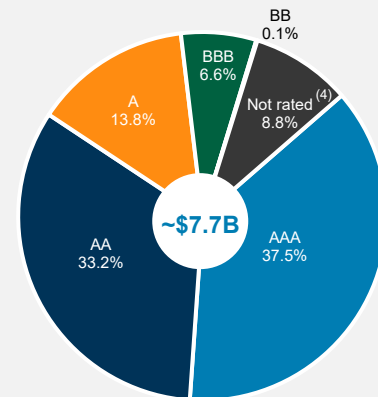
## PRUDENT ASSET ALLOCATION



~87% of total portfolio in high quality fixed income securities, cash, and short-term investments

~85% of the preferred stocks in the portfolio rated "P2L" or better

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



~85% of the bonds in our portfolio are rated "A-" or better

Significant concentration in the government and financial services sectors

Note: Data as of March 31, 2026, unless otherwise noted.

1. Using DBRS ratings.

2. Cash and ST Investments includes Cash and cash eq. of 3.0% and Short-term investments of 0.6%.

3. Others includes Pooled Funds of 2.0% and Commercial loans of 0.1%.

4. Comprised of municipal bonds which are considered by management to be high quality financial instruments.



# Acquisition Update



# Travelers Transaction Early Wins

Our overall conviction on the deal is higher, and we have greater confidence in the 200bps+ of OROE benefit

## Earlier and more efficient transaction execution

- Acquisition costs are tracking ~10% below our expectations, inclusive of the higher-than-expected capital markets raises
- Reinsurance renewal outcomes materially better than expected due to timely close which enabled the alignment of business appetite on Day 1 and our ability to execute in favourable market conditions

## Financing and capital structure benefits







- Interest rate on all debt financings was 40 bps lower than what was modeled
- Excess capital term loan repayment after one month vs. six months, saving ~\$15M in interest expenses

## Stronger balance sheet and financial flexibility

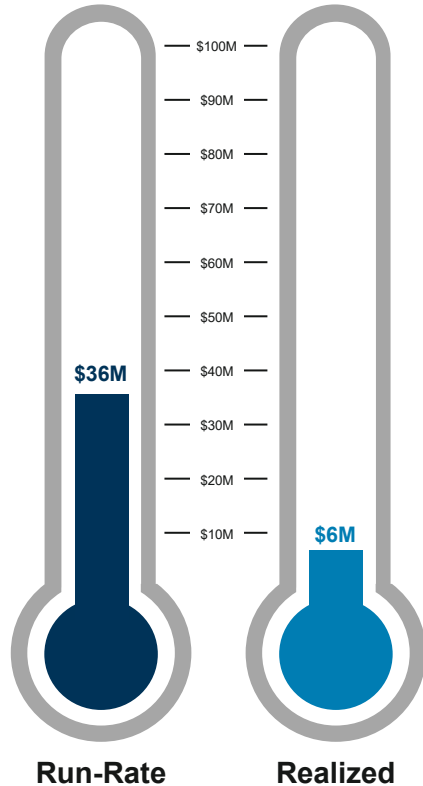
- Acquired tangible balance sheet was larger than modeled and equity/bond placements were higher than forecast, enhancing financial flexibility
- Current debt-to-capital ratio of 26.8%, approaching our long-term target level of 25% ahead of our 24-month guidance

# Travelers Integration Update

Focused integration efforts across the organization enabled on-time start for policy conversion, with strong broker support, robust communications plan and back-office foundation in place

-  **New business intake channels harmonized, and all new business now written as a single Definity offering**
-  **Policy conversion started in Q2 for most policies; remaining policies on track to start on schedule**
-  **Supporting communications and conversion guidance are regularly delivered to customers and brokers**
-  **New brokers have been onboarded, and overall broker engagement remains high across Canada**
-  **Conversion for Claims in progress and on track to follow policy conversion timelines**
-  **Value creation continuing to trend favourably for synergy objectives and integration costs**

# Q1-2026 Synergy Progress and Costs



- We expect to realize expense synergies of at least **\$100M (pre-tax) within 36 months of close, with approximately one-third to earn into underwriting income in the first 12 months** and the remainder over the subsequent 24 months
- We achieved **\$36M** in run-rate expense synergies in Q1-2026, **ahead of our initial schedule**
- Underwriting results benefitted from \$6M of realized expense synergies in Q1-2026
- Three primary sources of synergies:
  - **Technology platform consolidation**, as the acquired personal and commercial volumes migrate onto Definity's scalable platforms
  - **Elimination of U.S. parent company service charges** that fall away as the business transitions to Definity oversight and operations
  - **Operational efficiencies** driven by elimination of duplicative and administrative activities and the benefits of scale

## Acquisition Costs

- We have incurred ~\$93M of acquisition costs as of Q1-2026, which is below initial expectations
- We do not expect to incur any material additional costs

## Integration Costs

- Integration expenses of \$44M (Q1-2026: \$17M) have been incurred to date
- We remain on track to incur a total of \$150 million to \$170 million
- Given the timing of integration activities, we anticipate the majority of the costs to occur in the first year of integration, with approximately one quarter in 2027



# Appendix



# 12-month Industry Outlook



## Personal Auto

- We expect overall conditions in personal auto to remain firm as insurers aim to keep pace with the combined impact of loss cost trends, ongoing regulatory constraints in Alberta, and uncertainty related to the extent and impact of macroeconomic factors.
- Competitive dynamics are likely to fluctuate across the market over the next 12 months as insurers take pricing actions and reforms are implemented.



## 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.
- Long-term climate trends continue to drive structural risk. Primary insurers are expected to continue to focus on loss prevention and mitigation, coverage design, and accumulation management.



## Commercial Insurance

- While we expect overall commercial lines market conditions to remain attractive, we have seen competition intensify in the large account space.
- We continue to expect overall 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)

	Q1 2026	Q1 2025	FY 2025	FY 2024	FY 2023	FY 2022
Insurance revenue	1,823.9	1,111.9	4,677.1	4,258.4	3,850.3	3,485.7
Insurance service expenses	(1,588.0)	(958.0)	(3,930.3)	(3,672.8)	(3,377.1)	(3,028.9)
Net expenses from reinsurance contracts held	(44.0)	(30.6)	(156.4)	(105.3)	(48.8)	(14.9)
<b>Insurance service result</b>	<b>191.9</b>	<b>123.3</b>	<b>590.4</b>	<b>480.3</b>	<b>424.4</b>	<b>441.9</b>
Net investment income	79.9	49.8	215.7	198.2	179.5	133.1
Recognized (losses) gains on FVTPL investments	(36.7)	52.2	154.4	214.4	151.8	(446.1)
Finance (expenses) income from insurance contracts issued	(29.2)	(57.3)	(145.9)	(166.0)	(152.4)	96.3
Finance income (expenses) from reinsurance contracts held	2.5	5.9	14.2	14.5	13.3	(5.2)
Distribution revenues	55.6	49.0	229.4	186.0	127.4	19.9
Other expenses	(153.8)	(97.0)	(457.5)	(339.1)	(271.5)	(125.5)
Interest expense	(18.0)	(2.6)	(22.9)	(9.6)	(5.3)	(0.6)
<b>Income before income taxes</b>	<b>92.2</b>	<b>123.3</b>	<b>577.8</b>	<b>578.7</b>	<b>467.2</b>	<b>113.8</b>
Income tax expense	(26.7)	(30.5)	(151.8)	(143.8)	(112.7)	(2.3)
<b>Net income</b>	<b>65.5</b>	<b>92.8</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>63.9</b>	<b>92.0</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>1.6</b>	<b>0.8</b>	<b>7.8</b>	<b>4.5</b>	<b>4.4</b>	<b>0.6</b>
Gross written premiums <sup>1</sup>	1,394.6	1,030.1	4,808.1	4,448.1	4,005.2	3,662.3
Net underwriting revenue <sup>1</sup>	1,414.4	1,001.8	4,226.2	3,842.5	3,542.6	3,251.2
Underwriting income <sup>1</sup>	100.1	55.0	354.7	212.4	144.9	189.4
Net investment income	79.9	49.8	215.7	198.2	179.5	133.1
Distribution income <sup>1</sup>	11.2	11.0	62.0	54.4	39.3	14.1
Interest expense	(18.0)	(2.6)	(22.9)	(9.6)	(5.3)	(0.6)
Other operating expenses	(15.7)	(12.7)	(50.8)	(45.8)	(34.7)	(26.9)
<b>Operating income<sup>1</sup></b>	<b>157.5</b>	<b>100.5</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>118.1</b>	<b>75.9</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 12 – *Supplementary financial measures and non-GAAP financial measures and ratios* in the Q1-2026 MD&A for further details.

# Selected Financial Ratios

	Q1 2026	Q1 2025	FY 2025	FY 2024	FY 2023	FY 2022
Gross written premium <sup>1</sup> YOY Growth	35.4%	7.8%	8.1%	11.1%	9.4%	12.4%
Claims ratio <sup>1</sup>	62.4%	64.2%	62.0%	64.5%	65.1%	61.7%
Expense ratio <sup>1</sup>	30.5%	30.3%	29.6%	30.0%	30.8%	32.5%
<b>Combined ratio<sup>1</sup></b>	<b>92.9%</b>	<b>94.5%</b>	<b>91.6%</b>	<b>94.5%</b>	<b>95.9%</b>	<b>94.2%</b>
ROE <sup>1</sup>	10.6%	13.4%	11.6%	14.2%	13.0%	4.3%
Operating ROE <sup>1</sup>	13.0%	10.3%	12.2%	10.6%	9.2%	9.5%
Minimum capital test (MCT) ratio <sup>2</sup>	235%	215%	202%	204%	205%	204%
Earnings per common share, basic	\$ 0.53	\$ 0.81	\$ 3.57	\$ 3.75	\$ 3.04	\$ 0.96
Earnings per common share, diluted	\$ 0.52	\$ 0.79	\$ 3.51	\$ 3.69	\$ 3.00	\$ 0.95
Operating earnings per common share <sup>1</sup>	\$ 0.97	\$ 0.65	\$ 3.53	\$ 2.66	\$ 2.13	\$ 2.03

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 12 – *Supplementary financial measures and non-GAAP financial measures and ratios* in the Q1-2026 MD&A for further details.

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

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

	Q1 2026	Q1 2025	FY 2025	FY 2024	FY 2023	FY 2022
Total cash and investments	9,279.0	5,599.3	7,252.8	5,592.6	5,128.5	5,097.7
Restricted cash	-	-	-	14.8	244.0	302.1
Income taxes receivable	48.9	15.7	0.9	6.7	-	81.7
Reinsurance contract assets	693.1	371.1	366.7	346.2	330.4	305.1
Property and equipment	113.6	102.9	98.6	104.8	103.1	83.8
Deferred income tax assets	136.0	11.1	21.0	13.2	23.6	25.2
Goodwill and intangible assets	2,621.7	1,446.8	1,562.3	1,397.5	1,229.9	771.6
Other assets	319.1	232.7	275.0	217.5	200.0	152.5
<b>Total assets</b>	<b>13,211.4</b>	<b>7,779.6</b>	<b>9,577.3</b>	<b>7,693.3</b>	<b>7,259.5</b>	<b>6,819.7</b>
Insurance contract liabilities	6,577.5	3,584.5	3,801.7	3,603.3	3,493.8	3,577.7
Accounts payable and other liabilities	225.4	131.5	186.3	148.1	131.9	139.0
Income taxes payable	3.6	0.7	21.2	42.3	117.9	-
Deferred income tax liabilities	376.9	154.8	153.3	154.3	150.7	103.5
Securities sold under repurchase agreements	227.8	211.1	-	110.1	-	-
Debt outstanding	1,487.9	114.3	1,122.7	114.3	114.3	39.1
Demutualization amounts outstanding	-	-	-	14.8	244.0	302.1
<b>Total liabilities</b>	<b>8,899.1</b>	<b>4,196.9</b>	<b>5,285.2</b>	<b>4,187.2</b>	<b>4,252.6</b>	<b>4,161.4</b>
Share capital	2,615.6	2,224.4	2,599.7	2,220.4	2,273.0	2,254.2
Contributed surplus	42.2	30.0	53.0	42.4	40.4	40.2
Retained earnings	1,397.2	1,115.7	1,375.8	1,058.1	561.3	287.8
Accumulated other comprehensive (loss) income (AOCI)	14.8	(1.8)	21.2	(1.1)	(27.0)	(32.4)
Equity attributable to common shareholders	4,069.8	3,368.3	4,049.7	3,319.8	2,847.7	2,549.8
Non-controlling interests	242.5	214.4	242.4	186.3	159.2	108.5
<b>Total equity</b>	<b>4,312.3</b>	<b>3,582.7</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>13,211.4</b>	<b>7,779.6</b>	<b>9,577.3</b>	<b>7,693.3</b>	<b>7,259.5</b>	<b>6,819.7</b>

# Financial Strength and Issuer Ratings

Issuer, debt, and financial strength ratings have been assigned to Definity, 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.

	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

# 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

# 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

## INVESTOR RELATIONS

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A low-angle, upward-looking photograph of several dark skyscrapers against a grey sky. A white wavy line with orange and blue highlights curves across the middle of the image. The Definity logo, consisting of an orange square followed by the word "definity." in white lowercase letters, is positioned in the upper right quadrant.

definity.