

Intact Financial Corporation

Interim Condensed Consolidated Financial Statements (unaudited)

For the quarter ended September 30, 2025



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Interim Condensed Consolidated Financial Statements (unaudited)

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Interim Condensed Consolidated Balance Sheets (unaudited)

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

As at	Note	September 30, 2025	December 31, 2024
Assets			
Investments	4		
Cash and cash equivalents		\$ 1,858	\$ 1,145
Debt securities		31,067	29,771
Preferred shares		1,568	1,660
Common shares		6,920	6,350
Investment property		687	571
Loans		791	785
Total investments		42,891	40,282
Reinsurance contract assets	7	4,786	4,788
Income taxes receivable		51	71
Deferred tax assets		693	744
Investments in associates and joint ventures		1,119	940
Property and equipment		854	820
Intangible assets	8	4,931	5,060
Goodwill	8	4,863	4,507
Other assets	9	2,785	2,314
Total assets		\$ 62,973	\$ 59,526
Liabilities			
Insurance contract liabilities	7	\$ 33,119	\$ 31,900
Income taxes payable		325	142
Deferred tax liabilities		511	593
Debt outstanding	10	4,656	4,681
Other liabilities	9	4,400	4,062
Total liabilities		\$ 43,011	\$ 41,378
Equity			
Common shares		\$ 8,098	\$ 8,126
Preferred shares and other equity		1,619	1,619
Share capital	11	9,717	9,745
Contributed surplus		283	298
Retained earnings		9,558	7,922
Accumulated other comprehensive income (loss)	12	404	183
Total equity		\$ 19,962	\$ 18,148
Total liabilities and equity		\$ 62,973	\$ 59,526

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Income (unaudited)

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

Periods ended September 30,	Note	Three-month		Nine-month	
		2025	2024	2025	2024
Insurance revenue	7	\$ 6,791	\$ 6,757	\$ 20,060	\$ 19,756
Insurance service expense	7	(5,504)	(6,809)	(16,174)	(17,363)
Insurance service result from insurance contracts		1,287	(52)	3,886	2,393
Expense from reinsurance contracts	7	(579)	(645)	(1,775)	(1,937)
Income from reinsurance contracts	7	301	848	951	1,527
Net expense from reinsurance contracts		(278)	203	(824)	(410)
Insurance service result		1,009	151	3,062	1,983
Net investment income	13	402	394	1,217	1,161
Net gains (losses) on investment portfolio	13	310	399	532	325
Net investment return		712	793	1,749	1,486
Insurance finance income (expense)	13	(342)	(485)	(857)	(844)
Reinsurance finance income (expense)	13	52	77	130	144
Net insurance financial result		(290)	(408)	(727)	(700)
Net investment return and net insurance financial result		422	385	1,022	786
Share of profit from investments in associates and joint ventures		8	17	48	67
Other net gains (losses)	14	71	5	95	259
Other income and expense	14	(236)	(197)	(662)	(609)
Other finance costs		(55)	(55)	(167)	(166)
Acquisition, integration and restructuring costs		(101)	(77)	(297)	(280)
Income before income taxes		1,118	229	3,101	2,040
Income tax benefit (expense)	15	(257)	(17)	(697)	(397)
Net income		\$ 861	\$ 212	\$ 2,404	\$ 1,643
Net income attributable to:					
Shareholders		861	207	2,404	1,630
Non-controlling interests		-	5	-	13
		\$ 861	\$ 212	\$ 2,404	\$ 1,643
Earnings per common share (in dollars)	16				
Basic		\$ 4.73	\$ 1.07	\$ 13.14	\$ 8.79
Diluted		\$ 4.73	\$ 1.06	\$ 13.11	\$ 8.78
Dividends paid per common share (in dollars)		\$ 1.33	\$ 1.21	\$ 3.99	\$ 3.63

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Comprehensive Income (unaudited)

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

Periods ended September 30,	Note	Three-month		Nine-month	
		2025	2024	2025	2024
Net income		\$ 861	\$ 212	\$ 2,404	\$ 1,643
Items that may be reclassified subsequently to Net income					
FVTOCI debt securities:					
Net changes in unrealized gains (losses)		54	364	232	251
Reclassification of net losses (gains)		-	(4)	2	18
Income tax benefit (expense)		(4)	(72)	(41)	(54)
		50	288	193	215
Foreign currency gains (losses) on:					
Translation of foreign operations		160	150	4	447
Net investment hedges		(63)	(66)	12	(214)
Income tax benefit (expense)		(3)	14	12	21
		94	98	28	254
		144	386	221	469
Items that will not be reclassified subsequently to Net income					
Employee future benefits:					
Actuarial gains (losses), net of other surplus remeasurement	18	115	35	172	149
Income tax benefit (expense)		(30)	(9)	(44)	(12)
		85	26	128	137
FVTOCI equity securities:					
Net changes in unrealized gains (losses)		24	62	48	151
Realized gains (losses)		19	-	42	-
Income tax benefit (expense)		(9)	(16)	(23)	(39)
		34	46	67	112
		119	72	195	249
Other comprehensive income (loss)		263	458	416	718
Total comprehensive income (loss)		\$ 1,124	\$ 670	\$ 2,820	\$ 2,361
Total comprehensive income (loss) attributable to:					
Shareholders		1,124	665	2,820	2,348
Non-controlling interests		-	5	-	13
		\$ 1,124	\$ 670	\$ 2,820	\$ 2,361

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Changes in Equity (unaudited)

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

	Note	Equity attributable to shareholders				Equity attributable to NCI	Total Equity
		Share Capital	Contributed surplus	Retained earnings	AOCI		
Balance as at January 1, 2025		\$ 9,745	\$ 298	\$ 7,922	\$ 183	\$ -	\$ 18,148
Net income		-	-	2,404	-	-	2,404
Other comprehensive income (loss)		-	-	195	221	-	416
Total comprehensive income (loss)		-	-	2,599	221	-	2,820
Repurchase of common shares for cancellation	11	(28)	-	(126)	-	-	(154)
Dividends and other distributions:							
Common shares		-	-	(711)	-	-	(711)
Preferred shares and other equity		-	-	(62)	-	-	(62)
Share-based payment plans		-	(15)	(61)	-	-	(76)
Other		-	-	(3)	-	-	(3)
Balance as at September 30, 2025		\$ 9,717	\$ 283	\$ 9,558	\$ 404	\$ -	\$ 19,962
Balance as at January 1, 2024		\$ 9,718	\$ 290	\$ 6,503	\$ (321)	\$ 285	\$ 16,475
Net income		-	-	1,630	-	13	1,643
Other comprehensive income (loss)		-	-	249	469	-	718
Total comprehensive income (loss)		-	-	1,879	469	13	2,361
Issuance of common shares	11	32	-	-	-	-	32
Repurchase of common shares for cancellation	11	(5)	-	(19)	-	-	(24)
Dividends and other distributions:							
Common shares		-	-	(648)	-	-	(648)
Preferred shares and other equity		-	-	(62)	-	-	(62)
Share-based payment plans		-	(19)	(43)	-	-	(62)
Non-controlling interests:							
Dividends		-	-	-	-	(13)	(13)
Cancellation		-	-	6	-	(285)	(279)
Balance as at September 30, 2024		\$ 9,745	\$ 271	\$ 7,616	\$ 148	\$ -	\$ 17,780

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Cash Flows (unaudited)

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

Periods ended September 30,	Note	Three-month		Nine-month	
		2025	2024	2025	2024
Operating activities					
Income before income taxes		\$ 1,118	\$ 229	\$ 3,101	\$ 2,040
Income tax received (paid), net		(157)	(119)	(607)	(611)
Adjustments for non-cash items	20	(164)	(223)	(9)	45
Changes in other operating assets and liabilities	20	878	1,215	906	836
Net cash flows provided by (used in) operating activities		1,675	1,102	3,391	2,310
Investing activities					
Proceeds from sale of business		-	-	-	145
Proceeds from sale of investments		6,204	7,712	21,238	23,419
Purchase of investments		(6,874)	(8,759)	(21,904)	(23,987)
Proceeds from sale of (purchases of) brokerages and other equity investments, net		(167)	(30)	(532)	(166)
Purchase of intangibles and property and equipment, net		(127)	(109)	(301)	(327)
Net cash flows provided by (used in) investing activities		(964)	(1,186)	(1,499)	(916)
Financing activities					
Payment of lease liabilities		(26)	(25)	(66)	(76)
Proceeds from issuance of debt, net	10	-	-	298	298
Repayment of debt	10	-	(6)	(300)	(663)
Borrowing on (repayment of) the credit facility and commercial paper	10	-	197	-	97
Proceeds from issuance of common shares on exercise of stock options	11	-	-	-	11
Repurchase of common shares for cancellation	11	(145)	-	(151)	(24)
Repurchase of common shares for share-based payment plans	17	(11)	(8)	(185)	(152)
Payment of dividends on common shares and preferred shares, and other equity distributions		(254)	(233)	(773)	(710)
Payment of dividends to non-controlling interests		-	(5)	-	(13)
Cancellation of non-controlling interests		-	(279)	-	(279)
Net cash flows provided by (used in) financing activities		(436)	(359)	(1,177)	(1,511)
Net increase (decrease) in cash and cash equivalents		275	(443)	715	(117)
Cash and cash equivalents, net of bank overdraft, beginning of period		1,438	1,515	997	1,171
Exchange rate differences on cash and cash equivalents		23	11	24	29
Cash and cash equivalents, net of bank overdraft, end of period	20	\$ 1,736	\$ 1,083	\$ 1,736	\$ 1,083

See accompanying notes to the interim condensed consolidated financial statements.

Notes to Interim Condensed Consolidated Financial Statements (unaudited)

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

Glossary of abbreviations

ABS	Asset-backed securities	LIC	Liability for incurred claims
AIC	Asset for incurred claims	LRC	Liability for remaining coverage
AOCI	Accumulated other comprehensive income (loss)	LTIP	Long-term incentive plan
ARC	Asset for remaining coverage	MBS	Mortgage-backed securities
CAD	Canadian Dollar	MD&A	Management's Discussion and Analysis
CAN	Canada	NCI	Non-controlling interests
CPI	Consumer price index	NCIB	Normal course issuer bid
DB	Defined benefits	NOI	Net operating income
ECL	Expected credit losses	OCI	Other comprehensive income
EPS	Earnings per share to common shareholders	PAA	Premium allocation approach
ESOP	Executive stock option plan	P&C	Property and casualty
ESPP	Employee share purchase plan	PTOI	Pre-tax operating income
EUR (€)	Euro, European Union's official currency	RSA	RSA Insurance Group Limited, a subsidiary domiciled in the UK (parent of UK&I business, now referred to as Intact UK group of companies)
FVTOCI	Fair value through other comprehensive income	RPI	Retail price index
FVTPL	Fair value through profit or loss	SAR	Stock appreciation rights
GBP (£)	British pound sterling, UK's official currency	TSX	Toronto Stock Exchange
GMM	General measurement model	UK	United Kingdom
IAS	International Accounting Standard	UK&I	United Kingdom and International
IASB	International Accounting Standards Board	US	United States
JV	Joint ventures	USD	US Dollar

Note 1 – Status of the Company

Intact Financial Corporation (the "Company"), incorporated under the *Canada Business Corporations Act*, is domiciled in Canada and its shares are publicly traded on the Toronto Stock Exchange (TSX: IFC). The Company has investments in wholly owned subsidiaries which operate principally in the Canadian, UK, European, and US P&C insurance markets. The Company, through its operating subsidiaries, principally underwrites automobile, home, as well as commercial P&C contracts to individuals and businesses.

These interim condensed consolidated financial statements include the accounts of the Company and its subsidiaries. The Company's significant operating subsidiaries are presented in **Note 30 – Segment information** of the Company's annual consolidated financial statements for the year ended December 31, 2024.

In April 2025, the Company announced its intention to rebrand RSA, NIG, and FarmWeb to Intact Insurance ("RSA rebrand"), which became official in October 2025. As a result, certain subsidiaries were renamed, including the following significant operating subsidiaries:

- Royal & Sun Alliance Insurance Limited was renamed Intact Insurance UK Limited effective August 19, 2025.
- RSA Insurance Ireland DAC and RSA Luxembourg S.A. were renamed Intact Insurance Ireland DAC and Intact Insurance (Europe) S.A., respectively, subsequent to the quarter, effective October 6, 2025.

The registered office of the Company is 700 University Avenue, Suite 1500, Toronto, Ontario, Canada, M5G 0A1.

Note 2 – Basis of presentation

2.1 Statement of compliance

These interim condensed consolidated financial statements and the accompanying notes are prepared in accordance with IAS 34 – *Interim Financial Reporting* as issued by the IASB. They were authorized for issue in accordance with a resolution of the Board of Directors on November 4, 2025.

Notes to Interim Condensed Consolidated Financial Statements (unaudited)

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

2.2 Preparation and presentation of financial statements

These interim condensed consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2024.

Certain comparative figures have been reclassified to conform to the presentation adopted in the current period.

The Company presents its interim condensed consolidated balance sheets broadly in order of liquidity.

2.3 Seasonality

The P&C insurance business is seasonal in nature. While Insurance revenue net of Expense from reinsurance contracts is generally stable from quarter to quarter, Insurance service results are influenced by weather conditions which may vary significantly between quarters.

2.4 Foreign currency translation

Table 2.1 – Key exchange rates used

	September 30, 2025	As at December 31, 2024	Average rate for the nine-month periods ended	
			September 30, 2025	September 30, 2024
USD vs CAD	1.392	1.438	1.399	1.360
GBP vs CAD	1.872	1.800	1.838	1.737
EUR vs CAD	1.634	1.489	1.564	1.479

2.5 Geopolitical risk

The current geopolitical environment continues to contribute to uncertainty in global trade, which has created capital market volatility and may affect the global economic environment in the future. For more information on the Company's sensitivity analysis to market risk, refer to *Section 14.3 – Sensitivity analysis to market risk* of the Company's interim MD&A. Refer to *Note 4.2 – Geopolitical risk* of the Company's annual consolidated financial statements for the year ended December 31, 2024 for more details.

Management will continue to monitor the impact of geopolitical risk on its use of judgments, estimates, and assumptions.

Note 3 – Summary of material accounting policies

The accounting policies applied during the nine-month period ended September 30, 2025 are the same as those described and disclosed in *Note 3 – Summary of material accounting policies* of the Company's annual consolidated financial statements for the year ended December 31, 2024.

Notes to Interim Condensed Consolidated Financial Statements (unaudited)

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

Note 4 – Investments

4.1 Classification of investments

Table 4.1 – Classification of investments

As at	FVTOCI		FVTPL		Amortized cost ¹	Total carrying amount
	Classified as FVTOCI ¹	Designated as FVTOCI	Classified as FVTPL	Designated as FVTPL	Carrying amount	
September 30, 2025						
Cash and cash equivalents	-	-	-	-	1,858	1,858
Short-term notes	1,749	-	-	461	-	2,210
Fixed income						
Government	4,239	-	-	6,437	-	10,676
Corporate	8,336	-	-	4,447	-	12,783
ABS and MBS ²	2,878	-	212	735	-	3,825
Private funds	-	-	1,573	-	-	1,573
Debt securities	17,202	-	1,785	12,080	-	31,067
Preferred shares	-	1,046	522	-	-	1,568
Common shares	-	-	6,920	-	-	6,920
Investment property	-	-	687	-	-	687
Loans	-	-	-	-	791	791
	17,202	1,046	9,914	12,080	2,649	42,891
December 31, 2024						
Cash and cash equivalents	-	-	-	-	1,145	1,145
Short-term notes	939	-	-	350	-	1,289
Fixed income						
Government	4,141	-	-	6,068	-	10,209
Corporate	8,652	-	-	3,778	-	12,430
ABS and MBS ²	3,155	-	223	763	-	4,141
Private funds	-	-	1,702	-	-	1,702
Debt securities	16,887	-	1,925	10,959	-	29,771
Preferred shares	-	1,117	543	-	-	1,660
Common shares	-	-	6,350	-	-	6,350
Investment property	-	-	571	-	-	571
Loans	-	-	-	-	785	785
	16,887	1,117	9,389	10,959	1,930	40,282

¹ As at September 30, 2025, these investments were classified as stage 1 and the allowance for ECL on securities at amortized cost and classified as FVTOCI were \$1 million and \$12 million, respectively (\$1 million and \$11 million, respectively, as at December 31, 2024).

² Includes publicly traded MBS, which carry the full faith and credit guarantee of the US Government or are guaranteed by a government sponsored entity, and ABS such as credit card receivables or auto loans.

Notes to Interim Condensed Consolidated Financial Statements (unaudited)

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

4.2 Carrying amount of investments

Table 4.2 – Carrying amount of investments

As at	FVTPL investments	Other investments			Total investments
	Carrying amount	Amortized cost	Unrealized gains ¹	Unrealized losses ¹	Carrying amount
September 30, 2025					
Cash and cash equivalents	-	1,858	-	-	1,858
Debt securities	13,865	17,380	224	(402)	17,202
Preferred shares	522	981	92	(27)	1,046
Common shares	6,920	-	-	-	-
Investment property	687	-	-	-	-
Loans	-	791	-	-	791
	21,994	21,010	316	(429)	20,897
December 31, 2024					
Cash and cash equivalents	-	1,145	-	-	1,145
Debt securities	12,884	17,294	136	(543)	16,887
Preferred shares	543	1,099	80	(62)	1,117
Common shares	6,350	-	-	-	-
Investment property	571	-	-	-	-
Loans	-	785	-	-	785
	20,348	20,323	216	(605)	19,934

¹ Amounts in foreign currency are translated using the period-end exchange rate.

Note 5 – Derivative financial instruments

5.1 Fair value and notional amount of derivatives

The Company generally uses derivatives for economic hedging purposes and to improve the risk profile of its investment portfolio, as long as the resulting exposures remain within the guidelines of its investment policy. In certain circumstances, these derivatives also meet the requirements for hedge accounting. Risk management strategies eligible for hedge accounting have been designated as net investment hedges in foreign operations, cash flow hedges and fair value hedges.

Table 5.1 – Fair value and notional amount of derivatives

As at	Instrument type	September 30, 2025			December 31, 2024		
		Notional amount	Fair value		Notional amount	Fair value	
Type of hedge			Asset	Liability		Asset	Liability
Designated for hedge accounting							
Net investment hedges	Currency forwards	5,989	-	80	6,112	6	204
		5,989	-	80	6,112	6	204
Not designated for hedge accounting							
	Currency forwards	1,029	2	6	1,205	2	29
	Cross currency interest rate swaps	-	-	-	2	-	-
	Interest rate futures	345	-	-	331	-	-
	Equity futures	447	-	-	3	-	-
	Equity swaps	1,941	1	59	1,587	51	-
	Inflation swaps	225	55	20	216	52	18
		3,987	58	85	3,344	105	47
		9,976	58	165	9,456	111	251

Notes to Interim Condensed Consolidated Financial Statements (unaudited)

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

Note 6 – Fair value measurement

6.1 Categorization of fair value

Table 6.1 – Fair value hierarchy of financial assets, investment property and financial liabilities measured at fair value

As at	Level 1	Level 2	Level 3	Total
	Valued using quoted (unadjusted) market prices	Valued using models		
		with observable inputs	without observable inputs	
September 30, 2025				
Short-term notes	2,210	-	-	2,210
Fixed income				
Government	4,056	6,620	-	10,676
Corporate	-	12,783	-	12,783
ABS and MBS	-	3,825	-	3,825
Private funds	-	-	1,573	1,573
Debt securities	6,266	23,228	1,573	31,067
Preferred shares	1,568	-	-	1,568
Common shares	6,830	-	90	6,920
Investment property	-	-	687	687
Derivative financial assets (Table 9.2)	-	58	-	58
Financial assets and investment property measured at fair value	14,664	23,286	2,350	40,300
Financial liabilities measured at fair value (Table 9.4)	733	165	-	898
December 31, 2024				
Short-term notes	1,289	-	-	1,289
Fixed income				
Government	3,578	6,631	-	10,209
Corporate	-	12,430	-	12,430
ABS and MBS	-	4,141	-	4,141
Private funds	-	-	1,702	1,702
Debt securities	4,867	23,202	1,702	29,771
Preferred shares	1,660	-	-	1,660
Common shares	6,251	-	99	6,350
Investment property	-	-	571	571
Derivative financial assets (Table 9.2)	-	111	-	111
Financial assets and investment property measured at fair value	12,778	23,313	2,372	38,463
Financial liabilities measured at fair value (Table 9.4)	614	251	-	865

The fair value of loans was \$766 million as at September 30, 2025 (\$759 million as at December 31, 2024). The carrying amount of certain short-term financial instruments not measured at fair value is a reasonable approximation of their fair value.

Notes to Interim Condensed Consolidated Financial Statements (unaudited)

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

6.2 Reconciliation of fair value measurement of Level 3 financial assets and investment property

Table 6.2 – Reconciliation of fair value measurement of Level 3 financial assets and investment property

Nine-month periods ended September 30,	Classified as FVTPL			Total
	Debt securities	Common shares	Investment property	
2025				
Balance, beginning of the period	1,702	99	571	2,372
Total gains (losses) recognized in Net income	(48)	(16)	10	(54)
Purchases	176	26	81	283
Disposals	(272)	(22)	-	(294)
Exchange rate differences	15	3	25	43
Balance, end of the period	1,573	90	687	2,350
2024				
Balance, beginning of the period	1,567	129	480	2,176
Total gains (losses) recognized in Net income	(8)	(6)	(5)	(19)
Purchases	133	-	31	164
Disposals	(164)	(19)	(7)	(190)
Exchange rate differences	36	8	35	79
Balance, end of the period	1,564	112	534	2,210

Note 7 – Insurance and reinsurance contracts

Table 7.1 – Net carrying amounts of insurance and reinsurance contracts

As at	September 30, 2025			December 31, 2024		
	Remaining coverage	Incurred claims	Total	Remaining coverage	Incurred claims	Total
Insurance contracts:						
Canada	2,698	15,581	18,279	2,842	15,070	17,912
UK&I	2,879	6,447	9,326	2,939	5,797	8,736
US	2,275	3,239	5,514	2,115	3,137	5,252
Total insurance contract liabilities	7,852	25,267	33,119	7,896	24,004	31,900
Reinsurance contracts:						
Canada	103	1,380	1,483	39	1,492	1,531
UK&I	1,021	1,303	2,324	1,036	1,269	2,305
US	137	842	979	161	791	952
Total reinsurance contract assets	1,261	3,525	4,786	1,236	3,552	4,788
Net insurance and reinsurance contracts	6,591	21,742	28,333	6,660	20,452	27,112

7.1 Insurance revenue

Table 7.2 – Insurance revenue

Periods ended September 30,	Three-month		Nine-month	
	2025	2024	2025	2024
Contracts measured under PAA	6,663	6,431	19,522	18,715
Contracts measured under the GMM¹				
Amounts related to changes in liability for remaining coverage				
Risk adjustment recognized for the risk expired	4	12	18	38
Expected incurred claims and other insurance service expense	124	314	520	1,003
Total insurance revenue	6,791	6,757	20,060	19,756

¹ Insurance revenue from contracts measured under the GMM was related to acquired claims.

Notes to Interim Condensed Consolidated Financial Statements (unaudited)

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

7.2 Reconciliation of carrying amounts

The following reconciliations show how the net carrying amounts of insurance and reinsurance contracts changed during the period as a result of cash flows and amounts recognized in Comprehensive income.

The Company presents tables that separately analyze movements in the liability for remaining coverage and the liability for incurred claims and reconcile these movements to the line items in Comprehensive income (Refer to *Tables 7.3* and *7.4*).

Table 7.3 – Insurance contracts analysis by remaining coverage and incurred claims

Nine-month periods ended September 30,	2025			2024		
	LRC ¹	LIC	Total	LRC ²	LIC	Total
Insurance contract liabilities, beginning of period	7,896	24,004	31,900	8,642	21,711	30,353
Changes in comprehensive income:						
Insurance revenue	(20,060)	-	(20,060)	(19,756)	-	(19,756)
Incurred claims and other insurance service expense	(975)	13,188	12,213	(1,029)	13,936	12,907
Amortization of insurance acquisition cash flows	4,305	-	4,305	4,056	-	4,056
Losses and reversals on onerous contracts	774	-	774	1,250	-	1,250
Prior-year development	-	(1,118)	(1,118)	-	(850)	(850)
Insurance service expense	4,104	12,070	16,174	4,277	13,086	17,363
Investment component³	(666)	666	-	(641)	641	-
Insurance service result from insurance contracts	(16,622)	12,736	(3,886)	(16,120)	13,727	(2,393)
Insurance finance expense (income)	80	777	857	81	763	844
Exchange rate differences	102	169	271	260	510	770
Total changes in comprehensive income	(16,440)	13,682	(2,758)	(15,779)	15,000	(779)
Cash flows						
Premiums received ³	20,924	-	20,924	19,327	-	19,327
Claims and other insurance service expense paid ³	-	(12,419)	(12,419)	-	(12,731)	(12,731)
Insurance acquisition cash flows	(4,528)	-	(4,528)	(4,147)	-	(4,147)
Total cash flows	16,396	(12,419)	3,977	15,180	(12,731)	2,449
Insurance contract liabilities, end of period	7,852	25,267	33,119	8,043	23,980	32,023

¹ Includes a loss component of \$2,644 million as at September 30, 2025 of which \$2,612 million was related to acquired claims (\$2,670 million and \$2,665 million, respectively, as at December 31, 2024) which reflects claims that the Company will settle later than initially anticipated.

² Includes a loss component of \$3,030 million as at September 30, 2024 of which \$3,025 million was related to acquired claims (\$2,608 million and \$2,595 million, respectively, as at December 31, 2023) which reflects claims that the Company will settle later than initially anticipated.

³ The investment component in the prior period was reclassified to conform to the presentation adopted in the current period.

Notes to Interim Condensed Consolidated Financial Statements (unaudited)

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

Table 7.4 – Reinsurance contracts analysis by remaining coverage and incurred claims

Nine-month periods ended September 30,	2025			2024		
	ARC ¹	AIC	Total	ARC ²	AIC	Total
Reinsurance contract assets, beginning of period	1,236	3,552	4,788	1,788	3,429	5,217
Changes in comprehensive income:						
Expense from reinsurance contracts	(1,775)	-	(1,775)	(1,937)	-	(1,937)
Amounts recoverable for incurred claims and other expenses	(256)	965	709	(319)	1,317	998
Loss recoveries and reversals on onerous contracts	226	-	226	401	-	401
Prior-year development	-	12	12	-	129	129
Changes in non-performance risk of reinsurers	2	2	4	5	(6)	(1)
Income from reinsurance contracts	(28)	979	951	87	1,440	1,527
Net expense from reinsurance contracts	(1,803)	979	(824)	(1,850)	1,440	(410)
Reinsurance finance income (expense)	35	95	130	40	104	144
Exchange rate differences	36	29	65	82	111	193
Total changes in comprehensive income	(1,732)	1,103	(629)	(1,728)	1,655	(73)
Cash flows						
Premiums paid	1,701	-	1,701	1,605	-	1,605
Amounts received	56	(1,130)	(1,074)	(102)	(1,405)	(1,507)
Total cash flows	1,757	(1,130)	627	1,503	(1,405)	98
Reinsurance contract assets, end of period	1,261	3,525	4,786	1,563	3,679	5,242

¹ Includes a loss recovery component of \$787 million as at September 30, 2025 of which \$782 million was related to acquired claims (\$763 million and \$759 million, respectively, as at December 31, 2024) and is related to the underlying loss component that was recoverable under the terms of the reinsurance contracts held.

² Includes a loss recovery component of \$937 million as at September 30, 2024 of which \$933 million was related to acquired claims (\$785 million and \$781 million, respectively, as at December 31, 2023) and is related to the underlying loss component that was recoverable under the terms of the reinsurance contracts held.

7.3 Fair value of the net liability for incurred claims

The Company estimates that the fair value of its net liability for incurred claims approximates its carrying amount.

Table 7.5 – Carrying amount of the net liability for incurred claims

As at	September 30, 2025			December 31, 2024		
	Direct	Ceded	Net	Direct	Ceded	Net
Undiscounted value	28,639	4,119	24,520	28,099	4,346	23,753
Effect of time value of money	(2,170)	(307)	(1,863)	(2,282)	(356)	(1,926)
Undiscounted risk adjustment	1,114	194	920	1,132	206	926
Periodic payment orders ¹	507	240	267	451	210	241
Net liability for incurred claims before net payables and claims reported under the GMM	28,090	4,246	23,844	27,400	4,406	22,994
Net payables included in incurred claims	820	395	425	766	374	392
Reclass of claims reported under the GMM ²	(3,643)	(1,116)	(2,527)	(4,162)	(1,228)	(2,934)
Net liability for incurred claims	25,267	3,525	21,742	24,004	3,552	20,452

¹ The net periodic payment orders are net of the discount and risk adjustment of \$382 million as at September 30, 2025 (\$358 million as at December 31, 2024).

² Includes the acquired claims and retroactive reinsurance reclassifications from liability for incurred claims to liability for remaining coverage.

7.4 Discount rates

The following table presents the yield curves used to discount cash flows for insurance and reinsurance contracts. Refer to *Note 10 – Insurance and reinsurance contracts* of the Company's annual consolidated financial statements for the year ended December 31, 2024 for more details.

Notes to Interim Condensed Consolidated Financial Statements (unaudited)

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

Table 7.6 – Yield curves used to discount cash flows for insurance and reinsurance contracts for major currencies

As at	September 30, 2025				December 31, 2024			
	1 year	3 years	5 years	10 years	1 year	3 years	5 years	10 years
CAD	2.7%	3.1%	3.4%	4.0%	3.3%	3.5%	3.7%	4.1%
USD	4.0%	4.1%	4.3%	4.8%	4.6%	4.7%	4.9%	5.2%
GBP	4.3%	4.5%	4.7%	5.3%	4.9%	4.8%	5.0%	5.3%
EUR	2.2%	2.6%	2.9%	3.5%	2.6%	2.8%	3.0%	3.3%
Periodic payment orders	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%

7.5 Company's reinsurance net retention and coverage limit by nature of risk

In the ordinary course of business, the Company reinsures certain risks with reinsurers to limit its maximum loss in the event of catastrophic events or other significant losses.

The Company has a corporate reinsurance program which covers single risk events and multi-risk events and catastrophes. The following table shows the Company's reinsurance retention and coverage limit for multi-risk events and catastrophes.

Table 7.7 – Company's reinsurance net retention and coverage limit by nature of risk

As at	September 30, 2025	December 31, 2024
Canadian events (in million of CAD)		
Retention ¹	350	250
Coverage limit ²	5,600	5,400
US events (in million of CAD)		
Retention ¹	150	150
Coverage limit ²	1,300	1,300
UK events (in million of GBP)		
Retention ¹	150	150
Coverage limit ²	1,650	2,100

¹ Excludes reinstatement premiums, tax impacts, and co-participations between the retention level and coverage limit.

² Represents the ground up limits before co-participations and retention level.

Effective January 1, 2025, the Company increased its coverage limit and its retention for Canadian events to reflect a small increase in earthquake exposure in British Columbia and reinsurance market conditions, respectively. For US events, the Company maintained the same retention and coverage limit for 2025. For UK events, the Company maintained the same retention and reduced its coverage limit to £1.8 billion. Effective July 1, 2025, the coverage limit for UK events was further reduced to £1.65 billion to reflect the reducing exposure from UK Personal Lines as it continues to run-off.

In addition to the above, the Company placed a new global cover to protect against multiple catastrophe events during 2025. Losses to specified layers beneath the main catastrophe retentions, from all business segments, are added together across the year. The total of these losses is then protected above an aggregate deductible. The new coverage provides \$250 million of limit.

Note 8 – Goodwill and intangible assets

8.1 Distribution and supply chain acquisitions

The Company may complete acquisitions related to distribution activities and supply chain operations as part of its growth strategy. During the nine-month period ended September 30, 2025, the total purchase price of these acquisitions amounted to \$423 million. As at September 30, 2025, the preliminary purchase price allocation was mainly allocated to goodwill and intangible assets for an amount of \$365 million and \$86 million, respectively.

8.2 Trade names – RSA rebrand

As a result of the RSA rebrand, refer to *Note 1 – Status of the Company*, the Company reviewed prospectively the useful life of certain trade names related to the acquisitions of RSA and the brokered Commercial Lines operations of Direct Line Insurance Group. These trade names are expected to be fully amortized over a twelve-month period which started in the first quarter of 2025.

Notes to Interim Condensed Consolidated Financial Statements (unaudited)

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

For the three and nine-month periods ended September 30, 2025, the Company recorded integration costs of \$34 million and \$80 million, respectively, related to the RSA rebrand. Of these amounts, \$26 million and \$64 million, respectively, were related to incremental accelerated amortization of the trade names. These costs were recognized in Acquisition, integration and restructuring costs.

Note 9 – Other assets and other liabilities

9.1 Other assets

Table 9.1 – Components of other assets

As at	September 30, 2025	December 31, 2024
Financial assets related to investments (<i>Table 9.2</i>)	582	433
Other receivables and recoverables	558	534
Other investments ¹	457	376
Pension plans in a surplus position (<i>Table 18.1</i>)	436	296
Accrued investment income	288	248
Prepays	266	242
Restricted funds	39	43
Other	159	142
	2,785	2,314

¹ Mainly includes preferred shares and private funds recorded at fair value based on information such as future cash flows, discount rates, projected earnings multiples, multiples of broker commissions, or recent transactions, classified in Level 3 of the fair value hierarchy.

Table 9.2 – Financial assets related to investments

As at	September 30, 2025	December 31, 2024
Securities purchased under reverse repurchase agreements	301	215
Accounts receivable from investment brokers on unsettled trades and other	223	107
Derivative financial assets (<i>Table 5.1</i>)	58	111
	582	433

9.2 Other liabilities

Table 9.3 – Components of other liabilities

As at	September 30, 2025	December 31, 2024
Financial liabilities related to investments (<i>Table 9.4</i>)	1,198	962
Lease liabilities	679	646
Accrued salaries and related compensation	609	640
Accounts payable and accrued expenses	434	390
Pension plans in a deficit position and unfunded plans (<i>Table 18.1</i>)	220	218
Other payables to broker	185	190
Facility carrier payables	156	144
Collateral from third parties	143	131
Premiums payable by brokers to insurers	135	91
Industry pool payables	123	131
Bank overdraft (<i>Table 20.3</i>)	122	148
Provisions	84	106
Other post-employment benefits and other post-retirement benefits	84	88
Other	228	177
	4,400	4,062

Notes to Interim Condensed Consolidated Financial Statements (unaudited)

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

Table 9.4 – Financial liabilities related to investments

As at	September 30, 2025	December 31, 2024
Equities sold short positions	733	614
Accounts payable to investment brokers on unsettled trades	300	97
Derivative financial liabilities (<i>Table 5.1</i>)	165	251
	1,198	962

Note 10 – Debt outstanding

10.1 Summary of debt outstanding

Table 10.1 – Carrying amount of debt outstanding

As at	Maturity date	Initial term (years)	Earliest par call date ¹	Fixed rate	Coupon (payment)	Principal amount	September 30, 2025	December 31, 2024
Medium-term notes								
Series 2	Nov. 2039	30	-	6.40%	May & Nov.	250	248	248
Series 3	Jul. 2061	50	-	6.20%	Jan. & Jul.	100	99	99
Series 5	Jun. 2042	30	-	5.16%	Jun. & Dec.	250	249	249
Series 6	Mar. 2026	10	-	3.77%	Mar. & Sep.	250	250	250
Series 7	Jun. 2027	10	-	2.85%	Jun. & Dec.	425	424	424
Series 8	Mar. 2025	5	-	3.69%	Mar. & Sep.	300	-	300
Series 9	Dec. 2030	10	-	1.93%	Jun. & Dec.	300	298	299
Series 10	Dec. 2050	30	-	2.95%	Jun. & Dec.	300	298	298
Series 12	May 2028	7	-	2.18%	May & Nov.	375	374	374
Series 13	May 2053	32	-	3.77%	May & Nov.	250	248	248
Series 14	Sep. 2054	31	-	5.28%	Mar. & Sep.	400	396	396
Series 15	May 2034	10	May 2029	4.65%	May & Nov.	300	298	298
Series 16 (Refer to 10.2)	Mar. 2060	35	Mar. 2055	4.65%	Mar. & Sep.	300	298	-
2022 US senior notes	Sep. 2032	10	-	5.46%	Mar. & Sep.	USD500	690	713
Guaranteed subordinated								
GBP notes (Refer to 10.3)	Oct. 2045	31	Oct. 2025	5.13%	Oct.	£120	224	222
US bonds	Oct. 2029	30	-	8.95%	Apr. & Oct.	USD9	15	16
Total debt outstanding before hybrid subordinated notes							4,409	4,434
Hybrid subordinated notes								
Series 1	Mar. 2081	60	Mar. 2026	4.13%	Mar. & Sep.	250	247	247
Total debt outstanding							4,656	4,681

¹ Where the redemption price is equal to par value prior to maturity.

Fair value of debt outstanding amounted to \$4,686 million as at September 30, 2025 (\$4,692 million as at December 31, 2024) and was established using valuation data from a benchmark firm.

Notes to Interim Condensed Consolidated Financial Statements (unaudited)

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

10.2 New financing issued

Series 16 Unsecured Medium-Term Notes	<ul style="list-style-type: none">On March 21, 2025, the Company completed an offering of \$300 million principal amount of Series 16 unsecured medium-term notes through a private placement in Canada. The notes bear interest at a fixed annual rate of 4.65% payable in semi-annual instalments, commencing on September 21, 2025, until March 21, 2055. Subsequently, the interest is reset at a rate of 1.75% over the Daily Compounded Canadian Overnight Repo Rate Average and is payable in quarterly instalments until the maturity date on March 21, 2060.The notes may be redeemed at the option of the issuer, in whole or in part, at any time from March 2030 to March 2055, at a redemption price equal to the greater of their par value or the Government of Canada Yield at the date of redemption plus a margin. From March 2055, they may be redeemed at their par value.The net proceeds received were used to redeem the Company's \$300 million Series 8 unsecured medium-term notes due March 24, 2025.
EUR Commercial Paper	<ul style="list-style-type: none">On May 16, 2025, the Company launched a European commercial paper program, whereby it may issue short-term promissory notes ("commercial paper") up to an aggregate principal amount of €600 million.The commercial paper will be issued with maturities of less than one year at varying interest or discount rates depending on prevailing market rates and will be used to fund general corporate expenses in foreign currencies.

10.3 Other financing

Consent solicitation for outstanding unsecured medium-term notes

On June 16, 2025, the Company completed its consent solicitation process for its outstanding Series 2, 3, 5, 6, 7, 9, 10, 12, 13, and 14 unsecured medium-term notes, whereby the noteholders approved an amendment to remove the acceleration clause which previously allowed noteholders to demand full repayment in the event of non-payment of principal or interest.

Credit facility

As at December 31, 2024, the Company had an unsecured revolving term credit facility of \$1.8 billion. On April 4, 2025, the balance available under this credit facility was increased from \$1.8 billion to \$2.0 billion and a new maturity date was set to October 19, 2029. This increase was initiated to provide incremental liquidity. As at September 30, 2025, no amount was drawn under this credit facility (nil as at December 31, 2024).

Redemption of guaranteed subordinated GBP notes

Subsequent to the quarter, on October 10, 2025, the Company redeemed the outstanding \$224 million (£120 million) principal amount of the GBP notes on the earliest par call date, using available excess cash.

Notes to Interim Condensed Consolidated Financial Statements (unaudited)

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

Note 11 – Share capital

11.1 Issued and outstanding

Table 11.1 – Reconciliation of share capital

Nine-month periods ended	Common shares		Preferred shares Class A shares		Other equity		Share capital
	Number of shares	Carrying amount	Number of shares	Carrying amount	Number of units	Carrying amount	Carrying amount
September 30, 2025							
Balance, beginning of period	178,363,968	8,126	54,000,000	1,322	n/a	297	9,745
Repurchase of common shares for cancellation	(555,800)	(28)	-	-	n/a	-	(28)
Balance, end of period	177,808,168	8,098	54,000,000	1,322	n/a	297	9,717
September 30, 2024							
Balance, beginning of period	178,320,868	8,099	54,000,000	1,322	n/a	297	9,718
Issuance of common shares ¹	84,021	19	-	-	n/a	-	19
Issuance of common shares on exercise of stock options ²	70,000	13	-	-	n/a	-	13
Repurchase of common shares for cancellation	(110,921)	(5)	-	-	n/a	-	(5)
Balance, end of period	178,363,968	8,126	54,000,000	1,322	n/a	297	9,745

¹ Common shares issued were related to a broker acquisition transaction.

² Stock options were exercised for cash consideration of \$11 million and the Company derecognized the fair value of these options of \$2 million from Contributed surplus resulting in the issuance of common shares totaling \$13 million.

11.2 Dividends declared and paid per share

On February 11, 2025, the Board of Directors approved the increase of the Company's quarterly dividend by \$0.12 to \$1.33 per common share. Subsequent to the quarter, on November 4, 2025, the Board of Directors approved the quarterly dividend for common and preferred shares for the fourth quarter of 2025. Refer to **Note 18 – Share capital** of the Company's annual consolidated financial statements for the year ended December 31, 2024 for more details.

11.3 Normal course issuer bid

On February 17, 2025, the Company renewed its NCIB to repurchase, for cancellation, up to 5,350,283 common shares during the next twelve months, representing approximately 3% of its issued and outstanding common shares. The actual number of common shares purchased for cancellation and the timing of any such purchases will be determined by the Company.

Table 11.2 – Summary of the common shares repurchased for cancellation under the NCIB

Periods ended September 30,	Three-month		Nine-month	
	2025	2024	2025	2024
Common shares repurchased for cancellation (in shares)	534,600	-	555,800	110,921
Average price (in dollars)	273.00	-	272.28	220.04
Total consideration paid	145	-	151	24

Subsequent to the quarter, the Company repurchased and cancelled 119,693 common shares at an average price of \$264.98 for a total consideration of \$32 million.

Notes to Interim Condensed Consolidated Financial Statements (unaudited)

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

Note 12 – Accumulated other comprehensive income (loss)

Table 12.1 – Components of AOCI

As at	September 30, 2025	December 31, 2024
FVTOCI debt securities	(60)	(253)
Translation of foreign operations, net of hedges	464	436
	404	183

Note 13 – Net investment return and net insurance financial result

Table 13.1 – Net investment income

Periods ended September 30,	Three-month		Nine-month	
	2025	2024	2025	2024
Interest income calculated using the effective interest method:				
Debt securities classified or designated as FVTOCI	163	161	488	473
Loans and cash and cash equivalents	27	29	74	86
Interest and similar income on securities classified or designated as FVTPL	140	128	423	374
Interest income	330	318	985	933
Dividend income (expense) from:				
Common shares, net				
Classified as FVTPL	56	58	187	171
Preferred shares, net				
Designated as FVTOCI	14	16	45	48
Classified as FVTPL	9	8	24	21
Dividend income	79	82	256	240
Investment property rental income	8	7	19	24
Investment income	417	407	1,260	1,197
Investment expense	(15)	(13)	(43)	(36)
	402	394	1,217	1,161

Table 13.2 – Net gains (losses) on investment portfolio

Three-month periods ended September 30,	2025			2024		
	Debt securities	Equity and property	Total	Debt securities	Equity and property	Total
Portfolios						
Financial instruments:						
Classified as FVTOCI and amortized cost	1	-	1	5	-	5
Designated as FVTPL	47	-	47	266	-	266
Classified as FVTPL	(7)	486	479	8	475	483
	41	486	527	279	475	754
Derivatives ¹ :						
Swap agreements	-	(154)	(154)	25	(171)	(146)
Forwards and futures	(50)	(43)	(93)	(5)	(72)	(77)
	(50)	(197)	(247)	20	(243)	(223)
Investment property	-	-	-	-	1	1
Net foreign currency gains (losses)	31	-	31	(132)	-	(132)
ECL expense	(1)	-	(1)	(1)	-	(1)
	21	289	310	166	233	399

Notes to Interim Condensed Consolidated Financial Statements (unaudited)

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

Nine-month periods ended September 30,	2025			2024		
	Debt securities	Equity and property	Total	Debt securities	Equity and property	Total
Portfolios						
Financial instruments:						
Classified as FVTOCI and amortized cost	(1)	-	(1)	(15)	-	(15)
Designated as FVTPL	126	-	126	141	-	141
Classified as FVTPL	(15)	842	827	10	651	661
	110	842	952	136	651	787
Derivatives ¹ :						
Swap agreements	2	(274)	(272)	25	(196)	(171)
Forwards and futures	(43)	(68)	(111)	2	(91)	(89)
	(41)	(342)	(383)	27	(287)	(260)
Investment property	-	10	10	-	(5)	(5)
Net foreign currency gains (losses)	(44)	-	(44)	(195)	-	(195)
ECL expense	(3)	-	(3)	(2)	-	(2)
	22	510	532	(34)	359	325

¹ Excluding foreign currency contracts, which are recognized in Net foreign currency gains (losses) on investments.

Table 13.3 – Net insurance financial result

Periods ended September 30,	Three-month		Nine-month	
	2025	2024	2025	2024
Change in the carrying amount of insurance contracts due to:				
Unwind of discount	(236)	(267)	(733)	(772)
Changes in discount rates and other financial assumptions	(64)	(358)	(168)	(275)
Net foreign currency gains (losses)	(42)	140	44	203
Insurance finance income (expense)	(342)	(485)	(857)	(844)
Change in the carrying amount of reinsurance contracts due to:				
Unwind of discount	38	50	121	144
Changes in discount rates and other financial assumptions	5	47	25	30
Net foreign currency gains (losses)	9	(20)	(16)	(30)
Reinsurance finance income (expense)	52	77	130	144
	(290)	(408)	(727)	(700)

Note 14 – Other net gains (losses) and other income and expense

Table 14.1 – Components of other net gains (losses)

Periods ended September 30,	Three-month		Nine-month	
	2025	2024	2025	2024
Gain on sale of business ¹	-	-	-	138
Other net foreign currency gains (losses)	5	(9)	(20)	(3)
Other ²	66	14	115	124
	71	5	95	259

¹ Related to the sale of the UK direct Home and Pet operations completed on March 31, 2024. Refer to *Note 5 – Business combinations and disposals* of the Company's annual consolidated financial statements for the year ended December 31, 2024 for more details.

² Mainly includes realized gains on broker transactions and unrealized gains related to venture investments.

Notes to Interim Condensed Consolidated Financial Statements (unaudited)

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

Table 14.2 – Other income and other expense

Periods ended September 30,	Three-month		Nine-month	
	2025	2024	2025	2024
Other income (Table 19.2)	205	174	610	534
Other expense	(441)	(371)	(1,272)	(1,143)
	(236)	(197)	(662)	(609)

Note 15 – Income taxes

15.1 Income tax expense recognized in Net income

Table 15.1 – Components of income tax expense recognized in Net income

Periods ended September 30,	Three-month		Nine-month	
	2025	2024	2025	2024
Current income tax expense (benefit)	318	64	815	458
Deferred income tax expense (benefit)	(61)	(47)	(118)	(61)
	257	17	697	397

15.2 Effective income tax rate

The effective income tax rates are different from the combined Canadian federal and provincial statutory income tax rates. The interim condensed consolidated statements of income contain items that are non-taxable or non-deductible for income tax purposes, which cause the income tax expense to differ from what it would have been if based on statutory tax rates.

The following table presents the reconciliation of the effective income tax rate to the income tax expense calculated at statutory tax rates.

Table 15.2 – Effective income tax rate reconciliation

Periods ended September 30,	Three-month		Nine-month	
	2025	2024	2025	2024
Statutory tax rates	26.0%	25.9%	26.0%	25.9%
Increase (decrease) in income tax rates resulting from:				
Non-deductible losses (non-taxable gains)	0.1%	(0.1)%	(0.4)%	(1.1)%
Non-taxable investment income	(1.8)%	(10.9)%	(2.2)%	(2.7)%
Non-deductible losses (non-taxable income) from subsidiaries and associates	(0.2)%	(1.8)%	(0.5)%	(0.8)%
Change in unrecognized deferred income taxes	(0.5)%	(4.2)%	(0.8)%	(2.3)%
Higher (lower) effective rates on income subject to taxation in foreign jurisdictions	(1.4)%	(5.2)%	(1.2)%	(1.5)%
Non-deductible expenses	0.3%	1.1%	0.4%	0.4%
Other	0.5%	2.6%	1.2%	1.6%
Effective income tax rate	23.0%	7.4%	22.5%	19.5%

The effective income tax rate reconciliation may be impacted by a mix of losses and earnings taxed at different statutory rates. The insurance service results are tax affected at the full statutory rate while investment income is taxed at a lower rate.

Notes to Interim Condensed Consolidated Financial Statements (unaudited)

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

Note 16 – Earnings per share

Basic EPS was calculated by dividing the Net income attributable to common shareholders of the Company by the weighted-average number of common shares outstanding during the period. Diluted EPS considered the effect of stock options.

Table 16.1 – Earnings per share

Periods ended September 30,	Three-month		Nine-month	
	2025	2024	2025	2024
Net income attributable to shareholders	861	207	2,404	1,630
Less: dividends declared on preferred shares and other equity distribution, net of tax	(17)	(17)	(62)	(62)
Net income attributable to common shareholders	844	190	2,342	1,568
Weighted-average number of common shares outstanding (in millions)	178.2	178.4	178.3	178.3
Net effect of stock options	0.3	0.2	0.3	0.3
Weighted-average diluted number of common shares outstanding (in millions)	178.5	178.6	178.6	178.6
EPS (in dollars)				
Basic	4.73	1.07	13.14	8.79
Diluted	4.73	1.06	13.11	8.78

Note 17 – Share-based payment plans

The following tables present information on key share-based payment plans.

17.1 Long-term incentive plan

Table 17.1 – Reconciliation of LTIP share units

Periods ended September 30,	Three-month		Nine-month	
	2025 (in units)	2024 (in units)	2025 (in units)	2024 (in units)
Outstanding, beginning of period	1,218,169	1,393,825	1,455,223	1,650,768
Awarded (forfeited)	(8,429)	(4,949)	348,980	384,489
Net change in estimate of units outstanding	78,635	2,029	100,064	23,937
Units settled	(8,833)	(2,874)	(624,725)	(671,163)
Outstanding, end of period	1,279,542	1,388,031	1,279,542	1,388,031

The LTIP expense was \$36 million and \$91 million for the three and nine-month periods ended September 30, 2025, respectively (\$23 million and \$64 million for the three and nine-month periods ended September 30, 2024, respectively).

17.2 Employee share purchase plan

Table 17.2 – Reconciliation of restricted common shares

Periods ended September 30,	Three-month		Nine-month	
	2025 (in units)	2024 (in units)	2025 (in units)	2024 (in units)
Outstanding, beginning of period	113,224	124,407	116,186	122,703
Accrued	27,981	30,199	85,717	90,871
Awarded and vested	(26,524)	(32,679)	(86,016)	(90,570)
Forfeited	(406)	(556)	(1,612)	(1,633)
Outstanding, end of period	114,275	121,371	114,275	121,371

The ESPP expense was \$7 million and \$23 million for the three and nine-month periods ended September 30, 2025, respectively (\$6 million and \$20 million for the three and nine-month periods ended September 30, 2024, respectively).

Notes to Interim Condensed Consolidated Financial Statements (unaudited)

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

17.3 Executive stock option plan

The Company maintains an ESOP for certain key executive employees under which, from time-to-time, stock options and SARs may be granted. On September 4, 2025, the Board of Directors approved a grant of 419,992 market performance-based stock options with an exercise price of \$276.66 and a maturity date of September 5, 2035. These stock options vest in tranches based on the Company achieving specified share price return targets over a five-year period.

17.4 Common shares repurchased for share-based payment plans

The Company's equity-settled plans were settled through the plan administrator purchasing common shares on the market and remitting them to the participants. The cumulative cost of these units was removed from Contributed surplus.

The difference between the market price of the shares and the cumulative cost for the Company of these vested units, net of income taxes, was recognized in Retained earnings.

Table 17.3 – Settlement in shares

Periods ended September 30,	Three-month		Nine-month	
	2025	2024	2025	2024
Value of common shares repurchased for share-based payment plans	11	8	185	152
Less: cumulative cost of the units for the Company	8	8	104	98
Excess of market price over the cumulative cost for the Company	3	-	81	54
Amount recognized in Retained earnings, net of taxes	2	-	61	43

Note 18 – Employee future benefits

18.1 Funded status

DB pension plans are recognized on the Consolidated balance sheet as an asset when plans are in a surplus position, or as a liability, when plans are in a deficit position. This classification is determined on a plan-by-plan basis.

Table 18.1 – DB pension plan asset (liability) by country

As at	September 30, 2025			December 31, 2024		
	UK&I	Canada	Total	UK&I	Canada	Total
DB obligation	(8,912)	(2,437)	(11,349)	(8,912)	(2,391)	(11,303)
Annuity buy-in insurance contracts	8,752	270	9,022	8,747	276	9,023
Debt securities	126	1,643	1,769	122	1,555	1,677
Other plan assets	63	715	778	72	613	685
Fair value of plan assets	8,941	2,628	11,569	8,941	2,444	11,385
Other net surplus remeasurement	(4)	-	(4)	(4)	-	(4)
Net DB asset (liability)	25	191	216	25	53	78
Recognized in:						
Other assets – plans in a surplus position	48	388	436	45	251	296
Other liabilities – plans in a deficit position and unfunded plans	(23)	(197)	(220)	(20)	(198)	(218)
	25	191	216	25	53	78

Notes to Interim Condensed Consolidated Financial Statements (unaudited)

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

18.2 Employee future benefit expense recognized in Net income

Table 18.2 – Employee future benefit expense recognized in Net income

Periods ended September 30,	Three-month		Nine-month	
	2025	2024	2025	2024
Current service cost	16	16	50	49
Net interest expense:				
Interest expense on DB obligation	148	134	446	407
Interest income on plan assets	(148)	(134)	(446)	(406)
Other	8	8	20	20
	24	24	70	70

18.3 Actuarial gains (losses) on employee future benefits, net of other surplus remeasurement, recognized in OCI

Table 18.3 – Actuarial gains (losses) on employee future benefits, net of other surplus remeasurement, recognized in OCI

Periods ended September 30,	Three-month		Nine-month	
	2025	2024	2025	2024
Changes in discount rate used to determine the benefit obligation	249	(226)	401	668
Actual return on plan assets	(88)	214	(219)	(347)
Plan experience and changes in other financial assumptions ¹	(47)	46	(13)	(169)
Other net surplus remeasurements	1	1	-	(3)
Pension plans	115	35	169	149
Other post-retirement benefits	-	-	3	-
	115	35	172	149

¹ Changes in other financial assumptions are mainly related to inflation rate.

18.4 Assumptions used

The following table presents changes of certain key assumptions as disclosed in *Note 4 – Material accounting judgments, estimates and assumptions* of the Company's annual consolidated financial statements for the year ended December 31, 2024.

Table 18.4 – Key weighted-average assumptions used in measuring the DB obligation

As at	September 30, 2025		December 31, 2024	
	UK	Canada	UK	Canada
Discount rate	5.73%	4.96%	5.46%	4.76%
Rate of inflation (CPI)				
First year	2.42%	2.60%	2.63%	2.60%
Long term	2.42%	2.17%	2.63%	2.04%
Rate of inflation (RPI)	2.94%	n/a	3.18%	n/a

Notes to Interim Condensed Consolidated Financial Statements (unaudited)

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

Note 19 – Segment information

19.1 Reportable segments

The Company has three reportable segments, in line with its management structure and internal financial reporting which is based on country and the nature of its activities as described below.

Canada

- Underwriting of automobile, home and business insurance contracts to individuals and businesses in Canada distributed through agencies and a wide network of brokers, and directly to consumers.
- Distribution income includes the operating results from the Company's wholly owned subsidiary, BrokerLink Inc., broker associates, managing general agent platforms, and supply chain operations from On Side Developments LTD.

UK & International

- Underwriting of insurance contracts to businesses in the UK, Europe, and Ireland as well as internationally through the Company's global network. The Company distributes insurance through a wide network of affinity partners and brokers or directly to consumers.

US

- Underwriting of specialty contracts mainly to medium-sized businesses in the United States. The Company distributes insurance through independent agencies, brokers, wholesalers and managing general agencies.
- Distribution income includes the operating results from the Company's wholly owned subsidiary, Strior Insurance Solutions, and managing general agent platforms.

Corporate and Other ("Corporate" or "Corp.") consists of investment management, treasury and capital management activities, corporate reinsurance, including certain internal agreements, as well as other corporate activities.

19.2 Segment operating performance

All segment operating revenues presented in *Table 19.1* are generated from external customers.

Management measures the profitability of the Company's segments based on PTOI which excludes elements that are not representative of the Company's operating performance because they include elements that arise mostly from changes in market conditions, relate to acquisition-related items or special items, or because they are not part of the Company's normal activities. Refer to *Section 15 – Non-GAAP and other financial measures* of the Company's interim MD&A for the definition and reconciliation of related operating measures.

The reconciliation of the segment operating revenue and PTOI to the amounts recognized in the interim condensed consolidated statements of income is presented in *Table 19.2* and *Table 19.3* respectively.

Notes to Interim Condensed Consolidated Financial Statements (unaudited)

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

Table 19.1 – Segment operating performance

Three-month periods ended September 30,	2025					2024				
	CAN	UK&I	US	Corp	Total	CAN	UK&I	US	Corp	Total
Operating income										
Operating net underwriting revenue	4,172	1,095	602	(4)	5,865	3,870	1,062	573	-	5,505
Operating net investment income	-	-	-	402	402	-	-	-	394	394
Other operating income	167	-	7	4	178	138	-	7	5	150
Segment operating revenue	4,339	1,095	609	402	6,445	4,008	1,062	580	399	6,049
Operating net claims	(2,358)	(649)	(253)	-	(3,260)	(3,024)	(617)	(289)	(4)	(3,934)
Operating net underwriting expenses	(1,359)	(397)	(250)	(1)	(2,007)	(1,214)	(359)	(212)	(1)	(1,786)
Share of profit from invest. in associates & JV	35	-	-	-	35	31	-	-	-	31
Total finance costs	(4)	-	-	(55)	(59)	(4)	-	-	(55)	(59)
Other operating expense	(62)	-	-	(53)	(115)	(43)	-	(1)	(44)	(88)
PTOI	591	49	106	293	1,039	(246)	86	78	295	213
Operating income tax expense					(225)					(9)
Net income (loss) attributable to NCI					-					(5)
Preferred shares dividends and other equity distributions					(17)					(17)
NOI attributable to common shareholders					797					182
PTOI is comprised of:										
Underwriting income (loss)	455	49	99	(5)	598	(368)	86	72	(5)	(215)
Operating net investment income	-	-	-	402	402	-	-	-	394	394
Distribution income	140	-	7	-	147	126	-	6	-	132
Total finance costs	(4)	-	-	(55)	(59)	(4)	-	-	(55)	(59)
Other operating income (expense)	-	-	-	(49)	(49)	-	-	-	(39)	(39)
PTOI	591	49	106	293	1,039	(246)	86	78	295	213

Nine-month periods ended September 30,	2025					2024				
	CAN	UK&I	US	Corp	Total	CAN	UK&I	US	Corp	Total
Operating income										
Operating net underwriting revenue	12,094	3,226	1,741	(12)	17,049	11,239	3,112	1,645	3	15,999
Operating net investment income	-	-	-	1,217	1,217	-	-	-	1,161	1,161
Other operating income	503	-	21	8	532	428	-	24	10	462
Segment operating revenue	12,597	3,226	1,762	1,213	18,798	11,667	3,112	1,669	1,174	17,622
Operating net claims	(6,720)	(1,879)	(786)	-	(9,385)	(7,087)	(1,788)	(809)	(7)	(9,691)
Operating net underwriting expenses	(3,887)	(1,196)	(711)	(3)	(5,797)	(3,640)	(1,102)	(638)	(3)	(5,383)
Share of profit from invest. in associates & JV	119	-	-	-	119	121	-	-	-	121
Total finance costs	(11)	-	-	(167)	(178)	(12)	-	-	(166)	(178)
Other operating expense	(209)	-	(5)	(136)	(350)	(167)	-	(5)	(137)	(309)
PTOI	1,889	151	260	907	3,207	882	222	217	861	2,182
Operating income tax expense					(696)					(412)
Net income (loss) attributable to NCI					-					(13)
Preferred shares dividends and other equity distributions					(62)					(62)
NOI attributable to common shareholders					2,449					1,695
PTOI is comprised of:										
Underwriting income (loss)	1,487	151	244	(15)	1,867	512	222	198	(7)	925
Operating net investment income	-	-	-	1,217	1,217	-	-	-	1,161	1,161
Distribution income	413	-	16	-	429	382	-	19	-	401
Total finance costs	(11)	-	-	(167)	(178)	(12)	-	-	(166)	(178)
Other operating income (expense)	-	-	-	(128)	(128)	-	-	-	(127)	(127)
PTOI	1,889	151	260	907	3,207	882	222	217	861	2,182

Notes to Interim Condensed Consolidated Financial Statements (unaudited)

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

Table 19.2 – Reconciliation of segment operating revenue to amounts recognized in the interim condensed consolidated statements of income

Periods ended September 30,	Three-month		Nine-month	
	2025	2024	2025	2024
Segment operating revenue (Table 19.1)	6,445	6,049	18,798	17,622
Expense from reinsurance contracts	579	645	1,775	1,937
Net insurance revenue from claims acquired in a business combination	98	250	406	738
Assumed (ceded) commissions and premium adjustment	82	25	187	57
Net insurance revenue from retroactive reinsurance contracts	(6)	(22)	(32)	(44)
Other income included in Operating net underwriting expenses	27	24	78	72
Net underwriting revenue from exited lines	173	354	675	1,069
Revenue, as reported below	7,398	7,325	21,887	21,451
Represented by:				
Insurance revenue	6,791	6,757	20,060	19,756
Net investment income	402	394	1,217	1,161
Other income (Table 14.2)	205	174	610	534
	7,398	7,325	21,887	21,451

Table 19.3 – Reconciliation of segment PTOI to amounts recognized in the interim condensed consolidated statements of income

Periods ended September 30,	Three-month		Nine-month	
	2025	2024	2025	2024
Segment PTOI (Table 19.1)	1,039	213	3,207	2,182
Non-operating items:				
Net gains (losses) on investment portfolio	310	399	532	325
Changes in discount rate and other financial assumptions	(59)	(311)	(143)	(245)
Net foreign currency gains (losses) included in net insurance financial result	(33)	120	28	173
Discount build on claims liabilities	218	230	651	695
Net unwind of discount on claims liabilities	(203)	(230)	(627)	(676)
Other net gains (losses)	71	5	95	259
Income (loss) from exited lines	(17)	(21)	(29)	(96)
Amortization of acquired intangible assets	(80)	(75)	(239)	(225)
Acquisition, integration and restructuring costs	(101)	(77)	(297)	(280)
Net result from claims acquired in a business combination	-	(1)	(1)	(3)
Other	(23)	(16)	(54)	(44)
Pre-tax income, as reported in the interim MD&A	1,122	236	3,123	2,065
Less: share of income tax expense from broker associates	(4)	(7)	(22)	(25)
Income before income taxes, as reported	1,118	229	3,101	2,040

19.3 Selected segment assets and liabilities

Table 19.4 – Selected segment assets and liabilities

As at	September 30, 2025					December 31, 2024				
	CAN	UK&I	US	Corp	Total	CAN	UK&I	US	Corp	Total
Investments (Note 4)	-	-	-	42,891	42,891	-	-	-	40,282	40,282
Net liability for incurred claims ¹	14,593	6,845	2,402	4	23,844	14,126	6,502	2,360	6	22,994

¹ Represents the net liability for incurred claims before net payables included in incurred claims and the reclass of net claims reported under the GMM. Refer to Table 7.5 – Carrying amount of the net liability for incurred claims.

Notes to Interim Condensed Consolidated Financial Statements (unaudited)

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

Note 20 – Additional information on the interim condensed consolidated statements of cash flows

20.1 Supplementary information on cash flows from operating activities

Table 20.1 – Cash flows from operating activities

Periods ended September 30,	Three-month		Nine-month	
	2025	2024	2025	2024
Adjustments for non-cash items				
Net (gains) losses on investment portfolio (<i>Note 13</i>)	(310)	(399)	(532)	(325)
Other net (gains) losses	(71)	(5)	(95)	(259)
Depreciation of property and equipment ¹	48	41	130	123
Amortization of intangible assets	152	134	475	416
Net (discounts) premiums on debt securities classified as FVTOCI	(44)	(31)	(119)	(93)
DB pension expense (<i>Note 18</i>)	24	24	70	70
Share-based payment plans expense	45	30	117	87
Share of profit from investments in associates and joint ventures	(8)	(17)	(48)	(67)
Other	-	-	(7)	93
	(164)	(223)	(9)	45
Changes in other operating assets and liabilities				
Contributions to the DB pension plans	(9)	(3)	(33)	(75)
Changes in insurance and reinsurance contracts	737	1,216	1,015	1,068
Share-based payments	-	-	(29)	(20)
Other operating assets	(16)	84	(74)	(57)
Other operating liabilities	157	(88)	2	(119)
Dividends received from investments in associates and joint ventures	9	6	25	39
	878	1,215	906	836

¹ Includes depreciation of right-of-use assets of leases.

Table 20.2 – Other relevant cash flow disclosures – operating activities

Periods ended September 30,	Three-month		Nine-month	
	2025	2024	2025	2024
Interest paid	56	55	165	162
Interest received	305	297	950	882
Dividends received	88	86	276	274

20.2 Composition of cash and cash equivalents, net of bank overdraft

Table 20.3 – Composition of cash and cash equivalents, net of bank overdraft

As at September 30,	2025	2024
Cash	1,179	1,042
Cash equivalents	679	313
Cash and cash equivalents	1,858	1,355
Bank overdraft, recorded in Other liabilities (<i>Table 9.3</i>)	(122)	(272)
Cash and cash equivalents, net of bank overdraft	1,736	1,083

Cash and cash equivalents with restricted use was approximately \$369 million and \$247 million as at September 30, 2025 and 2024, respectively.

Note 21 – Standards issued but not yet effective

There have been no significant updates to *Note 35 – Standards issued but not yet effective* of the Company's annual consolidated financial statements for the year ended December 31, 2024.