Intact Financial Corporation reports Q1-2026 results

(in Canadian dollars except as otherwise noted)

TORONTO, May 5, 2026 /CNW/ - (TSX: IFC)

Highlights

- Net operating income per share[1] increased 8% to $4.33 (EPS of $4.12), reflecting growth in both investment and underwriting income
- Combined ratio[1] of 91.3%, driven by strong underwriting performance across all North American segments
- Operating DPW[1] growth was 4%, reflecting improvements in Commercial and Specialty lines and continued strength in Personal lines
- BVPS[1] increased 13% year-over-year to $108.78, driven by an operating ROE[1] of 19.4% (ROE[1] of 18.4%)
- Balance sheet strength continues, as total capital margin[1] increased to $4.0 billion and adjusted debt-to-capital[1] decreased to 16.4%

Charles Brindamour, Chief Executive Officer, said:

" We continued our strong performance into 2026 with a record high NOIPS for Q1 while sustaining our ROE in the upper teens. These financial results demonstrate how the fundamentals of our business continue to be strong. Our focus on driving profitable growth through pricing sophistication, product expansion and distribution initiatives in Commercial and Specialty lines is paying off. Our strong balance sheet and capital generation enable us to maintain significant firepower to pursue acquisition opportunities. It also allows us to deploy capital on share buybacks when our shares are meaningfully undervalued. We continue to execute against our financial objectives of exceeding industry ROE by 500 basis points annually and 10% NOIPS growth annually over time."

Consolidated Highlights

(in millions of Canadian dollars except as otherwise noted)	Q1-2026	Q1-2025	Change
Operating DPW[1] *(growth in constant currency)*	**5,602**	5,364	4 %
Operating income			
Underwriting income (loss)[1]	**504**	485	4 %
Operating net investment income	**457**	415	10 %
Distribution income[1]	**115**	117	(2 %)
Net operating income attributable to common shareholders[1]	**770**	717	7 %
Net income	**752**	676	11 %
Combined Ratio[1]	**91.3 %**	91.3 %	-- pts
Per share measures (in dollars)			
Net operating income per share (NOIPS)[1,2]	**4.33**	4.01	8 %
Earnings per share (EPS) - diluted[2]	**4.12**	3.69	12 %
Book value per share (BVPS)[1]	**108.78**	96.16	13 %
Return on equity for the last 12 months			
Operating ROE[1]	**19.4 %**	16.5 %	2.9 pts
Adjusted ROE[1]	**20.9 %**	16.1 %	4.8 pts
ROE[1]	**18.4 %**	13.7 %	4.7 pts
Capital Management			

Total capital margin[1]	**4,015**	3,099	916
Adjusted debt-to-total capital ratio[1]	**16.4 %**	19.1 %	(2.7) pts

12-Month Industry Outlook

We continue to expect constructive conditions across all of our markets:

- In Personal lines in Canada, we expect industry premium growth to be in the high-single-digit to low-double-digit range; and
- In Commercial and Specialty lines overall, we expect industry premium growth to be in the low to mid-single-digit range.

[1] This release contains Non-GAAP financial measures, Non-GAAP ratios and other financial measures (each as defined in National Instrument 52-112 "Non-GAAP and Other Financial Measures Disclosure"). Refer to Section 15 – Non-GAAP and other financial measures in the Q1-2026 Management's Discussion and Analysis for further details.

[2] Per share is calculated based on the weighted-average diluted number of common shares.

Q1-2026 Consolidated Performance

- Operating DPW growth was solid at 4% for the quarter, despite a 1 point impact from one-time items in the Personal property business. This reflects improvements in Commercial and Specialty lines growth, particularly in the UK&I, and continued strength in Personal lines.
- Combined ratio was solid and in line with last year at 91.3%, driven by robust performance across all North American segments.
- Operating net investment income increased 10% to $457 million, reflecting special dividends in the quarter and higher assets year-over-year, partly offset by decreases in floating rates. We now expect investment income of approximately $1.7 billion for 2026.
- Distribution income of $115 million was solid and in line with first quarter expectations, but decreased 2% year-over-year given last year's very strong results. We continue to expect distribution income growth of at least 10% annually over time.
- Net operating income per share increased 8% to $4.33 due to robust investment income, as well as both premium growth and sustained underwriting margins.
- Operating ROE increased 3 points year-over-year to 19.4%, reflecting the strength and resilience of our underwriting platform and focus on fundamentals.

Segment Underwriting Performance

(in millions of Canadian dollars except as otherwise noted)	**Q1-2026**	**Q1-2025**	**Change**
Operating direct premiums written[1] *(growth in constant currency)*			
Canada	**3,659**	3,480	5 %
UK&I	**1,318**	1,253	2 %
US	**625**	631	4 %
Total	**5,602**	5,364	4 %
Combined Ratio[1]			
Canada	**89.3 %**	90.2 %	(0.9) pts
UK&I	**103.2 %**	97.6 %	5.6 pts
US	**83.4 %**	86.8 %	(3.4) pts
Combined Ratio	**91.3 %**	91.3 %	-- pts

Canada

- Personal auto operating DPW grew by 9% for the quarter, including unit growth of 1% in hard market conditions. The combined ratio was strong at 94.4%, improving 3 points year-over-year, highlighting our continued underwriting discipline.

- Personal property operating DPW growth was 3% for the quarter, due to sustained unit growth of 2%, but was tempered by 5 points of one-time items related to the affinity and travel businesses. The combined ratio of 84.4% was strong, driven by robust underlying performance, despite higher large losses, as well as lower catastrophe losses.
- Commercial lines operating DPW growth was 2%, improving sequentially, as our growth initiatives are gaining momentum despite continued competition in the large account space. The combined ratio was solid at 86.2%, despite increasing from last year's low level due to elevated large losses, highlighting the strength of our platform.

UK

- Operating DPW growth was 2% for the quarter, improving 4 points sequentially, reflecting strong new business, despite continued competition in large accounts. The combined ratio of 103.2% increased year-over-year, driven by an 8-point impact from elevated CATs and large losses. This result was also driven by higher expenses.

US

- Operating DPW growth was 4% for the quarter, as our growth initiatives in our most profitable lines continued to generate solid new business. The combined ratio was very strong at 83.4%, and improved 3 points year-over-year, due to our continued focus on profitable growth.

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Balance Sheet

- The Company ended the quarter in a strong financial position and with solid regulatory capital ratios in all jurisdictions. Total capital margin of $4.0 billion increased $0.3 billion sequentially, driven by strong capital generation from robust operating earnings, which supported capital deployment activities including share buybacks.
- The adjusted debt-to-total capital ratio decreased to 16.4% as at March 31, 2026, driven by growth in equity capital from strong profitability.
- IFC's book value per share (BVPS) of $108.78 increased 1% sequentially and 13% year-over-year, driven by robust operating earnings, despite capital market volatility and share buybacks.

Common Share Dividend

- The Board of Directors approved the quarterly dividend of $1.47 per share on the Company's outstanding common shares. The common share dividends are payable on June 30, 2026, to shareholders of record on June 16, 2026.

Preferred Share Dividends

- The Board of Directors also approved a quarterly dividend of 30.25625 cents per share on the Company's Class A Series 1 preferred shares, 21.60625 cents per share on the Class A Series 3 preferred shares, 32.5 cents per share on the Class A Series 5 preferred shares, 33.125 cents per share on the Class A Series 6 preferred shares, 37.575 cents per share on the Class A Series 7 preferred shares, 33.75 cents per share on the Class A Series 9 preferred shares, 32.8125 cents per share on the Class A Series 11 preferred shares, and 34.375 cents per share on the Class A Series 13 preferred shares. The dividends are payable on June 30, 2026, to shareholders of record on June 16, 2026.

Analysts' Estimates

- The average estimate of earnings per share and net operating income per share for the quarter among the analysts who follow the Company was $3.69 and $4.06, respectively.

Management's Discussion and Analysis (MD&A) and Consolidated Financial Statements

This Press Release, which was approved by the Company's Board of Directors on the Audit Committee's recommendation, should be read in conjunction with the Q1-2026 MD&A, as well as the Q1-2026 interim condensed consolidated financial statements, which are available on the Company's website at www.intactfc.com and later today on SEDAR+ at www.sedarplus.ca.

For the definitions of measures and other insurance-related terms used in this Press Release, please refer to the MD&A and to the glossary available in the "Investors" section of the Company's website at www.intactfc.com.

Conference Call Details

Intact Financial Corporation will host a conference call to review its earnings results tomorrow at 11:00 a.m. ET. To listen to the call via live audio webcast and to view the Company's interim condensed consolidated financial statements, MD&A, presentation slides, Supplementary financial information and other information not included in this Press Release, visit the Company's website at www.intactfc.com and link to "Investors". The conference call is also available by dialing 416-945-7677 or 1-888-699-1199 (toll-free in North America). Please call 10 minutes before the start of the call. A replay of the call will be available on May 6, 2026 at 2:00 p.m. ET until 11:59 p.m. ET on May 13, 2026. To listen to the replay, call 289-819-1450 or 1-888-660-6345 (toll-free in North America), passcode 01322. A transcript of the call will also be made available on Intact Financial Corporation's website.

About Intact Financial Corporation

Intact Financial Corporation (TSX: IFC) is a global provider of property and casualty insurance founded on core values and a belief that insurance is about people, not things. Intact's success is fueled by its 32,000 employees worldwide who embody the company's purpose: to help people, businesses and society prosper in good times and be resilient in bad times. To achieve its ambitions, Intact seeks to ensure customers are its advocates, its people are engaged, and the company is one of the most respected.

Intact is the largest provider of property and casualty insurance in Canada and has successfully exported its strengths across North America, the UK, and Europe. Its growing commercial and specialty solutions network now spans over 150 countries. With a customer-driven mindset, Intact has expanded its operations to include insurance distribution, restoration, and prevention.

Intact solidifies its outperformance by leveraging its competitive advantages: global leadership in data and AI for pricing and risk selection; deep claims expertise and integrated supply chain network; and strong capital and investment management. Intact's total annual operating Direct Premiums Written has tripled over the last decade to $25 billion.

Non-GAAP and other financial measures

Non-GAAP financial measures and Non-GAAP ratios (which are calculated using Non-GAAP financial measures) do not have standardized meanings prescribed by IFRS (or GAAP) and may not be comparable to similar measures used by other companies in our industry. Non-GAAP and other financial measures are used by management and financial analysts to assess our performance. Further, they provide users with an enhanced understanding of our financial results and related trends, and increase transparency and clarity into the core results of the business.

Non-GAAP financial measures and Non-GAAP ratios used in this Press Release and other Company's financial reports include measures related to our consolidated performance, underwriting performance and financial strength.

For more information about these supplementary financial measures, Non-GAAP financial measures, and Non-GAAP ratios, including definitions and explanations of how these measures provide useful information, refer to Section 15 – Non-GAAP and other financial measures in the
Q1-2026 MD&A dated May 5, 2026, which is available on our website atwww.intactfc.com and on SEDAR+ at www.sedarplus.ca.

Table 1 Reconciliation of NOI, NOIPS and OROE to Net income attributable to shareholders

	Q1-2026	Q1-2025
Net income attributable to shareholders, as reported under IFRS	**752**	676
Remove: pre-tax non-operating results	**34**	74
Remove: non-operating tax expense (benefit)	**4**	(16)
NOI attributable to shareholders	**790**	734
Remove: preferred share dividends and other equity distribution	**(20)**	(17)
NOI attributable to common shareholders	**770**	717
Divided by weighted-average diluted number of common shares (in millions)	**177.7**	178.7
NOIPS (in dollars)	**4.33**	4.01
NOI attributable to common shareholders for the last 12 months	**3,481**	2,646
Adjusted average common shareholders' equity, excluding AOCI	**17,903**	16,082
OROE for the last 12 months	**19.4 %**	16.5 %

Table 2 Reconciliation of underwriting results on a MD&A basis with the interim condensed consolidated financial

statements (quarterly)

Financial statements	F/S	1	2	3	4	5	6	7	8	9	Total	MD&A	MD&A
Quarter ended March 31, 2026													
Insurance revenue	**6,654**	**(550)**	**(104)**	**--**	**--**	**--**	**--**	**(122)**	**(59)**	**6**	**(829)**	**5,825**	Operating net underwriting revenue
Insurance service expense	**(5,666)**	**427**	**134**	**(130)**	**7**	**(57)**	**(221)**	**132**	**59**	**(6)**	**345**	**(5,321)**	Sum of: Operating net claims ($3,307 million) and Operating net underwriting expenses ($2,014 million)
Expense from reinsurance contracts	**(550)**	**550**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**550**	**--**	n/a
Income from reinsurance contracts	**427**	**(427)**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**(427)**	**--**	n/a
Insurance service result	**865**	**--**	**30**	**(130)**	**7**	**(57)**	**(221)**	**10**	**--**	**--**	**(361)**	**504**	**Underwriting income (loss)**
Quarter ended March 31, 2025													
Insurance revenue	6,653	(598)	(277)	--	--	--	--	(197)	(48)	21	(1,099)	5,554	Operating net underwriting revenue
Insurance service expense	(5,587)	393	282	(119)	8	(62)	(218)	207	48	(21)	518	(5,069)	Sum of: Operating net claims ($3,208 million) and Operating net underwriting expenses ($1,861 million)
Expense from reinsurance contracts	(598)	598	--	--	--	--	--	--	--	--	598	--	n/a
Income from reinsurance contracts	393	(393)	--	--	--	--	--	--	--	--	(393)	--	n/a
Insurance service result	861	--	5	(119)	8	(62)	(218)	10	--	--	(376)	485	**Underwriting income (loss)**

Reconciling items in the table above:

1	Adjustment to present results net of reinsurance
2	Adjustment to exclude net underwriting revenue, net claims, net underwriting expenses from exited lines (treated as non-operating)
3	Adjustment to include indirect underwriting expenses (from Other income and expense under IFRS)
4	Adjustment to exclude the non-operating pension expense
5	Adjustment to reclassify intercompany commissions (to Distribution income & Other operating income (expense))
6	Adjustment to exclude discount build on claims liabilities (treated as non-operating)
7	Adjustment to exclude Net insurance service results from claims acquired in a business combination (treated as non-operating)
8	Adjustment to reclassify Assumed (ceded) commissions and premium adjustments
9	Adjustment to reclassify Net insurance revenue from retroactive reinsurance contracts

Table 3 Reconciliation of ROE to Net income attributable to shareholders

	Q1-2026	Q1-2025
Net income attributable to shareholders, as reported under IFRS	**752**	676
Remove: preferred share dividends and other equity distribution	**(20)**	(17)
Net income attributable to common shareholders	**732**	659
Divided by weighted-average basic number of common shares (in millions)	**177.4**	178.3
EPS, basic (in dollars)	**4.13**	3.70
Divided by weighted-average diluted number of common shares[1] (in millions)	**177.7**	178.7
EPS, diluted (in dollars)	**4.12**	3.69
Net income attributable to common shareholders for the last 12 months	**3,348**	2,210
Adjusted average common shareholders' equity	**18,204**	16,135

ROE for the last 12 months	**18.4 %**	13.7 %

[1] Includes the net effect of stock options.See ***Note 16 – Earnings per share*** to the interim condensed consolidated financial statements for more details.

Table 4 Reconciliation of consolidated results on a MD&A basis with the interim condensed consolidated financial statements (quarterly)

	MD&A captions					Pre-tax		
As presented in the Financial statements	**Distribution income**	**Total finance costs**	**Other operating income (expense)**	**Operating net investment income**	**Total income taxes**	**Non-operating results**	**Underwriting income (loss)**	**Total F/S caption**
For the quarter ended March 31, 2026								
Insurance service result	**62**	**--**	**(5)**	**--**	**--**	**174**	**634**	**865**
Net investment income	**--**	**--**	**--**	**457**	**--**	**--**	**--**	**457**
Net gains (losses) on investment portfolio	**--**	**--**	**--**	**--**	**--**	**52**	**--**	**52**
Net insurance financial result	**--**	**--**	**--**	**--**	**--**	**(77)**	**--**	**(77)**
Share of profits from investments in associates and joint ventures	**34**	**(4)**	**(1)**	**--**	**(6)**	**(13)**	**--**	**10**
Other net gains (losses)	**--**	**--**	**--**	**--**	**--**	**(19)**	**--**	**(19)**
Other income and expense	**19**	**--**	**(12)**	**--**	**--**	**(71)**	**(130)**	**(194)**
Other finance costs	**--**	**(54)**	**--**	**--**	**--**	**--**	**--**	**(54)**
Acquisition, integration and restructuring costs	**--**	**--**	**--**	**--**	**--**	**(80)**	**--**	**(80)**
Income tax benefit (expense)	**--**	**--**	**--**	**--**	**(208)**	**--**	**--**	**(208)**
Total, as reported in MD&A	**115**	**(58)**	**(18)**	**457**	**(214)**	**(34)**	**504**	
For the quarter ended March 31, 2025								
Insurance service result	65	--	(3)	--	--	195	604	861
Net investment income	--	--	--	415	--	--	--	415
Net gains (losses) on investment portfolio	--	--	--	--	--	86	--	86
Net insurance financial result	--	--	--	--	--	(240)	--	(240)
Share of profits from investments in associates and joint ventures	42	(3)	1	--	(9)	(9)	--	22
Other net gains (losses)	--	--	--	--	--	40	--	40
Other income and expense	10	--	(25)	--	--	(77)	(119)	(211)
Other finance costs	--	(55)	--	--	--	--	--	(55)
Acquisition, integration and restructuring costs	--	--	--	--	--	(69)	--	(69)
Income tax benefit (expense)	--	--	--	--	(173)	--	--	(173)
Total, as reported in MD&A	117	(58)	(27)	415	(182)	(74)	485	

Table 5 Reconciliation of AEPS and AROE to Net income attributable to shareholders

	Q1-2026	Q1-2025
Net income attributable to shareholders, as reported under IFRS	**752**	676
Remove acquisition-related items, after tax		
Amortization of acquired intangible assets	**60**	61

Acquisition and integration costs	**25**	30
Tax adjustments on acquisition-related items	**2**	1
Adjusted net income attributable to shareholders	**839**	768
Remove: preferred share dividends and other equity distribution	**(20)**	(17)
Adjusted net income attributable to common shareholders	**819**	751
Divided by weighted-average diluted number of common shares (in millions)	**177.7**	178.7
AEPS (in dollars)	**4.61**	4.21
Adjusted net income attributable to common shareholders for the last 12 months	**3,796**	2,601
Adjusted average common shareholders' equity	**18,204**	16,135
AROE for the last 12 months	**20.9 %**	16.1 %

Table 6 Calculation of BVPS and BVPS (excluding AOCI)

As at March 31,	**2026**	**2025**
Equity attributable to shareholders, as reported under IFRS	**21,271**	18,768
Remove: Preferred shares and other equity, as reported under IFRS	**(2,013)**	(1,619)
Common shareholders' equity	**19,258**	17,149
Remove: AOCI, as reported under IFRS	**(203)**	(399)
Common shareholders' equity (excluding AOCI)	**19,055**	16,750
Number of common shares outstanding at the same date (in millions)	**177.0**	178.3
BVPS	**108.78**	96.16
BVPS (excluding AOCI)	**107.63**	93.92

Table 7 Adjusted average common shareholders' equity and Adjusted average common shareholders' equity, excluding AOCI

As at March 31,	**2026**	**2025**
Ending common shareholders' equity	**19,258**	17,149
Beginning common shareholders' equity	**17,149**	15,121
Adjusted average common shareholders' equity[1]	**18,204**	16,135
Ending common shareholders' equity, excluding AOCI	**19,055**	16,750
Beginning common shareholders' equity, excluding AOCI	**16,750**	15,413
Adjusted average common shareholders' equity, excluding AOCI[1]	**17,903**	16,082

[1] No significant capital transactions occurred over the reported period.

Table 8 Reconciliation of Total debt outstanding before hybrid subordinated notes, Adjusted total capital and Total leverage ratio

As at	**March 31, 2026**	**Dec. 31, 2025**
Debt outstanding, as reported under IFRS	**4,184**	4,426
Remove: hybrid subordinated notes	**--**	(250)
Total debt outstanding before hybrid subordinated notes	**4,184**	4,176
Debt outstanding, as reported under IFRS	**4,184**	4,426

Equity attributable to shareholders, as reported under IFRS	**21,271**	20,836
Adjusted total capital	**25,455**	25,262

Total debt outstanding before hybrid subordinated notes	**4,184**	4,176
Adjusted total capital	**25,455**	25,262
Adjusted debt-to-total capital ratio	**16.4 %**	16.5 %

Debt outstanding, as reported under IFRS	**4,184**	4,426
Preferred shares and other equity, as reported under IFRS	**2,013**	1,766
Debt outstanding and preferred shares	**6,197**	6,192
Adjusted total capital	**25,455**	25,262
Total leverage ratio	**24.3 %**	24.5 %
Adjusted debt-to-total capital ratio	**16.4 %**	16.5 %
Preferred shares and hybrids	**7.9 %**	8.0 %

Forward Looking Statements

Certain statements made in this news release are forward-looking statements. These statements include, without limitation, statements relating to the outlook for the Property and Casualty insurance industry in Canada, the U.S., the U.K. and Europe, the Company's business outlook, the Company's growth prospects and the impact of economic and other external conditions on the Company's operations and financial performance. All such forward-looking statements are made pursuant to the 'safe harbour' provisions of applicable Canadian securities laws.

Forward-looking statements, by their very nature, are subject to inherent risks and uncertainties and are based on several assumptions, both general and specific, which give rise to the possibility that actual results or events could differ materially from our expectations expressed in or implied by such forward-looking statements as a result of various factors, including those discussed in the Q1-2026 MD&A dated May 5, 2026 and those made in the section entitled Risk management (Sections 24 to 27) of our MD&A for the year ended December 31, 2025. The Q1-2026 MD&A, dated May 5, 2026, and the MD&A for the year ended December 31, 2025 are available on SEDAR+ at www.sedarplus.ca. Please read the cautionary note at the beginning of the Q1-2026 MD&A in connection with the risks described in the MD&A for the year ended December 31, 2025. We cannot guarantee that any forward-looking statement will materialize and we caution you against relying on any of these forward-looking statements. Except as may be required by Canadian securities laws, we do not undertake any obligation to update or revise any forward-looking statements contained in this news release, whether as a result of new information, future events or otherwise.

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