

Intact Financial Corporation reports Q2-2026 results

(TSX: IFC)

(in Canadian dollars except as otherwise noted)

TORONTO, July 28, 2026 /CNW/ -- **Highlights**

- Operating DPW¹ growth was 4%, mostly attributable to continued strength in Personal lines
- Combined ratio¹ of 94.9% included 4 points from elevated catastrophe and large losses
- Net operating income per share¹ of \$3.17 (EPS of \$3.90) reflected lower underwriting income, but solid contributions from investment and distribution income
- BVPS¹ of \$111.73 grew 13% year-over-year, with operating ROE¹ remaining strong at 17.0% (ROE of 17.2%)
- Balance sheet strength maintained with a total capital margin¹ of \$3.8 billion and an adjusted debt-to-capital¹ of 16.2%, after completing \$181 million of share buybacks in the quarter

Charles Brindamour, Chief Executive Officer, said:

"We continued to deliver an upper teens ROE and double-digit BVPS growth over the past year driven by robust underwriting fundamentals, despite elevated CAT and large losses in the second quarter. These events allow our teams to continue to demonstrate their strength on the ground, leveraging our scale and extensive supply chain to help customers get back on track fast and rebuild stronger. Our resilient performance, as well as the strength of our balance sheet, positions us to continue to pursue growth initiatives in a constructive M&A environment. We remain on track to deliver on our financial objectives of exceeding the industry ROE by 500 basis points and grow NOIPS by 10% annually over time."

Consolidated Highlights

(in millions of Canadian dollars except as otherwise noted)

	Q2-2026	Q2-2025	Change	H1-2026	H1-2025	Change
Operating DPW¹ (growth in constant currency)	7,345	7,031	4 %	12,947	12,395	4 %
Operating income						
Underwriting income (loss) ¹	305	784	(61 %)	809	1,269	(36 %)
Operating net investment income	405	400	1 %	862	815	6 %
Distribution income ¹	172	165	4 %	287	282	2 %
Net operating income attributable to common shareholders ¹	561	935	(40 %)	1,331	1,652	(19 %)
Net income	720	867	(17 %)	1,472	1,543	(5 %)
Combined Ratio¹	94.9 %	86.1 %	8.8 pts	93.1 %	88.7 %	4.4 pts
Per share measures (in dollars)						
Net operating income per share (NOIPS) ^{1,2}	3.17	5.23	(39 %)	7.51	9.25	(19 %)
Earnings per share (EPS) - diluted ²	3.90	4.70	(17 %)	8.02	8.39	(4 %)
Book value per share (BVPS) ¹	111.73	98.67	13 %			
Return on equity for the last 12 months						
Operating ROE ¹	17.0 %	16.3 %	0.7 pts			
Adjusted ROE ¹	19.3 %	16.5 %	2.8 pts			
ROE ¹	17.2 %	14.0 %	3.2 pts			
Capital Management						
Total capital margin ¹	3,761	3,136	625			
Adjusted debt-to-total capital ratio ¹	16.2 %	18.4 %	(2.2) pts			

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 16 – Non-GAAP and other financial measures in the Q2-2026 Management's Discussion and Analysis for further details.

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

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.

Q2-2026 Consolidated Performance

- Operating DPW growth was solid at 4%, mostly attributable to continued strength and hard market conditions in Personal lines. The benefits we see from our initiatives in Commercial and Specialty lines are somewhat tempered by competition in large accounts.
- Combined ratio of 94.9% included 4 points from elevated catastrophe and large losses, with otherwise solid underlying performance.
- Operating net investment income increased 1% to \$405 million, reflecting higher assets year-over-year, despite decreases in floating rates.
- Distribution income of \$172 million increased year-over-year as strong organic and inorganic growth was tempered by investments to support temporary service level demands, including those in connection with auto reforms.
- Net operating income per share of \$3.17 included a \$1.08 impact from elevated catastrophe and large losses above expectations but reflected solid contributions from investment and distribution income.
- Operating ROE increased almost 1 point year-over-year to 17.0%, reflecting the resilience of our underwriting platform and continued focus on profitable growth.
- Adjusted ROE of 19.3% and ROE of 17.2% were strong, both increasing approximately 3 points from last year, primarily due to solid operating performance as well as mark-to-market gains on equity securities.

Segment Underwriting Performance

(in millions of Canadian dollars except as otherwise noted)

	Q2-2026	Q2-2025	Change	H1-2026	H1-2025	Change
Operating direct premiums written¹ (growth in constant currency)						
Canada	5,191	4,908	6 %	8,850	8,388	6 %
UK&I	1,332	1,330	(1 %)	2,650	2,583	1 %
US	822	793	4 %	1,447	1,424	4 %
Total	7,345	7,031	4 %	12,947	12,395	4 %
Combined Ratio¹						
Canada	91.7 %	83.8 %	7.9 pts	90.5 %	87.0 %	3.5 pts
UK&I	112.0 %	92.9 %	19.1 pts	107.6 %	95.2 %	12.4 pts
US	85.0 %	87.8 %	(2.8) pts	84.2 %	87.2 %	(3.0) pts
Combined Ratio	94.9 %	86.1 %	8.8 pts	93.1 %	88.7 %	4.4 pts

Canada

- Personal auto operating DPW grew by 9%, including unit growth of 1% in hard market conditions. The combined ratio was strong at 88.8% reflecting the benefits of our disciplined profitability actions taken over time.
- Personal property operating DPW growth was 7%, including unit growth of 1% in hard market conditions. The combined ratio of 103.0% was impacted by 11 points of catastrophe and large losses above expectations.

- Commercial lines operating DPW growth was 1%, as positive momentum from our growth initiatives was tempered by continued competition in large accounts. The combined ratio of 85.7% was strong, reflecting robust underwriting performance despite elevated large losses and lower favourable PYD.

UK&I

- Operating DPW growth decreased by 1% as solid new business and retention were more than offset by the impacts of combining the RSA and DLG brokered Commercial lines portfolios under one brand. The combined ratio of 112.0% increased year-over-year and included a 15-point impact from elevated catastrophe and large losses.

US

- Operating DPW growth was 4%, driven by solid new business, somewhat tempered by elevated competition in specific business lines. The combined ratio of 85.0% was strong and improved almost 3 points year-over-year, reflecting the benefits of our disciplined underwriting and focus on growing in the most profitable segments.

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 16 – Non-GAAP and other financial measures in the Q2-2026 Management's Discussion and Analysis for further details.

Balance Sheet

- The Company ended the quarter in a strong financial position and with solid regulatory capital ratios in all jurisdictions. Total capital margin remained strong at \$3.8 billion but decreased \$0.2 billion sequentially. Capital generation was solid and supported capital deployment activities including dividend distributions and share buybacks.
- The adjusted debt-to-total capital ratio decreased to 16.2% as at June 30, 2026, driven by growth in shareholders' equity from continued profitability.
- IFC's book value per share (BVPS) of \$111.73 increased 3% sequentially and 13% year-over-year, driven by solid operating earnings despite elevated catastrophe and large losses as well as 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 September 29, 2026, to shareholders of record on September 15, 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 September 30, 2026, to shareholders of record on September 15, 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 \$3.19 and \$3.51, 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 Q2-2026 MD&A, as well as the Q2-2026 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

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Six-month period ended June 30, 2025

Insurance revenue	13,269	(1,196)	(502)	--	--	--	--	(308)	(105)	26	(2,085)	11,184	Operating net underwriting revenue
Insurance service expense	(10,670)	650	514	(269)	15	(120)	(433)	319	105	(26)	755	(9,915)	Sum of: Operating net claims (\$6,125 million) and Operating net underwriting expenses (\$3,790 million)
Expense from reinsurance contracts	(1,196)	1,196	--	--	--	--	--	--	--	--	1,196	--	n/a
Income from reinsurance contracts	650	(650)	--	--	--	--	--	--	--	--	(650)	--	n/a
Insurance service result	2,053	--	12	(269)	15	(120)	(433)	11	--	--	(784)	1,269	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 4 Reconciliation of ROE to Net income attributable to shareholders

	Q2-2026	Q2-2025	H1-2026	H1-2025
Net income attributable to shareholders, as reported under IFRS	720	867	1,472	1,543
Remove: preferred share dividends and other equity distribution	(30)	(28)	(50)	(45)
Net income attributable to common shareholders	690	839	1,422	1,498
Divided by weighted-average basic number of common shares (in millions)	176.7	178.3	177.0	178.3
EPS, basic (in dollars)	3.91	4.71	8.03	8.40
Divided by weighted-average diluted number of common shares ¹ (in millions)	177.0	178.7	177.3	178.7
EPS, diluted (in dollars)	3.90	4.70	8.02	8.39
Net income attributable to common shareholders for the last 12 months	3,199	2,327		
Adjusted average common shareholders' equity	18,650	16,647		
ROE for the last 12 months	17.2 %	14.0 %		

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

	MD&A captions	Pre-tax
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				Operating				
	Distribution	Total finance	Other	net	Total income	Non-operating	Underwriting	Total F/S
As presented in the Financial statements	income	costs	operating income	investment income	taxes	results	income (loss)	caption
For the quarter ended June 30, 2026								
Insurance service result	35	--	9	--	--	223	441	708
Net investment income	--	--	--	405	--	--	--	405
Net gains (losses) on investment portfolio	--	--	--	--	--	276	--	276
Net insurance financial result	--	--	--	--	--	(211)	--	(211)
Share of profits from investments in								
associates and joint ventures	55	(4)	(2)	--	(11)	(13)	--	25
Other net gains (losses)	--	--	--	--	--	57	--	57
Other income and expense	82	--	(64)	--	--	(68)	(136)	(186)
Other finance costs	--	(54)	--	--	--	--	--	(54)
Acquisition, integration and restructuring costs	--	--	--	--	--	(83)	--	(83)
Income tax benefit (expense)	--	--	--	--	(217)	--	--	(217)
Total, as reported in MD&A	172	(58)	(57)	405	(228)	181	305	
For the quarter ended June 30, 2025								
Insurance service result	43	--	15	--	--	200	934	1,192
Net investment income	--	--	--	400	--	--	--	400
Net gains (losses) on investment portfolio	--	--	--	--	--	136	--	136
Net insurance financial result	--	--	--	--	--	(197)	--	(197)
Share of profits from investments in								
associates and joint ventures	42	(4)	(2)	--	(9)	(9)	--	18
Other net gains (losses)	--	--	--	--	--	(16)	--	(16)
Other income and expense	80	--	(65)	--	--	(80)	(150)	(215)
Other finance costs	--	(57)	--	--	--	--	--	(57)
Acquisition, integration and restructuring costs	--	--	--	--	--	(127)	--	(127)
Income tax benefit (expense)	--	--	--	--	(267)	--	--	(267)
Total, as reported in MD&A	165	(61)	(52)	400	(276)	(93)	784	

Table 6 Reconciliation of consolidated results on a MD&A basis with the interim condensed consolidated financial statements (for the year)

	MD&A captions					Pre-tax		
	Distribution	Total finance	Other	Operating				
As presented in the Financial statements	income	costs	operating income	investment income	Total income	Non-operating	Underwriting	Total F/S
			(expense)	income	taxes	results	income (loss)	caption
For the six-month period ended June 30, 2026								
Insurance service result	97	--	4	--	--	397	1,075	1,573
Net investment income	--	--	--	862	--	--	--	862

Net gains (losses) on investment portfolio	--	--	--	--	--	328	--	328
Net insurance financial result	--	--	--	--	--	(288)	--	(288)
Share of profits from investments in								
associates and joint ventures	89	(8)	(3)	--	(17)	(26)	--	35
Other net gains (losses)	--	--	--	--	--	38	--	38
Other income and expense	101	--	(76)	--	--	(139)	(266)	(380)
Other finance costs	--	(108)		--	--	--	--	(108)
Acquisition, integration and restructuring								
costs	--	--	--	--	--	(163)	--	(163)
Income tax benefit (expense)	--	--	--	--	(425)	--	--	(425)
Total, as reported in MD&A	287	(116)	(75)	862	(442)	147	809	
For the six-month period ended June 30, 2025								
Insurance service result	108	--	12	--	--	395	1,538	2,053
Net investment income	--	--	--	815	--	--	--	815
Net gains (losses) on investment portfolio	--	--	--	--	--	222	--	222
Net insurance financial result	--	--	--	--	--	(437)	--	(437)
Share of profits from investments in								
associates and joint ventures	84	(7)	(1)	--	(18)	(18)	--	40
Other net gains (losses)	--	--	--	--	--	24	--	24
Other income and expense	90	--	(90)	--	--	(157)	(269)	(426)
Other finance costs	--	(112)		--	--	--	--	(112)
Acquisition, integration and restructuring								
costs	--	--	--	--	--	(196)	--	(196)
Income tax benefit (expense)	--	--	--	--	(440)	--	--	(440)
Total, as reported in MD&A	282	(119)	(79)	815	(458)	(167)	1,269	

Table 7 Reconciliation of AEPS and AROE to Net income attributable to shareholders

	Q2-2026	Q2-2025	H1-2026	H1-2025
Net income attributable to shareholders, as reported under IFRS	720	867	1,472	1,543
Remove acquisition-related items, after tax				
Amortization of acquired intangible assets	58	61	118	122
Acquisition and integration costs	23	56	48	86
Tax adjustments on acquisition-related items	--	7	2	8
Net result from claims acquired in a business combination	(4)	1	(4)	1
Adjusted net income attributable to shareholders	797	992	1,636	1,760
Remove: preferred share dividends and other equity distribution	(30)	(28)	(50)	(45)
Adjusted net income attributable to common shareholders	767	964	1,586	1,715
Divided by weighted-average diluted number of common shares (in millions)	177.0	178.7	177.3	178.7
AEPS (in dollars)	4.33	5.39	8.95	9.59
Adjusted net income attributable to common shareholders for the last 12 months	3,599	2,744		

Adjusted average common shareholders' equity	18,650	16,647
AROE for the last 12 months	19.3 %	16.5 %

Table 8 Calculation of BVPS and BVPS (excluding AOCI)

As at June 30,	2026	2025
Equity attributable to shareholders, as reported under IFRS	21,716	19,216
Remove: Preferred shares and other equity, as reported under IFRS	(2,013)	(1,619)
Common shareholders' equity	19,703	17,597
Remove: AOCI, as reported under IFRS	(375)	(260)
Common shareholders' equity (excluding AOCI)	19,328	17,337
Number of common shares outstanding at the same date (in millions)	176.3	178.3
BVPS	111.73	98.67
BVPS (excluding AOCI)	109.60	97.21

Table 9 Adjusted average common shareholders' equity and Adjusted average common shareholders' equity, excluding AOCI

As at June 30,	2026	2025
Ending common shareholders' equity	19,703	17,597
Beginning common shareholders' equity	17,597	15,696
Adjusted average common shareholders' equity¹	18,650	16,647
Ending common shareholders' equity, excluding AOCI	19,328	17,337
Beginning common shareholders' equity, excluding AOCI	17,337	15,934
Adjusted average common shareholders' equity, excluding AOCI¹	18,333	16,636

¹ No significant capital transactions occurred over the reported period.

Table 10 Reconciliation of Total debt outstanding before hybrid subordinated notes, Adjusted total capital and Total leverage ratio

As at	June 30, 2026	March 31, 2026	Dec. 31, 2025
Debt outstanding, as reported under IFRS	4,199	4,184	4,426
Remove: hybrid subordinated notes	--	--	(250)
Total debt outstanding before hybrid subordinated notes	4,199	4,184	4,176
Debt outstanding, as reported under IFRS	4,199	4,184	4,426
Equity attributable to shareholders, as reported under IFRS	21,716	21,271	20,836
Adjusted total capital	25,915	25,455	25,262
Total debt outstanding before hybrid subordinated notes	4,199	4,184	4,176
Adjusted total capital	25,915	25,455	25,262
Adjusted debt-to-total capital ratio	16.2 %	16.4 %	16.5 %
Debt outstanding, as reported under IFRS	4,199	4,184	4,426
Preferred shares and other equity, as reported under IFRS	2,013	2,013	1,766

Debt outstanding and preferred shares	6,212	6,197	6,192
Adjusted total capital	25,915	25,455	25,262
Total leverage ratio	24.0 %	24.3 %	24.5 %
Adjusted debt-to-total capital ratio	16.2 %	16.4 %	16.5 %
Preferred shares and hybrids	7.8 %	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 Q2-2026 MD&A dated July 28, 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 Q2-2026 MD&A, dated July 28, 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 Q2-2026 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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For further information: Media Inquiries: Caroline Audet, Manager, Media Relations and Public Affairs , 416 227-7905 / 514 985-7165, media@intact.net; Investor Inquiries: Geoff Kwan, Deputy SVP, Finance and Chief Investor Relations Officer , 1-866-440-8300 ext. 20022, ir@intact.net

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