Building a Leading P&C Insurer

Acquisition of RSA's Canada and UK&I operations

intact

November 18, 2020

Accelerating Strategy to Drive Significant Value

1 Expands our leadership position in Canada

- ✓ Bolsters our Canadian business, unlocking synergies and opportunities for growth
- ✓ Enhances commercial lines and both direct and broker channels simultaneously
- ✓ Builds on our strengths in data, claims, pricing and segmentation

2 Creates a leading specialty lines platform

- ✓ Expands North American specialty lines and broadens distribution footprint
- ✓ Adds international capabilities and expertise in Europe
- ✓ Creates a $4B+ specialty solutions leader[1]

3 Entry into the UK & Ireland at scale

- ✓ Opportunity to apply risk selection and claims management expertise to improve underwriting performance
- ✓ Attractive commercial and SME portfolio to share our successful operating model
- ✓ Opportunity to apply our customer driven and digital advantages in personal lines

- ✓ Increases investment in our core capabilities of data, risk selection, claims and supply chain management
- ✓ Strengthens our ability to outperform

4 Financially compelling

- ✓ Net assets to be acquired at 0.9x book value with expected internal rate of return (IRR) in excess of our 15% threshold
- ✓ Expected high single digit NOIPS accretion in the first year, increasing to upper teens within 36 months[2]
- ✓ Expected to maintain mid-teens Operating ROE; BVPS expected to increase in excess of 25% at closing
- ✓ Over $1.5B total capital margin estimated at closing; debt-to-capital expected to return to 20% within 36 months

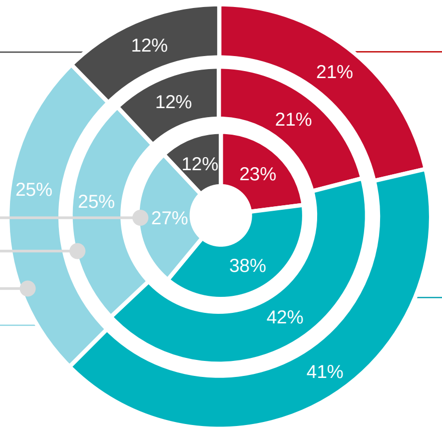
Our values, clear purpose, and belief that insurance is about people, not things, will ground us as we grow our business over time

[1]*As measured in DPW. Please refer to page 4 for details.*
[2]*No statement in this presentation is intended as a profit forecast or profit estimate.*

1 Expands our Leadership Position in Canada

Bolsters our Leading Platform in the Competitive Canadian P&C Industry

Pro forma 2019 DPW: $13B



Specialty[1]
Pro forma: $1.6B
Intact: $1.2B
RSA: $0.4B

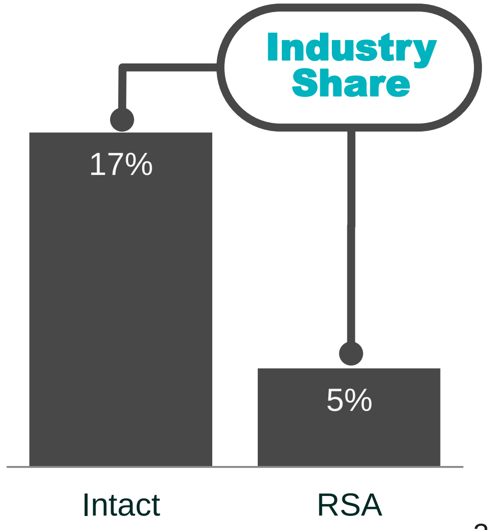
Commercial
Pro forma: $2.8B
Intact: $2.1B
RSA: $0.7B

Personal Property
Pro forma: $3.3B
Intact: $2.4B
RSA: $0.8B

Personal Auto
Pro forma: $5.3B
Intact: $4.1B
RSA: $1.2B

Intact intends to combine its best-in-class expertise in data, claims, pricing & segmentation with RSA's well diversified $3.1B Canadian business

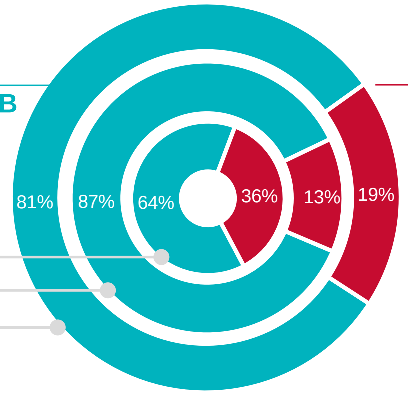
$60B
Canadian P&C Industry[3]



Pro forma Highlights

Pro forma 2019 DPW: $13B

DPW by Channel

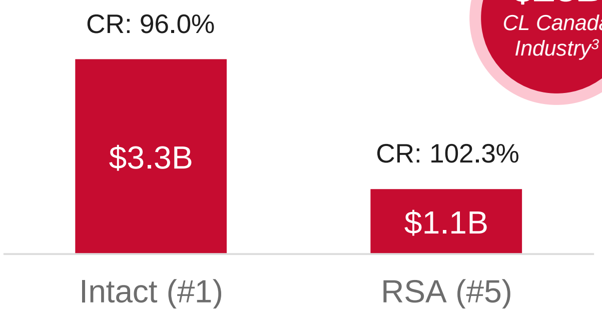


Broker
Pro forma: $10.5B
Intact: $8.5B
RSA: $2.0B

Direct
Pro forma: $2.5B
Intact: $1.3B
RSA: $1.1B

RSA's Johnson is a **leading direct / affinity platform** in Canada

Commercial Lines[2]



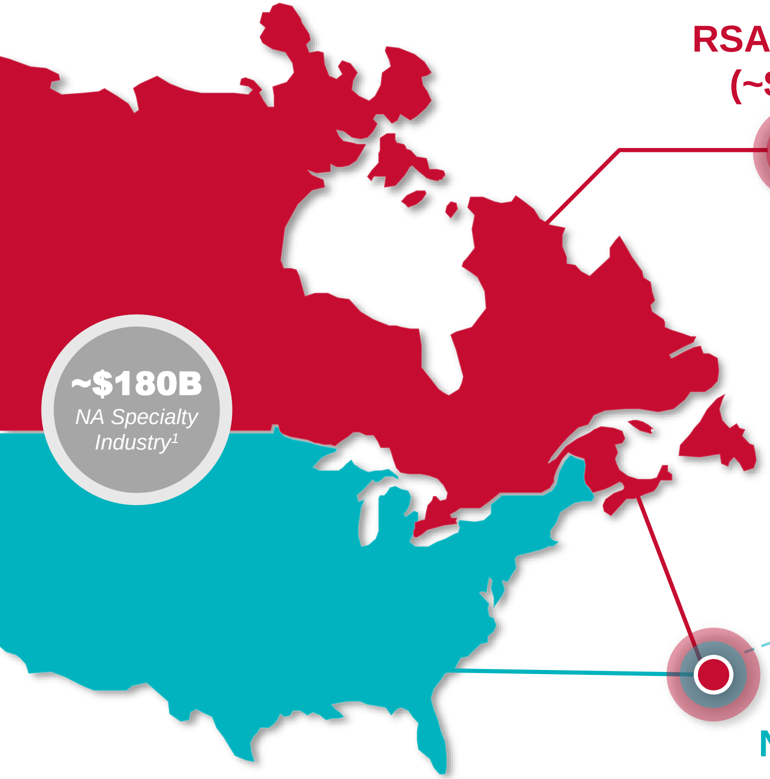
$20B
CL Canada Industry[3]

Source: Intact and RSA filings, MSA Research Inc. [1]RSA Specialty as defined primarily includes lines presented on page 5. [2]DPW including commercial and specialty lines. CR is combined ratio for full year 2019. [3]As measured in DPW.

2 Creates a Leading Specialty Lines Platform

Combined product mix bolsters North American Specialty Solutions franchise and broadens distribution footprint, while new specialties bring expertise and opportunity

UK & International geographies open for our leading specialty products; opportunity to create strong global franchises in highly competitive lines such as Marine, Specialty Property, and E&O/D&O



~$180B
NA Specialty Industry[1]

RSA CANADA (~$0.4B)

- Energy
- Excess Liability
- Real Estate

N. AMERICAN EXPANSION

- Specialty Auto
- Equip. Breakdown
- Niche/Schemes

INTACT N. AMERICA ($2.9B)

- Surety
- Public Entities
- Accident
- Technology
- Tuition
- Others

GLOBAL SPECIALTIES

- Marine
- Specialty Property
- E&O / D&O

RSA UK&I ($750M+)

- Construction & Engineering
- Renewable Energy
- Risk Managed Liability/Casualty

$70B+
UK&I Industry[2]

Expected to add over $1B of premiums to drive specialty to over **$4B** with sustainable **low-90's** combined ratio objective

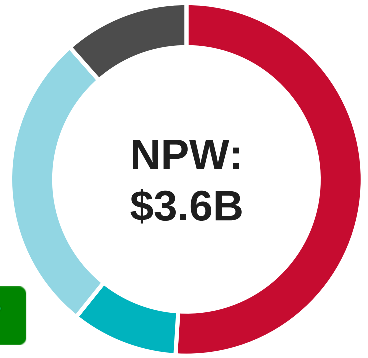
Note: All figures refer to direct premiums written.
[1]Source: SNL 2019 premiums for Commercial and Specialty lines for U.S.
[2]The London Market GWP in 2017 per EY 2020 UK Insurance Outlook report, IUA London Company Market Statistics Report (October 2020), and Lloyd's of London 2019 annual report. Excludes North America.

3 Entry into the UK & Ireland at Scale

[intact]

Top 5 Position[1] with Strong Brands in the UK

RSA UK



RSA

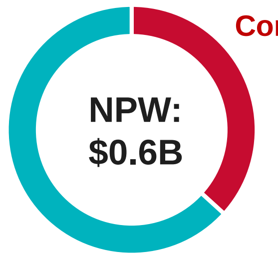
MORE TH>N

- Target combined ratio improvement from risk selection and claims management
- Leverage customer driven and digital advantages in personal lines with a focus on property
- Opportunity to apply our successful operating model to RSA's leading commercial & SME platform

Top 10 in Ireland[3]

RSA Ireland

123.ie



RSA

Strong strategic entry point with a **9% industry share[3]**

UK Portfolio Highlights[1]

SME Focused Commercial Lines	Leading Personal Property Business	Modest Exposure to Personal Auto
• Position: **Top 5**	• Position: **#2**	• Position: **Top 20**

5% share in **$80B+** *UK P&C Industry[2]*

Europe & International

- ✓ $0.7B of NPW
- ✓ Commercial focus in Spain, France, Netherlands and Belgium
- ✓ Leading presence in Middle East

- ✓ Co-ownership in a top-3 franchise in Denmark[4]

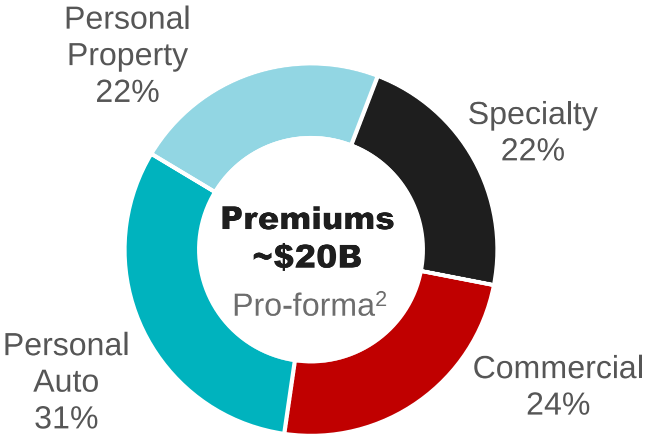
GBP converted to CAD at exchange rate of 1.72 where applicable. EUR converted to CAD at exchange rate of 1.55.
[1]Source: PRA most recent published returns.
[2]EY 2020 UK Insurance Outlook report. 2018 GWP for UK non-life risks, excluding most of Lloyd's business, reinsurance and marine / aviation risks.
[3]Source: Insurance Ireland Factfile 2017. Total non-life GWP in 2017.
[4]Source: Forsikring & Pension statistics for 2018. Based on Danish non-life GEP.

4 Builds a Diversified Platform to Drive Shareholder Value

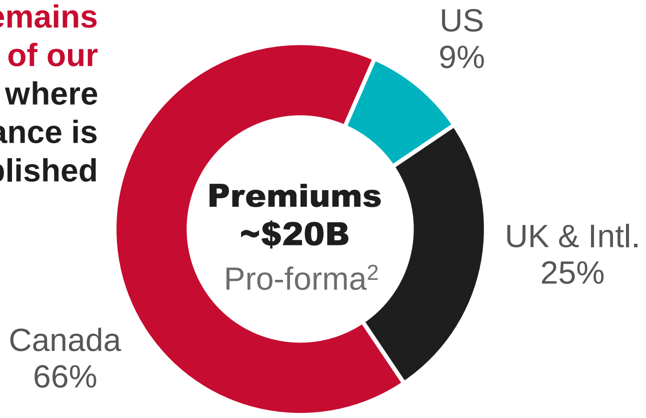
Compelling Pro Forma Business with Expanded Market Opportunity

Builds on our strengths and provides ample market opportunity to pursue outperformance

Unique opportunity to share our best-in-class operating model to meet our financial objectives of 10% NOIPS growth[3] and 500 bps of ROE outperformance



Canada remains at the core of our business, where outperformance is well established



[1]Measured in DPW. Intact estimates based on EY 2020 UK Insurance Outlook report, SNL 2019 premiums for Commercial and Specialty lines for U.S. MSA Research 2015 / 2019 data for Canada, Insurance Ireland Factfile 2017, 2019 Lloyd's of London 2019 annual report, 2018 Danish non-life statistics as sourced from Forsikring & Pension.

[2]Direct written premiums for Intact and RSA Canada. Net premiums written for RSA UK&I. For RSA UK, Specialty includes Pet, Liability, and Marine & Other. CADGBP FX rate of 1.72 applied where relevant. RSA Specialty as defined primarily includes lines presented on page 5.

[3]Annually, over time.

4 Value Creation Leads to Upper Teens NOIPS Accretion

And drives improvement in RSA's current mid-90's performance

Canada ~75%

- Transition the portfolio to the Intact platform with benefits from AI based pricing and segmentation as well as optimized supply chain management
- Leverage RSA products and distribution to enhance our broker and direct channel offers
- Expense synergies and claims internalization

UK & International ~20%

- Share Intact's data, analytics, risk selection and performance improvement models on the UK&I personal and commercial lines portfolio
- Improvements from capital, reinsurance and tax optimization, as well as global head office and de-listing savings

Specialty Lines ~5%

- Optimize the combined specialty lines product offerings and expertise across North America and internationally
- Deploy our proven specialty lines governance and performance improvement methodology across the portfolio

Over $250M[1] of expense synergies expected to be generated, before risk selection improvements

Majority of the value creation is expected to be generated from combining our operations in Canada where our integration track record is proven

[1]*Annual run-rate, pre-tax expected within 36 months. Synergies comprise savings in general expenses, loss adjustment expenses and other non-underwriting operating items.*

4 Expect to Maintain a Strong and Resilient Balance Sheet

Robust Capital Position…

Capital Ratio

MCT	>194%
RBC	>400%
SCR	>160%

Total Capital Margin

>$1.5B

… and Leverage Structure

Leverage Ratios:

	Debt / Capital	Pref / Capital
At Close	26%	11%
Year 3	20%	10%

Objective to Maintain Credit Ratings

A.M. Best (FSR)[1]	A+
DBRS (IR)	A
Fitch (LTR)[1]	A
Moody's (LTR)	Baa1

Maintain Conservative Investment Portfolio

Intact[2]

Portfolio	$19.6B
Fixed Income, %	82%[3]
"A-" or better, %	89%

RSA (ex-Scandinavia)[4]

Portfolio	~$15B
Fixed Income, %	>80%[3]
"A" or above, %	>80%

Common shareholders' equity (book value) estimated at ~$13B

[1]*Fitch noted in a press release dated November 6, 2020 that it does not expect Intact's credit ratings to be impacted by the Acquisition. A.M. Best commented on November 11, 2020 that the Long-Term Issuer Credit Rating of Intact and the Financial Strength Ratings of its subsidiaries remain unchanged following the announcement related to the Acquisition.*
[2]*Intact Q3 2020 MD&A.*
[3]*Including cash, cash equivalents and short-term investments.*
[4]*As of 2019. Based on results for RSA, Codan Forsikring A/S and Forsikringsselskabet Privatsikring A/S.*

4 Prudent Management of Pension Liabilities

RSA UK Pension Schemes

- Intact will retain and guarantee the obligations of the closed pension schemes
- Pension schemes IFRS surplus estimated at £416M at September 30, 2020
- Schemes are well-managed, with significant steps already taken to lower exposure to market and demographic risks
  - Low-risk investment strategy (approximately 90% allocated to fixed income type assets)
  - Effectively hedged against interest rate risk and inflation risk on an IAS 19 basis
  - Longevity risk is partially hedged (15%-20% of liabilities)
- Agreement has been reached with the pension trustees with the following funding commitments:
  - An additional contribution of ~£75M at closing (tax deductible)
  - Current funding arrangements of ~£75M per year (tax deductible)

Transaction Financing Overview

Intact is structuring its acquisition to maintain its current credit ratings, targeting a debt-to-capital ratio of 20% within 3 years

Financing Overview

Transaction Financing Overview

- Total transaction consideration for RSA of approximately $12.3B
- Intact intends to finance $5.1B of acquisition and $0.7B of additional related transaction costs for RSA's Canadian, UK and International operations, and Intact's share of RSA's Danish operations through a combination of common equity, bank term loans, medium term notes, and preferred shares
- Tryg intends to provide $7.2B for its purchase of RSA's Norway and Sweden operations, and Tryg's share of RSA's Danish operations, using proceeds of a fully underwritten right issue to be launched before acquisition closing

Intact Financing Overview

- Total acquisition cost of $5.8B includes transaction, financing, and risk management costs as well as a capital injection
- Intact has entered into subscription agreements for the gross issuance of $4.45B of subscription receipts[1]
  - $3.2B to cornerstone investors
  - $1.25B in a bought deal private placement
- Intact has entered into a $0.6B term loan facility and a bond bridge facility that it intends to refinance with $0.8B of medium term notes and preferred share issuances
- Intact to assume RSA's outstanding obligations including issued debt of $1.3B, preferred shares of $0.2B and restricted tier 1 notes of $0.5B
- Revolving credit facility to be increased

Exchange rates of GBPCAD of 1.72 applied where relevant.
[1]Previously announced on November 12, 2020.

Our Evolved Strategic Roadmap: The Next Decade of Growth

10% NOIPS GROWTH ANNUALLY OVER TIME

EXPAND OUR LEADERSHIP POSITION IN CANADA

- Leading customer experience
- Digital engagement
- Scale in distribution
- Further consolidation in Canada

STRENGTHEN OUR LEADING POSITION IN UK & IRELAND

- Leading customer experience
- Digital engagement
- Optimize underwriting performance
- Focus footprint for outperformance

BUILD A SPECIALTY SOLUTIONS LEADER

- Specialized customer value proposition
- Expand distribution
- Profitable & growing mix of verticals
- Consolidate fragmented market

TRANSFORM OUR COMPETITIVE ADVANTAGES

- Global leader in leveraging data and AI for pricing and risk selection
- Deep Claims expertise & strong supply chain network
- Strong capital & investment management expertise

STRENGTHEN OUR OUTPERFORMANCE MINDSET

INVEST IN OUR PEOPLE

- Be a best employer
- Be a destination for top talent & experts
- Future proof our people to succeed

500bps ANNUAL ROE OUTPERFORMANCE

Key Takeaways

Expands our leadership position in Canada

Creates a leading specialty lines platform

Entry into UK & Ireland at scale

Financially compelling

A unique opportunity to create tremendous shareholder value

Transaction Summary

Transaction and Parties	• In partnership with Tryg, Intact is proposing to acquire RSA in **an all-cash offer of 685p per share**, plus payment by RSA of the announced interim dividend of **8p per share** (the "Acquisition")[1] ▪ Intact will acquire **RSA's Canada and U.K. & International businesses, and co-own RSA's Danish business** ▪ Tryg will co-own RSA's Danish business and will acquire RSA's Norway and Sweden businesses • RSA is a global P&C insurer, headquartered in London, with significant operations in Canada, the UK, and Scandinavia • Tryg, based in Denmark, is one of the largest insurers operating in Scandinavia with a market capitalization of approximately DKK56B ($12B)[2]
Deal Consideration	• **Offer of 685p per RSA share in cash, representing £7.2B / $12.3B of equity value[1]** ▪ Represents 51% premium to RSA's closing price of 460p[3] and 53% premium to RSA's 3-month VWAP of 453p[3] ▪ Represents price / June 2020A Book Value of 1.8x and price / 2019A underlying EPS[4] of 15.6x • **Intact to pay £3.0B / $5.1B** and Tryg to pay £4.2B / $7.2B
Intact Financing	• Total Intact financing of **$5.8B**, including transaction costs ▪ Financing structured to maintain current ratings profile ▪ Financed with **$4.45B** in subscription receipts[5], $0.6B term loan, and $0.8B in bridge facilities to be refinanced with MTNs and preferred shares • Intact to assume RSA's outstanding obligations including issued debt of $1.3B, preferred shares of $0.2B and restricted tier 1 notes of $0.5B
Financial Impacts	• Net assets to be acquired at **0.9x book value** with expected internal rate of return (IRR) **in excess of our 15% threshold** • Expected high single digit NOIPS accretion in the first year, **increasing to upper teens within 36 months** • Expected to maintain **mid-teens Operating ROE**; BVPS expected to increase **in excess of 25%** at closing • Over **$1.5B total capital margin** estimated at closing; debt-to-capital expected to return to 20% within 36 months • Integration costs associated with the transaction expected to be between 1.5x to 1.7x of annual run rate synergies expected within 36 months
Approvals & Timing	• Customary regulatory and shareholder approvals, including competition and/or insurance related approvals in Canada, UK and Scandinavia • Expected transaction closing during Q2 2021

Notes: CADGBP exchange rate of 1.72 applied where relevant.
[1]Intact reserves the right to reduce the offer consideration if RSA makes any distribution or return of capital (other than the 8p interim dividend).
[2]Source: Nasdaq Copenhagen. As of November 4, 2020, last close prior to Rule 2.4 announcement. Using CADDKK exchange rate of 4.74.
[3]Source: London Stock Exchange. As of November 4, 2020, last close prior to Rule 2.4 announcement. Premium and multiple calculations reflect 685p per RSA share in cash, as well as 8p per share in interim dividend payable.
[4]Source: RSA Annual Report 2019.
[5]Previously announced on November 12, 2020.

APPENDICES

A Proven Track Record to Build On

Proven Acquisition Track Record

AXA Canada	Jevco	Metro General	Canadian Direct Insurance	Innovassur Assurances Générales	OneBeacon Insurance Group	On Side Restoration	The Guarantee
$2.0B DPW	$350M DPW	$27M DPW	$143M DPW	$50M DPW	US$1.2B DPW	$200M+ REVENUES	$568M DPW
2011	2012	2014	2015	2016	2017	2019	2019

$5B DPW Added · **19% Avg. IRR** · **$200M Synergies** · **6,700 People**

10-Year Track Record of Outperformance and Shareholder Value Creation

INDUSTRY OUTPERFORMANCE[1]

- 3.4 pts — Premium Growth
- 5.7 pts — Combined Ratio
- 730 bps — Return on Equity

DIVIDEND AND NOIPS GROWTH[2]

- **+9%** 10-yr dividend CAGR
- **+10%** 10-yr NOIPS CAGR

AVERAGE ANNUAL TSR[3]

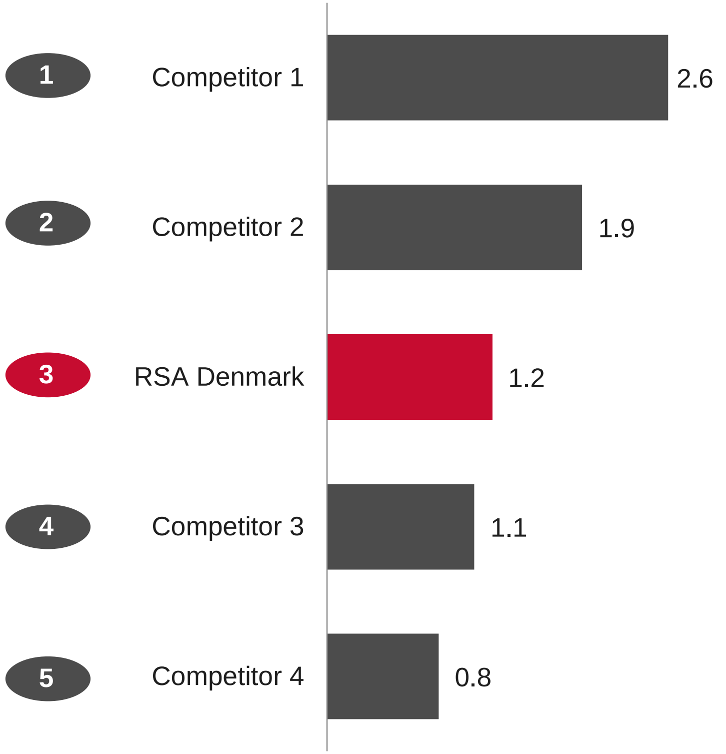
- TSX60 9%
- IFC 18%

[1]Industry data: Intact estimates based on MSA Research Inc. data as of Dec. 31, 2019. Please refer to section 10 of Q1-2020 MD&A for further information.
[2]10-year CAGRs (FY 2010-FY 2019).
[3]TSR = Total shareholder return, figures from 04/02/2009 to 30/09/2020.

Co-ownership in a Top-3 Franchise in Denmark

- **RSA is a top 3 player in the Danish non-life segment**
- **Excellent performance in personal lines**
- **Opportunity to further improve commercial lines**
- **Provides optionality / flexibility for strategic alternatives**

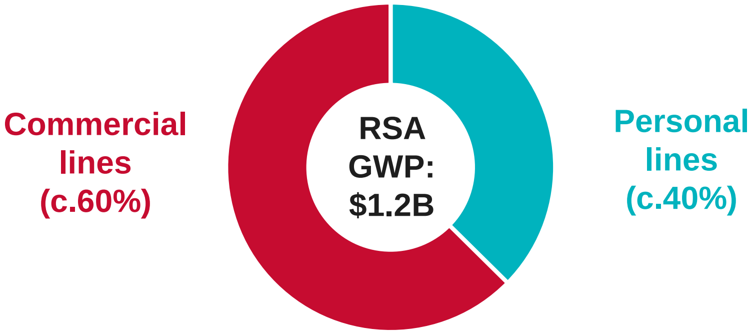
Denmark GWP Ranking ($B)[1]



Attractive Sector as Demonstrated by COR

Average combined ratio for key competitors[2]	Mid-80's

Balanced Business Mix[1]



Source: RSA Denmark regulatory disclosure; Forsikring & Pension 2018 Danish non-life market statistics; annual / interim reports for competitors. CADDKK exchange rate of 4.74 used where applicable.
[1]As of 2018. Pro-forma for acquisitions.
[2]LTM as of June 30, 2020. Competitors 1-4 weighted by premiums.

Expected Deal Timeline

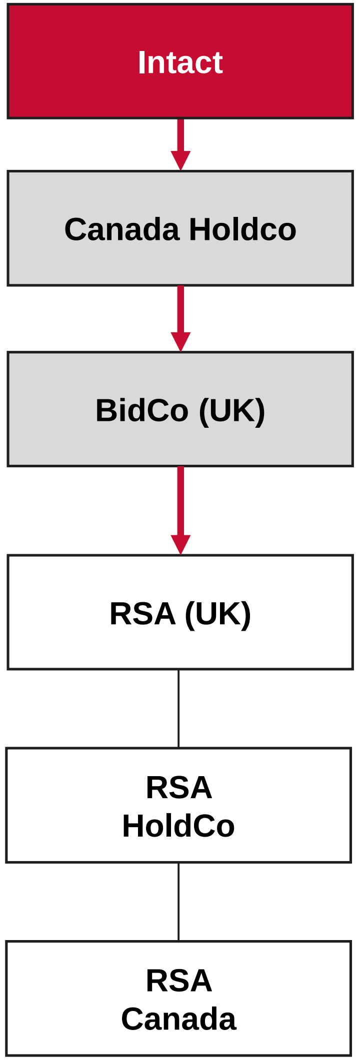
November 18	Rule 2.7 announcement
November / December	Scheme document posted
Mid-January	RSA scheme shareholder meeting
Q2-2021	Deal completion

- **Rule 2.7 announcement on November 18**
- Post the scheme document within 28 days of Rule 2.7 announcement
- Obtain RSA shareholder approval (minimum 21 days post scheme doc.)

- Obtain competition and insurance related regulatory approvals
- Prepare carve-out of Sweden / Norway for transfer to Tryg as agreed
- Implement remaining permanent financing
- **Deal completion expected in Q2-2021**

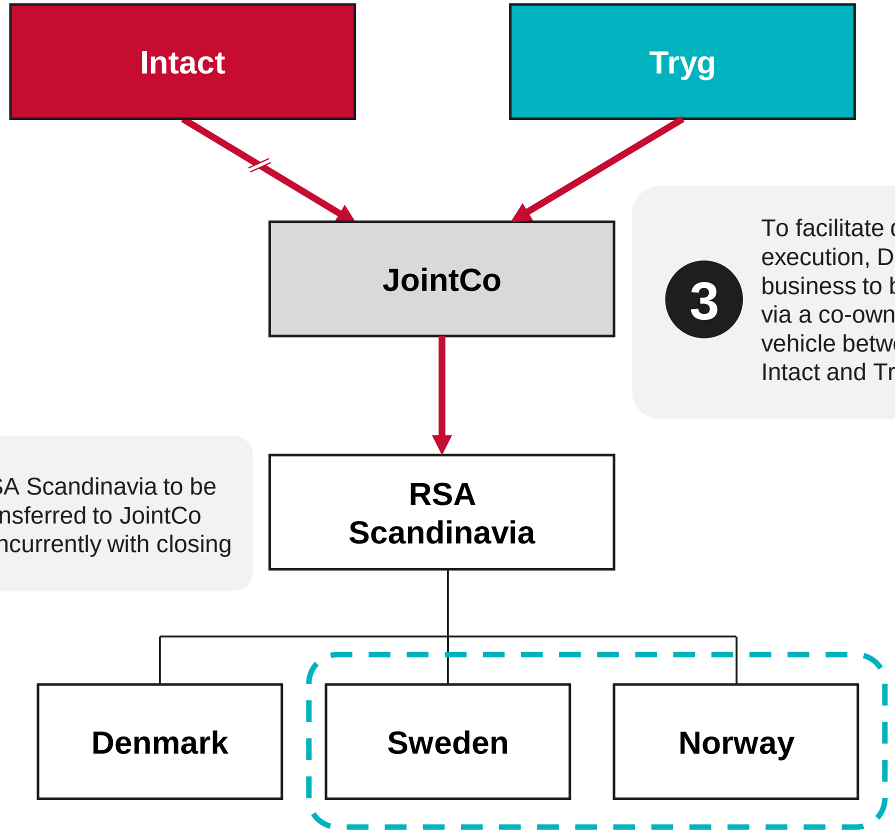
Simplified Transaction Structure

For UK, Canada and International



1 Tryg will provide “certain funds” to Canada Holdco to acquire Norway and Sweden and co-ownership of Denmark for c.£4.2bn

For Scandinavia



3 To facilitate deal execution, Danish business to be held via a co-owned vehicle between Intact and Tryg

2 RSA Scandinavia to be transferred to JointCo concurrently with closing

4 Economic interest in Sweden and Norway businesses transferred to Tryg at closing of takeover. Transfer of Sweden and Norway businesses to Tryg is completed as soon as these businesses can be separated from the rest of the Scandinavian business (expected Q1 2022); leaving JointCo with its interest in Denmark

Sources & Bases of Information

Disclaimer*: No statement in this Announcement is intended as a profit forecast or profit estimate for any period. No statement in this Announcement should be interpreted to mean that cash flow from operations, free cash flow, earnings or earnings per share for Intact, Tryg or RSA, as appropriate, for the current or future financial years would necessarily match or exceed the historical published cash flow from operations, free cash flow, earnings or earnings per share for Intact, Tryg or RSA, as appropriate.*

Information	Source
RSA historical financial information	Extracted or derived (without material adjustment) from the Annual Report for RSA for the financial years ended 31 December 2019, 2018, 2017, and 2016 as well as the 2020 Interim Results reported on July 30, 2020
Intact historical financial information	Extracted or derived (without material adjustment) from the Annual Report and Q4 supplementary financial information for Intact for the year (and three months) ended 31 December 2019, as well as the Q1 2020, Q2 2020 and Q3 2020 supplementary financial information
Financial impacts	The financial impacts are unaudited and are based on analysis by Intact's management and on publically available information from RSA
RSA share price data	All prices and market values for RSA are quotations derived from the London Stock Exchange on November 4, 2020
Tryg market capitalization	All prices and market values for Tryg are quotations derived from the Nasdaq Copenhagen on November 4, 2020
Pro-forma financial metrics	All pro-forma financial metrics, including synergy estimate, are derived from the RSA Annual Report for the year ended 31 December 2019, and assume the acquisition of Canada, UK&I, co-ownership in Denmark, and all entities related to RSA's centralized holding company
Canadian insurance sector	All industry estimates, including industry share, industry profitability, and industry growth are sourced from MSA Research Inc. reports
United Kingdom insurance sector	All industry estimates, including industry share and rankings are based on the EY 2020 UK Insurance Outlook report and most recent published Prudential Regulation Authority returns
The London Market insurance sector	All industry estimates are based on IUA of London's London Company Market Statistics Report (October 2020) and Lloyd's of London 2019 annual report
Danish non-life insurance rankings and RSA Denmark historical gross earned premiums mix by line of business	Extracted or derived (without material adjustment) from the rankings provided by Forsikring & Pension for the financial year ended 31 December 2018
Danish peers' combined operating ratios	Extracted or derived (without material adjustment) from the Annual Reports ended 31 December 2019 and Interim Reports for the six month-period ended 30 June 2020 and 30 June 2019
Intact credit agency ratings	Credit rating agency (A.M. Best, Morningstar DBRS, Fitch, and Moody's) websites
Ireland industry data	All industry estimates, including industry size are sourced from Insurance Ireland Factfile 2017 report

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Forward-looking statements

Certain of the statements included in this Presentation about the proposed acquisition by the Company of all of the issued and outstanding ordinary shares of RSA, the expected timing of the proposed transaction, certain strategic benefits expected to result from the proposed transaction, the Company's current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely", "potential" or the negative or other variations of these words or other similar or comparable words or phrases, are intended to identify forward-looking statements. Unless otherwise indicated, all forward-looking statements in this presentation are made as at November 18, 2020, and are subject to change after that date.

Forward-looking statements are based on estimates and assumptions made by management based on management's experience and perception of historical trends, current conditions and expected future developments, as well as other factors that management believes are appropriate in the circumstances. In addition to other estimates and assumptions which may be identified herein, estimates and assumptions have been made regarding, among other things: that the proposed transaction will be effected as currently proposed; that sources of funding of the proposed transaction will be available in a timely manner on terms acceptable to the Company; that all requisite approvals will be obtained in a timely manner in form and substance acceptable to the Company; that the proposed transaction will otherwise proceed on the currently anticipated timing; that the expected benefits of the proposed transaction will be realized; and that the applicable economic and political environments and current industry conditions will generally continue. However, there can be no assurance that the proposed transaction will occur. The completion and timing of the proposed transaction is subject to customary closing conditions, termination rights and other risks and uncertainties including, without limitation regulatory approvals, including competition approvals. There can also be no assurance that the strategic benefits expected to result from the proposed transaction will be realized. Many factors could cause the Company's actual results, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors:

- expected regulatory processes and outcomes in connection with its business;
- the Company's ability to implement its strategy or operate its business as management currently expects;
- its ability to accurately assess the risks associated with the insurance policies that the Company writes;
- unfavourable capital market developments or other factors, including the impact of the COVID-19 pandemic and related economic conditions, which may affect the Company's investments, floating rate securities and funding obligations under its pension plans;
- the cyclical nature of the P&C insurance industry;
- management's ability to accurately predict future claims frequency and severity, including in the high net worth and personal auto lines of business;
- government regulations designed to protect policyholders and creditors rather than investors;
- litigation and regulatory actions, including with respect to the COVID-19 pandemic;
- periodic negative publicity regarding the insurance industry;
- intense competition;
- the Company's reliance on brokers and third parties to sell its products to clients and provide services to the Company and the impact of COVID-19 and related economic conditions on such brokers and third parties;
- the Company's ability to successfully pursue its acquisition strategy;
- the Company's ability to execute its business strategy;
- the uncertainty of obtaining in a timely manner all requisite approvals on acceptable terms or otherwise completing the proposed transaction as currently proposed or at all;
- unfavourable capital market developments or other factors which may affect the Company's ability to finance the proposed transaction on acceptable terms;
- the Company's ability to improve its combined ratio, retain business and achieve synergies and maintain market position arising from successful integration plans relating to any transaction, as well as management's estimates and expectations in relation to future economic and business conditions and other factors in relation to the acquisition and its resulting impact;
- its ability to otherwise complete the integration of the business acquired in the proposed transaction within anticipated time periods and costs;
- the Company's ability to retain substantially all of the clients of the business acquired in the proposed transaction;
- the Company's dependence on key employees and its ability to attract and retain key employees who will support the business acquired in the proposed transaction;
- the Company's ability to achieve synergies arising from successful integration plans relating to acquisitions, including the proposed transaction;
- the Company's profitability and ability to improve its combined ratio in the United States;
- the Company's participation in the Facility Association (a mandatory pooling arrangement among all industry participants) and similar mandated risk-sharing pools;
- terrorist attacks and ensuing events;
- the occurrence and frequency of catastrophe events, including a major earthquake;
- catastrophe losses caused by severe weather and other weather-related losses, as well as the impact of climate change;
- the occurrence of and response to public health crises including epidemics, pandemics or outbreaks of new infectious diseases, including most recently, the COVID-19 pandemic and ensuing events;
- the Company's ability to maintain its financial strength and issuer credit ratings;
- the Company's access to debt and equity financing;
- the Company's ability to compete for large commercial business;
- the Company's ability to alleviate risk through reinsurance;
- the Company's ability to successfully manage credit risk (including credit risk related to the financial health of reinsurers);
- the Company's ability to contain fraud and/or abuse;
- the Company's reliance on information technology and telecommunications systems and potential failure of or disruption to those systems, including in the context of the impact on the ability of our workforce to perform necessary business functions remotely, as well as in the context of evolving cybersecurity risk;
- the impact of developments in technology and use of data on the Company's products and distribution;
- the Company's dependence on and ability to retain key employees;
- changes in laws or regulations, including those adopted in response to COVID-19 that would, for example, require insurers to cover business interruption claims irrespective of terms after policies have been issued, and could result in an unexpected increase in the number of claims and have a material adverse impact on the Company's results;
- COVID-19 related coverage issues and claims, including certain class actions and related defence costs could negatively impact our claims reserves;
- general economic, financial and political conditions;
- the Company's dependence on the results of operations of its subsidiaries and the ability of the Company's subsidiaries to pay dividends;
- the volatility of the stock market and other factors affecting the trading prices of the Company's securities, including in the context of the COVID-19 crisis;
- the Company's ability to hedge exposures to fluctuations in foreign exchange rates;
- future sales of a substantial number of its common shares; and
- changes in applicable tax laws, tax treaties or tax regulations or the interpretation or enforcement thereof.

All of the forward-looking statements included in this presentation are qualified by these cautionary statements and those made in the section entitled Risk management (Sections 22-27) of our MD&A for the year ended December 31, 2019, and in the section entitled Risk Management (sections 17-18) of our MD&A for the quarter ended September 30, 2020, and the section entitled Risk Factors in this presentation. These factors are not intended to represent a complete list of the factors that could affect the Company. These factors should, however, be considered carefully. Although the forward-looking statements are based upon what management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. Investors should not rely on forward-looking statements to make decisions and investors should ensure the preceding information is carefully considered when reviewing forward-looking statements contained herein. Undue reliance should not be placed on forward-looking statements made herein. The Company and management have no intention and undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Disclaimer

This presentation does not constitute or form part of any offer for sale or solicitation of any offer to buy or subscribe for any securities nor shall it or any part of it form the basis of or be relied on in connection with, or act as any inducement to enter into, any contract or commitment whatsoever.

The information contained in this presentation concerning the Company does not purport to be all-inclusive or to contain all the information that a stakeholder may desire to have in evaluating the Company. The information is qualified entirely by reference to the Company's publicly disclosed information.

No representation or warranty, express or implied, is made or given by or on behalf of the Company or any of its directors, officers or employees as to the accuracy, completeness or fairness of the information, opinions or forward-looking statements contained in this presentation. In furnishing this presentation, the Company does not undertake or agree to any obligation to provide stakeholders with access to any additional information or to update this presentation or to correct any inaccuracies in, or omissions from, this presentation that may become apparent. The information and opinions contained in this presentation are provided as at the date of this presentation. The contents of this presentation are not to be construed as legal, financial or tax advice. Each stakeholder should contact his, her or its own legal adviser, independent financial adviser or tax adviser for legal, financial or tax advice.

The Company uses both International Financial Reporting Standards ("IFRS") and non-IFRS measures to assess performance. Non-IFRS measures do not have any standardized meanings prescribed by IFRS and may not be comparable to any similar measures presented by other companies in the industry. The non-IFRS measures that may be included in this presentation are: growth in constant currency, direct premiums written (DPW), underwriting income (loss), combined ratio, net earned premiums (NEP), total net claims, underlying current year loss ratio, prior year claims development (PYD) and PYD ratio, underwriting expenses and expense ratio, distribution EBITA and Other, financial costs, other income (expense), total income taxes, income before income taxes, net operating income (NOI), net operating income per share (NOIPS), operating return on equity (OROE), adjusted net income, adjusted earnings per share (AEPS) and adjusted return on equity (AROE). See Section 20 – Non-IFRS financial measures in our MD&A for the quarter ended September 30, 2020 for the definition and reconciliation to the most comparable IFRS measures.

To the extent available, the data contained in this presentation has come from official or third party sources. Third party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. While the Company believes that each of these publications, studies and surveys has been prepared by a reputable source, the Company has not independently verified the data contained therein. In addition, certain of the data contained in this presentation come from the Company's own internal research and estimates based on the knowledge and experience of the Company's management in the market in which the Company operates. While the Company believes that such research and estimates are reasonable and reliable, they, and their underlying methodology and assumptions, have not been verified by any independent source for accuracy or completeness and are subject to change without notice. Accordingly, undue reliance should not be placed on any of the contained estimates or research in this presentation.

Important notes:

- Unless otherwise noted, references to DPW in this presentation refer to DPW normalized for the effect of multi-year policies, excluding industry pools, fronting and exited lines on an MD&A basis. See Section 20 for details on exited lines and Table 32 for the reconciliation to DPW, as reported under IFRS. All underwriting results and related ratios exclude the market yield adjustment (MYA) and the results of our U.S. Commercial exited lines, unless otherwise noted. The expense and general expense ratios are presented herein net of other underwriting revenues.
- When relevant, we present measures on a proforma basis. To enhance the analysis of trends DPW growth (proforma) for the U.S., we exclude the results of the Healthcare business and other exited lines for all periods, as well as the results of The Guarantee (see Section 6 – U.S.). Market share reflects the impact of announced or completed acquisitions and is therefore presented on a proforma basis.
- Approximately 14% of our DPW is denominated in USD. When relevant, we present changes in constant currency, which exclude the impact of fluctuations in foreign exchange rates from one period to the other, to enhance the analysis of our results with comparative periods. See Section 20 – Non-IFRS financial measures.
- Regulatory Capital Ratios refer to MCT (as defined by OSFI and the AMF in Canada), RBC (as defined by the NAIC in the U.S.) and SCR (as defined by the Solvency II Directive in the EU). All references to "total capital margin" in this presentation include the aggregate of capital in excess of company action levels in regulated entities (165% MCT effective April 1, 2020, previously 170% MCT), 200% RBC and other CALs in other jurisdictions) plus available cash in unregulated entities.
- Certain totals, subtotals and percentages may not agree due to rounding. Not meaningful (nm) is used to indicate that the current and prior year figures are not comparable, not meaningful, or if the percentage change exceeds 1,000%.
- All dollar amounts presented in Canadian dollars, unless otherwise noted.

UK Takeover Code Disclaimers

This presentation is not intended to, and does not, constitute or form part of any offer, invitation or solicitation of any offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities or the solicitation of any vote or approval in any jurisdiction. The offer will be made solely by certain offer documentation which will contain the full terms and conditions of the offer, including details of how such offer may be accepted.

Rule 2.7 of the UK City Code on Takeovers and Mergers

In accordance with Rule 2.7 of the UK City Code on Takeovers and Mergers, a formal announcement ("Announcement") has been published and is accessible on Intact's website at www.intactfc.com. This presentation should be read in conjunction with, and is subject to, the full text of the Announcement (including its appendices). The offer will be subject to the conditions and certain further terms set out in the Announcement and to the full terms and conditions to be set out in the offer document.

Notice to US investors

If Intact and Tryg made an offer for RSA, then US holders of RSA shares should note that the steps of any transaction requiring approval by RSA shareholders may be implemented under a UK scheme of arrangement provided for under English company law. If so, it is expected that any shares to be issued under the transaction to RSA shareholders would be issued in reliance upon the exemption from the registration requirements of the US Securities Act of 1933, provided by Section 3(a)(10) thereof and would be subject to UK disclosure requirements (which are different from those of the United States). The transaction may instead be implemented by way of a takeover offer under English law. If so, any securities to be issued under the transaction to RSA shareholders will either be registered under the US Securities Act or subject to an applicable exemption from registration. If the transaction is implemented by way of UK takeover offer, it will also be effected in compliance with the applicable rules under the US Exchange Act of 1934, including any applicable exemptions provided under Rule 14d-1(d) thereunder.

This presentation shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Neither the acquisition nor this presentation have been approved or disapproved by the Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of the information contained in this presentation or the merits of this acquisition. Any representation to the contrary is a criminal offence in the US.

Cautionary note about forward-looking statements

This presentation includes "forward looking statements"**.** The forward-looking statements contained in this presentation include statements relating to Intact's intention in relation to the Transaction, the Consortium and RSA, pro-forma entities following completion of the Transaction and expected benefits including financial accretion, and other statements other than historical facts. Forward looking statements often use words such as "believe", "expect", "estimate", "intend", "anticipate" and words of a similar meaning. You should not place undue reliance on these forward-looking statements, which reflect the current views of Intact, are subject to risks and uncertainties about Intact and are dependent on many factors, some of which are outside of Intact's control. There are important factors, risks and uncertainties that could cause actual outcomes and results to be materially different. Except as required by law, Intact undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Non-IFRS financial measures

Intact uses both IFRS and non-IFRS financial measures to assess its performance. Non-IFRS financial measures do not have standardized meanings prescribed by IFRS and may not be comparable to similar measures used by other companies in Intact's industry. The non-IFRS measures included in this presentation are: direct premiums written (DPW), net operating income per share (NOIPS) and internal rate of return (IRR). Non-IFRS financial measures and other insurance-related terms are defined in the glossary available in the "Investors" section of Intact's web site at www.Intactfc.com.

Risk Factors - Risks Related to the Acquisition

Disclaimer: In addition to the other information contained in this presentation and the risks described under the "Risk Management" sections of the Company's MD&A for the year ended December 31, 2019 ("Annual MD&A") and the Company's MD&A for the quarter ended September 30, 2020 ("Interim MD&A"), investors should consider carefully the risk factors set forth below.
The risks and uncertainties described below and in the Annual MD&A and the Interim MD&A are not the only ones the Company may face. Additional risks and uncertainties that we are unaware of, or that we currently deem to be immaterial, may also become important factors that affect us. If any of these risks actually occur, our business, financial condition or results of operations could be materially adversely affected, with the result that the trading price of the Company's securities could decline and investors could lose all or part of their investment.

Risk Factor	Description
Closing of the Acquisition	The closing of the Acquisition is subject to receipt of required regulatory approvals and the satisfaction of certain closing conditions. As such, there is no assurance that the Acquisition will be completed or, if completed, will be on terms that are exactly the same as disclosed in this presentation. The Company will not control RSA and its subsidiaries prior to completion of the Acquisition and the RSA business may be adversely affected by events or factors that are outside of the Company's control during the intervening period.
Required Regulatory Clearances	The Company and Tryg have agreed to take all such actions as may be necessary to obtain the required merger control clearances for which they are respectively responsible, provided that neither the Company nor Tryg shall be required to dispose or commit to dispose of any entities or businesses in the Company or Tryg groups in order to obtain any required merger control clearances, or to dispose or commit to dispose of the entirety of RSA's business in each of Sweden and/or Norway in order to obtain the merger control clearances relating to Denmark. The Company and Tryg have also agreed to use reasonable efforts to obtain the required regulatory clearances for which they are respectively responsible. Any required regulatory clearances may include terms, or require the Company, Tryg or RSA to take actions, that may impair the expected benefits of the Acquisition and could have a material adverse effect on the Company's group's business, results of operations and financial condition.
Execution of the Financing of the Acquisition	The Company's ability to obtain financing, on acceptable terms or at all, will depend on a number of factors beyond the Company's control, including general conditions affecting the equity and debt markets from time to time and, accordingly, there can be no assurance that any such transactions will be completed. In addition, approximately £4.2 billion of the total cash consideration for the Acquisition is expected to be funded by Tryg, who will retain RSA's Sweden and Norway operations and co-own RSA's Denmark operations with the Company. Tryg is expected to fund its payment obligation using proceeds from an underwritten rights issue to be launched by it prior to the completion of the Acquisition, with the admission of new Tryg shares pursuant to the rights issue being a condition to the Acquisition. Notwithstanding the foregoing, the Company, as the sole offeror, would ultimately be responsible under the UK City Code on Takeovers and Mergers (the "UK Takeover Code") for the full amount of the consideration payable under the Acquisition. If the Tryg rights issue and the Acquisition are both completed, but Tryg fails to pay its portion of the Acquisition consideration in breach of its contractual obligation owed to the Company, the Company could be required by the UK Takeover Panel on Takeovers and Mergers (the "UK Takeover Panel") to pay the total consideration due to RSA shareholders under the Acquisition. While the Company believes it has taken all reasonable steps to ensure that any arrangements in relation to Tryg's portion of financing in connection with the making of a firm offer satisfy the certain funds requirement under the UK Takeover Code, the Company has no control over Tryg's business and operations, and is therefore would be exposed to credit risks associated with Tryg. Failure to complete any of these transactions in a timely fashion on favourable terms to the Company or at all, could adversely affect the Company.
Exchange Rate Risk	As the Company anticipates funding a portion of the purchase price of the Acquisition from the issuance of Canadian dollar-denominated securities, and the purchase price of the Acquisition is denominated in pounds sterling, a significant decline in the value of the Canadian dollar relative to the British pound prior to the completion of the Acquisition could increase the cost to the Company of funding the purchase price of the Acquisition. Although the Company intends to implement certain hedging strategies to mitigate its exposure to such currency exchange risk, there can be no assurance that such hedging or other risk management strategies, if any, undertaken by the Company will be effective. In addition, currency hedging entails a risk of illiquidity and counterparty default and, to the extent the British pound depreciates against the Canadian dollar, the risk of using hedges could result in losses greater than if the hedging had not been used. Also, hedging arrangements may have the effect of limiting or reducing the total returns to the Company if management's expectations concerning future events or market conditions prove to be incorrect, in which case the costs associated with the hedging strategies may outweigh their benefits.

Risk Factors - Risks Related to the Acquisition (cont'd)

Risk Factor	Description
Significant Transaction and Related Costs	The Company expects to incur a number of costs associated with completing the Acquisition, separating RSA's Scandinavian business and integrating the operations of the Company and the remainder of RSA business. The substantial majority of such costs will be non-recurring expenses resulting from the Acquisition and the Scandinavia separation and will consist of transaction costs related to the Acquisition and the Scandinavia separation, facilities and systems consolidation costs and employment-related costs. Additional unanticipated costs may be incurred in the integration of the Company and RSA's respective businesses.
Increased Indebtedness	In financing the Acquisition, the Company is expected to incur additional debt. Such borrowings would increase the Company's consolidated indebtedness. Such additional indebtedness would increase the Company's interest expense and debt service obligations and may have a negative effect on the Company's results of operations or credit ratings. The increased indebtedness would also make the Company's results more sensitive to increases in interest rates. The Company's degree of financial leverage could have other important consequences, including the following: • it may have a negative effect on the current credit ratings of the Company's rated long term debt; • it may limit the Company's ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes; • it may limit the Company's ability to declare dividends on the Common Shares; • certain of the Company's proposed borrowings may be at variable rates of interest and expose the Company to the risk of increased interest rates; • it may limit the Company's ability to adjust to changing market conditions and place the Company at a competitive disadvantage compared to its competitors that have less debt; • the Company may be more vulnerable in a downturn in general economic conditions; and • the Company may be unable to make capital expenditures that are important to its growth and strategies.
Absence of Deal Protection Mechanisms	The UK Takeover Code prohibits most forms of deal protection mechanisms in favour of a bidder in the context of an acquisition of control of a public company in the United Kingdom (the "UK"). As a result, the Company will not have the right to receive any termination fee in the event that the Acquisition does not close, nor is RSA prohibited from soliciting third parties for a proposal relating to the Acquisition.
Integration of RSA	If the Acquisition is completed, to effectively integrate RSA's Canadian, UK and international operations into the Company's current operations the Company will need to establish appropriate operational, administrative, finance, management systems and controls and marketing functions relating to such operations of RSA. These efforts would require substantial attention from the Company's management team. This diversion of management attention, as well as any other difficulties which the Company may encounter in completing the transition and integration process, could have an adverse impact on the Company. There can be no assurance that the Company will be successful in integrating any acquired operations of RSA or that the expected benefits will be realized.
Failure to Realize the Anticipated Benefits of the Acquisition	If the Acquisition is completed, there is a risk that some or all of the expected benefits of the Acquisition may fail to materialize, or may not occur within the time periods anticipated by the Company. The realization of such benefits may be affected by a number of factors including those disclosed in this presentation. Certain of the assumptions made with respect to the timing and quantum of synergies and related integration costs may prove to be incorrect in a manner that adversely affects the Company. In addition, the Company may be unable to retain RSA's customers or employees following the Acquisition.
Co-investment Risk	If the Acquisition is completed, the Company and Tryg will be co-owners of RSA's Danish operations following the Acquisition. This co-investment may involve risks that could adversely affect the Company, including: (i) the Company will not have full control of RSA's Danish operations; (ii) the Company may experience impasses or disputes with Tryg on certain decisions, which could require the Company to expend additional resources to resolve such impasses or disputes, including litigation or arbitration; (iii) Tryg may become insolvent or bankrupt or fail to fulfil its obligations as a partner; (iv) Tryg may have business or economic interests that are inconsistent with the Company's and may take actions contrary to the Company's interests; and (v) it may be difficult for the Company to exit the Danish operations if an impasse arises or if the Company desires to sell its interest for any reason. In addition, this co-investment could present unforeseen integration obstacles or costs, may not enhance the Company's business and may involve risks that could adversely affect the Company, including the investment of significant amounts of management time that may be diverted from other operations in order to maintain such co-investment. Any of the foregoing risks and uncertainties could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Risk Factors - Risks Related to RSA

Risk Factor	Description
Unexpected Costs or Liabilities of RSA	If the Acquisition is completed, there are risks regarding undisclosed or unknown liabilities of, or issues concerning, RSA. Following the Acquisition, the Company may discover that RSA has substantial undisclosed liabilities. RSA may be party to agreements which contain change of control provisions which may be triggered following completion of the Acquisition, which could result in unanticipated expenses and cash payments following the consummation of the Acquisition.
Information Relating to RSA	All information relating to RSA contained in this presentation is based solely upon information provided by RSA to the Company in connection with the Acquisition and upon information made publicly available by RSA. While the Company, after conducting due diligence that it believes to be a prudent and thorough level of investigation, believes it to be accurate in all material respects, an unavoidable level of risk remains regarding the accuracy and completeness of such information. Historical and current performance of the business of RSA may not be indicative of success in future periods. The future performance of the business of RSA may be influenced by, among other factors, economic downturns, regulatory changes and other factors beyond our control. As a result of any one or more of these factors, the operations and financial performance of RSA may be negatively affected, which, if the Acquisition is completed, may adversely affect our financial results.
RSA's Defined Benefit Pension Schemes	RSA sponsors a number of UK defined benefit pension schemes that, from time to time, may have insufficient assets to cover their liabilities and those liabilities may increase as a result of various factors, a number of which are outside the control of the Company and RSA. If the Acquisition is completed, RSA will remain primarily liable for funding these schemes but the cost of so doing could reduce its assumed value to the Company and the Company may be required to bear significant increases in future funding requirements which could have a material adverse effect on the Company group’s business, results of operations and financial condition. Under the current regulatory regime for UK defined benefit pensions, the strength of the employer covenant supporting the pension schemes is a key consideration for the pension trustees and if any changes to RSA group’s business (including the Acquisition) have a materially detrimental impact on the employer covenant, members of the RSA and Company groups may be required to provide suitable mitigation for such detriment and/or face increased funding requirements. Such increased costs and/or liabilities could be imposed directly on RSA or indirectly through the UK Pensions Regulator's statutory powers on any member of the RSA or Company groups. To mitigate the effect of the Acquisition itself, the Company will provide a direct guarantee to each scheme to cover any contributions that fall due where RSA proves unable to fund them itself. These guarantees will be uncapped but will only be enforceable where RSA has not paid the liabilities first.
Regulatory Capital Regime Applying to RSA is Extensive and Subject to Change	If the Acquisition is completed, the acquisition of RSA by a Canadian headquartered group (as Canada does not have full EU Solvency II regime equivalence) could cause the UK Prudential Regulation Authority (“PRA”) to require RSA to hold more capital if the PRA is not satisfied that its group solvency can be properly supervised. In late 2016, the European Commission began a review of some aspects of the EU Solvency II regime which is expected to continue into 2021. On October 19, 2020, the UK Treasury issued a “call for evidence” seeking industry views on how to tailor the EU Solvency II regime to better support the unique features of the UK insurance sector. There is a risk that the implementation of one or more of the PRA consultation papers or supervisory statements or changes to the EU Solvency II regime following the call for evidence may give rise to greater capital requirements than are currently the case, or other more onerous reporting or compliance obligations.
RSA's Regulated Businesses Are Subject to Extensive Regulatory Supervision	RSA is subject to extensive laws and regulations that are administered and enforced by a number of different governmental authorities and non-governmental agencies. Insurance regulation in the UK and the regulations that apply to RSA’s European subsidiaries are largely based on the requirements of EU Directives. In the UK, RSA’s business is subject to regulation by both the PRA and the Financial Conduct Authority (the “FCA”) which have broad powers including the authority to grant, vary the terms of or cancel a regulated firm’s authorisation, to investigate marketing and sales practices, to make product intervention rules and require the maintenance of adequate financial resources. The PRA and the FCA have the power to undertake a range of investigative disciplinary or enforcement actions, including public censure, restitution, fines or sanctions and to require firms to pay compensation as a result of such actions. As with other regulated firms, RSA is subject to risk should the PRA or the FCA bring an action with respect to compliance with applicable regulations. In September 2020, the FCA published its report on general insurance pricing practices. Measures proposed by the report include remedies to tackle market practices that can result in the progressive charging of loyal customers more than new customers and discourage customers from switching insurers. The FCA is consulting on its proposed measures until January 2021. There remains uncertainty over how these measures will be enacted, which could impact customer premiums and as a result adversely affect RSA’s trading and financial prospects.

Risk Factors - Risks Related to RSA (cont'd)

Risk Factor	Description
Catastrophe Events Risk	If the Acquisition is completed, in addition to the catastrophic events risks the Company currently faces in Canada, ownership of RSA's Canadian business would increase the Company's exposure to natural catastrophe risk, notably earthquake risk. Consequently, the Company would expect to increase its protection limits relating to such exposure in connection with closing of the Acquisition.
Exposure to COVID-19 Pandemic Claims	RSA is exposed to claims relating to the COVID-19 pandemic, including business interruption insurance policies previously written by RSA's subsidiaries. RSA's anticipated exposure has been modelled on assumptions that may not be accurate. The interpretation of policy wordings has yet to be tested or finally resolved in the context of the COVID-19 pandemic, and the measures taken in response, and adverse judgments may increase RSA's exposure significantly. Steps have been taken to exclude exposure to COVID-19 and other pandemics from new and renewing policies but such exclusions may not be deemed to exclude all losses arising from further pandemics and the responses to them, and the exclusions will not apply to existing policies prior to renewal. RSA's exposure is covered in part under general reinsurance programmes and the application of common reinsurance policy wordings has yet to be tested in the context of the COVID-19 pandemic and may provide more limited cover than expected. The COVID-19 pandemic may also result in increased operational risk through enforced remote working, government "stay-at-home" orders, staff absences, and market volatility. As a result, RSA's business results, operations, corporate and financial condition could be adversely affected for a substantial period of time.

Risk Factors - Risks Related to Foreign Markets

Risk Factor	Description
Entering New Regions	If the Acquisition is completed, a substantial portion of RSA's operations that would be acquired by the Company are in the UK and Europe, jurisdictions where the Company currently has does not have operations. The risks applicable to the Company's ability to successfully operate in Canada and the U.S. are also generally applicable to its ability to successfully operate in the UK and Europe. However, in addition to these risks, the Company may not possess the same level of familiarity with the dynamics and market conditions of the UK and Europe, or in regional markets in the jurisdictions in which RSA operates, which could adversely affect its ability to expand into or operate in the UK and Europe or integrate RSA into the Company's operations. The UK and Europe also present different regulatory environments, tax regimes and competitive dynamics when compared to Canada and the U.S. Consequently, the Company may be unable to achieve a desired return on its investments in the UK and Europe.
Foreign Currency Exposure Following Completion of the Acquisition	If the Acquisition is completed, after giving effect to the Acquisition, a significantly increased portion of the Company's earnings and net assets would be denominated in foreign currency. Accordingly, fluctuations in the exchange rate between the Canadian dollar and such foreign currencies may have an adverse effect on the Company's results and financial condition. Future events that may significantly increase or decrease the risk of future movement in foreign exchange rates cannot be predicted.
Changes in Tax Laws or Tax Treaties	If the Acquisition is completed, following the Acquisition the Company, RSA or our subsidiaries may be eligible for the benefits of tax treaties between Canada, the UK and other countries. However, it is possible that factual changes or changes to Canadian, the UK's or other countries' tax laws or changes to existing tax treaties could increase income, or the tax rate on income subject to tax in Canada, the UK or other countries relating to the Company, RSA or our subsidiaries. Similarly, changes to the applicable tax laws, treaties or regulations of other countries could subject the income of the Company, RSA or our subsidiaries to higher rates of tax than currently anticipated. Additionally, the base erosion and profit shifting project currently being undertaken by the Organization for Economic Cooperation and Development and the European Commission's investigation into illegal state aid may result in changes to long-standing tax principles which could adversely affect the Company's business, results of operation and financial condition.
Uncertainties Surrounding the UK's Future Relationship with the European Union ("EU")	On January 31, 2020, the UK left the EU ("Brexit"). The current implementation period ends on December 31, 2020. During this implementation period, the UK is no longer an EU member state but continues to be subject to EU rules and regulations and remains a member of the single EU market and customs union. There is a risk that the UK and the EU may not reach agreement on their future relationship, leading to a "no deal" Brexit or may reach a significantly narrower agreement than that envisaged by the political declaration of the European Commission and the UK government. The outcome of the negotiations on the UK's trade and access to the country's major trading markets, including the single EU market is currently unknown. The exact impact of market risks faced by RSA (and if a firm offer is announced and the Acquisition is completed, the Company) is difficult to predict. The EU has a number of unilateral reserved powers in relation to third countries which impact trade and market access depending on whether the EU considers the third countries' regulations to be equivalent to the EU's, in particular in relation to financial services and data protection. Subsequent to the end of the Brexit implementation period, the UK will be treated by the EU as a third country. The EU initially committed to conclude on the equivalence of relevant UK laws and regulations by June 30, 2020, but failed to do so. RSA's business could be impacted by the outcome of the EU's equivalence deliberations and the UK's negotiations with the EU, which could have a material impact on the regulatory and legal framework within which RSA's UK and European businesses operate. Domestic political tensions within the UK over Brexit has also increased the risk of referendums on independence for Scotland and the status of Northern Ireland in the UK. The possible occurrence of such referendums, and the results thereof, and the uncertain outcome of the exit arrangements with the EU, could result in heightened market volatility and a significant risk of macroeconomic deterioration.