No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This pricing supplement, together with the prospectus supplement dated July 5, 2011 and the short form base shelf prospectus dated July 5, 2011, to which it relates, as amended or supplemented, and each document incorporated by reference in the short form base shelf prospectus, the prospectus supplement and this pricing supplement, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

Information has been incorporated by reference in this pricing supplement from documents filed with the securities commissions or similar authorities in Canada. *Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary's Office of Intact Financial Corporation, 700 University Avenue, Suite* 1500-A (Legal)*, Toronto, Ontario, M5G 0A1, (416) 341-1464, ext. 45149 or 1611 Crémazie Boulevard East, 10th Floor, Montréal, Québec, H2M 2R9, (514) 985-7111 ext. 8367 and are also available electronically at www.sedar.com.*

The medium term notes to be issued hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and, except as described under "Plan of Distribution", may not be offered, sold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the U.S. Securities Act).

PRICING SUPPLEMENT NO. 1

(to the short form base shelf prospectus dated July 5, 2011, as supplemented by the prospectus supplement dated July 5, 2011)

August 12, 2011

[intact]

INTACT FINANCIAL CORPORATION

$300,000,000
Series 4 4.70% Unsecured Medium Term Notes Due August 18, 2021

The Series 4 4.70% unsecured medium term notes due August 18, 2021 (the "Notes") will be issued under a trust indenture made as of May 21, 2009 (the "Base Indenture"), as supplemented by a fourth supplemental indenture to be dated on or about August 18, 2011 (together, the "Indenture"), between Intact Financial Corporation ("IFC") and Computershare Trust Company of Canada, as trustee (the "Trustee").

CIBC World Markets Inc., RBC Dominion Securities Inc., TD Securities Inc., Scotia Capital Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc. and Casgrain & Company Limited (collectively, the "Dealers"), as agents, conditionally offer the Notes for sale, on a best efforts basis, subject to prior sale, if, as and when issued by IFC in accordance with the Dealer Agreement referred to under "Plan of Distribution", and subject to the approval of certain legal matters on behalf of IFC by McMillan LLP and on behalf of the Dealers by Stikeman Elliott LLP.

IFC may be considered to be a connected issuer of CIBC World Markets Inc., RBC Dominion Securities Inc., TD Securities Inc. and Scotia Capital Inc. within the meaning of Canadian securities legislation. CIBC World Markets Inc., RBC Dominion Securities Inc., TD Securities Inc. and Scotia Capital Inc. are wholly-owned subsidiaries of Canadian banks which are currently parties to a credit agreement with IFC. CIBC World Markets Inc. is also acting as a financial advisor to IFC in connection with the Acquisition (as defined herein), and together with RBC Dominion Securities Inc., TD Securities Inc., Scotia Capital Inc., BMO Nesbitt Burns Inc. and National Bank Financial Inc. as underwriter in connection with the Second Preferred Share Offering (as defined herein), and is receiving a fee therefor. In addition, CIBC World Markets Inc. is a wholly-owned subsidiary of a Canadian bank which has agreed to provide IFC with the credit facilities described under "Recent Developments". See "Plan of Distribution".

Subscriptions for Notes will be received by the Dealers subject to rejection or allotment by IFC in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the closing of the offering of the Notes will take place on or about August 18, 2011 or such later date as IFC and the Dealers may agree. A Global Note representing the Notes will be issued in registered form only to CDS Clearing and Depository Services Inc. ("CDS"), or its nominee, and will be deposited with CDS on the closing date of this offering. A purchaser of the Notes will receive only a customer confirmation from the registered dealer who is a CDS participant and from or through whom the Notes are purchased.

Under the Base Indenture, IFC, at its option and without the consent of the holders of the Notes, may issue additional unsecured medium term notes or other debt securities from time to time, which will also be governed by and subject to the terms of the Base Indenture or the Indenture, as applicable.

Unless otherwise specified, all references to currency amounts in this Pricing Supplement are to Canadian dollars.

THE NOTES

The following is a summary of certain of the material attributes and characteristics of the Notes offered hereby, which does not purport to be complete and is qualified in its entirety by reference to the Indenture. Reference is made to: (i) the short form base shelf prospectus of IFC dated July 5, 2011, as supplemented by the prospectus supplement of IFC dated July 5, 2011 (together, the "Prospectus"), for a summary of the other material attributes and characteristics applicable to the Notes and (ii) the Indenture for the full text of such attributes and characteristics.

Designation:	Series 4 4.70% Unsecured Medium Term Notes due August 18, 2021.
Issue Price:	$999.45 (per $1,000 principal amount of Notes).
Interest:	The Notes will bear interest at a fixed annual rate of 4.70%, payable in equal semi-annual instalments on February 18 and August 18 in each year.
Currency:	Canadian dollars.
Issue Date:	The Notes will be dated August 18, 2011.
Delivery Date:	August 18, 2011.
Stated Maturity Date:	August 18, 2021.
Specified Denominations:	$1,000 and integral multiples thereof.
ISIN / CUSIP:	CA 45823ZAC64 / 45823ZAC6.
Use of Proceeds:	The net proceeds from the sale of the Notes will be used to fund a portion of the purchase price for the Acquisition (as defined herein and described under "Recent Developments") of AXA Canada Inc., and thereby reduce the amount that IFC will draw down under the terms of the Acquisition Credit Facilities (as defined herein). The offering of Notes is not conditional upon closing of the Acquisition. If the Acquisition is not completed, the net proceeds of the offering of Notes will be used for general corporate purposes. See "Recent Developments" and "Use of Proceeds".
Redemption at the Option of IFC:	IFC may, at its option, redeem the Notes on not less than 30 days' or more than 60 days' prior notice to the registered holder, in whole at any time or in part from time to time, at a redemption price equal to the greater of (i) the Canada Yield Price (as defined below) and (ii) par, together in each case, with accrued and unpaid interest to the date fixed for redemption. In cases of partial redemption, the Notes to be redeemed will be selected by the Trustee on a *pro rata* basis according to the principal amount of the Notes registered in the respective name of each holder of the Notes or in such other manner as the Trustee may consider equitable, provided that such selection is proportionate. "Canada Yield Price" shall mean a price which, if the Notes were to be issued at such price on the redemption date, would provide a yield thereon from the redemption date to August 18, 2021 equal to the Government of Canada Yield, plus 55 basis points, compounded semi-annually and calculated on the day that is three business days prior to the date of redemption. "Government of Canada Yield" on any date shall mean the average of the midmarket yields to maturity on such date provided by two independent investment dealers selected by the Trustee from a list of investment dealers provided by IFC assuming semi-annual compounding, which an issue of non-callable Government of Canada bonds would produce if issued at par on such date, in Canadian dollars in Canada, with a term to maturity equal to the remaining term to August 18, 2021. Unless IFC defaults in payment of the redemption price, the Notes will cease to accrue interest on their respective redemption date. Any Notes that are redeemed by IFC will be cancelled and will not be reissued.

Ranking:	The Notes will be direct unsecured obligations of IFC and will rank equally (except to the extent prescribed by law) with all other unsecured and unsubordinated indebtedness of IFC.
Events of Default:	The Indenture provides that an event of default will occur only if: (i) IFC defaults in the payment of the principal of the Notes when due; (ii) IFC defaults in the payment of interest on the Notes when due where such default continues for a period of 30 days after the relevant interest payment date; or (iii) IFC becomes insolvent or bankrupt, consents to the institution of bankruptcy or insolvency proceedings against it, resolves to wind-up or liquidate, is ordered wound-up or liquidated or a receiver of a substantial portion of IFC's property is appointed.
Governing Law:	The Notes and the Indenture will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
Credit Ratings:	The Notes have been given a rating of A(low) with a Stable trend by DBRS Limited ("DBRS") and a rating of A3, under review for possible downgrade by Moody's Investors Service, Inc. ("Moody's"). The following information relating to credit ratings is based on information made available to the public by the rating agencies. DBRS's credit ratings are on a long-term debt rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of such securities rated. Long-term debt instruments which are rated in the A category by DBRS are considered to be of good credit quality, with substantial capacity for the payment of financial obligations. Entities in the A category, however, are considered to be more vulnerable to future events, but qualifying negative factors are considered manageable. The ratings from AA to C may be modified by the addition of a "high" or "low" designation to show relative standing within the major rating categories. Moody's credit ratings are on a long-term obligations rating scale that ranges from Aaa to C, which represents the range from highest to lowest quality of such securities rated. Obligations which are rated in the A category by Moody's are considered to be of upper-medium grade and are subject to low credit risk. Moody's applies numerical modifiers to each generic rating classification from Aa to Caa. The modifier 3 indicates a ranking in the lower end of that generic rating category. Credit ratings are intended to provide investors with an independent assessment of the credit quality of an issue or issuer of securities and do not speak to the suitability of particular securities for any particular investor. The credit ratings assigned to the Notes may not reflect the potential impact of all risks on the value of the Notes. A rating is therefore not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating agency. Prospective investors should consult the relevant rating organization with respect to the interpretation and implications of the ratings.
Market for the Notes:	**There is no market through which the Notes may be sold and purchasers may not be able to resell the Notes purchased hereunder. This may affect the pricing of the Notes in the secondary market, the transparency and availability of trading prices, the liquidity of the Notes and the extent of issuer regulation. See "Risk Factors".**

	Price to the Public	**Dealers' Commission**(1)	**Net Proceeds to IFC**(2)
Per $1,000 principal amount of the Notes	$999.45 (99.945%)	$4.00 (0.40%)	$995.45 (99.545%)
Total	$299,835,000 (99.945%)	$1,200,000 (0.40%)	$298,635,000 (99.545%)

(1) IFC has agreed to pay the Dealers a fee equal to $4.00 for each $1,000 principal amount of the Notes sold.
(2) Before deduction of expenses of the offering payable by IFC estimated to be $250,000 which, together with the Dealers' fee, will be paid from the proceeds of this offering.

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DOCUMENTS INCORPORATED BY REFERENCE

This Pricing Supplement is deemed to be incorporated by reference, as of the date hereof, into the accompanying Prospectus solely for the purpose of the offering of the Notes. The following documents, as filed by IFC with the various securities commissions or similar authorities in Canada, are incorporated by reference into the Prospectus and this Pricing Supplement:

(a) the annual information form of IFC dated March 30, 2011;

(b) the audited consolidated financial statements of IFC together with the auditors' report thereon and the notes thereto as at and for the year ended December 31, 2010;

(c) management's discussion and analysis of financial condition and results of operations of IFC for the year ended December 31, 2010;

(d) the management proxy circular of IFC dated March 30, 2011 in respect of IFC's annual and special meeting of shareholders held on May 4, 2011;

(e) the unaudited interim consolidated financial statements of IFC together with the notes thereto as at and for the three months ended March 31, 2011 and management's discussion and analysis relating thereto;

(f) the unaudited interim consolidated financial statements of IFC together with the notes thereto as at and for the three-month and six-month periods ended June 30, 2011 and management's discussion and analysis related thereto; and

(g) the material change report of IFC dated June 9, 2011 (the "Material Change Report") relating to the entering into of a share purchase agreement (the "Share Purchase Agreement") with AXA SA ("AXA") for the purchase (the "Acquisition") of all of the issued and outstanding shares of AXA Canada Inc. ("AXA Canada") and the completion of an offering of 20,125,000 subscription receipts (the "Subscription Receipts").

Any documents of the type referred to in the preceding paragraph, or required to be incorporated by reference herein pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions*, including any annual information form, annual and interim financial statements and related management's discussion and analysis, material change report (excluding any confidential material change report), exhibit to interim and annual consolidated financial statements containing updated earnings coverage information, business acquisition report and information circular of IFC, filed by IFC with the securities commissions or similar authorities in Canada after the date of this Pricing Supplement and prior to the termination of the distribution shall be deemed to be incorporated by reference in the Prospectus.

Any statement contained in this Pricing Supplement, the Prospectus or in a document incorporated or deemed to be incorporated by reference herein or therein will be deemed to be modified or superseded, for purposes of this Pricing Supplement or the Prospectus, as the case may be, to the extent that a statement contained herein or therein, or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein or therein, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Pricing Supplement or the Prospectus, as the case may be.

FORWARD-LOOKING STATEMENTS

Certain of the statements included or incorporated by reference in this Pricing Supplement and the Prospectus about IFC'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" or "potential" or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements.

Forward-looking statements are based on estimates and assumptions made by IFC in light of IFC's experience and perception of historical trends, current conditions and expected future developments, as well as other factors that IFC believes are appropriate in the circumstances. Many factors could cause IFC'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: IFC's ability to implement its strategy or operate its business as IFC currently expects; IFC's ability to accurately assess the risks associated with the insurance policies that IFC writes; unfavourable capital market developments or other factors which may affect its investments and its funding obligations under its pension plans; the cyclical nature of the property and casualty insurance industry; IFC's ability to accurately predict future claims frequency; government regulations designed to protect policyholders and creditors rather than investors; litigation and regulatory actions; periodic negative publicity regarding the insurance industry; intense competition; IFC's reliance on brokers and third parties to sell its products to their clients; IFC's ability to successfully pursue its acquisition strategy; IFC's ability to execute its business strategy; IFC'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 of catastrophic events; IFC's ability to maintain its financial strength and issuer credit ratings; IFC's access to debt financing and its ability to compete for large commercial business; IFC's ability to complete the Second Preferred Share Offering (as defined herein) on the terms described in a prospectus supplement dated August 11, 2011 or otherwise; IFC's ability to alleviate risk through reinsurance; IFC's ability to successfully manage credit risk (including credit risk related to the financial health of reinsurers); IFC's reliance on information technology and telecommunications systems; IFC's dependence on key employees; general economic, financial and political conditions; IFC's dependence on the results of operations of its subsidiaries; the volatility of the stock market and other factors affecting IFC's share price; and future sales of a substantial number of the common shares.

The Material Change Report also contains additional forward-looking statements relating to the Acquisition which have been incorporated by reference in this Pricing Supplement and the Prospectus and are qualified by the cautionary statements contained in the Material Change Report under the heading "Forward-Looking Statements".

All of the forward-looking statements included or incorporated by reference in this Pricing Supplement and the Prospectus are qualified by these cautionary statements and the cautionary statements contained in the Material Change Report, those made in the "Risk Management" sections of the documents listed under paragraphs (c), (e) and (f) under "Documents Incorporated by Reference", those made in the "Risk Factors" section of the Material Change Report and IFC's other filings with the securities commissions or similar authorities in Canada that are incorporated by reference in this Pricing Supplement and the Prospectus. These factors are not intended to represent a complete list of factors that could affect IFC. These factors should, however, be considered carefully, and readers should not place undue reliance on forward-looking statements made in this Pricing Supplement and the Prospectus or in the documents incorporated by reference. IFC has no intention and undertakes 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.

ELIGIBILITY FOR INVESTMENT

In the opinion of McMillan LLP, counsel to IFC, and Stikeman Elliott LLP, counsel to the Dealers, the Notes offered hereby, if issued on the date of this Pricing Supplement, would be, on such date, a qualified investment under the *Income Tax Act* (Canada) (the "Tax Act") for a trust governed by a registered retirement savings plan ("RRSP"), a registered retirement income fund ("RRIF"), a registered education savings plan, a registered disability savings plan, a tax-free savings account ("TFSA") or a deferred profit sharing plan, other than a deferred profit sharing plan for which IFC, or a corporation with which IFC does not deal at arm's length, is the employer. The Notes will not be a "prohibited investment" for a TFSA where the holder of the TFSA is not a "specified shareholder" of IFC, within the meaning of the Tax Act, and IFC deals at arm's length with the holder and any person or partnership in which the holder has a "significant interest", within the meaning of the Tax Act. Proposed tax amendments announced in the 2011 Federal Budget provide similar rules applicable after March 22, 2011 with respect to annuitants under RRSPs and RRIFs.

INTACT FINANCIAL CORPORATION

IFC is the largest provider of property and casualty ("P&C") insurance in Canada, insuring approximately four million individuals and businesses through our insurance subsidiaries. We are the largest private sector provider of P&C insurance in Ontario, Québec, Alberta and Nova Scotia. We distribute insurance under the Intact Insurance brand through a network of brokers and our wholly-owned subsidiary, BrokerLink. We also distribute insurance direct to customers through our belairdirect and GP Car and Home (formerly, Grey Power) brands. We manage our own investment portfolio of approximately $8.6 billion.

RECENT DEVELOPMENTS

On May 31, 2011, IFC entered into the Share Purchase Agreement with AXA for the purchase of all of the issued and outstanding shares of AXA Canada. The closing of the Acquisition is expected to occur in the fall of 2011 and is subject to receipt of required competition and insurance regulatory approvals and the satisfaction of certain closing conditions. IFC estimates that the aggregate cash consideration payable by IFC on the closing of the Acquisition will be approximately $2.6 billion.

Concurrent with the execution of the Share Purchase Agreement, IFC entered into: (i) a commitment letter with a Canadian bank (the "Acquisition Lender") pursuant to which the Acquisition Lender has agreed, on its own behalf and in its capacity as administrative agent, to provide IFC with committed senior, unsecured facilities (the "Acquisition Credit Facilities") in an aggregate amount of up to $1.3 billion for the purpose of funding a portion of the purchase price for the Acquisition and (ii) an agreement with a group of underwriters with respect to an offering of 20,125,000 Subscription Receipts (the "Subscription Receipt Offering") which was completed on June 9, 2011 resulting in gross proceeds of $961,975,000. The gross proceeds from the Subscription Receipt Offering are being held in escrow and will be used to fund a portion of the purchase price for the Acquisition subject to the terms of the Subscription Receipts and a subscription receipt agreement (the "Subscription Receipt Agreement") dated June 9, 2011 between IFC, Computershare Trust Company of Canada, as escrow agent, and the lead underwriters of the Subscription Receipt Offering.

On July 8, 2011, IFC issued $100 million aggregate principal amount of unsecured 50-year term notes (the "Series 3 Notes") due July 8, 2061 in a private placement (the "MTN Private Placement"). On July 12, 2011, IFC closed an offering of 10,000,000 Non-cumulative Rate Reset Class A Shares Series 1 (the "Series 1 Preferred Shares") at a price of $25.00 per Series 1 Preferred Share for aggregate gross proceeds of $250 million (the "First Preferred Share Offering"). On August 9, 2011, IFC announced it had entered into an agreement to issue and sell 9,000,000 Non-cumulative Rate Reset Class A Shares Series 3 (the "Series 3 Preferred Shares") at a price of $25.00 per Series 3 Preferred Share, and granted the underwriters the option to purchase up to an additional 1,000,000 Series 3 Preferred Shares at a price of $25.00 per Series 3 Preferred Share (the "Second Preferred Share Offering"). The supplemental trust indenture relating to the Series 3 Notes, the terms of the Series 1 Preferred Shares and a prospectus supplement relating to the Second Preferred Share Offering are available at our SEDAR profile at www.sedar.com.

The proceeds from the Subscription Receipt Offering, together with the Acquisition Credit Facilities, and a portion of IFC's existing cash resources, will be sufficient to fund the purchase price for the Acquisition. The net proceeds from the MTN Private Placement, the First Preferred Share Offering, the Second Preferred Share Offering and the offering of Notes are intended to be used to fund a portion of the purchase price for the Acquisition, and thereby reduce the amount that IFC will draw down under the terms of the Acquisition Credit Facilities. See "Use of Proceeds".

A full description of the Acquisition is contained in our Material Change Report, including:

- information relating to the combined business of IFC and AXA Canada;
- information relating to the business of AXA Canada;
- a summary of the terms of the Share Purchase Agreement;
- a summary of the terms of the commitment letter relating to the Acquisition Credit Facilities and a description of the financing of the Acquisition;
- a summary of the terms of the Subscription Receipts and the Subscription Receipt Agreement;
- audited consolidated financial statements for AXA Canada as at and for the year ended December 31, 2010 and unaudited interim consolidated financial statements of AXA Canada as at and for the three months ended March 31, 2011; and

- unaudited *pro forma* financial information, including IFC unaudited *pro forma* consolidated statement of income for the year ended December 31, 2010, IFC unaudited *pro forma* consolidated statement of comprehensive income for the three months ended March 31, 2011 and IFC unaudited *pro forma* balance sheet as at March 31, 2011, in each case, reflecting the Acquisition.

The Material Change Report is incorporated by reference in this Pricing Supplement and the Prospectus and available at our SEDAR profile at www.sedar.com.

USE OF PROCEEDS

The net proceeds to IFC from the sale of the Notes, after deducting the Dealers' commission and the estimated expenses of the offering, are expected to be $298,385,000.

We intend to use the net proceeds of this offering of Notes, together with borrowings under the Acquisition Credit Facilities, the proceeds of the Subscription Receipt Offering, the net proceeds of the MTN Private Placement, the net proceeds of the First Preferred Share Offering, the net proceeds of the Second Preferred Share Offering and a portion of our existing internal cash resources, to fund the purchase price for the Acquisition. The amount IFC will draw down under the terms of the Acquisition Credit Facilities will be reduced by an amount equal to the net proceeds of the MTN Private Placement, the net proceeds of the First Preferred Share Offering, the net proceeds of the Second Preferred Share Offering and the net proceeds of this offering of Notes. See "Consolidated Capitalization".

The closing of the Acquisition is expected to occur in the fall of 2011 and is subject to receipt of required competition and insurance regulatory approvals and the satisfaction of certain closing conditions. The offering of Notes is not conditional upon the closing of the Acquisition. If the Acquisition is not completed, the net proceeds of the offering of Notes, together with the net proceeds of the MTN Private Placement, the First Preferred Share Offering and the Second Preferred Share Offering, will be used for general corporate purposes. See "Risk Factors – Use of Proceeds".

CONSOLIDATED CAPITALIZATION

The following table sets forth our consolidated capitalization as at June 30, 2011 both on an actual basis and as adjusted to give effect to:

- the anticipated borrowings under the terms of the Acquisition Credit Facilities;
- the MTN Private Placement;
- the offering of the Notes under this offering;
- the First Preferred Share Offering;
- the Second Preferred Share Offering (assuming no exercise of the over-allotment option to acquire up to an additional 1,000,000 Series 3 Preferred Shares);
- the Subscription Receipt Offering; and
- the completion of the Acquisition.

	June 30, 2011	
	Actual	**As adjusted**
	(in millions of Canadian dollars)	
Indebtedness		
Acquisition Credit Facilities(1)	$ –	$ 440
Series 1 Notes(2)	250	250
Series 2 Notes(2)	250	250
Series 3 Notes(2)	–	100
Series 4 Notes	–	300
Total indebtedness	$ 500	$ 1,340
Shareholders' equity		
Series 1 Preferred Shares	$ –	$ 242
Series 3 Preferred Shares	–	218
Common Shares	969(3)	1,892(3)(4)
Contributed Surplus	101	101
Retained Earnings	1,689	1,677(5)
Accumulated other comprehensive income	183	183
Total shareholders' equity	2,942	4,313
Total capitalization	$ 3,442	$ 5,653

Notes:

(1) On May 31, 2011, IFC entered into a commitment letter with the Acquisition Lender pursuant to which the Acquisition Lender has agreed, on its own behalf and in its capacity as administrative agent, to provide IFC with the Acquisition Credit Facilities in an aggregate amount of up to $1.3 billion for the purpose of funding a portion of the purchase price for the Acquisition. The Acquisition Credit Facilities comprise three facilities: a 12-month bridge facility in the amount of $500 million; a two-year term loan facility in the amount of $500 million; and a three-year term loan facility in the amount of $300 million. The Acquisition Credit Facilities will be available in one drawing to be made on or before March 31, 2012 and be used by IFC to fund a portion of the purchase price for the Acquisition and to pay related fees and expenses. The amount IFC will draw down under the Acquisition Credit Facilities will be reduced by an amount equal to the net proceeds of the MTN Private Placement, the First Preferred Share Offering, the Second Preferred Share Offering and this offering of Notes. Any amounts not drawn down on the Acquisition Credit Facilities will be cancelled upon the earlier of the initial draw down and March 31, 2012. A summary of the terms of the commitment letter relating to the Acquisition Credit Facilities and a description of the financing of the Acquisition is contained in IFC's Material Change Report incorporated by reference in this Pricing Supplement and the Prospectus and available on IFC's SEDAR profile at www.sedar.com.

(2) As at June 30, 2011, IFC had outstanding in aggregate $500 million principal amount of unsecured medium term notes of which the Series 1 $250 million principal amount of notes bear interest at a fixed annual rate of 5.41% and mature on September 3, 2019 and the Series 2 $250 million principal amount of notes bear interest at a fixed annual rate of 6.4% and mature on November 23, 2039. On July 8, 2011, IFC issued by way of private placement $100 million principal amount of Series 3 Notes which bear interest at a fixed annual rate of 6.2% and mature on July 8, 2061.

(3) IFC's authorized share capital consists of an unlimited number of common shares and an unlimited number of Class A shares. As at June 30, 2011, there were 109,428,665 common shares and no Class A shares issued and outstanding. See "Description of Share Capital".

(4) Includes 20,125,000 common shares issuable upon the exchange of Subscription Receipts in accordance with their terms and subject to the terms of the Subscription Receipt Agreement. A summary of the terms of the Subscription Receipts and the Subscription Receipt Agreement is contained in IFC's Material Change Report incorporated by reference in this Pricing Supplement and the Prospectus and available on IFC's SEDAR profile at www.sedar.com.

(5) The "As adjusted" retained earnings amount includes estimated Acquisition costs, net of tax.

EARNINGS COVERAGE RATIOS

The following earnings coverage ratios are based on IFC's financial statements and calculated for the twelve-month periods ended December 31, 2010 and June 30, 2011, after giving effect to the issuance of the Notes.

After giving effect to the First Preferred Share Offering, including dividend payments thereon, and the Second Preferred Share Offering, assuming the exercise of the over-allotment option therefor in full, including dividend payments thereon, IFC's dividend requirements on the Series 1 Preferred Shares and the Series 3 Preferred Shares, and adjusted to a before-tax equivalent, would have amounted to $26 million for the twelve months ended December 31, 2010 (using an effective income tax rate of 20.0%) and $27 million for the twelve months ended June 30, 2011 (using an effective income tax rate of 20.8%).

After giving effect to the MTN Private Placement and the issuance of the Notes, IFC's consolidated borrowing costs requirements, for the twelve-month period ended December 31, 2010 and the twelve- month period ended June 30, 2011 would have been $76 million and $76 million, respectively. IFC's consolidated earnings before borrowing costs and income taxes for the twelve-month period ended December 31, 2010 and the twelve-month period ended June 30, 2011 would have been $553 million and $662 million, respectively, representing 7.3 times and 8.7 times, respectively, IFC's aggregate dividend and borrowing cost requirements for these periods.

IFC's Material Change Report includes an unaudited *pro forma* consolidated statement of comprehensive income for the three-month period ended March 31, 2011 and an unaudited *pro forma* consolidated statement of income for the year ended December 31, 2010, in each case, reflecting the Acquisition as if it had occurred on January 1, 2010 (together, the "*Pro Forma* Income Statements"). IFC's consolidated borrowing cost requirements, after giving effect to the borrowing of approximately $416 million under the Acquisition Credit Facilities (net of the MTN Private Placement, the First Preferred Share Offering, the Second Preferred Share Offering (assuming the exercise of the over-allotment option therefor in full) and the offering of Notes) for each of the twelve-month periods ended December 31, 2010 and March 31, 2011 would have been $88 million and $88 million, respectively. IFC's consolidated earnings before borrowing costs and income taxes for the twelve-month period ended December 31, 2010 and the twelve-month period ended March 31, 2011, after giving effect to the offering of Notes, the First Preferred Share Offering, the Second Preferred Share Offering (assuming the exercise of the over-allotment option therefor in full), the MTN Private Placement and the Acquisition and based on the *Pro Forma* Income Statements, would have been $843 million and $993 million, respectively, representing 9.6 times and 11.3 times, respectively, IFC's aggregate dividend and borrowing cost requirements for these periods.

The earnings coverage ratios described above for the twelve months ended December 31, 2010 were calculated based on Canadian GAAP and for the twelve months ended March 31, 2011 and June 30, 2011 were calculated based on unaudited IFRS financial information.

The earnings coverage ratios set out above do not purport to be indicative of an earnings coverage ratio for any future periods.

DESCRIPTION OF SHARE CAPITAL

Our authorized share capital currently consists of an unlimited number of common shares ("Common Shares") and an unlimited number of Class A shares ("Class A Shares").

As at August 11, 2011, 109,428,665 Common Shares and 10,000,000 Series 1 Preferred Shares were issued and outstanding. An additional 20,125,000 Common Shares are issuable upon the exchange of the Subscription Receipts in accordance with their terms and subject to the terms of the Subscription Receipt Agreement.

Common Shares

Holders of Common Shares are entitled to receive dividends as and when declared by our Board of Directors and, unless otherwise provided by legislation, are entitled to one vote per Common Share on all matters to be voted on at all meetings of shareholders. Upon our voluntary or involuntary liquidation, dissolution or winding-up, the holders of Common Shares are entitled to share rateably in the remaining assets available for distribution, after payment of liabilities. The Common Shares are listed on the TSX.

Class A Shares

The Class A Shares are issuable from time to time in one or more series. Our Board of Directors is authorized to fix before issue the number of, the consideration per share of, the designation of, and the provisions attaching to, the Class A Shares of each series, which may include voting rights. The Class A Shares of each series rank equally with the Class A Shares of every other series and rank in priority to the Common Shares with respect to dividends and return of capital in the event of our liquidation, dissolution or winding-up. The Series 1 Preferred Shares are listed on the TSX.

The terms of the Common Shares and the Class A Shares (as a class) and the terms of each series of IFC's outstanding Class A Shares are available electronically at www.sedar.com.

Shareholder Rights Plan

On February 9, 2011, IFC announced the adoption of a shareholder rights plan (the "Shareholder Rights Plan") by our Board of Directors, which was accepted by the TSX. The Shareholder Rights Plan was approved by the shareholders of IFC at a meeting held on May 4, 2011. A summary of the Shareholder Rights Plan can be found in our management proxy circular dated March 30, 2011 (at pages 17 to 20) which, together with a copy of the Shareholder Rights Plan Agreement, is available on our SEDAR profile at www.sedar.com.

PRICE RANGE AND TRADING VOLUME OF THE COMMON SHARES, THE SUBSCRIPTION RECEIPTS AND THE SERIES 1 PREFERRED SHARES

The outstanding Common Shares are traded on the TSX under the trading symbol "IFC". The following table sets forth the reported high and low trading prices and trading volumes of the Common Shares as reported by the TSX from August 2010.

Period	High	Low	Volume
	($)	($)	
2011			
August (1-11)	56.19	51.78	3,352,289
July	57.77	53.74	7,127,580
June	55.57	50.15	12,608,026
May	52.13	47.91	3,883,116
April	50.65	47.79	3,475,179
March	50.59	46.49	4,673,958
February	51.58	48.15	5,289,575
January	51.24	48.02	2,972,261
2010			
December	51.73	49.42	5,218,599
November	49.84	45.28	5,542,395
October	46.54	44.54	2,420,314
September	46.01	43.12	4,746,043
August	47.15	40.51	4,377,642

On August 11, 2011, the closing price of the Common Shares was $53.00.

The outstanding Subscription Receipts are currently traded on the TSX under the trading symbol "IFC.R". The following table sets forth the reported high and low trading prices and trading volumes of the Subscription Receipts as reported by the TSX since June 9, 2011.

Period	High	Low	Volume
	($)	($)	
2011			
August (1-11)	56.13	51.61	639,082
July	57.31	53.53	1,218,202
June (9-30)	55.40	50.06	4,275,067

On August 11, 2011, the closing price of the Subscription Receipts was $52.62.

The outstanding Series 1 Preferred Shares are traded on the TSX under the trading symbol "IFC.PR.A". The following table sets forth the reported high and low trading prices and trading volumes of the Series 1 Preferred Shares as reported by the TSX since July 12, 2011.

Period	High	Low	Volume
	($)	($)	
2011			
August (1-11)	25.14	24.50	116,647
July (12 -31)	25.17	24.95	1,020,439

On August 11, 2011, the closing price of the Series 1 Preferred Shares was $24.93.

DIVIDENDS

During the year ended December 31, 2010, IFC paid four quarterly dividends aggregating $1.36 per Common Share. The payment of dividends is subject to the discretion of our Board of Directors and depends on, among other things, the financial condition of IFC, general business conditions, restrictions regarding the payment of dividends to IFC by its subsidiaries and other factors that our Board of Directors may in the future consider to be relevant.

The following table sets forth the dividends paid per share on the Common Shares in each of the four most recently completed fiscal years:

Payment date	Dividend amount
	($)
March 30, 2007	0.27
June 29, 2007	0.27
September 28, 2007	0.27
December 31, 2007	0.27
March 31, 2008	0.31
June 30, 2008	0.31
September 30, 2008	0.31
December 31, 2008	0.31
March 31, 2009	0.32
June 30, 2009	0.32
September 30, 2009	0.32
December 31, 2009	0.32
March 30, 2010	0.34
June 30, 2010	0.34
September 30, 2010	0.34
December 31, 2010	0.34

On March 31, 2011 and June 30, 2011, IFC paid a quarterly dividend of $0.37 per Common Share. The Board of Directors has declared a quarterly dividend of $0.37 per Common Share payable on September 30, 2011 to shareholders of record on September 15, 2011. The Board of Directors has also declared a quarterly dividend of $0.23014 per Series 1 Preferred Share payable on September 30, 2011 to shareholders of record on September 15, 2011.

As a holding company with no direct operations, IFC relies on cash dividends and other permitted payments from its subsidiaries and its own cash balances to pay dividends to its shareholders. The amount of dividends payable to IFC by its subsidiaries may be limited by applicable corporate and insurance law restrictions.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of McMillan LLP, counsel to IFC, and Stikeman Elliott LLP, counsel to the Dealers, the following is, at the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to a holder of the Notes (a "Holder") who acquires Notes pursuant to this offering and who, at all relevant times, for purposes of the Tax Act, is or is deemed to be resident in Canada, holds the Notes as capital property and deals at arm's length and is not affiliated with IFC. Generally, the Notes will be considered capital property to a Holder provided that the Holder does not hold the Notes in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Holders who are resident in Canada whose Notes might not otherwise qualify as capital property may be entitled to obtain such qualification in certain circumstances by making an irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is not applicable to a Holder that is a "financial institution" (as defined in the Tax Act for purposes of the mark-to-market rules) or a Holder an interest in which is a "tax shelter investment" or a Holder that has elected to report its "Canadian tax results" in a "functional currency" in accordance with the provisions of the Tax Act (all as defined in the Tax Act). Such Holders should consult their own tax advisors having regard to their particular circumstances.

This summary is based on the facts set out in the Prospectus and this Pricing Supplement, the current provisions of the Tax Act and the regulations thereunder in force at the date of this Pricing Supplement, all specific proposals to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and counsel's understanding of the administrative policies and assessment practices of the Canada Revenue Agency (the "CRA") published by the CRA prior to the date hereof. There can be no assurance that the proposed amendments will be implemented in their current form or at all. This summary does not otherwise take into account or anticipate any changes of law or practice, whether by judicial, governmental or legislative decision or action or changes in the administrative policies or assessment practices of the CRA, nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction. The provisions of provincial income tax legislation vary from province to province in Canada and in some cases differ from federal income tax legislation.

This summary is of a general nature only and is not intended to be, nor should it be construed as, legal or tax advice to any particular Holder, and no representations with respect to the income tax consequences to any particular Holder are made. Accordingly, prospective purchasers should consult their own tax advisors for advice with respect to the tax consequences to them of acquiring, holding and disposing of the Notes, including the application and effect of the income and other tax laws of any country, province, territory, state or local tax authority.

A Holder that is a corporation, partnership, unit trust or trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year any interest on a Note that accrues or is deemed to accrue to the Holder to the end of that taxation year or becomes receivable or is received by the Holder before the end of that taxation year, except to the extent that such interest was otherwise included in the Holder's income for a preceding taxation year.

Any other Holder, including an individual and a trust of which neither a corporation nor a partnership is a beneficiary, will be required to include in income for a taxation year any amount on account of, in lieu of payment of or in satisfaction of, interest on a Note received or receivable by such Holder in that year (depending upon the method regularly followed by the Holder in computing income), except to the extent that the interest was included in the Holder's income for a preceding taxation year.

Any premium paid by IFC to a Holder of the Notes because of the exercise by IFC of the right to redeem a Note before the maturity thereof will generally be deemed to be interest received at that time by the Holder to the extent that such premium can reasonably be considered to relate to, and does not exceed at the time of the redemption the value of, the interest that would have been paid or payable by IFC on the Notes for a taxation year ending after the redemption.

On a disposition or deemed disposition of a Note, whether on maturity, redemption, purchase for cancellation or otherwise, a Holder will generally be required to include in computing its income for the taxation year in which the disposition occurred an amount equal to the interest accrued or deemed to accrue on the Note from the date of the last interest payment to the date of disposition to the extent that such amount has not otherwise been included in the Holder's income for the taxation year or a previous taxation year. In general, a disposition or deemed disposition of a Note will give rise to a capital gain (or capital loss) to the extent that the proceeds of disposition, net of any accrued interest and any other amount included in computing income as interest and any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Note to the Holder immediately before the disposition.

Generally, one-half of the amount of any capital gain (a "taxable capital gain") realized by a Holder in a taxation year must be included in the Holder's income for that year, and one-half of the amount of any capital loss (an "allowable capital loss") realized by a Holder in a taxation year may be deducted from taxable capital gains realized by the Holder in that year. Allowable capital losses in excess of taxable capital gains may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years to the extent and under the circumstances described in the Tax Act. Capital gains realized by an individual or a trust (other than certain specified trusts) may give rise to a liability for alternative minimum tax under the Tax Act.

A Holder that is a "Canadian controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6⅔% on certain investment income, including amounts of interest and taxable capital gains.

PLAN OF DISTRIBUTION

Under an agreement (the "Dealer Agreement") dated August 12, 2011 between the Dealers and IFC, the Dealers have agreed to offer for sale the Notes in Canada on a best efforts basis, subject to prior sale, if, as and when issued by IFC in accordance with the terms of the Dealer Agreement and subject to compliance with all necessary legal requirements. It is expected that the closing of the offering of the Notes will take place on or about August 18, 2011 or such later date as IFC and the Dealers may agree.

The Dealer Agreement does not contain a minimum offering restriction on the sale of the Notes to the public.

The obligations of the Dealers under the Dealer Agreement may be terminated at their discretion upon the occurrence of certain stated events in accordance with the terms of the Dealer Agreement.

The Dealer Agreement provides that the Dealers will be paid a fee of $4.00 per $1,000 principal amount of the Notes sold on account of services rendered in connection with the offering of the Notes.

CIBC World Markets Inc., RBC Dominion Securities Inc., TD Securities Inc. and Scotia Capital Inc. are wholly-owned subsidiaries of Canadian banks which are currently parties to a credit agreement with IFC (as at the date of this Pricing Supplement, no amounts are outstanding under this credit agreement). CIBC World Markets Inc. is also acting as a financial advisor to IFC in connection with the Acquisition, and together with RBC Dominion Securities Inc., TD Securities Inc., Scotia Capital Inc., BMO Nesbitt Burns Inc. and National Bank Financial Inc. as underwriter in connection with the Second Preferred Share Offering, and is receiving a fee therefor. In addition, CIBC World Markets Inc. is a wholly-owned subsidiary of a Canadian bank which has agreed to provide IFC with the Acquisition Credit Facilities. Accordingly, IFC may be considered a "connected issuer" of these Dealers within the meaning of applicable securities legislation. The decision to distribute the Notes and the determination of the terms of the distribution were made through negotiations between IFC and the Dealers. The Dealers have participated in the structuring and pricing of this offering. In addition, the Dealers have participated in due diligence meetings relating to this Pricing Supplement with IFC and its representatives, have reviewed this Pricing Supplement and have had the opportunity to propose such changes to this Pricing Supplement as they considered appropriate. Other than the fee to be paid to the Dealers in connection with the offering of the Notes as described above, the proceeds of the offering of the Notes will not be applied for the benefit of the Dealers.

IFC reserves the right to accept or reject any subscription in whole or in part. While the Dealers have agreed to use their reasonable best efforts to sell the Notes, they are not obligated to purchase any Notes which are not sold.

The Dealers may not, throughout the period of distribution, bid for or purchase the Notes. The foregoing restriction is subject to certain exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of the Notes. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules of the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market-making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. IFC has been advised that, in connection with this offering and subject to the foregoing, the Dealers may over-allot or effect transactions which stabilize or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Notes have not and will not be registered under the United States *Securities Act of 1933*, as amended (the "U.S. Securities Act"), or any state securities laws, and may not be offered or sold within the United States or to U.S. persons (as defined in the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption therefrom is available. Each of the Dealers will agree not to buy or offer to buy, to sell or offer to sell, or solicit any offer to buy any Notes in the United States, or to or for the account or benefit of U.S. persons, except to "qualified institutional buyers" in accordance with Rule 144A under the U.S. Securities Act. This Pricing Supplement does not constitute an offer to sell or a solicitation of an offer to buy any of the Notes in the United States. In addition, until 40 days after the commencement of the offering of an issue of Notes, an offer or sale of that issue within the United States by any Dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the U.S. Securities Act.

RISK FACTORS

An investment in the Notes involves certain risks. In addition to the other information contained in this Pricing Supplement and the Prospectus and the risks described under the "Risk Management" sections of the documents listed under paragraphs (c), (e) and (f) under "Documents Incorporated by Reference" and under the "Risk Factors" section of the Material Change Report, prospective purchasers of the Notes should carefully consider the risk factors set forth below.

Structural Subordination of the Notes

IFC is a holding company and substantially all of its business activities are carried on by its subsidiaries. Because IFC is a holding company, the Notes will be effectively subordinated to all existing and future liabilities, including trade payables and other indebtedness, of IFC's subsidiaries. In addition, as a holding company, IFC's ability to meet its financial obligations is dependent primarily upon the receipt of interest and principal, management fees, cash dividends and other payments from its subsidiaries, together with proceeds raised by IFC through the issuance of equity and debt securities. IFC's subsidiaries are distinct legal entities and have no legal obligation, contingent or otherwise, to pay any amount due under the Notes or to make any amounts available therefor. In addition, the payment of dividends and the making of loans, advances and other payments to IFC by its subsidiaries may be limited by applicable corporate and insurance law restrictions or contractual restrictions, will depend on the earnings of the subsidiaries and will be subject to various business and other considerations.

Ratings

The value of the Notes will be affected by the general creditworthiness of IFC. There is no assurance that any rating assigned to the Notes issued hereunder will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by the relevant rating agency. A lowering or withdrawal of such rating may have an adverse effect on the market value of the Notes.

Absence of Public Market for the Notes

The Notes will be newly issued securities for which there is no existing trading market. IFC does not intend to list the Notes on any Canadian, U.S. or other securities exchange. This may affect the pricing of the Notes in the secondary market, the transparency and availability of trading prices, the liquidity of the Notes and the extent of issuer regulation. There can be no assurance that a secondary market will develop for the Notes or that any secondary market that does develop will continue. Accordingly, purchasers may not be able to sell the Notes. In addition, if a trading market develops for the Notes, the Notes could trade at prices that may be higher or lower than their initial offering prices, depending on many factors, including prevailing interest rates, IFC's results of operations and financial position, the ratings assigned to the Notes and IFC's other debt securities and the markets for similar debt securities.

Interest Rate Risks

Prevailing interest rates will affect the market price or value of the Notes. Generally, the market price or value of the Notes will decline as prevailing interest rates for comparable debt instruments rise and increase as prevailing interest rates for comparable debt instruments decline. Fluctuations in interest rates may also impact borrowing costs of IFC which may adversely affect its creditworthiness.

Redemption of Notes

IFC may choose to redeem the Notes from time to time, especially when prevailing interest rates are lower than those payable by IFC under the terms of the Notes. If prevailing rates are lower at the time of redemption, a purchaser would not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the rate on the

Notes being redeemed. IFC's redemption right may also adversely impact a purchaser's ability to sell the Notes as the optional redemption date or period approaches.

No Limitations on Debt

The Indenture will not contain any provision limiting IFC's ability to incur indebtedness generally.

No Event Risk Protection

The Indenture will not contain any provision that would afford holders of Notes protection should IFC be involved in a highly leveraged or similar transaction.

Access to Capital and Credit Ratings

In order to meet the capital investment and debt repayment requirements of its business, IFC must have reliable access to sufficient and cost-effective capital. The ability to arrange sufficient and cost-effective financing is subject to numerous factors, including the regulatory environment, the results of operations and financial position of IFC, conditions in the capital and bank credit markets, the ratings assigned by rating agencies and general economic conditions. There can be no assurance that sufficient capital will continue to be available on acceptable terms to fund such capital expenditures and to repay existing debt.

Following the announcement of the proposed Acquisition, DBRS confirmed IFC's debt rating of A (low) and Moody's announced that it had placed the A3 senior debt rating of IFC and the Aa3 insurance financial strength ratings of IFC's principal operating subsidiaries under review for possible downgrade. As part of its announcement, Moody's stated that the review will focus on the extent to which the Acquisition closes in accordance with its terms and that Moody's will also consider, among other things, the *pro forma* business and financial profile of IFC, including financial leverage and capital adequacy. Moody's also stated that, assuming the Acquisition closes as proposed, and no other material changes occur with respect to operating performance of either IFC or AXA Canada or to the market environment, Moody's expects to lower IFC's A3 senior debt rating and the Aa3 insurance financial strength ratings of IFC's principal operating subsidiaries by one notch following the closing of the Acquisition. On June 6, 2011, A.M. Best Co. ("A.M. Best") announced that it had placed under review with negative implications the financial strength rating of A+ (superior) and issuer credit ratings of "aa-" of IFC's principal operating subsidiaries and IFC's existing debt ratings and its issuer credit rating of "a-". Also on June 6, 2011, A.M. Best announced that it had placed under review with developing implications the A (excellent) financial strength rating and "a+" issuer credit ratings of AXA Canada's principal operating subsidiaries, the A- (excellent) financial strength rating and "a-" issuer credit rating of InnovAssur, assurances générales inc. and the "bbb+" issuer credit rating of AXA Canada. A.M. Best also stated that the ratings of IFC, AXA Canada and their respective operating subsidiaries will remain under review until completion of the Acquisition and until A.M. Best conducts further analysis and discussion with management of IFC and AXA Canada.

An inability to maintain an investment-grade credit rating and/or a decline in issuer credit ratings or financial strength ratings could materially adversely impact IFC's access to debt financing and ability to compete for large commercial business.

Use of Proceeds

IFC intends to use the net proceeds of the offering of Notes to fund a portion of the purchase price for the Acquisition as described under "Use of Proceeds". The offering of Notes is not conditional upon closing of the Acquisition. If the Acquisition is not completed, the net proceeds of the offering of Notes will be used for general corporate purposes.

LEGAL MATTERS

In connection with the issue and sale of the Notes, certain legal matters will be passed upon, on behalf of IFC, by McMillan LLP and, on behalf of the Dealers, by Stikeman Elliott LLP. As of the date hereof, the partners and associates of McMillan LLP and Stikeman Elliott LLP, respectively, as a group, beneficially own, directly or indirectly, less than 1% of the issued and outstanding securities of IFC or any associates or affiliates of IFC.

TRUSTEE

The Trustee for the Notes is Computershare Trust Company of Canada at its principal office in Toronto, Ontario.

CONSENT OF AUDITORS

We have read the pricing supplement No. 1 dated August 12, 2011 to the short form base shelf prospectus dated July 5, 2011 as supplemented by the prospectus supplement dated July 5, 2011 of Intact Financial Corporation ("IFC") (collectively, the "Prospectus") relating to the issue and sale of $300,000,000 principal amount of Series 4 4.70% unsecured medium term notes due August 18, 2021. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the Prospectus of our report to the shareholders of IFC on the consolidated balance sheets of IFC as at December 31, 2010 and 2009 and the consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for each of the years in the two-year period ended December 31, 2010. Our report is dated February 8, 2011.

Montréal, Canada
August 12, 2011

(Signed) Ernst & Young LLP[1]
Chartered Accountants

[1] CA auditor permit no. 15504

CONSENT OF AUDITORS

We have read the pricing supplement No. 1 of Intact Financial Corporation ("IFC") dated August 12, 2011 to the short form base shelf prospectus of IFC dated July 5, 2011 as supplemented by the prospectus supplement of IFC dated July 5, 2011 relating to the offer and issue by IFC of $300,000,000 of principal amount of Series 4 4.70% Unsecured Medium Term Notes due August 18, 2021 (together, the "Pricing Supplement"). We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned Pricing Supplement of our report to the Directors of AXA Canada Inc. on the consolidated balance sheets of AXA Canada Inc. as at December 31, 2010 and 2009 and the consolidated statements of earnings, changes in shareholder's equity, comprehensive income and accumulated other comprehensive income and cash flows for each of the years in the two year period ended December 31, 2010. Our report is dated March 15, 2011 (except as to note 26, which is as of May 31, 2011).

Montréal, Québec, Canada	(Signed) PricewaterhouseCoopers LLP[2]
August 12, 2011	Chartered Accountants

[2] Chartered accountant auditor permit No. 22923

CERTIFICATE OF THE DEALERS

Dated: August 12, 2011

To the best of our knowledge, information and belief, the short form base shelf prospectus dated July 5, 2011, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of all provinces and territories of Canada.

CIBC WORLD MARKETS INC.	RBC DOMINION SECURITIES INC.	TD SECURITIES INC.
By: (Signed) DONALD A. FOX	By: (Signed) RAJIV BAHL	By: (Signed) GREG MCDONALD

SCOTIA CAPITAL INC.

By: (Signed) JOHN TKACH

BMO NESBITT BURNS INC.	NATIONAL BANK FINANCIAL INC.
By: (Signed) BOB NGUYEN	By: (Signed) MAUDE LEBLOND

CASGRAIN & COMPANY LIMITED

By: (Signed) JONATHAN DUGUAY-ARBESFELD