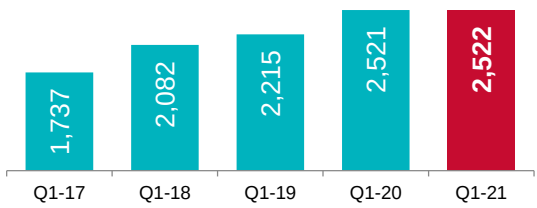
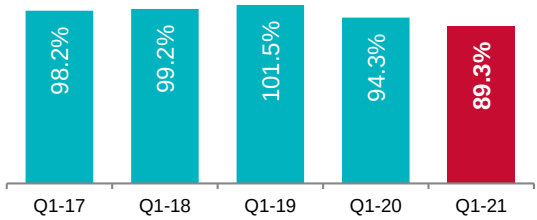
Q1-2021 SUMMARY

Premiums grew 1%, impacted by an additional $75 million of COVID-19 related relief for personal auto customers. Overall combined ratio improved by 5.0 points to a strong 89.3%, with strong favourable PYD and lower CAT losses. NOIPS was up 49% to $2.40 and OROE of 19.0% was driven by strong underwriting and distribution performances. We ended the quarter in a strong financial position, with a total capital margin of $3.0 billion, including $850 million in medium term notes and hybrids issued to partly finance the RSA acquisition (announced Nov. 18, 2020). Integration and transition planning with the RSA team is progressing well; all financing is secured. Closing is expected on June 1, 2021.

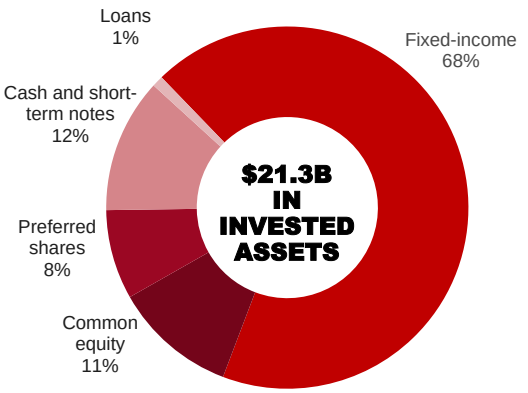
DIRECT PREMIUMS WRITTEN *(in millions of Canadian dollars)*



COMBINED RATIO *(excluding MYA)*

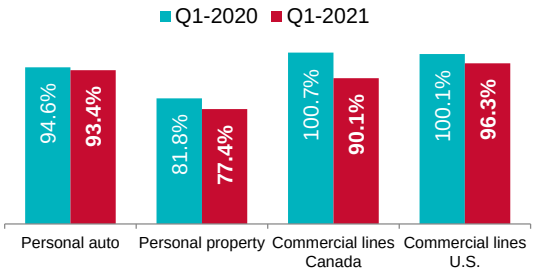


INVESTMENT MIX BY ASSET CLASS *(net exposure)*

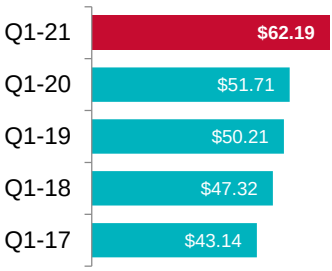


- **87%** of fixed-income securities are **rated 'A-' or better**
- The weighted-average rating of our **preferred share portfolio is 'P2'**

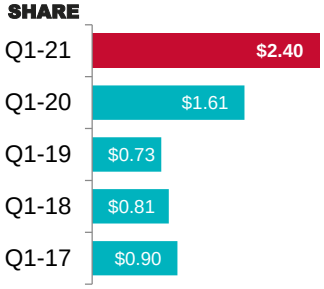
COMBINED RATIO BY LINE OF BUSINESS *(excluding MYA)*



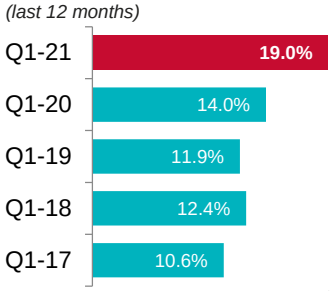
BOOK VALUE PER SHARE



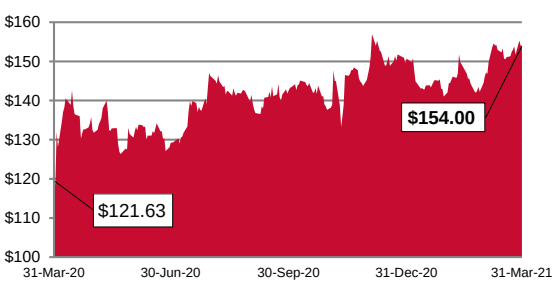
NET OPERATING INCOME PER SHARE



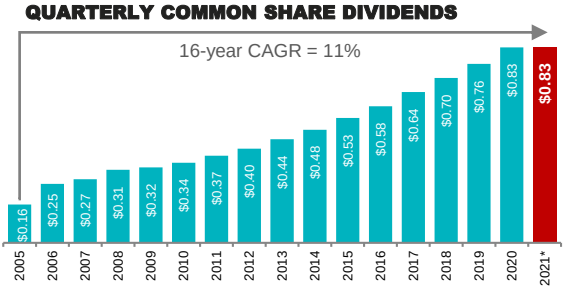
OPERATING RETURN ON EQUITY *(last 12 months)*



COMMON SHARE PRICE PERFORMANCE - TSX: IFC



QUARTERLY COMMON SHARE DIVIDENDS



** Declared - With a strong financial position and confidence in earnings growth, we will continue to protect our people, support our customers and advance on our strategic objectives. We intend to increase our dividend this year as we have in the past 15 years.*

DISCLAIMER: Refer to glossary available in the "Investors" section of our website at **www.intactfc.com**

OUR BUSINESS

Intact Financial Corporation is the largest provider of property and casualty (P&C) insurance in Canada and a leading provider of specialty insurance in North America, with over $12 billion in total annual premiums. The Company has over 16,000 employees who serve more than five million personal, business and public sector clients through offices in Canada and the U.S.

In Canada, Intact distributes insurance under the Intact Insurance brand through a wide network of brokers, including its wholly-owned subsidiary BrokerLink, and directly to consumers through belairdirect. Intact Public Entities Inc., a leading MGA, distributes public entity insurance programs including risk and claims management services in Canada.

In the U.S., Intact Insurance Specialty Solutions provides a range of specialty insurance products and services through independent agencies, regional and national brokers, wholesalers and managing general agencies. Products are underwritten by the insurance company subsidiaries of Intact Insurance Group USA, LLC.

QUICK FACTS

TSX ticker symbol: **IFC**

Market capitalization: **~C$22 billion**

Common shares outstanding: **143.0M**

DBRS issuer credit rating: **A**

Fitch issuer credit rating: **A-**

Moody's issuer credit rating: **Baa1**

EXPECTED EARNINGS RELEASE DATES

Q2-2021: **Tuesday, July 27, 2021**

Q3-2021: **Tuesday, November 9, 2021**

Q4-2021: **Tuesday, February 8, 2022**

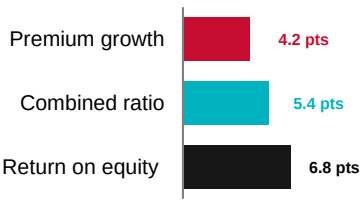
Q1-2022: **Tuesday, May 10, 2022**

WHAT WE ARE AIMING TO ACHIEVE



INDUSTRY OUTPERFORMER

10-year outperformance gap IFC vs. Canadian P&C industry



Industry data: IFC estimates based on MSA Research Inc. data as of Dec. 31, 2020. Please refer to Important Notes on page 2 of Q1-2021 MD&A for further information.

OUR FAMILY OF BRANDS

intact INSURANCE

intact prestige INSURANCE

intact INSURANCE specialty solutions

belairdirect.

ON SIDE RESTORATION. Performance demonstrated. Every day.

BrokerLink

intact public entities

AWARD WINNING

KINCENTRIC Best Employer CANADA 2020

KINCENTRIC Best Employer UNITED STATES 2020

KINCENTRIC Best Employer NORTH AMERICA 2020

RSA INSURANCE GROUP ACQUISITION[1]

On November 18, 2020, we announced that, together with the Scandinavian P&C leader Tryg A/S, we have reached an agreement to acquire RSA Insurance Group Plc. (RSA). RSA is a multinational insurance group with strong positions in the P&C insurance market in the UK, Scandinavia and Canada along with supporting international business in Ireland, Continental Europe and the Middle East.

Pursuant to the RSA Acquisition, we will retain RSA's Canadian, UK and International operations, Tryg will retain RSA's Swedish and Norwegian businesses, and Intact and Tryg will co-own RSA's Danish business.

The acquisition was approved by the Boards of Directors of all three companies on announcement and was approved by RSA's shareholders on January 18, 2021.

As of May 6, 2021, all required anti-trust and regulatory approvals have been received. A court hearing is scheduled for May 25, 2021 for a formal approval of the transaction by the High Court of Justice in England and Wales. Upon approval, the Acquisition is expected to close on June 1, 2021.

With the RSA Acquisition, we are taking a significant step to accelerate our strategy. The acquisition will expand our leadership position in Canada, create a leading specialty lines platform with international expertise, and provide entry into the UK and Ireland market at scale. The acquisition will also strengthen our ability to outperform with increased investments in our core capabilities of data, risk selection, claims and supply chain management. The RSA Acquisition will create significant value for our shareholders.

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

4 Financially compelling
- ✓ Net assets to be acquired at 0.9x book value with expected internal rate of return in excess of our 15% threshold
- ✓ High-single-digit NOIPS accretion expected in the first year after close, increasing to upper teens within 36 months
- ✓ OROE expected to be in the mid-teens level in the medium term;
- ✓ BVPS expected to increase by approximately 25% at closing
- ✓ Over $2.0 billion total capital margin estimated at closing
- ✓ Debt-to-total-capital ratio expected to return to 20% within 36 months following closing

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

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

OUR EVOLVED STRATEGIC ROADMAP: THE NEXT DECADE OF GROWTH

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[1]**
- 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

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[1]*UK & Ireland position relates to the RSA acquisition announced on November 18, 2020 - for more details on the Acquisition, please visit our website: www.intactfc.com/investor*