Intact Financial Corporation (IFC)

Investor Presentation

June 2010

Forward-looking statement disclaimer

Certain of the statements in this document about 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" or "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. 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. 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: 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 which may affect the company's investments 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; government regulations; litigation and regulatory actions; periodic negative publicity regarding the insurance industry; intense competition; the company's reliance on brokers and third parties to sell its products; the company's ability to successfully pursue its acquisition strategy; its ability to execute its business strategy; the company's participation in the Facility Association (a mandatory pooling arrangement among all industry participants); terrorist attacks and ensuing events; the occurrence of catastrophic events; the company's ability to maintain its financial strength ratings; 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 reliance on information technology and telecommunications systems; the company's dependence on key employees; general economic, financial and political conditions; the company's dependence on the results of operations of its subsidiaries; the volatility of the stock market and other factors affecting the company's share price; and future sales of a substantial number of its common shares. All of the forward-looking statements included in this document are qualified by these cautionary statements. These factors are not intended to represent a complete list of the factors that could affect the company; however, these factors should be considered carefully, and readers should not place undue reliance 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.

Important notes:

- All references to direct premiums written in this document exclude industry pools, unless otherwise noted.
- All references to "excess capital" in this document include excess capital in the P&C insurance subsidiaries at 170% minimum capital test ("MCT") plus liquid assets in the holding company, unless otherwise noted.
- Catastrophe claims are any one claim, or group of claims, equal to or greater than $5.0M, related to a single event.
- All underwriting results and related ratios exclude the MYA, except if noted otherwise.

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Leader in auto, home and business insurance in Canada

Who we are

- Dominant P&C insurer in Canada
- Over $4 billion in direct premiums written
- #1 in Ontario, Québec, Alberta, Nova Scotia
- Substantial size and scale advantage
- 11 successful acquisitions since 1988
- $8 billion cash and invested assets

Distinct brands

intact INSURANCE

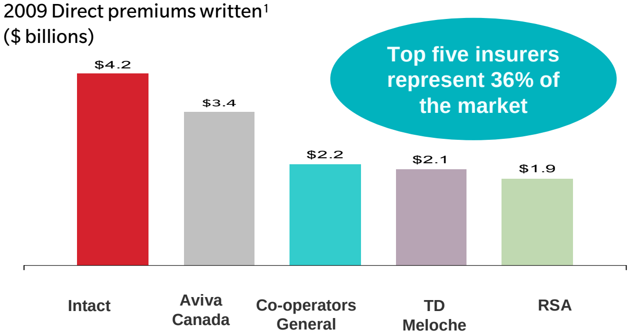
belairdirect.

GREY POWER Where Experience Counts.

CANADA BROKERLINK INC.

Scale advantage

2009 Direct premiums written[1]
($ billions)



Market share	11.0%	8.8%	5.8%	5.5%	4.9%

Industry outperformer

10-year performance – IFC vs. P&C Industry[1]	IFC Outperformance
Premium growth	1.7 pts
Combined ratio[2]	3.8 pts
Return on equity[3]	7.5 pts

[1] Industry data source: MSA Research excluding Lloyds, ICBC, SGI, SAF, MPI and Genworth
[2] Combined ratio includes the market yield adjustment (MYA)
[3] ROE is for Intact's P&C insurance subsidiaries.

Consistent industry outperformance

Significant scale advantage

Sophisticated pricing and underwriting

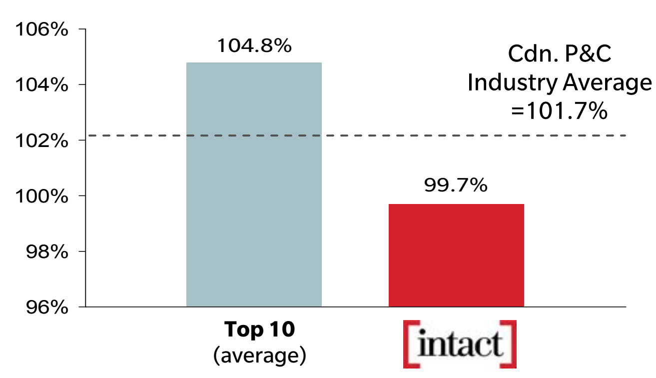
In-house claims expertise

Broker relationships

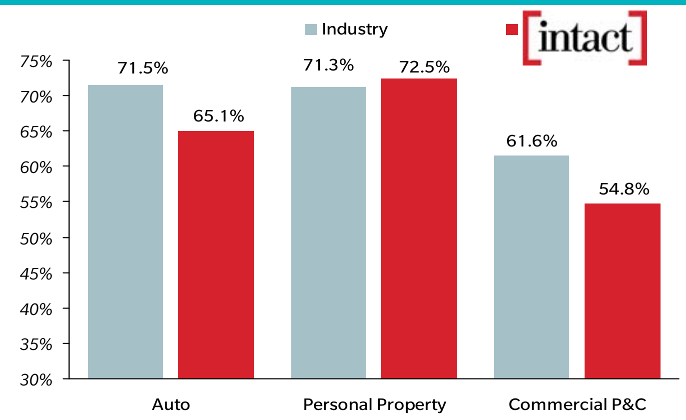
Multi-channel distribution

Proven acquisition track record

2009 combined ratios



Five-year average loss ratios



Source: MSA Research 2009
Data in both charts are for the year ended December 31, 2009
Industry results exclude Lloyds, ICBC, SAF, SGI, MPI, Genworth and Mutuals in Quebec
Includes market yield adjustment (MYA)

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Q1-2010 Key points

First quarter highlights

- Net operating income per share of $0.94, 62.1% higher than last year due to improved underwriting performance
- Growth accelerating to reach 5.2% on rate increases in all lines of business and higher units in commercial lines
- Strong combined ratio of 93.2% driven by mild weather and results of the Company's action plans
- Trailing 12 month Operating Return on Equity of 10.9%
- Q1-2010 annualized Operating Return on Equity of 16.1%

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Q1-2010 Financial highlights

(in $ millions, except as otherwise noted)	Q1-2010	Q1-2009	Change	Key points
Direct premiums written (excl. pools)	$914.3	$868.8	5.2%	• Increase in direct premiums written reflects rate increases in all lines of business, and growth in written insured risks (units) particularly in commercial lines
Net underwriting income	$69.0	$7.9	773.4%	• Higher underwriting income reflects strong results in all lines of business
Combined ratio	93.2%	99.2%	(6.0)pts	• 600 basis point improvement in the combined ratio reflects mild weather conditions and positive results from the Company's actions plans
Net operating income per share (dollars)	$0.94	$0.58	62.1%	• Increase in net operating income per share driven by improved underwriting performance
Earnings (loss) per share (dollars)	$1.01	$(0.30)	n/a	• Improved EPS and ROE reflect strong operating results and investment gains compared to investment losses in Q1 2009.
Trailing 12 month Return on Equity	10.3%	2.4%	7.9pts	

as of Mar. 31, 2010

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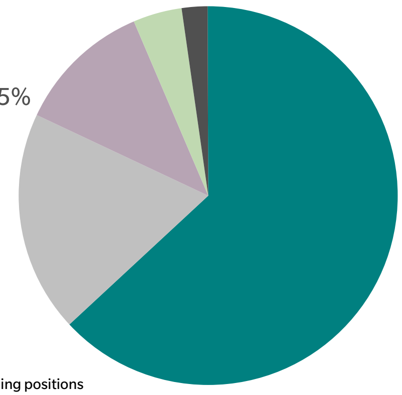
Strong financial position and excess capital

Strong balance sheet

- 231.9% MCT regulatory capital ratio
- Excess capital position of $865.5 million, based on 170% MCT
- As at March 31, 2010, the debt to total capital ratio was 14.6%. Based on a debt to total capital ratio of 20%, approximately $230 million of additional debt capacity remains
- Solid ratings from A.M. Best, Moody's and DBRS
- Adequate claims reserves evidenced by consistent favourable development

$8.0 billion in cash and invested assets



Invested asset mix is net of hedging positions

Acquisition capacity ($ millions)

Excess capital at March 31, 2010[1]	$866
Remaining debt capacity[2]	$230
Total acquisition capacity (without issuing equity)	> $1.0 b

Quality investment portfolio

- 98% of bonds are rated A or better
- 77.5% of preferred shares are rated P1 or P2
- Minimal US and European exposure
- No leveraged investments

All figures as at March 31, 2010 unless otherwise noted
[1] Excess capital over MCT of 170%
[2] At 20% debt-to-total capital. Remaining debt capacity at March 31, 2010

12-month outlook:
Industry pricing environment firming up in Canada

Personal lines	• Premiums in personal lines increasing due to cost inflation ▸ Industry auto rate increases picking up speed in Ontario ▸ Home insurance premiums increasing due to higher volume of water-related claims
Commercial lines	• Evidence of price hardening continued in first quarter in Ontario and will likely begin to harden in other provinces as well.
Capital	• Capital markets have partially recovered from the lows of Q1-2009 but low investment yields could influence higher premiums across the industry. • There is still some uncertainty with regards to the future direction of capital markets. • Debt and equity capital markets are currently open allowing companies to raise capital at reasonable rates.

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- Personal lines growth picking up speed
- Organic growth potential in commercial as pricing hardens and industry capacity shrinks
- Strong capital base to participate in industry consolidation

Ontario auto reforms: a summary

Context

- Accident benefits and tort related bodily injury cost increases (AB inflation: 19% in last four years) have resulted in the industry raising rates by 21% since January of 2008.
- Combined ratio of industry exceeds 110% - resulting premium inadequacy is at least 10%.
- Ontario drivers pay 5% of disposable income for auto insurance compared to 3% in other provinces
- In March 2010, new regulations providing choice to consumers and controlling costs are approved and become effective Sept. 1, 2010

Implementation

- FSCO estimates claims cost reduction of 6% upon implementation and reduced inflation going forward
- Coverage reforms will kick-in on policies that will renew only after September 1, 2010.
- Procedural reforms will impact claims as of September 1, 2010
- Accidents reported after August 31, 2010 are subject to reforms

Key Features

- Capping medical/rehabilitation and assessment/examination expenses for minor injuries to $3,500.
- Providing standard medical and rehabilitation coverage for non-catastrophic claims of $50,000, with optional coverage of $100,000 or $1,100,000.
- Offering standard attendant care coverage for non-catastrophic claims of $36,000, with optional coverage of $72,000 or $1,072,000.
- Supplying optional caregiver, housekeeping and home maintenance benefits for non-catastrophic claimants.
- Capping each assessment to $2,000 – this applies for all assessments, whether they are requested by the claimant or insurer.
- Eliminating rebuttal examinations

Risks

- Uncertainty remains on the final deployment of the reforms

Four distinct avenues for growth

Benefit from Firming Market Conditions

Personal lines
- Ontario auto rate increases accelerating
- Home insurance premiums also on the rise

Commercial lines
- Evidence of price hardening in Ontario
- Opportunity to gain share in middle market

Develop Existing Platforms

intact INSURANCE
- Offer Intact Insurance solutions on the web

belairdirect. GREY POWER Where Experience Counts.
- Expand and grow belairdirect and Grey Power

CANADA BROKERLINK INC.
- Transform Canada Brokerlink leveraging scale

Consolidate Canadian P&C Market

Capital
- Over $1.0 billion of total acquisition capacity

Strategy
- Grow areas where IFC has a competitive advantage

Opportunities
- Global capital requirements becoming more stringent
- Industry underwriting results remain challenged
- Continued difficulties in global capital markets

Expand Beyond Existing Markets

Principles
- Financial guideposts: long term customer growth, IRR>20%
- Stepped approach with limited near-term capital outlay
- Build growth pipeline with meaningful impact in 5+ years

Strategy
- Enter new market in auto insurance by leveraging strengths: (1) pricing, (2) claims, (3) on-line expertise

Opportunities
- Emerging markets or unsophisticated mature markets

Strong organic growth potential through multi-channel distribution

#1 Broker insurance company in Canada

intact INSURANCE

- Network of more than 1,800 brokers in Canada
- Brokers in Canada own the commercial market and maintain large share of personal lines
- Many customers prefer the personalized service and choice offered by a broker or agent

Growth opportunity: web enable Intact Insurance solutions

Targeting growing 50+ population

GREY POWER

Where Experience Counts.™

- Operating in ON and AB
- Double-digit growth in 2009
- Web and call centers

In 10 yrs, 25% of the Canadian population will be 50yrs+

Growth opportunity: expand market share

1/3 Canadians to buy insurance online[1]

belairdirect.

- #1 brand awareness in ON and PQ
- Growing at 10%+ per year
- Operating in ON and PQ
- Leveraging explosive growth of the internet

[1] World Insurance Report, Capgemini. 1 in 10 customers say they use the internet to buy insurance, 1 in 3 wants to use it to buy insurance within 3 years

Growth opportunity: geographic expansion potential

Leveraging scale in distribution

CANADA BROKERLINK INC.

- Proprietary brokers with $400 million in direct written premiums and approximately 174,000 customers
- More than 45 offices in Ontario and Alberta

Growth opportunity: leverage scale in sales, marketing and technology

Conclusion

Disciplined pricing, underwriting, investment and capital management have positioned us well for the future

- Largest P&C insurance company with substantial scale advantage in the market
- Strong financial position
- Excellent long-term earnings power
- Organic growth platforms easily expandable
- M&A environment more conducive to consolidation
- Well-positioned as industry pricing conditions continue to improve

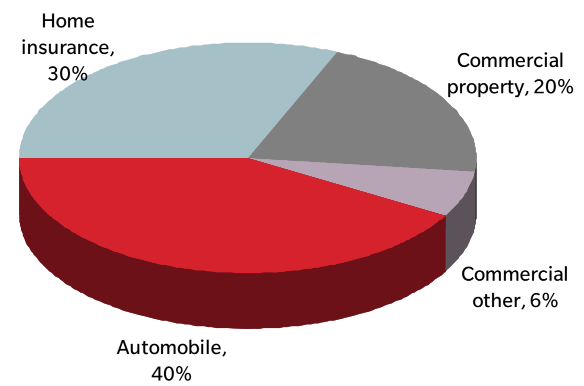
Appendices

P&C insurance is a $36 billion market in Canada

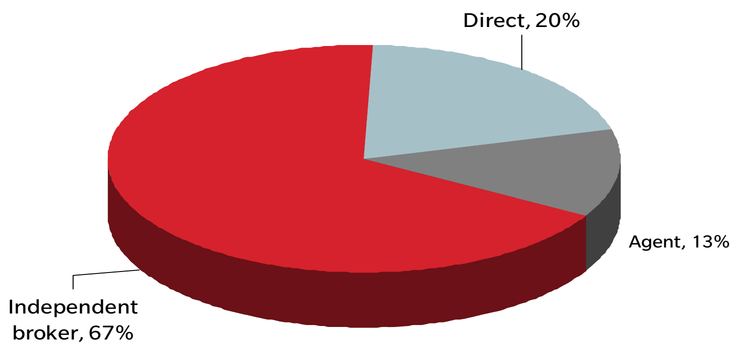
3.8% of GDP in Canada

- Fragmented market – top five less than 36% -- vs. bank/lifeco markets which are closer to oligopoly
- Brokers continue to own commercial lines and large share of personal lines in Canada; direct-to-consumer channel growing
- Barriers to entry – scale, regulation, manufacturing capability, market knowledge
- Home/business insurance rates unregulated; personal auto rates regulated in some provinces
- Capital is regulated nationally by OSFI
- 30-year ROE for the industry is approximately 10%

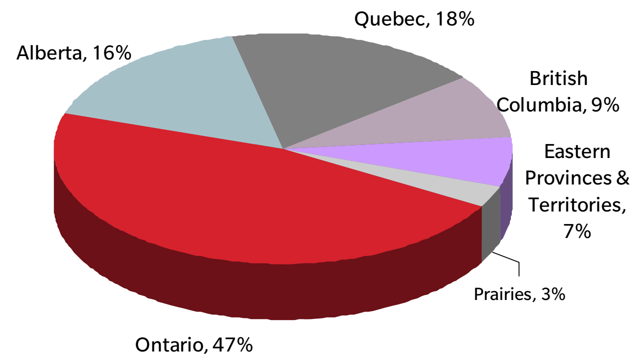
Industry - Personal lines 70% of DWP



Brokers dominate; direct growing[1]



Industry - DWP by province



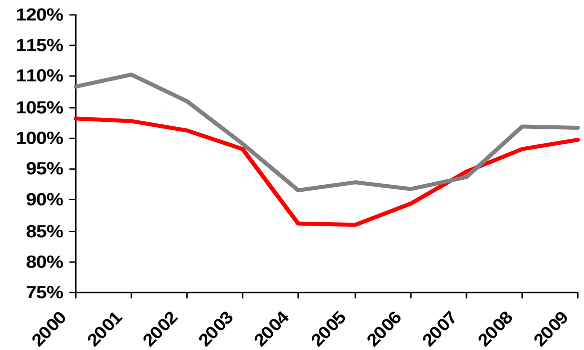
DWP = direct written premiums
OSFI = Office of the Superintendent of Financial Institutions
[1] Industry data source: MSA data excluding Lloyds, ICBC, SAF, SGI, MPIC, Genworth, Promutual Re and Mutuals in Quebec.

P&C industry 10-year performance vs. IFC

IFC competitive advantages

- Significant scale advantage
- Sophisticated pricing and underwriting
- In-house claims expertise
- Multi-channel distribution
- Broker relationships
- Investment expertise
- Management continuity

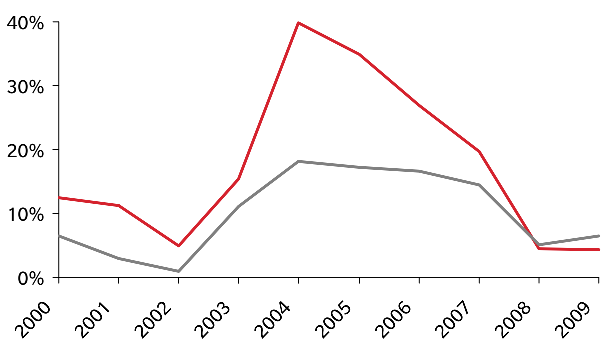
Combined ratio



Canadian industry[1]
10-year avg.
= 99.8%

intact
10-year avg
= 96.0%

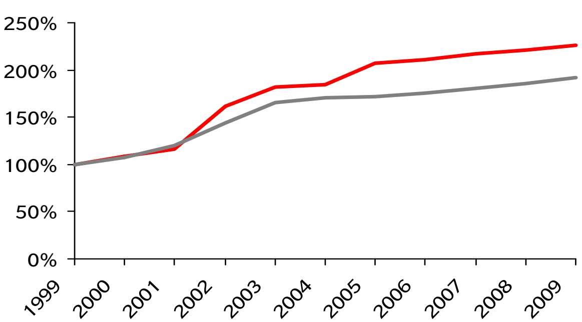
Return on equity



intact
10-year avg.
= 17.4%[2]

Industry
10-year avg.[1]
= 9.9%

Direct written premium growth



intact
10-year CAGR
= 8.5%

Industry[1]
10-year CAGR
= 6.8%

Data in all charts as at December 31, 2009
DWP = direct written premiums
OSFI = Office of the Superintendent of Financial Institutions
[1]Industry data source: MSA Research. excluded Lloyds, ICBC, SGI, SAF, MPI,
[2]ROE is for Intact's P&C insurance subsidiaries.

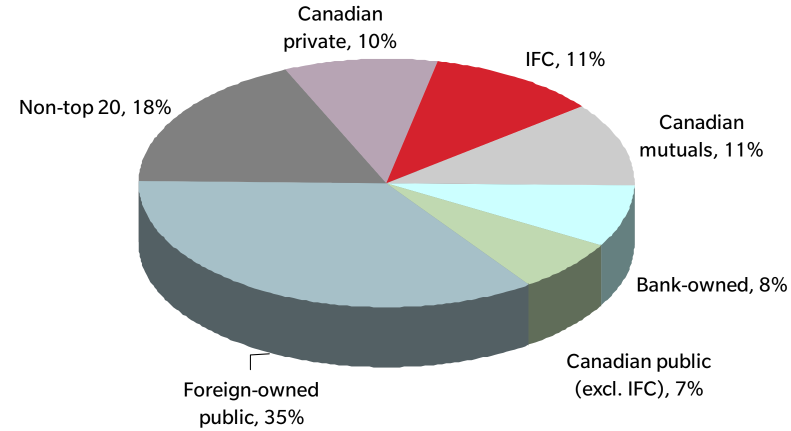
Further consolidation in Canadian P&C market likely

Acquisition strategy

- Targeting large-scale acquisitions of $500 million or more (direct written premiums)
- Pursuing acquisitions in lines of business where we have expertise
- Acquisition target IRR of 15%
- Targets:
  - Bring loss ratio of acquired book of business to our average loss ratio in 18-24 months
  - Bring expense ratio to 2pts below IFC ratio

Acquisition	Year of Acquisition	Approximate Size of Acquisition (DPW) (1) ($ millions)
Allianz Canada (Personal and Small to Medium Commercial Lines)	**2004**	**600**
Zurich (Personal and Small Commercial Lines)	**2001**	**510**
Pafco (Niche Products)	1999	40
Guardian	**1998**	**630**
Canada Surety Personal Lines (Selected Provinces)	1997	30
Wellington	**1995**	**370**
St. Maurice	1994	30
Constitution	1992	30
Metropolitan General	1991	10
Commerce Group/belair	**1989**	**290**
Western Union	1988	60

Top 20 P&C insurers = 82% of market



Source: MSA Research; excluding Lloyds and Genworth (based on 2009 DWP)

M&A environment

Environment more conducive to acquisitions now than in recent years:

- Industry ROEs, although improved from trough levels of mid-2009, are well below prior peak
- Foreign parent companies are generally in less favourable capital position

Good progress to date made on value creation opportunity in home insurance

Industry loss ratio advantage*
(percentage points)

	Favourable gap (five-year average)
Automobile**	6.4
Personal property	-1.2
Commercial non-auto	6.8
Commercial liability	14.7

Opportunity to create loss ratio advantage similar to other business lines

- Rate increases
- Segmentation
- Insurance-to-Value
- Management of water damage
- Limit exposure to sewer back-up
- Claims review
- Customer education and incentives on loss control and prevention

Target of 10-15 points within 12-18 months

- Double-digit premium increases through higher rates and insured amounts

+

- Lower indemnity costs by 5%

Progress-to-date

- Roughly 10 points benefit to the combined ratio as at Q1-2010

* Source: MSA Research; as of Dec. 31, 2009
** Includes personal and commercial auto
Based on net loss ratio and includes MYA

Appendix

Historical financial performance

Historical financials

	2009	2008	2007	2006	2005
Income statement highlights					
Direct written premiums (excluding pools)	$ 4,275	$ 4,146	$ 4,109	$ 3,994	$ 3,906
Underwriting income (excluding MYA*)	54	117	189	404	538
Net operating Income (excluding MYA*)	282	361	457	531	612
Net operating EPS (excluding MYA*)	2.35	2.96	3.61	3.97	4.58
Balance sheet highlights					
Total invested assets	$ 7,997	$ 6,094	$ 7,223	$ 7,227	$ 6,707
Debt	400	0	0	0	127
Total shareholders' equity (ex-AOCI)	3,047	3,079	3,290	3,421	2,893
Performance metrics					
Loss ratio (excluding MYA*)	70.0 %	68.2 %	66.2 %	59.1 %	56.3 %
Expense ratio	28.7 %	28.9 %	29.0%	30.3%	29.7%
Combined ratio (excluding MYA*)	98.7%	97.1%	95.2%	89.4%	86.0%
Net operating ROE (excl. AOCI)	9.2%	11.3%	13.6%	16.8%	24.7%
Debt / Capital	11.8%	0.0%	0.0%	0.0%	4.2%
Combined ratios by line of business (excl. MYA)					
Personal auto	94.9%	95.9%	94.5%	87.3%	78.8%
Personal property	109.0%	113.6%	102.2%	100.0%	104.0%
Commercial auto	79.8%	87.2%	93.7%	86.9%	87.0%
Commercial P&C	104.1%	85.3%	90.1%	85.2%	86.4%

* The market yield adjustment (MYA) reflects the impact of changes in the discount rate applied to the company's claims liabilities, as determined by the market-based yield of the underlying assets.

Strategic capital management

- Strong capital base has allowed us to pursue our growth objectives while returning capital to shareholders

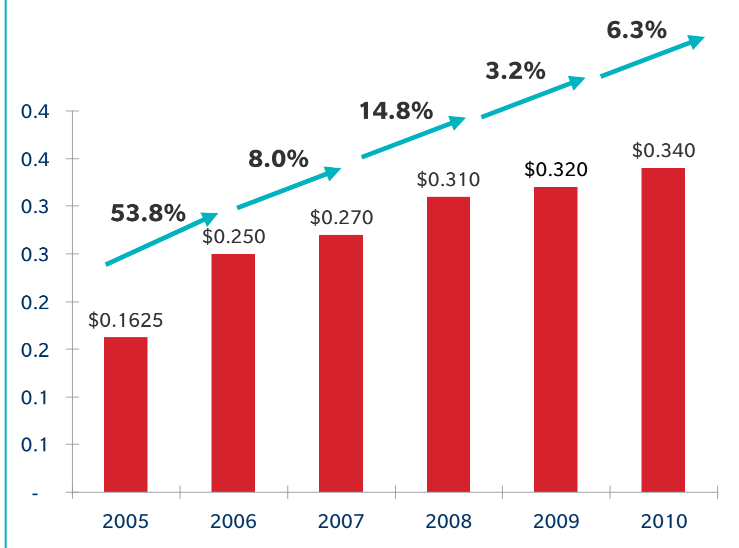
Capital priorities

- Acquisitions
- Dividends

Share buyback history

- 2010 – Board authorized up to 5% of total shares NCIB (75% completed as at May 3, 2010)
- 2008 – Repurchased 4.6 million shares for a total of $176 million
- 2007 – $500 million Substantial Issuer Bid

Quarterly dividend



Cash and invested assets

Asset class

Fixed income

Federal government and agency	38.0%
Corporate	28.4%
Provincial and municipal	22.5%
Supranational and foreign	8.6%
ABS/MBS	2.4%
Private placements	0.1%
TOTAL	100%

Canadian	87%
United States	1%
Int'l (excl. U.S.)	12%
TOTAL	100%

Quality: 98% rated A or better

Preferred shares

Fixed perpetual	50%
Perpetual and callable floating and reset	29%
Fixed callable	21%
TOTAL	100%

Quality:
Approx. 77% rated P1 or P2

100% Canadian

Common shares

High-quality, dividend paying Canadian companies. Objective is to capture non-taxable dividend income

100% Canadian

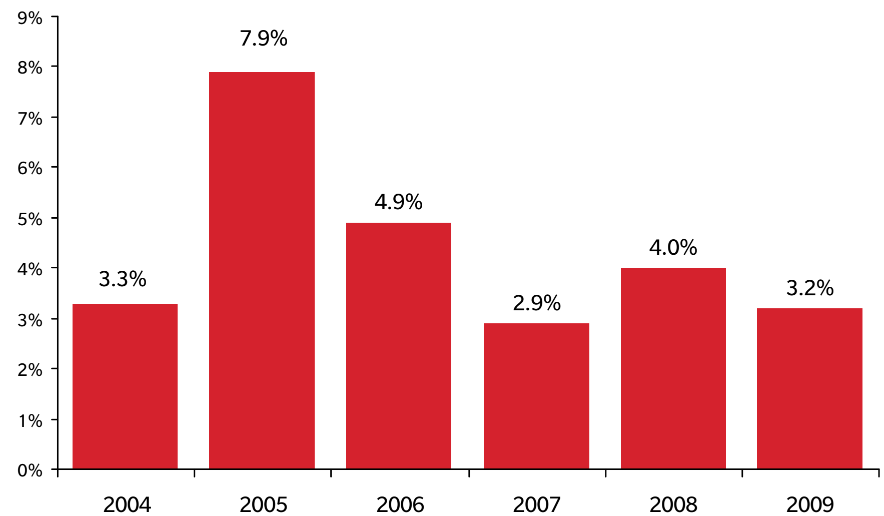
As of March 31, 2010

Long-term track record of prudent reserving practices

- Quarterly and annual fluctuations in reserve development are normal
- 2005/2006 reserve development was unusually high due to the favourable effects of certain auto insurance reforms introduced during that time period
- This reflects our preference to take a conservative approach to managing claims reserves

Rate of claims reserve development

(favourable prior year development as a % of opening reserves)



Historical long-term average has been 3% to 4% per year

Appendix

Leadership team

Experienced and united leadership team

		Years In Industry	Years With IFC
Brindamour, Charles	President & CEO	18	18
Beaulieu, Martin	SVP, Personal Lines	22	22
Black, Susan	SVP, Chief HR Officer	3	3
Blair, Alan	SVP, Atlantic Canada	26	15
Coull-Cicchini, Debbie	SVP, Ontario	6	6
Désilets, Claude	Chief Risk Officer	29	21
Gagnon, Louis	President, Intact Insurance	18	4
Garneau, Denis	SVP, Quebec	22	8
Guénette, Françoise	SVP, Corporate & Legal Services	22	13
Guertin, Denis	President, Direct to Consumers Distribution	25	25
Hindle, Byron	SVP, Commercial Lines	32	11
Iles, Derek	SVP, Western Canada	38	19
Lincoln, David	SVP, Corporate Audit Services (Canada)	32	13
Ott, Jack	SVP, Chief Information Officer	29	14
Pontbriand, Marc	Executive Vice President	12	12
Provost, Marc	SVP & Managing Director IIM and Chief Investment Officer	27	13
Tullis, Mark	Chief Financial Officer	32	11
Weightman, Peter	President, Canada Broker Link	24	24

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