Intact Financial Corporation (TSX: IFC)
Investor Presentation
July 2011

Forward-looking statements and disclaimer

Certain of the statements included in this presentation 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", "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 in light of our 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 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 management currently expects; its ability to accurately assess the risks associated with the insurance policies that IFC insurance subsidiaries write; unfavourable capital market developments or other factors which may affect IFC's investments and funding obligations under its pension plans; the cyclical nature of the property and casualty insurance industry; management'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 clients; IFC's ability to successfully pursue its acquisition strategy; IFC's ability to execute its business strategy; the terms and conditions of, and regulatory approvals relating to, the acquisition of AXA Canada ("Acquisition"); timing for completion of the Acquisition; synergies arising from, and IFC's integration plans relating to the Acquisition; management's estimates and expectations in relation to resulting accretion, equity internal rate of return, net operating income per share, return on equity, combined ratio, MCT, debt to total capital and other metrics used by IFC in relation to the Acquisition; IFC's financing plans for the Acquisition and thereafter; various other actions to be taken or requirements to be met in connection with the Acquisition and integrating IFC and AXA Canada after completion of the Acquisition; 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 debt ratings; IFC's access to debt financing and its ability to compete for large commercial business; 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 its common shares.

Forward-looking statements and disclaimer

These factors are not intended to represent a complete list of the factors that could affect us. These factors should, however, be considered carefully. All of the forward-looking statements included in this presentation are qualified by these cautionary statements. Although the forward-looking statements are based upon what management believes to be reasonable assumptions, IFC cannot assure investors that actual results will be consistent with these forward-looking statements. When relying on forward-looking statements to make decisions, investors should ensure the preceding information is carefully considered. Such forward-looking statements are made as of June 9, 2011. Undue reliance should not be placed on forward-looking statements made herein. IFC and management have no intention and undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Disclaimer

The Company uses both International Financial Reporting Standards ("IFRS") and certain non-IFRS measures to assess performance. Non-IFRS measures do not have any standardized meaning prescribed by IFRS and are unlikely to be comparable to any similar measures presented by other companies. Management of Intact Financial Corporation analyzes performance based on underwriting ratios such as combined, general expenses and claims ratios as well as other performance measures such as return on equity and operating return on equity. These measures and other insurance related terms are defined in the Company's glossary available on the Intact Financial Corporation web site at www.intactfc.com in the "Investor Relations" section. Additional information about Intact Financial Corporation, including the Annual Information Form, may be found online on SEDAR at www.sedar.com.

Canada’s leader in auto, home and business insurance

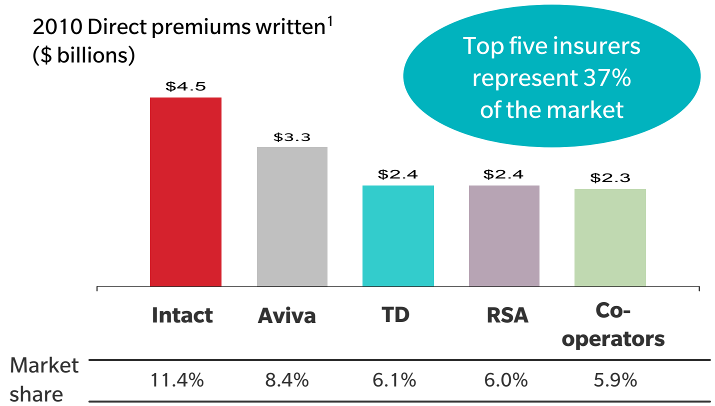
Who we are

- Largest P&C insurer in Canada
- $4.5 billion in direct premiums written
- #1 in Ontario, Quebec, Alberta, Nova Scotia
- $8.6 billion cash and invested assets

Distinct brands

intact INSURANCE
belairdirect.
gp car and home
BrokerLink Auto/Home/Business Insurance

Scale advantage



Industry outperformer

10-year performance – IFC vs. P&C industry[1]	IFC outperformance
Premium growth	1.8 pts
Combined ratio[2]	3.8 pts
Return on equity[3]	7.7 pts

[1] Industry data source: MSA Research excluding Lloyd’s, ICBC, SGI, SAF, MPI and Genworth. All data as at the end of 2010.
[2] Combined ratio includes the market yield adjustment (MYA)
[3] ROE is for Intact’s P&C insurance subsidiaries

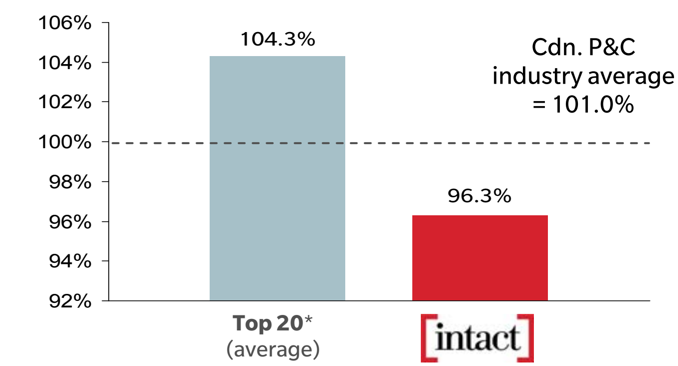
Consistent industry outperformance



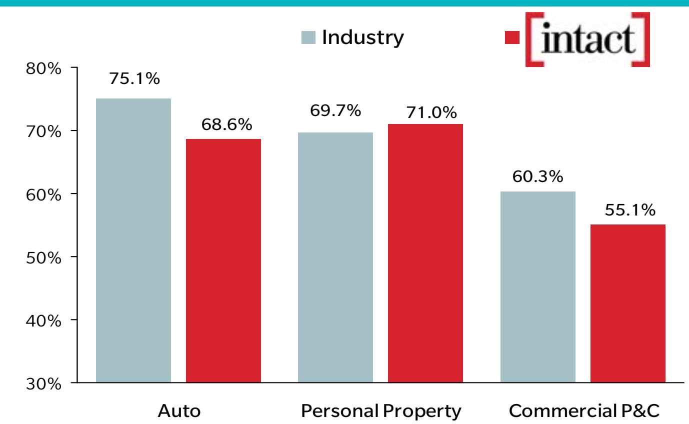



- Significant scale advantage
- Sophisticated pricing and underwriting
- In-house claims expertise
- Broker relationships
- Multi-channel distribution
- Proven acquisition strategy

2010 combined ratios



Five-year average loss ratios



Industry data source: MSA Research excluding Lloyd's, ICBC, SGI, SAF, MPI and Genworth
Data in both charts is for the year ended December 31, 2010
Includes market yield adjustment (MYA)
* Top 20 excludes Lloyd's, Genworth and IFC

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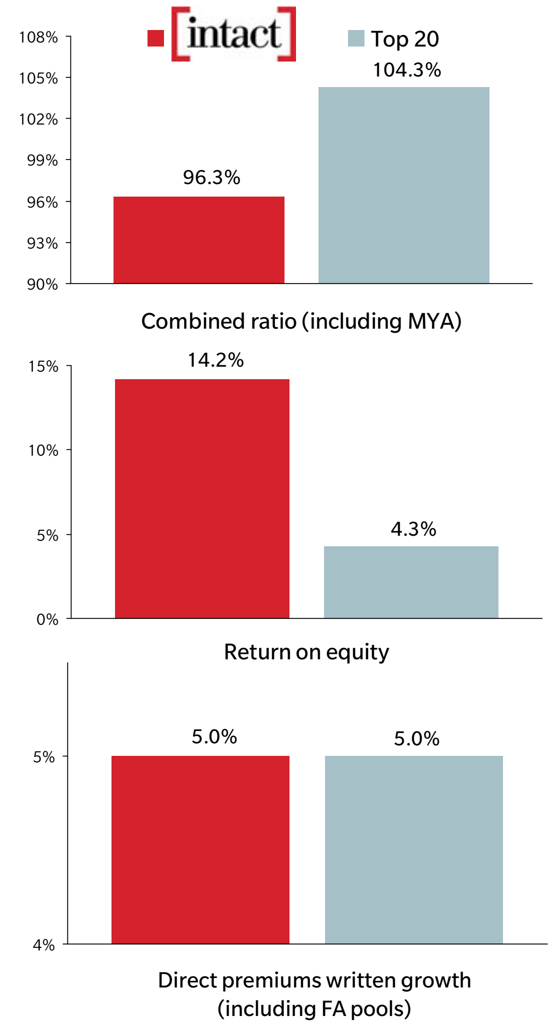
We continue to outperform the industry

Operating highlights: Q1-2011 results

- Net operating income per share of $0.91 – a strong start to the year
- Healthy combined ratio of 94.6%, above last year's exceptional 93.2%, based on this year's more normal weather conditions
- Growth in direct premiums written of 3% reflects our continued prudent approach to the Ontario auto market
- Operating ROE of 14.8% for the last 12 months, with $784 million in excess capital
- Book value per share growth of 11% in the past 12 months

Comparison with Canadian P&C industry[1] benchmark



1. Industry data source: MSA Research, excluding Lloyd's, Genworth and Intact, full year 2010 results
For comparison purposes, ROE in chart is for Intact's P&C insurance subsidiaries

Q1-2011 Financial highlights

(in $ millions, except as otherwise noted)	Q1-2011	Q1-2010	Change
Direct premiums written	$943	$914	3%
Net underwriting income	$58	$69	(16)%
Combined ratio	94.6%	93.2%	1.4 pts
Net operating income per share (in dollars)	$0.91	$0.95	(4)%
Earnings per share (in dollars)	$1.42	$1.19	19%
Operating ROE for the last 12 months	14.8%	n/a	n/a
ROE for the last 12 months	17.8%	n/a	n/a

- Combined ratio of 94.6% reflects more normal weather patterns and higher catastrophe losses, partly offset by higher favourable prior year development, compared to a year ago
- Operating ROE of 14.8% (ROE of 17.8%) with an 11% increase in book value per share in the last 12 months
- Healthy DPW growth in all lines of business, except Ontario auto due to our prudent approach to growth in that province

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Strong financial position and excess capital

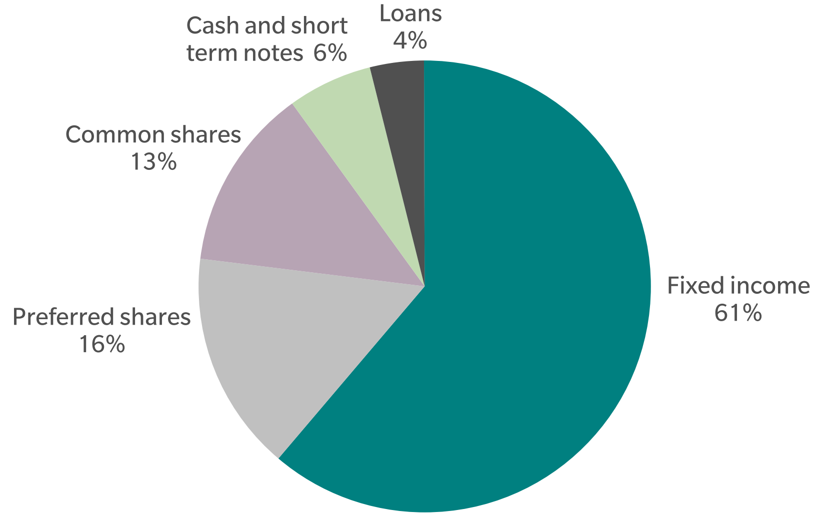
Strong balance sheet

- Excess capital of $784 million, based on 170% MCT
- As at March 31, 2011, the debt to total capital ratio was 14.4%. Based on a debt to total capital ratio of 20%, approximately $241 million of additional debt capacity remains
- Solid ratings from A.M. Best, Moody's and DBRS
- Adequate claims reserves evidenced by consistent favourable development

High-quality investment portfolio

- Approx. 99.0% of bonds are rated A or better
- 80.4% of preferred shares are rated P1 or P2
- During Q1 $73 million in net investment income and market based yield of 4.0%

$8.6 billion in cash and invested assets



Note: Invested asset mix is net of hedging positions

All figures as at March 31, 2011 unless otherwise noted

12-month industry outlook

We remain well-positioned to continue outperforming the Canadian P&C insurance industry in the current environment

Premium growth

- Industry premiums are likely to increase at a similar pace as in 2010, with mid-single digit growth in personal auto (driven by Ontario); upper-single digit growth in personal property (reflecting the impact of water-related losses and more frequent and/or severe storms); and low single digit growth in commercial lines (with no acceleration from 2010)
- As a result of IFC's disciplined pricing strategy, we are well-positioned to grow organically as other companies reduce their appetite for new business and market pricing becomes more rational

Underwriting

- Despite the potential combined ratio improvement (driven by personal lines), we do not expect the industry's earnings to improve materially in 2011
- Our scale and pricing strategy have historically translated into a combined ratio advantage versus the industry

Return on equity

- We do not expect improvement in industry ROEs in the near term (~7% in 2010), as low yields could offset potential combined ratio improvement
- We believe IFC is likely to outperform the industry's ROE by at least 500 basis points in the next 12 months

Four distinct avenues for growth

Benefit from firming market conditions

Personal lines
- Industry premiums remain inadequate in ON auto
- Home insurance premiums also on the rise

Commercial lines
- Evidence of price firming in the past year
- Opportunity to gain share in mid-market

Develop existing platforms

- Continue to expand support to our broker partners
- Expand and grow belairdirect and GP Car and Home
- Transform BrokerLink by leveraging scale

Consolidate Canadian P&C market

Capital
- Approx. $1.1 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 and 3) online expertise

Opportunities
- Emerging markets or unsophisticated targets in mature markets

Conclusion: Intact Financial

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

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

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IFC's acquisition of AXA Canada:

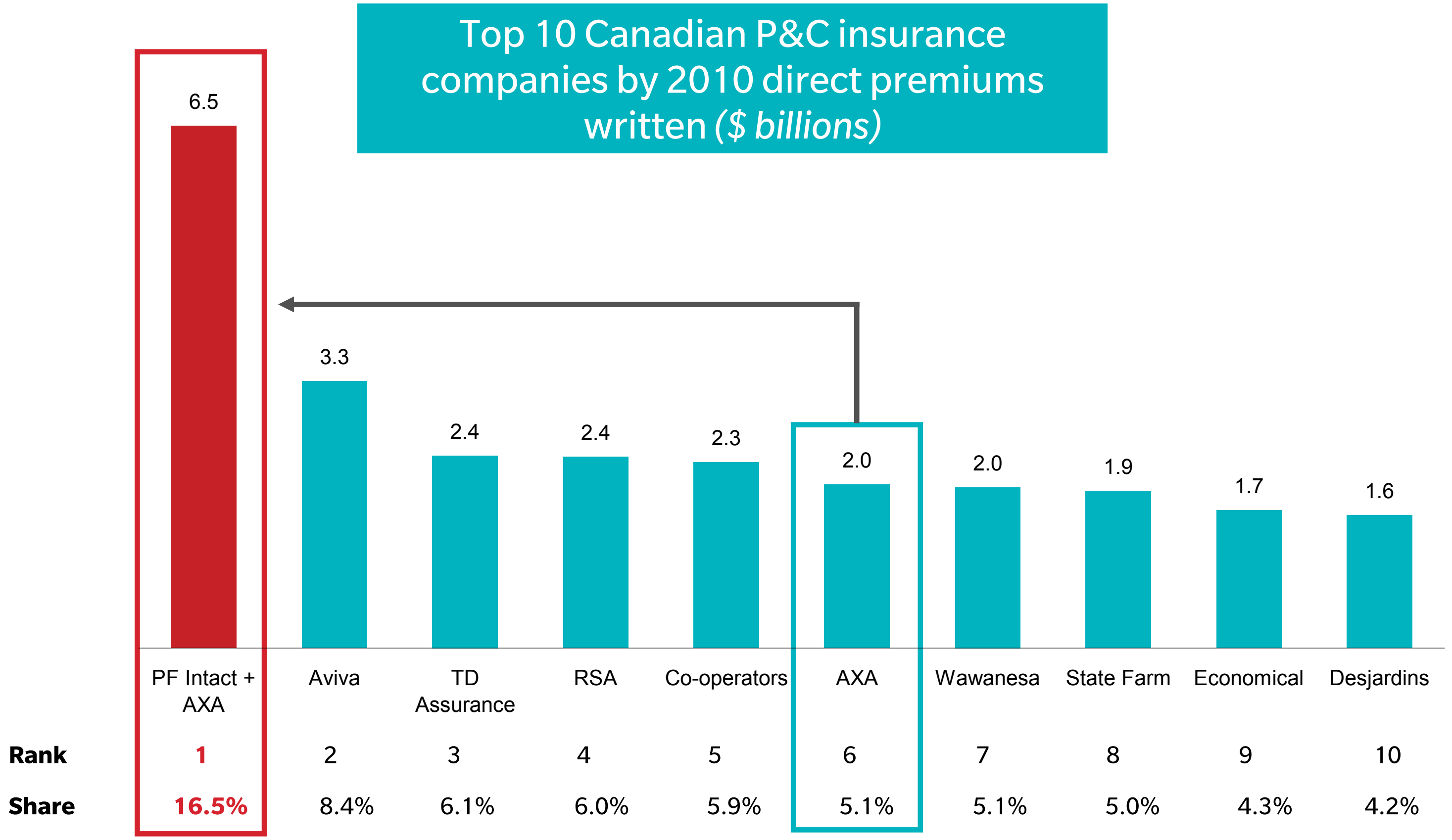
Building a world-class Canadian P&C insurer

IFC's acquisition of AXA Canada: Building a world-class Canadian P&C insurer

Strong strategic fit	Financially compelling
• Strengthens IFC's premiums by over 40% • Bolsters our risk selection and claims management capabilities • Capitalizes on a unique opportunity to combine two best-in-class operators • Accelerates IFC's growth profile with industry-leading underwriting performance • Bolsters proprietary distribution	• Management estimates IRR[1] of 20% • Acquisition is accretive to NOIPS[2,3] in 2012; annual accretion of 15% expected in the mid-term[3] • Operational synergies in excess of $100 million (after-tax) expected annually • Strong annual cash flows from operating earnings
Numerous diversification benefits	**Solid financial position maintained**
• Strengthens commercial lines offering, presence and expertise • Expands geographic footprint • Enhances strength of multi-channel distribution • Greater stability of earnings • Increases bench strength of executive team	• Improves our ability to outperform the P&C insurance industry's ROE by at least 500 bps per year • Book value per share accretion estimated at 6% • Optimal deployment of our excess capital • Capital ratio remains strong with MCT of 200%

[1] Internal Rate of Return, based on equity returns.
[2] NOIPS = net operating income per share. A non-IFRS measure. Accretion based on consensus estimate of $4.78.
[3] Excluding non-recurring restructuring costs.

Leading position…



Segmentation and claims management capabilities enhanced by increased scale

Source: MSA Research for the 12 months ended December 31, 2010. Each insurers' market share listed above includes all subsidiary entities consolidated under the parent company. Data excludes Lloyd's, ICBC, SGI, SAF, MPI and Genworth. RSA includes GCAN.

...Leading performance

Return on equity (2010)	
Intact pro forma	14.9%
Top 20 adjusted*	3.2%
Outperformance	**11.7%**

*Excludes AXA

Combined ratio (2010)	
Intact pro forma	94.8%
Top 20 adjusted*	105.0%
Outperformance	**10.2%**

*Excludes AXA

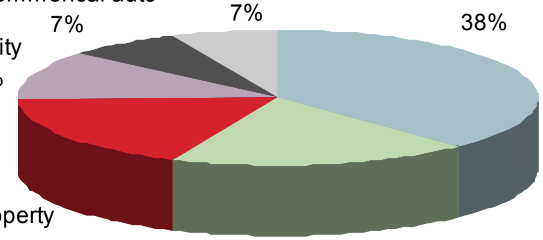
Expands our outperformance versus the Top 20 P&C insurance industry benchmark[1]

Source: MSA Research for the 12 months ended December 31, 2010. Data excludes Lloyd's and Genworth.
[1] Top 20 P&C insurance industry benchmark is made up of the top 20 Canadian P&C insurers excluding Intact. Metrics are measured on an equity size-weighted basis.

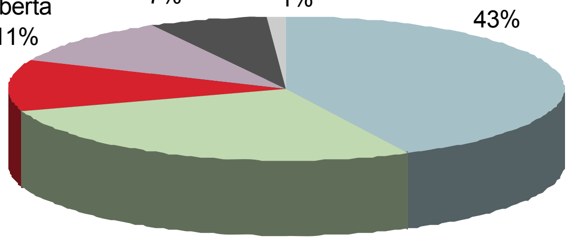
AXA Canada: Expanding our expertise

- Offers a range of P&C and Life & Health insurance products through its relationships with 1,300 insurance brokers and 2,700 independent insurance advisors
- The sixth largest P&C insurer in Canada with a 5.1% share in 2010
- Strong presence in provinces of Quebec, Ontario and British Columbia
- Significant expertise in commercial lines

2010 P&C DPW by class of insurance



2010 P&C DPW by geography



Total 2010 P&C Direct premiums written = $2.0 billion

[1] Other (7%) includes Surety (3%), Marine (2%), Boiler (1%), Aircraft (0.3%), A&S (0.3%), and Fidelity (0.2%).
[2] Other (1%) includes the Prairies (1.0%) and the Territories (0.3%).
Source: MSA Research for the 12 months ended December 31, 2010; AXA Canada.

IFC + AXA: A winning combination

- Greater earnings stability as a result of increased diversification:
  - Higher exposure to commercial lines accomplishes an important strategic objective
  - Less reliance on personal automobile insurance
  - Improves geographic footprint in underrepresented areas (Quebec, British Columbia)

Pro forma segmenation by business line

	IFC	AXA	Pro forma
Personal Auto	50%	38%	46%
Personal Property	24%	19%	22%
Commercial Auto	7%	7%	7%
Commercial P&C	19%	36%	25%
Total	100%	100%	100%

Pro forma segmentation by geography

	IFC	AXA	Pro forma
Ontario	46%	27%	41%
Quebec	25%	43%	30%
Alberta	18%	11%	16%
British Columbia	5%	11%	7%
Atlantic Canada	4%	7%	5%
Other	2%	1%	1%
Total	100%	100%	100%

Source: MSA Research for the 12 months ended December 31, 2010; AXA Canada. As measured by direct premiums written.

IFC + AXA: Building a world-class Canadian P&C insurer

Strong strategic fit: combining sophisticated underwriting and claims management, while enhancing our multi-channel distribution

- Increased scale advantage bolsters our risk selection and claims management capabilities
- Enhanced commercial lines mid-market offering, presence and expertise
- Expanded geographic footprint in underrepresented areas
- Improved ability to outperform the P&C insurance industry's ROE by 500 bps per year

Unique opportunity to combine two best-in-class operators in a financially compelling manner

- Estimated internal rate of return of 20%
- Expected annual accretion to operating earnings per share of 15% in the mid-term
- Operational synergies in excess of $100 million (after-tax) expected annually

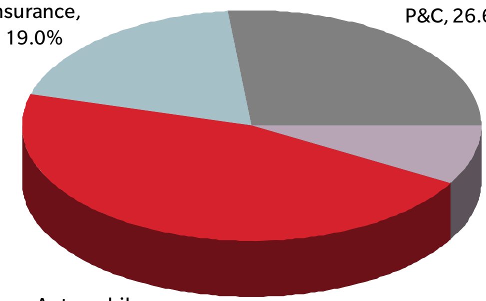
Appendices

P&C insurance is a $40 billion market in Canada

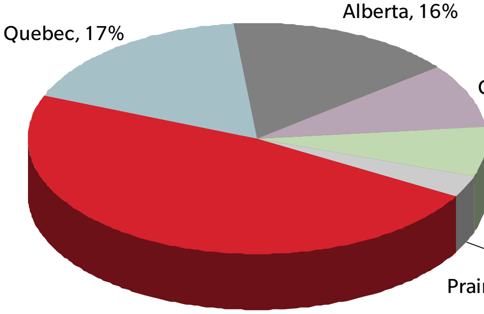
3% of GDP in Canada

- Fragmented market:
  - Top five represent 37%, versus bank/lifeco markets which are closer to 65-75%
  - IFC is largest player with 11% market share, versus largest bank/lifeco with 22-25% market share
  - P&C insurance shares the same regulator as the banks and lifecos
- Barriers to entry: scale, regulation, manufacturing capability, market knowledge
- Home and commercial insurance rates unregulated; personal auto rates regulated in some provinces
- Capital is regulated nationally by OSFI
- Brokers continue to own commercial lines and a large share of personal lines in Canada; direct-to-consumer channel is growing (distribution = brokers 67% and direct 33%)
- 30-year return on equity for the industry is approximately 10%

Industry DPW by line of business



Industry – premiums by province

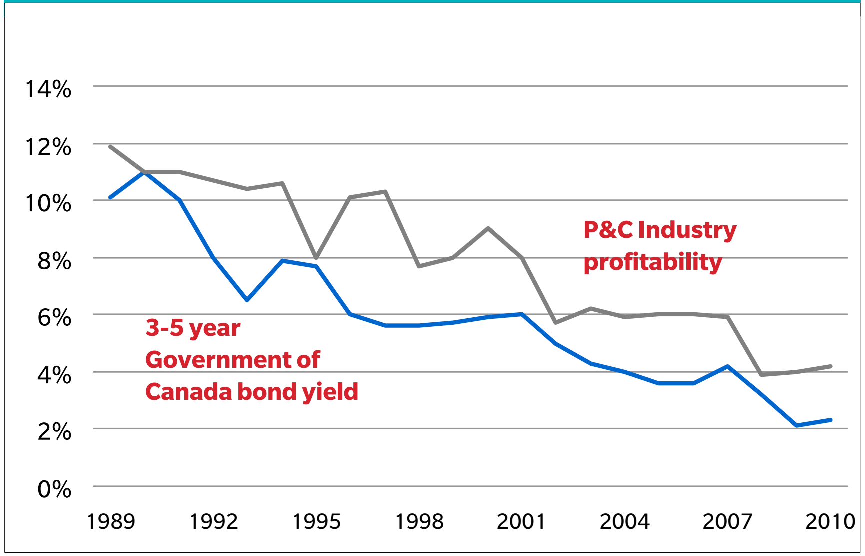


Industry data source: MSA Research excluding Lloyd's, ICBC, SAF, SGI, MPI and Genworth.
OSFI = Office of the Superintendent of Financial Institutions Canada
Data as at the end of 2010.

Economic uncertainties will affect industry profitability

- Slow global recovery with significant downside risks
- Continued volatility in financial, currency and commodity markets
- Financial systems still somewhat vulnerable to downside shocks
- Uncertainties will put pressure on financial institutions' capital worldwide
- Interest rates to remain low for the next 18 to 24 months
- A drop of 1% in investment income is equivalent to a 2 to 3 point increase in the combined ratio

The Canadian P&C industry can no longer count on high investment income



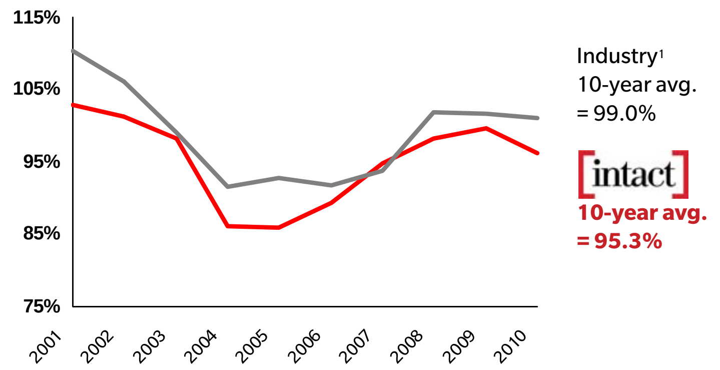
Source: Insurance Bureau of Canada

P&C industry 10-year performance versus IFC

IFC's competitive advantages

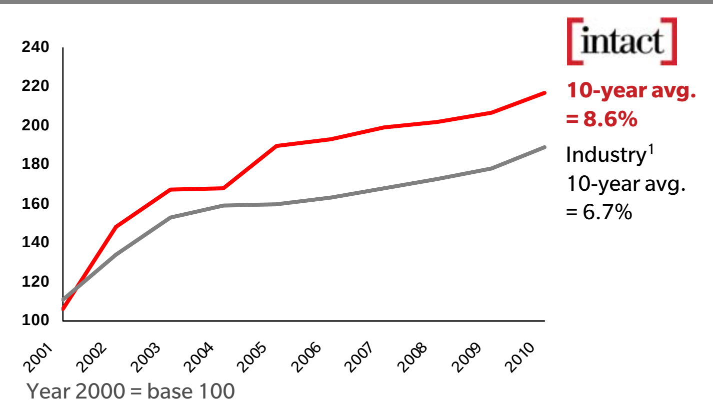
- Significant scale advantage
- Sophisticated pricing and underwriting discipline
- In-house claims expertise
- Broker relationships
- Solid investment returns
- Strong organic growth potential

Combined ratio



Return on equity

Direct premiums written growth



[1]Industry data source: MSA Research. excluded Lloyd's, ICBC, SGI, SAF, MPI and Genworth. All data up to the end of 2010.

[2]ROE is for Intact's P&C insurance subsidiaries

Historical financials

(in $ millions, except as otherwise noted)	IFRS	Canadian GAAP			
	2010	2009	2008	2007	2006
Income statement highlights					
Direct written premiums	$4,498	$4,275	$4,146	$4,109	$3,994
Underwriting income	194	54	117	189	404
Net operating income	402	282	361	457	531
Net operating income per share (in dollars)	3.50	2.35	2.96	3.61	3.97
Balance sheet highlights					
Total investments	$8,653	$8,057	$6,605	$7,231	$7,353
Debt	496	398	-	-	-
Total shareholders' equity (excl. AOCI)	2,686	3,047	3,079	3,290	3,421
Performance metrics					
Loss ratio	65.4%	70.0%	68.2%	66.2%	59.1%
Expense ratio	30.0%	28.7%	28.9%	29.0%	30.3%
Combined ratio	95.4%	98.7%	97.1%	95.2%	89.4%
Net operating ROE (excl. AOCI)	15.0%	9.2%	11.3%	13.6%	16.8%
Debt / Capital	14.3%	11.8%	-	-	-
Combined ratios by line of business					
Personal auto	98.1%	94.9%	95.9%	94.5%	87.3%
Personal property	96.5%	109.0%	113.6%	102.2%	100.0%
Commercial auto	86.0%	79.8%	87.2%	93.7%	86.9%
Commercial P&C	90.7%	104.1%	85.3%	90.1%	85.2%

Strategic capital management

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

Capital priorities

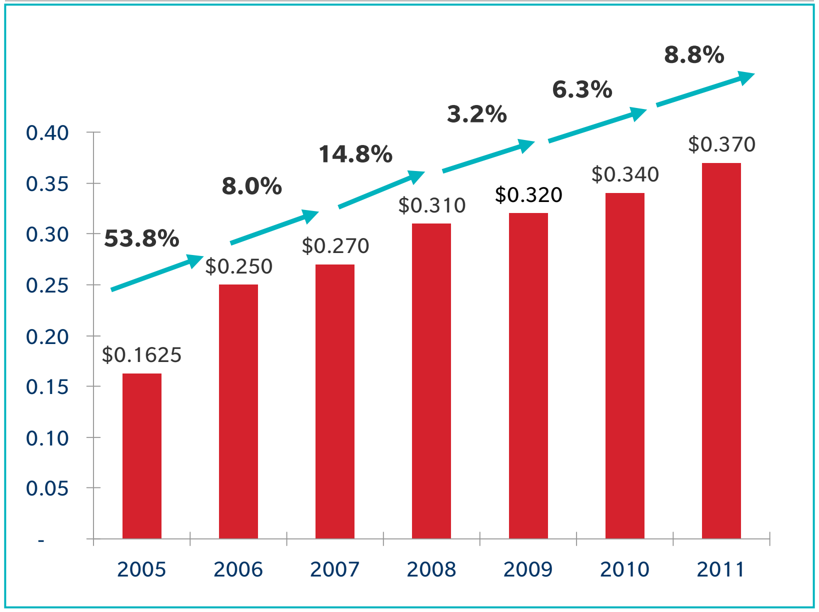
- Acquisitions
- Dividends
- Share buybacks

Share buyback history

- 2011 – Board authorized renewal of NCIB for an additional 5%
- 2010* – Repurchased 9.7 million shares for a total of $433 million
- 2008 – Repurchased 4.6 million shares for a total of $176 million
- 2007 – Completed a $500 million Substantial Issuer Bid

* Feb. 22, 2010 – Feb. 21, 2011

Quarterly dividend



Cash and invested assets

Asset class

Fixed income

Federal government and agency	29.0%
Corporate	34.6%
Cdn. Provincial and municipal	27.1%
Supranational and foreign	8.1%
ABS/MBS	1.1%
Private placements	0.1%
TOTAL	100%

Canadian	88%
United States	1%
Int'l (excl. U.S.)	11%
TOTAL	100%

Quality: 99% of bonds rated A or better

Preferred shares

Fixed perpetual	40%
Perpetual and callable floating and reset	42%
Fixed callable	18%
TOTAL	100%

Quality:
Approx. 80.4% rated P1 or P2

100% Canadian

Common shares

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

100% Canadian

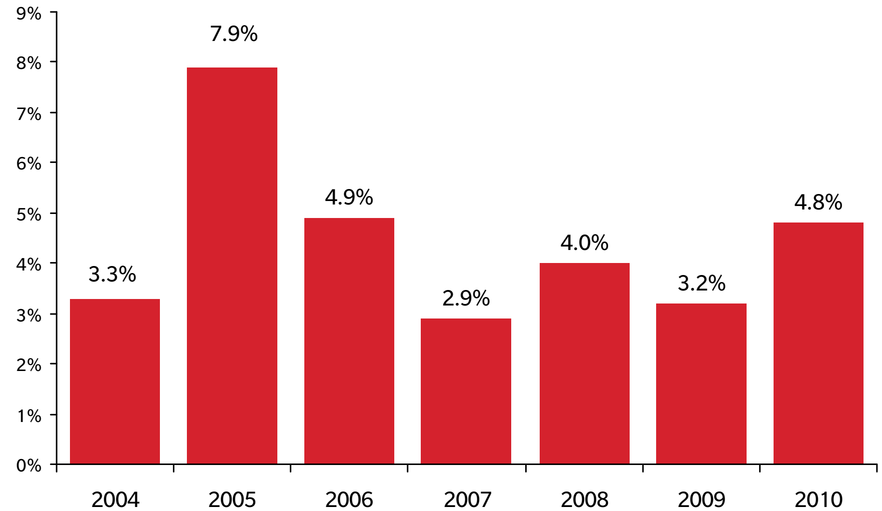
As of March 31, 2011

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

Scale translates into superior CAT management capabilities and faster speed-of-response

CAT response MODEL

Customers

- **Focus on getting customers back on track:**
  - 24/7 Claims teams
  - Pro-active staff ramp-up during weather alerts
  - Networking of call centres (93% service level)

Operations

- **Largest claims team in Canada with over 2,000 employees:**
  - Dedicated internal CAT teams and mobile staff from other regions
  - Field adjusters on site within few hours
  - Quick response, setting up temporary offices in area of CAT when necessary

Supply chain

- **Moving up supply chain**:
  - National price contracts/ discounts on labour and high-volume materials like flooring, auto parts, etc.
  - Set-up a paintless dent repair shop in 2-3 days, including rental cars brought from other areas, if needed

Contractors

- **Largest network of preferred providers:**
  - More than 600 auto and 500 property suppliers in the Rely Network
  - Prefer larger-scale suppliers with abundant capacity and national reach

IFC Advantage

- Faster response
- Shorter claims cycle
- Lower cost
- Greater control
- Superior service

Recent CAT: May 15, 2011 in Slave Lake, Alberta

- Wildfire forced the complete evacuation of Slave Lake's 7,000 residents; considered the largest displacement of this type in the province's history
- Intact opened three mobile claims centres following the devastating wildfires which were staffed with community response teams to help customers begin the claims process and start to get their lives back on track
- As of June 1, 2011 there were 1,004 total claims:
  - 705 personal property claims
  - 212 auto claims
  - 87 commercial property claims
- Preliminary estimates indicate that the after-tax cost of the Slave Lake wildfires in Q2, net of reinsurance, will likely amount to between $45 and $55 million or 40 to 50 cents per share

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Experienced and united leadership team

		Years In Industry	Years With IFC
Brindamour, Charles	President & CEO	18	18
Beaulieu, Martin	SVP, Personal Lines	23	23
Black, Susan	SVP, Chief HR Officer	3	3
Blair, Alan	SVP, Atlantic Canada	27	27
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	26	26
Hindle, Byron	SVP, Commercial Lines	32	10
Iles, Derek	SVP, Western Canada	38	20
Lincoln, David	SVP, Corporate Audit Services (Canada)	32	14
Ott, Jack	SVP, Chief Information Officer	29	14
Pontbriand, Marc	Executive Vice President	13	13
Provost, Marc	SVP & Managing Director IIM and Chief Investment Officer	27	13
Tullis, Mark	Chief Financial Officer	32	12
Weightman, Peter	President, BrokerLink	24	24

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