Intact Financial Corporation (TSX: IFC)

Investor Presentation

September 2011

Canada's leader in auto, home and business insurance

Who we are[1]

- Largest P&C insurer in Canada
- $6.5 billion in direct premiums written
- #1 in Ontario, Quebec, Alberta, Nova Scotia
- $11.4 billion cash and invested assets
- Proven industry consolidator

Distinct brands

intact INSURANCE

belairdirect.

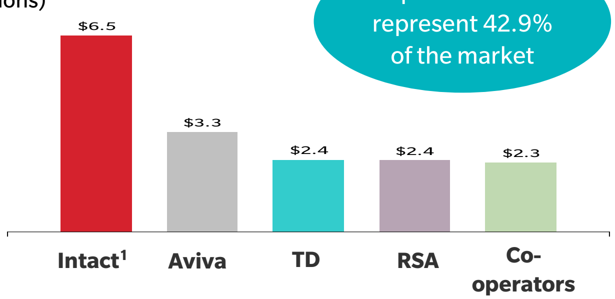
gp car and home

BrokerLink Auto / Home / Business Insurance

Scale advantage

2010 Direct premiums written[2]
($ billions)

Top five insurers represent 42.9% of the market



	Intact[1]	Aviva	TD	RSA	Co-operators
Market share	16.5%	8.4%	6.1%	6.0%	5.9%

Industry outperformer

10-year performance – IFC vs. P&C industry[2]	IFC outperformance
Premium growth	1.8 pts
Combined ratio[3]	3.8 pts
Return on equity[4]	7.7 pts

[1] Pro forma acquisition of AXA Canada, excluding assets related to the life insurance business
[2] Industry data source: MSA Research excluding Lloyd's, ICBC, SGI, SAF, MPI and Genworth. All data as at the end of 2010.
[3] Combined ratio includes the market yield adjustment (MYA)
[4] ROE is for Intact's P&C insurance subsidiaries

Consistent industry outperformance

Significant scale advantage

Sophisticated pricing and underwriting

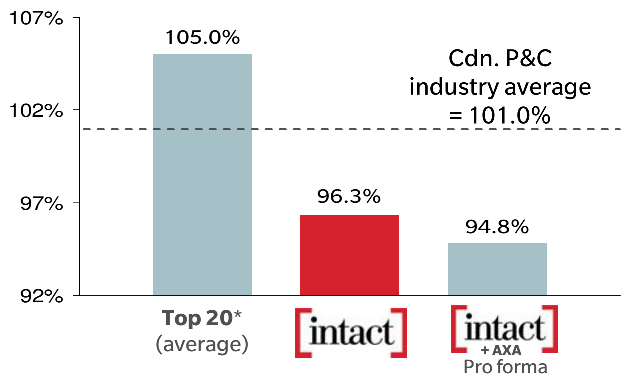
In-house claims expertise

Broker relationships

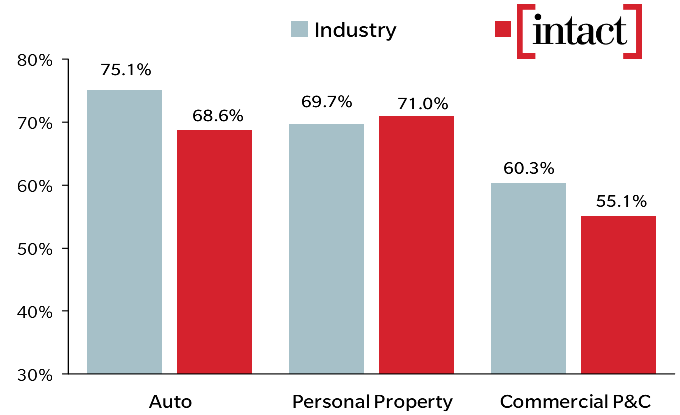
Multi-channel distribution

Proven acquisition strategy

2010 combined ratios



Five-year average loss ratios



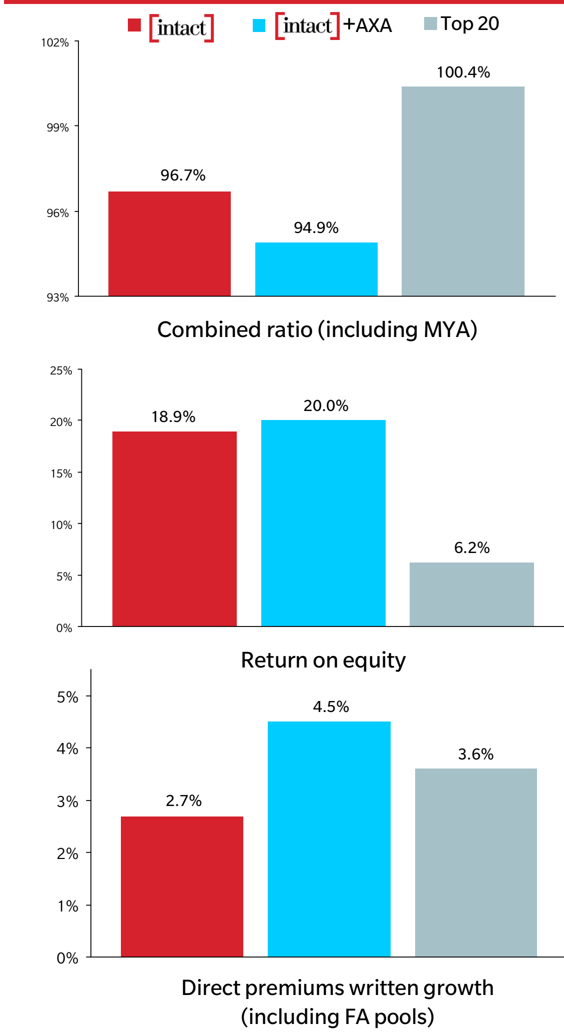
Industry data source: MSA Research excluding Lloyd's, ICBC, SGI, SAF, MPI and Genworth
Data in both charts is for the year ended December 31, 2010
Includes market yield adjustment (MYA)
* Top 20 excludes Lloyd's, Genworth, AXA, and IFC

We continued to outperform the industry in H1-2011

Operating highlights: Q2-2011 results

- Net operating income per share of $0.87, despite $0.84 in losses from natural catastrophes
- Q2 combined ratio of 97.0% driven by very strong underwriting results from our auto businesses
- DPW growth of 2% in personal lines reflects slower growth in our direct businesses, notably in Ontario, while commercial lines grew 5% year-over-year
- Return on equity of 17.3% and operating ROE of 13.6% for the last 12 months, with an 11% increase in book value per share

Comparison with Canadian P&C industry[1] benchmark



1. Industry data source: MSA Research, excluding Lloyd's, Genworth, AXA and Intact, H1-2011 results

Q2-2011 Financial highlights

(in $ millions, except as otherwise noted)	Q2-2011	Q2-2010	Change	YTD-2011	YTD-2010	Change
Direct premiums written	$1,354	$1,318	3%	$2,297	$2,232	3%
Net underwriting income	$33	$66	(50)%	$91	$135	(33)%
Combined ratio	97.0%	93.7%	3.3 pts	95.8%	93.5%	2.3 pts
Net operating income per share (in dollars)	$0.87	$1.04	(16)%	$1.78	$1.98	(10)%
Earnings per share (in dollars)	$1.12	$1.22	(8)%	$2.54	$2.40	6%
Trailing 12-month operating ROE	13.6%	n/a	n/a			

- Underwriting performance was good but combined ratio was 3.3 points weaker than Q2-2010 as strong core underwriting in our auto businesses and continued favourable prior year claims development (largely driven by industry pools) were more than offset by significantly higher catastrophe losses.
- Operating ROE of 13.6% (ROE of 17.3%) with an 11% increase in book value per share to $26.89
- Growth in direct premiums written at 3% year-over-year

[intact]

Strong financial position and excess capital

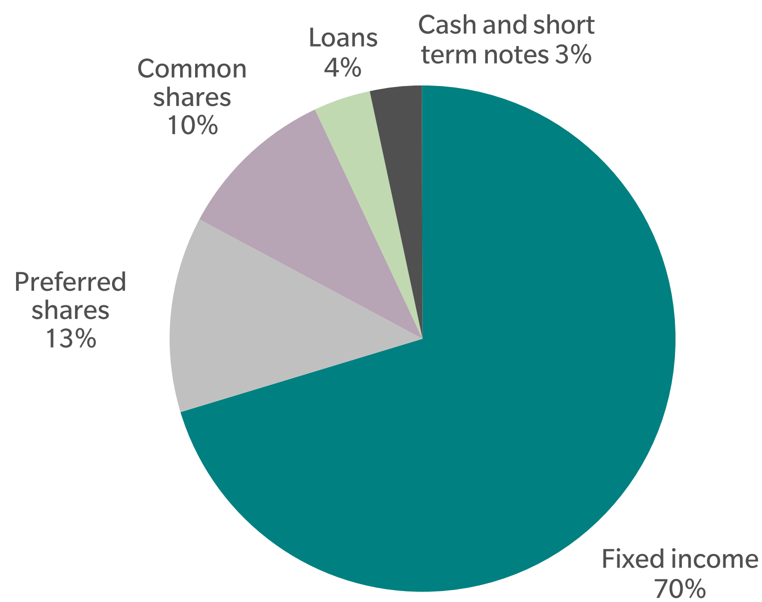
Strong balance sheet

- Excess capital of $758 million, based on 170% MCT as at Q2-2011, of which ~$400 million was used to finance the acquisition of AXA Canada
- Debt to total capital ratio back in line with our target of 20% once the sale of AXA's life insurance business closes in early 2012.
- Solid ratings from A.M. Best, Moody's and DBRS
- Adequate claims reserves evidenced by consistent favourable development

High-quality investment portfolio

- Approx. 99.2% of bonds are rated A or better
- 79.9% of preferred shares are highly-rated as P1 or P2
- $75 million in net investment income and market-based yield of 4.2% in Q2-2011

$11.4 billion in cash and invested assets[1]



Note: Invested asset mix is net of hedging positions

All figures as of June 30, 2011 unless otherwise noted

[1] Pro forma acquisition of AXA Canada, excluding assets related to the life insurance business

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 likely to increase at a similar rate as in 2010, with mid-single digit growth in personal auto (driven by ON), upper single digit growth in personal property (reflecting impact of water related losses and more frequent and/or severe storms) and low single digit growth in commercial lines
- As a result of IFC's disciplined pricing strategy, we are well-positioned to grow organically as market pricing becomes more rational

Capital markets

- Capital markets remain volatile, as economic data (particularly outside of Canada) raise questions about the sustainability of global recovery. Low interest rates continue to pressure investment yields which could influence higher premiums across the industry
- Capital requirements are not expected to negatively impact IFC to the same degree as the overall P&C insurance industry, given the composition of our investment portfolio and the nature of our claims liabilities

Return on equity

- The industry's ROE was approximately 7%, both in 2010 and in the first half of 2011. Although the combined ratio may improve, we believe this would be largely offset by a reduction in the level of investment income. Consequently, we do not expect material improvement in ROEs in the near term
- We strongly 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
- Strong financial position

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
- Consistent track record of industry outperformance
- Strong financial position
- Excellent long-term earnings power
- Organic growth platforms easily expandable
- AXA Canada transaction closed September 26; integration on-track

IFC's acquisition of AXA Canada:

Building a world-class P&C insurer

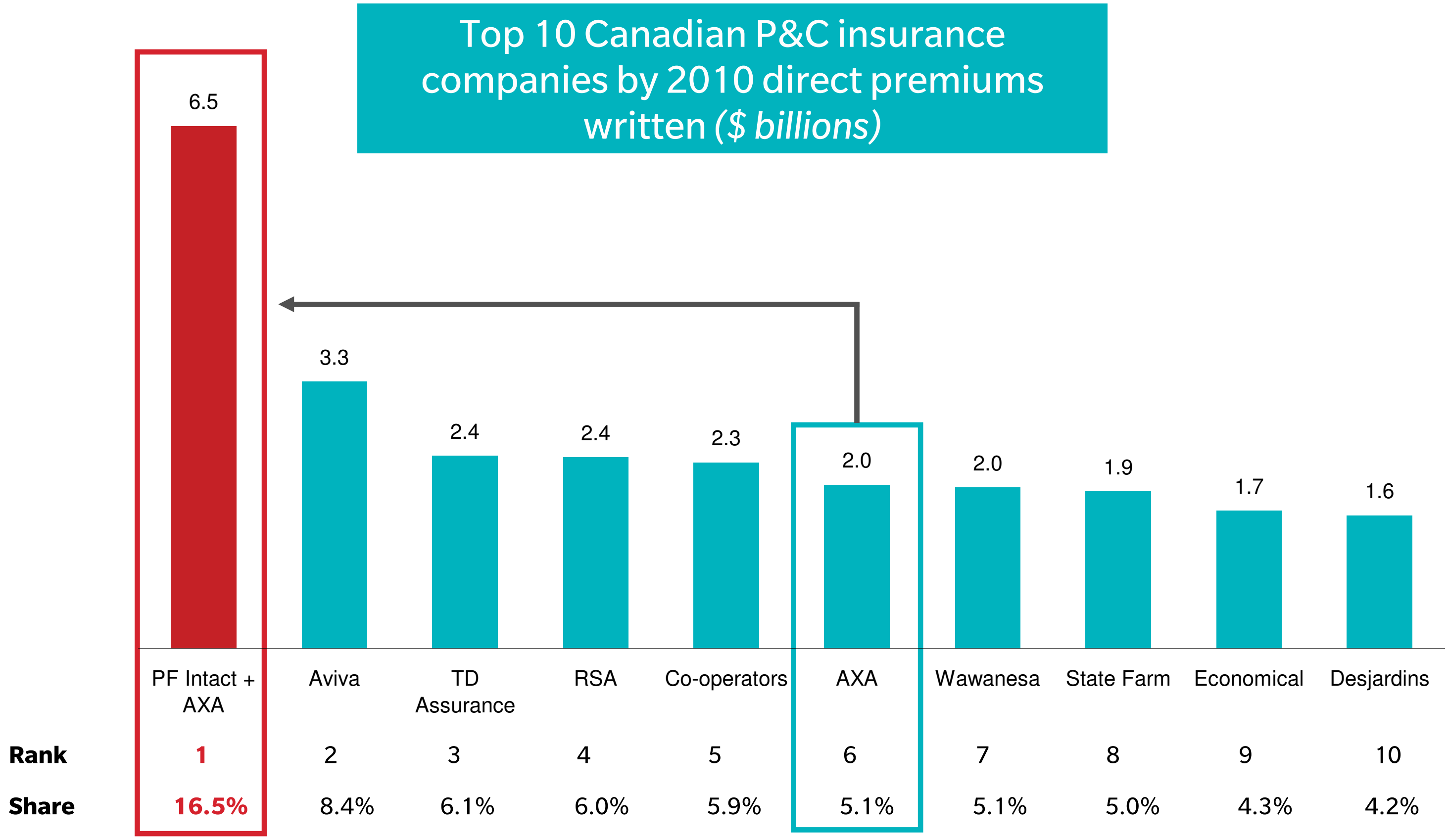
[intact]

Acquisition of AXA Canada: Building a world-class 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 • Accretive to book value per share • 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.

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.

AXA Canada: Acquisition financing in place

Original structure

Funding from excess capital	$500 million
Proceeds from subscription receipts	$800 million
Acquisition credit facilities	$1,300 million
	$2,600 million

After over allotment

Funding from excess capital	$377 million
Proceeds from subscription receipts [1]	$923 million
Acquisition credit facilities	$1,300 million
	$2,600 million

$1,300 million financing

Term loan*	$300 million
Preferred shares	$500 million
10-yr medium-term notes	$300 million
50-yr notes private placement	$100 million
Completed	$1,200 million

Remaining

Medium-term notes	up to $100 million

(1) Net of underwriters commission

* Proceeds from announced agreement to sell AXA's life insurance business are intended to repay the term loan facility.

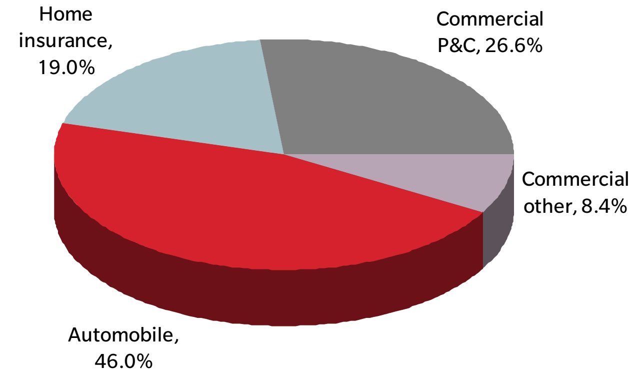
Appendices

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

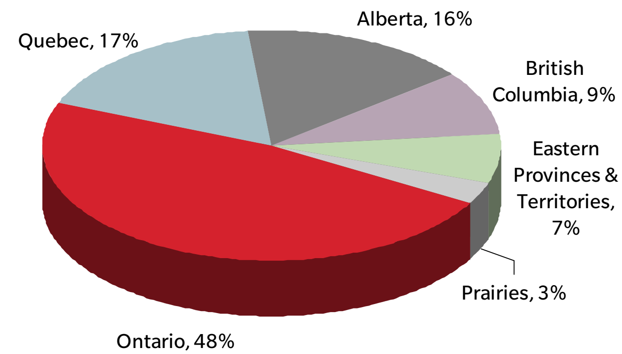
3% of GDP in Canada

- Fragmented market[1]:
  - Top five represent 43%, versus bank/lifeco markets which are closer to 65-75%
  - IFC is largest player with 16.5% 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

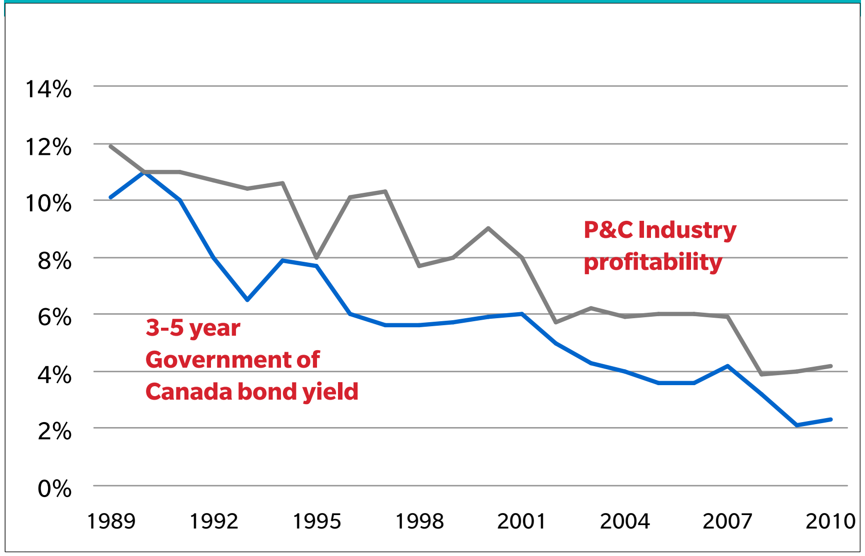


[1] Pro forma IFC's acquisition of AXA Canada
Industry data source: MSA Research excluding Lloyd's, ICBC, SAF, SGI, MPI and Genworth.
OSFI = Office of the Superintendent of Financial Institutions Canada
Data as at the end of 2010.

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



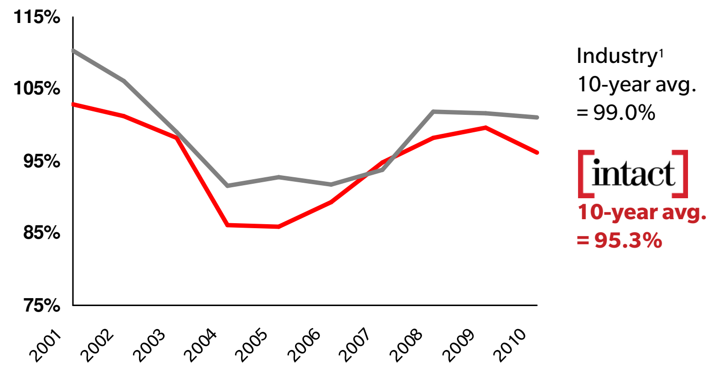
Source: Insurance Bureau of Canada

P&C industry 10-year performance versus IFC

IFC's competitive advantages

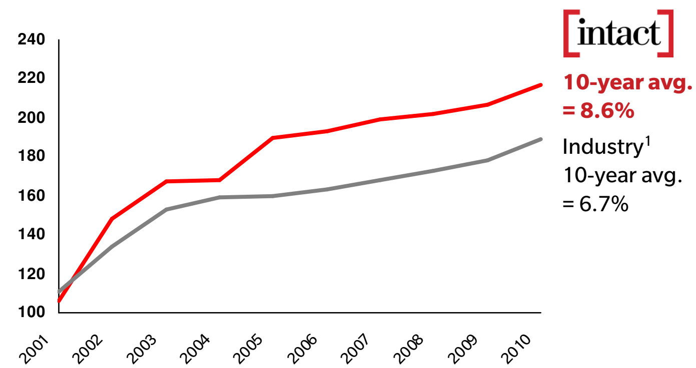
- Significant scale advantage
- Sophisticated pricing and underwriting discipline
- In-house claims expertise
- Broker relationships
- Solid investment returns
- Strong organic growth potential

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%

[intact]

Strategic capital management

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

Capital priorities

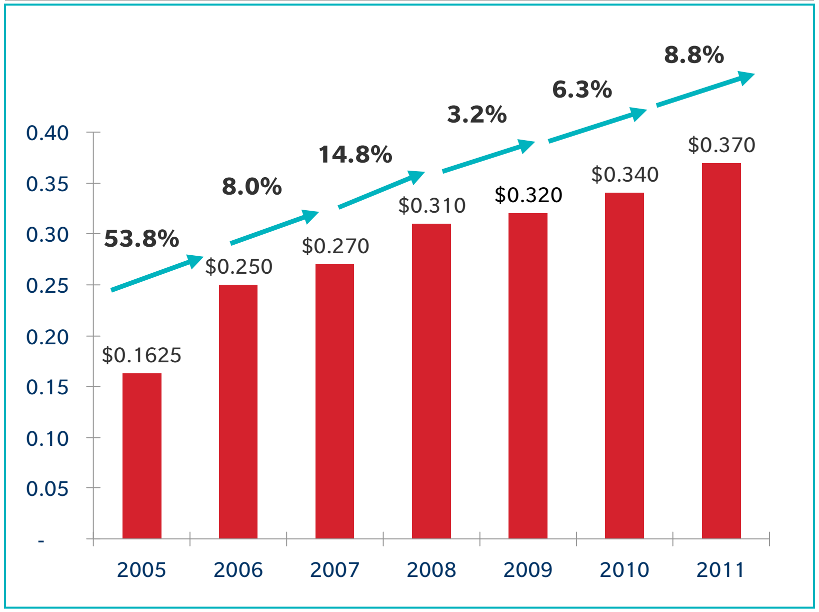
- Acquisitions
- Dividends
- Share buybacks

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

Corporate	34.3%
Federal government and agency	28.2%
Cdn. Provincial and municipal	28.2%
Supranational and foreign	7.2%
ABS/MBS	2.0%
Private placements	0.1%
TOTAL	100%

Canadian	89%
United States	1%
Int'l (excl. U.S.)	10%
TOTAL	100%

Quality: 99.2% of bonds rated A or better

Preferred shares

Perpetual and callable floating and reset	50.3%
Fixed perpetual	32.5%
Fixed callable	17.2%
TOTAL	100%

Quality:
Approx. 79.9% rated P1 or P2

100% Canadian

Common shares

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

100% Canadian

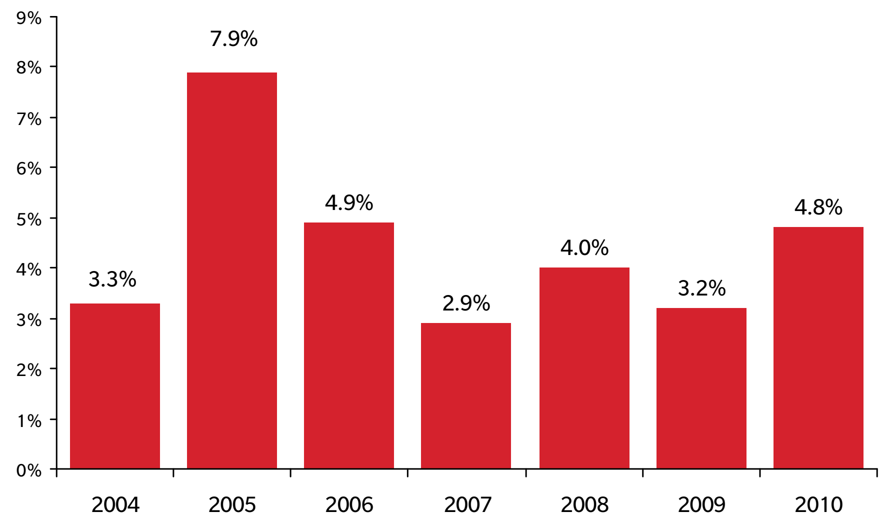
As of June 30, 2011

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

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Forward-looking statements and disclaimer

Certain of the statements included in this presentation 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", "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 designed to protect policyholders and creditors rather than investors; 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 to clients; the Company's ability to successfully pursue its acquisition strategy; the Company's ability to execute its business strategy; the terms and conditions of, and regulatory approvals relating to, the Acquisition of AXA Canada by the company (the "Acquisition"); synergies arising from, and the Company's integration plans relating to the Acquisition; the Company's financing plans for the Acquisition; management's estimates and expectations in relation to resulting accretion, internal rate of return and debt to capital position at closing of the Acquisition and thereafter, as applicable; various other actions to be taken or requirements to be met in connection with the Acquisition and integrating the Company and AXA Canada after completion of the Acquisition; the Company's participation in the Facility Association (a mandatory pooling arrangement among all industry participants) and similar mandated risk-sharing pools; terrorist attacks and ensuing events; the occurrence 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.

Forward-looking statements and disclaimer

All of the forward-looking statements included in this presentation are qualified by these cautionary statements and those made in the "Risk Management" section of our MD&A for the year ended December 31, 2010. These factors are not intended to represent a complete list of the factors that could affect the Company. These factors should, however, be considered carefully. Although the forward-looking statements are based upon what management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward looking statements. When relying on forward-looking statements to make decisions, investors should ensure the preceding information is carefully considered. Undue reliance should not be placed on forward-looking statements made herein. The Company and management have no intention and undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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 $5.0 million, related to a single event.

- All underwriting results and related ratios exclude the Market Yield Adjustment ("MYA"), except if noted otherwise.

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 ("ROE") 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.net 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.

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