Intact Financial Corporation

Charles Brindamour, CEO

Scotiabank Financials Summit

September 6, 2012

Forward looking statements and disclaimer

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Forward looking statements and disclaimer

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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 the Company 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.com in the "Investor Relations" section. Additional information about the Company, 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[1]

- Largest P&C insurer in Canada
- $7.0 billion in direct premiums written
- #1 in BC, Alberta, Ontario, Quebec, Nova Scotia
- $12.7 billion cash and invested assets
- Proven industry consolidator

Distinct brands

intact INSURANCE

belairdirect.

GREY POWER

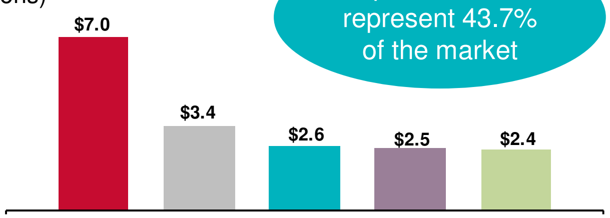
BrokerLink Auto/Home/Business Insurance

JEVCO

Scale advantage

2011 Direct premiums written[2]
($ billions)

Top five insurers represent 43.7% of the market



	IFC[1]	Aviva	RSA	TD	Co-operators
Market share	17.2%	8.3%	6.2%	6.1%	5.9%

Industry outperformer

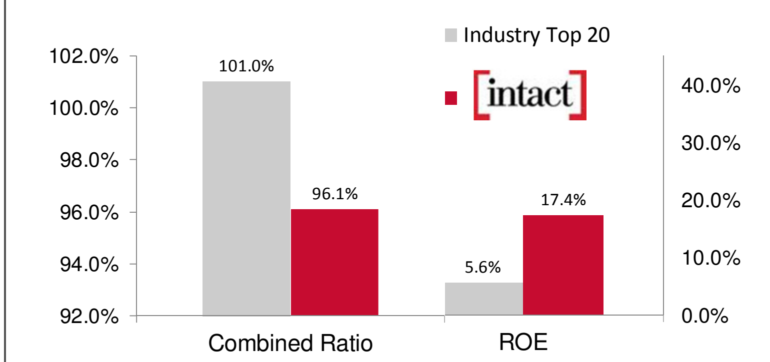
10-year performance – IFC vs. P&C industry[2]	IFC outperformance
Premium growth	3.3 pts
Combined ratio[3]	3.4 pts
Return on equity[4]	8.2 pts

[1] Pro forma AXA Canada and JEVCO for a full year
[2] Industry data source: MSA Research excluding Lloyd’s, ICBC, SGI, SAF, and Genworth. All data as at Dec 31, 2011.
[3] Combined ratio includes the market yield adjustment (MYA)
[4] ROEs reflect IFRS beginning in 2010. IFC's 2011 ROE is adjusted return on common shareholders' equity (AROE)

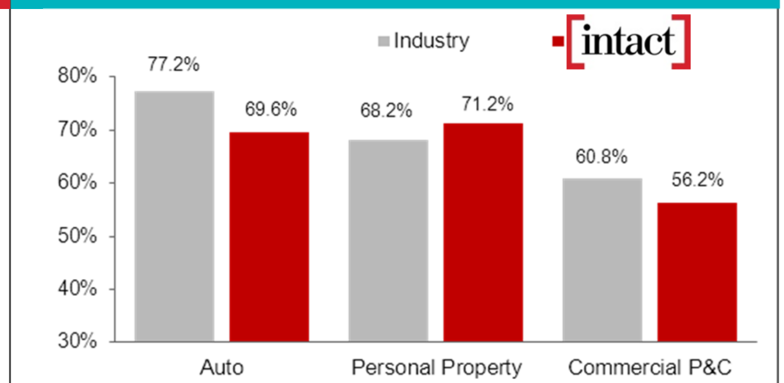
Consistent industry outperformance

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

2011 metrics



Five-year average loss ratios



Industry data source: MSA Research excluding Lloyd's, ICBC, SGI, SAF, MPI, Genworth, IFC and AXA Canada (in 2011)
Data in both charts is for the year ended December 31, 2011
Includes market yield adjustment (MYA)
* Top 20 excludes Lloyd's, IFC and AXA Canada

Solid financial position and excess capital

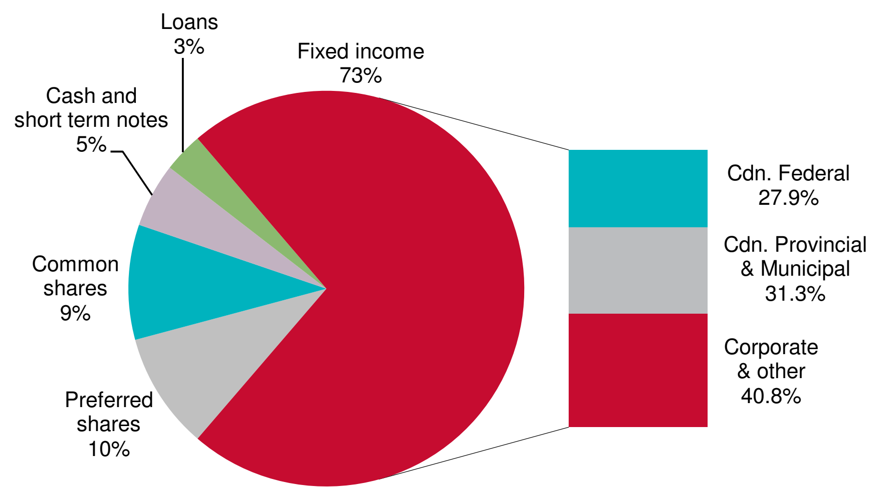
Solid balance sheet

- Solid financial position at Q2-2012:
  - $649 million in excess capital
  - Estimated MCT of 205%
  - Debt-to-total-capital ratio of 19.8%
  - Book value per share increased 13% from a year earlier to $30.30
- Credit ratings - DBRS: A (low), Moody's: Baa1
- Low sensitivity to capital markets volatility:
  - 1% increase in rates ~ 4 pts of MCT
  - 10% decline in equity markets ~ 3 pts of MCT

High-quality investment portfolio

- 98.5% of bonds are rated 'A' or better
- 87.3% of preferred shares are rated 'P1' or 'P2'
- Minimal U.S. or European exposure
- Market-based yield of 3.7% in Q2-2012, down 50 basis points from Q2-2011

$12.7 billion in cash and invested assets*



Note: Investment mix pro forma JEVCO and net of hedging positions and financial liabilities related to investments.

All figures as of June 30, 2012 unless otherwise noted
* Includes assets related to JEVCO acquisition

Industry outlook for 2012

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

Premium growth

- Industry premiums are likely to grow at a mid single digit rate
- Low interest rate environment and reinsurance market conditions will likely lead to firmer conditions over time

Underwriting

- Industry combined ratio was 100% in 2011. In 2012, we foresee:
  - Some improvement from personal auto (prior rate increases and Ontario reforms)
  - Improvement in personal property (mild weather in Q1-2012 and continued premium increases, somewhat offset by an active summer storm season)

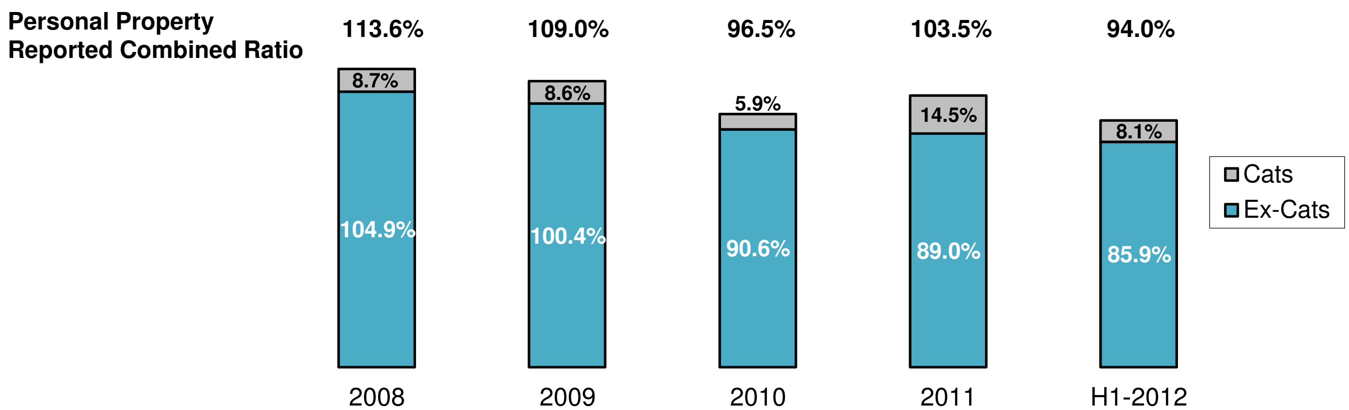
Return on equity

- Industry ROE was 6% in 2011; we expect 2012 to be in the upper single digit range, bolstered by a strong first half at 11.5%
- We believe we are likely to outperform the industry's ROE by at least 500 basis points in 2012

[intact]

Ensuring profitability by mitigating Cat losses

Combined Ratios Impacted by Cats



Home Improvement Plan to Date

- 2011 impacted by double normal Cat activity
- Including July-Aug, 2012 Cat impact similar to 2011
- CAY results trending towards 15pts improvement
- Renewals being issued at ~ +9%
- Segmentation by type of loss
- Claims initiatives on-going
- Product design evolving (e.g. $2k water ded. in ON)

Still to Come

- Continuous monitoring of Cat loading to improve profitability should recent elevated levels persist
- Continued rate increases
- Water/hail/wind – higher deductibles, sub-limits
- New claims initiatives
- Prevention & education

Four distinct avenues for growth

Firming market conditions (0-2 years)

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 12-18 months
- Leverage acquired expertise to expand product offer and gain share in the mid-market

Develop existing platforms (0-3 years)

- Continue to expand support to our broker partners
- Leverage addition of JEVCO
- Expand and grow belairdirect and Grey Power
- Build a broker offer better able to compete with direct writers

Consolidate Canadian market (0-5 years)

Capital
- Solid financial position

Strategy
- Grow areas where IFC has a competitive advantage

Opportunities
- Canadian P&C industry remains fragmented
- Global capital requirements becoming more stringent
- Continued difficulties in global capital markets

Expand beyond existing markets (5+ years)

Principles
- Financial guideposts: long-term customer growth, IRR>20%
- Build growth pipeline with meaningful impact in 5+ years

Strategy
- Enter new market in auto insurance by leveraging our world-class strengths: 1) pricing and segmentation, 2) claims management and 3) online expertise

Recent acquisitions are on track

AXA Canada

- Retention of the AXA book has been stronger than expected
- Customer attrition and broker cancellations, in total, have been comparable to that of the Intact portfolio
- Approximately three-quarters of policies have been converted
- Continue to target $100 million in annual after-tax synergies
  - $37 million run-rate at June 30, 2012
  - Targeting $50 million run-rate by end of 2012.

JEVCO

- Closed September 4, 2012
- A leading provider of specialty and niche insurance. Strengthens product offering across IFC distribution to include:
  - Recreational vehicles
  - Non-standard auto
- Opportunity to improve performance by implementing IFC's risk selection and claims management expertise.
- IRR estimated above 20%
- Purchase price reflects a P/B of 1.3x

Summary

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

- Largest P&C insurance provider in Canada
- Consistent track record of industry outperformance
- Solid financial position
- Excellent long-term earnings power
- Organic growth platforms easily expandable
- Successful progress with AXA Canada integration
- JEVCO acquisition broadens product offering across IFC distribution

Intact Financial Corporation

Upcoming events

November 7, 2012: Q3-2012 results
November 20, 2012: Annual Investor Day