Proposed Acquisition of OneBeacon

Intact Financial Corporation (TSX: IFC)

Building a World-Class P&C Insurer

May 2, 2017

[intact]

Forward-looking Statements

From time to time, the Company makes written and/or oral forward-looking statements, including in this presentation. In addition, our representatives may make forward-looking statements orally to analysts, investors, the media and others. All such statements are made pursuant to the "safe harbour" provisions of Canadian provincial securities laws and the U.S. Private Securities Litigation Reform Act of 1995. This presentation contains forward-looking statements. When used in this presentation, 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. This presentation contains forward-looking statements with respect to, among other things, business objectives, expected growth (including magnitude of growth), the anticipated benefits and costs of the transaction, the anticipated effect of the transaction on the Company's strategy, operations and financial performance, including its book value per share, debt to capital, internal rate of return ("IRR"), net operating income per share, minimum capital test ("MCT"), direct premiums written and excess capital, dividends, financial leverage, 2017 management objectives, products, services, expertise and capabilities, earnings contributions, cost savings and transition and integration costs, revenue synergies and statements with respect to the financing structure for the transaction and the completion of and timing for completion of the transaction.

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 use of the net proceeds from the bought deal public offering (the "Offering") of subscription receipts of the Company (the "Subscription Receipts") and the sale of Subscription Receipts to private placement subscribers pursuant to concurrent private placements with the Offering (the "Concurrent Private Placements"); the timing and completion of the Offering, Concurrent Private Placements and the acquisition (the "Acquisition") of OneBeacon Insurance Group Ltd. ("OneBeacon"); expected competition and regulatory processes and outcomes in connection with the Acquisition; 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, floating rate securities 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 and severity, including in the Ontario personal auto line of business, as well as the evaluation of losses relating to the Fort McMurray wildfires, catastrophe losses caused by severe weather and other weather-related losses; 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 and provide services to the Company; the Company's ability to successfully pursue its acquisition strategy; the Company's ability to execute its business strategy; the Company's ability to achieve synergies arising from successful integration plans relating to acquisitions; the terms and conditions of the Acquisition; management's expectations in relation to synergies, future economic and business conditions and other factors outline herein and therein and resulting effect on accretion, equity IRR, net operating income per share, MCT, debt to total capital, combined ratio and the other metrics used in relation to the Acquisition; the Company's financing plans for the Acquisition, including the availability of equity and debt financing in the future; various other actions to be taken or requirements to be met in connection with the Acquisition and integrating the Company and OneBeacon 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 catastrophe events, including a major earthquake; the Company's ability to maintain its financial strength and issuer credit ratings; access to debt financing and the Company's ability to compete for large commercial business; 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 ability to contain fraud and/or abuse; the Company's reliance on information technology and telecommunications systems and potential failure of or disruption to those systems, including cyber-attack risk; the Company's dependence on key employees; changes in laws or regulations; the exercise of the over-allotment option in connection with the Offering; general economic, financial and political conditions; the Company's dependence on the results of operations of its subsidiaries and the ability of the Company's subsidiaries to pay dividends; the volatility of the stock market and other factors affecting the trading prices of the Company's securities (including the Subscription Receipts once issued); the Company's ability to hedge exposures to fluctuations in foreign exchange rates; future sales of a substantial number of its common shares; changes in applicable tax laws, tax treaties or tax regulations or the interpretation or enforcement thereof; and the timing of the distribution of the Subscription Receipts pursuant to the Offering, including the expected closing date of the Offering and the distribution of common shares of the Company upon closing of the Acquisition.

Certain material factors or assumptions are applied in making these forward-looking statements, including completion of the Offering and Concurrent Private Placements; that the additional financing of the Acquisition is completed; that the Acquisition will be completed in the fourth quarter of 2017; that the anticipated benefits of the Acquisition to IFC will be realized, including the impact on growth and accretion in various financial metrics; that reserves will be strengthened following closing of the Acquisition; that the protection we have purchased against adverse reserve developments will be sufficient; the accuracy of certain cost assumptions, including with respect to employee retention matters; and the amounts that will be recovered from certain obligations and litigation matters.

All of the forward-looking statements included or incorporated by reference in this presentation are qualified by these cautionary statements, those made in the "Risk Management" sections of management's discussion and analysis of operating and financial results for the year ended December 31, 2016 and the three months ended March 31, 2017 and those may be made in the prospectus supplement to be filed in respect of the Offering. 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 in this presentation. The Company has no intention and undertakes 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

An investment in the subscription receipts of the Company described in this presentation is subject to a number of risks that should be considered by a prospective purchaser. See, for example, the risk factors set out under the “Risk Management” sections of management’s discussion and analysis of operating and financial results for the year ended December 31, 2016 and the three months ended March 31, 2017 and the risk factors that may be found in the prospectus supplement to be filed in respect of the Offering. These sections also describe the Company’s assessment of those risk factors, as well as the potential consequences to an investor if a risk should occur. The risk factors identified under the heading “Forward-Looking Statements” in the final base shelf prospectus should also be carefully reviewed and evaluated by prospective investors before purchasing the subscription receipts.

No securities regulatory authority has expressed an opinion about the subscription receipts discussed in this presentation and it is an offence to claim otherwise. The subscription receipts discussed in this presentation have not been, and will not be, registered under the U.S. Securities Act, or the securities laws of any state in the United States and are being offered and sold within the United States exclusively to "qualified institutional buyers" under Rule 144A under the U.S. Securities Act and outside the United States in compliance with Regulation S under the U.S. Securities Act.

This presentation does not constitute an offer to sell or solicitation of an offer to buy any of the securities of the Company in the United States. The following is a summary only and should be read together with the more detailed information and financial data and statements contained in the final base shelf prospectus and the applicable shelf prospectus supplement. References to C$ or $ are to Canadian dollars and references to “US$ are to U.S. dollars.

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Non-IFRS Measures

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. See section 23 of management’s discussion and analysis for the year ended December 31, 2016 for the definition and reconciliation to the most comparable IFRS measure. Management analyzes performance based on underwriting ratios such as combined, expense, loss and claims ratios, MCT, and debt-to-capital, as well as other non-IFRS financial measures, namely DPW, Underlying current year loss ratio, Underwriting income, NOI, NOIPS, OROE, ROE, AROE, Non-operating results, AEPS, Cash flow available for investment activities, and Market-based yield. Additional information about the Company, including the Annual Information Form, may be found online on SEDAR at www.sedar.com.

Building a World-Class P&C Insurer

Strong Strategic Rationale	Financially Compelling & Conservatively Structured

• Creating a leading North American specialty insurer with over C$2 billion in annual specialty lines premiums
• Focuses on small to mid-size businesses where both organizations have deep capabilities and ability to scale up
• Provides additional growth pipeline to leverage consolidation expertise in highly fragmented market
• Bolsters IFC's existing Canadian business with new products and cross-border capabilities
• Brings high caliber management team with deep Commercial & Specialty Lines expertise and shared values
• Expands future potential by combining OneBeacon's strengths with IFC's data, claims and digital expertise
• Diversifies IFC's business and geographic mix
	• NOIPS neutral in year 1 and mid-single digit accretive in 24 months
	• Immediately accretive to BVPS
	• Attractive IRR estimated to be in excess of 15%[1]
	• Maintains strong financial position and robust capitalization:
	    ○ MCT above 200%
	    ○ Debt-to-total capital ratio below 25% at closing and below target level of 20% within 24 months
	• Significant downside protection against adverse reserve development
	    ○ Thorough reserve assessment factored in valuation
	    ○ Reinsurance coverage of up to US$200M

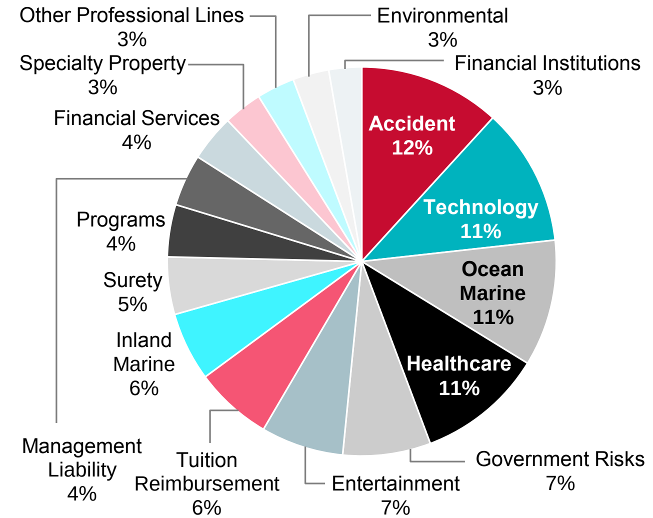
Creating a leading North American specialty insurer

[1] Internal rate of return based on equity returns per proposed financing plan.

OneBeacon: Unique Pure-Play Specialty Lines Insurer

- OneBeacon is a Bermuda-domiciled company operating in the US and focused on specialty insurance
- Offers a range of specialty insurance products across 16 diversified business units
- Differentiated, multi-channel distribution approach with an attractive mix of retail (70% of GPW) and wholesale (30% of GPW) distribution
- Flexible and scalable technology platform
- 2016 GPW US$1.2bn | 2016 Net income US$107m | 2016 & 2017 Q1 combined ratio of 97.3% & 94.5% | Book value US$1bn
- Rated A by AM Best / A- by S&P / A3 by Moody's / A by Fitch[2]

2016 GPW[1] by Line of Business



Total: US$1,190 million

Operational objective to achieve a combined ratio in the low 90's for OneBeacon.
Cross-border growth opportunity to better serve Canadian client base.

Source: OneBeacon

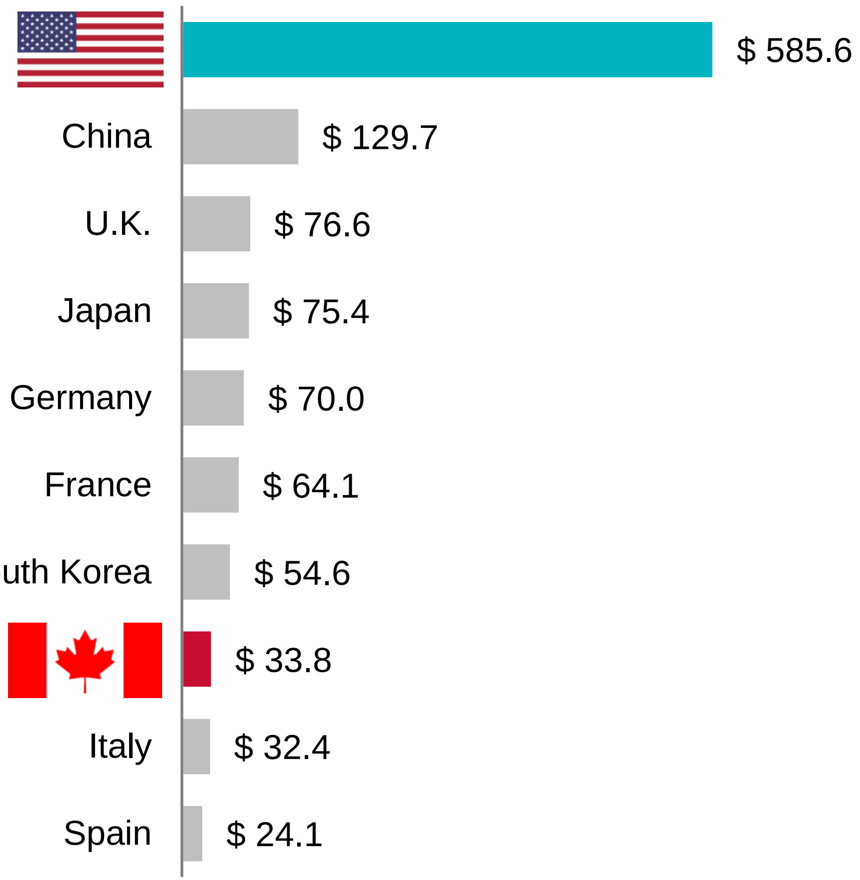
1 Represents gross premiums written from continuing operations which excludes exited or discontinued lines and is further adjusted to exclude $11 million in fronting-related premiums.

2 Financial strength rating as of March 31, 2017

US Small to Mid-Size Commercial & Specialty Lines: A Good Strategic Entry Point

U.S. is the Largest P&C Insurance Market Globally[1]

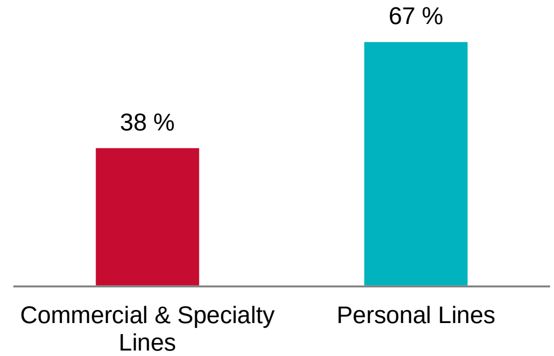
(Market Size Based on 2015 Premiums as Measured in US$ billions)



U.S. Commercial & Specialty Lines: An Attractive Sector

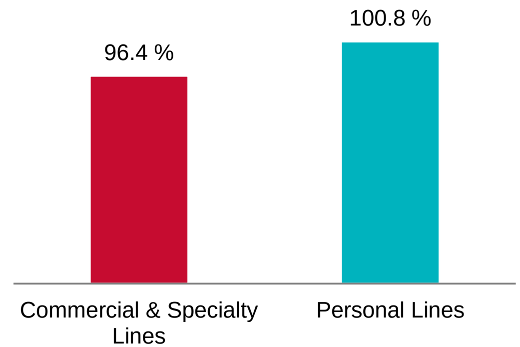
U.S. Commercial Lines Market is More Fragmented[2]

(Market Share of Top 10 Insurers)



U.S. Commercial Lines Market has Generated Superior Underwriting Results[3]

(5-Year Average Combined Ratio)



1: Source: Insurance Europe, Swiss Re Institute, MSA Research, the General Insurance Association of Japan ("GIAJ"), the China Insurance Regulatory Commission ("CIRC"), and SNL Financial. Market sizing based on 2015 premiums. U.S. premiums include commercial and personal direct premiums written as reported by SNL Financial. UK, Germany, France, Italy, and Spain based on P&C premiums excluding health premiums as reported by Insurance Europe. China and Japan P&C premium data per regulator data (CIRC and GIAJ). South Korea based on non-life premiums as reported by Swiss Re Institute. Canada premiums based on MSA Research excluding of Government Crown insurers, Lloyd's, Genworth and Canada Guarantee Mortgage. Reported premiums converted at the relevant closing exchange rate on December 31, 2015 (source: S&P Capital IQ).

2: Source: SNL Financial and U.S. statutory filings. Data represents U.S. market only. Top 10 insurers selected, and market share estimated, based on 2016 U.S. statutory reported direct premiums written.

3: Source: SNL Financial and U.S. statutory filings. Data represents U.S. market only. Figures represent the average of annual combined ratio results for all Commercial & Specialty Lines and Personal Lines writers in the U.S. for the 5-year period from 2012 to 2016.

Complementary Expertise Positions Us to Drive Cross Market Synergy

Entertainment | Environmental | Financial Institutions

Accident | Technology

Import expertise and expand product offering in Canada

Cross-Border

1. Ability for both Intact and OneBeacon to service domestic clients that do business in both countries
2. Better compete with other North American insurers by offering a seamless cross-border experience

Small to Mid-Size Commercial & Specialty Lines

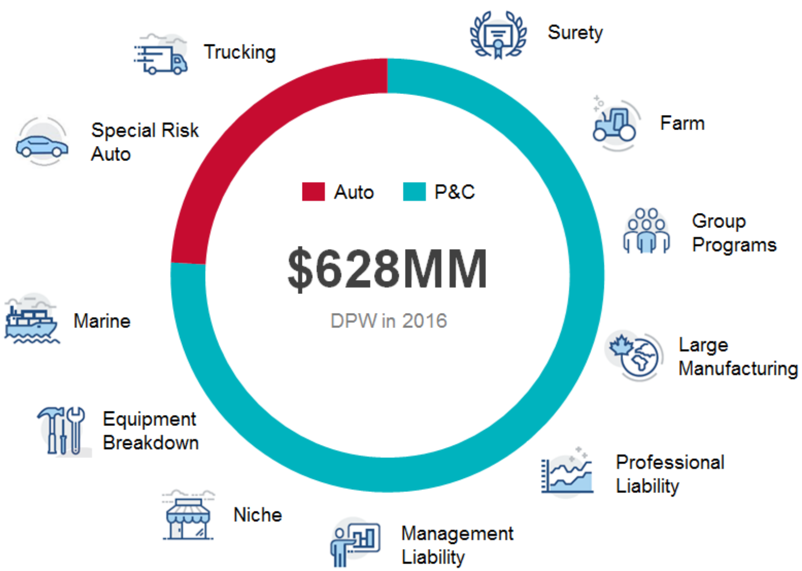
Leverage Intact underwriting and pricing expertise to broaden offering in the US and drive profitable growth

Creating a leading North American specialty insurer

Combining Expertise, Operational Excellence & Capabilities

Intact's Specialty Insurance Expertise

90.3% 5-year average combined ratio



Intact's Operational Excellence & Capabilities

Claims Management Expertise

Investment Portfolio Optimization

Actuarial and Supply Chain Benefits

OneBeacon's Experienced Management

Strong and proven leadership with Mike Miller, President & CEO, in place since 2006, with prior experience at St-Paul Travelers and Chubb

Experienced management with business line leaders averaging 28 years of experience

Management team composed of alumni of ACE, AIG, Arch, Chubb, Travelers

OneBeacon's Technology

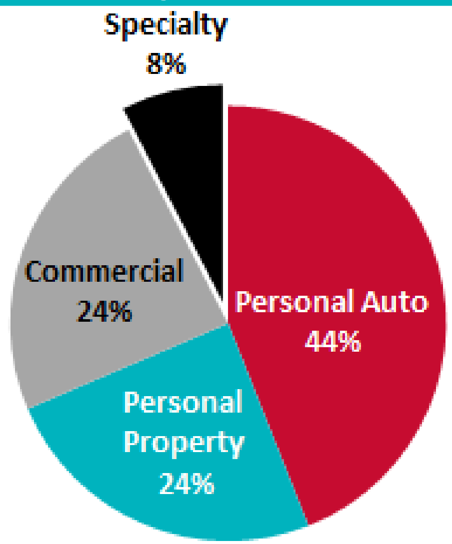
Flexible and scalable technology to support future growth

OneBeacon's Distribution Network

Multi-channel distribution approach providing strong presence in largest Commercial P&C market

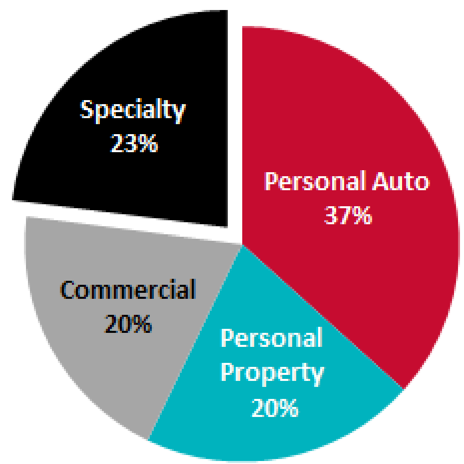
Improved Business Mix & Geographic Diversification

DPW by LOB *(C$8.3 billion)*



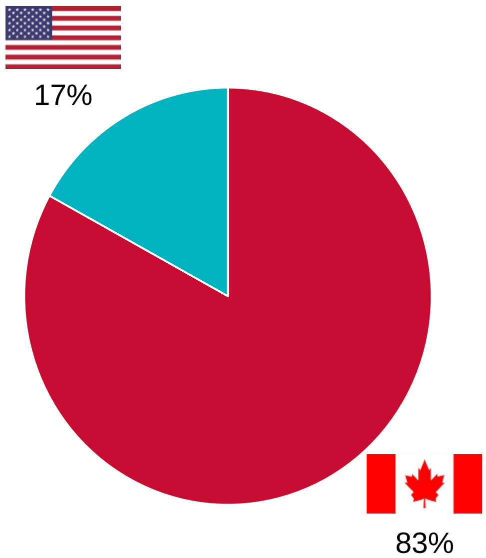
Specialty: $628 million

DPW by LOB *(C$9.9 billion)*



Specialty: $2.3 billion

DPW by Country *(C$9.9 billion)*



- Provides a more balanced portfolio by line of business
- Expands presence in attractive Specialty Lines sector
- Adds meaningful geographic diversification providing access to a new market for future growth

Source: 2016 direct written premium as reported in MSA (Intact) and 10-K (OneBeacon), using April 26th exchange rate

Financially Compelling & Conservatively Structured

Purchase Price	US$18.10 per OneBeacon share = US$1.7 billion[1] Total C$2.3 billion (C$2.4 billion including transaction costs)
Purchase Metrics	P/BV[2] = 1.65x | P/E[3] = 15.8x
Transaction Economics	Accretive to BVPS by 4.5% | Estimated IRR in excess of 15%[4] NOIPS neutral in year 1, mid-single digit NOIPS accretion in 24 months
Anticipated Financing (C$)	Excess Capital C$700 million | Debt & Preferred Shares C$1.0 billion Public & Private Subscription Receipts C$700 million
Regulatory Capital Impact	Estimated MCT above 200% at close
Debt to Capital	Less than 25% at close | Expected to be below 20% within 24 months
Reserve Protection	Thorough reserve assessment | Adverse development protection of US$200M
Approvals	OneBeacon shareholders | Customary regulatory approvals including competition and from US States and Bermuda insurance regulators
Expected Closing Date	Q4 2017

1 Purchase price based on 94.041mm outstanding shares as at March 31, 2017
2 Price to book value based on book value as at March 31, 2017.
3 Price to earnings based on consolidated earnings for year ended December 31, 2016.
4 Internal rate of return based on equity returns per proposed financing plan.

Building a World-Class P&C Insurer

Entry into attractive segment of largest global Commercial P&C Market

Improved diversification while strengthening our Commercial and Specialty Lines capabilities

Leveraging combined expertise to provide significant growth and value creation opportunity

Financially compelling & conservatively structured

Creating a leading North American specialty insurer

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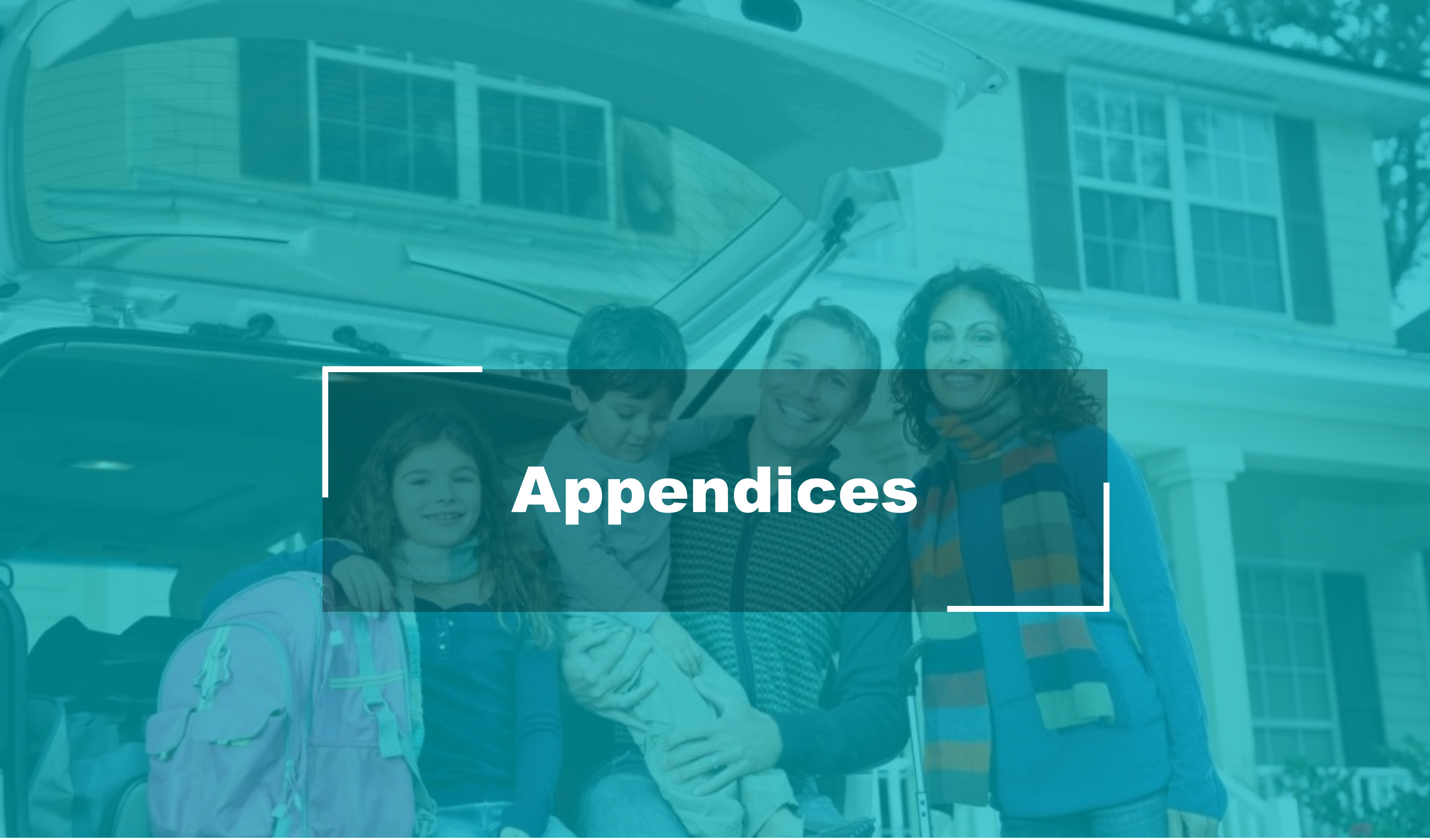


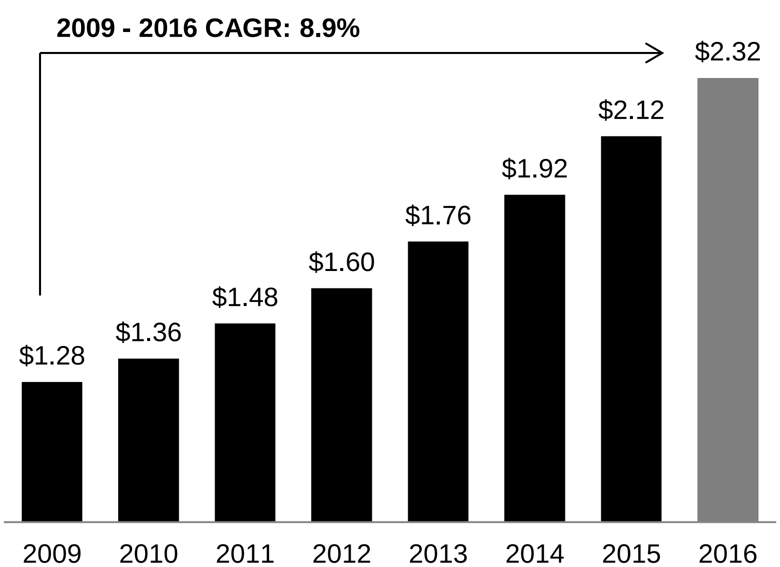
Appendices

Appendix: A Strong Track Record to Build On

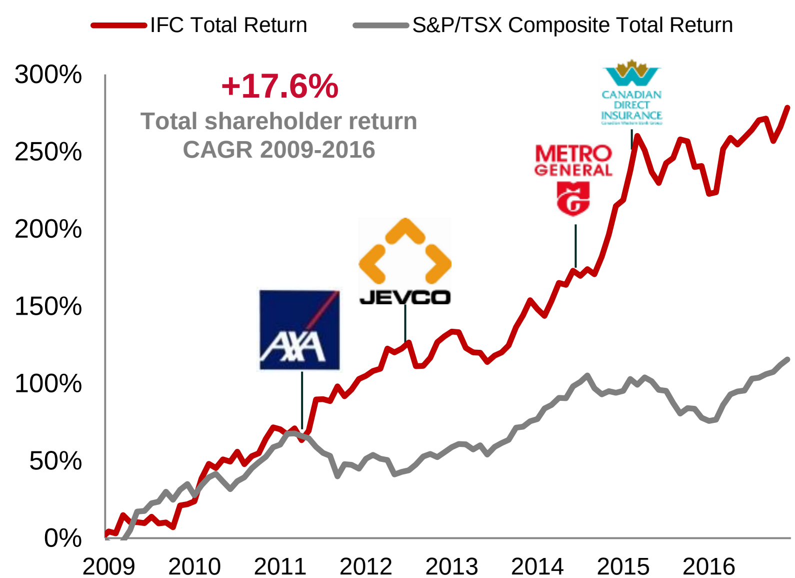
Proven Acquisition Track Record

	1998	2001	2003	2006	**2009**	**2011**	**2012**	**2014**	**2015**
	Guardian Insurance	Zurich	Allianz	Grey Power	intact	AXA Canada	Jevco	Metro General	Canadian Direct Insurance
IRR						>20%	>25%	n.d.[1]	15%[2]

Dividend Growth



Track Record of Generating Long-Term Value



History of Consistent Outperformance

ROE Outperformance[3]
10-year outperformance

5.4 pts vs Canadian Industry

NOIPS Growth
CAGR 2009 - 2016

+11.0%

1 Not disclosed.
2 Estimated return by end of 2017.
3 Data as at December 31, 2016. Industry data: IFC estimates based on MSA Research. ROEs reflect IFRS beginning in 2010. Since 2011, IFC's ROE is adjusted return on common shareholders' equity (AROE).