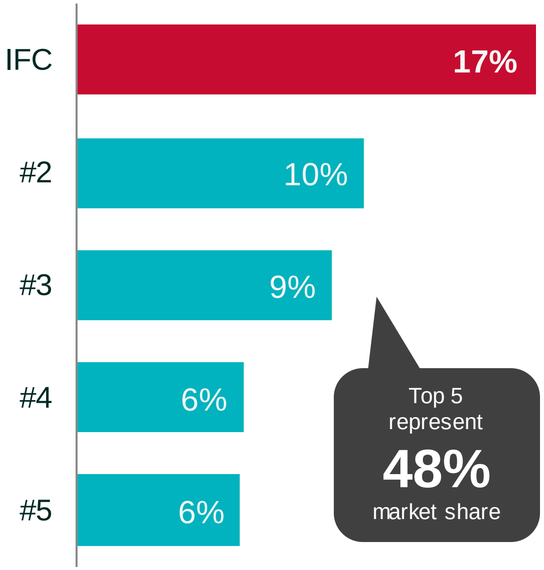
INVESTOR PRESENTATION

Intact Financial Corporation (TSX: IFC)

Updated: November 9, 2018

Canada's largest home, auto and business insurer

Largest market share in a fragmented industry [1]



Distinct brands

intact INSURANCE

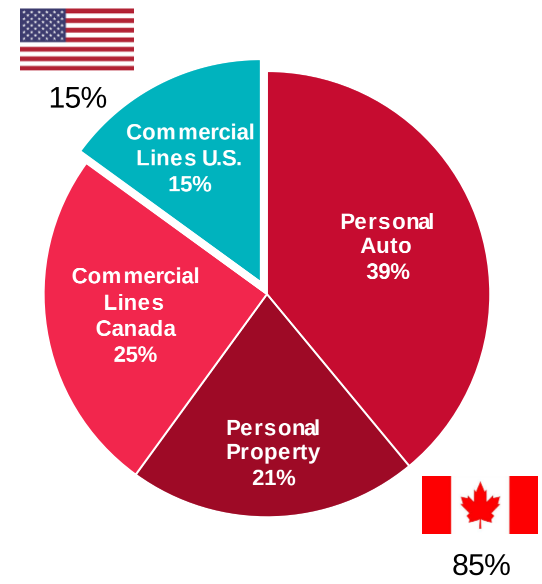
belairdirect.

BrokerLink

New U.S. platform

OneBeacon INSURANCE GROUP

2017 DPW (pro forma) by line of business [2]



Industry data: IFC estimates based on MSA Research Inc. Please refer to Important notes on page 3 of the Q3-2018 MD&A for further information.

[1] All market share data as at December 31, 2017.

[2] DPW (pro forma) for 2017 are comprised of the DPW of P&C Canada and the DPW (pro forma) of P&C U.S., using an exchange rate of 1.30.

What we are aiming to achieve

Our customers are our **advocates**

3 out of 4 customers are our advocates

3 out of 4 customers actively engage with us digitally

Our **people** are **engaged**

Be a **best employer**

Be a destination **for top talent and experts**

Our Specialty Solutions business is a **leader** in N.A.

Achieve combined ratio in the **low 90s**

Generate **$3 billion** in annual DPW

Our company is one of the **most respected**

Exceed industry ROE by **5 points**

Grow NOIPS **10% yearly over time**

Financial targets driven by unique strategic advantages

Leading N. American P&C Operator

- Seamless Distribution Strategy
- Engaged & Talented Teams
- Digital First Experiences

Scaled & Diversified Core Operation

- Sophisticated Data & Analytics Capabilities
- Deep Claims Expertise & Network
- Proven Consolidator & Integrator
- Tailored Investment Management

10%

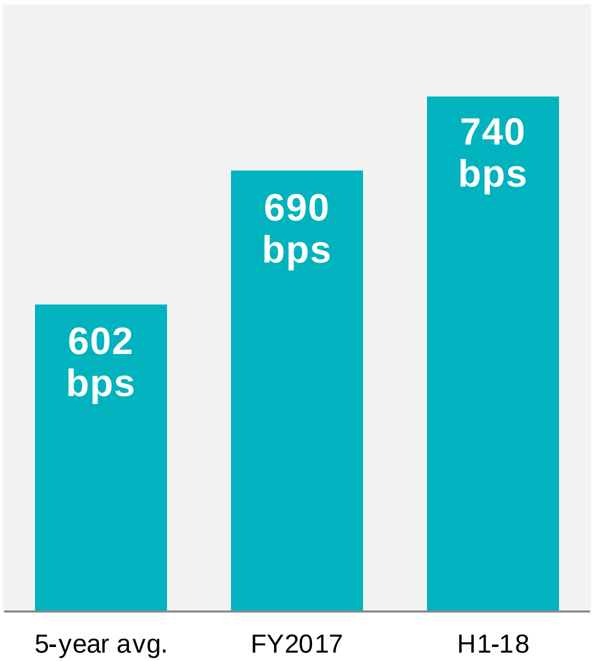
NOIPS growth per year over time

Every year beat industry ROE by

500bps

Achieving our financial targets

ROE outperformance versus the industry

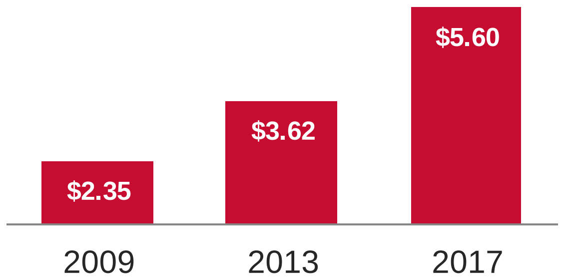


We have regularly exceeded our **500 bps ROE outperformance target** versus the industry.

Industry data: IFC estimates based on MSA Research. Please refer to Important notes on page 3 of the Q3-2018 MD&A for further information.

IFC's ROE corresponds to the AROE.

NOIPS



NOIPS 8-year CAGR **= 11.5%**

Common share dividend

DPS 9-year CAGR **= 9.1%**

* Annualized quarterly dividend declared

AON EMPLOYEUR DE CHOIX PLATINE | CANADA | 2019

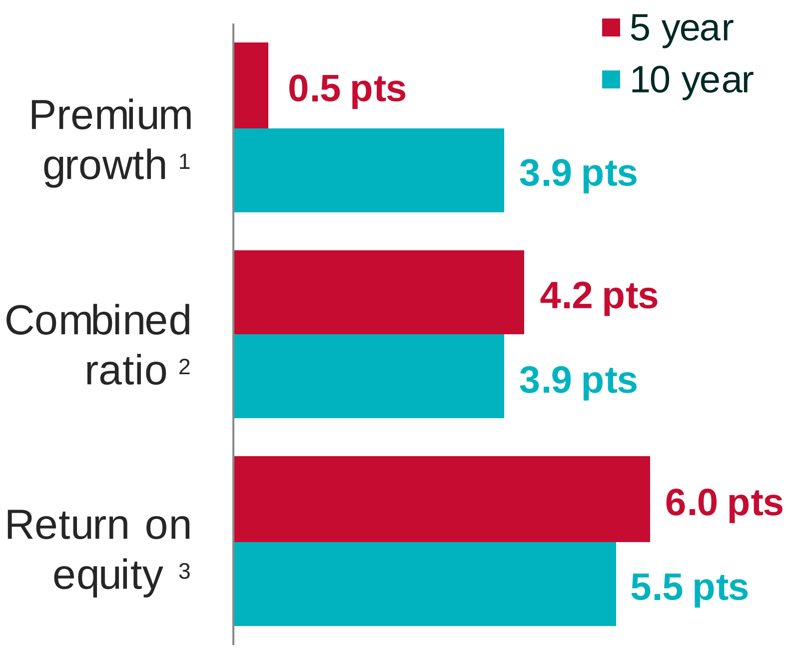
Canada's Top 100 Employers 2019

4th CONSECUTIVE YEAR AON PLATINUM AWARD AND BEST EMPLOYER

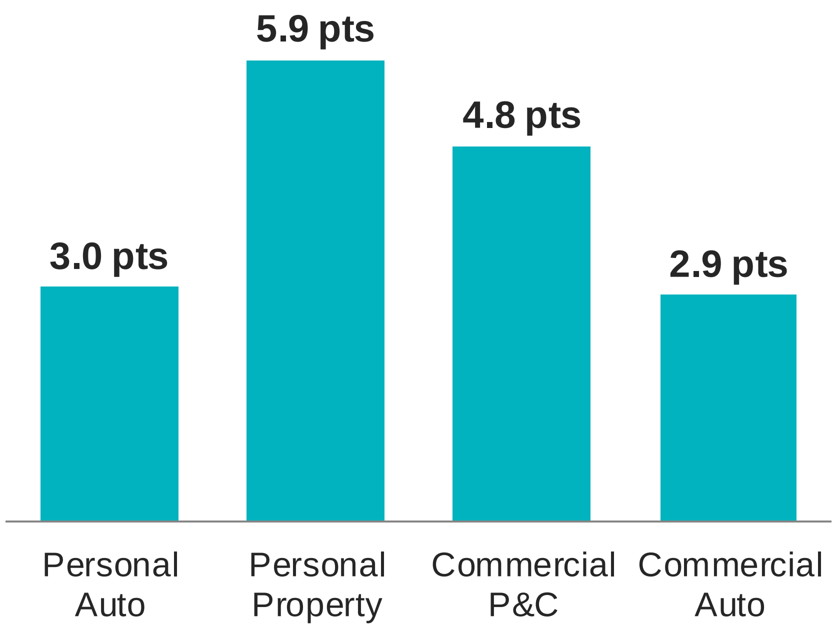
#2 GOVERNANCE OUT OF 242 COMPANIES IN CANADA

Consistent outperformance

Historical outperformance versus the Canadian P&C industry



Five-year average loss ratio outperformance gap in Canada



Industry data: IFC estimates based on MSA Research Inc. as at Dec. 31, 2017. Please refer to Important notes on page 3 of the Q1-2018 MD&A for further information in FY2017 industry results.

[1] Premium growth includes the impact of industry pools.

[2] Combined ratio includes the market yield adjustment (MYA).

[3] IFC's ROE is adjusted return on common shareholders' equity (AROE).

P&C industry 12-month outlook[1]

We expect growth at a ***mid-single-digit*** level in personal auto

Rate actions, increases in residual market volumes together with tightening capacity, confirm our view that the market is firming fast

We expect ***mid-single-digit*** growth in personal property

As companies are adjusting to changing weather patterns, we expect the current firm market conditions to continue

We expect ***mid-single-digit*** growth in commercial lines Canada

These lines of business remain competitive, with continued signs of firming market conditions

We expect ***low-to-mid single-digit*** growth in U.S. commercial lines

The pricing environment remains competitive, while modest upward trends continue

- Investment yields remain low by historical standards, but there has been upward momentum on interest rates in 2018
- The broker industry remains fragmented with continuing opportunities for consolidation

Overall, we expect the P&C insurance industry's ROE to ***improve but remain below its long-term average of 10%*** over the next 12 months

[1] Refer to Section 5.1 – *P&C Insurance Industry Outlook* of the Q3-2018 MD&A

Four avenues of growth

Multiple levers for profitable growth

Near term → Medium term

01 Firming market conditions

02 Develop existing platforms

03 Consolidate Canadian market

04 Further expansion outside Canada

Creating a leading North American specialty insurer

	3-yr CR (as of Dec. 31, 2017)	Current # of BUs	2017 DPW
intact INSURANCE	92.2%	11 [1]	C$0.7B
OneBeacon INSURANCE GROUP	95.7%	14	C$1.5B
North American Specialty	***94.5%***	***21*** [2]	***C$2.2B***

All U.S. data excludes the results of exited lines. Please refer to sections 5 and 27 of the MD&A for the year ended December 31, 2017 for more information. The CAD:USD exchange rate used is 1.30.

[1] Includes products for technology and entertainment risks launched in Q4-2017.
[2] Surety, ocean marine, technology and entertainment business units are now managed across North America.

Where We're Going

North American Expertise
- Highly respected in the marketplace
- Destination for top-notch talent
- Best-in-class service
- Outperform financially

Low-90s U.S. Combined Ratio
- Sizable core of high-performing BUs
- Invest in and grow strong performers
- Execute on U.S. profitability plans
- Top quartile N. A. Specialty Insurer

Generate $3B in annual DPW
- Leverage deep distribution partnerships
- Expand geographic footprint
- Invest in new specialty markets
- Top quartile in N. A. Specialty Market

Strong financial position

Our balance sheet is strong

$1.2B
in total capital margin

21.7%
debt-to-total capital ratio
(returning to 20% in 2019)

Low BVPS sensitivity to capital markets volatility[2]

($0.78)
per 100 bps increase in interest rates

($1.53)
per 10% decrease in common share prices

($0.33)
per 5% decrease in preferred share prices

Credit ratings[1]

	A.M. Best	DBRS	Moody's	Fitch
Financial strength ratings of IFC's principal Canadian P&C insurance subsidiaries	A+	AA (low)	A1	AA-
Senior unsecured debt ratings of IFC	a-	A	Baa1	A-
Financial strength ratings of OneBeacon U.S. regulated entities	A	-	A2	AA-

* All data as of September 30, 2018
[1] Refer to Section 10.2 – *Credit ratings* of the Q3-2018 MD&A for additional commentary.
[2] Refer to Section 12 – *Sensitivity analyses* of the Q3-2018 MD&A for additional commentary.

Proven and consistent capital management strategy

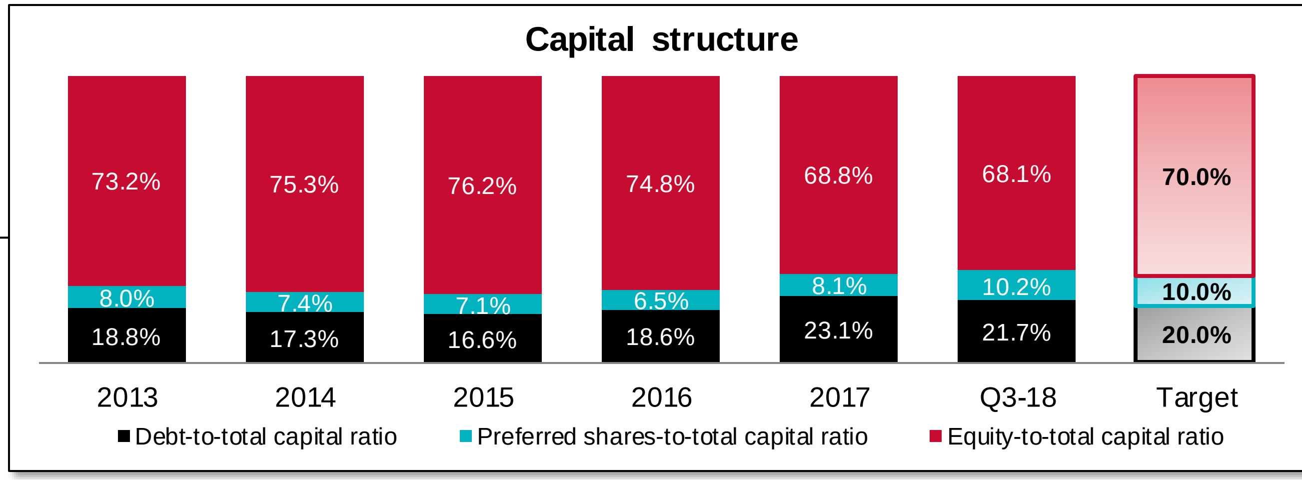
Maintain leverage ratio
(20% debt-to-total capital by 2019)

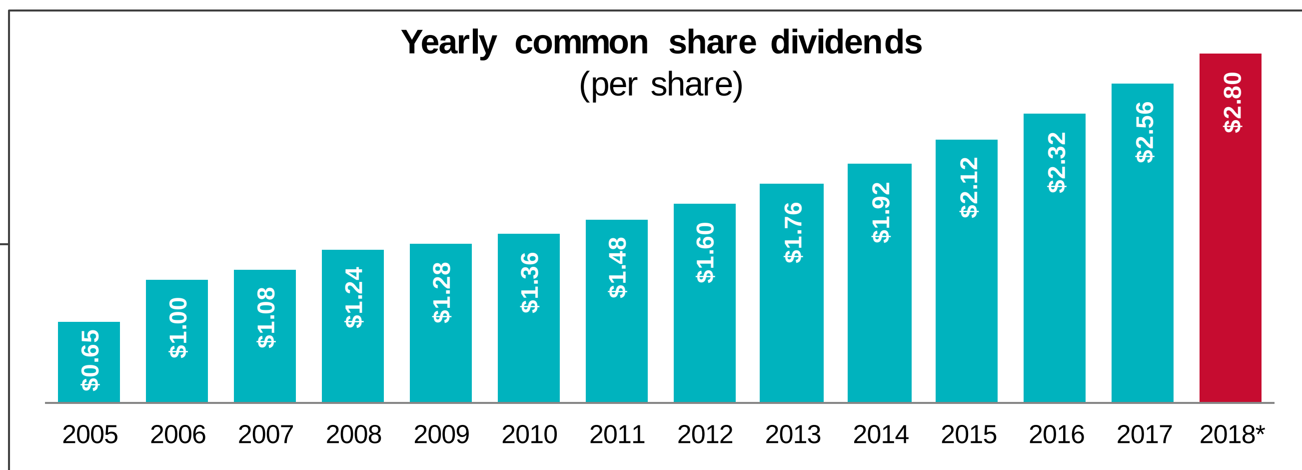
Increase dividends

Manage volatility

Invest in growth opportunities

Share buybacks



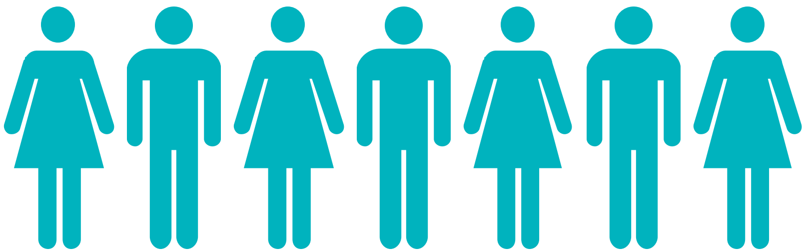


* Declared

People advantage

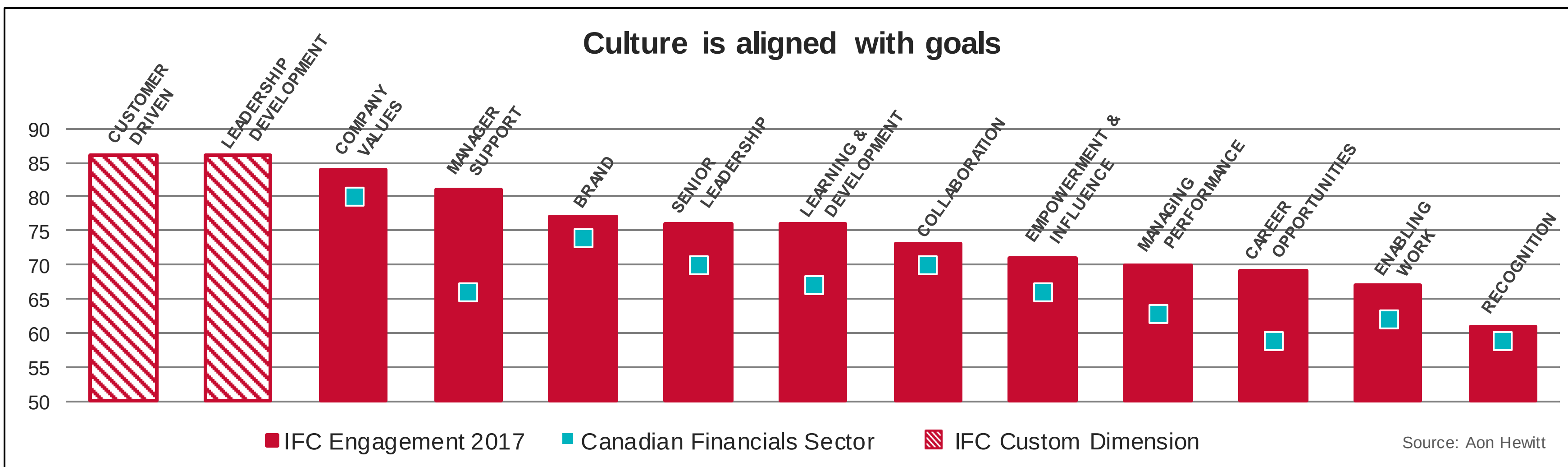
*We continue to **invest in people** and create a strong and diverse workplace*

Depth of talent with an average of **7 successors** for each Senior Leadership role



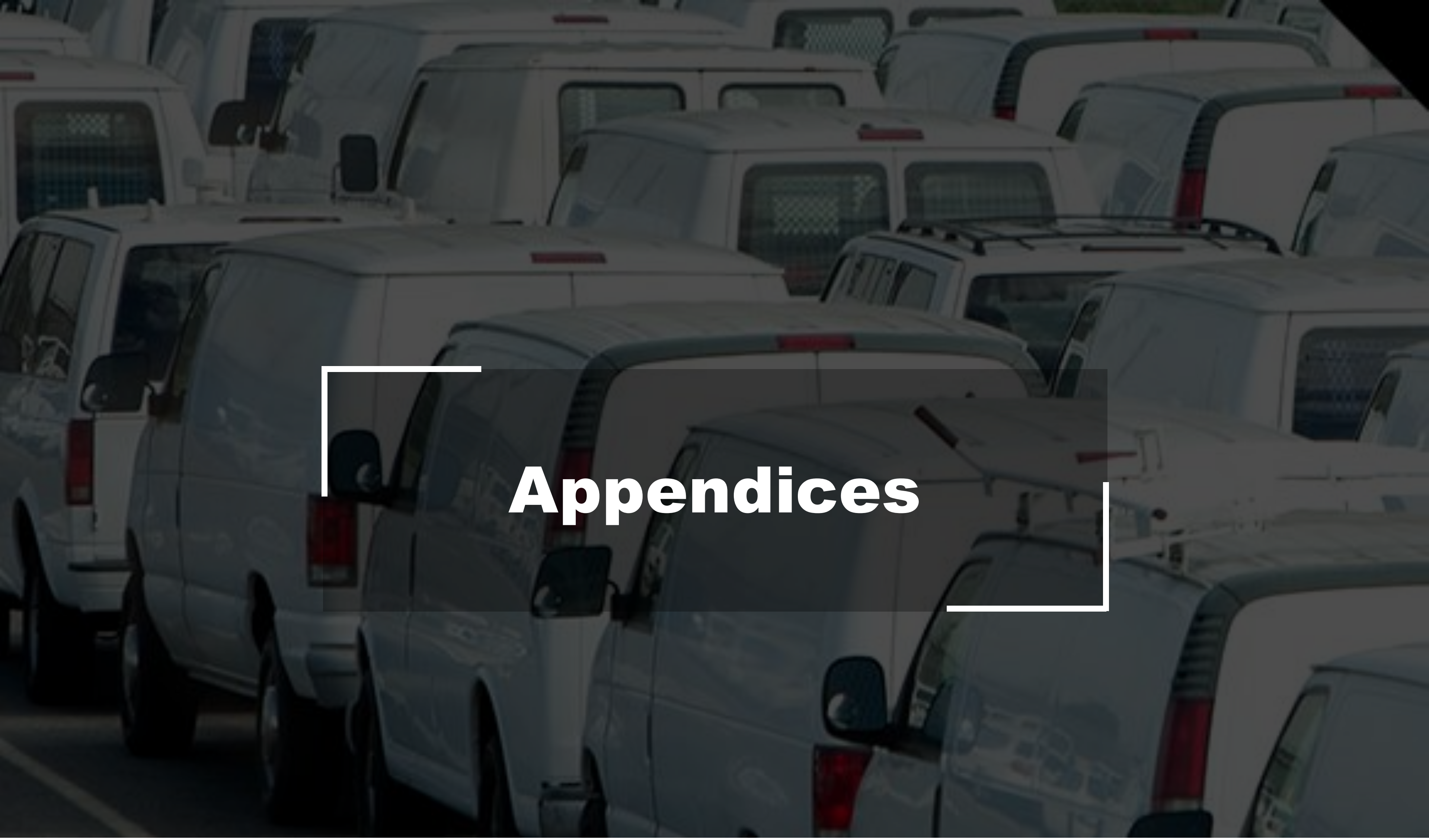
16 years of experience, on average, that Executive Committee members have with the organization in various roles

* As of December 31, 2017



Key takeaways

1. **Sustainable competitive edge** driven by strong fundamentals, scale and discipline
2. **Customer driven** with diversified offers to meet changing needs
3. **Solid financial position** and proven track record of consolidation
4. **Deep, diverse, engaged, loyal** talent pool



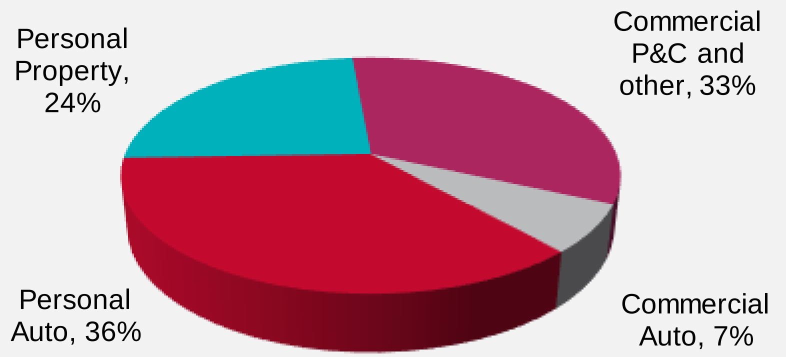
Appendices

P&C insurance in Canada

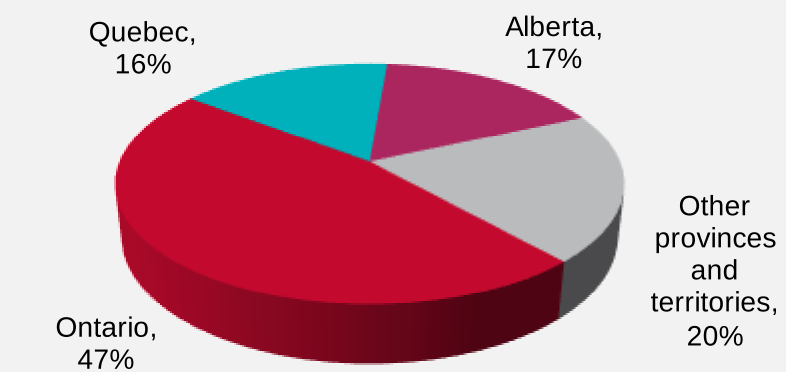
A $51 billion market representing approximately 3% of GDP

- Fragmented market:
  - Top five represent 48%, versus bank/lifeco markets which are closer to 65-75%
  - IFC is largest player with approximately 17% market share, versus largest bank/lifeco with 22-25% market share
  - P&C insurance shares the same regulator as the banks and lifecos
- Home and commercial insurance rates unregulated; personal auto rates regulated in many provinces.
- Capital is regulated nationally by OSFI* and by provincial authorities in the case of provincial insurance companies.
- Distribution in the industry is currently about 60% through brokers and 40% through direct writers.
- Industry has grown at ~5% CAGR and delivered ROE of ~10% over the last 30 years.

Industry DPW by line of business



Industry – premiums by province



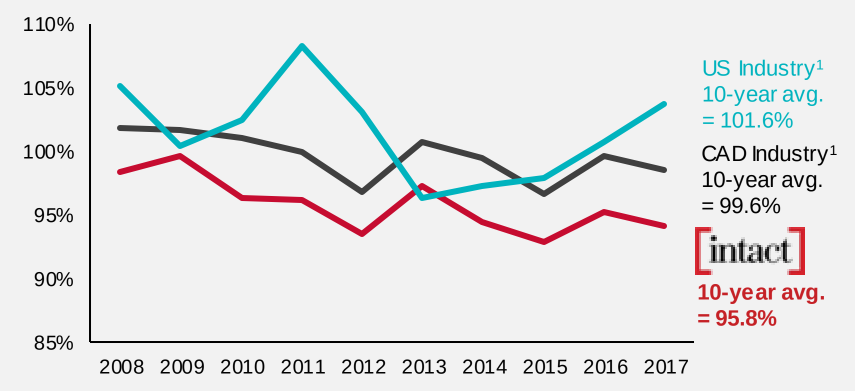
Industry data: IFC estimates based on MSA Research Inc. and Insurance Bureau of Canada.
Please refer to Important notes on page 3 of the Q2-2018 MD&A for further information.
All data as at December 31, 2017.
* OSFI = Office of the Superintendent of Financial Institutions Canada

P&C industry 10-year performance versus IFC

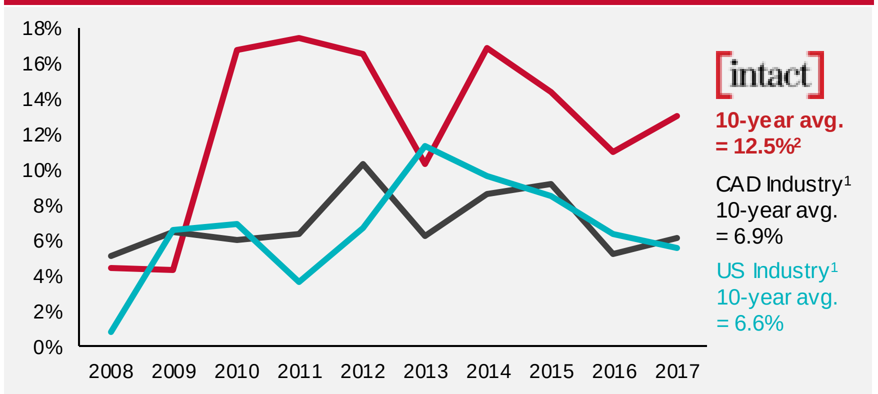
IFC's competitive advantages

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

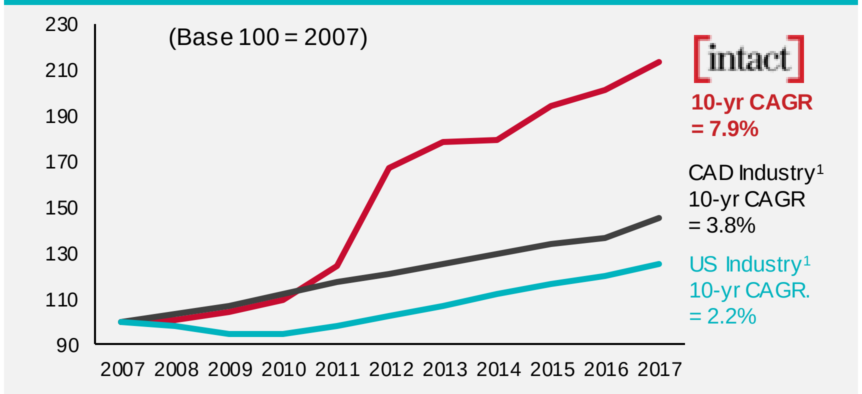
Combined ratio



Return on equity



Direct premiums written growth



[1] Industry data: IFC estimates based on SNL Financial and MSA Research excluding Lloyd's, ICBC, SGI, SAF, MPI, Genworth and IFC. All data as at Dec 31, 2017.
[2] ROEs reflect IFRS beginning in 2010. Since 2011, IFC's ROE is adjusted return on common shareholders' equity (AROE).

Q3-18 Personal Lines Performance

Personal auto commentary:

- Personal auto premiums declined 2% compared to the same quarter last year, as rate increases taken ahead of the market and segmentation initiatives impacted unit growth.
- The combined ratio of 99.0% improved 6.1 points over last year driven by significant improvement in underlying performance. Results included 1.9 points of unfavourable prior year claims development.
- Our profitability actions are yielding results and we remain on track to achieve our mid-90's combined ratio run-rate target by year-end.

(in C$ millions, except as otherwise noted)	Q3-2018	Q3-2017	Change
DPW	**1,003**	1,028	(2)%
Written insured risks (in thousands)	**1,087**	1,139	(5)%
NEP	**939**	962	(2)%
Underwriting income	**10**	(50)	nm
Claims ratio	**76.3%**	82.5%	(6.2) pts
Expense ratio	**22.7%**	22.6%	0.1 pts
Combined ratio	**99.0%**	**105.1%**	**(6.1) pts**

Personal property commentary:

- Personal property premiums grew 2% driven by rate increases in firm market conditions, tempered by the impact of our profitability actions in personal auto.
- The combined ratio of 83.8% was strong and improved 1.2 points over last year driven by lower catastrophe losses.
- The year-to-date combined ratios remain resilient at a low-90s level for both years despite severe weather in 2017 and 2018.

(in C$ millions, except as otherwise noted)	Q3-2018	Q3-2017	Change
DPW	**606**	591	2%
Written insured risks (in thousands)	**658**	667	(1)%
NEP	**531**	517	3%
Underwriting income (loss)	**85**	78	9%
Claims ratio	**51.8%**	53.1%	(1.3) pts
Expense ratio	**32.0%**	31.9%	0.1 pts
Combined ratio	**83.8%**	**85.0%**	**(1.2) pts**

Q3-18 Commercial Lines Performance

Commercial lines commentary:

- Commercial lines (P&C and auto) premiums saw strong growth of 8% as both segments continued to benefit from rate momentum in firming market conditions.
- The combined ratio of 94.9% increased year-over-year by 18.4 points, of which about 8 points related to the 2017 net reserve change recorded in Q3-2017. Elevated large losses and catastrophe losses were each roughly 5 points higher than last year.

(in C$ millions, except as otherwise noted)	Q3-2018	Q3-2017	Change
DPW	**630**	584	8%
Commercial P&C	**427**	404	6%
Commercial auto	**203**	180	12%
NEP	**644**	603	7%
Underwriting income	**34**	142	(76)%
Claims ratio	**60.8%**	43.2%	17.6 pts
Expense ratio	**34.1%**	33.3%	0.8 pts
Combined ratio	**94.9%**	**76.5%**	**18.4 pts**

P&C United States[1] commentary:

- Premiums of $469 million reflected strong organic growth of 5% in the quarter. Growth initiatives are generating strong new business. Business lines not undergoing profitability improvement again delivered low double-digit growth.
- Combined ratio was a solid 93.5%. Since closing the OneBeacon acquisition one year ago, we have made good progress in improving profitability.
- We are well on track to achieve a sustainable low-90s combined ratio within 24 months

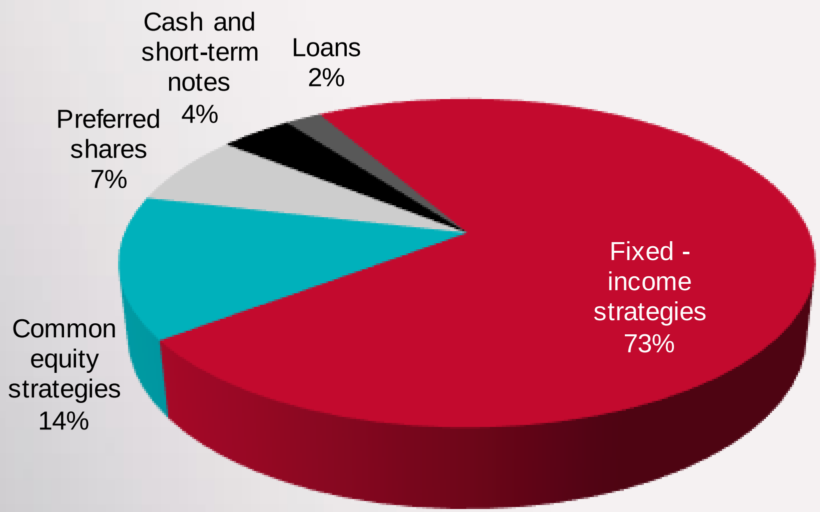
(in C$ millions, except as otherwise noted)	Q3-2018	Q2-2018	Q1-2018	Q4-2017
DPW	**469**	**374**	**321**	**307**
NEP	**347**	**340**	**314**	**326**
Underwriting income	**22**	**21**	**15**	**8**
Claims ratio	**54.7%**	**57.0%**	**57.8%**	**60.5%**
Expense ratio	**38.8%**	**36.8%**	**37.5%**	**36.9%**
Combined ratio	**93.5%**	**93.8%**	**95.3%**	**97.4%**

[1] P&C U.S. excludes the results of exited lines

High quality investment portfolio

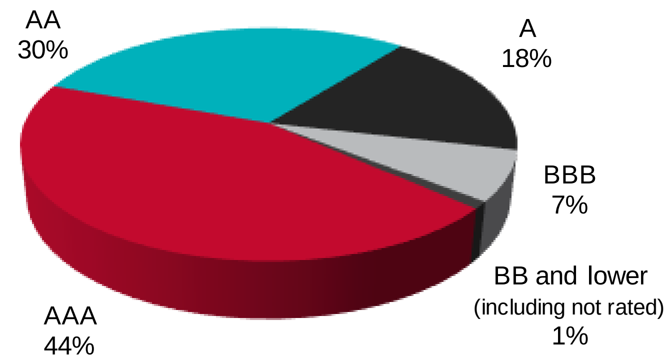
C$17 billion of high quality investments - strategically managed

Investment mix by asset class
(net exposure)

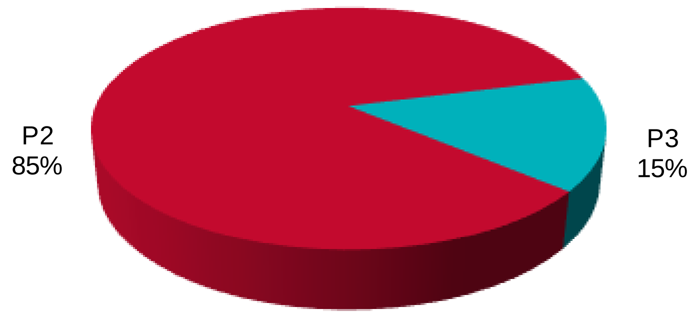


- 92% of fixed-income securities are rated ‘A-’ or better.
- The weighted-average rating of our preferred share portfolio are ‘P2’.
- 99% of our structured debt securities are rated ‘A’ or better.

Fixed-income securities credit quality



Preferred shares credit quality



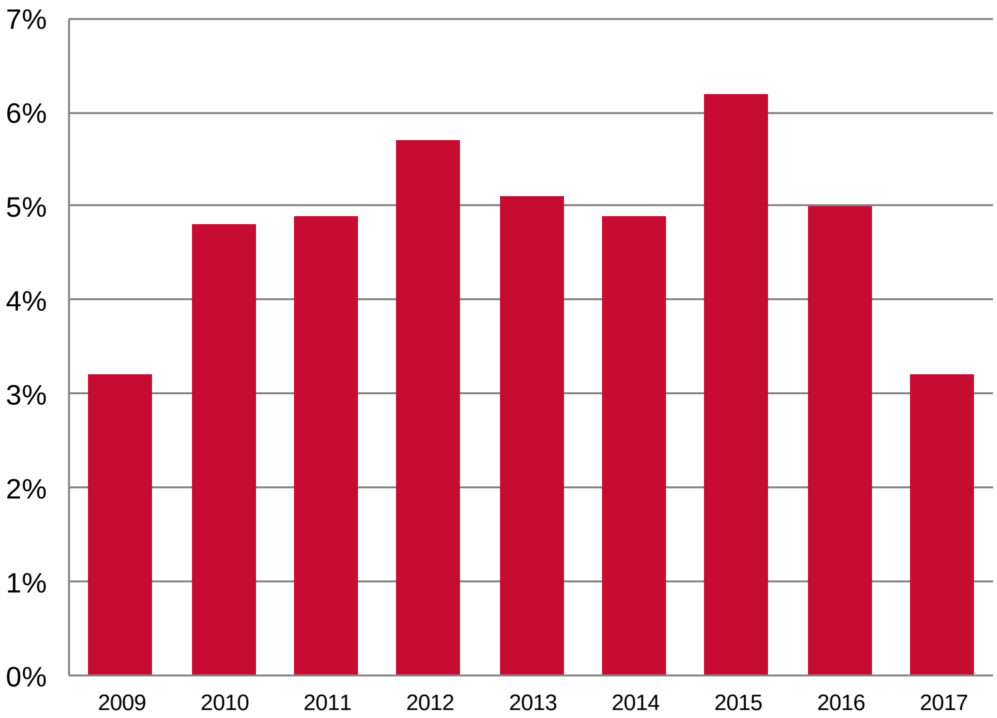
All data as at Sept. 30, 2018

Track record of prudent reserving practices

- Prior year claims development (PYD) can fluctuate from quarter to quarter and year to year and, therefore, should be evaluated over longer periods of time.
- We expect the average favourable PYD as a percentage of opening reserves to be in the 2%-4% range over the long term. Higher interest rates will trend PYD around the lower end of this range, with an offset in the CAY loss ratio.
- Our consistent track record of positive reserve development reflects our preference to take a conservative approach to establishing and managing claims reserves.

Annualized rate of favourable PYD – P&C Canada

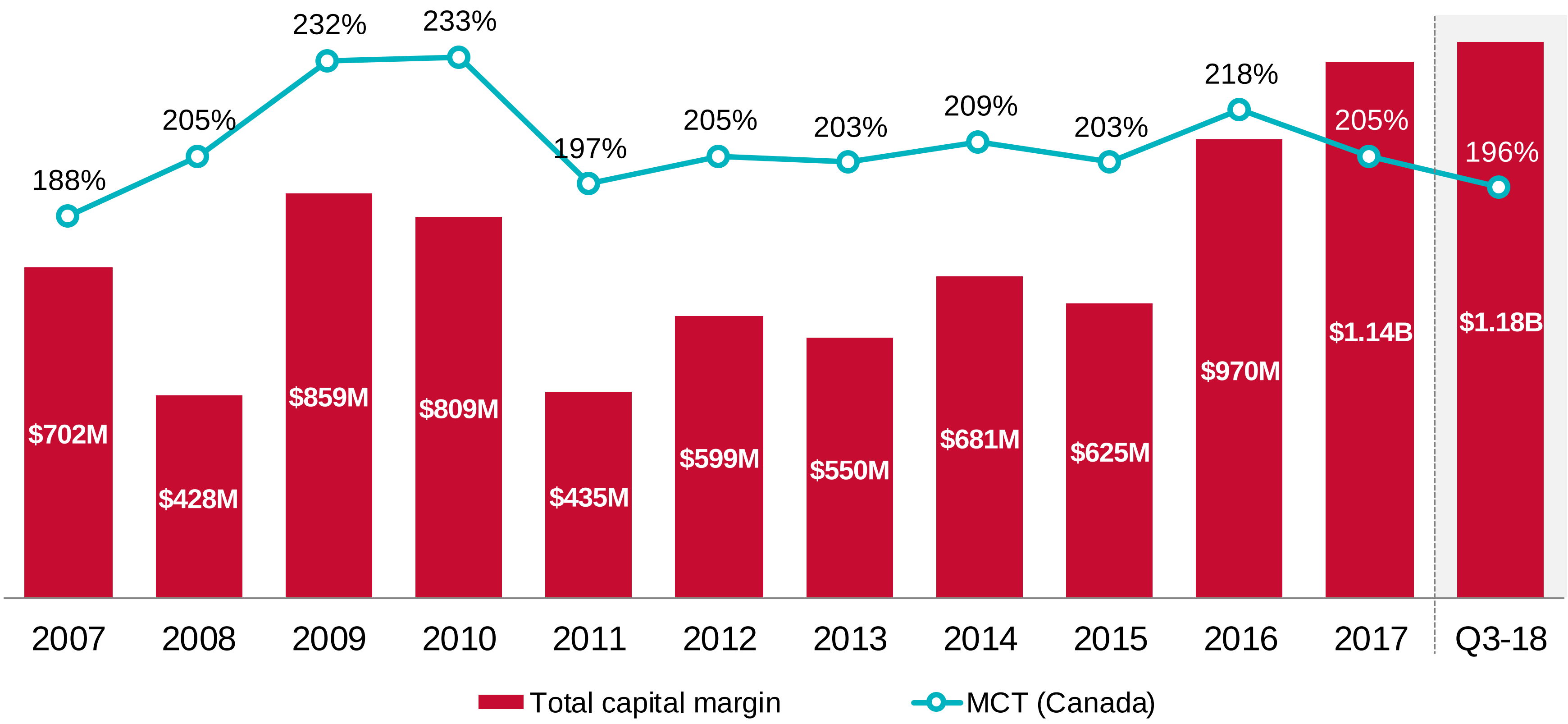
(as a % of opening reserves)



Please see Section 9 – *Claims liabilities and reinsurance* of the Q3-2018 MD&A for details.

Strong capital base

Total capital margin is maintained to ensure a ***very low probability*** *of breaching company action levels*



* All references to "total capital margin" include the aggregate of capital in excess of company action levels in regulated entities (170% MCT, 200% RBC) plus available cash in unregulated entities (see Section 11.2 - *Capital position* of the Q3-2018 MD&A for details).

Further industry consolidation ahead

Our domestic acquisition strategy

- Open to manufacturing, distribution, and supply chain opportunities
- M&A will continue to accelerate key strategic focuses: scale, enhanced distribution capabilities, and a broadened customer offering
- Strong track record of executing our strategy with a proven ability to achieve synergy targets and attractive rates of return

Track record of acquisitions since 2001

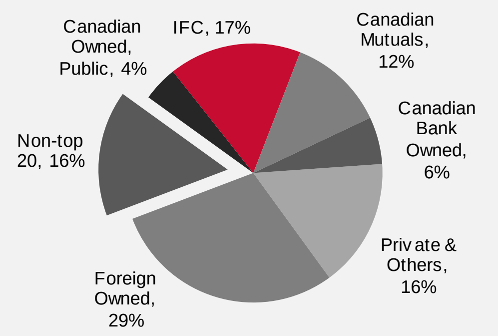
Year	Company	DPW
2017	**OneBeacon Insurance Group, Ltd.**	US$1.2 billion
2016	**InnovAssur, assurances générales inc.**	C$50 million
2015	**Canadian Direct Insurance Inc.**	C$143 million
2014	**Metro General Insurance Corporation Ltd.**	C$27 million
2012	**JEVCO Insurance Company**	C$350 million
2011	**AXA Canada Inc.**	C$2 billion
2004	**Allianz of Canada, Inc.**	C$672 million
2001	**Zurich North America Canada**	C$510 million

Canadian M&A environment

Environment conducive to acquisitions:

- Industry ROEs, although slightly improved from trough levels of mid-2009, remain below the long-term average of 10%
- Necessary investments in technology & innovation, increasing CAT experience, and persistently low investment yields continue to favour scale
- Demutualization likely for P&C insurance industry

Top 20 P&C insurers = **84%** of market



Top 5 - 2017

48%

OF THE MARKET

Top 5 - 2009

36%

OF THE MARKET

Industry data: IFC estimates based on MSA Research. Please refer to Important notes on page 3 of the Q2-2018 MD&A for further information.
All data as at December 31, 2017

Historical financials

(in millions of Canadian dollars, except as otherwise noted)	YTD Q3-18	YTD Q3-17	2017	2016	2015	2014	2013
Financial results							
Direct premiums written	7,698	6,437	8,730	8,277	7,901	7,441	7,322
Underwriting income	264	308	486	375	628	519	142
Net investment income	389	311	432	414	424	427	406
Net operating income (NOI)	558	535	771	660	860	767	500
Net income attributable to shareholders	463	560	792	541	706	782	431
Underwriting results							
Claims ratio	66.2%	66.2%	65.4%	64.9%	61.3%	62.6%	66.9%
Expense ratio	30.1%	28.8%	28.9%	30.4%	30.4%	30.2%	31.1%
Combined ratio	96.3%	95.0%	94.3%	95.3%	91.7%	92.8%	98.0%
Per share (basic and diluted) (in $)							
Net operating income per share (NOIPS)	3.80	3.95	5.60	4.88	6.38	5.67	3.62
Earnings per share to common shareholder (EPS)	3.12	4.14	5.75	3.97	5.20	5.79	3.10
Adjusted EPS (AEPS)	3.82	4.27	5.82	4.53	5.54	6.01	3.44
Return on equity (for the last 12 months)							
Operating ROE (OROE)	11.6%	13.3%	12.9%	12.0%	16.6%	16.3%	11.2%
Return on equity (ROE)	9.8%	12.7%	12.8%	9.6%	13.4%	16.1%	9.3%
Adjusted ROE (AROE)	11.2%	13.6%	13.0%	11.0%	14.3%	16.8%	10.3%
Financial position							
Total investments	16,999	17,093	16,853	14,386	13,504	13,440	12,261
Debt outstanding	2,189	2,389	2,241	1,393	1,143	1,143	1,143
Total shareholder's equity	7,886	7,264	7,463	6,088	5,724	5,451	4,950
Total capital margin	1,177	1,155	1,135	970	625	681	550
Book value per share (in $)	49.27	46.56	48.00	42.72	39.83	37.75	33.94

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Forward-looking statements

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. This presentation contains forward-looking statements with respect to the acquisition (the "Acquisition") of OneBeacon Insurance Group, Ltd. ("OneBeacon") and the integration and future plans relating to the Acquisition.

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, floating rate securities 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 and severity, including in the Ontario personal auto line of business, catastrophe losses caused by severe weather and other weather-related losses, as well as the impact of climate change; 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; economic, financial, business and political conditions, as well as their resulting effect on management's estimates and expectations in relation to accretion, equity IRR, net operating income per share, MCT, combined and debt-to-total capital ratio and the other metrics used in relation to the Acquisition; the terms and conditions 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 and frequency of catastrophe events, including a major earthquake; the Company's ability to maintain its financial strength and issuer credit ratings; the Company's access to debt and equity financing; 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 evolving cybersecurity risk; the impact of developments in technology on the Company's products and distribution; the Company's dependence on and ability to retain key employees; changes in laws or regulations; 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; 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.

All of the forward-looking statements included in this presentation, the Q3-2018 MD&A and the quarterly earnings press release dated November 6, 2018, are qualified by these cautionary statements and those made in the section entitled Risk management (Sections 19-24) of our MD&A for the year ended December 31, 2017. 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.

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