NOVEMBER 19, 2019

INVESTOR DAY

THE NEXT DECADE

intact

Today's Agenda

9:05 am	10-year review & the decade ahead	Louis Marcotte & Charles Brindamour
9:15 am	Strengthening our leadership position in Canada	Anne Fortin
9:35 am	Building a North American Specialty leader	Mike Miller & Lynn O'Leary
9:55 am	**BREAK**	
10:15 am	Becoming the best insurance AI shop in the world	Christian Menkens & Jean-François Lessard
10:35 am	Going deeper into claims	Patrick Barbeau & France St-Louis
10:50 am	Capital enabling transformation	Carla Smith & Ken Anderson
11:05 am	**Q&A – PART 1**	
11:20 am	**BREAK**	
11:40 am	Board panel: strategy & governance	Frederic Cotnoir, Bill Young & Eileen Mercier
12:00 pm	Recap & perspective on current market conditions	Louis Marcotte & Darren Godfrey
12:15 pm	Concluding remarks	Charles Brindamour
12:25 pm	**Q&A – PART 2**	
12:45 pm	**LUNCH**	

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. Unless otherwise indicated, all forward-looking statements in this Presentation are made as at September 30, 2019, and are subject to change after that date. This Presentation contains forward-looking statements with respect to the acquisition (the "Acquisition") of The Guarantee of North America and Frank Cowan Company Limited.

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:

- 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 P&C insurance industry;
- management's ability to accurately predict future claims frequency and severity, including in the personal auto line of business;
- 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 Acquisitions;
- the Company's expectations in relation to synergies, future economic and business conditions and other factors in relation to the Acquisition and resulting impact on growth and accretion in various financial metrics;
- 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 integration post-closing of the Acquisition;
- the Company's profitability following the acquisition of OneBeacon Insurance Group, Ltd. ("OB Acquisition") and the Acquisition;
- the Company's ability to improve its Combined Ratio in the United States in relation to the OB Acquisition and the Acquisition;
- the Company's ability to retain business and key employees in the United States in relation to the OB Acquisition and the Acquisition;
- undisclosed liabilities in relation to the OB Acquisition and 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;
- catastrophe losses caused by severe weather and other weather-related losses, as well as the impact of climate change;
- 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 in the context of evolving cybersecurity risk;
- the impact of developments in technology and use of data 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 (including the Subscription Receipts);
- the Company's ability to hedge exposures to fluctuations in foreign exchange rates;
- future sales of a substantial number of its common shares; and
- 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 Q3-2019 MD&A and the quarterly earnings press release dated November 5, 2019 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, 2018. 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.

Disclaimer

This Presentation does not constitute or form part of any offer for sale or solicitation of any offer to buy or subscribe for any securities nor shall it or any part of it form the basis of or be relied on in connection with, or act as any inducement to enter into, any contract or commitment whatsoever.

The information contained in this Presentation concerning the Company does not purport to be all-inclusive or to contain all the information that a prospective purchaser or investor may desire to have in evaluating whether or not to make an investment in the Company. The information is qualified entirely by reference to the Company's publicly disclosed information.

No representation or warranty, express or implied, is made or given by or on behalf of the Company or any of its the directors, officers or employees as to the accuracy, completeness or fairness of the information or opinions contained in this Presentation and no responsibility or liability is accepted by any person for such information or opinions. In furnishing this Presentation, the Company does not undertake or agree to any obligation to provide the attendees with access to any additional information or to update this Presentation or to correct any inaccuracies in, or omissions from, this Presentation that may become apparent. The information and opinions contained in this Presentation are provided as at the date of this Presentation. The contents of this Presentation are not to be construed as legal, financial or tax advice. Each prospective purchaser should contact his, her or its own legal adviser, independent financial adviser or tax adviser for legal, financial or tax advice.

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 analyzes performance based on underwriting ratios such as combined, expense, loss and claims ratios, MCT, RBC and debt-to-total capital, as well as other non-IFRS financial measures, namely DPW, change or growth in constant currency, Underlying current year loss ratio, Underwriting income (loss), Underwriting expenses, NEP, NOI, NOIPS, OROE, ROE, AROE, Non-operating results, Net distribution income, Adjusted net income, AEPS, Total net claims, and Total capital margin. These measures and other insurance related terms are defined in the Company's glossary available on the Intact Financial Corporation website at www.intactfc.com in the "Investors" section. Additional information about the Company, including the Annual Information Form, may be found online on SEDAR at www.sedar.com.

Important notes:

- Effective in Q1-2019, we have improved the way we report the performance of our distribution channel and investment/other expenses, to better align our reporting with how management views the results of our business. We have reclassified comparative figures in order to ensure comparability and consistency with this new presentation. For further details, see Section 14 - Presentation changes of the Q3-2019 MD&A.
- Unless otherwise noted, DPW refer to DPW normalized for the effect of multi-year policies, excluding industry pools, fronting and exited lines (referred to as "DPW" in this Presentation). See Section 15 for details on exited lines and Table 24 for the reconciliation to DPW of the Q3-2019 MD&A, as reported under IFRS. All underwriting results and related ratios exclude the MYA and the results of our U.S. Commercial exited lines, unless otherwise noted. The expense and general expense ratios are presented herein net of other underwriting revenues.
- When relevant, we present changes in constant currency, which exclude the impact of fluctuations in foreign exchange rates from one period to the other, to enhance the analysis of our results with comparative periods. See Section 16 – Non-IFRS financial measures of the Q3-2019 MD&A.
- Regulatory Capital Ratios refer to MCT (as defined by OSFI and the AMF in Canada) and RBC (as defined by the NAIC in the U.S.). All references to "total capital margin" in this Presentation include the aggregate of capital in excess of company action levels in regulated entities (170% MCT, 200% RBC and other CALs in other jurisdictions) plus available cash in unregulated entities.
- Unless otherwise noted, market share and market related data for P&C Canada are based on the latest available data (Q2-2019) from MSA Research Inc. ("MSA") and excludes Lloyd's Underwriters Canada, Insurance Corporation of British Columbia, Saskatchewan Government Insurance, Saskatchewan Auto Fund, Genworth Financial Mortgage Insurance Company Canada and Canada Guaranty Mortgage Insurance Company. MSA data excludes certain Québec regulated entities. Market share and market positioning reflect the impact of announced or completed acquisitions and are therefore presented on a pro forma basis.
- Certain totals, subtotals and percentages may not agree due to rounding. Not meaningful (nm) is used to indicate that the current and prior year figures are not comparable, not meaningful, or if the percentage change exceeds 1,000%.

"This report, and the analyses, models and predictions contained herein ("Information"),are based on data provided by Intact Financial Corporation and compiled using proprietary computer risk assessment technology of Risk Management Solutions, Inc. ("RMS").The technology and data used in providing this Information is based on the scientific data, mathematical and empirical models, and encoded experience of scientists and specialists (including without limitation: earthquake engineers, wind engineers, structural engineers, geologists, seismologists, meteorologists, geotechnical specialists and mathematicians). As with any model of physical systems, particularly those with low frequencies of occurrence and potentially high severity outcomes, the actual losses from catastrophic events may differ from the results of simulation analyses. Furthermore, the accuracy of predictions depends largely on the accuracy and quality of the data used by Intact Financial Corporation. The Information is provided under license to Intact Financial Corporation and is RMS' proprietary and confidential information and may not be shared with any third party without the prior written consent of both Intact Financial Corporation and RMS. Furthermore, this Information may only be used for the specific business purpose specified by Intact Financial Corporation and for no other purpose, and may not be used under any circumstances in the development or calibration of any product or service offering that competes with RMS.

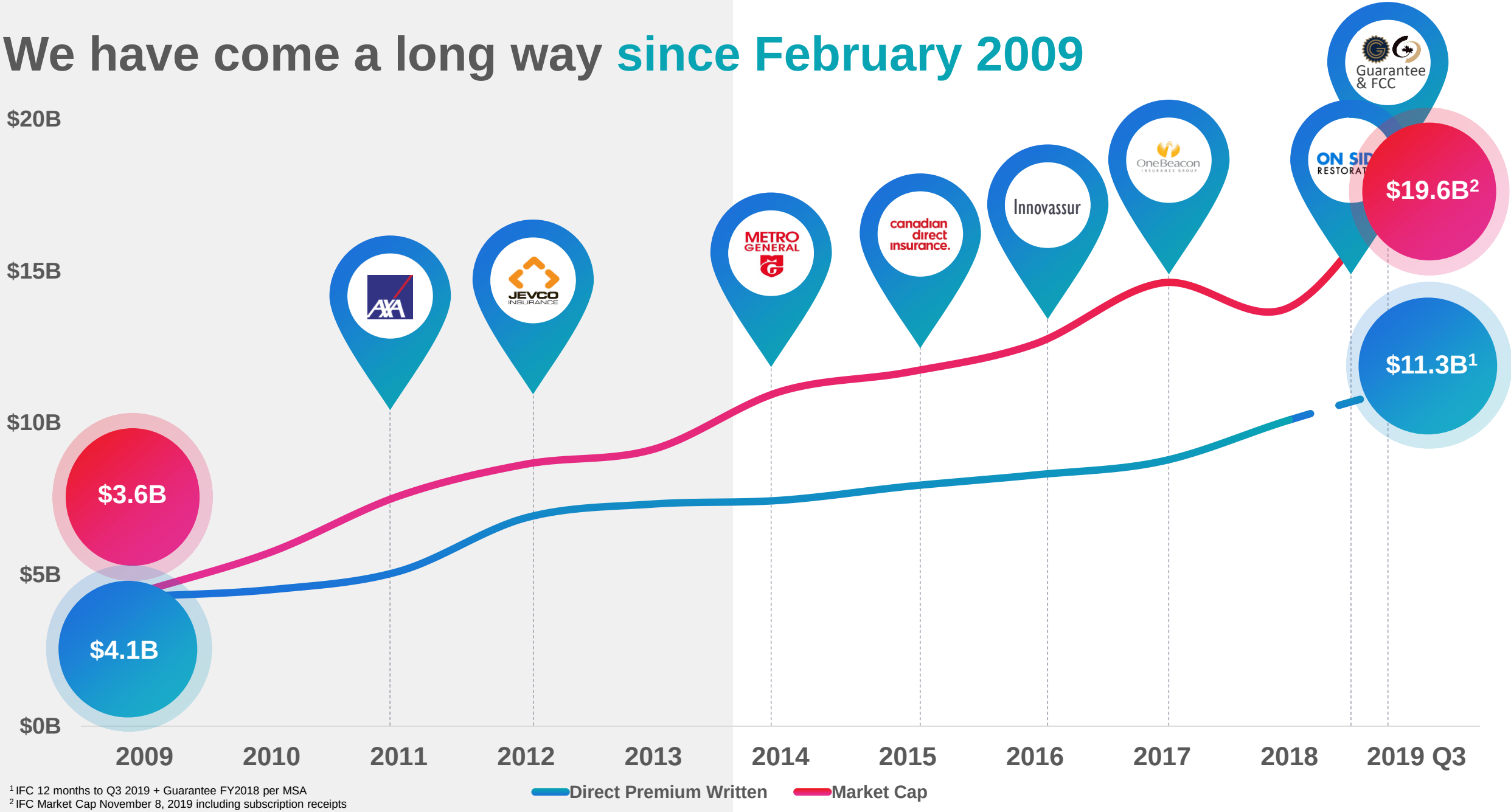
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Introduction: **10-YEAR REVIEW & THE DECADE AHEAD**

Louis Marcotte & Charles Brindamour

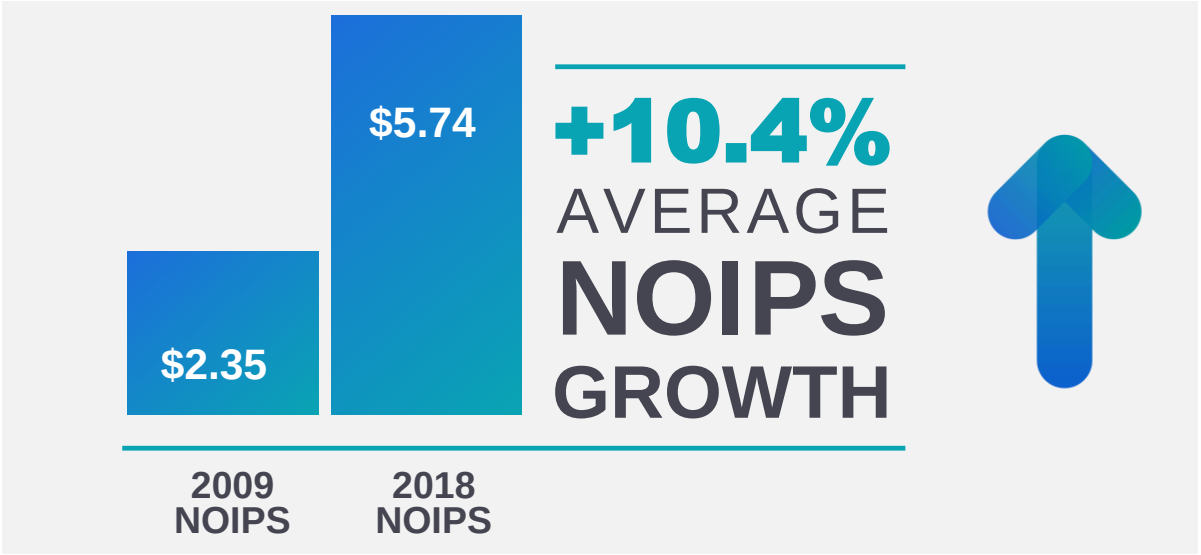


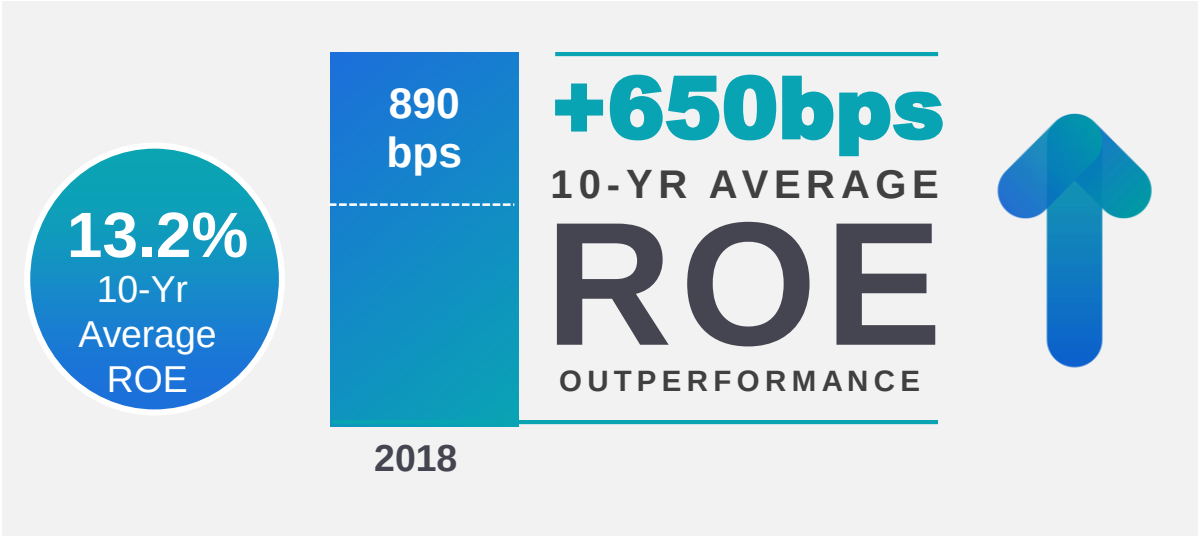
We have come a long way since February 2009



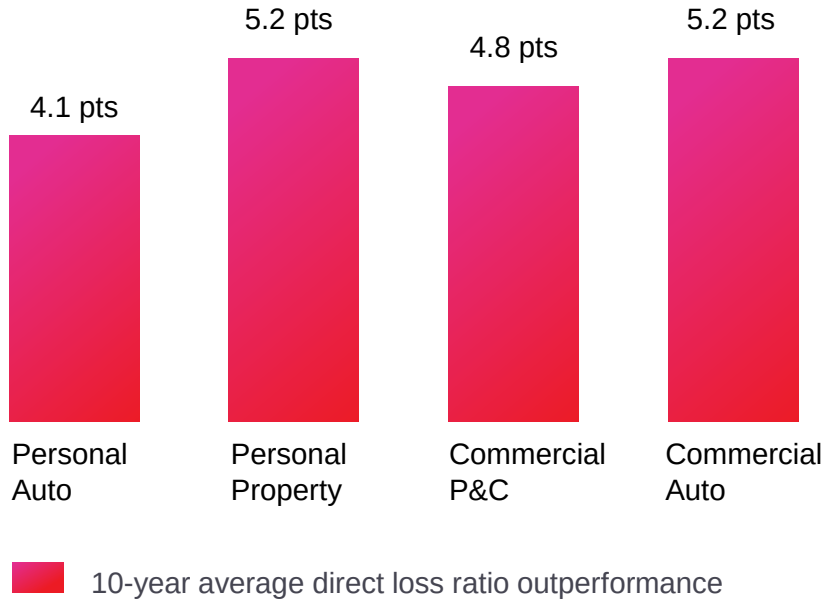
[1] IFC 12 months to Q3 2019 + Guarantee FY2018 per MSA
[2] IFC Market Cap November 8, 2019 including subscription receipts

We have exceeded our financial objectives

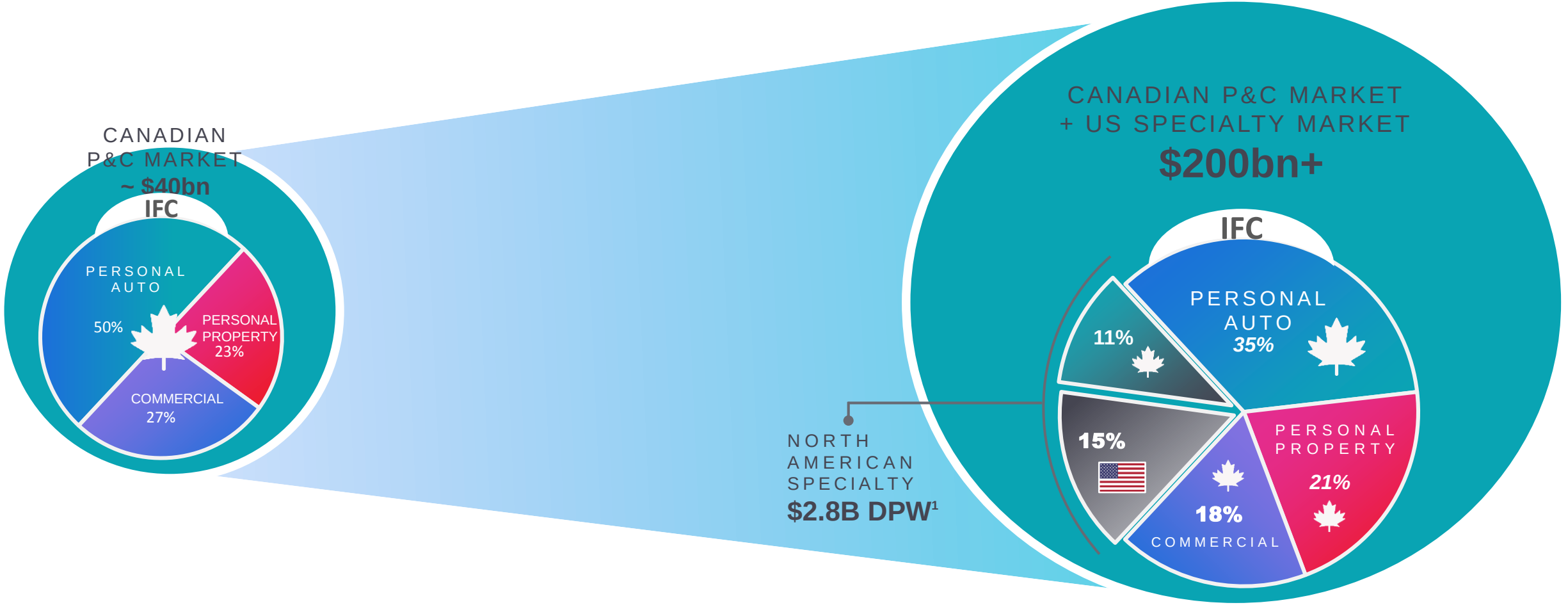




Outperformance has been broad based…



Diversified business mix to sustain our future ambitions



2009 — MARKET SHARE[2] **11%**

2019 — MARKET SHARE[3] **17%**

[1] Q3-2019 trailing twelve month DPW for IFC North American Specialty plus 2018 specialty premiums of The Guarantee Company of North America.
[2] Refer to Q4-2009 MD&A, Section 1
[3] Proforma FY 2018 IFC + GCNA

Outperformance grounded in solid values

Integrity

Respect

Customer Driven

Excellence

Generosity

– 1st place –

Board Shareholder Confidence Index 2018

Rotman School of Management UNIVERSITY OF TORONTO
Clarkson Centre for Business Ethics

– 2nd place –

Board Games 2018

THE GLOBE AND MAIL Board Games 2018

– 2018 Global TopGun –

for transparency and financial reporting

Brendan Wood International TopGun Press

glassdoor 2019 BEST PLACES TO WORK EMPLOYEES' CHOICE

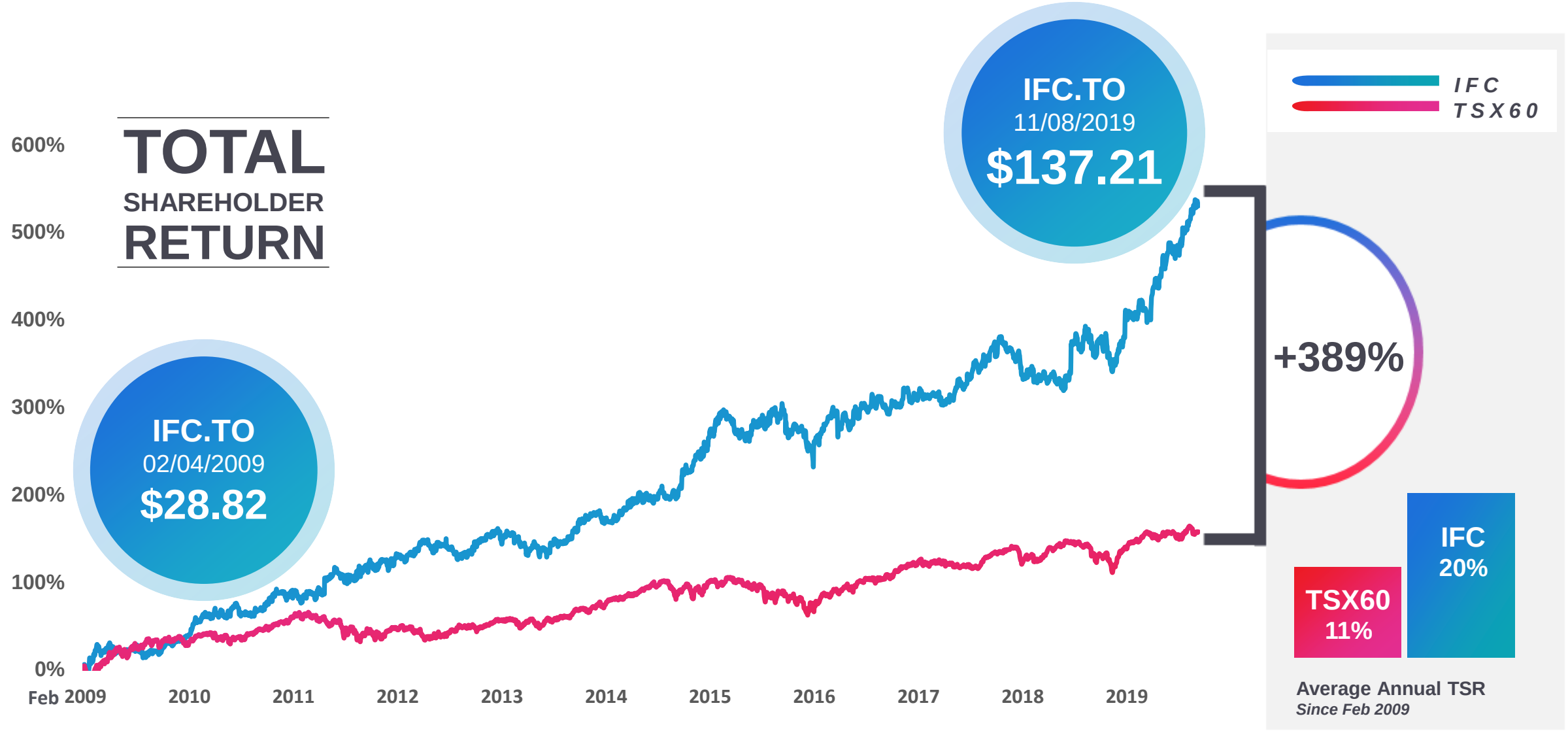
indeed TOP-RATED WORKPLACE Canada 2018

CANADA'S TOP EMPLOYERS FOR YOUNG PEOPLE 2019

GREATER TORONTO'S TOP 2019 EMPLOYERS

Canada's Top 100 Employers 2019

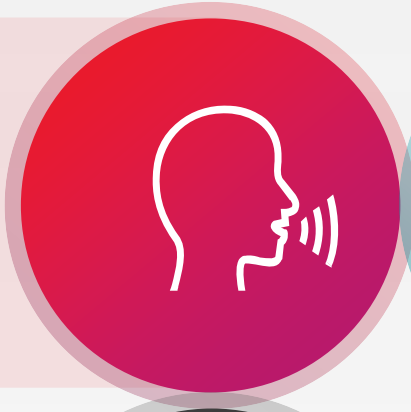
And we have delivered excellent returns for our shareholders



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



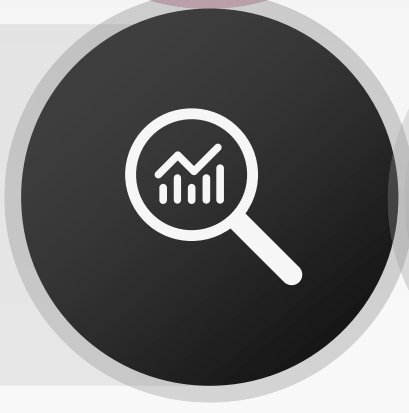


Our **people** are engaged

- 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**

Our Strategic Roadmap for the next decade

10% NOIPS growth annually over time

STRENGTHEN OUR **LEADERSHIP POSITION IN CANADA**

- Digital engagement
- Leading customer experience
- Scale in distribution
- Further consolidation in Canada

BUILD A **NORTH AMERICAN SPECIALTY LEADER**

- Low 90's combined ratio
- Build on strength in sharing economy
- Consolidate fragmented market
- Optimize distribution

TRANSFORM OUR **COMPETITIVE ADVANTAGES**

- Become the best insurance AI shop in the world
- Deep Claims expertise & strong supply chain network
- Strong capital & investment management expertise

INVEST IN OUR **PEOPLE**

- Be a best employer
- Anticipate the future of work & help employees adapt to AI & automation
- Be a destination for top talent & experts

500 bps annual ROE out-performance

THE NEXT DECADE:

STRENGTHENING OUR LEADERSHIP POSITION IN CANADA

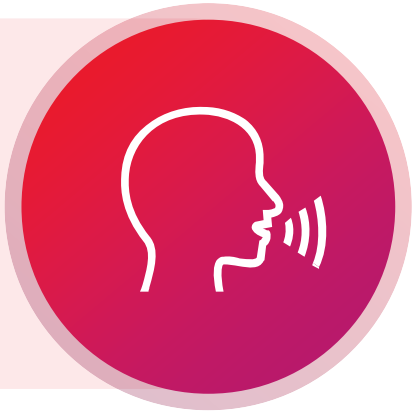
Anne Fortin



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.

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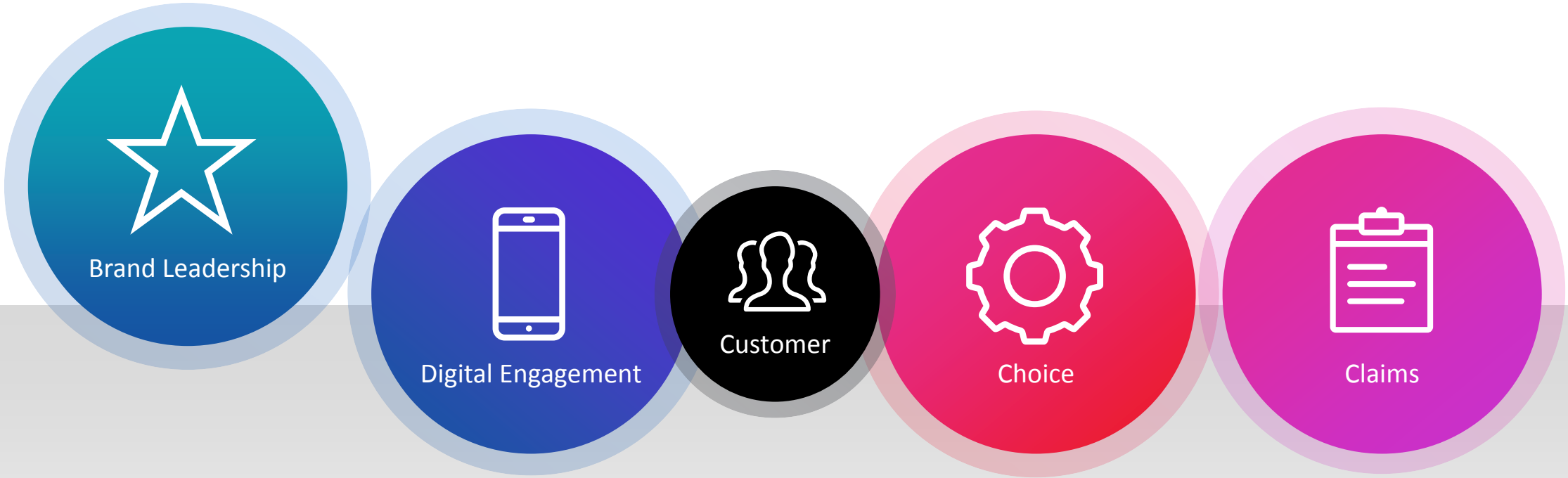




Our company is one of the **most respected**

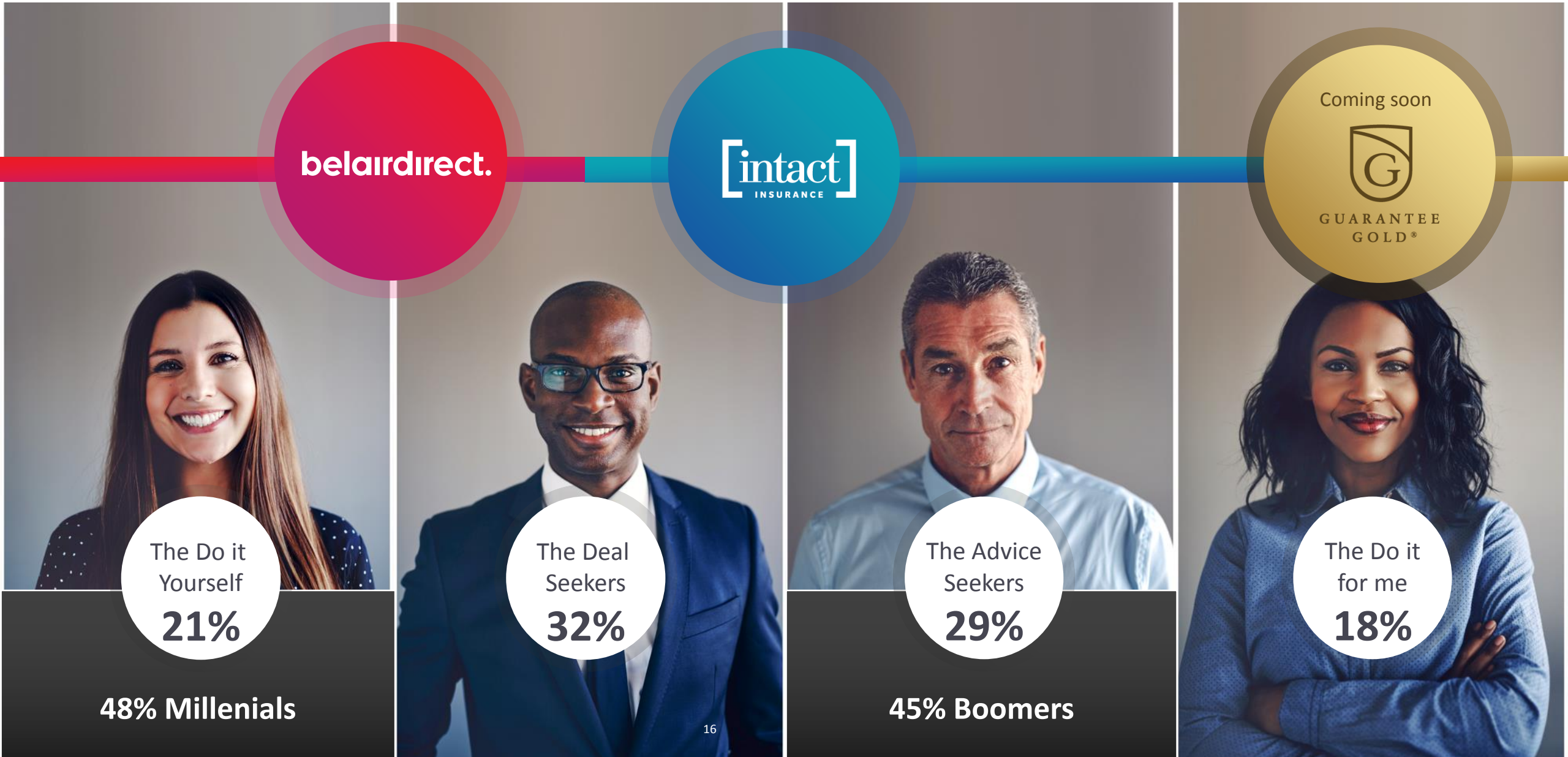
- Exceed industry ROE **by 5 points**
- Grow NOIPS **10% yearly over time**

How will we get to 3 out of 4 customers as our advocates?



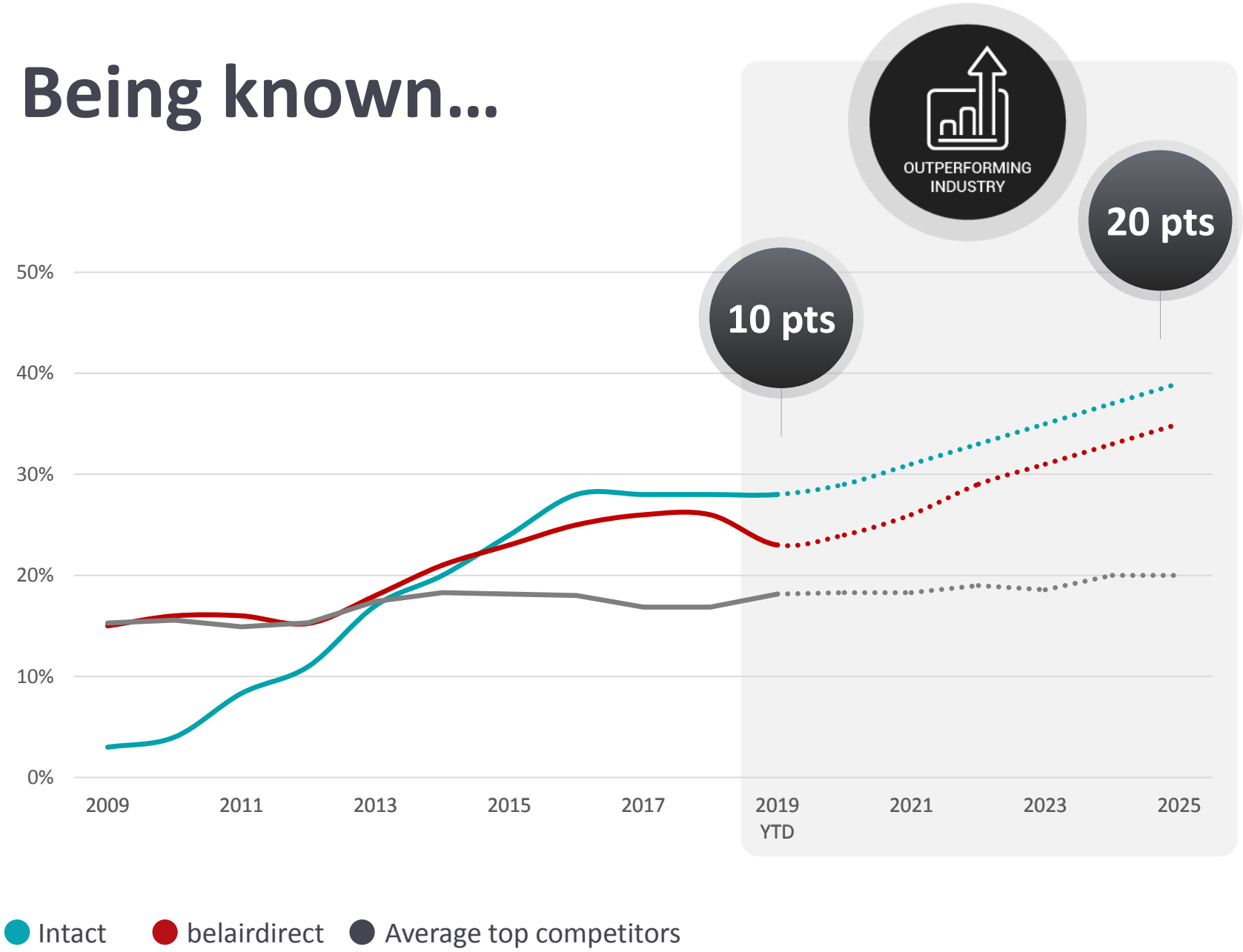
AI | Behavioural Science | Software Engineering | Design Thinking

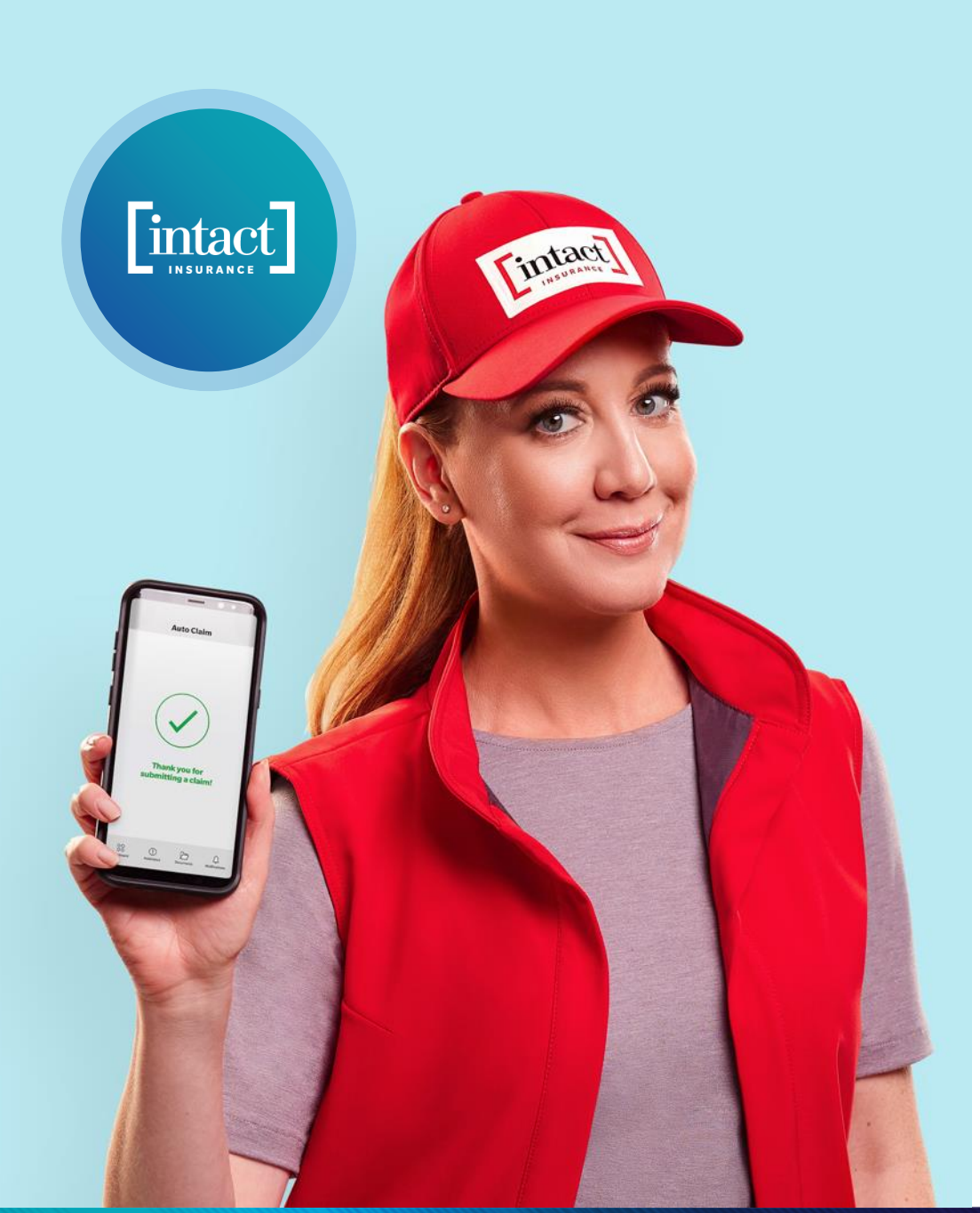
Who are the insurance market customers?



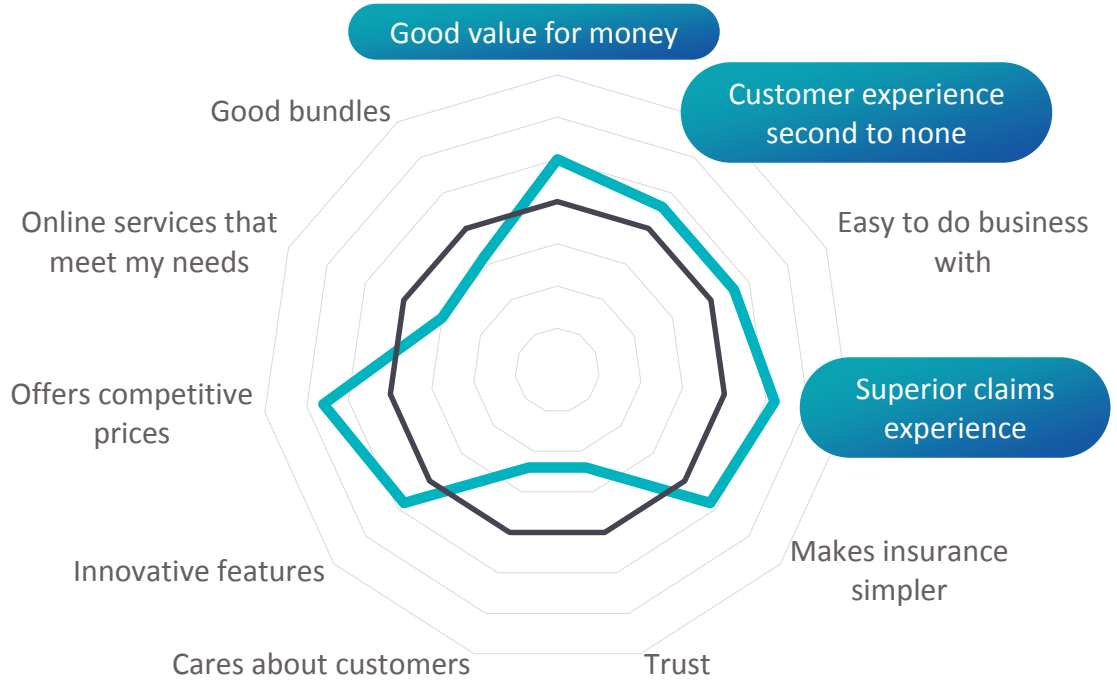

1,235.01
0.00
25,187.70
7,645.05
210.95
12,411.80
149.16
27,752.93
23.26
1.41%

Being known…


OUTPERFORMING INDUSTRY
10 pts
20 pts
50%
40%
30%
20%
10%
0%
2009
2011
2013
2015
2017
2019 YTD
2021
2023
2025
Intact
belairdirect
Average top competitors

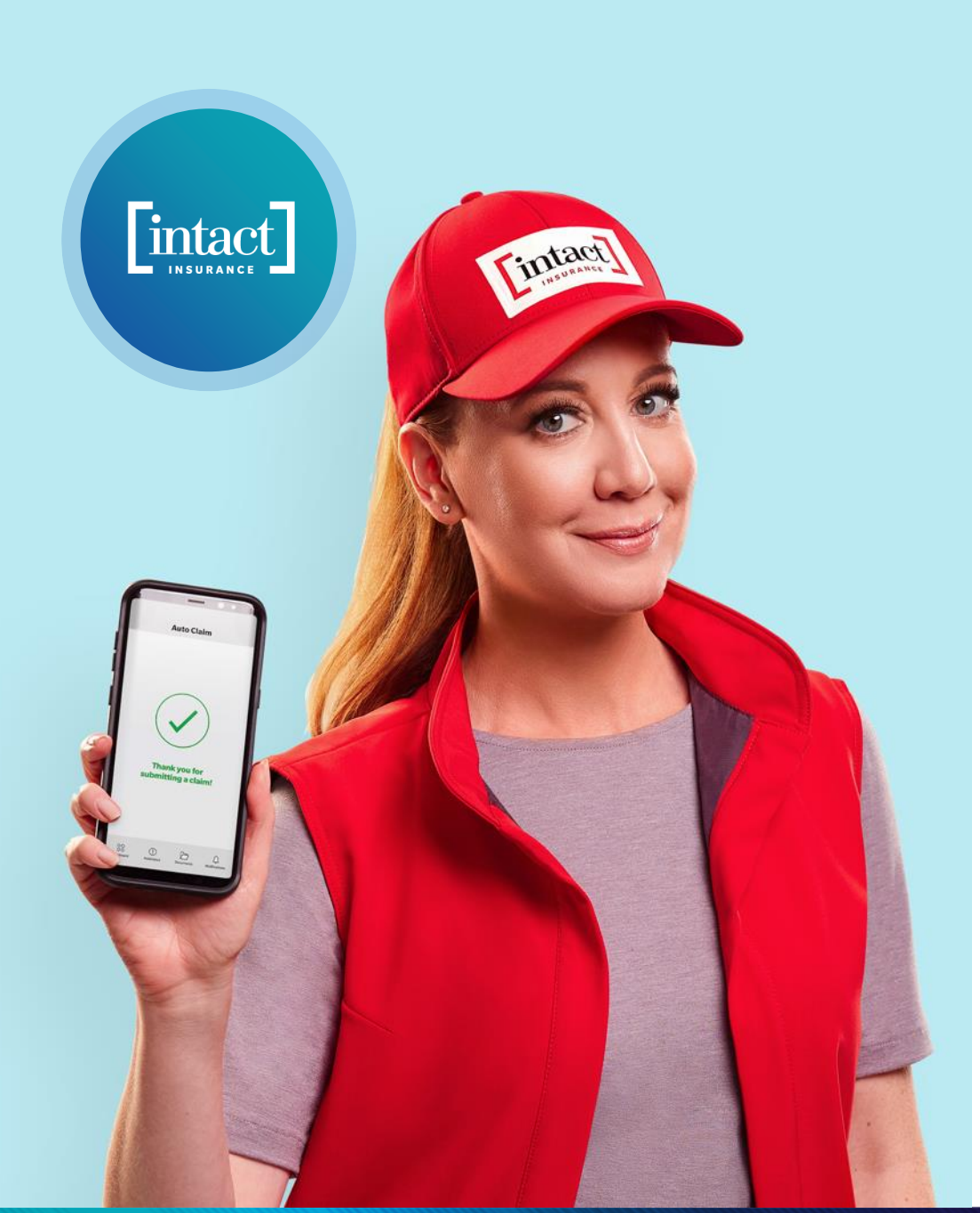


Being known for **something people care about**

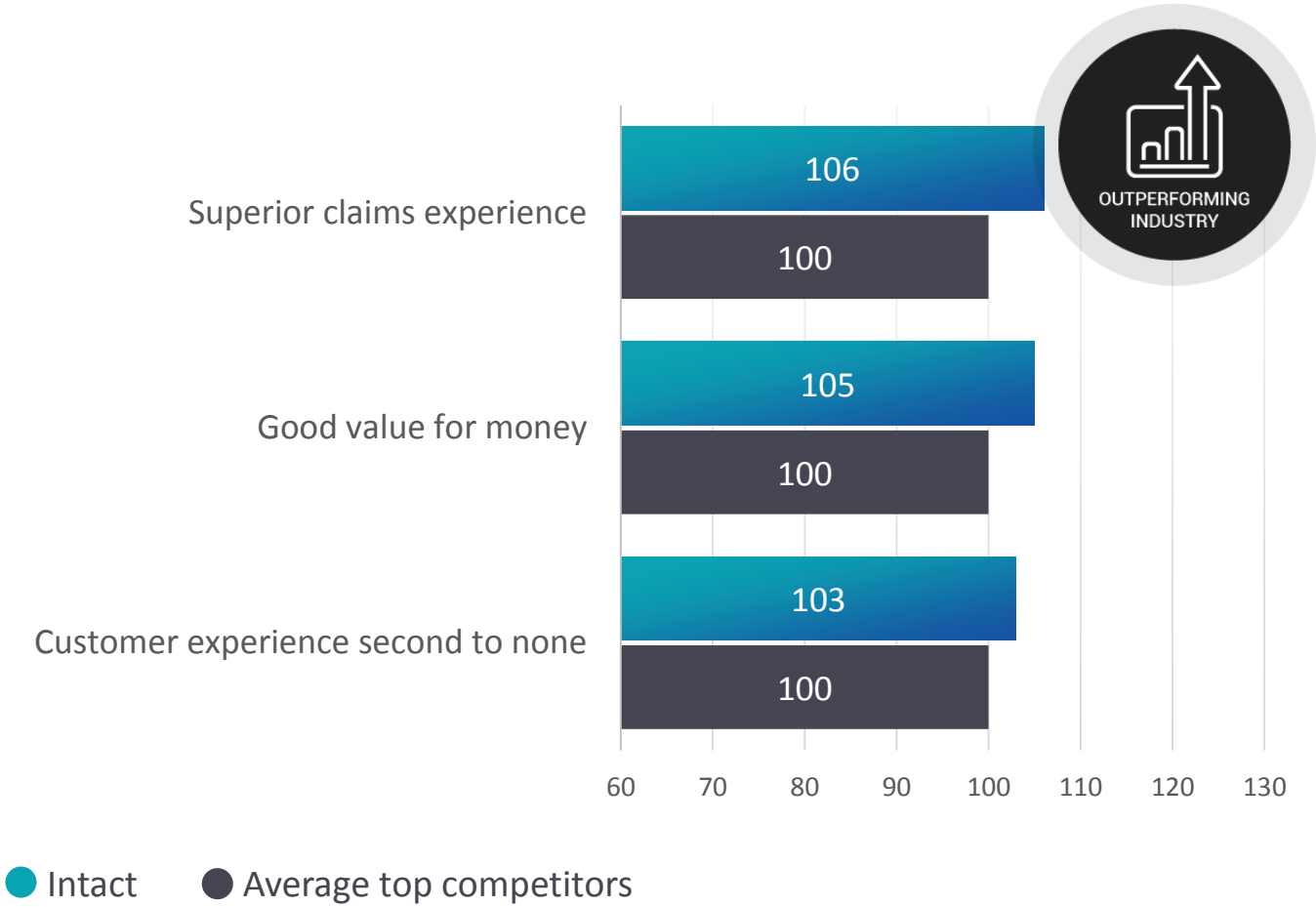


● Intact ● Average top competitors

*Overindex of 105 + on average. | Source: Ipsos, Brand Tracking, 2016-Q3-2019 & Ipsos, BVC, 2017.



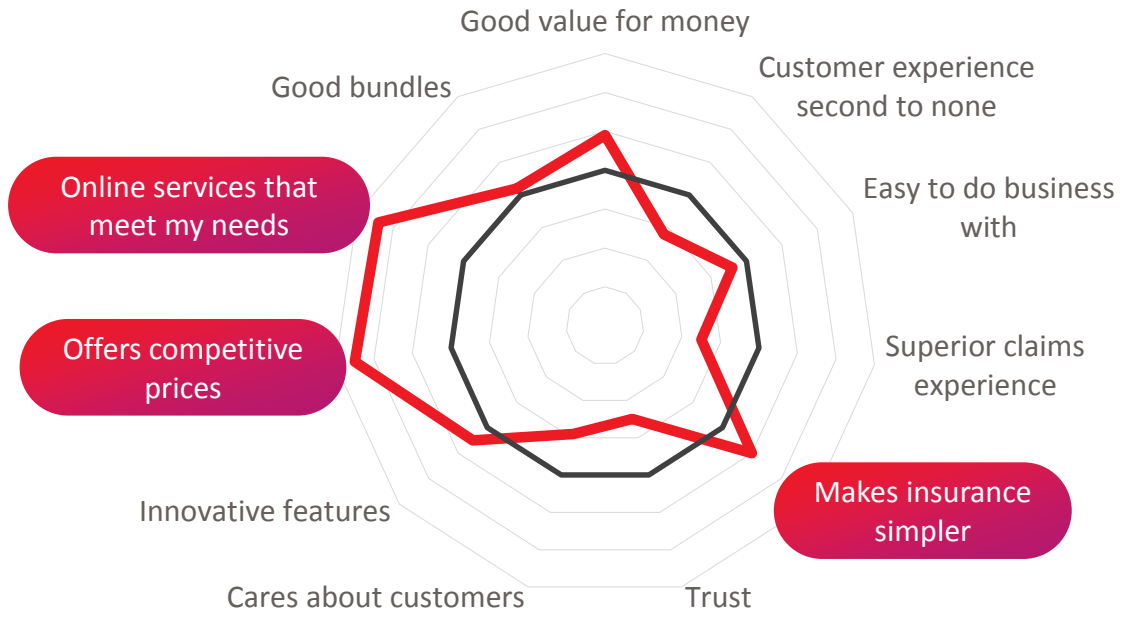
Being known for **something people care about**



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Being known for **something people care about**

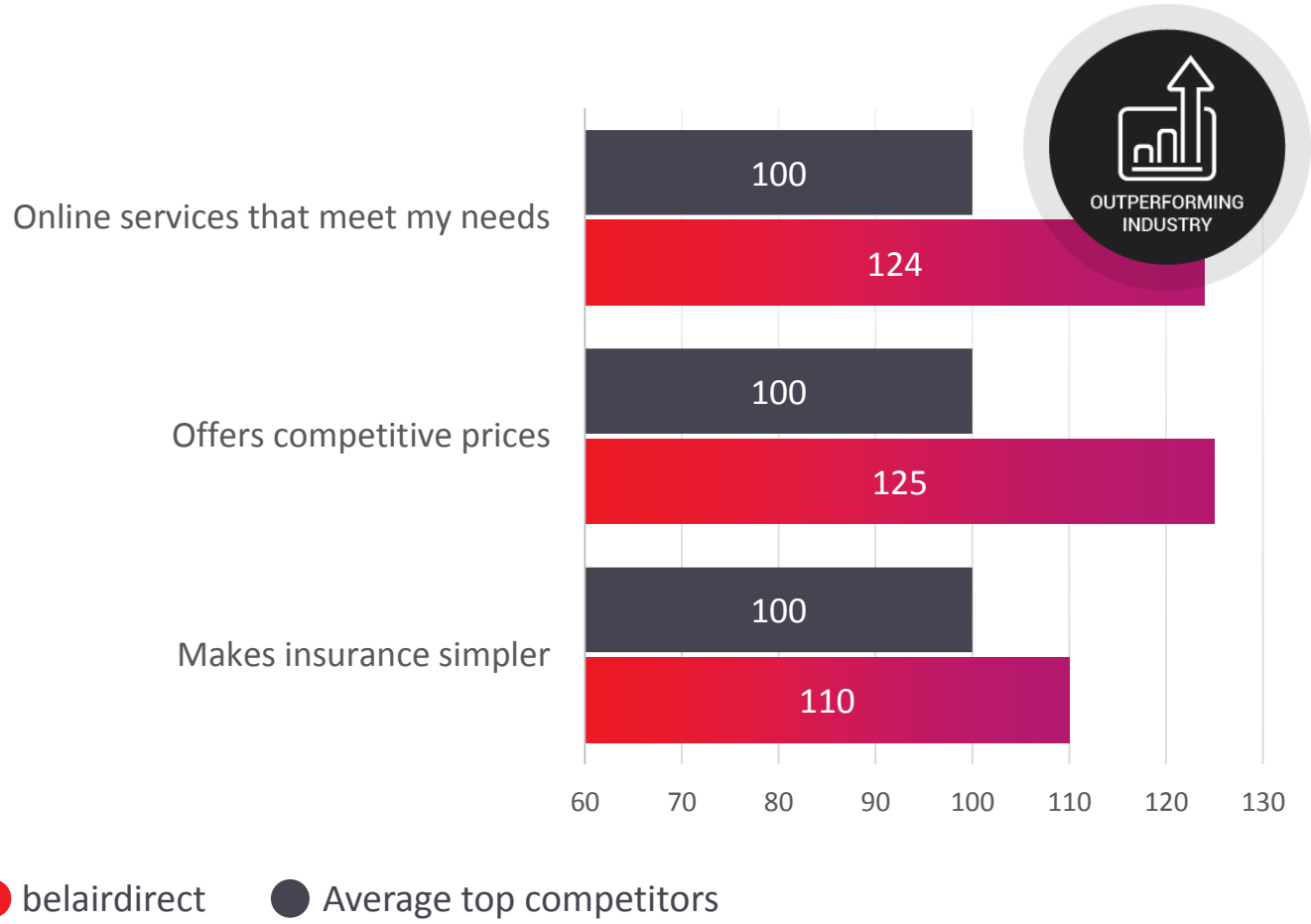


belairdirect Average top competitors

*Overindex of 105 + on average. | Source: Ipsos, Brand Tracking, 2016-Q3-2019 & Ipsos, BVC, 2017.

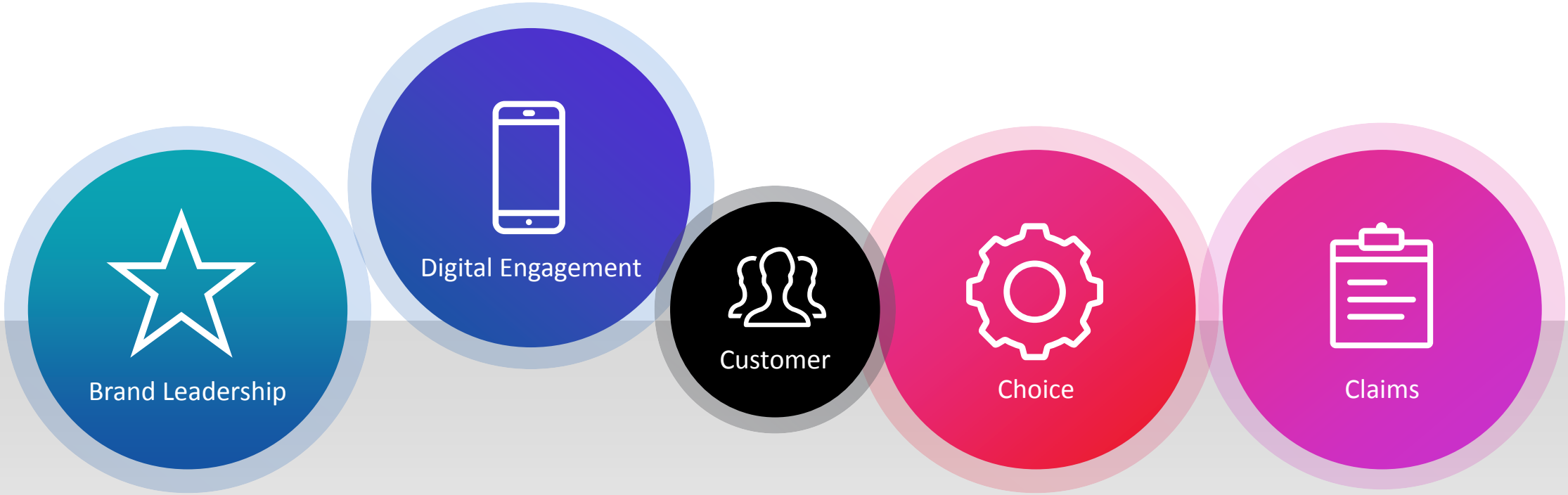


Being known for **something people care about**

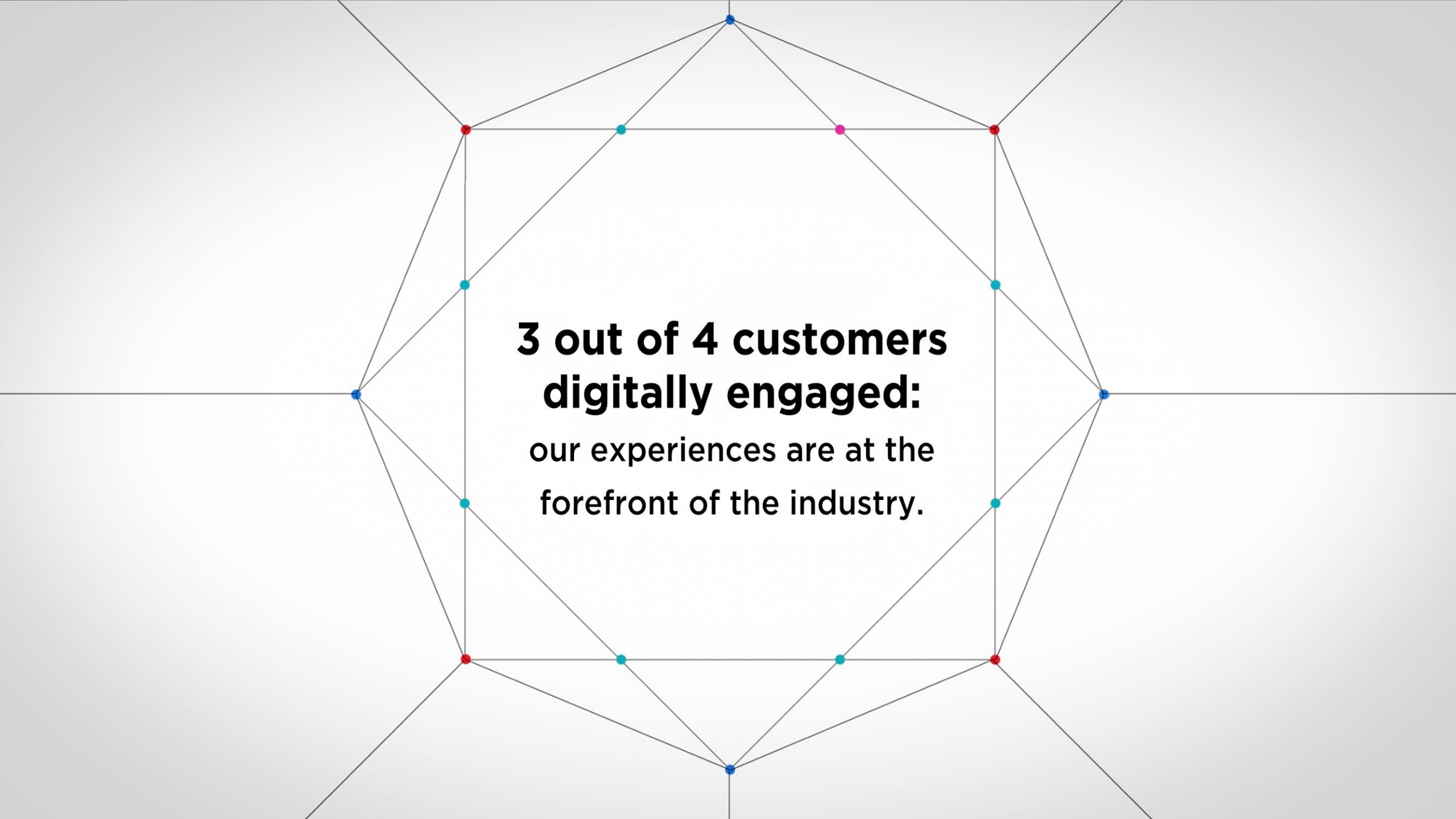


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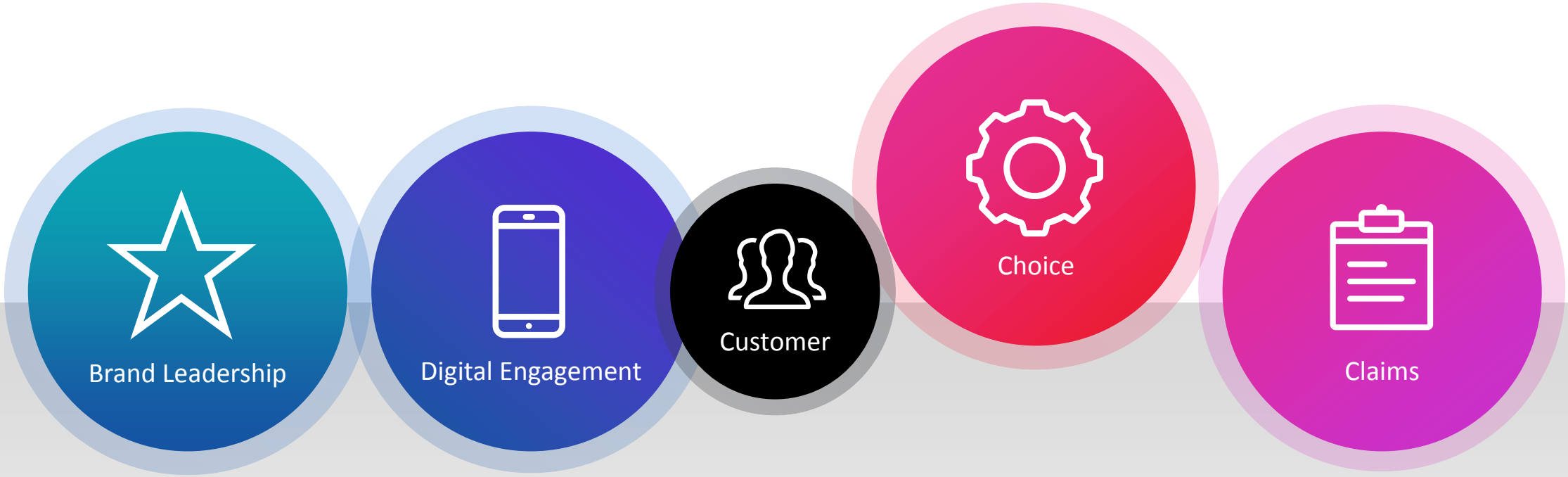
How will we get to 3 out of 4 customers as our advocates?



AI | Behavioural Science | Software Engineering | Design Thinking


3 out of 4 customers digitally engaged:
our experiences are at the forefront of the industry.

How will we get to 3 out of 4 customers as our advocates?



AI | Behavioural Science | Software Engineering | Design Thinking

Build choice through people and digital

The Do it for me

intact INSURANCE

The Advice Seekers

The Deal Seekers

belairdirect.

The Do it Yourself



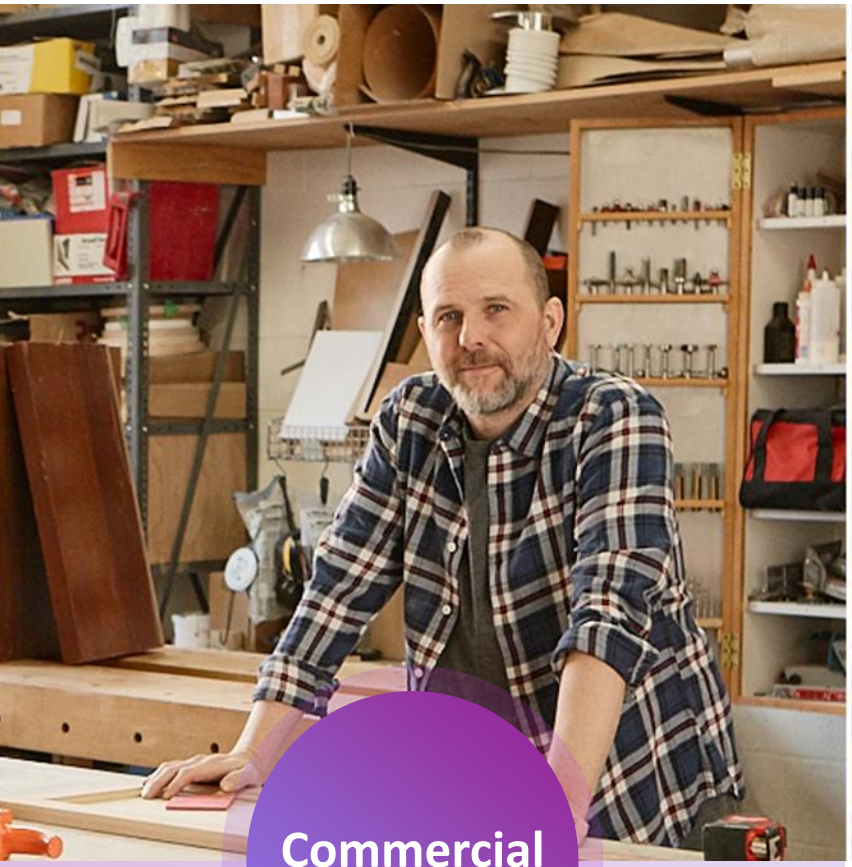
Strong local presence with **6,000 brokers** coast to coast.

Our digital ambition

$1B

in 2025

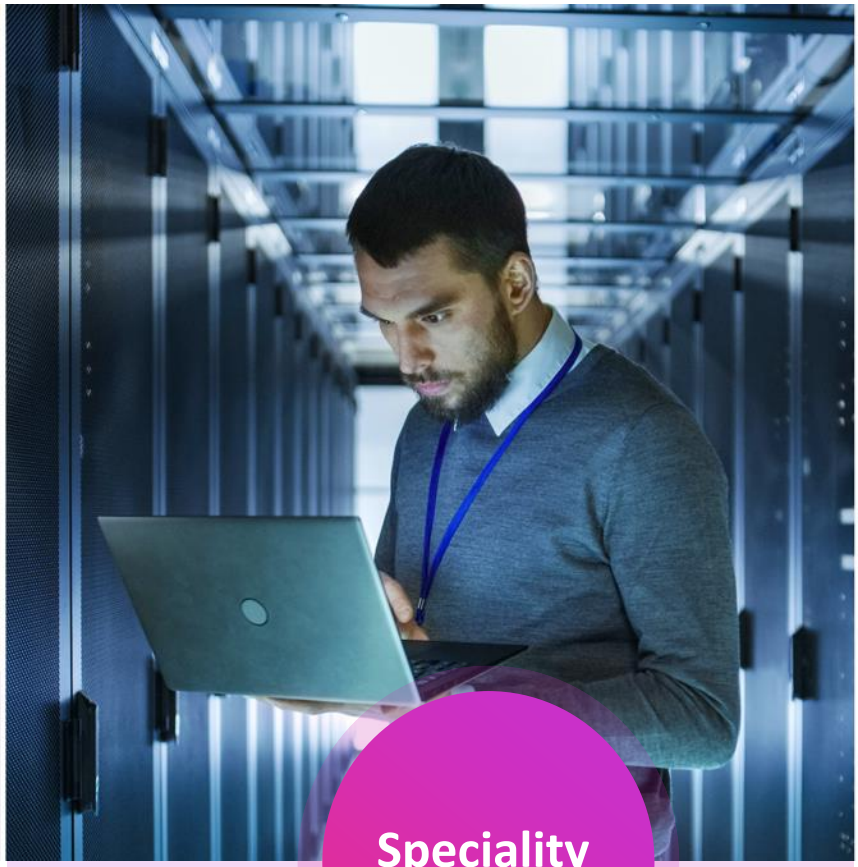
Build choice through product offering



Commercial lines



Personal lines



Speciality lines

Expanding our product offering

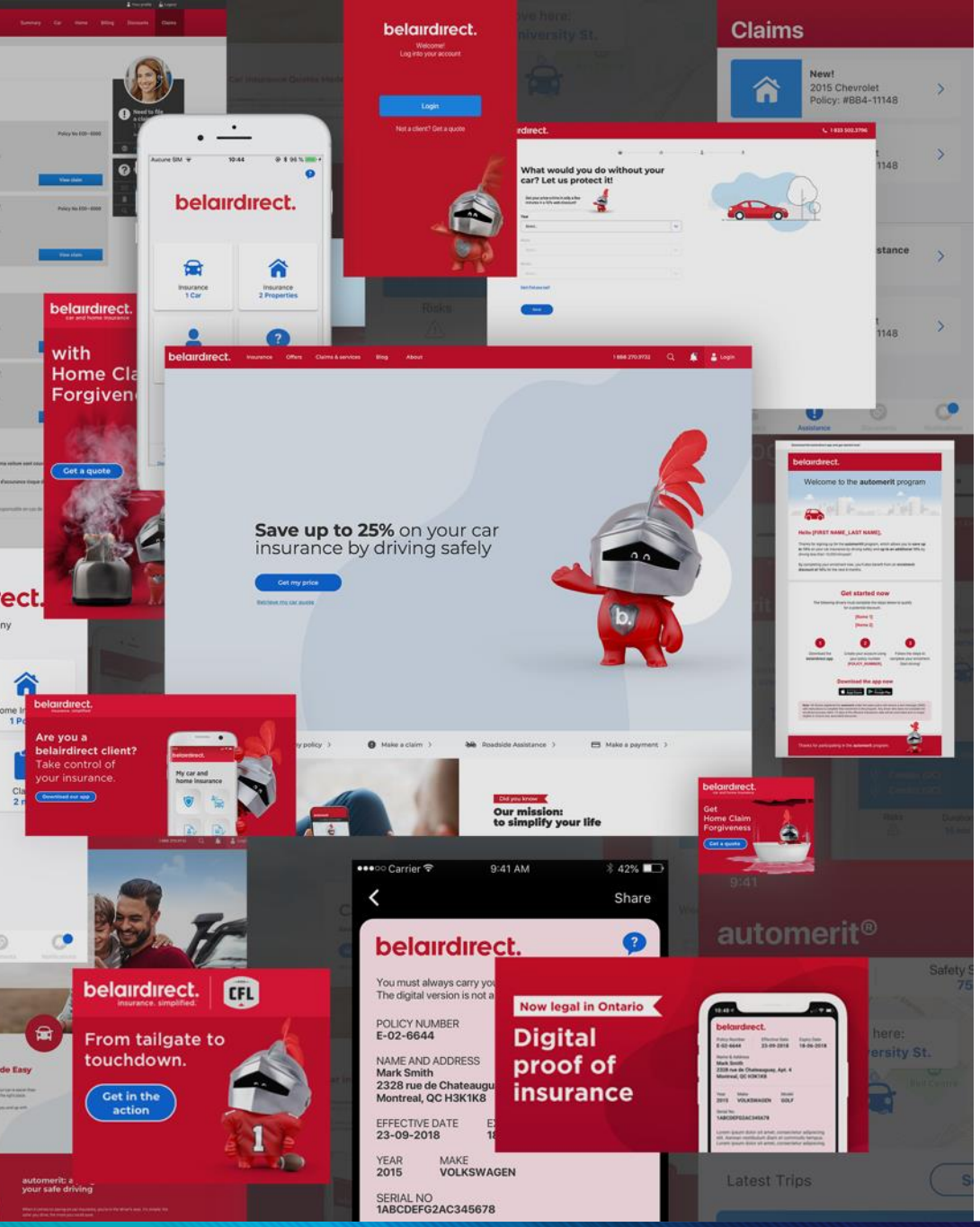


Coming soon

GUARANTEE GOLD®

A new proposal for High Net Worth

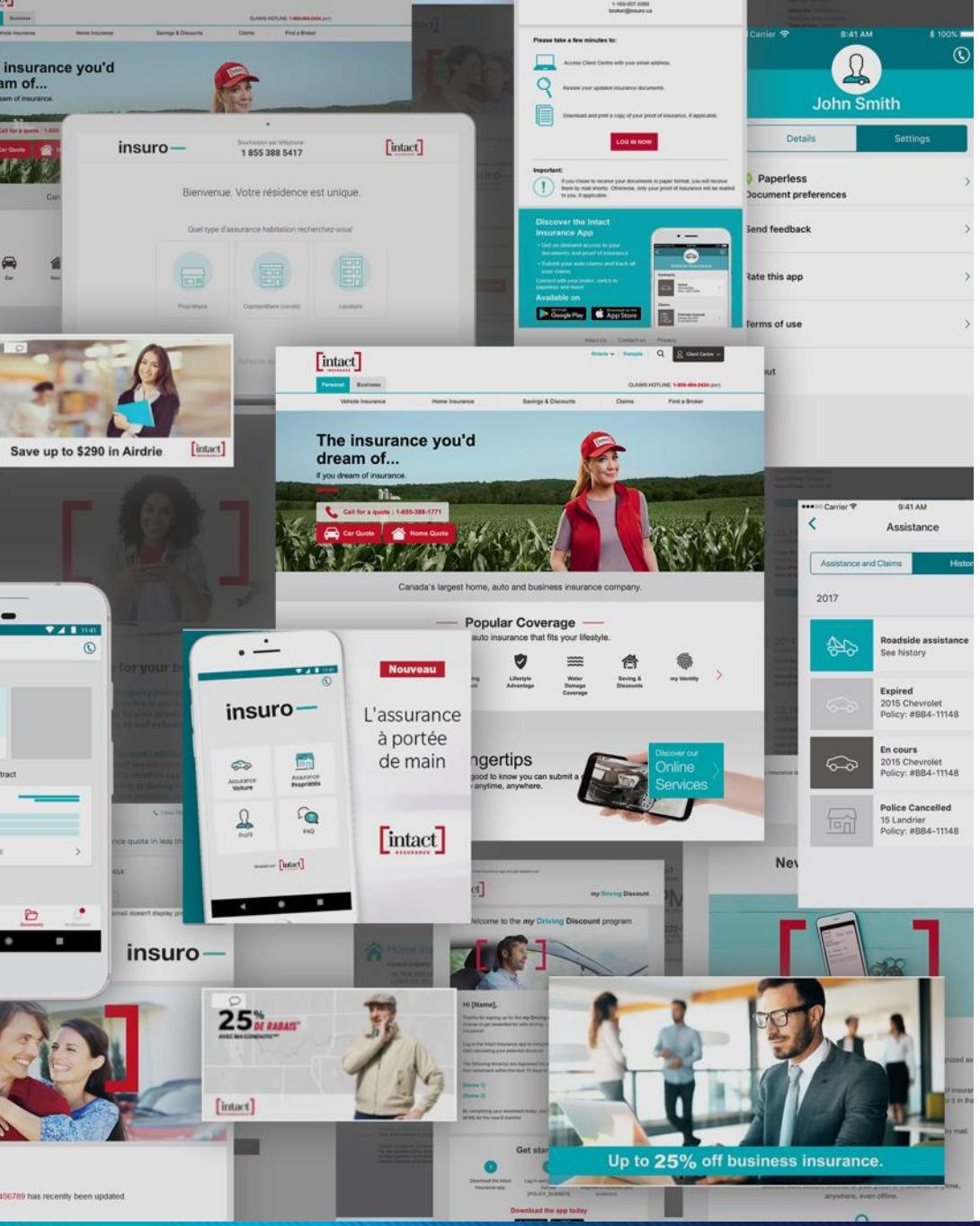
Build choice through an omni-channel experience





To reach our customers when and how they want

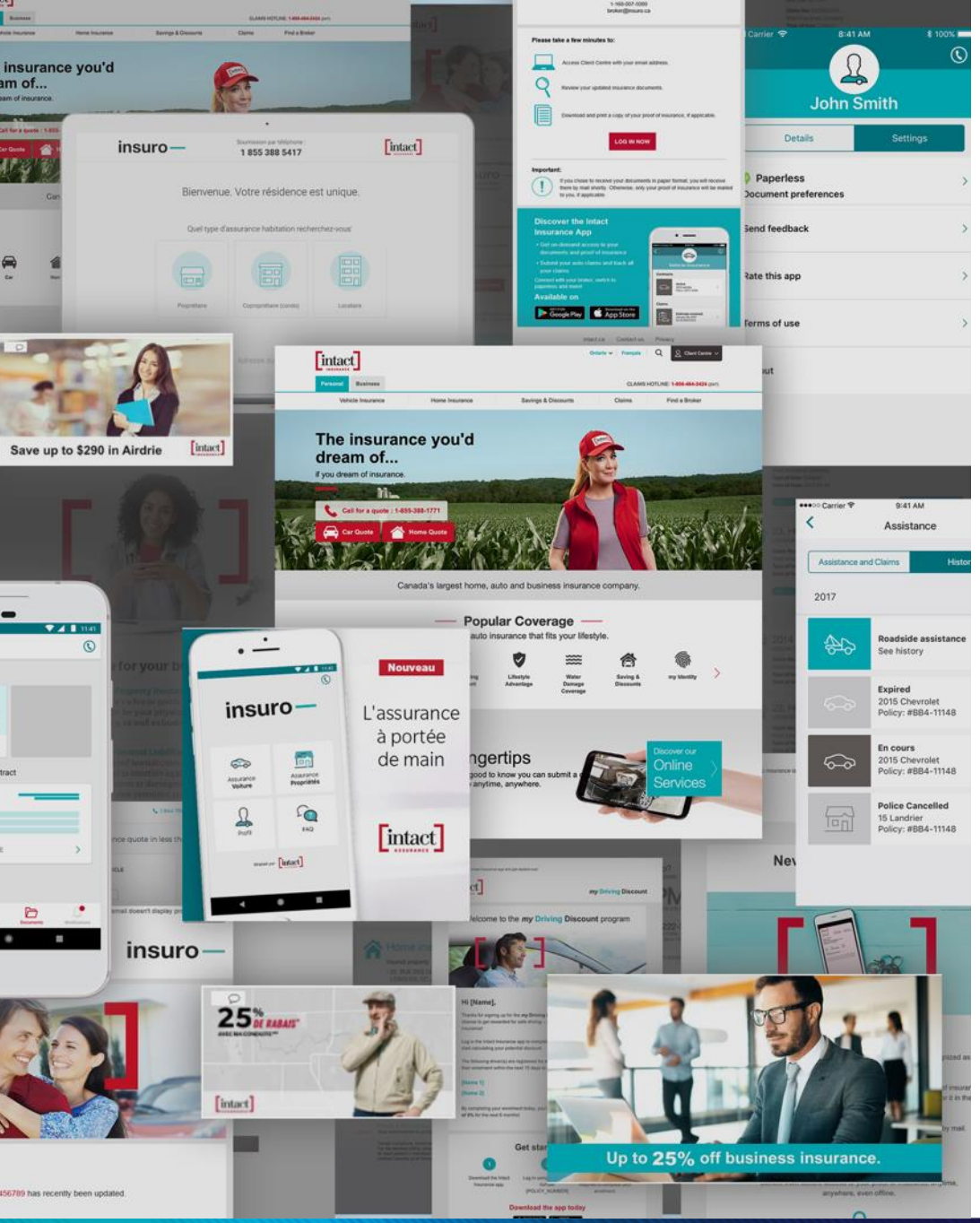
In collaboration with the broker network





To reach our customers when and how they want

Relevancy is key



Advocacy

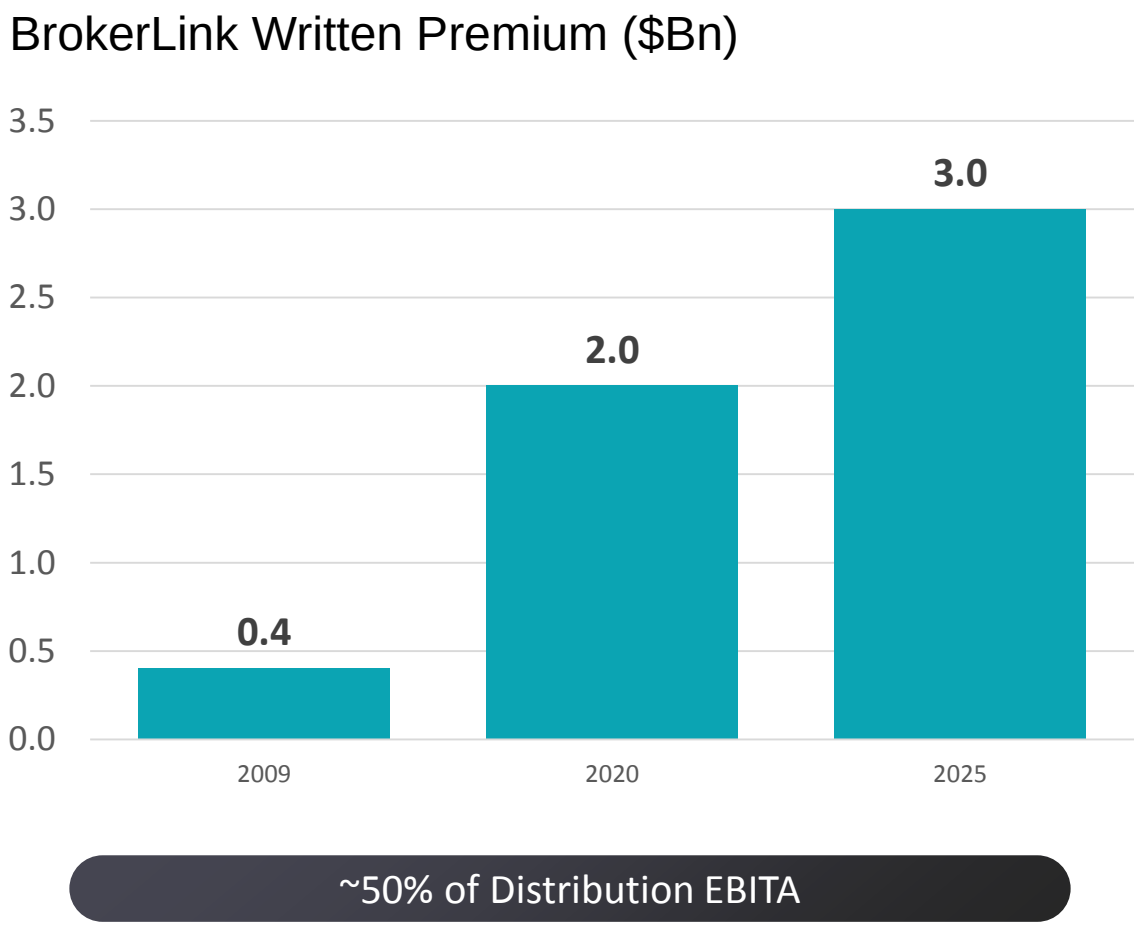
Prove you know me and help me =

+20% purchase and re-purchase intent

The next decade: strengthening our leadership position in Canada



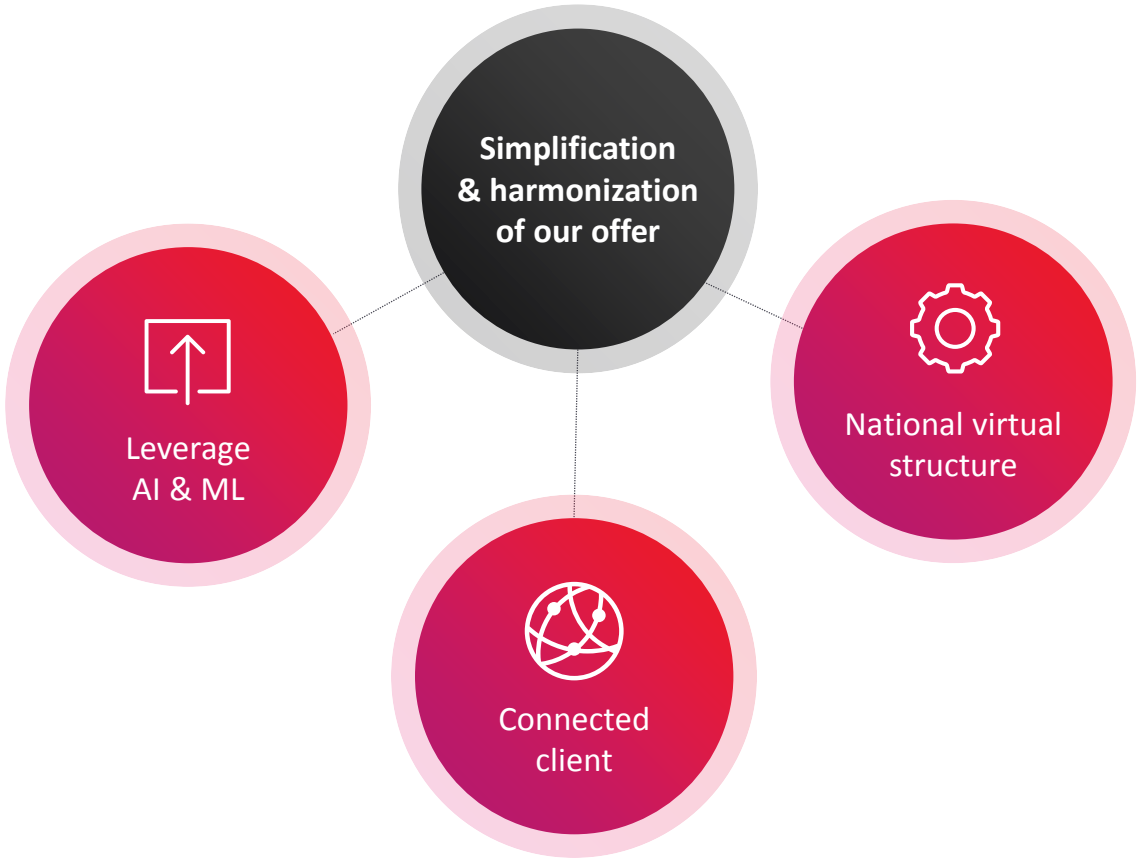
BrokerLink contributes to our objectives



~50% of Distribution EBITA

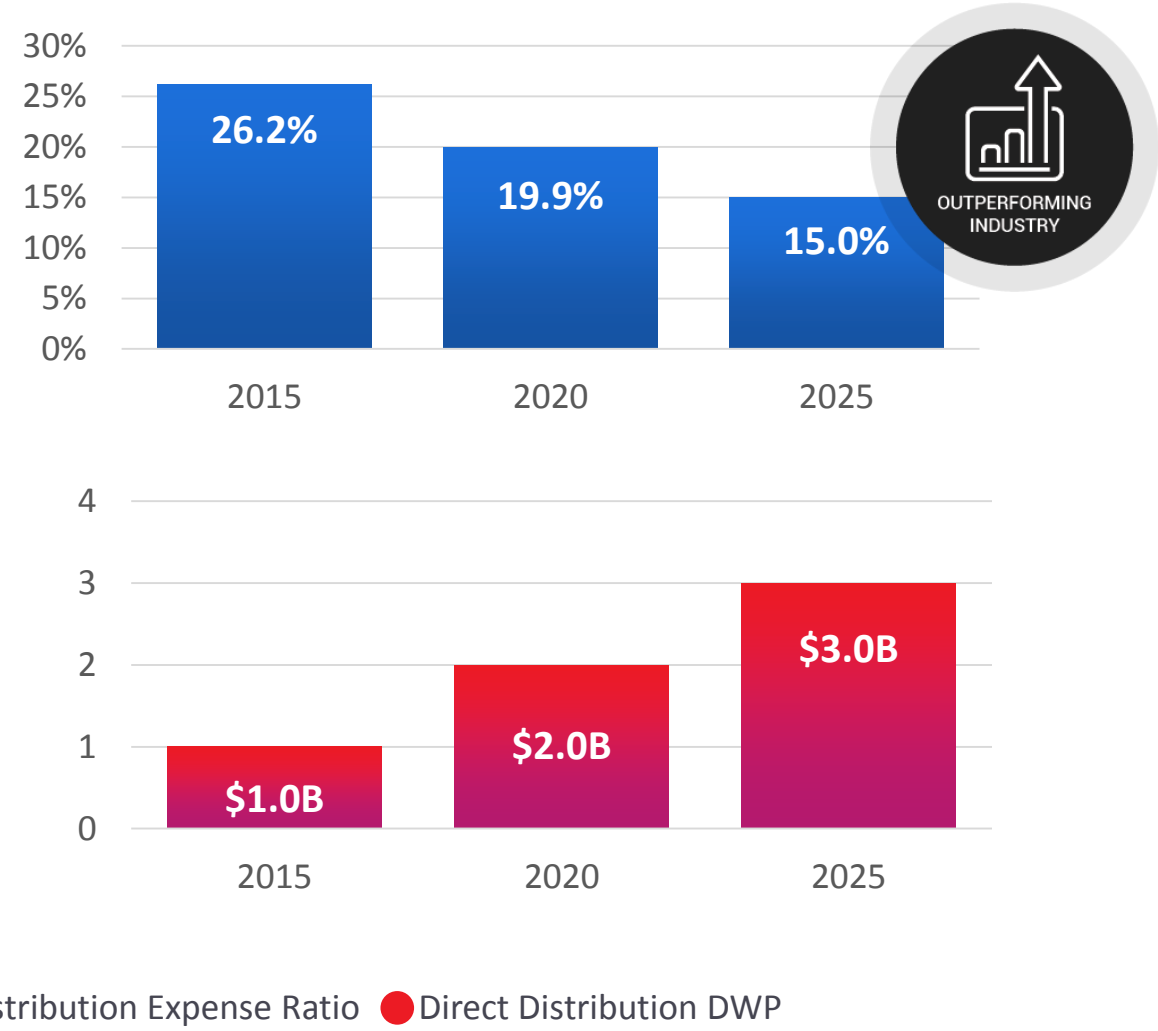


Insurance Simplified





Insurance Simplified



OBJECTIVE

1 out of 3 Canadians
are our customers

BUILDING A LEADING NORTH AMERICAN SPECIALTY INSURER

Mike Miller & Lynn O’Leary



intact

Where we stand: Execution on 2020 Objectives

WHAT WE **SAID**	WHAT WE **DID**
Low-90s U.S. Combined Ratio	**92.8%**[1]
1. Invest in strong core of industry leading business units	Grown non-PIP business unit DPW at **11% CAGR**
2. Recalibrate the U.S. business portfolio	**Exited** Heathcare**,** Architects & Engineers, and Programs
3. Import IFC claims expertise to the U.S. platform	Achieved **>50%** of targeted savings; full realization in 2020/21
4. Realize targeted transaction synergies	Run rate **US$25M** target achieved in 2018
$3 Billion North American Specialty DPW	**$2.8B**[2,3]
1. Invest in new markets and specialties	**+$370M portfolio** with The Guarantee + Frank Cowan Company
2. Expand geographic footprint	Established **5 North American Segments,** with more in process
3. Leverage deep distribution partnerships	Expanded Canadian specialty at **15% CAGR**

[1]Q3-2019 YTD combined ratio excluding the result of Healthcare business, for all quarters (exited in the third quarter of 2019).
[2]Q3-2019 trailing twelve month DPW for IFC North American Specialty plus 2018 specialty premiums of The Guarantee Company of North America.
[3]Figures are in CAD, unless stated otherwise

Looking Ahead: North American Specialty Market

Current State



STRONG PRICING TRENDS

Mid-Single

digit rate increases in the U.S.

High-Single

digit rate increases in Canada

Medium Term



DISTRIBUTION SHIFT

8.5%

annualized 20-year commercial MGA DPW growth

4

$100M+ MGA "internalizations" in last 18 mos.

Long Term



MARKET CONSOLIDATION

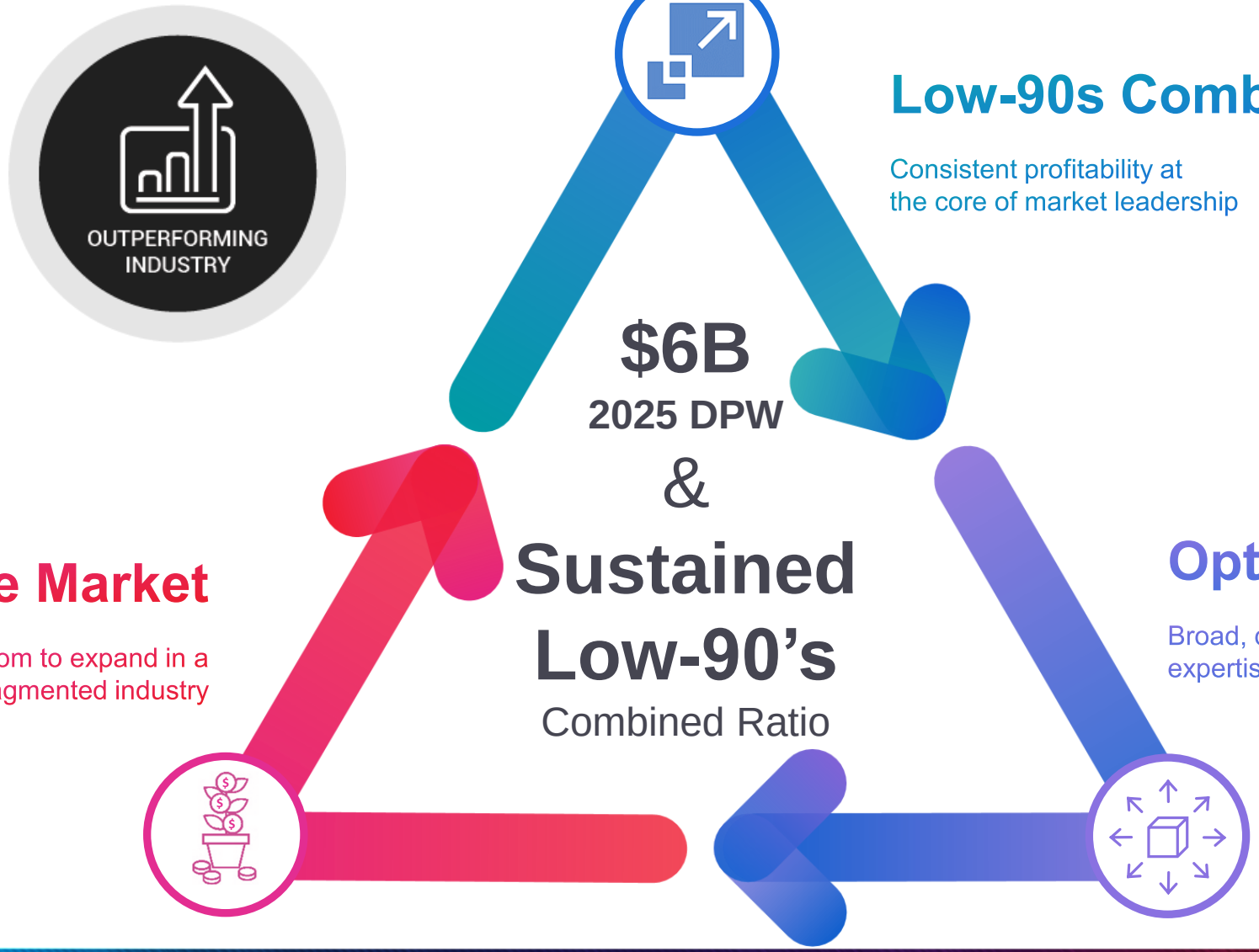
$175B+

Estimated North American specialty market size

0

insurers with 10+% specialty market share

Building a North American Specialty Leader



Low-90s Combined Ratio

Consistent profitability at the core of market leadership

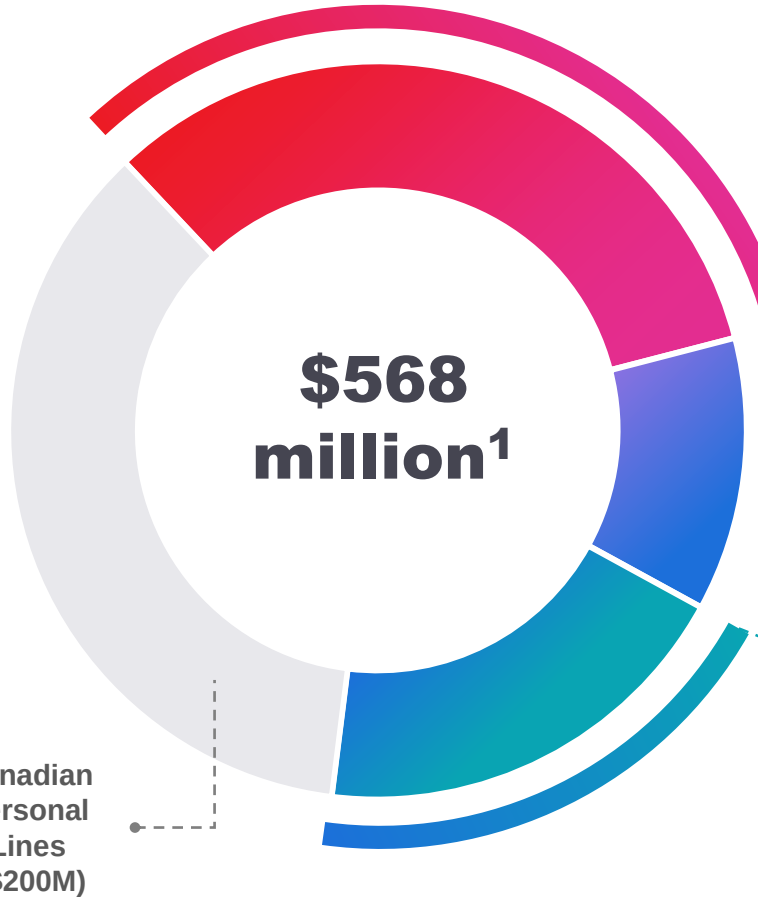
Optimize Distribution

Broad, deep relationships built on expertise, trust and service

Consolidate Market

Room to expand in a highly fragmented industry

The Guarantee and Frank Cowan Company: Overview



$190m

North American Surety

Track record of profitable premium growth

$70m

Canadian Corporate Insurance

Full product suite including crime/fidelity, transportation, cyber, D&O/E&O

$110m

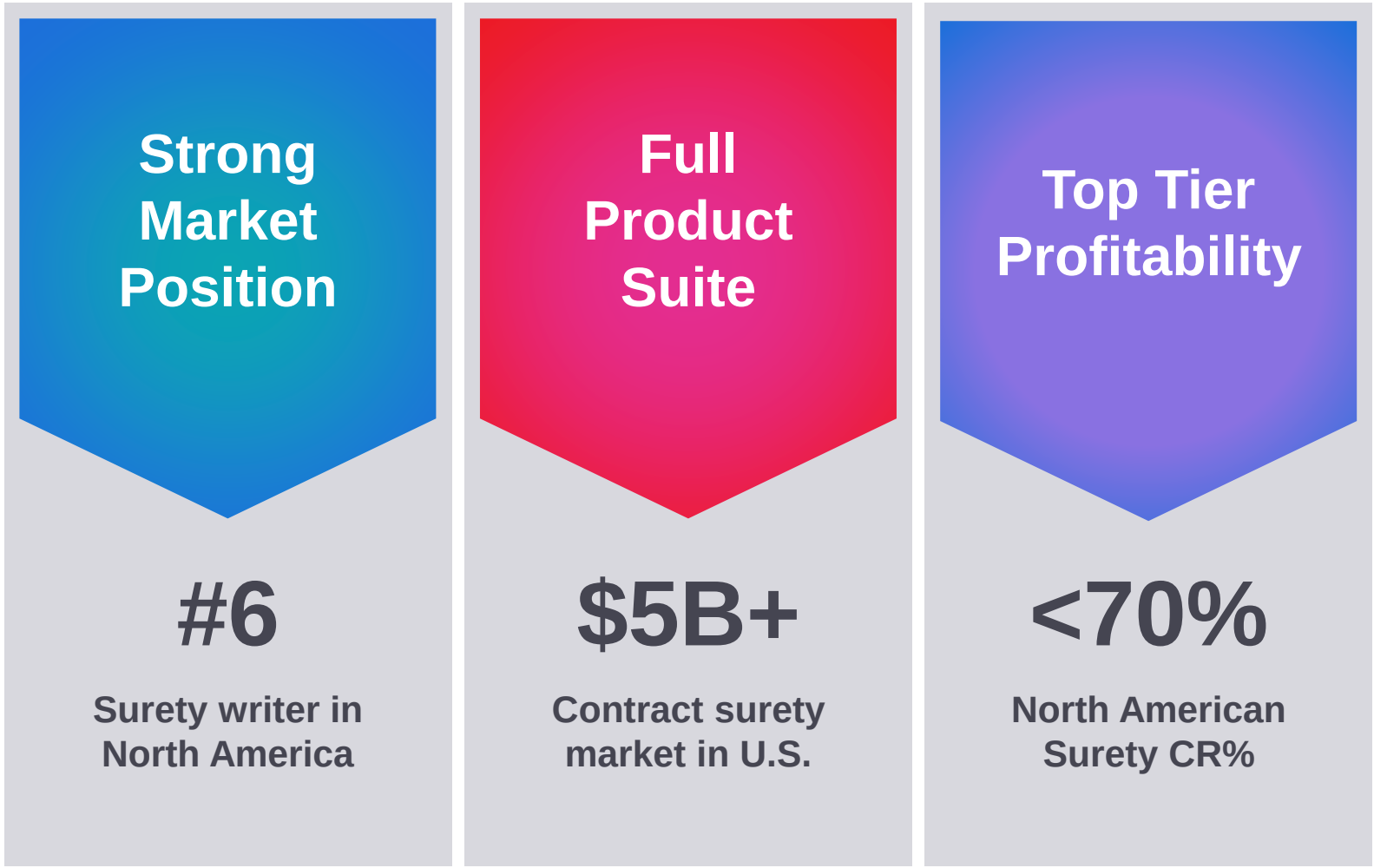
Frank Cowan Company

Canadian Public Entity

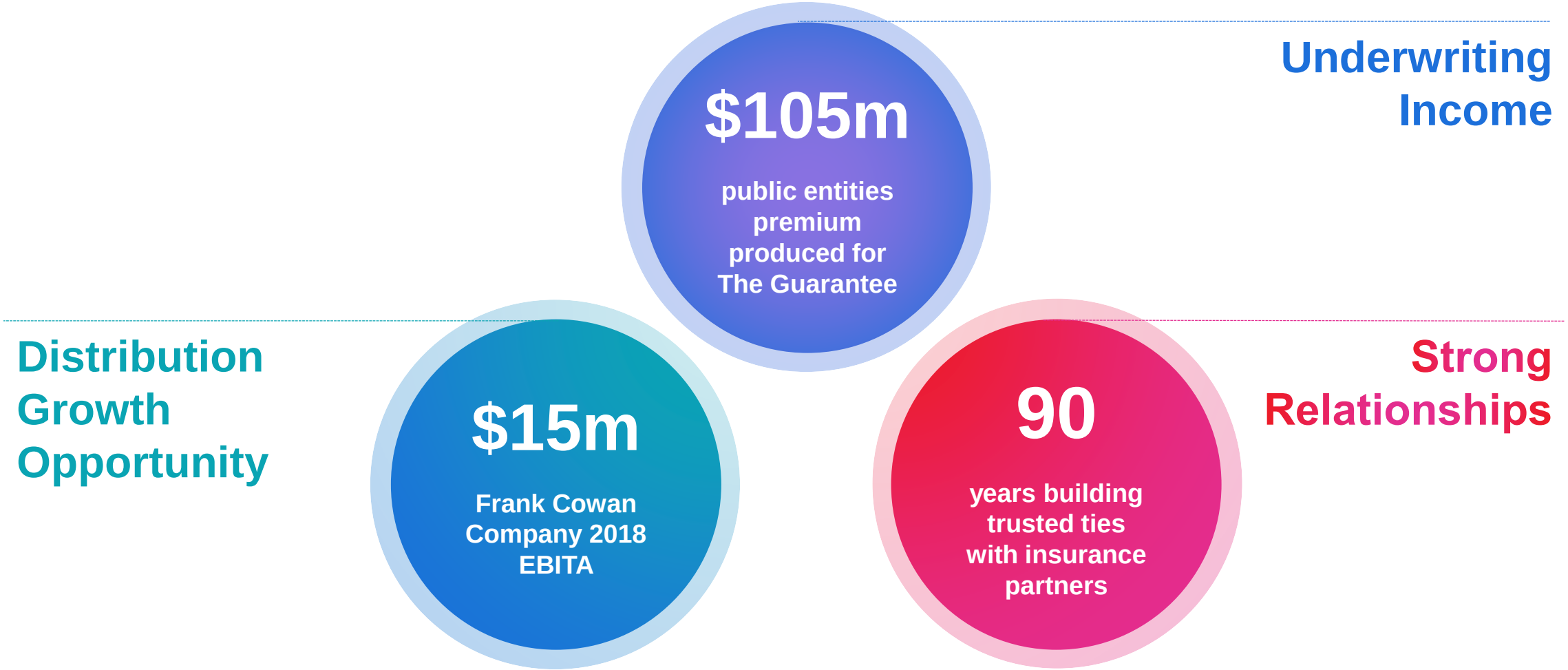
A specialty we know well with our U.S. Government Risks business

[1] 2018 Gross Written Premiums, The Guarantee Company of North America

Surety Platform Enhancement



Frank Cowan Company: Canadian Distribution Platform



Delivering Outperformance with The Guarantee and FCC



Refined Underwriting & Claims

- **Deploy** data-driven risk selection and pricing expertise
- **Implement** IFC's claims and supply chain practices



Expense Management

- **Leverage** IT and shared service platform currently in place
- **Realize** $20 million targeted transaction synergies



Capital Productivity

- **Optimize** reinsurance program within IFC structure
- **Internalize** investment management with IIM



Diversified **Distribution**

- **Maximize** established MGA platform in Canada
- **Capitalize** on access to expansive Surety dist. network

10 pts
combined ratio improvement

+

Revenue Synergies

Integration Status Update

TRANSACTION



Received **approval** from Canadian Competition Bureau & Michigan Department of Insurance

Financing in place

PEOPLE



More than **500 employees** have met with IFC senior leadership to date

Confirmation to all employees within 30-60 days of close: **role, manager, location**

CUSTOMERS



Favorable reaction: **97% employee retention rate** strengthens ability to maintain current customers and reach new ones

Begin issuing policies on IFC paper **within 90 days** of close

EXECUTION



15 task forces working on integration with The Guarantee and Frank Cowan Company

Focus on **Day 1 business mandates**: combined Surety organization, HNW strategy, Frank Cowan Company, IT fluidity

Building a North American Specialty leader – Takeaways



Strategic, tangible execution on 2020 premium and combined ratio targets



Infrastructure in place to deliver and **sustain low-90's** Specialty combined ratio



Building a North American Specialty Leader: **$6bn DPW** by 2025



The Guarantee and Frank Cowan Company are an **ideal strategic fit**; brings joint expertise, broader footprint



Detailed plan to deliver operational and financial **outperformance** at The Guarantee and Frank Cowan Company

TRANSFORMING OUR COMPETITIVE ADVANTAGE

IN TECH & DATA

Christian Menkes and Jean-François Lessard

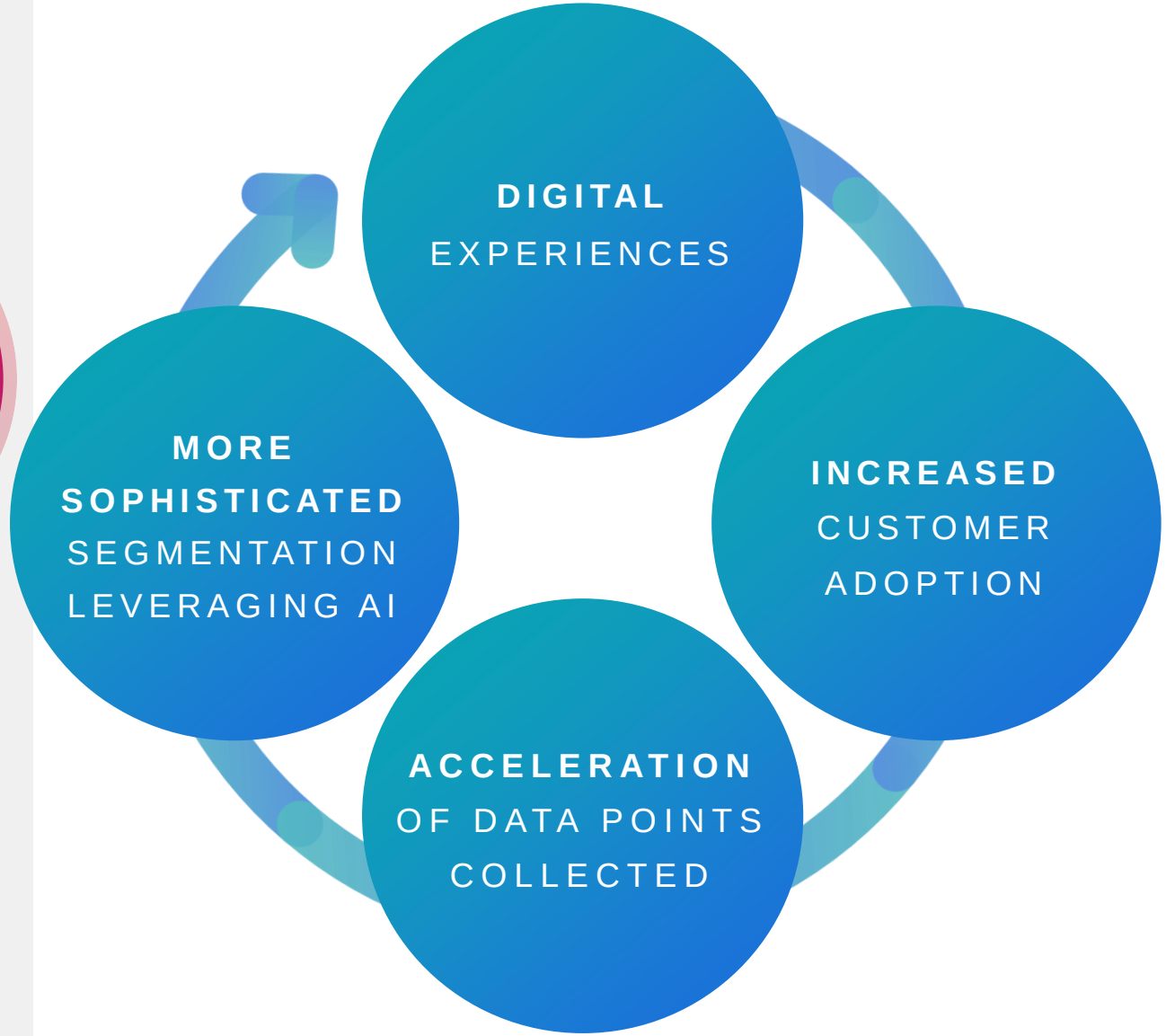


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Propelling our data & data advantages…

Our customers are our **advocates**

- **3 out of 4** customers are our advocates
- **3 out of 4** customers actively engage with us digitally



…to create active digital relationships

Investing in our tech team growth

Over 1400 technology experts delivering value for customers

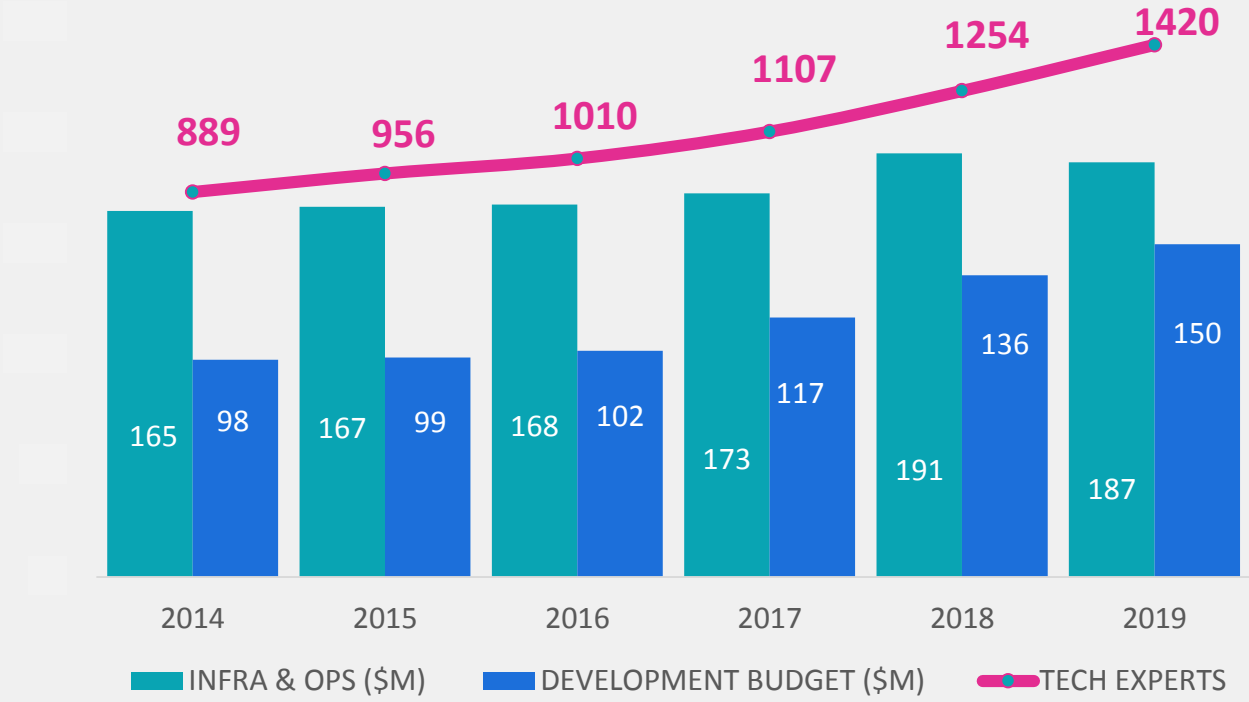
40+
DESIGNERS

450+
SOFTWARE ENGINEERS
(CORE SYSTEMS)

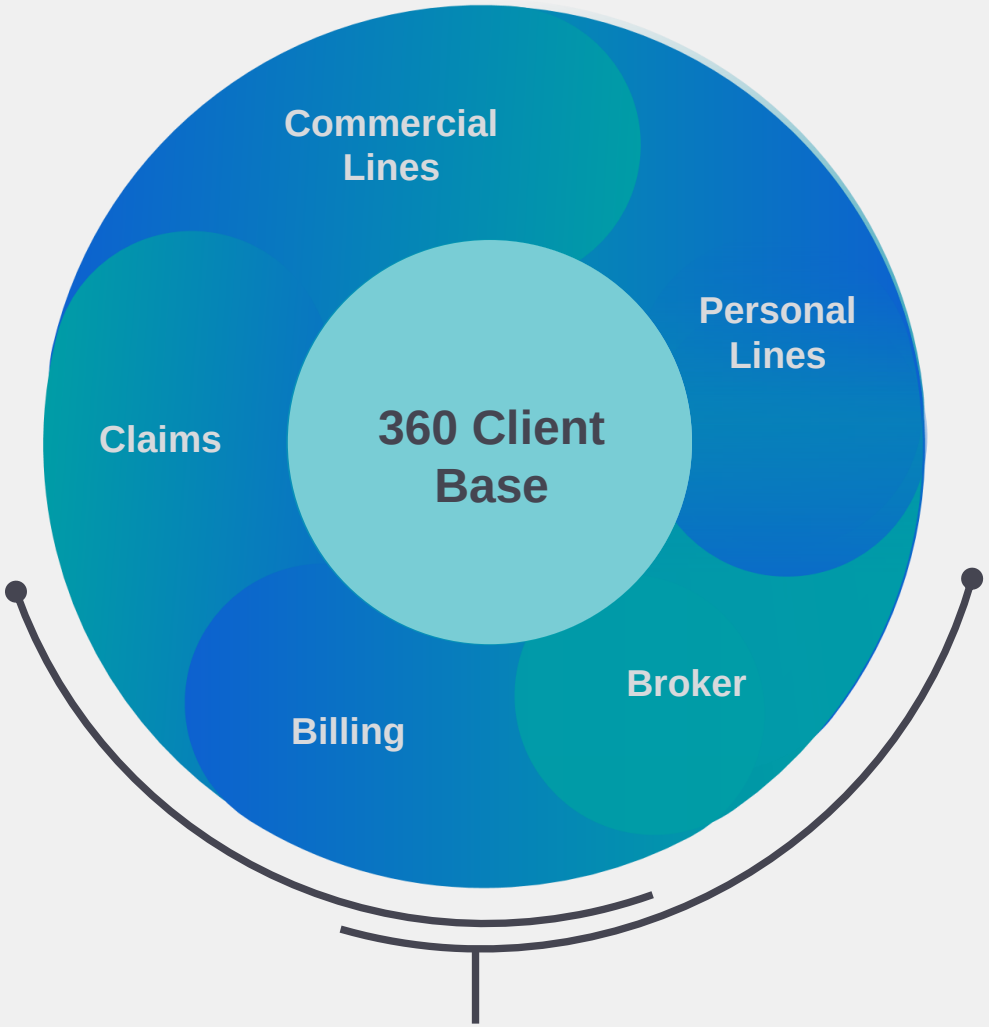
140+
AI EXPERTS

100+
DIGITAL DEVELOPERS

60%
Growth in it staff over the last 6 years



Fueling digital and AI through software engineering



AI & DATA ENABLER

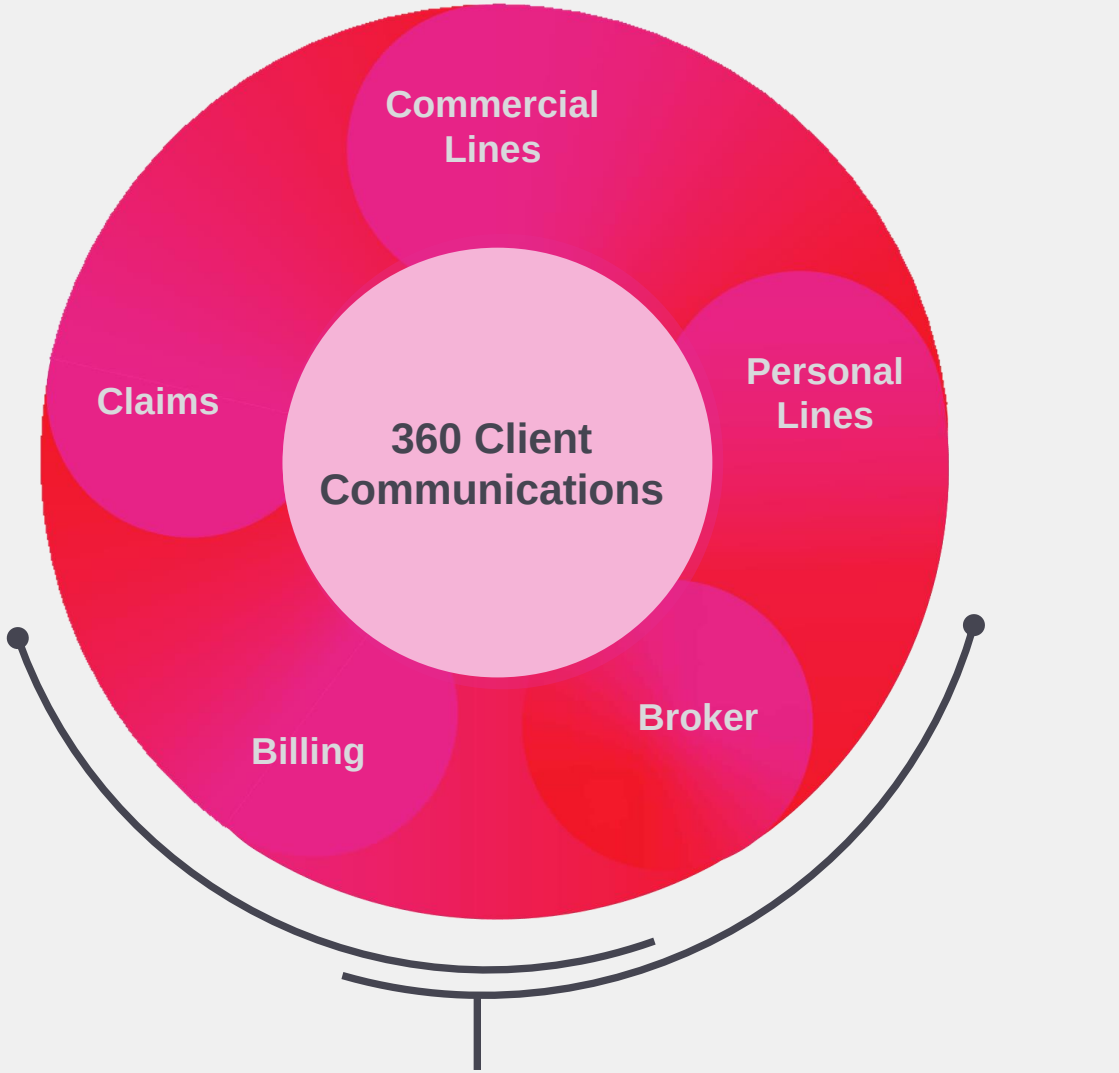
Creation of structured data

DIGITAL ENABLER

15% reduction in development time

4.7M Policy data sets

80% Digital transformation completed



Connecting client communications to our tech stack

Omnichannel Experience

- Delivering a consistent experience on all communications channels

New Data Points Created

- Opening to new sources of data: voices, images

9,000,000
Client communication interactions forecasted

Use case example: paving the way for touchless claims

CUSTOMER BENEFITS

Pre-filled information = faster experience

15%
Cycle time reduction

24/7 claims filing



BUSINESS VALUE

Photo ingestion

60%
of digital claims are mobile

40%
of those claims with photos

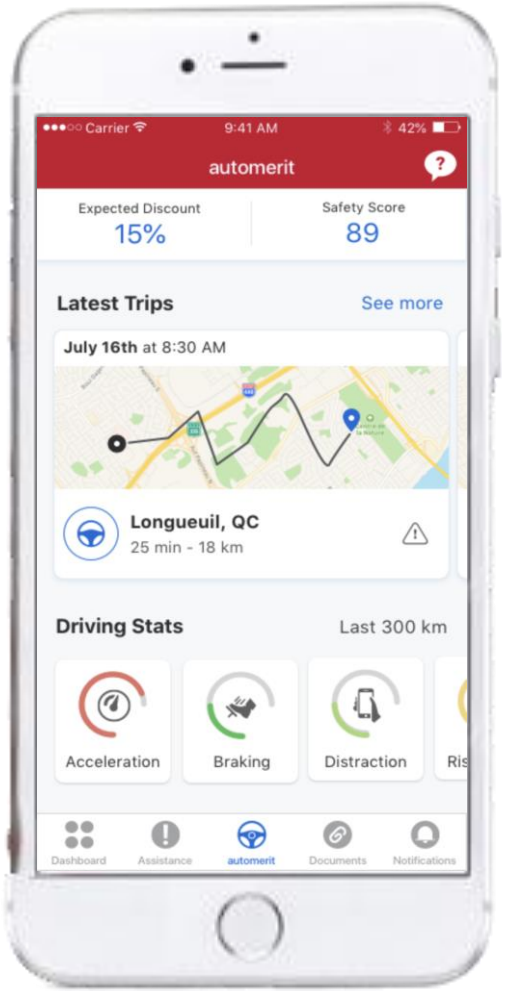
Digital + AI = faster cycle time

Use case example: A technology stack leveraging our AI power

- Scalable and **secured infrastructure**
- **Proprietary algorithm** & experience

400B
Data points captured to date

20
Data points per second collected

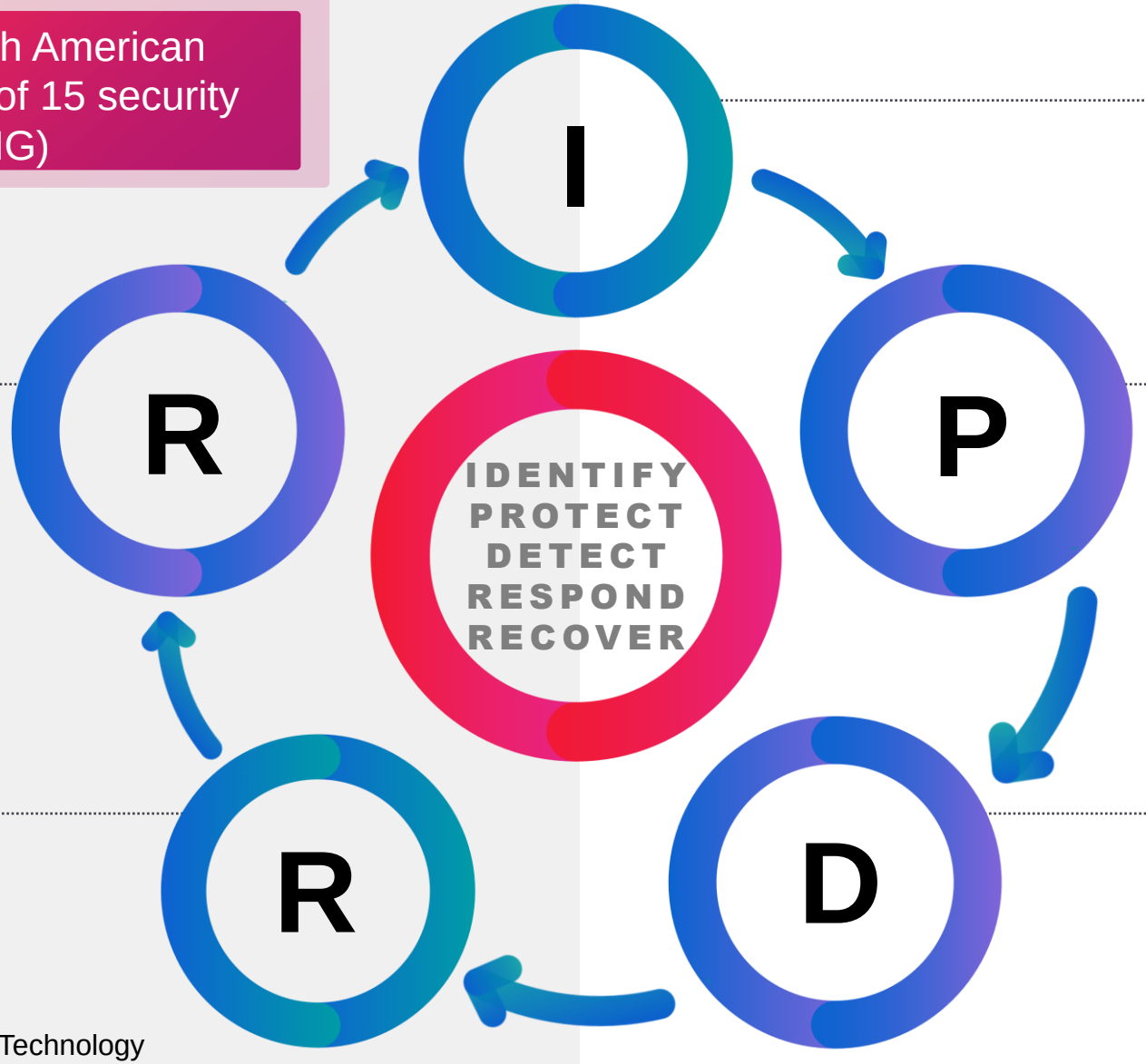


New Events Created:

- DISTRACTED DRIVING
- CORNERING & TURNS
- TIME OF DAY
- ROAD CONDITIONS

Intact Cybersecurity Framework (based on NIST)

Outperforming the North American Insurance industry in 14 of 15 security domains (KPMG)



Identify

IS Organization, Governance & Risk
IT Assent Management
IS within 3rd parties
Compliance

Protect

Access Management
Data Protection
Perimeter Security
Human Resources Security
Physical Resources Security
IS within IT Operations
Software development & acquisition

Detect

Security Event Detection
Security Testing

Respond

Security incident management

Recover

IT Service continuity

NIST: National Institute of Standards and Technology

IFC's security approach: from a high level perspective



Hard to get in



Hard to get out



Only the data you need



Leave a signature

SECURITY MEASURES IN PLACE

Only authorized people have access to systems

- Every hour, over **70M connections refused or blocked** by our firewalls
- Over **36,000 attacks blocked** every month
- **+5M spam/email threats** that could include malicious content

Preventing data leakage

- Over **72M of malicious Websites blocked**
- USB, major Public Cloud Storage and Webmail blocked
- **+900 viruses** detected / month

Restricting users data access

Logging and keeping trace of activities

- Every second, over **31,000 events** collected

Outperformance driven by superior risk selection

+650bps

10-YR AVERAGE

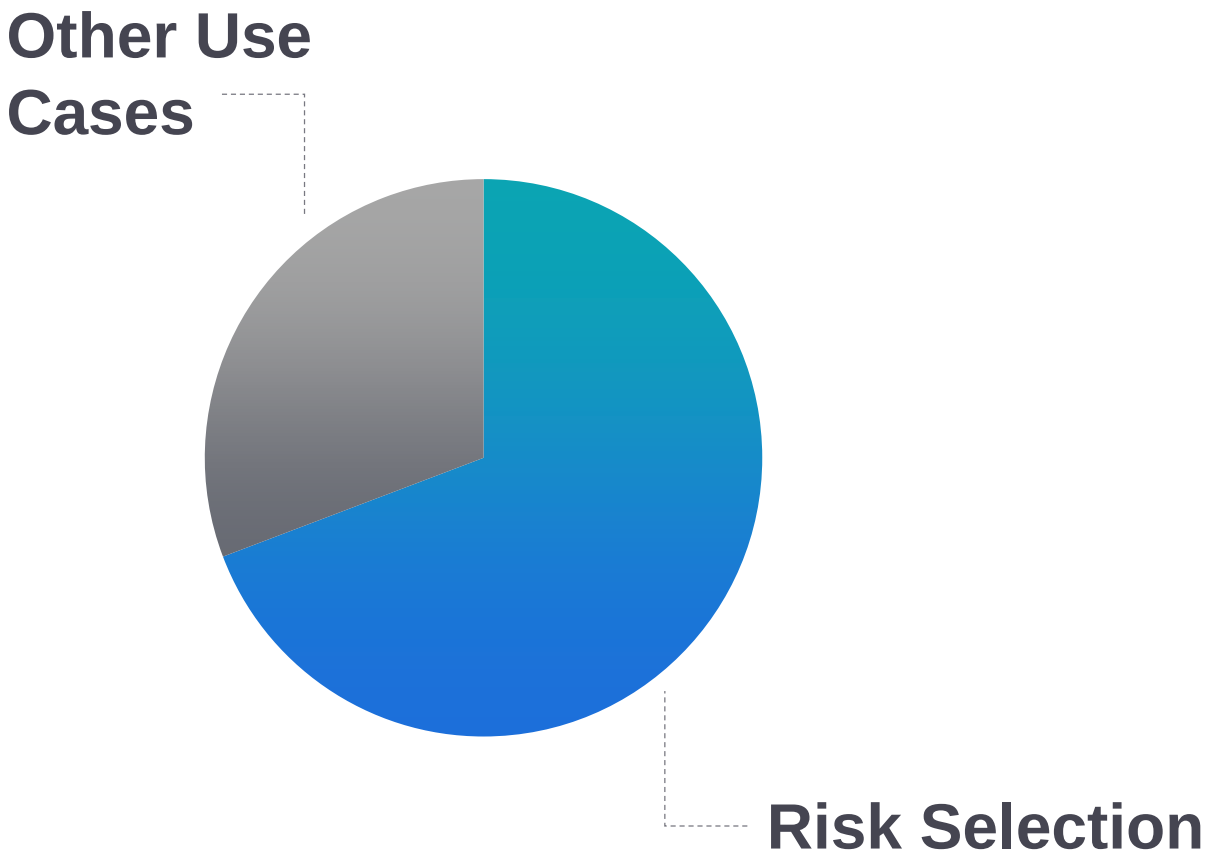
ROE

OUTPERFORMANCE

1/3

FROM **Risk Selection**

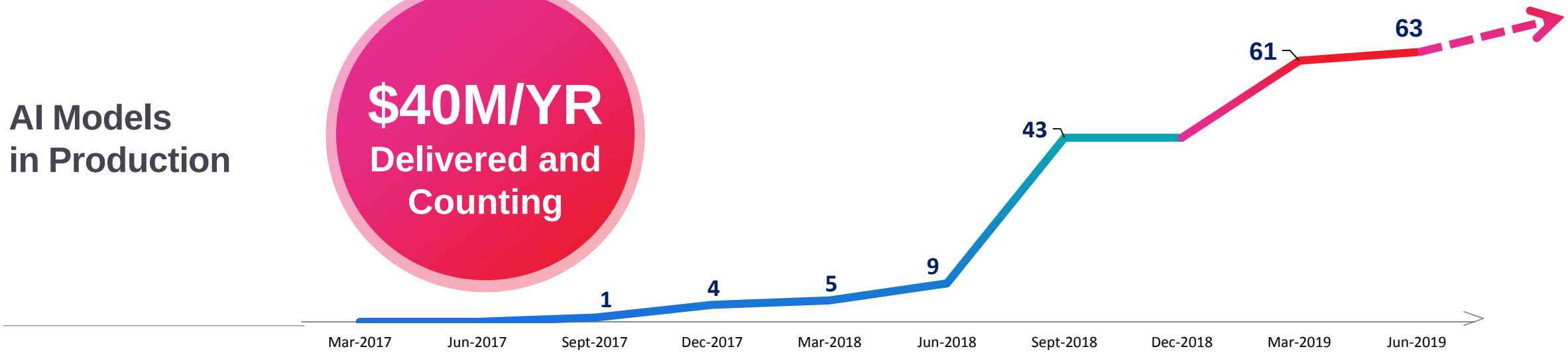
RESOURCE ALLOCATION



Reinventing Our Data Advantage Through AI

AI Models in Production

$40M/YR
Delivered and Counting



Pillars to AI Success at IFC



STRATEGIC ALIGNMENT

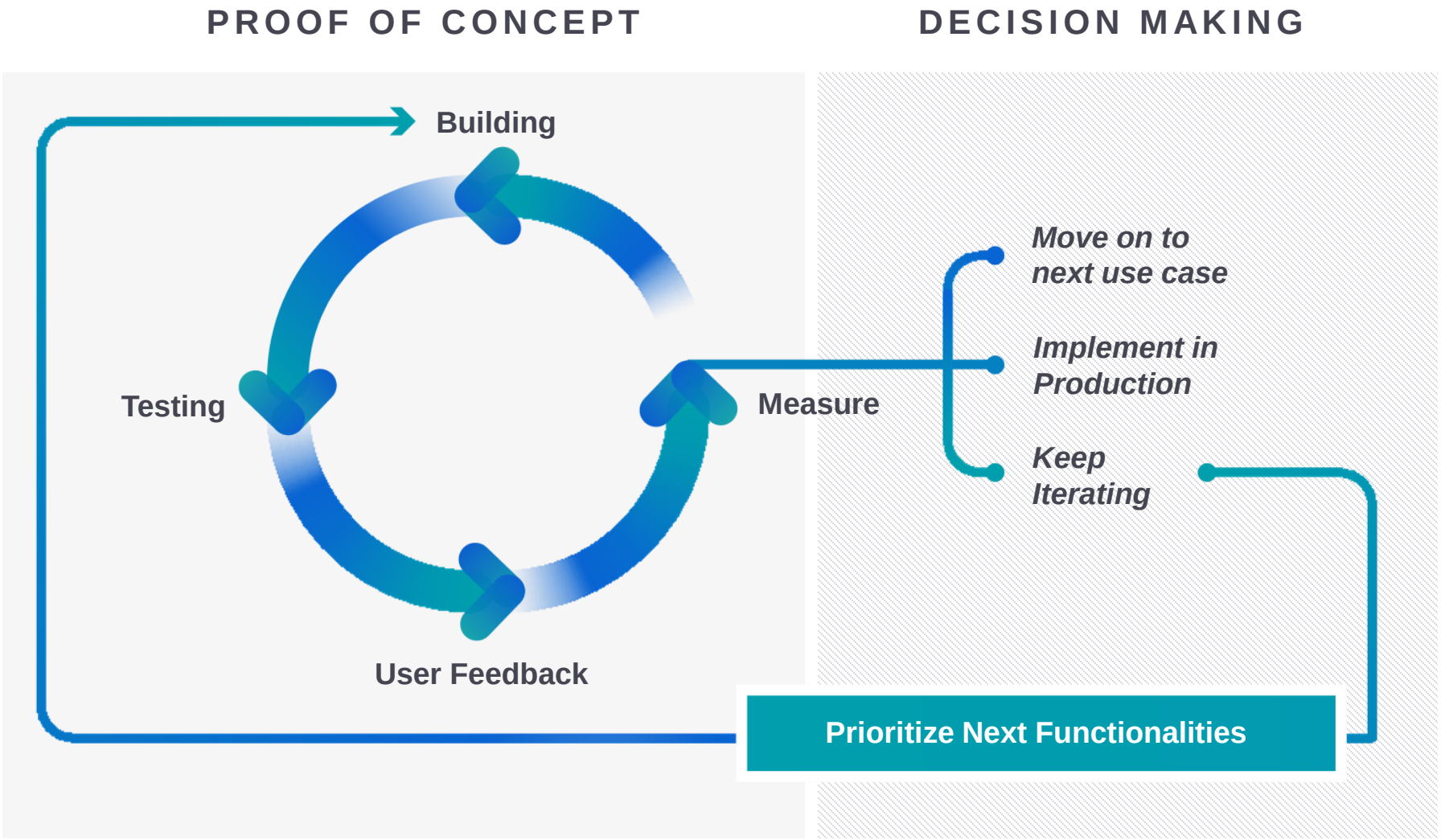
EXECUTION DISCIPLINE

STRONG AI ENGINEERING FOUNDATION

Pillar I – Strategic Alignment

	BUSINESS STAKEHOLDERS	INTACT LAB
Select Use Cases	Strategy Operations	Data & Tools Expert Knowledge
Value Creation	Customer Experience	Growth Margin Improvement

Pillar II – Execution Disclipline



Use Case Example – Commercial Lines UW Advisor

Fewer questions & consistent outcomes while enabling our experts

NEW APPLICANT

Applicant 04603:
Joe's Hardware Store

UNDERWRITING GUIDELINES
(UW ADVISOR)

Limits & Deductibles
Forms #
Roof type
Occupancy type
Theft risk
Contents limit
Theft protection
Building type
Stock location
…

THEFT RISK

MOST RELEVANT QUESTIONS

Questions #1 :
Stock Outside?

Questions #2:
Open 24/7?

Questions #3

Consistency

Speed

Efficiency

OUTPERFORMING INDUSTRY

$5M/YR
Quality + Expense Savings

Pillar III – Strong AI Engineering Foundation

A key accelerator for enterprise wide innovation

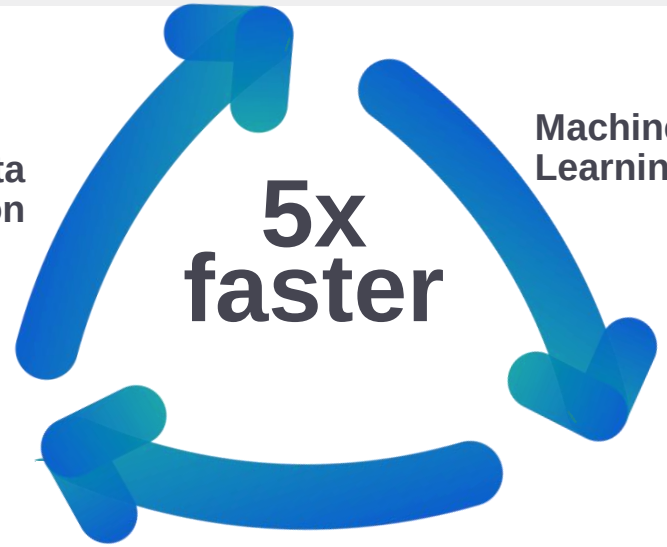
DATA PREPARATION

MODELLING

TESTING & IMPLEMENTATION

FROM
SEQUENTIAL

TO
INTEGRATED



From data preparation to implementation

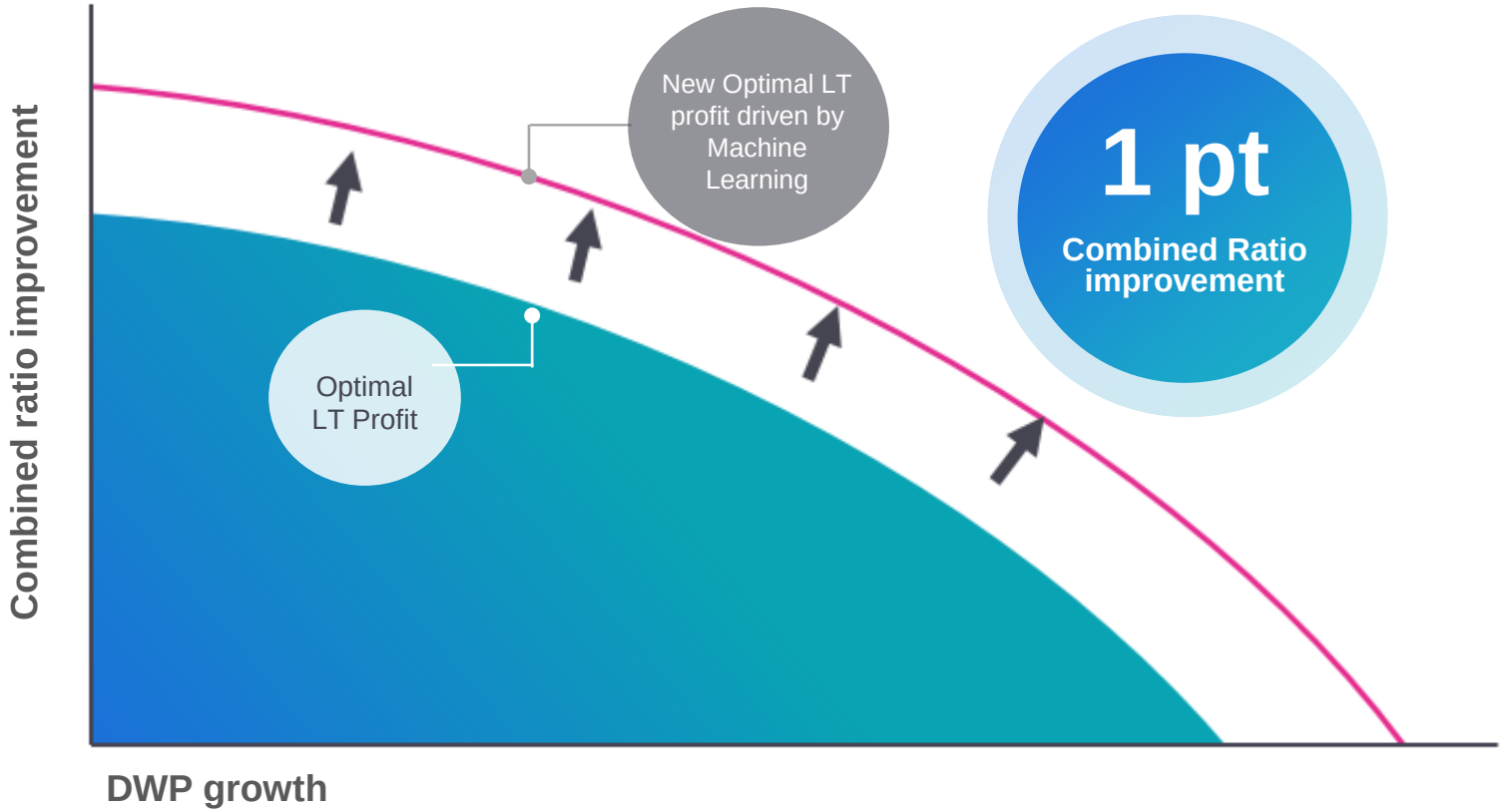
Analytical data mirrors production data

Code & model implemented “as is”

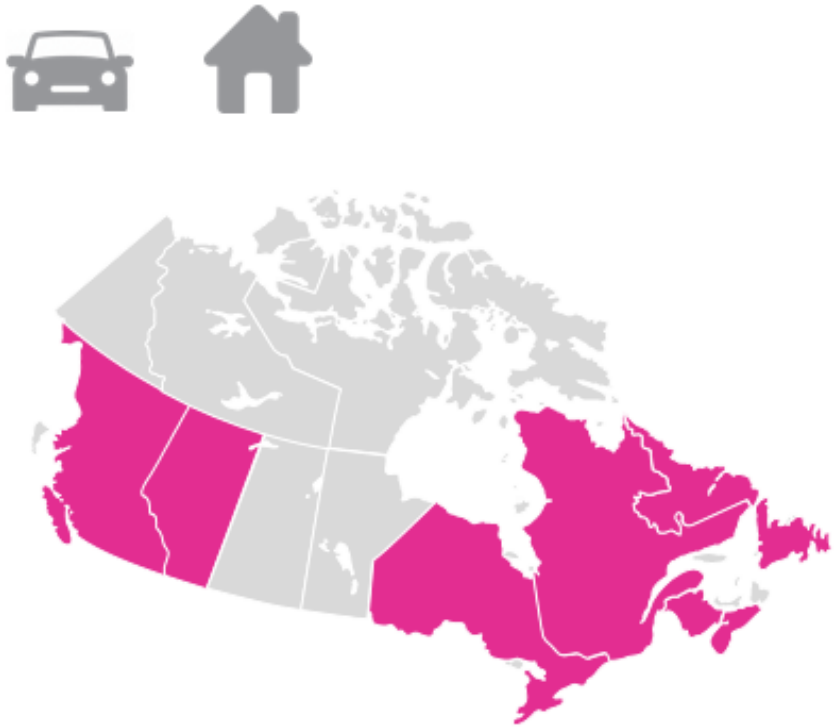
Use case example – Personal Lines Rating Powered by AI

Innovate. Rinse. Repeat

2017 – 2018



2019+

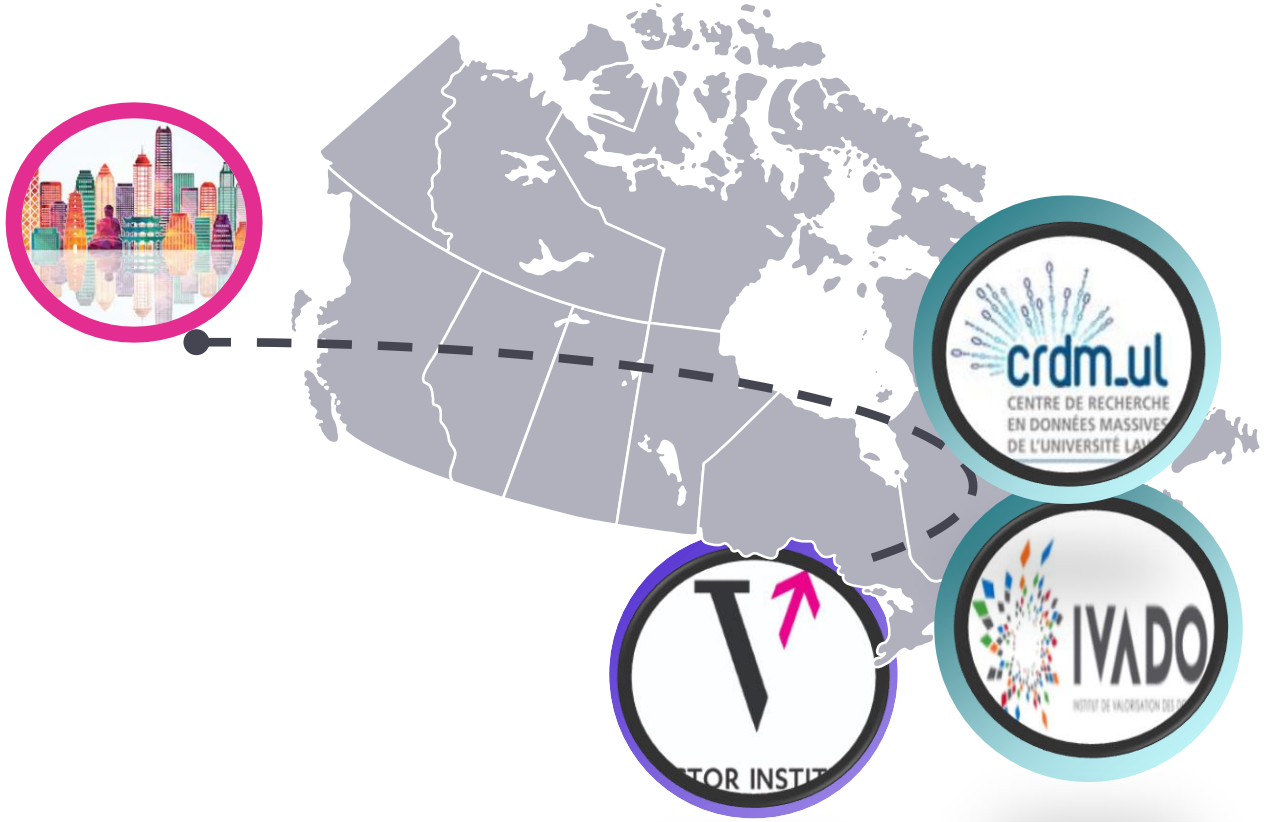


Advanced Segmentation | **Scalable & Repeatable** | **Accelerate Speed to Market**

Reinventing our Data Advantage Through AI

$40M/YR
Delivered

>140
AI Experts and Counting



Strategic Alignment

Execution Discipline

Strong AI Engineering Foundation

Toronto

Montreal & Quebec City

Asia

Academic Partnerships

TRANSFORMING OUR COMPETITIVE ADVANTAGE IN CLAIMS

Patrick Barbeau and France St Louis



intact



Claims expertise across North America

2018 Highlights

# Claims:	**+ 500K**
# Claims employees:	**3.8K**
# Legal employees:	**450**

Auto

# of parts ordered:	**2.1M**
Total labor hours:	**4.3M**
Total Paint hours:	**1.6M**

Property

Paint (litres):	**500K**
Clean up hours:	**100K**



Claims Goals

Customer Experience

75% NPS
Reduce customer effort by 30%

Invest in People

Destination for top talent
80% Employee engagement

Operational Excellence

12% Efficiency gains
2 pts of LAE Outperformance

Indemnity Control

Cut cycle time by 1/3
2 pts of Loss Ratio outperformance



On Side: A strategic acquisition

Customer Experience, Operational Excellence, Indemnity Control

Full ownership of On Side Restoration over a two-year period

- Attractive IRR: >20%
- $25M pre-tax operating income by 2021

Increase capacity

- Synergy potential for future acquisitions
- Simplify overall property claims process

Vertical Integration & Margin Capture

- Diversification of revenues in property; counter-cyclical
- Control/reduce indemnity



Customer Experience:
Reducing Cycle Time by 50%

- Leveraging video capabilities
- National CAT Mobilization
- Contents management
- Monitoring & Review

Customer experience in the service centers

Cycle time

40% faster



Net Promoter Score

NPS higher by 9 pts



The claims process going digital:
Replicating the service center experience

Digital process VS regular process

NPS INCREASE

+9%

CYCLE TIME REDUCTION

-15%



Leading to 3 out of 4 customers digitally engaged

Ten questions is all it takes to start the claim process

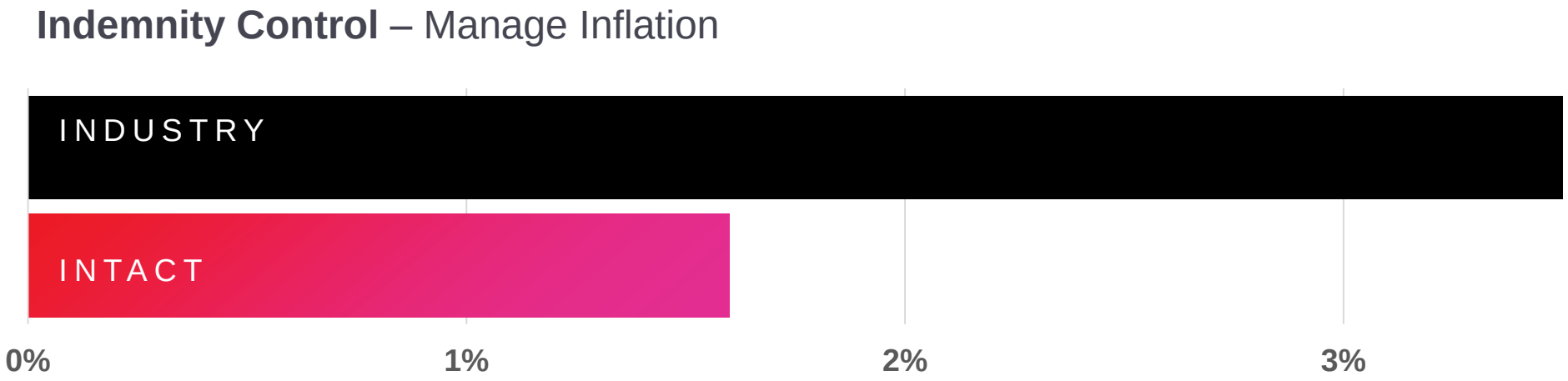
Pre- filled data with a step-by-step intuitive flow

Guided photo module to capture vehicle damage

Fully automated claim set-up

Immediate visibility of the claim in Client Centre

Indemnity Control: Leveraging size in car repairs



2% lower
cost inflation[1]

Outperformance Achieved By:

- Thorough estimate process review allowing us to **reduce our estimate costs by 3%**
- Outperforming the industry by **cutting 1 day of rental**
- **Reducing the use of OEM parts by 5%**

OUTPERFORMING INDUSTRY

1 Auto physical damage YTD Q3-2019

North American Specialty **Claims** – supporting the low 90's objective



Claims Handling

Improve loss ratio by 1pt

- Complexity & potential high exposure identification at file opening
- Robust process for regular follow-ups
- Formal governance for potential high exposure claims & upcoming trials



Internalization & Litigated file management

Reduce legal costs by 15%

- + 450 litigated files handled internally
- 98% of Legal opinions managed internally
- 14% reduction in legal bills



Leverage IFC & OneBeacon expertise

Improve loss ratio by 0.5 pts

- Quality of files improved representing $5M annually
- + 350 IFC files handled by OneBeacon
  - Vehicles
  - Trucking
  - General Liability

TRANSFORMING OUR COMPETITIVE ADVANTAGE **CAPITAL TO ENABLE TRANSFORMATION**

Carla Smith & Ken Anderson

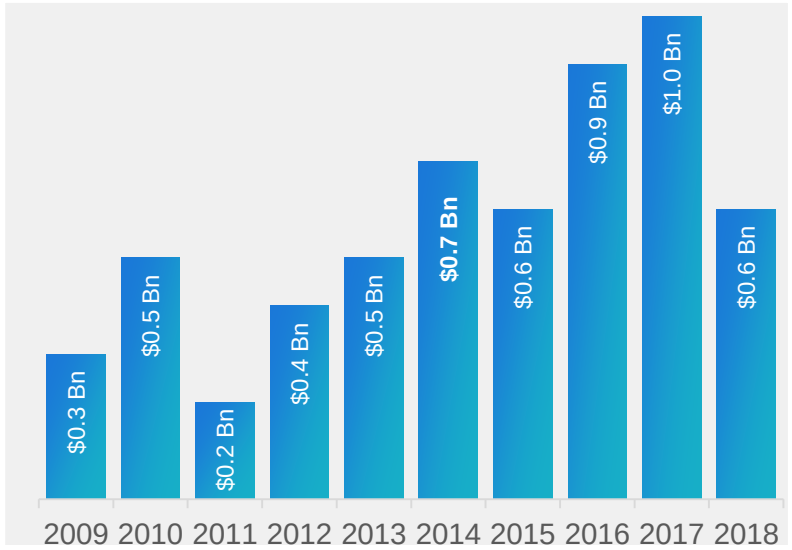


intact

Strong Capital Generation provides fuel for strategic capital deployment

STRONG CAPITAL GENERATION

TOTAL CAPITAL **GENERATED** SINCE 2009 → **$5.7Bn**



DISCIPLINED CAPITAL DEPLOYMENT

TOTAL CAPITAL **DEPLOYED** SINCE 2009 → **$9.5Bn**

Manufacturing M&A	$4.5Bn
Dividends & Buybacks	$3.1Bn
Distribution M&A	$1.1Bn
Organic Growth	$0.8Bn

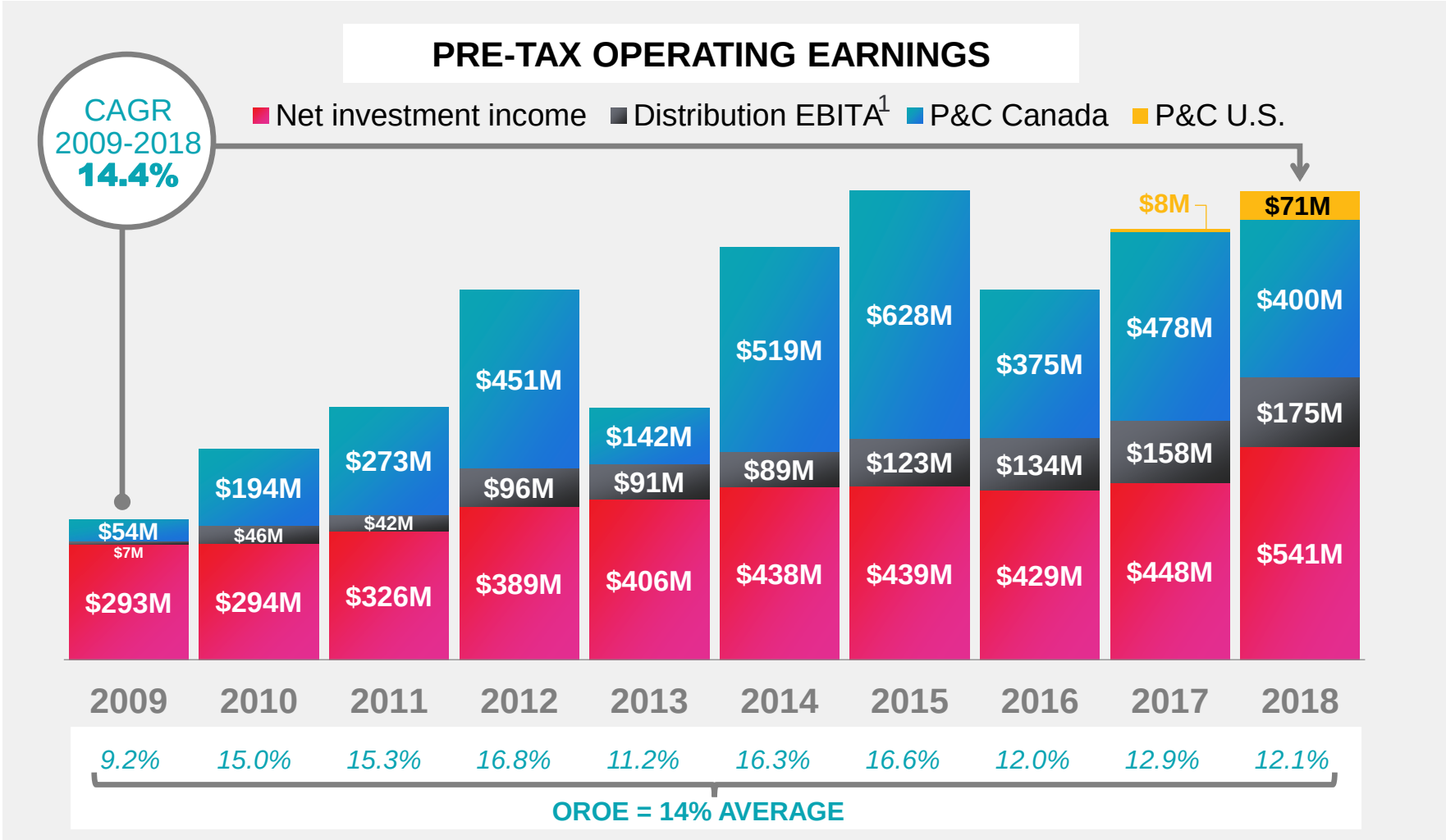
10.4%
10 year NOIPS CAGR

17%
TSR ON EQUITY ISSUED FOR M&A[1]

650bps
Average ROE Outperformance

[1] $ weighted annualized Total Shareholder Return on equity issued for AXA, Jevco, and OneBeacon acquisitions.

A diversified earnings base bolstered by stable investment and distribution earnings



+20% DISTRIBUTION EBITA & OTHER

+5% INVESTMENT INCOME

9%+ ROE[2]

2019

[1] Distribution income 2009-2011 and Distribution EBITA 2012-2018

[2] Estimated FY2019 ROE from Investment income and Distribution EBITA & Other

Investment & Capital management have delivered ROE outperformance & fueled NOIPS growth

INVESTMENT MANAGEMENT

INVESTMENT MANAGEMENT TARGET

+144 bps

OUTPERFORMANCE

STRONG TRACK RECORD

+146 bps[1]

OUTPERFORMANCE

4 bps
Cost of Inv Management[2]

+50%
ACTIVE MANAGEMENT

+50%
ASSET ALLOCATION & BENCHMARK SELECTION

CAPITAL MANAGEMENT

MANAGE LEVERAGE	19.3%	DEBT-TO-TOTAL CAP. Q3-2019
INCREASE DIVIDENDS	9.1%	DIVIDEND CAGR 2009-2018
MANAGE VOLATILITY	$1.1Bn	TOTAL CAPITAL MARGIN - Q3-2019
INVEST IN GROWTH	$9.5Bn	DEPLOYED SINCE 2009
SHARE BUYBACKS	$627m	RETURNED SINCE 2009

[1]Period from 1/1/2010 to Sept 30, 2019, estimated
[2]after-tax

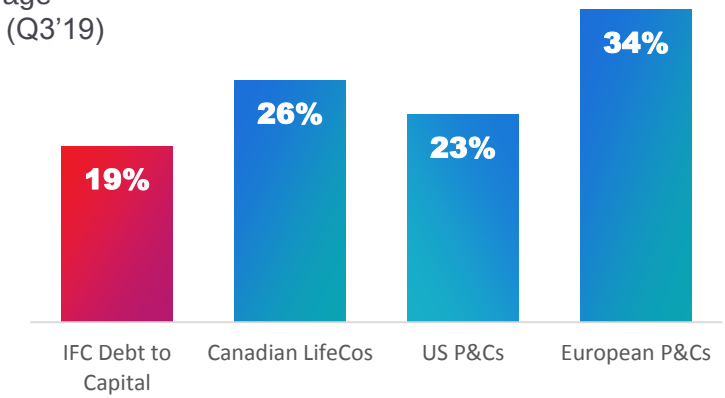
Leverage is managed with discipline

MANAGE LEVERAGE

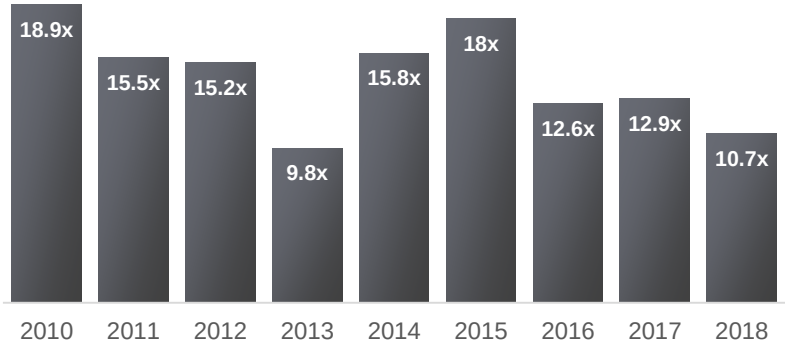
- INCREASE DIVIDENDS
- MANAGE VOLATILITY
- INVEST IN GROWTH
- SHARE BUYBACKS

Our leverage levels are in line with peers

Leverage Ratio (Q3'19)

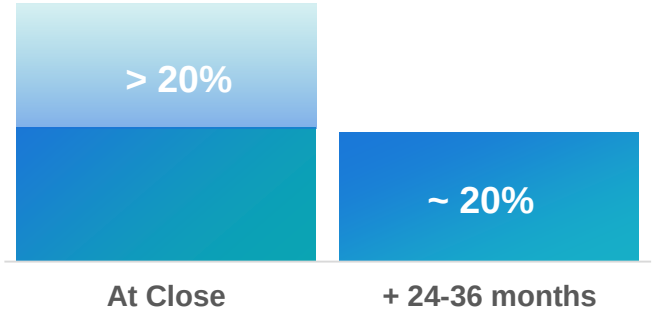


Earnings coverage



Leverage may increase temporarily to support value creation from M&A

Leverage following M&A based on estimated capital generation over 24-36 months



Our leverage discipline contributes to strong ratings

	IFC Senior Unsecured Debt	P&C subsidiaries Financial Strength
Fitch	A-	AA-
DBRS	A	AA(low)
Moody's	Baa1	A1/A2
AM Best	a-	A+

Significant capital returned to shareholders

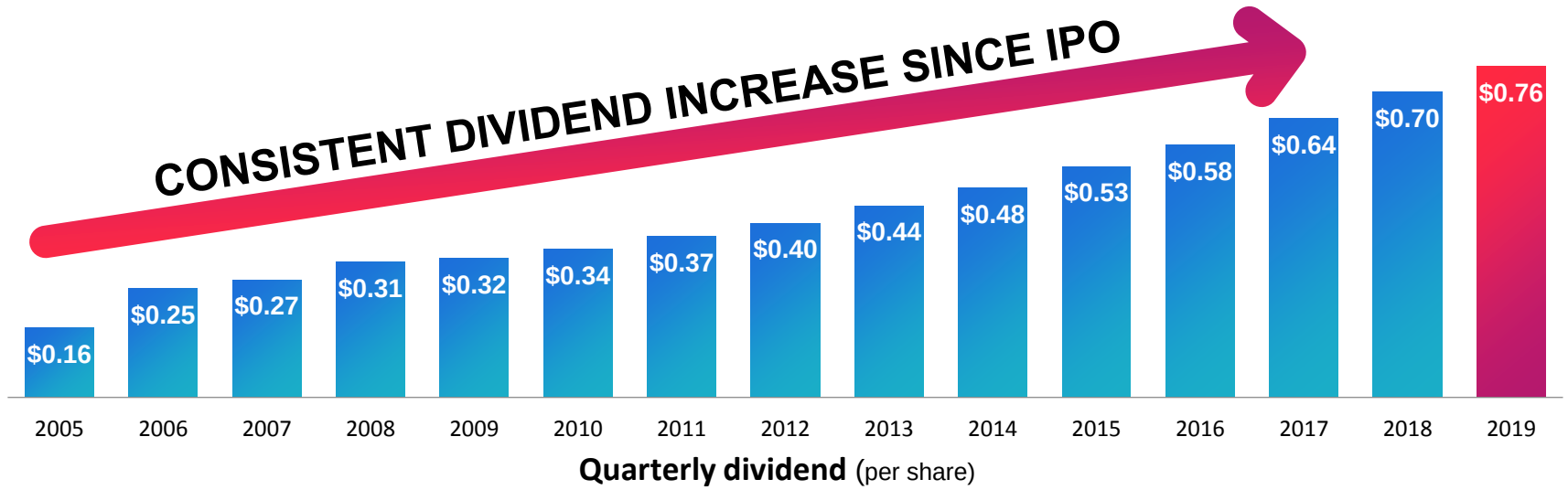
MANAGE LEVERAGE

INCREASE DIVIDENDS

MANAGE VOLATILITY

INVEST IN GROWTH

SHARE BUYBACKS



$2.5B

Dividends paid to shareholders since 2009[1]

9.1%

10 year Dividend CAGR

42%

Average 10 year NOIPS Payout Ratio

1 Dividends paid 1/12009-12/31/2018
2 Dividend CAGR 2009-2018

Capital protected to enable capture of opportunities

MANAGE LEVERAGE

INCREASE DIVIDENDS

MANAGE VOLATILITY

INVEST IN GROWTH

SHARE BUYBACKS

FOCUS ON CAPITAL STRENGTH

At Sep 30, 2019

MCT	195%
RBC	427%
Total Capital Margin	$1.1 bn

CONSERVATIVE EARTHQUAKE EXPOSURE MANAGEMENT

- Coverage in place for > 1/600yr event[1]
- Industry loss estimate $25bn

< 5pts
IMPACT ON IFC CR%

[1] Western Canada earthquake

BALANCE SHEET VOLATILITY MANAGED CAREFULLY

+100bps Int rates		*-10% Equity markets*		*-5% Pref. markets*		*+10% CAD/USD*	
(1.6)% – BVPS	$(3m) – Net Income	(3.1)% – BVPS	$(15m) – Net Income	(0.6)% – BVPS	+$8m – Net Income	(2.6)% – BVPS	~0% – Net Income

As at Sept 30, 2019 - Immediate impact of each shock

Successful M&A has become a core competency

MAINTAIN LEVERAGE

INCREASE DIVIDENDS

MANAGE VOLATILITY

INVEST IN GROWTH

SHARE BUYBACKS

Over the last decade…

AXA CANADA	JEVCO	METRO GENERAL	CANADIAN DIRECT INSURANCE	INNOVASSUR ASSURANCES GÉNÉRALES	OneBeacon INSURANCE GROUP	ON SIDE RESTORATION	THE GUARANTEE
$2.0B DPW 2011	$350M DPW 2012	$27M DPW 2014	$143M DPW 2015	$99M DPW 2016	US$1.2B DPW 2017	$200M+ REVENUES 2019	$568M DPW 2019



M&A is an accelerator in the achievement of our strategy

MANAGE LEVERAGE

INCREASE DIVIDENDS

MANAGE VOLATILITY

INVEST IN GROWTH

SHARE BUYBACKS

DEEPEN LEADERSHIP POSITION IN CANADA

- Digital engagement
- Leading customer experience
- Scale in distribution
- Further consolidation in Canada

BUILD A NORTH AMERICAN SPECIALTY LEADER

- Low 90's combined ratio
- Optimize distribution
- Consolidate fragmented specialty market
- Develop leading position in sharing economy

Build Scale *…to achieve competitive advantage so we can…*

Outperform *…to create dry powder and opportunities to…*

Reinvest *…in customer experience, new competencies, additional scale, and new growth pipelines*

Substantial Runway in fragmented markets where M&A can play a role

MANANGE LEVERAGE

INCREASE DIVIDENDS

MANAGE VOLATILITY

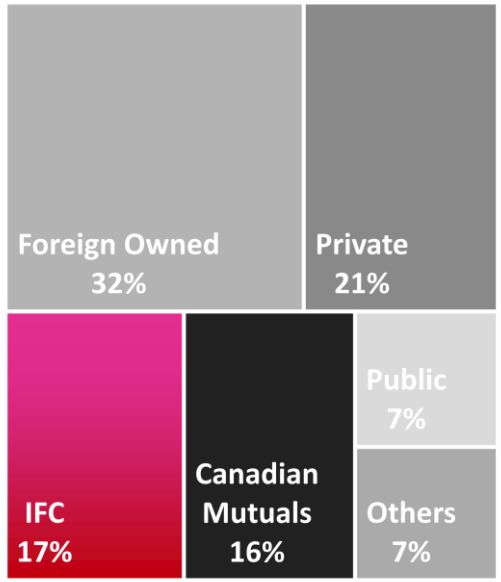
INVEST IN GROWTH

SHARE BUYBACKS

CANADA MANUFACTURING

Environment Conducive to Acquisitions **~C$53B[1]**

TOP 20 = 84% OF P&C MARKET



CANADA DISTRIBUTION

BrokerLink Scale facilitates IFC's consolidator role

Be the home for exiting brokers

- Succession challenges
- Substantial investments in technology

Continue to **support brokers financially**

New **MGA platform**

NORTH AMERICA SPECIALTY LINES

Many avenues to pursue specialty lines growth **~US$130B[2]**

MANUFACTURING
OneBeacon Today

+

INTERMEDIARIES
MGU, MGA, Wholesaler

+

RETAIL DISTRIBUTION

1 – MSA 2018 excluding Lloyds, government owned corporations, mortgage insurance
2 – SNL 2018 including commercial & specialty lines

Seasoned Playbook for Integration & Value Creation

MANAGE LEVERAGE

INCREASE DIVIDENDS

MANAGE VOLATILITY

INVEST IN GROWTH

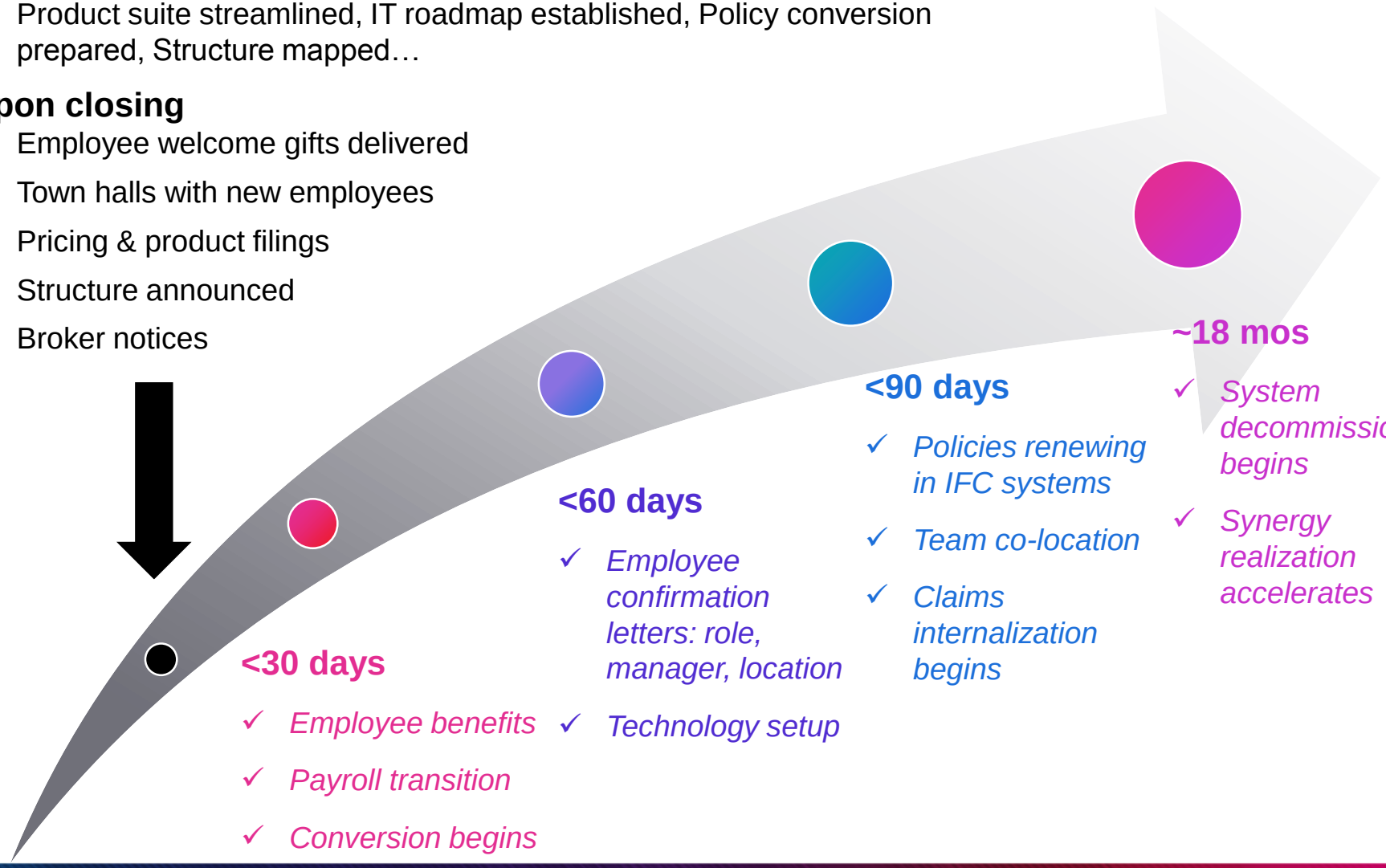
SHARE BUYBACKS

Before closing

- Joint task forces meeting regularly, Integration newsletters for employees, Product suite streamlined, IT roadmap established, Policy conversion prepared, Structure mapped…

Upon closing

- Employee welcome gifts delivered
- Town halls with new employees
- Pricing & product filings
- Structure announced
- Broker notices



<30 days

- ✓ *Employee benefits*
- ✓ *Payroll transition*
- ✓ *Conversion begins*

<60 days

- ✓ *Employee confirmation letters: role, manager, location*
- ✓ *Technology setup*

<90 days

- ✓ *Policies renewing in IFC systems*
- ✓ *Team co-location*
- ✓ *Claims internalization begins*

~18 mos

- ✓ *System decommissioning begins*
- ✓ *Synergy realization accelerates*

Guarantee Recap ticks all the boxes…

MANAGE LEVERAGE

INCREASE DIVIDENDS

MANAGE VOLATILITY

INVEST IN GROWTH

SHARE BUYBACKS

BOLSTERS CANADIAN LEADERSHIP POSITION

- Adds **$568M GPW**
- **$11.3[1] billionDPW** pro-forma
- Adds **High Net Worth**

EXPANDS NORTH AMERICAN SPECIALTY PLATFORM

- Adds **~$3 billion DPW**
- Enhances **IFC's surety platform**
- Adds **public entity capabilities**
- Adds a **leading MGA platform**

VALUE CREATION FOR SHAREHOLDERS

- Attractive internal rate of return **above 15%**
- Expected **low single-digit NOIPS accretion** within 24 months of close
- **10pts** of combined ratio improvement

[1] *IFC 12 months to Q3 2019 + Guarantee FY2018 per MSA*

Share buybacks are an effective tool for meeting our financial objectives

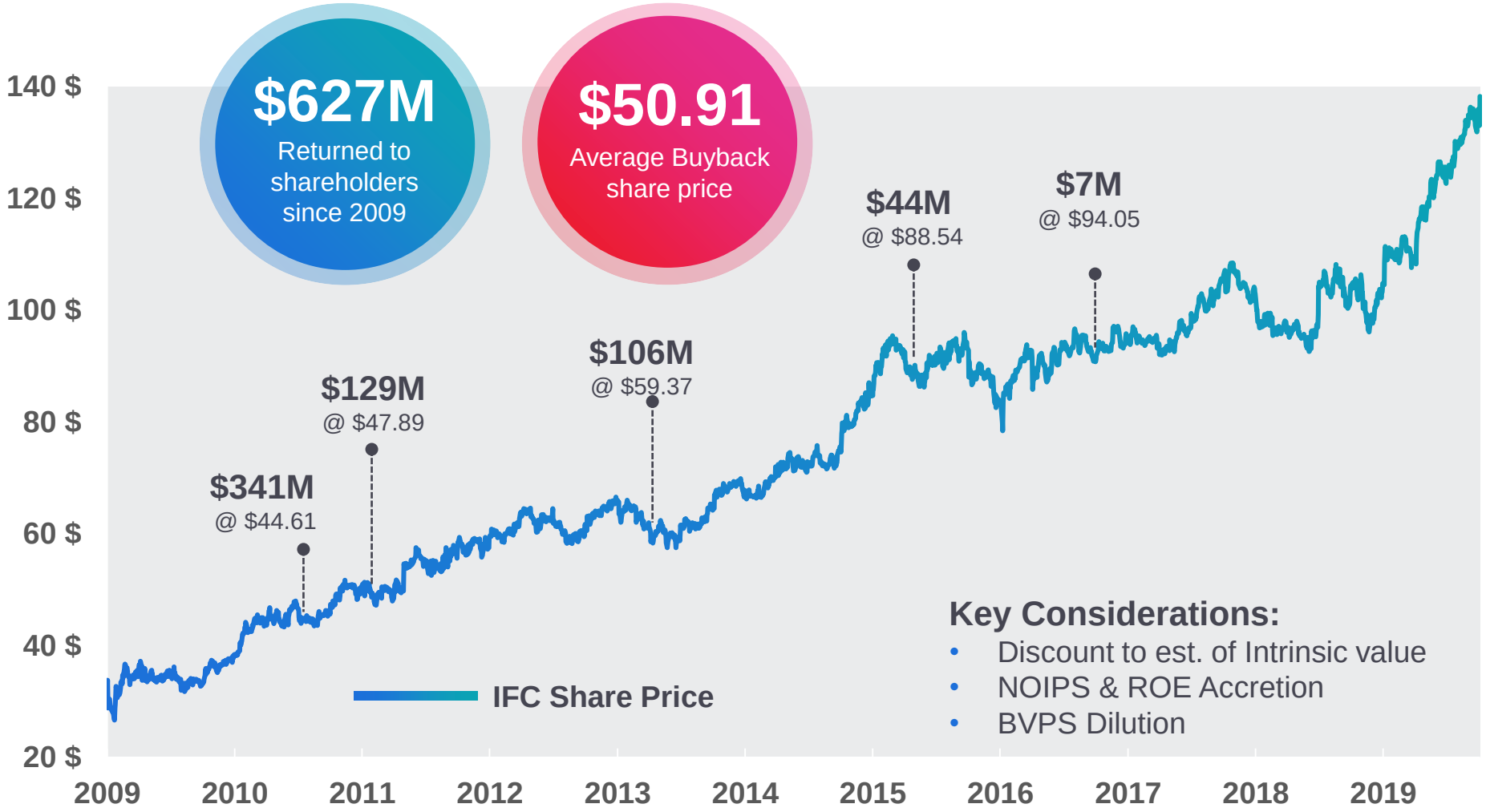
MANAGE LEVERAGE

INCREASE DIVIDENDS

MANAGE VOLATILITY

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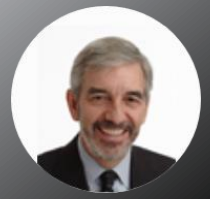


BOARD PANEL AND Q&A

Frédéric Cotnoir, Eileen Mercier, and Bill Young



IFC Board of Directors



IFC BOARD OF DIRECTORS

CHAIRMAN

Claude Dussault



IFC BOARD OF DIRECTORS

CEO

Charles Brindamour



AUDIT COMMITTEE

CHAIR

Eileen Mercier



COMPLIANCE REVIEW & CORPORATE GOVERNANCE COMMITTEE

CHAIR

Bill Young



HR COMMITTEE

CHAIR

Tim Penner



RISK COMMITTEE

CHAIR

Robert Leary



Janet De Silva



Sylvie Paquette



Frederick Singer



Carol Stephenson



Stephen Snyder



Jane Kinney

RECAP & PERSPECTIVE ON CURRENT MARKET CONDITIONS

Louis Marcotte & Darren Godfrey

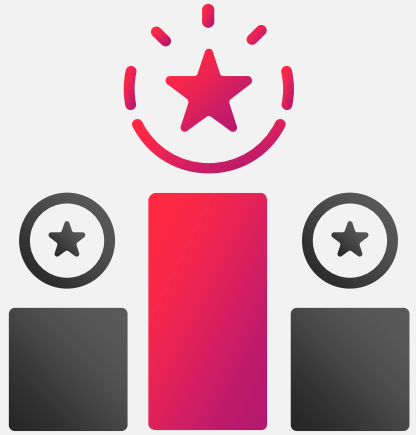


500bps ROE Outperformance - An input to Strategy

1/3 CLAIMS MANAGEMENT

1/3 PRICING & RISK SELECTION

1/3 INVESTMENT AND CAPITAL MANAGEMENT



TRANSFORMING OUR COMPETITIVE ADVANTAGES



DISCIPLINED DEPLOYMENT OF CAPITAL GENERATED

10% NOIPS Growth annually over time

1/3 ORGANIC GROWTH



SCALE IN DISTRIBUTION



DIGITAL ENGAGEMENT

1/3 MARGIN EXPANSION



DATA ADVANTAGE



DEEP ***CLAIMS EXPERTISE***

1/3 CAPITAL MANAGEMENT

- MANAGE LEVERAGE
- INCREASE DIVIDENDS
- MANAGE VOLATILITY
- INVEST IN GROWTH
- SHARE BUYBACKS

CAPITALIZE ON CURRENT MARKET CONDITIONS

11%
Organic Growth
Q3-2019

+7%
Personal Lines
Rate increase
Q3-2019

+10%
Can Com. Lines
Rate increase
Q3-2019

P&C Industry – 12 month outlook

PERSONAL AUTO

We expect ***upper single-digit*** growth.

PERSONAL PROPERTY

We expect ***mid-to-upper single-digit*** growth.

CANADA COMMERCIAL

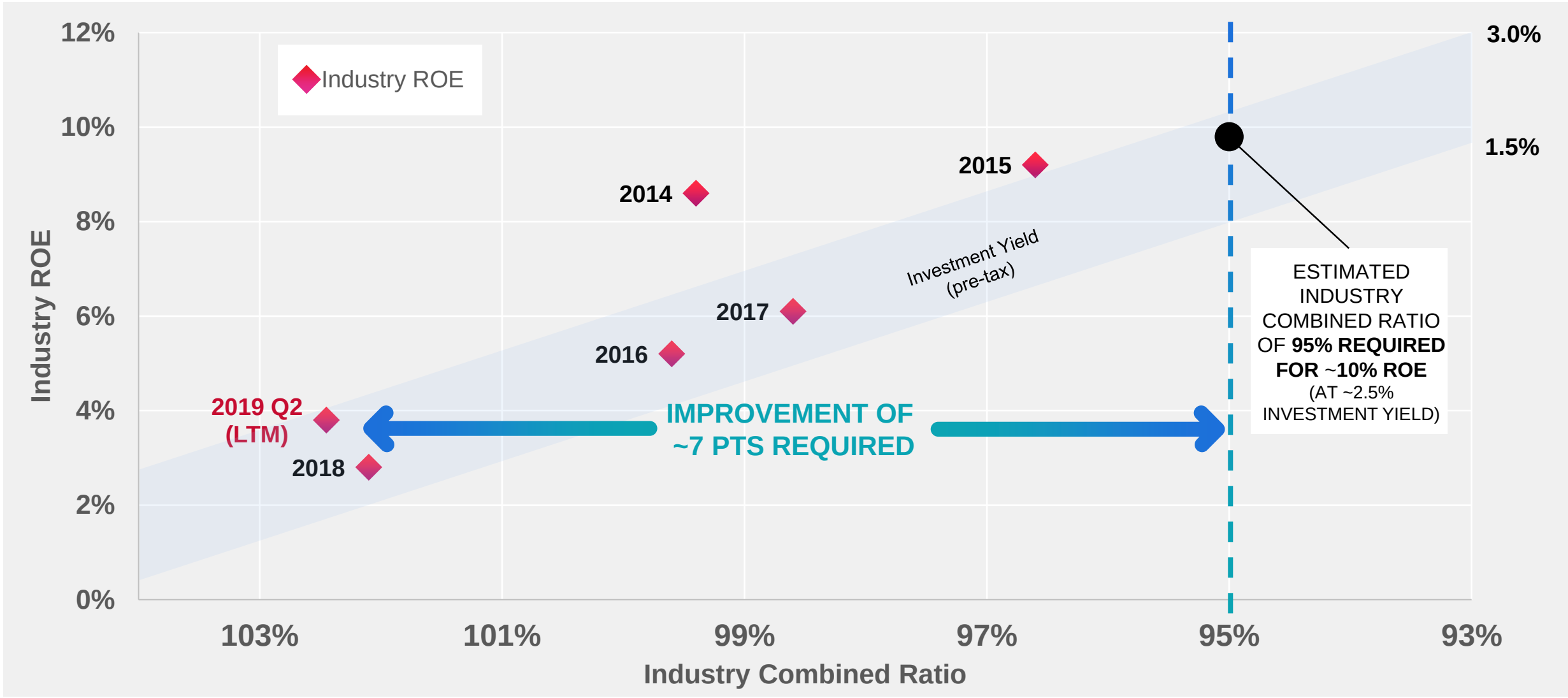
We expect ***upper single-digit to low-double digit*** growth.

US COMMERCIAL

We expect ***mid single-digit*** growth.

Overall the Canadian industry's ROE is expected to **improve but remain below its long-term average of 10%** over the next 12 months.

The Industry has work ahead to restore ROE

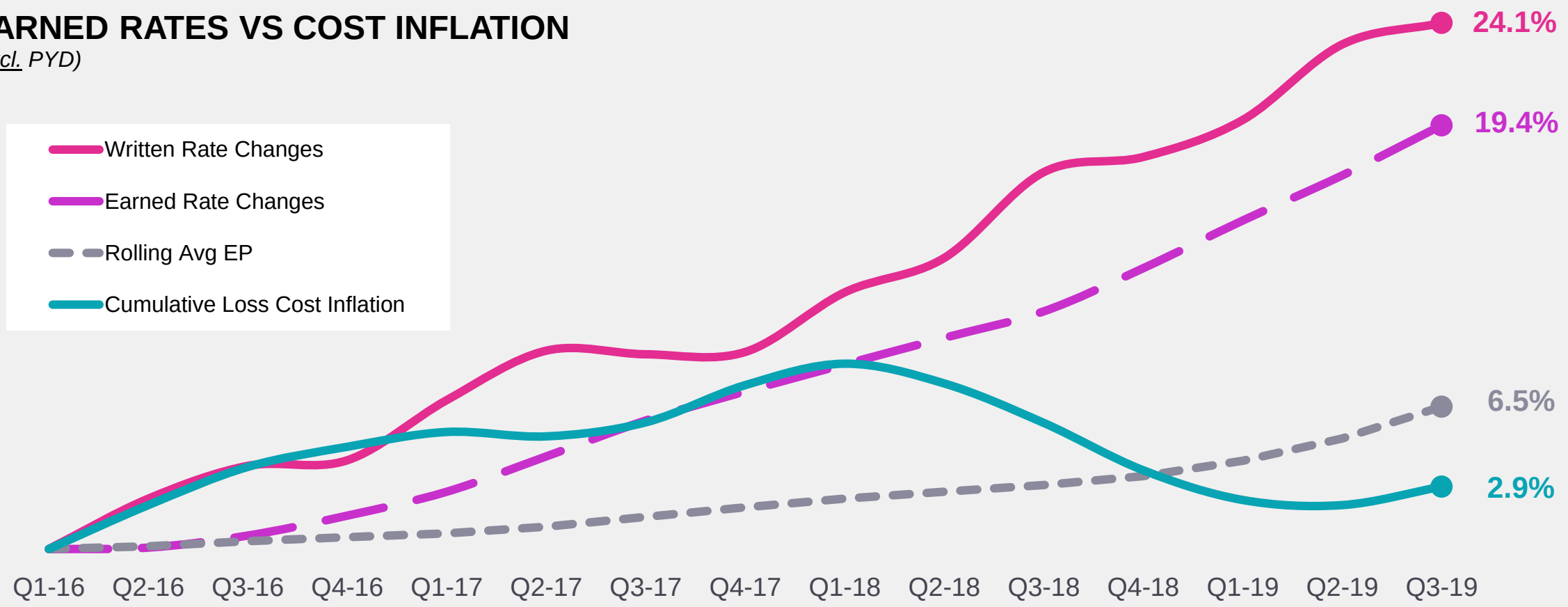


Source: IBC and MSA Research data, excluding IFC, Lloyds, Genworth & Government agencies

Personal Auto - rate actions are restoring margins

EARNED RATES VS COST INFLATION

(excl. PYD)



Near term guidance

	2019	2020
Net investment income	+5%	+4%
Distribution EBITA & other	+20%	+20%
CAT guidance	$275m	$300m

CONCLUDING REMARKS

Charles Brindamour



Our Strategic Roadmap for the next decade

10% NOIPS growth annually over time

STRENGTHEN OUR **LEADERSHIP POSITION IN CANADA**

- Digital engagement
- Leading customer experience
- Scale in distribution
- Further consolidation in Canada

BUILD A **NORTH AMERICAN SPECIALTY LEADER**

- Low 90's combined ratio
- Build on strength in sharing economy
- Consolidate fragmented market
- Optimize distribution

TRANSFORM OUR **COMPETITIVE ADVANTAGES**

- Become the best insurance AI shop in the world
- Deep Claims expertise & strong supply chain network
- Strong capital & investment management expertise

INVEST IN OUR **PEOPLE**

- Be a best employer
- Anticipate the future of work & help employees adapt to AI & automation
- Be a destination for top talent & experts

500 bps annual ROE out-performance

Maintaining Our People Advantage

Be a best employer

Future proof our people to succeed

Be a destination for top talent

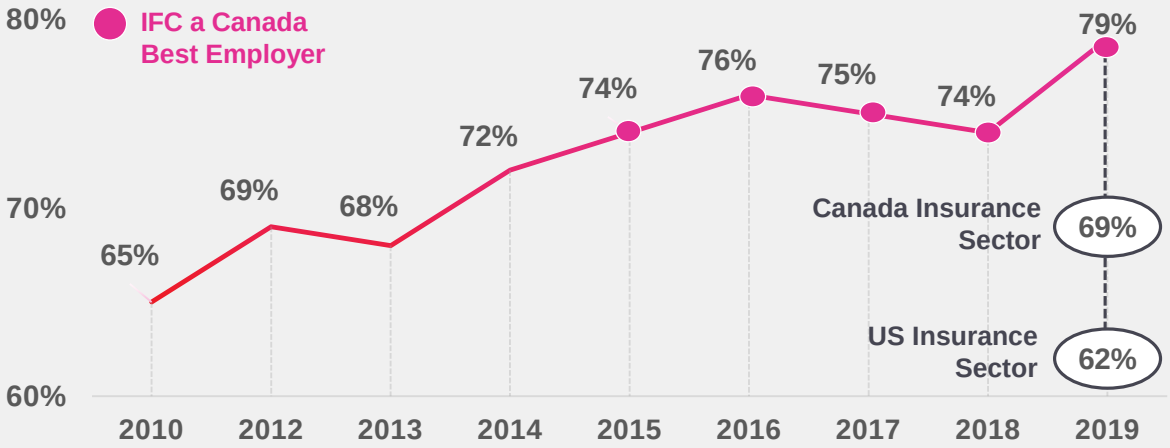
PEOPLE IN **MANAGEMENT ROLES**

54% ARE **WOMEN**

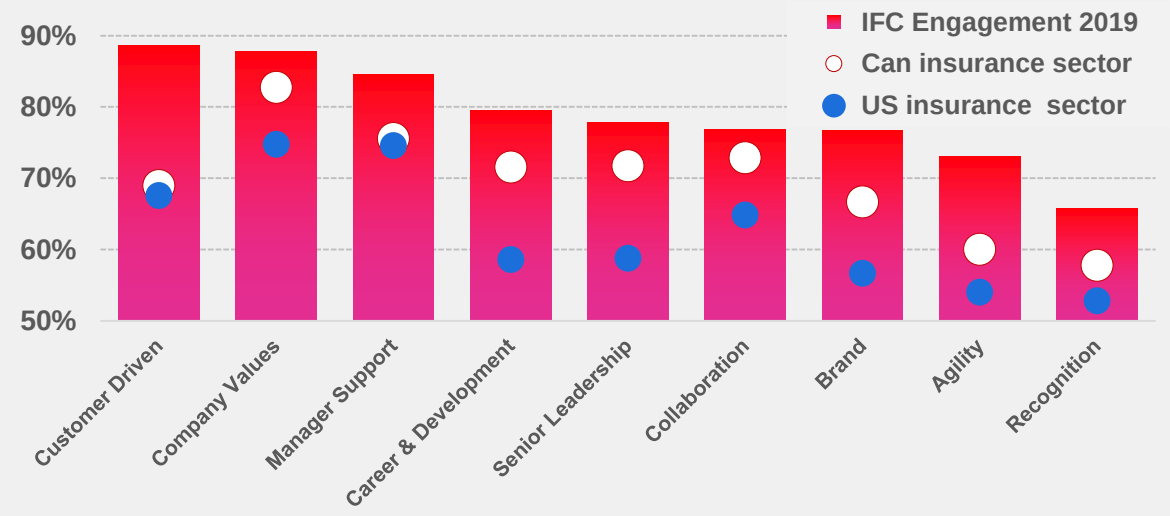
46% ARE **MEN**

Depth of talent with average of **8 successors** for each senior leadership role.

IFC EMPLOYEE ENGAGEMENT



LEADING ON **ENGAGEMENT DRIVERS**



The Next Decade – Takeaways



Leading North American platforms driven by **strong fundamentals**, **scale** and **discipline**



Customer driven focus



Strong financial position and proven track record of **accretive capital deployment**



Unique competitive advantages to translate **emerging risks into opportunities**



Deep, diverse and **engaged talent** pool, adaptable to change

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