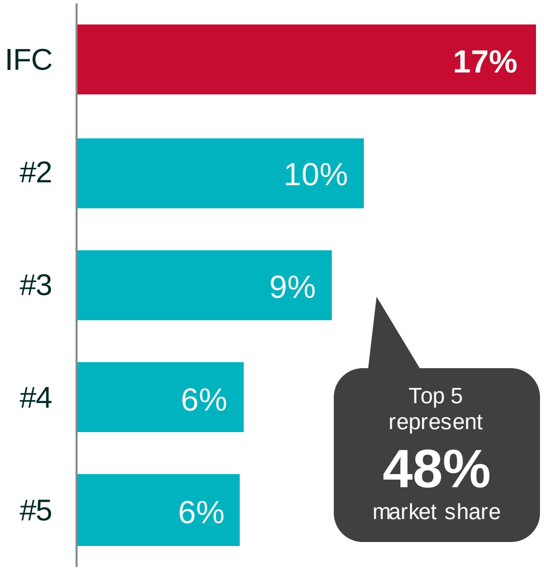
INVESTOR PRESENTATION

Intact Financial Corporation (TSX: IFC)

Updated: February 7, 2019

Canada’s largest home, auto and business insurer

Largest market share in a fragmented industry [1]



Distinct brands

intact INSURANCE

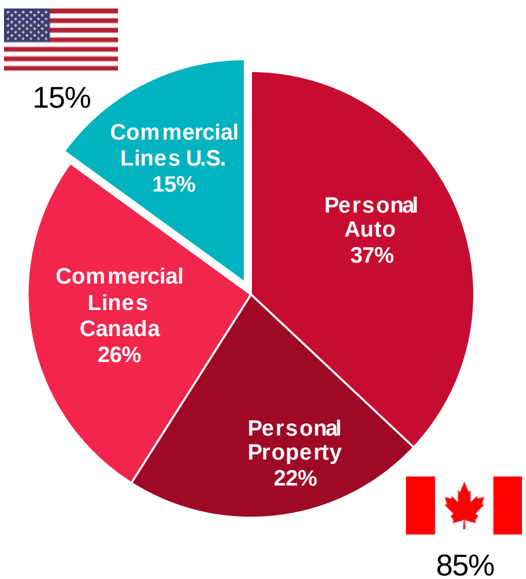
belairdirect.

BrokerLink

New U.S. platform

OneBeacon INSURANCE GROUP

2018 DPW by line of business



Industry data: IFC estimates based on MSA Research Inc. Please refer to Important notes on page 2 of the Q4-2018 MD&A for further information.

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

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%

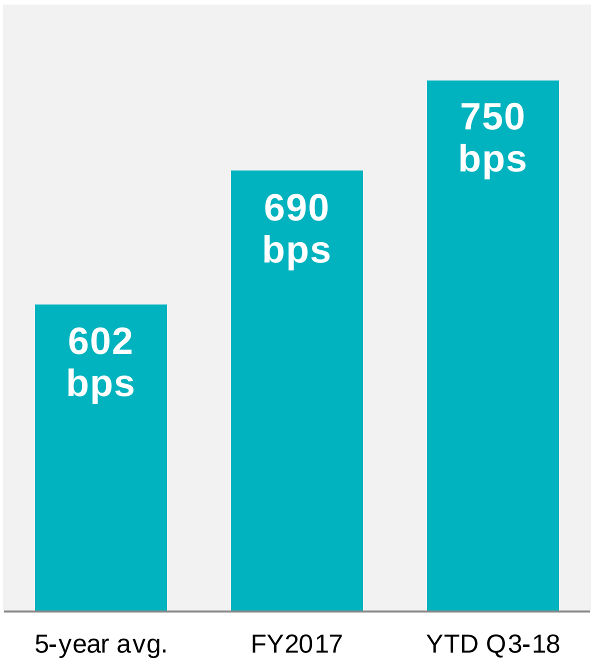
NOIPS growth per year over time

Every year beat industry ROE by

500bps

Achieving our financial targets

ROE outperformance versus the industry

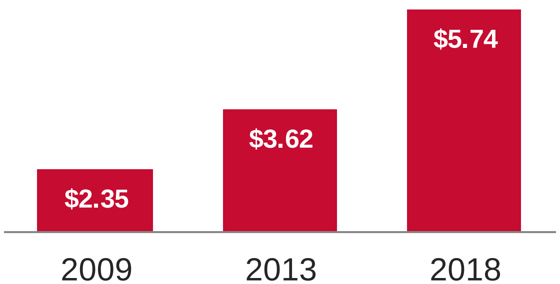


We have regularly exceeded our **500 bps ROE outperformance target** versus the industry.

Industry data: IFC estimates based on MSA Research. Please refer to Important notes on page 2 of the Q4-2018 MD&A for further information.

IFC's ROE corresponds to the AROE.

NOIPS



NOIPS 9-year CAGR **= 10.4%**

Common share dividend

DPS 10-year CAGR **= 9.1%**

* Annualized quarterly dividend declared

AON BEST EMPLOYER PLATINUM | CANADA | 2019

Canada's Top 100 Employers 2019

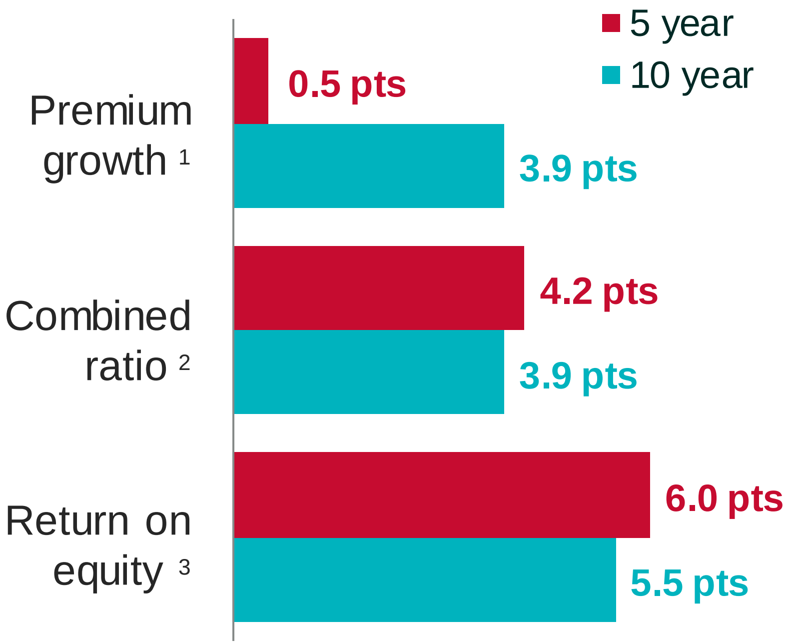
4th CONSECUTIVE YEAR AON PLATINUM AWARD AND BEST EMPLOYER

BOARD GAMES

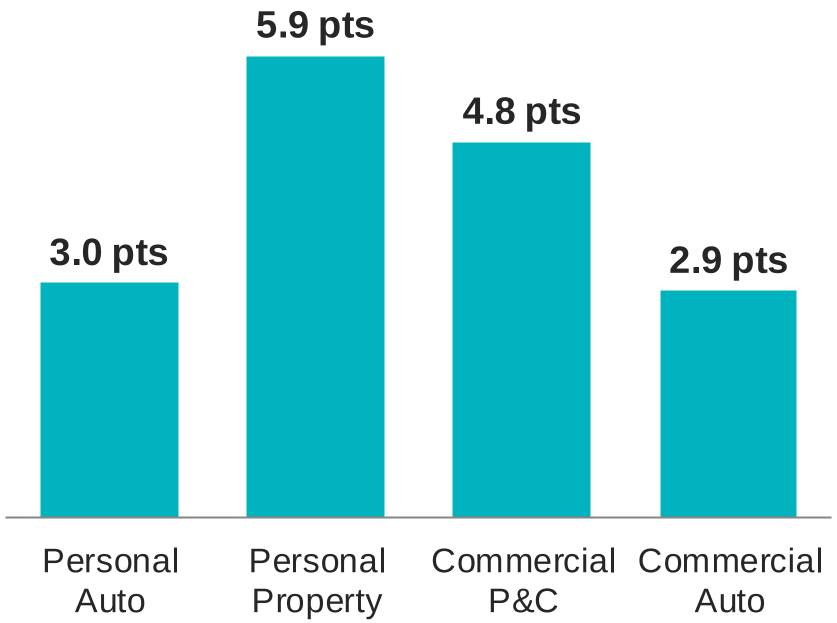
#2 GOVERNANCE OUT OF 242 COMPANIES IN CANADA

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

The market is firm with rate actions continuing, increases in residual market volumes and further tightening of capacity

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

We expect the current firm market conditions to continue as companies are adjusting to changing weather patterns

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

Market conditions are firm

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

The pricing environment remains competitive but stable, with modest upward trends continuing

- 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 9 – *P&C Insurance Industry Outlook* of the Q4-2018 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

	2018 CR	Current # of BUs	2018 DPW
intact INSURANCE	89.5%	12[1]	C$0.8B
OneBeacon INSURANCE GROUP	94.8%	14	C$1.5B
North American Specialty	***93.0%***	***21***[2]	***C$2.3B***

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, 2018 for more information. The CAD:USD exchange rate used is 1.30 for 2018.

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

$1.3B
in total capital margin

22.0%
debt-to-total capital ratio
(returning to 20% in 2019)

Low BVPS sensitivity to capital markets volatility[2]

($0.98)
per 100 bps increase in interest rates

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

($0.31)
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 December 31, 2018
[1] Refer to Section 17.2 – *Credit ratings* of the Q4-2018 MD&A for additional commentary.
[2] Refer to Section 24 – *Sensitivity analyses* of the Q4-2018 MD&A for additional commentary and break outs.

intact

Proven and consistent capital management strategy

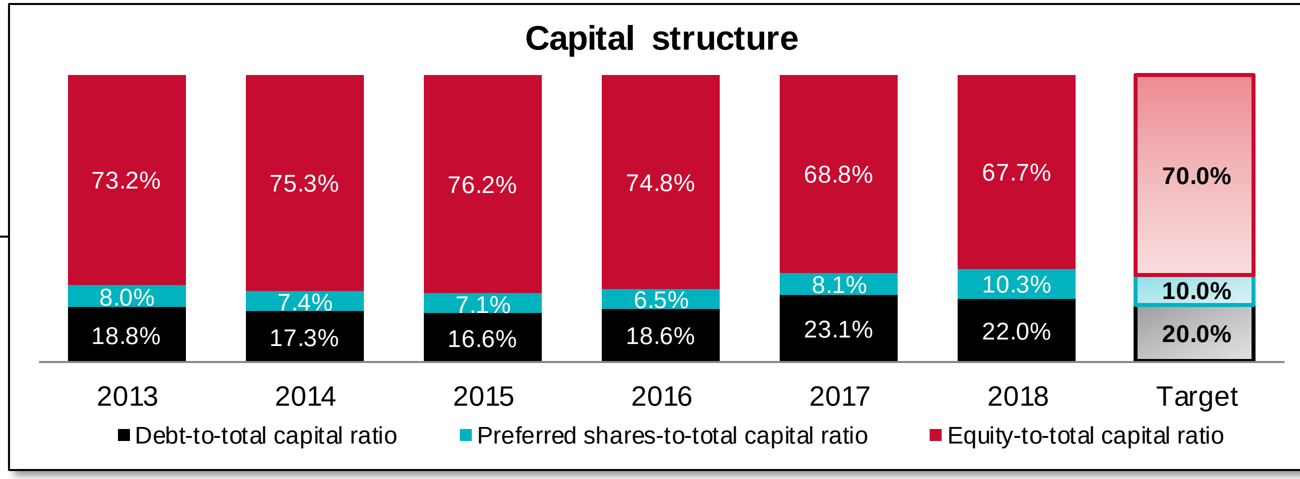
Maintain leverage ratio
(20% debt-to-total capital by 2019)

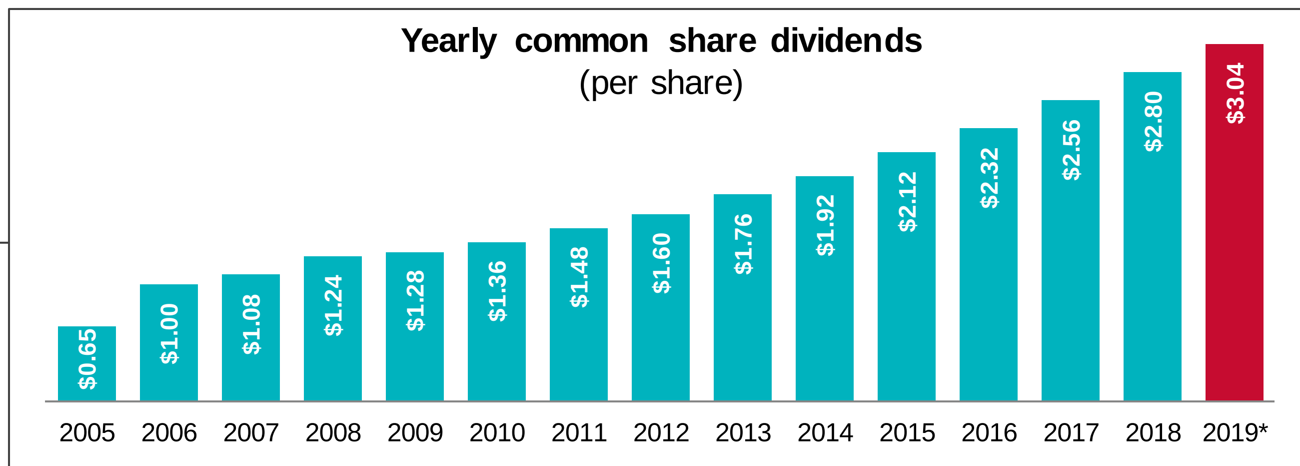
Increase dividends

Manage volatility

Invest in growth opportunities

Share buybacks



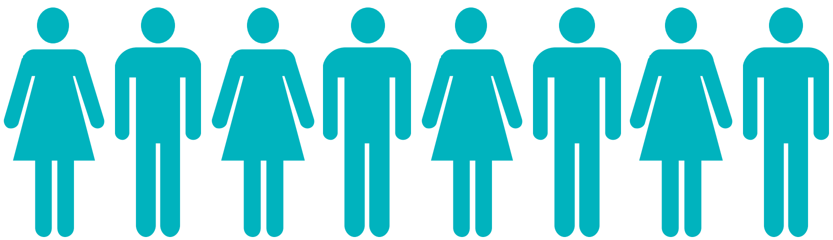


* Annualized quarterly dividend declared

People advantage

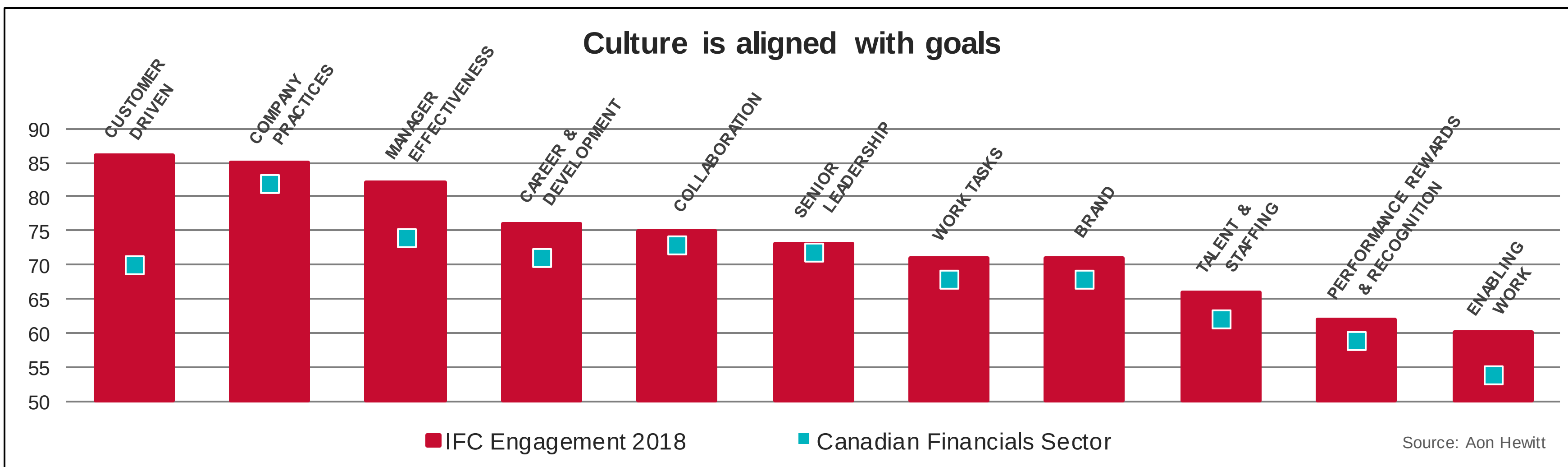
*We continue to **invest in people** and create a strong and diverse workplace*

Depth of talent with an average of **8 successors** for each Senior Leadership role



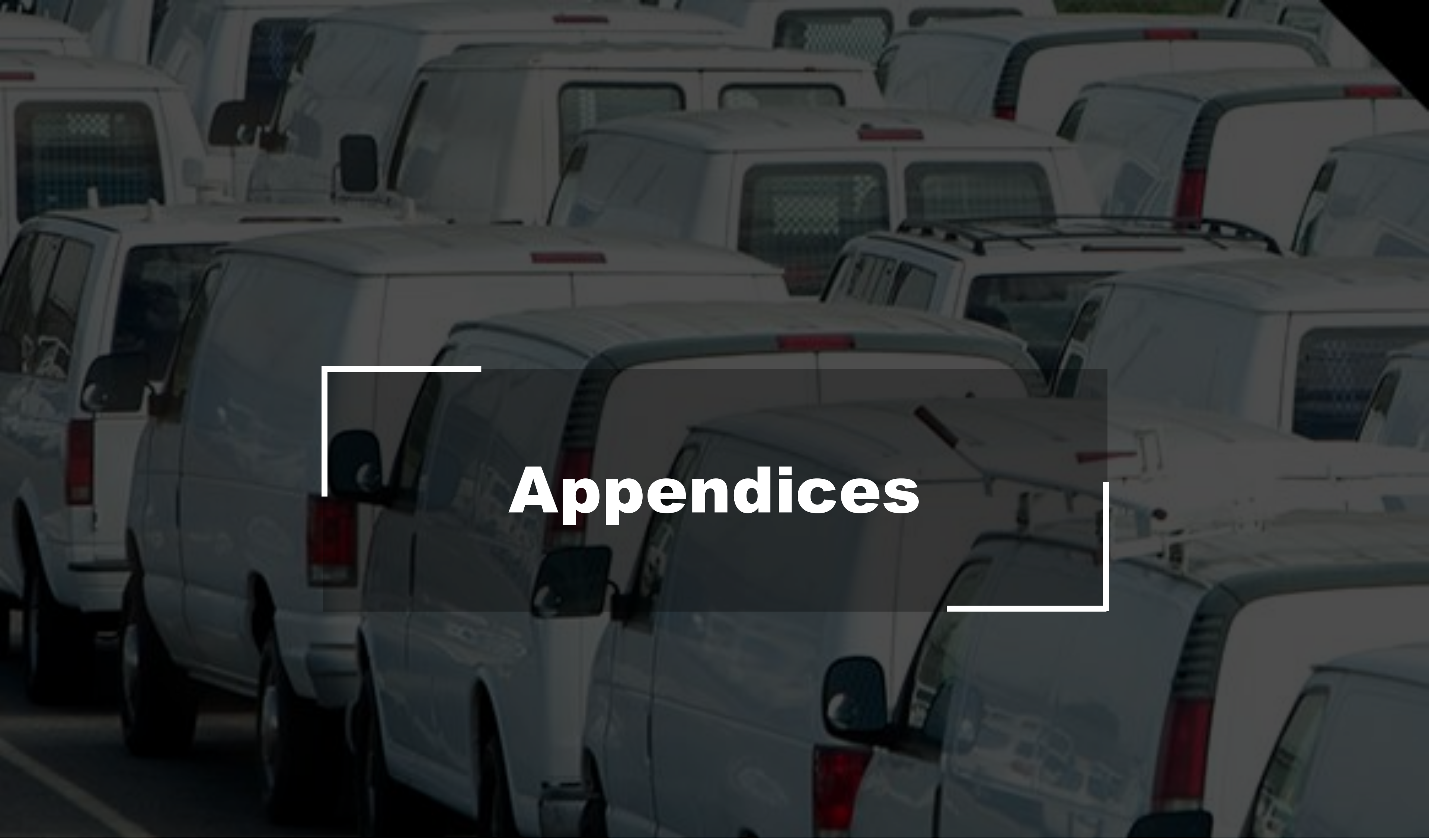
16 years of experience, on average, that Executive Committee members have with the organization in various roles

* As of December 31, 2018



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



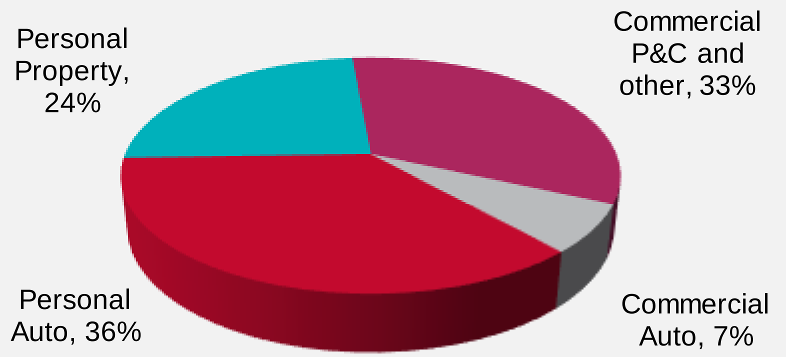
Appendices

P&C insurance in Canada

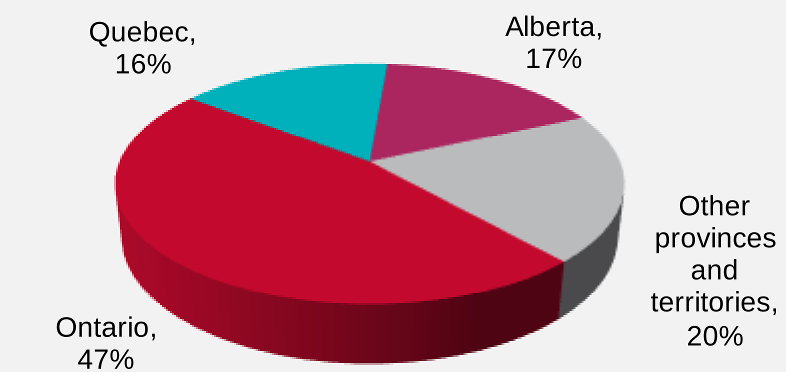
A $51 billion market representing approximately 3% of GDP

- 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

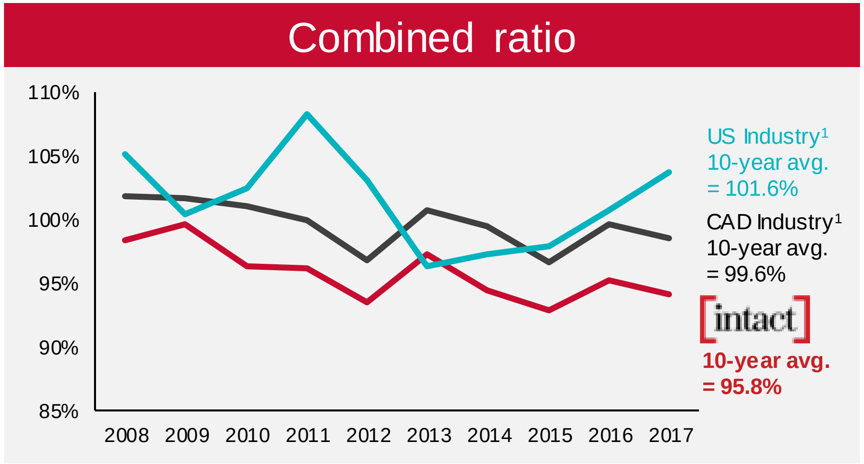


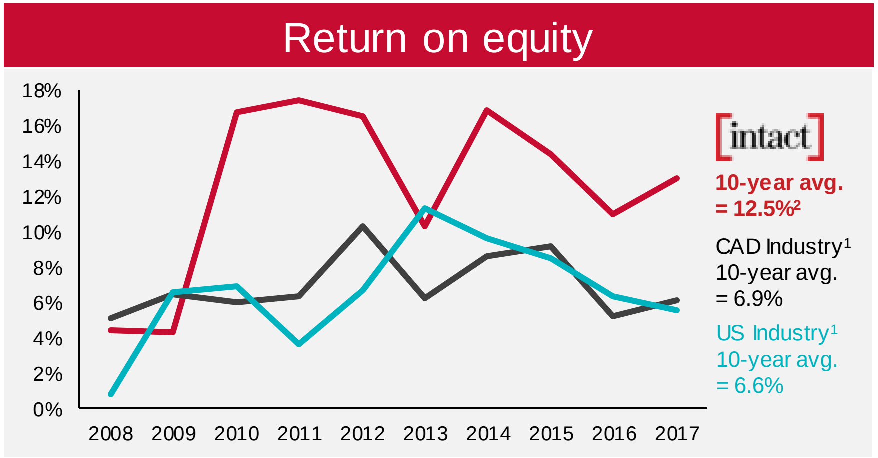
Industry data: IFC estimates based on MSA Research Inc. and Insurance Bureau of Canada.
Please refer to Important notes on page 2 of the Q4-2018 MD&A for further information.
All data as at December 31, 2017.
* OSFI = Office of the Superintendent of Financial Institutions Canada

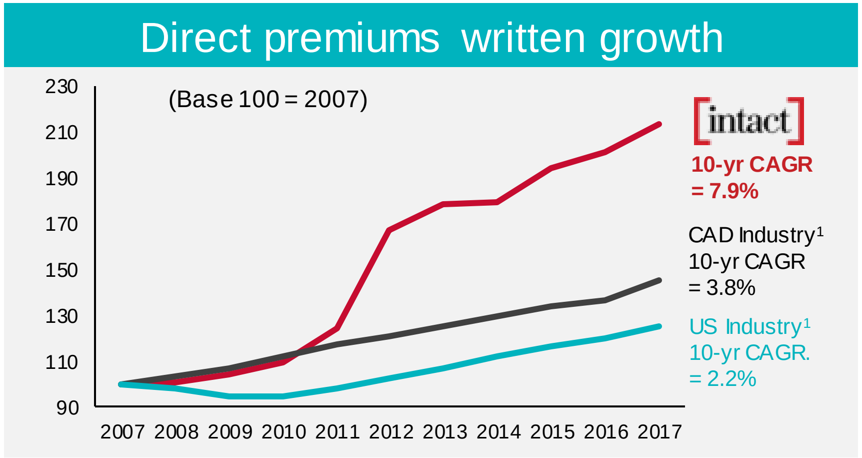
P&C industry 10-year performance versus IFC

IFC's competitive advantages

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







[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).

Q4-18 Personal Lines Performance

Personal auto commentary:

- Premiums declined 1% compared to the same quarter last year, as rate increases taken ahead of the market and segmentation initiatives impacted unit growth.
- Combined ratio of 97.3% improved by 3.9 points, reflecting a significant improvement in underlying performance offset in part by a deterioration in PYD.
- Our profitability actions have yielded results. We have reached a mid-90s combined ratio run-rate and are now focused on sustaining that performance.

(in C$ millions, except as otherwise noted)	Q4-2018	Q4-2017	Change
DPW	**818**	824	(1)%
Written insured risks (in thousands)	**866**	917	(6)%
NEP	**934**	952	(2)%
Underwriting income (loss)	**26**	(11)	nm
Claims ratio	**74.7%**	78.8%	(4.1) pts
Expense ratio	**22.6%**	22.4%	0.2 pts
Combined ratio	**97.3%**	**101.2%**	**(3.9) pts**

Personal property commentary:

- Premiums growth of 2% reflected continuing rate increases in firm market conditions, tempered by the impact of profitability actions in personal auto.
- The combined ratio of 78.5% was very strong and improved 1.2 points over last year driven by strong focus on profitability.
- The combined ratio for the full year of 2018 and 2017 remains resilient at a low-90s level despite severe weather in both years.

(in C$ millions, except as otherwise noted)	Q4-2018	Q4-2017	Change
DPW	**517**	505	2%
Written insured risks (in thousands)	**547**	556	(2)%
NEP	**534**	522	2%
Underwriting income	**115**	106	8%
Claims ratio	**46.5%**	48.0%	(1.7) pts
Expense ratio	**32.2%**	31.7%	0.5 pts
Combined ratio	**78.5%**	**79.7%**	**(1.2) pts**

Q4-18 Commercial Lines Performance

Commercial lines commentary:

- Commercial lines (P&C and auto) premiums saw very strong growth of 11% as both segments continued to benefit from rate momentum in firming market conditions.
- Combined ratio of 91.6% deteriorated by 4.2 points from last year's very strong performance, which had a lower level of large losses.
- The underlying fundamentals of this business remain strong, supported by firm market conditions and a high-quality portfolio.

(in C$ millions, except as otherwise noted)	Q4-2018	Q4-2017	Change
DPW	**732**	657	11%
Commercial P&C	**502**	462	9%
Commercial auto	**230**	195	18%
NEP	**661**	600	10%
Underwriting income	**55**	75	(27)%
Claims ratio	**58.7%**	54.2%	4.5 pts
Expense ratio	**32.9%**	33.2%	(0.3) pts
Combined ratio	**91.6%**	**87.4%**	**4.2 pts**

P&C United States[1] commentary:

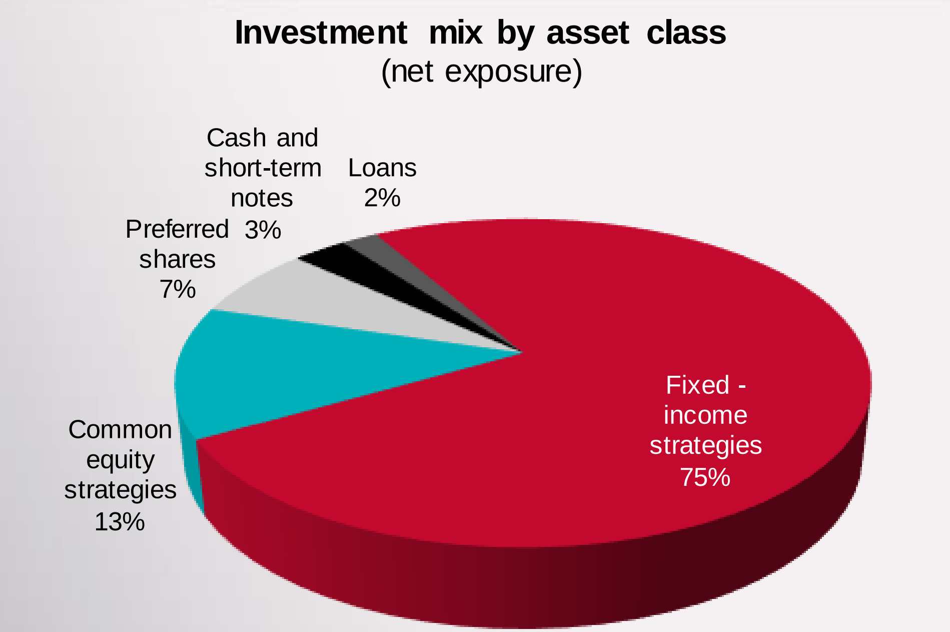
- Premiums of DPW growth of 2% on a constant currency basis with solid progress in our growth focus lines, tempered by the impact of our profitability improvement actions in other lines.
- Combined ratio of 96.7% improved marginally, after absorbing 5.9 points of CAT losses, driven by a better expense ratio and lower unfavourable PYD.
- On a run-rate basis, we have exceeded our target of US$25 million of annual synergies, ahead of schedule. We are well on track to achieve a sustainable low-90s combined ratio within 18-24 months.

(in C$ millions, except as otherwise noted)	Q4-2018	Q4-2017	Change
DPW	**325**	**307**	**6%**
NEP	**379**	**326**	**16%**
Underwriting income	**13**	**8**	**5**
Claims ratio	**63.0%**	**60.5%**	**2.5 pts**
Expense ratio	**33.7%**	**36.9%**	**(3.2) pts**
Combined ratio	**96.7%**	**97.4%**	**(0.7) pts**

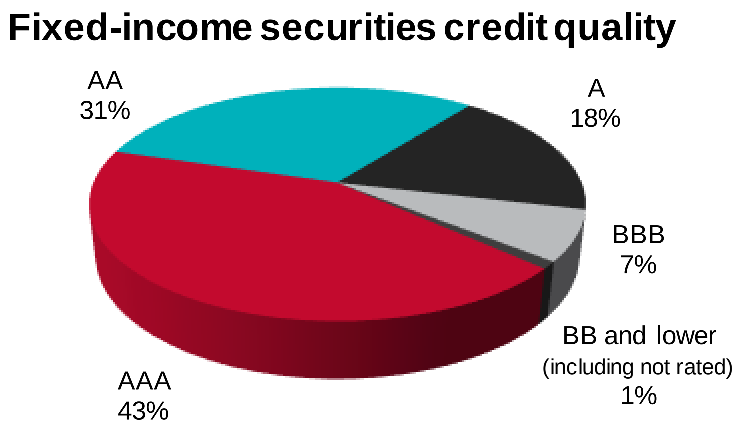
[1] P&C U.S. excludes the results of exited lines

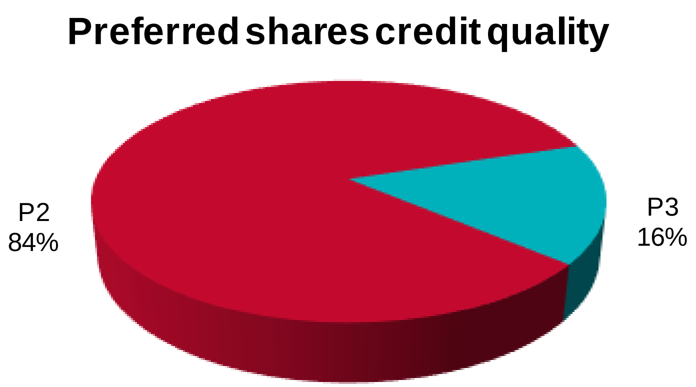
High quality investment portfolio

C$17 billion of high quality investments - strategically managed



- 91% 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.



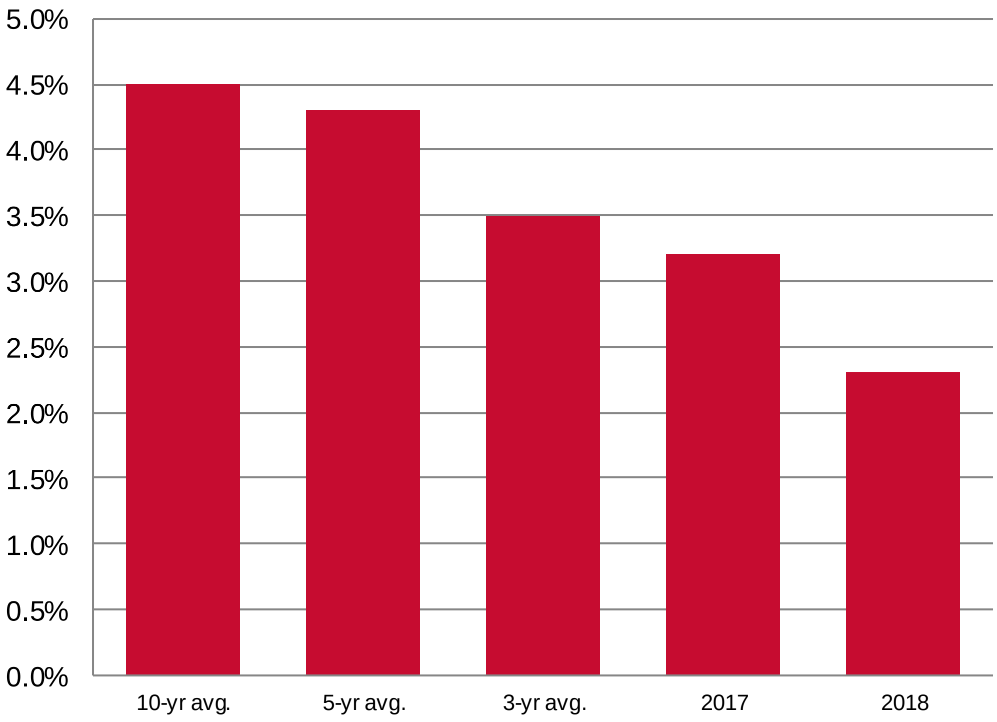


All data as at Dec. 31, 2018

Track record of prudent reserving practices

- PYD can fluctuate from quarter to quarter and year to year and, therefore, should be evaluated over longer periods of time.
- As yields have been increasing, we would expect average favourable PYD as a percentage of opening reserves to be in the 1%-3% range over the long term. We expect that the current accident year (CAY) loss ratio will be favourably impacted by these higher yields.
- Our consistent track record of positive reserve development reflects our preference to take a conservative approach to establishing and managing claims reserves.

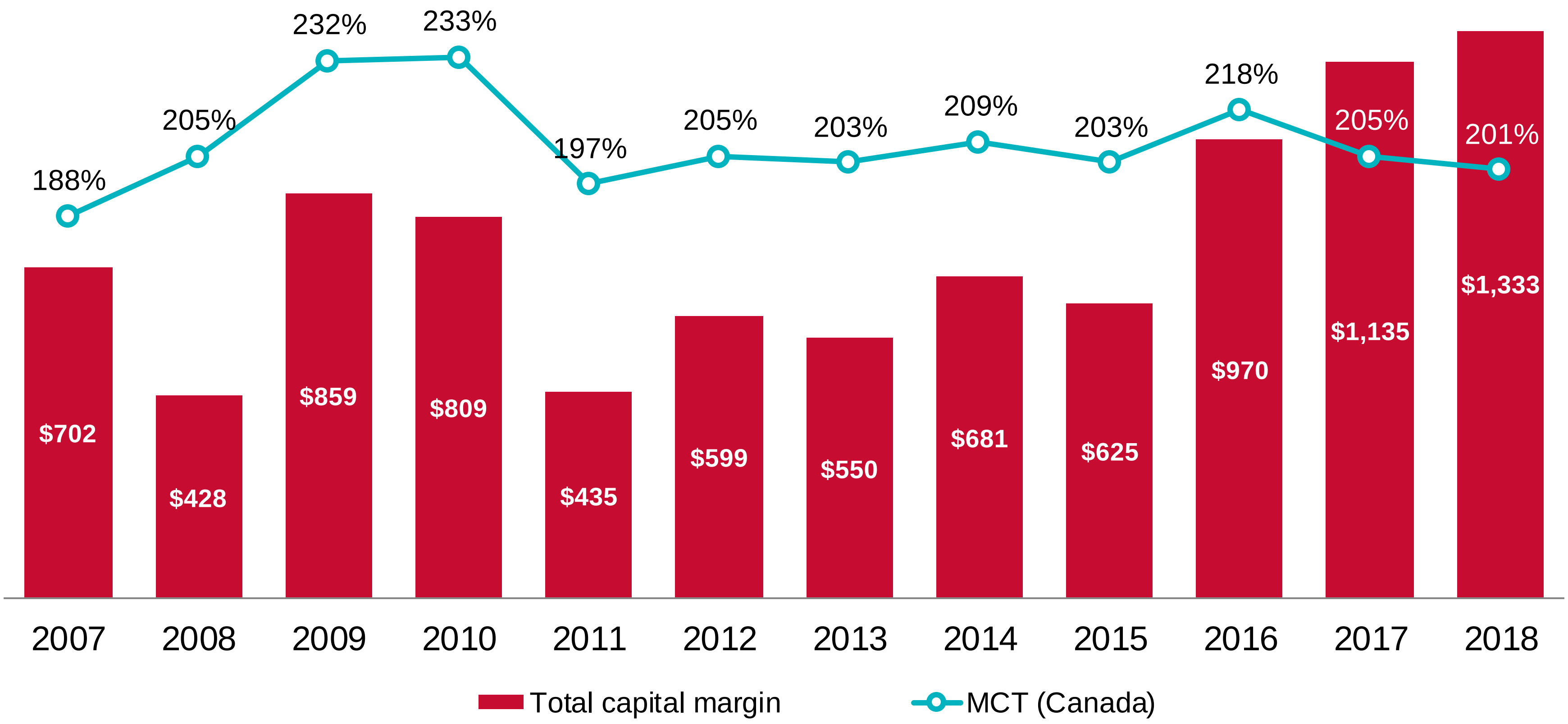
Annualized rate of favourable PYD – P&C Canada
(as a % of opening reserves)



Please see Section 15 – *Claims liabilities and reinsurance* of the Q4-2018 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 18.2 - *Capital position* of the Q4-2018 MD&A for details). Dollar figures in C$millions

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

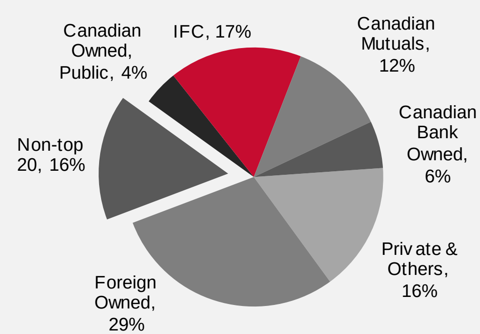
Year	Company	DPW
2017	**OneBeacon Insurance Group, Ltd.**	US$1.2 billion
2016	**InnovAssur, assurances générales inc.**	C$50 million
2015	**Canadian Direct Insurance Inc.**	C$143 million
2014	**Metro General Insurance Corporation Ltd.**	C$27 million
2012	**JEVCO Insurance Company**	C$350 million
2011	**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 2 of the Q4-2018 MD&A for further information.
All data as at December 31, 2017

Historical financials

(in millions of Canadian dollars, except as otherwise noted)	2018	2017	2016	2015	2014	2013
Financial results						
Direct premiums written	10,090	8,730	8,277	7,901	7,441	7,322
Underwriting income	474	486	375	628	519	142
Net investment income	529	432	414	424	427	406
Net distribution income	146	132	111	104	75	75
Net operating income (NOI)	839	771	660	860	767	500
Net income attributable to shareholders	707	792	541	706	782	431
Underwriting results						
Claims ratio	65.3%	65.4%	64.9%	61.3%	62.6%	66.9%
Expense ratio	29.8%	28.9%	30.4%	30.4%	30.2%	31.1%
Combined ratio	95.1%	94.3%	95.3%	91.7%	92.8%	98.0%
Per share (basic and diluted) (in $)						
Net operating income per share (NOIPS)	5.74	5.60	4.88	6.38	5.67	3.62
Earnings per share to common shareholder (EPS)	4.79	5.75	3.97	5.20	5.79	3.10
Adjusted EPS (AEPS)	5.70	5.82	4.53	5.54	6.01	3.44
Return on equity (for the last 12 months)						
Operating ROE (OROE)	12.1%	12.9%	12.0%	16.6%	16.3%	11.2%
Return on equity (ROE)	9.9%	12.8%	9.6%	13.4%	16.1%	9.3%
Adjusted ROE (AROE)	11.8%	13.0%	11.0%	14.3%	16.8%	10.3%
Financial position						
Total investments	16,898	16,774	14,386	13,504	13,440	12,261
Debt outstanding	2,209	2,241	1,393	1,143	1,143	1,143
Total shareholder's equity	7,810	7,463	6,088	5,724	5,451	4,950
Total capital margin	1,333	1,135	970	625	681	550
Book value per share (in $)	48.73	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. Unless otherwise indicated, all forward-looking statements in this presentation are made as at December 31, 2018 and are subject to change after that date.

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 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 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 Company's profitability following the acquisition (the "Acquisition") of OneBeacon Insurance Group, Ltd. ("OneBeacon");
- the Company's ability to improve its Combined Ratio in the United States in relation to the Acquisition;
- the Company's ability to retain business and key employees in the United States in relation to the Acquisition;
- undisclosed liabilities in relation to 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;
- 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 Q4-2018 MD&A and the quarterly earnings press release dated February 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.

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