

Intact Financial Corporation Announces \$425 million Medium Term Note Offering

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TORONTO, May 31, 2017 /CNW/ - Intact Financial Corporation (TSX:IFC) ("IFC" or the "Company") announced today that it intends to issue \$425 million principal amount of Series 7 unsecured medium term notes (the "Notes"). The Notes will be direct unsecured obligations of IFC and will rank equally with all other unsecured and unsubordinated indebtedness of IFC. The Notes will bear interest at a fixed annual rate of 2.85% until maturity on June 7, 2027. The net proceeds from this offering of Notes will be used to partially fund the purchase price for the acquisition (the "Acquisition") of all of the issued and outstanding shares of OneBeacon Insurance Group, Ltd. ("OneBeacon") pursuant to an Agreement and Plan of Merger (the "Acquisition Agreement") among OneBeacon, IFC and two wholly-owned subsidiaries of IFC. The closing of the Acquisition is expected to occur in the fourth quarter of 2017.

If (i) IFC does not consummate the Acquisition on or prior to March 31, 2018 (the "Special Mandatory Redemption Triggering Date") or (ii) the Acquisition Agreement is terminated at any time prior to the Special Mandatory Redemption Triggering Date, then IFC will be required to redeem the Notes at a redemption price equal to 101% of the aggregate principal amount of the Notes, plus accrued and unpaid interest, if any, up to, but excluding, the date of redemption.

The Notes, offered on a best efforts basis through a syndicate co-led by CIBC World Markets Inc., National Bank Financial Inc. and TD Securities Inc., are expected to be issued on or about June 7, 2017. Details of the offering will be set out in a pricing supplement (to IFC's short form base shelf prospectus and prospectus supplement, each dated September 10, 2015 (together with the pricing supplement, the "Prospectus")), which IFC intends to file with the securities regulatory authorities in each of the provinces and territories of Canada and which will be available under IFC's profile on the SEDAR website at www.sedar.com.

The securities to be offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act"), and may not be offered or sold in the United States or to or for the account or benefit of U.S. persons absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act. This press release shall not constitute an offer to sell or the solicitation of an offer to buy such securities in the United States or in any other jurisdiction where such offer is unlawful.

About Intact Financial Corporation

Intact Financial Corporation is the largest provider of property and casualty ("P&C") insurance in Canada with over \$8.0 billion in annual premiums. Supported by over 12,000 employees, the Company insures more than five million individuals and businesses through its insurance subsidiaries and is the largest private sector provider of P&C insurance in British Columbia, Alberta, Ontario, Quebec, Nova Scotia and Newfoundland & Labrador. The Company distributes insurance under the Intact Insurance brand through a wide network of brokers, including its wholly owned subsidiary, BrokerLink, and directly to consumers through belairdirect.

Forward-looking statements

This press release contains forward-looking statements. When used in this press release, 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 press release contains forward-looking statements with respect to, among other things the anticipated closing of the offering.

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 timing and completion of the offering and the Acquisition and the expected competition and regulatory processes and outcomes in connection with the Acquisition. Certain material factors or assumptions are applied in making these forward-looking statements, including completion of the offering and that additional financing of the Acquisition is completed.

All of the forward-looking statements included in this press release are qualified by these cautionary statements, those made in the "Risk Management" sections of management's discussion and analysis of operating and financial results for the year ended December 31, 2016 and the three months ended March 31, 2017 and those may be made in the Prospectus. These factors are not intended to represent a complete list of the factors that could affect the Company. These factors should, however, be considered carefully. Although the forward-looking statements are based upon what management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. When relying on forward-looking statements to make decisions, investors should ensure the preceding information is carefully considered. Undue reliance should not be placed on forward-looking statements made in this press release. The

Company has no intention and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

SOURCE Intact Financial Corporation

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