

Intact Financial Corporation Announces \$150 Million Preferred Share Offering

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Intact Financial Corporation (TSX:IFC) announced today that it has entered into an agreement with a syndicate of underwriters led by CIBC Capital Markets together with BMO Capital Markets, National Bank Financial and TD Securities Inc. pursuant to which the underwriters have agreed to purchase, on a bought deal basis, 6,000,000 Non-Cumulative Class A Shares, Series 6 (the "Series 6 Shares") from Intact for sale to the public at a price of \$25.00 per Series 6 Share, representing aggregate gross proceeds of \$150 million.

Intact has granted the underwriters an underwriters' option to purchase up to an additional 2,000,000 Series 6 Shares at the same offering price. Should the underwriters' option be fully exercised, the total gross proceeds of the Series 6 Shares offering will be \$200 million.

The Series 6 Shares will yield 5.30% per annum, payable quarterly, as and when declared by the Board of Directors of the Company. The Series 6 Shares will not be redeemable prior to September 30, 2022. On and after September 30, 2022, Intact may, on not less than 30 nor more than 60 days' notice, redeem for cash the Series 6 Shares in whole or in part, at the Company's option, at \$26.00 per share if redeemed on or after September 30, 2022 and prior to September 30, 2023; \$25.75 per share if redeemed on or after September 30, 2023 and prior to September 30, 2024; \$25.50 per share if redeemed on or after September 30, 2024 and prior to September 30, 2025; \$25.25 per share if redeemed on or after September 30, 2025 and prior to September 30, 2026; and \$25.00 per share if redeemed on or after September 30, 2026, in each case together with all declared and unpaid dividends up to but excluding the date of redemption.

The Series 6 Share offering is expected to close on August 18, 2017. The net proceeds will be used to partially fund the previously announced acquisition of OneBeacon Insurance Group, Ltd. If the acquisition does not close, the net proceeds will be used for general corporate purposes.

The Series 6 Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 6 Shares in any State in which such offer, solicitation or sale would be unlawful.

About Intact Financial Corporation

Intact Financial Corporation (TSX:IFC) 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 use of proceeds of the offering and 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 (the "Acquisition") of OneBeacon 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 and six months ended June 30, 2017 and those that may be made in the prospectus supplement to be filed in respect of the Offering. These factors are not intended to represent a complete list of the factors that could affect the Company. These factors should, however, be considered carefully. Although the forward-looking statements are based upon what management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. When relying on forward-looking statements to make decisions, investors should ensure the preceding information is carefully considered. Undue reliance should not be placed on forward-looking statements made in this 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.

<https://newsroom.intactfc.com/2017-08-09-Intact-Financial-Corporation-Announces-150-Million-Preferred-Share-Offering>