

Intact Financial Corporation Announces \$200 Million Preferred Share Offering

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TORONTO, May 17, 2018 (GLOBE NEWSWIRE) -- Intact Financial Corporation (TSX:[IFC](#)) announced today that it has entered into an agreement with a syndicate of underwriters led by TD Securities Inc. together with BMO Capital Markets, CIBC Capital Markets and National Bank Financial pursuant to which the underwriters have agreed to purchase, on a bought deal basis, 8,000,000 Non-Cumulative Rate Reset Class A Shares, Series 7 (the "Series 7 Preferred Shares") from Intact for sale to the public at a price of \$25.00 per Series 7 Preferred Share, representing aggregate gross proceeds of \$200 million.

Intact has granted the underwriters an underwriters' option to purchase up to an additional 2,000,000 Series 7 Preferred Shares at the same offering price exercisable in whole or in part, at any time before 8:30am on the date that is two (2) business days prior to closing. Should the underwriters' option be fully exercised, the total gross proceeds of the Series 7 Preferred Shares offering will be \$250 million. The net proceeds will be used for general corporate purposes.

The holders of Series 7 Preferred Shares will be entitled to receive fixed non-cumulative preferential cash dividends, as and when declared by the Board of Directors of Intact, on a quarterly basis (with the first quarterly dividend, covering the period from issuance to September 30, 2018, to be paid on September 28, 2018), for the initial fixed rate period ending on June 30, 2023, based on an annual rate of 4.90%. The dividend rate will be reset on June 30, 2023 and every five years thereafter at a rate equal to the 5-year Government of Canada bond yield plus 2.55%.

Holders of the Series 7 Preferred Shares will have the right, at their option, to convert their Series 7 Preferred Shares into Non-cumulative Floating Rate Class A Shares, Series 8 (the "Series 8 Preferred Shares"), subject to certain conditions, on June 30, 2023 and on June 30 every five years thereafter. The holders of Series 8 Preferred Shares will be entitled to receive floating rate non-cumulative preferential cash dividends, as and when declared by the Board of Directors of Intact, at a rate equal to the 90-day Canadian Treasury Bill rate plus 2.55%.

DBRS Limited has assigned a provisional rating of Pfd-2 for the Series 7 Preferred Shares.

The Series 7 Preferred Shares will be offered for sale to the public in each of the provinces and territories of Canada pursuant to a prospectus supplement to be filed with the Canadian securities regulatory authorities. The offering is scheduled to close on or about May 29, 2018.

The Series 7 Preferred 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 7 Preferred 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 and a leading provider of specialty insurance in North America, with close to \$10 billion in total annual premiums. The Company has over 13,000 full- and part-time employees who serve more than five million personal, business, public sector and institutional clients through offices in Canada and the U.S. In Canada, Intact 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. In the U.S., OneBeacon Insurance Group, a wholly-owned subsidiary, provides specialty insurance products through independent agencies, brokers, wholesalers and managing general agencies.

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 size of the offering, 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 timing and completion of the offering.

Certain material factors or assumptions are applied in making these forward-looking statements, including completion of the offering.

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, 2017 and the three months ended March 31, 2018 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.

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