
FAIRFAX

FINANCIAL HOLDINGS LIMITED

Annual Meeting

April 10, 2025

Note: All financial disclosure in this presentation is in US\$ and as of December 31, 2024, unless otherwise noted

Forward-Looking Statements

Certain statements contained herein may constitute forward-looking information (within the meaning of Canadian securities legislation) and forward-looking statements (within the meaning of the United States Private Securities Litigation Reform Act of 1995). These statements can be identified by expressions of belief, expectation or intention, as well as those statements that are not historical fact. Forward-looking statements are based upon assumptions, estimates, opinions and analysis made by management in light of its experience, current conditions and its expectations of future developments that management believe to be reasonable and relevant, and are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Fairfax to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, but are not limited to: our ability to complete acquisitions and other strategic transactions on the terms and timeframes contemplated, and to achieve the anticipated benefits therefrom; a reduction in net earnings if our loss reserves are insufficient; underwriting losses on the risks we insure that are higher than expected; the occurrence of catastrophic events with a frequency or severity exceeding our estimates; changes in market variables, including unfavourable changes in interest rates, foreign exchange rates, equity prices and credit spreads, which could negatively affect our operating results and investment portfolio; the cycles of the insurance market and general economic conditions, which can substantially influence our and our competitors' premium rates and capacity to write new business; insufficient reserves for asbestos, environmental and other latent claims; exposure to credit risk in the event our reinsurers fail to make payments to us under our reinsurance arrangements; exposure to credit risk in the event our insureds, insurance producers or reinsurance intermediaries fail to remit premiums that are owed to us or failure by our insureds to reimburse us for deductibles that are paid by us on their behalf; our inability to maintain our long term debt ratings, the inability of our subsidiaries to maintain financial or claims paying ability ratings and the impact of a downgrade of such ratings on derivative transactions that we or our subsidiaries have entered into; risks associated with implementing our business strategies; the timing of claims payments being sooner or the receipt of reinsurance recoverables being later than anticipated by us; risks associated with any use we may make of derivative instruments; the failure of any hedging methods we may employ to achieve their desired risk management objective; a decrease in the level of demand for insurance or reinsurance products, or increased competition in the insurance industry; the impact of emerging claim and coverage issues or the failure of any of the loss limitation methods we employ; our inability to access cash of our subsidiaries; an increase in the amount of capital that we and our subsidiaries are required to maintain and our inability to obtain required levels of capital on favourable terms, if at all; the loss of key employees; our inability to obtain reinsurance coverage in sufficient amounts, at reasonable prices or on terms that adequately protect us; the passage of legislation subjecting our businesses to additional adverse requirements, supervision or regulation, including additional tax regulation, in the United States, Canada or other jurisdictions in which we operate; risks associated with applicable laws and regulations relating to sanctions and corrupt practices in foreign jurisdictions in which we operate; risks associated with government investigations of, and litigation and negative publicity related to, insurance industry practice or any other conduct; risks associated with political and other developments in foreign jurisdictions in which we operate; risks associated with legal or regulatory proceedings or significant litigation; failures or security breaches of our computer and data processing systems; the influence exercisable by our significant shareholder; adverse fluctuations in foreign currency exchange rates; our dependence on independent brokers over whom we exercise little control; financial reporting risks associated with IFRS 17 – Insurance Contracts; financial reporting risks relating to deferred taxes associated with amendments to IAS 12 – Income Taxes; impairment of the carrying value of our goodwill, indefinite-lived intangible assets or investments in associates; our failure to realize deferred income tax assets; risks associated with changes in Canadian or foreign tax laws or the interpretation thereof; technological or other change which adversely impacts demand, or the premiums payable, for the insurance coverages we offer; disruptions of our information technology systems; assessments and shared market mechanisms which may adversely affect our insurance subsidiaries; and risks associated with the conflicts in Ukraine and Israel and the development of other geopolitical events and economic disruptions worldwide. Additional risks and uncertainties are described in our most recently issued Annual Report, which is available at www.fairfax.ca, on SEDAR+ at www.sedarplus.ca and on EDGAR at www.sec.gov, and in our Base Shelf Prospectus (under “Risk Factors”) filed with the securities regulatory authorities in Canada, which is available on SEDAR+ at www.sedarplus.ca. Fairfax cautions readers not to place undue reliance on these forward-looking statements, which speak only as of their dates. Fairfax disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities law.

Guiding Principles

Objectives

- We expect to compound our mark-to-market book value per share over the long term by 15% annually by running Fairfax and its subsidiaries for the long term benefit of customers, employees, shareholders and the communities where we operate – at the expense of short term profits if necessary
- Our focus is long term growth in book value per share and not quarterly earnings. We plan to grow through internal means as well as through friendly acquisitions
- We always want to be soundly financed
- We provide complete disclosure annually to our shareholders

Guiding Principles

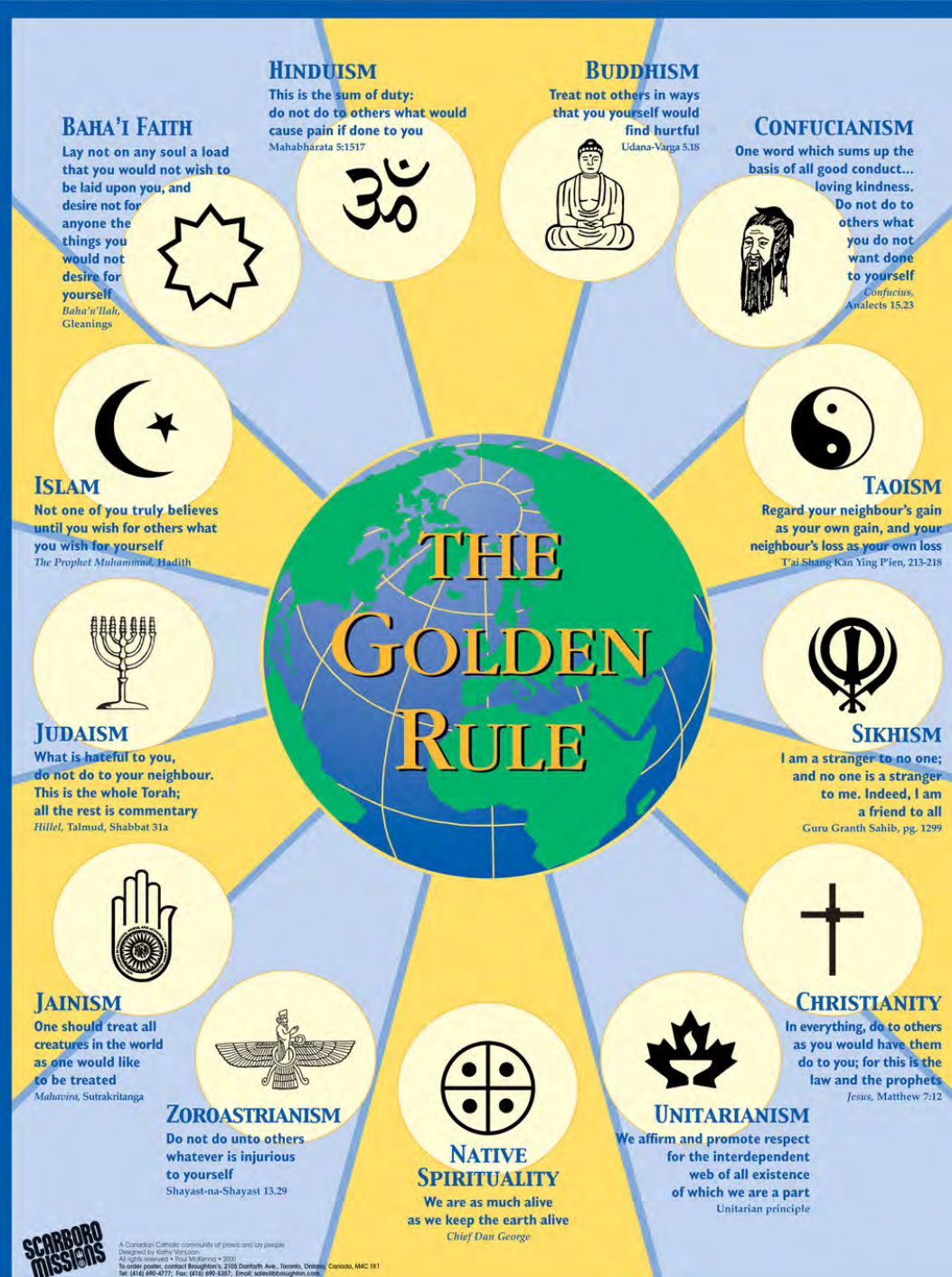
Structure

- Our companies are decentralized and run by the presidents except for performance evaluation, succession planning, acquisitions, financing and investments, which are done by or with Fairfax. Investing will always be conducted based on a long term value-oriented philosophy. Cooperation among companies is encouraged to the benefit of Fairfax in total
- Complete and open communication between Fairfax and its subsidiaries is an essential requirement at Fairfax
- Share ownership and large incentives are encouraged across the Group
- Fairfax will always be a very small holding company and not an operating company

Guiding Principles

Values

- Honesty and integrity are essential in all of our relationships and will never be compromised
- We are results oriented — not political
- We are team players — no "egos". A confrontational style is not appropriate. We value loyalty — to Fairfax and our colleagues
- We follow the Golden Rule: we treat others as we would want to be treated
- We are hard working but not at the expense of our families
- We always look at opportunities but emphasize downside protection and look for ways to minimize loss of capital
- We are entrepreneurial. We encourage calculated risk taking. It is all right to fail but we should learn from our mistakes
- We will never bet the company on any project or acquisition
- We believe in having fun — at work!

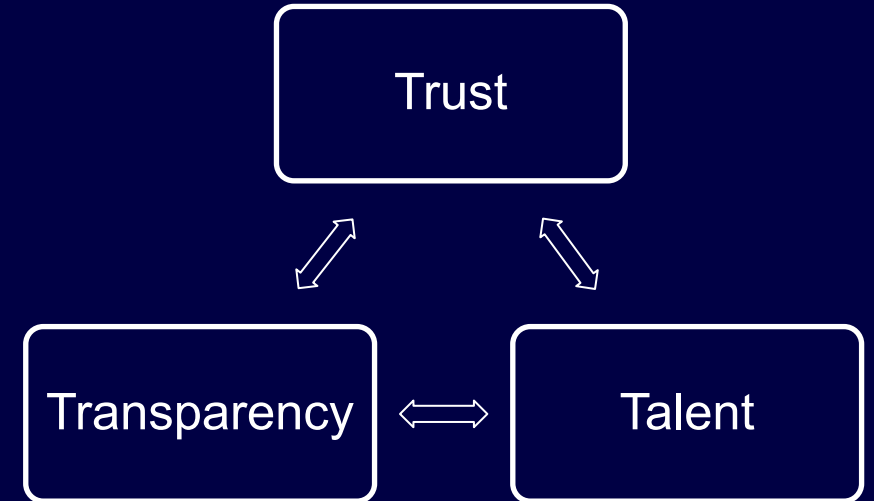


Decentralization – Faith in Many Leaders, Not a Few

Advantages of Decentralization:

1. Ownership and Accountability
2. Management Retention
3. Flexibility and Nimbleness
4. Reduced Leakage from Acquisitions
5. Financial Flexibility

The Three T's:



Decentralized Operations



\$32.5 Billion in Gross Premiums Written in 2024

▪ Manager of global runoff business



\$2.5b

▪ Major Cdn commercial P&C insurer

▪ \$2.6b IFRS equity



\$6.2b

▪ Global multi-line reinsurer and specialty insurer

▪ \$7.4b IFRS equity



\$5.6b

▪ Major U.S. commercial P&C insurer

▪ \$3.8b IFRS equity



\$0.7b

▪ Leading workers comp insurer in U.S.

▪ \$1.3b IFRS equity



\$3.8b

▪ Leading Lloyd's market operations

▪ \$3.4b IFRS equity



\$7.2b

▪ Global specialty insurer and reinsurer

▪ \$6.8b IFRS equity



\$2.7b

▪ Leading insurer in the MENA region

▪ \$1.9b IFRS equity



\$3.8b

▪ Strategic growth in attractive markets

- Bryte (Southern Africa)
- Fairfax Asia
- Fairfax Latam
- Fairfax Brasil
- Colonnade (CEE)
- Polish Re
- Fairfax Ukraine
- Eurolife (Greece)
- Group Re
- Digit (India)

Business Can be a Force for Good

- Over 39 years we wrote cumulative premiums of \$290 billion and had net claims of \$147 billion
- Pay annual salaries and benefits of \$2.6 billion to our employees all over the world
- Made cumulative donations of \$480 million since we began our donation program in 1991
- Paid taxes of \$7.1 billion since inception to countries where we do business
- Grew book value per share at 18.7% since inception for our shareholders
- Developed a strong fair and friendly culture

Annual Stock Return of U.S. Listed Companies since 1985 – Top 1%

	Compound Return (%) ⁽¹⁾
1 Apple	23.1
2 Home Depot	22.2
3 UnitedHealth Group	21.5
4 Danaher Corporation	20.7
5 Applied Materials	20.3
6 Amgen	20.2
7 Novo Nordisk A/S ADR	19.3
8 Fairfax	19.2
9 Paychex	19.2
10 Jack Henry & Associates	19.1
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.	
15 Progressive Corporation	18.8
.	
.	
55 Enbridge Inc	15.0

(1) Including dividends

Fairfax has been Transformed Since 2017

	Underwriting Income			Investment Income			P&C Re/Insurance Operating Income	Share Repurchases
	Underwriting	Catastrophe	Reserve	Interest and	Share of	Total	P&C adjusted	Shares
(\$bn)	profit (loss)	losses	redundancy	dividend income	profit (loss) of associates	investment portfolio	operating income (loss)	outstanding (in mm)
2017	(0.6)	1.3	0.5	0.6	0.2	39.3	(0.2)	27.8
2018	0.3	0.8	0.8	0.8	0.2	38.8	1.0	27.2
2019	0.4	0.5	0.5	0.9	0.2	39.0	1.1	26.8
2020	0.3	0.6	0.5	0.8	(0.1)	43.2	0.9	26.2
2021	0.8	1.1	0.4	0.6	0.4	53.0	1.6	23.9
2022	1.1	1.3	0.2	1.0	1.0	55.5	2.6	23.3
2023	1.5	0.9	0.3	1.9	1.0	64.8	3.9	23.0
2024	1.8	1.1	0.6	2.5	1.0	67.4	4.8	21.7

Strong Operating Income Outlook

	(\$ billions)
Interest and dividend income	2.5+
Underwriting profit	1.5+
Share of profit from associates & consolidated non-insurance income	1.0+
Operating income	5.0+

➤ *Potential earnings of ~\$150 per share, before any investment gains*

Success of Our Formula

- Our combination of disciplined underwriting and total-return value investing has produced superior returns over a long period.



**15% long-term book value
per share CAGR target
(achieved 18.7% since
inception)**

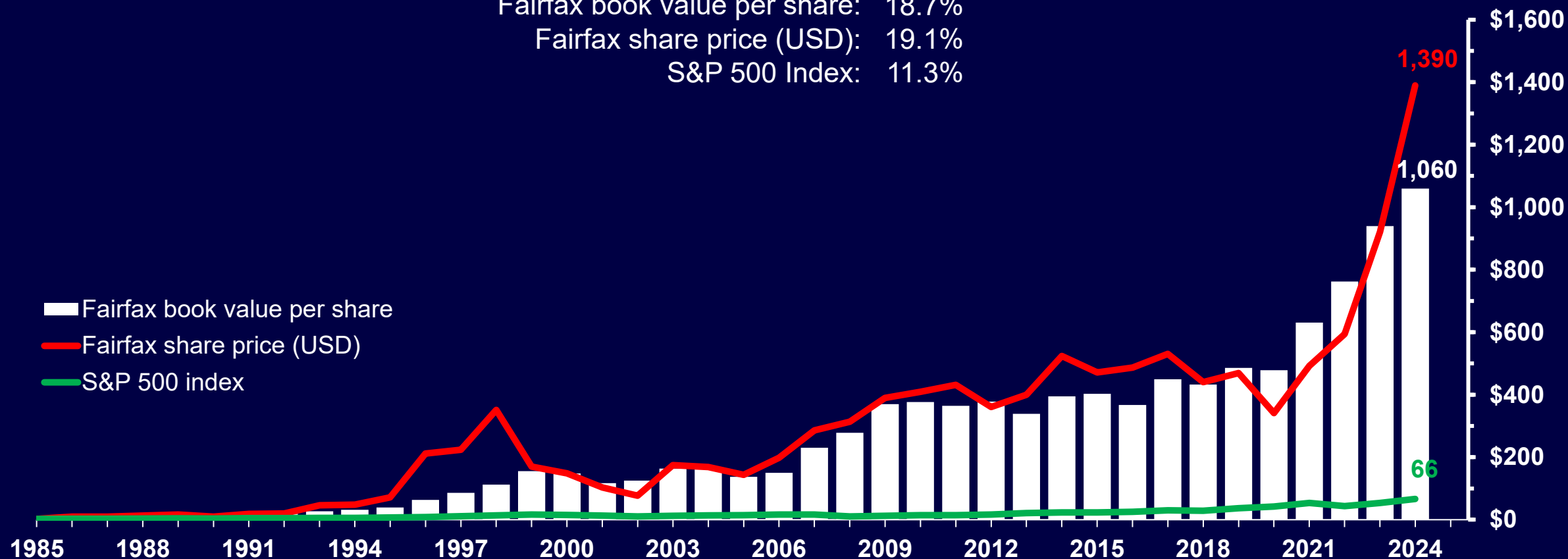
Track Record

39 Year Compound Annual Growth Rate⁽¹⁾

Fairfax book value per share: 18.7%

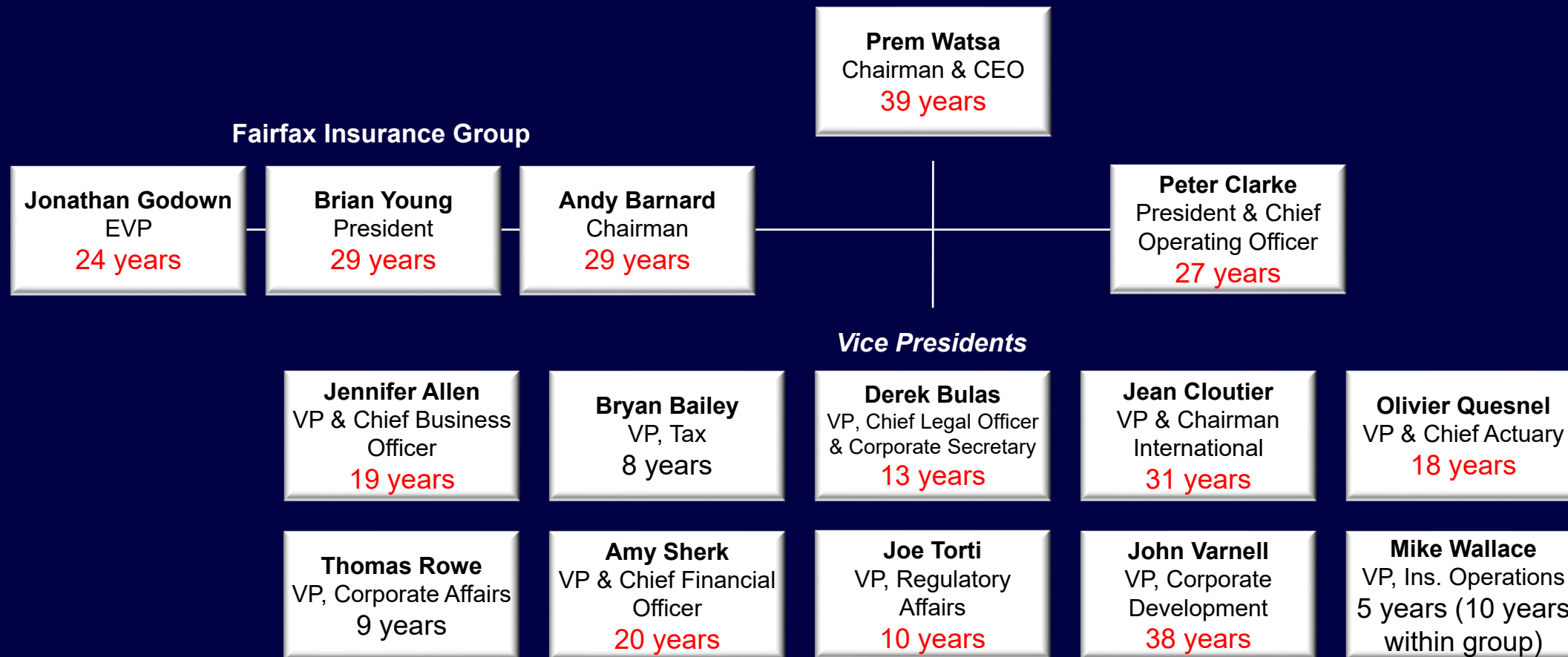
Fairfax share price (USD): 19.1%

S&P 500 Index: 11.3%



(1) Including dividends

Fairfax Executives – Holding Company



Outstanding Operating Management Team



* Represents years with their company; otherwise represents years with Fairfax

Outstanding Investment Team

- Decentralized investment organization based on a long term value investment philosophy



Income Statement – 2024

(\$ billions)

Gross premiums written	\$32.5	<u>Global diversified premium mix</u>
Underwriting profit	1.8	<u>92.7% combined ratio</u>
Investment income (incl. gains)	4.4	<u>Return on average portfolio 6.7%</u>
Net earnings	3.9	
Growth in book value	14.5%	

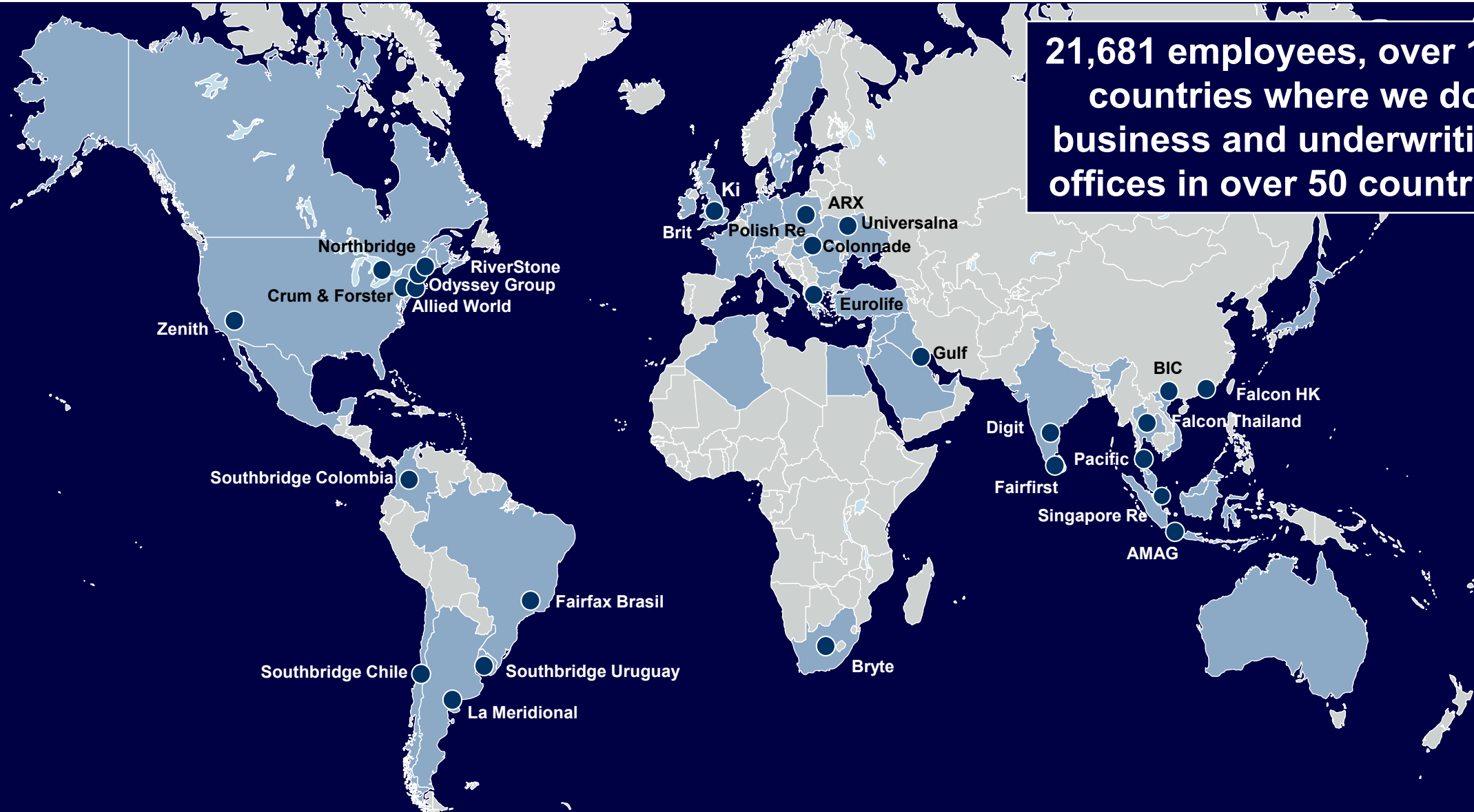
Importance of Float

	Total Float <i>(\$ billions)</i>	Float per Share
1985	0.01	\$2 ½
1995	0.7	74
2005	8.8	492
2015	17.2	775
2024	36.9	1,703
CAGR		18%

	<u>Benefit of float</u>	<u>Cumulative</u> <u>underwriting profit</u>
Last 5 years	4.0%	\$5.5 billion
Last 10 years	3.1%	\$6.9 billion

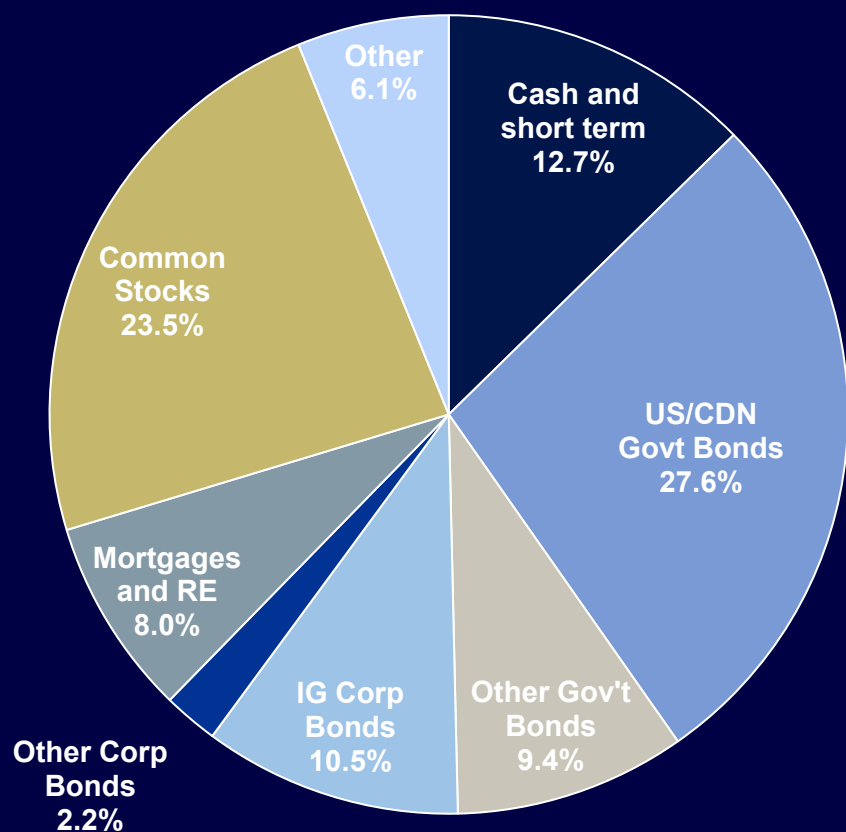
Global Diversified Operations

21,681 employees, over 100 countries where we do business and underwriting offices in over 50 countries



Well Positioned Investment Portfolio

\$67.4 billion at December 31, 2024



- Not focused on short term results
- Capital preservation a priority
- Expect interest and dividends of \$2.5bn for next four years
 - Fixed income portfolio yield is ~5% with a duration of ~3.5 years
 - Limited credit risk

Interest & Dividend Income

	Interest and dividends	Yield on fixed income portfolio (including cash)	% of fixed income portfolio in cash and short-dated treasuries
<i>(\$m)</i>			
2020	769	2.3%	56%
2021	641	1.5%	69%
2022	962	2.2%	54%
2023	1,896	4.6%	23%
2024	2,512	5.2%	22%

Investments in India

	Date of Initial Investment	Ownership	Cost (\$m)	Fair Value at Dec 31, 2024 (\$m)	Compound Annualized Return
Thomas Cook India	Aug 2012	65%	278	688	15.3% ⁽¹⁾
Fairfax India	Jan 2015	43%	534	911	7.9%
Digit	Feb 2017	49%	101	2,072	49.2%
Quess	Dec 2019	35%	346 ⁽²⁾	396	4.9%
India Gov't Bonds	Aug 2024		490	479	0.1%
Other			435	513	3.7%
			<u>2,184</u>	<u>5,059</u>	<u>15.4%</u>

(1) Includes dividends received (\$14 million) and spinoff of Quess (\$330 million)

(2) Cost shown for Quess represents its market value on December 5, 2019, the date it was spun off from Thomas Cook India (our original cost is zero)

Strong Financial Position

(\$ millions)

	2024	2023
Holding company cash and investments	2,502	1,749
Borrowings - holding company	7,882	6,929
Borrowings - insurance and reinsurance companies	976	896
Total debt	8,858	7,825
Common shareholders' equity	22,960	21,615
Preferred stock	1,108	1,336
Non-controlling interests	2,740	3,116
Total capital	35,666	33,892
Total debt/total capital	24.8%	23.1%
Net debt/net total capital	19.2%	18.9%
Adj. operating income interest coverage	10.4x	11.9x

Next Decade – Building on Fairfax's Strengths

- Our guiding principles have remained intact
- Excellent long term performance
- Demonstrated strengths
 - Strong operating subsidiaries focused on underwriting profitability and prudent reserving
 - Conservative investment management providing excellent long term returns
- Well positioned for the future
 - Fair and friendly Fairfax culture

FAIRFAX

FINANCIAL HOLDINGS LIMITED
