

# FAIRFAX *News Release*

**TSX Stock Symbol: FFH and FFH.U**

**TORONTO, November 2, 2023**

## **FINANCIAL RESULTS FOR THE THIRD QUARTER**

*(Note: All dollar amounts in this news release are expressed in U.S. dollars except as otherwise noted. The financial results are derived from unaudited consolidated financial statements prepared using the recognition and measurement requirements of International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). This news release contains certain non-GAAP and other financial measures, including underwriting profit (loss), adjusted operating income (loss), combined ratio, combined ratio points, book value per basic share, total debt to total capital ratio excluding non-insurance companies and excess (deficiency) of fair value over carrying value, that do not have a prescribed meaning under IFRS and may not be comparable to similar financial measures presented by other issuers. See "Glossary of non-GAAP and other financial measures" in the company's Interim Report for the three and nine months ended September 30, 2023.)*

Fairfax Financial Holdings Limited (TSX: FFH and FFH.U) announces net earnings of \$1,068.9 million (\$42.26 net earnings per diluted share after payment of preferred share dividends) in the third quarter of 2023 compared to net earnings of \$499.4 million (\$19.31 net earnings per diluted share after payment of preferred share dividends) in the third quarter of 2022. Book value per basic share at September 30, 2023 was \$876.55 compared to \$762.28 at December 31, 2022 (an increase of 16.4% adjusted for the \$10 per common share dividend paid in the first quarter of 2023).

"We continued to build on our outstanding first half of 2023, with the third quarter producing adjusted operating income of \$967.2 million (or operating income of \$1,424.4 million including the benefit of discounting, net of a risk adjustment on claims) from our property and casualty insurance and reinsurance operations, reflecting strong core underwriting performance, increased interest and dividends and favourable results from profit of associates. We achieved an underwriting profit of \$291.6 million on an undiscounted basis and a consolidated combined ratio of 95.0% for the quarter, reflecting significantly lower catastrophe losses and excellent current accident year underwriting margins. Gross premiums written grew by 5.0% and net premiums written grew by 4.8%, primarily reflecting new business and continued incremental rate increases in certain lines of business.

"Net gains on investments of \$56.0 million in the quarter was principally comprised of mark to market gains on common stocks of \$273.3 million, which was largely offset by mark to market losses on bonds of \$196.7 million due to continued rising interest rates.

"We remain focused on being soundly financed and ended the quarter with approximately \$1.2 billion in cash and investments in the holding company," said Prem Watsa, Chairman and Chief Executive Officer.

The table below presents the sources of the company's net earnings in a format which the company has consistently used as it believes it assists in understanding Fairfax:

	Third quarter		First nine months	
	2023	2022	2023	2022
	(\$ millions)			
Gross premiums written	7,272.2	6,922.9	22,453.2	20,893.5
Net premiums written	5,879.1	5,611.2	17,742.1	16,658.9
Net insurance revenue	<u>5,724.5</u>	<u>5,150.0</u>	<u>16,276.5</u>	<u>14,888.3</u>
<b>Sources of net earnings</b>				
Operating income - Property and Casualty Insurance and Reinsurance:				
Insurance service result:				
North American Insurers	186.4	246.2	711.4	718.5
Global Insurers and Reinsurers	667.6	160.7	2,113.3	1,063.6
International Insurers and Reinsurers	78.6	61.9	229.9	170.6
Insurance service result	<u>932.6</u>	<u>468.8</u>	<u>3,054.6</u>	<u>1,952.7</u>
Other insurance operating expenses	<u>(183.8)</u>	<u>(164.9)</u>	<u>(575.3)</u>	<u>(519.2)</u>
	<u>748.8</u>	<u>303.9</u>	<u>2,479.3</u>	<u>1,433.5</u>
Interest and dividends	453.7	200.5	1,172.6	466.6
Share of profit of associates	221.9	241.5	608.2	557.0
Operating income - Property and Casualty Insurance and Reinsurance	<u>1,424.4</u>	<u>745.9</u>	<u>4,260.1</u>	<u>2,457.1</u>
Operating income - Life insurance and Run-off	33.0	56.1	42.7	162.6
Operating income - Non-insurance companies	125.9	125.6	162.2	160.2
Net finance income (expense) from insurance contracts and reinsurance contract assets held	(7.9)	422.9	(595.3)	1,572.0
Net gains (losses) on investments	56.0	(457.5)	485.1	(2,069.4)
Gain on sale of insurance subsidiary	—	—	259.1	—
Interest expense	(124.8)	(114.4)	(379.5)	(327.1)
Corporate overhead and other	(15.3)	(19.1)	(29.4)	(78.2)
Earnings before income taxes	<u>1,491.3</u>	<u>759.5</u>	<u>4,205.0</u>	<u>1,877.2</u>
Provision for income taxes	<u>(304.3)</u>	<u>(176.8)</u>	<u>(784.9)</u>	<u>(546.4)</u>
<b>Net earnings</b>	<u>1,187.0</u>	<u>582.7</u>	<u>3,420.1</u>	<u>1,330.8</u>
Attributable to:				
Shareholders of Fairfax	1,068.9	499.4	3,053.3	1,056.1
Non-controlling interests	118.1	83.3	366.8	274.7
	<u>1,187.0</u>	<u>582.7</u>	<u>3,420.1</u>	<u>1,330.8</u>

The table below presents the insurance service result for the property and casualty insurance and reinsurance operations reconciled to underwriting profit (loss), a key performance measure used by the company and the property and casualty industry in which it operates. The reconciling adjustments are (i) other insurance operating expenses as presented in the consolidated statement of earnings, (ii) the effects of discounting of losses and ceded losses on claims recorded in the period, and (iii) the effects of the risk adjustment and other, which are presented in insurance service expenses and recoveries of insurance service expenses.

	Third quarter		First nine months	
	2023	2022	2023	2022
	(\$ millions)			
<b>Insurance service result</b>	932.6	468.8	3,054.6	1,952.7
Other insurance operating expenses	(183.8)	(164.9)	(575.3)	(519.2)
Discounting of losses and ceded losses on claims recorded in the period	(391.4)	(401.6)	(1,419.9)	(889.9)
Changes in the risk adjustment and other	(65.8)	80.8	(116.5)	65.6
<b>Underwriting profit (loss)</b>	<u>291.6</u>	<u>(16.9)</u>	<u>942.9</u>	<u>609.2</u>
Interest and dividends	453.7	200.5	1,172.6	466.6
Share of profit of associates	221.9	241.5	608.2	557.0
<b>Adjusted operating income - Property and Casualty Insurance and Reinsurance</b>	<u>967.2</u>	<u>425.1</u>	<u>2,723.7</u>	<u>1,632.8</u>

Highlights for the third quarter of 2023 (with comparisons to the third quarter of 2022 except as otherwise noted, and excluding the effects of IFRS 17 when discussing the combined ratio and adjusted operating income) include the following:

- Net premiums written by the property and casualty insurance and reinsurance operations increased 4.8% to \$5,837.9 million from \$5,573.1 million, while gross premiums written increased by 5.0%, primarily reflecting new business and continued incremental rate increases in certain lines of business.
- The consolidated combined ratio of the property and casualty insurance and reinsurance operations was 95.0%, producing an underwriting profit of \$291.6 million, compared to a combined ratio of 100.3% and an underwriting loss of \$16.9 million in 2022, driven by decreased catastrophe losses of \$388.7 million or 6.7 combined ratio points in the quarter, continued improvement in current accident year underwriting margins from prudent underwriting and continued growth in business volumes (net insurance revenue increased by 11.3%).
- Adjusted operating income of the property and casualty insurance and reinsurance operations increased by 127.5% to \$967.2 million from \$425.1 million, principally due to strong underwriting profit and increased interest and dividends.
- Net finance expense from insurance contracts and reinsurance contract assets held of \$7.9 million in 2023 reflected interest accretion resulting from the unwinding of the effects of discounting associated with net claim payments made, partially offset by the benefit of increases in discount rates during the period due to continued rising interest rates, compared to net finance income from insurance contracts and reinsurance contract assets held of \$422.9 million in 2022 which reflected the benefit of increases in discount rates that was only partially offset by the interest accretion.
- Consolidated interest and dividends<sup>(1)</sup> increased significantly from \$256.5 million to \$512.7 million. At September 30, 2023 the company's insurance and reinsurance companies held portfolio investments of \$56.8 billion (excluding Fairfax India's portfolio of \$2.0 billion), of which \$6.4 billion was in cash and short term investments representing 11.2% of those portfolio investments. During the first nine months of 2023 the company used cash and net proceeds from sales and maturities of U.S. treasury and other government short term investments and short-dated U.S. treasuries to purchase \$5.8 billion of U.S. treasuries with maturities between 3 to 5 years and \$2.4 billion of U.S. treasuries with maturities between 5 to 7 years, and to make net purchases of \$2.1 billion of short-dated first mortgage loans and \$1.6 billion of corporate and other bonds with maturities primarily between 2 to 5 years. These actions should result in continued higher levels of interest income for approximately the next 4 years.
- Consolidated share of profit of associates of \$291.5 million principally reflected share of profit of \$118.9 million from Eurobank, \$45.5 million from Poseidon (formerly Atlas) and \$20.5 million from Stelco.
- Net gains on investments of \$56.0 million consisted of the following:

	<b>Third quarter of 2023</b>		
	<i>(\$ millions)</i>		
	<b>Realized gains (losses)</b>	<b>Unrealized gains (losses)</b>	<b>Net gains (losses)</b>
Net gains (losses) on:			
Equity exposures	67.9	205.4	273.3
Bonds	(113.5)	(83.2)	(196.7)
Other	(7.9)	(12.7)	(20.6)
	<u>(53.5)</u>	<u>109.5</u>	<u>56.0</u>

(1) Comprised of interest and dividends earned by the property and casualty insurance and reinsurance operations of \$453.7 million (2022 - \$200.5 million), with the remainder earned by life insurance and run-off, non-insurance companies and corporate and other.

	<b>First nine months of 2023</b>		
	<i>(\$ millions)</i>		
	<b>Realized gains (losses)</b>	<b>Unrealized gains</b>	<b>Net gains (losses)</b>
Net gains (losses) on:			
Equity exposures	158.6	688.8	847.4
Bonds	(517.9)	234.9	(283.0)
Other	(122.0)	42.7	(79.3)
	<u>(481.3)</u>	<u>966.4</u>	<u>485.1</u>

Net gains on equity exposures of \$273.3 million was primarily comprised of net gains on equity derivatives and unrealized gains on common stocks, convertible bonds and convertible preferred stocks. At September 30, 2023 the company continued to hold equity total return swaps on 1,964,155 Fairfax subordinate voting shares with an original notional amount of \$732.5 million (Cdn\$935.0 million) or \$372.96 (Cdn\$476.03) per share, on which the company recorded \$162.0 million of net gains in the third quarter of 2023.

Net losses on bonds of \$196.7 million was principally comprised of net losses of \$169.0 million on U.S. treasuries.

- The company's fixed income portfolio is conservatively positioned with effectively 70% of the fixed income portfolio invested in government bonds and 19% in high quality corporate bonds, primarily short-dated.
- Excluding the impact of Fairfax India's performance fees to Fairfax (accruals of \$20.4 million in the third quarter of 2023 and \$4.8 million in the third quarter of 2022), which are offset upon consolidation, operating income of the non-insurance companies increased to \$146.3 million from \$130.4 million, principally reflecting higher business volumes, and continued stable results at Restaurants and retail.
- Interest expense of \$124.8 million (inclusive of \$12.1 million on leases) was comprised (other than on leases) of \$80.7 million incurred on borrowings by the holding company and the insurance and reinsurance companies and \$32.0 million incurred on borrowings by the non-insurance companies (which are non-recourse to the holding company).
- At September 30, 2023 the excess of fair value over carrying value of investments in non-insurance associates and consolidated non-insurance subsidiaries was \$600.9 million.
- The company's total debt to total capital ratio, excluding non-insurance companies, decreased to 21.6% at September 30, 2023 compared to 23.7% at December 31, 2022, principally reflecting increased common shareholders' equity as a result of the strong net earnings reported in the first nine months of 2023.
- During the first nine months of 2023 the company purchased 257,589 of its subordinate voting shares for cancellation at an aggregate cost of \$179.8 million.

There were 23.2 million and 23.6 million weighted average common shares effectively outstanding during the third quarters of 2023 and 2022 respectively. At September 30, 2023 there were 23,115,838 common shares effectively outstanding.

Consolidated balance sheet, earnings and comprehensive income information, together with segmented premium and combined ratio information, follow and form part of this news release.

As previously announced, Fairfax will hold a conference call to discuss its third quarter 2023 results at 8:30 a.m. Eastern time on Friday November 3, 2023. The call, consisting of a presentation by the company followed by a question period, may be accessed at 1 (888) 390-0867 (Canada or U.S.) or 1 (212) 547-0141 (International) with the passcode "FAIRFAX". A replay of the call will be available from shortly after the termination of the call until 5:00 p.m. Eastern time on Friday, November 17, 2023. The replay may be accessed at 1 (800) 814-6745 (Canada or U.S.) or 1 (203) 369-3349 (International).

Fairfax Financial Holdings Limited is a holding company which, through its subsidiaries, is primarily engaged in property and casualty insurance and reinsurance and the associated investment management.

For further information, contact:

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## CONSOLIDATED BALANCE SHEETS

as at September 30, 2023, December 31, 2022 and January 1, 2022

(US\$ millions except per share amounts)

	September 30, 2023	December 31, 2022 <i>Restated<sup>(1)</sup></i>	January 1, 2022 <i>Restated<sup>(1)</sup></i>
<b>Assets</b>			
Holding company cash and investments (including assets pledged for derivative obligations – \$140.5; December 31, 2022 – \$104.6; January 1, 2022 – \$111.0)	1,230.6	1,345.8	1,478.3
Insurance contract receivables	862.5	648.9	650.1
<i>Portfolio investments</i>			
Subsidiary cash and short term investments (including restricted cash and cash equivalents – \$607.8; December 31, 2022 – \$854.4; January 1, 2022 – \$1,246.4)	6,372.8	9,368.2	21,799.5
Bonds (cost \$34,785.8; December 31, 2022 – \$29,534.4; January 1, 2022 – \$13,836.3)	34,172.6	28,578.5	14,091.2
Preferred stocks (cost \$894.6; December 31, 2022 – \$808.3; January 1, 2022 – \$576.6)	2,394.5	2,338.0	2,405.9
Common stocks (cost \$6,272.8; December 31, 2022 – \$5,162.6; January 1, 2022 – \$4,717.2)	6,627.6	5,124.3	5,468.9
Investments in associates (fair value \$7,265.5; December 31, 2022 – \$6,772.9; January 1, 2022 – \$5,671.9)	6,324.3	6,093.1	4,749.2
Derivatives and other invested assets (cost \$980.7; December 31, 2022 – \$869.8; January 1, 2022 – \$888.2)	1,094.3	828.5	991.2
Assets pledged for derivative obligations (cost \$119.2; December 31, 2022 – \$52.4; January 1, 2022 – \$119.6)	117.9	51.3	119.6
Fairfax India cash, portfolio investments and associates (fair value \$3,366.5; December 31, 2022 – \$3,079.6; January 1, 2022 – \$3,336.4)	2,004.4	1,942.8	2,066.0
	<u>59,108.4</u>	<u>54,324.7</u>	<u>51,691.5</u>
Reinsurance contract assets held	9,713.3	9,691.5	9,893.1
Deferred income tax assets	142.2	137.3	449.1
Goodwill and intangible assets	5,485.9	5,689.0	5,928.2
Other assets	7,795.9	6,981.3	6,034.1
Total assets	<u>84,338.8</u>	<u>78,818.5</u>	<u>76,124.4</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	5,398.6	4,806.6	4,587.6
Derivative obligations	334.5	191.0	152.9
Deferred income tax liabilities	1,162.8	868.0	586.5
Insurance contract payables	1,397.9	1,402.7	1,826.0
Insurance contract liabilities	41,815.5	39,906.6	39,742.2
Borrowings – holding company and insurance and reinsurance companies	6,593.1	6,621.0	6,129.3
Borrowings – non-insurance companies	2,038.9	2,003.9	1,623.7
Total liabilities	<u>58,741.3</u>	<u>55,799.8</u>	<u>54,648.2</u>
<b>Equity</b>			
Common shareholders' equity	20,262.1	17,780.3	15,199.8
Preferred stock	1,335.5	1,335.5	1,335.5
Shareholders' equity attributable to shareholders of Fairfax	21,597.6	19,115.8	16,535.3
Non-controlling interests	3,999.9	3,902.9	4,940.9
Total equity	<u>25,597.5</u>	<u>23,018.7</u>	<u>21,476.2</u>
	<u>84,338.8</u>	<u>78,818.5</u>	<u>76,124.4</u>
<b>Book value per basic share</b>	<b>\$ 876.55</b>	<b>\$ 762.28</b>	<b>\$ 636.89</b>

(1) Restated for the transition to IFRS 17.

## CONSOLIDATED STATEMENTS OF EARNINGS

for the three and nine months ended September 30, 2023 and 2022

(US\$ millions except per share amounts)

	Third quarter		First nine months	
	2023	2022 <i>Restated<sup>(1)</sup></i>	2023	2022 <i>Restated<sup>(1)</sup></i>
<b>Insurance</b>				
Insurance revenue	7,098.9	6,426.3	20,033.0	18,185.9
Insurance service expenses	(5,704.5)	(5,669.2)	(15,921.4)	(15,529.5)
Net insurance result	1,394.4	757.1	4,111.6	2,656.4
Cost of reinsurance	(1,374.4)	(1,276.3)	(3,756.5)	(3,297.6)
Recoveries of insurance service expenses	922.5	992.3	2,685.7	2,624.7
Net reinsurance result	(451.9)	(284.0)	(1,070.8)	(672.9)
<b>Insurance service result</b>	942.5	473.1	3,040.8	1,983.5
Other insurance operating expenses	(207.3)	(146.8)	(658.8)	(459.0)
Net finance income (expense) from insurance contracts	(22.7)	506.0	(833.8)	1,951.9
Net finance income (expense) from reinsurance contract assets held	14.8	(83.1)	238.5	(379.9)
	727.3	749.2	1,786.7	3,096.5
<b>Investment income</b>				
Interest and dividends	512.7	256.5	1,359.6	628.5
Share of profit of associates	291.5	317.7	894.5	764.0
Net gains (losses) on investments	56.0	(457.5)	485.1	(2,069.4)
	860.2	116.7	2,739.2	(676.9)
<b>Other revenue and expenses</b>				
Non-insurance revenue	1,744.5	1,397.6	4,862.5	3,913.1
Non-insurance expenses	(1,640.4)	(1,314.1)	(4,791.0)	(3,898.4)
Gain on sale of insurance subsidiary	—	—	259.1	—
Interest expense	(124.8)	(114.4)	(379.5)	(327.1)
Corporate and other expenses	(75.5)	(75.5)	(272.0)	(230.0)
	(96.2)	(106.4)	(320.9)	(542.4)
<b>Earnings before income taxes</b>	1,491.3	759.5	4,205.0	1,877.2
Provision for income taxes	(304.3)	(176.8)	(784.9)	(546.4)
<b>Net earnings</b>	1,187.0	582.7	3,420.1	1,330.8
<b>Attributable to:</b>				
Shareholders of Fairfax	1,068.9	499.4	3,053.3	1,056.1
Non-controlling interests	118.1	83.3	366.8	274.7
	1,187.0	582.7	3,420.1	1,330.8
<b>Net earnings per share</b>	\$ 45.62	\$ 20.71	\$ 129.91	\$ 43.11
<b>Net earnings per diluted share</b>	\$ 42.26	\$ 19.31	\$ 120.43	\$ 40.23
<b>Cash dividends paid per share</b>	\$ —	\$ —	\$ 10.00	\$ 10.00
<b>Shares outstanding (000) (weighted average)</b>	23,163	23,578	23,219	23,722

(1) Restated for the transition to IFRS 17.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

for the three and nine months ended September 30, 2023 and 2022

(US\$ millions)

	Third quarter		First nine months	
	2023	2022 Restated <sup>(1)</sup>	2023	2022 Restated <sup>(1)</sup>
<b>Net earnings</b> .....	<b>1,187.0</b>	582.7	<b>3,420.1</b>	1,330.8
<b>Other comprehensive income (loss), net of income taxes</b>				
<b>Items that may be reclassified to net earnings</b>				
Net unrealized foreign currency translation losses on foreign subsidiaries .....	(174.3)	(473.5)	(162.6)	(884.9)
Gains (losses) on hedge of net investment in Canadian subsidiaries .....	44.8	132.3	(4.5)	178.1
Gains on hedge of net investment in European operations .....	24.0	48.8	6.4	116.8
Share of other comprehensive loss of associates, excluding net gains (losses) on defined benefit plans .....	(63.4)	(76.2)	(66.8)	(239.8)
Other .....	2.7	2.1	7.5	3.1
	<b>(166.2)</b>	(366.5)	<b>(220.0)</b>	(826.7)
Net unrealized foreign currency translation losses on foreign subsidiaries reclassified to net earnings .....	—	—	1.9	—
Net unrealized foreign currency translation (gains) losses on associates reclassified to net earnings .....	3.2	(1.3)	(1.6)	(1.3)
	<b>(163.0)</b>	(367.8)	<b>(219.7)</b>	(828.0)
<b>Items that will not be reclassified to net earnings</b>				
Net gains (losses) on defined benefit plans .....	22.8	(12.2)	13.9	105.5
Share of net gains (losses) on defined benefit plans of associates .....	(2.1)	45.2	(4.0)	59.4
Other .....	18.2	—	21.0	—
	<b>38.9</b>	33.0	<b>30.9</b>	164.9
<b>Other comprehensive income (loss), net of income taxes</b> .....	<b>(124.1)</b>	(334.8)	<b>(188.8)</b>	(663.1)
<b>Comprehensive income</b> .....	<b>1,062.9</b>	247.9	<b>3,231.3</b>	667.7
<b>Attributable to:</b>				
Shareholders of Fairfax .....	976.8	260.7	2,917.1	624.2
Non-controlling interests .....	86.1	(12.8)	314.2	43.5
	<b>1,062.9</b>	247.9	<b>3,231.3</b>	667.7

(1) Restated for the transition to IFRS 17.

## SEGMENTED INFORMATION

(US\$ millions)

Third party gross premiums written, net premiums written and combined ratios, on an undiscounted basis, for the property and casualty insurance and reinsurance operations (excluding Life insurance and Run-off) in the third quarters and first nine months ended September 30, 2023 and 2022 were as follows:

### Gross Premiums Written

	Third quarter		First nine months		% change year-over-year	
	2023	2022	2023	2022	Third quarter	First nine months
Northbridge .....	613.2	573.3	1,818.5	1,707.1	7.0 %	6.5 %
Crum & Forster .....	1,442.6	1,278.7	3,921.4	3,434.1	12.8 %	14.2 %
Zenith National .....	157.1	165.2	589.2	588.9	(4.9)%	0.1 %
<b>North American Insurers</b> .....	<b>2,212.9</b>	<b>2,017.2</b>	<b>6,329.1</b>	<b>5,730.1</b>	<b>9.7 %</b>	<b>10.5 %</b>
Allied World .....	1,623.2	1,524.8	5,379.0	5,065.9	6.5 %	6.2 %
Odyssey Group .....	1,621.9	1,617.6	5,018.0	4,793.8	0.3 %	4.7 %
Brit <sup>(1)</sup> .....	923.5	961.0	2,932.4	2,938.3	(3.9)%	(0.2)%
<b>Global Insurers and Reinsurers</b> .....	<b>4,168.6</b>	<b>4,103.4</b>	<b>13,329.4</b>	<b>12,798.0</b>	<b>1.6 %</b>	<b>4.2 %</b>
<b>International Insurers and Reinsurers</b> .....	<b>848.1</b>	<b>762.9</b>	<b>2,652.5</b>	<b>2,231.1</b>	<b>11.2 %</b>	<b>18.9 %</b>
<b>Property and casualty insurance and reinsurance</b> .....	<b>7,229.6</b>	<b>6,883.5</b>	<b>22,311.0</b>	<b>20,759.2</b>	<b>5.0 %</b>	<b>7.5 %</b>

### Net Premiums Written

	Third quarter		First nine months		% change year-over-year	
	2023	2022	2023	2022	Third quarter	First nine months
Northbridge .....	519.8	502.1	1,588.4	1,529.8	3.5 %	3.8 %
Crum & Forster .....	1,124.7	1,060.0	2,965.0	2,810.9	6.1 %	5.5 %
Zenith National .....	162.8	169.7	601.6	595.3	(4.1)%	1.1 %
<b>North American Insurers</b> .....	<b>1,807.3</b>	<b>1,731.8</b>	<b>5,155.0</b>	<b>4,936.0</b>	<b>4.4 %</b>	<b>4.4 %</b>
Allied World .....	1,105.0	991.4	3,878.7	3,521.1	11.5 %	10.2 %
Odyssey Group .....	1,566.2	1,502.9	4,578.1	4,366.8	4.2 %	4.8 %
Brit <sup>(1)</sup> .....	780.6	847.7	2,296.0	2,260.1	(7.9)%	1.6 %
<b>Global Insurers and Reinsurers</b> .....	<b>3,451.8</b>	<b>3,342.0</b>	<b>10,752.8</b>	<b>10,148.0</b>	<b>3.3 %</b>	<b>6.0 %</b>
<b>International Insurers and Reinsurers</b> .....	<b>578.8</b>	<b>499.3</b>	<b>1,683.9</b>	<b>1,445.0</b>	<b>15.9 %</b>	<b>16.5 %</b>
<b>Property and casualty insurance and reinsurance</b> .....	<b>5,837.9</b>	<b>5,573.1</b>	<b>17,591.7</b>	<b>16,529.0</b>	<b>4.8 %</b>	<b>6.4 %</b>

### Combined Ratios

	Third quarter		First nine months	
	2023	2022	2023	2022
Northbridge .....	88.7 %	90.3 %	90.9 %	88.3 %
Crum & Forster <sup>(1)</sup> .....	104.8 %	94.7 %	98.3 %	94.6 %
Zenith National .....	92.8 %	93.8 %	96.2 %	94.5 %
<b>North American Insurers</b> .....	<b>98.3 %</b>	<b>93.2 %</b>	<b>95.8 %</b>	<b>92.6 %</b>
Allied World .....	89.3 %	90.2 %	90.6 %	91.5 %
Odyssey Group .....	94.7 %	107.8 %	95.1 %	99.1 %
Brit <sup>(2)</sup> .....	94.0 %	117.4 %	93.2 %	102.2 %
<b>Global Insurers and Reinsurers</b> .....	<b>92.7 %</b>	<b>104.2 %</b>	<b>93.2 %</b>	<b>97.3 %</b>
<b>International Insurers and Reinsurers</b> .....	<b>98.5 %</b>	<b>96.9 %</b>	<b>96.8 %</b>	<b>98.6 %</b>
<b>Property and casualty insurance and reinsurance</b> .....	<b>95.0 %</b>	<b>100.3 %</b>	<b>94.3 %</b>	<b>96.0 %</b>

(1) Impacted by Hawaii wildfires in the third quarter of 2023 which included \$78.3 million of current period catastrophe losses or 8.2 and 2.8 combined ratio points in the third quarter and first nine months of 2023.

(2) Excluding Ki Insurance, gross premiums written decreased by 4.0% and 4.6% in the third quarter and first nine months of 2023 and net premiums written decreased by 9.5% and 1.2% in the third quarter and first nine months of 2023. Excluding Ki Insurance, the combined ratios were 92.4% and 93.1% in the third quarter and first nine months of 2023 and 114.8% and 101.2% in the third quarter and first nine months of 2022.

*Certain statements contained herein may constitute forward-looking statements and are made pursuant to the “safe harbour” provisions of the United States Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities regulations. Such forward-looking statements 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 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; 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; operational, financial reporting and other risks associated with IFRS 17; impairment of the carrying value of our goodwill, indefinite-lived intangible assets or investments in associates; our failure to realize deferred income tax assets; 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; risks associated with the global pandemic caused by COVID-19, the conflicts in Ukraine and Israel and the development of other geopolitical events and economic disruptions worldwide; and risks associated with recent events in the banking sector which have elevated concerns among market participants about the liquidity, default and non-performance risk associated with banks, other financial institutions and the financial services industry generally. Additional risks and uncertainties are described in our most recently issued Annual Report, which is available at [www.fairfax.ca](http://www.fairfax.ca), and in our Base Shelf Prospectus (under “Risk Factors”) filed with the securities regulatory authorities in Canada, which is available on SEDAR at [www.sedar.com](http://www.sedar.com). 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.*