

FAIRFAX *News Release*

Stock Symbol: FFH (TSX and NYSE)

TORONTO, January 20, 2003

STATEMENT BY FAIRFAX CHAIRMAN

At the request of the Toronto Stock Exchange, Fairfax Financial Holdings Limited's Chairman and CEO, Prem Watsa, has said that there are no corporate developments that would account for the recent fluctuations in Fairfax's share price, and has made the following statement:

"Fairfax has always been run with honesty and integrity and has always intended to provide comprehensive disclosure in its Annual Report. If Fairfax's operations encountered difficulties, we faced them head-on, reported them candidly and absorbed their impact. We have consistently looked to protect the downside and concentrated on creating options to ensure that we could meet our obligations.

From the beginning, our reserves have been reviewed by company actuaries, by an actuary at Fairfax and by one or more independent actuaries and have been subject to regulatory review. Our reserves have received careful consideration and have been established using accepted actuarial practice. The valuation methodology for reserves employed in a recently issued research report on Fairfax suffers fatally from the inherent limitations admitted by that report and a complete lack of knowledge of the factual details necessary to produce a reserve calculation. We are certain that the loss reserve deficiencies suggested by that report are totally wrong and have no validity whatsoever."

Fairfax expects to announce its 2002 financial results after the close of markets on Monday, February 10, 2003. Its Annual Report is scheduled to be posted on the Internet at www.fairfax.ca after the close of markets on Friday, March 7, 2003 and will be mailed to shareholders shortly thereafter.

Fairfax Financial Holdings Limited is a financial services holding company which, through its subsidiaries, is engaged in property, casualty and life insurance and reinsurance, investment management and insurance claims management.

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The foregoing announcement may contain forward-looking statements. Actual results may differ, perhaps materially, from those contained in such forward-looking statements as a result of a large variety of uncertainties and risk factors, the most foreseeable of which are listed on pages 88 and 89 of Fairfax's 2001 Annual Report which is available on Fairfax's website at www.fairfax.ca.