FAIRFAX
FINANCIAL HOLDINGS LIMITED

Annual Meeting

April 14, 2016

Note: All financial disclosure in this presentation is, unless otherwise noted, in US$

Forward-Looking Statements

FAIRFAX FINANCIAL HOLDINGS LIMITED

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: a reduction in net earnings if our loss reserves are insufficient; underwriting losses on the risks we insure that are higher or lower than expected; the occurrence of catastrophic events with a frequency or severity exceeding our estimates; changes in market variables, including 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; the timing of claims payments being sooner or the receipt of reinsurance recoverables being later than anticipated by us; the inability of our subsidiaries to maintain financial or claims paying ability ratings; risks associated with implementing our business strategies; risks associated with our use of derivative instruments; the failure of our hedging methods 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; 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; technological or other change which adversely impacts demand, or the premiums payable, for the insurance coverages we offer; 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 supervision or regulation, including additional tax regulation, in the United States, Canada or other 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; 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; an impairment in the carrying value of our goodwill and indefinite-lived intangible assets; our failure to realize deferred income tax assets; and assessments and shared market mechanisms which may adversely affect our U.S. insurance subsidiaries. We caution readers not to place undue reliance on these forward-looking statements, which speak only as of their dates. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, change in assumption or opinion or otherwise, except as may be required by applicable securities laws. Additional risks and uncertainties are described in our most recently issued Annual Report which is available at www.fairfax.ca and in our Supplemental and Base Shelf Prospectus (under “Risk Factors”) filed with the securities regulatory authorities in Canada, which is available on SEDAR at www.sedar.com.

Guiding Principles

Objectives

- We expect to compound our 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 and shareholders – 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 and financing, which are done by or with Fairfax. 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 head office 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 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!

Fairfax – 30 Years Value Creation

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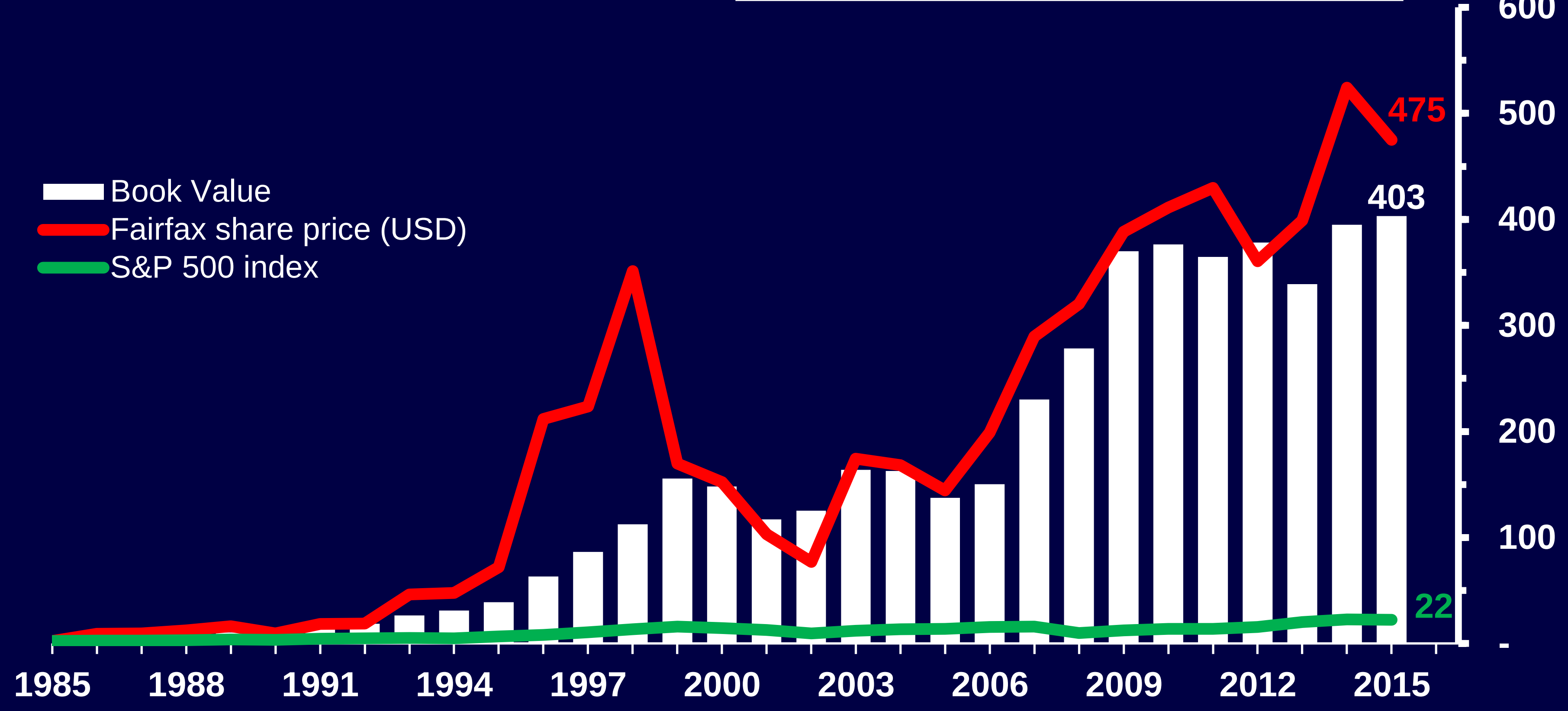
<u>30 Year Compound Annual Growth Rate</u>
Fairfax book value per share – 20.4%
Fairfax share price (USD) – 19.4%
S&P 500 Index – 7.9%



Fairfax – 30 Years Then and Now

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	1985	2015	Growth
Insurance premiums (net)	10 million	7.5 billion	752x
Investment portfolios	24 million	29 billion	1,214x
Common shareholders' equity	8 million	9 billion	1,178x
Shares outstanding	5 million	22 million	4.4x
Per share			
Insurance premiums	$ 2.00	$ 339	169x
Investment portfolios	4.80	1,306	272x
Book value	1.52	403	265x
Stock price (Cdn$)	3.25	657	202x

Fairfax – 30 Years Financial Results

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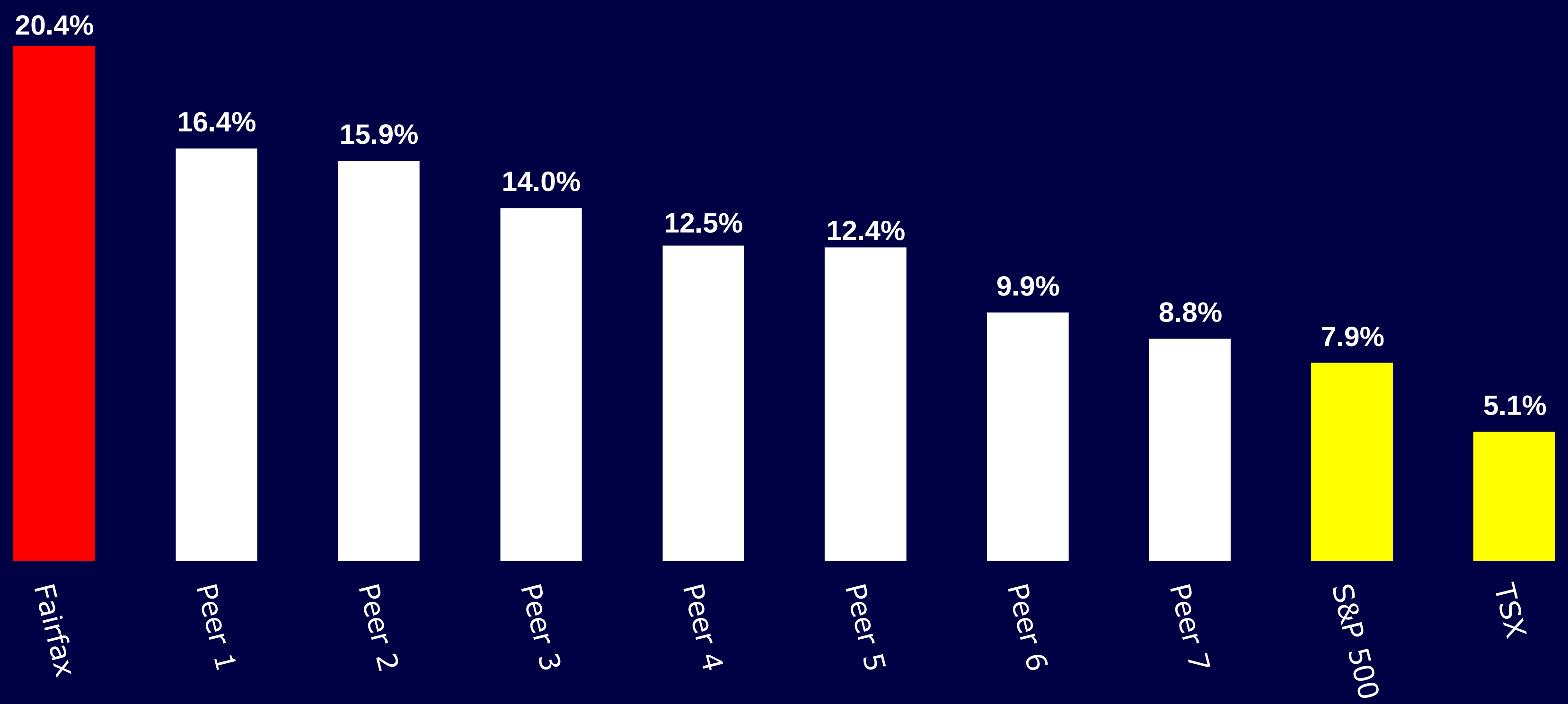
5 Years Ended	Growth in Book Value per Share(1)	Average Combined Ratio	Average Total Return on Investments
1990	58%	107%	10%
1995	21%	104%	10%
2000	31%	114%	9%
2005	(1%)	105%	9%
2010	24%	100%	11%
2015	4%	97%	3%

(1) Includes dividends paid

Historic Performance vs. Peer Group

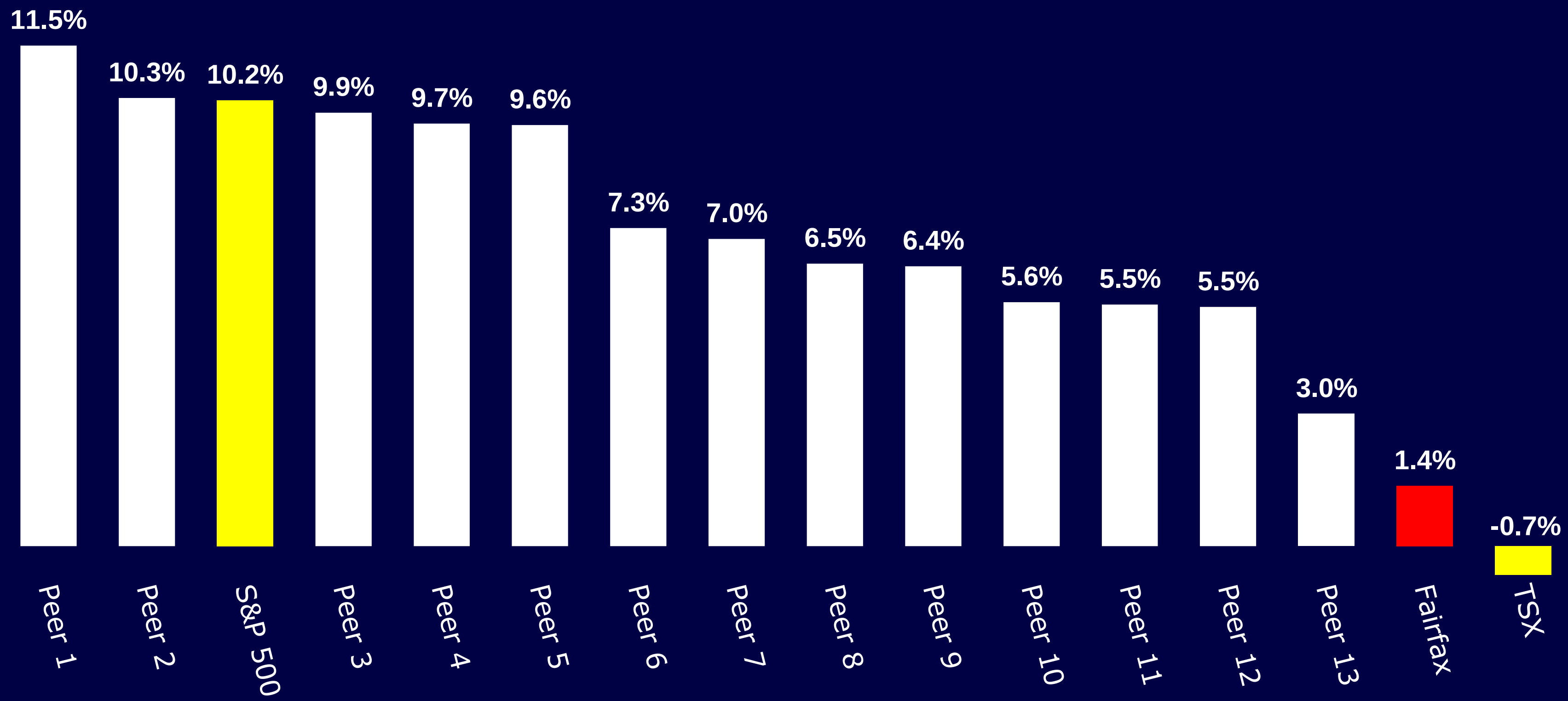
Compound Growth in Book Value per Share (30 Years: since Fairfax's inception) (1)



(1) Except for S&P 500 and TSX which are compound index returns excluding dividends

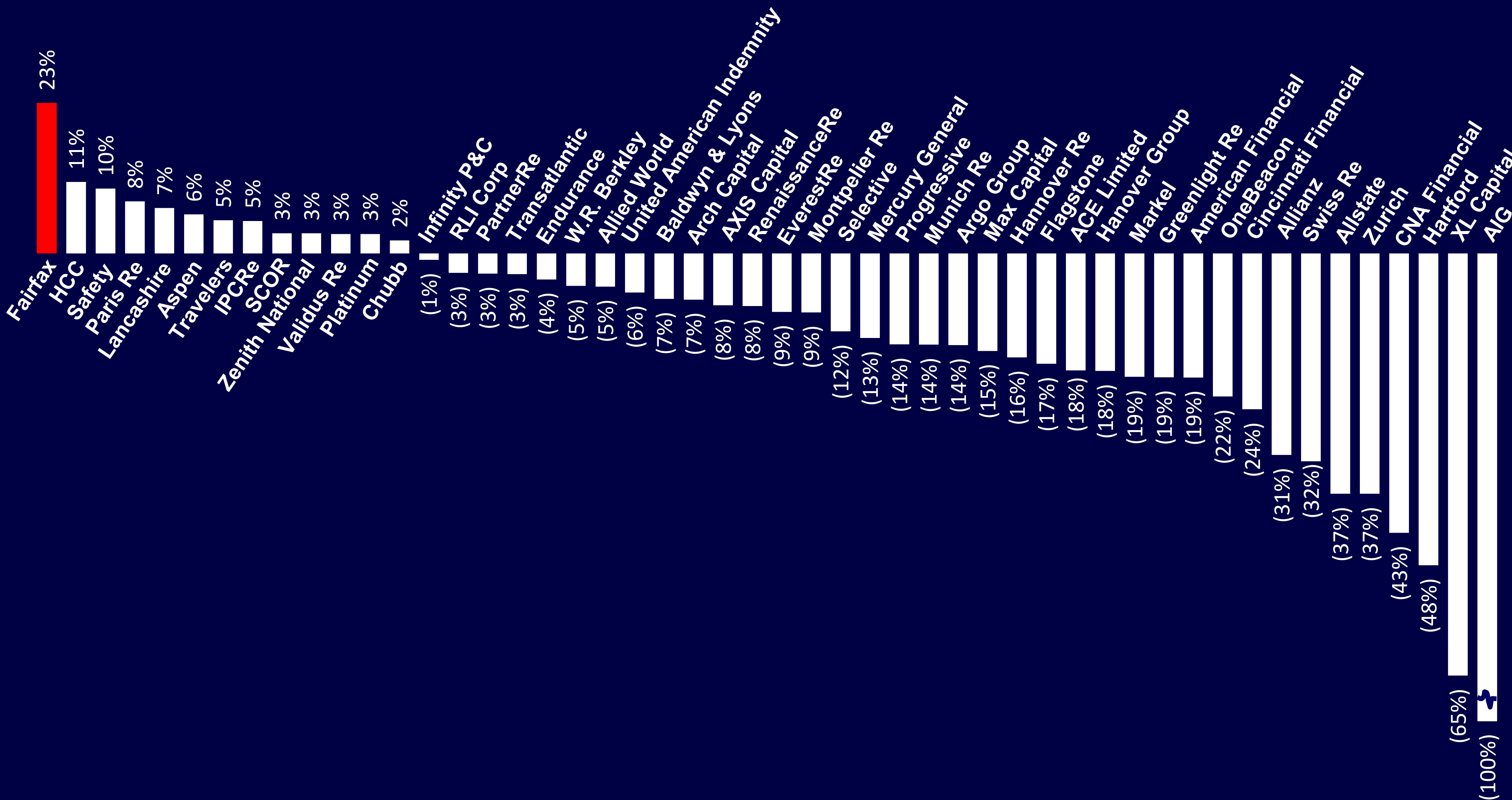
Historic Performance vs. Peer Group

Compound Growth in Book Value per Share (5 Years ending 2015) (1)



(1) Except for S&P 500 and TSX which are compound index returns excluding dividends

2008 Change in Book Value per Share



SOURCE: Dowling & Partners, IBNR #12
Fairfax and AIG calculated using the same methodology as Dowling & Partners, based on company data (AIG excludes government financing)

Sources of Net Earnings in 2015

	($ millions)
Underwriting profit – (combined ratio of 89.9%)	705
Investment income – insurance and reinsurance	477
Operating income	**1,182**
Other [(1)]	(298)
Realized investment gains	1,050
Pre-tax income including realized investment gains	**1,934**
Unrealized investment losses	(1,811)
Hedging gains	502
Pre-tax income	625
Net earnings	**642**

(1) Includes: non-insurance operations, runoff operating income, interest expense and corporate overhead & other

Underwriting Results in 2015

	Combined Ratio	Underwriting Profit
		($ millions)
Northbridge	91.8%	72
Crum & Forster	97.7%	35
Zenith	82.5%	134
Brit [1]	94.9%	46
OdysseyRe	84.7%	337
Fairfax Asia	87.9%	35
Other Insurance and Reinsurance	89.6%	46
Consolidated	89.9%	705

(1) For the period since its acquisition on June 5, 2015

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Net Gains on Investments 2010-2015

	Realized Gains (Losses) ($ billions)	Unrealized Gains (Losses) ($ billions)	Net Gains (Losses) ($ billions)
Equity and equity related investments	4.2	(1.4)	2.8
Equity hedges	(1.2)	(2.0)	(3.2)
Net equity	3.0	(3.4)	(0.4)
Bonds	1.7	0.2	1.9
CPI-linked derivatives	0.0	(0.4)	(0.4)
Other	0.1	0.0	0.1
	4.8	**(3.6)**	**1.2**

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Cost of Hedging

($ billions)	2010	2011	2012	2013	2014	2015	Total
Equity hedges	(0.9)	0.4	(1.0)	(2.0)	(0.2)	0.5	(3.2)
CPI-linked derivatives	0.0	(0.2)	(0.1)	(0.1)	0.0	0.0	(0.4)
Total	(0.9)	0.2	(1.1)	(2.1)	(0.2)	0.5	(3.6)

Importance of Float

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	Total Float		Total Investments	
	($ millions)	Per Share	($ millions)	Per Share
1985	13	$ 2½	24	$ 5
1990	164	30	289	53
1995	653	74	1,222	138
2000	5,877	449	10,400	794
2005	8,757	492	14,869	835
2010	13,110	641	23,300	1,139
2015	17,072	769	29,016	1,306
CAGR		21.5%		20.5%

International Operations

	Gross Premiums Written ($ millions)	Ownership	Fairfax's Share of Gross Premiums Written ($ millions)
Brit[1]	1,999	70%	1,400
First Capital (Singapore)	399	98%	390
Advent	241	100%	241
Fairfax Brasil	123	100%	123
Polish Re[2]	114	100%	114
Pacific Insurance (Malaysia)	108	100%	108
Falcon Insurance (Hong Kong)	69	100%	69
Union Assurance (Sri Lanka)	43	78%	34
Fairfax Indonesia	34	80%	28
	3,130		2,507
ICICI Lombard (India)[3]	1,170	26%	299
Alltrust Insurance (China)[3]	1,063	15%	159
Gulf Insurance (Middle East)[3]	608	41%	252
BIC (Vietnam)	70	35%	25
Falcon Insurance (Thailand)	48	41%	20
	2,959		755
Total	6,089		3,262

(1) Full year 2015 premium
(2) Including Fairfax Eastern Europe
(3) For the 12 months ended September 30, 2015

Runoff

- RiverStone is one of the premier runoff groups in the world
- Many successful runoff acquisitions
  - General Fidelity
  - Eagle Star
  - Brit Insurance
  - American Safety
- Average return on acquisitions greater than 25%
- 397 employees: 265 in the United States and 132 in the United Kingdom
- Cumulative pre-tax profit of $1.1 billion since 2007

Restaurant Business

(Cdn$ millions)

Prime Restaurants
Purchase Price: $57
Ownership: 82%

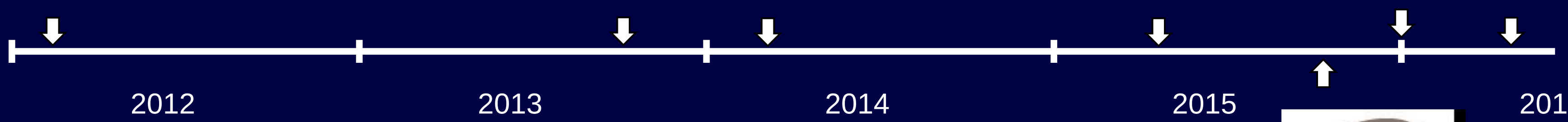
Merger of Cara/Prime
Investment: $100
Prime Contribution: $57
Bill Gregson joined as President

Keg Restaurants
Purchase: $85
Ownership: 51%

Cara IPO
Fairfax MV: $458
Ownership: 41%

Cara Dec. 31, 2015
Fairfax MV: $600

Cara
Purchases
St-Hubert



The McEwan Group
Ownership: 45%

- 3rd largest restaurant group in Canada
- Exceptional management led by Bill Gregson
- Financially strong

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Pre-Tax Realized and Unrealized Gains

	Gains (Losses) ($ millions)	Per Share
1985	0.5	10¢
2008	2,144	$ 118
2009	1,981	$ 108
2010	(3)	-
2011	691	$ 34
2012	643	$ 31
2013	(1,564)	$ (77)
2014	1,736	$ 80
2015	(259)	$ (12)
Cumulative Gains	$11.4 billion	

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Investment Performance

	Compound Annual Returns		
	5 Years	10 Years	15 Years
December 31, 2015			
Common stocks (with equity hedging)	(4.9%)	4.2%	9.8%
S&P 500	12.6%	7.3%	5.0%
December 31, 2014			
Common stocks (with equity hedging)	(2.7%)	6.5%	11.6%
S&P 500	15.5%	7.7%	4.2%
December 31, 2013			
Common stocks (with equity hedging)	3.2%	7.6%	13.5%
S&P 500	17.9%	7.4%	4.7%
December 31, 2012			
Common stocks (with equity hedging)	5.5%	14.5%	13.5%
S&P 500	1.7%	7.1%	4.5%

Investment Performance

Compound Annual Returns

	As at December 31, 2015		
	5 Years	10 Years	15 Years
Common stocks (with equity hedging)	(4.9)%	4.2%	9.8%
S&P 500	12.6%	7.3%	5.0%
Taxable bonds	7.2%	9.8%	10.2%
Merrill Lynch U.S.corporate (1-10 year) bond index	4.0%	5.0%	5.5%

Note: Bonds do not include returns from credit default swaps.

Fairfax's Investment Portfolio 2008 vs. 2015

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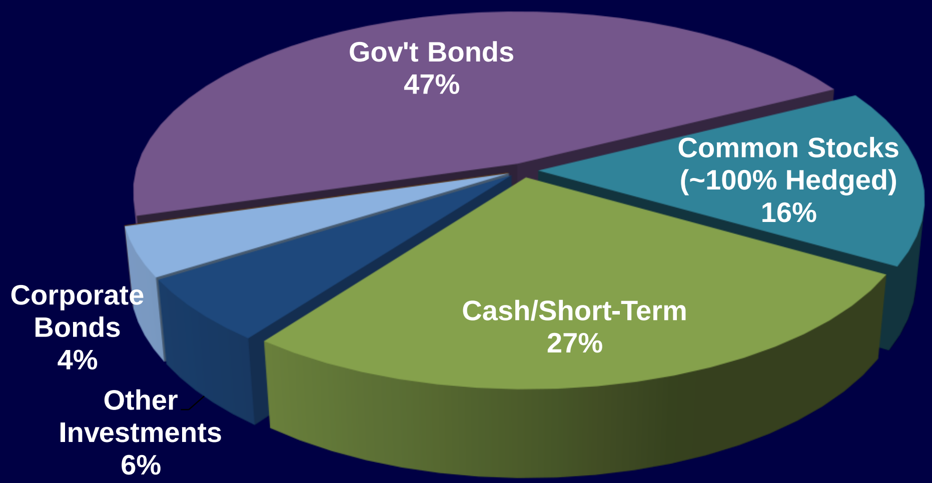
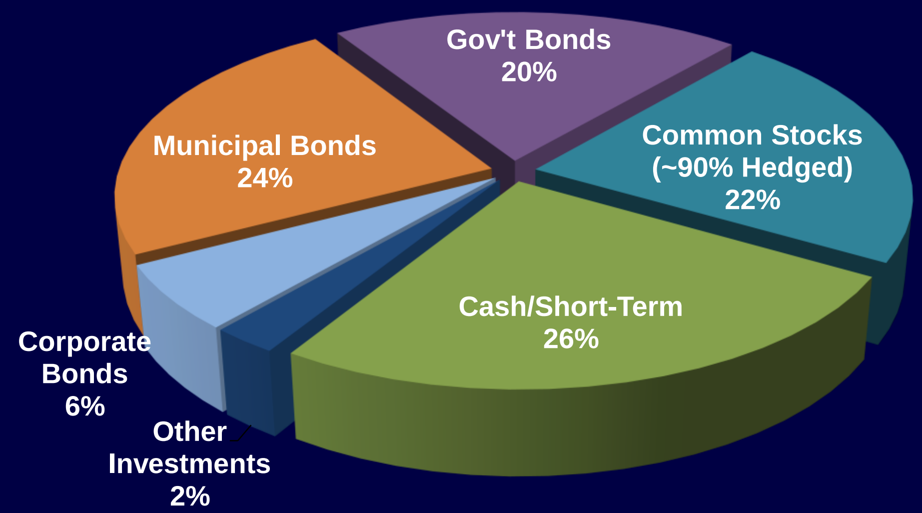
$20.4 billion
September 30, 2008 (1)



$28.2 billion
December 31, 2015 (1)



(1) Net of short sale and derivative obligations; investments in associates at carrying value; excludes Fairfax India portfolio investments

Financial Strength

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	Dec 31, 2015	Dec 31, 2014
Debt — Fairfax	3,068	3,042
Debt — non-insurance companies	284	137
Total Debt	**3,352**	**3,179**
Non-controlling interests	1,732	218
Preferred stock	1,335	1,165
Common shareholders' equity	8,953	8,361
Total Capitalization	**15,372**	**12,923**
Debt as a % of Total Capital	**21.8%**	**24.6%**
Holding company cash and investments	**1,276**	**1,213**
Net debt	**2,076**	**1,966**
Net Debt as a % of Net Total Capital	**14.7%**	**16.8%**

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Investments Not Carried at Market Value

	Carrying Value	Fair Value	Unrealized Gain
	($ millions)	($ millions)	($ millions)
Insurance and reinsurance associates	**526**	**1,126**	**600**
Non-insurance associates	**1,407**	**1,281**	**(126)**
Cara	**356**	**440**	**84**
Fairfax India	**277**	**303**	**26**
Thomas Cook India	**288**	**763**	**475**
Total			**1,059**

U.S. Private and Public Debt as % of GDP

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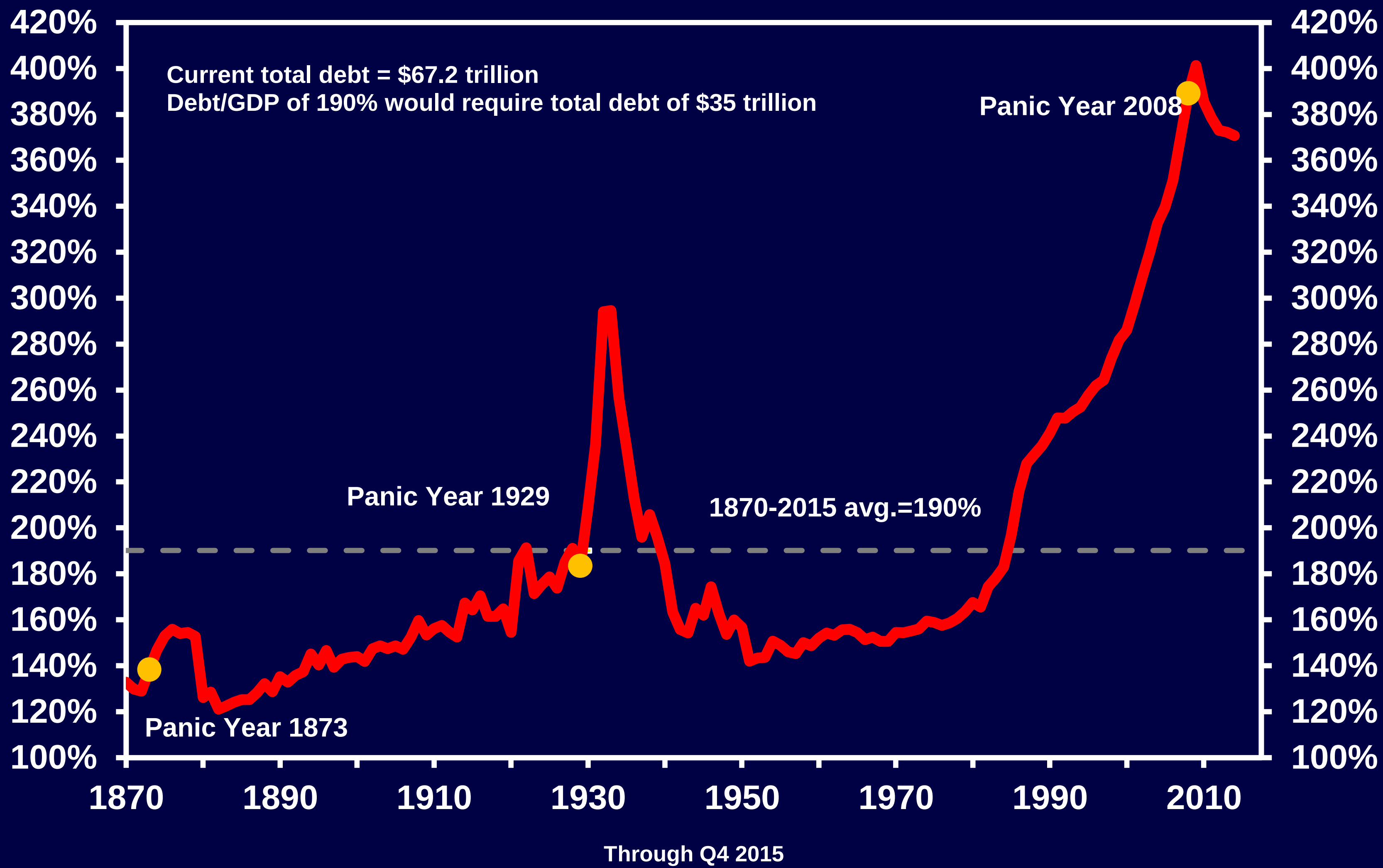

Source: Hoisington Investment Management

U.S. Non-Financial Debt as % of GDP

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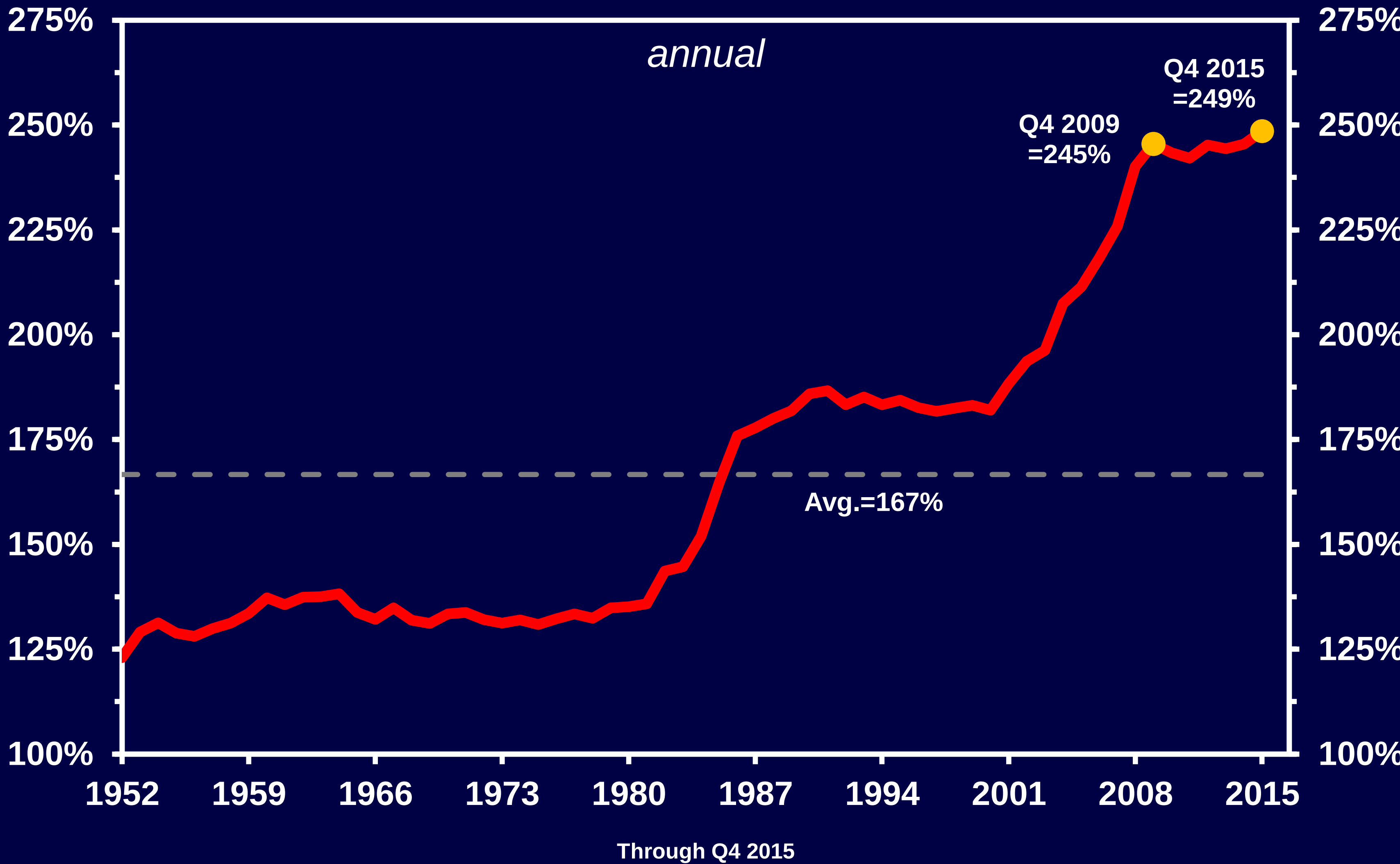

Source: Hoisington Investment Management

Total Public and Private Debt as a % of GDP – Major Countries

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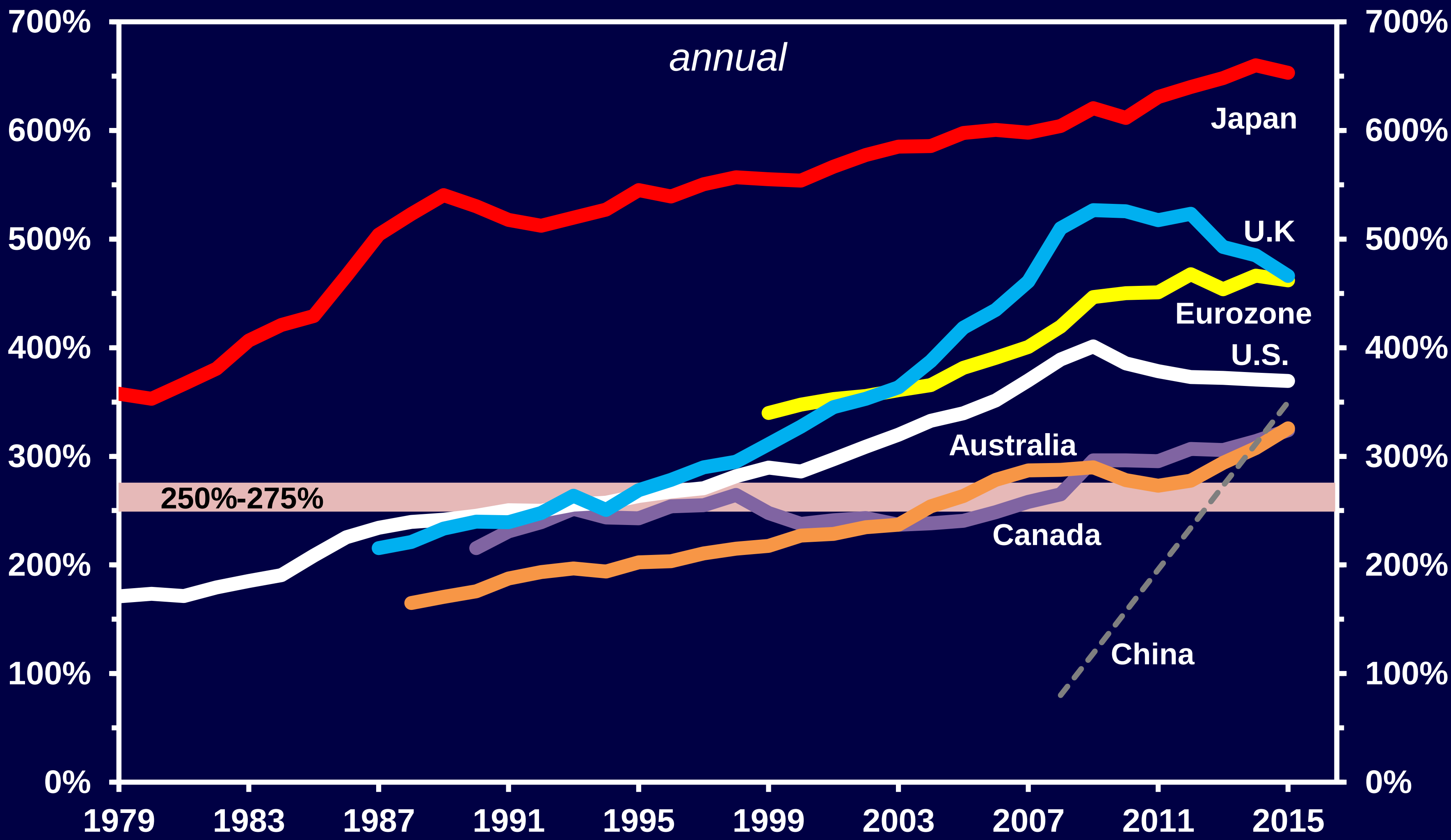
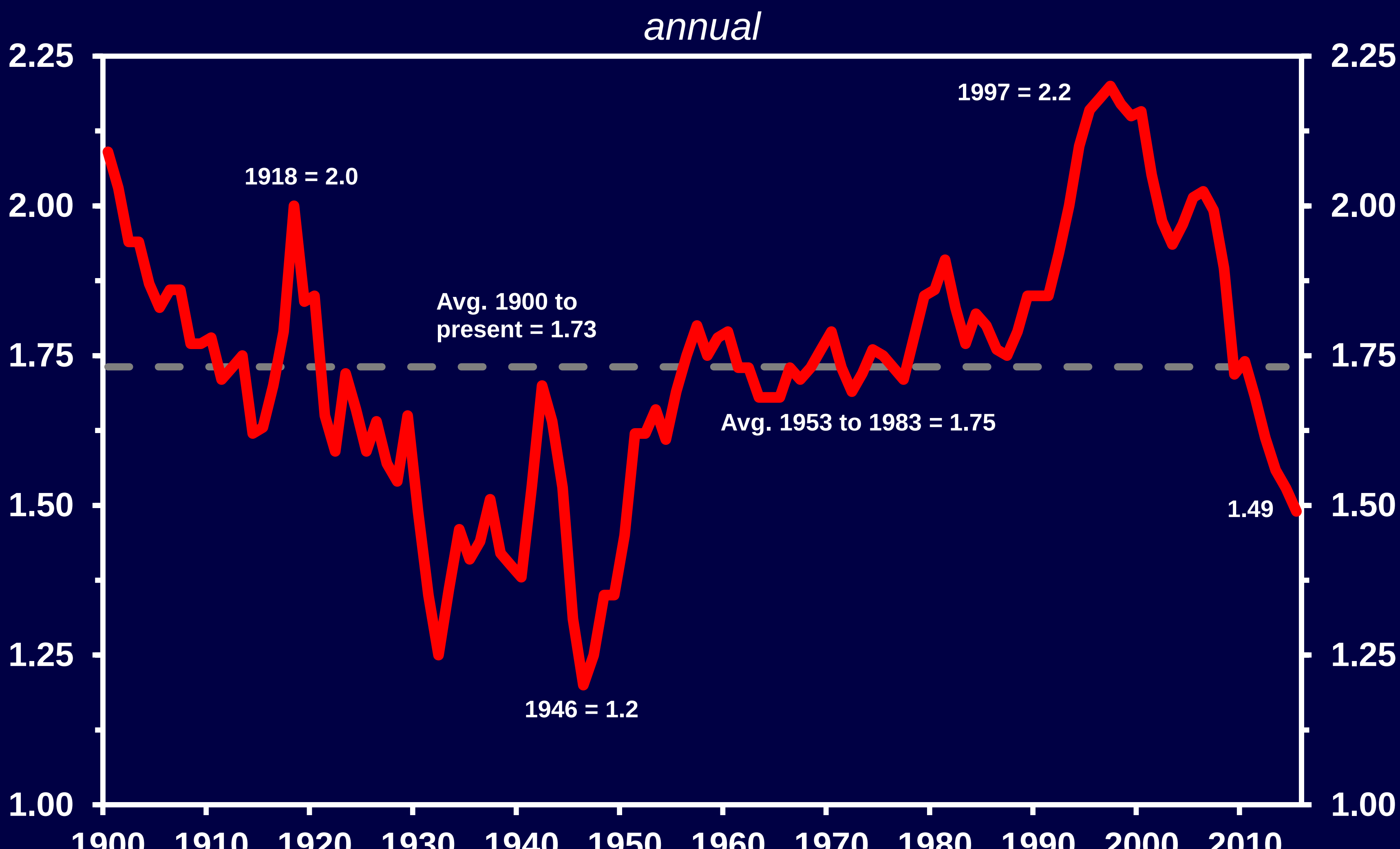


Through Q3 2015, except U.S. which is through Q4 2015.

Source: Hoisington Investment Management

Velocity of Money 1900-2015
Equation of Exchange: GDP (nominal) = M*V



Source: Hoisington Investment Management

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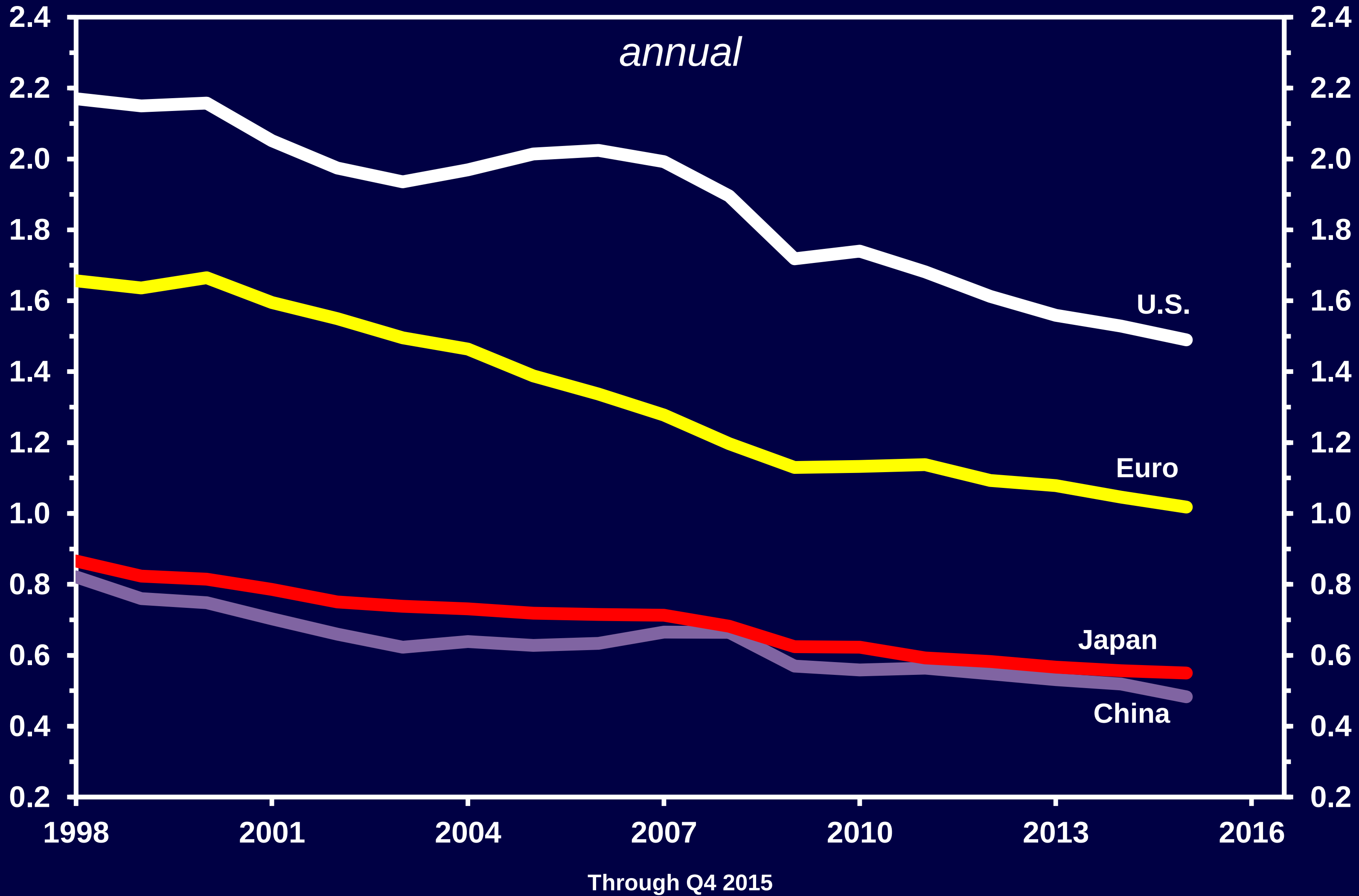
M2 Velocity



Source: Hoisington Investment Management

Long Term Government Bond Yields Following Historic Panic Years

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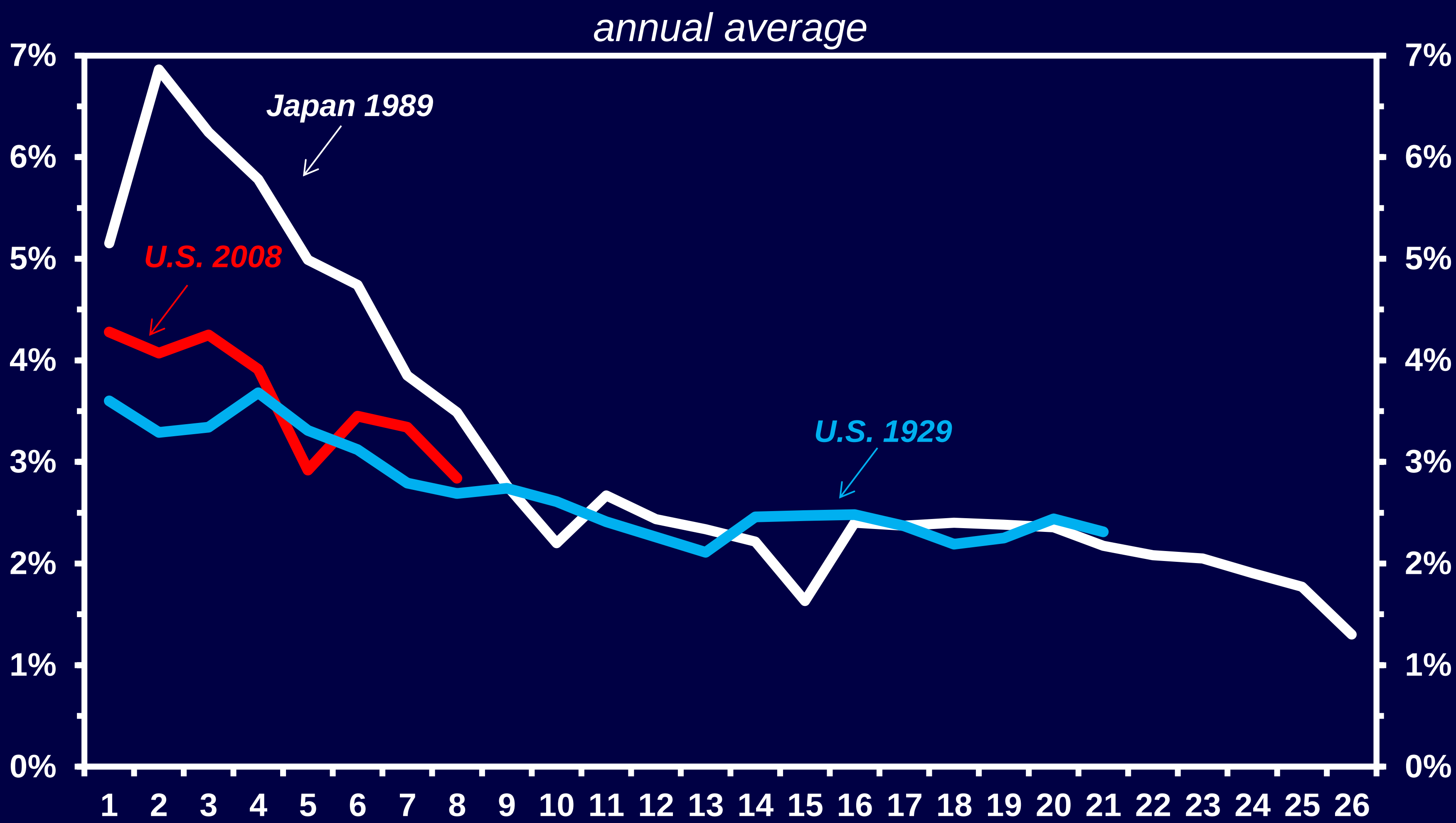

Source: Hoisington Investment Management

U.S., Germany and Japan Long Term Government Yields

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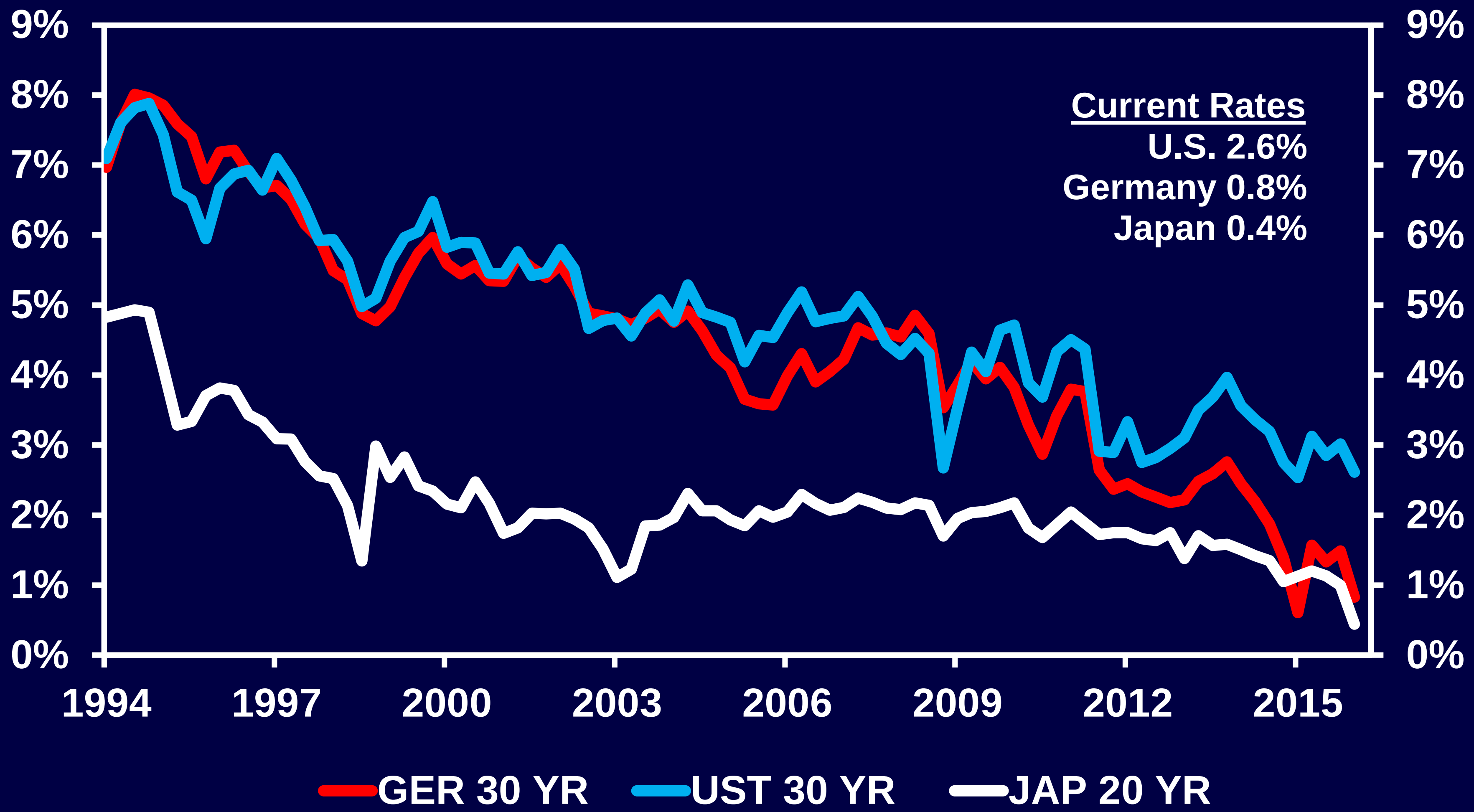
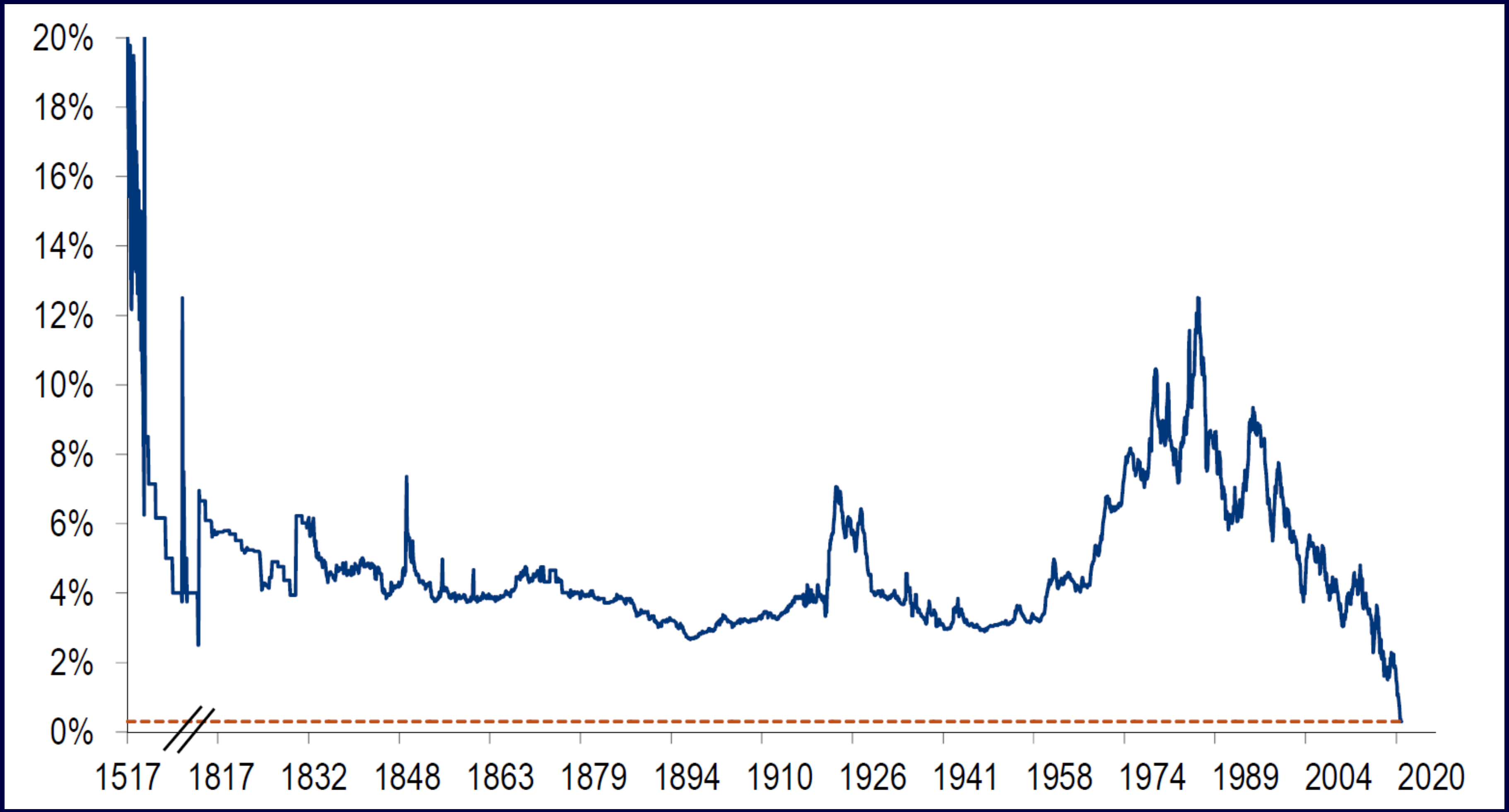


Quarterly through Q1 2016

Source: Bloomberg

Netherlands 10-Year Sovereign Yield



Source: Bank of America Merrill Lynch

Cyclically Adjusted P/E Ratio (S&P 500)

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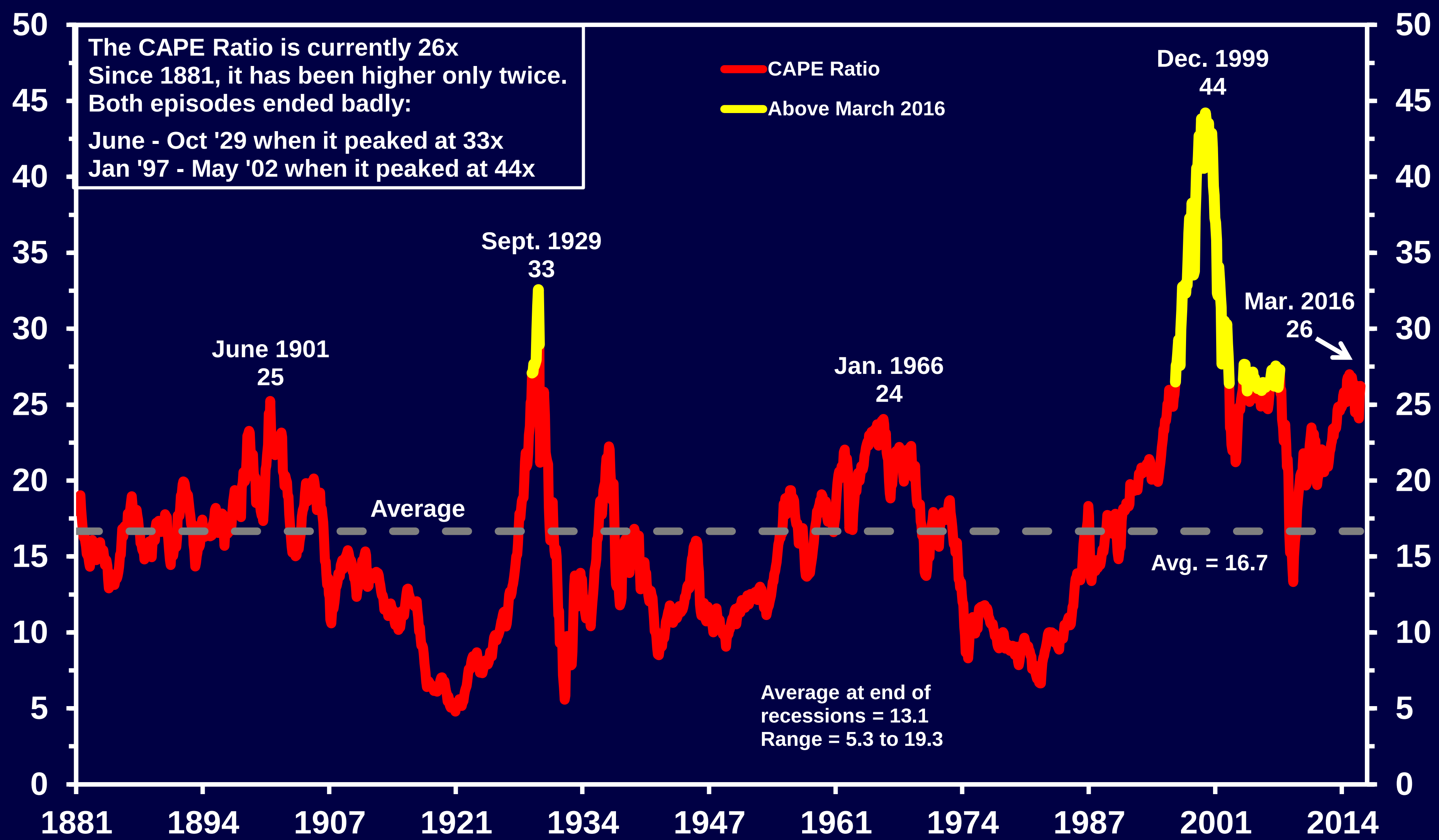

Source: Robert J. Shiller

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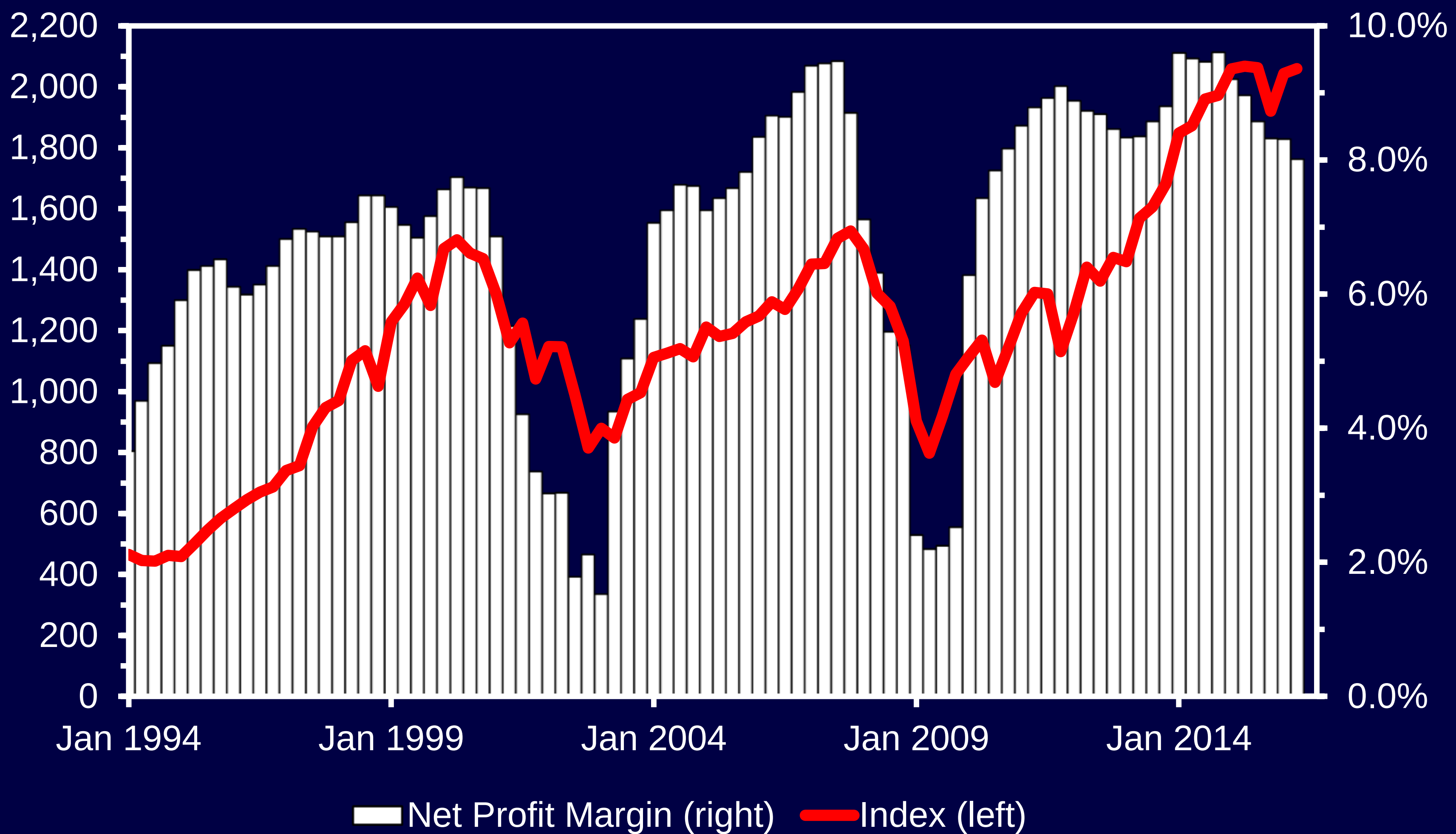
S&P 500 Index and Net Profit Margins



Quarterly through Q1 2016

Source: Bloomberg

U.S. Corporate After-Tax Profits

Source: Hoisington Investment Management

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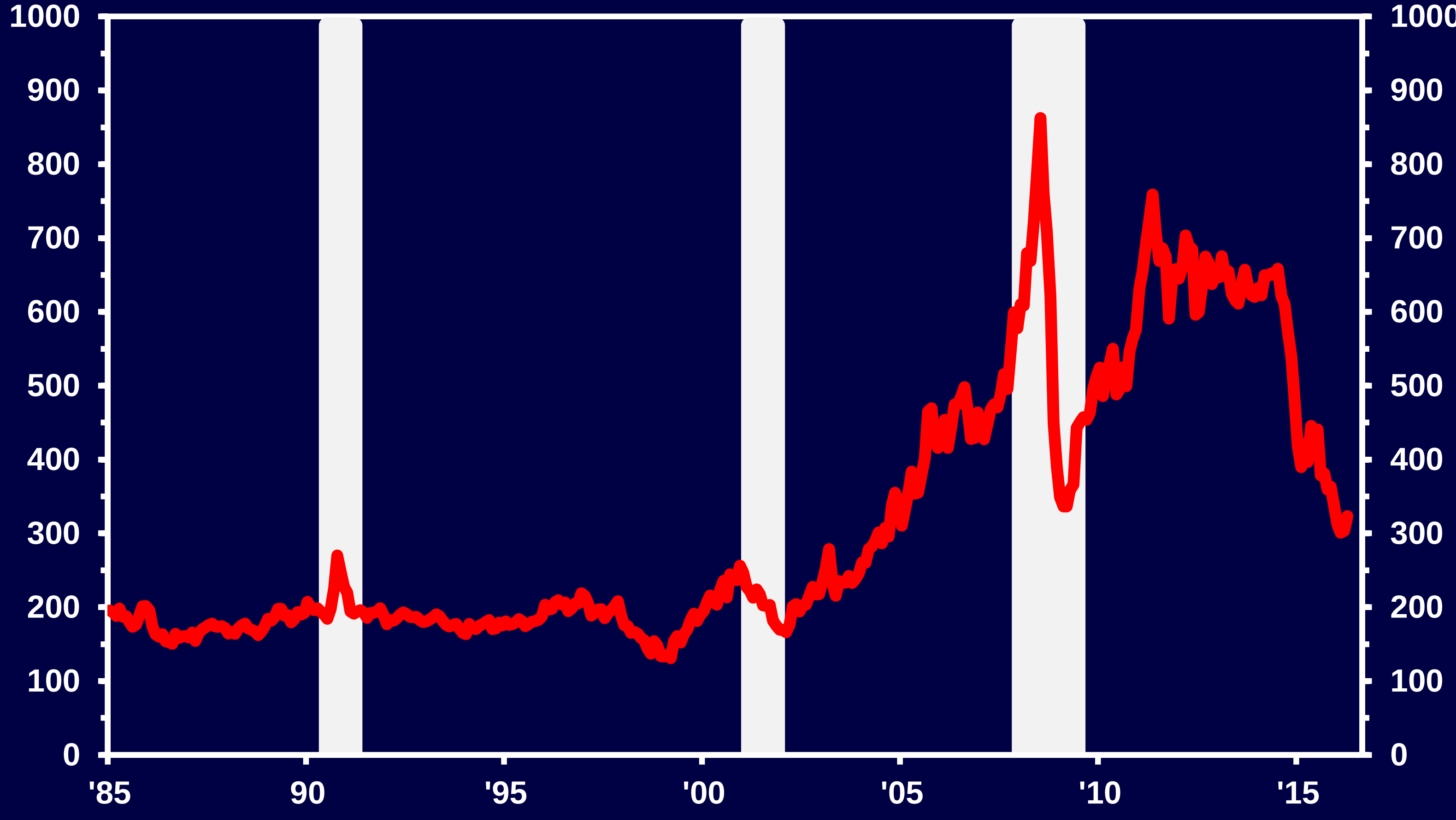
Commodity Price Declines

S&P GSCI Commodity Index, monthly



Through March 2016

Source: Hoisington Investment Management, Bloomberg

Inflation Expectations

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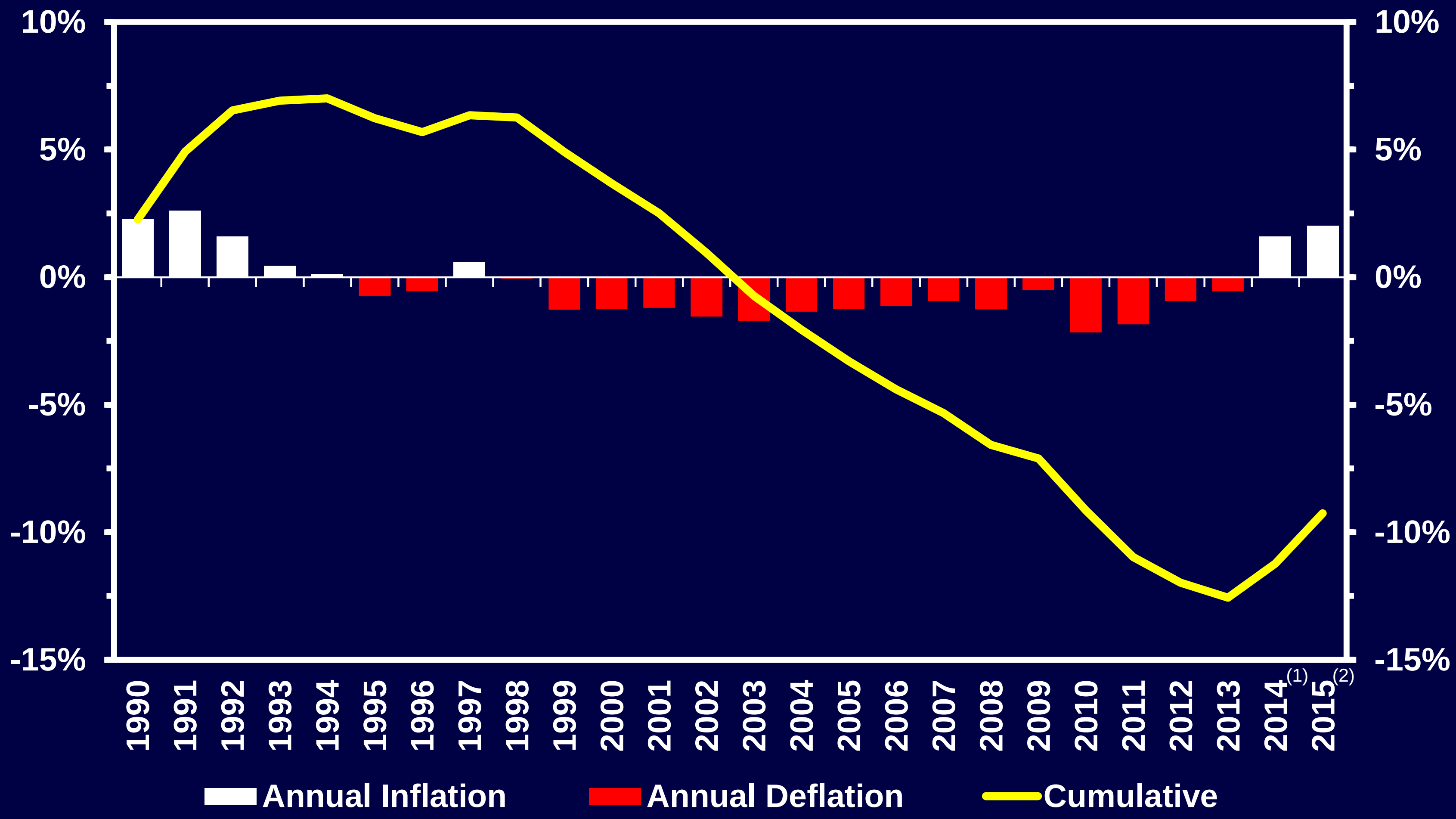
10 year breakeven inflation rate

Through March 2016

Source: Bloomberg

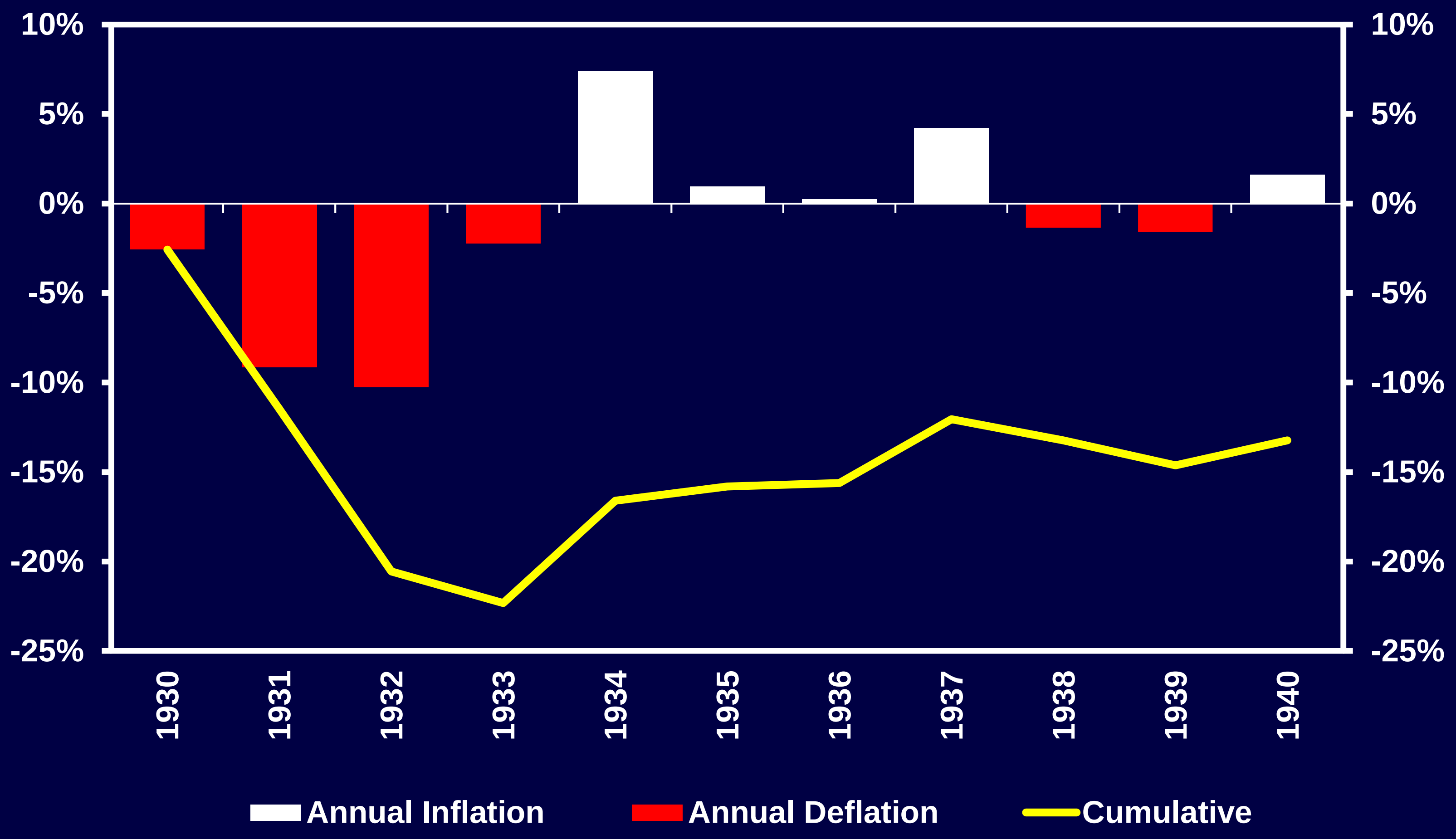
Deflation in Japan



(1) In April 2014 Japan raised its consumption tax from 5% to 8%
(2) Estimate - Japan Cabinet Office

Source: The World Bank

Deflation in U.S.



Source: Hoisington Investment Management

CPI-Linked Derivative Contracts
December 31, 2015

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Underlying CPI Index	Notional Amount ($ bn)	Cost ($ mm)	Market Value ($ millions) Dec 31,14	Dec 31,15
United States	46	285	79	99
United States - 0.5% floor	13	39	72	84
European Union	42	287	70	74
United Kingdom	5	24	5	3
France	3	21	12	13
	109	656	238	273

- Weighted average remaining term to maturity is 6.6 years

Fairfax Historic Total Return on Investment Portfolio

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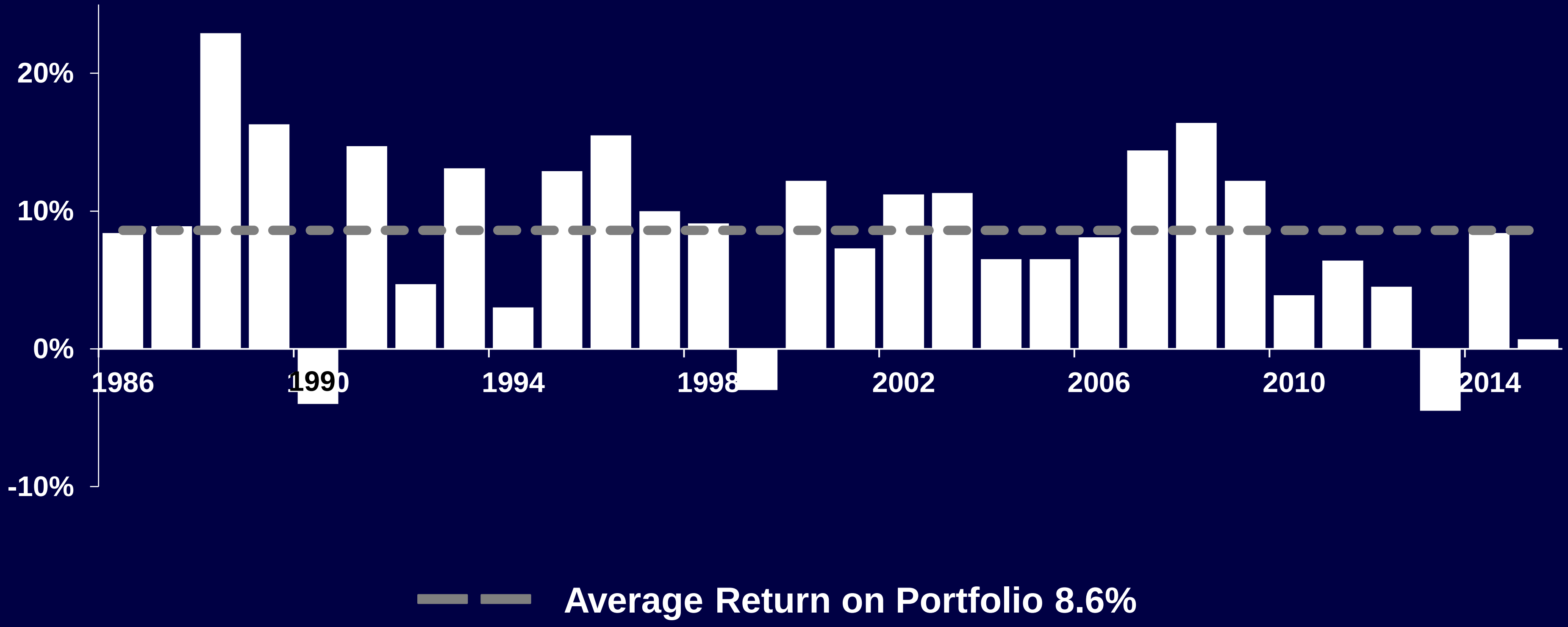

Ready for the Next Decade - Building on Fairfax's Strengths

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- 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

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