To Our Shareholders:

After doubling over a blistering three years, our book value growth slowed its pace a bit and advanced another 14.5% in 2024. As milestones go, 2023 saw the stock cross Cdn$1,000 for the first time and December of 2024 saw it pass the Cdn$2,000 level. The 64% surge in share value in 2024 has long-term shareholders sitting on a gain of 600x from our very humble beginnings in 1985 when the stock debuted at Cdn$3.25.

We had another year of strong performance, with record underwriting profits of $1.8 billion[1] on record gross premiums of $33 billion, record interest and dividend income of $2.5 billion and net earnings of $3.9 billion or $161 per share. In 2022, we told you we had moved into an unprecedented position of strength in underwriting profits, investment income and share of profit from our associated and non-insurance consolidated investments. That trend continued in 2023 and now again in 2024. We have reasonable expectations (but offer no guarantees!) for Fairfax to continue to post consolidated operating income at close to the current level for several years. Higher bond yields have removed a significant drag on returns of past years.

Since we began in 1985, 39 years ago, our book value per share has compounded at 18.7% per year (including dividends) while our common stock price has compounded at 19.2% (including dividends) annually. As I have mentioned previously, our success throughout our history and again in 2024, has come under a decentralized structure with outstanding management executing a disciplined approach to underwriting.

Over the years, those who have followed Fairfax, read our letters and attended our annual meeting, are well aware that we are passionately devoted to the decentralized operating philosophy. This year, I want to spend more time on this subject. Aside from helping inform our shareholders about our thinking in the past and present, I have an ulterior motive that comes from an eye on the future. As Fairfax rolls into the future, your Chairman (gradually) passes leadership to the next generation, and they, in turn, to later generations; it is very important that we memorialize why decentralization is such a critical feature of Fairfax. I want and expect Fairfax to thrive over the next 100 years, and well beyond. To do so, I believe it is of paramount importance that we never abandon our decentralized approach!

So, why are we so fervently attached to this model? At its foundation, decentralization places its faith in the many rather than the few. Embedded in the Guiding Principles, which we have published every year in this report, is our deep and abiding respect for the fact that we are all created equal before God. All of our offices display prominently The Golden Rule; treat others as you want to be treated yourself as depicted in all the religions of the world. All of our CEO's have a plaque with the following quote Ronald Reagan loved so much and kept on his desk: "There is no limit to what a man can do or where he can go if he doesn't care who gets the credit." Decentralization is the best system for unleashing the power of the many, rather than being limited to the talents of the few. And it aligns so perfectly with the foundational values of Fairfax since its inception. Our optimism in what empowered people can accomplish is unbounded!

What are the advantages of an empowering, decentralized operating system? Let me count the ways:

1. Ownership and Accountability

   Each of our CEO's is given full autonomy over all underwriting and operational functions within their company, other than investments. They set strategy and tactics. They are responsible for managing risk within the limits of their allocated capital. Accordingly, they are fully accountable for underwriting performance and its results. The decisions implemented in their companies are their own, not those passed down from above.

2. Management Retention

   A direct benefit of this Ownership Culture is the exceptional continuity of management we enjoy at Fairfax. As I write this, our Presidents and Senior Executives at Fairfax average close to 20 years of service. We are big believers in the benefits that come from this continuity. Rather than shuttling in new leaders every four or five years, our companies are able to continually build on success, without undergoing the strategic U-turns that management turnover often brings.

1 *Amounts in this letter are in U.S. dollars unless specified otherwise. Numbers in the tables in this letter are in U.S. dollars and $millions except as otherwise indicated. Some numbers may not add due to rounding. Certain of the performance measures and ratios in this letter do not have a prescribed meaning under IFRS and may not be comparable to similar measures presented by other companies. See the Glossary of Non-GAAP and Other Financial Measures in the MD&A (MD&A Glossary) and the Appendix to Chairman's Letter to Shareholders (Appendix) for details.*

3. Flexibility and Nimbleness

   The autonomy our companies enjoy allows a degree of operating agility absent from large, centralized organizations. Our performance during the recent hard market years of 2020 to 2023 bear this out, as we advantageously expanded at an industry leading pace! We rely on the expertise and judgment at each of our companies, and we do not prescribe from the top. For example, when the cyber insurance market underwent radical change at the end of 2020, we had four of our major companies dramatically expand their activity, each pursuing a different strategy. Had we imposed a one-size-fits-all approach to this challenging class, the growth would have been a fraction of what it was.

4. Reduced Leakage from Acquisitions

   We do not, as a general rule, look to integrate acquisitions into existing operations, which means we keep much more of the business and people we acquire. Our industry is replete with examples of acquisitions that have little to show after three or four years because people have left and portfolios have melted away!

5. Financial Flexibility

   Maintaining independent, separately capitalized companies gives us a source of financial flexibility. While it will always be the case that none of our companies is for sale, there may be times it makes sense for us to sell a minority stake. Witness the sale of 10% of Odyssey a few years ago, enabling us to make a large share re-purchase at an opportune time.

At Fairfax, for today and the future, we believe the best conditions for operating success depend on the Three Ts:

1. Trust must be reciprocal between the holding and operating companies. Trust has to be earned and its strength increases over time. Decentralization cannot work without it.

2. Transparency with clear and open communication is required at all times.

3. Talent is necessary to operate successfully at a high level in a challenging industry.

There are those who might look at Fairfax from the outside and lay out a plan that would, on paper, describe myriad benefits to be obtained by abandoning our approach. They would do so without being able to quantify the intangible benefits we enjoy. It is vitally important to me that the Fairfax approach does not change because I believe our long-term success depends on it!!

The table below shows our growth since 2017, after we purchased Allied World. We have benefited greatly from a hard market in insurance that began in 2019.

	Gross Premiums Written			**Average**
	2017	**2024**	**% Change**	**Combined Ratio**
	($ billions)			
Northbridge	1.2	2.5	113%	91%
Odyssey Group	2.7	6.2	129%	95%
Crum & Forster	2.1	5.6	165%	96%
Brit	2.0	3.8	84%	98%
Allied World	3.1	7.1	131%	92%
Total	13.8	32.5	136%	95%

We have more than doubled the premium since 2017, almost all of it organic growth, with the exception of the acquisition of GIG. Our underwriting profitability in the last eight years is shown below:

	2017	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
				($ billions)				
Underwriting profit (loss)	(0.6)	0.3	0.4	0.3	0.8	1.1	1.5	1.8
Catastrophe losses	1.3	0.8	0.5	0.6	1.1	1.3	0.9	1.1
Reserve redundancy	0.5	0.8	0.5	0.5	0.4	0.2	0.3	0.6

The table above shows the consistent underwriting profit record in the last eight years, with the exception of 2017, which was impacted by hurricanes. More recently, we have been able to absorb catastrophe losses of $1 billion and still show an underwriting profit because of a very large globally diversified premium base. Reserve redundancies have averaged $0.5 billion per year or 3% of premiums over the last eight years. (We have actually had redundancies for the last 18 years.) You can see why we think we have one of the best property and casualty insurance companies in the world.

Our interest and dividend income has increased significantly in the last seven years as shown in the table below. This has resulted from a higher investment portfolio and the ability to take advantage of rising interest rates by not reaching for yield in the 2019 – 2022 period.

	2017	2018	2019	2020	2021	2022	2023	2024
				($ billions)				
Interest and dividend income	0.6	0.8	0.9	0.8	0.6	1.0	1.9	2.5
Share of profit (loss) of associates	0.2	0.2	0.2	(0.1)	0.4	1.0	1.0	1.0
Total investment portfolio	39.3	38.8	39.0	43.2	53.0	55.5	64.8	67.4

Our underwriting profit and investment income (interest and dividend income and profit from associates) has resulted in our operating income increasing to record levels as shown below.

	2017	2018	2019	2020	2021	2022	2023	2024
				($ billions)				
Re/insurance adjusted operating income (loss)	(0.2)	1.0	1.1	0.9	1.6	2.6	3.9	4.8

As I have said to you before, this increase in operating income and the fact that we expect we can maintain this operating income for the next four years has transformed Fairfax in the last few years. Of course, this has been magnified by the significant decrease in the shares outstanding through our stock buybacks as shown below:

	2017	2018	2019	2020	2021	2022	2023	2024
				(millions)				
Shares outstanding	27.8	27.2	26.8	26.2	23.9	23.3	23.0	21.7

The table below shows the key operating metrics for Fairfax on a per share basis:

	2017	2024	% Change
Per Share	($)		
Gross premiums	499	1,501	201%
Float	826	1,703	106%
Investment portfolio	1,415	3,109	120%
Common shareholders' equity	450	1,060	136%
Re/insurance adjusted operating income (loss)	(8)	220	

We can see sustaining our consolidated operating income for the next four years at $5 billion (again, no guarantees) consisting of underwriting profit of $1.5 billion or more, interest and dividends of $2.5 billion and income from associates and non-insurance consolidated income of $1 billion or about $150 per share after taxes, interest expense, corporate overhead and other costs. These figures are all, of course, before fluctuations in realized and unrealized gains and losses in stocks and bonds!

On a per-share basis, our shareholders' equity or book value per share has increased 136% over the same period and the operating income of our insurance and reinsurance operations (before fluctuations in stock and bond prices) increased from a loss of $8 per share to a gain of $220 per share. To be clear, we expect to make significant profits from our common stock positions – but we don't know when! Remember we have $17.5 billion in common stock investments on which we expect to realize significant profits over time. Since inception, we have recorded approximately $19 billion in total gains; $10.6 billion in common stock gains, $4.6 billion in bonds, $2.1 billion in CDS and the rest includes gains on non-consolidated insurance operations including ICICI Lombard and Digit Insurance, foreign exchange and others. As I have mentioned before, our operating income will give us a lot of stability going forward but realized gains on common stocks, bonds and other investments, even though lumpy, will be significant over the long term.

We continue to encourage all our employees to be shareholders of Fairfax. We think it will be a great investment for them over the long term and great for the company to have our employees as shareholders in the company. After all, no one washes a rental car! As part of that initiative, close to 10 years ago we decided to have a general principle that our annual bonuses to senior executives across the company would be awarded 50% in cash and 50%

in Fairfax shares that vest in five years. As these bonus shares are awarded, the company buys the shares in the market (which comes out of shares outstanding) and they are recorded as treasury shares, as shown in the table below. As the shares are vested and or exercised, the shares are then reissued and come out of treasury shares and back into shares outstanding. You can see over the years our treasury shares have increased from approximately 400,000 to almost 2 million today – we think this is fantastic and hope they continue to grow over time. You will notice that the treasury shares acquired have remained relatively consistent over the last 10-year period especially when compared to our increased employee numbers. Our total compensation, including benefits, paid to our employees worldwide was $2.6 billion in 2024 of which $240 million was awarded in Fairfax shares. As I have said in the past, we would love to have all our employees as owners of Fairfax. Of course, no new shares are issued for these plans. They are all bought in the market.

	Treasury Shares	**Acquired in the Year**	**Reissued in the Year**
		(in millions)	
2014	0.4		
2015	0.6	(0.2)	0.1
2016	0.7	(0.1)	0.0
2017	0.9	(0.3)	0.0
2018	1.2	(0.4)	0.1
2019	1.4	(0.2)	0.1
2020	1.7	(0.5)	0.1
2021	1.9	(0.3)	0.1
2022	2.0	(0.3)	0.1
2023	2.0	(0.1)	0.2
2024	2.0	(0.2)	0.2

Fairfax also has an Employee Stock Ownership Plan that is available to essentially every employee in the company. The plan offers each employee the opportunity to take up to 10% of their salary annually in Fairfax shares. The company will automatically match 30% and then if certain targets are met (primarily underwriting profit) the company matches an additional 20%. The participation rates differ by company but generally for our large companies, we have approximately 60% participation and it has been increasing over time (more on this plan in the Miscellaneous section).

Here's how our insurance companies performed in 2024 (on an undiscounted basis):

	Underwriting Profit (Loss)	**Combined Ratio**	**Catastrophe Losses**	**Combined Ratio Excluding Catastrophe Losses**	**Increase in Gross Premiums 2024 vs 2023**
Northbridge	232	89%	3%	86%	3%
Odyssey Group	505	91%	8%	83%	(1)%
Crum & Forster	208	95%	1%	94%	8%
Zenith	7	99%	0%	99%	(1)%
Brit	191	94%	6%	87%	1%
Allied World	545	89%	5%	84%	5%
International Re/Insurers (excl. Gulf)	118	95%	3%	92%	5%
Gulf Insurance	(14)	101%	2%	99%	NA
Consolidated	1,791	93%	4%	88%	13%

These record underwriting results were due to the outstanding Presidents and management teams we have at each of our decentralized insurance companies (26 in total). We list them here for you and the tenure of each of the Presidents.

Company	President	Years with Fairfax	Years with the Company
Northbridge	Silvy Wright	31	31
Odyssey Group	Carl Overy	24	24
Crum & Forster	Marc Adee	25	25
Zenith	Davidson Pattiz	15	19
Brit	Martin Thompson	4	3
Allied World	Lou Iglesias	8	13
Gulf Insurance Group	Khaled Saoud al Hasan	15	47
GIG Gulf	Paul Adamson	4	24
Falcon (Hong Kong)	Jeff Sung	2	2
Falcon (Thailand)	Sopa Kanjanarintr	17	17
Pacific (Malaysia)	David Selvanesan	5	5
AMAG (Indonesia)	Pakaj Oberoi	8	8
Fairfirst (Sri Lanka)	Sandeep Gopal	5	5
Singapore Re	Phillippe Mallier	28	4
Bryte (South Africa)	JP Blignaut	8	12
Colonnade (CEE)	Peter Csakvari	10	10
Polish Re	Jacek Kugacz	16	29
ARX Insurance (Ukraine)	Andrey Peretyazhko	5	19
Universalna (Ukraine)	Oleksiy Muzychko	5	16
Fairfax Brasil	Bruno Camargo	15	15
Southbridge Colombia	Marta Lucia Pava	8	18
Southbridge Chile	Fabiana de Nicolo	8	10
Southbridge Uruguay	Marcelo Lena	8	25
La Meridional (Argentina)	Frederico Guthman	8	17
Eurolife (Greece)	Alex Sarrigeorgiou	8	21
RiverStone	Bob Sampson	28	28
Fairfax Insurance Group	Andy Barnard	29	
Fairfax Insurance Group	Brian Young	29	
Fairfax Asia	Gobi Athappan	24	
Fairfax Latam	Fabricio Campos	8	
Fairfax International	Bijan Khosrowshahi	15	

We had another record underwriting profit again in 2024 of $1.8 billion as almost all our major insurance companies had a combined ratio in the mid-90s or below, despite absorbing catastrophe losses of $1.1 billion. Our reserves continue to be very strong with favourable development in 2024 of $594 million. Because of the acquisition of GIG, gross premiums grew 13% (3% excluding GIG) in 2024. We are focused on disciplined underwriting at Fairfax, not just growing the top line!

In 2024, Northbridge and Allied World tied for the lowest combined ratio of 89%. Allied World and Odyssey produced record underwriting profits of $545 million and $505 million, respectively. Brit had another strong year with a combined ratio of 94%, or 92% excluding the results of Ki. Beginning in 2025, Ki, which has been hugely successful, will report and operate separately from Brit. Crum & Forster expanded the most out of our largest companies in 2024, growing 8% while posting a 95% combined ratio. Gulf Insurance, consolidated into our results for the first time, had a combined ratio of 100.9%. Included in the combined ratio was 3.2 points of one-off acquisition accounting adjustments. Excluding these, Gulf Insurance produced an underwriting profit despite some significant catastrophes in the region in 2024.

Given the excellent results we have achieved in 2024, we felt we should show you again the full Team Fairfax that runs our company:

	Title	Years with Fairfax
Fairfax Officers*		
Jennifer Allen	VP & Chief Financial Officer	19
Bryan Bailey	VP, Tax	8
Derek Bulas	VP, Chief Legal Officer & Corporate Secretary	13
Peter Clarke	President & Chief Operating Officer	27
Jean Cloutier	VP & Chairman International	31
Olivier Quesnel	VP & Chief Actuary	18
Thomas Rowe	VP, Corporate Affairs	9
John Varnell	VP, Corporate Development	38
Michael Wallace	VP, Insurance Operations	5
Fairfax Investment Committee*		
Brian Bradstreet	Sr. Managing Director, Fixed Income	39
Wade Burton	President & Chief Investment Officer – HWIC	18
Lawrence Chin	Chief Operating Officer – HWIC	10
Peter Clarke	President & Chief Operating Officer – Fairfax	27
Roger Lace	Chairman – HWIC	40
Quinn McLean	Sr. Managing Director, Middle East & Africa	15
Chandran Ratnaswami	Sr. Managing Director, Asia	32
Kleven Sava	Managing Director, Fixed Income	17

* *All members of the Fairfax Executive Committee*

In May 2024, with great sadness, we reported that two of our key leaders passed away. Rick Salsberg joined Fairfax in 1988 after acting as counsel to Fairfax on every major transaction we undertook since our founding in 1985. Rick served as Vice President – Corporate Affairs and Corporate Secretary for Fairfax, and provided strategic advice and guidance on countless transactions undertaken by the company over the years. For all of Fairfax's history, Ricky has acted as our consigliere and has always represented the true heart and soul of the company. He loved Fairfax and we could not have achieved the success we have had without him. Ricky was our partner, trusted friend and indispensable advisor for 38 years and all of us here at Fairfax loved him, as did his family, friends, neighbours and business colleagues. We extend our deepest condolences to Lynne and the Salsberg family. As an aside, Ricky has edited these letters since we began in 1985. I, for one, will miss him greatly.

Mr. Athappan, Chairman and Chief Executive Officer of Fairfax Asia for the last 22 years who passed away on May 22, 2024, was a driving force in developing Fairfax's insurance operations in Southeast Asia. He made invaluable contributions to the success of Fairfax and Fairfax Asia over these years through his leadership, mentorship and guidance. Mr. Athappan was an exceptional leader with an incredible track record of success. He was a trusted and valued colleague, but most importantly, he was a very good friend of mine and many others here at Fairfax. We extend our deepest condolences to his sons Gobi and Nandu and their families.

To remember Rick, who was the heart and soul of Fairfax, we have instituted the Rick Salsberg prize that will be awarded each year at our AGM to the one person who most represents our culture. Also in honour of Rick, our charitable foundation made a gift that resulted in the creation of an annual *Eric Salsberg Memorial Leadership Lecture* series at the University of Toronto Faculty of Law, as well as the *Eric Salsberg Memorial Prize*, available to graduates of the University of Toronto Faculty of Law, to be awarded to the student who has displayed the greatest interest in extra-curricular work of an academic nature. The inaugural *Eric Salsberg Memorial Lecture* is expected to be hosted at the Faculty of Law later in 2025 and we look forward to continuing to celebrate Rick's legacy at that event.

To remember Mr. Athappan, who was one of the world's best underwriters, we have instituted a prize that will be awarded at our AGM to one company each year for underwriting excellence. Also, we have established the Mr. Athappan Underwriting Academy in Singapore to train our underwriters across Fairfax in the methods used by Mr. Athappan.

They say everything comes in threes! On February 27, 2025, just before this annual report was published, Vinodh Loganadhan, my brother-in-law, and Vice President, Administrative Services, passed away after suffering a cardiac arrest almost two years ago. Vinodh was an invaluable and integral part of the Fairfax family for over 15 years and, in effect, was my chief of staff. He was our go-to guy for just about anything that happened at Fairfax and we were the fortunate beneficiaries of his wonderful sense of humour and his sage advice on many diverse matters. He has left an indelible mark on how we organize all our events, be it our AGM, our anniversary events and anything that had to do with how our offices operate. As he travelled with me, he got to know all our companies across the world and was loved by all. Vinodh was a gentle soul and reflected our culture extremely well. We were blessed to have Vinodh as part of our Fairfax family and I, personally, was very blessed to have him in my own family. He will be missed but never forgotten. Our deepest condolences to his wife Breda and their children, Ryan and Cara.

Vinodh had a cardiac arrest because he did not know that one of his arteries was 99% blocked and needed a stent. Because of Vinodh, we have initiated a simple testing of the heart across all our companies in the world for any employee 50 years or older and their spouse. Already, we have saved about 10 employees in North America who needed a stent and didn't know about it. Vinodh's legacy!

Brian Young has now officially joined Andy Barnard (who is now Chairman) as President of the Fairfax Insurance Group. Peter and I are excited about our insurance companies' prospects with Andy and Brian leading the charge. Brian retires from the Odyssey Group with a record underwriting profit of $505 million and a combined ratio of 91% in 2024. He averaged a stellar combined ratio of 93% during the 13 years he was CEO of Odyssey Group and delivered reserve redundancies every year for 13 years. Tough to beat that record but we have a worthy successor in Carl Overy who has been with Odyssey for more than 20 years. Our depth of talent has set the table for our future success.

In addition to the changes at Odyssey Group we had a number of other planned successions – always internal – at our other insurance companies. Gobi Athappan was appointed Chairman and Chief Executive Officer of Fairfax Asia. Gobi has done an outstanding job with Fairfax and Fairfax Asia and has run a number of the Asian operations over his 23 years. He will report to Brian Young. At Bryte, Edwyn O'Neill moved to Chairman after running the company for 12 years, passing the CEO reins to JP Blignaut. JP has been with the company 12 years and his previous role was CEO of its South African general insurance operation. Zenith announced that effective January 1, 2025, Davidson Pattiz will become CEO of Zenith Insurance. Over the last 20 years Davidson has held increasingly broader leadership roles at Zenith, most recently as President. Kari, who has done an outstanding job leading Zenith over the past 10 years will remain as Executive Chair. Lastly it was also announced that effective January 1, 2025, Bob Sampson will be appointed CEO of Riverstone. Bob has been with Riverstone for 28 years and he will ensure Riverstone continues to thrive. Nick Bentley, who has done an outstanding job leading Riverstone over the last 16 years, will remain as Chairman of Riverstone. A big thank-you to Nick, Kari and Edwyn for their many years of hard work and dedication, and, most importantly they have left their companies in strong capable hands going forward. Succession at Fairfax is always internal!

As planned, Kamesh Goyal led a very successful IPO for Digit Insurance on May 23, 2024 at Rs272 per share with a market cap of $3 billion. After selling 6.3% and Digit Insurance raising new capital through an IPO, Fairfax owns indirectly approximately 60% of Digit Insurance. Until the Digit Insurance company and holding company are merged, we have not reflected the mark-to-market gain on our 49% of common shares in Digit ($110 million as of December 31, 2024). From a standing start seven years ago, Digit has 4,500 employees, $1.2 billion in premium and net profit of just under $100 million in 2024. Kamesh and Digit are on their way!

In 2024, to refinance maturing bonds, redeem some preferred shares, increase our ownership in Brit to 100% and increase cash at the holding company, we issued our first 30-year bond in 27 years. To be precise, we issued three of them. First, $1 billion in the U.S. with a coupon of 6.35% in March 2024, followed by another $600 million with a coupon of 6.1% in June and then Cdn$250 million with a coupon of 5.23% in November. We also reissued an existing 10-year bond issue in the U.S. and issued a new 10-year bond in Canada. These issues refinanced $1.0 billion of bonds maturing in 2024 and 2025 and enabled us to redeem $227 million of preferred shares in 2024 and additional $352 million in the first quarter of 2025.

It was another year with positive movements in our ratings. Standard & Poor's upgraded our financial strength ratings and debt ratings to A+ and BBB+ and kept us on positive outlook. AM Best and Fitch placed our debt ratings on positive outlook while Moody's and DBRS affirmed our ratings. We look to continue this momentum through the strong performance of our insurance and reinsurance companies and the overall financial strength of Fairfax.

This is the second year we are reporting under IFRS 17, and, as we said last year we continue to manage our insurance operations on an undiscounted basis. As we provided last year, for informational purposes the table below shows the effects of discounting on our pre-tax earnings. The discounting and change in risk adjustment resulted in a pre-tax benefit to earnings of $168 million this year compared to $111 million last year. The total discount and risk adjustment carried on our balance sheet at December 31, 2024 was $5.8 billion and $2.5 billion (2023 – $5.4 billion and $2.3 billion).

	2024	**2023**
Current year discounting	1,658	1,848
Changes in the risk adjustment	(211)	(131)
Unwinding of discount on prior years	(1,481)	(1,388)
Effect of changes in interest rates on discounting	201	(218)
Total pre-tax benefit in consolidated statement of earnings	168	111
Effect of changes in interest rates on discounting	201	(218)
Net investment gains (losses) on bonds	(731)	714
Net effect of changes in interest rates	(530)	496

You can see in the table that the effect of changes in interest rates on discounting has an opposite effect compared to the changes in interest rates on our bond portfolio. This year, the net effect of changes in interest rates was a pre-tax loss of $530 million (interest rates went up) versus a $496 million pre-tax gain in 2023 (interest rates went down). This is a benefit of IFRS 17 accounting in that it reduces the volatility of earnings from movements in interest rates.

On October 1, 2024, we purchased 100% of Sleep Country, which was listed on the TSX, at Cdn$35 per share or $881 million. Sleep Country is Canada's preeminent mattress retailer. Under Christine Magee and Steve Gunn's leadership, it has grown to over 300 locations since it was founded by them in 1994. It has an approximately 40%-market share in Canada with an industry leading omnichannel platform, high margins and substantial free cash flow. In 2005, Sleep Country acquired Dormez-Vous in Quebec, a mattress company that was begun by Stewart Schaefer, also in 1994. Since the acquisition, Stewart has gradually run different aspects of the Sleep Country operations including marketing and real estate and has effectively run Sleep Country for the last 10 years. Stewart is an outstanding entrepreneur, and we are very excited to partner with him as he continues to expand Sleep Country in Canada and beyond. We acquired Sleep Country at 14x free cash flow.

In 2017, we first acquired a 43% interest in Peak Achievement with our partner Sagard Holdings (Power Corp.), led by Paul Desmarais III, for $154 million. Since our purchase, Fairfax has received $132 million in dividends. In 2024, Sagard decided to sell its interest to us for $326 million ($439 million including other minority investors). We have been very impressed with the leadership of Ed Kinnaly and his management team at Peak and look forward to a long partnership. Peak is carried on our balance sheet at 8.5x free cash flow.

Early in 2025 we invested in the Berkley Group, the largest independent timeshare company in the United States. Caroline Shin and her team at Vacatia are partners with us on this investment. This investment results in us owning 4,950 full-service vacation units mostly located in Las Vegas, Orlando and other high-traffic vacation areas in the U.S. There is great opportunity, for Caroline and her team to generate additional overnight rental income from the huge stock of nightly vacancies. In fact, her group at Vacatia made investments in five smaller timeshare assets from 2019 to 2024 and this strategy helped to generate strong growth in EBITDA and free cash flow. Her experience designing Hotwire online booking software and as an executive at Starwood is perfect for what Vacatia is trying to do with Berkley. Our total cash investment was $835 million comprised of a senior secured loan, preferred shares, a mortgage backed loan and common shares. We are very excited to work together with Caroline and her team at Vacatia on this investment.

On December 13, 2024 we purchased the remaining shares of Brit from OMERS, increasing our ownership from approximately 86% to 100%.

After 39 years, here's what our insurance business looks like worldwide:

	Ownership	Country	Gross Premiums Written	% of Total	Combined Ratio	Investment Portfolio
Northbridge	100%	Canada	2,511	8%	89%	4,711
Crum & Forster	100%	United States	5,626	17%	95%	8,602
Zenith	100%	United States	730	2%	99%	1,704
North American Insurers			**8,867**	**27%**	**94%**	**15,017**
Odyssey Group	90%	United States	6,245	19%	91%	15,976
Brit	100%	United Kingdom	3,760	12%	94%	7,141
Allied World	83%	Bermuda	7,150	22%	89%	14,010
Global Insurers and Reinsurers			**17,155**	**53%**	**91%**	**37,126**
Falcon	100%	Hong Kong	123	0%	95%	287
Falcon	97%	Thailand	101	0%	99%	52
Pacific	85%	Malaysia	209	1%	97%	218
AMAG	80%	Indonesia	166	1%	94%	174
Fairfirst	78%	Sri Lanka	39	0%	100%	55
Singapore Re	100%	Singapore	312	1%	83%	482
Asian Insurers and Reinsurers			950	3%	92%	1,267
Fairfax Brasil	100%	Brazil	308	1%	94%	264
Southbridge Colombia	100%	Colombia	259	1%	96%	207
Southbridge Chile	100%	Chile	352	1%	87%	153
Southbridge Uruguay	100%	Uruguay	24	0%	89%	21
La Meridional	100%	Argentina	308	1%	99%	148
South American Insurers			1,252	4%	94%	793
Bryte	100%	South Africa	414	1%	95%	359
Colonnade	100%	Luxembourg	335	1%	96%	446
Polish Re	100%	Poland	205	1%	99%	284
Fairfax Ukraine	70%	Ukraine	179	1%	96%	133
Eurolife General	80%	Greece	108	0%	103%	196
Gulf Insurance	97%	Kuwait	2,736	8%	101%	2,335
Group Re	100%	Barbados	327	1%	94%	1,269
Other International Insurers and Reinsurers			4,304	13%	98%	5,022
International Insurers and Reinsurers			**6,505**	**20%**	**97%**	**7,082**
Other(1)						8,498
Consolidated Insurers and Reinsurers			**32,527**	**100%**	**93%**	**67,723**
BIC(2)	35%	Vietnam	215		96%	274
Digit	49%(3)	India	1,200		109%	2,212
Non-consolidated Insurance Companies(4)			**1,415**		**107%**	**2,486**
Total			**33,943**		**93%**	**70,209**

(1) Includes Life insurance, Run-off and other investments in associates

(2) As at and for the twelve months ended September 30, 2024

(3) 60% upon conversion of securities, once regulatory approval is received

(4) Based on 100% level

As the table shows, including our non-consolidated insurance companies, we have $34 billion in gross premiums with an investment portfolio of $70 billion. Our size now ranks us in the top 20 property and casualty companies globally. We have built one of the premier insurance businesses in the world – fully decentralized and run by our Presidents. We have foregone the cost synergies that might have come from centralization in exchange for highly-empowered entrepreneurial companies that are nimble, team-oriented and provide outstanding service to our customers all over the world. And they do it all within our unique fair and friendly culture. We value people – not expense savings at Fairfax! In fact, we hope we never have to lay off 5%-10% of our staff as many businesses tend to do these days. We consider Fairfax to be one big family, focused on long-term performance.

We have over 250 profit centres across our group. Each profit centre is focused on a unique set of customers, geographies or products that benefit from market leadership, product knowledge and the ability to provide excellent customer service. These profit centres facilitate transparency, enabling Andy Barnard, Brian Young and Peter Clarke to effectively monitor the insurance operations. Empowerment thrives at Fairfax. We are always working on making our companies more indispensable to our customers.

Of the $33 billion of our consolidated gross premiums, North America continues to account for 68%. Brit and Ki at Lloyd's accounts for 12% and the remaining 20% is widely dispersed in the Middle East (8%), Asia (3%), Latin America (4%) and other international locations (5%).

We continue to expect significant growth in our insurance operations in under-penetrated markets in countries outside North America and Europe.

I wrote last year that I hoped that the war in Ukraine will be over before I write next year's shareholders letter – unfortunately that did not happen but perhaps it might happen soon! With that said our Ukrainian operations continue to make the most out of a very difficult situation. The war has now been going on for just over three years and the human losses have been horrific. Working under these conditions our three Presidents in Ukraine – Andrey Peretyazhko, Oleksiy Muzychko and Svyatoslav Yaroshevych with great support from Jean Cloutier of Fairfax, – continue to do an outstanding job looking after the safety of our employees and their families, while at the same time producing strong results. Our thoughts and prayers continue to be with our employees, their families and all of the people of Ukraine. We will continue to do whatever we can to support them until this war is over.

A big strength we have in insurance is the float it generates. Here's our growth since 1985.

	Gross Premiums Written		**Float**	
	$ billions	*$ per Share*	*$ billions*	*$ per Share*
1985	0.02	3	0.01	$ 2½
1990	0.1	15	0.2	30
1995	0.9	104	0.7	74
2000	3.7	284	5.9	449
2005	5.5	310	8.8	492
2010	5.4	263	13.1	641
2015	8.3	375	17.2	775
2020	19.0	725	24.3	927
2024	32.5	1,501	36.9	1,703

In the last four years, our gross premiums per share have increased by 107% and float per share by 84% – a compound growth rate of 20% and 16%, respectively.

Since 2021, we have shown the table below of our largest common stock holdings in each of three buckets: Common stocks, which are marked to market; common stocks of associates, which are equity accounted; and common stocks, which are consolidated. The table shows you for each bucket, as at December 31, 2024, the shares we own and the per-share carrying values and market values of those shares. At year-end, the total market value of these common stock holdings exceeded their total carrying value by $1.5 billion. As at February 28, 2025, the total market value exceeded the total year-end carrying value by approximately $1.7 billion.

Common Stock Holdings as at December 31, 2024

	Shares *(millions)*	Ownership	Carrying Value per Share *($)*	Share Price *($)*	Carrying Value	Market Value	Unrealized gain (loss)
Common Stocks – Mark to Market							
Commercial International Bank	215.5	7%	1.53	1.53	329	329	
Orla Mining	56.8	18%	5.47	5.47	311	311	
Occidental Petroleum	5.5	1%	49.41	49.41	272	272	
Foran Mining	96.9	23%	2.70	2.70	262	262	
Metlen Energy(1)	6.7	5%	34.31	34.31	230	230	
Blackberry	45.8	8%	3.78	3.78	173	173	
Kennedy Wilson(2)	13.3	10%	10.00	10.00	133	133	
Altius Minerals	6.7	14%	18.47	18.47	123	123	
Other					3,419	3,419	
Common stocks					5,253	5,253	
Limited partnerships					2,183	2,183	
Total Mark to Market					7,436	7,436	
Common Stocks – Equity Accounted (Associates)							
Eurobank Ergasias	1,266.0	34%	1.88	2.31	2,375	2,923	549
Poseidon	132.0	43%	14.08	15.50	1,859	2,046	188
Exco Resources	22.9	49%	20.01	20.07	458	460	1
Quess	51.2	34%	8.29	7.73	425	396	(29)
Waterous Energy Fund III	—	—	—	—	218	218	—
John Keells(3)	3,214.8	19%	0.06	0.08	199	248	49
Kennedy Wilson partnerships	—	—	—	—	172	172	—
Helios Fairfax Partners	37.3	36%	4.36	1.96	163	73	(89)
Astarta	7.5	30%	10.70	9.68	80	72	(8)
Other					656	774	118
Total Associates					6,604	7,383	779
Common Stocks – Consolidated							
Fairfax India	57.6	43%	11.79	15.82	679	911	232
Recipe	49.4	84%	13.54	13.54	669	669	—
Sleep Country	—	100%	—	—	541	541	—
Grivalia Hospitality	339.4	85%	1.38	1.38	470	470	—
Peak Achievement	—	100%	—	—	426	426	—
Meadow Foods	—	93%	—	—	297	297	—
Thomas Cook India	300.3	65%	0.73	2.29	220	688	467
Dexterra Group	31.4	50%	3.08	5.42	97	170	74
Boat Rocker Media	25.3	45%	3.23	0.40	82	10	(72)
Other					18	18	—
Total Consolidated					3,499	4,200	701
Total Common Stock Holdings					**17,538**	**19,019**	**1,480**

(1) Excludes 2.5 million shares from convertible debentures
(2) Excludes 25.4 million warrants
(3) Excludes 1,079.4 million shares from convertible debentures

So for example, in the equity-accounted bucket, until we sell Eurobank (which has a carrying value of $1.88 per share and a year-end market value of $2.31 per share), the gain will not be realized in our income statement.

Similarly, until we sell Quess (carrying value of $8.29 per share and market value of $7.73 per share), this loss will not be realized in our income statement, unless an impairment is deemed appropriate or the shares are sold at this price.

When you compare total carrying values to market values at the end of 2024, market values exceed carrying values by $1.5 billion, a $0.8 billion excess for equity-accounted associates plus a $0.7 billion excess for consolidated investments.

As the table on page 16 shows, the consolidated investments include the following: Recipe, Fairfax India, Grivalia Hospitality, Thomas Cook India, Sleep Country, Peak Achievement, Meadow Foods, Dexterra Group and Boat Rocker Media. Our consolidated investments are significant, producing total revenue of $6.7 billion and operating income of $241 million in 2024. Recipe had operating income of $120 million, AGT $68 million, Thomas Cook $45 million and Fairfax India $55 million. Those were offset by losses at Grivalia of $67 million and Farmers Edge of $52 million.

We discuss our investments in more detail in the section on investments. The long-term potential of our investments continues to be very significant.

The table below shows the dollar and percentage contribution (expressed as a percentage of our approximately $66 billion average investment portfolio) of the various components of our investment return in 2024.

	2024		2023	
Interest and dividends	2,512	3.8%	1,896	3.2%
Share of profit of associates	956	1.4%	1,022	1.7%
Net gains on common stocks	1,859	2.8%	1,218	2.0%
Net gains (losses) on bonds	(731)	(1.1)%	714	1.2%
Other net gains (losses)	(152)	(0.2)%	188	0.3%
	4,444	6.7%	5,038	8.4%

Interest and dividend income from our total portfolio increased by 32% to $2.5 billion in 2024 due to rising interest rates. Cash and short-dated treasuries as a percentage of our fixed income portfolio for the last five years is shown below as well as the yield on our fixed-income portfolio.

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

As we mentioned in last year's annual report, the increase in interest and dividend income happened because we did not reach for yield when interest rates were low in the 2019-2022 time period. In fact, over half our fixed-income portfolio was in cash and short-dated treasuries, yielding almost no interest. Our interest and dividend income is now running at $2.5 billion annually and can be expected to be maintained at that level for the next four years. Profit of associates continued at $1 billion while fluctuations in stocks and bonds added $1 billion in 2024. Please note the total return on our investment portfolio of 6.7% in 2024 was just below our 39-year average of 7.7%!

Below is a table that shows successive periods over our 39 years of operations, compound growth in our book value per share (including dividends paid) together with the average combined ratio and the average total return on investments.

	Compound Growth in Book Value per Share	Average Combined Ratio	Average Total Return on Investments
1986-1990	57.7%	106.7%	10.4%
1991-1995	21.2%	104.2%	9.7%
1996-2000	30.7%	114.4%	8.8%
2001-2005	(0.9)%	105.4%	8.6%
2006-2010	24.0%	99.9%	11.0%
2011-2016	2.1%	96.0%	2.3%
2017-2020	9.0%	99.2%	4.8%
2021-2024	23.3%	93.8%	6.2%
1986-2024	18.7%	97.9%	7.7%

As we have discussed previously, our growth in book value consists of two major variables – the combined ratio of our insurance companies and the total return on our investment portfolio. For each of the last four time periods above, starting in 2006, our insurance companies have produced average combined ratios below 100%. In the last four years, our investment returns have turned upwards (still less than our average of 7.7% for the last 39 years), which has resulted in book value growing at 23.3% per year (last three years under IFRS 17). We hope to grow book value at 15% per year in the future.

India

In June 2024, Prime Minister Modi won a historic third term in the national elections, albeit with a reduced majority. His BJP party did not get a majority but the National Democratic Alliance, a coalition of like-minded political parties, won 294 seats, in excess of the 272 required for a majority. Subsequent elections held in key states have proven the continuation of Mr. Modi's popularity with the masses, keeping him and his party in strong control of the government.

Fairfax India has itself gone through a transition as my son, Ben, took over from me as Chairman and Gopal Soundarajan took over from Chandran Ratnaswami as CEO. Both of us continue to be on the Board of Directors. Since its inception 10 years ago, Chandran Ratnaswami has done an outstanding job at Fairfax India, with an annualized return of 10.2% on its existing portfolio, including $1.5 billion in unrealized gains. Remember, nearly 70% of Fairfax India's investments are not publicly traded and are carried at valuations that are very conservative. The annualized return on existing listed investments is 18.5%, while only 7.3% on private investments. Fairfax India has also generated dividends, interest and realized gains of $939 million and has never lost money on a monetized investment. Fairfax India has achieved an annualized return of 25.5% on partially monetized investments and 18.3% on fully monetized investments aggregating to an annualized return of 19.4% for all monetized investments.

Most of Fairfax India investments are in outstanding companies with a history of strong financial performance led by founders and management who are not only excellent leaders but also adhere to the highest ethical standards.

While the book value per share of Fairfax India is $21, the underlying intrinsic value is much higher. As Fairfax India shares continue to trade below book value, we have bought back 22.6 million shares or 14% of the shares issued since inception at an average price of about $13 per share. This includes the 0.6 million shares bought in 2024 at $15. All of this has been achieved under Chandran's leadership. A big thank you to Chandran!

In Gopal and Ben's letter to Fairfax India shareholders (must reading for all Fairfax and Fairfax India shareholders), they say:

> During Prime Minister Modi's decade in office, a remarkable transformation has taken place in India with changes evident in social, economic and regulatory areas. Digital infrastructure has benefited hundreds of millions at the bottom of the income pyramid having access to online bank accounts, direct transfer of government benefits, a nationally uniform biometric form of identity in Aadhaar, and access to mobile phones. Similarly, access to tap water has increased dramatically in rural communities.

India's economy has maintained an annual growth rate of 6-7% over the past decade, demonstrating resilience even in the face of pandemic-related challenges. Today, India contributes almost one-sixth of global economic growth. Domestic consumption is vibrant, and the country has become a top foreign direct investment (FDI) destination. Its healthy foreign exchange reserves have made its currency amongst the least volatile and a disciplined approach to maintaining its inflation targets has provided flexibility to weather geopolitical pressures, such as wars and oil price fluctuations. Tremendous progress is evident in India's physical infrastructure such as roads, highways, railways, ports and airports. India has become an innovation hub and is now the third largest location for unicorns globally. India's aspirational class is growing. On the regulatory and policy front, landmark changes have taken place. Implementation of the GST, the passage of a path-breaking Insolvency and Bankruptcy law, significant reduction in corporate tax rates, banking and real estate reforms that have provided transparency to those sectors, and the start of privatization initiatives are paving the way for future growth. The following tables detail key developments across economic, social, and government policies and regulations.

	FY2013-14	**FY2023-24**
Economic		
Gross domestic product (GDP)	$1.9 trillion	$3.5 trillion
Nominal GDP per capita	$1,504	$2,539
Market capitalization	$1.2 trillion	$4.4 trillion
Foreign direct investment	$36 billion	$71 billion
Foreign exchange reserves	$304 billion	$646 billion
Number of stocks with $1 billion market cap	166	522
Number of unicorns	8	118
Contribution to global GDP (adjusted for purchasing power parity)	6.0%	8.2%
Social		
People with bank accounts	150 million	500 million
Digital payments volume	2.2 billion	185.9 billion
Tap water connections (rural households)	32.3 million (FY2018-19)	145.1 million
Internet subscribers	251.6 million	954.4 million

Amitabh Kant, former CEO of NITI Aayog (a public policy think tank of the Government of India), has written an outstanding book, How India Scaled MT G20 – The Inside Story of the G20 Presidency – a rare behind-the-scenes look at the intense negotiations, strategic maneuvering, and backroom diplomacy that defined India's presidency. From climate action and digital transformation to tackling inequality, this insider's account reveals how India shaped the future of global governance under the leadership of Prime Minister Modi and rallied the G20 towards a new era of unity and cooperation.

The table below shows our investments and how they have performed up to December 31, 2024:

Fairfax Investment	Date of Initial Investment	Ownership	Cost	Fair Value at December 31, 2024	Compounded Annualized Return
Thomas Cook India	Aug-12	64.5%	278	688	15.3%(1)
Fairfax India	Jan-15	42.7%	534	911	7.9%
Digit	Feb-17	49.0%	101	2,072	49.2%
Quess	Dec-19	34.5%	346(2)	396	4.9%
India Gov't Bonds	Aug-24		490	479	0.1%
Other			435	514	3.7%
			2,184	5,059	15.4%
Fairfax India's investments					
Bangalore International Airport	Mar-17	64.0%	903	1,632	10.1%
IIFL Capital	Dec-15	27.3%	51	323	25.2%
IIFL Finance	Dec-15	15.2%	101	311	17.9%
CSB Bank	Oct-18	40.0%	136	255	11.3%
Sanmar	Apr-16	42.9%	199	201	0.2%
Seven Islands	Mar-19	48.5%	84	146	14.6%
Fairchem Organics	Feb-16	55.3%	34	102	19.3%
Maxop	Nov-21	67.0%	51	97	25.7%
Jaynix	Feb-22	70.0%	33	82	37.5%
Global Aluminium	Oct-24	65.0%	83	81	(1.8)%
Saurashtra Freight	Feb-17	51.0%	30	55	11.6%
NCML	Aug-15	91.0%	188	44	(15.3)%
5paisa	Dec-15	24.6%	17	42	15.4%
Other			43	41	3.5%
			1,953	3,412	10.2%

(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)

Under the outstanding leadership of Madhavan Menon, Thomas Cook has emerged well out of the pandemic and continued to build on the turnaround achieved in 2023. We are pleased to report that its net revenue of $246 million and pre-tax profit of $42 million in 2024 grew by 13% and 25%, respectively. The many IT-led efficiencies and cost rationalizations are finally beginning to deliver results. Pre-tax profit has grown more than 555% from pre-pandemic levels while the topline grew by only 2% in the same period. Thomas Cook's stock price was up another 45% in 2024 after its 90% increase in 2023. Madhavan was the main reason behind our acquisition of Thomas Cook in 2012 as he was already successfully leading Thomas Cook for over 12 years. Thomas Cook served as a vehicle for further expansion in India until Fairfax India came into being. Madhavan has been an outstanding leader for Fairfax in India contributing to our Indian journey in many ways, including the international expansion of Thomas Cook and the purchase and nurturing of Quess and Sterling Resorts. He also led our efforts to install 1,400 dialysis machines on the way to 2,000, supporting 354 dialysis centres, across 28 states and more than 30% of India's rural population. Recently, Madhavan expressed his desire to retire from his executive role upon the completion in May 2025 of 25 years of leading Thomas Cook. We have accepted his decision with much reluctance. We wish him, his wife Lili, and his family a very happy retirement. Mahesh Iyer, the CEO of Thomas Cook India, who has been with Thomas Cook for 30 years, will assume the responsibility for the group while Madhavan will continue as non-executive Chairman. We expect the transition to be smooth and wish Mahesh much success.

Sterling Holiday Resorts, a subsidiary of Thomas Cook, remains a premier Leisure Hospitality Brand in India with 57 resorts, 48 destinations and more than 3,100 rooms, in addition to offering Vacation Time Share. Under the strong leadership of Vikram Lalwani, Sterling had record results in 2024 with 16% growth in revenue and 15% growth in pre-tax profit. Sterling continues to grow on an asset-light model adding a resort a month for the last 18 months with a strong pipeline into 2025 for additional growth. This has resulted in Sterling now being ranked amongst the top 10 brands in India and top 14 in terms of number of resorts and hotels. The company will further scale up its destination presence in leisure, tier 2 and tier 3 destinations in India. The brand has also garnered industry and customer recognition with Tripadvisor, Travel + Leisure India's Best, Hospitality Horizon Top Luxury Resort in India and Today's Traveller Awards for the fastest-growing hospitality brand in India. Sterling has a bright future ahead under Vikram's leadership.

Quess, spun off from Thomas Cook in 2019 at essentially a zero cost to us, is India's largest domestic private-sector employer, with a workforce exceeding 600,000. When Founder Ajit Isaac joined, the company had just over 60,000 employees. Today, Quess has evolved into the country's leading integrated business services provider, with a strong pan-India presence and a growing footprint across North America, APAC, and the Middle East. Serving over 3,000 clients globally, Quess continues to drive exceptional growth in its core business. Revenue from operations grew 9% to $2.44 billion and pre-tax profit grew by 59% to $49 million. Quess is incubating certain product-led businesses, on which it incurred a loss of about a $4 million during the year, down from a $9-million loss during 2023. Quess's business model benefits from strong economic growth in India. Under the leadership of chairman and founder Ajit Isaac and its long-serving senior management team, Quess continues to consolidate its growing position in the market. Better times are ahead for Quess as it moves forward with its plan to demerge into three separate entities, a significant strategic initiative announced by Quess in February 2024 and expected to be completed in mid-2025. While Quess is the market leader in its core workforce management business, each of the demerged entities will be a market-leading player in its own niche. We expect that this strategic initiative will benefit all shareholders in the years to come.

DBRS reaffirmed Fairfax India's BBB rating with a stable outlook. Please review Gopal and Ben's annual letter to shareholders for information on Bangalore Airport, IIFL Group of Companies, Sanmar, CSB Bank, Fairchem, Seven Islands Shipping and NCML.

Please see Fairfax's charitable donations report on the good things happening with our initiatives with CMC Vellore (children's hospital) and the ongoing donations of dialysis machines across India.

As we do each year, we show you our unconsolidated balance sheet so that you can better see where your money is invested.

	2024	
Unconsolidated Balance Sheet[1]	*($ billions)*	*($ per share)*
Assets		
Insurance and Reinsurance Operations		
Northbridge	2.1	97
Crum & Forster	2.8	130
Zenith	1.0	48
Odyssey Group	5.5	254
Brit	2.6	118
Allied World	4.9	225
International Re/Insurers	5.8	265
Life Insurance and Run-off	0.4	19
Total	25.1	1,156
Non-Insurance Operations		
Recipe	0.7	31
Fairfax India	0.7	31
Sleep Country	0.5	25
Grivalia Hospitality	0.5	22
Peak Achievement	0.4	20
Meadow Foods	0.3	15
Thomas Cook India	0.2	10
Other Non-Insurance	0.2	10
Total	3.5	164
Total consolidated operations	28.6	1,320
Holding company cash and investments	2.5	116
Investments in associates	1.2	55
Other holding company assets	0.2	8
Total assets	32.5	1,499
Liabilities		
Accounts payable and other liabilities	0.5	24
Long term debt	7.9	364
	8.4	388
Shareholders' equity		
Common equity	23.0	1,060
Preferred stock	1.1	51
	24.1	1,111
Total liabilities and shareholders' equity	32.5	1,499

(1) Equity shown for the Insurance and Reinsurance Operations excludes minority interests, investments in other consolidated operations, investments at the holding company and intercompany debt.

The table shows you our insurance companies, which are decentralized and separately capitalized, and our consolidated non-insurance companies shown separately. The majority of the latter are held in our insurance companies' investment portfolio and the rest in our holding company.

As you can see, we have $25.1 billion ($1,156 per share) invested in our insurance companies – up from $1,069 per share last year. And that is at book value – the intrinsic values are much higher in our view.

Our consolidated non-insurance businesses (and your investment per share in them) are shown separately in the above table. They are significant and in our view worth more than the amount at which they are carried on our balance sheet. We expect each of these non-insurance operations to generate a 15% annual return or better over the long term. Please note our cash and investments of $2.5 billion in our holding company is for protection from the unexpected. We also hold investments in associates and consolidated non-insurance operations at the holding company level.

Below we updated the table on our intrinsic value and stock price. As discussed in previous annual reports, we use book value as a first measure of intrinsic value.

	INTRINSIC VALUE % Change in US$ Book Value per Share	**STOCK PRICE** % Change in Cdn$ Price per Share
1986	+180	+292
1987	+48	−3
1988	+31	+21
1989	+27	+25
1990	+41	−41
1991	+24	+93
1992	+1	+18
1993	+42	+145
1994	+18	+9
1995	+25	+46
1996	+63	+196
1997	+36	+10
1998	+30	+69
1999	+38	−55
2000	−5	−7
2001	−21	−28
2002	+7	−26
2003	+31	+87
2004	−1	−11
2005	−16	−17
2006	+9	+38
2007	+53	+24
2008	+21	+36
2009	+33	+5
2010	+2	—
2011	−3	+7
2012	+4	−18
2013	−10	+18
2014	+16	+44
2015	+2	+8
2016	−9	−1
2017	+22	+3
2018	−4	−10
2019	+12	+1
2020	−2	−29
2021	+32	+43
2022	+21	+29
2023	+23	+52
2024	+13	+64
1985-2024 (compound annual growth)	**+18.3**	**+17.9**

The table shows, excluding dividends, the change in book value in U.S. dollars and our stock price in Canadian dollars. As I have said before, we think our intrinsic value far exceeds our book value. As shown in the table, there have been many years when our book value has increased significantly and our stock price has gone up more: please note 1993, 1995, 1996, 1998, 2003, 2008, 2014, 2021, 2022, 2023, and now, 2024. In the last four years, our book value has grown at 22% annually and our stock price has grown double that at 47%. Perhaps more years like this are yet to come!

Two years ago, I said that for our stock price to match our book value compound growth rate of 17.8%, our stock price in Canadian dollars should be $1,375. Well, we went right through that in 2024! The best is yet to come!

This is how our stock price has done over the periods ending in 2024 compared to the TSX and S&P 500 (all including dividends).

	Fairfax (CDN$)	TSX	S&P500
5 years	29.4%	11.1%	14.5%
10 years	14.9%	8.7%	13.1%
15 years	13.6%	8.3%	13.9%
20 years	14.4%	8.1%	10.4%
39 years since our inception	19.2%	8.5%	11.3%

The last five years made up for the drought we had in the five years before that!

When we began in 1985, there were 6,000 companies listed on the U.S. stock exchanges. In 2024, 39 years later, there were only approximately 600 still listed – the rest were taken over, went bankrupt, etc. Only 10% survived in their original form. If you then ask, how many thrived, i.e. had an annual compound growth in stock price (plus dividends) over 15%, you find only about 60 or 1% thrived. We were blessed to be ranked eighth with a compound growth rate of 19.2%. Our outstanding culture works over the long term!

In Canada, there is only one company that we can find that has a better track record than us over the past 39 years – and it is significantly better – and I am not going to tell you who!

Insurance and Reinsurance Operations

	Combined Ratio			Change in Net Premiums Written
	2024	2023	2022	2024 vs 2023
Northbridge	89%	91%	89%	4%
Crum & Forster	95%	98%	95%	8%
Zenith	99%	94%	95%	(2)%
Allied World	89%	89%	91%	4%
Brit	94%	92%	98%	6%
Odyssey Group	91%	93%	96%	3%
International Re/Insurers	95%	96%	99%	4%
Gulf Insurance	101%	—	—	—
Consolidated	93%	93%	95%	12%(1)

(1) Includes Gulf Insurance for 2024

Lou Iglesias and the team at Allied World once again set a new high-water mark for underwriting profit at Fairfax, generating $545 million on an 89.1% combined ratio. Its strong brand in the Specialty P & C segments, combined with its high-performing Reinsurance division, have enabled Allied World to thrive year after year. Its expense ratio continues to hover at industry leading levels, and provides a powerful boost to our underwriting profits. Once again, thanks to Lou, Wes Dupont, John Bender and the entire Allied World team for their magnificent performance!

In Brian Young's final year at the helm of Odyssey Group, his team delivered the company's largest underwriting profit in its history, with $505 million. Its combined ratio of 91.2% stretched its streak of consecutive years of underwriting profit to 13 years, which happens to coincide exactly with the number of full years Brian has run Odyssey. As Carl Overy's tenure at CEO begins, he has inherited Odyssey's global reinsurance franchise, and its dynamic specialty arms, Hudson Insurance and Newline. Let's see how long it takes Carl to surpass Brian's extraordinary track record!

Northbridge, under Silvy Wright, continues to shine as a consistently reliable performer. It too has set a new company record of underwriting profit, racking up $232 million on an 89.3% combined ratio. This despite a large increase in catastrophe losses in Canada and at Northbridge in 2024. Over her 14 years in charge, Silvy has built Northbridge into a well-oiled machine in the Canadian middle market space, growing profitably year after year. Much thanks for a job very well done!

At Crum & Forster, Marc Adee celebrated his 10th year as CEO with his own record-breaking performance: $208 million in underwriting profit and a 95% combined ratio. Marc has fashioned Crum & Forster into a boutique collection of highly focused business segments. The Accident and Health division, and Seneca Insurance were once again among the strongest performers at Crum in 2024.

At Brit, Martin Thompson delivered another very solid set of figures: underwriting profit of $191 million and a combined ratio of 93.6%. Over the last several years, Martin and his team have improved underwriting margins across Brit's portfolio.

Beginning in 2025, Ki Syndicate 1618 and Ki Digital Services will operate autonomously from Brit, and will report their results separately. Mark Allan has built Ki into a formidable algorithmic underwriting operation for both Fairfax, and third-party capital partners.

In 2024, Zenith contended with another year of plentiful competition and softening rates. Kari Van Gundy has done a wonderful job shepherding Zenith through an extended period of declining prices in the Workers Compensation market. Zenith's underwriting profit in 2024 dropped to $7 million on a combined ratio of 99.1%, but since Kari was appointed in 2015, Zenith has generated $891 million of underwriting profits. Thank you Kari, and welcome Davidson Pattiz!

Fairfax Asia increased its underwriting profit to $34 million, reducing its combined ratio to 92.1%. As noted, Gobi Athappan and Ravi Prabhakar are taking Fairfax Asia forward after the unfortunate passing of our beloved Mr. Athappan. Singapore Re, under Philippe Mallier, contributed $24 million to the 2024 result.

Fairfax Latam, under Fabricio Campos increased its underwriting profit to $18 million on a combined ratio of 94.1%. All of the companies under Fabricio's leadership are contributing to the bottom line.

In Brazil, Bruno Camargo delivered $8 million of underwriting profit on a combined ratio of 94.3%.

JP Blignaut in his first year as CEO of Bryte delivered an underwriting profit of $15 million and a combined ratio of 94.9%, a fine result in a challenging market.

Peter Csakvari, CEO of Colonnade, completed his 10th year at Fairfax with another fine performance: underwriting profit of $9 million and a combined ratio of 96.5%. Our other companies in Eastern and Central Europe – Arx, Universalna and Polish Re – each contributed $3 million of underwriting profit in 2024.

Gulf Insurance Group led by Khaled Saoud Al-Hasan and Paul Adamson who leads GIG-Gulf, had a solid first year consolidated into Fairfax's results, adding $2.7 billion of gross premium and $1.6 billion of net premium to our results. The posted combined ratio of 100.9% included 3.2 points of acquisition adjustments, excluding these adjustments the full year combined ratio was 97.7%. At 97.7% the combined ratio was above its long-term average driven by the significant flood losses in Dubai, increased loss ratios on its health business, in particular its large health insurance contract for retired citizens ("Afya") in Kuwait, offset by favourable reserve development. In September the Afya contract was not renewed and Gulf will no longer write that business in 2025. The Afya insurance contract had been experiencing diminishing performance, it will result in a drop in premium in 2025 but will not have a significant effect on underwriting profit. We look forward to Gulf returning to the sub 95% combined ratio very soon and are very excited for the long-term prospects of Gulf Insurance.

All of our major insurance companies are well capitalized even though we have grown significantly in the last seven years as shown in the table below (further details are provided in the MD&A).

	As at and for the Year Ended December 31, 2024		
	Net Premiums Written	**Statutory Surplus**	**Net Premiums Written/Statutory Surplus**
Northbridge	2,226	1,663	1.3x
Odyssey Group	5,895	6,384	0.9x
Crum & Forster	4,234	2,697	1.6x
Zenith	742	706	1.1x
Brit	3,157	2,451	1.3x
Allied World	5,049	6,012	0.8x
International Re/Insurers	4,033	3,727	1.1x

On average, we are writing at 1.1x net premiums to statutory surplus versus 1.0x in 2023.

The net premiums written and combined ratio of our companies which we have owned since 2015 (last 10 years) and our major companies acquired since then are shown in the table below.

	2015 – 2024	
	Cumulative Net Premiums Written *($ billions)*	**Average Combined Ratio**
Northbridge	15.3	92%
Crum & Forster	27.0	97%
Zenith	7.5	88%
Allied World[1]	27.1	95%
Brit[1]	20.2	99%
Odyssey Group	39.2	94%
Total	136.3	95%

(1) Brit since acquisition on June 5, 2015, Allied World since acquisition on July 6, 2017.

The table below shows the average annual redundancies for the past 10 years (business written for 2014 onwards) for our companies which we have owned since 2014.

	2014 – 2023
	Average Annual Reserve Redundancies
Northbridge	6%
Crum & Forster	2%
Zenith	15%
Odyssey Group	5%
Fairfax Asia	21%

As you can see in the table above, our reserves continue to develop favourably for each of our companies.

RiverStone, led by Bob Sampson after a seamless transition from Nick Bentley, continues to do an outstanding job dealing with some of our most difficult claims within our company. The vast majority of their claims are in the United States where they continue to stick-handle the challenging U.S. legal system with its social inflation, nuclear verdicts and third-party litigation funding. In 2024 RiverStone strengthened reserves by $221 million, primarily related to asbestos liabilities and other latent claims. Our net run-off reserves of approximately $1.4 billion, which contain almost all our asbestos and latent exposures, are approximately 4% of our total net reserves. RS Services which provides third party claims management had another strong year with revenues of $21 million, up 34% year over year. RiverStone's captive team also continues to do well, running off small third party captive business.

We have updated the float table we show you each year for our insurance and reinsurance companies.

Year	**Underwriting Profit**	**Average Float**	**Cost (Benefit) of Float**	**Average Long-Term Canada Treasury Bond Yield**
1986	3	22	(11.6)%	9.6%
.				
.				
2014	552	11,707	(4.7)%	2.8%
.				
.				
2024	1,791	34,398	(5.2)%	3.3%
Weighted average last ten years			(3.1)%	2.4%
Fairfax weighted average positive financing differential last ten years:			5.5%	

Float is essentially the sum of insurance contract liabilities and insurance contract payables, less reinsurance contract assets held and insurance contract receivables, on an undiscounted basis excluding risk adjustment. Our long-term goal is to increase the float at no cost, by achieving combined ratios consistently well below 100%. This, combined with our ability to invest the float well, is why we feel we can achieve our long-term objective of compounding book value per share by 15% per annum. This no-cost float is perhaps one of Fairfax's biggest assets and will be a key reason for our success in the future. In 2024, our underwriting profit was a record $1.8 billion and our "cost of float" was a 5.2% benefit. In the past 10 years, the largest benefit we had was 5.5% in 2015, which corresponded to a combined ratio of 90% and an underwriting profit of $705 million. We showed you earlier the growth in our float per share, which is another huge plus for Fairfax.

The table below shows you the breakdown of our year-end float for the past five years:

	Insurance and Reinsurance							**Total Insurance**		
Year	**Northbridge**	**Crum & Forster**	**Zenith**	**Odyssey Group**	**Brit**	**Allied World**	**Other**	**and Reinsurance**	**Run-off**	**Total**
					($ billions)					
2020	2.1	3.3	1.1	5.9	3.2	5.7	1.4	22.7	1.6	24.3
2021	2.5	3.4	1.1	6.8	3.6	6.9	1.6	25.9	1.9	27.8
2022	2.6	4.2	1.1	7.9	4.0	7.7	1.6	29.1	1.8	30.9
2023	2.9	5.0	1.1	8.9	4.1	8.4	3.1	33.4	1.7	35.1
2024	2.8	5.7	1.0	9.2	4.7	8.8	3.1	35.4	1.5	36.9

Our float increased 5% in 2024 and 65% in the last five years as our insurance and reinsurance operations expanded significantly in the hard market. The float in runoff continued to decrease as claims are paid.

The table below shows the sources of our net earnings:

	2024	**2023**
Insurance and reinsurance operations:		
Underwriting profit	1,791	1,522
Interest and dividends	2,225	1,655
Share of profit of associates	745	762
Operating income	4,761	3,939
Operating income (loss) – life insurance and Run-off	(143)	(169)
Operating income – non-insurance companies	241	122
Impact of discounting, risk adjustment and other	544	210
Net gains on investments	1,067	1,950
Interest expense	(649)	(510)
Corporate overhead and other expense	(183)	(183)
Gain on consolidation and sale of insurance subsidiaries	—	550
Pre-tax income	5,639	5,908
Income taxes and non-controlling interests	(1,764)	(1,527)
Net earnings	**3,875**	**4,382**

In 2024, we had record operating income from our insurance and reinsurance operations of $4.8 billion because of record underwriting profit of $1.8 billion, interest and dividend income of $2.2 billion and share of profits from associates of $745 million. As we suggested earlier, there is no certainty in life, but we feel this level of operating income may be repeatable in the next few years. Net gains of $1.1 billion consisted of net gains on equity exposures of $1.9 billion and bond losses of $0.7 billion.

Financial Position

The following table shows our financial position at the end of 2024 and 2023. When we have a controlling interest in a company (for example, Recipe or Thomas Cook India), we are required to consolidate that company's financial statements into our own financial statements even though we do not guarantee the debt – and quite often it is an investment in a public company.

Consequently, this table excludes the debt of our consolidated non-insurance companies:

	2024	**2023**
Holding company cash and investments (net of derivative obligations)	2,502*	1,749*
Borrowings – holding company	7,882	6,929
Borrowings – insurance and reinsurance companies	976	896
Total debt	8,858	7,825
Net debt	6,356	6,075
Common shareholders' equity	22,960	21,615
Preferred stock	1,108	1,336
Non-controlling interests	2,740	3,116
Total equity	26,808	26,066
Net debt/total equity	23.7%	23.3%
Net debt/net total capital	19.2%	18.9%
Adjusted operating income interest coverage	10.4x	11.9x
Adjusted operating income interest and preferred share dividend coverage	9.1x	9.9x
Total debt/total capital	24.8%	23.1%

* *excludes $2.0 billion in 2024 ($1.7 billion in 2023) of investments in associates and non-insurance consolidated investments held in the holding company*

We ended 2024 with a very strong financial position with $2.5 billion in cash and marketable securities plus an additional $2.0 billion of associates and consolidated non-insurance investments owned by the holding company (largely consisting of shares of Quess ($230 million), Eurobank ($549 million), Poseidon ($173 million) and Thomas Cook India ($405 million)). Our total debt-to-total-capital ratio in 2024 of 24.8% was up from 23.1% in 2023. Our adjusted operating income interest coverage continues to remain strong, at 10.4x in 2024.

Investments

I like Phil Carret's and John Templeton's quotes so much, that I will begin this section with their quotes in every annual report.

Phil Carret said, "Good management is rare at best, it is difficult to appraise and it is understandably the single most important factor in security analysis."

And as my mentor, John Templeton said, "Whenever you can buy a large amount of future earnings for a low price, you have made a good investment."

We have been blessed to know many of these exceptional leaders in our insurance business and in our investments. Here's how our great leaders, who lead our investments performed in 2024:

Under the outstanding leadership of David Sokol and Bing Chen, Poseidon remains on track to solidify its position as the world's leading containership owner operator. Poseidon continues strong execution of its newbuild program by delivering an additional 35 vessels – 374,050 TEU total – in 2024, with all vessels delivered at or ahead of schedule. In 2024, Poseidon also closed the sale of its other business, APR Energy. Upon completion of Poseidon's containership newbuild program and the sale of APR Energy, Poseidon is expected to deliver more than $2.5 billion of revenue and $1.9 billion of adjusted EBITDA. Poseidon is also expected to generate net earnings in excess of $600 million in 2024 and 2025. We carry our 43% ownership in Poseidon at $1.9 billion – approximately 7x 2024 earnings.

Eurobank and its superb management team led by Fokion Karavias, had another fantastic year in 2024. Against a backdrop of declining interest rates in Europe, Eurobank grew EPS by 26% and tangible book value per share by 16% (adjusted for the 2024 dividend). Importantly, risk metrics continue to improve – non-performing loans reduced further from 3.5% to 2.9% (with increased provisions). Core Tier 1 capital remains at very healthy levels. This allowed the bank to accelerate the reduction of deferred tax credits – acquired during the Greek crisis – thus increasing the quality of its capital base. Having started to acquire shares in the number two bank in Cyprus – Hellenic Bank – in 2021, Eurobank finalized an agreement in November to take their shareholding to over 93%. Once completed, management will have acquired the company at a valuation of 4x earnings. A terrific demonstration of patience and value investing! Not only did this give Eurobank a strong presence in Cyprus, but it is likely to see 2025 become the first year that profits from international operations exceed those in Greece. Due to the strong underlying value creation, and despite a 39% increase in the share price in 2024, Eurobank remains attractively valued at 1x tangible book value and 6x earnings. After paying its first dividend since 2008 last year, the payout ratio will ramp up to 50% and equates to a 7%+ yield on the current share price. Interestingly, this equates to an 18% yield on Fairfax's net cost – patience and value investing at the Fairfax level!

The Cleveland-Cliffs acquisition of Stelco closed November 1, 2024. We received Cdn$60 cash and 0.454 of a Cleveland-Cliffs' share for each Stelco share. Cleveland-Cliffs has experienced a remarkable turnaround under the leadership of Lourenco Goncalves and we look forward to participating in the continued growth of the company. Our partnership with Alan Kestenbaum has been outstanding. When Alan took over Stelco, it was an underperforming steel mill that had just exited bankruptcy. Under his leadership, Stelco became one of the lowest cost and most profitable steel operations in North America. Our investment in Stelco proved rewarding, with an annual compound return of 29% from our initial investment in 2018 and a realized gain of $352 million in 2024.

EXCO is an energy company with proved reserves that are 93% natural gas and 7% oil by volume. In 2024, natural gas prices averaged $2.27 per MMBtu. Despite weak prices, EXCO generated $233 million of adjusted EBITDA, $30 million of free cash flow and ended the year with leverage below 1.0x. We are hopeful that growing LNG exports, coal-to-gas switching and AI data centre demand will support long-term prices. But we recognize that commodity prices are inherently volatile. Instead, our confidence in EXCO rests in its health and flexibility – its strong balance sheet, effective hedging program, avoidance of onerous transportation contracts, diligent cost control and nimble operations. These are the hallmark of skilled management. With Chairman John Wilder and CEO Hal Hickey, we are in good hands. Fairfax's Wendy Teramoto and Peter Furlan continue to work closely with management and the rest of EXCO's board. As of December 31, 2024, the fair value of Fairfax's investment in EXCO is $20.07 per share or $460 million, an increase from $19.01 per share or $435 million as at December 31, 2023. EXCO is carried on our books at less than 5x adjusted EBITDA.

Recipe surpassed its record-breaking system sales in 2023 (adjusted for the 53rd week) with system sales of Cdn$3.6 billion in 2024. Revenue was up 0.5% driven by improvements in corporate restaurants and the consumer packaged goods business. The company delivered Cdn$114 million in free cash flow and reduced overall leverage to less than 2x. With a strong underlying business, Frank Hennessey, Ken Grondin and their team are focused on top-line growth. Expansion is underway in the United States and Indian markets, complemented by organic growth in Canada from new restaurants. The company will also be launching new products in its already sizable consumer packaged goods business (where Recipe's brands are sold in grocery stores). Recipe is carried on our balance sheet at 10x free cash flow.

We met Adam Waterous and the team at Waterous Energy Fund ("WEF") in 2018. After a storied 27-year career in energy in Calgary, Adam was raising money for a fund to invest in and consolidate sub-scale, long life oil and gas businesses and assets in Canada. We were impressed by Adam's focus on long term returns on capital. The WEF team had extensive experience in investing in oil and gas and Adam had built Waterous & Co, starting in 1991, into the largest oil and gas M&A firm in the world before selling it to Scotiabank in 2005. We invested $129 million which is currently valued at approximately $290 million through a stake in publicly traded Strathcona Resources. WEF built this company from scratch over 7 years into Canada's 5th largest oil company producing close to 200,000 barrels per day of long life, low cost, very profitable oil. We then committed another $750 million to WEF's next fund. The WEF team has already deployed a total from the fund of $323 million for a controlling stake in Greenfire Resources, a publicly traded oil company located in the Athabasca region of Canada. WEF's latest investment is another business with long life (even longer than Strathcona!), low decline assets producing approximately 20,000 barrels per day that is Canada's 11th largest oil company by proved plus probable reserves. In every respect, Adam has proven an outstanding Fairfax partner.

Grivalia Hospitality, our 'ultra-luxury' hotel operation in Greece had a tough year in 2024. Under the leadership of George Chryssikos, the team made progress opening the 91 Athens resort in Voula but suffered from a disrupted opening season for its flagship property in Athens, One&Only Aesthesis. Nevertheless, George and his team have identified the learnings from this opening year, made the appropriate changes, and are confident that the resort will be a major success over the coming years. The good news is that tourism in Greece is booming! International tourists totaled over 36 million in 2024 – a 10% increase on 2023. George decided that, starting January 1st, Natalia Strafti will take up the reins of CEO and George will move to Executive Chairman. This move is well deserved for Natalia who has worked, with distinction, for Grivalia and its predecessor companies for the past 25 years. Our $1 billion man, George, is going nowhere and more focused than ever on making Grivalia Hospitality another successful venture. We wish them both great success in their new roles!

For the third consecutive year the Sporting Life Group achieved a new high watermark in revenue. Golf Town achieved its highest revenue level in its 25-year history in 2024 capitalizing on its position as the home of golf in

Canada and the continued popularity of the game. Team Town Sports has now shifted from start-up mode to growth mode with tremendous gains online and brick and mortar locations achieving strong year-over-year growth. The core leadership is evolving with Chad McKinnon as CEO and Barry Williams promoted to President of Golf Town and maintaining his CMO role with Team Town Sports. Frederick Lecoq adds Chief Digital Officer to his Chief Marketing Officer role and Bill Gregson former CEO of the Brick and Recipe continues to consult with the leadership team and key leaders in the merchandising function. Ambitious growth targets will continue to be achieved through numerous supporting initiatives and strategies across all 3 brands. The Sporting Life Group is carried at 7x cash flow on our balance sheet.

Dexterra is on track to achieve its vision of becoming a leader in delivering quality solutions to create, manage and operate infrastructure across North America. Mark Becker and the team made significant progress in 2024. Dexterra delivered strong profitability, free cash flow and organic growth from continuing operations. The company also closed an important U.S. acquisition in the facilities management space and sold its modular business consistent with its capital light philosophy. The company has reorganized the existing business from an operating and reporting perspective into two segments – support services and asset-based services. This change provides a clear strategic direction for the future. Dexterra enters 2025 with good prospects, a strong balance sheet and debt well under 1x EBITDA. It has the financial flexibility to continue to scale the support services business through organic growth and strategic, niche acquisitions. Dexterra is carried on our balance sheet at $97 million ($3.08 per share), which is significantly less than the market value of $170 million or $5.42 per share (Cdn$7.80). Dexterra has paid Cdn$49 million in dividends to Fairfax since our initial investment in 2018.

AGT, run by CEO Murad Al-Katib with his Executive Chairman Huseyin Arslan, had another strong year in 2024, with EBITDA of approximately Cdn$180 million (up from Cdn$65 million at the time of the take private transaction in 2019). The company has successfully transformed the business over the past several years. It has a vertically integrated supply chain with a growing higher-margin Packaged Foods business and customer base. In early 2025, AGT completed another important step in their transformation by selling its Canadian rail and infrastructure assets for proceeds of Cdn$192 million. The deal provides AGT with the use of the rail assets under a long-term supply agreement. The sale proceeds will be used primarily for debt reduction and optimization of the company's capital structure. These developments have led to stronger free cash flow and value creation. AGT's global pulse sourcing and processing capability is also expected to become increasingly valuable as the total addressable market for plant-based protein expands. Fairfax's 66% stake in AGT is currently carried at an enterprise-to-EBITDA ratio of 6x.

Farmers Edge led by CEO Vibhore Aurora completed a successful pivot of the business in 2024 with the Fairfax-sponsored go-private transaction and a restructuring of the business. The company will continue to deliver its traditional digital services to a smaller set of growers. Management also believes there is an important growth and value opportunity by building its managed services and soil sampling businesses. A focus on operational efficiency has led to significantly reduced cash flow deficiency. We have written off our investment in Farmers Edge and it has cost us $385 million over the last eight years – another big mistake by your Chairman!

Boat Rocker Media, led by John Young as CEO and Co-Chairmen and founders David Fortier and Ivan Schneeberg, have experienced another challenging year with large Streamers becoming increasingly selective in content acquisition. A decision was made to restructure the business, reduce the cost base and sell its 51% interest in Talent Management business, Untitled, to TPG Group, a private equity firm, for gross proceeds of $52 million in addition to retaining a 8.75% stake. Boat Rocker also acquired the 30% stake previously owned by the founder of Insight, a Canadian reality television producer for which Boat Rocker already owned 70%. Post sale of Untitled and minority purchase of Insight, the remaining business at Boat Rocker enjoys a strong balance sheet. Management is seeking to reduce the cost base of the business to reflect the lower level of revenue at the group.

We continue to invest with Byron Trott through various BDT Capital Funds. Since 2009, we have invested $1.1 billion, have received $1.1 billion in distributions and still have investments with a year-end market value of $729 million. Byron and his team have generated fantastic long-term returns for Fairfax, and we very much look forward to our continued partnership.

Since we met Bill McMorrow and Kennedy Wilson in 2010, we have invested $1.3 billion alongside them in real estate, have received cash proceeds of $1.1 billion and still have real estate worth about $650 million. Our average annual realized return on completed projects is approximately 22%. We also own 10% of the company. More recently, we have been investing with Kennedy Wilson and the team from Pacific Western Bank that joined them, in first mortgage loans secured by high-quality apartment buildings predominantly in the western parts of the United States, with a loan-to-value ratio of 52%. At the end of 2024, we had invested in $4.4 billion of first mortgage loans in the U.S. at an average yield of 7.8% and an average maturity of 1.7 years with two, one-year renewal rights, and in $440 million of first mortgage loans in the U.K. and Ireland at an average yield of 6.9% and an average maturity of 1.6 years.

We continue to own 14% of Altius Minerals, which had a solid year with royalty revenues up 6%, excluding thermal coal. Bright spots included its base metal royalties which increased 6% due to higher copper prices and its renewable royalties which increased 68%. Potash royalties fell 23% due to lower potash prices. One very positive development for Altius in late 2024 involved its 3% gross sales royalty on the Kami Iron Ore Project in the Labrador Trough. Majority owner Champion Iron Ore entered into a binding agreement with its partners to advance the development of this project. This royalty has the potential to become one of Altius' largest royalty streams. Another important royalty that may add significant value to Altius is its 1.5% net smelter royalty on AngloGold Ashanti's proposed Silicon gold project in Nevada. In 2024, Northampton Capital Partners purchased publicly listed shares of Altius Renewable Royalties, representing a 43% stake in the company, for Cdn$12 per share, a 28% premium. Altius continues to own the other 57%. Brian Dalton has done an outstanding job and has generated substantial growth in intrinsic value since we made our investment in 2017.

Dan Myerson and Darren Morcombe continued to make great progress in building the world-class McIlvenna Bay carbon-neutral copper project in Saskatchewan. Foran Mining expects to begin production at the site by the end of 2025 and will be producing at commercial rates in the first half of 2026. Foran's adjacent Tesla deposit is showing continuity between Tesla and McIlvenna Bay and is demonstrating even higher minerals grades than McIlvenna. Foran is planning an extensive drilling program on the Tesla deposit in 2025, with eight rigs drilling 30,000 meters. It is likely that Tesla will more than double the size of Foran's total reserves. Foran made great strides in fully funding its McIlvenna Bay project with a Cdn$360 million equity issuance. Fairfax participated in the equity financing, as did Agnico Eagle Mines, one of the world's most astute mining companies. In addition to raising equity, Foran upsized its non-revolving credit facility with Sprott Resources to $250 million and the company signed a contribution agreement with the Canadian Government through the Strategic Innovation Fund for funding of up to Cdn$41 million to develop McIlvenna Bay. Phases 1 and 2 of the McIlvenna Bay/Tesla mine are now effectively fully funded. Foran is carried on our balance sheet at the listed market price of $2.70 per share (Cdn$3.89) or $262 million.

Commercial International Bank (CIB) led by Hishan Ezz Al-Arab had very strong results in 2024 with an ROE of 50%, net interest margin of 9.5%, earnings growth of 86% and loan-loss provision coverage ratio of 351%. There is significant hidden value in the build-up of provisions on the balance sheet which, if adjusted for, reduces the price-to-book ratio to 1.2x. Since 2014, the bank has continued to compound book value per share and EPS by nearly 20% per annum. The key driver of value to Fairfax and other foreign investors in CIB is the stability of the Egyptian pound and the development of new businesses within the bank. CIB is close to launching a new tech-enabled business line which caters to retail banking and lower-income markets. CIB's shares are trading at very attractive levels at 4x earnings. The Egyptian government asset disposal program is well underway with $35 billion committed by the Abu Dhabi Investment Authority to develop the Egyptian North Coast. Many other infrastructure assets including the country's largest airports will also be sold to address the country's high sovereign debt. While there is much work to do, opportunity awaits given the relatively low asset prices and size of the market with over 100 million people. Since our purchase of CIB shares, they have increased 664%, compounding at 21% per year in local currency (including dividends). Unfortunately, due to depreciation in the Egyptian pound, our return in US dollars is just 7% or 1% per year.

After acquiring a majority ownership position in 2023, we took full control of Meadow Foods in 2024. Led by its CEO Raj Tugnait, Meadow successfully navigated a challenging macro environment in 2024 to grow volumes in the higher-margin ingredients business and to take market share. The company has professionalized operations and grown sales to £555 million with a record £42 million EBITDA in 2024. We expect to leverage Raj's three decades of experience in the food sector to further scale the business in the United Kingdom and internationally. We are thrilled to partner with the management team to build Meadow for long-term success. Meadow is carried at 10x enterprise value-to-EBITDA on our balance sheet.

The Helios Fairfax Partners (HFP) team led by Tope Lawani and Babatunde Soyoye made investments of $63 million during the year split, $20 million into Helios managed co-investments and $43 million in seeding new platforms. These new platforms include Helios Sports & Entertainment (NBA Africa, live sports/music and other entertainment and stadium management), Helios Digital Ventures (Fintech and other tech-enabled businesses based in Africa); Helios Seven Rivers Fund (African publicly listed equities); and Helios Climate, Energy Access and Resilience. All are in the process of raising third-party capital for which HFP will receive management and carry income. The private equity business, Helios Investment Partners, is also raising money for its new generalist fund, Helios Fund V, which will replace management and carry income from legacy Helios Fund I and II. Except for Nova Pioneer, the private school company in South Africa & Kenya, all legacy investments have been sold. HFP remains in a net cash position with approximately $30 million on the balance sheet in addition to an undrawn facility. Once third-party capital is raised and deployed for new HFP platforms in addition to Helios Fund V, HFP will be positioned to begin its virtuous cycle.

Since 2008 we have invested with founder Kyle Shaw and his private equity firm ShawKwei & Partners. ShawKwei takes significant stakes in middle-market industrial, manufacturing and service companies across Asia, partnering with management to improve their businesses. We have invested $550 million in two funds, have received cash distributions of $232 million and have a remaining value of $542 million at year-end. The returns to date are primarily from our investment in the 2010 vintage fund, which increased 33% in 2024 and has generated a 13% compound annual return since 2010. The 2017 vintage fund decreased 3.8% in value in 2024 and has a compound annual return of 0.5% since inception. We expect Kyle to do well in the next few years.

Led by its outstanding Chairman and CEO Krishan Balendra, John Keells Holdings (JKH) is the largest listed conglomerate with over 150 years of history in Sri Lanka, with a significant presence and great record in leisure, consumer foods, retail, transportation, property and financial services and a great long-term record. In the middle of the external crisis faced by Sri Lanka, the company raised $75 million in equity capital, entirely provided by Fairfax in the form of convertible debentures, to fund the West Container terminal in the port of Colombo. Its construction has progressed well, and the first phase of operation is expected to commence in March 2025. In 2024, JKH raised $80 million through a rights issue for LKR 160 per share to fund the completion of the City of Dreams Sri Lanka (casino resorts). JKH is developing the resort in strategic partnership with Melco Resorts & Entertainment, a Hong Kong-based gaming and entertainment company, the casino resort is expected to commence in mid-2025. Fairfax participated in the rights issue to the extent of its entitlement. Post conversion of the debentures in January 2025, Fairfax's shareholding increased to 24.5%, making it the largest shareholder of the company. The Sri Lankan economy appears to have stabilized after severe macroeconomic turbulence with a GDP growth outlook of approximately 3.5% in 2025, primarily driven by the revival of tourism. External debt restructuring, IMF funding, and financial assistance from India have helped Sri Lanka come out of the crisis and rebuild its foreign exchange reserve, providing a much-needed buffer against external shocks. Both the Sri Lankan economy and JKH are poised to perform well going forward. Both the currency and the underlying stock have appreciated considerably since our investment. Fairfax is currently carrying the investment at $282 million against its market value of $331 million.

Orla Mining, run by Jason Simpson and his exceptional team, had a transformative 2024. In November, Orla announced the acquisition of the Musselwhite gold mine in Ontario from Newmont. Fairfax participated via a $150 million investment in convertible bonds (4.5% coupon, Cdn$7.90 conversion price and 0.66 of a warrant with a Cdn$11.50 per share exercise price). Musselwhite is a low-cost, long-life asset in one of the best mining jurisdictions in the world. The addition of Musselwhite will more than double Orla's annual gold production to approximately 300,000 ounces a year. Orla's Camino Rojo open pit mine in Mexico continues to perform extremely well, producing approximately 137,000 ounces of gold in 2024. Exploration activity at Camino is indicating the viability of an underground mine at the site with attractive economics. Lastly, progress continues to be made in permitting their South Railroad mine in Nevada. South Railroad is likely to be a low-cost mine with high free-cash flow. Orla generates attractive levels of free cash flow and has ample liquidity to fund its development and exploration activity. Orla is carried at its listed price of $5.47 per share (Cdn$7.87) or $311 million.

The U.S. election on November 5, 2024 was historic as Mr. Trump was elected the 47th President of the U.S. and also won the popular vote, the House and the Senate. And the U.S. Supreme Court has a conservative majority of 6 – 3. The last time one party was as dominant as the Republicans are today, was during President George Bush's presidency in 2004. We are hopeful that President Trump will adopt business-friendly policies which will ensure continued strong economic growth in the years ahead. On the other side, the U.S. stock market is very expensive, and the U.S. is running a budget deficit of $2.1 trillion or 7.3% of GDP, with interest expenses of $1.2 trillion equal to total defense expenditures. This has not happened before. We will watch the progress in the U.S. very carefully because, of course, it affects the whole world.

How expensive is the U.S. stock market? Today the U.S. stock market has a market capitalization in excess of 70% of the world index (MSCI world) even though its economy is only 26% of the world economy. No other country in the world has ever had 70% of the world market capitalization. The U.S. market capitalization relative to the world market capitalization, today, is similar to the dot–com bubble in 1998. It reminds me of Japan in 1989, when its market was at 50% of the world market. It is only 5.2% today. The magnificent seven now account for 35% of the S&P500 – a 10-year high. Nvidia, a great company, whose earnings have gone up 7.5x in the last three years and now sells at 43x those elevated earnings. That seems cheap compared to Tesla which sells at 133x earnings. I could go on and on but you can see where I am going. I was quite surprised the other day to see Costco, a very well-managed stable company, now selling at 62x earnings. Don't ask me about Bitcoin! I couldn't see any value in that at $30,000!! As individual participation in the stock markets is at record levels, any drop in the market will have a magnified impact on the economy through the wealth effect. So we say, Caveat Emptor! Given these cross currents, we remain cautious about the U.S. stock markets at the present time.

Our team at Hamblin Watsa Investment Counsel, led by Wade Burton, with strong support from Lawrence Chin, Roger Lace and Brian Bradstreet continue to navigate the uncertain economic environment while providing excellent returns for you our shareholders.

Shown below are the Hamblin Watsa Investment Counsel professionals with their individual areas of focus:

Hamblin Watsa Professionals	Responsibility
Wade Burton and Lawrence Chin	United States and Canada (stocks & bonds)
Reno Giancola	Canada (stocks & bonds)
Jamie Lowry and Ian Kelly	Europe (stocks & bonds)
Quinn McLean	Middle East, South Africa and private companies
Yi Sang	Asia (stocks & bonds)
Gopalakrishnan Soundarajan	India, Sri Lanka (stocks & bonds)
Jeff Ware	South America (stocks & bonds)
Wendy Teramoto	Private companies
Peter Furlan	Chief Research Officer
Paul Ianni	Private and public companies
Joe Coccimiglio	Private and public companies
Navtej Sidhu	Private and public companies
Paul Blake	Stock trading
Kleven Sava	Bond trading

The team continues to thrive, led by Wade and Lawrence, while everyone remains empowered in their respective areas of responsibility. Wade and Lawrence manage $1 billion in common stock with more to come. Roger Lace, Brian Bradstreet, Chandran Ratnaswami and I continue to be active in managing the portfolio with more and more ideas flowing from Wade and his team. Our small investment committee (consisting of Wade Burton, Roger Lace, Brian Bradstreet, Lawrence Chin, Chandran Ratnaswami, Quinn McLean, Kleven Sava, Peter Clarke and me) will review large investments, asset mix, regulatory requirements and performance. As I have said in the past, committee decision-making in investments has some serious performance risks in our mind, we use this format solely to share information and discuss the pros and cons of any investment. We have built an extremely talented team with the ability to invest worldwide, working in a collaborative team environment, but individually empowered at the same time. We are excited about the future returns we expect from our investment team.

Miscellaneous

As expected, we maintained our dividend of $15 per share in 2024 and used our excess cash flow to buy back 1.3 million shares at $1,179 per share or $1.6 billion. As I have said before, this represents a hidden dividend for all of you remaining shareholders of $73 per share (Huge!).

As I mentioned last year, the huge strength of our company is the fair and friendly culture we have built in each of our companies over the past 39 years. This is a massive moat and impossible to copy. It is amazing to note, that Peter Clarke has been our President and COO for only three years – but it seems like much longer! (His very first job was with Fairfax 28 years ago.) He has done an outstanding job and leads our eight officers who have the highest integrity, team spirit and no ego. We are focused on protecting our company from unexpected downside risks and very quickly taking advantage of opportunities when they arise. On average, our officers have been with us for 20 years. The bedrock of our company is trust with a long-term focus.

After six very busy years as our CFO, Jennifer Allen will transition into a new executive role within Fairfax as Vice President, Chief Business Officer. Jenn has been with Fairfax for 19 years, beginning her career in financial reporting, then became our Global controller, transitioning to the CFO of Fairfax India and most recently leading our global finance team over the last six years as our CFO. Jenn was instrumental in guiding us through the most significant accounting change in our history (from IFRS 4 to IFRS 17), the consolidation of many new companies both insurance and non-insurance, and at the same time managing the demanding reporting requirements of one of the largest public companies in Canada. Jenn's experience will be a huge asset as she transitions into a new role at Fairfax, working with Peter Clarke and the other executives of Fairfax on key strategic initiatives designed to support the company's growth and increased complexity, while ensuring her successor, Amy Sherk, is well supported in her transition. We are very happy to announce that effective March 10, 2025, Amy Sherk will take over as CFO of Fairfax. Amy has been with Fairfax for 20 years, and over her long career with us has had many financial roles within the Fairfax group, including leading our investment accounting team and more recently CFO of

Fairfax India for the last six years. Amy has done an outstanding job for Fairfax and is without a doubt the natural successor to Jenn, just as she was at Fairfax India. We would like to thank both Jenn and Amy for all their hard work over the years and congratulate them both in their new roles with Fairfax. At Fairfax India, with Amy moving on we are happy to announce that Debbie Chalkley who has been with us for over 13 years, will take on the CFO role there – more on that in the Fairfax India report.

Brad Martin retired from Fairfax in 2024. He had been with Fairfax for 26 years, assuming a number of roles over the years including VP legal and corporate secretary, Chief Operating Officer and more recently, VP Strategic Investments. Brad was instrumental in many of our major acquisitions and ventures over the years and his strategic thinking was always a huge asset. He will continue to sit on many boards that we have significant interests in. We thank Brad for all his hard work and many contributions to Fairfax over the years. We wish Brad and his wife, Monica, all the best in his retirement.

A big thank you to our outstanding Board of Directors, led by Bill McFarland, for providing us with such insightful leadership, extensive experience and unwavering support as we build our company for the long term. We are truly blessed to have such a wonderful Board!

Brandon Sweitzer, who has served on our Board for more than twenty years, decided not to seek re-election this year. Brandon has done an outstanding job as a director at Fairfax and at a number of our subsidiaries, and his wealth of experience in the insurance industry has been a huge asset for our company and our shareholders. In recent years, Brandon has been an integral part of the team supporting our Ukrainian subsidiaries, visiting with management regularly and ensuring that employees and their families in the region have access to the resources necessary to persevere through incredibly challenging times. While Brandon will no longer be a director of Fairfax, we are grateful that he has agreed to remain as a director on the board of Odyssey Group. We will miss Brandon at the Fairfax Board and we wish him and his wife, Lise, all the best in their retirement.

We are very pleased to announce that Christine Magee has agreed to join our Board as an independent director. Christine co-founded Sleep Country in 1994, establishing it as a prominent player in the sleep products industry and prior to that worked in the banking and financial services industry in Canada. Christine is currently the Chair of the Board of Sleep Country. We will benefit greatly from her business experience and entrepreneurship.

We continue to encourage all our employees to be owners of our company through our employee share ownership plan, under which our employees make share purchases through payroll deductions, which are supplemented by contributions by their employer. It is an excellent plan and employees have had great returns over the long term, as shown below:

	Compound Annual Return				
	5 Years	**10 Years**	**15 Years**	**20 Years**	**Since Inception**
Employee Share Ownership Plan	64%	29%	21%	19%	17%

If an employee earning $40,000 had participated fully in this program since its inception, he or she would have accumulated more than 4,000 shares of Fairfax worth Cdn$8 million at the end of 2024. I am happy to say we have many employees who have done exactly that! Of course, it is highly unlikely this will be repeated – but it will still be a great long-term investment for our employees!

In only the third year of its existence, Fairfax Digital, led by Sanjay Tugnait, continues to make great progress working with our companies building digital solutions throughout the group. In 2024, working with Eurolife and Colonnade, in partnership with a leader in global visa and consular services, we have launched a pioneering Gen AI platform for embedded travel insurance, starting with travelers to Schengen countries. Working with Eurolife and LTIMindtree the team developed AI-driven tools like “Ask Me Anything” and “Case Summarization” improving customer and employee experiences. Fairfax Digital also facilitated cross border digital payments working with Eurobank, revolutionizing the process of international money transfers from Greece to India. In 2024 Sanjay was also appointed co-chair for the Sustainability Task Force at the G20, Startup 20 in India. Another great year establishing digital solutions throughout Fairfax, with many other initiatives in the pipeline we are very excited about the future of Fairfax Digital.

Our ESG efforts continued throughout 2024: while supporting our people has remained our key focus, we have also put significant attention into meeting upcoming regulatory reporting requirements including greenhouse gas emissions and the impact of climate change. These requirements vary by jurisdiction and continue to evolve, but we are confident that we have the people, tools and processes in place to meet them. Our latest ESG report, available on www.fairfax.ca, will be released in early 2025, offering a summary of our activities around the globe.

Craig Pinnock, CFO at Northbridge, continues to lead the Black Initiative Action Committee across our group of companies. In 2024, we anchored to our six-pillar diversity framework, collaborating more closely with our G7 People & Culture Diversity leaders. The enthusiasm that marked the beginning of our journey remains strong today. The Golden Rule underscores our shared values and commonalities. We continue to detail our initiatives in our Fairfax ESG reporting. Additionally, we maintain our robust partnership with the BlackNorth Initiative, reaffirming our commitment to eradicating anti-Black systemic racism through collective efforts across corporate Canada.

As I said last year, Fairfax is being built to last for the next 100 years, long after I have gone. For the last 39 years, I have mentioned to you many times that you have a major negative; Fairfax is not for sale at any price! So there will be no takeover bonanza! I consider myself and my family as stewards not owners. So I have set up my affairs so that my control position will not be sold even after I pass, but will remain with my family and not be sold. Fairfax will also be professionally run, with succession always being internal! My son, Ben, will become Chairman after me.

On May 13, 2024, I sold and Fairfax purchased 275,000 subordinate voting shares for cancellation at a price of Cdn $1,512.89 per share (or US$1,106.48 per share) at an aggregate cost of $304.3 million. The purchase price was a discount of 3.7% to the closing price on May 10, 2024 and was unanimously approved by our Board of Directors. As you know, I previously announced in 2020, I purchased in the market an additional 482,600 subordinate voting shares of Fairfax at a price of US$308 per share, or approximately US$150 million in total. At the time, I believed, and I said publicly, that the trading price for Fairfax shares was ridiculously cheap and very significantly below intrinsic value, and I was acquiring these shares as an investment. Even though I believe our shares continue to trade well below intrinsic value, I decided to sell a portion of the shares I acquired in 2020, representing only a small portion of my total holdings of Fairfax, for estate planning reasons. As a controlling shareholder, my salary has been fixed at Cdn$600,000, and I have never had a cash bonus nor received any shares as compensation for decades. I continue to control the 1,548,000 outstanding multiple voting shares and 519,828 subordinate voting shares of Fairfax, representing greater than 90% of my net worth, and I am not contemplating any further sales.

As you know, we think business can be a force for good. Taking Fairfax as an example, we have written cumulative premiums of $290 billion while providing outstanding service to our customers. We are paying annual salaries and benefits to our employees all over the world totaling $2.6 billion. We have made cumulative donations of $480 million since we began our donations program in 1991 and, yes, over the 39 years we have paid cumulative taxes of $7.1 billion. This is why we consider business a force for good and why countries that are business-friendly succeed mightily. We are a small microcosm of what business does worldwide.

In 2024, we made a total of $95 million in donations (a little in excess of our 2% target of $80 million). Of that, $45 million was donated to charities and the remainder to our foundations. Since we began our donations program in 1991, we have made cumulative donations of $480 million. Over the 34 years since we began our donations program, our annual donations have gone up approximately 550 times at a compound rate of 20% per year. We are now donating 2% of pre-tax profit each year to charities across the globe – 1% through each of our insurance companies and 1% to our Fairfax foundations.

Last year, we published our inaugural Charitable Giving Report, which was incredibly well received. What a delight to see so many of the incredible charities and initiatives our companies support! Once again this year, we are very pleased to publish our 2024 Charitable Giving Report, which continues to highlight the remarkable work being undertaken by charitable organizations around the world – and the ways our operating companies support that work. We will distribute this again at our AGM.

The 2024 Fairfax Leadership Workshop was our twelfth class and our largest group to date with 32 participants from 17 different countries. A similar size class is expected in 2025 as the program's popularity continues to grow. The diversity of the group speaks to what Fairfax has become: a truly global organization. The workshop is a five-day "crash course" on our culture and a wonderful opportunity for attendees to connect with Fairfax values, leadership, and with each other. As our company continues to grow, this program becomes increasingly important, particularly given our decentralized structure. To date, over 280 of our leaders have attended the program, with over 120 of them gathering in Toronto for a reunion the week of our annual meeting.

Our working groups are another highly successful initiative that fosters connection and collaboration across our operations. The groups continue to flourish, with several international groups added in the last few years. The collaboration has been particularly beneficial for our smaller operations, enabling them to grow their knowledge and expertise without compromising the entrepreneurial spirit of individual operations.

Recently, we were very excited to announce the creation of the Fairfax Centre for Free Enterprise at Huron University. We believe strongly in Canada, and that it can be the land of opportunity for everyone, and that the free enterprise system that has helped to make the country what it is today should be recognized, maintained, and cultivated for the benefit of all Canadians. We believe that Huron University can help lead a revival of the entrepreneurial spirit that is key to our shared future. Huron University, led by Dr. Barry Craig is one of Canada's oldest universities with a distinctive business, liberal arts and ethics-based learning environments with a unique mission to develop leaders with heart.

In January of this year, we recommenced our investors trip to India, after a gap of a few years due to the pandemic. It gave our shareholders an opportunity to interact with the leadership of our investee companies, as well as to see the remarkable transformation taking place in the country. This trip included visits to some of the world-renowned tourist sites, and to experience the culture, cuisine, and the people of the different parts of India. The week-long visit was organized by Madhavan Menon and Dipak Deva covering five cities: New Delhi, Agra, Jaipur, Bengaluru, and Mumbai. From the feedback of the participants, this trip gave our shareholders a deeper understanding and a first-hand glimpse of why we believe India continues to be an exceptional investment opportunity in the years ahead.

The Value Investing Conference held by George Athanassakos the week of our annual shareholders' meeting will take place again this year on April 8th 2025! This will be its 13th year and I highly recommend that you attend – it is well worth your time. If you have not attended in the past, please see the website for details: bengrahaminvesting.ca. Many who have participated have mentioned to me that it is one of the best of its kind, and this year's lineup of speakers, as usual, is outstanding. This year's featured keynote speakers are Josef Lakonishok, CEO of LSV Asset Management, Michael Mauboussin, Head of Consilient Research, Morgan Stanley Investment Management and Adam Waterous, CEO, Waterous Energy Fund.

Fairfax India (of which many of you are also shareholders) will hold its annual shareholders' meeting on Wednesday, April 9 at 9:30a.m. (Toronto time) the day before our annual shareholders' meeting which is on April 10: details will be posted on its website. Helios Fairfax Partners will hold its investor day at 11 a.m. on May 14: details will be posted on its website.

As we have done for the last 39 years, we look forward once again to seeing all of you in person at our annual shareholders' meeting in Toronto, where our leaders will be ready to answer all your questions. We are truly blessed to have loyal, long-term shareholders like you, and I look forward to seeing you on April 10.

March 7, 2025

V. P. Watsa

V. Prem Watsa
Chairman and Chief Executive Officer

Glossary of Non-GAAP and Other Financial Measures

Management analyzes and assesses the underlying insurance and reinsurance companies, and the financial position of the consolidated company, through various measures and ratios. Certain of those measures and ratios, which have been used consistently and disclosed regularly in the company's Annual Reports and interim financial reporting, do not have a prescribed meaning under IFRS Accounting Standards and may not be comparable to similar measures presented by other companies.

Supplementary Financial Measures

Net insurance revenue – This measure of underwriting activity is calculated as insurance revenue less cost of reinsurance, both as presented in the consolidated statement of earnings.

	2024	**2023**
Insurance revenue	31,064.1	26,934.8
Cost of reinsurance	(6,197.7)	(4,977.4)
Net insurance revenue	24,866.4	21,957.4

Combined ratio, discounted – This performance measure of underwriting results under IFRS 17 is calculated as insurance service expenses less recoveries of insurance service expenses, expressed as a percentage of net insurance revenue.

Book value per basic share – The company considers book value per basic share a key performance measure as one of the company's stated objectives is to build long term shareholder value by compounding book value per basic share by 15% annually over the long term. This measure is calculated by the company as common shareholders' equity divided by the number of common shares effectively outstanding. Those amounts are presented in the consolidated balance sheet and note 16 (Total Equity, under the heading "Common stock") respectively to the consolidated financial statements for the year ended December 31, 2024. **Increase or decrease in book value per basic share** is calculated as the percentage change in book value per basic share from the end of the last annual reporting period to the end of the current reporting period. **Increase or decrease in book value per basic share adjusted for the $15.00 per common share dividend** is calculated in the same manner except that it assumes the annual $15.00 per common share dividend paid in the first quarter of 2024 was not paid and book value per basic share at the end of the current reporting period would be higher as a result.

Equity exposures – **Long equity exposures** refers to the company's long positions in equity and equity-related instruments held for investment purposes, and **long equity exposures and financial effects** refers to the aggregate position and performance of the company's long equity exposures. Long equity exposures exclude the company's insurance and reinsurance investments in associates and joint ventures, and other equity and equity-related holdings which are considered long-term strategic holdings. These measures are presented and explained in note 22 (Financial Risk Management, under the heading "Market Risk") to the consolidated financial statements for the year ended December 31, 2024.

Capital Management Measures

Net debt, **net total capital**, **total capital**, **net debt divided by total equity**, **net debt divided by net total capital** and **total debt divided by total capital** are measures and ratios used by the company to assess the amount of leverage employed in its operations. The company also uses an **interest coverage ratio** and an **interest and preferred share dividend distribution coverage ratio** to measure its ability to service its debt and pay dividends to its preferred shareholders. These measures and ratios are calculated using amounts presented in the company's consolidated financial statements for the year ended December 31, 2024, both including and excluding the relevant balances of consolidated non-insurance companies, and are presented and explained in note 22 (Financial Risk Management, under the heading "Capital Management").

Total of Segments Measures

Property and casualty insurance and reinsurance – References in this MD&A to the company's property and casualty insurance and reinsurance operations do not include the company's life insurance and run-off operations.

The company believes this aggregation of reporting segments to be helpful in evaluating the performance of its core property and casualty insurance and reinsurance companies and has historically disclosed measures on this basis including operating income (loss), consistent with the information presented in note 23 (Segmented Information) to the consolidated financial statements for the year ended December 31, 2024, as well as net premiums written, net premiums earned and underwriting profit (loss), which are presented in this MD&A. References to "**insurance and reinsurance**" operations includes property and casualty insurance and reinsurance, life insurance and run-off operations.

Net finance income (expense) from insurance contracts and reinsurance contract assets held – This measure represents the net change in the carrying amounts of the company's insurance contracts and reinsurance contract assets held arising from the effects of the time value of money, and is calculated as the sum of the respective amounts presented in the consolidated statement of earnings.

Operating income (loss) – This measure is used by the company as a pre-tax performance measure of operations that excludes net finance income (expense) from insurance contracts and reinsurance contract assets held, net gains (losses) on investments, interest expense and corporate overhead and other, and that includes interest and dividends and share of profit (loss) of associates, which the company considers to be more predictable sources of investment income. Operating income (loss) includes the insurance service result and other insurance operating expenses of the insurance and reinsurance operations and the revenue and expenses of the non-insurance companies. A reconciliation of operating income (loss) to earnings before income taxes, the most directly comparable IFRS measure, is presented in note 23 (Segmented Information) to the consolidated financial statements for the year ended December 31, 2024. All figures in that reconciliation are from the company's consolidated statement of earnings for the year ended December 31, 2024, except for net finance income (expense) from insurance contracts and reinsurance contract assets held, which is comprised of figures from the consolidated statement of earnings as described above, and corporate overhead and other, which is described below.

Corporate overhead and other – This measure includes corporate and other expenses as presented in the consolidated statement of earnings, representing the non-underwriting operating expenses of the Fairfax holding company and the holding companies of the insurance and reinsurance operations, and the amortization of intangible assets that primarily arose on acquisition of the insurance and reinsurance subsidiaries. Also included are investment management and administration fees paid by the insurance and reinsurance subsidiaries to the Fairfax holding company, interest and dividends earned on holding company cash and investments and holding company share of profit (loss) of associates. Refer to the Corporate Overhead and Other section in this MD&A.

Non-GAAP Financial Measures and Ratios

The financial measures and ratios described below are presented on the same basis as prior to the adoption of IFRS 17 *Insurance Contracts* on January 1, 2023.

Net premiums earned – Net premiums earned represents the portion of net premiums written that are considered earned by the company during a specified period in exchange for providing insurance coverage to the policyholder. This measure is used in the insurance industry and by the company primarily to evaluate business volumes, including related trends, and the management of insurance risk.

Underwriting profit (loss) – A measure of underwriting activity calculated as insurance service result with the effects of discounting for net claims incurred in the current period and changes in the risk adjustment and other excluded, and other insurance operating expenses deducted, as shown in the table in the Overview of Consolidated Performance section of this MD&A, under the heading "Property and Casualty Insurance and Reinsurance".

Adjusted operating income (loss) – Calculated as the sum of property and casualty insurance and reinsurance companies underwriting profit (loss), interest and dividends and share of profit (loss) of associates, this measure is used in a similar manner to operating income (loss).

Adjusted operating income interest coverage and **adjusted operating income interest and preferred share dividend distribution coverage** are ratios used to measure the ability of the property and casualty insurance and reinsurance companies to service their debt and the debt and preferred dividend obligations of the holding company. Balances of the non-insurance companies are excluded from the calculation of these ratios. Adjusted operating income interest coverage is calculated as adjusted operating income of the property and casualty insurance and reinsurance companies divided by consolidated interest expense on borrowings excluding non-insurance companies. Adjusted operating income interest and preferred share dividend distribution coverage is calculated as adjusted operating income of the property and casualty insurance and reinsurance companies divided by the sum of consolidated interest expense on borrowings, excluding non-insurance companies, and preferred share distributions of the holding company adjusted to a pre-tax equivalent at the company's Canadian statutory income tax rate.

Property and casualty insurance and reinsurance ratios – The **combined ratio, undiscounted** is the traditional performance measure of underwriting results of property and casualty companies and is calculated by the company as the sum of the **loss ratio** (claims losses and loss adjustment expenses expressed as a percentage of net premiums earned), the **commission expense ratio** (commissions expressed as a percentage of net premiums earned) and the **underwriting expense ratio** (other underwriting expenses, including premium acquisition costs, expressed as a percentage of net premiums earned). Other ratios used by the company include the **accident year loss ratio** (claims losses and loss adjustment expenses excluding the net favourable or adverse development of reserves established for claims that occurred in previous accident years, expressed as a percentage of net premiums earned), and the **accident year combined ratio** (the sum of the accident year loss ratio and the expense ratio). The ratios described are derived from information disclosed in the Net Earnings by Reporting Segment section of this MD&A and adjusted principally to remove the effects of discounting for net claims incurred in the current period, the change in the risk adjustment and other insurance operating expenses. These ratios are used by the company for comparisons to historical underwriting results, to the underwriting results of competitors and to the broader property and casualty industry, as well as for evaluating the performance of individual operating companies. The company may also refer to **combined ratio points**, which expresses, on an undiscounted basis, a loss that is a component of losses on claims, net, such as a catastrophe loss or net favourable or adverse prior year reserve development, as a percentage of net premiums earned during the same period.

The tables below present the amounts used in the calculation of the property and casualty insurance and reinsurance companies ratios and reconciles insurance revenue to net premiums earned. A reconciliation of underwriting profit (loss) of the property and casualty insurance and reinsurance reporting segments to insurance service result, the most directly comparable IFRS measure, is shown in the Overview of Consolidated Performance section of this MD&A, under the heading "Property and Casualty Insurance and Reinsurance".

	North American Insurers		Global Insurers and Reinsurers		International Insurers and Reinsurers		Property and Casualty Insurance and Reinsurance	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Reconciliation of net premiums earned:								
Insurance revenue(1)	8,779.9	8,137.2	15,684.7	15,600.3	6,825.5	3,453.8	31,290.1	27,191.3
Cost of reinsurance(1)	(1,297.9)	(1,296.8)	(2,706.2)	(2,916.7)	(2,592.4)	(1,165.4)	(6,596.5)	(5,378.9)
Net insurance revenue	7,482.0	6,840.4	12,978.5	12,683.6	4,233.1	2,288.4	24,693.6	21,812.4
Adjust for: net ceding commissions on reinsurance assumed and other	(409.5)	(338.0)	737.1	851.3	(450.4)	(74.5)	(122.8)	438.8
Net premiums earned	**7,072.5**	**6,502.4**	**13,715.6**	**13,534.9**	**3,782.7**	**2,213.9**	**24,570.8**	**22,251.2**
Total underwriting expenses, net:								
Losses on claims – accident year	4,464.3	4,230.2	8,887.4	8,757.4	2,493.6	1,394.0	15,845.3	14,381.6
Net favourable reserve development	(101.0)	(127.2)	(257.4)	(81.6)	(235.2)	(100.8)	(593.6)	(309.6)
Losses on claims – calendar year	4,363.3	4,103.0	8,630.0	8,675.8	2,258.4	1,293.2	15,251.7	14,072.0
Commissions	1,093.5	1,008.5	2,339.2	2,337.7	600.3	359.4	4,033.0	3,705.6
Other underwriting expenses	1,168.6	1,078.2	1,505.8	1,402.8	820.3	470.4	3,494.7	2,951.4
Total underwriting expenses, net	6,625.4	6,189.7	12,475.0	12,416.3	3,679.0	2,123.0	22,779.4	20,729.0
Underwriting profit	**447.1**	**312.7**	**1,240.6**	**1,118.6**	**103.7**	**90.9**	**1,791.4**	**1,522.2**
Combined ratio, undiscounted	**93.7%**	**95.2%**	**91.0%**	**91.7%**	**97.3%**	**95.9%**	**92.7%**	**93.2%**

(1) As presented in the Net Earnings by Reporting Segment section of this MD&A.

Float – In the insurance industry the funds available for investment that arise as an insurance or reinsurance operation receives premiums in advance of the payment of claims is referred to as float. The company calculates its float as the sum of its insurance contract liabilities and insurance contract payables, less the sum of its reinsurance contract assets held and insurance contract receivables, adjusted to remove the effects of discounting, risk adjustment and life insurance operations from insurance contract liabilities and reinsurance contract assets held. Float of a reporting segment or segments is calculated in the same manner using the company's segmented balance sheet. The **annual (benefit) cost of float** is calculated by expressing annual underwriting profit (loss) as described above as a percentage of **average float** for the year (the simple average of float at the beginning and end of the year).

Excess (deficiency) of fair value over carrying value – These pre-tax amounts, while not included in the calculation of book value per basic share, are regularly reviewed by management as an indicator of investment performance for the company's non-insurance associates and market traded consolidated non-insurance subsidiaries that are considered to be portfolio investments, which are Fairfax India, Thomas Cook India, Dexterra Group, Boat Rocker and Farmers Edge (privatized in the first quarter of 2024).

	December 31, 2024			December 31, 2023		
	Fair value	Carrying value	Excess of fair value over carrying value	Fair value	Carrying value	Excess of fair value over carrying value
Non-insurance associates	7,394.9	6,615.9	779.0	6,825.9	6,221.7	604.2
Non-insurance companies	1,779.0	1,077.5	701.5	1,529.4	1,127.6	401.8
	9,173.9	7,693.4	1,480.5	8,355.3	7,349.3	1,006.0

Non-insurance associates included in the performance measure

The fair values and carrying values of non-insurance associates used in the determination of this performance measure are the IFRS fair values and carrying values included in the consolidated balance sheets as at December 31, 2024 and December 31, 2023, and excludes investments in associates held by the company's consolidated non-insurance companies as those amounts are already included in the carrying values of the consolidated non-insurance companies used in this performance measure.

	December 31, 2024		December 31, 2023	
	Fair value	Carrying value	Fair value	Carrying value
Investments in associates as presented on the consolidated balance sheets	8,144.8	7,153.3	7,553.2	6,607.6
Less:				
Insurance and reinsurance investments in associates(1)	745.9	532.8	711.2	368.7
Associates held by consolidated non-insurance companies(2)	4.0	4.6	16.1	17.2
Non-insurance associates included in the performance measure	7,394.9	6,615.9	6,825.9	6,221.7

(1) As presented in note 6 (Investments in Associates) to the consolidated financial statements for the year ended December 31, 2024.

(2) Principally comprised of associates held by Thomas Cook India (including its share of Quess), Dexterra Group and Boat Rocker.

Non-insurance companies included in the performance measure

The fair values of market traded consolidated non-insurance companies are calculated as the company's pro rata ownership share of each subsidiary's market capitalization as determined by traded share prices at the financial statement date. The carrying value of each subsidiary represents Fairfax's share of that subsidiary's net assets, calculated as the subsidiary's total assets less total liabilities and non-controlling interests. Carrying value is included in shareholders' equity attributable to shareholders of Fairfax in the company's consolidated balance sheets as at December 31, 2024 and December 31, 2023, as shown in the table below, which reconciles the consolidated balance sheet of the market traded non-insurance companies to that of the total non-insurance companies included in the company's consolidated balance sheet.

	December 31, 2024			December 31, 2023		
	Market traded non-insurance companies	**All other non-insurance companies[(1)]**	**Total non-insurance companies[(2)]**	**Market traded non-insurance companies[(3)]**	**All other non-insurance companies[(1)]**	**Total non-insurance companies[(2)]**
Portfolio investments	2,180.1	111.8	2,291.9	2,445.1	51.4	2,496.5
Deferred income tax assets	36.3	52.3	88.6	29.2	24.9	54.1
Goodwill and intangible assets	582.7	3,599.0	4,181.7	585.8	1,535.8	2,121.6
Other assets[(4)]	1,190.9	4,014.3	5,205.2	1,271.2	3,106.2	4,377.4
Total assets	3,990.0	7,777.4	11,767.4	4,331.3	4,718.3	9,049.6
Accounts payable and accrued liabilities[(3)]	839.6	2,402.0	3,241.6	1,026.8	1,758.7	2,785.5
Derivative obligations	0.1	82.6	82.7	–	61.0	61.0
Deferred income tax liabilities	68.9	445.4	514.3	38.8	235.4	274.2
Borrowings – non-insurance companies	676.3	2,212.6	2,888.9	721.6	1,170.2	1,891.8
Total liabilities	1,584.9	5,142.6	6,727.5	1,787.2	3,225.3	5,012.5
Shareholders' equity attributable to shareholders of Fairfax[(5)]	**1,077.5**	2,421.4	3,498.9	**1,127.6**	1,274.9	2,402.5
Non-controlling interests	1,327.6	213.4	1,541.0	1,416.5	218.1	1,634.6
Total equity	2,405.1	2,634.8	5,039.9	2,544.1	1,493.0	4,037.1
Total liabilities and equity	3,990.0	7,777.4	11,767.4	4,331.3	4,718.3	9,049.6

(1) Portfolio investments include intercompany debt securities, issued by a non-insurance company to Fairfax affiliates, which are eliminated on consolidation.

(2) Non-insurance companies as presented in the Segmented Balance Sheet in note 23 (Segmented Information) to the consolidated financial statements for the year ended December 31, 2024.

(3) Farmers Edge was delisted from the Toronto Stock Exchange following its privatization in the first quarter of 2024 and is only included at December 31, 2023.

(4) Other assets include due from affiliates, and accounts payable and accrued liabilities include due to affiliates.

*(5) **Bolded figures** represent the carrying values of the market traded non-insurance subsidiaries.*

Cash provided by (used in) operating activities (excluding operating cash flow activity related to purchases and sales of investments classified at FVTPL) is presented in this MD&A for each of the largest property and casualty insurance and reinsurance subsidiaries as management believes this measure to be a useful estimate of cash generated or used by a subsidiary's underwriting activities. This measure is a component of cash provided by (used in) operating activities as presented in the consolidated statement of cash flows, the most directly comparable IFRS measure.

	2024	**2023**
Cash provided by (used in) operating activities (excluding operating cash flow activity related to purchases and sales of investments classified at FVTPL):		
North American Insurers and Global Insurers and Reinsurers	5,286.2	5,002.9
All other reporting segments	(776.5)	456.8
Net purchases of investments classified at FVTPL	(515.8)	(5,499.1)
Cash provided by (used in) operating activities as presented in the consolidated statement of cash flows	3,993.9	(39.4)

Intercompany shareholdings – On the segmented balance sheets intercompany shareholdings of insurance and reinsurance subsidiaries are presented as "**Investments in Fairfax insurance and reinsurance affiliates**", intercompany shareholdings of non-insurance subsidiaries are included in "Portfolio investments" and total intercompany shareholdings of subsidiaries are presented as "**Investments in Fairfax affiliates**" in the "Capital" section. Intercompany shareholdings of subsidiaries are carried at cost in the segmented balance sheets as management believes that provides a better comparison of operating performance over time, whereas those shareholdings are eliminated upon consolidation in the consolidated financial statements with no directly comparable IFRS measure.

Appendix to Chairman's Letter to Shareholders

The Chairman's Letter to Shareholders ("the Letter") presents the performance of the underlying insurance and reinsurance companies, and the financial position of the consolidated company, in various ways. Certain of those measures and ratios, which have been used consistently and disclosed regularly in the Letter, do not have a prescribed meaning under IFRS Accounting Standards and may not be comparable to similar measures presented by other companies.

Fairfax Worldwide Insurance Operations as at December 31, 2024

This table in the Letter includes information on certain non-consolidated insurance companies which are presented as insurance and reinsurance investments in associates in note 6 (Investments in Associates) to the company's consolidated financial statements for the year ended December 31, 2024. As associates are recorded using the equity method of accounting under IFRS and not consolidated, the gross premiums written and investment portfolios of these associates are not included in the relevant amounts presented in the company's consolidated statement of earnings and consolidated balance sheet respectively.

Gross Premiums Written per Share

This is a non-GAAP financial measure calculated as gross premiums written by the property and casualty insurance and reinsurance companies divided by the number of common shares effectively outstanding, which are presented in the MD&A of this Annual Report, under the heading "Overview of Consolidated Performance", and in note 16 (Total Equity) to the company's consolidated financial statements for the year ended December 31, 2024, respectively. Management uses this measure as an indicator of organic growth and accretive acquisitions in its property and casualty insurance and reinsurance operations, and to illustrate the benefit premiums have on book value per basic share.

Compound Growth in Book Value per Share

This supplementary financial measure is calculated as the compound return on book value per basic share for the beginning and ending years of the relevant measurement period. Book value per basic share is described in the MD&A of this Annual Report, under the heading "Glossary of Non-GAAP and Other Financial Measures".

Average Total Return on Investments

This supplementary financial measure is calculated as the simple average of total return on average investments for the relevant years in the measurement period. Total return on average investments is described in the MD&A of this Annual Report, under the heading "Total Return on the Investment Portfolio".

Yield on Fixed Income Portfolio

This supplementary financial measure is used by the company, among other financial measures, to evaluate the investment performance of the company's fixed income portfolio, and is calculated as interest income earned on cash, short term investments and bonds divided by the average fixed income portfolio balance.

	2024	2023
Interest income:(1)		
Cash and short term investments	359.8	279.4
Bonds	2,055.3	1,624.9
Total	2,415.1	1,904.3
Fixed income portfolio:(2)		
Cash and cash equivalents	7,512.6	5,763.7
Short term investments	1,010.0	2,329.1
Bonds	38,235.5	37,441.0
Total	46,758.1	45,533.8
Yield on Fixed Income Portfolio	5.2%	4.6%

(1) As presented in note 5 (Cash and Investments) to the consolidated financial statements for the year ended December 31, 2024.

(2) As presented in note 5 (Cash and Investments) to the consolidated financial statements for the year ended December 31, 2024, which includes the balances of Gulf Insurance. The yield for 2023 of 4.6% was calculated excluding Gulf Insurance's cash and cash equivalents, short term investments and bonds at December 31, 2023 of $459.9, $376.0 and $1,136.3, respectively, as Gulf Insurance was consolidated on December 26, 2023.

Unconsolidated Balance Sheet

The unconsolidated balance sheet in the Letter presents the carrying values of the company's subsidiaries prior to consolidation to better reflect the amount invested into the company's core property and casualty insurance and reinsurance operations. The company also presents per share amounts for each line item in the unconsolidated balance sheet to better illustrate the composition of book value per basic share. Per share amounts are calculated by dividing the dollar amount of each line item by the number of common shares effectively outstanding, which is presented in note 16 (Total Equity) to the consolidated financial statements for the year ended December 31, 2024. As IFRS requires that controlled subsidiaries be consolidated, the following table presents a reconciliation of the unconsolidated balance sheet to the company's consolidated balance sheet as at December 31, 2024. All figures are rounded to US$ billions, and may not add due to rounding.

	December 31, 2024			
	As presented in the unconsolidated balance sheet	Reclassifications	Consolidation of subsidiaries	As presented in the consolidated balance sheet
	(US$ billions)			
Assets				
Northbridge	2.1	—	(2.1)	—
Crum & Forster	2.8	—	(2.8)	—
Zenith National	1.0	—	(1.0)	—
Odyssey Group	5.5	—	(5.5)	—
Brit	2.6	—	(2.6)	—
Allied World	4.9	—	(4.9)	—
International Insurers and Reinsurers	5.8	—	(5.8)	—
Life insurance and Run-off	0.4	—	(0.4)	—
Insurance and reinsurance operations	25.1	—	(25.1)	—
Recipe	0.7	—	(0.7)	—
Fairfax India	0.7	—	(0.7)	—
Sleep Country	0.5	—	(0.5)	—
Grivalia Hospitality	0.5	—	(0.5)	—
Peak Achievement	0.4	—	(0.4)	—
Meadow Foods	0.3	—	(0.3)	—
Thomas Cook India	0.2	—	(0.2)	—
Other Non-insurance	0.2	—	(0.2)	—
Non-insurance operations	3.5	—	(3.5)	—
Total consolidated operations	28.6	—	(28.6)	—
Holding company cash and investments	2.5	—	—	2.5
Insurance contract receivables	—	—	0.8	0.8
Investments in associates	1.2	(1.2)	—	—
Portfolio investments	—	1.2	64.0	65.2
Reinsurance contract assets held	—	—	10.7	10.7
Deferred income tax assets	—	—	0.3	0.3
Goodwill and intangible assets	—	—	8.3	8.3
Other assets	—	0.2	8.8	9.0
Other holding company assets	0.2	(0.2)	—	—
Total assets	32.5	—	64.3	96.8
Liabilities				
Accounts payable and accrued liabilities	0.5	—	5.6	6.1
Derivative obligations	—	—	0.4	0.4
Deferred income tax liabilities	—	—	1.7	1.7
Insurance contract payables	—	—	0.9	0.9
Insurance contract liabilities	—	—	47.6	47.6
Borrowings – holding company and insurance and reinsurance companies	—	7.9	1.0	8.9
Borrowings – non-insurance companies	—	—	2.9	2.9
Borrowings – holding company	7.9	(7.9)	—	—
Total liabilities	8.4	—	60.0	68.4
Equity				
Common shareholders' equity	23.0	—	—	23.0
Preferred stock	1.1	—	—	1.1
Shareholders' equity attributable to shareholders of Fairfax	24.1	—	—	24.1
Non-controlling interests	—	—	4.3	4.3
Total Equity	24.1	—	4.3	28.4
Total Liabilities and Total Equity	32.5	—	64.3	96.8