



FAIRFAX INDIA

Annual Meeting
April 20, 2023

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

Forward-looking statements

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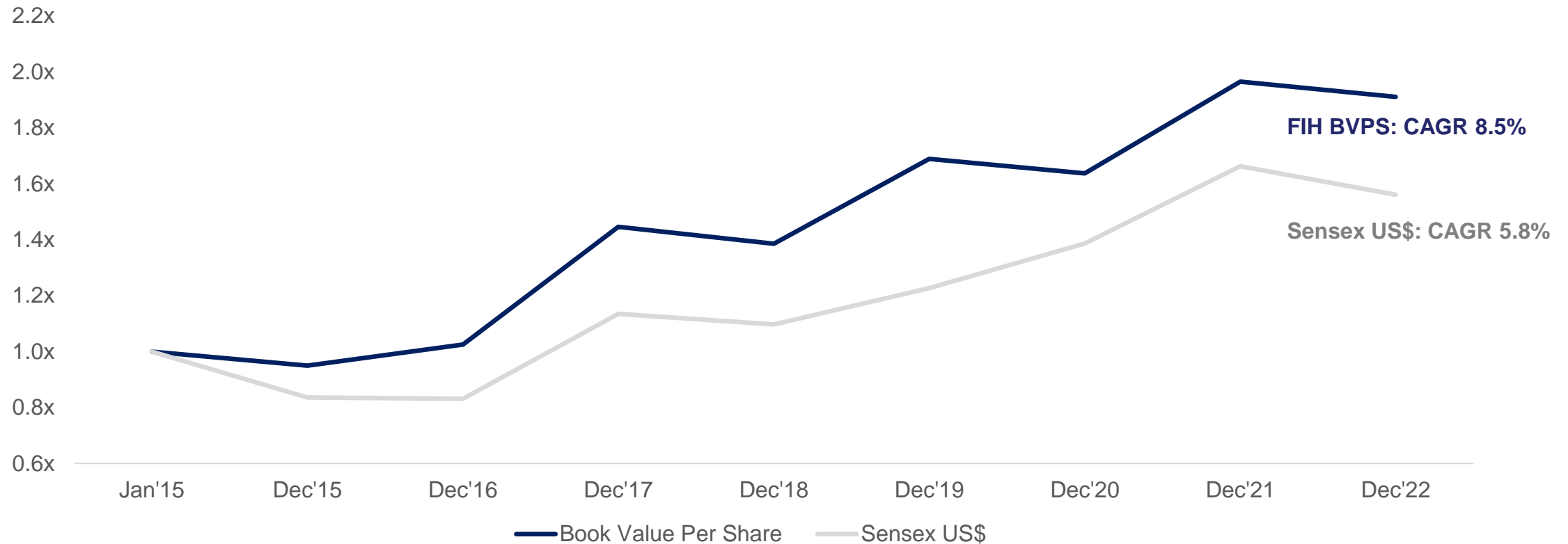
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Fairfax India performance



FIH BVPS has grown at a CAGR of 8.5% since IPO, outperforming the US\$ Sensex by 270 bps which has grown at a CAGR of 5.8% during this period.









Growth in book value

<u>Compound Annual Growth Rate</u>	<u>At December 31, 2022</u>	
	1 Year	8 Years <i>(Since IPO)</i>
Fairfax India's book value per share	(2.7%)	8.5%
US\$ S&P BSE Sensex 30	(5.9%)	5.8%
<u>% Change</u>		
<i>INR / USD</i>	<i>(10.1%)</i>	<i>(25.1%)</i>

Note: Fairfax India's 8-year compound annual growth in book value per share is calculated since its January 2015 IPO at \$10 per share

Asian equity markets in 2022

(% change, in US\$ terms)

	Singapore	4.8%
	Thailand	(3.2%)
	India	(5.9%)
	Malaysia	(9.9%)
	Hong Kong	(15.5%)
	China	(27.8%)
	Vietnam	(35.1%)
	Sri Lanka	(61.7%)

Performance for shareholders

	2022	2021	2020	2019	2018	2017	2016	2015
Book value per share	19.11	19.65	16.37	16.89	13.86	14.46	10.25	9.50
Investments per share	24.29	25.32	20.51	21.21	17.64	18.04	12.03	9.35
Common shareholders' equity (\$ billions)	2.6	2.8	2.4	2.6	2.1	2.1	1.1	1.0
Total cash and investments (\$ billions)	3.4	3.6	3.1	3.2	2.7	2.7	1.3	1.0
Shares outstanding (millions)	138	141	149	153	153	147	105	107

Share buybacks

- Bought 3.0 million shares in 2022 for \$36 million or \$12.00 per share
- Over the last five years, bought back 17.4 million shares for \$227 million, or \$13.04 per share
- Fairfax Financial also purchased an additional 5.4 million shares in February 2022 at \$12.00 per share

Financial strength

(\$ billions)		2022	2021	2020	2019	2018	2017	2016	2015
Cash and public securities		1.3	1.4	1.0	1.1	1.0	1.5	0.7	0.8
Total borrowings		0.5	0.5	0.5	0.5	0.5	0.4	0.2	--
Common shareholders' equity		2.6	2.8	2.4	2.6	2.1	2.1	1.1	1.0
	<i>5 yr average</i>								
Borrowings to common shareholders' equity	21%	19%	18%	22%	21%	26%	19%	21%	--
Cash and public securities to borrowings	2.2	2.6	2.8	1.8	1.9	1.9	3.7	3.3	--

- Borrowings consist of \$500 million, 5% unsecured senior notes due 2028
- \$175 million unsecured revolving credit facility remains undrawn

Investment fees

- Fees developed with input from Cornerstone Investors:

Investment and Advisory Fee (I&A Fee):

- Fairfax provides administration and investment advisory services to Fairfax and its subsidiaries for an I&A Fee – 1.5% on deployed capital and 0.5% on undeployed capital

Performance Fee:

- Fairfax India pays a performance fee calculated, on a cumulative basis, as 20% of any increase (including distributions) in book value per share above a 5% per year increase less any performance fees already paid
- Performance fees, if applicable are payable at the end of 3-year control periods

Investment fees

- At December 31, 2022, Fairfax India's BVPS of \$19.11 represents a CAGR of 8.5% from its IPO price of \$10.00 on January 30, 2015
- Since inception, Fairfax India has repurchased and cancelled 19.2 million shares for \$248 million or an average cost of \$12.92
- Analysis of total fees:

	Cash	Shares*	Total
I&A fees	\$ 215	-	\$ 215
Performance fees	-	\$ 120	\$ 120
Total fees	<u>\$ 215</u>	<u>\$ 120</u>	<u>\$ 335</u>
Average total fees per year	\$ 27	\$ 15	\$ 42
Average cash and investments	2,607		
I&A fees as a percentage of average cash and investments	1.0%		

- Fairfax Financial is Fairfax India's largest shareholder – 95.0% voting interest and 42.3% economic interest

Summary of investments

(\$ millions)	Date of Initial Investment	Ownership	Amount Invested	Fair Value at Dec 31, 2022	Annualized Return*
Bangalore International Airport	March 2017	54%	653	1,234	12.2%
IIFL companies**	December 2015		156	634	19.8%
Sanmar Chemicals Group	April 2016	43%	199	338	13.2%
CSB Bank	October 2018	50%	170	223	7.5%
Seven Islands Shipping	March 2019	49%	84	97	4.0%
NCML	August 2015	89%	188	69	(13.8%)
Fairchem Organics	February 2016	53%	30	111	34.1%
National Stock Exchange	July 2016	1%	27	160	35.2%
Saurashtra Freight	February 2017	51%	30	51	10.1%
Maxop Engineering	November 2021	67%	51	52	0.8%
Jaynix Engineering	February 2022	70%	33	33	1.0%
Other Indian Investments			34	38	24.8%
Total Indian investments			1,654	3,040	13.2%
Cash and government bonds			321	318	
Total cash and investments at December 31, 2022			1,975	3,358	

* Represents the internal rate of return over the investment period

** Since Fairfax India's investment in IIFL Holdings in 2015, it has split into four separate listed companies; 5paisa was spun-off in 2017, and in 2019 IIFL Holdings spun-off IIFL Wealth (now renamed 360 ONE) and IIFL Securities, and was concurrently renamed IIFL Finance

Developments in India – ‘think big and execute on scale’

- Medical insurance provided for the poorest 500 million people in India
- 18,000 villages electrified in India – now everyone has electricity
- 120 million toilets installed
- 100 million gas cylinders provided for families who used to cook with coal or wood
- Over 400 million bank accounts provided primarily to rural India – government transfers are now made to these accounts with no frictional costs
- By the end of 2024, 100% of Indians will have drinkable tap water
- Providing environment for business and wealth creators to succeed – large-scale privatization program underway

Strength of the Indian economy

Now the world's 5th largest economy

Projected to overtake Germany by 2025 and Japan by 2027, and account for 1/5th of global economic growth in next decade

	2010	2022
1	U.S.	U.S.
2	China	China
3	Japan	Japan
4	Germany	Germany
5	France	India
6	UK	UK
7	Brazil	France
8	Italy	Canada
9	India	Italy
10	Canada	Brazil

*Projected

Source: India Capital Management, IMF, EY, Morgan Stanley

Will become most populous country in 2023

Half are under the age of 30 – over the next 25 years, 1/6th of the world's working age population will be from India

2022 (in millions)

China (1,426)

India (1,412)

United States of America (337)

Indonesia (275)

Pakistan (234)

Nigeria (216)

Brazil (215)

Bangladesh (170)

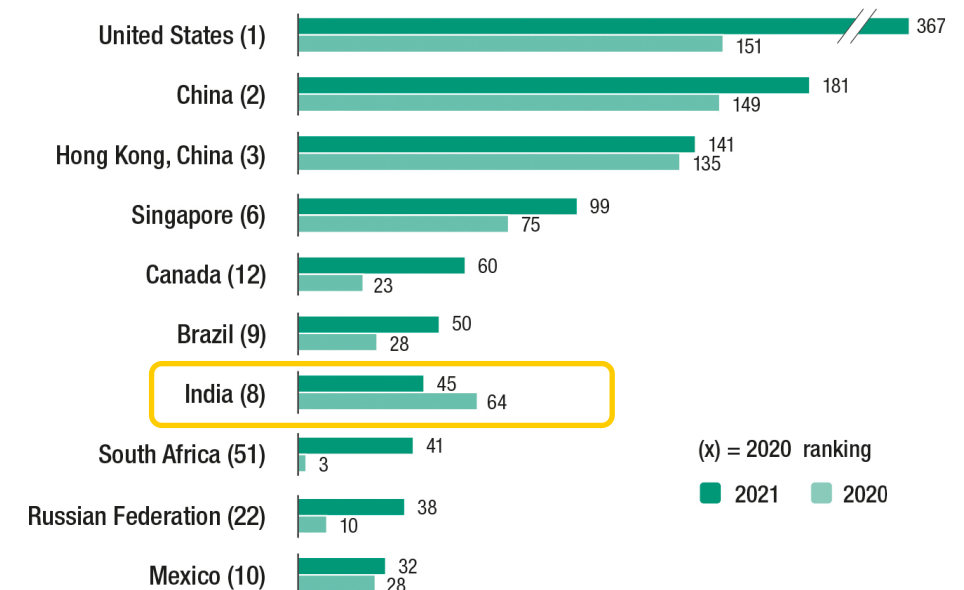
Russian Federation (145)

Mexico (127)

Source: UN

8th largest FDI recipient

FDI inflows, top 20 host economies, 2020 and 2021 (Billions of dollars)

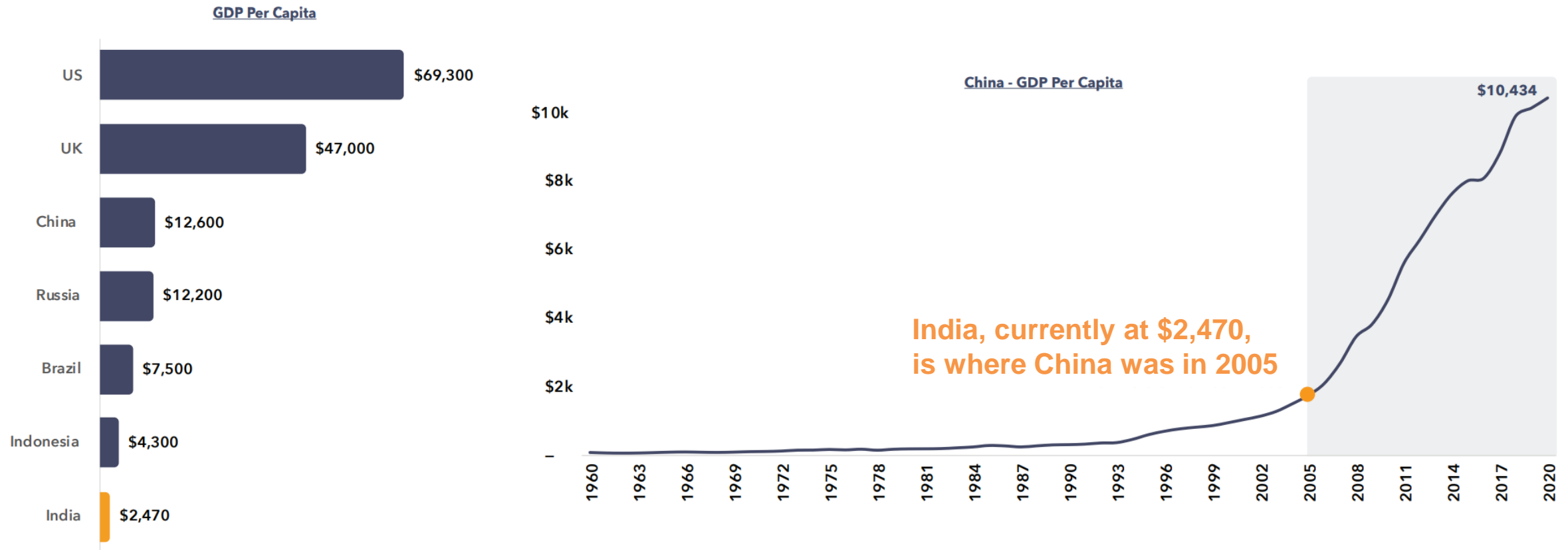


(x) = 2020 ranking
■ 2021 ■ 2020

Source: UNCTAD

Setting the stage for future accelerated economic growth

- Per-capita GDP has crossed an important threshold of US\$2,000



Infrastructure transformation underway

- Transportation upgrades underway for railways, airports, roads and railway freight corridors – desperately needed to support rapid economic and population growth
 - Since 2014, the number of airports with civilian flights has doubled from 74 to 148 and the rural road network has increased from 381,000 to 729,000 kilometers
- Privatized Air India has placed a record order of \$70 billion from Boeing and Airbus

Rapid pace of technological progress

- Broadband connections have risen from 61 million in 2014 to 816 million – now the world's largest connected nation
- Vibrant start-up system – world's 3rd largest source for unicorns with over 110 start-ups having reached the \$1 billion valuation mark
- 63% rise in digital payments year-over-year, with massive adoption of technology platforms

Fairfax India investments

FAIRFAX INDIA

Fairfax Financial Holdings Limited
holds a 42.3% equity interest and
95.0% voting interest in Fairfax India

US\$ 3.4 Billion Investments

US\$588m

3 separately-listed Cos:



- NBFC – loans & mortgages
- 22.3% ownership



- Diversified financial services and products
- 27.8% ownership



- Discount digital broker
- 25.0% ownership



US\$1,234m

- India's 3rd largest airport
- Monopoly asset
- Real estate assets

- 54% FIH ownership
- Private



US\$338m

- PVC and caustic soda producer

- 43% FIH ownership
- Private



US\$69m

- Warehousing
- Grain storage silos
- NBFC

- 89% FIH ownership
- 10-yr convertible debentures
- Private



US\$223m

- Private sector bank with 649 branches and 512 ATMs across India

- 50% FIH ownership
- Listed



US\$111m

- Oleo chemicals and nutraceuticals

- 53% FIH ownership
- Listed



US\$97m

- Ocean-going tankers

- 49% FIH ownership
- Private

US\$160m



- Largest stock exchange
- 1% ownership

US\$51m



- Container freight station
- 51% ownership

US\$52m



- Aluminum die casting
- 67% ownership

US\$33m



- Electrical connectors
- 70% ownership

US\$403m other

- \$318 cash and gov't bonds
- \$63m liquid public equities
- \$22m private equities (India Housing Fund)



Bangalore International Airport

- One of the fastest growing airports in the world

Bangalore International Airport Limited (BIAL)

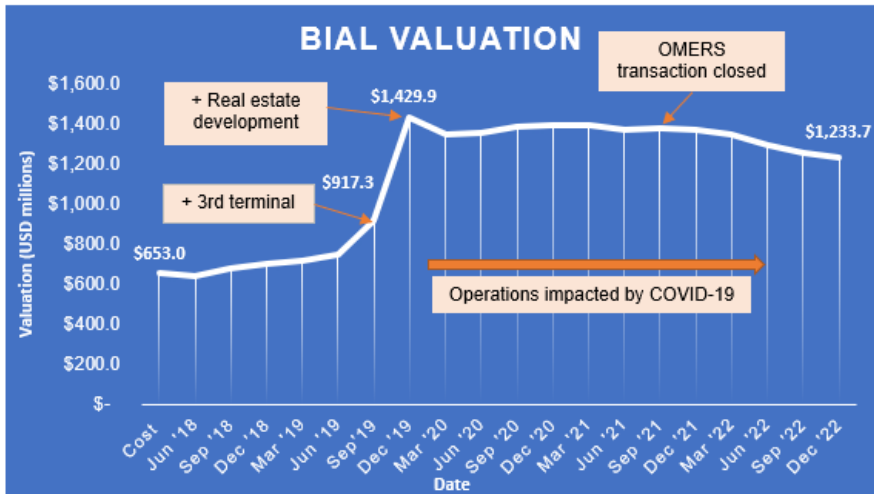
Ownership %	54.0%
Initial investment date	Mar 2017
Amount invested	\$653
Fair value - Dec 31, 2022	\$1,234
Annual rate of return	12.2%
Multiple of net investment	1.9x



(Rs billions - Ind-As)	Twelve months ended			Compound Annual Growth
	Dec 31, 2017	Dec 31, 2021	Dec 31, 2022	
Total assets	53.9	120.2	138.8	
Shareholders' equity	21.6	22.6	22.2	1%
Revenue	15.0	7.8	15.8	
Net earnings (loss)	6.5	(4.5)	(0.5)	
Return on equity	30.1%	(20.1%)	(2.1%)	0% *

- Terminal 2 was inaugurated in November 2022 and commenced domestic operations in January 2023
 - The ~256,000 Sqm (~2.8 million sq. ft) terminal increases passenger capacity to ~50 million annually
 - First-of-its-kind 'Terminal in a Garden', with over 600,000 plants
 - Designed and built on 4 key pillars (Terminal in a Garden, Sustainability, Technology and Art & Culture), paying homage to Bengaluru as the garden city and technology hub of India
- Passenger traffic of 27.5 million in 2022 was 71% higher than 2021, and by December had returned to pre-pandemic levels
 - Revenue (\$200 million) and EBITDA (\$120 million) both recovered to ~2019 levels
- Recorded all-time high cargo volume in 2022 of ~413,000 metric tons
- Despite the pandemic impact, BIAL generated an ROE of 17% for the last two five-year control periods ending March 2021

BIAL – valuation (54% ownership)



Fairfax India's largest investment:

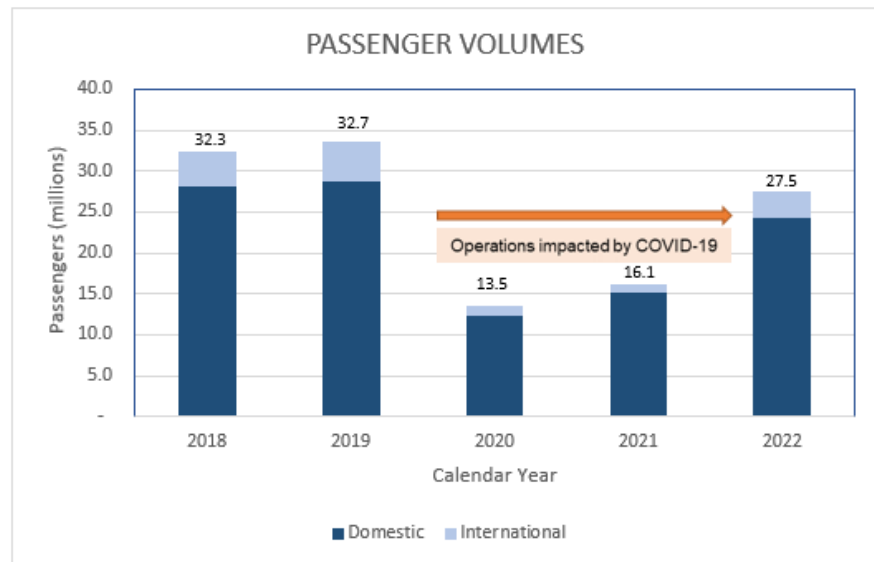
- India's 3rd largest and one of the fastest growing airports in the world
- Commenced operations in 2008 under a concession agreement with the Government of India until 2068
- Three main sources of revenue: aero revenue, non-aero revenue and monetization of 460 acres of land
- ~27.5 million passengers in 2022, an increase of 71.1% compared to 2021
- Processed ~413,000mt of cargo in 2022 - highest since the airport's inception

Impact of COVID-19:

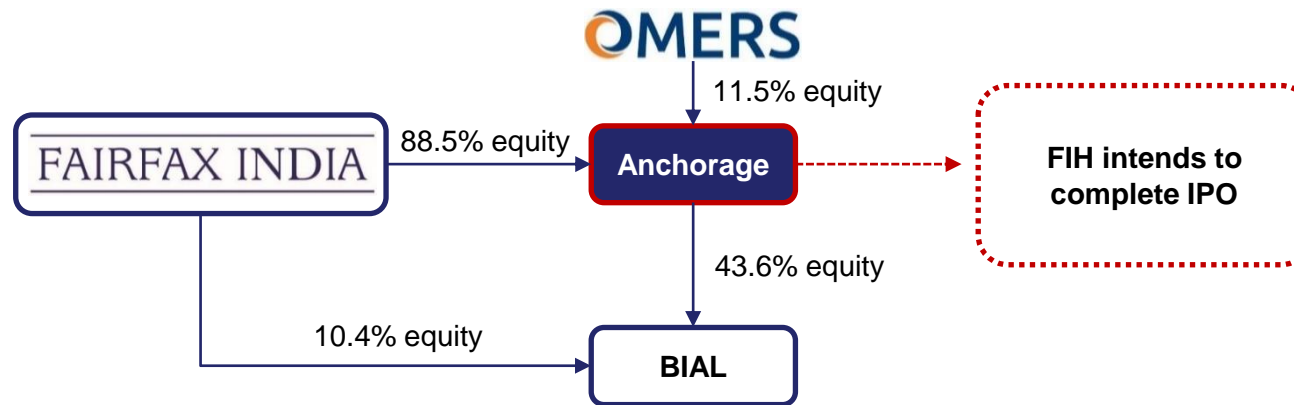
- Domestic and international flights ceased in March 2020 and resumed in May 2020 and March 2022
- Domestic passenger now at an annual rate of ~28.1 million passengers (116% of pre-pandemic level)
- International traffic now at an annual rate of ~3.8 million passengers (85% of pre-pandemic level)
- Real estate development is progressing well

Terminal 2:

- On November 11, 2022, Prime Minister Modi inaugurated BIAL's state-of-the-art Terminal 2, which increases annual capacity by 25 million passengers



Anchorage transaction and prospective IPO

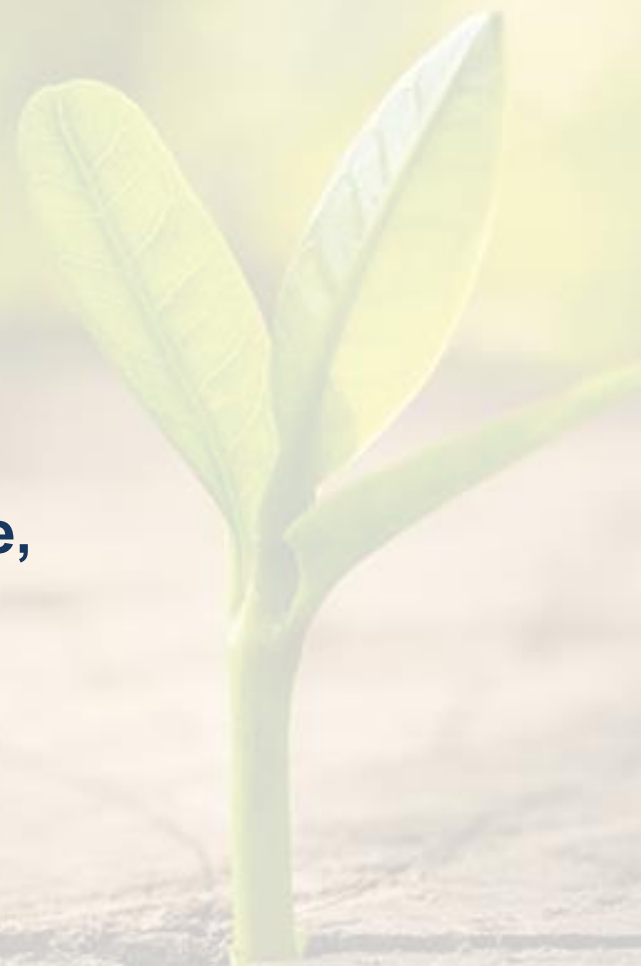


- Fairfax India created Anchorage Infrastructure Investment Holdings ('Anchorage') in 2019, which will be its flagship vehicle for airport and other infrastructure investments in India
- In September 2021 Fairfax India transferred a 43.6% interest in BIAL to Anchorage and sold an 11.5% interest in Anchorage to OMERS for \$129 million, valuing BIAL at \$2.6 billion
- Fairfax India intends to complete an IPO of Anchorage once regulatory approvals are received
- Once Anchorage is listed, proportion of listed securities in Fairfax India's portfolio will increase from ~40% to ~80% of the total portfolio



IIFL
FINANCE

- ❖ **Diversified NBFC – home, gold, microfinance, construction and SME business loans**
- ❖ **\$7.0 billion AUM**
- ❖ **3,965 branches across 25 states in India**
- ❖ **32,700 employees**
- ❖ **8 million customers**



IIFL Finance

Ownership %	22.3%
Initial investment date	Dec 2015
Amount invested	\$0
Fair value - Dec 31, 2022	\$493
Annual rate of return	19.8% ⁽¹⁾
Multiple of net investment	3.1x ⁽¹⁾



(Rs billions - IGAAP/Ind-As)	Twelve months ended			Compound Annual Growth
	Dec 31, 2017	Dec 31, 2021	Dec 31, 2022	
Total assets	273.5	429.7	489.1	
Shareholders' equity	38.6	62.6	99.1	21%
Net revenue	17.8	38.4	49.5	23%
Net earnings	5.1	11.2	14.7	24%
Return on equity	13.2%	17.8%	14.8%	15% ⁽²⁾

- Revenue grew 29% to \$631 million and net profit grew 32% to \$187 million, generating a 15% ROE
- Assets under management grew 24% to \$7.0 billion
- Well positioned for continued lending growth:
 - Added over 800 new branches (+26%) and 6,700 employees (+26%) in 2022
 - A diversified asset portfolio of which 95% is retail in nature, with very conservative loan to value (~70% for home and gold loans and ~50% for business loans)
 - Asset quality amongst the best in their peer group (net non-performing assets of 1.1%)
 - Capital adequacy ratio of 22% and net interest margins at 8.3%



Sanmar Chemicals Group

Major PVC and Caustic Soda Manufacturer



Sanmar Chemicals Group

Ownership %	42.9%
Initial investment date	Apr 2016
Amount invested	\$199
Fair value - Dec 31, 2022	\$338
Annual rate of return	13.2%
Multiple of net investment	1.5x



(Rs billions - Ind-As)	Twelve months ended			Compound Annual Growth
	Dec 31, 2017	Dec 31, 2021	Dec 31, 2022	
Total assets	102.9	162.9	169.7	
Shareholders' equity (deficit)	(18.2)	31.2	41.7	
Revenue	42.4	96.0	107.1	20%
Net earnings (loss)	(5.6)	7.6	5.8	
Return on equity		24.4%	14.0%	

Sanmar – business update



- Following an outstanding year in 2021, revenue grew 11% to \$1.4 billion, EBITDA declined 14% to \$224 million and pre-tax profit grew 5% to \$91 million in 2022, with results driven by:
 - High-capacity utilization
 - Strong PVC demand and record prices in the first quarter, offset by steep price declines during the rest of 2022
 - Global tightness in caustic soda supplies

<i>By entity (in \$ millions)</i>	Revenue	EBITDA	Pre-tax Profit
CSL (higher margin paste PVC and specialty chemicals)	308 (+36%)	59 (-23%)	48 (+13%)
CCVL (high volume and lower margin suspension PVC)	438 (-6%)	32 (-59%)	12 (-76%)
TCI (Egypt – suspension PVC, calcium chloride and caustic soda)	647 (+22%)	147 (+41%)	45 (+146%)



**RETAIL
BANKING**

**SME
BANKING**

**WHOLESALE
BANKING**

649 branches and 512 ATMs
across India



CSB Bank



Ownership %	49.7%
Initial investment date	Oct 2018
Amount invested	\$170
Fair value - Dec 31, 2022	\$223
Annual rate of return	7.5%
Multiple of net investment	1.3x

(Rs billions - IGAAP)	Twelve months ended			Compound Annual Growth
	Dec 31, 2017	Dec 31, 2021	Dec 31, 2022	
Total assets	158.7	237.1	265.5	
Shareholders' equity	9.5	25.1	30.5	26%
Net revenue	5.1	13.7	15.4	25%
Net earnings (loss)	(0.9)	3.7	5.2	
Return on equity	-9.0%	14.7%	17.0%	6% *

- CSB had another record year in 2022
 - Revenue increased 12% to \$196 million and net profit increased 41% to \$66 million
 - Loan advances grew 26% and deposits grew 19%
 - Net interest income grew by 15%, with an industry leading net interest margin of 5.0%
 - Net NPAs decreased from 1.4% to 0.4%
 - Capital adequacy ratio increased from 21% to 26%



India's largest stock exchange

- Market share of ~93% in cash equity trading and 100% in equity derivatives trading
- ~200,000 terminals in over 2,000 centres

National Stock Exchange (NSE)

Ownership %	1.0%
Initial investment date	Jul 2016
Amount invested	\$27
Fair value - Dec 31, 2022	\$160
Annual rate of return	35.2%
Multiple of net investment	6.3x



<i>(Rs billions - IGAAP/Ind-As)</i>	<i>Twelve months ended</i>			Compound Annual Growth
	Mar 31, 2018	Dec 31, 2021	Dec 31, 2022	
Total assets	182.3	293.1	383.4	
Shareholders' equity	73.5	139.5	185.6	22%
Revenue	30.3	83.3	123.9	34%
Net earnings	14.6	40.0	68.7	39%
Return on equity	19.9%	28.7%	37.0%	29% *

- Revenue grew 49% to \$1.6 billion, net income grew 72% to \$875 million in 2022, generating an ROE of 37%
- The planned IPO was again delayed – timing remains uncertain
- Fairfax India's 1% interest is valued at \$160 million based on private transactions by foreign investors – represents a price to 2022 earnings multiple of ~19 times

India has emerged as a crucial manufacturing alternative

- With the global movement to diversify supply chains, India is becoming a key source for manufactured goods and parts
- Fairfax India has completed two important acquisitions in the manufacturing sector in the past two years:



Acquired a 67% interest in Maxop Engineering for \$51 million

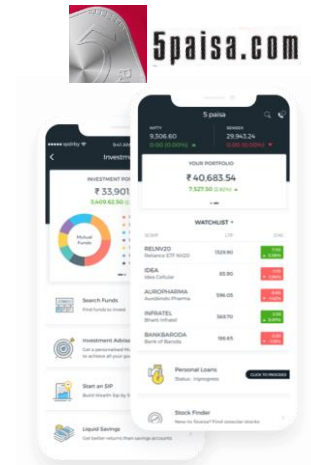
- Precision aluminum diecasting and machining solution provider for aluminum die cast components used by the automotive and industrial sectors



Acquired a 70% interest in Jaynix Engineering for \$33 million

- Manufacturer of non-ferrous electrical neutral bars, lugs, connectors and assemblies

Other Investments



- One of India's fastest growing discount brokers



- Major capital market player in Indian financial services



- Oleochemicals

- Nutraceuticals



- Leading container freight station at Mundra port



- Warehousing, grain storage silos, and NBFC



- 2nd largest tanker private shipping company in India

FAIRFAX INDIA
