

SPEECH BY

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Good evening, thank you very much for that kind introduction and Mr. President of the Hellenic Republic, Mr. Prime Minister, Ministers and Members of Parliament, Mr. Chairman of SEV and ladies and gentlemen, good evening.

Thank you very much for inviting me to speak to you. It is a great honor to stand in front of this beautiful auditorium. Our company Fairfax has been in business for 31 years and we have developed our company over that long and I have been the Chairman of that company and over some time they call you “boss” because I have been there for so long. And I say, look here. I find there are many bosses. There’s all sorts of leaders, bosses. So it reminds me of the story of this gentleman who went to buy a parrot and he went to a pet store to buy a parrot and the pet shop owner said there’s three parrots and he said “How much does that cost?” He said, “That would cost 500 euro.” “500 euro for a parrot? Why is it so expensive?” So he said “That parrot knows how

to play the computer, so that's why it costs 500 dollars." He said, "How about the second parrot?" "The second parrot costs 1,000 dollars." "One thousand dollars? Why would you pay 1,000 dollars for a parrot?" He said, "That one not only can play the computer; it can design a computer system, so it is very-very good." So then he says, "I don't want to ask you, but what about that third parrot?" And he says, "The third parrot is 2,000 dollars." And so he is afraid to ask, he says, "What does that third parrot do?" So the owner says, "You know, to be quite honest, I don't know what he does, but the other two call him boss."

Thank you again, as I said, thank you very much for inviting me here. I love Greece, we love the Greek people, we came here about two years ago, I got 50 of our management team, Board of Directors, so 1,000 people to Costa Navarino and we spent most of a week there and it was wonderful. We experienced Greek hospitality and all of our people had a wonderful time. And so I must tell you, we are very-very fortunate to have done that. And this year, in the summer, in August, I am going to be coming with my family, my wife, my children, three children and five grandchildren, to one of the islands that you have, one of the Greek islands. You know, we have invested quite a bit of money, I thought we would have a bit of holiday at the same time.

But I wanted to add to Mr. Tsipras' comment, the Prime Minister, 110th anniversary. It is a huge milestone and shows what a wonderful history Greek business has. But I must tell you; what Greece has gone through in the last eight years -you know this, but I want to highlight it for you- your GDP has fallen 27% from the peak in 2008, eight years ago. Worse than the Great Depression in the United States. Worse than the Great Depression in the 1930s and the Asian crisis in 1997, what you all have gone through. Unemployment went right up to 27.5%, it is coming down, but still about almost 24%. But I am just going to rattle some numbers. It is quite amazing, your residential buildings, construction of houses is down 86% from 2010,

96% from the peak in 2005. Automobile sales are down 80%, capital spending has fallen 67% and is now only 10% of GDP, it used to be 27%. Foreign direct investment is minimal, in fact last year it was a little negative, tenure interest rates went right up to 36% in 2012, now they are about 6%. And the Greek stock market from the high has dropped about 90%.

So these are all numbers that suggest that Greece has gone through a depression, a very strong depression. And all of you in business must be congratulated that you survived that. And you have done well. In China, China has characters and they have a character for crisis and the character for crisis is the same as the character for opportunity. One character shows crisis and it also shows opportunity. And I think that's what I was going to tell you. That Greece has gone through a really bad time, bottomed down, and it is going to be looking good.

Our company has gone through this time period ourselves and I tell our shareholders, I tell them about this story about a family that had two boys. They looked alike, twins, but one was an optimist and one was a pessimist. Same family, but one was optimism, one was pessimist. So the father said, "Let me see what will happen." He bought on the twins' birthdays a lot of presents for the pessimist. He bought presents, he gave them all sorts of presents and then he went that night to the pessimist twin's room and the pessimist boy was crying. He said, "Why are you crying?" the father said. "Because my friends will be jealous. I have to read all these instructions before I can do anything. I will constantly need batteries and my toys will eventually get broken," the pessimist twin said. The father went to the optimist twin, he went to his room. Father found this optimist twin dancing for joy, laughing, and he said, "Why are you so happy?" So the optimist twin said, because the father had put a lot of manure in his room and it was smelly, the optimist twin said, "There must be a pony someplace."

So I am an optimist and I think Greece has bottomed up and I think Greece is going to be doing well and I want to spend a few minutes telling you that. Why did we invest in Greece? Mister Tsipras, the Prime Minister has mentioned that to you, part of the EU wonderful entrepreneurial people, and I just thought I would give you a sense for where we have put our money. We bought one of your largest life insurance property casualty companies called Eurolife, run by Alex Sarioglou, and fantastic track record, beyond 80% of it and we bought that. It is one of the best companies. We invest all over the world, it is one of the best companies I think in the world. We bought 18% of Eurobank, it is run by Fokion Karavias and Nick Karamouzis as Chairman, Fokion as CEO. We would rank them any CEOs in the world at that combination. We have 40% of a company called GRIVALIA, which is a real estate company run by a gentleman with the name George Chryssikos, tremendous operator, you can take him to the United States and he would do well. That's the kind of persons that you have. And we have invested in Evangelos Mytilineos' company and his track record is outstanding. I spent some time with him on this trip and finally we have 100% of a company called PRAKTIKER home improvement where you spend time. This company's sales have dropped 50% from the high and Yannis Selalmazidis as the leader of this company has never lost money in the last 15 years. Never lost money. And it is quite an outstanding track record that they have had.

And so, our experience in business here in Greece is you have got as the Prime Minister said tremendous talent, very-very good talent and very good human resources, really well educated, in Greece, in the United Kingdom, in the United States, great infrastructure, outstanding history and culture, not that I have to tell you this, but all you have to do is look at the Acropolis built 2,500 years ago and built as a monument to the greatness of Athens that you can take an inspiration from. So when I look at Greece, I say, what do you have to do to go forward? And my sense for the government, for

the Prime Minister, is economic freedom. We invest all over the world and the countries that do well have economic freedom. Democracy, but economic freedom. ...for infrastructure, regulations, universities and schools, very important for education, but business creates jobs. That's what I have seen all over the world. Business creates jobs. And that will happen here also.

I thought I would make it personal and illustrate my own case, my own story. I immigrated to Canada about 45 years ago, and this isn't my story, it is not very unique, there is a ton of people in the United States and Canada that have my story. I immigrated in the age of 22, with no money in my pocket, eight dollars to be exact, it was a lot of money at the time. Canada welcomed me warmly as it does to immigrants from all over the world. Lots of Greek immigrants in Canada. Wonderful country and I am very blessed to live there. All my working life was in Canada, 45 years. And Canada provided me with unlimited opportunity. I worked for a life insurance company for nine years, before taking control of a small insurance company, 1985, 31 and a half years ago. I didn't have any money, as I said, but people backed us. In a couple of years, we changed the name of our company, after a couple of years to Fair Friendly Acquisition, Fairfax, etc., and that's where we got the name from, one of my secretaries came up with the name, I tried the Board of Directors, it didn't work, the secretary came up with the name. We had revenues when we began of 10 million. 31 years later, we have revenues of 10 billion. Investment portfolios of 24 million, we have 30 billion today. Our capital in the company was 10 million; it is 10 billion today. And our stock price was 3.25 and it is now 650. Our stock price came up about 20% a year for 31 years. There's only about ten companies among the big companies in the United States that have done that. We had less than 50 employees. We have 22,000 employees in our insurance business and we control restaurants in Canada and we have 50,000 employees.

So, why? I was fortunate, I don't consider myself any smart or bright, whatever, I was fortunate to go to a country which was business-friendly, which allowed you to do these things. Our own company, if I can take two minutes, we have got a wonderful culture. Our culture is based upon providing outstanding service to our customers, looking after the people who provide that service, making a return, being profitable, and then putting money back into the community we do business. So when we began, the whole company was worth 2 million dollars. In the last few years, we have invested 15 to 20 million dollars each year in the communities we do business.

So we have prospered mightily and I just wanted to highlight two or three guiding principles that we have followed all these years and might be useful for you. Everything we have done is long-term. We focused on the long-term. You build a business over time. You don't build it over three months, six months, a year. You build it over time. And that's what we have done. We have an odd principle. We say we work very hard, but we don't want to work in the expense of our families. We put families right up at the top. And we have believed that teams work really well. So we are very team-oriented and we are fearful of people who have big egos and are arrogant. So, President Ronald Reagan made this statement years ago, that anything in the world is possible, anything in the world is possible, if you don't care who gets the credit. If you don't care if it is your idea, my idea, as long as it is good for the company you should do it. And we try to follow that.

So, when you do these policies and you take a long-term view, our view is business can be a calling, like doctors have a calling, business can be a calling, because you provide so many essential services to a community. If you can look after the needs of your customers, employees, communities which you operate, finally make the return for your shareholders.

I wanted to share with you my experience in Ireland. Very similar to Greece. It went through a very tough time. 2011, the Irish economy

bottomed out. It was down 15%, half of what happened in Greece. Unemployment went to 14%. Tenure rates, government rates went to 14% and the country of Ireland could not borrow any money, no one would lend Ireland any money. Today, the rates are less than 1% for tenures, 0.5%. I went back and I looked at what the EU, IMF and the Irish Department of Finance said at the time. 2012, 2013, they are looking in the future, they predicted the economy would go 1% to 2.5% next few years. Here's what happened in Ireland. 2014, 4.8%. 2015, 7.8%, almost 8%, and 2016, last year, 5.2%. All my point is these are very good people, they are conservative, but they cannot predict what will happen when you have come down significantly and you are on the rise.

So, what can Greece do now, at this point? You know, I wanted to say we came to Greece, because of Mr. Samaras in 2014, I want to thank him for being very hospitable inviting us to Greece, but the present government led by the Prime Minister, Mr. Tsipras, has done all that the Troika wanted it to do. It was tough for the Prime Minister to do this, but he has done it. I want to congratulate him and the Finance Minister for completing a very difficult task and not what, I am sure, he wanted to do. But he has done it and it is behind us. Now, as you know and he knows, it is important to complete the second program review as quickly as possible. Because what Greece needs and what Ireland had is take out the uncertainty. You have to take out the uncertainty.

I would recommend, being my experience, the government has business-friendly policies. Friendly policies for business to provide employment. In fact, I would suggest to the government, to the Prime Minister, have Greece be the best place to do business, one of the best places in the world to do business. You have got such wonderful weather, you have terrific people, no reason you cannot be among the best places to do business. Of course, you have to broaden the tax base and I think the Prime Minister, the

Finance Minister are already doing that, collect taxes, lots have already been down as he talked about in terms of credit cards and that type of thing for payments, getting away from the cash economy. Greek bonds should be a part of the QE now. Mister Tsipras, the Prime Minister with the Finance Minister, is going to try that, but that is something that should happen and, as he said, the capital controls should be removed. Cyprus had them for two years, they removed it, money came in. Greece is now in June two years for capital controls. Remove it, money will come, deposits will come and they will not go out. And you have to do that.

Finally, Greece today does not have access to the bond market. That is why you are going to EU for 7 billion and you have to get it from there. The United States of America, the biggest, largest country in the world would go bankrupt if it didn't have access to the bond market. So if it had 4 billion due or 10 billion due, and bonds matured and if they couldn't access and refinance it, they wouldn't be able to survive. No country can survive. And that is what Greece has. I suggest to you that if you do these things you will get access to the bond market, you will get control of your destiny again and I think I am an optimist and I think all of these things will happen in Greece. And we will look back, you went through a really-really tough period, but that will be behind you.

So let me just end by quoting the French writer Charles, very smart, and they had a saying in French, my French is not very good, but here is what the saying goes, in English it goes like this: "Buy when you hear the sound of cannon. Sell when you hear the sound of trumpets." And I want to tell you, ladies and gentlemen, for Greece I hear the sound of cannon. So, thank you again for inviting me to speak in front of you and I really appreciate it. Thank you.