Debt to Equity Ratio Statement

COMMONWEALTH INSURANCE COMPANY OF AMERICA

ITEM 10

DEBT-TO-EQUITY RATIO STATEMENT

Fairfax Financial Holdings Limited **Confidential Treatment Requested**

Debt Balances

31-Dec-13

Debt to Equity Ratio

Consolidated Equity	8,460.5

Duration	Amount	Ratio
Up to 5 Years	588.9	7.0%
Up to 10 Years	2,608.4	30.8%
Up to 20 Years	2,791.7	33.0%
Over 20 Years	2,994.5	35.4%

Tangible Net Worth

2011	7,247.4
2012	7,499.9
2013	7,041.3
2014 - Projected	7,270.1

Assumptions for 2014

FFH Consolidated tangible net worth grows 3.2% in 2014P

FFH Holding company as follows:

- Annual 2% gains (realized and unrealized) on holding company cash and investments
- Annual 1.8% yield on holding company cash and investments
- Dividend capacity of approximately $524 million available in 2014 at principal operating companies
- Dividends from operating companies of $250 million in 2014P
- Normal level CAT losses
- Maturing debt obligations are generally refinanced

Sources of Debt Repayment

Current cash

Dividends from operating companies

Access to debt markets

	Principal	Carrying	Fair	1 to 5	5 to 10	10 to 20	Over 20	Total
Subsidiary indebtedness - non-insurance companies								
Ridley US$50.0/Cdn equivalent secured revolving term facility at floating rate	4.8	4.8	4.8	4.8				4.8
Thomas Cook India short term loans, commercial paper and bank overdraft	6.0	6.0	6.0	6.0				6.0
IKYA credit facilities and bank overdraft	10.3	10.3	10.3	10.3				10.3
Other	4.7	4.7	4.7	4.7				4.7
	25.8	25.8	25.8	25.8	-	-	-	25.8

	Principal	Carrying	Fair
Subsidiary indebtedness - non-insurance companies			
Ridley US$50.0/Cdn equivalent secured revolving term facility at floating rate	4.8	4.8	4.8
Prime Restaurants equipment and other loans at fixed rate	-	-	-
Tommy & Lefebrve Cdn$5.0M loan at floating rate due Jun 17, 2014	4.7	4.7	4.7
Thomas Cook India short term loans at fixed rate	-	-	-
Thomas Cook India commercial papers at fixed rate	-	-	-
Thomas Cook India bank overdraft at floating rate	6.0	6.0	6.0
IKYA credit facilities at floating rate	4.9	4.9	4.9
IKYA bank overdraft at floating rate	5.4	5.4	5.4
	25.8	25.8	25.8

Long term debt – holding company borrowings	Principal	Carrying	Fair	1 to 5	5 to 10	10 to 20	Over 20	Total
Fairfax unsecured notes:								
7.75% due April 15, 2012	-	-	-					-
8.25% due October 1, 2015	82.4	82.3	91.3	82.3				82.3
7.75% due June 15, 2017	-	-	-					-
7.375% due April 15, 2018	144.2	144.0	161.7	144.0				144.0
7.50% due August 19, 2019 (Cdn$400.0)	376.5	373.8	426.2		373.8			373.8
7.25% due June 22, 2020 (Cdn$275.0)	258.8	257.2	290.0		257.2			257.2
5.80% due May 15, 2021	500.0	495.5	507.0		495.5			495.5
6.40% due May 25, 2021 (Cdn$400.0)	376.5	373.5	400.9		373.5			373.5
5.84% due October 14, 2022 (Cdn$450.0)	423.5	429.7	427.3		429.7			429.7
8.30% due April 15, 2026	91.8	91.5	107.4			91.5		91.5
7.75% due July 15, 2037	91.3	90.2	93.9				90.2	90.2
TIG Note	-	-	-					-
Trust preferred securities of subsidiaries	9.1	9.1	9.2			9.1		9.1
Purchase consideration payable	144.2	144.2	144.2	144.2				144.2
Long term debt – holding company borrowings	2,498.3	2,491.0	2,659.1	370.5	1,929.7	100.6	90.2	2,491.0

				1 to 5	5 to 10	10 to 20	Over 20	Total
Long term debt – insurance and reinsurance companies								
OdysseyRe unsecured senior notes:								
7.65% due November 1, 2013	-	-	-					-
6.875% due May 1, 2015	125.0	124.5	134.7	124.5				124.5
Series A, floating rate due March 15, 2021	50.0	49.9	47.3		49.9			49.9
Series B, floating rate due March 15, 2016	50.0	49.9	50.6	49.9				49.9
Series C, floating rate due December 15, 2021	40.0	39.9	38.5		39.9			39.9
Crum & Forster unsecured senior notes:								-
7.75% due May 1, 2017	-	-	-					-
First Mercury trust preferred securities:								-
Trust III, floating rate due December 14, 2036	25.8	25.8	25.8				25.8	25.8
Trust IV, 8.25% through December 15, 2012, floating rate thereafter, due September 26, 2037	15.6	15.6	15.6				15.6	15.6
Zenith National redeemable debentures:								-
8.55% due August 1, 2028	38.4	38.1	38.1			38.1		38.1
Advent subordinated notes:								-
floating rate due June 3, 2035	34.0	33.0	30.5				33.0	33.0
12.0 million, floating rate due June 3, 2035	16.5	16.0	15.0				16.0	16.0
Advent unsecured senior notes:								-
floating rate due January 15, 2026	26.0	25.2	26.0			25.2		25.2
floating rate due December 15, 2026	20.0	19.4	20.0			19.4		19.4
American Safety trust preferred:								-
LIBOR+3.4% due December 15, 2035	21.4	22.2	22.2				22.2	22.2
								-
Long term debt – insurance and reinsurance companies	462.7	459.5	464.3	174.4	89.8	82.7	112.6	459.5

Long term debt – insurance and reinsurance companies			
First Mercury floating rate trust preferred securities:	41.4	41.4	41.4
Advent subordinated notes:	50.5	49.0	45.5
Advent unsecured senior notes:	46.0	44.6	46.0

Long term debt – non-insurance companies			
Thomas Cook India debentures INR 1 billion at 10.52% due April 15, 2018	16.2	16.1	16.1
Other loans	2.2	2.1	2.1
	18.4	18.2	18.2

Long term debt – non-insurance companies				1 to 5	5 to 10	10 to 20	Over 20	Total
Ridley economic development loan at 1% due August 10, 2019	-	-	-					-
Thomas Cook India debentures INR 1 billion at 10.52% due April 15, 2018	16.2	16.1	16.1	16.1				16.1
Kitchen Stuff Plus capital loan prime+2.5% due August 23, 2017	2.2	2.1	2.1	2.1				2.1
	18.4	18.2	18.2	18.2	-	-	-	18.2
Long term debt – subsidiary company borrowings	481.1	477.7	482.5	192.6	89.8	82.7	112.6	477.7

Total Debt	2,979.4	2,968.7	3,141.6	563.1	2,019.5	183.3	202.8	2,968.7
		2,994.5		588.9	2,019.5	183.3	202.8	2,994.5
			1 to 5	588.9				
			1 to 10	2,608.40				
			1 to 20	2,791.70				
			All	2,994.5				

Consolidated Financial Statements

Consolidated Balance Sheets

as at December 31, 2013 and December 31, 2012

	Notes	December 31, 2013	December 31, 2012
		(US$ millions)	
Assets			
Holding company cash and investments (including assets pledged for short sale and derivative obligations – $124.4; December 31, 2012 – $140.2)	5, 28	1,296.7	1,169.2
Insurance contract receivables	10	2,017.0	1,945.4
		3,313.7	3,114.6
Portfolio investments			
Subsidiary cash and short term investments	5, 28	7,445.7	6,960.1
Bonds (cost $9,190.0; December 31, 2012 – $9,428.9)	5	9,550.5	10,803.6
Preferred stocks (cost $565.1; December 31, 2012 – $618.7)	5	541.8	605.1
Common stocks (cost $3,305.5; December 31, 2012 – $4,066.3)	5	3,835.7	4,399.1
Investments in associates (fair value $1,815.0; December 31, 2012 – $1,782.4)	5, 6	1,432.5	1,355.3
Derivatives and other invested assets (cost $667.8; December 31, 2012 – $524.0)	5, 7	224.2	181.0
Assets pledged for short sale and derivative obligations (cost $829.3; December 31, 2012 – $791.1)	5, 7	802.9	859.0
		23,833.3	25,163.2
Deferred premium acquisition costs	11	462.4	463.1
Recoverable from reinsurers (including recoverables on paid losses – $353.3; December 31, 2012 – $311.0)	9	4,974.7	5,290.8
Deferred income taxes	18	1,015.0	607.6
Goodwill and intangible assets	12	1,311.8	1,321.2
Other assets	13	1,047.9	984.9
		35,958.8	36,945.4

See accompanying notes.

Signed on behalf of the Board

V. P. Watsa
Director

Alan Horn
Director

	Notes	December 31, 2013	December 31, 2012
		(US$ millions)	
Liabilities			
Subsidiary indebtedness	15	25.8	52.1
Accounts payable and accrued liabilities	14	1,800.4	1,877.7
Income taxes payable	18	80.1	70.5
Short sale and derivative obligations (including at the holding company - $55.1; December 31, 2012 - $41.2)	5, 7	268.4	238.2
Funds withheld payable to reinsurers		461.2	439.7
		2,635.9	2,678.2
Insurance contract liabilities	8	21,893.7	22,376.2
Long term debt	15	2,968.7	2,996.5
		24,862.4	25,372.7
Equity	16		
Common shareholders' equity		7,186.7	7,654.7
Preferred stock		1,166.4	1,166.4
Shareholders' equity attributable to shareholders of Fairfax		8,353.1	8,821.1
Non-controlling interests		107.4	73.4
Total equity		8,460.5	8,894.5
		35,958.8	36,945.4

See accompanying notes.

Consolidated Statements of Earnings
for the years ended December 31, 2013 and 2012

	Notes	2013	2012
		(US$ millions except per share amounts)	
Revenue			
Gross premiums written	25	7,227.1	7,398.3
Net premiums written	25	6,036.2	6,194.1
Gross premiums earned		7,294.0	7,294.8
Premiums ceded to reinsurers		(1,216.7)	(1,209.9)
Net premiums earned	25	6,077.3	6,084.9
Interest and dividends	5	376.9	409.3
Share of profit of associates	6	96.7	15.0
Net gains (losses) on investments	5	(1,564.0)	642.6
Other revenue	25	958.0	871.0
		5,944.9	8,022.8
Expenses			
Losses on claims, gross	8	4,615.6	5,265.5
Losses on claims ceded to reinsurers	9	(945.3)	(1,022.9)
Losses on claims, net	26	3,670.3	4,242.6
Operating expenses	26	1,185.0	1,132.1
Commissions, net	9	969.2	920.0
Interest expense	15	211.2	208.2
Other expenses	26	910.3	870.9
		6,946.0	7,373.8
Earnings (loss) before income taxes		(1,001.1)	649.0
Provision for (recovery of) income taxes	18	(436.6)	114.0
Net earnings (loss)		(564.5)	535.0
Attributable to:			
Shareholders of Fairfax		(573.4)	526.9
Non-controlling interests		8.9	8.1
		(564.5)	535.0
Net earnings (loss) per share	17	$ (31.15)	$ 22.95
Net earnings (loss) per diluted share	17	$ (31.15)	$ 22.68
Cash dividends paid per share	16	$ 10.00	$ 10.00
Shares outstanding (000) (weighted average)	17	20,360	20,327

See accompanying notes.

Consolidated Statements of Comprehensive Income

for the years ended December 31, 2013 and 2012

	Notes	2013	2012
		(US$ millions)	
Net earnings (loss)		(564.5)	535.0
Other comprehensive income (loss), net of income taxes	16		
Items that may be subsequently reclassified to net earnings			
Change in unrealized foreign currency translation gains (losses) on foreign operations		(164.4)	59.2
Change in gains (losses) on hedge of net investment in Canadian subsidiaries	7	96.9	(20.4)
Share of other comprehensive income (loss) of associates, excluding gains (losses) on defined benefit plans	6	(12.9)	(10.1)
		(80.4)	28.7
Items that will not be subsequently reclassified to net earnings			
Share of gains (losses) on defined benefit plans of associates	6	8.9	(10.9)
Change in gains (losses) on defined benefit plans	21	31.3	(17.2)
		40.2	(28.1)
Other comprehensive income (loss), net of income taxes		(40.2)	0.6
Comprehensive income (loss)		(604.7)	535.6
Attributable to:			
Shareholders of Fairfax		(607.1)	527.6
Non-controlling interests		2.4	8.0
		(604.7)	535.6

See accompanying notes.

Consolidated Statements of Changes in Equity

for the years ended December 31, 2013 and 2012
(US$ millions)

	Subordinate voting shares	Multiple voting shares	Treasury shares (at cost)	Share-based payments and other reserves	Retained earnings	Accumulated other comprehensive income	Common shareholders' equity	Preferred shares	Equity attributable to shareholders of Fairfax	Non-controlling interests	Total equity
Balance as of January 1, 2013	3,243.3	3.8	(121.1)	26.8	4,389.8	112.1	7,654.7	1,166.4	8,821.1	73.4	8,894.5
Net earnings (loss) for the year	-	-	-	-	(573.4)	-	(573.4)	-	(573.4)	8.9	(564.5)
Other comprehensive income (loss), net of income taxes:											
Change in unrealized foreign currency translation gains (losses) on foreign operations	-	-	-	-	-	(157.7)	(157.7)	-	(157.7)	(6.7)	(164.4)
Change in gains (losses) on hedge of net investment in Canadian subsidiaries	-	-	-	-	-	96.9	96.9	-	96.9	-	96.9
Share of other comprehensive income (loss) of associates, excluding gains (losses) on defined benefit plans	-	-	-	-	-	(12.9)	(12.9)	-	(12.9)	-	(12.9)
Share of gains (losses) on defined benefit plans of associates	-	-	-	-	-	8.9	8.9	-	8.9	-	8.9
Change in gains (losses) on defined benefit plans	-	-	-	-	-	31.1	31.1	-	31.1	0.2	31.3
Issuance of shares	399.5	-	6.8	(7.1)	-	-	399.2	-	399.2	-	399.2
Purchases and amortization	-	-	(25.7)	21.9	-	-	(3.8)	-	(3.8)	-	(3.8)
Common share dividends	-	-	-	-	(205.5)	-	(205.5)	-	(205.5)	(6.4)	(211.9)
Preferred share dividends	-	-	-	-	(60.8)	-	(60.8)	-	(60.8)	-	(60.8)
Net changes in capitalization (notes 6 and 23)	-	-	-	8.9	1.1	-	10.0	-	10.0	38.0	48.0
Balance as of December 31, 2013	3,642.8	3.8	(140.0)	50.5	3,551.2	78.4	7,186.7	1,166.4	8,353.1	107.4	8,460.5
Balance as of January 1, 2012	3,243.3	3.8	(72.7)	12.9	4,138.2	102.4	7,427.9	934.7	8,362.6	45.9	8,408.5
Net earnings for the year	-	-	-	-	526.9	-	526.9	-	526.9	8.1	535.0
Other comprehensive income (loss), net of income taxes:											
Change in unrealized foreign currency translation gains (losses) on foreign operations	-	-	-	-	-	58.5	58.5	-	58.5	0.7	59.2
Change in gains (losses) on hedge of net investment in Canadian subsidiaries	-	-	-	-	-	(20.4)	(20.4)	-	(20.4)	-	(20.4)
Share of other comprehensive income (loss) of associates, excluding gains (losses) on defined benefit plans	-	-	-	-	-	(10.1)	(10.1)	-	(10.1)	-	(10.1)
Share of gains (losses) on defined benefit plans of associates	-	-	-	-	-	(10.9)	(10.9)	-	(10.9)	-	(10.9)
Change in gains (losses) on defined benefit plans	-	-	-	-	-	(16.4)	(16.4)	-	(16.4)	(0.8)	(17.2)
Issuance of shares	-	-	2.2	(2.7)	-	-	(0.5)	231.7	231.2	-	231.2
Purchases and amortization	-	-	(50.6)	16.6	-	-	(34.0)	-	(34.0)	-	(34.0)
Common share dividends	-	-	-	-	(205.8)	-	(205.8)	-	(205.8)	(6.7)	(212.5)
Preferred share dividends	-	-	-	-	(60.5)	-	(60.5)	-	(60.5)	-	(60.5)
Net changes in capitalization (note 23)	-	-	-	-	-	-	-	-	-	26.2	26.2
Other (note 6)	-	-	-	-	(9.0)	9.0	-	-	-	-	-
Balance as of December 31, 2012	3,243.3	3.8	(121.1)	26.8	4,389.8	112.1	7,654.7	1,166.4	8,821.1	73.4	8,894.5

See accompanying notes.

Consolidated Statements of Cash Flows

for the years ended December 31, 2013 and 2012

	Notes	2013	2012
		(US$ millions)	
Operating activities			
Net earnings (loss)		(564.5)	535.0
Depreciation, amortization and impairment charges	25	104.3	71.0
Net bond discount amortization		(22.1)	(48.9)
Amortization of share-based payment awards		21.9	16.6
Share of profit of associates	6	(96.7)	(15.0)
Deferred income taxes	18	(431.8)	15.8
Net (gains) losses on investments	5	1,564.0	(642.6)
Excess of fair value of net assets acquired over purchase price	23	-	(6.8)
Loss on repurchase of long term debt	15	3.4	40.6
Net sales of securities classified as at FVTPL	28	895.7	1,105.7
Changes in operating assets and liabilities	28	(766.9)	244.3
Cash provided by operating activities		707.3	1,315.7
Investing activities			
Sales of investments in associates and joint ventures	6, 23	211.9	338.8
Purchases of investments in associates and joint ventures	6, 23	(86.1)	(224.2)
Net purchases of premises and equipment and intangible assets		(48.1)	(71.5)
Net purchases of subsidiaries, net of cash acquired	23	136.3	(334.4)
Cash provided by (used in) investing activities		214.0	(291.3)
Financing activities			
Subsidiary indebtedness:	15		
Issuances		51.1	60.5
Repayment		(82.1)	(40.4)
Long term debt:	15		
Issuances		279.7	204.3
Issuance costs		(1.6)	(1.3)
Repayment		(251.2)	(296.5)
Subordinate voting shares:	16		
Issuances		412.8	-
Issuance costs		(13.3)	-
Preferred shares:	16		
Issuances		-	239.1
Issuance costs		-	(7.4)
Purchase of subordinate voting shares for treasury	16	(25.7)	(50.6)
Subsidiary common shares:			
Issuances to non-controlling interests		34.0	-
Issuance costs		(1.1)	-
Common share dividends	16	(205.5)	(205.8)
Preferred share dividends	16	(60.8)	(60.5)
Dividends paid to non-controlling interests		(6.4)	(6.7)
Cash provided by (used in) financing activities		129.9	(165.3)
Increase (decrease) in cash, cash equivalents and bank overdrafts		1,051.2	859.1
Cash, cash equivalents and bank overdrafts – beginning of year		2,815.3	1,910.0
Foreign currency translation		(108.3)	46.2
Cash, cash equivalents and bank overdrafts – end of year	28	3,758.2	2,815.3

See accompanying notes.

15. Subsidiary Indebtedness; Long Term Debt and Credit Facilities

	December 31, 2013			December 31, 2012		
	Principal	Carrying value[(a)]	Fair value[(b)]	Principal	Carrying value[(a)]	Fair value[(b)]
Subsidiary indebtedness – non-insurance companies[(c)]						
Ridley secured revolving facility at floating rate	4.8	4.8	4.8	12.9	12.8	12.8
Thomas Cook India short term loans and bank overdraft primarily at fixed rates	6.0	6.0	6.0	36.6	36.6	36.6
IKYA credit facilities and bank overdraft at floating rates	10.3	10.3	10.3	–	–	–
Other loans primarily at floating rates	4.7	4.7	4.7	2.7	2.7	2.7
	25.8	25.8	25.8	52.2	52.1	52.1
Long term debt – holding company borrowings						
Fairfax unsecured notes:						
8.25% due October 1, 2015[(3)]	82.4	82.3	91.3	82.4	82.3	94.2
7.75% due June 15, 2017[(1)]	–	–	–	48.4	46.8	50.4
7.375% due April 15, 2018[(3)]	144.2	144.0	161.7	144.2	143.9	165.9
7.50% due August 19, 2019 (Cdn$400.0)[(4)]	376.5	373.8	426.2	401.7	398.6	461.8
7.25% due June 22, 2020 (Cdn$275.0)[(4)]	258.8	257.2	290.0	276.2	274.3	314.5
5.80% due May 15, 2021[(5)]	500.0	495.5	507.0	500.0	494.9	516.6
6.40% due May 25, 2021 (Cdn$400.0)[(4)]	376.5	373.5	400.9	401.7	398.3	437.6
5.84% due October 14, 2022 (Cdn$450.0)[(1)(2)(4)]	423.5	429.7	427.3	200.9	199.5	210.5
8.30% due April 15, 2026[(3)]	91.8	91.5	107.4	91.8	91.4	112.2
7.75% due July 15, 2037[(3)]	91.3	90.2	93.9	91.3	90.2	101.3
Trust preferred securities of subsidiaries[(7)]	9.1	9.1	9.2	9.1	9.1	9.3
Purchase consideration payable[(8)]	144.2	144.2	144.2	148.4	148.4	148.4
	2,498.3	2,491.0	2,659.1	2,396.1	2,377.7	2,622.7
Long term debt – insurance and reinsurance companies						
OdysseyRe unsecured senior notes:						
7.65% due November 1, 2013[(1)]	–	–	–	182.9	182.3	191.9
6.875% due May 1, 2015[(6)]	125.0	124.5	134.7	125.0	124.1	136.9
Series A, floating rate due March 15, 2021[(9)]	50.0	49.9	47.3	50.0	49.9	45.1
Series B, floating rate due March 15, 2016[(9)]	50.0	49.9	50.6	50.0	49.8	50.5
Series C, floating rate due December 15, 2021[(10)]	40.0	39.9	38.5	40.0	39.9	36.7
First Mercury floating rate trust preferred securities due 2036 and 2037	41.4	41.4	41.4	41.4	41.4	41.4
Zenith National 8.55% redeemable debentures due August 1, 2028	38.4	38.1	38.1	38.4	38.1	38.1
Advent floating rate subordinated notes due June 3, 2035	50.5	49.0	45.5	49.8	48.3	42.8
Advent floating rate unsecured senior notes due 2026	46.0	44.6	46.0	46.0	44.5	46.0
American Safety floating rate trust preferred securities due December 15, 2035[(1)]	21.4	22.2	22.2	–	–	–
	462.7	459.5	464.3	623.5	618.3	629.4
Long term debt – non-insurance companies[(c)]						
Thomas Cook India debentures (INR 1.0 billion) at 10.52% due April 15, 2018[(1)]	16.2	16.1	16.1	–	–	–
Other loans	2.2	2.1	2.1	0.5	0.5	0.5
	18.4	18.2	18.2	0.5	0.5	0.5
Long term debt	2,979.4	2,968.7	3,141.6	3,020.1	2,996.5	3,252.6
Current	5.4			235.8		
Non-current	2,974.0			2,784.3		
	2,979.4			3,020.1		

(a) Principal net of unamortized issue costs and discounts.

(b) Based principally on quoted market prices with the remainder based on discounted cash flow models using market observable inputs (Levels 1 and 2 respectively in the fair value hierarchy).

(c) These borrowings are non-recourse to the holding company.

(1) During 2013 the company and its subsidiaries completed the following debt transactions:

(a) On November 1, 2013 OdysseyRe repaid the $182.9 principal amount of its unsecured senior notes upon maturity.

(b) On October 3, 2013 pursuant to the acquisition of American Safety Insurance Holdings, Ltd. ("American Safety") described in note 23, the company assumed the $35.5 carrying value of trust preferred securities issued by American Safety Capital Trust I, II, and III (statutory business trust subsidiaries of American Safety). On November 25, 2013 and December 31, 2013 American Safety redeemed all $8.0 and $5.0 principal amounts of its outstanding Trust I and Trust II preferred securities for cash consideration of $8.2 and $5.2 respectively.

(c) On April 15, 2013 Thomas Cook India issued $18.3 (1.0 billion Indian rupees) principal amount of 10.52% debentures due 2018 at par value for net proceeds after commissions and expenses of $18.2 (993.1 million Indian rupees). Commissions and expenses of $0.1 (6.9 million Indian rupees) were included as part of the carrying value of the debt. The debentures are repayable in equal annual instalments of $6.1 (333.3 million Indian rupees) in each of 2016, 2017 and 2018.

(d) On January 22, 2013 the company repurchased $12.2 principal amount of its unsecured senior notes due 2017 for cash consideration of $12.6. On March 11, 2013 the company redeemed the remaining $36.2 principal amount outstanding of its unsecured senior notes due 2017 for cash consideration of $37.7 and recorded a loss on repurchase of long term debt of $3.4 (inclusive of $1.5 of unamortized issue costs). The loss is reflected in other expenses in the consolidated statement of earnings.

(e) On January 21, 2013 the company completed a public debt offering of Cdn$250.0 principal amount of a re-opening of unsecured senior notes due 2022 at an issue price of $103.854 (an effective yield of 5.33%) for net proceeds after commissions and expenses of $259.9 (Cdn$258.1). Commissions and expenses of $1.5 (Cdn$1.5) were included as part of the carrying value of the debt. Subsequent to this offering, an aggregate principal amount of Cdn$450.0 of Fairfax unsecured senior notes due 2022 was outstanding. The company has designated these senior notes as a hedge of a portion of its net investment in its Canadian subsidiaries.

(2) During 2012 the company and its subsidiaries completed the following debt transactions:

(a) On October 19, 2012 the company's runoff subsidiary TIG Insurance repaid for $200.0 of cash the $160.2 carrying value of its loan note issued in connection with its acquisition of General Fidelity in August 2010. Other expenses included a charge of $39.8 related to this transaction (which was accounted for as an extinguishment of debt), principally related to the release of $41.3 of unamortized issue costs and discounts.

(b) On October 15, 2012 the company completed a public debt offering of Cdn$200.0 principal amount of 5.84% unsecured senior notes due October 14, 2022 at an issue price of $99.963 for net proceeds after discount, commissions and expenses of $203.0 (Cdn$198.6). Commissions and expenses of $1.3 (Cdn$1.3) were included as part of the carrying value of the debt. The company has designated these senior notes as a hedge of a portion of its net investment in its Canadian subsidiaries.

(c) On May 15, 2012 Crum & Forster redeemed for $6.4 of cash the $6.2 principal amount of its unsecured senior notes due 2017.

(d) On April 26, 2012 the company repaid the $86.3 principal amount of its unsecured senior notes upon maturity.

(3) This debt has no provision for redemption prior to the contractual maturity date. During 2002 the company closed out the swaps for this debt and deferred the resulting gain which is amortized to earnings over the remaining term to maturity. The unamortized balance at December 31, 2013 was $22.8 (December 31, 2012 – $24.7).

(4) Redeemable at the company's option, in whole or in part, at any time at the greater of (a) a specified redemption price based upon the then current yield of a Government of Canada bond with an equal term to maturity or (b) par.

(5) Redeemable at the company's option, in whole or in part, at any time at a price equal to the greater of (a) 100% of the principal amount to be redeemed or (b) the sum of the present values of the remaining scheduled payments of principal and interest thereon (exclusive of interest accrued to the date of redemption) discounted to the

redemption date on a semi-annual basis at the treasury rate plus 50 basis points together, in each case, with accrued interest thereon to the date of redemption.

(6) Redeemable at OdysseyRe's option at any time at a price equal to the greater of (a) 100% of the principal amount to be redeemed or (b) the sum of the present values of the remaining scheduled payments of principal and interest thereon (exclusive of interest accrued to the date of redemption) discounted to the redemption date on a semi-annual basis at the treasury rate plus 40 basis points together, in each case, with accrued interest thereon to the date of redemption.

(7) TIG Holdings had issued 8.597% junior subordinated debentures to TIG Capital Trust (a statutory business trust subsidiary of TIG Holdings) which, in turn, issued 8.597% mandatory redeemable capital securities, maturing in 2027.

(8) On December 16, 2002 the company acquired Xerox's 72.5% economic interest in TRG, the holding company of International Insurance Company ("IIC"), in exchange for payments over the next 15 years of $424.4 ($203.9 at December 16, 2002 using a discount rate of 9.0% per annum), payable approximately $5.0 a quarter from 2003 to 2017 and approximately $128.2 on December 16, 2017.

(9) The Series A and Series B notes are callable by OdysseyRe on any interest payment date at their par value plus accrued and unpaid interest. The interest rate on each series of debenture is equal to three month LIBOR, which is calculated on a quarterly basis, plus 2.20%.

(10) The Series C notes are callable by OdysseyRe on any interest payment date at their par value plus accrued and unpaid interest. The interest rate is equal to three month LIBOR plus 2.50% and is reset after every payment date.

Consolidated interest expense in 2013 of $211.2 (2012 – $208.2) was comprised of interest on long term debt and subsidiary indebtedness of $207.9 and $3.3 respectively (2012 – $206.0 and $2.2 respectively).

Principal repayments on long term debt are due as follows:

2014	5.4
2015	213.4
2016	61.9
2017	133.9
2018	149.5
Thereafter	2,415.3

Credit Facilities

On December 18, 2012 Fairfax extended the term of its $300.0 unsecured revolving credit facility (the "credit facility") with a syndicate of lenders to December 31, 2016. As of December 31, 2013 no amounts had been drawn on the credit facility.

16. Total Equity

Equity attributable to shareholders of Fairfax

Authorized capital

The authorized share capital of the company consists of an unlimited number of preferred shares issuable in series, an unlimited number of multiple voting shares carrying ten votes per share and an unlimited number of subordinate voting shares carrying one vote per share.

Issued capital

Issued capital at December 31, 2013 included 1,548,000 (December 31, 2012 – 1,548,000) multiple voting shares and 20,865,653 (December 31, 2012 – 19,865,689) subordinate voting shares without par value prior to deducting 414,421 (December 31, 2012 – 369,048) subordinate voting shares reserved in treasury for share-based payment awards. The multiple voting shares are not publicly traded.