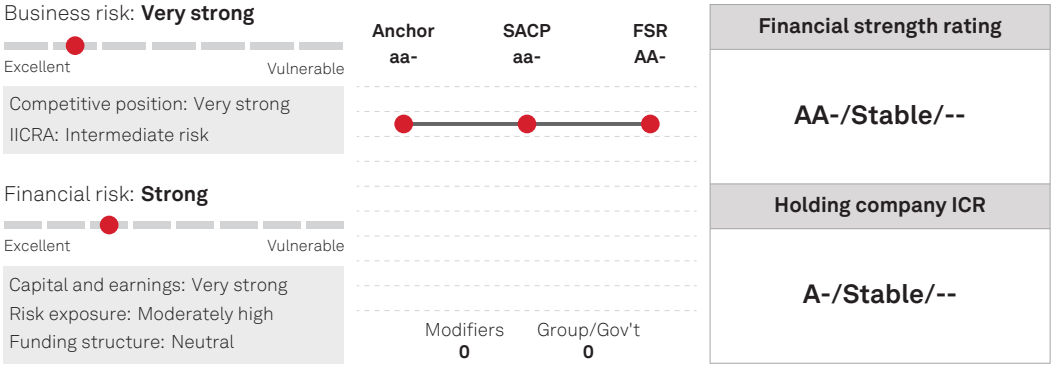
Fairfax Financial Holdings Ltd.

October 23, 2026

This report does not constitute a rating action.



FSR--Financial strength rating. ICR--Issuer credit rating. IICRA--Insurance industry and country risk assessment. SACP--Stand-alone credit profile.

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Credit Highlights

Overview

Key strengths	Key risks
Very strong, globally diverse competitive position with well-established property/casualty re/insurance operations built through organic growth and strategic acquisitions	Investment volatility amplified by material allocation to risk assets
Strong earnings with robust underwriting results and supportive investment income	Moderately high financial leverage, though below historical levels, even when excluding noninsurance subsidiaries' nonrecourse debt
Very strong capital adequacy, redundant at the 99.95% confidence level at year-end 2025 and expected to remain there through 2028	Industry's exposure to social and economic inflationary effects on reserve adequacy and pricing

Fairfax Financial Holdings Ltd. has a very strong competitive position, well diversified both geographically and by business segment. The company built this position via strong organic growth and strategic acquisitions. Fairfax is one of the top players in several property/casualty (P/C) insurance and reinsurance (re/insurance) markets globally, including global P/C reinsurance, the Lloyd's market, U.S. excess and surplus lines, Canadian commercial P/C insurance, and the Middle East and North Africa region.

The company has strong and diversified operating earnings. Although net earnings declined to $2.3 billion in the first six months of 2026 from $2.6 billion in the prior-year period, the company's

earnings performance remained strong overall. Fairfax generated net earnings of $5.3 billion in 2025, up from $4.3 billion in 2024. P/C re/insurance underwriting profits were resilient at $1.8 billion in both years.
In addition, the company has benefited from strong recurring investment income, reporting interest and dividend income of $2.6 billion in 2025 and $2.5 billion in 2024, while net investment gains surged to $3.2 billion in 2025 from $1.1 billion in 2024. The increase in net investment gains primarily reflected higher unrealized gains across both fixed-income and equity portfolios. Fairfax has also maintained solid earnings contributions from its associates, recording $816 million in share of profit in 2025 ($956 million in 2024).

Risk-adjusted capitalization is very strong. Fairfax's capital adequacy was redundant at the 99.95% confidence level of S&P Global Ratings' risk-based capital model at year-end 2025, and we expect it to remain there throughout 2026-2028, supported by strong earnings generation, disciplined underwriting performance, and robust investment income.

Fairfax's active total return investment strategy, with a large allocation to risk assets, will likely continue to add volatility to earnings. At the end of second-quarter 2026, Fairfax reported a consolidated investment portfolio of $75.9 billion with 45.1% invested in risk assets, which is at the higher end of the range among similarly rated peers. The active investment management approach, focused on long-term gains, can lead to earnings volatility in the short term.

Financial leverage and coverage metrics are improving. Fairfax's consolidated and deconsolidated financial leverage metrics (excluding nonrecourse debt held by noninsurance subsidiaries) have improved significantly amid strong earnings generation and retained capital growth. As of June 30, 2026, consolidated financial leverage had declined to 33.8% while deconsolidated financial leverage had improved to 29.2%, compared with 42.4% and 37.4%, respectively, at year-end 2020, when leverage rose in part due to a temporarily drawn credit facility. Furthermore, management has articulated a target of deconsolidated financial leverage below 30%. We expect EBITDA fixed-charge coverage to exceed 8x in 2026-2028, supported by the group's diversified earnings.

The combination of a very strong business risk profile and a strong financial risk profile results in a split anchor of 'aa-'/'a+'. We select the higher anchor, 'aa-', to reflect the company's sustainably very strong capital adequacy at the 99.95% confidence level, along with operating performance comparable to that of 'AA-' rated peers.

Outlook

The stable outlook reflects our expectation that over the next 24 months, Fairfax will sustain its very strong competitive position, disciplined underwriting, and solid operating performance amid robust underwriting results and strong investment income, while preserving very strong capitalization at the 99.95% level.

Downside scenario

Contrary to our expectations, we could lower our ratings within the next 24 months if:

- Capital adequacy declines and remains below the 99.95% confidence level and we expect it to remain there due to operating losses or capital management activities;
- Fairfax underperforms relative to our expectations or 'AA-' rated peers over an extended period, potentially because of material investment losses or significant, unexpected natural catastrophe claims; or

- Fairfax increases its debt or experiences a material decline in shareholders' equity, resulting in higher deconsolidated financial leverage or weakened coverage metrics due to elevated operating losses.

Upside scenario

An upgrade within the next 24 months is unlikely but could occur if some of the following factors combine:

- Fairfax demonstrates a commitment to maintaining capital adequacy at a higher confidence level of 99.99%.
- Financial leverage and coverage metrics continue to improve.
- The company's competitive position strengthens further, supported by operating performance comparable to 'AA' rated peers.
- Exposure to high-risk investments decreases, alongside effective management of severity risk (both natural and human-made), leading to improved financial risk.

Assumptions

- Real U.S. GDP growth of 2.2% in 2026, 1.8% in 2027, and 1.9% in 2028
- 10-year U.S. Treasury note yield of 4.5% in 2026, 4.3% in 2027, and 3.9% in 2028
- U.S. Core Consumer Price Index of 2.5% in 2026, 2.4% in 2027, and 2.3% in 2028
- Real Canadian GDP growth of 1.4% in 2026, 2.0% in 2027 and 2.3% in 2028
- 10-year Canadian government bond yield of 2.8% in 2026, 3.1% in 2027, and 3.2% in 2028
- Canadian Core Consumer Price Index of 2.3% in 2026, 2.2% in 2027, and 2.2% in 2028

Fairfax Financial Holdings Ltd.--Key metrics

	2028f	2027f	2026f	2025	2024	2023
Consolidated gross premiums written (excluding runoff and life) (mil. $)	36,371	35,312	34,283	33,285	32,527	28,890
Change in gross premiums written (%)	About 3%	About 3%	About 3%	2.3	12.6	4.8
Consolidated EBITDA (mil. $)	>6,100	>6,000	>5,800	4,895	5,974	4,815
Net Income before minority interest (mil. $)*	>3,600	>3,400	>4,200	5,284	4,263	5,095
S&P Global Ratings capital adequacy (confidence level)	99.95%	99.95%	99.95%	99.95%	99.95%	99.95%
Capital adequacy: Redundancy/deficiency at defined confidence level§	>10%	>10%	>10%	0%-10%	N.A.	N.A.
Consolidated return on average shareholders' equity (%)*	10-13	10-13	10-13	17.8	15.2	20.1
EBITDA fixed-charge coverage, excluding noninsurance operations (x)	>8	>8	>8	7.8	10.7	11.5
Financial leverage including operating leases and pension deficits, but excluding nonrecourse debt held at noninsurance operations (%)	<30	<30	<30	27.4	28.6	27.9
Undiscounted net combined ratio, including corporate expenses (%)†	93-96	93-96	93-96	94.0	93.6	93.9
Net impact of natural catastrophe losses on combined ratio (percentage points)	5	5	5	4.8	4.5	4.0

	2028f	2027f	2026f	2025	2024	2023
Consolidated return on revenue (%)	10-13	10-13	10-13	9.4	12.7	10.7

*2026-2028 excludes realized and unrealized capital gains and losses. §Shows total adjusted capital compared with risk-based capital at the relevant capital adequacy confidence level at the end of the projection period, including share repurchases. †Excluding runoff segment and including certain allocated corporate expenses. These expenses added 71-99 basis points to the combined ratios in 2023-2025. f--S&P Global Ratings forecast. N.A.--Not available.

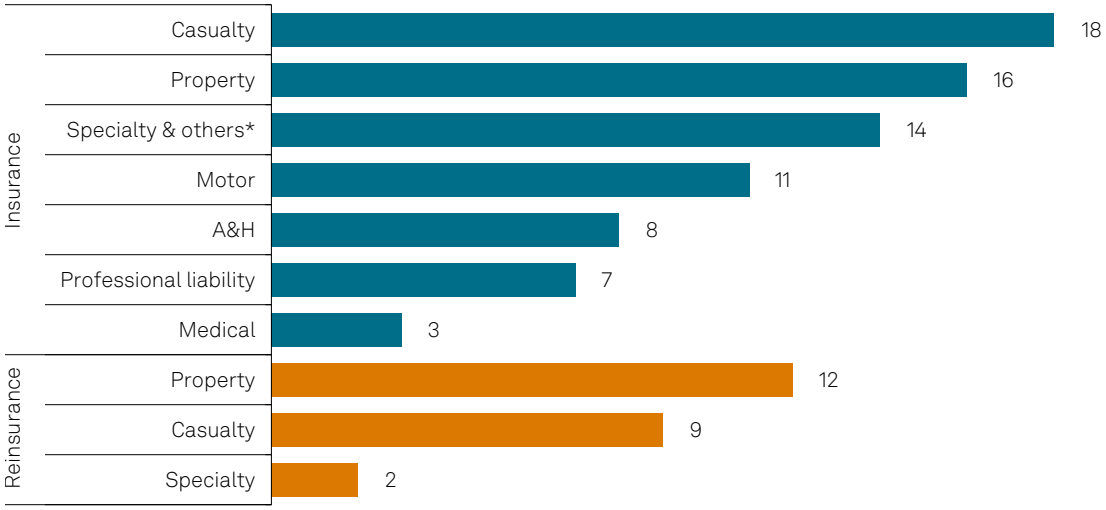
Business Risk Profile

Fairfax's very strong competitive position is underpinned by its large, diversified re/insurance operations, expanding market presence, and strong earnings generation. The group's operating companies are well established in their respective markets and benefit from a decentralized business model that grants management teams a high degree of operational autonomy.

From 2021 to 2025, Fairfax's gross premiums written (GPW) increased at a compound annual growth rate (CAGR) of 11.9%, reaching $33.3 billion in 2025. Favorable market conditions, organic business expansion, and strategic acquisitions propelled the growth. In 2025, GPW increased 2.3% year over year despite the nonrenewal of a significant health insurance contract at Gulf Insurance Group in the third quarter of 2024. Excluding runoff and life insurance operations, Fairfax's 2025 GPW was approximately 77% insurance and 23% reinsurance business.

The group's broad geographic and business diversification, coupled with its established market positions across its insurance and reinsurance franchises, continues to support its competitive strength, earnings resilience, and ability to generate profitable growth across market cycles.

Fairfax Financial Holdings Ltd.--2025 gross premiums written by major lines of business
% of total gross premiums written



*Includes direct cyber, crop, marine and aerospace, and workers' compensation. Source: Fairfax Financial Holdings Ltd.

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Fairfax owns several strong brands with longstanding positions in the global P/C re/insurance sector. The company manages its subsidiaries through a decentralized operating model, placing less emphasis on revenue, expense, and operational synergies among its entities. Nevertheless,

the group has increased collaboration across its subsidiaries in recent years, while maintaining local management autonomy and independent decision-making.

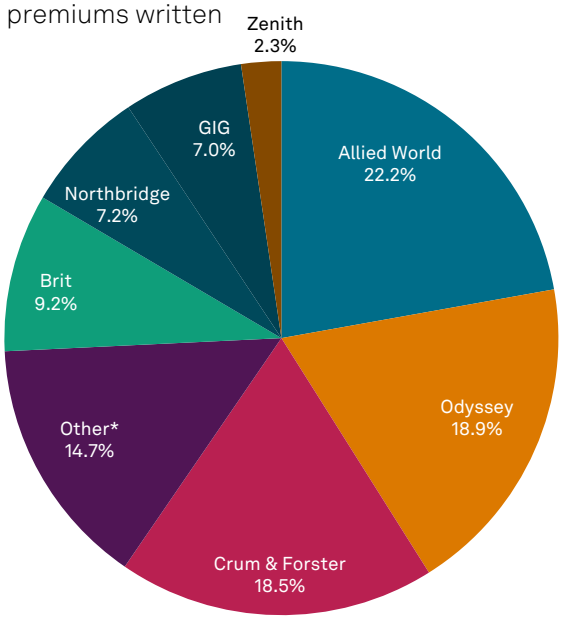
Fairfax Financial Holdings Ltd.--Major operating subsidiaries

Subsidiary	Description	Year-end 2025 equity (bil. $)
Odyssey	Underwrites treaty and facultative reinsurance globally and specialty insurance primarily in the U.S. and the U.K. (direct and through Lloyd's of London)	8.3
Allied World	Bermuda-based provider of global P/C and specialty re/insurance solutions with a presence at Lloyd's of London	7.7
Crum & Forster	U.S.-based commercial P/C insurer operating nationally.	4.2
Brit*	U.K.-based specialty re/insurer, second-largest syndicate at Lloyd's of London	2.9
Northbridge	Fourth-largest commercial P/C insurer in Canada	3
Gulf Insurance Group	Primarily writes general risk insurance and life and medical insurance across the Middle East and North Africa through its subsidiaries	1.9
Zenith	Primarily engaged in the U.S. workers' compensation insurance business	1.3
Ki*	Fully digital Lloyd's of London syndicate that algorithmically underwrites property, casualty, and specialty insurance and reinsurance	0.8
International	Presence in the following markets: Bryte (South Africa); Fairfax Asia; Fairfax Latam; Fairfax Brasil; Fairfax Ukraine; Colonnade (Central and Eastern Europe); Polish Re; Eurolife (Greece); Digit (India); BIC (Vietnam); and captive reinsurers, collectively known as Group Re, primarily providing reinsurance to Fairfax's subsidiaries	N.A.

*Effective January 2025, Ki Syndicate (1618) was separated from Brit and operates on a stand-alone basis.
P/C--Property/casualty. N.A.--Not available.

In December 2024, Fairfax increased its ownership interest in Brit Ltd.'s Lloyd's syndicates (2987, 2988, and 1618) to 100% from 86.2% through the acquisition of the remaining stake held by the Ontario Municipal Employees Retirement System for $383 million in cash. In January 2025, Brit Ltd. separated Ki Ltd. (Syndicate 1618), which now operates on a stand-alone basis. As an independent syndicate, Ki continues to pursue its vision of becoming a leading digital and data-driven specialty insurance business.

Fairfax Financial Holdings Ltd.--2025 gross premiums written by operating re/insurers



*Includes Fairfax Asia, Latin American insurers, and other international re/insurers. Source: Company financial reports.

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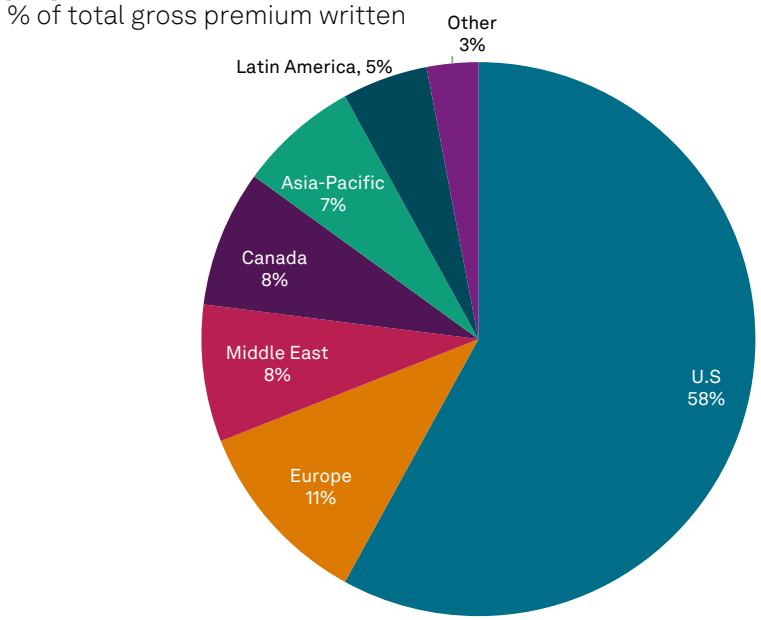
Fairfax has continued to benefit from favorable pricing conditions across its businesses, particularly in its U.S. excess and surplus lines. An exception has been the U.S. workers' compensation market, where rates have been declining for several years, although pricing has recently begun to increase in certain states, including California. The company also benefited from the hard market in global reinsurance short-tail lines, particularly property and property catastrophe business, which began in 2023. While prices have moderated since then, they remain supportive of underwriting performance and moderate premium growth.

In the first six months of 2026, GPW increased to $18.4 billion, from $17.7 billion in the same period of 2025. The growth primarily reflected new business generation despite more competitive pricing in certain lines within the global insurers and reinsurers reporting segment, particularly at Brit, as well as continued expansion in the international insurers and reinsurers reporting segment, led by Gulf Insurance Group, Fairfax Asia, and Fairfax Latin America. We expect premiums to grow about 3% in 2026-2028, supported by continued rate increases in select lines of business and organic growth initiatives.

Fairfax Financial Holdings Ltd.--2025 gross premiums written by geographic distribution



Source: Company financial reports.

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Underwriting performance remained strong in 2025, with an undiscounted combined ratio of 94.0% (including corporate expenses and excluding runoff operations; 93.0% as reported), despite absorbing $1.2 billion of natural catastrophe losses, equivalent to 4.8 percentage points (ppts) of the combined ratio. This compares favorably with an undiscounted combined ratio of 93.6% (92.7% as reported) in 2024, which included $1.1 billion of catastrophe losses, or 4.5 ppts of the combined ratio.

Last year's results included $723 million of losses related to the California wildfires, representing 2.8 ppts of the combined ratio, but catastrophe activity was relatively low during the second half of the year. These results underscore Fairfax's disciplined underwriting and the benefits of its diversified global re/insurance platform.

Performance remained strong in the first half of 2026, with the company reporting an undiscounted combined ratio of 93.6%, compared with 95.9% in the same period of 2025. The improvement primarily stemmed from significantly lower catastrophe losses of $119 million, which added 1.8 ppts to the combined ratio, compared with $781 million, or 12.5 ppts, in the prior-year period. We expect the company to generate combined ratios of 93%-96% in 2026-2028, including a natural catastrophe load of 5 ppts.

Fairfax Financial Holdings Ltd.--Strong operating re/insurers' combined ratios as reported

Subsidiary	Six months ended June 30, 2026	Six months ended June 30, 2025	2025	2024	2023	2022	2021	5-year averaqe
Fairfax consolidated*	93.6	95.9	93.0	92.7	93.2	94.7	95.0	93.7
Odyssey	92.4	98.7	93.8	91.2	93.4	96.3	97.8	94.5
Allied World	91.8	93.4	89.3	89.1	89.5	90.7	93.4	90.4
Crum & Forster	95.5	95.4	94.8	95.0	97.7	94.5	95.9	95.6
Brit§	93.8	95.0	92.7	92.2	91.9	97.9	96.8	94.3

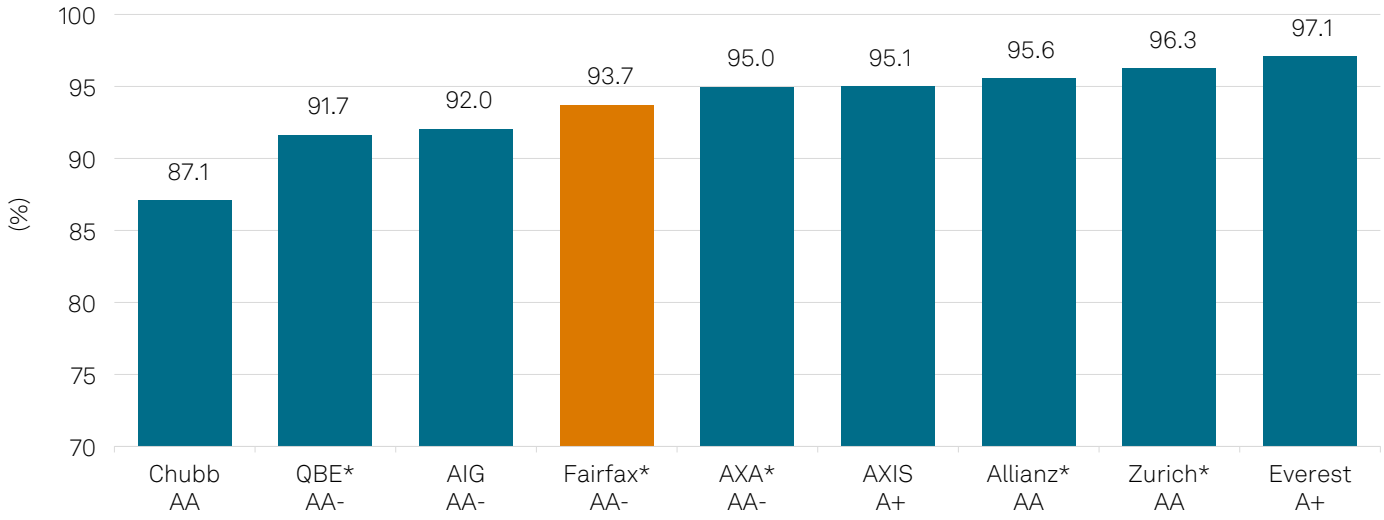
Fairfax Financial Holdings Ltd.--Strong operating re/insurers' combined ratios as reported

Subsidiary	Six months ended June 30, 2026	Six months ended June 30, 2025	2025	2024	2023	2022	2021	5-year averaqe
Ki§	88.2	95.9	95.7	98.2	N.A.	N.A.	N.A.	N.A.
Northbridge	91.5	92.0	88.7	89.3	91.1	89.4	88.8	89.5
Zenith	100.7	104.8	102.0	99.1	93.8	94.7	88.4	95.6
International insurers and reinsurers	95.5	96.1	94.7	97.3	95.9	99.3	97.5	96.9

The 2023-2025, six months 2026, and six months 2025 combined ratios are undiscounted based on IFRS 17. The 2021-2022 combined ratios are based on IFRS 4. *Excluding runoff segment. §Effective January 2025, Ki Syndicate (1618) was separated from Brit and operates on a stand-alone basis. N.A.--Not available.

Over the past five years, the company reported an average undiscounted combined ratio of 93.7%, which is in line with similarly rated regional and global peers. While the company's five-year average return on revenue (ROR) of 11.2% is somewhat below that of similarly rated peers, it has improved in recent years. The company's ROR has varied from 5.3% in 2021 to 17.7% in 2022 to 9.4% in 2025. The improvement reflects higher investment income, after the company benefited from elevated interest rates and increased its allocation to U.S. Treasury securities.

Peer comparsion--Five-year average reported combined ratios
(2021-2025)



*The 2023-2025 combined ratios are on undiscounted basis under IFRS 17, and the 2021-2022 combined ratios are on IFRS 4 basis. The combined ratios for the other companies are based on U.S. GAAP. Source: S&P Global Ratings.

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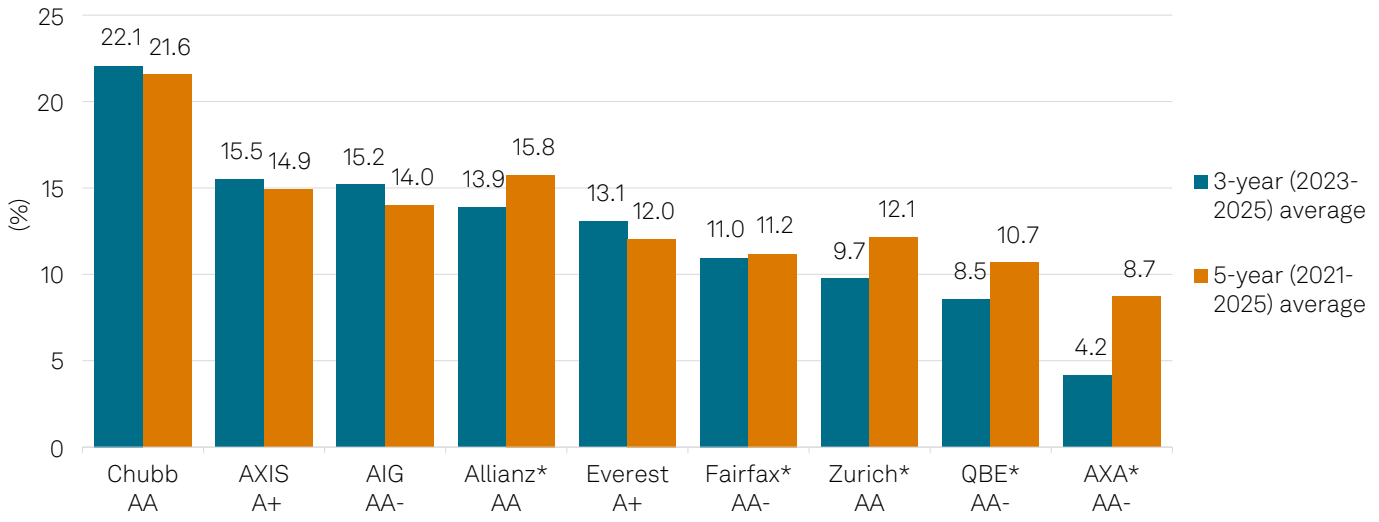
Peer comparsion--Return on revenue



*The 2022-2025 returns on revenue (ROR) are based on IFRS 17, and the 2021 ROR is based on IFRS 4. The RORs for the otther companies are based on U.S. GAAP. Source: S&P Global Ratings.
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Financial Risk Profile

In 2025, Fairfax's capitalization was well redundant at the 99.95% confidence level of our risk-based capital model. We expect the group to strengthen its capitalization at this confidence level through 2028, amid strong underwriting results, robust interest and dividend income, noninsurance operating earnings, and effective capital management.

Fairfax is actively optimizing its capital structure to maximize shareholders' value while supporting the financial strength of its holding company and re/insurance subsidiaries. In 2024-2025, the company repurchased $3.6 billion of its subordinate voting shares, plus $1.8 billion through the first six months of 2026. We expect Fairfax to continue share buybacks in the second half of 2026 and through 2028, maximizing shareholders' value.

Fairfax's earnings and potentially capital are exposed to volatility from its investments, long-tail casualty business, and, to a lesser extent, its natural catastrophe exposure. We deem Fairfax's property catastrophe net exposure to be at the lower end among global reinsurers we rate. In 2021-2025, natural catastrophe losses on average contributed 5.3 ppts to the combined ratio, which is lower than the average catastrophe loss experience of global reinsurance peers.

Fairfax Financial Holdings Ltd.--Strong underwriting performance

(%)	2025	2024	2023	2022	2021	5-year average
Loss ratio	61.7	62.1	63.2	65.1	62.7	63.0
Expense ratio (includes allocated corporate expenses)	32.3	31.6	30.6	30.2	33.4	31.6
Combined ratio (includes allocated corporate expenses)	94.0	93.6	93.9	95.4	96.0	94.6
Reported combined ratio (excludes corporate expenses)	93.0	92.7	93.2	94.7	95.0	93.7
(Favorable)/unfavorable prior year reserve development impact on the combined ratio	(2.9)	(2.4)	(1.4)	(0.9)	(2.2)	(2.0)
Net natural catastrophe impact on the combined ratio	4.8	4.5	4.0	6.1	7.1	5.3

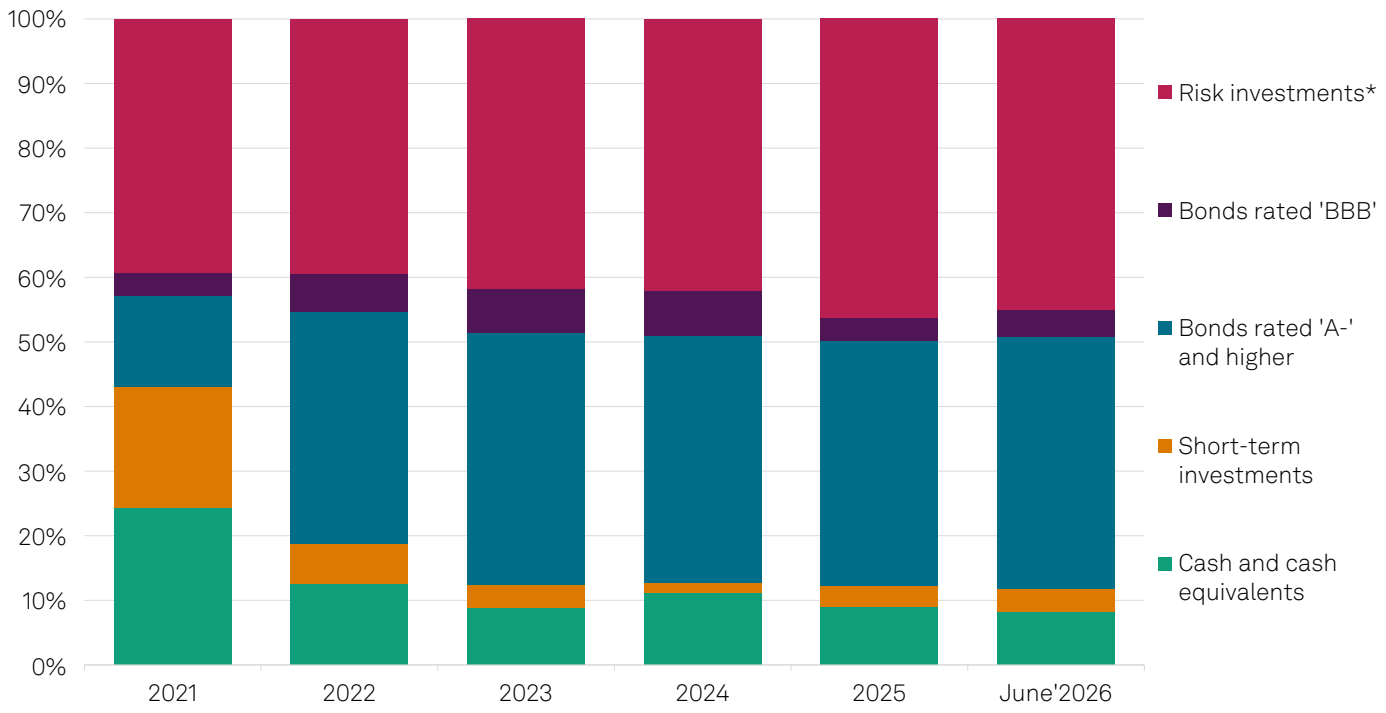
Fairfax Financial Holdings Ltd.--Strong underwriting performance

(%)	2025	2024	2023	2022	2021	5-year average

Source: S&P Global Ratings.

Fairfax employs a total return investment strategy with a significant allocation to risk assets. At the end of second-quarter 2026, its $75.9 billion investment portfolio was 45.1% risk assets (speculative-grade and unrated securities, public and private equities, and alternative investments). In addition, 18.5% of investments were Level 3 (hard-to-value assets with unobservable inputs), placing Fairfax's risk at the higher end among its peers.

Fairfax Financial Holdings Ltd.--Large allocation to risk assets



*Risk investments include alternative investments, publicly traded equities, and speculative-grade and unrated bonds. Source: Company financial reports.

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When factoring in Level 3 assets embedded within investments in associates, the proportion of Level 3 assets within total invested assets was 23.4% at the end of second-quarter 2026. However, this included approximately $5.7 billion in first mortgage loans secured by real estate across the U.S., Europe, and Canada. These loans are individually underwritten, well diversified, and managed in partnership with Kennedy Wilson Holdings Inc., a global real estate company that serves as a manager and a co-investor. Excluding these mortgage loans from the investment portfolio reduces the Level 3 asset proportion to 10.9% at the end of second-quarter 2026.

Fairfax continues to adjust its investment mix, capitalizing on market opportunities and deploying cash strategically. Efforts to monetize assets could bolster earnings and capitalization. Since 2022, Fairfax has redirected cash and proceeds from sales and maturities of short-dated investments into U.S. Treasuries with five- to seven-year terms, significantly enhancing net

investment income. As a result, the annual interest and dividends run rate surged to $2.6 billion in 2025 from $641 million in 2021, with projections indicating similar levels in 2026-2028.

Rising inflation (social and Core Consumer Price Index) could lead to reserve volatility. However, we believe Fairfax's reserving practices are prudent and its loss reserves are adequate. On a consolidated basis, the company has a consistent record of reserve releases, benefiting the combined ratio by 2.0 ppts on average in 2021-2025.

Fairfax's financial leverage and coverage metrics have improved significantly. At year-end 2025, deconsolidated financial leverage (excluding nonrecourse debt held at noninsurance entities) was 27.4%, compared with 28.6% at year-end 2024 and a peak of 37.4% at year-end 2020, when leverage rose in part due to a temporarily drawn credit facility. Fixed-charge coverage in 2025 was 7.8x, compared with 10.7x in 2024.

Other Credit Considerations

Governance

Fairfax combines disciplined underwriting with a value-oriented, total return investment strategy, targeting a long-term CAGR in book value of 15%. Investments are managed centrally at the group level, while the insurance subsidiaries operate on a decentralized basis, allowing individual businesses flexibility to execute strategies best suited to their respective markets. Consistent with this operating model, enterprise risk management responsibilities are also largely decentralized.

In our view, Fairfax's group-level risk management capabilities are less developed than those of similar-size publicly traded insurance groups. At the corporate level, Fairfax establishes the groupwide risk appetite and tolerance framework, oversees the aggregation of certain risks, and performs key oversight functions. However, risk management and control processes, other than investment management, are primarily the responsibility of the operating companies.

These frameworks are generally well developed across the group's major insurance and reinsurance subsidiaries, although the degree of sophistication varies depending on the nature and complexity of the underlying businesses. In addition, Fairfax maintains a higher investment risk appetite than many of its peers.

We view Fairfax's governance framework as strong and encompassing all key aspects of its operations. The organization benefits from an experienced management team across its major business segments, and management turnover has historically been low. Fairfax's acquisition strategy is collaborative rather than hostile, which generally allows acquired businesses to maintain their management teams and operating autonomy. This approach has been consistently applied for acquisitions such as Brit, Allied World, and Gulf Insurance Group.

Governance and oversight have also strengthened in recent years through the expansion of both the corporate and investment teams. Operational responsibilities have been further delegated through the establishment of separate roles for the president of Fairfax and the president of insurance. In addition, the investment team has specialized expertise to broaden coverage across key markets, including Europe, Africa, and India.

Liquidity

We consider Fairfax's liquidity adequate because of substantial cash and cash equivalents, with short-term investments of about $9.2 billion, or 12.3% of invested assets, at year-end 2025 ($9.0

billion, or 11.8%, at the end of the second quarter of 2026). Moreover, 38.0% of total invested assets is allocated to fixed-income securities rated 'A-' or higher (39.0% at the end of second-quarter 2026) and public equities, although some of the private investments might lack liquidity.

The holding company has maintained more than $1 billion in cash and marketable securities over the past several years, which provide a buffer against any disruption in the dividend flow from its subsidiaries. A $2 billion unsecured credit facility also bolsters liquidity.

Factors specific to the holding company

In general, the ultimate holding company, Fairfax Financial Holdings Ltd. (Canada), depends on dividends from its insurance operating subsidiaries to service its financial obligations.

Fairfax's Canadian insurance subsidiaries are subject to federal supervision by the Office of the Superintendent of Financial Institutions (OSFI). While OSFI participates in the groupwide supervision of Fairfax, it is not the designated groupwide regulator. Fairfax's lead state regulator and groupwide supervisor is the Delaware Department of Insurance. The designation of the groupwide supervisor is based on factors such as the location of the majority of insurance operations and the jurisdiction where most premiums are generated.

Based on 2025 GPW, approximately 60% of Fairfax's business is generated in the U.S. Fairfax is classified as a U.S.-based internationally active insurance group (IAIG) and is therefore subject to enhanced group supervision by the Delaware Department of Insurance, as well as oversight by its other primary regulators across relevant jurisdictions.

We view Fairfax's U.S.-based insurance subsidiaries as operating under relatively stringent regulatory restrictions on dividend payments to nonoperating holding companies. Consequently, we view Fairfax's structural subordination as high, resulting in a three-notch differential between the issuer credit ratings on the holding companies and the financial strength ratings on the operating insurance entities.

Based on 2025 financial results, Fairfax's aggregate maximum dividend capacity available in 2026 from its insurance subsidiaries, including dividends payable to all shareholders and noncontrolling interests in Allied World and Odyssey, is approximately $4 billion.

Group support

We view Allied World, Crum & Forster, Northbridge, Odyssey, and Zenith as core subsidiaries of Fairfax, which informs our ratings on these subsidiaries. In addition, our ratings on Odyssey Re Europe S.A., Falcon Insurance Co. (Hong Kong) Ltd., and Singapore Reinsurance Corp. Ltd. are based on guarantees from Connecticut-domiciled sister company Odyssey Reinsurance Co. Furthermore, we view Polskie Towarzystwo Reasekuracji S.A. (Polish Re) as a highly strategic subsidiary and Gulf Insurance Group K.S.C.P. as a strategically important subsidiary of Fairfax.

Accounting considerations

Fairfax prepares its financial statements in accordance with International Financial Reporting Standards (IFRS). Effective Jan. 1, 2023, Fairfax adopted IFRS 17. However, the company also presents combined ratios on an undiscounted basis under IFRS 4 to facilitate comparability with prior-year results and its U.S. peers.

Fairfax's total return investment strategy results in unevenly distributed investment earnings. Additional insight into the impact of the company's investment strategy can be obtained by

incorporating realized and unrealized investment gains and losses into metrics such as return on revenue and fixed-charge coverage.

Rating Component Scores	
Issuer credit rating on holding companies	**A-/Stable/--**
Financial strength rating on operating companies	**AA-/Stable/--**
Business Risk Profile	**Very Strong**
Competitive position	Very strong
IICRA	Intermediate risk
Financial Risk Profile	**Strong**
Capital and earnings	Very strong
Risk exposure	Moderately high
Funding structure	Neutral
Anchor*	**aa-**
Modifiers	0
Governance	Neutral
Liquidity	Adequate
Comparable rating analysis	0
Support	0
Group Support	0
Government Support	0

*The combination of a very strong business risk profile and a strong financial risk profile results in an anchor of 'aa-' or 'a+'. We select the higher anchor of 'aa-', reflecting the company's sustainably very strong capitalization at a 99.95% confidence level, along with operating performance comparable to 'AA-' rated peers. IICRA--Insurance Industry And Country Risk Assessment.

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, Feb. 10, 2025
- Criteria | Insurance | General: Insurer Risk-Based Capital Adequacy--Methodology And Assumptions, Nov. 15, 2023
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- Criteria | Insurance | General: Insurers Rating Methodology, July 1, 2019
- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Guarantee Criteria, Oct. 21, 2016
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Fairfax Financial Holdings Ltd. To Maintain Very Strong Capital Adequacy After Acquiring Majority Stake In IDBI Bank, Oct. 15, 2026

- Fairfax Financial Holdings Ltd. $750 Million Senior Notes Due 2056 Rated 'A-', June 3, 2026
- Fairfax Financial Holdings Ltd.'s C$400 Million Senior Notes Due 2036 Rated 'A-', Feb. 26, 2026
- Singapore Reinsurance Corp. Ltd. Rated 'AA-' On Guarantee From Odyssey Reinsurance Co.; Outlook Stable, Dec. 8, 2025
- Polskie Towarzystwo Reasekuracji S.A. (Polish Re) Rated 'A+' On Highly Strategic Status To Fairfax; Outlook Stable, Dec. 4, 2025
- Fairfax Financial Holdings Ltd.'s Re/Insurance Subs Upgraded To 'AA-' On Strengthened Capitalization; Outlook Stable, June 11, 2025

Ratings Detail (as of October 23, 2026)*

Fairfax Financial Holdings Ltd.	
Issuer Credit Rating	A-/Stable/--
Preferred Stock	
Canada National Scale Preferred Share	P-2
Preferred Stock	BBB
Senior Unsecured	A-
Related Entities	
Allied World Assurance Co. AG	
Financial Strength Rating	
Local Currency	AA-/Stable/--
Issuer Credit Rating	
Local Currency	AA-/Stable/--
Allied World Assurance Co. (Europe) Ltd.	
Financial Strength Rating	
Local Currency	AA-/Stable/--
Issuer Credit Rating	
Local Currency	AA-/Stable/--
Allied World Assurance Co. Holdings, Ltd.	
Issuer Credit Rating	
Local Currency	A-/Stable/--
Allied World Assurance Co. Ltd.	
Financial Strength Rating	
Local Currency	AA-/Stable/--
Issuer Credit Rating	
Local Currency	AA-/Stable/--
Allied World Assurance Co. U.S. Inc.	
Financial Strength Rating	
Local Currency	AA-/Stable/--
Issuer Credit Rating	
Local Currency	AA-/Stable/--
Allied World Insurance Co.	
Financial Strength Rating	AA-/Stable/--
Issuer Credit Rating	AA-/Stable/--

Ratings Detail (as of October 23, 2026)*	
Allied World National Assurance Co.	
Financial Strength Rating	
Local Currency	AA-/Stable/--
Issuer Credit Rating	
Local Currency	AA-/Stable/--
American Underwriters Insurance Co.	
Financial Strength Rating	
Local Currency	AA-/Stable/--
Issuer Credit Rating	
Local Currency	AA-/Stable/--
Crum and Forster Insurance Co.	
Financial Strength Rating	
Local Currency	AA-/Stable/--
Issuer Credit Rating	
Local Currency	AA-/Stable/--
Crum & Forster Holdings Corp.	
Issuer Credit Rating	
Local Currency	A-/Stable/--
Crum & Forster Indemnity Co.	
Financial Strength Rating	
Local Currency	AA-/Stable/--
Issuer Credit Rating	
Local Currency	AA-/Stable/--
Crum & Forster Specialty Insurance Co.	
Financial Strength Rating	
Local Currency	AA-/Stable/--
Issuer Credit Rating	
Local Currency	AA-/Stable/--
Falcon Insurance Co. (Hong Kong) Ltd.	
Financial Strength Rating	
Local Currency	AA-/Stable/--
Federated Insurance Co. of Canada	
Financial Strength Rating	
Local Currency	AA-/Stable/--
Issuer Credit Rating	
Local Currency	AA-/Stable/--
First Mercury Insurance Co.	
Financial Strength Rating	
Local Currency	AA-/Stable/--
Issuer Credit Rating	
Local Currency	AA-/Stable/--
Gulf Insurance and Reinsurance Co.	
Financial Strength Rating	

Ratings Detail (as of October 23, 2026)*

Local Currency	A+/Stable/--
Issuer Credit Rating	
Local Currency	A+/Stable/--
Gulf Insurance Group K.S.C.P.	
Financial Strength Rating	
Local Currency	A+/Stable/--
Issuer Credit Rating	
Local Currency	A+/Stable/--
Junior Subordinated	A-
Hilltop Specialty Insurance Co	
Financial Strength Rating	
Local Currency	AA-/Stable/--
Issuer Credit Rating	
Local Currency	AA-/Stable/--
Hudson Excess Insurance Co.	
Financial Strength Rating	
Local Currency	AA-/Stable/--
Issuer Credit Rating	
Local Currency	AA-/Stable/--
Northbridge General Insurance Corp.	
Financial Strength Rating	
Local Currency	AA-/Stable/--
Issuer Credit Rating	
Local Currency	AA-/Stable/--
North River Insurance Co. (The)	
Financial Strength Rating	
Local Currency	AA-/Stable/--
Issuer Credit Rating	
Local Currency	AA-/Stable/--
Odyssey Group Holdings Inc.	
Issuer Credit Rating	
Local Currency	A-/Stable/--
Preferred Stock	BBB
Odyssey Re Europe S.A.	
Financial Strength Rating	
Local Currency	AA-/Stable/--
Odyssey Reinsurance Co.	
Financial Strength Rating	
Local Currency	AA-/Stable/--
Issuer Credit Rating	
Local Currency	AA-/Stable/--
Seneca Insurance Co. Inc.	
Financial Strength Rating	

Ratings Detail (as of October 23, 2026)*	
Local Currency	AA-/Stable/--
Issuer Credit Rating	
Local Currency	AA-/Stable/--
Seneca Specialty Insurance Co.	
Financial Strength Rating	
Local Currency	AA-/Stable/--
Issuer Credit Rating	
Local Currency	AA-/Stable/--
United States Fire Insurance Co.	
Financial Strength Rating	
Local Currency	AA-/Stable/--
Issuer Credit Rating	
Local Currency	AA-/Stable/--
Zenith Insurance Co.	
Financial Strength Rating	
Local Currency	AA-/Stable/--
Issuer Credit Rating	
Local Currency	AA-/Stable/--
Zenith National Insurance Corp.	
Issuer Credit Rating	
Local Currency	A-/Stable/--
ZNAT Insurance Co.	
Financial Strength Rating	
Local Currency	AA-/Stable/--
Issuer Credit Rating	
Local Currency	AA-/Stable/--
Domicile	Ontario

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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