ASR Re Limited

Key Rating Drivers

Improving Business Profile: ASR Re Limited's company profile within the global reinsurance sector reflects its small scale and limited operational record. The company underwrites corporate specialty reinsurance business across Africa and the Middle East. Its business model is built around partnerships with strategic binder capacity providers and retrocession counterparties. The Bermuda-domiciled reinsurer was founded in 2021 as a wholly owned subsidiary of Mauritius-based ASR Holdings and is the primary risk carrier in the ASR group.

ASR Re's insurance revenue rose to USD69 million in 2024 from USD42 million in 2023 as it added several reinsurance partners as capacity providers to its binder panel. Revenue has risen sharply so far in 2025, and Fitch Ratings expects this to continue in 2026. The growth has been enhanced by the setup of a syndicate at Lloyd's in 2024 and the opening of regional offices in 2024 and 2025. We consider this to be supportive of the strength of ASR Re's franchise.

Very Strong Capitalisation: The reinsurer's Prism Global model score was unchanged at 'Extremely Strong' at end-2024, although its capital buffer diminished due to capital deployment. ASR Re's enhanced capital requirement (ECR) ratio, based on Bermuda's rules for Class 3A insurers, fell to 298% at end-2024 (end-2023: 317%). Fitch expects ASR Re to continue using its existing capital and the addition of accumulated profits to fund new business growth, while maintaining its very strong capitalisation in 2025 and 2026. ASR Re has no financial debt.

Strong Financial Performance: The reinsurer, which has been profitable since 2022, generated a net profit of USD2.6 million in 2024 (2023: USD0.3 million), resulting in a return on equity of 5%, driven by better underwriting results, as the company expanded profitably. ASR Re's Fitch-calculated combined ratio improved to 84.5% in 2024 from 103.4% in 2023, when it was hit by an earthquake in Morocco.

The ASR group, also comprising managing general agents (MGAs), is profitable, with fixed and profit-sharing fees, mostly generated by MGAs, accounting for a large portion of the group's revenue. Fitch expects ASR Re's and the group's profitability to increase in 2025 and 2026 as the business book expands in scale and diversification, provided the company maintains underwriting discipline and effectively controls cost increases.

Strong Retro Cover: Fitch views ASR Re's reinsurance, risk mitigation and catastrophe risk management as strong and supportive of the rating. The company has comprehensive reinsurance protection across all lines of business, which mitigates loss exposures.

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- A failure to grow business profitably.
- A deterioration in capitalisation, as reflected in a Prism score falling to the upper end of 'Strong' for a sustained period or deterioration in reserve adequacy.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- An improvement of ASR Re's company profile through sustainable profitable growth over the next 12–24 months, while maintaining a very strong capital base.

Key Rating Drivers - Scoring Summary

Other Criteria Elements

Provisional Insurer Financial Strength	**BBB+**	**Positive**
Transfer & Convertibility/Country Ceiling	0	—
Non-Insurance Attributes	0	Neutral
Ownership/Group Support	0	Neutral
Insurer Financial Strength	**BBB+**	**Positive**

Company Profile

Improving Business Profile

Fitch ranks ASR Re's business profile as 'Less Favourable' compared with other global reinsurers due to its limited but fast-growing business franchise and small but increasing operating scale, its 'Less Favourable' competitive positioning, its 'Moderate' business risk profile and diversification, as well as 'Neutral' corporate governance. Given this ranking, Fitch scores ASR Re's company profile at 'bbb-' under its credit factor scoring guidelines.

The Bermuda-domiciled reinsurer was founded in 2021, is a wholly owned subsidiary of Mauritius-based ASR Holdings (ASR) and is the primary risk carrier within the ASR group. It underwrites corporate specialty reinsurance business in Africa and the Middle East, with about 80% written facultatively, which is sourced by two affiliated MGAs owned by the ASR group.

The group is reliant on third-party binder capacity providers to generate fees and write business. This allows the company to expand while limiting its risk exposure. The group retains typically 25% of each risk through ASR Re. As business volumes increase, we expect the group to diversify its panel of capacity providers and grow its direct book of business, reducing dependence on binder capacity and retrocession partners. Binder contracts typically have a three-year duration, mitigating the risk of partner loss. ASR Re added two new binder capacity providers over the past 12 months and has a strong pipeline of interested capacity providers.

ASR Re launched Syndicate 2454 at Lloyd's of London in April 2024, focused on underwriting business across Africa and the Middle East. This provides the group with additional capacity. Lloyd's global brand and licences has allowed ASR Re to access new markets and client segments as well as launch new lines of business. ASR opened regional offices over the past two years in Dubai, Morocco, South Africa and Kenya. These steps have allowed the company to strengthen its market presence and grow and diversify revenue.

ASR Re's revenue has risen sharply so far in 2025, and Fitch expects this to continue in 2026. The group plans to grow its footprint in the Middle East and expand to Asia and Latin America from 2026. ASR Re's revenue increased by 65% in 2024 to USD69 million, and the company expects this to rise to about USD100 million in 2025. The group's gross written premiums are expected to nearly double in 2025 to USD360 million–USD380 million. A key challenge for the group is to continue to manage rapid business growth and related execution and operational risks, while maintaining underwriting discipline and capital strength.

The group operates a unique co-(re)insurance model, based on strategic binder capacity partners, some of which are established reinsurers in Africa. ASR relies on the long experience and established business network of senior management to attract new business. It has a growing underwriting team with good experience in the targeted classes of business and operating environment. ASR hired senior staff in 2024 and 2025, adding to an already deep management team. Overall, Fitch views staffing as strong and commensurate with business growth. ASR Re CEO Mikir Shah was CEO of AXA Africa Specialty Risks in 2016–2018 and has continued to hire senior staff from the same team. In Fitch's view, ASR Re's management team supports market acceptance repand execution of the group's business plan.

ASR Re is exposed to high economic, political and financial system risks associated with operating in the African specialty reinsurance market, although these are mitigated by good geographical diversification. It does business across 54 African countries, 13 Middle Eastern countries and Uzbekistan, for 12 lines of business. ASR Re intends to limit its single business line exposure to no more than 25% of the total portfolio.

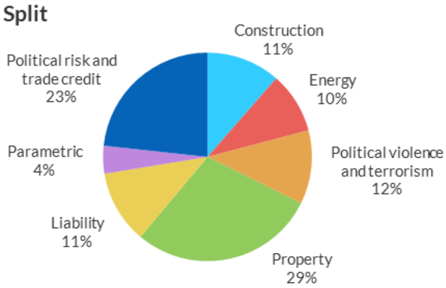
Company Profile Scoring

Business profile assessment	Less Favourable
Business profile sub-factor score	bbb-
Corporate governance assessment	Neutral
Corporate governance impact (notches)	0
Company profile factor score	bbb-

Source: Fitch Ratings

Revenue Split

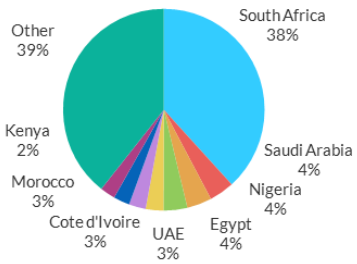
2024



Source: Fitch Ratings, ASR Re

Premium Split by Country

2024



Source: Fitch Ratings, ASR Re

Ownership

Neutral Ownership

Fitch considers the ownership structure as neutral for the rating. ASR Re is owned by ASR Holdings (Mauritius). The ASR group is 80%-owned by private equity fund Helios Investors IV, LP. The fund is managed by Helios Investment Partners, a mid-market private equity firm established in 2004 managing funds totalling USD3.5 billion focused on Africa.

Fund investors include three high-profile development institutions (International Finance Corporation, British International Investment plc, Norfund). The ASR group's senior management and a majority of employees, hold a 20% stake in the group.

Capitalization and Leverage

Very Strong Capitalisation and Leverage

Fitch views ASR Re's capitalisation and leverage as very strong and a key rating strength. The Prism score was unchanged at 'Extremely Strong' at end-2024. About a third of ASR Re's total assets consist of an intercompany loan to the group's MGAs, which Fitch does not charge in its asset risk capital requirements. ASR Re expects the loan to be repaid by 2029 or earlier.

The ECR ratio, calculated on the basis of the Bermuda Solvency Capital Requirement for Class 3A insurers, was 298% at end-2024 (end-2023: 317%), well above the 200% internal target and 120% regulatory minimum. Solvency buffers diminished in 2024, as measured in both Prism and ECR, as capital was deployed for growth.

ASR Re is mainly equity-funded. The institutional investor group has the right to inject additional funding in case of an emergency to avoid a default or shortfall of regulatory capital, which could dilute the equity investment of ASR's management team.

Financial Highlights

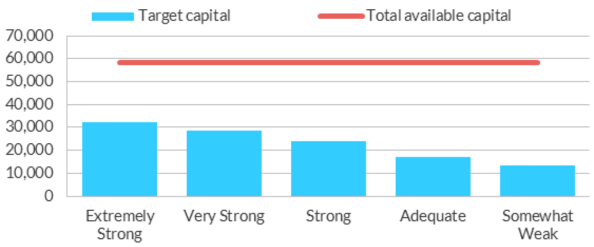
(x)	End-2024	End-2023
Total financing and commitments/total equity	0.1	0.0
Net leverage	1.5	0.6
Financial leverage (goodwill supported) (%)	0.0	0.0
Regulatory capital ratio (%)	298	317

Net leverage: (net premiums written + net insurance liabilities)/equity capital
Source: Fitch Ratings, ASR Re Limited

Fitch's Expectations

- ASR Re to continue using its existing capital and the addition of accumulated profits to fund new business growth, while maintaining its very strong capitalisation in 2025 and 2026.

Capitalisation Adequacy
Prism Global (USD 000)



Source: Fitch Ratings

Financial Highlights

	2024	2023
Prism score	Extremely Strong	Extremely Strong
Prism total AC (USDm)	58	58
Prism AC/TC at Prism score (%)	182	307
Prism AC/TC at higher Prism score (%)	n.a.	n.a.

AC – Available capital, TC – Target capital
Source: Fitch Ratings, ASR Re Limited

Debt Service Capabilities and Financial Flexibility

Limited Financial Flexibility

Fitch views ASR Re's financial flexibility as limited. The group has received USD50 million of shareholder capital from Helios Investment Partners, a private equity investor and manager. A further commitment of USD12 million of capital, in the form of long-dated subordinated debt, has also been provided by the investor group. In addition, ASR has access to additional long-term capital from the current 10 plus two years' facility. However, as a non-listed company, the company's access to the capital markets is limited.

Excluding the working capital facility for Syndicate 2454 at Lloyd's of London, ASR Re does not hold any debt and supports the group's MGAs via an intra-group loan of USD31 million as of end-2024.

Financial Highlights

	End-2024	End-2023
Fixed-charge coverage ratio (including gains and losses)	n.a.	n.a.

Source: Fitch Ratings, ASR Re Limited

Fitch's Expectations

- ASR Re to receive capital support from its investor base, if needed.

Financial Performance and Earnings

Strong Financial Performance

ASR Re has been profitable since 2022 based on IFRS 17 accounting results, despite only being in business for a short period. The reinsurer generated a net profit of USD2.6 million in 2024 (2023: USD0.3 million), translating into a return on equity of 5% at end-2024.

ASR Re's underwriting performance was very strong in 2024, with a Fitch-calculated combined ratio of 84.5% (2023: 103.4%), driven by an extremely low incurred loss ratio. The company had an underwriting loss in 2023, when an earthquake in Morocco caused a large loss in the parametric line of business, which has now been restructured. The net contractual service margin (CSM) fell in 2024 despite strong new business CSM growth, due to sharply increasing reinsurance receivables. The company is keen to maintain its underwriting discipline and performance as capacity provided increases.

Investment income made a meaningful contribution to earnings over the past two years as the company invested part of its liquidity in highly rated US dollar-denominated bonds.

The group's MGAs were profitable in 2024 and 2023 on business growth. Fitch expects the MGAs to increasingly support group earnings as volumes continue to rise.

ASR group reported a net result of USD6.8 million under IFRS 17 for 2024. Fixed and profit-sharing fees, mostly generated by the MGAs, represent the largest part of group revenue.

Financial Highlights

(%)	End-2024	End-2023
Net income return on equity	5.1	0.5
Pre-tax operating profit return on equity	1.6	-2.3
Net combined ratio	84.5	103.4
Operating ratio	78.2	100.0

Source: Fitch Ratings, ASR Re Limited

Fitch's Expectations

- Profitability to increase as the book of business increases in scale and diversity, provided the company maintains underwriting discipline and effectively controls cost increases.

Investment and Asset Risk

Very Low Investment Risk

ASR Re has a simple asset allocation consisting of cash with highly rated banks and, for the balance, US dollar-denominated sovereign (US) and corporate bonds rated in the 'AA' category. Investments are therefore highly liquid to offset the illiquid intercompany loan to group MGAs accounted as receivables, which represents about a third of total assets. This intercompany loan is not included in the agency's risky assets calculation. The company does not intend to change its asset allocation after the loan is repaid.

ASR Re is exposed to foreign-exchange risk, but limits this by selling policies with premiums and claims denominated in US dollars, where possible. Investments are also denominated in US dollars. Where there is significant exposure to a local currency, such as in South Africa, premiums will be held in that currency to match the payment of potential claims.

Financial Highlights

(%)	End-2024	End-2023
Risky assets/capital (total)	0	0
Unaffiliated shares/capital (total)	0	0
Non-investment-grade bonds/capital (total)	0	0
Investments in affiliates/capital (total)	0	0

Source: Fitch Ratings, ASR Re Limited

Reserve Adequacy

Reserve Adequacy Untested

ASR Re's reserve adequacy is yet to be tested given the short period since its inception. The company is prone to adverse reserve developments due to its small size and rapid growth rate. For construction and liability lines, ASR Re can issue policies with a five- to seven-year claims discovery and reporting period, exposing it to long-term adverse reserve development risk. However, those lines represent only a small part of the reinsurer's portfolio, reducing the reserving risk. The company uses generally accepted actuarial methods to project ultimate losses and calculate reserves for claims incurred but not yet reported.

Financial Highlights

(%)	End-2024	End-2023
Reserve development/prior-year capital	n.a.	n.a.
Net revenue/gross revenue	85	79
Net technical reserves/net insurance revenue	48	10
Reinsurance recoverable to capital	17	0

Source: Fitch Ratings, ASR Re Limited

Reinsurance, Risk Mitigation and Catastrophe Risk

Strong Retro Protection

Fitch views ASR Re's reinsurance, risk mitigation and catastrophe risk management as strong. ASR Re's Common Account Protection tower provides excess-of-loss coverage for all lines of business with the exception of parametric, which is covered by bespoke quota-share protection. The excess-of-loss coverage also covers the capacity providers. ASR Re's Lloyd's syndicate has its own standalone retrocession programme. Retrocession partners are rated in the 'A' category or higher.

Financial Highlights

(%)	End-2024	End-2023
Reinsurance recoverables/non-life capital	17	0
Net insurance revenue/insurance revenue	85	79

Source: Fitch Ratings; ASR Re Limited

Appendix A: Peer Analysis

Peer Comparison

Click here for a report that shows a comparative peer analysis of key rating driver scoring.

Appendix B: Industry Profile and Operating Environment

Appendix B: Industry Profile and Operating Environment

Industry Profile and Operating Environment (IPOE)

Click here for a link to a report that summarises the main factors driving the above IPOE score.

Appendix C: Other Rating Considerations

Below is a summary of additional ratings considerations that are part of Fitch's *Insurance Rating Criteria.*

Notching

Notching Summary

IFS ratings
A baseline recovery assumption of 'Good' applies to the IFS rating, and standard notching was used from the IFS anchor rating to the implied operating company IDR.
Operating company debt
Not applicable.
Holding company IDR
Not applicable.
Holding company debt
Not applicable.
Hybrids
Not applicable.

IFS – Insurer Financial Strength. IDR – Issuer Default Rating
Source: Fitch Ratings

Short-Term Ratings

Not applicable.

Recovery Analysis and Recovery Ratings

Not applicable.

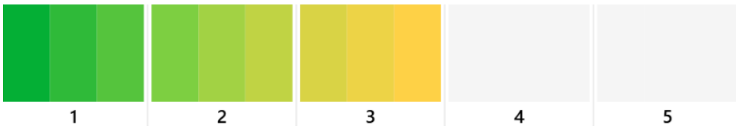
Transfer and Convertibility Risk (Country Ceiling)

None.

Criteria Variations

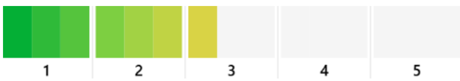
None.

Appendix D: Environmental, Social and Governance Considerations



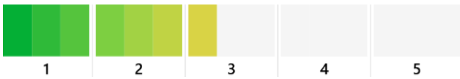
Environmental Relevance Scores

General issues	Score	Sector-specific issues	Reference
GHG Emissions & Air Quality	1	n.a.	n.a.
Energy Management	1	n.a.	n.a.
Water & Wastewater Management	1	n.a.	n.a.
Waste & Hazardous Materials Management; Ecological Impacts	2	Underwriting/reserving exposed to asbestos/hazardous materials risks	Capitalization & Leverage; Financial Performance & Earnings; Reserve Adequacy; Reinsurance, Risk Mitigation & Catastrophe Risk
Exposure to Environmental Impacts	3	Underwriting/reserving exposed to environmental and natural catastrophe risks; impact of catastrophes on own operations or asset quality; credit concentrations	Capitalization & Leverage; Financial Performance & Earnings; Reserve Adequacy; Reinsurance, Risk Mitigation & Catastrophe Risk; Investment and Asset Risk



Social Relevance Scores

General issues	Score	Sector-specific issues	Reference
Human Rights, Community Relations, Access & Affordability	1	n.a.	n.a.
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risk; treating customers fairly; pricing transparency; privacy/data security; legal/regulatory fines; exposure to insured and own cyber risk	Industry Profile & Operating Environment; Company Profile; Reserve Adequacy
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Company Profile
Employee Wellbeing	1	n.a.	n.a.
Exposure to Social Impacts	3	Social responsibility and its effect on brand strength; increased vulnerability due to credit concentrations	Company Profile; Investment and Asset Risk; Financial Performance & Earnings; Reinsurance, Risk Mitigation & Catastrophe Risk



Governance Relevance Scores

General issues	Score	Sector-specific issues	Reference
Management Strategy	3	Operational implementation of strategy	Company Profile
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Company Profile
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Company Profile; Ownership
Financial Transparency	3	Quality and timing of financial reporting and auditing processes	Company Profile

ESG Scoring

ESG relevance scores range from '1' to '5' based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.
The Environmental (E), Social (S) and Governance (G) tables break out the general and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit relevance of the sector-specific issues to an issuer's overall credit rating. The Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.
The panels underneath the relevance scores tables are visualizations of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The Score columns summarize rating relevance and impact to credit from ESG issues. The column on the far left identifies any ESG relevance sub-factor issues that are drivers or potential drivers of an issuer's credit rating (corresponding with scores of '3', '4' or '5'). All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.
Classification of ESG issues has been developed from Fitch's sector ratings criteria. The general and sector-specific issues draw on the classification standards published by the UN Principles for Responsible Investing, the Sustainability Accounting Standards Board and the World Bank.

Credit-Relevant ESG Scale

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to 'Higher' relative importance within the Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to 'Moderate' relative importance within the Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to 'Lower' relative importance within the Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

Ratings

ASR Re Limited	
Insurer Financial Strength	BBB+

Outlook	
Insurer Financial Strength	Positive

Financial Data

ASR Re Limited

(USDm)	End-2024	End-2023
Total assets	97.1	54.1
Total equity	52.7	50.1
Insurance revenue	69.1	41.9
Net income	2.6	0.3
ECR ratio (%)	298	317

Note: Reported under IFRS.
Source: Fitch Ratings, ASR Re Limited

Applicable Criteria

Insurance Rating Criteria (March 2024)

Related Research

Global Reinsurance Outlook 2026
(September 2025)
African Reinsurers' Risk Concentration Weakens Credit Profiles (September 2024)

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