

## Fitch Affirms Tunis Re's National IFS Rating at 'AA(tun)'; Outlook Stable

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Fitch Ratings - Madrid - 29 May 2026: Fitch Ratings has affirmed Societe Tunisienne de Reassurance's (Tunis Re) National Insurer Financial Strength (National IFS) Rating at 'AA(tun)'. The Outlook is Stable.

Tunis Re's National IFS Rating is driven by its strong creditworthiness versus its local peers, benefiting from its leading domestic market position and extensive international presence in higher-rated countries than Tunisia.

### KEY RATING DRIVERS

**Leading Domestic Market Position:** Tunis Re is the leading reinsurer in Tunisia, with strong domestic expertise and a sizeable, growing international presence, accounting for 58% of gross written premiums in 2025. Its systemic importance to the Tunisian economy is underpinned by strong relationships with all domestic cedents, the largest of which are also shareholders of the company. Fitch's assessment of the business profile is constrained by Tunis Re's limited operating scale and modest prospects for further expansion into overseas markets in higher-rated countries.

**Adequate Capital:** Tunis Re scored 'Adequate' under Fitch's Prism Global model in 2025, supported by a large capital base and low net exposure to catastrophe risk, partly offset by high asset risk. The reinsurer's internal risk-based capital model, aligned with Solvency II standards and reviewed by an independent international auditor, indicated a comfortable solvency margin of 152% at end-2025. Fitch expects the company to further strengthen its capitalisation through a planned capital increase of TND100 million in 2026.

**Strong Profitability:** Fitch believes Tunis Re's earnings are strong relative to its rating, underpinned by solid underwriting performance. The company reported a strong net combined ratio of 83.7% in 2025 (2024: 95.9%), benefiting from a relatively low level of catastrophe losses. The Fitch-calculated gross loss ratio improved to 35.4% (2024: 66.1%), while the net loss ratio was 44.5% (2024: 59.4%). The Fitch-calculated return on equity (ROE) was 10.1% in 2025 (2024: 8.5%).

Fitch expects Tunis Re's profitability to remain strong, supported by solid underwriting expertise and robust retrocession arrangements, which help mitigate earnings volatility arising from foreign-exchange movements and adverse international claims experience.

**High Domestic Asset Risk:** We view Tunis Re's investment portfolio as high risk, reflecting significant asset concentration in Tunisia, primarily in monetary instruments and fixed-income securities. Fitch considers Tunis Re's balance sheet to be more exposed to currency risk than its domestic peers, owing to an unhedged currency mismatch between assets and liabilities arising from its growing international business. This risk is partly mitigated through the use of international retrocession programmes.

**Effective Retrocession:** Tunis Re's retrocession practices are effective and credit-positive. The company has established strong relationships with highly rated international reinsurers. Its entire portfolio benefits from excess-of-loss protection, while exposure to catastrophe risk is largely retroceded.

## **RATING SENSITIVITIES**

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

- Material deterioration in the company's business risk profile, which could result from increasing business presence in higher-risk markets
- A large deterioration in the company's retrocession policy and programme
- Sharp deterioration in earnings resulting from reserve deficiencies, investment losses, and weak underwriting discipline over a prolonged period

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

- Material improvements in Tunis Re's asset and business risk profile, which could result from a reduction in asset concentration on Tunisia and an increasing share of good-quality business outside the country

## **REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING**

The principal sources of information used in the analysis are described in the Applicable Criteria.

## RATING ACTIONS

ENTITY / DEBT ⇅	RATING TYPE ⇅	RATING ⇅	RATING ACTION ⇅	PRIOR ⇅
Societe Tunisienne de Reassurance	Natl LT IFS	AA(tun) ●	Affirmed	AA(tun) ●

### VIEW ADDITIONAL RATING DETAILS

Additional information is available on [www.fitchratings.com](http://www.fitchratings.com)

### PARTICIPATION STATUS

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

### APPLICABLE CRITERIA

- [National Scale Rating Criteria \(pub. 22 Dec 2020\)](#)
- [Insurance Rating Criteria \(pub. 04 Mar 2024\) \(including rating assumption sensitivity\)](#)
- [Financial Institutions Climate Vulnerability Rating Criteria \(pub. 08 Dec 2025\)](#)

### APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

- Prism Global (ex-U.S.) Model, v1.8.2 (1)

### ADDITIONAL DISCLOSURES

- [Solicitation Status](#)
- [Endorsement Policy](#)

### ENDORSEMENT STATUS

Societe Tunisienne de Reassurance-

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