



## AM Best Affirms Credit Ratings of Ghana Reinsurance Company Limited

---

### Related Companies

For information about each company, including the Best's Credit Reports, group members (where applicable) and news stories, click on the company name. An additional purchase may be required.

AMB#	Company Name
------	--------------

090035	Ghana Reinsurance Company Limited
--------	-----------------------------------

071476	Ghana Reinsurance Company Ltd.
--------	--------------------------------

---

### CONTACTS:

George Athanasopoulos Financial Analyst +44 20 7397 0330 george.athanasopoulos@ambest.com	Christopher Sharkey Manager, Public Relations +1 908 439 2200, ext. 5159 christopher.sharkey@ambest.com
--	--

Catherine Thomas Senior Director, Analytics +44 20 7397 0281 catherine.thomas@ambest.com	Jim Peavy Director, Public Relations +1 908 439 2200, ext. 5644 james.peavy@ambest.com
---	---

---

### FOR IMMEDIATE RELEASE

LONDON - DECEMBER 18, 2018

**AM Best** has affirmed the Financial Strength Rating of B (Fair) and the Long-Term Issuer Credit Rating of "bb" of Ghana Reinsurance Company Limited (Ghana Re) (Ghana). The outlook of these Credit Ratings (ratings) is stable.

The ratings reflect Ghana Re's balance sheet strength, which AM Best categorises as very strong, as well as its adequate operating performance, limited business profile and weak enterprise risk management.

Ghana Re's very strong balance sheet strength is underpinned by its risk-adjusted capitalisation being at the strongest level, as measured by Best's Capital Adequacy Ratio (BCAR). Capital requirements are driven by a high level of asset risk due to the concentration of investments in Ghana. Prospectively, AM Best expects BCAR scores to remain at the strongest level with good internal capital generation supporting strong premium growth.

Ghana Re has a track record of positive operating results, which are considered adequate when the high level of inflation in the company's key markets is taken into account. Underwriting has been unprofitable and volatile over the past five years, principally due to weather-related losses and, more recently, the strengthening of the reserves. In 2017, despite reporting an underwriting loss (combined ratio of 122.9%), the company achieved a return on equity of 12.3%, underpinned by a high investment return, foreign exchange gains and bad debt recoveries. AM Best expects prospective performance to remain driven by double-digit investment returns, principally derived from the company's fixed income portfolio and short-term deposits.

Ghana Re maintains a good competitive position in Ghana as the largest domestic reinsurer, and continues to expand its pan-African business. However, the company's core markets are small by international standards, and business growth is largely dependent on local regulators' initiatives to promote insurance penetration and the utilisation of local

reinsurance capacity. Business is concentrated by product and geography, although more than 40% of gross written premiums were derived from African markets outside of Ghana in 2017.

Ghana Re is exposed to high levels of political, economic and financial system risk in the countries in which it operates (mainly Ghana, Kenya, Zambia and Morocco). The company's risk management framework is evolving, in particular in respect of the management of natural catastrophe exposure. Nevertheless, risk management capabilities are weak when compared with the company's risk profile. AM Best expects ongoing improvement in risk management to support better underwriting performance in the medium to long term.

**This press release relates to Credit Ratings that have been published on AM Best's website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see AM Best's Recent Rating Activity web page. For additional information regarding the use and limitations of Credit Rating opinions, please view Understanding Best's Credit Ratings. For information on the proper media use of Best's Credit Ratings and AM Best press releases, please view Guide for Media - Proper Use of Best's Credit Ratings and AM Best Rating Action Press Releases.**

**AM Best is a global rating agency and information provider with a unique focus on the insurance industry.**



---

**Copyright © 2018 A.M. Best Company, Inc. and/or its affiliates ALL RIGHTS RESERVED**

No part of this report may be distributed in any electronic form or by any means, or stored in a database or retrieval system, without the prior written permission of A.M. Best. Refer to our [terms of use](#) for additional details.