



# PRESS RELEASE

African Reinsurance Corporation  
Société Africaine de Réassurance

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## **AFRICA RE REMAINS RESILIENT WITH IMPROVED NET PROFIT**

The African Reinsurance Corporation (Africa Re) posted a premium income of US\$583.68 million at the end of the third quarter of 2020, a decline of 5.41%. The decline was largely driven by the weakening of some of the major underlying currencies (Nigeria Naira and South Africa Rand) as well as declines occasioned by deliberate portfolio actions to improve underwriting performance.

Technical expense ratios recorded some significant improvements with the Loss Ratio improving by 424 basis points to stand at 62.33% from 66.57% reported in the previous year. The actions taken on the underwriting portfolio, though negative on premium income, had a positive impact technical expense ratios.

Overall, the net underwriting profit at September 2020 recorded significant improvements to stand at US\$12.52 million, up from an underwriting loss of US\$11.13 million during the same period in 2019.

The Covid-19 pandemic induced global downturn in the financial markets affected the Corporation firstly by the interest rate cuts and secondly by the significant fall in all equity market indices. Hence, Investment income at the end of the third quarter of 2020 stood at US\$33.95million, down from US\$47.56million in the corresponding period in September 2019.

The Net profit at the end of the reporting period was US\$41.77 million, outperforming previous year result of US\$33.65 million by 24.13%.

The Group MD/CEO of Africa Re, Dr. Corneille KAREKEZI, in his remarks on the performance noted that: *"The very good performance recorded in the 9 months is the result of swift implementation of the existing robust business continuity plan, cumulative Management actions taken on the underwriting portfolio, as well as very balanced approach to investment management. These three blunted the impact of the Covid-19 pandemic. We are optimistic of sustaining the tempo till the end of the year barring any unforeseen major losses"*.

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