

## **Africa Re Records Strong Growth in Net Profit for the First Nine Months of 2023**

The African Reinsurance Corporation ("Africa Re" or "the Corporation" herein) recorded a Gross Written Premium Income of US\$ 806.5 million for the first nine months of 2023 (or "9M 2023" herein), representing 18.9% growth over the US\$ 677.8 million reported for the same period of 2022. This impressive performance is due to improvement in underwriting price adequacy and new businesses written in the oil and energy line.

Gross Incurred Claims amounted to US\$ 404.4 million at the end of 9M 2023, a slight increase of 4.5% over the figure of US\$ 386.6 million for the same period in 2022. The reduction in the retrocession share of incurred claims (9M 2023: US\$ 27.6 million vs. 9M 2022: US\$ 62.6 million), combined with the overall increase in claims reported but highly retained by the Corporation (i.e. Turkey and Morocco Earthquakes), led to a Net Incurred Claims totaling US\$ 376.8 million in 9M 2023, a 16.2% increase over the figure of US\$ 324.0 million of 9M 2022.

With the above underwriting result and an increased Net Acquisition Cost (9M 2023: US\$ 169.3 million vs. 9M 2022: US\$ 150.9 million, Variation: + 12.2%) which follows the growth in the volume of written premium, Africa Re's Combined Ratio at the end of 9M 2023 stood at 93.6%, a moderate improvement compared to the same period of 2022 which was 94.9%. This led to a significant outperformance of 46.4% in Net Underwriting Profit with a reported amount of US\$ 39.6 million (9M 2022: US\$ 27.0 million) after the first 9 months of the year 2023.

Particularly, it is the outstanding performance of the Investment Income with a Profit of US\$ 45.0 million (9M 2022: Loss of US\$ 7.5 million), thanks to a strong recovery from the capital losses suffered in the valuation of the equity and bond investment instruments at the end of the year 2022. This boosted the Overall Net Profit to US\$ 75.4 million at the end of the first 9 months of 2023 from an Overall Net Loss of US\$ 11.1 million, marking a remarkable improvement of 697.9% compared to the loss recorded at the end of the same period of 2022.

The Group MD/CEO of Africa Re, Dr. Corneille Karekezi, while commenting on the performance of the Corporation, stated that, *"the very good performance in the nine months of the year 2023, as acknowledged by all reinsurance industry analysts and financial rating agencies, is a promising indication for Africa Re that the year 2023 will end at a positive note on the account of the ongoing underwriting price adjustment, the recovery of the global financial markets from the lows of 2022, and a strong reinsurance demand."*



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**About Africa Re**

The African Reinsurance Corporation (Africa Re) is a leading reinsurance company headquartered in Lagos (Nigeria). As a premier reinsurer of the African continent, it boasts one of the highest premium income volumes and the strongest financial strength ratings.

Africa Re's mission is to foster the development of the insurance and reinsurance industry in Africa, to promote the growth of national, regional, and sub-regional insurance risk underwriting and retention capacities, and to support African economic development.

Africa Re offers a unique value proposition to its cedants across Africa and in selected markets of the Middle East, Asia, and Brazil, backed by a diverse pool of talent and expertise, unique market knowledge, proximity to clients, strong financial ratings (A / Stable by AM Best and A - / Stable by S&P), privileged access to African markets, and excellent customer service.

Africa Re broad-based shareholding is made up of 42 African member States, the African Development Bank, 113 African insurers and reinsurers, and 3 global leading insurance groups (AXA, Fairfax Financial Holdings, and SanlamAllianz).

Africa Re's core market coverage is achieved through offices located in key cities: 6 regional offices (Lagos, Casablanca, Abidjan, Nairobi, Ebène -Mauritius, and Cairo), 3 representative offices (Addis Ababa, Khartoum, and Kampala), and 3 fully owned subsidiaries in Johannesburg (Africa Re South Africa), Cairo (Africa Retakaful Company) and Dubai (DIFC Underwriting Management Agency).