



PRESS RELEASE

African Reinsurance Corporation
Société Africaine de Réassurance

AFRICA RE REAFFIRMS BUSINESS RECOVERY WITH IMPROVED RESULTS

The African Reinsurance Corporation (Africa Re) posted a premium income of US\$629.15 million for the nine months to September 2021, an increase of 7.79% over US\$583.68 million reported for the same period in 2020. The increase was driven by both organic growth and increase in market share in most of our markets. The recovery of the South African Rand against the US Dollar also contributed to the growth when reported in US Dollars. On the downside, there was significant reduction in premium income denominated in US Dollar from Libya and Sudan due to the devaluations of the Libyan Dinar and Sudanese Pound.

Technical expense ratios recorded moderate improvements with the Loss Ratio closing at 61.88% compared to 62.33% reported in the previous year. The Corporation continues to benefit from portfolio cleansing in some of the portfolios with greater emphasis being put on profitability.

Overall, the net underwriting profit at September 2021 recorded significant improvements to US\$19.07 million, up from US\$12.52 million during the same period in 2020.

Investment income at the end of the third quarter of 2021 stood at US\$39.92 million, improving by 17.59% on US\$33.95 million posted in the corresponding period in September 2020. The performance was driven by the relatively bullish capital markets, increased interest income from the bond portfolio and improved rental income.

The net profit at the end of the reporting period was US\$36.14 million, underperforming previous year result of US\$41.77 million by 13.47%. This was due to substantial exchange loss on some of our operating currencies.

The Group MD/CEO of Africa Re, Dr. Corneille KAREKEZI, in his remarks on the performance, noted that: *"The performance recorded in the 9 months is a reaffirmation of the Corporation's continued prudence in underwriting coupled with a conservative approach to asset management. We are optimistic of sustaining this performance to the end of the year barring any unforeseen significant events or major losses"*.

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