



50 Years of Reinsurance Excellence

Fulfilling the Pan African Vision

2025 ANNUAL REPORT & ACCOUNTS



ABOUT US

The **African Reinsurance Corporation ("Africa Re" or the "Corporation")** was established by a **multilateral Agreement** as a **pan-African intergovernmental reinsurance group** on **24 February 1976** in Yaoundé, Cameroon, by 36 member States of the then Organization of African Unity (OAU), now the African Union (AU) and the African Development Bank Group (AfDB).

Mission



To **foster** the development of the insurance and reinsurance industry in Africa.



To **promote** the growth of national, regional and sub-regional underwriting and retention capacities.



To **support** African economic development.

Value Proposition

- We **deploy** our **strengths** and **leverage** our **proximities** for **endless possibilities** and **client protection**.
- We offer **financial protection through reinsurance covers** to life and non-life insurers in Africa and other selected markets in the Middle East, Asia and South America.

Diversified Shareholding

- 42 African States: **33.70%**
- 112 Insurance and Reinsurance Companies: **34.85%**
- African Development Bank: **8.13%**
- Fairfax Financial Holdings: **7.11%**
- AXA Africa Holdings: **7.11%**
- Allianz SE (SanlamAllianz Proprietary Limited): **8.13%**
- Employee Share Ownership Plan (ESOP): **0.97%**

With a **gross written premium of US\$ 1.3 billion in 2025** that translates to a **reinsurance revenue of 1.2 billion**, Africa Re is the **leading and largest pan-African reinsurer** in Africa and the Middle East.

Africa Re is ranked **36th by S&P in the Top 40 Global Reinsurance Groups** by net reinsurance premiums written in 2024 and **ranked 42nd by AM Best in the Top 50 World's Largest Reinsurance Groups** by unaffiliated gross premium written in 2024.

Our portfolio is **88.44% Property & Casualty** with the remainder covering **Life & Health**. Our risk solutions are categorized into Fire & Engineering, Accident & Motor, Oil & Energy, Marine & Aviation, Life & Health and Miscellaneous.

The Corporation is **led and managed by Africans** and has **324 permanent employees** from **30 African nationalities** including the Executive Management.

Africa Re operates from **13 business locations** serving **Africa**, parts of the **Middle East, Asia** and **Latin America**. The **network of offices** comprises:

- **Subsidiaries (4):** Africa Re South Africa Limited (South Africa), Africa Retakaful Company Limited (Egypt), Africa Re Underwriting Management Agency Limited (DIFC, Dubai, United Arab Emirates) and Africa Re Gift Tec-City (Gujarat, India)
- **Regional Offices (6):** Nigeria, Morocco, Côte d'Ivoire, Egypt, Mauritius and Kenya
- **Contact Offices (1):** Ethiopia
- **Underwriting Representative Offices (3):** Uganda, Sudan and Democratic Republic of Congo

The Corporation is the best rated pan-African reinsurer by:

- **A.M. Best Company:** A (Strong / Stable Outlook) since 2016, ("A-"since 2002)
- **Standard & Poor's:** A (Strong / Stable Outlook) since 2025, ("A-"since 2009)

Africa Re manages the following **continental and national Insurance Pools:**

- **AAIP:** African Aviation Insurance Pool, which started in 1983 and is promoted by the African Insurance Organization (AIO) for aviation business.
- **AOEIP:** African Oil & Energy Insurance Pool, which started in 1989 and is promoted by the African Insurance Organization (AIO) for oil & energy business.
- **EAIPN:** Energy & Allied Insurance Pool of Nigeria, which started in 2014 and is promoted by the Nigerian Insurers Association (NIA) for oil & energy business.

We also contribute to the wellbeing of our societies through the **Africa Re Foundation** registered in Mauritius. The Foundation is the channel of our **Corporate Social Responsibility (CSR) activities**. The areas of focus of the Africa Re Foundation are Insurance Education, Professional Development, Excellence, Market Development, Industry Digitalization, Research and Development, as well as Community Resilience through Prevention, Risk Awareness and Management, and Disaster Recovery.

Financial highlights

In US\$ '000	2025*	2024*	2023*	2022 R*	2021**
Financial position					
Gross Written Premium	1,337,744	1,214,098	1,106,487	951,789	845,346
Reinsurance Revenue	1,274,989	1,200,346	1,045,516	917,112	
Reinsurance Service Expense	944,716	843,805	786,053	768,428	
Net Profit	218,588	132,942	126,954	59,873	38,823
Financial position					
Shareholders' Equity	1,396,315	1,158,829	1,065,691	998,986	1,000,714
Profitability Ratios					
Net Combined Ratio	81.60%	81.38%	85.75%	89.63%	94.80%
Average Investment Yield	5.96%	5.42%	4.96%	0.63%	3.56%
Return on Average Equity	17.11%	11.95%	12.30%	6.07%	3.80%
Underwriting Capacity and Solvency					
Premium to Surplus Ratio***	76.94%	85.94%	82.53%	77.07%	66.59%

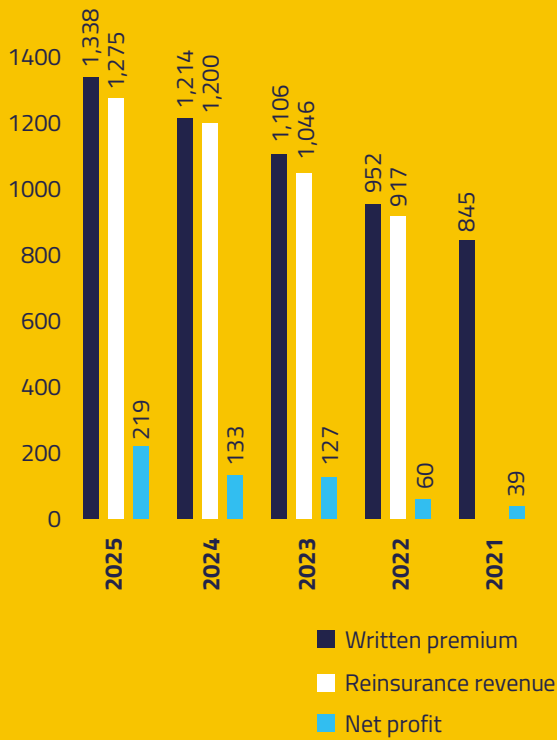
NB *) 2025, 2024, and 2023 figures are under IFRS 9 & 17.

R*) 2022 figures have been restated from IFRS 4 & IAS 39 to IFRS 17 & 9

***) 2021 figures are under IFRS 4 & IAS 39

***) Formula: (Reinsurance Revenue – Retrocession Expenses) / Total Equity (Net Assets). This measures how much risk (net reinsurance revenue) shareholders are taking on relative to their capital investment (equity). 100% is considered very strong leverage and very conservative capitalization.

Results 2021 - 2025
(in US\$ million)



Financial position
(in US\$ million)



Financial Strength and Ratings

A.M. Best

A

A.M. Best
(Excellent / Stable Outlook)

Standard & Poor's

A

S&P Global
(Strong / Stable Outlook)

Proposed Dividend per Share for 2025

US\$15.0

Regular Dividend: US\$ 10.0

Special Dividend: US\$ 5.0

2024 Dividend: US\$ 10.0

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LETTER TO THE GENERAL ASSEMBLY

African Reinsurance Corporation General Assembly

**48th Annual Ordinary Meeting
June 2026**

Honourable Representatives at the General Assembly of the African Reinsurance Corporation,

In accordance with the provisions of Articles 14 and 37 of the Agreement Establishing the African Reinsurance Corporation and Article 8 of the General Regulations of the Corporation, I have the honour, on behalf of the Board of Directors, to submit to you the Annual Report and Audited Accounts of the Corporation for the period 1 January to 31 December 2025.

Please accept, Honourable Representatives, the assurance of my highest consideration.

Mr Moustapha COULIBALY

Chairman of the Board of Directors and General Assembly





BOARD OF DIRECTORS



Mr Moustapha COULIBALY

Independent Non-Executive Director
Chairman of the Nominations & Governance Committee
Chairman of the Board (Elected in June 2024)

Nationality: Ivoirian (Côte d'Ivoire)

Current Term ends: 2027

Mr. Moustapha COULIBALY is a US Certified Public Accountant (CPA) with over 44 years of experience in auditing, financial management and consulting. He spent a tremendous number of years of his professional career with Touche Ross & Co, Deloitte & Touche and with Grant Thornton Côte d'Ivoire as Managing Partner.

Mr. COULIBALY holds an MBA in Finance and Management from ADELPHI University, Long Island, New York, USA and, a Master's plus a Bachelor's degree in Finance and Management from the University of Abidjan, Côte d'Ivoire.

Mr. Moustapha COULIBALY was external auditor of the **AfDB group** for 25 years (1982- 2007) as audit staff and audit partner; **Africa Re** for 8 years (1998 – 2006) as engagement partner and; **CICA Re** for 9 years (2009- 2017) as engagement partner. He also served as Audit Engagement Partner to **ETI Group** (Ecobank Transnational Incorporated) from 2015 to 2018.

Mr. COULIBALY is currently Chairman of the Boards of **Sanlam Allianz Côte d'Ivoire Assurances - Life and Non-Life**. He also chairs the Audit Committee of the Board and the IT migration Ad Hoc committee of **BICICI** in Côte d'Ivoire (Bank).

He is the founder of Lycée Maurice Delafosse in Abidjan, Côte d'Ivoire where he served as Chairman of the Board from inception in 2004 to 2017.



Dr. Mohamed Farid SALEH

Vice Chairman

Member of the Nominations and Governance Committee

Member of the Finance and Investments Committee

Nationality: Egyptian

Constituency: Egypt (State and Companies)

Current Term ends in: 2027

Dr. Mohamed Farid Saleh is the current Minister of Investment and Foreign Trade of the Arab Republic of Egypt. He previously served as the Chairman of the Financial Regulatory Authority (FRA) of the Arab Republic of Egypt since August 2022 and also a Board Member of the Central Bank of Egypt (CBE).

In September 2022, he was elected Chair of the IOSCO Growth and Emerging Markets Committee (GEMC) and Vice Chair of IOSCO Board. Furthermore, Dr Farid is currently the Vice Chair of the Advisory Board for GFANZ Africa Network.

Throughout his outstanding professional career, Dr Farid has held a number of leading positions, amongst others, the Executive Chairman of the Egyptian Exchange (EGX) since August 2017 and his tenure was extended for another period. During this period, he also held many significant international positions namely; Chairman of the Federation of Euro-Asian Stock Exchanges (FEAS) from 2017 to 2019 and from 2021 to August 2022; Chairman of the Arab Federation of Capital Markets (AFCM) from 2019 to 2021, Chairman of the Emerging Markets Working Group at the World Federation of Exchanges (WFE) from 2017 to 2021. In addition, Dr Farid served as Board Member of the African Securities Exchanges Association (ASEA) from 2017 to August 2022. Prior to his appointment as Executive Chairman of EGX, he was Chairman and CEO of Dcode EFC - a leading economic forecasting firm in Egypt.

Between 2013 and 2016, Dr Farid was External Consultant on Venture Capital (VC) and Financial Leasing for the World Bank Group in Egypt, and a Member of the Capital Market Advisory Committee established by the Financial Regulatory Authority (FRA). In addition, he served as Vice Chairman of EGX from 2010 to 2011 and part-time lecturer for Financial Markets, International Finance, and Financial Derivatives at the American University in Cairo (AUC) and the Arab Academy for Science, Technology and Maritime Transport (AASTMT).

The areas of reforms that he embarked upon were: a complete revamp of the insurance regulatory and legal framework in Egypt, deepening capital markets and financial inclusion through digitalization and enabling the adoption of new technological advancement in the field of financial technology.

Dr. Farid holds a PhD in Financial Economics from Cardiff Metropolitan University - UK, an LLM in International Financial & Commercial law from King's College London (KCL) - UK, an MSc in Quantitative Finance from Bayes Business School - City, University of London - UK, an MSc in Economics, in Project Analysis, Finance & Investment from York University - UK, and an MBA from the Arab Academy for Science, Technology & Maritime Transport (AASTMT) - Egypt. He also holds a certificate in Venture Capital from UC Berkley - USA, a certificate in Time-Series Analysis from Timberlakes, Cambridge University - UK, and a BSc in Foreign Trade and Economics from Helwan University - Egypt.



Mr. Kamel MARAMI

Director

Chairman of the Human Resources & Remuneration Committee

Member of the Underwriting, Risk Management & IT Governance Committee

Nationality: Algerian

Constituency: Algeria (State and Companies)

Current Term ends: 2027

Mr MARAMI is currently the Director of Insurance and member of the Insurance Supervisory Commission, Ministry of Finance, Algeria.

He is a qualified insurer and a graduate of the National School of Administration (ENA) in Algiers, specialising in Economics and Finance. He also holds a postgraduate degree (3ème cycle) in insurance.

Throughout his career, Mr Marami has been involved in the establishment of several key insurance schemes in Algeria, notably the introduction of an export credit insurance scheme, a national insurance scheme for natural catastrophes (NAT CAT) and a Takaful insurance scheme. He also sits on the National Insurance Council and chairs the Licensing Committee.



Mr Hafed Mohamed OMRAN

Director

Chairman of the Finance and Investments Committee

Member of the Nominations & Governance Committee

Nationality: Libyan

Constituency: Libya, Mauritania, and Tunisia (State and Companies)

Current term ends: 2027

Mr Hafed Mohamed OMRAN holds a Master's degree in Computer Science from Coventry University, United Kingdom, and an MBA from Anglia Ruskin University, London, United Kingdom. He also holds a Bachelor of Science degree with a specialization in Data Analysis from the Faculty of Accounting in Gharyan, Libya.

Mr. OMRAN is currently the Chairman of the Board of Directors of the Libya Insurance Company (LIC). Prior to this, he held senior roles at the Libyan Capacity Building Centre in Malta and the Libya Trade Network (LTNet) in Libya. Additionally, Mr. OMRAN has served as the Executive Manager of DAR AL-KIBRA Construction Group in Libya. He was also the Head of the Distribution and Economic Marketing Department within the economic sector of Gharyan in Libya.



Mr Abdeljalil EL HAFRE

Director

Member of the Human Resources & Remuneration Committee

Member of the Audit Committee

Nationality: Moroccan

Constituency: Morocco (state and companies)

Current Term ends: 2027

Abdeljalil El Hafre is the Deputy Director in charge of the Financial Sector Unit in the Department of Treasury and External Finance of the Ministry of the Economy of Morocco.

A Moroccan civil servant for several years, Abdeljalil El Hafre has occupied the following positions in the Ministry of the Economy and Finance, Department of Treasury and External Finance, Special Treasury Accounts Service: Service Head of Relations with the European Union, Head of the Communications Service, Head of the Institutional Savings Service within the same Department.

In 2017, he was appointed Head of the Insurance and Social Security Division, still at the Ministry of the Economy and Finance and within the same Department.

Since March 2025, he is the Deputy Director in charge of the Financial Sector Unit in the Department of Treasury and External Finance of the Ministry of the Economy and Finance of his country.

Abdeljalil El Hafre graduated as an engineer from the Hassan II Institute of Agronomy and Veterinary Medicine in 1999. He holds a Corporate Director Certificate issued by the Moroccan Institute of Directors and has completed several internships and training courses at international financial institutions (International Monetary Fund, World Bank, Insurance Development Forum, Arab Monetary Fund, JICA, etc.)



Mrs Delphine TRAORE

Director

Chairperson of the Underwriting, Risk Management and Information Technology Governance Committee
Member of the Nominations and Governance Committee

Nationality: Burkinabe

Constituency: SanlamAllianz Africa Pty Limited

Current term ends: 2027

Mrs Delphine Traoré is the Chief Executive Officer of SanlamAllianz General Insurance since September 2023, following the successful combination of Allianz and Sanlam activities on the African continent.

Prior to this appointment, she was CEO of Allianz Africa from November 2021 to August 2023, while retaining her previous positions as Member of the Board of Directors and Chief Operating Officer, which she held since 2017.

She joined the Allianz Group in 2005, in the Canadian subsidiary of Allianz Global Corporate & Specialty (AGCS). From 2012 to 2017, she was CEO of AGCS Africa in South Africa.

Holder of a Chartered Property and Casualty Underwriter (CPCU) from the American Institute for Chartered Property Casualty Underwriters, Delphine served consecutively as Vice-President and then President of the African Insurance Organization (AIO), and President of the Insurance Institute of South Africa. She is a member of the Board of Directors of the African Reinsurance Corporation (Africa Re); Chairperson of Allianz Insurance Company, Egypt, Board Member of Sanlam Morocco and SanlamAllianz Cote D'ivoire Assurances; and a Non-Executive Director at Alliance for a Green Revolution in Africa (AGRA) and Ivanhoe Mines.



Mr Gilles FROMAGEOT

Director

Member of the Finance and Investments Committee

Member of the Human Resources and Remuneration Committee

Nationality: French

Constituency: AXA

Current Term ends: 2027

Mr Gilles Fromageot is the CEO of AXA Atlantic Africa since February 2025, overseeing Morocco and AXA entities in French-speaking Africa.

With over 25 years of experience in the insurance industry, Gilles joined AXA in 2007 after beginning his career at Mazars.

He has held senior leadership roles both in France and internationally, including CFO of AXA Global Direct, CEO of AXA Korea—where he led a major digital transformation—and Regional Manager at AXA XL Asia based in Singapore, overseeing key markets such as Hong Kong, Japan, and Korea.

He has also served on the boards of AXA Japan GI and AXA China, playing a key role in enhancing regional governance and supporting AXA's strategic development across Asia.

Gilles holds an MSc. in engineering from Universitat Politècnica de Catalunya in Barcelona and an Executive MBA from IE Business School in Madrid.

He is recognized for his agile and impactful leadership, with a strong focus on transformation, sustainable growth, and operational excellence in multicultural environments.



Mrs Estelle TAGNONGOH TRAORE

Director

Member of the Audit Committee

Member of the Human Resources and Remuneration Committee

Nationality: Ivorian

Constituency: Francophone West and Central Africa (States and Companies)

Current term ends: 2027

Mrs Estelle TAGNONGOH TRAORE is a prominent figure in the African insurance industry. Former Alternate Director on the Board of Africa Re, she is currently Managing Director of two insurance companies of the BCP-Maroc Group in Côte d'Ivoire namely, **Assurance Atlantique Vie** and **Assurance Atlantique Non-Vie**.

With a solid academic background, Mrs TRAORE holds an Executive MBA from the **Centre des Hautes Études en Assurances (CHEA)** of the Paris-Dauphine University, a Master's in Audit, Tax and Management Control from the Cheikh Anta Diop University (Dakar), a DESS in Project Management and a **Maîtrise Professionnelle** in Business Management and Organisation from the prestigious CESAG in Dakar.

She began her career in Côte d'Ivoire in 2001 and later worked in Senegal and Mali, before joining the **Atlantic Financial Group (AFG)** in 2007. Her expertise and leadership enabled her to quickly rise through the ranks, holding positions carrying greater responsibility. She was appointed Deputy Managing Director of **Groupeement Togolais d'Assurances - Compagnie Africaine d'Assurance Vie (GTA C2A-Vie)** in Lome, Togo before assuming the positions of **Managing Director of Atlantique Assurance Vie** in Côte d'Ivoire and then **Managing Director of Atlantique Assurance Vie et non Vie**.

Her strategic vision and in-depth understanding of the challenges facing the sector enabled her to transform the company by introducing innovative initiatives and mobilising her team to achieve ambitious goals. Her commitment to the development of the insurance sector in Côte d'Ivoire is widely recognised, notably through her membership of the **Executive Bureau of the Association of Insurance Companies of Côte d'Ivoire (ASA-CI)**.

In recognition of her contributions, she was made a Knight of the **Ivorian Order of Merit** on 10 July 2023, an award presented by the Minister of the Economy and Finance on behalf of the President of the Republic of Côte d'Ivoire and the Grand Chancellor.

The undisputable leadership of Mrs TRAORE is also clearly demonstrated by her active involvement in a charitable association and her commitment to child welfare.



Mr Edwyn O'NEILL

Director

Member of the Audit Committee

Member of the Underwriting, Risk Management and Information Technology Governance Committee

Nationality: South African

Constituency: FAIRFAX

Current Term ends: 2027

Edwyn is a seasoned business leader and a qualified chartered accountant. Having worked in the financial services sector in executive roles for more than thirty years in several disciplines, including Auditing, Banking, and Insurance across the continent, Edwyn retired as Group CEO of Bryte Africa Group in 2023 after twelve years at the helm of one of South Africa's oldest Insurance companies.

Under Edwyn's leadership, the emphasis on empowered and engaged employees, customer service excellence at every touchpoint, and committed partnerships across the business value chain were non-negotiable in all his roles.

While at Bryte, Edwyn was instrumental in the growth of the insurance business in Southern Africa, achieving various milestones since joining in 2012. Over the years, Edwyn initiated a range of operational efficiencies to enhance business resilience, augment relevant innovation and accelerate business growth through multiple distribution channels – all while differentiating the Bryte business and embedding its partnership approach underpinned by a caring yet high-performing organisational culture.

Edwyn is Chairman of Bryte Africa Group. He also chairs Bryte Risk Services Botswana and AFGRI Group Holdings and is a Non-Executive Director of Eagle Insurance Company Mauritius.



Dr. Jacques DJOFACK

Director

Member of the Finance and Investments Committee
Member of the Underwriting, Risk Management and
Information Technology Governance Committee

Nationality: French

Constituency: African Development Bank (AfDB)

Current term ends: 2027

Dr. Jacques DJOFACK is currently serving as Director Financial Management of the African Development Bank since May 2021. In this position, he provides strategic leadership and vision on the financial risk, asset and liability management and treasury-related risk of the African Development Bank Group. He is also the vice-chair of the Bank's management credit risk committee. Prior to that, he worked as Advisor to the Vice-President Finances. He was also a Board member of Advans Banque Congo, representing the African Development Bank.

Dr. Jacques DJOFACK joined the African Development Bank in 2011 as Chief Financial Risk Officer. He contributed to the promulgation of finance and risk management policies. He was also instrumental in delivering several financial strategic board documents pertaining to the Bank's financial capacity, among which are the Bank's Medium-Term Financial Outlooks, and the Bank's Long-Term Financial Sustainability Framework.

Prior to joining the African Development Bank, Mr Jacques DJOFACK acquired extensive experience in corporate finance and risk management with international organizations such as Shelter Afrique in Nairobi (Kenya), a housing development finance institution, where he was Head of the Risk Management Department. He also held various senior positions in risk and project management in France, at Société Générale Corporate & Investment Banking, Total and other consulting companies.

He holds a PhD in civil engineering from Ecole Nationale des Ponts et Chaussées in Paris (France), and an Executive MBA from Concordia University, Canada.



Mr Olusegun Ayo OMOSEHIN

Director

Member of the Finance and Investments Committee

Member of the Underwriting, Risk Management and Information Technology Governance Committee

Nationality: Nigerian

Constituency: Nigeria (State and Companies)

Current Term ends: 2027

Mr OMOSEHIN is a multidisciplinary professional with over three decades of hands-on experience spanning strategic planning, risk management, organizational restructuring, and performance management in the insurance sector.

He is currently the Commissioner for Insurance/Chief Executive Officer, National Insurance Commission, Nigeria. Prior to his appointment in April 2024, he was the Chairman of the Nigerian Insurers Association, the umbrella association of all insurance and reinsurance companies in Nigeria, as well as the Managing Director & Chief Executive Officer of Old Mutual Nigeria Life Assurance Company Limited, the Nigerian subsidiary of the Old Mutual Group, South Africa.

He is a Fellow of the Chartered Insurance Institute of Nigeria (FIIN), and a Fellow of the Institute of Directors (FIoD).

Mr. OMOSEHIN holds an M.Sc. in Economics from the University of Lagos, Nigeria, a Master of International Law and Diplomacy (MILD) degree, and a Bachelor of Science degree in Political Science. He equally attended the Oxford Advanced Management and Leadership Programme, Saïd Business School, University of Oxford, United Kingdom, and is an alumnus of the Lagos Business School, Pan African University.

He was the Managing Director/Chief Executive Officer of Mutual Benefits Assurance Plc (a publicly quoted insurance company in Nigeria) from 2010 to 2019; and Managing Director/CEO of AIICO General Insurance Company Limited, (the then general insurance arm of AIICO Insurance Plc, Nigeria). Also, he was the MD/CEO of Admiral Insurance Company Limited (Nigeria) between 2003 and 2007.



Dr Yared MOLA

Director

Member of the Audit Committee

Member of the Nominations and Governance Committee

Nationality: Ethiopian

Constituency: Anglophone West Africa (companies and 4 states) and East and Southern Africa (companies)

Current term ends: 2027

Dr Yared MOLA is a distinguished insurance executive with over three decades of leadership in the insurance and reinsurance sectors, both in Ethiopia and internationally. Renowned for his expertise in strategic leadership, risk management and market development, Dr Yared has played a transformative role in shaping the trajectory of the Ethiopian insurance landscape.

For the past 12 years, Yared Mola has served as the Chief Executive Officer of Nyala Insurance S.C., one of Ethiopia's leading insurers. Under his visionary leadership, Nyala has evolved into one of the most profitable and customer-centric insurance companies in the country, recognized for its financial strength, innovative products and high-quality service delivery. Dr Yared's career also includes international exposure, having served as a risk management consultant in the United States.

Academically, he holds a Bachelor's degree from Addis Ababa University, a Master's degree from the University of Greenwich, UK and a Doctorate in Business Administration (DBA) from Paris School of Business.

As President of the Association of Ethiopian Insurers, Yared Mola is a vocal advocate for sector-wide transformation. His leadership focuses on deepening insurance penetration and density, raising public awareness about the value of insurance, and driving the overall development of the Ethiopian insurance industry. He has worked closely with regulators, stakeholders and international partners to position insurance as a pillar of economic resilience and inclusive growth.

In recognition of his exemplary leadership and sectoral impact, Dr. Yared was honoured as Africa Insurance CEO of the Year in 2019 by the African Insurance Organization (AIO).

A visionary yet grounded leader, Yared Mola (PHD) continues to lead Ethiopia's insurance industry into a future defined by growth, trust and innovation, while contributing meaningfully to the advancement of insurance across Africa.



Alhaj Dr Kaddunabbi Ibrahim LUBEGA

Director

Member of the Human Resources and Remuneration Committee

Member of the Underwriting, Risk Management and Information Technology Governance Committee

Nationality: Ugandan

Constituency: East and Southern Africa and Sudan (12 states)

Current Term ends: 2027

Alhaj Dr Kaddunabbi Ibrahim Lubega is a distinguished financial sector leader and currently serves as the Chief Executive Officer of the Insurance Regulatory Authority of Uganda (IRA), the statutory body responsible for regulating and supervising the insurance industry in Uganda. With over 30 years of hands-on experience in finance operations, Insurance Underwriting, regulation, and supervision, he is passionate about good governance, policy-making, standard-setting, and capacity building. He is widely recognised for his strategic leadership in advancing regulatory excellence, strengthening financial sector stability and promoting the sustainable growth of Uganda's insurance industry.

As the CEO of IRA, Dr Lubega provides strategic direction in strengthening regulatory frameworks, enhancing market stability and promoting the development of a robust, inclusive and resilient insurance sector. Under his stewardship, the Authority has strengthened supervisory standards and encouraged innovation within the insurance ecosystem.

Dr Lubega is recognised for championing innovation, sound risk management and strong institutional governance within the insurance ecosystem. He has actively fostered collaboration with regional and global regulatory bodies and has contributed to international policy dialogue on insurance supervision and financial sector development, including engagements with the International Association of Insurance Supervisors and the African Insurance Organisation.

An accomplished scholar and practitioner, Dr. Lubega holds a Doctorate of Business Administration (DBA) and professional qualifications in insurance and financial services as a Fellow and Certified Professional of the Australian and New Zealand Institute of Insurance and Finance (ANZIIF). His work reflects a strong commitment to evidence-based regulation, financial inclusion and integration of insurance as a critical pillar of national economic resilience.

Alhaj Dr Kaddunabbi is the Chairman of the East African Insurance Supervisors Association (EAISA) and was also the President of the African Insurance Organisation (AIO) from 2017 to 2018.

Before his current assignment, Alhaj Dr. Kaddunabbi was a Legislator in the Parliament of the Republic of Uganda for 10 years, where he chaired the Parliamentary Committee on the National Economy and Board of Trustees of the Parliamentary Pension Scheme. He was also an Executive Member of the Parliamentary Union of the Organisation of the Islamic Conference. During his 10-year tenure at Parliament, Alhaj Kaddunabbi participated in scrutinizing government programmes, all matters related to the national economy and finance, and monitoring the state of the national economy.



Mr. James WAMBUGU

Independent Non-Executive Director
Chairman of the Audit Committee
Member of the Finance & Investments Committee

Current term ends: 2027

Mr. James WAMBUGU is a seasoned business professional in the fields of Risk Management, Innovation, Healthcare, Audit, Transaction Structuring and Support.

He has previously served as the Group Managing Director, General Insurance, UAP Old Mutual Group in charge of the business in East Africa. James joined UAP in 2003 and prior to taking over as Managing Director in 2010, he was involved in the development of the Company's quality and business management systems, business expansion, strategy and brand development and execution. He oversaw a period of rapid and significant innovation and business growth at UAP until 2015 when he took over the role of Group Managing Director, General Insurance.

Upon leaving UAP Old Mutual in 2018 James co-founded Solvit Limited, a digitally enabled platform for inspection, valuation and assessment of motors vehicles for insurance purposes. Solvit has enabled insurance companies to digitize their customers experience and reduced insurance fraud. In 2019 he was appointed the Chairman of a Health Reforms Panel of Experts for Kenya that developed the current Universal Healthcare Model under implementation in Kenya. James also serves as an adjunct faculty at the Strathmore University Business School in Nairobi and is the academic director of the Advanced Management Program at the Business School. He has previously sat or currently sits on several boards in Healthcare, Insurance and financial services.

James previously worked for PricewaterhouseCoopers (PWC) in Kenya and the UK, Lonrho Africa Plc and African Lakes Corporation Plc.

He holds a master's degree in business administration MBA (Finance) and a Bachelor of Commerce (Accounting) from the University of Nairobi. James also holds a Diploma in Risk Management from the Institute of Risk Management (UK) and a Diploma in Advanced Management Program (AMP) from Strathmore University Business School and IESE Business School (Barcelona, Spain). He is a Certified Public Accountant and a member of the Institute of Certified Public Accountants of Kenya (ICPAK) and the Institute of Risk Management (IRM) UK.

Alternate Directors

Mr Oussama BENAMIROUCHE

Mr Milad M. QASHOUTA

Mr Sandeep JAIN

Mrs Safaa TALBI

Mr Netsanet LEMESSA

Mr Etienne RAMBA

Dr Baghayo SAQWARE

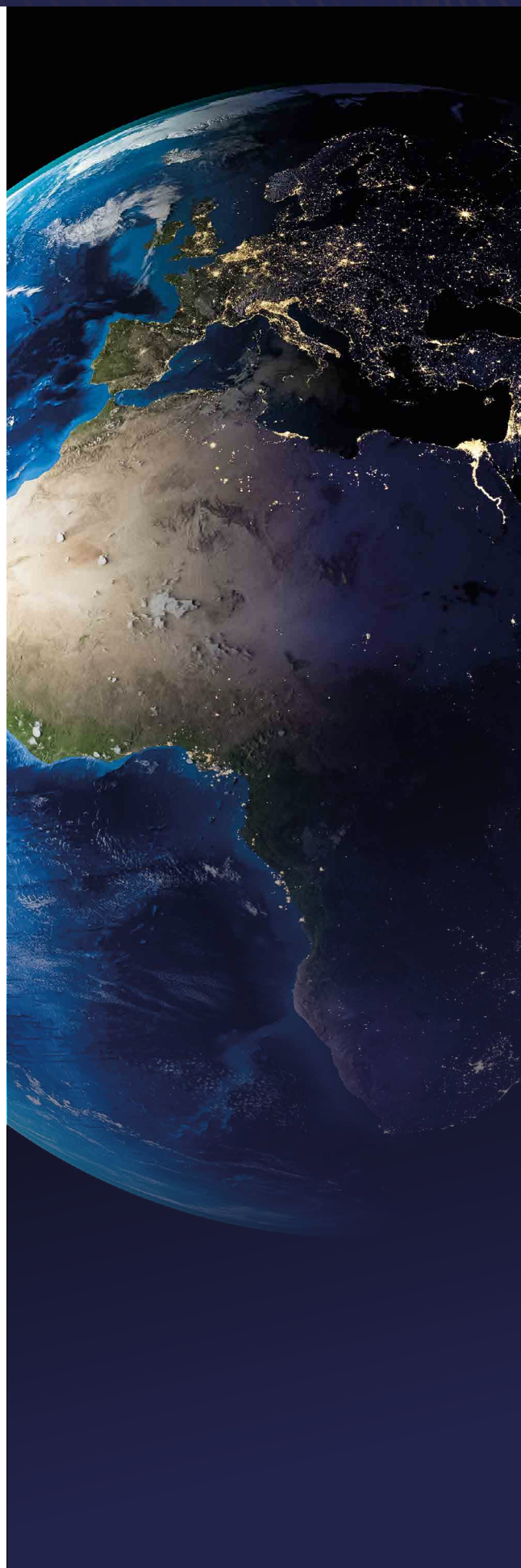
Mr. Jean CLOUTIER

Mr. Abdelhahi EL OMARI

Mr. Oye HASSAN-ODUKALE

Mr. Ahmed Abdelsalam ABDELAZIZ

Mr Tobias SUEK



EXECUTIVE MANAGEMENT



Dr. Corneille KAREKEZI

Group Managing Director / Chief Executive Officer

Dr. Corneille KAREKEZI first served on the Africa Re Group's Board of Directors for two years (2003 - 2005), then joined Africa Re full-time as Deputy MD/COO for two years (2009 - 2011). He subsequently rose to his current position as Group MD/CEO.

Prior to joining the reinsurance industry, his career began in the primary insurance industry, where he held senior management roles across all key departments at leading insurance companies in Burundi and Rwanda, culminating in his appointment as CEO of SONARWA, then Rwanda's leading insurer.

Dr. KAREKEZI holds a Bachelor's Degree in Economics (Burundi), a Master's Degree in Management (Burundi), Postgraduate Diplomas in Business Administration (UK), an Honorary Doctorate in Business Administration (UK), and an Earned Doctorate in Business Administration (France & Israel).

He is fluent in English, French, and Swahili, and speaks additional African languages.

Since 1996, he has contributed significantly to the development of Africa's insurance and reinsurance sectors through leadership roles in national, regional, and continental initiatives. He is a regular international speaker on insurance development, reduction of the insurance protection gap, risk management, InsurTech, economic development, and leadership.

Dr. KAREKEZI has served as chair and member of the governing bodies of major financial institutions and foundations in Africa and globally. He is currently Board Chairman of Africa Re (South Africa) Ltd. and Africa Retakaful Company Ltd. (Egypt), Member of the Executive Committee of the African Insurance Organization (AIO), Chairman of the AIO Foundation, Chairperson of the Governing Council of the Alliance of African Multilateral Financial Institutions (AAMFI), Member of the Executive Council of the International Insurance Society (IIS), and Member of the Steering Committee of the Insurance Development Fund (IDF).



Mr Ephraim Kiiza BICHETERO

Deputy Managing Director / Chief Operating Officer

Mr Ephraim Kiiza BICHETERO is a seasoned professional insurance and reinsurance executive with more than 31 years of leadership experience in underwriting, technical operations, and corporate management.

He began his career in November 1994 as an Underwriter Trainee at Pan World Insurance Uganda where he rose to become head of the reinsurance department. He later held senior executive, technical and managerial positions overseeing underwriting, reinsurance, and claims operations at Goldstar Insurance Uganda and United Assurance Ltd (now UAP Old Mutual General Insurance Uganda Ltd).

Mr BICHETERO joined Africa Re in 2004 as an Underwriter in the Nairobi Regional Office. He subsequently advanced through several leadership roles, including Assistant Director of Technical Operations, Deputy Regional Director, Interim Regional Director in 2017, and Regional Director in 2018.

He was appointed Deputy Managing Director / Chief Operating Officer (Elect) of Africa Re on 1 July 2024 and assumed the substantive role on 1 July 2025.

Mr BICHETERO holds a Bachelor of Arts degree from Makerere University, an Executive MBA from the United States International University–Africa, and an Associate Diploma (ACII) from the Chartered Insurance Institute, London.

He has served on the boards and board committees of several international institutions, including the African Trade & Investment Development Insurance (ATIDI), Shelter Afrique, the Organisation of Eastern and Southern Africa Insurers (OESAI), and the Insurance Training and Education Trust (Kenya). He has also contributed to numerous technical committees within the African insurance industry.

CENTRAL DIRECTORS



Ms Yvonne PALM

Director, Risk Management and Compliance

Ms Yvonne PALM joined Africa Re as Director of Risk Management and Compliance on 27 November 2019.

Prior to joining Africa Re, she served as the Lead Corporate Actuary at Travelers Syndicate Management in London, overseeing reserving, technical provisions, business planning and reporting of results to regulators and management.

She started her career at Ernst & Young in the USA, serving as the lead actuarial analyst for multinational clients including (re)insurers, captives and entities that self-insure their exposure. She went on to hold senior actuarial positions at Markel International and ACE European Group in London (UK). Her experience spans the United States, Europe and Latin America, as well as exposure to African, Middle Eastern and Australasian business through the Lloyd's platform.

Yvonne is a Fellow of both the Casualty Actuarial Society (USA) and the Institute and Faculty of Actuaries (UK). She holds a Bachelor of Arts degree from Grinnell College in the USA, where she graduated Phi Beta Kappa with Honours in both Mathematics and Economics.



Mr Guy B. FOKOU

Corporate Secretary & Director, Human Resources

Mr Guy B. FOKOU was appointed Corporate Secretary of Africa Re in January 2024, a role he now combines with his responsibilities as the Director of Human Resources.

With over two decades of versatile experience in leadership roles across various sectors (Insurance/Reinsurance, Oil & Gas, Humanitarian, Communication, Logistics), leading diverse teams and navigating in large, matrix and complex corporate environment, Mr Fokou's professional journey began as an HR Management Trainee at Bolloré Cameroon (now Africa Global Logistics). He later joined Multiprint Sérigraphie (a leading printing and communication Group of Companies in Cameroon) as HR & Legal Manager and eventually rose to the position of Group Director of Human Resources.

Mr FOKOU joined Africa Re in 2014 as Assistant Director, Human Resources & Administration before being appointed as Director of Human Resources in 2019. His role expanded further when he served as Acting Director of Administration & General Services from May 2022 to June 2024.

Prior to joining Africa Re, Mr FOKOU was Director of Human Resources & Administration/Company Secretary at Total Energies Cameroon where he was in charge of Human Resources, Legal & Insurance matters as well as General Services.

In his career trajectory, Mr FOKOU has also held several key positions including Assistant Director of Human Resources at Ecobank Cameroon, Regional HR & OD Advisor for SOS Children's Villages in the Central & West Africa Regional Office (Yaounde, Cameroun), overseeing 13 countries in the Region, and Director of Human Resources at ACTIVA Group (Insurance) Cameroon.

He holds an MBA from the African Leadership University (ALU) School of Business in Kigali, Rwanda, a Professional Master's Degree in Human Resource Management from ESSEC Business School of Douala, Cameroon and a Master's Degree in Business Law from the University of Douala.



Mr Mesfin Abebe DAMTEW

Director, Central Operations and Special Risks

Mr Mesfin Abebe DAMTEW started his professional career as Design Engineer in the then Engineering Design & Tool Enterprise in Ethiopia before joining the insurance industry. In 1995, he joined Ethiopia Insurance Corporation (EIC) as Fire and Engineering Surveyor where he conducted pre and post risk assessments and in 2003 was promoted as Senior Supervisor in the Marine and Aviation Department. From 2008 to 2013 he served in various capacities in the same Corporation namely, Deputy Main Branch Manager, District Director and General Insurance Deputy CEO before joining Africa Re in September 2013 as Engineering Underwriter in the Nairobi Regional Office.

For 11 years, Mr Mesfin served in various capacities in the Nairobi Regional Office of Africa Re and subsequently rose through the ranks to become Assistant Director – Underwriting and Marketing on 1 August 2021. He was an active member of the Association of Kenyan Reinsurers (AKR) and chaired the technical committee for one year (2023 to 2024).

Mr Mesfin is a graduate of Addis Ababa University with a Bachelor of Science Degree in Mechanical Engineering and holds a Master of Business Administration (MBA) from the United States International University (USIU) – Africa, Nairobi, Kenya. He has also taken short-term training in insurance from various institutes.

He has attended many foreign and local seminars and on various occasions facilitated training in risk survey, property, engineering and marine insurance underwriting.



Jean-Paul TANKEU

Director, Internal Audit

Mr Jean-Paul TANKEU is a seasoned Finance Executive with 30 years of experience in Financial Management, Audit and Accounting, with a strong expertise in IFRS, Financial Reporting, Internal Controls, Treasury Management and Financial Strategy. He has a proven track record of leading financial transformation, driving digitalization and ensuring compliance across financial operations. Fluent in both English and French, he brings a strong ability to thrive in multicultural and diverse environments across the African continent.

He joined Africa Re in June 2010 as Assistant Director, Finance & Administration where he served in the Casablanca Regional Office from July 2010 to July 2014 and later moved to the Nairobi Regional Office in the same capacity from July 2014 to June 2025.

Prior to joining Africa Re, he was the Group Financial & IT Director of Société Financière Africaine (Cameroon, Gabon and West Africa), Financial Director of Colgate Palmolive (Cameroon & Gabon), Assistant Manager, Audit, PriceWaterhouseCoopers (Cameroon), and Audit Assistant, Senior and Supervisor, Ernst & Young (Guinea Conakry & Cameroon).

Mr TANKEU was appointed the Director of Internal Audit on 2 May 2025.

Mr TANKEU holds a Bachelor in Business Administration from Hautes Etudes Commerciales de Montréal, Canada and a Postgraduate Diploma in Applied Management from McGill University, Montreal, Canada.

He was the Best Employee of the African Reinsurance Corporation in 2024.



Mr Joseph GOMBE

Director, Finance and Accounts

Mr. Joseph Gombe is a seasoned Finance and Audit professional with over 28 years of experience across reinsurance, consulting and aviation. Mr Gombe was appointed as Director of Finance and Accounts on 1 September 2025.

Before his current role, he held senior leadership positions within Africa Re, Deloitte, and Kenya Airways, where he built extensive expertise in financial management, risk oversight, internal and external audit, and corporate governance. He has also played a key role in driving major institutional projects, including the successful implementation of Oracle ERP, SICS Reinsurance System, IFRS 17 adoption, and audit technology solutions that have strengthened efficiency and accountability within the Corporation.

Mr. Gombe holds a B.Sc. in Surveying and an MBA from the University of Nairobi. He is a Certified Public Accountant of Kenya, a Certified Internal Auditor (CIA), and a Certified Information Systems Auditor (CISA), with additional certifications in Data Science and Leadership from leading global institutions.



Mr Chris SAIGBE

Director, Life Operations

Mr Chris SAIGBE worked as a life insurance specialist in Nigeria for several years before moving to the African Reinsurance Corporation in January 2009. He has over thirty years' experience in life insurance and reinsurance management. He holds a Bachelor of Science in Economics from Obafemi Awolowo University and a Master's degree in Economics from the University of Lagos, both in Nigeria. Mr SAIGBE obtained a Master of Business Administration from Moi University in Nairobi, Kenya. He is an Associate member of the Chartered Insurance Institute of Nigeria and a Certified Personal Financial Planner. His wealth of experience in direct life assurance operations and reinsurance comes in handy in leading the life team to fashion appropriate life reinsurance treaties and manage the reinsurance expectations of clients.



Mr Roger BONG BEKONDO

Director, Communications and Public Affairs

Mr Roger BONG BEKONDO is a seasoned professional with a rich national and international experience. He is a trained translator-interpreter (Masters in Interpretation -1995- and Masters in Translation -1990) and holds an Executive MBA (2008) from the East and Southern African Management Institute (ESAMI), Arusha, Tanzania. His international career (Africa Re, Lagos, Nigeria, since 2008, and the United Nations International Criminal Tribunal for Rwanda -UNICTR- from 2004 to 2008) was preceded by a solid career in his home country, Cameroon, where he served at the Presidency of the Republic from 1996 to 2004, and at the Ministry of Finance from 1991 to 1996.

On 1 July 2024 he was appointed Director, Communications and Public Affairs at the African Reinsurance Corporation (Africa Re). His main activities within the Africa Re Group consist in supervising the Communications & Public Affairs Department; he is responsible for Corporate Communications, Host Countries Engagement, Protocol Services, Consular & Visa matters, Travel Logistics, Language Services, Records Management and Corporate Social Responsibility (CSR), etc.



Mr Alain ZONGO

Director, Treasury & Investments

Mr. Alain ZONGO is an investment professional with over 20 years of experience in the financial sector. He is recognized for his leadership skills and has held key positions at several renowned banking institutions, including Ecobank. Prior to his current role, he served as Assistant Director of Treasury and Investments.

Holding a degree in Physics and Chemistry from the University of Ouagadougou and a bachelor's in mechanical engineering, Mr. ZONGO began his career at Air Afrique. He then expanded his financial management skills by earning a bachelor's degree in business management from Cheikh Anta Diop University in Dakar, a master's degree in Banking and Finance from CESAG in Dakar, and an MBA from Roehampton University (UK). He is also certified in Treasury, Investments, and ALM Management from INSEAD and New York University.



Mr Oluseye OLAKANMI

Chief of Staff & Strategy

Since joining Africa Re in 2011 under the Young Professional Programme, Mr. Oluseye OLAKANMI has held several positions across cadres gradually increasing in responsibility from Officer, Manager, Senior Manager, Assistant Director and now a Director with the Corporation. He was the pioneer officer in charge of the Strategy Management Office with responsibility to support the Executive Management in the formulation and execution of the Corporate Strategy. He has a Bachelor's degree with Honours from the University of Ibadan (Nigeria) and a Master in Business Administration from the University of Cape Town (South Africa). He has several awards for his academic achievements and relevant professional certifications. On 1 July 2024, he was appointed as the Chief of Staff & Strategy to supervise the Executive Management Office and shall be responsible for strategy management, executive support, cycle management, operational excellence, internal collaboration, project reporting, and any other special duties or assignments as may be required.



Dr Kantam NAGOU

Director of General Services

Dr Kantam Nagou has over two decades of progressive and diverse experience in international financial institutions.

In September 2003, he joined the Central Bank of West African States (BCEAO) as Information System Manager at its headquarters in Dakar, Senegal. His responsibilities included overseeing the Information Technology Services for the West African Monetary Union (WAMU) Retirement Fund Institution (CRRAE-UMOA).

Having joined Africa Re in 2009, he worked in different capacities before rising to the current position of Director of General Services. He was appointed Assistant Director in charge of Projects Management & Information Security in August 2021, a position he held until his appointment as Director of General Services in July 2024.

Dr Kantam Nagou holds a Doctor of Engineering Degree (D.Eng.) from the George Washington University (USA) with specialisation in Cybersecurity Analytics, an Executive MBA Degree in Business Administration (Entrepreneurship) from the Faculty of Economics and Management, Chekh Anta Diop University, Dakar (Senegal) and a Master's Degree in Information Systems and Telecommunications from Ecole Supérieure Multinationale des Télécommunications (ESMT), Chekh Anta Diop University, Dakar (Senegal).

In addition, he is a holder of several cybersecurity defensive and leadership certifications, including Certified Information Systems Security Professional (CISSP), Certified Ethical Hacker (CEH), Certified Chief Information Security Officer (CCISO), Certified in Risk and Information Systems Control (CRISC), and Certified Information Security Manager (CISM). These credentials equip him with the necessary expertise to effectively drive strategic cybersecurity goals within acceptable risk appetites.

He speaks fluently English, French and other African languages.

REGIONAL DIRECTORS, MANAGING DIRECTORS OF SUBSIDIARIES AND LOCAL REPRESENTATIVE



Mrs Temitope AKINOWA

Regional Director, Lagos Office

Mrs Temitope AKINOWA started her career in 2000 with Lasaco Assurance Company as a marketing executive. In May 2000, she moved to Cornerstone Insurance Plc where she worked in the Underwriting and Business Development Unit. She was employed as a graduate trainee and rose through the ranks to become the Head of the Oil & Gas unit in 2004 and held the position until 2008.

She joined Africa Re as Assistant Underwriter in 2008 and subsequently rose through the ranks to become Assistant Director, Underwriting and Marketing in 2018. In March 2020, she was appointed as the Acting Regional Director for the Lagos Office and in April 2021 she was confirmed as the Regional Director.

She is a graduate of Insurance from The Polytechnic, Ibadan and holds a Master's degree in Business Administration from Abubakar Tafawa Balewa University, Bauchi. She is a Fellow of the Chartered Insurance Institute of Nigeria. She has over 23 years of experience in Insurance and Reinsurance and has attended many foreign and local seminars as well as presented insurance papers locally and internationally.



Mr Mohamed Larbi NALI

Regional Director, Casablanca Office

Mr Mohamed Larbi NALI joined Africa Re in July 2016. He started his career in 1993 as Director of the Life Department in Société Centrale de Réassurance (SCR). Between 1997 and 2012, he successively held many positions namely, Director of the Actuarial Department, Deputy Director in charge of Marketing and Operations. In 2012, he was appointed Managing Director of Société Centrale de Réassurance (SCR).

He is the founder of the Moroccan Association of Actuaries and was its Chairman from 2010 to 2013. Mr NALI was also the Chairman of the African Centre for Catastrophe Risks (ACCR), Vice-Chairman of the African Insurance Organisation (AIO) and Vice-Chairman of the General Arab Insurance Federation (GAIF).

He holds a Postgraduate degree in Mathematics from the Catholic University of Louvain in Belgium and a Maîtrise in Actuarial Science from the Business School of the Catholic University of Louvain.



Mr. Gamal Mohamed SAKR

Regional Director, Cairo Office

Mr Gamal Mohamed SAKR joined Africa Re in July 2020 as Deputy Regional Director of the Cairo Regional Office and was promoted to the position of Regional Director in January 2021.

He started his career in 1992 in banking. He moved to insurance in 1993 and worked as Reinsurance Officer in Pharaonic Insurance. In 1999, Mr SAKR became the Head of the Reinsurance Department. He joined GIG Egypt as Reinsurance Manager in 2000 and AIG Egypt in 2002 as Property Manager. In 2007, he was recruited by Allianz Egypt as head of general insurance.

In 2013 he moved to Saudi Arabia to Rajhi Takaful, the 3rd largest insurer of the country, as Head of General Takaful. Mr SAKR returned to Egypt in 2017 and joined Misr Insurance, the largest insurer in the country, as Executive Deputy Chairman (Board Member) for Insurance & Reinsurance.

Mr SAKR holds a Bachelor's degree in Accounting from the University of Ain Shams, Cairo. He is an Associate of the Chartered Insurance Institute of London (ACII).



Mr Olivier N'GUESSAN-AMON

Regional Director, Abidjan Office

After spending seven years as head of production in life and non-life insurance companies in Côte d'Ivoire, Mr Olivier N'GUESSAN became Director of SCOR Office for French-speaking West and Central Africa. He served as Managing Director of Compagnie Nationale d'Assurance for three years before joining Africa Re in 2005 as Senior Underwriter. He was Deputy Regional Director from January 2008 to March 2011 when he was promoted to the position of Regional Director of the Abidjan Office.

Mr N'GUESSAN holds a Master's in Business Economics from Université Nationale de Côte d'Ivoire- Abidjan Cocody and a Postgraduate diploma in Insurance from the International Insurance Institute of Yaounde, Cameroon.



Dr Phocas NYANDWI

Regional Director, Nairobi Office

Dr Phocas Nyandwi has over 25 years of experience in the Insurance and Reinsurance Industry. He started his career in direct insurance in Burundi, where he worked for over 10 years in various managerial positions in non-life and life. In 2008, he joined Kenya Reinsurance Corporation (Kenya Re) as a non-life underwriter in charge of francophone markets. He joined Africa Re in 2010 in the Nairobi Regional Office where he worked for 9 years. Before being appointed to the current position, at the Head Office in Lagos, he was Assistant Director Underwriting and Marketing in the Nairobi Regional Office.

He holds a Doctorate in Business Administration (DBA) from the United States International University – Africa (USIU-A) and a Postgraduate Diploma in Insurance from the African Insurance Institute of Tunisia (IAA). He is a Certified Expert in Micro-insurance (Frankfurt School of Finance and Management) and was an active member of the technical committee of the Association of Kenyan Reinsurers (AKR) from 2011 to 2019.

Dr Phocas NYANDWI was appointed Director of Central Operations and Special Risks in the Head Office from 1 August 2019 and on 1 July 2024, he was appointed Regional Director of the Nairobi Regional Office.



Mr Vincent MURIGANDE

Regional Director, Mauritius Office

Mr Vincent MURIGANDE joined Africa Re in January 2012 as Senior Manager Underwriting and Marketing in the Abidjan Regional Office. In September 2018, he was appointed Assistant Director Underwriting and Marketing and was promoted to the position of Regional Director, Mauritius Office in April 2020.

Before joining Africa Re, Mr MURIGANDE was Managing Director of Jubilee Insurance Burundi. He started his insurance career in 1996 in SONARWA, Rwanda, where he worked in different capacities up to the position of Technical Director from 2005 to 2010.

Mr MURIGANDE holds an Executive MBA from British Institute of Management and Technology, Abidjan Campus; a Bachelor's degree in Insurance from the National Insurance School of Paris (ENASS Paris) and a Postgraduate diploma in Insurance from the African Insurance Institute of Tunisia (IAA).

He has served as a member of many insurance technical committees in Rwanda and in member countries of the Common Market for Eastern and Southern Africa (COMESA).



Mr Andy TENNICK

Managing Director, African Reinsurance Corporation South Africa (ARCSA) subsidiary

After graduating from university in 1986, Mr TENNICK joined Swiss Re in Johannesburg as a graduate trainee. During a 14-year career, he worked in various capacities culminating in management of the underwriting and subsequently the client management functions.

He then joined the Imperial Holdings Group in Johannesburg and set up Imperial Reinsurance before moving to the Group's insurance business, Regent Insurance, as an executive director with various responsibilities including underwriting, reinsurance and risk management. He was joint CEO of the Regent Insurance Group at the time he left the Group.

Mr TENNICK holds a Bachelor of Commerce degree from the University of Cape Town.

He became Managing Director of African Reinsurance Corporation South Africa in April 2018.



Mr Yousif El Lazim GAMMA

Managing Director, Africa Retakaful

Mr Yousif El Lazim GAMMA was appointed Managing Director of Africa Retakaful, and Africa Re Local Representative in Sudan, in January 2021.

Prior to this appointment Mr GAMMA was the Acting Regional Director of the Cairo Regional Office (North East Africa and Middle East) since May 2020; he was also Assistant Director, Technical Operations, in the same office. Mr GAMMA joined Africa Re in July 2009 as Senior Underwriter in the Cairo Regional Office.

He started his career in 1991 as underwriter in the National Reinsurance Company (Sudan) where he worked for Seven years in the Non-Marine Department. In 1998, he joined Greater Nile Petroleum Operating Company (GNPOC) as Head of Risk and Insurance Unit. In 2005, he was recruited by Savanna Insurance Company as General Manager in charge of all executive operations.

Mr GAMMA holds a Bachelor's degree in Economics (Honours) from the University of Khartoum, an MBA from the School of Business Administration (University of Khartoum) and an MBA from the German University of Cairo (GUC). He is an Associate of the Chartered Insurance Institute of London (ACII).

Mr. GAMMA has attended many seminars, workshops and conferences.



Mr Debela HABTAMU

Local Representative, Addis Ababa Local Office

Mr Debela HABTAMU started his career with the Ethiopian Insurance Corporation in 1997. He worked in different capacities and rose to the position of Executive Officer for insurance operations in various insurance companies in Ethiopia. Mr Debela HABTAMU holds a Diploma in Accounting, BA in Business Administration and Executive MBA.

He became the Local Representative of the Addis Ababa Local Office in April 2018.



Mr. Mohamed SAAD

Managing Director/Senior Executive Officer,
Africa Re Underwriting Management Agency Ltd - DIFC (Dubai Office).

Mr Mohamed SAAD was appointed as Managing Director/Senior Executive Officer of Africa Re Underwriting Management Agency Ltd (Dubai Office) in July 2020. He joined Africa Re in October 2018 as Assistant Director - Underwriting and Marketing in the Cairo Regional Office with the assignment of establishing Africa Re's first office outside Africa in Dubai International Financial Center – United Arab Emirates.

Mr. SAAD has more than 25 years of experience in both Conventional and Takaful professional reinsurance across the Middle East region. He is a Fellow (FCII) of the Chartered Insurance Institute of London and also holds a Bachelor's degree in commerce & business administration (Honours) from the Helwan University in Cairo – Egypt.

Mr. SAAD started his career in 2000 in the Egyptian Reinsurance Company (Egypt Re) as an underwriter responsible for the treaty and facultative business of the Gulf Region. In 2007, he moved to Tawuniya Cooperative Insurance Co. in the Kingdom of Saudi Arabia. Later on, Mr. SAAD occupied many senior positions and played a vital role in the setting up, formation and management of two key regional Retakaful reinsurers in the Gulf Region: Al Fajer Retakaful Co. (Kuwait), and Emirates Retakaful Co. (United Arab Emirates).



CHAIRMAN'S STATEMENT

Mr Moustapha COULIBALY
Chairman



Letter to Shareholders

Dear Shareholder

On behalf of the Board of Directors of the African Reinsurance Corporation (Africa Re or the Corporation), I am honoured to present the 48th Annual Report and Consolidated Financial Statements for the financial year ended 31st December 2025.

This report provides a brief review of the Corporation's operating environment and the external auditors' report to shareholders, and highlights interventions, activities, and achievements in capital management, human resources, enterprise risk management, corporate governance, compliance, and corporate social responsibility.

Operating Environment

2025 remained a challenging year, largely driven by the contagion effect of trade tensions and geopolitical conflicts in the global economy. This led to slower, more cautious monetary policy tightening in response to macroeconomic conditions and the potential fallout from these risk events, especially inflationary pressures.

In April 2025, the International Monetary Fund (IMF) had projected the global economy to grow by 2.8% but ended up achieving 3.4% as the impact of trade disruptions and policy uncertainty was much lower than expected, with the threats of another global economic recession found to be far-reaching as the global economy demonstrated resilience yet again.

The African economy also recorded higher-than-expected growth in 2025, driven by economic reforms and the weakening of the United States dollar. This strong economic momentum was achieved despite the rising fragmentation of the global economy and persistent uncertainty in global trade policy. The inflationary pressure on the continent gradually improved as global food and energy prices stabilised, monetary policy tightened, and exchange rates adjusted to support the broader macroeconomic stability.

In 2025, the African Development Bank (AfDB) estimated the African continent's real gross domestic product (GDP) growth at 4.2%, compared with 3.5% in 2024, driven largely by commodity exporters, infrastructure projects, domestic demand, and ongoing

government reforms. The continent continues to grapple with high public debt that constrains fiscal space, currency volatility that pressures currencies, rising climate-related risks, and uneven inflationary pressures. These challenging macroeconomic conditions have reinforced the need for disciplined underwriting, prudent investment management and proactive risk monitoring. They also present an opportunity for governments to continue embedding insurance as a critical pillar of macroeconomic policy.

The reinsurance industry appears insulated from these macroeconomic struggles, as it continues to post strong results, with individual companies affected by their strategic orientation, operating environment, risk appetite, and portfolio structure. However, analysts believe the reinsurance industry, as evidenced by the low average growth of 1.2% in global reinsurance revenue, has reached the peak of its positive pricing momentum, with profit margins expected to gradually decline in the coming years.

Corporate Financial Performance

Africa Re remained among the leading reinsurance groups, according to AM Best and Standard and Poor's, as the only reinsurance company based in Africa and the highest-ranked reinsurer in the Middle East by revenue.

In 2025, the Corporation had its financial strength and credit ratings upgraded by Standard & Poor's from A- (Strong) with Stable Outlook, which it had held since 2009, to full A (Strong) with Stable Outlook in December 2025.

The Corporation recorded strong revenue growth, a stable claims experience, and excellent underwriting income, resulting in another historical performance record in 2025.

Under IFRS 17, the Corporation achieved reinsurance revenue of US\$ 1.275 billion, representing 6.22% growth from US\$ 1.200 billion in 2024, and a historic net income of US\$ 218.588 million, representing 64.42% growth from US\$ 132.942 million in 2024. The net income record performance was driven by a stronger average investment yield of 5.5%, up from the 4.9% recorded in 2024, and a slightly improved combined ratio of 90.73%, down from 90.89% in 2024.

This performance was supported by a Shareholders' Fund of US\$ 1.396 billion, representing 20.49% growth from US\$ 1.159 billion in 2024.

Under IFRS 4, the Corporation achieved a gross written premium of US\$ 1.337 billion, representing 10.18% growth from US\$ 1.214 billion in 2024, and a net income of US\$ 199.365 million, representing 50.62% growth from US\$ 132.364 million in 2024, with a Shareholders' Fund of US\$ 1.370 billion, which grew by 18.99% from US\$ 1.151 billion in 2024.

In line with the Dividend Policy adopted by the Corporation in 2019, a resolution will be presented to the General Assembly for the approval of a regular dividend of US\$ 10.00 per share and an additional special dividend of US\$ 5.00 per share to commemorate the 50th Anniversary milestone of the Corporation in the light of the excellent performance recorded in 2025, translating into a dividend of US\$ 15.00 per share at a total of US\$ 44.292 million, a growth of 50% over the US\$ 29.368 million paid in 2024.

Corporate Governance and Corporate Social Responsibility

In 2025, the Board held four (4) plenary meetings to consider and adopt the following key matters: in May 2025, to review and approve the 2024 Annual Accounts and Consolidated Financial Statements; in June, to prepare for the 47th Annual Ordinary Meeting of the General Assembly; in October 2025, to review and approve relevant policies of various corporate functions; and finally, in December 2025, to approve the 2026 Revenue and Expenditure Budget.

Throughout 2025, the Board discussed and reviewed the guiding principles, development process, joint strategic view, and key strategic initiatives of the 8th Corporate Strategic Plan for the period 2026-2030.

In addition to these meetings, several meetings were held by the five Standing Board Committees, namely Nominations & Governance, Audit, Finance & Investments, Human Resources & Remuneration, and Risk Management, Underwriting and IT Governance.

The Corporation, through its Africa Re Foundation, continued to roll out its corporate social responsibility policy under the theme of "risk management for development". The Foundation continues to work with national insurance associations, insurance supervisory authorities, public authorities, and

multilateral institutions, to drive excellence, professionalism, innovation and resilience. Several initiatives were funded by the Foundation in various areas such as education, professional development, industry excellence, market development, industry digitalization, research and development, and community resilience through prevention, risk management awareness, and disaster recovery.

To increase the Foundation's interventions, the Board shall propose a Resolution to the General Assembly to raise the allocation to the Africa Re Foundation from an upper limit of 2.0% of the Annual Net Profit to 2.5%, effective from the 2026 financial year.

Board and Management Succession Planning

There were a few changes on the Board of Directors as some constituencies replaced their representatives. Mrs. Meryem CHAMI, Mr. Jean CLOUTIER and Mrs. Faouzia ZAABOUL, left the Board and were replaced by Mr. Gilles FROMAGEOT, Mr. Edwyn O'NEILL and Mr. Abdeljalil EL HAFRE respectively.

The Board also concluded the replacement of its second Independent Director by appointing Mr. James WAMBUGU, who has since been inducted and now chairs the Audit Committee.

With respect to the Executive Management, the Board finalized the ongoing succession plan by renewing the term of contract for the Group Managing Director / Chief Executive Officer, Dr Corneille KAREKEZI, from the 1st of July 2026, while at the same time appointing Mr. Ephraim Kiiza BICHETERO who officially assumed duty as the substantive Deputy Managing Director / Chief Operating Officer from the 1st of July 2025, following the retirement of Mr. Ken AGHOGHOVIA at the end of June 2025.

Outlook for 2026 and Beyond

Looking ahead, the Board remains confident in the Corporation's future despite persistent global economic shocks and geopolitical uncertainties. Africa Re has demonstrated resilience through the years in navigating these challenges.

Though robust capital and earnings of the past few years continue to shield the global reinsurance industry, 2026 has not started on a positive note due to the softening market in property and specialty lines

across the world and the elevated Middle East crisis and its contagion effect on the financial markets, insurance industry and the global economy. The risk of a softer market is on the horizon due to the recent strong growth in available reinsurance capital, driven primarily by retained earnings and alternative capital inflows, and also benefiting from positive movements in financial markets and foreign exchange.

We remain vigilant of the challenges ahead related to inflation, currency volatility, sovereign debt pressures and climate-related catastrophes. In line with our strategic orientation, the Corporation will continue to prioritise underwriting discipline, capital preservation, operational efficiency and prudent risk management.

Africa continues to present significant long-term growth opportunities for the insurance industry if the public and private sectors work together to harness them. The Corporation will continue to play its advocacy role with government ministries, departments, and agencies that hold the key to unlocking insurance's value proposition for the continent's development agenda. Africa Re will continue to explore partnerships with African and international development partners as we seek to address low insurance penetration, derisk ongoing infrastructure investments, leverage demographic expansion and support the increasing demand for financial protection solutions.

The 8th Strategic Plan for the 5-year period from 2026 to 2030 has been discussed and approved by the Board of Directors at its May 2026 session. With an average growth of 8.36% in the reinsurance revenue, the new strategic plan, called "Forward Momentum 2030" will aim at delivering an average return of equity above the international cost of equity, estimated between 9% and 10% for 2026, strengthening the Corporation's leadership in the African reinsurance market, increasing emerging products offering, developing a high performing culture, improving talent, implementing a deliberate and coordinated adoption of the Artificial Intelligence (AI) technology, and maintaining a disciplined acceleration of the international business expansion.

For 2026, barring any unforeseen contingencies, the Corporation projects above 5% growth in its topline, a net combined ratio not exceeding 91.00% and 95.00% under IFRS 17 and IFRS 4, respectively, an average investment yield of around 4.02%, below 5-year average foreign exchange losses, a return on average Equity of above 10.00%, and a minimum of the regular dividend of US\$ 10.00 per share.

Final Thoughts

On behalf of the Board of Directors, I would like to thank all the women and men who contributed to the strong performance achieved in 2025 amid a challenging and volatile environment. Africa Re staff across all locations, led by Dr Corneille KAREKEZI, the Group Managing Director and Chief Executive Officer, continued to successfully implement the corporate strategy and achieved strong performance, with record milestones in net income, financial strength ratings, and reputation.

My gratitude goes to my fellow Board Directors. Their trust, dedication, hard work and commitment are commendable.

I also extend appreciation to the Corporation's shareholders from African member States and their insurance companies, as well as to non-regional investors, for their continued support.

More importantly, the Board and Management would like to thank all ceding insurance companies, brokers, and business partners, without whom the corporation could not have survived and thrived as it has for the last five decades.

As we celebrate our 50th Anniversary this year and chart a path forward for the next 50 years, let us reflect on how far we have come in the last 50 years and, along the way, have become one of the African multilateral corporate success stories.

Thank you.

Mr. Moustapha COULIBALY

Chairman of the Board of Directors

MANAGEMENT REPORT

Dr Corneille KAREKEZI

Group Managing Director /
Chief Executive Officer



I. ECONOMIC AND TRADE ENVIRONMENT IN 2025

This section presents Africa Re’s assessment of the macroeconomic and market environment that shaped the Corporation’s operating context throughout 2025. It covers the global economy, the African economic landscape, financial market conditions, and the reinsurance industry. It presents Africa Re’s performance and achievements, societal and developmental impact, key corporate milestones, the outlook for 2026, and the 50th Anniversary to be celebrated in 2026.

GLOBAL ECONOMY: Uneven Recovery Driven by Trade Disruptions and Geopolitical Tensions

The global economy experienced moderate, uneven growth in 2025, reflecting a cautious recovery from the inflationary pressures driven by geopolitical tensions the previous year.

However, 2025 saw another policy-induced uncertainty as the United States announced sweeping tariffs on a broad range of imports, triggering a wave of global economic recalibration that reverberated through trade flows and financial markets worldwide. The impact of the disruptive trade policies was contained through prompt actions, including multilateral trade negotiations, bilateral exemptions and supply chain realignment by sovereigns.

In 2025, geopolitical tensions continued as the Russia-Ukraine war remained unresolved, and the volatility in the Middle East continued as hostilities intensified among the trifecta of Hamas, Israel and Iran. These conflicts and other events sustained elevated volatility in commodity prices, and global inflation remained above target, leading to slower-than-expected easing of monetary policy by central banks worldwide.

Despite these uncertainties, the global economy grew better than initially projected. According to the IMF in January 2025, the global economy was projected to grow at 3.3% for the full year amid divergent economic growth driven by policy uncertainty. However, this was revised downward to 2.8% in April 2025, reflecting effective tariff rates by the United States at levels not seen in a century and a highly unpredictable environment. In July 2025, the growth forecast was revised upward to 3.1% but is expected to decelerate as trade-related distortions wane amid lower effective tariff rates, better financial conditions, and fiscal expansion in some major jurisdictions. The 2025

global economic growth projection was once again adjusted to 3.2% in October 2025 amid the volatility and uncertainty.

In the IMF final report, the global economy grew by 3.4% in 2025, beating pessimistic projections at the height of trade tensions.

As technology investment, fiscal and monetary support, accommodative financial conditions, and private sector adaptability offset trade policy shifts, the global economy was projected to grow by 3.3% in January 2026.

AFRICAN ECONOMY: Audacious Reforms amid Debt Sustainability Pressures

The African continent’s performance in 2025 showed the characteristic resilience it is now known for in the face of adverse global macroeconomic conditions.

Despite global economic headwinds, shifts in international trade policies, cuts in aid from major development partners, climate-related disruptions, tight borrowing conditions, high debt burdens, and persistent structural challenges, the continent was projected to record economic growth of 4.2% in 2025, higher than earlier projections.

According to the African Development Bank (AfDB), the initial peg was set at 4.1% in January 2025 and revised to 3.9% in May 2025 due to the expected impacts of increased trade tariffs announced by the United States and the associated uncertainties.

However, growth remains divergent across the continent’s key regions. The estimated economic growth in East Africa was 6.4% (2024: 4.3%), North Africa was 4.1% (2024: 2.7%), West Africa was 4.7% (2024: 4.7%), Southern Africa 2.0% (2024: 1.8%), and Central Africa was 3.9% (2024: 4.3%).

The continent also experienced a gradual easing of inflationary pressures, with average inflation declining from 21.8% in 2024 to 13.6% in 2025. The easing of inflationary pressures across the continent has led central banks in many African countries to adopt more accommodative monetary policy or pause contractionary policy.

Africa’s public debt continues to rise in nominal terms, and debt vulnerabilities remain elevated. The growth in debt is driven by infrastructure financing needs, a widening of the fiscal deficit, and fiscal stimulus

packages during the pandemic, with a debt-to-GDP ratio estimated at 62.0% in 2025. Debt vulnerabilities remain high, primarily due to changes in the composition of debt and associated servicing costs.

The structure and composition of public external debt have shifted from concessional lending toward commercial borrowing, including Eurobonds and syndicated loans, as well as other sources of financing, driving up debt service costs, with over 31% of government revenues going to interest payments and constraining the government's capacity for productive investment.

In 2025, sovereign credit rating actions across Africa by Moody's, Fitch Ratings, and S&P Global Ratings reflected a mixed but improving credit environment driven by fiscal reforms, debt restructuring progress, stronger commodity markets, and macroeconomic stabilization in several African economies. There were upgrades for Ghana, Zambia, South Africa, Morocco, Egypt, Kenya, Cote d'Ivoire, Tunisia and Seychelles, while Botswana, Senegal, Madagascar and Gabon recorded downgrades.

These positive rating actions are expected to reduce borrowing costs in the future.

Most African currencies strengthened against the US dollar in 2025, reflecting the impact of economic policy uncertainty in the US. At the end of 2025, 28 African currencies strengthened against the US dollar with the following currencies appreciating: Nigerian Naira (NGN: +6.13%), Egyptian Pound (EGP: +6.54%), Moroccan Dirham (MAD: +11.05%), South African Rand (ZAR: +13.30%), West African CFA Franc (XOF: +13.09%) and Central African CFA Franc (XAF: +14.85%).

On the other hand, the Ethiopian Birr (ETB: -17.48%) was among the major currencies that depreciated due to Ethiopia's ongoing foreign exchange market reforms.

Persistent regional conflicts in Sudan, the Sahel, Eastern Democratic Republic of Congo, Somalia, Libya, and the Lake Chad Basin continued to undermine political stability, economic growth, trade flows, and humanitarian conditions across Africa in 2025.

However, these conflicts have not escalated in recent years, and their impact is already embedded in the continent's macroeconomic projections.

FINANCIAL MARKETS: **Cautious Recovery for Moderate Equity Gains and Moderate Bond Spreads**

The global financial market navigated a turbulent year to post positive returns for long-term institutional investors, following the April 2025 tariff shocks and amid ongoing trade negotiations and the cautious but

gradual easing of monetary policy.

The interest rate environment that began moderating in 2023 has been easing but has remained at historically elevated levels due to potential inflationary pressures from ongoing geopolitical tensions and likely supply chain disruptions.

Most equity indices experienced moderate gains due to stabilising inflation, cautious economic recovery and improving investor sentiment.

Major equity indices recorded positive performance, namely: S&P 500 (+17.9%), Tokyo Stock Price Index (+26.1%), Dow Jones Euro Stoxx 50 (+37.4%), MSCI Emerging Markets Index (+34.4%), and MSCI World Index (+22.9%).

The global equity markets have risen significantly from their 2024 levels, supported by strong financial performance, higher earnings, and expectations of efficiency gains from artificial intelligence.

The major exchanges in Africa in local currencies also posted gains, with Nigeria (NSE All Share Index), Kenya (NSE All Share Index), and South Africa (FTSE / JSE All Share Index) recording returns of 51.2%, 51.1%, and 37.7%, respectively.

In addition, the fixed income market was characterised by elevated yields but limited price appreciation and cautious investor sentiment, as most investors favoured higher-quality, shorter-duration instruments. Globally, the bond market posted positive returns, with the 2-year, 5-year, 10-year, and 30-year treasuries posting returns of 4.9%, 6.8%, 7.8%, and 3.3%, respectively.

In 2025, several African sovereigns, including Nigeria, Kenya, Ghana, Egypt, South Africa, Angola, Morocco and Senegal, accessed the Eurobond market to raise external financing for infrastructure development, fiscal support and debt refinancing.

REINSURANCE MARKET: **Strong Performance as Pricing Momentum Peaks**

The global reinsurance market entered 2025 at an inflexion point, as positive pricing momentum peaked and a gradual softening of market conditions began.

The strong profitability posted since 2023, driven by improved underwriting results and stronger investment income, has attracted additional capital into the market, increasing competitive pressure that is now eroding the gains from changes in the hard underwriting cycle. This is also reflected in the most recent outlooks from rating agencies, which have shifted from positive to stable, led by AM Best and Moody's. While Standard & Poor's has maintained its conservative stance, Fitch has lowered its outlook.

As a growing continent, Africa is expected to see a boom in the reinsurance market, driven by recent efforts by industry stakeholders to strengthen the role of insurance in macroeconomic resilience.

Some regulatory reforms have also been initiated in Nigeria and Egypt that can serve as a blueprint for the rest of the continent as they seek to strengthen local content laws and promote initiatives that reduce the outflow of reinsurance premiums. These regulations also seek to promote takaful insurance solutions in alignment with the religious beliefs of some part of the continental demography.

There is also a renewed interest in specialty lines of business, including cyber liability, trade credit, political risks, political violence and terrorism, as well as other related risks on the continent, which are mostly ceded abroad.

Overall, positive sentiment is expected to continue due to increasing demand for insurance and reinsurance, with leading market players maintaining underwriting discipline and forming industry coalitions to strengthen best practices and reduce moral hazard to the bare minimum.

AFRICA RE IN 2025: **Excellent Performance and Historical Highs in Key Metrics**

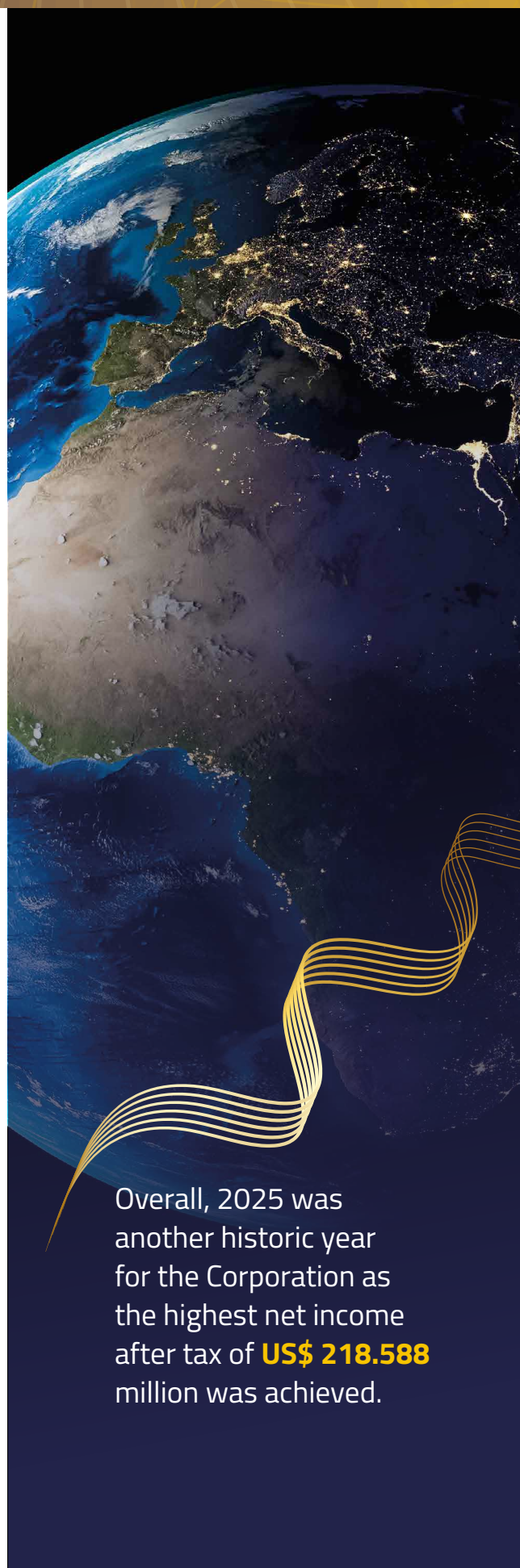
The Corporation has set another historical performance across its key metrics in 2025 as reported under IFRS 4 ("Insurance Contracts") and the corresponding IAS 39 ("Financial Instruments"), as well as IFRS 17 ("Insurance Contracts") and the corresponding IFRS 9 ("Financial Instruments"). The Corporation will be reporting fully under IFRS 17 from the next financial year and non-IFRS 17 metrics disclosed on a need basis.

Under IFRS 17, Africa Re recorded Reinsurance Service Revenue of US\$ 1.275 billion, compared with US\$ 1.200 billion in 2024, representing a growth of 6.22%.

On the other hand, under IFRS 4, the Corporation's Gross Written Premium grew from US\$ 1.214 billion to US\$ 1.338 billion in 2025, representing a growth of 10.18%.

This strong growth was driven by renewed marketing efforts, key strategic partnerships and client-centric service excellence.

2025 also posted an improvement in Net Reinsurance Revenue after the Allocation to Retrocession Premium under IFRS 17 to US\$ 1.074 billion, compared with US\$ 995.845 million, reflecting a growth of 7.88%. This reinforces our ability to retain risks and our deep market knowledge, as only 15.74% of reinsurance revenue (2024: 17.04%) was retroceded. This is synonymous with the Net Retention Ratio of 84.26% (2024: 82.96%). Under IFRS 4, the Corporation posted a



Overall, 2025 was another historic year for the Corporation as the highest net income after tax of **US\$ 218.588** million was achieved.

relatively stable Net Retention Ratio of 81.13% (2024: 81.16%).

In the period under review, the Corporation achieved a Net Combined Ratio under IFRS 17 of 81.60% (2024: 81.38%), an excellent performance relative to industry benchmarks set by leading global reinsurance brokers.

According to Gallagher Re's Reinsurance Market Report of 2025, the subset of Reinsurance Groups posted 84.30% (2024: 88.00%), and the composite of about 45 companies achieved 82.50% (2024: 85.80%). Aon, another leading reinsurance broker, also reported a Net Combined Ratio of 88.50% (2024: 90.10%) for its aggregate of companies published for 2025.

It is worth noting that the computations of Net Combined Ratio have not been standardized under IFRS 17.

Furthermore, under IFRS 4, the Corporation achieved a Net Combined Ratio of 90.73% compared with 90.89% reported in 2024. The Net Combined Ratio under IFRS 17 is lower due to the volatile impact of discounting and the exclusion of non-attributable expenses from the underwriting results as defined by the IFRS 17 accounting standard.

The investment portfolio recorded another historic performance in nominal terms under IFRS 9, and 17 as the Net Investment and Other Income excluding Interest from Reinsurance Deposits also grew to US\$ 107.616 million from US\$ 85.217 million to achieve a performance of 26.28%.

Under IFRS 9, the portfolio returned an average yield of 5.96% (2024: 5.42%). The trend is the same under IFRS 4 and IAS 39, as the Corporation recorded Investment and Other Income of US\$ 113.693 million (2024: US\$ 89.326 million).

The strong performance is explained by active portfolio management and aggressive liquidity management to optimise returns.

Under IFRS 4, the portfolio returned an average yield of 5.49% (2024: 4.94%).

The improvements under IFRS 9 and IAS 39 were driven by higher interest from bank deposits, coupon income from fixed-income instruments, and price appreciation in the equity portfolio.

Overall, 2025 was another historic year for the Corporation, as it achieved the highest Net Income of US\$ 218.588 million (2024: US\$ 132.942 million) under IFRS 17, representing a growth of 64.42%. This was higher than the Net Profit of US\$ 199.365 million (2024: US\$ 132.363 million), translating to a growth of 50.62% under IFRS 4.

This strong performance was driven by our prudent underwriting philosophy and active management

of the investment portfolio, which has been mildly suppressed by the translation of our operating currencies compared with the significant impact in prior years due to the appreciation of African currencies.

The negative impact of currencies is lower at a loss of US\$ 5.385 million in 2025 compared with a loss of US\$ 41.726 million recorded in 2024. The Corporation continues to deploy mitigating actions to reduce the impact of currency depreciation on its results, including continued manual hedging and asset-liability management practices.

In 2025, the Shareholders' Funds increased from US\$ 1.151 billion in 2024 to US\$ 1.370 billion under IFRS 4, representing a growth of 18.99%.

However, under IFRS 17, the Shareholders' Funds grew from US\$ 1.159 billion in 2024 to US\$ 1.396 billion at a growth of 20.49%. The growth is driven by share acquisitions by the government of Libya and Libya Insurance Company, stronger retained earnings due to excellent Corporate financial performance, and a conservative dividend policy that seeks to fortify the Corporation's capital buffers to carry out its mission.

As a result, the Corporation achieved a Return on Average Equity of 17.11% (2024: 11.95%) under IFRS 17 compared with a Return on Average Equity of 15.82% (2024: 11.98%) under IFRS 4. A return comparable with the performance of global reinsurers in 2025.

SOCIETAL IMPACT: Unwavering Commitment to the Development of the Insurance Industry

The Corporation remains rooted in its development mandate and fulfills same through the Africa Re Foundation (The Foundation or ARF). These interventions cover risk awareness, industry development, education, disaster recovery, technological innovation, market research and community support.

Funding for the above activities comes from contributions of up to 2.0% of its Annual Net Profit to these initiatives, with the Board of Directors recommending to the Annual Ordinary Meeting of the General Assembly that this limit be increased from 2.0% to 2.5% to achieve greater impact.

Through the Foundation, there has been continued advocacy with policymakers to embed insurance as a critical lever of macroeconomic resilience. Particularly on the African continent, the contribution of insurance, measured as insurance assets as a percentage of GDP, is too low. We firmly believe that insurance can unlock economic prosperity for the continent, and we continue to seek an audience with government

Ministries, Departments, and Agencies to pursue a partnership in this task.

The Foundation recently supported the government of Rwanda in developing a 10-Year National Insurance Strategy, which has now been adopted by the cabinet and embedded in the National Strategy for Transformation for Vision 2050.

A flagship programme of the Foundation is the Young Insurance Professional Programme (YIPP), which enrolls 1000 trainees in 14 courses over a 9-month online, self-paced learning programme every year.

The YIPP has enrolled 8,250 trainees since its inception across 9 cohorts. It has gained widespread recognition, and the credentials recognised across the continent are also being adopted by some of our international partners. The programme continues to be enhanced, with a Life Reinsurance module set to launch in 2027.

Another area of intervention is in the actuarial domain, through support afforded to governments for training programmes (Egypt and Côte d'Ivoire), the development of mortality tables (Ghana, Tunisia and Nigeria), or actuarial studies (Burundi).

There are also partnerships with UNICEF (United Nations International Children's Emergency Fund) to champion climate change education for youth in Nigeria. We are also in partnership with the African Union (AU) through the AU Peace Fund, an innovative financing initiative designed to strengthen our capacity to address peace issues by prioritizing mediation and conflict prevention. This partnership embodies the ideals of our founding fathers' Pan-Africanism, leveraging our collective resources to advance peace efforts and drive development.

There are also interventions aimed at strengthening the capacity of industry regulators to develop better, more aligned regulations for the overall development of the insurance industry, including selected interventions in Gabon and Senegal.

As part of its development agenda, the Corporation is also promoting insurance awareness campaigns to drive insurance penetration across the continent. We have begun consultations with the Central African Republic, Chad, Egypt, Ethiopia, Liberia, Mauritania, the Republic of Guinea, Sierra Leone, Tanzania, Zambia and Zimbabwe.

OTHER KEY UPDATES: **Rating Upgrade, Footprint Expansion and Partnership with Multilateral Institutions**

After 16 years, the Corporation had its financial strength and credit rating upgraded from A- (Strong / Stable Outlook) by Standard & Poor's to A (Strong / Stable Outlook) in 2025, following the revision of its outlook to A- (Strong / Positive Outlook) in 2024.

This is a confirmation of our market-consistent performance over recent years and the resilience of our prospects through the lens of the rating agency S&P Global. As a forward-looking assessment, Africa Re has demonstrated its ability to navigate the complex risk environment and is well-positioned to continue achieving strong revenues and excellent returns in alignment with the industry trajectory.

In 2025, the Corporation expanded its operations both within and outside Africa by opening a Contact Office in the Democratic Republic of Congo. The business objective is to expand our regional footprint, enhance support for local partners, and develop the Congolese insurance and reinsurance market. The new office is already operational.

Outside Africa, we secured a licence to operate as an International Insurance Organisation (IIO) in GIFT City (Gujarat International Finance Tec-City), India's first operational smart city and premier International Financial Services Centre (IFSC). This move shall consolidate our brand recognition in the Asia-Pacific region. The Corporation has begun operations in this office.

The Corporation continues to increase its relevance and impact at international and African levels.

The Corporation has joined the Insurance Development Fund (IDF), an international public-private partnership platform whose core objectives are to close protection gaps, accelerate sustainable development, and foster "future-ready" economies through risk management. The Group MD/CEO of the Corporation serves on its Steering Committee.

At the African level, the Corporation continues to play an active role in the newly established Alliance of Multilateral Financial Institutions (AAMFI), also known as the "Africa Club," which is a strategic coalition of African-owned and controlled multilateral financial institutions. Launched on February 17, 2024, in Addis Ababa, Ethiopia, AAMFI aims to foster collaboration to drive sustainable economic development and financial self-reliance across the continent, aligned with the African Union's Agenda 2063. The Group MD/CEO of the Corporation serves as the Chairperson of its Governing Council for 2026/2027.

PLANNING AHEAD: 8th Strategic Plan 2026-2030

The 7th Strategic Plan of the Corporation, covering 4 years from 2022 to 2025, ended on a strong and positive note, with excellent performance in 2023, 2024, and 2025, posting historic year-on-year net profits. This strategy horizon saw turnarounds in our underperforming portfolios, especially in the South African one, which outperformed all others in 2025 and demonstrated resilience to distortions driven by unprecedented natural catastrophes of recent years.

Africa Re has since strengthened its retrocession protection to support stability in these market segments by including the Brazilian portfolio in its improved international business retrocession program.

The Corporation initiated and completed the formulation of its 8th Strategic Plan in 2025, with input from all staff members across cadres and guidance from the Board of Directors, using its proprietary, "inclusive and bottom-up approach".

The strategic plan covering a 5-year horizon from 2026 to 2030 is now under implementation, with immediate exception reporting, annual reviews, and a mid-term refresh in 2028, in response to changes in the operating environment under pessimistic and optimistic scenarios.

The 8th Corporate Strategic Plan, dubbed "Forward Momentum 2030", builds on the achievements of the 7th strategic plan with key enhancements to existing interventions, selected core strategic initiatives supported by people transformation, technology enablement and capital optimisation as key enablers.

The new strategic plan seeks to position Africa Re as the preferred and trusted reinsurance partner that prioritises profitable growth in its core and peripheral market segments across traditional, specialty and innovative risk solutions through deep cedant and broker relationships as the market leader.

This new strategic plan, called "Forward Momentum 2030", will take the Corporation to between US\$ 2.0 and 2.5 billion by the year 2030 with an annual average growth of 8.36% in the reinsurance revenue, a consistent delivery of disciplined underwriting results and superior risk-adjusted investment returns, delivering an average return on equity above the international cost of equity (estimated to be around 11.7% by Gallagher Re and 9% to 10% by S&P for 2026), strengthening the Corporation's leadership in the African reinsurance market, increasing emerging products offering, developing a high performing culture, improving talent, implementing a deliberate and coordinated adoption of the Artificial Intelligence

(AI) technology, and maintaining a disciplined acceleration of the international business expansion.

The above target return on equity shall be supported by a stable dividend policy, while maintaining strong financial strength and credit ratings from AM Best and S&P Global, and by deploying capital with optimal efficiency across underwriting cycles to support insurance market development.

50TH ANNIVERSARY: Celebrating a Pan-African Success Story

2026 is a pivotal year in our history as the Corporation celebrates 50 years of fulfilling our mission to foster the development of Africa's insurance and reinsurance industry, strengthen national, regional, and sub-regional underwriting and retention capacity, and support sustainable economic growth across the continent.

The celebratory events will include the inauguration of our new ultra-modern Corporate headquarters in Abuja (Nigeria) and a special 50th Anniversary Symposium in June 2026, alongside the 48th Annual Ordinary Meeting of the General Assembly.

The Corporation approaches its Golden Jubilee in 2026 under the theme of "Reinsurance Excellence, Securing the Future," as an institution that has scaled through challenging hurdles to become the leading reinsurer in its core market and a respected reinsurance brand worldwide.

As the Corporation celebrates, we will highlight our leadership on the continent through our contributions to insurance market development and economic resilience. It also seeks to reinforce our commitment to innovation, sustainability, and societal impact.

Our success as a pan-African institution, managed and led by Africans, is a significant pillar of our achievement, and our collective resolve and commitment from over 30 African nationalities to develop the African continent remain unwavering. This has been recognised by the 'Pan-African Institution' award bestowed on the Corporation at the 2025 Africa CEO Forum held in Abidjan, Côte d'Ivoire, in May 2025.

The anniversary provides an opportunity to reflect on our past achievements while reinforcing the Corporation's vision for the future.

2026 OUTLOOK: **Softer Market Prices and Geopolitical Tensions Driving Macroeconomic Uncertainty**

2026 has begun with heightened geopolitical confrontation, including the war in the Middle East involving the United States, Israel, and Iran, which has led to the closure of the Strait of Hormuz and could impact commodity prices and result in unexpected inflationary pressure on the global economy.

While the insurance industry generally excludes war risks from its policy coverage, limited exposure from Marine contracts and potential indirect impact on the financial and foreign exchange markets may affect earnings.

The IMF has lowered its global growth projection for 2026 to 3.1% (2025: 3.4%) due to the outbreak of war in the Middle East, while the AfDB projects 4.3% growth (2025: 4.2%) for the African economy. The continent is prone to the contagion effect of disruptions in the global economy.

Africa continues to grapple with the perennial challenges of debt sustainability, poverty, economic inequality, and unemployment, with governments under pressure to deliver democratic dividends to their citizens.

A key test of political stability in Africa is the election process, and about 11 elections are scheduled for 2026, including Nigeria, our home country. Also, we continue to monitor the build-up to the general elections in Nigeria scheduled for January 2027. It is expected that all these elections will be peaceful.

In addition, in the global reinsurance market, the risk of a softer market has increased following recent strong growth in available reinsurance capital, driven primarily by retained earnings and alternative capital inflows, and further supported by positive movements in financial markets and foreign exchange. Though it is expected that underwriting discipline exercised in recent years by reinsurers shall continue, it is not certain to what extent the market softening shall reach.

However, the African market's structural undersupply of reinsurance capacity relative to risk, coupled with the growing financial soundness of African primary insurers following regulatory reforms in Nigeria, Egypt, and other markets, creates a positive demand environment that is partly insulated from the looming global softening cycle. Our diversified portfolio, market knowledge, and credibility in development mandates give us a unique competitive position that smoothens pure market-cycle dynamics.

The Corporation remains geographically diversified and strategically agile to respond to the uncertainty in the macroeconomic environment.

Executive Management will continue to focus on profitability as its key strategic imperative whilst fulfilling its developmental mandate on the continent.

Barring any unforeseen contingencies, the Corporation projects above 5% growth in its topline while maintaining conservative forecasts of a net combined ratio not exceeding 91.00% and 95.00% under IFRS 17 and IFRS 4, respectively.

The average investment yield is projected to be around 4.02%, significantly below the record achievement of 5.49% of 2025.

As a US Dollar-reporting entity conducting business in predominantly African local currencies, the Corporation will continue to absorb potential foreign exchange losses while aiming for a Return on Average Equity of above 10.00%.

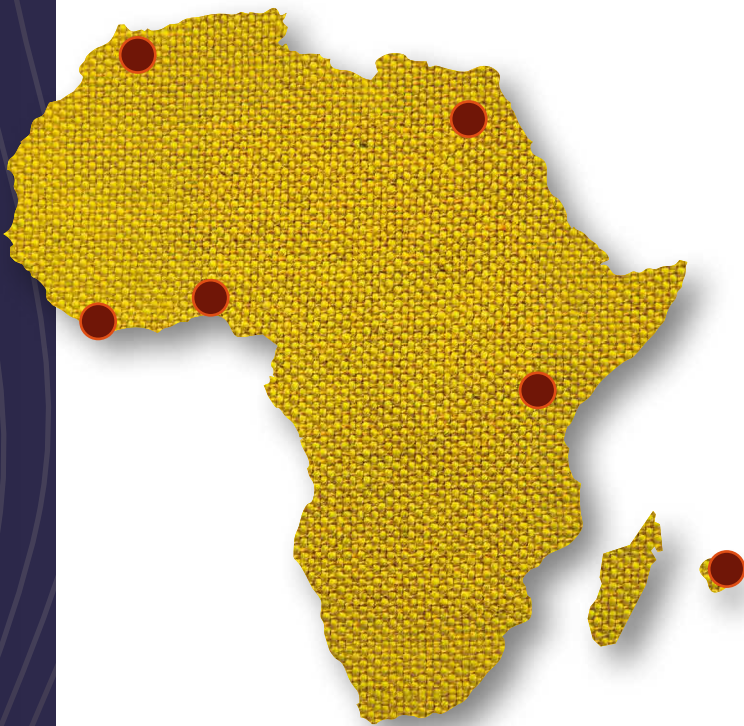
Furthermore, in line with the dividend stability policy, a minimum dividend of US\$ 10.00 per share is expected to be maintained.

II. TECHNICAL OPERATIONS

The Corporation's operating results are examined in this section and compared to 2024 figures.

Africa Re operates through a network of eight offices strategically located in the continent. Activities in a number of African markets situated within a common geographical area are coordinated by an office in the region. Closeness to clients in each location gives Africa Re a unique leverage over its peers, providing credible and efficient services to insurance markets in the continent.

Africa Re adheres to best practices in every facet of its business. Cedants reciprocate its long-term commitment to the continent by granting the Corporation access to profitable and diversified business in Africa, and to a lesser extent, Asia, the Middle East and Brazil.



The Corporation operates from the following production centers:

Six regional offices

- **Lagos, Nigeria:**
Anglophone West Africa and African Pools;
- **Abidjan, Côte d'Ivoire:**
Francophone West and Central Africa;
- **Casablanca, Morocco:**
Maghreb;
- **Cairo, Egypt:**
North East Africa and the Middle East;
- **Nairobi, Kenya:**
East Africa and parts of Southern Africa; and
- **Ebene, Mauritius:**
African Indian Ocean Islands, Portuguese-speaking African markets, Asia and Brazil.

Three wholly owned subsidiaries

- **Johannesburg, South Africa:**
South Africa and neighboring markets, handled by the subsidiary – **African Reinsurance Corporation (South Africa) Limited**;
- **Cairo, Egypt:**
Africa, Asia and Middle East Retakaful markets handled by the subsidiary – **African Retakaful Company**;
- **Dubai, United Arab Emirates:**
Middle East business written through a specialized underwriting vehicle – **Africa Re Underwriting Agency Limited**.

Two Local offices

- Addis Ababa, Ethiopia;
- Khartoum, Sudan.

Two underwriting offices

- Kampala, Uganda.
- Kinshasa, Democratic Republic of the Congo

The portfolio of reinsurance risks accepted by the Corporation can be broadly classified along the following business lines:

- Fire & Engineering;
- Accident & Motor;
- Oil & Energy;
- Marine & Aviation; and
- Life.

The table below provides a summary of the Corporation's performance

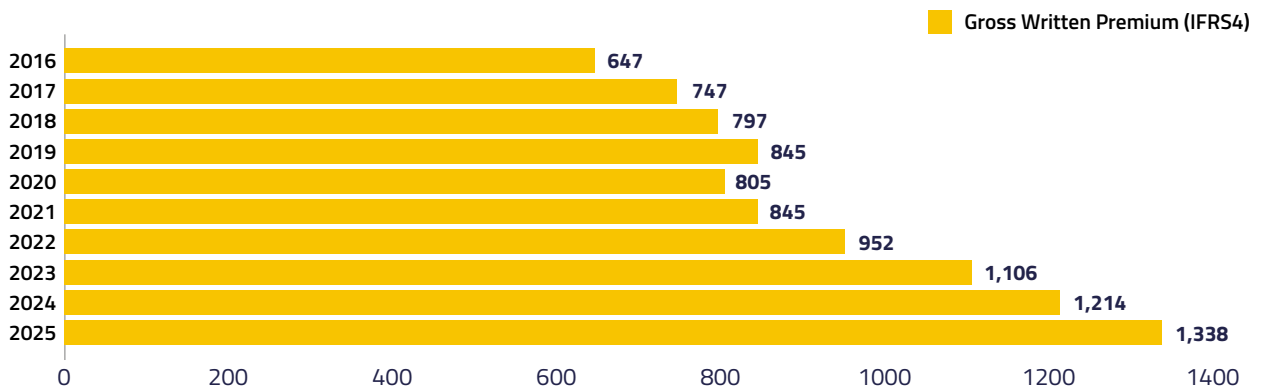
Description (US\$ Million)	2025			2024		
	Gross	Retro	Net	Gross	Retro	Net
Income						
Gross Written Premium	1,337.74	(211.06)	1,126.68	1,214.09	(191.88)	1,022.21
Change in unearned premium Reserve	(62.75)	10.36	(52.40)	(13.75)	(12.62)	(26.37)
Reinsurance Revenue/ Allocation of retrocession Premium	1,274.99	(200.70)	1,074.28	1,200.35	(204.50)	995.85
Outgo						
Incurred Claims & expenses and changes to liability	608.17	-68.60	539.57	544.12	-31.56	512.55
Change in Loss (Recovery) Component	7.03	0.51	7.54	(1.60)	(1.82)	(3.42)
Incurred Acquisition costs	329.52	0.00	329.52	301.29	0.00	301.29
Service Expense/Retro Loss recovery	944.72	(68.09)	876.62	843.81	(33.38)	810.43

Revenue income

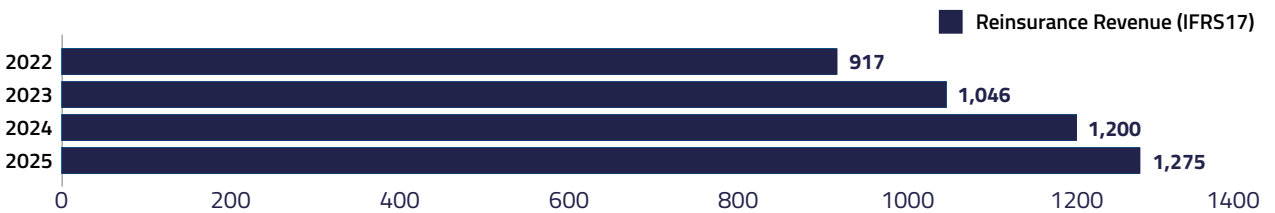
In 2025, the Corporation recorded a gross written premium of US\$1,337.74 million under IFRS 4, compared to US\$1,214.09 million in 2024. Under the IFRS 17 accounting standard, this translates to a gross reinsurance revenue of US\$1,274.99 million, an increase of 6.22% from US\$1,200.35 million in 2024. The growth was primarily driven by a conducive reinsurance business environment in many African countries and international business.

Development of Gross Written Premium

Development of GWP in US\$ million



Development of GWP in US\$ million



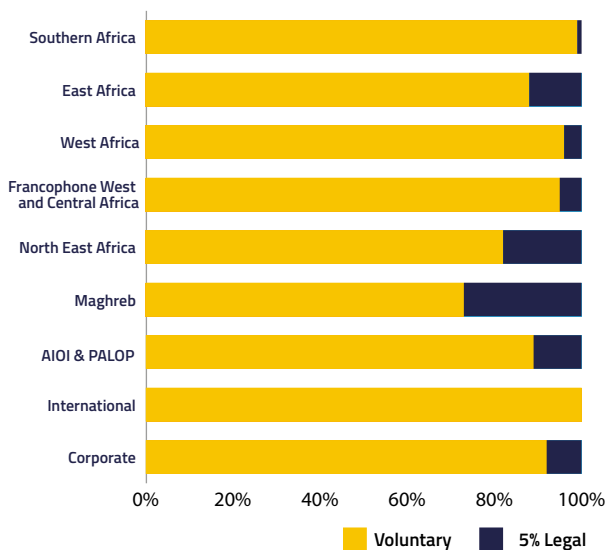
Legal (compulsory) cessions

In 1976, when Africa Re was established by 36 member states, as an initiative of the African Development Bank, it had to compete with much larger foreign reinsurers with ties to former colonies. The rationale for setting up the Corporation, which is still paramount to date, is to reduce the outflow of premium income from the continent. To ensure its survival among these

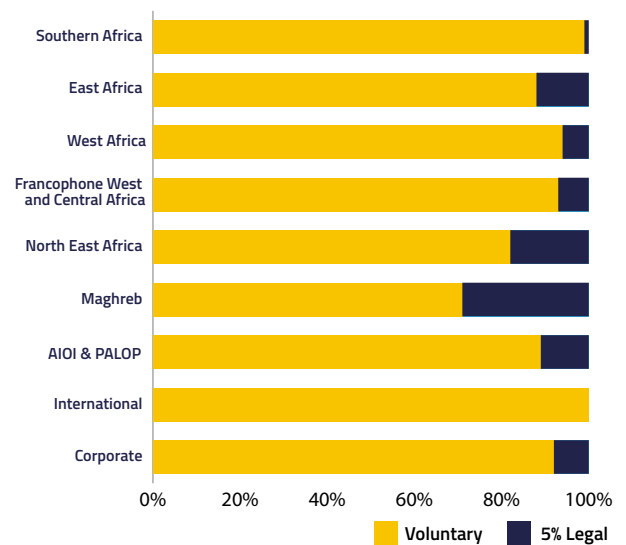
well-known larger brands, the Corporation was granted, at inception, 5% of every reinsurance treaty emanating from member states (currently the number of member states has risen to 42).

Compulsory cessions presently account for 7.6% (7.1% in 2024) of gross premium income.

Financial Year 2024



Financial Year 2025



Geographical Distribution

The Corporation accepts business from cedants across Africa, as well as selected markets in Asia, the Middle East, and Brazil.

Southern Africa

The African Reinsurance Corporation, South Africa Ltd (ARCSA) in Johannesburg, oversees operations in Botswana and the Rand zone. The subsidiary contributed 12.96% to the overall group turnover in 2025. In the year under review, ARCSA generated US\$165.28 million of reinsurance revenue, which is greater than the previous year's income (2024: US\$152.14 million). This growth in revenue is partly due to the expansion in the Life sector, better reinsurance terms and the strengthening of the South African rand against the US dollar during the year.

East Africa

Revenue from this region increased by 3.99% to US\$240.64 million (2024: US\$231.41 million). This figure accounts for 18.87% of the corporate income in 2025. Income from Medical and Engineering classes of business is the main contributor to the revenue growth in the region.

Anglophone West Africa

Reinsurance revenue from this region was US\$117.88 million (2024: US\$102.27 million), representing a 15.26% increase over the previous year. This turnover accounts for 9.25% of the corporation's production. The growth was driven by an increase in the revenue of proportional treaties, coupled with the stability of the exchange rate of the Nigerian naira against the US dollar.

Maghreb

Production from the Maghreb region increased by 15.62% to US\$98.72 million (2024: US\$85.38 million). The revenue from the region accounts for 7.74% of the corporation's production.

North-East Africa

Domestic revenue from the Cairo Regional Office contracted from US\$39.19 million in 2024 to US\$37.62 million in 2025. The revenue shortfall was due to the decrease in proportional facultative contracts. Income from North-East Africa accounts for 2.95% of corporate production.

Francophone West and Central Africa

The Abidjan Office is responsible for the predominantly French-speaking region of West and Central Africa. Turnover decreased by 7.18% from US\$165.28 million in 2024 to US\$153.41 million in 2025. This revenue shortfall was due to a decline in the Oil/Energy insurance business. Revenue from this region accounts for 12.03% of corporate production.

African Indian Ocean Islands

Revenue from the African Indian Ocean Islands and Lusophone African markets increased from US\$40.09 million in 2024 to US\$48.93 million in 2025. Business from this office accounts for 3.84% of the Corporation's turnover.

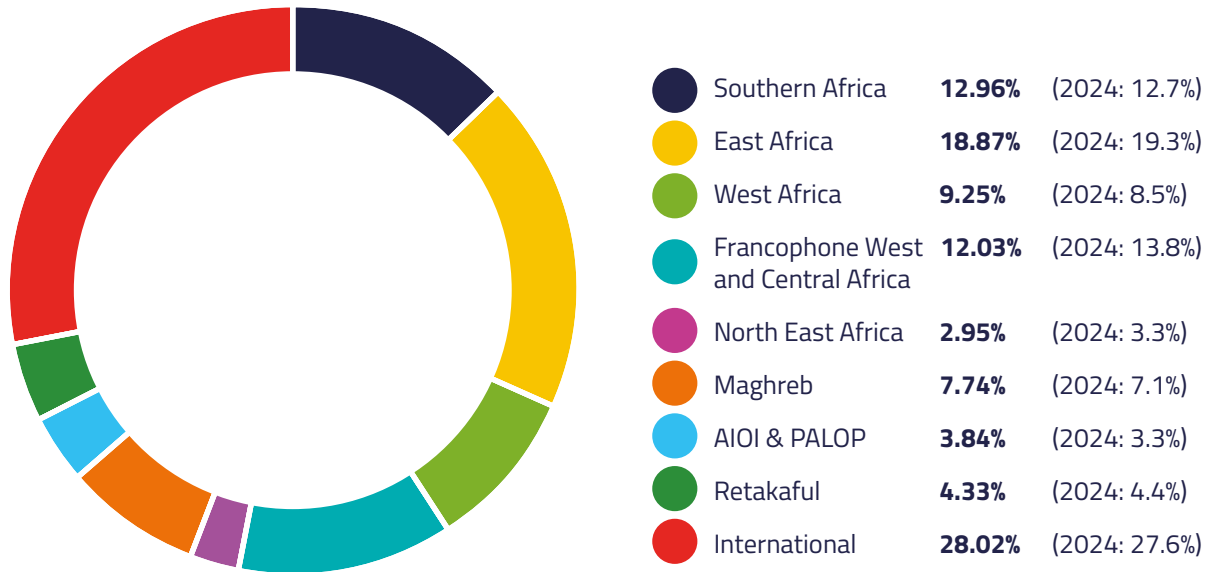
Africa Retakaful

Africa Retakaful's revenue, which includes income from outside Africa, increased from US\$53.09 million in 2024 to US\$55.24 million in 2025. This performance is mainly due to the increased income in the proportional treaty contracts from the Fire class of business. Business from this subsidiary accounts for 4.33% of the Corporation's turnover.

International Business

Africa Re's revenue from international business increased from US\$331.49 million in 2024 to US\$357.27 million in 2025. Production from the Middle East was US\$154.04 million in 2025 (2024: US\$116.16 million). Revenue from Asia decreased from US\$178.73 million in 2024 to US\$171.77 million in 2025, mainly due to a decline in the Whole Account and Motor classes of business. Production from Brazil also recorded a drop in revenue, from US\$36.60 million in 2024 to US\$31.46 million in 2025, mainly due to the Fire class of business. The positive rate movement or correction after the Turkish Earthquake and UAE flood in the direct insurance market contributed to the growth in revenue in the Middle East. Furthermore, the relative stability of currencies against the US dollar (the reporting currency) is another factor contributing to the growth of the international business portfolio.

Geographical Distribution of Reinsurance Revenue



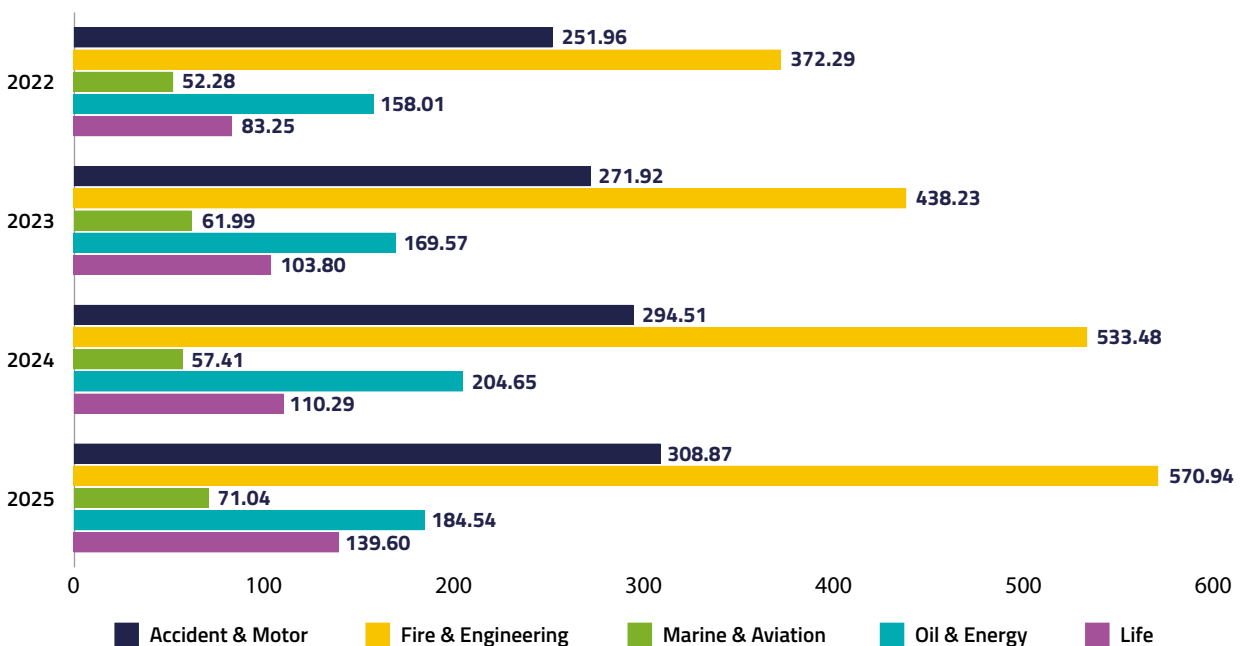
Sectoral Distribution

Fire and Engineering class continued to produce the highest revenue with US\$570.94 million, representing 44.78% of corporate production as against US\$533.48 million or 44.44% in 2024. This is followed by the Accident and Motor class, which stood at US\$308.87 million or 24.23% of corporate revenue (2024: US\$294.51 million, representing 24.54%)

Oil & Energy class is third with a revenue of US\$184.54 million or 14.47% of turnover (2024: US\$204.65 million, representing 17.05%).

The Life class is fourth with US\$139.60 million or 10.95% of turnover (2024: US\$110.29 million or 9.19%), while the Marine and Aviation class follows with US\$71.04 million, which is 5.57% of corporate production (2024: US\$57.41 million or 4.78%).

Reinsurance Revenue by Class in US\$million



Reinsurance Service Results

Results by Line of Business

Total gross reinsurance service expense stood at US\$944.72 million in 2025 from US\$843.81 million in 2024, translating to an increase of the gross combined ratio from 70.30% in 2024 to 74.10% in 2025.

After accounting for the cost of reinsurance, the net combined ratio stood at 81.60%. Oil & Energy recorded the lowest net combined ratio at 63.64%, followed by Fire and Engineering at 76.33%.

The table below provides insight into the previously stated indicators.

Gross Combined Ratio and Net Combined Ratio by Class - Financial Year 2025 (US\$ Million)

Class of Business	Reinsurance Revenue	Reinsurance Service Expense	Gross Combined ratio	Net Combined ratio 2025 ¹
Accident & Motor	308.87	270.04	87.43%	90.82%
Fire & Engineering	570.94	396.17	69.39%	76.33%
Marine & Aviation	71.04	54.18	76.28%	82.52%
Oil & Energy	184.54	98.92	53.60%	63.64%
Life	139.60	125.40	89.83%	91.83%
TOTAL	1,274.99	944.72	74.10%	81.60%

¹ The net combined ratio is calculated on net basis as the sum of net loss ratio and net expense ratio.

The net combined ratio of 81.60% is slightly higher than the previous year's figure of 81.38%. The increase in the net combined ratio is attributable to a slight increase in the net expense ratio.

III. INVESTMENT INCOME

Portfolio Performance (achievement of critical milestones and more ambitious goals)

After a historically good performance in 2024, the investment portfolio continued the feat in 2025, setting a new record for investment and other income. For the first time, investment income surpassed the US\$100 million mark. Though 2025 being marked by geopolitical tensions, tariffs, and inflation, all asset classes performed remarkably well.

The Corporation’s investment and other Income improved by **26.29%** to **US\$107.61 million**, compared with **US\$85.22 million** in 2024. The performance is due to substantial interest income from bank deposits and bonds, combined with capital gains on bonds and equities.

Interest, dividend, and rental income improved by **16.28%** to **US\$88.12 million** from **US\$75.78 million** in 2024.

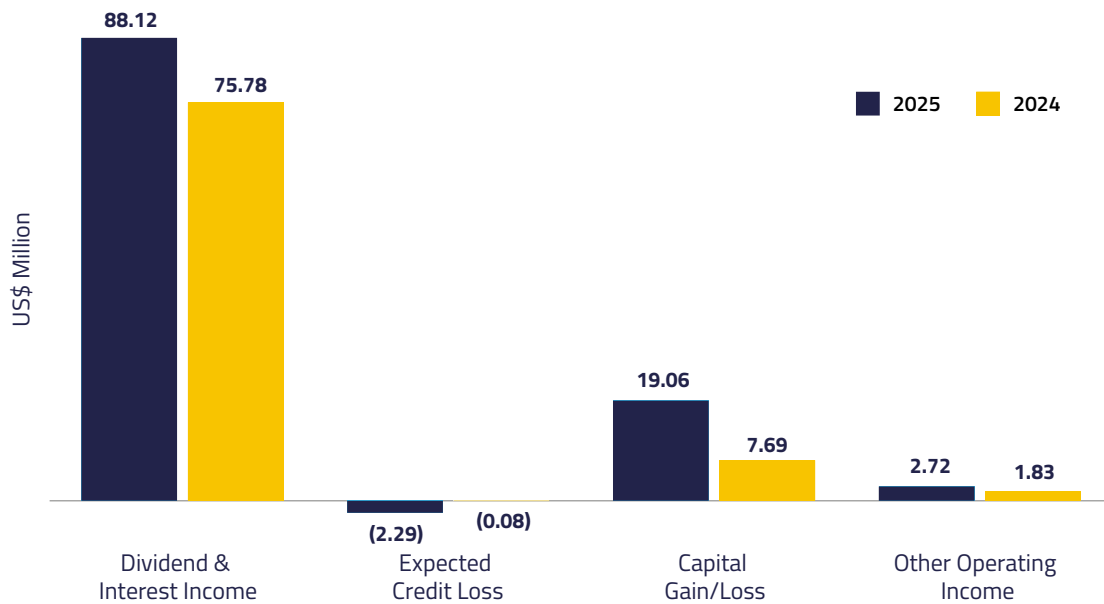
Capital gains on equity and bonds held for trading improved significantly by **147.89%** to **US\$19.06 million** from **US\$7.69 million**.

The quality of the credit assets remained at the **BBB credit rating** level as in the previous year.

The size of the **Investment Portfolio** grew by **17.24%** to **US\$1.90 billion** from **US\$1.62 billion** at the end of December 2024. The increase was driven by investment income, foreign exchange gains, and net technical income.

The risk level of the **Investment Portfolio** has increased from its December 2024 level but remains well below the risk appetite limit of 8.0%.

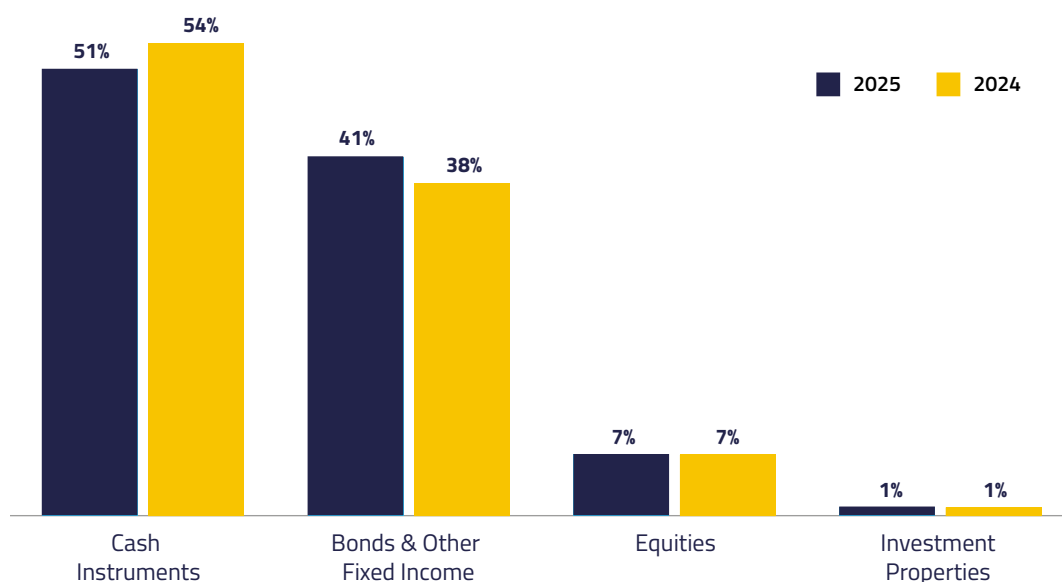
The graph below details the performance of the year under review compared to last year.



Asset composition

In line with portfolio repositioning, there was a reallocation from cash instruments to fixed income instruments. However, the strategic asset allocation of the investment portfolio remained stable compared

to previous years (Cash instruments: 51%, Equity Securities: 7%, Bonds & Other Fixed Income: 41%, and Investment Properties: 1%). This reflects the stability of the Corporation's investment strategy.



Long-Term Investments

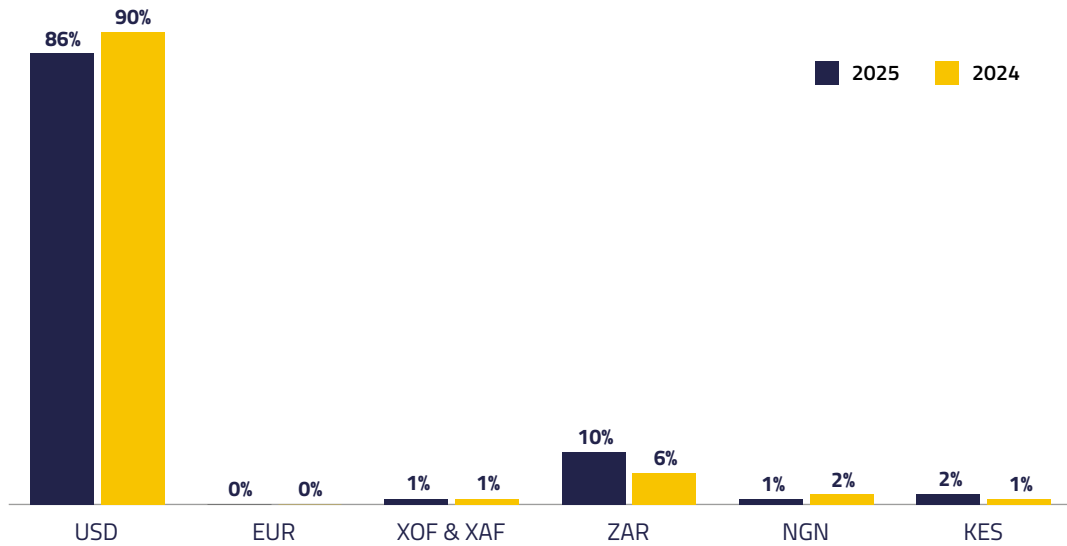
The Corporation continues to support the socio-economic development of the African continent by, amongst others, allocating its long-term equity investments to African entities or to those that contribute directly or indirectly to the growth of economic activities on the continent. The Corporation's total commitment to private equity stood at **US\$58.70 million** invested in a portfolio of 22 companies, made up of the following:

- Three regional development finance institutions: Shelter Afrique, Afreximbank, and Africa Finance Corporation
- Five insurance companies: SanlamAllianz Vie (Cameroon), AMSA-CI, African Trade and Investment Development Insurance, Gepetrol Seguros SA (Equatorial Guinea), and ENH Mozambique
- One pension fund administration company (ACCESS ARM PFA in Nigeria),
- Twelve private equity funds (CAPE II, CAPE III, CAPE IV, ACRF, AFIG II, ECP III, ECP IV, Adlevo Capital, PAHF, CSSAF, AAF SME Fund, and Partech Africa Fund II) and
- One (1) Blockchain initiative called Blockchain Insurance Industry Initiative (B3i Services AG)

Listed equity portfolio

Due to higher valuations, the equity portfolio's performance increased by **50.39%** from **US\$12.38 million** in 2024 to **US\$18.62 million** in 2025.

Currency exposure of the equity portfolio



The US dollar remains the dominant investment currency for equity instruments, with about 90% of equity instruments.

Bonds and other Fixed Income

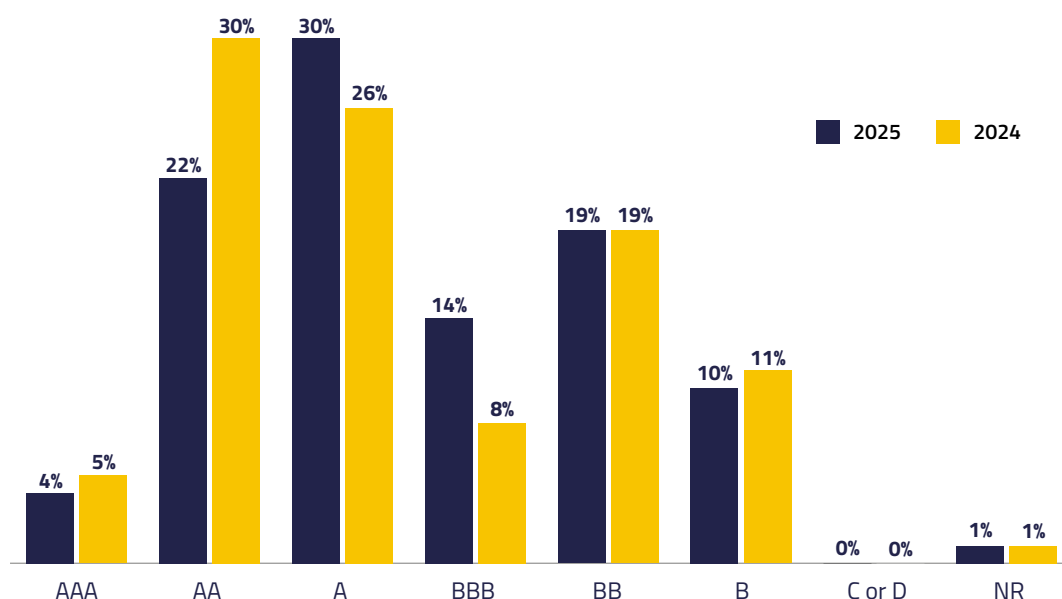
The size of the bond portfolio increased significantly by **26.71%** from **US\$611.11 million** on 31 December 2024 to **US\$774.31 million** on 31 December 2025. Its performance (in terms of income) improved by 55.66%, from US\$26.94 million in 2024 to US\$41.93 million in 2025. The performance is driven by higher coupon interest income and capital gain.

The net coupon interest (Net of tax on foreign investments) received in the period amounted to **US\$38.38 million**, compared with **US\$28.72 million** in 2024, indicating an improvement of **33.63%**. The improvement in coupon interest income results from the gradual repositioning of the bond portfolio on the yield curve.

The valuation of the bond portfolio was positive due to lower yields on the short- and medium-term portions of the yield curve. The capital gain amounted to **US\$4.17 million** in 2025, compared with **US\$0.89 million** in 2024.

The quality and interest rate risk of the bond portfolio remain at excellent levels, as required by the investment policy. The graph below shows the allocation per rating category for 2024 and 2025.

Bond portfolio credit profile



Cash Instruments

Supported by strong technical collections and investment income, the cash instruments portfolio increased to **US\$967.24 million in 2025, up 9.89%** from **US\$880.16 million** in December 2024.

Interest in income from the cash instruments portfolio increased by **0.09%** from **US\$42.73 million** in 2024 to **US\$42.77 million** in 2025. A more active liquidity management strategy mainly explains this performance.

Other Operating Income

Other operating income (**management fees, pools, and sundry income**) totaled **US\$2.73 million**, compared with a budget of **US\$1.83 million**, indicating a **49.32% performance** above target driven by higher activity.

Outlook

The current economic environment is characterized by significant volatility generated by the war in Iran against the US and Israel. While evolution remains uncertain, financial markets are digesting it, as reflected in higher yields and low-to-negative equity market performance. Oil prices rose to more than **US\$100** per barrel, giving substance to the strengthening of the US dollar.

Without being overly conservative, forecasts at this stage can only provide an indication, as many factors are moving rapidly. In its January 2026 release, the International Monetary Fund (IMF) expects the global economy to grow by **3.2%** in 2025 and **3.1%** in 2026, a slowdown from the **3.3%** reported in 2024.

Considering the various risks (geopolitical, inflation, interest rate, currency, credit, etc.), we expect the Corporation's investment income to improve moderately in 2026.

IV. RESULTS OF THE 2025 FINANCIAL YEAR

Gross Written Premium for the year ended 2025 amounted to US\$ 1.34 billion reflecting a 10.18% increase from US\$ 1.21 billion in 2024. This growth was primarily driven by successful marketing efforts and favourable price movements across key markets.

Reinsurance Revenue (comparable to gross earned premium under IFRS 4) rose to US\$ 1.27 billion representing a 6.22% increase over the 2024 figure of US\$ 1.20 billion.

Reinsurance service expenses which include gross acquisition costs, gross claims incurred and attributable expense increased by 11.96% from US\$ 843.81 million in 2024 to US\$ 944.72 million in 2025. Net expenses from retrocession contracts held reduced significantly by 22.50%, from US\$ 171.12 million in 2024 to US\$ 132.61 million. Net reinsurance finance expense also decreased to US\$ 48.76 million in 2025 from US\$ 70.41 million in the previous year.

Investment and other income, excluding capital gains or losses, improved by 14.21% from US\$77.53 million in 2024 to US\$88.55 million in 2025 due to higher interest income from fixed income assets. The Corporation's high allocation of cash instruments and bonds contributed to substantial income. Despite the rise in yields towards the end of the year, the portfolio posted a capital gain of US\$19.06 million (2024:

US\$7.69 million) due to adequate positioning on the yield curve. In addition to the substantial investment income, the net technical cash flow was also good, and all of this contributed to increasing the investment portfolio to US\$1.90 billion (2024: US\$1.62 billion).

Foreign Currency Exchange Differences arising from the revaluation of monetary assets and liabilities against various functional currencies resulted in a net exchange loss of US\$ 5.39 million for 2025, compared to a loss of US\$ 41.73 million in 2024.

The income tax charge for the year amounted to US\$ 4.65 million (2024: US\$ 2.58 million), incurred in South Africa where the Corporation is subject to taxation.

As a result, **Profit After Tax for 2025** was US\$ 218.59 million, representing a 64.42% increase from US\$ 132.94 million recorded in 2024.

Total Comprehensive Income for the year reached US\$ 267.03 million (2024: US\$ 110.41 million), after accounting for positive exchange differences on the translation of foreign operations amounting to US\$ 47.96 million (2024: US\$ 19.89 million loss).

There were also fair value gains on financial assets available for sale of US\$ 0.49 million in 2025, compared to US\$ 2.64 million loss in the prior year.

V. APPROPRIATION OF RESULTS

In furtherance of the Corporation's commitment to consolidate its financial position while providing remuneration on the capital invested in its equity, and in accordance with Resolution No. 3 on the New Dividend Distribution Policy and Appropriation of Net Profit adopted by the Ordinary General Assembly of 17 June 2019 held in Tunis, Tunisia, the Board recommends that the 2025 Net Profit of US\$ 218,587,730 be distributed as follows:

1. **US\$ 109,293,865** to the General Reserve in accordance with Resolution No. 4/1992, which stipulates that 50% of the net profit after tax of each year is set aside as General Reserves;
2. **US\$ 1,000,000** to be transferred to the Reserve for Loss Fluctuation in accordance with the decision taken by the Board during its 57th Board Meeting of 17 November 1992 held in Lagos (Nigeria) to set aside an amount over and above the outstanding claims provision to moderate the effects of possible fluctuation in losses in future.
3. **US\$ 4,371,755** to be transferred to the **Africa Re Foundation as 2% of the Net Profit** for the Year;
4. **US\$ 44,292,150** to be paid as a **Total Dividend** at the **rate of US\$ 15.0** (2024: US\$ 10.0) **per subscribed and paid-up share** of US\$ 100 par value to be funded as follows:
 - a) a **Regular Dividend of US\$ 10.0 per share** amounting to **US\$ 29,528,100** to be paid from the Net Profit for the year 2025;
 - b) a **Special Dividend (50th Anniversary) of US\$ 5.0 per share** amounting to **US\$ 14,764,050 to be paid from the Net Profit for the year 2025.**
5. The balance of **US\$ 59,629,960** is to be added to **Retained Earnings**.



VI. CAPITAL MANAGEMENT

Africa Re ensures that its solvency and cash flow are sufficient to meet existing liabilities, future growth aspirations and to maximize reported profits. This is achieved by efficiently managing capital through a risk-based capital modelling regime under which the Corporation's capital reflects all the main risks to which it is exposed.

It is worth mentioning that the successful fourth capital increase improved the Corporation's solvency position in 2013. Since then, the Corporation has improved its solvency position through a combination of considerable retained earnings and risk-informed strategic decisions.

The capital needs of the Corporation are assessed using an internal risk-based capital model and external proprietary models developed by rating agencies. The objective is to ensure that, at all times, the Corporation has available more capital than required.

Financial strength ratings and capital adequacy

Due to its supranational nature, Africa Re Group is not legally subject to any national regulatory regime.

However, it should be noted that its subsidiary company, African Reinsurance Corporation South Africa Ltd (ARCSA), is supervised by the Prudential Authority and Financial Services Conduct Authority of South Africa. ARCSA was involved, alongside other industry participants, in the development of the regulatory framework called Solvency Assessment and Management (SAM), which is similar to the European Solvency II and is based on economic principles in the measurement of assets and liabilities. SAM sets out requirements for governance, risk management, supervision, disclosure and transparency. South Africa commenced the implementation of SAM in June 2018. Africa Re continues to follow developments within the SAM framework in order to comply with the requirements in South Africa and adopt best practices for its Group operations.

Financial strength ratings, counterparty and issuer credit ratings have been assigned to Africa Re by S&P Global Ratings (S&P) and AM Best since 1998 and 2003 respectively.

The evaluations of the rating agencies are based on a set of criteria, which include the assessment of the Corporation's capital adequacy. For their highest

assessment categories, S&P and AM Best require an annual solvency probability at the 99.99% and 99.6% confidence level respectively, which entails a robust level of capital that should enable the company to endure exceptional losses expected to occur once in every 10,000 years for S&P, and once in every 250 years for AM Best.

The Corporation has a strong capitalization under the capital adequacy requirements of the two rating agencies. The Corporation's financial strength is assessed in accordance with the capital models of the two rating agencies in the table below.

Financial strength ratings

Rating Agency	Financial strength rating	Counterparty/ issuer credit Rating	Outlook	Last report date
AM Best	A	a	Stable	December 19, 2025
S&P Global Ratings	A	A	Stable	December 12, 2025

AM Best affirmed on 5 December 2025 the financial strength rating of Africa Re at A (Excellent) and the issuer credit rating at "a" with the outlook for both remaining Stable.

According to AM Best, *"the ratings reflect [Africa Re's] balance sheet strength, which AM Best assesses as strongest, as well as its strong operating performance, favourable business profile and appropriate enterprise risk management"*.

"[Africa Re's] balance sheet strength is underpinned by its risk-adjusted capitalisation comfortably at the strongest level, as measured by Best's Capital Adequacy Ratio (BCAR)"

S&P Global Ratings upgraded the financial strength and the counterparty credit rating of Africa Re to A from A- and revised its outlook to Stable on 26 November, 2025. According to S&P, *"[the] upgrade is a reflection of Africa's Re's strong operating performance, which is anchored by stable underwriting margins and resilient investment income."*

They asserted that *"[the] company's track record indicates disciplined pricing, prudent risk selection, and effective retrocession management across a diversified book of business."*

VII. ENTERPRISE RISK MANAGEMENT (ERM)

Africa Re ensures an enterprise approach to its risk management process to enable efficient identification and management of known and emerging threats to its business operations.

The Enterprise Risk Management (ERM) function supports value creation by enabling Management to deal effectively with future events that create uncertainty and to respond in a manner that reduces the likelihood of downside outcomes while leveraging opportunities. Consequently, the Corporation has processes in place to be anticipatory and effective at evaluating and managing uncertainties faced as it works towards creating sustainable value for stakeholders.

Risk Governance

The Risk Management and Compliance Department was created in 2010. The Department is headed by a Central Director who is the Chief Risk Officer (CRO). The Chief Risk Officer assumes responsibility for the overall leadership, vision and direction of the risk management function across the Corporation.

A Risk Management Committee (RMC) exists, consisting of the Central Directors and headed by the Deputy Managing Director/Chief Operating Officer. The Committee meets quarterly.

Through the current risk governance structure, the Corporation recognizes the importance of an integrated approach by assigning the corporation-wide risk management responsibility to senior management with access to the Underwriting, Risk Management and Information Technology Governance Committee of the Board.

Key Risk Management Bodies and Functions

Board of Directors			
Underwriting, Risk Management and Information Technology Governance Committee of the Board			
Executive Management			
Risk Management Committee	Investment Committee	ICT Steering Committee	Central Operations & Special Risks
Chief Risk Officer			
Risk Management Function			

The African Reinsurance Corporation has also adopted the “three lines of defence” operational framework which operates as follows:

- 1st line: The day-to-day risk management and management control line, where staff and Management have direct responsibility for the management and control of risk;
- 2nd line: The risk oversight, policy and methodologies line, where the concerned staff co-ordinate, facilitate and oversee the effectiveness and integrity of Africa Re’s risk management framework; and
- 3rd line: The independent assurance line, where control departments in charge of internal audit, technical inspection and external auditors provide independent assurance across all business functions in respect of the integrity and effectiveness of the risk management framework.

The roles and responsibilities of each of these functions and parties involved in the risk management process are described in detail in the Group ERM Framework.

Risk Landscape

The risk landscape of the Corporation comprises core business risks as well as other risks, and are categorised and defined as follows:

Group 1 - Insurance risk:

risk of loss arising from the Corporation's core business as a result of inadequate underwriting or reserving.

Group 2 - Credit risk:

risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Group 3 - Market risk:

risk that arises from fluctuations in values of, or income from assets, interest or exchange rates.

Group 4 - Currency risk:

risk of loss arising from changes in the different operational currencies of the Corporation.

Group 5- Liquidity risk:

risk that sufficient financial resources are not maintained to meet liabilities when due.

Group 6 - Strategic risk:

risk that the strategy the company sets for itself is unsuccessful or does not adequately recognize opportunities.

Group 7 - Reputational risk:

risk of loss arising from damage to the Corporation's brand, leading to loss of business and competitive advantage.

Group 8 - Regulatory/Compliance risk:

risk of loss from non-adherence to regulatory or shareholding agreement and international standards/policies leading to fines, sanctions, interventions and ultimately revocation of operating licence.

Group 9 - Operational risk:

risk of loss resulting from inadequate or failed internal processes, people, systems and external events.

Across these categories, the Corporation identifies and evaluates all threats and opportunities to its strategic objectives through a systematic framework that is applied consistently across the Group.

Risk Management Processes

The implementation of risk management at the operational level embraces various steps, including identification, measurement, analysis, assessment, reporting and monitoring, which enable the Corporation to closely follow significant risks in each group.

Financial Risks

Insurance, credit, market, currency and liquidity risks have been classified as financial risks. The management of these risks is covered in detail under "Management of Insurance and Financial Risks" (Pages 127 - 137).

Operational Risks

As indicated above, operational risk includes potential losses or reputational damage arising from inadequate or failed internal processes, people, systems and external events.

Within this framework, Africa Re includes legal and fraud related risks within operational risks. Other non-financial risk categories such as reputational, strategic and regulatory/compliance have been identified separately. The detailed risk categorization is set out in the Corporation's Risk Taxonomy and Risk Register.

Africa Re is committed to properly mitigating and managing its exposure to operational and other non-financial risks. The operational risk management model involves the following cyclical process: identification, assessment, response & control, reporting and monitoring of risks. Dedicated officers (Risk Champions) from production centres and central departments are responsible for overseeing the management of operational risks which arise in their areas of control. The Corporation applies a centrally coordinated methodology to identify and assess risks through the use of an effective Operational Risk Solution, an IT platform called OneSumX.

The Operational Risk Solution facilitates the implementation of the tools and techniques provided in the Group ERM Framework, which include the risk and control self-assessment (RCSA), internal loss data capturing, key risk indicators (KRIs), stress and scenario testing, etc. The solution is used in the Corporation's head office and production centres.

Appropriate controls and contingency plans such as Business Continuity Plans (BCPs) and Disaster Recovery Plans (DRPs) are in place to manage the Corporation's operational risk exposures to an acceptable level.

Emerging risks

These are developing risks or established risks characterized by a high degree of uncertainty and ambiguity; they are therefore difficult to quantify using traditional risk assessment techniques. An emerging risk can represent either a change in the nature of an existing or known risk or the development of a completely new risk.

Appropriate processes are implemented to quickly identify emerging risks as they may have a bearing on strategy implementation or the stability of the Corporation; they can also present opportunities for the Corporation to harness.

Africa Re uses horizon scanning and stress-testing indicators to identify emerging risks. The Corporation's approach to managing emerging risks builds on the structures and tools for managing its known/traditional risks. It ensures that the provisions of its risk management framework are robust in response to changing impacts of known risks and new risks as they develop.

Risk Modelling

Financial Modelling

Africa Re pioneered the use of internal models for capital assessment and risk management purposes in Africa. The Corporation uses ReMetrica, for its internal capital modelling processes.

ReMetrica is used by Africa Re in different areas of decision-making including assessment of required capital, optimization of retrocession programme and support for strategic business decisions.

Africa Re acquired ReMetrica primarily to assess the sufficiency of shareholders' funds compared to its risk exposure, consistent with requirements from the Prudential Authority in South Africa and rating agencies (AM Best and S&P).

ReMetrica enables the Corporation to choose an optimum retrocession structure from various scenarios depending on their financial impact on the Corporation. Furthermore, it allows the Corporation to build different models for each business strategy. By comparing the impacts of different business strategies, the business portfolio and the strategies themselves can be improved. In that regard, ReMetrica has been for Africa Re, a useful tool for building a well-balanced business portfolio.

Catastrophe Modelling

Catastrophe modelling provides expected annual aggregate loss from catastrophe events which could help in developing strategies in the following areas:

- Monitoring of accumulations and pricing of original risk;
- Retrocession purchase including setting of limits and retentions depending on the risk appetite;
- Meeting the requirements of the Prudential Authority and rating agencies.

Africa Re has been monitoring its catastrophe exposures annually, particularly in African countries prone to natural perils such as South Africa, Mauritius and Kenya. Willis and Aon Benfield have traditionally offered a catastrophe modelling service, using either licensed or own models.

VIII. CORPORATE GOVERNANCE

Overview

Africa Re is regulated by the Agreement Establishing the Corporation and other statutory documents detailed below.

There are various corporate governance policy documents in force, which are based on international best practices. The Corporation's subsidiary in South Africa is locally incorporated and in addition, complies with the applicable local corporate governance codes such as the King III Report.

The Board and Management are responsible for ensuring that the Corporation applies the best practices in corporate governance that match the required minimum in modern international and peer companies.

Corporate Governance Framework

Corporate governance principles and procedures of Africa Re are defined in a series of documents governing the organization and its management. They include:

- Agreement Establishing the African Reinsurance Corporation, defining the ownership, administration and governance structure;
- Procedure for Proposing and Introducing Amendments to the Agreement;
- General Bye-Laws defining the General Regulations and the Rules of Procedure of the General Assembly;
- Rules of Procedure of the Board of Directors;
- Rules for the Election of Directors;
- The Board Charter and Board Committee Terms of Reference, setting out the duties and responsibilities of the Board and its Committees; and
- Code of Ethics, which lays down rules, behaviour and attitude to be observed by staff and Management when accomplishing their duties or acting on behalf of the Corporation.

The corporate governance framework of the Corporation undergoes appropriate reviews triggered by changes in the operations of the Corporation, international best practices in relevant areas, as well as strategy and risk profile amongst others.

Since June 2019, the Board comprises 5 Committees. The Committees of the Board of Directors of the African Reinsurance Corporation are today as follows:

1. Human Resources and Remuneration Committee;
2. Audit Committee;
3. Underwriting, Risk Management and Information Technology Governance Committee;
4. Nominations and Governance Committee;
5. Finance and Investments Committee.

The General Assembly, at its 41st Annual Ordinary Meeting held in Tunis, Republic of Tunisia, on 17 June 2019, decided to increase the number of Directors from 12 to 14 to cater for two (2) Non-Executive Independent Director board seats, in line with best international governance standards.

The Board had its first Independent Non-Executive Directors in 2020 and 2021 and one of them, Mr Moustapha COULIBALY, was elected Chairman of the Board of Directors in June 2024, marking a major step in strengthening the Corporation's governance. In June 2025, Africa Re appointed Mr. James Wambugu as the second Independent Non-Executive Director and Chairman of the Audit Committee. This appointment forms part of the Corporation's ongoing commitment to strengthening Board independence and enhancing the diversity of expertise at the Board level.

Shareholding

Shareholding Structure as at 31 December 2025

Shareholder	Number of Shares	Percentage Holding
42 African Member States	995,028	33.70%
African Development Bank (AfDB)	240,000	8.13%
112 African Insurance and Reinsurance Companies	1,028,909	34.85%
3 Non-Regional Investors: AXA (France), Fairfax (Canada) and Sanlam/Allianz Africa Propriety Ltd (Germany)	660,000	22.35%
Africa Re Employee Share Ownership Programme (ESOP)	28,873	0.97%
Total shares	2,952,810	100.00%

Authorized / Paid-Up Capital and Recent Changes in Shareholding

The Corporation's policy consists in steadily growing capital with retained profit and additional equity from existing shareholders and selected potential investors. Therefore, from an initial paid-up capital of US\$ 100 million in 2010, a call of the first portion of the capital of US\$ 200 million was made in 2010 by issuing 1,000,000 new shares and distributing 1,000,000 bonus shares to existing shareholders.

The authorized capital stands at US\$ 500 million as at 31 December 2025 with US\$ 295,281,000 fully paid up. The capital is divided into 2,952,810 shares, each with a nominal value of US\$100.

General Assembly

General Assembly Meeting

The General Assembly meets at least once a year in one of the member states, usually in June.

Voting Right & Representation

In line with the Agreement Establishing the Corporation, each shareholder has one vote for any one fully paid-up share. Each representative at the General Assembly is entitled to cast the votes of the shareholder or shareholders he represents. All significant decisions and matters before the Ordinary General Assembly are taken by a majority of the voting power represented at the meeting.

Statutory quorums

A quorum for any meeting of the General Assembly shall be sixty (60) per cent of the total voting power of shareholders. If a quorum is not reached, a second meeting shall be held at least twenty-one (21) days or at most forty-five (45) days after the first meeting in the case of the ordinary general meetings and at least seven (7) days or at most thirty (30) days after the first meeting in the case of extraordinary meetings. The notice for the second meeting shall be sent within seven (7) days after the first meeting. The shareholders present at the second meeting shall have the right to pass valid resolutions whatever the number of shares they represent.

Notice & Agenda of the General Assembly

Notices for convening ordinary meetings of the General Assembly shall be sent to all shareholders by registered airmail not less than six (6) weeks before the date fixed for the meeting. The notice shall contain the agenda of the meeting.

Extraordinary meetings shall be convened in writing by appropriate means of communication not less than seven (7) days before the date of the meeting. An extraordinary meeting of the General Assembly may be called by the Board of Directors, or by shareholders representing at least twenty-five per cent (25%) of the total voting power of the Corporation.



Board of Directors

Board of Directors – Composition

The Board of Directors is currently chaired by Mr. Moustapha COULIBALY and comprises 14 substantive members. Directors are elected by the General Assembly for a period of three years and may be re-elected at the expiration of the term. They shall continue in office until their successors are elected.

The table below contains the current members of the Board of Directors of the Corporation as at 31 December 2025 as well as the constituencies/group of shareholders they represent:

Name & Nationality	Constituency
Mr. Moustapha COULIBALY Ivorian	Independent Non-Executive Director
Dr Mohamed Farid SALEH Egyptian	Egypt: state and companies
Mr. Abdeljalil EL HAFRE Moroccan	Morocco: state and companies
Alhaj Dr. Kaddunabbi Ibrahim LUBEGA Ugandan	East and Southern Africa and Sudan (12 states)
Mrs. Estelle TRAORE Ivorian	Francophone West and Central Africa (states and companies)
Mr. Kamel MARAMI Algerian	Algeria: state and 4 companies
Dr. Yared MOLA Ethiopian	Anglophone West Africa (companies and 4 states) and East and Southern Africa (companies)
Mr. Hafed Mohamed OMRAN Libyan	Libya, Mauritania and Tunisia (states and companies)
Mr. Olusegun Ayo OMOSEHIN Nigerian	Nigeria: state and companies
Dr. Jacques DJOFACK French	African Development Bank (AfDB)
Mr. Gilles FROMAGEOT French	AXA
Mr. Edwyn O'NEILL South African	FAIRFAX
Mrs. Delphine TRAORE Burkinabe	SANLAM ALLIANZ PROPRIETARY LIMITED
Mr. James WAMBUGU Kenyan	Independent Non-Executive Director

Board seats are distributed among shareholders or group of shareholders based on their voting power. The composition of the current Board is as follows:

- Nine (9) for Class "A" Shareholders (42 African member states, AfDB and 112 African insurance and reinsurance companies), with the AfDB entitled to a permanent seat.
- Three (3) for Class "B" Shareholders (3 non-African investors).
- Two (2) Independent Non-Executive Directors.

The Board of Directors currently has five (5) standing committees: Audit Committee; Finance and Investments Committee; Human Resources and Remuneration Committee; Nominations and Governance Committee and the Underwriting, Risk Management and Information Technology Governance Committee;

Board of Directors – Committees

Audit Committee

The role of the Audit Committee includes but is not limited to the following:

- a) Providing oversight on the Corporation's statutory financial reporting obligations together with fulfilling the legal, operational and professional requirements relating thereto.
- b) Acting to ensure that the Corporation's records and reports of its business and other activities are adequate, appropriate, accurate and compliant with best practices.
- c) Supplementing, supporting, advising, providing guidance and reports on the adequacy, integrity, effectiveness or otherwise of the Corporation's system of accounting, financial reporting and internal controls as well as Management's effectiveness in fulfilling its responsibility and mandate as custodian of the Corporation's assets and the financial records evidencing its business activities.

Members

- Mr. James WAMBUGU (Committee Chairperson)
- Dr. Yared MOLA
- Mrs. Estelle TRAORE
- Mr. Edwyn O'NEILL
- Mr. Abdeljalil EL HAFRE

Human Resources & Remuneration Committee

The role of the Committee includes but is not limited to the following:

- a) Governing the staff remuneration process and making recommendations to the Board.
- b) Providing oversight responsibilities on the Corporation's human resource management policies, practices and procedures.
- c) Acting as the forum for supporting Executive Management to ensure that the Corporation has access to appropriate human resources through a transparent, balanced and sustainable framework for dealing with performance recognition and reward.

Members

- Mr Kamel MARAMI (Committee Chairperson)
- Alhaj Dr. Kaddunabbi Ibrahim LUBEGA
- Mrs. Estelle TRAORE
- Mr. Gilles FROMAGEOT
- Mr. Abdeljalil EL HAFRE

Underwriting, Risk Management & Information Technology Governance Committee

The role of the Committee includes but is not limited to the following:

- a) Providing guidance and oversight on the Corporation's underwriting and other risk-taking activities.
- b) Acting as the forum for setting and updating the framework, models and policies for managing risk across the Corporation and for overseeing the underwriting activities of the Corporation as well as ICT resourcing activities.

Members

- Mrs. Delphine TRAORE (Committee Chairperson)
- Mr. Kamel MARAMI
- Mr. Olusegun OMOSEHIN
- Alhaj Dr. Kaddunabbi Ibrahim LUBEGA
- Dr. Jacques DJOFACK
- Mr. Edwyn O'NEILL

Finance & Investments Committee

The role of the Committee includes but is not limited to the following:

- a) Reviewing and confirming that the medium term financial plans, annual operating budget and annual capital budget prepared by Management, are consistent with the strategic plan and the Corporation's financial policies.
- b) Providing guidance and oversight on the Corporation's financial and investment affairs and activities.
- c) Acting as the forum for setting and updating the framework, models and policies for managing investment risk across the Corporation and for overseeing the financing, investing, planning, capital and operational budgeting of the Corporation.

Members

- Mr. Hafed OMRAN (Committee Chairperson)
- Dr. Mohamed Farid SALEH
- Dr. Jacques DJOFACK
- Mr. Olusegun OMOSEHIN
- Mr. Gilles FROMAGEOT
- Mr. James WAMBUGU

Nominations and Governance Committee

The role of the Committee includes but is not limited to the following:

- a) Providing guidance and oversight on the Corporation's corporate governance activities and Board affairs.
- b) Acting as the forum for setting and updating the framework, models and policies for providing leadership and direction for the Board, for ensuring Board performance and effectiveness, and for overseeing the continuous flow of quality personnel and other resources into the Corporation's leadership.
- c) Governing the non-executive directors' remuneration process and making recommendations to the Board for preliminary approval and the General Assembly for final adoption.

Members

- Mr Moustapha COULIBALY (Committee Chairperson)
- Mrs. Delphine TRAORE
- Dr. Mohamed Farid SALEH
- Mr. Hafed OMRAN
- Dr. Yared MOLA

Board Evaluation and Training

To ensure effective oversight, all newly appointed Directors receive a comprehensive induction pack detailing the functions of the Board and its various Committees. Beyond the initial induction, the Corporation is committed to the continuous professional development of its Board members.

The Board commenced an intensive training programme in 2025 facilitated by the Financial Times (FT). This ongoing initiative is designed to equip Directors with specialized insights into evolving global financial trends and regulatory standards.

Board of Directors – Activities in 2025

The Board of Directors met four (4) times in 2025 in South Africa, Rwanda, Virtually and Abuja. The four meetings were held in a hybrid format with some board members participating remotely (on the Zoom platform). The average attendance rate was 95%.

Executive Management

The Executive Management comprises the following members as at 31 December 2025.

Name	Nationality	Function
Dr Corneille KAREKEZI	Rwandese	Group Managing Director / Chief Executive Officer
Mr Kiiza BICHETERO	Ugandan	Deputy Managing Director / Chief Operating Officer

IX. COMPLIANCE

As part of an effective system of risk management and internal controls in the Corporation, control functions were established including risk management, actuarial services, internal audit and compliance. The compliance function was formally developed in 2014 in order to complete the essential pillars of a strong risk management system.

The compliance function enhances governance, checks and balances and provides support to the Board in the fulfilment of its oversight duties.

Though the parent company is not subject to any regulatory compliance requirements, its subsidiaries, Africa Re South Africa Limited in Johannesburg (South Africa) and Africa Re Underwriting Agency Limited in Dubai (the United Arab Emirates), are mandated to comply with all applicable regulatory requirements in South Africa and the UAE respectively. Each of these subsidiaries have their own local compliance functions. The Group compliance function reviews requirements and best practices of relevant and applicable rules and regulations in order to assess the Corporation's compliance levels, and issues reports to Executive Management and the Board.

Consequently, through this function, the Corporation ensures there are appropriate policies and procedures in place to monitor and ensure compliance with the contractual agreements of Africa Re.

The compliance function operates as a second line of defence. It also ensures as much as possible that there is no conflict of interest with other control functions, hence meeting the minimum requirement of good governance and control practice.

The following are some examples of policies and procedures within the compliance function of the Corporation:

- **FATCA and CRS:** The Foreign Accounts Tax Compliance Act (FATCA), an act of the United States Internal Revenue Service (IRS), as well as the Common Reporting Standard applicable to numerous jurisdictions, have been considered and implemented.
- **Policy Formulation and Review:** The Anti-Money Laundering (AML)/Combating Terrorist Financing (CTF) and Combating Proliferation Financing (CPF) policy is approved by the Board and reviewed periodically to incorporate latest best practices and conform to recent standards. The Corporation has in place Data Protection policies, procedures and contract clauses to adhere to best practice and applicable data protection laws across its operating environment.
- **Gap Assessment & Management:** The compliance function also identifies gaps in the compliance processes and develops a strategic response to manage them. A risk-based assessment is used for the Know Your Customer (KYC) process.
- **Screening Tools:** A compliance screening tool is used to screen all clients during the onboarding stage and on a continuous basis.

The Corporation's fight against money laundering, terrorist financing and proliferation financing is critical in maintaining a stable and corrupt-free society; hence the adoption of the recommendations of the Financial Action Task Force (FATF) and the guidance paper of the International Association of Insurance Supervisors (IAIS) on this subject.

The AML/CTF/CPF process forms part of the Risk Management Programme of the African Reinsurance Corporation and formalizes the approach to combat money laundering, terrorist financing and proliferation financing.

Although at the Group level, the Corporation is not subject to any specific local regulation on AML/CTF/CPF, it has adopted the FATF recommendations as best practice in combating money laundering, terrorist financing and proliferation financing.

These recommendations are used to:

- define and communicate principles and minimum requirements for conducting money laundering, terrorist financing and proliferation financing assessments;
- provide further controls on the operational, reputational and legal risks of the Corporation;
- ensure compliance with international best practices in fighting money laundering, terrorist financing and proliferation financing;
- provide guidance to eliminate the possibility of the Corporation's participation in any money laundering, terrorist financing or proliferation financing activities;
- formalize the Know Your Customer (KYC) and Customer Due Diligence (CDD) procedures of the Corporation; and
- advise the board on the compliance risk exposures faced in the different operating markets.

X. CORPORATE SOCIAL RESPONSIBILITY

A sustainable business, whose main goal is to maximize shareholder value, must pay attention to the interests of its shareholders and the environment in which it operates. Following the Board decision of November 2013 and the General Assembly Resolution of June 2014, Africa Re Trust Fund was established to execute the corporate social responsibility (CSR) initiatives of the Corporation. To carry out corporate social responsibility in line with global best practices and to achieve the goal of the CSR Trust Fund, **Africa Re Foundation** was established in January 2018 to serve as an independent vehicle to implement various strategic initiatives aimed at achieving Africa Re's vision. The Foundation is funded primarily by a maximum of 2% of the Corporation's yearly net profit after tax. In 2025, the Foundation implemented the following recurrent and non-recurrent initiatives to achieve its strategic goals.

Education and Training

- The Foundation continues to support training and capacity building for African Insurance Regulators. The project is aimed at enhancing the knowledge and capacity of the insurance industry regulators and promoting efficient regulation and service delivery.
- Four hundred and seventy seven (477) insurance professionals were trained in insurance, reinsurance and related courses through the Young Insurance Professionals Programme (YIPP). They were equipped with the required knowledge and skills of the industry that will facilitate higher job performance and improve productivity.
- The Foundation provided grant from 2023 to 2025 to the Ecole Nationale de Statistique et d'Economie Appliquée (ENSEA) of Abidjan, Côte d'Ivoire, for the Chair of Actuarial Science for the Development of Insurance, Social Protection and Finance. The initiative was aimed at promoting the training of master of Actuarial Science and capacity building in the insurance industry, facilitate the professional integration of graduates, support the development of in-service training and advance research and development to meet the growing needs in West and Central African countries.
- The Foundation funded the renovation of students' Hostel, named after Professor J. O. Urukwu by the West African Insurance Institute (WAI). The would help to improve the confort and learning of the students and also immortalize Professor J. O. Urukwu, a founding father of WAI.

Insurance Industry Development

- The 10th African Insurance Awards (AIA) was supported by the Africa Re Foundation. The award ceremony is an initiative aimed at celebrating insurance industry performers with a view to motivating excellent performance and the development of the insurance industry in Africa. The award categories celebrated are the African Insurance Company of the Year, the African Insurance CEO of the Year, the Insurance Innovation of the Year, and the Insurtech of the Year.
- The Foundation sponsored the 2025 edition of the Africa CEO Forum in Abidjan, Côte d'Ivoire. The forum is an event that brings together the continent's most influential CEOs and investors, representing the entire Africa-focused ecosystem in one place.



Research and Development

- The Foundation sponsored the development of a 10-year National Insurance Strategy (NIS) aimed at addressing the critical challenges in Rwanda’s insurance sector. The strategy was designed to boost insurance penetration, enhance financial inclusion, and strengthen regulation and supervision, while fostering resilience against emerging risks.
- In order to enable better pricing and risk management, improve reserve adequacy, and ensure regulatory confidence in the insurance industry, the Foundation funded the development of mortality tables for Nigeria. The initiative would help to promote the insurance market and ensure sustainable development.
- The Foundation supported the completion of the development of mortality tables for the Ghana insurance market. The project would help to enhance fair pricing for insurance products, improve financial security for policyholders and beneficiaries, encourage trust insurance, enhance financial literacy and consumer confidence, and encourage economic stability in the country. It would also help to build actuarial and insurance industry capacity, enhance risk management and reserve accuracy, promote regulatory alignment and market stability.
- The Foundation sponsored the actuarial study of the insurance products in Burundi by the Agence de Regulation et de Controle des Assurances (ARCA) and Association des Assureurs du Burundi (ASSUR). The study would help to solve the problem of unfair competition in the industry ; establish minimum prices for insurance products; and minimum/maximum rates for the commissions on insurance products by the insurance brokers or intermediaries

Community Development

- The Foundation partnered with UNICEF, Nigeria on the empowering youths through climate change education and green skills. The 5-years partnership would help to ensure that young people are empowered with the knowledge and skills needed to respond to the climate crisis and contribute to climate change solutions in Nigeria; promote the expansion of climate change mitigation and adaptation efforts in and through the education sector ; and provide direct programmatic support where high out-of-school rates coincide with the extreme risks to education posed by climate change.
- The Foundation funded the construction of studio apartments at the Nigeria Immigration Training Institute, Sokoto, Nigeria. The project would help to create a conducive environment for learning and improving the living standards of the course participants.
- Peace fosters regional cooperation and integration, and contribute to overall development in every sector. The Foundation entered into a 5-years commitment with the African Union Commission (AU Commission) to support peace initiative in Africa. It contributed to the African Union Peace Fund; an innovative initiative aimed at addressing African challenges by prioritizing prevention.
- The Foundation funded the initiative : “Forsaken for a Sake” by the KORA Coaching and Business Academy, Rwanda. It was a mentoring programme that sought to find solutions to the global societal issue (fatherlessness) which affects people around the continent and the world at large. The programme was successfully launched in Nigeria and 51 (mentors and mentees) participants were trained under the programme.

XI. HUMAN RESOURCES AND COMPENSATION

1. Human Resources

As a leading employer within the African reinsurance market, Africa Re places strong emphasis on a compelling Employee Value Proposition (EVP), recognising its workforce as a critical driver of sustained performance and long-term value creation. The Corporation remains focused on attracting, developing, and retaining high-calibre talent to support its strategic ambitions.

Africa Re operates a centralized human resources framework designed to align with and enable the delivery of key business priorities. This framework supports the identification and development of skilled professionals, enhances workforce capabilities, and embeds best practices that foster employee engagement, performance excellence, and organisational effectiveness.

The Corporation maintains a competitive remuneration and benefits structure, subject to periodic review to ensure alignment with market benchmarks. This approach strengthens Africa Re’s capacity to attract and retain the expertise required to execute its strategic objectives effectively.

Overall, Africa Re’s robust EVP, coupled with its continued investment in employee development and career progression, remains integral to its sustained success and leadership within the African reinsurance industry

1.1 Staff Categories

There are six (6) staff categories in Africa Re:

Table A: Staff Categories

Executive Management (MGT)	<ul style="list-style-type: none"> Group Managing Director/Chief Executive Officer Deputy Managing Director/Chief Operating Officer
Executive Staff (ES1, ES2, ES3, ES4)	<ul style="list-style-type: none"> Central Directors Regional Directors Managing Directors of Subsidiaries
Professional Staff (PS1, PS2 PS3, PS4 and PSS)	<ul style="list-style-type: none"> Deputy Directors Assistant Directors Senior Managers Managers Assistant Managers
Local Professional Staff (LP1, LP2, LP3)	<ul style="list-style-type: none"> Principal Officers
Support Staff (SS1, SS2, SS3, SS4, SSS A, SSS B)	<ul style="list-style-type: none"> Assistants/Assistant Officers /Officers/ Senior Officers
Manual Staff (MS1, MS2, MS3, MS4, MSS)	<ul style="list-style-type: none"> Attendants / Operatives

Executive Management, Executive Staff and Professional Staff are classified as “international employees”. In contrast, Local Professional, Support and Manual Staff are recruited within the respective countries in which the Corporation operates, in line with its commitment to leveraging local expertise and supporting regional workforce development

The table below shows the distribution of staff by category and duty post across Africa.

Table B: Staff Establishment Figures as at 31 December 2025

LOCATION	MGT	ES	PS	LP	SS	MS	TOTAL	Temporary/ Consultant
Head Office	2	9	32	4	25	10	82	15
Abidjan Regional Office		1	8	1	14	2	26	2
Addis Ababa Local Office			1		2		3	
Cairo Regional Office		1	5	2	23	1	32	2
Casablanca Regional Office		1	7		17	2	27	2
Lagos Regional Office		1	6	5	13	2	27	4
Mauritius Regional Office		1	6	2	13	3	25	
Nairobi Regional Office		1	13	2	27	2	45	9
Africa Re DIFC			5		1		6	
Sudan Local Office			1		1		2	
South African Subsidiary (ARCSA)		4	14		27	4	49	8
TOTAL (REGIONAL OFFICE)	0	10	66	12	138	16	242	27
TOTAL (WITH HEAD OFFICE)	2	19	98	16	163	26	324	42
Percentage (%)	0.62	5.86	30.25	4.94	50.31	8.02	100.00	

1.2 Diversity and Inclusion

Africa Re is an equal opportunity employer, firmly committed to fostering a diverse and inclusive workplace. Its workforce reflects broad representation, comprising over thirty (30) nationalities across the African continent. The Corporation also actively promotes gender equality, reinforcing its commitment to balanced representation and inclusive participation across all levels of the organisation

Table C: Gender Distribution of Staff

LOCATION	FEMALE	MALE	Grand Total
Head Office	25	55	80
Abidjan Regional Office	8	18	26
Addis Ababa Local Office	1	2	3
Africa Re DIFC	2	4	6
Cairo Regional Office	15	19	34
Casablanca Regional Office	12	15	27
Lagos Regional Office	5	22	27
Mauritius Regional Office	12	13	25
Nairobi Regional Office	22	23	45
Sudan Local Office	1	1	2
South African Subsidiary (ARCSA)	26	23	49
Grand Total	129	195	324
Percentage (%)	39.81	60.19	100.00

2. Compensation

Africa Re's compensation and incentive framework is anchored on a target positioning at or above the 75th percentile of relevant peer benchmarks within the reinsurance and broader financial services industry. Compensation levels are periodically benchmarked against comparable African market peers to identify emerging trends, address gaps, and support informed decision-making in the implementation of the Corporation's remuneration strategy. This approach reinforces a performance-driven culture while discouraging undue risk-taking.

The Corporation's compensation practices are informed by participation in reputable remuneration surveys and peer reviews, complemented by a robust performance management framework at both individual and team levels.

Africa Re deploys the Balanced Scorecard (BSC) as a strategic performance management tool, linking individual and team objectives to the Corporation's overall business strategy. Performance targets are aligned with strategic priorities and measured across defined Key Performance Areas (KPIs), perspectives, and Key Performance Indicators (KPIs). The performance management process is fully automated through the Corproater platform, enhancing transparency, efficiency, and accountability.

In response to macroeconomic pressures, including currency devaluation, inflation, and erosion of real income in certain operating environments, the Corporation implemented a compensation and rewards review effective 1 January 2025.

Africa Re remains firmly committed to the principle of equal pay for equal work, ensuring that all allowances and benefits are applied equitably across male and female employees at the same grade level, without discrimination.

The Corporation’s total rewards framework comprises fixed remuneration, variable pay (including short- and long-term incentives), allowances, and a comprehensive benefits package. This includes education grants, a provident fund, end-of-service gratuity, medical insurance, and other insurance-related benefits, designed to support employee well-being and long-term financial security.

Table D: Components of Compensation

Type	Composition	Beneficiaries	Comments
Fixed Compensation	Base salary	<ul style="list-style-type: none"> ▪ Executive Management ▪ Executive Staff ▪ Professional Staff ▪ Local Professional ▪ Support Staff ▪ Manual Staff 	Base pay and allowances are paid monthly in US dollars for Executive Management, Executive Staff and Professional Staff, and in local currencies for Local Professional, Support and Manual Staff
	Duty Post Differential	<ul style="list-style-type: none"> ▪ Executive Staff ▪ Professional Staff 	Paid monthly only to international employees
Annual Variable Compensation	Individual Performance Bonus	<ul style="list-style-type: none"> ▪ Executive Management ▪ Executive Staff ▪ Professional Staff ▪ Local Professional ▪ Support Staff ▪ Manual Staff 	Paid annually to all categories of employees
	Special Location Performance Bonus	<ul style="list-style-type: none"> ▪ Executive Staff ▪ Professional Staff ▪ Local Professional ▪ Support Staff ▪ Manual Staff 	Designed to reward all the employees of a production centre upon attainment of a specified financial performance level.
	Employee Share Ownership Plan (ESOP)	<ul style="list-style-type: none"> ▪ Executive Management ▪ Executive Staff ▪ Professional Staff ▪ Local Professional ▪ Support Staff ▪ Manual Staff 	A scheme to provide both Management members and employees with a financial share in the business and increase the alignment of their future interests with those of shareholders.
Allowances	<ul style="list-style-type: none"> ▪ Housing ▪ Transport ▪ Inflation Adjustment ▪ Dependency (Spouse & Child) ▪ Domestic Staff ▪ Vehicle 	<ul style="list-style-type: none"> ▪ Executive Staff ▪ Professional Staff ▪ Local Professional ▪ Support Staff ▪ Manual Staff 	Allowances are paid monthly in US dollars for Executive Staff and Professional Staff, and in local currencies for Local Professional, Support and Manual Staff.

3. Employee Share Ownership Scheme (ESOP)

Following approval by the Board and endorsement by the General Assembly, Africa Re implemented its Employee Share Ownership Plan (ESOP) Framework and Policy, with shares allocated to eligible employees and elected members of Management, effective from the 2021 performance appraisal cycle.

The ESOP provides a structured opportunity for eligible employees to acquire equity in the Corporation and has been rolled out across the Group. This initiative reinforces Africa Re's commitment to fostering a strong ownership culture, enhancing employee participation and alignment with corporate objectives, and aligning the interests of employees with those of shareholders. It further supports improved engagement, retention, and long-term commitment across the organisation.

4. Learning and Development

Africa Re remains committed to fostering a culture of continuous learning and professional development across the Corporation. In 2025, key initiatives included:

- **Udemy Partnership:** Provision of learning licenses for all employees, enabling access to a broad range of courses spanning technical, business, leadership, and emerging areas such as artificial intelligence and cybersecurity through Udemy.
- **Knowledge Sharing Sessions:** Weekly interactive sessions designed to promote knowledge exchange across a wide spectrum of topics, including technical competencies, personal development, investment awareness, mental health, and career planning.
- **Leadership Development:** Strategic partnership with Lagos Business School to deliver a Senior Leadership Development Programme for Executives.

Looking ahead, the Corporation plans to broaden the range of learning topics, incorporate external Subject-Matter Experts, and further leverage digital platforms to enhance accessibility, engagement, and overall impact.

This continued investment in learning and development reflects Africa Re's strong commitment to building organizational capability and sustaining its leadership position within the reinsurance sector.

5. Competency Framework Project

Following the successful completion of the Competency Framework project phase in 2024, which aligned employee competencies with corporate objectives, several key milestones were achieved. These included the identification of organisation-wide learning gaps, the development of a comprehensive learning framework, the introduction of digital learning through Udemy, and the integration of training progress into performance

evaluations. Collectively, these initiatives have strengthened internal capacity and enhanced employees' technical, financial, and cross-functional capabilities in support of the Corporation's strategic priorities.

The Corporation is currently progressing with the implementation of key recommendations arising from the project. This phase focuses on the institutionalisation of the competency framework across the organisation, with training programmes being expanded and tailored to address identified skill gaps and evolving business requirements.

This implementation phase represents a critical step in embedding a culture of continuous learning and professional development, thereby reinforcing the Corporation's ability to sustain a competitive, agile, and high-performing workforce within the dynamic reinsurance sector

6. Employee Wellbeing and Work-Life Integration

In 2025, Africa Re reinforced its commitment to employee wellbeing through the implementation of a range of targeted initiatives, including:

- Mental health awareness and resilience sessions
- First aid training for employees and third-party personnel
- Flexible working arrangements to support work-life balance
- Comprehensive wellness programmes addressing physical, emotional, and mental health

These initiatives contribute to fostering a healthier, more engaged, and productive workforce, aligned with the Corporation's broader commitment to employee wellbeing and organisational effectiveness.

7. Leadership Pipeline and Talent Continuity

Africa Re continues to strengthen internal capacity through a structured and forward-looking succession planning framework. In 2025, notable progress was achieved in identifying and developing talent for critical roles, thereby ensuring both short-term operational continuity and long-term leadership sustainability.

The Corporation's approach incorporates internal promotions, cross-functional mobility, selective external recruitment, and the targeted development of high-potential employees. With an average workforce age of 42 years, focused efforts are also directed towards attracting younger talent and facilitating effective knowledge transfer to support generational continuity.

Collectively, these initiatives position the Corporation to sustain strong leadership depth and maintain high levels of organisational performance over the long term

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR EXTERNAL FINANCIAL REPORTING

Management responsibility regarding Effectiveness of Internal Controls over Financial Reporting

The Management of the African Reinsurance Corporation (Africa Re) is responsible for the preparation, integrity and fair presentation of its financial statements and other information presented in the annual report. The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of Article 37 of the Agreement Establishing the African Reinsurance Corporation and as such, include amounts based on informed judgments and estimates made by Management.

The financial statements have been audited by an independent accounting firm, which was given unrestricted access to all financial records and related data, including minutes of all meetings of the Board of Directors and Committees of the Board. Management believes that all representations made to the independent auditors during the audit were valid and appropriate. The independent auditors' report accompanies the audited financial statements.

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Agreement Establishing the African Reinsurance Corporation, and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Management believes that internal controls for external reporting, which are subject to scrutiny by Management and the internal auditors, and are revised as considered necessary, support the integrity and reliability of the external financial statements.

Key procedures that Management has established, which are designed to provide effective internal financial control within the Group, include the preparation, review and Board approval of the annual financial plans that align with strategic

plans. Results are monitored regularly and progress reports on performance are prepared quarterly. The system of internal controls includes written policies and procedures, proper delegation of authority, accountability through establishing responsibility and segregation of duties.

In addition, Management has developed a risk management framework that ensures an effective coordination and monitoring, within the Group, of all the risk management policies approved by the Board of Directors and/or by Executive Management such as underwriting and reserving policies, staff rules and regulations, investment policy guidelines and accounting and financial procedures.

There are inherent limitations in the effectiveness of any internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even effective internal controls can only provide reasonable assurance with respect to the preparation of financial statements. The effectiveness of internal controls may vary over time because of changes in circumstances.

The Board of Directors of Africa Re has set up an Audit Committee and an Underwriting, Risk Management & IT Governance Committee to monitor the internal controls and risk management practices within the Group. The Committees are made up of non-executive Directors who are independent of Management. They meet periodically with Management, external auditors, internal auditors, chief risk officer and technical inspectors to review their reports and ensure that they are effectively carrying out their respective responsibilities. The external auditors, internal auditors and chief risk officer have free access to the Committees with or without the presence of Management to discuss the adequacy of internal control over financial reporting and any other matters which they believe should be brought to the attention of the Committees.



Mr Moustapha COULIBALY
Chairman



Dr Corneille KAREKEZI
Group Managing Director / CEO

Deloitte.

**AFRICAN REINSURANCE
CORPORATION**

Independent auditor's report

Year ended 31 December 2025

**Deloitte Côte d'Ivoire**

S.A. au capital de 37 500 000 FCFA
Compte contribuable 9104684 A RC Abidjan B 156849
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of the AFRICAN REINSURANCE CORPORATION

Report on the Audit of the Consolidated Financial Statements**Opinion**

We have audited the consolidated financial statements of the AFRICAN REINSURANCE CORPORATION and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Boards for Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

- **Measurement of reinsurance contract liabilities (737 million USD)**

The corporation's reinsurance contract liabilities comprise the liability for incurred claims and liability for remaining coverage. Premium Allocation Approach (PAA) is applied to all portfolios.

The measurement of reinsurance contract liabilities involves subjective judgments about estimation of fulfillment cash flows, risk adjustment, and discounting by management. There is no requirement to compute risk adjustment for liabilities for remaining coverage for PAA.

The most judgmental aspects of the valuation are as follow :

- The liability for remaining coverage is measured with PAA approach, based on premium and acquisition costs.
- The measurement of the liability for incurred claims includes an estimate of future cash flows, a risk adjustment for non-financial risk and the adjustment of this estimate to reflect the time value of money (discounting).
- The measurement of liability for remaining coverage and liability for incurred claims includes the use of assumptions, particularly contract boundary for liability for remaining coverage, triangles projections and expenses assumptions for liability for incurred claims.

With the support of our actuarial experts, the procedures we have put in place to address the risk of material misstatement in the measurement of reinsurance contract liabilities include the following:

- IFRS 17 normative review to ensure compliance of the measurement approach used by AFRICA RE.
- Consistency checks (e.g., reconciliation of data, controls on whether the assumptions used are those calibrated, etc.).
- Analytical review including challenging assumptions used and methodology.
- Performance of independent calculations.

Other information

Management is responsible for the other information. The other information comprises information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Abidjan, 13 May 2026

The independent auditor

Deloitte Côte d'Ivoire


Frederick BLEDOU
Chartered Accountant
Partner

APPENDIX 1 : Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Consolidated Statement of Financial Position

As of 31 December 2025

Assets	Notes	2025 US\$'000	2024 US\$'000
Cash and cash equivalents	27	529,053	490,767
Investments	4	1,346,122	1,112,046
Retrocession contract assets	8	170,483	169,938
Sundry receivables		9,910	54,517
Tax recoverable	21	-	399
Investment properties	10	24,374	17,448
Property and equipment	11	84,821	35,510
Intangible assets	12	1,978	3,607
Total assets		2,166,741	1,884,232
Liabilities			
Tax payable	21	48	-
Sundry payables	24	24,256	22,301
Dividend payable	22	7,119	11,553
Deferred tax	14	1,929	862
Reinsurance contract liabilities	9	737,074	690,687
Total liabilities		770,426	725,403
Shareholders' funds			
Retained earnings		346,613	272,059
Other reserves	16	526,185	367,450
Share premium		228,236	225,640
Share capital	17	295,281	293,680
Total shareholders' funds		1,396,315	1,158,829
Total liabilities and shareholders' equity		2,166,741	1,884,232

The financial statements on pages 84 to 145 were approved and authorised for issue by the Board of Directors of the Corporation on 11 May 2026 and were signed on its behalf by:



Mr Moustapha COULIBALY
Chairman



Dr Corneille KAREKEZI
Group Managing Director / CEO

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2025

	Notes	2025 US\$'000	2024 US\$'000
Reinsurance revenue	5	1,274,989	1,200,346
Less: Reinsurance service expense	6	(944,716)	(843,805)
Reinsurance service result before retrocession contracts held		330,273	356,541
Allocation of retrocession premiums		(200,705)	(204,501)
Amounts recoverable from retrocession for incurred claims		68,093	33,379
Net expenses from retrocession contracts held	7	(132,612)	(171,122)
Reinsurance service result		197,661	185,419
Reinsurance finance (expense)/income from reinsurance contracts issued		(58,430)	(84,099)
Retrocession finance (expense)/income for retrocession contracts held		9,670	13,691
Net reinsurance finance (expense)/income	13	(48,760)	(70,408)
Interest on reinsurance deposits	19	3,793	4,031
Investment and other Income	19	107,616	85,217
Net foreign exchange gain/(loss)	20	(5,385)	(41,726)
Other expenses	18	(31,687)	(27,011)
Profit before tax		223,238	135,522
Income tax charge	21	(4,650)	(2,580)
Profit for the year		218,588	132,942
Items that may subsequently be reclassified to profit or loss			
Exchange differences on translating foreign operations		47,955	(19,892)
Net fair value loss on revaluation of available-for-sale financial assets		486	(2,636)
Total other comprehensive gain/(loss)		48,441	(22,528)
Total comprehensive income for the year		267,029	110,414

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity for the year ended 31 December 2025

	Retained earnings	Translation reserve	General reserve	Reserve for market value adjustment	Reserve for exchange fluctuation	Reserve for loss fluctuation	Total other reserves	Share premium	Share capital	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
At 1 January 2025	272,059	(248,123)	543,710	3,969	6,294	61,600	367,450	225,640	293,680	1,158,829
Profit for the period	218,588	-	-	-	-	-	-	-	-	218,588
Other comprehensive income	-	47,955	-	486	-	-	48,441	-	-	48,441
Issue of ordinary shares	218,588	47,955	-	486	-	-	48,441	-	-	267,029
Dividend declared for 2024 (Note 22)	(29,368)	-	-	-	-	-	-	2,596	1,601	(29,368)
Corporate social responsibility fund	(4,372)	-	-	-	-	-	-	-	-	(4,372)
Transfer to reserves	(110,294)	-	109,294	-	-	1,000	110,294	-	-	-
At 31 December 2025	346,613	(200,168)	653,004	4,455	6,294	62,600	526,185	228,236	295,281	1,396,315
At 1 January 2024	237,965	(228,231)	477,239	6,605	6,294	60,600	322,507	218,037	287,181	1,065,690
Profit for the period	132,942	-	-	-	-	-	-	-	-	132,942
Other comprehensive income	-	(19,892)	-	(2,636)	-	-	(22,528)	-	-	(22,528)
Issue of ordinary shares	132,942	(19,892)	-	(2,636)	-	-	(22,528)	-	-	110,414
Dividend declared for 2023 (Note 22)	(28,718)	-	-	-	-	-	-	7,603	6,499	14,102
Corporate social responsibility fund	(2,659)	-	-	-	-	-	-	-	-	(2,659)
Transfer to reserves	(67,471)	-	66,471	-	-	1,000	67,471	-	-	-
At 31 December 2024	272,059	(248,123)	543,710	3,969	6,294	61,600	367,450	225,640	293,680	1,158,829

The accompanying notes form an integral part of these financial statements.

Consolidated statement of cash flows for the year ended 31 December 2025

	Notes	2025 US\$'000	2024 US\$'000
Cash flows from operating activities			
Cash generated from operations	23	209,656	121,156
Income tax paid	21	(3,251)	(1,609)
Net cash from operating activities		206,405	119,547
Cash flows from investing activities			
Purchase of property and equipment	11	(61,676)	(1,937)
Purchase of investments		(215,800)	(111,437)
Interest received net of management fees		85,201	73,489
Dividend received		4,576	3,795
Proceeds of disposal of property and equipment		927	35
Net cash used in investing activities		(186,772)	(36,055)
Cash flows from financing activities			
Proceeds from share subscription		4,197	14,102
Dividends	22	(33,802)	(30,993)
Receipt of buy back of shares		-	15,169
Net cash used in financing activities		(29,605)	(1,722)
Net (decrease)/ increase in cash and cash equivalents		(9,972)	81,770
Movement in cash and cash equivalents:			
At start of year		490,767	437,033
Net increase in cash and cash equivalents		(9,972)	81,770
Net exchange gain/(losses) on cash and cash equivalents		48,258	(28,036)
At end of year	23(b)	529,053	490,767

The accompanying notes form an integral part of these financial statements

Notes to the financial statements

1. General information

The African Reinsurance Corporation was established in 1976 by member States of the African Union (formerly Organisation of African Unity) and the African Development Bank as an inter-governmental institution to:

- a) mobilise financial resources from insurance and reinsurance operations;
- b) invest such funds in Africa to help accelerate economic development; and
- c) foster the development of the insurance and reinsurance industry in Africa by promoting the growth of national, regional and sub-regional underwriting and retention capabilities.

The Corporation is domiciled in Lagos, Nigeria at the following address:

Plot 1679, Karimu Kotun Street
Victoria Island
PMB 12765
Lagos, Nigeria

The Corporation carries out reinsurance business through its constituent offices in Abidjan, Cairo, Casablanca, Lagos, Nairobi and Ebene as well as an underwriting agency in Dubai (DIFC). The Corporation is also licensed as a local reinsurer in South Africa through its wholly owned subsidiary, African Reinsurance Corporation (South Africa) Limited, a company incorporated in the Republic of South Africa. The Corporation also writes Islamic Takaful business through its wholly owned subsidiary, Africa Retakaful Company in Egypt.

2. Accounting policies

Adoption of new and revised International Financial Reporting Standards (IFRS)

i) New standards and amendments to published standards effective for the year ended 31 December 2025

The following amendments to IFRSs were effective in the current year and had no material impact on the amounts reported in these financial statements are discussed below.

Standards/Amendments	Effective date	Changes or Amendments
IAS 21 (Amendment) - Lack of Exchangeability	1 January 2025	This amendment clarifies how an entity should assess if a currency is exchangeable and how it should determine a spot exchange rate in such a scenario. A currency is exchangeable if the entity is able to obtain the other currency within a certain time period that takes into account administrative, holidays and market delays. Where a currency is unexchangeable to other currencies whether it is due to legal or other exchange restrictions, an entity is required to estimate the spot rate at the measurement date. The amendment does not specify how an entity should estimate the spot rate, however, it notes that an entity can use observable exchange rates without adjustments or other techniques.

ii) Impact of new and amended standards and interpretations on the financial statements for the year commencing 1st January 2026 and future annual periods

New standards and Amendments to standards	Effective for annual periods beginning on or after
IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027
Amendment to IFRS 9 – Classification and measurement of financial instruments	1 January 2026

IFRS 18 Presentation and Disclosures in Financial Statements

This new standard replaces IAS 1 Presentation of Financial Statements and significantly changes how companies present their financial performance. While the calculation of net profit and total equity remains unchanged, the presentation and disclosure of results in the income statement will be revised. New mandatory subtotals have been introduced to improve clarity and comparability.

Importantly, the standard formalises the treatment of Management Performance Measures (MPMs), which will now be included within the audited financial statements, together with appropriate reconciliations and explanations. This is expected to enhance transparency and provide users with a clearer and more consistent understanding of the company’s performance.

Amendment to IFRS 9 – Classification and measurement of financial instruments

The amendment introduces an additional SPPI test for financial assets with conditions not directly tied to changes in lending risks and costs. Previously, only these fundamental factors were considered in determining whether a cash flow met the SPPI test, which in turn influenced its classification. Under the amendment, certain financial assets, including those with ESG-linked features, may now qualify under the SPPI criterion—provided their cash flows are not materially different from comparable assets without ESG-linked features.

The amendment is not expected to have any material impact on the financial position of the Corporation.

iii) Early adoption of standards

The Corporation did not early-adopt any new or amended standards in 2025.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below:

A. Basis of preparation

Statement of compliance

These consolidated financial statements are prepared in accordance with International Financial Reporting Standard (IFRS) and its interpretations issued by the International Accounting Standard Board (IASB).

The financial statements are presented in United States dollars (US\$’000). They have been prepared under the historical cost convention, as modified by the carrying of certain investments at fair value. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise judgement in

the process of applying the Corporation’s accounting policies. Although estimates are determined on the basis of historical information, actuarial analyses and the directors’ best knowledge of current events and actions, actual results ultimately may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis to take account of new and available information. Revisions to accounting estimates are recognised in the year in which the estimate is revised.

B. Basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The corporation applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of

the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the

net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

The consolidated financial statements incorporate the financial statements of the company and its subsidiaries African Reinsurance Corporation (South Africa) Limited, Africa Retakaful (Egypt) and Sherborne Number Ten Parktown Investments Proprietary (South Africa) Limited.

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiaries

When the group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Investments in subsidiary companies in the corporation's books are carried at cost less provision for impairment.

C. Use of estimates and judgements in the preparation of financial statements

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. Africa Re based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of Africa Re. Such changes are reflected in the assumptions when they occur. Africa Re disaggregates information to disclose major product lines and liability retrocession issued. This disaggregation has been determined based on how Africa Re is managed.

Africa Re has made a number of key accounting policy choices which have been applied in the implementation of the IFRS 17 standard and below is a summary of these accounting policy choices.

Classification

IFRS 17 establishes specific principles for the recognition and measurement of reinsurance contracts issued and retrocession contracts held. The adoption of IFRS 17 did not change the classification of Africa Re's reinsurance contracts.

The Company issues reinsurance contracts under which it accepts significant insurance risks from ceding companies. All reinsurance contracts written by Africa Re are protection contracts with coverage only provided in cases where an insured event exists, hence the insurance risk is significant.

The reinsurance contracts held transfer also significant insurance risks.

The reinsurance contracts issued and reinsurance contracts held include fire, engineering, motor, accident, energy, aviation, marine, agriculture, life, medical, liability, miscellaneous, bonds & guarantees and political violence & terrorism.

The Company does not issue any contract with direct participation features.

Presentation

Africa Re has netted off, in the statement of financial position, the carrying amount of portfolios of reinsurance contracts issued that are assets against portfolios of reinsurance contracts issued that are liabilities. Also, portfolios of reinsurance contracts held that are liabilities against portfolios of reinsurance contracts held that are assets.

The Company disaggregates the total amount recognised in the statement of profit or loss and other comprehensive income into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expenses.

The Company does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

The Company has chosen to present separately the amounts recovered from reinsurance contracts held and an allocation of the premiums paid, as required by IFRS 17. 86.

The company has chosen not to disaggregate part of the movement in LIC and LFRC resulting from changes in discount rates from profit or loss and present this in OCI. Africa Re include insurance finance income or expenses for the period in profit or loss only.

Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts allocated to the period. The Company recognises insurance revenue based on the passage of time over the expected period of service.

Separation of non-insurance components

The Company assessed its reinsurance products to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. Currently, the Company's products do not include any distinct components that require separation.

Level of aggregation

The process of defining the level of aggregation under IFRS17 can be split into three phases:

- **Portfolios:** Contracts which have similar risks and are managed together need to be allocated to the same IFRS 17 portfolio. IFRS 17 portfolios are created by splitting each line of business into three portfolios, i.e., proportional treaties, non-proportional treaties and facultative.
- **Groups:** Portfolios of insurance contracts should be segmented, based on the level of profitability at initial recognition, into a minimum of three groups of contracts: (1) onerous contracts, (2) contracts which do not have a significant possibility of becoming onerous ("resilient" contracts) and (3) "other" profitable contracts. For contracts measured using the PAA, it is assumed that no

groups of contracts in a portfolio are onerous at initial recognition, unless facts and circumstances indicate otherwise. Considering that PAA apply to all reinsurance contracts issued and retrocession contracts held, portfolios would not be classified into onerous group at initial recognition except where facts indicate otherwise. At subsequent recognition, loss components is constituted on groups of contracts which are found to be loss making. Only the portfolios adjudged to be of financial reinsurance type (with no significant risk of becoming onerous), if any, would be grouped into the resilient group, all other portfolios measured under the PAA would be grouped into others. If changes in facts and circumstances indicate that a profitable group at initial recognition has become onerous, the Company establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group measured under GMM and over the carrying amount of the liability for remaining coverage measured under PAA

- **Cohorts:** contracts which were issued more than a year apart cannot be grouped together. Annual cohorts are constituted, based on the underwriting years of the underlying contracts.

The aggregation of retrocession contracts follows the same considerations applied to reinsurance contracts issued for setting up portfolios, groups and cohorts.

Under IFRS 4, the Company uses specific segmentations for management reporting to reflect the internal methods used to administer and manage the business. These segments comprise of reinsurance lines of business such as Engineering, Fire, Marine, Life, Agriculture, Motor, Medical, Bonds & Guarantees, Aviation, Miscellaneous, Energy, Oil & Gas, Liability, Accident, etc. Each line of business is further split into portfolios based on the type of reinsurance contract namely Proportional treaty, non-Proportional treaty and Facultative.

Under IFRS 17, The Company has decided to create IFRS 17 portfolios in line with the existing segmentation explained above.

In line with paragraph 95 and 96 of IFRS 17, the Company disaggregates information presented about reinsurance contracts issued by grouping the reinsurance lines of business into two main categories: life and non-life.

For reinsurance contracts held, disaggregation is presented into above two categories

Contract boundary

The Company includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the premiums, or in which the Company has a substantive obligation to provide the policyholder with insurance contract services.

An assessment was done to determine the contract boundary for the different types of contracts written.

- Africa Re contracts typically have a period of cover of 12 months, without an option to cancel the contracts during the cover period for both the reinsurer and the cedant.
- About 65% of treaty reinsurance contracts are written on a loss-occurring basis, meaning a coverage period of 1 year or less.
- The rest of treaty reinsurance contracts (35%) are written on a twelve-month risk-attaching basis, hence will have a coverage period of up to 2 years.
- Facultative reinsurance contracts have for the greater part a coverage period of 1 year or less. The few remaining, mainly engineering contracts, have period of cover of more than one year.

Measurement

IFRS 17 includes a simplified measurement approach for the valuation of insurance contracts, the Premium Allocation Approach (PAA), which is similar to the unearned premium reserve approach used under IFRS 4.

An entity has the option to apply the PAA for a group of reinsurance contracts, if at the inception of the group:

- The coverage period at initial recognition is 1 year or less
- For contracts which have a coverage period greater than 1 year, the PAA is expected to produce a measurement of the liability for remaining coverage that would not differ materially from that produced using the GMM (default approach). A PAA eligibility test is therefore required to determine whether the PAA produces a reasonable approximation to the GMM.

Africa Re has applied PAA for all portfolios. The PAA eligibility testing was performed on reinsurance contracts and retrocession contracts which have a coverage period greater than 1 year and there was no material difference in the measurement of the liability for remaining coverage between the PAA and the GMM, hence these qualify for PAA. The contract classification test is performed at the inception of each contract to determine the applicable accounting model

Approach to best estimate cashflows

Best estimate cashflows represent the current estimates of the future cash flows within the contract boundary of a group of contracts that Africa Re expects to collect from premiums and pay out for claims, benefits, and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows are based on a probability weighted mean of the full range of possible outcomes and are determined from the perspective of the Africa Re, provided the estimates are consistent with observable market prices for the market variables and reflect conditions existing at the measurement date.

▪ **Liability for remaining coverage (LRC) – Measurement at initial recognition**

On initial recognition, the carrying amount of the LRC is:

- The premium received
- Minus acquisition cash flows paid at that date, unless the insurer chooses to recognize the payments as an expense
- Plus or minus any amount arising from the derecognition of prepaid acquisition cash flow asset (unless expensed)
- Plus or minus any amount arising from the derecognition of other asset or liability previously recognized for cash flows related to the group of contracts

▪ **Liability for remaining coverage (LRC) – Measurement subsequent reporting period**

The LRC at subsequent measurement is:

- LRC at the beginning of the period
- Plus premiums received in the period
- Minus acquisition cash flows paid in the period, unless recognized as an expense
- Plus amortization of any acquisition cash flows, unless expensed
- Plus any adjustment to a financing component
- Minus the amount recognized as insurance revenue for services provided in that period
- Minus any investment component paid or transferred to the liability for incurred claims

▪ **Liability for incurred claims (LIC)**

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods.

The main assumption underlying these techniques is that Africa Re's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

▪ **Direct attributable expenses and acquisition costs**

The measurement of fulfilment cash flows includes a systematic and rational allocation of directly attributable costs of fulfilling contracts, including especially insurance acquisition cash flows.

Insurance acquisition cash flows are allocated as a portion of premium to profit or loss (through insurance revenue) over the period of the contract on a straight-line basis.

Similar methods are consistently applied to allocate direct attributable expenses to groups of contracts based on the proportionate share of each contract to the total premium of the group of contracts.

Claims related expenses are allocated based on the number of claims expected for all groups.

▪ **Risk of non-performance of retrocessionaires**

The Corporation enters into retrocession arrangements with reputable retrocessionaires, rated A- at least.

Since the start of operations in 1978, Africa Re has never experienced a default of any of its retrocessionaires.

While Africa Re recognize that IFRS 17 standard requires an adjustment for non-performance risk, our past experience of more than 45 years without any default of retrocessionaires gives confidence that the risk is very remote, hence it was not considered.

Discounting

IFRS 17 is principle-based and does not explicitly describe a methodology for calculation of appropriate discount rates. However, it does outline several conceptual principles to which the discount rates used should align.

Africa Re have chosen to use a bottom-up approach, where the discount rate has been determined as the risk-free yield curve with similar characteristics (e.g., duration, currency). Africa Re writes business in multi-regions and multi-currencies, some of which do not have available risk-free yield curves. However, the bulk of liabilities are denominated in USD. USD curves are readily available but there are likely challenges with deriving risk-free rates for a large number of the other currencies in which Africa Re’s liabilities are denominated. Given these limitations, country/ currency specific risk-free rates could be derived from base USD risk-free curves and an allowance for country risk premiums.

The illiquidity premium is assumed to be the relative equity market volatility. It is after that added to the country’s Credit Default Spread to have the adjusted country risk premium”.

The discounting was applied to the Liability for Incurred Claims (LIC) using current discount rates. The liability for remaining coverage (LRC) was not discounted.

Discount rates applied for discounting of future cash flows are listed below:

Duration

	1 year		3 years		5 years		10 years		20 years	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Retrocession Contracts Held	7.65%	8.41%	7.72%	8.57%	7.90%	8.66%	8.34%	8.83%	8.97%	9.12%
Reinsurance Contracts Issued	7.65%	8.41%	7.72%	8.57%	7.90%	8.66%	8.34%	8.83%	8.97%	9.12%

Insurance finance income and expenses

Africa Re has chosen not to disaggregate part of the movement in LIC and LFRC resulting from changes in discount rates from profit or loss and present this in OCI. Africa Re will include insurance finance income or expenses for the period in profit or loss only.

Risk adjustment for non-financial risk

Africa Re has considered a number of different techniques for calculating the risk adjustment for non-financial risk. The Company currently employs a stochastic reserving technique, bootstrapping and Mack method, in the calculation of IFRS4 risk margin which is determined at entity level.

Africa Re has elected to adopt a value-at-risk (e.g., bootstrapping) / confidence level approach as the calculations underlying this approach will always be needed due to the fact that IFRS 17 requires companies to disclose the confidence level at which the risk adjustment is calibrated.

The confidence level approach used involves the Bootstrapping/Mack Model being applied to paid and/or incurred triangles containing claim data emanating from direct contracts (i.e., gross basis). This approach will determine the risk adjustment at the required confidence level, similar to the current reserving exercise. The LIC constitutes expected future claim payments and directly attributable claims handling costs.

The confidence level of the risk adjustment was set at 60%.

For groups of proportional retrocession contracts held, Africa Re use the same risk adjustment factor as derived for the underlying reinsurance contracts issued. This is justified since the risk transferred to retrocessionaires is simply a proportion of the compensation required by Africa Re for bearing the uncertainty about the amount and timing of the cash flows relating to insurance issued.

For groups of non-proportional retrocession contracts held, it may be expected that the risk transferred to retrocessionaires would be a greater proportion of the best estimate recoveries relative to the proportion of the risk adjustment to best estimate claims for the underlying policies. This is due to the structure of these contracts which provide greater protection in the event of large losses. However, for operational simplicity reasons, it is proposed that the same risk adjustment factors used for the underlying reinsurance contracts be used for the retrocession risk adjustment.

Loss Component

Africa Re has recognised a loss component within the liability for remaining coverage for onerous groups of insurance contracts. Africa re has determined loss component to represent losses or expected losses in the liabilities for remaining coverage. If the losses actualise, they will be recognised as part of the LIC in subsequent periods, otherwise, they are treated as reversal of the losses in the previous year.

Retrocession Contracts Held

Africa Re has measured its retrocession assets on the same basis as its reinsurance contract liabilities, albeit as an expense rather than as income under the PAA approach.

Derecognition and Contract Modification

The Company derecognises a contract when it is extinguished—that is, when its specified obligations expire, are discharged, or are cancelled. Additionally, a contract is derecognised if its terms are modified in a manner that would have significantly altered its accounting treatment had the new terms always been in place. In such cases, a new contract reflecting the modified terms is recognised. If a modification does not result in derecognition, the Company treats the resulting changes in cash flows as revisions to estimates of fulfilment cash flows.

For insurance contracts accounted for under the Premium Allocation Approach (PAA), derecognition involves adjusting fulfilment cash flows to eliminate related rights and obligations.



D. Property and equipment

Property and equipment are stated at historical cost less depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other expenses are treated as other repairs and maintenance costs and charged to the income statement during the financial period in which they are incurred.

Assets under construction are stated at costs. They represent costs incurred to date on on-going building projects.

Freehold land is not depreciated. Depreciation is calculated on other property and equipment from the date an asset is available for use on the straight-line basis to write down the cost of each asset to its residual value over its estimated useful life as follows:

- **Buildings:** 2% or over the lease period if less than 50 years
- **Furniture, fittings and equipment:** between 6.67% and 33.33%
- **Motor vehicles:** 25%

Asset residual values and their estimated useful lives are reviewed at each reporting date and adjusted if appropriate.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Property and equipment are derecognised when damaged, obsolete, disposed or when no future economic benefits are expected from its use.

Gains and losses on disposal of property and equipment are determined by comparing proceeds with their carrying amounts.

E. Intangible assets

(i) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on the basis of the expected useful life (4 years) of the software.

Computer software development costs that are directly associated with the production of identifiable software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Computer software development costs recognized as assets are amortised from the date, they are available for use on a straight-line method over their estimated useful lives, not exceeding a period of four years.

After initial recognition, software acquired is carried at its cost less any accumulated amortization and any accumulated impairment losses. Maintenance costs are expensed when incurred.

(ii) Deferred acquisition costs and deferred retrocession commission

Acquisition costs comprise insurance commissions, brokerage and other related expenses arising from the conclusion of insurance contracts. The proportion of acquisition costs and commission income that correspond to the unearned premiums are deferred and amortised on a pro rata basis over the contract term.



F. Investment property

Property held for long-term rental yields that is not occupied by any component of the Group is classified as investment property. Investment property comprises freehold land and buildings.

Investment property is initially measured at cost and subsequently at historical cost less depreciation and any accumulated impairment losses.

The carrying amount of investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

Gains or losses on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Most of the Corporation's office buildings were built partly for its own use and for generating income. Allocation between Property and Investment is solely based on use. Transfers to and from Investment Property take place only when there is a change in use. Change in use occurs when there is commencement of or end of owner-occupation and inception of an operating lease to another party.

Rental income from investment property is recognised as other revenue on a straight-line basis over the term of the lease.

G. Financial assets and liabilities

a) Initial recognition

Financial assets and financial liabilities are recognised when the corporation becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on settlement date basis.

At initial recognition, Africa Re measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

b) Classification and measurement

i) Financial assets

Classification and measurement of financial instruments are based on the Africa Re's business model for managing the asset and the cash flow characteristics of the asset.

Business model: The business model reflects how the corporation manages the assets in order to generate cash flows. That is, whether the objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g., financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

Solely Payments of Principal and Interest: Where the business model is to collect contractual cash flows, Africa Re assesses whether the financial instruments' cash flows represent solely payments of principal and interest. In making this assessment, Africa Re considers whether the contractual cashflows are consistent with a basic lending arrangement i.e., interest includes only consideration for the time value of money, credit risk, other basic lending risks, and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

Based on these factors, Africa Re classifies its debt instruments into one of the following measurement categories:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in investment income using the effective interest rate method. These financial assets include cash and bank balances, investments at amortised cost, trade and other receivables.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss.

ii) Financial liabilities

Financial liabilities of Africa Re are classified and subsequently measured at amortised cost net of directly attributable transaction costs.

Fair value gains or losses for financial liabilities designated at fair value through profit or loss are accounted for in profit or loss except for the amount of change that is attributable to changes in the Africa Re's own credit risk which is presented in other comprehensive income. The remaining amount of change in the fair value of the liability is presented in profit or loss. Africa Re's financial liabilities include trade and other payables.

c) Impairment of financial assets

Recognition of impairment provisions under IFRS 9 is based on the expected credit loss (ECL) model. The ECL model is applicable to financial assets classified at amortised cost under IFRS 9: Financial instruments; cash and bank and balances; and investments at amortised cost. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without

undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions. The ECL model is dependent on the availability of relevant and accurate data to determine whether a significant increase in credit risk occurred since initial recognition, the probability of default (PD), the loss given default (LGD) and the possible exposure at default (EAD)

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial assets.

Africa Re measures the loss allowance at an amount equal to the lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, then the loss allowance for that financial asset is measured at 12 month expected credit losses (12-month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial asset. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial asset that are possible within 12 months after the reporting date. In order to assess whether to apply lifetime ECL or 12-month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, Africa Re considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than the evidence of a financial asset being credit impaired at the reporting date or of an actual default occurring.

The measurement of ECL is a function of the PD, LGD (i.e. the magnitude of the loss if there is a default) and the EAD. The assessment of the PD and LGD is based on historical data adjusted by forward-looking information as described below. The EAD is the gross carrying amount of the financial asset at the reporting date. An impairment gain or loss is recognised for all financial assets in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account.

d) Significant increase in credit risk and definition of default

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, Africa Re compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring as at the date of initial recognition.

Africa RE considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on a financial asset is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless Africa Re has reasonable and supportable information that demonstrates otherwise. By contrast, if a financial asset is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the financial asset has not increased significantly since initial recognition. Africa Re monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

For purposes of internal credit risk management purposes, Africa Re consider that a default event has occurred if there is internal or external information indicating that the counterparty is unlikely to pay its creditors in full (without taking collateral into account). Furthermore, financial assets are defined as being in default when contractual payments are more than 90 days past due or when there are clear indications that the imposition of financial or legal penalties and/or sanctions will make the full recovery of amounts due highly improbable. These assets are regarded as non-performing and grouped under stage 3 financial assets.

Africa Re writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

e) Derecognition

i) Financial assets

Africa Re derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and the transfer qualifies for derecognition. Gains or losses on derecognition of financial assets are recognised as finance income/cost.

ii) Financial liabilities

Africa Re derecognises a financial liability when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised immediately in the statement of profit or loss.

f) Modification

When the contractual cash flows of a financial instrument are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial instrument, Africa Re recalculates the gross carrying amount of the financial instrument and recognises a modification gain or loss immediately within finance income/(cost)-net at the date of the modification. The gross carrying amount of the financial instrument is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial instrument's original effective interest rate.

g) Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position. Offsetting can be applied when there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The legally enforceable right is not contingent on future events and is enforceable in the normal course of business, and in the event of default, insolvency or bankruptcy of Africa Re or the counterparty.

H. Reinsurance receivables

All amounts receivable are initially recognised at fair value.

Amounts recoverable under the retrocession contracts are recognised in the same year as the related claims and are disclosed in the income statement and statement of financial position on a gross basis.

Amounts recoverable under reinsurance and retrocession contracts are assessed for impairment losses at each reporting date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition that the Group may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the company will receive from the debtors.

The carrying amounts of the assets are reduced by the expected credit loss recognised in the profit or loss account for the period.

I. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents, comprise short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

J. Impairment of non-financial assets

Impairment exists when there is objective evidence that the carrying amount of an asset exceeds the higher of its fair value or its value in use. The Corporation carries out an assessment of its non-financial assets periodically.

Land and buildings are valued by external Consultants triennially.

To maintain their expected levels of performance and estimated useful life, significant pieces of plant and equipment are subject to service and maintenance contracts with the Original Equipment Manufacturers or their authorized agents. Other non-financial assets are assessed internally on annual basis for continuous performance and usefulness. A financial assessment of impaired assets is carried out to determine whether they should be refurbished or replaced. Costs of refurbishment are capitalised if there is objective evidence that such refurbishment will result in an increase in the useful life of the asset, otherwise, it will be treated as expense in the statement of profit or loss. Others are derecognised through disposal and replaced.

Impairment assessment on computer software is carried out through a review of the cost incurred to date and outstanding cost to completion for those under development or maintenance costs for those in use. These costs are compared with the original budget.

K. Other receivables and prepayments

Other receivables are measured at amortised cost and stated after deductions of amount considered impaired. When a debt is deemed not collectible, it is written-off against the related provision or directly to the profit and loss account to the extent not previously provided for. Any subsequent recovery of written-off debts is credited to the profit and loss account. Other receivables are primarily loans to staff, sundry debtors and accrued income

Prepayments are carried at cost less accumulated impairment losses and are amortised on a straight-line basis to the profit and loss account.

L. Foreign currency translation

(i) Functional and presentation currencies

The Group's constituent offices are geographically dispersed within Africa, and it conducts its operations in several currencies.

The primary economic environment in which an entity operates is normally the one in which it primarily generates and expends cash. An entity considers the following factors in determining its functional currency:

- (a) the currency:
 - that mainly influences sales prices for goods and services; and
 - of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services.
- (b) the currency that mainly influences labour, material and other costs of providing goods or services.

The functional currencies of the group's constituent offices have been determined as currencies of countries in which they are established.

In line with IAS 21 revised, the group has selected, United States dollars, as its presentation currency.

(ii) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise. When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-

monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

At the end of each reporting period:

- a) foreign currency monetary items shall be translated using the closing rate,
- b) non monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction, and
- c) non monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was measured.

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) are translated into the presentation currency as follows:

- a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- b) income and expenses for each profit and loss account are translated at average exchange rates prevailing over the reporting period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions);
- c) all resulting exchange differences are recognised in the translation reserve in equity.

In line with IAS 21 revised, the group's constituent offices are considered as foreign operations and are consolidated as such.

M. Leases

The Corporation assesses every contract at inception to determine whether it contains a lease. Contracts in which the right to control the use of an identified assets for a period in exchange for consideration by an entity within the group are classified as leases.

The Corporation as a lessee applies a single recognition and measurement approach for all leases.

Payments made under short-term leases and low-value leases are charged to profit or loss on the straight-line basis over the period of the lease.

Right-of-use assets are recognised at cost at the commencement date of the lease. They are subsequently measured at cost less accumulated depreciation. Right-of-use assets are depreciated over the shorter of lease term and the average useful lives of the underlying assets (building).

N. Employee benefits

Short-term employee benefits

Employee entitlements to service pay and annual leave are recognised when they accrue to employees. The cost of short-term employee benefits are recognised in the period in which the service is rendered and are not discounted.

Retirement benefit obligations

The Corporation operates a defined contribution retirement benefit scheme and an unfunded defined benefit service gratuity scheme for its employees. Under the defined contribution scheme, the Corporation pays fixed contributions into a separate entity.

Once the contributions have been paid, the Group retains no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to finance benefits accruing under the retirement benefit plan.

The employee's entitlements to retirement benefits under the gratuity scheme depend on the individual's years of service and terminal salary.

The Group's contributions to the defined contribution schemes are charged to the statement of profit or loss in the year to which they relate.

The liability recognised in the statement of financial position in respect of the unfunded defined service gratuity scheme is the present value of the defined benefit obligation at the reporting date. The liability is computed internally using the guidelines on qualification. Qualifying staff are those that have been in service of the Corporation for 6 to 24 years. Annual incremental costs are charged to the statement of profit or loss.

The Corporation operates an employee share option program in which interested staff are granted shares through the provident fund. The liability at the end of the year has been accounted for under sundry payables.

Other employee benefits

The estimated monetary liability for employees' accrued annual leave entitlement at the reporting date is recognised as an expense and classified under staff costs. The related liabilities are included in current liabilities in the statement of financial position.

Other employee benefits are recognised when they accrue to employees.

O. Income tax

In accordance with Article 51 of the Agreement Establishing the African Reinsurance Corporation, the Corporation is not subject to tax in member States. Tax expense/(income) therefore comprises current and deferred taxes arising only in South Africa in respect of the South Africa subsidiary and is computed in accordance with South African tax laws.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Corporation's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences are utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates that have been enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Corporation expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Current and deferred tax for the year

Current and deferred taxes are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognised in other comprehensive income.

P. Dividends

Dividends payable are recognised as a liability in the period in which they are approved by the shareholders.

Q. Share Capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Shares are issued at par value; any amount received over and above the par value is classified as share premium in equity.

R. Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

S. Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.



4. Investments

i) Investments by category

	2025 US\$'000	2024 US\$'000
Amortised Cost		
Bank deposits	438,188	389,395
Fixed rate securities held to maturity	507,279	356,062
Floating rate securities at cost	24,103	66,715
	969,570	812,172

Fair value through profit or loss		
Fixed rate securities at fair value through profit or loss	135,817	133,959
Floating rate securities at fair value through profit or loss	107,111	54,369
Quoted equity investments at fair value through profit or loss	90,725	66,639
	333,653	254,967

Fair Value Through OCI		
Unquoted equity investments at fair value	42,899	44,907
	42,899	44,907
	1,346,122	1,112,046

Comprising:

Current portion	595,901	498,160
Non-current portion	750,221	613,886
	1,346,122	1,112,046

Fixed rate securities held to maturity are presented in the group's statement of financial position at their amortized costs as at 31 December 2025 of US\$507,278,890 (2024:US\$356,062,154).

The fair value of the bonds held at amortised cost at 31 December 2025 was US\$500,266,483 (2024: US\$335,911,522).

ii) Impairment (Reversal) / Charge

	Group 2025 US\$'000	Group 2024 US\$'000
Cash & cash Equivalents		
Stage 1 - 12 Months ECL	1,346	812
Stage 2 - Lifetime ECL Not Credit Impaired		
Stage 3 - Lifetime ECL Credit Impaired		
Bank deposits		
Stage 1 - 12 Months ECL	2,809	1,026
Stage 2 - Lifetime ECL Not Credit Impaired		
Stage 3 - Lifetime ECL Credit Impaired		
Bonds Held at Amortized Cost		
Stage 1 - 12 Months ECL	338	318
Stage 2 - Lifetime ECL Not Credit Impaired	9	1
Stage 3 - Lifetime ECL Credit Impaired		60
Total	4,502	2,217

iii) Weighted average effective interest rates

	2025 %	2024 %
Interest-bearing investments denominated in:		
US Dollars	5.31	4.22
Euro	2.07	2.27
South African Rand	7.25	7.39

iv) Fair value measurements recognised in the statement of financial position

The tables that follow below provide an analysis of the Corporation's financial assets that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- **Level 1** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- **Level 3** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	31/12/2025			
	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Financial assets at fair value through profit or loss				
Non-derivative financial assets held for trading	333,653	-	-	333,653
Available-for-sale financial assets				
Unquoted shares	-	-	42,899	42,899
Total	333,653	-	42,899	376,552

This represents fixed rate securities at fair value through profit or loss and quoted equity investments at fair value through profit or loss.

	31/12/2024			
	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
Financial assets at fair value through profit or loss				
Non-derivative financial assets held for trading	254,967	-	-	254,967
Available-for-sale financial assets				
Unquoted shares	-	-	44,907	44,907
Total	254,967	-	44,907	299,874

5. REINSURANCE REVENUE

The breakdown of the reinsurance revenue is shown in the table below

Class of business USD '000	2025					Total
	Accident & Motor	Marine & Aviation	Energy	Fire & Engineering	Life	
Contracts measured under PAA	308,872	71,037	184,536	570,944	139,600	1,274,989
Reinsurance Revenue	308,872	71,037	184,536	570,944	139,600	1,274,989

Class of business USD '000	2024					Total
	Accident & Motor	Marine & Aviation	Energy	Fire & Engineering	Life	
Contracts measured under PAA	294,514	57,410	204,650	533,483	110,289	1,200,346
Reinsurance Revenue	294,514	57,410	204,650	533,483	110,289	1,200,346

6. REINSURANCE SERVICE EXPENSE

The breakdown of the reinsurance service expense is shown in the table

Class of business USD '000	2025					Total
	Accident & Motor	Marine & Aviation	Energy	Fire & Engineering	Life	
Incurring claims and other expenses	119,653	27,588	49,951	202,788	51,246	451,226
Changes to liabilities for incurred claims	74,543	5,569	16,838	26,087	33,911	156,948
Losses on onerous contracts and reversals of those losses	(987)	18	(1,287)	7,344	1,936	7,024
Amortisation of insurance acquisition cash flows	76,831	21,009	33,417	159,950	38,311	329,518
Total Service Expense	270,040	54,184	98,919	396,169	125,404	944,716

Class of business USD '000	2024					Total
	Accident & Motor	Marine & Aviation	Energy	Fire & Engineering	Life	
Incurring claims and other expenses	107,711	19,076	31,234	177,942	27,158	363,121
Changes to liabilities for incurred claims	66,026	4,540	2,237	82,388	23,492	178,683
Losses on onerous contracts and reversals of those losses	485	(253)	1,030	(2,845)	(16)	(1,599)
Amortisation of insurance acquisition cash flows	73,331	16,283	33,113	147,442	31,261	301,430
Impact of exchange rates	486	107	-	1,562	15	2,170
Total Service Expense	248,039	39,753	67,614	406,489	81,910	843,805

7. NET EXPENSES FROM RETROCESSION CONTRACT HELD

Class of business USD '000	2025					Total
	Accident & Motor	Marine & Aviation	Energy	Fire & Engineering	Life	
Allocation of Retrocession premiums	14,066	7,334	108,720	57,445	13,140	200,705
Amounts recoverable for incurred claims and other expenses	(926)	(471)	(12,974)	(3,245)	(2,066)	(19,682)
Changes to amounts recoverable for incurred claims	(1,408)	(1,229)	(39,478)	(249)	(6,558)	(48,922)
Loss-recovery on onerous underlying contracts and adjustments	39	85	1,782	(739)	(656)	511
Net Expense from Retrocession	11,771	5,719	58,050	53,211	3,861	132,612

Class of business USD '000	2024					Total
	Accident & Motor	Marine & Aviation	Energy	Fire & Engineering	Life	
An allocation of Retrocession premiums	11,850	7,298	136,963	40,914	7,476	204,501
Amounts recoverable for incurred claims and other expenses	(2,493)	(234)	(6,413)	(23,072)	(663)	(32,875)
Changes to amounts recoverable for incurred claims	227	(582)	3,019	1,594	(2,945)	1,313
Loss-recovery on onerous underlying contracts and adjustments	(79)	(120)	(1,744)	126	0	(1,817)
Net Expense from Retrocession	9,505	6,362	131,825	19,562	3,868	171,122

8. Rollforward of net assets for retrocession contracts held

In US\$'000	2025				Total
	Excluding LRC	Loss recovery component	Estimates of present value of future cashflows	Risk Adjustment	
Net retrocession contract assets at start	67,071	2,142	97,361	3,364	169,938
An allocation of Retrocession premiums	(200,705)	-	-	-	(200,705)
Amounts recoverable for incurred claims and other expenses	-	-	17,472	2,211	19,683
Loss-recovery on onerous underlying contracts and adjustments	-	(512)	-	-	(512)
Changes to amounts recoverable for incurred claims	-	-	52,022	-3,100	48,922
Amounts recoverable from retrocessionaires for incurred claims	-	(512)	69,494	-889	68,093
Net income or expense from Retrocession contracts held	(200,705)	(512)	69,494	(889)	(132,612)
Retrocession finance income	-	-	9,670	-	9,670
Effects of movement in exchange rates	61	-	525	-	586
Total changes in the statement of profit and loss and other comprehensive income	(200,644)	(512)	79,689	(889)	(122,356)
Cash flows*					
Premium paid	202,465	-	-	-	202,465
Amounts received	-	-	(79,564)	-	(79,564)
Total cash flows	202,465	-	(79,564)	-	122,901
Net Retrocession contract assets at the End	68,892	1,630	97,486	2,475	170,483

*This figure includes a net-off of retrocession liabilities of US\$ 4,505

In US\$'000	2024				
	Excluding LRC	Loss recovery component	Estimates of present value of future cashflows	Risk Adjustment	Total
Net retrocession contract assets at start	14,050	325	90,925	2,350	107,650
An allocation of Retrocession premiums	(204,501)	-	-	-	(204,501)
Amounts recoverable for incurred claims and other expenses	-	-	29,932	11,107	41,039
Loss-recovery on onerous underlying contracts and adjustments	-	1,817	-	-	1,817
Changes to amounts recoverable for incurred claims	-	-	616	(10,093)	(9,477)
Amounts recoverable from retrocessionaires for incurred claims	-	1,817	30,548	1,014	33,379
Net income or expense from Retrocession contracts held	(204,501)	1,817	30,548	1,014	(171,122)
Retrocession finance income	-	-	13,691	-	13,691
Effects of movement in exchange rates	(12)	-	(127)	-	(139)
Total changes in the statement of profit and loss and other comprehensive income	(204,513)	1,817	44,112	1,014	(157,570)
Cash flows*					
Premium paid	257,534	-	-	-	257,534
Amounts received	-	-	(37,676)	-	(37,676)
Total cash flows	257,534	-	(37,676)	-	219,858
Net Retrocession contract assets at the End	67,071	2,142	97,361	3,364	169,938

*This figure includes a net-off of retrocession liabilities of US\$ 65,401

9. Rollforward of net liabilities for reinsurance contracts liabilities (Total)

	2025				
	Liabilities for Remaining Coverage Excluding LC	Loss component	Estimates of present value of future cashflows	Liabilities for Incurred Claims	Risk Adjustment
Reinsurance contract liabilities at the beginning	151,237	4,927	512,689	21,834	690,687
Reinsurance Revenue	(1,274,989)	-	-	-	(1,274,989)
Incurred claims and other expenses	-	-	434,194	17,032	451,226
Amortisation of Reinsurance acquisition cash flows	329,518	-	-	-	329,518
Losses on onerous contracts and reversals of those losses	-	7,024	-	-	7,024
Changes to liabilities for incurred claims	-	-	175,337	(18,389)	156,948
Reinsurance service expenses	329,518	7,024	609,531	(1,357)	944,716
Reinsurance service result	(945,471)	7,024	609,531	(1,357)	(330,273)
Reinsurance finance expenses	-	-	58,430	-	58,430
Effects of movements in exchange rates	1,903	-	10,481	-	12,384
Total changes in the statement of profit and loss and other comprehensive income	(943,568)	7,024	678,442	(1,357)	(259,459)
Cash flows					
Premiums received *	1,356,293	-	-	-	1,356,293
Claims and other expenses paid	-	-	(702,302)	-	(702,302)
Reinsurance acquisition cash flows	(348,145)	-	-	-	(348,145)
Total cash flows	1,008,148	-	(702,302)	-	305,846
Net Reinsurance contract liabilities as at End	215,817	11,951	488,829	20,477	737,074

* This figure includes a net-off of net reinsurance assets of US\$ 14,479

In US\$'000	2024				Total
	Liabilities for Remaining Coverage Excluding LC	Loss component	Estimates of present value of future cashflows	Liabilities for Incurred Claims Risk Adjustment	
Reinsurance contract liabilities at the beginning	93,912	6,526	429,886	18,443	548,767
Reinsurance Revenue	(1,200,847)				(1,200,847)
Incurred claims and other expenses			347,649	69,075	416,724
Amortisation of Reinsurance acquisition cash flows	301,431				301,431
Losses on onerous contracts and reversals of those losses		(1,599)			(1,599)
Changes to liabilities for incurred claims			192,933	(65,684)	127,249
Reinsurance service expenses	301,431	(1,599)	540,582	3,391	843,805
Reinsurance service result	(899,416)	(1,599)	540,582	3,391	(357,042)
Reinsurance finance expenses			84,099		84,099
Effects of movements in exchange rates			(2,171)		(2,171)
Total changes in the statement of profit and loss and other comprehensive income	(899,416)	(1,599)	622,510	3,391	(275,114)
Cash flows					-
Premiums received *	1,262,096				1,262,096
Claims and other expenses paid			(539,707)		(539,707)
Reinsurance acquisition cash flows	(305,355)				(305,355)
Total cash flows	956,741		(539,707)		417,034
Net Reinsurance contract liabilities as at End	151,237	4,927	512,689	21,834	690,687

* This figure includes a net-off of net reinsurance assets of US\$ 48,001

10. Investment properties

	2025 US\$'000	2024 US\$'000
Cost		
At 1 January	22,395	22,395
Disposal	(2,257)	
Reclassification	9,009	
At 31 December	29,147	22,395
Depreciation		
At 1 January	4,947	4,499
Charge for the year	665	448
Disposal	(583)	
Reclassification	(256)	
At 31 December	4,773	4,947
Net book value	24,374	17,448

The following amounts have been recognised in statement of profit or loss and other comprehensive income in respect of investment properties:

Net rental income (Note 19)	1,566	1,340
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Investment properties represent the lettable portion of the Corporation's headquarters building, two Residential buildings in Lagos, as well as regional office buildings in Nairobi, Casablanca, Abidjan, Cairo, and Mauritius.

At 8th April 2025, the market value of the headquarters building was estimated at US\$ 13.89 million (net book value at Dec 2025: US\$ 5.89 million) based on a valuation by Knight Frank (FRC/2013/000000000584), a firm of Estate Surveyors.

At 8th April 2025, the market value of the three residential buildings in Lagos was estimated at US\$ 9.70 million (net book value at 31 Dec 2025: US\$ 9.29 million) based on a valuation by Knight Frank, a firm of Estate Surveyors.

At 21st October 2024, the market value of the Casablanca regional office building was estimated at US\$ 6.27 million (net book value at 31 Dec 2025: US\$ 3.17 million) based on a valuation by Ceinture Immo, a firm of Estate Surveyors.

At 21st September 2025, the market value of the Cairo regional office building was estimated at US\$ 4.47 million (net book value at 31 Dec 2025: US\$ 4.84 million)

At 28th December 2023, the market value of the Nairobi regional office building was estimated at US\$ 4.72 million (net book value at 31 Dec 2025: US\$ 2.88 million) based on a valuation by Knight Frank, a firm of Estate Surveyors.

At 31st December 2024, the market value of the Mauritius regional office building was estimated at US\$ 4.31 million (net book value at 31 Dec 2025: US\$ 5.28 million)

At 31 December 2022, the market value of the Abidjan regional office building was estimated at US\$ 4.55 million (Net book value at 31 Dec 2025: US\$4.41 million) based on a valuation by Knight Frank, a firm of Estate Surveyors.

At December 2025, the market value of the building hosting ARCSA (Ten Sherborne) was estimated at US\$ 6.299 million (Net book value at 31 Dec 2025: US\$4.87 million)

10. Investment properties (Continued)

Details of the group's investment properties and information about the fair value hierarchy as at 31 December 2025 as follows:

	Level 1	Level 2	Level 2	Fair value as at 31/12/2025
	US\$'000	US\$'000	US\$'000	US\$'000
Headquarters building	-	13,899	-	13,899
Residential Buildings in Lagos	-	9,704	-	9,704
Casablanca regional office building	-	6,266	-	6,266
Nairobi regional office building	-	4,722	-	4,722
Mauritius regional office building	-	4,305	-	4,305
Abidjan Regional Office	-	4,551	-	4,551
Cairo Regional Office	-	4,472	-	4,472
ARCSA (Ten Sherborne)	-	6,299	-	6,299

There were no transfers between levels 1 and 2 during the year.

	Level 1	Level 2	Level 2	Fair value as at 31/12/2024
	US\$'000	US\$'000	US\$'000	US\$'000
Headquarters building	-	22,995	-	22,995
Residential Buildings in Lagos	-	14,514	-	14,514
Casablanca regional office building	-	3,440	-	3,440
Nairobi regional office building	-	8,481	-	8,481
Mauritius regional office building	-	4,305	-	4,305
Abidjan Regional Office	-	4,551	-	4,551
Cairo Regional Office	-	3,938	-	3,938

There were no transfers between levels 1 and 2 during the year.

11. Property and equipment

	Assets under construction	Buildings & freehold Land	Fittings & Equipment	Motor vehicles	Total
Year ended 31 December 2025:	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Cost					
At 1 January	5,243	35,140	19,155	2,212	61,750
Additions	56,900	997	3,236	543	61,676
Disposals	-	-	(6,668)	(730)	(7,398)
Reclassification/Transfer	(604)	(9,183)	2,679		(7,108)
At 31 December	61,539	26,954	18,402	2,025	108,920
Depreciation					
At 1 January	-	6,047	18,628	1,565	26,240
Depreciation charge	-	2,659	608	309	3,576
Disposals	-	-	(6,668)	(645)	(7,313)
Reclassification/Transfer	-	(419)	2,034	(19)	1,596
At 31 December	-	8,287	14,602	1,210	24,099
Net book value	61,539	18,667	3,800	815	84,821

	Assets under construction	Buildings & freehold Land	Fittings & Equipment	Motor vehicles	Total
Year ended 31 December 2024:	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Cost					
At 1 January	5,243	34,144	18,596	2,278	60,261
Additions	-	996	748	193	1,937
Disposals	-	-	(189)	(259)	(448)
At 31 December	5,243	35,140	19,155	2,212	61,750
Depreciation					
At 1 January	-	5,824	17,581	1,518	24,923
Depreciation charge	-	223	1,236	306	1,765
Disposals	-	-	(189)	(259)	(448)
At 31 December	-	6,047	18,628	1,565	26,240
Net book value	5,243	29,093	527	647	35,510

During the year, the corporation capitalised the costs of US\$54.82 million associated with the ongoing Abuja head office project which was previously recognised under sundry receivables in prior periods.

12. Intangible Assets

Year ended 31 December 2025:	Computer Software US\$'000	Computer Software in progress US\$'000	Total US\$'000
Cost			
At 1 January	11,897	1,964	13,861
Retirement	(417)		(417)
Reclassification to PPE	(1,901)		(1,901)
At 31 December	9,579	1,964	11,543

Amortisation			
At 1 January	10,254		10,254
Charge for the year	1,068		1,068
Reclassification to PPE	(1,340)		(1,340)
Retirement	(417)		(417)
At 31 December	9,565	–	9,565
Net book value	14	1,964	1,978

Year ended 31 December 2024:	US\$'000	US\$'000	US\$'000
Cost			
At 1 January	11,897	1,964	13,861
Additions	-	-	-
At 31 December	11,897	1,964	13,861

Amortisation			
At 1 January	8,686		8,686
Charge for the year	1,568		1,568
At 31 December	10,254		10,254
Net book value	1,643	1,964	3,607

13. Reinsurance Finance (expense)/income

	2025 US\$'000	2024 US\$'000
Interest accreted to reinsurance contracts using current financial assumptions	(38,591)	(16,414)
Due to changes in interest rates and other financial assumptions	(19,839)	(67,685)
Total reinsurance finance (expense)/income	(58,430)	(84,099)

Retrocession finance income and expense

Interest accreted to retrocession contracts using current financial assumptions	8,320	2,540
Due to changes in interest rates and other financial assumptions	1,350	11,151
Total retrocession finance income/(expense)	9,670	13,691
Net reinsurance finance (expense)/income	(48,760)	(70,408)

14. Deferred tax

Deferred tax relates only to a subsidiary company, African Reinsurance Corporation South Africa (ARCSA) and is calculated in full using the liability method and applying a principal tax rate of 28%. The movement on the deferred tax account is as follows:

	2025 US\$'000	2024 US\$'000
At 1 January	862	412
Exchange rate impact on opening balance	115	(18)
Charge to profit or loss (Note 21)	952	468
At 31 December	1,929	862

Deferred tax assets, liabilities, and deferred tax charge/(credit) in the financial statements are attributable to the following items:

	2025 US\$'000	2024 US\$'000
Excess depreciation over capital allowances	(81)	(75)
Unrealised gain on revaluation of investments	1,980	1,062
Accumulated Losses	(86)	(94)
Exchange rate impact on opening balance	116	(31)
Net deferred tax liability	1,929	862

15 Reinsurance Assets and Liabilities Position

	2025		Net
	Assets	Liabilities	US\$'000
	US\$'000	US\$'000	US\$'000
Reinsurance Contracts Issued	–	(737,074)	(737,074)
Retrosession Contracts Held	170,483	–	170,483

	2024	
Reinsurance Contracts Issued	–	(690,687)
Retrosession Contracts Held	169,938	–

Maturity Analysis for Liabilities by Contracts (LIC component is discounted)

	2025					Total
	Up to 1 year	1–2 years	2–3 years	3–4 years	4–5 years	>5 years
Reinsurance contract liabilities	246,841	201,709	117,448	60,685	104,263	6,128
	2024					737,074
Reinsurance contract liabilities	151,485	233,149	92,332	41,934	11,989	159,798

Maturity Analysis for Assets by Contracts

	2025					Total
	Up to 1 year	1–2 years	2–3 years	3–4 years	4–5 years	>5 years
Reinsurance contract Assets	49,784	63,315	18,843	4,603	5,130	28,808
	2024					170,483
Reinsurance contract Assets	59,093	67,941	9,201	6,513	5,537	21,653

16 Other reserves

	2025	2024
	US\$'000	US\$'000
General reserve	653,004	543,710
Reserve for exchange fluctuation	6,294	6,294
Reserve for loss fluctuation	62,600	61,600
Reserve for market value adjustment	4,455	3,969
Translation reserve	(200,168)	(248,123)
	526,185	367,450

(i) General reserve

An amount equivalent to 50% of the net profit for each year is set aside as a general reserve in accordance with General Assembly resolution number 4/1992.

(ii) Reserve for exchange fluctuation

The reserve for exchange fluctuation represents an amount set aside by the Directors from the profits for each year to cushion the effects of adverse movements in exchange rates in the countries of operation.

(iii) Reserve for loss fluctuation

The reserve for loss fluctuation represents an amount over and above the outstanding claims provision set aside by the directors from the profits of each year to moderate the effects of possible fluctuation in losses in future years.

(iv) Translation reserve

The translation reserve represents the unrealised exchange gains or losses arising from translation of the corporation's assets and liabilities from the various functional currencies to the corporation's presentation currency at each reporting date.

(v) Reserve for market value adjustment

The reserve for market value adjustment represents the unrealised gain or loss arising from the changes in the fair value of the financial assets classified as available for sale.

Movements in the other reserves are shown in the statement of changes in equity on page 86.

17 Share capital

	2025	2024
	Number	Number
Authorised share capital	5,000,000	5,000,000
Issued and fully paid	2,952,810	2,936,795
	US\$'000	US\$'000
Issued and fully paid at 31 December	295,281	293,680
Par value per share	\$100	\$100

The movement in issued and fully paid share capital is as below:

	2025	2024
	US\$'000	US\$'000
At 1 January	293,680	287,181
Issue of ordinary shares	1,601	6,499
At 31 December	295,281	293,680

18. Administrative Expenses

	2025 US\$'000	2024 US\$'000
Staff costs	43,301	37,624
Impairment charge on reinsurance receivables	7,002	6,747
Depreciation on property and equipment	3,576	1,765
Computer and word processing	2,933	2,511
General Assembly and Board of Directors' meetings	2,655	2,342
Consultancy fees	1,845	4,759
Travel costs and allowances	1,796	1,552
Advertisement and entertainment	1,466	1,080
Office expenses	1,144	520
Amortisation of intangible assets	1,068	1,568
Repairs and maintenance expenditure	916	827
Medical expenses	864	524
Insurance	858	694
Training and subscriptions	690	673
Depreciation on investment property	665	448
Bank charges and other fees	600	651
Auditors' remuneration	556	556
Electricity and water	504	388
Legal expenses	325	227
Technical assistance	284	176
Short term lease rentals	278	220
Communication expenses	273	256
Transport and maintenance	165	146
Donations	98	153
	73,862	66,407

Comprising:

Attributable	42,175	39,396
Non-Attributable	31,687	27,011

Staff costs include retirement benefit costs amounting to US\$2,405 (2024: US\$1,865).

19a Investment income

	2025 US\$'000	2024 US\$'000
Amortised Cost		
Interest income from bank deposits	42,773	42,651
Interest income from fixed-rate securities at amortised cost	22,190	10,518
Interest income from Floating-rate Notes	8,257	5,716
	73,220	58,885
Fair value through profit or loss		
Interest income from fixed-rate securities	7,933	12,487
Dividend from quoted equity investments	2,304	1,459
Fair value gains from quoted equity investments	8,818	4,291
Fair value gains from listed bonds	6,589	1,720
	25,644	19,957
Fair Value Through OCI		
Dividend from unquoted equity investments	2,274	3,080
Rental Income	1,566	1,340
Realized gains on equity portfolios	6,073	3,989
Realized losses on bond portfolios	(2,419)	(2,311)
Management fees from equity portfolio	(845)	(435)
Management fees from bond portfolios	(621)	(1,113)
	6,028	4,550
Total	104,892	83,392

19b Other operating income

	2025 US\$'000	2024 US\$'000
Fee income	3,015	1,690
(Loss)/gain on disposal of property and equipment	(832)	35
Sundry income	541	100
	2,724	1,825
Total	107,616	85,217

19c Interest on deposits retained by ceding companies**3,793****4,031**

Fee income relates to fees received from management of the Aviation and Oil & Energy Pools. The pools are special purpose vehicles established by a consortium of insurance and reinsurance companies in Africa.

20 Net foreign exchange loss

These comprise of currency translation losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies.

	2025 US\$'000	2024 US\$'000
Net foreign exchange gain/(loss)	(5,385)	(41,726)

21 Taxation

In accordance with Article 51 of the Agreement Establishing the African Reinsurance Corporation, the Corporation is not subject to tax in member States. The tax charged in the financial statements relates to a subsidiary company's profit, which is computed in accordance with the income tax rules applicable in the subsidiary company's jurisdiction, the Republic of South Africa.

Tax charged in the financial statements is made up of:

	2025 US\$'000	2024 US\$'000
Current income tax charge	3,698	2,112
Deferred income tax charge (Note 14)	952	468
	4,650	2,580

The movement in the tax recoverable account is as follows:

At 1 January	399	1,370
Current tax charge for the year	(3,698)	(2,580)
Tax paid	3,251	1,609
At December	(48)	399

Tax rate reconciliation	%	%
Effective tax rate	25	25
Exempt income	1	1
Disallowed expenses	(1)	(1)
Capital gains tax	2	2
Other		0
South African standard corporate tax rate	27	27

22 Dividends

At the Annual General Meeting (AGM) to be held on 27th June 2026, a final dividend in respect of the year ended 31 December 2025 of US\$ 15.00 per share on 2,952,810 (2024: 2,936,795) existing shares amounting to a total of US\$ 44,292,150 (2024: US\$ 29,367,950) is to be proposed. The dividend declared at the AGM held on 27th June 2025 was charged to shareholders' equity in these financial statements. The liability for the dividend payable on the 2025 results shall be treated as an appropriation of profit in the financial statements for the year ending 31 December 2025.

The movement in the dividends payable account is as follows:

	2025	2024
	US\$'000	US\$'000
At 1 January	11,553	13,828
Final dividends declared	29,368	28,718
Dividends paid	(33,802)	(30,993)
At 31 December	7,119	11,553

23 Notes to the statement of cash flows

a) Reconciliation of profit before tax to cash generated from operations:

	Notes	2025	2024
		US\$'000	US\$'000
Profit before income tax		223,238	135,522
Adjustments for:			
Investment income net of management fees		(114,526)	(89,213)
Depreciation on investment property	10	665	448
Depreciation on property and equipment	11	3,576	1,765
Amortisation of intangible assets	12	1,068	1,568
Loss/(gain) on disposal of property and equipment	19	832	(35)
Movement in ECL		2,285	78
Working capital changes;			
- Retro contract assets		(544)	(62,288)
- Sundry receivables		44,605	(10,047)
- Sundry payables		1,955	1,456
- Exchange difference on deferred tax opening balance	14	115	(18)
- Reinsurance contract liabilities		46,387	141,920
Cash generated from operations		209,656	121,156

23 Notes to the statement of cash flows (Continued)

b) Cash and cash equivalents

	2025	2024
	US\$'000	US\$'000
Cash and bank balances	225,968	250,750
Bank deposits with financial institutions maturing within 90 days	303,085	240,017
Cash and cash equivalents	529,053	490,767

24 Sundry Payable

	2025	2024
	US\$'000	US\$'000
Short term employee benefits	6,342	4,866
Accrued expenses	2,508	4,659
Deferred rental income	298	117
Other payable	4,874	3,172
Long term employee benefits	10,234	9,487
	24,256	22,301
Comprising:		
- current portion	4,948	10,201
- non-current portion	19,308	12,100
	24,256	22,301

25 Related party transactions and balances

Transactions between African Reinsurance Corporation and subsidiaries that are to be deemed related parties have been eliminated in consolidation and are not disclosed in the notes.

African Reinsurance Corporation has established a Staff Provident Fund to provide a long-term savings plan for its employees. The Staff provident fund is considered a related party in accordance with IAS 24. Contributions to the Fund are recognized as expenses.

African Reinsurance Corporation established a Corporate Social Responsibility Foundation to engage in corporate social responsibility projects and initiatives aimed at fostering the development of the insurance and reinsurance industry in Africa.

The Foundation is considered a related party in accordance with IAS 24. Each year, the Corporation allocates an amount up to a maximum of 2% from its yearly net profit after tax to this special fund.

i) Transactions with related parties – Shareholders

No individual shareholder has a controlling interest in the Corporation.

ii) Administration of staff provident fund

	2025 US\$'000	2024 US\$'000
Contributions paid	1,954	1,951

iii) Remuneration for key management personnel

Key management personnel are defined as members of the board of directors of the Corporation, including their close members of family and any entity over which they exercise control. Close members of the family are those who may be expected to influence or be influenced by that individual in dealings with African Reinsurance Corporation.

The Group's key management personnel and persons connected with them are also considered to be related parties for disclosure purposes.

	2025 US\$'000	2024 US\$'000
Directors' fees (non-executive directors)	1,416	972
Other remuneration (elected members of management)		
- Salaries and other short-term benefits	4,085	3,875
- Terminal benefits	13	393

iv) Administration of foundation

Fund allocated to the foundation	4,372	2,659
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26 Management of insurance risks

Insurance risk

The Corporation reinsures all classes of insurance business including Accident and Health, Engineering, Guarantee, Liability, Motor, Fire, Marine, Energy, Aviation, Disability and Life. The bulk of the business written is short tail in nature.

The risk under any one insurance contract is two-fold: underwriting – the possibility that the insured event occurs and reserving – the uncertainty of the amount of the resulting claim.

The Corporation has developed a detailed underwriting manual covering risk acceptance criteria, pricing, accumulation control, authority levels, and reinsurance protection, among others. It guides the underwriters in their acceptances, on the principles of prudence and professionalism within the overall objective of diversifying the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. The priority is to ensure adherence to criteria for risk selection by maintaining high levels of experience and expertise among the underwriting staff. In

addition, the Corporation has put in place a business review structure that ensures control of risk quality and conservative use of policy limits, terms and conditions. An independent department, Technical Inspection, ensures adherence to these guidelines through periodic review of each production centre's operations. The reports of the review are submitted to Management and the Underwriting, Risk Management and Information Technology Governance Committee of the Board. If the attritional claims incurred were 5% higher, the comprehensive income for the year would be lower by USD 24.74 million (2024: USD 22.58 million).

The Corporation enters into retrocession arrangements with reputable retrocessionaires to diversify its risks and reduce the risk of catastrophic loss on reinsurance assumed. The retrocession does not relieve the Corporation of its obligations to the ceding companies. As part of its annual renewals, the financial condition of retrocessionaires is reviewed. As a result, retrocession is placed with a select group of financially secure and experienced companies in the industry. The retrocession arrangements existing are as follows:

31 December 2025		
Class of business	Gross exposure	Net exposure
	US\$'000	US\$'000
Property risk excess of loss	100,000	10,000
Property catastrophe excess of loss	190,000	17,500
Marine & Energy excess of loss	60,000	10,000
Aviation excess of loss	12,000	3,000
Middle East and Asia catastrophe excess of loss	50,000	15,000
Political Violence and Terrorism excess of loss	40,000	10,000

	Annual Aggregate Deductible	Annual aggregate Limit
Non-Marine Aggregate	17,500	25,000
Marine & Energy Aggregate	5,000	10,000

31 December 2024		
Class of business	Gross exposure	Net exposure
	US\$'000	US\$'000
Property risk excess of loss	100,000	10,000
Property catastrophe excess of loss	175,000	17,500
Marine & Energy excess of loss	60,000	10,000
Aviation excess of loss	12,000	3,000
Middle East and Asia Catastrophe excess of loss	35,000	10,000
Political violence and terrorism excess of loss	40,000	10,000

	Annual Aggregate Deductible	Annual aggregate Limit
Non-Marine Aggregate	17,500	25,000
Marine & Energy Aggregate	5,000	10,000

UWYEAR	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Net technical provisions	316,840	308,777	362,044	361,175	378,240	332,706	332,337	374,176	470,083	474,356	512,629
Gross paid (Cumulative)											
1 year later	119,797	139,091	180,724	160,703	139,180	121,206	170,115	153,156	166,119	168,474	157,790
2 year later	192,806	246,051	258,467	232,975	195,761	187,604	249,477	247,662	333,442		
3 year later	222,112	284,952	301,437	267,770	225,153	215,265	289,738	294,287			
4 year later	255,789	327,833	313,342	278,711	243,135	231,008	309,752				
5 year later	263,542	338,850	324,210	290,902	264,262	248,680					
6 year later	274,627	343,020	329,083	296,065	277,981						
7 year later	281,926	349,320	332,657	304,004							
8 year later	284,581	351,904	338,447								
9 year later	288,614	353,703									
10 year later	289,798										
Incurred as of:											
Closed year	316,840	308,777	362,044	361,175	378,240	332,706	332,337	374,176	470,083	474,356	512,629
1 year later	207,895	220,330	266,126	358,229	320,999	271,320	323,050	302,487	365,668	369,892	
2 year later	210,040	218,945	352,974	307,021	306,650	273,274	329,556	353,435	460,717		
3 year later	228,995	284,336	363,798	320,081	311,523	281,567	338,032	365,191			
4 year later	223,315	360,119	364,508	327,591	312,551	288,406	342,190				
5 year later	287,911	364,793	361,937	327,958	316,238	289,830					
6 year later	296,975	366,652	359,923	329,413	314,301						
7 year later	298,557	364,493	356,312	332,794							
8 year later	299,371	363,177	358,422								
9 year later	300,308	364,048									
10 year later	299,168										
Gross redundancy/ (Deficiency)	17,672	(55,271)	3,622	28,381	63,939	42,875	(9,853)	8,984	9,366	104,464	

27 Financial risk management

In the normal course of business, the Corporation uses primary financial instruments such as cash and cash equivalents, bonds, equities and receivables and as a result is exposed to potential losses due to various market risks including changes in interest rates, equity prices and foreign currency exchange rates. The Corporation's financial management activities are guided by the financial regulations as well as the investment policy document. Detailed guidelines are provided in the accounting and administrative procedures manuals. They provide the framework for the investing activities and set specific limits and benchmarks for the acceptable levels of counter party exposure, concentration, credit risk, currency risk, liquidity risk and interest rate risk, among others.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Corporation is exposed to credit risk through its financial assets, which include short-term bank deposits, fixed income securities and receivables.

Short-term bank deposits are placed with financial institutions of very high credit rating and are spread over several of them to avoid undue concentration. The Corporation's financial regulations prescribe minimum acceptable credit rating and maximum allowable exposure to any single counterparty.

The Corporation's fixed income portfolio is managed through use of prudent standards of diversification and rating quality of issues and issuers. Specific provisions limit the allowable holdings of a single issue and issuer and industry or sector. This is to minimise significant concentration risk associated with the fixed income portfolio.

Credit risk relating to receivables is mitigated by the large number of cedants and their dispersion across the continent. A significant number of the companies from whom receivables are due are equally shareholders of the Group. In addition, the liability for outstanding claims is in respect of insurance contracts with the same counter parties. Receivables are presented at present value net of impairment provision. A periodic evaluation of cedants and retrocessionaires is carried out to minimise exposure to significant losses from insolvencies. Transaction terms are also strictly monitored to keep balances as current as possible.



27 Financial risk management (Continued)

Maximum exposure to credit risk before collateral held or other credit enhancements:

	Maximum exposure	
	Group 2025	Group 2024
	US\$'000	US\$'000
Cash and cash equivalents	529,053	490,767
Investments	1,346,122	1,112,046
Sundry receivables	9,910	54,517
Retrocession Contract Assets	170,483	169,938
Total assets bearing credit risk	2,055,568	1,827,268

	2025			
	Cash & cash equivalents	Investments	Retrocession contract assets	Sundry receivables
	US\$'000	US\$'000	US\$'000	US\$'000
Neither past due nor impaired	529,053	1,348,931	170,483	9,910
Past due but not impaired	-	-	-	-
Impaired	-	346	-	-
Gross	529,053	1,349,277	170,483	9,910

	2024			
	Cash & cash equivalents	Investments	Retrocession contract assets	Sundry receivables
	US\$'000	US\$'000	US\$'000	US\$'000
Neither past due nor impaired	490,767	1,113,040	169,938	54,517
Past due but not impaired	-	-	-	-
Impaired	-	411	-	-
Gross	490,767	1,113,451	169,938	54,517
Impairment allowance – collective	-	1,405	-	-
Net	490,767	1,112,046	169,938	54,517

27 Financial risk management (Continued)

The assets above are analysed in the table below using Standard & Poor's (S&P) rating (or equivalent when not available from S&P)

At 31 December 2025:

	AAA	AA	A	BBB	Below BBB	Not Rated
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Cash and cash equivalents		5,151	259,193	4,515	260,111	83
Investments	29,629	146,706	364,981	193,241	568,666	42,899
Sundry receivables						9,910
Retro contracts held			170,483			
	29,629	151,857	794,657	197,756	828,777	52,892

At 31 December 2024:

	AAA	AA	A	BBB	Below BBB	Not Rated
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Cash and cash equivalents		3,772	228,567	9,467	225,219	23,742
Investments	23,790	145,749	346,686	155,376	385,207	55,238
Sundry receivables						54,517
Retro contracts held			169,938			
	23,790	149,521	745,191	164,843	610,426	133,497

b) Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in raising funds to meet commitments associated with reinsurance contracts and other obligations as and when due. The Corporation's investment guidelines prescribe minimum levels of financial assets to be held in cash and cash instruments. Cash instruments include bank deposits with maturities of less than 90 days. In addition, the actively managed portfolios are traded on highly liquid markets and as such can easily supplement the Corporation's liquidity requirement in the event of any shortfall.

The table below analyses the Corporation's key financial assets and liabilities into relevant maturity groupings based on the remaining period at 31 December 2025 to the earlier of the repricing or contractual maturity date.

27 Financial risk management (Continued)

At 31 December 2025 (IN US\$'000)	Up to 1 year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Over 5 years	Total
FINANCIAL ASSETS							
Cash and cash equivalents	529,053	-	-	-	-	-	529,053
Retrocession contract assets	49,784	63,315	18,843	4,603	5,130	28,808	170,483
	578,837	63,315	18,843	4,603	5,130	28,808	699,536

Investments:							
Bank deposits	438,188	-	-	-	-	-	438,188
Fixed rate securities at fair value	19,642	5,589	6,088	10,324	13,329	80,845	135,817
Floating rate securities at fair value through profit or loss	12,203	23,516	23,534	12,319	6,090	29,449	107,111
Fixed rate securities at amortized cost	35,143	53,723	25,675	33,375	40,289	319,074	507,279
Floating rate securities at cost	-	11,979	318	1,233	5,642	4,931	24,103
Equity investments at fair value	90,725	-	-	-	-	-	90,725
Unquoted equity investments at fair value	-	-	-	-	-	42,899	42,899
Total investments	595,901	94,807	55,615	57,251	65,350	477,198	1,346,122
Total assets	1,174,738	158,122	74,458	61,854	70,480	506,006	2,045,658

FINANCIAL LIABILITIES							
Sundry payables	4,948	509	554	713	672	16,860	24,256
Dividend payable	2,759	1,019	890	635	555	1,261	7,119
Reinsurance contract liabilities	246,841	201,709	117,448	60,685	104,263	6,128	737,074
Total liabilities	254,548	203,237	118,892	62,033	105,490	24,249	768,449

27 Financial risk management (Continued)

At 31 December 2024 (IN US\$'000)	Up to 1 year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Over 5 years	Total
FINANCIAL ASSETS							
Cash and cash equivalents	490,767	-	-	-	-	-	490,767
Retrocession contract assets	59,093	67,941	9,201	6,513	5,537	21,653	169,938
	549,860	67,941	9,201	6,513	5,537	21,653	660,705

Investments:							
Bank deposits	389,395	-	-	-	-	-	389,395
Fixed rate securities at fair value	16,222	14,047	6,993	9,339	15,912	71,446	133,959
Floating rate securities at fair value through profit or loss	6,454	17,964	18,170	7,072	4,004	705	54,369
Fixed rate securities at amortized cost	19,450	50,483	36,927	18,896	25,048	205,258	356,062
Floating rate securities at cost	-	4,940	8,050	12,855	15,270	25,600	66,715
Equity investments at fair value	66,639	-	-	-	-	-	66,639
Unquoted equity investments at fair value	-	-	-	-	-	44,907	44,907
Total investments	498,160	87,434	70,140	48,162	60,234	347,916	1,112,046
Total assets	1,048,020	155,375	79,341	54,675	65,771	369,569	1,772,751

FINANCIAL LIABILITIES							
Sundry payables	10,201	6,308	3,150	360	2,282	-	22,301
Dividend payable	4,167	1,812	1,285	1,431	827	2,031	11,553
Reinsurance contract liabilities	151,485	233,149	92,332	41,934	11,989	159,798	690,687
Total liabilities	165,853	241,269	96,767	43,725	15,098	161,829	724,541

27 Financial risk management (Continued)

c) Market risk

i) Interest rate risk

The Corporation's exposure to interest rate changes is primarily concentrated in the actively managed fixed income portfolio, which is reported at fair value. Changes in interest rate will have an immediate impact on the Corporation's reported net income and consequently the shareholders' funds. The main objective of the fixed income portfolio is current income and price appreciation and therefore to mitigate the effect of price volatility, the portfolio has been positioned with an average duration of less than 5 years.

Note 4 discloses the weighted average interest rate on principal interest-bearing investments.

Interest rate sensitivity	US\$'000	
	100 bps parallel increase	100 bps parallel decrease
2025	(9,474)	9,474
2024	(7,345)	7,345

The sensitivity table above is presented to show the impact of changes in interest rates on profit or loss.

ii) Equity price risk

Equity price risk refers to the potential loss in fair value resulting from adverse changes in the fair value of stocks that the Corporation has invested in. The Corporation maintains an actively managed equity portfolio and, as such, is exposed to stock market price fluctuations. The Corporation does not use any derivatives to manage this risk but rather uses the mechanism of diversification in all forms, including limits on single stock, industry and sector allocation and geographical distribution among others. The investment guidelines provide a cap on the total financial assets to be held in equities.

Sensitivity analysis of level 3 equity instruments is provided below:

Equity sensitivity analysis	US\$'000	
	10% market drop	10% market appreciation
2025	(4,290)	4,290
2024	(4,991)	4,991

27 Financial risk management (Continued)

iii) Currency risk

The Corporation maintains assets and liabilities in several currencies and thus is exposed to the risk of exchange rate movements associated with assets and liabilities matching. The Corporation does not apply hedging techniques to mitigate its currency risk but ensures the net exposure to this risk is within acceptable levels by constantly reviewing the level of mismatch. The Corporation has offices in seven locations whose currencies, in addition to its unit of account, represent approximately 95% of its business volumes. The assets and liabilities in these currencies are matched to the level desired by the group.

The Corporation transacts business with counterparties in a number of countries and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the euro, Central Africa Republic CFA, South African rand, Kenyan shilling and Nigerian naira. The Corporation's primary exposure are to the South African rand, Central Africa Republic CFA and the euro. Foreign exchange risk arises from reinsurance transactions recorded in local currencies, investments in non-reporting currencies and recognised assets and liabilities in foreign operations.

The tables on pages 136 and 137 show the various currencies in which the group's assets and liabilities were denominated as at 31 December 2025 and 2024. The non-US dollar balances reflect the significant foreign currency exposures.

Currency sensitivity analysis	10% depreciation against the USD	10% appreciation against the USD
	US\$'000	US\$'000
Impact on Equity		
2025	(41,319)	41,319
2024	(32,949)	32,949

27 Financial risk management (Continued)

At 31 December 2025: (in US\$'000)	USD	ZAR	GBP	CFA/EUR	MAD	EGP	NGN	KES	MUR	Others	TOTAL
ASSETS											
Cash and cash equivalents	252,583	59,019	9,453	111,838	29,572	9,544	17,957	7,890	1,469	29,728	529,053
Retrosession contract assets	119,672	3,661	357	20,891	1,474	1,239	2,003	3,467	12,274	5,445	170,483
	372,255	62,680	9,810	132,729	31,046	10,783	19,960	11,357	13,743	35,173	699,536
Investments:											
Bank deposits	256,200	71,666	-	15,055	-	7,225	333	66,893	-	20,816	438,188
Fixed rate securities at fair value	91,949	28,192	-	-	-	-	1,358	13,970	-	348	135,817
Floating rate securities at fair value through profit or loss	76,022	31,089	-	-	-	-	-	-	-	-	107,111
Fixed rate securities at amortised cost	386,829	33,076	7,721	78,548	-	-	869	-	-	236	507,279
Floating rate securities at cost	15,304	-	809	7,990	-	-	-	-	-	-	24,103
Equity investments at fair value	74,742	12,940	-	-	-	-	6	3,037	-	-	90,725
Unquoted Equity investments at fair value through OCI	40,271	-	-	1,919	-	-	709	-	-	-	42,899
Total Investments	941,317	176,963	8,530	103,512	-	7,225	3,275	83,900	-	21,400	1,346,122
Total Assets	1,313,572	239,643	18,340	236,241	31,046	18,008	23,235	95,257	13,743	56,573	2,045,658
LIABILITIES											
Sundry payables	20,787	1,466	16	73	492	317	498	122	479	6	24,256
Dividend payable	7,119	-	-	-	-	-	-	-	-	-	7,119
Reinsurance contract liabilities	433,458	88,203	14,658	86,938	1,109	15,258	16,491	48,082	10,246	22,631	737,074
Total liabilities	461,364	89,669	14,674	87,011	1,601	15,575	16,989	48,204	10,725	22,637	768,449
NET POSITION	852,208	149,974	3,666	149,230	29,445	2,433	6,246	47,053	3,018	33,936	1,277,209

Key to currency abbreviations: USD – United States Dollar; ZAR – South African Rand; GBP – United Kingdom Pound; CFA – CFA Franc; EUR – Euro; MAD – Moroccan Dirham; EGP – Egyptian Pound; NGN – Nigerian Naira; KES – Kenyan Shilling; MUR – Mauritius Rupee

27 Financial risk management (Continued)

At 31 December 2024: (in US\$'000)	USD	ZAR	GBP	CFA/EUR	MAD	EGP	NGN	KES	MUR	Others	TOTAL
ASSETS											
Cash and cash equivalents	244,183	59,380	4,668	44,326	21,621	6,966	11,187	59,808	279	38,349	490,767
Retrosession Contract Assets	137,214	5,145	289	16,532	1,191	(6)	1,907	2,950	217	4,499	169,938
	381,397	64,525	4,957	60,858	22,812	6,960	13,094	62,758	496	42,848	660,705
Investments:											
Bank deposits	236,853	62,482	2,789	55,010	-	3,563	-	22,136	-	6,562	389,395
Fixed rate securities at fair value	84,401	39,961	-	-	-	-	-	9,597	-	-	133,959
Floating rate securities at fair value through profit or loss	54,369	-	-	-	-	-	-	-	-	-	54,369
Fixed rate securities at amortised cost	274,326	34,108	7,732	39,896	-	-	-	-	-	-	356,062
Floating rate securities at cost	66,715	-	-	-	-	-	-	-	-	-	66,715
Equity investments at fair value	55,792	9,205	-	-	-	-	2	1,640	-	-	66,639
Unquoted Equity investments at fair value through OCI	44,197	-	-	638	-	-	72	-	-	-	44,907
Total Investments	816,653	145,756	10,521	95,544	-	3,563	74	33,373	-	6,562	1,112,046
Total Assets	1,198,050	210,281	15,478	156,402	22,812	10,523	13,168	96,131	496	49,410	1,772,751
LIABILITIES											
Sundry payables	19,340	1,667	(19)	(216)	403	270	889	(623)	318	272	22,301
Dividend payable	11,553	-	-	-	-	-	-	-	-	-	11,553
Reinsurance contract liabilities	513,527	102,532	3,058	57,781	(18,519)	7,629	20,670	57,016	14,522	(67,529)	690,687
Total liabilities	544,420	104,199	3,039	57,565	(18,116)	7,899	21,559	56,393	14,840	(67,257)	724,541
NET POSITION	653,630	106,082	12,439	98,837	40,928	2,624	(8,391)	39,738	(14,344)	116,667	1,048,210

Key to currency abbreviations: USD – United States Dollar; ZAR – South African Rand; GBP – United Kingdom Pound; CFA – CFA Franc; EUR – Euro;

MAD – Moroccan Dirham; EGP – Egyptian Pound; NGN – Nigerian Naira; KES – Kenyan Shilling; MUR – Mauritius Rupee

28 Investments in subsidiary companies

Details of the Group's material subsidiaries at the end of the reporting period are as follows.

	Principal Activity	Share capital US\$'000	Holding	2025 US\$'000	2024 US\$'000
African Reinsurance Corporation (South Africa) Limited	Reinsurance services	*	100%	*	*
African Retakaful Company	Reinsurance services	30,000	100%	30,000	30,000
Sherborne Number Ten Parktown Investments Proprietary (South Africa) Limited	Property holding	*	100%	*	*
Africa Re Underwriting Agency Dubai (United Arab Emirates) Limited	Reinsurance services	500	100%	500	500

* Less than US\$ 1,000 (African Reinsurance Corporation (South Africa) limited – 7 ordinary shares of 0.01 rand; Sherborne Number Ten Parktown Investments Proprietary (South Africa) Limited – 40,000 ordinary shares of 0.10 Rand)

African Reinsurance Corporation (South Africa) Limited has its financial year end on 31 December, African Retakaful Company on 31 December and Sherborne Number Ten Parktown Investments Proprietary (South Africa) Limited on 31 August.

28 Investments in subsidiary companies (Continued)

African Reinsurance Corporation (South Africa) Limited

African Reinsurance Corporation (South Africa) Limited was incorporated on 9 January 2004. The principal activity of the company is provision of reinsurance services to the countries of the rand zone as well as Botswana. It made a profit of US \$15.08 million during the year ended 31 December 2025 (2024: US \$ 7.59 million). The relevant activities of African Reinsurance Corporation (South Africa) Limited are determined by its board of directors based on simple majority votes where each share carries one vote.

Therefore, the conclusion of the directors of the Group is that the Group has control over African Reinsurance Corporation (South Africa) Limited and the financial information of African Reinsurance Corporation (South Africa) Limited is consolidated in these financial statements

Set out below is the summarised financial information of the subsidiary

African Reinsurance Corporation (South Africa) Limited	2025	2024
Summarised statement of financial position	US\$'000	US\$'000
Total assets	361,787	291,731
Total liabilities	(270,051)	(224,039)
Net assets	91,736	67,693

Summarised statement of profit or loss and other comprehensive income		
Gross Insurance Service Result	47,864	24,369
Profit before income tax	19,729	10,170
Income tax expense	(4,650)	(2,580)
Profit for the year	15,079	7,590

Summarised statement of cash flows		
Net cash flow from/ (used in) operating activities	19,338	14,266
Net cash (used in)/generated from investing activities	(7,923)	(14,226)
Net increase /(decrease) in cash and cash equivalents	11,415	40
Cash and cash equivalents at beginning of year	3,717	3,677
Cash and cash equivalents at end of year	15,132	3,717

28 Investments in subsidiary companies (Continued)

African Retakaful Company

African Retakaful Company was incorporated on 1 September 2010. The principal activity of the company is provision of reinsurance products which are fully sharia compliant. The company made a profit of US\$4.52 million during the year ended 31 December 2025 (December 2024: US\$2.03 Million). The relevant activities of African Retakaful Company are determined by its board of directors based on simple majority votes where each share carries one vote.

Therefore, the conclusion of directors of the Group is that the Group has control over African Retakaful Company and the financial information of African Retakaful Company is consolidated in these financial statements.

Set out below is the summarised financial information of the subsidiary.

African Retakaful Company Limited	2025	2024
Summarised statement of financial position	US\$'000	US\$'000
Total assets	205,405	175,868
Total liabilities	(85,924)	(76,933)
Net assets	119,481	98,935

Summarised statement of profit or loss and other comprehensive income		
Net earned premium	12,813	16,446
(Loss)/Profit before income tax	4,521	2,029
Other comprehensive income		
Total comprehensive income	4,521	2,029

Summarised statement of cash flows		
Net cash generated from/(used in) operating activities	11,245	13,107
Net cash from investing activities	(14,982)	(12,615)
Net (decrease)/increase in cash and cash equivalents	(3,737)	492
Cash and cash equivalents at beginning of year	11,270	10,778
Cash and cash equivalents at end of year	7,533	11,270

Sherborne Number Ten Parktown Investments Proprietary (South Africa) Limited

Sherborne Number Ten Parktown Investments Proprietary (South Africa) Limited was purchased by African Reinsurance Corporation in October 2012. The principal activity of the company is property holding. The company reported a profit of US\$ 22,000 during the year ended 31 December 2025 (2024: US\$ 66,000). The relevant activities of Sherborne Number Ten Parktown Investments Proprietary (South Africa) Limited are determined by its board of directors based on simple majority votes where each share carries one vote.

Therefore, the conclusion of the directors of the Group is that the Group has control over Sherborne Number Ten Parktown Investments Proprietary (South Africa) Limited and therefore, the financial information of Sherborne Number Ten Parktown Investments Proprietary (South Africa) Limited is consolidated in these financial statements.

Set out below is the summarised financial information of the subsidiary.

Sherborne Number Ten Parktown Investments Proprietary (South Africa) Limited (Continued)

Summarised statement of financial position	2025	2024
	US\$'000	US\$'000
Total assets	7,702	1,570
Total liabilities	(6,495)	(524)
Net assets	1,207	1,046

Summarised statement of profit and loss and other comprehensive income		
Net Income	291	110
Profit before income tax	31	90
Income tax expense	(9)	(24)
Total comprehensive income/(loss)	22	66

Summarised statement of cash flows		
Net cash generated from operating activities	-	-
Net cash used in from investing activities	-	-
Net cash generated from financing activities	-	-
Net increase in cash and cash equivalents	-	-
Net (loss)/gain on liquid assets	-	-
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of year	-	-

Sherborne Number Ten Parktown Investments Proprietary (South Africa) Limited is consolidated in these financial statements.

Africa Re Underwriting Agency Dubai (United Arab Emirates) Limited

African Re Underwriting Agency Dubai (United Arab Emirates) Limited was incorporated on 28th April 2020. The principal activity of the company is Insurance Management. It commenced operation on 1st of January 2021.

Therefore, the conclusion of directors of the Group is that the Group has control over African Re Underwriting Agency and the financial information of African Re Underwriting Agency is consolidated in these financial statements.

Set out below is the summarised financial information of the subsidiary.

Summarised statement of financial position	2025	2024
	US\$'000	US\$'000
Total assets	1,152	1,137
Total liabilities	(334)	(637)
Net assets	818	500

Summarised statement of profit and loss and other comprehensive income		
Net Income	195	125
Profit before income tax	203	128
Income tax expense	(9)	(3)
Total comprehensive income	194	125

Summarised statement of cash flows		
Net cash generated from operating activities	126	104
Net cash (used in)/generated from investing activities	(14)	6
Net cash generated from financing activities	(78)	(79)
Net increase in cash and cash equivalents	34	31
Cash and cash equivalents at beginning of year	302	271
Cash and cash equivalents at end of year	336	302

29 Contingent liabilities

There are no material contingent liabilities in respect of pending litigations involving the Corporation for which no provisions have been made in these financial statements.

30 Leases

The Corporation as a lessee

The Corporation has right-of-use assets in respect of some of the land used in constructing office and residential buildings. These right-of-use assets are classified together with the other similar assets owned by the Corporation under Property and Equipment in Note 11.

The Corporation also hold leases of offices for its Sudan, Uganda, Ethiopia, Kinshasa and United Arab Emirates Offices. The future minimum lease payments leases are as follows:

	2025	2024
	US\$'000	US\$'000
Not later than 1 year	88	247
Later than 1 year and not later than 3 years	339	339
	427	586

The Corporation's total assets was considered in concluding that the above leases are not material to the overall financial statements and will continue to be expensed on straight line basis in line with the relief from capitalising granted in IFRS 16.

The Corporation as a lessor

At the end of the reporting period, the lettable portion of the Corporation's headquarters building in Lagos as well as regional office buildings in Nairobi, Ebene, Cairo, Abidjan and Casablanca had been contracted with tenants for the following future lease receivables:

	2025	2024
	US\$'000	US\$'000
Not later than 1 year	923	939
Later than 1 year and not later than 3 years	902	1,067
Later than 3 year and not later than 7 years	143	132
	1,968	2,138

31 Capital management

The Corporation is not subject to any externally imposed capital requirements. However, the Corporation will continue to actively grow its available capital to meet rating agencies' requirements for its target rating as well as achieve a comfortable internally determined capital adequacy ratio (available capital divided by required risk adjusted capital).

The Corporation's objectives in managing its capital are:

- To match the profile of its assets and liabilities, taking account of the risks inherent in the business;
- To maintain financial strength to support new business growth;
- To satisfy the requirements of its reinsured and rating agencies;
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets;
- To safeguard the corporation's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk.

The Corporation has several of sources of capital available to it and seeks to optimise its retention capacity to ensure that it can consistently maximise returns to shareholders. The Corporation considers not only the traditional sources of capital funding but the alternative sources of capital including retrocession, as appropriate, when assessing its deployment and usage of capital. The Corporation manages as capital all items that are eligible to be treated as capital.

The constitution of capital managed by the corporation is as shown below:

	2025	2024
	US\$'000	US\$'000
Share capital	295,281	293,680
Share premium	228,236	225,640
Other reserves	526,185	367,450
Retained earnings	346,613	272,059
	1,396,315	1,185,829

32. Events after the reporting date

After the reporting date, geopolitical tensions escalated in the Middle East, particularly involving Iran, Israel, the United States and neighbouring gulf countries. Although the Corporation does not underwrite business in Iran, certain markets in the region where it operates may be indirectly affected.

Management has assessed these developments and, at this time, is unable to reliably estimate the potential financial impact. The Corporation will continue to monitor the situation and assess any implications for future periods.

Appendix

Consolidated statement of profit or loss by class of business

	Accident & Motor	Marine & Aviation	Energy	Fire & Engineering	Life	Total
Reinsurance Service revenue	308,872	71,037	184,536	570,944	139,600	1,274,989
Reinsurance service expense	(270,040)	(54,184)	(98,919)	(396,169)	(125,404)	(944,716)
Reinsurance service result before retrocession contracts held	38,832	16,853	85,617	174,775	14,196	330,273
Net expense from retrocession contracts held	(11,771)	(5,719)	(58,050)	(53,211)	(3,861)	(132,612)
Reinsurance service result	27,061	11,134	27,567	121,564	10,335	197,661
Reinsurance finance expenses for reinsurance contracts issued	(13,749)	(3,248)	(12,420)	(27,221)	(1,792)	(58,430)
Retrocession finance income for retrocession contracts held	302	206	7,390	1,630	142	9,670
Net reinsurance financial result	(13,447)	(3,042)	(5,030)	(25,591)	(1,650)	(48,760)
Insurance Service Result	13,614	8,092	22,537	95,973	8,685	148,901
Interest on Reinsurance Deposits					3,793	
Non-Attributable Expense					(31,687)	
Net Insurance Result						121,007
Investment and Other Income					107,616	
Exchange Gain/(Loss)					(5,385)	
Profit Before Tax						223,238
Income Tax					(4,650)	
Profit for the year						218,588



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