



# PRESS RELEASE

African Reinsurance Corporation  
Société Africaine de Réassurance

Lagos, 6 September 2021

## **Africa Re Sustained Improved Underwriting and Investment Performance for the 1<sup>st</sup> Semester 2021**

The African Reinsurance Corporation (Africa Re) recorded a gross premium income of US\$421 million in the first six months of 2021 compared to US\$393 million reported in the same period of 2020, translating to a 7.2% growth of the gross written premium, which is a reflection of the ongoing recovery of businesses and the society from the new Covid-19 operating environment. The good performance was supported by additional facultative acceptances mostly in the oil & gas portfolios. There was also a positive impact of the appreciation of a few of our operating currencies against the US Dollar, especially the Rand and CFA. The gains on currency fluctuation were slightly offset by the significant devaluation of the Sudanese Pound.

The year-to-date claims experience as measured by the net incurred loss ratio improved to 61.9% compared to 64.6% in the same period of 2020. The restructuring of previously poor performing portfolios continues to yield positive results on the claims experience despite a slight increase of the overall cost of the Covid-19 related insurance claims which continue however to be within expectation.

The increase by 22% of the business acquisition costs from US\$71 million in June 2020 to US\$86 million, translating to an expense ratio of 28.5% compared to 24.4% in June 2020, was a result of the increase in the top line combined with higher than usual profit commissions paid to ceding insurance companies whose solvency relief contracts performed exceptionally better.

Consequently, the combined ratio at the end of June 2021 stood at 96.9%, an improvement over prior year's 98.1%.

As a result, net underwriting profit for the 1<sup>st</sup> semester of 2021 closed at US\$9.2 million, outperforming the US\$5.4 million reported in June 2020 by 69.1%.

Investment income for the reported period was US\$31.3 million, a significant improvement of 68.3% over US\$18.5 million recorded in the first semester of 2020. The positive performance was driven by capital gains and improved performance of most equities leading to higher dividend paid.

As a result of above underwriting and investment performance, the Net Profit for the 1<sup>st</sup> semester of 2021 was US\$23.7 million, outperforming by 27% the US\$18.7 million achieved in the same period of 2020.

The Group MD/CEO of the Corporation, Dr. Corneille Karekezi, while commenting on the performance at the end of the first half-year of 2021 stated that: *"it is pleasing to note that the positive performance achieved in the first quarter of the year is being sustained through the first semester of 2021 and we remain cautiously optimistic for the rest of the year, barring any unforeseen major losses."*

T +234-1-461 6820/461 6828/280 0924/280 0925  
F + 234-1-280 0074  
W [www.africa-re.com](http://www.africa-re.com) E [info@africa-re.com](mailto:info@africa-re.com)

Plot 1679, Karimu Kotun St.  
Victoria Island,  
P.M.B.12765, Lagos, Nigeria