



**African Reinsurance Corporation**  
**Société Africaine de Réassurance**

## Press Release

### **Africa Re Reports Q1 2026 Financial Performance**

15 May 2026, Lagos, Nigeria

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The African Reinsurance Corporation (Africa Re or the Corporation) has reported its financial results for the first quarter ended 31 March 2026 (Q1 2026). The Corporation achieved a profit of US\$16.0 million in Q1 2026, compared to US\$25.6 million in Q1 2025. This result represents a 6.4% profit margin on reinsurance revenue and reflects resilient operating performance despite lower earned premiums, reduced retrocession recoveries, and weaker investment market conditions. Net reinsurance service result stood at US\$30.7 million, while net investment income amounted to US\$17.5 million.

#### **Highlights: Q1 2026 vs Q1 2025**

- **Profit for the quarter:** US\$16.0 million (Q1 2025: US\$25.6 million) - 37.4%
  - **Reinsurance revenue:** US\$249.5 million (Q1 2025: US\$262.1 million) - 4.8%
  - **Net reinsurance revenue:** US\$209.7 million (Q1 2025: US\$216.3 million) - 3.1%
  - **Net reinsurance service result:** US\$30.7 million (Q1 2025: US\$34.3 million) - 10.5%
  - **Net investment income:** US\$17.5 million (Q1 2025: US\$22.0 million) - 20.3%
  - **Shareholders' funds:** US\$1,398.0 million (FY 2025: US\$1,396.3 million)
  - **Total assets:** US\$2,191.0 million (FY 2025: US\$2,166.7 million)
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#### **Performance Overview**

Reinsurance revenue for Q1 2026 declined to US\$249.5 million from US\$262.1 million in Q1 2025, notwithstanding a 9.9% increase in gross written premiums under IFRS 4. The slower translation of written premium growth into IFRS 17 revenue was mainly due to higher reserves for unexpired risks. Reinsurance service expense also reduced by 5.8% to US\$184.0 million, but this was not sufficient to offset the revenue decline, resulting in a marginal reduction in reinsurance service result before retrocession to US\$65.5 million from US\$66.8 million in the prior-year.

The net expense from retrocession contracts held increased to US\$34.8 million from US\$32.5 million in Q1 2025, primarily due to lower loss recoveries from retrocessionaires during the quarter. As a

result, service result before non-attributable expenses declined to US\$30.7 million. Non-attributable expenses remained stable at US\$5.6 million. Meanwhile, a modest improvement in the interest rate environment reduced net reinsurance finance expense to US\$11.6 million from US\$12.5 million in Q1 2025, partially cushioning the decline in operating performance.

## **Investment Performance**

Africa Re's investment portfolio generated a net investment income of US\$17.5 million in Q1 2026, compared with US\$22.0 million in Q1 2025. Investment and other income under IFRS 4 amounted to US\$16.6 million, down 23.9% year-on-year. The decline was largely attributable to capital losses on listed equities and bonds, whose valuations were adversely affected by geopolitical tensions in the Middle East. Notwithstanding this short-term volatility, the Corporation expects market conditions to normalize over time and remains focused on preserving value through disciplined asset allocation and prudent risk management.

## **Financial Position and Capital Strength**

Africa Re maintained a strong balance sheet position in Q1 2026, with total assets increasing to approximately US\$2.191 billion from US\$2.167 billion at year-end 2025. Shareholders' funds increased marginally to about US\$1.398 billion, reinforcing the Corporation's strong capital base and financial resilience. Total liabilities stood at approximately US\$793.3 million, compared to US\$770.4 million at year-end 2025. The Corporation therefore entered the remainder of the year with solid capitalisation, ample liquidity and continued capacity to support clients across its markets.

## **Executive Management Comments**

**Dr. Corneille Karekezi**, Group Managing Director/CEO of Africa Re, commented on the results, saying: *"Our Q1 2026 performance demonstrates the Corporation's resilience in a quarter marked by softer earned revenue, lower retrocession recoveries and volatile financial markets. While profitability moderated from a strong prior-year base, and remained within our appetite and forecast, our underwriting fundamentals remain sound, our capital position remains robust, and our diversified business model continues to support long-term value creation. We will maintain disciplined underwriting, active portfolio optimization and prudent investment management as we navigate the rest of the year."*

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## Additional Information

Since the 2023 financial year, Africa Re has reported its accounts under the new industry accounting and reporting standards, IFRS 17 (*Insurance Contracts*) and IFRS 9 (*Financial Instruments*).

However, for information, comparison, and performance management, the Corporation continues to include financial accounts internally under the old industry accounting and reporting standards IFRS 4 (*Insurance Contracts*) and IAS 39 (*Financial Instruments*).

The table below contains the Key Financial Information of the Unaudited Management Accounts under the two standards.

### IFRS 17: Q1 2026 Key Financial Information of the Profit & Loss Account

Item (US\$'000)	Q1 2026	Q1 2025	Variance
Gross Reinsurance Revenue	249,532	262,144	-4.8%
Net Reinsurance Revenue	209,660	216,312	-3.1%
Net Reinsurance Service Expenses	-178,938	-181,981	-1.7%
Net Reinsurance Service Result	30,722	34,331	-10.5%
Net Reinsurance Finance Result	-11,635	-12,507	-7.0%
Non-Attributable Expenses	-5,594	-5,617	-0.4%
Net Reinsurance Result	13,493	16,207	-16.7%
Net Investment Income	17,538	21,999	-20.3%
Finance Cost & Exchange Losses / Gains	-13,671	-12,099	13.0%
Income Tax	-1,376	-555	147.9%
<b>Net Profit After Tax</b>	<b>15,984</b>	<b>25,552</b>	<b>-37.4%</b>

### IFRS 4: Q1 2025 Key Financial Information of the Profit & Loss Account

Item (US\$'000)	Q1 2026	Q1 2025	Variance
Gross Written Premium	316,339	287,860	9.9%
Gross Earned Premium	249,532	262,144	-4.8%
Net Earned Premium	200,986	207,613	-3.2%
Net Technical Expenses	-175,338	-180,315	-2.8%
Management Expenses	-14,414	-14,011	2.9%
Net Underwriting Result	11,234	13,287	-15.5%
Investment and Other Income	16,637	21,862	-23.9%
Finance Cost & Exchange Losses / Gains	-13,671	-12,099	13.0%
Income Tax	-1,376	-555	147.9%
<b>Net Profit After Tax</b>	<b>12,824</b>	<b>22,496</b>	<b>-43.0%</b>

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**About Africa Re**

Africa Re is a leading reinsurance company and the premier reinsurer of the African continent, boasting the highest premium income volumes and the strongest financial strength ratings.

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

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

Established in 1976 and headquartered in Lagos (Nigeria), Africa Re is a pan-African financial institution with a broad-based shareholding split between African (75%) and non-African (25%) investors. African shareholding comprises 42 African member States, the African Development Bank (AfDB), and 112 African insurance/reinsurance companies from the 42 member States. The other investors are 3 leading global insurance and reinsurance groups whose parent companies are based in France, South Africa, Germany, and Canada.

Africa Re's covers its core markets through offices located in key cities: 6 regional offices (Lagos, Casablanca, Abidjan, Nairobi, Ebène -Mauritius-, Cairo), 3 representative offices (Addis Ababa, Khartoum, and Kampala), and 4 fully owned subsidiaries in Johannesburg (Africa Re South Africa), Cairo (Africa Retakaful Company), Dubai (DIFC Underwriting Management Agency), and recently India (Africa Re Gujarat GIFT City).