

Africa Re Recorded Improved Underwriting and Investment Performance for the 1st Quarter 2023

The African Reinsurance Corporation (Africa Re) recorded a Gross Premium Income of US\$ 231 million in the first 3 months of 2023, translating to a 5.8% growth from the US\$ 218 million reported for the same period of 2022. The good performance is explained by a successful marketing effort, leading to new business acquisitions, improved market prices, and moderate economic growth by most countries in Africa.

In the 1st quarter of 2023, the Africa Re Gross Claims Paid figure was US\$ 87 million, while the previous year's figure was US\$ 98 million. The decline of 10.9% in claims paid amount is explained by a favorable claims experience, despite the earthquakes of February 2023 in Turkey and Syria, and other floods in some parts of Africa.

In the period under review, Net Commissions and Charges Paid by Africa Re amounted to US\$ 40 million, while US\$ 42 million was paid in the same period in 2022. This decrease (in cost) of 5.24% can be explained by the drop in solvency relief contracts premium volume.

The Combined Ratio at the end of the 1st quarter of 2023 stood at 90.75%, an improvement compared to the 1st quarter of 2022 when we registered 92.72%.

As a result of above, the Net Underwriting Profit for the 1st quarter of 2023 closed at US\$ 16.4 million, outperforming by 29.86% the US\$ 12.6 million reported in March 2022.

Investment Income for the reported period was a profit of US\$ 18.8 million, a significant improvement of 506.1% over the loss of US\$ 4.6 million recorded in the 1st quarter of 2022. The positive performance was driven by capital gains from equities and higher yields on cash deposits.

As a result of above strong underwriting and investment performance, the Net Profit for the 1st quarter of 2023 was a profit of US\$ 31.98 million, outperforming by 364.16% the loss of US\$ 12.11 million achieved in the same period of 2022.

The Group MD/CEO of Africa Re, Dr. Corneille Karekezi, while commenting on the performance at the end of the first quarter of 2023 stated that, *"we are optimistic that this performance trend will be maintained for the rest of the year 2023, despite harsh macro-economic conditions in our African markets, and other global headwinds from the stubborn inflation, higher interest rates, which all put pressure on the strength of African currencies and ability to resume a strong economic growth."*



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About Africa Re

Africa Re is the Africa's premier reinsurance company headquartered in Lagos, Nigeria, and leader in premium income volume and financial 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.

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

Africa Re broad-based shareholding is made of 42 African member States, the African Development Bank, more than 113 African insurers and reinsurers, and 3 global leading insurance groups.

Africa Re market coverage is made through 9 regional and representative offices located in key African cities (Lagos, Casablanca, Abidjan, Nairobi, Mauritius, Cairo, Addis Ababa, Khartoum and Kampala), and 3 fully owned subsidiaries in South Africa (Africa Re SA), Cairo Free Zone (Africa Retakaful Company) and Dubai (Underwriting Management Agency).