

## **Africa Re Recorded a Significant Improvement of its Overall Net Profit for the Half-Year of 2023**

The African Reinsurance Corporation (Africa Re) recorded a Gross Written Premium Income of US\$ 529 million for the first semester of 2023, translating to a 17.89% growth from the US\$ 449 million reported for the same period of 2022. The excellent performance is explained by a successful marketing effort, leading to new business acquisitions, improved market prices, and a moderate growth in most of African economies which remained resilient during the period under review..

In the first half of the year 2023, Africa Re recorded Gross Incurred Claims of US\$ 238 million, while the previous year's figure was US\$ 282 million. The reduction of 15.66% is attributable to the improvement in claims experience across the business units of the Corporation. In the same vein, the retrocession share of incurred claims reduced from US\$ 62 million in 2022 to US\$21 million at half year 2023. The combination of these resulted in a Net Incurred Claims reduction to US\$ 217 million from US\$ 220 million recorded in the half-year of 2022.

In the period under review, Net Commissions and Charges incurred by Africa Re amounted to US\$ 113 million, against US\$ 96 million paid in the same period in 2022. This increase of 17.71% in the net acquisition cost is explained by the increase in the written premium volume.

The Combined Ratio at the end of the first half of 2023 stood at 91.70%, a significant improvement compared to the same period of 2022 which registered 97.03%.

As a result of above, the Net Underwriting Result for the half year of 2023 closed at US\$ 31.97 million, outperforming by 207.67% the underwriting result of US\$ 10.39 million reported at end of June 2022.

Investment Income for the reported period was a sterling profit of US\$ 34.54 million, a significant improvement of 378.6% over the loss of US\$ 12.4 million recorded in the half year of 2022. The positive performance was driven by capital gains from equities and higher yields on cash deposits.

As a result of the above strong underwriting and investment performance, the Overall Net Profit for the half year of 2023 is a strong profit of US\$ 48.51 million, outperforming by 317.48% the loss of US\$ 22.31 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 half year of 2023 stated that, *"The excellent performance in the first semester of the year 2023 is a result of combined marketing efforts, favourable market price momentum, strong recovery of global financial market, and resilience of African economies. This performance may be maintained for the rest of the year 2023 if macro-economic conditions in our core African markets, especially the stability of foreign currency exchange rates, remain relatively stable, financial market performance is sustained to the end of the year 2023 and global financing conditions do not deteriorate further."*



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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, financial strength ratings and customer service.

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, strong financial ratings (A / Stable by AM Best and A - / Stable by S&P), privileged access to African markets, and excellent customer service.

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).