



African Reinsurance Corporation
Société Africaine de Réassurance

Press Release

2023 Financial Performance

1st March 2024, Lagos, Nigeria

Africa Re hits and exceeds the US\$ 1 Billion milestone in the top line with a historic bottom line driven by strong underwriting performance and investment income.

- **Posted historical record Gross Written Premium of US\$ 1.106 billion.**
- **Recorded a strong Net Underwriting Income of US\$ 54.806 million.**
- **Achieved record Investment and Other Income of US\$ 73.873 million.**
- **Realized record Net Income of US\$ 129.145 million.**
- **Delivered strong Return on Average Equity of 12.59%.**
- **Increased Shareholders' Fund by 6.95%.**
- **Adopted the IFRS 9 and 17 Accounting Standard from 2023.**

Africa Re posted a record gross written premium and net income in the 2023 financial year based on preliminary and unaudited key figures under IFRS4.

Based on preliminary and unaudited figures under IFRS 4, Africa Re recorded a Gross Written Premium of US\$ 1.106 billion translating into an annual growth of 16.25%, surpassing our most recent forecasts for the year 2023. The growth was attributable to successful marketing efforts, leading to new business acquisitions, improved market prices, strong reinsurance demand, and moderate economic growth in our core markets. At constant exchange rates at end of 2022, a Gross Written Premium of US\$ 1.199 billion would have been achieved translating into a growth of almost 25.92%.

Africa Re achieved a strong underwriting performance due to its underwriting excellence, price adjustment, and diversified portfolio. The impact of some natural catastrophes, especially the earthquakes in Türkiye and Morocco, as well as other major losses reported in 2023, are all within its risk appetite and retrocession protection arrangements. As

(re)insurers, we are in the business of paying claims and this is part of our responsibility to all stakeholders. This strong underwriting result translated into an improvement of the Net Combined Ratio to 93.51% (2022: 94.45%) and a Net Underwriting Profit of US\$ 54.806 million (2022: US\$ 40.999 million), an improvement of 33.68%.

The Investment and Other Income achieved in 2023 was US\$ 73.873 million compared with US\$ 13.124 million in the previous year. The recovery from the capital losses recorded in 2022 and the high interest rate environment resulted in an improvement of 462.88%.

The **Group MD / CEO, Dr. Corneille Karekezi**, while commenting on the performance proudly noted that *"the milestone achievement in gross written premium at US\$ 1 Billion recorded in 2023 is a psychological victory for Africa Re, especially as this milestone was initially to be crossed within or at the end of our 2014-2018 strategy horizon. As we report our financial statements in US Dollar and the vast majority of our business is originally denominated in African currencies, growing the topline has been more challenging than we expected. Crossing that milestone is a testimony of the resilience of the Corporation in face of the continuous depreciation and devaluation of our operating African currencies against the US\$ since 2015, as well as other macroeconomic challenges including geopolitical tensions, low economic growth and sovereign debt crisis. For example, at stable exchange rates of 2011, 2012 and 2013, the Corporation would have surpassed the US\$ 1 Billion milestone in 2017. It is better late than never, and this reaffirms Africa Re as an African success story."*

The Corporation recorded a Net Income of US\$ 129.145 million compared with US\$ 23.733 million in 2022. This is an improvement of 444.16%.

The capital position of Africa Re remains at the strongest levels based on the assessment of rating agencies with a growth of 6.95% in Shareholders' Funds. This has restored our Return on Average Equity to double digits of 12.59%, compared with average of 5.16% recorded from 2018 – 2022.

Dr. Corneille Karekezi further stated that *"2023 is the best year in our history based on the net income. As we celebrate our 48th Founders Day in this month of February 2024, we remain grateful to our founding fathers, hardworking colleagues and strategic partners for their commitment and support as well as our customers for their continued trust in Africa Re."*

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About Africa Re

The African Reinsurance Corporation (Africa Re) is a leading reinsurance company headquartered in Lagos (Nigeria). As a premier reinsurer of the African continent, it boasts one of the top 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.

Africa Re, as the leading reinsurance company in Africa and the Middle East, offers a unique value proposition to its cedants 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 and A - / Stable by S&P), privileged access to African markets, and excellent customer service.

Established in 1976, 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 113 African insurance/reinsurance companies from the 42 African member countries.

Africa Re's core market coverage is achieved 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 3 fully owned subsidiaries in Johannesburg (Africa Re South Africa), Cairo (Africa Retakaful Company) and Dubai (DIFC Underwriting Management Agency).