

PRESS RELEASE

The African Reinsurance Corporation (Africa Re), an international financial institution comprising 41 member countries of the African Union (AU) and Development Finance Institutions such as the African Development Bank (AfDB), the International Finance Corporation (IFC), DEG, PROPARCO and FMO, as well as about 100 insurance and reinsurance companies operating in the member countries, held the 33rd Annual Ordinary Meeting of the General Assembly on 23 June 2011 in Addis Ababa, Ethiopia. The General Assembly was preceded by the 35th Anniversary Symposium whose theme was "Governance and corporate leadership in Africa 50 years after independence."

1. OPENING CEREMONY

The opening ceremony was chaired by the Minister of Finance and Economic Development of the Federal Democratic Republic of Ethiopia. His solemn opening speech followed that of Mr. YEWONDWOSSEN, Chairman of the Local Organizing Committee and Mr. Musa AL NAAS, Chairman of the Board of Directors and the General Assembly of Africa Re.

In his welcome speech, the Chairman of the Local Organizing Committee expressed gratitude to the shareholders and management of Africa Re for kindly accepting the invitation of the Federal Democratic Republic of Ethiopia to hold the 33rd Annual Ordinary Meeting of the General Assembly and the 35th Anniversary Symposium in Addis Ababa. He emphasized that this invitation is the concrete manifestation of the support of the Ethiopian insurance market to African institutions in general, and Africa Re in particular.

In his speech, the Chairman of the Board of Directors and the General Assembly of Africa Re expressed the sincere gratitude of the African Reinsurance Corporation to the Authorities and People of Ethiopia for the warm welcome accorded to the delegates and for leaving no stone unturned to ensure the success of the 33rd General Assembly. He expressed satisfaction with the positive results of the Corporation in 2010 despite the fallouts of the recession that began in 2009. After disclosing the confirmation of the Corporation's financial strength (A-) by the rating agencies - Standard & Poor's and A.M. Best - he declared that the African Reinsurance Corporation continued the policy of extending its marketing network. Thus, Africa Retakaful – the Islamic Reinsurance subsidiary – started its operations on 1 September 2010 and a local office was opened in Addis Ababa.

The Chairman of the Board of Directors and the General Assembly of Africa Re equally dwelt on some key decisions taken in 2010 on the technical, financial and human resource management of the Corporation. Thus, he mentioned the adaptation of the retrocession programme, review of underwriting guidelines, approval of investment projects or the strengthening of the attraction, recruitment and retention policy of the sharpest talents in insurance/ reinsurance.

With regard to the Fourth Capital Increase, Mr. Musa S. Al NAAS declared that the Corporation called the first portion of the authorized capital, to raise it from US\$100 million to US\$300 million, following the distribution US\$1 million bonus shares and the issuance of one million new shares. He expressed satisfaction with the great interest of shareholders in this operation.

Finally, the Chairman of the Board of Directors and the General Assembly stated that after spending close to a quarter of a century at the service of the Corporation, eighteen years of which he served as Managing Director, Mr. Bakary Kamara is going on a well-deserved retirement after taking Africa Re to a level that was hardly imaginable a few years ago. Mr. Corneille Karekezi - Rwandese and well known in insurance and reinsurance circles in the continent takes the reins of power in Africa Re on 01 July 2011, with the principal mission of consolidating the gains of his predecessors.

In his solemn opening speech, the Minister of Finance and Economic Development of the Federal Democratic Republic of Ethiopia, highlighted the contribution of Africa Re to the promotion of insurance and reinsurance in Africa, growth of national and regional insurers and reinsurers, retention of premium in the continent and economic development of Ethiopia. After expressing the relevance of the theme of the symposium, the Minister declared that the African Reinsurance Corporation is one of the flagships of financial institutions in the continent. He commended its good rating, stability, regular growth in premium income, continuous expansion, good capitalization, good competitive position and good governance.

2. DELIBERATIONS OF THE GENERAL ASSEMBLY

At the meeting, which was attended by shareholders and observers, the General Assembly approved the Report of the Board of Directors on the 2010 accounts, in which the results confirmed the Corporation's financial strength and ability to meet its commitments to cedants.

2.1 APPROPRIATION OF RESULTS

The General Assembly approved the final accounts for the year ended 31 December 2010, which revealed an income of US\$627.53 million compared to US\$ 536.38 million in 2009 (a growth of 16.99%) and a net profit of US\$64.86 million, compared to US\$ 44.30 million for the previous year. Conscious of the need to consolidate the Corporation's financial base, whilst ensuring returns on shareholders' investment, the General Assembly decided to distribute the net results as follows:

- US\$ 32,431,516 to the general reserve in accordance with Resolution No. 4/1992;
- US\$ 3,981,188 to be paid as dividend at the rate of US\$2 (2009:US\$2.50) per subscribed and paid up share of US\$100 par value;
- US\$800,000 to be transferred to the reserve for loss fluctuation;
- The balance of US\$27,650,328 to be added to retained earnings

The General Assembly also upheld the current dividend distribution policy to significantly improve returns on investment for shareholders, without compromising international prudential rules.

2.2. FOURTH CAPITAL INCREASE

The General Assembly took note of the remarkable progress made within the framework of the Corporation's fourth capital increase and expressed satisfaction with the great interest by all the shareholders – African and non-African alike. It commended the keen interest of the African states and companies and encouraged them to continue along these lines to always preserve the African character of the Institution. Thus, the General Assembly urged the shareholders, who have not done so, to subscribe and pay up the new shares allocated to them on 31 December 2011 at the latest.

2.3. IMPLEMENTATION OF THE RESOLUTIONS OF THE 32nd MEETING

The General Assembly noted with satisfaction, the implementation of the resolutions adopted at its previous meeting, notably with regards to the final accounts.

2.4. SELECTION OF EXTERNAL AUDITOR

In accordance with Article 38 of the Agreement Establishing the African Reinsurance Corporation as amended by Resolution 4/1997, the General Assembly appointed Deloitte & Touche (Kenya) as external auditor for a third term. Consequently, Deloitte & Touche (Kenya) shall audit the accounts of the Corporation for the year ending 31 December 2011 and shall present a report to the 34th Annual Ordinary Meeting of the General Assembly on the financial situation as at that date.

2.5. BY-ELECTION OF DIRECTORS

Five new Directors were elected to join the Board, with effect from 1 July 2011. They are:

1. Mr. Hassan Boubrik of Moroccan nationality representing the Kingdom of Morocco ;
2. Mrs. Mariame DIOUF of Senegalese nationality representing Francophone West and Central African states;
3. Mr. Eteffa YEWONDWOSSEN of Ethiopian nationality representing East African states;
4. Mr. Basiru NJAI of Gambian nationality representing States and companies of Anglophone West Africa and companies of East Africa;
5. Mr. John BURBIDGE (International Finance Corporation).

However it is important to note that, except Mr. Hassan BOUBRIK who has been elected for a term of three (03) years from 1 July 2011 to 30 June 2014, the four other Directors have been elected for one (01) year from 1 July 2011 to 30 June 2012, as their constituencies have not yet subscribed and paid all the additional shares allocated to them within the framework of the 4th capital increase.

Furthermore, the terms of the following Directors that expired on 30 June 2011, were renewed for three (03) years from 1 July, 2011 to 30 June, 2014. They are:

1. Mr. Marami KAMEL representing Algeria ;
2. Mr. Adel MOUNIR representing Egypt ;
3. Mr. Fola DANIEL representing Nigeria ; and

4. Mr. Bernd TÜMMERS representing DEG.

2.5. DATE AND VENUE OF THE 34th ANNUAL ORDINARY MEETING

The 34th Annual Ordinary Meeting of the General Assembly of the African Reinsurance Corporation shall take place on 21 June, 2011 in Morocco at the invitation of the delegation of the Kingdom of Morocco.

Lagos, 1 July 2011

For the Corporation Secretary

**Roger BONG BEKONDO
Assistant Director Secretariat and Languages**