



SPEECH DELIVERED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE GENERAL ASSEMBLY AT THE OPENING CEREMONY OF THE 35TH ANNIVERSARY SYMPOSIUM AND THE 33RD ANNUAL ORDINARY MEETING OF SHAREHOLDERS

**The Honourable Minister of Finance of the Federal Democratic Republic of Ethiopia,
Honourable Ministers representing member countries,
Your Excellencies, the Ambassadors and Heads of Diplomatic Missions,
Representatives of Member States and Shareholders,
Distinguished Guests,
Ladies and Gentlemen,**

Allow me first of all, on behalf of the shareholders, Board of Directors, Management and staff of the African Reinsurance Corporation, to express our sincere gratitude to the Ethiopian authorities for accepting, at very short notice, to host the 35th Anniversary Symposium and the 33rd Annual Ordinary Meeting of the General Assembly of our Institution in this magnificent city of Addis Ababa. In fact, this mark of fraternity is not surprising for many who know the prominent role Ethiopia has constantly played in favour of African integration and its unflinching support to the continent's institutions. Since Africa Re is the brainchild of African countries and the African Development Bank, it is a real privilege for us to take part in the opening ceremony just a stone's throw from Africa Hall, a hall that has gone down in history. Indeed, it is this hall that many Heads of State of the continent converged on 25 May 1963 to establish the Organisation of African Unity (OAU). We are filled with great delight inasmuch



as the growth and international reputation of Africa Re constitute the materialization of the dream of these visionaries who had the timely perception of the need for African unity. After 1981 and 1999, we are meeting for the third time in Addis Ababa for the Annual Ordinary Meeting of the General Assembly (combined this year with the 35th Anniversary Symposium), which is concrete proof of Ethiopia's support to our common Institution. We therefore express our sincere gratitude to the Ethiopian authorities and market for the permanent and unconditional support, as Africa Re continues to consolidate its international expansion, thus moving closer everyday to its target of one day becoming a key world reinsurance player.

Your Excellencies,

Ladies and Gentlemen,

The African Reinsurance Corporation, which is celebrating its thirty-fifth anniversary today, has lived up to expectation. In line with its results over the past financial years, Africa Re had a premium income of US\$627.53 million in 2010, representing a 16.99% growth compared to US\$536.38 million recorded in 2009. Investment income and income from other sources, including interests on reinsurance deposits amounted to US\$32.56 million, compared to US\$31.29 million during the previous year, representing a slight increase of 4%. On the other hand, the Corporation's net profits recorded a strong growth from US\$44.3 million in 2009 to US\$65 million due to the appreciable increase in its technical margin (US\$35 million). The payment of part of its authorised



capital during the current financial year was financed by the incorporation of voluntary reserves and the issuance of bonus shares.

This is a commendable performance because it was once more achieved in a difficult context. Indeed, the beginning of the end of the global recession in 2009 was not sufficient to provide the much-awaited recovery. Capital mobility did not allow investment in the real economy and thus the financing of activities that create tangible assets. The positive results of the Corporation could be partly explained by a marketing policy characterized by cautious underwriting and management of investments and rigour with regard to expenditure.

We would like to express our gratitude to cedants and other players for their continuous support to our operations over the years. The African Reinsurance Corporation would like to assure them that it will always be by their side and will fully contribute to the expansion of their activities.

Your Excellencies,

Ladies and Gentlemen,

The year 2010 was marked by the confirmation of the Corporation's financial strength (A-) by Standard & Poor's and A.M. Best. This rating upgrade was the fruit of perseverance, rigour in management and the adoption of international governance best practices coupled with very rigorous underwriting discipline. Far from being an end in itself, this rating, which enhances the Corporation's credibility within the African insurance industry, is a wake-up call to work twice



as hard not only to maintain it but to improve it. It is only through the collective involvement of all stakeholders, namely shareholders, Board members, Management, staff and partners of the Corporation that we can rise to this challenge.

Your Excellencies,

Ladies and Gentlemen,

The African Reinsurance Corporation continued its policy of extending its marketing network. We are therefore pleased today to announce that Africa Retakaful – the Islamic Reinsurance subsidiary - started operating on 01 September 2010. Furthermore, an Office Agreement was signed in October 2010 between the Corporation and the Ethiopian Authorities to set up a Local Office in this magnificent city of Addis-Ababa. The activities of this Office have taken off and its official inauguration is scheduled for this afternoon, after this Symposium. Besides, in a bid to rationalize operations and procedures, the Board of Directors, which held 3 meetings in 2010, took key decisions on the Corporation's technical, financial and human resource management. As regards technical management, it is worth noting the adaptation of the retrocession programme and the review of underwriting guidelines. Concerning the financial aspect, the Corporation's investment policy was revised and investment projects approved. With regard to human resource management, the major orientation was the strengthening of the attraction, recruitment and retention policy of the sharpest talents in insurance/ reinsurance. A recruitment/training programme of young professionals has moreover been implemented to ensure generational succession of talents and the continuity of the Institution.



**Your Excellencies,
Distinguished delegates,**

In conformity with Resolution No 4 of the 32nd General Assembly on the Fourth Capital Increase, we 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, to finance the development of the African Reinsurance Corporation in the coming years. Management addressed a letter to all shareholders on 19 July 2010, concerning the implementation of the above-mentioned resolution. Since that date, many responses have been received, which shows the great interest aroused by this operation.

**Your Excellencies,
Ladies and Gentlemen,**

The planned transition of Management decided by the Board in Cairo in April 2009 is coming to an end. Indeed, 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 of performance nobody imagined, not even the most optimistic imaginations. Mr. Kamara is stepping aside with an extremely praiseworthy record, with regard to the underwriting results, fame and reputation of the Institution, which is today a model of success for African companies. Mr. Corneille Karekezi takes the reins of power in Africa Re on 01



July 2011, after a transition period which certainly enabled him to familiarize himself with the operations and culture of the Corporation, in order to rise to the many challenges awaiting him.

Allow me to mention, with pleasure, the presence in this august hall of two personalities who, by their sense of duty and quest for excellence, each in his own way, left an indelible mark in Africa Re. May I straightaway present Mr. Eyessus Zafu, of Ethiopian nationality, the second Managing Director of Africa Re. I am also glad to present Mr. Haile Michael KUMSA who, after 11 years of good and loyal services as Deputy Managing Director in charge of Operations, left Africa Re in 2010. I would equally mention Mr. Edward Mensah, of Ghanaian nationality, the very first Managing Director of Africa Re. We would have loved to have him among us today but unfortunately, he couldn't make it for reasons beyond his control. I also wish to pay a well-deserved tribute to all the other staff - managerial, senior professional, support and manual - whose names we cannot mention here, but who certainly contributed to building the respectable Group that is Africa Re today.

Your Excellencies,

Ladies and Gentlemen,

The Symposium and General Assembly we are attending today and tomorrow, constitute an excellent opportunity to explore new avenues of reflection to consolidate and improve the achievements of Africa Re. The Symposium, whose main theme is 'Governance and Corporate Leadership in Africa fifty



years after independence”, will bring together - and we are delighted - eminent personalities of the insurance/reinsurance industry and other fields.

I cannot conclude without commending the presence among us of all sister organizations that regularly do us the favour of honouring invitations to our General Assembly meetings. Gone are the days of single-handed destinies, to quote the Senegalese writer and thinker Cheikh Hamidou Kane. The presence in our midst of these prestigious organizations, is a real sign of encouragement and motivation to make extra efforts and strive for excellence.

I would like to express the sincere gratitude of Africa Re to Mr. Yewondwossen Eteffa, Chairman of the Local Organizing Committee, and to all the other members of the said Committee, who left no stone unturned to ensure that this double event is a great success.

We also express heartfelt gratitude to the President of the Republic, the Government and People of Ethiopia for the attention that has been lavished on us from the time we arrived Addis-Ababa, which testifies, if need be, to the legendary Ethiopian hospitality.

Long Live the African Reinsurance Corporation,
Long Live the Federal Democratic Republic of Ethiopia,
Long Live African Co-operation.

Thank you for your attention