



**ADDRESS BY THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE
GENERAL ASSEMBLY AT THE OPENING CEREMONY OF THE 31ST
ANNUAL ORDINARY MEETING**

**The Honourable Minister of Finance of the Federal Republic of Nigeria,
Honourable Ministers representing Member States,
Your Excellencies, Ambassadors,
Representatives of Member States and Shareholders,
Observers,
Ladies and Gentlemen,**

Following the meeting in Tunis, June 2007, we are gathered once again for the 3rd time in 13 years in Abuja, the beautiful capital of Nigeria, the Corporation's host country, to consider and adopt the institution's accounts for the year ended 31st December 2008. By offering on 24 February 1974, in Yaoundé (Cameroon) to host the African Reinsurance Corporation, the Federal Republic of Nigeria, a founding member of Africa Re, undertook to provide the Corporation with all the facilities needed to function without many hitches.

Thus, the success of this institution is attributed in part to the host country which, since that eventful day when operations commenced in August 1977, has not spared any effort to not only grant the Corporation the immunities and the privileges stipulated in the Headquarters Agreement, but also provide material infrastructure such as offices and residential accommodation as agreed in the Supplementary Agreement, until the commissioning of the Corporation's



headquarters building in 2000 and the construction or acquisition of residences for the members of Management and expatriate staff.

Therefore, the Corporation would like to proudly and at the same time humbly express, through you, to the people of Nigeria as well as the successive leaders of this country, its gratitude for the concerted efforts to promote this pan-African institution.

**Honourable Minister of Finance of Nigeria,
Honourable Ministers,
Ladies and Gentlemen,**

The sacrifices were not in vain, as having commenced operations in January 1978 with an authorised capital of USD 4.6 million and recorded premium income of USD 3.5 million at the end of that financial year, Africa Re has grown to achieve a production figure of USD 401 million, with shareholders' funds of USD 223 million and a net profit of USD 20.6 million as at 2008 yearend. With modest beginnings from the 7th floor of Bookshop House, in a single large room which served as office for both staff and Management, the Corporation is presently spread throughout the continent with physical presence in 7 production centres, namely Casablanca, Nairobi, Abidjan, Johannesburg, Mauritius, Cairo and Lagos, which are equipped with the best talents and state-of-the-art skills in reinsurance, finance and management that the continent can depend on. Regional office buildings have been erected in Abidjan, Nairobi, and Casablanca while those of Mauritius and Cairo are scheduled for the coming months.



The credit goes to the generations of Directors, Management Staff and Officers who have served the Corporation successively for the last more or less 30 years. At this juncture, I would like to appreciate the talents of teams led by Messrs. Edward MENSAH (Ghana), Eyessus Work ZAFU (Ethiopia) and Bakary KAMARA (Mauritania) who over the past 3 decades were able to steer the Africa Re vessel with professionalism, discipline and courage. Africa, the cradle of humanity, shall remain grateful to them.

**Honourable Minister of Finance of Nigeria,
Honourable Delegates,
Ladies and Gentlemen,**

For the African Reinsurance Corporation, just like for most of the international players, 2008 was a difficult year. Indeed, at time when the economic and financial crisis, which many believed would spare Africa due to its marginalization in the world economy, is still impacting more severely on the poorest regions of the globe and their economic operators, the insurance sector, despite its sound financial base, could be shaken if the recession continues. Indeed, after the failure of a major global merchant bank and the near collapse of a world insurance group, no player, irrespective of its geographical and financial size, can feel totally safe from this economic disorder.

Thus, Africa Re, which has a duty to improve its Enterprise Risk Management and Corporate Governance, should be inspired to reflect again on the changes that were recommended at the General Assembly held in Kigali (Rwanda) by 2011 and 2015, specifically, fresh capital of up to USD 250 million and USD 500



million and in particular, the issue of further opening of the Corporation's equity to the outside world by listing on the stock market.

The Corporation, without being pusillanimous and wanting to rest on its laurels, would gain by reflecting deeply on the advantages and disadvantages of further opening, which may divert Africa Re from the role assigned by its founding members and its shareholders who double as its business partners. Man is required by wisdom, prudence and foresight to pause at each stage of his evolution to reflect over past achievements in order to better prepare his next strategy. Institutions and civilizations succeed by paying the price of flexibility and foresight.

As the longest serving member of the current Board, I have a duty to express my deep feelings to this continent and to one of the rare success stories in Africa. Even as the continent must cooperate with the rest of the world, it must also guard its independence jealously and be eager to defend its economic, financial, or even moral interests to the best of its ability, as the appetites of other operators are sharpening towards this profitable instrument of successful inter-African cooperation.

Consequently, I can only but reiterate here one of the main conclusions of the discussions held in Kigali in June 2007, which called for vigilance so as to preserve at all costs the African character of this Corporation as a contributor to the continent's development financing and a leading provider of security to its direct insurance partners.



**Honourable Minister of Finance of Nigeria,
Honourable Ministers,
Ladies and Gentlemen,**

Conscious of all these challenges, the Board, in its wisdom and in line with international best practices, initiated a quiet and effective management transition. Indeed, so as not to jeopardise the earlier-mentioned achievements, through a hasty and ill-conceived transition, Africa Re which has imbibed the most demanding governance standards, decided to combine the added value of fresh blood with a successful transition under a quiet, mature and planned environment.

Thus, as Directors chose Mr. Corneille KAREKEZI, the perfectly bilingual insurance executive from Rwanda, to be next Managing Director of the Corporation, it was decided that similar to the practice in most major multinational institutions and in line with the tenets of good governance, a period of adaptation, support and assimilation into the Corporation for 12 to 24 months would be of great value. Messrs. KUMSA and KAMARA, Deputy Managing Director and Managing Director respectively, shall remain in the Corporation and shall see to the successful conclusion of the transition, which intends to be effective since it shall be progressive and supported by sound and rich personal experiences, and is scheduled to end in June 2011. This shall provide the new Deputy Managing Director of this institution with all the resources needed to develop the Corporation, face the challenges of integration to globalisation, propose appropriate responses to the economic and financial crisis, and the return of the retrocession market to the hard cycle which started at the



beginning of the current year. This option, which is guided by wisdom, is indicative of a disciplined and effective succession risk management strategy in a company. Similar cases abound in other multinational companies in Africa (Nigeria and South Africa in particular) and worldwide.

Ladies and Gentlemen,

The African Reinsurance Corporation belongs to all Africans. Therefore, as insurance professionals, we must not betray the expectations placed in the institution. The financial security ratings awarded by AM Best (A- since 2002) and Standard and Poor's (A- awarded two days ago) must be preserved and improved upon in the days to come so as to generate greater business inflows and justify the capital placed at its disposal by the members states, insurers/reinsurers and multilateral development agencies that constitute its shareholding. At this juncture, I would like to pay glowing tribute to the current Management team and to staff who, under the leadership of Mr. Bakary KAMARA, have just left an indelible mark on the history and future of Africa Re, by obtaining an A- rating from Standard and Poors' even at a time of financial crisis and economic depression. This performance deserves to be commended, as it is the first rating of its kind in the African insurance industry. Indeed, despite the initial handicap caused by the lack of sovereign rating of similar grade in Africa, the Corporation's Management has achieved such a feat, unimaginable not so long ago.

Africa Re must extend its marketing network and physical presence to more African territories, first of all by completing the projects to establish offices in



Luanda (Angola), Addis Ababa (Ethiopia) and for the Africa Retakaful, before embarking on new ones. The Corporation shall ensure a better diversification of its portfolio by cautiously stretching into the Middle East and Asia, as well as undertaking to promote more “grass roots” products so as to fulfil its “social mission” of developing the insurance and reinsurance industry on the African continent, mainly through weather insurance and micro-insurance projects, which it is already fine-tuning in collaboration with other players (Index Re). These are the suggestions and ideas, which I would like to share with you on the future of the institution in which I have been involved for more than a quarter of a century and to which I shall remain emotionally attached for the rest of my life.

**Honourable Minister of Finance of Nigeria,
Honourable Ministers,
Ladies and Gentlemen,**

I would have failed in all my duties as a guest if I end this speech without expressing our gratitude to the Local Organising Committee which, under the chairmanship of Mr. L.O OMOHA, Director of Home Finance, Ministry of Finance, Nigeria, worked tirelessly for several months to make this meeting, a success, ensure our comfort and security in the expectation that, as usual, the deliberations of this General Assembly shall be peaceful, courteous and professional.

**Long live the Federal Republic of Nigeria!
Long live inter-African insurance cooperation!
Peace be unto you all!**