

# **PRESSE RELEASE**

The African Reinsurance Organisation, an international financial institution comprising 41 member countries of the African Union (AU), the African Development Bank (ADB), the International Finance Corporation, DEG, PROPARCO, FMO – all Finance Development Institutions – as well as more than 100 insurance and reinsurance companies operating in the member countries, held the 29th Annual Ordinary Meeting of its General Assembly on 30th June 2007 in Kigali, Republic of Rwanda.

## **OPENING CEREMONY**

The opening ceremony was presided over by the Minister of Finance representing the President of the Republic of Rwanda.

## **DELIBERATIONS OF THE GENERAL ASSEMBLY**

The General Assembly, at its meeting comprising shareholders and observers, approved the Board of Directors' report on the 2006 Financial Accounts with results that validate the Corporation's reliability and its ability to meet its liability to its cedants.

At the end of deliberations, the General Assembly endorsed a number of important issues, which amongst others include:

### **1. APPROPRIATION OF RESULTS**

The final accounts for the year ended 31 December 2006 as approved by the General Assembly revealed a production figure of US\$293.49 million (a growth of 14.77% compared to 10.53% 2005 – USD 255.72million) and a net profit of US\$24.88million as against USD 18.836 million achieved 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\$12,440,808 to the General Reserves in accordance with Resolution N° 4/1992;
- US\$3,000,000 to be paid as dividend at the rate of US\$3.00 (2005: US\$2.55) per subscribed and paid up share of US\$ 100 par value;
- USD 9,440,808 to be brought forward.

The General Assembly also upheld the current dividend distribution policy in a bid to significantly improve returns on investment for shareholders, while adhering to prudent internationally practised ratios.

### **2. THE CORPORATION'S GROWTH AND RESTRUCTURING STRATEGY**

The General Assembly noted with satisfaction Management's vision regarding the future of the Corporation. It endorsed a strategy document presented by the Board laying out the growth prospects for the Corporation, which include new ventures such as the Re Takaful (Islamic reinsurance) to explore and harness the immense business opportunities in North Africa, the Middle East and South Asian markets, maximise the potential of operating a fully developed Energy and Special Risks department, asset management, providing IT services in the insurance industry, consultancy and management of insurance companies.

Furthermore, the General Assembly noted the additional capital implications the strategy will present for the Corporation, and therefore endorsed the proposed increase in the authorised share-capital up to USD500million by incorporation of free (non-statutory) reserves in two phases, USD 150million by 2011 and USD 250 millions in 2015. However, the need to maintain the African character as well as the present legal structure of the Corporation was reaffirmed.

### **3. APPOINTMENT OF EXTERNAL AUDITOR**

In accordance with Article 38 of the Agreement Establishing the Corporation, as amended by Resolution 4/1997, the General Assembly appointed the chartered accounting firm Deloitte & Touche, Abidjan, as the External Auditor for a fourth term. Consequently, the firm shall audit accounts for year ended 31 December 2007 and present a report of the Corporation's financial situation as at that date to the General Assembly at its 30<sup>th</sup> Annual Ordinary Meeting.

### **4. BYE-ELECTION OF DIRECTORS**

The tenure of the Director representing the ADB, Mr. Timothy TURNER was renewed for a period of three years with effect from 1<sup>st</sup> July 2007. In addition, Mrs. Kyiamah NYAMIKEH (Ghana) was elected to represent the East and Southern Africa region (States), while Mrs. Eunice MBOGO (Kenya) was elected to represent Anglophone West Africa (States and companies) and East and Southern Africa (companies). Both ladies were elected for a period of one year to complete the term of two outgoing Directors.

The next Annual Ordinary Meeting (30<sup>th</sup>) is scheduled to hold on 26<sup>th</sup> June 2008 in Tunis, Tunisia.

Lagos, 9<sup>th</sup> July 2007

Mamadou DIALLO  
Ag. Corporation Secretary