

PRESS RELEASE

The African Reinsurance Corporation, an international financial institution comprising 41 member countries of the African Union (AU), the African Development Bank (ADB), the International Finance Corporation, DEG, PROPARCO and FMO – all Development Finance Institutions – and more than 100 insurance and reinsurance companies operating in the member countries, held the 31st Annual Ordinary Meeting of its General Assembly on 25th June 2009 in Abuja (Nigeria).

1. OPENING CEREMONY

The opening ceremony was presided over by Mr. Remi BABALOLA, Minister of State for Finance, representing the President of the Federal Republic of Nigeria. He delivered the opening speech following the presentations of Mr. L.O. OMOHA, Chairman of the Local Organising 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 Organising Committee emphasised the importance of the General Assembly both as a forum to assess Africa Re's performance to date, as well as take judicious decisions for the future. He also underlined the importance of the 31st Meeting, which was taking place at a time when efforts are being deployed throughout the world to curtail the disastrous social impact of the global financial crisis.

In his speech, the Chairman of the Board of Directors and General Assembly, on behalf of the African Reinsurance Corporation, expressed gratitude to the authorities and people of Nigeria, the Corporation's host country, for the warm welcome extended to delegates as well as the facilities provided to ensure the success of the 31st Annual Ordinary Meeting of the General Assembly. Recalling the global financial crisis, he was satisfied that Africa Re was able to obtain encouraging results in 2008 despite particularly difficult economic circumstances. The Chairman of the General Assembly expressed satisfaction at the recent upgrading of the Corporation's financial strength rating by Standard & Poor's from BBB+ to A- (23rd June 2009). Thus, Africa Re has become the first reinsurer in the African and/or Arab region with such rating.

In his opening speech, the Minister of State for Finance congratulated Africa Re for the remarkable results obtained over the years and urged all the parties that contributed to this great success to continue to promote the institution in Africa and the rest of the world. Thereafter, he declared open the 31st meeting of the General Assembly of the African Reinsurance Corporation.

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 2008 accounts, in which the results confirmed the Corporation's financial strength and its 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 2008 which revealed an income of US\$401.04 million compared to USD 369.51 million in 2007 (a growth of 8.53%) and a net profit of US\$20.41 million as against USD 34.05 million in 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\$10,203,437 to the General Reserve in accordance with Resolution N° 4/1992;
- US\$2,250,000 to be paid as dividend at the rate of US\$2.25 (2007: US\$3.75) per subscribed and paid up share of US\$ 100 par value;
- US\$800,000 to be transferred to the Reserve for Loss Fluctuation in line with the approved self insurance scheme;
- The balance of US\$7,153,437 to be carried forward;

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

2.2. IMPLEMENTATION OF THE RESOLUTIONS OF THE 30th MEETING

The General Assembly noted, with satisfaction, the implementation of the resolutions adopted at its previous meeting, mainly as regards the final accounts and the Managing Director's term of office.

2.3. APPOINTMENT OF THE EXTERNAL AUDITORS

In accordance with Article 38 of the Agreement Establishing the Corporation, as amended by Resolution 4/1997, the General Assembly appointed the firm of Chartered Accountants, Deloitte & Touche (Kenya), as External Auditors for a five-year term, subject to yearly renewals by the General Assembly.

2.4. BY-ELECTION OF DIRECTORS

One new Director joined the Board, while the tenure of another was renewed. The Directors, whose term of office shall take effect on 1st July 2009 and expire on 30 June 2012, are as follows:

1. Mr. Mohamed LEMINE OULD NATY: States of Mauritania, Tunisia and group of companies in Tunisia and Francophone Africa.
2. Mr. Musa AL NAAS (Libya: State and companies).

Lagos, 6th July 2009

Roger BONG BEKONDO
For the Corporation Secretary