



**AFRICAN REINSURANCE CORPORATION
GENERAL ASSEMBLY
18TH ANNUAL ORDINARY MEETING
ABUJA, NIGERIA, 27TH AND 28TH JUNE, 1996**

AFRICARE/GA/20/132

**Report of the Board of Directors
covering the period
1st January to 31st December, 1995**



**AFRICAN REINSURANCE CORPORATION
SOCIÉTÉ AFRICAINE DE REASSURANCE**

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Honourable Representatives
General Assembly
African Reinsurance Corporation

Date: 27th June, 1996

Your Excellencies,

In accordance with the provisions of Articles 14 and 37 of the Agreement Establishing the African Reinsurance Corporation and Article 8 of the General Regulations of the Corporation, I have the honour, on behalf of the Board of Directors, to submit to you the Annual Report and Audited Accounts of the Corporation for the period from 1st January to 31st December, 1995, as well as the Summary of the Administrative Budget for the financial year 1996.

Please accept, Your Excellencies, the assurances of my highest consideration.

MUSA S. AL NAAS
Chairman of the Board of Directors
and General Assembly.



COMPOSITION OF AFRICA RE BOARD OF DIRECTORS



Mr. M. Al Naas
Chairman



Mr. W. Mbote
Vice Chairman



Mr. S. Appiah-Ampofo



Mr. I. Boukari-Yabara



Mr. F. Bennis



Mr. M. Ferranl



Mr. E. Y. N. Ilondo



Mr. S. Kaba



Mr. H. Kumsa



Mr. E. Samakai



Mr. A. Sangowawa



Mr. K. Selim

ALTERNATE DIRECTORS:

Miss ZOULIKHA NASRI (Morocco), Mr. M. LEMINE NATY (Mauritania), Mr. LEON-PAUL N'GOULAKIA (Gabon), Mr. SELEUS NEZERWE (Burundi), Mr. SAMBA DIALLO (Senegal), Mr. RATOMSON MIARINASY (Madagascar), Mr. YOUSIF ALI (Sudan), Mr. MOHAMED KARI (Nigeria), Mr. MOHAMED ELTEIR (Egypt), MR. FREDERICK MAGEZI (Uganda), Mr. ZERU WOLDEMICHAEL (Eritrea), Mr. ISAAC L. NDOUMBE (ADB)

COMPOSITION OF AFRICA RE MANAGEMENT



Mr. Bakary Kamara
Managing Director



Mr. J. Abban
*Deputy Managing
Director*



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FOREWORD

The 1995 Annual Report of the Board of Directors reviews the trading environment in which the Corporation operated and analyses the operations for the financial year.

It contains the External Auditors report on the financial statements which are presented as Balance Sheet, Profit and Loss Account, Revenue Account, Statement of Cash Flows and the notes thereon.

Included also are the resolutions adopted by the Seventeenth Annual Ordinary Meeting as well as a Summary of the 1996 approved administrative budget and implemented budgets for 1994 and 1995.

During the year 1995, the Corporation recorded a gross premium net of cancellations of US\$53,328,776 compared to US\$46,909,698 in 1994. This represents an increase of 13.68% over the 1994 achievement. After the deduction of retrocessions and adjustments for movement in reserves, the volume of net premiums earned amounted to US\$36,001,465.

The losses incurred of US\$15,645,554, commissions of US\$13,318,715, charges of US\$709,803 and management expenses of US\$3,269,064 were deducted from net earned premium to give an underwriting surplus of US\$3,058,330 (1994: US\$2,380,704) which was transferred to the profit and loss account. To this were added income from investments and other sources amounting to US\$2,218,777 (1994: US\$1,450,603), interest on reinsurance deposits of US\$849,975 (1994: US\$ 765,919) and a realised gain on exchange of US\$882,569 (1994: realised loss of US\$424,981), to arrive at an operating profit for the year of US\$7,009,651 (1994: US\$4,172,245). Other expenses not charged to the revenue account amounting to US\$896,979 (1994: US\$539,022) were then deducted from the operating profit resulting in a net profit for the year of US\$6,112,672 (1994: US\$3,633,223).

In line with the standing accounting practice, the excess of income over outgo of US\$27,820,946 (1994: US\$18,754,595) for the still open years of 1994 and 1995 were carried forward as reinsurance funds, while the reserve for the outstanding losses at the year-end was established at US\$15,351,228 (1994: US\$16,730,835).

The cumulative translation adjustment for the year resulted in a negative difference of US\$1,357,694 (1994: US\$ 8,302,833) which was treated as a separate component of the shareholders' funds in accordance with the International Accounting Standard No 21 (IAS 21). A total of US\$490,176 was written off the cumulative translation adjustment by a transfer from the profit and loss account. As at 31st December, 1995, cumulative translation adjustments therefore amounted to US\$9,325,751 (1994: US\$8,458,233). It is planned to write off the balance by absorbing it in the medium term in order to strengthen the financial base of the

Corporation.

The shareholders' funds stood at US\$33,543,075 as at 31st December, 1995 which shows an increase of 27.61% when compared with US\$26,284,735 of 1994.

The economic recovery recorded in 1994 in the industrialised countries continued in the year under review although at a slightly slackened pace due to the numerous weaknesses that characterised the North American economy which itself was influenced by the financial tremor in Mexico.

However, Africa, which is yet to take its rightful place in the world economic circuits, was fortunate to record an average GDP growth rate of 3% which was higher than the population growth rate of 2.6%, thus resulting in a net growth. The projection of an average growth rate of 6% in 1996 points to a durable recovery of the key economies of the continent.

This performance, which is due, among other reasons, to the rise in the prices of cocoa, coffee, cotton and wood can be further explained by the ever increasing realisation of African leaders and citizens that the continent will overcome its age long impediments mostly by own effort. Thus the call for African countries to discontinue their reliance on international aid for development and the rescheduling of multilateral debt, all of which will sound like a taboo in international financial circles. The African insurance industry, which did not benefit from the softening of conditions and terms of the international reinsurance market, seems not to hold much attraction for the traditional market players who in the past operated within its territory. Does it then mean that the market is condemned to marginalisation and has no viable and credible security alternative?

The success of the African Reinsurance Forum organised in Lome (Togo) in October 1995 proves sufficiently that there are numerous reliable opportunities within Africa and even the national confines of each country for small and medium scale direct insurance companies. The resurgence of the retrocession market following the 25% increase in Lloyds capacity corroborates the observation already made, namely that there is a cycle in the international insurance/reinsurance market. In effect, the hardening of market conditions due to large losses and the application of technically justifiable rates have been succeeded by longer periods of flexibility in risk rating and a subsequent worsening of results which in turn call for greater professionalism and market discipline.

The reputation which the African insurance industry had as the provider of good quality business is no longer tenable because following the liberalisation of the markets and the proliferation of insurance companies, many classes of business which were profitable in the past have experienced distortions arising from unbridled competition and subsequently the application of extremely favourable conditions.



FINANCIAL HIGHLIGHTS

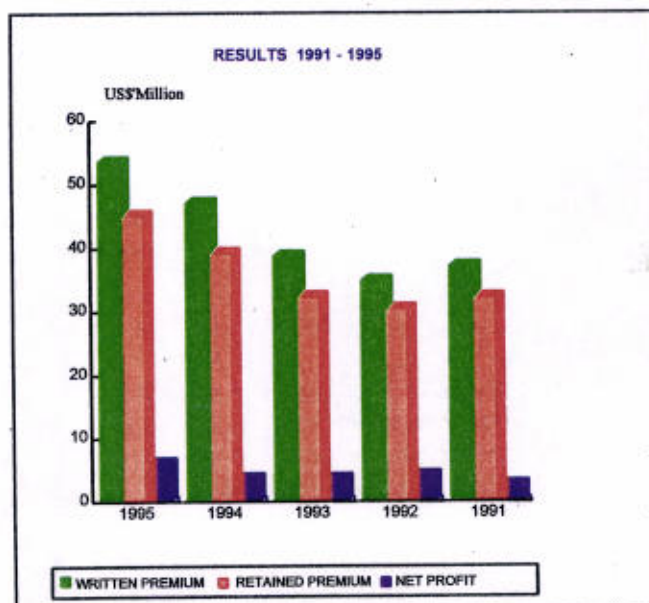
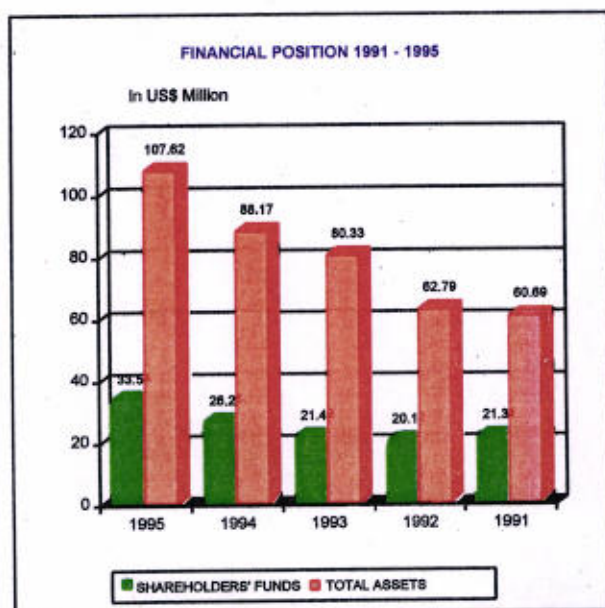
In US\$ '000	1995	1994	1993	1992	1991
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RESULTS

WRITTEN PREMIUM	53,329	46,910	38,568	34,755	37,016
RETAINED PREMIUM	45,068	39,207	32,319	30,404	32,211
EARNED PREMIUM (NET)	36,001	40,036	28,070	29,018	32,800
NET PROFIT	6,113	3,633	3,624	4,121	2,640

FINANCIAL POSITION

SHAREHOLDERS' FUNDS	33,543	26,285	21,489	20,122	21,340
TOTAL ASSETS	107,619	88,172	80,327	62,786	60,694





Therefore, the profitability ratio of African business is drawing close to the international norm.

The intensive marketing drive mounted for several years by Management and staff enabled Africa Re to generate the highest premium income in the history of its existence, i.e. US\$ 53.329 million as against US\$ 46.910 million in the previous year representing a 13.68% growth. Retained premium also increased from US\$ 39,206,837 to US\$ 45,067,817 and recorded about 1% increase in its ratio to the entire business from 83.57% in 1994 to 84.51% in 1995.

In fact, the production level would have been close to US\$ 55.5 million if it were not for the drastic devaluation of the Nigerian and Kenyan currencies.

Similarly, commendation must be given for the good quality of business written which recorded an average loss experience of 42.27% within the year instead of the 56.25% in 1994, i.e. an improvement of 13.98 points. This performance is as a result of the prudent underwriting policy adopted by Africa Re which emphasised the diversification of the risks covered and the spread of business over a wider geographical area.

The substantial increase in non-African business (US\$ 3.02 million in 1995 as opposed to US\$ 1.90 million in 1994) demonstrates that the analysis made in the Strategy Plan was correct and serves as a proof of the dynamism of the underwriters who covered the targeted regions (the Middle East and Southern Asia).

Africa Re's participation in the capital of Afreximbank and some other national insurance companies maintained its initial level. However, the increase in interest rates which started in 1994 and continued till the middle of the year under review, enabled the institution to achieve a higher level of investment income than in the previous year (US\$ 2,025,204 as against US\$ 1,450,603).

The 5.50% reduction in the operational cost coupled with the increase in retained premium enabled the Corporation to attain the ratio of Management expenses to retention of 7.25% (8.82% in 1994), thus bringing the institution closer to the international norm of 5%. This performance is due to the policy of budgetary discipline adopted by the Board and strictly implemented by Management.

The massive adhesion of national companies which, as at the end of 1995, stood at 91 companies holding 671 shares for a nominal value of US\$ 6,710,000 out of which US\$ 4,820,000 has been paid up, is certainly an additional proof of the confidence of African partners in the Corporation.

Twenty eight senior staff of 24 companies from 12 countries attended the Corporation's reinsurance seminar organised in Abidjan from 2nd to 6th October, 1995 while over 200 participants took advantage of the first African

Reinsurance Forum to meet in Lome on 10th and 11th October, 1995 in order to exchange business and experiences in inter-African co-operation. Certainly, there is still a long way to go before the Forum really takes root but it is clear that the foundation has already been laid for African professionals to build an alternative market that will come within the reach of small and medium scale African companies which can no longer procure covers beyond their national or continental boundaries.

Africa Re, which is conscious of its role as specified in Article 4(1)(f) of the Agreement Establishing the Corporation, will spare no effort in "promoting contacts and business co-operation among national insurance and reinsurance institutions in Africa". This function will be further facilitated now that the Corporation's shareholders' funds have been increased to US\$ 33,543,075 (US\$ 26,284,735 in 1994) and the Institution has earned an "A" rating from IBCA (South Africa).

TRADING ENVIRONMENT

OVERVIEW OF THE WORLD ECONOMIC SITUATION

Whereas 1994 was characterised by a resurgence in the world economic activity, a slight drop was recorded in 1995. The year witnessed the lowest average level of inflation in the last 30 years, a consolidation of growth and a re-alignment of the major currencies towards more credible levels. Yet, there was a change in the pace of recovery which even slackened in almost all parts of the world.

The first signs of resurgence in the world economic activities were noticed in North America in the beginning of the decade. The continent also served as the locale where developments which shook the confidence of companies, consumers and markets were first noticed. The decision taken in 1994 by the Federal Reserve to increase the interest rate in order to overcome the possible recurrence of inflation resulting from the full employment and capacity utilisation in the United States was certainly a good one. However, it was misunderstood and had the effect of drastically impeding the production of motor vehicles and sale of houses thereby causing industries to limit their stocks in a country which is the moving force of the world economy. The acute financial difficulties of Mexico which is linked with Canada and the United States by a vast free trade agreement (NAFTA) contributed to the depression in this most important market in the world.

Therefore, due to the globalisation of the world economy, growth in the industrialised countries stood at only 2.5% as against 3% in 1994, with major disparities depending on the territory: 7% in Turkey, 5% in Finland, 2.7% in France and Great Britain, 2% in Germany etc. In the last named country, the weak rate of growth which is partly due to the strength of the Mark stopped the phenomenon of reduction of unemployment noticed a few months earlier. Japan



which is passing through a crisis - the worst since the second world war - gave early signs of a modest recovery towards the end of the 1995 financial year.

However, some indicators (mainly prices) give cause to hope that growth will soon return to a satisfactory level, if the measures of budget discipline adopted to absorb public deficits are maintained.

In the so-called countries in transition (the former Soviet bloc), the situation has continued to improve with disparities in the area of production. Progress was fast in Poland and Slovakia but slow in Romania and Bulgaria, while a regression was noticed in Russia. These countries that were integrated fast into the world commercial circuit, witnessed a spectacular 20% increase in exports. However, the high level of unemployment (10% to 15% of the labour force) and the increase in prices represent a serious handicap for this sub-region.

DEVELOPING COUNTRIES

Although a heterogeneous group with no distinguishing economic or social characteristics, developing countries as a whole, for the fourth consecutive year, recorded a growth of 6%. This success is essentially due to the perseverance in the implementation of draconian and strict macro-economic and financial policies called structural adjustment.

While the economic situation of developing countries has thus far followed the shade of the industrialised world, a trend is already appearing which demonstrates that it is possible for the former to achieve autonomous growth.

There are however gnawing differences between regions and countries. Thus Latin America recorded at least 2% while Brazil has reduced inflation and achieved 5% GDP growth. With the exception of Chile and Peru all other countries within that region suffered from the Mexican crisis.

On its part, Asia has once again this year witnessed a record growth rate of 9% as well as a major inflow of capital to the extent that some people feel that these may be indicators of an economic overheating in several countries. It becomes therefore necessary for them to reduce the pressure on interest rates and the resultant entry of speculative capitals.

The low price of oil and serious instability have limited the economic growth of the Middle East. This explains why the countries in that region are now engaged in the policy of consolidating public finances in order to increase the level of internal savings and investments.

AFRICAN ECONOMY

There was an accelerated growth in Africa in 1995 which

stood, on the average, at 3% as against 2.6% in 1994 and a projection of 5% in 1996. The increase in the prices of raw materials (coffee, cocoa, cotton, wood) partly explains the growth.

However, the devaluation of several national and sub-regional currencies including the CFA Franc seems to have had the effect of stimulating exports, investment and local production. Apart from these, there are other factors which helped to achieve appreciable performance, namely the implementation of the structural adjustment programmes, reforms within the State in order to have a transparent management of public affairs and the contribution of the international community in re-absorbing the debt and in financing essential investments for social development.

As regards the situation in different countries, they are seriously contrasting.

If the entire Franc Zone recorded an average growth of 5% of the G.D.P., member States of WAEMU seem to have had better results than in Central Africa. Similarly, the issue of debt seems to be the most engaging problem all over the continent. Therefore, multilateral debt rescheduling is increasingly being envisaged. The fall in public aid for development is no longer considered by Africans as constituting a serious threat to the future of their economies. The leaders and citizens seem to have resolved not to depend any longer on that aid, which in any case has engraved the mentality of the assisted to the extent that it has not effectively permitted the economic and social progress of countries that benefited from it.

South Africa, which recorded a growth rate of 3%, is attracting private capital and arouses increasing interest in international business circles. It has remained the central pole of the embryonic Common Market for East and Southern Africa (COMESA). Kenya has experienced a boom in tea cultivation (the second source of foreign exchange for the country) and a growth rate of 4.2%, while Uganda and Botswana have started reaping the fruits of sound management.

The fall in oil price which had negative consequences on producing countries, seriously affected Nigeria whose export revenue is by over 90% derived from its major energy resources (oil and gas).

In North Africa, Tunisia experienced a higher growth rate (6%) than in 1994, whereas the 1995 drought could have wiped out the exceptional harvest results of Moroccan agriculture in 1994. The diagnosis of the economic situation of this country by Government, however, calls for optimism.



The expected growth rate of 3% in Algeria could be the tonic that would help the country. In Egypt, the economic growth rate of 2.5% is low when compared with the population growth (2.1%).

Despite the contrasting nature of the landscape, the exhaustive analysis of which may not be necessary within the framework of this report, there is yet some hope for Africa provided the observed growth in 1995 will be confirmed and generalised in the coming years.

INSURANCE SECTOR

The 1995 financial year witnessed the beginning of the return of more flexible conditions following the relatively high but technically justifiable rates applied in 1993 and 1994 after five consecutive years of losses.

The increase in the Bermuda capacity in 1993, following the injection of US\$7 billion, was to a certain extent the catalyst for the reduction in rate initiated towards the end of the previous year and confirmed all through 1995. Similarly, the arrival of fresh capital (US\$2 billion) in Lloyds in the beginning of 1995 was a determining factor in the resurgence of competitiveness within the market. The 25% increase in Lloyds capacity from US\$ 8.9 billion to US\$11 billion proved, if need be, that the observation with regard to the existence of a cyclical phenomenon which affects reinsurance rates and conditions is justified.

However, many analysts predict that in 1996 and beyond, there will be the emergence of a new mode of risk bearing which does not require the establishment of a traditional insurance or reinsurance company. The initiatives of the Chicago Board of Trade are given as an example to show that catastrophe covers and other options can be obtained outside the conventional market. It would however be hazardous to predict the obsolescence of traditional insurance in favour of revolutionary alternatives.

In fact, although it will certainly accentuate the softening of conditions offered at the end of 1995 in respect of 1996 renewals, the massive arrival of capital in the Bermuda market has hardly made its effects felt as to enable one draw final conclusions on the issue.

Unfortunately, one is compelled to observe that very few African insurers and reinsurers benefitted from this positive trend because several market players have lost interest in cessions which do not measure up to the management expenses incurred given the major devaluation of local currencies vis-à-vis foreign currencies.

The restructuring of national markets started since the beginning of the 1990's gained tempo in 1995. In effect,

by ending the monopoly of business in its domain by Compagnie Centrale de Reassurance, Algeria has taken an irreversible step towards the liberalisation of its economy. The establishment of almost half a dozen private national companies in Ethiopia has been an additional impetus further exacerbating competition, a situation that might lead to the worsening of the underwriting results which have been recorded in that market to date.

The opening of the Egyptian market to professional reinsurers, who can now set up contact offices, marks the beginning of more serious liberalisation which will enable foreign interests to compete with local direct insurers without fulfilling the normal conditions of share holding and Headquarters in accordance with the spirit of the GATS Agreements.

In the countries of the Franc Zone, a modest upsurge of insurance activities is observed and this is as a result of the beginning of the recovery of some national economies following the devaluation of the CFA Franc.

On the restructuring of the markets of the sub-region, the completion of the framework for a regional system is being achieved with the election of the CIMA Secretary General. However, it is expected that the experience of liberalisation/privatisation in other countries would benefit member States of Central and West Africa who would want to open up their markets or disengage themselves from insurance. On its part, Africa Re would like to recall that several countries within and outside Africa have implemented this programme without sacrificing the nascent local industries or superior national interest. This exceptional care becomes more justified because, due to the devaluation of the CFA Franc and the narrowness of certain markets, numerous foreign groups (public and private) have chosen to withdraw from several territories since the volume of premium written no longer justifies the operational costs.

Insurance activity has also recorded a drastic reduction in capacity or the channelling of the activities of several large groups towards the southern part of the continent during the year. A number of modest or average sized African companies can no longer find reinsurance cover outside the continent or even outside their national or sub-regional borders. Hence, the important role which Africa Re and other African reinsurers should play as providers of alternative security.

The "A" rating obtained in June 1995 by the Institution as a result of the sustained effort of successive teams of Directors, Management and Staff who are devoted to the cause of the African insurance industry, will undoubtedly strengthen its credibility and open new prospects for future growth.



OPERATIONS

Following the normal practice, the business accepted by the Corporation has, for operational and reporting purposes, been classified as follows:

- Fire and Accident (including Engineering)
- Marine & Aviation
- Life

The production centres remain as noted below:

- Anglophone West Africa (Head Office)
- Francophone West and Central Africa (Abidjan Office)
- North Africa (Casablanca Office)
- East and Southern Africa (Nairobi Office which also supervises the Johannesburg contact Office)

Business from non-African sources is classified as "inward international" or "worldwide".

In addition to business from the West Africa Division, the Corporation's headquarters in Lagos also administer the worldwide acceptances, Africa Re's Auto Fac (now African Surplus) Treaty, African Aviation Pool and African Oil and Energy Insurance Pool. The Abidjan, Nairobi and Casablanca Regional offices manage their respective trading areas.

The statistics provided below, on premium income and claims, give an insight into the performance of the Corporation.

PREMIUM INCOME

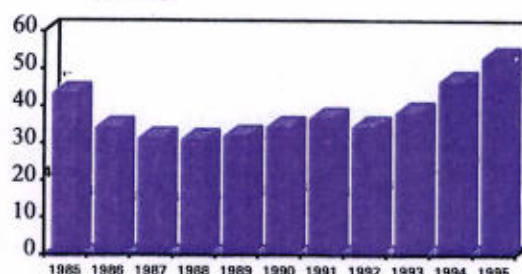
The production level achieved in 1995 was quite

significant, with a total premium income amounting to US\$53.33 million which exceeded the level of US\$46.91 million recorded in 1994 by 13.68%

DEVELOPMENT OF GROSS PREMIUM INCOME

The graph below indicates that the premium income recorded in 1995 represents the highest level of achievement since 1985. This impressive performance was attained in spite of the persistent depreciation of local currencies. The cumulative effect of the Corporation's marketing efforts which has greatly enhanced production levels would seem to be making the desired impact. It is expected that the marketing drive would gain even greater momentum in the years ahead.

DEVELOPMENT OF GROSS PREMIUM INCOME
US\$ Million



The annex on the evolution of premiums in original currencies, shows that the Corporation's production has continued to increase from year to year. This has partially cushioned off the impact of depreciation of local currencies in a number of Africa Re's markets.

DESCRIPTION (US \$000)	1995			1994		
	GROSS	RETRO	NET	GROSS	RETRO	NET
INCOME						
PREMIUM(Less Cancellations)	53,329	8,261	45,068	46,909	7,703	39,206
MOVEMENT IN PREMIUM RESERVE	(10,004)	(937)	(9,067)	3,930	684	3,246
EARNED PREMIUM	43,325	7,324	36,001	50,839	8,387	42,452
OUTGO						
LOSSES PAID	18,267	1,242	17,025	18,974	3,057	15,917
MOVEMENT IN LOSS RESERVE	43	1,423	(1,380)	9,630	1,055	8,575
INCURRED LOSSES	18,310	2,665	15,645	28,604	4,122	24,492

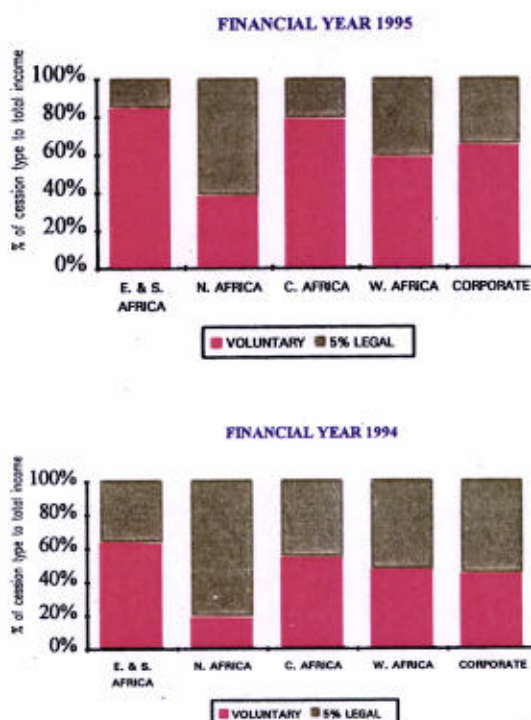


In some of the countries, however, the depreciation attained such high levels that, in spite of the significant premium income recorded in original currencies, their dollar equivalents either increased just slightly or fell below the previous year's levels.

PROPORTION OF VOLUNTARY CESSIONS BY TRADING AREA

The Corporation's vigorous marketing drive had a positive impact on the African insurance market, resulting in increases in additional treaty shares and facultative cessions to the Corporation. As Africa Re further intensifies its marketing efforts and gears up technical support to cedants, it is expected that it will record a substantial volume of business in the years to come.

The Corporation's objective of increasing income from voluntary cessions is gradually being achieved. In 1995, the premium income from this source worked out to 67.45% as against 47.56% in the previous year.



As indicated in the previous graphs, the highest level of voluntary cession, in 1995, was achieved by East Africa with 85.34% to its credit, against 64.02% in 1994. Central Africa followed with 79.69% against 54.99% in 1994. West Africa took the third position with 59.36% against 47.56% in 1994. Then came North Africa with a figure of 39.07% for 1995, against 21.05% in 1994.

GEOGRAPHICAL DISTRIBUTION

With a premium income of US\$18.69 million in 1995, the

East Africa Regional office achieved the highest level of production. This figure represents 35.05% of the Corporation's total premium income and exceeds last year's production level of US\$16.25 million by 15.02%.

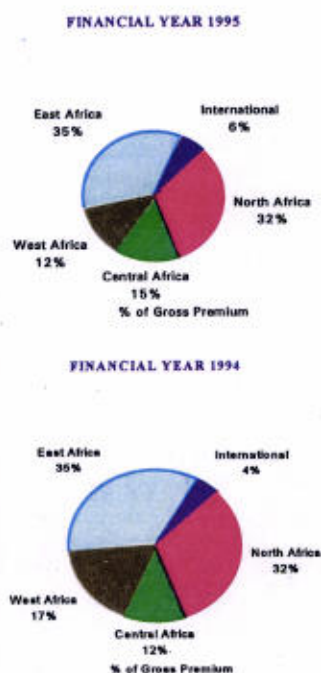
North Africa follows with US\$17.13 million, representing 32.12% of the corporate total, and 13.74% above the production level of US\$15.06 million recorded in 1994.

Central Africa produced a total premium income of US\$8.14 million or 15.26% of the corporate total in 1995. This level of production represents an increase of 46.14% over the premium income of US\$5.57 million recorded in 1994.

An amount of US\$6.35 million was credited to the West African region in 1995 which represents 11.91% of the corporate total and 21.80% below the figure of US\$8.12 million recorded in 1994. The drop resulted from the high depreciation of the Naira, although that currency component of the business written by the office increased by 62.19%.

The balance of US\$3.02 million or 5.66% of the premium income for the year 1995 came from the international market, as against US\$1.90 million in 1994.

The graphs below relate to the foregoing:



SECTORAL DISTRIBUTION

As in the previous years, the bulk of the Corporation's premium income came from the Fire and Accident classes. The total amount accruing to the Corporation from this sector amounted to US\$36.91 million in 1995 which

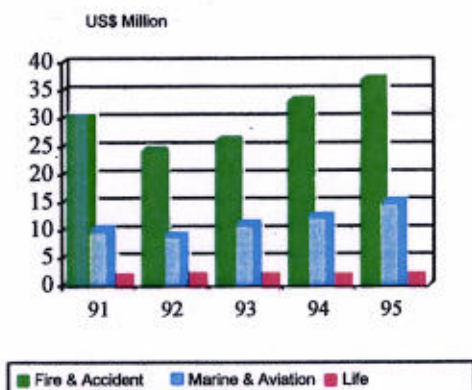


represented an increase of 11.28% over the premium of US\$33.17 million in 1994. The premium income from these classes represent 69.21% of the corporate total for the year, as against 70.72% recorded in 1994.

The Marine and Aviation classes recorded a total premium income of US\$14.84 million which is 20.85% above the level of US\$12.28 million generated by the sector in 1994. Its share of the total portfolio increased slightly from 26.18% in 1994 to 27.82% in 1995.

The balance of US\$1.59 million came from life business. This represents an increase of 9.66% above the premium of US\$1.45 million recorded in 1994.

The graph below presents the relevant details:



OTHER INCOME

LONG - TERM INVESTMENT

As in the previous years, there was no dividend declared during the year on the shares held in Shelter - Afrique.

The Corporation's investments in the shares of The African Export - Import Bank (Afreximbank), CNA Cote d'Ivoire and CNA Cameroun remained at US\$400,000, US\$120,780 and US\$143,607 respectively.

No dividends were also declared during the year by these institutions.

INCOME FROM SHORT-TERM INVESTMENT AND OTHER SOURCES

During the last quarter of the previous year (1994), there was a general rise in the rates of interest of the major currencies in which the term deposits were held. The interest rates remained high until the last quarter of the year when they started falling. The improved rates coupled with the Corporate practice of re-investing the earned interest and the high net inflow of funds recorded in 1995 accounted for the year's performance of US\$2,025,204 (1994-US\$1,450,603).

The interest on term deposits and current accounts amounted to US\$1,562,208 (1994-US\$874,013), while interest on bonds was US\$462,996 (1994-US\$416,094). The increase in the interest on bonds was due to the fact that the ADB Bond purchased during the previous year earned interest throughout 1995.

The fees from the management of the African Aviation Pool and the African Oil & Energy Insurance Pool amounted to US\$87,833 (1994-US\$66,653). The increase was a result of higher premium volume written by the Pools.

OUTGO

LOSSES

The loss ratio recorded in 1995 was satisfactory. It fell from 56.25% in 1994 to 42.27% in 1995. The geographical spread of Africa Re's business backed by selective underwriting was largely responsible for this improvement. In absolute terms, the total losses paid in 1995 amounted to US\$18.27 million compared with US\$18.97 million in 1994.

In 1995, the losses incurred dropped to US\$ 18.31 million (paid losses US\$ 18.27m, movement in reserve US\$0.04m) from US\$25.47 million (paid losses US\$18.97m, movement in loss reserves US\$6.50m) in 1994.

This improvement is attributable to the drop recorded in some of the classes.

GROSS LOSS RATIO BY CLASS - FINANCIAL YEAR 1995 CURRENCY: US\$M

CLASS OF BUSINESS	REGIONAL BUSINESS			INTERNATIONAL INWARD			TOTAL CORPORATE			1994
	Loss Incurred	Earned Premium	LOSS RATIO %	Loss Incurred	Earned Premium	LOSS RATIO %	Loss Incurred	Earned premium	LOSS RATIO%	LOSS RATIO %
FIRE & ACCIDENT (Including Eng.)	10.95	27.79	39.40	0.73	1.51	48.34	11.68	29.30	39.86	59.15
MARINE & AVIATION	5.05	11.45	44.10	0.51	0.91	56.04	5.56	12.36	44.98	45.00
LIFE	1.07	1.66	64.46	-	-	-	1.07	1.66	64.46	85.35
TOTAL	17.07	40.90	41.78	1.24	2.42	51.24	18.31	43.32	42.27	56.25



LOSS EXPERIENCE BY TRADING AREA:

- The market served by the West Africa Division recorded a loss ratio of 24.42% in 1995 compared with 15.39% in 1994.
- The Abidjan Regional office recorded an improvement, from 38.06% in 1994 to 26.89% in 1995.
- East Africa's loss ratio fell from 54.52% in 1994 to 39.95% in 1995.
- An improvement was also recorded in North Africa where the loss ratio dropped from 43.16% in 1994 to 33.83% in 1995.

COMMISSION AND CHARGES

As compared with US\$12,119,636 recorded in 1994, the commission and charges incurred by the Corporation in the current year amounted to US\$14,028,518. This gives a ratio of commission and charges to net premium of 31.13% (1994: 30.91%). In absolute figures and percentages, North Africa recorded the highest as in the previous years.

MANAGEMENT EXPENSES

Management expenses reduced by 5.50% from the 1994 level as the retained premium increased by 14.95%. The management expenses to retained premium ratio therefore stood at 7.25% as compared with 8.82% of 1994. This improvement was as a result of combined effort of control of expenses, the increase in the retained premium and the depreciation of the Naira and Kenya Shilling that reduced the US Dollar value of Headquarters and Nairobi Office's expenses, although inflation almost wiped off the effect of the depreciation.

In the last four years, there has been a consistent decrease which is gradually moving the Corporation towards the internationally accepted norm of a management expense ratio of 5%.

A better ratio would have been recorded if not for the high inflation rates at Headquarters and Nairobi as well as the slight appreciation of currencies in other locations.

OTHER EXPENSES NOT CHARGED TO THE UNDERWRITING REVENUE ACCOUNT

The expenses of the Annual General Assembly and Board of Directors increased by 42.32%. There was a general increase in the expenses as a result of location of venues of the meetings which gave rise to substantial increase in the travel cost.

The rise in the subsistence allowance and the attendance fees of the Board of Directors was as a consequence of the

increase in the number of Directors which took place in the later part of the year. The miscellaneous and reception expenses of the Annual General Assembly more than doubled that of the previous year as a result of higher prices of goods and services of the venue of the meeting.

The depreciation and amortization increased from US\$146,854 to US\$187,127 due to acquisition of additional assets in the year. However, the audit fees remained the same as in 1994.

RESULTS OF THE CLOSED UNDERWRITING YEAR 1993.

In line with the Corporation's practice, the 1993 underwriting year which had been kept open for three consecutive years was closed for the first time on 31st December, 1995.

A total gross premium of US\$40,692,619 was recorded for the underwriting year out of which US\$6,149,363 was retroceded. The net claims amounted to US\$13,642,007 while net commission and charges were US\$10,038,774 and US\$708,385 respectively. The management expenses charged to the underwriting year amounted to US\$3,090,058. Out of the resulting surplus of US\$6,206,663, a reserve of US\$3,065,487 was created for outstanding losses in accordance with the existing basis for reserve computation. The balance of US\$3,141,176 which represents the underwriting surplus for the underwriting year 1993 was transferred to the profit and loss account.

RESULTS OF THE 1995 FINANCIAL YEAR.

As in the previous year, the underwriting result shows an improvement. There was increase in premium income while the outgo shows a percentage decrease.

Compared with the 1994 production, the gross premium rose by 13.68% while the retrocessions increased by 7.24%, resulting in improvement of retained premium by 14.95%. The ratios of net claims, commissions and charges to net premiums stood at 37.78%, 29.55% and 1.57% respectively.

With net premiums of US\$45,067,817, total outgo of US\$31,053,679 and management expenses of US\$3,269,064 charged to the underwriting revenue account, an excess of income over outgo of US\$10,745,074 was recorded. This represents a 39.35% increase over US\$7,710,682 of 1994.

Out of this surplus, US\$9,066,351 was credited to the Reinsurance Fund while US\$1,379,607 was transferred from the Reserve Fund and the balance of US\$3,058,330 was the underwriting surplus taken to the profit and loss account.



There was an improvement of 52.96% for the income from investment and other sources. The interest on Reinsurance Deposits increased by 10.97% and the realised loss on exchange of 1994 turned into realised gain mainly as a result of the gradual appreciation of the FCFA after the devaluation.

The other expenses which relate to various provisions went up to US\$265,756 as compared with US\$69,278 of the previous year.

The overall profit for the year, stood at US\$6,112,672 as compared with US\$3,633,223 in 1994.

APPROPRIATION OF RESULTS

By opening up the Corporation's capital to national insurance and/or reinsurance companies, the original Africa Re shareholders had in addition adopted an incentive-oriented dividend distribution policy, without in so doing endangering the financial strength and development perspectives of the institution. Meanwhile, the phenomenon of exchange loss remains a quasi-permanent feature affecting the Corporation's operations.

Therefore, given the need to merge this two-pronged approach, the Board recommends the payment of dividends at a rate of US\$500 per fully paid-up share and proposes the appropriation of the net profit of US\$ 6,112,672 as follows:

- US\$ 3,056,336 to the General Reserve, in accordance with Resolution No. 4/1992 which stipulates that half of the net annual profit should be appropriated to the General Reserve, "until the cumulative amounts reach at least the level of the paid-up capital ...",
- US\$ 1,572,745 to the Other Reserves (including the Reserve for Exchange Fluctuations),
- US\$ 1,083,500 as dividends to be paid to shareholders at a rate of US\$500 per subscribed and paid-up share, and
- the balance, i.e. US\$ 400,091, to be carried forward.

OTHER ACTIVITIES

ADHESION

During the year under review, one African country, Mozambique, expressed the desire to join Africa Re. That request which was accepted in principle by the 17th

Annual Ordinary Meeting of the General Assembly should be viewed as a renewed demonstration of the confidence that African insurers have in Africa Re. The country's membership will take effect as soon as all formalities (ratification, acceptance or approval of the Agreement as well as payment for their share of the capital) are completed.

OPENING OF THE CAPITAL

As at 31st December, 1995, 91 companies subscribed 671 shares representing a nominal amount of US\$ 6,710,000 out of which US\$ 4,820,000 have been paid up. The flexible payment modalities (4 instalments) granted by the Board of Directors coupled with serious persuasion efforts explain the success recorded. The Board, Management and staff will spare no effort at convincing more national companies to take up participation in the Corporation.

RELATIONS WITH SISTER ORGANISATIONS

As usual, Africa Re participated in meetings and fora organised by sister organisations such as the African Insurance Organisation (AIO), the Federation of Afro-Asian Insurers and Reinsurers (FAIR), Fédération des Sociétés de Droit National Africaines (FANAF), the West African Insurance Companies Association (WAICA) and the East African Insurers Organisation (EAIO).

AFRICAN REINSURANCE FORUM

During the period under review, Africa Re, in conjunction with other professionals in the continent, organised the first African Reinsurance Forum in Lomé on 10th October, 1995 at the invitation of CICA RE, a Reinsurance company jointly owned by CICA member States. This meeting in which over 200 professionals from 30 countries participated was a resounding success. The high level of discussions as well as the intensity of bilateral contacts seem to prove that the objective of bringing the different market players together to facilitate the exchange of business is well on course. Several meetings will be needed for the market players to assess and appreciate one another, before exchanging a substantial volume of business. However, Africa Re is confident of the future success of the meetings if African reinsurers are truly moved by the will to take effective charge of their destiny.

STAFF MATTERS

As at 31st December, 1995, Africa Re had a staff strength of 116 members from 18 countries, comprising:

- 33 Senior staff (Directors and professional staff),
- 67 General services staff, and
- 16 Manual staff.



TECHNICAL ASSISTANCE AND TRAINING

As in the previous years, Africa Re organised its traditional reinsurance seminar in Abidjan from 2nd to 6th October, 1995. The theme of the seminar was "From a Recall of Theoretical Notion to Practical and Accounting Applications" with special emphasis on computerisation and its advantages, retention and underwriting surplus of a direct company, currency exchange risk (balancing the services between cedant and reinsurer), and agricultural insurance. These topics which were presented with the aid of insurance software developed by an African company captivated the interest of the 28 senior officers of 24 companies from 12 countries who participated in the seminar.

Africa Re would endeavour to improve the quality of its services as the years go by because it is apparent today that the level of training and professional expertise of officers in African companies have taken a great leap within the last decade.

The project initiated in the previous year to set up a pool of experts whose services could be utilised on consultancy basis through the Corporation, has been finalised. In effect, 90 Consultants from 22 countries cutting across 9 specialisations were retained. All national companies have been informed of this development. It is hoped that they will overcome the reluctance of offering assignments to indigenous specialists before inviting experts from outside whose remuneration are very high whereas their practical knowledge of the market and local problems is uncertain.

GENERAL ASSEMBLY

The 17th Annual Ordinary Meeting of the General Assembly was held on 22nd and 23rd June, 1995 in Casablanca, at the invitation of the Kingdom of Morocco.

Thirty four member States, fifty three member companies and the African Development Bank representing a voting power of 90.3% participated in the meeting.

The opening ceremony was presided over by His Excellency, Mohammed KABBAJ, Minister of Finance and Foreign Investment of the Kingdom of Morocco. Presenting the first speech, Miss Zoulikha NASRI, Chairperson of the Organising Committee and Director of Insurance and Social Welfare thanked the delegates present for honouring Morocco by accepting, once again, its invitation to hold the meeting on Moroccan soil after that of Mohammedia in 1980. She then welcomed shareholders and wished them success in their deliberations.

The Chairman of the General Assembly and the Board of Directors first of all recalled the modest beginnings of the Corporation and outlined some of the significant achievements of the institution. Thus, despite its weak

initial capital of US\$ 4.66 million, the Corporation now has over US\$ 26.284 million as shareholders' funds and has been able to demonstrate that inter-African co-operation is not inexorably doomed for failure when the children of Africa exhibit competence, professionalism and patriotism.

He also mentioned the results of the 1994 financial year which recorded an exceptional growth of 21.36% when compared with the previous year as well as a net profit of US\$ 3,633,233.

His Excellency, Mohammed KABBAJ, the Minister of Finance and Foreign Investment, whilst welcoming the delegates, recalled the invitation of King Hassan II to Western nations to draw up a Marshall Plan for Africa. Also, he expressed the desire for the rapid institutionalisation of regional co-operation in all fields of economic activities in order to help the continent in surmounting its numerous difficulties, as is the case with Asian and American countries that have constituted themselves into integration blocs. To that end, the harmonisation of national legislations will be a first step towards the formation of sub-regional entities. Finally, he congratulated Africa Re for the excellent results recorded and expressed the belief that increasing the Board's seats to accommodate the representatives of member companies would help in attaining a higher level of efficiency and professionalism while at the same time encouraging the growth of the Corporation and the African insurance industry.

The General Assembly accepted in principle, the adhesion of the Republic of Mozambique and decided that it will take effect as soon as all the formalities have been fulfilled by that country. The General Assembly also examined the 1994 Annual Report of the Board of Directors, approved the final accounts and accepted the appropriation of the year's results as recommended, i.e. US\$ 1,816,611 to the General Reserve, US\$ 908,306 to other reserves and US\$ 908,306 to be carried forward.

Whilst taking note of the "A" rating of the Corporation by Republic Ratings (IBCA), the General Assembly congratulated the Board, Management and staff for that performance.

Finally, it allocated 98 shares to the Republic of South Africa while 56 shares were reserved for national companies within that country.

Furthermore, the Assembly invited the Board and Management to examine the proposal seeking to limit the number of mandates given to Directors and Management. The English versions of the titles "General Manager" and "Deputy General Manager" were modified to "Managing Director" and "Deputy Managing Director" to reflect the realities of the designations in English Speaking African Countries.



Finally, the General Assembly elected the 7th Board of Directors (1995-1998) comprising:

- | | |
|------------------------------|------------|
| - Musa AL NAAS | - Libya |
| - Chairman | |
| - William N. MBOTE | - Kenya |
| - (Kenya Re) - Vice-Chairman | |
| - Samuel APPIAH-AMPOFO | - Ghana |
| - Farouk BENNIS | - Morocco |
| - (SCR) | |
| - Inoussa BOUKARI-YABARA | - Bénin |
| - (SONAR) | |
| - Moustapha FERRANI | - Algeria |
| - Elongu Ye Nkoy ILONDO | - Zaïre |
| - Séré Mady KABA | - Guinea |
| - Haile Michael KUMSA | - Ethiopia |
| - Eddie E. SAMAKAI | - Zambia |
| - Adewale SANGOWAWA | - A.D.B. |
| - Khairy SELIM | - Egypt |

BOARD OF DIRECTORS

During the year under review, the Board held 4 meetings at the following venues and dates:

- 64th Meeting in Nairobi on 17th and 18th April, 1995.
- 65th and 66th Meetings in Casablanca on 20th and 23rd June, 1995.
- 67th Meeting in Lagos on 13th and 14th November, 1995.

The following were designated as Alternate Directors:

- Mohammed Yousif Ali
Sudan - (S. KHAIRY)
- Demba Samba DIALLO
Senegal - (S.M. KABA)
- Mohamed ELTEIR
Egypt - Egypt Re - (F. BENNIS)
- Mohamed KARI
Nigeria - (S. APPIAH-AMPOFO)
- Frederick MAGEZI
Uganda - NIC - (W. MBOTE)
- Ratomson MIARINASY
Madagascar - (E. SAMAKAI)
- Mohamed Lemine NATY
Mauritania - (M. FERRANI)
- Zoulikha NASRI
Morocco - (M.S. NAAS)
- Séléus NEZERWE
Burundi - SOCABU - (I.B. YABARA)
- Léon Paul NGOULAKIA
Gabon - (E. ILONDO)
- Zeru WOLDE - MICHAEL
Eritrea - (H.M. KUMSA)
- Isaac L. NDOUMBE
ADB - (A. SANGOWAWA)



EVOLUTION OF PREMIUM INCOME IN ORIGINAL CURRENCIES/US\$ EQUIVALENT

R.O.E AS AT END OF YEAR

CURRENCY: IN MILLION

NO.	CURRENCY		1990	1991	1992	1993	1994	1995
1.	Algeria Dinar	US\$	16.58 1 3805	12.77 0.6033	32.51 1.4711	58.93 2.4694	76.40 1.7747	147.73 2.8314
2.	Angola Kwanza	US\$	36.10 1 1966	33.70 0.3815	262.20 0.4585	516.66 0.07815	47.71 0.000094	(0.08) (0.000014)
3.	Botswana Pula	US\$	0.60 0.3234	1.75 0.8392	1.80 0.7938	1.28 0.4952	0.56 0.2040	0.71 0.2530
4.	Burundi Franc	US\$	42.38 0.2603	49.51 0.2624	68.31 0.2869	108.47 0.4078	103.09 0.4157	120.8 0.4747
5.	Djibouti Franc	US\$	2.99 0.0171	-	16.02 0.0891	2.45 0.0138	4.59 0.0259	-
6.	Egypt Pound	US\$	4.24 1 5324	5.31 1.6285	5.11 1.5929	5.00 1.4853	5.58 1.6526	6.89 2.0252
7.	Eritrea Birr	US\$	-	-	-	-	1.07 0.1971	2.13 0.3666
8.	Ethiopia Birr	US\$	2.33 1 1359	2.19 1.0635	2.55 0.5152	4.85 0.9849	4.54 0.8373	6.16 1.0626
9.	Gambia Dalasi	US\$	0.22 0.0293	0.43 0.0467	0.60 0.0684	0.55 0.0655	0.52 0.0536	0.7 0.0710
10.	Ghana Cedi	US\$	92.12 0.2687	88.69 0.2267	132.99 0.2557	170.39 0.2174	190.46 0.1838	313.6 0.2181
11.	Guinea Bissau Peso	US\$	0.99 0.0015	0.47 0.00009	-	1.21 0.000243	0.74 0.000054	3.15 0.0002
12.	Guinea Republic Franc	US\$	46.09 0.0743	84.95 0.1042	58.99 0.0726	182.63 0.2252	143.68 0.1435	194.57 0.1952
13.	Kenya Shilling	US\$	125.42 5.2281	156.30 5.5668	150.63 4.0203	234.81 3.4482	304.64 6.7930	378.6 6.7666
14.	Lesotho Maloti	US\$	0.15 0.0584	0.31 0.1139	0.26 0.0856	0.34 0.0992	1.14 0.3208	1.58 0.4338
15.	Liberia Dollar	US\$	-	-	-	-	0.10 0.10	(0.02) (0.0192)
16.	Libya Dinar	US\$	0.56 2.0729	0.63 2.1804	0.71 2.4691	1.05 3.4428	1.07 2.9879	1.42 3.9858
17.	Madagascar Franc	US\$	358.63 0.2682	665.71 0.4324	956.13 0.5118	950.21 0.5145	587.13 0.1614	2,414.06 0.5895
18.	Malawi Kwacha	US\$	0.12 0.0464	0.28 0.1084	0.41 0.0957	1.17 0.2612	0.51 0.0332	2.58 0.1652
19.	Mauritania Ouguiya	US\$	11.95 0.1516	10.85 0.1297	7.58 0.0714	8.82 0.0718	15.81 0.1296	17.58 0.1304
20.	Mauritius Rupee	US\$	16.12 1.1483	21.21 1.4508	27.26 1.6324	48.79 2.6388	57.03 3.1589	69.12 3.7966
21.	Morocco Dirham	US\$	26.31 3.2696	26.44 3.2871	29.96 3.5851	33.00 3.4928	41.88 4.6999	38.11 4.5005
22.	Mozambique Metical	US\$	12.44 0.0061	54.29 0.0174	101.99 0.0373	333.84 0.0632	576.63 0.0893	678.51 0.0685
23.	Namibia Dollar	US\$	-	-	-	-	-	0.27 0.0742
24.	Nigeria Naira	US\$	30.64 3.5192	43.90 4.4636	59.07 2.8110	82.34 2.0612	114.72 5.2145	186.06 2.1610
25.	Rwanda Franc	US\$	9.34 0.0786	15.87 0.1340	22.38 0.1526	28.42 0.2000	6.90 0.0499	11.64 0.0529
26.	Seychelles Rupee	US\$	0.39 0.0793	0.70 0.1435	0.65 0.1268	0.88 0.1649	1.2 0.2413	1.04 0.2145
27.	Sierra Leone, Leone	US\$	8.04 0.0479	9.06 0.0221	14.88 0.0283	44.60 0.0812	86.72 0.1458	53.72 0.0590
28.	Somali Shilling	US\$	1.06 0.0004	-	-	-	-	-
29.	South Africa Rand	US\$	-	-	-	-	0.98 0.2771	4.42 1.2135
30.	Sudanese Dinar	US\$	5.04 0.4401	11.19 0.7436	26.01 0.2597	58.47 0.4505	13.07 0.4206	23.56 0.2856
31.	Swazi Lilangeni	US\$	0.87 0.3389	1.24 0.4503	0.78 0.2604	0.45 0.1331	1.36 0.3833	1.25 0.3419
32.	Tanzania Shilling	US\$	88.52 0.4531	66.91 0.2871	158.43 0.4728	176.98 0.3724	249.80 0.4770	348.96 0.6345
33.	Tunisia Dinar	US\$	0.59 0.7071	0.93 1.0641	0.86 0.9161	1.03 0.9926	1.71 1.7297	1.72 1.8126
34.	Uganda Shilling	US\$	55.34 0.9470	84.72 0.9190	144.66 0.1187	220.61 0.1949	253.26 0.2761	485.5 0.4831
35.	Zaire Republic Zaire	US\$	38.20 0.0204	45.59 0.0007	-	-	0.24 0.000075	4.46 0.00042
36.	Zambia Kwacha	US\$	6.83 0.1488	18.00 0.2061	41.08 0.1263	105.87 0.1622	389.49 0.5608	708.75 0.7339
37.	Zimbabwe Dollar	US\$	1.81 0.6836	1.58 0.3128	4.24 0.7817	4.61 0.6667	6.82 0.8153	4.74 0.5092
38.	CFA Franc	US\$	2,044.03 8.0346	2,152.90 8.2961	2,211.68 8.1425	2,424.55 8.2126	2,844.49 5.33	3,803.25 7.7800
39.	U.K. Pound Sterling	US\$	0.24 0.4607	0.24 0.4541	0.10 0.1594	0.23 0.3365	0.19 0.2929	0.22 0.3368
40.	United States Dollar		1.33	1.56	1.47	3.67	4.84	6.6



**Deloitte &
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REPORT OF THE EXTERNAL AUDITORS TO THE SHAREHOLDERS OF AFRICAN REINSURANCE CORPORATION

We have audited the accompanying financial statements of African Reinsurance Corporation (AFRICARE) as at 31 December 1995. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of African Reinsurance Corporation as of 31 December 1995 and the results of its operations and its cash flows for the year then ended in accordance with International Accounting Standards.

Deloitte & Touche
Deloitte & Touche
Abidjan, Côte d'Ivoire
15 April 1996



AFRICAN REINSURANCE BALANCE SHEET AT

ASSETS	Note	1995 US\$	1994 US\$
Cash and Short Term Maturities	3	5,850,897	6,499,911
Investments	4	36,967,807	23,606,846
Amounts due from companies on Reinsurance Accounts		16,614,152	16,737,698
Deposits retained by Ceding Companies		30,536,856	26,899,254
Sundry Debtors, Accrued Interest and Prepayments		3,040,109	2,292,987
FIXED ASSETS	5	2,637,881	2,523,969
 RETROCESSIONAIRES' SHARE IN RESERVE FUNDS	10	11,971,266	9,611,038
		<u>107,618,968</u>	<u>88,171,703</u>

Musa AL NAAS
Chairman

The accompanying notes form an integral part of this statement



CORPORATION
31ST DECEMBER 1995

LIABILITIES, CAPITAL AND RESERVES		1995	1994
	Note	US\$	US\$
Other Creditors, Accruals & Provisions		982,551	1,114,592
Dividend Payable	6	1,273,700	403,200
Amounts due to Companies on Reinsurance Accounts		14,081,118	12,707,013
Deposits due to Retrocessionaires		2,595,084	2,565,696
		18,932,453	16,790,501
PAID-UP CAPITAL	7	21,670,000	19,480,000
RESERVES			
Share premium		3,297,821	1,900,959
General Reserve		8,836,781	5,780,445
Other Reserves	8	2,594,238	1,511,669
Retained Earnings		6,469,986	6,069,895
Cumulative Translation Adjustment	9	(9,325,751)	(8,458,233)
		11,873,075	6,804,735
		33,543,075	26,284,735
REINSURANCE AND RESERVE FUNDS	10	55,143,440	45,096,467
		107,618,968	88,171,703

Bakary KAMARA
Managing Director

The accompanying notes form an integral part of this statement



AFRICAN REINSURANCE PROFIT & LOSS ACCOUNT FOR THE YEAR

EXPENDITURE	Note	1995 US\$	1994 US\$
General Assembly and Board of Directors' Meetings		407,596	286,390
Audit Fee		36,500	36,500
Depreciation and Amortisation	5	187,127	146,854
Other Expenses		265,756	69,278
Profit for the Year		6,112,672	3,633,223
		<u>7,009,651</u>	<u>4,172,245</u>
APPROPRIATIONS:			
Proposed Dividend		1,083,500	
Transfer to Cumulative Translation Adjustment	9	490,176	1,700,000
Transfer to Reserves	11	4,138,905	2,975,008
Retained Earnings at 31st December		6,469,986	6,069,895
		<u>12,182,567</u>	<u>10,744,903</u>

The accompanying notes form an integral part of this statement



CORPORATION
ENDED 31ST DECEMBER, 1995

INCOME	1995	1994
	US\$	US\$
Underwriting Profit	3,058,330	2,380,704
Income from Investments and Other sources	2,218,777	1,450,603
Interest on Reinsurance Deposits	849,975	765,919
Realised gain / (loss) on Exchange	882,569	(424,981)
	<u>7,009,651</u>	<u>4,172,245</u>
Retained Earnings at 1st January	6,069,895	5,411,680
Profit for the Year	6,112,672	3,633,223
Balances released on portfolio withdrawal		1,700,000
	<u>12,182,567</u>	<u>10,744,903</u>

The accompanying notes form an integral part of this statement



**AFRICAN REINSURANCE
REVENUE ACCOUNT FOR THE YEAR ENDED**

OUTGO	Gross	Retrocession	NET	NET
			1995	1994
	US\$	US\$	US\$	US\$
LOSSES PAID	18,267,542	1,242,381	17,025,161	15,917,038
Add:				
Outstanding Loss Reserve at the end of the year	19,990,419	4,639,191	15,351,228	16,730,834
Cummulative Translation Adjustment	-	-	-	5,295,252
Deduct:				
Outstanding Loss Reserve at the beginning of the year	19,947,433	3,216,598	16,730,835	15,866,554
LOSSES INCURRED	18,310,528	2,664,974	15,645,554	22,076,570
COMMISSIONS	15,964,718	2,646,003	13,318,715	11,332,776
CHARGES	1,067,024	357,221	709,803	786,859
	35,342,270	5,668,198	29,674,072	34,196,205
MANAGEMENT EXPENSES			3,269,064	3,459,481
Underwriting Profit transferred to Profit & Loss Account			3,058,330	2,380,704
			36,001,466	40,036,390

The accompanying notes form an integral part of this statement



CORPORATION
31ST DECEMBER 1995

INCOME	Gross	Retrocession	NET	NET
			1995	1994
	US\$	US\$	US\$	US\$
PREMIUM NET OF CANCELLATIONS	53,328,776	8,260,959	45,067,817	39,206,837
Add:				
Reinsurance Fund at the beginning of the year	25,149,035	6,394,440	18,754,595	19,625,425
Deduct:				
Cummulative Translation Adjustment	-	-	-	41,277
Reinsurance Fund at the end of the year	35,153,021	7,332,075	27,820,946	18,754,595
EARNED PREMIUM	<u>43,324,790</u>	<u>7,323,324</u>	36,001,466	40,036,390
			<u>36,001,466</u>	<u>40,036,390</u>

The accompanying notes form an integral part of this statement



AFRICAN REINSURANCE CORPORATION
UNDERWRITING RESULTS BY CLASS OF BUSINESS
FOR THE YEAR ENDED 31ST DECEMBER 1995

	Fire and Accident	Marine and Aviation	Life	TOTAL 1995	TOTAL 1994
	US\$	US\$	US\$	US\$	US\$
Underwriting Income:					
Gross Premiums	36,906,210	14,836,630	1,585,936	53,328,776	46,909,698
Less: Retrocession Premiums	6,363,990	1,896,969		8,260,959	7,702,861
	30,542,220	12,939,661	1,585,936	45,067,817	39,206,837
Underwriting Outgo:					
Claims	10,536,212	5,524,148	964,801	17,025,161	15,917,038
Commissions	8,888,504	4,034,869	395,342	13,318,715	11,332,776
Charges	469,479	238,986	1,338	709,803	786,860
Management expenses	2,262,358	909,488	97,218	3,269,064	3,459,481
	22,156,553	10,707,491	1,458,699	34,322,743	31,496,155
Excess of income over outgo	8,385,667	2,232,170	127,237	10,745,074	7,710,682
Reinsurance & Reserve Funds:					
At 1st January	20,358,258	13,144,069	1,983,103	35,485,430	35,491,979
Cummulative Translation Adjustment (Note 9)	-	-	-	-	(3,356,528)
At 31st December (Note 10)	26,387,566	14,771,757	2,012,851	43,172,174	(35,485,430)
Underwriting Profit transferred to Profit & Loss Account	2,356,359	604,482	97,489	3,058,330	2,380,703

The accompanying notes form an integral part of this statement



AFRICAN REINSURANCE CORPORATION
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 1995

	1995 US\$	1994 US\$
CASH FLOWS FROM OPERATIONS:		
Profit for the Year	6,112,672	3,633,223
Adjustments to reconcile operating profit to net cash generated from operations:		
Dépreciation and Amortisation	187,127	146,854
(Profit) / Loss from sale of fixed assets	(84,205)	(19,937)
Reinsurance & Reserve Funds	7,686,745	(6,550)
Amounts due from Companies on Reinsurance Accounts	123,546	(5,130,355)
Deposits Retained by Ceding Companies	(3,637,602)	4,539,968
Sundry Debtors, Accrued Interest & Prepayments	(747,122)	(1,537,629)
Amounts due to Companies on Reinsurance Accounts	1,374,105	6,532,426
Deposits due to Retrocessionaires	29,388	(2,267,310)
Other Creditors, Accruals & Provisions	(132,041)	509,712
	<u>4,799,941</u>	<u>2,767,179</u>
Net Cash generated from Operations	10,912,613	6,400,402
Adjustments for non-cash items taken to Shareholders Funds:		
Cumulative Translation Adjustment	(1,357,694)	(2,966,305)
Balances released on Portfolio withdrawal	<u>9,554,919</u>	<u>1,700,000</u>
		5,134,097
CASH FLOWS FROM FINANCING ACTIVITY:		
Proceeds on sale of Shares	3,586,862	2,429,046
Dividend Paid	(213,000)	(877,600)
	<u>12,928,781</u>	<u>6,685,543</u>
CASH FLOWS FROM INVESTMENT ACTIVITY:		
Proceeds on sale of Fixed Assets	179,017	33,097
Purchase of Fixed Assets	(395,851)	(2,008,675)
Investments made	(13,360,961)	(4,982,650)
	<u>(13,577,795)</u>	<u>(6,958,228)</u>
Net Increase in Bank and Cash Balances	(649,014)	(272,685)
BANK AND CASH BALANCES:		
At 1st January	6,499,911	6,772,596
At 31st December	<u>5,850,897</u>	<u>6,499,911</u>

The accompanying notes form an integral part of this statement



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1995

NOTE 1

OPERATIONS

The African Reinsurance Corporation was established by member States of the Organisation of African Unity and the African Development Bank as an inter-governmental institution for the purposes of:

- (a) mobilizing financial resources from insurance and reinsurance operations;
- (b) investing in Africa such funds to help accelerate economic development; and
- (c) fostering the development of the insurance and reinsurance industry in Africa by promoting the growth of national, regional and sub-regional underwriting and retention capacities.

NOTE 2

ACCOUNTING POLICIES

The Corporation's accounting policies are in general in conformity with standards adopted by the International Standards Committee and practices prevailing within the insurance industry. The following is a summary of the significant accounting policies adopted in the preparation of the financial statements:

(a) Revenue Recognition

Premiums and underwriting expenses are credited and debited respectively to the underwriting revenue account when advised by ceding companies.

(b) Underwriting Revenue Account and Reinsurance and Reserve Funds

All underwriting accounts are maintained on an underwriting year basis. The accounts of each underwriting year are kept open for three years during which the surplus of income over outgo is carried forward as Reinsurance Funds. By that time a sufficiently accurate determination of outstanding liabilities can generally be made to permit the account to be "closed" and the underwriting profit or loss determined. At the end of the third year of each underwriting year when the underwriting accounts are closed, the reinsurance funds are brought back to the revenue accounts of the said year and a Reserve Fund created on the basis of the Corporation's loss experience, to meet any outstanding claims. The adequacy of the Reserve Fund is reviewed at the end of each subsequent year in the

light of projections of the ultimate development premiums and claims and adjustments made accordingly.

(c) Currency Translation

The financial statements expressed in the various functional currencies of the member States are translated into the Corporation's reporting currency, the United States Dollar, using the closing rate method. Operational expenses are translated at rates prevailing at the date such expenses are incurred. The resultant unrealised translation adjustment recorded as a separate component of Shareholders' Fund. Exchange differences arising from the settlement of monetary items are taken to profit and loss account.

(d) Investments

Short term investments are stated at the lower of cost or market value. Long term investments are stated at cost unless there is a permanent decrease in their value, in which case a provision is made therefor.

(e) Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated to write off the cost of fixed assets in equal annual instalments over the estimated useful life of each category of fixed assets using the following annual rates:

- *Freehold and Capital Leasehold Property*
2% or over the leasehold period if less than 50 years
- *Furniture, Fittings and Equipment*
Between 12.50% and 33.33%
- *Motor Vehicles* - 25%.

(f) Debtors

Debtors are stated at their realisable value. Doubtful debts considered irrecoverable are written off into the profit and loss account during the year.

(g) Management Expenses

Management expenses are apportioned to the classes of business in the Revenue Account on the basis of the net premium and wholly charged to the current underwriting year.



NOTE 3

CASH AND SHORT TERM MATURITIES

The balances include an equivalent of US\$ 1,817,000 (1994: US\$ 944,561) representing temporary short term deposits in member States' currencies, of which part awaited approval for conversion to the United States Dollars.

NOTE 4

INVESTMENTS

Investments at cost which include Straight Bonds with a market value of US\$ 5,913,085 at 31st December, 1995 (1994: US\$ 5,505,340) are made up of:

	1995 US\$	1994 US\$
• <u>Equity Participation</u>		
Shelter-Afrique	1,020,000	1,020,000
The African Export - Import Bank (see note below)	400,000	400,000
Others (Non-quoted companies)	220,007	173,400
	<u>1,640,007</u>	<u>1,593,400</u>
• <u>Other Investments</u>		
Straight Bonds	5,674,593	5,586,020
Short-term deposits	29,653,207	16,427,426
	<u>35,327,800</u>	<u>22,013,446</u>
	<u>36,967,807</u>	<u>23,606,846</u>

In 1993, the Corporation subscribed to US\$ 1,000,000 share capital in The African Export-Import Bank. In line with the terms of allotment, the first instalment of US\$ 200,000 was duly paid in 1993 while the balance of US\$ 800,000 is payable in four equal annual instalments of US\$ 200,000 each, beginning in 1994. The instalment for 1994 was paid while that of 1995 was not called by the Bank.

NOTE 5

FIXED ASSETS

	Freehold & Capital Leasehold Property US\$	Furniture Fittings & Equipment US\$	Motor Vehicles US\$	Total 1995 US\$	Total 1994 US\$
COST					
At 1st January	2,120,234	1,659,111	325,200	4,104,545	2,155,132
Additions during the year	216,087	133,154	46,610	395,851	2,008,675
Disposals during the year	(127,762)	(18,727)	(15,089)	(161,578)	(59,262)
At 31st December	<u>2,208,559</u>	<u>1,773,538</u>	<u>356,721</u>	<u>4,338,818</u>	<u>4,104,545</u>
DEPRECIATION					
At 1st January	88,781	1,244,182	247,613	1,580,576	1,479,824
Charge for the year	6,897	138,678	41,552	187,127	146,854
On disposals during the year	(32,951)	(18,726)	(15,089)	(66,766)	(46,102)
At 31st December	<u>62,727</u>	<u>1,364,134</u>	<u>274,076</u>	<u>1,700,937</u>	<u>1,580,576</u>
NET BOOK VALUE					
At 31st December	<u>2,145,832</u>	<u>409,404</u>	<u>82,645</u>	<u>2,637,881</u>	<u>2,523,969</u>



NOTE 6

DIVIDEND PAYABLE

	1995 US\$	1994 US\$
Balance at 1st January	403,200	1,280,000
Proposed Dividend	1,083,500	-
	<u>1,486,700</u>	<u>1,280,000</u>
Amount paid during the year	(213,000)	(877,600)
Balance at 31st December	<u>1,273,700</u>	<u>403,200</u>

NOTE 7

CAPITAL STOCK AND PAID-UP CAPITAL

(i) The Authorised Capital of the Corporation is US\$ 30 million made up of 3,000 shares of US\$ 10,000 each. Two-thirds of the share capital is available for subscription by the Member States of the Organisation of African Unity and the African Development Bank, while the remaining one-third is available to national insurance and / or reinsurance institutions of the Member States.

At 31 December, 1995, 671 shares amounting to a nominal value of US\$ 6,710,000 had been subscribed, out of which US\$ 4,820,000 was actually paid.

(ii) The paid-up capital is made up as follows:

	1995 US\$	1994 US\$
Capital Allotted and Subscribed	22,560,000	22,120,000
Called up and Unpaid	<u>(890,000)</u>	<u>(2,640,000)</u>
Subscribed and Paid-up Capital (See Annex 1)	<u>21,670,000</u>	<u>19,480,000</u>

NOTE 8

OTHER RESERVES

	Reserve for Exchange Fluctuation	Reserve for Loss Fluctuation	Total 1995	Total 1994
	US\$	US\$	US\$	US\$
Balance at 1st January	911,669	600,000	1,511,669	400,000
Transfer from Profit & Loss Account (Note 11)	882,569	200,000	1,082,569	1,111,669
Balance at 31st December	<u>1,794,238</u>	<u>800,000</u>	<u>2,594,238</u>	<u>1,511,669</u>



NOTE 9

CUMULATIVE TRANSLATION ADJUSTMENT

	1995 US\$	1994 US\$
Balance at 1st January	8,458,233	7,191,928
Translation Adjustment for the year	1,357,694	8,302,833
Transfer from Underwriting Account		(5,336,528)
Transfer from Profit & Loss Account	(490,176)	(1,700,000)
Balance at 31st December	<u>9,325,751</u>	<u>8,458,233</u>

NOTE 10

REINSURANCE AND RESERVE FUNDS

These represent the underwriting results of the still open years and reserves for outstanding claims for the closed underwriting years respectively. The composition is as follows:

	Fire & Accident US\$	Marine & Aviation US\$	Life US\$	Total 1995 US\$	Total 1994 US\$
GROSS					
Reinsurance Fund	24,175,122	10,638,172	339,727	35,153,021	25,149,034
Reserve for outstanding claims	8,978,809	9,338,487	1,673,123	19,990,419	19,947,433
	<u>33,153,931</u>	<u>19,976,659</u>	<u>2,012,850</u>	<u>55,143,440</u>	<u>45,096,467</u>
LESS: Retrocessionaires' share in					
Reinsurance Fund	4,890,232	2,441,843		7,332,075	6,394,440
Reserve for outstanding claims	1,876,132	2,763,059		4,639,191	3,216,598
	<u>6,766,364</u>	<u>5,204,902</u>		<u>11,971,266</u>	<u>9,611,038</u>
Net Reinsurance and Reserve Fund	<u>26,387,567</u>	<u>14,771,757</u>	<u>2,012,850</u>	<u>43,172,174</u>	<u>35,485,429</u>

NOTE 11

TRANSFER TO RESERVES

Transfer to Reserves is made up of the following:

	1995 US\$	1994 US\$
General Reserve	3,056,336	1,863,339
Reserve for Exchange Fluctuation	882,569	911,669
Reserve for Loss Fluctuation	200,000	200,000
	<u>4,138,905</u>	<u>2,975,008</u>

NOTE 12

TAXATION

No provision for tax is made in the financial statements as the Corporation is not subject to tax in the markets in which it operates in accordance with Article 51 of the Establishment Agreement.

NOTE 13

RELATED PARTY TRANSACTIONS

A portion of the Corporation's underwriting business is transacted with ceding companies which are shareholders of the Corporation



ANNEX 1

STATEMENT OF SUBSCRIPTIONS & VOTING POWERS OF MEMBER STATES AND ADB AS AT 31ST DECEMBER 1995

CURRENCY : US\$

	Number of shares	Value of Shares	Amount not Subscribed	Amount Subscribed	Called-Up and Paid	Called-Up and Unpaid	Voting Power
MEMBER STATES							
1. Algeria	98	980,000		980,000	980,000		4.52
2. Angola	28	280,000		280,000	280,000		1.29
3. Benin	17	170,000		170,000	170,000		0.78
4. Burkina Faso	18	180,000		180,000	180,000		0.83
5. Burundi	17	170,000		170,000	170,000		0.78
6. Cameroon	50	500,000		500,000	500,000		2.31
7. Central African Republic	17	170,000		170,000	170,000		0.78
8. Chad	20	200,000		200,000	200,000		0.92
9. Congo	22	220,000		220,000	220,000		1.02
10. Cote d'Ivoire	41	410,000		410,000	410,000		1.89
11. Egypt	98	980,000		980,000	980,000		4.52
12. Ethiopia	46	460,000		460,000	460,000		2.12
13. Eritrea	17	170,000		170,000	170,000		0.78
14. Gabon	28	280,000		280,000	280,000		1.29
15. Gambia	17	170,000		170,000	170,000		0.78
16. Ghana	55	550,000		550,000	550,000		2.54
17. Guinea	17	170,000		170,000	170,000		0.78
18. Guinea Bissau	17	170,000		170,000	170,000		0.78
19. Kenya	43	430,000		430,000	430,000		1.98
20. Liberia	17	170,000		170,000	170,000		0.78
21. Libya	98	980,000		980,000	980,000		4.52
22. Mali	17	170,000		170,000	170,000		0.78
23. Madagascar	30	300,000		300,000	300,000		1.38
24. Mauritania	20	200,000		200,000	200,000		0.92
25. Mauritius	23	230,000		230,000	230,000		1.06
26. Morocco	98	980,000		980,000	980,000		4.52
27. Niger	17	170,000		170,000	170,000		0.78
28. Nigeria	98	980,000		980,000	980,000		4.52
29. Rwanda	17	170,000		170,000	170,000		0.78
30. Senegal	35	350,000		350,000	350,000		1.62
31. Seychelles	17	170,000		170,000	170,000		0.78
32. Sierra Leone	22	220,000		220,000	220,000		1.02
33. Somalia	20	200,000		200,000	200,000		0.92
34. Sudan	50	500,000		500,000	500,000		2.31
35. Swaziland	18	180,000		180,000	180,000		0.83
36. Tanzania	40	400,000		400,000	400,000		1.85
37. Togo	18	180,000		180,000	180,000		0.83
38. Tunisia	41	410,000		410,000	410,000		1.89
39. Uganda	36	360,000		360,000	360,000		1.66
40. Zaïre	31	310,000		310,000	310,000		1.43
41. Zambia	56	560,000		560,000	560,000		2.58
42. African Development Bank	200	2,000,000		2,000,000	2,000,000		9.23
SUB-TOTAL	1685	16,850,000		16,850,000	16,850,000		77.76
NON - MEMBER STATES							
1. Botswana	17	170,000	170,000				
2. Cape Verde	17	170,000	170,000				
3. Djibouti	17	170,000	170,000				
4. Equatorial Guinea	17	170,000	170,000				
5. Lesotho	17	170,000	170,000				
6. Malawi	17	170,000	170,000				
7. Mozambique	31	310,000	310,000				
8. Namibia	17	170,000	170,000				
9. Sao Tome & Principe	17	170,000	170,000				
10. South Africa	98	980,000	980,000				
11. Zimbabwe	50	500,000	500,000				
SUB-TOTAL	315	3,150,000	3,150,000				
TOTAL	2000	20,000,000	3,150,000	16,850,000	16,850,000		77.76



**STATEMENT OF SUBSCRIPTIONS & VOTING POWERS OF NATIONAL INSURANCE /
REINSURANCE COMPANIES AS AT 31ST DECEMBER 1995**

CURRENCY : US\$

ANNEX 1 Contd.

	Number of shares	Value of Shares	Amount not Subscribed	Amount Subscribed	Called-Up and Paid	Called-Up and Unpaid	Voting Power
NATIONAL COMPANIES IN MEMBER COUNTRIES							
1. Algeria	56	560,000		560,000	560,000		2.58
2. Angola	16	160,000	160,000				
3. Benin	9	90,000		90,000	90,000		0.42
4. Burkina Faso	10	100,000		100,000	62,500	37,500	0.29
5. Burundi	9	90,000		90,000	90,000		0.42
6. Cameroon	28	280,000	80,000	200,000	50,000	150,000	0.23
7. Central African Republic	9	90,000	90,000				
8. Chad	11	110,000	110,000				
9. Congo	12	120,000	120,000				
10. Cote d'Ivoire	22	220,000		220,000	97,500	122,500	0.45
11. Egypt	56	560,000		560,000	560,000		2.58
12. Ethiopia	26	260,000		260,000	260,000		1.20
13. Eritrea	9	90,000		90,000	90,000		0.42
14. Gabon	15	150,000		150,000	5,000	145,000	0.02
15. Gambia	9	90,000	90,000				
16. Ghana	30	300,000	200,000	100,000	75,000	25,000	0.35
17. Guinea	9	90,000		90,000	45,000	45,000	0.21
18. Guinea Bissau	9	90,000	90,000				
19. Kenya	24	240,000		240,000	225,000	15,000	1.04
20. Liberia	9	90,000	90,000				
21. Libya	56	560,000		560,000	560,000		2.58
22. Mali	9	90,000	90,000				
23. Madagascar	17	170,000		170,000	170,000		0.78
24. Mauritania	11	110,000		110,000	37,500	72,500	0.17
25. Mauritius	14	140,000		140,000	140,000		0.65
26. Morocco	56	560,000		560,000	560,000		2.58
27. Niger	9	90,000		90,000	37,500	52,500	0.17
28. Nigeria	56	560,000		560,000	560,000		2.58
29. Rwanda	9	90,000		90,000	90,000		0.42
30. Senegal	19	190,000	190,000				
31. Seychelles	9	90,000	90,000				
32. Sierra Leone	12	120,000	70,000	50,000	12,500	37,500	0.06
33. Somalia	11	110,000	110,000				
34. Sudan	28	280,000	280,000				
35. Swaziland	10	100,000	100,000				
36. Tanzania	21	210,000		210,000	157,500	52,500	0.73
37. Togo	10	100,000		100,000	75,000	25,000	0.35
38. Tunisia	22	220,000	100,000	120,000	30,000	90,000	0.14
39. Uganda	20	200,000		200,000	180,000	20,000	0.83
40. Zaire	18	180,000	180,000				
41. Zambia	31	310,000	310,000				
SUB-TOTAL	826	8,260,000	2,550,000	5,710,000	4,820,000	890,000	22.24
NATIONAL COMPANIES IN NON-MEMBER COUNTRIES							
1. Botswana	9	90,000	90,000				
2. Cape Verde	9	90,000	90,000				
3. Djibouti	9	90,000	90,000				
4. Equatorial Guinea	9	90,000	90,000				
5. Lesotho	9	90,000	90,000				
6. Malawi	9	90,000	90,000				
7. Mozambique	18	180,000	180,000				
8. Namibia	9	90,000	90,000				
9. Sao Tome & Principe	9	90,000	90,000				
10. South Africa	56	560,000	560,000				
11. Zimbabwe	28	280,000	280,000				
SUB-TOTAL	174	1,740,000	1,740,000				
TOTAL	1000	10,000,000	4,290,000	5,710,000	4,820,000	890,000	22.24
GRAND TOTAL	3000	30,000,000	7,440,000	22,560,000	21,670,000	890,000	100



ANNEX

SUMMARY ADMINISTRATIVE BUDGET FOR THE PERIOD 1ST JANUARY TO 31ST DECEMBER, 1996

IN US\$'000

Capital Expenditure (including
Furniture, Fittings and Motor Vehicles)

Annual General Assembly (including hall
facilities, transportation, subsistence
allowances, attendance fees and travel
expenses relating thereto)

Board of Directors' Meetings (including
hall facilities, transportation, subsistence
allowances, attendance fees and travel
expenses relating thereto)

Emoluments of Management and Other
Staff

Travel & Subsistence Expenses relating
to operations, education and training

General Expenses

	1996	1995		1994	
	Approved Budget	Approved Budget	Actual expenditure	Approved Budget	Actual expenditure
Capital Expenditure (including Furniture, Fittings and Motor Vehicles)	219	143	134	98	12
Annual General Assembly (including hall facilities, transportation, subsistence allowances, attendance fees and travel expenses relating thereto)	150	118	118	116	6
Board of Directors' Meetings (including hall facilities, transportation, subsistence allowances, attendance fees and travel expenses relating thereto)	279	245	290	246	21
Emoluments of Management and Other Staff	2,714	2,547	1,997	2,450	2,15
Travel & Subsistence Expenses relating to operations, education and training	252	225	205	247	21
General Expenses	1,303	1,160	1,067	1,066	1,15
	4,917	4,438	3,811	4,223	3,90