AFRICAN REINSURANCE CORPORATION
GENERAL ASSEMBLY
13TH ANNUAL ORDINARY MEETING
ADDIS ABABA, ETHIOPIA, 27TH - 28TH JUNE 1991

AFRICARE/GA/15/90

Report of the Board of Directors covering the period 1st January to 31st December 1990

AFRICAN REINSURANCE CORPORATION
SOCIETE AFRICAINE DE REASSURANCE

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Date 27th June 1991

Honourable Representatives
General Assembly
African Reinsurance Corporation

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 1990, as well as the Summary of the Administrative Budget for the financial year 1991.

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

EZZAT ABDEL BARY
Chairman of the Board of Directors
and General Assembly

COMPOSITION OF AFRICA RE BOARD OF DIRECTORS

Chairman Ezzat M. ABDEL BARY (Egypt)	Alternate Directors Jada LORERE (Sudan)
Vice-Chairman Eugene OKWOR (Nigeria)	P. KPODO (Ghana)
Directors K. SHERLALA (Libya)	H. OUAZZANI (Morocco)
F.F. MAGEZI (Uganda)	J. RUBAMBE (Tanzania)
D. MATONGO (Zambia)	P.J. BLACKBURN (Mauritius)
A. A. AMAVI (Togo)	M. LAWSON (Benin)
R. IBATA (Congo)	N.N. KADADI (Chad)
M. FATMI (Algeria)	E.M. EL BEIDAWI (Mauritania)
I.B.C. JOHN (ADB)	K. S. M. NYAHE (B.A.D.)

COMPOSITION OF AFRICA RE MANAGEMENT

Eyessus W. ZAFU
General Manager and Chief Executive

Ahmed E.A. ELSANUSI
Deputy General Manager

Bakary KAMARA
Secretary General

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iii Summary of the Administrative Budget for the year 1991.

FOREWORD

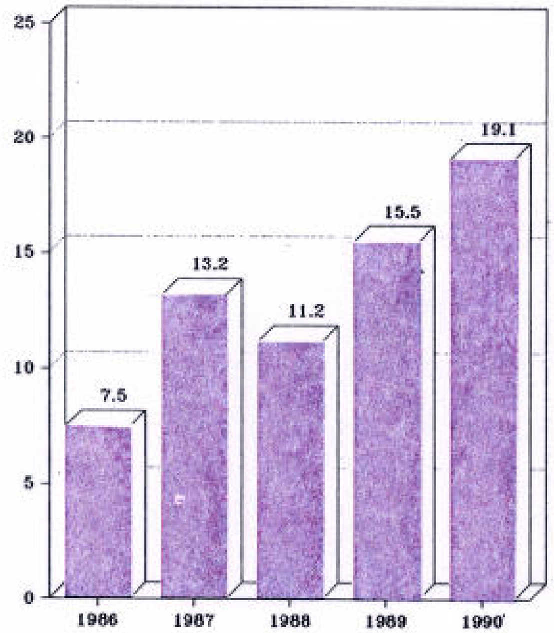
The 13th Annual Report of the Board of Directors and Accounts for the Financial Year ended 31st December, 1990 contains the final results for Underwriting Year 1988 (closed for the first time), all previously closed years (1978-1987) and the still-open years of 1989 and 1990. It includes comments on the Corporation's Trading Environment, its operations, the Report of the External Auditors on the Accounts, Resolutions adopted by the 12th Annual Ordinary Meeting and a summary of the 1991 Administrative Budget as approved by the Board.

At the close of business for the Financial Year 1990, a net profit of US$2,859,626 (1989: US$2,892,481) was realized. The Underwriting Surplus of US$1,248,658 (1989: US$1,012,309) was augmented by Income from Investments and Other Sources amounting to US$1,352,223 (1989: US$1,354,639) and Interest on Reinsurance Deposits of US$869,859(1989: US$911,175) to produce an Operating Profit for the year of US$3,470,740 (1989: US$3,278,123). A realized loss on exchange of US$109,794 (1989: realized exchange gain of US111,408) was deducted from Operating Profit and Other Expenses (Annual General Assembly, Special Committee of Six and Board of Directors' Meetings; Audit Fees and Depreciation and Amortization) totalling US$501,320 (1989: US$497,050) were charged to this Operating Profit before arriving at the Net Profit for the year.

In line with its standing accounting practice, the entire results of the still-open years, 1989 and 1990, were carried forward as Reinsurance and Reserve Funds. As in previous years, Management Expenses amounting to US$3,105,158 (1989: US$2,875,803) were charged to the Underwriting Revenue Account before determining the Underwriting Surplus for the year.

Shareholders funds which amounted to US$15,529,902 at the end of the previous year rose to US$19,107,326 as a result of the net profit for the year and the unrealized exchange gain of US$717,798 (1989: US$1,370,531) which was taken to the Balance Sheet in accordance with International Accounting Standard No. 21 (IAS 21) .

DEVELOPMENT OF SHAREHOLDERS' FUNDS



In '000 US$

The Corporation's overall Technical Reserves rose slightly (3.6% or US$941,637) from US$25,939,038 in 1989 to US$26,880,674 in 1990.

Financial year 1990 recorded a gross premium income of US$34,722,538 (1989: US$32,315,322) out of which US$4,105,075 or 11.8% (1989: US$3,721,406 or 11.5%), including the cost of excess of. loss protections, were retroceded. Of the premiums retroceded, 86.6% (1989: 85.1%) was written by African companies, including the Fair Pool.

Underwriting surplus in 1990 was higher (15%) than in 1989, partly due to a marginal rise in profitability (4.5% of retained income in 1990 against 3.5% in 1989) and partly due to the increase in retained premium income (US$30,617,463 in 1990 against US$28,543,816 in 1989). Compared to the still-weak performance of the sector in most of the Corporation's trading areas and the continued trend of thinning premiums against undiminished and sometimes increasing exposures, the underwriting result achieved for the year under report was considered more than satisfactory.

Income from investments and other sources, during 1990 at US$1,352,223 remained at about the same level as in 1989 (US$1,354,639). On the one hand, settlements of old balances and new ones arising from international inward contracts long before determined, continued to hamper efforts to achieve a higher level of invested funds. On the other hand, the marked decline of interest rates, especially in the 2nd half of 1990, on US Dollar deposits, had a depressing effect on such income. As at the end of the year, the achievement of investment income, at least equal to if not more than its management expenses, remained a priority objective.

Management expenses for 1990 at US$3,105,158 were 8% more than those of 1989 (US$2,875,803).
After falling for four consecutive years (partly by design and partly due to economic factors), Corporate premium income recorded a marginal increase of 3.2% in 1989. That increase was hailed then not as much for its size as for the reversal of the falling trend it signified. In spite of the economic adversities which continued to plague its trading environment during 1990, the Corporation achieved a more commendable growth of 7.4%. Were it not for depreciating income currencies against the United States Dollar and the premium deficit its run-off account of International Inward portfolio produced, such growth would have exceeded 10%. Out of the gross premium for the year, US$30,617,463 (1989: US$28,593,816) or 88.2% (1989: 88.5%) was retained for net account.

The year was also significant for the number of relatively large losses it recorded. There were seven such losses (4 in East & Southern and 3 in North Africa) on at least four of which cash calls were made and promptly settled. However, 1990 is destined to qualify as a historic year in the life of the Corporation not as much for operational achievements as for the land-mark decisions taken by its 12th Annual General Meeting which held in Freetown, Sierra Leone on June 27 and 28, 1990. Among others, the decisions to:-

i) increase its Authorised Capital from US$15.0m to US$30.0m;

ii) open one-third of its share capital to African insurance and reinsurance companies;

iii) enable it to invest in equities of African national insurance and reinsurance companies either being privatized or newly established;

reflected shareholders' confidence not only on its performance so far but also on its professional and commercial future. The Corporation, which has attained its long term objective of 20% net return on investment to more than double shareholders funds over the last 5 years, without a sizeable investment portfolio to support underwriting operations in the face of severe economic adversities can only be strengthened in its dynamic drive towards professional excellence and profitability by the foregoing decisions.

In its continuing bid to both widen and deepen its interactions with ceding companies, the Corporation intensified its marketing and technical co-operation contacts during the year. Its Third Reinsurance Seminar which was conducted in September, in Nairobi, was an unqualified success not only in the quality of the programme-content but also in the manner of its delivery as well as the interactions that characterized the event. The fourth such Seminar is scheduled to hold in Abidjan next September.

The Corporation made considerable progress during the year in refining its integrated reinsurance computer systems. Contrary to previous practice when management information vital for appropriate decision making was both scanty and late, 1990 witnessed significant improvements in the timing and availability of reliable data. In 1991, planned up-grading of both hardware and software at the Regional Offices will further enhance the quality and speed of information flows which, in turn, will ensure better-informed management decisions. The move is also in line with the Corporation's established policy of further strengthening the capabilities of the Regional Offices for faster and improved service and delivery to clients. Needless to say, the level of computer literacy within the Corporation recorded significant qualitative and quantitative progress creating the necessary environment for more modern office management.

The opening up of the Corporation's capital to and the anticipated subscription by African insurance and reinsurance companies is expected to usher in a new era of unprecedented prospects. In addition to strengthening its financial base, "shareholder-cedants" will not only avail it more business but also wider, richer experience and partners in product design/delivery. Indeed, if Africa Re's past efforts were predominantly devoted to ensuring its survival, the future promises determined confidence based on professional excellence and commercial prosperity.

The Board of Directors wishes to recall once again the historic and timely decisions Shareholders made last June and offer its un-reserved felicitations. On behalf of Shareholders, Management and Staff and on its own behalf, it wishes to express once more, deep gratitude to all Member States hosting the Corporation's Headquarters and its Regional Offices for their continued support by providing all the facilities it required and without which the progress it has so far recorded would have not been possible.

Similarly, the Board extends its deep appreciation to all Members and Prospective Members for the enabling environment they created which facilitated the smooth operation of the Corporation. The Board's equally deep appreciation goes to all the Corporation's business partners for their progressively growing support, to the Management and Staff of the Corporation for their demonstrated dynamism, hard work and strong commitment.

TRADING ENVIRONMENT

The African economy endured yet another year of serious adversities in 1990. Against its growth needs for investible resources, not only for new projects but also to maintain existing ones, its ability to finance imports (particularly its oil bills following the Gulf crisis) remained severely limited. The extent of the needs of Eastern Europe proved to be much more than initially anticipated, thus intensifying competition for global resources during the year. The already waning attention from and focus of the Developed Market Economy Countries were rendered even dimmer by both falling returns on investments and the threat of recession at home. While the wind of change continued to sweep over and across the Continent, the economic and socio-political dislocations and pains of structural adjustment programmes adopted by the majority of African countries continued unabated.

Likewise for the African insurance/reinsurance industry, 1990 was characterised by further weakening, resulting in continued premium stagnation/contraction, liquidity squeeze, rising incidence and severity of losses. More and more companies resorted to still higher retentions either by shifting to excess of loss programmes or raising their net lines or both. Deteriorating loss experience, undiminished or even increasing liability limits not accompanied by similar increases in premium tended to degrade the quality of portfolio thus rendering their business less attractive to reinsurers. Up to a point, a combination of factors, including the market-share drive of transnationals, helped to maintain the international reinsurance market relatively soft, from which companies especially those with deteriorating portfolio balance continued to benefit.

On the international scene, the 1985/86 campaign, by the major players, of "back to basics" was short-lived. Progressively increasing net lines by cedants; shift from proportional to non-proportional programmes; merger and acquisition thrusts, creating mega companies with large retentions and the continued penetration of the market by captives had all combined to intensify competition and keep prices both depressed and uneconomic. This already unsatisfactory situation was exacerbated by the devastating loss events that occurred in late 1989 and early 1990. The cumulative effects of catastrophes such as Hurricane Hugo, the San Francisco and Australian earthquakes, the Phillips Petroleum loss (Houston) and the repeated European storm damages, to mention only a few, obviated both the need and urgency for reinsurers to re-assess their books of business and the prices they may be forced to pay for their own protection. These losses, coming as they did after a long spell of a soft market, impacted unusually hard the global industry in general and the London LMX and retrocession markets in particular. Indeed, as it turned out, many reinsurers had to pay for their protections in 1991 two to three times more than they did in the past.

Europe being the major reinsurance market for African business, many companies, especially reinsurers whose portfolio comprised predominantly "assumed business" had to anticipate higher prices and harder conditions during the 1991 renewals. Indeed, by September 1990, it had become clear that the forthcoming renewal season was going to be hard and uncertain.

For Africa Re, this development was seen as a double-edged sword. On the one hand, the hardening of reinsurance terms and conditions in general could logically improve the profitability of reinsurance operations from which the Corporation stands to benefit. On the other hand, terms and conditions for its own reinsurance protection could harden. Although the trend was already in evidence during the 1991 renewals, the Corporation's gradual but certain shift from a reinsurer totally dependent on mandatory cessions to one which selects the business it writes and the restriction of its portfolio to predominantly regional business which has proved relatively satisfactory so far, were seen as mitigating factors. In 1990, the Corporation's premiums from voluntary cessions exceeded a third of its total income.

The pressure by transnationals for full liberalization of African markets that had not done so and the penetration of those already liberalized by non-African interests gathered more momentum during 1990. In spite of warnings and recommendations of serious caution against the dangers of quick and full liberalization of the sector and the lack of any tangible benefits from doing so, some markets tended to give in to such pressures largely for macro-economic considerations. Neither large capital infusion nor significant technology transfer or reciprocal benefits could be expected to accrue from such liberalization while the potential for capital transfer from the markets will be enhanced and encouraged by it. Even where states may wish to reduce participation or totally disengage themselves from the sector, offering ownership opportunities firstly to own nationals (persons and institutions), then to those of states in the sub-region and the region could be preferred options.

The implementation of shareholders' decision to open up the Corporation's capital to African insurance and reinsurance companies, could offer it, significant business potential. African companies acquiring shares in the Corporation would be expected to offer it additional business and could bring through Board Memberships, further experience and initiatives for improved performance.

The full effects of such developments may not materialize until perhaps 1994/95, but the envisaged fusing of public and private sector interests and initiatives promises the Corporation and its shareholders a future of homegrown professionalism and commercial prosperity.

OPERATIONS

As in previous years, businesses written by the Corporation were classified under 3 Branches - Fire & Accident (including Engineering), Marine & Aviation and Life - while the trading areas into which the African markets were grouped - West Africa (English-speaking), Central Africa (French-speaking West and Central Africa and the Lusophone countries), North Africa and East and Southern Africa - remained unchanged. Acceptances from outside Africa and/or the run-off of accounts of such acceptances continued to be classified as International Inward (world-wide) business.

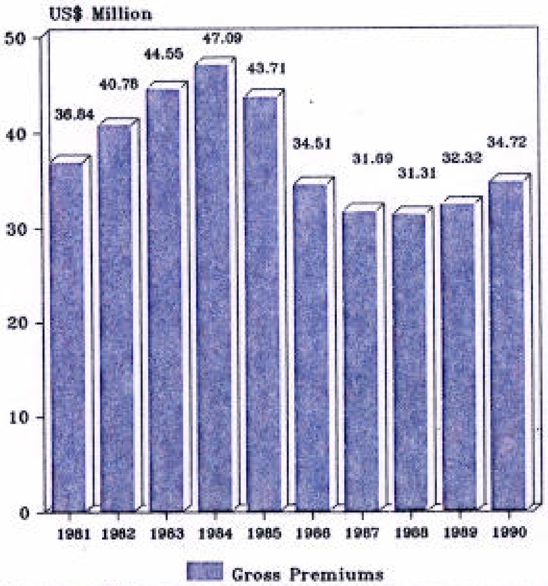
Businesses written from English-speaking West Africa and International Inward acceptances, the Corporation's Autofac Programme as well as the African Aviation and the African Oil and Energy Insurance Pools are managed from the Headquarters in Lagos, Nigeria. The three Regional Offices in Casablanca (Morocco), Nairobi (Kenya) and Abidjan (Côte d'Ivoire) administer businesses emanating from their respective sub-regions.

INCOME

During 1990, the Corporation recorded a gross premium income (after portfolio adjustment) of US$34.72m against a corresponding income of US$32.32m in 1989. 1990 represented the second consecutive year in which some premium growth was achieved after five consecutive years of premium contractions. Against a growth rate of 3.2% in 1989, the achieved rate of 7.5% in 1990 was a marked improvement. Considered against a trading environment characterized by stagnating and, in some cases, contracting direct premium income, increasingly stiffer international competition, fluctuating income currencies and the Corporation's determined underwriting attitude of commercialism, the growth rate recorded reflected growing confidence of and support from the African insurance industry.

The run-off account of international inward business during the year recorded a negative income of US$0.29m, while Regional (African) business rose by 9.65%.

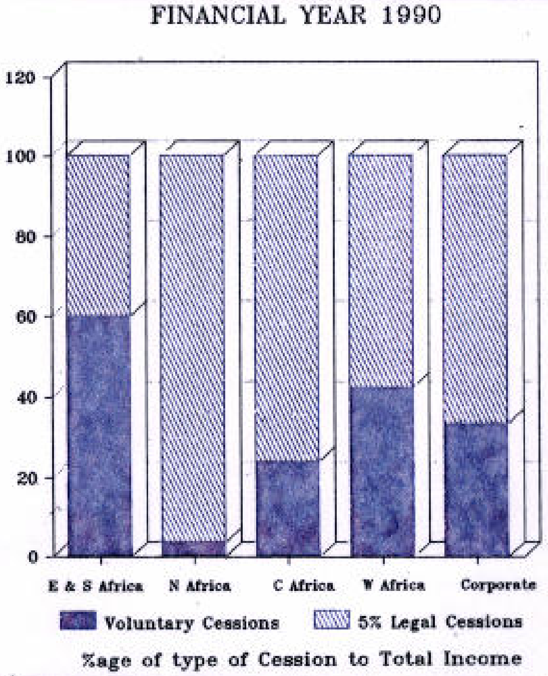
EVOLUTION OF GROSS PREMIUM INCOME
BY FINANCIAL YEAR



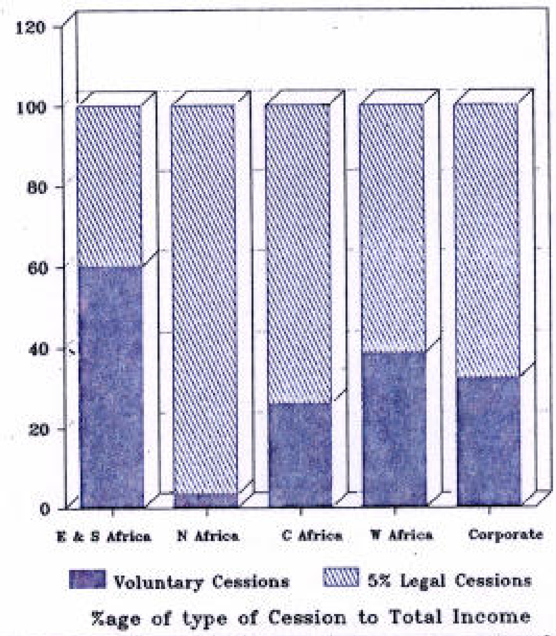
The entire premium growth was therefore totally attributable to the increase in Regional income. The effect of the fall of most income currencies against the US Dollar during the year was slightly moderated by the appreciation of the FCFA. As a result, currency translation effects reduced the 1990 premium income by only about US$1.0m as against US$3.9m in 1989.

PROPORTION OF VOLUNTARY CESSIONS BY TRADING AREA

FINANCIAL YEAR 1990



FINANCIAL YEAR 1989



The desired development of increased voluntary cessions registered a modest advance. Against 32.2% in 1989, premium income from such cessions in 1990 reached 33.35%.

Satisfactory as the Corporation's 1990 income performance may be, its fast growing underwriting capacity continues to be under-utilized.

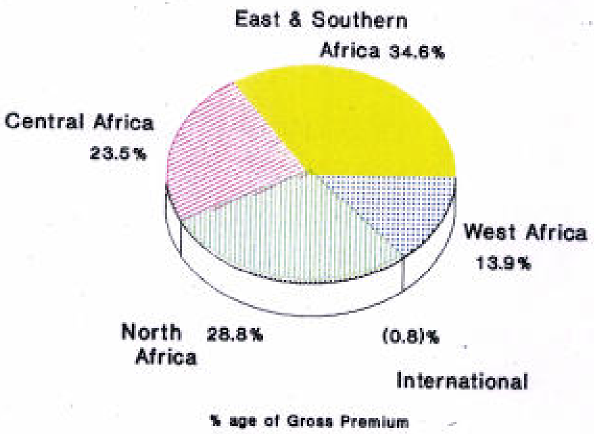
GEOGRAPHICAL DISTRIBUTION

As in the previous two years, the East & Southern Africa sub-region recorded the highest premium of US$12.01m in 1990 or 12.7% more than in 1989. The sub-region's share of corporate income rose from 33.0% in 1989 to 34.6% in 1990. Although incomes from the Republic of Seychelles were designated as legal cessions following its adhesion to the Corporation, voluntary cessions still constituted 60% of income.

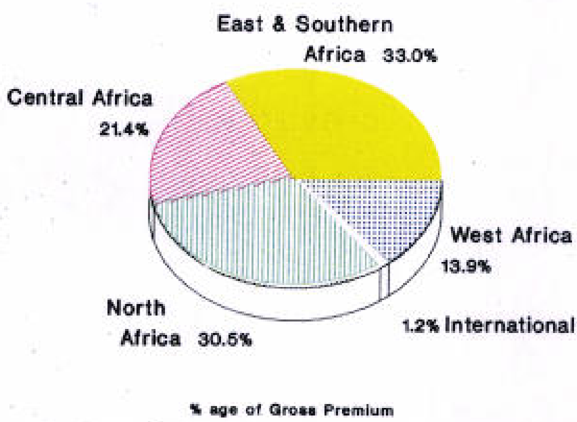
With a recorded income of US$9.99m in 1990 (1989: US$9.86m), the North Africa sub-region's share of corporate income fell from 30.5% in 1989 to 28.8% in 1990. Voluntary cessions from the sub-region as a component of income achieved remained very low (3.64%) and unchanged during the year. In spite of serious depreciations of some income currencies in the area against the US Dollar, the sub-region is credited for the highest premium generation compared to the Corporation's other trading areas. Sustained and more intense marketing is clearly indicated as a necessary corporate thrust if it is to derive a more credible proportion of its income from the sub-region.

DISTRIBUTION OF GROSS PREMIUM INCOME BY TRADING AREA

FINANCIAL YEAR 1990



FINANCIAL YEAR 1989



The market serviced by the Abidjan Regional Office produced an income of US$8.19 in 1990 compared to US$6.92m in 1989. The sub-region achieved the highest growth rate of 18.35% during 1990, which growth was substantially enhanced by the relative strengthening of the FCFA against the US Dollar. It accounted for 23.6% of corporate income in 1990. The proportion of income from voluntary cessions recorded a deterioration from 26% in 1989 to 24% in 1990. Though perhaps too early to make definite conclusions, this unfavourable development may be no more than a reflection of the growing penetration and control of markets in the sub-region by non-African interests whose primordial objective remains the maximization of premium export from Africa to their parent companies overseas.

English-speaking West Africa yielded in 1990, a premium of US$4.82m or 7.11% more than in 1989. As in previous years, income from the sub-region was significantly depressed (22.5%) by the continuing depreciation during 1990, of national currencies against the US Dollar. With a growth rate nearly the same as the corporate average, its contribution to corporate income of 13.9% in 1990 was little changed from its corresponding share of 13.9% in 1989. Income from voluntary cessions grew from 38.5% in 1989 to 42.3% in 1990. This encouraging development is expected to continue.

Income from the run-off accounts of international inward was negative (US$0.29m) in 1990 (more premium returns than income). Were it not for this occurrence, the Corporation's gross premium income would have been US$35.01m instead of US$34.72m.

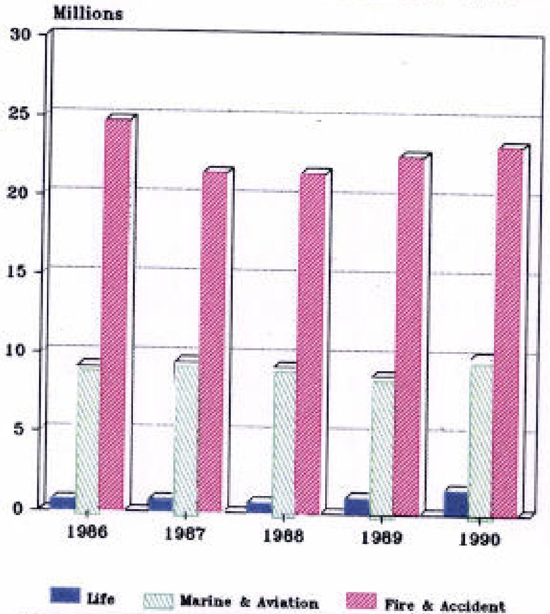
SECTORAL DISTRIBUTION

The Fire & Accident Branch registered an income of US$23.28m in 1990 or just 2.8% more than in 1989. Its relative share of corporate income fell from 70.1% in 1989 to 67.1% in 1990.

On the other hand, the Marine & Aviation Branch recorded an increase of 15.1% over that of 1989 to reach US$9.9m (1989: US$8.62m), to raise its contribution to corporate income from 26.9% in 1989 to 28.5% in 1990.

Though still too small to significantly influence corporate income, the Life Branch once again achieved dramatic growth. Against an income of US$0.99m in 1989 (itself 52.3% over that of 1988), the Branch grew by another 55.5% to reach US$1.54m in 1990 and accounted for 4.4% of total income.

DEVELOPMENT OF GROSS PREMIUM INCOME
BY BRANCH AND BY FINANCIAL YEAR



OTHER INCOMES

Long Term Investments

Properties owned by the Corporation remained unchanged during 1990.

No new long-term investments were made during the year. Only its equity participation in the Company for Habitat and Housing in Africa (Shelter-Afrique) comprised the Corporation's portfolio. Once again, while no income was derived from this investment during 1990, Shelter-Afrique's equity as at 31st December, 1990 and Africa Re's investment therein remained undiminished.

Income from Short-Term Investments and other Sources

The Corporation's income from short-term investments and other sources in 1990 amounted to US$2,112,288 (1989 US$2,377,222). The amount was mainly made up of interest earned on short-term deposits and current accounts totalling US$1,313,663 (1989 US$1,318,103), fees from the management of Pools US$30,988 (1989 US$30,990), interest on reinsurance deposits US$869,860 (1989 US$911,175) and a realised currency exchange loss US$109,794 (1989 US$111,408 gain). The main components of the income under this heading remained at 1989 levels with the exception of the exchange gain of 1989 which turned into a loss of the same magnitude this year.

Despite the marked decline in US Dollar deposit interest rates towards the end of the second quarter of 1990, interest income for the year almost equalled 1989 levels. This achievement was largely due to the use of longer dated maturities to lock into higher rates.

OUTGO

Losses

The quantum of losses paid and outstanding in Financial Year 1990 at US$17.17m was marginally higher than the corresponding amount of US$17.04m for 1989. In relation to gross premiums, the Corporation's gross loss ratio fell from 52.74% in 1989 to 49.45% in 1990. The improvement occurred in the Marine & Aviation and Life Branches, which dropped from 51.61% and 52.53% in 1989 to 40.51% and 35.06% respectively in 1990. On the other hand, the Fire and Accident Branch recorded a deterioration, from 53.18% in 1989 to 54.21% in 1990.

For the third year running, the market serviced by the Abidjan Regional Office recorded the highest gross loss ratio of 54.95%. Nevertheless, the 1990 loss ratio represented a marked improvement over that of the previous year, which was 67.63%. But perhaps the most significant deterioration in loss experience occurred in the markets serviced by the Nairobi Regional Office where it rose from 40.00% in 1989 to 51.54% in 1990. In both sub-regions, the Fire & Accident Branch was primarily responsible for the deteriorations.

The markets in the North Africa sub-region recorded the third highest gross loss ratio of 50.35% in 1990, again slightly better than the 55.88% experienced in 1989. The loss pattern was unchanged from previous years - with the Marine & Aviation Branch registering a worse loss experience than the Fire & Accident Branch. However, the gross loss ratio of 85.81% for the Marine & Aviation Branch was a new high indicating a definite need for more underwriting caution.

GROSS LOSS RATIO BY CLASS OF BUSINESS
FINANCIAL YEAR 1990

(IN US$ MILLION)

CLASS OF BUSINESS	REGIONAL BUSINESS			INTERNATIONAL INWARD			TOTAL CORPORATE			1989
	LOSS	PREM	LR%	LOSS	PREM	LR%	LOSS	PREM	LR%	LR%
FIRE & ACCIDENT	12.52	23.67	52.89	0.10	(0.39)	(25.64)	12.62	23.28	54.21	53.10
MARINE & AVIATION	3.99	9.80	40.71	0.02	0.10	20.00	4.01	9.90	40.51	51.61
LIFE	0.54	1.54	35.06	-	-	-	0.54	1.54	35.06	52.53
TOTAL	17.05	35.01	48.70	0.12	(0.29)	(41.38)	17.17	34.72	49.45	52.74

Though significantly higher at 27.59% in 1990 than the 18.67% recorded for 1989, English-speaking West Africa continued to experience the most favourable loss experience, thus compensating for its lower premium income by a relatively higher underwriting surplus.

The most significant development in loss experience occurred, however, in the run-off account of international inward business. Against a gross loss of US$1.75m and a loss ratio of 460.59% in 1989, the portfolio recorded a loss of only US$0.12m in 1990. Eventhough premium was in deficit by US$0.29m, the dramatic fall in losses was a welcome development which more than compensated for the negative premium income.

Commission and Charges

In 1990, Commission and Charges stood at US$10,663,453 or 34.8% of net retained premiums against US$10,386,619 or 36.3% of net retained premium in 1989. Both Commissions and Charges including taxes continued to be highest in the North African markets.

Excess of Loss Premiums

Excess of Loss Premium charges for 1990 at US$560,775 remained almost unchanged from those of the previous year (US$565,900). The amount is included in Retrocession premium debited to the Revenue Account.

Management Expenses

The increase was largely due to improvements in the emoluments of non-professional staff as well as rising costs of goods and services the Corporation employed for its operations. The proportion of this expenditure to retained premium income remained at about the same level as in the previous year (about 10%). Here again, the corporate objective of significantly reducing this ratio remains a continued priority. However, the relatively high ratio recorded may not denote any less frugality than before but rather an indication of a relatively slow growth in income.

Other Expenses not charged to Underwriting Revenue Account

The 1990 Expenses not charged to the Underwriting Revenue Account amounted to US$499,594, almost unchanged from those of 1989 (US$497,050), and were charged to the Profit and Loss Account.

The significant rise from US$281,088 in 1989 to US$346,626 in 1990 in the charges for General Assembly and Board of Directors Meetings, was occasioned by non-recurring expenses in connection with the General Assembly's Special Committee of Six which held two further meetings in April and June 1990, to complete its assignment.

RESULTS OF UNDERWRITING YEAR 1988

Both the basis for computing reserves for outstanding losses for closed Underwriting Years and the Corporation's practice whereby reinsurance funds for still open years are carried forward in full remained unchanged. The accounts for Underwriting Year 1988 which had been kept open for 3 consecutive years were closed for the first time on 31st December, 1990.

After meeting all obligations for business accepted by the Corporation and providing adequate reserves for outstanding claims for all closed years, a final underwriting profit of US$1,248,658 (1989 - US$1,012,309), was realised. The amount was transferred to the Profit and Loss Account.

RESULTS OF FINANCIAL YEAR 1990

Transactions for all underwriting years during Financial Year 1990 were accounted for in the Underwriting Revenue Account for the Year ended 31st December, 1990. Out of a gross written premium of US$34,722,538 (1989 - US$32,315,222), US$30,617,463 (1989 - US$28,593,816) was retained by the Corporation. Deducting from the retained premium all outgo (claims, commissions and charges, excess of loss premiums and management expenses) which amounted to US$28,427,168 (1989 - US$29,917.442), left a balance of US$2,191,295 representing the excess of income over outgo (1989 - excess of outgo over income of US$1,323,626). Reinsurance and Reserve Funds of US$25,939,038 (1989 - US$28,274,973) were brought into the Account as at 1st January and similar funds of US$26,880,674 (1989 - US$25,939,038) were carried forward at 31st December leaving a balance of US$1,248,658 (1989 - US$1,012,309) as the final underwriting profit for all closed years. The amount was transferred to the Profit and Loss Account.

Income from investments and other sources including interest on reinsurance deposits for 1990 amounted to US$2,222,082 (1989 - US$2,265,814), from which was deducted a realised exchange loss of US$109,794 and the resulting balance of US$2,112,288 added to the profit for the Financial Year. The sum of the profits from underwriting operations and incomes from investments and other sources of US$3,360,946 was reduced by US$501,320 being the total of all other expenses not charged to the Underwriting Revenue Account. The final balance of net operating profit for Financial Year 1990 was therefore determined as US$2,859,626.

APPROPRIATION

Aware of the implication of the General Assembly's decision during its 12th Meeting to increase the Corporation's capital (Resolution 4/1990), the Board recommends that dividends should not be distributed. Similar to what was done during its 10th meeting in June 1988, these would be used in payment for new shares on behalf of the shareholders.

Nevertheless, the Board believes that in order to maintain the interest of present and future shareholders in the Institution, it would be necessary in the near future to distribute dividends whenever the Corporation's net results and financial situation so allows.

Consequently, the Board recommends the adoption of a cautious but encouraging policy on the distribution of dividends as soon as outstanding commitments (payment for new shares) would have been fulfilled, without necessarily abandoning the present policy of strengthening the Corporation's financial base.

OTHER ACTIVITIES

ADHESION

In 1990, no adhesion was recorded in spite of the increasing interest shown by non-members, often expressed by way of increased business cessions (treaties and facultatives) from their companies. It is thought that the formalities associated with the process of adhesion (ratification of the Agreement) may have delayed effective adhesion of some members in the year under review. Nevertheless, the Board fully appreciates and has confidence in the declared will and sincerity of several States to be part of the Institution in the near future.

RELATIONS WITH SISTER ORGANISATIONS

As is customary, the Corporation tried within the means at its disposal to strengthen inter-African co-operation in particular, and between third world insurers in general.

In this regard, it was represented at the meetings of the "Fédération des Sociétés d'Assurances de Droit National Africaine" (FANAF), the Preferential Trade Area (PTA), the Third World Insurance Conference (TWIC), the African Insurance Organisation (AIO), the General Arab Insurance Federation (GAIF) and the Annual General Meeting of the ADB.

During these meetings, the high esteem in which the Corporation is held by insurance professionals and participants from far and wide was obvious. Although this is cause for satisfaction, every action should be taken for its preservation and improvement.

STAFF MATTERS

In view of the rising inflation in all the localities hosting the Corporation's headquarters and regional offices, and the resulting rise in the cost of living and fall in the purchasing power particularly of national staff, the Board of Directors decided to increase the remuneration of such staff with due consideration to Africa Re's financial resources. As at 31st December, the Corporation's staff strength stood at 28 senior staff (D and P), 76 junior staff (SP and G) and 14 manual workers, from 16 countries.

TECHNICAL ASSISTANCE AND TRAINING

During the period under review, the Corporation continued to make its contributions towards the industry's training efforts. In addition to regular visits by its underwriters to client companies, it also organised a seminar in September 1990 at the Nairobi Regional Office for reinsurance officers of companies in Anglophone North, West, East and Southern African countries.

GENERAL ASSEMBLY

The 12th Annual Ordinary Meeting of the General Assembly was held in Freetown, Sierra Leone, on 21st and 22nd June, 1990, with twenty-seven Member States and the African Development Bank (ADB) present, amounting to 84% of the Corporation's voting power.

The opening ceremony was presided by His Excellency the President of the Republic of Sierra Leone, Major-General Doctor J.S. MOMOH who recalled that the establishment of the African Reinsurance Corporation underscored the earnest desire of the Continent's leadership to mobilize Africa's financial resources, including insurance and reinsurance premiums, for development financing.

After congratulating the Board, Management and Staff of the Corporation for the results obtained in recent years, he appealed to all technocrats in the continent to help Africa to come out of its precarious economic situation. Finally, he stressed the need to strengthen inter-African co-operation particularly between regional and sub-regional national insurance and reinsurance companies.

The General Assembly thereafter received and approved the balance sheet and final accounts for the 1989 financial year which showed a net profit of US$2,892,481, and decided not to pay dividends in order to strengthen the Corporation's financial base.

Following consideration of the Committee of Six's report set up in accordance with Resolution 5/1989, the General Assembly decided to:-

i) increase the authorised capital from US$15 million to US$30 million with a view to making the Corporation a first class reinsurer in line with existing criteria in the international market;

ii) authorise the opening of one third of the authorised capital to national insurance and reinsurance companies;

iii) call on the Board and Management to seize every opportunity to secure participation in national and sub-regional insurance and reinsurance companies to be privatised or established, in line with appropriate and acceptable management practices in profit-oriented companies;

iv) encourage Management and staff to improve the Corporation's marketing drive and possibilities of making the best use of Africa Re's technical and human resources.

The General Assembly also renewed the mandate of SHAWKI & CO (Egypt) as the Corporation's external auditor until 30th December, 1990. Finally, it took note of the election of Mr. David MATONGO (Zambia) as Director by Kenya, Mauritius and Zambia to replace MR. M. MWINGA (Zambia).

Before the start of deliberations, a delegation of the General Assembly led by its Chairman was kindly received by His Excellency the President of the Republic of Sierra Leone, Major General Doctor J.S. MOMOH, and the Corporation was introduced to him. During this meeting, the Sierra Leone Head of State expressed his pride and that of his colleagues to note that when moved by the desire to see their continent develop, Africans prove their mettle as hardened professionals, capable of obtaining excellent results. He laid strong emphasis on the need for Africa Re to invest its resources in Member States - the most essential objective particularly at a time when the latter was in urgent need of all resources that could be mobilised.

COMPOSITION AND BOARD MEETINGS

The Board's composition was modified as follows:

- Mr. David MATONGO (Zambia) was elected to replace Mr. Mwene MWINGA, while Mr. Percy Jacques BLACKBURN (Mauritius) was confirmed as his Alternate.

- Mr. Ayi AMAVI (Togo) appointed Mr. Mathieu LAWSON (Benin) as Alternate Director to replace Mrs. Marieme DIOUF (Senegal).

During the year under review the Board held three meetings on the following dates and venues:

- 48th Meeting at Casablanca (Morocco) on 9th and 10th April, 1990.

- 49th Meeting at Freetown (Sierra Leone) on 18th June, 1990.

- 50th Meeting at Lagos (Nigeria) on 5th and 6th November, 1990.

The Head of State of the Republic of Sierra Leone declaring the 12th Annual Ordinary Meeting of Africa Re open.

FINANCIAL HIGHLIGHTS
(IN US$000)

Financial Year / Description	1990	1989	1988	1987	1986
FINANCIAL POSITION					
1. Investments	13,421	13,269	11,599	10,440	7,720
2. Shareholders' Funds	19,107	15,530	11,126	13,163	7,548
3. Reinsurance and Reserve Funds	26,881	25,939	28,275	26,836	27,069
PROFIT AND LOSS ACCOUNT					
4. Income from Investments and Other Sources	1,352	1,355	970	813	613
5. Expenses of General Assembly & Board Meetings	346	281	263	276	278
6. Profit for the Year*	2,860	2,892	2,162	2,060	2,664
UNDERWRITING REVENUE ACCOUNT					
7. Gross Premiums	34,723	32,315	31,314	31,692	34,514
8. Retained Premiums	30,617	29,160	28,597	30,367	31,251
9. Management Expenses	3,105	2,876	2,677	2,695	2,548
10. Net Underwriting Profit (after Management Expenses)	1,249	1,012	1,339	1,629	3,638

*The results for 1986 to 1987 are restated in accordance with IAS21

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Hoda Shawki
Mohsen Gamgoum
Mohamed El Kateb
Abdel Salam Shehata
Abdel Aziz Fatouh
Tamer Abdel Aziz
Khaled El Ghanam
Tarek El Menshawy
Rashad Hosny
Hala Rashed

For the shareholders of
African Reinsurance Corporation

We have examined the balance sheet of African Reinsurance Corporation as of 31 December 1990 and the related underwriting revenue account, profit and loss account and statement of cash flow for the year then ended. Our examination was made in accordance with international auditing guidelines and, accordingly, include such tests of the accounting records, and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of African Reinsurance Corporation as of 31 December 1990 and the results of its operations and cash flow for the year then ended using the accounting policies described in Note 2, which basis has been applied in a manner consistent with that of the preceding year.

Shawki & Co

Shawki & Co.

March 14, 1991

AFRICAN REINSURANCE CORPORATION
BALANCE SHEET AT 31st DECEMBER, 1990

RESOURCES EMPLOYED	Note	1990 US$	1989 US$
Current Assets			
Amounts due from Companies on Reinsurance Accounts		10,127,245	7,719,403
Deposits retained by Ceding Companies		30,185,888	27,997,246
Sundry Debtors, Accrued Interest and Prepayments		892,284	731,552
Cash and Bank Balances	4	3,667,817	3,072,785
		44,873,234	39,520,986
Less: Current Liabilities			
Amounts due to Companies on Reinsurance Accounts		5,913,513	4,953,489
Deposits due to Retrocessionaires		6,513,800	6,433,960
Other Creditors Accruals & Provisions		508,094	548,717
		12,935,407	11,936,166
Net current Assets		**31,937,827**	**27,584,820**
Investments	2(d)&5	**13,421,380**	**13,269,280**
Fixed Assets		**628,793**	**614,840**
		45,988,000	**41,468,940**
FUNDED BY			
Paid-up Capital	6	9,700,000	9,700,000
Reserves	7	2,483,916	2,593,710
Cumulative Translation Adjustments		(2,839,021)	(3,556,819)
Retained Profit		9,762,431	6,793,011
		19,107,326	15,529,902
Reinsurance and Reserve Funds	8	26,880,674	25,939,038
		45,988,000	**41,468,940**

EZZAT ABDEL BARY
Chairman

EYESSUS W. ZAFU
General Manager

The accompanying notes form an integral part of the Financial Statements

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1990

	1990	1989
	US$	US$
Underwriting Profit	**1,248,658**	**1,012,309**
Income from Investments and Other Sources	1,352,223	1,354,639
Interest on Reinsurance Deposits	869,859	911,175
Realised Gain/(Loss) on Exchange	(109,794)	111,408
	3,360,946	3,389,531
General Assembly and Board of Directors' Meetings	346,626	281,088
Audit Fee	35,000	35,000
Depreciation and Amortisation	119,694	180,962
	501,320	497,050
Profit for the year	**2,859,626**	**2,892,481**
Add: Retained Profit at 1st January	6,793,011	4,011,938
Reserve for Exchange Fluctuation Released	109,794	-
Appropriations:		
Reserve for Exchange Fluctuation	-	111,408
Retained Profit at 31st December	**9,762,431**	**6,793,011**

The accompanying notes form an integral part of the Financial Statements

UNDERWRITING REVENUE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1990

	Fire and Accident	Marine and Aviation	Life	TOTAL	1989
	US$	US$	US$	US$	US$
Underwriting Income:					
Gross Premiums	23,283,108	9,902,131	1,537,299	34,722,538	32,315,222
Less: Retrocessions	3,488,352	616,723	-	4,105,075	3,721,406
	19,794,756	9,285,408	1,537,299	30,617,463	28,593,816
Underwriting Outgo:					
Claims	10,288,724	3,833,235	536,599	14,658,558	16,655,020
Commissions	6,662,932	3,186,946	404,315	10,254,193	9,975,667
Charges	286,602	114,570	8,087	409,259	410,952
Management Expenses	2,082,156	885,525	137,477	3,105,158	2,875,803
	19,320,414	8,020,276	1,086,478	28,427,168	29,917,442
Excess of Income over Outgo	474,342	1,265,132	450,821	2,191,295	(1,323,626)
Reinsurance & Reserve Funds:					
At 1st January	13,564,506	10,984,935	1,389,597	25,939,038	28,274,973
At 31st December	(13,355,250)	(11,831,666)	(1,693,758)	(26,880,674)	(25,939,038)
Underwriting Profit transferred to Profit & Loss Account	683,598	418,401	146,660	1,248,658	1,012,309

The accompanying notes form an integral part of the Financial Statements

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER, 1990

	1990 US$	1989 US$
CASH FLOWS FROM OPERATIONS:		
Operating Profit	2,859,626	2,892,481
Adjustments to reconcile operating profit to net cash generated from operations:		
Depreciation and Amortisation	119,694	180,962
Profit from sale of fixed assets	(4,894)	(5,547)
Reinsurance & Reserve Funds	941,636	(2,335,937)
Amounts due from Companies on Reinsurance Accounts	(2,407,842)	3,991,366
Deposits Retained by Ceding Companies	(2,188,642)	1,379,497
Sundry Debtors, Accrued interest and Prepayments	(160,732)	20,719
Amounts due to Companies on Reinsurance Accounts	960,024	(4,657,209)
Deposits due to Retrocessionaires	79,840	(1,758,328)
Other Creditors, Accruals and Provisions	(40,623)	(545,614)
	(2,701,539)	(3,730,091)
	158,087	**(837,610)**
Adjustments for non-cash items taken to Shareholders' Funds:		
Cumulative Translation Adjustment	717,798	1,370,531
Net Cash generated from Operations	**875,885**	**532,921**
CASH FLOWS FROM FINANCING ACTIVITY:		
Proceeds from issue of shares for cash		141,240
CASH FLOWS FROM INVESTMENT ACTIVITY:		
Proceeds on sale of Fixed_Assets	6,288	5,770
Purchase of Fixed Assets	(135,041)	(115,038)
Short term deposits placed	(152,100)	(1,670,460)
	(280,853)	(1,779,728)
NET INCREASE (DECREASE) IN BANK AND CASH BALANCES	**595,032**	**(1,105,567)**
BANK AND CASH BALANCES:		
At 1st January	3,072,785	4,178,352
At 31st December	3,667,817	3,072,785

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 1990

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.

To achieve these purposes, the Corporation transacts treaty and facultative reinsurance business in respect of all classes of insurance inside as well as outside Africa, creates and administers pools and/or other exchange schemes for various risks for the account and to the interest of African insurance companies.

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 and Expense 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 liabilitie can generally be made to permit the account to be "close and the underwriting profit or loss determined. At the end the third year of each underwriting year when th underwriting accounts are closed, the reinsurance funds a brought back to the revenue accounts of the said year and Reserve Fund created on the basis of the Corporation's lo experience, to meet any outstanding claims. The adequacy the Reserve Fund is reviewed at the end of each subseque 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 functio currencies of the member States are translated into t Corporation's reporting currency, the United States Doll using the closing rate method. Operational expenses a translated at rates prevailing at the date such expenses a incurred. The resultant unrealised translation adjustment recorded as a separate component of Shareholders' Fun Exchange differences arising from the settlement of monet items are taken to the profit and loss account.

(d) Investments

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

(e) Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciat Depreciation is calculated to write off the cost of fixed as in equal annual instalments over the estimated useful lif each category of fixed assets using the following annual rat

Freehold and Capital Leasehold Property - 2% or over leasehold period if less than 50 years. Furniture, Fittings Equipment - Between 121/2% and 331/3%. Motor Veh - 25%.

(f) Debtors

Debtors are stated after writing off specific debts that considered irrecoverable.

(g) Management Expenses

Management expenses are apportioned to the classe business in the Underwriting Revenue Account on the ba the net premium and wholly charged to the cu underwriting year.

NOTE 3

INVESTMENTS

Investments are made up of:-

	1990	1989
	US$	US$
Subscription in Shelter-Afrique	1,020,000	1,020,000
Short-term deposits	12,401,380	12,249,280
	3,421,380	13,269,280

NOTE 4

BANK AND CASH BALANCES

The balances include an equivalent of US$423,187 representing temporary short term deposits in member States' currencies, of which part awaited approval for conversion to United States Dollars.

NOTE 5

FIXED ASSETS

	Freehold & Capital Leasehold Property	Furniture Fittings & Equipment	Motor Vehicles	Total 1990	Total 1989
	US $	US$	US$	US$	US$
COST					
At 1st January	359,034	1,241,003	148,585	1,748,622	1,670,193
Additions during the year	7,117	82,060	45,864	135,041	115,038
Disposals during the year	-	(61,430)	-	(61,430)	(36,671)
At 31st December	366,150	1,261,633	194,449	1,822,232	1,748,560
DEPRECIATION					
At 1st January	52,230	944,490	136,999	1,133,719	989,206
Charge for the year	7,259	89,384	23,050	119,694	180,962
On disposals during the year	-	(59,974)	-	(59,974)	(36,448)
At 31st December	59,489	973,900	160,050	1,193,439	1,133,720
NET BOOK VALUE					
At 31st December	306,661	287,733	34,399	628,793	614,840

NOTE 6

CAPITAL STOCK AND PAID-UP CAPITAL

(i) The initial capital allotted to the Member States of the OAU at the date of signature of the Agreement Establishing the Corporation in 1976 was US$10,000,000. This amount was augmented by US$1,160,000 representing the value of shares allotted in 1983 to newly independent states to bring the total capital offered for subscription to US$11,160,000. The Authorised Capital was increased from US$15 million to US$30 million in accordance with a decision by the 12th meeting of the Annual General Assembly held in june 1990.

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

	1990	1989
	US$	US$
Capital Available for Subscription	11,160,000	11,160,000
Unsubscribed Capital	(1,460,000)	(1,460,000)
Subscribed and paid-up Capital	9,700,000	9,700,000

NOTE 7

RESERVES

	Share Premium	Reserve for Exchange Fluctuation	General Reserve	Total 1990
	US$	US$	US$	US$
Balance at 1st January	97,240	1,536,470	960,000	2,593,710
Currency Translation loss for the year	-	(109,794)	-	(109,794)
Balance at 31st December	97,240	1,426,676	960,000	2,483,916

NOTE 8

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:-

	Reinsurance Funds	Reserve Funds	Total 1990	Total 1989
	US$	US$	US$	US$
Fire & Accident	9,128,380	4,226,869	13,355,249	13,633,407
Marine and Aviation	5,157,876	6,673,791	11,831,667	11,123,161
Life	292,919	1,400,839	1,693,758	1,182,470
	14,579,175	12,301,499	26,880,674	25,939,038

NOTE 9

RELATED PARTY TRANSACTIONS

A portion of the Corporation's underwriting business is transacted with ceding companies owned by African States which are shareholders of the Corporation (See Annex 1)

NOTE 10

TAXATION

The Corporation is not subject to tax in the markets where it operates according to Article 51 of the Establishment Agreement, therefore no tax provision is made in the financial statements.

NOTE 11

COMPARATIVE FIGURES

The comparative figures for 1989 have been restated to conform with the 1990 presentation.

ANNEX I

STATEMENT OF SUBSCRIPTION AND VOTING POWERS OF MEMBERS AS AT 31ST DECEMBER, 1990

	Number of Shares	Value of Shares	Amount not subscribed	Amount Subscribed	Called Up and Paid	Called and Unpaid	Voting Power
1. Algeria	60	600,000	-	600,000	600,000	-	6.19
2. Benin	10	100,000	-	100,000	100,000	-	1.03
3. Burkina Faso	11	110,000	-	110,000	110,000	-	1.13
4. Burundi	10	100,000	-	100,000	100,000	-	1.03
5. Cameroon	30	300,000	-	300,000	300,000	-	3.09
6. Central African Republic	10	100,000	-	100,000	100,000	-	1.03
7. Chad	12	120,000	-	120,000	120,000	-	1.24
8. Congo	13	130,000	-	130,000	130,000	-	1.34
9. Côte d'Ivoire	25	250,000	-	250,000	250,000	-	2.58
10. Egypt	60	600,000	-	600,000	600,000	-	6.19
11. Ethiopia	28	280,000	-	280,000	280,000	-	2.89
12. Gabon	16	160,000	-	160,000	160,000	-	1.65
13. Gambia	10	100,000	-	100,000	100,000	-	1.03
14. Ghana	33	330,000	-	330,000	330,000	-	3.40
15. Guinea	10	100,000	-	100,000	100,000	-	1.03
16. Guinea Bissau	10	100,000	-	100,000	100,000	-	1.03
17. Kenya	26	260,000	-	260,000	260,000	-	2.68
18. Liberia	10	100,000	-	100,000	100,000	-	1.03
19. Libya	60	600,000	-	600,000	600,000	-	6.19
20. Mali	10	100,000	-	100,000	100,000	-	1.03
21. Madagascar	18	180,000	-	180,000	180,000	-	1.86
22. Mauritania	12	120,000	-	120,000	120,000	-	1.24
23. Mauritius	14	140,000	-	140,000	140,000	-	1.44
24. Morocco	60	600,000	-	600,000	600,000	-	6.19
25. Niger	10	100,000	-	100,000	100,000	-	1.03
26. Nigeria	60	600,000	-	600,000	600,000	-	6.19
27. Rwanda	10	100,000	-	100,000	100,000	-	1.03
28. Senegal	21	210,000	-	210,000	210,000	-	2.16
29. Seychelles	10	100,000	-	100,000	100,000	-	1.03
30. Sierra Leone	13	130,000	-	130,000	130,000	-	1.34
31. Somalia	12	120,000	-	120,000	120,000	-	1.24
32. Sudan	30	300,000	-	300,000	300,000	-	3.09
33. Swaziland	11	110,000	-	110,000	110,000	-	1.13
34. Tanzania	24	240,000	-	240,000	240,000	-	2.47
35. Togo	11	110,000	-	110,000	110,000	-	1.13
36. Tunisia	25	250,000	-	250,000	250,000	-	2.58
37. Uganda	22	220,000	-	220,000	220,000	-	2.27
38. Zaire	19	190,000	-	190,000	190,000	-	1.96
39. Zambia	34	340,000	-	340,000	340,000	-	3.51
40. African Development Bank	100	1,000,000	-	1,000,000	1,000,000	-	10.31
TOTAL	**970**	**9,700,000**	-	**9,700,000**	**9,700,000**	-	**100**
Non Member Countries							
1. Botswana	10	100,000	100,000	-	-	-	-
2. Equatorial Guinea	10	100,000	100,000	-	-	-	-
3. Lesotho	10	100,000	100,000	-	-	-	-
4. Malawi	10	100,000	100,000	-	-	-	-
5. Angola	17	170,000	170,000	-	-	-	-
6. Cape Verde	10	100,000	100,000	-	-	-	-
7. Comoros	10	100,000	100,000	-	-	-	-
8. Djibouti	10	100,000	100,000	-	-	-	-
9. Mozambique	19	190,000	190,000	-	-	-	-
10. Sao Tome & Principe	10	100,000	100,000	-	-	-	-
11. Zimbabwe	30	300,000	300,000	-	-	-	-
Sub-Total	146	1,460,000	1,460,000	-	-	-	-
Shares not allocated/ subscribed for	384	3,840,000	3,840,000	-	-	-	-
Grand Total	**1,500**	**15,000,000**	**5,300,000**	**9,700,000**	**9,700,000**	-	**100**

ANNEX III

SUMMARY ADMINISTRATIVE BUDGET FOR THE PERIOD 1ST JANUARY TO 31ST DECEMBER, 1991

	1991 US$'000	1990 US$'000
Capital Expenditure (including Furniture, Fittings and Motor Vehicles)	116	105
Annual General Assembly (including hall facilities, transportation, subsistence allowances and travel expenses relating thereto)	123	159
Board of Directors' Meetings (including hall facilities, transportation, subsistence allowances, attendance fees and travel expenses relating thereto)	216	218
Emoluments of Management and Other Staff	2,410	2,525
Travel & Subsistence Expenses relating to operations, education and training	198	194
General Expenses	961	949
	4,025	4,151