AFRICAN REINSURANCE CORPORATION
GENERAL ASSEMBLY
6TH ANNUAL ORDINARY MEETING
LAGOS, NIGERIA, 19-20 JULY, 1984

AFRICARE/GA/8/50

Report of the Board of Directors covering the period 1st January to 31st December, 1983

AFRICAN REINSURANCE CORPORATION
SOCIETE AFRICAINE DE REASSURANCE

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Date: 19th July, 1984

Honourable Representatives
General Assembly
African Reinsurance Corporation

Your Excellencies,

In accordance with Articles 14 and 37 of the Agreement Establishing the African Reinsurance Corporation and Article 8 of the General Regulations made thereunder, 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, 1983 as well as the Summary of the Administrative Budget for the year January-December 1984.

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

Côme SIMBANANIYE
Chairman of the Board of Directors

COMPOSITION OF AFRICA-RE BOARD OF DIRECTORS

Chairman
Côme Simbananiye (Burundi)

Vice-Chairman
E. Okwor (Nigeria)

Directors
E.M. Abdel Barry (Egypt)
S.H. Konie (Zambia)
G. Mwaikambo (Tanzania)
P.A. Dieng (Senegal)
A. Issad (Algeria)
M.S. Naas (Libya)
I.M. Hamed (African Development Bank)

Alternate Directors
C.M. Kokouendo (C.A.R.)
(Alternate to C. Simbananiye)
O. Dibbah (Gambia)
(Alternate to E. Okwor)
S.R. Mensah (Benin)
(Alternate to P.A. Dieng)
S. Kanouni (Morocco)
(Alternative to M.S. Naas)
F.T. Nyammo (Kenya)
(Alternate to S.H. Konie)
A. Bezabeh (Ethiopia)
(Alternate to G. Mwaikambo)
Abdel A. El-Dawi (Sudan)
(Alternate to E.M. Abdel Barry)
A. Sangowawa (ADB)
(Alternate to I.M. Hamed)
A.E. Bilal (Somalia)
(Alternate to A. Issad)

COMPOSITION OF AFRICA-RE MANAGEMENT

Edward Mensah (Ghana)
General Manager and Chief Executive

Kabisi pene Yemba-Milanga (Zaïre)
Deputy General Manager

Nabil S. Mohareb (Egypt)
Secretary General

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INTRODUCTION

Our last Report covering the financial year ended on 31st December, 1982 contained the final accounts of the Corporation's third underwriting year i.e. 1980. The present report is the 6th Annual Report of the Board of Directors of the African Reinsurance Corporation and it covers the financial year ending 31st December, 1983. In line with our Accounting Policy, this report also contains the final results of our fourth underwriting year i.e. 1981.

The development of the Corporation during its short period of existence would seem to endorse the concept of promoting such a Pan-African Reinsurance Corporation with its main purpose of fostering the development of the insurance and reinsurance industry in Africa, to promote the growth of the national, regional and sub-regional underwriting and retention capacities and to support African economic development, as good and feasible.

However, whereas from inception of business in January, 1978 the Corporation has consistently shown substantial Underwriting Surpluses, our financial trading results over the last three years have and continue to be of grave concern to the Board of Directors because of the unfavourable impact on our Accounts, of difference in exchange losses.

In our report for the year ended 31st December, 1982, we dwelt at length on the problem of losses arising from translations and conversions of the currencies of our ceding companies into our reporting currency, the United States Dollar. For three consecutive years to that date there had been a steady increase in translation losses, the effect of which was to wipe away the substantial profits we had made on our technical trading results. The year under review has not been an exception. A loss of US Dollars 4,282,963 arising from conversion and translation of monetary items was recorded, again dealing a heavy toll on our technical surplus.

It is an accepted fact that the influence of foreign exchange rate fluctuation on the book profit is beyond managerial control and cannot be readily made the subject of a specific management policy. All that can be done, is to introduce measures aimed at reducing its economic impact. Our efforts are therefore being directed to consideration of the procedures for the reduction of foreign exchange risk that are available to most Reinsurers.

In this connection we have identified the major sources of fluctuations to be:

(1) differences arising from conversions of original currency balances owed by companies;

(2) foreign exchange losses which emerge when translations of short term monetary items, such as deposits retained by ceding companies are carried out;

These two sources hinge upon the basic fact of the multiplicity of non-convertible African currencies in which the Corporation is legally required to accept business.

In our quest for possible ways by which the effect of foreign currency fluctuations on the activities of the Corporation could be minimised we are giving due consideration to some recommendations and procedures and their appropriateness for use by the Corporation. These include hedging, basket of currencies, congruency as well as the application of the International Accounting Standard No. 21 issued by the International Accounting Standards Committee (IASC) in July, 1983.

One other major source of loss remains the considerable time lag between the date on which accounts are rendered to the Corporation and the date on which payment is made.

It will be recalled that this situation had been fully reported by the Board of Directors to the General Assembly whose special resolution No. 7/1983 passed at the last General Assembly Meeting in Libreville, Gabon, was widely circulated to all Member States. It is gratifying to note that favourable responses have so far been received although the position regarding early remittance of balances remains largely unsolved.

Consequently, the financial foundations of Africa Re have been weakened by delays in settlements, depreciations and devaluations and in order to achieve the continuing acceptability of African Reinsurance Corporation as a security it is recommended that as a medium term policy, serious consideration should be given to calling the unpaid portion of the capital.

The fact of African Reinsurance Corporation's existence today proves a dream that has become a reality. However this reality must now stand the test of time. Success for the future depends on our will to let Africa Re survive by taking positive special action through Government Authorities of all Member Countries.

Background to the 6th Financial Year

The year under review brought forward from previous years the worsening world-wide economic trends for many countries in the world. For developing nations, particularly in Africa, inflation was at its peak as recession in the industrial nations continued to affect adversely economic activities in this area of the globe. Increasing external debt and debt service costs brought foreign reserves of a number of developing countries to unsatisfactory levels. Consequently, many developing countries became unable to sustain their development plans.

The economic situation, and to some relevant extent, the general political circumstances which prevailed during 1983 had serious implications for insurers and particularly reinsurers because of the international nature of reinsurance.

First, new premiums were very difficult to come by in some classes of business like marine, fire and contractors all risk classes of business. This situation was as a result of deliberate reduction in level of imports by some countries, while in others it was due to retrenchment of public spending on new projects and/or discontinuance of no-longer affordable ones.

Second, persisting high interest rates in the United States, apart from aggravating the external debt situation of many developing nations gradually depressed the export earning capacity of many developing economies, as the United States Dollar rapidly appreciated against the local currencies of many of these countries. Because of the unfavourable economic conjuncture, countries like Ghana, Somalia, Sudan, Uganda, Zaire and Zambia had to accept devaluation of their local currencies during the year under report. The impact of the foregoing was that premium volume and account balances in local currencies due international insurers/reinsurers got diminished when translated into United States dollar.

Third, because of the reduced export earning power of many developing countries and their proportionately reduced foreign reserves as well as the increased number of priorities competing for allocation of available meagre resources, it has been exceedingly difficult to meet payments for invisibles like insurance/reinsurance. Consequently, over the last few years substantial amounts owed international reinsurers remained outstanding by the end of 1983. While appreciating the difficulties against which insurers/reinsurers in Africa had to operate; major international reinsurers were, understandably, left with no alternative during the renewal session in late 1983, than to bring home the message that survival of the reinsurance industry hinges on prompt payment of premium, without which it would become extremely difficult for reinsurers to meet obligations assumed under reinsurance contracts. The effect of terms and conditions imposed by international reinsurers was to render renewal negotiations of treaties for most insurers and reinsurers in Africa very difficult indeed. No doubt, experience of the last renewals should show the need to initiate action at national level with a view to paving the way for better business co-operation within a much healthier international insurance industry in the years ahead.

Generally, regarding insurance and reinsurance operations in Africa, the year 1983 could have passed for another normal business year as was the case for most previous years, except for the Guinea Earthquake disaster of late 1983 which caused extensive damage to properties, leaving 300 persons dead. Hurricane 'Bakoly' took its toll on Mauritius while other major losses in most classes of business occurred during the course of 1983. For instance, fire caused serious damage, in monetary terms, to a number of notable national establishments namely: 'Entreprise Nationale des Véhicules Industriels (Algeria: US$63.3 million), Enopharm (Algeria: US$18.3 million), Spinning and Weaving Company (Libya: US$11.7 million) Nigeria External Telecommunications Building (NET) (Nigeria: US$39.3 million), and Gezira Board (Sudan: US$9.0 million).

Some plane crashes registered by the Aviation class of business during the year under report resulted in considerable losses in terms of both money and lives—specifically, TAAG Angolan Airlines B737 crash at Lubango, Angola (125 dead, Hull Loss US$11.01 million), crash of Trans American Airline Hercules Plane at Dundo, Angola (7 dead, Hull Loss US$10.0 million) and the crash landing of Nigeria Airways Fokker F28 in Enugu Nigeria (68 dead, Hull Loss US$6.00 million liability loss US$4.00 million). As for Marine class of business, two major losses recorded were in respect of the running aground of freighters 'Anthony P' at Mayaguana Island in the Pacific and that

of 'Tarpon Sentinel' at Iles Cani, Tunisia which left Hull damages estimated at around US$5.60 million (to Ethiopian Insurance Corporation) and US$12.50 million respectively.

Apart from the foregoing, railway accidents which occurred in Al Ayat-Egypt, Dodoma -Tanzania and Hawamge - Zimbabwe, resulted in 24, 21 and 31 fatalities respectively.

As regards other developments affecting insurance and reinsurance during the year under review, at both regional and national level, establishment of and/or commencement of business by new companies were reported in some countries like Kenya, Nigeria and Senegal, while activities geared towards the establishment of the National Insurance Corporation of Liberia (NICOL) had reached an advanced stage by the end of the year. By the end of the same year preparatory work leading to the take off and/or establishment early next year of an Export Insurance Guarantee Corporation in Kenya and CICA Re with headquarters in Lome, Togo, had virtually been completed.

In areas of legislation and regulation of insurance operations, considerations were given during the year to the need to review the provisions of the Nigerian Insurance Act of 1976, while in Tanzania, Ordinance on Workmen's Compensation was amended to make all employees eligible for compensation under the Ordinance as well as to increase the level of compensation payable to injured employees substantially to more than double.

Compulsory Fire and Marine Tariffs were introduced in Egypt while Motor Tariffs were revised upwards by 15% in Morocco during the course of 1983.

Despite the unfavourable economic conjuncture prevailing in 1983, African insurers and reinsurers did not relent on their loss prevention and risk improvement activities reported in earlier years.

The year 1983, apart from being a year for structural readjustment for most developing economies, represented a period of reappraisal of relations between insurers and international reinsurers particularly in view of worsening situation on the international insurance market.

By and large, in the light of the foregoing, the Corporation's technical operations and other activities during 1983 can be said to have been carried out against a general background of unpredictable and worrisome economic circumstances.

BUSINESS DEVELOPMENT

General background:

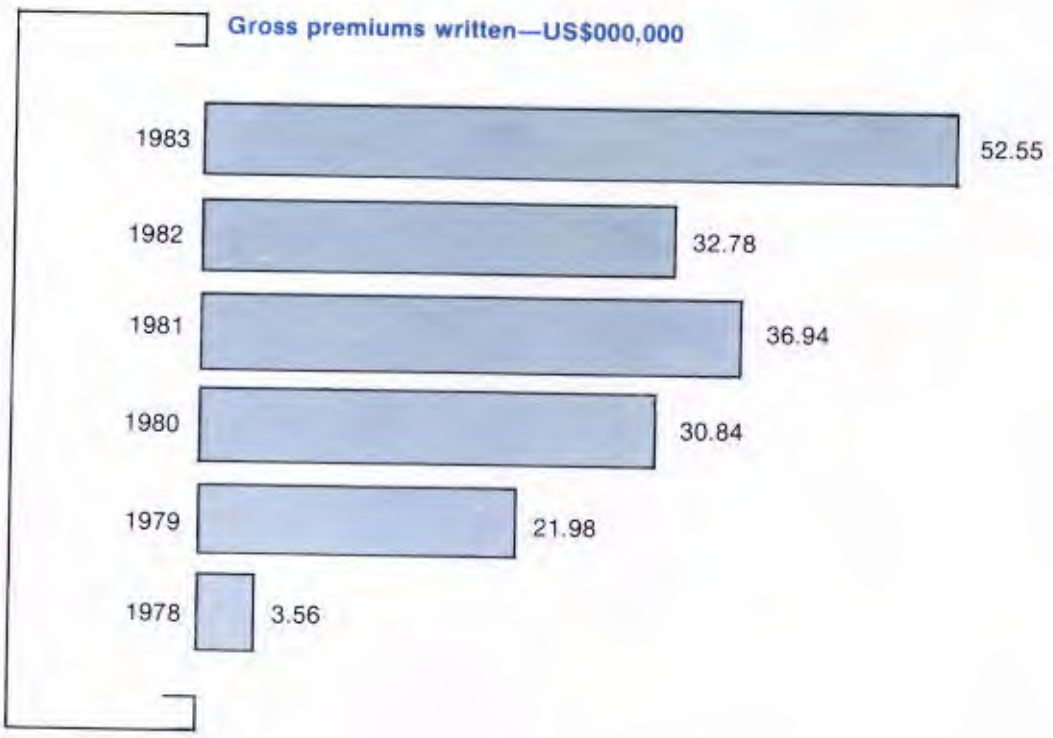
Inspite of the economic recession that gripped the world in 1983, Africa (excluding South Africa) was able to record a modest growth in premium income and it was estimated that the total premium written was US$3,520 million in 1983. This income represented about 1.9% of the total GNP of the countries that generated the premium income. In terms of contribution to economic growth it would appear that, as in the previous years, the insurance industry made an insignificant impact on the economy. Also, as a percentage of the total population of the countries that generated the US$3.52 billion gross premium income, the premium per head of population worked out to US$8.00 which represented just about 2.5% of their per capita income. This, by any standard, is quite a small figure and indicates that the insurance industry in Africa is untapped and still offers tremendous opportunity for exploitation. It is known, however, that the bulk of insurance premium income comes from non-life business with the highest contribution emanating from industry. Therefore, since Africa is largely an agricultural nation with most countries engaged in agriculture at the subsistence level, it is expected that the gap between potential premium income and actual production level would take a long time to close.

Perhaps if the development of premium income is properly monitored, production level would expand at a faster pace than anticipated to correct the imbalance between the level of premiums produced and the total market capacity. One way of giving such guidance is to fix a per capita premium income for each national market and expect such goal to be attained within a specific period of time. On the average, a per capita premium income of US$20.00 per national market is considered desirable. This target represents about 6.25% of the average per capita income of the low and middle income regions of Africa. Given the present rate of population growth (2.5%) and premium development (10%) it should be possible to attain this goal within ten years.

PREMIUM INCOME

Growth:

The various measures that were taken in 1983 to improve the Corporation's performance did have positive impact on the growth of premium income. This indication is given in the chart below which



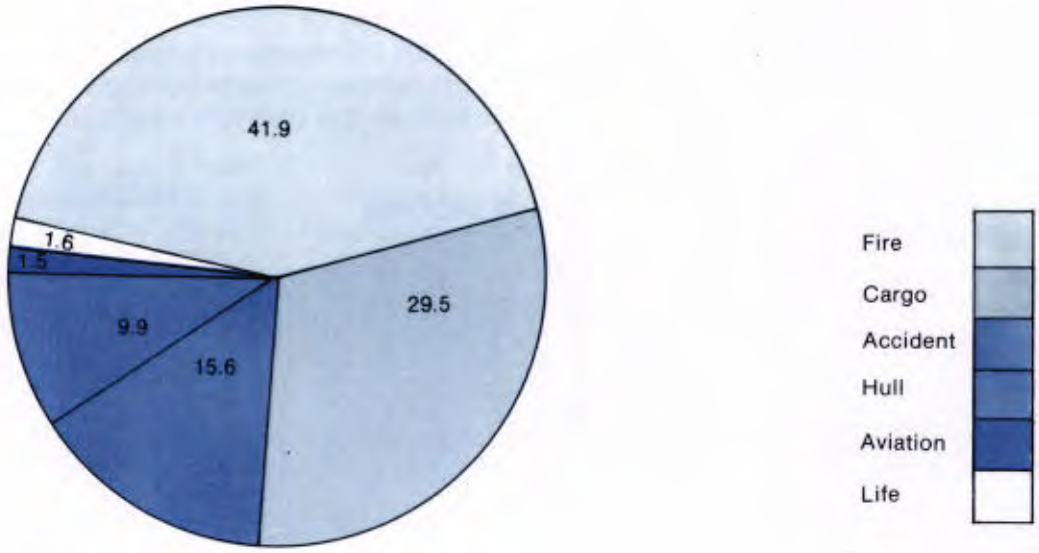
shows that from a level of US$3.56 million in 1978, gross premiums passed through the US$36.94m mark in 1981 and then US$32.78m in 1982, to reach a level of US$52.55 million in 1983. The growth rate recorded in 1983 was therefore equal to 60.3% and represented the highest increase achieved in any one year since 1978.

It has already been pointed out that the United States dollar did appreciate considerably against most currencies during the year under review. Consequently the conversion of premiums generated within Africa resulted in lower dollar equivalent when translated at the current rates of exchange. Our premium receipts, expressed in dollars, do not therefore fully reflect the real growth of business generated within Africa.

Market Share:

The diagrams below give the percentage share by class of the total gross premiums written since 1978. It would be observed that fire and cargo branches together contributed over 70% of the total yearly premium income, with the remaining branches contributing just about 30%. It is expected that fire and cargo business would remain the Corporation's major source of income although, as discussed below, they would not grow as fast as they had done in the past.

Gross premiums written as a percent of total
(1983)

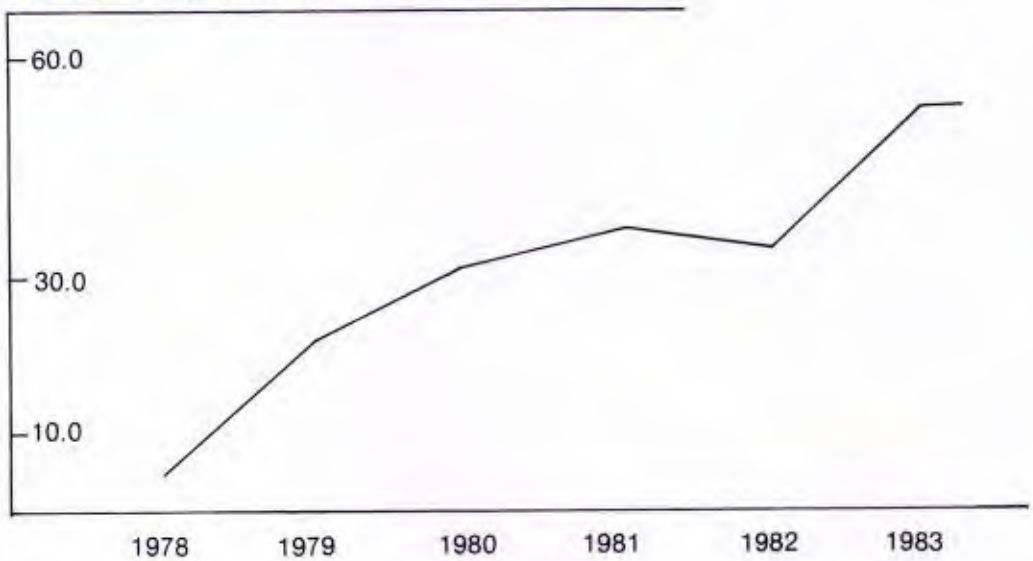


Gross premiums written as a percent of total
(1978-1982)

Prospects:

As noted above, the Corporation's premium income has made tremendous progress since 1978, rising from US$3.56 million in 1978 to US$52.55m in 1983. Although one still envisages increases in premium income over the next few years, it seems unrealistic to expect the level of growth that was recorded in the last six years to prevail. That was the era of oil boom during which some countries in Africa embarked on large scale importation of items meant to-facilitate industrialization only to realize that without the necessary inputs—appropriate technology, trained manpower and raw materials, industrialization remained a mere dream. Some of the countries that tried this expensive experiment ended up with balance of payments problems and have since rearranged their priorities to put agriculture first. This would, hopefully, enable them develop rather small scale agro-based industries consistent with the resources available in their various countries.

Development of gross premiums—US$000,000



Against the background of the foregoing analysis therefore, African Reinsurance Corporation does not expect tremendous increase in premium volume over the next few years.

The switch from industry to agriculture, the cut in importation, the low per capita income—all these may have a negative effect on the growth of premium income in the foreseable future. We have therefore pegged future growth rate at 10% per annum and hope that, on this basis, the annual gross premium income accruing to the Corporation would settle in the region of US$65.00 million in the next few years.

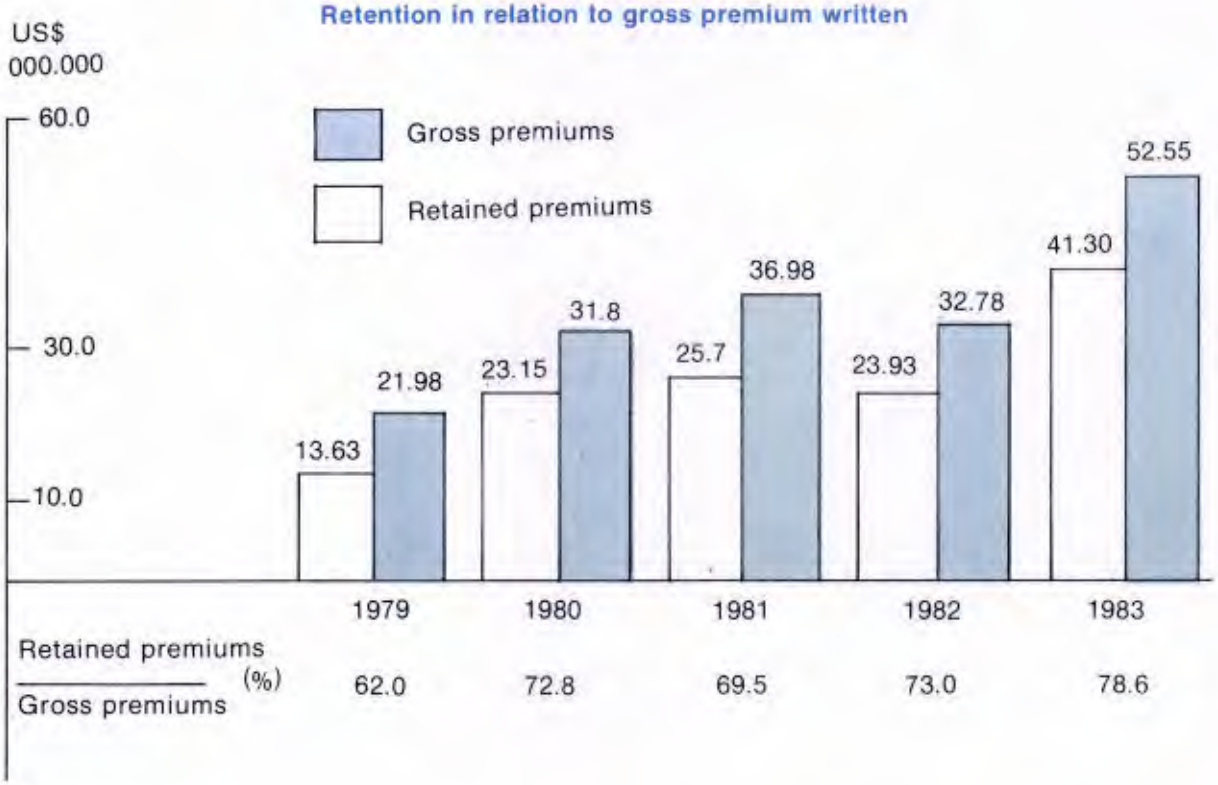
RETENTION AND RETROCESSION

Retention:

During the 1983 financial year Africa Re retained 78.6% of the total gross premiums ceded to the Corporation. This is the highest level of retention that has ever been registered by the Corporation since 1979. This marked improvement in the Corporation's retention was achieved as a result of the upward adjustment of the Corporation's retention for the 1980 and 1981 underwriting years which would appear to have had a full impact on the 1983 account.

We do not foresee any significant changes in the structure of the liabilities ceded to the Corporation and would therefore like to maintain retention per treaty programme at the present level. In view of this, therefore, we only anticipate marginal increases in Africa Re's yearly retention over the next few years and hope that retention would ultimately settle at around 82% of total premium income.

Retention in relation to gross premium written



Retrocession:

The Corporation pursued its objective of ensuring that as much business as possible was retroceded within Africa. In line with the Corporation's policy therefore, African retrocessionaires took up 91.50% of the proportional business and 32.85% of the non-proportional business retroceded by Africa—Re in 1983. It is expected that the good quality of business emanating from Africa and the flexibility afforded African retrocessionaires in the choice between the Corporation's proportional and non-proportional retrocessions would continue to serve as great attractions in our retrocession programme. We are confident, therefore, that the participation of African retrocessionaires in our retrocession programme would grow even stronger in the years ahead and thus enable the Corporation to effectively redistribute first, within Africa, business that is in excess of its own retention.

1984 Retrocession Programme

Given the performance of the 1983 Programme it is expected that this would be substantially retained for 1984. The Corporation would continue to utilize the three basic facilities, i.e. the Priority Line Surplus, the whole Account Excess of Loss and General First Surplus treaties. With regard to the latter treaty, however, indications from a general review of our reinsurance requirements now being carried out are that a slight reduction in our limits would serve our needs adequately. Any action taken in this connection would be against a background of current trends during renewal negotiations.

INTERNATIONAL BUSINESS

The year 1983 marked an important turning point in the writing of international business by the Corporation. This is so when one considers the reasons why we went into international business, namely,

the desire to develop an aspect of the portfolio that would give a higher degree of international underwriting exposures and experience to our crop of reinsurance men on the continent, and in so doing,

to establish an avenue to trade (both reciprocally and non-reciprocally) with the international world, and utilize the generally good results of Africa, and existing goodwill in making some profit on in-coming hard currency.

With these reasons, and guided by caution and prudent underwriting we had by 1979 started accepting token exchanges with such international markets from where worthwhile business had come.

By 1982, however, an unfavourable trend, not unconnected with general world depression in reinsurance business and deterioration in results had been recognised. Even with regard to hitherto good business, freshly escalating claims had still not been effectively offset by reduced commissions, charges and adjustment in terms and conditions in favour of reinsurers, it was evident that very fundamental improvements would take years to turn the results round. We therefore had to curtail our inward writings in this area, and this policy has continued to-date.

For the period 1979 to 1983 the average yearly income from our non-African acceptances is approximately US$1.8 million and represented only about 5.2% of our average gross yearly premium income. However, mainly as a result of the accelerated rate of processing outstanding statements of accounts rendered, the 1983 year produced a total accounted income of approximately US$6,323,000.

In terms of geographical split, our earlier acceptances had leaned strongly towards Europe which represented about 45% of our yearly premium income, followed by the Middle East with 25%. For the year 1983 the position was as follows:

Europe	25%
Middle East	30%
Asia and Far East	30%
Latin America	15%

This move away from European business is a reflection of the unfavourable results experienced in this area. It is hoped that further withdrawals from business coming from this sector will be made, while bearing in mind the reciprocal nature of some of these. In relation to this, it is pertinent to remark that by the end of the year under review, there seemed to have emerged a pointer towards the need to review our policy of insistence on reciprocity from our retrocessionaires. This policy will, no doubt, be reinforced by the generally reduced quality of proportional business and also by indications that the next couple of years or so, will see an even harder international reinsurance market.

RESULTS OF THE UNDERWRITING YEAR 1981

In accordance with the accounting policy of the Corporation, the results of the underwriting year 1981 were determined for each class of business at the end of 1983, having been left open for three years.

After meeting all obligations assumed under treaties ceded to the Corporation and also after making adequate provision for outstanding claims for that underwriting year, a profit of US$3,531,473 (1980—US$2,303,048) was made. This profit has been transferred to the Profit and Loss Account.

RESULTS OF THE FINANCIAL YEAR 1983

The underwriting premium income net of retrocession for the financial year 1983 amounted to US$41,298,917 (1982—US$23,927,524). Underwriting outgo amounted to US$28,140,240 leaving a balance of US$13,158,677. Reinsurance reserves and funds brought forward from the previous years amounted to US$14,534,508 while the amount carried forward at 31st December, 1983 in respect of these items was US$23,269,283. The balance of the underwriting revenue account amounting to US$4,423,902 was transferred to the Profit and Loss Account.

Investment and other income yielded an amount of US$820,518 (1982—US$1,005,951). Other outgo totalling US$4,902,289 (1982—US$5,958,248) was also written off which left a net profit of US$324,131 (1982—net loss US$1,877,792) for the financial year 1983.

5th General Assembly, Libreville, Gabon, July 1983

The Directors do not recommend a payment of dividend.

OTHER ACTIVITIES

Regional Offices

The operations of the Corporation's regional offices established in January 1980 and 1982 at Casablanca and Nairobi respectively continued to augur well for the timely decentralisation policy adopted by the Corporation.

The existence of these two regional offices therefore enhanced development and cordial business relationship between the Corporation and sizeable sectors of its main market and also facilitated generally the smooth administration of the Corporation's multifarious activities.

Relations with International and Regional Organisations

The Corporation continued to show an ever-growing interest in its involvement in the activities of a number of international organisations with common interests and objectives, principally in the fields of insurance and reinsurance as well as inter-related socio-economic programmes for development and progress in the African continent.

In pursuit of this objective the Corporation participated in a number of insurance and reinsurance activities such as the African Insurance Organisation (AIO), West Africa Insurance Companies Association (WAICA), West African Insurance Institute (WAI), Fédération des Sociétés d'Assurances de Droit National Africaines (FANAF), Conférence Internationale des Contrôles d'Assurances (CICA), Federation of Afro-Asian Insurers and Reinsurers (F.A.I.R.) and the Organisation of East Africa Insurers (O.E.A.I.) including other national and regional organisations committed to the development of Insurance in Africa. To this end the Corporation showed increased interest and physical assistance and cooperation in consultations and negotiations by the Economic Community of West African States (ECOWAS) for the introduction of the 3rd Party vehicle Insurance Card in the Community's sub-region.

During the year under review the Corporation continued to work closely with the African Development Bank (ADB) as a shareholder of the Corporation and actively participated in the Meetings of the Board of Directors of "Shelter-Afrique"—African Housing Development and Finance Company. The Corporation continued to be accorded observer Status by the O.A.U. and maintained keen interest in the activities of the UN Economic Commission for Africa (E.C.A.) and the UN Conference on Trade and Development (U.N.C.T.A.D.) programmes relating to the development of Insurance.

STAFF MATTERS

The General Manager/Chief Executive and the Deputy General Manager (who together with Secretary General) were reappointed for the second term of five years from June, 1982 voluntarily resigned their posts in July during the 25th Board Meeting in Libreville, Gabon.

Their resignation notices which were to expire on 31st December, 1983, were however extended to 31 January, 1984 by the General Assembly after it had reviewed the circumstances leading to the resignation of the General Manager and the Deputy General Manager.

The Secretary General who did not resign his post was, however, directed by the General Assembly to tender his resignation; the notice of his resignation was to expire also on 31 January, 1984.

As at the end of the 1983 financial year the total approved staff establishment in terms of budgetary allocations stood at 121 but the actual staff strength was 106 representing 73 employees at Headquarters and 18 and 15 at Casablanca and Nairobi respectively.

However, it was not possible to implement the decision to augment the existing staff strength due

to both physical and material constraints envisaged during the year under review. A breakdown of the full complement of the Corporation's staff indicated the following numbers in each of the five distinct categories namely, 4 Directors, 27 Professionals, 4 Sub-Professionals, 53 General and 18 in the Manual Strata.

The following schedule illustrates in graphic details the geographical representation of staff from member countries, categories and corresponding figures for 1982 for comparative study.

Staff Composition as at the end of 1983

	Staff Category			Total	
Country	Professional	General Service	Manual	1983	1982
Algeria	1	—	—	1	1
Angola	1	—	—	1	—
Benin	1	2	—	3	2
Cameroun	1	1	—	2	2
Congo	1	—	—	1	1
Egypt	1	—	—	1	1
Ethiopia	2	—	—	2	2
Ghana	8	1	1	10	12
Kenya	—	7	1	8	9
Mauritius	1	—	—	1	—
Morocco	2	8	3	13	7
Nigeria	8	29	13	50	41
Senegal	1	—	—	1	1
Sierra Leone	1	—	—	1	1
Tanzania	1	—	—	1	—
Togo	2	2	—	4	7
Uganda	2	2	—	4	2
Zaire	1	—	—	1	1
Zambia	—	1	—	1	1
Total	35	53	18	106	91

MEMBERSHIP OF THE CORPORATION

As in the past year there was no change in the composition of the membership of the Corporation as it remained 36 member States of the Organisation of African Unity (OAU) and one institutional member, namely the African Development Bank (ADB).

However, OAU member States who were still not members of the Corporation were not forgotten in efforts made towards the intensification of interest in the activities of the Corporation as well as attracting new membership.

GENERAL ASSEMBLY

The government of the Republic of Gabon generously invited the Corporation to hold its 5th Annual Meeting of the General Assembly in Libreville from July 25 to 27 1983. His Excellency the Acting Minister of Finance and Economy presided over the Opening and Closing ceremonies of the Assembly.

The Annual Meeting of the General Assembly was attended by the Representatives of 26 Member States and the African Development Bank accounting for 80.41% of the voting powers of the Corporation. The following organisations attended the Meeting as observers, AIO, CIC, WAICA

as well as some African ceding Companies and Retrocessionaires.

The General Assembly approved the Report of the Board of Directors for the period 1st January to 31st December, 1982 as well as the accounts for the 1982 Financial Year ended December 1982. The Meeting reappointed Z. Hassan, H. Hassan & Company (Egypt) as the External Auditors for the Financial Year 1983.

Representatives of Cameroon, Ivory Coast, Sudan and Zambia were elected members of the Resolutions Committee for the 6th Annual Ordinary Meeting of the General Assembly. The text of the Resolutions adopted by the General Assembly at the last Meeting is given in Annex III of the Report.

BOARD OF DIRECTORS

During the year under review the Board of Directors held four Meetings on the following dates and venues:-

Meetings	Dates	Venues
24th	3-4 May	Casablanca, Morocco
25th	21-23 July	Libreville, Gabon
26th (1st Meeting of newly elected Directors)	27th July	Libreville, Gabon
27th	23-25 November	Lagos, Nigeria

As in the preceding years the Board devoted greater attention to the improvement of its policy guidelines for the Management of the Corporation. The realisation of this objective included among others, proposals likely to give the desirable orientation to the Corporation's general policies in the areas of administration and reinsurance technical operations. In this connection greater emphasis was placed on the need to exercise budgetary restraints.

The Board also considered the Corporation's technical operations problems such as currency exchange losses. Efforts are being made to minimise the inherent overall adverse effect on the Corporation's financial position.

Arising out of the Board's Special Committee Report, the Firm of Management Consultants commissioned to assist the Corporation in its structural and manpower development, presented part of its Phase I report during the year under review. While the Board noted some of its recommendations for the solution of staff problems and proposals to streamline its present structure, the Board decided that after completion of the remaining aspects of the first Phase the Consultants should discontinue the assignment.

The Board also considered the voluntary resignations of the General Manager and the Deputy Manager and accepted same. However, the 5th Annual Meeting of the General Assembly immediately following the Board Meeting considered this crucial issue and in exercise of its powers as the supreme organ of the Corporation reviewed the Board's previous decision as embodied in Resolution 12/1983 annexed to this Report.

In compliance with the General Assembly's relevant resolution, the Board met in Lagos in November 1983 to appoint a new management team but as the Board was not successful in appointing suitable successors, the General Manager and the Deputy General Manager were requested to remain in office until their successors and a new Secretary General had been appointed. However, the Board reaffirmed the General Assembly's resolution on the effective date of the resignation of the Secretary General and he is accordingly expected to leave his duty post in Lagos for home on 30th January 1984.

Libreville, July, 1983

FINANCIAL HIGHLIGHTS
for the year ended 31st December, 1983

		1983 US$	1982 US$
	Underwriting Revenue Accounts		
1.	Total Gross Premium Income written in 1983 for Underwriting Years 1978 to 1983	52,551,375	32,783,764
2.	Gross Premium Retained in 1983 for Underwriting Years 1978 to 1983	41,298,917	23,927,524
3.	Net outgo being claims, commissions, charges and other expenses	28,140,240	20,188,015
4.	Reserve Fund at 31st December 1983	9,424,569	7,008,062
5.	Reinsurance Fund at 31st December 1983	13,086,234	7,526,444
6.	Underwriting Profit	4,423,902	3,074,505
	Investments and Income Therefrom		
7.	Short-Term Investments	3,922,077	3,954,533
8.	Income from Investments and Interest	334,592	605,558
	Profit and Loss Account		
9.	Expenses of General Assembly and Board of Directors' Meetings	444,572	527,723
10.	Management Expenses	3,036,836	2,711,378
11.	General Reserve and Retained Earnings at 31st December, 1983	(688,072)	(1,030,203)
12.	Profit/(Loss) for the year	342,131	(1,877,792)

Financial Statements for the year ended 31st December, 1983 and the External Auditors Report thereon.

The Financial Statements for the Year ended 31st December, 1983, Notes on the Accounts, Statement of Source and Application of Funds and the Report of the External Auditors thereon are given in the following pages.

REPORT OF THE AUDITORS

We have examined the annexed 1983 Financial Statements of African Reinsurance Corporation comprising the Balance Sheet, Profit & Loss Account, Underwriting Revenue Account, Statement of Source and Application of Funds and the Notes thereon numbered 1 to 17 in accordance with our terms of reference. We have obtained all the information and explanations which we considered necessary.

Our examination was made in accordance with generally accepted auditing standards and the requirements of the relevant financial regulations of the Corporation and included such tests of the accounting records and such other auditing procedures which we considered necessary. Proper books of accounts have been kept and the accounts are in agreement therewith.

In our opinion, the Balance Sheet, Profit & Loss Account, Underwriting Revenue Account, Statement of Source and Application of Funds together with the Notes thereon, give respectively a true and fair view of the financial position of African Reinsurance Corporation as at December 31, 1983, the results of its operations and the source and application of funds for the financial year then ended.

(Z. HASSAN, H. HASSAN & CO.)

Public Accountants

26 May, 1984

AFRICAN REINSURANCE CORPORATION

BALANCE SHEET AS AT DECEMBER 31, 1983

	Note	1983 US $	1983 US $	1982 US $	1982 US $
RESOURCES EMPLOYED					
Fixed Assets	3		624,983		365,776
Investments	4		3,922,077		3,954,533
Current Assets:					
Amount due from companies on reinsurance accounts	5	13,270,381		11,008,839	
Deposit retained by ceding companies	6	31,149,878		24,525,137	
Sundry debtors, accrued interests and prepayments	7	403,942		604,025	
Bank and cash balances	8	2,124,245		1,438,647	
		46,948,446		37,576,648	
Less: **Current Liabilities**					
Amount due to companies on reinsurance accounts	9	11,792,017		10,940,465	
Deposits due to retrocessionaires		11,750,597		10,620,007	
Other creditors, accruals and provisions	10	1,470,161		2,172,182	
		25,012,775		23,732,654	
			21,935,671		13,843,994
			26,482,731		18,164,303
FUNDED BY:					
CAPITAL STOCK	11		10,000,000		10,000,000
Paid-up capital	11		4,660,000		4,660,000
General reserve and retained earnings	12		(688,072)		(1,030,203)
			3,971,928		3,629,797
Reserve fund	1f & 15		9,424,569		7,008,062
Reinsurance Funds	1f & 15		13,086,234		7,526,444
			US $ 26,482,731		US $ 18,164,303

COME SIMBANANIYE *Chairman*

EDWARD MENSAH *General Manager*

The Notes on pages 25 to 31 form an integral part of these accounts.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1983

	1983		1982	
	US $	US $	US $	US $
Transfers from Underwriting Revenue Account:				
Fire and Accident	2,581,618		1,866,987	
Marine and Aviation	1,842,284		1,207,518	
		4,423,902		3,074,505
Income not credited to other accounts:				
Income from investments	334,592		605,558	
Interest on reinsurance deposits	485,926		400,393	
		820,518		1,005,951
		5,244,420		4,080,456
Expenses not charged to Underwriting Revenue Account:				
General Assembly and Board of Directors' Meetings	444,572		527,723	
Provision for auditors' remuneration	50,000		50,000	
Depreciation and amortisation	124,754		126,210	
Loss on exchange	4,282,963		5,254,315	
		4,902,289		5,958,248
Net Profit/(Loss) for the year		342,131		(1,877,792)
Balance brought forward from previous year		(1,591,799)		285,993
Balance carried forward (loss)		(1,249,668)		(1,591,799)

The notes on pages 25 to 31 form an integral part of these accounts.

UNDERWRITING REVENUE ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 1983

	Fire and Accident US $	Marine and Aviation US $	Life US $	1983 US $	1982 US $
Underwriting Income:					
Gross premiums	30,201,253	21,532,468	817,654	52,551,375	32,783,764
Less: Retrocession premiums	7,188,212	4,064,246	—	11,252,458	8,856,240
Net premiums	23,013,041	17,468,222	817,654	41,298,917	23,927,524
Underwriting Outgo:					
Claims	5,760,206	5,651,659	275,847	11,687,712	9,047,507
Commissions	7,073,709	5,380,773	148,718	12,603,200	7,696,309
Excess of loss premiums	210,931	97,069	—	308,000	388,969
Charges	329,903	169,043	5,546	504,492	343,852
Management expenses	2,039,638	938,629	58,569	3,036,836	2,711,378
	15,414,387	12,237,173	488,680	28,140,240	20,188,015
Excess of income over outgo	7,598,654	5,231,049	328,974	13,158,677	3,739,509
Reinsurance and reserve funds at January 1, 1983	6,663,119	7,319,078	552,311	14,534,508	13,869,504
	14,261,773	12,550,127	881,285	27,693,185	17,609,013
Less: Reinsurance and reserve funds at December 31, 1983.	11,680,155	10,707,843	881,285	23,269,283	14,534,508
Balance transferred to Profit and Loss Account	2,581,618	1,842,284	—	4,423,902	3,074,505

The notes on pages 25 to 31 form an integral part of these accounts.

STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED DECEMBER 31, 1983

	1983 US $	US $	1982 US $	US $
SOURCE OF FUNDS:				
Net Operating Profit	342,131		(1,877,792)	
Sale of Fixed Assets (proceeds less profit on sale)	3529		6435	
		345,660		(1,871,357)
Adjustments for Items not Involving the Movement of Funds:				
Depreciation and Amortisation		123,588		126,210
		469,248		(1,745,147)
Other Sources of Funds:				
Reserve of Fund	2,416,507		1,756,862	
Reinsurance Funds	5,559,790		(1,091,858)	
Capital Stock	—		50,000	
		7,976,297		715,004
		8,445,545		(1,030,143)
APPLICATION OF FUNDS				
Purchase of Fixed Assets	386,324		264,884	
Payment of Dividend	271,000		161,000	
		657,324		425,884
		7,788,221		(1,456,027)
Add/(Deduct): Movement in Current Assets and Current Liabilities:				
Amount due from Ceding Companies on Reinsurance accounts	(2,261,542)		(3,250,532)	
Deposits retained by Companies on Reinsurance accounts	(6,624,741)		(1,035,275)	
Sundry debtors, accrued interest and prepayments	200,083		(88,995)	
Amount due to Companies on Reinsurance accounts	851,552		4,170,984	
Deposits due to Companies on Reinsurance accounts	1,130,590		981,730	
Other Creditors, Accruals and Provisions	(431,021)		864,113	
		(7,135,079)		1,642,025
		653,142		185,998
Represented by:				
Movement in Investments and Net Liquid Funds				
Investments		(32,456)		162,417
Cash and Bank Balances		685,598		23,581
		653,142,		185,998

The notes on pages 25 to 31 form an integral part of these accounts.

NOTES ON THE 1983 FINANCIAL STATEMENTS

1. Accounting Policies

The following is a summary of the significant accounting policies adopted in the preparation of the financial statements:-

(a) **Fixed Assets**

Fixed assets are stated at cost less accumulative depreciation.

(b) **Depreciation**

Depreciation is calculated to write off the cost of fixed assets over the estimated useful life of each category of fixed assets in equal annual instalments as follows:-

Fixed asset category	Annual depreciation rates
— Freehold and Capital Leasehold Property	2% or on the leasehold period if less than 50 years. years.
—Furniture, fittings and equipment	Between 12½% and 33 1/3%.
—Motor vehicles	25%.

(c) **Currency Translation**

(i) The corporation keeps its accounts in United States Dollars. Assets and liabilities in currencies other than the United States Dollars are translated at rates of exchange at balance sheet date.

(ii) Revenue and expense items originating in currencies other than the United States Dollar are translated at rates of exchange prevailing at the beginning of each quarter of the year.

(iii) Exchange differences (gain or losses) whether arising from settlement of Monetary items or from translation of assets and liabilities at year end rates of exchange are normally taken to the profit and loss account. However, as from this year, exchange differences on reinsurance deposits retained by ceding companies and on those retained by the corporation from its retrocessionaires for the still open underwriting years are debited (in case of exchange loss) or credited (in case of exchange gain) to the "reinsurance funds." However, in case of exchange loss on reinsurance deposits the amount of exchange loss to be debited to the reinsurance funds should be within the estimated technical surplus included in the reinsurance funds after allowing for a reasonable margin for unfavourable fluctuations in the loss ratios and also for reasonable underwriting profits. If by taking these factors into consideration, the reinsurance funds could not absorb the total exchange loss on reinsurance deposits (for the still open underwriting years) the remaining part of exchange loss is charged to the profit and loss account for the current year.

(d) **Investments**

Short term investments (in securities) are stated at cost or market value whichever is the lower. Long term investments (in securities) are stated at cost unless there is a marked decrease in their value over many years, in which case a provision is made therefor.

(e) **Debtors**

Debtors are stated after deducting provision made for specific debts considered doubtful of recovery.

(f) **Underwriting Revenue Account, Reinsurance Funds and Reserve Fund**

Statements of account received from ceding companies during the financial year are entered in the accounts in the same year. All underwriting accounts are maintained on underwriting year basis and 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." 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" is provided to meet any outstanding claims. The adequacy of the reserve fund is considered at the end of each subsequent year and necessary adjustments thereto are made accordingly.

As already mentioned in Note 1(c) on currency translation, reinsurance funds brought forward from the Revenue Account are debited or credited with the exchange loss or gain on reinsurance deposits for the still open underwriting years. This exchange loss or gain is debited or credited back to the Profit and Loss Account when the reinsurance funds are brought back to the revenue account in the third year.

2. Life Assurance

Life cessions are included in the accounts only to the extent of statements received up to the end of the current financial year. No actuarial valuation was carried out as at December 31, 1983, and therefore the surplus in this class of business was carried forward in the reinsurance and reserve funds.

3. Fixed Assets

The figure of US $624,983 appearing in the accounts is made up as follows:-

	Freehold and Capital Leasehold Property US $	Furniture, Fittings and Equipment US $	Motor Vehicles US $	Total US $
Cost at January 1, 1983	90,670	576,062	119,991	786,723
Additions during the period	290,200	78,153	17,971	386,324
Disposals during the period	—	—	(32,218)	(32,218)
	380,870	654,215	105,744	1,140,829
Accumulated depreciation at January 1, 1983	1,813	343,048	76,085	420,946
Charges for the period	8,623	91,256	23,709	123,588*
Disposals during the period	—	—	(28,688)	(28,688)
Depreciation at December 31, 1983	10,436	434,304	71,106	515,846
Net book value at 31 December, 1983	340,434	219,911	34,638	624,983
Net book value at 31 December, 1982	88,857	233,014	43,905	365,776

*Actual charge for the year is US $124,754, less prior year adjustment US $ 1,166 = US $123,588.

4. Investments

The Investments totalling US $3,922,077 is made up of:

	1983 US $	1982 US $
Time deposits	2,902,077	2,934,533
Subscription in Shelter-Afrique	1,020,000	1,020,000
	3,922,077	3,954,533

5. Amount due from Companies on Reinsurance Accounts.

The balance of US $13,270,381 relates to balances due to the Corporation on current accounts, the breakdown being as follows:-

	1983 US $	1982 US $
A—Ceding Companies		
North Africa	2,809,333	2,264,774
East Africa	1,154,802	1,129,285
Central Africa	1,519,635	1,957,636
West Africa	6,762,441	4,428,135
Worldwide	936,969	739,504
	13,183,180	10,519,334
B—Retrocessionaires	87,201	489,505
	13,270,381	11,008,839

6. Deposits retained by ceding companies.

These are amounts retained by ceding companies under the terms of their treaties and comprise deposits for unexpired risks (unearned premiums) and outstanding claims. The total of US $31,149,878 is arrived as follows:-

	1983 US $	1982 US $
North Africa	17,222,614	14,479,908
East Africa	1,818,774	1,871,584
Central Africa	5,575,020	5,507,069
West Africa	2,671,571	1,717,208
Worldwide	3,861,899	949,368
	31,149,878	24,525,137

7. Sundry Debtors, Accrued Interests and Pre-payments.

The sum of US $403,942 is made up as follows:-

	1983 US $	1982 US $
Accrued interest	29,875	133,893
Staff debtors	138,942	123,587
Other debtors and prepayments	235,125	346,545
	403,942	604,025

8. Bank and Cash Balances.

This is made up as follows:-

	1983 US $	1982 US $
Cash at bank	1,990,204	1,305,647
Bank deposit for provident fund	131,743	128,723
Cash in Hand	2,298	4,277
	2,124,245	1,438,647

9. Amount due to Companies on Reinsurance Accounts.

This is made up of balance due to companies as detailed below:-

	1983 US $	1982 US $
A Ceding Companies		
North Africa	2,474,732	2,567,134
East Africa	434,317	661,637
Central Africa	1,433,327	2,328,383
West Africa	1,195,418	2,496,258
Worldwide	1,314,288	912,871
	6,852,082	8,966,283
B Retrocessionaires	4,939,935	1,974,182
	11,792,017	10,940,465

10. Other Creditors, accruals and Provisions.

The sum of US $1,470,161 is made up as follows:-

	1983 US $	1982 US $
Provident Fund contributions (A and B)	142,812	131,227
Provision for termination allowance	305,754	199,343
Other creditors and Provisions	832,362	1,783,102
Accrued expenses	189,233	58,510
	1,470,161	2,172,182

11. Capital Stock and paid up capital

The authorised capital of the Corporation is US $15,000,000. Of this amount US $10,000,000 is available for initial subscription out of which the actual subscriptions amounted to US $9,320,000. Fifty percent of the subscribed capital was called up and fully paid by the end of 1982. The remaining fifty percent of the subscribed capital shall be subject to call only as and when required by the Corporation to meet its obligations which cannot otherwise be met. The figure of US $4,660,000 appearing on the balance sheet at December 31, 1983 is made up as follows:-

	1983 US $	1982 US $
Capital available for subscription	10,000,000	10,000,000
Unsubscribed capital	680,000	680,000
Subscribed capital	9,320,000	9,320,000
Deduct: Uncalled capital	4,660,000	4,660,000
Called and paid up capital	4,660,000	4,660,000

12. General Reserve and Retained Earnings.

This is made up as follows:-

	1983 US $	*1982* *US $*
Balance on General Reserve	561,596	561,596
Balance on Profit and Loss Account carried forward (Loss)	(1,249,668)	(1,591,799)
Balance carried forward (Loss)	(688,072)	(1,030,203)

13. The Revenue Account and Reinsurance and Reserve Funds

The revenue account is made of the revenue and expense items still being received by the Corporation in respect of the years already "closed" (i.e. 1978, 1979 and 1980) the revenue and expense items of the underwriting year being closed in this financial year (i.e. 1981) and the revenue and expense items for the underwriting years that are still "open" (i.e. 1982 and 1983).

For the years that have already been closed and that which is closed this year, "reserve fund" is made to meet the outstanding claims, whereas for the years that are still open, the underwriting results are carried forward in the "reinsurance funds." Accordingly, we show hereunder three tables for the three categories of accounts.

I. Underwriting Years 1978, 1979 and 1980 Accounts

(closed in the last three years)

	Fire and Accident US $	Marine and Aviation US $	Life US $	Total US $
Underwriting income:				
Gross premiums	2,429,808	2,278,416	91,032	4,799,256
Less: retrocession premiums	943,335	620,560	—	1,563,895
	1,486,473,	1,657,856	91,032	3,235,361
Underwriting outgo:				
Claims	925,214	1,698,591	33,723	2,657,528
Commissions	358,189	453,420	16,368	827,977
Charges	10,696	14,791	242	25,729
	1,294,099	2,166,802	50,333	3,511,234
Excess of outgo over income	192,374	(508,946)	40,699	(275,873)
Add: Reserve fund at January 1, 1983	2,780,000	3,910,000	318,063	7,008,063
	2,972,374	3,401,054	358,762	6,732,190
Less: Reserve fund at December 31, 1983	2,524,000	2,957,000	358,762	5,839,762
Underwriting Balance Transferred to Profit and Loss Account	448,374	444,054	—	892,428

1983
Profit & Loss A/c

II. Underwriting Year 1981 Account

(Closed for the first time in financial year 1983).

The accumulative revenue account for Underwriting Year 1981 in the three accounting Years ended December 31, 1983 is as shown below:-

	Fire and Accident US $	Marine and Aviation US $	Life US $	Total US $
Underwriting income:				
Gross premiums	21,850,898	15,699,519	638,888	38,189,305
Less: Retrocession premiums	5,948,996	3,140,622	—	9,089,618
	15,901,902	12,558,897	638,888	29,099,687
Underwriting outgo:				
Claims	5,461,363	4,007,719	263,947	9,733,029
Commissions	4,961,128	4,080,577	144,191	9,185,896
Excess of loss premiums	222,408	152,444	—	374,852
Other charges	190,211	198,379	2,324	390,914
Management expenses	1,238,548	1,021,549	38,619	2,298,716
	12,073,658	9,460,668	449,081	21,983,407
Excess of income over outgo:	3,828,244	3,098,229	189,807	7,116,280
Less: Reserve Fund at December 31, 1983	1,695,000	1,700,000	189,807	3,584,807
Balance Transferred to Profit and Loss Account	2,133,244	1,398,229	—	3,531,473

III. Underwriting Years 1982 and 1983 Accounts (the still open years)

The revenue account for the underwriting years 1982 and 1983 for the financial year 1983 is as shown below:

	Fire and Accident US $	Marine and Aviation US $	Life US $	Total US $
Underwriting income:				
Funds brought forward for underwriting year 1982	110,471	205,285	64,684	380,440
Gross premiums	23,343,740	16,339,387	674,201	40,357,328
	23,454,211	16,544,672	738,885	40,737,768
Less: Retrocession premiums	5,190,942	2,761,538	—	7,952,480
Net Premium	18,263,269	13,783,134	738,885	32,785,288
Underwriting outgo:				
Claims	2,750,572	2,301,911	216,288	5,268,771
Commissions	5,533,624	4,275,026	126,215	9,934,865
Excess of loss premiums	210,931	97,069	—	308,000
Charges	267,349	119,655	5,098	392,102
Management expenses	2,039,638	938,629	58,569	3,036,836
	10,802,114	7,732,290	406,170	18,940,574

Balance Transferred to Reinsurance Funds Account	7,461,155	6,050,844	332,715	13,844,714
Made up of funds applicable to				
1982 Underwriting Year	3,540,977	4,981,662	212.868	8.735.507
1983 Underwriting Year	3.920.178	1,069,182	119,847	5,109,207
Total Reinsurance Funds carried forward at December 31, 1983 (see note 15)	7,461,155	6,050,844	332,715	13,844,714

14. Reinsurance and Reserve Funds at January 1st, 1983

This is made up as follows:

	Fire and Accident US $	Marine and Aviation US $	Life US $	Total US $
Reserves for Underwriting Years 1978-1980	2,780,000	3,910,000	318,062	7,008,062
Reinsurance Fund	3,883,119	3,409,078	234,247	7,526,444
	6,663,119	7,319,078	552,3o9	14,534,506

15. Reinsurance and Reserve Funds at Decembre 31st, 1983

This is made up as follows:

A. Reserve Fund:

	Fire and Accident	Marine and Aviation	Life	Total
Reserves for Underwriting Years 1978-1980	2,524,000	2,957,000	358,762	5,839,762
Reserves for Underwriting Year 1981	1,695,000	1,700,000	189,807	3,584,807
	4,219,000	4,657,000	548,569	9,424,569

B. Reinsurance Fund:

Reinsurance Fund for Underwriting Year 1982	3,540,977	4,981,662	212,868	8,735,507
Reinsurance Fund for Underwriting Year 1983	3,920,178	1,069,182	119,847	5,109,207
	7,461,155	6,050,844	332,715	13,844,714
Exchange loss on Reinsurance deposit, underwriting year 1982				(678,961)
Exchange loss on Reinsurance deposit, underwriting year 1983				(79,519)
				13,086,234
Total				22,510,803

16. Effect of new policy on 1983 accounts

As mentioned in currency translation under (c), the basis of accounting for gains or losses on deposits was changed in 1983. As from 1983 exchange differences on reinsurance deposits for the still open underwriting years are deferred and debited or credited to the reinsurance funds. If the previous policy by which all exchange differences were charged to the profit and loss account had been applied, an additional charge of US dollars of 758,480 would have been included in the exchange loss in the profit and loss account.

17. Management Expenses.

Management expenses have been apportioned to the classes of business in the Revenue Account on a premium basis but wholly charged to the current underwriting year 1983.

Statement of Subscriptions as at 31st December, 1983
(expressed in US Dollars)

Annex 1

Authorised Capital Stock US $15,000,000

Members	Capital Available for Subscriptions No. of Shares	Amount	Amount Unsubscribed	Amount Subscribed	Called Portion (50%) Subscribed	Amount Paid
1. Algeria	60	600,000	—	600,000	300,000	300,000
2. Benin	10	100,000	—	100,000	50,000	50,000
3. Burundi	10	100,000	—	100,000	50,000	50,000
4. Cameroun	30	300,000	—	300,000	150,000	150,000
5. Central African Republic	10	100,000	—	100,000	50,000	50,000
6. Chad	12	120,000	—	120,000	60,000	60,000
7. Congo	13	130,000	—	130,000	65,000	65,000
8. Egypt	60	600,000	—	600,000	300,000	300,000
9. Ethiopia	28	280,000	—	280,000	140,000	140,000
10. Gabon	16	160,000	—	160,000	80,000	80,000
11. Gambia	10	100,000	—	100,000	50,000	50,000
12. Ghana	33	330,000	—	330,000	165,000	165,000
13. Guinea	10	100,000	—	100,000	50,000	50,000
14. Guinea Bissau	10	100,000	—	100,000	50,000	50,000
15. Ivory Coast	25	250,000	—	250,000	125,000	125,000
16. Kenya	26	260,000	—	260,000	130,000	130,000
17. Liberia	10	100,000	—	100,000	50,000	50,000
18. Libya	60	600,000	—	600,000	300,000	300,000
19. Mali	10	100,000	—	100,000	50,000	50,000
20. Mauritius	14	140,000	—	140,000	70,000	70,000
21. Mauritania	12	120,000	—	120,000	60,000	60,000
22. Morocco	60	600,000	—	600,000	300,000	300,000
23. Niger	10	100,000	—	100,000	50,000	50,000
24. Nigeria	60	600,000	—	600,000	300,000	300,000
25. Senegal	21	210,000	—	210,000	105,000	105,000
26. Sierra Leone	13	130,000	—	130,000	65,000	65,000
27. Somalia	12	120,000	—	120,000	60,000	60,000
28. Sudan	30	300,000	—	300,000	150,000	150,000
29. Swaziland	11	110,000	—	110,000	55,000	55,000
30. Tanzania	24	240,000	—	240,000	120,000	120,000
31. Togo	11	110,000	—	110,000	55,000	55,000
32. Tunisia	25	250,000	—	250,000	125,000	125,000
33. Uganda	22	220,000	—	220,000	110,000	110,000
34. Upper Volta	11	110,000	—	110,000	55,000	55,000
35. Zaire	19	190,000	—	190,000	95,000	95,000
36. Zambia	34	340,000	—	340,000	170,000	170,000
37. African Development Bank	100	1,000,000	—	1,000,000	500,000	500,000
Total	932	9,320,000	—	9,320,000	4,660,000	4,660,000

Members of the Organisation of African Unity to whom allocations have been made but yet to be taken up by them:-

1. Botswana	10	100,000	100,000	—	—	—
2. Equatorial Guinea	10	100,000	100,000	—	—	—
3. Lesotho	10	100,000	100,000	—	—	
4. Madagascar	18	180,000	180,000	—	—	—
5. Malawi	10	100,000	100,000	—	—	—
6. Rwanda	10	100,000	100,000	—	—	—
		680,000	680,000			
Total US$	1,000	10,000,000	680,000	9,320,000	4,660,000	4,660,000

Annex II

VOTING POWER OF MEMBERS AS AT 31ST DECEMBER 1983

Members	Voting power %
Algeria	6.44
Benin	1.07
Burundi	1.07
Cameroun	3.22
Central African Republic	1.07
Chad	1.29
Congo	1.40
Egypt	6.44
Ethiopia	3.00
Gabon	1.72
Gambia	1.07
Ghana	3.54
Guinea	1.07
Guinea Bissau	1.07
Ivory Coast	2.68
Kenya	2.79
Liberia	1.07
Libya	6.44
Mali	1.07
Mauritania	1.29
Mauritius	1.50
Morocco	6.44
Niger	1.07
Nigeria	6.44
Senegal	2.25
Sierra Leone	1.40
Somalia	1.29
Sudan	3.22
Swaziland	1.18
Tanzania	2.58
Togo	1.18
Tunisia	2.68
Uganda	2.36
Upper Volta	1.18
Zaire	2.04
Zambia	3.65
A.D.B.	10.73
Total	100,000