AFRICAN REINSURANCE CORPORATION
GENERAL ASSEMBLY
THIRD ANNUAL ORDINARY MEETING
ETHIOPIA, 25th - 26th JUNE, 1981

AFRICARE/GA/5/35

Report of the Board of Directors covering the period from 1st January to 31st December, 1980

AFRICAN REINSURANCE CORPORATION
SOCIETE AFRICAINE DE REASSURANCE

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Date: 25th June, 1981

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 Final Accounts of the Corporation for the period from 1st January to 31st December, 1980, as well as the summary of the Administrative Budget for the financial year January–December, 1981.

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

SAAD KANOUNI
Chairman of the Board of Directors

COMPOSITION OF AFRICARE BOARD OF DIRECTORS

Chairman
Saad Kanouni (Morocco)

Vice Chairman
D. T. Potouonjou (Cameroun)

Directors
L. Titah (Algeria)
V. B. Mobioh (Ivory Coast)
F. T. Nyammo (Kenya)
E. Okwor (Nigeria)
A. El-Dawi (Sudan)
S. H. Konie (Zambia)
B. N'Diaye (African Development Bank)

Alternate Directors
O. A. Arab (Libya)
(Alternate to Mr. Kanouni)

J. Nzamba Kassa (Gabon)
(Alternate to Mr. Potouonjou)

M. Khalif (Somalia)
(Alternate to Mr. Titah)

C. Sinbananiye (Burundi)
(Alternate to Mr. Mobioh)

G. Mwaikambo (Tanzania)
(Alternate to Mr. Nyammo)

O. Kufuor (Ghana)
(Alternate to Mr. Okwor)

E. M. Abdel Barry (Egypt)
(Alternate to Mr. El-Dawi)

A. Bezabeh (Ethiopia)
(Alternate to Mr. Konie)

M. Chalobah (ADB)
(Alternate to Mr. N'Diaye)

COMPOSITION OF AFRICARE 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

Since the establishment of the African Reinsurance Corporation in 1977, the Board of Directors has given attention to reporting its evolution and activities to member States as well as interested institutions and business associates. This is not simply in observance of statutory requirements, but also to give as much detailed information as possible on the Corporation's activities from one year to another. It is felt that this practice serves a dual purpose; on the one hand, the Corporation's Annual Reports would provide a historical record of its progress as the first regional inter-governmental reinsurer, and on the other hand, the information contained in these Reports offers ceding companies and retrocessionaires as well as the business community in general, appropriate means of assessing viability of the Corporation, and its ability to provide reinsurance cover.

The first Report of the Board of Directors covered the period from 1st April 1977 to 31st December 1978, which was the first financial year of the Corporation. It was therefore necessary to make adequate mention in that Report of the earlier efforts leading to the establishment and launching of the institution, as well as of the statutory elements of its structure, main functions and operations.

The second Report covered the year ending 31st December, 1979, by which date the accounts for the first underwriting year had to be left open until most, if not all, statements on that year's operations are received. It was therefore, meant to highlight important policy issues underlying the Corporation's activities during the period under review and the immediately following year, and to give broad indications relating to the operational policies of the Corporation during the first five years of its life.

The present Report covers the year ending 31st December, 1980, which is the 3rd financial year of the Corporation. One of the most important aspects which this document displays is perhaps the final technical results of the Corporation's operations during its first underwriting year, i.e. January – December, 1978. The two-year time lag between the end of an underwriting year and the drawing up of its final technical accounts is, as mentioned in an earlier Report, due to the considerable delay with which statements of accounts on all four quarters of the year are received from ceding companies, a feature common to reinsurance activities everywhere. This is much more so for the African Reinsurance Corporation whose principal ceding companies operate from a relatively large geographical area embodying the whole of the African continent. This two-year time lag would most likely therefore be a continuous feature of the Annual Report of this Corporation, so that the final accounts of every underwriting year would appear in the Annual Report published two years later.

Improvements during the year have occurred in all aspects, ranging from operations to personnel, and physical facilities available to the Corporation wherever it had offices. Relations between the Corporation and its ceding companies and retrocessionaires continued to develop satisfactorily and there has been more frequent exchanges of views than was previously the case. Marketing activities brought in more ceding companies; and this contributed to a better geographical spread of risks. The speed with which statements of accounts are received from ceding companies has accelerated, and it was possible to tackle some procedural difficulties relating to the submission of quarterly statements and settlements of accounts.

The North African branch in Casablanca, Morocco became functional from the beginning of the year under review, a development which accorded an appropriate opportunity for adopting a certain element of decentralisation in addition to bringing the Corporation closer to a sizeable sector of its business associates in that particular sub-region.

The Corporation has successfully assumed its role as a major reinsurer in the developing world; and the year under review may be regarded as another year of satisfactory progress.

Background to the Third Financial Year

The modest but relatively satisfactory progress of the Corporation during the year under review has been made against a general world economic and political background that can be described as unstable.

First of all there is the continuing energy prices which seriously affected balance of payments positions in most non-oil producing countries, particularly in Africa. This problem must have had some impact on the allocation of available foreign exchange resources as far as payments for international services such as our industry, reinsurance, is concerned. World commodity prices did not pick up any significant buoyancy and this resulted in sluggishness in imports and exports in most countries in the developing world.

Inflation rates across the world were still soaring high with its consequent strains on international trading.

Reactions in Africa to the economic trends brought about the 1st African Heads of States Economic Summit, held in Lagos, Nigeria, around the middle of the year. This Summit, called for the creation of an African Economic Community by year 2000, to find solutions to the economic problems that have continued to mitigate against the economic development of the African Continent.

Arising out of the worsening economic situation, one noticeable development which is rapidly taking place in Africa today is deliberate policies of Governments to shift investments into the agricultural sector. The aim is to achieve a reasonable level of self-sufficiency in food production thereby reducing heavy reliance on food imports. Successful implementation of these policies should also have the effect of increasing production of cash crops for export. No doubt these policies are bound to have some impact on the insurance industry within the foreseable future.

On the other hand the world political scene rendered the year 1980 to be of special importance. Conflicts, amounting in some cases to military confrontation, took place in the Middle East, Asia, Africa and the Western Hemisphere.

The above situation must have had its adverse effects on the implementation of the projected rates of economic growth and development plans at the level of individual countries. The developing countries in general, and African countries in particular, must have been severely affected because of their usual external debt and balance of payments problems.

Similarly, insurance and reinsurance variables particularly premium income and related items, investment earnings and administrative overheads must have been affected in a manner that could not be anticipated in advance as a result of the general inflation and the frequent changes on the interest rate structure and foreign exchange cross rates. Some of these problems must have had greater effect in the case of reinsurance companies operating multi-currency portfolios, particularly those which have not yet developed exchange hedging arrangements to minimise the effects of volatile exchange rates movement.

As far as African reinsurance operations are concerned the year under review can be regarded as normal. As observed earlier the worrisome balance of payments situation in some countries must have impeded somewhat the pace of remittances of account balances as allocation of foreign exchange to such payments depend on other competing national priorities. No major insured catastrophies occurred during the year although some claims settlements carried over (1979) for Cyclone Claudette were made. There were no unusual developments (e.g. arson, disappearance of ships and whole cargo) affecting any particular class of business. Mention, however, must be made of the occurence of some natural disasters like the El Asnam earthquake in Algeria, and the flooding of the Ogunpa River in Nigeria. Although these two events did substantial damage to life and property it is not expected to seriously affect insurers owing to the relatively insignificant reliance on insurance protection in the affected areas.

Towards the end of December the Western Coast of Algeria was severely hit by storm causing serious damage to ports and other installations particularly in Oran, Arzew and Beni-Saf. Two Algerian ships 'Cherchell' and 'Oued Souf' sunk in the port of Oran and one Danish ship 'Finntrader' also sunk in the port of Oran. The extent of insured damage was yet to be ascertained at date of reporting.

The growing awareness of the business community as to the benefits of insurance protection must have paved the way for further expansion of some national markets and virtually all regions of the Continent witnessed the formation of new insurance companies particularly in countries like Egypt, Ghana, Kenya, Morocco and Nigeria. Insurance and/or reinsurance companies scheduled to commence operations in 1981 were also established in Sudan and Tunisia. The adverse cargo experience in some African countries forced an upward revision of rates and motor tariff increases were introduced in a number of countries particularly Gabon, Mauritania and Cameroun.

Localization, and in some cases indigenization, of imports' insurance advanced further during 1980; it was introduced up to one measure or the other, in more African countries notably the Gambia, Liberia and Mauritania.

Another commendable feature during the year under review was the revision upwards of minimum capital requirements for insurance concerns in order to secure better guarantee for policy holders, and possibly to increase the underwriting and retention capacity of the individual units. It has been reported that this was the case notably in the Sudan.

Meanwhile, efforts to improve loss prevention arrangements continued during 1980 in many African countries, with varying degrees of success.

UNDERWRITING YEAR 1980

Policy Issues

Mention has been made in previous Annual Reports of the Corporation's intention to pursue a consistent technical policy, and to refrain from introducing changes unless these are clearly called for on account of exigencies of results of past experience, or in response to an apparent benefit common to Africa-Re and its principal ceding partners. Since the Corporation has a relatively short history, it was felt that the policy guidelines adopted from the outset should be maintained during the year under review.

The principle of accepting the 5% cession or its equivalent from its African cedants without distinction has come to constitute a basic feature of the Corporation's acceptance policy. But as confidence grows in the Corporation, the cessions offered for placement with it would in some cases be in excess of the minimum share. This has actually been the case of business emanating from a number of member countries particularly in East Africa in 1979; a development which seems to be stretching gradually to the other sub-regions as evidenced by experience in 1980.

The Corporation's policy on this matter has been relatively liberal, without losing sight of exigencies of prudence and caution. It was deemed appropriate to accept, on selective basis, a higher share of those reinsurance treaties whose past history indicated good quality business. The Corporation will continue to do so in subsequent years with due consideration given to its technical underwriting and retention capacities.

The underwriting year 1980 has also witnessed another slight modification to the Corporation's acceptance policy. By the end of 1979, telecommunications and other infrastructural facilities available to the Corporation had attained such a level as was deemed sufficient to conveniently accommodate a limited amount of African facultative business. It will still be some time before the Corporation can comfortably write a whole balanced portfolio of this type of business. It has been necessary therefore, to start in 1980 by accepting modest facultative shares falling within the automatic limits of cover provided by the Corporation's own reinsurance treaties.

On the other hand, with the exception of raising the level of the Corporation's retention as to fire business in 1980 from US$100,000 to US$200,000 per treaty programme per ceding company, as mentioned in the previous Annual Report, the policy relating to retentions and retrocessions was kept unchanged. As to retrocessions, African companies continued to be accorded the first option to choose from either Surplus or Excess of Loss or both, while the balance was placed in the international market on a 'bouquet' basis as was previously the case.

Premium Income Projection

In arriving at our earlier premium income projections, cessions relating to the business of branches of foreign companies operating in Africa and for which cover was arranged by parent institutions abroad were expected to be around 30% of the estimated cessions to be received from reinsurance treaties concluded in respect of other business. It was also assumed that the statutory 5% cession of treaties will be offered to Africa-Re invariably by every insurance and reinsurance company in member countries.

In last year's Annual Report, a revised estimate of US$22 million was given in respect of the Corporation's African Premium Income for 1978, and no revision was attempted for that of 1979. With the accounts of the first underwriting year 1978 closed, it has been possible to make more realistic revision of earlier estimates of the Gross Premium Income for the years 1979 and 1980. The following table shows revised projections of Gross Premium Income from Africa for these two years. The revised projection and actual figure so far recorded relating to 1978 are given for comparison purposes.

Gross Income Projections by Class
(Amounts are in US $000)

Class	1979 Estimates Initial	Revised	%	1980 Estimates Initial	Revised	%	1978 Actual	%
Fire/Eng	11,189	6,815	30.3	10,623	6,831	29.5	6,438	31.0
Accident	4,898	6,502	28.9	6,112	5,784	25.0	5,000	24.1
Cargo	8,192	7,582	33.7	9,301	8,617	37.2	8,080	38.8
Hull	1,206	1,048	4.7	1,515	1,481	6.4	929	4.5
Aviation	319	250	1.1	366	202	0.9	192	0.9
Life	489	275	1.3	655	225	1.0	175	0.8
	26,293	22,472	100	28,572	23,140	100	20,814	100

In addition to the above, the Corporation expects to write, for its own account, inwards non-African business estimated at US$3.0 million during 1980, as against an estimated US$1.2 million for 1979. Total estimated Gross Premium Income for the year under review would therefore amount to US$26.1 million as against US$22.8 million for 1979.

Retention and Retrocessions

Reference has been made earlier to the Corporation's policy decision to raise its retention on Fire from US$100,000 to US$200,000 per treaty programme per ceding company with effect form 1980. It is estimated that this measure will increase the Corporation's retention to 70% of its Fire business in the year under review, as against approximately 50% during the previous two years of operations.

As far as its cessions from Africa are concerned, it is estimated that the Corporation will retain an average of 72% in 1980, as against 67% for 1979. African companies are on the other hand expected to write for their own account 16% of the Corporation's estimated gross income. Total retention within Africa would therefore amount to about 88% of Africa Re's revised gross premium income emanating from the Continent in 1980.

The following table summarizes the expected retentions and retrocessions of the Corporation in respect of the underwriting year 1980. Revised estimates for the year 1979 are given for comparison purposes.

Estimates of Retentions and Retrocessions for 1980

	Amount US$ 000's		Percentage % Of Gross Premium Income		Percentage % of Retrocessions	
	1980	1979	1980	1979	1980	1979
Gross Prem. Income	23,140	21,573	100.00	100.00		
Gross Prem. Retained	16,752	14,424	72.39	66.86		
Gross Prem. Retroceded	6,388	7,149	27.61	33.14	100.00	100.00
–To African Retrocessionaires	3,600	3,546	15.56	16.44	56.36	49.60
–To International Retrocessionaires	2,788	3,603	12.05	16.70	43.64	50.40

If account is taken of the estimated inwards business, which is accepted for own account, the Corporation's total retention would amount to US$19.8 million for the year 1980, as against an estimate of US$15.6 million for 1979.

Magnitude of Business Operations

During the year under review, the number of companies ceding business to the Corporation increased to 286, as against 262 in 1979. Also the number of treaties handled went up to 2,416 as against 2,222 in the previous year. Business was received for the first time from Guinea Bissau and Swaziland, both of whom are Founding Members of the Corporation. Meanwhile, Lesotho, Madagascar, Rwanda and Seychelles, who are yet to accede to the Agreement establishing Africa Re, continued during 1980 to provide part of their portfolio. There are reasons to expect the Corporation's business operations to continue to grow in volume and to improve further in quality in future years when more countries have joined in. This can be seen from the following table showing the number of the Corporation's ceding companies and treaties handled in member and non-member African countries in 1980. The figures for 1979 are given for comparison purposes.

Number of Ceding Companies and Treaties by Country

Country	Number of Companies (including Branches and Agencies of Foreign Companies)		Number of Treaties	
A. Member Countries	1979	1980	1979	1980
Algeria	1	1	10	11
Benin	1	1	10	10
Burundi	1	1	6	5
Cameroun	11	12	117	140
Central African Republic	8	9	43	40
Chad	3	4	14	14
Congo	1	1	6	6
Egypt	6	7	62	68
Ethiopia	1	1	16	19
Gabon	8	9	77	70
Gambia	2	2	24	16
Ghana	9	12	104	102
Guinea	–	1	–	Fac. only
Guinea Bissau	–	1	–	10
Ivory Coast	17	22	102	111
Kenya	29	31	310	350
Liberia	–	–	–	–
Libya	2	2	27	26
Mali	5	5	26	29
Mauritania	1	1	5	5
Mauritius	16	17	148	144
Morocco	20	21	204	230
Niger	8	8	33	36
Nigeria	62	62	458	494
Senegal	13	13	77	73
Sierra Leone	4	4	38	39
Somalia	1	1	7	14
Sudan	9	10	91	88
Swaziland	–	1	–	22
Tanzania	1	1	20	22
Togo	6	6	30	36
Tunisia	2	6	21	52
Uganda	4	4	49	49
Upper Volta	3	2	15	10
Zaïre	1	1	12	12
Zambia	1	1	27	31
Sub Total	257	281	2,189	2,384

Country	Number of Companies (including Branches and Agencies of Foreign Companies)		Number of Treaties	
B. Non-Member Countries	1979	1980	1979	1980
Angola	–	–	–	–
Botswana	–	–	–	–
Cape Verde	–	–	–	–
Comoros	–	–	–	–
Djibouti	–	–	–	–
Equatorial Guinea	–	–	–	–
Lesotho	1	1	12	12
Madagascar	2	2	3	3
Malawi	–	–	–	–
Mozambique	–	–	–	–
Rwanda	1	1	12	12
Sao Tome and Principe	–	–	–	–
Seychelles	1	1	6	5
Zimbabwe	–	–	–	–
Sub Total	5	5	33	32
Grand total	262	286	2,222	2,416

Analysis of Statements Received

During the year under review, the Corporation received a total of 9,695 statements of accounts from its ceding companies. This brought the cumulative total during the past three years of operations to 17,337 statements, of these, 6,706 statements were in respect of 1978 business, while 7,558 and 3,073 statements related to 1979 and 1980 portfolios respectively.

The statements pertaining to 1979 and 1980 represent 92% and 32% of the total expected number of accounts for these two years respectively. The parallel percentages of statements received as at the end of 1979 were 89% for 1978 and 32% for 1979 underwriting years. It is hoped that the accelerated pace of receiving statements of accounts from ceding companies, as suggested by these figures, will continue in the future.

The following table gives figures of Gross Premium Income recorded up to 31st December, 1980 by underwriting year, and the Corporation's retention as well as the amount of business retroceded to African companies therefrom:

Gross Premium Income Recorded

(As at 31st December, 1980)

Statements Received				Gross Premium Income Retained within Africa					
				Africa Re's Retention				Retrocessions to African Companies	
U/Y	Number	As % of Total Expected	Gross Prem. Income (GPI) US $000s	Amount US $000s	As % of GPI	Amount US $000s	As % of GPI	Amount US $000s	As % of GPI
1978	6,706	99	20,814	13,149	63	2,027	10	15,176	73
1979	7,558	92	24,528	18,012	73	3,232	13	21,244	86
1980	3,073	32	11,042	8,293	75	1,466	13	9,759	88

Cash Loss Payments and Recoveries

During the year under review, the Corporation made cash loss settlements totalling US $1,255,715 of which US $376,152, US $849,958 and US $29,605 relate to claims in respect of 1978, 1979 and 1980 respectively. The table below exhibits the classes affected by cash loss claims.

Cash Loss Claims

Class of Business	Cash Losses Paid during 1980 (US $) (in respect of Underwriting Year) 1978	1979	1980	Total US $
Fire/Eng	225,790	596,055	13,378	865,223
Accident	35,660	62,358	13,859	111,877
Cargo	76,669	134,773	2,368	213,810
Hull	4,557	39,625	—	44,182
Aviation	3,476	17,147	—	20,623
Life	—	—	—	—
Total	376,152	849,958	29,605	1,255,716

Recoveries from retrocessionaires in respect of cash loss claims settled during the year under review amount to US $437,532. Of these, US $208,730, US $228,645 and US $157 related to the 1978, 1979 and 1980 underwriting years respectively.

Results of the Underwriting Year 1978

By the end of 1980, the Corporation had received almost all reinsurance statements of accounts relating to the underwriting year 1978, and it was therefore possible to draw up final accounts in respect of the said year's portfolio.

After meeting all obligations assumed under treaties ceded for the underwriting year 1978 and also after making adequate provisions for future claims in respect of 1978 underwriting year, the Corporation recorded its first successful year of operation with a profit of US $1,103,742 representing 23.9% of the paid-up capital.

Results of the Financial Year

The underwriting premium income net of retrocession for the financial year 1980 amounted to US $28,086,890, a significant increase over the previous year.

Investment and other income yielded an amount of US $890,646. Other outgo totalling US $621,621 was set off against this balance, leaving an amount of US $269,025. This amount together with the underwriting results of 1978 of US $1,103,742 shown above give a profit of US $1,372,767 for the financial year 1980.

Out of this, an amount of US $581,660 representing the deficit of the previous years as well as the remaining amount of expenses incurred before the Corporation became operational (US $229,511) was deducted. The profit now carried forward amounts to US $561,596.

1981 Portfolio

The estimated premium income for the 1981 underwriting year from African ceding companies is about US $25.1 million. In addition Africa-Re is continuing to expand its non-African portfolio and it is estimated that an income from this sector would be about US $4 million.

The Retrocession Programme of the Corporation for 1981 was renewed basically on expiry basis as to structure but with some minor changes affecting only commission rates.

SUB REGIONAL OFFICE CASABLANCA MOROCCO

OTHER ACTIVITIES

a) Sub-Regional Offices

Mention has been made earlier in this Report of the Corporation's North African Office which became operational as from 1st January, 1980. A number of physical facilities have been made available to the Corporation by the Royal Government of Morocco, which is hosting the Office in Casablanca. Similarly the status of an international organization has been conferred on the Office, by virtue of the Agreement concluded with the Moroccan Government. The non-Moroccan staff of the Corporation are accorded under this Agreement a variety of concessions to ensure easy immigration movements, as well as financial facilities relating to income tax and repatriation of savings. It is gratifying to note that the necessary physical facilities were made available as early as December, 1979, about six months before the Agreement was formally signed by the two parties in June, 1980.

The provisions of the Sub-Regional Office Agreement with the Royal Government of Morocco are such as to ensure smooth handling of the Corporation's North-African business.

On the other hand, discussions with the Authorities of Kenya continued during 1980 with a view to the establishment as soon as possible of the Corporation's East African Office in Nairobi.

b) Relations with International and Regional Organizations

The Corporation continued during the year under review to build on its relations with international and regional organizations with similar objectives in insurance and reinsurance matters, as well as with those concerned with African development in general. Special attention has been given to maintaining and furthering relations which have already been established with the African Insurance Organization (AIO), the Federation of Afro-Asian Insurers and Reinsurers (FAIR), the Third-World Insurance Conference (TWIC), the West African Insurance Consultative Association (WAICA), and Conference Internationale des Controls d'Assurance (CICA). On the other hand, the Corporation subscribed to efforts made at Pan-African level relating to cooperation in the general field of trade by taking part in the Conference of African Ministers of Trade organised during the year under review jointly by OAU and the UN Economic Commission for Africa. Similarly, the Corporation manifested positive interest in the activities of the Economic Community of West African States (ECOWAS) particularly on the issues of the proposed "third party motor vehicle insurance card", and the proceedings of the Ministerial Conference of West and Central African States" particularly in relation to problems of Marine Transport.

c) Relations with the African Development Bank

Towards the close of 1980, it was mutually agreed that the Corporation is now in a position to take over the management of its funds which were being invested on its behalf by the African Development Bank. It is believed that this would enable the Corporation to give sufficient consideration to its cash flows projections when making decisions relating to the investment of these funds. Admittedly, it was not always easy to keep the Bank abreast on a continuous basis of the implications of the said projections. It should be mentioned however, that, due to outstanding maturities, action to give effect to this matter was completed in early 1981.

Apart from the above issue, the two institutions continued during the year under review to regard each other as partners in matters relating to African development without losing sight of their proper orientations and areas of specialization.

STAFF MATTERS

At the end of 1980 the Corporation's staff including members of the Management numbered 76 from 14 different African nationalities, as against 64 coming from 10 countries a year earlier. Ten members of staff were based in Casablanca, while the rest were stationed at the Headquarters in Lagos. The following table shows composition and nationality spread of the Corporation's staff as at the end of 1980 with comparative figures for 1979.

Staff Composition as at end of 1980

Category/Country of Origin	Professional	General Service	Manual	Total	
				1980	1979
Benin	1	—	—	1	—
Cameroun	1	—	—	1	1
Congo	1	—	—	1	1
Egypt	2	—	—	2	1
Ethiopia	2	—	—	2	2
Ghana	9	2	1	12	13
Morocco	1	3	2	6	—
Nigeria	9	20	10	39	37
Rwanda	1	—	—	1	1
Senegal	1	—	—	1	—
Sierra Leone	1	—	—	1	1
Togo	3	3	—	6	5
Uganda	2	—	—	2	1
Zaire	1	—	—	1	1
Total	35	28	13	76	64

The net increase of 12 staff members was accounted for by 20 fresh appointments and 8 departures during 1980. These staff movements resulted in a net increase of 4 professional and 8 supporting staff, of whom only one belonged to the manual category. Of the 32 professional staff in the Corporation's service, excluding Management members, 19 were engaged in the technical reinsurance operations, and 13 related to accounts and administration; the comparative figures for 1979 were 13 and 15 respectively.

MEMBERSHIP

During the year under review, the Corporation's membership recorded a slight change, as the number of member States increased by one, through admission of the People's Republic of Congo. This brought overall membership to 36 member States in addition to the African Development Bank.

The Republic of Upper Volta had completed its membership formalities, thus leaving Liberia as the only country, accepted under the relevant resolution of the Inaugural Meeting of the General Assembly of 1977, yet to complete the necessary formalities. At the end of 1980, the People's Republic of Congo had paid its initial capital subscription, but the instrument of her ratification of the Agreement was still awaited.

Contacts with non-member African States, with a view to discussing issues relating to their accession to the Agreement establishing the Corporation, were on the active side during the year under review, but concrete results had not yet been achieved.

GENERAL ASSEMBLY MOHAMEDIA MOROCCO JUNE 1979

GENERAL ASSEMBLY

At the invitation of the Royal Government of Morocco, the General Assembly of the Corporation held its Second Annual Ordinary Meeting in Mohammedia on 16th and 17th June, 1980. His Excellency Mr. Abdel Kamel Rehaye, Minister of Finance of the Kingdom of Morocco presided over the opening and closing ceremonies of the Meeting.

The Meeting was attended by Representatives of 32 Member States of the Corporation and the African Development Bank, accounting in total for 97.58% of the total voting power of the Corporation. Also present were Representatives of the Governments of Angola, Cape Verde and Sao Tome and Principe, as well as observers from the United Nations Conference on Trade and Development (UNCTAD), Conference Internationale des Controles d'Assurances (CICA), and some of the Corporation's ceding companies.

The Assembly approved the Report of the Board of Directors covering the period January—December, 1979 as well as the accounts of the Corporation for the financial year ending 31st December, 1979. It also appointed External Auditors for the financial year 1980. The Government of the People's Republic of Congo was admitted to membership of the Corporation pending receipt of the instrument relating to its ratification of the Agreement by the appropriate Authority.

The Assembly re-elected members of the Board of Directors for another term of three years. It also endorsed the arrangement between Egypt and Sudan whereby Mr. El-Dawi (Sudan) was to replace Mr. Hafez (Egypt) on the Board of Directors. The Succession problem on the Board, created by the departure of Mr. E. Sinyokosa as stated in last year's Report, was settled through election by the Assembly of Mr. S. H. Konie of Zambia to succeed him.

The Representatives of Cameroun, Egypt, Gambia and Kenya were elected members of the Resolutions Committee for the Second Annual Ordinary Meeting. The text of the Resolutions adopted by the Assembly at the said Meeting are given in Annex III of this Report.

BOARD OF DIRECTORS

During the year under review, the Board of Directors held five Meetings at the following dates and venues:

Dates and Venues of Board Meetings during 1980

Meetings	*Dates*	*Venues*
13th	31 January/1 February	Lagos, Nigeria
14th	29/30 April	Cairo, Egypt
15th (immediately preceding 2nd Annual Meeting)	13/14 June	Mohammedia, Morocco
16th (First Meeting of new Elected Board)	17 June	Mohammedia, Morocco
17th	24/25 November	Lagos, Nigeria

Among the issues which occupied the Board's attention during 1980 were elements of the retrocession programme for the following year, improvement of the conditions of service and accommodation facilities for staff, the need to expand membership of the Corporation, and plans for the Corporation's permanent headquarters building. These were in addition to the normal task of the Board to give the desirable orientation to the institution's general policies for the present and to its plans for the future as well as to consider annual budget proposals in the light of such policies and plans.

The new Board of Directors, as elected in June 1980 for a term of three years, includes 7 out of 9 of its former members, and only two new Directors, namely Messrs. El-Dawi and Konie. Mr. El-Dawi was formerly Alternate Director to Mr. Hafez, and often took part in previous Meetings. This seems to have insured desirable continuity at the policy making level for the Corporation.

FINANCIAL HIGHLIGHTS

		1980 US $	1979 US $
	Underwriting revenue Accounts		
1.	Total Gross Premium Income written in 1980 for Underwriting Years 1978, 1979 and 1980	30,841,156	21,980,344
2.	Gross Premium Retained in 1980 for Underwriting Years 1978, 1979 and 1980	28,086,890	12,878,212
3.	Net Outgo being claims, commissions and other charges	14,435,557	7,312,701
4.	Transfer to Reserve Fund	2,566,763	—
5.	Reinsurance Funds at 31st December, 1980	8,049,873	4,932,468
	Investments and Income Therefrom		
6.	Short-Term Investments	2,902,224	2,067,213
7.	Income from Investments and Interest	513,773	238,088
	Profit and Loss Account		
8.	Expenses of General Assembly and Board of Directors' Meetings	476,724	312,683
9.	Other General Expenses	1,930,954	1,633,043
10.	Profit/(Loss) for the Year	1,143,256	(307,322)

External Auditors' Report and Financial Statements for the year ended 31st December, 1980

Financial Statements for the year ending 31st December, 1980, Notes on the Accounts, and the Report of the External Auditors thereon are given in the following pages.

REPORT OF THE AUDITORS

We have examined the annexed accounts of African Reinsurance Corporation comprising the Balance Sheet, Profit and Loss Account, Underwriting Revenue Account, Statement of Source and Application of Funds, and the Notes thereon, numbered 1 to 18 in accordance with our terms of reference and 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 other auditing procedures which we considered necessary. Proper books have been kept and the accounts are in agreement therewith.

In our opinion, the Balance Sheet, Profit and 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 at 31st December, 1980, the balance on the Profit and Loss and Underwriting Revenue Accounts and the Source and Application of Funds for the year to that date.

AKINTOLA WILLIAMS & CO.

Chartered Accountants

Lagos, Nigeria
29th April, 1981

BALANCE SHEET AT 31st DECEMBER, 1980

	Note	1980 US $	1980 US $	1979 US $	1979 US $
RESOURCES EMPLOYED					
Fixed Assets	3		290,097		284,712
Investments	4		2,902,224		2,067,213
Current Assets					
Amount due from ceding companies	5	6,036,867		4,260,459	
Deposits retained by ceding companies	6	13,222,689		5,984,626	
Sundry debtors and prepayments	7	238,660		515,919	
Bank and cash balances	8	2,030,368		1,748,503	
		21,528,584		12,509,507	
Less: **Current Liabilities**					
Amount due to other companies on reinsurance accounts	9	4,282,416		3,736,546	
Deposits due to other companies on reinsurance accounts		4,055,174		2,110,952	
Other creditors and accrued expenses	10	595,083		347,637	
		8,932,673		6,195,135	
			12,595,911		6,314,372
Deferred Revenue Expenditure	11		—		229,511
			US $15,788,232		US $8,895,808
FUNDED BY:—					
CAPITAL STOCK	12		10,000,000		10,000,000
Called-up Capital			4,660,000		4,595,000
Deduct: Subscriptions Outstanding			50,000		50,000
			4,610,000		4,545,000
RESERVE FUND	1(g)		2,566,763		—
PROFIT AND LOSS ACCOUNT			561,596		(581,660)
			7,738,359		3,963,340
Reinsurance Funds			8,049,873		4,932,468
			US $15,788,232		US $8,895,808

SAAD KANOUNI *Chairman*

EDWARD MENSAH *General Manager*

The annexed Notes 1 to 18 form integral part of these accounts

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1980

	Note	1980 US $	1980 US $	1979 US $	1979 US $
Transfers from Underwriting Revenue Account	15				
Fire and Accident		834,162		—	
Marine and Aviation		269,580		—	
			1,103,742		—
Income not Credited to Other Accounts					
Investment income and interest received		513,773		238,088	
Other income		64,558		—	
Difference in Exchange		312,315	890,646	(42,514)	195,574
			1,994,388		195,574
Expenses not charged to Underwriting Revenue Accounts					
General Assembly and Board of Directors' Expenses		476,724		312,683	
Auditors' Remuneration		25,000		25,000	
Depreciation		118,029		93,809	
Loss/(Profits) on Assets Disposed		1,868		(5,099)	
			621,621		426,393
			1,372,767		(230,819)
Deferred Revenue Expenditure—portion written off	11		229,511		(76,503)
Profit/(Loss) for the year			1,143,256		(307,322)
Balance brought forward from previous year			(581,660)		(274,338)
Balance being Profit/(Loss) carried forward			US $561,596		US $(581,660)

The annexed notes 1 to 18 form integral part of these accounts

UNDERWRITING REVENUE ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1980

	Note	Fire and Accident US $	Marine and Aviation US $	Life US $	Total 1980 US $	1979 US $
Underwriting Income						
Funds brought forward		2,012,983	2,839,201	80,284	4,932,468	245,165
Gross Premiums		18,106,048	12,198,883	536,225	30,841,156	21,980,344
		20,119,031	15,038,084	616,509	35,773,624	22,225,509
Less: Retrocession Premiums		5,348,425	2,338,309	—	7,686,734	8,347,297
Net Premiums		14,770,606	12,699,775	616,509	28,086,890	13,878,212
Underwriting Outgo						
Claims	16	3,436,873	3,017,834	229,771	6,684,478	2,791,290
Commissions	17	3,786,777	3,221,953	123,357	7,132,087	4,082,887
Excess of loss Premiums		212,540	183,260	—	395,800	360,000
Charges	18	88,545	133,976	671	223,192	78,524
Management Expenses		1,063,956	822,587	44,411	1,930,954	1,633,043
Transfer to Reserve Fund	1(g)	1,000,000	1,500,000	66,763	2,566,763	—
Transferred to Profit and Loss Account		834,163	269,580	—	1,103,743	—
		10,422,854	9,149,190	464,973	20,037,017	8,945,744
Reinsurance Funds		US $4,347,752	3,550,585	151,536	8,049,873	4,932,468
Made up of Funds applicable to:						
1978 Underwriting Year					—	4,277,080
1979 Underwriting Year					5,992,669	655,388
1980 Underwriting Year					2,057,204	—
Total being Reinsurance Fund Carried forward at 31st December, 1980					US $8,049,873	4,932,468

The annexed Notes 1 to 18 form integral part of these Accounts.

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	1980		1979	
	US $	US $	US $	US $
Source of Funds				
Net Operating Profit/(Loss)	1,143,256		(307,322)	
Sale of Fixed Assets	3,737		46,933	
		1,146,993		(260,879)
Adjustments for Items not involving the movement of funds—				
Depreciation	118,029		93,809	
Deferred Revenue Expenditure	229,511		76,503	
		347,540		170,312
		1,494,533		(90,077)
Other Sources of Fund				
Reinsurance Reserve Fund	2,566,763		—	
Capital Stock	65,000		—	
Reinsurance Funds	3,117,405		4,687,303	
		5,749,168		4,687,303
		7,243,701		4,597,226
Less: **Application of Fund**				
Purchase of Fixed Assets		127,151		227,981
		7,116,550		4,369,245
Add/(Deduct) Movement in Current Assets and Current Liabilities—				
Amount due from ceding companies	(1,776,408)		(3,277,527)	
Deposits retained by ceding companies	(7,238,063)		(5,462,094)	
Sundry debtors and prepayments	277,259		(278,658)	
Amount due to other companies on reinsurance accounts	545,870		3,274,900	
Deposits due to other companies on reinsurance accounts	1,944,222		2,100,575	
Other creditors and accrued expenses	247,446		27,392	
		(5,999,674)		(3,615,412)
		US $1,116,876		US $753,833
Represented by—				
Movement in Investment and Net Liquid Funds				
Increase in Investments		835,011		635,587
Increase in bank and cash balances		281,865		118,246
		US $1,116,876		US $753,833

NOTES ON THE ACCOUNTS

1. Accounting Policies

The following is a summary of the significant accounting policies adopted in the preparation of these accounts:—

(a) **Fixed Assets**

Fixed Assets are stated at cost less cumulative depreciation.

(b) **Depreciation**

Depreciation is calculated to write off the cost of fixed assets over the estimated useful life in equal annual instalments on the following basis:—

	Annual Rates
Furniture, Fittings and Equipment	Between 12½% and 33⅓%
Motor Vehicles	25%

(c) **Currency Translations and Conversions**

(i) Assets and liabilities in currencies other than the United States Dollar are converted at rates of exchange ruling at 31st December, 1980;

(ii) Revenue 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 are taken to the Profit and Loss Account.

(d) **Investments**

Investments are stated at cost.

(e) **Underwriting Revenue Accounts and Reinsurance Funds**

All underwriting accounts are maintained on underwriting year basis and the accounts are kept open for three years during which all funds are carried forward. Credit is taken in the accounts each year only for accounts received by the end of the accounting year. At the end of the third year of each underwriting year when the underwriting accounts are closed, the adequacy of the funds is considered by reference to the claims to be made therefrom and transfers to or from the Profit and Loss Account are made accordingly.

(f) **Debtors**

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

(g) **Reserve Fund**

This is made up of reserves set aside from closed underwriting years' accounts to meet possible future losses arising in respect of those years.

2. Life Reassurance

These are included only to the extent of the accounts received up to the time of preparation of the Corporation's accounts. No actuarial valuation was carried out as at 31st December, 1980.

3. Fixed Assets

The figure of US $290,097 appearing in the accounts is made up as follows:—

	Land and Building	Furniture, Fittings and Equipment	Motor Vehicles	Total
	US $	US $	US $	US $
Cost at 1st January, 1980	—	328,126	82,666	410,792
Additions during the year	6,313	75,629	45,209	127,151
Disposal	—	—	(7,798)	(7,798)
	6,313	403,755	120,077	530,145
Accumulated depreciation at 1st January, 1980	—	93,033	33,047	126,080
Charges for the period	—	88,010	30,019	118,029
Disposal	—	—	(4,061)	(4,061)
Depreciation at 31st December, 1980	—	181,043	59,005	240,048
Net book value at 31st December, 1980	US $6,313	US $222,712	US $61,072	US $290,097
Net book value at 31st December, 1979	US $ —	US $235,093	US $49,619	US $284,712

4. Investments

The Investments totalling US $2,902,224 (1979 — US $2,067,213) are in time deposits.

5. Amount due from Ceding Companies

The balance of US $6,036,867 relates to balances due to the Corporation on current accounts, the regional distribution being as follows:—

	1980	1979
	US $	US $
North Africa	977,299	807,613
East Africa	1,289,970	1,064,573
Central Africa	699,784	641,002
West Africa	2,830,116	1,736,700
Worldwide	239,698	10,571
Total	US $6,036,867	US $4,260,459

6. Deposits retained by Ceding Companies

These are amounts retained by ceding companies under the terms of their treaties and comprise retentions wholly or partly of portfolio premiums and losses as well as deposits of written premiums. The total of US $13,222,689 is regionally distributed as follows:—

	1980	1979
	US $	US $
North Africa	5,984,023	3,317,324
East Africa	1,042,606	203,907
Central Africa	4,212,966	1,642,182
West Africa	1,449,515	874,516
Worldwide	533,579	(53,303)
Total	US $13,222,689	US $5,984,626

7. Sundry Debtors and Prepayments

The sum of US $238,660 shown in respect of sundry debtors and prepayments is made up as follows:—

	1980 US $	1979 US $
Sub-Regional Office— Casablanca	128,000	—
Staff Debtors	57,151	39,608
Other Debtors	46,635	430,840
Prepayments	6,874	45,471
	US $238,660	US $515,919

8. Bank and Cash Balances

This is made up as follows:—

	1980 US $	1979 US $
Cash at Bank	1,778,536	1,745,695
Cash in Hand	1,832	2,808
Cash in Transit	250,000	—
	US $2,030,368	US $1,748,503

9. Amounts due to Other Companies on Reinsurance Accounts

This is made up of balances due to Companies in the following geographical regions:—

	1980 US $	1979 US $
North Africa	518,374	672,972
West Africa	1,545,072	987,075
Central Africa	583,942	128,267
East Africa	439,596	104,054
Worldwide	214,162	—
Consortium of Retrocessionaires	981,270	1,844,178
	US $4,282,416	US $3,736,546

10. Other Creditors and Accrued Expenses

The sum of US $595,083 is made up as follows:—

	1980 US $	1979 US $
African Development Bank	—	201,687
Other Creditors and Provisions	557,788	93,468
Accrued Expenses	37,295	52,482
	US $595,083	US $347,637

11. Deferred Revenue Expenditure

All expenses incurred before 1st January, 1978 when the Corporation became fully operational were classified as "Deferred Revenue Expenditure". The balance brought forward of US $229,511 was written-off during the year out of profits. The position at 31st December is as follows:—

	1980 US $	1979 US $
Balance brought forward	229,511	306,014
Deduct: Amount written off during the year	229,511	76,503
	US $ —	US $229,511

12. Capital Stock

The authorised capital of the Corporation is US $15,000,000. Of this amount, US $10,000,000 is available for initial subscription. Fifty per cent of the subscribed capital is subject to call and payable upon subscription. The remaining fifty per cent of the subscribed capital of the Corporation 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 31st December, 1980 is made up as follows:—

	1980 US $	1979 US $
Capital available for subscription	10,000,000	10,000,000
Unsubscribed capital	680,000	810,000
	9,320,000	9,190,000
Deduct: Uncalled capital	4,660,000	4,595,000
Called up capital	US $4,660,000	US $4,595,000

More detailed breakdown of the Corporation's Capital Stock is contained in Annex I to these financial statements.

13. Management Expenses

Management expenses have been apportioned to the Revenue Accounts on a premium basis.

14. Revenue Accounts and Reinsurance Funds

As all accounts and details of outstanding losses have not been received for the 1979 and 1980 "open" Underwriting Years as on 31st December, 1980, the figures accounted for in these "open" years are treated on a funded basis and are being carried forward to the next financial year when it would be possible to show the results of the next "closed" year (1979) after the adequacy of the funds is considered with particular reference to the claims to be met therefrom.

The accounts reflect underwriting revenue and outgo for all accounts received as on 31st December, 1980 not only in respect of the Underwriting Years 1979 and 1980 but also 1978 which is now closed.

15. Underwriting Year 1978 Account for the Three Years Ended 31st December, 1980 (Closed)

The revenue account for the 1978 Underwriting Year in the three accounting years ended 31st December, 1980 is as shown below. The balance representing the profit for that Underwriting Year has been transferred to the Profit and Loss Account.

	Fire and Accident US $	Marine and Aviation US $	Life US $	Total US $
Underwriting Income				
Gross Premiums (including net portfolio premiums)	11,437,572	9,201,145	175,364	20,814,081
Less: Retrocession premiums	5,284,815	2,379,994	—	7,664,809
	6,152,757	6,821,151	175,364	13,149,272

Underwriting Outgo

Claims	1,771,855	2,421,457	59,751	4,253,062
Commissions	1,827,572	2,141,466	37,120	4,006,158
Other charges	17,777	32,744	41	50,562
Management expenses	701,391	455,904	11,689	1,168,984
Reserve for future claims	1,000,000	1,500,000	66,763	2,566,763
	5,318,595	6,551,571	175,364	12,045,530
Balance transferred to Profit and Loss Account	US $834,162	269,580	—	1,103,742

16. Claims

The figure for claims is made up of:—

	Fire and Accident US $	Marine and Aviation US $	Life US $	Total US $
Gross claims paid	5,307,867	3,503,685	229,771	9,041,323
Less: Recoveries	1,870,994	485,851	—	2,356,845
	US $3,436,873	3,017,834	229,771	6,684,478

17. Commissions

Commissions are arrived at as follows:—

	Fire and Accident US $	Marine and Aviation US $	Life US $	Total US $
Commissions paid	5,473,415	3,836,546	123,357	9,433,318
Less: Commissions received	1,686,638	614,593	—	2,301,231
	US $3,786,777	3,221,953	123,357	7,132,087

18. Charges

The figure for charges is made up as follows:—

	Fire and Accident US $	Marine and Aviation US $	Life US $	Total US $
Gross expenses paid	124,592	171,616	671	296,879
Less: Recoveries	36,047	37,640	—	73,687
	US $88,545	133,976	671	223,192

Statement of Subscriptions at 31st December, 1980

(expressed in US Dollars)

Annex I

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	Amount outstanding
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. Cameroon	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. Zaïre	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	4,610,000	50,000

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	—	—	—	—
	68	680,000	680,000	—	—	—	—
Total US$	1,000	10,000,000	680,000	9,320,000	4,660,000	4,610,000	50,000

Annex II

VOTING POWERS OF MEMBERS AS AT 31st DECEMBER, 1980

Member	Capital in US $ Thousand		Voting power %
	Called	Paid in	
Algeria	300	300	6.50
Benin	50	50	1.09
Burundi	50	50	1.09
Cameroun	150	150	3.25
Central African Republic	50	50	1.09
Chad	60	60	1.30
Congo	65	65	1.41
Egypt	300	300	6.50
Ethiopia	140	140	3.04
Gabon	80	80	1.74
Gambia	50	50	1.09
Ghana	165	165	3.58
Guinea	50	50	1.09
Guinea Bissau	50	50	1.09
Ivory Coast	125	125	2.71
Kenya	130	130	2.82
Liberia	50	Nil	Nil
Libya	300	300	6.50
Mali	50	50	1.09
Mauritania	60	60	1.30
Mauritius	70	70	1.52
Morocco	300	300	6.50
Niger	50	50	1.09
Nigeria	300	300	6.50
Senegal	105	105	2.28
Sierra Leone	65	65	1.41
Somalia	60	60	1.30
Sudan	150	150	3.25
Swaziland	55	55	1.19
Tanzania	120	120	2.61
Togo	55	55	1.19
Tunisia	125	125	2.71
Uganda	110	110	2.39
Upper Volta	55	55	1.19
Zaïre	95	95	2.06
Zambia	170	170	3.69
ADB	500	500	10.84
Total	4,660	4,610	100.00