AFRICAN REINSURANCE CORPORATION
GENERAL ASSEMBLY
FIRST ANNUAL ORDINARY MEETING
LOME, TOGO, 21–22 JUNE, 1979

AFRICARE/GA/3/22

Report by the Board of Directors of the African Reinsurance Corporation covering the period from 1st April, 1977 to 31st December, 1978

AFRICAN REINSURANCE CORPORATION
SOCIETE AFRICAINE DE REASSURANCE

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Date: 30th April, 1979

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 of the Corporation, to submit to you the Annual Report and Audited Financial Statement of the Corporation for the period from 1st April, 1977 to 31st December, 1978, as well as the Administrative Budget for the Financial year, 1st January to 31st December, 1978.

This being the First Annual Report of the Corporation, a brief account of the efforts of promoting the establishment and subsequent launching of the institution is included in it.

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)
H. M. Hafez (Egypt)
B. V. Mobioh (Ivory Coast)
F. T. Nyammo (Kenya)
E. Okwor (Nigeria)
A. Sinyokosa (Zambia)
T. Okelo Odongo (African Development Bank)

Alternate Directors
Ibraham M. Felfel (Libya)
(Alternate to Morocco)

Kudo Kamlan Sigi (Togo)
(Alternate to Cameroun)

Mohamed Hedi Enneifer (Tunisia)
(Alternate to Algeria)

Abdel AAL El Dawi (Sudan)
(Alternate to Egypt)

Tano T. Fall (Senegal)
(Alternate to Ivory Coast)

Osei Kufuor (Ghana)
(Alternate to Kenya)

F. M. Carew (Sierra Leone)
(Alternate to Nigeria)

Berhane Ghebray (Ethiopia)
(Alternate to Zambia)

COMPOSITION OF AFRICARE MANAGEMENT

Edward Mensah (Ghana)
General Manager & Chief Executive

Kabisi pene Yemba Milanga (Zaire)
Deputy General Manager

Nabil S. Mohareb (Egypt)
Secretary General

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BOARD and MANAGEMENT

Seated (Left to Right): A.A. E.L. Dawi, L. Tita, Saad Kanouni, D. Potouonjou Taponzie, T. Okelo Odongo.
Standing (Left to Right): Nabil S. Mohareb, E. Okwor, Osei Kufuor, B. V. Mobioh, Edward Mensah, Kabisi pene Yemba Milanga.

THE CORPORATION COMES INTO BEING

A regional initiative in Africa to be concerned with the insurance industry was envisaged as early as 1967. The African Development Bank had just been established, and its Management felt that additional resources for African development could be mobilised through exploring the potential of the insurance and reinsurance industry at regional level. Immediate investigations in this direction showed that the idea was recommendable in principle, but that concerted efforts have to be made for its realization when conditions permitted. The state of development of national insurance and reinsurance markets made it difficult to proceed with this progressive initiative immediately. Until the early 1960's, the majority of national markets were still dominated by foreign companies or branches and agencies of companies operating in metropolitan countries, and national legislation regulating the insurance business was practically non-existent in almost all African countries except a few. These conditions improved considerably during the second half of the 1960's and the early 1970's, and the result provided a better environment for the revival of the idea and for giving effect to it in the appropriate form.

By the end of 1973, adequate preparatory work had been done by the African Development Bank, and it was decided to associate member States with the on-going thinking and efforts. Expressions of support had already been obtained from the First African Insurance Conference held in Mauritius in June 1972. More important was the recommendation in favour of the project made by the First African Ministerial Conference on Economic Co-operation, Independence and Financial problems held in Abidjan, Ivory Coast in May 1973 under the auspices of OAU, ADB and ECA. This recommendation was later endorsed by the Heads of States and Governments of OAU on the occasion of the tenth anniversary of the Organisation; a development which gave the green light for the formal launching of the project.

During an experts' meeting incorporating representatives of Government and industry in African countries, the preparatory work done by the African Development Bank was reviewed and general guidelines for further action were agreed upon. Most important among these was that the new Corporation should deal exclusively in reinsurance leaving direct insurance activities to companies operating in the individual national markets. It was however, agreed that the Corporation would assist and participate in the establishment of national insurance companies where they do not exist.

The premiums paid by Africa to advanced reinsurance markets had been put at about US$ one billion per annum as at 1974, and the growth rate was estimated to be between 12% and 13% per annum. Although these figures related to treaty and facultative business together, it was felt that a 5% minimum cession of treaty business alone would provide the proposed Corporation with a comfortable starting portfolio. The fact that this cession would be coming from a very wide geographical area suggested that this portfolio will be adequately healthy, and the risks involved will be sufficiently spread.

Another important step taken by the Experts Meeting in March, 1974 was the election of a Co-ordinating Committee to assist ADB in the finalization of the legal documents for the establishment of the Corporation before final submission to African States. This Committee was composed of representatives from Cameroun, Egypt, Ethiopia, Ivory Coast, Morocco, Nigeria, Tanzania and Zaire.

A first draft of the Agreement establishing the Corporation as agreed by the Co-ordinating Committee was sent to African States early in 1975, and comments and views received were incorporated in the second draft as much as possible. By the fall of 1975, the Committee felt that the second draft would meet with the satisfaction of African States members of the Organisation of African Unity, which can now be invited to sign the Agreement. This step was completed with success on 24th February 1976 when the Plenipotentiaries of 32 independent African States and the President of the African Development Bank met in Yaounde, Cameroun, and signed the Agreement establishing the African Reinsurance Corporation and decided that its headquarters will be based in Lagos, Nigeria. Before the end of June, 1976, date until which the Agreement was left open for signature, the Plenipotentiaries of four other States had also signed it, bringing the number of Signatories to 37 including the African Development Bank.

On 31st January, 1977, the Agreement establishing the Corporation came into force through its ratification, acceptance or approval, and payment of the initial capital subscriptions by the required

number of signatories. Two months later, the Inaugural Meeting of the General Assembly of the Corporation was convened in Abidjan, Ivory Coast (30th March–2nd April, 1977) to elect the first Board of Directors and declare the new institution born.

MEMBERSHIP

The Inaugural Meeting of the General Assembly was attended by representatives of 36 signatories, including ADB. A few signatory States had not completed membership formalities which include the receipt by ADB, in its capacity as the Founding Depositary of the Agreement, of the document of ratification, acceptance or approval of the Agreement and of the initial capital subscriptions. It was however decided unanimously by the Assembly to extend full membership status to those State Signatories whose Representatives at the Inaugural Meeting undertook to have the formalities completed as soon as possible. As a result of this decision, the following signatories became full members of the Corporation:

Algeria
Benin
Burundi
Cameroun
Central African Empire
Chad
Egypt
Ethiopia
Gabon
Gambia
Ghana
Guinea
Guinea Bissau
Ivory Coast
Kenya
Liberia
Libya
Mali
Mauritius
Mauritania
Morocco
Niger
Nigeria
Senegal
Sierra Leone
Somalia
Sudan
Swaziland
Tanzania
Togo
Tunisia
Uganda
Upper Volta
Zaire
Zambia
African Development Bank

By the 31st December, 1978, the Government of Liberia had not yet ratified the Agreement nor paid its initial subscription. Ratification of the Agreement was also outstanding by the Government of Upper Volta.

The Government of Congo was the only signatory State whose representative did not take part in the Inaugural Meeting of the General Assembly, and hence it did not acquire membership status. The Government of Congo is yet to ratify, accept or approve the Agreement establishing the Corporation and pay its initial capital subscription in order to acquire full membership status.

When the Agreement establishing the Corporation was drafted, State members of OAU numbered only 42. The subscribed capital of the Corporation was therefore allocated only to these States and ADB, with provisions allowing for capital increases to accommodate accession to the Agreement by other African States acquiring membership of OAU later. Of the 42 States to which capital allocations were made, seven countries namely, Botswana, Congo, Equatorial Guinea, Lesotho, Madagascar, Malawi and Rwanda are yet to favour the Corporation with their membership. Other African States whose membership is also being sought by the Corporation are Angola, Cape Verde, Comoros Island, Mozambique, Sao Tome & Principe, Seychelles and the States of Afars and Issas. Accession to the Agreement establishing the Corporation by the latter states will needless to say, necessitate increasing the subscribed capital.

It is important to mention in this respect that companies operating in some non-member countries, notably, Congo, Rwanda and Seychelles are already observing the operational provisions of the Agreement by placing a minimum of 5% of their reinsurance treaties with the African Reinsurance Corporation.

HIGHLIGHTS OF THE AGREEMENT ESTABLISHING THE CORPORATION

a) Purpose and Functions

According to Articles 3 and 4 of the Agreement, the purpose of the Corporation is 'to foster the development of the insurance and reinsurance industry in Africa, to promote growth of the national, regional and sub-regional underwriting and retention capacities and to support African economic development'. To implement its purpose, the Corporation is called upon to perform the following functions:

- to transact reinsurance business through treaty and facultative cessions in respect of all or some classes of insurance inside as well as outside Africa:
- to create and administer pools for the various risks for the account and to the interest of African insurance and reinsurance markets;
- to assist in the establishment and operation of national, regional and sub-regional insurance and reinsurance institutions;
- to invest its funds in African countries in a manner that promotes African economic development; it may however invest abroad on short-term basis to meet its operation and/or technical requirements;
- to provide whenever possible technical assistance to African countries in the field of insurance and reinsurance;
- to promote contacts and business co-operation among national insurance and reinsurance institutions in Africa; and
- to undertake such other activities, excluding the writing of direct insurance, and provide such other services as may advance its purpose;

In carrying out its functions, the Corporation is expected to co-operate with national, regional and sub-regional insurance, reinsurance and development institutions in Africa. It is also expected to co-operate with international organisations pursuing a similar purpose, and with other institutions concerned with the development of insurance and reinsurance industry in Africa.

b) Status and Special Facilities

The Agreement establishing the African Reinsurance Corporation gives it a full juridicial personality in its member countries, including full capacity to contract, to acquire and dispose of movable and immovable property and to sue. As far as it does not concern its reinsurance business, the Corporation enjoys the status of a full-fledged regional intergovernmental organisation with all the related immunities, concessions, privileges and freedom of assets from restrictions. For business expediency, however, disputes arising from reinsurance contracts entered into by the Corporation have been made subject to conventional practices or to ordinary legal processes applicable to comparable business as may be agreed.

The status and privileges of the Corporation in the host country (the Federal Republic of Nigeria) has been reinforced by the Headquarters Agreements which came into force on 10th August, 1977, this being the date of their signature by the contracting parties. According to these Agreements, the Corporation should enjoy the same status and privileges of international organisations, and its officers are to enjoy diplomatic status and immunities by varying degrees. Other facilities to be extended by the host country to the Corporation relate to office and staff accommodation, telecommunication facilities as well as other physical facilities which the Government of the host country agreed to extend with a view to ensuring its smooth functioning.

c) Structure of the Corporation

The structure of the Corporation is composed of a General Assembly, a Board of Directors, Executive Management and Staff. The General Assembly is the supreme organ of the Corporation and is composed of Representatives of its Members including the African Development Bank. The Assembly holds an annual ordinary meeting within six months following the end of the Corporation's financial year, and other extra-ordinary meetings as may be called by the Board of Directors, or by members representing 25% or more of the total voting power of the Corporation.

The Board of Directors is composed of 9 members, one of whom is appointed by the ADB while eight are elected by the Representatives of Member States of the General Assembly. Board members are elected for a term of 3 years, and may be re-elected. The Board elects a Chairman and a Vice Chairman from among its own members, and the Chairman of the Board is ex-officio Chairman of the General Assembly.

The Board of Directors appoints the General Manager who is the Chief Executive and legal representative of the Corporation. It also appoints other members of the Management namely, one or more Deputy General Managers and the Secretary General from among candidates short-listed by the General Manager. Members of the Executive Management are appointed for a term of five years which may be renewed.

In appointing the Corporation's officers and staff, the General Manager is expected to secure the highest standards of efficiency, technical competence and integrity. He is also expected to pay full regard to the recruitment of personnel from among nationals of African countries, and to recruit them on as wide a geographical basis as possible.

d) Operational Provisions

The Agreement establishing the Corporation gives it authority to carry out its functions in the territories of its member states. Accession to the Agreement by any member State entails an undertaking to guarantee 'that all insurance and reinsurance establishments operating in its territory shall offer to place with the Corporation a minimum of 5% of each of their reinsurance treaties, both present and future, including life treaties at terms accorded to most favoured reinsurers'. Where local insurance business is covered by global reinsurance treaties established outside Africa, the Member State concerned is expected under the Agreement to take all necessary action to ensure that all national and foreign establishments, engaged in direct insurance activities in its territory, conclude separate reinsurance treaties for the local risks. The Corporation has the right to accept or decline all or part of the business offered to be placed with it except in package deal offers where the percentage accepted should be across the board. In addition to treaty business, the Corporation may write facultative reinsurance.

On the other hand, the Founders of the Corporation expect it to retain as much volume of the business placed with it as its technical capacity may permit, and to give priority in retrocession to African insurance and reinsurance institutions, which have the right to first refusal to retrocessions.

e) Investment Policy

The investment policy of the Corporation is to be determined by the Board of Directors with due regard to requirements of security, liquidity, and profitability. The discretion of the Board in this respect is not unlimited, as it is subject to the three following restrictions:

- Long term investment of the Corporation shall be made in Africa;
- Technical reserves shall as much as possible be invested in the countries of their origin; and
- Subscription by the Corporation in the equity capital of other insurance and reinsurance companies shall not at any time exceed the total of its paid up capital and statutory and general reserves.

THE UNIQUE NATURE OF THE CORPORATION

The salient elements of the Agreement establishing the Corporation underline the unique nature of the African Reinsurance Corporation (AFRICARE) as the first intergovernmental reinsurance institution of its kind in the Third World. Its ultimate objective of promoting African economic development by providing additional finance could be fulfilled only if the Corporation were able to form itself into a profit making institution, and to build up its free reserves, funds available for investment, and its credit worthiness in general. Thus, while recognising its own intergovernmental nature which suggests that it is an organ intended for African self-reliance, there is full awareness that it has to function in accordance with sound rules and principles of the reinsurance industry.

The low percentage of 5% legal cession to be placed by insurance and reinsurance companies operating in African countries suggests that it is intended mainly for providing the Corporation with a starting portfolio on which it has to build. The Corporation's additional business from within as well as from outside Africa will depend on how sound its operations are, and how strong a security it is able to provide its ceding companies. Needless to say, the efficient operations of Africa Re should contribute to an improved set of business relations between the African insurance and reinsurance markets and the international centres.

THE LAUNCHING OF AFRICARE

Appointment of Management

During the Inaugural Meeting of the General Assembly (March/April 1977) it was decided that the Corporation commences its business activities on First January, 1978. This decision left only eight months for a huge task to be accomplished. The First Board of Directors had just been elected, but as the Chairman and members of the Board were non-resident some interim arrangement had to be made to avoid a vacuum. The Board authorized the President of ADB together with its own Chairman to incur expenses on behalf of the Corporation until a Chief Executive was appointed and installed.

During its second meeting in June, 1977, the Board was able to appoint the General Manager and his Deputy as well as the Secretary General, and they were requested to take up their appointment as soon as possible. The General Manager assumed office on First August, followed by the other members of Management in September, 1977. Although the Headquarters Agreements were signed with the host country on 10th August, 1977, the situation of the physical facilities available suggested that it would be some time before the Corporation took up residence at the city of the Headquarters. In these conditions, to comply with the General Assembly's directive to launch the Corporation before First January, 1978, resort to special measures had to be taken and all the preparatory work for a successful take off was completed within five months from various places.

The slow progress of implementation of the Headquarters Agreement has in fact been a matter of great concern to the Board of Directors, and the situation was reported to the Interim Meeting of the General Assembly in June, 1978. At the end of the period under review, negotiations were still going on between the Authorities and the special Board Committee set up to follow up action under the relevant General Assembly Resolution.

The wealth of experience gained in the launching of such a unique institution as Africa Re with its Pan-African magnitude and its business orientation has been more than gratifying and remunerative. In spite of all the difficulties and obstacles, the Corporation has become a living reality on African soil as well as in world reinsurance markets.

Looking in retrospect at the end of the Corporation's first financial year, it must be said that the sacrifices made have been worth while.

COMMENCEMENT OF BUSINESS

Market Survey

Commencement of the 1978 operations was preceded by a first hand survey of the African insurance and reinsurance markets in November, 1977. For this exercise, member countries were divided into four operational areas as follows:

- *Area A* composing of Algeria, Egypt, Libya, Mauritania, Morocco, Sudan and Tunisia;
- *Area B* composing of Ethiopia, Kenya, Mauritius, Somalia, Swaziland, Tanzania, Uganda and Zambia;
- *Area C* composing of Benin, Burundi, Cameroun, Central African Empire, Chad, Gabon, Guinea, Guinea Bissau, Ivory Coast, Mali, Niger, Senegal, Togo, Upper Volta and Zaire; and
- *Area D* composing of the Gambia, Ghana, Liberia, Nigeria and Sierra Leone.

In addition to seeking clearer vision of the conditions prevailing in national insurance and reinsurance markets in Africa and promoting the future business relations of the Corporation with its principal ceding

partners, the market survey was to ascertain the volume and nature of business to be expected under the 5% cession to Africa Re, as well as limits of the liabilities under the various treaties to be ceded.

The efforts made under the market survey have yielded results in winning for the Corporation a favourable reception on its entry in the world insurance and reinsurance circles, and paved the way for bright business prospects for years ahead. They also provided first hand information which was most important for drawing up the Corporation's policies of acceptances, retention and retrocession business.

In addition to these positive results, the survey confirmed that the insurance and reinsurance markets of African countries can be classified as to their composition into the five main following categories:

- One State-owned direct writing office;
- One State-owned direct writing office and one State-owned reinsurance company;
- Public as well as private direct writing offices together with a State-owned reinsurance company;
- Direct writing companies and/or reinsurance company owned jointly by the Government and private interests; and
- Privately-owned companies, branch offices and/or agencies.

Investigations made by the marketing teams in October and November, 1977 revealed that many of the Corporation's member states had not yet taken the necessary measures to give effect to the statutory provisions relating to the conclusion of separate reinsurance treaties for the local risks previously covered by treaties established outside Africa. Directives and enactments were however issued in some countries in respect of 5% legal cession to the Corporation.

On the other hand, the different markets had different wishes with regard to the method of making cessions to Africa Re. For example, some markets wished to channel business to the Corporation through appointed agents, while others preferred to cede the business through their existing intermediaries, and had in fact already instructed these intermediaries accordingly.

In order to win the goodwill of our ceding companies and due to the time factor it was decided that, for 1978 operations, the Corporation would follow whichever method was most convenient for any particular market, rather than insisting on a homogeneous form of cession for all markets. The Board however decided that where the 5% cession to Africa Re was through a broker, the transaction concerned will be free of brokerage.

The acceptance of business emanating from markets composed of locally incorporated companies with separate reinsurance treaties concluded for the local risks did not pose any serious problem. However, in respect of markets composed of foreign companies, branch offices and agencies whose local business was traditionally covered through the medium of global treaties concluded outside Africa, interim arrangements had to be adopted. Negotiations were held with the head offices of British companies in London as well as with the French Federation of Insurers on behalf of French companies in Paris, and it was agreed that special treaties would be established for Africa Re in respect of all local business written in the African territories in which these companies operated.

It should be emphasized that these arrangements represent temporary measures meant to ensure that Africa Re receives as much volume of business as envisaged by the Agreement establishing it from at least all member countries and from all insurance and reinsurance institutions operating there. These arrangements should cease to operate as soon as the Authorities in each country take appropriate measures to give effect to the statutory provisions requesting the conclusion of separate reinsurance treaties for the risks written locally in these countries.

It must be added here that a policy decision was made from the outset that Africa Re will accept all cessions offered to it by its ceding companies in Africa without any distinction. It was also decided that the Corporation will confine its acceptances for the time being to treaty business, leaving the facultative until a better vision had been acquired.

MANAGEMENT AND STAFF AT WORK

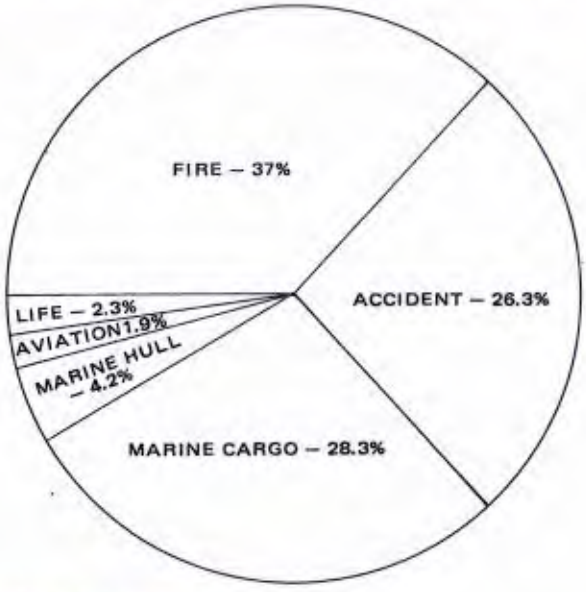
INITIAL PREMIUM INCOME PROJECTION

In the light of the above policy, an initial estimate for the Corporation's Gross Premium Income for 1978 was put at US $26.2 million as shown in the following table:

Initial Estimates of Gross Premium Income of Africa Re for 1978
(in US $ thousand)

Area	Fire/Eng	Accident	Cargo	Hull	Aviation	Total
A	3,797	1,880	2,885	839	339	9,740
B	2,939	1,007	271	76	28	4,321
C	330	547	99	110	40	1,126
D	2,634	3,466	4,145	75	93	10,413
Total	9,700	6,900	7,400	1,100	500	25,600
				Life: All Areas		600
				Grand Total		26,200

Estimated Gross Premium Income by Class of Business 1978



Retention and Retrocession Programme

The market survey provided the Corporation with information about treaty details such as income and limits of liabilities, initially from 22 member countries. Whilst the information so collected lacked certain essential details relating particularly to accumulation and could not be regarded as accurate, it had to serve as basis for the formulation of the Corporation's retention and retrocession programme. For the first year of operations, it was deemed appropriate that the Corporation should be guided in this respect by the exigencies of caution and simplicity of method within the framework of the relevant statutory provisions.

Thus, as far as the Corporation is concerned, it was decided to retain a modest US $100,000; i.e. roughly 2% of the paid in capital, per treaty programme per class of business per company. In the light of initial projections, this policy decision was expected to enable the Corporation to retain about 78% of its estimated gross premium income, a percentage which compares favourably with the calculated average of 40% for the whole of Africa. The total retention within the continent through activities of the Corporation would be even higher as a result of the statutory requirement that retrocessions be offered first to African insurance and reinsurance companies in accordance with Article 29 of the Agreement.

In view of the constraints arising from timing, lack of physical facilities and deficient reliability of available information, it was first thought that full compliance with Article 29 on retrocession should not be attempted, and that, for the first year of operation, only reinsurance companies in Africa should be interested in the retrocession programme. It was however decided later that all African companies, including insurance companies, should be interested, and provided with all available information which would guide them in deciding what percentage of the high limits of liability involved they wish to accept. As a result of this policy decision, it was initially estimated that 6% of the Corporation's business would be retroceded to African companies, and that the combined retention within the Continent would amount to approximately 84% of the Corporation's Total Gross Income.

It should be noted here that the retrocession programme for 1978 was placed on a 'bouquet' basis, and that in view of the high limits involved, African companies may have refrained from accepting higher percentages than they had actually done. On the other hand, the programme had to be conceived with the intention of creating a vehicle for future reciprocal exchanges of business with international markets which are in a position to give Africa Re a good spread of business. As a matter of policy, however, Africa Re was not to insist on reciprocity at such an early stage, as the projections for the programme needed first to stand the test of time.

The following table summarizes the initial projections made for the retention and retrocession programme for 1978 on the basis of the foregoing policy elements:

Initial Estimates for Retention and Retrocession for 1978
(in US $ thousand)

	Amount	Percentage of Gross Premium Income (%)	Percentage of Gross Premium Retention (%)
Gross Premium Income	26,200	100	
Gross Income Retroceded	5,800	22	100
Gross Income Retained by Africa Re	20,400	78	
Gross Income Retroceded to African companies	1,560	6	27
Gross Income Retroceded to International Markets	4,240	16	73

A considerable amount of thought was given to the most appropriate method for the placing of the Corporation's retrocession to the international markets. It was eventually decided to select a consortium of eight international brokers for the purpose. The decision was based on the following reasons:—

— Dealing partly through international brokers of high standing initially would seem to give Africa Re connections necessary for future expansion both on the reciprocal and non reciprocal business. The judicious use of brokers, therefore, would be a valuable source of business to Africa Re in future.

— Africa Re should aim at becoming not only a reinsurer of the majority of African companies but also to underwrite business on world wide basis at some future date. If this policy is to be achieved, Africa Re will need the services of the international brokers to produce part of our business and to use our security as they would use any other professional reinsurer.

Magnitude of Business Operations

It may be useful to provide in this report information on the number of the Corporation's ceding companies and the treaties it handled during 1978. This information should give some idea on the magnitude of the Corporation's business activities, the geographical and institutional spread of risks and its future prospects.

Number of Ceding Companies and Treaties handled by Country

Country	No. of Companies (including branches/ agencies of foreign companies)	No. of Treaties
Member Countries		
Algeria	1	10
Benin	1	8
Cameroun	9	79
Central African Empire	8	40
Chad	3	14
Egypt	4	31
Ethiopia	1	16
Gabon	6	52
Gambia	1	11
Ghana	8	100
Ivory Coast	10	34
Kenya	12	101
Libya	2	27
Mali	3	15
Mauritania	1	5
Mauritius	1	11
Morocco	20	172
Niger	8	31
Nigeria	61	416
Senegal	9	37
Sierra Leone	3	49
Somalia	1	5
Sudan	8	91
Tanzania	1	19
Togo	5	26
Tunisia	1	18
Uganda	3	34
Upper Volta	3	15
Zaire	1	12
Zambia	1	25
Total	196	1,504
Non-Member Countries		
Congo	1	5
Madagascar (1979)	2	2
Seychelles (1979)	1	6
Total	4	13
Grand Total	200	1,517

UNDERWRITING YEAR 1978

Premium Income

As at 31st December, 1978 the Corporation had received 1,136 statements of accounts from ceding companies. This represents approximately 22% of total expected statements for the 1978 underwriting year. Needless to say, in the normal course of reinsurance business, statements from companies are rather slow in coming in and it would be unrealistic to expect more than two quarters statements during the first year of operation of the Corporation. On the other hand, the Corporation despatched to its Retrocessionaires two statements of accounts covering the first two quarters of 1978.

Gross Total Premium Income recorded for the Corporation up to 31st December, 1978 stood at $3.46 million and the net balance recorded in favour of Africa Re amounted to $1.53 million at the same date.

Actual remittance received by the Corporation up to 31st December, 1978 in respect of portfolio transfers, minimum and deposit and quarterly treaty balance amounted to $774,358. The difference between balances due to the Corporation for the period under review and actual amounts received up to 31st December, 1978 was $757,278. This reflects mainly the time lag with which payments are made in respect of outstanding balances. It may also be attributed in part to administrative difficulties associated with foreign exchange regulations in member countries. This situation is likely to improve when all member states have issued the necessary directives exempting monies due to the Corporation from exchange control restrictions under the relevant Articles of the Agreement, and in conformity with the General Assembly's Resolution on external accounts during its Interim Meeting in June, 1978.

Cash Loss Claims

Reinsurance Treaties usually include conditions requesting the reinsurer to make an immediate cash payment to its ceding companies whenever the loss incurred in respect of any one risk exceeds certain dimensions. During its first financial year, the Corporation was called upon and paid a total of cash losses amounting to US $365 thousand, accounted for mainly by Hull (60%) and Fire (34%). Of this amount, the Corporation received recoveries to the tune of US $77,000 from its international and African retrocessionaires.

Technical Operations Result

Although some companies were not able to offer the Corporation business in 1978, the Board is pleased to report that from information recently compiled by our marketing teams during their visits in October/November 1978, it would be reasonable to assume that Premium Income expectations for the underwriting year 1978 will not be too far out of projections originally made.

It is important to stress, however, that it is too early yet to come to any meaningful conclusion with regard to our business results for 1978. As can be appreciated the final position of our 1st year's operations would be known only when statements of accounts covering the four quarters had been received, possibly, late in the fall of 1979.

The 1979 Portfolio

An anticipated growth rate of the gross premium income over that of 1978 is put at 15%. Part of the expected growth is due to the fact that some ceding companies have decided to place with the Corporation a percentage of reinsurance treaties higher than the statutory minimum of 5%.

A new element relative to the 1979 programme is the gesture of goodwill shown to the Corporation by its international retrocessionaires who decided to respond favourably to the Corporation's wish to receive reciprocal offers in the 1979 Portfolio. Having regard to the fact that Africa Re has not yet had underwriting results to show for a complete year, this gesture augurs well for the future of the Corporation.

As to retention and retrocession for 1979, it was decided to maintain the same policy elements followed in 1978. However, as far as the African retrocessionaires are concerned, they have been given the option to choose between surplus and excess of loss or a combination of both sections. This was thought to be a better arrangement than the 1978 'bouquet' offer, with a view to enabling interested African companies to accept a higher percentage of the Corporation's retrocession. It is estimated that under this arrangement, the African insurance and reinsurance companies would accept about 11% of the retrocessions and that the combined retention within Africa, i.e. including Africa Re's would amount to 88% of the 1979 Portfolio.

OTHER ACTIVITIES

a) Promotional Efforts

Inauguration of the African Reinsurance Corporation on 1st April, 1977 met with considerable scepticism, particularly in international markets as to the possibility of its becoming operational the

following year. The relatively long period spent in promoting its establishment since the idea was initially mooted was the main factor responsible for such feelings. For the close observer, however, the fears were unjustifiable; conditions of the African market at regional level had not developed enough for the introduction of the new institution until the early 1970's. And with the absence of previous experience in establishing profit oriented intergovernmental bodies at continental level, a longer period of time was permissible for the new institution to come into being.

While the first market survey and direct contacts allayed worries of the ceding companies, efforts had to be made with a view to making the presence of the Corporation felt in the international centres. It was therefore necessary for representatives of the Corporation to be present from the outset in international gatherings, and for assurances to be made as to its commitment to commence operations on the prescribed date. In the framework of these efforts, the Corporation was represented at the annual meetings of the General Arab Insurance Federation in Kuwait in May, 1977, and the Federation of Afro Asian Insurers and Reinsurers (F.A.I.R.) in Tehran in June, 1977. Strong delegations participated also in the 'Rendez Vous' Du Monte Carlo' in September and in the First Third World Insurance Conference in Manila in October, 1977.

During 1978, the Corporation was represented at the ADB Board of Governors' Meeting in Libreville in May, the Annual Meeting of the African Insurance Organisation in Nairobi in June, and also at the Monte Carlo World Annual Insurance gathering in September.

b) Relations with the African Development Bank

According to Article 57 of the Agreement establishing the Corporation, the African Development Bank is the Founding Depositary of the Agreement. The Bank is also a member as well as a shareholder to the tune of 10% of the capital available for subscription with a permanent seat on the Board of Directors.

During the period under review, relations between the two institutions developed in the right direction. Reference has been made elsewhere to the assistance extended by the Bank during the launching operation of the Corporation, thus easing up a considerable amount of constraint which would have otherwise been insurmountable. The Bank also continued to manage the funds which were not needed immediately by the Corporation for its operations, and this spared the Corporation the cost of immediately establishing an expert service for the purpose.

The Corporation finds in the history and experience of ADB as the first Pan-African Financial Institution a great deal of inspiration. While appreciating the importance of independence for the attainment of maturity by the Corporation, the existing co-operation between the two institutions represents a constructive approach to dealing with African economic problems.

c) Contribution to Efforts for African Development

During the period under review, the Corporation was called upon by the African Development Bank to contribute to the on-going efforts for the establishment of a new separate entity to be concerned with housing development in Africa. In order to accelerate progress, a special working party was set up from representatives of a limited number of institutions including Africa Re. Initial projections made so far reveal adequate viability of the project, and the Corporation would be expected to make a subscription to the capital. Although the preparatory work can be said to have reached an advanced stage, it is still premature to give further details of the venture.

However modest the contribution of Africa Re is, it is felt that it represents one way or the other of fulfilling in part its statutory responsibilities to promote African economic development. Needless to say, the Corporation will have always to observe the exigencies of its own viability, which is the only assurance of guaranteeing its continuation to perform its role and fulfil its objectives with maximum satisfaction to its founders.

d) Relations with other Organisations

Shortly after the commencement of operations, the Corporation was introduced to most organisations, members of the international community, as well as to regional and sub-regional African

institutions and organisations. The first contact is intended to pave the way for meaningful co-operation with those organisations whose objectives and functions are partly or fully in common with those of the Corporation.

STAFF MATTERS

One of the features of international and regional intergovernmental bodies is that member states attach special importance to a fair representation of their nationals on the staff of every such body. Statutory provisions as well as practical methods of achieving this target may differ from one organisation to another, but the principle remains one of paramount importance to the founders. In the case of Africa Re, this was secured by a special Article stipulating that the General Manager shall pay full regard to the recruitment of personnel from among nationals of African countries. He shall recruit them on as wide a geographical basis as possible.

Owing to the accommodation difficulties during the launching period, immediate manpower needs had to be met locally in Accra, Abidjan and Lagos. A limited number of nationals of the member states from East, Central and West Africa were also engaged in the early months of 1978. It was not possible however, in view of the persistent accommodation problems, to continue with the policy of recruiting qualified personnel on as wide a geographical basis as would have been otherwise. In order to cater for the situation, the recruitment of international staff had to be suspended temporarily. Meanwhile, the right calibre of host country nationals were not sufficiently attracted as they demanded either free housing or a substantially high rent allowance. Because of the accommodation situation a number of suitable non Nigerian candidates declined offers made to them, while others refused to assume duty pending improvement of the situation.

During 1978, the Corporation's staff increased by 9 professionals, 21 supporting staff members, bringing the total to 51, including 4 temporary hands, on 31st December 1978. These came from nationals of 8 African countries, and were composed of 21 officers in the professional category, 18 general service staff and 12 manual labourers. The following table gives the geographical distribution of staff members including those on temporary assignments with the Corporation as at 31st December 1978.

Staff Composition as at 31st December 1978

Category/Country	Professional Category	General Service Category	Manual Labourer	Total
Regular Staff				
Ethiopia	2	—	—	2
Ghana	8	3	—	11
Nigeria	6	12	10	28
Rwanda	1	—	—	1
Sierra Leone	1	—	—	1
Togo	2	1	—	3
Uganda	1	—	—	1
Temporary Staff				
Benin	—	1	—	1
Nigeria	—	1	2	3
Total	21	18	12	51

Professional Category: Classification by Divisions as at 31st December 1978

Reinsurance Technical Operations	11
Accounts and Administration	10
Total	21

GENERAL ASSEMBLY

According to Article 12 of the Agreement, the General Assembly holds its 'Annual Ordinary Meeting within six months following the end of the Corporation's financial year'. The Assembly was therefore to hold its 'first annual ordinary meeting' in 1979 following the end of the financial year 1977/1978. At the Inaugural Meeting however, and on the suggestion of the Chairman the General Assembly decided to hold an interim meeting in June in order to review the progress made.

At the invitation of the Government of Kenya, the General Assembly held its first interim meeting in Nairobi on 2 and 3 June 1978. The meeting was attended by Representatives of 26 member states and the African Development Bank, representing 84.187% of the total voting power of the Corporation. A number of issues including implementation of the Headquarters Agreements, convertibility of the Corporation's funds in member countries, the position of membership and the Corporation's by-Laws and Internal Regulations were examined by the General Assembly. The text of the resolutions adopted by the General Assembly at the said meeting are given in Annex III of this Report.

BOARD OF DIRECTORS

During the financial year 1977/1978, the Board of Directors held 8 meetings, of which 5 in 1977 and 3 in 1978. The launching operation called for extensive contacts between the Board and the Management, and hence the relatively large number of meetings during the period April/December, 1977. The following table gives dates and venues of the Board Meetings during the period under review:

Dates and Venues of Board Meetings—1977/1978

Meeting	*Dates*	*Venue*
1st	31/3 —2/4/77	Abidjan, Ivory Coast
2nd	1/6 —2/6/77	Yamoussoukro, Ivory Coast
3rd	8/8 —10/8/1977	Lagos, Nigeria
4th	25/11—29/11/1977	Abidjan, Ivory Coast
5th	17/12—19/12/1977	Paris, France
6th	10/4 —11/4/1978	Lagos, Nigeria
7th	29/5 —2/6/1978	Nairobi, Kenya
8th	28/9 —29/9/1978	Tangier, Morocco

Matters of special concern to the Board during the period under review were the problems encountered during the launching period, consideration and approval of the financial and staff regulations, the first retrocession programme, staff problems and the 1978 administrative budget as well as implementation of the Headquarters Agreements.

The composition of the Board changed slightly during 1978. Alternate Director Anthony Kobina Woode was replaced by Mr. Osei Kufuor both from Ghana, and Alternate Director V. A. M. Nylander was replaced by Mr. F. M. Carew both from Sierra Leone. These changes became effective on 1st April, 1978.

FINANCIAL HIGHLIGHTS

Underwriting Accounts

The total gross premiums recorded from statements received to 31st December, 1978 in respect of all classes of business was US $3,561,269. Out of this US $795,575 was retroceded. The net premiums retained by the Corporation therefore amounted to US $2,765,694. Underwriting outgo including claims paid and commissions after recoveries from retrocessionaires amounted to US $1,352,503.

Since the accounts are being maintained on a funded basis, the 1978 underwriting year has been left open for the result to be determined in future years i.e. in 1979 or 1980. The net Excess of Income over Outgo amounting to US $1,414,149 has been carried forward as Reinsurance Funds.

Investments and Income Therefrom

As at 31st December, 1978 the amount held in short term investment by the African Development Bank totalled US $1,431,626. Income from the investments amounted to US $243,993 for the year.

Profit and Loss Account

After charging management expenses amounting to US $1,498,629; and providing for the remuneration of auditors amounting to US $25,000, the deficiency on the Profit and Loss Account was US $1,366,819. Against this deficiency an amount of US $76,503 Deferred Revenue Expenditure was charged. The loss on the Profit and Loss Account at 31st December, 1978 was US $1,443,322.

The final accounts for the financial year ending 31st December, 1978 and External Auditor's Report thereon, as well as notes on these final accounts are given in the following pages.

REPORT OF THE AUDITORS TO THE MEMBERS OF AFRICAN REINSURANCE CORPORATION

We have examined the annexed accounts of African Reinsurance Corporation comprising the Balance Sheet, Profit and Loss and Revenue Accounts, and the Notes thereon, numbered 1 to 13 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 and Revenue Accounts together with the Notes thereon, give respectively a true and fair view of the financial position of the African Reinsurance Corporation at 31st December, 1978, and of the balance on the Profit and Loss and Revenue Accounts for the year to that date.

AKINTOLA WILLIAMS & CO.,
Chartered Accountants

Lagos, Nigeria
26th April, 1979

AFRICAN REINSURANCE CORPORATION

BALANCE SHEET AT 31st DECEMBER, 1978

	Note	US $	US $
RESOURCES EMPLOYED			
Fixed Assets	2		197,473
Investments	3		1,431,626
Current Assets			
Amounts due from ceding companies		982,932	
Deposits retained by ceding companies		522,532	
Sundry debtors and prepayments	4	237,261	
Bank and cash balances	5	1,630,257	
		3,372,982	
Less: **Current Liabilities**			
Amount due to other companies on reinsurance accounts		461,646	
Deposits due to other companies on reinsurance accounts		10,377	
Other creditors and accrued expenses	6	320,245	
		792,268	
			2,580,714
Deferred Revenue Expenditure	7		306,014
			US $4,515,827
FUNDED BY:—			
Capital Stock	8		4,545,000
Profit and Loss Account			(1,443,322)
			3,101,678
Reinsurance Funds	1 (d) 10 & 11		1,414,149

Chairman SAAD KANOUNI

General Manager EDWARD MENSAH

US $4,515,827

Notes 1 to 13 annexed form part of these accounts

AFRICAN REINSURANCE CORPORATION

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st DECEMBER, 1978

	US $	US $
Investment Income not credited to other accounts		243,993
Deduct:		
Expenses not charged to Revenue Accounts—		
Management Expenses (Note 9)	1,498,629	
Depreciation	36,241	
Auditors' Remuneration	25,000	
Difference in Exchange	50,942	
		1,610,812
		(1,366,819)
Deferred Revenue Expenditure—portion written off (Note 7)		(76,503)
Balance carried forward		US $(1,443,322)

Notes 1 to 13 annexed form part of these accounts

UNDERWRITING REVENUE ACCOUNT FOR THE PERIOD ENDED 31st DECEMBER, 1978

	Note	Fire and Accident US $	Marine and Aviation US $	Life US $	Total US $
Underwriting Income					
Gross Premiums		2,144,445	1,409,450	7,374	3,561,269
Less: Retrocession Premiums		728,321	67,254	—	795,575
Net Premiums		1,416,124	1,342,196	7,374	2,765,694
Interest Received		958	—	—	958
		1,417,082	1,342,196	7,374	2,766,652
Underwriting Outgo					
Claims	12	338,960	224,917	630	564,507
Commissions	13	400,578	385,847	1,571	787,996
		739,538	610,764	2,201	1,352,503
Excess of Income over Outgo for the period carried forward		US $677,544	731,432	5,173	1,414,149

AFRICAN REINSURANCE CORPORATION

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 the assets over the estimated useful life in equal annual instalments on the following basis:—

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

(c) **Currency Translations**

(i) Assets and liabilities in currencies other than the United States Dollars are converted at rates of exchange ruling at 31st December, 1978.

(ii) Revenue items originating in currencies other than the US Dollars are converted at rates ruling on the transaction dates.

(iii) Exchange differences are taken to the Profit and Loss Account.

(d) **Revenue Accounts and Reinsurance Funds**

(i) **Fire and Accident—Proportional Reinsurance Account**

The accounts for Fire and Accident proportional business are maintained on a "treaty year" basis, and they are kept open for two years. In this context, the "treaty year" is the twelve month period covered by the Corporation's contract with the ceding companies that commence 1st January each year.

(ii) **Other Revenue Accounts excluding Life Reassurance**

The accounts are maintained on an open fund basis and accounted for by the treaty underwriting year. Each underwriting year is left open for three years. The adequacy of the funds will be considered each year with reference to the claims to be met therefrom and transfers to or from Profit and Loss Account made accordingly. Credit is taken in the accounts only for accounts received by the end of the accounting year.

(e) **Debtors**

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

2. Fixed Assets

The figure of US $197,473 appearing in the accounts is made up as follows:—

	Equipment, Furniture and Fixtures	Motor Vehicles	Total
	US $	US $	US $
Cost at 31st December, 1978	155,114	78,600	233,714
Accumulated depreciation to 31st December, 1978	19,890	16,351	36,241
Net Book Value at 31st December, 1978	$135,224	$62,249	$197,473

3. Investments

The investments totalling US $1,431,626 at 31st December, 1978 are time deposits and are stated at cost plus interest accrued to the balance sheet date.

4. Sundry Debtors and Prepayments

The sum of US $237,261 shown at 31st December, 1978 in respect of sundry debtors and prepayments is made up as follows:—

	US $
Staff Debtors	23,363
Other Debtors	127,863
Prepayments	86,035
	$237,261

5. Bank and Cash Balances

This is made up as follows:—

	US $
Cash at bank	1,175,258
Cash in hand	4,999
Cash in transit	450,000
	$1,630,257

6. Other Creditors and Accrued Expenses

The sum of US $320,245 is made up as follows:—

	US $
African Development Bank	207,506
Other Creditors and Provisions	46,130
Accrued Expenses	66,609
	$320,245

7. Deferred Revenue Expenditure

All expenses incurred before 1st January, 1978 when the Corporation became fully operational have been classified as "Deferred Revenue Expenditure". The amount is to be written off over five years commencing from 1st January, 1978. The balance of US $306,014 appearing in the accounts is made up as follows:—

	US $
Deferred revenue expenditure	617,604
Deduct: Income accrued on investments and from other sources prior to 1st January, 1978	235,087
	382,517
Deduct: Amount written off during the year	76,503
Balance carried forward	$306,014

8. 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 capital stock 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 $4,545,000 appearing on the balance sheet at 31st December, 1978, is made up as follows:—

	US $
50% of US $10,000,000 called up for subscription	5,000,000
Deduct: Subscription in arrears	455,000
Amount of called-up Capital Stock subscribed at 31st December, 1978	$4,545,000

More detailed breakdown of the Corporation's Capital Stock is contained in Annex A to these accounts.

9. Management Expenses

Management Expenses have not been apportioned to the Revenue Accounts, but charged in whole to the Profit and Loss Account.

10. Revenue Accounts and Reinsurance Funds

As all accounts and details of outstanding losses have not been received as on 31st December, 1978, the figures accounted for in the current "open year" are treated on a funded basis and are being carried forward to the next financial year when it would be possible to show the result of a "closed year" after calculating the unearned premium reserves and claims reserves in accordance with the terms of the treaties.

The Revenue Accounts reflect underwriting revenue and outgo for the first two quarters of the year as underwriting statements were still to be received for the third and fourth quarters when these accounts were being finalised.

11. Life Reassurance

These accounts are included only to the extent of the figures received up to the time of preparation of the Corporation's Accounts. No actuarial valuation was carried out as at 31st December, 1978.

12. Claims

The figure for claims is made up of:—

	Fire and Accident US $	Marine and Aviation US $	Life US $	Total US $
Gross Claims paid	378,129	303,497	630	682,256
Less: Recoveries	39,169	78,580	—	117,749
	$338,960	$224,917	$630	$564,507

13. Commissions

Commissions figures are arrived at as follows:—

	Fire and Accident US $	Marine and Aviation US $	Life US $	Total US $
Commissions paid	422,797	389,664	1,571	814,032
Less: Commission Received	22,219	3,817	—	26,036
	400,578	385,847	1,571	787,996

AFRICAN REINSURANCE CORPORATION

Statement of Subscriptions at 31st December, 1978

(expressed in US Dollars)

Annex I

Authorised Capital Stock US $15,000,000

Country	Capital Available for Subscriptions		Uncalled Portion 50%	Called Portion 50%		
	No. of Shares	Amount	Amount	Amount Paid-in	Amount due	Total
1. African Development bank	100	1,000,000	500,000	500,000	—	500,000
2. Algeria	60	600,000	300,000	300,000	—	300,000
3. Benin	10	100,000	50,000	50,000	—	50,000
4. Botswana	10	100,000	50,000	—	50,000	50,000
5. Burundi	10	100,000	50,000	50,000	—	50,000
6. Cameroon	30	300,000	150,000	150,000	—	150,000
7. Central African Empire	10	100,000	50,000	50,000	—	50,000
8. Chad	12	120,000	60,000	60,000	—	60,000
9. Congo	13	130,000	65,000	—	65,000	65,000
10. Egypt	60	600,000	300,000	300,000	—	300,000
11. Equatorial Guinea	10	100,000	50,000	—	50,000	50,000
12. Ethiopia	28	280,000	140,000	140,000	—	140,000
13. Gabon	16	160,000	80,000	80,000	—	80,000
14. Gambia	10	100,000	50,000	50,000	—	50,000
15. Ghana	33	330,000	165,000	165,000	—	165,000
16. Guinea	10	100,000	50,000	50,000	—	50,000
17. Guinea Bissau	10	100,000	50,000	50,000	—	50,000
18. Ivory Coast	25	250,000	125,000	125,000	—	125,000
19. Kenya	26	260,000	130,000	130,000	—	130,000
20. Lesotho	10	100,000	50,000	—	50,000	50,000
21. Liberia	10	100,000	50,000	—	50,000	50,000
22. Libya	60	600,000	300,000	300,000	—	300,000
23. Madagascar	18	180,000	90,000	—	90,000	90,000
24. Malawi	10	100,000	50,000	—	50,000	50,000
25. Mali	10	100,000	50,000	50,000	—	50,000
26. Mauritius	14	140,000	70,000	70,000	—	70,000
27. Mauritania	12	120,000	60,000	60,000	—	60,000
28. Morocco	60	600,000	300,000	300,000	—	300,000
29. Niger	10	100,000	50,000	50,000	—	50,000
30. Nigeria	60	600,000	300,000	300,000	—	300,000
31. Rwanda	10	100,000	50,000	—	50,000	50,000
32. Senegal	21	210,000	105,000	105,000	—	105,000
33. Sierra Leone	13	130,000	65,000	65,000	—	65,000
34. Somalia	12	120,000	60,000	60,000	—	60,000
35. Sudan	30	300,000	150,000	150,000	—	150,000
36. Swaziland	11	110,000	55,000	55,000	—	55,000
37. Tanzania	24	240,000	120,000	120,000	—	120,000
38. Togo	11	110,000	55,000	55,000	—	55,000
39. Tunisia	25	250,000	125,000	125,000	—	125,000
40. Uganda	22	220,000	110,000	110,000	—	110,000
41. Upper Volta	11	110,000	55,000	55,000	—	55,000
42. Zaire	19	190,000	95,000	95,000	—	95,000
43. Zambia	34	340,000	170,000	170,000	—	170,000
Total	1,000	10,000,000	5,000,000	4,545,000	455,000	5,000,000

Note: Some member countries who have not paid-up their subscriptions are still to ratify the agreement.

Annex II

VOTING POWERS OF MEMBERS AS AT 31 DECEMBER, 1978

Member	Capital in US$ Thousand		Voting power %
	Called	Paid in	
Algeria	300	300	6.60
Benin	50	50	1.10
Burundi	50	50	1.10
Cameroun	150	150	3.30
Central African Empire	50	50	1.10
Chad	60	60	1.32
Egypt	300	300	6.60
Ethiopia	140	140	3.08
Gabon	80	80	1.76
Gambia	50	50	1.10
Ghana	165	165	3.63
Guinea	50	50	1.10
Guinea Bissau	50	50	1.10
Ivory Coast	125	125	2.75
Kenya	130	130	2.86
Liberia	50	(50)	(1·10)
Libya	300	300	6.60
Mali	50	50	1.10
Mauritania	60	60	1.32
Mauritius	70	70	1.54
Morocco	300	300	6.60
Niger	50	50	1.10
Nigeria	300	300	6.60
Senegal	105	105	2.31
Sierra Leone	65	65	1.43
Somalia	60	60	1.32
Sudan	150	150	3.30
Swaziland	55	55	1.21
Tanzania	120	120	2.64
Togo	55	55	1.21
Tunisia	125	125	2.75
Uganda	110	110	2.42
Upper Volta	55	55	1.21
Zaire	95	95	2.09
Zambia	170	170	3.74
ADB	500	500	11.01
Total	4595	4545	100.00