Compagnie Centrale
DE REASSURANCE

RAPPORT ANNUEL 2010

ANNUAL REPORT

Chairman's message

Within a context characterized by the slowdown of the growth of the local insurance market (4%), the 2010 year has been marked, as concerns CCR, by three major events:

1-The B+ rating obtained, in May 2010, with AM BEST;
2-The raising, in September 2010, of the compulsory cession level up to 50% applicable as from January 1st 2011.
3- the transition from the National Chart of Accounts to the New Countable Financial System of which the effective implementation was January 1st 2010.

Thus, the 2010 balance sheet was closed in accordance with the rules and uses prescribed by the New Countable Financial System which initially required the reclassifying and reprocessing of the 2009 accounts for a more reliable comparison between 2010 accounts and those of 2009.

The 2010 year has also have been characterized, as far as CCR is concerned, by the increase of its turnover of about 9%, going from AD 9,043 million as at 31/ 12/ 2009 to AD 9,813 Million as at 31/ 12 /2010, that's to say a rise of AD 770 Million.
The CCR's share on the domestic market amounts to 36% equivalent AD 9,173 million against 35% (AD 8,256 million) in 2009.

As for international acceptances, they amount to AD 639 million representing 7% of the total turnover.
CCR realized, in 2010, a profit technical result of AD 1,710 million against AD 858 million in 2009 showing a rise of AD 852 million (99%).

This remarkable evolution of the technical return, combined with controlled overheads and financial income which record a net progression, allowed the realization of a profit net income, as at 31/ 12 /2010, of AD 1,198 million against AD 201 million last year after reprocessing of the 2009 profit and loss account that's to say an evolution of 496% (AD 996 million).

The recorded results are supported by a constant valorization of the reinsurance capacities made at the disposal of domestic ceding companies and the quality of the service granted.
Technical assistance and training represent an element increasingly present in the business relationship existing between CCR and its national customers.

Thus, in 2010 a meeting on natural catastrophes, an international seminar on solvency as well as trainings carried out in CCR's offices and abroad, were organized in aid of domestic ceding companies.
From the commercial efforts engaged on the markets of the area, it is expected, medium-dated, a significant progression of our international turnover.

Moreover, CCR has maintained its efforts to reinforce its human and technical resources. It has already engaged, in this field, considerable efforts particularly as regards information system where CCR has, today, at its disposal a tool adapted and general to all the operations. In 2010, the stress is put on the progressive setting up of a risk management plat form including anticipation on the crisis situations (stress test).

M. Hadj Mohamed Seba
Chairman & General manager

PRESENTATION OF THE COMPANY

Created in1973, Compagnie Centrale de Reassurance (CCR) is a joint stock company with an Authorized capital of 13 Billion Dinars, Algerian state- owned property.
CCR of which the head office is located in Algiers, has a team of technician staff, experienced in the field of reinsurance.
CCR practices reinsurance operations in Marine and Non Marine classes. Elsewhere, CCR ensures, on behalf of the State, the management of the Natural Catastrophes program which was set up after the seism of May 21st 2003.
It holds at the present a strong position in the algerian reinsurance activity thanks to the raising of the compulsory cession up to 50% which become effective as from January 1st 2011.
Lastly, it is necessary to announce that CCR obtained, during May 2010, the rating (B+) (Good) allotted by the agency of notation A.M. BEST.

BOARD OF DIRECTORS

CHAIRMAN
Hadj Mohamed Seba

ADMINISTRATORS

Abdelkader Benterki
Mohamed Larbi Ghanem
Lounes Fraoun
Abdelkrim Mahtali
Mustapha Tamalghaghet

AUDITORS
ZADDI Mohand Cherif

GENERAL MANAGEMENT

GENERAL MANAGER
Hadj Mohamed Seba

FINANCE ADVISER
Mohamed Ouandjeli

ACTUARIAL ADVISER
Ahmed Sid

DIRECTORS

International Acceptance Director
Saïd Gaoua

Property Director
Abdelmadjid Beghili

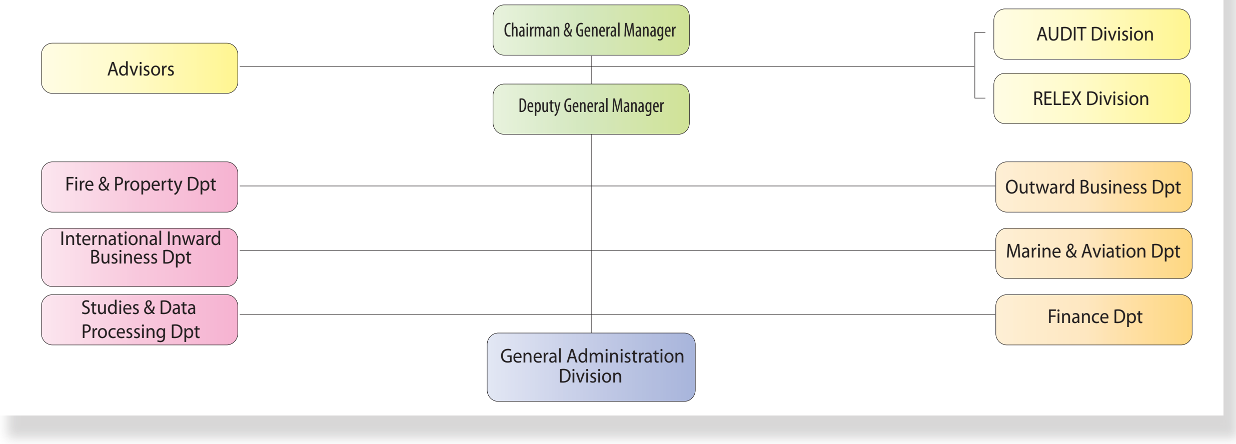
Transport Director
Abdellah Benseidi

Retrocession Director
Widad Belhouchet

Finance & Accounting Director
Sid Ahmed Rachedi

Studies & IT Director
Arab Ali Azouaou

Organization Chart



HIGHLIGHTS 2010

(A.D Million)

Gross Premium Income	9, 813
Incurred Losses	4, 230
Investment Income	594
Financial Investments	527
Net Result	1, 198
Administered Assets + availabilities	26, 274
Shareholders equity	16, 046
Technical Reserves	13, 552
Total Balance Sheet	34, 479
Staff	92 employees

TECHNICAL ACTIVITY

1. GLOBAL ANALYSIS OF THE PRODUCTION

The global turnover under the 2010 financial year amounts to 9 813 million AD against 9 043 million in 2009.
This turnover is composed of :
- AD 639 million for international acceptances ;
- AD 9, 173 million for national acceptances.

2. NATIONAL ACCEPTANCES

The volume of premiums accepted, under 2010 financial year, recorded a progression of 11% compared to the previous year.
This progression results from the increase of the CCR's shares in the treaties of the domestic ceding companies.

A.NON MARINE CLASSES

The non marine classes carried out a turnover of 6,245 million AD against 5,409 million AD in 2009, in progression of 15%. The compulsory cessions represent 29.5% the non marine turnover that's to say a volume of premium of 1,843 million AD.

a /FIRE

This class of business contributes up to 21% in the national acceptances portfolio and records a volume of premiums being AD 1,920 million against AD 1,775 millions in 2009 that's to say an evolution of 8%.

b / ENGINEERING

This class of business recorded a turnover of AD 2,564 million against 2,112 million in 2009 that's to say an evolution of 21% and thus consolidates its 1st position in the global portfolio.

c / ACCIDENT & VARIOUS RISKS

Compared to the prior year result, this class of business shows an evolution of 33%, going from AD 630 million to AD 836 million.
This evolution results from the increase of the CCR's shares on the ceding national companies business.

d / NATURAL CATASTROPHES

The volume of the premiums recorded, as at 31/12/2010, amounts to AD 925 million against AD 892 million in 2009, that's to say a progression of 4%.
As far as the claims are concerned, the only catastrophe recorded since the implementation of the Algerian Catastrophe Insurance program goes back to October 2008 and relates to the floods that have affected the wilaya of Ghardaia.
The amount of the paid claims, under this catastrophe, rises to AD 35 million.

B. TRANSPORTS

The turnover realized by this class of business reached AD 2,928 million against AD 2,856 million in 2009, thus recording an evolution of 3%.
Aviation consolidates its 3rd position in the structure of the CCR's portfolio
It is necessary to note that in spite of the absence of major claims, this class of business records an evolution of more than 14% of the claims charges.

a/ AVIATION

Constituted of facultative subscriptions, the turnover increased by 19% going from AD 1,180 million in 2009 to AD 1,408 million in 2010.
This progression results from the premiums increase of the Air Algérie insurance police and the subscription of new businesses such as Space ALSAT2 risk

b/ MARINE HULL

The volume of premiums carried out is about AD 599 million against 623 million in 2009, that's to say a decline of 4% due, mainly, to a repayment of premiums in respect of ships that have been withdrawn from the Algerian marine fleet cover.

c /CARGO

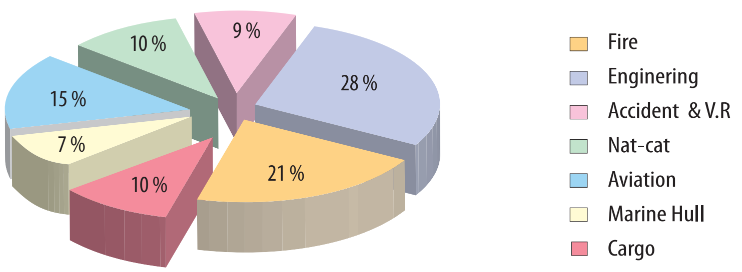
The volume of the premiums records a fall of 12% compared to 2009 passing from AD 1,052 million against AD 921 million, due to the set-back in the volume of the imports in 2010.
As for the losses, it is recorded a reduction of about 16%.

EVOLUTION OF NATIONAL ACCEPTANCES - 2010

AD million

Classes	2009	%	2010	%	Variation	%
Fire	1 775	21%	1 920	21%	145	8%
Engineering	2 112	26%	2 564	28 %	452	21%
Accident & Various Risks	630	8%	836	9%	206	33%
Natural Catastrophes	892	11%	925	10%	33	4%
Aviation	1 180	14%	1 408	15%	228	19%
Marine Hull	623	8%	599	7%	-24	-4%
Cargo	1 052	13%	921	10%	-131	-12%
Other	-	0%	-	0%	0	-
TOTAL	8 265	100%	9 173	100%	909	11%

Structure Of The National Turnover 2010 Financial Year



3. INTERNATIONAL ACCEPTANCES

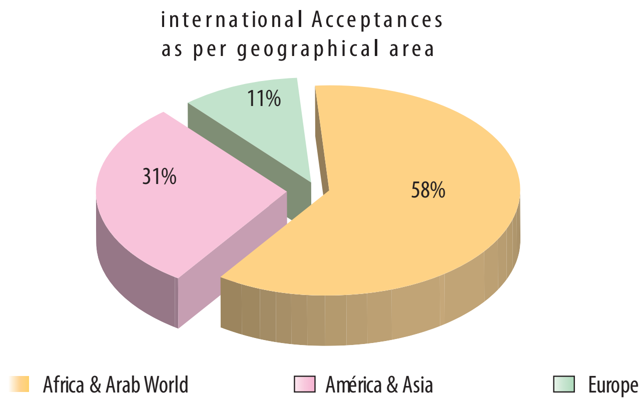
The turnover of international acceptances posts a volume of premiums of AD 639 million against AD 778 million in 2009, that's to say a decrease of 18%, due to the difficulty to get in the market, very selective as regards reinsurers rating and to the strict selection of the CCR's partners in respect in of business subscription on the international market.

INTERNATIONAL ACCEPTANCES AS PER CLASS OF BUSINESS

AD million

CLASS OF BUSINESS	2009	2010	VARIATION %	STRUCTURE
Fire	109	88	-19%	14%
Engineering	136	198	46%	31%
Accident & Various Risks	39	27	-31%	4%
Aviation	33	60	82%	9%
Marine Hull	16	7	-56%	1%
Cargo	29	15	-48%	2%
Other	416	244	-41%	38%
TOTAL	**778**	**639**	**-18%**	**100%**

The Africa and Arab world zone dominate the international acceptances portfolio and represents 58% of the turnover against 61% in 2009
As in 2009, America and Asia zone stands at the 2nd position with 31% of the shares representing a volume of premiums of AD 199 million, followed by Europe zone with 11% that's to say a volume of premiums of AD 71 million.

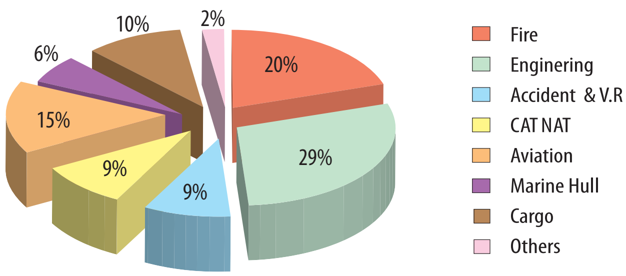


GLOBAL ACCEPTANCES AS PER CLASS OF BUSINESS

AD million

CLASS OF BUSINESS	2009	%	2010	%	Variation	%
Fire	1,884	21%	2,009	20%	124	7%
Engineering	2,248	25%	2,762	28%	515	23%
Accident & Various Risks	669	7%	863	9%	194	29%
Natural Catastrophes	892	10%	925	9%	33	4%
Aviation	1,213	13%	1,468	15%	254	21%
Marine Hull	639	7%	606	6%	-33	-5%
Cargo	1,081	12%	936	10%	-145	-13%
Other	416	5%	244	2%	-172	-41%
TOTAL	**9,043**	**100%**	**9,813**	**100%**	**770**	**9%**

Structure of Global Turnover 2010 financial Year

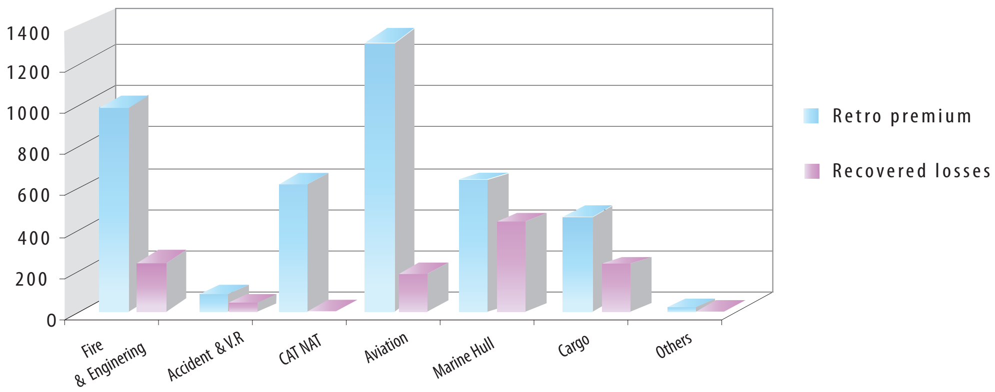


4. RETROCESSION

The 2010 retrocession program is characterized by the adaptation of the covers to the evolutions of the profiles of the portfolio, to the CCR's authorized capital and to the needs for covers expressed by the company.
The total retro ceded premiums, within 2010 balance sheet, rises to AD 3,910 million against AD 3,824 million in 2009 showing an increase of 10%, due to the rise of facultative retrocession of about 10%.

	2009			2010			AD million
Class of Business	**Treaty**	**Fac**	**Total**	**Treaty**	**Fac**	**Total**	**Variation (%)**
Fire & Engineering	654	122	776	841	100	941	21%
Accident & V.R	84	0	84	61	0	61	-27%
Natural Cat	564	0	564	577	0	577	2%
Aviation	0	1,119	1 119	0	1,295	1,295	16%
Marine Hull	317	163	480	447	144	591	23%
Cargo	779	0	779	432	0	432	-45%
Other	22	0	22	13	0	13	-41%
TOTAL	**2,420**	**1,404**	**3,824**	**2,371**	**1,539**	**3,910**	**2%**

Retrocession in 2010



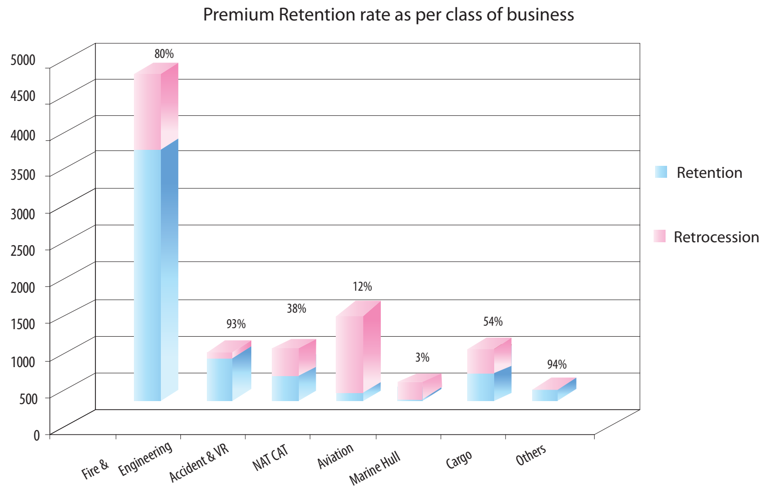
5. RETENTION

The volume of the retained premiums, under 2010 balance sheet, amounts to AD 5,903 million against AD 5,219 million in 2009 representing an increase of 13%.
Compared to the total turnover, the retained premiums show a rate of retention of 60% against 58% in 2009.
The non marine business represents 88% of the retention against 12% for the marine business.

EVOLUTION OF RETENTION AS PER CLASS OF BUSINESS

AD million

	2009		2010		Variation	
Class of Business	Premium	Loss	Premium	Loss	Premium	Loss
Fire & Engineering	3,468	650	3,872	929	12%	43%
Accident & Various Risks	585	177	802	134	37%	-24%
Natural Cat	328	21	348	15	6%	-31%
Aviation	94	15	172	56	83%	273%
Marine Hull	160	41	15	77	-90%	88%
Cargo	302	111	504	100	67%	-10%
Other	281	166	189	172	-33%	4%
Total	**5,219**	**1,181**	**5,903**	**1,483**	**13%**	**26%**



FINANCIAL ACTIVITY

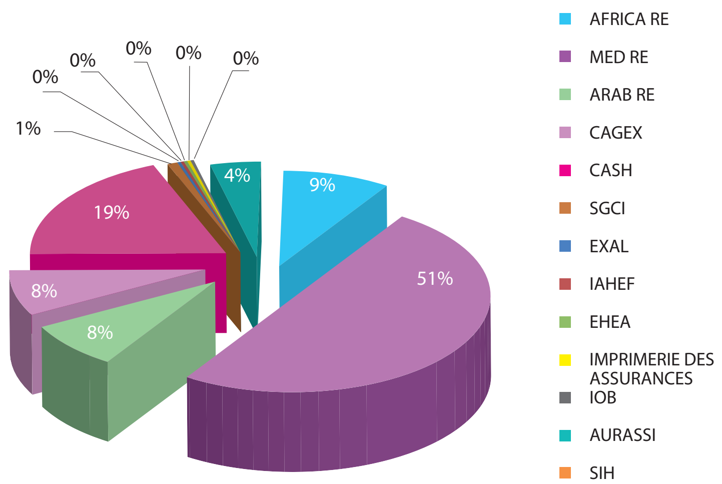
SHARES & CAPITAL INVESTMENTS

The CCR's income productive assets amount, as at 31/12/2010, to AD 27,059 million against AD 24,697 million in 2009, recording a progression of AD 2,362 million DA (+9,56%).
The gross financial income carried out in 2010 reached AD 594 million against AD 371 million in 2009 that's to say a progression of 60% which results from the increase of capital investments and the light evolution of the interest rates.

1. SHARES

The CCR's shares in the authorized capital of national and international companies, as for the insurance and other various sectors, as at the 31/12/2010, add up to AD 2,426 million against AD 2,307 million as at 31/12/2009 recording a progression of AD 119 million (+5%). These shares produced a volume of dividends being AD 70 million against AD 64 million in 2009.

SHARE PORTFOLIO STRUCTURE

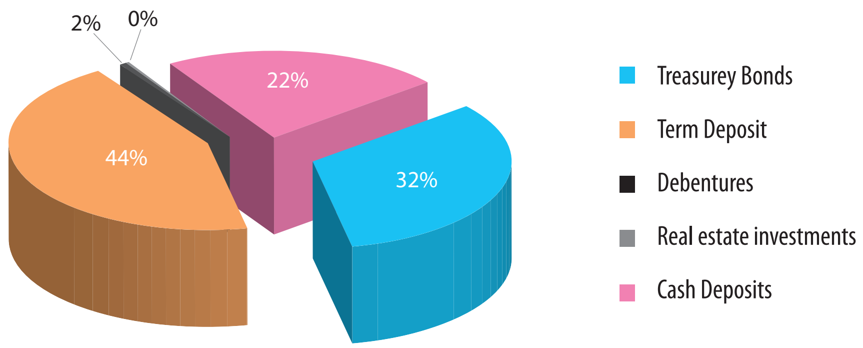


2. CAPITAL INVESTMENTS

The strategy adopted by CCR in 2010, as regards capital investments, consists of the acquisition of short term deposit with the public banks because of their advantageous earnings and of their reduced cost.

The capital investments record, as at 31/12/2010, an amount of AD 24, 633 million against AD 22,390 million in 2009 showing a rise of 10%. The gross incomes carried out by these investments reached AD 524 million against 307 million in 2009 representing an evolution of 71%.

Structure Of Financial Investments Portfolio As At 31 / 12 / 2010



BALANCE SHEET AND PROFIT & LOSS RESULT

1.1. ASSETS

ACTIF	N°	NET AMOUNT as at 31.12.2010	NET AMOUNT as at 31.12.2009
Goodwill	ANC1		
Intangible Fixed Assets	ANC2	13,657,371.58	16,254,797.06
Land	ANC3	172,514,004.24	172,514,004.24
Buildings	ANC4	422,238,017.53	437,089,017.37
Other Tangible Fixed Assets	ANC5	20,258,105.66	27,648,318.24
Fixed Assets in concession	ANC6		
Current Fixed Assets	ANC7	392,531,476.38	351,211,372.90
Securities put in equivalence	ANC8		
Other participations & related debts	ANC9	1,775,627,200.53	1,653,822,250.53
Other immobilized bonds	ANC10	10,900,000,000.00	9,953,000,000.00
Loans & other non current financial assets	ANC11	8,775,755.54	10,808,928.57
Active deferred taxes	ANC12	59,404,639.25	153,829,006.00
Funds or values deposited with ceding companies	ANC13	5,359,024,731.82	5,629,705,526.05
Share of ceded coinsurance	AC1		
Share of ceded reinsurance	AC2	4,036,967,763.69	3,032,175,127.54
Debtor holders and ceding companies	AC3		
Insured, insurance intermediaries and related accounts	AC4	2,684,379,746.93	1, 766,063,390.58
Other debtors	AC5	403,557,785.32	56,183,696.41
Assimilated taxes	AC6	-	122,413,380.17
Other debts and assimilated posts	AC7		
investments & other current financial assets	AC8	7,952,904,228.00	6,384,517,065.00
Cash	AC9	276,804,810.49	239,029,811.26
TOTAL ASSETS		**34,478,645,636.95**	**30,006,265,691.92**

1.2. Liabilities

LIABILITIES	N°	NET AMOUNT as at 31.12.2010	NET AMOUNT as at 31.12.2009
Issued Capital	CP1	13,000,000,000.00	13,000,000,000.00
Non Paid Capital	CP2		
Premiums and reserves	CP3	1,652,942,666.58	1,122,706,691.95
Valuation gap	CP4	656,376,430.00	672,321,480.00
Revaluation gap	CP5		
Equivalence gap	CP6		
Net Result	CP7	1,197,747,978.52	200,963,896.79
Other Capital Base – posting anew	CP8	- 461,487,017.67	- 72,214,939.83
Share of the funding company	CP9		
Share of minorities	CP10		
Loans and financial debts	PNC1		
Taxes (deferred & funded)	PNC2		
Other non current debts	PNC3		
Regulated Provisions	PNC4	1,091,218,054.53	827,498,652.73
Provisions & income entered in advance	PNC5	59,809,359.53	51,038,300.81
Funds or securities received from reinsurers	PNC6	1,503,371,933.75	1,542,813,902.81
Insurance Technical Provisions			
- Direct Opérations	PC1		
- Acceptances	PC2	13,551,651,277.25	11,247,138,792.92
Debts & resources related			
- holders, ceding companies and related accounts	PC3	2,037,043,820.50	1,352,237,867.22
- Insured & Insurance Intermediaries	PC4		
Payable Taxes	PC5	33 302 482,40	4,779,486.00
Other Debts	PC6	156,668,651.56	56,981,560.52
Cash Liabilities	PC7		
TOTAL LIABILITIES		**34,478,645,636.95**	**30,006,265,691.91**

1.3 Comparative Statement of Loss & Profit accounts 2009/2010

Accounts Description	N°	Net Operations N	Net Operations N-1
Accepted Premium	CR1	5,902,642,605.73	5,219,064,896.70
Accepted Premium brought forward	CR2	-504,807,264.40	-699,220,359.92
Allowances on acceptances	CR3	2,277,727,135.39	2,403,934,716.95
Reinsurance received commissions	CR4		
Reinsurance paid commission	CR5		
Reinsurance Commission		1,409,633,538.87	1,258,238,611.43
NET REINSURANCE MARGIN		1,710,474,667.06	857,671,208.41
Fixed production	CR6		
External services & other wasting	CR7	130,869,782.74	66,220,353.90
Staff cost	CR8	189,475,218.17	128,211,023.20
Duties, taxes & assimilated payments	CR9	91, 047,006.64	80,688,570.17
Other operational income	CR10	3,752,928.59	4,987,759.21
Other operational expenses	CR11	990,453.58	1,741,737.43
Depreciation allowance, Provisions & loss of values	CR12	506,049,704.83	975,860,117.73
Upturn on loss of value & provisions	CR13	191,479,700.75	298,462,000.01
Operational Technical Result		987,275,130.44	-91,600,834.80
Financial Income	CR14	633,333,627.80	445,055,780.88
Financial Expenses	CR15	114,488,059.87	145,085,018.29
Financial Result		518,845,567.93	299,970,762.59
COMMON RESULT BEFORE TAXATION		1,506,120,698.37	208,369,927.79
Payable taxes on common result	CR16	213,948,353.10	7,406,031.00
Deferred taxes on common result	CR17	94,424,366.75	
TOTAL COMMON INCOME		2,539,040,924.21	
TOTAL COMMON EXPENSES		1,341,292,945.68	
		0.00	
Net Result of Common Activities	CR18	1,197,747,978.52	200,963,896.79
Exceptional Income (to be specified)			
Exceptional Expenses (to be specified)			
EXCEPTIONAL RESULT			
FINANCIAL YEAR NET RESULT		**1,197,747,978.52**	**200,963,896.79**

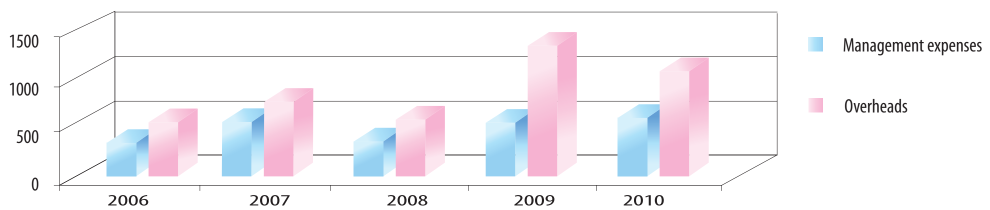
GENERAL MANAGEMENT

1. GENERAL EXPENSES as at 31/12/2010

AD million

DESCRIPTION	2009	2010	Variation	
			Amount	%
External Services	12.49	11.86	-0.63	-5.04%
Other External Services	53.73	119	65.27	121.48%
Staff Cost	128.21	189.48	61.26	47.78%
Taxes & Duties/Assimilated Payments	80.69	91.00	10.31	12.78%
Other Operational Expenses	1.74	0.99	-0.75	-43.10%
Financial Expenses	145.09	114.49	-30.60	-21%
Total Operating Expenses	421.95	526.82	104.87	24.85%
Management Charges/Turnover	4.67%	5.37%		15%
Depreciation Allowance & Provisions	976.00	506.00	-470.00	-48%
General total expenses	**1,397.95**	**1,032.82**	**-365.13**	**-26.12%**

Evolution of General Expenses 2006 - 2010



2. RESULTS as at 31/12/2010

The various results recorded in 2010 are as follows :

AD million

DESCRIPTION	2009	2010	Variation	
			Amount	%
Reinsurance Margin	858	1,710	852	99
Operational Technical Result	-92	987	1, 079	1, 173
Financial Result	300	519	219	73
Ordinary Result before Taxation	208	1, 506	1 ,298	624
Net Result of Ordinary Activities	201	1, 198	997	496
Net Result / Registered Capital	1.55%	9.21%	/	494
Net Result /Capital Base	1.35%	7.47%	/	453

REINSURANCE MARGING & NET RESULT 2006 - 2010 EVOLUTION

3. SOLVENCY MARGIN

- The amount of Capital Base, as at 31/12/2010, comes to AD 16,046 million against AD 14,924 million in 2009.
- The solvency margin accounts for 272% of the net of cancellation and reinsurance premiums against 286% in 2009 and is higher than the fixed minimum level being 20%.
- It accounts for 118% of the technical debts against 133% in 2009, and is higher than the fixed minimum level being 15%.

4. MAIN RATIOS

RATIOS	2010 (%)	2009 (%)
BALANCE SHEET RATIOS		
Capital Base / Liabilities	46.54	49.74
Reserves/Capital Base	10.30	7.52
INDEBTEDNESS		
Total Debts / Total Liabilities	50.12	47.34
TECHNICAL BALANCE		
Tech Prov. + Tech Debts / Invest debts + Availabilities.	55.62	50.26
MANAGEMENT RATIOS		
Issued Premiums / Assets	28.46	30.14
Staff Cost / Turnover	1.93	1.41
Financial Income / Operating Expenses	113	88
Financial Income / Staff Cost	314	290
PROFITABILITY RATIOS		
Reinsurance Margin/Turnover	17.43	9
Net Result / Capital Base	7.46	1.35
Net Result / Turnover	12.21	2.22
ECONOMIC PROFITABILITY		
Technical Result/Total Assets	4.96	2.86
PRODUCTIVITY		
Turnover / Agents	106.66 MDA	93.22 MDA
Net Result / Agents	13.02 MDA	2.07 MDA

HUMAN RESOURCES AND TRAIDING

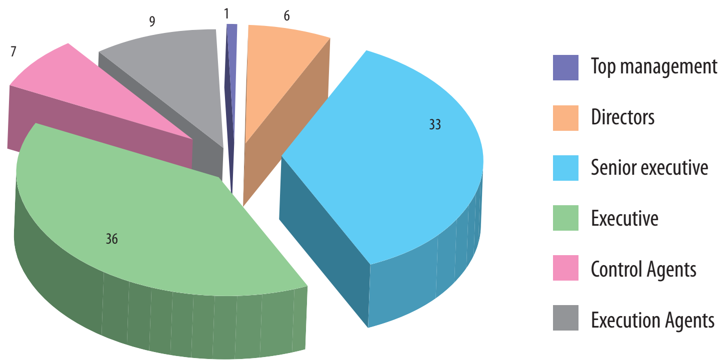
1. HUMAN RESOURCES

As regards human resources, the 2010 financial year was characterized by:

-The reduction of the staff number which went from 97 employees as at 31/12/2009 to 92 as at 31/12/2010 of which female element accounts for 35% against 38% in 2009

-The command of wages bill which accounts for 1.27% of the turnover, lower than the rate fixed by the shareholder (5%);

STAFF BREAKDOWN AS AT 31 / 12 /2010



2 . TRAINING

92 training activities were carried out in 2010 with the objective to improve the knowledge and to reinforce the employees' competences through the acquisition of new techniques and management tools in particular as regards reinsurance activity to enable them to achieve their missions under good conditions.

These trainings consisted of:

- Long term insurance trainings in Algeria and abroad ;
- Reinsurance short term trainings abroad;
- English and French courses performed in Algeria;
- Insurance and reinsurance seminars performed in Algeria.

AUDITOR'S REPORT

ZADDI Mohand-Chérif
Chartered Accountant
Auditor

To
The Chairman,
Members of the Ordinary General Assembly
of the Compagnie Centrale de Réassurance

In accordance with the provisions of article 715 twice 4 of the Commercial law, we give a report on our opinion in respect of the CCR's accounts for the year ended December 31st, 2010.

We examined and checked the accounting and financial operations as well as the financial statements produced by the Compagnie Centrale de Réassurance under the 2010 year.

Our audit, carried out according to the commonly accepted diligences, rules and proceedings governing the auditors profession, consisted to make sure that the IAS and IFRS standards, as decreed by the Accounting Financial System, have been respected.

Notwithstanding the various remarks and observations expressed in our detailed report, we certify that the CCR's financial statements are sincere and regular as far as the standards and rules commonly accepted are concerned and reflect the effective financial and patrimonial statement of the firm.

The Auditor

ZADDI Mohand Cherif

Mohand Cherif ZADDI
EXPERT COMPTABLE

Tuesday 31 may 2010