



الشركة المركزية لاعتماد والتأمين  
Societe Centrale de Reassurance

# SOCIETE CENTRALE DE REASSURANCE

*Composite Capital Company, regulated by the Dahir of Chaoual 23rd, 1379 (April 20th, 1960)*

*Capital: Dhs 300 million, (fully paid)*

*Guaranteed by the Moroccan State – Agreement of March 9th, 1960*

*Between the State and Caisse de Dépôt et de Gestion (C.D.G)*

*Modified by the Agreement of November 28th, 2000*

## Annual Report 2002

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## **BOARD OF DIRECTORS**

**Mr. Mustapha BAKKOURY** *President*  
*General Manager of Caisse de Dépôt et de Gestion*

**Mr. Ahmed ZINOUN** *Managing Director*

*La Caisse de Dépôt et de Gestion represented by :*

**Mr. Abdessalam ABOUDRAR** *Administrator*

*AXA ASSURANCE MAROC représentée par*

**Mr. Ali SABER** *Administrator*

**Mr. Ahmed DAROUICH** *Administrator*

**Mr. Benacher OUAHHABI** *Administrator*

**Mr. Ahmed TAZI** *Administrator*

**Mr. Ahmed ES-SAGHIR** *Administrator*

**Mr. Abdessalam BOUMEHDI** *Administrator*

## **THE GOVERNMENT COMMISSIONER**

*Mr. Thami EL BARKI*

## **STATUTORY AUDITORS**

*KPMG and ERNST & YOUNG*



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# 1

## TECHNICAL MANAGEMENT



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## 1.1 COMPULSORY CESSION

Premium income for compulsory cessions reached an amount of Dhs 1231.16m against Dhs 1069.05m in 2001, achieving then a growth rate of 15.16 % against 7.14% last year. This evolution comes mainly from “life” and “Motor” branches that constitute 66.44% of the total income and which respectively progressed by 33.88% and by 6.94%. “Aviation” branch generated a premium of Dhs 15.60m against Dhs 6.87m a year earlier, almost a 100% premium growth from last year’s.

Retained Premium for compulsory cessions increased to reach Dhs 1189.09m with a retention ratio of 96.58%.

The technical result net of retrocession, strongly improved too, shifting from a loss of Dhs 82m in 2001 to a profit of Dhs 28.52m this year.

## 1.2 CONVENTIONAL BUSINESS

The conventional business premium income reached Dhs 781.51m against Dhs 712.74m in 2001, marking an increase of 9.65% due to a growth of 1.17% in the local business and 60.36% in the foreign business. In fact, Moroccan conventional business generated a premium volume of Dhs 617.72m against Dhs 610.60m a year ago. Concerning overseas business cash-inflow, it shifted from Dhs 102.14m Dhs to 163.79m.

Retained premium for conventional businesses stands at Dhs 415.05m against Dhs 318.54m, progressing by 30.30% instead of 44.69%.

The technical result net of retrocession of overall conventional businesses revealed a profit of Dhs 3.35m substituting last year’s of Dhs 49.64m



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**Portfolio breakdown as at December 31st, 2002**  
**Per class of business**

*In million dirham*

CLASS	COMPULSORY		CONVENTIONAL			TOTAL	
	Amount	%*	Morocco	Overseas	Total	%*	Amount
Motor	522,09	6,96	51,75	2,49	54,24	18,01	576,33
Fire	60,34	3,27	193,77	75,81	269,59	9,42	329,93
General Accident	138,36	9,74	16,25	4,16	20,41	-10,16	158,78
Aviation	15,60	126,94	106,07	61,74	167,81	9,40	183,41
Contractors All Risks	12,13	53,80	20,00	5,04	25,04	8,70	37,16
Transport	44,53	-7,93	123,03	14,55	137,58	1,38	182,11
Theft	4,47	26,97	6,80	0,00	6,80	28,17	11,27
Life	405,59	33,88	100,04	0,00	100,04	24,69	505,63
Assistance	28,06	4,64	-	-	-	-	28,06
<b>Total</b>	<b>1 231,16</b>	<b>15,16</b>	<b>617,72</b>	<b>163,78</b>	<b>781,51</b>	<b>9,65</b>	<b>2 012,67</b>

\* Variation as compared to 2001's



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# 2

## GENERAL MANAGEMENT



## 2.1 INVESTMENTS

The book value of investment portfolio rose to Dhs 6 604.41m against Dhs 6091.45m a year ago, recording an increase of Dhs 512.96m or a growth rate of 8.42%.

The evolution and composition of the portfolio can be displayed as follows:

*In million dirham*

Section	2002		2001		Variation	
	MDH	%	MDH	%	MDH	%
Real Estate	201,37	3,05	202,20	3,32	-0,83	-0,41
Bonds & Fixed Income Securities	2.788,03	42,21	2.594,47	42,59	+193,56	+7,46
Stocks & Social Shares	1.631,27	24,70	1.361,97	22,36	+269,30	+19,77
Loans and Similar Instruments	20,82	0,32	47,08	0,77	-26,26	-55,78
Deposits with Ceding Companies	707,30	10,71	725,59	11,91	-18,29	-2,52
Other Investments	1.221,11	18,49	1.080,41	17,74	+140,70	13,02
Cash	34,51	0,52	79,73	1,31	-45,22	-56,72
<b>Total</b>	<b>6.604,41</b>	<b>100,00</b>	<b>6.091,45</b>	<b>100,00</b>	<b>+512,96</b>	<b>+8,42</b>

## 2.2 INVESTMENTS INCOME

Investment revenues before interests on deposits towards ceding companies and fixed assets amounts to Dhs 368.06m against Dhs 335.78m. It recorded an increase of Dhs 32.28m or a growth rate of 9.61%. These revenues are detailed as the following:



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In millions of dirhams

Section	2002		2001		Variation	
	MDH	%	MDH	%	MDH	%
Bonds	250,61	68,09	227,22	67,67	+23,39	+10,29
Stocks and Equity Shares	29,97	8,14	25,84	7,70	+4,13	+15,98
Transferable Securities	76,22	20,71	67,45	20,09	+8,77	+13,00
Miscellaneous Interests	1,11	0,30	4,96	1,48	-3,85	-77,62
Real Estate	10,15	2,76	10,31	3,07	-0,16	-1,55
Total	<b>368,06</b>	<b>100,00</b>	<b>335,78</b>	<b>100,00</b>	<b>+32,28</b>	<b>+9,61</b>

## 2.3 GENERAL EXPENSES

General expenses including those of property management, before depreciation and provisions, reached Dhs 60.13m instead of Dhs 54.52m, yet an evolution of 10.29% from 2001, which is justified by fees to be paid to consulting firms in order to perform their different audits: organizational, technical provisions' assessment and valorisation of the company's human resources.

## 2.4 NET INCOME

The general management surplus stands at Dhs 320.93m, therefore underlying a significant improvement of 14.34% in contrast to that of last year which was Dhs 280.67m.

Taking into account non current activities and corporate tax of Dhs 59.48m, the 2002 generated net profit reached Dhs 208.38m compared to last year's result that stood at Dhs 90.72m.



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# 3

## **STRATEGY & DEVELOPMENT : CAP 2004**

### 3.1 STRATEGIC PLAN

In a fully flexible national and international environment, the reinsurance sector has to overcome new challenges:

- The appearance of new risks
- Capacities shortage

La Société Centrale de Réassurance is ready to adapt to these changes. In 2002, it sets up an important workshop that will help the company firmly move into the future. With the assistance of an international consulting firm, SCR put in place a hopeful plan of actions “Cap 2004” that would enhance its dynamism and efforts.

The strategic analysis allowed the SCR to identify its strengths and weaknesses. It is about a mobilizing project that helped realize the existence of many segments to be developed within the company.

- SCR masters the fundamentals of the market by excellence.
- The company acquired the experience that constitutes the best barrier against the frequent deviations of technical results that could emerge in the industry.
- Concerning high risks, SCR should grasp and develop its expertise, further implicate its retention and get profitable partnerships.

The domestic market is more demanding for the emergence of new services without neglecting that big niches of growth still exist regionally. It is towards these needs that SCR intends to be oriented.

This strategy was declined in the so called action plan "2004 Cap project".

### 3.2 « CAP 2004 » PROJECT

“Cap 2004” project is led by 5 workshops composed of 20 workgroups.

Through this ambitious project that aims to call up and associate the overall company human resources, SCR considers reinforcing its capacities and increase its technical skills to be hoisted to international standards.

Also, SCR hopes to sharpen its competitive advantage accordingly.

This programme, launched in February 2002, will last 18 months and articulates around the following critical axes:

- **INTERNAL PERFORMANCE**
  - Experiences consolidation
  - Competencies reinforcement



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- **MARKET POSITIONING**

- Company of reference and technical support. Benchmarking techniques already noted that helped compare the company with renowned competitors.
- The adaptation and creation of new products to ceding companies.

- **MISSION OF GENERAL INTEREST**

SCR faces two demands, first of public relations and second of marketing effectiveness:

- With regards to public relations mission, its regulation and securing role in the market should be strengthened.
- On the marketing level, it is about developing a more aggressive culture through a new strategy.



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# 4

## HUMAN RESOURCES POLICIES



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Société Centrale de Réassurance continued to review its workplace environment, mainly the drafting and ratification of its accounts estimation procedures manual, applied to a real time-non shift accounting system. Likewise it continued to modernise and secure its information systems.

#### **4.1 A NEW HUMAN RESOURCES POLICY**

Société Centrale de Réassurance looks to reconcile its own development with the aspirations of its men and women. Moreover, the promotion of human resources that enhances the value of employees and offer them the conditions required to personally and professionally evolve is being restructured.

Throughout this growth process, 2002 would be a significant year. It constitutes the starting point of a new dynamics in human resources, adapted to the strategic trends of the company.

This policy will be accompanied with a more precise and targeted employee compensation that would take into account individual achievements. Its aim will be to introduce a real Management by Objectives strategy that would lead to placing the organization -under pressure- around the fulfilment of the actions plans on the adopted strategic orientation.

#### **4.2 ORGANIZATION REVIEW**

SCR proceeded to a revision of its organizational structure. Assisted by a renowned international consulting firm, this reorganization would generate strong reactivity and greater performance.

#### **4.3 HUMAN ASSETS VALORIZATION**

The Project HAV (Human Assets Valorization) articulates around three main axes:

- Training necessity
- Competencies valorization
- Career management



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## **REPORT OF THE BOARD OF DIRECTORS**



الشركة المغربية للتأمين  
Société Contrats de Réassurance

Gentlemen,

We have great pleasure to present the activities' report carried out by your company during the financial year 2002, and to submit with your approval the related accounts as well as results for the same year 2002 written premium reached Dhs 2012.67 million, growing by 12.96% compared to 2001's.

Premium breakdown per class of business is as follows:

- Compulsory Business .....: 1 231,16 MDH, That is to say +15,16 %
- Moroccan Business.....: 617,72 MDH, That is to say +1,17 %
- Overseas Business.....: 163,79 MDH, That is to say +60,36 %

SCR's retained premium amounted to Dhs 1604.14m, thus recording an increase of 19.26% against 4.22% a year ago.

The underwriting results net of retrocession were as follow per class of business:

- Compulsory Business .....: 28,32 MDH Instead of -82,00 MDH en 2001
- Moroccan Business.....: 71,03 MDH Instead of -82,00 MDH en 2001
- Overseas Business.....: -67,68 MDH Instead of -21,15 MDH en 2001

In other terms, achieving a net profit of Dhs 31.88m in contrast to a deficit of Dhs 32.36m recorded last year investment income reached Dhs 368.06m, growing by 9.61% from last year's.

The general management surplus stands at Dhs 320.93m; thus, recording an improvement of 14.34% in comparison to last year's that attained Dhs 280.67m.

Taking into account non current activities and the corporate tax of Dhs 59.48m, the generated net profit of the year 2002 amounted to Dhs 208.38m against Dhs 90.72m a year earlier.