



Reflection on Bahrain Takaful and Retakaful Market

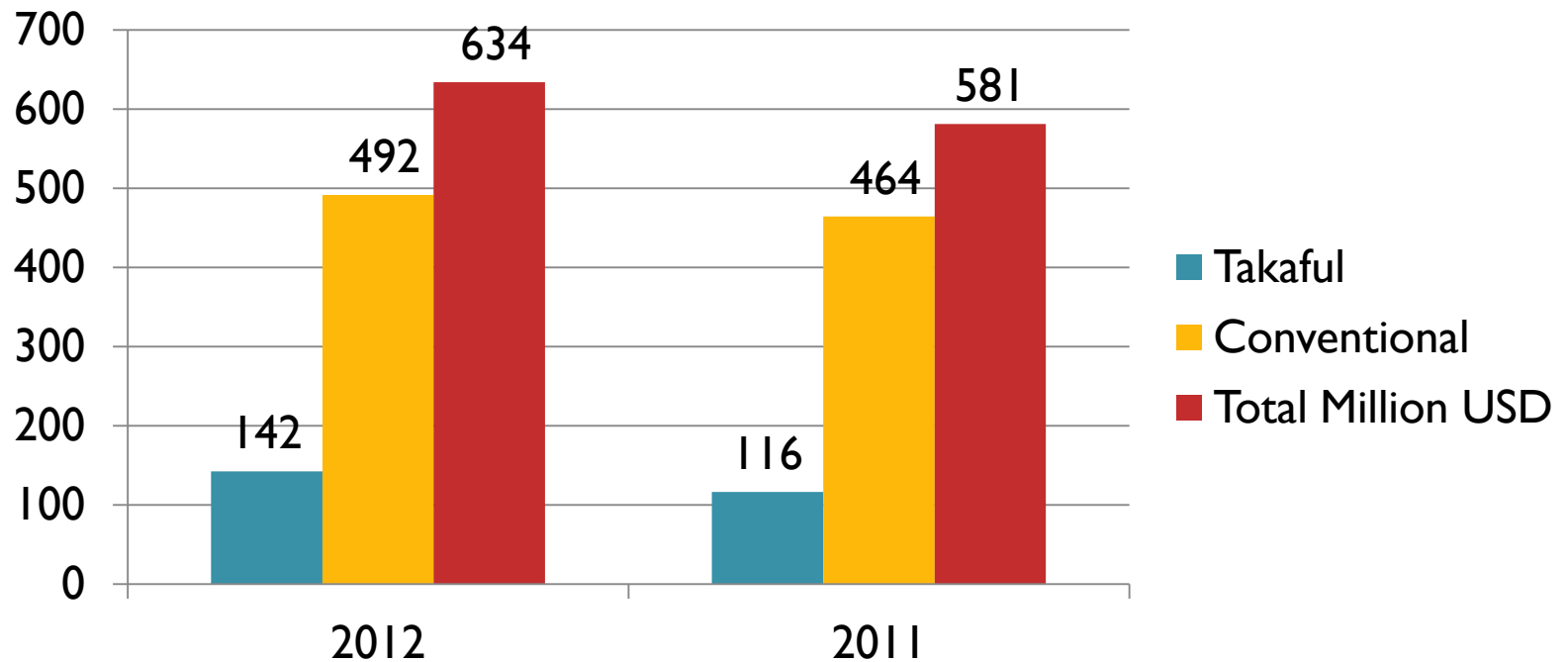
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It All Begun...

- **In 1989** the first Takaful company was established and named Bahrain Islamic Insurance company
- The company offered Islamic insurance products and services which was designed to meet the increasing demand for such products.
- The company known today as Takaful International.
- As of date there are 7 Takaful companies and 2 Re-takaful companies, out of the total 37 Insurance and Takaful companies in Bahrain

Gross Contribution



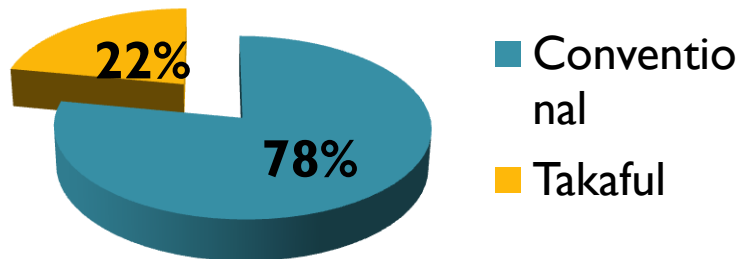
- The total gross premiums written in the Kingdom grew by around 9% to register USD 634 million in 2012 as compared to USD 581million in 2011.

Bahrain's Takaful Highlights

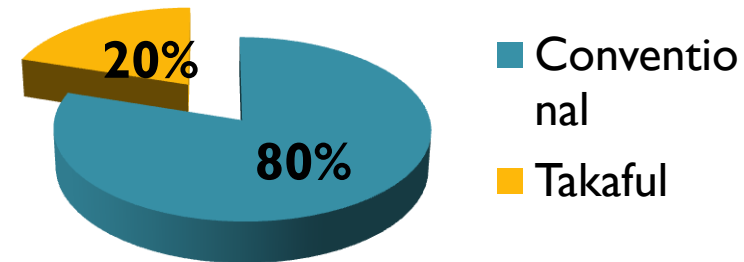
- At the end of 2012, the number of licensed Takaful Firms totaled 7 locally incorporated companies.
- The gross contributions of Takaful Firms operating in Bahrain have risen significantly over the course of the last ten years.
- Takaful firms' gross contributions reached **USD 142 million in 2012** compared to **USD 116 million in 2011**, an increase of around 22%.
- Total assets of Takaful Firms (including both Shareholders Fund and Participants Funds), according to the Central Bank of Bahrain's report is **USD 304 million in 2012** compared to **USD 302 million in 2011**.

Takaful Market Share

**Takaful Market Share
2012**

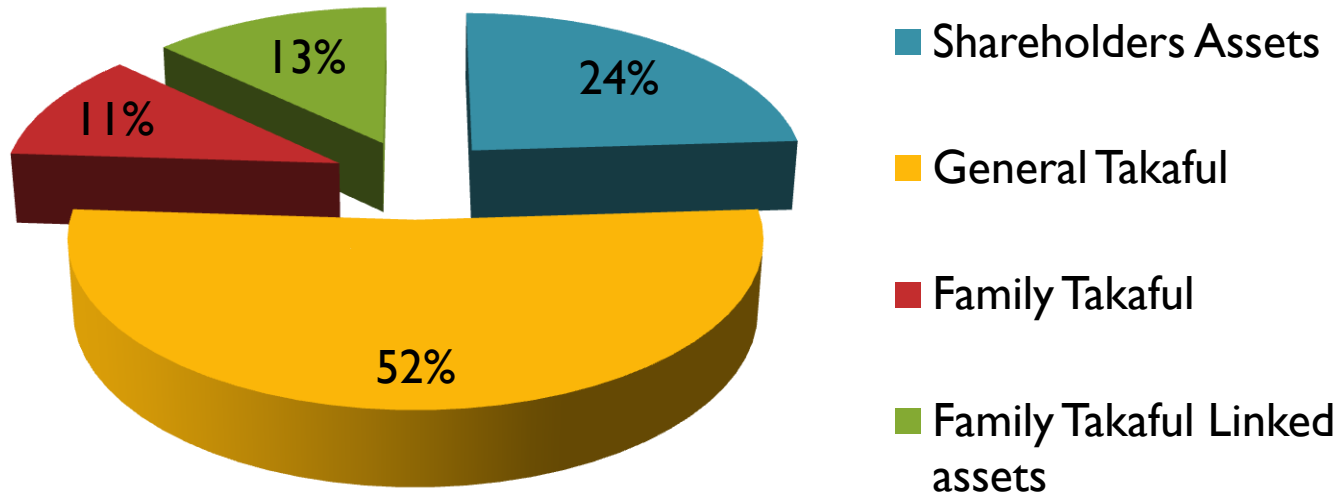


**Takaful Market Share
2011**



Since 2006 the demand of Islamic Insurance products has been significantly increasing, hence the share of Takaful Market share is increasing

Takaful Companies' Asset Analysis in 2012



The reason general Takaful represents the lion share of Assets is mainly due to the fact that most Takaful firms offers General Takaful Products, however the market expects an increase in the Family Takaful products in the coming five years, due to the increase of awareness that leads to increase in demand for Family Takaful in Bahrain.

Financial Highlights

- The eligible Paid-up Capital **registered USD 146 million in 2012** compared to **USD 166 million in 2011**.
- Net investment income of Participants Funds of Takaful Firms increased significantly to register **USD 1.8 million in 2012** compared to **USD 0.2 million in 2011**.
- Moreover, Participants Funds registered a deficit of **USD 5.1 million in 2012** compared to a deficit of **USD 13.6 million in 2011**.

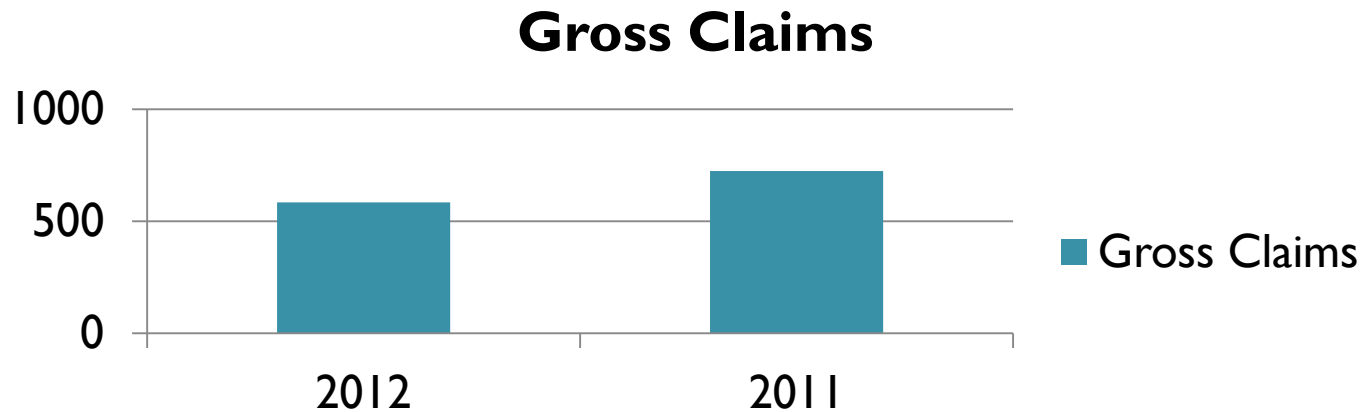
Re-Takaful

- The number of Reinsurance and Retakaful firms, licensed in Bahrain, have been increasing since 2006. By end of 2012, there were four conventional Reinsurance firms and two Retakaful firms in Bahrain.
- The gross premiums of Reinsurance and Retakaful firms have decreased to **USD 828 million in 2012** compared to **USD 927 million in 2011**, a decrease of around 11% over the period 2011-2012.
- Reinsurance & Retakaful Firms retained around **83%** of the gross premiums in **2012** compared to **81% in 2011**.

Re-Takaful, continued

- In 2006, the **Central Bank of Bahrain** licensed the first Retakaful firm; Hannover Retakaful company. Subsequently, during 2008 the CBB licensed the second Retakaful firm; ACR Retakaful Company.
- The gross contributions of Retakaful firms decreased by around 28% to **USD 164 million in 2012** compared to **USD 229 million in 2011**.
- It is worthwhile to say that Retakaful business represents approximately **20%** of the total Reinsurance & Re-takaful premiums/ contributions in Bahrain.

Re-Takaful Claims



- Gross claims Retakaful Firms decreased to **USD 141 million in 2012** compared to **USD 223 million in 2011**, a decrease of around 19%.

Regulatory Environment Latest News

The Central Bank of Bahrain in cooperation has developed an enhanced operational and solvency framework with the objective to insure:

- Operational efficiency.
- Promote uniformity in the application of the Takaful and Re-Takaful business in Bahrain.



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