

*somewhat
different*



Takaful from a ReTakaful operator perspective

Challenges facing the Takaful and Retakaful industry

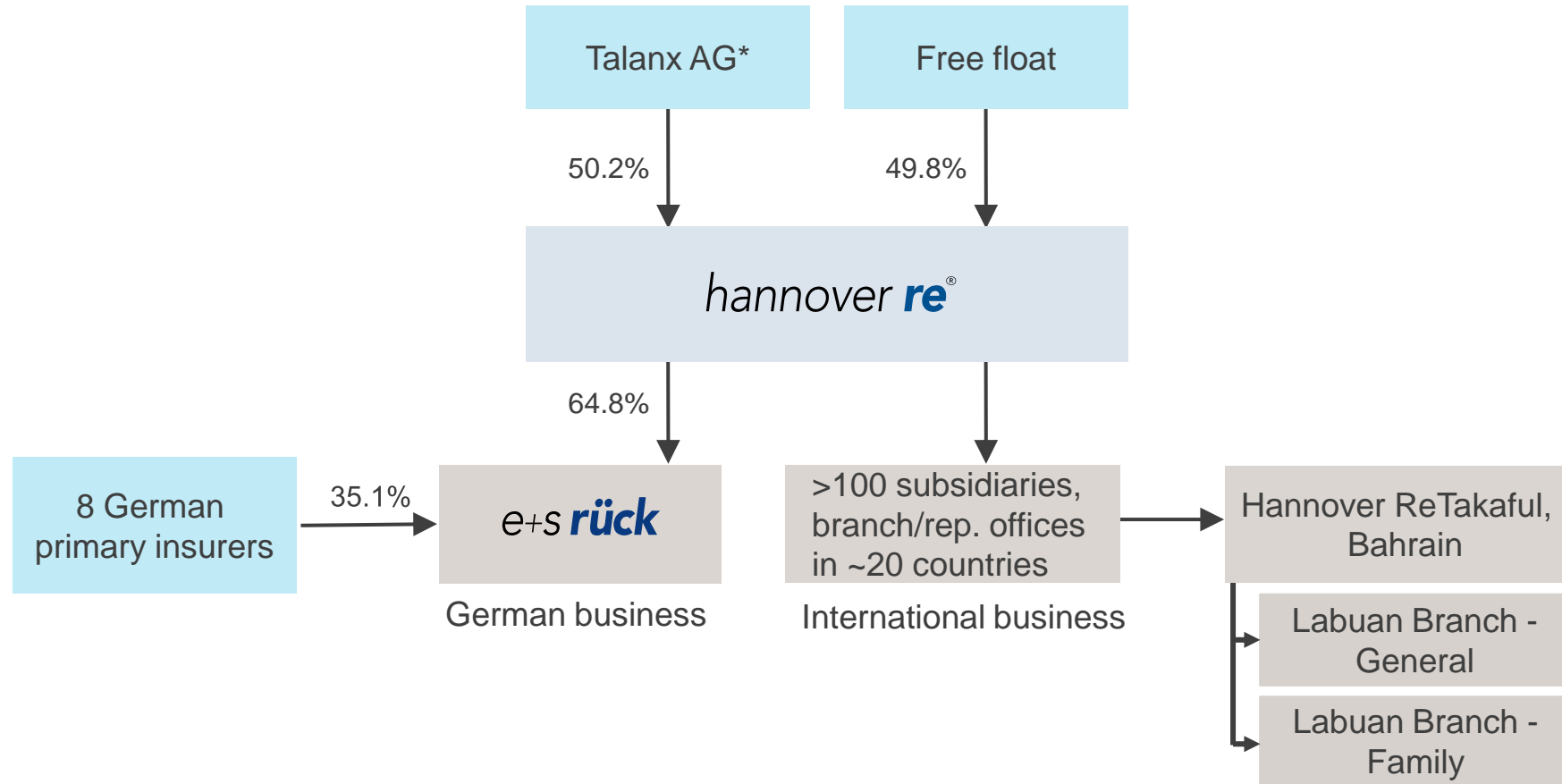
Mahomed Akoob, Managing Director, Hannover ReTakaful B.S.C©
Aqaba Conference 2019

hannover re[®]

Who is Hannover ReTakaful ?

- Establish in 2006 in Bahrain as a fully fledged Retakaful company
- Ownership : 100% owned by Hannover Re Group
- Separately capitalized and independently rated A+ by S&P.
- Today we are regarded as the leading Retakaful operator worldwide serving over 100 clients.
- Produced on average a double digit Return on Equity for the past 6 years.
- Provided a Surplus Distribution to the Family pool participants.

We are the Retakaful specialist in the group



1 of only 10 subsidiaries of the HR Group

We are among the top reinsurers in the world

Premium ranking 2017 in m. USD

Rank	Group	Country	GWP	NPW
1	Munich Re	DE	37,821	36,378
2	Swiss Re	CH	34,775	32,316
3	Berkshire Hathaway Inc.	US	22,740	22,740
4	Hannover Re	DE	21,314	18,727²⁾
5	SCOR	FR	17,718	16,130
6	Lloyd's ¹⁾	UK	14,250	10,726
7	RGA	US	10,704	9,841
8	China Re	CN	10,435	9,974
9	Great West Lifeco	CA	7,924	7,823
10	Korean Re	KR	6,775	4,720
11	General Insurance Corporation of India	IN	6,497	5,798
12	PartnerRe	BM	5,588	5,120
13	Everest Re	BM	5,115	4,614
14	XL Group	IE	4,916	3,976
15	Transatlantic Holdings	US	4,211	3,810

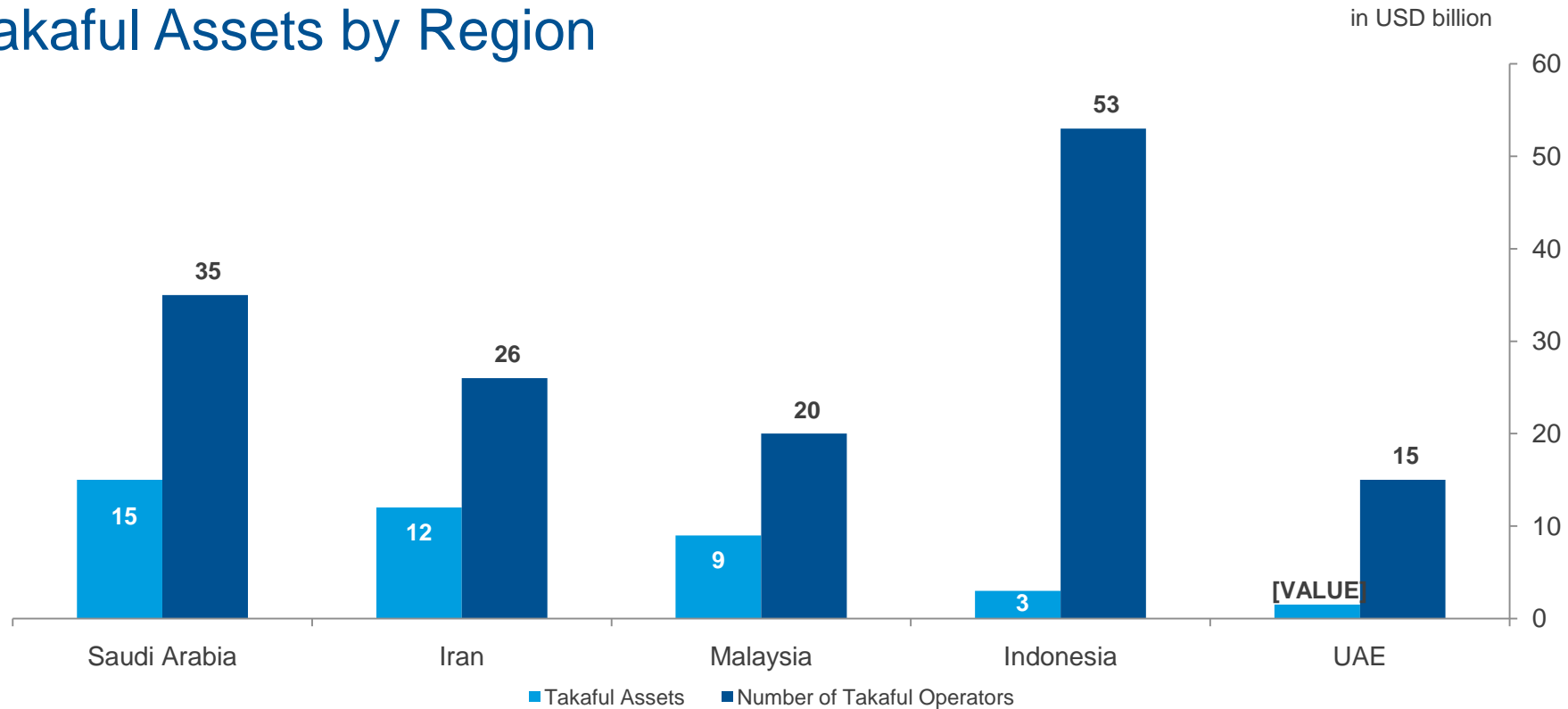
For further information please see A. M. Best "Best's Special Report" (September 2018)

1) Reinsurance only

2) Net premium earned

Major Global Takaful Market 2017

Takaful Assets by Region



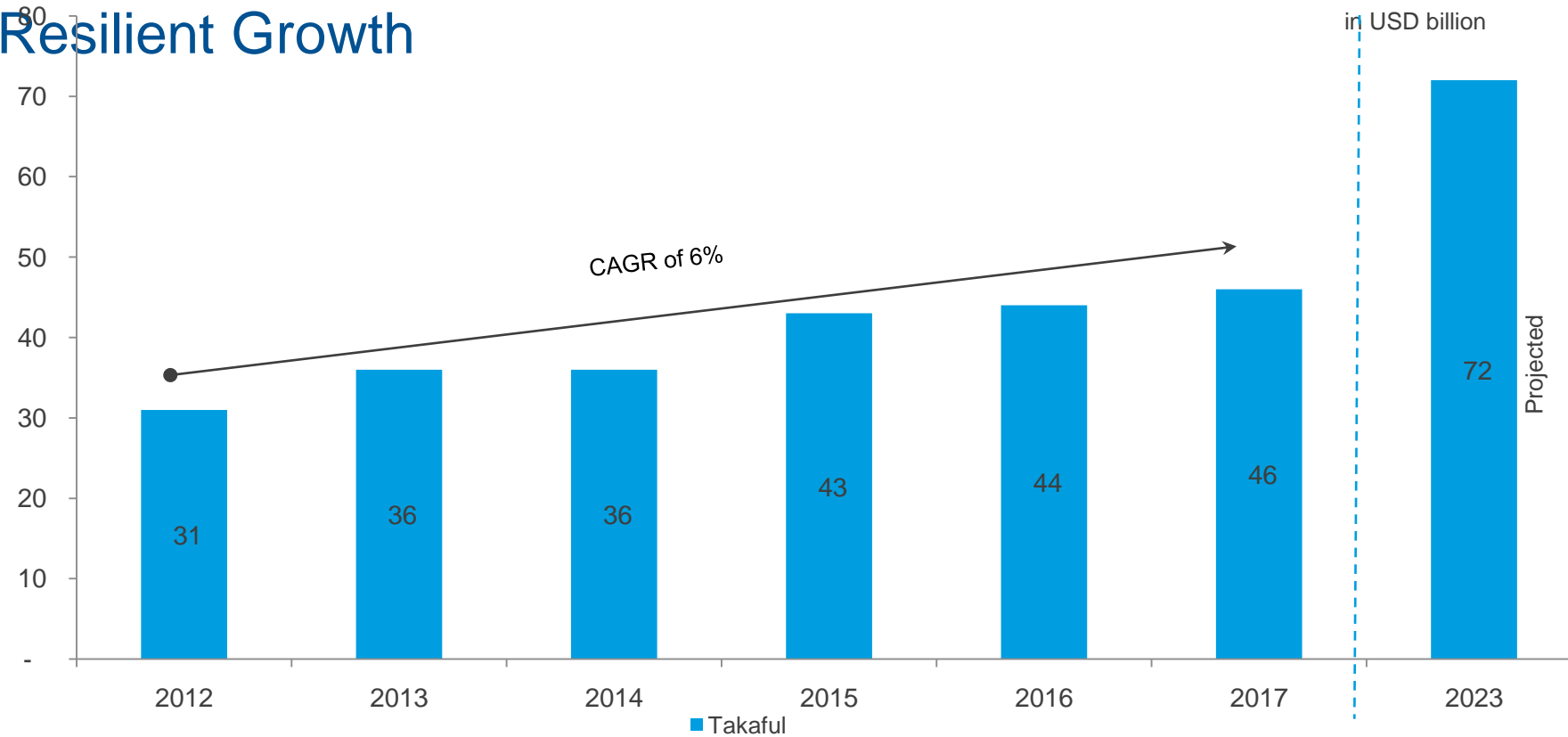
ICD - Thomsons Reuters, Islamic Finance Development Report 2018

Retakaful opportunity is global

Takaful Assets Growth Worldwide

6

Resilient Growth

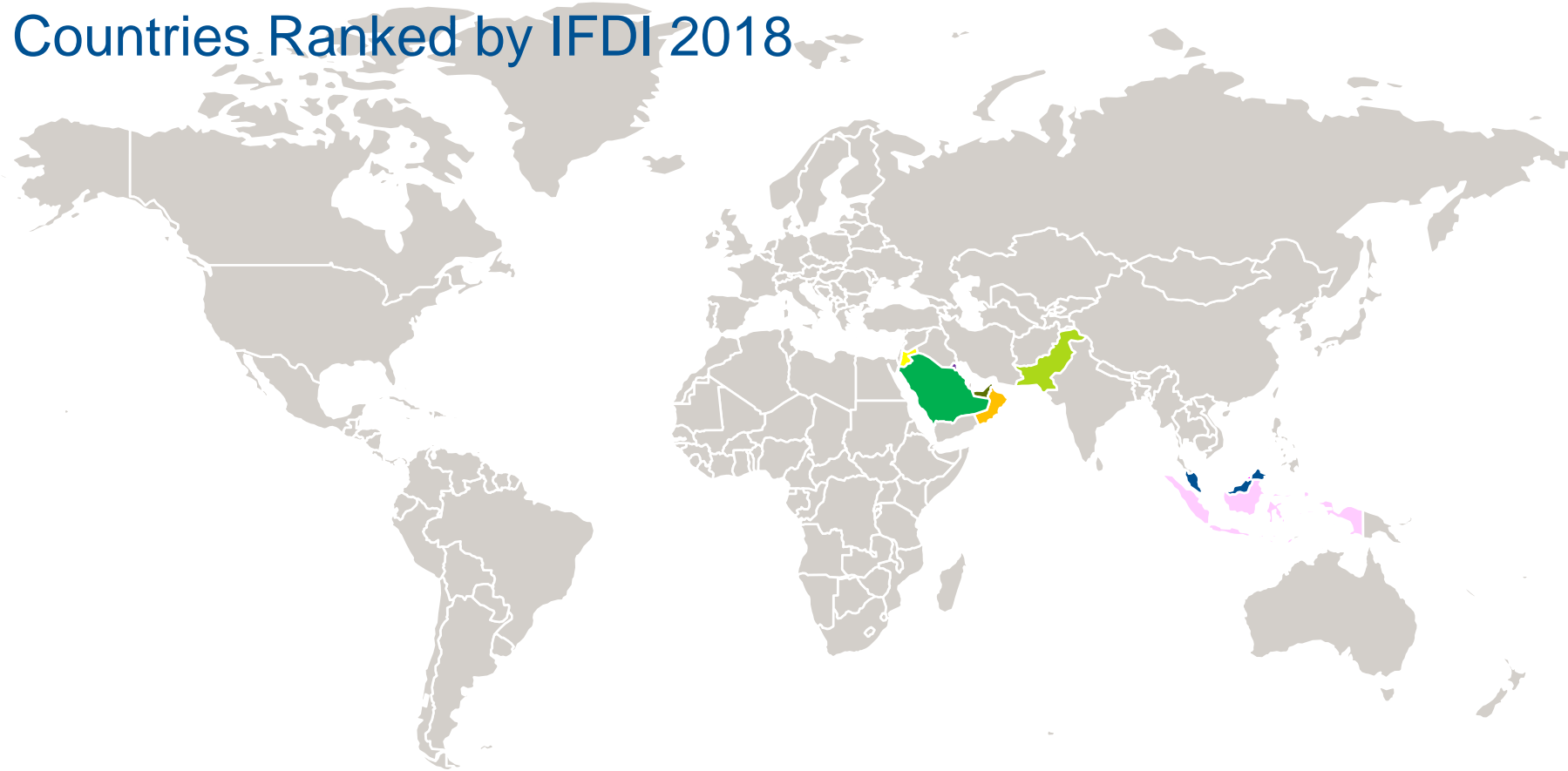


ICD - Thomsons Reuters, Islamic Finance Development Report 2018

Global expansion

The Most Developed Islamic Finance Markets

Countries Ranked by IFDI 2018



1

Malaysia

2

Bahrain

3

UAE

4

Pakistan

5

Saudi Arabia

6

Jordan

7

Oman

8

Kuwait

9

Brunei

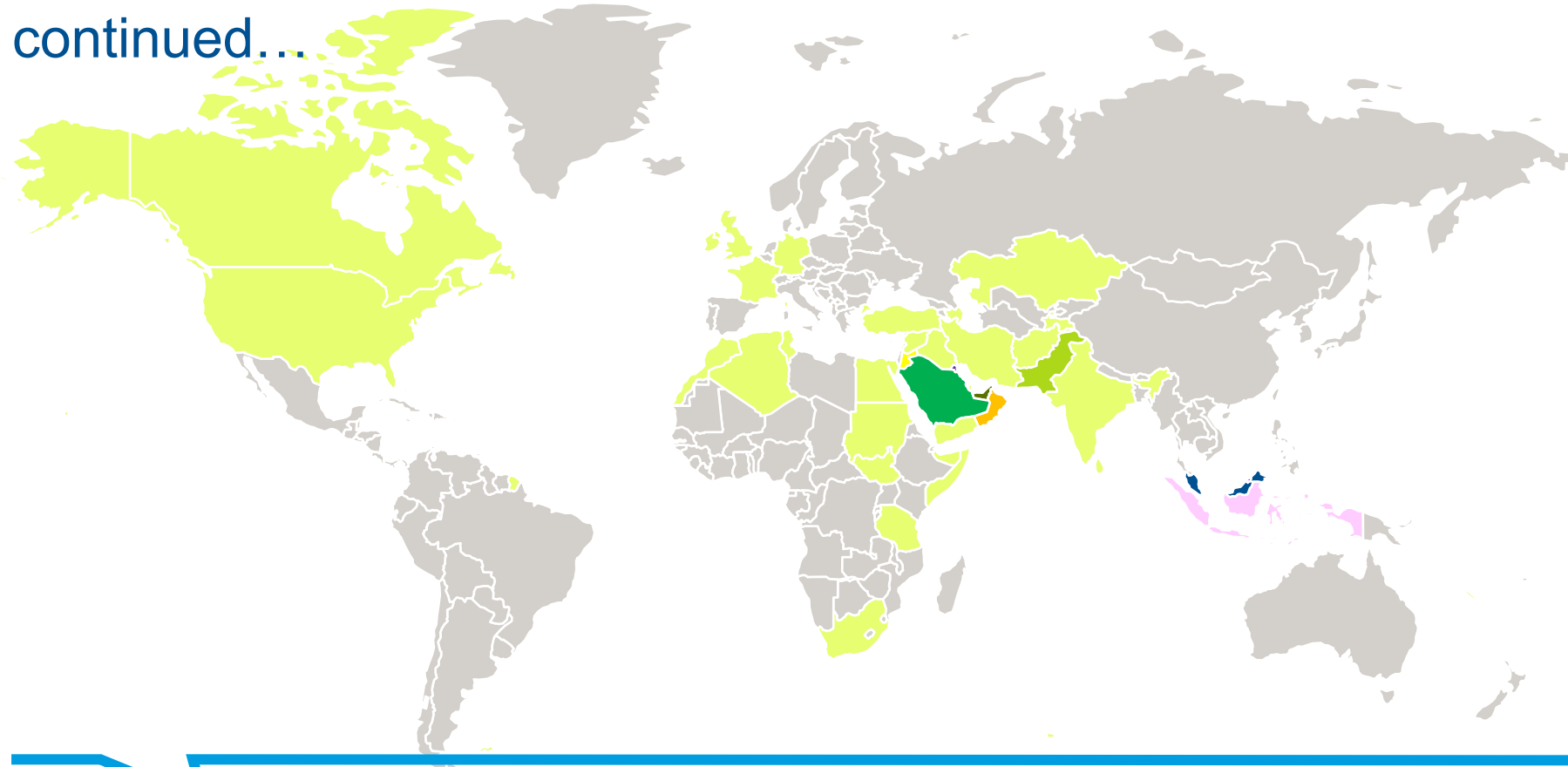
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Indonesia

ICD - Thomsons Reuters, Islamic Finance Development Report 2018

The Most Developed Islamic Finance Markets

continued...



Opportunity for retakaful business

So has Takaful and ReTakaful realized their true potential?

The short answer would be NO!

Let us find out what are the challenges Retakaful and Takaful companies are facing

Main challenge is that Retakaful is operating within a wider Reinsurance market and faces the same challenges

- Excess capacity : Market remains soft despite withdrawal from a number of capacities.
- Price Reduction and widening of covers due to excess supply.
- Overall slowdown of economical activities in the MENA region.
- Socio- Political challenges.
- High regulation – increased cost and capital requirements.
- Increase in frequency and severity of natural perils in traditionally non-cat areas like the GCC (Rain and storm losses in KSA, Kuwait, Qatar, Bahrain)
- Cyclonic activities and tropical storms in Oman.
- Low Insurance Penetration (very low Life insurance penetration!)

What are the ReTakaful Specific challenges?

- Seepage or leakage of Takaful Contribution to the Conventional market.
- Different Regulation and different Models used in different markets.
- Lack of innovation.
- Takaful Market size is smaller than the conventional market.
- Question: What is the Takaful Market share in Jordan? around 10%. 2 takaful companies vs 22 conventional companies

What is solution? the way forward?

Thank you for your kind attention!

Q&A

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