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VISION

TAK FUL
INTERNATIONAL
التكافل الدولية

Quarterly Newsletter

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Issue 13

New 'Heya'
launched in
Kuwait

6th Annual Gulf
Insurance Forum

'Ideal Employee' at the
Labour Day ceremony





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Financial Results

Particulars	2006	2007	2008	2009	Growth Rate 2009/08
Gross Contributions	5,748	9,186	14,022	15,018	7%
Underwriting Profits	1,266	1,694	2,098	2,910	39%
Participants Net Surplus	45	147	351	405	15%
Shareholders Net Profit	-252	76	98	155	59%
Unearned Contribution and Technical Reserves	2,239	2,686	3,546	3,728	5%

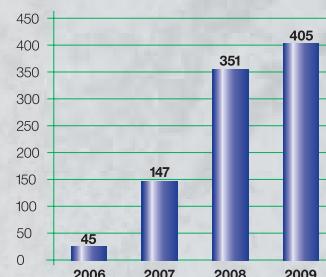
Underwriting Profits



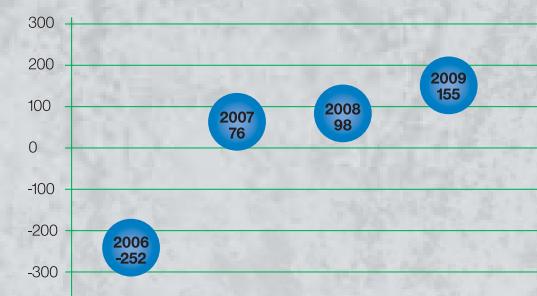
Gross Contributions



Participants Net Surplus



Shareholders Net Profit



Unearned Contribution and
Technical Reserves



Takaful Centres - Muharraq



The Muharraq Branch was established in 2007, as it serves the largest governorate in size and covers the insurance needs of a large segment of customers and clients.

In 2008 the branch was expanded to cope with the steady growth in the company's business based on the development of customer service and care to provide the best insurance services.



In 2010 Muharraq branch was converted to a Takaful service centre to provide all insurance services to customers, inclusive of Personal Line Insurance, Motor Insurance, as well as Claims Management.





Interview with Mr. Bara'a A. Al-Qenaei

Despite the challenges to the current financial crisis faced by most financial institutions and insurance sector locally and globally, Takaful International Company has achieved many honorable accomplishments, which highlights the financial strength of the company in facing the difficult conditions experienced by the global economy. In light of all this we had a dialogue with Mr. Bara'a A. Al-Qenaei, Chairman of Takaful International, to inform us in a comprehensive manner on the activities of the company and its position in the insurance market.

How do you see the reality of insurance companies under the difficult financial crisis and the current turning over And how could Takaful international face the tottering of this crisis?

In general all the local Insurance companies are affected since they are an accompaniment to the financial sector, once the sectors of investment, Banks & loans get affected and slowdown in infrastructure projects and service all of this will reflect negatively on the insurance sector, however Takaful International Company had less impact due to several reasons, most notably the different ways of managing our funds and investment in line with the foundations of the Islamic Sharia'a and the policies of the company's risk management.

In spite of the impact in financial institutions present economic crisis, however Takaful International has managed to establish plans and flexible strategies to cope with this crisis, and has maintained those plans on the basis of our position in the local and regional markets and our growth contribution is outstanding in our insurance. We have adopted a strategy aimed at moderate diversity and selection in all the insurance and investment portfolios, especially in the company's policy to be allied with insurance companies and reinsurance in the Bahraini market.

There have been concerns large and difficult economic conditions in 2009, which many consider to be a challenging

year, what are your expectations of the insurance market this year 2010?

With the beginning of the financial crisis during the last quarter in 2009 many of the fears emerged and despite the vulnerability of the sector in the field of motor insurance by 30%, as well as other insurance-related finance, real estate, however the crisis created the opportunity to create alliances and products that will bring balance to the conservative insurance. The direct impact of the financial crisis on motor insurance, life insurance and engineering insurance was limited because most of the owners of the buildings and lands, borrowed money from banks and most of these banks have made a lot of requirements, and obligated lenders to take a life insurance to guarantee repayment of loans, which created a demand for insurance market.

We have had various amendments to our strategic plans to be able to adapt to the current situation and perhaps the flexibility and speed in reviewing such strategic plans and modification is one of the foundations of the success of the company in maintained its position in the local and regional market, as our market share in local market approx. 52% of the total premiums in the Kingdom, according to the Central Bank of Bahrain in 2009.

Does Takaful International have new projects in the current time on the internal and external levels?

In Focus

The company has recently increased the paid up capital by 25% through the issuance of preference shares and the move is aimed to support the contributory capacity of the company and enable it to expand its operations and increase the capacity of different insurance portfolios. Also, the company has recently launched the service Takaful Hotline service which aims to facilitate and accelerate all the services and operations for customers, to include follow-up & renewals of the insurance policies, inquiries about insurance services, issuance of insurance policies of various types and reporting for any claims.

The company has policies and clear strategies in terms of offering innovative and modern insurance products and services that serve the needs of the local market, perhaps the most important product launched till date are "Haya", product "Baitak" and the Personal Accident for domestic home servant & insurance for the Directors & Officers and Medical Malpractice.

How to summarize the work of the company for the financial year 2009?

The company achieved a remarkable growth in insurance operations for the financial year 2009, including the total insurance contributions which reached BD 15,018,341 in 2009 compared to BD 14,022,546 in 2008 registering an increase of 7%, while the shareholders & participants profit surplus registered a growth to reach BD 560,234 an increase of 25% compared to last year. Indicating the increase in technical reserves raised by 5% compared to last year, reaching BD 13,531,229 and the company's assets amounted to BD 27,366,376 registering a growth of 14% compared to last year.

In your opinion, what was the achieved success of the company in previous years?

We believe in Takaful international strategies being better informed when practicing our insurance capabilities and are known for a healthy working environment corresponding with the principles of teamwork and the spirit of one family in which we operate, we believe in the importance of teamwork in the success of our services and insurance coverage. Furthermore our success is due to our distinguished staff, as we always invest in our human resources through constant training courses within and outside the Kingdom, for which we have the capability of innovation and development in various areas of activity.

In 2008 the company obtains rating of "BBB" from the credit rating agency Standard & Poor's, please talk about this credit rating and the important role it plays in the growth in your insurance?

The year 2008 was full of honorable achievements for Takaful International to harvest the company's degree of "BBB" stable performance from Standard & Poor's one of the most prestigious credit rating agencies in the world to classify the financial strength for the company as long-term performance with a stable outlook. This assessment is indicative confirmation of the level of the company distinctive and stable performance during the past years. Such a distinction puts the company in the lead to be classified as the first Islamic insurance company in the Kingdom of Bahrain.



This in turn enhances the confidence factor in our insurance services and several of the collaborations and private long-term mega-projects required to cooperate with insurance companies internationally and have the ability to fulfill their financial obligations. This assessment will enhance our position and standing in the financial market and insurance sector as compared to local insurance competition.

Do you plan to launch new branches in the future, either in Bahrain or abroad?

The company has adapted the current branches to Takaful Centres through the provision of insurance services to complete the sale of all products as diverse as personal (Travel Takaful) and (Personal Accident for domestic home servant), in addition to the launch of the service claims it can accommodate the procedure for insured car claims very conveniently and in any of the branches throughout the Kingdom. Moreover on the regional expansion, the company plans to expand in the GCC, specifically the opening of a new branch in the State of Qatar, which is considered a promising growth market, attractive for investments.

Takaful International signed a memorandum of agreement with Qatar Islamic Insurance company To launch 'Heya Products' in Qatar

Takaful International company signed a memorandum of agreement with Qatar Islamic Insurance company; this agreement, the first of its kind for both companies will launch the 'Heya' product in the Qatar insurance market with the assistance of Qatar Islamic Insurance company in promoting the product.

The signing ceremony was held in the presence of Mr. Mohammed M. Al-Ja'bari, Family Takaful (life) and Health Manager of Qatar Islamic Insurance co. in their main office in Doha and the attendees from Takaful International co. were Mr. Younis J. Al Sayed-Chief Executive, Mr. Ali E. Noor – Deputy General Manager, Family Takaful and Mrs. Reema G. Nawrooz, Manager – Family Takaful.

Furthermore, "Heya" product is the first insurance product to be launched in Qatar Market which caters to woman's health concerns. It covers three main benefits, namely: family Takaful coverage which provide the protection in the event of death due to sickness or accident or total disability of the member, critical illness plan that provides protection in case either breast cancer or vagina cancer being diagnosed, and second medical opinion. It is worth mentioning that in case of critical illness diagnosis, this product provides for more than one independent medical opinion by experienced world specialists to ensure that the proper diagnosis is ascertained and best possible treatment is received.



Another comprehensive Medical agreement with Takaful Kuwait



Takaful International Company signed another memorandum of agreement with Takaful International Company for Takaful insurance in Kuwait; this agreement will launch the 'Heya' product that provides a comprehensive medical program for the protection of women in Kuwaiti community.

The signing ceremony was held in the presence of Mr. Saad Ibrahim Makki, Managing Director of Takaful International Company for Takaful insurance in their main office in Kuwait and the attendees from Takaful International Company were Mr. Essam Al Ansari General Manager and Mr. Ali E. Noor – Deputy General Manager, Family Takaful.

Congratulations

Mr. Younis J. AlSayed received copy of Mr. Abdulaziz Al-Othman Master's degree dissertation in business administration from the University of Hull, United Kingdom; focusing on the concepts of change management and the importance of change to organizations in today dynamic insurance business environment. The research discusses the level of conflict that change could bring to the organization and to what extend the process of change can impact people and corporate culture.



Mr. Abdulaziz A. Al-Othman
Deputy General Manager

Takaful International raises the ceiling of coverage for Family Takaful with the cooperation of Hannover Retakaful Company.

Takaful International and Hannover Retakaful have signed a treaty agreement which will enhance Family Takaful individuals services to meet the strategic vision and plans of the company for constant insurance services improvement and portfolio expansions.

Mr. Younis J. Al Sayed Chief Executive of Takaful International extended his happiness over this treaty: " This agreement enhances our Takaful insurance services and would give us a higher capacity especially on the Family Takaful which provides protection to individuals covered by our products which include, saving scheme, children education scheme, personal loan protection and individual's income protection. This agreement

will enable Takaful International to service a higher limit in term of values of up to US\$ 5 million per individual, thus ensuring greater protection and security for all of Takaful International customers. He said.

On the other hand, Mr. Mahomed Akoob, CEO, Hannover Retakaful was pleased with this agreement, which is an extension to the professional relations between both companies. "We are proud of our association with Takaful International Company and to be their preferred Retakaful Partner. At the same time, we are glad to be a part of their expansion plan in respect of takaful portfolios and services, he added.



Under the auspices of the Central Bank of Bahrain with involvement of experts from the insurance sector Takaful International participated in The sixth annual Gulf Insurance Forum



Takaful International has participated in the 6th Annual Gulf Insurance Forum under the title "The Development of Markets and Insurance Products in the GCC" which was held on 4th & 5th November, 2009 at the Gulf Hotel in the Kingdom of Bahrain. The gala dinner reception was hosted by Takaful and it was well attended

by the forum participants being experts and specialists in the insurance sector, financial services and officials from Central Bank and monetary institutions and companies, as well as academics and people involved in the insurance industry.

Takaful International participated in GCC conference entitled Global and International Markets – the road ahead

Takaful International participated in the GCC conference under the theme of 'Global financial markets - the road ahead' and Mr. Santosh Prabhu, Financial Controller with Mr. Rajesh Kumar, Assistant Manager-Finance were the company representatives for the event. The conference organized by the Institute of Chartered Accountants of India was held on 14th & 15th January, 2009 in the conference room of The Diplomat Hotel - Kingdom of Bahrain.

The conference was attended by a large number of officials, leaders and representatives from various sectors and financial institutions in the region whereby different views on the situation and challenges faced by financial markets in times of global financial crisis was discussed.



Family Takaful



Up The Ladder

Congratulation and all the best wishes to the following staff who have been promoted and gone up the corporate ladder.



*Mr. Ali Ebrahim Noor
Deputy General Manager
Family Takaful & Healthcare
and Takaful Centres*

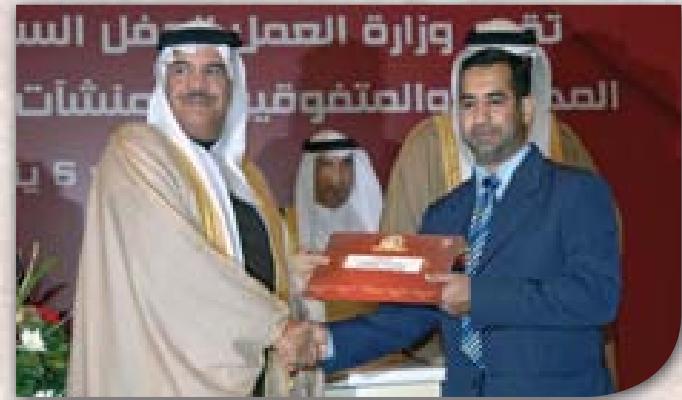


*Ms. Lamia Ebrahim Hassan
Senior Manager
Internal Control & Compliance*

Ministry of Labor honor Mr. AbdulMohsin Al Moathen in Labor Day Ceremony

Takaful International congratulates Mr. AbdulMohsin Ahmed Al Moathen, Claims Executive on the occasion of winning the title of "Ideal Employee" at Labour Day ceremony which was held under the patronage of His Majesty King Hamad Bin Isa Al Khalifa to honor hard working employees for their excellent service in the private sector for 2009.

On this occasion, the executive management has honored Mr. Abdul Mohsen for winning this prestigious award, which is a tribute to the achievements and experience in the Islamic insurance industry and his sincere dedication and devotion to work.



With participation of 33 companies and institutions in Treasure Hunt Takaful International is ranked first in the competition

Takaful International team won first place as best team competitor and the grand prize of US \$1000 in the Treasure Hunt competition organized by Eventscom which was held under the patronage of H.H. Sheikh Abdullah Bin Hamad Al Khalifa, Chairman of the General Authority for the Protection of Marine Resources and the Environment and Wildlife with the support of the Commission on Human Rights and the Bahrain Women's Society and the United Nations Environment Program.

The treasure hunt slogan was 'Changing the behavior of the individual to the environment' in order to encourage and advise individuals to maintain a clean and greener environment for our future generations.

