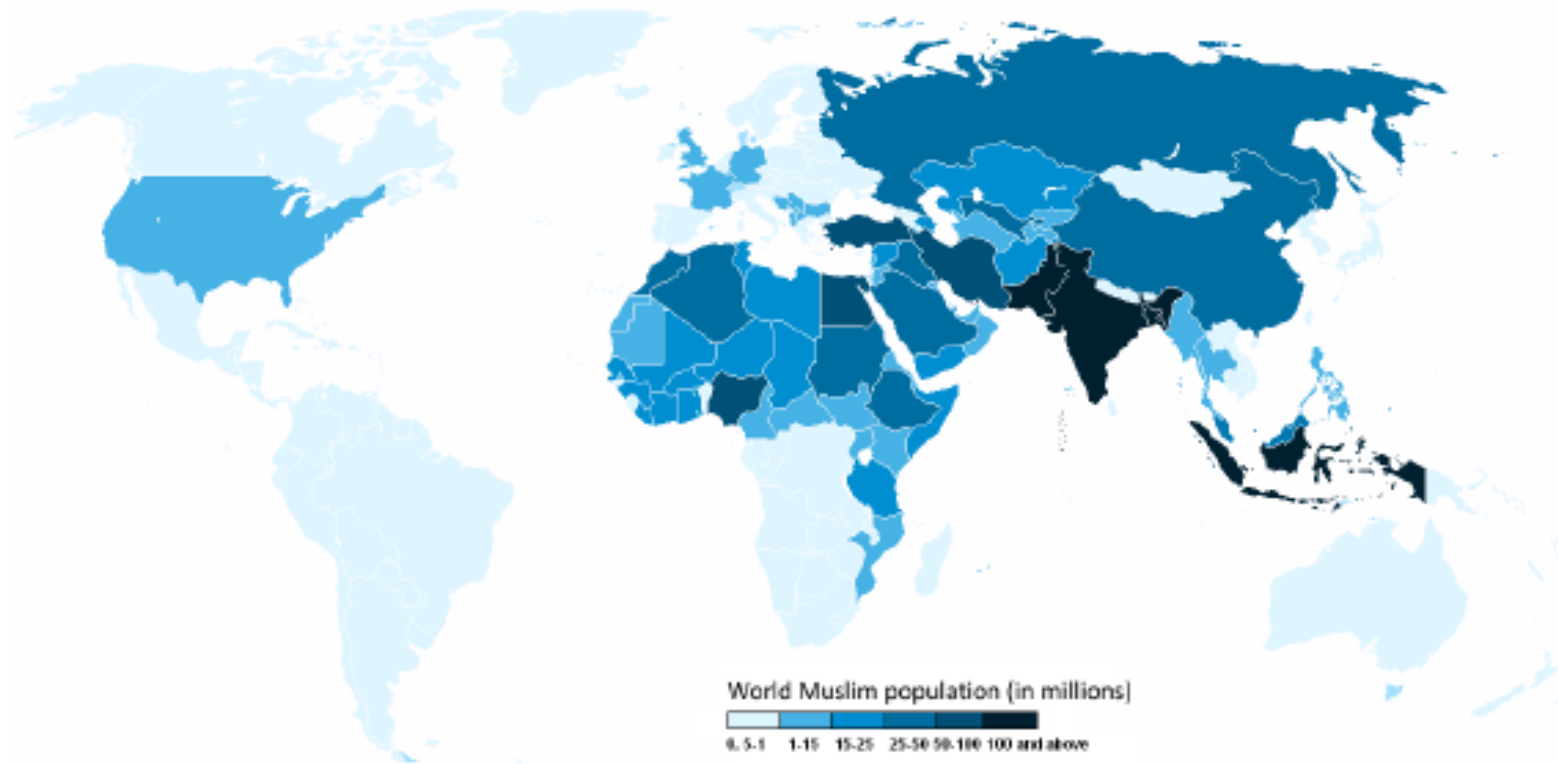




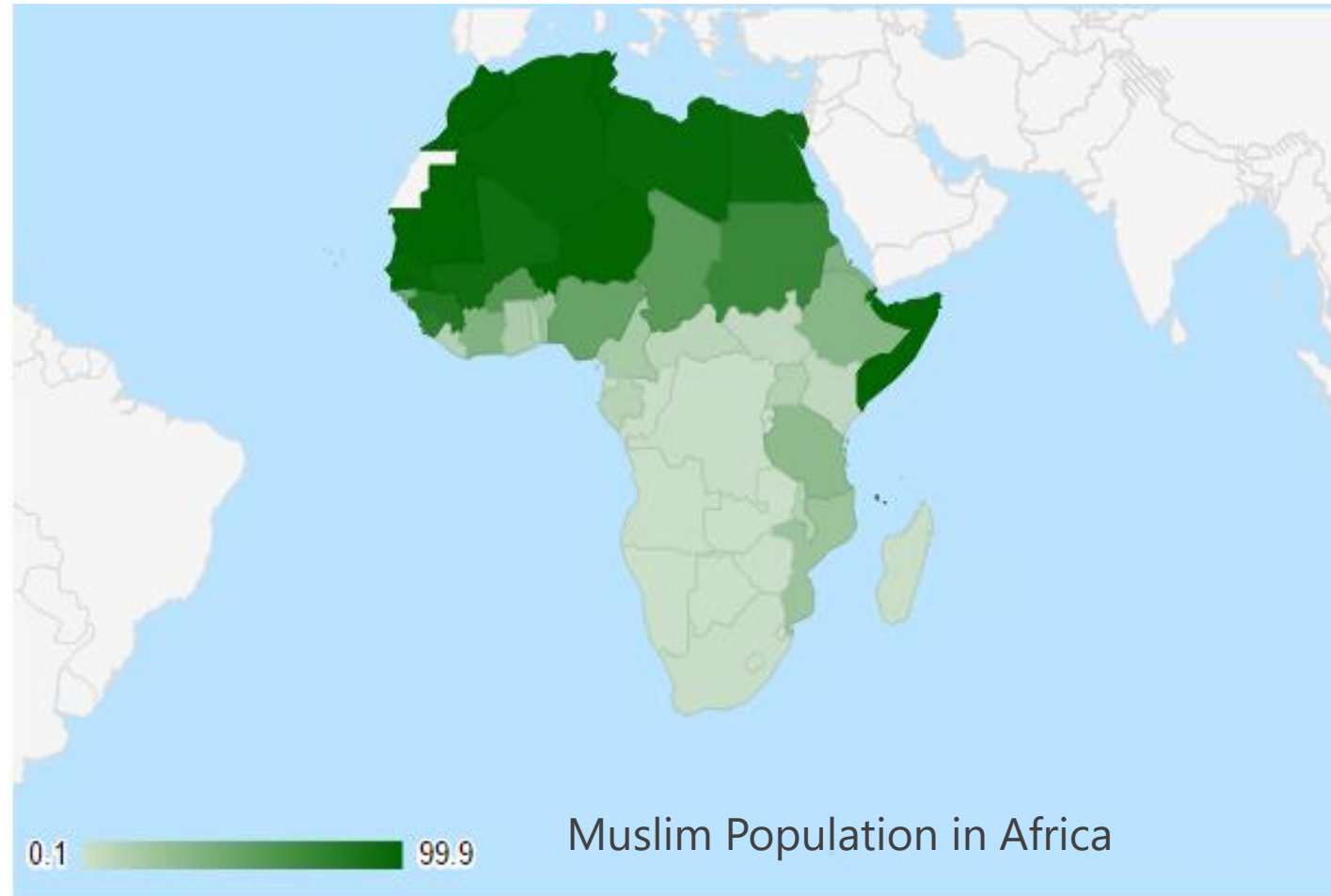
Availing New Opportunities For The Retakaful Business

Presented by Bilal Abdulaziz Laving

Why Takaful?



- In 2016, the total population of Africa was 1.199 billion
- Muslim Population was 635.67 million
- This shows a 53.04% Muslim population in Africa



- Muslims make up 28% of world population
- Estimates of the current size of the Islamic Finance market range from \$1.66 Trillion to \$2.1 Trillion with expectations of market size to be \$3.4 Trillion by end of 2018.
- Ernst & Young, and the Malaysia Islamic Financial Centre predict the size of the market to hit \$3.4 Trillion by end of 2018, whilst PricewaterhouseCoopers predicted a \$2.7 trillion market by 2017.
- Conventional insurance products are not generally purchased by Muslims.
- Key reason generally associated is religious inclinations

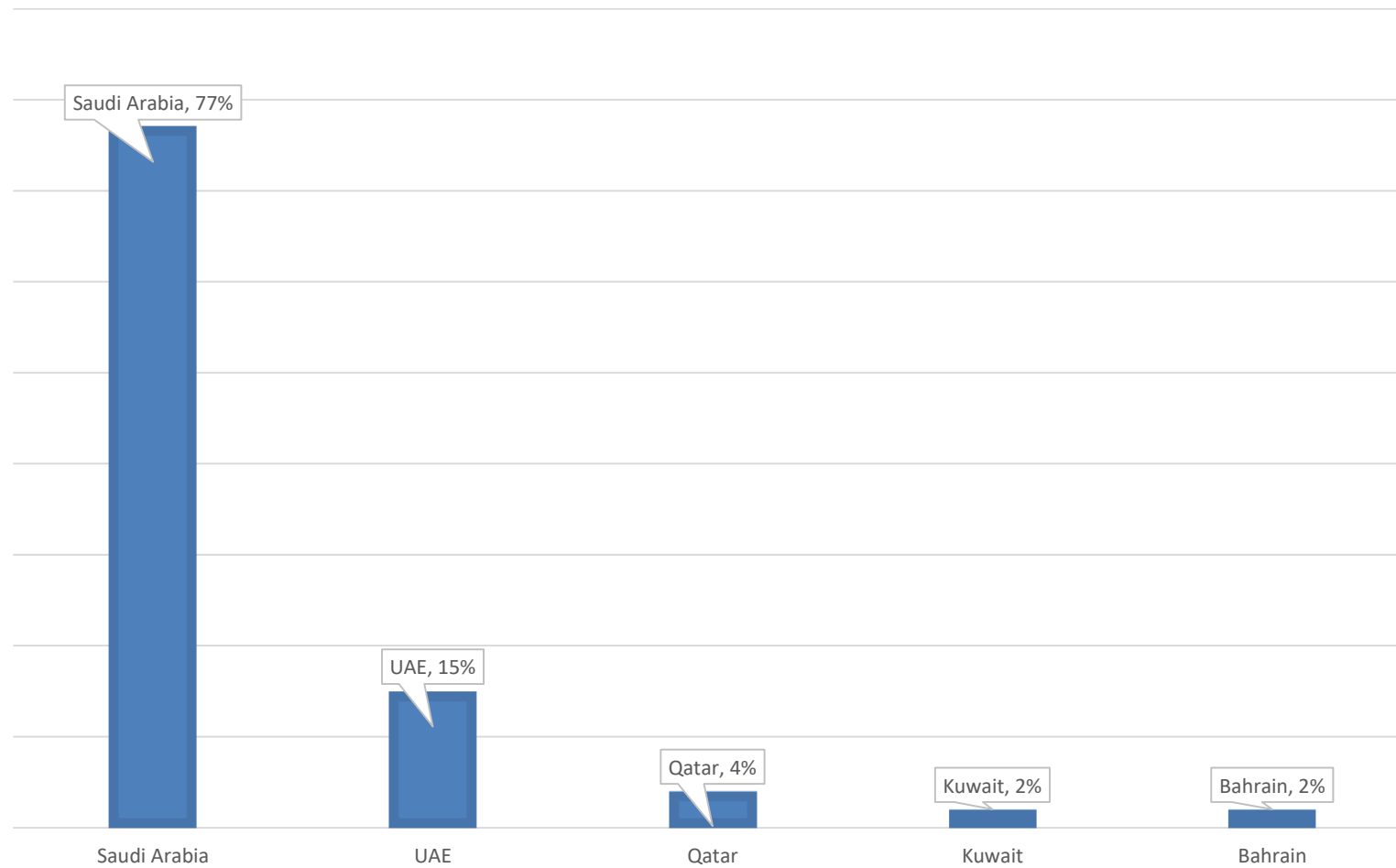


Takaful Dynamics

- The global takaful market is estimated to continue its double-digit growth momentum of about 15% every year
- Takaful plays a key role in the Islamic finance industry with incessant constructive growth momentum in key markets such as the GCC, ASEAN and Africa now coming in
- Takaful assets were estimated to be around USD33 billion by 2015 and estimated to exceed USD42 billion by 2020
- Gross takaful contribution were estimated to be around USD 14 billion by the end of 2014.
- If compared with the other Islamic finance sectors, takaful comprises a market share of only 1.1 per cent



- In 2016, the gross takaful contribution in the GCC area was USD8.9 billion
- This showed an average growth at about 12 per cent as compared to the preceding year.

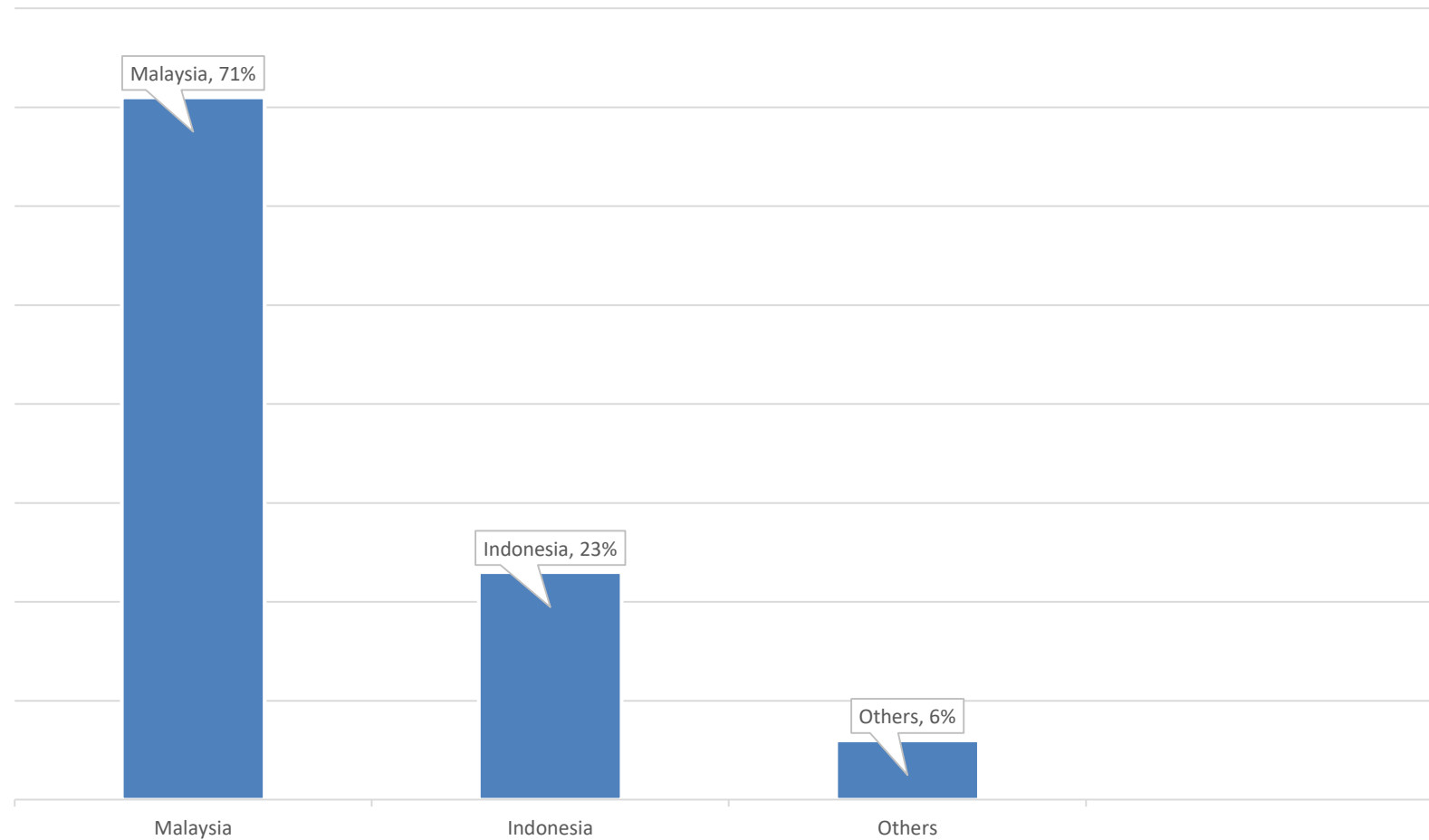


GCC has a total of 73 takaful companies.

- Bahrain – 6 takaful companies
- Kuwait – 14 takaful companies
- Oman – 2 takaful companies
- Qatar – 7 takaful companies
- Saudi Arabia – 37 takaful companies
- UAE – 9 takaful companies



- The ASEAN market contributes to about one-third (30%) of the global takaful contribution projected at USD4.2 billion of the gross takaful contribution.



ASEAN region has an estimate of 37 takaful companies.

- Bangladesh – 12 takaful companies
- Srilanka – 1 takaful company
- Maldives – 1 takaful company
- Thailand – 4 takaful companies
- Brunei – 3 takaful companies
- Indonesia – 5 fully fledged
- Malaysia – 13 takaful companies
- Pakistan – 10 takaful companies



- Africa is another promising region for Islamic finance
- Africa contributes 3% of the global takaful contributions
- Sudan leads in Africa. At present, there are 15 takaful operators in Sudan
- Kenya's Insurance Regulatory Authority (IRA) has projected insurance penetration of 3.5% by 2018 from 3.1 per cent thru the issuance of the policy and framework for the development of the takaful industry in Kenya
- Nigeria has played its role on takaful framework and registration procedures alongside the guideline for takaful operation
- Tunisia has integrated a persistent section in the insurance code for legislative framework governing takaful operation



African region has an estimate of 39 takaful companies.

- Algeria – 1 takaful company
- Egypt – 6 takaful companies
- Gambia – 1 takaful company
- Ghana – 1 takaful company
- Kenya – 1 takaful company
- Libya – 2 takaful companies
- Mauritania – 2 takaful companies
- Mauritius – 1 takaful company
- Nigeria – 3 takaful companies
- Senegal – 1 takaful company
- Somalia – 2 takaful company
- Sudan – 15 takaful companies
- Tunisia – 3 takaful companies
- South Africa – 2 takaful companies



- America & Europe offer huge untapped potential takaful market.
- Luxembourg already has an established takaful company
- London has been offering motor and home takaful products since 2008.
- Swiss Life has launched the Europe's first family takaful products mainly to facilitate French customers looking for Islamic investment solution

Europe & America regions have an estimate of 6 takaful companies.

- Luxembourg – 1 takaful company
- France – 1 takaful company
- Germany – 1 takaful company
- Canada – 1 takaful company
- USA – 1 takaful company
- Trinidad & Tobago - 1 takaful company



- Today, globally, there are over 400 operators providing Islamic insurance products.
- Moreover, more than 50 takaful operators will be established within 2018 and 2019.
- The sustained double-digit growth in the takaful market, along with the strong take-up of Islamic financing in both the retail and commercial space, presents opportunities for Retakaful.



Global Retakaful Opportunities

- The world wide population for 2016 was 7.412 billion
- World wide Muslim population was 2.14 billion
- This shows a 28.26% Muslim population in the world
- The population of Muslims is increasing at a rate of 1.84% per annum.



- Globally, there are around 25 companies offering Retakaful services.
- With an estimated gross contribution of usd26 billion in 2019, there is a dire need of Retakaful companies
- There is a scarcity of Retakaful capacity and this has left takaful insurers with the dilemma of having to reinsure on a conventional basis, contrary to the customer's preference of seeking cover on Islamic principles
- Takaful firms were allowed by the Shariah to reinsure a part of their risk through conventional business.
- A practice allowed under the concept of darura, or necessity.



“Swiss Re, the world's second largest reinsurer, is in talks with Malaysian market players and the Malaysian Takaful Association to set up a market Retakaful pool”

“Lloyd's of London is also building its capacity in the sector - it has opened an office in Dubai and is in talks with regulators to access the Malaysian market.”

“Dubai-based EmiratesRe, a Retakaful firm with paid-up capital of \$120 million, aims to conduct a capital increase next year to add new Retakaful lines.”

“PineBridge Investments, a New York-based asset manager, is exploring the launch of a Retakaful firm in Dubai”

“Salama plans to launch a takaful firm in Egypt this year, Oman saw two such firms open in 2014 with a third one on the way, while Turkey's Doga Group plans to enter the Turkish market.”



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- Pressure from the scholars and the regulators who are ardent to grow their domestic markets
 - Sharia boards of takaful operators are increasingly insistent on the use of Retakaful capacity
 - UAE has recognized the shortage of Retakaful capacity as an opportunity for the region
 - Pre-emptive backing on the part of regulators and government has verified to go a long way for takaful and Retakaful to make a sturdy impact
 - The takaful sector could also take the lead in providing solutions in light of universal trends
 - The Retakaful sector is ideally positioned to provide leadership to allow the takaful industry to be at the forefront of innovation



Kenya Reinsurance Retakaful

- Kenya Reinsurance Corporation Limited (Kenya Re) is the oldest Reinsurer in Eastern and Central Africa.
- Current shareholding is 60% by the government, and 40% by the public
- In 2013, the Corporation launched Retakaful window, the first reinsurance package for Muslims as part of the underwriter's expansion and growth strategy.
- Kenya Re is a composite Retakaful operator offering Retakaful support on proportional and non-proportional basis for treaty as well as facultative business in Africa, Middle East and Asia.

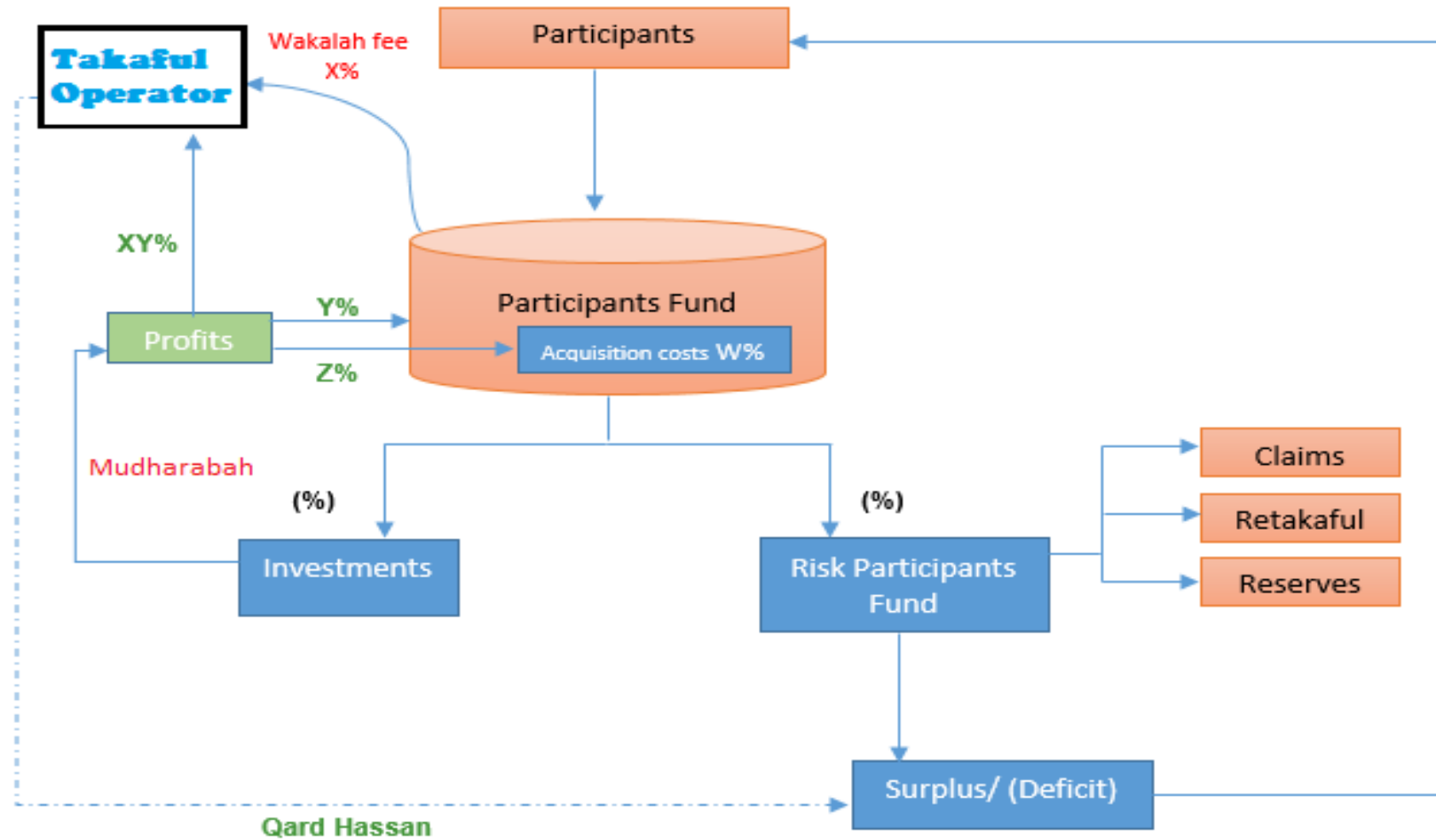


The Shariah Supervisory Board of Kenya Re Retakaful

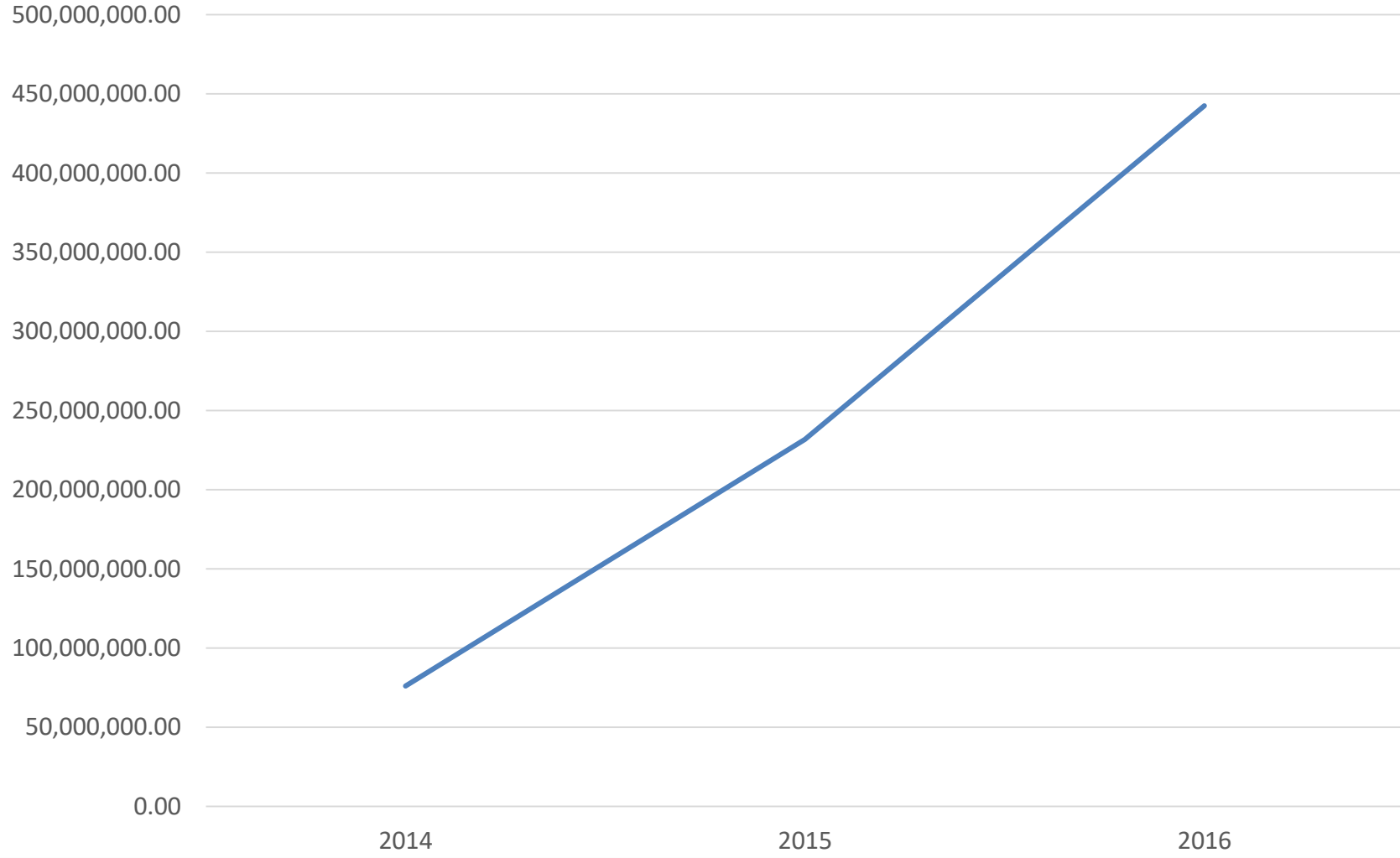
1. Prof. Mohamed Salim Badamana – He is the chairman of the Shariah Supervisory Board. Prof. Badamana is a Shariah board member at various Islamic Financial Institutions in Kenya. He is currently the Chairman, Department of Animal Production at the University of Nairobi.
2. Dr. Mohamed Mohamud Ali – He holds a Ph.D. in Islamic Economics from Nilien University. He is an advisory board member of Bayan Center of Islamic Financial Engineering, an international institution established as one of the supporting institutions for Islamic Finance industry and based in Khartoum, Sudan. He lectures at Ummah University which is based in Kajiado.
3. Dr. Mwanakombo M.H. Noordin – She holds a Doctor of Philosophy degree in Islamic Feminism, from Moi University. Dr. Noordin has been a fellow of The Institute for the Study of Islamic Thought in Africa (ISITA) at Northwestern University, USA. She is the Director of Moi University Coast Campus;
4. Dr. Abdulkadir Hashim – He holds a Doctoral degree in Law from University of Western Cape, South Africa. He has extensive experience in Shariah law and has served as the Muslim Chaplain at the University of Nairobi. Currently, he is a Lecturer in the Department of Philosophy and Religious Studies at University of Nairobi.



Model Adapted by Kenya Re Retakaful



PERFORMANCE GROWTH



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It's just the beginning

