

MUHANNA FOUNDATION ANNUAL REPORT 2005



OPERATING HIGHLIGHTS

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OPERATING HIGHLIGHTS

PROFILE

The Muhanna Foundation, created in 1994, is a non-profit institution established in Switzerland and based in Beirut, Lebanon. It is dedicated to the promotion of actuarial education & continuing education for professionals involved in social security, pensions, insurance industry & insurance supervision, in actuarially under developed countries in general and in the Arab World in particular.

The Foundation organizes conferences, seminars and workshops on a regular basis in a variety of fields including pensions, social insurance, investment, and private insurance in the Region. Besides, the Foundation runs a Diploma Program in Actuarial Science. The Foundation also acts as a forum for discussions with regard to actuarial, demographic and socio-economic issues in the region. In its commitment to actuarial education, the Muhanna Foundation provides Scholarships in the fields of Actuarial Science to students who intend to complete actuarial education in developing countries. Furthermore, the Foundation provides annual Awards to promote excellence among students in the following universities: the American University of Beirut (AUB), the University of Jordan (UOJ) and the Lebanese American University (LAU).

Finally, the Foundation is an examination center for the actuarial students sitting for professional US & UK Actuarial Exams namely, that of the Society of Actuaries & the Institute of Actuaries.

MISSION

The Muhanna Foundation is dedicated to the development, funding & execution of actuarial education and research projects and continuing education programmes for professionals in actuarially under-developed countries, particularly in the Arab World.

VISION

Actuarial Education is a Strategic Science.

GOALS

- * To organize 2 conferences and 6 seminars and workshops annually in the Region;
- * To conduct ongoing research projects, including development of a specialized mortality table representative of the Region;
- * To serve the world-wide actuarial profession by providing local educational and examination opportunities within the Region;
- * To award 4 scholarships and awards for students undertaking professional education in the Region;
- * To help establish local actuarial associations as well as to promote the activities of the International Actuarial Association in the region.

We will measure our success, in part, by the growth in internationally recognized qualified actuaries in the Region and an increasingly recognized and effective actuarial supervision of the financial products and companies.



Dear friends and colleagues:

Since its creation in 1994, the Muhanna Foundation has been successfully meeting its goal of promoting actuarial science and scientific awareness in the fields of Pensions, Social Security, Insurance, Healthcare, Insurance Supervision and Financial Strength Insurance Rating in actuarially developing countries in general and in the Arab World in particular. In doing so, the Foundation contributed to serving the public interest and promoting the actuarial profession. Year 2005 was full of challenges and innovations, but year 2006 seems even more promising!

The Foundation has ambitious projects that will utilize actuarial science and skills towards benefiting/safeguarding the public interest. The Foundation is expanding its activities and aims to publish its first book. In addition, the Foundation plans to create a Mortality Table specifically built for the Arab world and the Foundation is also currently working on a complete Glossary of Actuarial Terms (English to Arabic). These projects, among others, are aimed at providing the actuarial profession with tools that are specific to the Region, exposing the public to important actuarial issues of their everyday life, and helping the rest of the world to better understand the Arab World.

To play this role of continuous and specialized education, the Foundation is working on additional technical workshops covering new topics that will be offered for the first time in 2006. To reach a larger audience, the Foundation will offer technical workshops in different countries in the Region.

The Muhanna Foundation devoted significant resources in the past couple of years to build its online library. By the end of 2005, the library broke the 1000 count of documents and reports. The Foundation also promotes actuarial research initiatives, such as papers, books, and symposiums, aimed at meeting current and future socio-economic challenges. The Foundation is planning to set up an Endowment Fund to help and support the development of on-going actuarial research projects in the Arab World and in developing countries.

Moreover, as part of its continued efforts to support mathematical and actuarial sciences, the Muhanna Foundation will also grant Awards of Excellence in 2006 for at least two students in the Region.

Our activities are quite diversified. We have two major annual activities: the Annual Regional Pension & Social Insurance Conference and the Actuarial Diploma Program.

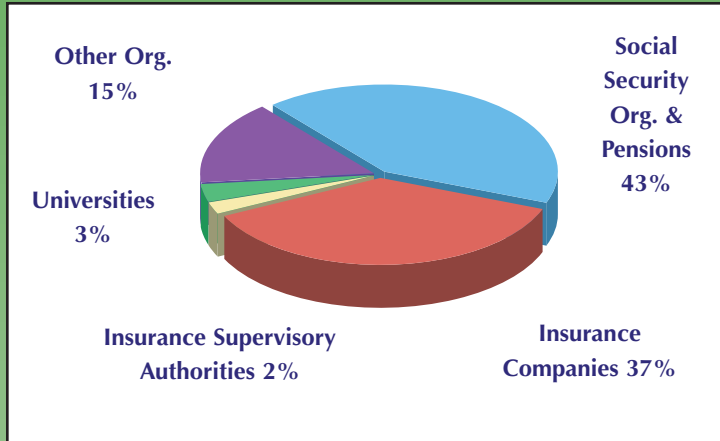
The Annual Regional Pension & Social Insurance Conference is the first event of the year. It is a platform to discuss, with different stakeholders, worldwide pension and social insurance subjects. In particular, it provides a venue where different countries may share their experiences.

The Actuarial Diploma Program, which is recognized by the Institute of Actuaries of the UK is offered to professionals and students in the Region. It is a one-year program that provides training in the basic technical actuarial skills and their applications in the fields of insurance, social security and pension funds.

The quality of the Foundation's activities is reflected by the diversity and the number of participants who take part in the different events.

Since its creation, the Foundation has welcomed more than 1,800 participants -- mostly from the Arab countries, but also from countries such as Canada, Cyprus, Greece, France, Iran, Pakistan, Poland, Russia, Switzerland, Turkey, the United Kingdom and the United States. Participants come from organizations such as: Ministries, Social Security Organizations & Pension Funds, Investment funds companies, Insurance companies, Insurance Supervisory Authorities, large local & international employers, Universities and Unions.

DISTRIBUTION OF PARTICIPANTS PER ORGANIZATION AND COUNTRY



Participants represented various countries, namely 1 from Algeria, 129 from Bahrain, 504 from Cyprus, 15 from Egypt, 25 from Greece, 52 from Iran, 156 from Jordan, 10 from Kuwait, 324 from Lebanon, 3 from Libya, 1 from Morocco, 93 from Oman, 6 from Qatar, 373 from Saudi Arabia, 19 from Sudan, 8 from Syria, 1 from Tunisia, 92 from Turkey, 31 from the UAE and 15 from Yemen.

Last, but not least, the Muhanna Foundation also constitutes a platform for discussion of actuarial, insurance, economic and demographic issues.

The success of the Foundation could not be possible without the support of its professional donors & the financial support of its corporate donors on one side, on the other side, all the instructors and the many invited distinguished speakers that have volunteered time to share with us their experience and knowledge.

I would like to take this opportunity to extend my sincere thanks to my friend and partner George Psaras for understanding my need to deviate my attention, many times, from my main responsibilities at i.e. Muhanna & co for the sake of the Foundation. Over the past years, I have been congratulated over and over by different participants on the organization of our programs. This could not have been achieved without the help and support of the staff of the Muhanna Group.

Finally, the Muhanna Foundation would not have survived without the time and energies our trustees have invested in it.

Ibrahim E. Muhanna

Chairman
Board of Trustees

January 26, 2006

Ibrahim Muhanna [Chairman] is the chairman of Omnimu International SA. He has established i.e. Muhanna & co. (Actuarial Services) in 1986; Omniflife insurance company in the UK in 1988 and The Muhanna Foundation in 1994. In year 2000 he established the first insurance rating agency in the Arab World. He graduated from the University of Michigan (1976) with a MSc in Actuarial Mathematics. Since 1986 he has advised insurers, governments and other clients in 32 countries. He is a member of all sections of the International Association of Actuaries and serves on its Council since 1997. Moreover, he is Chairing the Members Services Committee, and Vice-chairing the Advice & Assistance Committee. He currently serves as Vice-chairman of the IAA Health Section. He is a founding member and was the first President of the Cyprus Actuarial Association. He is a founding member and the current president of the Lebanese Actuarial Association and is a member of the Swiss Actuarial Association. He has written several papers on actuarial and insurance issues.

Christopher Daykin [Vice Chairman] has been the Government Actuary of the United Kingdom since April 1989. He qualified as a Fellow of the Institute of Actuaries in 1973 and was a member of the Council of The Institute of Actuaries from 1985 to 1999, having served as President from 1994 to 1996. He was Chairman of the International Forum of Actuarial Associations (IFAA) from 1996 to 1997. He has written numerous papers on actuarial topics and is a joint author of the book Practical Risk Theory for Actuaries with Professor Teivo Pentikainen and Dr. Martti Pesonen. In 1993 he was made a Companion of the Order of the Bath (CB) by Her Majesty the Queen. In 1995 he was awarded a degree of Doctor of Science (Honoris Causa) by the City University, London.

Curtis E. Huntington [Secretary and Treasurer] is a Professor of Mathematics, Associate Chairman and Director of the Actuarial Program at the University of Michigan (Ann Arbor). He is a Fellow of the Society of Actuaries, a Fellow of the Conference of Consulting Actuaries and a Member of the American Academy of Actuaries. Previously he served as Corporate Actuary of New England Life (Boston) before retirement in 1993. He is a former Vice President of the Society of Actuaries (U.S.), and served as a Director of the American Academy of Actuaries and as a member of the Executive Committee of the American Society of Pension Professionals & Actuaries. He was the Executive Director of the Actuarial Education and Research Fund until its merger with The Actuarial Foundation (U.S). He currently serves as a Director of three other charitable actuarial organizations. He has been an Instructor at the Muhanna Foundation Diploma Program since 1998.

Hans U. Gerber is Professor of Actuarial Science at the University of Lausanne. Until 1981 he was with the University of Michigan. He is an Associate of the Society of Actuaries and a Full member of the Swiss Association of Actuaries. He is the author of the books "An Introduction to Mathematical Risk Theory" and "Life Insurance Mathematics". He is coauthor of the monographs "Actuarial Mathematics" and "Financial Economics". He is an Editor of Insurance: Mathematics & Economics, and an Associate Editor of the North American Journal. He is a recipient of the Centennial Award of the IAA, the Halmstad Award, the Edward A. Lew Award, and the Annual Award, all from the Society of Actuaries.

Adnan Hamzeh is a professor of statistics and director of Community Service and Continuity Education Center at Beirut Arab University. He received a Ph.D in statistics from State University of New York at Albany (SUNYA). He has over 25 years teaching at SUNYA, American University of Beirut, Institute of Public Administration in Saudi Arabia, and Public Authority of Applied Education and training in Kuwait. Dr. Hamzeh has done several consultations for regional and international organizations (UNESCO, UNDP). He is currently a member of several national educational committees in the Ministry of Higher Education in Lebanon and the head of the BCU college (Hawaii University of Lebanon). He has been an Instructor at the Muhanna Foundation Diploma Program since 1997.

ACTIVITIES IN BRIEF

The Muhanna Foundation, originally conceived as a non-profit organization charged solely with the responsibility of administering the actuarial diploma program, has since 1994 grown into a multidimensional active player in the fields of actuarial education and continuing education for professionals. In this context the Foundation is a donation member of the International Actuarial Association (IAA), observer member of the International Social Security Association (ISSA), and an observer member of the General Arab Insurance Federation (GAIF). Fulfilling its role in raising awareness concerning the actuarial concepts, the Foundation has organized conferences, seminars, workshops, courses and sponsored research projects.

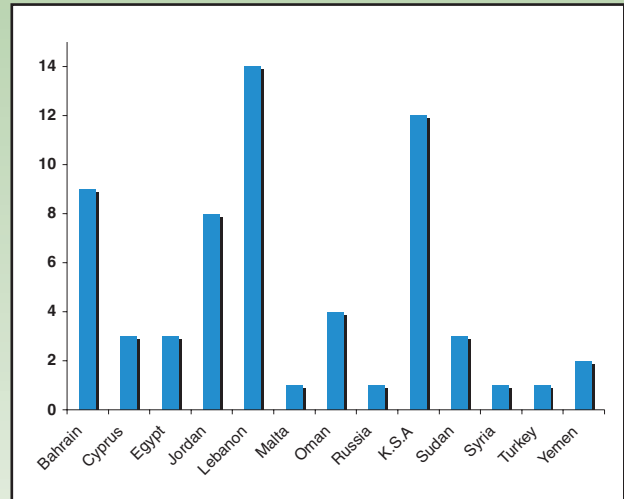
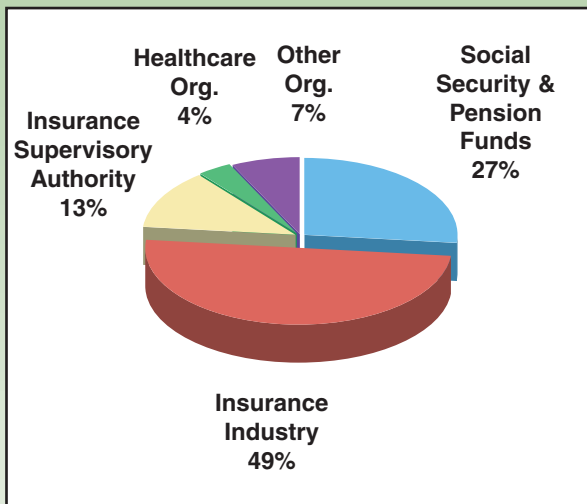
In the year 2005 several conferences, seminars, workshops, courses and actuarial diploma program have been organized. Finally, in its endeavor to make knowledge accessible, the Foundation has launched its electronic library and is sponsoring the projects of Arab Mortality Table & Glossary of Actuarial Expressions (English- Arabic). The Foundation website is visited around 1000 times a day.

ACTUARIAL DIPLOMA PROGRAM

The Muhanna Foundation Actuarial Program, running since 1994, offered a general curriculum in Financial Mathematics, Actuarial mathematics, Statistics, Survival Models, to participants with a strong mathematical background, and provided the basic skills and expertise to be applied in insurance, social security or pension funds. The Program has been of great guidance to participants through both academic and practical approaches to the above mentioned subjects. The students so far were sent by varied group of organizations from various countries.

The program consists of an introductory 4-week residential actuarial teaching phase, followed by a 9-month distance learning phase in which participants work on provided assignments and prepare for the second 3-week residential review and examinations phase. Successful participants will receive a Diploma in Actuarial Science, presented jointly by the Muhanna Foundation and the UK Institute of Actuaries. This is not a full qualification as an actuary but it is a valuable first stage, providing a foundation on which students can build by taking the professional examinations of the Faculty and Institute of Actuaries (UK) or the Society of Actuaries (USA). The Diploma is granted to successful participant that demonstrate (Proficiency in the Fundamentals of actuarial science and applications in insurance, pensions and investment).

DISTRIBUTION OF STUDENTS PER ORGANIZATION AND COUNTRY



CONFERENCES

The Muhanna Foundation organizes world-class conferences of which the annual pension and social insurance conference is the main one. It addresses each year retirement scheme issues in both technical and non-technical terms with distinguished international lecturers and is attended by a large spectrum of pension professionals from the region.



SEMINARS

The seminars of the Muhanna Foundation cover a variety of subjects of an actuarial or technical nature. The seminar on the Role of the Actuary essential to the promotion of the actuarial profession for example has been already held in Lebanon, Jordan and Turkey.

WORKSHOPS

Workshops cover a variety of subject of an actuarial or technical nature. The workshops have been valuable tools in communicating practical experiences ranging from insurance supervision, life insurance, financial strength rating to retirement benefits. Attendees usually value the unique opportunity the Muhanna Foundation offers them to strengthen their technical aptitudes.

COURSES

Courses covered mainly insurance in intensive lectures and met a huge demand. The courses in insurance for example dealt with sophisticated issues (e.g. reserving, accounting standards and corporate governance) of which the understanding is essential for insurance executives.

AWARDS

The Muhanna Foundation is now famous for the Awards it offers for mathematical students. In doing so it encourages academic excellence in the fields of actuarial science, insurance and mathematics. The Muhanna Foundation has so far established:

- The Muhanna Actuarial Science Award of Excellence
- The Muhanna Mathematics Award of Excellence

The Muhanna Award of Excellence is a symbolic amount (of maximum \$1,000) awarded to the most outstanding senior student in the Department of Mathematics at each of the American University of Beirut (AUB), University of Jordan and Lebanese American University (LAU).

The Muhanna Foundation, in collaboration with different partners, organized the following events in 2005.

10th Actuarial Diploma Program 2004-5 Beirut, Lebanon

The students of the 10th Actuarial Diploma Program came back from their 9-month distance learning phase to attend their second three-week residential review and to sit their Examinations.

They completed the whole Actuarial Diploma Program which consisted of the following subjects

SUBJECT (HOURS)	INSTRUCTORS
Statistical Modeling (22.5)	M. Hassan Farfour, Hawaii University , Lebanon
Financial Mathematics (22.5)	M. lyad Hourani, i.e. Muhanna & co. Lebanon
Survival Models (22.5)	Mrs. Claudia Bou Nassif, Notre Dame University, Lebanon
Actuarial Mathematics I (22.5)	Dr. Curtis E. Huntington, University of Michigan, USA
Actuarial Mathematics II (22.5)	Mr. Ramez Maalouf, Notre Dame University, Lebanon
Professionalism (3)	Dr. Curtis E. Huntington, University of Michigan, USA

The 10th Actuarial Program proudly graduated 2 students who completed the three-phase(1) program and who achieved with success all the requirements to obtain their Diploma. They are: Mr. Wessam Kheir Beck and Ms. Rania Bou Hamdan respectively from the Syrian Public Insurance Company and from Lebanese Ministry of Public Health.

At the same time, the Foundation welcomed the students for the first phase(1) of the 11th Actuarial Diploma Program.



1Refer to the Actuarial Diploma Program description at page 5.

Conferences

3rd Pension and Social Insurance for Cyprus and Greece, December 6 in Nicosia-Cyprus

The main theme of the conference was Adequate and sustainable pensions. The event was organized in association with the Muhanna & co. Actuarial Services in Cyprus and the UK Government Actuary's Department and Laiki investments. The conference attracted 170 participants. The program was constituted of the following sessions.

SOCIAL INSURANCE, SUPPLEMENTARY PENSIONS, PRIVATE INSURANCE	
Mr. George Psaras	Managing Actuary, i.e. Muhanna & co. A detailed study for the viability of the Cyprus Social Insurance Scheme
Mr. Chris Daykin	Government Actuary UK - GAD National Strategy Report of the United Kingdom
Mr. Panayiotis Yiallourous	Consultant, i.e. Muhanna & co. National Strategy Report of Cyprus
HEALTH CARE	
M. Ibrahim E. Muhanna	Muhanna Managing Director and Actuary, i.e. Muhanna & co. Financing Healthcare after retirement: A pre-funding approach
Mrs. Andriani Kallimachou	Actuary, Cyprialife The role of the insurance industry in the current healthcare model today and after the introduction off the National Health System in Cyprus
GOVERNANCE OF PENSION FUNDS AND INVESTMENTS	
Mr Andrew G. Young	Advisor to the Pension Regulator and the Pension Protection Fund Regulation of Pensions: EU Directive, UK Pensions regulator and Pension Protection Fund
Mr Marios Dimitriadis	Asset Manager, Laiki Asset Management European Directive 41 Practical Implementation - Preparation of Statement of Investment Principles for pension and provident funds
Mr. George Psaras	Managing Actuary, i.e. Muhanna & co. Governance of Pension and Provident Funds and the situation in Cyprus. The role of the Actuary, the Auditor, the Legal Consultant, the Investment Consultant and the members of the Governing Body



9th Regional Pension & Social Insurance Conference, February 20-22, Beirut-Lebanon

The main theme of the conference was the Government role &/or control of pensions and social insurance scheme. The event was organized in association with the National Social Security Fund under the auspices of the President of the Lebanese Republic, His Excellence General Emile Lahoud. The conference attracted 82 participants. The program was constituted of the following sessions

PENSION REFORM IN THE WORLD AND IN THE REGION	
H.E. Suleiman Al Humayd	Governor of General Organization for Social Insurance - KSA Reform and its Implications
Dr. Yves Guerard	Secretary General, International Actuarial Association Managing the uncertainties of aging , an actuarial perspective
Mr. Michal Rutkowski	Director - Human Development Sector Middle East and North Africa Region - The World Bank Old-Age Income Support in the 21st Century An international Perspective on Pension Systems and Reform
PENSION AND SOCIAL SECURITY INVESTMENT	
Mr. Chris Daykin	Government Actuary UK - GAD Investment Guidelines for Social Security and Pension Funds
Dr. Rassem N. Zok	Advisor to the Chairman, Lebanese Canadian Bank Implementation of Investment Strategy (a study case)
PENSION REFORM IN THE GCC AND IN THE MENA COUNTRIES	
Mr. David Robalino	Senior Economist, The World Bank Welfare Impact of Good Reforms in Earnings Related Schemes: The Role of Virtual Accounts.
Mr. George Psaras	Managing Actuary, i.e. Muhanna & co. Pension Reform & Mergers in the GCC (Actuarial Perspective)
Dr. Curtis Huntington	Director of Actuarial Science Program - UoM - USA National Defined Contribution Systems. Is this the way forward? The Chilean Model Revisited
DEFINED CONTRIBUTION SYSTEMS	
Mr. Alain Bifani	Director General - Ministry of Finance - Lebanon Reforming Civil & Military Pension Fund
Mr. Joseph Khalife	Cabinet Manager -National Social Security Fund - Lebanon Pension Reform in Lebanon - A study Case. Moving toward a national defined contribution system
SPECIAL TOPICS	
Mr. Dennis Streveler & Mr. Ghassan Al Khoja	The World Bank Common Requirements for a Shared Management Information System Across Health Insurance Funds
Mr. Ibrahim Muhanna	Managing Director and Actuary, i.e. Muhanna & co. Funding Healthcare after Retirement
Mr. Fadi Rahme	Vice-President - GlobeMed Ltd On-line solutions in support of managing healthcare benefits programs

Seminars

The Role of the Actuary in the Economy, December 2, Istanbul-Turkey

The main theme of the seminar was the role of the actuary in insurance, pensions and social insurance. The event was organized in association with the International Actuarial Association, the Turkish Society of Actuaries and the Bahcesehir University. The goal of this seminar was to enhance the awareness regarding the actuarial profession in Turkey. The seminar attracted 92 participants. The program was constituted of the following sessions

THE ROLE OF THE ACTUARY IN THE ECONOMY	
Mr. Chris Daykin	Government Actuary UK - GAD The Role of the Actuary in Insurance, Pension & Social Insurance
Mr. Ibrahim Muhanna	Managing Director and Actuary, i.e. Muhanna & co. Actuarial opportunities & Actuarial Education
Mr. Necmi Ozer	Department chief in the Undersecretariat of Treasury, Insurance Directorate Current issues in Turkey
Mr. Ibrahim Muhanna	Managing Director and Actuary, i.e. Muhanna & co. Healthcare Financing



Workshops

Retirement Benefits Technical Workshop, November 14-18, Beirut- Lebanon

Due to the high demand and popularity, it was the second Retirement Benefits Technical Workshop hold in Lebanon in 2005. This workshop was a 5-day intensive program aimed at introducing the attendee to retirement benefits. The workshop attracted 25 participants. The program was constituted of the following sessions:

- Actuarial Profession;
- Retirement Benefits;
- Actuarial Valuation: Data quality and management;
- Actuarial Valuation: Actuarial Assumptions - Description & Selection
- Actuarial Valuation: Report
- Actuarial Valuation: Report - How to read & Implement it

Financial Strength Ratings for Insurance Companies, November 9, Amman-Jordan

In view of the present global financial conditions confronting the insurance industry and all the talks in the media about ratings, the Muhanna Foundation and Jordan Insurance Federation (JOIF) announced a workshop on Financial Strength Ratings for Insurance Companies specifically designed for insurance executives.



The aim of the workshop was to provide the technical and analytical tools and processes in the rating of an insurance company. The workshop addressed relevant ratios, rating methodology, market conduct, strategy, capitalization & reserves, liquidity, investments, and reinsurance. The workshop actually met a huge success.

Retirement Benefits Technical Workshop, August 10-19, Beirut Lebanon

This workshop was the first Retirement Benefits Technical Workshop and the first event of this kind that the Muhanna Foundation organized in order to enhance technical awareness in regional pension and social insurance schemes. The syllabus program was the same as the one mentioned above for the similar event.

Among the organizations that attended we can mention Order of Engineers & Architects (Lebanon), the Pension Fund Commission (Bahrain), Engineers Syndicate (Jordan), GOSI (KSA), Ministry of Defense (Oman), GAIP (Yemen), Ministry of Defense (Yemen), and GCSS (Yemen).

Financial Strength Ratings for Insurance Companies, August 4-5, Beirut Lebanon

This was the first workshop on Financial Strength Ratings of Insurance Companies that took place. The syllabus program was the same one as the one mentioned above for the similar event. Attendees represented Lebanese insurance companies such as Bankers, Medgulf or Libano-Suisse.

Digest Arab Insurance Rating, the financial strength rating publication of i.e. Muhanna & co., is introduced as the first of its kind in the Arab World. The uses and benefits of rating were explained along with an explanation of interactive and non- interactive rating.

Awards and Scholarships: June 25, Beirut Lebanon

The Muhanna Mathematics Award of Excellence was offered to Ms. Dina Shibl and Ms. Layan El Hajj students at AUB as part of the continuous support of the Muhanna Foundation to excellence in the field of mathematics and/or actuarial sciences.

You will find below the list of events held by the Foundation since its creation in 1994.

Actuarial Diploma Program

This program has evolved since its inception. In 1994, the program was based on one full academic year. In the years 1996, 1997 & 1998 the ADP was changed to an intensive 5 weeks program. From 1999 to 2000 the ADP was split by half. Each half is run in August. Finally as of 2001 the ADP is running under its current format as described earlier



Conferences

The 1st Regional Pension Plans Conference was held in Cyprus in 1993 and predates the formal establishment of the Foundation. The 2nd and 3rd annual conferences were also held in Cyprus. In year 1999 it was decided to organize these conferences in different countries. Hence, in 2000 the conference was held Bahrain, 2001 in Oman, 2002 in Cyprus, 2003 in Lebanon, 2004 in UAE, 2005 in Lebanon. As of 2003 an additional series of annual conferences on Pension & Social Insurance dedicated for Cyprus & Greece were organized in Cyprus.



Seminars

Dec. 2003	International Accounting Standards - Muscat
Nov. 2001	2nd Regional Seminar on the Role of the Actuary in the Economy - Beirut
May 2000	1st Regional Seminar on the Role of the Actuary in the Economy - Amman
Oct. 1997	Insurance Supervision - Beirut
Sept. 1996	On the Board of Directors of a Life Insurance Company - Nicosia
Mar. 1994	Insurance Supervision and Regulation - Nicosia



Workshops

The Foundations introduced workshops to assist Insurance regulators in the region. In 1998 it held its first in Nicosia, in 2001 in Riyadh. As of 2002 and 2004 four different workshops were held in Beirut on the subject of professionalism & Compliance.

Courses



The regularization of the insurance industry in Saudi Arabia demanded the development of specialized courses. In 2003 & 2004, the Foundation organized 5 intensive Insurance courses for Executives between Beirut and Riyadh. Those courses were attended by 52 insurance executives. In 2004, a one month Introductory Insurance Training Course was held in Riyadh for 50 Saudi Nationals training at insurance companies and the regulators.

Awards and Scholarships

The Muhanna Mathematics Award of Excellence:

This award predates the formal establishment of the Foundation. In 1993 it was awarded to Mr. Mazen Nabih Bu Khuzam & Ms. Natalie Kondourojian of AUB, in 1994 to Mr. Sami Ibrahim Shbaro of AUB, in 1998 to Ms. Monique Azar of AUB, in 2000 to Mr. Hadi Maktabi and Ms. Ola Mneimneh of AUB also to Mr. Feras Yousif Nakhle of UoJ, in 2002 to Ms. Leila Issa of AUB, in 2002 to Ms. Alia A. Barkan and Mr. Mahmoud Abbas Hammoud of AUB, in 2003 to Mr. Francois Noujaim and Ms. Rayya Younes of AUB also to Mr. Khaled Daasan and in 2004 to Ms. Sara Abu Diab and Ms. May Waleed Hashem Al Saeed of AUB.



**BALANCE SHEET
ENDING DECEMBER 31**

	2005	2004
<i>(All Figures in USD)</i>		
Assets		
<u>Current Assets</u>		
Audi Bank	1,034.41	4,192.75
Accounts Receivables	18,923.52	12,092.11
Total Current Assets	19,957.93	16,284.86
<u>Long-term Assets</u>		
Office Furniture & Equipment	3,519.90	3,199.90
Less: Acc. Depreciation	(991.97)	(639.98)
Office Furniture Net	2,527.93	2,559.92
Computer Software	1,001.90	838.00
Less: Acc. Depreciation	(875.68)	(541.75)
Computer Software Net	126.22	296.25
Total Long-Term Assets	2,654.15	2,856.17
Total Assets	22,612.08	19,141.03
Liabilities & Equities		
Accounts Payable	3,378.52	7,057.46
i.e.Muhanna & co.	11,023.03	4,270.35
Total Liabilities	14,401.55	11,327.81
Prior Years Result	7,813.22	5,172.42
Current Year Result	397.31	2,640.80
Total Equity	8,210.53	7,813.22
Total Liabilities & Equities	22,612.08	19,141.03

STATEMENT OF SOURCES & USES OF FUNDS
ENDING DECEMBER 31

	2005	2004
<i>(All Figures in USD)</i>		
Sources of Funds		
Donors	7,000.00	2,000.00
Actuarial Diploma Program	20,826.00	24,960.00
Insurance Supervisors Workshop	0.00	14,965.16
Compliance Workshop	0.00	9,400.00
Pension Conferences	85,000.00	85,700.00
Mergers & Acquisitions	0.00	24,250.00
Job Fair Saudi Arabia	9,000.00	51,000.00
Financial Strength Rating	9,370.00	0.00
Retirement Benefits Technical W/S	27,075.00	0.00
Other Income	44.86	3,199.13
Total Sources of Funds	158,315.86	215,474.29
Uses of Funds		
Salaries	20,928.00	36,928.00
Subscriptions & Donations	1,423.00	3,423.00
Services Rendered	9,000.00	9,000.00
Attorney Fee	2,320.97	0.00
Actuarial Diploma Program	9,349.76	15,477.58
Insurance Supervisors Workshop	0.00	1,053.00
Compliance Workshop & Oman Seminar	0.00	3,657.90
Pension Conferences	77,619.13	70,954.59
Mergers & Acquisitions	0.00	15,583.25
Job Fair Saudi Arabia	0.00	36,660.54
Financial Strength Rating	9,547.13	0.00
Retirement Benefits Technical W/S	15,795.74	0.00
Misc Expense	2,233.71	1,026.40
Air Line Tickets	3,389.66	1,427.00
Hotels	3,814.70	792.37
Advertising	1,650.00	0.00
Bad Debts	0.00	15,550.00
Bank Charges & exchange loss	846.75	1,299.86
Total Uses of Funds	157,918.55	212,833.49
Net Surplus/ Deficit	397.31	2,640.80

The Foundation is supported by six forms of sponsorship. i.e. Muhanna & co. (Actuarial Services) created the Foundation, and has hence acted as its **Parent Sponsor**.

External support of the Foundation is derived from five sources:

1. **Professional Donors** contribute materials and expertise to the Foundation's overall operations;
2. **Donors-at-large** (by invitation) is reserved for those who provide extraordinary service and financial support by contributing annually \$25,000 and above to the Foundation's overall operations;
3. **Corporate Donors** are corporations and foundations that make one of more gifts of \$5,000 or more;
4. **Membership** in the Muhanna Foundation Development Circle is available to both institutions and individuals:

individual - Annual Membership is	\$250
institution - Annual Membership is	\$2,000
5. **Project sponsors** contribute funds, materials or expertise directly to specific events and programs.

Benefits

Through selected briefs and our web site, we keep Donors, Members and Sponsors apprised of our internationally acclaimed work. They all also receive invitations to special events organized by The Muhanna Foundation.

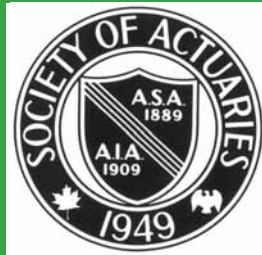
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