

MUHANNA FOUNDATION ANNUAL REPORT 2006





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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 & supervision, in actuarially under developed countries in general and in the Arab World in particular.

The Foundation organizes conferences, seminars and workshops in a variety of fields including insurance, investment and governance on a regular basis in the Region. The Foundation runs, as well, two separate Diplomas Programs, one in Actuarial Sciences & the second in Social Insurance. The Foundation also acts as a forum for discussions with regard to actuarial and demographic issues in the region. In its commitment to actuarial education, The Muhanna Foundation provides Awards and Scholarships in the fields of Actuarial Science and Mathematics to students who are completing actuarial education in several countries, namely, Bahrain, Jordan, Lebanon, Oman, Saudi Arabia, Sudan, Syria, & Yemen.

Finally, the Foundation is an examination center for the actuarial students sitting for professional exams of the Society of Actuaries (United States Actuarial System) and the exams of the Institute of Actuaries (United Kingdom Actuarial System).

MISSION

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

VISION

Actuarial Education is a Strategic Science.

GOALS

- To organise 2 conferences, 2 diploma programs 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 at least 2 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:

Over a decade after its establishment in 1994, The Muhanna Foundation continues to successfully meet its goal of promoting actuarial sciences and scientific awareness in the fields of Pensions, Social Security, Insurance, Insurance Supervision and Insurance Rating in developing countries in general and in the Arab World in particular. In doing so, the Foundation contributes to serving the public interest and promoting the actuarial profession.

Though year 2006 witnessed more challenges than usual due to the critical instability in Lebanon, The Muhanna Foundation has managed to expand its outreach even more than in previous years. My colleagues and I struggled to overcome the prevailing situation through our commitment and belief that education should prosper and will render our world a better one. Thanks to this perseverance, year 2007 seems to be more promising.

The Foundation has ambitious projects that will utilize actuarial science and skills towards benefiting public interest. In addition the Foundation continues to work on a Mortality Table specifically built for the Arab world and is also working on a complete Glossary of Actuarial Terms (Arabic-English). 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 relating to their everyday life, and helping the community to better understand the needs of the Arab World.

To serve a larger audience, the Foundation offered technical workshops in different countries in the region. The Social Insurance Diploma is the first program of its kind in the Arab world and it consists of four modules covering pension benefits schemes and issues, administration and IT issues, actuarial perspective of retirement schemes and financing and investment. This program was first offered in November 2006 and is being continued in 2007. A Technical Pension Workshop was, also, held for the first time in Cyprus and was given in Greek.

The Foundation also encourages actuarial research initiatives, such as papers, books, and symposiums, aimed at meeting current and future challenges. The Foundation is planning to set up an Endowment Fund to help and support the development of continuous actuarial research projects in the Arab World and in developing countries.

Moreover, to support mathematical and actuarial sciences, The Muhanna Foundation granted two Awards of Excellence in 2006 for two students in the American University of Beirut, Lebanon. One award for the best actuarial paper from developing nations delivered during the International Congress of Actuaries in Paris, May 2006 was also awarded.

The annual Actuarial Diploma Program, was unfortunately postponed due to the July/August war on Lebanon

The Annual Regional Pension & Social Insurance conference is the most important event of the year in the Arab region regarding Pension & Social Insurance themes. It is a platform whereby different stakeholders of the pension and social insurance milieu discuss worldwide and regional subjects allowing these professionals, coming from a variety of countries, to share their particular experiences.

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

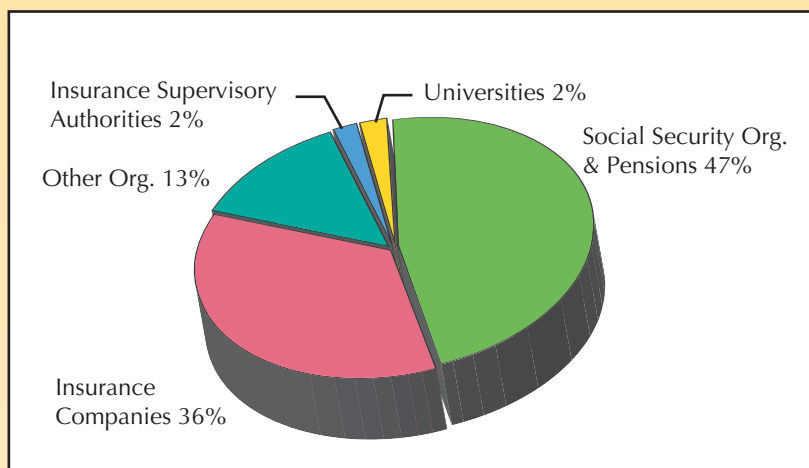
Since its creation, the Foundation welcomed more than 2,100 participants mostly from all Arab countries as well as participants from countries such as: Azerbaijan, Canada, Cyprus, France, Greece, Iran, Italy, Pakistan, Russia, Sudan, Switzerland, Turkey, Tanzania, United Kingdom and United States. Participants were from organizations such as: Ministers, Social Security Organizations & Pension Funds, Investment funds companies, Insurance companies, Insurance Supervisory Authorities, large employers and Universities.

Last but not least, I am especially proud to inform you that The Muhanna Foundation is working on launching AL-MASSAR, a program whose purpose is to promote the education of the adolescents of Lebanon and raise awareness among all members of the Lebanese society.

DISTRIBUTION OF PARTICIPANTS PER ORGANIZATION AND COUNTRY

Participants represented various countries, namely 1 from Algeria, 2 from Azerbaijan, 160 from Bahrain, 511 from Cyprus, 15 from Egypt, 1 from France, 25 from Greece, 57 from Iran, 178 from Jordan, 15 from Kuwait, 331 from Lebanon, 3 from Libya, 1 from Morocco, 123 from Oman, 6 from Qatar, 405 from Saudi Arabia, 33 from Sudan, 10 from Syria, 5 from Tanzania, 1 from Tunisia, 92 from Turkey, 41 from the UAE, 2 from the United Kingdom and 26 from Yemen.

The Muhanna Foundation also constitutes a platform for discussion on 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 the one side and, on the other side, all the instructors and the many distinguished speakers that have volunteered their valuable time to share with us their broad experiences and knowledge.

I am continuously congratulated by different participants on the organization of our programs. This could not have been achieved without the help, support and dedication of the staff of the Muhanna Group.

Ibrahim E. Muhanna

Chairman

Board of Trustees

March 30, 2007

**IBRAHIM MUHANNA**

Ibrahim Muhanna is the Managing Director of i.e. Muhanna & co. (Actuarial Services) since 1986 whereby he has advised insurers, governments and other clients in 32 countries. He graduated from the University of Michigan (1976) with a MSc in Actuarial Mathematics. Since 1995 Mr. Muhanna has been a member of the IAA Council. He is also a member of the IAA Executive Committee and is actively involved in other IAA committees. For example, Mr. Muhanna is Chairperson of the Members Services Committee and he is Vice-chairperson of the Advice and Assistance Committee and of the IAA Health Section. Mr. Muhanna's other roles involve being the first Chairman of the Cyprus Actuarial Association, is member of the Swiss Association of Actuaries and he is the President of the Lebanese Association of Actuaries. He has written several papers on actuarial and insurance issues. In 1994 he established The Muhanna Foundation. In 2001 he introduced the first financial strength rating services for insurance companies in the Arab World.

CHRISTOPHER DAYKIN

Christopher Daykin 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 HUNTINGTON

Curtis Huntington is a professor of Mathematics 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.A.), served as a Director of the American Academy of Actuaries and was a member of the Executive Committee of the American Society of Pension Actuaries. He is also a Director of The Actuarial Foundation and 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

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

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 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, a non-profit organization originally conceived 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) and an observer member of the General Arab Insurance Federation (GAIF). Fulfilling its role in raising awareness concerning actuarial concepts, the Foundation has organized conferences, seminars, workshops, courses and sponsored research projects.

In the year 2006 several conferences, seminars, workshops, courses and actuarial diploma program have been organized. Finally, in its endeavor to make knowledge accessible, the Foundation has expanded its electronic library and has sponsored the projects of the Arab Mortality Table & a Glossary of Actuarial Expressions (Arabic-English).



ACTUARIAL DIPLOMA PROGRAM

The Muhanna Foundation's Actuarial Program, running since 1994, offers a general curriculum in Financial Mathematics, Actuarial Mathematics, Statistics, Survival Models, to participants with a strong mathematical background, and provides the basic skills and expertise to be applied in insurance, social security or pension funds.

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 4-week residential review and examinations phase. Successful participants 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 step, providing a platform upon which students can build by taking the professional examinations of the Faculty and Institute of Actuaries (UK) or the Society of Actuaries (USA).

SOCIAL INSURANCE DIPLOMA PROGRAM

The Social Insurance Diploma consists of 4 intensive modules where each module is held over a 5-day period and comprises lectures, discussions, and study cases.

- Module 1:** Pension Benefits Schemes & Issues
- Module 2:** Administration & IT Systems
- Module 3:** Actuarial Perspective of Retirement Schemes
- Module 4:** Financing and Investment

The participant has to pass an exam in each of the four modules in order to obtain the Diploma in Social Insurance from The Muhanna Foundation. However, the participant has the option to choose any one module in particular and hence receives a certificate of attendance.

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 cover mainly insurance in intensive lectures and meet a huge demand. The courses in insurance for example deal with sophisticated issues (e.g. IBNR estimates, reserving, and accounting standards) of which the understanding is essential for insurance executives. The Muhanna Foundation will continue to offer such courses in the future.

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, University of Jordan, Lebanese American University, and the University of Bahrain.



AL-MASSAR

Not only The Muhanna Foundation is interested in promoting Actuarial and Insurance Education, but also interested in promoting Education at large. Hence, we have launched AL-MASSAR. A program, whose objectives are:

- To raise awareness on the importance of Education.
- To empower all members of the society to contribute to the development of the environment.

The Muhanna Foundation, in collaboration with different partners, organized the following event in 2006.

ACTUARIAL DIPLOMA PROGRAM

11TH ACTUARIAL PROGRAM

July/August, Beirut, Lebanon

Regretfully, the students of the 11th Actuarial Diploma Program could not come back after their 9-month distance learning phase to attend their second four-week residential review and to sit their Examinations. The program had to be postponed for a whole year due to the war on Lebanon in the summer of 2006.

The two students of the 11th Actuarial Program will complete the three-phase program this summer 2007 in Beirut - Lebanon. They are: Mr. Ahmad Hariri from Medgulf, and Mr. Salman Alateeq from General Organization for Social Insurance, both from Saudi-Arabia.



1ST SOCIAL INSURANCE DIPLOMA PROGRAM

NOVEMBER 2006, AMMAN, JORDAN

The first Social Insurance Diploma was offered in its entirety i.e. the 4 modules. Participants were from 6 countries namely, Bahrain, Jordan, Saudi Oman, Qatar, Saudi Arabia & Sudan. 23 participants attended Module 1; while 19 attended Module 2, 17 attended Module 3; & 16 attended Module 4. Only 13 participants received a diploma.

CONFERENCES

PENSION AND SOCIAL INSURANCE FOR CYPRUS AND GREECE

December 5, Nicosia, Cyprus

Development of the Second Retirement Provision Pillar & the Current Public System for Health Care, the General Health Scheme and the Role of the Insurance Industry

The main subject of the conference was the prospects of the growth and development of the second pillar for pension provision in Cyprus taking into account the current retirement system and in particular the level of benefits offered by the Social Insurance Fund. The experience of the United Kingdom as well as other EU countries in implementing a second pillar was also presented in the conference. This session was chaired by Mr. Michalakakis Antoniou, Head, Industrial Relations & Labour Legislation Department, Cyprus Employers & Industrialists Federation. The first speaker was Mr. George M Psaras, Managing Actuary - Social Security and Pensions, i.e. Muhanna & co and the second was Mr. Chris Daykin, The Government Actuary, United Kingdom.



In the second session, the current public health care system was analyzed with reference to the problems and weaknesses faced and the general health scheme as legislated in 2001 was also described. There was, as well, a recommendation for the supplementary role of the insurance industry in health insurance especially after the introduction of the general health system. This session was chaired by Mr Takis Fidia, Head Manager - TLP, Laiki Group. The first speaker was Mr. Panayiotis Yiallourous, Consultant, i.e. Muhanna & co and the second was Ms Andreani Callimachou, Actuary, Cyprialife.

The third session covered subjects related to the governance of funds and in particular to the application of the European Directive 41/2003 on the activities and supervision for occupational retirement provision. In addition, an asset allocation case study was presented, followed by the implementation of such studies by portfolio managers. This session was chaired by Dr Hercules Vladimirov, University of Cyprus. The first speaker was Mr. Marinos Theodosiou, Pensions Actuary, i.e Muhanna & co the 2nd was Mr. Marios Demetriades, Director, Asset Manager, Laiki Investments, the 3rd was Mr. George M Psaras, Managing Actuary, i.e. Muhanna & co.

The event was organized by The Muhanna Foundation in association with The Muhanna & co. Actuarial Services, the UK Government Actuary's Department and Laiki investments. The event was attended by 127 participants from 91 different organizations.

10TH REGIONAL PENSION & SOCIAL INSURANCE CONFERENCE

THE PENSION REFORM "STEP BY STEP"

March 14-15, Manama, Bahrain

The event was organized by The Muhanna Foundation and the Pension Fund Commission under the auspices of H.E. Minister of Finance, Chairman of the Board of the Pension Fund Commission, Sh. Ahmed Bin Mohammed Al Khalifa.



H.E. Rasheed M. Al Maraj, Governor Central Bank of Bahrain opened the conference followed by Mrs. Corazon S. de la Paz, President - International Social Security Association (ISSA); followed by Dr. Yves Guerard, Secretary General - International Actuarial Association (IAA); followed by Mr. Rashid Al Meer, Director General - Pension Fund Commission Kingdom of Bahrain; followed by Dr. Michal Rutkowski, Director - Human Development Sector MENA Region - The World Bank; finally Mr. Ibrahim Muhanna, Chairman, Board of Trustees - The Muhanna Foundation.

The main theme of the conference was: Pension Reform “step by step”. The Conference proudly welcomed 152 participants from 69 different organizations from 23 countries and was addressed by distinguished speakers for the following sessions:

PENSION REFORM FRAMEWORK	
Dr. David Robalino Senior Economist -World Bank	Pensionomics
Mr. Shumeet Banerji Booz / Allen/ Hamilton	Social Insurance - Status quo
Dr. Khalid Al Wazani Former Director General - Social Security Corporation Jordan	Social Insurance in the region - Way Forward
PENSION REFORM ASSESSMENT & DESIGN	
Mr. Chris Daykin Government Actuary - GAD - UK	Reform driven by Actuarial & Financial Results
Mr. George Psaras Managing Actuary, i.e. Muhanna & co.	An actuarial perspective on pension reform in GCC, Yemen and Sudan
Me. Fareed Ghazi Jassim Rafia Member of the Bahraini Parliament	Political Consideration
PENSION REFORM IMPLEMENTATION	
Mr. Oleksiy Sluchynski World Bank	Planning the Implementation of Reform
Mr. Jamal Ahmed Al-Ajaji GOSI - Saudi Arabia	The Experience of the General Organization for Social Insurance (GOSI) in the Kingdom of Saudi Arabia in the field of Legislative reform of the Schemes Rules
Mr. Ziad El Khalid Sales Consulting Manager - ORACLE	Oracle Solution for Pension Funds and Social Insurance
Mrs. Colleen Gorove Senior Communication Officer World Bank Speaker	Necessity of Communication for Successful Reform
PENSION REFORM CASE STUDIES	
Mr. Saleh Al Araiimi Director General - Public Authority for Social Insurance - Oman	The Social Insurance Reform Experience in Oman
Dr. Yves Guerard Secretary General - IAA	Indonesia
Dr. Hisham Tawfic Advisor to Minister of Finance - Egypt	Egypt
Dr. Michal Rutkowski Director - World Bank	Lessons from the Pension Reform in Poland
Dr. Zakaria Sultan Director / Social Insurance Research	Legal Issues while Assessing Pension Reform
SPECIAL TOPICS	
Dr. Yves Guerard Secretary General - IAA	Financing Post-Retirement Health Care & Global Trends
Dr. Bayan Harb General manager - Agency for Combating Unemployment	Unemployment Insurance
Mr. Rishi Kapoor Chief Financial Officer - Investcorp	Superior risk-adjusted returns through alternative Investments
Dr. Curtis Huntington Director - University of Michigan	Portability Issues

SEMINARS

REGIONAL ACTUARIAL MEETING

March 15, Manama, Bahrain

As part of its continuous efforts to promote actuarial education in the developing countries and Arab countries in particular, The Muhanna Foundation held an "Actuarial Meeting" in Bahrain in parallel with the 10th Regional Pension & Social Insurance Conference.

This actuarial meeting was meant to be a platform for gathering actuaries and discuss subjects of interest to the profession. Dr. Yves Guerard, Secretary General of the International Actuarial Association (IAA) spoke on Professionalism in Actuarial Practice. Dr. Curtis Huntington, Director of the Actuarial Program at the University of Michigan spoke on The IAA's vision on qualification. Mr. Ibrahim Muhanna, Chairman of the Board of Trustees of The Muhanna Foundation led the discussions and explained practical local issues.

We expect to hold such meetings at least annually in conjunction with the Foundation's Annual Regional Pension & Social Insurance Conference.



WORKSHOPS

FINANCIAL STRENGTH RATINGS FOR INSURANCE COMPANIES

November 7, Khartoum, Sudan

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 Sudan Insurance Supervision Authority 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.



TECHNICAL PENSION WORKSHOP IN GREEK

EFFICIENT ADMINISTRATION, MANAGEMENT AND AUDIT OF PENSION AND PROVIDENT FUNDS

February, 16 - 17 & July 6 - 7, 2006. Nicosia, Cyprus

The two educational seminars organized in 2006 were addressed to people working in pension and provident funds and in particular in the administration, management and audit of funds.

The first day of the seminar aimed to give an introduction to the Cyprus pension system. The proper administration and management of pension and provident funds was presented with the use of a practical case study. A typical actuarial valuation report was also presented followed by the problems encountered by pension plans.

The following staff from i.e. Muhanna & co covered different issues:

- Mr. George M. Psaras, - Introduction to Pension Benefits in Cyprus (Social Security, Pension Funds, Provident Funds simple and with guarantees)
- Mrs. Phani Lagou - Administration of members' data (sources of data, checks & consistency)
- Ms Tassia Tsikkinis - Use of data (actuarial assumptions);
- Ms Tassia Tsikkinis - Case Study: "Practical analysis of data by participants"
- Mr. George M. Psaras - Actuarial Valuation: Contents, understanding and application
- Mr. Marinos Theodosiou - Problems currently encountered by pension plans

The second day was dedicated to accounting and audit of pension and provident funds. The financial statements of pension and provident funds were analyzed and explained. This was followed by the presentation for the review and practical implementation of the International Accounting Standards 19 and 26.

The following subjects were covered by Mr. Andreas Shiakas Director of Audit Office of Cooperative Societies as well as some staff from i.e. Muhanna & co:

- Accounts of Pension Funds and Provident Funds (simple and with guarantees): Contents, understanding and audit
- Accounting Standards 19 and 26: Explanation and Practical Application
- Comparison of benefits offered by different pension plans: Pension Funds, Provident Funds and Social Insurance with the use of a model (individual examples)
- Current situation of the Cyprus Pension System: Viability

AL-MASSAR



The Muhanna Foundation endeavors to work towards a society that values its citizens and gives them the means and opportunities to participate fully and without discrimination, regardless of gender, faith, or political affiliation.

Accordingly, the Foundation has been broadening its scope of activities with the aim of promoting education at large, primarily to combat student dropout rates and encourage academic excellence.

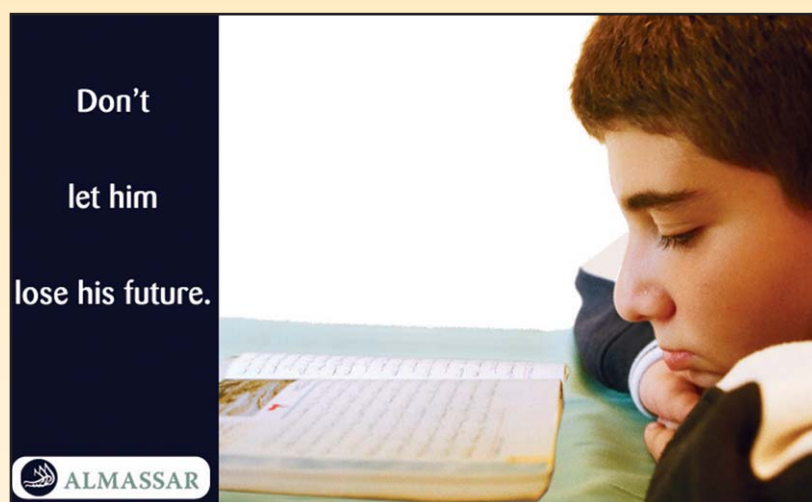
As a direct response to the devastating consequences of the summer 2006 war on Lebanon, The Muhanna Foundation is establishing a nationwide educational incentive program for the youth of Lebanon.

AL-MASSAR seeks to promote the education of the youth of Lebanon and raise awareness among all members of the society of the importance of education in broadening one's horizons. Our objective is to empower members of society to contribute to the development of their environment and nature.

The underlying purpose of the Program is to realize economic and social prosperity in Lebanon through the education of young minds.

Specifically speaking, AL-MASSAR aims to:

- Reduce the dropout rates of students primarily at the intermediary and the secondary level by 50%.
- Reduce failure rates and promote the development, improvement, and excellence of those youth.
- Assist and encourage youth in need to pursue their formal and vocational education



AWARDS AND SCHOLARSHIPS

The Muhanna Mathematics Award of Excellence was offered to the following students as part of the continuous support of The Muhanna Foundation to excellence in the field of mathematics and/or actuarial sciences.

Ms. Nagham Sayour	American University of Beirut	June 23, 2006
Ms. Iman Itani	American University of Beirut	June 23, 2006

EVENTS SINCE THE CREATION OF THE FOUNDATION

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

ACTUARIAL DIPLOMA PROGRAM

Summer 2004-5 the 10th ADP;
 Summer 2003-4 the 9th ADP;
 Summer 2002-3 the 8th ADP;
 Summer 2001-2 the 7th ADP;
 Summer 2000-1 the 6th ADP;
 Summer 1999-2000 the 5th ADP;
 Summer 1998 the 4th ADP;
 Summer 1997 the 3rd ADP;
 Summer 1996 the 2nd ADP
 Year 1994 (full year) 1st ADP



SOCIAL INSURANCE DIPLOMA PROGRAM

The program was held in Amman, from the 5th till the 30th of November, 2006.

CONFERENCES

CYPRUS REGIONAL CONFERENCE

4th Cyprus Regional Conference - 2006; 3rd Cyprus Regional Conference - 2005;
 2nd Cyprus Regional Conference - 2004; 1st Cyprus Regional Conference - 2003

REGIONAL PENSION & SOCIAL INSURANCE CONFERENCE

In 2006 the 10th Conference was held in Manama; In 2005, the 9th Conference was held in Beirut;
 In 2004, the 8th Conference was held in Abu Dhabi; In 2003, the 7th Conference was held in Beirut;
 In 2002, the 6th Conference was held in Nicosia; In 2001, the 5th Conference was held in Muscat;
 In 2000, the 4th Conference was held in Manama; In 1999, the 3rd Conference was held in Nicosia;
 In 1998, the 2nd Conference was held in Nicosia, In 1993, the 1st Conference was held in Nicosia.

IN 2004, WE ALSO HELD THE 1ST REGIONAL CONFERENCE FOR INSURANCE EXECUTIVES (MERGERS & ACQUISITIONS)

SEMINARS

2006, March 15	Regional Actuarial Meeting - Manama
2005, December 2	The Role of the Actuary in the Economy - Istanbul
2003, December 15	International Accounting Standards - Muscat
2001, November 26	2nd Regional Seminar on the Role of the Actuary in the Economy - Beirut
2000, May 24	1st Regional Seminar on the Role of the Actuary in the Economy - Amman
1997, October	Insurance Supervision - Beirut
1996, September 13	On the Board of Directors of a Life Insurance Company - Nicosia
1994, 23 - 25	Insurance Supervision and Regulation - Nicosia

WORKSHOPS



2006, February 16 - 17	Technical Pension Workshop in Greek - Nicosia
2005, Nov. 14 - 18	Retirement Benefits Technical Workshop - Beirut
2005, November 9	Financial Strength Ratings for Insurance Companies - Amman
2005, October 13	Financial Strength Ratings for Insurance Companies - Beirut
2005, August 10 - 19	Retirement Benefits Technical Workshop - Beirut
2005, August 4 - 5	Financial Strength Ratings for Insurance Companies - Beirut
2004, February 19	3rd Compliance with Lebanese Insurance Regulation - Beirut
2004, January 28	2nd Compliance with Lebanese Insurance Regulation - Beirut
2004, January 27	1st Compliance with Lebanese Insurance Regulation - Beirut
2002, August	Workshop on Professionalism - Beirut
2001, June 22 - July 3	Second Insurance Supervisors' Workshop - Riyadh
1998, December 9-11	First Insurance Supervisors' Workshop - Nicosia

COURSES

2004, Nov. 22 - Dec. 15	1st Insurance Training Course for Saudi Nationals - Riyadh
2004, December 4 - 5	5th Intensive Insurance Course for Executives - Riyadh
2004, Sept. 28 - 29	4th Intensive Insurance Course for Executives - Riyadh
2003, December 2 - 3	3rd Intensive Insurance Course for Executives - Beirut
2003, Sept. 16 - 17	2nd Intensive Insurance Course for Executives - Beirut
2003, May 27 - 29	1st Intensive Insurance Course for Executives - Beirut

AWARDS AND SCHOLARSHIPS

THE MUHANNA FOUNDATION AWARD OF MERIT:

Mr. Jamil M. Hajjar Arab Insurance Industry (since 1958) May 13, 2004

THE MUHANNA MATHEMATICS AWARD OF EXCELLENCE

At the American University of Beirut

Ms. Nagham Sayour & Ms. Iman Itani - 2006; Ms. Dina Shibl & Ms. Layan El Hajj - 2005; Ms. Sara Abu Diab - 2004; Ms. Rayya Younes - 2003; Mr. Francois Noujaim - 2003; Mr. Mahmoud Abbas Hammoud - 2002; Ms. Leila Issa - 2001; Ms. Ola Mneimneh - 2000; Mr. Hadi Maktabi - 2000; Ms. Monique Azar - 1998; Mr. Sami Ibrahim Shbaro - 1994; Ms. Natalie Kondourojian - 1993; Mr. Mazen Nabih Bu Khuzam - 1993

At the University of Jordan

Ms. Areej Houssein Mohamad Mohamad - 2005; Ms. May Waleed Hashem Al Saeed - 2005; Mr. Khaled Daasan - 2003; Ms. Alia A. Barkan - 2002; Mr. Feras Yousif Nakhle - 2000.

FINANCIAL POSITION FOR THE YEAR 2006, ENDED 31 DECEMBER**STATEMENT OF SOURCES AND USES OF FUNDS**

<i>(All Figures in USD)</i>	2006	2005
SOURCES OF FUNDS		
Donors	9,495	7,000
Conferences, Diplomas and Seminars	237,559	151,271
Other sources	7,970	45
Total Sources of Funds	255,024	158,316
USES OF FUNDS		
Administrative Expenses	53,206	45,607
Conferences, Diplomas and Seminars	199,918	112,312
Total Uses of Funds	253,124	157,919
NET SURPLUS/(DEFICIT) FOR THE YEAR	1,900	397

BALANCE SHEET

<i>(All Figures in USD)</i>	2006	2005
ASSETS		
NON-CURRENT ASSETS		
Fixed assets	82,230	2,654
Total non-current assets	82,230	2,654
CURRENT ASSETS		
Debtors	18,679	18,924
Cash at bank and in hand	1,706	1,034
Total current assets	20,385	19,958
TOTAL ASSETS	102,615	22,612
LIABILITIES AND EQUITIES		
CURRENT LIABILITIES		
Creditors	92,505	14,402
Total liabilities	92,505	14,402
Total Equity	10,110	8,210
TOTAL LIABILITIES AND EQUITY	102,615	22,612

* Full audited Financial Statement is available on our website; www.muhanha.org

DONOR BENEFITS

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.

For The Muhanna Foundation, the financial support of our members is an invaluable resource. It allows us to pursue what we believe are the critical issues. Only an institution such as The Muhanna Foundation in the Arab World can take on topics ranging from actuarial education, demographic changes and social security reform to strategies in the insurance industry. The financial support of our members makes this work possible.

Sponsors are listed on all the event's promotional materials and in prominent marketing locations. Sponsors also have the benefit of sending a member of their organization to the event that they are sponsoring (conference, summer session, etc.)

The Foundation events include conferences, seminars, workshops, Actuarial Diploma Program, and Social Insurance Diploma Program.



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