2021-H1

UAE LISTED INSURANCE COMPANIES PERFORMANCE ANALYSIS FOR HALF YEAR ENDED 2021

August 24, 2021

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The **award** is a reflection of the trust and loyalty of our esteemed clients, and the hard work and dedication of all our people at Badri.
Apart from excellence in core actuarial services, Badri has raised the bar in providing industry insights with market specific reports, trainings, newsletters, and data analytics with an aim to benefit the insurance industry at large.

Thank you Middle East Insurance Review and the judges for acknowledging all the efforts put in behind the scenes.

ABOUT BADRI MANAGEMENT CONSULTANCY

Badri Management Consultancy is the fastest growing Actuarial Consulting Firm in the Middle East, recognized for its collaborative approach to working with its clients as Profit Optimizing Partners. We are serving as Appointed Actuary for over 20 companies in the GCC. In addition, we are providing other services including IFRS17 Implementations, Development of ERM Framework, Specialized services for Medical Insurance and TPAs, Business Intelligence solutions and End of Service Benefits Valuations.

BADRI

Vision

Solution architects strengthening our partners to optimize performance

MISSION

We help our clients be the best version of themselves by fostering partnerships, challenging norms and providing cutting edge solutions. We inspire our people to constantly evolve and chase excellence with integrity in a diverse, exciting and growth-oriented culture.

Core Values

Integrity Chasing Excellency

We uphold the highest standards of integrity in all of our actions by being professional, transparent and independent.

Chasing Excellence

Through our empowered teams, we raise the bar by challenging norms to provide cutting edge solutions to our partners.

Fostering Partnerships

We foster our partnerships with all our stakeholders through collaboration, empathy and adaptability.

Breeding Excitement

We value our people and create an exciting environment for them to develop.

Growth-Centric

We believe in creating a vibrant culture through continuous personal and professional growth of our people, while also growing the business.

Content

OVERVIEW OF 2021-H1

AED 15 Billion

(AED 14 Billion in 2020-H1)

Gross Premiums Written

Gross premiums estimated for the listed insurance companies for 2020-H1.

40%

(41% in 2020-H1)

Retention ratio

The weighted average retention ratio.

AED 1.1 Billion

(AED 952 Million in 2020-H1)

Profit

Estimated profits by Listed Companies.

61%

(56% in 2020-H1)

Loss Ratio

Weighted Average loss ratio recorded.

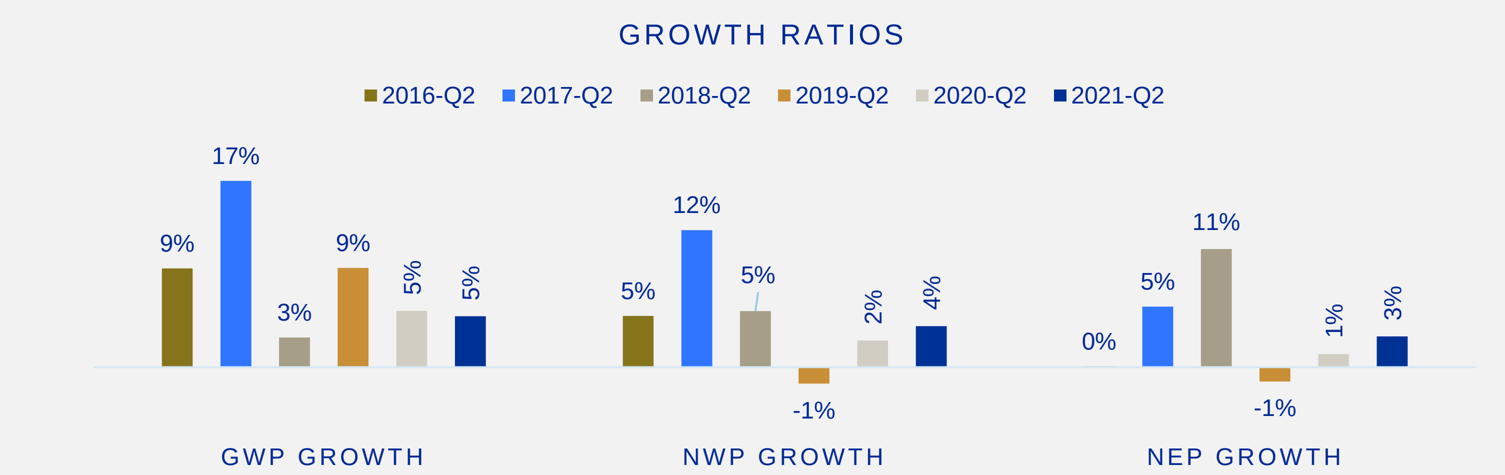
12%

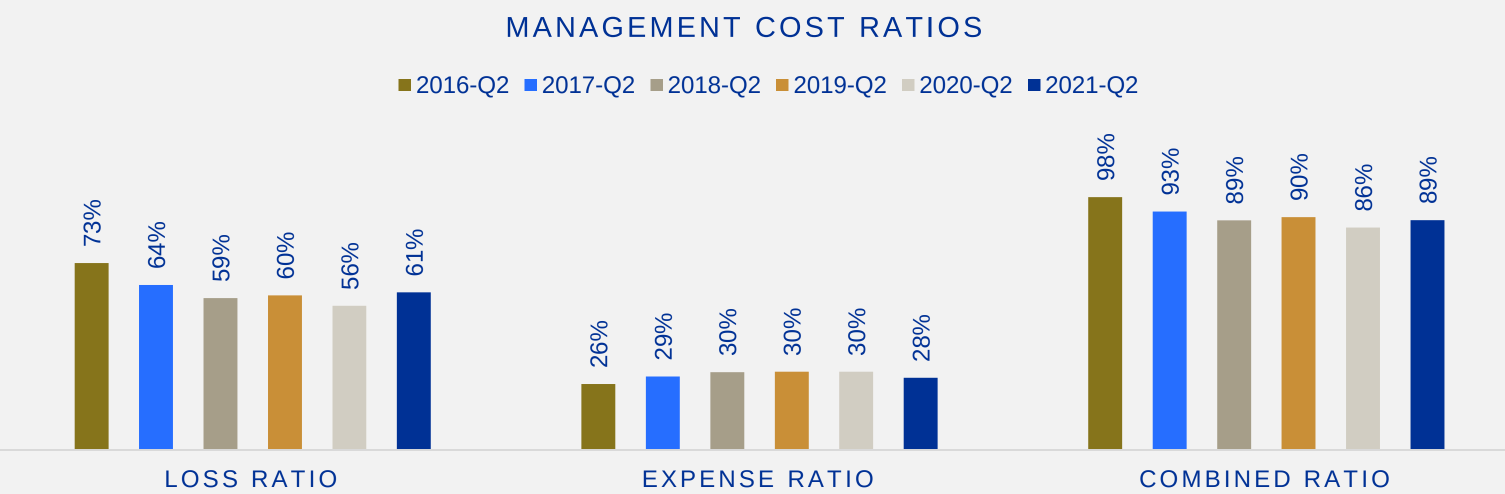
(09% in 2020-H1)

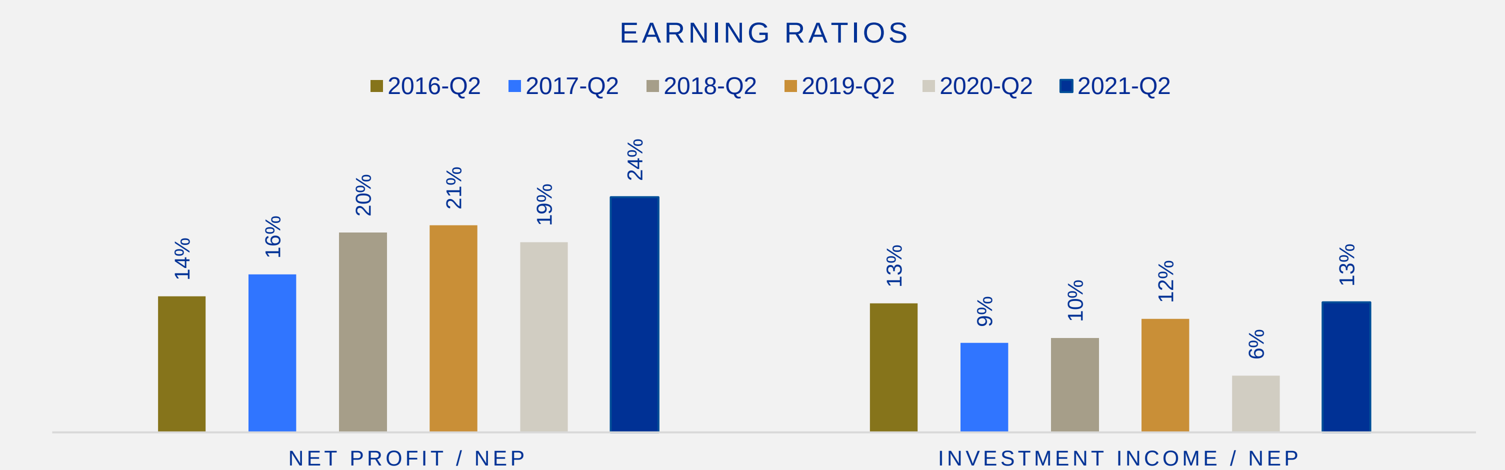
Return on Equity

Weighted average return on equity by Listed Companies.

PERFORMANCE RATIOS

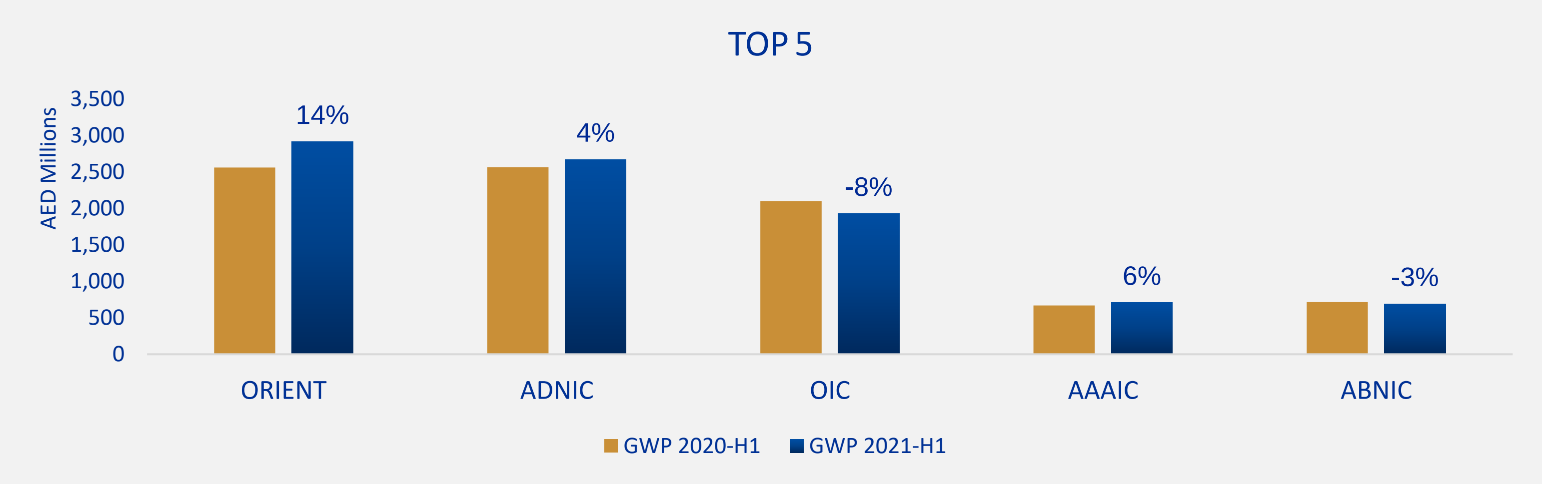






After the easing of Covid restrictions in the emirates post the lockdown observed in Q2-2020, things are getting back to normal. The insurance industry is also getting back to its usual trends as can be observed in the above graphs. As the topline observed a growth of 5%; the loss and combined ratios turns out to be 61% and 89% respectively, while on the other hand, the return on investments have also increased.

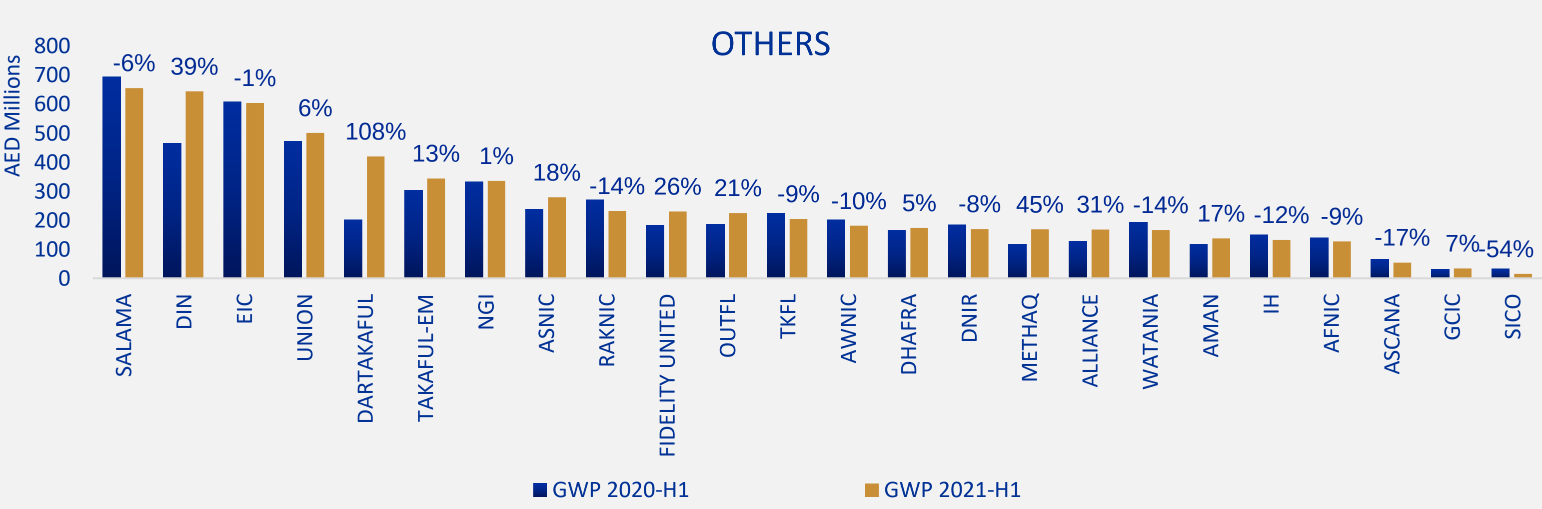
GROSS WRITTEN PREMIUMS



During March 2021, ORIENT obtained controlling interest of OUTFL and has since started reporting the group's consolidated numbers. Since acquisition, OUTFL contributed AED 155.55 million of GWP to ORIENT's financials. The gross premium written by the listed companies in the first six months of 2021 amounted to AED 14.97 billion. This reflects a growth of 5% in 2021-H1 when compared with the premium of amount AED 14.31 of the corresponding period in last year. The industry numbers are adjusted for duplicate reporting of OUTFL's topline.

ORIENT's growth of 14% would drop to 8% if we exclude the premiums received from OUTFL. Nevertheless, ORIENT has still secured the top position in terms of GWP even when OUTFL contribution is excluded, while AAAIC made it in the Top 5 replacing SALAMA from 2020-H1.

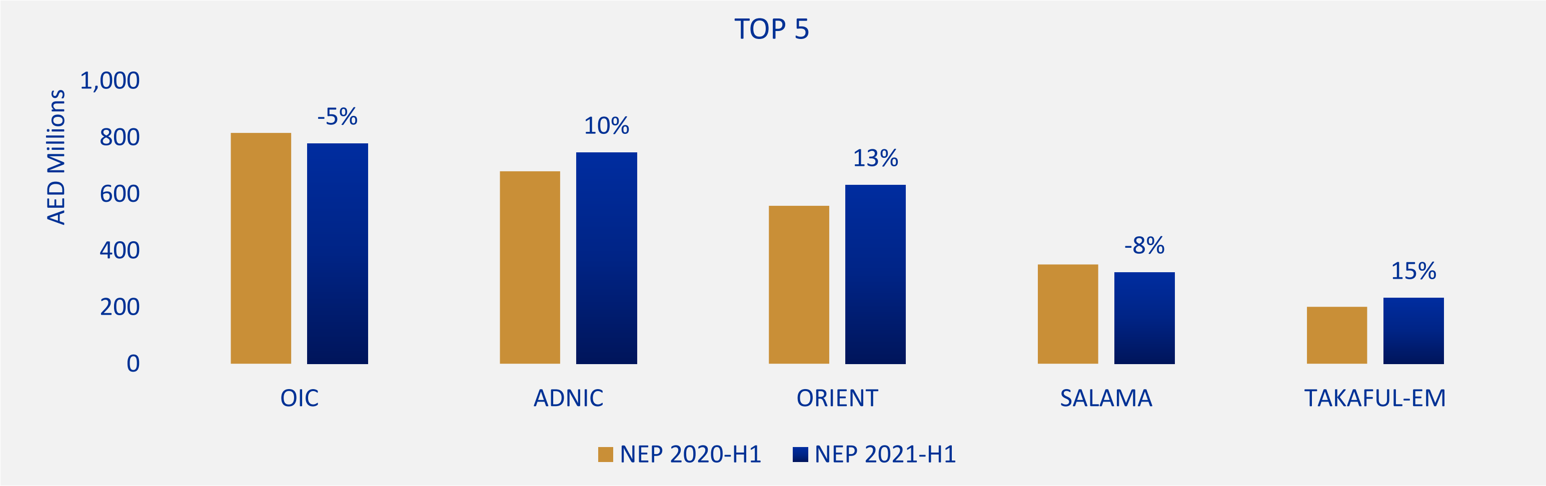
The top 5 companies contributed AED 8.92 billion in the insurance market in 2021-H1. This share was AED 8.61 billion in 2020-H1. Their market share, however, dropped marginally from 60% to 59% as of 2021-H1.



DAR TAKAFUL recorded the highest growth in 2021-H1 having 108% of growth from 2020-H1 whereas the biggest decline in business was reflected by SICO; a decrease from AED 32.8 million (2020-H1) to AED 15.2 (2021-H1); a drop of 54%.

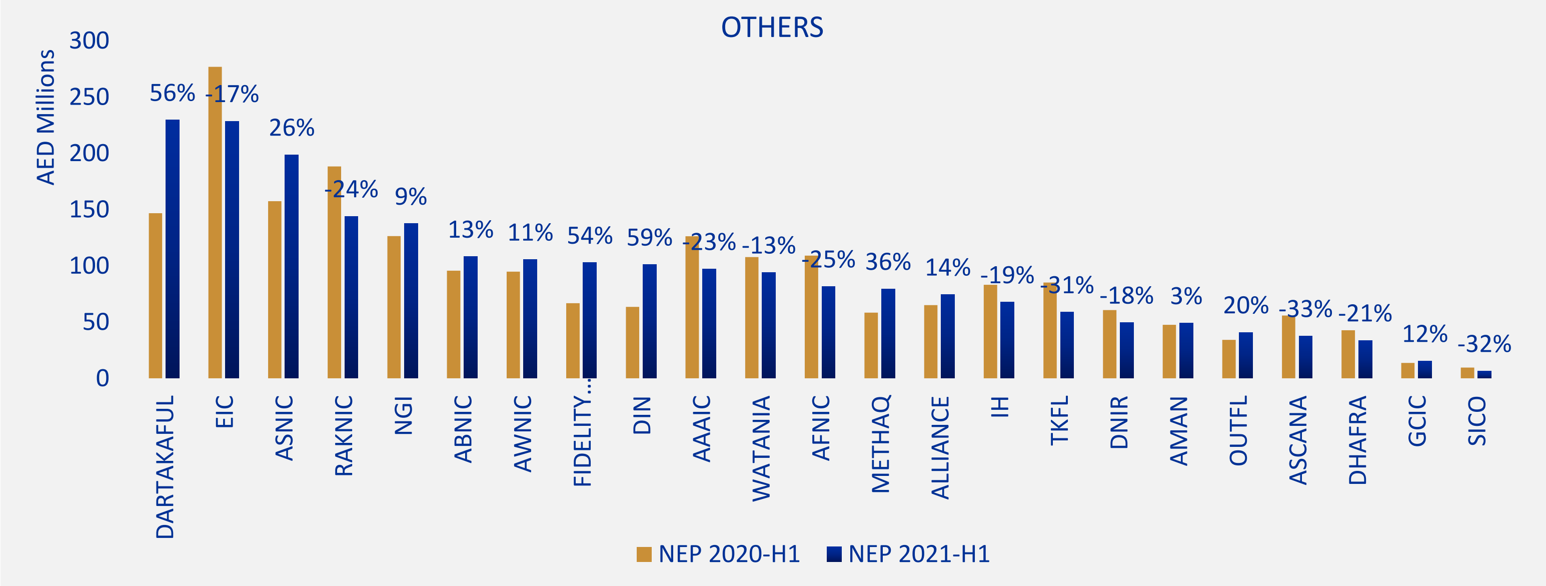
Overall, out of the 29 listed Companies included in this analysis, about 16 displayed an increase in their topline while the remaining experienced a decrease.

NET EARNED PREMIUMS



In the first six months of 2021, about AED 4.9 billion of the total Net Premiums have been Earned by the insurance companies in the Emirates, hence, portraying an increase of 3% from NEP of AED 4.7 billion in 2020-H1. This does not include the figures for Union due to unavailability of complete financials at the time of publishing this report.

The top 5 companies amounted to AED 2.7 billion of Net Earned Premiums, reflecting a market share of 56% in 2021-H1. This share has increased by 1% when compared with 2020-H1 net earned premium of the top 5 companies.

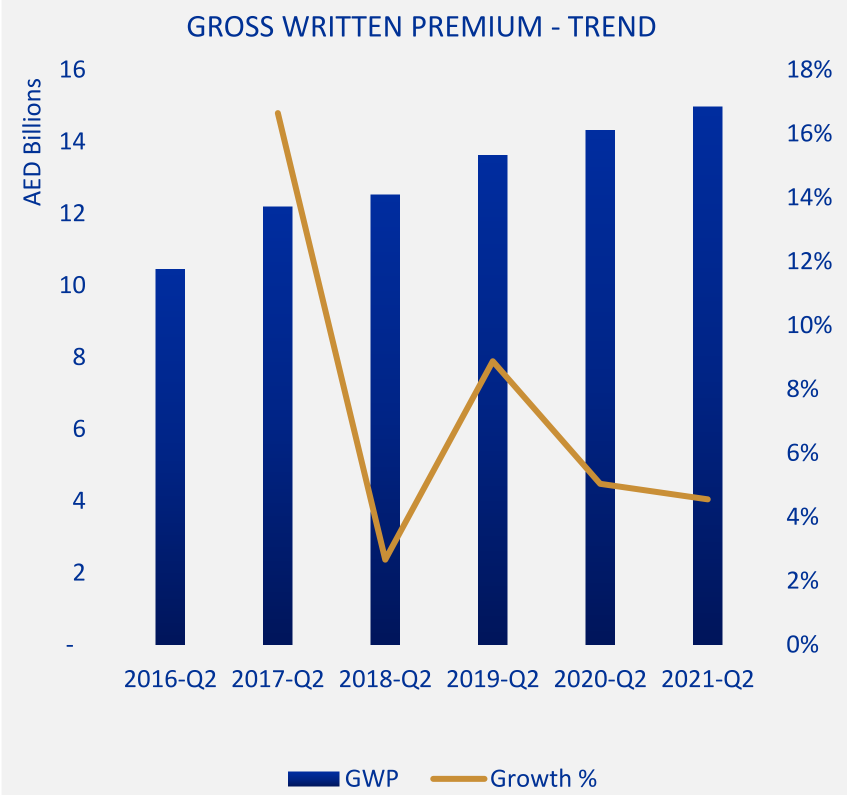


As portrayed above, DIN experienced tremendous growth of about 59% in the first half of 2021 while the biggest decline in net earned premiums was exhibited by ASCANA of 33% when compared with the corresponding period of 2020.

PREMIUMS TREND

The gross written premium of the insurance companies in the emirates portrayed a mixed trend in growth. Nonetheless, 2021-H1 observed an increase of 5%.

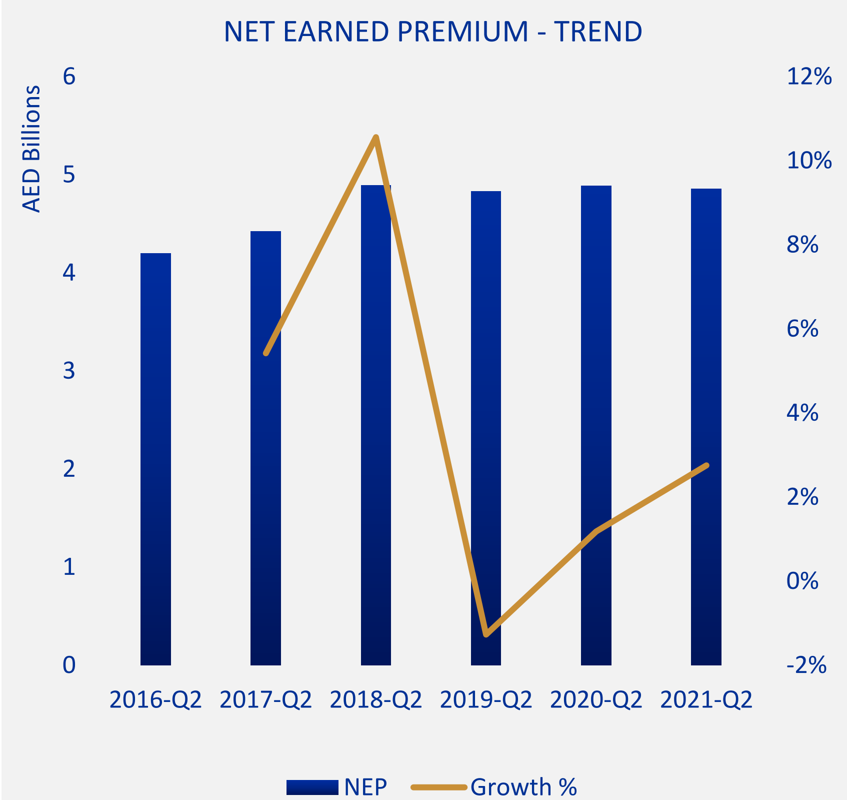
The highest growth was witnessed in 2017-Q2 after CBUAE (formerly, Insurance Authority) imposed minimum tariffs for Motor LOB that were materially higher than the existing rates and new benefits for the Industry.



The historical performance of Net Earned Premiums have exhibited identical trends to that of gross written premiums for similar reasons, albeit with a year lag as business is earned over the next one year for the short-term business, that makes up majority of the industry premium of UAE market.

Therefore, the significant growth of GWP in 2017-Q2 is reflected in both, 2017-Q2 and 2018-Q2 financial years for net earned premiums.

Growth of 3% in Net earned premium can be witnessed when compared to the first half of 2020.



CONVENTIONAL VS TAKAFUL

Out of 30 listed insurance companies, 9 operate as Takaful Insurers in the UAE market.

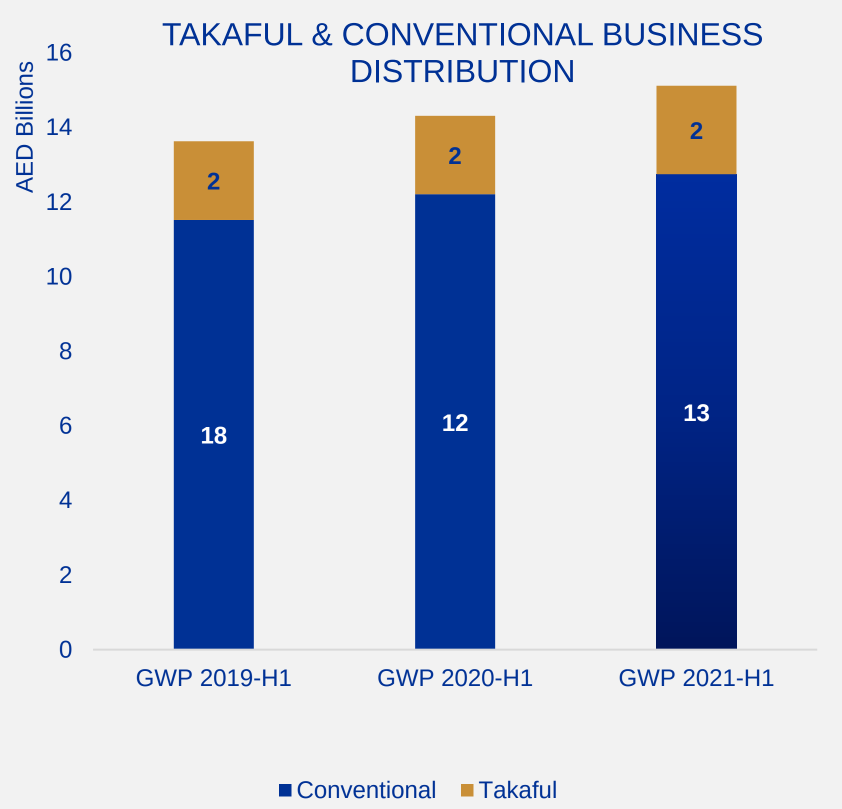
In 2021-H1, Takaful companies contributed 16% of the total business written by the insurance companies in UAE.

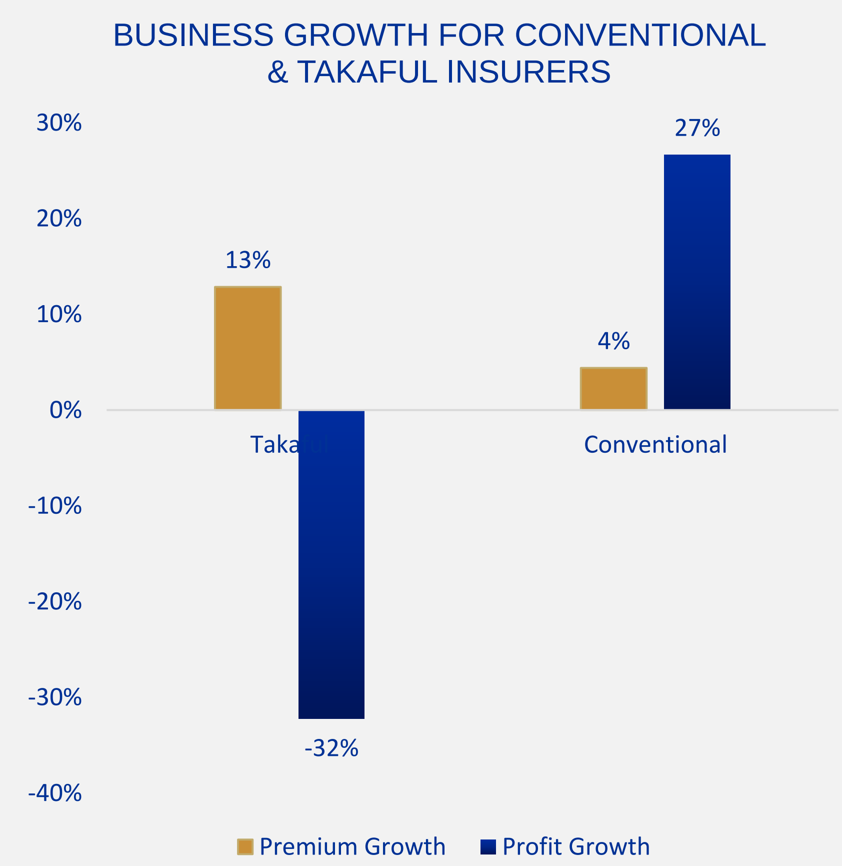
The premium for the Takaful insurers has increased up to AED 2.4 billion in 2021-H1 (2020-H1: AED 2.1 billion).

For Conventional Insurers, the GWP growth is recorded to be 4% in the first half of 2021 (6% in 2020-H1) while the profit growth has significantly increased to 27% as compared to the negative growth of 8% recorded in the first half of 2020.

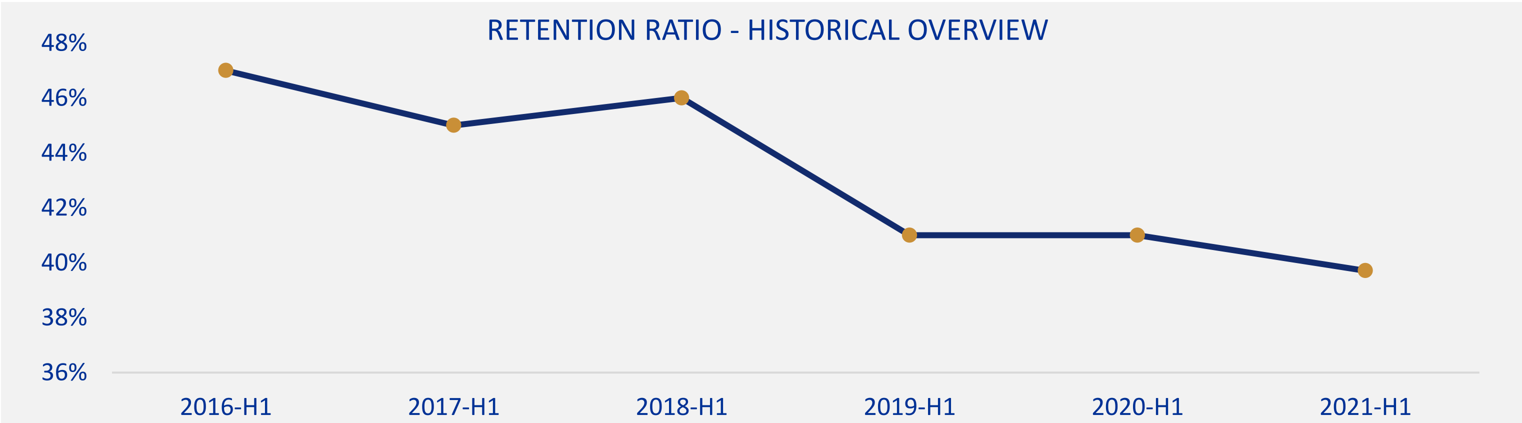
The consolidated profits for Takaful Insurers reflected a massive drop of negative 32% in 2021-H1 when compared with 2020-H1. Only 3 out of 9 Takaful insurers demonstrated growth in their profits.

It is noteworthy that 4 out of 9 Takaful insurers faced a decline in their topline. Apart from METHAQ and TAKAFUL-EM, all Takaful companies have generated profits in 2021-H1.



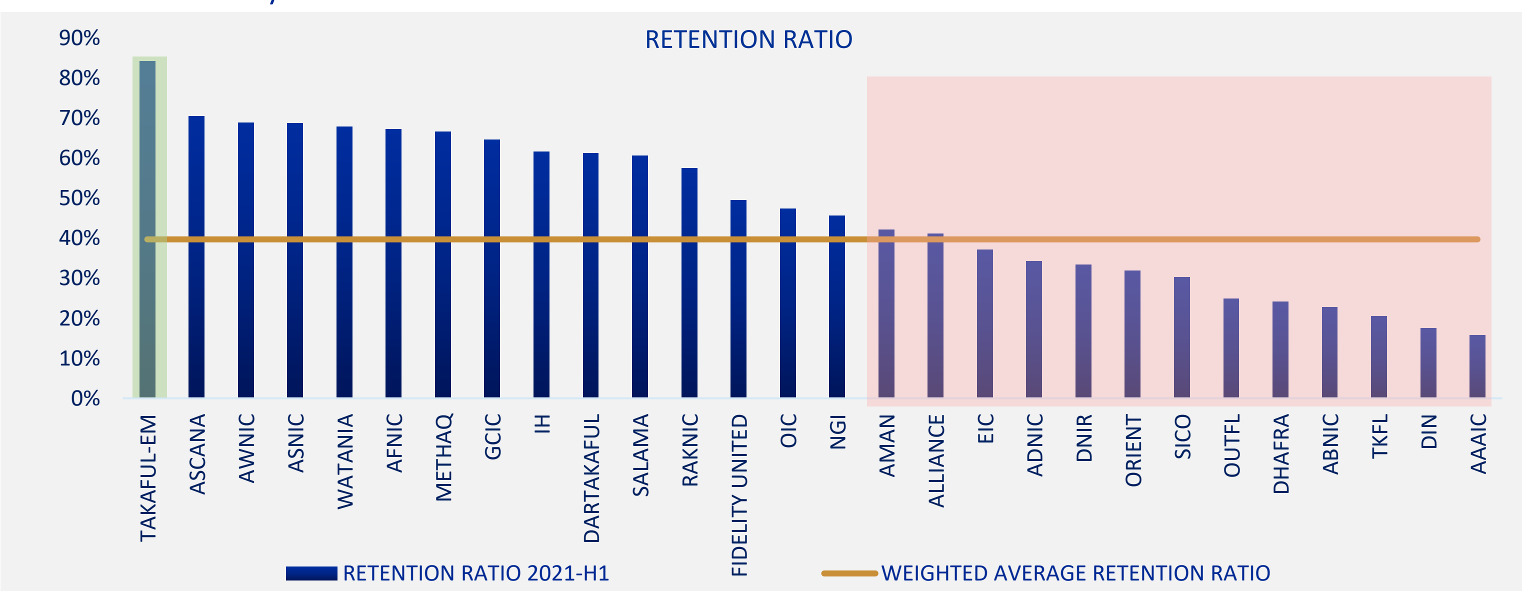


RETENTION RATIO



The reducing trend of the retention ratios over the years continues with the ratio dropping to 40% from 41% at 2020-H1. This represents that in the Emirates, the insurers are ceding increasing portions of their business to the reinsurers.

The highest retention was displayed by TAKAFUL-EM; retaining 84% of their business while the lowest retention of 13% is reflected by AAAIC.



As per the CBUAE benchmark, the recommended range for retention ratio is over 75%. whereas reasonable range is 45%-75%. The red zone reflects the companies falling in critical range which is below 45%.

Although there may be exceptions, Retention ratios are generally reflective of the lines of business being underwritten; Motor and Medical generally tend to have high retention ratios, while commercial lines such as Aviation, Engineering and Fire tend to have lower retentions. Also, since this analysis does not segregate life and non-life business, the companies writing higher volumes of life, especially IL and PA, would also tend to show higher retention levels.

❖ *The retention ratio is calculated as a ratio of net written premiums to gross written premium.*

PROFIT BEFORE TAX - TREND

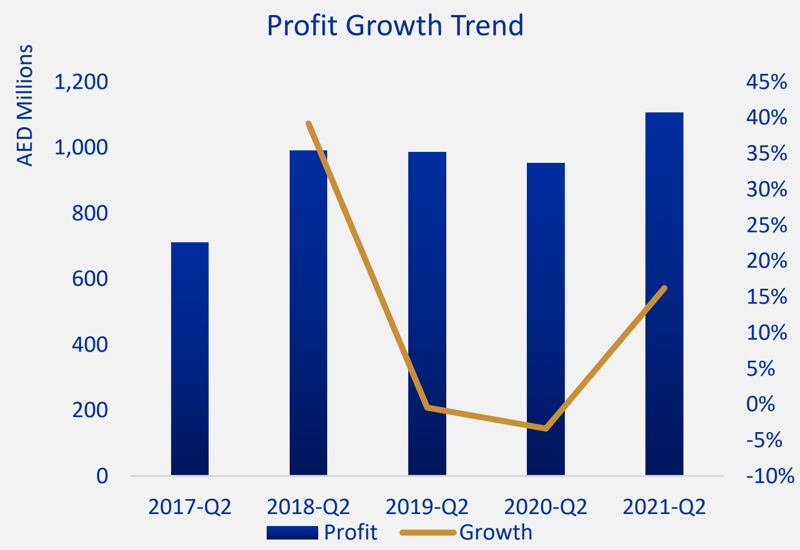
The companies in the Emirates experienced a growth of about 16% in profits in the first half of 2021. The dip in 2020-Q2 reflects the impact of COVID-19 on the companies.

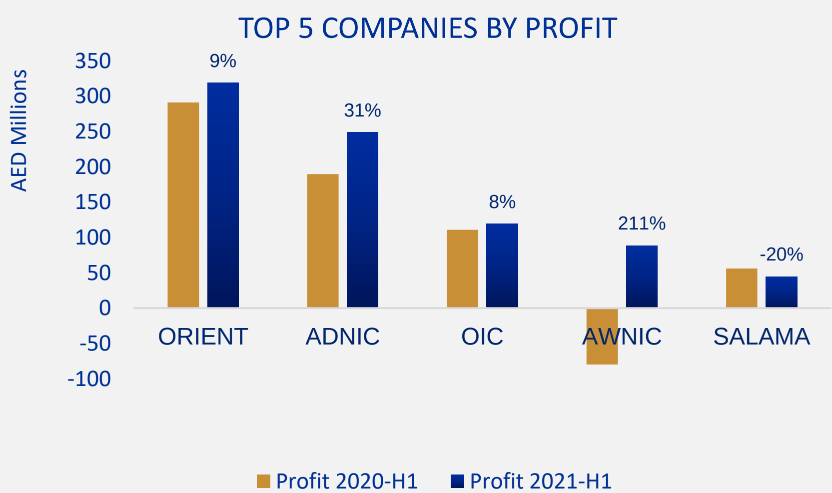
ORIENT maintained its top rank in terms of recording the highest profits consecutively for 5 years with profits amounting to AED 319 million in 2021-H1, an increase of 9% from 2020-H1 (AED 291 million).

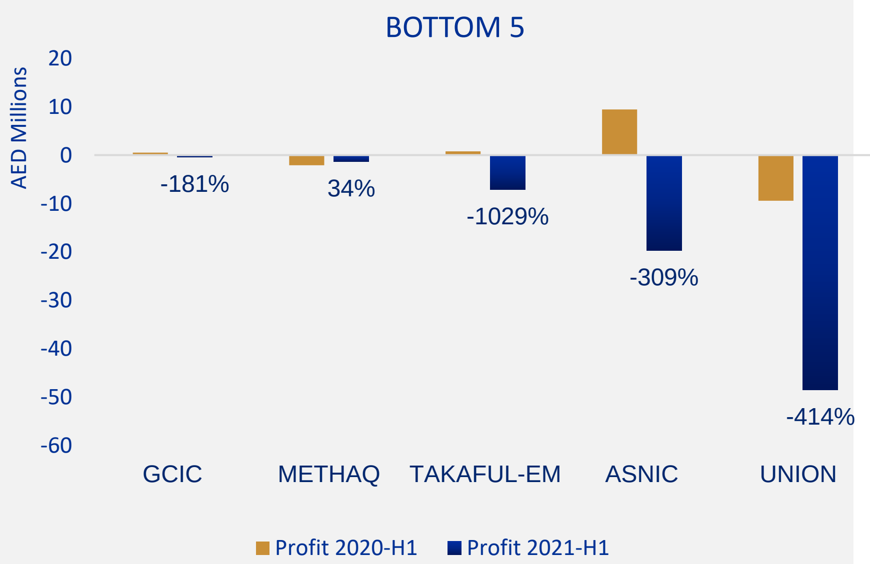
74% of the insurance market's profit share is being generated from the TOP 5 companies having a combined profit of AED 820 million in the first half of 2021.

AWNIC has shown an extraordinary comeback, improving from the last position in 2020-H1 to the 4th position in 2021-H1 with profit amounting to AED 88 million in the first half of 2021 from posting a loss of AED 80 million in the corresponding period of 2020.

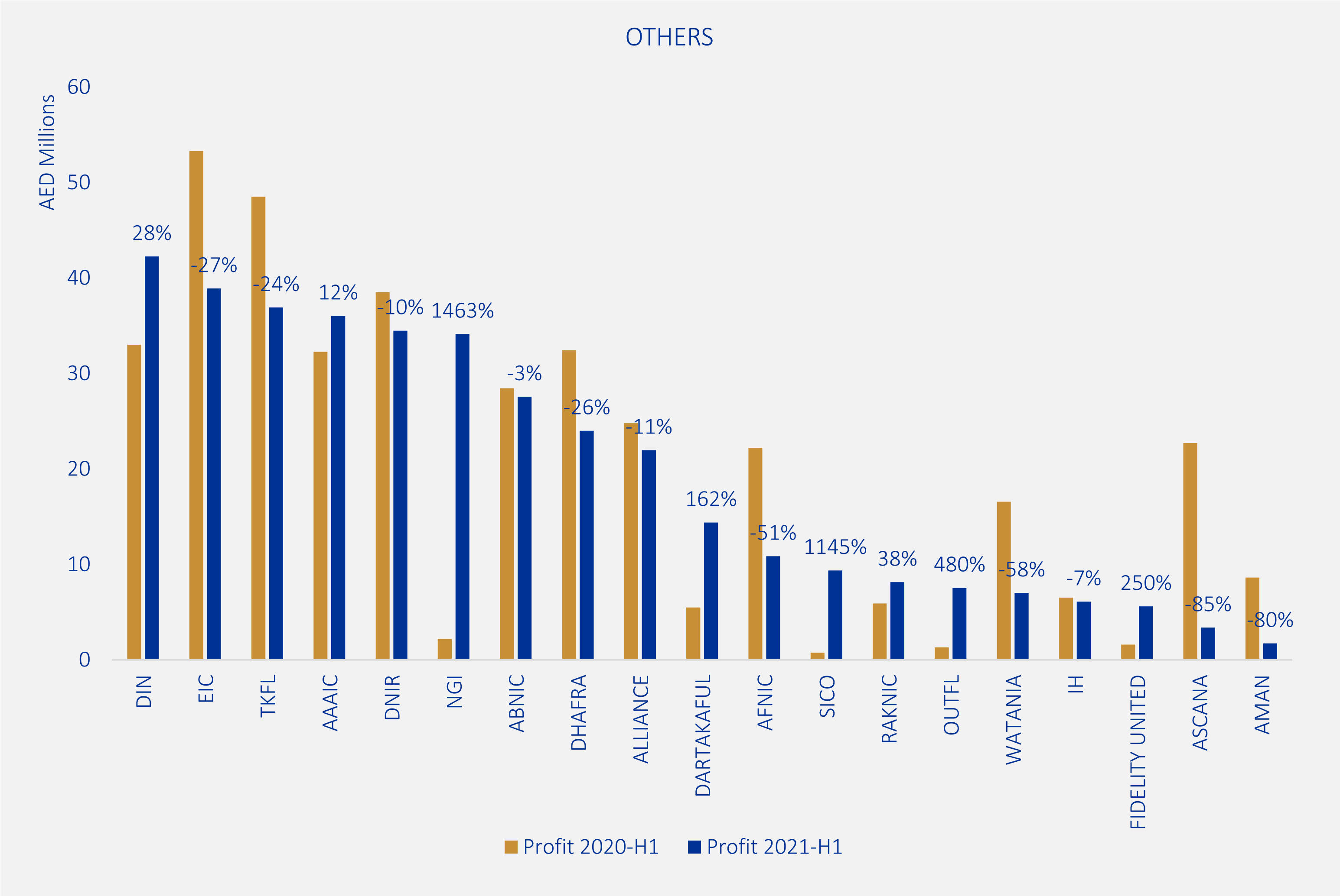
UNION observed a significant loss in 2021-H1 due to a provision of AED 72.3 million created against investment properties to recognize the possibility of a loss. Nonetheless, If we exclude UNION from this analysis, the profit growth elevates to 21% from 17%.







PROFIT BEFORE TAX



Similar to adjustment made for GWP, the total profits by the listed companies were also adjusted for duplicate reporting of OUTFL's profit since acquisition of controlling interest by ORIENT. In the first half of 2021, listed companies have experienced a growth of 16%, accumulating to AED 1.1 billion when compared with AED 952 millions of restated profits for the period 2020-H1.

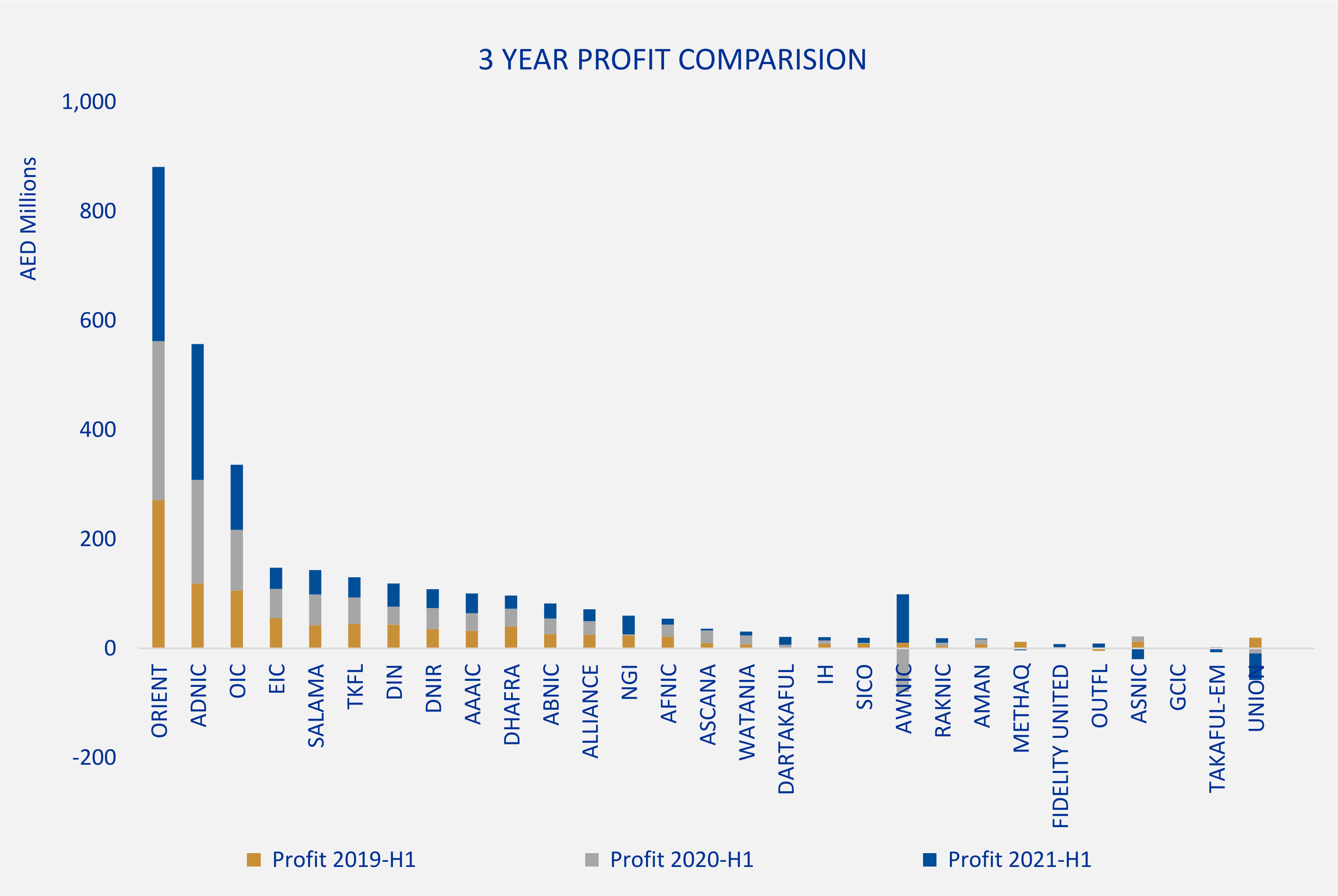
The highest growth of 1463% in profits was recorded by NGI, with profits amounting to AED 34 million in 2021-H1 from AED 2 millions of profit in 2020-H1. On the contrary, the biggest decline for the period was witnessed by TAKAFUL-EM of negative 1029%.

In 2021-H1, TAKAFUL-EM restated its financials for 2020-Q2 that increased its profit.

5 out of 29 companies recorded a loss in the first half of 2021; where only AWNIC was able to generate profit in 2021-H1 after posing losses in 2020-H1. Overall, 13 companies witnessed a growth in their profits out of the 29 companies included in this analysis.

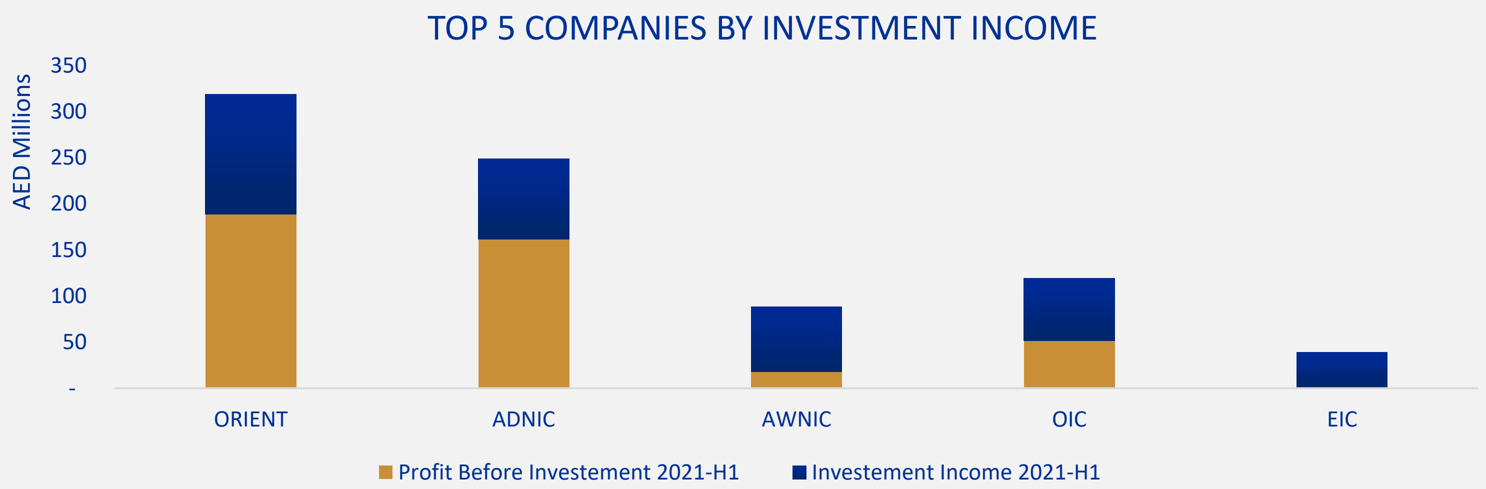
For Takaful companies, we have consolidated the Policyholders and Shareholders profit/loss for comparative purposes.

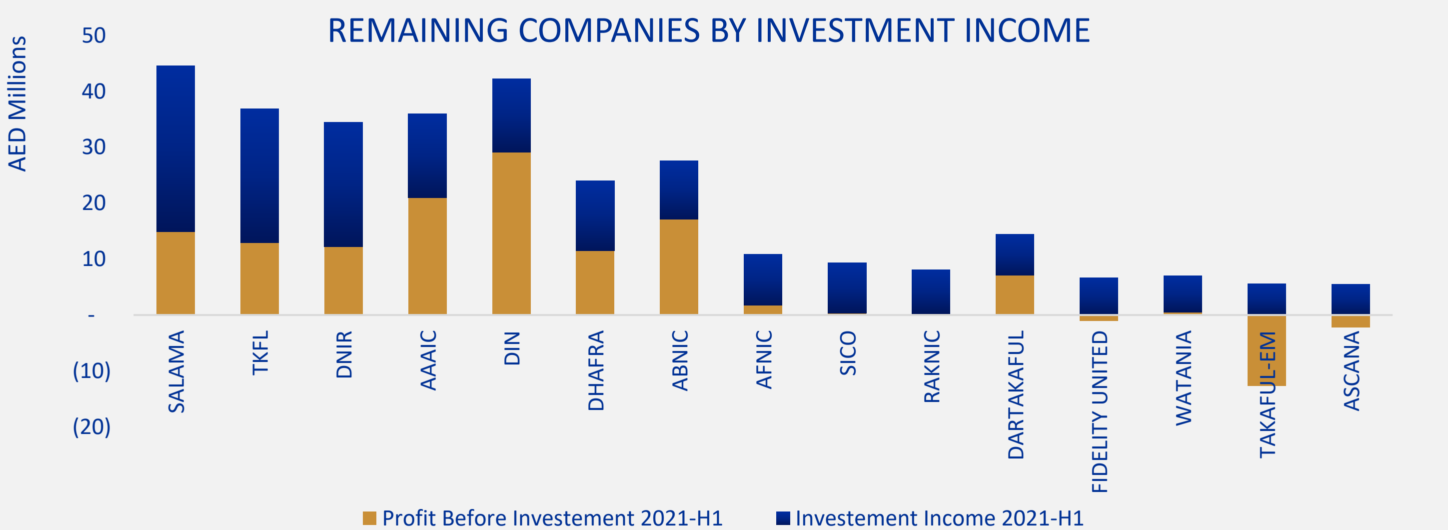
PROFIT BEFORE TAX – 3 YEARS TREND FOR LISTED COMPANIES

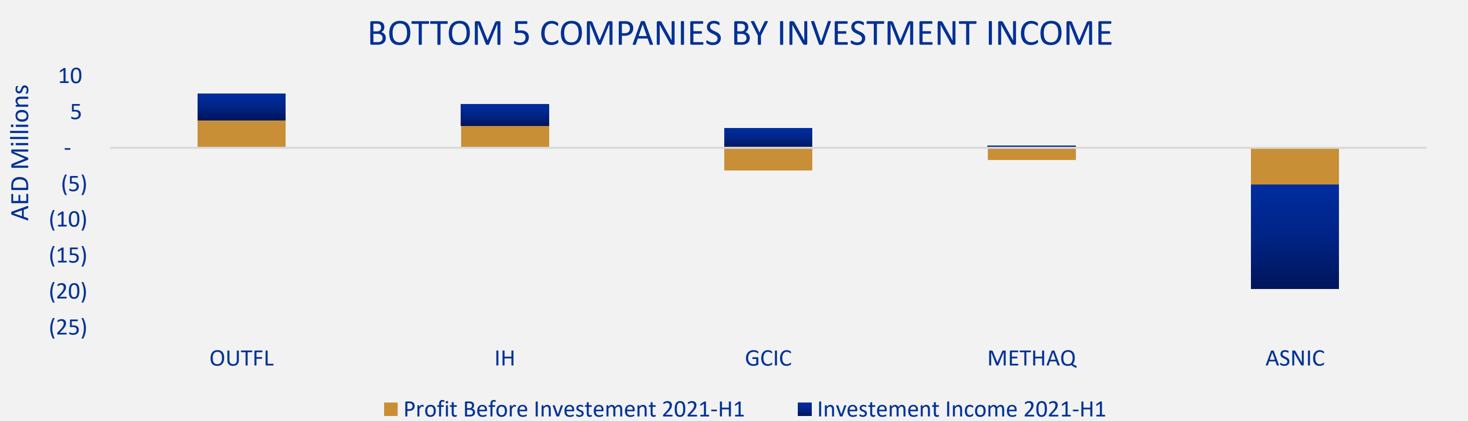


The above graph is sorted with reference to the combined net profits and shows the ranking for the companies based on their total profits over the last three years, in order to compare stability of returns. Orient is significantly ahead of the industry. TAKAFUL-EM profits show restated values for 2020-H1 only.

PROFIT ANALYSIS



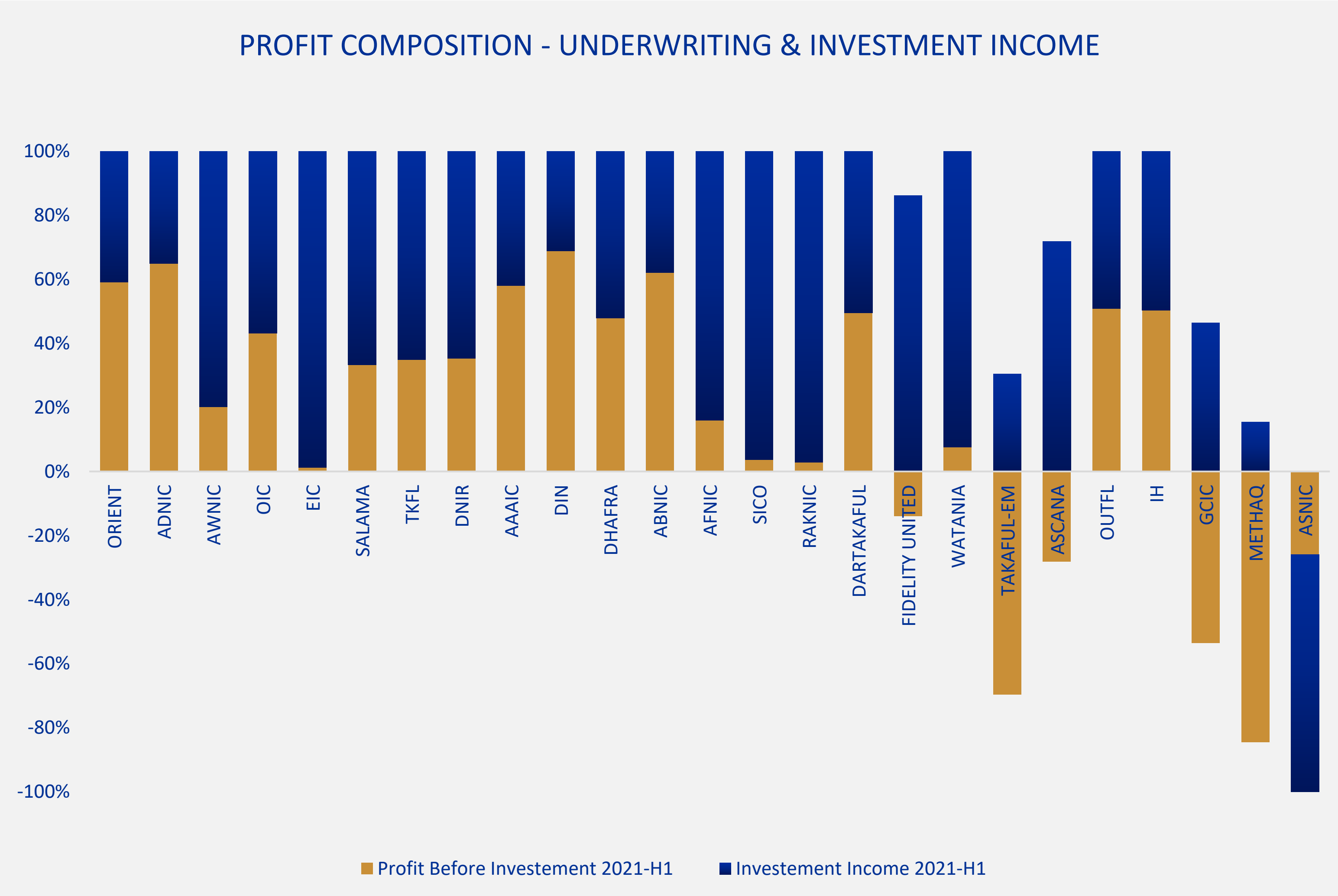




The analysis above is sorted by investment income.

Out of 25 companies in this analysis, 6 have witnessed deficit in their Underwriting while only 1 company has witnessed losses in its investments.

PROFIT COMPOSITION 2021-H1



It can be observed that insurance companies which recorded losses from their underwriting business were able to minimize the impact from investment income.

The highest underwriting income is recorded to be AED 130 million while the highest investment income was recorded to be AED 189 million, both are produced by ORIENT.

There is room for improvement in underwriting strategies in the market as most companies are currently reliant on investment income to drive profits.

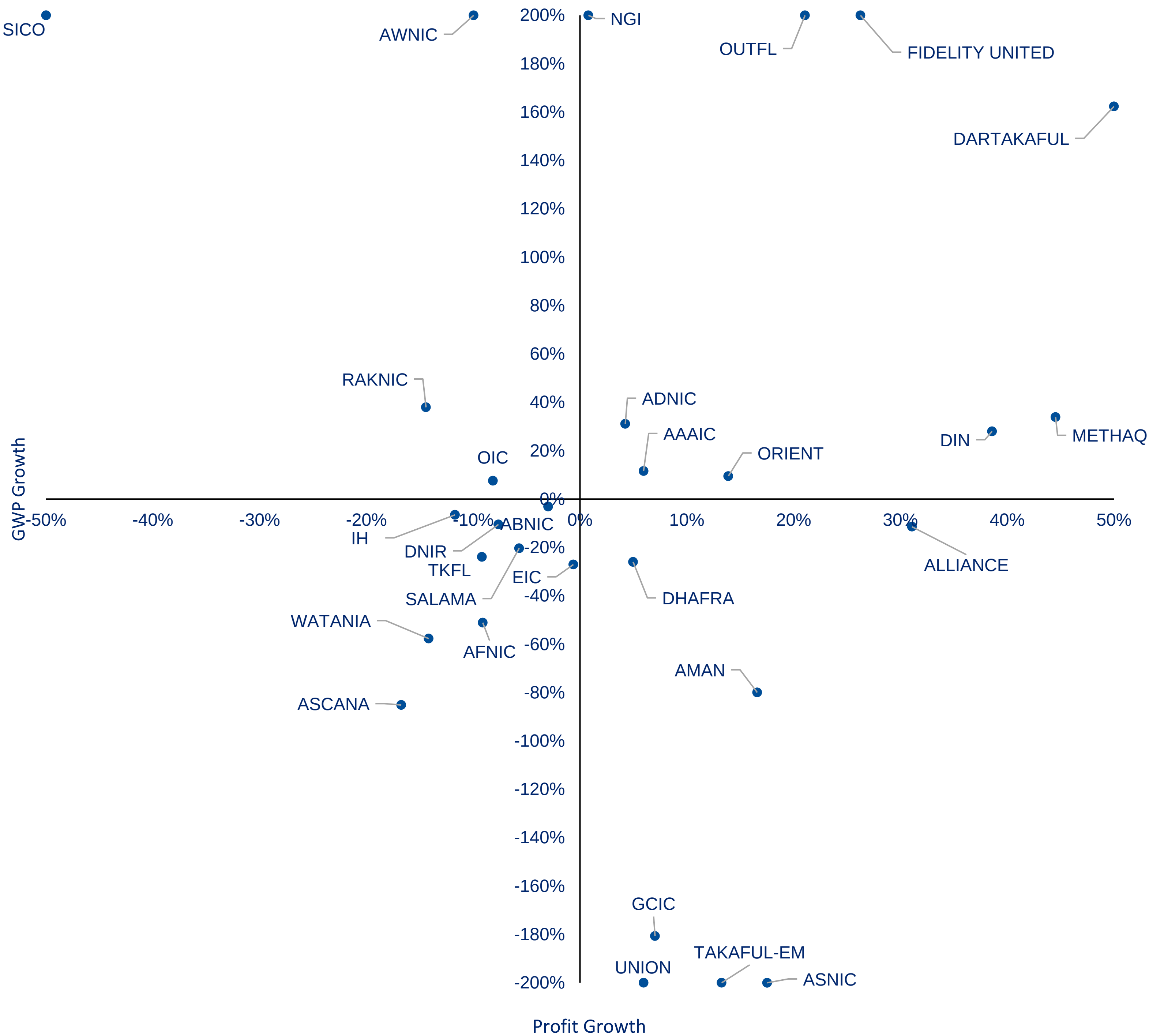
Investment Income contributes a significant role in underwriting activities for Companies writing considerable Life business and since the financials are not segregated into Life and Non-life business segment, the performance is presented on overall Company level. Therefore, for the companies writing significant top line through Life portfolio like NGI, AMAN and ALLIANCE; these are excluded from this review as the results might not reflect a picture that can be compared accurately.

PREMIUM BENCHMARKED ON THE BASIS OF PROFITABILITY

Company	Ranking		Indic
	Gross Premium	Profit	
ORIENT	1	1	→
ADNIC	2	2	→
OIC	3	3	→
AAAIC	4	9	↓
ABNIC	5	12	↓
SALAMA	6	5	↑
DIN	7	6	↑
EIC	8	7	↑
UNION	9	29	↓
DARTAKAFUL	10	15	↓
TAKAFUL-EM	11	27	↓
NGI	12	11	↑
ASNIC	13	28	↓
RAKNIC	14	18	↓
FIDELITY UNITED	15	22	↓
OUTFL	16	19	↓
TKFL	17	8	↑
AWNIC	18	4	↑
DHAFRA	19	13	↑
DNIR	20	10	↑
METHAQ	21	26	↓
ALLIANCE	22	14	↑
WATANIA	23	20	↑
AMAN	24	24	→
IH	25	21	↑
AFNIC	26	16	↑
ASCANA	27	23	↑
GCIC	28	25	↑
SICO	29	17	↑

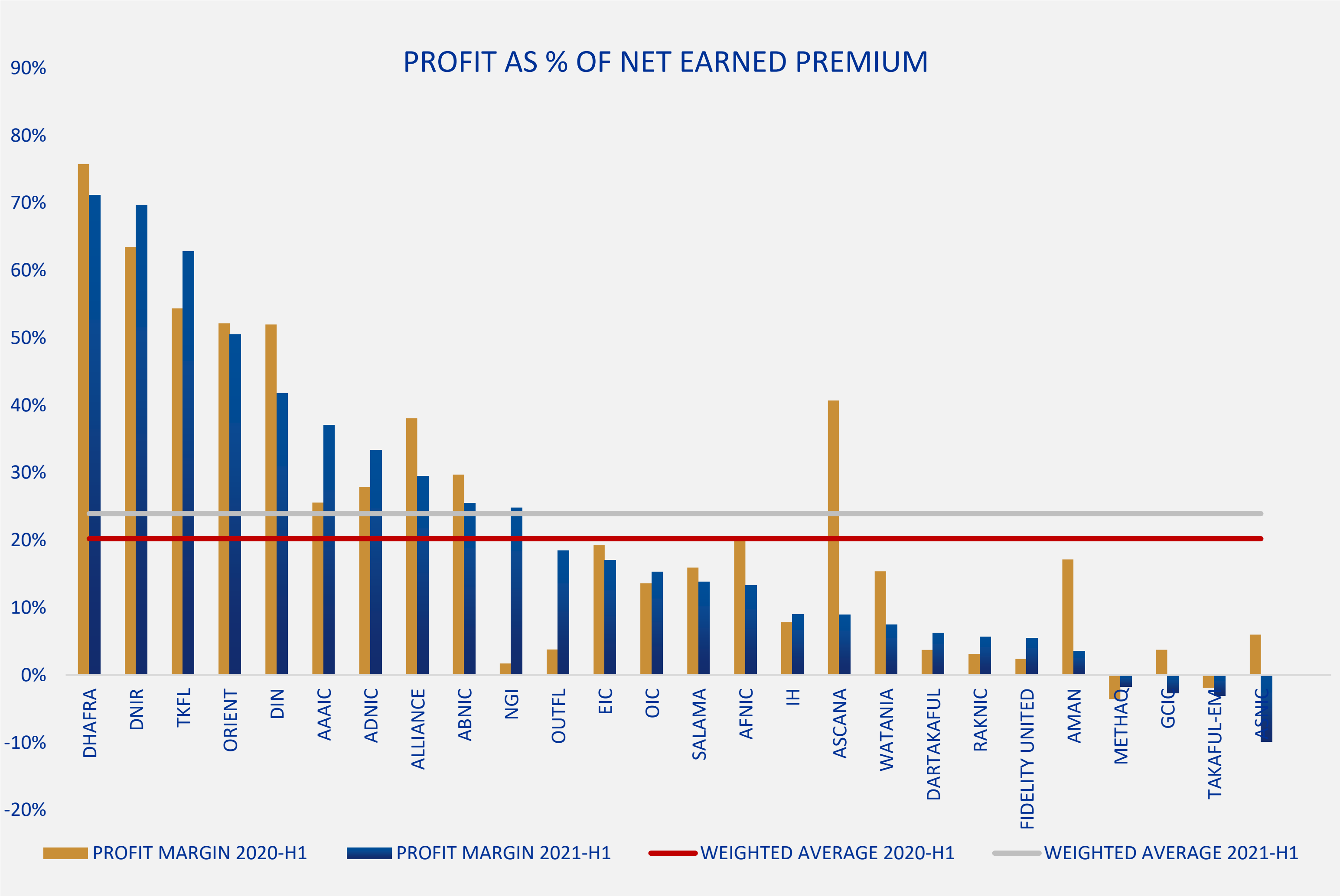
The chart above is sorted by Gross Premium and represents the company's movement based on their profitability.

PREMIUMS & PROFIT ANALYSIS



The summary of premium and profitability growth in 2021-H1 from 2020-H1 is illustrated above. Companies exhibiting premium and profitability growth rate outside of the +-50% and +-200% range are capped, respectively.

EARNING RATIOS

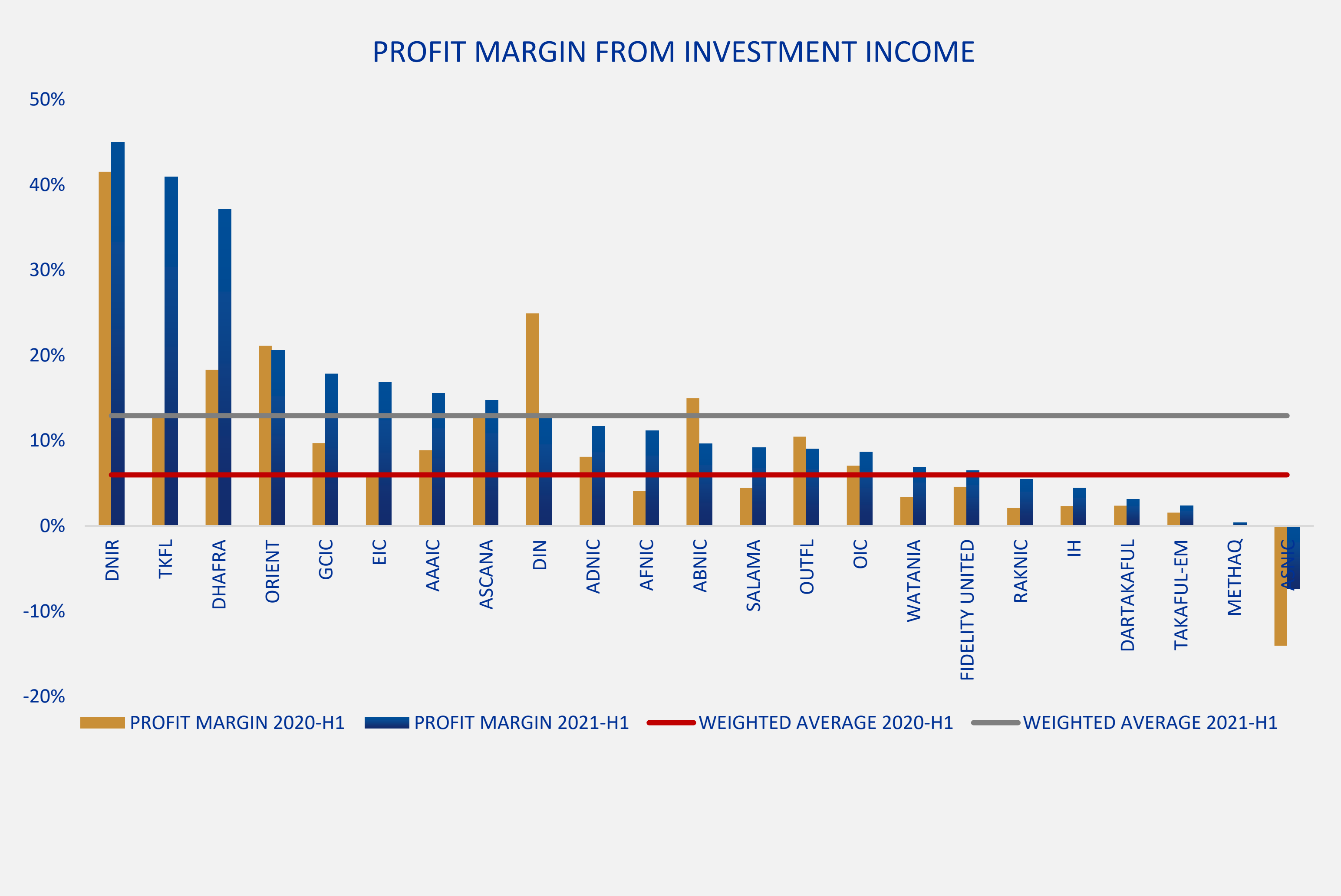


The weighted average net profit margin for the year 2021-H1 is recorded to be at 24% exhibiting an increase from 20% in 2020-H1. UNION is excluded from 2020-H1 weighted average as well, to maintain uniformity in comparison.

The highest margin of 143% is depicted by SICO and hence it is removed from above presentation as it was distorting the presentation, which is followed by AWNIC having 84% of profit margin by NEP. AWNIC is also excluded from the above graph for similar reason since it had a negative 84% margin in 2020-H1.

❖ *Profit Margin is computed as net profit (before tax) on every unit of Net Earned Premium.*

EARNING RATIOS

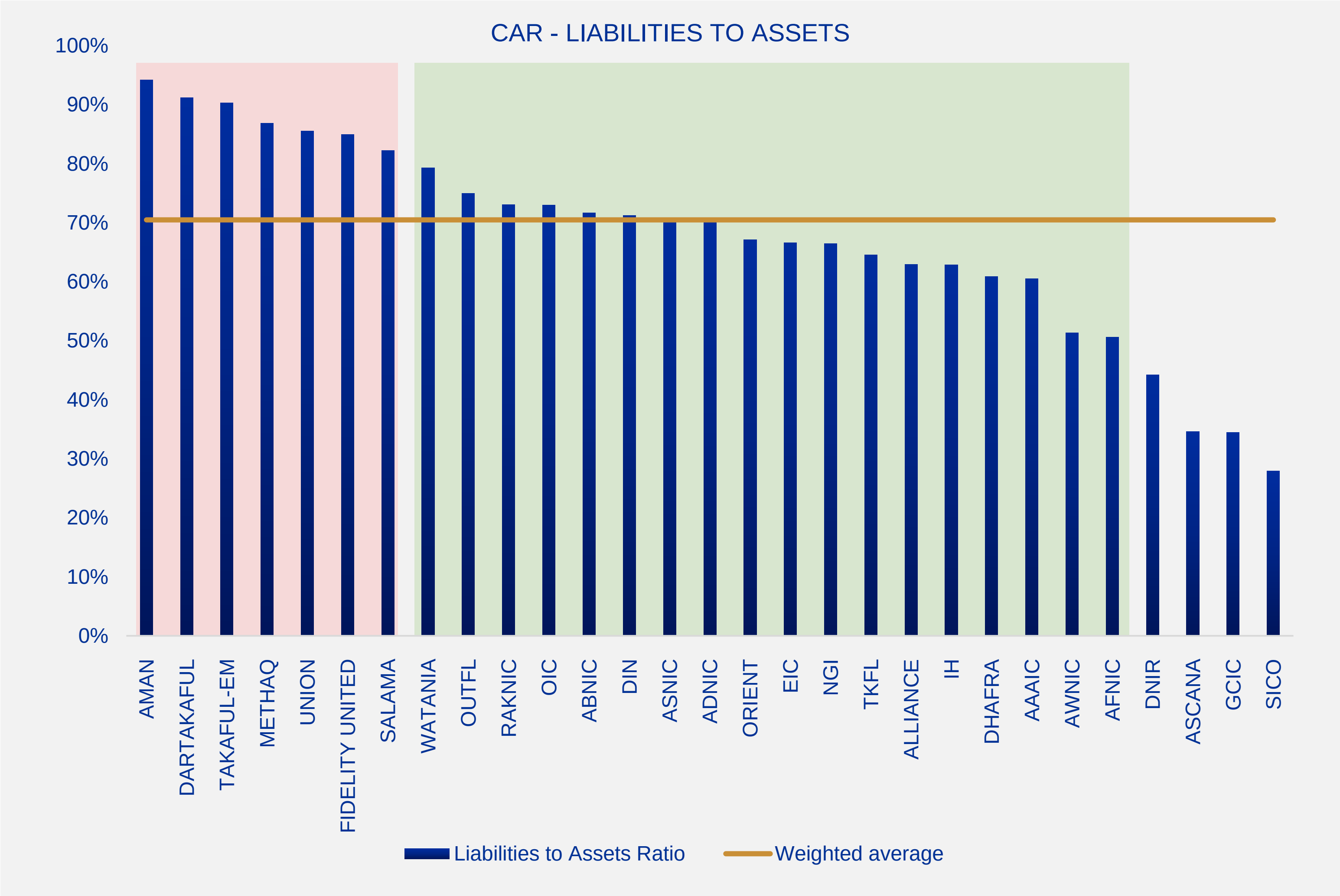


The weighted average profit margin from investment activities for the first half year ended 2021 culminates to 13%, depicting a significant increase when compared with the margin of 6% in the corresponding period of 2020.

SICO and AWNIC are excluded from above presentation to avoid distortion in scale as they exhibited exceptionally high margins. In addition; ALLIANCE, NGI and AMAN are also excluded from this analysis for comparative purposes.

❖ *Profit Margin from Investment income is computed as Investment Income on every unit of Net Earned Premium.*

CAPITAL ADEQUACY RATIO

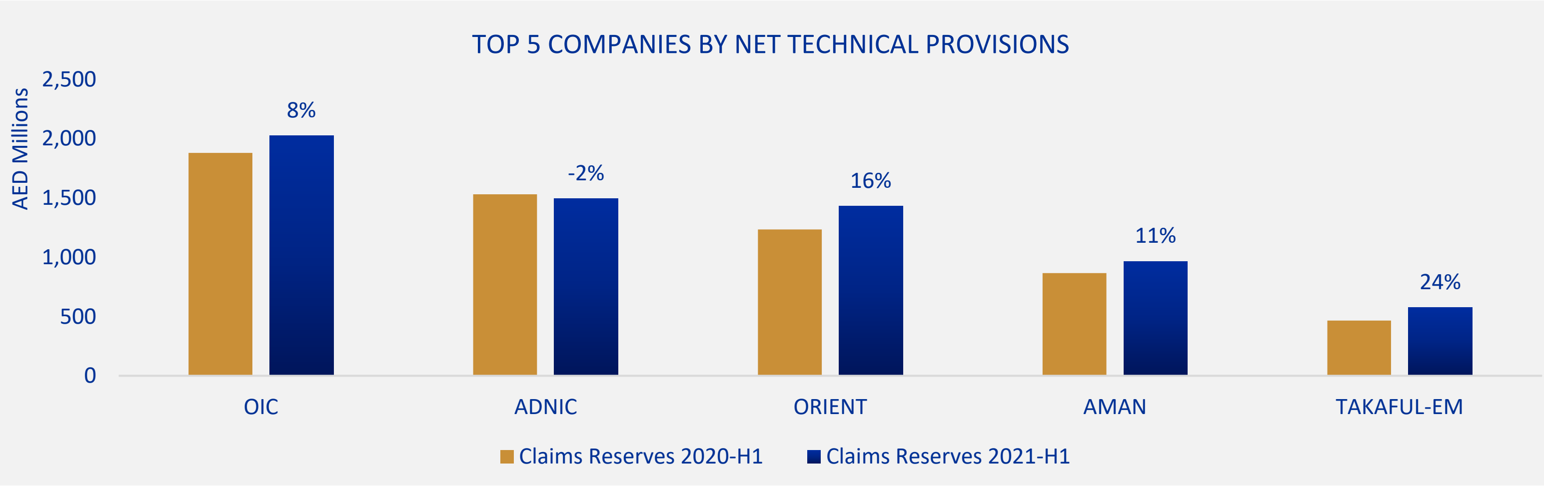


The Capital Adequacy Ratio (CAR) indicates how much a company is capable to absorb any unexpected risks, hence depicting a company's financial position to meet policyholders' liabilities. Therefore, a higher ratio indicates that the companies' liabilities are on the higher side. As per the CBUAE threshold, the red zone indicates an alarming scenario for the company.

Majority of the companies have demonstrated a favorable ratio. 18 out of the 29 listed companies analyzed fall in the green zone, 4 are in the caution area while 7 are in the red zone.

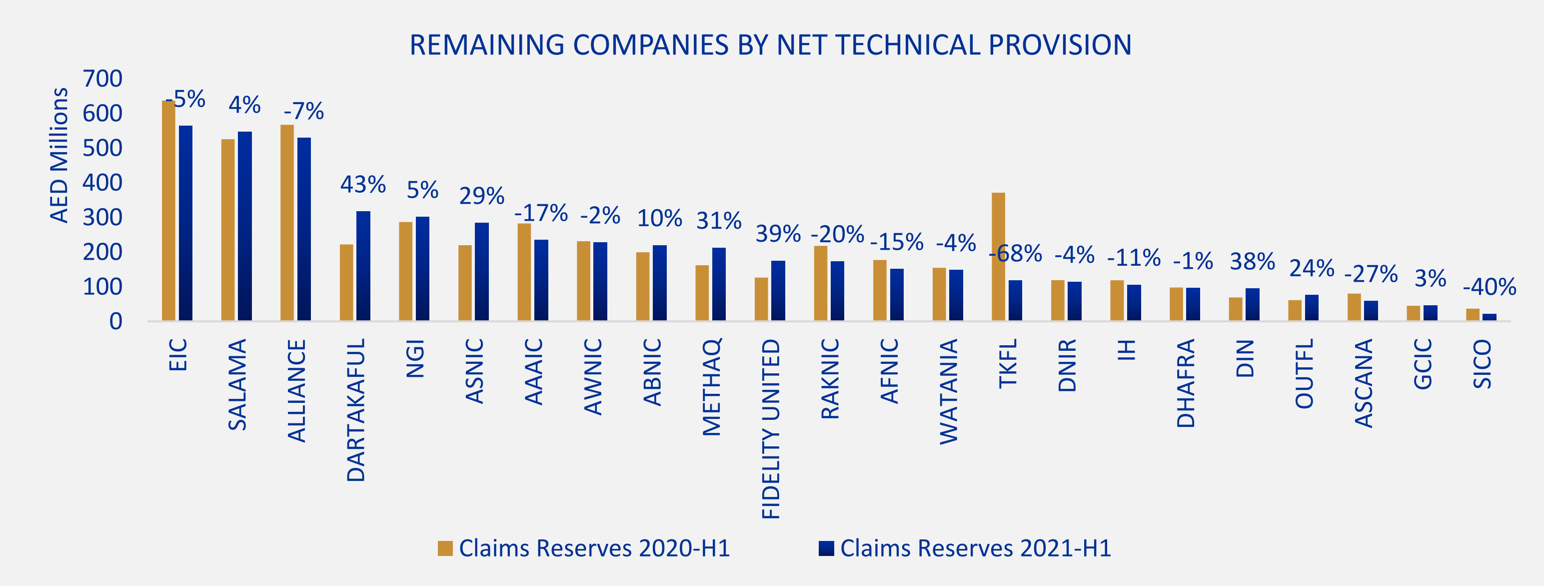
The Takaful companies may have inter-fund receivables and payables inflating the assets and liabilities. Total assets and liabilities as per the financials are used without removing these common balances as the CBUAE threshold is applicable on the value inclusive of these balances.

NET TECHNICAL PROVISIONS



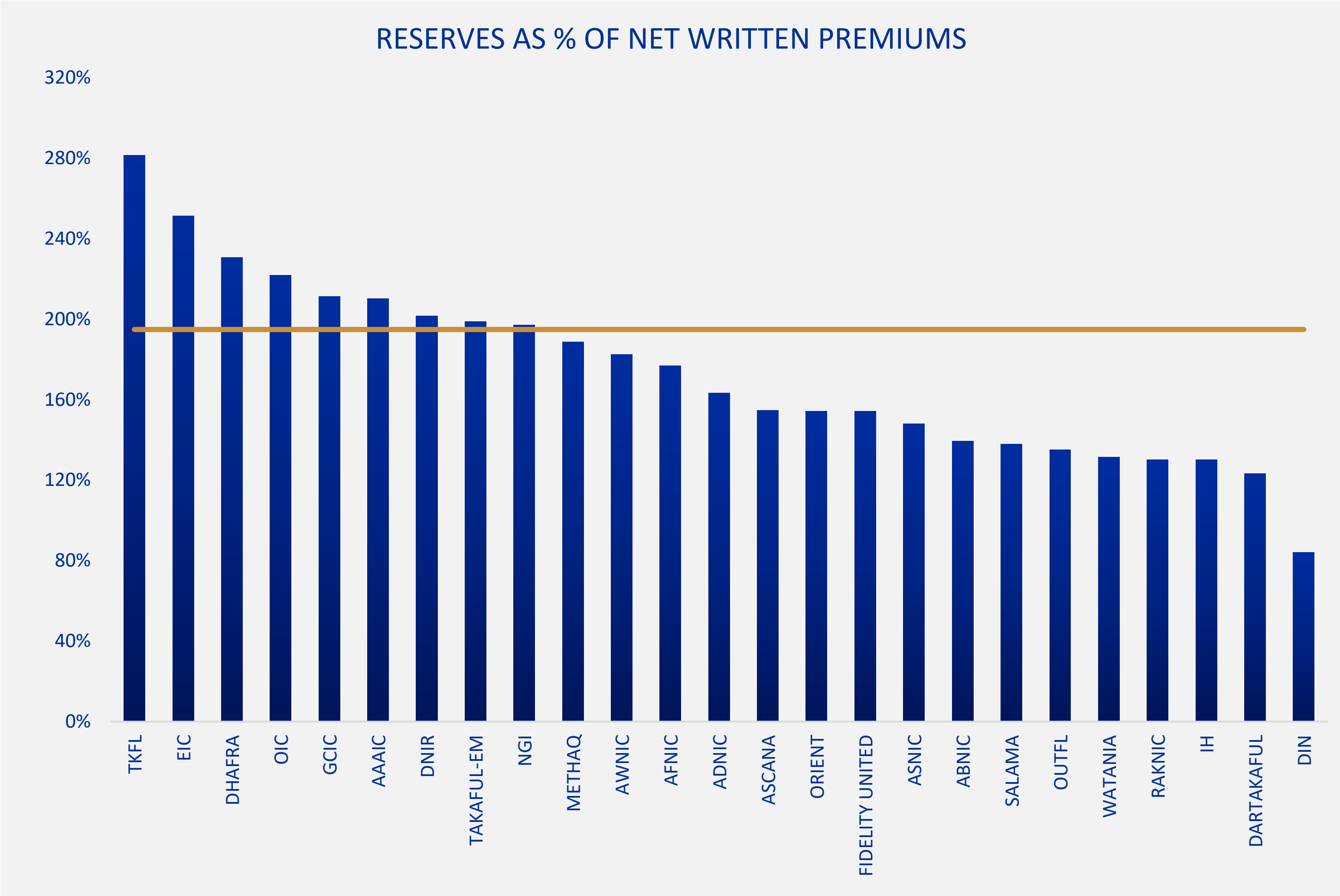
As at half year ended 2021, the Net Technical Reserves have shown a growth of 3% when compared with reserves booked in the corresponding period of 2020.

OIC in terms of booking net technical provisions secured the highest rank, exhibiting an increase of 8% in the reserves booked by the company. The position of the top 4 companies remains the same as was in 2020-H1, however TAKAFUL-EM has moved up to the 5th position replacing EIC.



The major change in reserves was depicted by DARTAKAFUL and TKFL, where DARTAKAFUL has increased their net reserves by 43% while TKFL has decreased their net reserves by 68% when compared with the corresponding period of 2020. The reduction in TKFL's reserve is a result of change in their reinsurance adjustments for their single premium family policies.

NET RESERVES AS A PERCENTAGE OF NET WRITTEN PREMIUMS

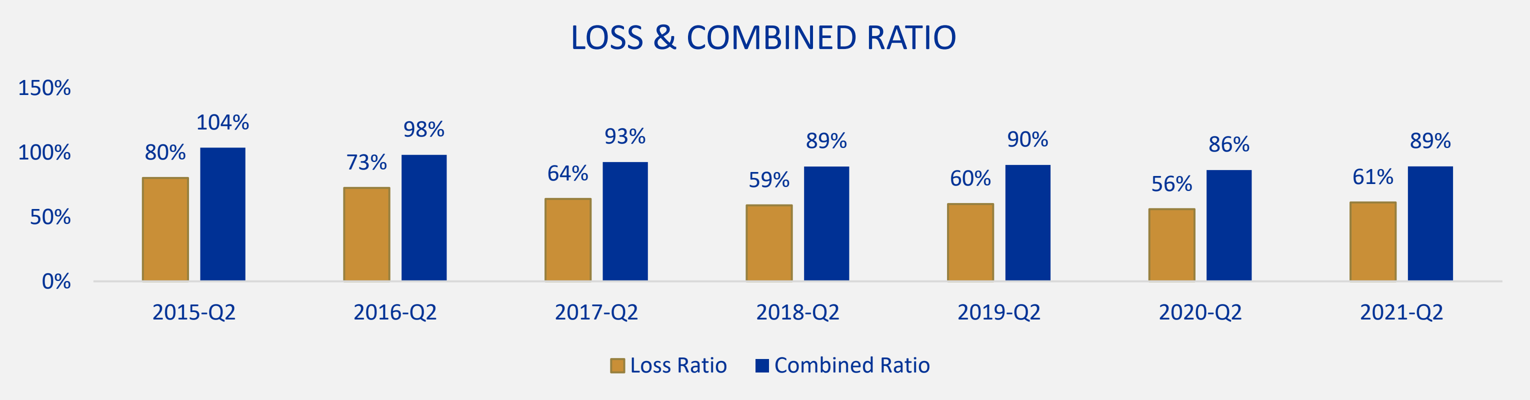


AMAN, ALLIANCE, and SICO were observed to be outliers, and thus excluded from the above analysis. AMAN and ALLIANCE have significant reserves for investment-linked life insurance policies, whereas SICO reflected a 474%, caused by significant drop in their retained premiums.

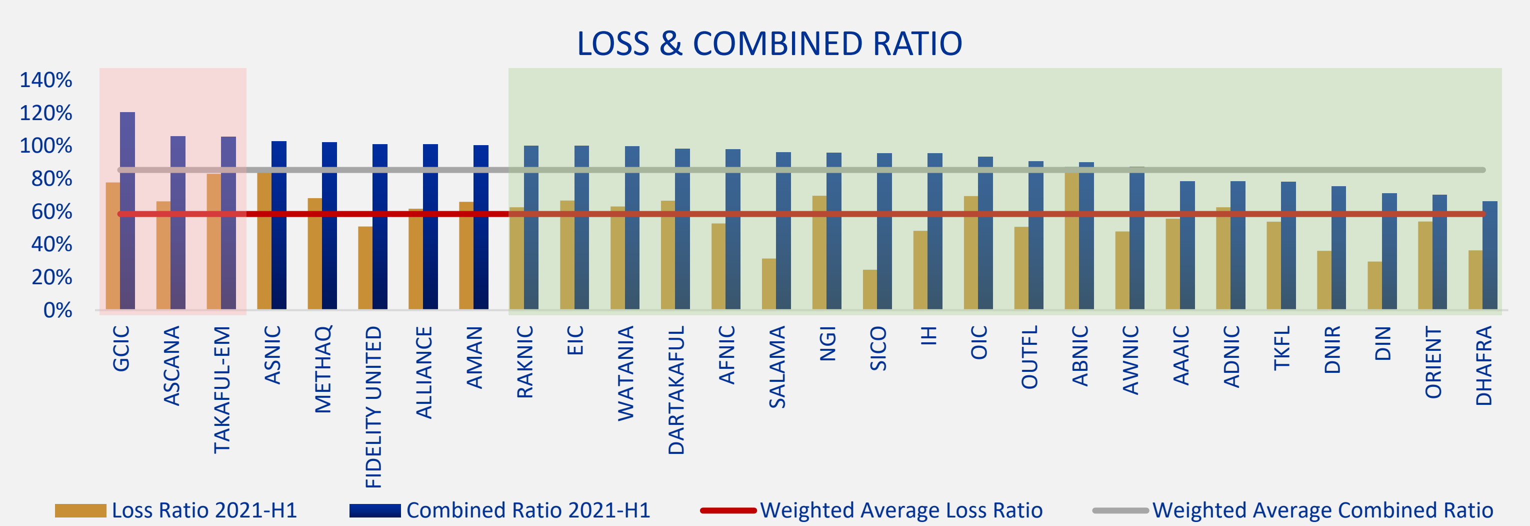
Apart from the outliers mentioned above, the highest ratio of 281% is exhibited by TKFL. On the other hand, the lowest ratio of 84% is depicted by DIN. The weighted average net reserves to net premium ratio is recorded to be 195%, however if we exclude the outliers, the ratio drops to 173%.

❖ *The ratio above is calculated as a ratio of net reserves booked over the business retained by the company.*

LOSS & COMBINED RATIO



During 2020-Q2, owing to pandemic related events, insurance companies experienced a drop in their loss ratios. However, the loss and combined ratios for 2021-H1 appear to be back at similar levels to 2019. The weighted average loss and combined ratio for the first half year 2021 culminates to be 61% and 89% respectively.



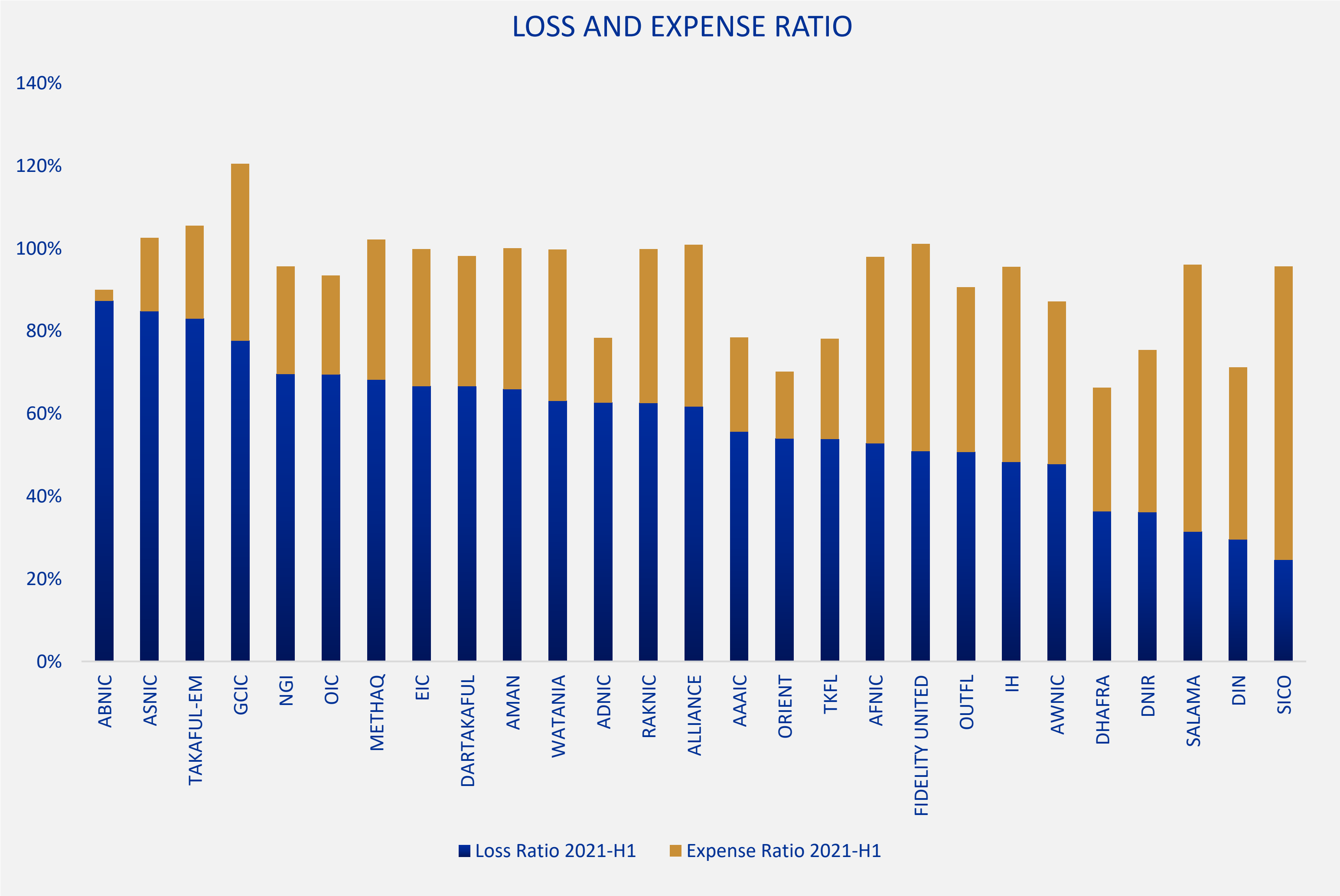
As depicted, GCIC exhibited the highest combined ratio of about 121%. The lowest combined ratio of 66% was depicted by DHAFRA.

For Takaful companies we have consolidated the Policyholders and Shareholders P&L for comparative purposes.

A company is deemed profitable from an underwriting perspective if the combined ratio is below 100%, thus the companies falling in green zone are considered profitable from their underwriting activities.

- *Loss ratio is computed as Net Claims Incurred over Net Earned Premium*
- *Combined ratio is calculated as ratio of Net Claims Incurred along with the expenses and net commissions over Net Earned Premium*

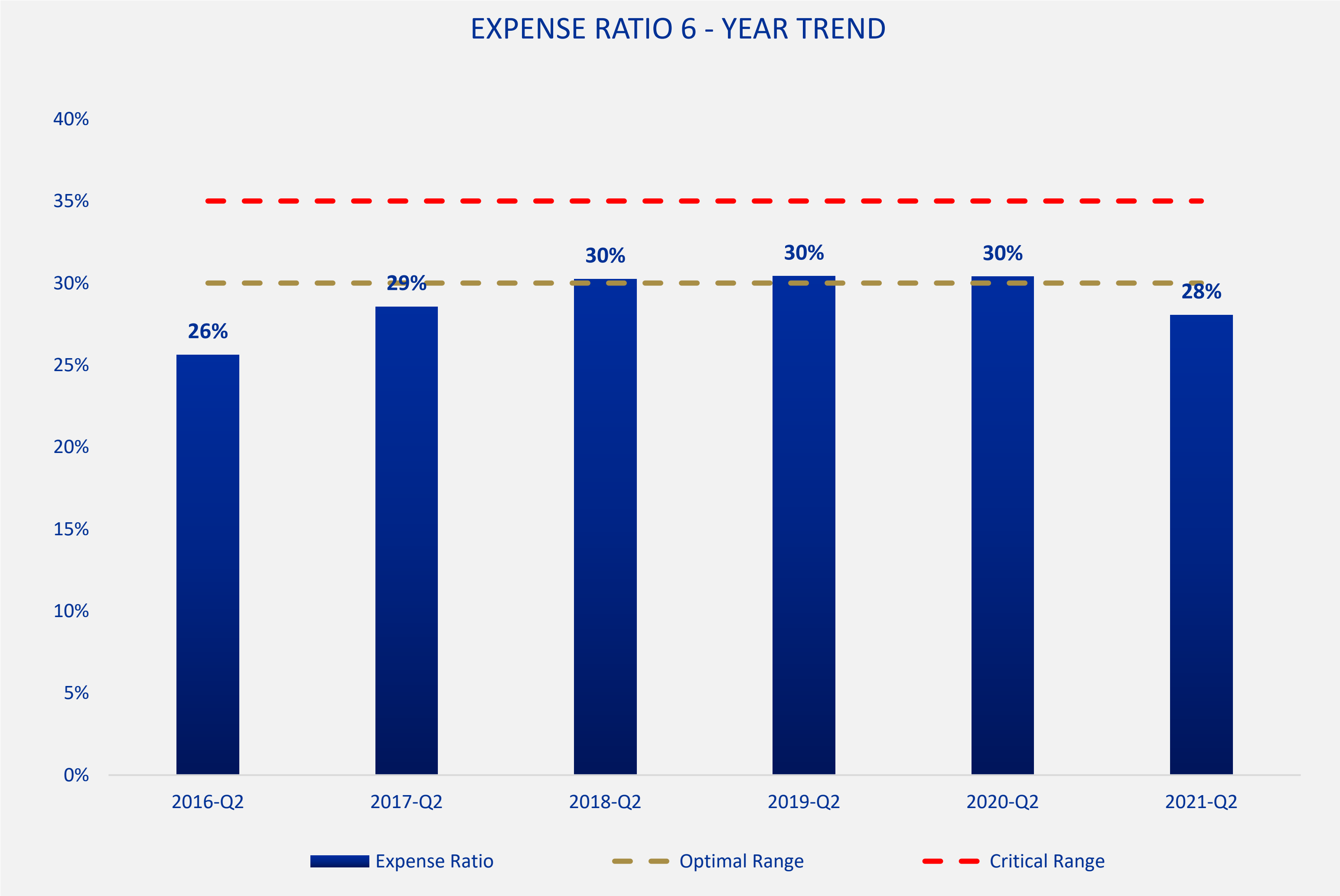
LOSS & EXPENSE RATIO



It is observed that few companies have low loss ratios, but the expenses push the combined ratio nearly to 100%.

Fidelity United has a loss ratio of 51%, however, the expenses push the combined ratio above 100% resulting in an underwriting loss for the Company. Likewise, SICO and SALAMA have loss ratios below 35%, but the expenses elevate the combined ratio to above 95%.

EXPENSE RATIO

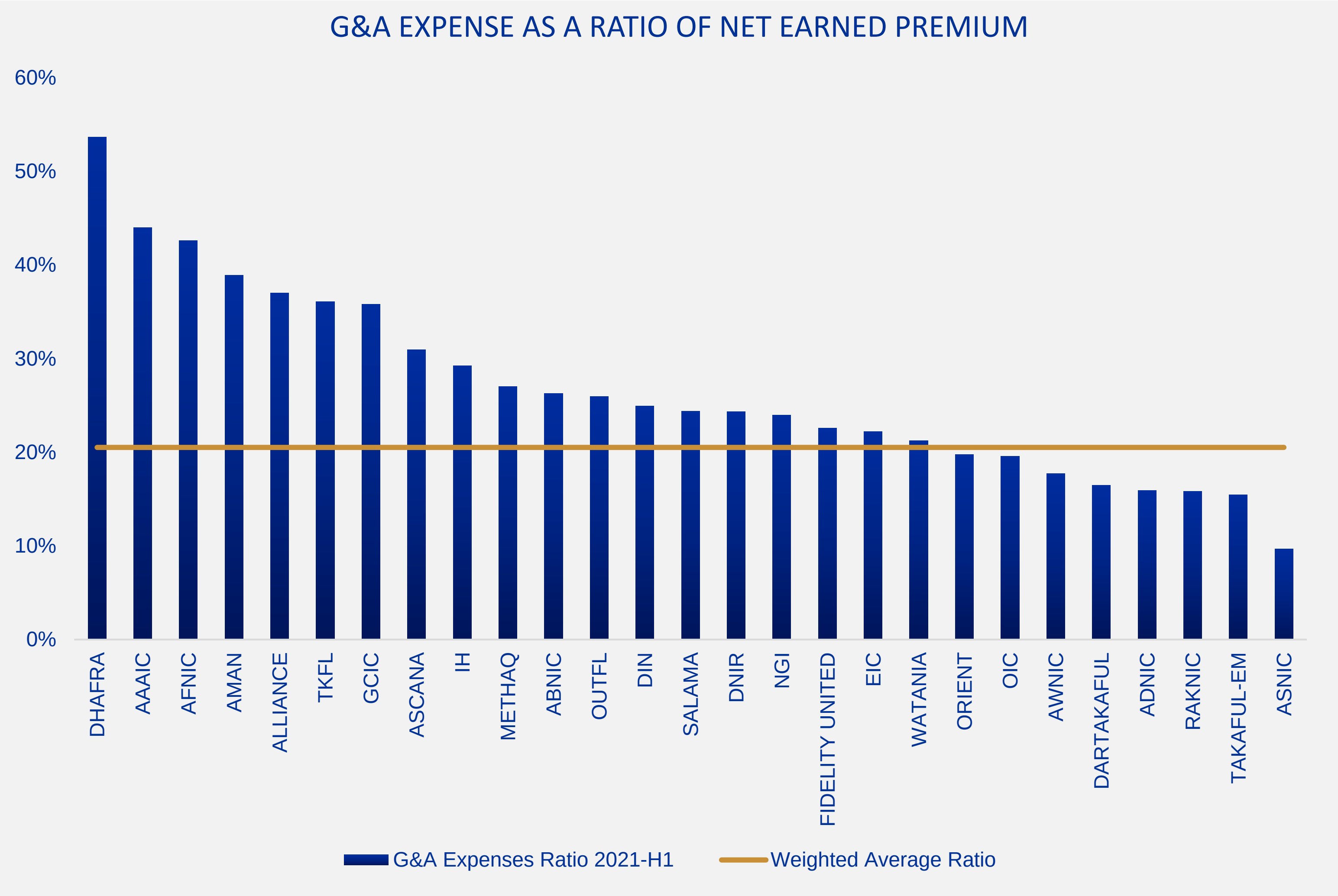


As depicted, the expense ratio experienced by the listed companies has witnessed a gradually increasing trend up to 2018-Q2 and remained stable since. In 2021-H1 however, the ratio has dropped down to 28%. It is worth mentioning here again that UNION is not included in 2021-H1.

The CBUAE has provided the industry with benchmark expense ratio where the optimal range is below 30% while expenses above 35% are not preferred and actions should be taken to bring them within the defined ranges.

- *The expense ratio is computed as the G&A expenses plus the net commissions (commissions paid plus commissions earned) plus other operational expenses recorded for the period by the companies as a proportion of net earned premiums*

EXPENSE RATIO



The weighted average G&A expense ratio for the first half of 2021 works out to be 21%.

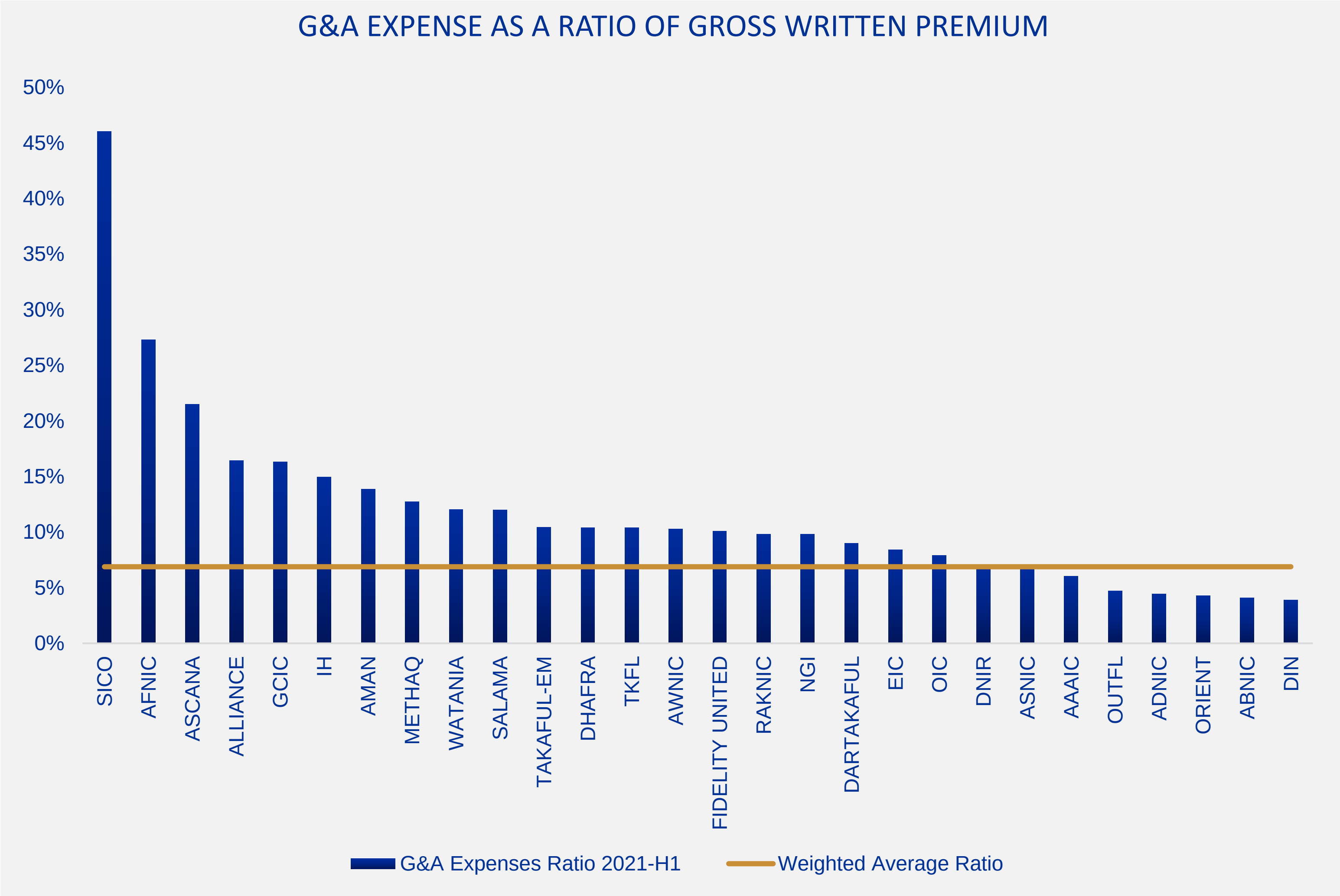
In 2021-H1, SICO has depicted the highest expense ratio of 107%, but it is excluded from above chart to avoid distortion in presentation. This is followed by DHAFRA having expense ratio of about 54% whereas the lowest expense ratio of 10% is exhibited by ASNIC.

❖ *The expense ratio is worked out as:*

Expense Ratio = General and administrative expense / Net Earned Premium

For Takaful companies, same has been used for comparative purposes and Wakala fees is ignored, as Wakala fees is positive in one account and negative in the other.

EXPENSE RATIO



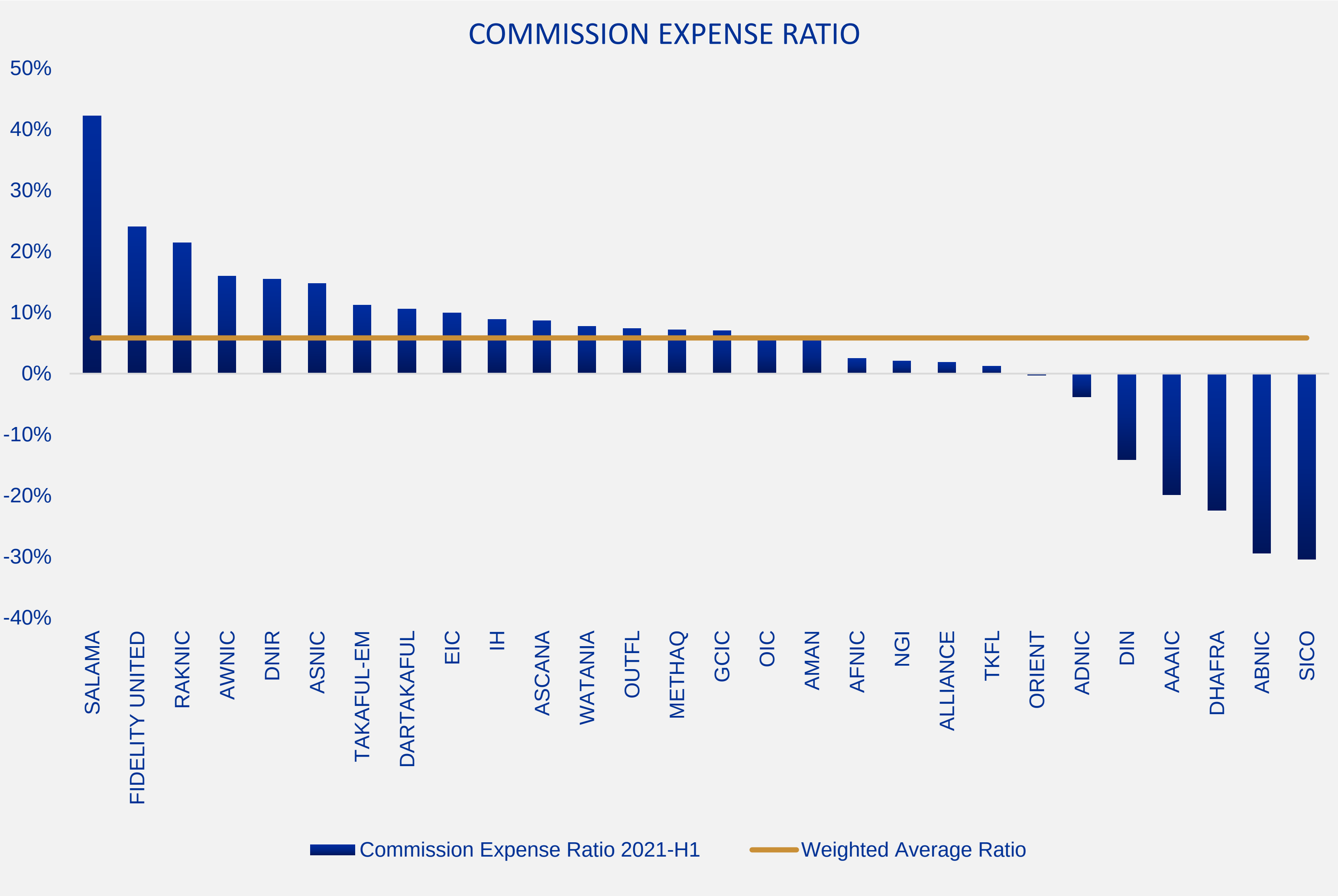
It is commonly believed that G&A expense ratio should be analyzed on the basis of gross written premium for the Company hence, the same is included in our analysis. During 2021-H1, the highest expense ratio of 46% is reflected by SICO while the lowest expense ratio of about 4% is reflected by DIN.

The weighted average General & Administrative expense ratio of the first half of 2021 stood at 7%, which has remained stable when comparing to the corresponding period of 2020.

As may be expected, larger companies that have extensive business scale have lower expense ratio, as they have sufficient business to absorb the cost base.

❖ *The expense ratio is worked out as:*
Expense Ratio = General and administrative expense / Gross Written Premium

EXPENSE RATIO



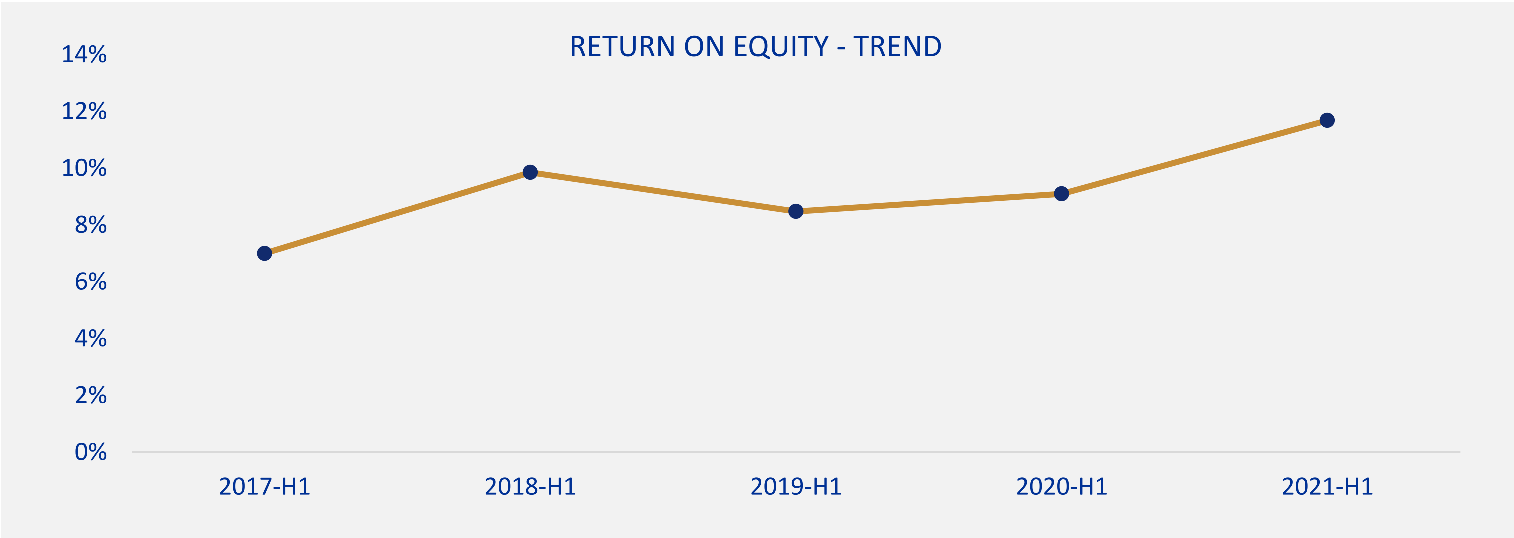
The weighted average commission ratio for the period 2021-H1 stood at 6% (2020-H1: 7%).

SALAMA experienced the highest commission ratio of 42% whereas SICO reflected the lowest commission ratio of negative 30% in 2021-H1.

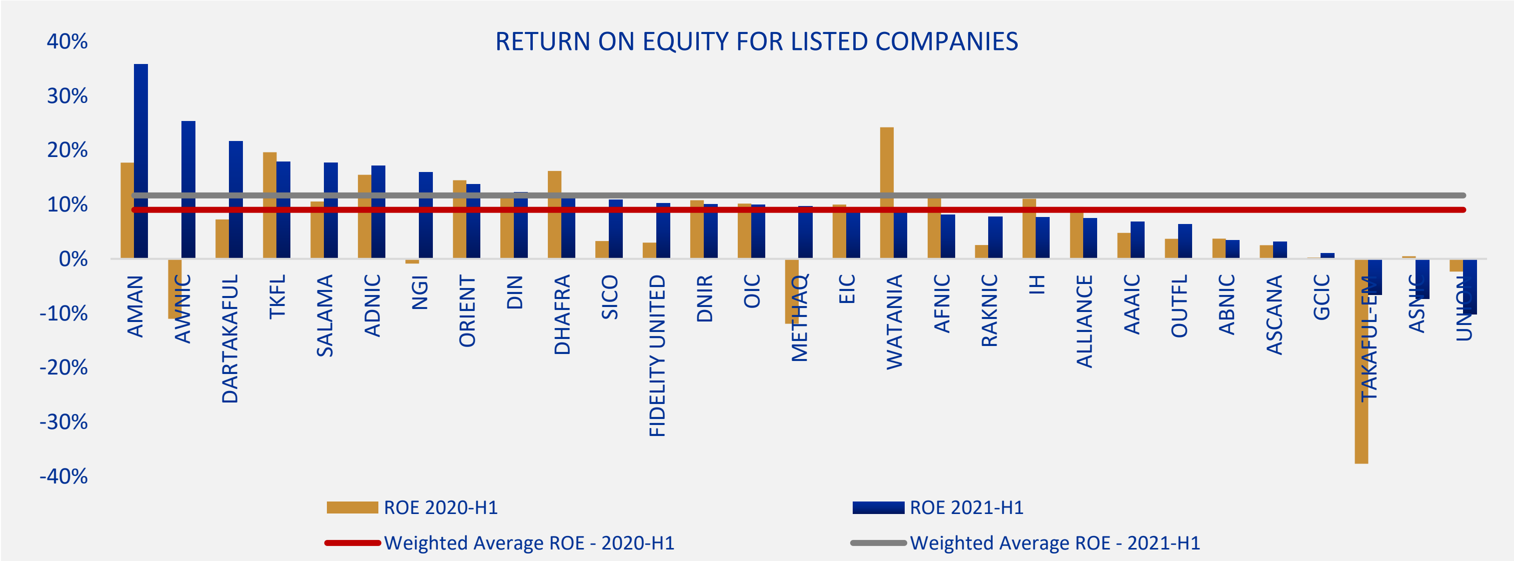
The commission expense considered is the net commission (commissions paid less commissions earned); a negative ratio signifies that the commissions earned outweigh the commissions paid. In UAE, it is common practice for the companies to cede out large proportion of commercial lines business and benefit from the reinsurance commissions, which is also evident by the low net commission ratio.

It is felt that there is an inherent need to optimize reinsurance arrangements so that companies can benefit from underwriting profitable business without passing the risk and reward to re-insurers and just acting as fronting partners; at the same time not effecting their solvency position.

RETURN ON EQUITY



The shareholders of the listed insurance companies have experienced an increasing trend in return on equity since 2019-H1. The weighted average return on equity recorded to be 12% for the half year ended 2021.

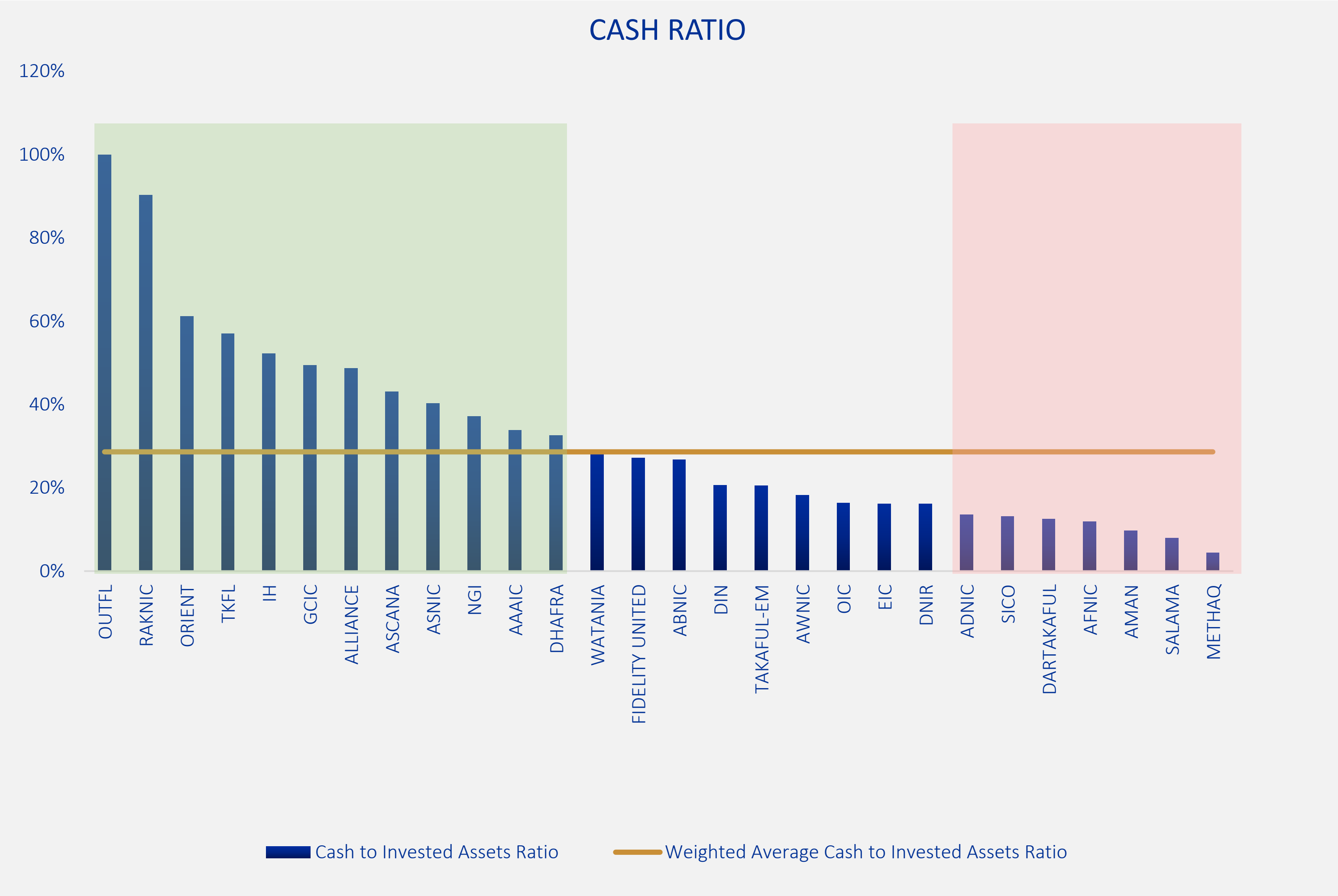


In 2021-H1, the highest return on equity of 36% is depicted by AMAN (2020-H1: 18%); followed by AWNIC at 25%(2020-H1: -11%). UNION on the other hand, observed to have the lowest returns of negative 10%.

For takaful companies while we have combined shareholder and policyholder profits in other analysis, for the purpose of ROE calculations, only the shareholder profits as per the financial statements are considered.

- *The Return on Equity is calculated as a ratio of rolling 12 months net profit (before tax) to total of shareholder's equity at the beginning of the period 2020.*

CASH TO INVESTED ASSETS



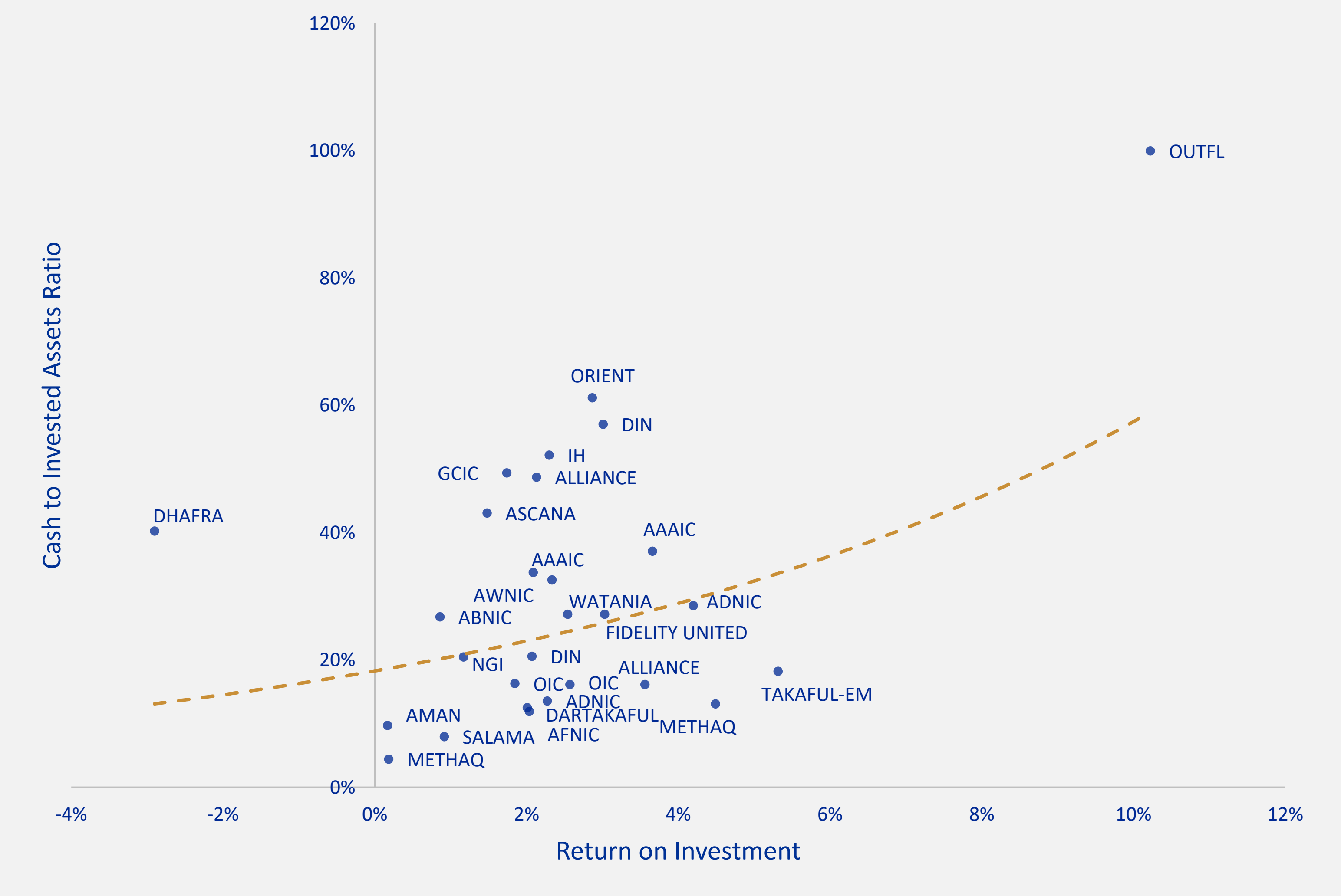
The weighted average cash to invested assets ratio is observed to be around 29% for 2021-H1.

OUTFL has all of its invested assets maintained as cash, hence depicting a 100% cash ratio, while the lowest ratio is observed to be at 4% by METHAQ.

As per the CBUAE benchmarks, the cash to invested assets ratio for the companies should not fall below 15% of the total invested assets while the optimal area is beyond 30%.

❖ *The cash to invested assets ratio has been taken as the ratio of cash & deposits to total invested assets.*

RETURN ON INVESTMENTS VS CASH RATIO

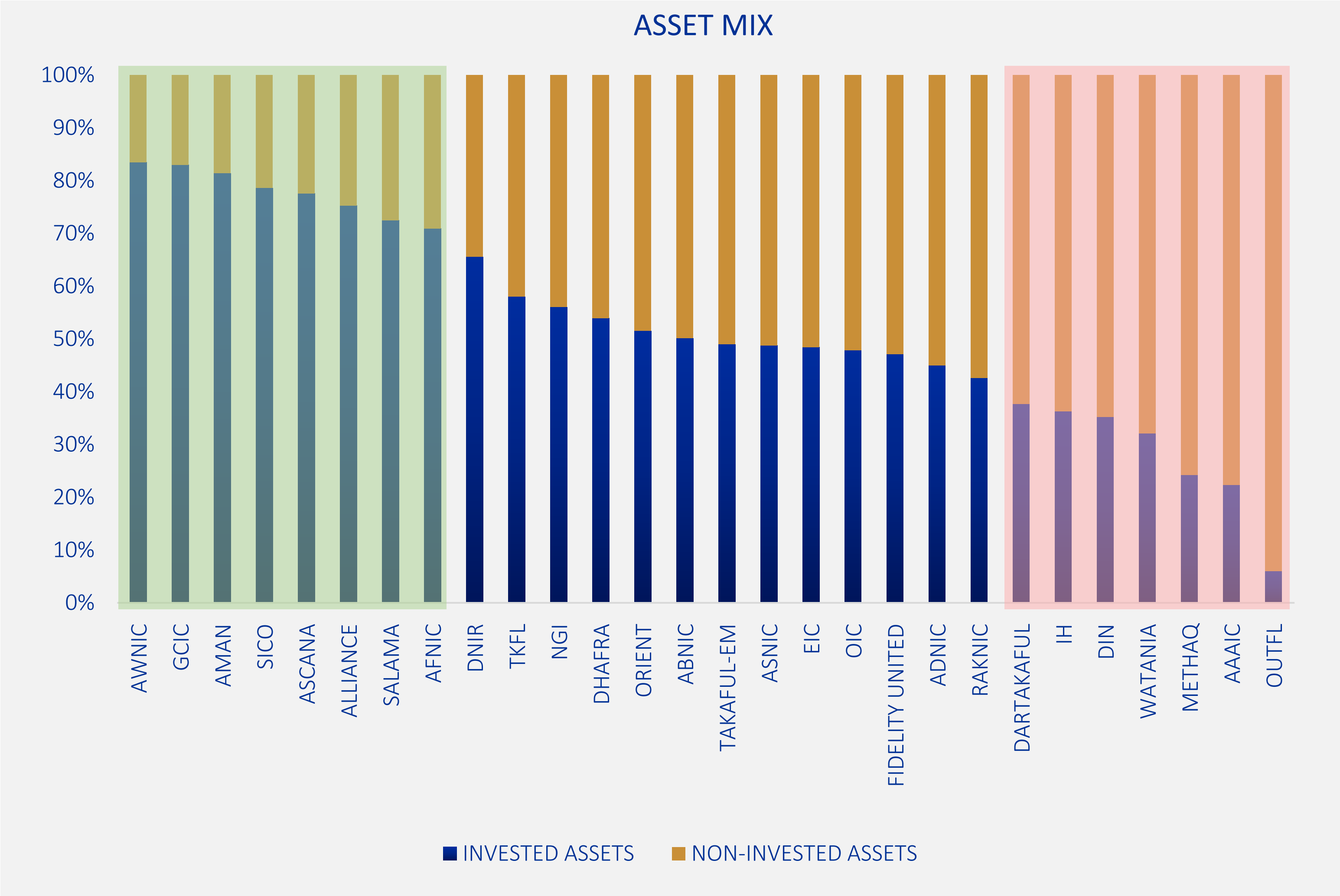


The graph demonstrates the relationship between the amount of cash held by the companies versus the return on investments. Normally, an inverse relationship is expected as having more cash implies having fewer riskier investments, therefore, lower expected yield. However, the impact of an economic downturn is evident from the graph above that has reversed the relationship.

The weighted average Return on investments recorded for listed companies was 2% for the half year ended 2021.

❖ *The Return on Investment is computed as the ratio of investment income to the average invested assets at the beginning and end of period.*

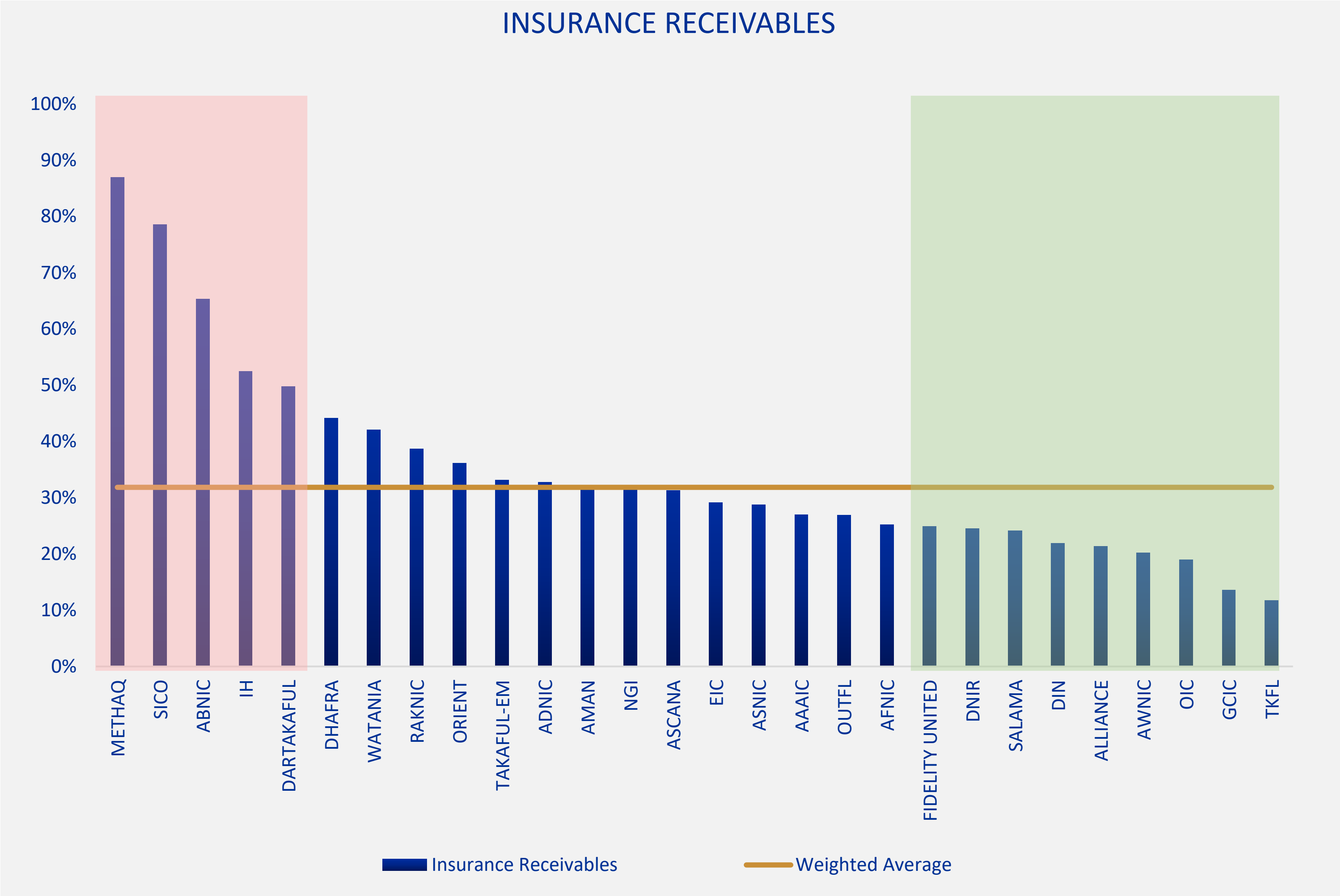
INVESTED ASSETS TO TOTAL ASSETS



The prescribed range for Invested assets to total assets is 40% - 70% as per the Central Bank of UAE, where the companies falling in critical range of below 40% are in the red zone.

Asset Mix compares the proportion of invested assets and non invested assets for the half year ended 2021. AWNIC has the highest proportion of 83% of their assets invested, while OUTFL has only invested 6% of their assets.

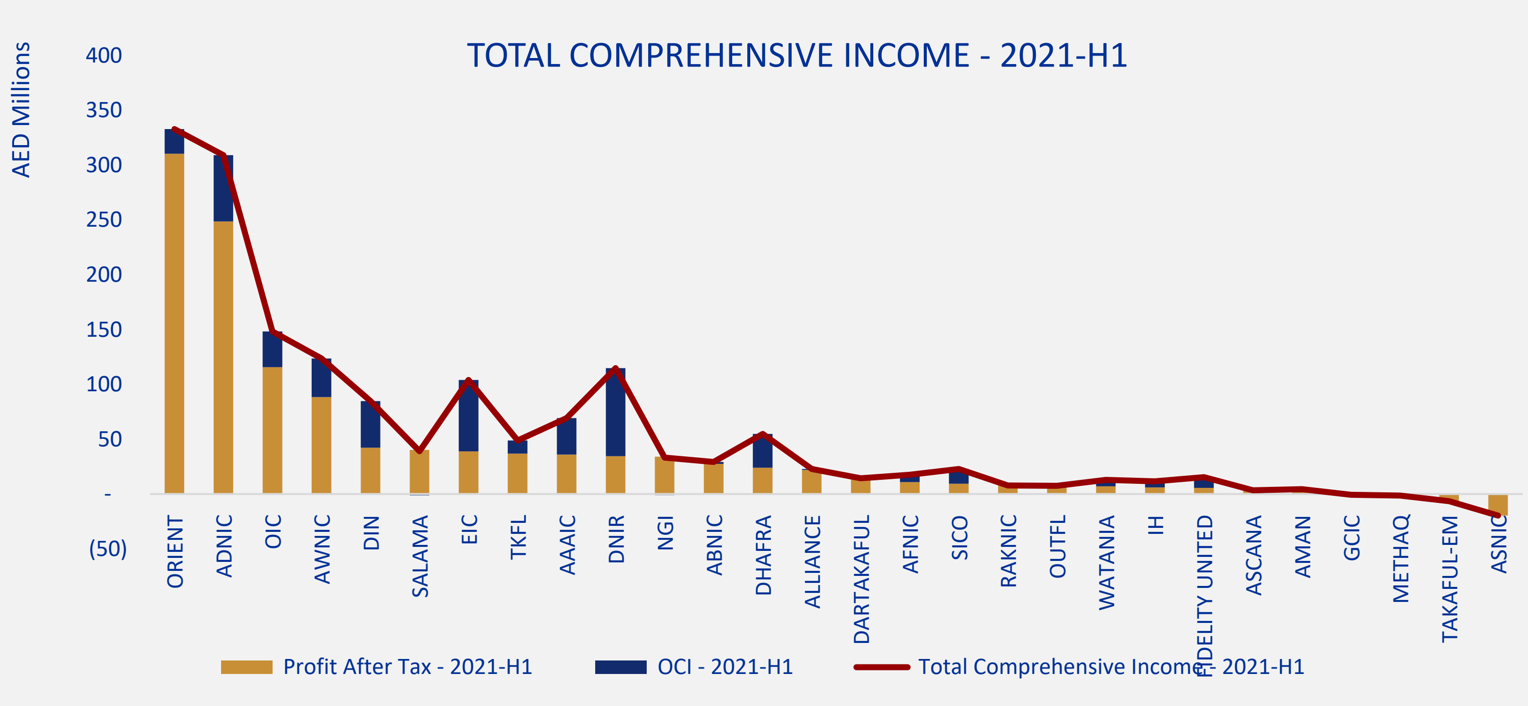
INSURANCE RECEIVABLES



The prescribed range for insurance receivables as a proportion of gross written premium is less than 25% while above 45% as per the Central Bank of UAE is the red zone.

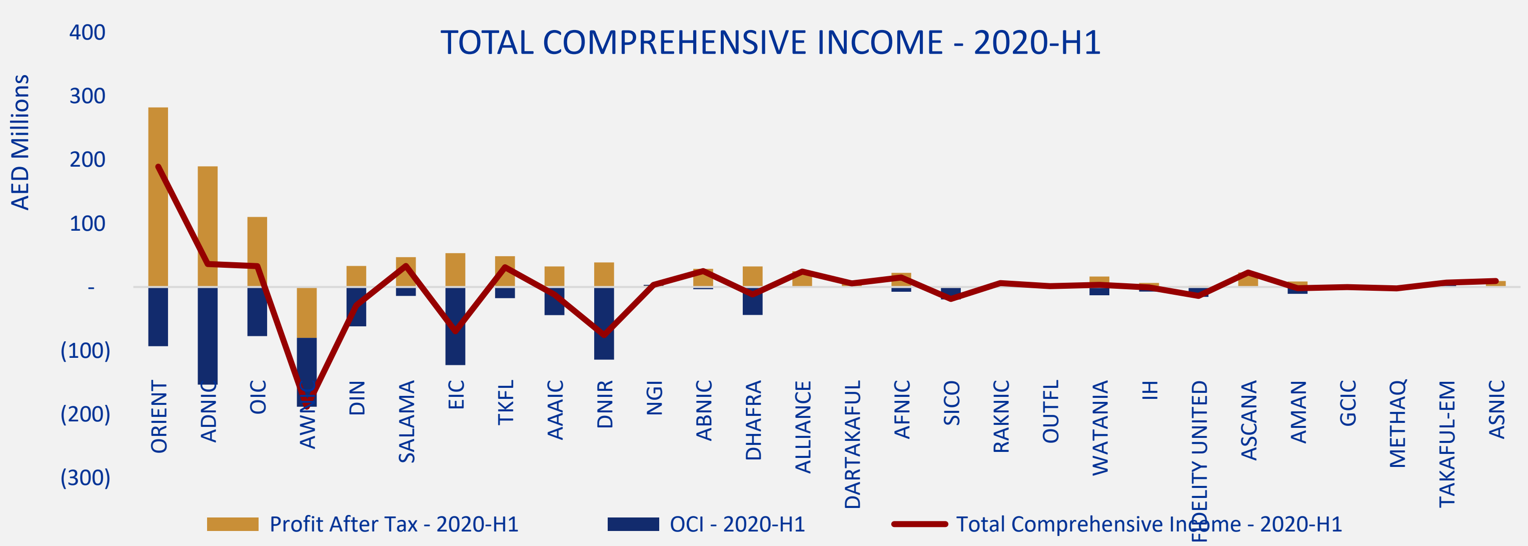
The weighted average receivables ratio for the first half of year 2021 is recorded to be 32% (2020-H1: 33%). As depicted, the highest insurance receivables ratio of 87% is observed by METHAQ while the lowest ratio of 12% is reflected by TKFL. Nonetheless, 5 companies are falling in the critical zone as per CBUAE threshold.

TOTAL COMPREHENSIVE INCOME



The Total Comprehensive Income for 2021-H1 displayed an immense growth of 7125% when compared with the corresponding period of 2020. This is due to the affects of COVID-19 outbreak during 2020-H1 reflecting a decline in Other comprehensive statements for most the companies as shown in the graph below.

As can be seen, the representation for Other Comprehensive income statements are quite opposite in these two periods, hence portraying the damage caused by the pandemic. Nonetheless, only 4 out of 28 companies in this analysis have shown losses in their OCI while 3 of these 4 are making profit on Total.



For Takaful companies we have consolidated the Policyholders and Shareholders P&L for comparative purposes.

CONCLUSION

- The listed insurance companies in UAE saw the loss ratios increase by 5% to 61% in the first half of 2021 and the combined ratio increase by 3% to 89%. The increase in loss ratios was inevitable as 2020 had low claim frequencies due to COVID related lockdowns.

- On a positive side, profits experienced a 16% growth for the listed insurance companies, accumulating to AED 1.1 billion from AED 952 million in 2020-H1. Considering the deteriorating loss ratio trend from 56% in 2020-H1 to 61% in 2021-H1, the growth in profits is highly attributable to strengthening investment markets.

- Motor rates across the industry have been continuously dropping which could further increase the loss ratios for the motor books in the future. Given that the road traffic is back to pre-Covid levels, the drop in claims rate that was witnessed in 2020 will not continue for long. Therefore, these results are not necessarily an indication of future profitability. Since motor forms a large part of the Net written premiums for the UAE insurance market, it would serve insurers well to be wary of these trends.

- An upside will be the increase in medical premiums as DHA has increased the Index Rate bands for 2021 which forms the minimum rates that could be charged. This is expected to increase the overall health premiums in the market and could alleviate some of the reduction in top line which came about due to companies reducing networks and benefits over the past few quarters.

- The half year ended 2021 exhibited a growth of 5% in the topline. However, as an industry, the topline growth is expected to be below 3% adjusting for the impact of acquisition of Noor Takaful by DAR TAKAFUL.

KEY TAKE AWAY POINTS

INDUSTRY GWP GROWTH TIMELINE

2017 - Q2	2018 - Q2	2019 - Q2	2020 - Q2	2021 - Q2
AED 12.2bn	AED 12.5bn	AED 13.7bn	AED 14.3bn	AED 15.0bn

INDUSTRY NEP GROWTH TIMELINE

2017 - Q2	2018 - Q2	2019 - Q2	2020 - Q2	2021 - Q2
AED 4.4bn	AED 4.9bn	AED 4.8bn	AED 4.9bn	AED 4.9bn

Highest Growth in Profit by
NGI
1463%

Highest Growth in GWP Recorded by
DARTAKAFUL
at
108%

Highest ROE by
AMAN
at
36%

Highest Retention Recorded by
TAKAFUL-EM
at
84%

Highest GWP recorded by
ORIENT
at
2.9bn

Highest Net Earned Premium Growth by
DIN
at
59%

Highest Investment Income recorded by
ORIENT
at
130.3mn

INDUSTRY PROFIT GROWTH TIMELINE

2017 - Q2	2018 - Q2	2019 - Q2	2020 - Q2	2021 - Q2
AED 0.71bn	AED 0.99bn	AED 1.02bn	AED 0.95bn	AED 1.11bn

COMPANIES INCLUDED IN THE ANALYSIS

Listed Insurance Companies

Sr. No.	Symbol	Name	Market
1	AAAIC	Al Ain Al Ahlia Insurance Co.	ADX
2	ABNIC	Al Buhaira National Insurance Company	ADX
3	ADNIC	Abu Dhabi National Insurance Co.	ADX
4	AFNIC	Al Fujairah National Insurance Co.	ADX
5	ALLIANCE	Alliance Insurance	DFM
6	AMAN	Dubai Islamic Insurance and Reinsurance Co.	DFM
7	ASCANA	Arabian Scandinavian Insurance Co.	DFM
8	ASNIC	Al Sagr National Insurance Company	DFM
9	AWNIC	Al Wathba National Insurance Co	ADX
10	DARTAKAFUL	Dar al Takaful (Takaful House)	DFM
11	DHAFRA	Al Dhafra Insurance Co.	ADX
12	DIN	Dubai Insurance Co , PSC	DFM
13	DNIR	Dubai National Insurance & Reinsurance Co.	DFM
14	EIC	Emirates Insurance Co.	ADX
15	GCIC	Green Crescent Insurance Company	ADX
16	IH	Insurance House P.S.C	ADX
17	METHAQ	Methaq Takaful Insurance Co.	ADX
18	NGI	National General Insurance Company	DFM
19	OIC	Oman Insurance Company (P.S.C.	DFM
20	ORIENT	Orient Insurance PJSC	DFM
21	OUTFL	Orient UNB Takaful PJSC	DFM
22	RAKNIC	Ras Al Khaimah National Insurance Co.	ADX
23	SALAMA	Islamic Arab Insurance Company	DFM
24	SICO	Sharjah Insurance Company	ADX
25	TAKAFUL-EM	Takaful Emarat (PSC)	DFM
26	TKFL	Abu Dhabi National Takaful Co. PJSC	ADX
27	FIDELITY UNITED	United Fidelity Insurance (PSC)	ADX
28	UNION*	Union Insurance Company	ADX
29	WATANIA	National Takaful Company	ADX

** UNION had not published its financials for Q2-2021 as of the compilation of this report. Only summarized information was shared and is included in this report.*

DISCLAIMER

- We have undertaken an analysis of the Key Performance Indicators (KPIs) of the listed insurance companies in UAE for the first six months of 2021. The data has been extracted from the financial statements of those companies which were publicly listed and available till the compilation of this report.

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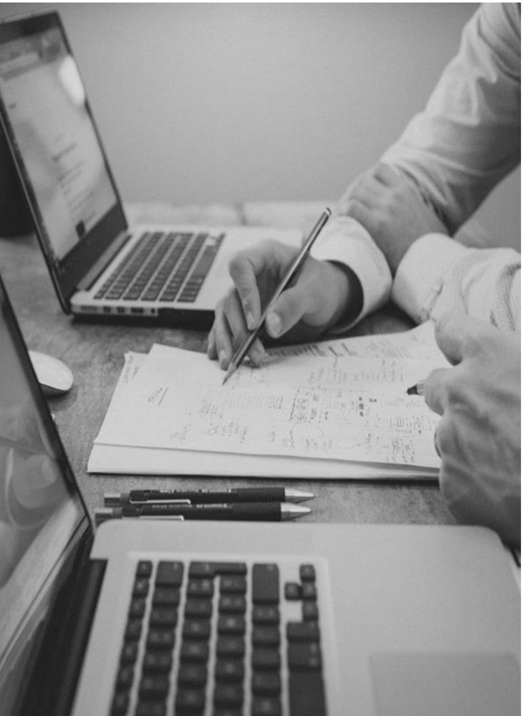
BADRI

ABOUT OUR TEAM

UAE/Oman Actuarial 30 staff	KSA Actuarial 19 staff	Medical 5 staff	IFRS-17 5 staff
Business Intelligence 10 staff	End of Service 6 staff	HR Consulting 3 staff	Support Functions 11 staff

Total Strength
89



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FEEDBACK

Badri Management Consultancy is proud to present the UAE insurance Industry Analysis for the period 2021-H1. We have a dedicated team that is working to bring you research reports. Our doors are open for feedback, and we welcome them. Feel free to inquire about the report.

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