

A Glance at Oman Insurance Industry Performance of Listed Companies Year End – 2022

(based on preliminary results)

January 17, 2023





BADRI

Year End 2022 - Oman Listed Insurance Companies

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Driven by the passion to further the use of actuarial skills in the MENA region, Badri was established in the UAE. Since then, the company has expanded exponentially and now has offices in Dubai, Riyadh, Karachi, and Lahore.

Today, our 120+ talented staff spread across KSA, UAE, Pakistan and India drive innovation and provide cutting edge solutions to our business partners across the globe. We strive to ensure that we provide the best quality solutions, turning our experience and industry knowledge into value for our clients.

We specialize in General, Life & Health Insurance / Takaful and provide customized solutions by using the latest analytical tools. We also provide IFRS17, ERM, Capital Modelling, and Big Data Analytics services to our clients.





Industry Snapshot

Gross Written Premium

2022: RO 523 million

2021: RO 404 million

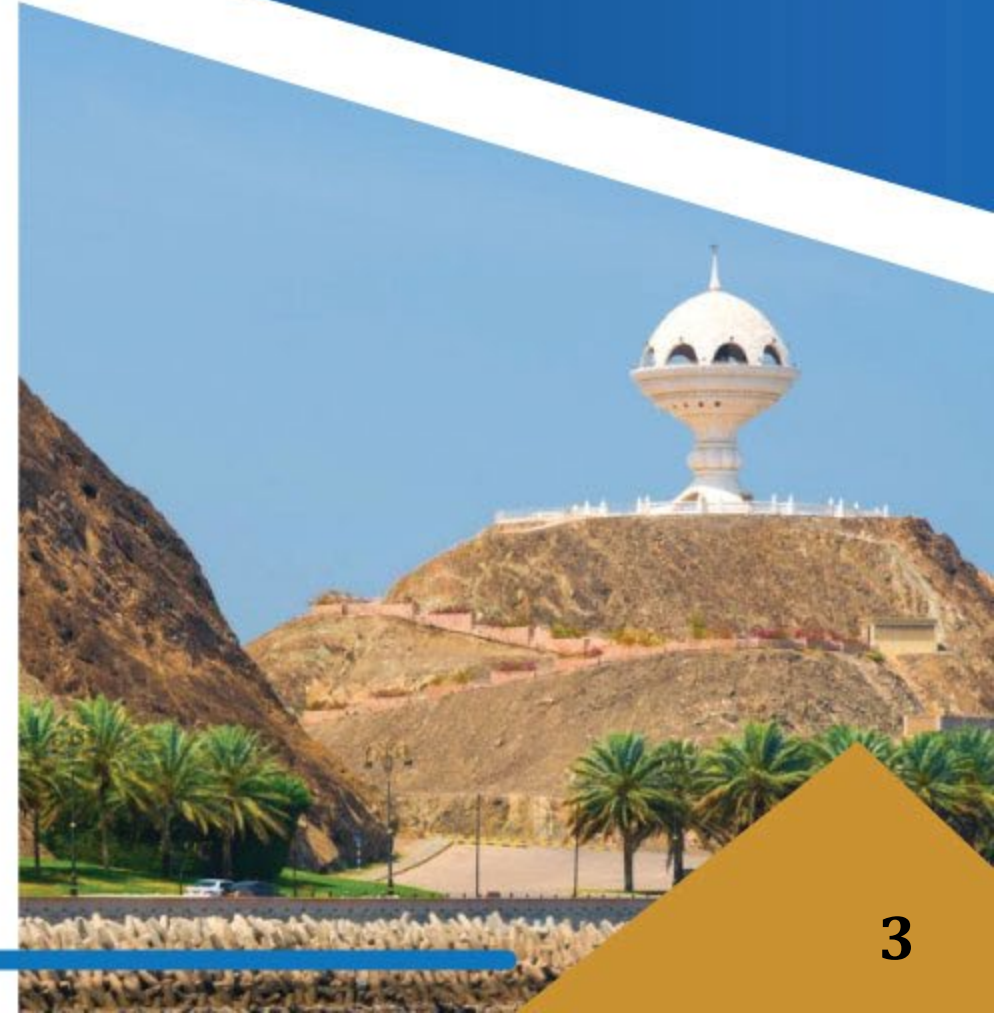
Growth: 30%

Profit After Tax

2022: RO 17 million

2021: RO 18 million

Growth: -1%

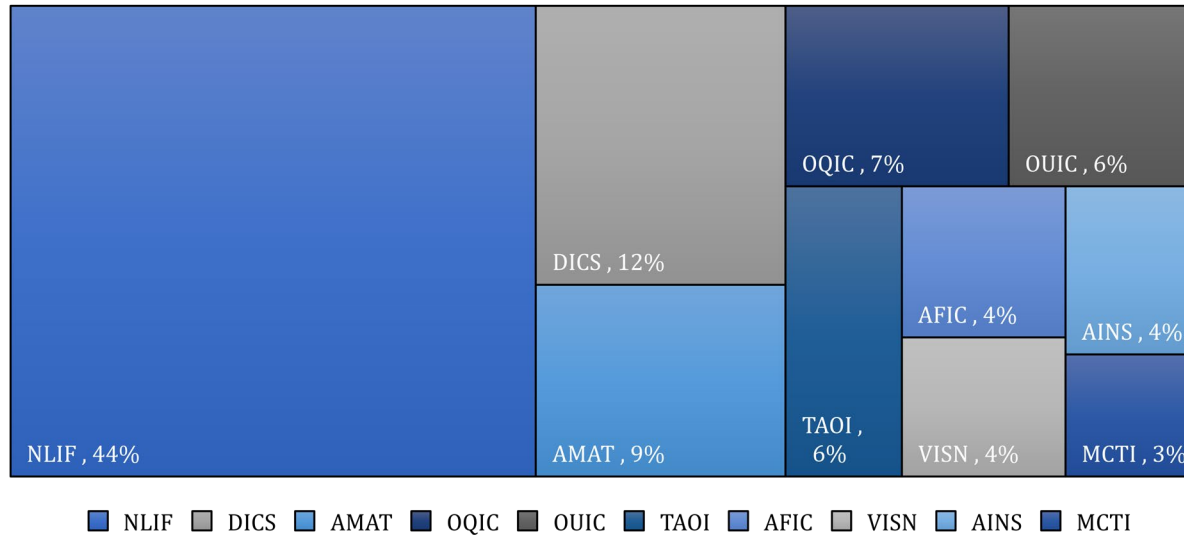




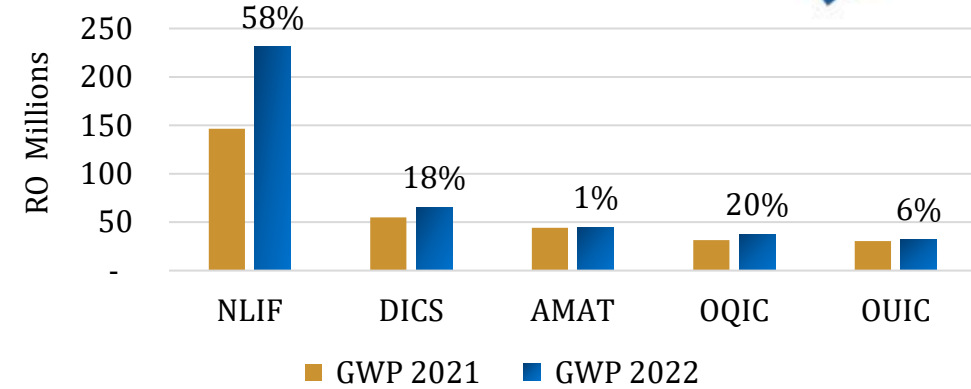
Comparative Gross Premium Analysis

The insurance companies in the Sultanate recorded total gross written premium of about RO 523 million, depicting a 30% increase in business from 2021 (RO 404 million). The growth is driven primarily by NLIF's growth of 58%. If we exclude the impact of NLIF the overall premium growth drops to 14%.

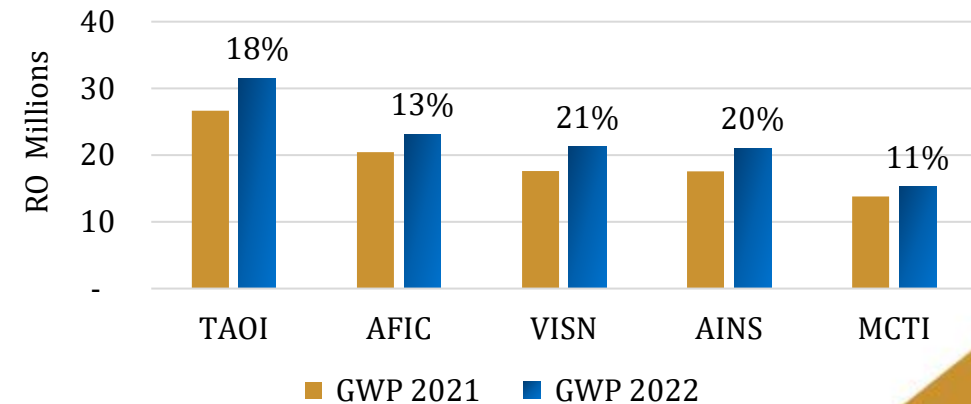
Market Share



TOP 5



Others





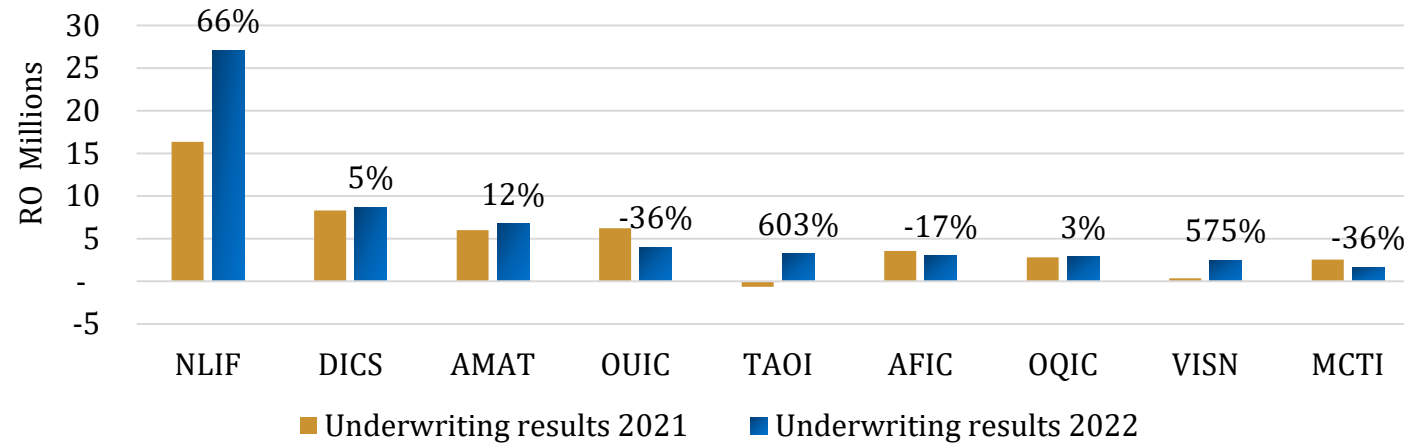
Underwriting Results & Investment Income

NLIF exhibited the highest Underwriting result of RO 27 million (2021: RO 16 million), while MCTI observed the lowest result of RO 1.6 million (2021: RO 2.5 million).

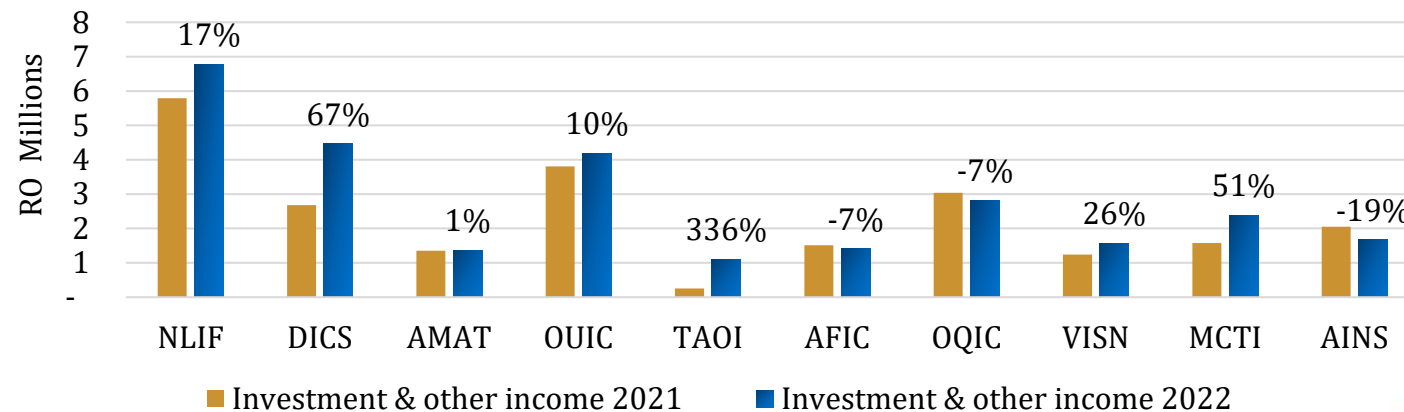
Due to data unavailability AINS has been removed from the graph.

Both graphs have been sorted in order of decreasing underwriting results for 2022.

Underwriting Results



Investment & other incomes





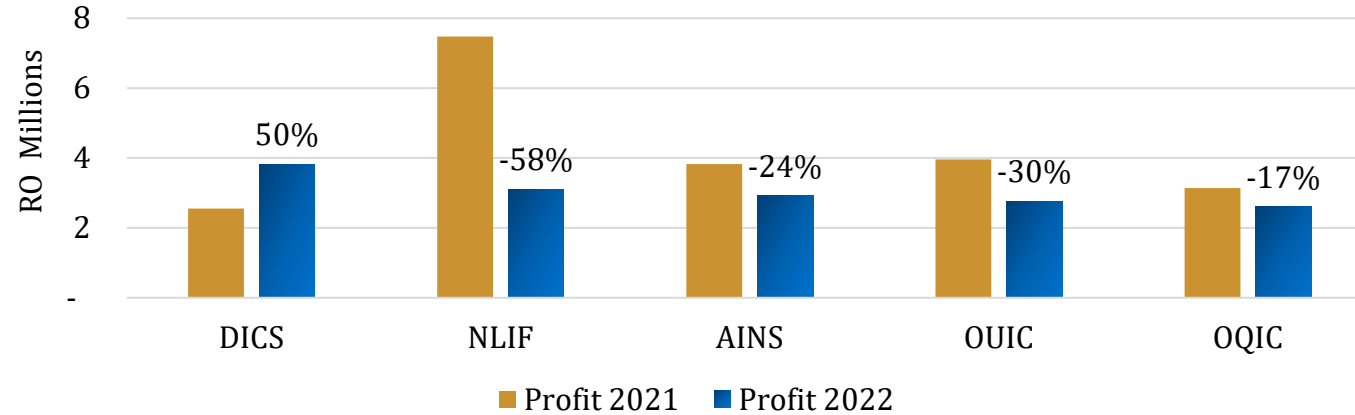
Comparative Profit Analysis

The Insurance companies in the Sultanate of Oman have shown a decline in profit of 1%, where the total profit amounted to RO 17 Million for 2022 (2021: RO 18 Million).

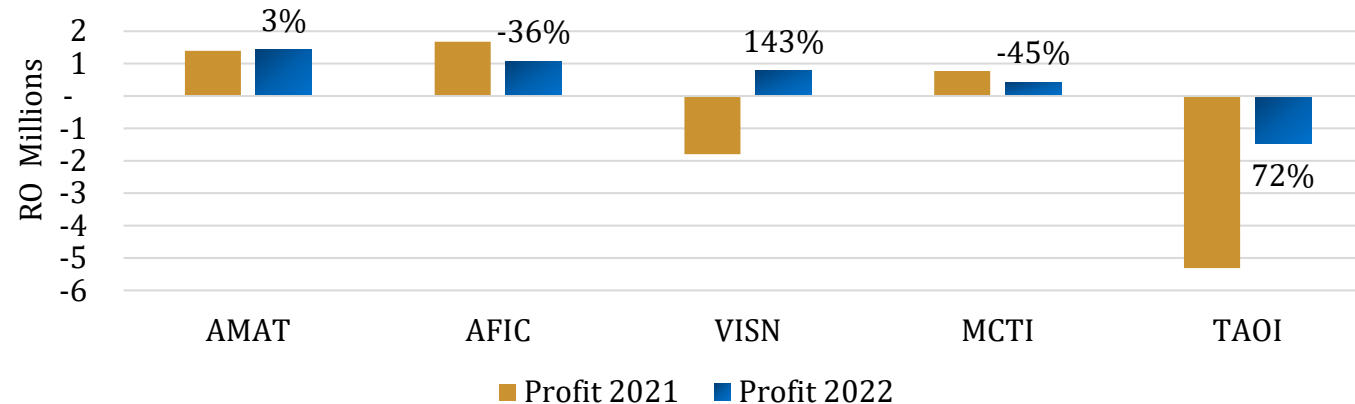
The profit decline for NLIF is 58% which is driving the overall profit drop.

As per the availability of data we have used values of profit after tax.

TOP 5



Others





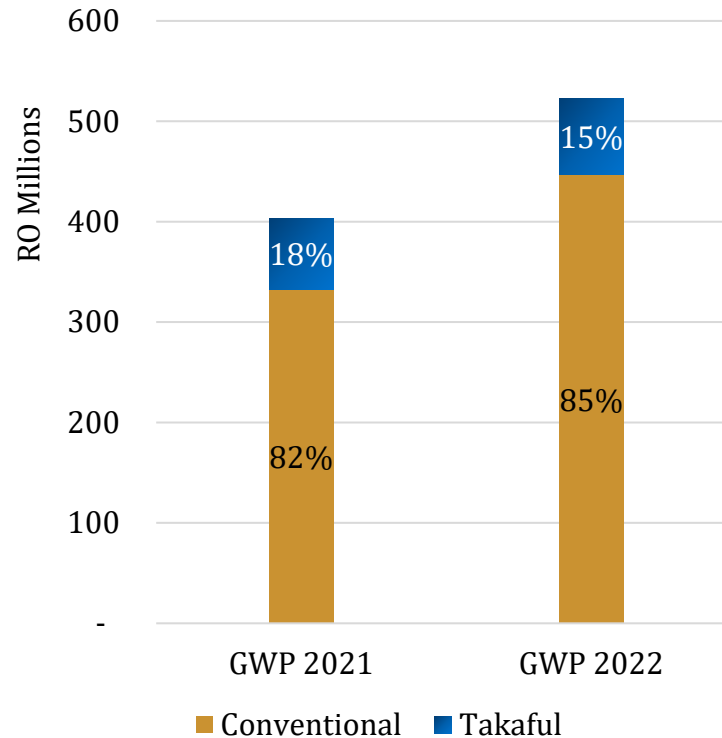
Conventional Vs Takaful

In the Sultanate of Oman, out of 10 listed insurance companies, only 2 operate as Takaful Insurers, contributing 15% of the total written business in 2022.

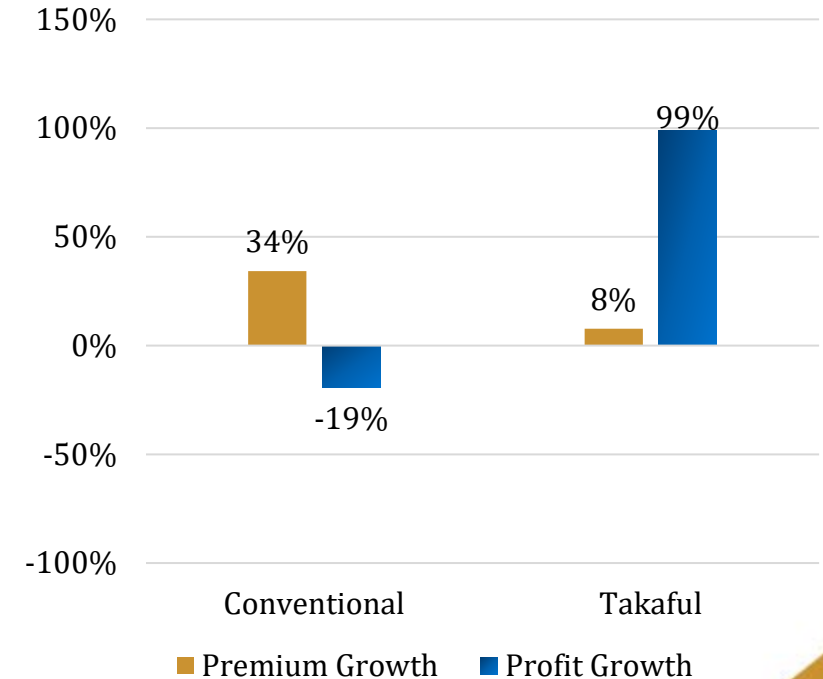
When comparing contribution with 2021, Conventional insurers observed a growth of 34%, whereas Takaful insurers exhibited a growth of 8%.

The profit of Conventional insurers has recorded a decline of 19%, whereas Takaful Insurers exhibited a growth of 99%.

Takaful & Conventional Business Distribution



Business Growth for Conventional & Takaful Insurers





Conclusion

The listed Insurance Companies in Oman saw an increase in topline of 30% in FY 2022, with premium volumes increasing from RO 404 Million in FY 2021 to RO 523 Million. However, if we exclude the impact of NLIF the premium growth drops to 14%. Large growth of NLIF was due to acquisition of RSA Middle East operations in Q3, which is now consolidated with them. All the listed companies displayed an increase in premium volumes from the previous year.

While the premiums showed a modest growth, at the other end of the spectrum, the bottom line observed a decline with profits after tax declining from RO 18 Million in FY2021 to RO 17 Million in FY2022, a decrease of 1%. NLIF displayed a significant fall in profits as compared to the previous year. If we remove its impact from the profitability analysis, the result shows an increase of 40% in overall profits of the industry. The drop for NLIF was high specifically due to one-time impacts on investment income and integration expenses due to the acquisition.

The industry is experiencing an immense pressure from detrimental competition and low rates and many of the participants are now trying to improve their rates especially for Motor.

The results have been obtained from the published, unaudited preliminary numbers of the listed insurance companies of Oman.



Disclaimer

We have undertaken an analysis of the Key Performance Indicators (KPIs) of the listed insurance companies in Oman for the year end 2022. The data has been extracted from the preliminary reports of those companies which were publicly listed and available till the compilation of this report.

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Due to availability of limited information, we were unable to segregate further. Once all companies start publishing preliminary reports with uniform level of segregation, this can be done.



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