

Industry Snapshot

11% ▲

Gross Written Premium

2022: AED **29** Billion

2021: AED **26** Billion

-23% ▼

Net Profit

2022: AED **1.52** Billion

2021: AED **1.99** Billion

Return on Equity

2022: **8%**

2021: **11%**



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A Glance at UAE Insurance Industry Performance of Listed Companies Year End - 2022

(based on Preliminary Results)



February 16, 2023



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Year End 2022 – UAE Listed Insurance Companies

About BADRI Management Consultancy

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.



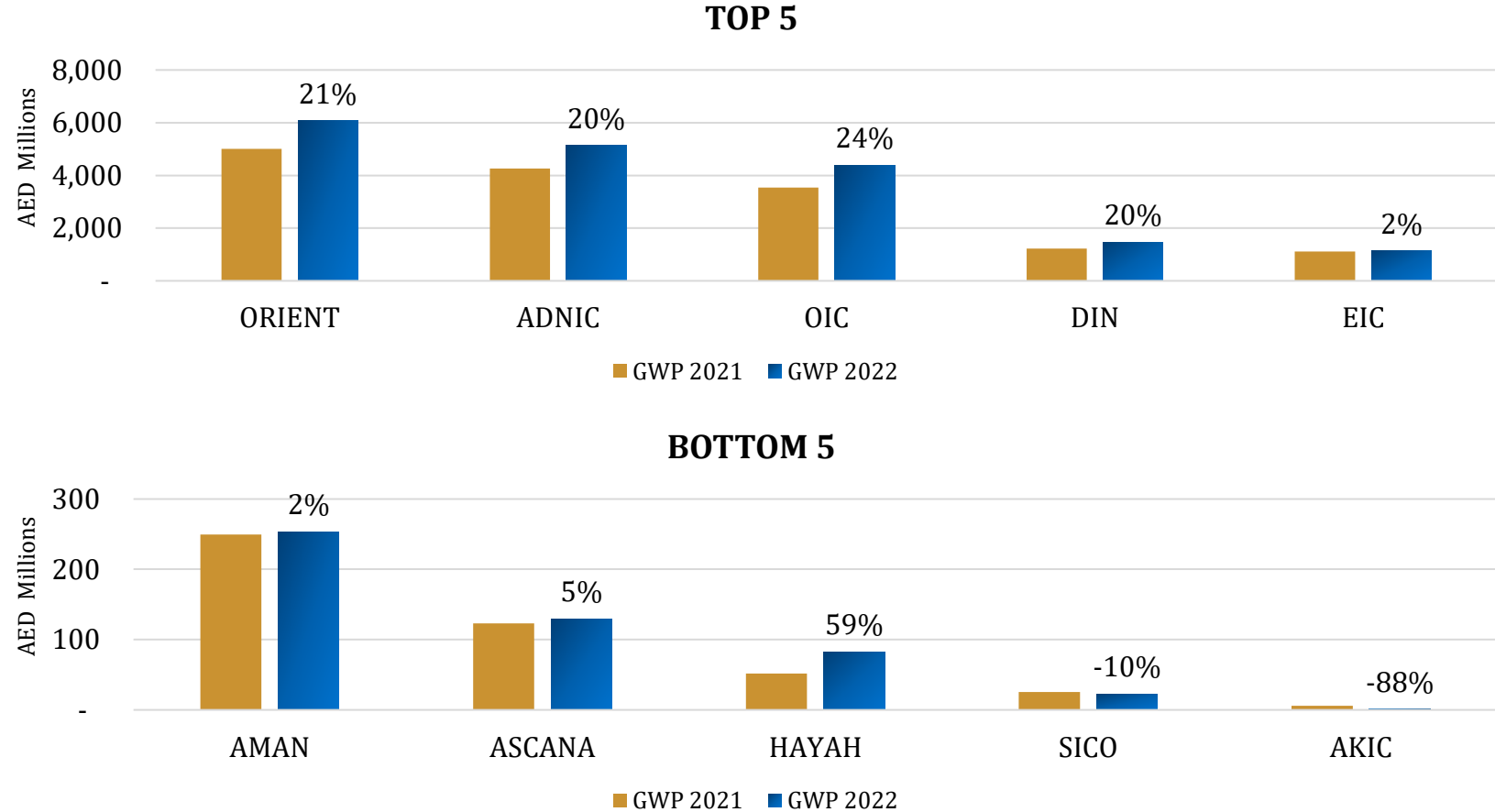


Comparative Gross Premium Analysis

Highest GWP = ORIENT:
AED 6 Billion

Weighted Average GWP Growth = 11%

TOP 5 Companies, Premium = AED 18 Billion.
Growth = 20%

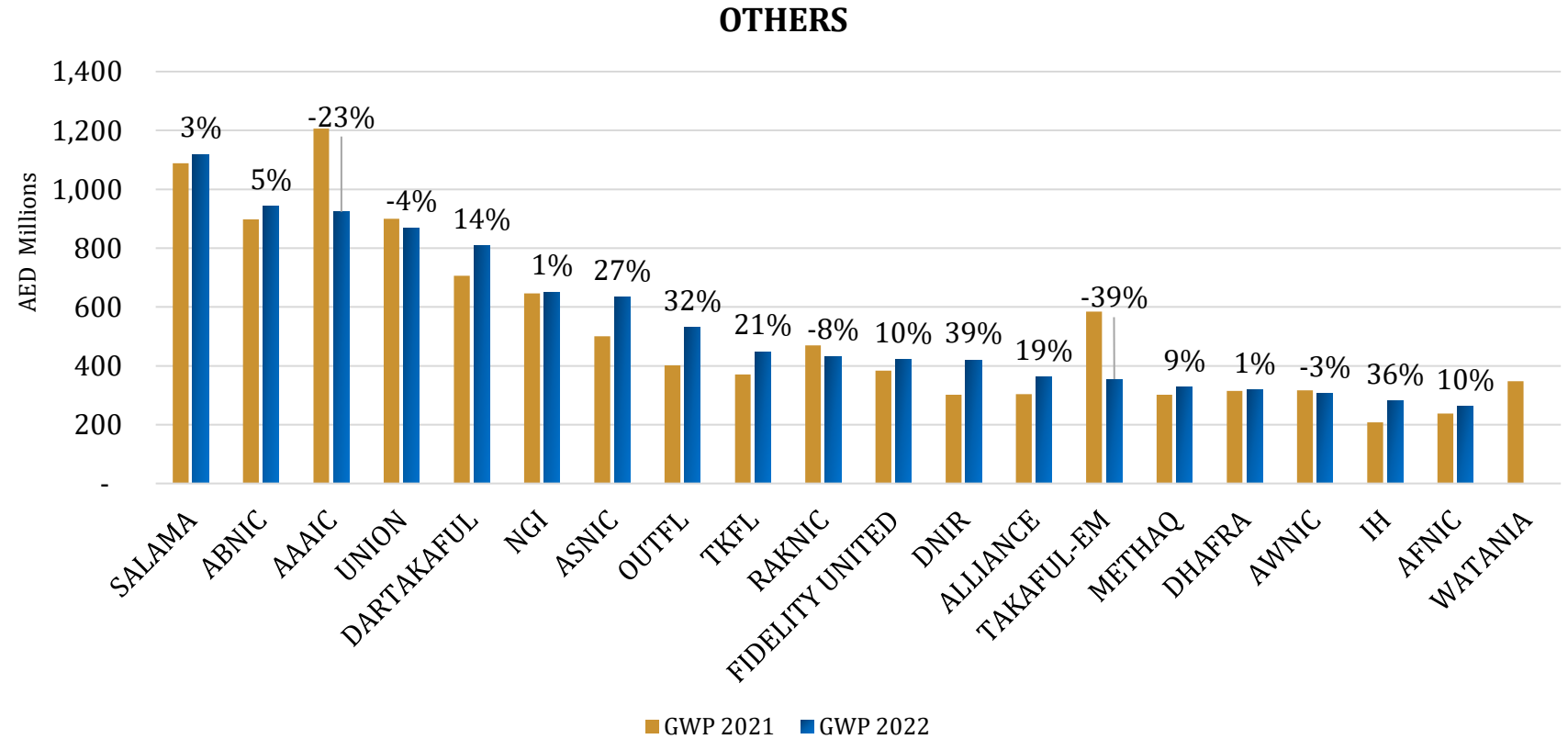




Comparative Gross Premium Analysis

Highest GWP Growth
= HAYAH: 59%

Lowest GWP Growth
= AKIC: -88%





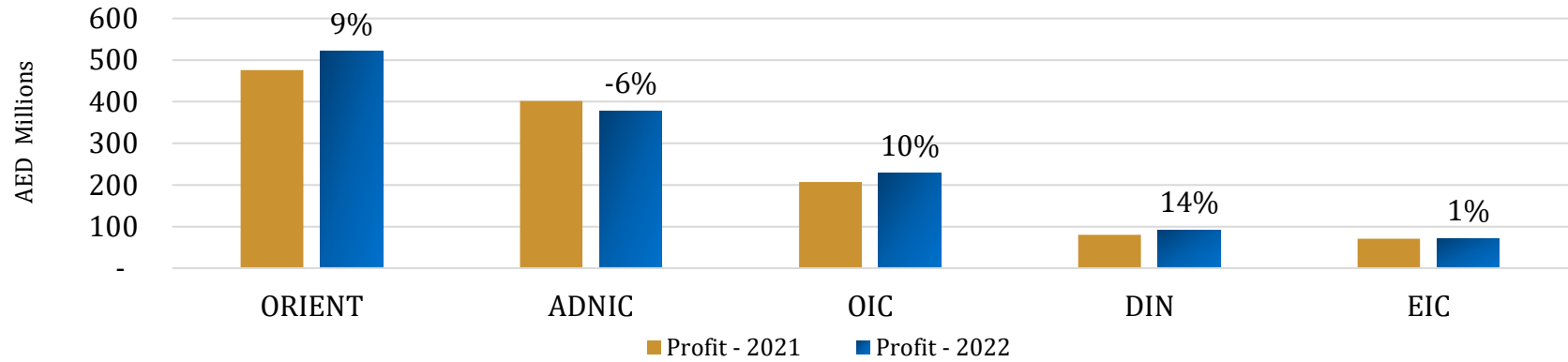
Comparative Profit Analysis

Highest Profit = ORIENT:
AED 521.29 Million

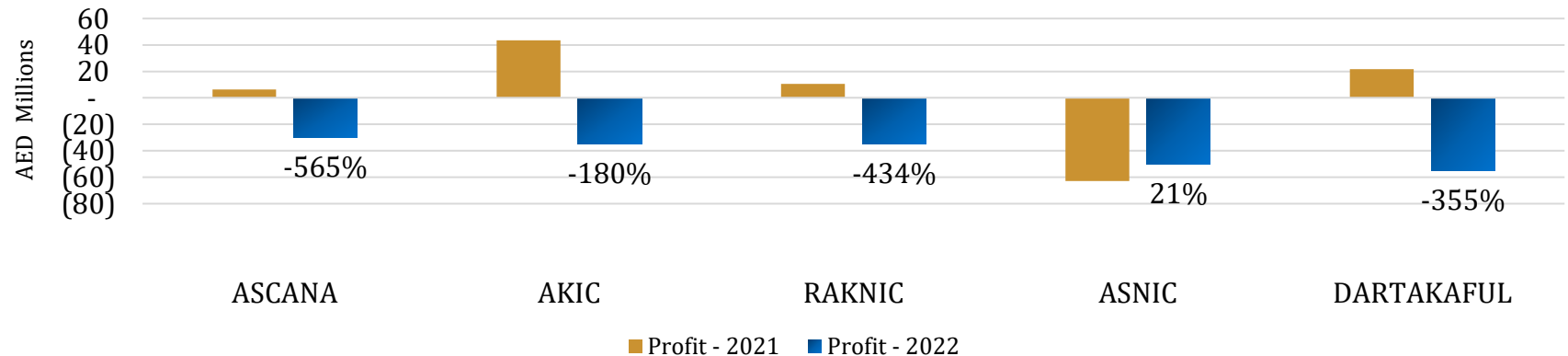
Weighted Average Profit Growth = -23%

Highest Loss =
DARTAKAFUL: AED 55.04 Million

TOP 5



BOTTOM 5

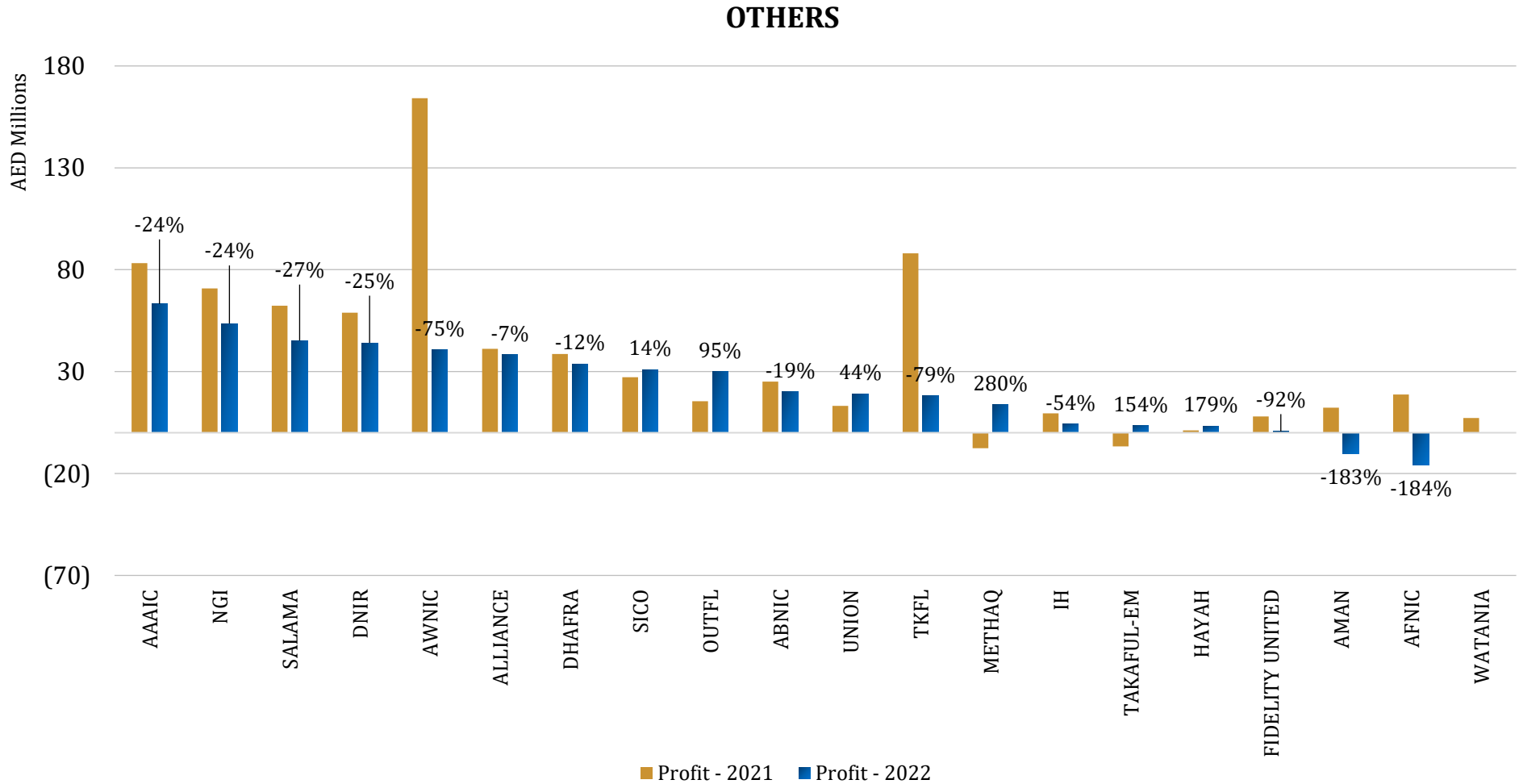




Comparative Profit Analysis

Highest Profit Growth =
METHAQ: 280%

Lowest Profit Growth =
ASCANA: -565%



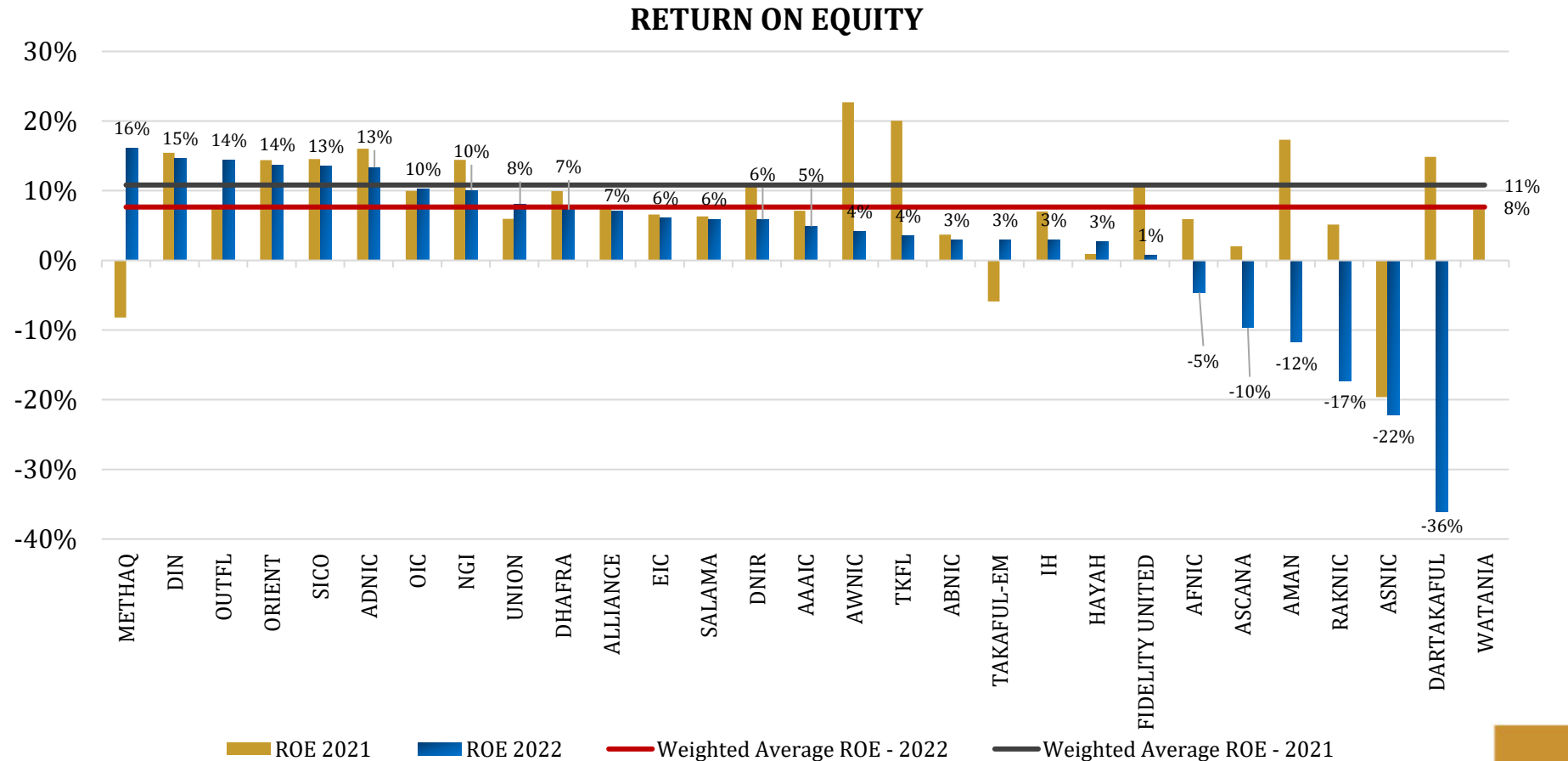


Return on Equity

Highest ROE =
METHAQ: 16%

Weighted Average
ROE = 8%

Lowest ROE = AKIC:
-66%





Conclusion

- UAE Listed Insurance companies saw their top line increase by 11% and closed the year at AED 29 billion up from AED 26 billion in 2021. This growth can be attributed to the Large 3 insurers that account for AED 2.8 billion of the total increase. The industry also benefited from some mandatory schemes which inflate the top line since the local companies cede business to each other.
- From a profitability perspective, the reduction in rates, specifically in Motor, in 2020/2021 and increase in commissions have impacted the industry adversely. The situation is as bad as predicted. Net profit for the industry has dropped by around AED 462 million or 23% YoY to AED 1.52 billion from AED 1.99 billion. Net profit for the industry excluding the “Top 3” insurers has dropped from AED 902 million in 2021 to AED 397 million in 2022 – a drop of 56%! 18 of the 29 companies have seen a deterioration in profits compared to FY 2021.
- While the numbers show a decrease of 23% (or 56%), the underlying situation could be much worse due to few factors that are not captured by these results. A key factor being inter-company receivables. In the recent circular by the CBUAE – they have listed some auditing issues and one of which is that receivables are overstated. There is a possibility that between the issuance of preliminary and final audited accounts there could be a revision in profits due to scrutiny by the auditors.
- With the significant impact on profitability, the requirements to show solvency positions publicly and onset of IFRS17 which speeds up the loss recognition for onerous contracts – we see 2023 as a year where the UAE Insurance Industry will have to focus on fundamentals in terms of pricing, risk selection and overall risk management.





Disclaimer

We have undertaken an analysis of the Key Performance Indicators (KPIs) of the listed insurance companies in UAE 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.

The merger between DARTAKAFUL and WATANIA was effective July 1, 2022. Since the values of DARTAKAFUL contain the values for the merged entity for year end 2022 only, we have shown WATANIA's year end 2021 for completeness purpose.



About Our Team

UAE/Oman Actuarial	KSA Actuarial	Business Intelligence	End of Service
35 staff	30 staff	8 staff	5 staff
Medical	IFRS-17	HR Consulting	Financial Services
4 staff	16 staff	2 staff	3 staff
Support & Admin: 23 staff			

Total Strength 126





Invest In Your Team

métier – a Badri Group Company is a renowned boutique Executive search and HR solutions consulting firm that works with teams across the globe, to develop a tailored HR plan and resolve your business challenges.

We take a personalized approach in ensuring that the solutions provided to you are in line with your company strategy to help you achieve your business goals through sustainable HR practices.

Since our inception in 2014, we have been recognized as Executive search leaders across multiple industries in the MENA region. métier’s seasoned professionals focus on your HR transformation, while you focus on your business.

Our Competitive Edge

- Improving Workplace Productivity
- Increasing Value Through People
- Inspiring Partnerships

Our Service Offerings

- Strategic HR Consulting
- Digital HR Solutions
- Talent Acquisition Services
- Training Solutions





Financial Services

Accounting and financial services is one of our core offerings . At Badri, we adopt a customized, responsive, and personal approach towards clients and offer a range of services to assist our clients in getting through complex accounting and corporate matters. With several years of professional experience, across multiple disciplines and sectors such as financial services, manufacturing, trading, hospitality, transportation, we consider ourselves to be the first choice of our existing and prospective clients. Our multidisciplinary approach allows us to provide services beyond actuarial and data analytics we are known for. Our value-added services are:

Financial Services

- IFRS Implementation
- Account Reconciliation services
- Accounts Receivable and Payable Cleaning up services
- Financial Due Diligence
- Virtual CFO services
- MIS Reporting
- Outsourced services

Business Management Consultancy

- Policies and Procedure Review
- Post Implementation Review
- Market Intelligence

Other Services

- Tax Advisory Services
- Internal Audit Services
- Internal Controls Over Financial Reporting Services (ICoFR) Implementation
- Code of Corporate Services





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Year End 2022 – UAE Listed Insurance Companies

How Can We Help?

In relation to this publication or any assistance on the subject, you can connect with us through:



Publications@badriconsultancy.com



www.badriconsultancy.com

UAE Office

2107 SIT Towers, PO Box 341486,
Dubai Silicon Oasis, Dubai, UAE

KSA Office

No 2 Alhadlaq Commercial
Complex, Anas Bin Malik
Street, AlMalqa District Riyadh
PO Box 13524

Karachi Office

Office 7B-2/5, 7th Floor, Fakhri Trade Center,
Shahrah-e-Liaquat, New Chali, Karachi Pakistan

Lahore Office

POPCORN STUDIO Co-working Space Johar Town
59-B Khayaban e Firdousi, Block B, Phase 1, Johar
Town, Lahore Pakistan

