



2024

KSA

Listed Insurance Industry Performance Analysis – First Quarter 2024

- Based on preliminary results

Date: May 19, 2024



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 Excellence

Fostering Partnerships

Breeding Excitement

Growth-Centric



InsureTek Golden Shield Excellence Awards 2024

Newest Award on our shelf:
Best Actuarial Company of the Year
BADRI Management Consultancy



Awards & Achievements

Award winning strategic partner to the insurance industry with our 150+ talented staff in UAE, KSA and Pakistan 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.

Our Awards

- Strategic Partner to the Industry 2023, 2022, 2021 & 2020 by MIIA
- Best Actuarial/Risk Consultancy Firm of 2023, 2018 & 2016 by MENAIR
- Corporate Risk Manager of the Year 2023 by InsureTek





About **BADRI**

BADRI over the years has emerged to be a global consulting company that provides diverse sets of services to clients across Middle East and other regions.

Today, our **170+** talented staff spread across UAE, KSA & Pakistan 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 all range of actuarial services and have also been able to integrate to provide services in other segments including Financial Services, Strategic HR consulting, Data Management and Business Intelligence to our clients.

What We Can Do For You!

Actuarial Consultancy

- Appointed Actuary
- End of Services
- Actuarial Support for General & Life Insurance
- IFRS 17
- Pricing, Reserving & Capital Modelling
- Actuarial Support for Motor & Medical Insurance

Strategic Consultancy

- Financial Services
- Strategic HR Consultancy
- ERM
- Product Development
- Merger and Acquisition
- Compliance and Forensics
- Advisory & Risk Management

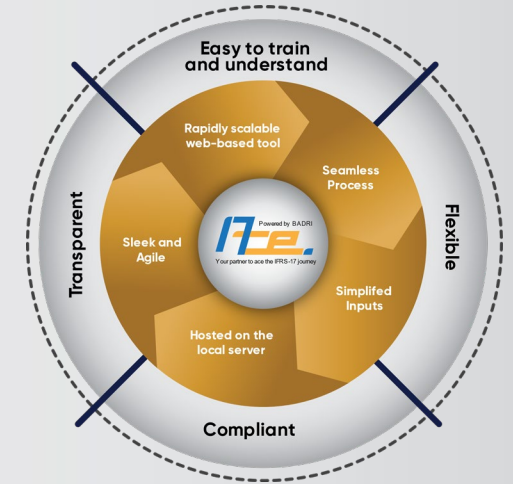
Technology Consultancy

- Digitalization
- Business Intelligence
- Data Governance
- Big Data & Analytics
- IFRS 17 Systems



ACE-17

ACE-17, our flagship IFRS 17 calculation engine, provides a seamless and cost-effective solution to generate the IFRS 17 financials and disclosures, saving your time and effort in your IFRS 17 reporting processes. Users can move through an intuitive, fully transparent, and flexible calculation process that is built to generate all the reporting requirements to deliver the IFRS 17 financial statements.



Financial Services

Our professional and dedicated team possess the expertise in financial services domain and offer wide range of services. Our core services are:

- IFRS Implementation
- Reconciliation Services
- MIS Reporting
- Backlog Accounting
- Loan Staff (Outsource)

Reconciliation Services

- Improve collections from insurance companies/ brokers and customers by reconciling the statement of account on regular basis.
- Accurate reporting of LRC and LIC balances. As currently most businesses struggled to isolate their receivables, payables, and commission from their net position.
- Reduce risk of error and compliance with regulation/ standard.

Loan Staff

- Availability of Qualified and competent staff immediately.
- No lengthy hiring process as no change in the headcount.
- Benefit from a consultant's knowledge of the market.
- Cost containment.



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

métier

a  BADRI group company



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Frist Quarter 2024 Industry Analysis

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Insurance Service Ratio

Profitability

Net Profit

Investment Income

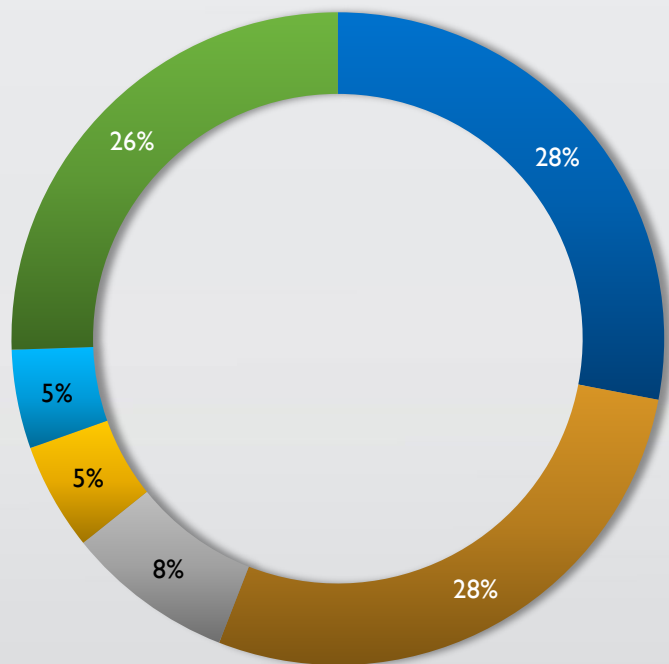
Profit Composition

Earning Per Share



Q1 2024 Highlights

Insurance Revenue Q1 2024



■ Tawuniya ■ Bupa ■ Al-Rajhi ■ Medgulf ■ Walaa ■ Others

Insurance Revenue

Q1 2024: **SAR 16 billion**
Q1 2023: SAR 13 billion
Growth: 21%

Insurance Service Results

Q1 2024: **SAR 815 million**
Q1 2023: SAR 622 million
Growth: 31%

Profit After Zakat

Q1 2024: **SAR 879 million**
Q1 2023: SAR 594 million
Growth: 48%



01

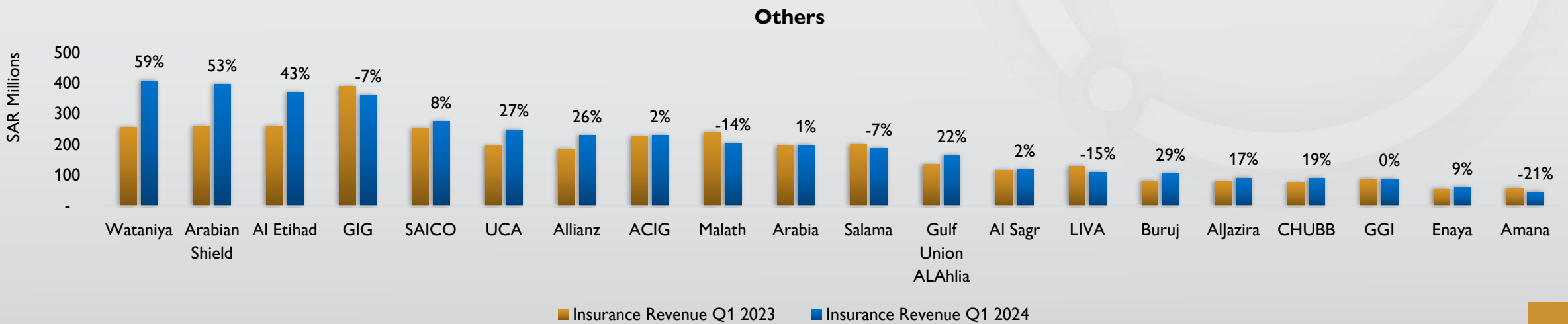
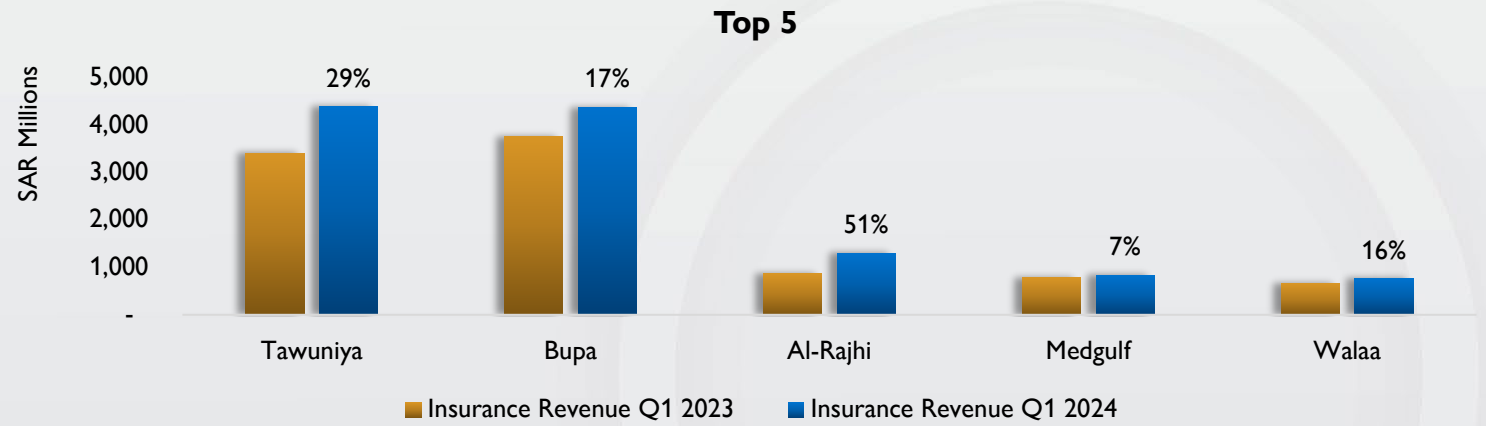
Revenue

Insurance Revenue - Listed Companies



In the first quarter of 2024, the examined 25 listed companies recorded a 21% surge in Insurance Revenue, totaling SAR 16 billion. This marked a substantial increase from the previous period's SAR 13 billion. The Insurance Revenue figures are presented after factoring out any Expected Credit Losses, analogous to the concept of Provision for Doubtful Debts.

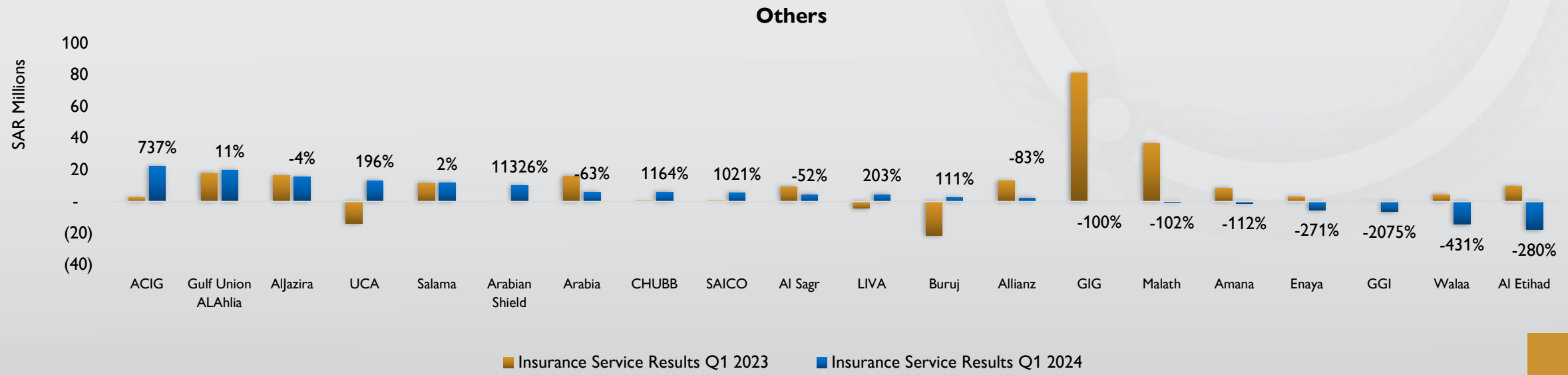
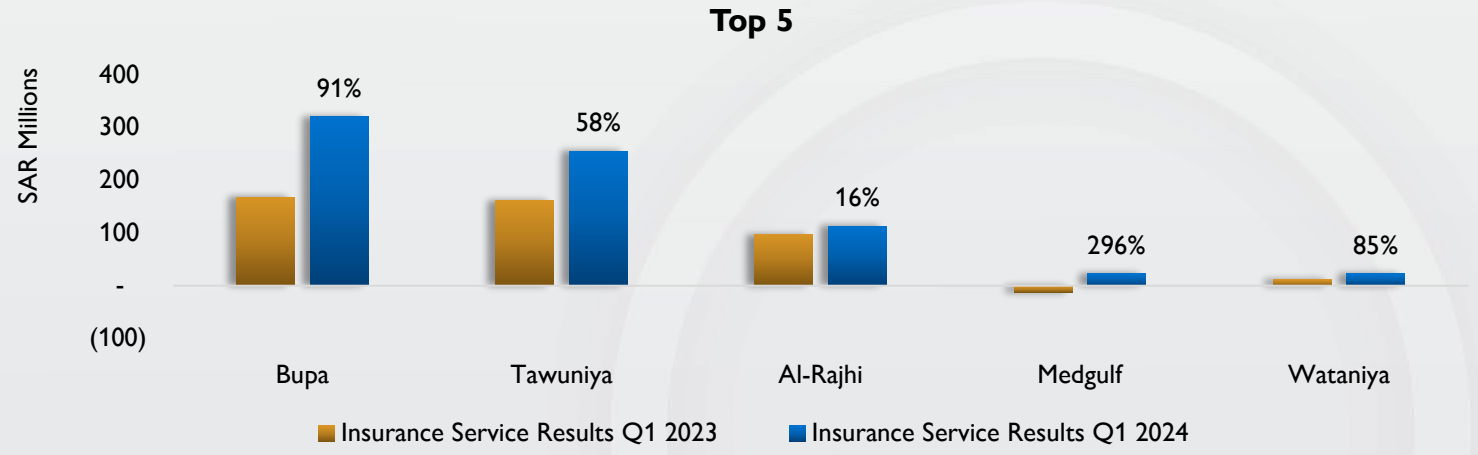
Within the top five companies, their Insurance Revenue experienced a 23% upswing, climbing from SAR 9 billion in Q1 2023 to SAR 12 billion in Q1 2024. Conversely, the rest of the companies observed a 15% increase, elevating their Insurance Revenue from SAR 3 billion in Q1 2023 to SAR 4 billion in Q1 2024.



Insurance Service Results - Listed Companies



In Q1 2024, the Insurance Service Results for the 25 listed companies underwent a significant increase of 31%, soaring from SAR 622 million to SAR 815 million. Among the leading 5 companies determined by this key performance indicator (KPI), there was a growth of 72%, surging from SAR 429 million to SAR 737 million between the two periods. Conversely, the remaining firms encountered a decrease from SAR 193 million to SAR 78 million. Notably, BUPA achieved the most substantial absolute growth of SAR 153 million, while GIG observed the most notable decline of SAR 81 million.



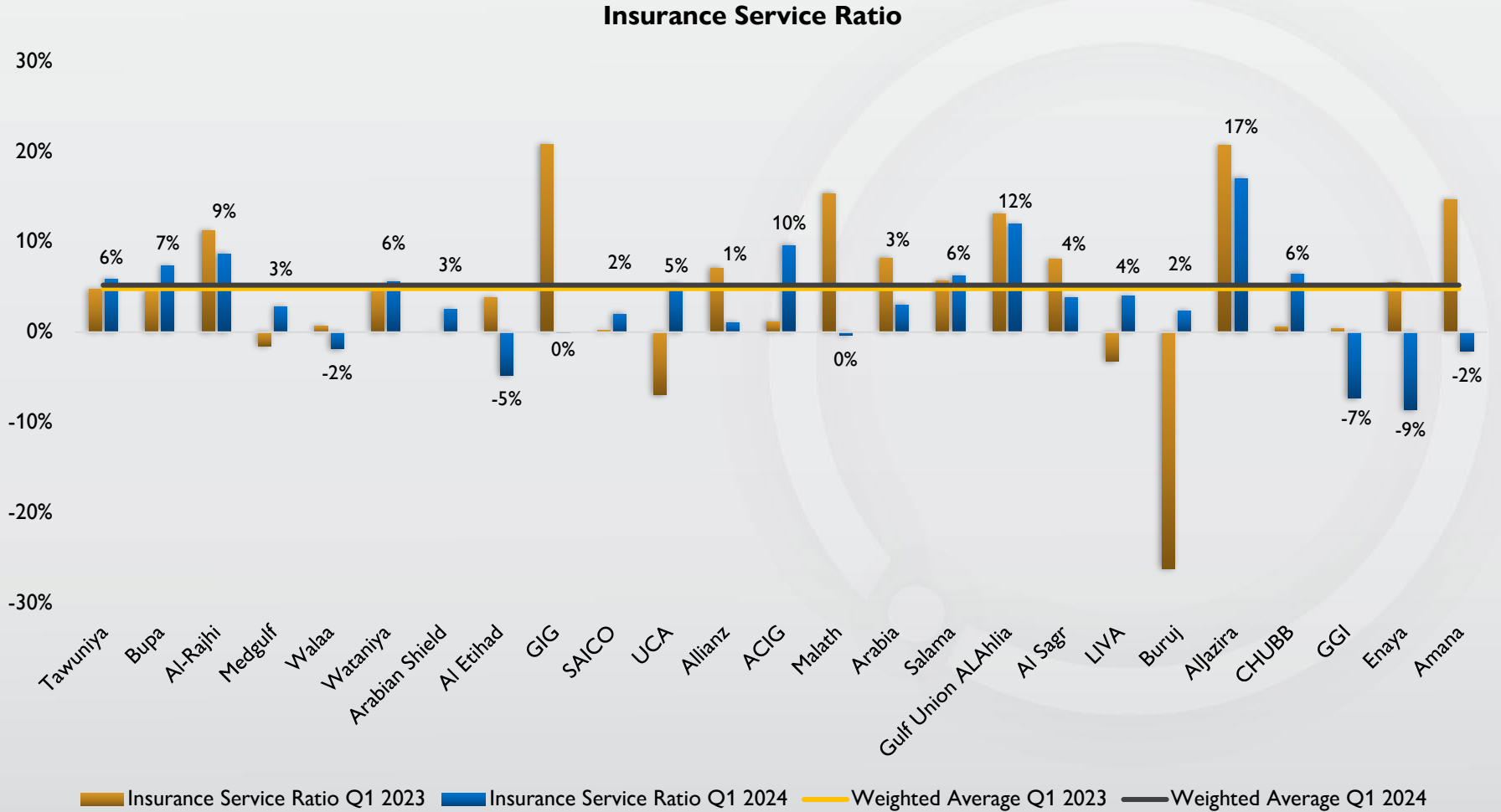
Insurance Service Ratio – Listed Companies



The Insurance Service Ratio for the listed companies in Q1 2024 remained same as previous year's first quarter which was 5%. Notably, AlJazira displayed the highest ratio at 17% (Q1 2023: 21%), while Enaya recorded -9% ratio (Q1 2023: 6%), indicating a negative figure.

The calculation of the Insurance Service Ratio (Insurance Service Results / Insurance Revenue) finds similarity with the concept of 100% minus the Combined Ratio as per IFRS4. However, a crucial distinction lies in the focus on Net Results and the comparison with a value akin to Gross Earned Premium.

In the context of IFRS4, Insurance Service Results can be perceived as Underwriting Profits after accounting for expenses.





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Q1 2024 (preliminary) - KSA Listed Insurance Companies

02

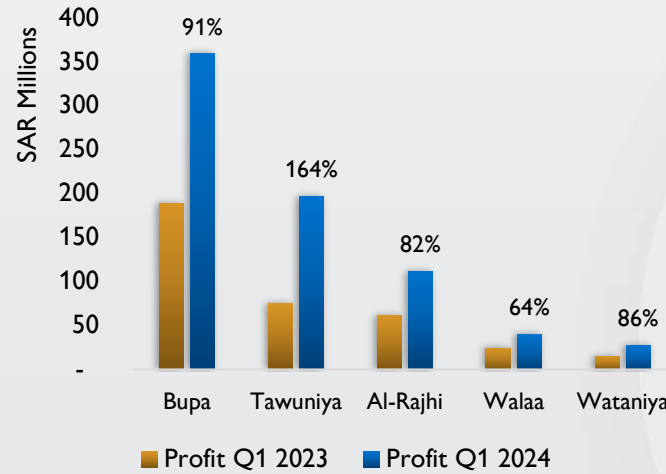
Profitability

Profit After Zakat - Listed Companies Trend

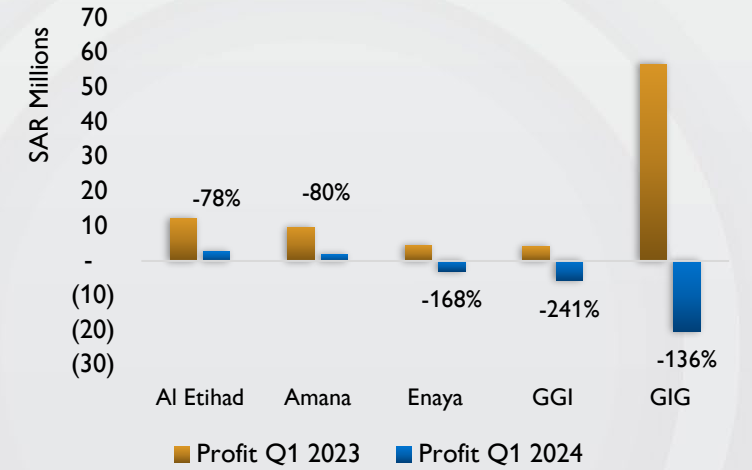


The listed companies saw an overall rise in profits. Profit (after zakat) for the 25 listed firms rose by 48%, climbing from SAR 594 million in Q1 2023 to SAR 879 million in Q1 2024. This increase was driven by the top 5 companies, while the others had a reduced impact. Among the top 5, profits surged by 102% to SAR 735 million (Q1 2023: SAR 363 million). Meanwhile, the remaining firms saw a 38% decrease, totaling SAR 144 million (Q1 2023: SAR 231 million).

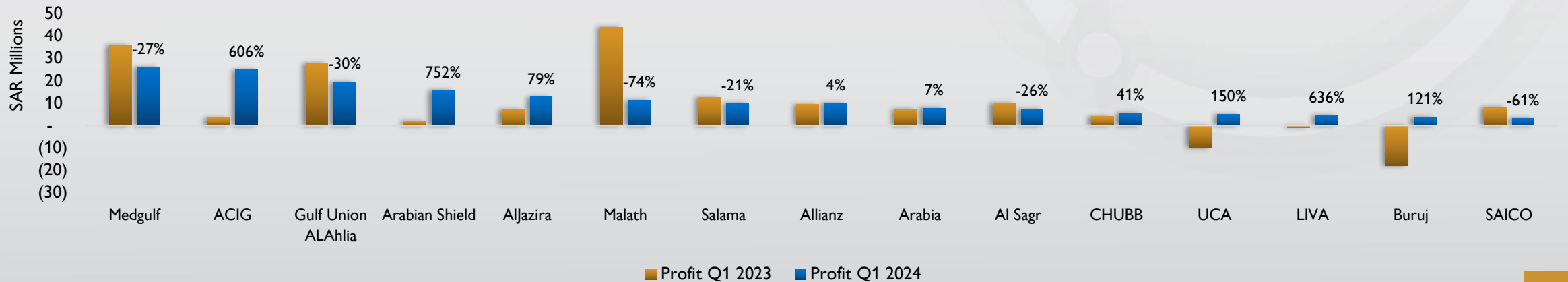
Top 5



Bottom 5

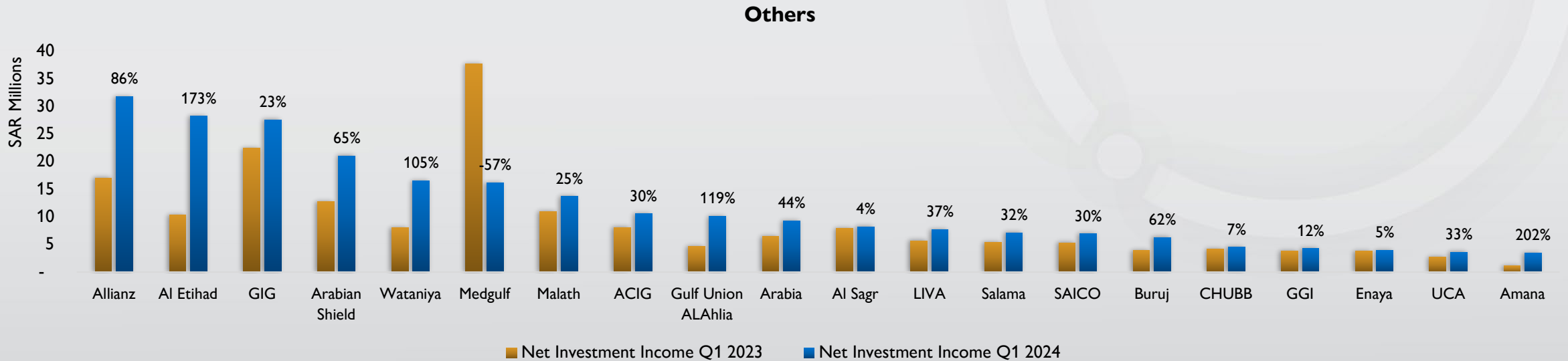
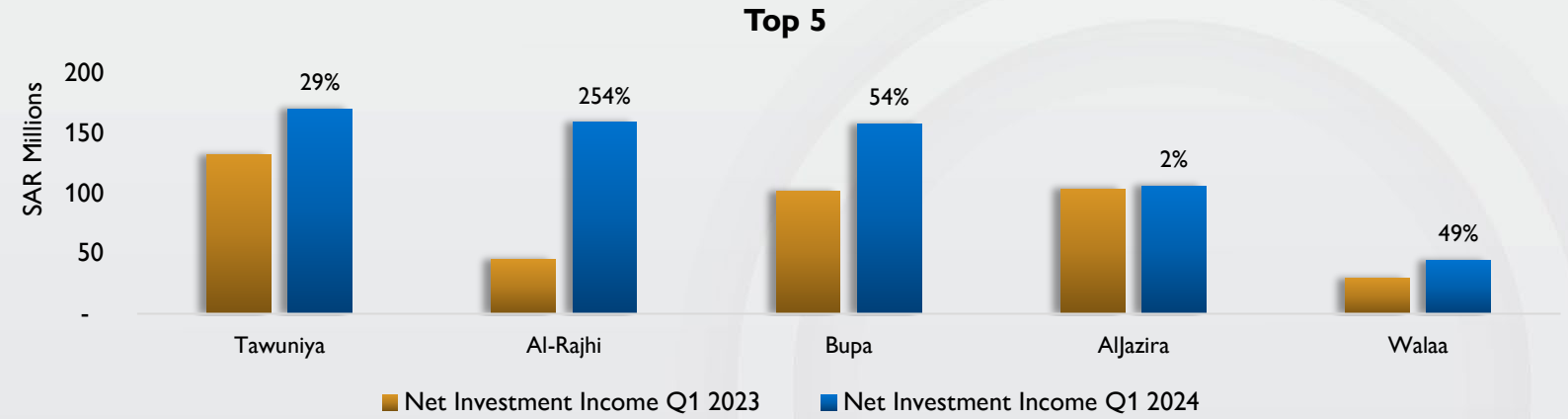


Others





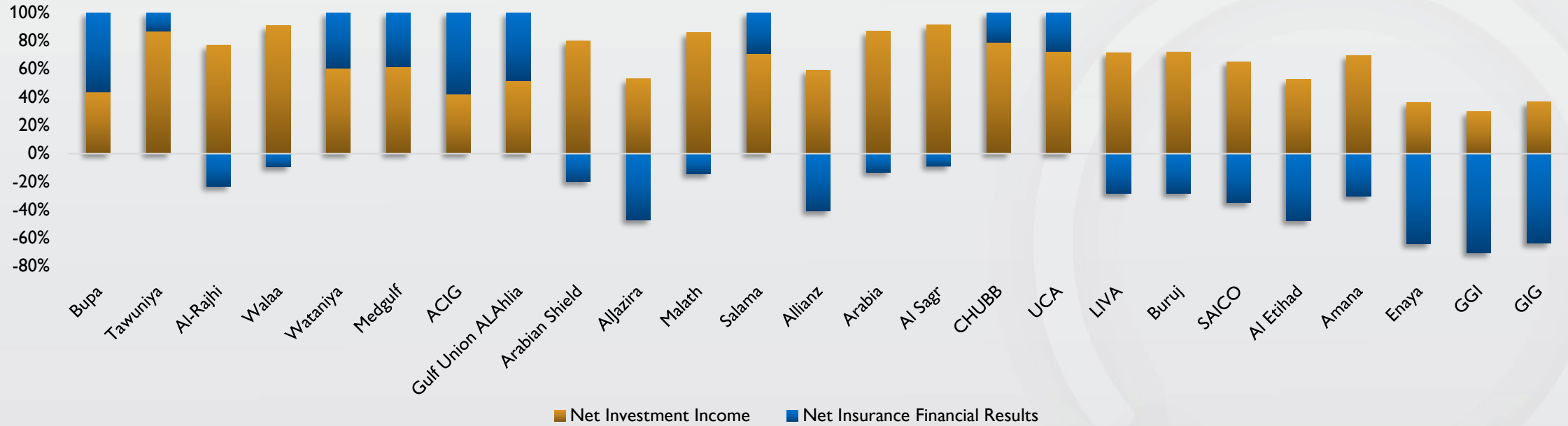
Highest Investment income is depicted by Tawuniya of SAR 171 million (Q1 2023: SAR 133 million). The highest Investment income growth is recorded by Al Rajhi of 254% from SAR 45 million to SAR 159 million in Q1 2024.



Profit Composition (Profit After Tax)



Profit Composition



It can be observed that insurance companies which recorded losses in their net insurance financial results were able to minimize the impact from investment income.

As can be seen, the highest net insurance financial results is depicted by BUPA of SAR 201 million and highest Investment income was generated by Tawuniya of SAR 171 million.

16 of 25 companies had a net insurance financial deficit; of these, 13 generated profit. However, none recorded losses on their investment income.

Opportunities to enhance insurance-related income strategies exist in the market, with companies encouraged to prioritize income from insurance services as their main source of profit generation.



Company	EPS 2023 Q1	EPS 2024 Q1
Tawuniya	0.50	1.31
Bupa	1.26	2.40
Al-Rajhi	0.61	1.11
Medgulf	0.34	0.25
Walaa	0.29	0.47
Wataniya	0.37	0.68
Arabian Shield	0.03	0.20
Al Etihad	0.27	0.06
GIG	1.08	-0.39
SAICO	0.27	0.11
UCA	-0.25	0.13
Allianz	0.16	0.17
ACIG	0.12	0.86
Malath	0.88	0.23

Company	EPS 2023 Q1	EPS 2024 Q1
Arabia	0.15	0.15
Salama	0.83	0.50
Gulf Union ALAhlia	0.61	0.43
Al Sagr	0.70	0.50
LIVA	-0.02	0.12
Buruj	-0.59	0.13
AlJazira	0.11	0.19
CHUBB	0.13	0.19
GGI	0.14	-0.19
Enaya	0.19	-0.13
Amana	0.23	0.05

Earning Per Share



Conclusion

The record profitability (after zakat & tax) seen in 2023 has continued in 2024 with an upsurge of 48%, rising from SAR 594 million in Q1 2023 to SAR 879 million in Q1 2024, however performance is more mixed. The Top-3 - BUPA, Tawuniya and Al Rajhi have shown strong profit growth of 91%, 164% and 82% respectively. However, 11 companies have shown a decline in profit.

Overall insurance revenue increased by 21%, rising from SAR 13 billion to SAR 16 billion. Excluding the Top-3 the industry saw a growth of 14%.

Underwriting performance has shown recovery with insurance service results surging to SAR 815 million in Q1 2024 from SAR 622 million in Q1 2023, an increase of 31%. However, results are mixed, with some warning signs as 11 companies showed a sharp decline in insurance service results and profits compared to the same period last year. Investment income has increased 48% from SAR 596 million in Q1 2023 to SAR 880 million in Q1 2024 compensating in many instances for underwriting results.

Excluding the Top-3, the industry made a profit of SAR 211 million compared with a profit of SAR 270 million in Q1 2023 a drop of 22%. This is showing signs of impact of price competition creeping in after the highs seen in Motor TPL and medical SME segments seen over the last couple of years.



Disclaimer

We have undertaken an analysis of the Key Performance Indicators (KPIs) of the listed insurance companies in KSA for Q1 2024. The data has been extracted from the preliminary numbers of those companies which were publicly listed and available till the compilation of this report.

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The inclusion of the IFRS-17 analysis in our reports for the first time introduces the possibility of encountering errors. This likelihood primarily stems from the inconsistency observed in the treatment of accounts within the financial statements across various companies. These disparities can pose significant analytical challenges and impede accurate interpretation of the data.

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Listed Insurance Companies

Logos	Sr. No.	Name	Abbreviation
	1	The Company for Cooperative Insurance	TCCI
	2	Aljazira Takaful Taawuni Co.	AJTTC
	3	The Mediterranean and Gulf Insurance and Reinsurance Co.	TMGIRC
	4	Allianz Saudi Fransi Cooperative Insurance Co.	ASFCIC
	5	Salama Cooperative Insurance Co.	SCIC
	6	Walaah Cooperative Insurance Co.	WCIC
	7	Arabian Shield Cooperative Insurance Co.	ARSCIC
	8	Saudi Arabian Cooperative Insurance Co	SACIC
	9	Gulf Union Al Ahlia Cooperative Insurance Co.	GUACIC
	10	Allied Cooperative Insurance Group	ACIG
	11	Arabia Insurance Cooperative Co.	AICC

Companies Included in the Analysis

Analysis of the Key Performance Indicators (KPIs) of 25* Listed Insurance Companies of KSA for Q1 2024 has been undertaken.



Listed Insurance Companies

Logos	Sr. No.	Name	Abbreviation
	12	Trade Union Cooperative Insurance Co.	TUCIC
	13	Al Sagr Cooperative Insurance Co.	ASCIC
	14	United Cooperative Assurance Co.	UCAC
	15	Bupa Arabia for Cooperative Insurance Co.	BACIC
	16	Al-Rajhi Company for Cooperative Insurance	ARCCI
	17	CHUBB Arabia Cooperative Insurance Co.	CACIC
	18	Gulf Insurance Group	GIG
	19	Gulf General Cooperative Insurance Co.	GGCIC
	20	Buruj Cooperative Insurance Co.	BCIC
	21	LIVA Insurance formerly known as Al Alamiya	LIVA
	22	Wataniya Insurance Co.	WIC
	23	Amana Cooperative Insurance Co.	ACIC
	24	Saudi Enaya Cooperative Insurance Co.	SECIC
	25	Malath Cooperative Insurance Co.	MCIC

Companies Included in the Analysis

Analysis of the Key Performance Indicators (KPIs) of 25* Listed Insurance Companies of KSA for Q1 2024 has been undertaken.



About Our Team

	Directors	6 Staff
UAE/ Oman Actuarial	40 Staff	Medical 6 Staff
KSA Actuarial	45 Staff	IFRS 17 13 Staff
Business Intelligence	9 Staff	HR Consultancy 3 Staff
End of Services	5 Staff	Financial Services 14 Staff
Sales	2 Staff	Strategy Consulting 1 Staff
Support & Admin	28 Staff	Data Science 5 Staff

Total Strength 177



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Q1 2024 (preliminary) - KSA Listed Insurance Companies

Our Feedback

BADRI Management Consultancy is proud to present Saudi Arabia’s Insurance Industry Performance preliminary analysis Q1 2024. 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.

Contact Us

KSA Office

Office 36, King Abdulaziz Road, Ar Rabi, Riyadh 13315

UAE Office

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

Karachi Office

7B 2-6, 7th Floor, Fakhri Trade Center, Shahrah-e-Liaquat, Karachi 74200, Pakistan

Lahore Office

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



+966 11 232 4112

+971 4 493 6666

+92 213 2602 212



info@badriconsultancy.com



www.badriconsultancy.com

Our Team



Hatim Maskawala



Ali Bhuriwala



Hasham Piperdy



S. Azadar Haider



Amjaad Al Qahtani



Razan Saud R Alanazi



Hassan Athar