



2024

KSA

Listed Insurance Industry Performance Analysis – First Half 2024

- Based on preliminary results

Date: August 07, 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 180+ talented staff in UAE, KSA, Pakistan and Egypt 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.
- Best Internship Program Award by Employee Happiness Awards.





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 **180+** 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

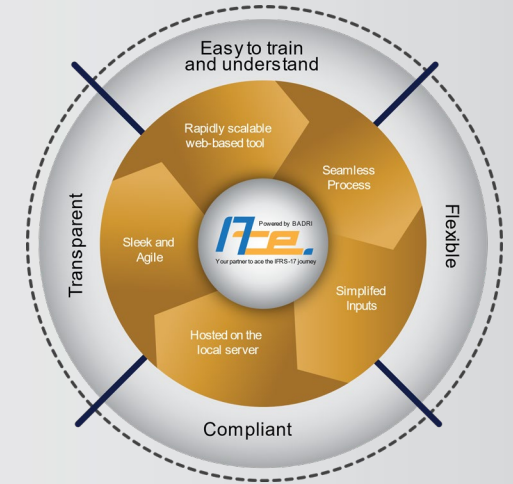
Technology Consultancy

- 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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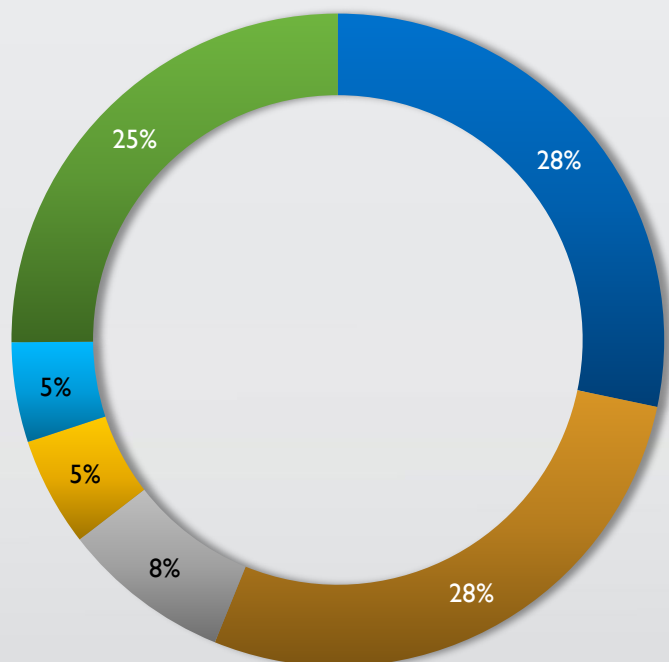
Profit Composition

Earning Per Share



H1 2024 Highlights

Insurance Revenue H1 2024



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

Insurance Revenue

H1 2024: **SAR 32 billion**
H1 2023: SAR 27 billion
Growth: 18%

Insurance Service Results

H1 2024: **SAR 2.0 billion**
H1 2023: SAR 1.9 billion
Growth: 3%

Profit After Zakat

H1 2024: **SAR 2.2 billion**
H1 2023: SAR 1.7 billion
Growth: 26%



01

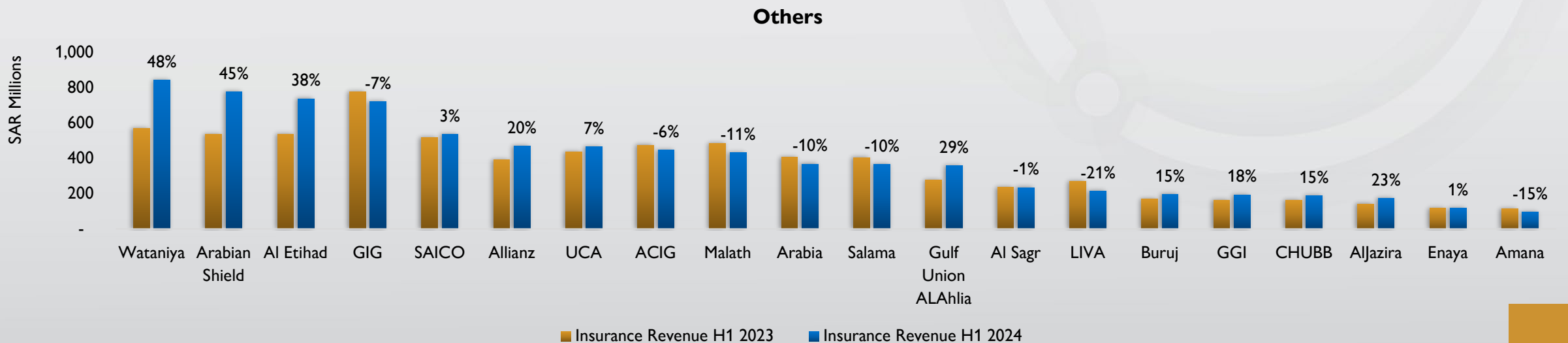
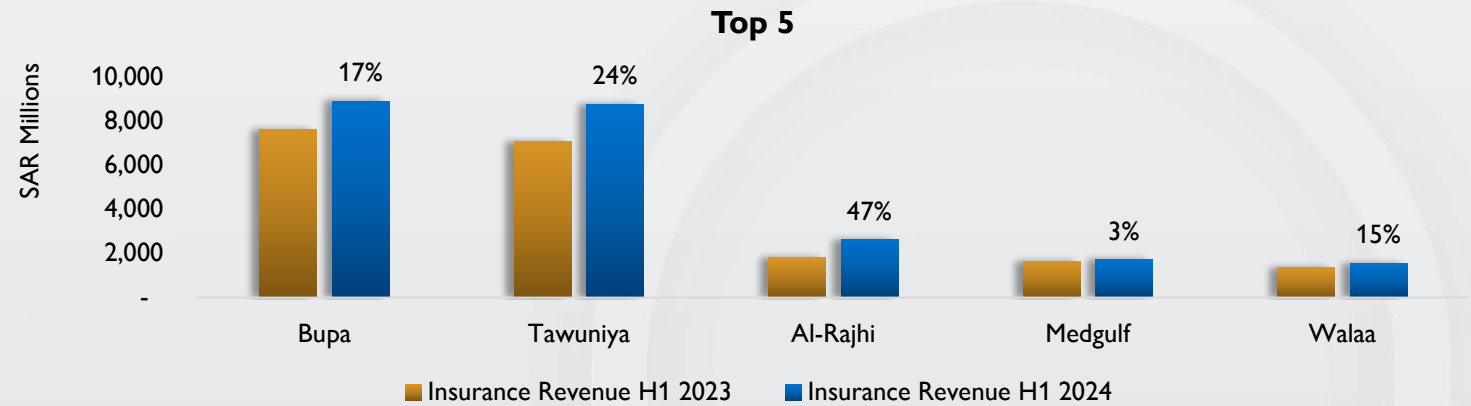
Revenue

Insurance Revenue - Listed Companies



In the first half of 2024, the 25 listed companies saw an 18% rise in Insurance Revenue, reaching SAR 32 billion, up from SAR 27 billion in the prior period. These figures are reported after adjusting for Expected Credit Losses, similar to Provision for Doubtful Debts.

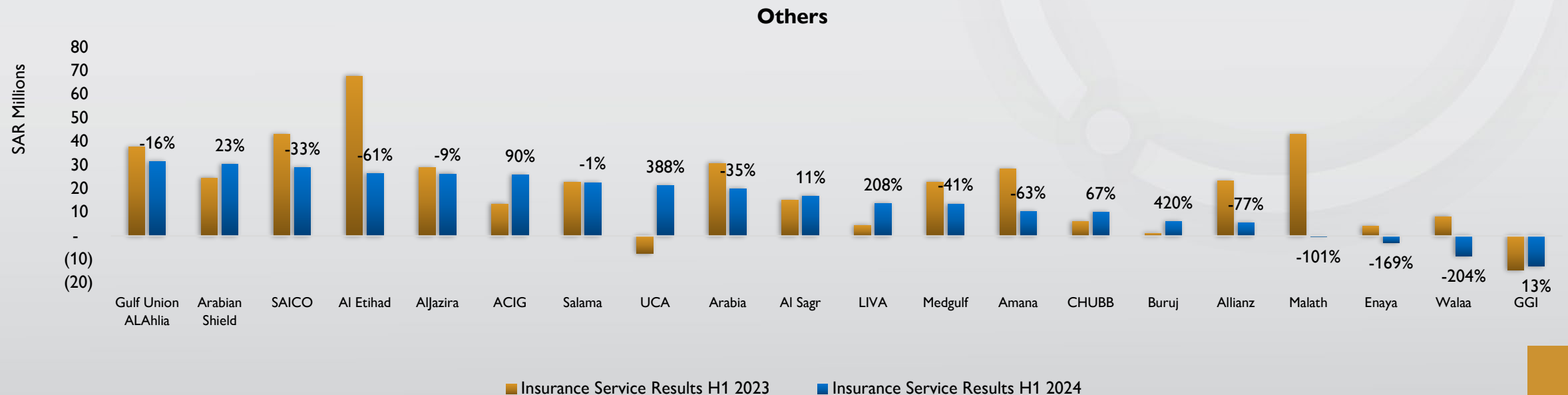
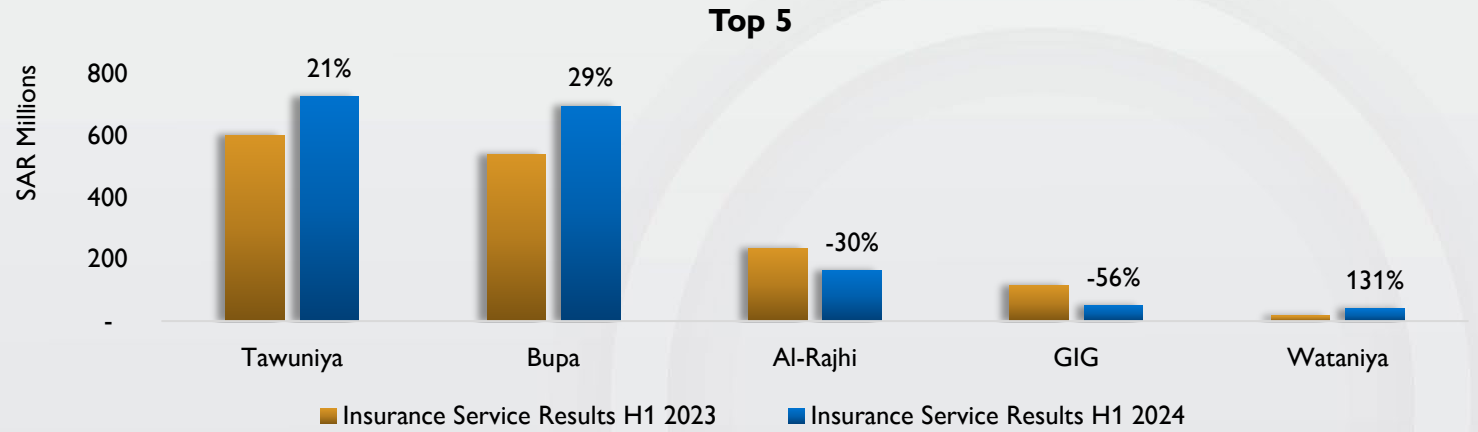
Among the top five companies, Insurance Revenue jumped by 21%, growing from SAR 20 billion in H1 2023 to SAR 24 billion in H1 2024. Meanwhile, the other companies recorded a 10% increase, with Insurance Revenue rising from SAR 7 billion in H1 2023 to SAR 8 billion in H1 2024.



Insurance Service Results - Listed Companies



In H1 2024, the Insurance Service Results for the 25 listed companies underwent a significant increase of 3%, soaring from SAR 1.9 billion to SAR 2.0 billion. Among the leading 5 companies determined by this key performance indicator (KPI), there was a growth of 11%, surging from SAR 1.5 billion to SAR 1.7 billion between the two periods. Conversely, the remaining firms encountered a decrease from SAR 0.4 billion to SAR 0.3 billion. Notably, BUPA achieved the most substantial absolute growth of SAR 158 million, while Al-Rajhi observed the most notable decline of SAR 71 million.



Insurance Service Ratio – Listed Companies

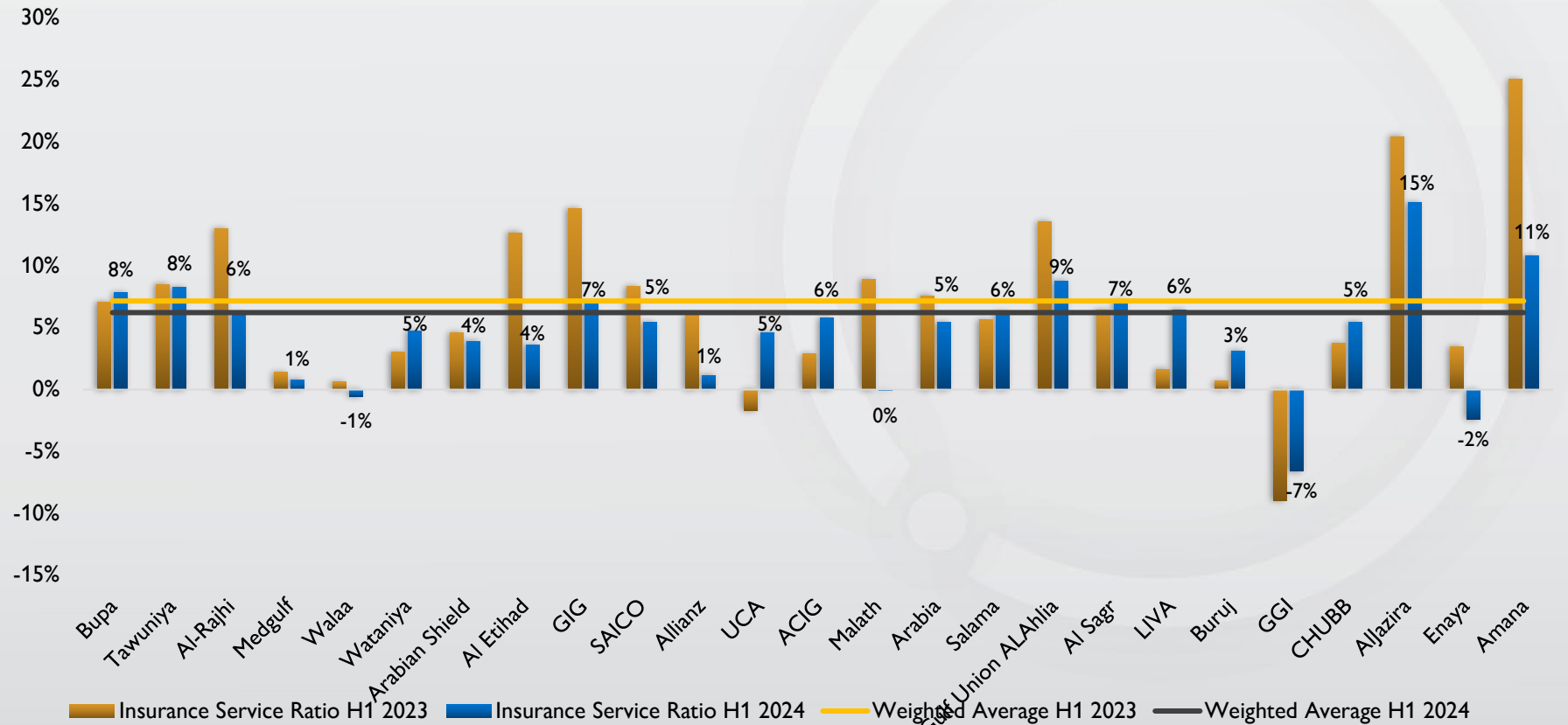


The Insurance Service Ratio for the listed companies in H1 2024 has decreased to 6% from previous year's first half which was 7%. Notably, AlJazira displayed the highest ratio at 15% (H1 2023: 20%), while GGI recorded -7% ratio (H1 2023: -9%), indicating a negative figure.

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.

Insurance Service Ratio





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H1 2024 (Preliminary) - KSA Listed Insurance Companies

02

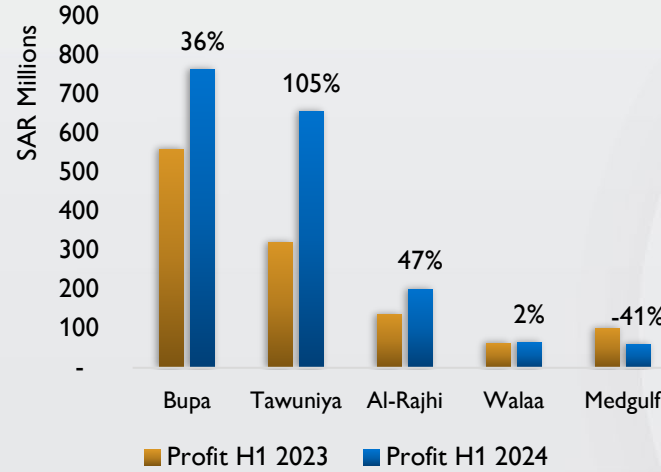
Profitability

Profit After Zakat - Listed Companies Trend

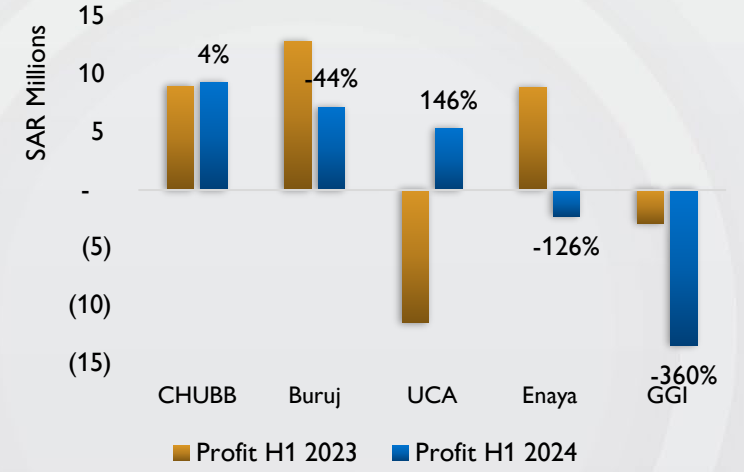


The listed companies saw an overall rise in profits. Profit (after zakat) for the 25 listed firms rose by 26%, climbing from SAR 1.7 billion in H1 2023 to SAR 2.2 billion in H1 2024. This increase was driven by the top 5 companies, while the others had a reduced impact. Among the top 5, profits surged by 48% to SAR 1.7 billion (H1 2023: SAR 1.2 billion). Meanwhile, the remaining firms saw a 23% decrease, totaling SAR 409 million (H1 2023: SAR 529 million).

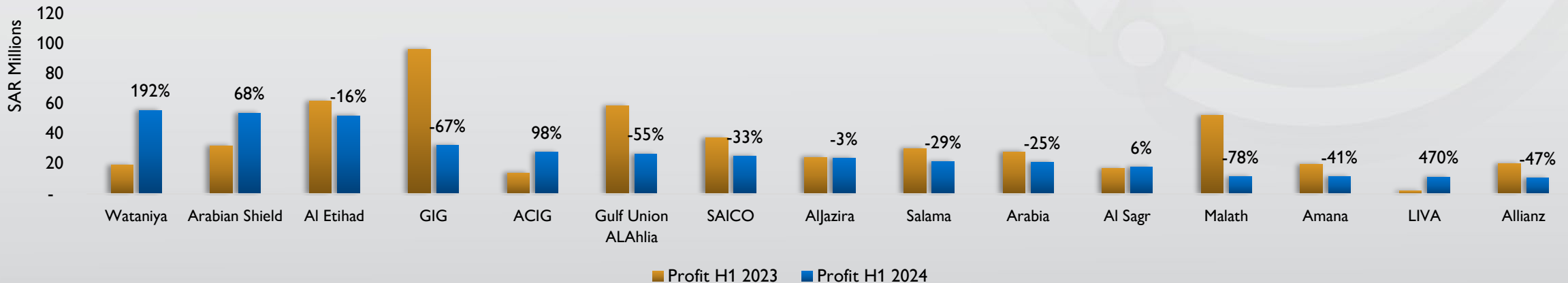
Top 5



Bottom 5

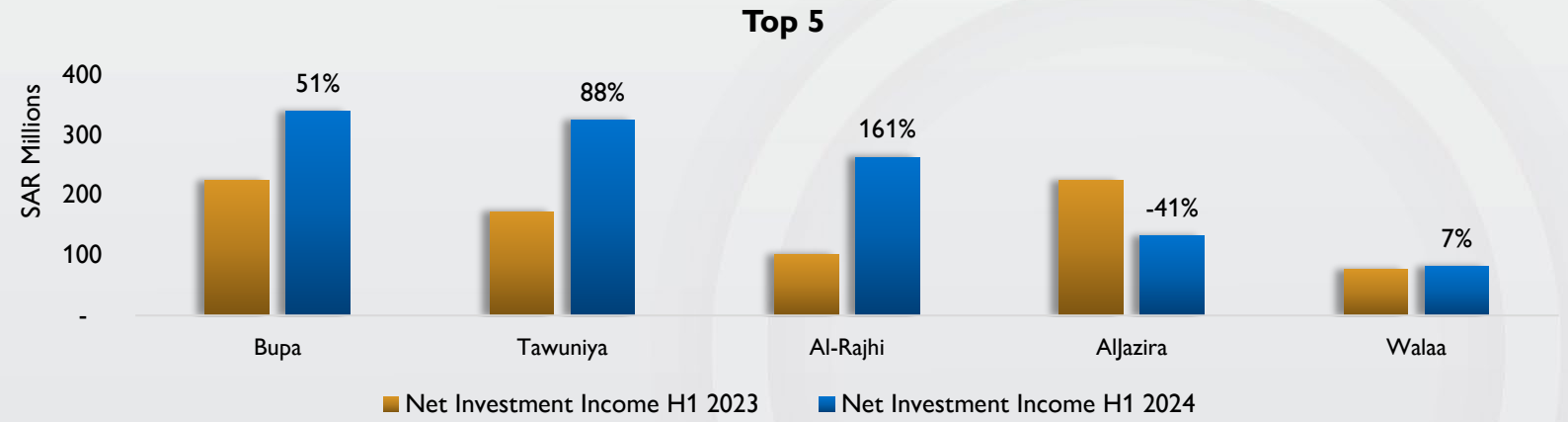


Others

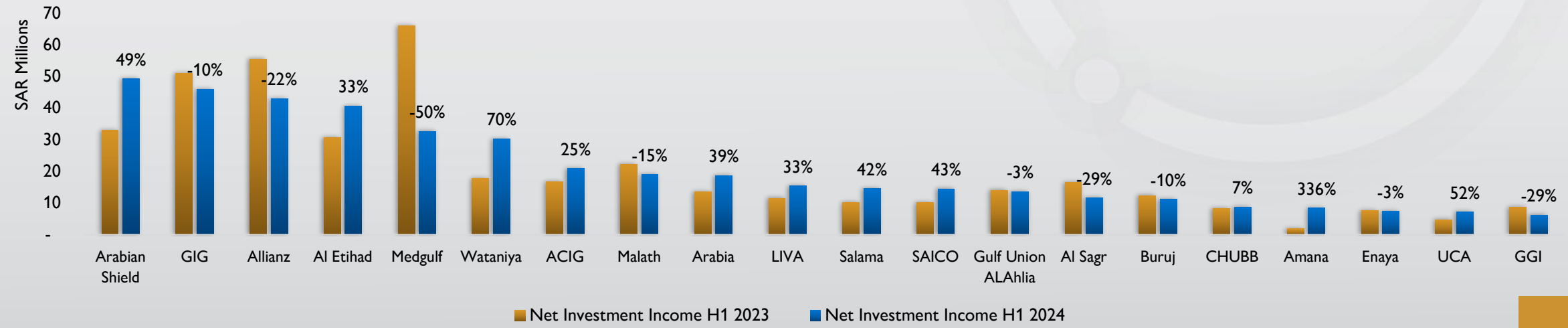




Highest Investment income is depicted by Bupa of SAR 341 million (H1 2023: SAR 225 million). The highest Investment income growth is recorded by Amana of 336% from SAR 1.9 million to SAR 8.4 million in H1 2024.



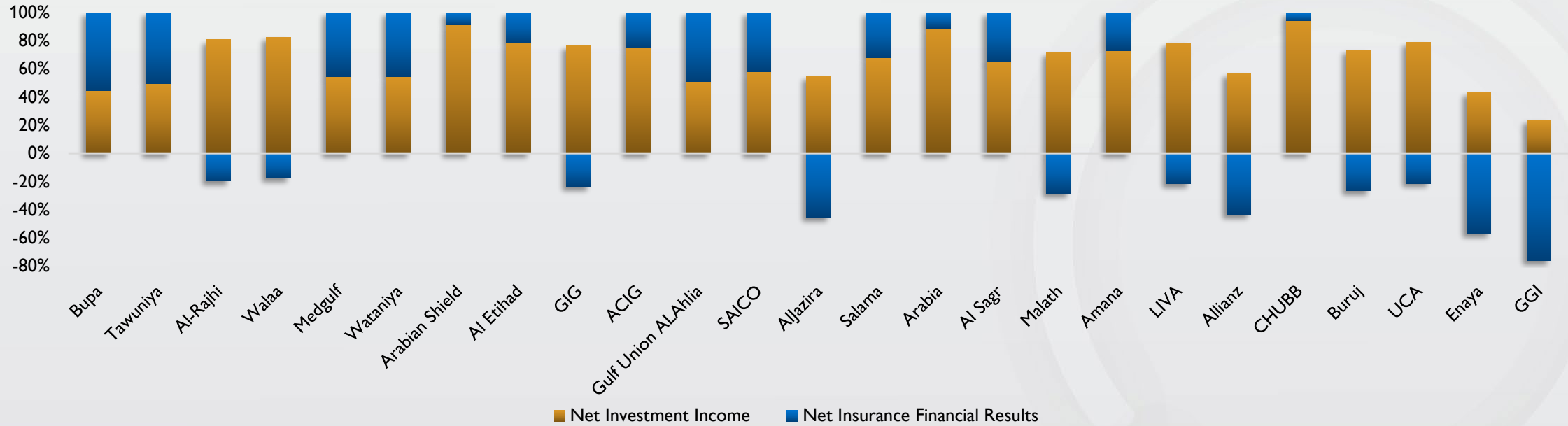
Others



Profit Composition (Profit After Tax)



Profit Composition



Insurance companies that reported losses in their net insurance financial results managed to mitigate the impact through investment income.

As can be seen, the highest net insurance financial results and investment income is depicted by BUPA of SAR 423 million and SAR 341 million respectively.

11 of 25 companies had a net insurance financial deficit; of these, 14 generated profit. However, none recorded losses on their investment income.

Opportunities to improve insurance-related income strategies are present in the market, urging companies to focus on income from insurance services as their primary profit source.



Company	EPS H1 2023	EPS H1 2024
Bupa	3.75	5.10
Tawuniya	2.14	4.38
Al-Rajhi	1.37	2.01
Medgulf	0.96	0.57
Walaa	0.74	0.76
Wataniya	0.48	1.39
Arabian Shield	0.50	0.68
Al Etihad	1.24	1.04
GIG	1.84	0.61
SAICO	1.24	0.84
Allianz	0.33	0.18
UCA	-0.29	0.13
ACIG	0.48	0.96
Malath	1.05	0.23

Company	EPS H1 2023	EPS H1 2024
Arabia	0.39	0.25
Salama	1.98	1.07
Gulf Union ALAhlia	1.28	0.58
Al Sagr	0.80	0.84
LIVA	0.05	0.28
Buruj	0.43	0.24
GGI	-0.10	-0.45
CHUBB	0.29	0.31
AlJazira	0.45	0.36
Enaya	0.04	-0.01
Amana	0.46	0.27

Earning Per Share



Conclusion

Looking at the overall results, the KSA insurance industry's profitability (after zakat & tax) rose by 26% in the first half of 2024, climbing from SAR 1.7 billion in H1 2023 to SAR 2.2 billion in H1 2024. However, performance was mixed. The Top 3 companies - BUPA, Tawuniya, and Al Rajhi - saw profit increases of 36%, 105%, and 47%, respectively totaling SAR 1.6 Billion. 14 companies reported a decline in profit averaging -48%, totaling SAR 261 million. Apart from some notable increases in profit for Wataniya, Arabian Shield and ACIG there are some worrying signs for many others with sharp falls in profit.

Total insurance revenue grew by 18%, increasing from SAR 27 billion to SAR 32 billion. Without the Top 3, the industry's growth was 10%.

Overall underwriting performance improved slightly, with insurance service results rising to SAR 2.0 billion in H1 2024 from SAR 1.9 billion in H1 2023, an increase of 3%. However, 14 companies showed a sharp decline in insurance service results compared to the previous year. Investment income grew by 29%, from SAR 1.2 billion in H1 2023 to SAR 1.6 billion in H1 2024, often offsetting weaker underwriting results.

Excluding the Top 3, the industry reported a profit of SAR 533 million, down from SAR 693 million in H1 2023, a 23% decrease. We will know more when full results are published, but this likely reflects the impact of increased price competition, particularly in the Motor TPL and medical SME segments.



Disclaimer

We have undertaken an analysis of the Key Performance Indicators (KPIs) of the listed insurance companies in KSA for H1 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.

BADRI publishes reports and newsletters that provide insights for the insurance industry and the public. Our goal is to draw upon research and experience from our professionals to bring transparency and availability of information to the industry and in the process spread brand awareness. No part of our compensation received for other services directly or indirectly influences the contents of this report. The Analysts preparing the report are subject to internal rules on sound ethical conduct.











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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 H1 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 H1 2024 has been undertaken.

About Our Team

	Directors	6 Staff
UAE/ Oman Actuarial	40 Staff	Medical 7 Staff
KSA Actuarial	48 Staff	IFRS 17 15 Staff
Business Intelligence	8 Staff	HR Consultancy 3 Staff
End of Services	5 Staff	Financial Services 16 Staff
Sales	2 Staff	Strategy Consulting 1 Staff
Support & Admin	28 Staff	Data Science 6 Staff

Total Strength **185**



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H1 2024 (Preliminary) - KSA Listed Insurance Companies



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Managing Director - BADRI



Ali Bhuriwala

Co-founder & Executive
Director - BADRI



Hasham Piperdy

GM & Director KSA -
Actuarial



S. Azadar Haider

Manager - Actuarial



**Amjaad Al
Qahtani**

Senior Actuarial Analyst



**Razan Saud R
Alanazi**

Actuarial Analyst



S. M Hassan Athar

Senior Research Executive

Our Team



Our Feedback

BADRI Management Consultancy is proud to present Saudi Arabia's Insurance Industry Performance preliminary analysis H1 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.

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