



2024

KSA

Listed Insurance Industry Performance Analysis – H1 2024

Date: September 11, 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 around **200** talented staff in UAE, KSA, Pakistan, Egypt and UK 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.

We are proudly standing at around **200** employee base that are spread across UAE, KSA, Pakistan, Egypt and UK. They certainly 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

- General Insurance, Life and Health, Pensions and Social Security
- Regulatory / Appointed Actuary
- Reserving, Technical Pricing, Capital Modelling
- Investment and ALM
- Reinsurance Modelling / Optimization
- Financial reporting including IFRS 17 and IFRS 9

Strategic Consultancy

- Strategy and Business Plan development
- Digitalization Strategy
- M&A (due diligence)
- Market and Product development and innovation
- Enterprise Risk Management
- ESG and Climate Risk
- Financial Services
- HR Strategy

Technology Consultancy

- Actuarial Software for pricing, reserving and capital modelling
- IFRS 17 financial reporting software and managed services
- Business Intelligence software
- Motor and medical portfolio management / dashboards
- Data Strategy and Governance



Leading the way in IFRS 17 Implementation

BADRI has taken a lead in providing IFRS 17 consulting to general & life insurers within Pakistan by securing a leading market share in the upcoming Phase 3 & 4. This would enable our clients to be IFRS 17 compliant by January 2026. In addition to this, BADRI will also be providing system support by way of its IFRS 17 accounting engine called ACE 17.



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.



Prepare for KSA's Personal Data Protection Standards

Data Management - Regulatory Compliance

As of 2024, the Personal Data Protection Law (PDPL) will be enforced in the Kingdom of Saudi Arabia (KSA). Compliance with the PDPL will apply to all public and private entities.

Data Management & Personal Protection Data Requirements

Data Privacy

Create a framework to continuously protect customers' sensitive information throughout the data lifecycle.

Data Protection

Conduct yearly risk assessments of systems which include collection, processing and storing personal data.

Data Governance

Develop a Data Quality Plan and an initial Data Quality Assessment focusing on the cleanliness and availability of data.

Data Security

Implement appropriate technical and organizational measures to secure data.

Business Intelligence

Business Intelligence and Analytics Plan.

Reference & Master Data Management

Identify Reference & Master data, as well as sources where Data Objects are created, read, updated and deleted.

BADRI has been a leader in partnering with organizations to achieve and exceed their regulatory needs. Our comprehensive reviews provide tailored recommendations that align with specific industry and regulatory requirements.



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

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a  BADRI group company



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H1 2024 Year End Industry Analysis

Revenues	Profitability	Asset	LOB Wise	IFRS-17 Transition
Gross Written Premium	Insurance Financial Results	Asset Mix	Gross Written Premium	Finance Income / LIC comparison
Insurance revenue	Net Profit	Earning Per Share	Insurance Revenue	LC as % of Insurance Revenue
Insurance Service Results	Net Finance Income Comparatives		Insurance Service Expense	Loss Component
Insurance Service Ratio	Net Insurance Result & Investment Income Profit Breakup		Insurance Service Results	Risk Adjustment / LIC
	Combined Ratio		Combined Ratio	
	Profit Margin		UW Profit Margin	
	Total Comprehensive Income		Profit Breakdown	



H1 2024 Highlights

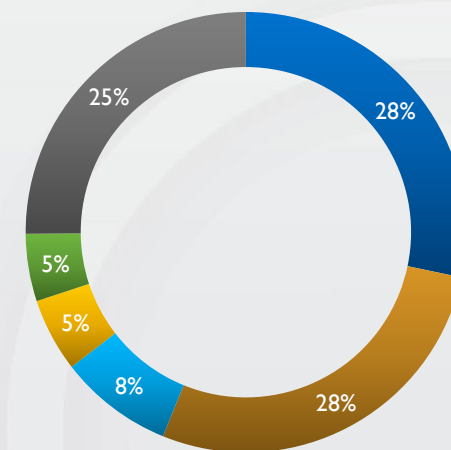
Gross Written Premium H1 2024: **SAR 38 billion**
H1 2023: SAR 34 billion
Growth: 13%

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

Insurance Service Results H1 2024: **SAR 1.9 billion**
H1 2023: SAR 1.8 million
Growth: 6%

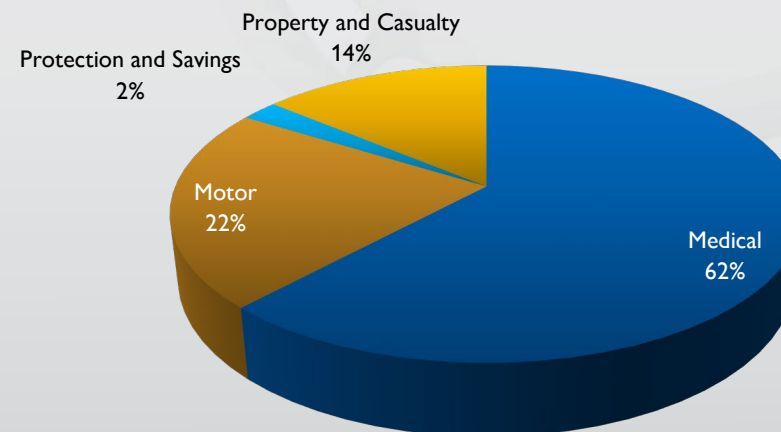
Profit After Zakat H1 2024: **SAR 2.2 billion**
H1 2023: SAR 1.7 billion
Growth: 26%

Insurance Revenue H1 2024



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

Insurance Revenue Breakdown H1 2024



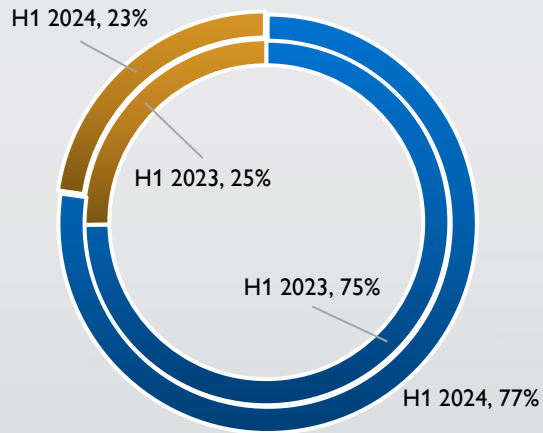


01

Revenues

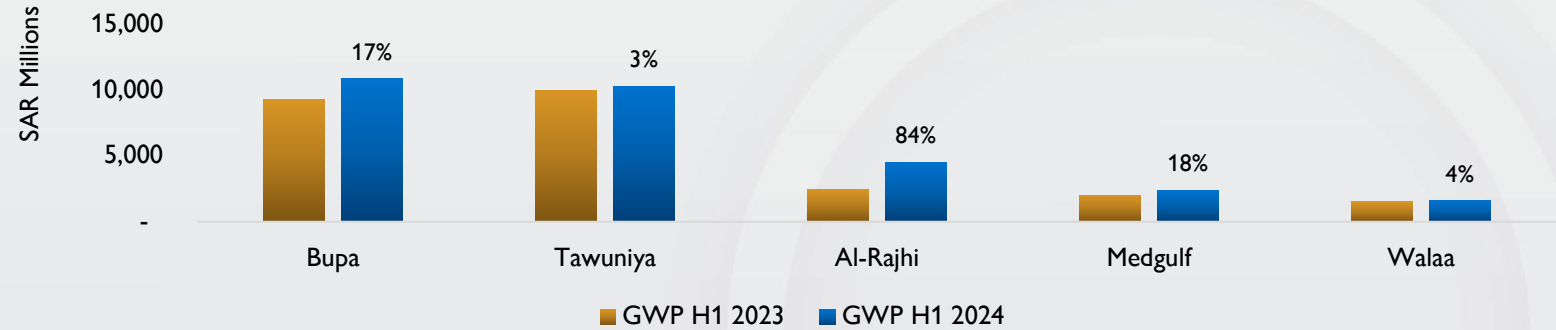
The top 5 companies grew top line by SAR 4.4 billion, with a premium of SAR 29.7 billion in H1 2024 as compared to SAR 25.3 billion in H1 2023. The share of overall GWP for the top 5 companies is 77% for H1 2024, as compared to H1 2023 which was 75%.

GWP Distribution

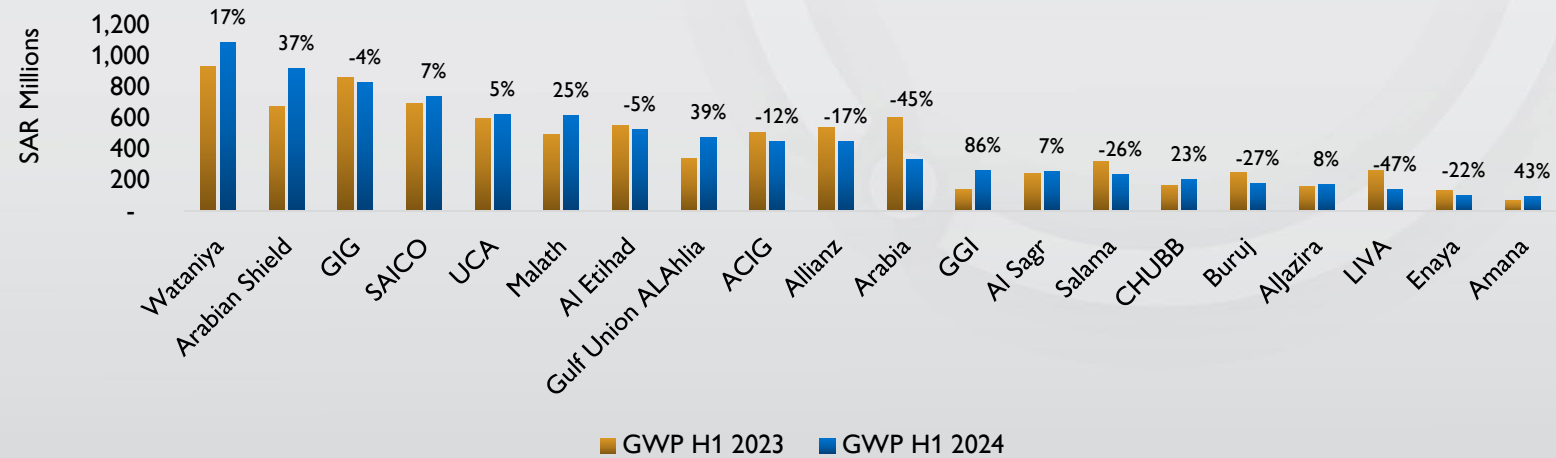


■ Top 5 ■ Others

Top 5



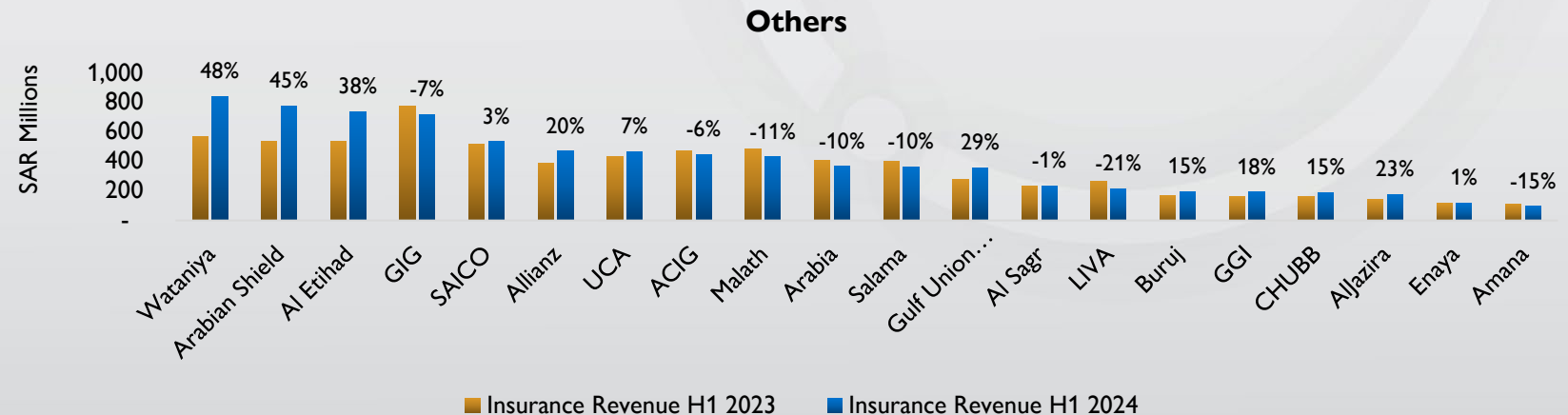
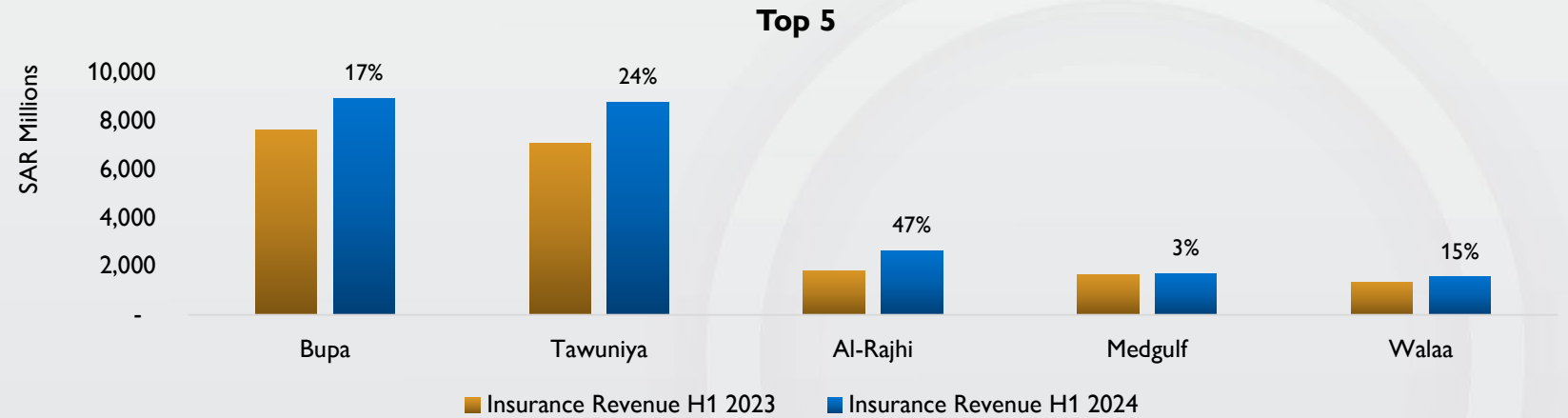
Others



Insurance Revenue for the 25 listed companies analyzed grew by 18% to SAR 32 billion in H1 2024 as compared to SAR 27 billion in previous period. Insurance Revenue which can be thought of being analogous to Earned Premiums. However, one critical difference is that this is net of any Expected Credit Losses (similar to Provision for Doubtful Debts).

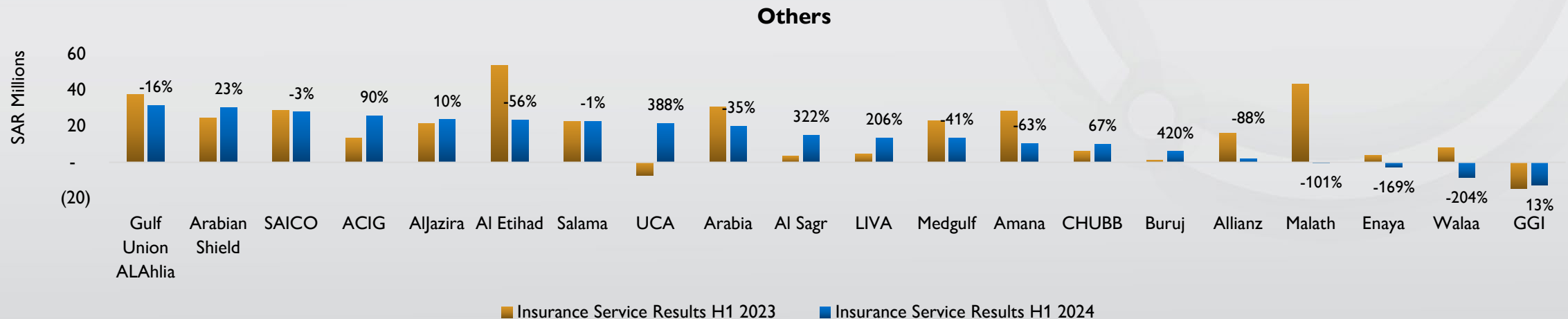
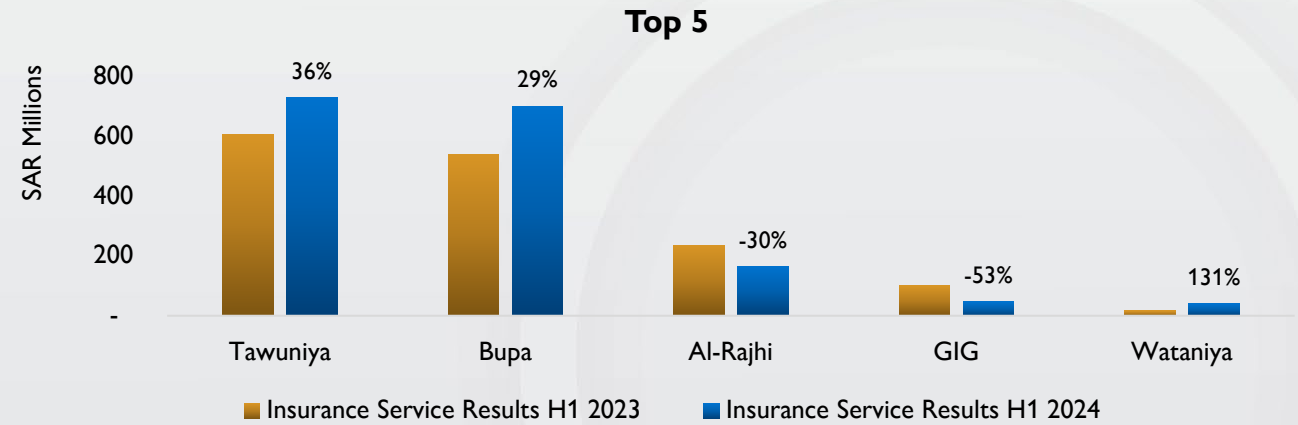
The top five companies saw their Insurance Revenue increasing from SAR 20 billion in H1 2023 to SAR 24 billion in H1 2024, a growth of 21% while the rest of the companies experienced a growth of 10% from SAR 7 billion to SAR 8 billion.

Wataniya displayed the highest growth of 48%, meanwhile, on the other hand, LIVA exhibited the largest dip in business of 21%.



In H1 2024, the Insurance Service Results for the 25 listed companies underwent an increase of 6% from SAR 1.8 billion to SAR 1.9 billion in H1 2024. Among the leading 5 companies determined by this key performance indicator (KPI), there was a growth of 12%, surging from SAR 1.5 billion to SAR 1.7 billion between the two periods. Conversely, the remaining firms encountered a decline from SAR 350 million to SAR 273 million. Notably, BUPA achieved the most substantial absolute growth of SAR 158 million, Al-Rajhi experienced an absolute decline of SAR 71 million.

The impact of share of surplus from insurance pool is subtracted from the insurance service results.

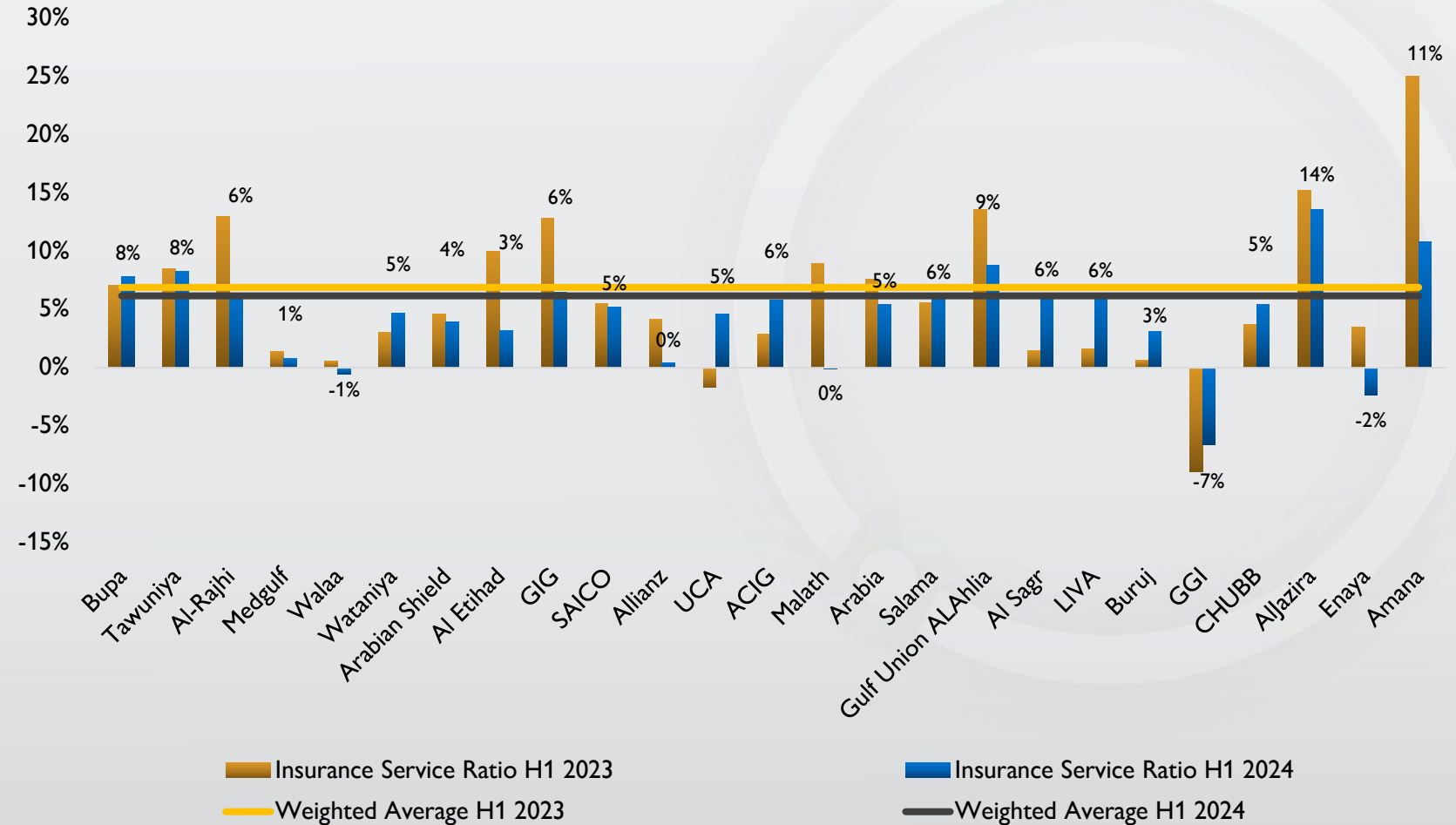


The Insurance Service Ratio for the examined companies experienced a shift, decreasing from 7% in H1 2023 to 6% in H1 2024. Notably, Al Jazira displayed the highest ratio at 14% (H1 2023: 15%), while GGI recorded -7% (H1 2023: -9%) ratio, indicating a negative figure.

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 IFRS 4. 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



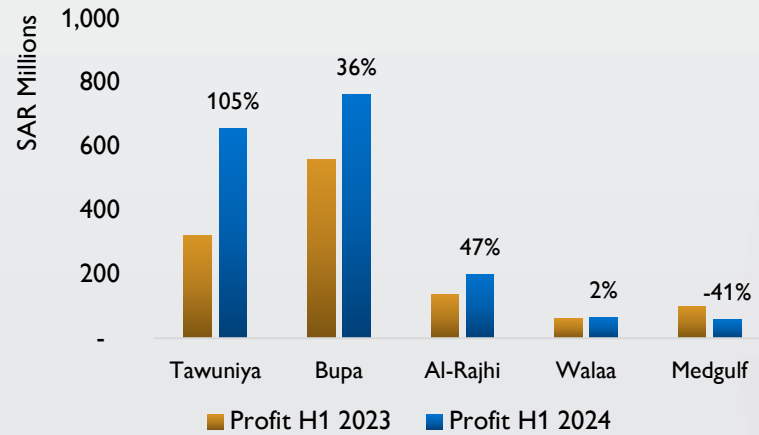


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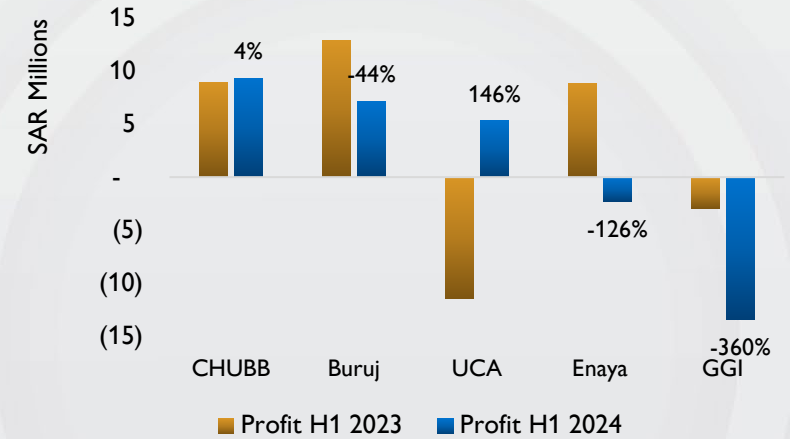
Profitability

The Profit (after zakat) for the 25 listed companies exhibited an upswing, surging from SAR 1.7 billion in H1 2023 to SAR 2.2 billion in H1 2024. Notably, among the leading 5 companies in terms of profitability, there was a 48% growth, reaching SAR 1.7 billion (H1 2023 - SAR 1.2 billion). The remaining companies witnessed a decline of 23%, amounting to SAR 0.4 billion (H1 2023 - SAR 0.5 billion).

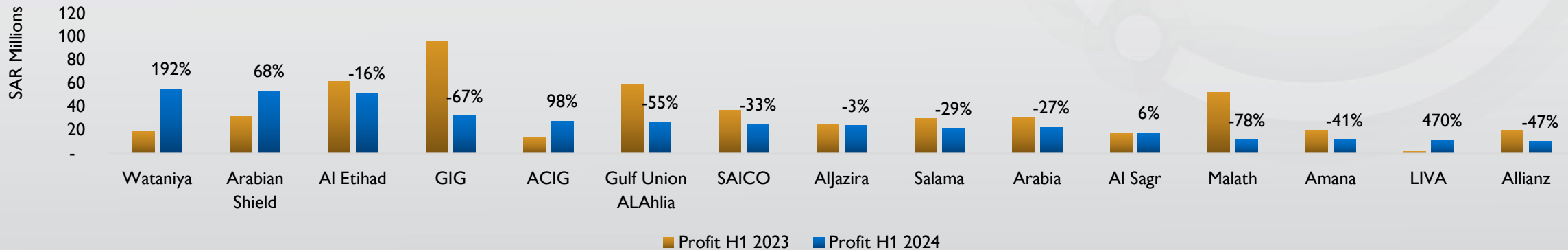
Top 5



Bottom 5



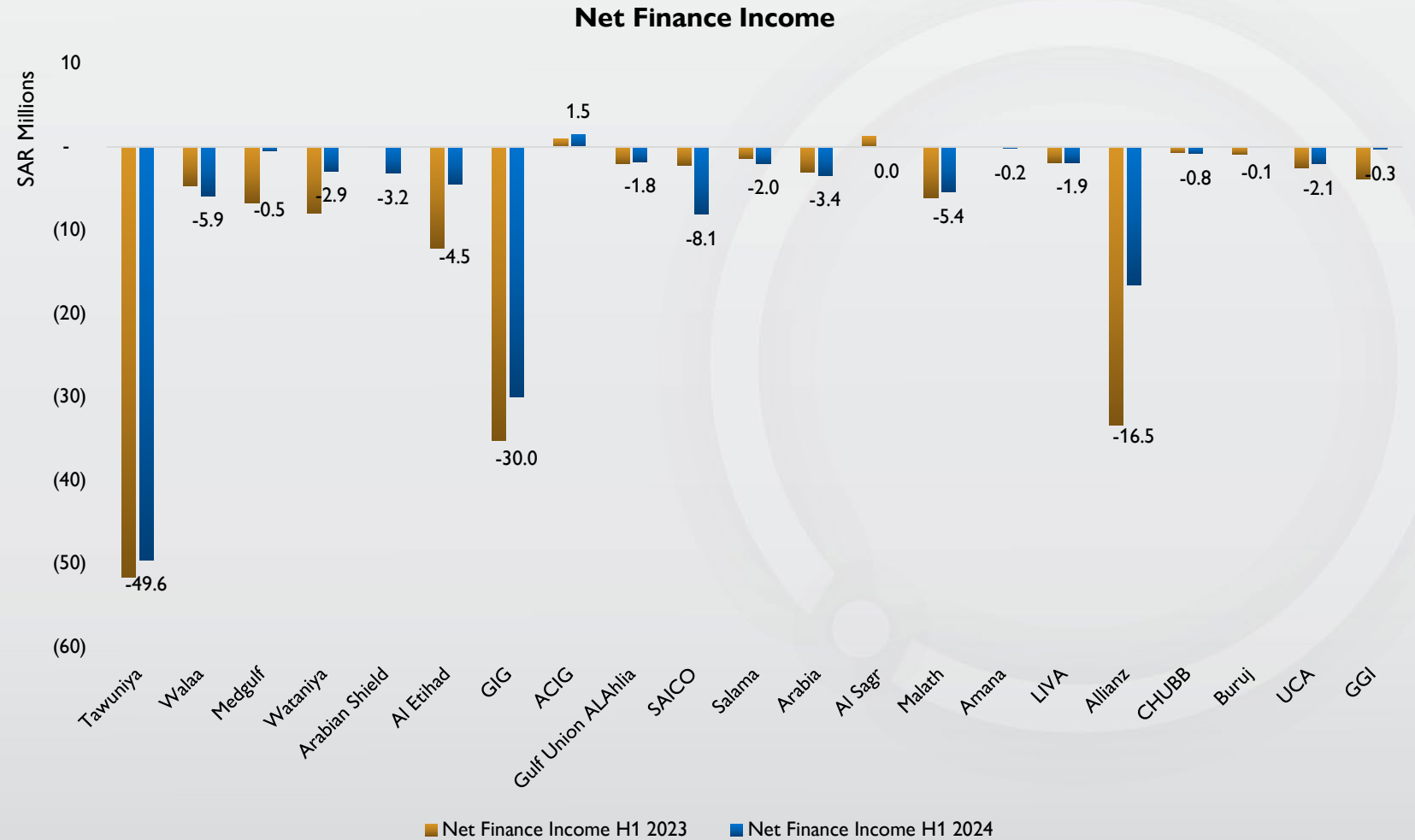
Others



Net finance income, as defined by IFRS 17, includes the interest income earned on the contractual service margin (CSM) and the interest expense incurred due to the unwinding of the discount rate applied to insurance liabilities. This represents the combined financial impact of the time value of money and changes in the present value of future cash flows.

In H1 2023 the discount rates were declining while in H1 2024 they are rising hence this year the expense is lower than last year for most companies

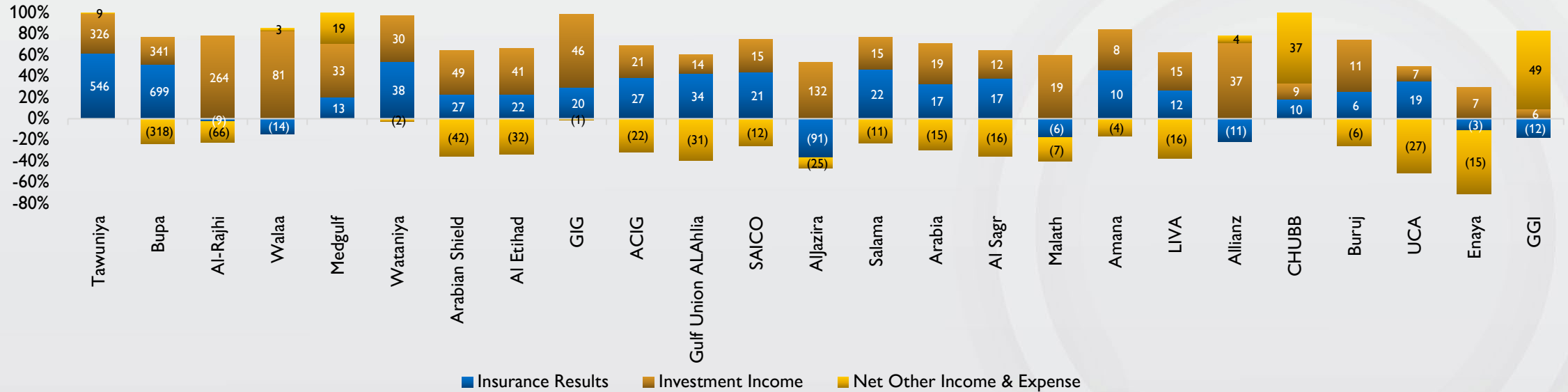
Al-Rajhi and Aljazira are excluded as they were outliers. Aljazira exhibits the highest net finance loss, whereas ACIG demonstrates the highest net finance income.



Profit Composition (After Zakat & Tax)



Profit Composition (SAR Million)



■ Insurance Results ■ Investment Income ■ Net Other Income & Expense

It can be observed that insurance companies which recorded losses in their Insurance Results (Net Insurance Service Results + Net Insurance Finance Income) were able to minimize the impact from Investment Income.

As can be seen, the highest insurance results and investment income was generated by BUPA of SAR 699 million & SAR 341 million respectively.

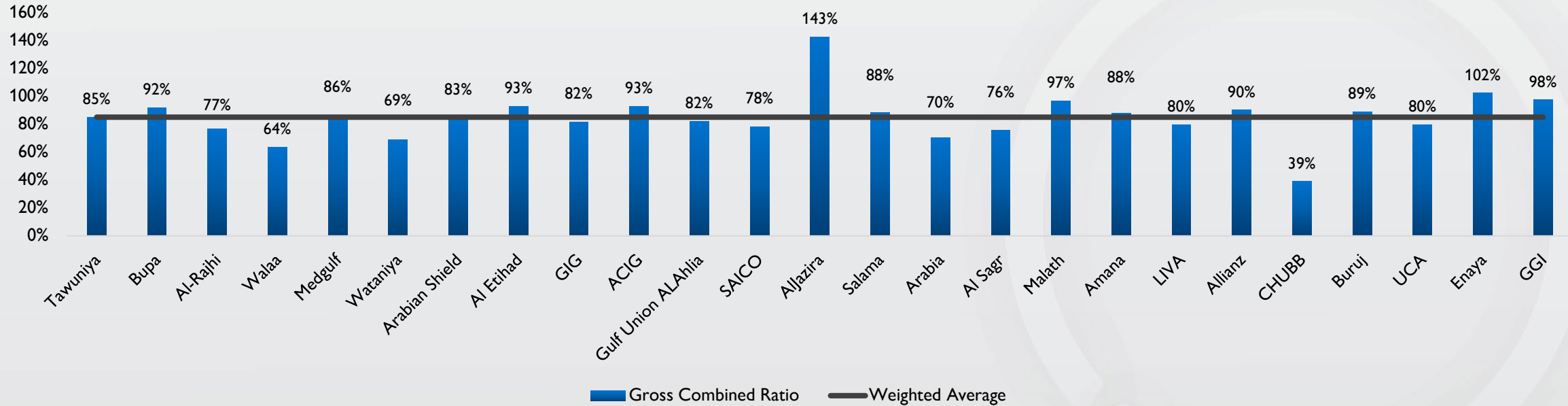
7 out of 25 companies realized insurance deficit and among these 7 companies 6 were able to generate profit. None of the companies recorded loss in their investment incomes.

Opportunities to improve insurance financial strategies exist within the market, with companies urged to give precedence to net insurance financial income as their primary source of profit generation.

Gross Combined Ratios



Gross Combined Ratio

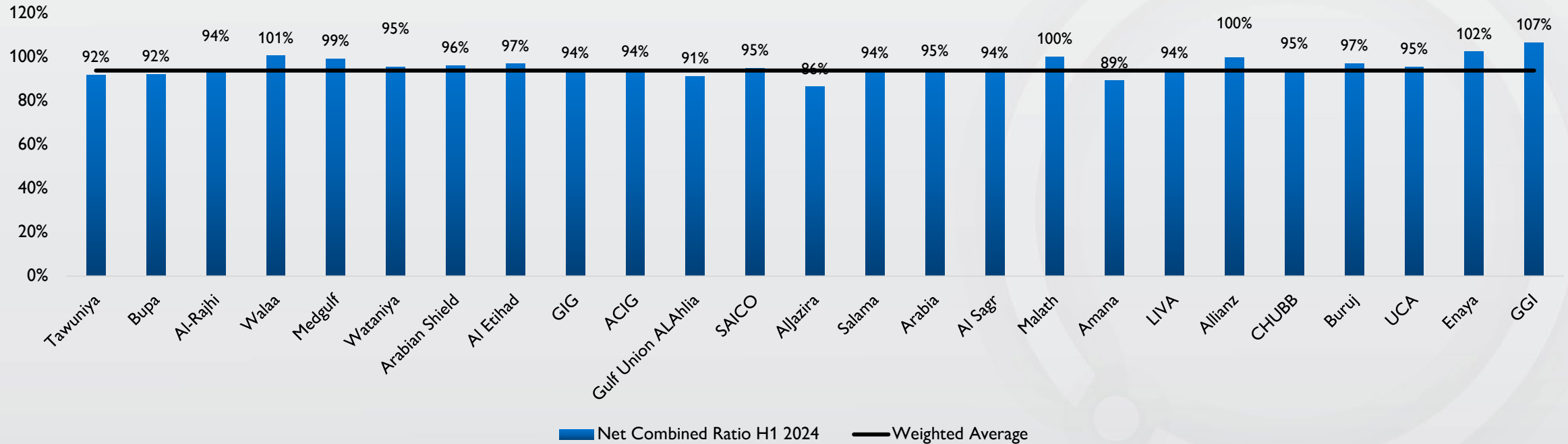


The weighted average gross combined ratio stood at 85%, with Allazira bearing the highest combined ratio of about 143%. The lowest gross combined ratio of 39% was depicted by CHUBB.

A company is deemed profitable from an underwriting perspective if the combined ratio is below 100%, Allazira & Enaya have depicted gross combined ratio greater than 100%

- Gross Combined ratio is computed as Net insurance Service Expenses over Insurance Revenue.

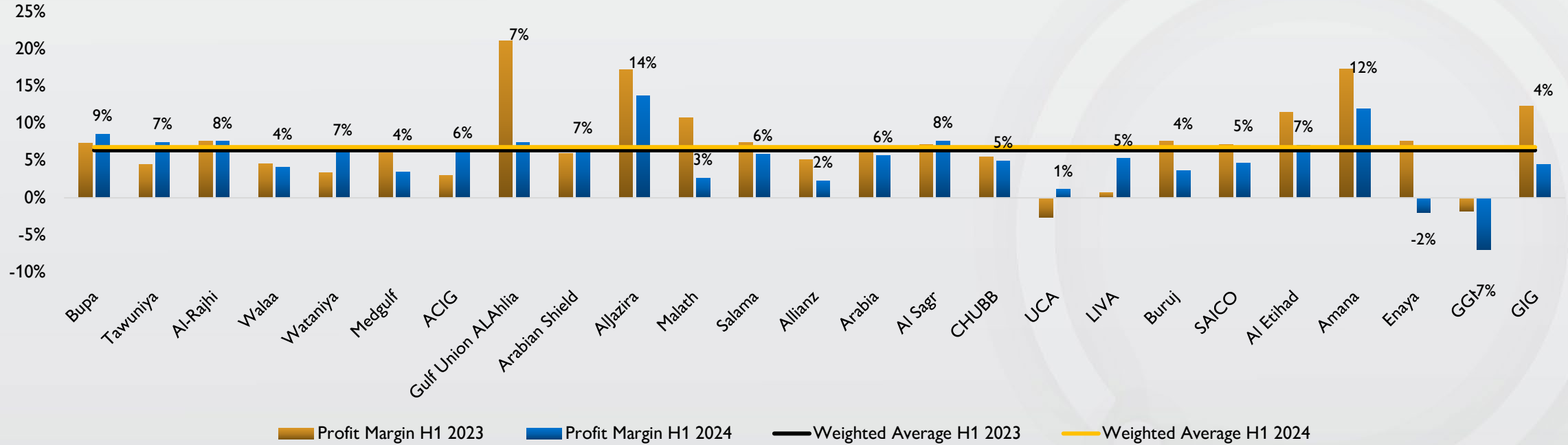
Net Combined Ratio



The weighted average net combined ratio stood at 94%, with GGI bearing the highest combined ratio of about 107%. The lowest net loss ratio of 86% was depicted by Aljazira.

- *Net Combined ratio is computed as Net insurance Service Expenses + RI Results over Insurance Revenue.*

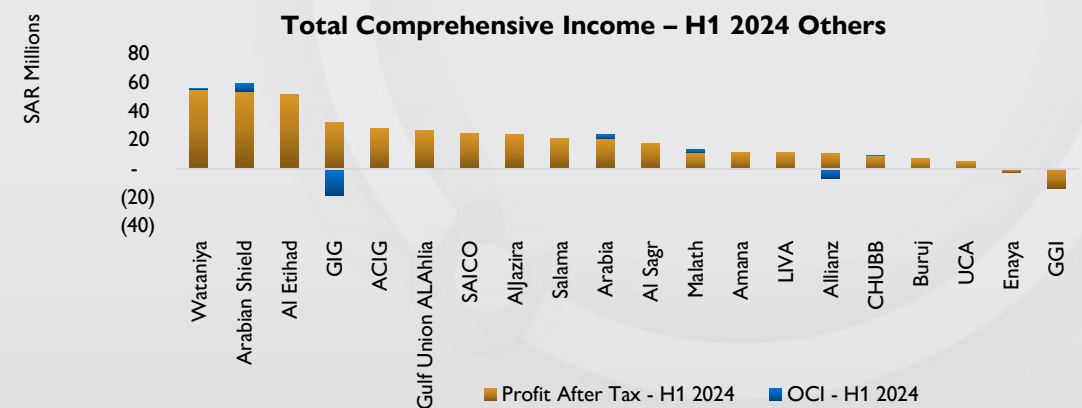
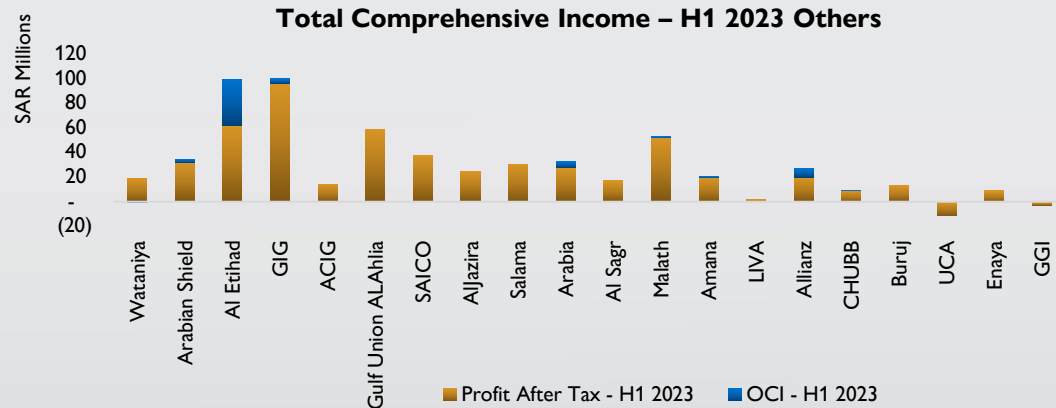
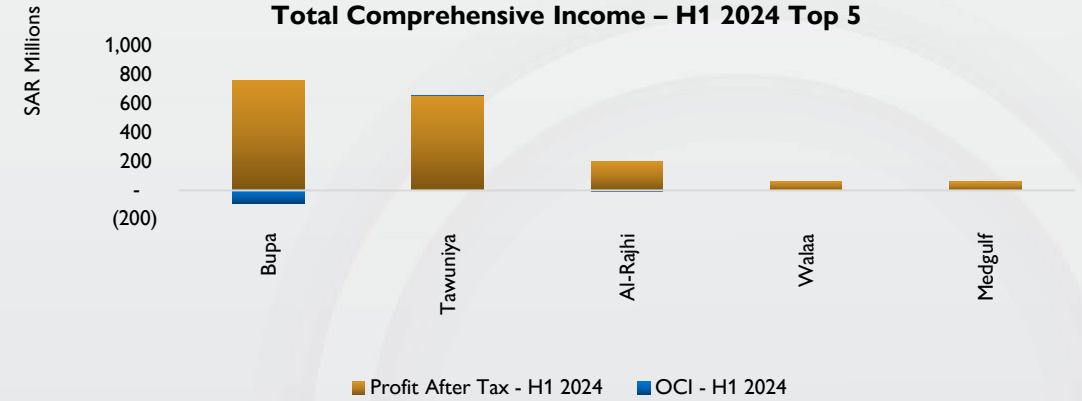
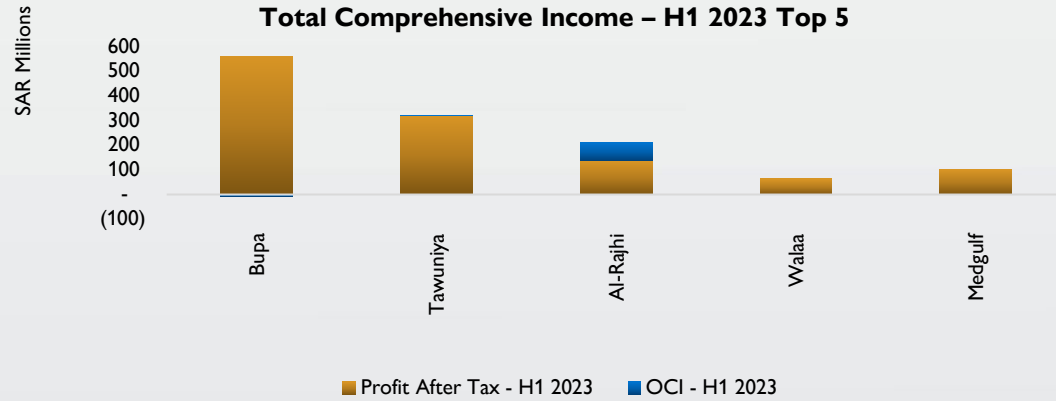
Profit Margin



The weighted average for profit margin stood at 7% (H1 2023: 6%), with Aljazira bearing the highest profit margin of about 14% (H1 2023: 17%). The lowest is depicted by GGI, -7% (H1 2023: -2%)

Profit Margin is calculated by dividing net profit after zakat by insurance revenue.

Total Comprehensive Income - Companies



In the H1 2024, the Total Comprehensive Income experienced an increase of 11% compared to H1 2023.

5 out of 25 companies in this analysis have shown losses in their OCI, as compared to 2 companies having losses on their OCI statements in H1 2023.

The Total Comprehensive Income is the sum of the Profit After Zakat and the Other Comprehensive Income (OCI).

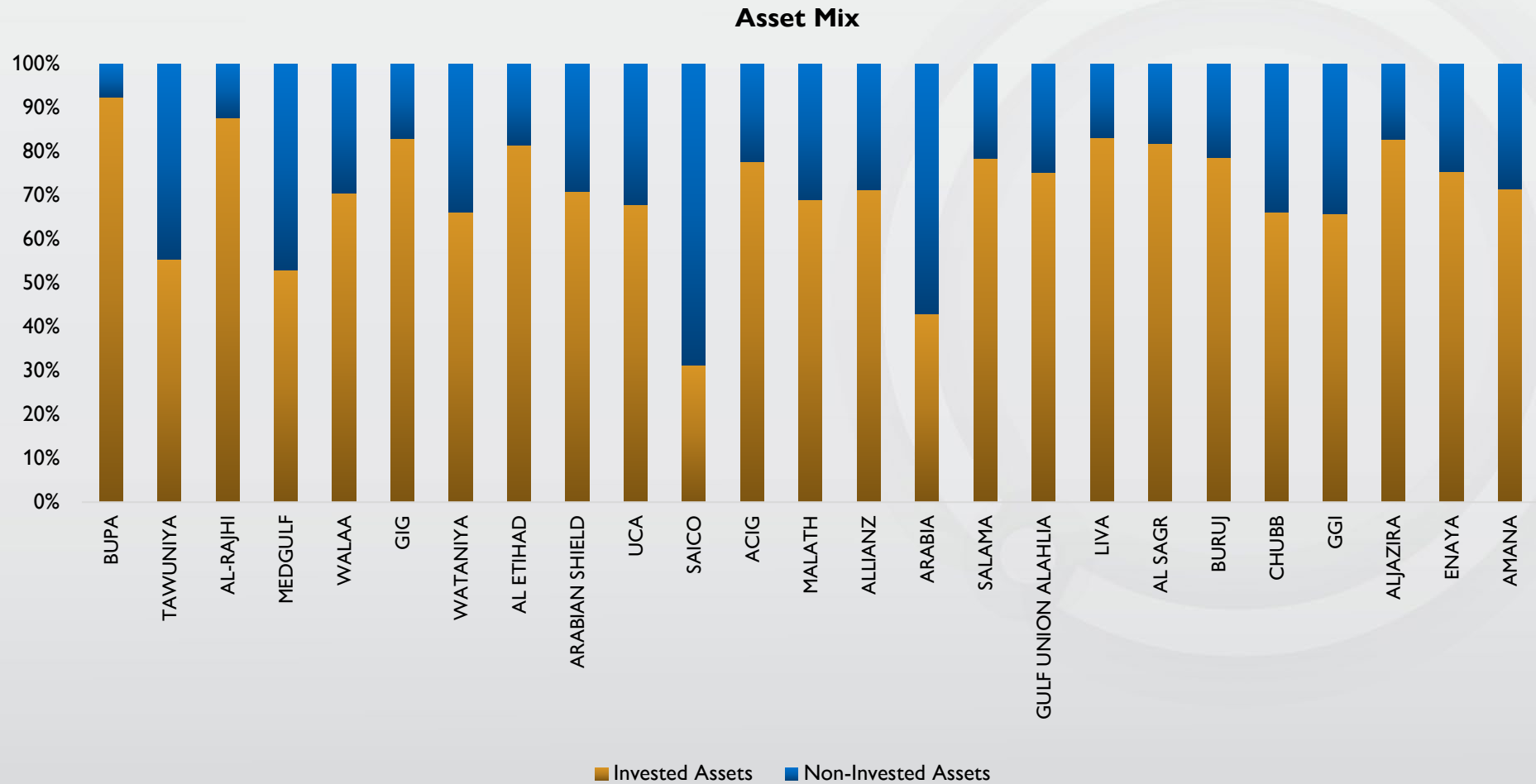


03

Assets

Asset Mix compares the proportion of invested assets and non invested assets for H1 2024

Bupa has the highest proportion of 93% of their assets invested, while SAICO has only invested 31% of their assets.





Company	EPS H1 2023	EPS H1 2024
Bupa	3.75	5.1
Tawuniya	2.14	4.38
Al-Rajhi	1.37	2.01
Medgulf	0.96	0.57
Walaa	0.74	0.76
GIG	1.84	0.61
Wataniya	0.48	1.39
Al Etihad	1.24	1.04
Arabian Shield	0.5	0.68
SAICO	1.24	0.84
UCA	-0.29	0.13
ACIG	0.48	0.96
Malath	1.05	0.23
Arabia	0.56	0.4

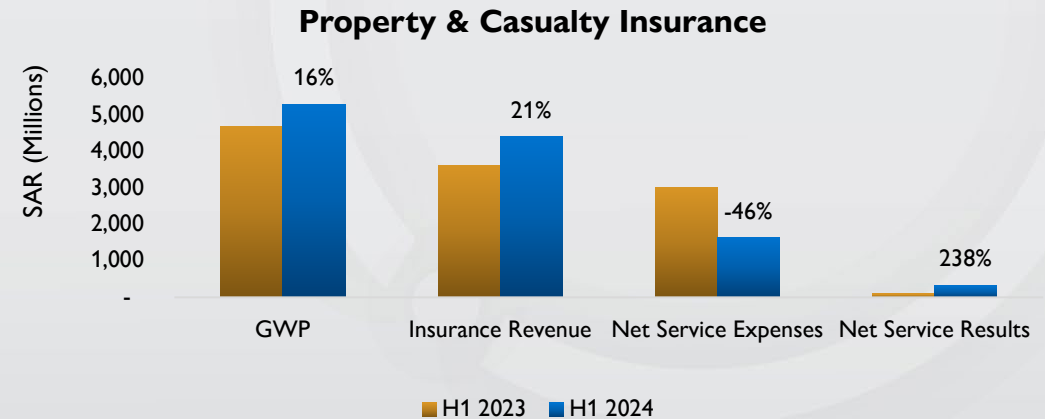
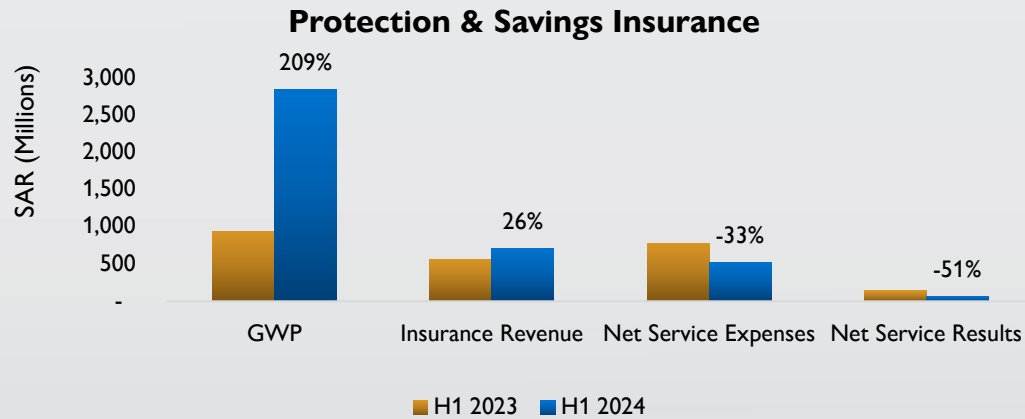
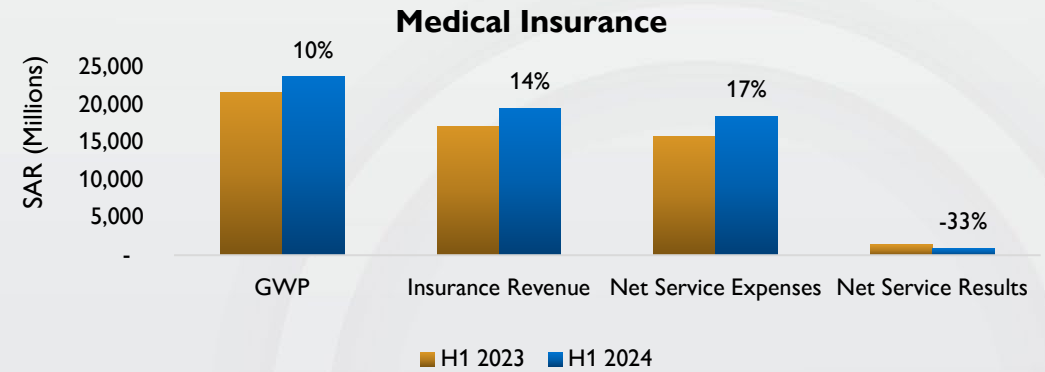
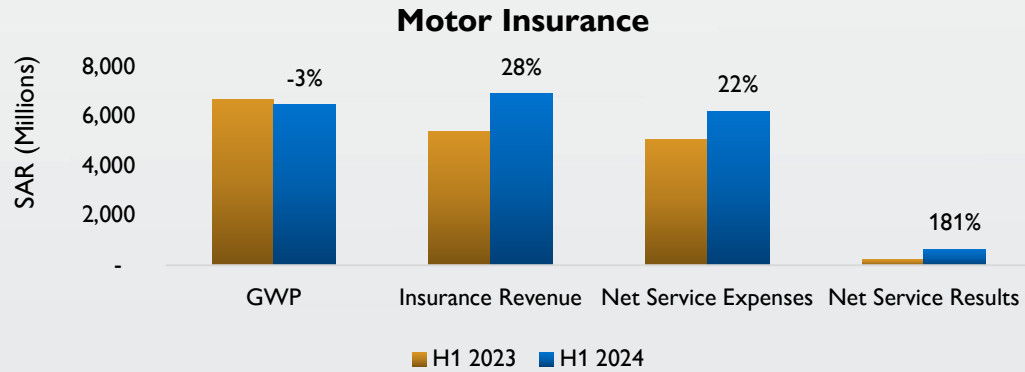
Company	EPS H1 2023	EPS H1 2024
Allianz	0.334	0.177
Salama	1.98	1.07
Gulf Union ALAhlia	1.28	0.58
LIVA	0.05	0.28
Al Sagr	0.8	0.84
Buruj	0.43	0.24
CHUBB	0.3	0.31
GGI	-0.1	-0.45
AlJazira	0.45	0.36
Enaya	0.39	-0.1
Amana	0.46	0.27

Earning Per Share



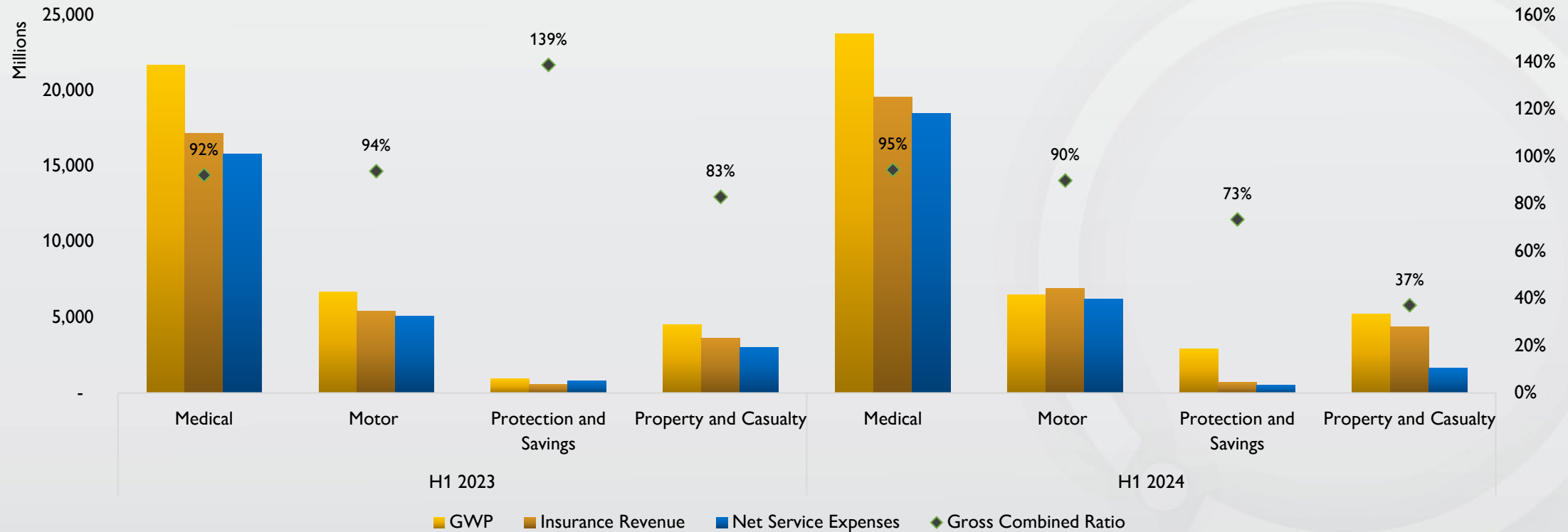
04

Line of Business Wise



- Motor and Medical line of business are the main pillars of the KSA Insurance sector with both contributing 84% of the Insurance Revenue.
- The highly profitable, Property and Casualty lines saw an increase of 21% in Insurance Revenue , however this continues to be heavily reinsured.

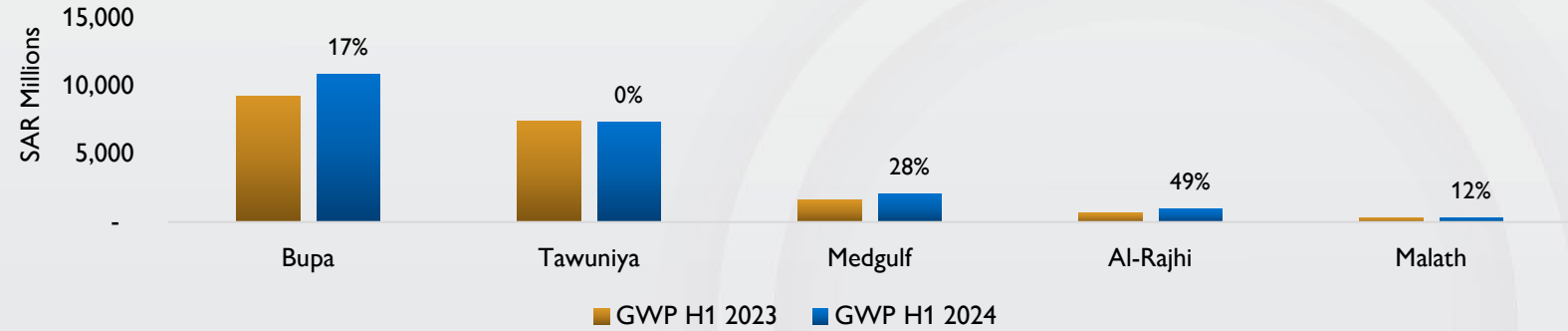
Overall



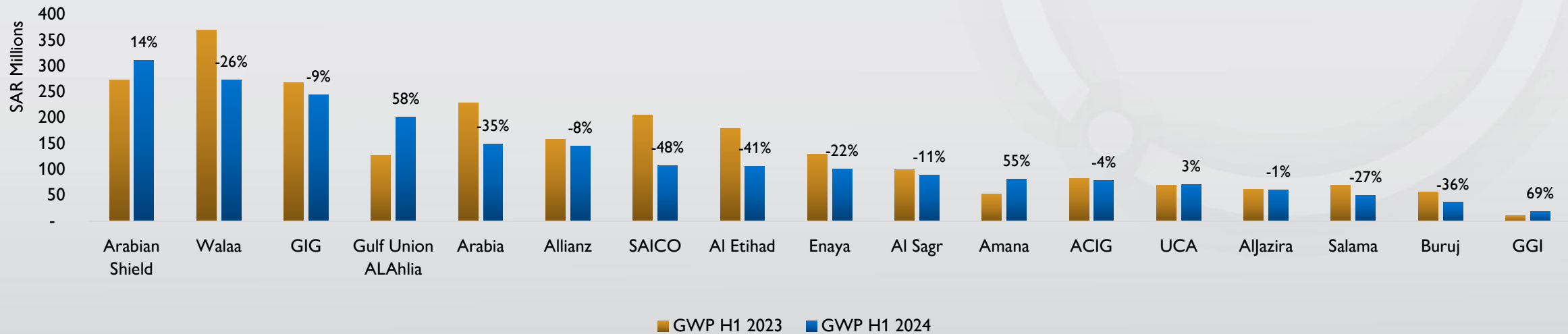
- Increase in the gross combined ratio in medical is witnessed while all the other line of businesses saw a decrease in gross combined ratio for the H1 2024 relative to H1 2023.
- Medical gross combined ratio has increased by 3% while Motor, protection & savings and property & casualty experienced a decrease of 4%, 66% & 46% respectively compared to same period last year.
- Gross combined ratio is computed as Net insurance Service Expenses over Insurance Revenue

The top 5 companies' GWP for medical grew by 2.4 billion, with a premium of SAR 22 billion in H1 2024 as compared to SAR 19 billion in H1 2023. The overall premium in H1 2024 was SAR 24 billion (H1 2023: SAR 22 billion), 10% increase.

Medical Top 5

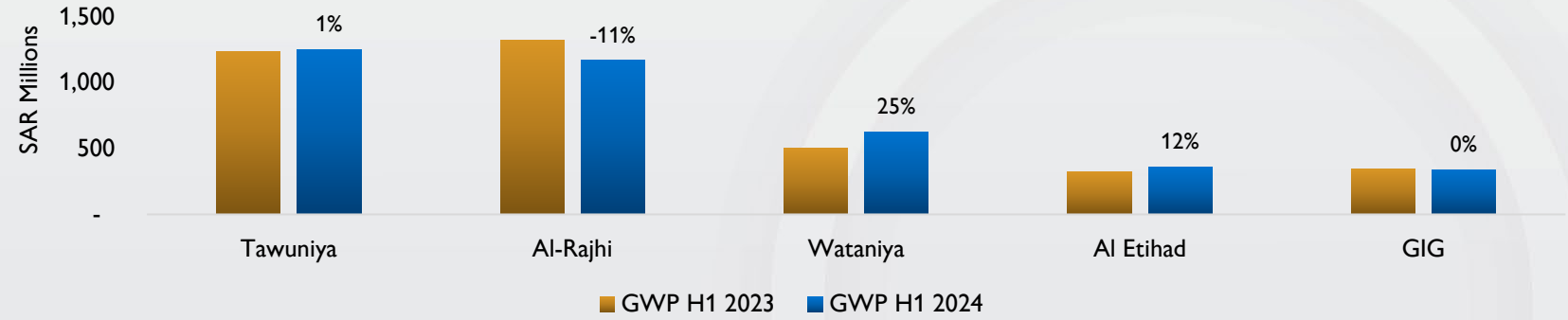


Medical Others

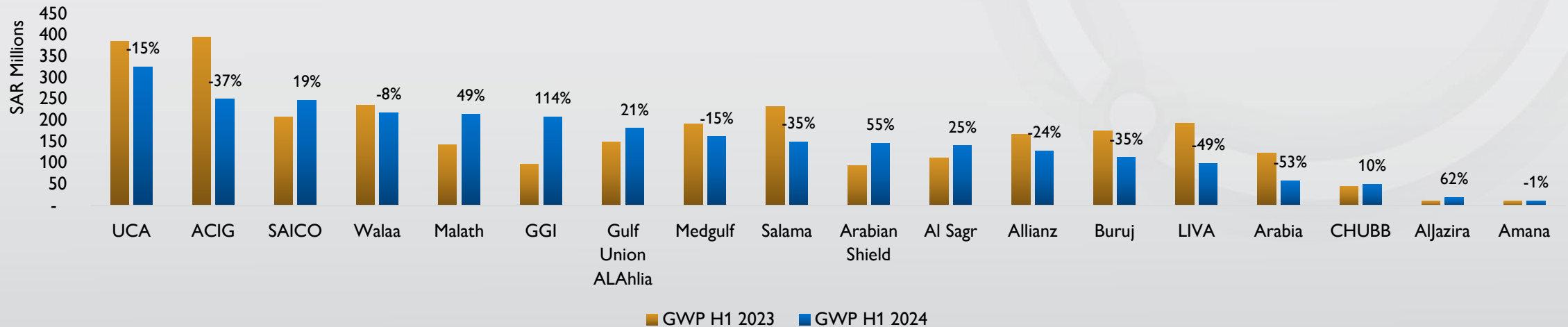


The top 5 companies' GWP for motor grew by 27 million, with a premium of SAR 3.8 billion in H1 2024 as compared to SAR 3.7 billion in H1 2023. The overall premium in H1 2024 was SAR 6.5 billion (H1 2023: SAR 6.7 billion), 3% decrease.

Motor Top 5

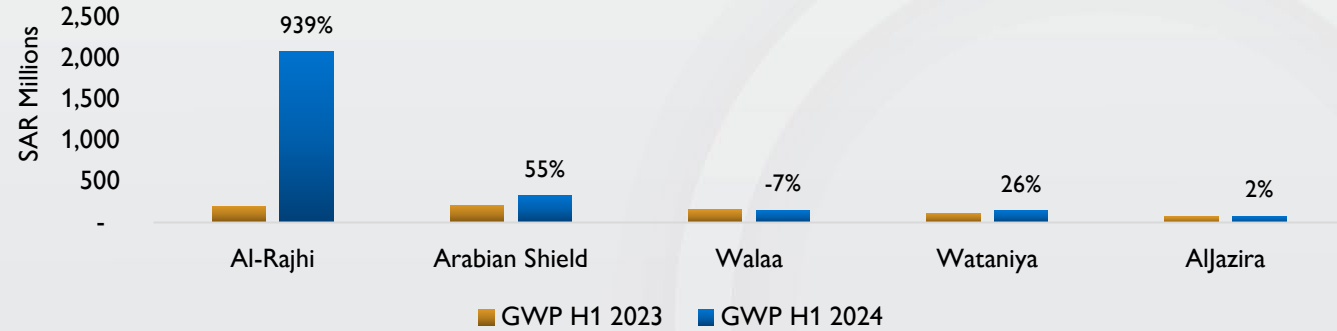


Motor Others

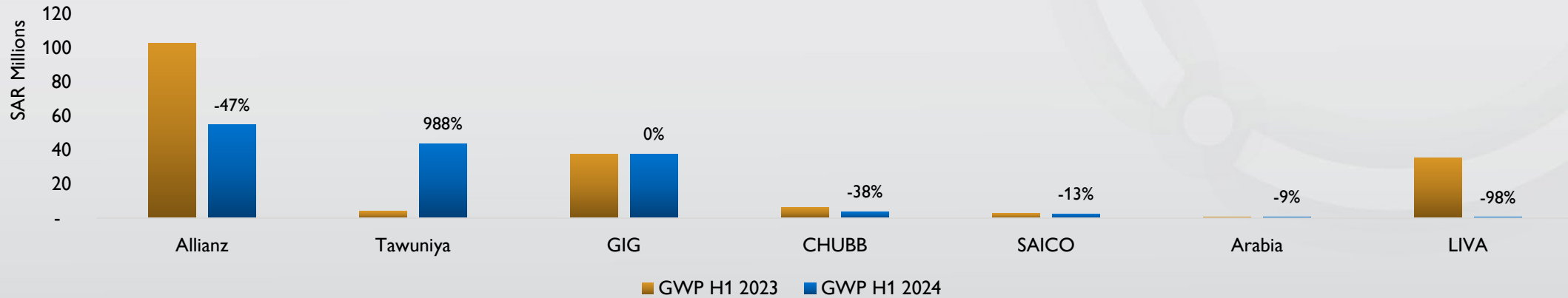


The top 5 companies' GWP for protection & saving grew by 2 billion, with a premium of SAR 2.8 billion in H1 2024 as compared to SAR 0.7 billion in H1 2023. The overall premium in H1 2024 was SAR 2.9 billion (H1 2023: SAR 0.9 billion), 203% increase.

P&S Top 5

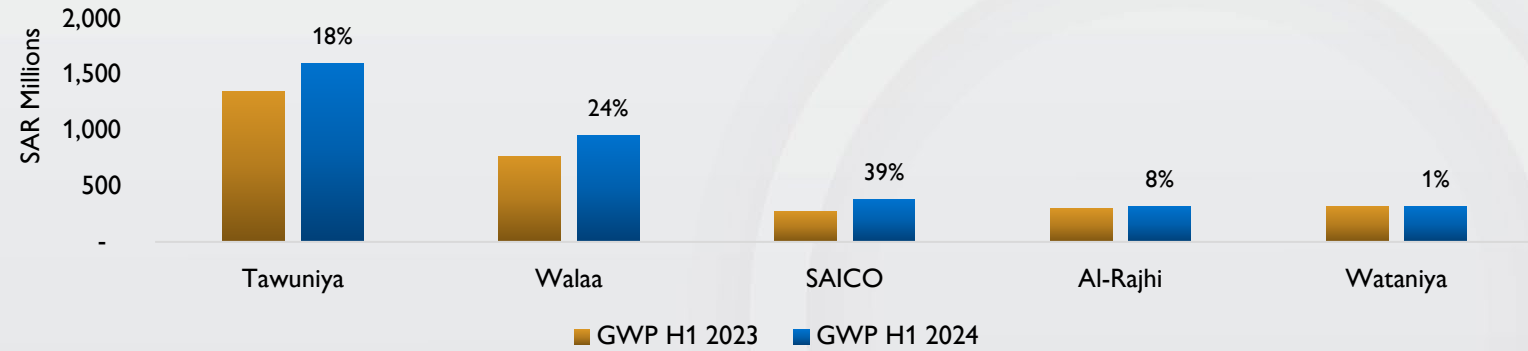


P&S Others

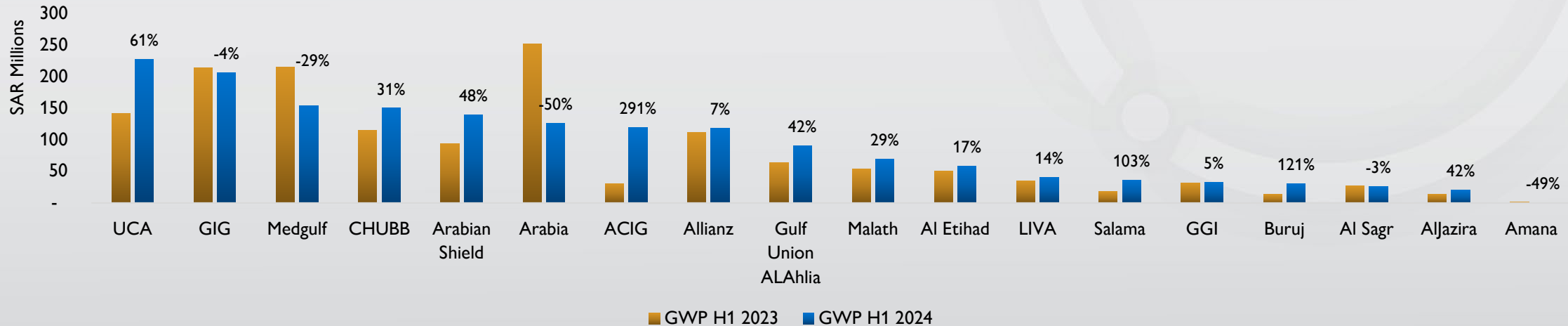


The top 5 companies' GWP for property & casualty grew by 395 million, with a premium of SAR 3.6 billion in H1 2024 as compared to SAR 3.2 billion in H1 2023. The overall premium in H1 2024 was SAR 5.3 billion (H1 2023: SAR 4.7 billion), 13% increase.

P&C Top 5



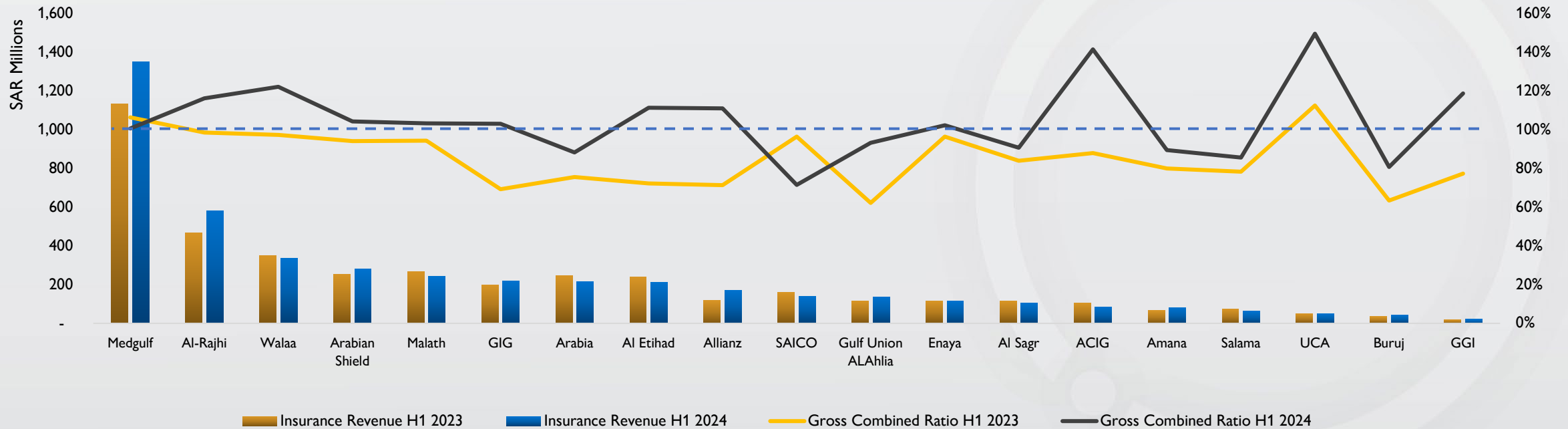
P&C Others



Insurance Revenue & Gross Combined Ratio – Medical



Medical

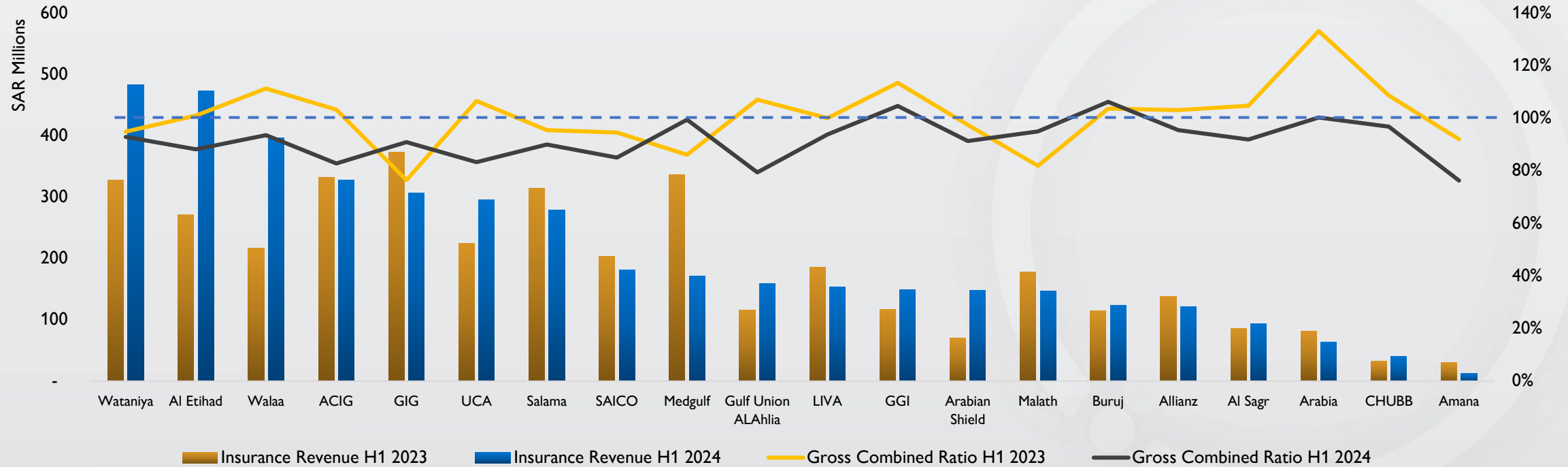


Bupa & Tawuniya are excluded from the above graph. Bupa has insurance revenue of SAR 8.9 billion for H1 2024 and SAR 7.6 billion in H1 2023 reflecting the gross combined ratio of 92% and 93%, respectively. Tawuniya has insurance revenue worth SAR 6.2 billion for H1 2024 and SAR 5.4 billion in H1 2023 reflecting the gross combined ratio of 91% and 92%, respectively. The weighted average of gross combined Ratio for the top 5 Companies for Medical is 94% in H1 2024 and H1 2023 both, whereas the weighted average combined ratio for other companies is 101% for H1 2024 and 83% for H1 2023.

Insurance Revenue & Gross Combined Ratio – Motor



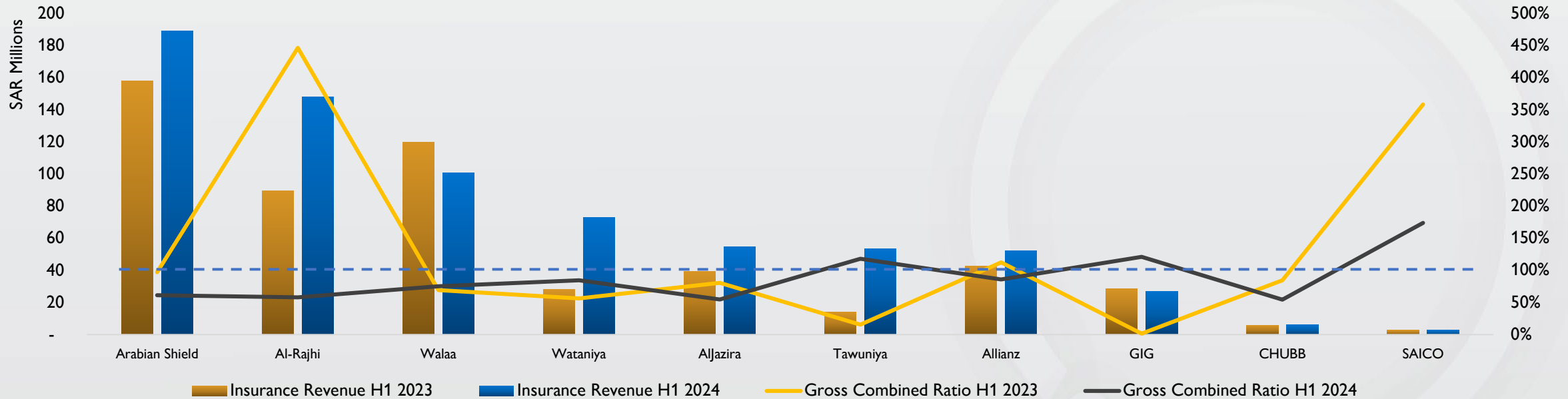
Motor



Tawuniya & Al-Rajhi is excluded from the above graph. Tawuniya has insurance revenue of SAR 1.4 billion for H1 2024 and SAR 0.7 billion for H1 2023 reflecting the gross combined ratio of 91% and 83% respectively. Al-Rajhi has insurance revenue of SAR 1.3 billion for the H1 2024 and SAR 1.0 billion for H1 2023 reflecting the gross combined ratio of 85% and 88% respectively. The weighted average gross combined ratio for top 5 companies is 89% for period H1 2024 and 91% for H1 2023, whereas the weighted average combined ratio for other companies is 91% for H1 2024 and 96% for H1 2023.



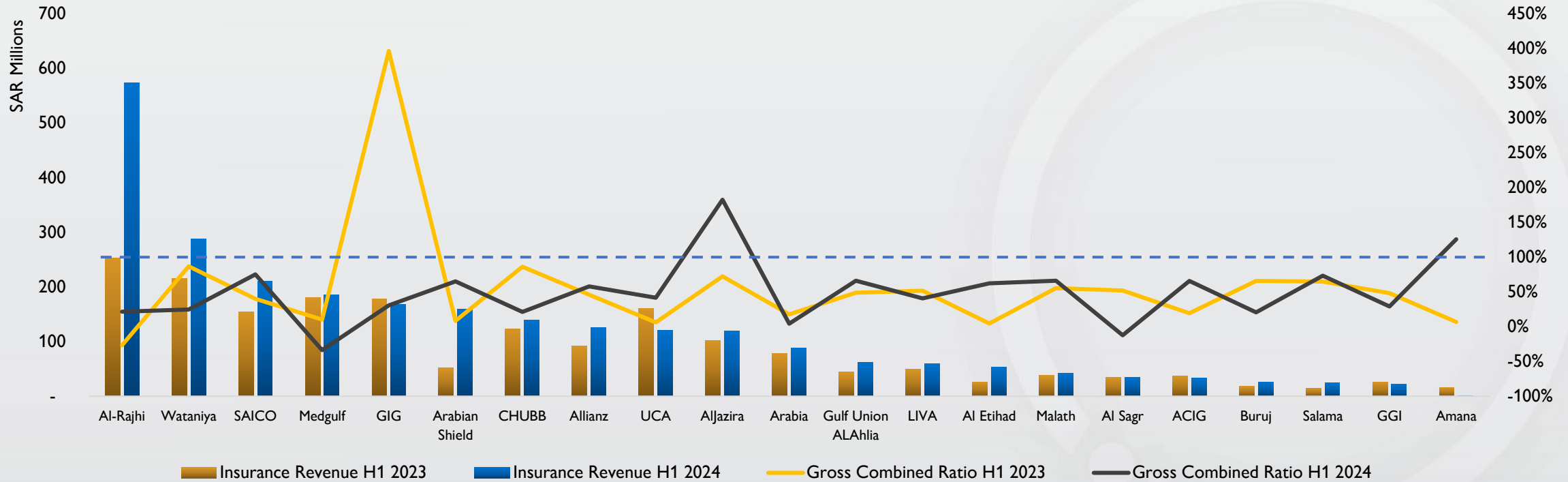
Protection & Saving



Gulf Union ALAHLI & LIVA are excluded from the above graph. Gulf Union ALAHLI has Insurance Revenue worth SAR 0.8 million for H1 2024 and SAR 0.6 million for H1 2023. LIVA recorded the insurance revenue of SAR 0.3 million in H1 2024 and SAR 34 million in corresponding H1 2023. The weighted average gross combined ratio for top 5 Companies in P&S is 65% and for others is 106% corresponding to 157% for top 5 companies and 77% for others in H1 2023 respectively.

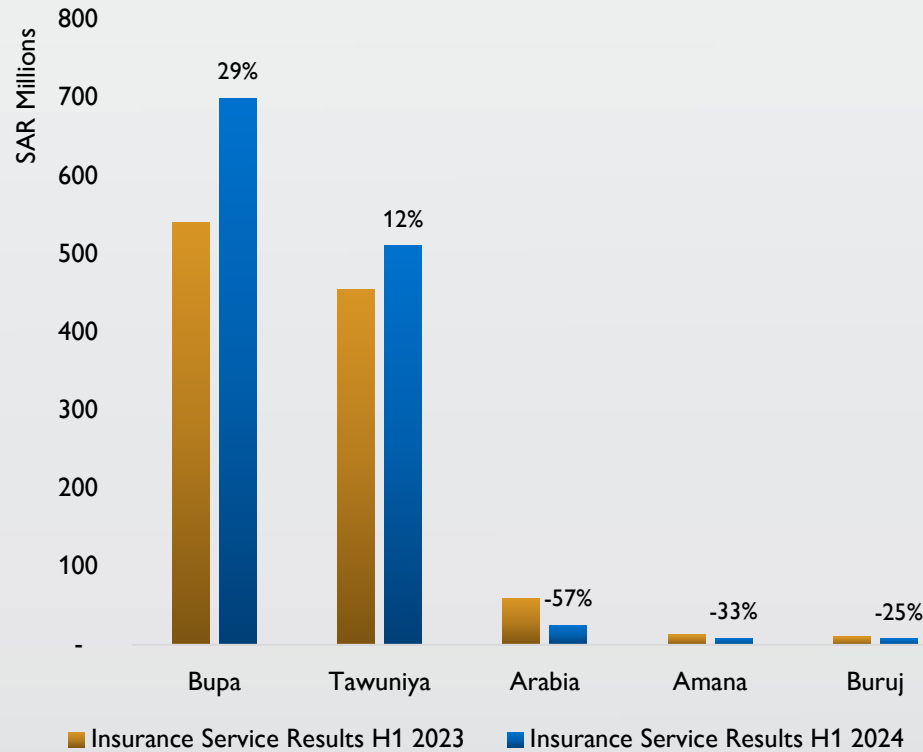


Property & Casualty

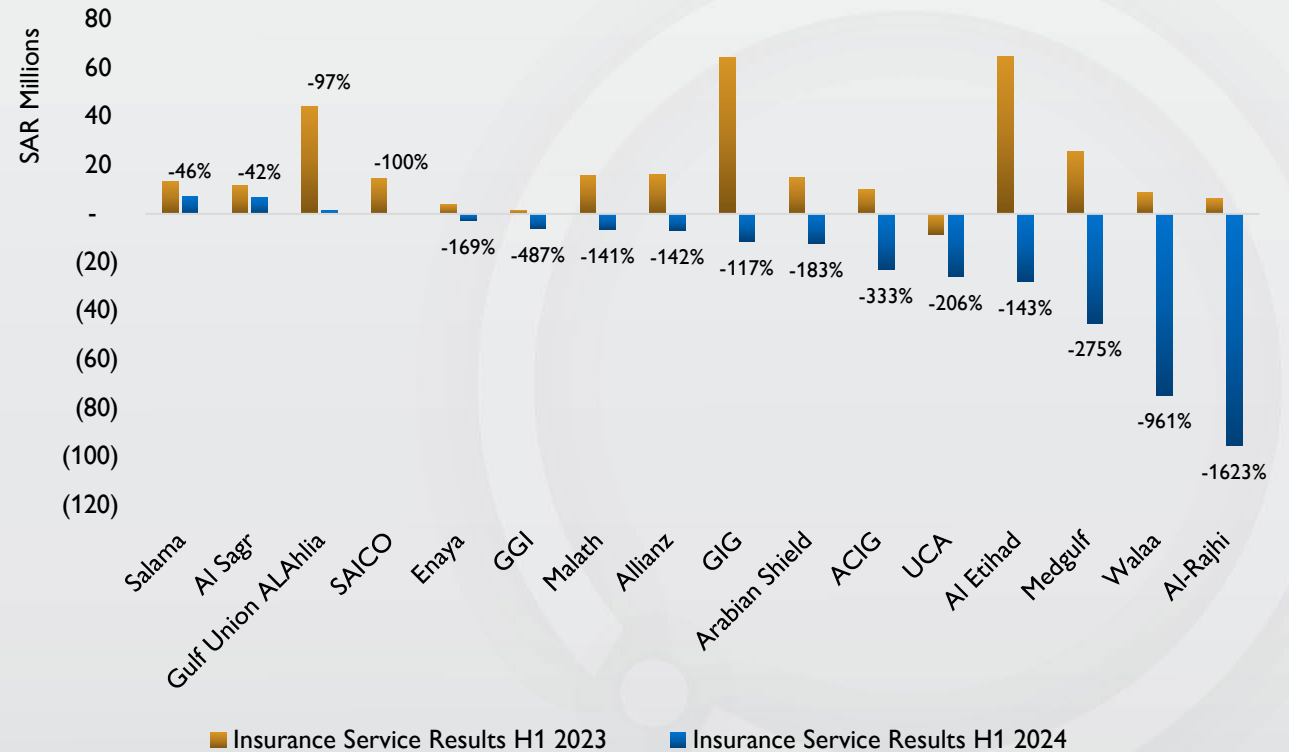


Tawuniya and Walaa are excluded from the above graph. Tawuniya has Insurance Revenue worth SAR 1.1 billion for H1 2024 and SAR 1.0 billion for H1 2023 reflecting the gross combined ratio of 44% and 153%, respectively. Walaa has Insurance Revenue worth SAR 0.7 billion for H1 2024 and SAR 0.7 billion for H1 2023 reflecting the gross combined ratio of 19% and 17%, respectively. For P&C, the weighted average gross combined ratio for Top 5 companies is 34% in H1 2024 however in H1 2023 the weighted average gross combined ratio was 81%. For companies other than top 5, the weighted average gross combined ratio is 44% in H1 2024 and in H1 2023 it stood at 87%.

Medical Top 5

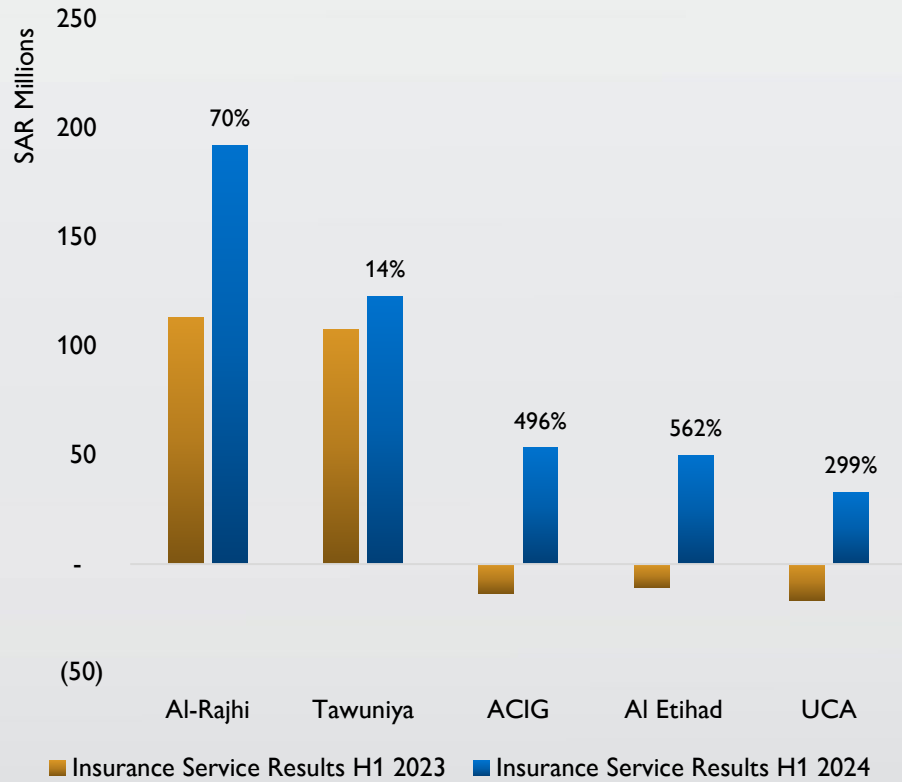


Medical Others

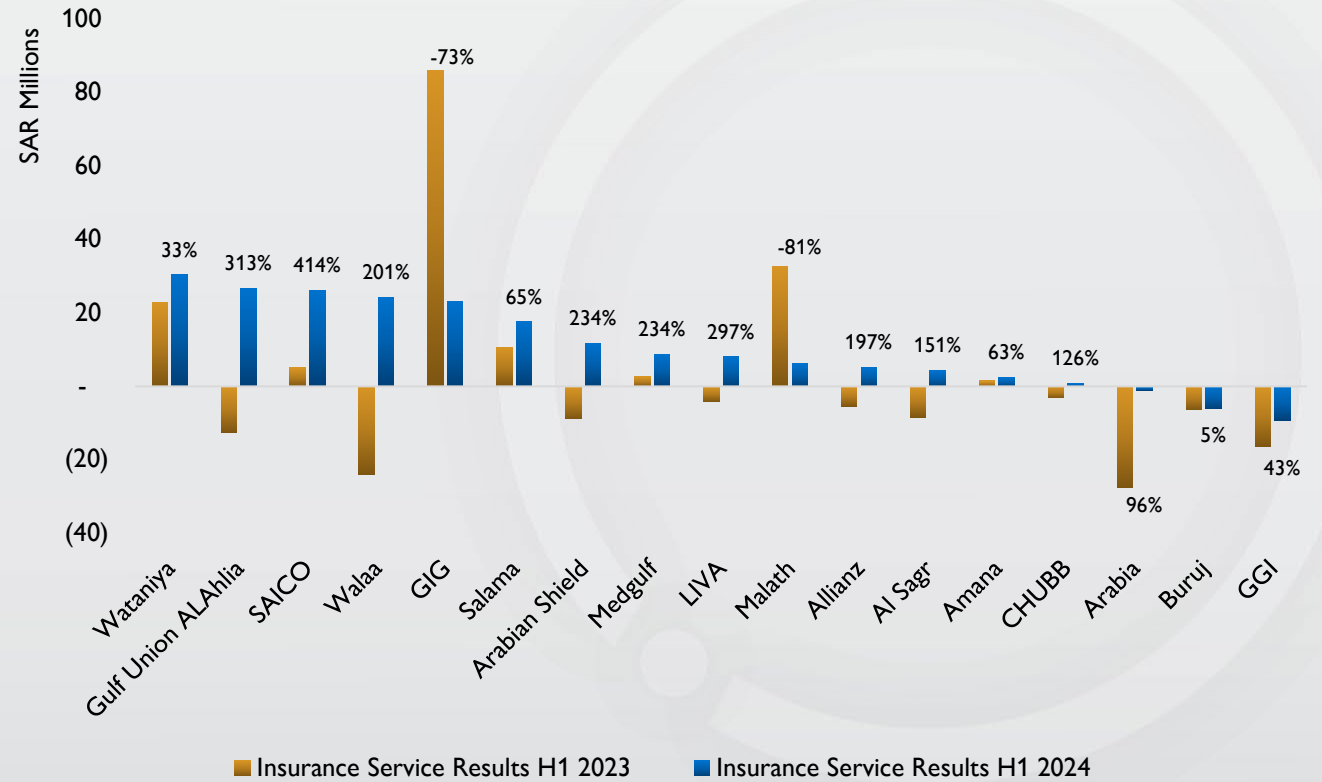


Total net service result in the Medical line is SAR 0.9 billion signifying an decrease of -33% in the H1 2024 compared to H1 2023 when the total net service result recorded in Medical was SAR 1.4 billion.

Motor Top 5

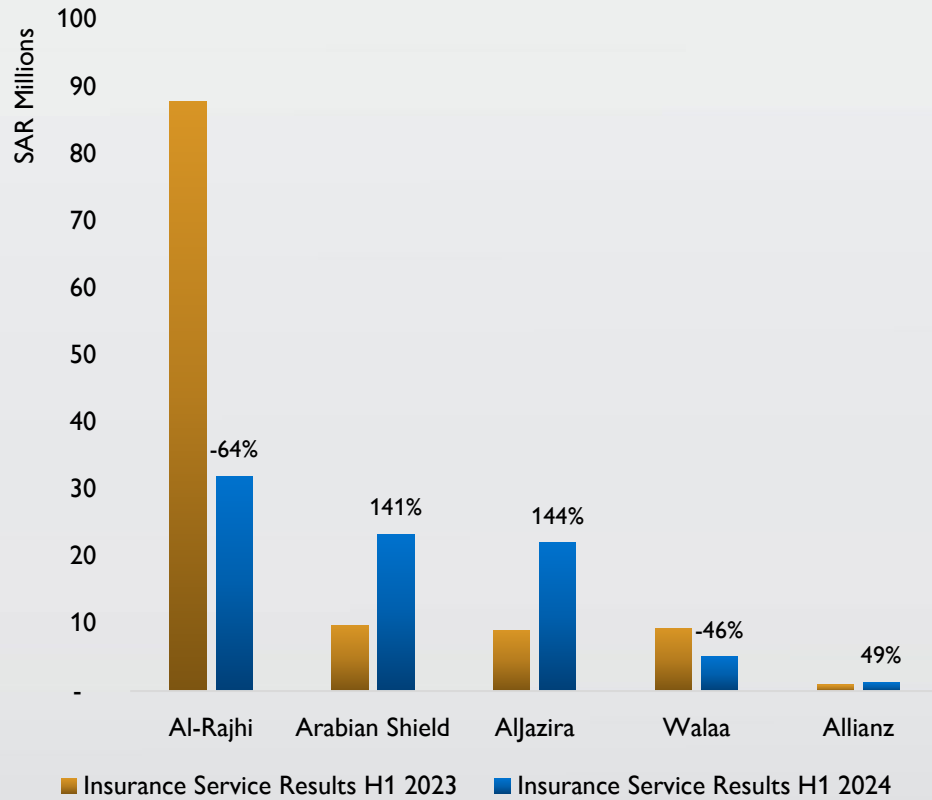


Motor Others

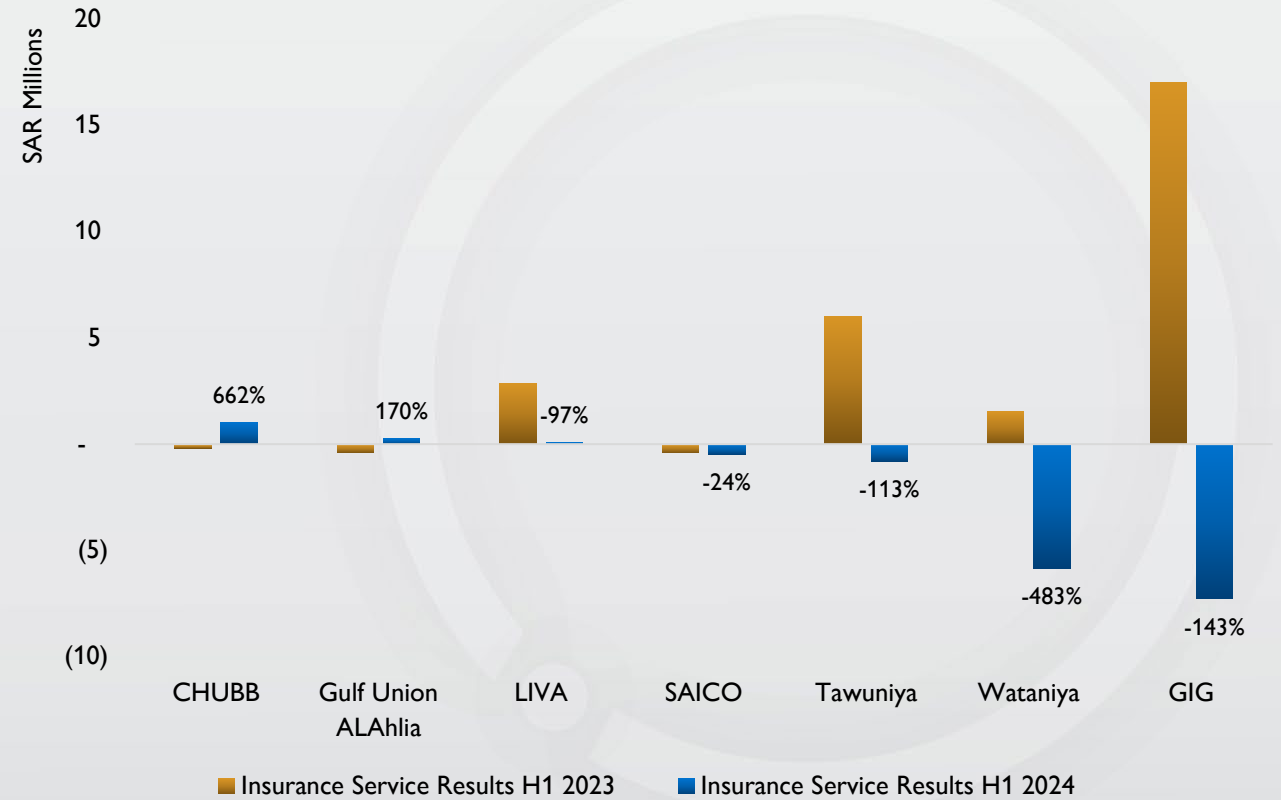


Total net service result in the Motor line is SAR 631 million signifying an increase of 181% in the H1 2024 compared to H1 2023 when the total net service result recorded in Motor was SAR 224 million.

Protection & Saving Top 5

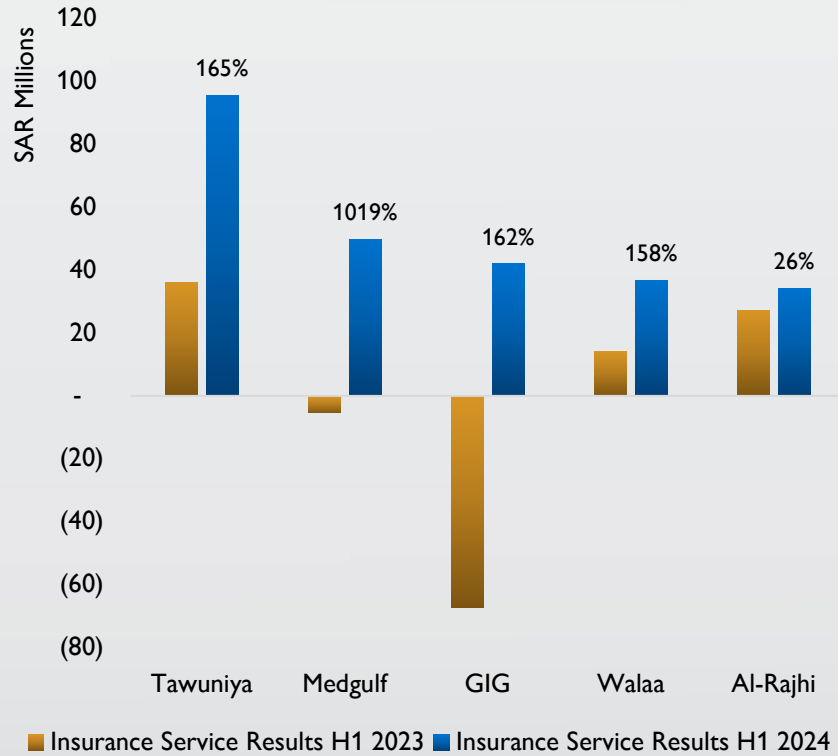


Protection & Saving Others

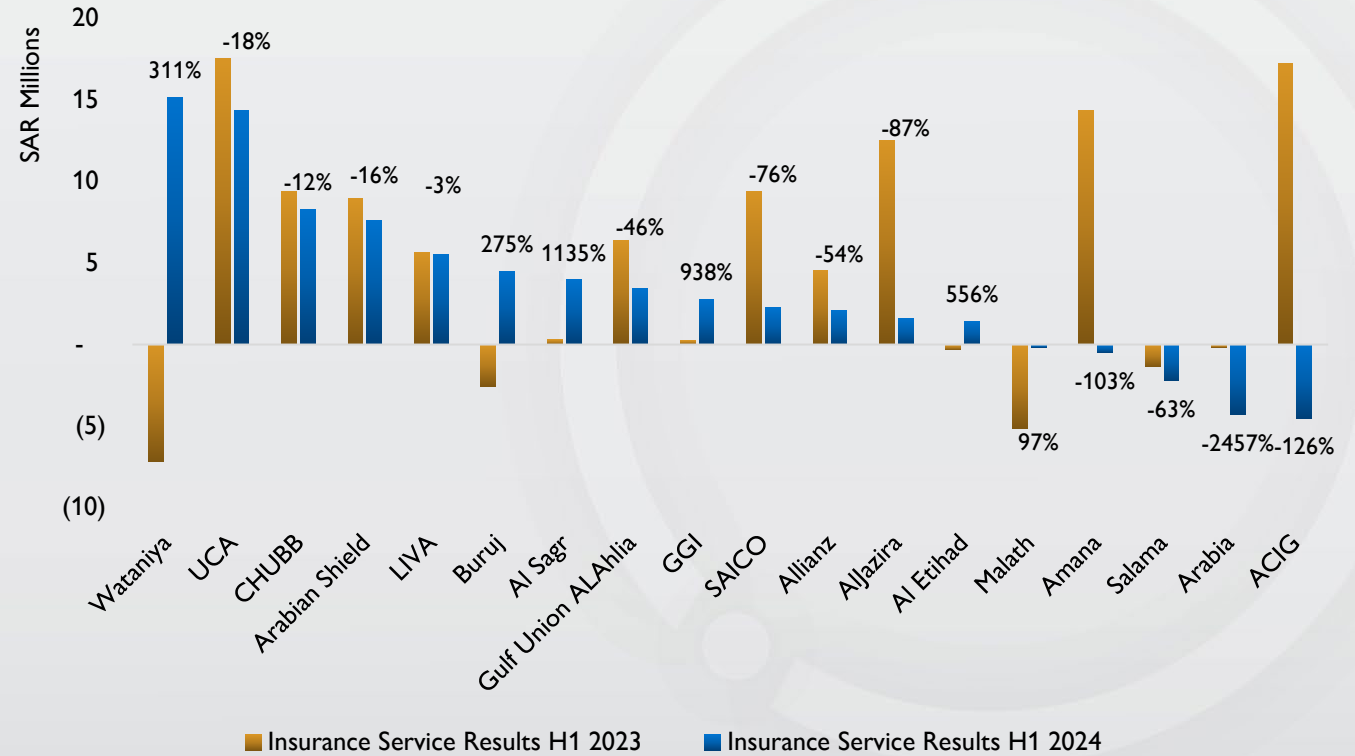


Total net service result in the protection and saving line is SAR 71 million signifying a decrease of 51% in the H1 2024 compared to H1 2023 when the total net service result recorded was SAR 143 million.

Property & Casualty Top 3

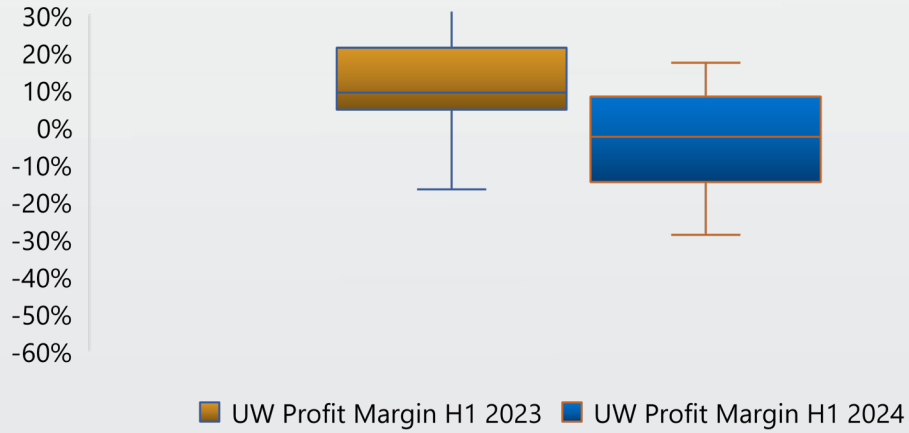


Property & Casualty Others

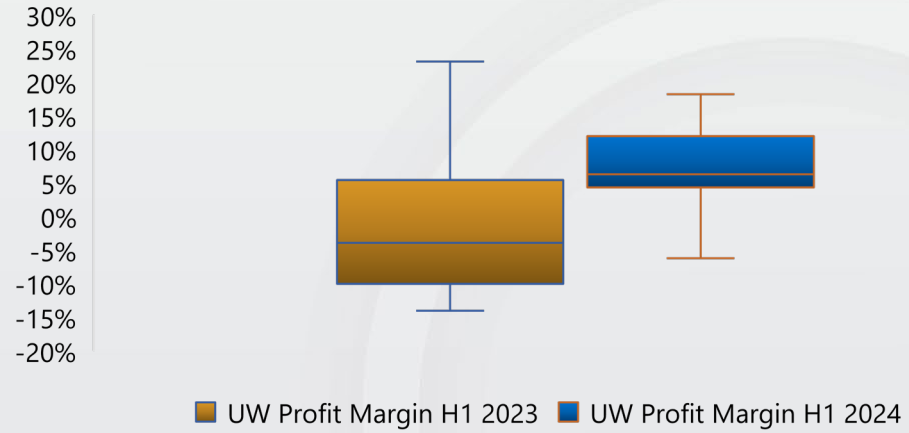


Total net service result in the property & casualty line is SAR 320 million signifying an increase of 238% in H1 2024 compared to H1 2023 when the total net service result recorded was SAR 95 million.

Medical

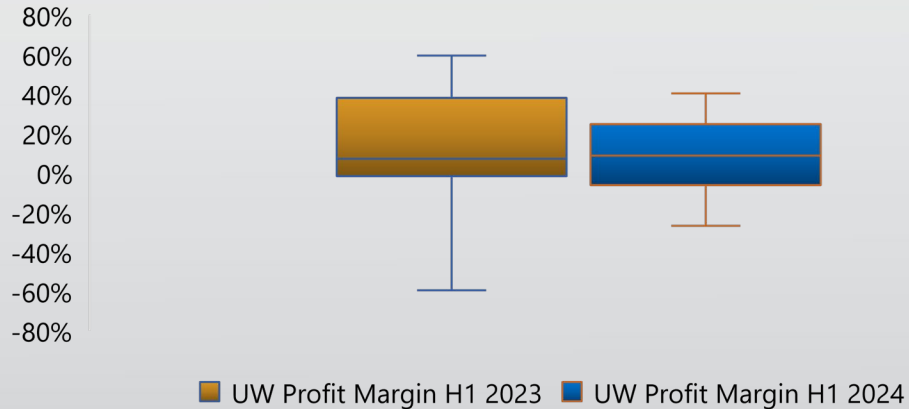


Motor

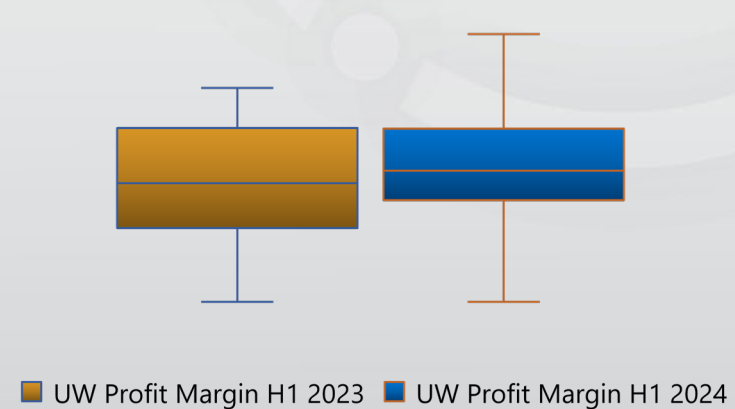


UW Profit Margin is calculated by dividing net service results with the insurance revenue.

Protection & Saving



Property & Casualty





	H1 2023	H1 2024	Variance
	SAR billion	SAR billion	SAR billion
Medical Insurance Service Results	1.38	0.93	(0.46)
Motor Insurance Service Results	0.22	0.63	0.41
P&S Insurance Service Results	0.14	0.07	(0.07)
P&C Insurance Service Results	0.09	0.32	0.23
Total Insurance Service Results	1.85	1.95	0.10
Net Finance Income	(0.43)	(0.53)	(0.10)
Investment Income	1.21	1.56	0.35
Other Income & Expense	0.90	1.51	(0.31)
Total Profit (Before Zakat & Tax)	1.97	2.43	0.61
Zakat & Tax	(0.26)	(0.27)	(0.01)
Total Profit (After Zakat & Tax)	1.71	2.16	0.44

The impact of share of surplus from insurance pool is subtracted from the insurance service results.

Net Profit Breakdown



05

IFRS 17 Comparison

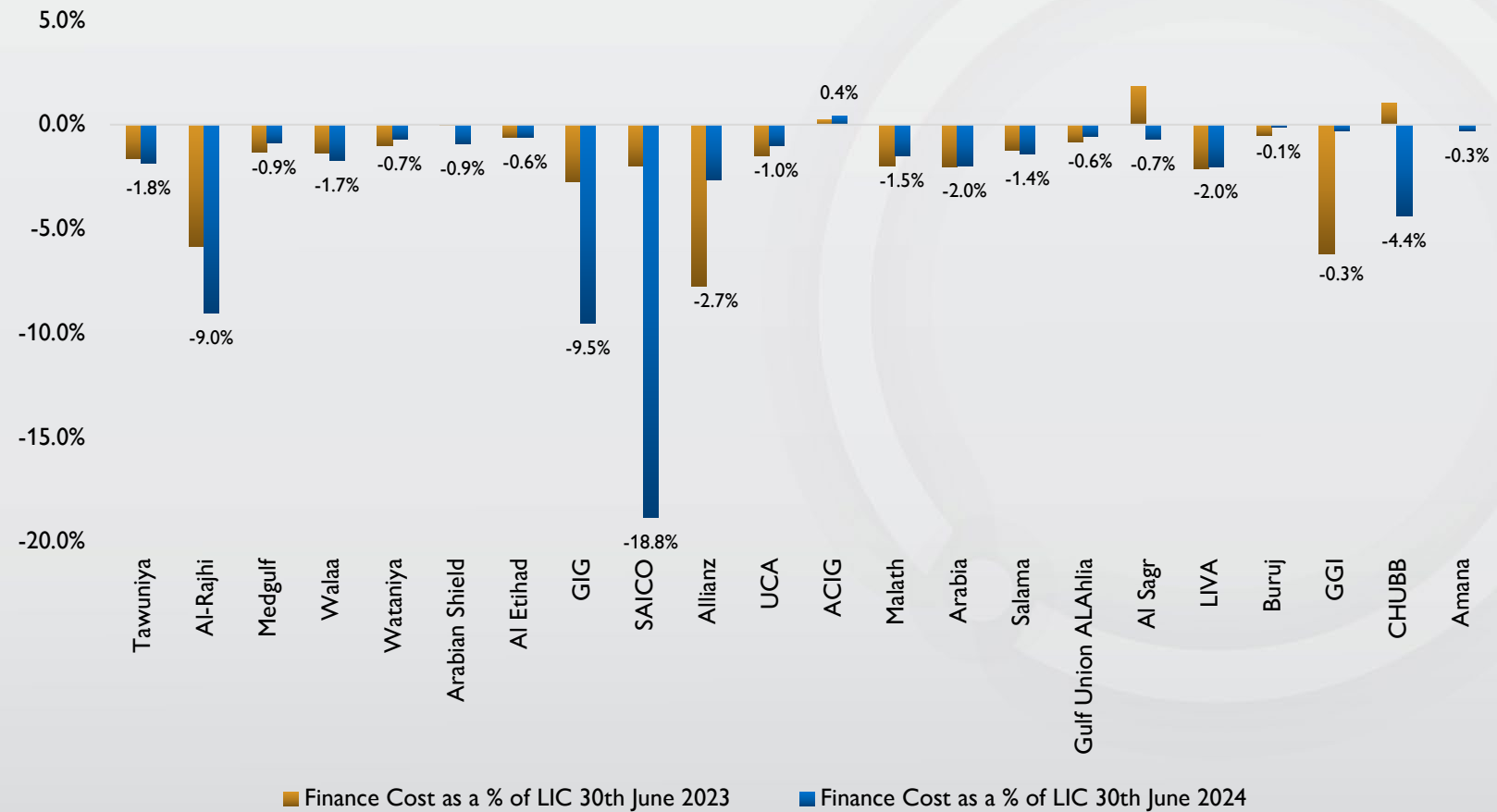
Finance income (or expenses) directly impact the valuation of the liability for incurred claims through the discounting process in IFRS-17.

Since most of the companies are using PAA we have computed this KPI as being divided by LIC. The graph presents the proportion of financial expenses/(income) relative to the amount of claim liabilities.

Alljazira is excluded from the analysis as it was distorting the graph, having a percentage of negative 46%. Bupa and Enaya do not provide their Finance Income in the financials.

Finance cost as a % of LIC is calculated by dividing net finance income with average of opening and closing average.

Finance Cost as a % of LIC



Loss Component as % of Insurance Revenue



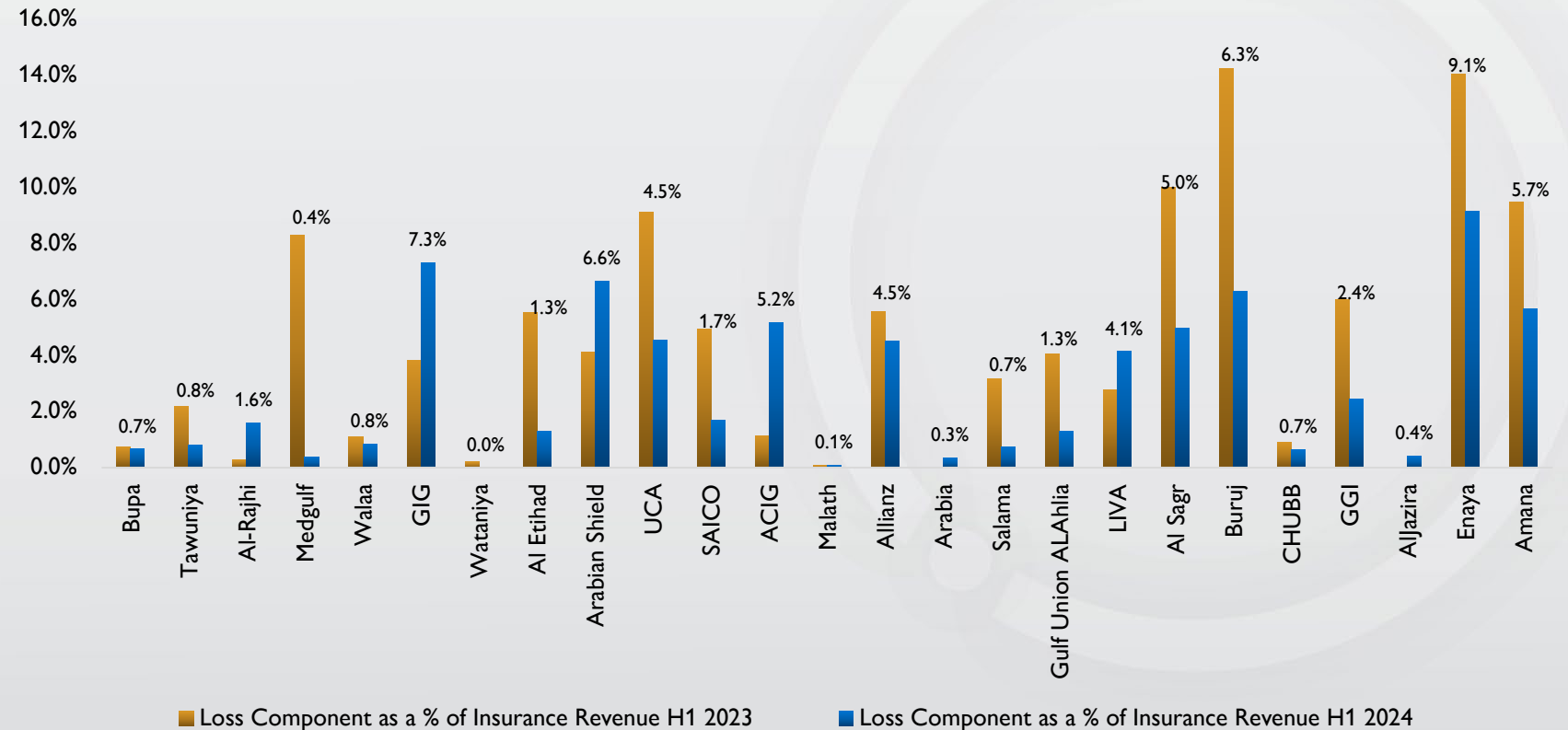
The relationship between the loss component and insurance revenue is crucial for determining the overall profitability and financial performance of an insurance company. By analyzing the ratio of the loss component to insurance revenue, stakeholders can assess the efficiency of the company's underwriting activities and the adequacy of premium pricing in covering expected losses.

Hence, a lower percentage depicts the adequacy of reserves and ability to accurately estimate and cover expected losses in insurance contracts.

Malath depicts the lowest ratio of 0.1%

Graph is sorted on the basis of decreasing order of H1 2024 Insurance revenue.

Loss Component as a % of Insurance Revenue

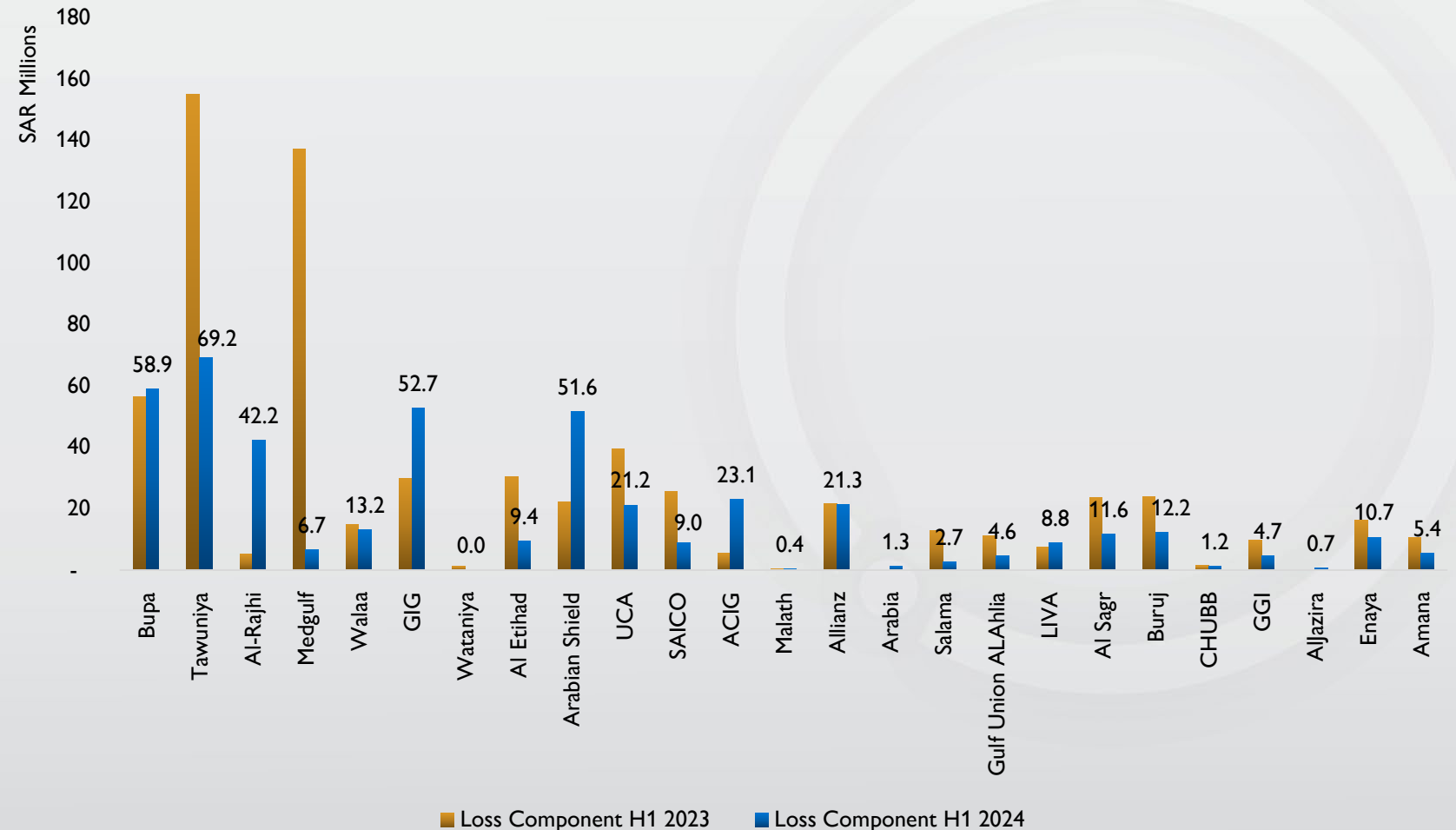


The Loss Component in IFRS 17 is a part of the Liability for Remaining Coverage (LRC), representing the excess of expected future cash outflows over inflows for onerous insurance contracts. It reflects the expected loss recognized immediately in profit or loss when a contract becomes onerous.

The highest loss component is observed by Tawuniya of SAR 69.2 million (H1 2023: SAR 155 million). The lowest loss component is depicted by Malath of SAR 0.38 million (H1 2022: SAR 0.43 million)

Graph is sorted on the basis of decreasing order of H1 2024 Insurance revenue.

Loss Component



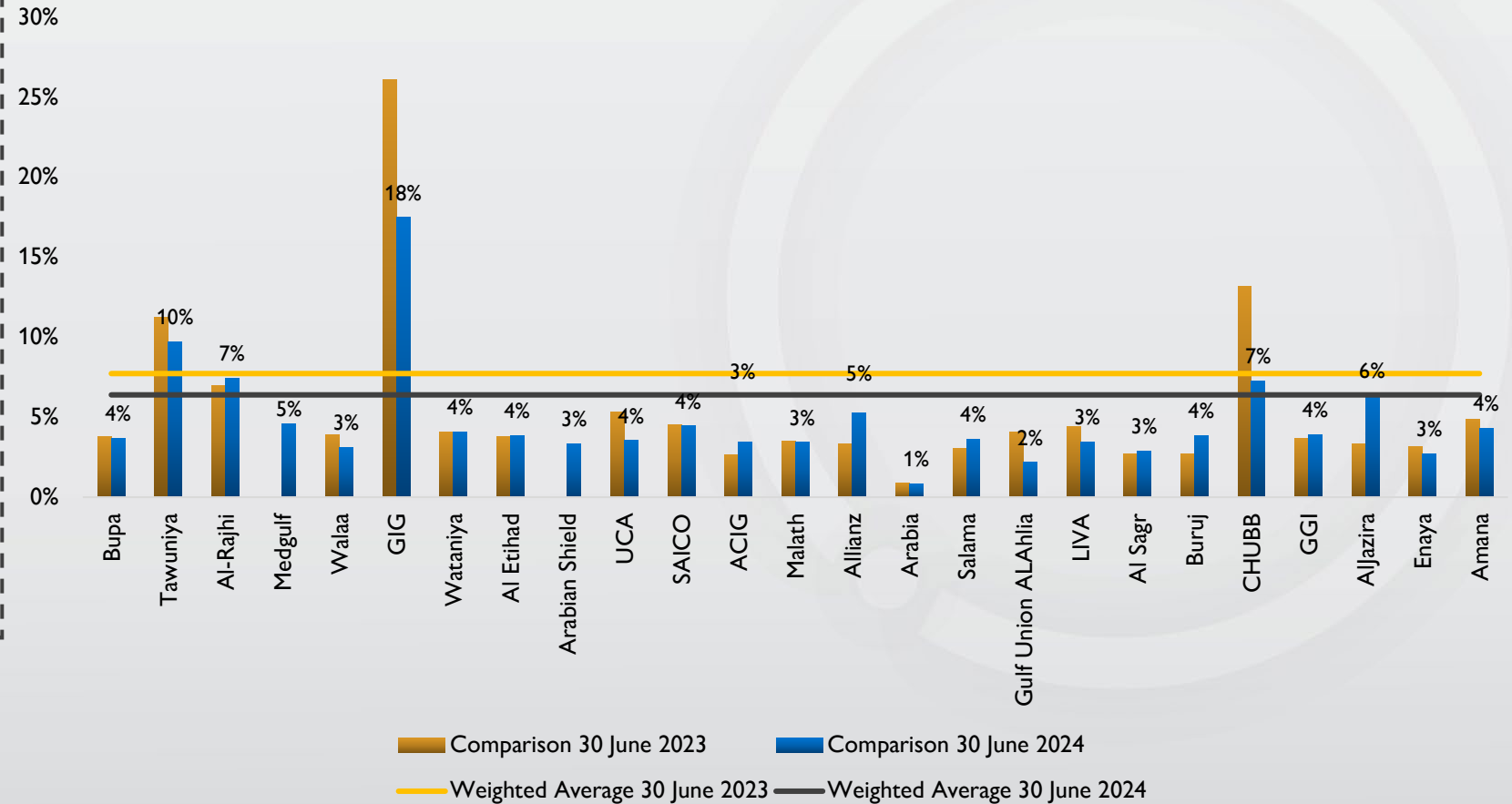
The graph depicts the relationship between risk adjustment and liability for incurred claims and provide insights into the Company's risk assessment and their diligence in accounting for these risks. It is an important KPI for stakeholders to evaluate the Company's prudence and risk management practices in financial reporting under IFRS-17.

The weighted average proportion of Risk Adjustment in LIC for the period of 30 June 2023 and 30 June 2024 is analyzed to be 8% and 6% respectively.

The Highest Ratio is depicted by GIG of 18% whereas the lowest is shown by Arabia of 1%.

Graph is sorted on the basis of decreasing order of H1 2024 Insurance revenue.

Risk Adjustment as a % of Estimates LIC





Conclusion

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%. Total gross written premiums have shown a significant 13% growth, climbing from SAR 34 billion to SAR 38 billion.

If we look at the line of business, Motor GWP has reduced by 3% while Medical and P&S have increased by 10% and 209% respectively. In absolute terms P&S has grown from SAR 1 billion to SAR 2.8 billion and the growth is led mainly by ART followed by Arabian Shield and Tawuniya. The dip for Motor is concerning as we had seen the premium rates peaked in Q3 2023 and have been on a downward trajectory since then. This downward spiral is continuing as we again see companies fight for topline by reducing rates. While Medical has shown a 10% top line growth, the growth in Insurance Service Expenses for medical is higher causing a 33% dip in Net Service Results for Medical. For medical there appears to be a lot of price competition and without a price correction, expectations for the next two quarters are grim.

Overall underwriting performance improved slightly, with insurance service results rising to SAR 1.95 billion in H1 2024 from SAR 1.85 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.

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, the performance was mixed. The Top 3 companies - Tawuniya, BUPA, and Al Rajhi - saw profit increases of 105%, 36%, 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. Excluding the Top 3, the industry reported a profit of SAR 533 million, down from SAR 693 million in H1 2023, a 23% decrease. This likely reflects the impact of increased price competition, particularly in the Motor TPL and medical SME segments.

While we see a growth in profitability, future prospects are bleak as currently the industry is again sliding into a price war on both Motor and Medical fronts. If this trend is not arrested quickly, we project the full year profitability of the industry to be significantly lower than last year. The silver lining has been P&S where we finally see some growth, and this is one line that results in long term profitability for the companies.



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 published financial reports 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	Malath Cooperative Insurance Co.	MCIC
	4	The Mediterranean and Gulf Insurance and Reinsurance Co.	TMGIRC
	5	Allianz Saudi Fransi Cooperative Insurance Co.	ASFCIC
	6	Salama Cooperative Insurance Co.	SCIC
	7	Wala'a Cooperative Insurance Co.	WCIC
	8	Arabian Shield Cooperative Insurance Co.	ARSCIC
	9	Saudi Arabian Cooperative Insurance Co	SACIC
	10	Gulf Union Al Ahlia Cooperative Insurance Co.	GUACIC
	11	Allied Cooperative Insurance Group	ACIG
	12	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
	13	Trade Union Cooperative Insurance Co.	TUCIC
	14	Al Sagr Cooperative Insurance Co.	ASCIC
	15	United Cooperative Assurance Co.	UCAC
	16	Bupa Arabia for Cooperative Insurance Co.	BACIC
	17	Al-Rajhi Company for Cooperative Insurance	ARCCI
	18	CHUBB Arabia Cooperative Insurance Co.	CACIC
	19	Gulf Insurance Group	GIG
	20	Gulf General Cooperative Insurance Co.	GGCIC
	21	Buruj Cooperative Insurance Co.	BCIC
	22	LIVA Insurance formerly known as Al Alamiya	AACIC
	23	Wataniya Insurance Co.	WIC
	24	Amana Cooperative Insurance Co.	ACIC
	25	Saudi Enaya Cooperative Insurance Co.	SECIC
	26	Alinma Tokio Marine Co.	ATMC

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	46 Staff	Medical 9 Staff
KSA Actuarial	49 Staff	IFRS 17 17 Staff
Business Intelligence	8 Staff	HR Consultancy 3 Staff
End of Services	5 Staff	Financial Services 11 Staff
Sales	2 Staff	Strategy Consulting 2 Staff
Support & Admin	28 Staff	Data Science 6 Staff

Total Strength 192



Hatim Maskawala
Managing Director - BADRI



Ali Bhuriwala
Co-founder & Executive
Director - BADRI



Hasham Piperdy
Director & GM – BADRI for
Actuarial Services



S. Azadar Haider
Manager Actuarial - BADRI



Amjaad Al Qahtani
Sr. Actuarial Analyst - BADRI



Razan Saud R Alanazi
Actuarial Analyst - BADRI

Our Team



Our Feedback

BADRI Management Consultancy is proud to present KSA Listed Insurance Industry Performance 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.

Contact Us

UAE Office

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

KSA Office

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

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

Egypt Office

E-Scapes IT Solutions 13 Makkah
St, Mohandiseen, Giza, Egypt

UK Office

Lloyds Building 1 Lime Street, London
EC3M 7HA

Contact Us



+966 11 232 4112

+971 4 493 6666

+92 213 2602 212



info@badriconsultancy.com



www.badriconsultancy.com

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