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INSURANCE MONITOR

FY 2023

Performance Periodical

UNITED ARAB EMIRATES • SAUDI ARABIA • OMAN • BAHRAIN • KUWAIT • QATAR

Transition to IFRS 17
Financial Performance
Capital Management
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APRIL 2024

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Insights: Transition to IFRS 17

Summary FY 2022:
As per IFRS 17

- Insurance Revenue ↓
- Combined Ratio ↑
- Investment Income ↓
- Net Profit ↓
- Equity ↓

NOTES:

[1]**Insurers excluded from this report:**
- **VISN** (Oman): Merged with OQIC effective 16 February 2023, following which the shares of VISN were delisted from MSX.
- **AINS** (Oman): Delisted from MSX effective 29 March 2023 and converted to a Closed JSC following LIVA's (previously NLGI) effective ownership of 100% shares in AINS.
- **ALINMA** (KSA)**:** Delisted from TADAWUL with effect from 25 October 2023 in lieu of merger with ARABIAN SHIELD (KSA).
- **AMAN, TAKAFUL-EM and METHAQ** (UAE): Results not available as at 31 March 2024.

[2]**Entities yet to transition to IFRS 17 equivalent:** BEEMA, QISI and AKHI in Qatar, AMAT and TAOI in Oman and SOLID in Bahrain.

[3]**Assumptions and adjustments applied:**
- Insurance Revenue is comparable to Gross Earned Premium (GEP) under IFRS 4.
- Insurance Service Expenses is the sum of the gross combined costs (including unallocated G&A expenses less other underwriting income) under IFRS 4.
- Net Expense/Income from Reinsurance Contracts Held is the sum of commission income from reinsurance contracts and reinsurers share of claims incurred less premium ceded (earned).
- No other discounting or risk adjustments and the overall results remain unchanged.

[4]Operations are segmented into **Insurance services** and **Investment management**. The below line items are assumed to relate to Insurance services and are allocated as such:
- Net Insurance Finance Expense/(Income) from insurance and reinsurance contracts.
- Unallocated G&A expenses.
- Other underwriting income.

[5]On exclusion of all (6) insurers in Kuwait where information is limited to calculate the GEP for FY 2022 as per IFRS 4.

[6]**Combined Ratio:** Computed on Insurance Revenue or GEP.

[7]**Investment Income:** Net of finance costs.

[8]**Net Profit:** After tax and zakat.

N/A – Not applicable.
NM – Not meaningful.

Data source: Financial Statements, 31 December 2023
Retrieved on or before: 31 March 2024

PROGRESS ON TRANSITION TO IFRS 17

"IFRS 17: Insurance Contracts" replaced "IFRS 4: Insurance Contracts" from 1 January 2023 introducing significant changes to the financial reporting of insurance companies for improved comparability across entities with a clear distinction between insurance and investment activities.

By the end of 2023, most listed insurers[1] in the GCC region have transitioned to the new standard with the exception of a few takaful entities[2] that are expected to adopt FAS 42 (the IFRS-17 equivalent) from 1 January 2025. For inclusion of these takaful entities in this report, certain components of the Statement of Income have been re-presented as per IFRS 17 as far as practical[3].

IMPACT OF TRANSITION TO IFRS 17

IFRS 17 also calls for a restatement of comparative information that impacts (a) equity on initial application as at 1 January 2022, and (b) the Statement of Income[4] for FY 2022. Below is a summary of the impact for the 70 insurers that have transitioned to IFRS 17 in FY 2023:

Impact on Equity as at 1 January 2022: amounts to negative USD 449mn or -2.6%, net of positive impacts of USD 150mn and inclusive of the impact of initial application of IFRS 9 for at least two insurers with limited disclosures (ORIENT, UAE and MEDGULF, KSA). It is also worth noting that QATI (Qatar) accounts for 74% of the net impact (negative USD 333mn or -14.2% of Equity).

Impact on the Statement of Income for FY 2022:

Insurance Revenue: Decrease of 2.1%[5] which is likely the effect of a significant financing component, commissions that are not contingent on claims for assumed business and investment components (excluded from revenue as per IFRS 17).

Combined Ratio[6]: Increase of ~0.3% points which is likely the effect of exclusion of investment components from claims and discounting of claim reserves under IFRS 17.

Investment Income[7]: Total reduction of 18.5% but largely unchanged for most insurers except where investment components were previously included in revenue or claims under IFRS 4. It should be noted that this swing also reflects the impact of the initial application of IFRS 9 for some insurers.

Net Profit[8]: Overall decrease of 41.1% compared to IFRS 4.

TABLE 1: IMPACT OF TRANSITION TO IFRS 17

Based on results of the insurance companies that have transitioned to IFRS 17 in FY 2023
Count: 70 insurance companies

CTRY.	Insurance Revenue			Combined Ratio			Investment income			Net Profit			Equity	
USD mn	2022	2022	Δ (%)	2022	2022	Δ (pp)	2022	2022	Δ (%)	2022	2022	Δ (%)	Impact	(%)
IFRS	17	4		17	4		17	4		17	4		17	
UAE	6,861	6,999	-2.0	96.6	97.8	-1.3	177	261	-32.0	406	404	0.4	-79	-1.5
KSA	11,963	12,336	-3.0	101.0	100.6	0.4	293	410	-28.5	65	182	-64.2	-32	-0.7
OMR	1,056	1,062	-0.5	100.3	100.7	-0.4	54	54	0.1	42	39	8.0	(40)	-8.5
BAH	456	445	2.5	96.3	95.5	0.8	18	2	NM	34	21	63.1	(0)	0.0
KWT	3,141	N/A	N/A	96.5	N/A	N/A	161	160	0.2	232	243	-4.4	15	0.7
QAR	3,004	3,007	-0.1	107.4	102.8	4.6	105	103	1.9	-403	-250	60.9	-313	-7.0
TOTAL	**26,481**	**23,849**		**99.9**	**100.1**		**808**	**990**	**-18.5**	**376**	**638**	**-41.1**	**-449**	**-2.6**
Excl. KWT	**23,339**	**23,849**	**-2.1**	**100.4**	**100.1**	**0.3**								

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Insights: Financial Performance (1/2)

FY 2023: A record year for KSA insurers with revenue up by 27% and profit yielded by all insurers

FY 2023 has been a record year for listed insurers in KSA with revenue growth sustained at 27% and profit yielded by all 25 insurers, averaging the sector's ROE at 16.8% compared to 1.4% last year when more than half the market reported losses.

The sector has benefited from an increase in medical and motor rates as well as a surge in demand as a result of regulatory enforcement leading to (a) higher revenue that was fairly well-spread across the market with share of the top 5 players maintained at 73%, and (b) an overall improvement in combined ratios by 3.1% points reaching 98% in FY 2023 from 101% in the previous year. By line of business, motor and medical revenue have registered the highest growth of 40.5% and 21.6% respectively.

Alongside, investment income amounting to SAR 2.6bn has made a significant contribution to the bottom line with net profit closing at SAR 3.2bn for the year.

However, despite the growth in earnings, solvency deficits have been reported by MEDGULF (77%), UCA (61%) and SALAMA (32.8%) while several others are working towards capital increases following the termination of three mergers in FY 2023 that has dried up the Saudi merger pipeline ahead of the new minimum capital requirement of SAR 300mn effective 15 December 2024 (refer Pg. 5).

The year also saw the start of operations of the Insurance Authority in KSA, a significant structural reform well-timed with the robust growth in insurance revenue to pave way for regulatory independence and sectoral advancement.

Other notable developments to foster sustainable sector growth include the issuance of a new license to Saudi Mortgage Guarantee Services Company (Dhamanat) in July 2023, a company owned by the Real Estate Development Fund, to conduct life and non-life insurance business in KSA. Earlier this year, Cigna was also granted the first foreign branch license to commence operations in the Kingdom.

Market share of UAE's listed insurers estimated to have increased by ~3% points to 65% in FY 2023

In the UAE, listed insurers have likely increased market share by ~3% points with a 20% growth in revenue that has outpaced the total market growth of 12.7%[1] in FY 2023 stemming from general and medical business that increased by 19% and 17% respectively. While most insurers have seen an increase in revenue during the year, DIN has nearly doubled its book and climbed to fourth place among listed insurers with a growth of 80% in revenue in FY 2023.

Underwriting performance, however, has weakened by 3.8% points with combined ratios reaching 100.4% at year end, despite which net profit increased by 19.0% to AED 1.8bn as investment income trebled to AED 1.9bn. That said, about one-third of list insurers have reported losses and solvency deficits (refer pg. 5) triggering two consecutive downgrades in less than 12 months for IH, ABNIC and FIDELITYUNITED (refer pg. 9).

Separately, DAMAN, UAE's leading (unlisted) health insurer has also posted a sharp increase of 32% in revenue of AED 5.2bn in FY 2023 representing a market share of ~10%. Additionally, the insurer has announced plans to commence underwriting other lines of business in FY 2024.

NOTES:
[1]UAE Central Bank.

Data source: Financial Statements, 31 December 2023
Retrieved on or before: 31 March 2024

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Insights: Financial Performance (2/2)

Summary FY 2023:
As per IFRS 17

Insurance Revenue	↑
Combined Ratio	↓
Investment Income	↑
Net Profit	↑

NOTES:
[1]M&A activity (list not exhaustive):
- **ARABIAN SHIELD:** Merger with ALINMA effective 15 November 2023.
- **SUKOON**: Previously OIC acquired 93.04% of SUKOON TAKAFUL (previously ASCANA) on 18 May 2023.
- **OQIC:** Merger with VISN effective 16 February 2023.
- **LIVA** (Oman)**:** Previously NLGI acquired RSA ME with effect from 07 July 2022.
- **WATANIA**: Previously DARTAKAFUL merged with the pre-merger "WATANIA" effective 1 July 2022.

[2]ADJUSTMENTS TO INVESTMENT INCOME:
- **BNH** (BAH): FY 2022 results adjusted for one-off gain on derecognition of equity accounted investee amounting to BHD 5.9mn.
- **GINS** (KWT): FY 2023 results adjusted for one-off gain on bargain purchase from acquisition of 95.3% shares of AIG Egypt Insurance Company S.A.E.(AIG) amounting to KWD 4.6mn.
- **KINS** (KWT): FY 2022 results adjusted for one-off realized gain of KWD 31.7mn on derecognition of AFS investments in Al Ahli United Bank that were acquired by KFH through a share swap on 2 October 2022.

Similarly, the (adjusted) net profit of Oman's listed insurers rose by 19.0% to OMR 19.5mn..

..sustained by a 32% increase in investment income of OMR 29.5mn that was largely generated by the top three insurers.

For LIVA, Oman's leading insurer, FY 2023 was conceivably a foundational year following the acquisition of RSA Middle East in July 2022, large-scale regional integration and group rebranding that converted to an increase of 43.2% in revenue and (reported) entry into the ranks of the top 10 GCC insurers.

In contrast, earnings have swung to a negative QAR 390mn in FY 2023 for Qatar's listed insurers..

..from QAR 940mn in 9M 2023 as QGRI booked hefty losses on revaluation of local investment properties in the last quarter of the year, cumulating the unrealized investment losses on its real estate portfolio over the last seven years (2017-2023) to QAR 3.6bn.

According to AM Best that last downgraded the insurer in April 2021 and has maintained a negative rating outlook ever since, corrective actions were underway to de-risk the insurer's balance sheet.

On exclusion of QGRI, net profit of the remaining insurers amounts to QAR 1.2bn, a stark improvement from the previous year's losses of QAR 0.7mn as QATI returned to underwriting profit in FY 2023 after six consecutive years of underwriting losses.

Although QATI is still leads the market by top line, the insurer has seen a decrease of 8.4% in revenue from continuing operations notably in motor insurance. Further, the Gibraltar-based discontinued operations held for sale continues to generate substantial losses and has eroded nearly half of the earnings from QATI's continuing operations in FY 2023.

In summary, growth in revenue and net profit has averaged at 16.6% and 9.6% respectively..

..for GCC listed insurers on exclusion of their Saudi and Qatari peers, noting that such growth also includes the post-acquisition results of merged/acquired entities[1] that is not entirely reflected in the comparative period, and so the comparative figures are not entirely comparable. Earnings have been largely sustained by a significant increase of 92.4% in investment income[2] while underwriting performance has generally weakened by 2.8% points reaching 99.4% in FY 2023 with the highest deterioration of 3.8% points observed in the UAE.

TABLE 2: SELECT PERFORMANCE INDICATORS – FY 2023

Based on FY 2023 of GCC listed insurance companies
Count: 76 insurance companies

CTRY.	Insurance Revenue			Combined Ratio			Investment income			Net Profit		
USD mn	2022	2023	Δ (%)	2022	2023	Δ (pp)	2022	2023	Δ (%)	2022	2023	Δ (%)
UAE	6,861	8,255	20.3	96.6	100.4	3.8	177	523	195.0	406	483	19.0
KSA	11,963	15,147	26.6	101.0	98.0	-3.1	293	687	134.1	65	861	1221.3
OMR	1,253	1,543	23.1	97.3	100.7	3.5	58	77	32.0	43	51	19.0
BAH	583	611	4.9	96.2	97.3	1.1	25	36	45.5	46	51	11.1
KWT	3,141	3,389	7.9	96.5	96.9	0.4	161	174	8.2	232	212	-8.8
QAR	3,316	3,291	-0.7	105.0	96.6	-8.4	124	-86	NM	-344	-107	NM
TOTAL	**27,116**	**32,235**	**18.9**	**99.6**	**98.5**	**-1.1**	**838**	**1,411**	**68.3**	**448**	**1,550**	**246.3**
Excl. KSA & Qatar	**11,837**	**13,798**	**16.6**	**96.6**	**99.4**	**2.8**	**421**	**810**	**92.4**	**726**	**796**	**9.6**

Data source: Financial Statements, 31 December 2023
Retrieved on or before: 31 March 2024

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Several KSA insurers work towards capital increases following the termination of three mergers, ahead of the new capital requirement by YE 2024.

Insights – Capital Management (1/2)

Several KSA insurers work towards capital increases ahead of 15 December 2024

Despite the growth in sector earnings in FY 2023, solvency deficits have been reported by MEDGULF (77%), SALAMA (32.8%) and UCA (61%) with recovery plans that generally include re-capitalization measures together with operational improvements.

Alongside several other insurers are working towards capital increases following the termination of three mergers, ahead of the minimum capital requirement of SAR 300mn by 15 December 2024 as per Royal Decree (M/12) of September 2021. Among these are ACIG seeking to increase capital by SAR 209mn following the mutual termination of the potential merger with AMANA in December 2023, ENAYA by SAR 150mn and UCA by SAR 300mn following merger termination by the shareholders of the former in December 2023, ALSAGR by SAR 160mn following merger termination with GULF UNION AL AHLIA by its shareholders in August 2023, SALAMA by SAR 100mn following a recent capital increase of SAR 100mn in November 2023 and GULF GENERAL by SAR 300mn following a recent capital reduction of SAR 200mn in March 2024.

About one-third of UAE's listed insurers struggle with breach of solvency regulations in FY 2023

This includes METHAQ (-498%), AMAN (-80%), TAKAFUL-EM (-80%), IH (5%), ASNIC (29%), ABNIC (44%), SALAMA (65%), FIDELITYUNITED (95%) and WATANIA based on the latest available disclosures (refer pg. 17).

Following years of solvency deficits and ongoing capital erosion, METHAQ reportedly faced administrative sanctions by CBUAE with the removal of the Board of Directors in May 2023 and replacement by a temporary Committee of Experts making a late release of its Q1 2023 financial results in March 2024 that stresses on going concern uncertainties.

While AMAN is reportedly in advanced stages of the sale and transfer of its portfolio to two takaful operators that will be followed by conversion to an investment company, the shareholders of TAKAFUL-EM have approved by way of a special resolution in February 2024, a capital restructuring plan that involves a reduction by AED 132.4mn (88.3%) and subsequent increase by AED 125mn through a rights issue.

The recovery plan of IH on the other hand includes a reallocation of assets to improve admissibility by ~AED 11mn for solvency purposes, a capital increase through the reissuance of treasury shares of AED 4.6mn, a Tier 1 capital injection of AED 20mn and a shareholder guarantee of AED 75mn. Furthermore, the insurer is said to be currently assessing an offer that could involve the acquisition of a majority stake disclosed in January 2024.

No concrete developments have been announced by the other insurers.

Insights – Capital Management (2/2)

CAPITAL INCREASES

Date	Company/Country	Status	Capital (from)	New capital	Structure	Purpose
Jan 2023	AICC, KSA	Completed	SAR 265mn	SAR 530mn	Rights issue	
Feb 2023	OQIC, Oman	Completed	OMR 10mn	OMR 21.9mn	Share swap	In lieu of merger with VISN, Oman
Aug 2023	ETIHAD, KSA	Upcoming	SAR 450mn	SAR 500mn	Bonus shares	Strengthen capital and business growth
Aug 2023	JAZIRA TAKAFUL, KSA	Completed	SAR 550mn	SAR 660mn	Bonus shares	Business growth
Aug 2023	TAWUNIYA, KSA	Completed	SAR 1.25bn	SAR 1.5bn	Bonus shares	Strengthen capital and business growth
Sep 2023	ALSAGR, KSA	Proposed	SAR 140mn	SAR 300mn	Rights issue	Solvency requirements
Oct 2023	ARABIAN SHIELD, KSA	Completed	SAR 639mn	SAR 798mn	Share swap	In lieu of merger with ALINMA TOKIO
Oct 2023	TAKAFUL-EM, UAE	Upcoming	AED 17,571 (after reduction)	AED 150.7mn	Rights issue	Solvency requirements
Oct 2023	WALAA, KSA	Proposed	SAR 850.6mn	SAR 1,275.6mn	Rights issue	Business growth
Nov 2023	SALAMA, KSA	Completed	SAR 100mn	SAR 200mn	Rights issue	After share capital reduction
Nov 2023	GIG, KSA	Completed	SAR 500mn	SAR 525mn	Bonus shares	Strengthen capital and business growth
Dec 2023	ALRAJHITAKAFUL, KSA	Completed	SAR 400mn	SAR 1,000mn	Bonus shares	Strengthen capital and business growth
Dec 2023	ENAYA, KSA	Proposed	SAR 230mn	SAR 380mn	Rights issue	Compliance purposes
Dec 2023	UCA, KSA	Proposed	SAR 400mn	SAR 700mn	Rights issue	Solvency requirements
Feb 2024	ACIG, KSA	Upcoming	SAR 291mn	SAR 500mn	Rights issue	Compliance purposes
Mar 2024	SALAMA, KSA	Proposed	SAR 200mn	SAR 300mn	Rights issue	Solvency requirements
Mar 2024	GULF GENERAL, KSA	Proposed	SAR 300mn	SAR 600mn	Rights issue	Strengthen capital and business growth

CAPITAL REDUCTIONS

Date	Company/Country	Status	Previous Capital	New capital	Purpose
Mar 2023	SALAMA, UAE	Completed	AED 1.21bn	AED 939.5mn	Write-off accumulated losses of AED 270.4mn
Mar 2023	ASNIC, UAE	Proposed	AED 230mn	AED 130mn	Write-off accumulated losses.
Oct 2023	TAKAFUL-EM, UAE	Upcoming	AED 150mn	AED 17,571	Write-off accumulated losses of AED 132.4mn
Mar 2024	GULF GENERAL, KSA	Completed	SAR 500mn	SAR 300mn	Reduce accumulated losses.

Source: Insurance Monitor database
Note: List not exhaustive.

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KSA merger pipeline dries up following three of four terminations in FY 2023.

Insights – Mergers & Acquisitions (1/2)

KSA merger pipeline dries up following three of four terminations in FY 2023

UCA / ENAYA: The proposed merger between UCA/ENAYA that was to take effect through a share swap transaction with UCA as the surviving entity has been terminated following the disapproval by the shareholders of ENAYA at the Extraordinary General Assembly held on 5 December 2023.

GULF UNION ALAHLIA / ALSAGR: Likewise the proposed merger between GULF UNION ALAHLIA and ALSAGR that was to take effect through a share swap transaction with the former as the surviving entity has been terminated following the disapproval by the shareholders of AL SAGR in August 2023.

ACIG / AMANA: Mutually terminated in December 2023 following a six-month extension for further evaluation that was originally initiated in September 2022.

ARABIAN SHIELD / ALINMA TOKIO: Successfully completed in November 2023 through an exchange of shares whereby ARABIAN SHIELD has increased its capital to SAR 798mn from SAR 639mn such that the shareholders of ALINMA TOKIO own 20% of the merged entity. The latter was delisted from the Saudi stock market with effect from 26 October 2023.

SOLID, Bahrain acquires 100% stake in AL HILAL LIFE and AL HILAL TAKAFUL, Bahrain

SOLID had signed a share sale and purchase agreement in October 2023 with Ahli United Bank B.S.C. (c) to acquire 100% shares of Al Hilal Life B.S.C. (c) and its subsidiary Al Hilal Takaful B.S.C. (c). The transaction was settled in cash amounting to BHD 9.8mn in December 2023.

SUKOON, UAE acquires a further 1.56% shares of ASCANA increasing its stake to 94.6%

On 4 March 2024, SUKOON published an offer to acquire the remaining 6.95% shares of ASCANA at AED 1.65 per share following a previous acquisition of 93.04% shares in May 2023. The offer closed on 1 April 2024 and was accepted by shareholders representing 1.56% of ASCANA.

ADNIC, UAE to acquire 51% stake in ALLIANZ SF, KSA

An agreement was reached by ADNIC and ALLIANZ in September 2023 to acquire 51% of its Saudi subsidiary ALLIANZ SF for a consideration of USD 133.1mn that is pending regulatory approvals. The transaction is expected to strengthen ADNIC's market position regionally.

CHUBB, UAE to transfer life insurance portfolio to SUKOON, UAE

SUKOON, UAE and Chubb Tempest Life Reinsurance Ltd. acting through its branch office in the UAE (CHUBB UAE) had signed an agreement in August 2023 whereby SUKOON would take over the life insurance portfolio of the latter. The portfolio transfer is subject to regulatory approvals.

AMAN to sell insurance portfolio in part to SALAMA and TKFL, UAE

Further, AMAN had received final approval from CBUAE in July 2023 to sell its individual life insurance portfolio to TKFL for AED 37.5mn. The portfolio transfer is expected to be completed in FY 2024. In parallel, discussions are at final stages for the sale and transfer of the non-life portfolio to SALAMA for a total consideration of AED 15mn, subject to regulatory approvals.

Fairfax, Canada increases stake in GINS, Kuwait

FAIRFAX, Canada has completed the acquisition of all of KIPCO's share in Kuwait-headquartered GINS representing 46.32% for a consideration of USD 860mn in December 2023, thereby making it the largest shareholder of the insurer with an aggregate ownership of 90.01%.

Insights – Mergers & Acquisitions (2/2)

Date	Target	Acquirer/Survivor	Status	Stake	Consideration
Jan 2023	AINS, Oman	LIVA, Oman	Completed	47.5%	OMR 22.1mn
Jan 2023	AL KOOT, Qatar	DOHI, Qatar	Withdrawn	Merger	Share swap
Feb 2022	VISN, Oman	OQIC, Oman	Completed	Merger	Share swap
Feb 2022	TAKAFUL EMARAT, UAE	SALAMA, UAE	Cancelled	100%	N/D
Mar 2023	NTIC, Kuwait	KINS, Kuwait	Completed	74%	N/D
Mar 2023	AIG, Egypt	GIG, Egypt	Completed	95.02%	USD 6.4mn
May 2023	SUKOON TAKAFUL, UAE	SUKOON, UAE	Completed	93.0423%	AED 186.1mn
Jun 2023	AMAN, UAE	TKFL, UAE	Approved	Life portfolio	AED 37.5mn
Jun 2023	AMAN, UAE	SALAMA, UAE	Proposed	Non-life portfolio	AED 15.0mn
Sep 2023	ALLIANZ SF, KSA	ADNIC, UAE	Upcoming	51%	USD 133.1mn
Nov 2023	ALINMA TOKIO, KSA	ARABIAN SHIELD, KSA	Completed	Merger	Share swap
Nov 2023	ALSAGR, KSA	GULF UNION ALAHLIA, KSA	Terminated	Merger	Share swap
Nov 2023	CHUBB, UAE	SUKOON, UAE	Upcoming	Life portfolio	N/D
Dec 2023	AMANA, KSA	ACIG, KSA	Terminated	Merger	Share swap
Dec 2023	GIG, Kuwait	Fairfax, Canada	Completed	46.32% (43.4% to 90%)	USD 860mn
Dec 2023	AL HILAL LIFE, Bahrain AL HILAL TAKAFUL, Bahrain	SOLID, Bahrain	Completed	100%	BHD 9.8mn
Dec 2023	ENAYA, KSA	UCA, KSA	Terminated	Merger	Share swap
Mar 2024	SUKOON TAKAFUL, UAE	SUKOON, UAE	Completed	1.56%	AED 3.5mn

Source: Insurance Monitor database
Note: List not exhaustive.

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Prolonged breach of solvency regulations triggers adverse rating actions for at least four insurers in UAE.

Insights – Financial Strength Ratings (1/2)

Recurrent losses and prolonged breach of solvency regulations have triggered adverse rating actions for at least four insurers in the UAE including two consecutive downgrades in under 12 months for IH, ABNIC and FIDELITYUNITED.

The rating of **ABNIC** was lowered for the second time in December 2023 to 'BB-' with a negative outlook due to rising concerns regarding the insurer's liquidity and solvency following significant losses of AED 85mn in Q3 2023 largely driven by higher motor claims frequency as well as adverse developments on prior-year claims particularly from 2022. This follows a previous downgrade to 'BB' from 'BB+' in June 2023 due to an increase in both the portion of debt that matures in the next 12 months and its deposits under lien. In parallel, ABNIC's operating performance was materially weaker than expected due to provisions for expected credit losses and poor results in the medical segment due to high frequency of claims particularly on ABNIC's government-related contract.

Likewise, the rating of **FIDELITYUNITED** was lowered again in March 2024 to Ba3 from Ba2 and placed on review for further downgrade due to a slower-than-expected improvement in underwriting performance, elevated underwriting leverage and further pressure on capital adequacy with limited ability to restore regulatory capital outside of a capital base. This follows a previous downgrade to Ba2 from Baa3 in June 2023 associated with a decline in the insurer's solvency ratio.

IH as well was downgraded twice to C from C++ in September 2023 and from B+ in July 2023 following underwriting losses during the year as well as material misstatements identified in Q1 2023 related to reinsurance of the company's medical portfolio for prior periods, which resulted in a provisional write-down of AED 69.3mn within the restated financials for FY 2022 and a regulatory solvency deficit. The rating was subsequently withdrawn at the request of the insurer.

Further, the BBB rating of **SALAMA**, UAE was lowered to BBB- due to unresolved audit opinions on its financial statements for a prolonged period of over four years with an exposure equivalent to 36% of its shareholders' equity at FY 2022. The rating outlook remains negative.

On the upside, following three consecutive downgrades between 2022-2023, the rating outlook of **MEDGULF** has been revised to stable from negative in December 2023 on grounds of improved underwriting profitability and capital adequacy that has resulted from management actions to strengthen underwriting discipline and price adequacy whilst also benefitting from improved performance across the KSA insurance market.

Other favourable developments include positive outlooks assigned to the ratings of **AWNIC** on material reduction of its bank borrowings in 2023 which has led to an improvement of its financial risk profile. Likewise, the ratings outlook of **ALAIN** (UAE) has been restored to stable from negative as the company has continued to report above market-average operating performance despite the loss of a sizeable medical contract in 2022.

Additionally, the ratings of several insurers were upgraded during the year including that of **TAWUNIYA** (KSA), **WATANIYA** (KSA), **GINS** (Kuwait), **WINS** (Kuwait) and **ORIENT** (UAE) generally on the back of consistently strong operating results and capital adequacy.

Further, **SUKOON TAKAFUL** was assigned 'A' long-term insurer financial strength rating by S&P in October 2023 backed up the unconditional guarantee provided by SUKOON to its 94%-owned subsidiary.

Insights – Financial Strength Ratings (2/2)

GUIDANCE:
FSR: Financial Strength Rating
CR: Credit Rating
O/R: Outlook Revised
NR: Not rated

2023 ASSIGNMENTS:
BEEMA (06-Apr-2023)
SUKOON TAKAFUL (24-Oct-2023)

2023 UPGRADES:
GINS (17-May-2023)
WINS (19-May-2023)
ORIENT (25-May-2023)
TAWUNIYA (19-Dec-2023)
WATANIYA (24-Jan-2024)

2023 DOWNGRADES:
MEDGULF (26-Sep-2022), (08-Mar-2023), (23-May-2023)
SALAMA (17-Apr-2023)
FIDELITYUNITED (07-Jun-2023), (01-Mar-2024)
ABNIC (22-Jun-2023), (08-Dec-2023)
IH (23-Jul-2023), (22-Sep-2023)

2023 WITHDRAWALS:
SUKOON (28-Jul-2023) – AM Best
IH (22-Sep-2023) – AM Best

2023 OUTLOOK REVISIONS:
IH outlook revised to Under Review with negative implications (12-Jul-2023), (22-Sep-2023)
DHAFRA outlook revised to Negative (14-Jul-2023)
ALAIN outlook revised to Stable (25-Jul-2023)
AWNIC outlook revised to Positive (14-Nov-2023)
UNION outlook revised to Stable (14-Dec-2023)
DHAFRA outlook revised to Stable (15-Dec-2023)
MEDGULF outlook revised to Stable (21-Dec-2023)
FIDELITYUNITED outlook revised to Under review for further downgrade (01-Mar-2024)

Data source: Rating agencies.
Retrieved on or before: 27 March 2024

Country	Company	Agency	Rating date	FSR	CR	Outlook	Action
	Net Assets: Above USD 1.0bn						
UAE	ORIENT	AM Best	07-Jun-2023	A	a+	Stable	Affirmed
UAE	ORIENT	S&P	25-May-2023	A+	a+	Stable	Upgraded
Qatar	QATI	S&P	04-Mar-2024	A-	a-	Stable	Affirmed
Qatar	QATI	AM Best	21-Dec-2023	A-	a-	Stable	Affirmed
Kuwait	GINS	AM Best	11-Oct-2023	A	a	Stable	Affirmed
Kuwait	GINS	Moody's	17-May-2023	A2		Stable	Upgraded
Kuwait	GINS	S&P	24-Feb-2024	A	a	Stable	Affirmed
	Net Assets: USD 500mn – 1.0bn						
UAE	SUKOON	AM Best	28-Jul-2023	A	a	Stable	Affirmed/ Withdrawn
UAE	SUKOON	S&P	22-Apr-2022	A	A	Stable	Upgraded
UAE	SUKOON	Moody's	19-Apr-2023	A2		Stable	Affirmed
UAE	ADNIC	S&P	11-Oct-2023	A	a	Stable	Affirmed
UAE	ADNIC	AM Best	07-Sep-2023	A	a	Stable	Affirmed
KSA	TAWUNIYA	S&P	19-Dec-2023	A	a	Stable	Upgraded
Qatar	QGRI	AM Best	24-May-2023	B++	bbb	Negative	Affirmed
	Net Assets: USD 250mn – 500mn						
UAE	EIC	AM Best	23-Aug-2023	A-	a-	Stable	Affirmed
UAE	EIC	S&P	17-Aug-2020	A-	a-	Stable	Affirmed
UAE	AWNIC	S&P	14-Nov-2023	BBB-	bbb-	Positive	Affirmed
UAE	ALAIN	Moody's	29-Nov-2022	A3	NR	Stable	Affirmed
UAE	ALAIN	S&P	25-Jul-2023	A-	a-	Stable	Affirmed
KSA	WALAA	S&P	25-Jan-2024	A-	a-	Stable	Affirmed
KSA	WALAA	Moody's	13-Jul-2023	A3		Stable	Affirmed
KSA	ALRAJHI	Moody's	06-Nov-2023	A3		Stable	Affirmed
Qatar	ALKOOT	S&P	20-Feb-2024	A-	a-	Stable	Affirmed
Oman	LIVA	AM Best	05-Jan-2024	A-	a-	Stable	Affirmed
Kuwait	AINS	AM Best	16-Jun-2023	A-	a-	Stable	Affirmed
Kuwait	AINS	S&P	26-Jul-2022	A-	A-	Stable	Affirmed, O/R
Kuwait	AINS	Moody's	27-Apr-2023	A3		Stable	Affirmed
Kuwait	KINS	Moody's	29-Nov-2023	A3		Stable	Affirmed
Kuwait	KINS	AM Best	27-Apr-2023	A-	a-	Stable	Affirmed
Qatar	DOHI	S&P	03-Sept-2019	A-	a-	Stable	Affirmed
	Net Assets: USD 100mn – 250mn						
UAE	SALAMA	S&P	17-Apr-2023	BBB-	bbb-	Negative	Downgraded
UAE	DHAFRA	AM Best	15-Dec-2023	B++	bbb+	Stable	Affirmed, O/R
UAE	DHAFRA	Moody's	17-Oct-2022	Baa1		Stable	Affirmed
UAE	DNIR	AM Best	29-Nov-2023	A-	a-	Stable	Affirmed
UAE	ALLIANCE	AM Best	20-Oct-2023	A-	a-	Stable	Affirmed
UAE	NGI	AM Best	10-May-2023	A-	a-	Stable	Affirmed
UAE	TKFL	AM Best	10-Nov-2023	A-	a-	Stable	Affirmed
UAE	ABNIC	S&P	08-Dec-2023	BB-	Bb-	Negative	Downgraded
UAE	DIN	AM Best	12-May-2023	A-	a-	Positive	Affirmed
UAE	DIN	Moody's	17-Jan-2023	A3		Stable	Affirmed
KSA	MEDGULF	Moody's	21-Dec-2023	Caa1		Stable	Downgraded
KSA	BURUJ	Moody's	08-Jun-2021	Baa2		Stable	Affirmed
KSA	ALLIANZ SF	Moody's	11-Oct-2023	A3		Stable	Affirmed
KSA	Wataniya	S&P	24-Jan-2024	BBB+	bbb+	Stable	Upgraded
KSA	CHUBB ARABIA	Moody's	15-Nov-2021	A3		Stable	Affirmed
Kuwait	WINS	S&P	19-Apr-2023	BBB+	bbb+	Stable	Upgraded
Bahrain	BNI	AM Best	08-Feb-2024	B++	bbb+	Stable	Affirmed
Bahrain	BKIC	AM Best	11-Oct-2023	A-	a-	Stable	Affirmed
Qatar	QLM	S&P	14-Jan-2021	A-	A-	Stable	Downgraded
Qatar	AKHI	S&P	07-Jun-2022	BBB+	bbb+	Stable	Upgraded
Qatar	BEEMA	AM Best	06-Apr-2023	A-	a-	Stable	Assigned
Qatar	QISI	AM Best	25-May-2023	A-	a-	Stable	Affirmed
	Net Assets: Under USD 100mn						
UAE	UNION	AM Best	14-Dec-2023	B+	bbb-	Stable	Affirmed, O/R
UAE	IH	AM Best	22-Sep-2023	C	ccc	U/r (-)	Downgraded/ Withdrawn
UAE	ORIENTKAFUL	AM Best	07-Jun-2023	A	a+	Stable	Affirmed
UAE	ORIENTKAFUL	S&P	25-May-2023	A+	a+	Stable	Upgraded
UAE	AFNIC	AM Best	07-Dec-2023	B++	bbb	Negative	Affirmed
UAE	RAKNIC	S&P	23-Nov-2022	BBB+	bbb+	Negative	Affirmed
UAE	FIDELITYUNITED	Moody's	01-Mar-2024	Ba3		U/r D/G	Downgraded
UAE	SUKOON TAKAFUL	S&P	24-Oct-2023	A		Stable	Assigned
Kuwait	WETHAQ	Moody's	05-Dec-2022	B2		Stable	Assigned
Bahrain	Takaful International Co.	AM Best	11-Oct-2023	A-	a-	Stable	Affirmed
Bahrain	SOLID	AM Best	07-Dec-2023	B++	bbb+	Stable	Affirmed

Insights – Stock Performance (1/1)

GCC Insurance Indices:

Δ FY 2023

ADX	↓
DFM	↑
TADAWUL	↑
MSX	↓
BAH Bourse	↑
Kuwait Boursa	↑
QSE	↑

Strong gains of 38.5% registered by GCC insurance stocks in FY 2023, led by Saudi Arabia.

TABLE 3: STOCK PRICE MOVEMENTS

Δ FY 2023

Exchange	Count	GAINERS	Δ (%)	LOSERS	Δ (%)	UNCHANGED
ADX	15	IH	16.5%	AWNIC	-21.5%	AFNIC
Δ -4.2%		ABNIC	9.8%	DHAFRA	-18.3%	FIDELITYUNITED
		ALAIN	9.1%	RAKNIC	-17.8%	
		EIC	5.1%	SICO	-10.0%	
		UNION	2.8%	TKFL	-6.8%	
		HAYAH	2.1%	ADNIC	-3.7%	
		METHAQ	1.4%			
DFM	13	NGI	44.2%	AMAN	-50.7%	ALLIANCE
Δ 1.0%		SUKOON	8.3%	TAKAFUL-EM	-33.7%	ASNIC
		SALAMA	3.6%	SUKOON TAKAFUL	-14.1%	ORIENT
		DIN	2.1%	WATANIA	-13.5%	ORIENTTKFL
		DNIR	2.0%			
TAWADUL	25	SALAMA	128.5%			
Δ 58.9%		ALRAJHITAKAFUL	98.3%			
		TAWUNIYA	94.1%			
		GULF UNION AHLIA	90.6%			
		ALSAGR	79.8%			
		ENAYA	70.4%			
		MEDGULF	67.1%			
		CHUBB	61.3%			
		MALATH	57.8%			
		LIVA	55.1%			
		AICC	51.6%			
		BUPA ARABIA	48.4%			
		AMANA	43.3%			
		JAZIRA TAKAFUL	38.8%			
		WATANIYA	34.9%			
		ALLIANZ SF	32.1%			
		WALAA	31.1%			
		ACIG	27.2%			
		SAICO	26.0%			
		ALETIHAD	21.7%			
		BURUJ	21.6%			
		UCA	21.4%			
		ARABIAN SHIELD	16.9%			
		GULF GENERAL	16.0%			
		GIG	12.2%			
		JAZIRA TAKAFUL	8.7%			
MSX	8	DICS	19.1%	AFIC	-12.7%	
Δ -16.1%				OUIC	-10.0%	
				MCTI	-9.5%	
				AMAT	-6.7%	
				OQIC	-6.5%	
				TAOI	-2.0%	
				LIVA	-1.5%	
BAH Bourse	4	SOLID	31.9%			TAKAFUL
Δ 13.9%		BNH	13.5%			
		BKIC	5.8%			
KWT Boursa	6	GINS	85.2%	WINS	-17.5%	
Δ 50.7%		FTI	27.5%	KINS	-10.3%	
		ALINS	22.5%	WETHAQ	-2.0%	
QSE	7	AKHI	29.1%	QLMI	-47.9%	
Δ 13.4%		QATI	34.7%	QGRI	0.1%	
		DOHI	20.8%	BEEMA	-5.3%	
		QISI	2.3%			

Source: GCC Stock exchanges, Insurance Monitor analysis

Navigating this publication

Particulars	Guidance
Financial Size Categories	In view of the market size and high concentration of premium among a few insurers in the UAE and KSA, this report is organized by 'Entity Size' in order to draw meaningful inferences. Five company size brackets have been determined based on the Insurance Revenue generated in FY 2023.

COMPANY SIZE BRACKET	Annual Insurance Revenue (UAE)	Annual Insurance Revenue (KSA)
'Very Large' sized insurers	Exceeds AED 4bn	Exceeds SAR 10bn
'Large' sized insurers	AED 1bn – 4bn	SAR 1bn – 10bn
'Medium' sized insurers	AED 500mn – 1bn	SAR 500mn – 1bn
'Small' sized insurers	AED 250mn – 500mn	Under SAR 500mn
'Very Small' sized insurers	Under AED 250mn	-

Significant accounting policies	With effect from 1 January 2023, "IFRS 17: Insurance Contracts" has replaced "IFRS 4: Insurance Contracts". The new standard changes the financial reporting of insurance entities and also requires a restatement of comparative information applying the transitional provisions to IFRS 17 for the transition period, 1 January 2022 to 31 December 2022. The main new elements introduced under IFRS 17 include risk adjustment as an allowance for uncertainty arising from non-financial risks, the discounting of claims reserves and the recognition of loss component.
Operating segments	Operations are segmented into **Insurance services** and **Investment management**.
Insurance Revenue	Under IFRS 17, Insurance Revenue is the amount of expected premium receipts (excluding any investment component) and includes the change in Liabilities for Remaining Coverage (LRC or unearned premium reserve under IFRS 4) that relate to services for which the entity expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows. For the relatively short-tail non-life business, Insurance Revenue that is based on the Premium Allocation Approach (PAA) is broadly comparable to Gross Earned Premium (GEP) under IFRS 4 that assumes the movement in the unearned premium reserve. Other differences between GEP and Insurance Revenue include the effect of a significant financing component, commissions that are not contingent on claims for assumed business and investment components.
Combined Ratio	Insurance Revenue is the key revenue metric under IFRS 17 and the basis for the Combined Ratio calculation which is calculated as: [Sum of Insurance Service Expenses, Net Insurance Finance Expense/(Income) from insurance and reinsurance contracts, Unallocated General & Administration Expenses and Other Underwriting Income / Insurance Revenue.] Takaful companies: Combined policyholders and shareholders income statement wherein Wakala fees and Mudarib fees cancel out and are eliminated. Insurance Services Expenses is a new line-item presented under IFRS 17 that includes claims incurred (excluding investment components) and other directly attributable insurance service expenses incurred in the period, the amortization of insurance acquisition cash flows, changes that relate to past services such as changes in the estimate of the Liability for Incurred Claims (LIC or outstanding claims and IBNR under IFRS 4) and losses on onerous groups of contracts (i.e., the loss on setting up a loss component) and reversals of such losses which represent changes that relate to future service. A key difference is that under IFRS 17, all claim reserves are discounted and adjusted for the timing and amount of cash flows arising from non-financial risks. Discounting and risk adjustment directionally tend to offset each other, with the net impact depending on business mix, level of discount rates, and factors underlying the risk adjustment calculation. **ASSUMPTION:** Unallocated General & Administration expenses relate to insurance services.
Net Insurance Service Result	Comparable to Net Underwriting Profit under IFRS 4. **ASSUMPTION:** The below line items relate to Insurance services and are allocated as such. ▪ Unallocated General & Administration expenses. ▪ Net Insurance Finance Expense/(Income) from insurance and reinsurance contracts. ▪ Other Underwriting Income.
Investment Income	Total investment income net of finance costs (where applicable). Return on investment is computed on the opening balance of the investment portfolio. Takaful companies: Combined policyholders and shareholders investment income.
Net Profit	**Net Profit after tax and zakat** is considered. Loss-making segments are marked as 0% with 100% contribution attributed to the other segment.
External borrowing	**ASSUMPTION:** Bank borrowing includes overdraft balances.
Dividend Payout	**GUIDANCE:** EPS – Earnings per share as declared in the published financials statements DPS – Dividend per share Payout ratio of DPS/EPS is the proportion of earnings paid out of the business. Payout ratio of under 50% is considered healthy where adequate funds are retained for further investment.

Data Tables - United Arab Emirates (1/6)

Insurance Revenue
Change: Increase of 20.3%

NOTES:
[1]**WATANIA**: Previously DARTAKAFUL.
FY 2023 reflects the post-merger results with pre-existing "WATANIA" with effect from 1 July 2022 that is not entirely reflected in the comparable period. As such, the comparative amounts are not entirely comparable.

[2]**SUKOON**: Previously OIC.
FY 2023 reflects the post-acquisition results of subsidiary ASCANA with effect from 18 May 2023 that is not entirely reflected in the comparable period. As such, the comparative amounts are not entirely comparable.

[3]**SUKOON TAKAFUL**: Previously ASCANA.

TRANSITION IMPACT ON REVENUE:
Count: 25 insurers
FY 2022: Reduction of 2.0% in Revenue (compared to GEP under IFRS 4 as presented in Table 4A).

AMAN, TAKAFUL-EM, METHAQ: FY 2023 results not available as at 31 March 2024.

TABLE 4A: INSURANCE REVENUE

All amounts in AED '000

Organized in descending order of Insurance Revenue

Entity Size / Entity	FY 2022	FY 2023	Growth (%)	FY 2022 GEP per IFRS 4
Very large				
ORIENT	4,961,113	6,372,115	28%	5,167,733
SUKOON[2]	3,875,120	4,644,425	20%	3,858,889
ADNIC	4,662,851	4,640,848	0%	4,576,596
	13,499,084	**15,657,388**	**16.0%**	**13,603,218**
Large				
DIN	1,195,301	2,149,804	80%	1,297,014
ALAIN	1,107,331	1,429,385	29%	1,104,841
ABNIC	879,881	1,190,642	35%	942,057
EIC	1,101,487	1,133,944	3%	1,101,516
SALAMA	924,136	1,111,005	20%	1,031,668
	5,208,136	**7,014,780**	**34.7%**	**5,477,096**
Medium				
WATANIA[1]	820,181	954,363	16%	859,449
ASNIC	527,973	827,695	57%	540,754
NGI	621,424	745,786	20%	632,424
TKFL	449,798	672,454	50%	432,335
ORIENTTKFL	466,567	639,820	37%	470,931
UNION	763,286	633,537	-17%	829,878
FIDELITYUNITED	395,123	566,162	43%	395,644
	4,044,352	**5,039,817**	**24.6%**	**4,161,415**
Small				
RAKNIC	458,528	464,373	1%	460,637
DNIR	350,306	448,353	28%	352,124
DHAFRA	319,562	320,618	0%	321,472
ALLIANCE	290,642	305,026	5%	314,847
AWNIC	303,341	284,649	-6%	304,547
AFNIC	231,854	282,184	22%	237,674
	1,954,234	**2,105,203**	**7.7%**	**1,991,301**
Very small				
IH	249,972	242,947	-3%	249,972
SUKOON TAKAFUL[3]	128,469	126,584	-1%	117,799
HAYAH	71,739	88,944	24%	65,359
SICO	22,793	21,461	-6%	21,905
	472,973	**479,936**	**1.5%**	**455,034**
TOTAL	**25,178,779**	**30,297,124**	**20.3%**	**25,688,065**

TABLE 4B: SUMMARY – INSURANCE REVENUE

Entity size	Count	Insurance Revenue				Concentration	
		FY 2022	FY 2023	Change (%)	FY 2022 GEP - IFRS 4	FY 2022	FY 2023
Very large	3	13,499,084	15,657,388	16.0%	13,603,218	53.6%	51.7%
Large	5	5,208,136	7,014,780	34.7%	5,477,096	20.7%	23.2%
Medium	7	4,044,352	5,039,817	24.6%	4,161,415	16.1%	16.6%
Small	6	1,954,234	2,105,203	7.7%	1,991,301	7.8%	6.9%
Very small	4	472,973	479,936	1.5%	455,034	1.9%	1.6%
TOTAL	**25**	**25,178,779**	**30,297,124**	**20.3%**	**25,688,065**	**100.0%**	**100.0%**

Data source: Financial Statements, 31 December 2023
Retrieved on or before: 31 March 2024

Data Tables - United Arab Emirates (2/6)

Combined Ratio

Combined Ratio: 100.4%

CHANGE IN COMBINED RATIO:
WAVG change: Increase of 3.8% points
Combined Ratio exceeds 100.0%

NOTES:
[1]**WATANIA**: Previously DARTAKAFUL.
FY 2023 reflects the post-merger results with pre-existing "WATANIA" with effect from 1 July 2022 that is not entirely reflected in the comparable period. As such, the comparative amounts are not entirely comparable.

[2]**SUKOON**: Previously OIC.
FY 2023 reflects the post-acquisition results of subsidiary ASCANA with effect from 18 May 2023 that is not entirely reflected in the comparable period. As such, the comparative amounts are not entirely comparable.

[3]**SUKOON TAKAFUL**: Previously ASCANA.

[4]**SALAMA:** Significant YoY swing in Net Finance Income/Expenses from insurance and reinsurance contracts.

TRANSITION IMPACT ON COMBINED RATIO:
Count: 25 insurers
FY 2022: Improved by 1.3% points (compared to Combined Ratio under IFRS 4 as presented in Table 5A) likely due to discounting of claim reserves under IFRS 17.

AMAN, TAKAFUL-EM, METHAQ: FY 2023 results not available as at 31 March 2024.

TABLE 5A: COMBINED RATIO

All amounts in AED '000

Organized in descending order of Insurance Revenue

Entity Size / Entity	FY 2022	FY 2023	Change	FY 2022 Per IFRS 4
Very large				
ORIENT	93%	96%	3%	94%
SUKOON[2]	96%	98%	3%	97%
ADNIC	95%	96%	0%	95%
	94.7%	**96.9%**	**2.2%**	**95.1%**
Large				
DIN	95%	95%	0%	95%
ALAIN	97%	100%	3%	97%
ABNIC	106%	113%	7%	106%
EIC	97%	96%	-1%	96%
SALAMA[4]	75%	136%	62%	100%
	94.1%	**105.9%**	**11.7%**	**98.3%**
Medium				
WATANIA[1]	108%	102%	-6%	109%
ASNIC	105%	100%	-5%	105%
NGI	92%	98%	5%	95%
TKFL	92%	93%	0%	103%
ORIENTTKFL	96%	96%	0%	96%
UNION	100%	103%	3%	99%
FIDELITYUNITED	105%	106%	1%	106%
	100.3%	**99.6%**	**-0.7%**	**101.8%**
Small				
RAKNIC	110%	100%	-10%	110%
DNIR	98%	98%	0%	98%
DHAFRA	98%	100%	2%	98%
ALLIANCE	95%	104%	10%	103%
AWNIC	109%	115%	6%	106%
AFNIC	114%	108%	-6%	111%
	103.9%	**103.2%**	**-0.7%**	**104.3%**
Very small				
IH	114%	119%	5%	101%
SUKOON TAKAFUL[3]	135%	164%	29%	138%
HAYAH	93%	112%	19%	99%
SICO	98%	100%	2%	110%
	115.5%	**128.7%**	**13.1%**	**110.4%**
WEIGHTED AVERAGE	**96.6%**	**100.4%**	**3.8%**	**97.8%**

TABLE 5B: SUMMARY – COMBINED RATIO

Organized by 'Entity size'

Entity size	Count	Combined Ratio			
		FY 2022	FY 2023	Change	FY 2022 Per IFRS 4
Very large	3	94.7%	96.9%	2.2%	95.1%
Large	5	94.1%	105.9%	11.7%	98.3%
Medium	7	100.3%	99.6%	-0.7%	101.8%
Small	6	103.9%	103.2%	-0.7%	104.3%
Very small	4	115.5%	128.7%	13.1%	110.4%
TOTAL	**25**	**96.6%**	**100.4%**	**3.8%**	**97.8%**

Data source: Financial Statements, 31 December 2023
Retrieved on or before: 31 March 2024

Data Tables - United Arab Emirates (3/6)

Net Profit
Change: Increase of 19.0%

GUIDANCE:
Operations are segmented into **Insurance services** and **Investment management**.

ASSUMPTION: The below line items relate to Insurance services and are allocated as such:
- Unallocated G&A expenses.
- Net Insurance Finance Expense/(Income) from insurance and reinsurance contracts.
- Other Underwriting Income.

Net Profit after tax and zakat is considered. Loss-making segments are marked as 0% with 100% contribution attributed to the other segment.

W/AVG. CONTRIBUTION TO NET PROFIT:
Insurance services: 0%
Investment management: 100%

NOTES:
[1]**WATANIA**: Previously DARTAKAFUL.
FY 2023 reflects the post-merger results with pre-existing "WATANIA" with effect from 1 July 2022 that is not entirely reflected in the comparable period. As such, the comparative amounts are not entirely comparable.

[2]**SUKOON**: Previously OIC.
FY 2023 reflects the post-acquisition results of subsidiary ASCANA with effect from 18 May 2023 that is not entirely reflected in the comparable period. As such, the comparative amounts are not entirely comparable.

[3]**SUKOON TAKAFUL**: Previously ASCANA.

TRANSITION IMPACT ON NET PROFIT:
Count: 25 insurers
FY 2022: Overall increase of 0.4% in Net Profit (compared to IFRS 4 as presented in Table 6A).

AMAN, TAKAFUL-EM, METHAQ: FY 2023 results not available as at 31 March 2024.

TABLE 6A: NET PROFIT COMPOSITION

All amounts in AED '000

Organized in descending order of Insurance Revenue

Entity Size / Entity	FY 2022	FY 2023	Change (%)	Insurance Services (Net)	Investment Income (Net)	FY 2022 Per IFRS 4
Very large						
ORIENT	519,031	636,107	23%	34%	66%	521,286
SUKOON[2]	259,312	257,390	-1%	28%	72%	223,601
ADNIC	357,591	401,163	12%	48%	52%	377,902
	1,135,934	**1,294,660**	**14%**	**37%**	**63%**	**1,122,789**
Large						
DIN	90,040	141,890	58%	72%	28%	92,159
ALAIN	59,322	34,604	-42%	15%	85%	63,138
ABNIC	(33,872)	(132,762)	292%	100%	0%	(34,494)
EIC	55,801	126,293	126%	32%	68%	71,733
SALAMA	35,436	(139,327)	-493%	100%	0%	42,462
	206,727	**30,698**	**-85%**	**-892%**	**992%**	**234,998**
Medium						
WATANIA[1]	(53,130)	13,275	-125%	0%	100%	(55,037)
ASNIC	(50,867)	6,449	-113%	0%	100%	(49,446)
NGI	60,537	74,879	24%	23%	77%	53,622
TKFL	66,717	103,042	54%	46%	54%	18,199
ORIENTTKFL	28,782	50,121	74%	57%	43%	30,088
UNION	2,506	(2,479)	-199%	100%	0%	18,328
FIDELITYUNITED	3,649	(17,432)	-578%	100%	0%	683
	58,194	**227,855**	**292%**	**8%**	**92%**	**16,438**
Small						
RAKNIC	(35,464)	14,541	-141%	0%	100%	(34,974)
DNIR	43,729	47,120	8%	20%	80%	44,089
DHAFRA	22,962	41,303	80%	2%	98%	27,640
ALLIANCE	62,970	53,895	-14%	0%	100%	38,420
AWNIC	31,392	177,089	464%	0%	100%	37,972
AFNIC	(20,913)	(7,979)	-62%	100%	0%	(14,433)
	104,676	**325,969**	**211%**	**-21%**	**121%**	**98,713**
Very small						
IH	(27,753)	(41,975)	51%	100%	0%	4,358
SUKOON TAKAFUL[3]	(30,677)	(76,530)	149%	100%	0%	(29,965)
HAYAH	7,427	(5,698)	-177%	100%	0%	3,275
SICO	33,697	16,209	-52%	0%	100%	31,040
	(17,306)	**(107,994)**	**524%**	**127%**	**-27%**	**8,709**
TOTAL	**1,488,225**	**1,771,188**	**19.0%**	**-6%**	**106%**	**1,481,647**

TABLE 6B: SUMMARY – NET PROFIT COMPOSITION

Organized by 'Entity size'

Entity size	Count	Net Profit			FY 2023 Proportion of		Net Profit
		FY 2022	FY 2023	Change	Insurance Services	Investment Income	FY 2022 Per IFRS 4
Very large	3	1,135,934	1,294,660	14%	37%	63%	1,122,789
Large	5	206,727	30,698	-85%	-892%	992%	234,998
Medium	7	58,194	227,855	292%	8%	92%	16,438
Small	6	104,676	325,969	211%	-21%	121%	98,713
Very small	4	(17,306)	(107,994)	524%	127%	-27%	8,709
TOTAL	**25**	**1,488,225**	**1,771,188**	**19.0%**	**-6%**	**106%**	**1,481,647**

Data source: Financial Statements, 31 December 2023
Retrieved on or before: 31 March 2024

Data Tables - United Arab Emirates (4/6)

Investment Income
Weighted average ROI: 5.6%

GUIDANCE:
Total investment income net of finance costs (where applicable).
Return on investment is computed on the opening balance of the investment portfolio.
Takaful companies: Combined policyholders and shareholders investment income.

TRANSITION IMPACT ON INVESTMENT INCOME:
Count: 25 insurers
FY 2022: Overall decrease of 32.0% but largely unchanged for most insurers except where investment components were previously included in revenue or claims under IFRS 4 as presented in Table 7A.

AMAN, TAKAFUL-EM, METHAQ: FY 2023 results not available as at 31 March 2024.

TABLE 7A: INVESTMENT INCOME

All amounts in AED '000

Organized in descending order of Insurance Revenue

Entity	FY 2022	FY 2023	Return on Investment (%)	FY 2022 Per IFRS 4
ORIENT	189,333	437,704	6.6%	229,534
SUKOON	100,082	186,514	3.8%	100,082
ADNIC	144,235	206,686	4.5%	144,235
DIN	27,253	39,165	3.6%	27,253
ALAIN	26,658	29,378	3.6%	26,658
ABNIC	21,593	23,507	1.9%	21,593
EIC	23,716	85,284	5.2%	23,716
SALAMA	(189,863)	279,077	9.2%	53,967
WATANIA[1]	10,283	30,062	3.2%	22,642
ASNIC	(23,331)	9,645	2.0%	(23,331)
NGI	12,665	57,817	6.5%	18,978
TKFL	32,809	55,466	6.5%	32,910
ORIENTTKFL	8,832	21,546	4.9%	9,240
UNION	5,994	17,213	2.4%	5,994
FIDELITYUNITED	23,916	17,710	5.2%	23,916
RAKNIC	9,816	14,903	3.8%	9,816
DNIR	37,128	37,612	4.5%	37,128
DHAFRA	16,708	40,493	6.3%	19,806
ALLIANCE	48,282	67,579	6.3%	48,282
AWNIC	57,681	219,390	15.6%	57,682
AFNIC	11,199	14,107	3.1%	11,105
IH	6,074	3,780	3.2%	6,074
SUKOON TAKAFUL[2]	14,316	4,713	1.3%	14,316
HAYAH	2,421	4,822	3.3%	2,421
SICO	33,240	16,233	6.0%	33,240
TOTAL	**651,040**	**1,920,405**	**5.6%**	**957,258**

Investment Portfolio
Cash and cash equivalents: 35%

CONCENTRATION:
Cash and cash equivalents: 35%

NOTES:
AMAN, TAKAFUL-EM, METHAQ: FY 2023 results not available as at 31 March 2024.

TABLE 7B: INVESTMENT PORTFOLIO COMPOSITION

Organized in descending order of Insurance Revenue

Entity	Total FY 2023	Cash & cash equivalents	Equities & Other	Investment Properties
ORIENT	8,037,372	58%	42%	0%
SUKOON	5,664,200	23%	67%	9%
ADNIC	4,861,162	24%	62%	14%
DIN	1,543,579	37%	59%	4%
ALAIN	899,267	29%	61%	9%
ABNIC	1,233,148	26%	5%	69%
EIC	1,734,758	20%	80%	0%
SALAMA	3,023,378	14%	81%	5%
WATANIA[1]	945,211	43%	49%	7%
ASNIC	558,763	48%	24%	28%
NGI	1,053,787	42%	40%	18%
TKFL	1,000,021	57%	38%	5%
ORIENTTKFL	550,383	100%	0%	0%
UNION	818,300	42%	58%	0%
FIDELITYUNITED	402,436	21%	67%	12%
RAKNIC	417,641	68%	32%	0%
DNIR	848,460	25%	56%	19%
DHAFRA	659,180	33%	56%	11%
ALLIANCE	1,058,847	47%	32%	21%
AWNIC	1,614,992	8%	66%	26%
AFNIC	517,810	20%	64%	15%
IH	54,888	80%	20%	0%
SUKOON TAKAFUL[2]	312,469	69%	10%	22%
HAYAH	123,062	16%	84%	0%
SICO	269,156	14%	65%	20%
TOTAL	**38,202,271**	**35%**	**54%**	**10%**

Data source: Financial Statements, 31 December 2023
Retrieved on or before: 31 March 2024

Data Tables - United Arab Emirates (5/6)

External Borrowing
Total Debt: 1.4% of Total Assets

TABLE 8: EXTERNAL BORROWING

All amounts in AED '000

Organized in descending order of Insurance Revenue

Entity	Total Assets	Borrowing	Debt/Total Assets
ORIENT	11,947,783	-	0%
SUKOON	8,829,641	86,000	1%
ADNIC	7,716,361	-	0%
DIN	2,830,072	-	0%
ALAIN	2,505,562	-	0%
ABNIC	1,719,895	278,983	16%
EIC	2,399,897	-	0%
SALAMA	3,613,641	-	0%
WATANIA[1]	1,211,141	74,750	6%
ASNIC	2,339,781	218,487	9%
NGI	1,359,116	-	0%
TKFL	1,265,705	-	0%
ORIENTTKFL	1,074,151	-	0%
UNION	1,506,819	-	0%
FIDELITYUNITED	633,669	-	0%
RAKNIC	603,433	59,381	10%
DNIR	977,805	-	0%
DHAFRA	1,314,579	-	0%
ALLIANCE	1,321,277	-	0%
AWNIC	1,759,950	88,541	5%
AFNIC	670,832	-	0%
IH	212,215	-	0%
SUKOON TAKAFUL[2]	372,935	-	0%
HAYAH	194,019	-	0%
SICO	301,884	2,578	1%
TOTAL	**58,682,165**	**808,720**	**1.4%**

Solvency Ratio
Below 100%: 9 insurers

GUIDANCE:
Applicable Solvency Measure: Higher of the Minimum Capital Requirement (MCR), Solvency Capital Requirement (SCR) and Minimum Guarantee Fund (MGF).

Applicable Solvency Requirement: Own funds eligible to meet MCR/SCR/MGF less the Applicable Solvency Measure.

Applicable Solvency Ratio: Own funds eligible to meet MCR, SCR, MGF/ Applicable Solvency Requirement.

RELATIVELY HIGH CAPITAL RISK:
Applicable Solvency Ratio below 100%

TABLE 9A: SOLVENCY RATIO

Organized in descending order of Insurance Revenue

Entity	As at	Applicable Solvency Measure	Applicable Solvency Requirement	Applicable Solvency Ratio
ORIENT	FY 2023	SCR	851,829	338%
SUKOON	Q3 2023	SCR	901,974	267%
ADNIC	Q3 2023	SCR	1,053,486	215%
DIN	FY 2023	SCR	326,741	178%
ALAIN	Q3 2023	SCR	233,820	430%
ABNIC	FY 2023	SCR	296,744	44%
EIC	FY 2023	SCR	323,866	308%
SALAMA	FY 2023	SCR	277,592	65%
WATANIA	FY 2023	Not disclosed	Not disclosed	Deficit disclosed
ASNIC	Q3 2023	SCR	211,148	29%
NGI	FY 2023	SCR	192,390	236%
TKFL	FY 2023	SCR	122,549	309%
ORIENTTKFL	Q3 2023	SCR	104,822	119%
UNION	FY 2023	SCR	105,439	144%
FIDELITYUNITED	FY 2023	SCR	108,647	95%
RAKNIC	FY 2023	MCR	100,000	139%
DNIR	FY 2023	SCR	163,935	218%
DHAFRA	FY 2023	SCR	145,125	186%
ALLIANCE	Q3 2023	SCR	145,135	305%
AWNIC	FY 2023	SCR	315,384	241%
AFNIC	Q3 2023	SCR	133,008	114%
IH	Q3 2023	MCR	100,000	5%
SUKOON TAKAFUL	FY 2023	MCR	100,000	154%
HAYAH	Q3 2023	MCR	100,000	114%
SICO	FY 2023	MCR	100,000	195%
TAKAFUL-EM	Q2 2023	MCR	100,000	-80%
AMAN	Q2 2023	MCR	100,000	-80%
METHAQ	FY 2022	MCR	100,000	-498%

Data source: Financial Statements, 31 December 2023
Retrieved on or before: 31 March 2024

Data Tables - United Arab Emirates (6/6)

Initial application of IFRS 17
Impact on Equity: -1.5%

GUIDANCE:
Impact of initial application of IFRS 17 on Equity as at 1 January 2022.

NOTE:
[1]Impact of initial application of IFRS 17 and IFRS 9.

TABLE 9B: IMPACT OF INITIAL APPLICATION OF IFRS 17

All amounts in AED '000

Organized in descending order of Insurance Revenue

Entity	Impact of initial application of IFRS 17	Impact of initial application of IFRS 17 (%)
ORIENT[1]	(109,022)	-2.9%
SUKOON	43,080	1.9%
ADNIC	(17,729)	-0.6%
DIN	(37,884)	-6.0%
ALAIN	(639)	0.0%
ABNIC	5,690	0.8%
EIC	13,769	1.2%
SALAMA	15,159	1.8%
WATANIA	7,462	4.9%
ASNIC	(2,010)	-0.8%
NGI	2,771	0.5%
TKFL	(123,824)	-24.0%
ORIENTTKFL	(2,115)	-1.0%
UNION	(30,493)	-12.9%
FIDELITYUNITED	(6,873)	-6.8%
RAKNIC	(3,968)	-2.0%
DNIR	8,435	1.1%
DHAFRA	(2,930)	-0.6%
ALLIANCE	(35,639)	-6.6%
AWNIC	(9,350)	-1.0%
AFNIC	3,674	1.1%
IH	330	0.2%
SUKOON TAKAFUL	585	0.2%
HAYAH	(5,907)	-4.8%
SICO	(1,549)	-0.7%
TOTAL	**(288,977)**	**-1.5%**

Data source: Financial Statements, 31 December 2023
Retrieved on or before: 31 March 2024

Data Tables - Saudi Arabia (1/6)

Insurance Revenue
Change: 26.6%

NOTES:
[1]**WALAA**: FY 2023 includes the post-merger results of SABB TAKAFUL effective 10 October 2022 that is not entirely reflected in the comparative period. As such, the comparative amounts are not entirely comparable.

[2]**ARABIAN SHIELD:** FY 2023 includes the post-merger results of ALINMA effective 15 November 2023 that is not entirely reflected in the comparative period. As such, the comparative amounts are not entirely comparable.
ALINMA: delisted with effect from 26 October 2023 in lieu of merger with ARABIAN SHIELD.

[3]**LIVA:** Previously ALAMIYA.

TRANSITION IMPACT ON REVENUE:
Count: 25 insurers
FY 2022: Reduction of 3.0% in Revenue (compared to GEP under IFRS 4 as presented in Table 10A).

TABLE 10A: INSURANCE REVENUE

All amounts in SAR '000

Organized in descending order of Insurance Revenue

Entity Size / Entity	FY 2022	FY 2023	Growth (%)	FY 2022 GEP per IFRS 4
Very large				
BUPA ARABIA	12,873,111	15,887,715	23%	12,910,713
TAWUNIYA	11,408,348	15,265,424	34%	12,371,864
	24,281,459	**31,153,139**	**28.3%**	**25,282,577**
Large				
ALRAJHITAKAFUL	2,934,503	4,236,470	44%	3,034,752
MEDGULF	2,643,129	3,332,154	26%	2,590,386
WALAA[1]	2,572,335	2,887,642	12%	2,556,414
GIG	1,480,637	1,564,749	6%	1,485,125
WATANIYA	835,084	1,378,636	65%	859,541
ALETIHAD	1,072,869	1,202,169	12%	1,085,722
ARABIAN SHIELD[2]	918,720	1,145,711	25%	1,027,906
UCA	634,333	1,061,771	67%	639,800
SAICO	911,675	1,044,519	15%	921,635
	14,003,285	**17,853,821**	**27.5%**	**14,201,281**
Medium				
ACIG	672,811	974,681	45%	675,697
MALATH INSURANCE	973,092	934,712	-4%	950,573
ALLIANZ SF	735,650	862,625	17%	793,740
AICC	560,651	838,947	50%	561,649
SALAMA	598,351	802,288	34%	594,900
GULF UNION ALAHLIA	506,772	624,483	-70%	521,310
LIVA[3]	337,947	513,629	52%	339,803
	4,385,274	**5,551,365**	**26.6%**	**4,437,672**
Small				
ALSAGR	473,348	486,225	3%	474,350
BURUJ	417,103	373,444	-10%	415,627
CHUBB	299,356	329,438	10%	303,008
GULF GENERAL	315,686	315,646	0%	327,476
JAZIRA TAKAFUL	220,579	301,954	37%	340,654
ENAYA	226,930	250,880	11%	227,647
AMANA INSURANCE	237,700	184,638	-22%	248,568
	2,190,702	**2,242,225**	**2.4%**	**2,337,330**
TOTAL	**44,860,720**	**56,800,550**	**26.6%**	**46,258,860**

TABLE 10B: SUMMARY – INSURANCE REVENUE

Entity size	Count	Insurance Revenue				Concentration	
		FY 2022	FY 2023	Change (%)	FY 2022 GEP – IFRS 4	FY 2022	FY 2023
Very large	2	24,281,459	31,153,139	28.3%	25,282,577	54.1%	54.8%
Large	9	14,003,285	17,853,821	27.5%	14,201,281	31.2%	31.4%
Medium	7	4,385,274	5,551,365	26.6%	4,437,672	9.8%	9.8%
Small	7	2,190,702	2,242,225	2.4%	2,337,330	4.9%	3.9%
TOTAL	**25**	**44,860,720**	**56,800,550**	**26.6%**	**46,258,860**	**100.0%**	**100.0%**

Data source: Financial Statements, 31 December 2023
Retrieved on or before: 31 March 2024

Data Tables - Saudi Arabia (2/6)

Product Mix

CHANGE IN GROSS WRITTEN PREMIUM:
Change: Increase of 24%

NOTES:
[1]**WALAA**: FY 2023 includes the post-merger results of SABB TAKAFUL effective 10 October 2022 that is not entirely reflected in the comparative period. As such, the comparative amounts are not entirely comparable.

[2]**ARABIAN SHIELD:** FY 2023 includes the post-merger results of ALINMA effective 15 November 2023 that is not entirely reflected in the comparative period. As such, the comparative amounts are not entirely comparable.
ALINMA: delisted with effect from 26 October 2023 in lieu of merger with ARABIAN SHIELD.

[3]**LIVA:** Previously ALAMIYA.

*P&C: Property & Casualty.
**P&S: Protection & Savings.

TABLE 11A: PRODUCT MIX

All amounts in SAR '000

Organized in descending order of Insurance Revenue

Entity Size / Entity	Gross Written Premium FY 2023	Motor	Health	P&C*	P&S**
Very large					
BUPA ARABIA	16,668,744	0.0%	100.0%	0.0%	0.0%
TAWUNIYA	18,470,350	15.5%	70.7%	13.4%	0.3%
		8%	**85%**	**7%**	**0%**
Large					
ALRAJHITAKAFUL	6,022,857	46%	19%	15%	19%
MEDGULF	3,135,525	12%	76%	11%	0%
WALAA[1]	3,346,161	24%	20%	47%	8%
GIG	1,541,590	42%	30%	23%	5%
WATANIYA	1,627,878	59%	0%	33%	8%
ALETIHAD	1,489,053	63%	30%	7%	0%
ARABIAN SHIELD[2]	1,297,129	16%	39%	8%	37%
UCA	1,029,420	64%	10%	26%	0%
SAICO	1,061,781	34%	31%	35%	1%
		38%	**30%**	**22%**	**10%**
Medium					
ACIG	1,047,403	75%	17%	7%	0%
MALATH INSURANCE	870,589	32%	57%	11%	0%
ALLIANZ SF	960,945	28%	36%	21%	15%
AICC	923,581	17%	52%	31%	0%
SALAMA	788,970	76%	18%	6%	0%
GULF UNION ALAHLIA	690,000	44%	38%	18%	0%
LIVA[3]	522,108	70%	0%	23%	7%
		48%	**33%**	**17%**	**3%**
Small					
ALSAGR	471,495	39%	46%	15%	0%
BURUJ	422,801	67%	23%	10%	0%
CHUBB	350,870	23%	0%	73%	4%
GULF GENERAL	330,639	72%	13%	15%	0%
JAZIRA TAKAFUL	437,416	7%	38%	5%	50%
ENAYA	250,026	0%	100%	0%	0%
AMANA INSURANCE	173,577	13%	86%	1%	0%
		34%	**38%**	**18%**	**9%**
TOTAL FY 2023	**63,930,908**	**22%**	**60%**	**13%**	**4%**
TOTAL FY 2022	**51,520,191**	**20%**	**62%**	**16%**	**3%**

TABLE 11B: SUMMARY – PRODUCT MIX

Organized by 'Entity size'

Entity size	Count	Motor	Health	P&C	P&S	Total
Very large	2	8%	85%	7%	0%	**100.0%**
Large	9	38%	30%	22%	10%	**100.0%**
Medium	7	48%	33%	17%	3%	**100.0%**
Small	7	34%	38%	18%	9%	**100.0%**
TOTAL	**25**	**22%**	**60%**	**13%**	**4%**	100.0%

TABLE 11C: SUMMARY – MARKET SHARE BY PRODUCT GROUP

Organized by 'Entity size'

Entity size	Count	Motor	Health	P&C	P&S	Total
Very large	2	21%	78%	30%	2%	**55.7%**
Large	9	56%	16%	55%	82%	**32.6%**
Medium	7	18%	4%	10%	7%	**7.8%**
Small	7	6%	2%	5%	9%	**3.9%**
TOTAL	**25**	**100%**	**100%**	**100%**	**100%**	100.0%

Data source: Financial Statements, 31 December 2023
Retrieved on or before: 31 March 2024

Data Tables - Saudi Arabia (3/6)

Combined Ratio

Combined Ratio: 98.0%

CHANGE IN COMBINED RATIO:
WAVG change: Improvement of 3.1% points
Combined Ratio exceeds 100.0%

NOTES:
[1]**WALAA**: FY 2023 includes the post-merger results of SABB TAKAFUL effective 10 October 2022 that is not entirely reflected in the comparative period. As such, the comparative amounts are not entirely comparable.

[2]**ARABIAN SHIELD:** FY 2023 includes the post-merger results of ALINMA effective 15 November 2023 that is not entirely reflected in the comparative period. As such, the comparative amounts are not entirely comparable.
ALINMA: delisted with effect from 26 October 2023 in lieu of merger with ARABIAN SHIELD.

[3]**LIVA:** Previously ALAMIYA.

[4]**JAZIRA TAKAFUL:** Significant YoY swing in Net Finance Income/Expenses from insurance and reinsurance contracts.
NM – Not meaningful.

TRANSITION IMPACT ON COMBINED RATIO:
Count: 25 insurers
FY 2022: Improved by 0.4% points (compared to Combined Ratio under IFRS 4 as presented in Table 12A) likely due to discounting of claim reserves under IFRS 17.

TABLE 12A: COMBINED RATIO

All amounts in SAR '000

Organized in descending order of Insurance Revenue

Entity Size / Entity	FY 2022	FY 2023	Change	FY 2022 Per IFRS 4
Very large				
BUPA ARABIA	97%	96%	-1%	96%
TAWUNIYA	99%	98%	0%	98%
	97.6%	**97.2%**	**-0.4%**	**97.0%**
Large				
ALRAJHITAKAFUL	100%	98%	-1%	99%
MEDGULF	116%	97%	-19%	115%
WALAA[1]	105%	100%	-5%	105%
GIG	102%	96%	-6%	98%
WATANIYA	104%	96%	-7%	102%
ALETIHAD	99%	97%	-2%	99%
ARABIAN SHIELD[2]	104%	99%	-4%	99%
UCA	109%	100%	-9%	108%
SAICO	109%	95%	-14%	106%
	105.6%	**97.9%**	**-7.7%**	**104.1%**
Medium				
ACIG	105%	97%	-9%	105%
MALATH INSURANCE	106%	99%	-7%	107%
ALLIANZ SF	102%	106%	4%	99%
AICC	99%	95%	-5%	99%
SALAMA	109%	97%	-13%	112%
GULF UNION ALAHLIA	105%	85%	-20%	103%
LIVA[3]	115%	101%	-13%	116%
	105.3%	**97.3%**	**-8.0%**	**105.2%**
Small				
ALSAGR	110%	97%	-14%	117%
BURUJ	110%	101%	-10%	114%
CHUBB	96%	96%	0%	96%
GULF GENERAL	132%	103%	-29%	130%
JAZIRA TAKAFUL[4]	NM	193%	192%	96%
ENAYA	104%	98%	-6%	106%
AMANA INSURANCE	120%	87%	-32%	120%
	100.9%	**110.5%**	**9.6%**	**111.9%**
WEIGHTED AVERAGE	**101.0%**	**98.0%**	**-3.1%**	**100.6%**

TABLE 12B: SUMMARY

Organized by 'Entity size'

Entity size	Count	Combined Ratio			
		FY 2022	FY 2023	Change	FY 2022 Per IFRS 4
Very large	2	97.6%	97.2%	-0.4%	97.0%
Large	9	105.6%	97.9%	-7.7%	104.1%
Medium	7	105.3%	97.3%	-8.0%	105.2%
Small	7	100.9%	110.5%	9.6%	111.9%
TOTAL	**25**	**101.0%**	**98.0%**	**-3.1%**	**100.6%**

Data source: Financial Statements, 31 December 2023
Retrieved on or before: 31 March 2024

Data Tables - Saudi Arabia (4/6)

Net Profit
Change: NM

GUIDANCE:
Operations are segmented into **Insurance services** and **Investment management**.

ASSUMPTION: The below line items relate to Insurance services and are allocated as such:
- Unallocated G&A expenses.
- Net Insurance Finance Expense/(Income) from insurance and reinsurance contracts.
- Other Underwriting Income.

Net Profit after tax and zakat is considered. Loss-making segments are marked as 0% with 100% contribution attributed to the other segment.

W/AVG. CONTRIBUTION TO NET PROFIT:
Insurance services: 31%
Investment management: 69%

NOTES:
[1]**WALAA**: FY 2023 includes the post-merger results of SABB TAKAFUL effective 10 October 2022 that is not entirely reflected in the comparative period. As such, the comparative amounts are not entirely comparable.

[2]**ARABIAN SHIELD:** FY 2023 includes the post-merger results of ALINMA effective 15 November 2023 that is not entirely reflected in the comparative period. As such, the comparative amounts are not entirely comparable.
ALINMA: delisted with effect from 26 October 2023 in lieu of merger with ARABIAN SHIELD.

[3]**LIVA:** Previously ALAMIYA.

TRANSITION IMPACT ON NET PROFIT:
Count: 25 insurers
FY 2022: Overall decrease of 64.2% in Net Profit (compared to IFRS 4 as presented in Table 13A).

TABLE 13A: NET PROFIT COMPOSITION

All amounts in SAR '000

Organized in descending order of Insurance Revenue

Entity Size / Entity	FY 2022	FY 2023	Change (%)	Insurance Services	Investment Income	FY 2022 Per IFRS 4
Very large						
BUPA ARABIA	805,117	940,163	17%	54%	46%	862,569
TAWUNIYA	302,193	616,426	104%	37%	63%	391,003
	1,107,310	**1,556,589**	**41%**	**47%**	**53%**	**1,253,572**
Large						
ALRAJHITAKAFUL	72,391	328,061	353%	20%	80%	89,618
MEDGULF	(396,870)	201,472	-151%	47%	53%	(315,206)
WALAA[1]	(68,080)	147,977	-317%	0%	100%	(27,364)
GIG	15,913	128,526	708%	38%	62%	75,802
WATANIYA	(27,662)	84,581	-406%	53%	47%	(18,344)
ALETIHAD	12,702	93,896	639%	36%	64%	35,024
ARABIAN SHIELD[2]	(18,225)	44,188	-342%	10%	90%	27,920
UCA	(55,482)	5,292	-110%	0%	100%	(42,861)
SAICO	(61,647)	71,098	-215%	73%	27%	(37,205)
	(526,960)	**1,105,091**	**-310%**	**31%**	**69%**	**(212,616)**
Medium						
ACIG	(17,344)	63,406	-466%	47%	53%	(13,300)
MALATH INSURANCE	(41,378)	38,188	-192%	13%	87%	(28,315)
ALLIANZ SF	8,576	36,987	331%	0%	100%	19,919
AICC	6,200	60,462	875%	60%	40%	8,278
SALAMA	(38,866)	51,302	-232%	50%	50%	(58,327)
GULF UNION ALAHLIA	(18,300)	125,037	-783%	71%	29%	2,524
LIVA[3]	(42,945)	11,258	-126%	0%	100%	(48,775)
	(144,057)	**386,640**	**-368%**	**33%**	**67%**	**(117,996)**
Small						
ALSAGR	(53,460)	42,300	-179%	32%	68%	(73,496)
BURUJ	(29,000)	20,083	-169%	0%	100%	(39,293)
CHUBB	12,538	24,818	98%	40%	60%	4,697
GULF GENERAL	(106,017)	3,532	-103%	0%	100%	(104,190)
JAZIRA TAKAFUL	38,520	44,254	15%	0%	100%	28,354
ENAYA	(6,355)	20,222	-418%	25%	75%	(9,581)
AMANA INSURANCE	(48,138)	25,439	-153%	76%	24%	(47,245)
	(191,913)	**180,648**	**-194%**	**-101%**	**201%**	**(240,754)**
TOTAL	**244,380**	**3,228,968**	**1221.3%**	**31%**	**69%**	**682,205**

TABLE 13B: SUMMARY – NET PROFIT COMPOSITION

Organized by 'Entity Size'

Entity Size	Count	Net Profit			FY 2023 Proportion of		
		FY 2022	FY 2023	Change	Insurance Services	Investment income	FY 2022 Per IFRS 4
Very large	2	1,107,310	1,556,589	41%	47%	53%	1,253,572
Large	9	(526,960)	1,105,091	-310%	31%	69%	(212,616)
Medium	7	(144,057)	386,640	-368%	33%	67%	(117,996)
Small	7	(191,913)	180,648	-194%	-101%	201%	(240,754)
TOTAL	**25**	**244,380**	**3,228,968**	**1221.3%**	**31%**	**69%**	**682,205**

Data source: Financial Statements, 31 December 2023
Retrieved on or before: 31 March 2024

Data Tables - Saudi Arabia (5/6)

Investment Income
Weighted average ROI: 5.7%

GUIDANCE:
Total investment income net of finance costs (where applicable).
Return on investment is computed on the opening balance of the investment portfolio.
Takaful companies: Combined policyholders and shareholders investment income.

TRANSITION IMPACT ON INVESTMENT INCOME:
Count: 25 insurers
FY 2022: Overall decrease of 28.5% likely where investment components were previously included in revenue or claims under IFRS 4 or as a result of the changes in classification and measurement of investments due to the initial application of IFRS 9 as presented in Table 14A.

TABLE 14A: INVESTMENT INCOME

All amounts in SAR '000

Organized in descending order of Insurance Revenue

Entity	FY 2022	FY 2023	Return on Investment (%)	FY 2022 Per IFRS 4
BUPA ARABIA	553,819	514,061	4.6%	552,990
TAWUNIYA	230,614	451,774	5.0%	304,481
ALRAJHITAKAFUL	77,587	268,862	7.1%	90,068
MEDGULF	20,688	110,212	6.8%	65,492
WALAA[1]	78,366	164,983	6.7%	107,163
GIG	63,417	95,640	4.2%	83,948
WATANIYA	8,554	45,025	6.3%	8,554
ALETIHAD	23,310	66,725	5.1%	44,703
ARABIAN SHIELD[2]	36,266	61,531	3.4%	40,436
UCA	6,977	10,154	2.3%	8,623
SAICO	26,882	21,061	4.0%	26,705
ACIG	10,815	38,245	6.4%	10,623
MALATH INSURANCE	31,520	40,470	5.2%	50,111
ALLIANZ SF	27,771	96,897	7.1%	24,270
AICC	6,679	30,529	6.3%	7,190
SALAMA	19,248	27,510	5.2%	18,932
GULF UNION ALAHLIA	9,893	37,876	5.5%	35,971
LIVA[3]	12,120	24,942	3.7%	12,120
ALSAGR	721	33,869	7.3%	13,205
BURUJ	19,801	28,626	4.3%	26,128
CHUBB	8,280	19,443	4.5%	2,301
GULF GENERAL	(925)	16,002	5.2%	(925)
JAZIRA TAKAFUL	(179,066)	348,515	15.6%	19,751
ENAYA	4,976	15,614	4.8%	5,324
AMANA INSURANCE	1,812	7,246	1.9%	4,751
TOTAL	**1,100,125**	**2,575,811**	**5.7%**	**1,562,914**

Investment Portfolio
Cash equivalents: 56%

TABLE 14B: INVESTMENT PORTFOLIO COMPOSITION

Organized in descending order of Insurance Revenue

Entity	Total FY 2023	Cash & cash equivalents	Equities & Other	Investment Properties
BUPA ARABIA	13,462,985	64%	36%	0%
TAWUNIYA	10,870,989	88%	10%	1%
ALRAJHITAKAFUL	5,696,022	18%	82%	0%
MEDGULF	1,735,343	48%	52%	0%
WALAA	3,028,202	45%	55%	0%
GIG	2,426,613	33%	67%	0%
WATANIYA	1,163,314	76%	24%	0%
ALETIHAD	1,625,118	66%	34%	0%
ARABIAN SHIELD	2,404,287	10%	90%	0%
UCA	514,944	55%	45%	0%
SAICO	560,240	78%	22%	0%
ACIG	794,074	95%	5%	0%
MALATH INSURANCE	694,064	74%	26%	0%
ALLIANZ SF	1,546,069	15%	85%	0%
AICC	816,280	78%	22%	0%
SALAMA	680,485	80%	20%	0%
GULF UNION ALAHLIA	844,937	55%	45%	0%
LIVA	734,547	66%	34%	0%
ALSAGR	473,828	80%	20%	0%
BURUJ	676,455	59%	41%	0%
CHUBB	483,593	56%	44%	0%
GULF GENERAL	339,408	71%	29%	0%
JAZIRA TAKAFUL	2,510,458	7%	93%	0%
ENAYA	307,652	99%	1%	0%
AMANA INSURANCE	376,437	83%	17%	0%
TOTAL	**54,766,344**	**56%**	**43%**	**0%**

Data source: Financial Statements, 31 December 2023
Retrieved on or before: 31 March 2024

Data Tables - Saudi Arabia (6/6)

Initial application of IFRS 17
Impact on Equity: -0.7%

GUIDANCE:
Impact of initial application of IFRS 17 on Equity as at 1 January 2022.

NOTES:
[1]Includes impact of initial application of IFRS 17 and IFRS 9.

TABLE 15: IMPACT OF INITIAL APPLICATION OF IFRS 17

All amounts in SAR '000

Organized in descending order of Insurance Revenue

Entity	Impact of initial application of IFRS 17	Impact of initial application of IFRS 17 (%)
BUPA ARABIA	(34,335)	-0.8%
TAWUNIYA	(102,693)	-3.4%
ALRAJHITAKAFUL	56,460	4.4%
MEDGULF[1]	96,096	9.5%
WALAA	15,965	2.0%
GIG	15,681	1.6%
WATANIYA	(8,795)	-4.2%
ALETIHAD	(29,359)	-5.3%
ARABIAN SHIELD	22,357	4.6%
UCA	18,645	7.4%
SAICO	(25,850)	-8.8%
ACIG	(6,856)	-21.4%
MALATH INSURANCE	(12,792)	-3.4%
ALLIANZ SF	13,530	1.9%
AICC	(14,917)	-6.9%
SALAMA	(33,795)	-35.0%
GULF UNION ALAHLIA	(4,010)	-3.0%
LIVA	13,574	3.7%
ALSAGR	(47,167)	-22.1%
BURUJ	(27,459)	-6.3%
CHUBB	(6,017)	-1.7%
GULF GENERAL	(9,474)	-2.6%
JAZIRA TAKAFUL	3,295	0.4%
ENAYA	(4,241)	-7.1%
AMANA INSURANCE	(5,346)	20.5%
TOTAL	**(117,504)**	**-0.7%**

Data source: Financial Statements, 31 December 2023
Retrieved on or before: 31 March 2024

Data Tables - Oman (1/2)

Insurance Revenue
Change: 23.1%

NOTES:
[1]**LIVA:** Previously NLGI.
FY 2023 results of LIVA includes the post-acquisition results of RSA ME with effect from 07 July 2022 that is not entirely reflected in the comparable period. As such, the comparative amounts are not entirely comparable.
Further, LIVA acquired the remaining minority shareholding of 47.5% in **AINS** (an Oman-based subsidiary of RSA ME) on 04 January 2023, resulting in 100% ownership of AINS. Consequently, AINS has been delisted from MSX effective 29 March 2023 following a board resolution to convert from a Public Joint Stock Company (JSC) to a Closed JSC.
[2]**VISN** merged with **OQIC** effective 16 February 2023, following which the shares of VISN were delisted from MSX. The FY 2023 results of OQIC include the post-acquisition results of VISN that is not entirely reflected in the comparative period. As such, the comparative amounts are not entirely comparable.
[3]Entities that have not transitioned to IFRS 17 or the equivalent thereof. For inclusion in this report, Insurance Revenue is comparable to Gross Earned Premium.

TRANSITION IMPACT ON REVENUE:
Count: 6 insurers
FY 2022: Decrease of 0.5% in Revenue (compared to GEP under IFRS 4 as presented in Table 16).

Combined Ratio
Combined Ratio: 100.7%

CHANGE IN COMBINED RATIO:
WAVG change: Increase of 3.5% points
Combined Ratio exceeds 100.0%

TRANSITION IMPACT ON COMBINED RATIO:
Count: 6 insurers
FY 2022: Decrease of 0.4% points (compared to Combined Ratio under IFRS 4 as presented in Table 17).

Net Profit
Change: 19.0%

TRANSITION IMPACT ON NET PROFIT:
Count: 6 insurers
FY 2022: Overall increase of 8.0% in Net Profit (compared to IFRS 4 as presented in Table 18).

TABLE 16: INSURANCE REVENUE

All amounts in OMR '000

Organized in descending order of Insurance Revenue

Entity	FY 2022	FY 2023	Growth (%)	FY 2022 Under IFRS 4
LIVA[1]	216,979	310,757	43%	219,152
DICS	64,229	70,374	10%	63,855
OQIC[2]	35,206	63,674	81%	36,121
VISN[2]	20,894	-	-	20,894
AMAT[3]	44,725	42,825	-4%	44,725
OUIC	32,065	32,831	2%	31,927
TAOI[3]	30,882	31,003	0%	30,882
AFIC	21,072	20,974	0%	21,523
MCTI	15,640	20,735	33%	14,845
TOTAL	**481,693**	**593,172**	**23.1%**	**483,924**

TABLE 17: COMBINED RATIO

Organized in descending order of Insurance Revenue

Entity	FY 2022	FY 2023	Change	FY 2022 Under IFRS 4
LIVA[1]	101%	100%	0%	101%
DICS	99%	101%	2%	99%
OQIC[2]	96%	100%	4%	99%
AMAT[3]	99%	99%	0%	99%
OUIC	103%	101%	-2%	102%
TAOI[3]	57%	100%	43%	57%
AFIC	101%	106%	6%	100%
MCTI	109%	109%	0%	112%
WEIGHTED AVERAGE	**97.3%**	**100.7%**	**3.5%**	**97.6%**

TABLE 18: NET PROFIT COMPOSITION

Organized in descending order of Insurance Revenue

Entity	FY 2022	FY 2023	Change (%)	FY 2023 Proportion of Insurance Services (Net)	FY 2023 Proportion of Investment Income (Net)	FY 2022 Under IFRS 4
LIVA[1]	3,081	6,377	107%	0%	100%	3,108
DICS	3,894	6,155	58%	0%	100%	3,766
OQIC[2]	4,007	4,033	1%	0%	100%	2,874
VISN[2]	922	-	-	-	-	922
AMAT[3]	1,061	1,277	20%	35%	65%	1,061
OUIC	2,370	2,652	12%	0%	100%	2,758
TAOI[3]	(855)	(1,306)	53%	100%	0%	(855)
AFIC	1,029	742	-28%	0%	100%	1,049
MCTI	846	(469)	-155%	100%	0%	476
TOTAL	**16,356**	**19,459**	**19.0%**	**-17%**	**117%**	**15,160**

Data source: Financial Statements, 31 December 2023
Retrieved on or before: 31 March 2024

Data Tables - Oman (2/2)

Investment Income
W/AVG ROI: 4.8%

TRANSITION IMPACT ON INVESTMENT INCOME:
Count: 6 insurers
FY 2022: Increase of 0.1% in Investment Income (compared to IFRS 4 as presented in Table 19).

Investment Portfolio
Cash equivalents: 61%

External Debt
Total Debt: 7.2% of Total Assets

Initial application of IFRS 17
Impact on Equity: -8.5%

GUIDANCE:
Impact of initial application of IFRS 17 on Equity as at 1 January 2022.

TABLE 19: INVESTMENT INCOME

All amounts in OMR '000

Organized in descending order of Insurance Revenue

Entity	FY 2022	FY 2023	Return on Investment (%)	FY 2022 Under IFRS 4
LIVA[1]	5,196	8,424	2.8%	5,145
DICS	3,491	7,733	11.4%	3,388
OQIC[2]	3,020	4,822	13.7%	3,020
VISN[2]	1,417	-	-	1,417
AMAT[3]	1,126	1,115	2.8%	1,126
OUIC	3,607	3,177	5.0%	3,774
TAOI[3]	590	768	3.2%	590
AFIC	1,395	2,122	5.6%	1,395
MCTI	2,552	1,402	5.3%	2,520
TOTAL	**22,394**	**29,563**	**4.8%**	**22,374**

TABLE 20: INVESTMENT PORTFOLIO COMPOSITION

Organized in descending order of Insurance Revenue

Entity	Total FY 2023	Cash & cash equivalents	Equities & Other	Investment Properties
LIVA[1]	300,425	59%	41%	0%
DICS	83,182	52%	41%	7%
OQIC[2]	62,721	51%	49%	1%
AMAT[3]	37,715	70%	17%	14%
OUIC	62,504	73%	24%	3%
TAOI[3]	25,391	72%	28%	0%
AFIC	41,779	75%	25%	0%
MCTI	29,455	53%	18%	29%
TOTAL	**643,172**	**61%**	**36%**	**3%**

TABLE 21A: EXTERNAL DEBT

Organized in descending order of Insurance Revenue

Entity	Total Assets	Total Debt	Debt/Total Assets
LIVA[1]	398,364	71,706	18%
DICS	133,586	-	0%
OQIC[2]	110,941	-	0%
AMAT[3]	123,239	-	0%
OUIC	92,007	923	1%
TAOI[3]	65,567	1,470	2%
AFIC	55,241	-	0%
MCTI	43,467	-	0%
TOTAL	**1,022,412**	**74,099**	**7.2%**

TABLE 21B: IMPACT OF INITIAL APPLICATION OF IFRS 17

Organized in descending order of Insurance Revenue

Entity	Impact of initial application of IFRS 17	Impact of initial application of IFRS 17 (%)
LIVA[1]	(12,527)	-18.9%
DICS	(138)	-0.5%
OQIC[2]	(2,752)	-13.2%
OUIC	288	0.9%
AFIC	(311)	-1.5%
MCTI	(49)	-0.3%
TOTAL	**(15,489)**	**-8.5%**

Data source: Financial Statements, 31 December 2023
Retrieved on or before: 31 March 2024

Data Tables - Bahrain (1/2)

Insurance Revenue
Change: 4.9%

NOTES:
[1]Entities that have not transitioned to IFRS 17 or the equivalent thereof. For inclusion in this report, Insurance Revenue is comparable to Gross Earned Premium.

TRANSITION IMPACT ON REVENUE:
Count: 3 insurers
FY 2022: Increase of 2.5% in Revenue (compared to GEP under IFRS 4 as presented in Table 22).

Combined Ratio
Combined Ratio: 97.3%
W/AVG Change: Increase of 1.1% points

TRANSITION IMPACT ON COMBINED RATIO:
Count: 3 insurers
FY 2022: Increase of 0.8% points (compared to Combined Ratio under IFRS 4 as presented in Table 23).

Net Profit
Change (adjusted): 11.1%

W/AVERAGE CONTRIBUTION TO NET PROFIT:
Underwriting segment: 33%
Investment segment: 67%

NOTE:
[2]BNH: FY 2022 results adjusted for one-off gain on derecognition of equity accounted investee amounting to BHD 5.9mn.

TRANSITION IMPACT ON NET PROFIT:
Count: 3 insurers
FY 2022: Overall increase of ~63% in Net Profit (compared to IFRS 4 as presented in Table 24).

TABLE 22: INSURANCE REVENUE

All amounts in BHD '000

Organized in descending order of Insurance Revenue

Entity	FY 2022	FY 2023	Growth (%)	FY 2022 Per IFRS 4
BKIC	101,926	109,988	8%	101,191
SOLID[1]	47,657	50,301	6%	47,657
BNH	45,450	45,054	-1%	41,584
TAKAFUL	23,994	24,363	2%	24,431
TOTAL	**219,027**	**229,706**	**4.9%**	**214,863**

TABLE 23: COMBINED RATIO

Organized in descending order of Insurance Revenue

Entity	FY 2022	FY 2023	Change (Percentage points)	FY 2022 Per IFRS 4
BKIC	97%	99%	2%	97%
SOLID[1]	96%	95%	-1%	96%
BNH	94%	94%	0%	90%
TAKAFUL	98%	100%	2%	96%
WEIGHTED AVERAGE	**96.2%**	**97.3%**	**1.1%**	**95.5%**

TABLE 24: NET PROFIT COMPOSITION

Organized in descending order of Insurance Revenue

Entity	FY 2022	FY 2023	Change (%)	FY 2023 Proportion of Insurance Services (Net)	FY 2023 Proportion of Investment Income (Net)	FY 2022 Per IFRS 4
BKIC	5,839	5,174	-11%	20%	80%	4,929
SOLID[1]	4,561	5,210	14%	48%	52%	4,561
BNH[2]	11,439	7,226	-37%	36%	64%	7,003
TAKAFUL	1,253	1,513	21%	3%	97%	1,703
TOTAL	**23,092**	**19,123**	**-17.2%**	32%	68%	**18,196**
TOTAL (adj)	**17,220**	**19,123**	**11.1%**			**12,324**

Data source: Financial Statements, 31 December 2023
Retrieved on or before: 31 March 2024

Data Tables - Bahrain (2/2)

Investment Income
W/AVG ROI: 4.9%

NOTES:
[2]BNH: FY 2022 results include a one-off gain on derecognition of equity accounted investee amounting to BHD 5.9mn.

Investment Portfolio
Cash equivalents: 24%

Initial application of IFRS 17
Impact on Equity: -0.02%

GUIDANCE:
Impact of initial application of IFRS 17 on Equity as at 1 January 2022.

TABLE 25A: INVESTMENT INCOME

All amounts in BHD '000

Organized in descending order of Insurance Revenue

Entity	FY 2022	FY 2023	Return on Investment (%)	FY 2022 Per IFRS 4
BKIC	3,048	4,575	5.2%	3,048
SOLID[1]	2,556	2,731	3.2%	2,556
BNH[2]	8,667	4,655	2.7%	2,887
TAKAFUL	829	1,469	-3.4%	829
TOTAL	**15,100**	**13,430**	**4.9%**	**9,320**
Adjusted	**9,228**	**13,430**		**3,448**

TABLE 25B: INVESTMENT PORTFOLIO COMPOSITION

Organized in descending order of Insurance Revenue

Entity	Total FY 2023	Cash & cash equivalents	Equities & Other	Investment Properties
BKIC	103,522	34%	64%	2%
SOLID	67,276	32%	68%	0%
BNH	93,439	6%	91%	2%
TAKAFUL	32,578	29%	71%	0%
TOTAL	**296,815**	**24%**	**74%**	**1%**

TABLE 26: IMPACT OF INITIAL APPLICATION OF IFRS 17

Organized in descending order of Insurance Revenue

Entity	Impact of initial application of IFRS 17	Impact of initial application of IFRS 17 (%)
TAKAFUL	(433)	-3.7%
BKIC	(554)	-1.3%
BNH	964	1.5%
TOTAL	**(23)**	**0.0%**

Data source: Financial Statements, 31 December 2023
Retrieved on or before: 31 March 2024

Data Tables - Kuwait (1/2)

Insurance Revenue
Growth Rate: 7.9%

TRANSITION IMPACT ON REVENUE:
Count: 6 insurers
[1]Limited information to calculate GEP for FY 2022 as per IFRS 4.

Combined Ratio
Combined Ratio: 96.9%
W/AVG Change: Increase of 0.4% points

TRANSITION IMPACT ON COMBINED RATIO:
Count: 6 insurers
Not applicable.
[1]Limited information.

Net Profit
Net Profit Growth: -8.8%

W/AVG CONTRIBUTION TO NET PROFIT:
Underwriting segment: 35%
Investment segment: 65%

NOTES:
[1]GINS: FY 2023 results adjusted for one-off gain on bargain purchase from acquisition of 95.3% shares of AIG Egypt Insurance Company S.A.E.(AIG) amounting to KWD 4.6mn.

[2]KINS: FY 2022 results adjusted for one-off realized gain of KWD 31.7mn on derecognition of AFS investments in Al Ahli United Bank which were acquired by KFH through a share swap on 2 October 2022.

TRANSITION IMPACT ON NET PROFIT:
Count: 6 insurers
FY 2022: Decrease of 4.4% in Net Profit (compared to IFRS 4 as presented in Table 29).

TABLE 27: INSURANCE REVENUE

All amounts in KWD '000

Organized in descending order of Insurance Revenue

Entity	FY 2022	FY 2023	Growth (%)	FY 2022[1] Per IFRS 4
GINS	764,904	818,298	7%	NA
ALINS	104,683	121,420	16%	NA
KINS	50,679	53,754	6%	NA
WINS	39,782	43,190	9%	NA
FTI	3,483	3,984	14%	NA
WETHAQ	3,473	2,581	-26%	NA
TOTAL	**967,004**	**1,043,226**	**7.9%**	NA

TABLE 28: COMBINED RATIO

Organized in descending order of Insurance Revenue

Entity	FY 2022	FY 2023	Change	FY 2022[1] Per IFRS 4
GINS	98%	98%	1%	NA
ALINS	94%	92%	-1%	NA
KINS	90%	90%	0%	NA
WINS	90%	89%	-1%	NA
FTI	67%	107%	40%	NA
WETHAQ	94%	97%	3%	NA
WEIGHTED AVERAGE	**96.5%**	**96.9%**	**0.4%**	NA

TABLE 29: NET PROFIT COMPOSITION

Organized in descending order of Insurance Revenue

Entity	FY 2022	FY 2023	Change (%)	FY 2023 Proportion of Insurance Services (Net)	FY 2023 Proportion of Investment Income (Net)	FY 2022 Per IFRS 4
GINS[1]	36,850	29,529	-20%	27%	73%	43,047
ALINS	17,128	21,055	23%	42%	58%	17,978
KINS[2]	44,118	12,294	-72%	42%	58%	42,085
WINS	4,859	7,115	46%	66%	34%	3,112
FTI	140	(231)	-264%	100%	0%	140
WETHAQ	83	88	6%	44%	56%	83
TOTAL	**103,179**	**69,851**	**-32.3%**	**35%**	**65%**	**106,446**
Adjusted	**71,479**	**65,209**	**-8.8%**			**74,746**

Data source: Financial Statements, 31 December 2023
Retrieved on or before: 31 March 2024

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Data Tables - Kuwait (2/2)

Investment Income
W/AVG ROI: 4.2%

TRANSITION IMPACT ON INVESTMENT INCOME:
Count: 6 insurers
FY 2022: Increase of 0.2% in Investment Income (compared to IFRS 4 as presented in Table 30A).

TABLE 30A: INVESTMENT INCOME

All amounts in KWD '000

Organized in descending order of Insurance Revenue

Entity	FY 2022	FY 2023	Return on Investment (%)	FY 2022 Under IFRS 4
GINS[1]	26,942	34,974	4.8%	27,287
ALINS	11,552	12,825	4.6%	11,552
KINS[2]	41,092	7,464	4.1%	40,643
WINS	995	2,478	4.5%	995
FTI	351	256	2.5%	351
WETHAQ	203	114	2.1%	203
TOTAL	**81,135**	**58,111**	**4.6%**	**81,031**
Adjusted	**49,435**	**53,469**	**4.2%**	**49,331**

Investment Portfolio
Cash equivalents: 39%

TABLE 30B: INVESTMENT PORTFOLIO COMPOSITION

Organized in descending order of Insurance Revenue

Entity	Total FY 2023	Cash & cash equivalents	Equities & Other	Investment Properties
GINS	750,863	29%	70%	1%
ALINS	262,419	68%	28%	5%
KINS	182,499	43%	57%	0%
WINS	62,348	20%	80%	0%
FTI	5,393	29%	71%	0%
WETHAQ	5,377	25%	21%	54%
TOTAL	**1,268,900**	**39%**	**60%**	**2%**

External Borrowing
Total Debt: 3.2% of Total Assets

TABLE 31: EXTERNAL BORROWING

Organized in descending order of Insurance Revenue

Entity	Total Assets	Borrowing	Debt/Total Assets
GINS	1,175,416	56,198	5%
ALINS	374,661	-	0%
KINS	226,490	-	0%
WINS	92,106	4,000	4%
FTI	18,369	-	0%
WETHAQ	10,496	-	0%
TOTAL	**1,897,538**	**60,198**	**3.2%**

Initial application of IFRS 17
Impact on Equity: 0.7%

GUIDANCE:
Impact of initial application of IFRS 17 on Equity as at 1 January 2022.
ND: Not disclosed.

TABLE 32: IMPACT OF INITIAL APPLICATION OF IFRS 17

Organized in descending order of Insurance Revenue

Entity	Impact of initial application of IFRS 17	Impact of initial application of IFRS 17 (%)
GINS	(1,027)	-0.3%
ALINS	684	0.5%
KINS	8,145	6.9%
WINS	(3,321)	-8.2%
FTI	ND	ND
WETHAQ	ND	ND
TOTAL	**4,482**	**0.7%**

Data source: Financial Statements, 31 December 2023
Retrieved on or before: 31 March 2024

Data Tables - Qatar (1/2)

Insurance Revenue
Growth Rate: -0.7%

NOTES:
[1]Entities that have not transitioned to IFRS 17 or the equivalent thereof. For inclusion in this report, Insurance Revenue is comparable to Gross Earned Premium.
[2]**QATI:** GEP for FY 2022 under IFRS 4 assumed to be equivalent to Insurance Revenue as per IFRS 17.
[3]**BEEMA** listed on QSE with effect from 16 January 2023.

TRANSITION IMPACT ON REVENUE:
Count: 5 insurers
FY 2022: Reduction of 0.1% in Revenue (compared to GEP under IFRS 4 as presented in Table 33).

Combined Ratio
Combined Ratio: 96.6%
W/AVG Change: Decrease of 8.4% points

NOTES:
[2,4] QATI, QGRI: Excludes loss from discontinued operations.

TRANSITION IMPACT ON COMBINED RATIO:
Count: 5 insurers
FY 2022: Increase of 4.6% points (compared to Combined Ratio under IFRS 4 as presented in Table 34).

Net Profit
Change: NM

NOTES:
[2,4] QATI, QGRI: Insurance segment includes loss from discontinued operations.

TRANSITION IMPACT ON NET PROFIT:
Count: 5 insurers
FY 2022: Decrease of 60.9% in Net Profit (compared to IFRS 4 as presented in Table 35).

TABLE 33: INSURANCE REVENUE

All amounts in QAR '000

Organized in descending order of Insurance Revenue

Entity	FY 2022	FY 2023	Growth (%)	FY 2022 Under IFRS 4
QATI[2]	6,888,741	6,308,923	-8%	6,308,923
DOHI	1,227,271	1,373,549	12%	1,250,202
ALKOOT	887,784	1,173,899	32%	885,837
QLMI	1,212,495	1,123,639	-7%	1,196,254
QGRI	717,800	768,212	7%	725,894
QISI[1]	453,715	524,670	16%	453,715
BEEMA[1,3]	360,291	378,982	5%	360,291
AKHI[1]	320,534	326,464	2%	320,534
TOTAL	**12,068,631**	**11,978,338**	**-0.7%**	**11,335,623**

TABLE 34: COMBINED RATIO

Organized in descending order of Insurance Revenue

Entity	FY 2022	FY 2023	Change (percentage points)	FY 2022 Under IFRS 4
QATI[2]	114%	97%	-17%	106%
DOHI	94%	95%	1%	94%
ALKOOT	93%	96%	3%	92%
QLMI	97%	98%	1%	96%
QGRI[4]	104%	115%	11%	103%
QISI[1]	76%	88%	11%	76%
BEEMA[1,3]	79%	83%	4%	79%
AKHI[1]	93%	91%	-2%	93%
WEIGHTED AVERAGE	**105.0%**	**96.6%**	**-8.4%**	**101.3%**

TABLE 35: NET PROFIT COMPOSITION

Organized in descending order of Insurance Revenue

Entity	FY 2022	FY 2023	Change (%)	FY 2023 Proportion of Insurance Services (Net)	FY 2023 Proportion of Investment Income (Net)	FY 2022 Under IFRS 4
QATI[2]	(1,183,188)	615,338	NM	0%	100%	(636,791)
DOHI	103,783	150,749	45%	53%	47%	102,106
ALKOOT	67,893	102,657	51%	46%	54%	71,174
QLMI	73,239	76,279	4%	29%	71%	83,290
QGRI[4]	(527,260)	(1,613,546)	NM	7%	93%	(530,478)
QISI[1]	101,335	142,799	41%	74%	26%	101,335
BEEMA[1,3]	56,625	70,279	24%	66%	34%	56,625
AKHI[1]	56,544	64,575	14%	46%	54%	56,544
TOTAL	**(1,251,029)**	**(390,871)**	**NM**	**20%**	**80%**	**(696,196)**

Data source: Financial Statements, 31 December 2023
Retrieved on or before: 31 March 2024

Data Tables - Qatar (2/2)

Investment Income
W/AVG ROI: -0.9%

TRANSITION IMPACT ON INVESTMENT INCOME:
Count: 5 insurers
FY 2022: Increase of 1.9% in Investment Income (compared to IFRS 4 as presented in Table 36A).

TABLE 36A: INVESTMENT INCOME

All amounts in QAR '000

Organized in descending order of Insurance Revenue

Entity	FY 2022	FY 2023	Return on Investment (%)	FY 2022 Under IFRS 4
QATI[2]	818,524	921,622	4.5%	820,727
DOHI	24,092	67,405	4.1%	24,588
ALKOOT	2,000	55,000	N/A	2,000
QLMI	38,524	54,670	4.0%	38,524
QGRI	(502,109)	(1,498,769)	-21.3%	(511,999)
QISI[1]	15,082	22,943	2.7%	15,082
BEEMA[1,3]	25,254	32,689	2.5%	25,254
AKHI[1]	30,269	32,454	4.8%	30,269
TOTAL	**451,636**	**(311,986)**	**-0.9%**	**444,445**

Investment Portfolio
Cash equivalents: 26%

TABLE 36B: INVESTMENT PORTFOLIO COMPOSITION

Organized in descending order of Insurance Revenue

Entity	Total FY 2023	Cash & cash equivalents	Equities & Other	Investment Properties
QATI[2]	19,827,147	28%	69%	3%
DOHI	1,617,750	36%	51%	13%
QLMI	1,297,167	47%	53%	0%
QGRI	4,829,274	5%	38%	56%
QISI[1]	855,169	56%	20%	24%
BEEMA[1,3]	921,854	14%	86%	0%
AKHI[1]	710,392	34%	33%	33%
TOTAL	**30,058,753**	**26%**	**61%**	**13%**

External Borrowing
Total Debt: 8.5% of Total Assets

TABLE 37: EXTERNAL BORROWING

Organized in descending order of Insurance Revenue

Entity	Total Assets	Borrowing	Borrowing/Total Assets
QATI[2]	28,682,276	2,229,691	8%
DOHI	2,786,692	65,913	2%
QLMI	1,397,980	254,214	18%
QGRI	5,626,471	1,054,382	19%
QISI[1]	1,330,417	-	0%
BEEMA[1,3]	1,421,626	1,006	0%
AKHI[1]	1,039,613	-	0%
TOTAL	**42,285,075**	**3,605,206**	**8.5%**

Initial application of IFRS 17
Impact on Equity: -7.0%

GUIDANCE:
Impact of initial application of IFRS 17 on Equity as at 1 January 2022.

TABLE 38: IMPACT OF INITIAL APPLICATION OF IFRS 17

Organized in descending order of Insurance Revenue

Entity	Impact of initial application of IFRS 17	Impact of initial application of IFRS 17 (%)
QATI	(1,211,783)	-14.2%
DOHI	(9,952)	-0.8%
ALKOOT	61,551	8.9%
QLMI	26,300	4.3%
QGRI	(4,474)	-0.1%
TOTAL	**(1,138,358)**	**-7.0%**

Data source: Financial Statements, 31 December 2023
Retrieved on or before: 31 March 2024

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