

Insurance Industry

United Arab Emirates

2022

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SHMA CONSULTING



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ABOUT US

SHMA Consulting first offered actuarial services relating to insurance in Saudi Arabia in 2003, and currently provides actuarial services to 8 companies in Saudi Arabia, 11 insurance companies in the UAE and other insurance companies in the GCC (Kuwait, Oman, Qatar and Bahrain).

SHMA Consulting has been providing actuarial services to insurance companies since 1990 and to companies in the GCC (starting with the UAE) since early 1997. We are currently engaged with one of the biggest names in the UAE Insurance Sector, including ADNIC, ADNTC, Orient, etc.

We provide a range of services to our valued business partners across the globe including Europe, the Middle East, Southeast Asia and the Far East. Our specialty services include financial reporting, product and business development and enterprise risk management. In addition, our firm provides expert personnel outsourcing for allowing organizations to engage in full-time consulting for long-term cost effectiveness.

Life Insurance

- IFRS, statutory & embedded valuations
- Product development, pricing & reserving
- Experience studies
- Advising on agency & broker compensation structures, reinsurance arrangements, underwriting policies and capital adequacy

- Actuarial reserving and certifications
- Underwriting and pricing solutions
- Data and predictive analytics
- Advising on reinsurance arrangements, underwriting and claims practices
- Profitability and capital adequacy analysis

General Insurance

Retirement Benefits

- Valuations for financial reporting
- Advise on benefit design and cost benefit analysis
- Pension benefits administration
- Benefit communication material
- Provident fund maintenance software and audit of retirement schemes and funds

- ERM Framework and risk management policies and procedures
- Risk identification tools and training
- Risk measurement and quantification by using a capital model
- Asset liability management policy
- Advising on risk appetite and controls

ERM and Capital Modeling

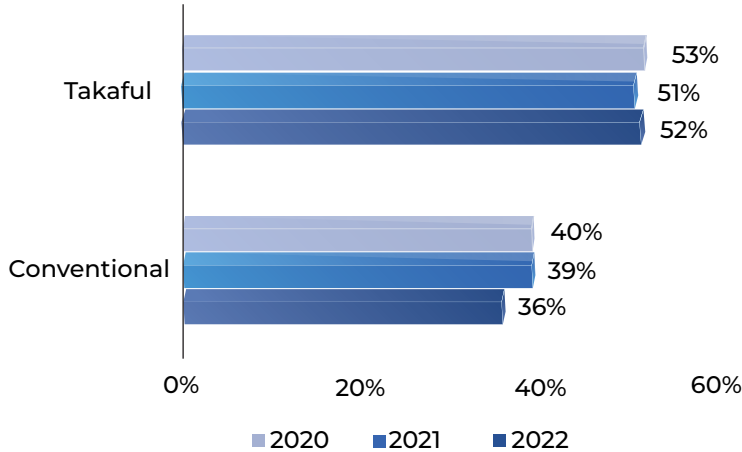
Our Services

LIMITATIONS & DISCLAIMERS

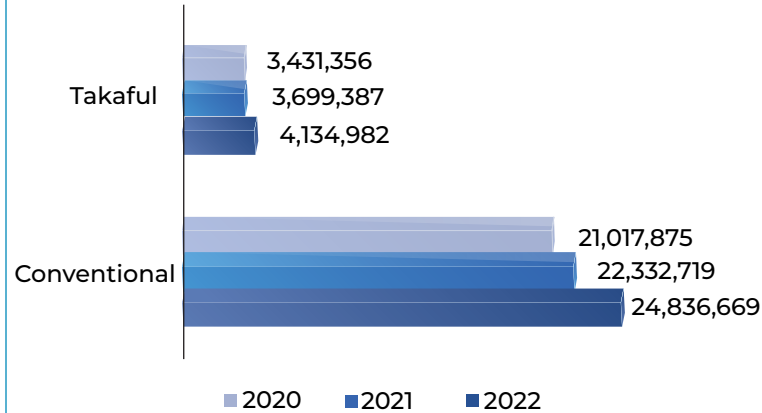
- ❖ The data used for the preparation of this report has been collected from Abu Dhabi Security Exchange and Dubai Financial Market. The data was extracted from the financial statements of the listed companies. Reliance is placed on the figures provided in the Company's Financial Reports. SHMA Consulting will accept no liability for loss directly or indirectly from your use of this document.
- ❖ For those takaful companies where the breakup of the items between policyholder and shareholder is not provided in the main statement of financial position, the accompanying notes have been used to acquire the split. The balance sheet figures in the main statement can be slightly different than the amounts in the notes. However, the difference is immaterial and has no impact on our analysis. For takaful companies, the net profit/(loss) shown in the report is related to the shareholders only.
- ❖ This industry report is intended to provide general information only; we are not providing actuarial, investing, accounting, business, financial, legal, tax, or other professional advice or services through it. This research is not intended to replace professional advice or services, nor should it be used to make any decisions or take any actions that may damage your finances or business.
- ❖ The content of this industry report published by SHMA Consulting provide information to the general public and insurance sector. The Objective of this report is to use our professional research and experience to bring compliance and information sharing to the industry.
- ❖ We have used 28 listed companies in our analysis which includes 8 Takaful and 20 Conventional Insurance Companies.

PERFORMANCE HIGHLIGHTS

Retention Ratios



Gross Premium by Sector (Mn)

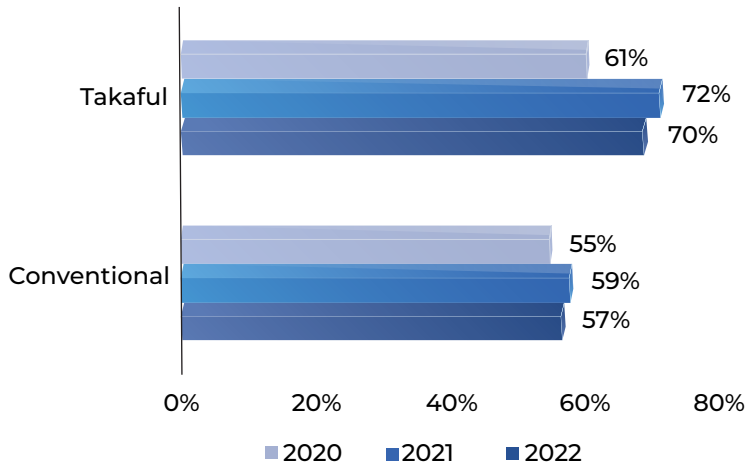


Total Gross Written Premium

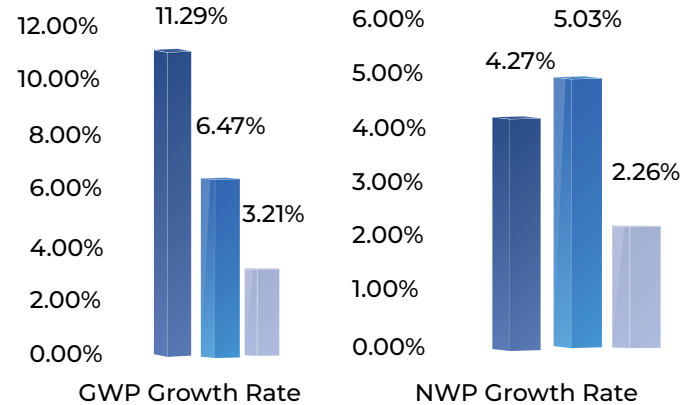
AED 28.97 Bn.

▲ +11.292 %

Loss Ratios



Premium Growth Rate



Total Assets

AED 66.394 Bn.

▲ +6.28 %

Total Profit / Loss

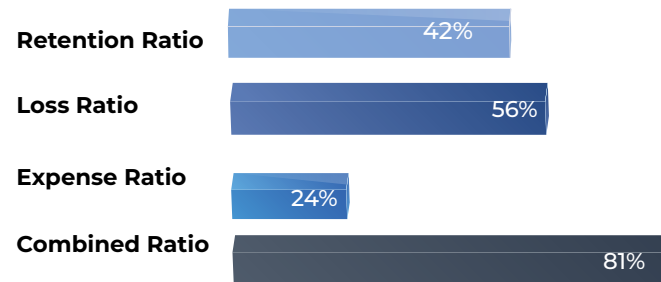
AED 1.504 Bn.



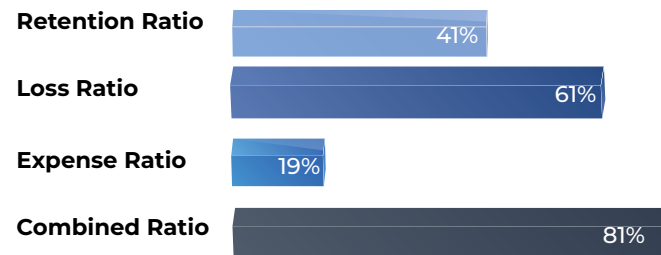
- ❖ UAE Insurance Industry experienced a higher growth in revenue in 2022 as compared to 2021, due to continued recovery from the COVID-19 pandemic.
- ❖ National Takaful Company (Watania) merged with Dar Al Takaful in July 2022. Watania is no longer individually listed and hence will not be publishing individual financial statements going forward.
- ❖ Orient Insurance Company in partnership with Mashreq, one of the leading financial institutions in the United Arab Emirates, is developing a new savings plan called "Orient Educare".
- ❖ Sukoon, formerly known as Oman Insurance Company, has ended the financial year 2022 with an 8.5% increase in its net result to 223.6 million AED (60.9 million USD). This is one of the highest profits in the company's history and is rated "A" by Standard & Poor's, "A" by AM Best and "A2" by Moody's.
- ❖ All Actuarial reports (Financial Condition Report (FCR), Pricing Reports, Underwriting Performance Review Reports, Solvency Recovery Plans, Life Products, and Distribution) must be accompanied by relevant QACs
- ❖ The shareholders of Islamic Arab Insurance Company (SALAMA) have approved the reduction of the company's share capital. It will be brought down from 1.21 Billion to 939 Million.
- ❖ The new UAE Unemployment Insurance Scheme has become mandatory for national and expatriate employees in the public and private sectors. Employees who fail to underwrite the unemployment insurance coverage will have to pay 400 AED. The program aims to compensate employees who have involuntarily lost their jobs.
- ❖ Charalampos Mylonas (Haris) has been promoted as CEO of Abu Dhabi National Insurance Company (ADNIC). The appointment will be effective as of 1st March, 2023. He joined ADNIC in 2020 as an Executive Vice President before becoming Deputy CEO in 2022.
- ❖ Informed sources revealed that three listed Emirati Insurers are in advanced talks to merge and form a new insurance giant in the UAE. Companies, whose names were not disclosed, would currently be initiating due diligence procedures before finalizing the merger agreement.

INDUSTRY BENCHMARKS

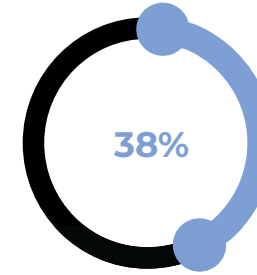
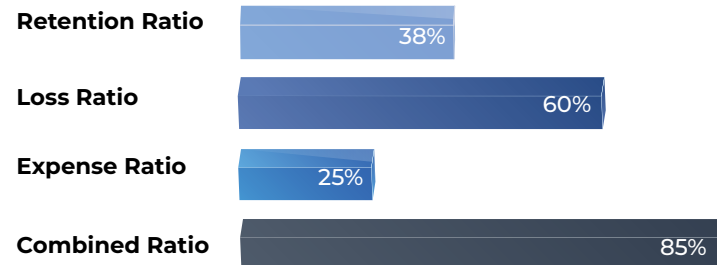
2020



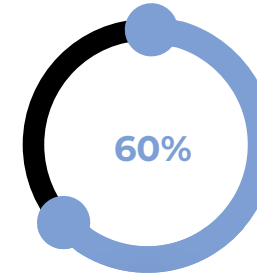
2021



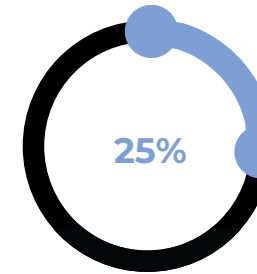
2022



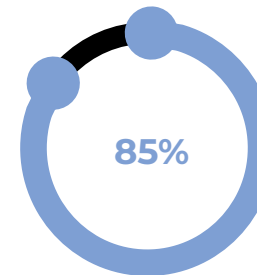
Weighted Average Retention Ratio



Weighted Average Loss Ratio



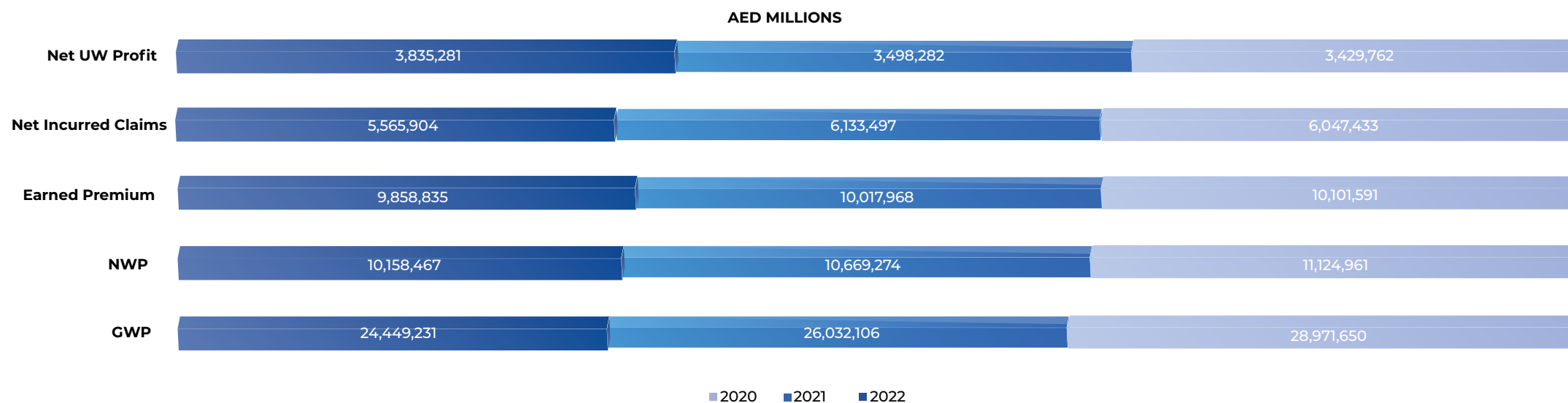
Weighted Average Expense Ratio



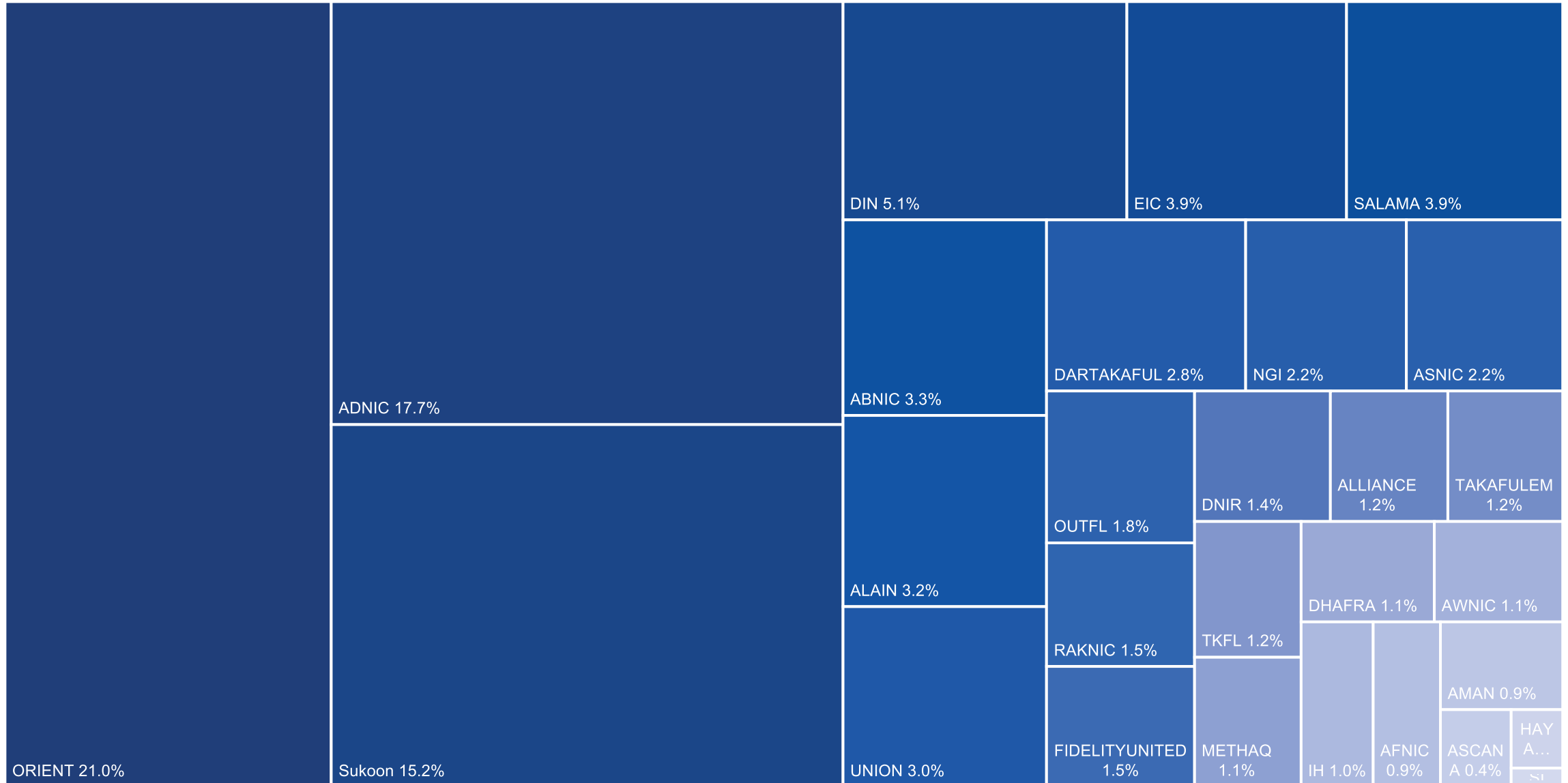
Weighted Average Combined Ratio

AGGREGATE PERFORMANCE

For the year ending in 2022, the listed firms' Gross Written Premium increased by 11%. By the end of 2022, the GWP had increased to AED 28 billion from AED 26 billion. The Net Written Premium rose for the year ending in 2022 by 4.27%. At the conclusion of the 2022 calendar year, the Net Underwriting Profit decreased by 2%. Additionally, the total incurred claims decreased by 1%.

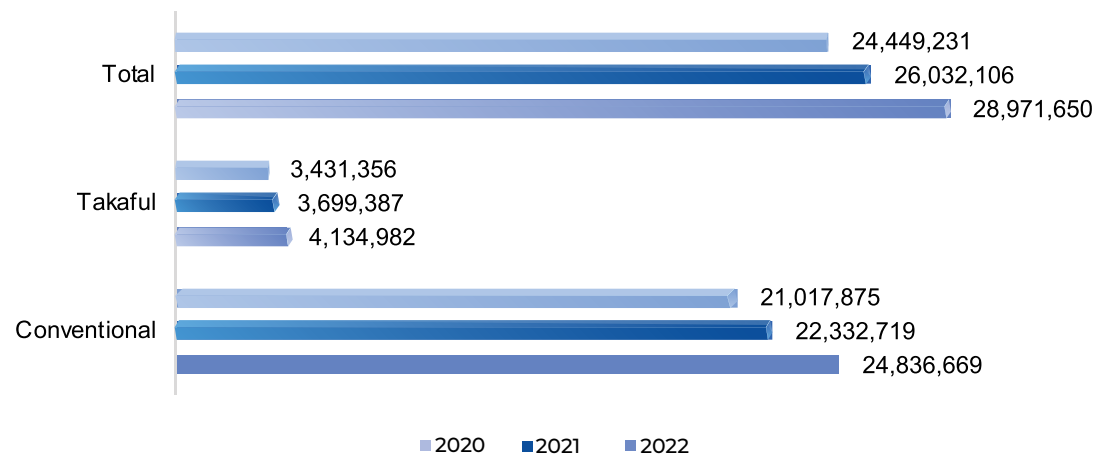


MARKET SHARE PROPORTION

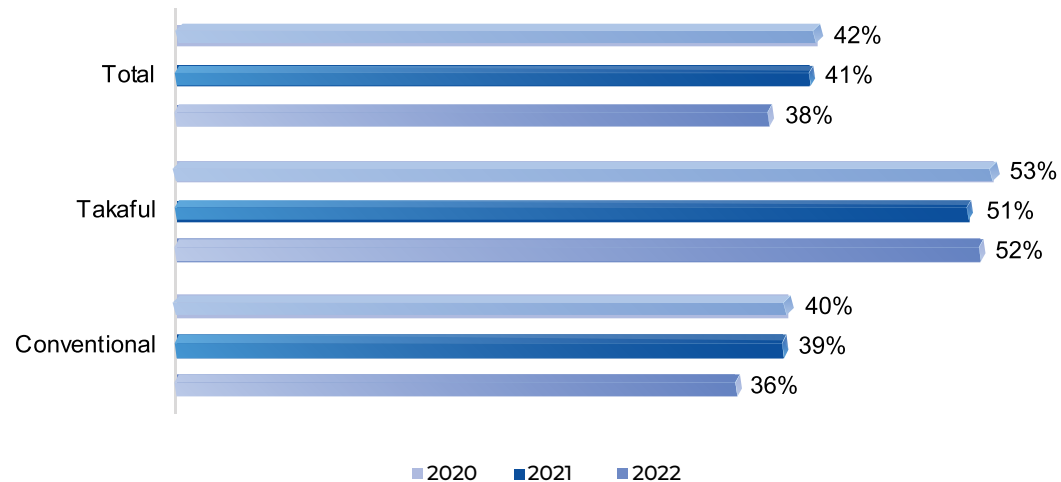


GROSS WRITTEN PREMIUM AND RANKINGS

Gross Written Premium



Retention Ratio



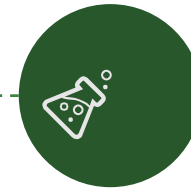
1. Orient	—	18. Takaful Emarat	▼
2. ADNIC	—	19. TKFL	▲
3. SUKoon	—	20. Methaq	▲
4. DIN	—	21. Al Dhafra	▼
5. Emirates insurance	▲	22. Al Wathba	▼
6. SALAMA	▲	23. Insurance House	▲
7. ABNIC	▲	24. Al Fujairah	—
8. Al Ain	▼	25. AMAN	▼
9. Union Insurance	▼	26. ASCANA	—
10. Dar Takaful	—	27. HAYAH	—
11. NGI	—	28. SICO	—
12. ASNIC	▲		
13. OUTFL	▲		
14. RAKNIC	—		
15. United Fidelity	▲		
16. DNIR	▲		
17. Alliance	▲		

PREMIUM COMPOSITION TOP 10 VS OTHER COMPANIES



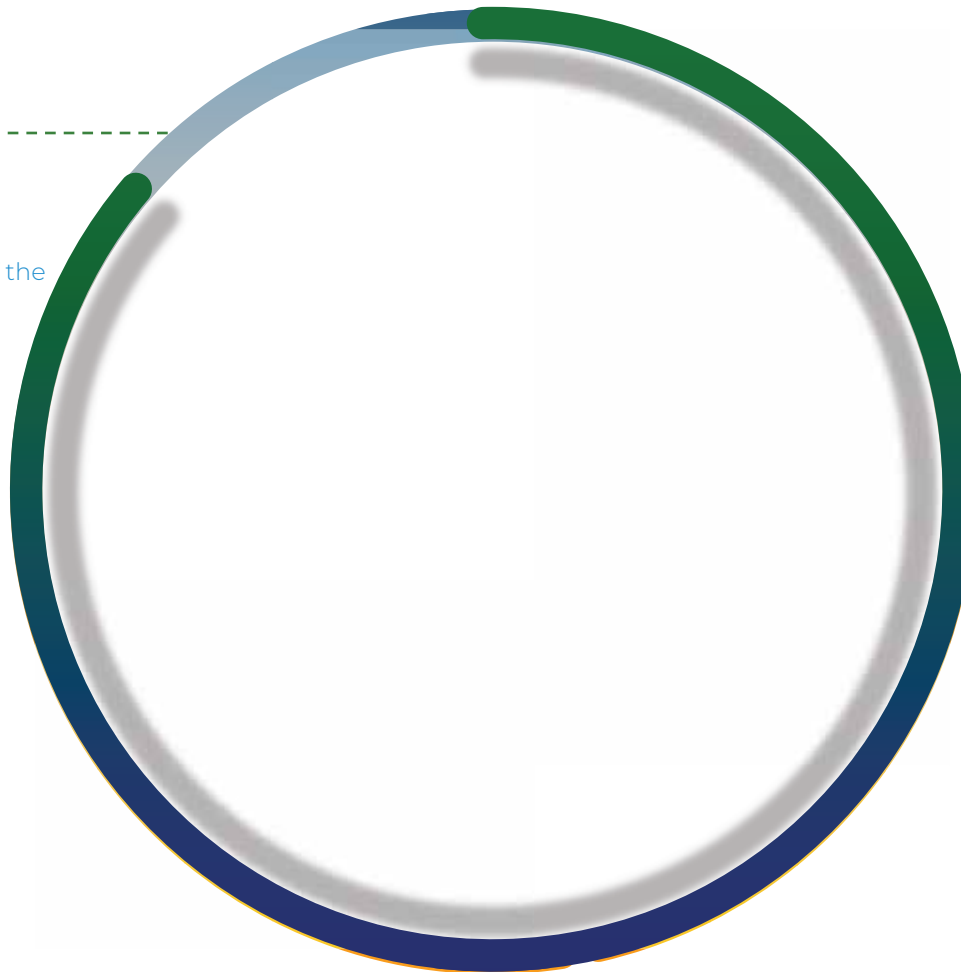
Other Companies

All other companies' makeup the remaining 21% of the Market Share



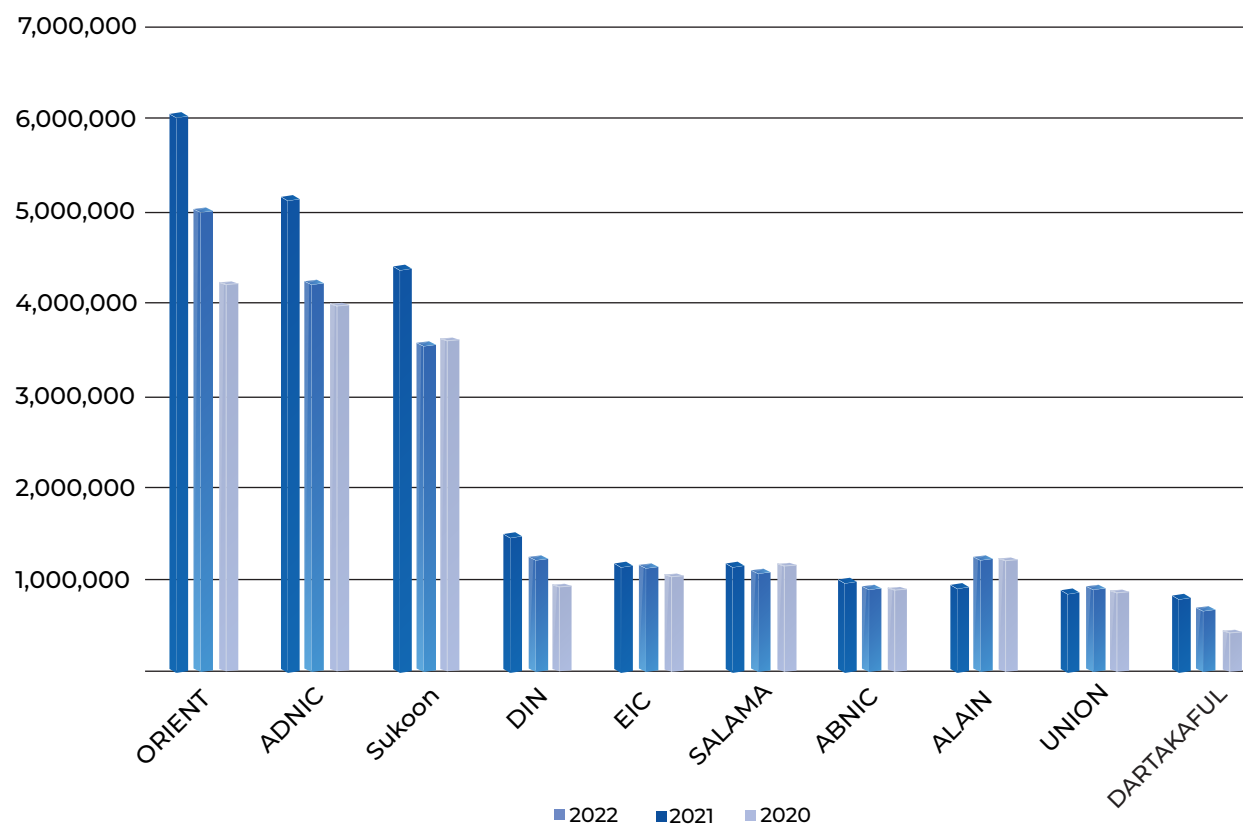
Top 10 Companies

The top 10 companies' makeup an overwhelming 79% of the Market Share



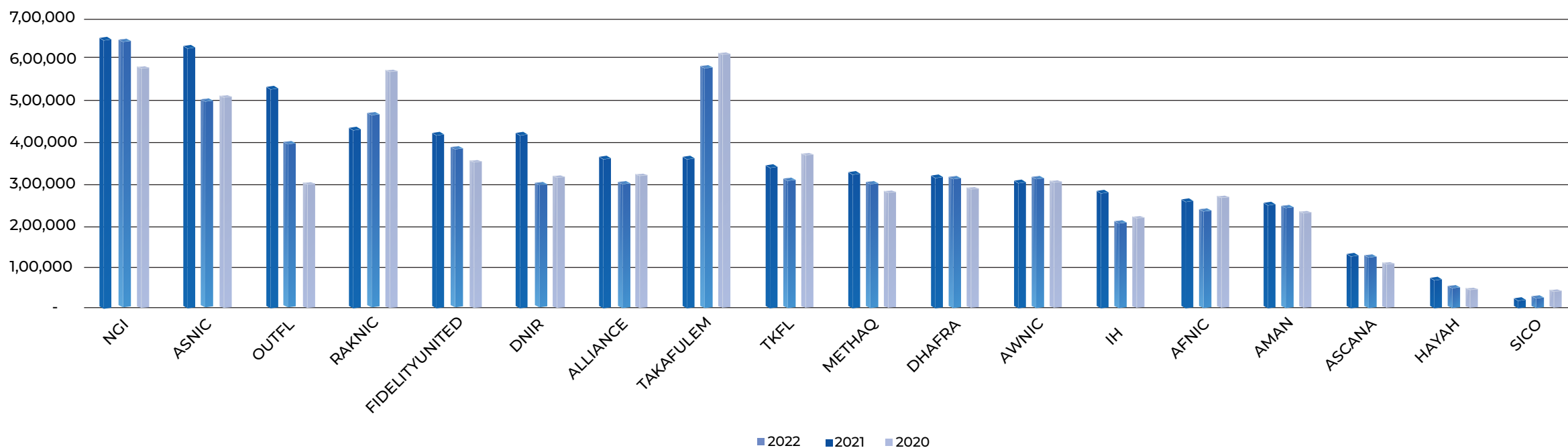
GROSS WRITTEN PREMIUM – TOP 10 COMPANIES

The total GWP of the top 10 companies increased from AED 19,956,870 in 2021 to AED 22,852,025 in 2022, which indicates an overall growth of approximately 14.5%. ORIENT and ADNIC were the top two performers in terms of GWP in both 2021 and 2022. ORIENT had the highest GWP in both years, while ADNIC had the second-highest. ALAIN and UNION had a decrease in their growth rates from 2021 to 2022. ALAIN's growth rate decreased by approximately 23%, while decrease of 4% displayed by UNION. The bottom five companies, namely EIC, ABNIC, DARTAKAFUL, SALAMA, and DIN, had a combined market share of approximately 44% in 2022.



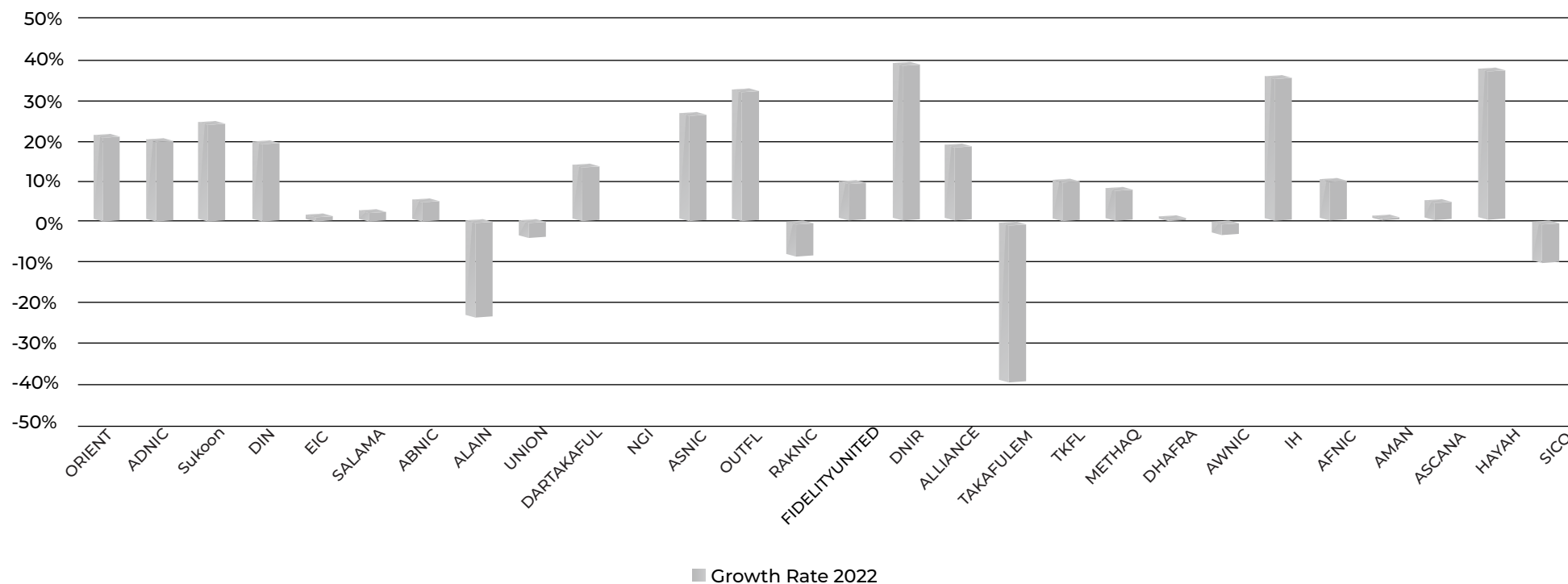
GROSS WRITTEN PREMIUM – OTHER COMPANIES

The total GWP of all the other companies increased from AED 6,075,235 in 2021 to AED 6,119,625 in 2022, which indicates a slight increase of approximately 21%. Other than the top ten companies, NGI and ASNIC were the top two performers in terms of GWP in 2022. NGI had the highest GWP in both years, while ASNIC had the second-highest. DNIR had the highest growth rate of approximately 39% in 2022, while TAKAFULEM had the highest drop in their GWP of approximately 39%. The rest of the companies are relatively small players compared to the other companies. However, some of them showed significant growth rates, such as IH and Hayah.



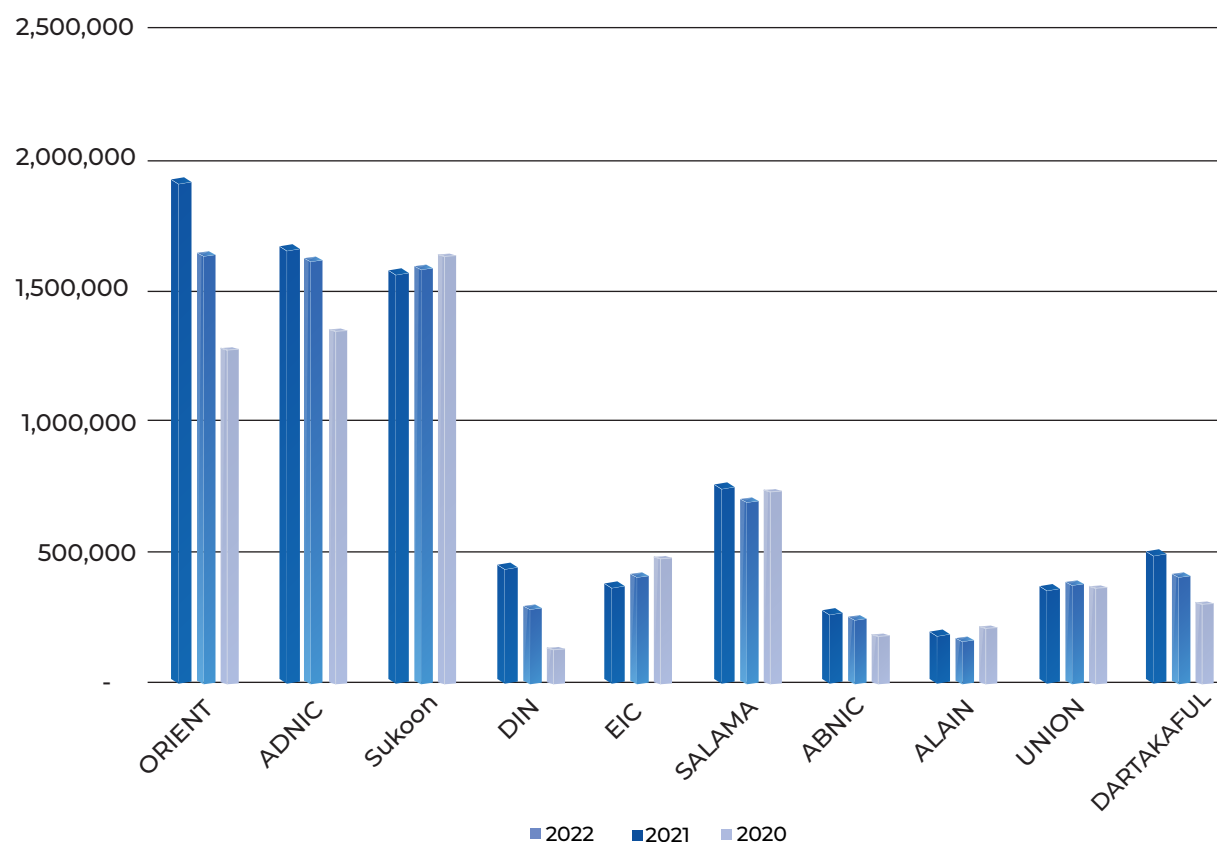
GROSS WRITTEN PREMIUM – MOVEMENT

The highest growth rate is 21%, reported by ORIENT, while the lowest growth rate is 0% reported by ASCANA, HAYAH, and SICO. The top-performing companies in terms of growth rate are ORIENT, ADNIC, and Sukoon, with growth rates of 21%, 18%, and 15%, respectively. These companies have outperformed the overall industry growth rate, which could be an indication of their strong market position and effective business strategies. On the other hand, companies with a growth rate of 5% or less, such as DIN, ALAIN, EIC, SALAMA, UNION, ABNIC, DARTAKAFUL, NGI, TAKAFULEM, RAKNIC, OUTFL, FIDELITYUNITED, AWWNIC, DHAFRA, TKFL, ALLIANCE, METHAQ, DNIR, AMAN, AFNIC, IH, ASCANA, HAYAH, and SICO, may need to assess their market position and business strategies to improve their growth rate.



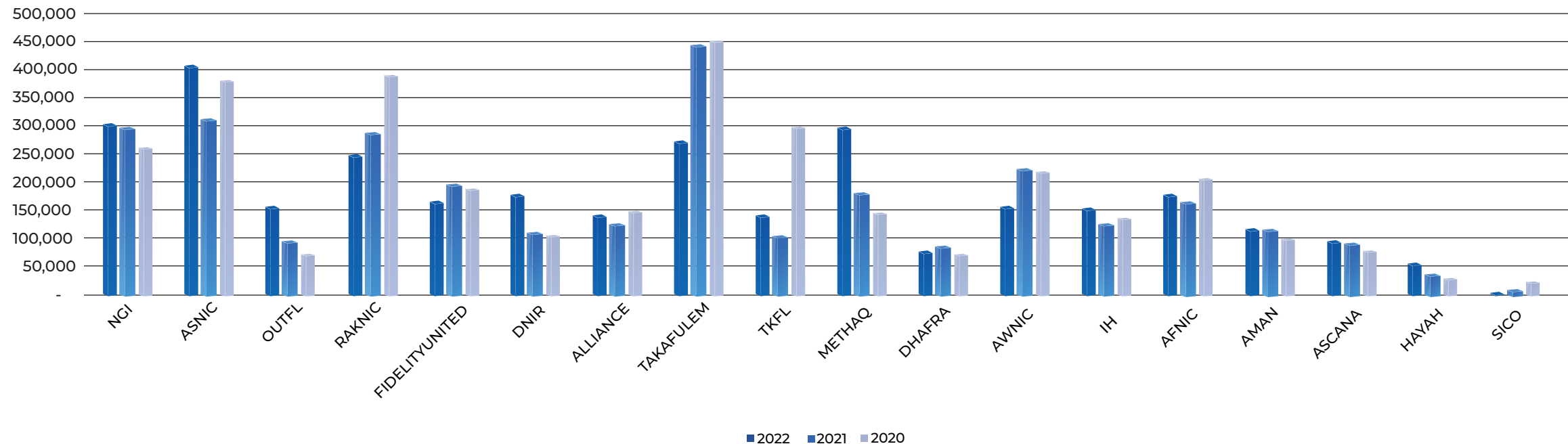
NET WRITTEN PREMIUM – TOP 10 COMPANIES

The top three companies in terms of NWP are ORIENT, ADNOC, and Sukoon, with ORIENT having the highest NWP in both years, at 1,651,259 in 2021 and 1,926,676 in 2022. However, UNION and EIC experienced a slight decline in NWP in 2022 compared to 2021, with UNION decreasing from 376,244 in 2021 to 364,171 in 2022 and EIC decreasing from 399,894 in 2021 to 363,755 in 2022. DARTAKFUL, ALAIN, SALAMA also saw an increase in NWP in 2022 compared to 2021. DIN had the most significant increase in NWP, from 298,437 in 2021 to 425,988 in 2022, indicating a growth rate of approximately 43%. ABNIC experienced a small increase in NWP, from 258,198 in 2021 to 262,865 in 2022. DARTAKAFUL also saw a significant increase in NWP among the top 10 companies, from 420,024 in 2021 to 494,966 in 2022, indicating a growth rate of approximately 18%.



NET WRITTEN PREMIUM – OTHER COMPANIES

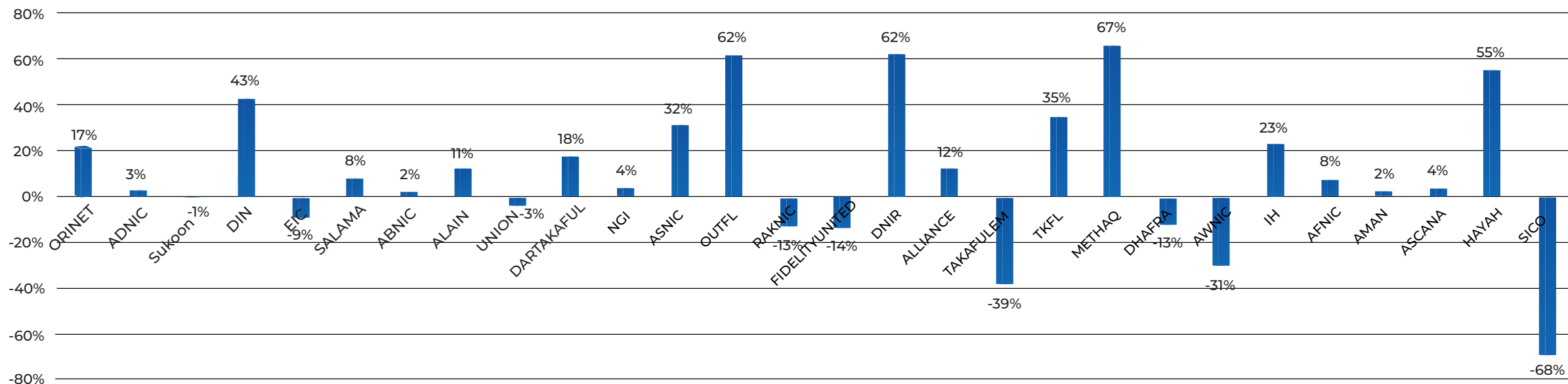
TAKAFULEM saw a significant decrease in their NWP from 2021 to 2022, with a drop of almost 40%. ASNIC saw an increase of about 32% in their NWP from 2021 to 2022. METHAQ saw a substantial increase in their NWP from 2021 to 2022, with a growth of almost 67%. DNIR also experienced a significant increase of almost 62% in their NWP from 2021 to 2022. Several companies saw a decrease in their NWP from 2021 to 2022, including RAKNIC, FIDELITYUNITED, AWNIC, DHAFRA, and SICO.



NET WRITTEN PREMIUM – MOVEMENT

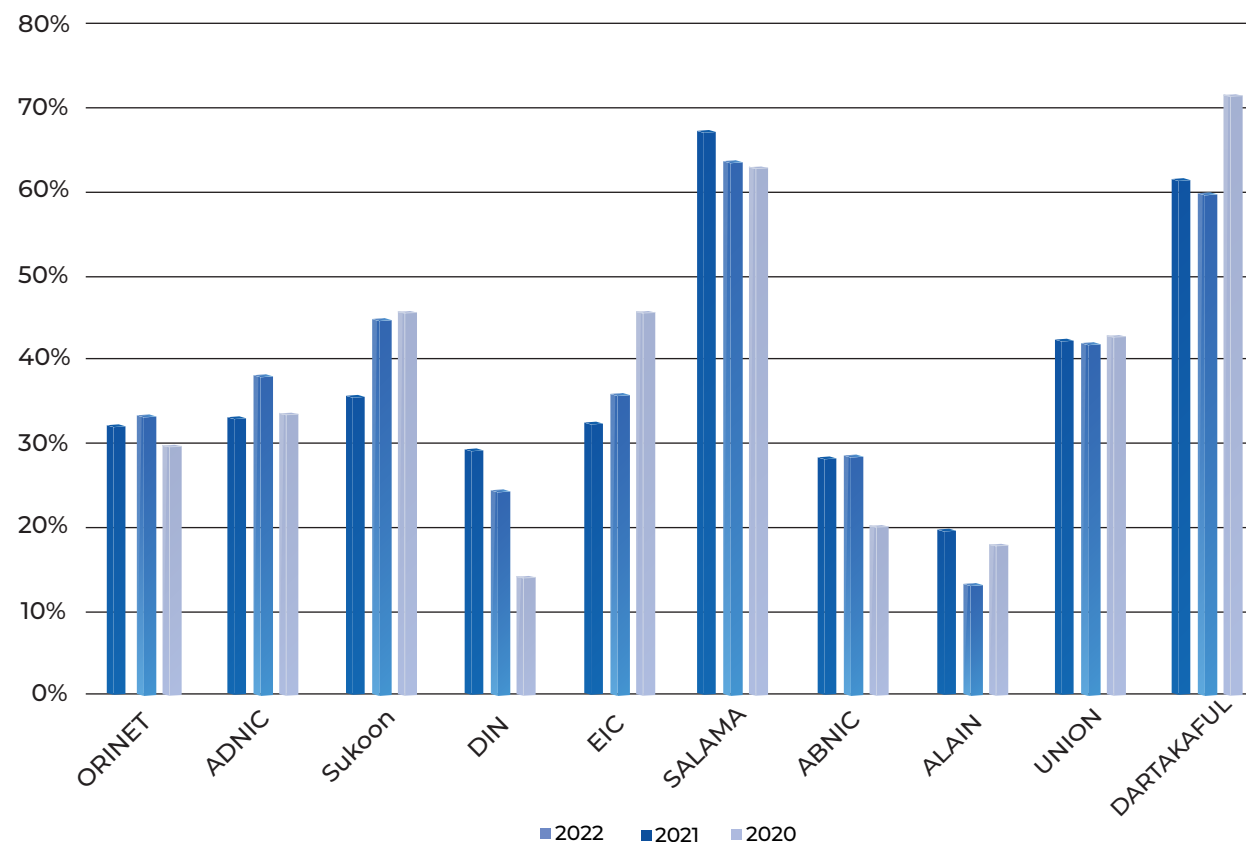
NWP-Movement

The highest growth rate is 17%, reported by ORIENT, while the lowest growth rate is 0% reported by HAYAH and SICO. The top-performing companies in terms of growth rate are ORIENT, ADNIC, and Sukoon, with growth rates of 17%, 15%, and 14%, respectively. These companies have outperformed the overall industry growth rate of 5.5%, which could be an indication of their strong market position and effective business strategies. SALAMA reported a growth rate of 7%, which is also significantly higher than the industry average. Other companies that have shown moderate growth rates include DIN, EIC, DARTAKAFUL, ASNIC, and METHAQ, with growth rates ranging between 3% to 4%. Furthermore, companies that reported a 0% growth rate, such as HAYAH and SICO, may need to evaluate their business model, customer segmentation, and product offerings to identify areas for improvement and growth.



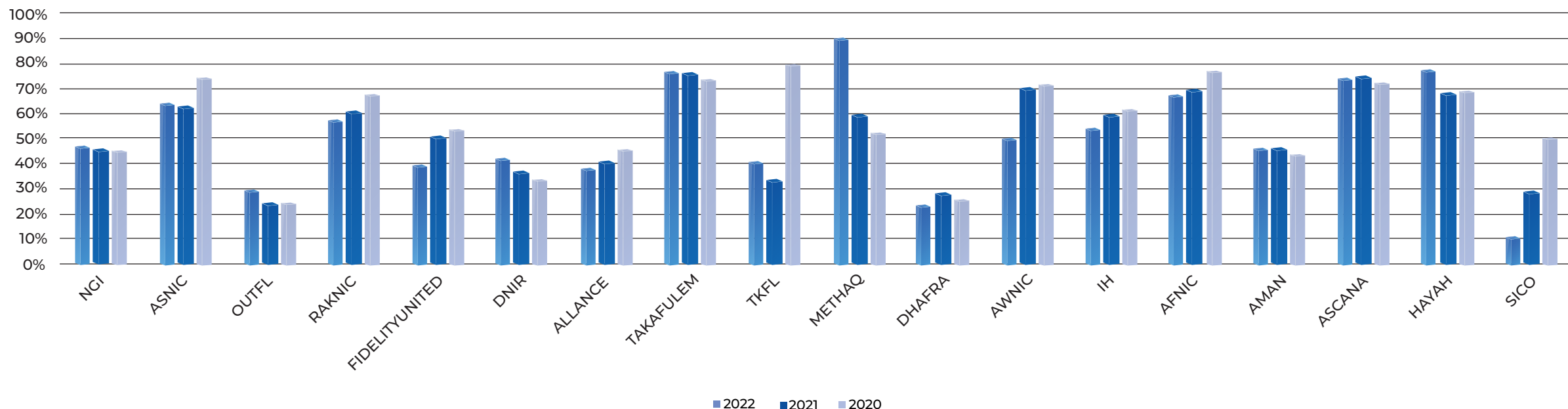
RETENTION RATIOS – TOP 10 COMPANIES

The Retention Ratios of the top 10 companies in the UAE Insurance Industry for 2022 range from 20% to 67%. SALAMA has the highest retention ratio of 67%, indicating that they have been able to retain a high percentage of their customers from the previous year. DARTAKAFUL has the second-highest retention ratio of 61%, followed by Sukoon with 36%, ORIENT and ADNIC with 32% each, and EIC with 32%. On the other hand, ALAIN has the lowest retention ratio of 20%, indicating that they have not been able to retain a significant portion of their customers from the previous year. DIN has the second-lowest retention ratio of 29%, followed by ABNIC at 28% and UNION at 42%.



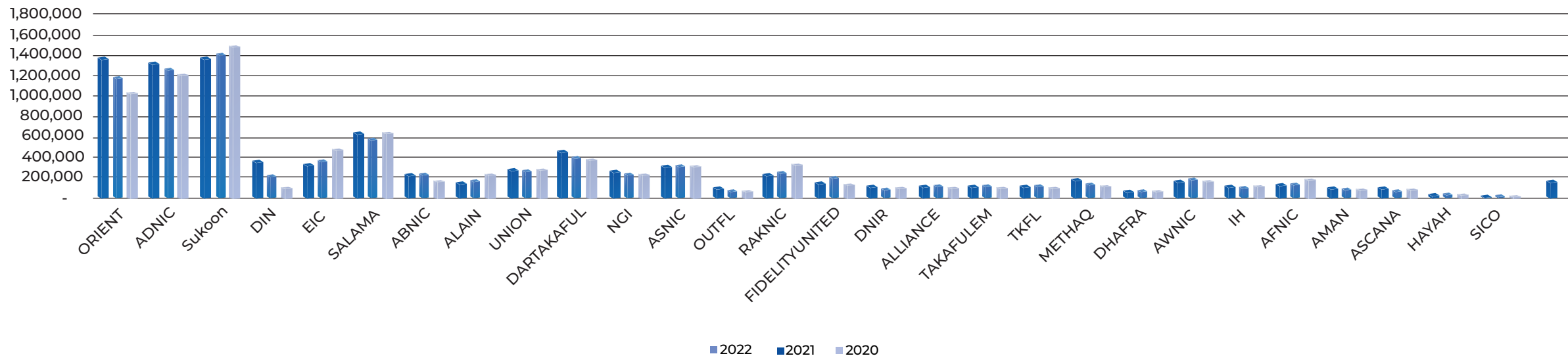
RETENTION RATIOS – OTHER COMPANIES

The Retention Ratios of the other than top 10 companies in the UAE Insurance Industry for 2022 range from 10% to 91%. METHAQ has a retention ratio of 91%, which is the highest among all companies which means that METHAQ has been successful in retaining its customers from the previous year. TAKAFULEM, AFNIC, ASCANA, and HAYAH also have high retention ratios of 77%, 67%, 74%, and 77% respectively, indicating that they have been successful in keeping their existing customers. However, companies such as OUTFL, FIDELITYUNITED, DHAFRA, and SICO have relatively low retention ratios of 29%, 39%, 24%, and 10% respectively, means that they have not been as successful in retaining their customers.



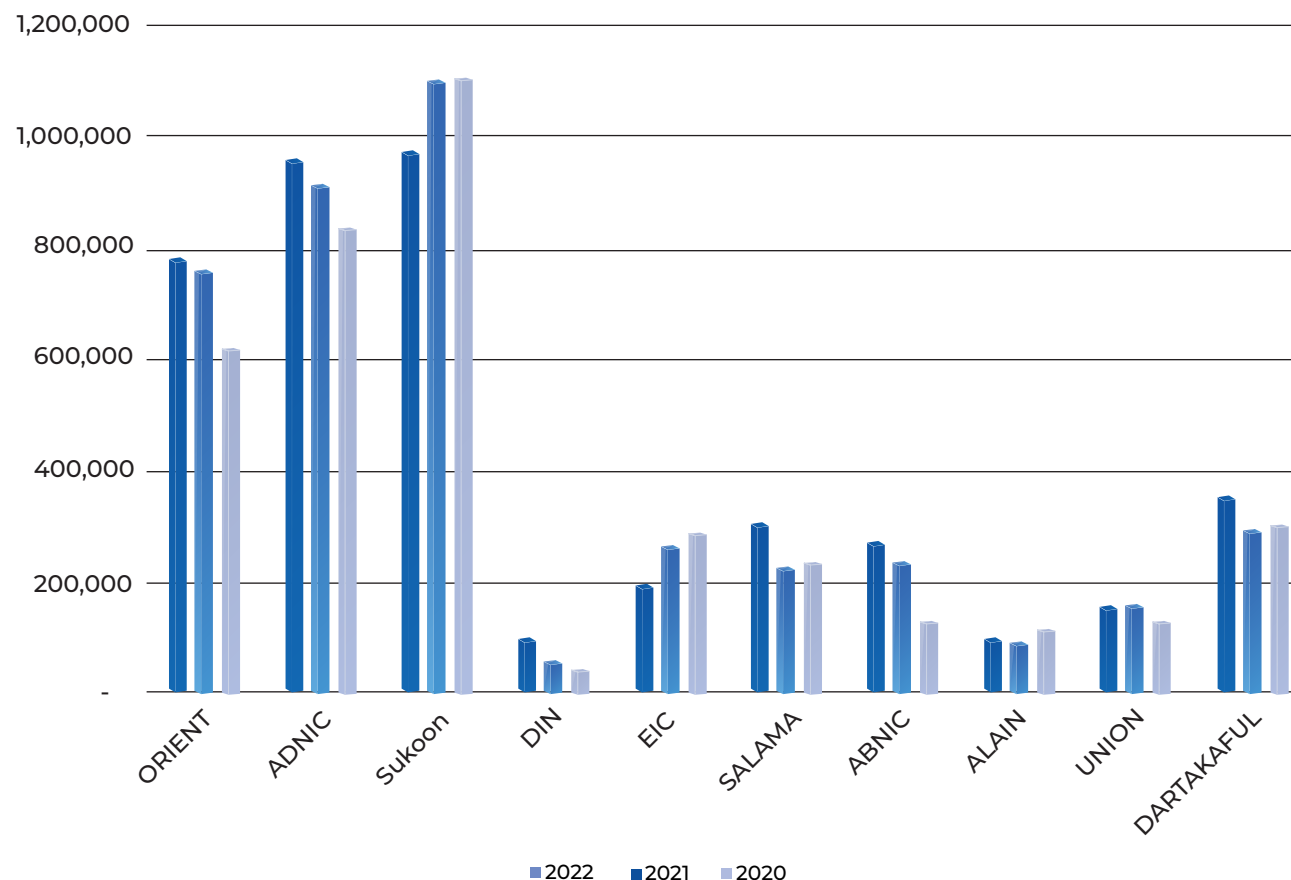
NET EARNED PREMIUM

The total NEP of the industry increased from AED 10.017 billion in 2021 to AED 10.101 billion in 2022, which is a growth of 0.835%. The top three companies in terms of NEP in both years were ORIENT, ADNIC, and Sukoon. ORIENT had the highest NEP in both years, with an increase from AED 1.31 billion in 2021 to AED 1.44 billion in 2022. ADNIC had the second-highest NEP in both years, with an increase from AED 1.40 billion in 2021 to AED 1.47 billion in 2022. Some of the companies that experienced significant growth in NEP from 2021 to 2022 include DIN, Methaq, DNIR, and AFNIC. On the other hand, some companies saw a decrease in NEP, such as ALAIN, EIC, TAKAFULEM, and FIDELITYUNITED.



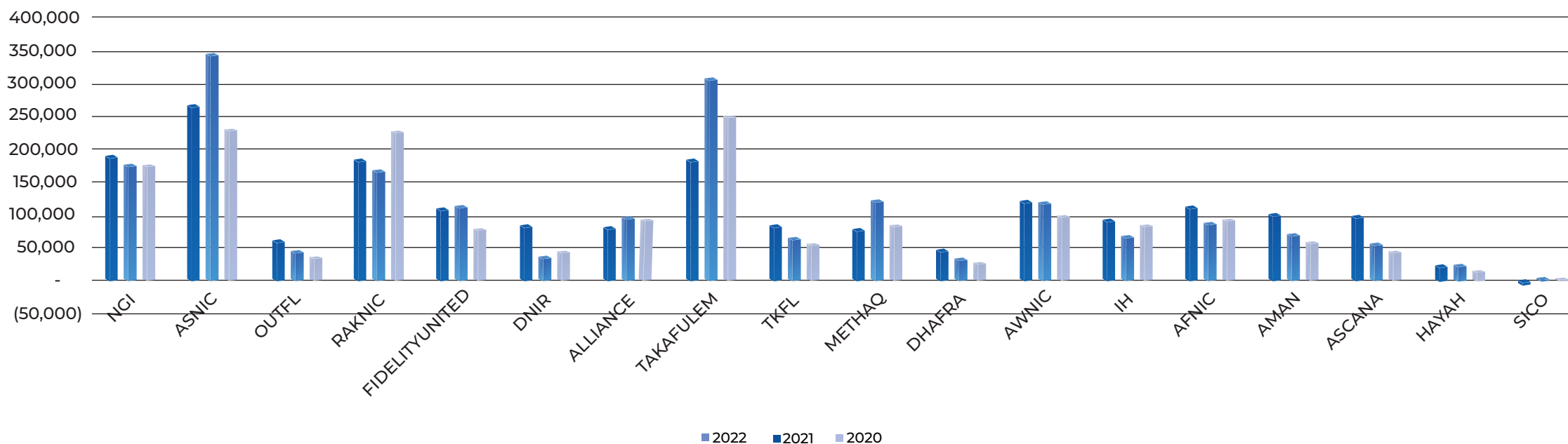
NET INCURRED CLAIMS – TOP 10 COMPANIES

For the year 2022, the Net Incurred Claims have increased for most of the companies as compared to the previous year. This could indicate that the industry is facing higher risk exposure, and insurance companies are paying out more claims. Sukoon, which had the highest net incurred claims in 2021, experienced a decrease in the net incurred claims in 2022. However, it still remains one of the top companies with the highest net incurred claims. ADNIC, DARTAKAFUL, ORIENT, and ABNIC also witnessed an increase in their net incurred claims from the previous year. On the other hand, EIC and UNION experienced a significant decrease in their net incurred claims, which could indicate better risk management and underwriting practices.



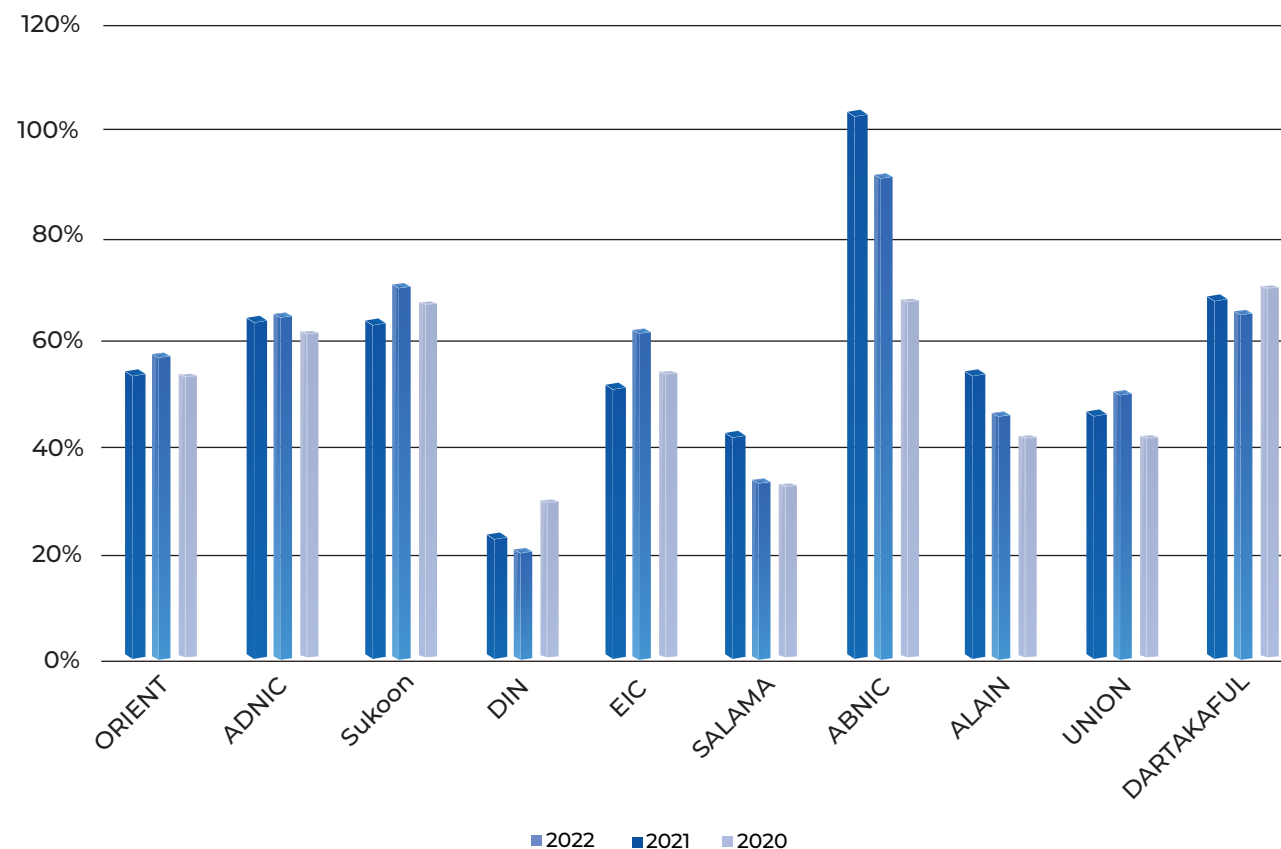
NET INCURRED CLAIMS – OTHER COMPANIES

NGI has the highest Net Incurred Claims in both 2021 and 2022, with a significant increase from 176,540 to 188,112. TAKAFULEM had the highest net incurred claims in 2021 but experienced a significant decline in 2022, dropping to 185,808. DNIR had a considerable increase from 36,905 to 82,714, while TKFL and AMAN both experienced moderate increase from 63,498 to 82,636 and 70,625 to 98,694, respectively. However, SICO illustrates a significant decline of (942) in 2022 indicating that they may have made a profit from insurance operations during that year.



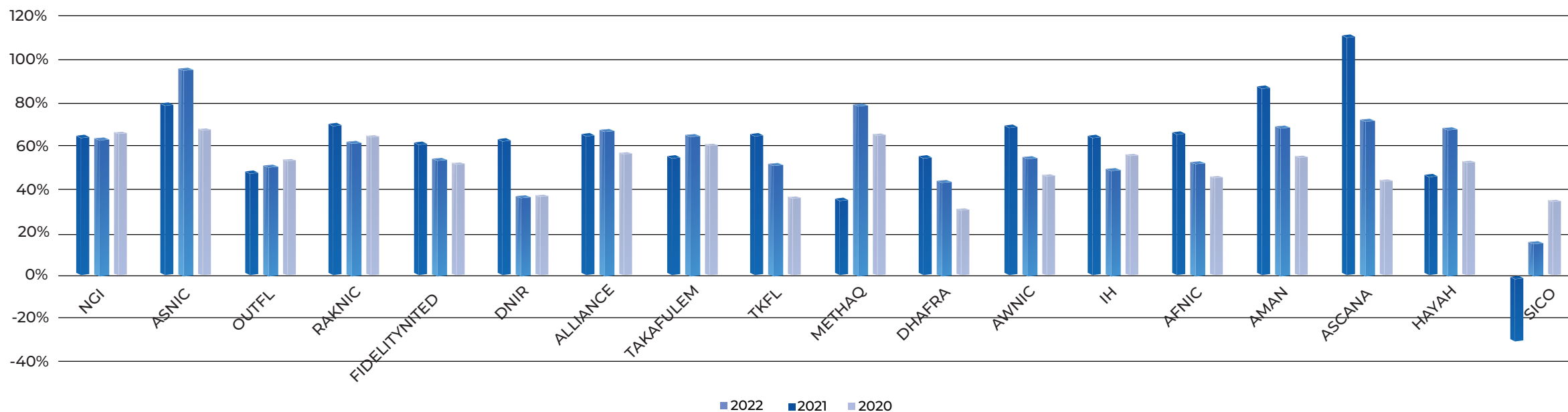
LOSS RATIOS – TOP 10 COMPANIES

ADNIC had a consistent Loss Ratio of 65% in both 2021 and 2022, indicating that they were able to manage their claims and expenses well. ABNIC had a higher loss ratio of 91% in 2021, which increased to 104% in 2022, indicating that they faced higher claims relative to their premium income. DIN had a lower loss ratio of 21% in 2021, which increased to 23% in 2022, indicating that they faced slightly higher claims relative to their premium income. Overall the top 10 insurance companies in the UAE varied between 21% and 104% in 2021 and 2022. A lower loss ratio indicates that the company is able to manage its claims and expenses efficiently, while a higher loss ratio suggests that the company faces higher claims relative to its premium income.



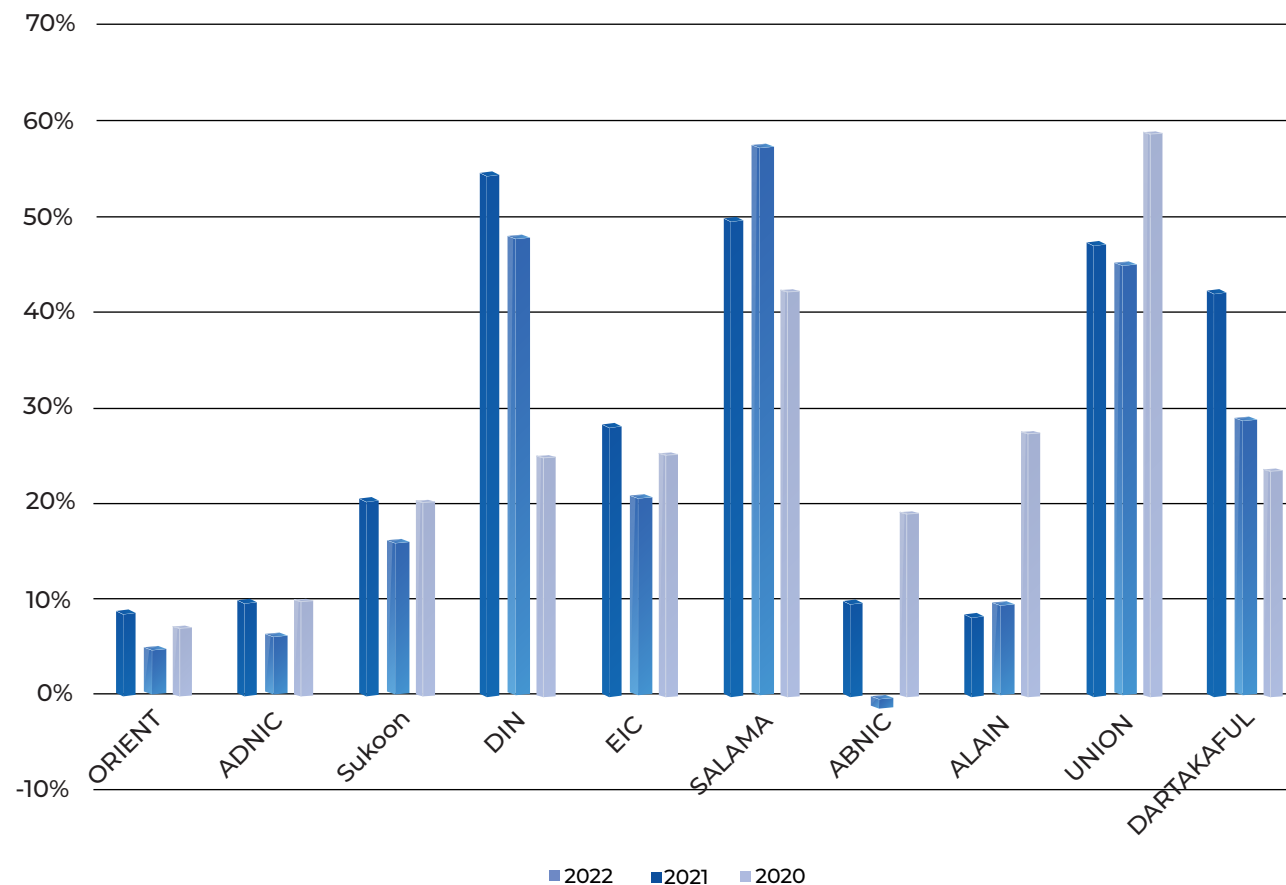
LOSS RATIOS – OTHER COMPANIES

ASNIC had a significantly decreasing Loss Ratio of 96% in 2021, which decreased to 80% in 2022, indicating that they were able to manage their claims and expenses more efficiently while TAKAFULEM shows decrease from 65% to 56% for year 2022. ASCANA had a significantly increasing loss ratio of 72% in 2021, which increased to 111% in 2022, indicating that they faced significantly higher claims relative to their premium income. HAYAH had a slightly decreasing loss ratio of 67% in 2021, which decreased to 47% in 2022.



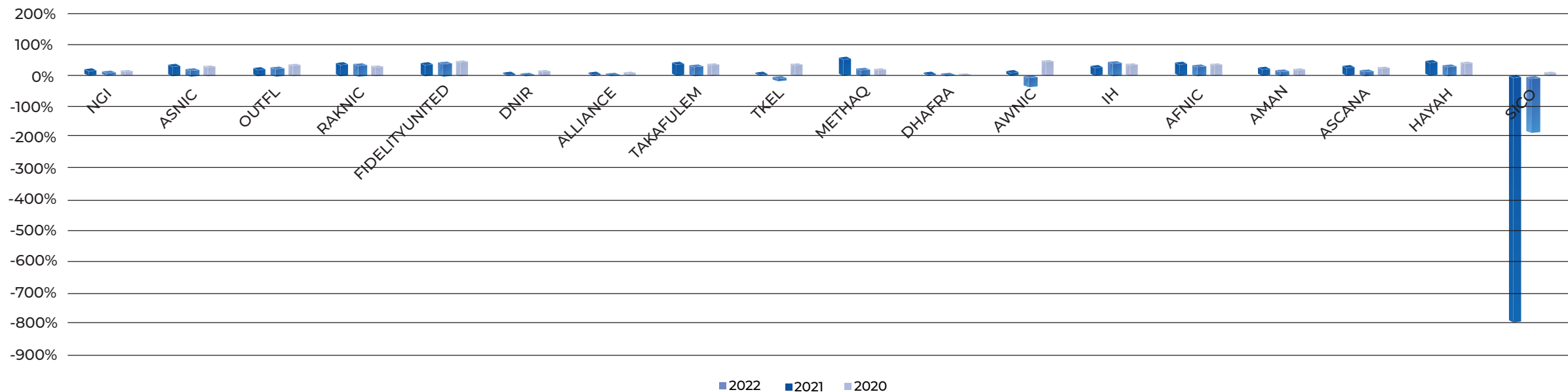
EXPENSE RATIOS – TOP 10 COMPANIES

The Expense Ratios of the top 10 insurance companies in the UAE are generally in the single digits, which is a good sign. However, there are a few companies that have higher expense ratios, such as SALAMA and DIN, which may indicate that they have less efficient operations. Some companies, such as Sukoon and EIC, have seen an increase in their expense ratios from 2021 to 2022, which could be a cause for concern if this trend continues in the future. Overall, the expense ratios of the top 10 insurance companies in the UAE are generally favorable.



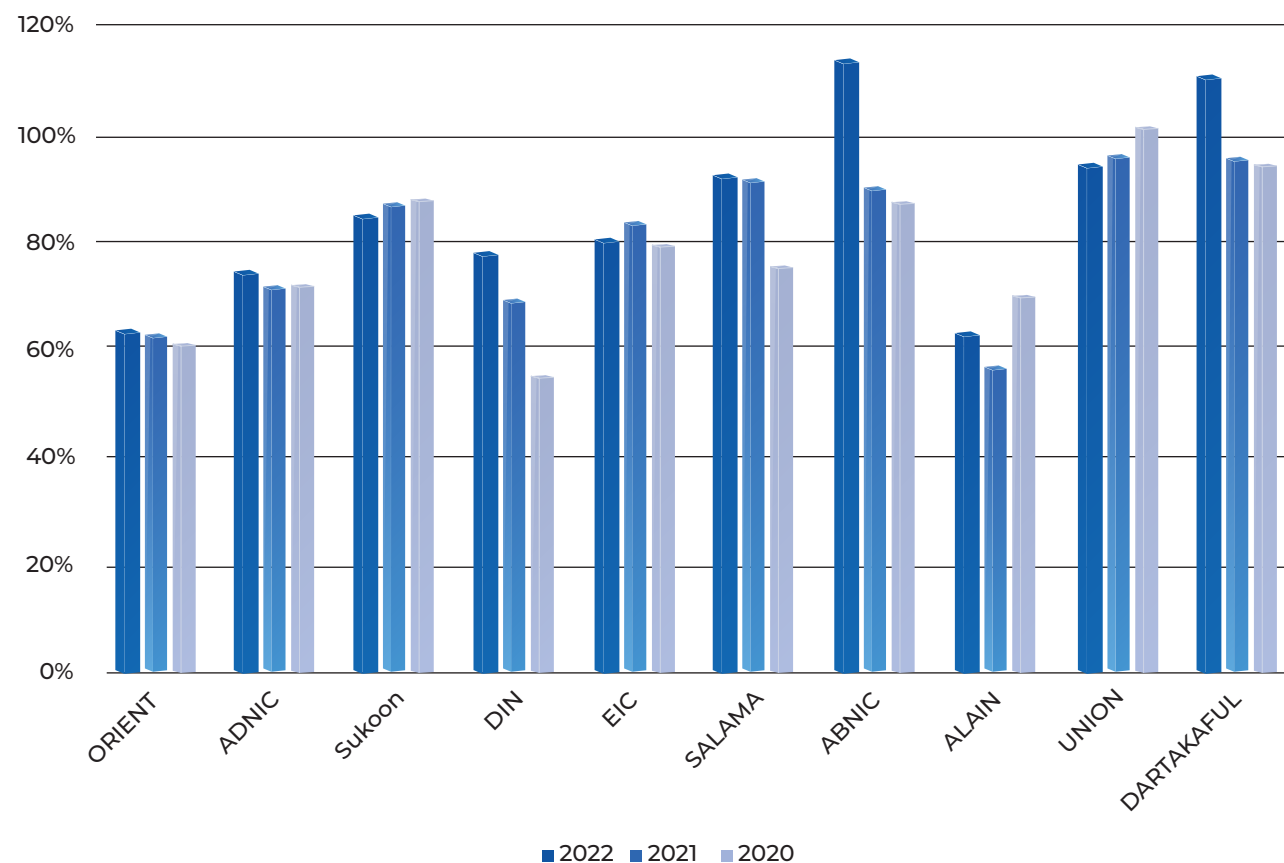
EXPENSE RATIOS – OTHER COMPANIES

For year 2022, some of the smaller insurance companies in the UAE have high Expense Ratios, which may indicate less efficient operations. SICO stands out with a very high negative expense ratio, which is an alarming sign. On the other hand, companies like NGI, TAKAFULEM, RAKNIC, and ASNIC have shown an increase in their expense ratios from 2021 to 2022. Companies like FIDELITYUNITED, OUTFL, IH, Awnic, and TKFL have managed to reduce their expense ratios in 2022, which could be a positive sign of more efficient operations.



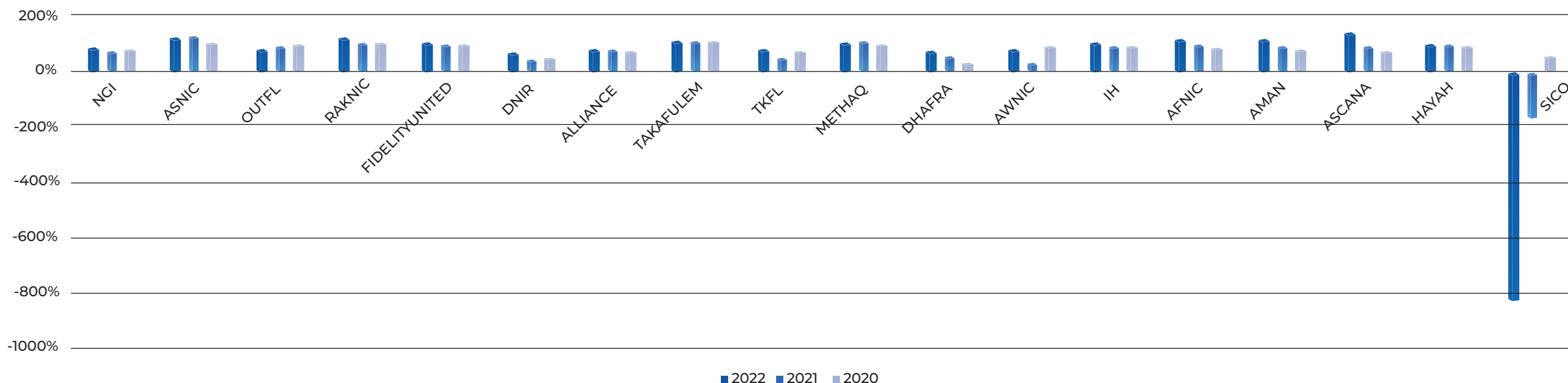
COMBINED RATIOS – TOP 10 COMPANIES

Combined Ratio is a key metric for insurance companies as it reflects the profitability of their underwriting operation. For the top 10 companies in the UAE Insurance Industry for 2021 and 2022, we see that all companies had a combined ratio below 100% in 2021, indicating that they were profitable. In 2022, however, two companies had a combined ratio above 100% (ABNIC and DARTAKAFUL), indicating that they were paying out more than they were earning, which could lead to losses.



COMBINED RATIOS – OTHER COMPANIES

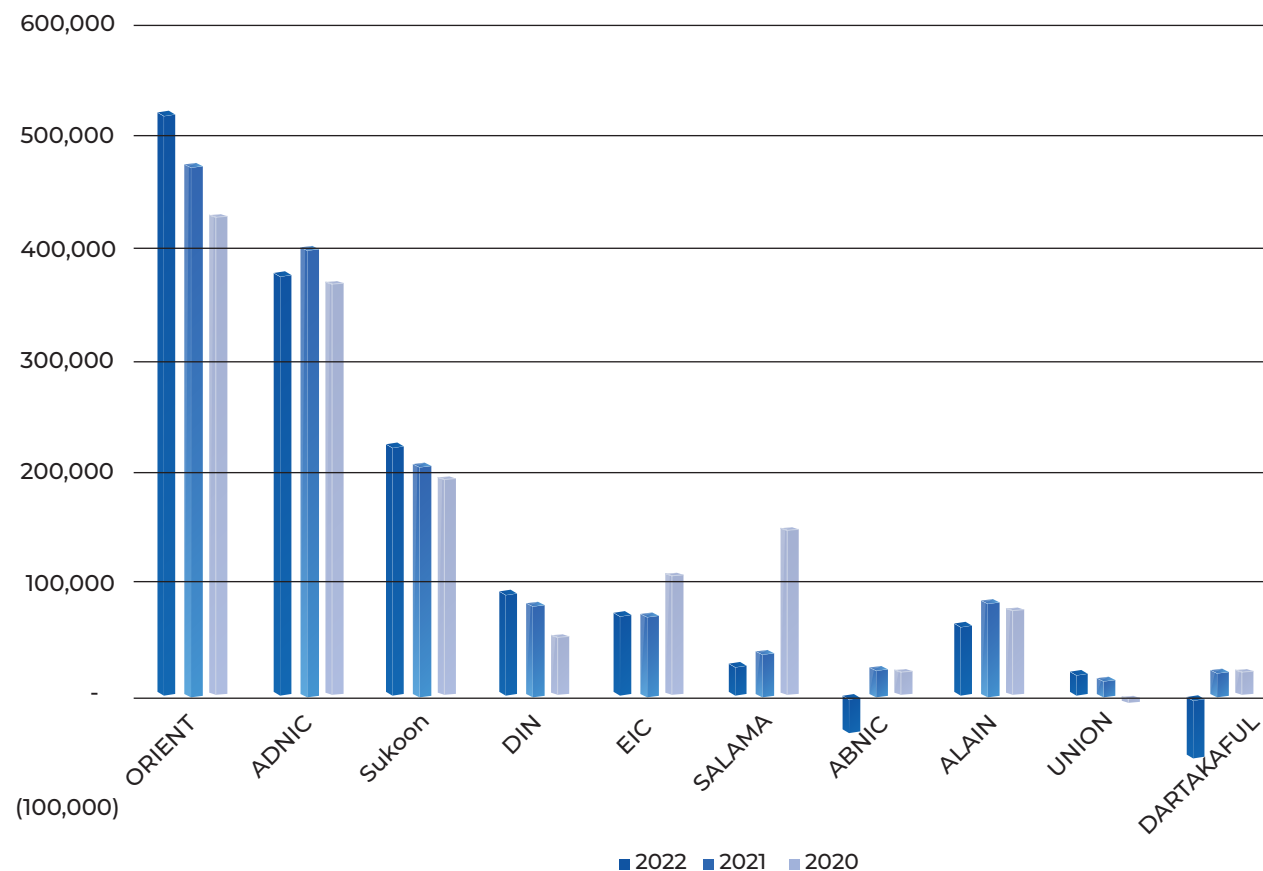
Most of the companies had Combined Ratios above 100% in 2021, indicating losses. However, in 2022, the majority of the companies improved their performance with lower combined ratios, showing an improvement in profitability. NGI had a combined ratio of 75% in 2021, which improved to 82% in 2022, indicating a slight decline in profitability but still within a profitable range. TAKAFULEM had a combined ratio of 101% in 2021, indicating losses, but improved to 99% in 2022, showing a slight improvement in profitability. OUTFL had a combined ratio of 82% in 2021, indicating profitability, but declined to 75% in 2022, indicating a slight decrease in profitability. SICO had a combined ratio of -167% in 2021, indicating significant losses, but further declined to -828% in 2022.



NET PROFIT & LOSS – TOP 10 COMPANIES

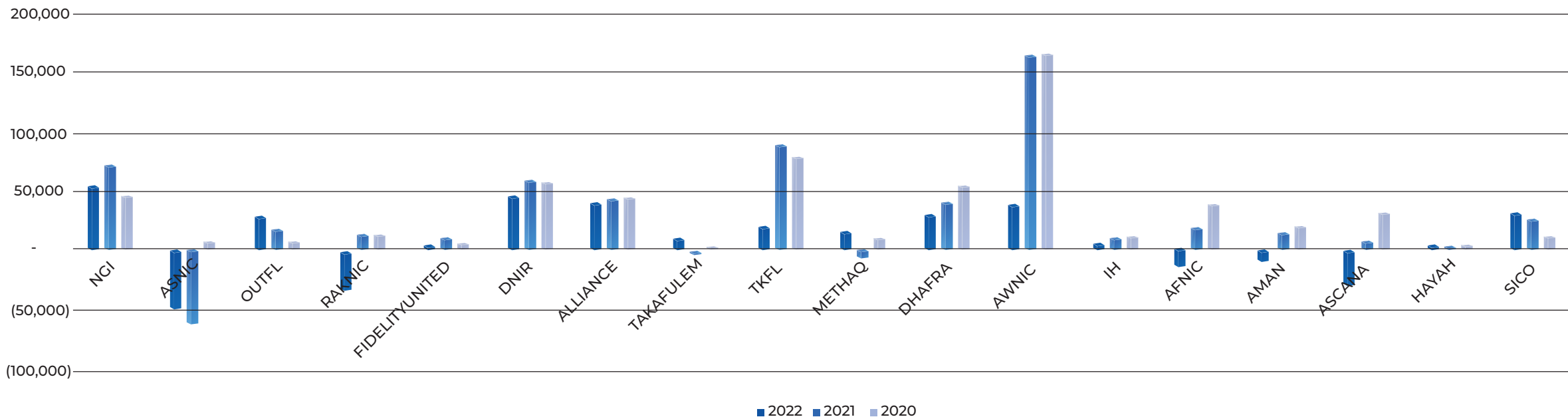
ORIENT and Sukoon have shown significant growth in their Net Profit from 2021 to 2022. ADNIC, EIC, and UNION have maintained their profitability levels, with a slight decrease in the case of ADNIC. ALAIN and SALAMA have experienced a decline in their net profit from 2021 to 2022.

ABNIC and DARTAKAFUL have experienced a significant decline in their net profit from 2021 to 2022, with ABNIC reporting a major loss in 2022.



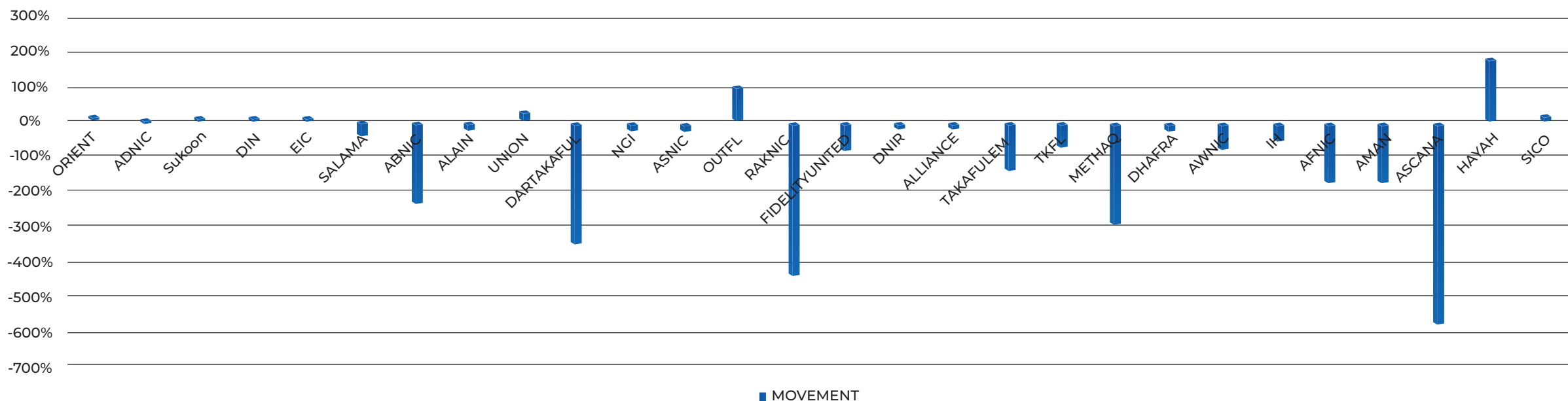
NET PROFIT & LOSS – OTHER COMPANIES

For other than top 10 companies of UAE Insurance Industry, we can see that there are some companies that have reported losses in 2021 and/or 2022. The losses reported by ASNIC, RAKNIC, and ASCANA in 2022 are significant, and it's worth looking into the reasons behind these losses. It's also worth noting that TAKAFULEM reported a loss in 2021 but was able to turn a profit in 2022. On the other hand, there are some companies that have reported significant profits, such as AWNIC, TKFL, DNIR, and IH. It's worth investigating the reasons behind their profitability and whether it is sustainable or not.



NET PROFIT & LOSS – MOVEMENT

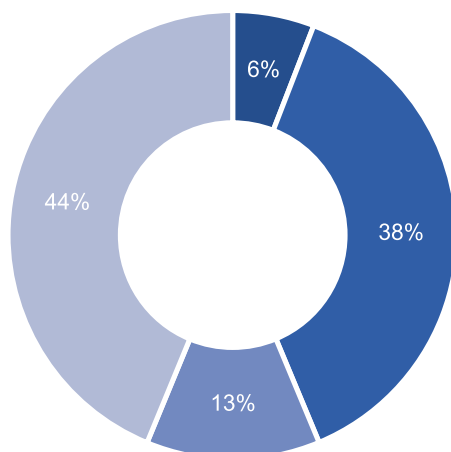
Among the top 10 companies, DIN and SUKHOON showed significant improvement in net profit by 14% and 8% respectively, whereas UNION showed the highest growth of 39%. EIC maintained a stable growth of 1% in 2022. ALAIN, ADNIC, and ASNIC showed a decline in net profit by 24%, 6%, and 21% respectively, in 2022. ABNIC and DARTAKAFUL showed a significant decrease in net profit by 238% and 355% respectively, indicating serious financial difficulties. METHAQ showed significant fluctuations in net profit by -285% respectively, indicating instability in their financial performance. HAYAH showed an unexpected growth of 179%, which could be due to increased demand for their services or successful cost-cutting measures.



ASSET CLASSIFICATION – AGGREGATE

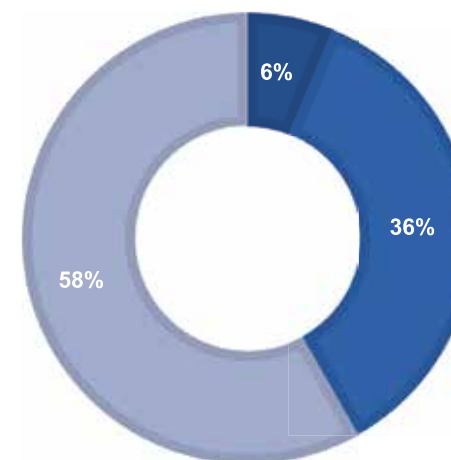
The majority of policyholder assets were retained as other assets (44%), with the remainder retained as investments (38%), cash (6%), and receivables (13%). 58% of the shareholder's assets were kept as investments, 36% as other assets, and cash accounted for approximately 6% of the shareholder's assets.

Policyholder Asset Classification



■ Cash and cash equivalents ■ Investments ■ Receivables, net ■ Other Assets

Shareholder Asset Classification



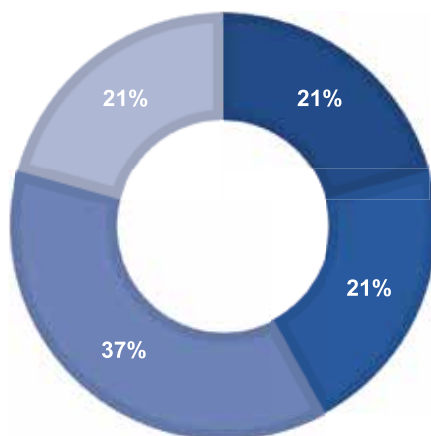
■ Cash and cash equivalents ■ Investments ■ Other Assets

LIABILITY & EQUITY CLASSIFICATION – AGGREGATE

Policyholder liabilities consist of a 21% Gross Loss Reserve, 21% of Gross Unearned Premium, and 37% of Other Liabilities.

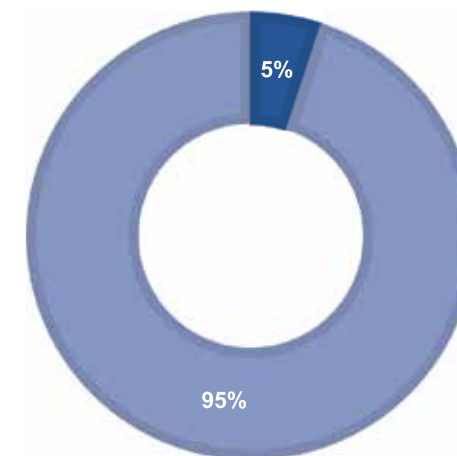
In addition to this, equity as a percentage of total assets is about 95%.

Policyholder Liability Classification



■ Gross Loss Reserves ■ Gross Unearned Premium ■ Other Liabilities ■ Other Reserves

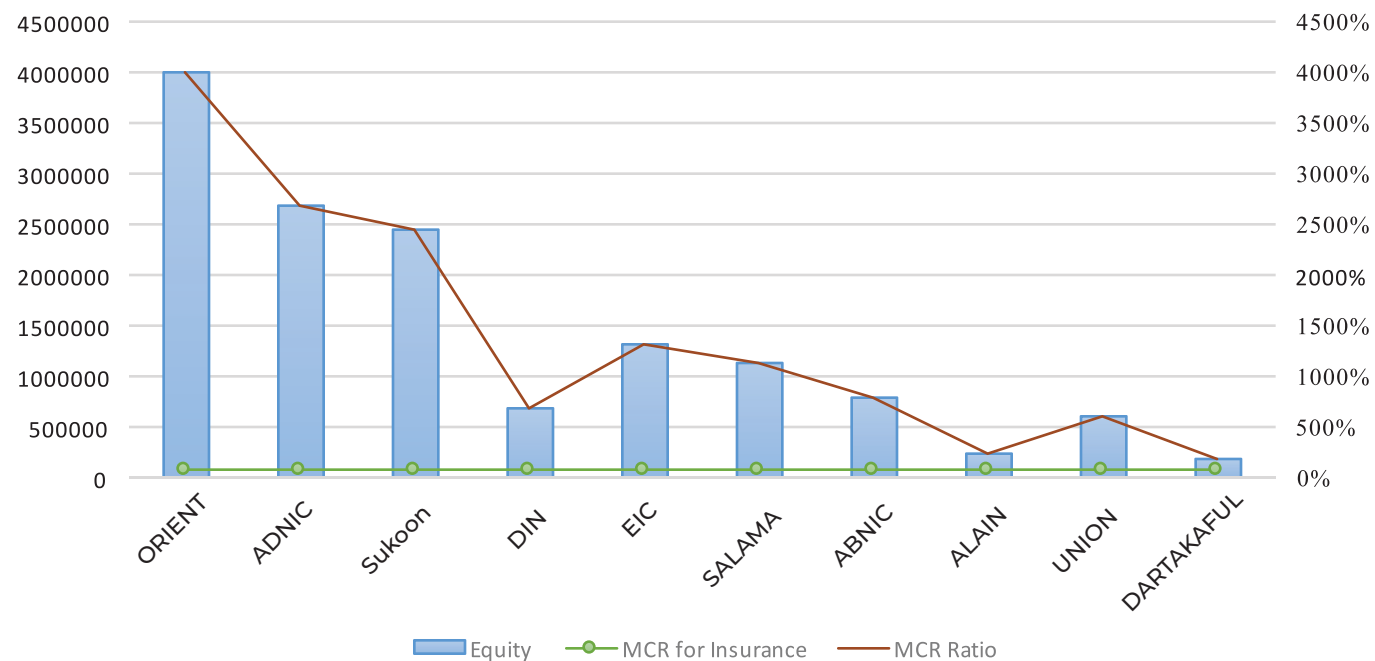
Shareholder Liability and Equity Classification



■ Shareholders' Liabilities ■ Equity

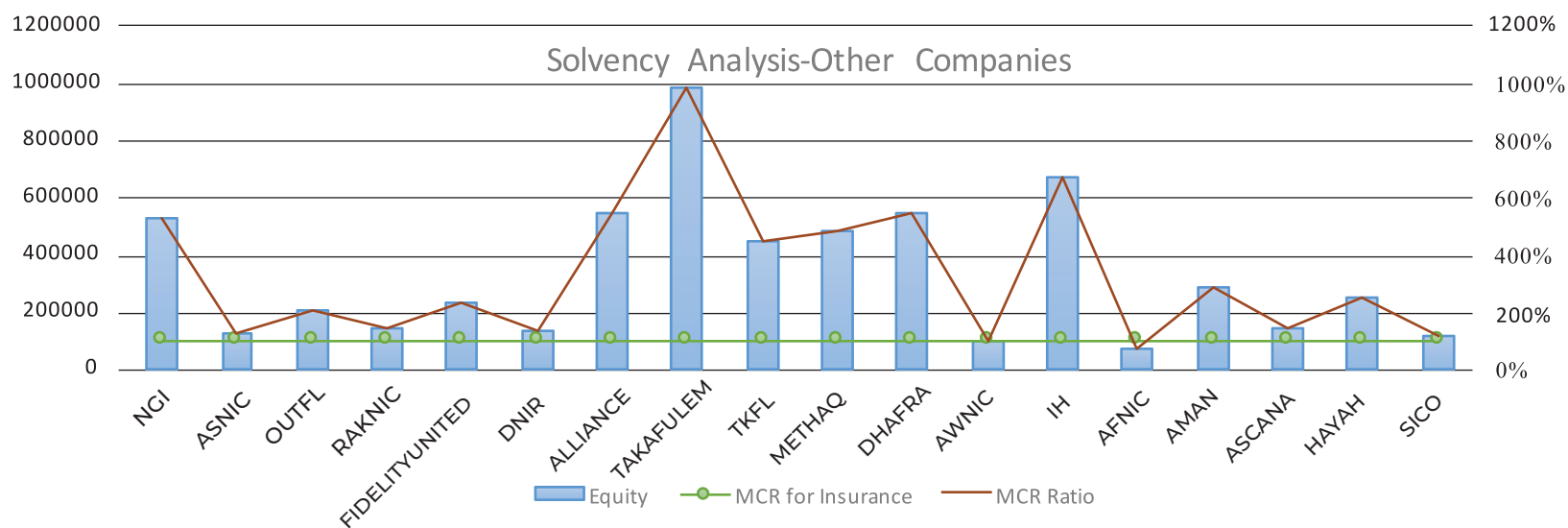
SOLVENCY ANALYSIS – TOP 10 COMPANIES

The Solvency Analysis is based on two key measures: Equity and Minimum Capital Requirement (MCR). For the year 2022, all of the top 10 companies in the UAE Insurance Industry have a Solvency Ratio greater than 100%, which suggests that they have sufficient assets to cover their liabilities. The highest solvency ratio belongs to Orient, with a ratio of 3,998%, followed by ADNIC with a ratio of 2,688% and Sukoon with a ratio of 2,461%. While all companies have a solvency ratio above the minimum requirement of 100%.



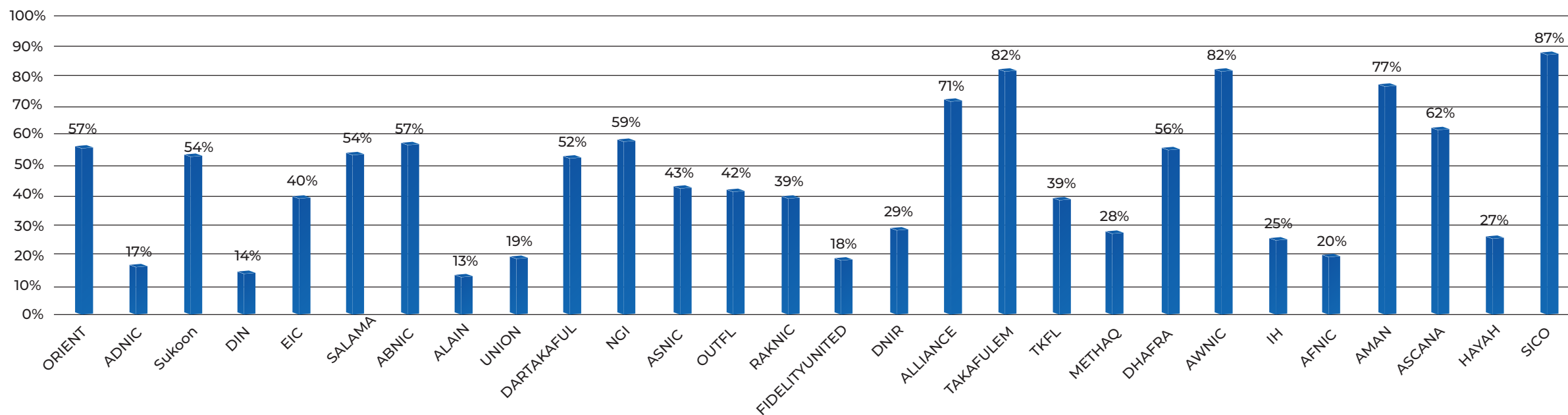
SOLVENCY ANALYSIS – OTHER COMPANIES

The Solvency Analysis is based on two key measures: Equity and Minimum Capital Requirement (MCR). The graph shows that most companies have MCR Ratios well above the regulatory minimum of 100%, with an average ratio of approximately 283%. The highest MCR Ratio is held by AWNIC at 992%, followed by TKFL and ALLIANCE at 491% and 547%, respectively. Overall, the most companies in the UAE Insurance Industry have strong solvency positions, but there may be some variation in financial health and vulnerability to risk depending on the MCR Ratio.



PROPORTION OF INVESTED ASSETS

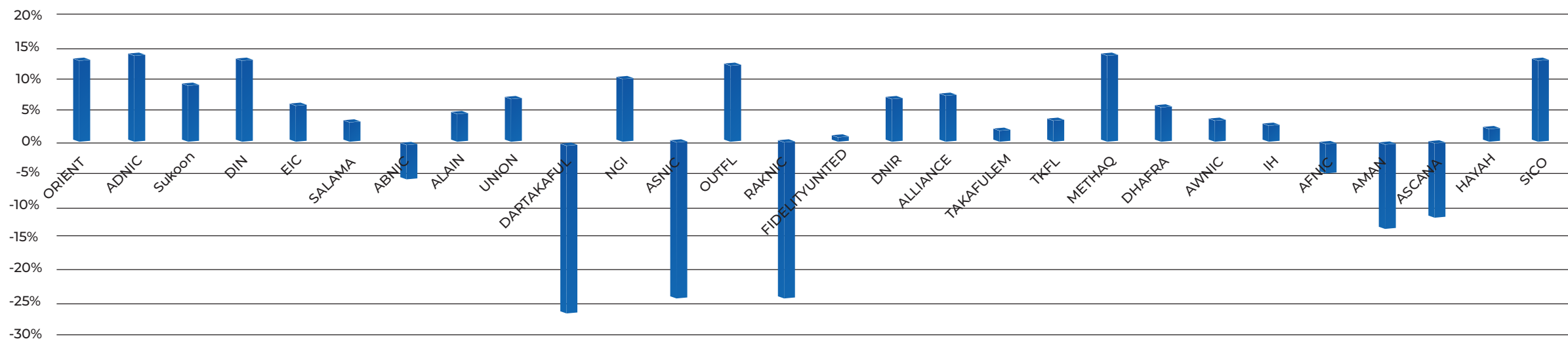
The average Proportion of Invested Assets across all companies is approximately 44%. The highest proportion of invested assets is held by SICO at 87%, followed by TAKAFULEM and AWNIC at 82%. The majority of companies (18 out of 28) have a proportion of invested assets between 20-60%. Companies with higher proportions of invested assets (e.g., TAKAFULEM, SICO, AWNIC, etc.) may have a higher risk tolerance and may be more aggressive in pursuing investment opportunities to generate higher returns. Conversely, companies with lower proportions of invested assets (e.g. DIN, ALAIN etc.) may be more conservative and risk-averse in their investment strategies, which could potentially lead to lower returns.



RETURN ON EQUITY (ROE)

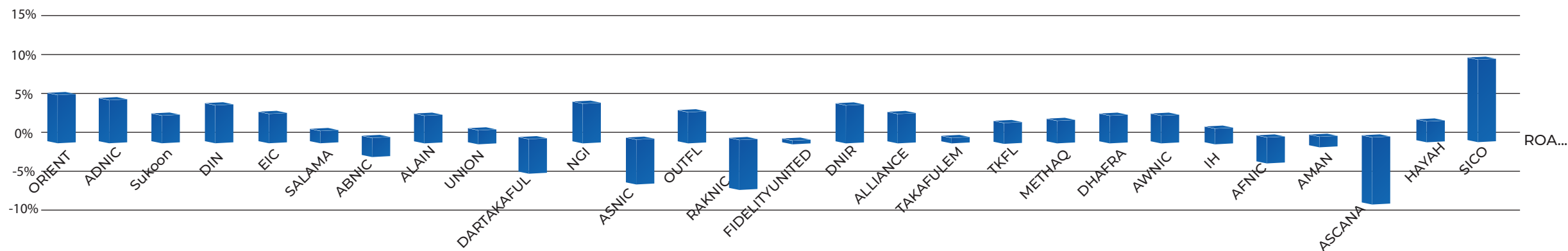
ROE
(Return on Equity)

ROE is a key financial ratio that measures the return earned by a company on its shareholders' equity. It is calculated by dividing net income by shareholders' equity. The data shows that the average ROE for the UAE Insurance Industry is approximately 2%, with a range from -27% to 14%. Among the top performers in terms of ROE are ORIENT, ADNIC, DIN, NGI, OUTFL, METHAQ, DNIR, and SICO, all of which have ROE above the industry average. Conversely, some companies are performing below the industry average, with negative ROE in some cases. ABNIC, DARTAKAFUL, ASNIC, RAKNIC, AMAN, AFNIC and ASCANA all have ROE below 0%. The highest ROE is held by ADNIC and ORIENT, both of which have an ROE of 13% and 14% respectively. The lowest ROE is held by DARTAKAFUL, which has an ROE of -27%.



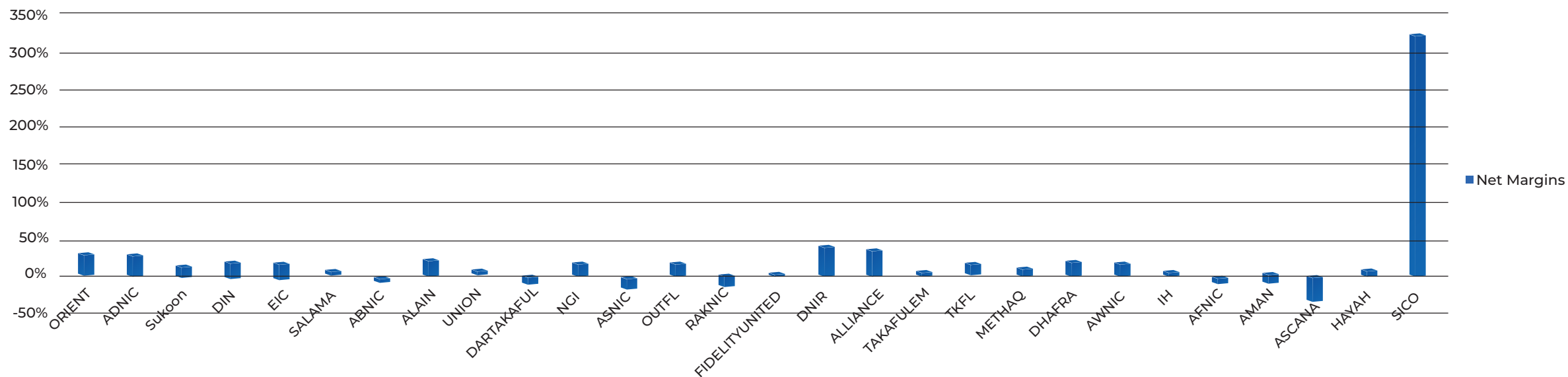
RETURN ON ASSET

For the year 2022, the average ROA is around 10%. The majority of companies have an ROA of between 1% to 4%. ORIENT, ADNIC, and NGI are the top-performing companies with an ROA of 4%, followed by DNIR with 4%. ALLIANCE, EIC, METHAQ, DHAFRA, AWWNIC, and OUTFL have an ROA of 2-3%, which is considered a decent return on asset. However, some companies such as TAKAFULEM and FIDELITYUNITED have an ROA of 0%, which means they are not generating any profit from their assets. Whereas, companies such as ABNIC, DARTAKAFUL, ASNIC, and AFNIC are operating at a loss, with a negative ROA. ASCANA and RAKNIC are the worst-performing companies with an ROA of -6% and -5%, respectively.



NET PROFIT MARGINS

For the year 2022, majority of companies have a Net Profit Margin of 0% to 20%. DNIR has the highest net profit margin at 36%, followed by ALLIANCE at 31%, ORIENT at 29%, and ADNIC at 25%. These companies are performing well and generating substantial profits. However, some companies such as ABNIC, AMAN, and AFNIC have a negative net profit margin, which indicates that they are not earning profits and may be operating at a loss. ASCANA has the lowest net profit margin at -32%, indicating that the company is facing significant financial challenges.



Appendix A: Listed Insurance Companies in UAE Used in Our Report

Company Name	Symbol	Conventional / Takaful
ORIENT Insurance PJSC	ORIENT	Conventional
Abu Dhabi National Insurance	ADNIC	Conventional
SUKOON Insurance	SUKOON	Conventional
Al Ain Alahlia Insurance Co.	ALAIN	Conventional
Islamic Arab Insurance Company	SALAMA	Takaful
Emirates Insurance Co.	EIC	Conventional
Dubai Insurance Co,PSC	DIN	Conventional
Al Buhaira National Insurance	ABNIC	Conventional
Union Insurance Company	UNION	Conventional
Takaful Emarat (PSC)	TAKAFULEM	Takaful
National General Insurance Company P J S C	NGI	Conventional
Ras Alkhaima National Insurance Co.	RAKNIC	Conventional
Al Sagr National Insurance Company	ASNIC	Conventional
Dar Al Takaful	DARTAKAFUL	Takaful
Abu Dhabi National Takaful Co.	TKFL	Takaful

Company Name	Symbol	Conventional / Takaful
United Fidelity Insurance Company	FIDELITYUNITE D	Conventional
Alliance Insurance	ALLIANCE	Conventional
Dubai National Insurance & Reinsurance	DNIR	Conventional
Al Wathba National Insurance Co.	AWNIC	Conventional
Orient UNB Takaful PJSC	OUTFL	Takaful
Al Dhafra Insurance Co.	DHAFRA	Conventional
Al Fujairah National Insurance	AFNIC	Conventional
Dubai Islamic Insurance and Reinsurance Co.	AMAN	Takaful
Insurance House	IH	Conventional
Arabian Scandinavian Insurance - Takaful	ASCANA	Takaful
HAYAH Insurance Company	HAYAH	Conventional
METHAQ Takaful Insurance	MTIC	Takaful
Sharjah Insurance Company	SICO	Conventional



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SHMACONSULTING

Feedback

SHMA Consulting is proud to present Insurance Industry Analysis – United Arab Emirates for the Year-End 2022. We have a dedicated and talented pool of individuals to bring you industry insights in the form of this report.

We welcome your feedback on the analysis presented in this report.



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About Us

SHMA Consulting has been providing actuarial services to insurance companies since 1990 and to companies in the GCC (starting with the UAE) since early 1997.



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