

Insurance Industry Report

KSA, Q3 2023

Preliminary Assessment

Unlocking Financial Reporting

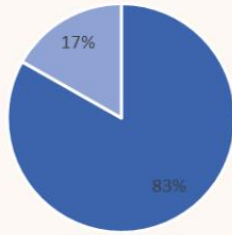
Embrace IFRS-17 for a Prosperous Future

The new IFRS 17 standard for insurance contracts is one of the most significant changes to accounting for insurance contracts in decades. It's also one of the most complex. Companies are in the process of embracing their robust accounting principles, setting the stage for financial transparency like never before.

The data provided offers valuable insights into the revenue and profit trends within the insurance industry. The companies in the pack in revenue generation, profit margins and strategies for expense management may vary. The implementation of IFRS 17 is poised to bring about further transparency and accuracy in financial reporting, influencing how investors and stakeholders evaluate the financial performance of these insurance companies.

Highlights of Q3 2023

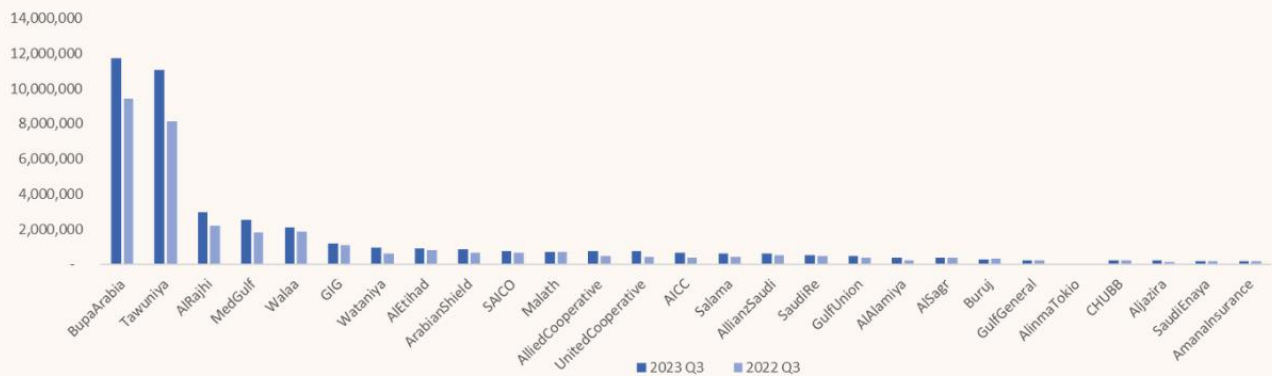
Insurance Revenue



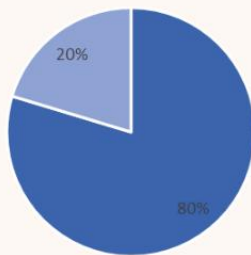
■ Top 10 Companies ■ Other Companies

In the third quarter of 2023, the total revenue in gross written premiums for insurance companies reached **SAR 42.03 billion**, showcasing a notable increase from the same period in the previous year. In Q3 of 2022, the total revenue stood at **SAR 32.94 billion**, indicating a substantial growth of **SAR 9.09 billion** or approximately **27.6%**.

Insurance Revenue



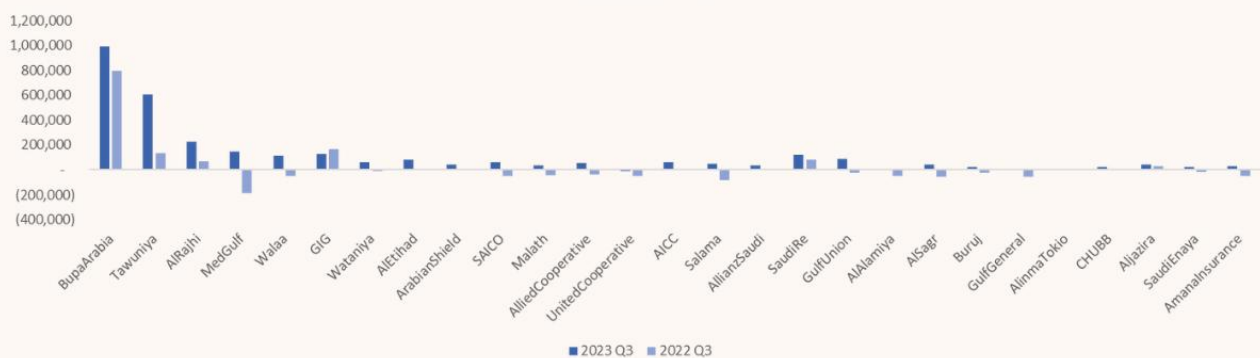
Profit Before Tax



■ Top 10 Companies ■ Other Companies

In the third quarter of 2023, the total profit for insurance companies amounted to **SAR 3.089 billion**, marking a significant upswing from the corresponding period in the preceding year. Specifically, in Q3 of 2022, the total profit stood at SAR 0.515 billion, signifying an impressive increase of **SAR 2.574 billion**.

Profit Before Tax



Note: All calculation have omitted Alinma Tokio due to lack of data

RANKINGS FOR Q3, 2023

COMPANIES		INSURANCE REVENUE (AMOUNTS IN SAR '000)	PROFIT BEFORE TAXES
Bupa Arabia	1	11,728,004	993,534
Tawuniya	2	11,065,473	607,091
Al Rajhi	3	2,962,959	222,613
Med Gulf	4	2,531,835	145,560
Walaa	5	2,106,491	112,727
GIG	6	1,168,800	129,365
Wataniya	7	938,690	61,487
Al Etihad	8	875,924	79,938
Arabian Shield	9	825,875	44,295
SAICO	10	773,098	65,060
United Cooperative	11	757,502	(7,080)
Allied Cooperative	12	730,577	52,162
Malath	13	712,259	36,140

Bupa Arabia emerges as the frontrunner in terms of revenue, reporting a staggering 11,728,004 SAR. Tawuniya boasts an impressive revenue of 11,065,473 SAR, securing the second position. Bupa Arabia leads the pack in terms of profit before taxes, demonstrating a commendable figure of nearly 1 billion SAR. Tawuniya reports a profit before tax exceeding 600 million SAR.

RANKINGS FOR Q3, 2023

COMPANIES		INSURANCE REVENUE (AMOUNTS IN SAR '000)	PROFIT BEFORE TAXES
AICC	14	640,989	64,354
Allianz Saudi	15	615,339	33,835
Salama	16	596,200	45,970
Saudi Re	17	493,959	121,505
Gulf Union	18	444,983	90,531
Al Alamiya	19	382,895	9,957
Al Sagr	20	364,878	39,188
Buruj	21	267,201	21,644
CHUBB	22	245,881	22,152
Gulf General	23	234,687	1,277
Al Jazira	24	228,676	44,179
Saudi Enaya	25	187,677	20,766
Amana Insurance	26	158,291	31,474

AICC follows closely, reporting a revenue of 640,989 SAR. Salama and Allianz Saudi exhibit revenues of 596,200 SAR and 615,339 SAR, respectively. AICC also demonstrates strong profitability, with a profit of 64,354 SAR and a profit margin of 1.52%. Salama reports a profit of 45,970 SAR.

IFRS 17 Implementation

Impact on the Insurance Industry

Our Analysis

The analysis of revenue, performance, growth, and position provides a comprehensive understanding of how these insurance companies fare within the industry. Bupa Arabia and Tawuniya lead in both revenue generation and top performance, while companies like Wataniya and Allied Cooperative demonstrate impressive growth percentages. United Cooperative achieves a commendable top performance rate of 1.80%. AICC and Salama also exhibit strong top performance rates of 1.52% and 1.42%, respectively.

The growth percentages offer insights into how companies have evolved over the specified period. Noteworthy is Wataniya, which stands out with an impressive growth percentage of 51%. This substantial growth underscores Wataniya's strategic initiatives and effective market penetration strategies. Allied Cooperative also exhibits substantial growth, with a percentage increase of 50%. AICC also experiences robust growth, with a percentage increase of 66%. On the flip side, Amana Insurance experiences a decline in growth, with a -14% change.

The position changes within the list of companies provide valuable insights into how each entity has shifted relative to its peers. Notably, the significant climb of Wataniya, advancing from the 11th position to the 7th position from 2022 is insightful. Conversely, Malath experiences a slight drop in position, moving from the 8th position to the 13th position.

Aljazira stands out with a significant climb in position, advancing from the 26th position to the 24th position.

The collective performance of these companies underscores the resilience and growth potential within the insurance sector. Despite varying revenue figures, the profitability demonstrated by several companies suggests a healthy competitive landscape.



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