

June 2021

Saudi Insurance Sector- Quarterly

Q1-21

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June 2021

Insurance Sector Report

Quarterly report | KSA | Q1-21



Company Name	Codes
The Company for Cooperative Insurance	Tawuniya
Salama Cooperative Insurance Co.	Salama
UCA Cooperative Assurance Co.	UCA
Al-Rajhi Company for Cooperative Insurance	Al Rajhi Takaful
Al Alamiya for Cooperative Insurance Co.	Al Alamiya
Allied Cooperative Insurance Group	ACIG
Bupa Arabia for Cooperative Insurance Co.	Bupa Arabia
Arabian Shield Cooperative Insurance Co.	Arabian Shield
Buruj Cooperative Insurance Co.	Buruj
Al Sagr Cooperative Insurance Co.	Sagr Insurance
Malath Cooperative Insurance Co.	Malath Insurance
Al-Etihad Cooperative Insurance Co.	Al-Etihad
Walaa Cooperative Insurance Co.	Walaa
Allianz Saudi Fransi Cooperative Insurance Co.	Allianz SF
The Mediterranean and Gulf Insurance and Reinsurance Co.	MEDGULF
Saudi Indian Company for Cooperative Insurance	Wafa Insurance
SABB Takaful Co.	SABB Takaful
Saudi Arabian Cooperative Insurance Company	SAICO
Gulf Union Alahlia Cooperative Insurance Co.	GULF UNION NATIONAL
Saudi Re for Cooperative Reinsurance Co.	Saudi Re
Arabia Insurance Cooperative Company	AICC
ALAHLI TAKAFUL COMPANY	ATC
AXA Cooperative Insurance Co.	AXA-Cooperative
CHUBB Arabia Cooperative Insurance Co.	Chubb Arabia
Gulf General Cooperative Insurance Co.	Gulf General
Wataniya Insurance Co.	Wataniya
Amana Cooperative Insurance Co.	Amana Insurance
Saudi Enaya Cooperative Insurance Co.	Enaya
Alinma Tokio Marine Co.	Alinma Tokio
Aljazira Takaful Taawuni Co.	Jazira Takaful

GWP (Gross Written Premiums) in Q1-21 stood at SAR 12.8bn depicting an increase of 1.8% Y/Y.

NWP (Net Written Premiums) in Q1-21 stood at SAR 10.9bn, reflecting an increase of 3.2% Y/Y.

NPE (Net Premium Earned) in Q1-21 stood at SAR 7.8bn, declining by 4.3% Y/Y.

In Q4-20, Health Sector accounted for 60.2% of the total GWP, followed by Motor which accounted for 21.2% of GWP.

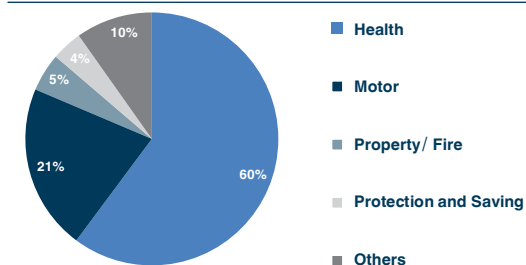
Market Share

Bupa Arabia with 25.4% market share in GWP was the biggest player, followed by Tawuniya at 22.8%.

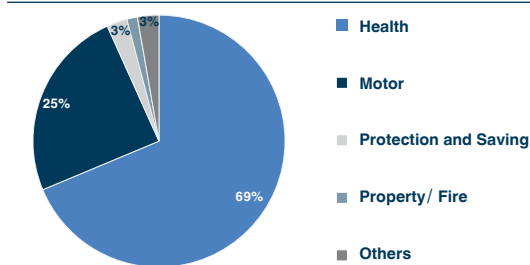
Gainer/Loser: Tawuniya improved its market share from 20.5% in Q1-20 to 22.8% in Q1-21 an improvement of 351bps, followed by Tawuniya which showed an improvement of 237bps. Bupa Arabia lost its market share from 27.6% in Q1-20 to 25.4% in Q1-21.

Retention Ratio: Industry retention ratio stood at 85.1% in Q1-21, as compared to 82.5% in Q4-20. **Enaya** has the highest retention ratio of 100% in Q1-21, **Bupa** at 99.3% had the second highest retention ratio.

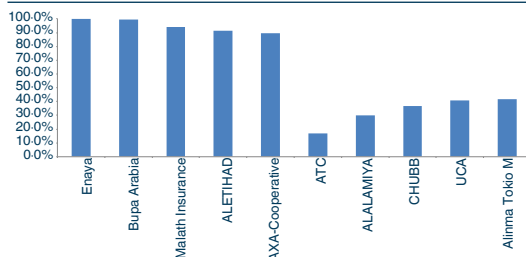
GWP-Sector Wise



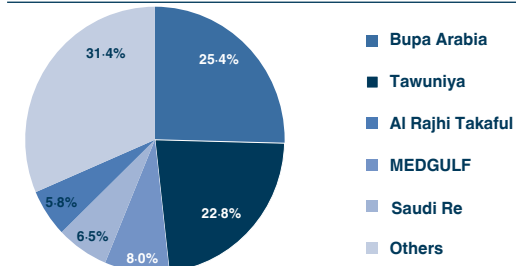
NPE-Sector Wise



Top 5 and Bottom 5- Retention Ratio



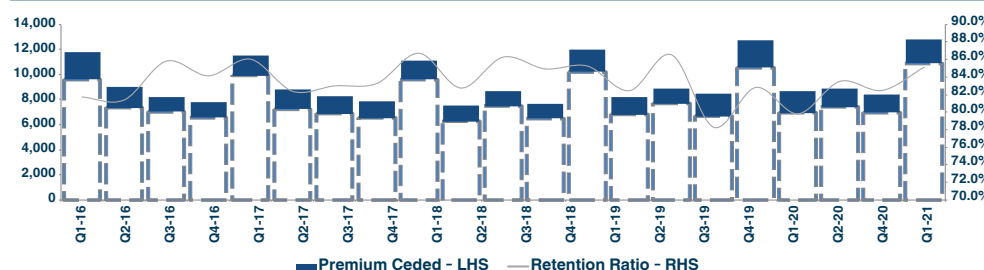
Gross Written Premium- Market Share



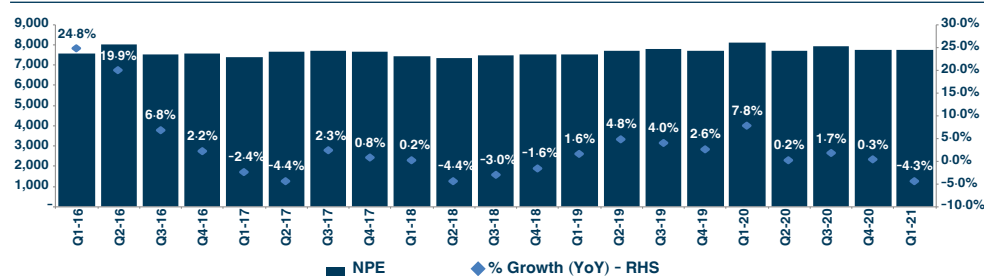
Gross Written Premium



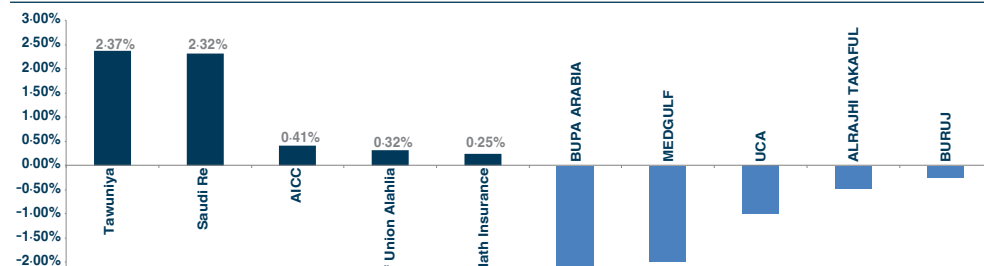
Premiums Ceded-Industry



Net Premium Earned



Top 5 Gainers and Losers- GWP Market Share



GCP (Gross Claims Paid) in Q1-21 stood at SAR 6.8bn depicting a decline of 3.4% Y/Y.

NCI (Net Claim Incurred) in Q1-21 stood at SAR 6.5bn, reflecting an increase of 1.1% Y/Y.

Market Share

BUPA with 32.1% market share in GCP, paid the highest claims of SAR 2.2bn, followed by **Tawuniya** at 22.0% market share in claims.

CHUBB paid the lowest claims of SAR 12.4mn.

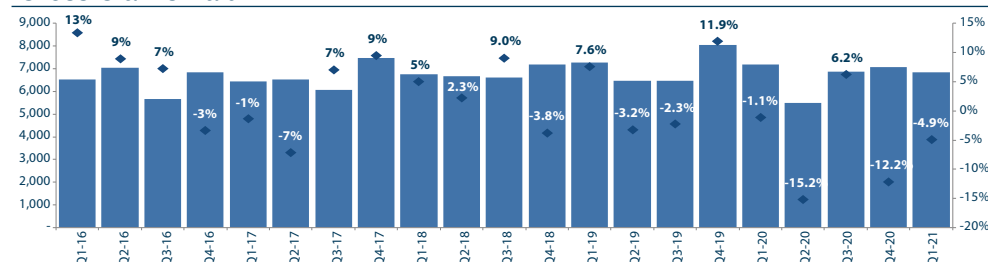
In Q4-20, **Health sector** accounted for the highest share in claims at 74.8%, followed by **Motor sector** at 21.4%.

Sagr Insurance had the highest loss ratio of 129.1% in Q1-21, followed by **UCA** at 111.4%.

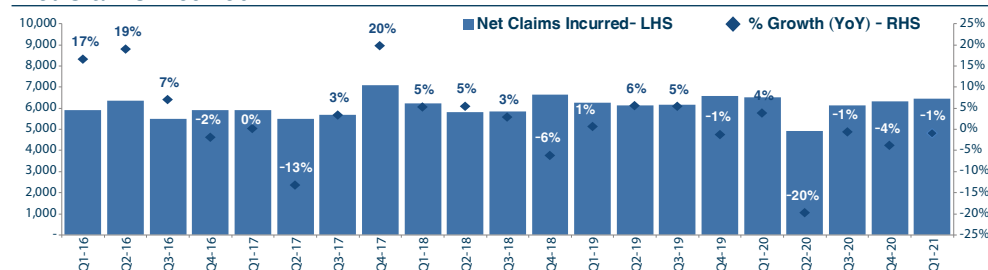
ATC had the lowest loss ratio of 20.8%.

Jazira Takaful had the lowest combined ratio of 90.0%.

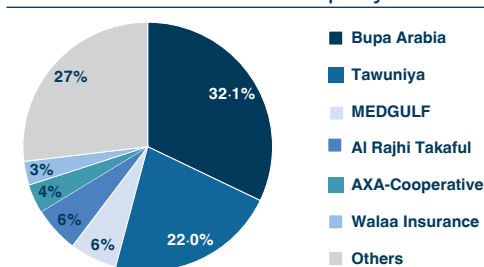
Gross Claims Paid



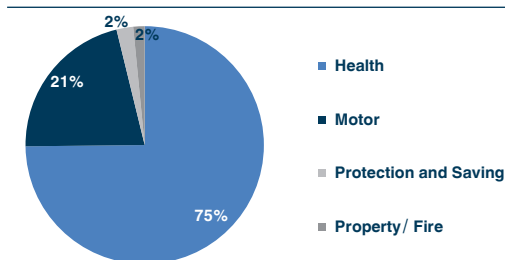
Net Claims Incurred



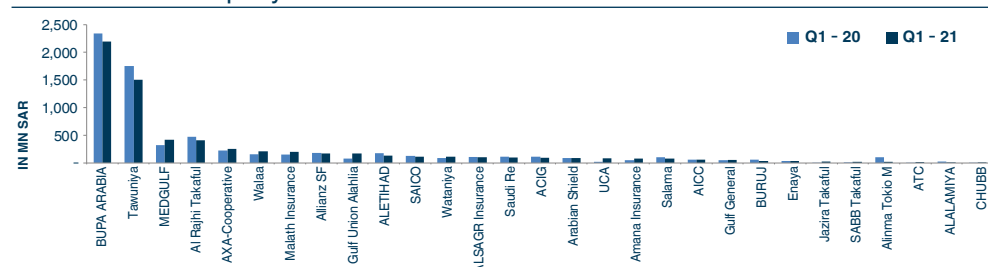
Claims Market Share-Company wise



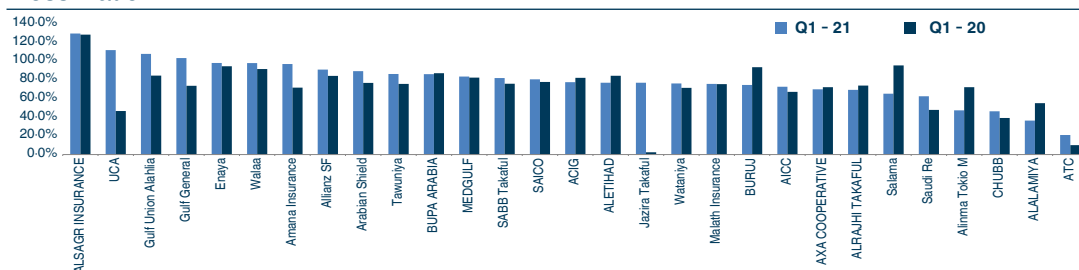
Claims Market Share-sector wise



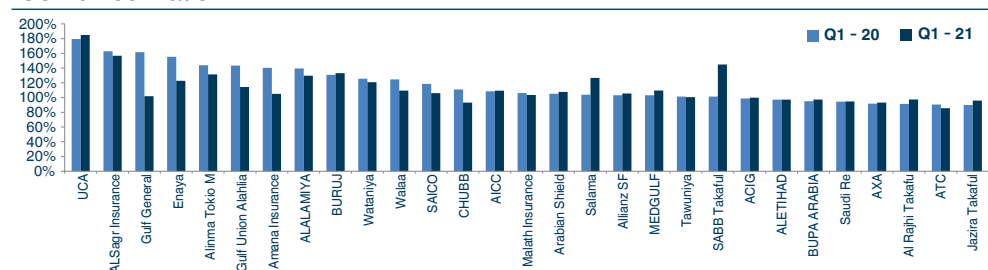
Claims Paid-Company wise



Loss Ratio



Combined Ratio



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Net income for the sector stood at SAR 98.9mn in Q1-21, as compared to SAR 75.8mn in Q1-20, representing an increase of 30.4% Y/Y.

Net income before Zakat stood at SAR 211.6mn, depicting an increase of 22.0% Y/Y.

Bupa Arabia posted net income of SAR 139.9mn in Q1-21, as compared to SAR 99.7mn in Q1-20.

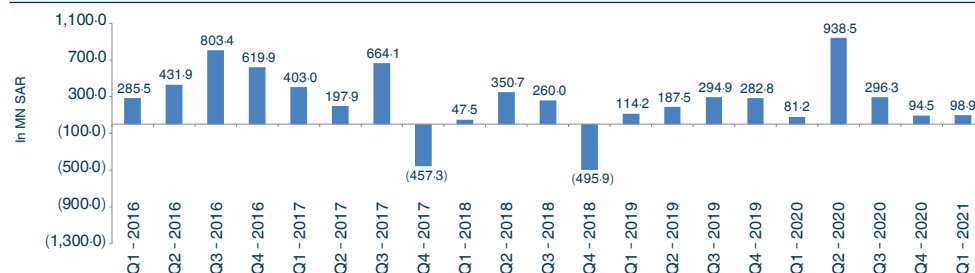
Bupa showed the highest surplus from its insurance operations, at SAR 144.9mn.

Tawuniya showed the highest investment income of SAR 40.9mn in the sector, dropping 33.1% Y/Y.

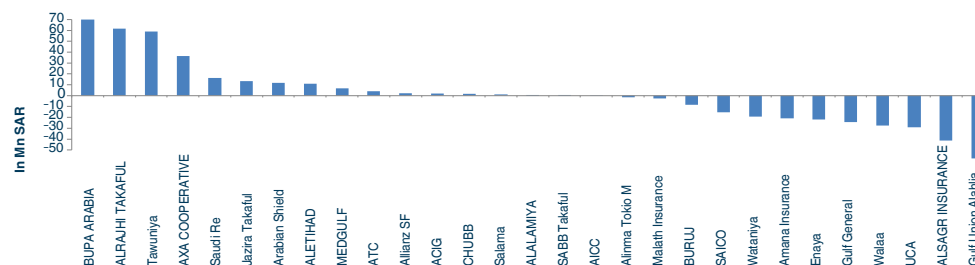
Buruj showed the highest operating margin at 2.2%. While **Jazira Takaful** posted the highest net margin of 16.4%.

Al Rajhi Takaful posted the highest RoE of 25.0%. While **Bupa Arabia** showed the highest RoA of 6.3%.

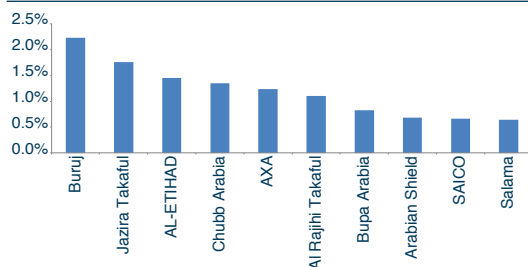
Net Income



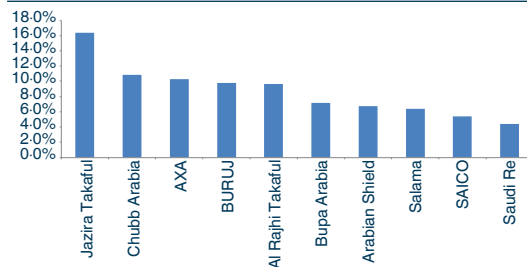
Net Income-Company wise



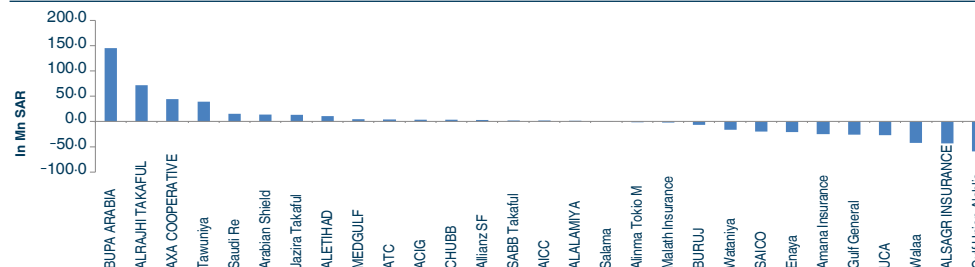
Operating Margins-Top 10



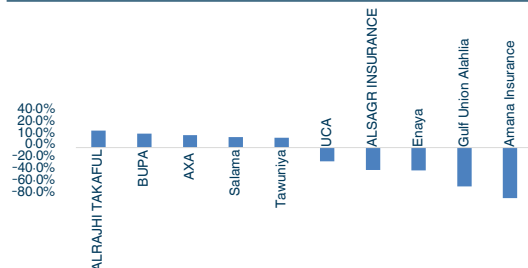
Net Margins-Top 10



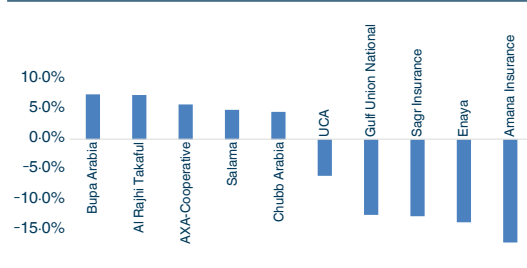
Surplus From Insurance Operations



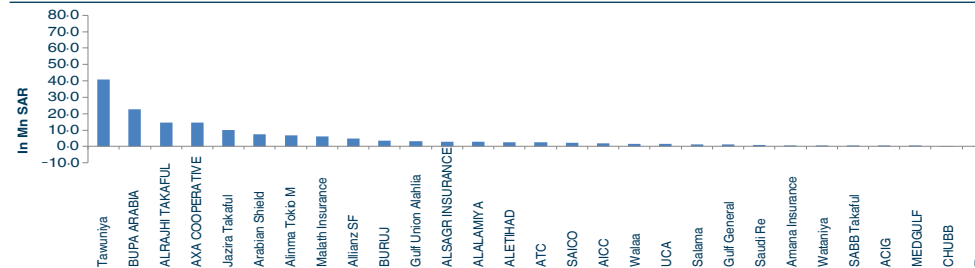
ROE-Top and Bottom 5



ROA-Top and Bottom 5



Investment Income



Source: Argaam

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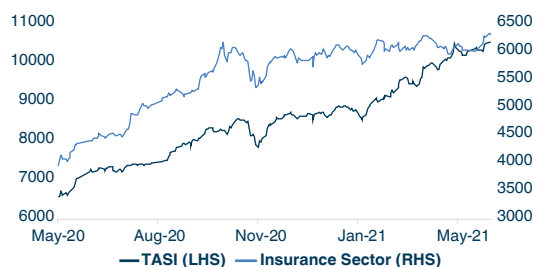
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AXA-Cooperative has the lowest PE of 13.0x, followed by **AlRajhi Takaful** with a PE of 13.5x.

Saudi Re Co has the lowest PB of 1.4x, followed by **Jazira Takaful** with a PB of 1.7x

Bupa Arabia showed the highest dividend yield of 2.8%, followed by **Tawuniya** at 0.9%.

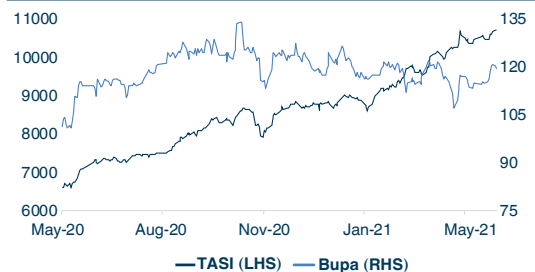
Tadawul Insurance Index- 1 Yr Performance



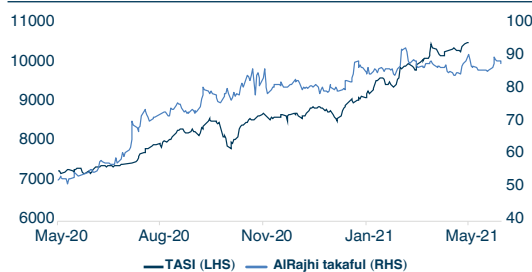
Tawuniya-1 Yr Performance



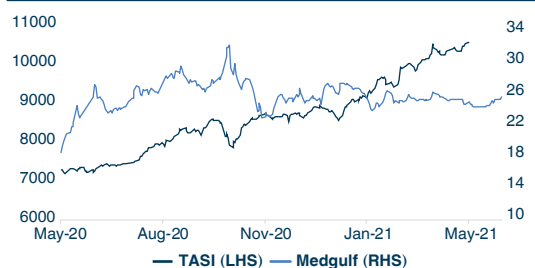
BUPA-1 Yr Performance



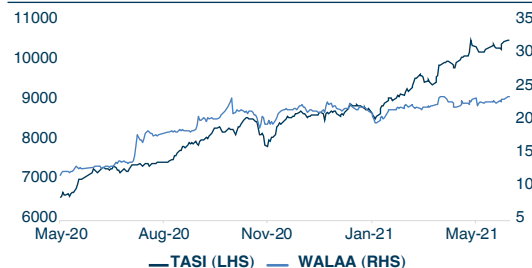
AlRajhi Takaful-1 Yr Performance



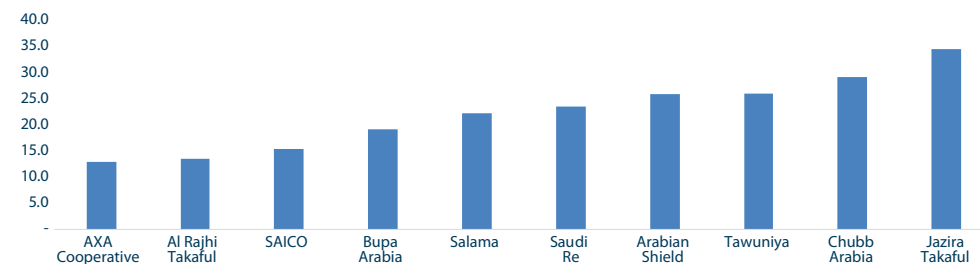
Medgulf-1 Yr Performance



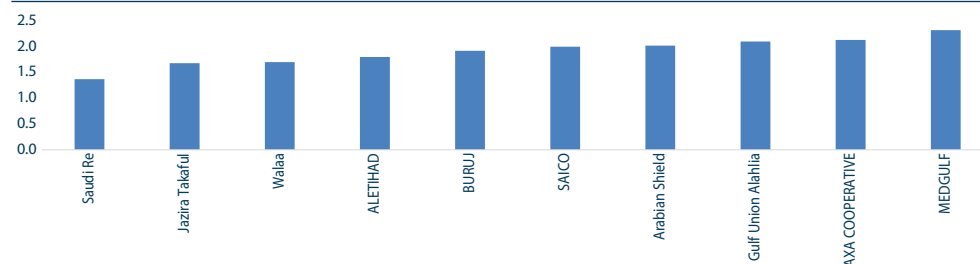
Walaa-1 Yr Performance



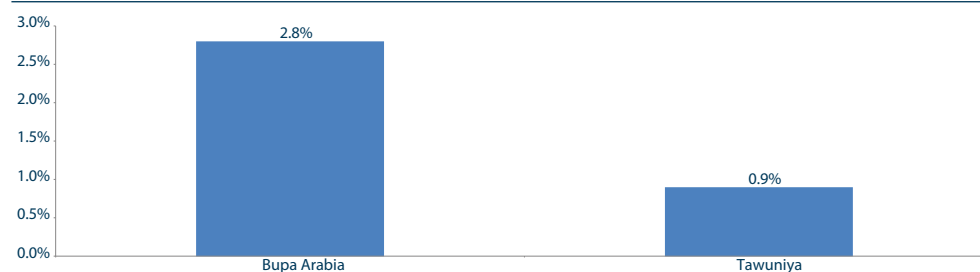
Lowest PE



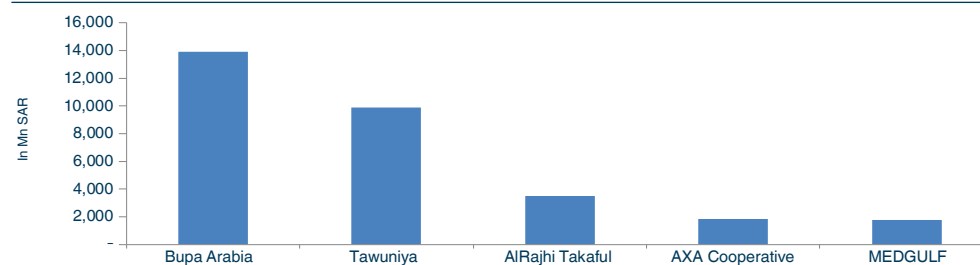
Lowest PB



Highest Dividend Yield



Top 5 Companies by Market Cap



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APPENDIX 1

	GWP			Y/Y % change	Q/Q % change	NWP			Y/Y % change	Q/Q % change	NPE			Y/Y % change	Q/Q % change
	Q1-20	Q4-20	Q1-21			Q1-20	Q4-20	Q1-21			Q1-20	Q4-20	Q1-21		
Jazira Takaful	44	87	49	13.4%	-43.3%	40	62	13	-68.5%	-79.7%	47	47	33	-29.4%	-28.3%
Tawuniya	2,573	2,699	2,921	13.5%	8.2%	2,415	2,282	2,592	7.3%	13.6%	1,926	1,787	1,838	-4.6%	2.8%
Malath Insurance	254	165	290	14.4%	76.4%	216	163	264	22.1%	61.7%	187	191	176	-6.0%	-7.9%
MEDGULF	1,260	600	1,029	-18.4%	71.4%	574	505	791	37.9%	56.6%	396	348	458	15.5%	31.5%
Allianz SF	206	143	229	11.2%	60.0%	129	108	111	-14.1%	2.6%	163	118	102	-37.1%	-13.4%
Salama	86	88	118	37.8%	34.8%	73	72	108	47.2%	48.8%	98	96	101	3.9%	5.9%
Walaa	334	428	343	2.8%	-19.8%	241	236	242	0.4%	2.5%	189	210	220	16.2%	4.8%
Arabian Shield	258	126	259	0.4%	106.2%	147	93	152	3.5%	63.3%	89	84	81	-8.5%	-2.8%
SABB Takaful	51	68	59	15.3%	-13.4%	32	35	37	17.1%	4.9%	28	16	32	14.5%	100.3%
SAICO	335	129	357	6.7%	176.4%	184	111	221	20.3%	99.9%	142	137	144	1.6%	5.1%
Gulf Union Alahlia	134	174	177	32.5%	1.7%	98	146	136	38.4%	-7.1%	107	126	156	44.9%	23.7%
ATC	58	61	83	42.5%	37.2%	14	(0)	17	21.4%	-18092.8%	13	(0)	17	32.4%	-9463.7%
ACIG	134	139	152	13.5%	9.7%	114	126	131	15.3%	3.5%	116	110	112	-3.7%	1.5%
AICC	121	63	176	45.2%	178.4%	100	41	121	21.5%	195.0%	58	60	60	3.8%	-0.7%
ALETIHAD	153	231	186	21.2%	-19.7%	134	218	161	20.6%	-25.9%	190	171	174	-8.2%	1.8%
Wataniya	303	144	308	1.9%	114.1%	149	107	175	17.6%	63.4%	104	111	115	10.3%	4.1%
Amana Insurance	103	57	78	-24.6%	37.0%	98	39	67	-31.7%	69.9%	57	65	64	12.2%	-1.6%
AXA COOPERATIVE	544	216	542	-0.5%	150.3%	511	201	489	-4.4%	143.1%	317	321	309	-2.5%	-3.8%
Gulf General	130	80	130	0.1%	63.4%	93	57	104	11.9%	81.9%	55	53	50	-9.6%	-5.4%
BURUJ	67	23	36	-46.6%	52.4%	60	17	31	-48.4%	77.1%	58	46	38	-34.1%	-16.7%
ALALAMIYA	52	55	51	-3.1%	-8.4%	16	15	20	23.5%	27.2%	25	11	14	-44.0%	30.9%
Saudi Re	528	77	834	58.1%	981.5%	489	32	792	61.9%	2360.7%	123	174	195	59.3%	12.5%
UCA	241	99	116	-51.7%	17.4%	55	28	55	0.2%	95.0%	14	49	51	252.5%	3.4%
BUPA ARABIA	3,470	1,658	3,253	-6.3%	96.2%	3,452	1,629	3,228	-6.5%	98.1%	2,672	2,666	2,498	-6.5%	-6.3%
ALSAGR INSURANCE	98	77	69	-29.5%	-10.5%	88	65	62	-29.9%	-4.9%	104	87	76	-26.6%	-13.0%
CHUBB	97	88	92	-5.4%	4.9%	39	16	48	23.2%	203.5%	22	22	22	3.6%	3.0%
Enaya	61	33	45	-26.1%	38.5%	61	33	45	-26.1%	38.5%	46	43	38	-16.3%	-10.9%
ALRAJHI TAKAFUL	788	573	740	-6.1%	29.2%	727	490	639	-12.2%	30.5%	589	565	561	-4.7%	-0.6%
Alinma Tokio M	99	51	79	-20.2%	56.6%	47	19	46	-1.1%	144.9%	41	33	32	-22.5%	-3.6%
Total	12,579	8,431	12,800	1.8%	51.8%	10,396	6,949	10,898	4.8%	56.8%	7,976	7,745	7,769	-2.6%	0.3%

Source: Argam

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APPENDIX 2

	Gross Claims Paid			Y/Y % change	Q/Q % change	Net Claims Paid			Y/Y % change	Q/Q % change
	Q1-20	Q4-20	Q1-21			Q1-20	Q4-20	Q1-21		
Jazira Takaful	4	11	25	613.4%	139.2%	1	3	26	2135.6%	632.8%
Tawuniya	1,751	1,681	1,504	-14.1%	-10.5%	1,452	1,450	1,578	8.7%	8.9%
Malath Insurance	152	171	199	31.4%	16.7%	141	152	133	-5.7%	-13.0%
MEDGULF	325	359	420	29.4%	17.0%	325	277	381	17.1%	37.2%
Allianz SF	179	133	173	-3.6%	29.7%	136	84	93	-32.1%	9.7%
Salama	105	98	80	-23.0%	-17.7%	93	87	66	-29.0%	-24.3%
Walaa	155	186	212	36.7%	14.0%	173	164	214	24.3%	30.9%
Arabian Shield	90	94	91	0.8%	-3.1%	68	55	72	6.5%	31.1%
SABB Takaful	10	23	22	120.8%	-7.2%	21	17	26	23.7%	54.6%
SAICO	130	114	115	-11.5%	0.8%	110	94	115	5.2%	22.9%
Gulf Union Alahlia	81	128	172	111.9%	34.6%	90	126	167	84.7%	32.1%
ATC	5	42	18	230.7%	-57.5%	1	5	3	174.4%	-32.1%
ACIG	113	104	94	-16.5%	-9.9%	95	94	86	-9.2%	-8.0%
AICC	60	69	62	3.1%	-10.3%	38	59	43	12.3%	-26.2%
ALETIHAD	177	122	133	-25.2%	8.4%	160	121	134	-16.4%	10.6%
Wataniya	87	101	112	28.3%	10.4%	74	73	87	17.6%	20.0%
Amana Insurance	50	64	81	63.9%	27.2%	41	64	62	51.8%	-3.4%
AXA COOPERATIVE	224	263	255	13.9%	-2.9%	228	219	215	-5.6%	-1.9%
Gulf General	52	62	54	2.4%	-14.1%	41	44	52	26.8%	18.1%
BURUJ	60	35	37	-38.5%	5.2%	54	16	28	-47.5%	71.1%
ALALAMIYA	24	14	12	-47.3%	-13.7%	14	4	5	-63.0%	13.1%
Saudi Re	113	160	101	-10.5%	-37.0%	58	107	121	107.7%	13.2%
UCA	20	69	83	315.8%	20.2%	7	41	57	746.1%	37.6%
BUPA ARABIA	2,338	2,341	2,193	-6.2%	-6.3%	2,318	2,421	2,142	-7.6%	-11.6%
ALSAGR INSURANCE	108	162	102	-6.4%	-37.3%	132	111	98	-25.9%	-11.4%
CHUBB	9	12	12	43.1%	-1.2%	8	6	10	22.6%	66.3%
Enaya	35	29	36	3.5%	22.6%	43	40	37	-13.2%	-5.9%
ALRAJHI TAKAFUL	474	402	408	-14.0%	1.4%	434	360	387	-10.7%	7.5%
Alinma Tokio M	105	13	21	-80.0%	67.1%	30	19	15	-49.2%	-20.5%
Total	7,035	7,065	6,827	-3.0%	-3.4%	6,385	6,315	6,454	1.1%	2.2%

Source: Argaam

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APPENDIX 3

	Net income Before Zakat			Y/Y % change	Q/Q % change	Net Income			Y/Y % change	Q/Q % change
	Q1-20	Q4-20	Q1-21			Q1-20	Q4-20	Q1-21		
Tawuniya	85.1	105.5	80.8	-5.0%	-23.4%	66.8	43.8	59.1	-11.5%	35.2%
Salama	(25.4)	0.1	2.7	-110.5%	2599.0%	(26.9)	(1.4)	1.2	-104.4%	-183.7%
UCA	(3.1)	1.8	(27.0)	773.5%	-1580.5%	(5.1)	(20.2)	(29.0)	469.5%	43.7%
ALRAJHI TAKAFUL	36.3	50.7	68.5	88.6%	35.1%	30.5	50.7	61.7	102.1%	21.7%
ALALAMIYA	3.4	(8.5)	2.5	-28.7%	-128.8%	1.2	(9.9)	0.5	-57.8%	-105.0%
ACIG	2.9	(5.0)	3.4	17.1%	-167.9%	2.2	(6.0)	2.1	-7.2%	-134.7%
BUPA ARABIA	125.7	84.9	175.4	39.6%	106.7%	99.7	68.9	139.9	40.3%	103.1%
Arabian Shield	8.8	10.2	15.3	75.0%	49.8%	5.9	7.6	11.6	96.1%	53.4%
BURUJ	(14.0)	19.3	(5.8)	-58.2%	-130.3%	(16.4)	16.1	(8.4)	-48.8%	-152.2%
ALSAGR INSURANCE	(58.4)	(30.3)	(39.9)	-31.7%	31.6%	(60.4)	(31.6)	(41.4)	-31.5%	31.0%
Malath Insurance	4.0	12.1	0.7	-82.4%	-94.2%	0.7	6.8	(2.5)	-466.5%	-137.2%
ALETIHAD	17.5	(40.6)	14.6	-16.9%	-135.8%	15.0	(44.1)	11.1	-26.3%	-125.0%
Wala	(11.7)	29.8	(23.9)	103.5%	-180.0%	(14.0)	23.9	(27.6)	97.6%	-215.5%
Allianz SF	(15.0)	(2.8)	4.7	-131.7%	-272.5%	(15.6)	(8.8)	2.3	-114.8%	-126.4%
MEDGULF	8.2	12.0	9.1	9.8%	-24.7%	4.2	6.1	6.8	60.7%	12.0%
SABB Takaful	(10.4)	(9.0)	1.9	-118.1%	-120.8%	(11.5)	(10.0)	0.5	-104.3%	-105.0%
SAICO	(10.0)	17.9	(15.2)	51.4%	-184.8%	(12.2)	14.1	(15.2)	25.0%	-207.7%
Gulf Union Alahlia	(6.1)	(33.7)	(56.8)	831.1%	68.6%	(6.8)	(37.2)	(57.8)	750.8%	55.4%
Saudi Re	10.3	25.6	19.6	90.3%	-23.6%	7.4	20.8	16.2	120.4%	-22.1%
AICC	0.2	2.1	2.3	1090.5%	6.6%	(1.3)	1.1	0.1	-110.9%	-87.3%
ATC	2.9	7.1	5.7	100.4%	-19.2%	1.2	5.5	4.0	224.8%	-27.0%
AXA COOPERATIVE	35.3	40.9	43.8	24.0%	7.1%	29.3	33.4	36.6	24.9%	9.6%
CHUBB	4.1	8.2	2.4	-40.1%	-70.4%	2.5	6.3	1.6	-38.6%	-75.4%
Gulf General	(4.3)	(6.0)	(23.4)	450.2%	292.0%	(4.8)	(8.7)	(24.4)	412.2%	180.7%
Wataniya	(7.0)	13.6	(18.5)	163.3%	-236.3%	(8.2)	12.0	(19.3)	134.6%	-260.3%
Amana Insurance	2.5	(33.8)	(23.3)	-1044.6%	-31.0%	2.2	(37.2)	(21.0)	-1047.1%	-43.6%
Enaya	(10.3)	(9.8)	(21.1)	106.1%	115.9%	(10.9)	(4.5)	(21.9)	101.6%	387.4%
Alinma Tokio M	(11.3)	(4.8)	(0.8)	-93.1%	-83.8%	(12.1)	(6.7)	(1.5)	-87.3%	-77.1%
Jazira Takaful	13.4	4.5	14.0	4.3%	207.7%	13.0	4.4	13.5	3.9%	206.6%
Total	173.5	262.2	211.6	22.0%	-19.3%	75.8	95.4	98.9	30.4%	3.7%

Source: Argaam

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APPENDIX 4

	Market Cap	PE	PB	Dividend Yield
Tawuniya	10,038	26.1	3.5	0.90%
Jazira Takaful	1,363	34.5	1.7	-
MALATH INSURANCE	1,398	HIGH	3.0	-
MEDGULF	1,810	45.3	2.3	-
Allianz SF	1,674	NEG	2.4	-
Salama	646	22.3	3.2	-
Walaa Insurance	1,535	40.6	1.7	-
Arabian Shield	972	25.9	2.0	-
SABB Takaful	1,207	NEG	4.1	-
SAICO	685	15.4	2.0	-
Gulf Union	452	NEG	2.1	-
ATC	664	HIGH	2.6	-
ACIG	665	NEG	4.4	-
AICC	749	HIGH	3.4	-
AL-ETIHAD	960	40.2	1.8	-
Sagr Insurance	668	NEG	2.7	-
UCA	1,006	NEG	3.3	-
Saudi Re	1,311	23.5	1.4	-
Bupa Arabia	14,160	19.2	3.5	2.80%
Al Rajihi Takaful	3,520	13.5	2.9	-
Chubb Arabia	865	29.2	2.4	-
AXA-Cooperative	1,895	13.0	2.1	-
Gulf General	531	NEG	3.9	-
Buruj	863	HIGH	1.9	-
Al Alamiya	1,158	NEG	2.9	-
Wataniya	911	NEG	3.7	-
Amana Insurance	815	NEG	11.1	-
Enaya	705	NEG	7.1	-
Alinma Tokio M	1,083	HIGH	5.4	-
Sector	54,401	20.6	2.9	0.13%

Source: Argam

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TERMINOLOGY

- Overweight:** This rating implies that the stock is currently trading at a discount to its 12 months price target. Stocks rated “Overweight” will typically provide an upside potential of over 10% from the current price levels over next twelve months.
- Underweight:** This rating implies that the stock is currently trading at a premium to its 12 months price target. Stocks rated “Underweight” would typically decline by over 10% from the current price levels over next twelve months.
- Neutral:** The rating implies that the stock is trading in the proximate range of its 12 months price target. Stocks rated “Neutral” is expected to stagnate within +/- 10% range from the current price levels over next twelve months.
- Suspension of rating or rating on hold (SR/RH):** This basically implies suspension of a rating pending further analysis of a material change in the fundamentals of the company.

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