GCC INSURANCE INDUSTRY

FEBRUARY 8, 2022

ALPEN CAPITAL

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Glossary

Insurance: A mechanism of contractually shifting burdens of pure risks by pooling them

Gross written premium: Total premium written and assumed by an insurer before deductions for reinsurance and ceding commissions for a policy that has already become effective

Insurance penetration: Gross written premium measured as a percentage of gross domestic product

Insurance density: Gross written premium measured per capita

Net written premium: Gross written premium less reinsurance ceded plus reinsurance assumed

Net Earned Premium: Total premiums collected over a period that have been earned based on the ratio of the time passed on the policies to their effective life

Cession rate: The percentage of written premium transferred to a reinsurer by a primary insurer (ceding company)

Retention rate: The percentage of written premium retained by a primary insurer

Net underwriting profit / (loss): Excess/deficit of premium earned after providing for all expenses directly attributable to underwriting activities and excluding investment income

Claims ratio: Net claims incurred as a percentage of net earned premium

Expense ratio: Underwriting and administrative expenses as a percentage of net earned premium

Combined ratio: The sum of claims ratio and expense ratio. A combined ratio of less than 100 indicates an underwriting profit

Investment returns: Calculated by dividing gross investment income over investments in securities, affiliates and property

Takaful: Follows Islamic religious principles such as bans on interest and pure monetary speculation. Here, risk is pooled among policyholders rather than being borne entirely by the company

Bancassurance: Involves the distribution of insurance products through the banking channel

Life insurance: Involves the distribution of insurance products such as whole life insurance and term insurance

Health/Medical insurance: Involves the distribution of insurance products covering the insurer for in-patient and outpatient medical expenses, maternity, optical and dental treatments, accidental death, disability due to accident or sickness and emergency medical repatriation. Health and Medical insurance can be used interchangeably

Property & casualty insurance: Involves the distribution of insurance products covering for loss of or damage to buildings, furniture, plant and machinery, fixtures and fitting, due to fire, explosion, burglary, natural calamities and terrorism, among others

Motor insurance: Involves the distribution of insurance products covering for loss of or damage to the insured's vehicle by accidental collision or overturning, fire, theft and while being transported (including the process of loading / unloading), among others

Travel insurance: Involves the distribution of insurance products covering the insurer during travel period for any medical and hospitalization expenses, loss of cash and baggage, trip cancellation and repatriation in case of death, serious illness or accident, among others

Marine insurance: Involves the distribution of insurance products covering the risks of transit for all types of cargo transported by sea and air freight, land transit, in addition to hull and machinery, excess liabilities risks, loss of hire, protection and indemnity risks

Aviation insurance: Involves the distribution of insurance products covering all risks in the sector such as maintenance, repairs/overhaul liability, hull war, manufacturers hull and liability, loss of license, spares all risks and comprehensive, aviation third party war liabilities, operators liability and hangar keepers liability

Engineering & construction insurance: Involves the distribution of insurance products covering against all risks related to engineering and construction activities such as contractors plant, equipment and machinery, electronic equipment, machinery breakdown, sabotage and terrorism, among others

Oil & gas insurance: Involves the distribution of insurance products covering against various risks including onshore and offshore activities, and operational assets for oil & gas entities. Product offerings also include solutions for alternative/renewable energy sectors

Workmen's compensation & benefits insurance: Involves the distribution of insurance products covering legal liability of employers to compensate their employees for death, disablement or injury due to an accident at work during the period of employment contract

Public & product liability insurance: Involves the distribution of insurance products such as public liability insurance that includes cover against property damage or personal injury caused through business activities, and product liability insurance that includes cover for property damage or bodily injury arising out of a defective product manufactured

Third party liability insurance: An insurance policy purchased for protection against the claims of another

Fidelity guarantee products: Involves the distribution of insurance products covering common fidelity claims such as employee dishonesty, embezzlement, forgery, robbery, safe burglary, computer fraud and wire transfer fraud, among others

Protection & savings insurance: Involves the distribution of insurance products providing covers for children's education expenses, retirement covers, personal protection and family protection plans

"The GCC insurance industry is currently going through a challenging time due to multiple reasons, among which is the economic downturn across the region. The lower demand for insurance and high competition had an adverse impact on insurance growth. In addition, the delay in the rollout of mandatory health insurance in Oman and Bahrain as well as the potential delay of government infrastructure projects are hinderances to growth. Furthermore, the delay in cash collection related to premium receivables from policyholders as well as the decline in valuation of real estate are challenges for the sector.

The COVID-19 pandemic is an unprecedented event for the insurance industry and presented an increasing number of claims. The impact of COVID-19 pandemic has firmly demonstrated the importance of professional qualification to handle such kind of risks. Many insurance companies are anticipating some difficulties in handling COVID-19 claims and the role of loss adjuster has increased substantially. Business interruption claims of 2020 related to COVID-19 which are anticipated to be higher than expected pay-outs in 2021, are expected to further affect earnings.

However, a higher awareness of insurance products could increase the demand for insurance in the GCC. Some regulations in the region have enhanced and improved discipline and transparency in the GCC insurance industry. Stricter and effective regulations could accelerate the industry's consolidation. Despite the uncertainty regarding the economic recovery, the insurers in the GCC are likely to benefit from ongoing infrastructure spending, new mandatory coverage and higher insurance demand."

Dr. Abdul Zahra A. Ali Al Turki

CEO, National General Insurance Company (PJSC), UAE

"Outlook for the insurance industry is stable and, appears quite resilient given the challenges that the economy has faced firstly with reduced oil prices and secondly with COVID.

Regarding the effects that COVID-19 has had on the industry, this varies depending on the profile of each insurer. For example, companies that wrote a significant share of medical business will have witnessed a not insignificant segment of their income reduced as buyers cut benefits and membership due to the economic contraction. Construction companies also faced considerable headwinds due to the economic slowdown along with the tourism and hospitality sectors. However, these are short to medium term issues that will dissipate as each sector recovers to pre-COVID levels.

Challenges facing the sector are severe competition amongst each other and the increase in commissions that the Brokers demand due to reduced revenue flows, in particular the motor portfolios. The hardening reinsurance market has also added a further challenge to Insurers in particular where facultative is required.

Factors that will aid growth include; further stimulus from federal governments into infrastructure spending given that oil prices have risen and remain at those levels and, increased investment opportunities in particular, increased interest rates from financial institutions. Trends include insurers fast-tracking their digitization strategies."

Ewen John McRobbie

CEO, RAK Insurance, UAE

"We believe the GCC insurance industry will continue to grow as the sector has remained resilient amidst the subdued global and economic environment. Growth of the industry is expected to be facilitated by increasing government support, improving regulatory environment and infrastructure development. Rising population and awareness regarding life insurance are expected to improve insurance density and penetration levels in the region. Reopening of the tourism sector and recent announcement of the national health insurance law in Bahrain is likely to bring additional growth for the Country.

COVID has had a significant impact on the sector and consequently aggravated the existing issues that were dampening its growth. Slowdown in sectors such as energy, construction, travel and tourism have heavily weighed on private sector activity leading to weak consumer spending. Additionally, insurers are witnessing a fall in Investment returns due to the low interest rate environment, as well as stiff competition which is impacting profitability levels.

The pandemic has further emphasized the need for adoption of technology to deliver a consolidated and unified experience. The existing competitive environment has propelled industry players to innovate and scale up their offerings and services, especially adopting digital channels to support day to day activities of their clients. Crowded nature of the market, operational difficulties to cope up with the volume of claims and lower profit margins are triggering consolidations which will improve market dynamics. Going forward these trends will support in achieving greater operational scale and efficiencies within the sector."

Ashraf Bseisu

Group Chief Executive, Solidarity Group Holding, Bahrain

"The GCC insurance sector has demonstrated resilience since the onset of the pandemic, and we expect the sector to witness a moderate albeit steady growth owing to improving macro-economic conditions, regulatory framework and infrastructure development. A growing population base and continued revenue diversification efforts of the GCC governments will also aid growth of the industry. Ongoing implementation of mandatory insurance lines especially in the health insurance line will provide further boost to the gross written premiums. GCC's life insurance segment remains underpenetrated and therefore presents tremendous growth opportunity for the industry supported by increasing awareness of its benefits especially post the pandemic. The pandemic has also accelerated the process of adopting digital solutions by operators to improve operational efficiencies as well as increase their market penetration.

Intensifying competition in recent years has put the sector under pressure and increasing capital requirements, particularly in the UAE and Saudi, are leading to consolidation across the market. Looking comprehensively, signs of an improving economy among the GCC nations, push towards digitization and rise in consolidations are expected to drive growth over the next five years of the insurance industry."

Rohit Walia

Executive Chairman and CEO, Alpen Capital (ME) Ltd.

1. Executive Summary

The GCC insurance industry has witnessed moderate growth in recent years amid macroeconomic concerns and intensifying competition within the industry. The outbreak of COVID-19 since the start of 2020 has also weighed on the growth prospects of the broader industry. Nevertheless, the long-term prospects of the GCC insurance sector remains positive owing to expected economic upheaval, government's diversification efforts, continued infrastructural development, regulatory harmonization, push towards digitization, and rising population over the forecasted period. Moreover, reopening of the tourism sector coupled with mega events such as the on-going Expo 2020 and the FIFA World Cup 2022 are also likely to boost growth, going forward.

1.1 Scope of the Report

This report is an update of Alpen Capital's GCC Insurance Industry Report dated November 24, 2019. It focuses on the current state of the insurance industry across the GCC nations, including recent trends, growth drivers and challenges. The report also provides an outlook of the industry until 2026, along with profiles of prominent insurance providers in the region and a brief analysis of the financial and market valuation metrics.

1.2 Industry Outlook

- The GCC insurance market is projected to grow at an annualized rate of 3.2% from US$ 26.5 billion in 2021 to US$ 31.1 billion in 2026. Sustained increase in population, economic recovery, reopening of the tourism sector, and strong pipeline of infrastructure development projects are among the leading factors that will facilitate growth in the sector. Moreover, the governments' efforts in strengthening regulations, encouraging innovative tech-enabled services, coupled with introducing mandatory business lines are also likely to aid growth.
- Within the GCC, Kuwait, Qatar and the UAE are expected to outperform the regional growth with annualized rates of 5.3%, 4.7% and 4.1%, respectively, over the next five-years. UAE, the largest market in the region, will continue to maintain its leading position and remain the insurance hub of the GCC.
- The life insurance GWP is projected to grow at a CAGR of 3.8% from US$ 3.8 billion in 2021 to US$ 4.6 billion in 2026 amid rising population and increasing awareness. On the other hand, the non-life insurance segment is projected to grow at a CAGR of 3.1% from US$ 22.7 billion in 2021 to US$ 26.5 billion in 2026, primarily aided by an expected recovery in economic activity, the roll-out of new mandatory business lines, and rise in infrastructure investments.

1.3 Key Growth Drivers

- Economic activity in the GCC is expected to pick up as COVID-19 induced restrictions ease further. Business confidence in the region is slowly reviving with the reopening of borders and easing of travel restraints. This, in turn, will help boost the tourism sector – a catalyst for the insurance industry in the region.
- Sizable infrastructure investment programs by the GCC nations, unprecedented reforms, strong emphasis towards economic diversification and private sector participation, coupled with measures taken to attract businesses and skilled talent from all over the globe will bode well for the region's insurance industry.
- Growing population, largely comprising of young and working-class professionals, together with high proportion of expatriates continue to be a major driver for the GCC's insurance industry. Demand for insurance products will continue to grow as population across the GCC is expected to reach 64.4 million by 2026, registering a CAGR of 2.0% since 2021.
- The GCC nations have gradually mandated health insurance for citizens as well as foreign visitors and expatriates over the past few years. Expansion on the

mandatory business lines should continue to boost the demand of insurance products and drive the overall growth of the industry.

- Regional authorities have made several changes to the regulatory oversight in recent years to bring in more transparency and discipline, while also promoting consolidation. Such reforms are likely to improve the insurer's credit profiles and asset quality in the long-term, while also making the overall insurance sector more transparent, competitive, efficient and sustainable.

1.4 Key Challenges

- Lower revenues due to slump in oil prices, coupled with COVID-19 induced travel restrictions, job losses, business closures, and a subsequent fall in per capita income have put the regional insurance industry under increased pressure. Weak consumer spending has led to the drop in sales of vehicles and real estate, affecting the overall demand for related insurance products. Moreover, the rising uncertainty led to re-evaluation or delays in infrastructure projects which is likely to affect the growth of valuable insurance assets such as property.
- Insurance penetration remains low across the GCC compared to developed and emerging market peers. Low awareness regarding the importance of insurance products and relatively underdeveloped life insurance market continue to pose challenges and result in lower penetration rates vis-à-vis the global average.
- The highly fragmented insurance industry in the GCC has led to intensified competition among the existing players, resulting in higher commissions and discounts on product offering and lower profitability.
- Insurance companies in the GCC may witness further pressure on margins due to increased VAT rates in the region and the costs incurred to remain compliant with new policies.

1.5 Key Trends

- The COVID-19 pandemic has brought about increased awareness as people have begun to reassess their priorities and lay more importance on insurance cover and shielding themselves and their families from risks posed by such uncertainties.
- The changing consumer behavior and adoption of digital technologies has compelled the regional insurance companies to create a new ecosystem in accordance with digitalization preferences. At the same time, regulators across the GCC have introduced reforms as part of their broader FinTech strategy, including the adoption of InsurTech. These initiatives are expected to make the GCC insurance sector more competitive, innovative and facilitate financial inclusion.
- High-operating costs combined with a strengthening regulatory environment is making it increasingly difficult for weaker players to sustain with the same level of growth and profitability. This is likely to lead to higher consolidation through increased M&A across the market as the insurance companies are forced to renew their focus on building resiliency and rethinking their risk management strategies.
- Going forward, focus is likely to be directed towards value creating opportunities with larger players targeting small to mid-sized players as well as tech-enabled operators and aggregators. This will not only strengthen the competitive capabilities of the players in the market but also encourage the creation of newer products and services in the sector amidst weakening profitability.
- The COVID-19 induced slowdown in business activity has adversely impacted the insurance industry, leading to changes in pricing and coverage rates.

Despite the impact of COVID-19 on the GCC insurance markets, premium growth prospects remain resilient. Amid careful optimism, regional insurance companies are now focusing on developing new business models, introducing innovative products, while also re-conceptualizing services and pricing strategies for prioritized segments. Such dynamics, backed by the governments' initiatives to improve compliance to ensure sustainability, will enable the GCC insurance industry to emerge from the crisis ahead of its peers.

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2. The GCC Insurance Industry Overview

The GCC insurance industry has witnessed moderate growth due to economic and geo-political concerns coupled with increasing competition among Takaful and conventional insurers

The GCC insurance industry witnessed moderate growth in recent years due to economic and geo-political concerns coupled with increasing competition among insurers. Gross written premiums (GWP) in the GCC grew at an annualized rate of 1.8% from US$ 24.2 billion in 2015 to US$ 26.5 billion in 2020 (see Exhibit 1)[1] amidst constrained fiscal, business and consumer spending. The industry witnessed a relatively muted performance in 2019 and 2020 with growth declining marginally due to lower business activity caused by the COVID-19 pandemic induced closures. Consequent cost-saving measures by industries, coupled with a shift towards less business travel have further increased pressure in key sectors such as real estate, retail, transportation, and hospitality. These factors, combined with intense competition, are weighing on growth prospects for GWP of both Takaful and conventional insurers. This has increased pressure on insurers to deploy technologies such as artificial intelligence (AI), Internet of Things (IoT), and blockchain to generate more value in marketing and distribution, product development, underwriting, and in claims prevention and customer support. Digitization initiatives by insurers in the region is not only helping in transforming the entire value chain but also reviving growth while providing an opportunity to stay ahead of competition[2].

UAE and Saudi Arabia retained their position as the two largest insurance markets, accounting for 43.7% and 39.1% of the region's GWP in 2020, respectively

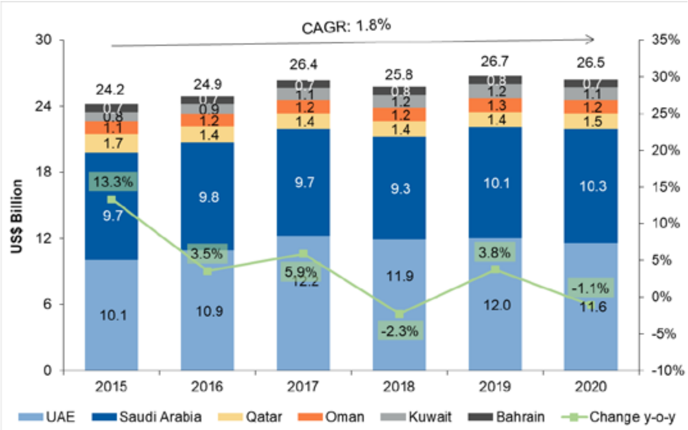
Within GCC, UAE and Saudi Arabia retained their position as the two largest insurance markets, accounting for 43.7% and 39.1% of the region's GWP in 2020, respectively (see Exhibit 2) [3]. UAE maintained its position as the leading insurance market, growing at a CAGR of 2.8% between 2015 and 2020, largely due to its diversified expatriate population base, favorable demographics, and business friendly environment. In Saudi Arabia, total GWP grew at a CAGR of 1.2% over the five-year period driven by new mandatory medical coverage and compulsory motor insurance[4]. Additionally, both these countries have continued to heavily emphasize on infrastructure development to diversify their revenues away from the hydrocarbon sector. The long-term strategies to diversify the economy, coupled with the governments' robust investment plan and initiatives to draw foreign direct investments (FDI) into projects have helped sustain the economy. This, in turn, has helped increase the number of insurable assets grow in the UAE and Saudi Arabia[5].

Kuwait's insurance market recorded the highest growth in the region at 7.0% CAGR between 2015 and 2020, largely aided by a decision from the Ministry of Health to raise fees for health services[6] coupled with implementation of health insurance scheme for expatriates in the private sector, new health insurance policies by the government to cover public sector retirees, and an increase in the motor insurance business line[7]. Consequently, Kuwait's market share increased from 3.4% in 2015 to 4.3% in 2020[8]. On the other hand, Qatar's insurance market declined at an annualized rate of 3.1% over the five-year period, leading to the country's market share falling from 7.0% in 2015 to 5.5% in 2020[9]. Despite higher public expenditure to diversify the economy coupled with preparation for the 2022 FIFA World Cup, Qatar's insurance sector was largely affected by the embargo imposed by the neighboring GCC nations in 2017-18. The resultant slowdown in regional travel, tourism and trade, led to a decrease in insurable risks and consequently premium income for Qatari

[1] Source: "World Insurance Reports", Swiss Re; SAMA; UAE CB, CBB, CMA of Oman
[2] Source: "Clarity on Insurance – Reimagining Claims and Underwriting", KPMG, March 2021
[3] Source: "World Insurance Reports", Swiss Re; SAMA; UAE CB, CBB, CMA of Oman
[4] Source: "Saudi Insurance sector produces best ever results in 2020:KPMG", Arab News, July 15, 2021
[5] Source: "GCC Insurers In 2021", S&P Global
[6] Source: "Insurance market posted 34% jump in premiums in 1H 2017", ME Insurance Review, January 2018
[7] Source: "Kuwait's insurance industry charts a more sustainable path", Oxford Business Group
[8] Source: "World Insurance Reports", Swiss Re; SAMA; UAE CB, CBB, CMA of Oman
[9] Source: "World Insurance Reports", Swiss Re; SAMA; UAE CB, CBB, CMA of Oman

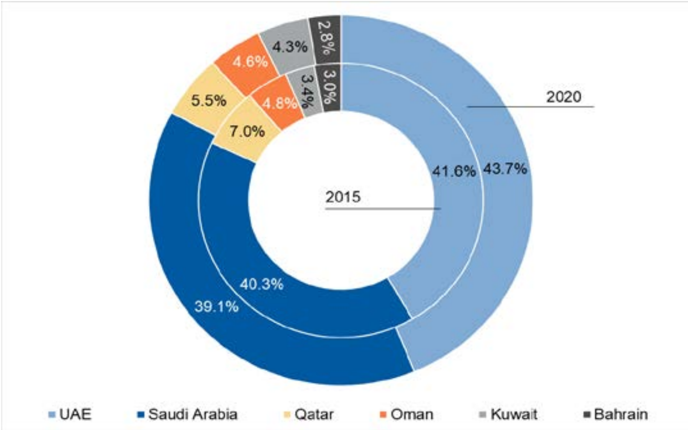
operators[10]. The share of the remainder GCC nations have changed marginally between 2015 and 2020. Despite a slowdown in economic activity[11], Oman recorded a rise of 1.1% CAGR in GWP between 2015 and 2020, led by a rise in health insurance following the introduction of mandatory cover for expatriates and private sector employees[12]. Bahrain recorded a modest growth of 0.3% CAGR over the five-year, driven by rise in life and health insurance business amid rising demand for cover from employers in the private sector [13].

Exhibit 1: GCC Insurance Market Size (based on GWP)



Source: Swiss Re, SAMA, UAE Central Bank, CBB, CMA of Oman

Exhibit 2: Country-wise Share of GCC Insurance Market



Source: Swiss Re, SAMA, UAE Central Bank, CBB, CMA of Oman

Life and Non-life Insurance

Non-life insurance segment constituted 86.2% of the total insurance premiums written in the GCC in 2020; Between 2015 and 2020, non-life GWP grew at a CAGR of 1.8% to reach US$ 22.8 billion

The non-life insurance segment constituted 86.2% of the total insurance premiums written in the GCC in 2020 (see Exhibits 3 and 4)[14]. Between 2015 and 2020, non-life GWP grew at a CAGR of 1.8% to reach US$ 22.8 billion owing to the rise in the motor and health insurance segments. These two lines together represent more than 60% of the total GWP in most GCC markets[15]. While motor insurance is compulsory across the GCC, health insurance is currently mandatory for all only in Saudi Arabia, Oman, and across emirates of Dubai and Abu Dhabi in the UAE. In Saudi Arabia, health insurance accounted for 61% of the total premiums in 2020, while motor insurance accounted for 22% of the general insurance business in 2020[16]. In October 2021, Qatar announced that a mandatory health insurance system will be implemented for all foreign nationals and visitors to the country[17]. In late 2020, Kuwait's Health Insurance Hospitals Company (Dhaman) announced it will be introducing a new KWD 130 (US$ 430.8) compulsory health insurance for two million residents working in the private sector[18]. Similarly, Bahrain had announced plans to make health insurance coverage compulsory for all citizens, residents and visitors to the country from January 2019. Although the first phase of the National Health Insurance scheme (Sehati) was approved, it has not yet been implemented across the nation[19]. Bahraini

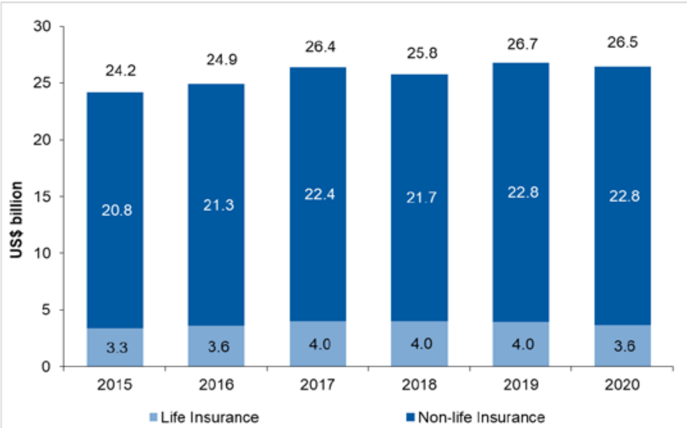
[10] Source: "GCC Insurers In 2021", S&P Global, February 22, 2021
[11] Source: "Oman Insurance Report", Fitch Solutions, 2021
[12] Source: "Oman Insurance Market Update 2020-2021", Howden Analytics
[13] Source: "Bahrain All Set To Launch First Stage Of Health Insurance For Expats", News of Bahrain, December 25, 2021
[14] Source: "World Insurance Reports", Swiss Re; SAMA; UAE CB, CBB, CMA of Oman
[15] Source: "GCC: Takaful sector resilient so far, but there are challenges on the horizon", Middle East Insurance Review, November 2021
[16] Source: "General Insurance Industry in Saudi Arabia to reach SAR46.6bn in 2025", Global Data, August 27, 2021
[17] Source: "Mandatory health insurance for expatriates and visitors to Qatar: Ministry", The Peninsula Qatar
[18] Source: "Kuwait introduces new compulsory health insurance costing KD130", Gulf News, November 23, 2020
[19] Source: "Compulsory health insurance planned for locals and expats in Bahrain", Laing Buisson, January 21, 2020

operators, under government directives issued in 2018, are now considering the adoption of compulsory health insurance for all expatriates in the country[20].

GWP in the GCC life insurance segment rose at an annualized rate of 1.7% since 2015 to reach US$ 3.6 billion in 2020

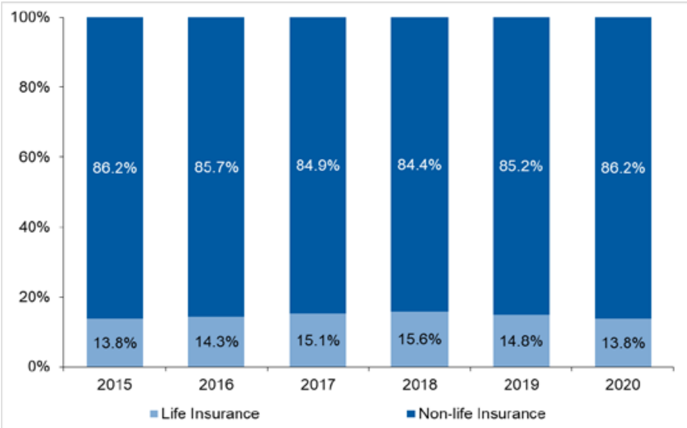
GWP in the GCC life insurance segment rose at an annualized rate of 1.7% since 2015 to reach US$ 3.6 billion in 2020[21]. The segment, which has been historically driven by the expatriate population base across the GCC, witnessed slowdown in 2019 and 2020 due to COVID-19. Thousands of expatriate workers had to bear the brunt of job losses amid lockdown measures, leading to the region recording higher outward migration as expatriates returned to their home countries[22]. Consequently, life insurance, which constituted a 15.6% of the total insurance premiums written in the GCC in 2018, declined to 13.8% in 2020 (see Exhibits 3 and 4)[23]. Life GWP in Saudi Arabia grew at the fastest pace in the GCC, recording a CAGR of 4.1% between 2015 and 2020, followed by Qatar (2.9% CAGR), and Bahrain (2.6% CAGR)[24]. Although UAE accounted for the largest share in life insurance market, constituting 77.3% of the total GCC life insurance GWP in 2020, it recorded a modest rise of 1.7% CAGR during the period. Kuwait recorded a fall of 3.7% CAGR in life GWP amid low awareness and majority of premium income coming through corporate packages only[25], while Oman recorded a rise of 0.3% CAGR over the five-year period. The combined share of Saudi Arabia, Qatar, Bahrain, Oman, and Kuwait has remained flat between 2015 and 2020. Growth in the segment has also been hampered due to cultural reservations among the nationals towards mortality-based insurance products and lack of incentives on life insurance savings[26].

Exhibit 3: Segment-wise GCC Insurance Market Size



Source: Swiss Re, SAMA, UAE Central Bank, CBB, CMA of Oman

Exhibit 4: Proportion of the GCC Insurance Segments



Source: Swiss Re, SAMA, UAE Central Bank, CBB, CMA of Oman

Insurance Penetration

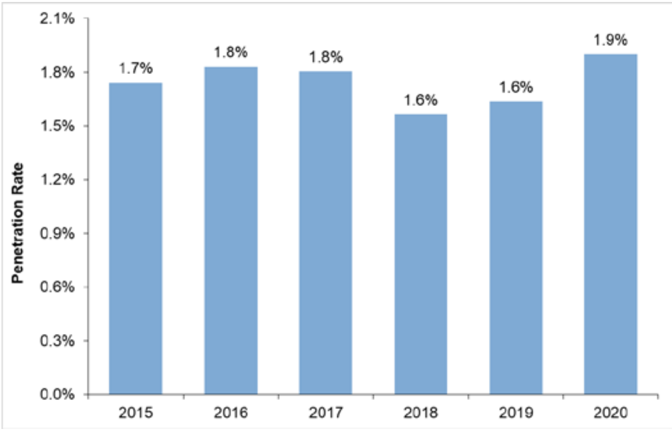
At an average of 1.9%, the penetration level in GCC is below the emerging market average of 3.4% and global average of 7.4 %

Insurance penetration (GWP/GDP) in the GCC countries has remained substantially low despite strong growth in premiums until the embargo on Qatar in 2018 and onset of COVID-19 in the following year. In 2020, the average GCC penetration level stood at 1.9%, considerably below the emerging market average of 3.4% and global average of 7.4% (see Exhibits 5 and 6)[27]. Within the region, UAE (3.2%) and Bahrain (2.1%) registered the highest insurance penetration rates. Penetration rate in the rest of the GCC nations ranged between

[20] Source: "Compulsory health insurance in Bahrain", Atlas Magazine, January 2021
[21] Source: "World Insurance Reports", Swiss Re; SAMA; UAE CB, CBB, CMA of Oman
[22] Source: "Gulf expat exodus could continue until 2023, S&P says; Reuters, February 15, 2021
[23] Source: "World Insurance Reports", Swiss Re; SAMA; UAE CB, CBB, CMA of Oman
[24] Source: "World Insurance Reports", Swiss Re; SAMA; UAE CB, CBB, CMA of Oman
[25] Source: "Kuwait's insurance industry charts a more sustainable path", Oxford Business Group
[26] Source: "The untapped potential of life insurance in the GCC", August 24, 2021
[27] Source: "World Insurance", Swiss Re; "World Economic Outlook Database", IMF, October 2021

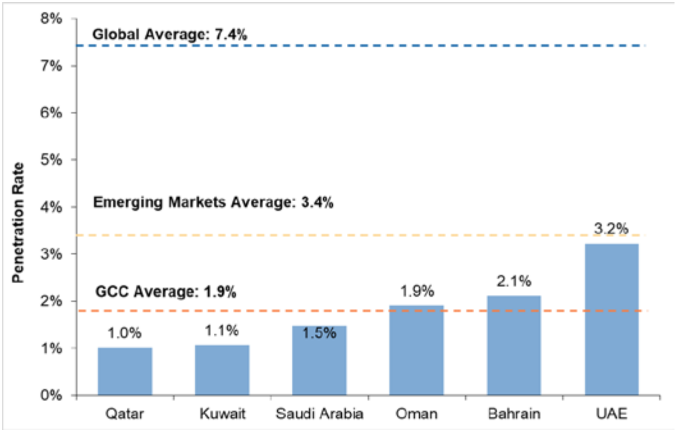
1.0% and 1.9% in 2020 (see Exhibit 6)[28]. At such rates, the GCC insurance sector remains largely underpenetrated vis-à-vis the global average, and provides an opportunity for the insurance players to tap the potential in the region.

Exhibit 5: Trend in Insurance Penetration in the GCC



Source: Swiss Re, SAMA, UAE Central Bank, CBB, CMA of Oman, IMF

Exhibit 6: Country-wise Insurance Penetration (2020)



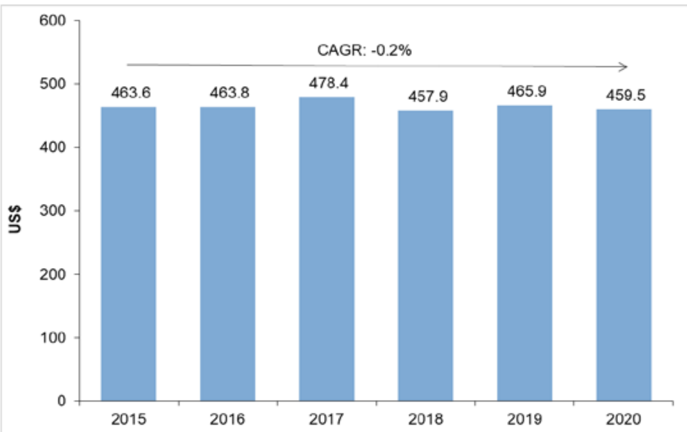
Source: Swiss Re, SAMA, UAE Central Bank, CBB, CMA of Oman, IMF

Insurance Density

The average insurance density in the GCC declined at an annualised rate of 0.2% between 2015 and 2020 to US$ 459.9

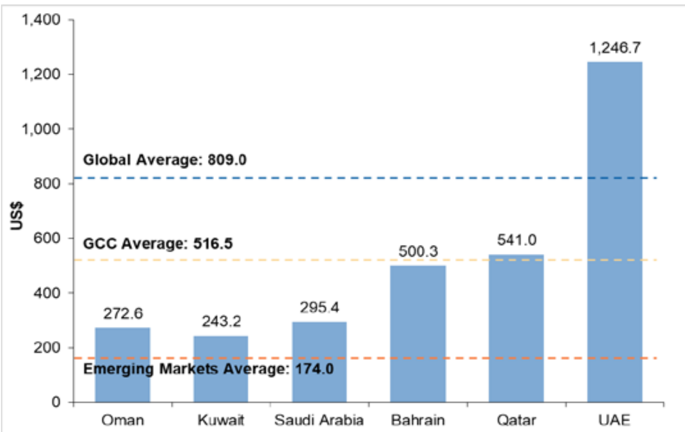
The average insurance density (per capita insurance premium) in the GCC marginally declined at an annualized rate of 0.2% since 2015 to reach US$ 459.9 in 2020 (see Exhibit 7)[29]. Geo-political concerns due to the embargo on Qatar coupled with the economic challenges driven by COVID-19 affected the insurance density across the GCC nations. Insurance density varies considerably among GCC nations, with UAE having the highest at US$ 1,246.7, almost thrice the GCC average of US$ 459.9. It is followed by Qatar (US$ 541.0), Bahrain (US$ 500.3), Saudi Arabia (US$ 295.4), Oman (US$ 272.6), and Kuwait (US$ 243.2) (see Exhibit 8). The average insurance density in the GCC is higher than the emerging market average of US$ 174.0, primarily due to the comparatively lower population base and higher average per-capita income[30].

Exhibit 7: Trend in Insurance Density in the GCC



Source: Swiss Re, SAMA, UAE Central Bank, CBB, CMA of Oman, IMF

Exhibit 8: Country-wise Insurance Density (2020)



Source: Swiss Re, SAMA, UAE Central Bank, CBB, CMA of Oman, IMF

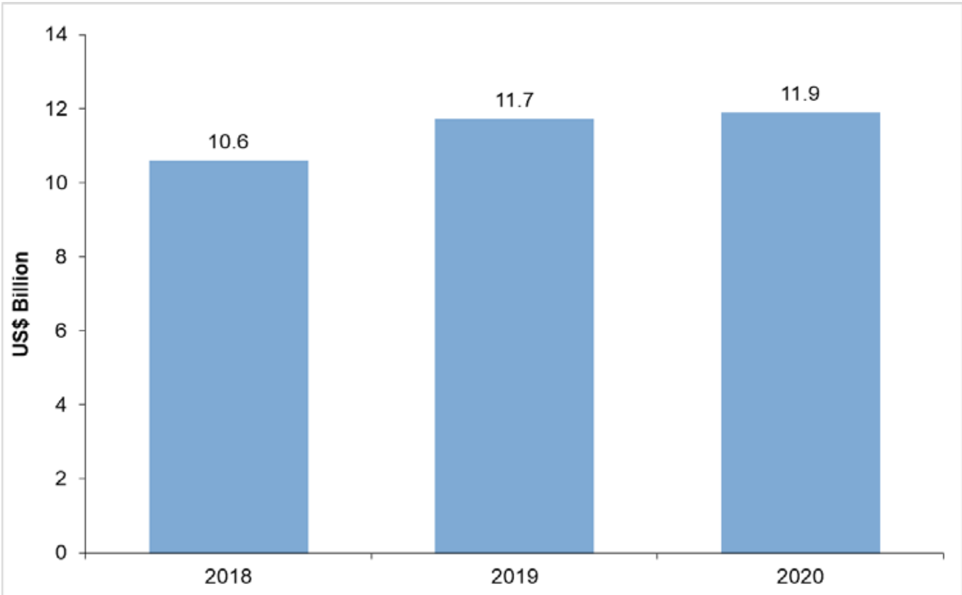
[28] Source: "World Insurance", Swiss Re; "World Economic Outlook Database", IMF, October 2021
[29] Source: "World Insurance", Swiss Re; "World Economic Outlook Database", IMF, October 2021
[30] Source: "World Insurance", Swiss Re; "World Economic Outlook Database", IMF, October 2021

Takaful Insurance

The GCC Takaful insurance industry remained broadly resilient in 2020 amidst a drop in motor and medical claims, following COVID-19 restrictions on movement

The GCC accounts for 36.5% of the global Takaful assets, owing to its large and growing affluent Muslim population[31]. Saudi Arabia maintained its position as the top market for Takaful in the GCC based on asset size, followed by the UAE, Qatar, and Bahrain[32]. There are more than 47 listed Takaful operators in the region[33], whose combined premiums increased from US$ 10.6 billion in 2018 to US$ 11.9 billion in 2020 (see Exhibit 9). This equates to an annualized growth rate of 5.9%, comparatively higher than the growth rate of the overall insurance market in the region, supported by robust performance amid a challenging operating environment. The GCC Takaful insurance industry remained broadly resilient in 2020 amidst a drop in motor and medical claims, following government-imposed restrictions on movement due to COVID-19[34].

Exhibit 9: GWP of Takaful Insurers in the GCC



Source: S&P Global

Takaful operators in the GCC markets, outside of Saudi Arabia, recorded higher growth in 2019, with contributions rising 14% during the year

Majority of the Takaful operators in Saudi Arabia and the UAE witnessed a dip in profitability during 2018. In Saudi Arabia, measures to increase taxes for expatriates and promote Saudization led to mass expat-outflows and capped profitability, while the UAE saw a fall in net income due to high competition within its relatively small market[35]. However, the market revived in 2019 with 31 out of 47 Takaful entities reporting growth in GWP. Takaful contributions rose 8.8% in Saudi Arabia during the year with the 30 listed insurers in the Kingdom delivering a triple-digit growth of 108.1% in net profit before zakat to US$ 331.1 million36. The growth was aided by health insurance following the introduction of mandatory cover for dependents of Saudi nationals, additional benefits under the unified medical policy from July 2018, better investment returns, as well as the ongoing efforts of authorities to improve the operating environment by addressing the issue of uninsured drivers. Mandatory health cover was also introduced in Dubai and Abu Dhabi, leading to rising demand for

[31] Source: Islamic Finance Development Report 2021: Advancing Economies, ICD Refinitiv
[32] Source: Islamic Finance Development Report 2020: Progressing Through Adversity, ICD Refinitiv
[33] Source: "GCC Takaful 2019 results show a remarkable turnaround", ME Insurance Review, June 2020
[34] Source: "GCC: Takaful sector resilient so far, but there are challenges on the horizon", Middle East Insurance Review, November 2021
[35] Source: Islamic Finance Development Report 2019: Shifting Dynamics, ICD Refinitiv
[36] Source: "GCC Takaful 2019 results show a remarkable turnaround", ME Insurance Review, June 2020

Takaful products in the UAE. Out of the nine listed Takaful operators in the UAE, four reported negative growth in 2019 with during the year. In Kuwait, the smallest Takaful market in the region, net profit reduced by almost 17% to US$ 2.4 million in 2019[37]. The three other GCC Takaful markets registered strong double-digit profits in 2019: Qatar (+21.9% y-o-y to US$ 27.9 million); Oman (+21.7% y-o-y to US$ 9.6 million); and Bahrain (+11.4% y-o-y to US$9.6 million)[38]. Consequently, Takaful operators in the GCC markets, outside of Saudi Arabia, recorded higher growth in 2019, with contributions rising 14% during the year[39].

Takaful insurers benefitted from strong capital buffers entering 2020, and maintained a good position on the back of profitable results in the run up to 2020. However, majority of the GCC markets reported negative or modest growth in GWP during 2020, largely due to lower economic and business activity amid COVID-19 restrictions and increased competition. Saudi Arabia, which constitutes approximately 85% of total Takaful GWP in the GCC, experienced declines in premium income in motor business by 2.9% in 2020 and 6.8% in Q1 2021, due to falling new car sales[40]. As reported claims are returning to normal levels, the weak economic environment and ongoing volatility in asset prices could negatively affect premium growth and earnings prospects in 2021.

Takaful market is likely to witness significant consolidation as regulatory changes have forced the industry to streamline operations

The above has also led to higher consolidation in the GCC Takaful sector[41]. Moreover, several regulatory changes have been introduced across core Takaful markets that have forced the industry to streamline operations. For instance, new solvency requirements in the UAE demanding higher capital, coupled with the Saudi Arabian Monetary Authority's (SAMA) plan to increase minimum capital requirements for insurance providers to SAR 500 million (US$ 133.3 million) – five times the current requirement, has increased challenges for operators. This move would essentially require nearly 90% of insurers in the Kingdom to either raise fresh capital, consolidate with other players, or cease market operations. Smaller players are likely to seek mergers to enhance their efficiency, comply with demanding regulations, improve their scale and spread the cost of investment, while larger operators stand to gain market share and increased offerings through acquisitions[42].

[37] Source: "GCC Takaful 2019 results show a remarkable turnaround", ME Insurance Review, June 2020
[38] Source: "GCC Takaful 2019 results show a remarkable turnaround", ME Insurance Review, June 2020
[39] Source: Islamic Finance Development Report 2020: Progressing Through Adversity, ICD Refinitiv
[40] Source: "GCC's Islamic insurers face profitability challenges in 2021", Gulf News, July 31, 2021
[41] Source: State of the Global Islamic Economy Report 2020/21, DinarStandard & Salaam Gateway
[42] Source: "Increasing prospects for M&As in the GCC Takaful Industry", Gulf Times, September 23, 2021

2.1 Country-wise Insurance Market Overview

UAE

Market Structure

Exhibit 10: UAE Insurance Market Structure

Compulsory Products	Health		Motor	Third party liability		Professional Liability	
	Expatriate	National		Workman's Compensation	Pleasure Craft	Engineers	Construction Professionals
	✓	✓	✓	✓	✓	✓	✓

Licensed Companies	Total No. of Insurers	Type of Insurers		Domicile		No. of Public-Listed Insurers
		Conventional	Takaful	Foreign Insurers	National Insurers	
	62	50	12	27	35	28

Capital Requirements	Insurance Companies:	Reinsurance Companies:
	AED 100 million (US$ 27 million)	AED 250 million (US$ 68 million)

Regulators					
Regulators	Insurance Authority	Dubai Financial Services Authority	Abu Dhabi Global Market	Dubai Health Authority	Department of Health – Abu Dhabi

Source: UAE Regulatory Authority

Segment-wise Insurance Market

The UAE registered GWP of US$ 11.6 billion in 2020, growing at a CAGR of 2.8% from US$ 10.1 billion in 2015

UAE continues to remain the largest insurance market in the MENA region and ranked 36th globally in terms of GWP written during 2020[43]. Over the last decade, UAE has established itself as a well-diversified economy with strong demographics including a high proportion of expatriate population (88.5% of the total population)[44]. This, coupled with the introduction of mandatory health and motor insurance and an overhaul of the regulatory environment, have been some of the major driving forces of the country's insurance industry. Moreover, UAE's strong financial reserves, consistent government-led infrastructure spending and increased construction activities, in particular to the run up to Expo 2020, have augured growth for the industry. The country registered GWP of US$ 11.6 billion in 2020, growing at a CAGR of 2.8% from US$ 10.1 billion in 2015 (see Exhibit 11)[45]. UAE recorded the second fastest average annualized growth in terms of GWP in the GCC during the five-year period. However, amid economic uncertainty, a decline in expatriate population due to COVID-19 restrictions[46], coupled with declining average premiums for motor insurance and reduced benefits for health insurance[47], GWP growth in the country witnessed a decline of 3.5% y-o-y in 2020[48].

UAE's non-life insurance segment grew at a CAGR of 3.2% since 2015

The non-life insurance segment in the UAE accounted for 75.7% of the total GWP in 2020, growing at a CAGR of 3.2% since 2015 (see Exhibit 11)[49]. Growth in this segment has been largely driven by the introduction of mandatory motor and health insurance covers. However,

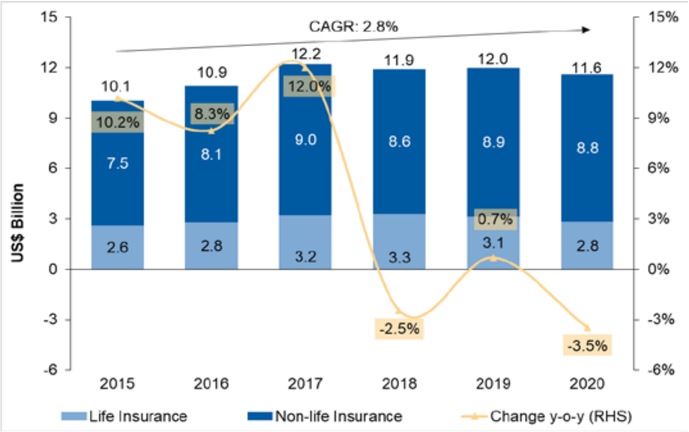
[43] Source: "Insurance Annual Report 2020", UAE Central Bank
[44] Source: "UAE Population Statistics", Global Media Insight, July 1, 2021
[45] Source: "Insurance Annual Report 2020", UAE Central Bank
[46] Source: "Dubai suffered steepest population drop in Gulf region, S&P says", Livemint, March 01, 2021
[47] Source: "UAE insurance companies (including foreign branches) performance analysis for year ended 2020", Badri Consultancy, May 24, 2021
[48] Source: "Insurance Annual Report 2020", UAE Central Bank
[49] Source: "Insurance Annual Report 2020", UAE Central Bank

in 2020, GWP from the motor insurance business dropped as several insurers lowered premiums in response to a drop in claims due to fewer accidents amid the pandemic-induced lockdowns. While the fewer claims improved the operating performance of such insurers, the overall minimum premiums were down approximately 30% from the pre-pandemic levels[50]. Contribution from accident & liability, which comprises of motor insurance GWP, stood at 22.5% as of 2020. At the same time, the contribution of the health insurance segment increased to 55.3% in 2020 from 47.8% in 2015. Health, accident & liability are the key non-life insurance business segments and jointly accounted for 77.8% of the total non-life insurance market in the UAE (see Exhibit 12). Other non-life business segments such as fire, marine, aviation & inland transportation also recorded growth in market share during 2020 (see Exhibit 12), driving the segment forward.

UAE's life insurance GWP grew at a CAGR of 1.7% between 2015 and 2020 to reach US$ 2.8 billion

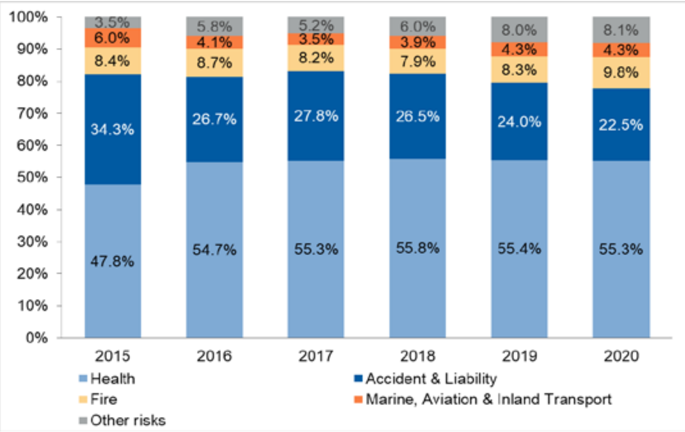
UAE also has the largest life insurance GWP within the GCC. The total life insurance GWP grew at a CAGR of 1.7% between 2015 and 2020 to reach US$ 2.8 billion[51]. Since the nationals are covered under the state welfare program, this growth in life insurance is largely driven the country's expatriate population. However, the life insurance segment remains relatively underpenetrated and untapped. With increased awareness and demand for life insurance among the expatriates as well as nationals since the onset of the COVID-19 pandemic[52], innovative products are now being developed to cater to the citizens that can drive growth of the life insurance segment in the country[53]. Share of the life insurance segment dropped from 25.7% in 2015 to 24.3% in 2020[54]. This can be largely attributed to the 10.1% y-o-y decline in life insurance premiums during 2020 amid a decline in expatriate population due to COVID-19[55].

Exhibit 11: Segment-wise GWP in the UAE



Source: Central Bank of UAE

Exhibit 12: Composition of Non-life in the UAE



Source: UAE Insurance Authority

UAE had the highest life and non-life insurance penetration in GCC region at 0.8% and 2.4%, respectively, in 2020

UAE had the highest penetration in the life and non-life insurance segments amongst the GCC countries. While the penetration in the life insurance segment increased marginally from 0.7% in 2015 to 0.8% in 2020, the non-life penetration increased from 2.1% in 2015 to 2.4% in 2020 (see Exhibits 13 and 14)[56]. The overall insurance penetration in the country stood at 3.2% in 2020, much higher than the GCC average of 1.9% and at par with the emerging markets average of 3.4%. Life insurance density in the UAE decreased at an

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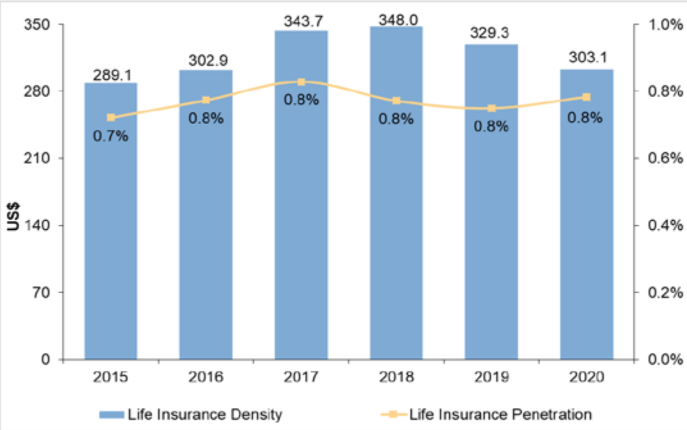
[50] Source: "InsuranceMarket.ae: Upturn in car insurance premiums in the UAE", Gulf News, August 16, 2021
[51] Source: "The Annual on Insurance Sector", Central Bank of the UAE
[52] Source: "Life insurance gains ground among UAE nationals and Indian expats amid COVID-19", Zawya, June 18, 2020
[53] Source: "Insurance industry in the UAE: Ready for the big leap", Mondaq, August 31, 2021
[54] Source: "Insurance Annual Report", UAE Central Bank
[55] Source: "GCC Insurers In 2021", S&P Global, February 22, 2021
[56] Source: "Insurance Annual Report", UAE Central Bank; "World Economic Outlook Database", IMF, October 2021

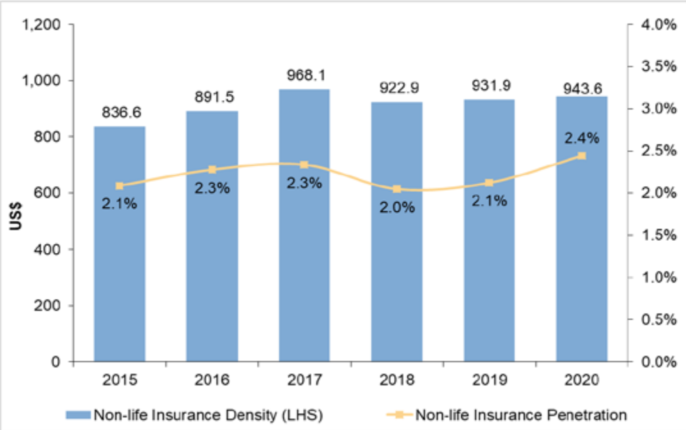
annualized rate of 1.0% since 2015 to reach US$ 303.1 in 2020[57]. This can be largely attributed to the decline in expatriate population during 2019-20 due to COVID-19, as life insurance products remain popular amongst the foreign community. On the other hand, non-life insurance density witnessed a growth of 2.4% CAGR over the five-year period to reach US$ 943.6 in 2020[58]. Compulsory motor and health insurance directives in the UAE led to the growth in the non-life insurance density.

Exhibit 13: Life Density and Penetration in the UAE



Source: Central Bank of UAE, IMF

Exhibit 14: Non-life Density and Penetration in the UAE



Source: Central Bank of UAE, IMF

Recent Regulatory Developments

UAE implemented a range of measures to combat COVID-19 at both the Federal level and through local governments of the seven Emirates

UAE implemented a range of measures to combat COVID-19 at both the Federal level and through local governments of the seven emirates. The UAE Insurance Authority issued a guidance for insurance companies that included adopting policies to reduce risks associated with the consequences of COVID-19, taking appropriate decisions to support its customers and policyholders affected by the outbreak, and activate a 'Disaster Recovery Plan' to ensure the business continuity, among others[59]. During the pandemic, the initial guidelines from the authority focused on the readiness and ability of insurance companies to work remotely during the pandemic. To ease the transition from offline to online insurance activities, the authority brought out certain regulations under which the licensed insurance companies, brokers and other firms must obtain pre-approval from the Insurance Authority to carry out any electronic or online insurance operations[60]. At the same time, the regulator reassured the public that the mandatory health insurance line will cover for COVID-19 claims. Amid the burden of rising testing costs, the UAE is also considering a proposal to cover the costs of COVID-19 tests through health insurance. In response to the proposal, a new federal health insurance law is being developed and is in the consultation phase[61].

The Insurance Authority also delayed the implementation of the long awaiting regulations for the life insurance sector in light of the pandemic, until October 2020[62]. The regulations cap the amount of commission payable on both protection and savings life insurance products and restrict the use of indemnity commission. In particular, the new regulations will affect the cash-flow of intermediaries and the broking industry. The decision by the

[57] Source: "Insurance Annual Report", UAE Central Bank; "World Economic Outlook Database", IMF, October 2021
[58] Source: "Insurance Annual Report", UAE Central Bank; "World Economic Outlook Database", IMF, October 2021
[59] Source: "Impact of COVID-19 On Banks, Insurance Companies And The Economy Of The Uae: Key Considerations", The Legal 500, March 31, 2020
[60] Source: "UAE Insurance Authority introduces regulations for online and electronic activities", Pinsent Masons, June 16, 2020
[61] Source: "UAE health minister to consider plan for COVID-19 testing cost to be covered by insurance", The National News, June 8, 2021
,[62] Source: "Insurance regulation and COVID-19 in the United Arab Emirates", Mondaq, May 29, 2020

International Accounting Standards Board (IASB) to defer the implementation for IFRS 17 Insurance Contracts until 2023 has also been a welcome development for UAE insurers[63].

The Insurance Authority has implemented measures designed to ease the financial burden of regulatory compliance, particularly for insurance intermediaries. In particular, the authority has mandated insurers to conduct stress testing in order to understand the impact of the pandemic on their businesses, primarily focusing on premiums and claims alongside Profit & Loss/solvency of insurers. The Insurance Authority also sought to provide relief to the insurers, by reducing the amount of bank guarantee to be provided to the regulators as condition of their license from AED 3 million (US$ 0.8 million) to AED 1 million (US$ 0.3 million), subject to certain conditions[64]. The Insurance Authority also permitted the insurance companies to offer a discount of 50% upon renewal or issuance of new polices to vehicle owners with low records of accidents; pertaining to the front-line staff in the medical sector, army, police and civil defense, among others. Furthermore, it has issued several guidelines regarding refunds, renewals and changing of the calculations of the premiums based on predetermined conditions[65].

The rules and regulations in the UAE insurance industry are constantly evolving to prevent any misuse or wrong practices and safeguard the interests of the consumers. Historically, liquidity has never been a problem for the insurance sector but amid rising competition, the regulator had previously sought to encourage consolidation in the industry, particularly in cases where the insurer would potentially report insolvency[66]. Nevertheless, in the backdrop of the pandemic, the Insurance Authority itself assured that the companies in the UAE have sufficient financial solvency and liquidity to pay off any potential compensation or claims arising from the repercussions of the COVID-19 pandemic[67].

In February 2021, Central Bank of the UAE started the operational procedures to merge the Insurance Authority into the UAE Central Bank (CBUAE). The decision aims at transforming the CBUAE into one of the top 10 central banks in the world. The CBUAE will now assume the supervisory and regulatory responsibility, licensing and enforcement functions of the insurance sector in the UAE. The regulator will also monitor the financial solvency of insurance companies, ensure ethical conduct of firms, and protect the rights of the insured in the country[68]. Following the completion of the merger process, CBUAE in co-operation with international authorities, will ensure implementation of best practices and standards in the insurance sector. The CBUAE also aims to further facilitate the advancement of new technologies as part of its FinTech strategy, including the adoption of InsurTech for insurance services. These initiatives are expected to make the UAE insurance sector more competitive, innovative and facilitate financial inclusion[69].

,[63] Source: "Insurance regulation and COVID-19 in the United Arab Emirates", Mondaq, May 29, 2020
[64] Source: "Insurance regulation and COVID-19 in the United Arab Emirates", Mondaq, May 29, 2020
[65] Source: "Measures taken to protect the Insurance sector in the UAE: Resolutions of the Insurance Authority further to the coronavirus pandemic", Lexology, August 13, 2020
[66] Source: "Insurance Regulation and COVID-19 in the United Arab Emirates", Clyde & Co, May 13, 2020
[67] Source: "Insurers are solvent to pay pandemic claims: Regulator", Business Insurance, September 3, 2020
[68] Source: "Central Bank of UAE begins procedures to execute Insurance Authority merger", Gulf News, January 27, 2021
[69] Source: "CBUAE commences operational procedures to execute Insurance Authority merger", Central Bank UAE, January 27, 2021

Saudi Arabia

Market Structure

Exhibit 15: Saudi Arabia Insurance Market Structure

Compulsory Products	Health		Motor	Third party liability		Professional Liability	
	Expatriate	National		Workman's Compensation	Pleasure Craft	Engineers	Construction Professionals
	✓	✓	✓	✓	-	-	-

Licensed Companies	Total No. of Insurers	Type of Insurers		Domicile		No. of Public-Listed Insurers
		Conventional	Takaful	Foreign Insurers	National Insurers	
	30	-	30	-	30	30

Capital Requirements	Insurance services: SAR 100 million (US$ 27 million)	Insurance and Reinsurance services: SAR 200 million (US$ 53 million)
Regulators	Saudi Arabian Monetary Authority	Council of Cooperative Health Insurance

Source: SAMA

Segment-wise Insurance Market

Saudi Arabia registered GWP of US$ 10.3 billion in 2020, growing at a CAGR of 1.2% from US$ 9.7 billion in 2015

Saudi Arabia is the second largest insurance market in the GCC and ranked 39th globally in terms of GWP written during 2020[70]. The Kingdom registered GWP of US$ 10.3 billion in 2020, growing at a CAGR of 1.2% from US$ 9.7 billion in 2015 (see Exhibit 16)[71]. Factors such as a large and growing population base and compulsory coverage under health and motor insurance have augured well for the industry. Moreover, government-led reforms to diversify the economy, create more jobs in the private sector, and increased focus on infrastructure developments as part of its Vision 2030 has also supported the insurance sector growth. Despite a challenging economic period in 2020 due to the impact of COVID-19, the Kingdom's insurance sector remained resilient recording a 2.3% y-o-y growth[72]. In order to mitigate the uncertainty and safeguard residents, SAMA and the Council of Cooperative Health Insurance (CCHI) introduced a host of regulations governing the insurance sector. Some of the key regulatory initiatives taken by the authorities during 2020 include banning brokerage firms from combining insurance and reinsurance activities, new rules governing insurance aggregation activities, updated strategy (2020-24) with a focus on digitization, new rules governing bancassurance activities, and introducing insurance products to protect the rights and benefits of non-Saudi workers in the private sector, among others[73].

Saudi Arabia's non-life insurance segment grew at a CAGR of 1.1% between 2015 and 2020

Accounting for 96.7% of the total GWP, the non-life insurance segment grew at an annualized rate of 1.1% since 2015 to reach US$ 10.0 billion in 2020[74]. Growth in the segment was primarily led by health and motor insurance lines, which contributed 80.5% to the total non-life insurance GWP and 77.9% to the overall GWP, respectively, in 2020[75].

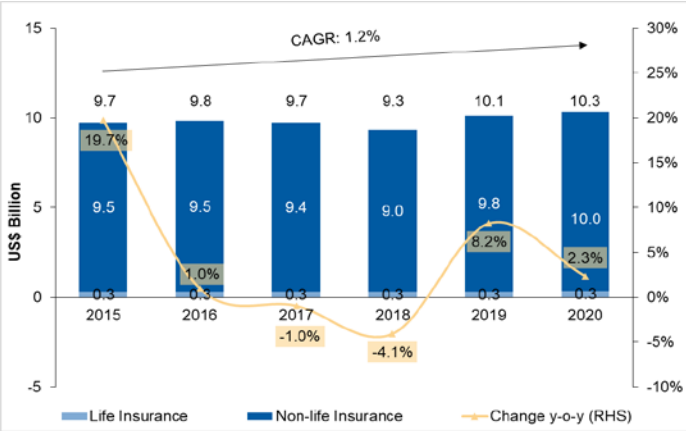
[70] Source: "World insurance: the recovery gains pace", Swiss Re, Sigma No 03/2021
[71] Source: "Insurance Market Report", SAMA
[72] Source: "Insurance Market Report", SAMA
[73] Source: "2020 Annual Earnings Conference Call", Tawuniya, April 26, 2021
[74] Source: "Insurance Market Report", SAMA
[75] Source: "Insurance Market Report 2020", Saudi Arabian Monetary Authority (SAMA)

The compulsory product lines also remained the ones with a very high retention rate at 96% and 93%, respectively, in 2020[76]. While the contribution of the health insurance segment increased to 58.9% in 2020 from 52.0% in 2015, motor insurance composition declined to 21.6% in 2020 from 29.6% in 2015[77]. The motor insurance product line has been largely affected due to weaker car sales and increasing price competition in the Kingdom. All insurance companies in Saudi Arabia announced market wide discounts between 10-15% during 2020, as an initiative to improve the coverage ratio[78].

Premiums from life insurance policies contributed a small share of 3.3% of total GWP

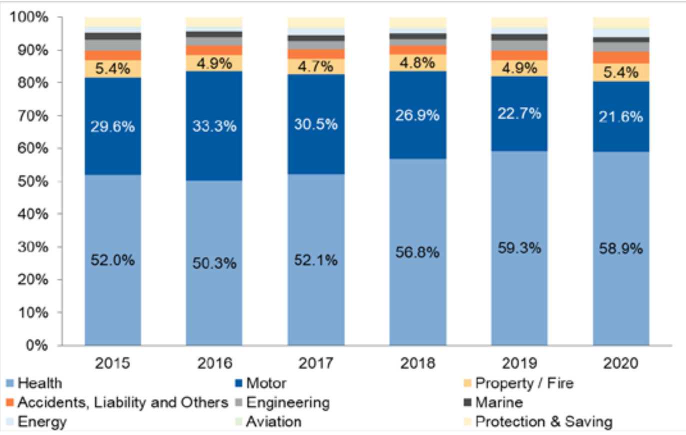
Life insurance GWP accounted for a share of 3.3% to total GWP in the Kingdom during 2020[79], primarily due to cultural reservations and the availability of social welfare schemes for nationals. Nevertheless, the segment recorded comparatively higher growth rate of 4.1% CAGR between 2015 and 2020[80] driven by a growing expatriate population base, increasing spending power bundled with rising awareness for life insurance products. Benefits such as exemption from the standard VAT rate of 5% on all life insurance products in Saudi Arabia has also increased demand in the product line[81].

Exhibit 16: Segment-wise GWP in KSA



Source: SAMA

Exhibit 17: Composition of Non-life in KSA



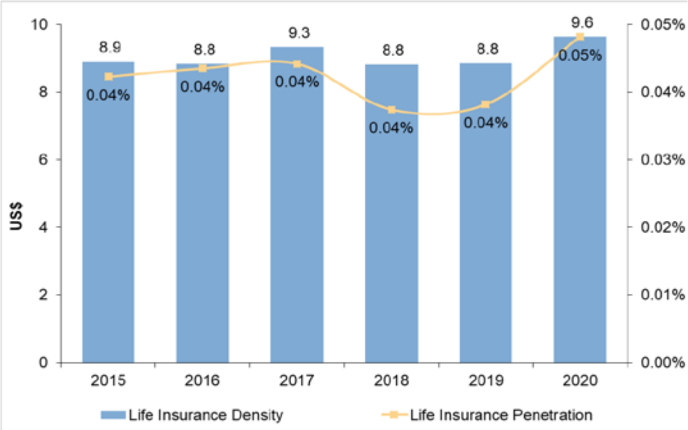
Source: SAMA

The overall insurance penetration in Saudi Arabia stood at 1.5% in 2020, lower than the GCC average of 1.9%

Life insurance density in Saudi Arabia increased from US$ 8.9 in 2015 to US$ 9.6 in 2020 whereas the penetration reached 0.05% at the end of the five-year period (see Exhibit 18)[82]. Non-life insurance density in the Kingdom declined at an annualized rate of 1.3% over the five-year period to reach US$ 285.8 in 2020, while the non-life insurance penetration stood at 1.4% as of 2020 (see Exhibit 19)[83]. The overall insurance penetration in Saudi Arabia stood at 1.5% in 2020, lower than the GCC average of 1.9%.

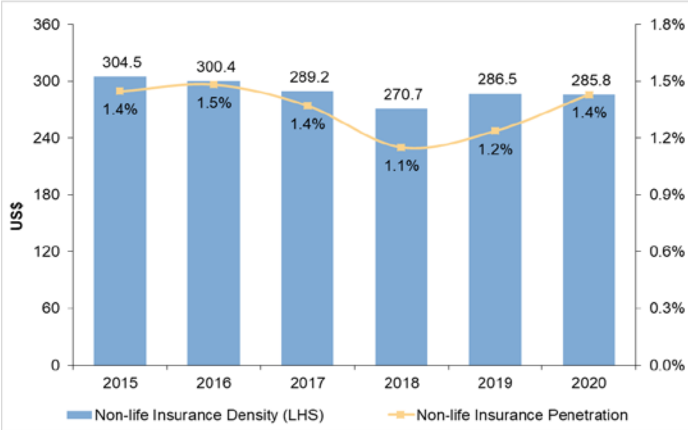
[76] Source: "Insurance Market Report 2020", Saudi Arabian Monetary Authority (SAMA)
[77] Source: "Insurance Market Report 2020", Saudi Arabian Monetary Authority (SAMA)
[78] Source: "2020 Annual Earnings Conference Call", Tawuniya, April 26, 2021
[79] Source: "Insurance Market Report", SAMA
[80] Source: "Insurance Market Report", SAMA
[81] Source: "Insurance and Reinsurance in Saudi Arabia: Overview", Thomson Reuters Practical Law
[82] Source: "Insurance Market Report", SAMA; "World Economic Outlook Database", IMF, October 2021
[83] Source: "Insurance Market Report", SAMA; "World Economic Outlook Database", IMF, October 2021

Exhibit 18: Life Density and Penetration in KSA



Source: SAMA, IMF

Exhibit 19: Non-life Density and Penetration in KSA



Source: SAMA, IMF

Recent Regulatory Developments

Following the COVID-19 outbreak, SAMA ramped up its monitoring of the insurance sector to manage the risks posed by the pandemic

Following the COVID-19 outbreak, SAMA ramped up its monitoring of the insurance sector and the institutions associated with it to manage the risks posed by the pandemic. In February 2020, the SAMA announced plans to raise the capital requirement levels for the insurance companies in the Kingdom. This came as a part of its strategy to strengthen the insurance sector and encourage greater consolidation. SAMA proposed increasing the capital requirements for a company offering insurance services from SAR 100 million (US$ 26.7 million) to SAR 500 million (US$ 133.3 million), while for those offering both Insurance and Reinsurance activities from SAR 200 million (US$ 53.3 million) to SAR 1 billion (US$ 266.5 million)[84].

In 2020, SAMA continued to refine the existing regulations and introduced at least 44 circulars on a range of subjects in order to respond to the evolving business environment amid COVID-19. In line with the Central Bank's aim to measure the overall performance of the sector, SAMA introduced the Market Conduct program for insurance intermediary during 2020 in order to prevent and control market misconduct activities, including unlicensed activities[85]. In February 2020, SAMA issued new rules governing the activities of insurance aggregators, specifically online insurance brokerage activities, which are expected to streamline the operations and facilitate access to affordable insurance cover[86]. At the same time, SAMA encouraged traditional service providers to adopt technology in their operations and services, leading to digitization of a large number of procedures in the insurance sector. SAMA also issued new rules for insurance products approval, aimed at making the approval process more efficient as well as strengthen the internal review process at insurance companies[87]. Recently, the regulator has launched consultation on its draft insurance FinTech rules. The new regulations aim to allow insurance FinTechs to work within a regulatory framework while encouraging fair competition, obligations for practitioners, preservation of customer information and consumer rights[88].

SAMA announced the issuance of Actuarial Work Regulation in March 2020, making it mandatory for any person providing actuarial services to seek a prior non-objection from the regulator and adhere to certain compliance measures[89]. The primary aim of these rules is to ensure policyholder protection and promote an insurance sector capable of responding

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[84] Source: "New regulatory guidance seeks to increase insurance uptake in Saudi Arabia", Oxford Business Group
[85] Source: "Insurance Rules And Instructions", SAMA, 2020-2021
[86] Source: "Insurance and reinsurance in Saudi Arabia: overview", Thomson Reuters Practical Law, October 1, 2020
[87] Source: "Insurance Rules And Instructions", SAMA, 2020-2021
[88] Source: "Saudi Central Bank launches consultation on insurance fintech rules", Arab News, October 2021
[89] Source: "SAMA Actuarial Work Regulation for Insurance", HFW

to evolving customer needs and supporting continued economic expansion and stability in the Kingdom. Consumer protection measures are continuously being enhanced and in May 2020, the regulator updated rules governing Bancassurance activities in the Kingdom with the objective of increasing awareness and reach of insurance savings products for the masses[90]. SAMA also introduced a number of new products to promote and develop the insurance industry, including drone risk insurance, insurance against cancellation of live-events, and unified policy for Inherent Defects Insurance aimed at protecting policy holders and beneficiaries in the construction and housing sector during the year[91]. In April 2020, the regulator issued rules for health insurance risk pools through brokers for SMEs in the Kingdom[92]. Later in May 2021, SAMA announced the possibility of adding benefits of the COVID-19 risk coverage insurance to existing health insurance policies. This is particularly aimed at including the valid health insurance for visitors, tourists and non-Saudi citizens, facilitating the access to necessary healthcare system in the Kingdom[93].

The Saudi insurance sector took several initiatives to support the government in the fight against the pandemic. In the motor sector, insurance companies extended the valid policies for individuals for two months free of charge[94]. In the health sector, insurance companies introduced telemedicine services for consultation with physicians as well as started a service to deliver medicines to beneficiaries at their homes. Notably, the Kingdom's insurance sector donated SAR 68 million (US$ 18.1 million) to a government fund created to deal with the adverse impact of COVID-19. Moreover, the Saudi insurance sector completed Phase 2 of the IFRS17 implementation-journey in 2020, and Phase 3 in April 2021 and Phase 4 implementation road map issued by the Central Bank[95].

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[90] Source: "Rules Governing Bancassurance Activities", SAMA, 2020-2021
[91] Source: "Insurance Rules And Instructions", SAMA, 2020-2021
[92] Source: "Saudi Arabia:SAMA issues rules for health insurance pools for SMEs", Middle East Insurance Review, July 2020
[93] Source: "SAMA includes COVID-19 risk coverage for health insurance policies in force for tourists and visitors", Saudi Central Bank, May 26, 2021
[94] Source: "SAMA Commends Insurance Companies On The Initiative Of Extending Individual Vehicle Insurance Policies For Two Months Without Incurring Additional Cost, SAMA, August 05, 2020
[95] Source: "The Saudi Insurance Market Report", The General Department of Insurance Control – SAMA, 2020

Qatar

Market Structure

Exhibit 20: Qatar Insurance Market Structure

Compulsory Products	Health		Motor	Third party liability		Professional Liability	
	Expatriate	National		Workman's Compensation	Pleasure Craft	Engineers	Construction Professionals
	✓	-	✓	✓	-	✓	✓

Licensed Companies	Total No. of Insurers	Type of Insurers		Domicile		No. of Public-Listed Insurers
		Conventional	Takaful	Foreign Insurers	National Insurers	
	14	9	5	4	10	6

Capital Requirements	**Listed Companies:** QAR 100 million (US$ 27 million) above their risk based capital (RBC) requirement	**Unlisted Companies:** must have capital greater than their RBC
Regulators	Qatar Central Bank	Qatar Financial Centre Regulatory Authority

Source: Qatar Financial Centre

Segment-wise Insurance Market

Qatar's overall GWP declined at an annualized rate of 3.1% between 2015 and 2020, largely affected by diplomatic rift with the rest of the GCC nations

With a market size based on GWP at US$ 1.5 billion* in 2020, Qatar ranks 67th globally in the insurance market[96]. Between 2015 and 2020, Qatar declined an annualized rate of 3.1% (see Exhibit 21) [97]. This was primarily due to the diplomatic turmoil Qatar faced where several of the GCC nations severed ties with the country. Consequently, a number of Qatari firms closed operations and sold assets outside of home nation[98]. The economic pressure due to COVID-19 further accentuated this situation. However, with the 2022 FIFA World Cup in sight, the Qatari government has continued to focus on massive infrastructure projects that has not only boosted insurable assets but also driven the tourism and hospitality industry in the country[99]. Qatar recorded a healthy 5.0% y-o-y rebound in GWP during 2020 amid higher public expenditure, which was further supported by the removal of blockade, higher trade and easing COVID-19 restrictions.

Qatar's non-life insurance segment, which accounted for 95.9% of the total GWP in 2020, recorded a fall of 3.3% at an annualized basis since 2015

The non-life insurance segment, which accounted for 95.9% of the total GWP in 2020, recorded a fall of 3.3% at an annualize rate since 2015 to reach US$ 1.4 billion* (see Exhibit 21)[100]. In order to boost the sector, Qatar has announced plans to make a number of lines compulsory including expatriate health, motor, workers' compensation, engineering, construction and coverage for insurance consultants[101]. In 2019, key non-life insurance business lines such as motor and fire & theft accounted for 16.0% and 9.8%, respectively, of the non-life segment (see Exhibit 22)[102]. Both these insurance lines have remained affected since the diplomatic tensions between Qatar and other GCC countries. The health insurance segment is categorized under 'Others', without any further breakdown being

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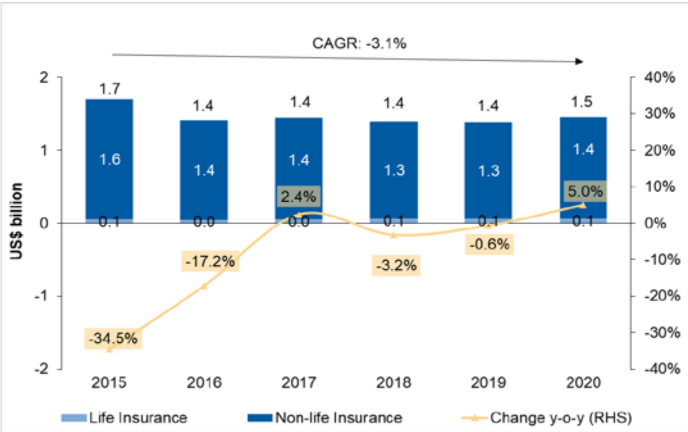
[96] Source: "World insurance: the recovery gains pace", Swiss Re, Sigma No 03/2021
[97] Source: "World Insurance Reports", Swiss Re
[98] Source: "Diplomatic damage to Qatar economy mounts as insurer closes UAE branch", Reuters, September 18, 2017
[99] Source: "Qatar insurance sector stands to gain from tourism, realty boost", S&P, January 11, 2021
[100] Source: "World Insurance Reports", Swiss Re
[101] Source: "Qatar's insurance market driven by new regulations and wider economic growth", Oxford Business Group
[102] Source: "Banks and Insurance", Ministry of Development Planning and Statistics of Qatar

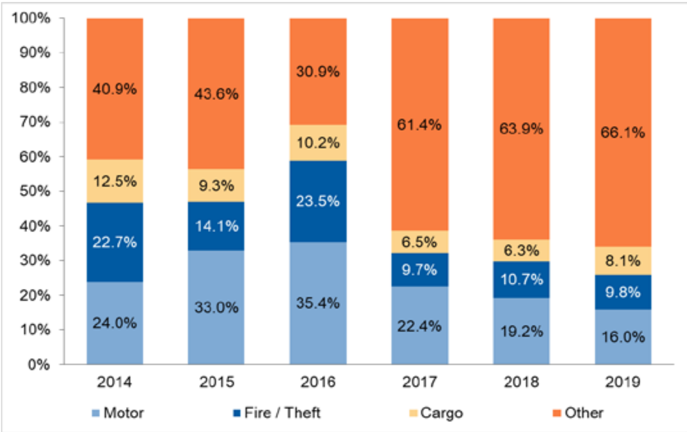
available. The life insurance segment in Qatar saw its market share increase from 3.1% in 2015 to 4.1% in 2020. The segment has grown at an annualized rate of 2.9% since 2015 to reach US$ 0.1 billion in 2020 (see Exhibit 21)[103].

Exhibit 21: Segment-wise GWP in Qatar



*Source: Swiss Re; *Data does not include GWP from QIC's international business*

Exhibit 22: Composition of Non-life in Qatar

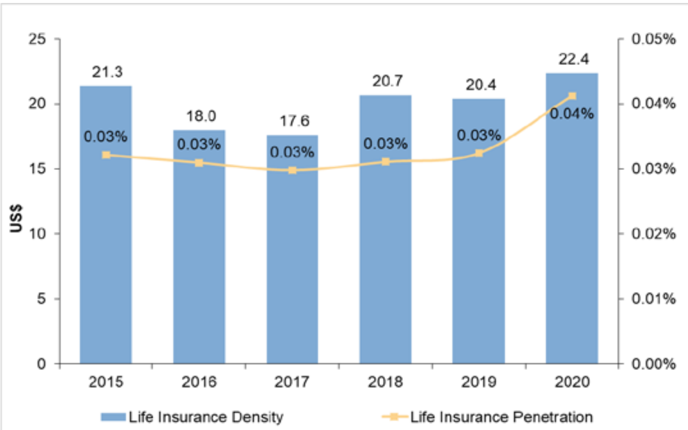


Source: Ministry of Development Planning and Statistics of Qatar

The overall insurance penetration in Qatar stood at 1.0% in 2020, much lower than the GCC average of 1.9%

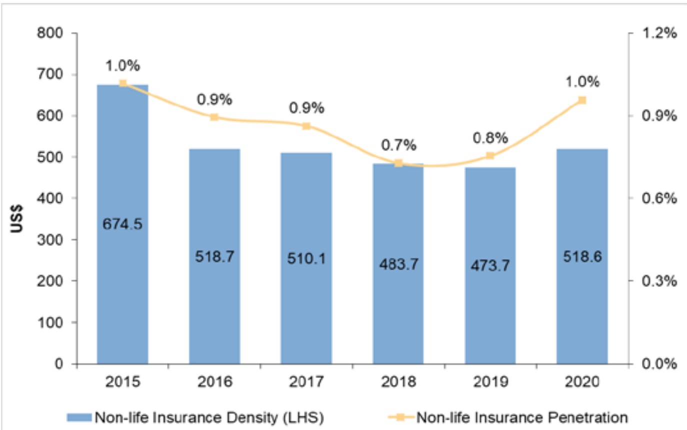
The overall insurance penetration in Qatar stood at 1.0% in 2020, lower than the GCC average of 1.9%. The life insurance segment in Qatar remains underdeveloped, with a penetration rate of 0.04% and density of US$ 22.4 (see Exhibit 23)[104]. In the non-life insurance segment, penetration has improved over the years and stood at 1.0% in 2020 despite the diplomatic tussle in 2018, while density in this segment declined at an annualized rate of 5.1% over the five-year period to US$ 518.6 in 2020 (see Exhibit 24)[105].

Exhibit 23: Life Density and Penetration in Qatar



Source: Swiss Re, IMF

Exhibit 24: Non-life Density and Penetration in Qatar



Source: Swiss Re, IMF

Recent Regulatory Developments

The overall intervention of the QCB with respect to the insurance sector has been limited during COVID-19 pandemic era

In May 2020, the QCB released a guideline document for all insurance companies operating in Qatar on managing the risks related to COVID-19 outbreak. It highlighted the necessity of reviewing the current systems, policies and procedures related to business risks under the unusual circumstances[106]. In March 2021, the Shura Council discussed a draft law on healthcare services, which stipulated the provision of healthcare services to Qatari citizens

[103] Source: "World Insurance Reports", Swiss Re
[104] Source: "World Insurance", Swiss Re; "World Economic Outlook Database", IMF, October 2021
[105] Source: "World Insurance", Swiss Re; "World Economic Outlook Database", IMF, October 2021
[106] Source: "Circulars On Combating The Risk Of Coronavirus (COVID-19) Pandemic Outbreak", Qatar Central Bank, 2020-2021

in government health facilities free of charge. Under the draft law, the Ministry of Public Health (MoPH) will set standards for the provision of healthcare services in government and private health facilities as well as compulsory health insurance and supervision. It will also work on developing and maintaining compulsory health insurance. Moreover, this law makes it mandatory for expatriates and visitors to have a health insurance for issuance and renewal of visas. The draft law has a provision to provide healthcare services to the beneficiaries without them having to pay any amount upfront in case of emergencies[107]. These regulations will help the Qatari insurance industry as it prepares for FIFA 2022 World Cup, which will attract visitors from countries across the globe.

Kuwait

Market Structure

Exhibit 25: Kuwait Insurance Market Structure

Compulsory Products	Health		Motor	Third party liability		Professional Liability	
	Expatriate	National		Workman's Compensation	Pleasure Craft	Engineers	Construction Professionals
	✓	-	✓	✓	✓	-	-

Licensed Companies	Total No. of Insurers	Type of Insurers		Domicile		No. of Public-Listed Insurers
		Conventional	Takaful	Foreign Insurers	National Insurers	
	39	26	13	11	28	7

Capital Requirements	Life and Non-life Insurance Activities: KWD 5 million (US$ 16 million)	Conventional or Takaful Reinsurance Activities: KWD 15 million (US$ 49 million)

Regulators	Ministry of Commerce & Industry

Source: Ministry of Commerce and Industry

Segment-wise Insurance Market

Kuwait's insurance sector grew at a CAGR of 7.0% since 2015 to reach US$ 1.1 billion in 2020

The Kuwaiti insurance sector is a relatively small market in the GCC and ranked 74th globally based on GWP during 2020[108]. The country's insurance sector grew at a CAGR of 7.0% since 2015 to reach US$ 1.1 billion in 2020 (see Exhibit 26)[109]. Although Kuwait has witnessed economic headwinds stemming from slowdown in oil revenues and COVID-19 restrictions, it has remained relatively resilient over the five-year period. This can be largely attributed to the 26.6% y-o-y growth in 2017, the highest across all of the GCC countries, after a decision from the Ministry of Health to raise fees for health services[110].

Kuwait's non-life insurance GWP grew at a CAGR of 8.9% since 2015, aided by an increase in the health and motor insurance business lines

Kuwait's non-life insurance GWP reached US$ 1.0 billion in 2020, growing at an annualized rate of 8.9% since 2015 (see Exhibit 26)[111]. The growth was primarily aided by an increase in the motor insurance business line and implementation of health insurance scheme for

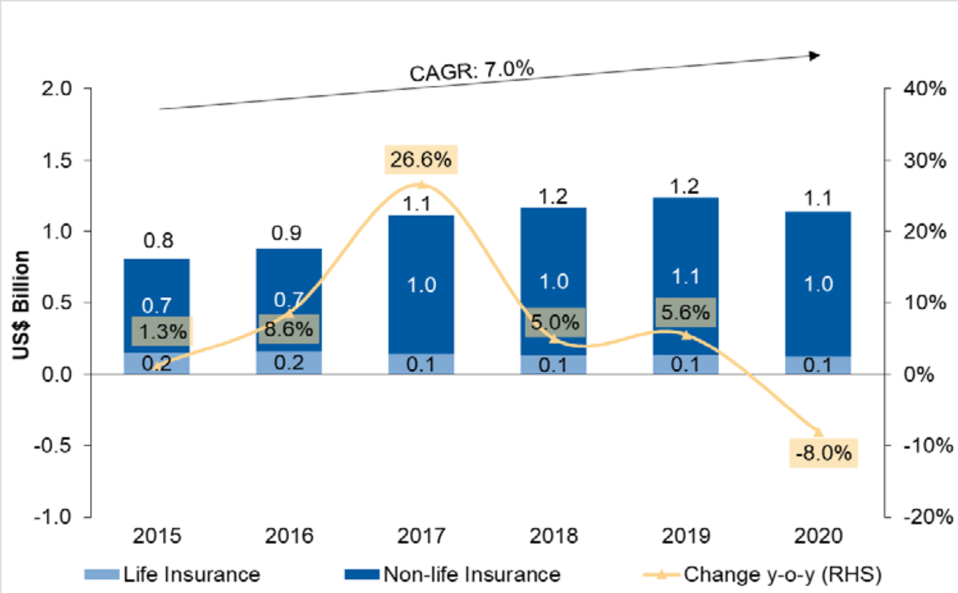
[107] Source: "Draft Law makes health insurance mandatory for renewal and issuance of visas", The Peninsula Qatar, March 15, 2021
[108] Source: "World insurance: the recovery gains pace", Swiss Re, Sigma No 03/2021
[109] Source: "World Insurance Reports", Swiss Re
[110] Source: "Insurance market posted 34% jump in premiums in 1H 2017", ME Insurance Review, January 2018
[111] Source: "World Insurance Reports", Swiss Re

expatriates in the private sector. The growth was also supported by new health insurance policies by the government to cover public sector retirees[112]. Additionally, Kuwait introduced a new insurance law in 2019, which made way for the creation of a new regulatory body in the country. In October 2020, Kuwait has also made it a legal requirement for all visitors to obtain a health insurance cover for their stay in the country[113]. The non-life insurance market accounted for 89.1% of the total GWP in 2020, an increase from 81.5% in 2015[114].

Kuwait's life insurance GWP recorded a fall of 3.7% at an annualized rate over the five-year period

The life insurance segment, which accounted for 10.9% of the total GWP in 2020, recorded a fall of 3.7% at an annualized rate over the five-year period (see Exhibit 26). The life insurance market remains weak due to cultural reservations, lack of awareness of the benefits that life insurance offers, and the limited availability of products. Majority of life premium comes through corporate packages[115].

Exhibit 26: Segment-wise GWP in Kuwait



Source: Swiss Re

The overall insurance penetration in Kuwait stood at 1.1% in 2020, much lower than the GCC average of 1.9%

Life insurance density in Kuwait has gradually declined from US$ 35.9 in 2015 to US$ 26.5 in 2020. However, the penetration levels have remained flat at about 0.1% during the period (see Exhibit 27)[116]. On the other hand, the non-life insurance density remained volatile over the last few years and stood at US$ 216.7 in 2020. The overall insurance penetration in Kuwait stood at 1.1% in 2020, lower than the GCC average of 1.9%. The non-life insurance penetration increased from 0.6% in 2015 to 1.0% in 2020 (see Exhibit 28)[117]. Such low penetration levels in both segments provide significant opportunities for the insurance operators to cover the untapped market.

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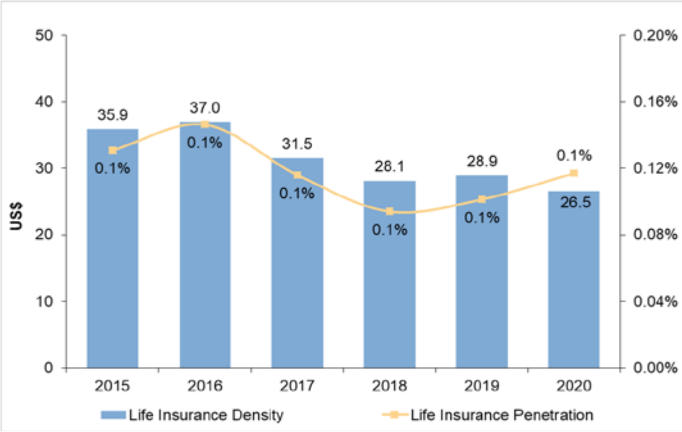
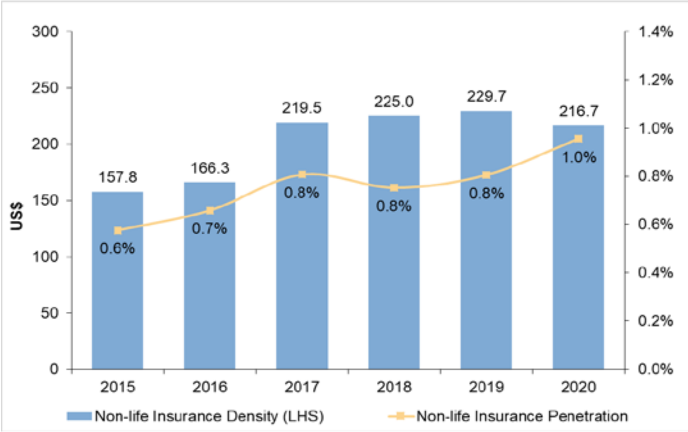
[112] Source: "Kuwait's insurance industry charts a more sustainable path", Oxford Business Group
[113] Source: "Insurance and Reinsurance in Kuwait: Overview", Thomson Reuters Practical Law, October 1, 2020
[114] Source: "World Insurance Reports", Swiss Re
[115] Source: "Kuwait's insurance industry charts a more sustainable path", Oxford Business Group
[116] Source: "World Insurance", Swiss Re; "World Economic Outlook Database", IMF, October 2021
[117] Source: "World Insurance", Swiss Re; "World Economic Outlook Database", IMF, October 2021

Exhibit 27: Life Density and Penetration in Kuwait



Source: Swiss Re, IMF

Exhibit 28: Non-life Density and Penetration in Kuwait



Source: Swiss Re, IMF

Recent Regulatory Developments

IRU introduced new directives related to risk-based capital measures and actuarial-led reserving, along with other updates related to risk management in order to enhance insurer's capital adequacy, reserve adequacy, and risk management

Kuwait's new insurance law was introduced in 2019, which repealed the previous insurance law from 1961. Under the new law, the Insurance Department was abolished and a new regulatory body, the Insurance Regulation Unit (IRU), was established to supervise insurance operations in Kuwait. In January 2020, the Supreme Committee of the IRU was established, whose role is to oversee the development and supervision of the insurance sector in Kuwait[118]. The new law gives IRU the right to control and inspect insurance companies regarding their financial and legal obligations.

The new insurance law also reduces the burden of insurance companies and policyholders. Insurance companies may now renew their license every three years instead of annually. Additionally, it grants policyholders the ability and the right to exercise a lien over the insurer's property. It has also heightened some penalties imposed on insurance companies for violating the laws[119]. Recently, the IRU introduced new directives related to risk-based capital measures and actuarial-led reserving, along with other updates related to risk management in order to enhance insurer's capital adequacy, reserve adequacy, and risk management[120]. The insurers in Kuwait tend to maintain low capital buffers as compared to its GCC peers. Hence, new and tougher regulations by the IRU for the insurance companies is anticipated going forward, which could lead to more capital raising and consolidation in the country's insurance industry[121].

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[118] Source: "Insurance and reinsurance in Kuwait: overview", Thomson Reuters Practical Law, October 1, 2020
[119] Source: "New Insurance Law in Kuwait: a brief overview", Al Tamimi & Co., July 2020
[120] Source: "Insurance – Kuwait: New Insurance regulations are credit positive", Islamic Finance News, March 24, 2021
[121] Source: "GCC Insurers in 2021", S&P Global Ratings, February 22, 2021

Oman

Market Structure

Exhibit 29: Oman Insurance Market Structure

Compulsory Products	Health		Motor	Third party liability		Professional Liability	
	Expatriate	National		Workman's Compensation	Pleasure Craft	Engineers	Construction Professionals
	✓	✓	✓	✓	-	-	-

Licensed Companies	Total No. of Insurers	Type of Insurers		Domicile		No. of Public-Listed Insurers
		Conventional	Takaful	Foreign Insurers	National Insurers	
	20	17	2	9	11	11

Capital Requirements	OMR 10 million (US$ 26 million)
Regulators	Capital Markets Authority

Source: *Capital Market Authority of Oman*

Segment-wise Insurance Market

Oman's insurance sector recorded a rise of 1.1% CAGR between 2015 and 2020 to reach US$ 1.2 billion

Oman is amongst the smallest insurance markets in the GCC and ranked 77th globally during 2020, based on GWP[122]. The Omani insurance sector remains oversupplied and faces stiff competition with around 20 players. The country's insurance sector recorded a rise of 1.1% CAGR between 2015 and 2020 to reach US$ 1.2 billion (see Exhibit 30)[123]. This can be attributed to the introduction of the Unified Health Insurance Policy (UHIP) which made health insurance mandatory for all private sector employees in March 2019[124]. Nevertheless, the oil price volatility leading to economic slowdown during the period, coupled with a number of structural challenges that have slowed down diversification efforts have hindered the growth of the insurance sector. The country witnessed high unemployment rates, particularly in the younger age groups, affecting demand for a range of group and individual insurance products in recent years[125]. The government is pushing for 'Omanisation' and stable economic growth along with increased focus on employment for nationals that could lead to better opportunities in the insurance sector. Oman's 2040 Vision aims to see 40% of the jobs available in the private sector to be occupied by Omanis. Within the insurance sector, 79% of the workforce were Omani nationals in 2020[126].

Oman's non-life insurance segment grew at a CAGR of 1.2% between 2015 and 2020

The non-life insurance segment, which accounted for 88.5% of the total insurance GWP, grew at a pace of 1.2% CAGR between 2015 and 2020 to reach US$ 1.1 billion (see Exhibit 30)[127]. Economic and population growth, in addition to the rising trend of Omanization in the private sector to reinforce its local economy has helped drive the segment[128]. Notably, demand for health insurance in the country has witnessed significant uptick in recent years

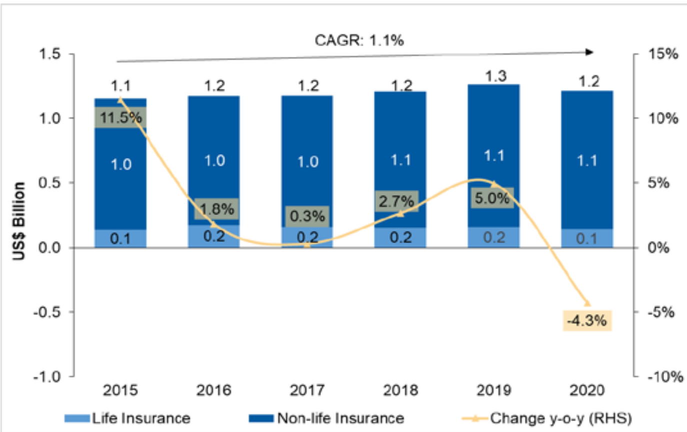
[122] Source: "World Insurance: the Recovery gains pace", Swiss Re, Sigma No 3/2021
[123] Source: "Annual Report", Capital Market Authority of Oman (CMA)
[124] Source: "Oman Insurance Market Update 2020-2021", Howden Analytics
[125] Source: "Oman Insurance Report", Fitch Solutions
[126] Source: "Oman Insurance Market Update 2020-2021", Howden Analytics
[127] Source: "Annual Report", Capital Market Authority of Oman (CMA)
[128] Source: "Oman Insurance Market Update 2020-2021", Howden Analytics

with its share of non-life GWP growing from 26.3% in 2015 to 37.7% in 2020 (see Exhibit 31)[129]. The growth has also been primarily aided by rising awareness of insurance products as tools to cover risks related to ailments and increased coverage by private sector employers. Despite compulsory third-party policy requirements for motor, the business line has recorded a decline in market share over the past five years. Nevertheless, motor insurance remains the second largest insurance line representing 27.5% of the non-life GWP in 2020. Motor and health insurance dominate the Oman insurance market with a combined share of 65.2% of non-life premiums in 2020. This share has lowered over the last two years as insurers increase property premiums due to higher natural catastrophe activity. The share of property insurance increased from 12.0% in 2015 to 17.3% in 2020. Increased frequency of natural catastrophic events in recent years has increased awareness towards investment for protection and aided growth in property insurance (see Exhibit 31)[130]. For instance, the Mekunu Cyclone of 2018 resulted in insurance companies receiving claims amounting to US$ 403.7 million, with property claims accounting for half the total value at US$ 243 million[131]. The damage caused by the cyclone led to greater public awareness as Oman's Capital Markets Authority reported a 22% rise in property insurance during 2018[132].

Oman's life insurance GWP grew at a CAGR of 0.3% between 2015 and 2020

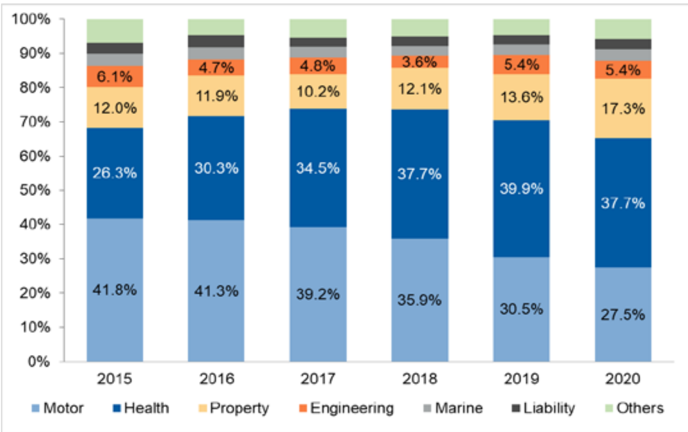
Accounting for 11.5% of the total insurance GWP, the life insurance segment in Oman grew at a CAGR of 0.3% between 2015 and 2020 (see Exhibit 30)[133]. High premiums of insurance policies amid poor economic environment coupled with low awareness amongst the nationals have led to tepid demand for life insurance products[134].

Exhibit 30: Segment-wise GWP in Oman



Source: Capital Market Authority of Oman

Exhibit 31: Composition of Non-life in Oman



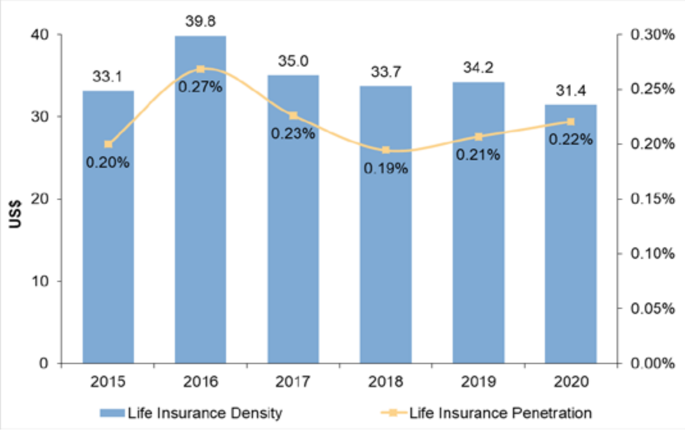
Source: Capital Market Authority of Oman

The overall insurance penetration in Oman stood at 1.9% in 2020, at par with the GCC average

As Oman's population grew at a faster pace of 1.3% CAGR compared to rise in GWP, the insurance density for both life and non-life insurance segments declined between 2015 and 2020 (see Exhibits 32 and 33)[135]. As of 2020, the density for life insurance in Oman stood at US$ 31.4 while the density of non-life insurance was recorded at US$ 241.1[136]. The overall insurance penetration in Oman stood at 1.9% in 2020, at par with the GCC average. Penetration levels across both life and non-life insurance segments have improved marginally over the five-year period (see Exhibits 32 and 33)[137].

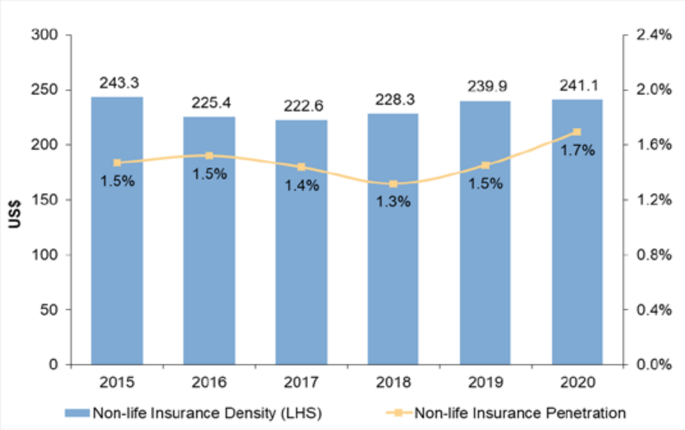
[129] Source: ""Insurance Market Index 2020-21", Capital Market Authority of Oman (CMA)
[130] Source: ""Insurance Market Index 2020-21", Capital Market Authority of Oman (CMA)
[131] Source: "Insured losses from Oman's cyclone Mekunu reach $403m", Reinsurance News, January 2, 2019
[132] Source: "22% spike in property insurance post-Mekunu", Press Reader, July 11, 2019
[133] Source: "Annual Report", Capital Market Authority of Oman (CMA)
[134] Source: "Health Insurance in Oman", STA Law Firm, August 03, 2020
[135] Source: "Annual Report", CMA of Oman; "World Economic Outlook Database", IMF, October 2021
[136] Source: "Annual Report", CMA of Oman; "World Economic Outlook Database", IMF, October 2021
[137] Source: "Annual Report", CMA of Oman; "World Economic Outlook Database", IMF, October 2021

Exhibit 32: Life Density and Penetration in Oman



Source: *Capital Market Authority of Oman, IMF*

Exhibit 33: Non-life Density and Penetration in Oman



Source: *Capital Market Authority of Oman, IMF*

Recent Regulatory Developments

The Capital Market Authority (CMA) in Oman has been protective about the consumer interests and launched an initiative to cover the medical tests and treatment costs for the COVID-19 infected insured members, both nationals and expatriates. In June 2020, the CMA issued directives related to coverage of the costs and treatment of insured members infected with COVID-19 up to their available annual benefit limits in their respective policies. The insurers will apply the unified standard price schedule and national guidelines set by the Ministry of Health (MoH). These initiatives were launched in coordination between the CMA and the Supreme Committee tasked with dealing with the COVID-19 pandemic and the Omani Insurance Association[138].

An amendment to the Insurance Companies Law and the Takaful Insurance Law was undertaken aimed at separating health insurance as an independent activity from other activities of insurance

In response to the growing significance of health insurance in the country, an amendment to the Insurance Companies Law and the Takaful Insurance Law was recently undertaken which aimed at seperating health insurance as an independent activity from other activities of insurance. This was done taking into consideration the uniqueness of the business segment and is focussed on helping the health insurers to enhance the efficiency of their operations and regulate them better with greater financial stability and human resources to cater to the health insurance policyholders[139]. The country also passed a mandated health insurance law in February 2020, as per which the residents in Oman will be required to have in place a minimum level of medical insurance coverage with minimum benefits pursuant to the laws. The overall combined limit under the health policy is OMR 4,500 (US$ 11,688.6) in terms of financial spend with inpatient treatment limits for the policy year capped at OMR 3,000 (US$ 7,792.4). It includes basic cover, i.e. admission in hospital or daycare, cost of treatment, room cost, consultant fees, diagnosis and test, medicine, ambulance cost and companion cost, also including the cost for pre-existing and chronic conditions for in-patient treatment, while the latter is excluded for out-patient treatment[140].

[138] Source: “COVID-19 patients in Oman to be covered by insurance”, Gulf News, June 1, 2020
[139] Source: “Health Insurance to be an independent activity: CMA”, Oman Observer, June 17, 2021
[140] Source: “Oman: New mandated Health Insurance law in Oman”, Mondaq, February 26, 2020

Bahrain

Market Structure

Exhibit 34: Bahrain Insurance Market Structure

Compulsory Products	Health		Motor	Third party liability		Professional Liability	
	Expatriate	National		Workman's Compensation	Pleasure Craft	Engineers	Construction Professionals
	✓	-	✓	✓	-	✓	-

Licensed Companies	Total No. of Insurers	Type of Insurers		Domicile		No. of Public-Listed Insurers
		Conventional	Takaful	Foreign Insurers	National Insurers	
	36	30	6	12	24	10

Capital Requirements	Insurance Companies: BHD 5 million (US$ 13 million)	Reinsurance Companies: BHD 10 million (US$ 26 million)

Regulators	Central Bank of Bahrain

Source: *Central Bank of Bahrain*

Segment-wise Insurance Market

Bahrain's insurance sector grew at a five-year CAGR of 0.3% to reach US$ 0.7 billion in 2020

Bahrain's insurance market ranked 84th globally based on GWP during 2020[141]. The country's insurance sector grew marginally at a five-year CAGR of 0.3% to reach US$ 0.7 billion in 2020 (see Exhibit 35). Growth was largely aided by government plans supporting infrastructure development and a healthy rise in population since 2015. Lower economic activity, tourism from Saudi Arabia and other neighboring countries, and sales of new cars slowed down premium income during the period[142].

Bahrain's non-life insurance segment, which accounts for 77.4% of the total GWP, registered a drop of 0.2% at an annualized rate between 2015 and 2020

The non-life insurance segment, which accounts for 77.4% of the total GWP, registered a drop of 0.2% at an annualized rate between 2015 and 2020 to reach US$ 0.6 billion (see Exhibit 35)[143]. In 2020, key non-life insurance business lines of motor and health accounted for 33.5% and 30.9%, respectively, of the non-life segment. While the share of motor insurance decreased over the five-year period amid a decline in sales of new cars and preference for lower priced premiums[144], health insurance share of the total non-life GWP grew from 24.0% in 2015 to 30.9% in 2020. Growth has been largely driven by rising demand for health cover from employers in the private sector. The fire, property & liability business segment accounted for 22.7% of the non-life GWP in 2020, up marginally from 21.7% in 2015 (see Exhibit 36)[145].

Bahrain's life insurance segment grew at an annualized rate of 2.6%

On the other hand, the life insurance segment grew at an annualized rate of 2.6% between 2015 and 2020. Consequently, the market share of the segment has increased to 22.6% of the total GWP in 2020 from 20.2% in 2015 (see Exhibit 35)[146].

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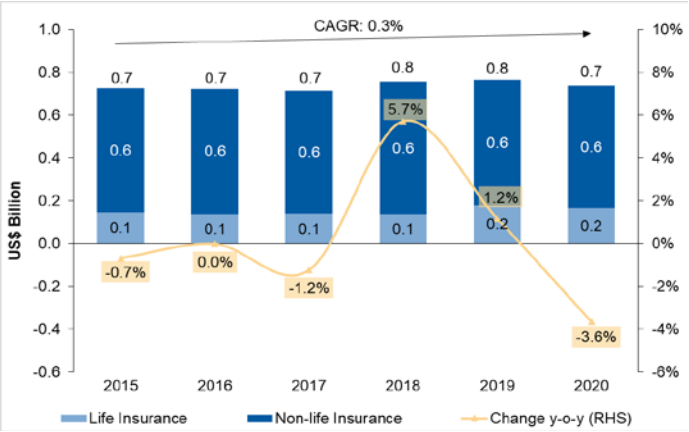
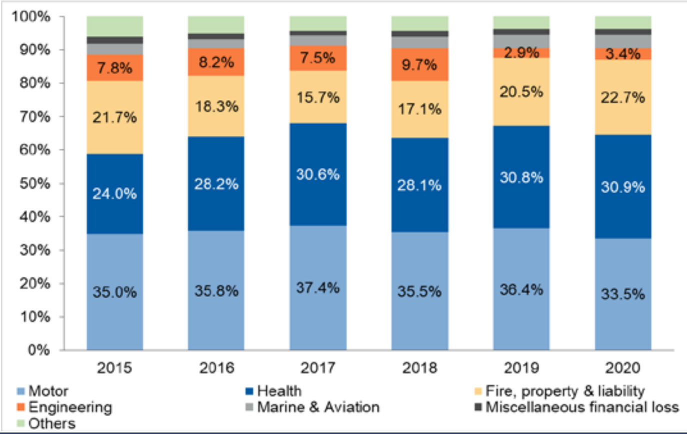
[141] Source: "World Insurance Reports", Swiss Re
[142] Source: "GCC Insurers In 2021", S&P Global, February 22, 2021
[143] Source: "Annual Report 2020", Central bank of Bahrain
[144] Source: "Bahrain: Competition in insurance market will remain high", Middle East Insurance Review, March 08, 2021
[145] Source: "Insurance Market Review 2019", Central Bank of Bahrain
[146] Source: "Annual Report 2020", Central bank of Bahrain

Exhibit 35: Segment-wise GWP in Bahrain



Source: Central Bank of Bahrain

Exhibit 36: Composition of Non-life in Bahrain

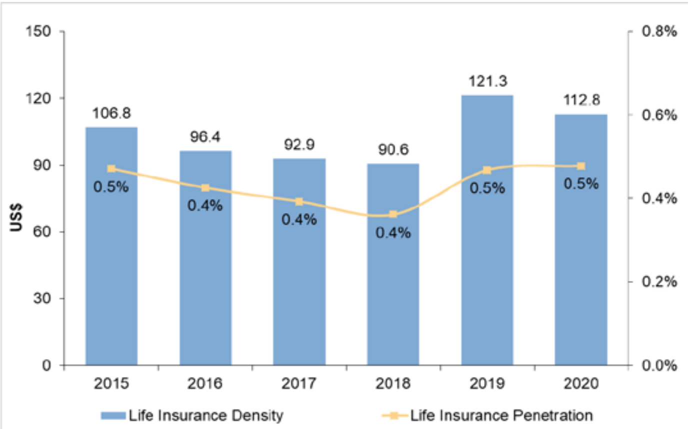


Source: Central Bank of Bahrain

The overall insurance penetration in Bahrain stood at 2.1% in 2020, higher than the GCC average of 1.9%

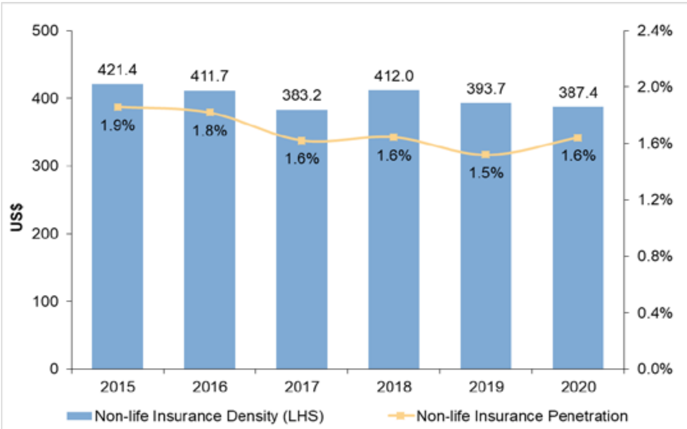
The overall insurance penetration in Bahrain stood at 2.1% in 2020, higher than the GCC average of 1.9%. Bahrain has the second highest penetration rate in the GCC after the UAE. While the life insurance penetration has increased marginally over the five-year period, non-life insurance penetration has fallen down from 1.9% in 2015 to 1.6% in 2020 (see Exhibits 37 and 38)[147]. Meanwhile, life insurance density has increased from US$ 106.8 in 2015 to US$ 112.8 in 2020 and non-life insurance density has decreased from US$ 421.4 in 2015 to US$ 387.4 in 2020 (see Exhibits 37 and 38)[148].

Exhibit 37: Life Density and Penetration in Bahrain



Source: Central Bank of Bahrain, IMF

Exhibit 38: Non-life Density and Penetration in Bahrain



Source: Central Bank of Bahrain, IMF

Recent Regulatory Developments

The CBB has taken initiatives to digitize the sector amid the COVID-19 pandemic

The Central Bank of Bahrain (CBB) recently issued guidelines on digitalizing the motor insurance process. In June 2021, the CBB mandated all insurance firms to implement digital channels that does not require the physical presence of motor insurance policyholders in light of the COVID-19 pandemic. This comes as part of the regulatory body's ongoing initiatives towards financial digital transformation[149]. Earlier in August 2019, the CBB had issued new rules and updated regulations for insurance aggregators. According to the revised rules, a broker that receives an insurance aggregator license is allowed to provide insurance aggregation and other brokerage services with the Central Bank's approval through the online platform. However, an aggregator may not undertake activities of a

[147] Source: "Annual Report 2020", Central bank of Bahrain; "World Economic Outlook Database", IMF, October 2021
[148] Source: "Annual Report 2020", Central bank of Bahrain; "World Economic Outlook Database", IMF, October 2021
[149] Source: "Digitalizing Motor Insurance Process", The Central Bank of Bahrain, June 20, 2021

traditional broker and to provide additional regulated insurance brokerage services, it would need further approvals from the CBB[150].

In May 2020, the CBB postponed the implementation of IFRS 17 Insurance Contract from January 2022 to January 2023, in line with the International Accounting Standard Board's decision[151].

[150] Source: "BAHRAIN: Central Bank Issues Rules on Insurance Aggregators", HKTDC Research, August 23, 2019
[151] Source: "IFRS 17 Insurance Contract", The Central Bank of Bahrain, May 07, 2020

3. The GCC Insurance Industry Outlook

3.1 Forecasting Methodology

This report provides an outlook of the GCC insurance industry in terms of the market size (by GWP) of the life and non-life insurance segments in each constituent country between 2021 and 2026.

Factors considered for the projections include:

- Population, Inflation and GDP (at Current Prices)[152] from the IMF (last updated October 2021)
- Historical life and non-life insurance GWP from individual national statistical authorities of the GCC nations and Swiss Re

The methodology adopted for projecting the market size is as below:

- Life insurance – Density x Population, where the life insurance density across each country is forecasted based on inflation.

- Non-life insurance – Projected by using 2 different approaches, as below:
    - For UAE, Saudi Arabia, Oman, Kuwait and Bahrain, the long-term forecasts have been arrived at using regression analysis, as the statistical technique has shown a correlation with GDP (at current prices) and population in the historical years.
    - In case of Qatar, we normalized the non-life insurance GWP by deducting the international GWP of QIC to smoothen out the significant movement between 2014 and 2016 (primarily due to inclusion of QIC's international GWP). Regression analysis on the normalized non-life GWP yielded unsatisfactory correlation between the two parameters. Hence, the long-term forecast for Qatar have been arrived by using the non-life penetration and GDP at current prices. For the non-life penetration, we have applied a five-year moving average to GDP at current prices to arrive at non-life GWP forecast between 2021 and 2026 for Qatar.

Note: This report is an update to Alpen Capital's GCC Insurance Industry report dated November 24, 2019. The variations in historical and projected numbers compared to the previous report are a result of revised macro projections by IMF, revised base numbers of insurance industry size and evolving industry dynamics.

Macro Assumptions

- The GCC population is projected to grow at a CAGR of 2.0% to reach 64.4 million in 2026 from 58.4 million in 2021.
- The region's GDP at current prices is forecasted to grow at a CAGR of 3.8% from US$ 1,673.9 billion in 2021 to US$ 2,021.8 billion in 2026.
- The general inflation rate in the region is expected to average 2.1% during the forecast period.

[152] Source: GDP at constant prices has been used throughout the report

3.2 GCC Insurance Market Forecast

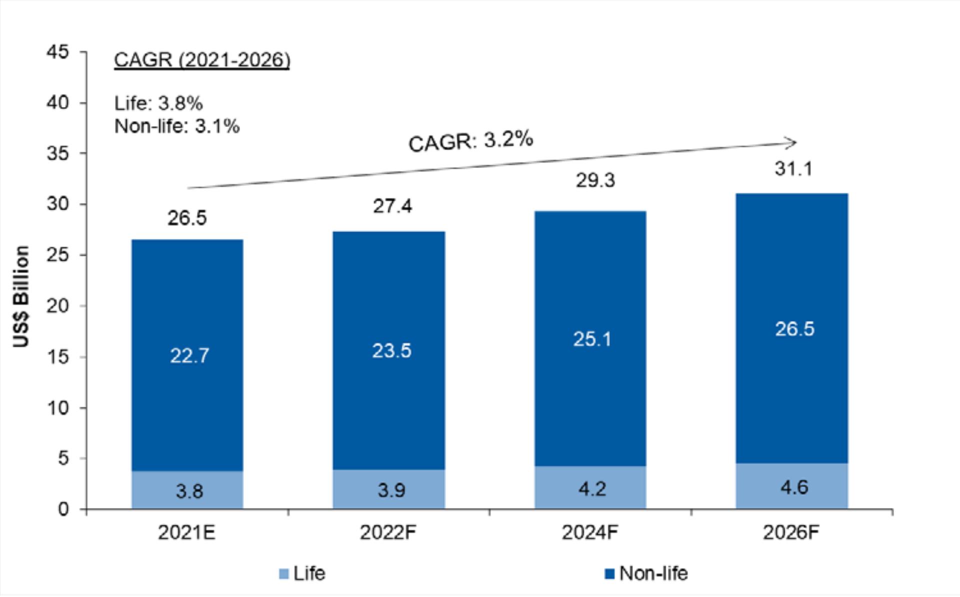
The GCC insurance market is projected to grow at an annualized rate of 3.2% from US$ 26.5 billion in 2021 to US$ 31.1 billion in 2026

The GCC insurance market is projected to grow at an annualized rate of 3.2% from US$ 26.5 billion in 2021 to US$ 31.1 billion in 2026 (see Exhibit 39). Sustained increase in population, coupled with infrastructure development projects, including the planned smart-city of NEOM in Saudi Arabia, are among the leading factors that will facilitate growth of the sector. Moreover, reopening of the tourism sector and mega events such as the Expo 2020 in UAE and the FIFA World Cup in Qatar are likely to aid growth. The ambitious economic diversification and investment plans as part of Saudi Arabia's Vision 2030 are also likely to push growth for the region as a whole[153]. Widespread vaccine deployment coupled with easing of lockdown-related restrictions in response to the pandemic are expected to act as catalysts for economic recovery. Despite the looming threat of new variants of COVID-19, the outlook of the industry remains positive with a modest growth in GWP during the forecast period. Additionally, the governments' efforts in strengthening regulations, supporting the sector through guidelines amid the pandemic, encouraging innovative tech-enabled services, introducing mandatory business lines, and diversifying the economy are also likely to aid GWP growth for the insurance industry[154].

The GCC insurers remained broadly stable in 2020 and 2021, largely supported by robust capital buffers. The signs of an improving economy among the GCC nations boosted the confidence of insurers to improve their risk management and restructure their insurance programs. This has formed a strong base for the GCC Insurance market and it is set to accelerate over the next five years owing to regulatory harmonization, scrutiny, push towards digitization, and rise in consolidation. The regional insurance market is highly competitive, with a mix of foreign and domestic insurance players, which has affected the profitability of the insurance companies. Declining profits and accumulated losses have led to the erosion of capital buffers and increased insolvency risks for many insurance players, especially in the UAE and Saudi Arabia, leading to enhanced capital requirements across the region[155]. Hence, a push for consolidation was long expected and it can act as a catalyst in strengthening the insurance industry[156].

[153] Source: "Saudi Arabia aims to be among 15 top global economies with $7tr plan", Arab News, October 11, 2021
[154] Source: "GCC: Insurance distribution landscape to continue to change at pace – Clyde & Co.", ME Insurance Review, January 3, 2022
[155] Source: "Islamic insurers could lead 'merger mania' in UAE, Saudi insurance sectors", July 29, 2019
[156] Source: "Moody's – GCC insurers biggest challenges are geopolitical tensions and intense competition", Moody's Investor Service, February 26, 2020

Exhibit 39: GCC Insurance Market Size Forecast



Source: Alpen Capital, Swiss Re, SAMA, UAE Central Bank, CBB, CMA of Oman, QIC Annual Reports, IMF
Source: Note: F – Forecast

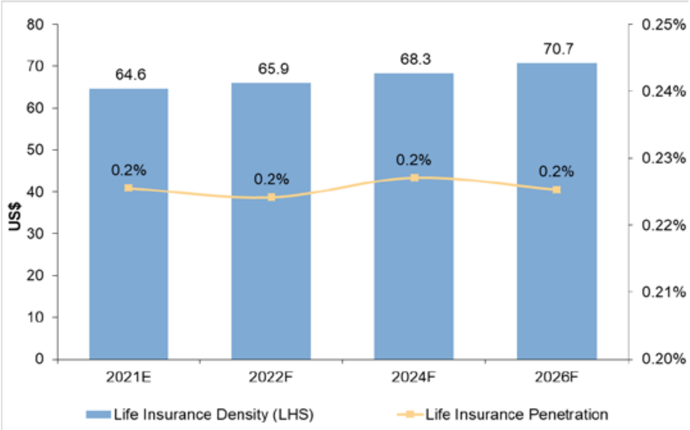
Life and Non-life Insurance Forecast

Life insurance GWP is projected to grow at a CAGR of 3.8% while non-life insurance is estimated to grow at a CAGR of 3.1%

The life insurance GWP is projected to grow at a CAGR of 3.8% from US$ 3.8 billion in 2021 to US$ 4.6 billion in 2026. Growth rates across each country vary based on their projected population increases. On the other hand, the non-life insurance segment in the GCC is estimated to grow at a CAGR of 3.1% from US$ 22.7 billion in 2021 to US$ 26.5 billion in 2026 (see Exhibit 39), primarily aided by an expected recovery in economic activity, the roll-out of new mandatory business lines, and rise in infrastructure investments. The non-life segment is expected to comprise 85.3% of the total insurance market by 2026.

Insurance penetration in the region is expected to remain at around 1.6% from 2021 to 2025 and is forecasted to drop marginally to 1.5% in 2026 (see Exhibits 40 and 41). This continues to remain well below the global average, offering a scope of growth for the sector. Insurance density in the region is expected to increase from US$ 454.1 in 2021 to US$ 481.9 in 2026, of which life insurance density is expected at US$ 70.7 and non-life density at US$ 411.3. Contribution of the life insurance segment to the overall GWP is estimated to increase from 14.2% in 2021 to 14.7% in 2026, primarily aided by the increasing awareness amongst consumers regarding the importance of investing in policies that shield from risks posed by life threatening incidents.

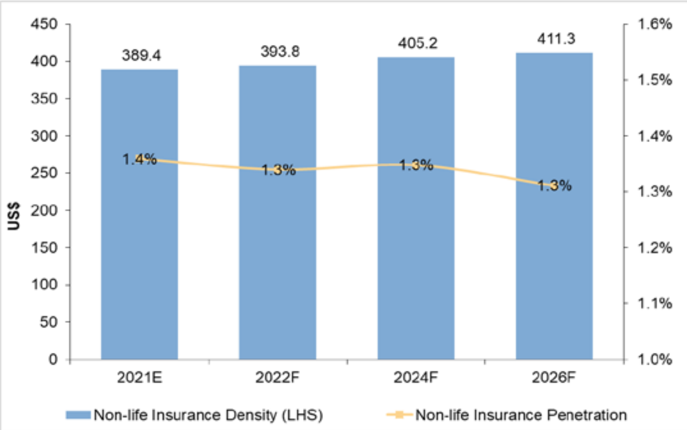
Exhibit 40: Forecast of Life Insurance Density and Penetration in the GCC



Source: Alpen Capital, Swiss Re, SAMA, UAE Central Bank, CBB, CMA of Oman, QIC Annual Reports, IMF

Note: F – Forecast

Exhibit 41: Forecast of Non-life Insurance Density and Penetration in the GCC



Source: Alpen Capital, Swiss Re, SAMA, UAE Central Bank, CBB, CMA of Oman, QIC Annual Reports, IMF

Note: F – Forecast

Country-wise Growth Forecast

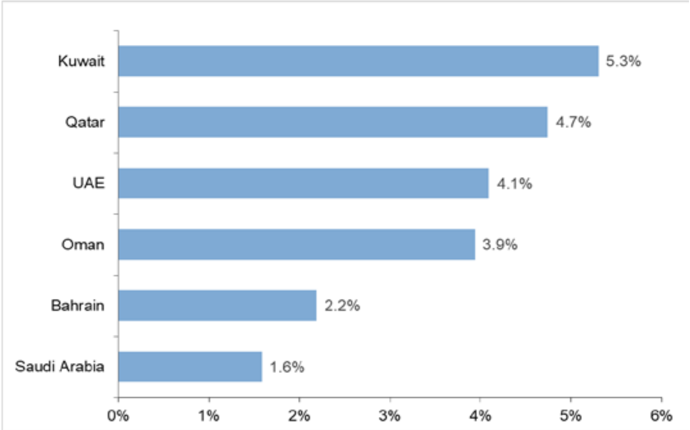
UAE is projected to remain the largest insurance market in the region, with its share increasing from 44.6% in 2021 to 46.5% in 2026

The insurance market in the UAE is expected to grow at a CAGR of 4.1% between 2021 and 2026. Expansion of compulsory business lines[157] coupled with growing standards of supervision and regulation post the merger between the Central Bank of UAE (CBUAE) and the UAE Insurance Authority[158] will drive overall growth in the sector. Moreover, positive immigration laws, favorable policies such as relaxation of residency visas, expansion of the long-term visa program, widening the eligibility of golden visas, and the new citizenship law are likely to support growth[159]. At the same time, infrastructure spending owing to Expo 2020 has stimulated expansion in the non-oil economy that augurs well for the insurance sector[160]. On the other hand, the insurance industry in Saudi Arabia is expected to grow at a relatively slower pace of 1.6% CAGR between 2021 and 2026. The insurance industry in the Kingdom is likely to witness consolidation amidst increasing competition, where the top four insurance players account for approximately 66% market share. Despite a short-term increase in profitability, the medium-term growth is likely to be hampered by the negative impact of the pandemic on the economy[161]. Within the GCC, Kuwait is expected to register the fastest growth at 5.3% CAGR, primarily driven by reforms by the Insurance Regulation Unit (IRU), a growing population base, reviving business activity, and increased government investments in infrastructure projects.

UAE is projected to remain the largest insurance market in the GCC, with its share increasing from 44.6% in 2021 to 46.5% in 2026. Saudi Arabia, the second largest market, is expected to drop its share from 37.8% in 2021 to 34.9% in 2026 (see Exhibit 43).

[157] Source: "Insurance in UAE: Ready for the big leap", BSA, August 26, 2020
[158] Source: "Central Bank of UAE begins procedures to execute Insurance Authority merger", Gulf News, January 27, 2021
[159] Source: "GCC: Immigration roundup from the last 12 months", Pwc, July 06, 2021
[160] Source: "Expo 2020: Dubai growth hits two year high in October", Khaleej Times, November 9, 2021
[161] Source: "Saudi Insurance: Consolidation in a challenging market", Fitch Ratings, January 19, 2021

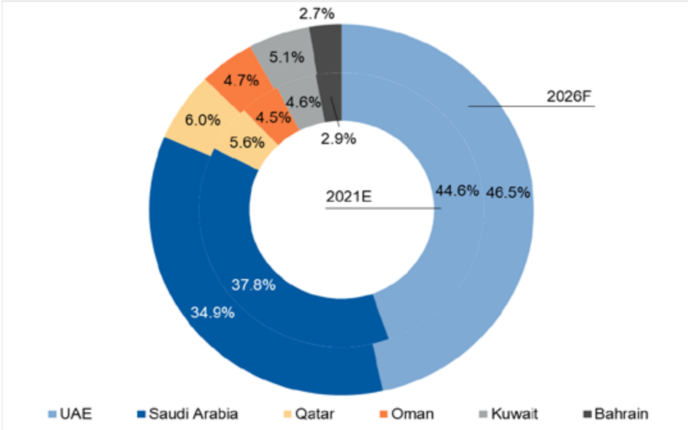
Exhibit 42: Insurance Market Growth (CAGR: 2021E – 2026F)



Source: Alpen Capital, Swiss Re, SAMA, UAE Central Bank, CBB, CMA of Oman, QIC Annual Reports, IMF

Note: F – Forecast

Exhibit 43: Contribution to the GCC Insurance Market



Source: Alpen Capital, Swiss Re, SAMA, UAE Central Bank, CBB, CMA of Oman, QIC Annual Reports, IMF

Note: F – Forecast

3.3 Country-wise Market Size Forecast

UAE

Insurance market in the UAE is estimated to reach US$ 14.4 billion in 2026, registering a CAGR of 4.1% from 2021

The insurance market in the UAE is estimated to reach US$ 14.4 billion in 2026, registering a CAGR of 4.1% from 2021 (see Exhibit 44). The non-life segment is estimated to grow at a CAGR of 4.3% to reach US$ 11.0 billion in 2026. Growth in premiums from mandatory health and motor insurance lines coupled with an overall increase in insurable assets due to business revival and development of large-scale infrastructure projects will aid growth. The UAE has a pipeline of US$ 5.4 billion of federal infrastructure projects, including US$ 1.9 billion for state-sponsored housing programmes[162]. Moreover, there is a sizable transportation and road infrastructure projects pipeline, including the US$ 11 billion Etihad Rail, the US$ 5.9 billion hyperloop project, and the US$ 2.7 billion Sheikh Zayed double-deck road project[163]. Several private sector projects coupled with government spending and investment plans have renewed optimism in the market. Business lines such as property and fire insurance are likely to continue to gain prominence with the rise in insurable assets and increased awareness for risk coverage. The ongoing Dubai Expo has not only helped revive business sentiment in the country but also assisted in increasing demand and tourist arrivals to the nation. Additionally, accelerated growth is being witnessed across the construction, wholesale, retail and travel & tourism sectors in the UAE[164]. As a result, non-life GWP in the UAE is expected to remain the largest contributor with 54.5% share of the total non-life GWP in the GCC by 2026.

The life segment is estimated to grow at a CAGR of 3.6% and reach US$ 3.5 billion in 2026, led by the rise in population and increasing awareness for coverage against risks of death. Insurance players in the country are introducing innovative life products, integrating digital technologies across the value chain that are targeted towards the citizens. Such measures are likely to drive growth of the life insurance segment in the country[165]. As a result, UAE is bound to remain the largest insurance market in the GCC. Life insurance GWP in the UAE is projected to contribute approximately 76.3% of the total life GWP in the GCC by 2026.

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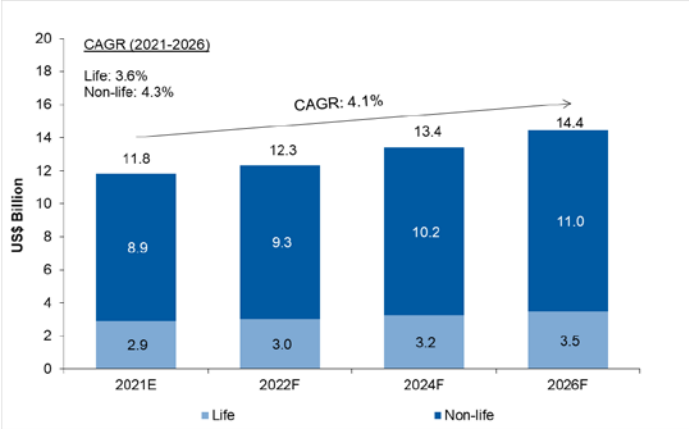
[162] Source: "UAE has $5.4bn infrastructure projects pipeline, says minister", Trade Arabia, June 11, 2020
[163] Source: "UAE Design And Construction Project Opportunities", International Trade Administration, December 06, 2021
[164] Source: "Expo 2020: Dubai growth hits two-year high in October", Khaleej Times, November 9, 2021
[165] Source: "Insurance industry in the UAE: Ready for the big leap", Mondaq, August 31, 2021

UAE's insurance penetration is expected to remain stable at 2.9% over the five-year period with a density of US$ 1,423.6 by 2026 (see Exhibit 45).

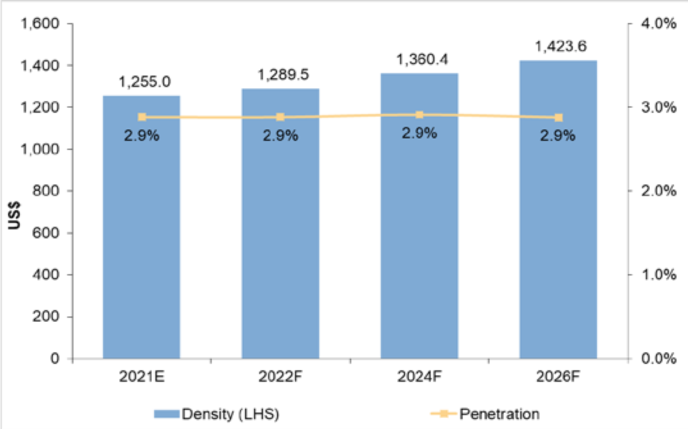
Exhibit 44: Forecast of Insurance Market in the UAE



Source: Alpen Capital, Central Bank of UAE, IMF

Note: F – Forecast

Exhibit 45: Forecast of Density and Penetration in the UAE



Source: Alpen Capital, Central Bank of UAE, IMF

Note: F – Forecast

Saudi Arabia

Saudi Arabia's insurance market is estimated to reach US$ 10.8 billion in 2026, growing at a CAGR of 1.6% from 2021

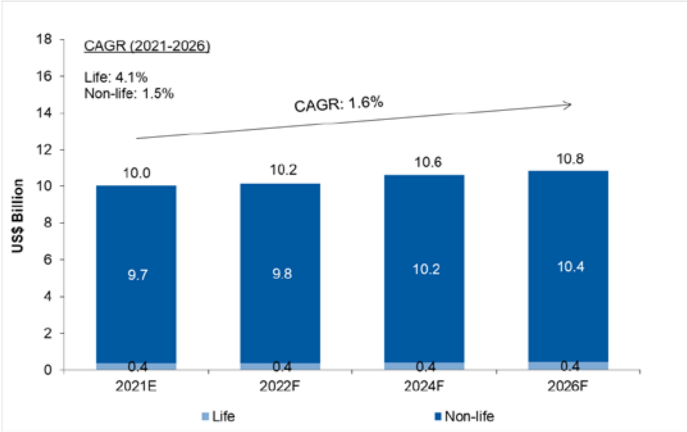
Saudi Arabia's insurance market is estimated to grow at a CAGR of 1.6% to reach US$ 10.8 billion in 2026 (See Exhibit 46). The non-life segment is expected to grow at a CAGR of 1.5% to reach US$ 10.4 billion in 2026, primarily led by mandatory insurance business lines and expected recovery in business activity. Health and motor insurance will continue to remain the biggest lines of insurance under the non-life segment. Under the motor insurance segment, the percentage of people reluctant to insure vehicles remain high across the Kingdom, primarily due to motorists treating it as a luxury rather than a necessity. However, rising awareness, mandatory rules and strengthening laws are likely to scale the low take-up of motor insurance policies going forward[166]. In the health insurance segment, new mandatory medical coverage and various other programs such as Hajj and Umrah Medical Insurance Programs are likely to aid growth[167]. Moreover, regulatory initiatives such as introducing insurance products that protect the rights and benefits of non-Saudi workers in the private sector[168] coupled with significant infrastructural developments planned as part of its Vision 2030 will continue to support the segment. The Kingdom has a robust pipeline of infrastructure projects worth trillion-dollars aimed at diversifying the economy beyond oil. The development agenda has created opportunities in a range of new areas such as smart cities and tourism, which would boost insurable assets in the Kingdom[169]. Other government initiatives such as increased investments into the economy to create new jobs, strengthening the private sector and visa reforms for tourists and expatriates, as part of the Kingdom's 2030 vision, are likely to drive the scope of insurable assets[170].

The life insurance segment is estimated to grow at a CAGR of 4.1% to reach US$ 0.4 billion in 2026 amid rising awareness amongst locals and a stable population growth of 2.0% CAGR over the next five-years[171]. Additionally, recent laws exempting all life insurance products in Saudi Arabia from the standard VAT rate of 5% is likely to increase demand for

[166] Source: "Auto insurance is taken as luxury by most Saudis, says Najm Insurance CEO", Arab News, August 20, 2021.
[167] Source: "GCC Insurers in 2021"
[168] Source: "2020 Annual Earnings Conference Call", Tawuniya, April 26, 2021
[169] Source: "Infrastructure Sector In Saudi Arabia - Growth, Trends, COVID-19 Impact, And Forecasts (2022 - 2027)", Mordor Intelligence
[170] Source: "Saudi plans economic overhaul with $3.2 trillion investment", Economic Times, March 31, 2021
[171] Source: IMF, October 2021

such policies[172]. Although the contribution of the life insurance segment to the total GWP in Saudi Arabia is expected to improve to 4.0% in 2026, it remains the lowest amongst the GCC nations. Insurance penetration and density in Saudi Arabia are expected to reach 1.1% and US$ 276.9, respectively, in 2026 (see Exhibit 47).

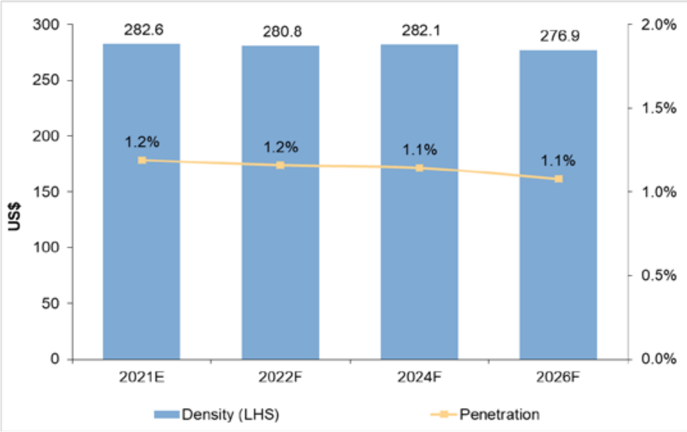
Exhibit 46: Forecast of Insurance Market in KSA



Source: Alpen Capital, SAMA, IMF

Note: F – Forecast

Exhibit 47: Forecast of Density and Penetration in KSA



Source: Alpen Capital, SAMA, IMF

Note: F – Forecast

Qatar

The insurance market in Qatar is estimated to reach US$ 1.9 billion in 2026, growing at a CAGR of 4.7% from 2021

The insurance market in Qatar is estimated to reach US$ 1.9 billion in 2026, growing at a CAGR of 4.7% from 2021 (See Exhibit 48). The non-life segment is estimated to grow at a CAGR of 4.7% to reach US$ 1.8 billion by 2026, aided by expected recovery in economic activity, tourist arrivals during the 2022 FIFA World Cup, infrastructure developments in the run up to the mega event, and roll out of a new health insurance plan for expatriates and their families[173]. The FIFA World Cup, which is estimated to attract 1.2 million visitors from across the globe, will provide a massive boost to the economy and an uptick in business activity[174]. Visitors during the event will also be required to purchase a health insurance plan, helping the segment grow[175]. Property and fire insurance business lines will continue to benefit as World Cup-related infrastructure projects are currently valued at US$ 300 billion. Further projects such as the development of airports, metropolitan network, along with emerging cities are likely to boost insurable assets and aid GWP growth[176].

The life insurance segment is estimated to grow at a CAGR of 4.7% during the forecast period, largely driven by increasing awareness among the locals and a relatively stable population growth of 2.0% CAGR between 2021 and 2026[177]. Qatar's insurance penetration is expected to remain stable at 0.9% over the five-year period with density expected to grow at a CAGR of 2.7% to US$ 618.3 by 2026 (see Exhibit 49).

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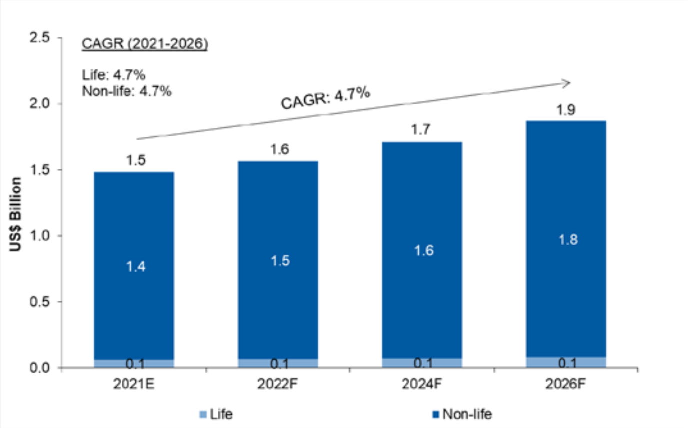
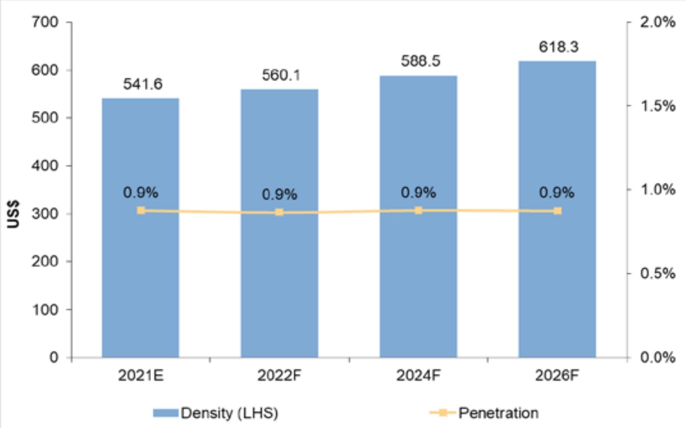
[172] Source: "Insurance and Reinsurance in Saudi Arabia: Overview", Thomson Reuters Practical Law
[173] Source: "Qatar mandates private health insurance for expatriates", Reuters, October 21, 2021
[174] Source: "FIFA World Cup 2022: Qatar hopes to attract 1.2 million visitors for showpiece event", Firstpost, October 23, 2021
[175] Source: "Qatar mandates private health insurance for Expatriates", Reuters, October 21, 2021
[176] Source: "Qatar: big-ticket infrastructure beyond the World Cup", We Build Value, October 13, 2021
[177] Source: IMF, October 2021

Exhibit 48: Forecast of Insurance Industry in Qatar



Source: Alpen Capital, Swiss Re, QIC Annual Reports, IMF
Note: F – Forecast

Exhibit 49: Forecast of Density and Penetration in Qatar



Source: Alpen Capital, Swiss Re, QIC Annual Reports, IMF
Note: F – Forecast

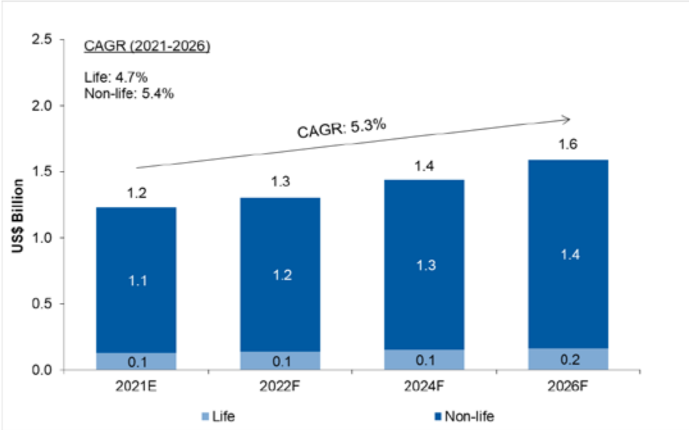
Kuwait

Kuwait's insurance market is anticipated to grow at a CAGR of 5.3%, the highest amongst the GCC nations

Kuwait's insurance market is anticipated to grow at a CAGR of 5.3% to reach US$ 1.6 billion in 2026, the highest amongst the GCC nations (See Exhibit 50). The life insurance segment is estimated to grow at a CAGR of 4.7% during the forecast period, while the non-life segment is estimated to grow at a CAGR of 5.4% to reach US$ 1.4 billion by 2026. Growth is expected to be driven by favorable laws and directives from the newly formed Insurance Regulation Unit (IRU), rising workforce, reviving business activity, and increased government investments in infrastructure projects[178]. Robust macroeconomic factors such as GDP (current prices) growth of 3.2% CAGR and population expanding at a CAGR of 1.7% between 2021 and 2026 will also aid growth[179]. Moreover, developments in the private sector are expected to drive economic activity, while expected recovery in oil prices will further boost the prospects of the country[180]. As per its Vision 2035, Kuwait aims to transform into a financial, commercial and cultural hub and remains on path to meet the desired targets. The large-scale projects undertaken as part of the diversification strategy will boost the capacity of insurable assets in the country[181]. Factors such as implementation of health insurance scheme for expatriates in the private sector coupled with the new health insurance policies by the government to cover public sector retirees will aid the non-life segment[182]. Insurance penetration and density in the country are expected to reach 1.0% and US$ 309.1, respectively, by 2026 (see Exhibit 51).

[178] Source: "A look at Kuwait's pipeline of construction projects", Construction Week ME, February 16, 2021
[179] Source: IMF, October 2021
[180] Source: "Kuwait's non-oil sector to drive post-pandemic growth", Arabian Business, June 13, 2021.
[181] Source: "Kuwait in full gear to execute developments projects, meet 2035 Vision", Kuwait News Agency, November 9, 2021.
[182] Source: "Kuwait's insurance industry charts a more sustainable path", Oxford Business Group

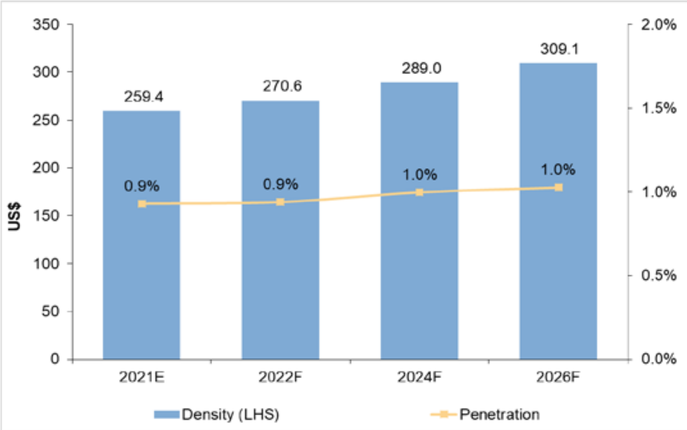
Exhibit 50: Forecast of Insurance Industry in Kuwait



Source: Alpen Capital, Swiss Re, IMF

Note: F – Forecast

Exhibit 51: Forecast of Density and Penetration in Kuwait



Source: Alpen Capital, Swiss Re, IMF

Note: F – Forecast

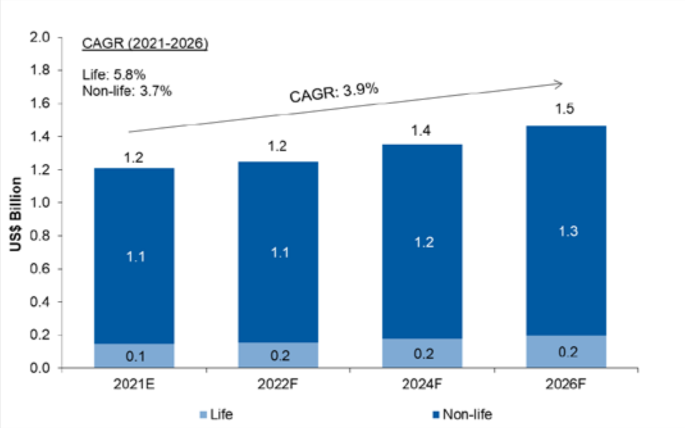
Oman

The life insurance segment in Oman is expected to grow at a CAGR of 5.8% between 2021 and 2026, the fastest in the region

The Insurance market in Oman is expected to reach US$ 1.5 billion in 2026, registering an annualized growth rate of 3.9% from 2021 (See Exhibit 52). The life insurance segment in the country is expected to grow at a CAGR of 5.8% over the five-year period, the fastest in the region. Growth will be largely driven by a strong rise in population at a CAGR of 3.1% between 2021 and 2026[183]. Meanwhile, the non-life insurance segment is expected to grow at a CAGR of 3.7% to reach US$ 1.3 billion in 2026. The implementation of mandatory health insurance from 2020 and continuation of health cover by employers will support the growth of the non-life segment[184]. The universal health insurance plan is being implemented in five stages with application of the mandate to foreign visitors in the first stage, foreign workers in the second, companies by size and industry in the third stage, and nationals and their dependents in the fourth and fifth stages. While Oman opened its borders for tourism amid the ongoing pandemic, the country has mandated health insurance for travel to and from Oman[185]. These measures are likely to aid growth in the non-life segment. Moreover, rising awareness of insurance products as tools to hedge against risks and increased coverage by private sector employers bode well for the segment. The property insurance line is expected to benefit from the series of construction projects undertaken by the government as part of its economic diversification strategy. The Oman Investment Authority (OIA) has announced 13 national projects valued approximately at OMR 3.5 billion (US$ 9.1 billion) in 2021 alone covering a number of key sectors including energy, manufacturing, mining, health and tourism services[186]. Such developments are expected to further expand the underwriting base for non-life commercial lines. Consequently, insurance penetration and density in the country are expected to increase to 1.5% and US$ 274.4, respectively, by 2026 (see Exhibit 53).

[183] Source: IMF, October 2021
[184] Source: "Oman: New mandated health insurance in Oman", BSA
[185] Source: "Insurance required for travel to and from Oman", LaingBuisson, January 6, 2021.
[186] Source: "Oman unveils 13 national projects valued at over OMR3bn", Times of Oman, November 29, 2021

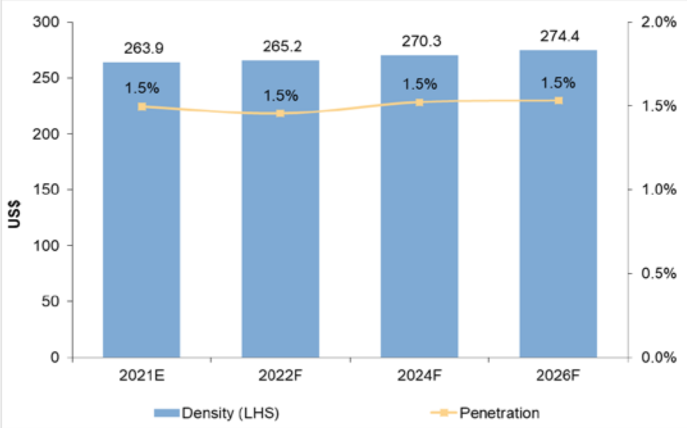
Exhibit 52: Forecast of Insurance Industry in Oman



Source: Alpen Capital, Capital Market Authority of Oman , IMF

Note: F – Forecast

Exhibit 53: Forecast of Density and Penetration in Oman



Source: Alpen Capital, Capital Market Authority of Oman, IMF

Note: F – Forecast

Bahrain

Bahrain's insurance market, the smallest in the GCC, is forecasted to grow at a CAGR of 2.2% between 2021 and 2026

Bahrain's insurance market is forecasted to grow at a CAGR of 2.2% between 2021 and 2026 to reach US$ 0.8 billion (see Exhibit 54). While the life insurance segment is expected to grow at a pace of 4.7% CAGR, the non-life insurance segment is expected to grow at a moderate annualized growth rate of 1.4% over the next five-years. Growth will be largely aided by recovery in economic activity, government plans supporting infrastructure development and a healthy rise in population of 2.1% CAGR between 2021 and 2026[187]. Bahrain has a pipeline of infrastructure projects worth more than US$ 32 billion encompassing investments across the manufacturing, energy, healthcare, and education sectors[188]. Moreover, the rising demand for health cover from private sector employers coupled with the planned introduction of the National Health Insurance Scheme (Sehati) for expats is likely to boost the non-life segment[189]. With around 36 licensed insurers in Bahrain as of 2021, the competition is expected to remain high in this relatively smaller market. This might affect the profitability of the insurance companies, hence affecting the overall strength of the sector[190]. Insurance penetration and density in the country are expected to reach 1.7% and US$ 514.8, respectively, by 2026 (see Exhibit 55).

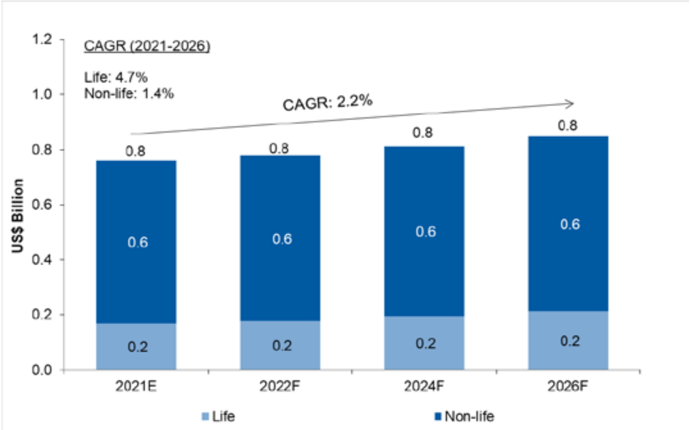
[187] Source: IMF, October 2021

[188] Source: "The Kingdom of Bahrain launches procurement process to build national metro network", EPC World, February 24, 2021

[189] Source: "Compulsory health insurance planned for locals and expats in Bahrain", Laing Buisson, January 21, 2021

[190] Source: "GCC Insurers in 2021", SP Global, February 22, 2021.

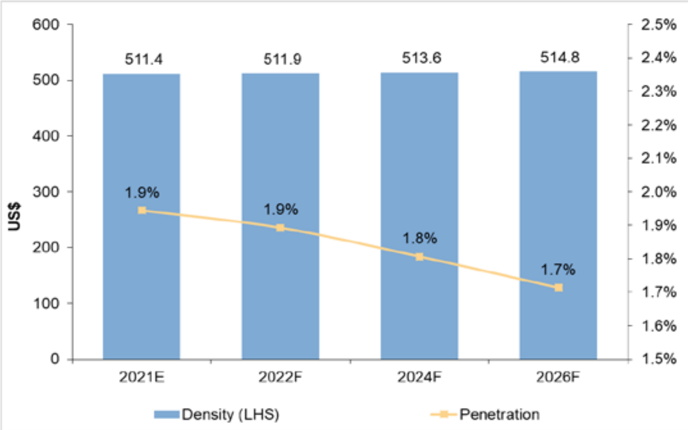
Exhibit 54: Forecast of Insurance Industry in Bahrain



Source: Alpen Capital, Central Bank of Bahrain, IMF

Note: F – Forecast

Exhibit 55: Forecast of Density and Penetration in Bahrain



Source: Alpen Capital, Central Bank of Bahrain, IMF

Note: F – Forecast

4. Growth Drivers

Post Pandemic Recovery

The GCC economies are expected to post GDP growth of 2.4% in 2021 and further rebound with a growth of 4.1% in 2022

Following a year of economic distress, particularly hit by the dual economic shocks of falling oil prices and slowdown in domestic activity[191], the GCC economies are expected to return to an aggregate growth of 2.4% in 2021[192]. According to IMF, the GCC is expected to rebound further with the GDP likely to grow at a pace of 4.1% in 2022, largely aided by the reopening of the tourism sector coupled with the delayed Expo 2020 in UAE and the FIFA World Cup 2022 in Qatar. The ambitious economic diversification and investment plans by Saudi Arabia – the National Investment Strategy which has laid down plans to inject US$ 7 trillion by 2030 – are also likely to push growth for the region as a whole[193]. Economic growth is also expected to be supported by aborting oil production cuts post April 2022[194]. Rise in oil prices will aid funding of the region's non-oil economy, which took a severe hit from the fall in revenues during 2020. The IMF expects the non-oil economies to expand by 3.9% and 3.4% in 2021 and 2022, respectively[195]. Furthermore, with current account balance projected to rise from a deficit of 1.9% of GDP in 2019 to a surplus of 3.6% of GDP in 2021 for the oil-exporting nations, external positions are likely to strengthen amid improving oil prices and rising exports. The improving economic prospects of the GCC, aided by the reduction in fiscal support measures initiated during the pandemic, is also set to help the gradual decline in the region's fiscal deficit. As the COVID-19 situation normalizes, GDP growth is expected to stabilize and range between 2.1% and 3.1% until 2026, marginally surpassing projections of developed nations like US, UK, Germany, Singapore and Japan (see Exhibit 56)[196]. The sizable infrastructure investment programs by the GCC nations should also provide a platform for recovery in economic activity. Adding to this, measures taken to attract businesses and skilled talent from all over the globe will not only aid the economic growth, but also offer the regional insurance sector a larger market to tap into. Such strong dynamics should bode well for the insurance sector in the GCC. The unprecedented reforms and effective responses to curb the rising COVID-19 cases coupled with strong emphasis towards economic diversification and private sector participation will support economic growth across the GCC nations in the long-run[197].

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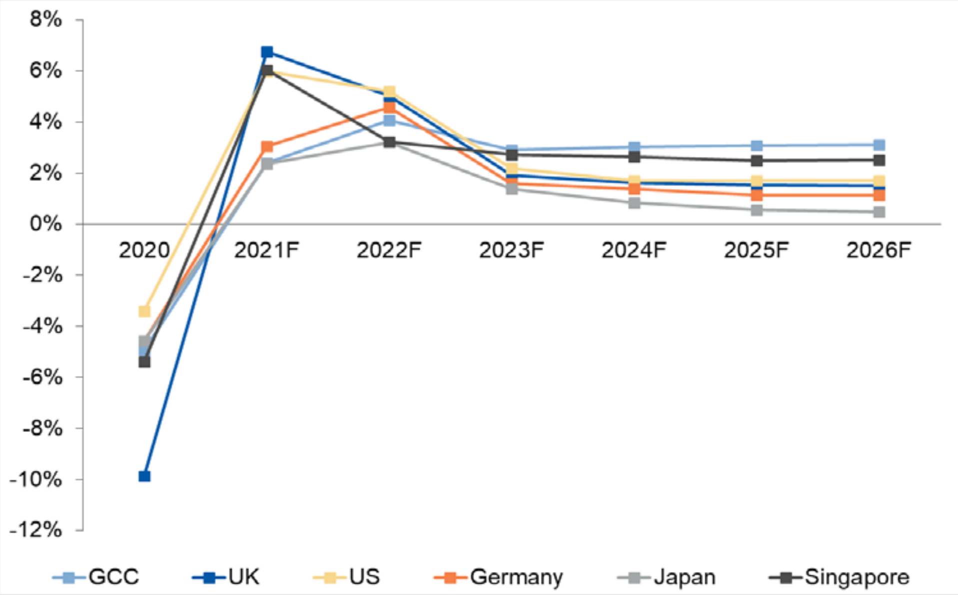
[191] Source: "World Economic Outlook Database", IMF, April 2021
[192] Source: "World Economic Outlook Database", IMF, October 2021
[193] Source: "Saudi Arabia aims to be among 15 top global economies with $7tr plan", Arab News, October 11, 2021
[194] Source: "What is the status of GCC economy. How soon can we expect a full recovery?", Gulf News, December 12, 2020
[195] Source:" GCC economies' growth will accelerate to 4.2% in 2022: IMF", Gulf News, October 19, 2021
[196] Source: ""World Economic Outlook Database", IMF, October 2021
[197] Source: GCC Region Mega Trends, Forecast to 2030, Frost & Sullivan, October 5, 2020

Exhibit 56: Real GDP Growth Projections – GCC vs Other Markets (2020-2026F)



Source: IMF – October 2021

Note: E – Estimate, F – Forecast

Intensifying Economic Diversification Efforts amid the Pandemic

The dual shock of fall in oil prices and the COVID-19 pandemic has instilled a renewed sense of urgency to achieve diversification

Diversification of the economy away from the hydrocarbon sector has been the primary objective behind most economic plans of the GCC nations. To achieve this, the region is focusing on attracting foreign investment, increasing SME contribution, generating private sector jobs and developing mega projects to boost consumption[198]. While the region has made some progress in this regard over the past decade, the dual shock of fall in oil prices and the COVID-19 pandemic has instilled a renewed sense of urgency. The GCC nations were forced to implement lockdown measures and halt expansion plans in order to contain the virus, while also dealing with growing fiscal deficits as the oil revenues plunged. Prior to the global pandemic, the IMF had estimated the wealth of the GCC nations will deplete by 2034 unless substantial fiscal and economic reforms were undertaken. The crisis of 2020 has further shortened this timeline[199].

In a bid to increase the ease of doing business, several investor friendly transformations in the legal and regulatory framework governing foreign investments were undertaken. For instance, UAE allowed 100% foreign ownership of onshore companies, while Saudi Arabia issued record number of foreign investor licenses in Q1 2021, a 36.2% Y-o-Y growth. Foreign investment in Saudi stock market was up by 150% in Q2 2021 compared to 2018[200]. Since the onset of the pandemic, the GCC nations have undertaken several measures to ensure faster economic recovery and progress towards achieving greater diversification. In March 2021, Saudi Arabia announced plans to invest US$ 3.2 trillion into the national economy by 2030 to create new jobs, strengthen the private sector and boost economic growth. This program is a part of the greater SAR 27 trillion (US$ 7.2 trillion) investment plan, which is focused on development and diversification of the domestic economy, and

[198] Source: Saudi Arabia will push ahead with economic diversification despite COVID-19", Control Risks, September 28, 2020

[199] Source: "Economic diversification in the Gulf: Time to redouble efforts", Brookings, January 31, 2021

[200] Source: "Oil revenues & private sector growth to speed up GCC economic recovery in 2022", Marmore MENA Intelligence, September 8, 2021

strengthening ties with the private sector[201]. Separately, the Public Investment Fund (PIF) in January 2021, unveiled a five-year strategy to double its assets to US$ 1.1 trillion and invest a minimum of US$ 40 billion a year into the Kingdom's economy until 2025. This will be directed towards creating 1.8 million jobs and contribute US$ 320 billion to the Kingdom's non-oil economy[202]. Saudi Arabia also tripled its value-added tax (VAT) in 2020 and cut cost-of-living allowance for government workers to cope with the impact of a widening deficit amid the pandemic and an oil-price rout[203]. Kuwait and Qatar are likely to follow suit and introduce VAT measures to achieve revenue-diversification[204].

Meanwhile, the UAE announced the launch of 50 initiatives in September 2021 to stimulate and diversify its economy and attract US$ 150 billion in new foreign investment over the coming decade[205]. UAE has also doubled down on the growth of technology related industries since the pandemic and has been investing in Artificial Intelligence (AI) and space exploration technology, while also encouraging innovation and entrepreneurship. As a part of its plan to attract global skilled talent, the UAE made key changes to its visa policies. This included Dubai's remote worker visa, an expansion of the 10-year long-term visa program[206], and a five-year multiple entry visa to facilitate business trips for foreign employees[207]. Additionally, the country also announced the spending of US$ 6.5 billion[208] on new labor laws to create an efficient labor market, attract talent, empower women and improve the comparativeness of Emirati citizens in the private sector[209]. Separately, UAE has intensified its efforts to prepare for the post-oil era through privatization by bringing about one of the largest-ever structural change in its government. In September ministries and authorities and re-allocation of power with an aim to establish a more efficient government. The new structure also lays down a clear roadmap for outsourcing most of the government services to the private sector[210]. 2021, the UAE announced changes to key government positions, merger of several

Similarly, Kuwait and Bahrain are also attempting to foster local innovation. With low R&D budgets due to the loss in oil revenues, the two countries are resorting to the private sector to capitalize on young local talent to drive economic growth. On the other hand, Bahrain, with its Vision 2030 reform plan, Tamkeen, introduced a tax on businesses based on the number of migrant workers they employ, subsequently rewarding those with a higher percentage of national employees[211].

The national diversification strategies in the GCC are also guided by the need for greater industrialization as the governments aspire to establish solid knowledge-based economies. In Q1 2021, UAE announced plans to increase its industrial revenues to US$ 81 billion over the next decade, more than doubling the manufacturing sector's current contribution to the local economy. Saudi Arabia launched the 'Made in Saudi' program with an aim to grow the local footprint of its industries and boost exports. Under Qatar's National Vision 2030, the country's manufacturing sector is expected to employ more than 100,000 people by 2025 and is likely to see a 30% increase in production value between 2019 and 2025[212]. Such efforts elevate growth prospects for the insurance sector as changing legislations, increasing

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[201] Source: "Saudi plans economic overhaul with $3.2 trillion investment", Economic Times, March 31, 2021
[202] Source: Saudi Arabia's economy set for faster expansion in second half of 2021", Hellenic Shipping News, August 28, 2021
[203] Source: "Saudi Arabia Triples VAT, Cuts State Allowances Amid Crisis", Financial Post, May 11, 2020
[204] Source: "GCC economies expected to grow 2.2% this year, says World Bank", Reuters, August 4, 2021
[205] Source: "UAE announces 50 initiatives to boost economy, but businesses await more details", CNBC, September 6, 2021
[206] Source: "Five economic themes for 2021 to watch in the Gulf", PWC, January 17, 2021
[207] Source: "Dubai eases visa rules, UAE makes labour laws more competitive", Reuters, November 16, 2021
[208] Source: "UAE to Spend $6.5 Billion to Boost Private-Sector Jobs", Bloomberg, September 12, 2021
[209] Source: "Dubai eases visa rules, UAE makes labour laws more competitive", Reuters, November 16, 2021
[210] Source: "UAE reveals largest-ever structural changes in government", UAE Cabinet
[211] Source: "The gulf post COVID-19: how can states step up economic innovation?", Goethe Institut, July 2020
[212] Source: "How industrialisation could future-proof MENA's Gulf economies", World Economic Forum, June 28, 2021

number of private investments and rise in expatriates lead to higher insurable assets and an increased need for protection.

Mandatory Health Insurance

Health insurance remains one of the most important business lines in the GCC that has continued to evolve with numerous regulatory changes in recent years

The GCC nations have gradually mandated health insurance for citizens as well as foreign visitors and expatriates over the past few years. Earlier, regional governments took care of the healthcare needs of its citizens, but the welfare state approach was eventually recognized as expensive and unsustainable over the long run due to rising healthcare needs and medical inflation. As a result, Saudi Arabia, Abu Dhabi, Dubai and Qatar were among the first in the region to introduce mandatory health insurance for expatriates. While health insurance has become mandatory for expatriates in all the six nations, insurance for citizens continues to be sponsored by the local government in all the countries except the UAE (Abu Dhabi and Dubai) and Saudi Arabia.

In Saudi Arabia, health is a major insurance vertical, accounting for 58.9% of the total non-life GWP as of 2020[213]. The total number of insured citizens in the Kingdom is projected to increase to 21 million by the end of the decade, from the current figure of approximately 11 million[214]. Under the existing scheme, all employers in the private sector must provide their local and foreign employees (and their dependents) with health insurance, while Saudi citizens are entitled to free services at state-run health care facilities. In Abu Dhabi and Dubai, the state health insurer, Daman, or other private insurers cover foreign employees under various schemes, while citizens are covered under the Thiqa and Saada program, respectively. The other five smaller Emirates in the UAE do not have insurance mandates in place for foreign and local residents or workers[215]. Buoyed by the implementation, the share of health insurance in the non-life GWP has increased to 55.4% in the UAE[216].

Qatar recently rolled out a new plan for health insurance, to be implemented in 2022, wherein employers in Qatar are required to provide health insurance coverage for expatriates and their families. The plan also requires all visitors to Qatar to purchase a health insurance plan while in the country. This will provide a big push to the insurance sector in Qatar in the coming years as the country is expected to welcome tourists from all over the world during the 2022 FIFA World Cup[217]. Oman has proposed a universal health insurance requirement to be implemented in five stages starting 2019 with application of the mandate to foreign visitors in the first stage, foreign workers in the second, companies by size and industry in the third stage and nationals and their dependents in the fourth and fifth stages[218].

Such mandates by the regional government, coupled with the GCC's longer term plans to diversify the economies and attract more business and foreign talent is likely to bode well for the insurance industry as demand and medical inflation rises.

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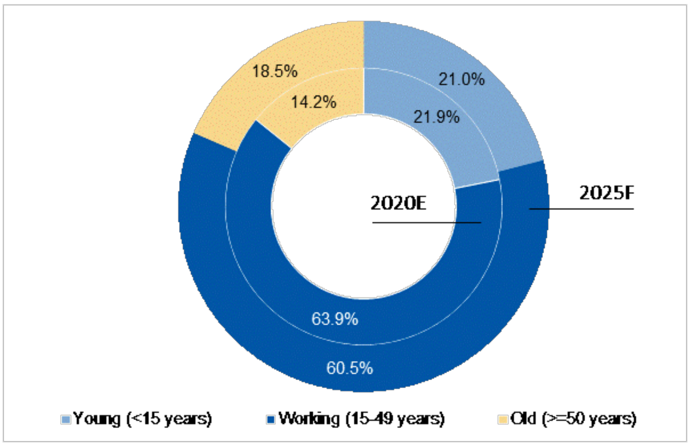
[213] Source: "Insurance Market Report 2020", Saudi Arabian Monetary Authority (SAMA)
[214] Source: "GCC region intensifies HIE roll-out; improved digital maturity to fuel introduction of unified health records", Healthcare IT News, November 15, 2021
[215] Source: "Gulf Cooperation Council States: Health insurance mandates across the region", Willis Tower Watson. December 13, 2018
[216] Source: UAE Insurance Authority, 2019
[217] Source: "Qatar mandates private health insurance for expatriates", Reuters, October 21, 2021
[218] Source: "Gulf Cooperation Council States: Health insurance mandates across the region", Willis Tower Watson. December 13, 2018

Favorable Demographics

Growing population, largely comprising of young and working-class professionals, together with high proportion of expatriates continue to be a major driver for the GCC's insurance sector

Growing population, largely comprising of young and working-class professionals, together with high proportion of expatriates continue to be a major driver for the GCC's insurance sector. The GCC population grew at a CAGR of 2.0% between 2015 and 2020 compared to the MENA average of 1.9% and the world average of 1.1%[219]. The GCC is also one of the most urbanized regions in the world with around 85% of the region's population living in cities, which is expected to rise to 90% by 2050[220]. This high urbanization rate is likely to increase healthcare spending, and investments towards motor and property in the long-run. Moreover, approximately 64% of the region's population is aged between 15 and 49 years comprising of young and working-class professionals (see Exhibit 57)[221], which supports the demand for both life and non-life insurance products. Notably, a rising percentage of women are gaining tertiary education and entering the labor force, thus increasing their ability to spend on insurance products. Qatar accounts for the largest contribution of women in its labor force at 56.6%, followed by the UAE (52.1%), Kuwait (49.8%), Bahrain (45.3%), Oman (36.0%) and Saudi Arabia (22.1%)[222]. The region is also projected to witness an increase in old-age population (age >50 years), which is likely to grow from 14.2% of total population in 2020 to 18.5% in 2026[223], resulting in higher premiums on health insurance.

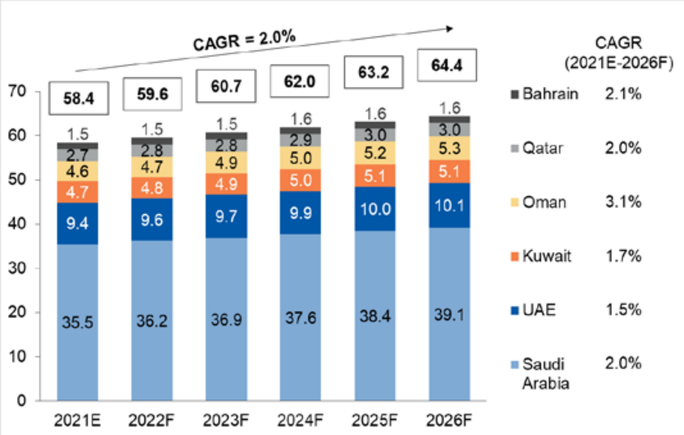
Exhibit 57: GCC Population Age Distribution



Source: UNPD – April 2019

Note: E – Estimated, F – Forecasted

Exhibit 58: GCC Population Forecast



Source: IMF – October 2021

Note: E – Estimated, F – Forecasted

Demand for insurance products will continue to grow as population across the GCC is expected to reach 64.4 million by 2026, registering a CAGR of 2.0% since 2021 (see Exhibit 58)[224]. Expatriates continue to account for a significant portion (approximately 50%) of the total GCC population. Despite several expatriates leaving the GCC nations during the COVID-19 pandemic, new initiatives launched by the regional governments to attract skilled global talent is likely to augur well for insurance products going forward. The GCC governments have taken various measures including relaxation of residency visas, and entry permits, which are incentivizing expatriates to work and settle in the region. Notably, UAE has been at the forefront of introducing these positive immigration laws, which include a five-year renewable retirement law, widening the eligibility of golden visas, and the new

[219] Source: "World Economic Outlook Database", IMF, October 2021
[220] Source: "Middle East Megatrends: Transforming our region", PwC
[221] Source: "United Nations Population Division", United Nations
[222] Source: International Labour Organization (ILO) Statistics, World Bank, 2021
[223] Source: "World Population Prospects: 2019 Revision", United Nations Population Division
[224] Source: "World Economic Outlook Database", IMF, April 2021

citizenship law[225]. These laws, coupled with government's management of the pandemic crisis, increased efforts towards diversification of economic activity, and measures taken to improve the ease of doing business is expected to contribute to the growth of the insurance sector in the region.

Strengthening Government Regulations

Regulators in the GCC insurance sector have made several changes to the regulatory oversight since the outbreak of the pandemic to bring in more transparency and discipline in the sector

Regulators in the GCC insurance sector have made several changes to the regulatory oversight in recent years to bring in more transparency and discipline, while also promoting consolidation. Moreover, all the GCC nations introduced a range of measures to combat risks associated with the consequences of COVID-19. In UAE, the Central Bank of UAE (CBUAE) commenced the process of merger with UAE Insurance Authority to ensure high standards of supervision and regulation across the sector. Following the merger, CBUAE would assume the complete regulatory, supervisory, licensing and enforcement functions of the insurance sector in the country, ensuring greater financial stability and encouraging competition[226]. In March 2020, SAMA issued the Actuarial Work Regulation for Insurance directive to provide greater stability for the insurance industry by improving actuarial performance[227]. The authority is also proactively responding to the adoption of new ways of doing business through technology by forcing the insurance companies to bring in greater digitalization of services[228]. In January 2021, SAMA reiterated the need for greater consolidation among the insurance companies to achieve the goals set out as part of the Vision 2030 program[229]. Meanwhile in Kuwait, the Insurance Regulatory Unit (IRU) introduced new directives related to risk-based capital measures and actuarial-led reserving, along with other updates related to risk management in order to enhance insurer's capital adequacy, reserve adequacy, and risk management[230].

Such reforms are likely to improve the insurer's credit profiles and asset quality in the long-term, while also making the overall insurance sector more transparent, competitive, efficient and sustainable, bringing it at par with the standards of global insurance businesses.

[225] Source: "GCC: Immigration roundup from the last 12 months", Pwc, July 06, 2021
[226] Source: "Central Bank of UAE begins procedures to execute IA merger", Gulf News, January 27, 2021
[227] Source: "New regulatory guidance seeks to increase insurance uptake in Saudi Arabia", Oxford Business Group
[228] Source: "Future of Insurance", KPMG, June 9, 2021
[229] Source: "Saudi insurance sector eyes more mergers and acquisitions", Arab News, April 17, 2021
[230] Source: "Insurance – Kuwait: New Insurance regulations are credit positive", Islamic Finance News, March 24, 2021

5. Challenges

Economic Slowdown

Lower economic revenues, coupled with COVID-19 induced travel restrictions, job losses, business closures, and a subsequent fall in per capita income have put the regional insurance sector under increased pressure

The GCC region remains highly reliant on the hydrocarbon sector to drive economic growth and public sector spending. Lower revenues due to the sharp correction in oil prices, coupled with COVID-19 induced travel restrictions, job losses, business closures, and a subsequent fall in per capita income (-1.7% CAGR between 2015 and 2020 to reach US$ 24,466.8)[231] have put the regional insurance sector under increased pressure. Weak consumer spending has led to the drop in sales of vehicles and real estate, affecting the overall demand for related insurance products. At the same time, infrastructure development plans are likely to be delayed as private players re-evaluate expansion strategies to align with the changing economic landscape. This is likely to affect the growth of valuable insurance assets such as property. The pandemic is also likely to negatively impact tourist arrivals for the mega-events, including the Dubai Expo 2020 and FIFA World Cup 2022. Amid the rising number of COVID-19 cases globally, Dubai was forced to postpone the Expo 2020 event, leading to a slump in the property, aviation and tourism sectors, among others[232]. Pilgrimage visits in the region are also likely to face similar challenges[233]. Saudi Arabia, which attracted close to 7.5 million visitors for Umrah and 2.3 million for Hajj in 2019, was forced to suspend such travel. These drop in numbers have taken a significant toll on the government spending, subsequently affecting the insurance industry growth. Furthermore, the fiscal stimulus measures by the governments in the wake of the pandemic, led to the region's fiscal deficit widen to 9.2% of GDP in 2020. As a result, the current diversification and growth plans have suffered due to the lack of funds. However, the IMF expects the region's fiscal deficit to ease down to 3.0% and 1.4% of GDP in 2021 and 2022, respectively[234].

The COVID-19 crisis also intensified several demographic issues in the region, affecting the growth of insurance sector. Unemployment rates, which were already high prior to the pandemic, increased among the young and well-educated[235], standing at approximately 12.0% for youth aged between 15 and 24, with that of female youth at three times those of men of the same age[236]. The migration of expatriates to their home nations due to the pandemic is also likely to weigh in on the region's growth prospects[237]. Additionally, the workforce nationalization policies are also expected to create new challenges for the region due to its already heavy dependence on foreign workers. For instance, under a new resolution passed by the Ministry of Human Resources and Emiratisation (MoHRE) in the UAE, many employees were obliged to leave their jobs as the companies affected by the pandemic were given the permission to terminate work contracts of non-UAE workers. Similarly, the effect of Omanization - Oman's workforce nationalization policy - led to a 12.0% decline in expatriate population in 2020[238]. This is likely to pose a challenge for the country as it continues to make efforts to grow its non-oil sectors and progress towards building a knowledge-based economy. However, the capacity of adopting such policies varies among each GCC country. While the region as a whole has been pushing to attract foreign investment, such policies could have a detrimental effect on the insurance sector growth.

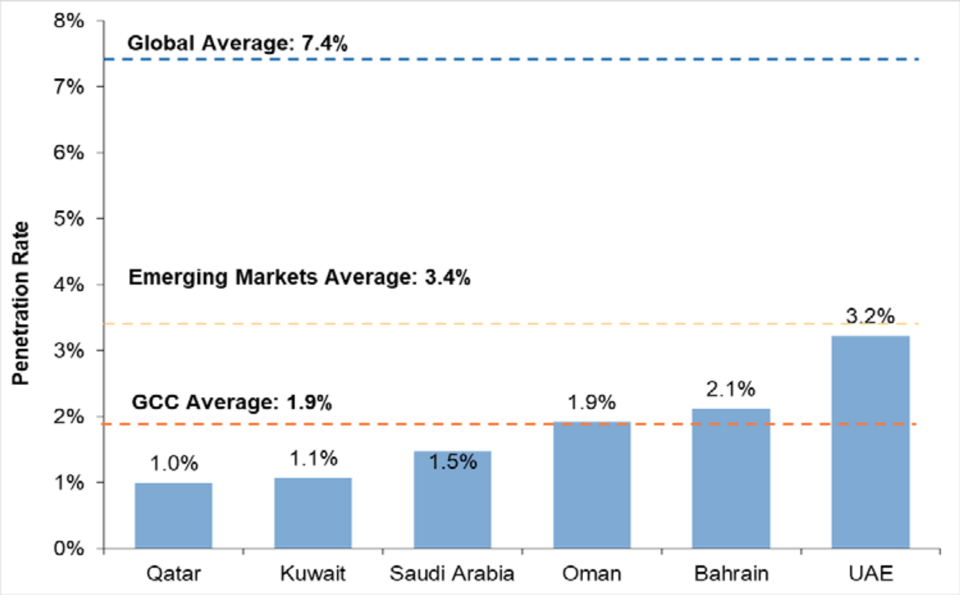
[231] Source: "World Economic Outlook Database", IMF, October 2021
[232] Source: Expected Impact of Delay in Dubai Expo 2020 on Economy, June 08, 2020
[233] Source: "COVID-19-induced impact on oil, tourism sectors to have wide-ranging economic, social ramifications on GCC countries over coming months – GCC Analysis", Max Security
[234] Source: "World Economic Outlook Database", IMF, April 2021
[235] Source: "Asymmetric impact of COVID-19 on employment in the GCC", Georgetown University Qatar, August 11, 2020
[236] Source: "GCC countries should prioritise economies, citizens and innovation in a post-COVID world", Gulf Business, May 21, 2021
[237] Source: "Gulf expat exodus could continue until 2023", Reuters, February 2021
[238] Source: Gulf expat exodus could continue until 2023, S&P says", February 15, 2021

Low Penetration Rate

The average insurance penetration in GCC stood at 1.9% in 2020, considerably below the emerging market average of 3.4% and global average of 7.4%

The average insurance penetration in the GCC stood at approximately 1.9% in 2020, considerably below the emerging market average of 3.4% and global average of 7.4% (see Exhibit 59)[239]. Insurance penetration in individual GCC markets differs significantly with the UAE averaging at 3.2%, followed by Bahrain (2.1%), Oman (1.9%), Saudi Arabia (1.5%), and Kuwait (1.1%). In the UAE, rate of insurance penetration remains the highest compared to other GCC countries, largely owing to the diversified population base that majorly comprises of expatriates, and the rollout of mandatory health and motor insurance schemes. Qatar recorded the lowest average insurance penetration amongst the GCC nations at 1.0% in 2020[240]. Although non-life insurance in the GCC has performed better in terms of penetration (1.6%) as compared to life-insurance (0.3%), it is significantly below the global average of 4.1% and advanced economy average of 5.7%[241]. This can be largely attributed to the lower demand for insurance from the nationals due to the monetary support offered by the regional government. Nonetheless, with the rising need for the governments to shift this burden amid high fiscal deficits, the insurance players in the region stand to gain a huge market by tapping on this underpenetrated segment.

Exhibit 59: Average Insurance Penetration 2020 (GCC vs Emerging Markets vs Global)



Source: Swiss Re

Intense Competition Leading to Weak Profitability

Market fragmentation has led to intense competition among the GCC insurers with around 200 big and small insurers operating in the market. Small players, inherently are more prone to price competition, are striving to gain market share as the premium collection lies with a few big players and tough competition pressurizing the sector's profitability and

[239] Source: "World Insurance", Swiss Re; "World Economic Outlook Database", IMF, October 2021
[240] Source: "World Insurance", Swiss Re; "World Economic Outlook Database", IMF, October 2021
[241] Source: "World Insurance", Swiss Re

capitalization[242]. The gap between large insurers, which are often more diversified and profitable, and the smaller players, is likely to widen as the large insurers continue to benefit from higher capacity to offer better pricing and service quality to its customers[243].

Intensifying competition will continue to weigh on profitability

The intensifying competition in recent years has put the profitability of the sector under immense pressure. Regional insurers also face stiff price competition augmented by the lack of diversified product offerings. This has led market participants to offer higher commissions and discounts on policies to secure business, thus increasing their operating cost. Capital buffers have weakened from the accumulated losses in recent years, resulting in negative ratings, consequently leading to solvency issues and license suspensions. Going forward, insurance companies in the GCC may also witness pressure on margins due to increased VAT rates in the region and the costs incurred to remain compliant with new policies.

Geopolitical Tensions Causing Knock-on Effects on GCC Insurers

Existing and potential rise in geopolitical risks in the region have a direct impact on investment returns and investor confidence

Another challenge faced by the GCC insurers comes from the existing and potential rise in geopolitical risks in the region, which have a direct impact on investment returns and investor confidence. Credit risk for the insurance companies can remain moderate-to-high over the next 12-18 months due to the impact on investor confidence amid tensions between the US and Iran and increased external financing cost. This is likely to cause a delay in large-scale infrastructure projects and weaken regional growth, while also weighing in on insurance demand for property and casualty lines such as construction, marine, and energy being affected the most[244].

[242] Source: "Moody's – GCC insurers biggest challenges are geopolitical tensions and intense competition", Moody's Investor Service, February 26, 2020
[243] Source: Efficiency drivers of insurers in GCC", Taylor & Francis Online, January 27, 2021
[244] Source: "Moody's – GCC insurers biggest challenges are geopolitical tensions and intense competition", Moody's Investor Service, February 26, 2020

6. Trends

Increasing Awareness for Health and Life Insurance

The onset of the COVID-19 pandemic has brought about a fundamental shift as people began to reassess their priorities and lay more importance on insurance cover

The onset of the COVID-19 pandemic has brought about a fundamental shift as people began to reassess their priorities and lay more importance on insurance cover and shielding themselves and their families from risks posed by death, disability and long-term illness. The pandemic changed the consumer's purchase behavior, as the misconception of insurance being not necessary and a rather expensive investment slowly started to diminish[245]. This shift materialized for the insurance market in the form of a tangible shift towards financial protection and customer expectations from insurance providers. According to a survey conducted by YouGov and Zurich Middle East in the UAE, more than half of the respondents, across all age categories were likely or extremely likely to consider purchasing life or critical illness cover due to COVID-19. Over 63.3% of respondents, aged 18-34, purchased life insurance since the start of the pandemic[246]. At the same time, regulators across the GCC are collaborating with insurance companies to educate consumers on protection and risk-mitigating insurance options. Industry stakeholders are actively organizing educational campaigns on the significance of insurance products, mitigating risks, especially life insurance, as the market remains relatively undeveloped compared to developed nations.

Apart from the increased health awareness, the rising cost of healthcare services is also causing an upsurge in demand for protection, particularly critical illness insurance[247].

Digitization and Technological Advancements

The pandemic has accelerated digital transformation in the insurance sector and put a much greater emphasis on tech-enabled disbursement of services

Prior to the onset of COVID-19, digital transformation in the insurance sector was already a focus for the providers but the implementation had been rather slow. However, the pandemic has accelerated this process and put a much greater emphasis on tech-enabled disbursement of services. The new generation of consumers, who represent a large part of the GCC population, have compelled insurance companies to create a new ecosystem in accordance with their changing digitization preferences. The pandemic also brought about a significant change in the broader consumer behavior as customers started to expect quicker and more effective services than before. Social distancing norms during the pandemic also forced a large proportion of the population to become early adopters and seek online solutions, while insurance companies saw a big opportunity in adopting digital solutions to increase their market penetration. Digitization is also helping the insurance companies understand their customers better. Internet of Things (IoT) devices and AI based analytics are improving the insurance companies' ability to gather, process customer data, and gain insights into consumer needs and risks related to both consumer behavior and external factors[248]. At the same time, regulators across the GCC have introduced new reforms as part of their broader FinTech strategy, including the adoption of InsurTech for insurance services. These initiatives are expected to make the GCC insurance sector more competitive, innovative and facilitate financial inclusion[249].

The global players based in the region are not only digitizing the firm's core operations, but are also focusing on innovating across the value chain - marketing and distribution, product development and underwriting, claims prevention and customer support – with the increased

[245] Source: "How 'digital' is the way forward for insurance providers in the UAE:, Gulf Business, August 16, 2021
[246] Source: "How 'digital' is the way forward for insurance providers in the UAE:, Gulf Business, August 16, 2021
[247] Source: "How 'digital' is the way forward for insurance providers in the UAE:, Gulf Business, August 16, 2021
[248] Source: "Digitalization in insurance: a golden opportunity for GCC insurers to get ahead of the competition", Kearney
[249] Source: "GCC insurance distribution landscape will continue to change at pace", Lexology, December 21, 2021

use of AI, IoT, drones, and blockchain. AI is also helping firms to take a more granular approach and develop insurance plans that are customized for each individual. Furthermore, digitization is helping the insurance companies in reducing customer acquisition costs, generating more value for marketing spend, and reducing the cost of processing claims[250].

The GCC InsurTech landscape is slowly gaining prominence as several insurance companies in the region have started implementing the technology. For example, UAE-based I-Insured launched an AI-based SafeDriver Pay-How-You-Drive (PHYD) app that offers lower premiums and incentives based on the policyholder's driving behavior; Union Insurance Company is using natural language processing (AI) to extract data from documents, and becoming the first player in the UAE to issue motor policies in less than one minute. Five regional insurance players, namely Aman Insurance, Al Wathba Insurance, National Takaful Co. (Watania), Noor Takaful, and Oriental Insurance, collaborated with the InsurTech firm Addenda to adopt its blockchain platform as a part of their digitalization strategy and streamline processes. Another player, Beam Digital, is offering its customers a smart toothbrush to monitor their oral health, allowing the company to develop a customized dental insurance plan[251]. Going forward, the demand for innovative, customized and convenient solutions is likely to compel insurance firms in the region to either develop in-house technological capabilities or collaborate with InsurTech companies that can deliver improved customer experience.

Growing Consolidation

The changing regulatory norms are making it increasingly difficult for weaker players to sustain with the same level of growth and profitability – leading to M&A opportunities

The GCC insurance sector has undergone significant changes in terms of capacity and pricing in the past year due to the pandemic. Some conditions are expected to continue in the near term and the organizations are likely to continue facing challenging trading environments. Simultaneously, high-operating costs combined with a strengthening regulatory environment is making it increasingly difficult for weaker players to sustain with the same level of growth and profitability. Several years of declining profits and accumulated losses have led to the erosion of capital buffers and increased the risk of insolvency and license suspensions for many insurance market players, especially in Saudi Arabia[252]. As a result, the capital requirements were enhanced across the region, particularly in the UAE and Saudi Arabia, such that the broader insurance sector would have fewer but stronger companies. This is likely to lead to higher consolidation through increased M&A across the market as the insurance companies are forced to renew their focus on building resiliency and rethinking their risk management strategies in order to ensure that their insurance program matches the risk appetite of the business[253].

The region witnessed 20 M&A transactions between 2019 and 2021 with the UAE (9 deals) and Saudi Arabia (7 deals) cumulatively accounting for 80% of the total deal volume. In 2021 alone, the region observed 9 M&A transactions and the trend is expected to continue as firms seek to increase their operational efficiencies and reduce costs.

The pandemic has changed the way insurance was being bought as consumers started to adopt online channels for ease. This has accelerated the need for companies to invest in technology, digitalize their operations, and adopt data analytic tools. The current environment makes it difficult for the small and mid-sized companies to implement such advanced technologies, which is likely to force players to seek M&A opportunities allowing

[250] Source: "Digitalization in insurance: a golden opportunity for GCC insurers to get ahead of the competition", Kearney
[251] Source: "Digitalization in insurance: a golden opportunity for GCC insurers to get ahead of the competition", AT Kearney, 2020
[252] Source: "Islamic insurers could lead 'merger mania' in UAE, Saudi insurance sectors", July 29, 2019
[253] Source: "Saudi insurance sector eyes more mergers and acquisitions" Arab News, April 17, 2021

them to spread the cost of investment while also adhering to the increasing capital and other regulatory requirements, particularly in Kuwait, Saudi Arabia and the UAE[254]. The region's low rate of insurance penetration, along with the gradually strengthening of regulatory landscape is promising of growth in the future and consolidation over the long run[255].

Changes in Insurance Coverage Rates

The COVID-19 driven economic slowdown has adversely affected insurers and led to increased pricing and reduced capacity in many areas

The COVID-19 driven economic slowdown has adversely affected insurers and led to increased pricing and reduced capacity in many areas. This is affecting the GCC insurance sector at a time when companies are focused on reducing costs. Property insurance rate recorded a rise across all the countries in the region, largely driven by the changing jurisdiction of reinsurers and reduced capacity. On the other hand, rates for motor insurance decreased in the UAE, Saudi Arabia and Oman as the relative simplicity and easy cash flow attracted many new players to this segment. Additionally, the pandemic-induced lockdown resulted in less driving, and consequently fewer accidents, leading to a fall in claims, making this segment attractive for insurers. Medical insurance remained stable in the UAE and Saudi Arabia. In Dubai, the lockdown improved claims performance, but the government mandate to cover COVID-19 related expenses impacted insurer's reserves. A similar pattern is expected in Saudi Arabia where the cost of COVID-19-related treatment was borne by the government till 2020, but shifted to the insurers in 2021. Below are the price trends observed in some of the major sub-segments.

Exhibit 60: Insurance Rate Changes by Country

	UAE	Saudi Arabia	Qatar	Oman	Bahrain
General Liability	↔	↑	↑	↔	↔
Motor	↓	↓	↑	↓	↑
Worker's Compensation	↓	↔	↑	↔	↔
Property	↑	↑	↑	↑	↑
Medical	↔	↔	↔	H1 ↑ H2 ↓	↑
Life	↓	↑	↑	-	↔

Source: Middle East and North Africa Insurance Market Report, Marsh – February 2021

The fluctuating insurance rates across the GCC, changing dynamics due to the pandemic, and revised regulations are likely to lead insurers to focus on restructuring their insurance programs and even retaining more risk in some cases as risk management becomes increasingly important[256].

[254] Source: "Moody's – GCC insurers biggest challenges are geopolitical tensions and intense competition", Moody's Investor Service, February 26, 2020
[255] Source: "The insurance market consolidation in view of the post-COVID-19", Atlas Magazine, July 2021
[256] Source: "Middle East and North Africa Insurance Market Report", Marsh, February 2021

7. Merger and Acquisition (M&A) Activities

M&A activities across the GCC insurance sector remained buoyant during 2020, amid downturn in activities due to the COVID-19 pandemic. 2021 witnessed some revival in businesses as economies reopened, leading to the M&A activities stirring up again in the region. In 2021, there were 9 M&A deals recorded in the GCC insurance sector, at par with the total number of deals recorded in 2019 and 2020. The deals during the last two years comprised of a handful of cross-border and several intra-regional acquisitions as companies are looking to form stronger entities to offset weak profitability. The region witnessed 18 intra-regional deals between 2019 and 2021, while there was just one deal wherein an overseas insurer acquired stakes in local companies to further establish its services in the market. Similarly, regional players made a strategic investment in Germany-based foreign company to diversify their geographical presence. Going forward, focus is likely to be directed towards value creating opportunities with larger players targeting small to mid-sized players as well as tech-enabled operators and aggregators. This will not only strengthen the competitive capabilities of the players in the market but also encourage the creation of newer products and services in the sector amidst weakening profitability.

Exhibit 61: Major M&A Deals in the GCC Insurance Industry

Acquirer	Acquirer's Country	Target Company	Target's Country	Year	Consideration (US$ Million)	Percent Sought (%)	Sales# Multiple (x)
AlAhli Takaful Company	KSA	Arabian Shield Insurance Company	KSA	2021	63.5	N/A	N/A
Amana Co-operative Insurance Company	KSA	Saudi Enaya Cooperative	KSA	2021	N/A	N/A	N/A
Solidarity Bahrain	Bahrain	T'azur Company	Bahrain	2021	N/A	N/A	N/A
Impact46	KSA	Rasan	KSA	2021	24	N/A	N/A
Cloud Klair	USA	Sehteq	UAE	2021	N/A	N/A	N/A
StarCare Insurance Brokers Co.	KSA	Abdul Latif Jameel Insurance Brokers Co.	KSA	2021	N/A	100%	N/A
Gulf Insurance Group	Kuwait	AXA Gulf	KSA, Qatar, Bahrain, UAE, Oman	2021	N/A	50%	N/A
Abu Dhabi Developmental Holding Company	UAE	Daman	UAE	2021	N/A	20%	N/A
Dubai Investments	UAE	National General Insurance	UAE	2021	N/A	15.19%	N/A
Dar Al Takaful	UAE	Noor Takaful	UAE	2020	58.5	N/A	N/A
Siraj Holding LLC	UAE	Al Hilal Takaful PSC	UAE	2020	N/A	N/A	N/A
Orient Insurance Company	UAE	Orient UNB Takaful	UAE, Egypt	2020	21	49%, 20%	N/A
Gulf Union Cooperative Insurance Co.	KSA	Al-Ahlia Insurance	KSA	2020	79.47	34.6	N/A
National Takaful Company (Watania)	UAE	Dar Al Takaful	UAE	2020	1.6	4.9%	N/A

Aljazira Takaful Taawuni Co. SJSC	KSA	Solidarity Saudi Takaful Co. JSC	KSA	2019	N/A	N/A	N/A
MetLife AIG ANB Cooperative Insurance Co. SJSC	KSA	Walaa Cooperative Insurance Co. SJSC	KSA	2019	N/A	N/A	N/A
Investor Group	UAE	Wefox Germany GmbH	Germany	2019	125	N/A	N/A
Elseco Ltd	UAE	Malakite Underwriting Partners Ltd.	UAE	2019	N/A	N/A	N/A
Warba Insurance Co. KSC	Kuwait	WAPMED TPA Services Co. KSCP	Kuwait	2019	N/A	28%	N/A
AXA Mediterranean Holding SA	France	AXA Green Crescent Insurance Co. PJSC	UAE	2019	N/A	7.8%	N/A

Source: Thomson Reuters

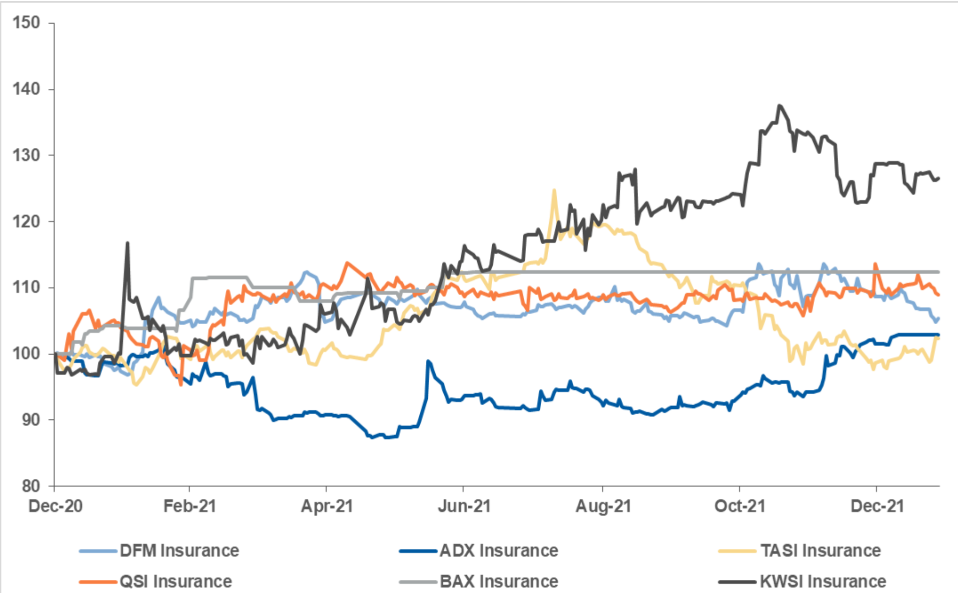
8. Financial and Valuation Analysis

Stock Market Performance

In 2021, the insurance indices in GCC exhibited a positive trend with the exception of KSA

Insurance indices in GCC with the exception of KSA, exhibited a positive performance since the beginning of 2021* (see Exhibit 62). The performance of insurance indices was supported by the overall rise in broader indices across the region. In the year 2021, Kuwaiti insurance index was the best performing with an increase of 28.8%, followed by Qatar (13.7%) and Bahrain (12.4%). Both the UAE insurance indices also exhibited positive performance with gains of 8.7% in Dubai and 1.5% in Abu Dhabi. Within the regional peers, Saudi Arabia insurance index was the only index to underperform with losses of 1.3% in 2021, which can be attributed to 18.8% y-o-y drop in net earnings in 9M 2021 on the back of higher claims.

Exhibit 62: GCC Insurance Indices Performance



Source: DFM, ADX, Saudi Tadawul, QSI, Bahrain Bourse, Boursa Kuwait
Notes: Last updated January 27, 2022

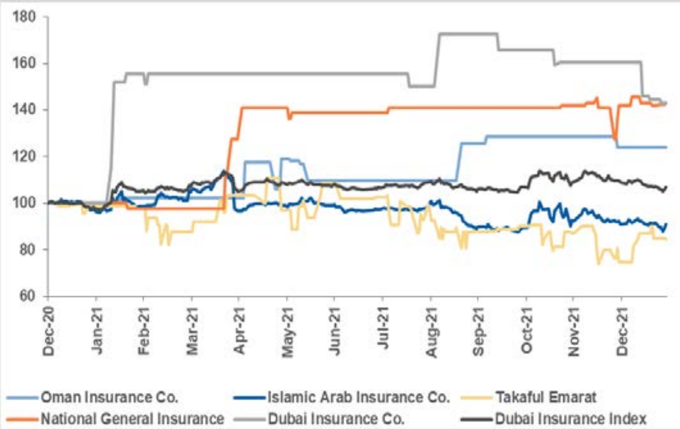
UAE – Prominent Insurance Market Witnessed Positive Trend

Both Dubai and Abu Dhabi recorded gains of 8.7% and 1.5% respectively in 2021

The insurance sector indices in the UAE witnessed a positive trend in 2021, with gains of 8.7% and 1.5% in Dubai and Abu Dhabi, respectively. However, the performance during the first four weeks of 2022 was mixed with Abu Dhabi recording gains of 1.4%, while Dubai witnessing losses of 2.0% (See Exhibit 62).

In Dubai, Dubai Insurance Company was the top performer within the top 5 insurers with gains of 60.5% in 2021, followed by National General Insurance (+41.8%) and Oman Insurance Company (+23.8%). The remaining two companies within the top 5, Takaful Emarat and Islamic Arab Insurance Company recorded losses of 25.6% and 9.3% respectively. In Abu Dhabi, 3 out of the top 5 companies witnessed negative performance in the year 2021, while the remaining 2 ended in positive territory. Abu Dhabi National Insurance was the top performer with gains of 31.4%, followed by 2.9% by Union Insurance. The top underperformer was Al Ain Ahlia Insurance with losses of 9.2%, followed by RAK National Insurance (-3.8%) and Emirates Insurance (-1.4%).

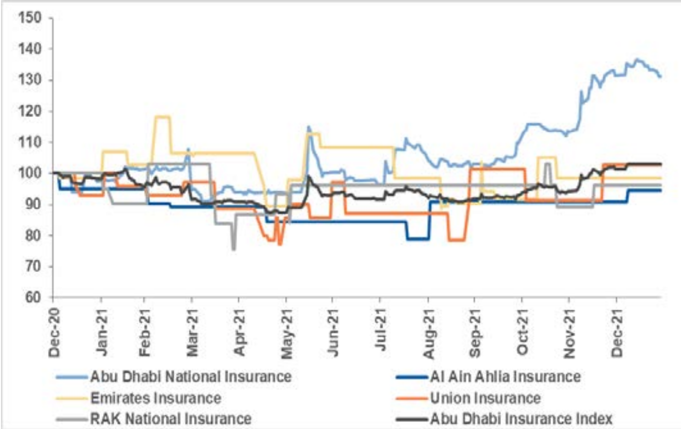
Exhibit 63: Share Price Performance of Top 5 Insurers in Dubai



Source: DFM

Notes: Last updated January 27, 2022

Exhibit 64: Share Price Performance of Top 5 Insurers in Abu Dhabi



Source: ADX

Notes: Last updated January 27, 2022

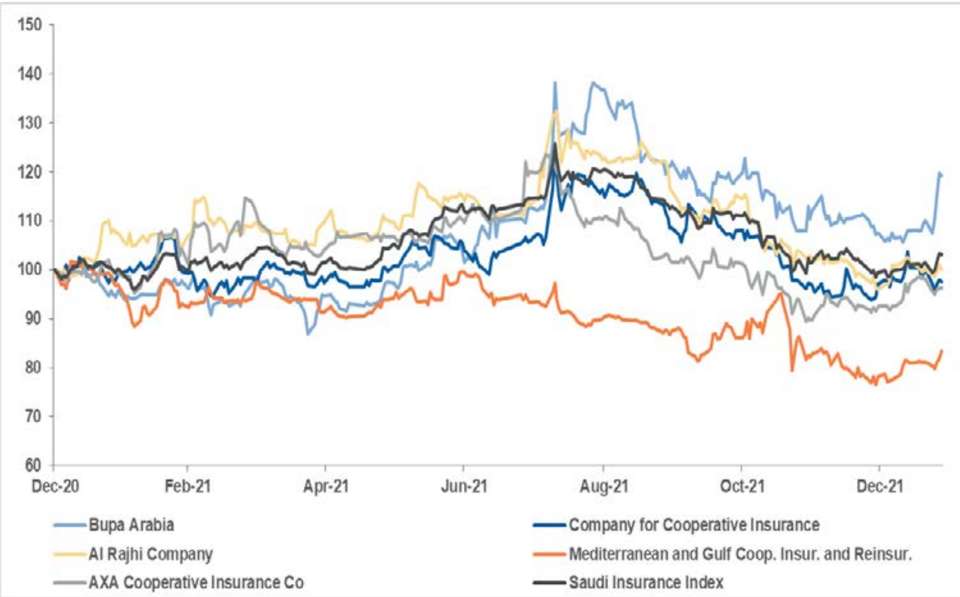
Saudi Arabia – Rising claims weighed on sector returns

Saudi Arabia was the only index within the region to record a loss of 1.3% in 2021, however it has recorded a gain of 3.7% in the first four weeks of 2022

Saudi Arabia's insurance index experienced negative trend in the year 2021, as higher claims weighed on sector returns. However, the insurance sector index witnessed positive trend with gains of 3.7% in the first 4 weeks of 2022.

In 2021, 4 of the top 5 insurance companies recorded losses in 2021, however all the 5 companies have exhibited positive performance during the first 4 weeks of 2022. In 2021, BUPA Arabia, the index heavyweight, was the only company to record gains of 7.5% in 2021. The largest underperformer was Mediterranean & Gulf Co-op Insurance and Reinsurance Co with losses of 21.7%, followed by AXA Co-operative Insurance (-7.6%), Al Rajhi Co (-4.0%) and Company for Co-operative Insurance (-2.8%).

Exhibit 65: Share Price Performance of Top 5 Insurers in Saudi Arabia



Source: Saudi Tadawul

Notes: Last updated January 27, 2022

8.1 Financial Performance

In GCC, Saudi Arabia recorded the highest GWP in 2020

In this section, we have selected the top 20 listed insurance companies from the GCC countries based on GWP and analyzed their financial performance during the past 3 years. The selected companies consist a mix of conventional and Islamic insurance providers from Saudi Arabia (8), UAE (7), Kuwait (2), Qatar (1), Oman (1) and Bahrain (1). In the year 2020, Saudi Arabia recorded the highest GWP among GCC countries, followed by the UAE and Qatar. The Financial performance (including market capitalization, growth in GWP and net profit along with 3-year average of cession rate and ROAE) of selected companies is represented in below table:

Exhibit 66: Financial Performance of the Selected Insurance Companies in the GCC

Company Name	Country	Short Form	Market Cap (US$ Million)	GWP 2020 (US$ Million)	GWP (2-yr CAGR %)	Net Profit (2-yr CAGR %)	Cession Rate (3-yr avg. %)	ROE (3-yr avg. %)
Qatar Insurance Co	Qatar	QIC	2,248.2	3,351.8	1.6%	-56.4%	21.4%	4.9%
Bupa Arabia Co-op Insurance Co	KSA	BUPA	4,607.5	2,786.3	10.4%	25.4%	0.9%	19.7%
Company for Co-op Insurance	KSA	CCI	2,963.2	2,416.8	8.9%	NM	16.8%	5.3%
Gulf Insurance Group	Kuwait	GINS	858.6	1,448.6	10.4%	17.1%	54.5%	13.5%
Orient Insurance	UAE	ORI	90.3	1,156.5	7.5%	3.6%	68.0%	14.2%
Abu Dhabi National Insurance Co.	UAE	ADNI	811.3	1,092.5	17.4%	25.5%	62.7%	13.3%
Oman Insurance Co	UAE	OIC	340.3	976.2	-1.6%	340.7%	55.8%	7.0%
Al Rajhi Co for Co-op Insurance	KSA	AARC	958.8	728.9	-4.1%	17.1%	7.7%	19.2%
Mediterranean & Gulf Co-op Insurance and Reinsurance Co	KSA	MGCI	416.1	676.0	10.6%	NM	24.4%	-9.9%
Walaa Co-op Insurance Co. SJSC	KSA	WCI	355.8	392.8	15.4%	-22.1%	37.4%	8.7%
AXA Co-op Insurance Co.	KSA	AXACI	474.4	378.1	-1.0%	53.2%	8.6%	13.8%
National Life & General Insurance	Oman	NLIF	234.0	348.6	-0.2%	27.0%	27.1%	20.0%
Al Ahleia Insurance Co	Kuwait	AAI	364.8	329.5	9.7%	15.5%	27.0%	9.6%
Al Ain Ahlia Insurance Co.	UAE	AAIC	137.1	328.7	-10.7%	59.9%	77.7%	4.7%
Islamic Arab Insurance Co.	UAE	IAI	240.4	317.8	5.9%	1714.5%	31.1%	8.4%
Emirates Insurance Co.	UAE	EI	275.0	283.1	-0.2%	-2.6%	50.6%	10.3%
Saudi Re for Co-op Reinsurance Co	KSA	SRCR	429.9	249.4	13.8%	648.8%	13.5%	3.5%
Union Insurance Co	UAE	UI	64.0	236.3	-4.5%	NM	52.4%	2.3%
Allianz Saudi Fransi Co-op Insurance Co	KSA	ASFCI	377.4	180.0	-12.0%	NM	31.8%	3.0%
Bahrain Kuwait Insurance Co	Bahrain	BKIC	156.51	166.4	2.5%	12.5%	70.9%	7.0%
Consolidated				17,844.1	5.5%	28.1%	30.0%	9.0%
Average				892.2	4.2%	190.2%	36.7%	8.9%
High				3,351.8	17.4%	1714.5%	77.7%	20.0%
Low				166.4	-12.0%	-56.4%	0.9%	-9.9%

Source: Thomson Reuters Eikon

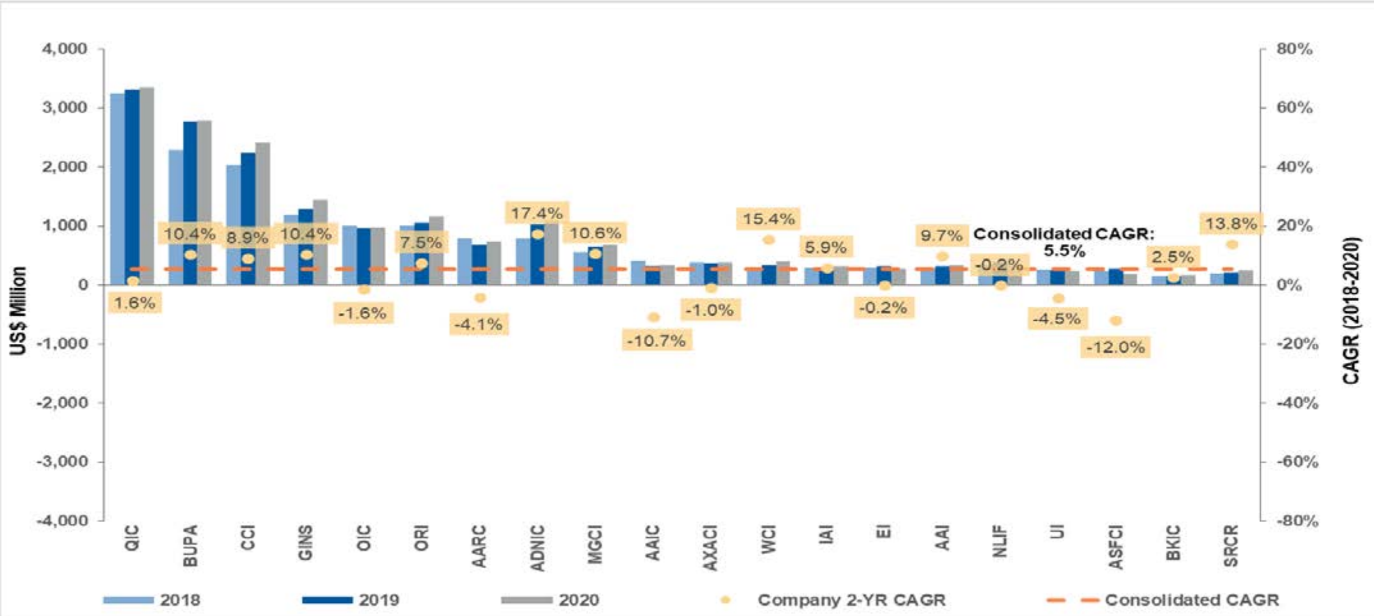
Notes: Last updated January 27, 2022; NM – Not Meaningful; Figures in red indicate below consolidated average and those in green suggest at par or above the consolidated average of selected 20 companies

GWP – Up

Consolidated GWP of the Selected Companies stood at US$ 17.8 billion in 2020, recording a CAGR of 5.5% from 2018

The Consolidate GWP of the Selected Compnies stood at US$ 17.8 billion in 2020, recording a CAGR of 5.5% since 2018 (see Exhibit 67). A large segement of this growth can be attributed to the Saudi Market, which implemented mandatory insurance coverage for all private sector employees and their family members,[257] and mandatory health insurance for tourists.[258] Kuwaiti market also outperformend the regional peers as they introduced medical scheme for retirees (AFYA), which led to increase in total premiums. The UAE's market recorded growth in-line with the selected companies, as the outbreak of COVID-19 and lockdowns led to discounts offered on premiums.[259]

Exhibit 67: Trend in GWP (2018-2020)



Source: Company Reports, Alpen Capital

Top 3 companies account for 47.9% of the total consolidated GWP of the Selected Companies in 2020

QIC, BUPA and CCI continued to maintain their leading position within the GCC region (see exhibit 67). The top 3 companies accounted for 47.9% of the total consolidated GWP of selected companies in 2020 compared to 47.2% in 2018. The top 5 companies accounted for 61.5% of the consolidated GWP in 2020 compared to 60.9% in 2018, continuing to consolidate its market dominance within the regional insurance industry.

QIC remained the largest among the selected companies, however it recorded a modest growth of 1.6% during the past 3 years compared to a consolidated growth of 5.5% by the selected companies. On the other hand, BUPA, a dominant player in GCC health market, experieced a growth of 10.4% over the past 3 years to reach US$ 2.4 billion in 2020, large part of this growth was recorded in 2019. Given its dominance within the health insurnace market, the company continues to introduce new products to expand its customer base. For example, the company launched a tailor-made product catering the small and medium scale enterprises, as they account for 95% of total number of commerical and investment

[257] Source: Health insurance is mandatory for all members of workers family, Saudi Gazette, March 2021
[258] Source: Saudi Arabia announces mandatory health insurance for tourist, Jan 2020
[259] Source: GCC Insurers In 2021, S&P Global, Feb 2021

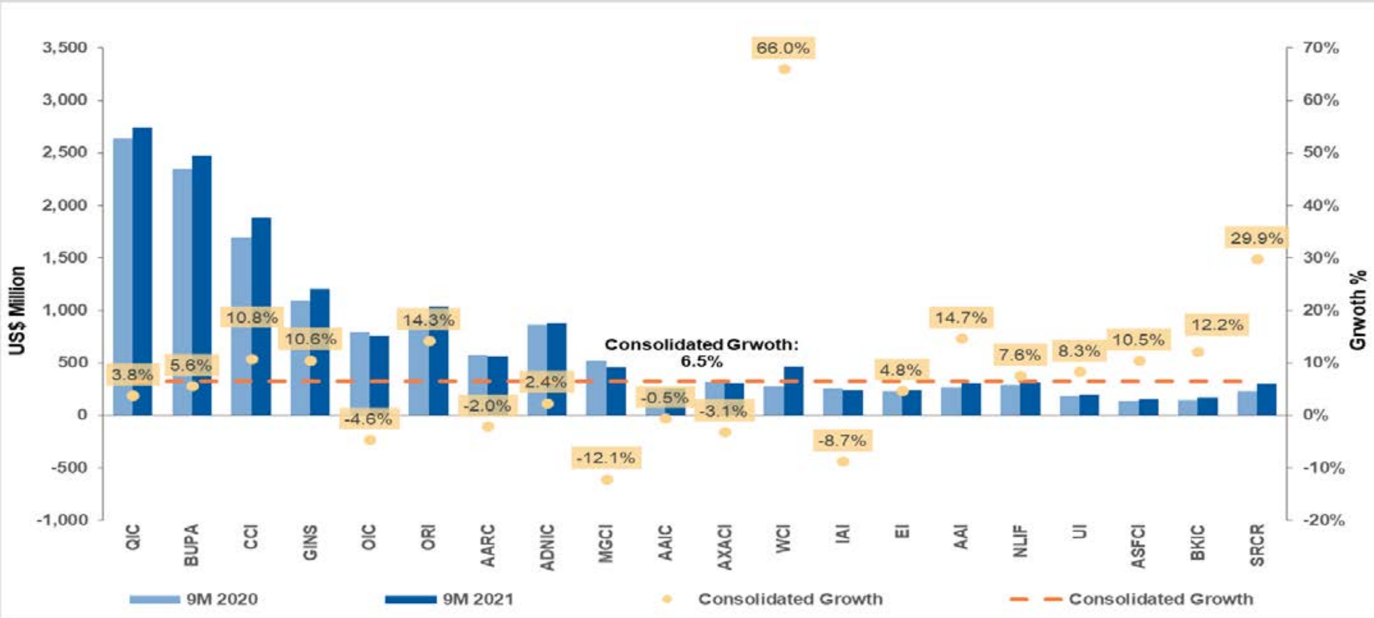
companies within the private sector.[260] Additionally, the company also launched a new health insurance product covering parents for the first time in the Kingdom.

ADNI and WCI were the top performers, increasing at a CAGR of 17.4% and 15.4%, respectively

Within the 20 selected companies, ADNI of the UAE and WCI of KSA were the top performers, registering a CAGR of 17.4% and 15.4% respectively from 2018. The strong growth in ADNI was was primarily driven by acquisition of large contracts in the energy and medical lines of business.[261] The gross premiums of WCI was primarily driven by rise in premiums of motor and property segments during the period.

Out of total 20 selected companies, 7 companies reported a decline in GWP from 2018 and 2020. AFSCI of KSA and AAIC of the UAE were the 2 companies that reported a decline of 12.0% and 10.7%, respectively from 2018.

Exhibit 68: Trend in GWP (9M 2020 - 9M 2021)



Source: Company Reports, Alpen Capital

The selected companies contiued the positive momentum in GWP by reporting a 6.5% y-o-y growth in 9M 2021 compared to the same period of 2020. The growth was primarily driven by companies in KSA, Kuwait, Bahrain and Oman. Saudi companies reported a growth of 8.2% y-o-y in 9M 2021, while companies from the UAE reported a growth 3.3% during the same period. In terms of companies, 15 companies reported a rise in GWP in 9M 2021, while the remaining 5 companies experienced a decline during the same period. The top 3 companies (QIC, BUPA and CCI) reported a growth of 6.2%, which was lower compared to 6.5% reported by the selected 20 companies. WCI was the top performer with growth of 66.0% y-o-y, followed by SRCR with 29.9% and AAI with 14.7, while MGCI reported a decline of 12.1%, followed by IAI with 8.7% and OIC with 4.6%.

Cession Rate – Dependency on Reinsurers is Rising

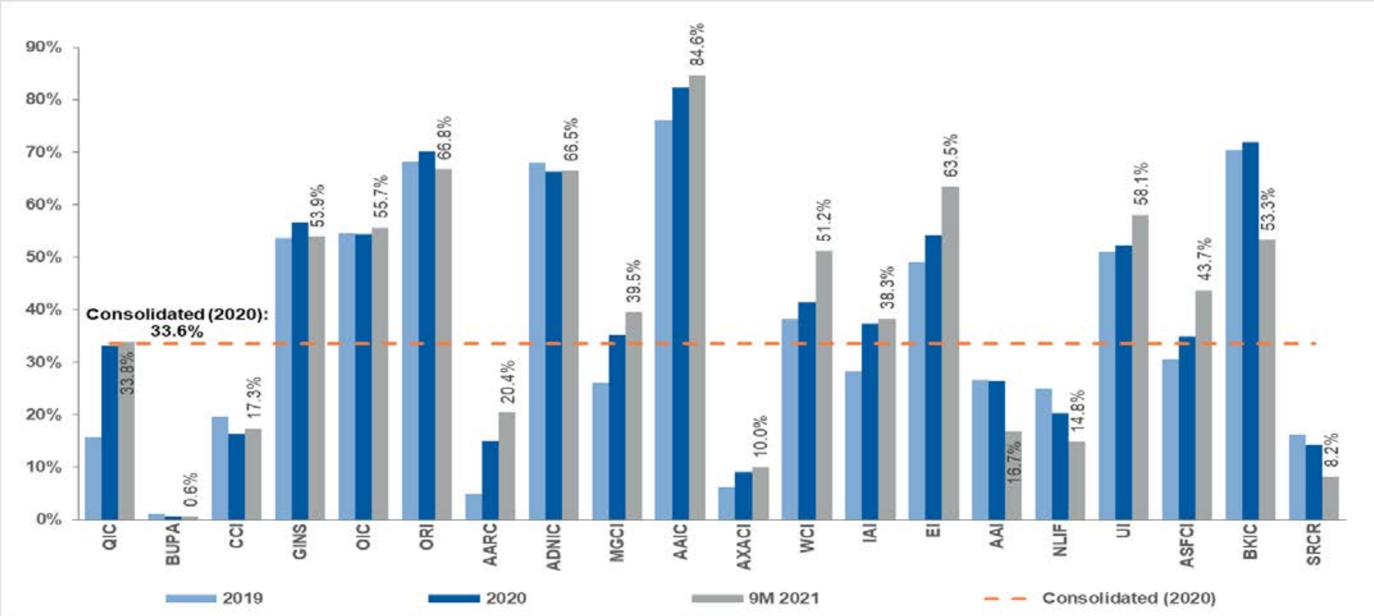
The cession rates averaged 33.6% in 2020 compared to 29.0% in 2019 and 27.5% in 2018

The dependency on reinsurance players continued to rise since 2018 from an average of 27.5% to reach 33.6% in 2020. Within the region, Bahrain and the UAE have higher dependency on reinsurance players with an average of 72.0% and 62.2% respectively at the end of 2020. Although Saudi Arabia has the lowest cession rates within the region, it has

[260] Source: Bupa Arabia to launch the first of its kind product in health insurance, Bupa.com, Sept 2019
[261] Source: Rating direct- Abu Dhabi National Insurance Co., S&P Global, Dec 2020

been increasing since 2018 from 9.3% to reach 13.5% in 2020. The COVID-19 pandemic and rising uncertainty in macroeconomic environment have led to increase in dependency on reinsurance players to minimize the overall risk and losses of regional players.

Exhibit 69: Trend in Cession Rate (2019- 9M 2021)



Source: Company Reports, Alpen Capital

AAIC of the UAE has the highest cession rate at 82.3% as the company emphasis on its outward reinsurance program, while ensuring lower retentions in comparison to total equity. Additionally, the company has strong long-term relationship with key global reinsurers.[262] BKIC of Bahrain recorded the second highest cession rate at 72.0% as the company benefits from a relatively conservative asset allocation and a well-rated reinsurance panel, which enables to mitigate the heightened credit risk associated with company's high cession rate on commercial risks.[263] OIC and ADNIC of the UAE are the other 2 companies with higher cession rates of 70.0% and 66.4% respectively in 2020 within the selected 20 companies.

In 2020, 8 out of the total 20 selected companies had an average rate of below 33.9% within the GCC, 5 were from Saudi Arabia and 1 each from Qatar, Oman and Kuwait. BUPA and AXACI have the lowest cession rates of 0.6 and 9.1% respectively at the end of 2020. BUPA maintained a cession rate of lower than 1% in the past 3 years.[264] This can be attributed to company's strategy to focus on health insurance segment and corporate premium segment.

In the first nine months of 2021, the cession of the selected companies increased to an average of 35%. Within the selected 20 companies, 11 companies reported an increase in cession rate, while the remaining 9 companies witnessed a decline. In terms of companies, UAE companies continue to have the highest cession rates, while KSA companies have the lowest rates within the region. WCI of KSA and EI of the UAE witnessed the highest increase in cession rates during the first nine months of 2021, while AAI of the UAE and NLIF of Oman witnessed the highest decline in cession rates.

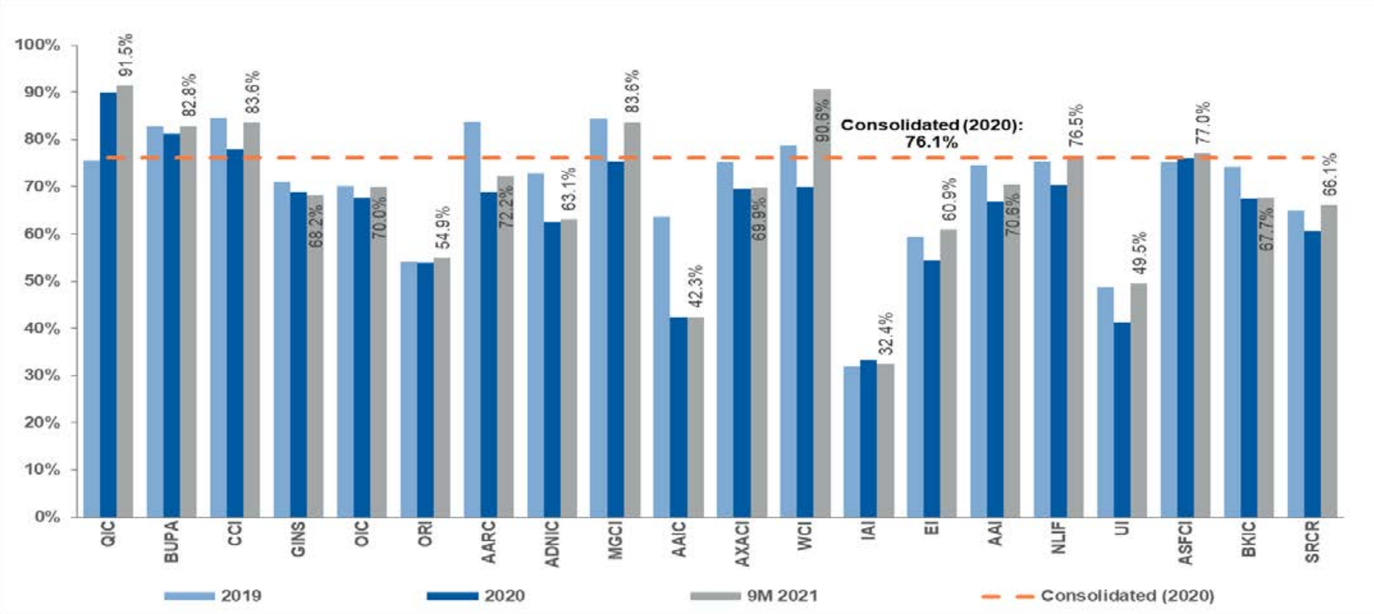
[262] Source: Al-Ain Ahlia Insurance Co., Moody's Investors Service, Sept 2019
[263] Source: AM Best Affrims Credit Rating of Bahrain Kuwait Insurance Company B.S.C and Takaful International Company BSC., Businesswire, Aug 2020
[264] Source: Company filings (all 20 companies), Q4 financial statements – 2018, 2019 and 2020

Claims Ratio – Increased in 9M 2021

Average claims ratio of the Selected Companies stood at 76.1 % in 2020 compared to 76.5% in 2018

The claims ratio was marginally lower in 2020 compared to 2018, broadly attributed to lockdown related restrictions in movement and pandemic-related claims not covered under policies.[265] Qatar and Saudi Arabia reported one of the highest claims ratio within the region, which can be largely attributed to its lower dependency on reinsurance players, as evident from their cession rates. UAE and Bahrain, on the other hand, has the lowest claims ratio within the region, as companies in both the countries have ceded risk to reinsurance players to minimize the overall losses.

Exhibit 70: Trend in Claims Ratio (2019- 9M 2021)



Source: Company Reports, Alpen Capital

Amongst the selected companies, QIC of Qatar had the highest claims ratio of 89.9% in 2020. Since QIC is the largest insurance player in the region, the higher claims ratio also increased the overall consolidated ratio of the selected companies. Excluding QIC from the selected companies, the ratio drops to 72.5% for the year. QIC of Qatar was closely followed by BUPA of Saudi Arabia with a ratio of 81.2% in 2020, down from 83.3% in 2018.[266] IAI and UI of the UAE had one of the lowest claims ratio of 33.2% and 41.2% respectively within the selected companies.[267]

In 9M 2021, the selected companies witnessed an increase in claims to average around 80%, which can be broadly attributed to post COVID-19 lockdown related claims. Out of the selected 20 companies, 15 companies reported an increase in claims ratio, while the remaining 5 experienced a decline in ratio. WCI of KSA reported the highest increase from 67.4% in 9M 2020 to 90.6% in 9M 2021, which is the second highest ratio within the selected companies. QIC of Qatar reported the highest claim ratio of 91.5% in 9M 2021 (82.8% in 9M 2020), while IAI of the UAE continued to maintain the lowest claims ratio of 32.4% during the same period.

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[265] Source: GCC Insurers in 2021, S&P Global, Feb 2021
[266] Source: Company filings (all 20 companies), Q4 financial statements – 2018, 2019 and 2020
[267] Source: Company filings (all 20 companies), Q4 financial statements – 2018, 2019 and 2020

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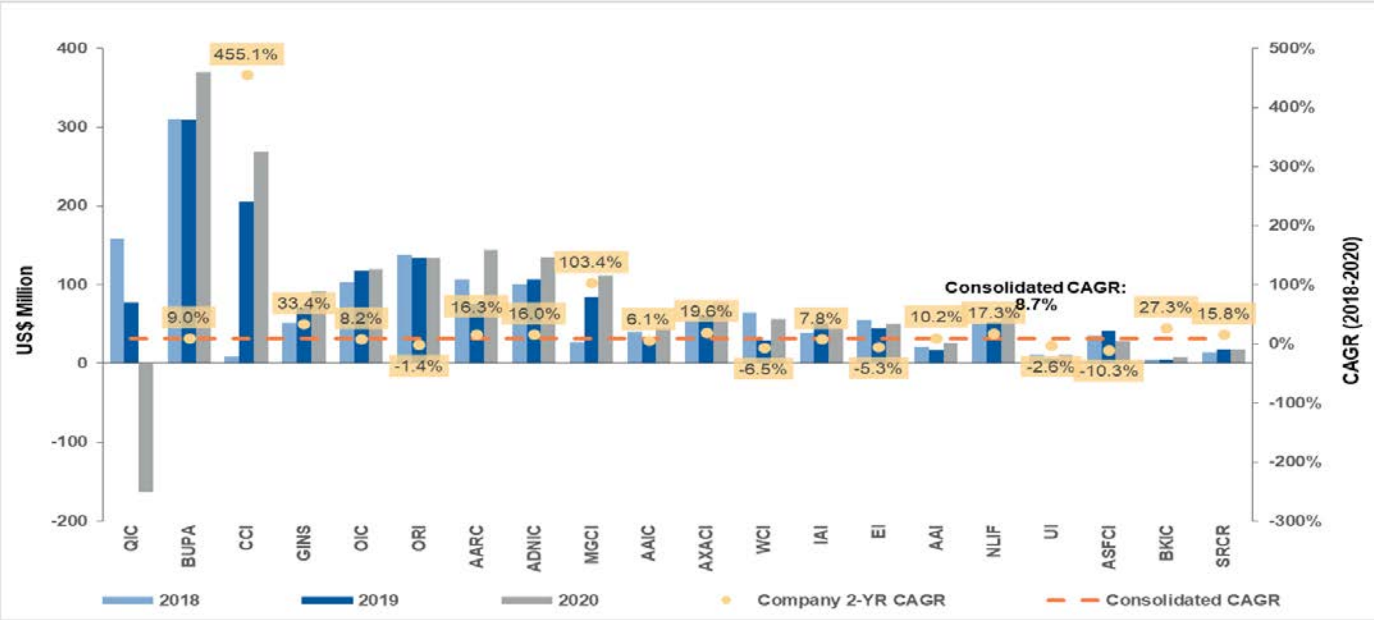
Net Underwriting Profit – Under pressure in 9M 2021

Combined net underwriting profit of the Selected Companies grew by 8.7% from 2018

The combined net underwriting profit of selected companies stood at US$ 1.6 billion in 2020, increasing at a CAGR of 8.7% from 2018. Excluding QIC of Qatar from the selected companies, the net underwriting profit grew at a CAGR of 21.0% between 2018 and 2020 to reach US$ 1.8 billion. A large part of the growth was driven by the Saudi players, as the industry was able to improve its performance on the back of government support in the intial phases of pademic by absorbing the cost of treatment of all COVID-19 patients inculding citizens, residents and violators of residency laws.[268] Insurnace companies in the UAE were also able to report a CAGR growth of 5.3% in net underwrting profit between 2018 and 2020, majority of this growth was recorded in 2020 compared to a modest growth in 2019.

Exhibit 71: Trend in Net Underwriting Result (2018-2020)

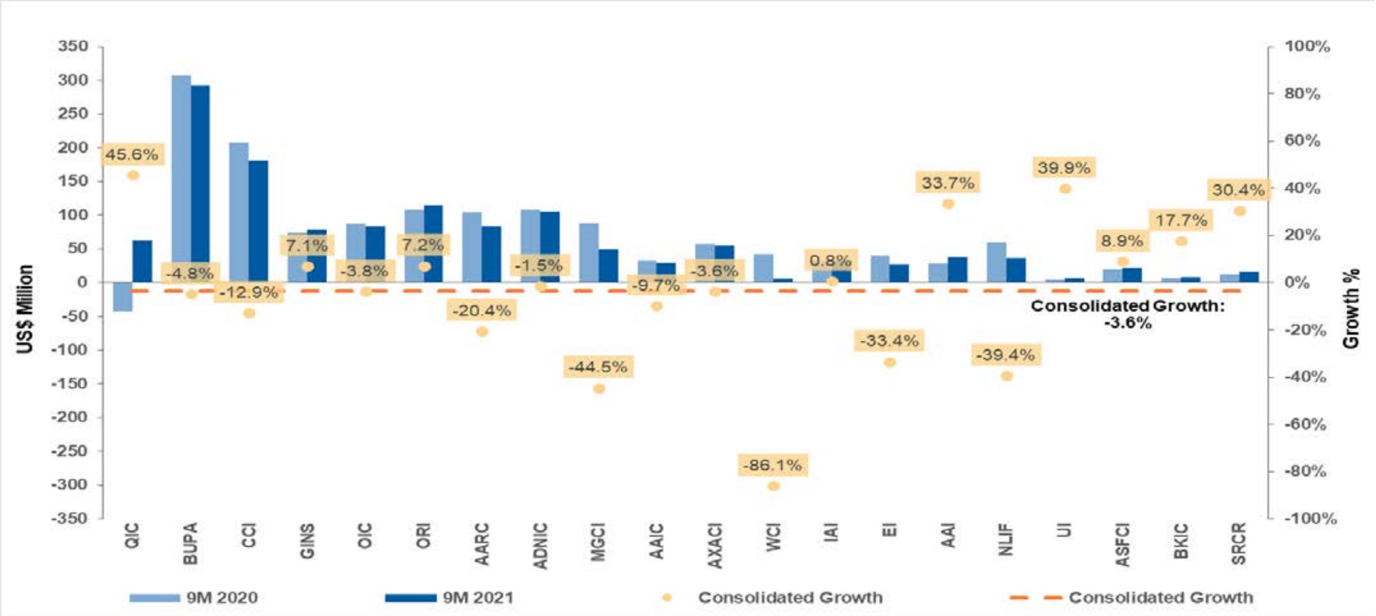


Source: Company Reports, Alpen Capital

CCI and MGCI of KSA reported highest growth in net underwriting income during 2018 and 2020. CCI reported a CAGR growth of 455.1% during the period on the back of company's new strategy to turnaround two consecutive years of losses by improving underwiting practises and realigning of business segments.[269] MGCI recorded a CAGR growth of 103.4% between 2018 and 2020, which can be attributed to better risk management practices resulting in lower claims during the period.[270] QIC of Qatar was the only company within the selected companies to report a net underwriting loss in 2020 on the back of higher claims incurred due to adverse market environment. Amongst the selected companies, 6 experienced a decline in net underwriting profits compared to 2018, which can be broadly attributed to higher claims.[271]

[268] Source: Insurance Pulse Quarterly, KPMG, Sept 2020
[269] Source: The Company for Cooperative Insurance (Tawuniya), Fitch Rating, Jun 2020
[270] Source: MEDGULF's net profit triples to SAR 54.9 mln in 2020, Argaam, March 2021
[271] Source: Company filings (all 20 companies), Q4 financial statements – 2018, 2019 and 2020

Exhibit 72: Trend in Net Underwriting Result (9M 2020 - 9M 2021)



Source: Company Reports, Alpen Capital

The combined net underwriting profit of selected companies stood at US$ 1.3 billion in 9M 2021, a drop of 3.6% y-o-y compared to the same period of 2020. Excluding QIC of Qatar from the selected companies, the net underwriting profit exhibited a decline of 10.9% y-o-y compared to 9M 2020, which can be broadly attributed to higher claims post the COVID-19 lockdown. KSA companies reported a decline of 16.1% y-o-y in net underwriting income in 9M 2021, while UAE companies witnessed a decline of 2.8% in the same period. QIC of Qatar reported a net underwriting profit of US$ 62.1 million in 9M 2021 compared to a loss of US$ 42.6 million, which can be attributed to change in outstanding claims.

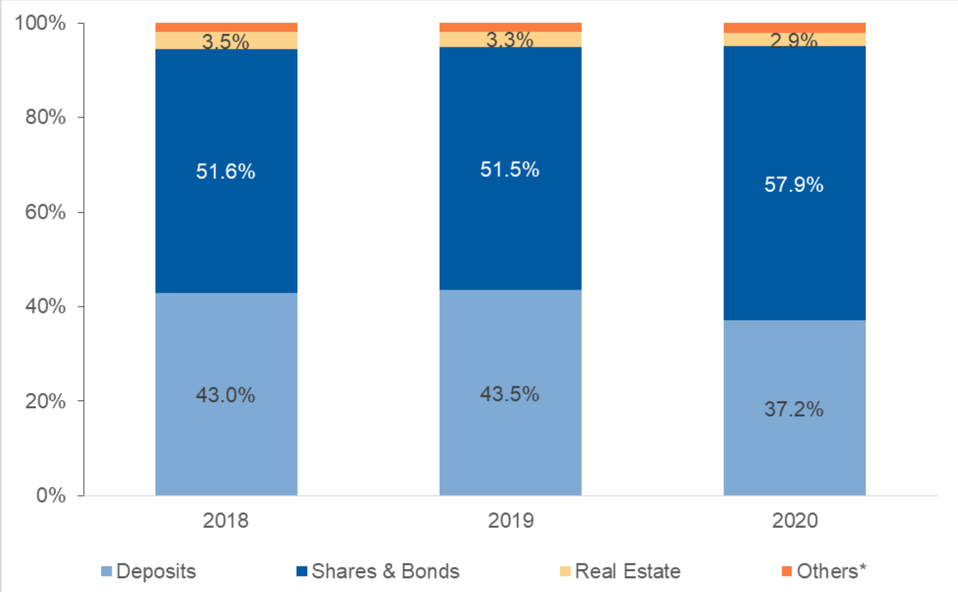
Investment Mix and Return

Investment portfolio continues to remain skewed towards traditional asset classes, such as equities and bonds

Investment portfolio of insurance companies is an integral part of the business, as they deploy funds in various asset classes to generate recurring income to boost overall profitability. Investment portfolio are highly skewed towards traditional asset classes, such as equities and bonds. Since the insurance players actively manage these investment portfolios, the investment mix varies across regional players based on their risk appetite. Additionally, they also change the allocation mix to align themselves with the changing market environment such as COVID-19 pandemic led volatility experienced in 2020.

Within the region, UAE-based companies are an exception, as they tend to have a relatively higher exposure towards riskier asset classes, such as real estate. However, UAE based companies have gradually reduced the exposure towards real estate to shares and bonds, in line with the trend witnessed across regional companies. UAE companies exposure dropped to 8.5% in 2020, while companies from Saudi Arabia and Bahrain have marginal or no expsoure towards the real estate sector. The drop in exposure of real estate companies by the UAE players were redeployed to shares and bonds during the period.

Exhibit 73: Investment Mix of Select Insurance Players



Source: Company Reports, Alpen Capital
** Includes investments in affiliates*

Shares and bonds accounted for 57.9% of the total investment portfolio of the Selected Companies in 2020

Shares and bonds represent 57.9% of the total investment portfolio of the Selected Companies (see Exhibit 73) compared to 51.5% in 2019. The reallocation of invetment portfolio can be attributed to relatively attractive yeilds from money market funds coupled with increased participation in sukuks and equity investments. These factors also led to decline in exposure to deposits from 43.0% in 2018 to 37.2% in 2020. Real estate also dropped to 2.9% in 2020 compared to 3.5% in 2018, while investment in associates witnessed a modest change to 2.0% in 2020 compared to 1.9% in 2018.

The rise in exposure towards shares and bonds was primarily driven by Saudi Arabian companies, which increased from 40.9% in 2018 to 57.6% in 2020. UAE and Qatar also witnessed an increase in exposure towards shares and bonds, while companies in Kuwait and Bahrain reported a decline during the period. Amongst the Selected Companies, BUPA and MGCI of KSA witnessed the largest increase in expoure to shares and bonds, while ASFCI of KSA and AAI of Kuwait reported a decline in 2020 compared to 2018.

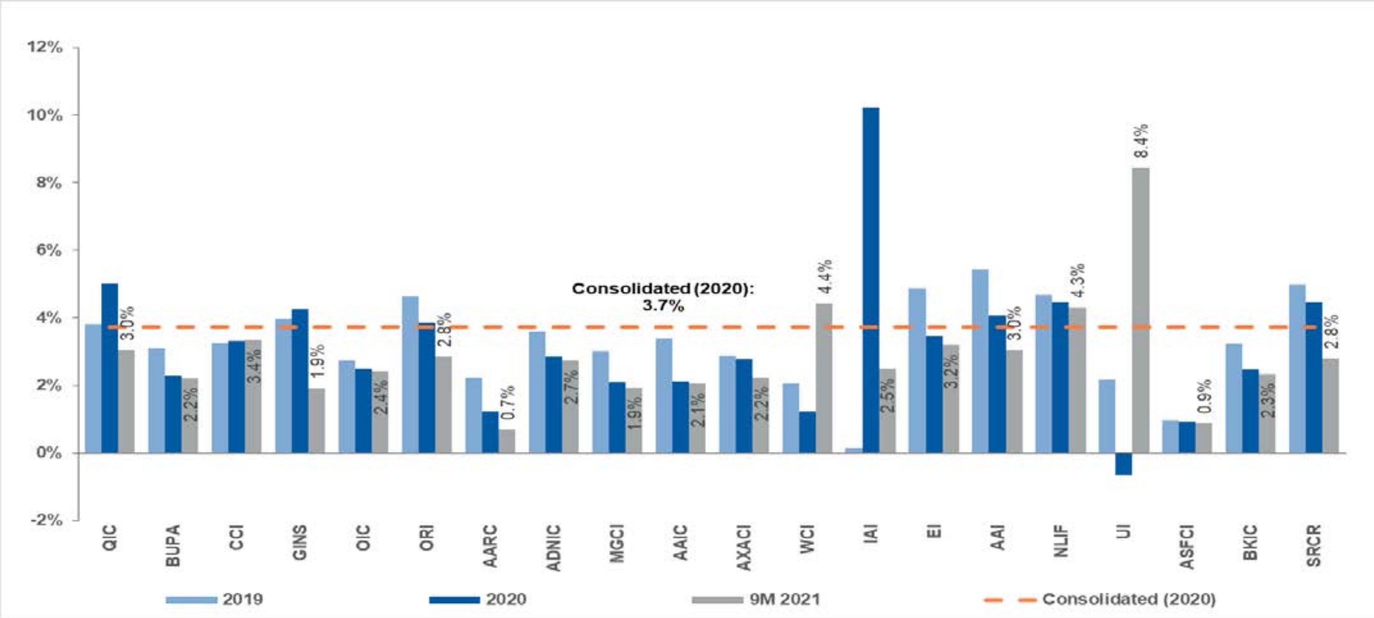
Average return on investment of the Selected Companies stood at 3.7% in 2020 (see Exhibit 74), compared 2.2% in 2018. However, the performance on company-wise was mixed on the back of increased volatility in capital markets witnessed during the first half of 2020. Moreover, it was also the peak of COVID-19 pandemic and rising uncertainty around the global macroeconomic environment, which led to drawdown in investment portfolios to minimize the overall losses and improve liquidity. Thanks to the sharp recovery in second half of 2020, there was a sharp rebound in equity markets, which led to positive yields for regional players for the year.

Amongst the selected companies, 11 companies reported an increase in investment income compared to 2018, while the remaining 9 experienced a decline during the period. On the upper end of the spectrum, QIC, SRCR and GINS were the 3 companies that reported a higher return on investment of 5.0%, 4.5%, and 4.1%[272], respectively, for 2020. UIC of the UAE was the only company within the selected companies to report an investment loss in

[272] Source: BUPA and GIG company filings, Q4 2018 financial statement

2020 on the back of losses on equity portfolio and decrease in fair value of investment properties.

Exhibit 74: Trend in Return on Investments (2019 - 9M 2021)



Source: Company Reports, Alpen Capital

Average return on investment of the Selected Companies improved in 9M 2021 compared to the same period of previous year. Out of the selected 20 companies, 14 companies reported an increase in investment income, while the remaining 6 companies witnessed a drop in income during the same period. Among the companies, UI of the UAE reported the highest return on investment of 8.4% in 9M 2021 compared to 1.0% in 9M 2020, while IAI of the UAE reported a decline from 8.4% in 9M 2020 to 2.5% in 9M 2021.AARC and ASFCI of KSA continued to report the lowest return on investment ratios of 0.7% and 0.9% respectively in 9M 2021.

Return on Average Equity (ROAE)

The average ROAE of the Selected Companies stood at 9.8% in 2020, an increase from 7.0% recorded in 2018

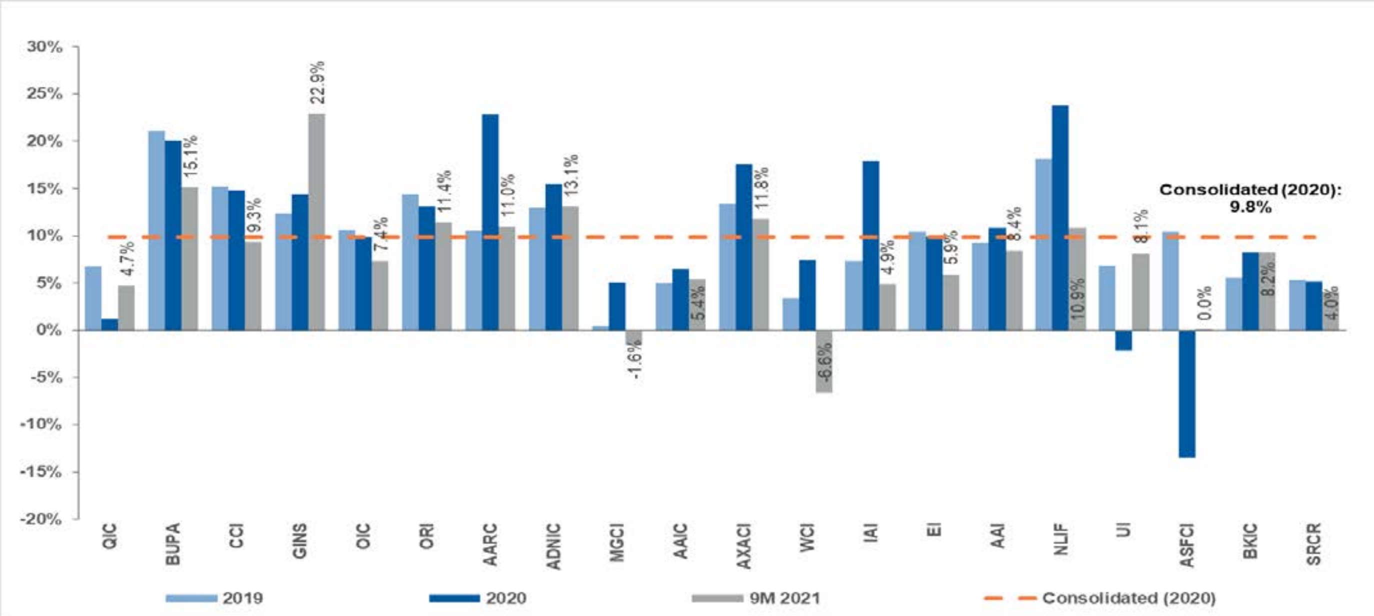
The ROAE of the selected companies stood at 9.8% in 2020 compared to 7.0% in 2018. Insurance companies from Saudi Arabia recorded the highest ROAE of 14.9% in 2020 compared to 3.9% in 2018. Similarly UAE based insurance companies also recorded a rise in ROAE to reach 12.0% in 2020 compared to 8.1% in 2018.[273] Companies from Kuwait and Bahrain also reported rise in return ratios during the period, which can be attributed to improvement in net underwriting profilts.

Within the selected companies, Saudi Arabian companies witnessed superior return ratios in comparison to regional peers. AARC and BUPA reported the highest ROAEs of 22.8% and 20.0% respectively in 2018, maintaining their superior performance during the past 3 years. ASFCI of KSA and UI of the UAE were the only two companies within the selected companies to report losses in 2020, resulting in negative return ratios for the year. ASFCI reported losses on the back of decline in motor business, coupled with higher general & administrative expenses.[274] ROAE of CCI of KSA stood at 14.8% in 2020 compared to a negative ratio of 14.2% in 2018. Similar performance was also witnessed by MGCI as the

[273] Source: Company filings (all 20 companies), Q4 financial statements – 2018, 2019 and 2020
[274] Source: Allianz SF to SAR 17.6 loss in 2020, Argram, March 2021

company reported ROAE of 5.0% in 2020 compared to a negative 35.1% in 2018.[275] Both CCI and MGCI were able to turn net underwriting losses by reducing the risk and claims to turn profitable in 2019 and further boosting profitability in 2020.

Exhibit 75: Trend in Return on Average Equity (2019 - 9M 2021)



Source: Company Reports, Alpen Capital

The ROAE of the selected companies witnessed a drop in 9M 2021 compared to the same period of 2020 and for the year 2020, which can be broadly attributed to the drop in net profit on the back of higher claims. The first nine months of 2021 depict a mix performance by the selected 20 companies as 9 companies reported a decline in net income in 9M 2021 compared to 9M 2021, while the remaining 11 witnessed an increase during the same period. Amogst the 11 companies witnessing a decline in net income, 6 companies are from KSA, 4 from the UAE and 1 from Oman. WCI and MGCI of KSA were the two companies within the selected 20 companies to report a net loss in 9M 2021.

8.2 Valuation Analysis

This section presents an analysis of the valuation metrics of the Selected Companies in GCC. We have used the P/E, P/B and Market Capitalization/GWP multiples to measure the valuation parameters of the selected companies.

The average trading P/E and P/B multiples of the Selected Companies were 13.5x and 1.6x

As of January 27, 2022, the Selected Companies were trading at an average P/E multiple of 13.5x and P/B multiple of 1.6x (see Exhibit 76). Insurance Companies from Saudi Arabia trade at a premium compared to regional peers on the three valuation parameters measured across the selected companies. The higher multiples can be attributed to growth in written premiums and overall rise in broader equity market compared to its regional peers.

In terms of P/E multiple, selected companies from Saudi Arabia trade at 23.3x, while the companies from the UAE at 8.6x. Companies from Kuwait and Oman trade at a lower multiple of 6.1x and 11.0x respectively compared to consolidated average of 13.5x. In terms of P/B multiple, Saudi Arabia's insurance companies trade at a higher multiple of 2.4x compared to consolidated average of 1.6x. UAE's insurance companies trades at a lower multiple of 0.8x compared to the regional average. Kuwaiti companies trade at a lower

[275] Source: Company filings (all 20 companies), Q4 financial statements – 2018, 2019 and 2020

multiple of 1.2x, while Omani and Qatari companies within the selected 20 companies trade at a multiple of 1.4x and 0.8x.

Within the selected insurance companies, only 6 out of the 20 companies trade higher than the consolidated average. In terms of companies, CCI of KSA trades at a P/E multiple of 31.2x, followed by BUPA at 28.0x and SRCS at 27.0x. The overall rise in the Saudi tadawul index during the year 2021 has supported the rise in prices of Saudi insurance companies, which led to higher multuple compared to regional peers. Within the UAE insurance companies, IAI is the only company that trades at a multiple of 15.5x, which is higher compared to the regional peers.

The average market capitalization to GWP multiple for the selected Companies stood at 0.9x, marginally higher in comparison with the averages witnessed during the previous 2 years. Saudi Arabia insurance companies are trading at a higher multiple of 1.3x, which is higher than the consolidated average of the selected companies. Bahraini companies are trading at a multiple of 1.0x, while Kuwaiti insurance companies within the selected 20 companies are trading in line with the consolidated average. However, companies from the UAE and Oman are trading below the consolidated average at 0.6x and 0.7x respectively. The market is rewarding companies with ability to increase GWP and boost overall profitability in compared to companies that are experiencing higher claims and lower return ratios.

Exhibit 76: Key Valuation Ratios of Insurance Companies in the GCC

Comany Name	LTM		Current Market cap /GWP in 2020 (x)
	P/E Ratio (x)	P/B Ratio (x)	
Qatar Insurance Co.	15.5	0.8	0.7
Bupa Arabia Co-op Insurance Co.	28.0	4.2	1.6
Company for Co-op Insurance	31.2	3.2	1.1
Gulf Insurance Group	4.4	1.1	0.7
Oman Insurance Co.	6.3	0.6	0.3
Orient Insurance	0.8	0.1	0.1
Al Rajhi Co for Co-op Insurance	18.0	2.5	1.2
Abu Dhabi National Insurance Co.	9.1	1.4	1.0
Mediterranean & Gulf Co-op Insurance and Reinsurance Co.	NM	2.5	0.7
Al Ain Ahlia Insurance Co.	7.7	0.4	0.4
AXA Co-op Insurance Co.	12.3	1.8	1.2
Walaa Co-op Insurance Co. SJSC	NM	1.4	0.8
Islamic Arab Insurance Co.	15.5	1.1	0.8
Emirates Insurance Co.	12.3	0.9	1.0
Al Ahleia Insurance Co.	7.8	0.8	1.1
National Life & General Insurance	11.0	1.4	0.7
Union Insurance Co.	8.7	1.0	0.3
Allianz Saudi Fransi Co-op Insurance Co.	NM	2.2	2.3
Bahrain Kuwait Insurance Co.	NM	1.7	1.0
Saudi Re for Co-op Reinsurance Co.	27.0	1.7	1.7
Average	**13.5**	**1.6**	**0.9**
Median	**11.6**	**1.4**	**0.9**
High	**31.2**	**4.0**	**2.3**
Low	**0.8**	**0.1**	**0.1**

Source: Thomson Reuters Eikon, Company filing

Notes: Last updated January 27, 2022; NM – Not Meaningful; Figures in red indicate below consolidated average and those in green suggest at par or above consolidated average of selected companies; TTM PE for all the companies are up until Q3-2021 (latest available data).

Country Profiles

UAE

Key Growth Drivers

- **Demographic Factors:** Expected growth in population and rise in per capita income are major drivers for the UAE insurance industry. Moreover, positive immigration laws, favorable policies such as relaxation of residency visas, expansion of the long-term visa program, widening the eligibility of golden visas, and the new citizenship law are factors that are likely to boost the overall growth of industry during the projected period.
- **Mandatory Insurance:** The mandatory motor and health insurance will continue to remain a key factor in driving the overall growth.
- **New Regulations:** The merger of UAE Insurance Authority into the Central Bank of UAE (CBUAE) will improve supervision and also streamline regulations of the sector. Moreover, it is expected to make the UAE insurance sector more competitive, innovative and facilitate financial inclusion, which augurs well for growth of the industry.
- **Infrastructure Developments:** Infrastructure spending owing to EXPO 2020 Dubai and government's vision has stimulated expansion in the non-oil sector. The rise in insurable assets on the back of business revival and economic growth will also drive growth going forward.

Recent Industry Developments

- In November 2021, GIG reported profit of US$ 148.5 million for the first nine months of 2021, up by 242% from the same period last year.
- In November 2021, Etihad Credit Insurance and Tradeling signed a preliminary deal to boost trade in the MENA region.
- In October 2021, Dubai based insurance innovator Bemma Insurance (region's first online digital car insurance) reported an increase of over 120% in terms of insurance policies.
- In February 2021, Central Bank of the UAE (CBUAE) started the operational procedures to merge the Insurance Authority into the CBUAE. The decision aims at transforming the CBUAE into one of the top 10 central banks in the world.

Source: Thomson Reuters, Zawya, Media Reports

Macro-economic Indicators

Indicators	Unit	2021E	2022F	2026F
GDP growth at current prices	%	14.3	4.3	4.5
GDP per capita, at current prices	US$	43,537.69	44,752.86	49,445.5
Population	mn	9.4	9.6	10.2
Inflation	%	2.0	2.2	2.0
Insurance penetration	%	2.9	2.9	3.0
Insurance density	US$	1,267.4	1,311.5	1,482.0

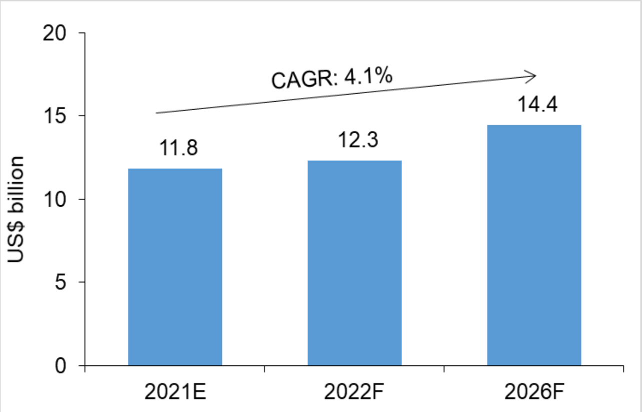
Source: IMF – November 2021, Swiss Re, Alpen Capital
Note: F – Forecast

Select Players

Company	GWP in 2020 (US$ mn)
Abu Dhabi National Insurance Co.	1,092.5
Al Ain Ahlia Insurance Co.	328.7
Dubai Insurance Co. PSC	250.4
Emirates Insurance Co.	283.1
Islamic Arab Insurance Co.	317.8
Oman Insurance Co. PSC	976.2
Orient Insurance PJSC	1,156.5
Union Insurance Co.	236.3

Source: Thomson Reuters Eikon, Company Filings

Forecast of Insurance Industry



Source: Swiss Re, Alpen Capital
Note: F – Forecast

Saudi Arabia

Key Growth Drivers

- **Demographic Factors:** IMF has projected the population of Saudi Arabia to grow at a CAGR of 2.0% to reach 39.1 million by 2026. Rising population coupled with growing urbanization and improving awareness of insuring will drive demand for insurance products in the country.
- **Regulations:** SAMA continues to redefine the existing insurance regulations to align with the evolving business environment following the COVID-19 outbreak. Some of the key regulatory initiatives taken by the authorities were banning brokerage firms from combining insurance and reinsurance activities, new rules governing insurance aggregation activities, updated strategy (2020-24) with a focus on digitization, and introducing insurance products to protect the rights and benefits of non-Saudi workers in the private sector, among others.
- **Economic Diversification**: The Kingdom is witnessing significant infrastructural developmental activities in an effort to diversify the broader economy and reduce the overall reliance on the hydrocarbon sector. Moreover, the government has been encouraging the private sector participation in the form of investments in prominent infrastructure projects to boost non-oil activity, which augurs well for the insurance sector with the rise in insurable assets.

Recent Industry Developments

- In January 2022, Enaya's shareholders rejected a proposed merger with Amana as shareholders were unhappy with the proposal.
- In November 2021, Saudi EXIM bank, HSBC and SABB entered into partnership to advance trade & export finance and credit insurance collaboration.
- In November 2021, Medgulf announced plans to invest over US$ 16 million during next year. The company is also undergoing a restructuring process to double its market share from 7 to 15 percent.
- In October 2021, Abdul Latif Jameel Insurance Broker announced the merger of StarCare Insurance with an aim to strengthen its insurance offerings in Saudi Arabia. The merger will create one of the largest insurance brokers in the Kingdom.

Source: Thomson Reuters, SAMA, Zawya, Media Reports

Macro-economic Indicators

Indicators	Unit	2021E	2022F	2026F
GDP growth at current prices	%	20.3%	4.0%	4.5%
GDP per capita, at current prices	US$	23,762.4	24,224.4	25,698.6
Population	mn	35.5	36.2	39.1
Inflation	%	3.2	2.2	2.0
Insurance penetration	%	1.2	1.2	1.1
Insurance density	US$	281.9	280.0	276.2

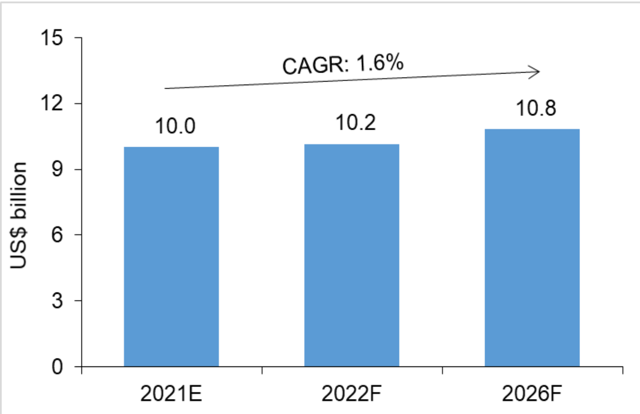
Source: IMF – November 2021, Swiss Re, Alpen Capital
Note: F – Forecast

Select Players

Company	GWP in 2020 (US$ mn)
Allianz Saudi Fransi Cooperative Insurance Co.	180.0
Al Rajhi Co for Co-op Insurance	728.9
AXA Cooperative Insurance Co. SJSC	378.1
Bupa Arabia for Co-op. Insurance Co. SJSC	2,786.3
Salama Cooperative Insurance Co.	114.0
Saudi Re for Co-op Reinsurance Co.	249.4
The Company for Cooperative Insurance SJSC	2,416.8
The Mediterranean and Gulf Insurance and Reinsurance Co.	676.0
Walaa Cooperative Insurance Co. SJSC	392.8

Source: Thomson Reuters Eikon, Company Filings

Forecast of Insurance Industry



Source: Swiss Re, Alpen Capital
Note: F – Forecast

Qatar

Key Growth Drivers

- **Per capita Income:** Qatar has the highest GDP per capita among the GCC countries. IMF expects the GDP per capita to grow at a CAGR of 2.7% between 2021 and 2026. Rise in oil prices, robust infrastructure activity and growing per capita will facilitate the growth of the sector going forward.
- **Infrastructure Developments:** In preparation of the upcoming mega event, FIFA 2022 in Qatar, the government's focus on significant infrastructural development over the past several years has led to rise in insurable assets. Moreover, a group of six local insurers obtained 80% of the insurance policies related to stadiums for the World Cup.
- **Mandatory Health Insurance:** Qatar government's plans to impose compulsory health insurance on expatriates and visitors from May 2022. Under this new law, employers will be required to provide health insurance coverage for expatriates and their families. Moreover, visitors in Qatar must have private health insurance for the duration of stay to receive basic medical services.
- **Restoration of diplomatic ties:** Saudi Arabia, Bahrain, the UAE and Egypt signed an accord with Qatar, bringing the regional discord to an end during a summit of Gulf council. According to S&P, Qatar's intraregional travel, tourism and real estate sectors are expected to benefit from this agreement, which will boost the prospects of the insurance sector.

Recent Industry Developments

- In November 2021, Qatar Insurance Company (QIC) reported nine months net profit of QAR 511 million, an increase of 491% compared to the same period in 2020.
- In October 2021, the Ministry of Public Health introduced mandatory health insurance for expatriates and visitors to Qatar, which will be effective from May 2022.
- In January 2021, QLM life & Medical Insurance Company QPSC (QLM) announced that it obtained regulatory approvals for admission of its shares on the Qatar Stock Exchange.

Macro-economic Indicators

Indicators	Unit	2021E	2022F	2026F
GDP growth at current prices	%	16.3	6.9	5.0
GDP per capita, at current prices	US$	61,709.6	64,768.0	70,734.0
Population	mn	2.7	2.8	3.0
Inflation	%	2.5	3.2	2.5
Insurance penetration	%	0.9	0.8	0.8
Insurance density	US$	527.0	536.1	542.8

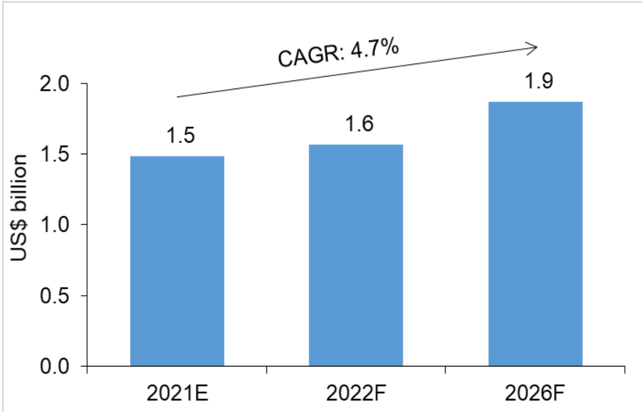
Source: IMF – November 2021, Swiss Re, Alpen Capital
Note: F – Forecast

Select Players

Company	GWP in 2020 (US$ mn)
Al Khaleej Takaful Insurance Co.	83.4
Doha Insurance Co. QSC	248.0
Qatar General Insurance and Reinsurance Co. SAQ	159.1
Qatar Insurance Co. SAQ	3,351.8
Qatar Islamic Insurance Co.	110.1

Source: Thomson Reuters Eikon, Company Filings

Forecast of Insurance Industry



Source: Swiss Re, Alpen Capital
Note: F – Forecast

Source: Thomson Reuters, Altas Mag, Bloomberg, the Print, Gulf Times. Media Reports

Kuwait

Key Growth Drivers

- **Demographic Factors:** IMF has projected the population of Kuwait to grow at a CAGR of 1.7% between 2021 and 2026 to reach 5.8 million. The growing population base coupled with mandatory health and motor insurance will drive the demand for insurance products.
- **Infrastructure Developments:** Kuwait government has approved US$ 65 billion worth of projects for the fiscal year 2021-22 and around 5% are based on partnership with private sector. Continued investment in infrastructure projects will increase the insurable assets, which would boost the premiums of the industry going forward.
- **Regulations:** The Kuwaiti government has made it compulsory for all expats above 60 yrs to have compulsory health insurance regardless of their qualification with the aim of curtailing financial burdens on the government health sector. Additionally, the government has also made it mandatory for all visitors to obtain a health insurance cover for their stay in the country. These factors will drive the overall premiums and boost the growth of the sector going forward.

Recent Industry Developments

- In January 2022, Public Authority of Manpower announced the decision to allow work permits for Expats aged 60 and above, however they must have comprehensive health insurance from one of the insurance companies listed on Boursa Kuwait.
- In November 2021, Gulf Insurance Group KSCP's profit increased by 242% to US$ 148.5 million in the first nine months on the back of improved underwriting and investment performance.
- In September 2021, Kuwait-based Gulf Insurance Group acquired insurance operations of SA's AXA in the Gulf region for US$ 474.75 million.
- In June 2021, Bahrain Kuwait Insurance completed mandatory acquisition of stake in Takaful International.

Macro-economic Indicators

Indicators	Unit	2021E	2022F	2026F
GDP growth at current prices	%	24.8	4.9	4.2
GDP per capita, at current prices	US$	27,927.2	28,821.6	30,151.3
Population	mn	4.7	4.8	5.1
Inflation	%	3.2	3.0	3.0
Insurance penetration	%	0.9	0.9	1.0
Insurance density	US$	259.4	270.6	309.1

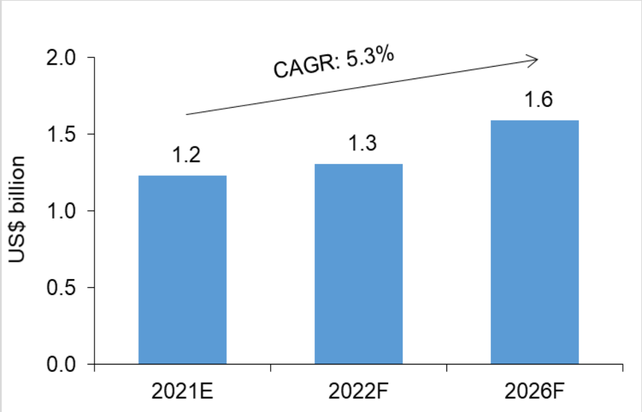
Source: IMF – November 2021, Swiss Re, Alpen Capital
Note: F – Forecast

Select Players

Company	GWP in 2020 (US$ mn)
Al Ahleia Insurance Co. SAKP	329.5
First Takaful Insurance Co. KCS	9.1
Gulf Insurance Group KSC	1,148.6
Kuwait Insurance Co.	124.1
Kuwait Reinsurance Co. KSPC	183.3
Warba Insurance Co. KSCP	99.8
Wethaq Takaful Insurance Co. KCS	13.2

Source: Thomson Reuters Eikon, Company Filings

Forecast of Insurance Industry



Source: Swiss Re, Alpen Capital
Note: F – Forecast

Source: Thomson Reuters, Gulf News, Bloomberg, Zawya, Media Reports

Oman

Key Growth Drivers

- **Demographic Factors:** Expatriates and young professionals account for a significant proportion of the total population in Oman. Between 2021 and 2026, IMF expects population to grow at a CAGR of 3.1%, which augurs well for the growth of the insurance sector.
- **Infrastructure Developments**: The Oman Investment Authority (OIA) has announced 13 national projects valued approximately at OMR 3.5 billion (US$ 9.1 billion) in 2021 alone covering a number of key sectors including energy, manufacturing, mining, health and tourism services. Such developments are expected to further expand the underwriting base for non-life commercial lines and boost the overall growth.
- **Regulations:** An amendment to the Insurance Companies Law and the Takaful Insurance Law was undertaken, which was done taking into consideration the uniqueness of the business segment and is focused on helping the health insurers to enhance the efficiency of their operations and regulate them better to drive the overall competitiveness.
- **Mandatory Insurance:** Oman mandated health insurance for visitors and residents in the country. The implementation of mandatory health insurance from 2020 and continuation of health cover by employers will support growth of the non-life segment.

Recent Industry Developments

- In September 2021, Oman International Hospital (OIH) announced an alliance with National & General Insurance Company (NLGIC). This will enable thousands of NLGIC health insurance cardholder to access OIH's facilities, state-of-the-art technology and expertise of international team.
- In July 2021, National Life and General Insurance (NLG) announced plans to provide motor insurance through Omantel self-service machines at various locations across Oman.
- In July 2021, Alhibank announced that it entered in a partnership agreement with Dhofar Insurance Company to offer comprehensive insurance solution.

Macro-economic Indicators

Indicators	Unit	2021E	2022F	2026F
GDP growth at current prices	%	27.2	6.3	4.1
GDP per capita, at current prices	US$	17,632.7	18,226.5	17,903.9
Population	mn	4.6	4.7	5.3
Inflation	%	3.0	2.7	2.5
Insurance penetration	%	1.4	1.3	1.3
Insurance density	US$	238.5	239.1	239.1

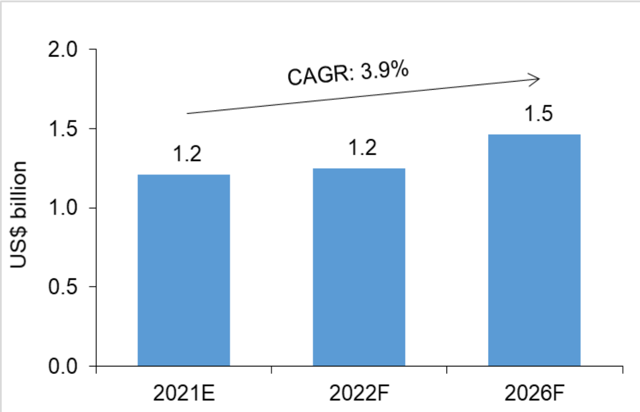
Source: IMF – November 2021, Swiss Re, Alpen Capital
Note: F – Forecast

Select Players

Company	GWP in 2020 (US$ mn)
Arabia Falcom Insurance SAOG	47.6
Dhofar Insurance Co. SAOG	126.1
Muscat Insurance Co. SAOG	48.7
National Life & General Insurance Co. SAOC	348.6
Oman Qatar Insurance Co. SAOG	81.4
Oman United Insurance Co. SAOG	80.4
Takaful Oman Insurance SAOG	11.8

Source: Thomson Reuters Eikon, Company Filings

Forecast of Insurance Industry



Source: Swiss Re, Alpen Capital
Note: F – Forecast

Source: Thomson Reuters, Times of Oman, Zawya, Media Reports

Bahrain

Key Growth Drivers

- **Demographic Factors:** Growing population and an increasing expatriate workforce is likely to facilitate the demand for insurance products in Bahrain. Between 2021 and 2026, IMF has projected the population to grow at a CAGR of 2.1%. Moreover, the per capita income of Bahrain is expected to grow at a CAGR of 2.7% during the same period, which will drive the demand for insurable products in the near future.
- **Economic Diversification:** The government of Bahrain continues to take strategic initiatives to improve the attractiveness of the Kingdom within the region. Allowing 100% foreign ownership in several sectors including real estate, communication and administrative services coupled with investor-friendly regulatory environment will drive business activity and boost demand for non-life insurance products.
- **Infrastructure Development:** The Bahrain government has unveiled its new strategic projects plan, overseeing 20 new projects at an investment of more than US$ 30 billion. The new multi-year projects represent one of Bahrain's most significant ever injections of capital investment and will drive the Economic Recovery Plan, designed to enhance the long-term competitiveness of the country's economy, and stimulate post pandemic growth.

Recent Industry Developments

- In November 2021, GFH Financial Group acquired majority stake (60%) in the UAE healthcare firm MSH (Multi Specialty Healthcare Partner Holding) for US$ 100 million.
- In July 2021, Solidary Bahrain submitted its intention to acquire T'asur, both the parties are in discussion on mutually agreeable terms for the merger.
- In June 2021, The United Insurance Company (UIC) entered into strategic partnership with the Banking & Finance (BIBF), as it joins the corporate sponsorship project for the new iconic building in Bahrain Bay. .
- In March 2021, Saudi Telecom Company (STC) Bahrain collaborated with Solidarity Bahrain to offer Motor Insurance products under its stc protect and digital platform.

Source: Thomson Reuters, Trade Arabia, Zawya, Media Reports

Macro-economic Indicators

Indicators	Unit	2021E	2022F	2026F
GDP growth at current prices	%	12.6	5.0	4.9
GDP per capita, at current prices	US$	26,293.9	27,053.0	30,038.2
Population	mn	1.5	1.5	1.6
Inflation	%	1.0	2.7	2.4
Insurance penetration	%	2.0	1.9	1.8
Insurance density	US$	526.4	526.5	527.6

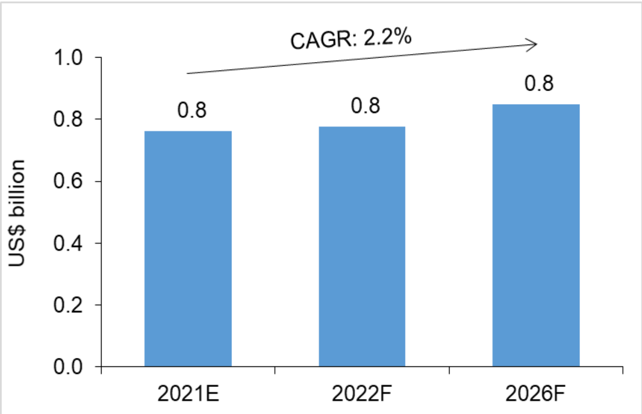
Source: IMF – November 2021, Swiss Re, Alpen Capital
Note: F – Forecast

Select Players

Company	GWP in 2020 (US$ mn)
Arab Insurance Group	-17.3
Bahrain Kuwait Insurance Co.	227.2
Bahrain National Holding Co. BSC	97.6
Solidarity Bahrain BSC	79.4
Takaful International Co.	60.8

Source: Thomson Reuters Eikon, Company Filings

Forecast of Insurance Industry



Source: Swiss Re, Alpen Capital
Note: F – Forecast

Company Profiles

ALPEN CAPITAL

Abu Dhabi National Insurance Co. PSC (Publicly Listed) UAE

Company Description

Established in 1972, Abu Dhabi National Insurance Co. PSC (ADNIC) offers insurance and reinsurance services to individuals and corporates in the UAE and the wider MENA region. The company offers both, life and non-life insurance services covering medical, motor, home, travel, aviation, engineering, construction, energy, personal accident, wedding, financial lines, marine and property. ADNIC has 18 branches, offices, sales and service centers in the UAE.

Business Segments/Product Portfolio

- **Commercial:** This segment accounted for 54.0% of the company's GWP during 6M 2021. It offers insurance policies related to aviation, energy, marine (cargo and hull), financial lines, corporate liability, corporate travel, property, engineering and construction.
- **Consumer:** This segment contributed remaining 46.0% to the company's GWP during 6M 2021. It offers insurance policies related to life, medical, motor, personal watercraft, accident, travel and wedding.
- ADNIC also offers **Bancassurance Scheme**, **Affinity Programs** and **Reinsurance Solutions** to select communities.

Recent Developments/Future Plans

- In July 2021, ADNIC collaborated with Ajman Free Zone to provide health insurance plans for registered investors and entities.
- In April 2021, ADNIC's credit rating was upgraded from 'A-' to 'A' with a stable outlook by S&P.
- In November 2019, ADNIC collaborated with Addenda Tech to develop a motor recovery solution powered by a blockchain platform to streamline claims settlement.

Financial Performance

US$ Million	2019 YE Dec	2020 YE Dec	*Change y-o-y (%)*	6M 2020	6M 2021	*Change y-o-y (%)*
Gross Written Premium	1,022.7	1,092.5	*6.8*	697.7	727.3	*4.2*
Net Written Premium	328.1	367.2	*11.9*	239.0	249.4	*4.3*
Net Underwriting Profit / (Loss)	107.1	135.4	*26.5*	82.5	83.6	*1.4*
Margin (%)	10.5	12.4		11.8	11.5	
Net Profit / (Loss)	77.4	101.0	*30.5*	51.6	67.7	*31.1*
Margin (%)	7.6	9.2		9.7	9.3	
ROAE (%)	12.9	15.4				
ROAA (%)	3.7	4.6				

Source: Company Website, Company Filings, Thomson Reuters

Current Price (US$)	1.8

Price as on January 27, 2022

Stock Details	
Thomson Reuters ticker	ADNIC.AD
52 week high/low	1.9/1.1
Market Cap (US$ mn)	1,050.0
Enterprise value (US$ mn)	1,120.5
Shares outstanding (mn)	570.0

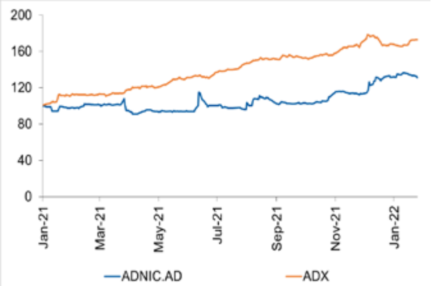
Source: Thomson Reuters

Average Daily Turnover ('000)

	AED	US$
3M	1,319.7	356.0
6M	1,212.1	327.0

Source: Thomson Reuters

Share Price Chart



Source: Thomson Reuters

Valuation Multiples

	2020	LTM
P/E (x)	7.8	9.1
P/B (x)	1.2	1.4
Market Cap/GWP	1.0	1.0
Dividend Yield (%)	12.7	5.2

Source: Thomson Reuters

Shareholding Structure	
Mamoura Diversified Global	24.77%
Khalaf Ahmed Al Otaiba	10.11%
SBR Investment LLC	6.87%
Tahnoun Bin Mohd AlNahyan	5.30%
Others	52.95%
Total	**100.00%**

Source: Thomson Reuters

Allianz Saudi Fransi Co-op Insurance Co. SJSC (Publicly Listed) Saudi Arabia

Company Description

Established in 2007, Allianz Saudi Fransi Cooperative Insurance Co. (ASFCI) provides individuals and corporates with general insurance services in sectors such as automotive, engineering, healthcare, property, aviation and marine, among others. ASFCI is a joint venture between the Allianz Group (Germany-based multinational financial services company) and Banque Saudi Fransi (Saudi Arabia-based commercial bank). ASFCI conducts its business through its head office and a network of five branches across Saudi Arabia.

Business Segments/Product Portfolio

- **Property & Casualty:** This segment contributed 36.6% to the company's GWP in 6M 2021.
- **Motor:** This segment contributed 17.8% of the company's GWP in 6M 2021.
- **Medical:** This segment contributed 23.8% of the company's GWP in 6M 2021.
- **Protection & Savings:** This segment accounted for 21.8% of the company's GWP in 6M 2021. It offers protection and savings products such as Waad Al Ajyal Gold, Waad Al Isteqrar Gold and Waad Al Ousra.
- **Other Products:** ASFCI provides insurance products to corporates in areas of travel, marine and engineering. The company also provides protection against several risks by offering policies such as credit insurance, employee benefit plans and liability insurance.

Recent Developments/Future Plans

- In June 2020, ASFCI approved a SAR 400 million (US$ 106.6 million) capital increase (rising to SAR 600 million; US$ 160 million) to support the company's business growth and maintain financial solvency requirements.

Financial Performance

US$ Million	2019 YE Dec	2020 YE Dec	*Change y-o-y (%)*	6M 2020	6M 2021	*Change y-o-y (%)*
Gross Written Premium	269.8	179.9	*-33.3*	111.5	126.7	*13.6*
Net Written Premium	186.8	113.6	*-39.2*	64.5	61.6	*-4.4*
Net Underwriting Profit / (Loss)	41.7	28.1	*-32.6*	14.9	14.9	*0.0*
Margin (%)	15.5	15.6		13.4	11.8	
Net Profit / (Loss)	8.5	(7.3)	*-186.1*	(1.7)	1.0	*157.5*
Margin (%)	3.2	-4.1		-1.5	0.8	
ROAE (%)	10.4	-13.5				
ROAA (%)	1.4	-1.1				

Source: Company Website, Company Filings, Thomson Reuters

Current Price (US$)	7.0

Price as on January 27, 2022

Stock Details	
Thomson Reuters ticker	8040.SE
52 week high/low	8.3/6.0
Market Cap (US$ mn)	430.0
Enterprise value (US$ mn)	455.0
Shares outstanding (mn)	60.0

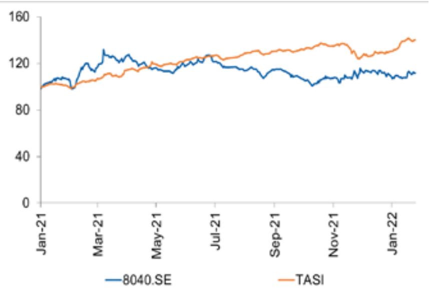
Source: Thomson Reuters

Average Daily Turnover ('000)

	SAR	US$
3M	8,209.9	2,217.0
6M	6,680.8	1,852.0

Source: Thomson Reuters

Share Price Chart



Source: Thomson Reuters

Valuation Multiples

	2020	LTM
P/E (x)	N/A	N/A
P/B (x)	2.0	2.2
Market Cap/GWP	2.3	2.3
Dividend Yield (%)	N/A	N/A

Source: Thomson Reuters

Shareholding Structure

Allianz Europe BV	51.00%
Banque Saudi Fransi SJSC	14.00%
Others	35.00%
Total	**100.00%**

Source: Thomson Reuters

Al-Rajhi Company for Cooperative Insurance. (Publicly Listed) Saudi Arabia

Company Description

Incorporated in 2009, Al-Rajhi Company for Cooperative Insurance (Al-Rajhi Takaful) offers Sharia-compliant life and non-life insurance services in various segments such as health, life, motor, travel and more. The company offers its products and services to individuals, SMEs and corporates. Najm for Insurance Service, a subsidiary of Al-Rajhi Takaful, offers accidents and vehicle related insurance to both individual and corporates. Al-Rajhi Takaful operates through its head office and a network of 10 retail branches across Saudi Arabia.

Business Segments/Product Portfolio

- **Medical:** This segment accounted for 9.2% of the company's GWP during 6M 2021.
- **Motor:** This segment contributed 63.3% to the company's GWP during 6M 2021.
- **Property & Casualty:** This segment contributed 20.3% of Al-Rajhi Takaful's GWP during 6M 2021.
- **Protection & Savings:** This segment accounted for 7.1% of the company's GWP during 6M of 2021. It offers policies covering Investment, Education, Marriage and Retirement Takaful.

Recent Developments/Future Plans

- In August 2021, Al-Rajhi Takaful signed a one-year contract with Al Rajhi Bank to provide mortgage insurance to the bank's clients. The value of the contract might exceed 5% of the total sales in 2020.
- In January 2021, Al-Rajhi Takaful received an approval for the renewal of its one-year motor insurance contract with Abdul Latif Jameel United Finance Company Limited (ALJUF) and United Installment Sales.

Financial Performance

US$ Million	2019 YE Dec	2020 YE Dec	*Change y-o-y (%)*	6M 2020	6M 2021	*Change y-o-y (%)*
Gross Written Premium	685.4	728.9	*6.3*	388.5	399.4	*2.8*
Net Written Premium	649.7	617.7	*-4.9*	323.7	311.7	*-3.7*
Net Underwriting Profit / (Loss)	75.4	144.3	*91.4*	72.9	59.5	*-18.4*
Margin (%)	11.0	19.8		18.8	14.9	
Net Profit / (Loss)	23.0	60.6	*163.4*	31.8	26.7	*-16.1*
Margin (%)	3.4	8.3		8.2	6.7	
ROAE (%)	10.5	22.8				
ROAA (%)	2.4	5.7				

Source: Company Website, Company Filings, Thomson Reuters

Current Price (US$)	21.9

Price as on January 27, 2022

Stock Details	
Thomson Reuters ticker	8230.SE
52 week high/low	30.4/20.7
Market Cap (US$ mn)	920.0
Enterprise value (US$ mn)	794.3
Shares outstanding (mn)	40.0

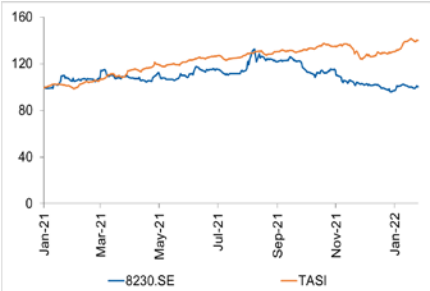
Source: Thomson Reuters

Average Daily Turnover

	SAR	US$
3M	15,330.2	4,139.1
6M	19,634.5	5,301.3

Source: Thomson Reuters

Share Price Chart



Source: Thomson Reuters

Valuation Multiples

	2020	LTM
P/E (x)	14.2	18.0
P/B (x)	2.9	2.5
Market Cap/GWP	1.2	1.2
Dividend Yield (%)	7.0	5.6

Source: Thomson Reuters

Shareholding Structure	
Al Rajhi Insurance Co.	26.50%
Al Rajhi Bank	22.50%
Ahmed Abdulaziz Al Rajhi	1.50%
Others	49.50%
Total	**100.00%**

Source: Thomson Reuters

ALPEN CAPITAL

Bupa Arabia for Co-op Insurance Co. SJSC (Publicly Listed) Saudi Arabia

Company Description

Established in 1997, Bupa Arabia for Co-op Insurance Co. (Bupa Arabia) caters to individuals, families and corporates by offering health insurance products and services across Saudi Arabia. The company was formed as a joint venture between UK-based Bupa Group and Saudi Arabia-based Nazer Group. Bupa Arabia operates through a network of six branches and a head office in Saudi Arabia.

Business Segments/Product Portfolio

Bupa Arabia reports its revenues under two segments - Major Customers and Non-major Customers, of which Major Customers contributed 61.1% to the company's total GWP during 6M 2021.

- **Business:** Within this segment, Bupa Arabia offers the following services:
  - **Corporate:** It offers insurance plans covering emergency, outpatient and inpatient, maternity, dental and optical treatments for large organizations.
  - **SME (Bupa Munsha'at):** It offers various health insurance plans and solutions catering to small and medium businesses.
  - **International Health Plan:** Offers private health insurance scheme for business executives living/working in Saudi Arabia.
- **Family:** It offers insurance to families, expats and domestic help. It also offers an insurance called 'Aramco Family' for Aramco staff, retirees and their dependents.
- **Health Programs:** It offers special programs such as Tebtom and Rahatkom, which provide 24/7 doctor's assistance and reduce waiting time at Bupa hospital networks.

Recent Developments/Future Plans

- In October 2021, Bupa Arabia announced plans to invest in InsureTech and healthcare startups through its established VC firm, Bupa Arabia Ventures.
- In August 2020, Bupa Investment Overseas Ltd. completed acquisition of 4% stake of Nazer Group's stake in Bupa Arabia for SAR 504 million (US$134 million).

Financial Performance

US$ Million	2019 YE Dec	2020 YE Dec	*Change y-o-y (%)*	6M 2020	6M 2021	*Change y-o-y (%)*
Gross Written Premium	2,776.6	2,786.3	*0.4*	1,523.7	1,552.9	*1.9*
Net Written Premium	2,748.4	2,768.9	*0.7*	1,516.2	1,541.8	*1.7*
Net Underwriting Profit / (Loss)	309.0	369.1	*19.5*	220.9	200.4	*-9.3*
Margin (%)	11.1	13.2		14.5	12.9	
Net Profit / (Loss)	158.4	185.6	*17.2*	130.1	114.1	*-12.3*
Margin (%)	5.7	6.7		8.5	7.3	
ROAE (%)	21.1	20.0				
ROAA (%)	6.4	6.4				

Source: Company Website, Company Filings, Thomson Reuters

Current Price (US$)	39.7

Price as on January 27, 2022

Stock Details	
Thomson Reuters ticker	8210.SE
52 week high/low	47.5/28.3
Market Cap (US$ mn)	5,010.0
Enterprise value (US$ mn)	4,454.1
Shares outstanding (mn)	119.5

Source: Thomson Reuters

Average Daily Turnover ('000)

	SAR	US$
3M	14,079.7	3,802.0
6M	15,924.6	4,300.0

Source: Thomson Reuters

Share Price Chart

Source: Thomson Reuters

Valuation Multiples

	2020	LTM
P/E (x)	21.0	28.0
P/B (x)	3.8	4.2
Market Cap/GWP	1.6	1.6
Dividend Yield (%)	4.8	2.3

Source: Thomson Reuters

Shareholding Structure	
BUPA Investments	43.25%
Nazer Group Holding Co.	9.00%
Ahmed Mohamed Naghi and Sons	2.50%
Others	45.25%
Total	**100.00%**

Source: Thomson Reuters

Dhofar Insurance Co. SAOG (Publicly Listed) — Oman

Company Description

Established in 1989, Dhofar Insurance Co. SAOG (DIC) offers life and non-life insurance and reinsurance services to individuals and corporates. DIC operates through a network of 42 branches, including seven regional offices across Oman. DIC has five subsidiaries operating across Oman and Syria in multiple sectors. The company owns a 34.0% stake in Trust Syria Insurance Co. SASC.

Business Segments/Product Portfolio

DIC reports revenues under two main segments – General Business and Life, of which the General Business segment accounted for 87.3% and Life Insurance accounted for 12.7% of the total GWP during 6M 2021.

Key offerings by DIC under corporate insurance includes life, medical, engineering projects, energy, marine (cargo and hull), motor, oil & petrochemical, industrial, property, travel and workmen's compensation. Offerings under retail insurance covers areas related to life, medical, motor, personal accident, property, travel, borrower's life and industrial assurance.

Recent Developments/Future Plans

- In June 2019, Business Vision recognized DIC with the 'Most Innovative Insurance Company of the Year' award in Oman.

Current Price (US$)	0.5

Price as on January 27, 2022

Stock Details	
Thomson Reuters ticker	DICS.OM
52 week high/low	0.5/0.4
Market Cap (US$ mn)	50.9
Enterprise value (US$ mn)	51.4
Shares outstanding (mn)	100

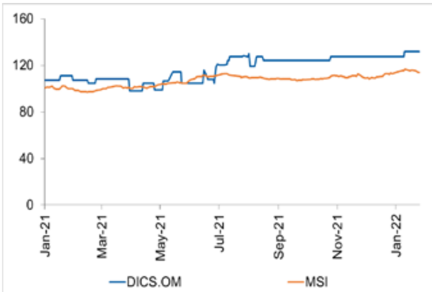
Source: Thomson Reuters

Average Daily Turnover

	OMR	US$
3M	13.1	34.0
6M	76.6	199.3

Source: Thomson Reuters

Share Price Chart



Source: Thomson Reuters

Valuation Multiples

	2020	LTM
P/E (x)	4.0	6.5
P/B (x)	0.6	0.7
Market Cap/GWP	0.4	0.4
Dividend Yield (%)	25.2	5.1

Source: Thomson Reuters

Shareholding Structure	
Dhofar Intl. Development and Investment Holding Co.	35.05%
Abdul Aleem Mustahil Rakhyot	15.06%
Qatar General Insurance & Reinsurance Co.	6.45%
Trust Intl. Insurance & Reinsurance Co.	6.31%
Others	37.13%
Total	**100.00%**

Source: Thomson Reuters

Financial Performance

US$ Million	2019 YE Dec	2020 YE Dec	*Change y-o-y (%)*	6M 2020	6M 2021	*Change y-o-y (%)*
Gross Written Premium	118.7	126.1	*6.3*	67.0	77.3	*15.4*
Net Written Premium	54.9	54.7	*-0.5*	27.9	31.5	*13.1*
Net Underwriting Profit / (Loss)	19.8	22.8	*15.3*	11.7	11.4	*-3.0*
Margin (%)	16.7	18.1		17.5	14.7	
Net Profit / (Loss)	7.0	10.0	*42.3*	5.7	4.6	*18.1*
Margin (%)	5.9	7.9		8.5	6.0	
ROAE (%)	13.1	16.2				
ROAA (%)	1.7	2.7				

Source: Company Website, Company Filings, Thomson Reuters

Doha Insurance Group QPSC (Publicly Listed) — Qatar

Company Description

Established in 1999, Doha Insurance Group QPSC (DIG) offers insurance and reinsurance services for individuals and corporates in the areas of motor, aviation, fire, travel and health, among others. Doha Takaful (Islamic arm in Qatar), MENA Re (non-life reinsurance arm), Barzan (IT arm in Jordan), and MENA Re Life (Group's life and health reinsurance arm in Lebanon) are the subsidiaries of the company. DIG primarily operates in Qatar, while rest of the operations conducted outside Qatar supports its core insurance and investment operations. The company operates out of its head office and two branches in Qatar.

Business Segments/Product Portfolio

DIG reports its revenues under three main segments, namely Fire & General Accident, Motor, and Marine & Aviation, which accounted for 68.0%, 19.8% and 12.2% of the company's total GWP during 6M 2021, respectively.

- **Personal Insurance:** It offers insurance coverage against risks associated with theft and damage to cars, yacht and emergencies or accidents during travel.
- **Corporate Insurance:** It offers insurance coverage to corporate and commercial operations covering risks in areas of aviation, engineering, fire, health, marine and motor fleet.

Recent Developments/Future Plans

- In October 2020, S&P's Rating Services affirmed the company's capital adequacy will remain at the 'AAA' level, reflecting a 'stable' outlook.

Financial Performance

US$ Million	2019 YE Dec	2020 YE Dec	*Change y-o-y (%)*	6M 2020	6M 2021	*Change y-o-y (%)*
Gross Written Premium	180.2	248.0	*37.6*	130.7	158.9	*21.6*
Net Written Premium	69.3	101.1	*45.9*	53.2	70.6	*32.7*
Net Underwriting Profit / (Loss)	26.5	36.9	*39.4*	17.4	19.1	*9.8*
Margin (%)	14.7	14.9		13.3	12.0	
Net Profit / (Loss)	13.4	16.5	*22.7*	8.8	11.1	*26.6*
Margin (%)	7.4	6.7		6.7	7.0	
ROAE (%)	4.6	5.5				
ROAA (%)	2.0	2.2				

Source: Company Website, Company Filings, Thomson Reuters

Current Price (US$)	0.5

Price as on January 27, 2022

Stock Details	
Thomson Reuters ticker	DICO.QA
52 week high/low	0.6/0.4
Market Cap (US$ mn)	260.6
Enterprise value (US$ mn)	266.5
Shares outstanding (mn)	500

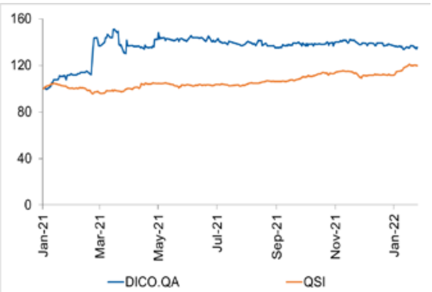
Source: Thomson Reuters

Average Daily Turnover ('000)

	QAR	US$
3M	256.6	69.0
6M	237.7	64.0

Source: Thomson Reuters

Share Price Chart



Source: Thomson Reuters

Valuation Multiples

	2020	LTM
P/E (x)	11.6	13.3
P/B (x)	0.6	0.8
Market Cap/GWP	1.0	1.0
Dividend Yield (%)	8.6	5.4

Source: Thomson Reuters

Shareholding Structure

Hamad Bin Jabor Al Thani	5.40%
Mohamed Khalid Hamad Abdullah Al Thani	5.28%
Others	89.32%
Total	**100.00%**

Source: Thomson Reuters

Dubai Insurance Co. (PSC) (Publicly Listed) UAE

Company Description

Founded in 1970, Dubai Insurance Co. PSC (DIC) provides life, non-life and reinsurance services to individuals and corporates. DIC has collaborations with several international reinsurance companies such as Swiss Life Network, Max Health, Integra Global, and Harel, among others. The company has two offices in the UAE, through which it conducts its operations. DIC also invests in properties and securities through its British Virgin Island-based wholly owned subsidiary, Vattaun Ltd.

Business Segments/Product Portfolio

- **General Insurance:** This segment contributed 70.2% to the company's GWP during 6M 2021. It offers insurance policies covering marine & in-transit, fleet, specialty lines (miscellaneous professional indemnity, medical malpractice insurance, cyber liability), engineering and property, among others.
- **Medical & Life Insurance:** This segment accounted for 29.8% to the company's GWP during 6M 2021. It covers life and health insurance for individuals, groups and employees.

Recent Developments/Future Plans

- In September 2020, Israel-based Harel Insurance Group signed a deal with DIC to provide insurance services in Israel and the UAE.
- In May 2020, Dubai Multi Commodities Centre (DMCC) signed a master service agreement with DIC for employee protection insurance program for all DMCC and member company employees.
- In November 2019, AM Best affirmed the Financial Strength Rating of 'B++'(Good) and the Long-Term Issuer Credit Rating of 'bbb+' for DIC with a 'positive' outlook.
- In November 2019, Jabel Ali Free Zone (JAFZA) entered into an agreement with DIC to roll out the workforce protection program for the companies based in the free zone, Dubai Auto Zone, and National Industries Park.

Financial Performance

US$ Million	2019 YE Dec	2020 YE Dec	*Change y-o-y (%)*	6M 2020	6M 2021	*Change y-o-y (%)*
Gross Written Premium	264.3	250.4	*-5.3*	126.6	175.5	*38.6*
Net Written Premium	34.9	33.3	*-4.6*	17.3	27.5	*59.2*
Net Underwriting Profit / (Loss)	18.6	13.3	*-28.5*	6.6	9.7	*46.4*
Margin (%)	7.0	5.3		5.2	5.5	
Net Profit / (Loss)	20.6	15.0	*-27.3*	9.0	11.5	*28.0*
Margin (%)	7.8	6.0		7.1	6.6	
ROAE (%)	14.9	10.3				
ROAA (%)	5.3	3.3				

Source: Company Website, Company Filings, Thomson Reuters

Current Price (US$)	1.9

Price as on January 27, 2022

Stock Details	
Thomson Reuters ticker	DINC.DU
52 week high/low	2.3/1.3
Market Cap (US$ mn)	191.9
Enterprise value (US$ mn)	203.5
Shares outstanding (mn)	100

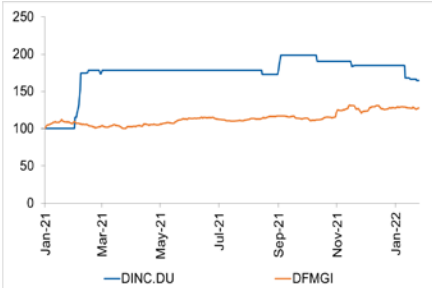
Source: Thomson Reuters

Average Daily Turnover ('000)

	AED	US$
3M	200.6	54.2
6M	1,084.5	292.8

Source: Thomson Reuters

Share Price Chart



Source: Thomson Reuters

Valuation Multiples

	2020	LTM
P/E (x)	8.2	11.7
P/B (x)	0.8	1.2
Market Cap/GWP	0.8	0.8
Dividend Yield (%)	12.1	5.0

Source: Thomson Reuters

Shareholding Structure	
AW Rostamani Holdings	17.71%
Barrah Investment LLC	16.47%
Mohammad & Obaid Al Mulla	8.45%
Butti Obaid Al Mohiri	8.27%
Said Ahmed Al Mazroui	5.00%
Others	44.10%
Total	**100.00%**

Source: Thomson Reuters

Dubai Islamic Insurance & Reinsurance Co. (PSC) (Publicly Listed) UAE

Company Description

Established in 2002, Dubai Islamic Insurance & Reinsurance Co. PSC (AMAN) caters to both individuals and corporates through its range of general Takaful, re-takaful and life Takaful businesses. It operates through four branches in the UAE. AMAN's subsidiaries include Nawat Investments LLC, Technic Auto Service Centre Co. LLC and Amity Health LLC in the UAE.

Business Segments/Product Portfolio

AMAN reports its insurance business under seven different segments. The company's Motor business accounted for 27.3% of the total GWP during 6M 2021. This was followed by General Insurance & Liabilities (18.3%), Life (13.6%), Medical (6.6%), Fire (3.3%), Engineering (1.0%), and Marine & Aviation (0.4%). Below are the insurance plans offered by the company to individuals, groups and corporates:

- **General Insurance**: It offers insurance policies related to risks against fire, cyber security, engineering, general accident, marine & aviation and motor, among others.
- **Family & Banca Takaful**: It offers group insurance policies covering life/medical and personal accidents under family Takaful and SME family Takaful plans. It also offers Banca Takaful providing regular premium savings & investments, single premium savings & investments, international saving plans and lifetime protection.
- **Health Insurance Programs**: It offers health insurance programs such as Al Shamel, Wiqaya, Himaya, Mo'azara and Sanad.

Recent Developments/Future Plans

- In November 2020, AMAN approved three-year growth plan to strengthen the financial position of the company by focusing on investment performance and operational expansion.

Financial Performance

US$ Million	2019 YE Dec	2020 YE Dec	*Change y-o-y (%)*	6M 2020	6M 2021	*Change y-o-y (%)*
Gross Written Premium	67.9	62.4	*-8.2*	32.1	37.5	*16.6*
Net Written Premium	25.1	27.2	*8.4*	14.1	15.8	*11.4*
Net Underwriting Profit / (Loss)	20.3	20.3	*0.1*	10.4	8.2	*-21.3*
Margin (%)	29.9	32.5		32.4	21.9	
Net Profit / (Loss)	2.4	5.2	*117.7*	2.2	3.3	*47.0*
Margin (%)	3.5	8.3		6.9	5.9	
ROAE (%)	12.9	24.4				
ROAA (%)	0.7	1.5				

Source: Company Website, Company Filings, Thomson Reuters

Current Price (US$)	0.3

Price as on January 27, 2022

Stock Details	
Thomson Reuters ticker	AMAN.DU
52 week high/low	0.3/0.2
Market Cap (US$ mn)	63.9
Enterprise value (US$ mn)	63.5
Shares outstanding (mn)	225.8

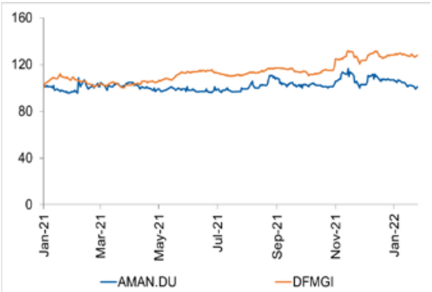
Source: Thomson Reuters

Average Daily Turnover ('000)

	AED	US$
3M	1,541.5	416.0
6M	1,416.5	382.0

Source: Thomson Reuters

Share Price Chart



Source: Thomson Reuters

Valuation Multiples

	2020	LTM
P/E (x)	12.1	8.7
P/B (x)	0.3	2.7
Market Cap/GWP	1.0	1.0
Dividend Yield (%)	8.3	1.8

Source: Thomson Reuters

Shareholding Structure	
Jassim Mohammed Alseddiqi	9.99%
Saleh Hashem Al Hashimi	9.37%
Others	80.64%
Total	**100.00%**

Source: Thomson Reuters

Emirates Insurance Co. PSC (Publicly Listed) UAE

Company Description

Founded in 1982, Emirates Insurance Co. PSC (EIC) offers non-life insurance and reinsurance services across various business lines. EIC operates through a network of 30 offices across the UAE. The company conducts its reinsurance business through the Dubai-headquartered EIC International. Some of its key reinsurance international partners include Guy Carpenter & Company (US); Hannover Re and Hanse Merkur (Germany); Hiscox, Lloyd's, and Cathedral Underwriting Ltd. (UK); SCOR and CCR (France); and Mitsui Sumitomo Reinsurance Ltd. (Japan).

Business Segments/Product Portfolio

EIC reports its insurance business under seven different segments. The company's Fire & General insurance business accounted for 37.7% of the total GWP during 2020, followed by Motor (26.6%), Medical (11.7%), Energy, Oil & Gas (9.7%), Engineering (7.1%), Marine & Aviation (4.9%) and Employee Benefits (2.4%). The insurance plans offered by the company to individuals, groups and corporates include:

- **Commercial Insurance:** It offers insurance policies related to property, engineering, employee benefit, motor, marine & aviation, oil & gas, financial covers, and liability, among others.
- **Individual Insurance:** It offers insurance policies related to motor, home, domestic healthcare and yacht & pleasure crafts, among others.
- **Emirates International:** The reinsurance division offers services in areas of energy, property, and engineering facultative reinsurance.

Recent Developments/Future Plans

- In September 2021, AM Best affirmed EIC's Financial Strength Rating of 'A-' (Excellent) and the Long-Term Issuer Credit Rating of 'a-' with a 'stable' outlook.

Financial Performance

US$ Million	2019 YE Dec	2020 YE Dec	*Change y-o-y (%)*	6M 2020	6M 2021	*Change y-o-y (%)*
Gross Written Premium	312.4	283.1	*-9.4*	165.6	164.5	*-0.6*
Net Written Premium	159.2	129.6	*-18.6*	75.4	62.2	*-17.4*
Net Underwriting Profit / (Loss)	44.4	49.9	*12.6*	26.5	14.6	*-45.1*
Margin (%)	14.2	17.6		16.0	8.9	
Net Profit / (Loss)	30.9	29.5	*-4.3*	14.5	10.6	*-27.0*
Margin (%)	9.9	10.4		8.8	6.4	
ROAE (%)	10.4	9.9				
ROAA (%)	4.3	3.7				

Source: Company Website, Company Filings, Thomson Reuters

Current Price (US$)	1.9

Price as on January 27, 2022

Stock Details	
Thomson Reuters ticker	EIC.AD
52 week high/low	2.3/1.7
Market Cap (US$ mn)	290.0
Enterprise value (US$ mn)	296.7
Shares outstanding (mn)	150.0

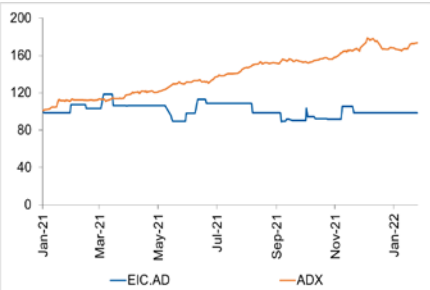
Source: Thomson Reuters

Average Daily Turnover ('000)

	AED	US$
3M	105.2	28.0
6M	84.9	23.0

Source: Thomson Reuters

Share Price Chart



Source: Thomson Reuters

Valuation Multiples

	2020	LTM
P/E (x)	9.9	12.3
P/B (x)	1.0	0.9
Market Cap/GWP	1.0	1.0
Dividend Yield (%)	10.1	8.6

Source: Thomson Reuters

Shareholding Structure	
Al Mazroui Holding Co. L.L.C.	15.12%
Al Dhabi Investment, L.L.C.	12.33%
Mamoura Diversified Global	11.81%
Others	60.74%
Total	**100.00%**

Source: Thomson Reuters

Gulf Insurance Group KSCP (Publicly Listed) — Kuwait

Company Description

Incorporated in 1962, Gulf Insurance Group KSCP (GIG) offers conventional and Takaful life and non-life insurance solutions. The group conducts its business in Kuwait, Jordan, Bahrain, Egypt, Iraq, Lebanon, Turkey, Algeria, Syria, Saudi Arabia and the UAE through over 50 branches. GIG has more than 20 subsidiaries including Arab Orient Insurance (UAE), Alliance Insurance (UAE), Bahrain Kuwait Insurance Co. (Bahrain), Gulf Insurance & Reinsurance (Kuwait), Buruj Co-op. Insurance Co. (Saudi Arabia), and Arab Misr Insurance Group (Egypt).

Business Segments/Product Portfolio

- **General Risk:** This segment contributed 43.2% to GIG's revenues during 6M 2021. It offers insurance plans covering property, engineering, marine, aviation, and general accidents for individuals and businesses. The motor business contributed 58.6% to the segment's revenues during 6M 2021, followed by general accidents (13.2%), property (12.0%), engineering (10.5%), and marine & aviation (5.8%).
- **Life & Medical:** This segment contributed 56.8% to the group's revenues during 6M 2021. It offers medical insurance, long-term life covers, and savings plans. The medical insurance product line contributed 87.1% to the segment's revenues during 6M 2021, followed by life insurance (12.9%).

Recent Developments/Future Plans

- In September 2021, S&P Global Ratings reaffirmed GIG's issuer credit and financial strength rating at 'A-' with a 'positive' outlook.
- In September 2021, GIG acquired AXA's operations in the Gulf region for US$ 474.8 million, marking one of the largest insurance acquisitions in the region.
- In May 2020, GIG partnered with Addenda Technologies, a blockchain technology startup, to streamline its motor recovery process and bring digital transformation.

Financial Performance

US$ Million	2019 YE Dec	2020 YE Dec	*Change y-o-y (%)*	6M 2020	6M 2021	*Change y-o-y (%)*
Gross Written Premium	1,284.4	1,448.6	*12.8*	751.8	824.6	*9.7*
Net Written Premium	595.4	627.4	*5.4*	338.3	368.1	*8.8*
Net Underwriting Profit / (Loss)	70.5	91.1	*29.2*	54.5	46.7	*-14.2*
Margin (%)	5.5	6.3		7.2	5.7	
Net Profit / (Loss)	49.8	65.5	*31.5*	40.5	44.2	*9.2*
Margin (%)	3.9	4.5		5.4	5.4	
ROAE (%)	12.4	14.3				
ROAA (%)	2.3	2.6				

Source: Company Website, Company Filings, Thomson Reuters

Current Price (US$)	3.4

Price as on January 27, 2022

Stock Details	
Thomson Reuters ticker	GINS.KW
52 week high/low	4.0/1.8
Market Cap (US$ mn)	966.0
Enterprise value (US$ mn)	984.9
Shares outstanding (mn)	283.8

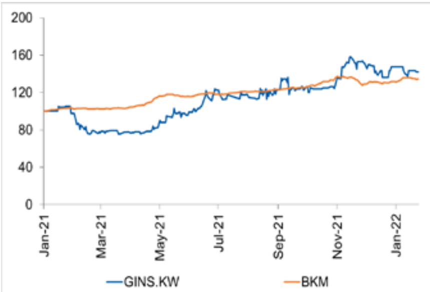
Source: Thomson Reuters

Average Daily Turnover ('000)

	KWD	US$
3M	48.7	161.3
6M	34.7	114.7

Source: Thomson Reuters

Share Price Chart



Source: Thomson Reuters

Valuation Multiples

	2020	LTM
P/E (x)	8.5	4.4
P/B (x)	1.4	1.1
Market Cap/GWP	0.7	0.7
Dividend Yield (%)	11.8	6.6

Source: Thomson Reuters

Shareholding Structure	
Kuwait Projects Co. Holding KSCP	44.04%
Fairfax Financial Holdings Ltd	41.43%
Others	14.53%
Total	**100.00%**

Source: Thomson Reuters

National General Insurance Co. PJSC (Publicly Listed) UAE

Company Description

Established in 1980, National General Insurance Co. PSC (NGI) provides life and non-life insurance and reinsurance services to individuals and corporates. NGI operates its business through its head office and 10 branches across the UAE. It offers a wide range of insurance products covering medical, motor, travel, home, personal, accident, life, energy, marine and others. Some of the company's key reinsurance partners include Hannover Re (Germany); Generali (Italy); SCOR and CCR (France).

Business Segments/Product Portfolio

- **General Insurance:** This segment contributed 83.8% to the company's total GWP during 6M 2021. It offers policies covering health, motor, property, marine, engineering, energy and casualty. The company also offers many other insurance plans such as group medical, marine cargo, motor fleet, credit, cyber liability and jewelers block, among others.
- **Life Assurance:** This segment contributed 16.2% to NGI's GWP during 6M 2021. Various plans offered under this segment include individual life products, unit linked products, endowment products, term products, and single premium products.

Recent Developments/Future Plans

- In July 2021, Dubai Investments acquired 15.2% share of NGI from Emirates NBD Bank, in addition to the 21.5% acquisition in April 2021, in addition to its existing stake of 8.5%. The aggregate ownership of Dubai Investment is now 45.2%.
- In April 2021, AM Best affirmed NGI's Financial Strength Rating at 'A-' (Excellent) and the Long-Term Issuer Credit Rating at 'a-' with a 'stable' outlook.

Financial Performance

US$ Million	2019 YE Dec	2020 YE Dec	*Change y-o-y (%)*	6M 2020	6M 2021	*Change y-o-y (%)*
Gross Written Premium	145.9	157.6	*8.0*	90.6	91.3	*0.8*
Net Written Premium	74.4	70.8	*-4.9*	39.7	41.7	*5.0*
Net Underwriting Profit / (Loss)	9.4	13.0	*38.1*	5.1	5.0	*-2.4*
Margin (%)	6.4	8.2		5.6	5.5	
Net Profit / (Loss)	4.8	12.6	*164.1*	0.6	9.3	*1462.7*
Margin (%)	3.3	8.0		0.7	10.2	
ROAE (%)	3.8	9.7				
ROAA (%)	1.5	3.6				

Source: Company Website, Company Filings, Thomson Reuters

Current Price (US$)	0.9

Price as on January 27, 2022

Stock Details	
Thomson Reuters ticker	NGIN.DU
52 week high/low	0.9/0.6
Market Cap (US$ mn)	128.6
Enterprise value (US$ mn)	129.9
Shares outstanding (mn)	150.0

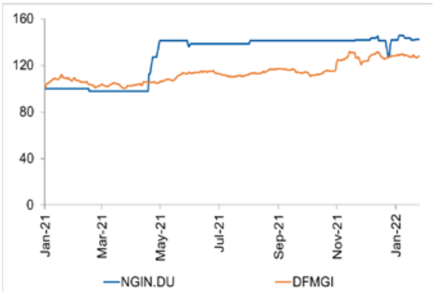
Source: Thomson Reuters

Average Daily Turnover

	AED	US$
3M	1,238.1	334.0
6M	880.4	238.0

Source: Thomson Reuters

Share Price Chart



Source: Thomson Reuters

Valuation Multiples

	2020	LTM
P/E (x)	7.1	6.5
P/B (x)	0.7	0.9
Market Cap/GWP	0.8	0.8
Dividend Yield (%)	14.1	4.8

Source: Thomson Reuters

Shareholding Structure	
Dubai Investments PJSC	45.18%
Commercial Bank of Dubai	17.75%
Malika Ahmed Alzarouni	10.95%
Mohd Bin Omar Investment	8.05%
Manaa Khalifa Al Maktoum	5.00%
Others	13.07%
Total	**100.00%**

Source: Thomson Reuters

ALPEN CAPITAL

National Life & General Insurance Co. SAOC (Publicly Listed) — Oman

Company Description

Incorporated in 1995, National Life and General Insurance Co. SAOG (NLGIC) is a subsidiary of Oman International Development and Investment Co. SAOG. The company offers life and general insurance products in Oman, UAE, and Kuwait. In Oman, NLGIC has a network of 24 branches, a head office, and 190+ points of sale through which it offers life, health, and general insurance products. NLGIC has two branches in the UAE and one in Kuwait.

Business Segments/Product Portfolio

NLGIC provides Life Insurance and General Insurance products and services to both individual and corporate clients. The offerings under these segments include:

- **Life & Health Insurance:** This segment contributed 89.1% to the company's total GWP during 6M 2021. Product offerings include life, medical and credit life for both corporates and individuals. It also offers childcare policy, personal accident policy, wedding savings, money back policy, term assurance, mortgage protection and comprehensive personal plan, among others.
- **General Insurance:** This segment contributed 10.9% to the company's total GWP during 6M 2021. It offers insurance products related to motor fleet, fire, marine cargo and accident for corporates as well as automotive, home, accident and travel for individuals.

Recent Developments/Future Plans

- In September 2021, NLGIC announced a formal alliance with Oman International Hospital (OIH) to enable NLGIC health insurance cardholders to access OIH's facilities, technology and expertise of specialist doctors at affordable prices.
- In July 2021, AM Best affirmed NLGIC's Financial Strength Rating of 'B++' (Good) and the Long-Term Issuer Credit Rating of 'bbb+' with a 'stable' outlook.

Financial Performance

US$ Million	2019 YE Dec	2020 YE Dec	*Change y-o-y (%)*	6M 2020	6M 2021	*Change y-o-y (%)*
Gross Written Premium	386.5	348.6	*-9.8*	226.7	222.1	*-2.0*
Net Written Premium	289.8	278.1	*-4.0*	189.5	190.7	*0.7*
Net Underwriting Profit / (Loss)	52.3	68.9	*31.7*	44.6	23.7	*-46.9*
Margin (%)	13.5	19.8		19.7	10.7	
Net Profit / (Loss)	26.5	39.0	*47.1*	28.2	12.6	*-55.3*
Margin (%)	6.9	11.2		12.4	5.7	
ROAE (%)	18.1	23.8				
ROAA (%)	5.7	8.3				

Current Price (US$)	0.8

Price as on January 27, 2022

Stock Details	
Thomson Reuters ticker	NLIF.OM
52 week high/low	N/A
Market Cap (US$ mn)	N/A
Enterprise value (US$ mn)	N/A
Shares outstanding (mn)	N/A

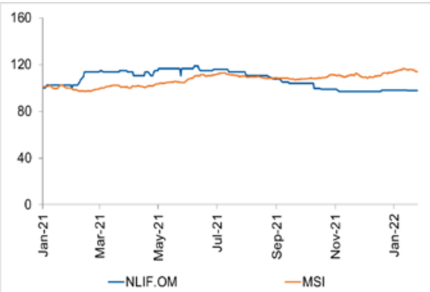
Source: Thomson Reuters

Average Daily Turnover

	OMR	US$
3M	N/A	N/A
6M	N/A	N/A

Source: Thomson Reuters

Share Price Chart



Source: Thomson Reuters

Valuation Multiples

	2020	LTM
P/E (x)	6.0	11.0
P/B (x)	0.5	1.4
Market Cap/GWP	0.7	0.7
Dividend Yield (%)	16.6	9.1

Source: Thomson Reuters

Shareholding Structure	
Oman International Development and Investment Company SAOG	73.45%
Oman Investment Fund	6.17%
Ubhar Capital SAOC	5.00%
Others	15.38%
Total	**100.00%**

Source: Thomson Reuters

Source: Company Website, Company Filings, Thomson Reuters

Oman Insurance Co. PSC (Publicly Listed) UAE

Company Description

Established in 1975, Oman Insurance Co. PSC (OIC), a subsidiary of Mashreq Bank, offers a wide range of life and general insurance products to individuals and commercial clients across different industries such as marine, construction, energy, engineering and more. Headquartered in Dubai, OIC has six branches in the UAE along with two agency-managed branches in Sharjah, and one in Oman.

Business Segments/Product Portfolio

- **General Insurance:** This segment accounted for 46.1% of company's GWP during 6M 2021. The plans offered include coverage for property, engineering, motor, energy, aviation and marine risks, among others. OIC's Business 360 insurance product covers all aspects of a business, ranging from group medical, motor fleet, all property risks, and liability covers. The company also offers unique covers and insurance solutions to protect expensive, luxurious homes and prized yachts.
- **Life Assurance:** This segment accounted for 53.9% of company's GWP during 6M 2021. Plans cover individual life, medical, group life and personal accident along with investment linked products. OIC also offers LivFit Wellness program, a comprehensive corporate wellness program offered with group healthcare plans.

Recent Developments/Future Plans

- In Sep. 2021, OIC received approval from Lylod's to launch 'Syndicate 2880' under the Syndicate-in-a-Box initiative. It will be managed by managing agent – Asta.
- In June 2021, OIC partnered with Mashreq Bank and AFIA Insurance Brokerage Services to launch 'Straight Through Buying Process' to enable instant policy approval and a 100% online process.
- In May 2021, AM Best affirmed OIC's Financial Strength Rating of 'A' (Excellent) and the Long-Term Issuer Credit Rating of 'A' with a 'stable' outlook.

Financial Performance

US$ Million	2019 YE Dec	2020 YE Dec	*Change y-o-y (%)*	6M 2020	6M 2021	*Change y-o-y (%)*
Gross Written Premium	965.3	976.2	*1.1*	571.9	525.2	*-8.2*
Net Written Premium	438.7	444.7	*1.4*	270.9	248.4	*-8.3*
Net Underwriting Profit / (Loss)	117.6	120.1	*2.1*	56.2	58.1	*3.4*
Margin (%)	12.2	12.3		9.8	11.1	
Net Profit / (Loss)	51.9	53.5	*3.2*	30.0	31.5	*5.0*
Margin (%)	5.4	5.5		5.2	6.0	
ROAE (%)	10.6	9.9				
ROAA (%)	2.8	2.7				

Current Price (US$)	0.7

Price as on January 27, 2022

Stock Details	
Thomson Reuters ticker	OIC.DU
52 week high/low	0.7/0.5
Market Cap (US$ mn)	330.0
Enterprise value (US$ mn)	334.8
Shares outstanding (mn)	461.9

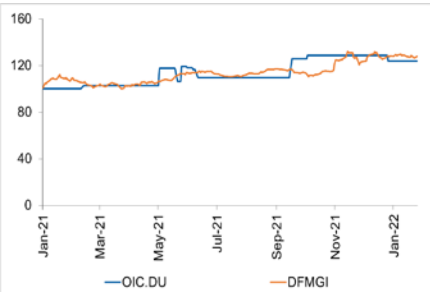
Source: Thomson Reuters

Average Daily Turnover

	AED	US$
3M	546.3	148.0
6M	394.9	107.0

Source: Thomson Reuters

Share Price Chart



Source: Thomson Reuters

Valuation Multiples

	2020	LTM
P/E (x)	4.6	6.3
P/B (x)	0.0	0.6
Market Cap/GWP	0.3	0.3
Dividend Yield (%)	21.5	7.7

Source: Thomson Reuters

Shareholding Structure	
Mashreqbank PSC	63.94%
Others	36.06%
Total	**100.00%**

Source: Thomson Reuters

Source: Company Website, Company Filings, Thomson Reuters

ALPEN CAPITAL

Oman United Insurance Co. SAOG (Publicly Listed) Oman

Company Description

Established in 1985, Oman United Insurance Co. SAOG (OUIC) provides insurance and reinsurance services under two reporting segments - General Insurance and Life Insurance. The general insurance segment covers risk against areas related to motor, fire, general accident, marine (cargo and hull), workmen's compensation, engineering and aviation. The life insurance segment covers individual & group life and group medical insurance plans.

Business Segments/Product Portfolio

OUIC's General Insurance segment accounted for 84.3% of the GWP during 2020 and the Life Insurance business segment accounted for 15.7%. The company's key insurance plans for individuals and corporates under these segments include:

- **Individual Insurance:** It offers comprehensive insurance plans in the areas related to motor, travel, life, medical expenses, home and personal accident.
- **Corporate Insurance:** It offers plans covering property, marine, projects, group personal accident and workers compensation. It also offers plans such as machinery breakdown insurance, electronic equipment insurance, and professional indemnity insurance, among others. OUIC's Himaya insurance plan for domestic workers is designed especially for families with foreign domestic help.

Recent Developments/Future Plans

- N/A.

Financial Performance

US$ Million	2019 YE Dec	2020 YE Dec	*Change y-o-y (%)*	6M 2020	6M 2021	*Change y-o-y (%)*
Gross Written Premium	81.0	80.4	*-0.8*	45.0	48.4	*7.5*
Net Written Premium	42.3	41.2	*-2.6*	22.8	20.8	*-8.5*
Net Underwriting Profit / (Loss)	20.9	20.6	*-1.5*	11.0	8.8	*-20.5*
Margin (%)	25.8	25.6		24.4	18.2	
Net Profit / (Loss)	8.9	11.1	*25.0*	5.6	6.3	*13.0*
Margin (%)	11.0	13.8		12.4	13.0	
ROAE (%)	11.8	14.2				
ROAA (%)	3.2	4.0				

Source: Company Website, Company Filings, Thomson Reuters

Current Price (US$)	1.0

Price as on January 27, 2022

Stock Details	
Thomson Reuters ticker	OUIS.OM
52 week high/low	1.1/0.8
Market Cap (US$ mn)	93.5
Enterprise value (US$ mn)	94.2
Shares outstanding (mn)	100.0

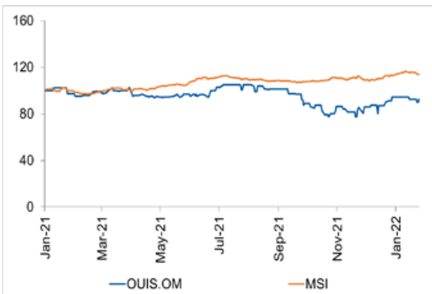
Source: Thomson Reuters

Average Daily Turnover ('000)

	OMR	US$
3M	53.6	139.0
6M	70.5	183.0

Source: Thomson Reuters

Share Price Chart



Source: Thomson Reuters

Valuation Multiples

	2020	LTM
P/E (x)	13.3	11.6
P/B (x)	0.1	1.3
Market Cap/GWP	2.0	1.9
Dividend Yield (%)	7.5	9.3

Source: Thomson Reuters

Shareholding Structure	
Bank Muscat	7.67%
Middle East Investment LLC	5.53%
Oman Investment Authority	5.21%
Others	81.59%
Total	**100.00%**

Source: Thomson Reuters

Orient Insurance PJSC (Publicly Listed) UAE

Company Description

Founded in 1982 as a part of Al-Futtaim Group, Orient Insurance Co. PJSC (ORI) offers life and general insurance products and services. The company operates through its head office and six branches in the UAE, and one in Oman and Bahrain each. ORI has several subsidiaries outside the GCC, with one in Syria, Egypt, Sri Lanka and Turkey each that offer conventional and Takaful insurance services. ORI also invests its funds in investment securities and deposits with financial institutions.

Business Segments/Product Portfolio

ORI reports its insurance business under two segments - General and Life Insurance. The General Insurance segment contributed 89.0% to company's total GWP, while the Life Insurance segment contributed 11% during 6M 2021. The company offers various plans to corporate and individual consumers:

- **Commercial Insurance:** It offers a wide range of insurance products for large-scale organizations and businesses in the areas of property, engineering, accident, marine cargo, liability, energy, aviation, trade credit, group life and medical.
- **Personal Insurance:** It offers plans related to life and medical (individual/family), motor, travel, home, medical malpractice (liability insurance for healthcare professionals) and third-party liability.

Recent Developments/Future Plans

- In June 2021, AM Best upgraded ORI's Long-Term Issuer Credit Rating to 'a+' (Excellent) and affirmed the Financial Strength Rating of 'A' (Excellent).
- In March 2021, ORI acquired the 49.1% stake of Abu Dhabi Commercial bank Group in Orient UNB Takaful for AED 11 million (US$ 3.0 million).
- In December 2019, ORI launched Motor Claims Workflow solution, an integrated system that tracks the entire life cycle of claim and enables seamless processing.

Financial Performance

US$ Million	2019 YE Dec	2020 YE Dec	*Change y-o-y (%)*	6M 2020	6M 2021	*Change y-o-y (%)*
Gross Written Premium	1,056.8	1,156.5	*9.4*	696.8	793.6	*13.9*
Net Written Premium	337.3	346.5	*2.7*	206.0	252.8	*22.7*
Net Underwriting Profit / (Loss)	133.5	134.2	*0.5*	79.3	79.6	*0.3*
Margin (%)	12.6	11.6		11.4	10.0	
Net Profit / (Loss)	115.8	117.2	*1.3*	76.9	84.5	*10.0*
Margin (%)	11.0	10.1		11.0	10.6	
ROAE (%)	14.4	13.2				
ROAA (%)	5.7	5.2				

Source: Company Website, Company Filings, Thomson Reuters

Current Price (US$)	18.1

Price as on January 27, 2022

Stock Details	
Thomson Reuters ticker	ORIENT.DU
52 week high/low	N/A
Market Cap (US$ mn)	N/A
Enterprise value (US$ mn)	N/A
Shares outstanding (mn)	N/A

Source: Thomson Reuters

Note: The stock is not traded due to closed shareholding

Valuation Multiples	2020	LTM
P/E (x)	N/A	N/A
P/B (x)	N/A	N/A
Market Cap/GWP	N/A	N/A
Dividend yield (%)	N/A	N/A

Source: Thomson Reuters

Shareholding Structure	
AL Futtaim Development Services Co.	90.00%
Al Futtaim Private Co. LLC	5.00%
Al Futtaim Co. LLC	5.00%
Total	**100.00%**

Source: Thomson Reuters

Qatar General Insurance & Reinsurance Co. SAQ (Publicly Listed) Qatar

Company Description

Established in 1979, Qatar General Insurance & Reinsurance Co. SAQ (QGIRC) offers individuals, families and businesses with conventional and Islamic insurance and reinsurance products and services. QGIRC operates through its head office and three other branches in Qatar. Some of QIGIRC's major wholly owned subsidiaries include Qatar General Holding Company, General Takaful Company, and General Real Estate Company. QIRC also offers real estate and investment management services through its subsidiaries.

Business Segments/Product Portfolio

QGIRC reports revenues under two main segments – Insurance and Investments. The key products and services offered under the insurance division include:

- **Personal Insurance:** It offers insurance covers in the area of personal vehicle, villa/home, personal accident, medical and travel, among others.
- **Corporate Insurance:** It offers insurance products for corporates covering medical & life, energy (operational and construction), motor, engineering projects, marine (cargo and hull) and casualty (public liability, workers compensation, product liability, professional liability and fidelity guarantee). The company also offers specialized insurances for SME businesses such as restaurant, education, supermarket, pharmacy and salon, among others.

Recent Developments/Future Plans

- In November 2019, QGIRC signed an agreement with Roland Berger to leverage their expertise to enhance the company's strategic and operation activities.
- In October 2019, QGIRC announced its intention to close one of its subsidiaries, Mozoon insurance marketing services.- both are quit old. Hope not covered in the

Financial Performance						
US$ Million	**2019 YE Dec**	**2020 YE Dec**	***Change y-o-y (%)***	**6M 2020**	**6M 2021**	***Change y-o-y (%)***
Gross Written Premium	191.0	159.1	*-16.7*	89.7	84.2	*-6.1*
Net Written Premium	39.2	35.1	*-10.5*	18.4	18.8	*1.8*
Net Underwriting Profit / (Loss)	17.9	33.8	*88.9*	17.0	16.9	*-0.6*
Margin (%)	9.4	21.2		19.0	20.1	
Net Profit / (Loss)	(126.2)	27.9	*122.1*	7.0	17.8	*153.0*
Margin (%)	66.1	17.5		7.8	21.1	
ROAE (%)	-8.7	2.0				
ROAA (%)	-5.0	1.1				

Source: Company Website, Company Filings, Thomson Reuters

Current Price (US$)	**0.6**

Price as on January 27, 2022

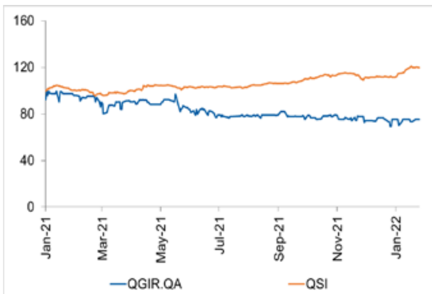
Stock Details	
Thomson Reuters ticker	QGIR.QA
52 week high/low	0.7/0.5
Market Cap (US$ mn)	490.3
Enterprise value (US$ mn)	1,056.7
Shares outstanding (mn)	875.1

Source: Thomson Reuters

Average Daily Turnover ('000)		
	QAR	**US$**
3M	66.1	18.2
6M	68.4	18.8

Source: Thomson Reuters

Share Price Chart



Source: Thomson Reuters

Valuation Multiples		
	2020	**LTM**
P/E (x)	17.7	13.6
P/B (x)	0.1	0.3
Market Cap/GWP	0.5	0.5
Dividend yield (%)	5.6	5.0

Source: Thomson Reuters

Shareholding Structure	
Ghazy Kamel Abonahl	9.99%
Trust International Insurance and Reinsurance	8.53%
Al Thani (Sheikh Naser Ali)	7.32%
Others	74.16%
Total	**100.00%**

Source: Thomson Reuters

ALPEN CAPITAL

Qatar Insurance Co. SAQ (Publicly Listed) Qatar

Company Description

Established in 1964, Qatar Insurance Co. SAQ (QIC), along with its group of companies offers insurance, reinsurance, real estate and financial advisory services to individuals and corporates. The group conducts its business in Qatar, UAE, Oman, Kuwait, UK, Switzerland, Bermuda, Singapore, Gibraltar, Italy, Jersey, Malta and Cayman Island. QIC's various insurance operations also consist of QIC Doha and QIC Global, which operate in Kuwait, Oman and UAE, and an agency operation in Malta.

Business Segments/Product Portfolio

QIC's Property & Casualty business contributed 86.9% to the company's total GWP during 6M 2021, followed by Marine & Aviation (8.6%), and Health & Life (4.6%).

- **Direct Insurance:** This segment offers insurance products for personal and commercial lines such as motor, car, home, travel, energy, boat, marine & aviation, life, medical and property.
- **Reinsurance:** QIC operates its reinsurance business through Bermuda-based Qatar Reinsurance Co. Ltd., which is a global multiline reinsurer.
- **Specialty Insurance:** QIC operates its specialist insurer and reinsurer business through Antares Holdings Ltd. in the Lloyd's London Insurance market.
- **Life & Health:** QIC operates this business through Q Life & Medical. The subsidiary offers plans covering group life, medical life, mortgage life, and group medical.

Recent Developments/Future Plans

- In September 2020, QLM Life & Medical Insurance Co., a subsidiary of the QIC Group, expanded its network to >70,000 hospitals & medical centers globally.
- In March 2020, QIC announced plans to offer its administration platform to emerging market players in collaboration with Swiss Re to integrate specialized offerings.
- In November 2019, QIC collaborated with Careem to provide a 30% discount on all Careem services to customers buying/renewing car insurance from QIC.

Financial Performance

US$ Million	2019 YE Dec	2020 YE Dec	*Change y-o-y (%)*	6M 2020	6M 2021	*Change y-o-y (%)*
Gross Written Premium	3,312.9	3,351.8	*1.2*	1,865.3	1,786.7	*-4.2*
Net Written Premium	2,792.4	2,239.9	*-19.8*	1,340.8	1,216.0	*-9.3*
Net Underwriting Profit / (Loss)	77.5	(163.4)	*-310.8*	(17.7)	32.1	*281.1*
Margin (%)	2.3	-4.9		-0.9	1.8	
Net Profit / (Loss)	184.3	34.6	*-81.2*	(54.5)	96.5	*276.9*
Margin (%)	5.6	1.0		-2.9	5.4	
ROAE (%)	6.8	1.2				
ROAA (%)	1.7	0.3				

Source: Company Website, Company Filings, Thomson Reuters

Current Price (US$)	0.7

Price as on January 27, 2022

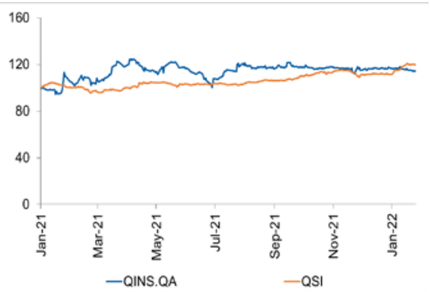
Stock Details	
Thomson Reuters ticker	QINS.QA
52 week high/low	0.8/0.6
Market Cap (US$ mn)	2,360.0
Enterprise value (US$ mn)	1,532.6
Shares outstanding (mn)	3,266.1

Source: Thomson Reuters

Average Daily Turnover ('000)	QAR	US$
3M	4,119.2	1,112.0
6M	4,307.5	1,163.0

Source: Thomson Reuters

Share Price Chart



Source: Thomson Reuters

Valuation Multiples	2020	LTM
P/E (x)	N/A	15.5
P/B (x)	0.7	0.8
Market Cap/GWP	0.7	0.7
Dividend yield (%)	N/A	6.4

Source: Thomson Reuters

Shareholding Structure	
GRSIA - Qatar	10.27%
Brooq Trading Co	5.37%
Khalifa Khaled Al Thani	4.99%
Al Mana Capital Holding	3.93%
Others	75.44%
Total	**100.00%**

Source: Thomson Reuters

Ras Al Khaimah National Insurance Co. PSC (Publicly Listed) UAE

Company Description

Established in 1974, Ras Al Khaimah National Insurance Co. PSC (RAK) provides life and non-life insurance and reinsurance services across the UAE. The company operates its business through its head office and three other branches in Shamil, Dubai and Abu Dhabi. National Bank of Ras Al Khaimah PJSC (RAK Bank) holds a majority stake in Ras Al Khaimah National Insurance Co. PSC (RAK), in which the government of Ras Al-Khaimah owns a 49.3% stake.

Business Segments/Product Portfolio

RAK reports its insurance revenues under the following two segments:

- **Life and Medical:** This segment accounted for 67.9% of the company's total GWP during 6M of 2021. It offers products for life insurance, group health insurance, travel insurance and a medical cover, and a plan called Dubai Essential Medical (for individual and group).
- **Motor and General:** This segment accounted for 32.1% of the company's total GWP during 6M 2021. It offers insurance plans to individuals and corporates covering key areas of engineering, marine, fleet, property, cyber and travel.

Recent Developments/Future Plans

- In November 2020, RAK opened a new branch in Sharjah to meet the growing needs of retail insurance solutions.
- In October 2019, S&P Global Ratings affirmed its 'BBB+' Issuer Credit Rating and Financial Strength Rating on RAK with a 'stable' outlook.

Financial Performance

US$ Million	2019 YE Dec	2020 YE Dec	*Change y-o-y (%)*	6M 2020	6M 2021	*Change y-o-y (%)*
Gross Written Premium	158.6	157.2	*-0.9*	79.0	63.4	*-19.7*
Net Written Premium	94.8	98.3	*3.6*	51.3	38.6	*-24.7*
Net Underwriting Profit / (Loss)	(0.8)	0.1	*119.2*	1.2	0.1	*-95.6*
Margin (%)	-0.5	0.1		1.5	0.2	
Net Profit / (Loss)	1.0	3.7	*281.2*	1.6	2.2	*37.9*
Margin (%)	0.6	2.3		2.0	3.5	
ROAE (%)	1.8	6.9				
ROAA (%)	0.4	1.8				

Source: Company Website, Company Filings, Thomson Reuters

Current Price (US$)	**1.0**

Price as on January 27, 2022

Stock Details	
Thomson Reuters ticker	RAKNIC.AD
52 week high/low	1.0/0.8
Market Cap (US$ mn)	115.6
Enterprise value (US$ mn)	110.3
Shares outstanding (mn)	121.3

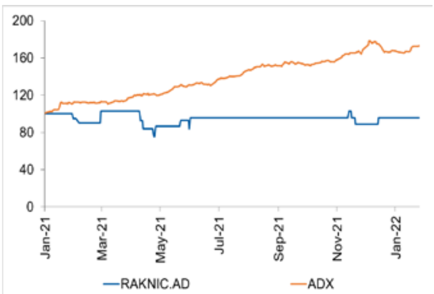
Source: Thomson Reuters

Average Daily Turnover ('000)

	AED	US$
3M	172.7	47.0
6M	145.2	39.0

Source: Thomson Reuters

Share Price Chart



Source: Thomson Reuters

Valuation Multiples

	2020	LTM
P/E (x)	33.1	30.0
P/B (x)	2.2	2.1
Market Cap/GWP	0.6	0.7
Dividend yield (%)	3.0	2.3

Source: Thomson Reuters

Shareholding Structure	
National Bank of Ras Al-Khaimah	79.23%
Al Naeem (Ahmed Isa Ahmed)	15.69%
Others	5.08%
Total	**100.00%**

Source: Thomson Reuters

Solidarity Bahrain BSC (Publicly Listed) — Bahrain

Company Description

Incorporated in 1976, Solidarity Bahrain BSC (Solidarity) offers a wide range of conventional and Islamic insurance products for both individuals and corporates. Solidarity has two subsidiaries - Amar for Finance and Leasing (12.8% stake) in Kuwait and United Insurance (10% stake) in Bahrain. Solidarity is a subsidiary of Solidarity Group Holding, one of the largest Sharia-compliant insurance institutions.

Business Segments/Product Portfolio

- **Health:** This segment accounted for the highest contribution of 41.5% to the company's total GWP during 6M 2021.
- **Motor:** This segment contributed 26.9% to the company's GWP during 6M 2021.
- **Non-motor:** This segment contributed 23.6% to the company's total GWP during 6M 2021. It offers plans in areas such as property, fire, liability, marine, aviation, engineering and travel.
- **Group Life:** This segment contributed 5.8% to the company's total GWP during 6M 2021. It includes group life and credit life plans.
- **Family Takaful:** This segment contributed nearly 2.2% of the company's total GWP during 6M 2021.

Recent Developments/Future Plans

- In September 2021, Solidarity announced the approval of its proposed merger with T'azur' Company B.S.C., a Bahrain-based Takaful Insurance company.
- In January 2020, Solidarity launched a core insurance system as a part of its digital transformation strategy, called TCS BaNCS, with the main aim of bringing high level security, availability and robust stability.
- In February 2019, AM Best reaffirmed the 'B++' (Good) Financial Strength Rating and 'bbb+' Long-Term Issuer Credit Rating for Solidarity.

Financial Performance

US$ Million	2019 YE Dec	2020 YE Dec	*Change y-o-y (%)*	6M 2020	6M 2021	*Change y-o-y (%)*
Gross Written Premium	82.1	80.3	*-2.1*	19.8	19.5	*-1.7*
Net Written Premium	39.0	39.3	*0.8*	9.9	8.7	*-12.2*
Net Underwriting Profit / (Loss)	1.0	1.0	*-3.7*	0.1	0.1	*-59.6*
Margin (%)	1.2	1.2		0.7	0.3	
Net Profit / (Loss)	7.7	8.2	*6.1*	1.7	1.9	*15.1*
Margin (%)	9.4	10.2		8.4	9.8	
ROAE (%)	10.9	11.1				
ROAA (%)	4.2	4.5				

Source: Company Website, Company Filings, Thomson Reuters

Current Price (US$)	0.8

Price as on January 27, 2022

Stock Details	
Thomson Reuters ticker	SOLID.BH
52 week high/low	0.8/0.6
Market Cap (US$ mn)	98.7
Enterprise value (US$ mn)	93.2
Shares outstanding (mn)	119.9

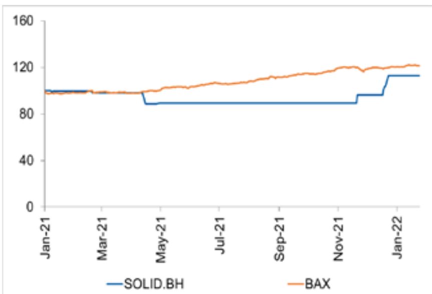
Source: Thomson Reuters

Average Daily Turnover

	BHD	US$
3M	4.4	12.0
6M	4.4	12.0

Source: Thomson Reuters

Share Price Chart



Source: Thomson Reuters

Valuation Multiples

	2020	LTM
P/E (x)	12.3	11.5
P/B (x)	1.2	1.3
Market Cap/GWP	1.8	1.8
Dividend yield (%)	8.1	5.7

Source: Thomson Reuters

Shareholding Structure

Solidarity Group Holding BSCC	84.17%
Others	15.83%
Total	**100.00%**

Source: Thomson Reuters

Takaful International Company BSC (Publicly Listed) — Bahrain

Company Description

Established In 1989, Takaful International Company BSC (TIC) offers Takaful life and non-life insurance plans to individuals and corporates. TIC conducts its business through a network of five branches and a head office in Bahrain and has specialized centers with Takaful services spread throughout the Kingdom. The company is a subsidiary of GIG Bahrain.

Business Segments/Product Portfolio

TIC reports its gross contributions under two main segments – General Takaful and Family Takaful. General Takaful accounted for 95.2% of the company's total revenue during the 6M 2021, while Family Takaful accounted for the remaining 4.8%.

- **Personal Insurance:** It offers plans covering against risks related to motor, travel, fire, baitak (comprehensive home cover), and accident, among others. Additionally, TIC offers plans such as Osratak (covering death and disability of members), and various family protection plans.
- **Corporate Insurance:** It offers marine, motor fleet, property, engineering, and general ability & liability insurance covers, among others.

Recent Developments/Future Plans

- In September 2021, AM Best affirmed the 'A-' (Excellent) Financial Strength Rating and 'a-' (Excellent) Long-Term Issuer Credit Rating with a 'stable' outlook for TIC.
- In April 2021, TIC, through its Smart Takaful application, launched a digital insurance card in co-operation with Health 360º Ancillary, to enable customers to file insurance claims digitally.

Financial Performance

US$ Million	2019 YE Dec	2020 YE Dec	*Change y-o-y (%)*	6M 2020	6M 2021	*Change y-o-y (%)*
Gross Written Premium	57.8	60.8	*5.2*	36.7	39.8	*8.3*
Net Written Premium	41.0	43.7	*6.5*	25.7	29.1	*13.3*
Net Underwriting Profit / (Loss)	0.4	0.9	*125.9*	0.3	0.5	*64.7*
Margin (%)	0.7	1.5		0.9	1.4	
Net Profit / (Loss)	2.7	4.1	*49.8*	1.5	2.0	*34.8*
Margin (%)	4.7	6.8		4.0	5.0	
ROAE (%)	9.7	16.0				
ROAA (%)	2.6	3.9				

Source: Company Website, Company Filings, Thomson Reuters

Current Price (US$)	0.3

Price as on January 27, 2022

Stock Details	
Thomson Reuters ticker	TIC.BH
52 week high/low	N/A
Market Cap (US$ mn)	29.3
Enterprise value (US$ mn)	26.6
Shares outstanding (mn)	85.0

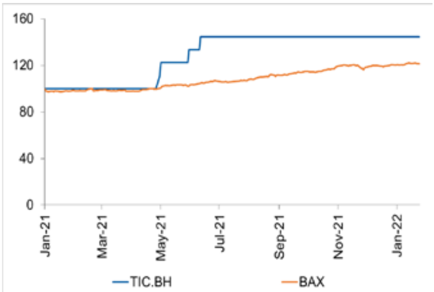
Source: Thomson Reuters

Average Daily Turnover

	OMR	US$
3M	N/A	N/A
6M	N/A	N/A

Source: Thomson Reuters

Share Price Chart



Source: Thomson Reuters

Valuation Multiples

	2020	LTM
P/E (x)	9.7	6.3
P/B (x)	1.0	1.0
Market Cap/GWP	0.4	0.5
Dividend yield (%)	10.4	3.8

Source: Thomson Reuters

Shareholding Structure	
Bahrain Kuwaiti Insurance Co.	69.06%
Al Amana Alama	6.18%
Intl. Investment Group	4.70%
Others	20.06%
Total	**100.00%**

Source: Thomson Reuters

Takaful Oman Insurance SAOG (Publicly Listed) — Oman

Company Description

Founded in 2014, Takaful Oman Insurance SAOG (TAOI) offers family Takaful and general Takaful insurance plans. TAOI operates through a network of 10 branches and a head office in Oman.

Business Segments/Product Portfolio

TAOI reports Takaful contributions under two main segments – General Takaful and Family Takaful. General Takaful contributed 71.0% to TAOI's total revenues during 6M 2021, while Family Takaful contributed for the remaining 29.0%.

- **General Takaful:** This segment offers plans covering risks related to motor, property, fidelity guarantee, fire and perils, travel, marine (cargo and hull), money, workmen's compensation, contractors (cover against the risk of loss or damage to plant and equipment), personal accident, domestic helper and public liability (covers protection against legal liability claims), among others.
- **Family Takaful:** This segment provides products like group family plan (coverage against risk of death or disability), group health plan (covering risk of accidents and illness) and group creditor plan (debt protection to a creditor seeking bank finance in case of uncertain event death or disability), among others.

Recent Developments/Future Plans

- In September 2021, Sohar International collaborated with TAOI to expand its product portfolio by offering its customers a range of Travel Takaful products at competitive prices.
- In February 2021, TAOI issued the first series of Sukuk certificates through Takaful Sukuk SPC under the Sukuk Al Mudaraba Trust Certificate Issuance program for OMR 6 million (US$ 15.6 million).

Financial Performance

US$ Million	2019 YE Dec	2020 YE Dec	*Change y-o-y (%)*	6M 2020	6M 2021	*Change y-o-y (%)*
Gross Written Premium	13.1	11.8	*-10.0*	6.0	7.1	*18.2*
Net Written Premium	10.5	9.7	*-7.8*	4.8	5.8	*21.2*
Net Underwriting Profit / (Loss)	7.3	5.0	*-31.9*	2.4	1.8	*-26.2*
Margin (%)	55.5	42.0		39.6	24.7	
Net Profit / (Loss)	7.3	5.4	*-25.0*	2.4	1.8	*-26.2*
Margin (%)	55.3	46.0		39.6	24.7	
ROAE (%)	13.2	9.4				
ROAA (%)	8.0	5.6				

Source: Company Website, Company Filings, Thomson Reuters

Current Price (US$)	0.2

Price as on January 27, 2022

Stock Details	
Thomson Reuters ticker	TAOI.OM
52 week high/low	0.2/0.18
Market Cap (US$ mn)	7.2
Enterprise value (US$ mn)	5.1
Shares outstanding (mn)	100.0

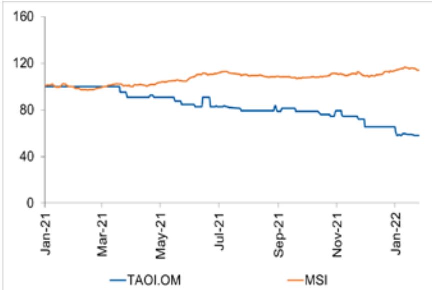
Source: Thomson Reuters

Average Daily Turnover

	OMR	US$
3M	210	545
6M	256	664

Source: Thomson Reuters

Share Price Chart



Source: Thomson Reuters

Valuation Multiples

	2020	LTM
P/E (x)	5.9	13.1
P/B (x)	0.5	0.7
Market Cap/GWP	0.1	0.1
Dividend yield (%)	16.9	17.5

Source: Thomson Reuters

Shareholding Structure	
Oman Intl. Dev. & Invest. Co.	17.35%
Al Khonji Holding Co., L.L.C.	15.01%
T'azur Takaful Insurance Co.	15.00%
Oman National Invest. Dev. Co.	11.49%
Blue Door Invest Services	7.50%
Oman Investment Corporation	6.20%
Others	27.15%
Total	**100.00%**

Source: Thomson Reuters

The Company for Cooperative Insurance (Publicly Listed) Saudi Arabia

Company Description

Incorporated in 1986, the Company for Cooperative Insurance (Tawuniya) offers Islamic insurance and reinsurance services to individuals and corporates. Tawuniya has a network of more than 60 branches through which it conducts its business across Saudi Arabia.

Business Segments/Product Portfolio

Tawuniya's Medical business segment contributed 78.4% to the company's total GWP during 6M 2021, followed by Property & Casualty (15.0%), Motor (5.8%), Travel & Covid-19 (0.5%), and Protection & Savings (0.3%). The company's insurance products and services are categorized into personal and corporate insurance:

- **Personal Insurance:** Offers insurance plans covering risk against motor, property, casualty and medical under this segment. Some of the insurance programs offered are International Travel Insurance, AL-SHAMEL (comprehensive car Insurance), SANAD (motor vehicle liability), and My Family (family medical insurance).
- **Corporate Insurance:**
  - **Enterprise:** It offers plans for large-scale organizations covering areas like motor, medical, and property & casualty (engineering and contractors' insurance, services insurance, industrial & energy insurance, among others).
  - **SME:** It offers plans such as motor insurance, property and casualty, and medical and Takaful for SME businesses.

Recent Developments/Future Plans

- In May 2021, Tawuniya launched a COVID-19 travel insurance to help provide extra cover to Saudis who are travelling across the world during the pandemic.
- In April 2021, Tawuniya announced a partnership with Vitality Group to develop the first Shared-Valued Insurance product in MENA.

Financial Performance

US$ Million	2019 YE Dec	2020 YE Dec	*Change y-o-y (%)*	6M 2020	6M 2021	*Change y-o-y (%)*
Gross Written Premium	2,233.8	2,416.8	*8.2*	1,344.8	1,383.0	*2.8*
Net Written Premium	1,790.1	2,018.4	*12.8*	1,145.2	1,164.0	*1.6*
Net Underwriting Profit / (Loss)	205.3	268.9	*31.0*	146.1	112.9	*-22.8*
Margin (%)	9.2	11.1		10.9	8.2	
Net Profit / (Loss)	87.4	104.9	*20.1*	68.0	54.1	*-20.5*
Margin (%)	3.9	4.3		5.1	3.9	
ROAE (%)	15.2	14.8				
ROAA (%)	2.4	2.8				

Source: Company Website, Company Filings, Thomson Reuters

Current Price (US$)	20.7

Price as on January 27, 2022

Stock Details	
Thomson Reuters ticker	8010.SE
52 week high/low	26.6/19.6
Market Cap (US$ mn)	2,610.0
Enterprise value (US$ mn)	2,414.9
Shares outstanding (mn)	125.0

Source: Thomson Reuters

Average Daily Turnover ('000)

	SAR	US$
3M	11,821	3,192
6M	17,871	4,825

Source: Thomson Reuters

Share Price Chart

Source: Thomson Reuters

Valuation Multiples

	2020	LTM
P/E (x)	25.3	31.2
P/B (x)	3.6	3.2
Market Cap/GWP	1.1	1.1
Dividend yield (%)	4.0	1.0

Source: Thomson Reuters

Shareholding Structure	
Government of Saudi Arabia	36.77%
Others	63.23%
Total	**100.00%**

Source: Thomson Reuters

ALPEN CAPITAL

Mediterranean & Gulf Co-op. Ins. & Reins. Co. (Publicly Listed) Saudi Arabia

Company Description

Incorporated in 2007, the Mediterranean and Gulf Cooperative Insurance & Reinsurance Co. (MGCI) offers insurance and reinsurance services in the areas of cooperative health, motor, property, marine, fidelity and engineering. The company conducts its business through 31 points of sale and four branches across Saudi Arabia. MGCI also operates in Lebanon, Jordan, Bahrain, Turkey, the UK and UAE, among others. The company owns stake in Al Waseel for Electronic Transportation and Najm for Insurance Services in Saudi Arabia.

Business Segments/Product Portfolio

- **Medical:** This segment is the largest contributor to the company's revenues, accounting for 66.9% of the total GWP during 6M 2021. It offers group and individual health plans, NABD Program for SME's and Medical refill. It also offers cover against risk of diabetes, cancer, and mental health.
- **Motor:** This segment contributed 18.4% to the company's GWP during 6M 2021. It offers third party liability and comprehensive motor insurance plans.
- **Property & Casualty:** This segment contributed 14.7% to the company's total GWP during 6M 2021.
- **Others:** Offers plans covering risks in aviation, engineering and marine sectors.

Recent Developments/Future Plans

- In April 2021, MGCI's shareholders agreed for a capital reduction by SAR 100 million (US$ 26.7 million) to SAR 700 million (US$ 186.7 million) to offset the company's accumulated losses.
- In January 2021, MGCI signed a one-year medical reinsurance contract with Saudi Re for Cooperative Reinsurance Company for SAR 130 million (US$ 34.7 million).
- In November 2019, MGCI signed a contract with Saudi Electricity Company to provide its employees and their families with health insurance services.

Financial Performance

US$ Million	2019 YE Dec	2020 YE Dec	*Change y-o-y (%)*	6M 2020	6M 2021	*Change y-o-y (%)*
Gross Written Premium	645.8	676.0	*4.7*	403.2	352.5	*-12.6*
Net Written Premium	463.4	422.7	*-8.8*	198.3	255.2	*28.7*
Net Underwriting Profit / (Loss)	84.9	112.0	*31.9*	59.7	39.2	*-34.4*
Margin (%)	13.1	16.6		14.8	11.1	
Net Profit / (Loss)	0.8	9.8	*1081.6*	7.3	3.6	*-50.8*
Margin (%)	0.1	1.4		1.8	1.0	
ROAE (%)	0.5	5.0				
ROAA (%)	0.1	1.0				

Source: Company Website, Company Filings, Thomson Reuters

Current Price (US$)	5.0

Price as on January 27, 2022

Stock Details	
Thomson Reuters ticker	8030.SE
52 week high/low	5.9/4.3
Market Cap (US$ mn)	540.0
Enterprise value (US$ mn)	434.8
Shares outstanding (mn)	105.0

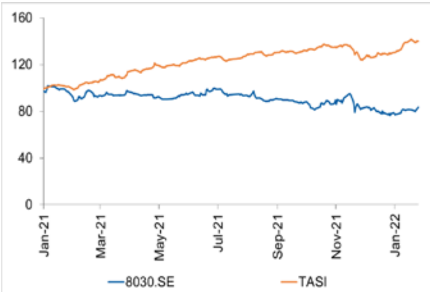
Source: Thomson Reuters

Average Daily Turnover ('000)

	SAR	US$
3M	9,530	2,573
6M	8,498	2,294

Source: Thomson Reuters

Share Price Chart



Source: Thomson Reuters

Valuation Multiples

	2020	LTM
P/E (x)	47.7	N/A
P/B (x)	3.0	2.5
Market Cap/GWP	0.7	0.7
Dividend yield (%)	2.1	N/A

Source: Thomson Reuters

Shareholding Structure	
The Saudi Investment Bank	19.00%
Mediterranean & Gulf Insurance & Reinsurance Co.	17.12%
Abdullah Abunayyan Trading	9.99%
Others	53.89%
Total	**100.00%**

Source: Thomson Reuters

Union Insurance Co. PJSC (Publicly Listed) UAE

Company Description

Established in 1998, Union Insurance Co. PJSC (UIC) offers a comprehensive range of life and non-life insurance products in various areas such as health, automotive, property, liability, engineering and marine. UIC caters to clients in the UAE, as well as in the wider Middle East through a head office and seven branches across the UAE. It has collaborated with international reinsurers such as Swiss Re (Switzerland), SCOR (France), Hannover Re (Germany), Generali (Italy), Lloyds (UK), and QBE Europe (UK).

Business Segments/Product Portfolio

- **General Insurance:** This segment contributed 74.6% to the company's total GWP during 6M 2021. It offers plans to individuals, SMEs and corporates covering against risks related to marine (cargo and hull), property, engineering projects, aviation, motor, health, and travel, among others. Additionally, the company offers products such as Flexi Life, Single Premium Plan, and International Income Protection Plans to maximize investments.
- **Life Assurance:** This segment contributed 25.4% to the company's total GWP during 6M 2021. It offers various individual and group life insurance policies.

Recent Developments/Future Plans

- In September 2021, AM Best placed UIC under review with negative implications for its 'B++'(Good) Financial Strength Rating and 'bbb' (Good) Long-Term Issuer Credit Rating.
- In April 2020, UIC offered a one-month free motor insurance for its retail motor customers amid the COVID-19 pandemic.

Financial Performance

US$ Million	2019 YE Dec	2020 YE Dec	*Change y-o-y (%)*	6M 2020	6M 2021	*Change y-o-y (%)*
Gross Written Premium	252.5	236.3	*-6.4*	128.7	136.4	*6.0*
Net Written Premium	123.5	112.9	*-8.6*	54.3	62.8	*15.7*
Net Underwriting Profit / (Loss)	5.8	10.8	*88.1*	7.0	6.4	*-8.8*
Margin (%)	2.3	4.6		5.4	4.7	
Net Profit / (Loss)	5.8	(1.9)	*-132.0*	(2.6)	(13.2)	*-413.9*
Margin (%)	2.3	-0.8		-2.0	-9.7	
ROAE (%)	6.9	-2.1				
ROAA (%)	1.2	-0.4				

Source: Company Website, Company Filings, Thomson Reuters

Current Price (US$)	0.2

Price as on January 27, 2022

Stock Details	
Thomson Reuters ticker	UNION.AD
52 week high/low	0.2//0.1
Market Cap (US$ mn)	64.9
Enterprise value (US$ mn)	60.5
Shares outstanding (mn)	330.9

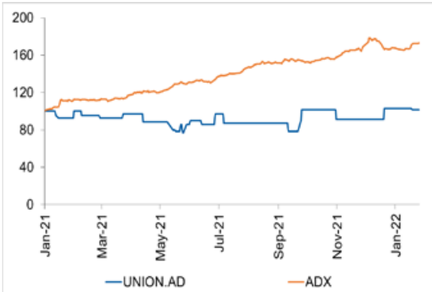
Source: Thomson Reuters

Average Daily Turnover ('000)

	AED	US$
3M	3	1
6M	19	5

Source: Thomson Reuters

Share Price Chart



Source: Thomson Reuters

Valuation Multiples

	2020	LTM
P/E (x)	35.2	8.7
P/B (x)	0.7	1.0
Market Cap/GWP	0.3	0.3
Dividend yield (%)	2.8	11.5

Source: Thomson Reuters

Shareholding Structure

Al Hosani (Salem Abdulla Salem)	23.15%
Umm Al Qaiwain General Investment	18.79%
Al Manara Investment and Development Centre	18.37%
Others	39.69%
Total	**100.00%**

Source: Thomson Reuters

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Walaa Cooperative Insurance Co. SJSC (Publicly Listed) — Saudi Arabia

Company Description

Founded in 2007, Walaa Cooperative Co. SJSC (WCIC) offers general insurance and reinsurance services related to motor, property, engineering, and medical, among others. WCIC, formerly known as Saudi United Cooperative Insurance Co SJSC, operates through a network of four branches and more than 70 retail offices across Saudi Arabia.

Business Segments/Product Portfolio

- **Motor:** This segment contributed 26.2% to the company's GWP during 6M 2021, comprising comprehensive and third-party liability insurance coverage for vehicles.
- **Property:** This segment contributed 3.7% of WCIC's GWP during 6M 2021.
- **Engineering:** This segment contributed 3.8% to WCIC's GWP during 6M 2021.
- **Medical:** This segment contributed 13.2% to the company's GWP during 6M 2021.
- **Miscellaneous:** This segment contributed 53.1% to the company's **total** GWP during 6M 2021. It includes specialized plans such as travel, medical malpractice liability, general liability, personal accident, workmen's compensation & employer's liability, fidelity guarantee, among others.

Recent Developments/Future Plans

- In September 2021, WCIC announced a contract with Arab National Bank to provide an insurance cover on the Mortgage program
- In July 2021, WCIC signed a MoU with SABB Takaful to evaluate a potential merger.
- In May 2021, WCIC entered into a contract with Arab National Bank to provide an insurance coverage on the auto leasing financing program.
- In March 2021, WCIC signed an agreement with Saudi Arabian Oil Company to provide coverage on energy, property, motor, marine and others.

Financial Performance

US$ Million	2019 YE Dec	2020 YE Dec	*Change y-o-y (%)*	6M 2020	6M 2021	*Change y-o-y (%)*
Gross Written Premium	324.1	392.8	*21.2*	168.6	316.3	*87.6*
Net Written Premium	196.2	226.7	*15.6*	116.5	139.9	*20.1*
Net Underwriting Profit / (Loss)	29.3	56.6	*93.0*	23.5	4.7	*-80.1*
Margin (%)	9.0	14.4		13.9	1.5	
Net Profit / (Loss)	6.1	15.7	*158.6*	4.0	(5.5)	*-237.3*
Margin (%)	1.9	4.0		2.4	-1.7	
ROAE (%)	3.4	7.4				
ROAA (%)	1.1	2.4				

Current Price (US$)	5.3

Price as on January 27, 2022

Stock Details	
Thomson Reuters ticker	8060.SE
52 week high/low	7.0/4.9
Market Cap (US$ mn)	340.0
Enterprise value (US$ mn)	204.9
Shares outstanding (mn)	64.6

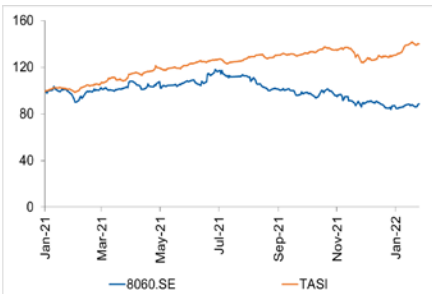
Source: Thomson Reuters

Average Daily Turnover ('000)

	SAR	US$
3M	7,362	1,988
6M	10,707	2,891

Source: Thomson Reuters

Share Price Chart



Source: Thomson Reuters

Valuation Multiples

	2020	LTM
P/E (x)	26.7	N/A
P/B (x)	1.6	1.4
Market Cap/GWP	0.8	0.8
Dividend yield (%)	3.7	N/A

Source: Thomson Reuters

Shareholding Structure

American Life Insurance Co.	5.49%
Arab National Bank	5.48%
Others	89.03%
Total	**100.00%**

Source: Thomson Reuters

Source: Company Website, Company Filings, Thomson Reuters

Alpen Capital

Alpen Capital offers a comprehensive range of financial advisory services to institutional and corporate clients across the GCC and South Asia. We work with some of the leading business groups in the GCC and South Asia providing them with unique investment banking advisory solutions based on their requirements.

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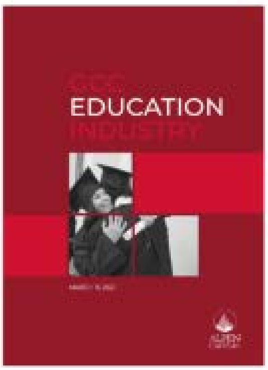

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Sale of 51% Equity Stake in
Al Kabeer Group of Companies

to
Savola Group

Financial Advisor
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Dubai Investment Park Development Company LLC
(A wholly owned subsidiary of Dubai Investments PJSC)
Rated 'BB with Stable Outlook' by Standard & Poor's

US$ 300,000,000
Debut Sukuk Offering - 5 years

Joint Lead Managers

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AL Bayan Group of Companies
Sale of 100% Equity stake in the water bottle manufacturing, purification and distribution business.

to
Agthia Group PJSC

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INR 10,570,000,000
(~US$150 million)
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National Savings Bank

US$ 100,000,000
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Sale of Equity stake in
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to
Solidarity Group Holding B.S.C. (c)

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