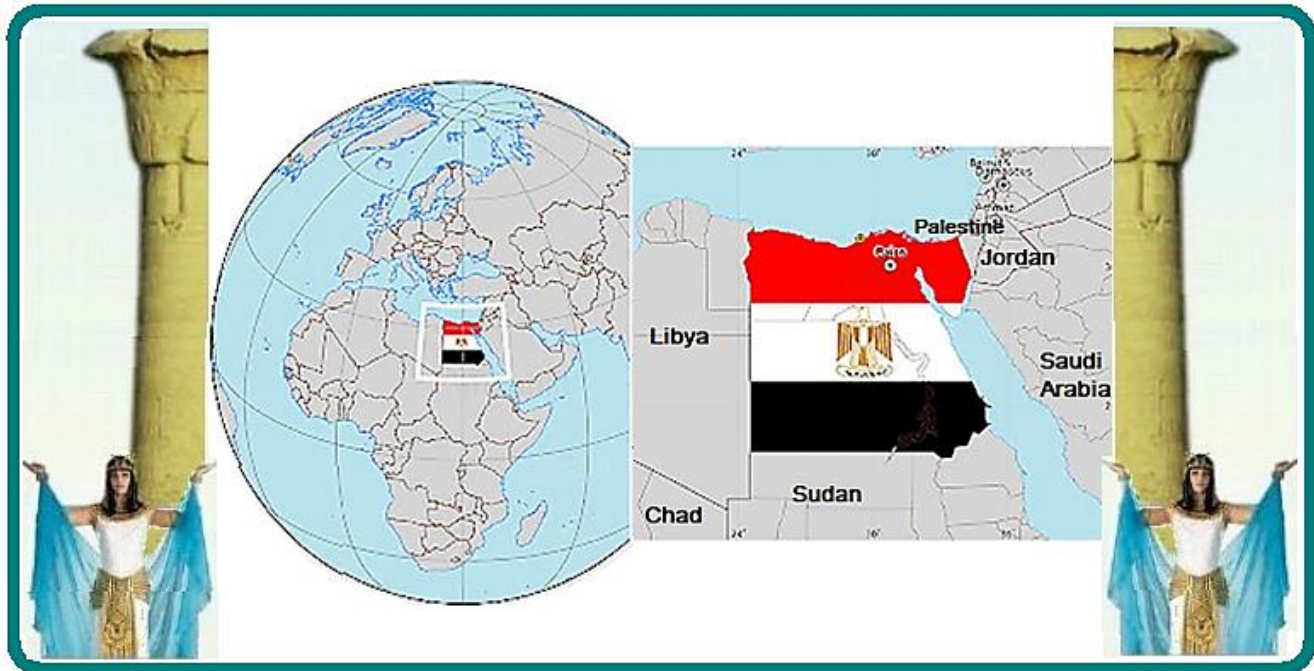


EGYPT

Insurance Market Overview

BY HUSSEIN ELSAYED



With 2.4 billion USD of premiums in 2020, the Egyptian insurance market ranks third in Africa. The first and second positions are held respectively by South Africa and Morocco.

At the level of MENA, the Egyptian insurance market ranks Fourth in MENA and comes behind UAE, KSA and Morocco.

The market includes 40 operators among which 25 non-life insurance companies and 15 life companies. It also involves large regional and global groups namely Misr Insurance, Metlife, Allianz, Axa, GIG, QNB, Canal Suez, Bupa and Delta.

According to Fitch Report published in March 2021 "Egypt Banking & Financial Services"; Egypt's non-life sector is the larger of the two insurance segments, accounting for 64% of the total gross premiums written in 2020 and representing almost 0.4% of nominal GDP. Growth potential in this sector has greatly increased with the recent adoption of universal national health insurance and the likelihood that there will be more compulsory lines of insurance in future. The life insurance sector in Egypt is rather small, accounting for 0.2% of nominal GDP in 2020 and 36% of total premiums written.

As regards to Insurance brokers in Egypt; Insurance brokers contribute 50% of the total premium income of the insurance sector.

According to Vice Chairman of the Financial Regulatory Authority (FRA), the Egyptian insurance market is expected to grow by 16% in 2021, at the same rate as in 2020. Growth in travel insurance premiums, insurers' adoption of digital means and the distribution of microinsurance products are among the factors contributing to the sector's growth.

(I) Socio-Economic Information

Official Name: Arab Republic of Egypt

Capital: Cairo

Location: Egypt is located in the north-eastern corner of Africa. It is bounded on the north by the Mediterranean Sea, on the east by Palestine and Israel, on the south by Sudan, and on the west by Libya.

Surface Area: The total area is 1,009,450 sq. km (including 6,000 sq. km of inland water), but the cultivated and settled area, that is the Nile Valley, Delta and oases, covers only 35,000 sq. km.

Climate: The climate is mainly dry, but there are winter rains along the Mediterranean coast. Elsewhere, rainfall is very low and erratic in its distribution. Winter temperatures are comfortable everywhere, but summer temperatures are very high, especially in the south.

Population: 102 mn (2020) ; 43% of the population were urban.

Languages: The official language is Arabic, although French and English are widely spoken.

Religion: Muslims (94.9% of the population) and Christians (4%).

The vast majority of Muslims are Sunnis. Most Christians belong to the Coptic Orthodox Church.

Labour: The labour force in 2020 was 31,441,059. In the same year, 49.6% of the population aged 15–64 was economically active and 10.1% of the population was unemployed.

Currency: The monetary unit is the *Egyptian Pound (EGP)* of 100 piastres.

Exchange Rate EGP/USD: as at 31/12/2018 = 0.0558 | as at 31/12/2019 = 0.0598 | as at 31/12/2020 = 0.06369

GDP in USD bn: 303 (2019) | 362 (2020)

Country Groupings: Middle income

Real GDP Growth: 5.6% (2019) | 3.6% (2020)

Real GDP per capita (USD): 3012 (2019) | 3536 (2020)

GDP by Sector (2019): Agriculture (11.05%) | Industry (35.62%) | Services (50.47%) | Other (2.86%)

Sovereign Credit Ratings

Sources:
Moody's, Standard & Poor's, Fitch Ratings

Rating Agency	Rating	Outlook	Rating Date
Fitch	B+	Stable	3/2021
Standard & Poor's	B	Stable	5/2020
Moody's	B2	Stable	7/2020

Competitiveness and Efficiency Indicators

Sources:
World Bank, IMD, Transparency International

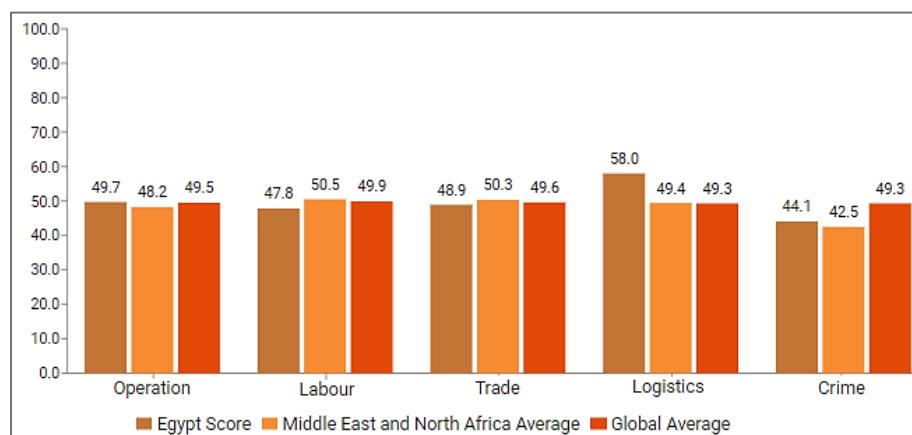
	World Ranking		
	2018	2019	2020
Ease of Doing Business Index	128/190	120/190	114/190
Ease of Paying Taxes Index	167/190	159/190	156/190
Logistics Performance Index	67/160	N/A	N/A
Corruption Perception Index	105/180	106/180	117/180

Egypt Vs Global and Regional Operational Risk Averages

Note: 100 = Lowest Risk,
0 = Highest Risk

Source: Fitch Solutions Operational Risk Index

Date last reviewed: February 16, 2021



Country	Operational Risk Index	Labour Market Risk Index	Trade and Investment Risk Index	Logistics Risk Index	Crime and Security Risk Index
UAE	72.5	67.4	78.7	69.9	74.1
Bahrain	68.3	63.0	76.0	72.8	61.5
Saudi Arabia	64.8	66.1	65.9	66.5	60.6
Qatar	64.7	63.3	62.8	73.4	59.3
Oman	64.5	58.2	64.3	66.5	68.8
Jordan	56.9	56.6	63.3	56.4	51.2
Morocco	55.1	42.5	66.2	54.4	57.4
Kuwait	54.9	55.7	57.4	48.9	57.5
Egypt	49.7	47.8	48.9	58.0	44.1
Tunisia	47.7	40.1	57.7	47.8	45.0
Lebanon	44.1	51.8	50.2	42.9	31.5
Iran	42.4	48.3	36.6	51.4	33.4
Algeria	39.6	47.0	31.9	43.4	35.9
West Bank and Gaza	31.4	46.0	38.3	23.8	17.7
Iraq	30.7	39.4	33.9	39.3	10.2
Libya	29.0	42.6	27.3	29.2	17.0
Syria	28.0	39.0	25.3	24.3	23.3
Yemen	22.6	34.3	19.8	20.2	16.1
Regional Averages	48.2	50.5	50.3	49.4	42.5
Emerging Markets Averages	46.8	48.3	47.1	45.8	46.1
Global Markets Averages	49.5	49.9	49.6	49.3	49.3

EARTHQUAKE: Egypt is a country of low to moderate seismic hazard. Situated along the north-eastern edge of the African plate, it is exposed to earthquakes along the major tectonic structures as well as those originating within the country.

There are five areas of particular earthquake hazard in Egypt:

- the delta region and fringe of the Mediterranean
- areas surrounding the Red Sea, Gulf of Suez and Gulf of Aqaba Junction
- the Gulf of Aqaba Dead Sea Rift
- south-west Cairo
- Lake Nasser.

WINDSTORM: Serious windstorms are not common, with winds rarely exceeding 40 knots. The only exposure is in remote areas along the north coast and, to a lesser extent, in Alexandria and Sinai. Sandstorms can cause minor damage to buildings but the risk is not great.

FLOOD: In Egypt rain normally occurs between November and May and is usually light. Heavy storms occasionally cause flash flooding, though this has historically resulted in few insurance claims. The November 1994 floods occurred in the province of Asyut, some 200 miles (320 km) south of Cairo. The Sinai is prone to flash flooding after heavy rainfall, as is the Red Sea area in general.

Egypt has only minimal exposure to flooding from the sea and the Aswan high dam protects against flooding from the Nile. This is expected to change in the long term, however, as rising sea levels and coastal erosion increase the risk of coastal flooding, and winter storms and surges are likely to leave an area of 2,700 square miles (7,000 square kilometers) at the Nile delta more prone to flooding.

BUSHFIRE: There is little exposure to bushfire in Egypt.

HAIL: There is little exposure to hail in Egypt but freak events can occur.

Natural Hazards Exposure



(II) INSURANCE MARKET

Egyptian Insurance Market: History and Development

The insurance industry started in the second half of the 19th Century through acting as agents for British and French companies ; In 1900, the National Insurance Company (Al-Ahlia) was established as the first Egyptian company ; in 1933, "Al-Sharq Company" was formed; and in 1934, "Misr Insurance" and in 1957, The "Egyptian Reinsurance Company (Egypt Re) " for reinsurance business. During this period; foreign insurance companies and their branches in the market reached to more than 130.

In the wake of the nationalization movement under Law No. 23 of 1957, insurance companies working in Egypt were nationalized. From that time until 1961, there were 14 Egyptian companies for insurance and re-insurance. Based on insurance decrees of the year 1961 and merger decrees of the year 1964, the number of insurance companies in Egypt became 4 companies fully owned by the State: three companies for direct insurance and one for re-insurance.

As a result of the change in the Egyptian economic policy after the 1973 war, Law No. 43 of 1975 was issued. It caused a huge shift in the insurance industry in Egypt by allowing inflow of foreign capital to establish insurance companies in the free zones. By the end of the Seventies of the Twentieth Century, private sector participation began in the insurance market. The Suez Canal Company for Insurance was established in 1979, AlMohandes, 1980, and Delta for Insurance, 1981. With the continuation of the economic development process, private insurance companies working in the market in the Nineties were 9: 4 of them were public sector, 3 private sector, and 2 in the free zones. Also; the Law of Insurance Supervision and Control Law No. 10 of 1981, which underpins the sector was issued.

In the mid of the Nineties, and in accordance with requirements of economic reform policies and market liberalization, Law No. 10 of 1981 was amended to allow 49% of foreign participation, which increased the number of insurance companies to twelve: 4 public sector, 6 private and two free zone. Then, it was amended per Law No. 156 of 1998 to allow 100% foreign participation. The number of companies working in Egypt became seventeen: 4 public sector companies and 13 foreign capital companies.

In the course of following – up and creating added values to the State - owned insurance companies; Misr Insurance Holding Company was incorporated under the Presidential Decree NO: 246 for the year 2006. Since then, Misr Insurance Holding Company became the new owner of the State - owned insurance companies and has borne the responsibility for structuring and repairing its 4 subsidiaries "Al-Ahlia", "Misr Insurance", "Al-Sharq" and "Egypt Re". By the end of 2007; "Egypt Re" and "Al-Sharq" were merged into "Misr Insurance Company", "Egypt Re" continues only as a reinsurance department within the non-life subsidiary company "Misr Insurance" which is the largest reinsurance underwriter in the market.

In 2008, Law No.118 enforced Insurance Companies that merge between both insurance activities, life and non-life insurance; to detach them within 2 years from the date of issuing the law.

In 2009; Law No 10 of 2009 established the Egyptian Financial Supervisory Authority (EFSA) as the supervisory authority for all non-banking operations. EFSA is replace the Egyptian Insurance Supervisory Authority, the Capital Market Authority, and the Mortgage Finance Authority in application of the provisions of the supervision and regulation of Insurance law no. 10 of 1981, the Capital Market law no. 95 of 1992, the Depository and Central registry law no. 93 of 2000, the Mortgage Finance law no. 148 of 2001, as well as other related laws and decrees that are part of the mandates of the above authorities.

Now, the Egyptian insurance market consists of 2 Public Enterprise Companies; Misr Life for life insurance and Misr Insurance for non- life insurance, while the no. of the other insurance companies registered in the EFSA are 38, so that the total no of companies is to be 40 companies ; some are with Egyptian capital, some are with foreign and some with common capital.

Egyptian Insurance Market: Regulatory Environment and Market Structure



○ INSURANCE SUPERVISION:

The Egyptian insurance industry is regulated by **Financial Regulatory Authority (FRA)** <https://fra.gov.eg/>

Since 2009, the Egyptian insurance sector has been regulated by the Egyptian Financial Supervisory Authority (EFSA), also known in English as the Financial Regulatory Authority. EFSA replaced the Egyptian Insurance Supervisory Authority which, in 1976, replaced the Egyptian General Insurance Institution.

The sector governed by the **Law on Insurance Supervision and Control No.10/1981** and its amendments.

A new Unified Insurance Law was adopted by the Cabinet in November 2020, but has yet to be passed by the legislature. The law provides the FRA with oversight of the entire insurance sector. Drafts of the bill indicate that it will include microfinance, private insurance funds (pensions) and possibly medical insurers. It will also make insurance compulsory for SMEs and a wider range of other situations, such as student health coverage.

○ CAPITAL REQUIREMENTS:

Insurers are required to have EGP60mn of capital, half of which must be paid upfront, while intermediaries (including agents and brokers) must have EGP2mn of capital. Brokers need to renew their licences every three years as well as submitting annual reports to the EFSA. *In June 2019 FRA has finalized a draft of the proposed new Insurance Law which will, inter alia, increase minimum capital requirements for all non-life and life insurance companies from EGP 60mn to EGP 150mn.*

○ COMPOSITE INSURANCE:

Composite insurance is not permitted in Egypt. Composite insurers were required by law to separate their life and non-life businesses by 2012.

○ FOREIGN OWNERSHIP:

100% FDI is permitted in the Egyptian insurance industry.

Full foreign ownership is permitted under Law No.156 of 1998, although non-Egyptians are still not allowed to own a cooperative or mutual insurance company.

○ COMPULSORY INSURANCE:

- Motor third party liability for bodily injury.
- Personal accident in respect of railway and metro passengers.
- Aviation third party liabilities.

THE INSURANCE MARKET STRUCTURE

There are 41 players in Egypt comprising:

- Two state-owned companies (Misr Insurance Co. and Misr Life Insurance Co.)
- 38 Private insurance companies;
- 1 reinsurance company- African Reinsurance Corporation including its takaful subsidiary (Africa Re Retakaful Company).
- 24 companies (including Export Credit Guarantee Company and Egyptian Society for Cooperative Insurance) transact general/non-life business while fifteen (15) write life and related personal lines.
- 10 takaful companies in Egypt: 4 family takaful companies; 6 non-family takaful companies

POOLS

There are 5 insurance pools in the market:

- Personal Accident Pool for metro/railway and high road passengers.
- Decennial Risks Pool.
- Nuclear Risks Pool.
- Compulsory Motor Insurance Pool.
- Travel Insurance Pool.

AUXILIARY ORGANIZATIONS

- Insurance Federation of Egypt
- Insurance Institute of Egypt
- Financial Services Institute
- Cargo Supervision & Surveying Office of Egypt

- Decennial liability for architects and contractors.
- Third party liability for operating lifts.
- Professional indemnity for insurance and reinsurance intermediaries.

○ **INVESTMENTS:**

Decree 245 of 2008 dictates the limits placed on how insurance company invest their assets. A total of 15% can be in bonds (5% in any one security), 25% in shares (5% in any single security), 30% in real estate (10% in any single investment), and 50% in cash or equivalents. Since April 2014, insurance companies have been permitted to outsource management to fund managers.

○ **RESERVES:**

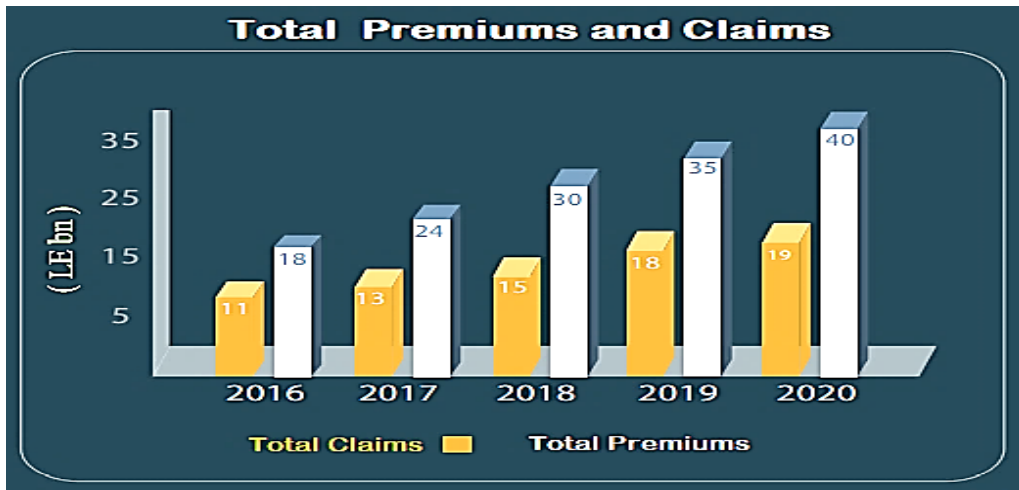
Beginning in January 2021, the FRA requires insurance companies to hold reserves amounting to 1% of their assets and net profit reported for the 2019-2020 fiscal year.

○ **REINSURANCE:**

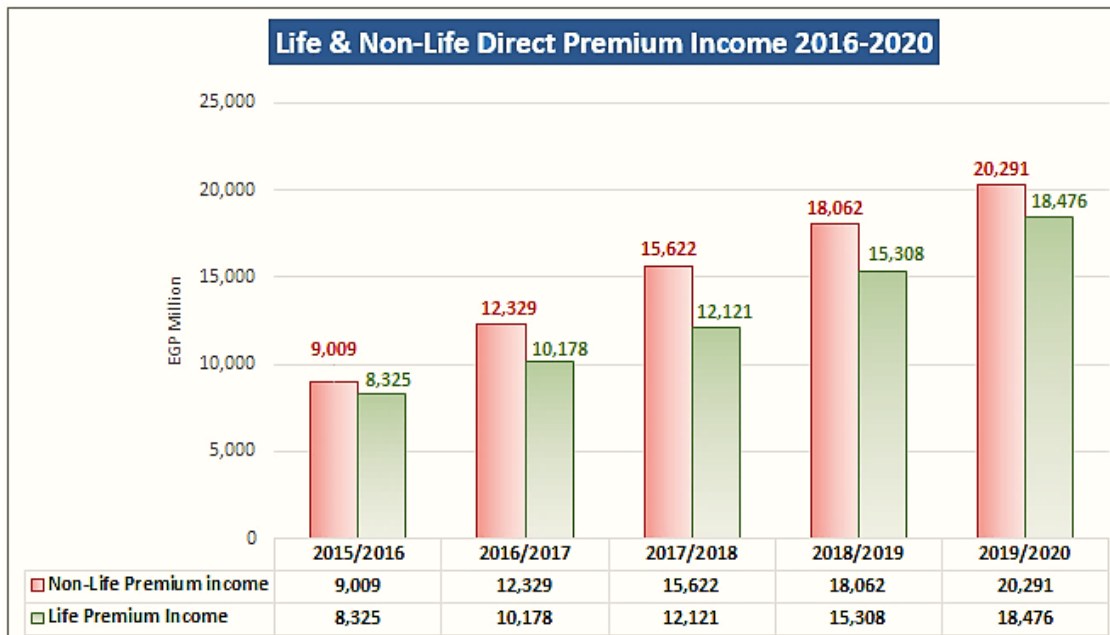
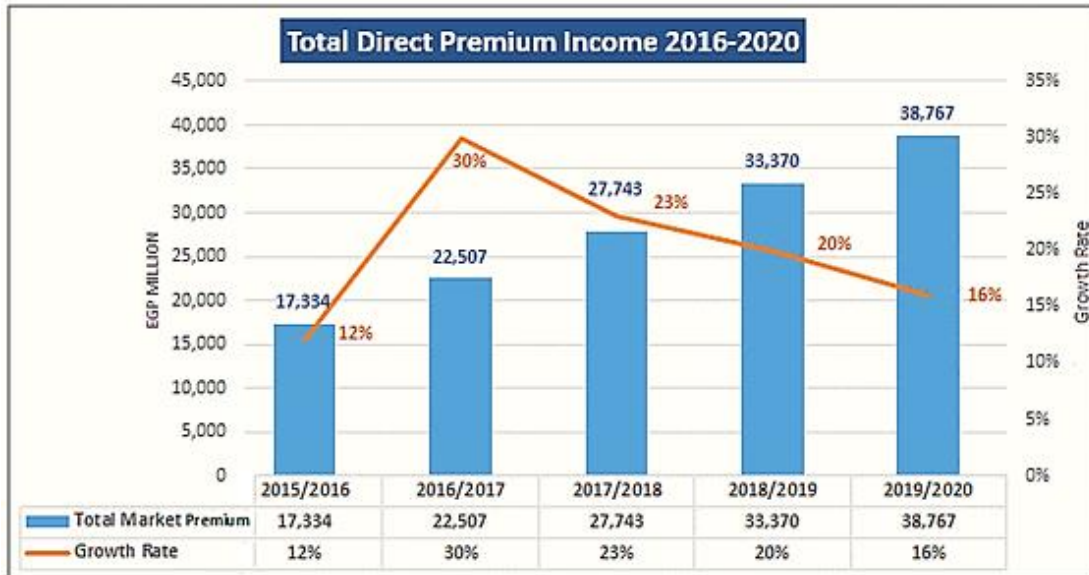
- There is no state reinsurance company. Egypt Re, Egypt's specialist state-owned reinsurer established in 1957, was merged into Misr Insurance Holding Company in 2007 and continues only as a reinsurance department within the non-life subsidiary company Misr Insurance which is the largest reinsurance underwriter in the market.
- The African Reinsurance Corporation (Africa Re) is the single locally authorised professional reinsurance company in Egypt. A pan African reinsurer established in 1976 and domiciled in Nigeria, its regional office for north-east Africa and the Middle East is in New Cairo. Egyptian insurers must offer a minimum of 5% of their treaty programmes to Africa Re, though the reinsurer is not obliged to accept them and does not do so in all cases.
In addition to Africa Re, there are a wide range of reinsurers active in the market. Such as Hannover Re, SCOR, Generali, GIC, Lloyd's, Partner Re and Tokio Marine. Regional reinsurers such as Arab Re, Oman Re and Saudi Re.
- Reinsurance regulations for Egyptian insurers are contained in Law No 10 of 1981 on Insurance Supervision and Control in Egypt, the Executive Regulations of the Law Concerning Insurance Supervision and Control in Egypt and the regulator's guidelines on the reinsurance of Egyptian companies (Decision No 122 of 2014) which took effect on 1 January 2016.
 - *These limit insurers to cessions with reinsurers on the regulator's approved list of reinsurers. Approved reinsurers must have been awarded a minimum credit rating from one of the leading credit rating agencies, as followed: A M Best (B+), Standard & Poor's (BBB), Fitch (BBB) and Moody's (Baa).*
 - *The regulator may permit an insurer access to a reinsurer not on its list subject to the reinsurer meeting certain criteria. These include: paid-up capital / net shareholders' equity of at least USD 60mn (or equivalent); a positive solvency ratio and technical reserves; at least regulatory equivalent standards to the regulator's in the reinsurer's domicile; and not having behaved in a prejudicial manner in the Egyptian insurance market in the past three years.*
 - *In addition, cession limits are imposed and there is a ceiling on business ceded to any one reinsurer and to reinsurers from any one country. For non-life insurance, a maximum of 25% of total reinsurance premium may be placed with one reinsurer and 30% with one legal group. If the insurance company is more than 50% owned, directly or indirectly, by the reinsurer, the maximum reinsurance placement with the reinsurer may not exceed 65% of the total reinsurance portfolio, 75% with one legal group.*
 - *With regards to country concentration, placement up to 40% of the total reinsurance portfolio can be placed in one country. Where an insurer is more than 50% owned, directly or indirectly, by the reinsurer, this increases to 75% of the total reinsurance portfolio.*
 - *The law requires insurers and reinsurers to establish gross unearned premium reserves equal to a minimum of 47% for compulsory motor, 25% for marine and aviation and 40% for all other classes.*
- Alternative risk transfer does not appear to play a part in local reinsurance arrangements.



<p>Government Insurance Funds </p> <div style="background-color: #ffcc00; border-radius: 15px; padding: 10px; text-align: center; color: white;"> <p>6 Insurance Fund 25 Million Members</p> </div>	<p>Private Insurance Funds </p> <div style="background-color: #ffcc00; border-radius: 15px; padding: 10px; text-align: center; color: white;"> <p>759 Insurance Fund 688 Active Funds 5.6 Million Members</p> </div>	<p>INSURANCE </p> <div style="border: 1px solid white; border-radius: 15px; padding: 10px; text-align: center; color: white;"> <p>40 Insurance Companies 92 Brokerage Companies 896 Local Branches 2836 Sales Windows</p> </div>
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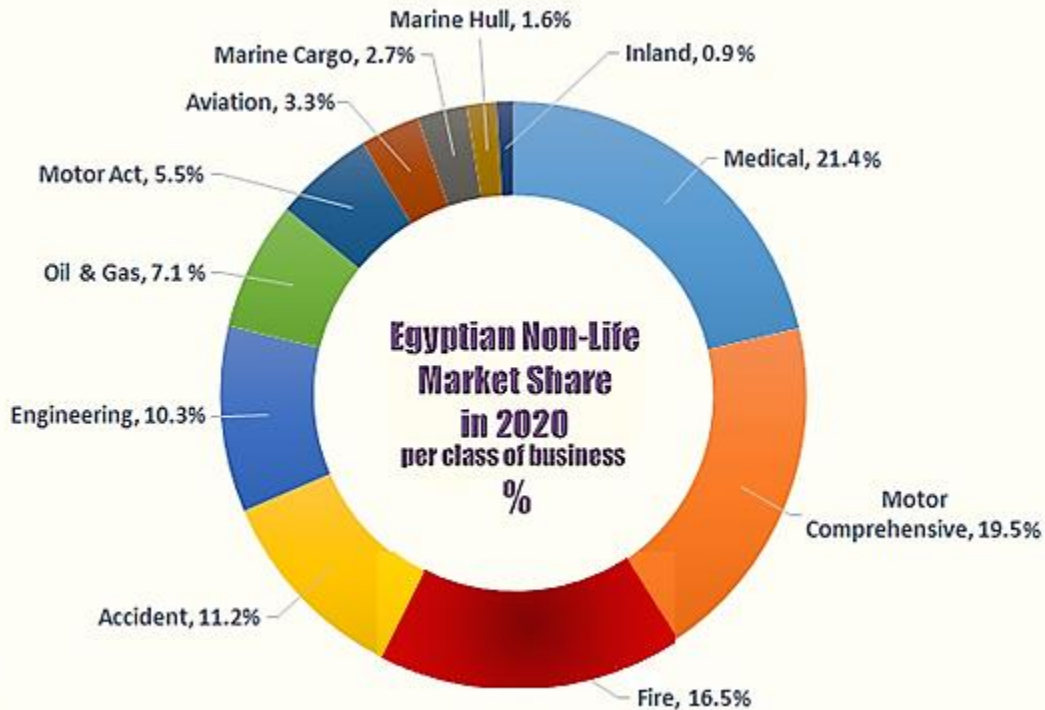


DIRECT PREMIUM INCOME (In EGP)				
Financial Year	Non-Life Premium Income	Life Premium Income	Total Premiums Income	Growth Rate
2015/2016	9,009,391,000	8,324,850,000	17,334,241,000	12%
2016/2017	12,328,622,000	10,178,063,000	22,506,685,000	30%
2017/2018	15,621,435,000	12,121,200,000	27,742,635,000	23%
2018/2019	18,061,952,000	15,307,834,000	33,369,786,000	20%
2019/2020	20,290,409,000	18,476,067,000	38,766,476,000	16%



NON-LIFE DIRECT PREMIUM INCOME PER CLASS OF BUSINESS (In EGP)

Class of Business	2018/2019	2019/2020
Fire	2,819,675,000	3,339,841,000
Cargo	612,606,000	554,496,000
Inland	204,784,000	188,188,000
Hull	328,496,000	332,554,000
Aviation	564,205,000	665,956,000
Motor comp	3,771,499,000	3,964,182,000
Motor Act	1,055,932,000	1,115,393,000
Engineering	1,480,007,000	2,078,950,000
Oil	1,500,731,000	1,449,465,000
Accident	2,118,983,000	2,269,461,000
Medical	3,655,663,000	4,331,923,000
Total	18,112,581,000	20,290,409,000

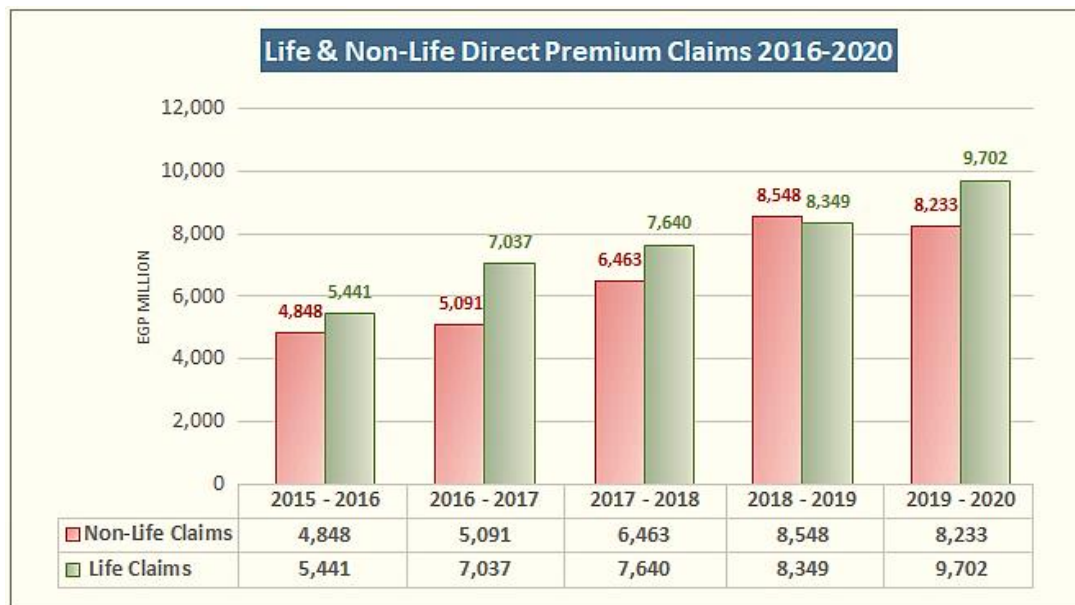
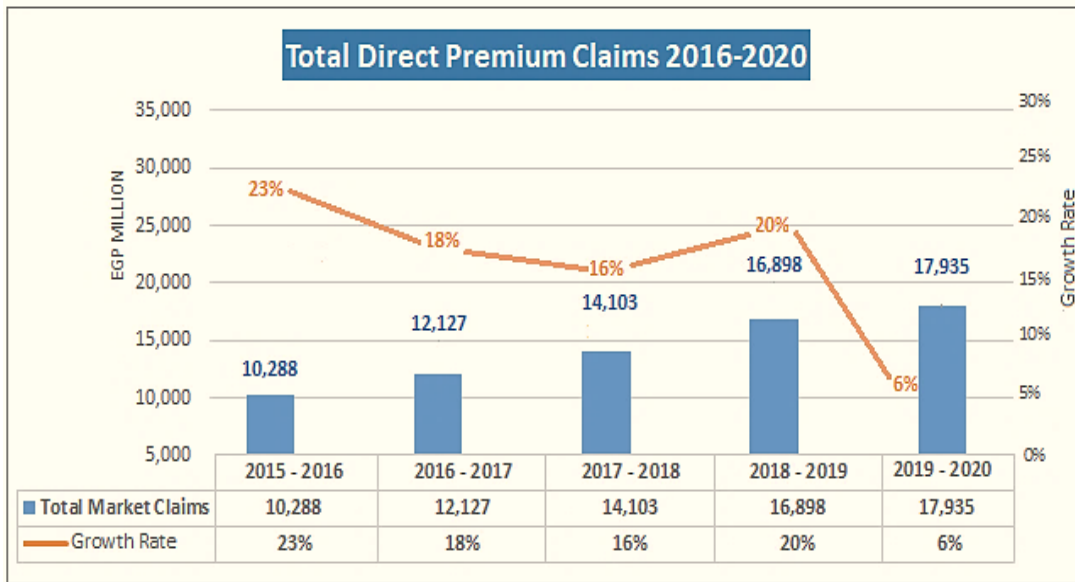


INWARD REINSURANCE PREMIUM INCOME 2016-2020 In EGP

Financial Year	Non-Life Premium Income	Life Premium Income	Total Inward Premiums Income	Growth Rate
2015/2016	882,661,000	1,353,000	884,014,000	17%
2016/2017	1,457,166,000	21,140,000	1,478,306,000	67%
2017/2018	1,742,148,000	38,262,000	1,780,410,000	21%
2018/2019	1,677,690,000	52,252,000	1,729,942,000	-3%
2019/2020	1,292,109,000	64,402,000	1,356,511,000	-22%

DIRECT PREMIUM CLAIMS (In EGP)

Financial Year	Non-Life Claims	Life Claims	Total Market Claims	Growth Rate %
2015/2016	4,847,504,000	5,440,616,000	10,288,120,000	23%
2016/2017	5,090,447,000	7,036,763,000	12,127,210,000	18%
2017/2018	6,462,832,000	7,640,387,000	14,103,219,000	16%
2018/2019	8,548,442,000	8,349,095,000	16,897,537,000	20%
2019/2020	8,233,155,000	9,701,730,000	17,934,885,000	6%



EGYPTIAN INSURANCE COMPANIES RESULTS IN 2020: RANKING PER WP

Figures In EGP thousands

R	Company		WP 2020	WP 2019	Assets 2020	Assets 2019	SHE 2020	SHE 2019	Net Profit 2020	Net Profit 2019	ROE 2020 (%)
1	Misr Insurance Co.	NL	8,126,842	7,370,728	32,840,766	33,530,578	14,387,159	16,285,227	2,234,626	2,212,971	16%
2	Misr Life Insurance Co.	L	4,961,503	4,403,427	31,935,593	31,483,869	6,506,712	8,243,218	1,559,463	1,310,861	24%
3	Allianz Life Egypt	L	4,216,677	3,120,291	12,930,210	10,737,690	1,404,514	1,049,601	510,502	344,213	36%
4	MetLife Egypt	L	3,685,876	2,854,613	8,215,740	6,605,985	1,005,454	751,129	650,109	461,640	65%
5	AXA Life Egypt (ex CIL)	L	2,529,557	2,000,233	8,636,736	7,054,200	746,062	679,725	373,262	280,560	50%
6	AXA Egypt	NL	1,567,214	1,046,573	1,974,895	1,185,474	301,473	229,820	80,611	4,006	27%
7	GIG Egypt	NL	1,311,406	1,108,091	1,824,086	1,606,896	671,669	603,068	164,450	181,652	24%
8	Allianz Egypt	NL	1,137,158	880,536	1,803,478	1,466,365	488,267	381,312	138,895	91,643	28%
9	Bupa Egypt	NL	1,100,640	1,085,563	2,203,483	1,925,192	635,339	629,777	34,293	24,669	5%
10	Suez Canal Ins.	NL	993,730	998,200	1,737,458	1,629,727	276,037	269,658	45,441	59,633	16%
11	Orient Takaful Ins. Co.	NL	969,701	835,061	1,756,109	1,573,087	563,915	439,850	135,176	99,903	24%
12	Egyptian Takaful Ins. Co.	NL	944,387	808,394	2,405,603	1,612,903	502,488	399,293	146,668	144,005	29%
13	QNB ALAHLI	L	735,854	671,582	3,775,123	3,114,934	728,531	642,126	232,668	198,079	32%
14	Egyptian Family Takaful Co.	L	632,883	657,969	957,985	803,146	248,270	219,334	25,401	8,725	10%
15	Royal Ins. Co.	NL	602,036	544,612	1,217,123	1,091,264	264,314	246,753	89,245	77,425	34%
16	Delta Ins.	NL	597,190	434,185	1,035,682	805,241	469,878	376,182	109,418	88,233	23%
17	Suez Canal Life Co.	L	560,355	603,920	1,564,663	1,464,922	160,646	130,603	57,829	49,246	36%
18	Wethaq Takaful Ins. Co.	NL	516,442	401,154	989,912	836,031	272,887	215,624	65,874	52,059	24%
19	Mohandes Ins.	NL	499,448	500,017	1,053,732	997,828	353,548	319,790	112,287	92,218	32%
20	Egyptian Saudi Ins. House	NL	438,498	376,866	987,696	860,368	280,986	276,330	32,768	(17,084)	12%
21	Lebano Swiss Family Takaful Co.	L	255,706	206,898	219,103	158,907	63,078	43,083	1,385	(6,840)	2%
22	CHUBB Life Egypt	L	242,958	252,453	743,551	622,732	183,196	148,345	51,641	46,556	28%
23	Delta Life Co.	L	241,067	216,429	1,441,736	1,230,921	224,512	159,929	70,225	45,632	31%
24	AIG Egypt	NL	238,415	231,474	864,880	823,292	333,420	286,101	47,320	46,212	14%
25	Iskan Ins. Co	NL	216,285	319,745	454,833	468,789	170,465	140,245	43,674	32,003	26%
26	Cooperative Ins. Society	NL	203,313	193,568	541,838	425,924	155,103	69,707	6,655	21,065	4%
27	Misr Takaful Ins. Co.	NL	194,756	211,928	278,025	244,144	144,497	135,207	9,290	15,207	6%
28	Tokio Marine G. Takaful	NL	189,999	191,493	482,825	450,879	167,898	141,485	26,106	17,637	16%
29	Arope Egypt	NL	161,725	187,027	455,358	413,110	254,681	218,018	40,278	23,603	16%
30	Tharwa Takaful	NL	158,764	19,786	205,358	71,618	102,921	50,485	2,417	485	2%
31	Egyptian Emirates Family Takaful	L	147,046	106,799	358,065	173,476	61,143	47,106	13,818	2,462	23%
32	Mohandes Life Co.	L	91,077	106,105	1,081,515	1,051,861	270,887	247,082	74,683	87,681	28%
33	Arope Egypt	L	74,454	61,667	239,508	205,980	101,101	94,737	9,358	8,361	9%
34	CHUBB Egypt	NL	63,087	71,165	403,908	329,712	241,584	231,390	10,194	5,130	4%
35	Tharwa life	L	58,763	3,155	141,903	65,896	105,643	60,523	5,843	3,043	6%
36	Tokio Marine Family Takaful	L	42,292	42,293	265,706	274,560	109,312	127,076	(17,367)	(12,039)	-16%
37	Medgulf Insurance Co.	NL	33,876	237,617	113,418	193,032	41,780	41,939	(159)	(8,078)	0%
38	Egyptian Export Credit	NL	25,498	9,012	510,392	501,685	385,792	384,997	48,741	56,011	13%
39	United Ins. Co	NL	-	49,784	-	46,792	-	(74,168)	-	(12,638)	0%
TOTAL MARKET			38,766,477	33,420,414	128,647,993	118,139,010	33,385,163	34,941,707	7,243,088	6,136,150	

L= Life, NL= Non-Life | WP= Written Premiums | SHE= Shareholders' Equity | ROE= Return on E Equity

Source: FRA

EGYPTIAN INSURANCE COMPANIES RESULTS IN 2020: RANKING PER ASSETS

Figures In EGP thousands

Rank	Company		Assets 2020	Assets 2019
1	Misr Insurance Co.	NL	32,840,766	33,530,578
2	Misr Life Insurance Co.	L	31,935,593	31,483,869
3	Allianz Life Egypt	L	12,930,210	10,737,690
4	AXA Life Egypt (ex CIL)	L	8,636,736	7,054,200
5	MetLife Egypt	L	8,215,740	6,605,985
6	QNB ALAHLY	L	3,775,123	3,114,934
7	Egyptian Takaful Ins. Co.	NL	2,405,603	1,612,903
8	Bupa Egypt	NL	2,203,483	1,925,192
9	AXA Egypt	NL	1,974,895	1,185,474
10	GIG Egypt	NL	1,824,086	1,606,896
11	Allianz Egypt	NL	1,803,478	1,466,365
12	Orient Takaful Ins. Co.	NL	1,756,109	1,573,087
13	Suez Canal Ins.	NL	1,737,458	1,629,727
14	Suez Canal Life Co.	L	1,564,663	1,464,922
15	Delta Life Co.	L	1,441,736	1,230,921
16	Royal Ins. Co.	NL	1,217,123	1,091,264
17	Mohandes Life Co.	L	1,081,515	1,051,861
18	Mohandes Ins.	NL	1,053,732	997,828
19	Delta Ins.	NL	1,035,682	805,241
20	Wethaq Takaful Ins. Co.	NL	989,912	836,031
21	Egyptian Saudi Ins. House	NL	987,696	860,368
22	Egyptian Family Takaful Co.	L	957,985	803,146
23	AIG Egypt	NL	864,880	823,292
24	CHUBB Life Egypt	L	743,551	622,732
25	Cooperative Ins. Society	NL	541,838	425,924
26	Egyptian Export Credit	NL	510,392	501,685
27	Tokio Marine G. Takaful	NL	482,825	450,879
28	Arope Egypt	NL	455,358	413,110
29	Iskan Ins. Co	NL	454,833	468,789
30	CHUBB Egypt	NL	403,908	329,712
31	Egyptian Emirates Family Takaful	L	358,065	173,476
32	Misr Takaful Ins. Co.	NL	278,025	244,144
33	Tokio Marine Family Takaful	L	265,706	274,560
34	Arope Egypt	L	239,508	205,980
35	Lebano Swiss Family Takaful Co.	L	219,103	158,907
36	Tharwa Takaful	NL	205,358	71,618
37	Tharwa life	L	141,903	65,896
38	Medgulf Insurance Co.	NL	113,418	193,032
39	United Ins. Co	NL	-	46,792
TOTAL MARKET ASSETS			128,647,993	118,139,010

EGYPTIAN INSURANCE COMPANIES RESULTS IN 2020: RANKING PER NET PROFIT

Figures In EGP thousands

Rank	Company	Type	Net Profit 2020	Net Profit 2019
1	Misir Insurance Co.	NL	2,234,626	2,212,971
2	Misir Life Insurance Co.	L	1,559,463	1,310,861
3	MetLife Egypt	L	650,109	461,640
4	Allianz Life Egypt	L	510,502	344,213
5	AXA Life Egypt (ex CIL)	L	373,262	280,560
6	QNB ALAHLI	L	232,668	198,079
7	GIG Egypt	NL	164,450	181,652
8	Egyptian Takaful Ins. Co.	NL	146,668	144,005
9	Allianz Egypt	NL	138,895	91,643
10	Orient Takaful Ins. Co.	NL	135,176	99,903
11	Mohandes Ins.	NL	112,287	92,218
12	Delta Ins.	NL	109,418	88,233
13	Royal Ins. Co.	NL	89,245	77,425
14	AXA Egypt	NL	80,611	4,006
15	Mohandes Life Co.	L	74,683	87,681
16	Delta Life Co.	L	70,225	45,632
17	Wethaq Takaful Ins. Co.	NL	65,874	52,059
18	Suez Canal Life Co.	L	57,829	49,246
19	CHUBB Life Egypt	L	51,641	46,556
20	Egyptian Export Credit	NL	48,741	56,011
21	AIG Egypt	NL	47,320	46,212
22	Suez Canal Ins.	NL	45,441	59,633
23	Iskan Ins. Co	NL	43,674	32,003
24	Arope Egypt	NL	40,278	23,603
25	Bupa Egypt	NL	34,293	24,669
26	Egyptian Saudi Ins. House	NL	32,768	(17,084)
27	Tokio Marine G. Takaful	NL	26,106	17,637
28	Egyptian Family Takaful Co.	L	25,401	8,725
29	Egyptian Emirates Family Takaful	L	13,818	2,462
30	CHUBB Egypt	NL	10,194	5,130
31	Arope Egypt	L	9,358	8,361
32	Misir Takaful Ins. Co.	NL	9,290	15,207
33	Cooperative Ins. Society	NL	6,655	21,065
34	Tharwa life	L	5,843	3,043
35	Tharwa Takaful	NL	2,417	485
36	Lebano Swiss Family Takaful Co.	L	1,385	(6,840)
37	Medgulf Insurance Co.	NL	(159)	(8,078)
38	Tokio Marine Family Takaful	L	(17,367)	(12,039)
39	United Ins. Co	NL	-	(12,638)
TOTAL MARKET NET PROFITS			7,243,088	6,136,150

According to data published by the Financial Regulatory Authority (FRA), the Egyptian insurance market recorded a 14.2% increase in turnover during the 2019/2020 fiscal year ending 30 June 2020.

Premium volume jumped from 33.5 billion EGP as at 30 June 2019 to 40 billion EGP a year later.

The total value of paid claims from insurance companies at the end of fiscal year (FY) 2019/2020 continued to rise, reaching EGP 18bn, compared to EGP 17bn in the previous FY, reflecting an increase of about 3%.

The net assets of all insurers in the country amounted to 128.6 billion EGP as at 30 June 2020 against 118.2 billion EGP a year earlier.

The total value of insurance market policyholders' rights increased at the end of FY 2019/20, to EGP 77.2bn, compared to EGP 69bn in the previous FY, reflecting an increase of about 12%.

The total value of insurance companies' investments at the end of FY 2019/20 increased to reach EGP 107.8bn compared to EGP 102bn at the end of the previous year, an increase of about 5.7%.

The estimated value of private insurance fund investments amounted to about EGP 83.4bn at the end of FY 2019/20, compared to EGP 75.8bn at the end of the previous year, reflecting a growth rate of 10%.

The State-owned general insurer Misr Insurance commanded a 20% share of total premiums in the Egyptian market in 2020. Its sister company Misr Life Insurance acquired a market share of 13%. Thus, State-owned companies acquired about 33% of total premiums. This proportion was lower than in previous years as newcomers entered the sector.

The market share of Allianz Life Assurance-Egypt amounted to about 11.98% of total market premiums during 2020, ranking the insurer third in the sector. This figure was the highest among privately-held insurers.

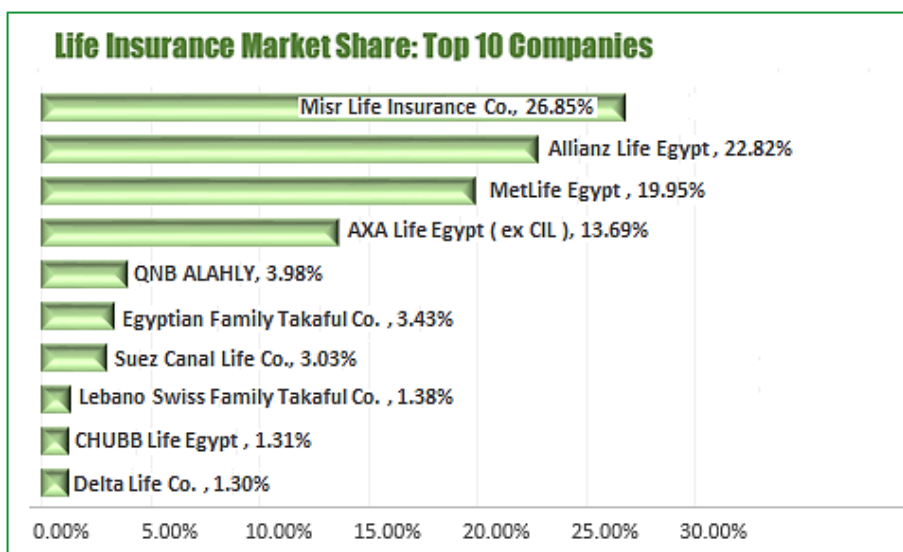
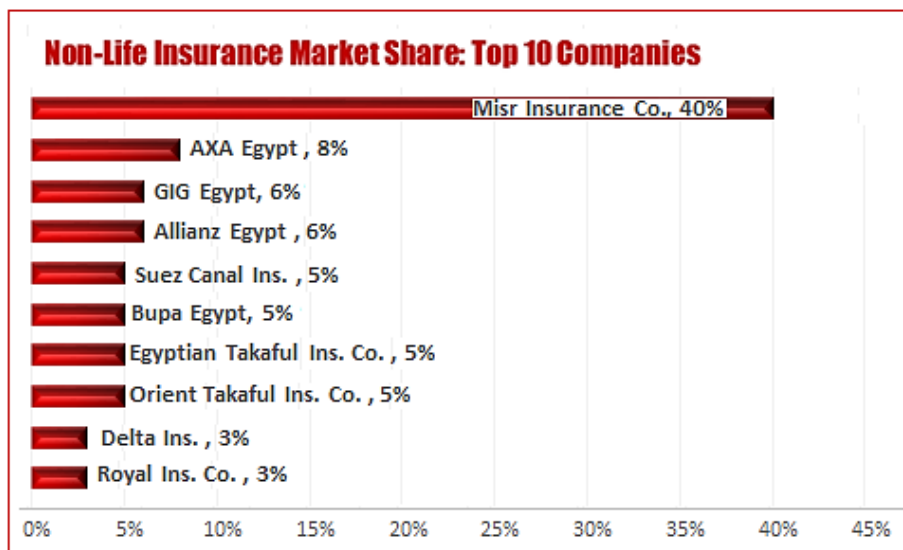
MetLife Alico Life Insurance ranked fourth in the overall market and second in the private sector, with a contribution rate of 8.09% in 2020..

The market share of AXA Life Insurance-Egypt was about 6.99% during 2020, making it the fifth biggest insurer overall and third in the private sector. Its sister company AXA Insurance-Egypt came in sixth in the overall market and fourth among privately held insurers with a share of 4.48%.

The remaining market share of 37.3% was divided among privately held insurers, each with a contribution of less than 3%.

As regarding the total premiums **concentration** in the end of FY 2020; the top 5 companies in the overall market represent 60.7%, and the top 10 companies represent 76.5% at the end of the previous year

At the level of **distribution channels, Insurance brokers** in Egypt contribute 50% of the total premium income of the insurance sector, playing a pivotal market role.



EGYPTIAN INSURANCE MARKET: GLOBAL AND REGIONAL POSITION

Globally, Egypt ranks No. 57 among global insurance market in terms of premiums in 2020 with share of world 0.04%, according to the latest sigma report from Swiss Re.

At the level of Africa, Egypt ranks No. 3 among insurance markets in Africa in terms of premiums in 2020 but came in No.8 in terms of insurance penetration, according to the latest sigma report from Swiss Re.

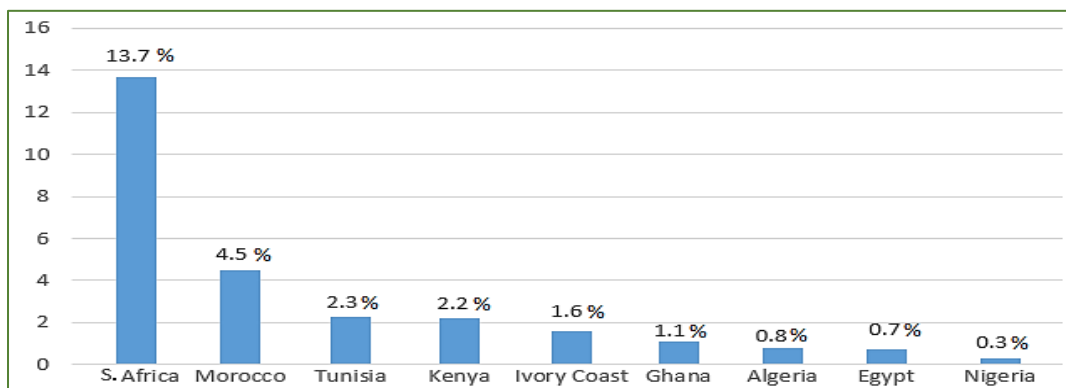
The following table shows the premium volume of the top 9 insurance markets in Africa as is presented in the sigma report .

World Ranking		Country	Premium in US\$ mn		Change %		Share of world %	
2020	2019		2020	2019	2020/2019	Inflation-adjusted	2020	2019
19	19	South Africa	*40,635	*46,421	-12.5	-3.4	0.65	0.65
49	50	Morocco	**5,080	4,646	9.3	7.3	0.08	0.07
57	61	Egypt	*2,390	1,899	25.9	8.8	0.04	0.03
58	58	Kenya	+ 2,199	2,235	-1.6	-2.5	0.03	0.04
72	66	Nigeria	+ 1,213	1,565	-22.5	-14.8	0.02	0.03
75	73	Algeria	**1,065	1,248	-14.7	-11.3	0.02	0.02
81	84	Tunisia	**900	817	10.1	-0.1	0.01	0.01
85	87	Ghana	*759	673	12.7	10.0	0.01	-
87	88	Ivory Coast	**685	663	3.4	-	0.01	-
		World	6,287,044	6,284,360	0.0	-1.3	100%	100%

Insurance Penetration (premiums as a % of GDP in 2020)

The following table shows the insurance penetration rate in the top 9 markets in Africa listed in the sigma report for 2020:

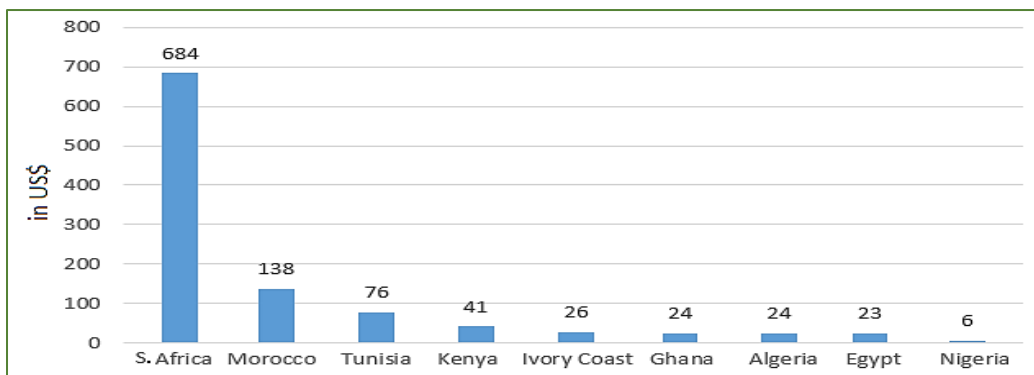
World Ranking		Country	Insurance Penetration 2020		2020	2019	
2020	2019		Life %	Non-life %	Total %		
4	4	South Africa	11.2 *	2.5 *	13.7 *	13.4 **	Key: + provisional * estimated ** estimated US\$ value assuming constant insurance penetration Source: World insurance reports 2020, 2019, Swiss Re
34	41	Morocco	2.0 **	2.5 **	4.5 **	3.9 **	
55	60	Tunisia	0.5 **	1.8 **	2.3 *	2.2 **	
57	55	Kenya	1.0 +	1.2 +	2.2 +	2.3 +	
69	-	Ivory Coast	0.7 **	0.9 **	1.6 **	--	
78	-	Ghana	0.5 +	0.6 *	1.1 *	--	
82	80	Algeria	0.1 **	0.7 **	0.8 **	0.7 **	
85	84	Egypt	0.3 *	0.4 *	0.7 *	0.6	
88	87	Nigeria	0.2 *	0.1 *	0.3 *	0.3 *	
		World	3.3%	4.1%	7.4%	7.2%	



Insurance Density (premiums per capita)

The following table shows the insurance density in the top 9 markets in Africa listed in the sigma report:

World Ranking	Country	Insurance Density in US\$ 2020		2020 Total %	
		Life	Non-life		
34	South Africa	560 *	124 *	684 *	
65	Morocco	61 **	77 *	138 **	<u>Key:</u>
73	Tunisia	18 **	58 *	76 **	+ provisional
81	Kenya	18 +	23 +	41 +	* estimated
82	Ivory Coast	11 **	15 **	26 **	** estimated US\$ value assuming constant insurance penetration
83	Ghana	12 +	13 *	24 *	
84	Algeria	2 **	22 **	24 **	<u>Source:</u>
85	Egypt	11 *	13 *	23 *	World insurance reports 2020, 2019, Swiss Re
88	Nigeria	3 *	3 *	6 *	
	World	360	449	809	



OUTLOOK

Despite numerous challenges facing the industry, the fundamentals of the sector support a positive outlook for long-term expansion. The IFE estimates that there is an insurance protection gap of approximately \$2.8bn in the Egyptian market. The organization proposes reducing this figure by promoting coverage in three areas, namely agricultural insurance, micro-insurance and government asset insurance. Fitch Ratings anticipates an average per annum expansion for the life and non-life segments of 5.5% and 9.9%, respectively, through to 2024. With premium as a percentage of GDP below 1% and a regulatory shift towards greater insurance penetration and wider financial inclusion, Egypt's insurance industry is well positioned.

