

## HALF YEAR 2016 EARNINGS



التعاونية Tawuniya

Investor Presentation  
1H - 2016



# Agenda

## I. Business Overview

Vishal Srivastava

## II. KSA Insurance Market

Jad Katra

## III. Tawuniya Market Strategy

Jad Katra

## IV. 1H 2016 Company Financials

Amr Al-Nemari – Business

Vishal Srivastava – Investment

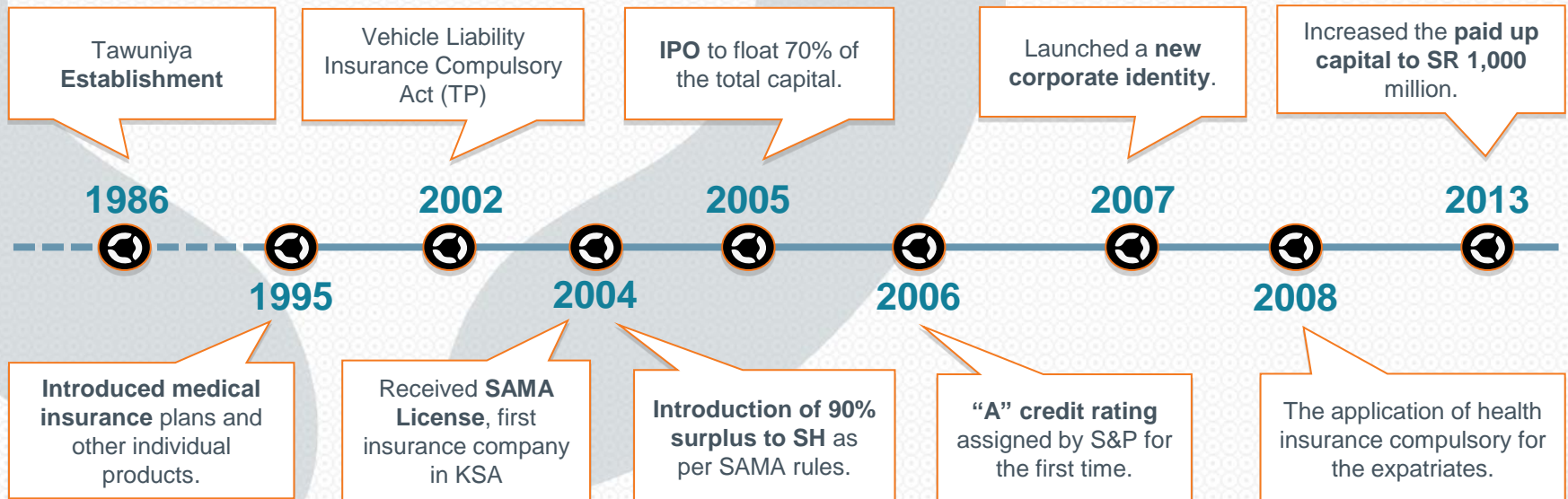
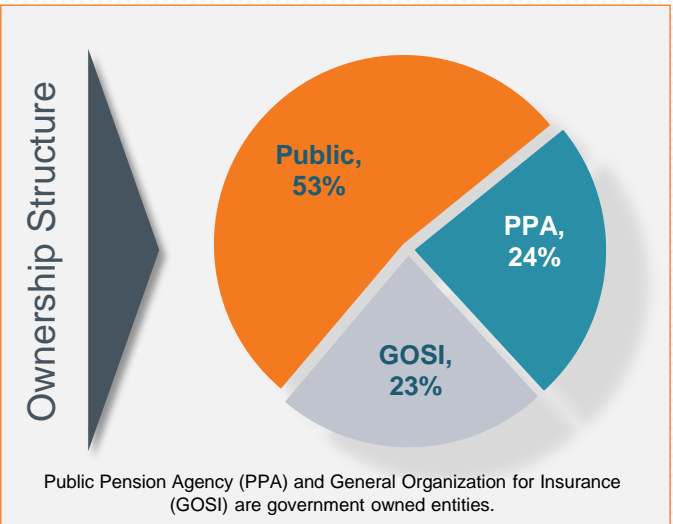
# I. Business Overview

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# The Company For Cooperative Insurance

- One of the **leading Insurance company** in the Kingdom
- Headquartered in **Riyadh, KSA**
- **Significant presence** across all regions in KSA
- **Multiple distribution channels and products**
- Strategic Business Units: **Health, Motor, Property & Casualty and Investments**
- Witnessed **highest growth in paid-up capital** (SR250m in 1987 to SR1,000 in 2013)



# Market Leading Insurer

## Operating Segments



### Medical & Takaful

- Balsam
- My Family
- Group Medical
- Group Takaful



### Motor Insurance

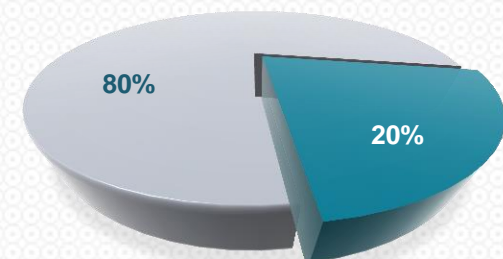
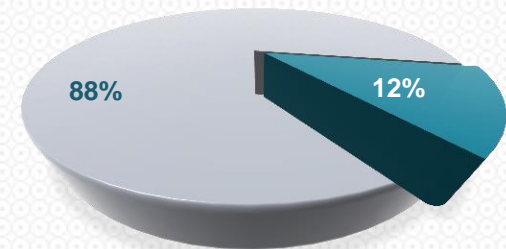
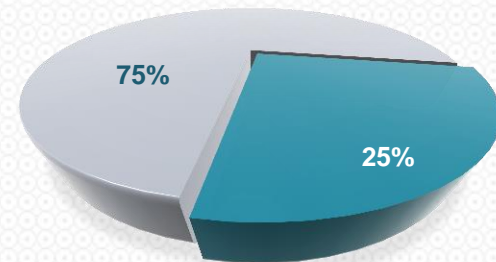
- Al-Shamel
- Sanad
- Sanad Plus
- Rukhsa



### Property & Casualty

- Engineering
- Fire & Property
- Marine
- Aviation
- Energy

## Market Share\*




■ Tawuniya Market Share ■ Others Market Share

\*As of 31-Dec-2015



# Top Rated in the Region by S&P



	KSA	Kuwait	Bahrain	UAE	Qatar	Oman
<b>A</b>				❖ Arab Orient	❖ QIC	
<b>A-</b>	 Tawuniya	❖ Al-Ahleia	❖ Hannover Re	❖ ADNOC ❖ Oman	❖ Doha insurance	
<b>BBB+</b>	❖ Saudi Re ❖ Malath ❖ Medgulf	❖ Gulf Insurance	❖ Trust	❖ Salama ❖ National General Ins. ❖ Al Buhaira		
<b>BBB</b>	❖ Wataniya		❖ Bahrain National ❖ Bahrain Kuwait ❖ Takaful Int'l	❖ Takaful Re	❖ Ins. & Reins	❖ Oman United
<b>BBB-</b>						

# Major Clients





# Reinsurance Partners

**Munich Re** is rated “AA-” by S&P



**Swiss Re** is rated “AA-” by S&P



**SCOR Global P&C** is rated “A+” by S&P



**LLOYD's** is rated “A+” by S&P



**MAPFRE** is rated “BBB+” by S&P



**CCR** is rated “AAA” by S&P



**Transatlantic Re** is rated “A+” by AM Best





## II. KSA Insurance Market

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# Evolving Business Environment for Insurers

- Regulations have **positively impacted** the overall market performance
- Several small **insurers are struggling to maintain adequate solvency/capital margins**
  - => Ease of re-capitalization is no longer being supported by the regulator
- **Stern price competition** among large insurers is still present
- Motor **Third Party insurance penetration is still low** but expected to increase with strong regulatory enforcement.
- Future growth to come from **introduction of innovative new products, expansion of compulsory insurance, and increase in awareness.**

Market	1H 2016	1H 2015	Variance
GWP	20,769.1	19,362.7	7%
Incurred Claims	12,241.8	10,408.3	18%
Net Income	839.7	323.6	160%
Loss-making Companies	9	11	Out of 34

## Regulators

Ministry of Commerce and Investment  
Overall regulations



Saudi Arabia Monetary Agency  
Primary Operations



Cooperative Health Insurance  
Health Insurance Operations



Capital Market Authority (CMA)  
Listing and trading of shares





### III. Tawuniya Market Strategy

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# Long-term Strategic Pillars

Market  
Leadership

Profitability

Customer  
Centricity

**Constant endeavor to attain the optimal balance across all three strategic pillars**



# Multiple Sources of Competitive Advantage

## Brand/Balance sheet strength

- Recognized and trusted brand in the market
- Strong balance sheet with 'A-' S&P rating

## Strong network/connections in the market

- Market leadership position supported by high renewal rates on a consistent basis

## Large tied agency network

- Network of tied agents with wide reach across the Kingdom (27 agents)

## Strong coverage on all major product lines

- Complete offering across Medical, Motor and P&C

## Large talent pool & Databases

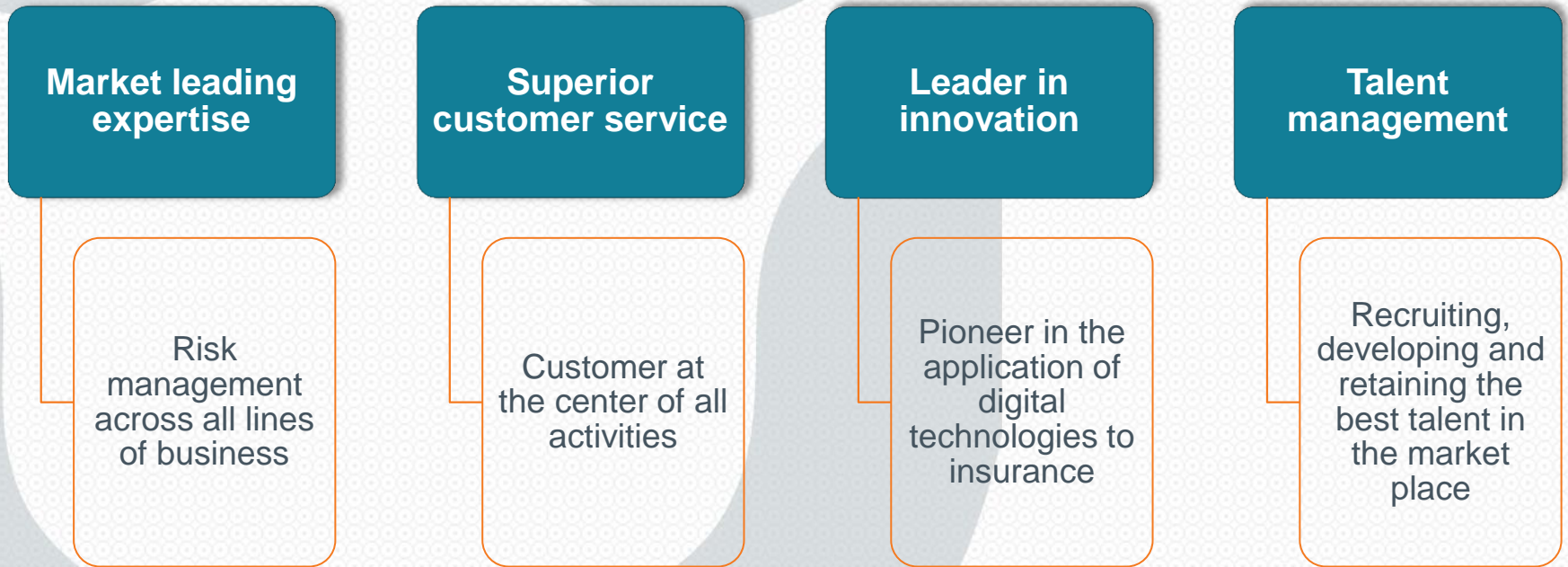
- Largest insurance talent pool in KSA
- Vast insurance data on market / market performance

## Scale advantage

- Scale advantage with providers (hospitals, repair shops...)
- Economies of scale in back office activities

**Our strengths allows us to act as industry pioneers while simultaneously adapting to changing market dynamics**

# Building Differentiated Capabilities



**Continuous development of our capabilities allow us to grow sustainably, while adhering to our long-term aspirations**

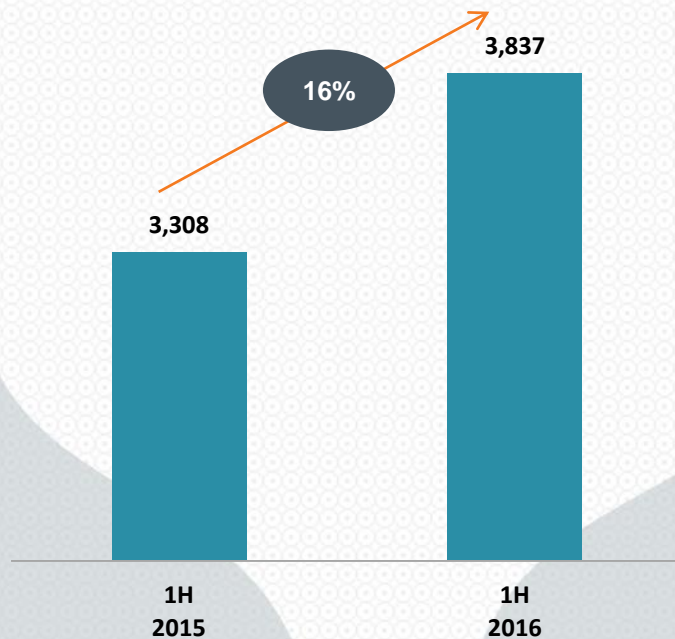


## IV. 1H 2016 Company Financials

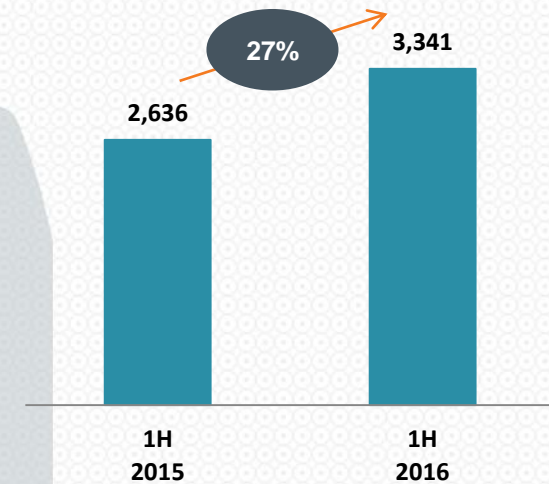
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# Decent Growth in Underwriting Revenues

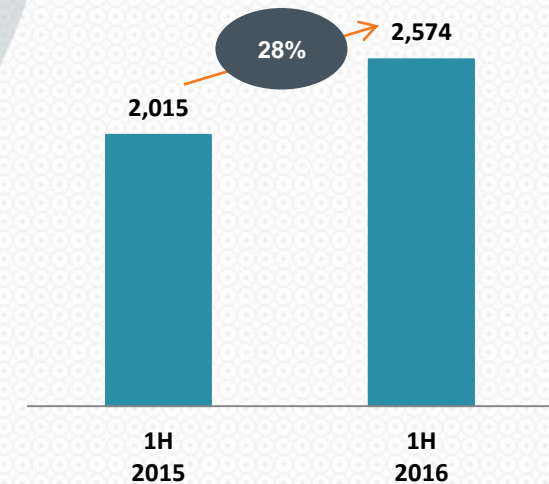
Gross Written Premiums (in SR millions)



Net Earned Premium (in SR millions)



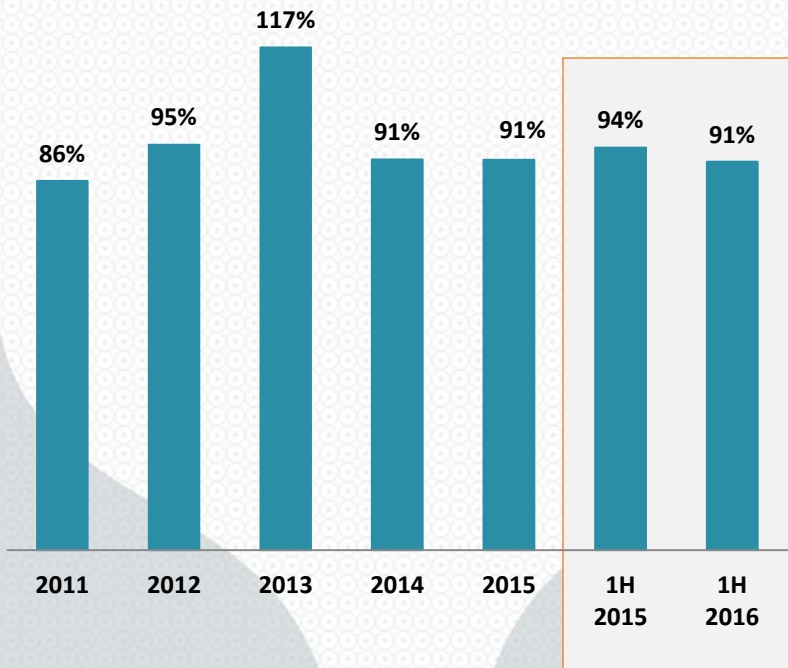
Net Claims Incurred (in SR millions)



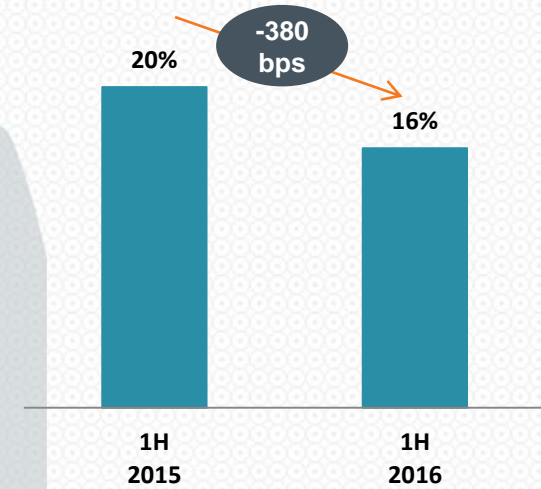


# Improved Operating Efficiency

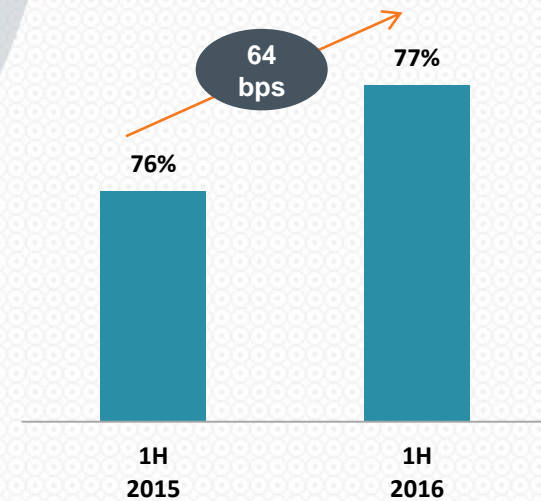
Combined Ratio (%)



Expense Ratio (%)

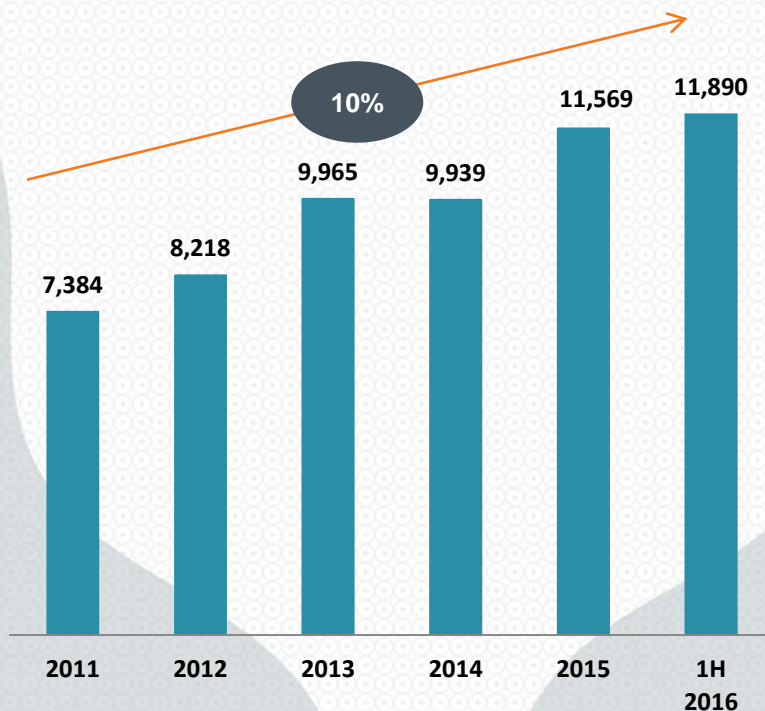


Loss Ratio (%)

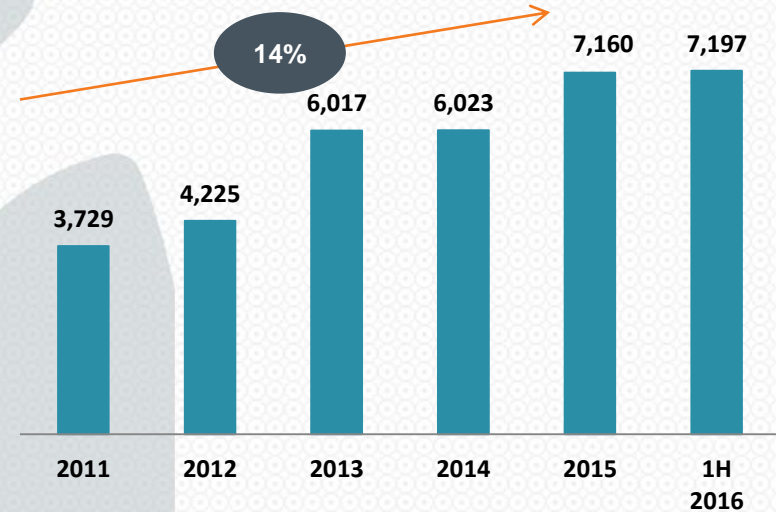


# Continued Growth in Assets/Reserves

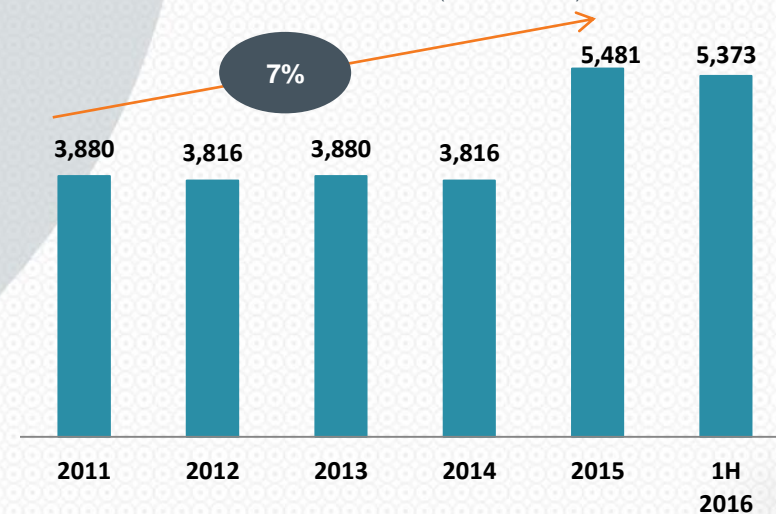
Total Assets (in SR millions)



Technical Reserves (in SR millions)



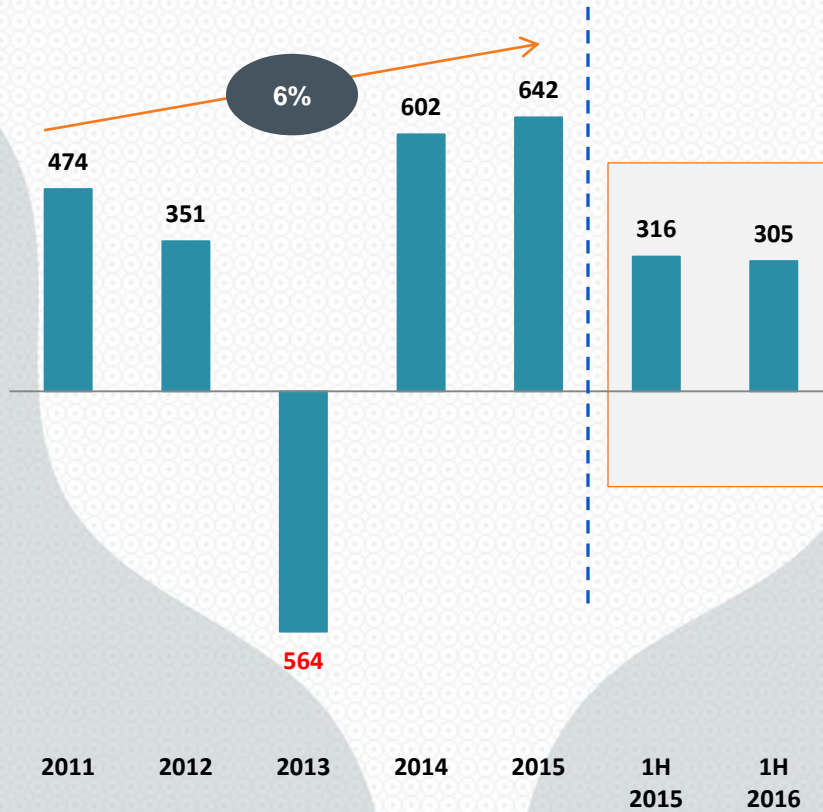
Total Investments (in SR millions)



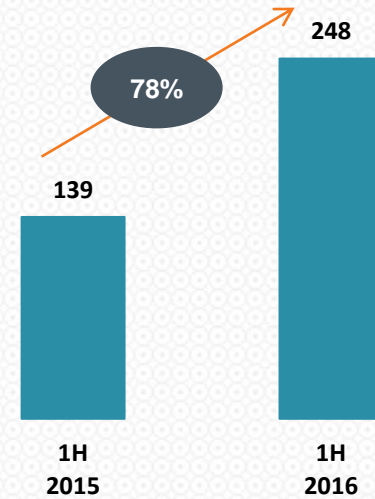


# Insurance Business Profits Grew Significantly

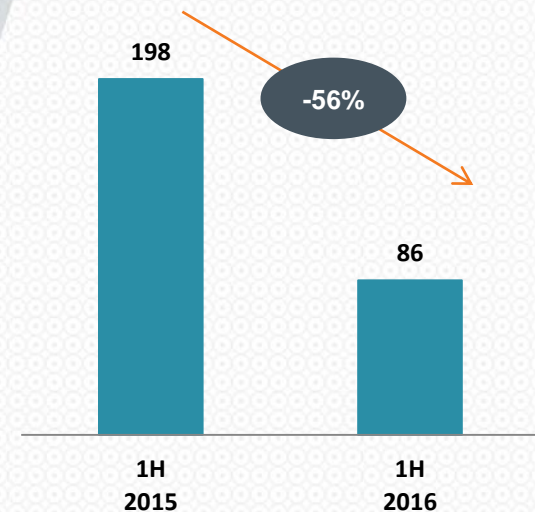
Net Income (in SR millions) "Before Zakat"



Underwriting Income (in SR millions)



Investment Income (in SR millions)



Q & A

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Thank You



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