

3rd QUARTER 2016 EARNINGS



التعاونية Tawuniya

Investor Presentation
3rd Quarter - 2016



Agenda

I. Company Overview

Vishal Srivastava

II. KSA Insurance Market

Jad Katra

III. Tawuniya Market Strategy

Jad Katra

IV. 9M 2016 Company Financials

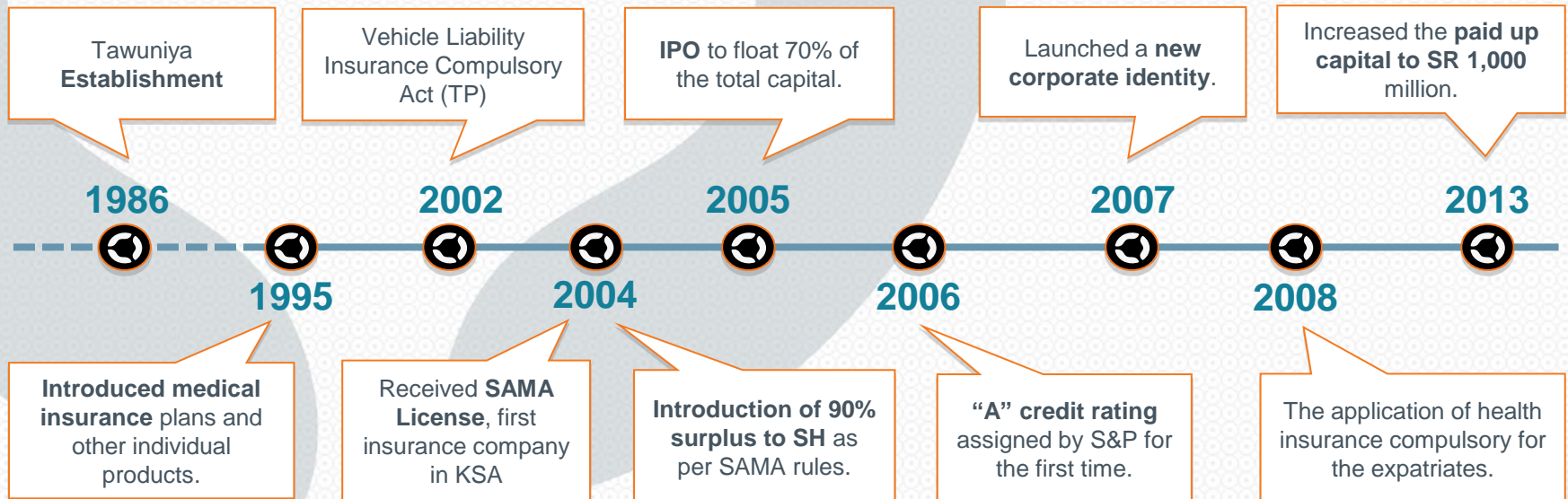
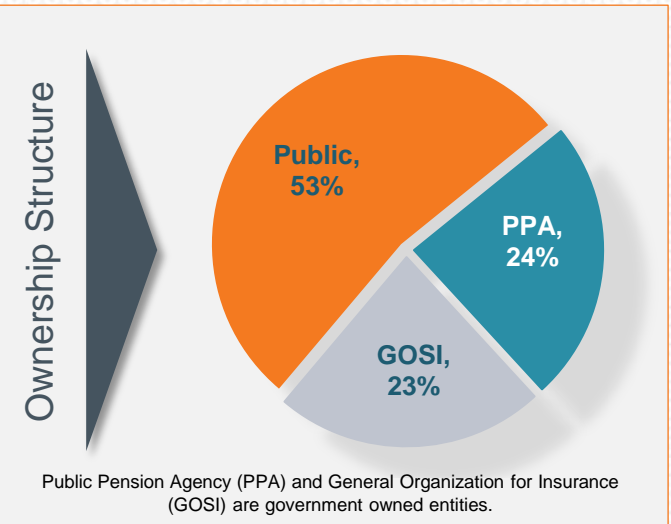
Amr Al-Nemari – Operations/Business

Vishal Srivastava – Investment

I. Company Overview

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



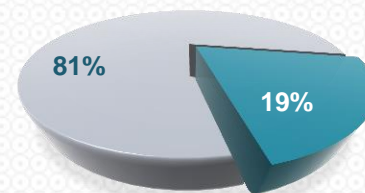
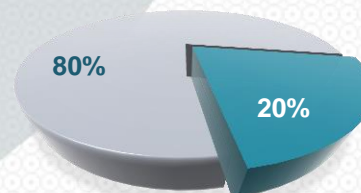
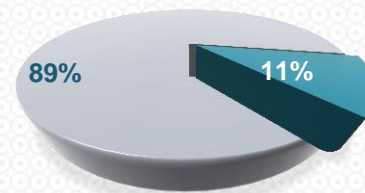
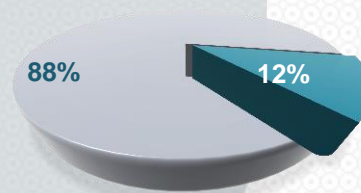
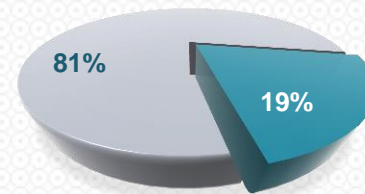
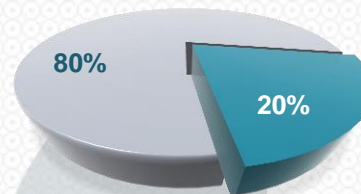
Property & Casualty

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

Market Share 2016 Vs. 2015*

2016

2015




■ Tawuniya Market Share ■ Others Market Share

*As of 9M, excluding Manafeth

Top Rated in the Region by S&P



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

Major Clients



SABIC, Petrorabigh, SAVOLA and NAS are clients on Non-Medical Lines

Reinsurance Partners

Munich Re is rated “AA-” by S&P



Swiss Re is rated “AA-” by S&P



SCOR Global P&C is rated “AA-” by S&P



LLOYD's is rated “A+” by S&P



MAPFRE is rated “A” by S&P



CCR is rated “AA” by S&P



Transatlantic Re is rated “A+” by AM Best



II. KSA Insurance Market

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	9M 2016	9M 2015	Variance
GWP	28,963.2	28,421.7	2%
Incurred Claims	17,745.2	15,531.6	14%
Net Income	1,729.7	866.0	100%
Loss-making Companies	7	12	Out of 34

Regulators

Ministry of Commerce and Investment (MCI)
Overall regulations



Saudi Arabia Monetary Agency
Primary Operations



Cooperative Health Insurance
Health Insurance Operations



Capital Market Authority (CMA)
Listing and trading of shares

هيئة السوق المالية
Capital Market Authority



III. Tawuniya Market Strategy

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

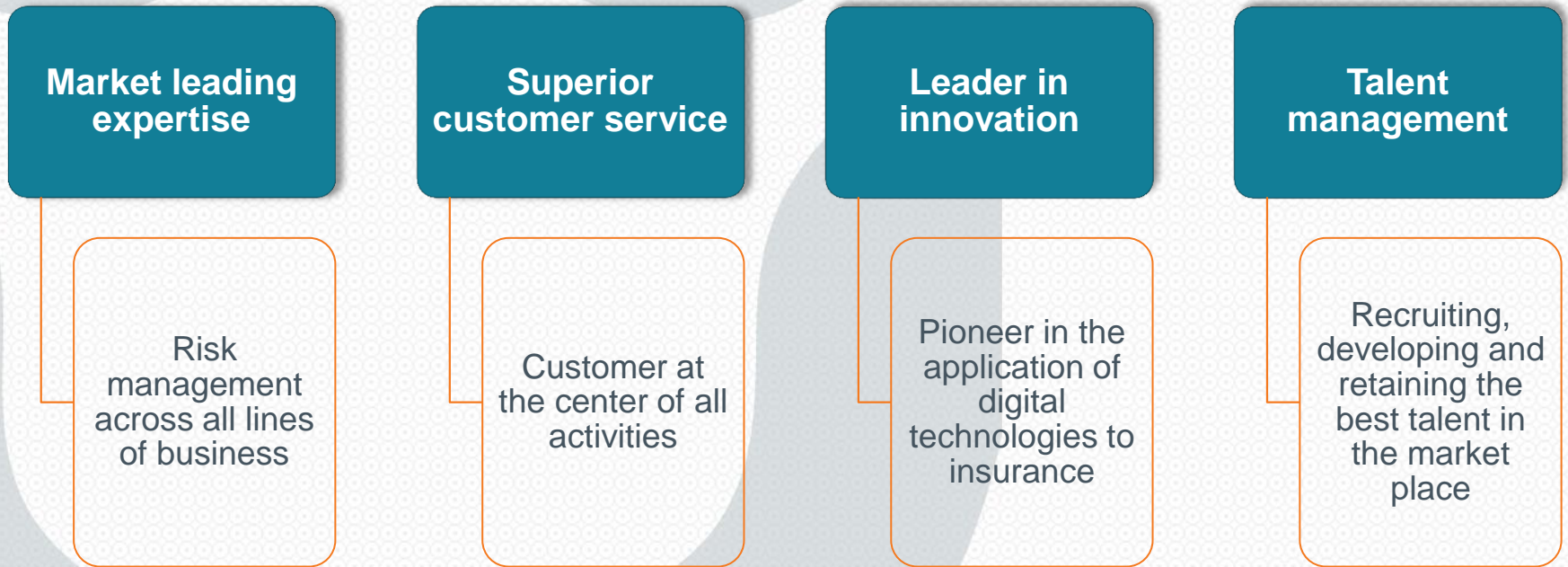
- Scale advantage with providers (hospitals, repair shops...)
- Economies of scale in back office activities

Online sales capabilities

- Online availability of all product lines (Sand, Travel Insurance. Etc.)
- Policy renewal, premium payments and claims follow-up done possible online

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

Building Differentiated Capabilities

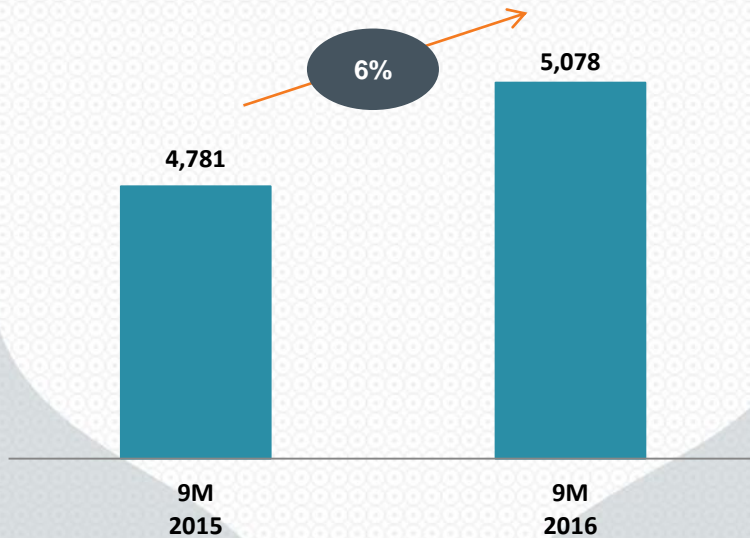


Continuous development of our capabilities allow us to grow sustainably, while adhering to our long-term aspirations

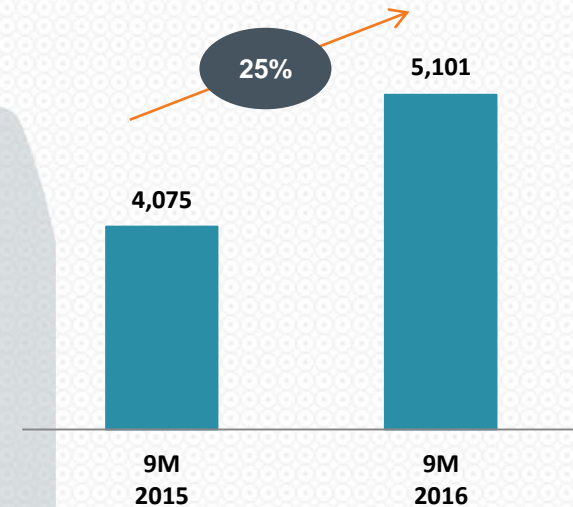
IV. 9M 2016 Company Financials

Decent Growth in Underwriting Revenues

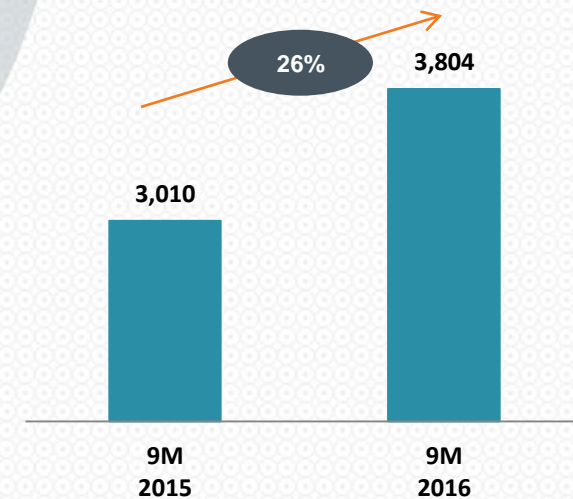
Gross Written Premiums (in SR millions)



Net Earned Premium (in SR millions)

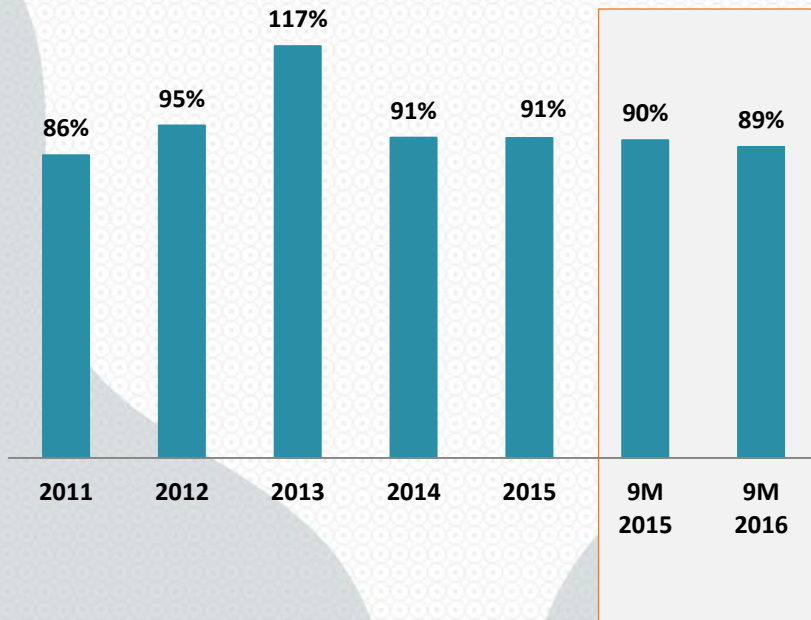


Net Claims Incurred (in SR millions)

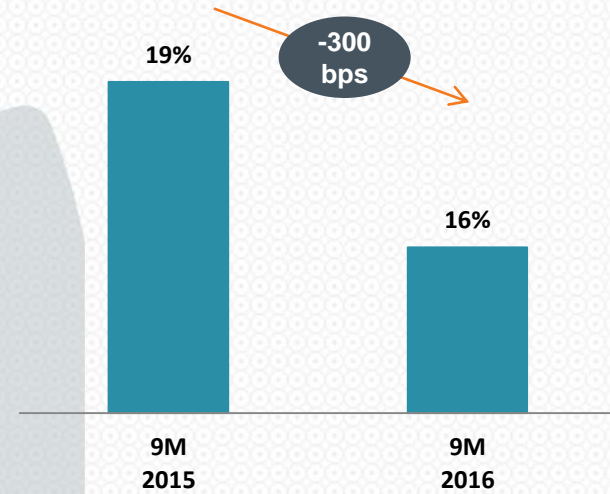


Improved Operating Efficiency

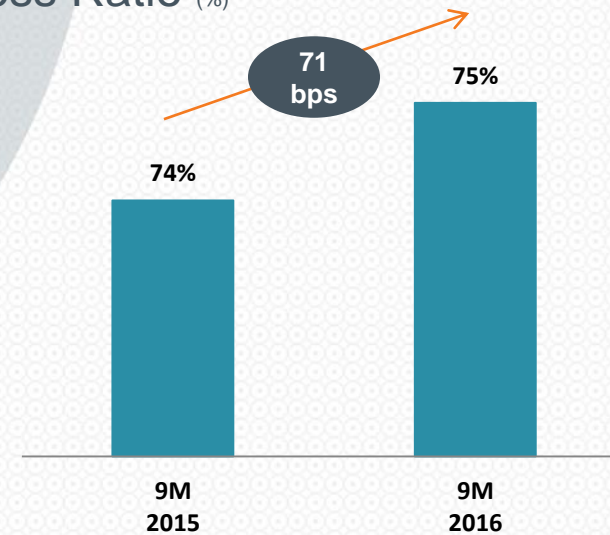
Combined Ratio (%)



Expense Ratio (%)

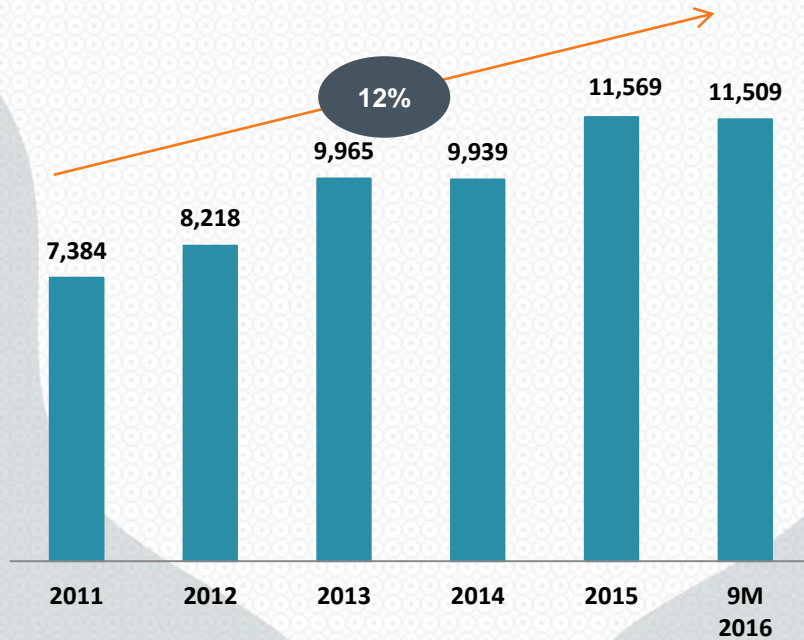


Loss Ratio (%)

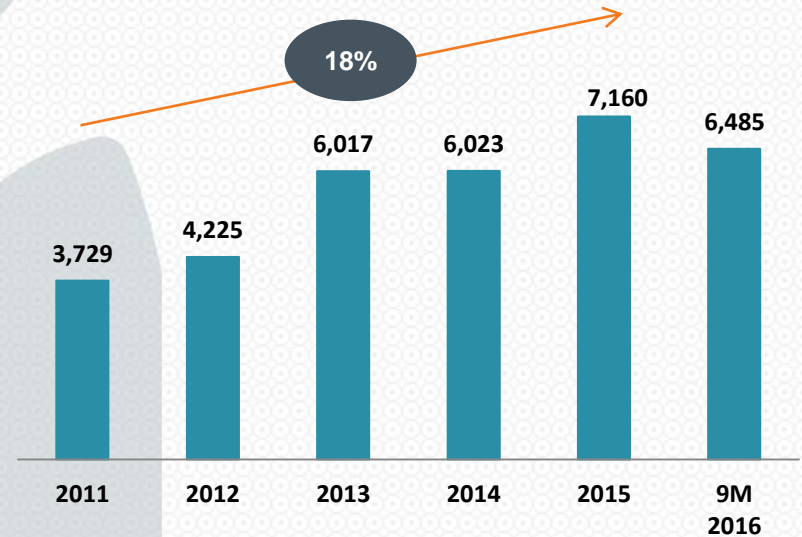


Strong Balance Sheet

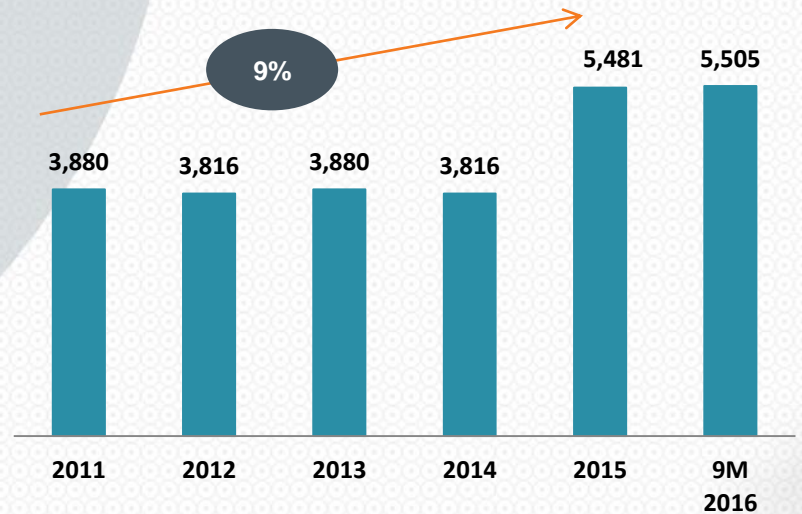
Total Assets (in SR millions)



Technical Reserves (in SR millions)

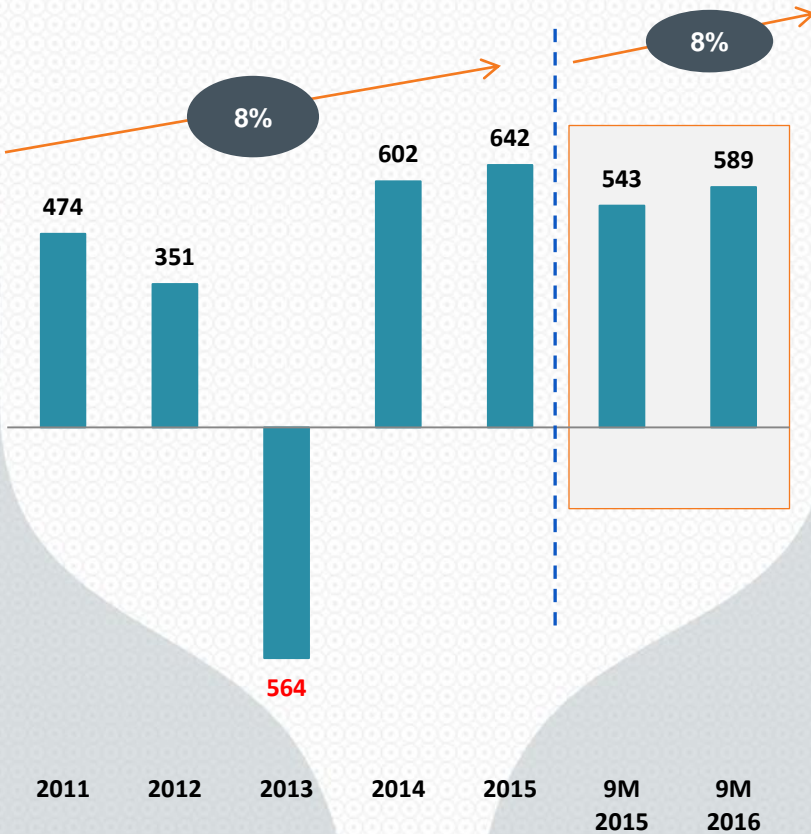


Total Investments (in SR millions)

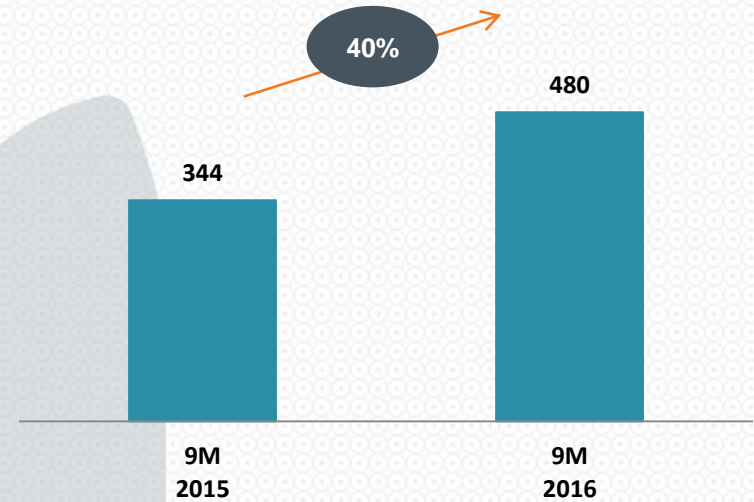


Strong Underwriting Business Performance

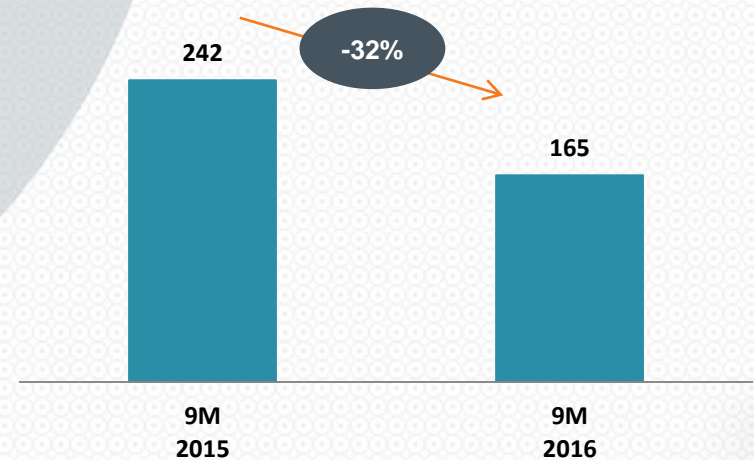
Net Income (in SR millions) "Before Zakat"



Underwriting Income (in SR millions)



Investment Income (in SR millions)



Q & A

Thank You



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