



EARNINGS CALL

Q3 2021



November 22, 2021



4:00 PM – 5:30 PM (KSA time)



90 Minutes

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& corporate performance

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KSA INSURANCE INDUSTRY



Market Update



MEDICAL



- CCHI plans to raise the number of beneficiaries to 30 million by 2030. It also aims to update the business standards of insurance companies and service providers. The council's interest is in considering the visions of insurance companies and service providers in order to improve performance and the level of service.
- Rapid increase in cost of healthcare (aka medical inflation), increase in elective treatment, over utilization of service. The increase in claims has become evidently noticeable.
- Article 11: we continue to observe very marginal impact so far.
- CCHI launched "nphies" platform to facilitate the exchange of health information for patients. It recently launched a unified coding system to enter patient information and seek immediate approval of insurer through a single portal. Health care providers and insurance companies will have instant access in real time. This will optimize the process for time efficiency and data control.
- CCHI in coordination with the Saudi Central Bank has launched a healthcare fund to cover expenses that exceed individuals' insurance coverage.
- SAMA announced the issuance of the Standard Insurance Policy of Medical Malpractice that will come into force as of January 1, 2022, to safeguard and protect policyholders. Taking into consideration, the legal requirement imposed on doctors and dentists according to Law of Practicing Healthcare Professions, which emphasizes obtaining insurance coverage against Medical Malpractice.

MOTOR



- 15 to 20% increase in motor claims mainly driven by increase in spare parts price inflation.
- Introduction of autonomous vehicle insurance expected soon to facilitate this product penetration in the market.
- The motor market has still experiencing negative growth.

P&C



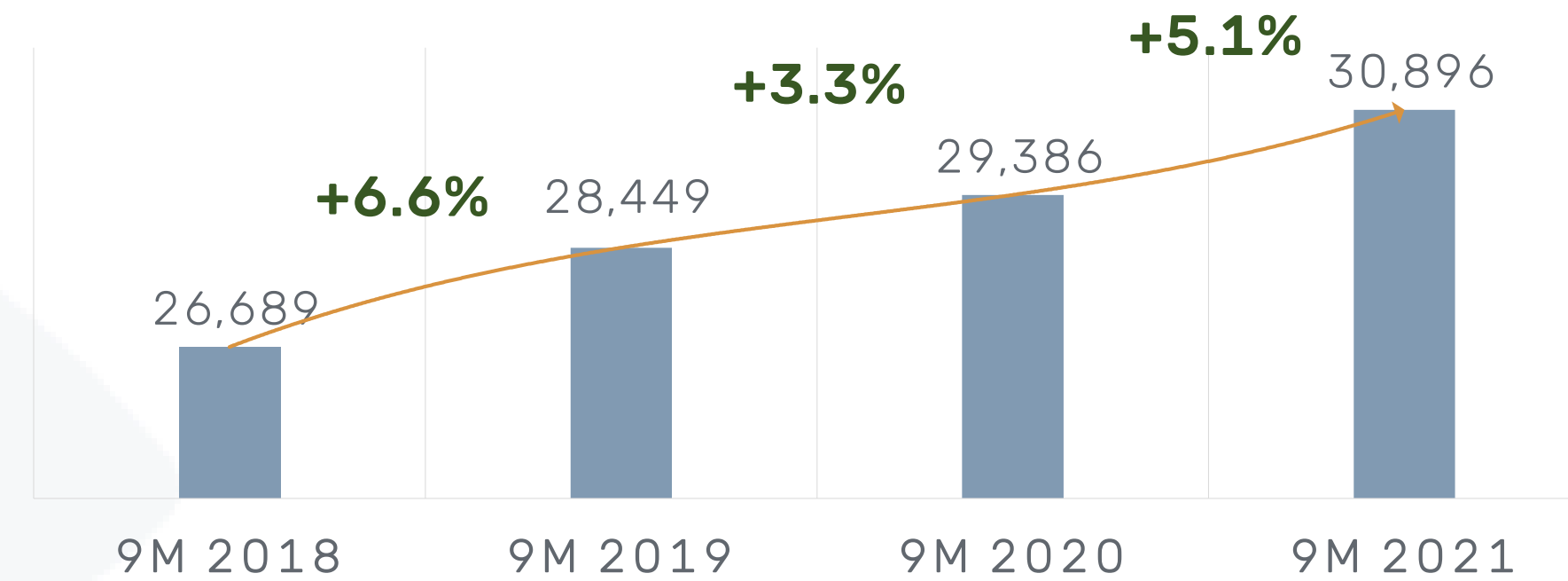
- Domestic helpers insurance mandate is expected to commence from Jan 1st, 2022 and will be mandated at kickoff for new comers only. Annual inflow is about 400K workers.
- Liability risk coverage regulation has been issued mandating coverage for large/high density gatherings (e.g. malls, events, stadiums, etc.). Positive impact magnitude is uncertain for the industry but should materialize around Q2 to Q3 next year.
- New announced projects: RIG (off-shore entertainment), NIDL (National Industrial Development & Logistics Program) , TRSDC (The Red Sea Development Company) hotels.
- Hajj and Umrah: 60,000 people were allowed for Hajj in 2021/1442 with COVID-19 protocol (45k international pilgrims, 15k local pilgrims) we hope the numbers rise for 1443 Hajj season.



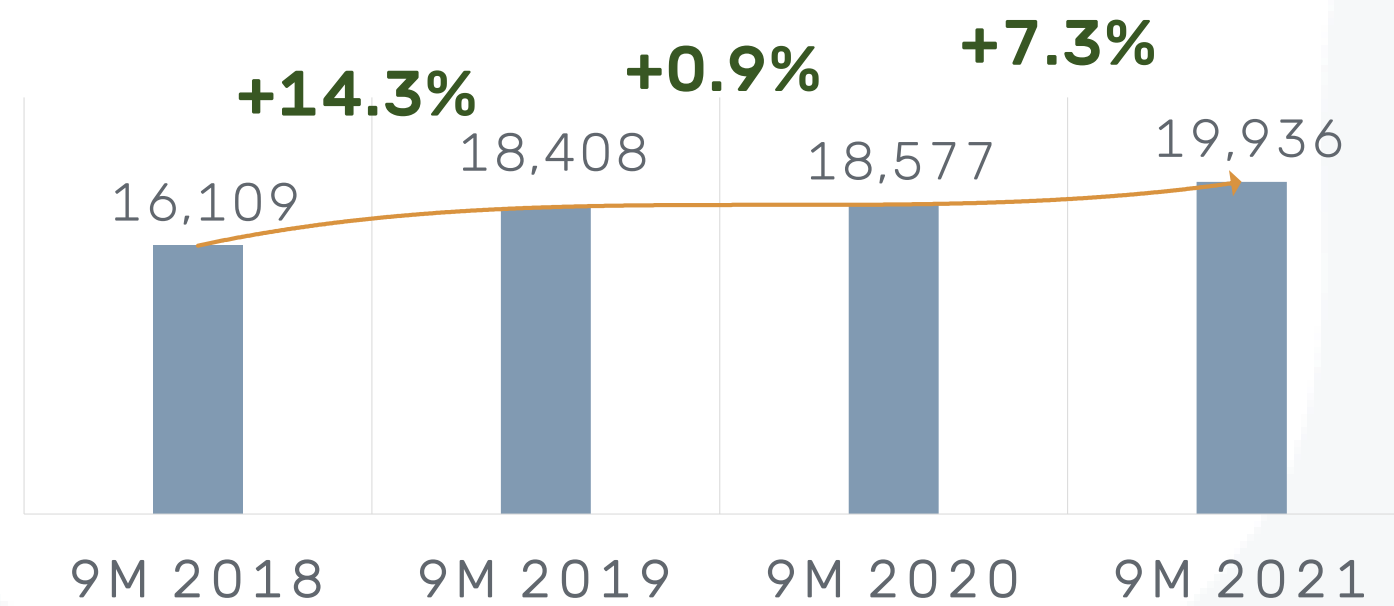
KSA Insurance Industry

Market results (SR millions)

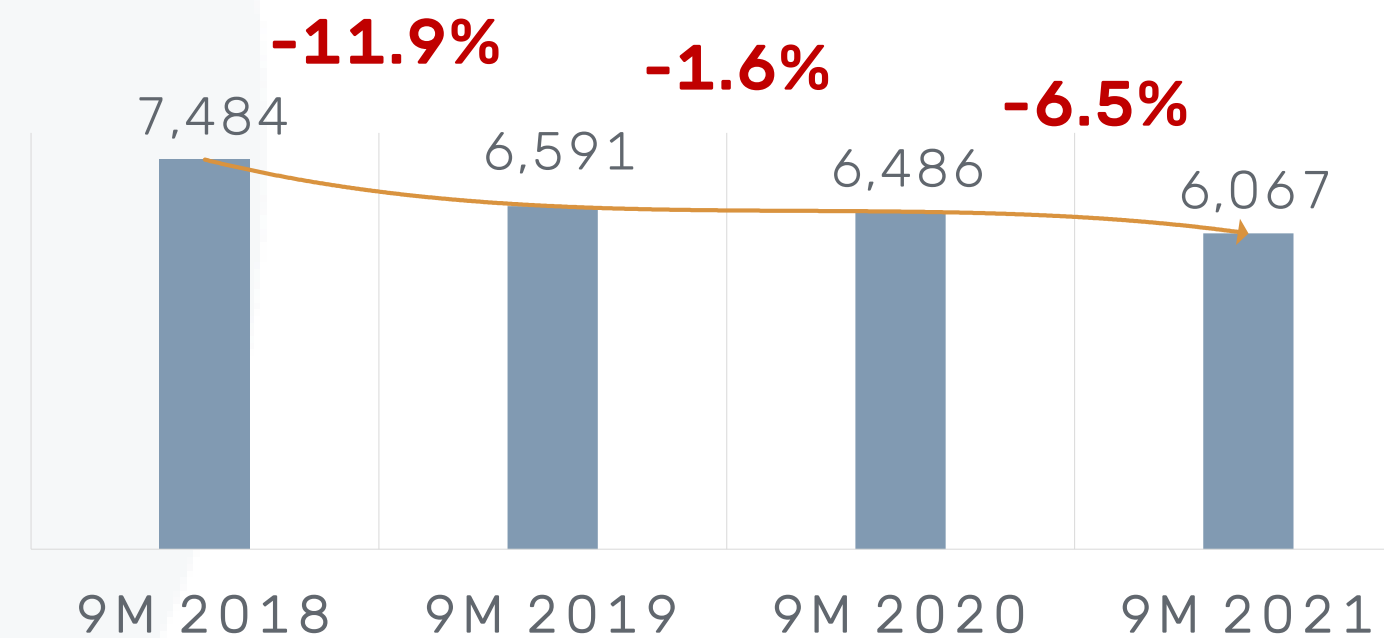
Gross Written Premium



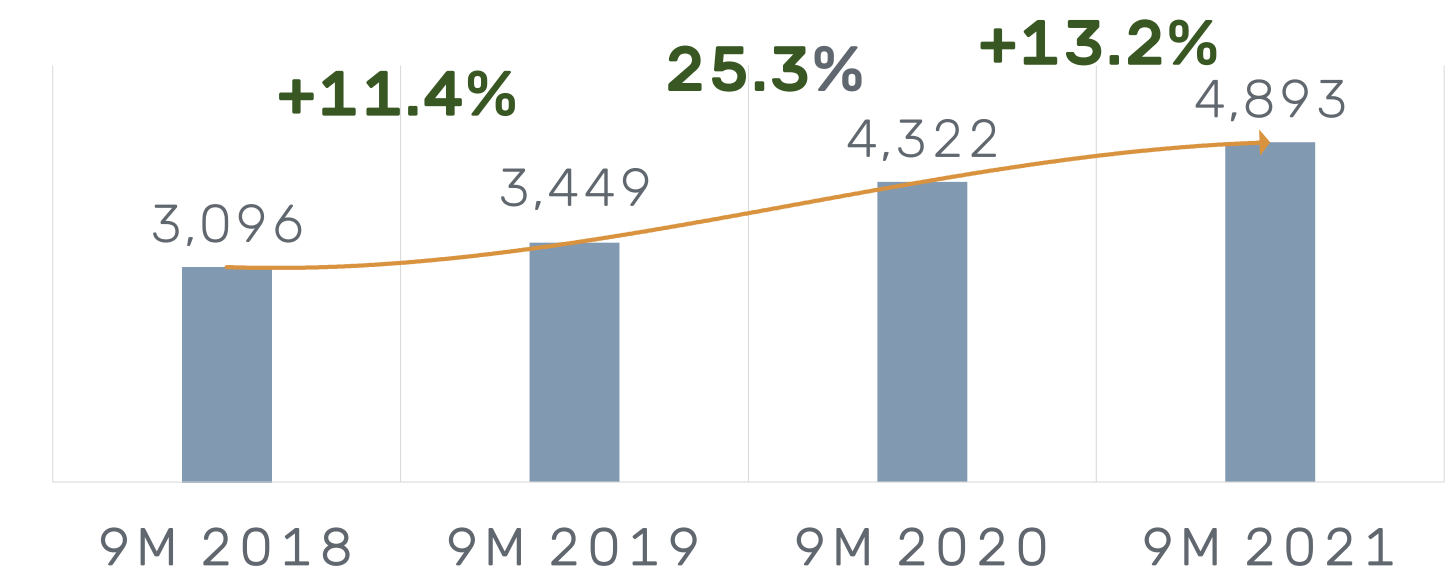
Medical



Motor



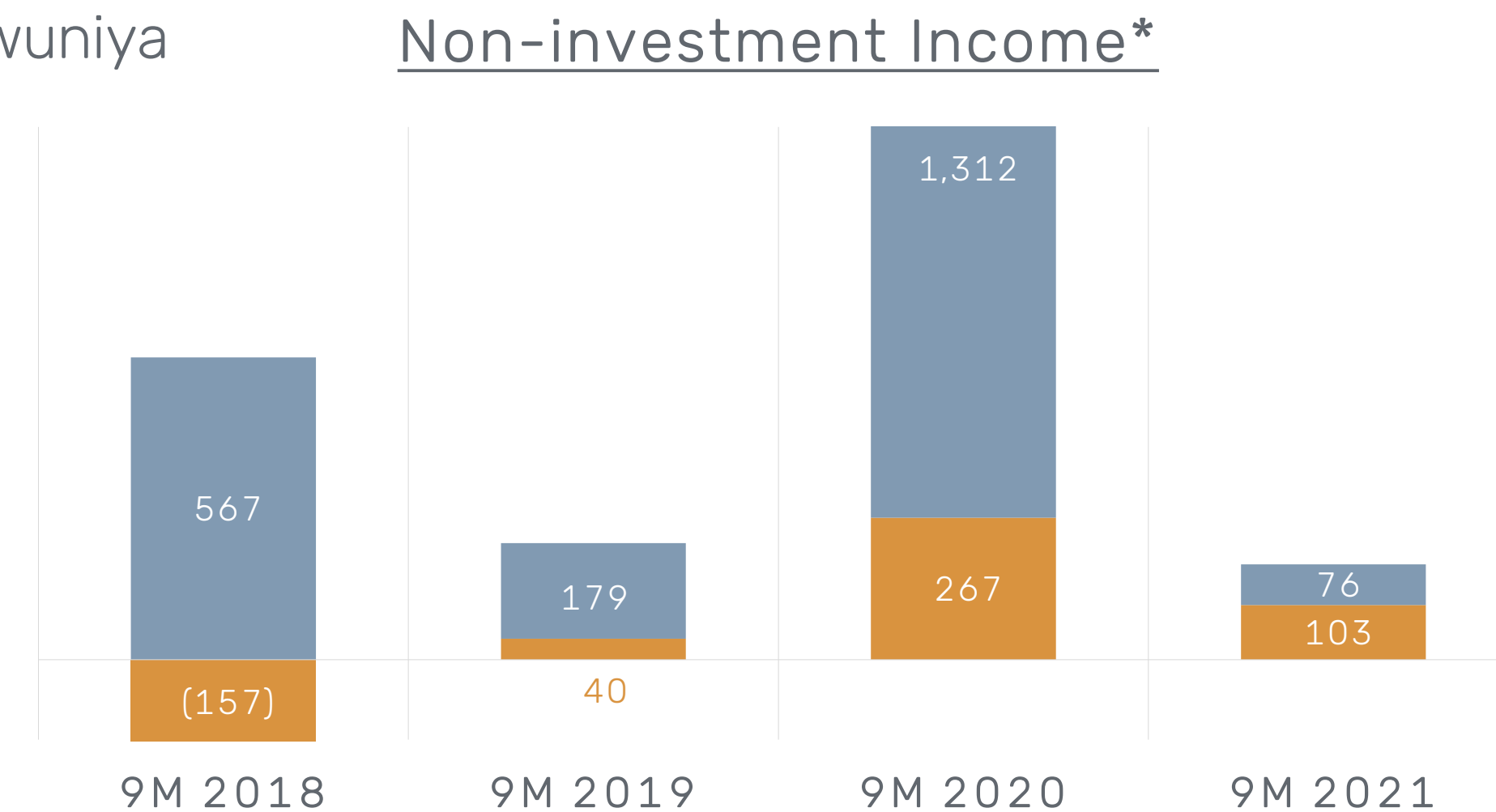
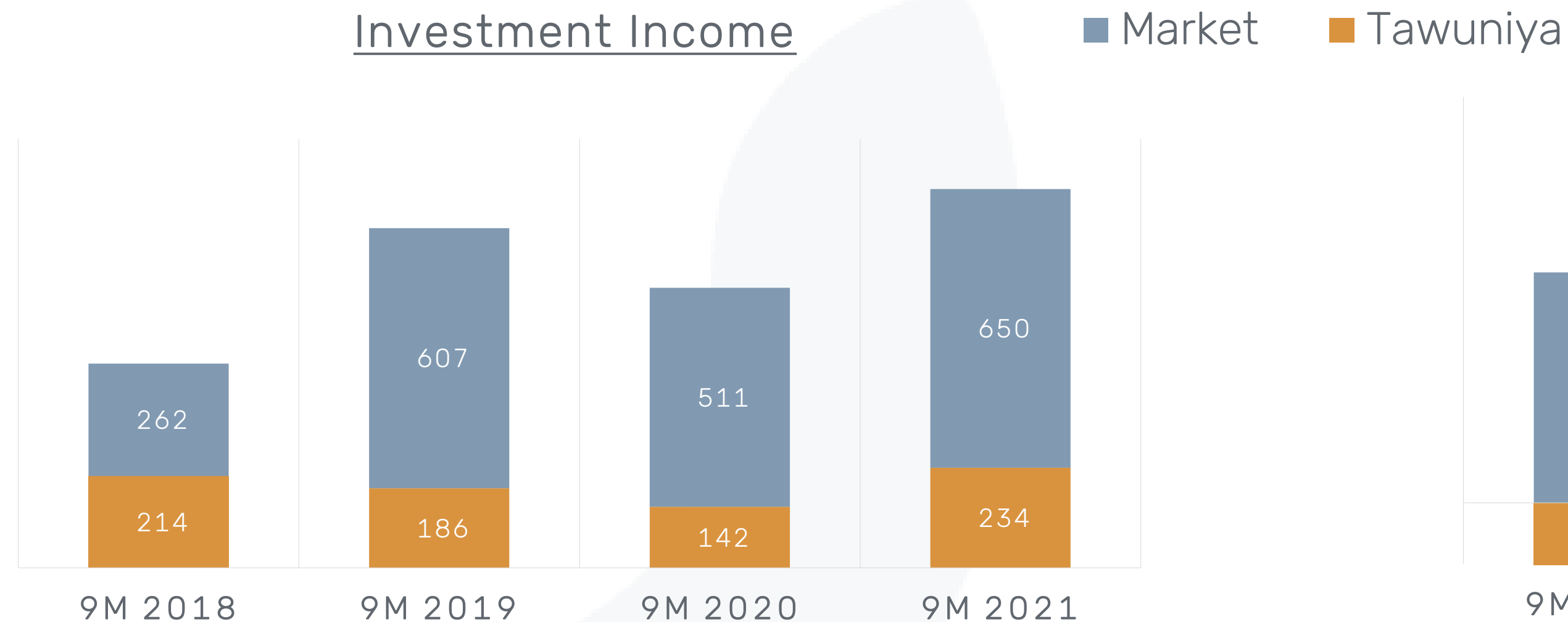
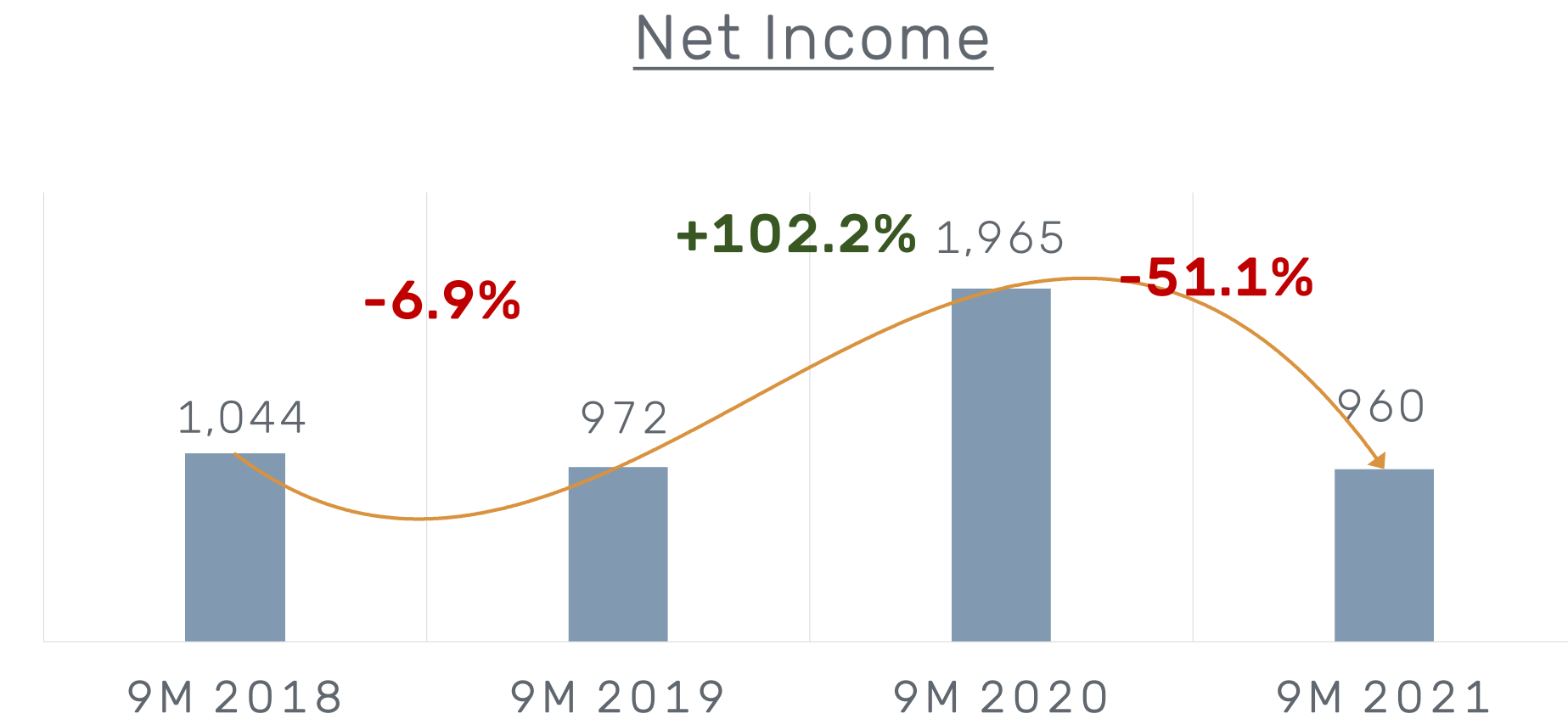
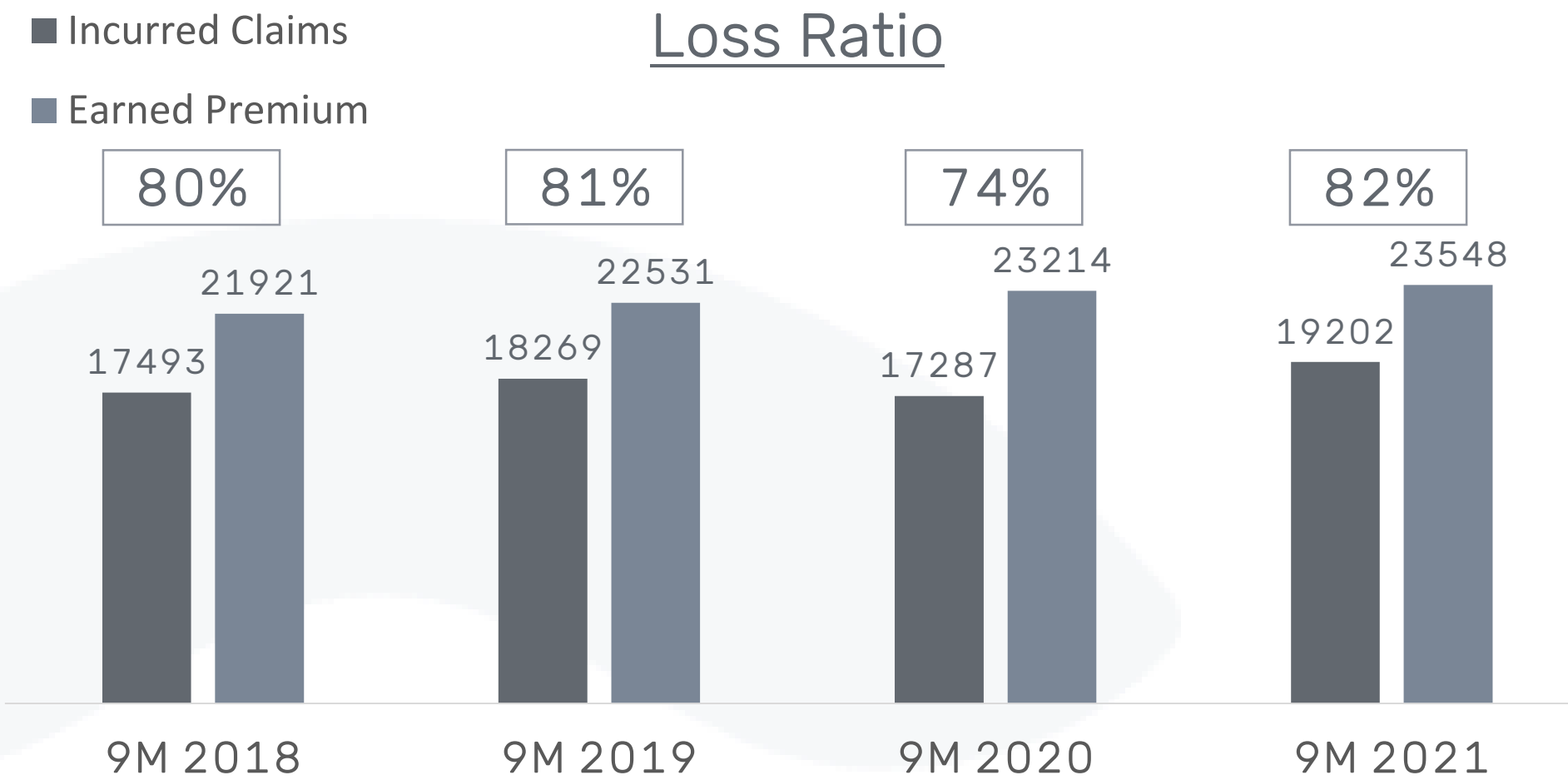
Property & Casualty





KSA Insurance Industry

Market results (SR millions)



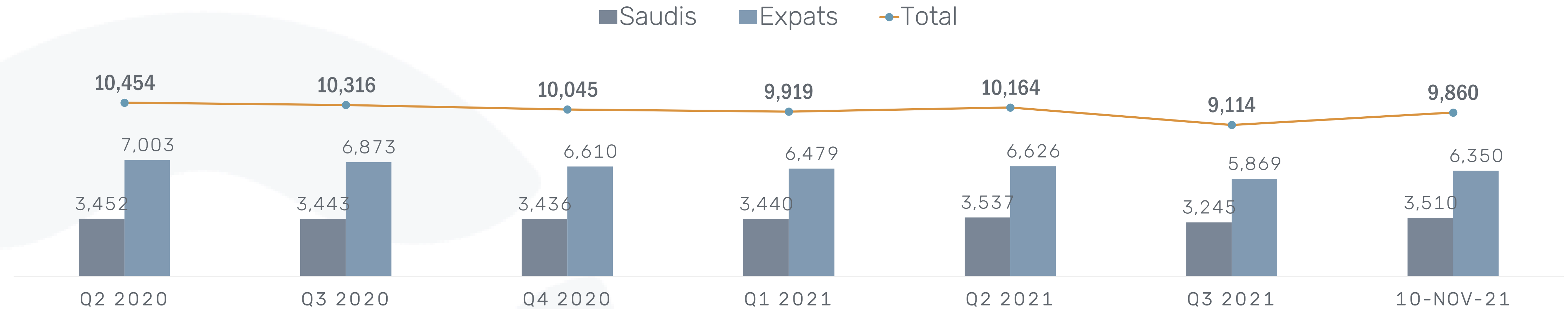
* Numbers are indicative and estimated based on the difference between Net Income and Investment Income.

KSA Insurance Industry

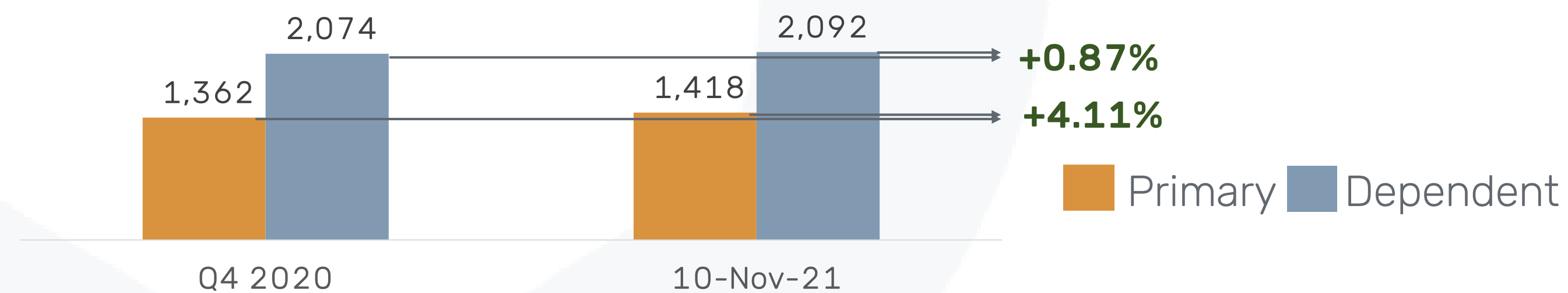
Medical – Insured Lives ('000)



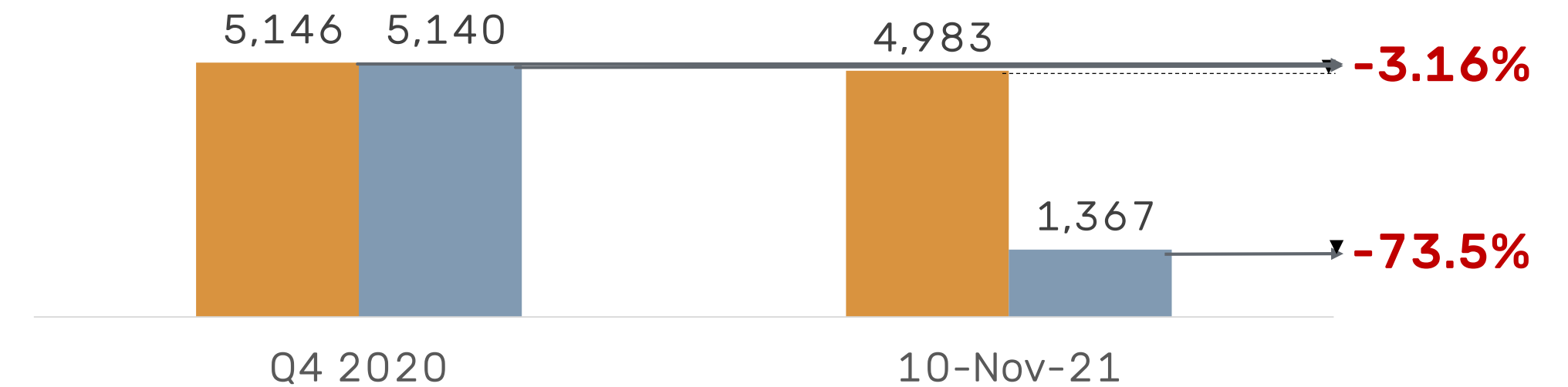
Insured Lives Trend



Insured Lives – Saudis



Insured Lives – Expats



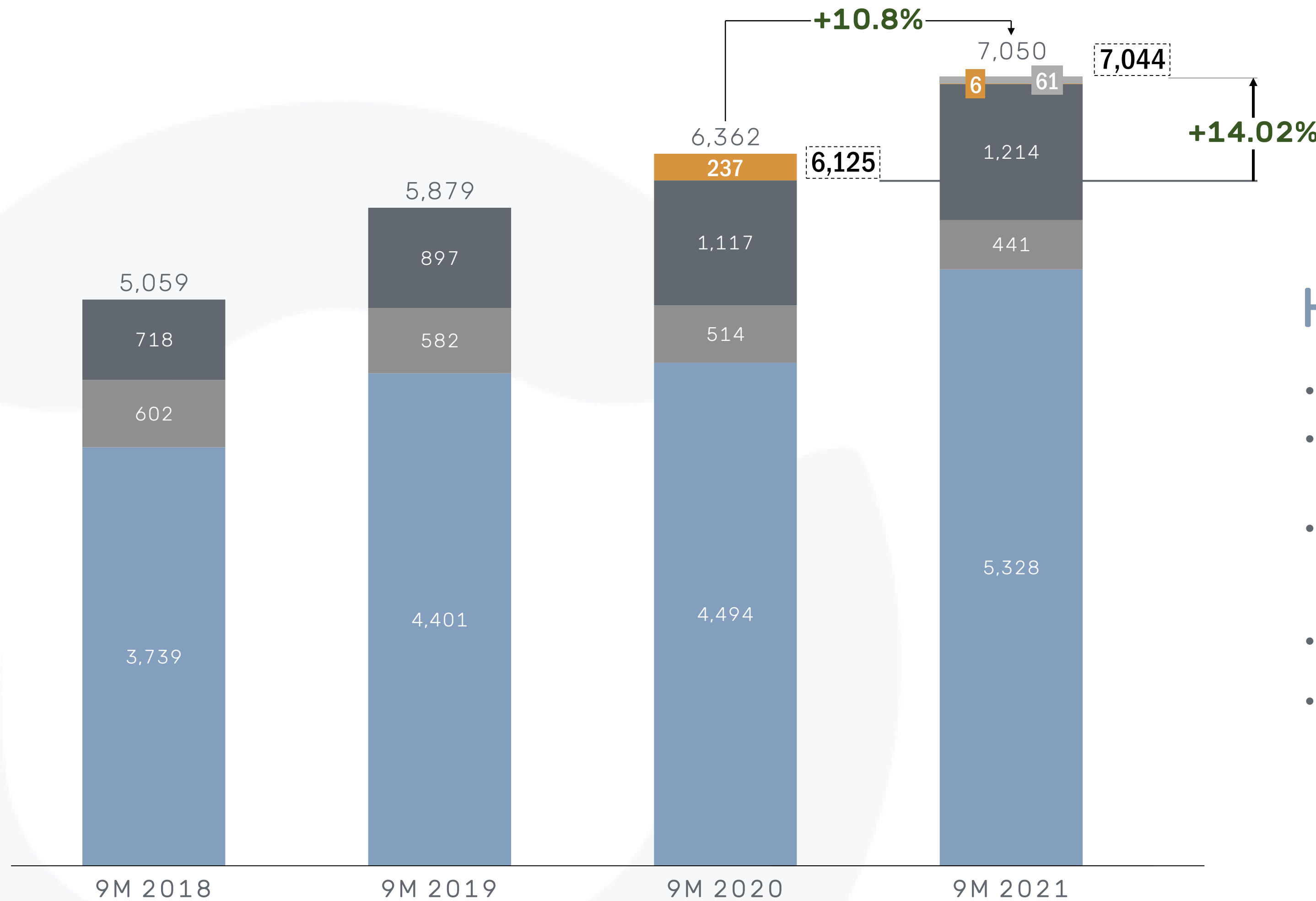
TAWUNIYA PERFORMANCE





Tawuniya Performance

Gross Written Premium



HIGHLIGHT

- Overall GWP up **11%** from 2020 (driven by Medical & P&C)
- Overall GWP growth would be **14%** if we exclude Hajj/Umrah premiums
- Medical GWP showing steady growth up **19%** (renewal business)
- Motor down **14%** including Manafeth
- P&C up **9%** from 2020

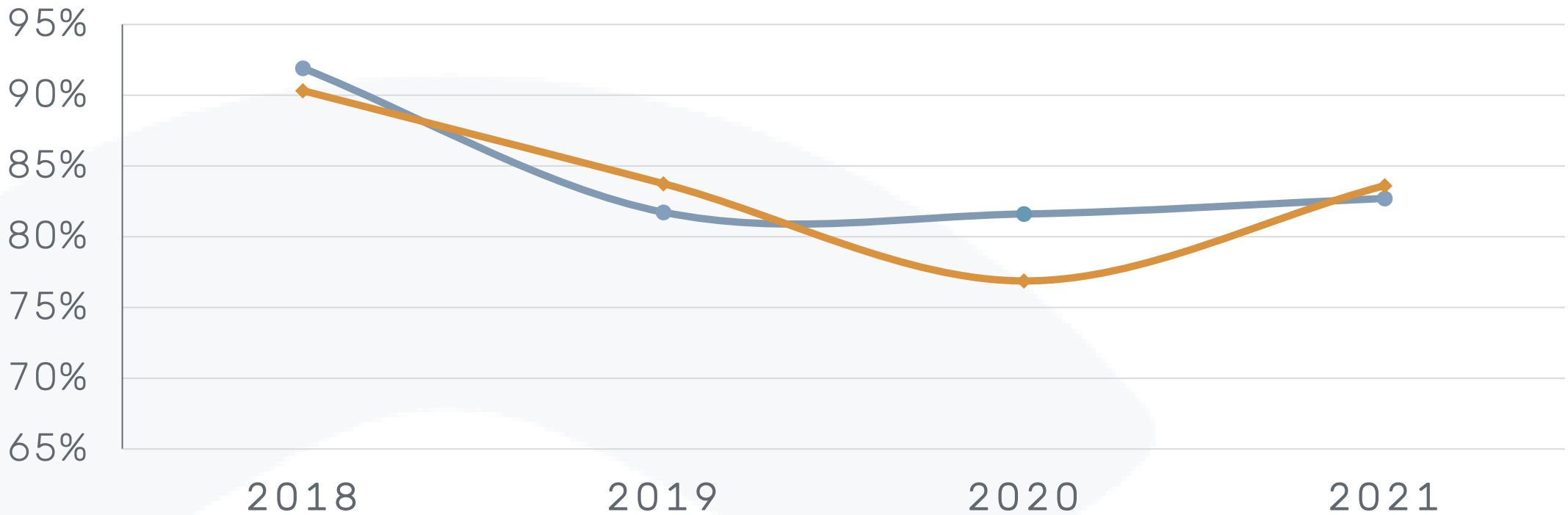
Medical & Takaful Motor & Manafeth Property & Casualty Hajj & Umrah Travel & Covid19

Tawuniya Performance



Total Loss Ratio

— Q3 — 9M

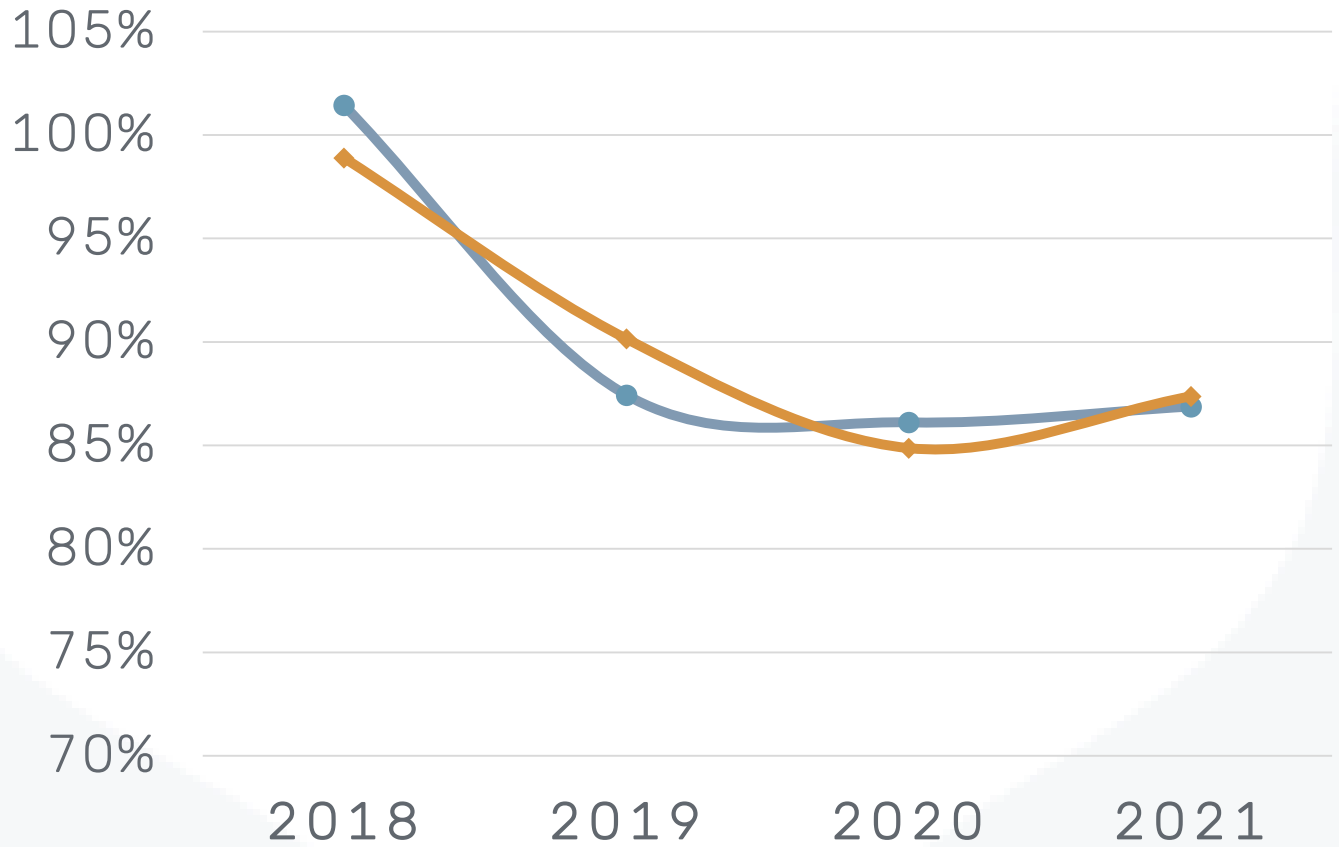


HIGHLIGHTS

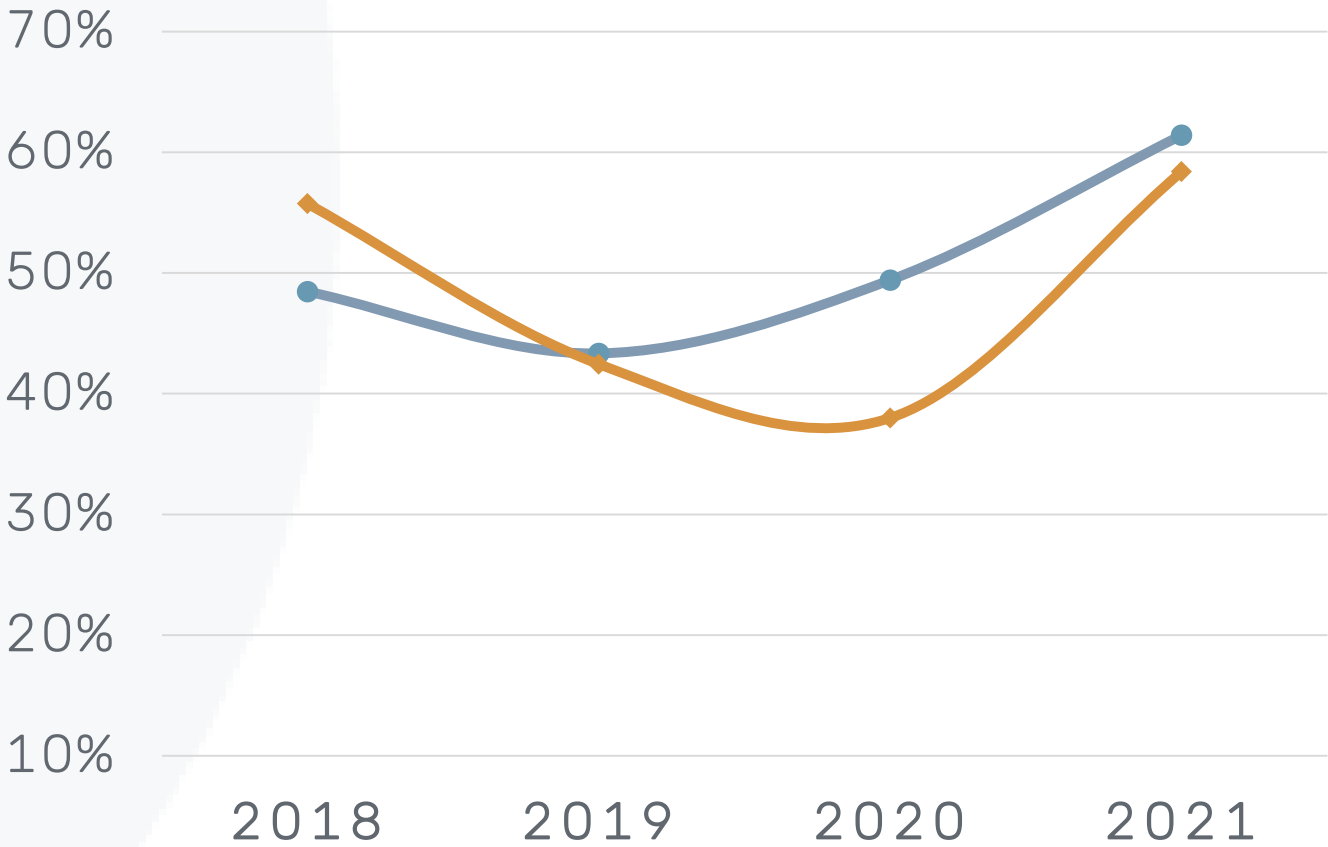
- Total LR up from 2020 (higher claims post Covid lockdown)
- Marginal increase in Medical LR compared to 2020 (Pre-Covid)
- Motor LR up (motor market declined i.e. price pressure; higher claims compared to 2020)
- P&C LR down



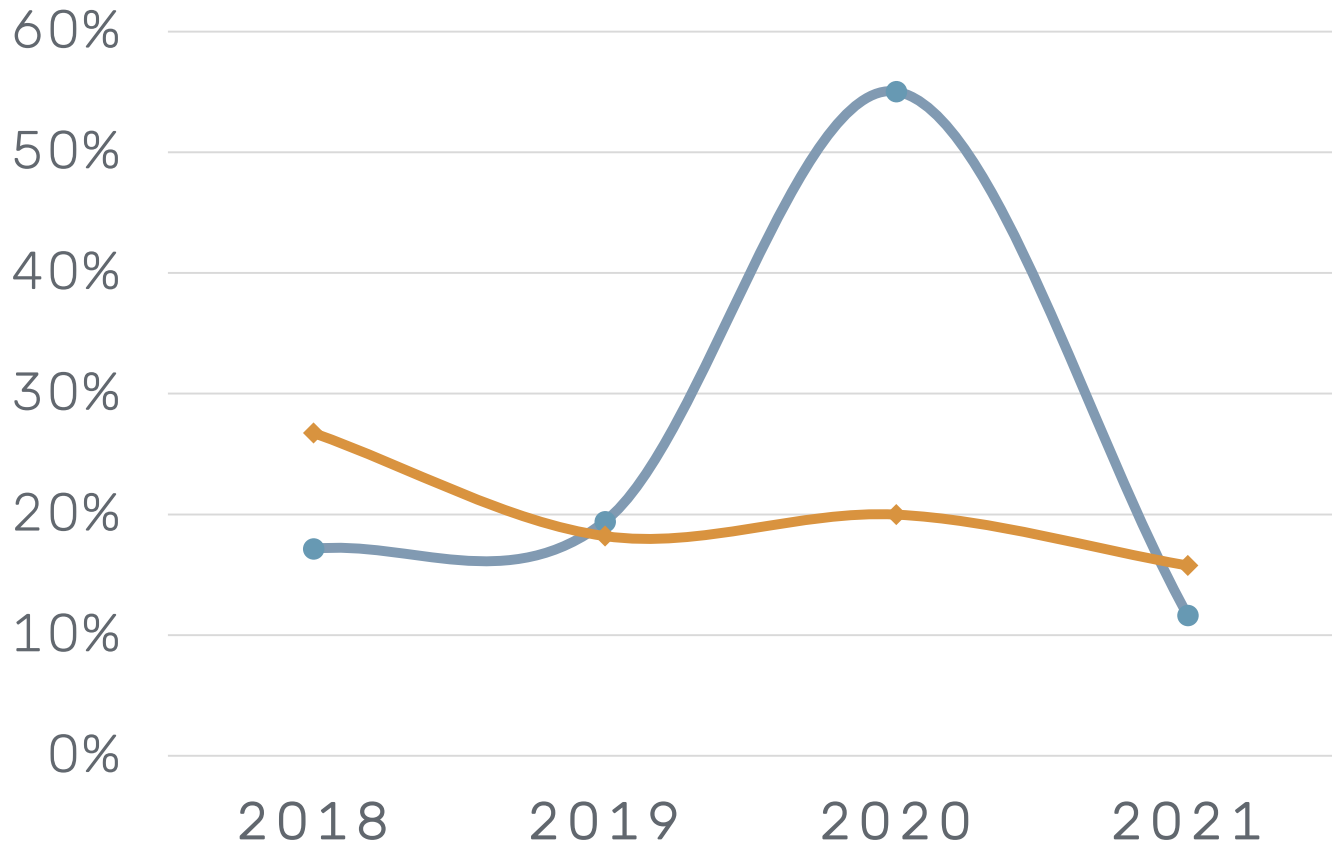
Medical & Takaful



Motor & Manafeth



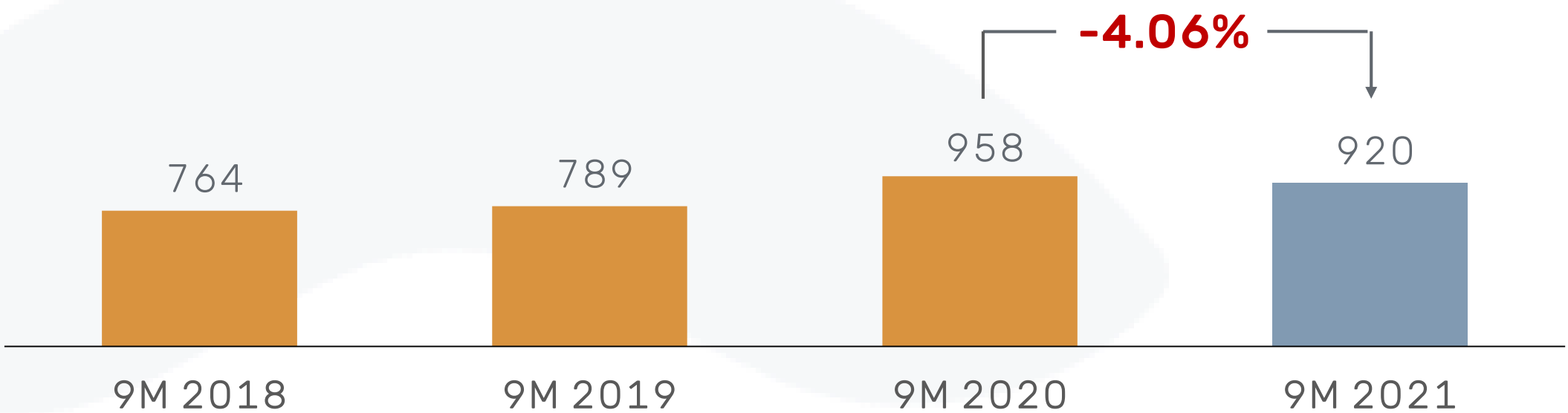
Property & Casualty



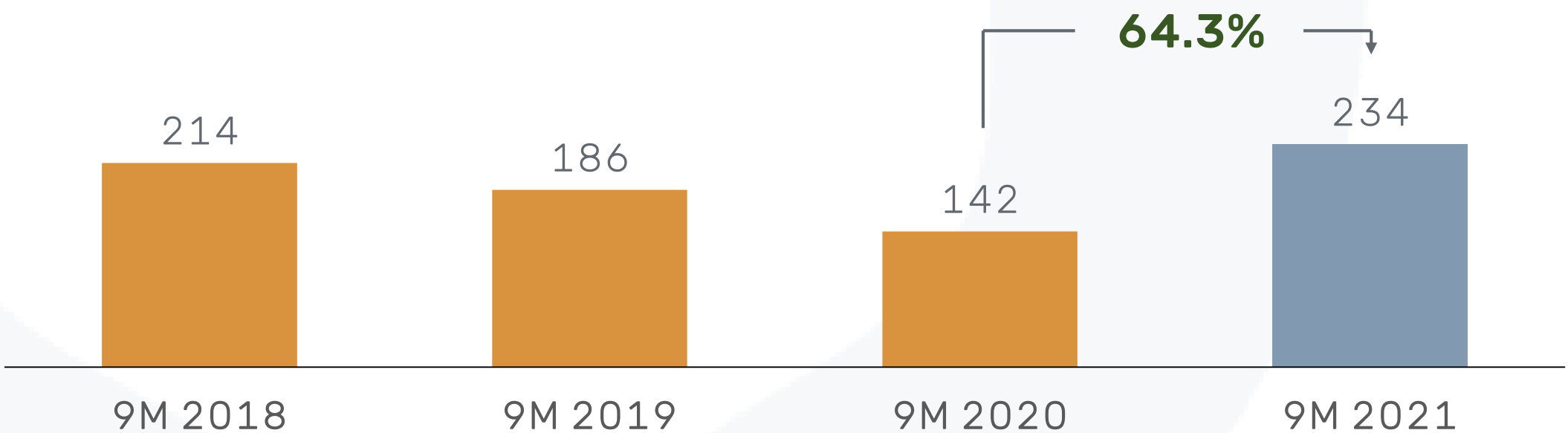


Tawuniya Performance

Overheads (SR million)



Investment Income (SR million)



OVERHEAD

Favorable decline in expenses compared to 2020 due to lower:

- Policy acquisition cost (PAC)
- Other underwriting expenses
- Insurance distribution share (mainly Manafeth)

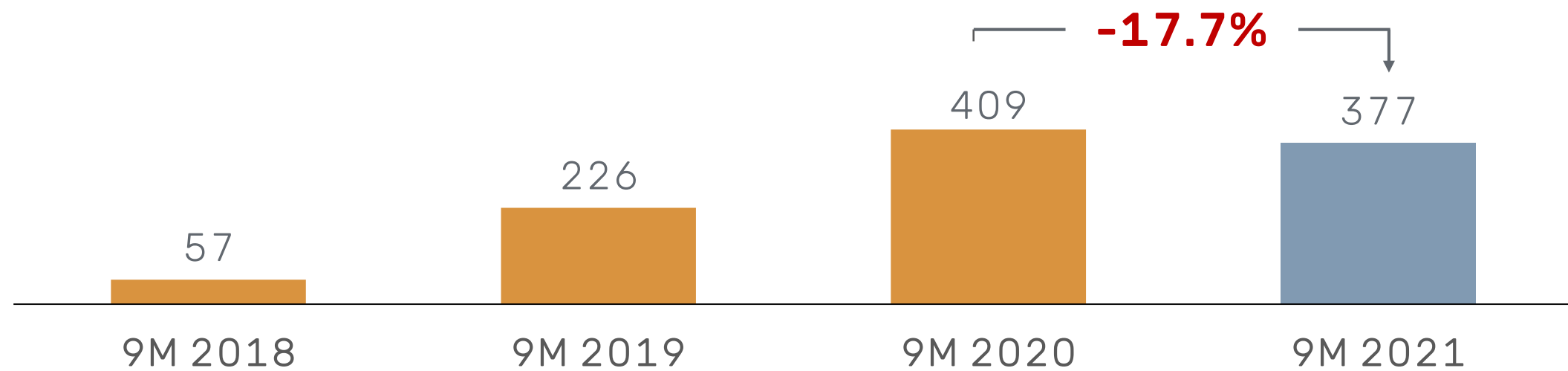
INVESTMENT

- Investment Income up from 2020 (increase in both policyholders' and shareholders' investment)

NET INCOME

- Net Income decreased due to higher claims post Covid-19 opening

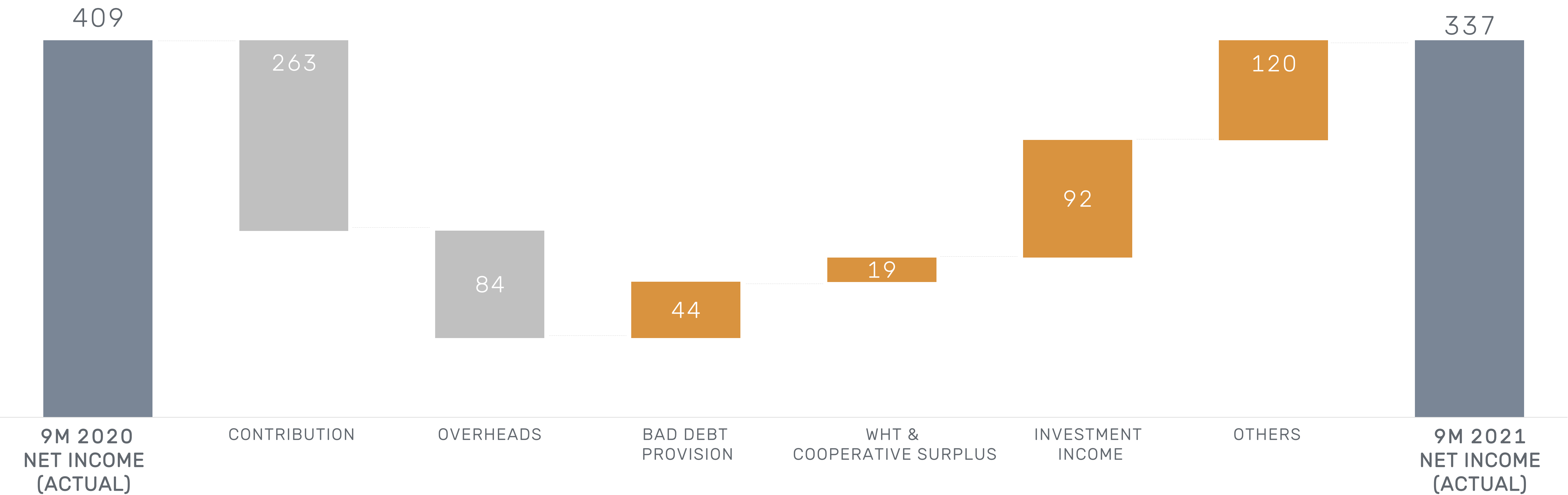
Net Income (SR million)



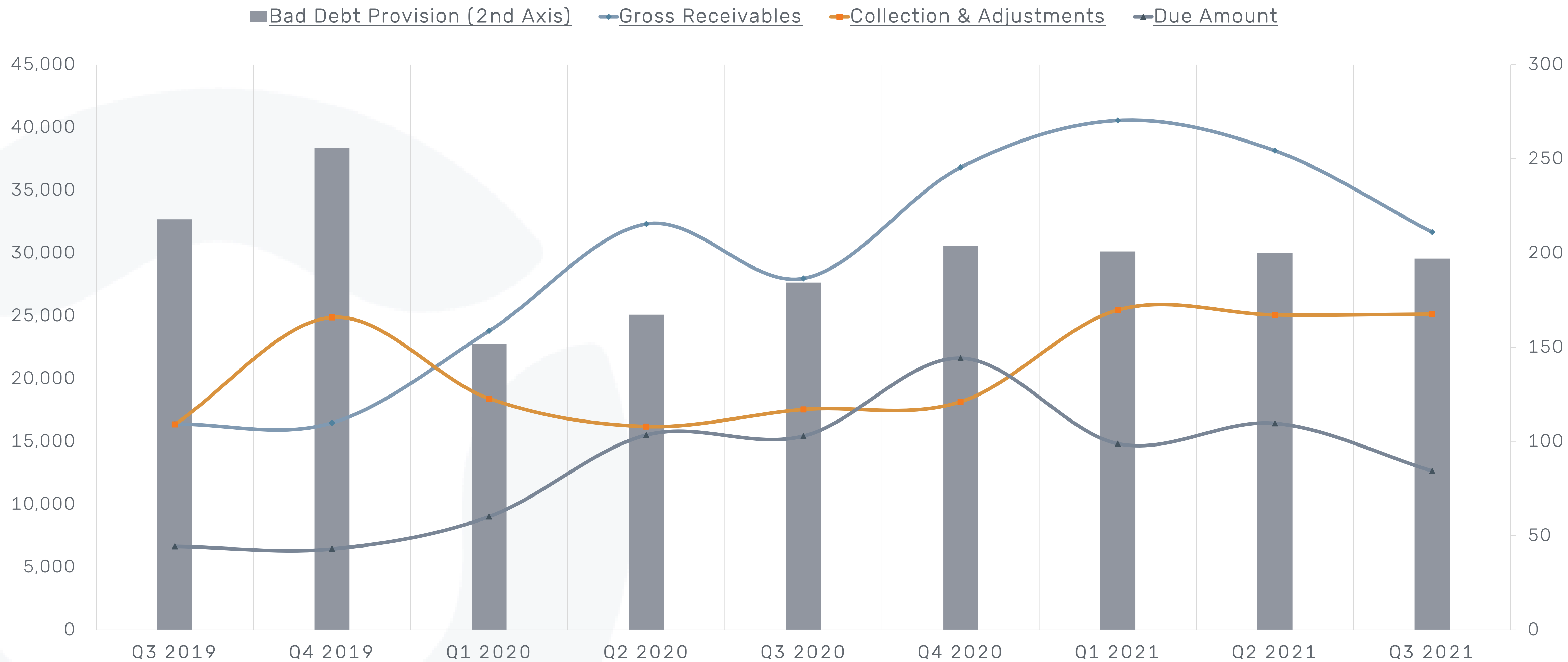
Tawuniya Performance



Waterfall – Net Income Movement



Tawuniya Performance



COMPANY OVERVIEW



Company Overview

2025 Strategy



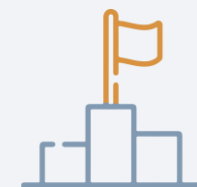
OUR PURPOSE

Together for a safer life and bigger dreams



OUR VISION

Largest insurer in the MENA region



OUR MISSION

Exceed expectations through superior customer experience and service excellence

Our Promises



1 Passionate about our people

- Care for our people as we care for our clients
- Develop a culture of collaboration and results
- Give a platform for personal development, innovative ideas, entrepreneurship and leadership

2 Digital first

- Provide digital first solutions across journeys and segments
- Bring simple and digital access to a full ecosystem of services
- Champion the insurance digital disruption in KSA

3 Customer centric

- Listen to our customers and anticipate their needs through constant innovation
- Offer affordable, accessible, high quality solutions for prevention to protection

4 Extraordinary results

- Grow above market
- Deliver superior returns and sustainable earnings
- Pioneer the Environmental, Social and corporate Governance (ESG) agenda in KSA

Company Overview

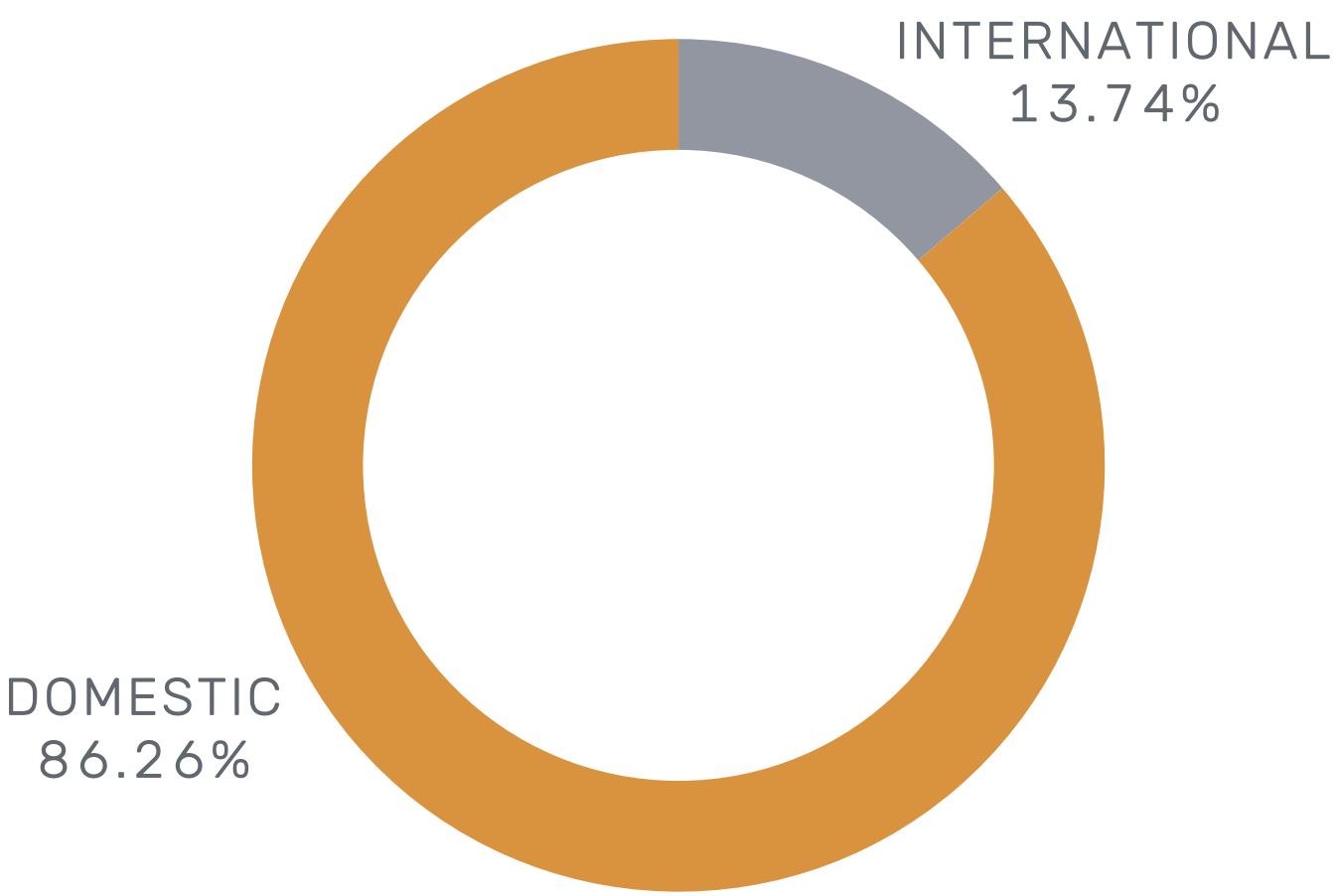
Shareholder Structure



Type



Geography



Tawuniya is a publicly listed company with a paid-up capital of **SR 1,250 m**

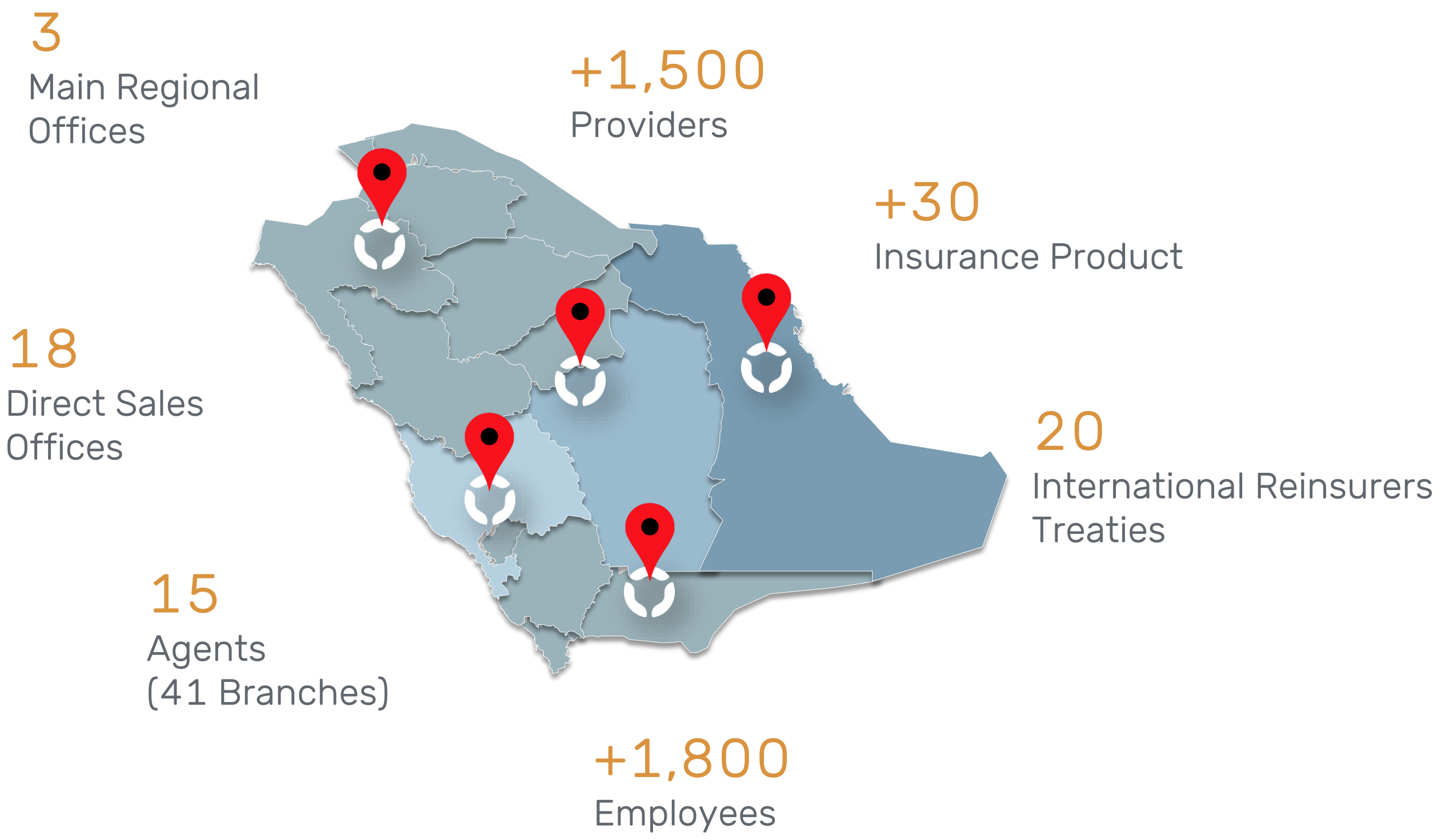
Company Overview



Regional & global reach to clients and providers



Our global partner
1 Million + health care
providers



Company Overview



Solicited

(BBB+)

Positive Outlook



Solicited

(A-)

Stable Outlook

Our International Reinsurance Partners



SCOR is rated "AA-" by S&P



Munich Re is rated "AA-" by S&P



Swiss Re is rated "AA-" by S&P



Covea is rated "AA-" by S&P



Everest Re is rated "A+" by S&P



R+V is rated "A+" by S&P



LLOYD's is rated "A+" by S&P

Company Overview



AVIATION



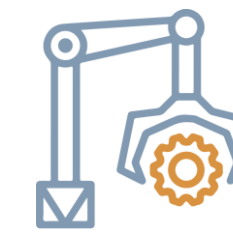
FINANCIAL



TELECOMMUNICATION



MINING & PETRO.



MANUFACTURING



OTHER



QUESTIONS



THANK YOU
