

Q1 2021 EARNINGS CONFERENCE CALL



Investor Relations

8 June 2021

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Dr. Ammr K. Kurdi as Chief Financial Officer



To our Esteemed Investors and Investment Analysts,

As part of Tawuniya's continuous drive to hire the best Saudi talents in the market, it gives me great pleasure to inform you of the appointment of Dr. Ammr K. Kurdi as our new Chief Financial Officer.

Dr. Kurdi has more than 15 years of experience in the financial services industry. He held multiple management and executive roles in multiple prestigious organizations. Prior to joining Tawuniya, Dr. Kurdi held the role of Chief Corporate Services Officer in Saudi Arabian Industrial Investment Company (DUSSUR), a joint venture between Saudi Arabian Public Investment Fund (PIF), Saudi Aramco and Saudi Basic Industries Corporation (SABIC). Prior to that, he was the Chief Financial Officer at Saudi Amiantit Company, and the Chief Audit Executive for King Fahd University of Petroleum and Minerals (KFUPM).

Furthermore, Dr. Kurdi is currently an Audit Committee member at Saudi Telecom Company (STC), Saudi Electricity Company (SEC), National Agricultural Development Company (NADEC), and the General Authority for Military Industries (GAMI).

Dr. Kurdi earned his PhD in Accounting from the University of North Texas, a Master of Accounting Degree from the University of Arizona, and Bachelors' of Science degree in Accounting from (KFUPM). He is also a Certified Management Accountant (CMA).

I will also take this opportunity to thank Mr. Fraser Gregory for his remarkable dedication, support, and achievements throughout his stay with Tawuniya. Mr. Fraser will remain on board as part of the Tawuniya team to ensure a smooth transition to Dr. Kurdi.

Kind Regards,

Abdulaziz H. Al-Boug

CEO









KSA INSURANCE INDUSTRY



KSA INSURANCE INDUSTRY

Active regulators... Over-supplied with Insurers... Compulsory-Driven market...



COMPULSORY PRODUCTS	 MEDICAL	 MOTOR	 PROPERTY & CASUALTY				
	All private sector employees (including their dependents) must have an insurance through their employers	All motorists must carry a Motor insurance policy	All government infrastructural projects are required to have Property & Casualty insurance				
LICENSED COMPANIES	<div><div>29*</div><div>71</div><div>43</div><div>13</div><div>8</div><div>5</div><div>3</div></div>						
	Insurance & Reinsurance Companies	Brokers	Agents	Loss Assessors & Adjusters	TPAs	Actuarial Service Providers	Insurance Advisors
REGULATORS	<div><div> Saudi Central Bank (SAMA)</div><div></div></div>		<div><div></div><div>Council of Cooperative Health Insurance (CCHI)</div></div>		<div><div> Capital Market Authority (CMA)</div><div></div></div>		

* As of April 2021



KSA INSURANCE INDUSTRY

Overall market highlights...

OVERALL

- SAMA & CCHI announced **updating insurance policies for non-Saudi visitors coming from abroad** for the purposes of tourism, visit and Umrah, **by adding coverage for risks related to Covid-19**
- Ministry of Hajj & Umrah announced that it **will proceed with Hajj season this year**, however protocols will be announced later
- The Saudi Cabinet of Ministers **approved domestic worker insurance coverage** for any contract issued by recruitment agencies
- CCHI studying the proposal for the **feasibility of insurance companies owning primary care centers**
- **CCHI will exempt all fees for 3 years** for merging companies to support consolidation

MEDICAL

- **CCHI's enforcement of Article 11**, where all insured claims incurred in public hospitals beginning 1 Jan 2021, related to policies issued from 1 Jan 2021 onwards, can be claimed back from insurance companies
- **NPHIES project implementation is still ongoing** and expected to go-live in phases during 2020, CCHI's new platform which aims to govern health insurance by connecting insurers with providers through a unified digital platform
- Number of insured lives slightly increased **by 1.4%** (Dec-20 to May-21)

MOTOR

- Manafeth (outposts) portfolio have been **successfully transferred** from Tawuniya to Najm
- Leased vehicles insurance converted to "Retail" policies with participation from most companies **leading to price sensitivity** (per regulations, the leasing company is compelled to **choose the insurer who offers the lowest premium**)

P&C

- 12 insurance companies signed an agreement **led by Tawuniya to cover Covid-19 risks for Saudi travelling abroad**
- **Employers' Delinquency Insurance is expected to be rolled-out**, which covers non-payment of salaries and return tickets for non-Saudi workers in private sector



Update on Travel & Visit Visa products...

“12 insurance companies signed an agreement to participate in an insurance pool **under the management of Tawuniya** to provide travel insurance cover for citizens traveling out of KSA, including coverage for COVID-19 infection risks”

- The product **covers Saudis traveling outside of KSA** covering Covid-19 risks
 - It is **mandatory for age 18** and below and optional for above.
 - The policy will have the **regular travel coverage plus Covid-19**.
 - The policy will cover emergency medical benefit, Covid-19 quarantine, medical repatriation, repatriation of mortal, trip cancelation and delayed departure.
 - **Tawuniya will be the lead insurer** for this product.
 - The **premium per insured is SR 375** and covers multiple trips to all countries for a month.
 - Maximum coverage for quarantine is SR 450 per day (maximum of 14 days), and SR 650k for medication & hospitalization.
- Expats entering KSA on **tourist and visitor visas, SAMA and CCHI added COVID-19 coverage to insurance policies** which will help provide treatment costs for infected cases, quarantine, and emergency medical evacuation.

For more information, please visit our website:

<https://www.tawuniya.com.sa/en/individual/products/Covid-19-Insurance>



Update on the **Domestic Workers** insurance product...

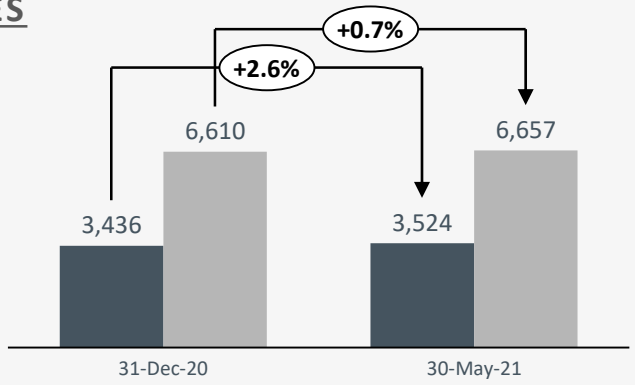
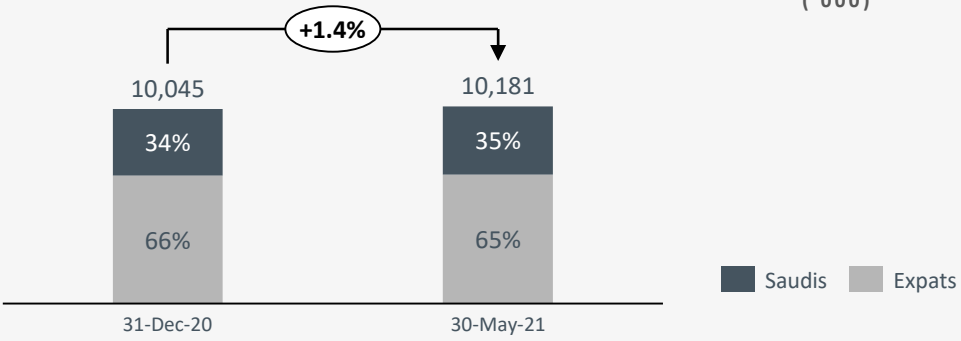
- The Saudi Cabinet will enforce “domestic workers recruitment agencies” to **provide insurance coverage on any domestic worker contract issued by the recruitment agency.**
- This product will **ensure the rights of both the employers and the workers** if the latter refuses to work, or is unable to complete the period of the contract due to permanent or partial disability caused by an accident.
- The insurance **cost will be included in the contracts for the first two years.**
- After two years, **the insurance will be optional for the employer upon renewing** the domestic worker's residency.
- The new **product will follow the Cooperative Insurance Companies Control Law**, details of purchasing/issuing the policy and the mechanism for paying the premiums will be announced later.

KSA INSURANCE INDUSTRY

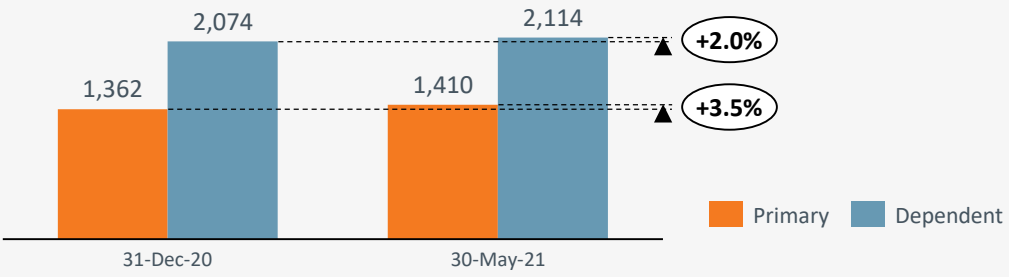
Medical insured lives increased compared to end of 2020...



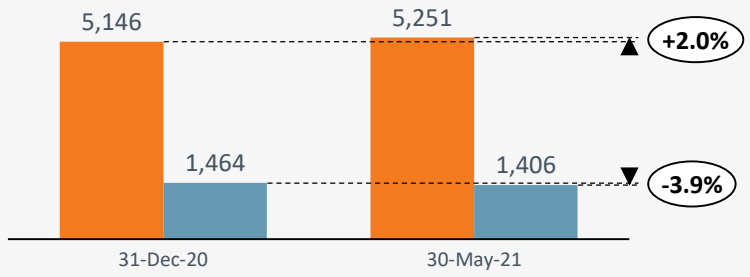
TOTAL INSURED LIVES
('000)



SAUDIS
('000)



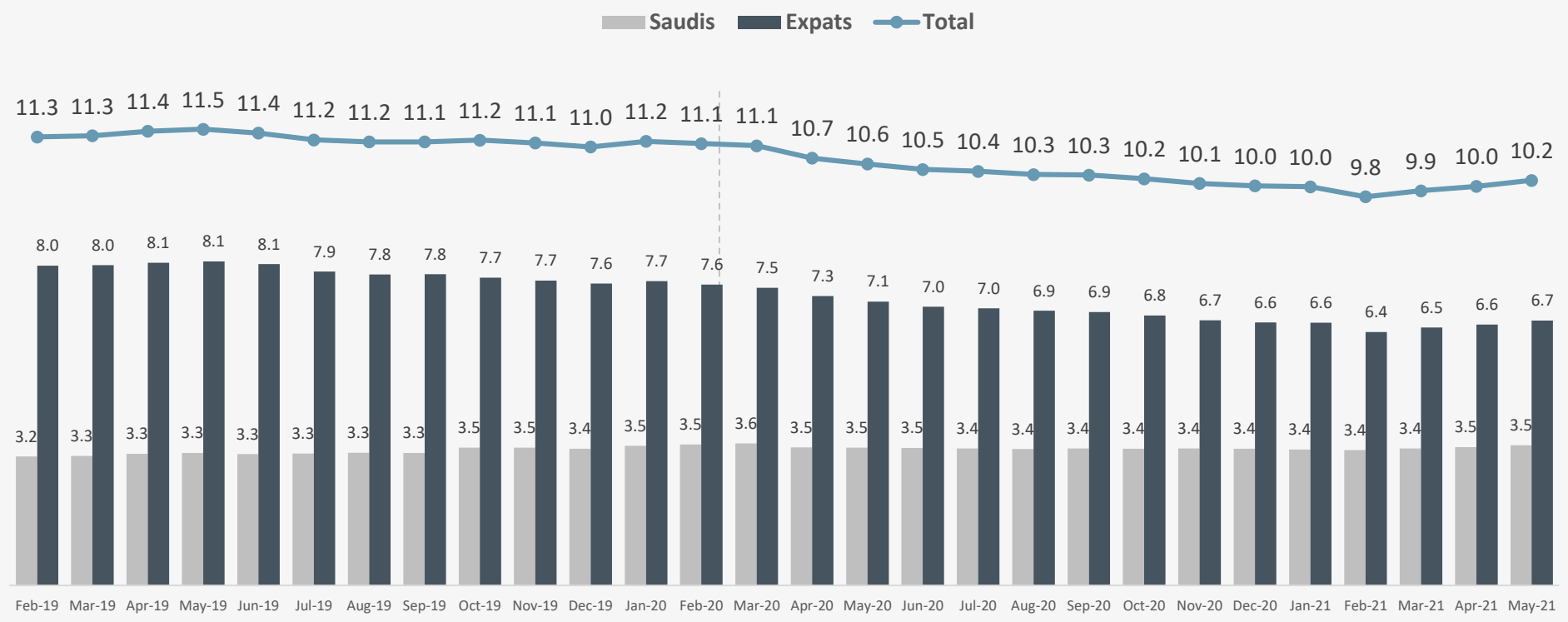
EXPATS
('000)



KSA INSURANCE INDUSTRY



The increase is mainly driven by **Saudi insured lives...**



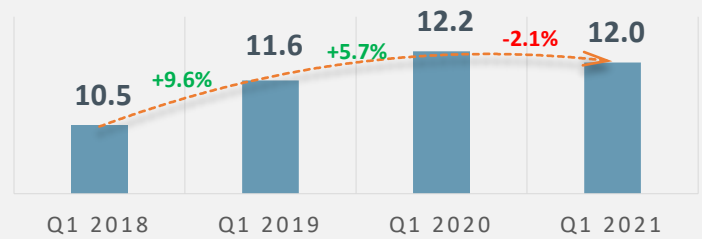
KSA INSURANCE INDUSTRY

Market substantially improved in profitability...



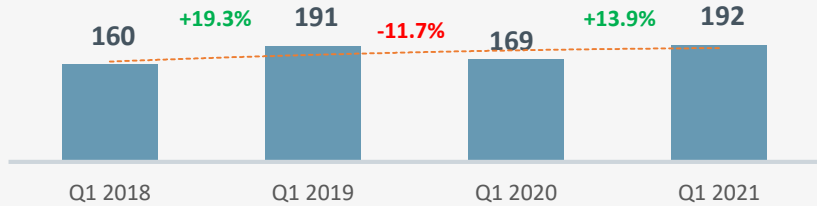
MARKET GWP

(Billions)



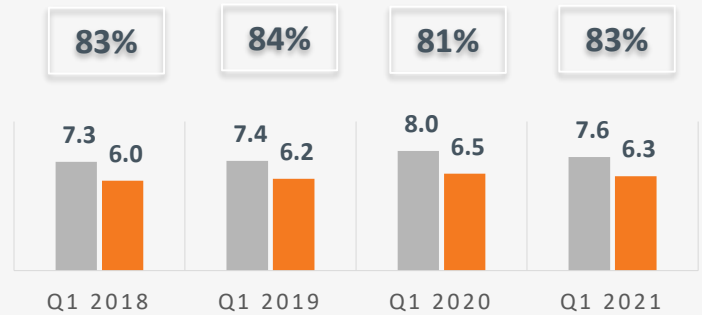
NET INCOME

(Millions)

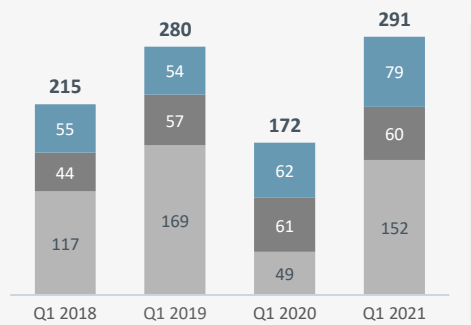


MARKET LOSS RATIO

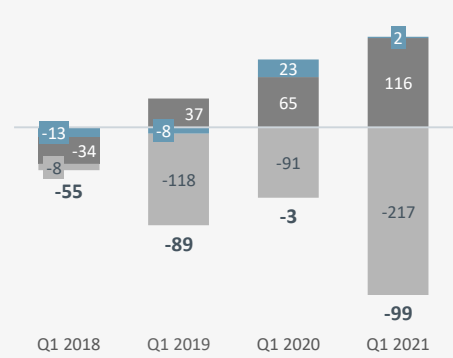
■ Earned Premium ■ Incurred Claims



INVESTMENT INCOME



NON-INVESTMENT INCOME



Tawuniya Bupa Others

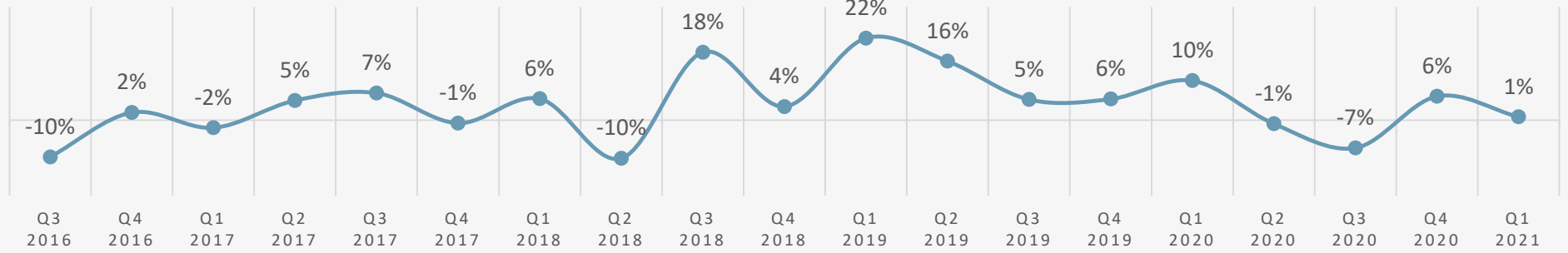
• Figures exclude Saudi Re & Wafa
• Solidarity & Alahlia estimated for Q4 2020, Metlife estimated for Q4 2019

KSA INSURANCE INDUSTRY

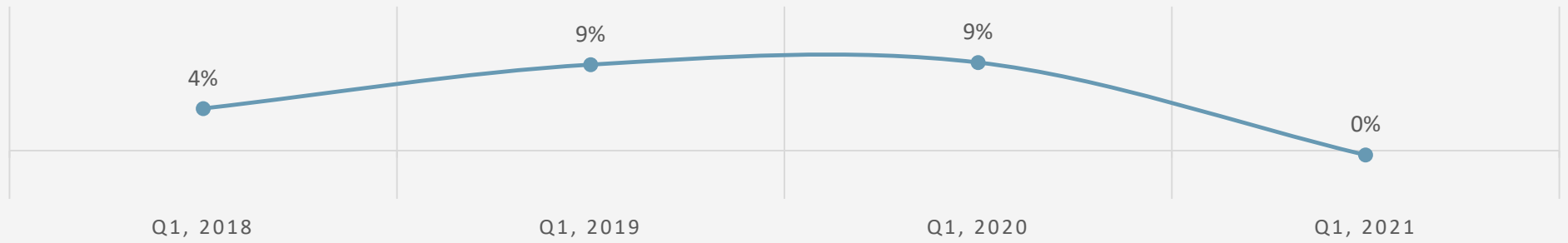
Medical GWP Growth Rates...



QUARTER ON QUARTER



ROLLING 12 MONTH

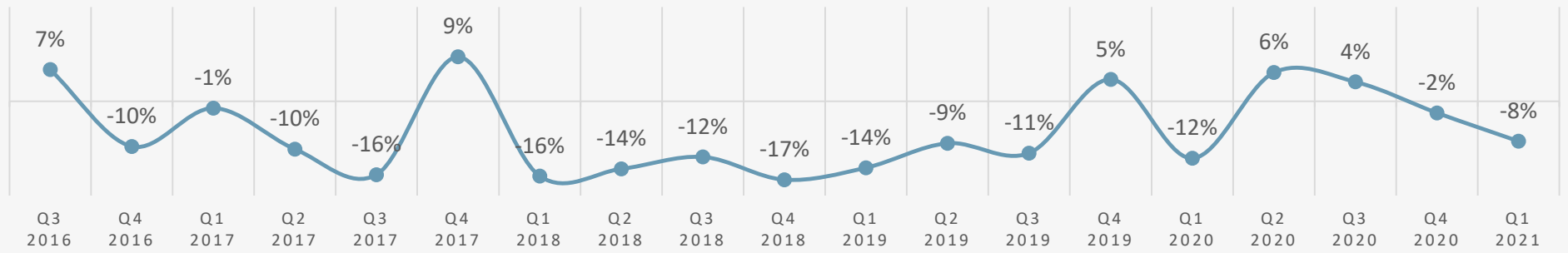


• Figures exclude Saudi Re & Wafa
• Solidiraty & Alahlia estimated for Q4 2020, Metlife estimated for Q4 2019

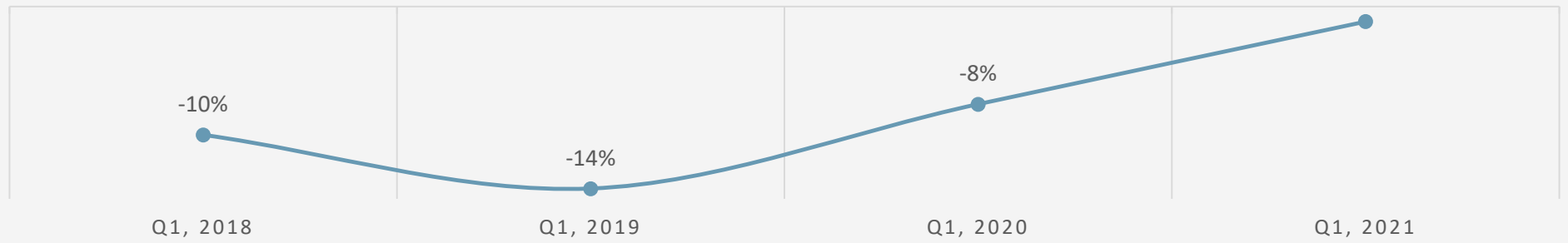


Motor GWP Growth Rates...

QUARTER ON QUARTER



ROLLING 12 MONTH



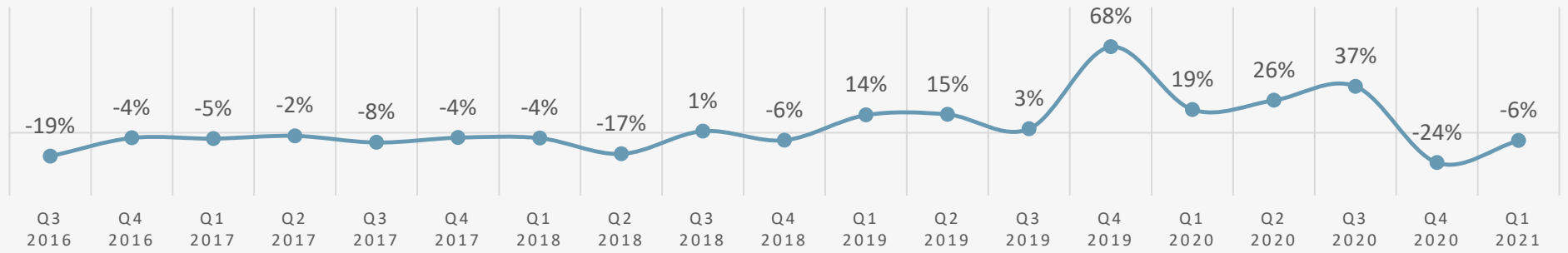
• Figures exclude Saudi Re & Wafa
• Solidiraty & Alahlia estimated for Q4 2020, Metlife estimated for Q4 2019

KSA INSURANCE INDUSTRY

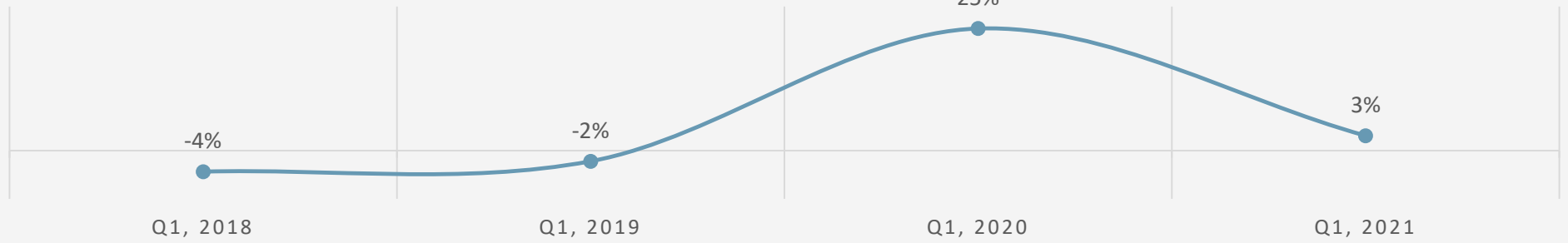
P&C GWP Growth Rates...



QUARTER ON QUARTER



ROLLING 12 MONTH



• Figures exclude Saudi Re & Wafa
• Solidiraty & Alahlia estimated for Q4 2020, Metlife estimated for Q4 2019

TAWUNIYA'S PERFORMANCE



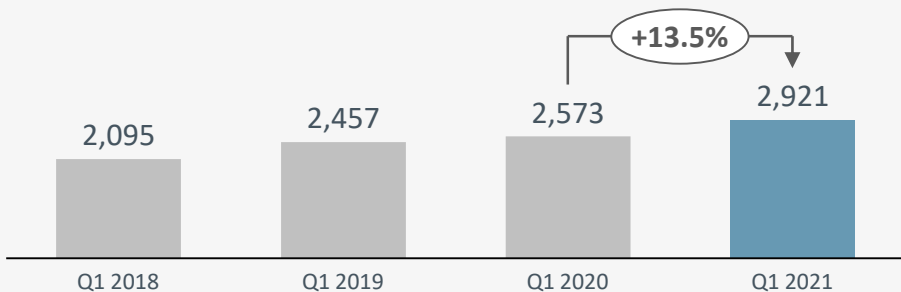


TAWUNIYA PERFORMANCE

Overall highlights...

GROSS WRITTEN PREMIUM

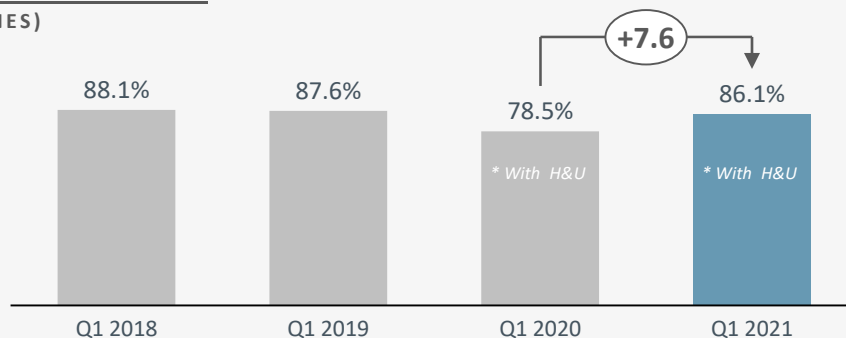
(MILLION SAR)



- Overall GWP increase is driven by a good performance of Medical and P&C lines

REPORTED LOSS RATIO

(ALL LINES)



- Loss ratio is higher compared to previous year, driven by the increase in Medical claims

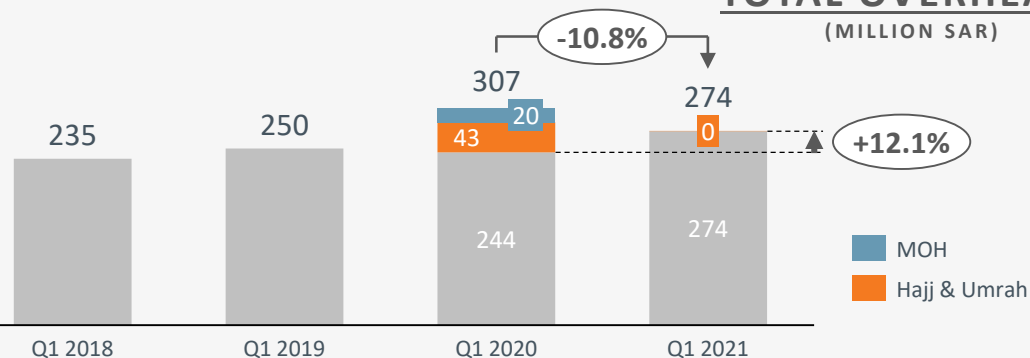


TAWUNIYA PERFORMANCE

Overall highlights...

TOTAL OVERHEADS

(MILLION SAR)

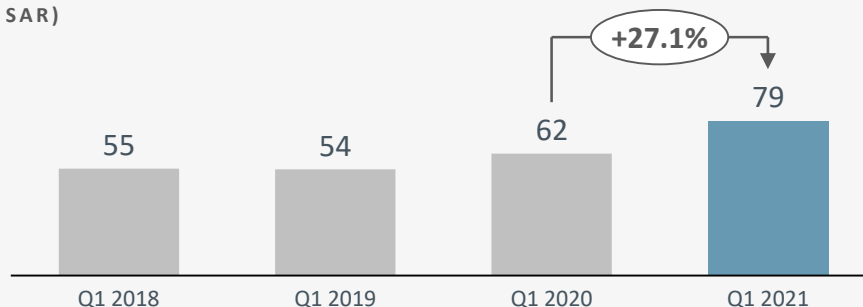


- Total overheads declined by 11% compared to last year (it increased by 12% if we exclude MOH donation and Hajj/Umrah cost)
- This increase is driven by the increase in PAC & other underwriting expenses

INVESTMENT INCOME

(MILLION SAR)

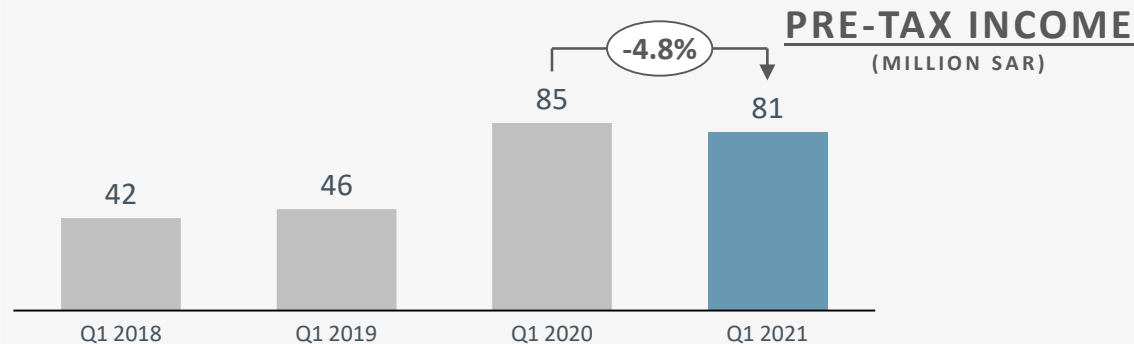
- Investment Income considerably higher compared to similar period of the previous years



TAWUNIYA PERFORMANCE



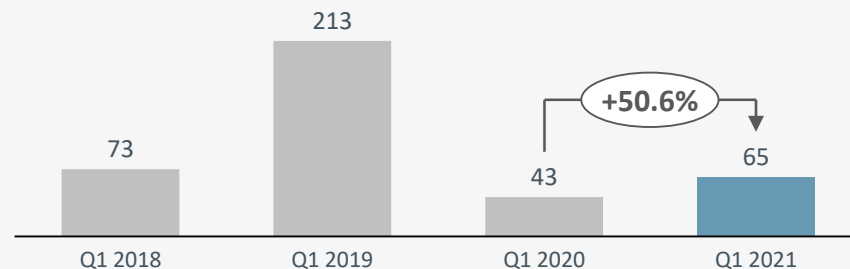
Overall highlights...



- Net income decreased by 4m compared to last year
- Mainly driven by the decline in Medical & Motor contribution

COMPREHENSIVE INCOME (MILLION SAR)

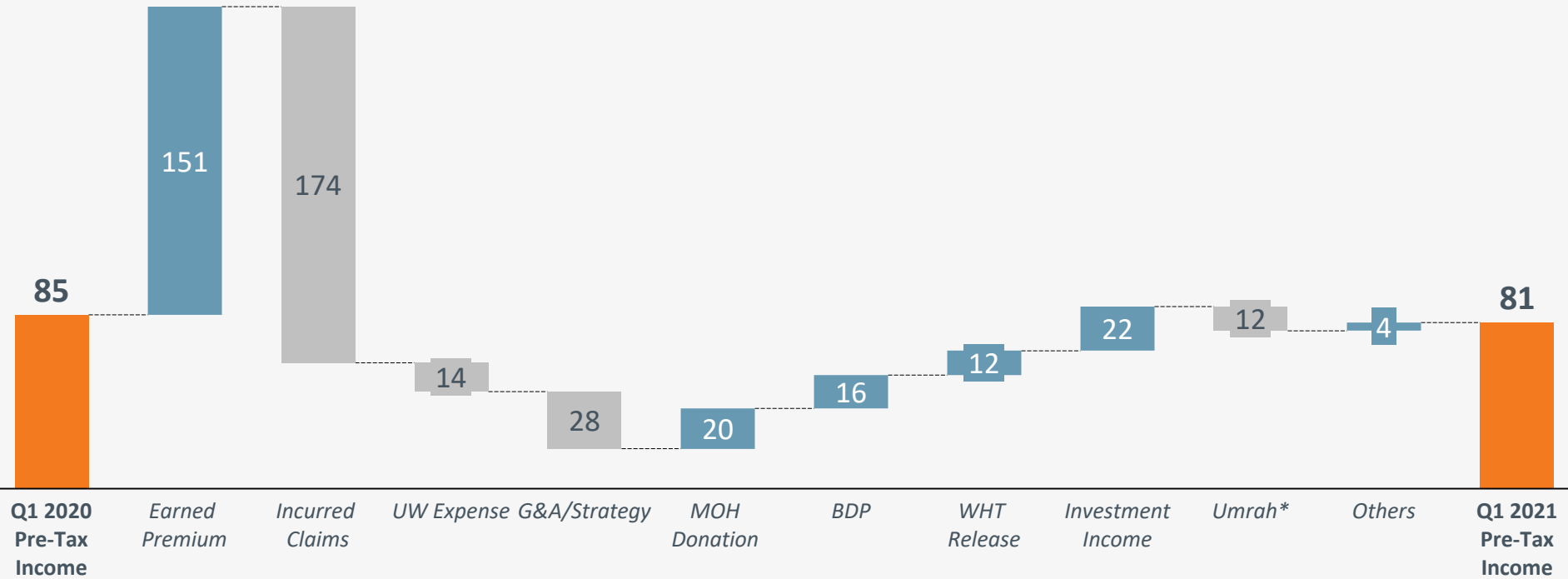
- The growth was driven by the positive change in fair value of available for sale investment





TAWUNIYA PERFORMANCE

Profit movement analysis from Q1, 2020 to Q1, 2021...

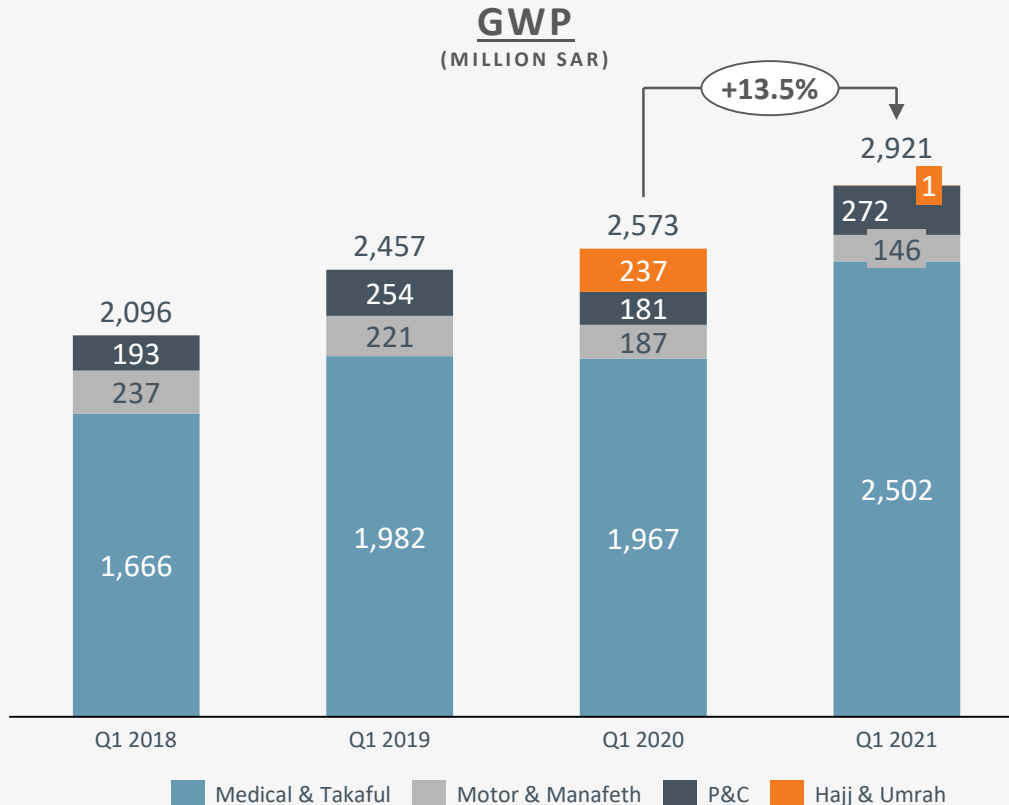


* Net movement of Umrah (includes premium)

TAWUNIYA PERFORMANCE



Q1 2021 total premiums **increased** driven by Medical & P&C...



HIGHLIGHTS

- Medical GWP grew by 27% driven by good performance in new business and renewals
- Motor GWP declined by 22% due to the transfer of Manafeth portfolio to Najm (without it the decline would have been 6%)
- P&C GWP increased by 50% driven by great performance in both new and renewal business

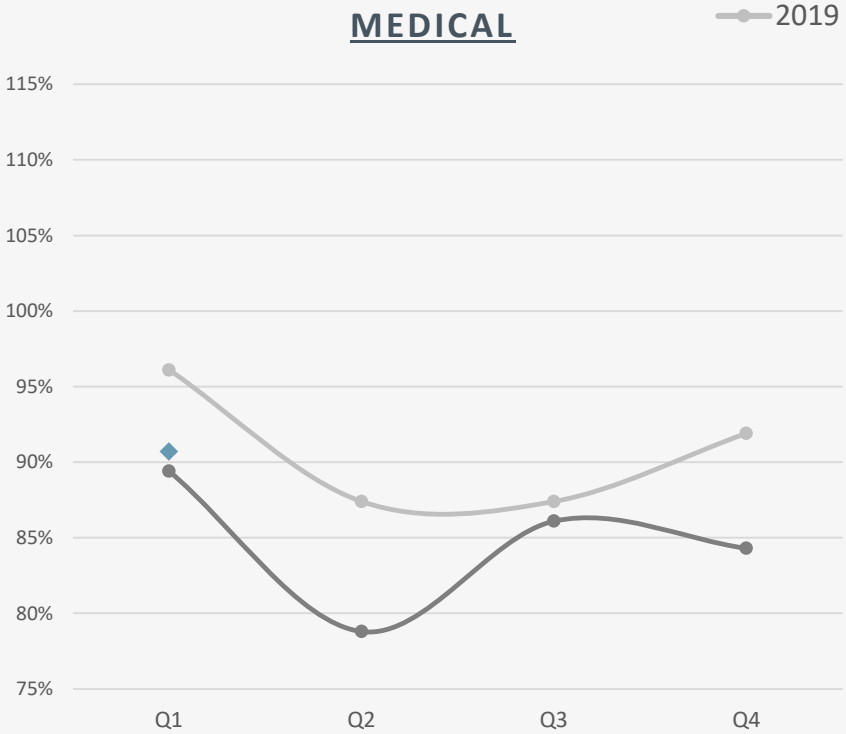
TAWUNIYA PERFORMANCE



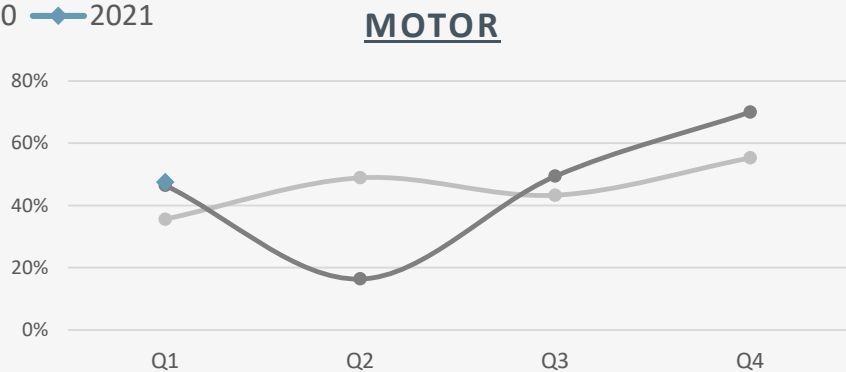
Performance of **loss ratio**, the life blood of any insurance business...

REPORTED LOSS RATIO

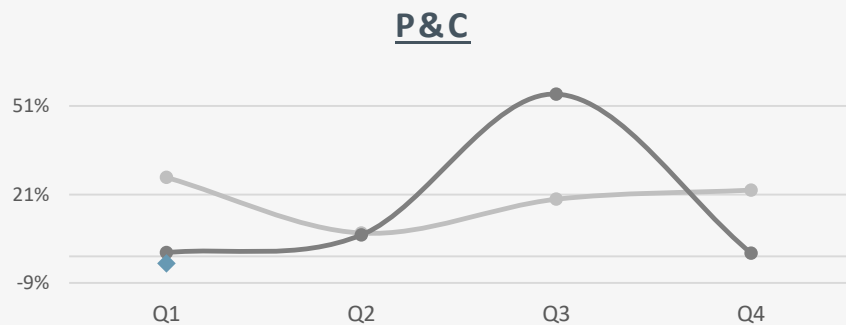
MEDICAL



MOTOR



P&C

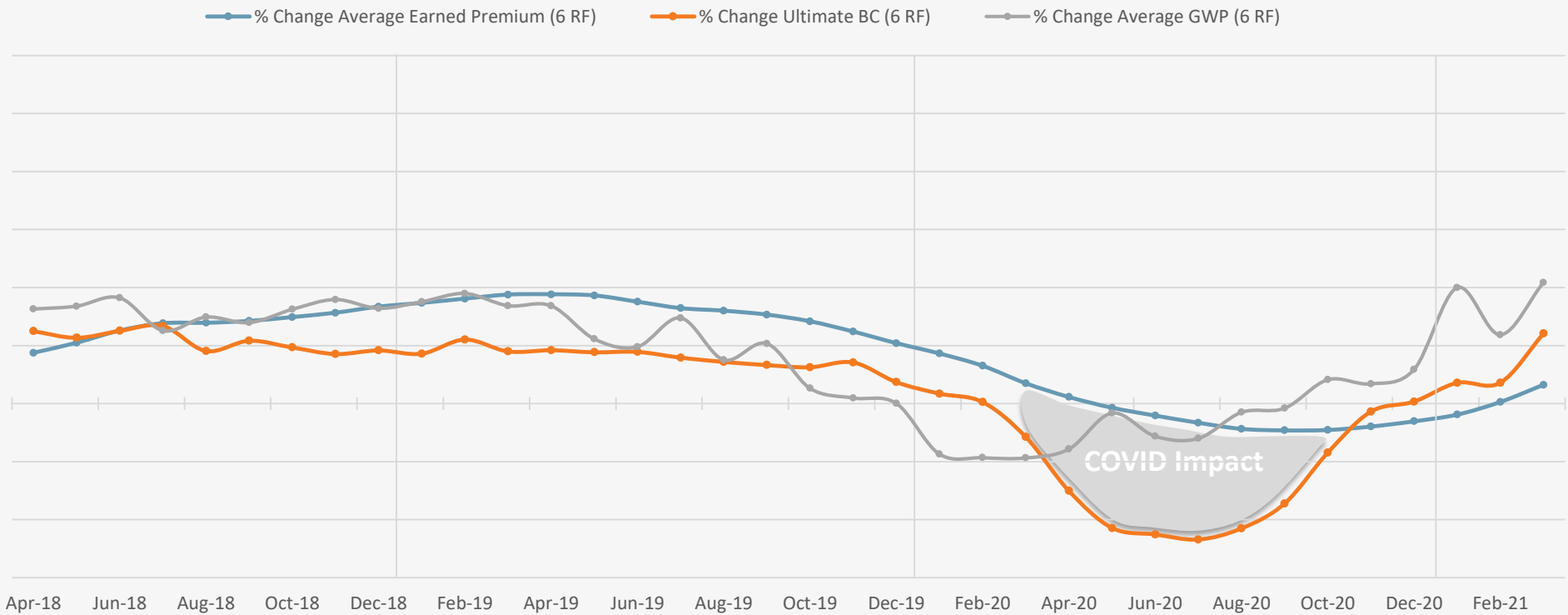


TAWUNIYA PERFORMANCE

Medical loss ratio trend...



MEDICAL – ACTUAL 2021

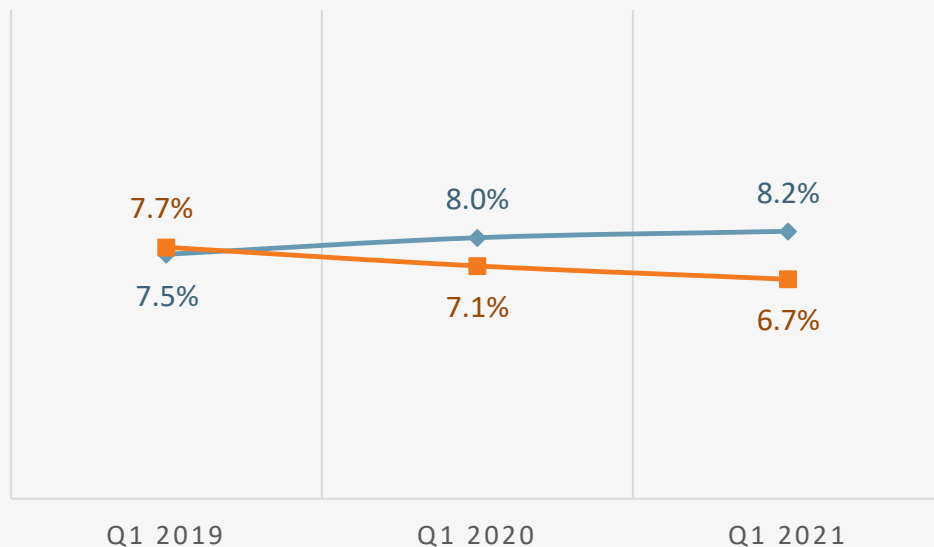




Cost of Acquisition/Service and Fixed overheads...

G&A AND OTHER EXPENSE RATIO

—◆— G&A —■— Other Expenses



HIGHLIGHTS

**excluding BDP and Hajj/Umarh expenses*

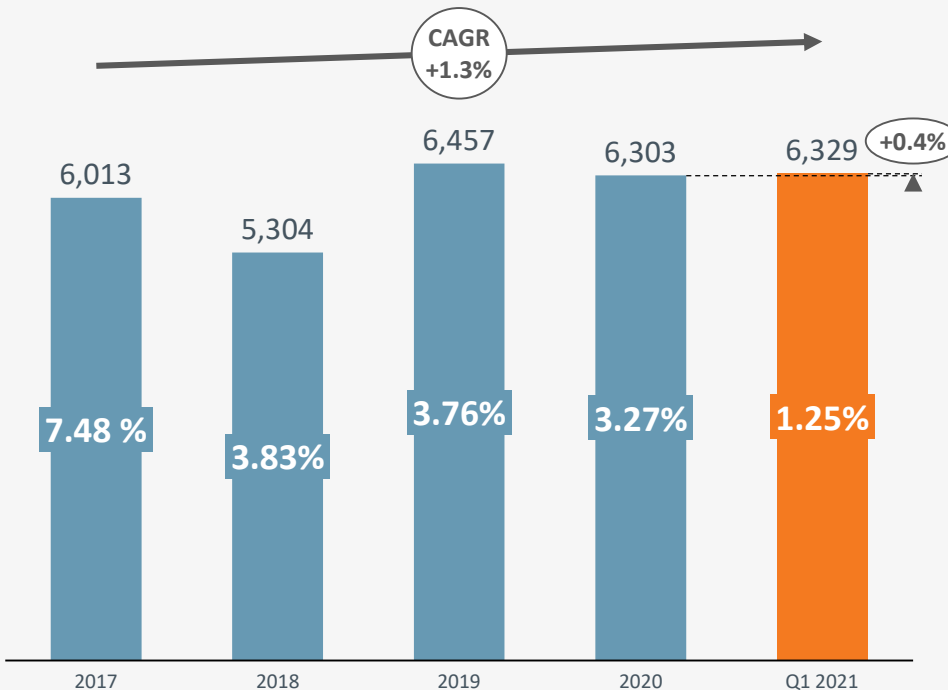
- **Total overheads** increased by 12% compared to last year (excluding MOH donation)
- **Policy acquisition costs** slightly increased by 2% which is inline with our growth in GWP
- **Other underwriting costs** increased by 5%



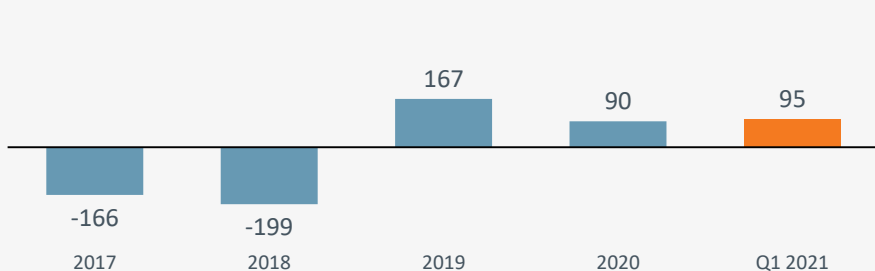
TAWUNIYA PERFORMANCE

Other elements that feed into the Reported Net income...

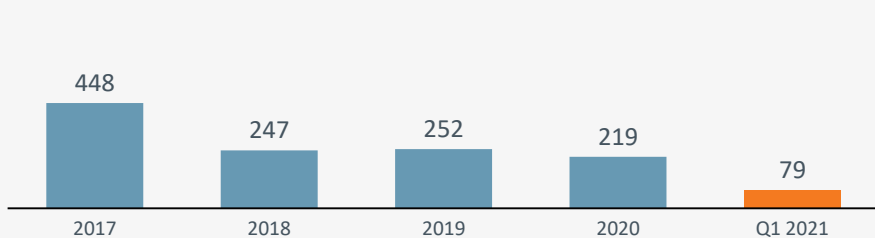
TOTAL INVESTMENTS (SR MILLION)



UN-REALIZED INVESTMENT BALANCE (SR MILLION)



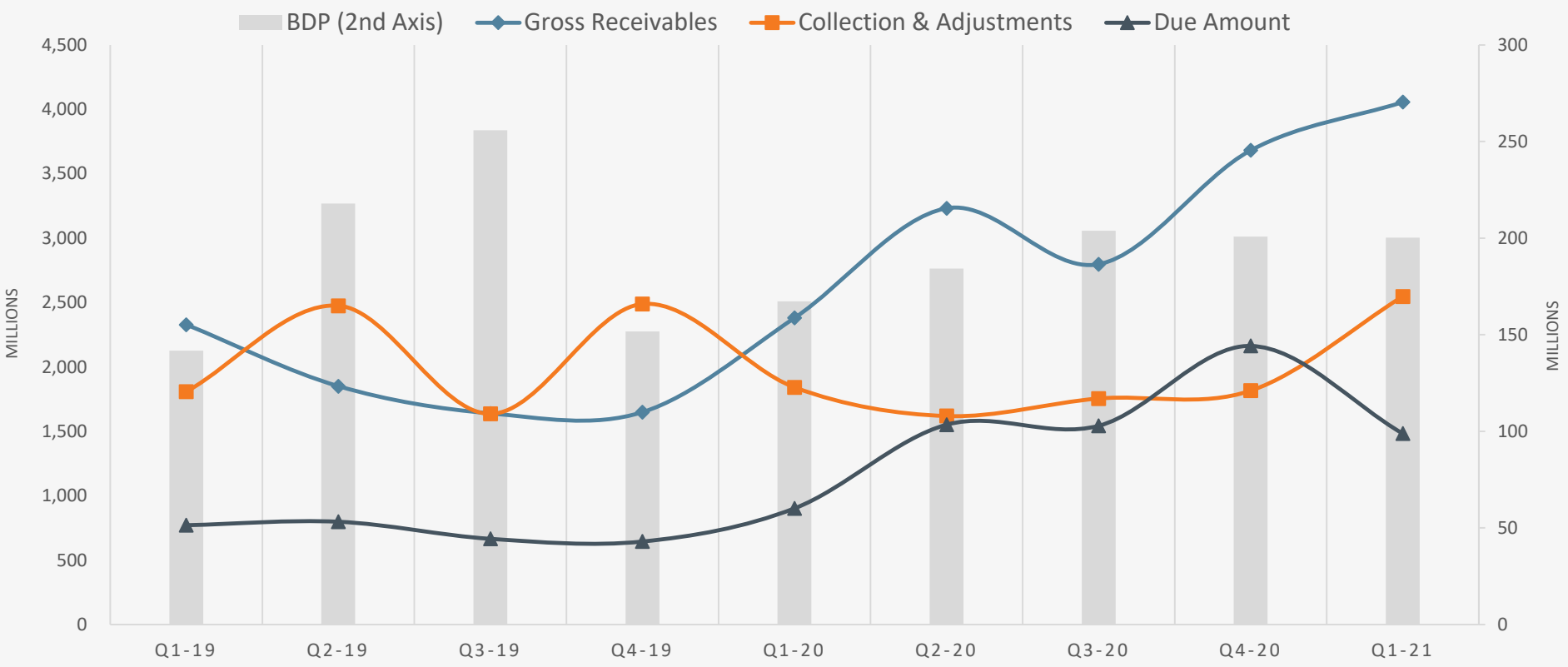
REALIZED INVESTMENT INCOME (SR MILLION)



TAWUNIYA PERFORMANCE



Management of **receivables** and due debt...



COMPANY OVERVIEW



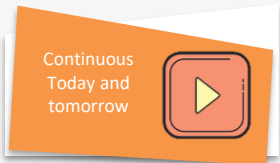
COMPANY OVERVIEW

Our Vision & Mission...



VISION

Sustain momentum for our society's safety and continuous progress towards the future



Be the companion that presents innovative and customer centric insurance solutions, so our customers feel secure, empowered and ready for the future

MISSION

COMPANY OVERVIEW

Board of Directors...



Mr. Abdulaziz I. AlNowaiser
Chairman



Mr. Abdulaziz A. AlKhamis
Vice -chairman



Mr. Hamood A. Al Tuwaijri
Director



Mr. Waleed A. AlEisa
Director



Mr. Ehab M. AlDabbagh
Director



Dr. Khaled A. AlGhonaim
Director



Mr. Abdulrahman M. AlOdan
Director



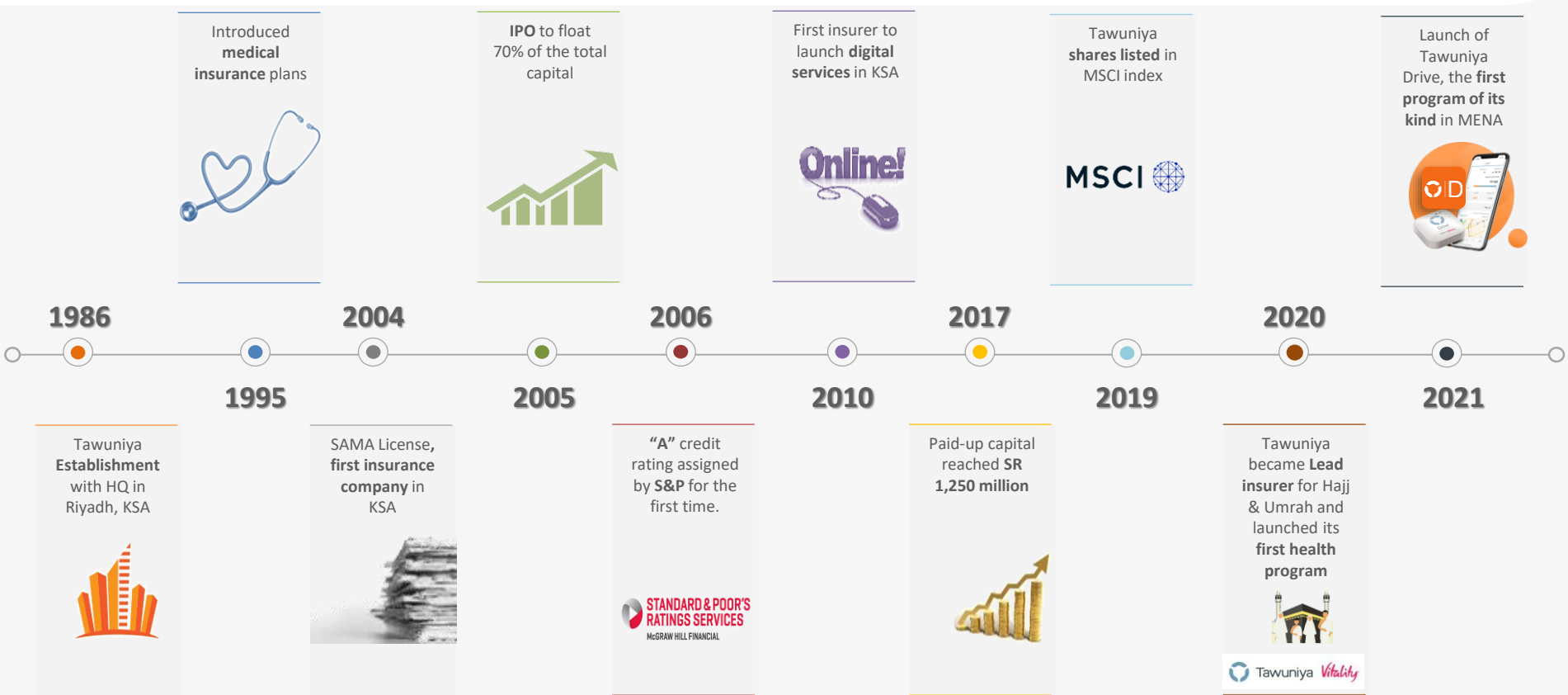
Mr. Jasser A. AlJasser
Director



Mr. Ghassan A. AlMalki
Director

COMPANY OVERVIEW

Leading Saudi insurer with **33 years** of sustained achievements...





How Tawuniya Vitality program contributes to Vision 2030...



OFFER A FULFILLING AND HEALTHY LIFE

IMPROVE HEALTHCARE SERVICE

- Strengthen prevention against health threats

PROMOTE A HEALTHY LIFESTYLE

- Increase public participation in sports and athletic activities

Tawuniya Vitality program is built on the shared value insurance model where we create value for all our health insurance clients and this program encourages everyone to follow a healthy lifestyle and exercise more which is inline with Vision 2030 objectives.

The healthy behaviors induced will be a win-win for both the society and Tawuniya

For more information, please visit our website:
<https://www.tawuniya.com.sa/en/tawuniyavitality>



Tawuniya Drive

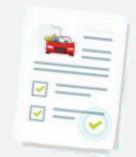
Tawuniya Drive is the first program of its kind in Saudi Arabia and MENA

The program gives Al-Shammel insurance policyholders the opportunity to get weekly rewards and renewal discount based on their

DRIVING BEHAVIOR

Tawuniya Motor Flex

New Product and new experience of customized third-party insurance



- Intentional harm from others
- Fire
- Theft
- Towing the vehicle
- Floods and Hail
- Glass break
- Roadside assistance service

General Insurance Overview



Property & Casualty insurance value proposition...

Product Innovation

- COVID -19 Cover
- Flight Delay
- Domestic Travel
- Fire Residential



Value Added Services

- Nathan
- Weather Alert
- Home Maintenance
- Online Marine Portal
- Vessel Tracking
- SME package VAS
- Smart Flight Delay

System and Process

- Travel Claim Process
- SME Risk Survey Mobile App



Risk Solutions

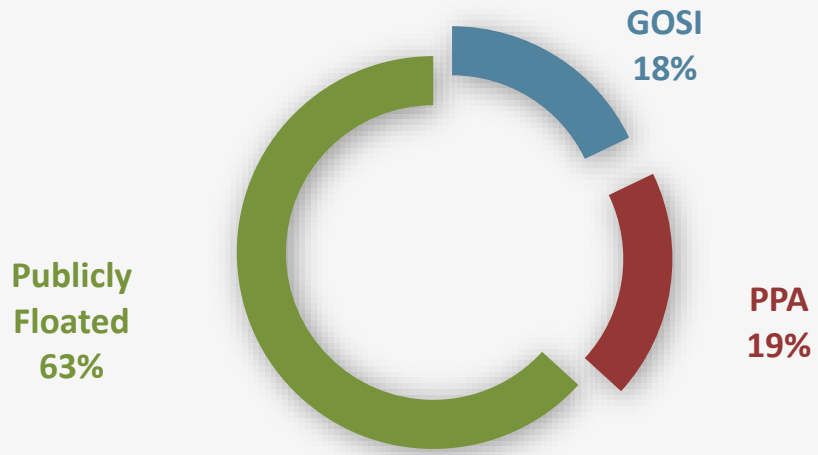
- 6 industries Risk Management Seminars

COMPANY OVERVIEW



Two of the **strongest government** entities own 37% of Tawuniya...

Tawuniya is an enlisted company
With a paid-up capital of
SAR 1,250 m



GOSI
Investment Portfolio:
More than **49** companies*



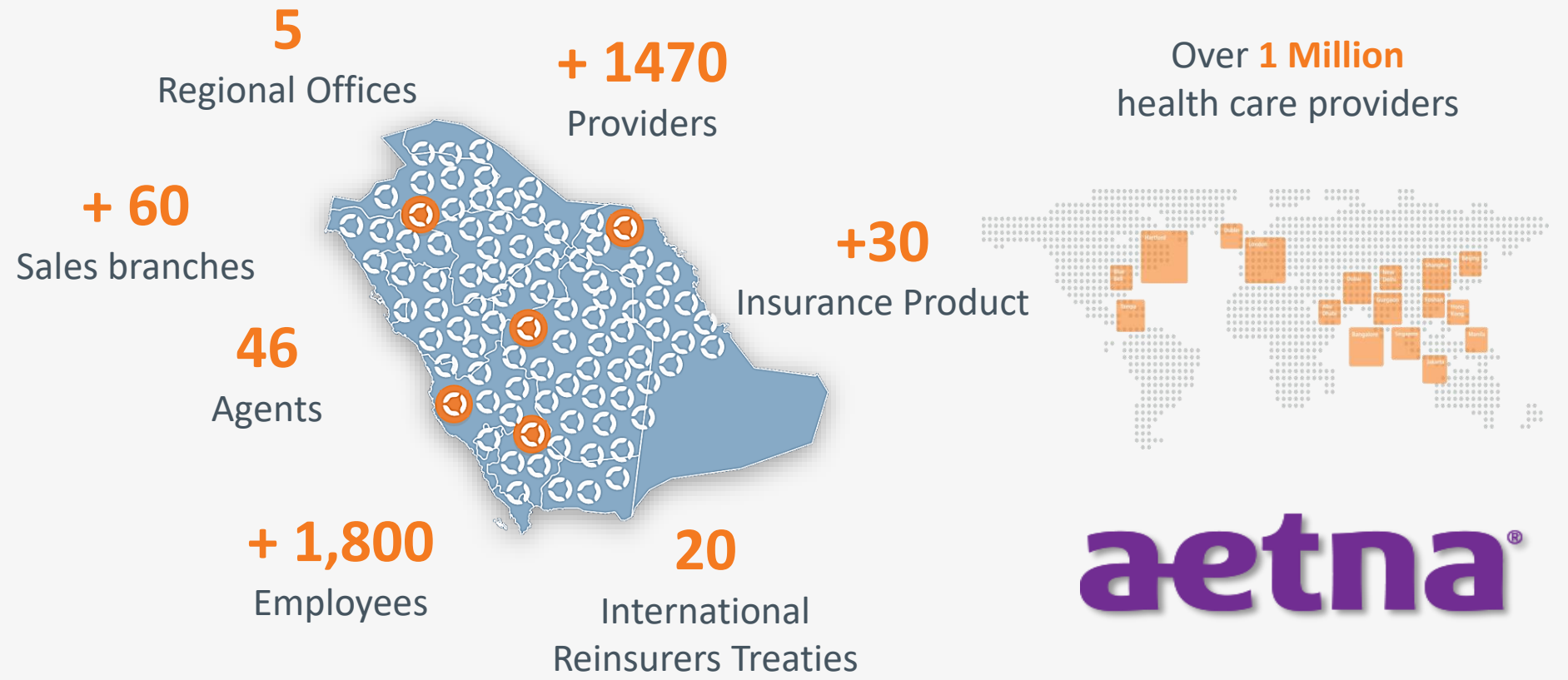
PPA
Investment Portfolio:
More than **84** companies**

* As at 2018
** As at 2019

COMPANY OVERVIEW



The largest **regional & global reach** to clients and providers...



COMPANY OVERVIEW



Insurance company with **high credit rating** within KSA... and **(A)** rated reinsurance partners...



Solicited

(BBB+)

Outlook: Positive

FitchRatings

Un-Solicited

(A-)

Outlook: Stable

OUR INTERNATIONAL REINSURERS



CCR Re is rated "A-" by S&P



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



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



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



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



R+V is rated "AA-" by S&P



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

Company Overview

+ 15,740 organizations across various sectors trust Tawuniya...



Aviation

GACA
الهيئة العامة للطيران المدني
General Authority of Civil Aviation

SAUDIA
السعودية

AEC Advanced Electronics Company
شركة الإلكترونيات المتقدمة

SAVC
الطيران المدني القابضة
Civil Aviation Holding

SANS
خدمات الملاحة الجوية السعودية
Saudi Air Navigation Services

SAMI

Financial

Saudi Central Bank
البنك المركزي السعودي

Capital Market Authority
هيئة السوق المالية

Saudi Tadawul Group
مجموعة تداول السعودية

The Saudi Investment Bank
البنك السعودي للاستثمار

riyadh bank
بنك الرياض

Al Rajhi Bank
مصرف الراجحي

alinma bank
مصرف الإنماء

NBK
البنك الوطني

SOCIAL DEVELOPMENT BANK
بنك التنمية الاجتماعية

Telecommunication

CITC
هيئة الاتصالات وتقنية المعلومات
Communications & Information Technology Commission

ELM
علم

تحكم
Technology and Security Engagement

Microsoft ARABIA

zain
زين

Mobily
موبايلي

Etihad Atheeb Telecom Company
شركة اتحاد عذيب للاتصالات

Mining & Petro.

سابك
عندل

Chevron

HALLIBURTON

SANAD
Saudi Aramco Nabors Drilling

NATPET

پترو راغ
Petro Rabigh

Manufacturing

مدن MODON
الهيئة السعودية للمنشآت الصناعية ومنشآت التقنية
Saudi Authority for Industrial Cities and Technology Zones

شركة الغاز والتصنيع الأهلية
National Gas & Indust.Co.

BAE-SYSTEMS
INSPIRED WORK

SIEMENS

الهيئة الملكية للجبيل وينبع
Royal Commission for Jubail & Yanbu

سبيماكو الدوائية
SPIMACO ADDWAEIH

تبريد tabreed

آل سالم
Johnson Controls

YORK

Other

مجموعة بن لادن السعودية
SAUDI BINLADIN GROUP

مجموعة محمد يوسف ناغي وأخوانه
MOHAMED YOUSUF NAGHI & BROTHERS GROUP

الفتاح
KEY

ACWA POWER
كوا باور

الجمارك السعودية
SAUDI CUSTOMS

Bahri
البحري

OLAYAN

Al Faisaliah Group
مجموعة الفحاحية

SFDA
الهيئة العامة للغذاء والدواء
Saudi Food & Drug Authority

مركز جونز هوبكنز
أرامكو الطبي
Johns Hopkins
Aramco Healthcare

البريد السعودي
Saudi Post

صندوق تنمية الموارد البشرية
HUMAN RESOURCES DEVELOPMENT FUND

COMPANY OVERVIEW



Our recent awards...

Outstanding Contribution to Social Impact- Saudi Arabia 2020

CFI British Magazine

Best Health Insurance Brand – KSA 2020

Global Brand Magazine (GBM)

General Insurance Company of the Year-2020

Middle East Insurance Industry Awards

Best Auto Insurance Company-2020

Global Banking & Finance Review (GBFR)

Best Insurance Customer Service Company- Saudi Arabia 2020

International Business magazine (IBM)

Best CEO in the Insurance Sector – KSA 2020

International Finance Magazine (IFM)

Best Takaful Insurance Company-2020

Global Islamic Finance Awards (GIFA)

Best Corporate Insurance Solutions Provider - KSA 2020

International Business magazine (IBM)

Most 20 Valuable Insurance Company in the Middle East-2020

Forbes Middle East Magazine

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