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tawuniya

9M 2023 Tawuniya's Earnings Conference Call

🕒 15:30 (Riyadh) | 16:30 (Dubai) | 13:30 (London) | 8:30 (New York)

📅 Tuesday, November 15th, 2023

www.tawuniya.com

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Company Overview

Reminder from 2025 strategy: Our mission, purpose and four underlying premises

OUR MISSION

(what we will be known for)

Exceed expectations through superior customer experience and service excellence

”

FOUR PROMISES

Extraordinary results

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

Customer centric

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

Operational Excellence

- 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

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

OUR PURPOSE

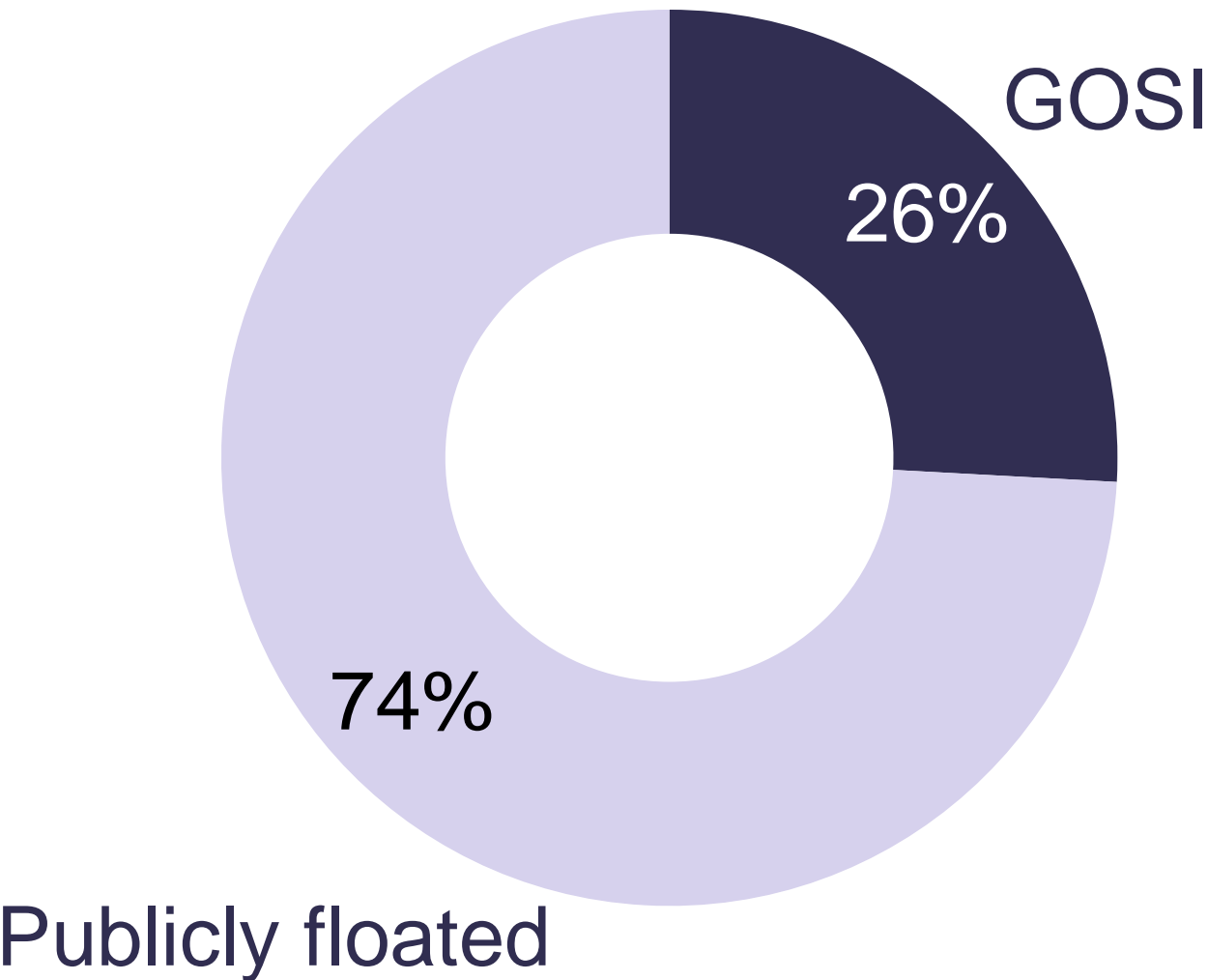
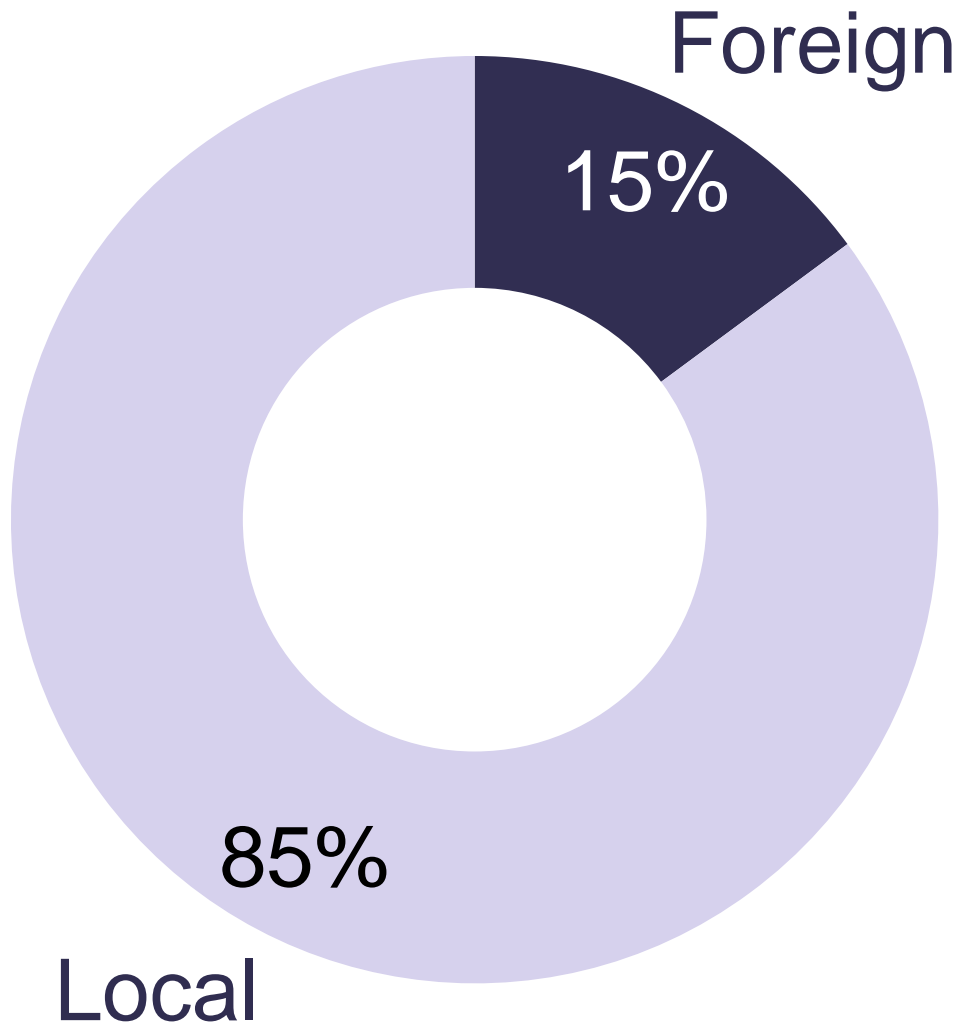
(why we exist)

“

Together for a safer life and bigger dreams



Shareholder Structure

As of Oct 30th, 2023



Credit Rating & Reinsurance Partners

Credit Rating

	<u>Rating</u>	<u>Outlook</u>
 STANDARD & POOR'S RATINGS SERVICES <small>McGraw Hill Financial</small>	Solicited (A-)	Stable
 FitchRatings	Solicited (A)	Stable

Our International Reinsurance Partners



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

Clients portfolio

FINANCIAL											
											
TELECOMMUNICATION											
											
AVIATION											
											
MANUFACTURING											
											
MINING & PETRO.											
OTHER											

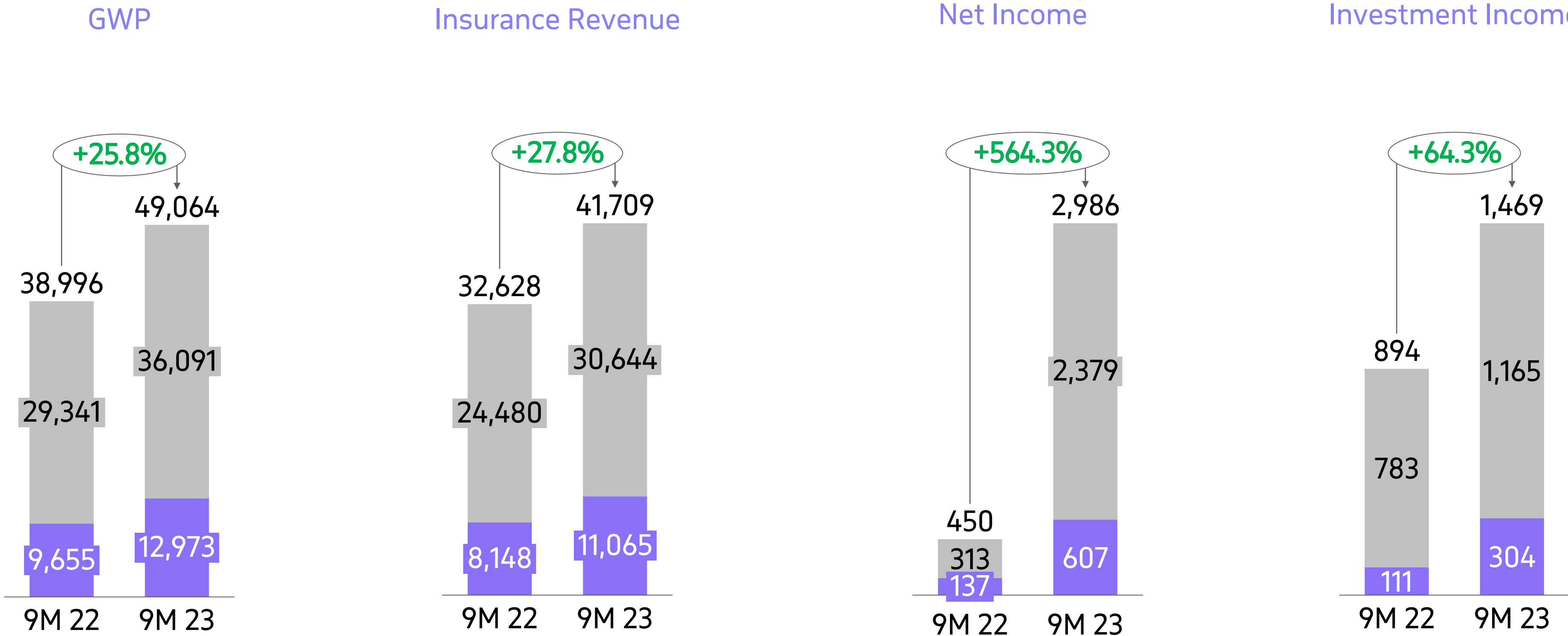
KSA Insurance Industry

Market Update

- On 31st of August, Tawuniya's Back to MSCI standard index.
- On 28th of August, 2023, Tawuniya's has increased it's capital to SAR 1.5 Billion.
- On 1st of October Motor Insurance enforcement was applied.
 - Ministry of Interior imposed an automatic violation through road cameras for each vehicle that is driven without an active insurance
 - The violations started on 1st of October in Riyadh, Makkah & Eastern Regions
 - Fines applied cost 100 SAR and applied every 2 weeks

9M 2023 Market Performance

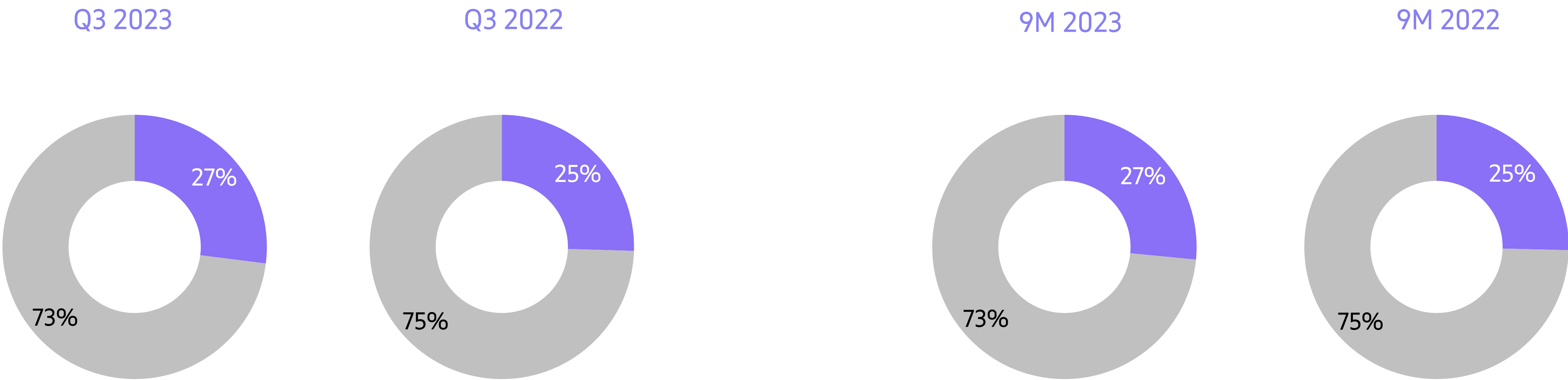
(In SAR' Million)



Others Tawuniya

Market Performance

Market Share (Insurance Revenue)



Tawuniya Others

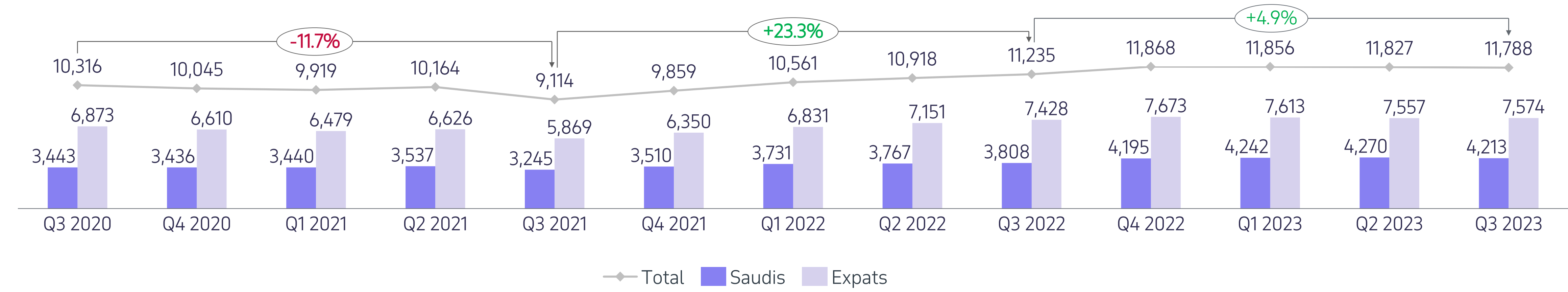


*All figures are excluding SaudiRe
*Alinma Tokyo is based on estimation

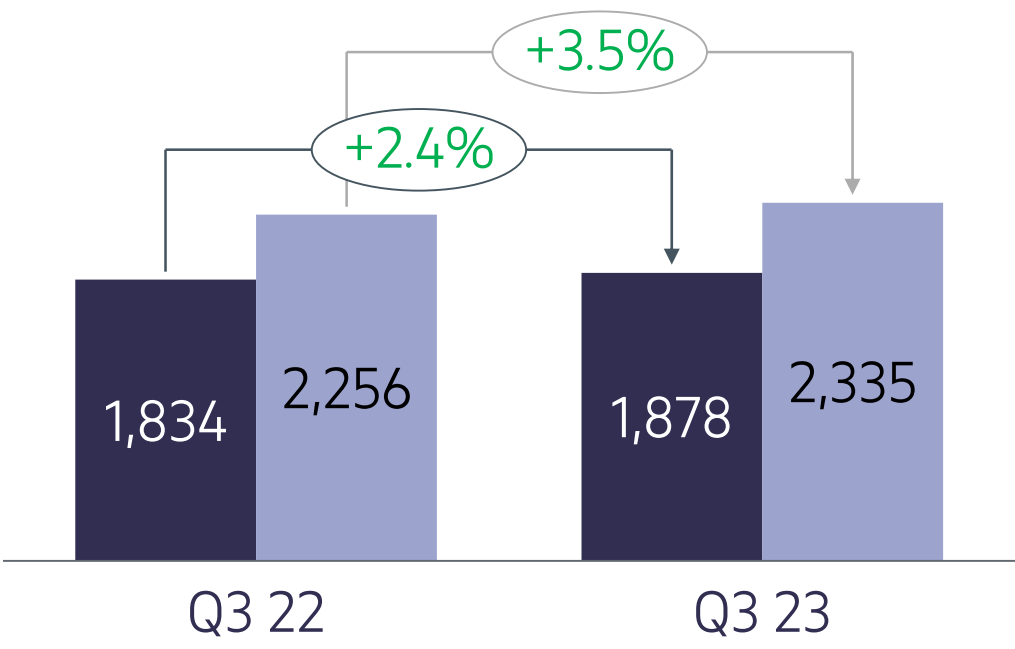
Insured Lives

(In '000)

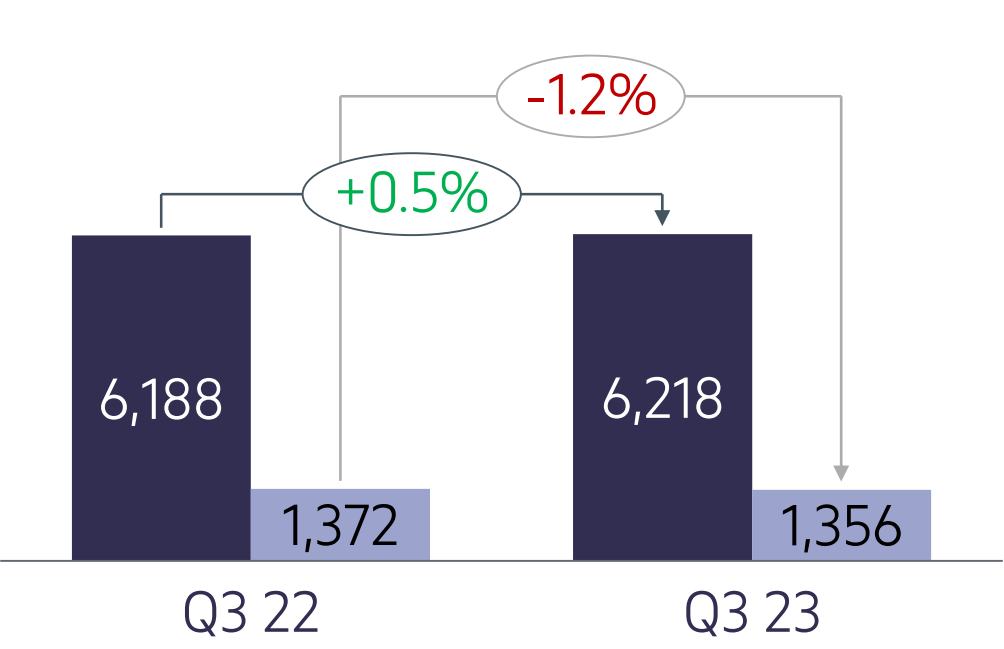
Total Insured Lives



Saudis

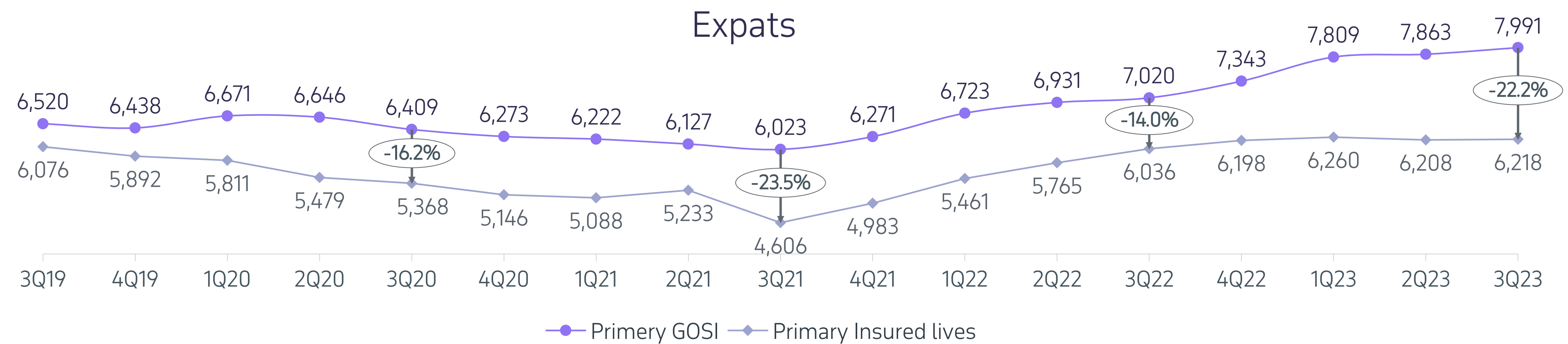
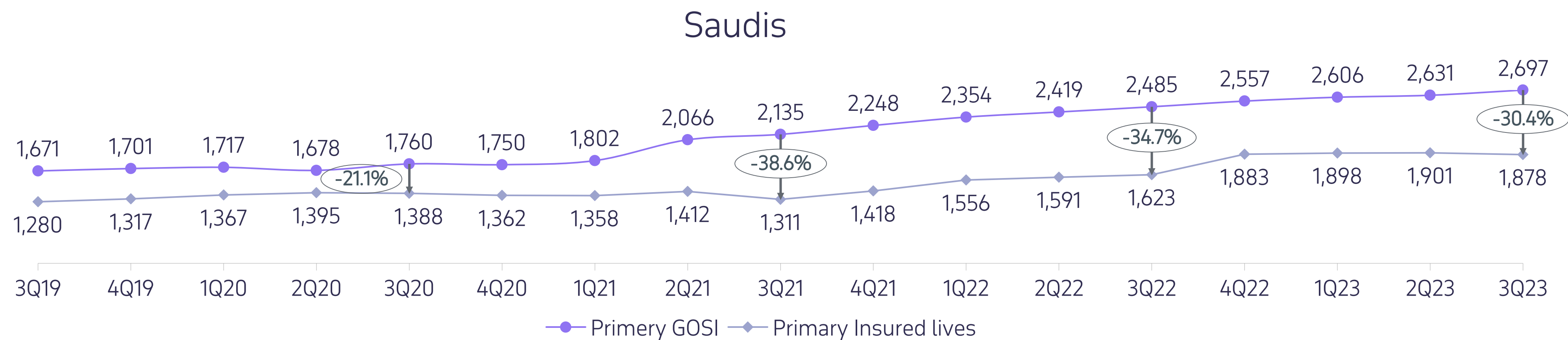


Expats



Gap & Enforcement

(In '000)



Tawuniya Performance

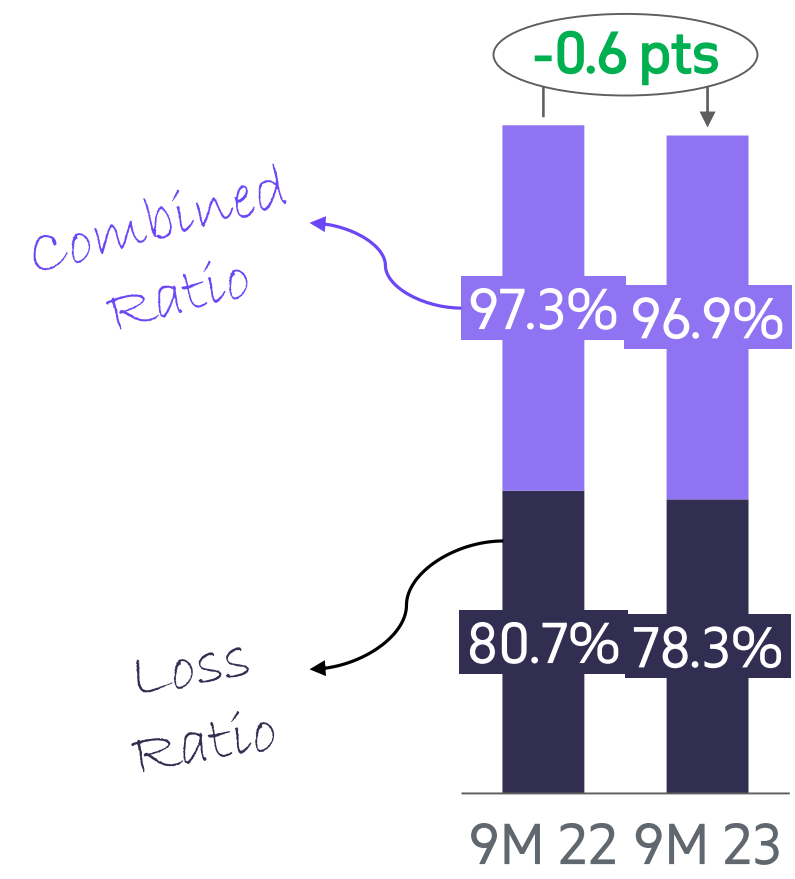
9M 2023 Tawuniya's Results (IFRS 4)

(In SAR' million)



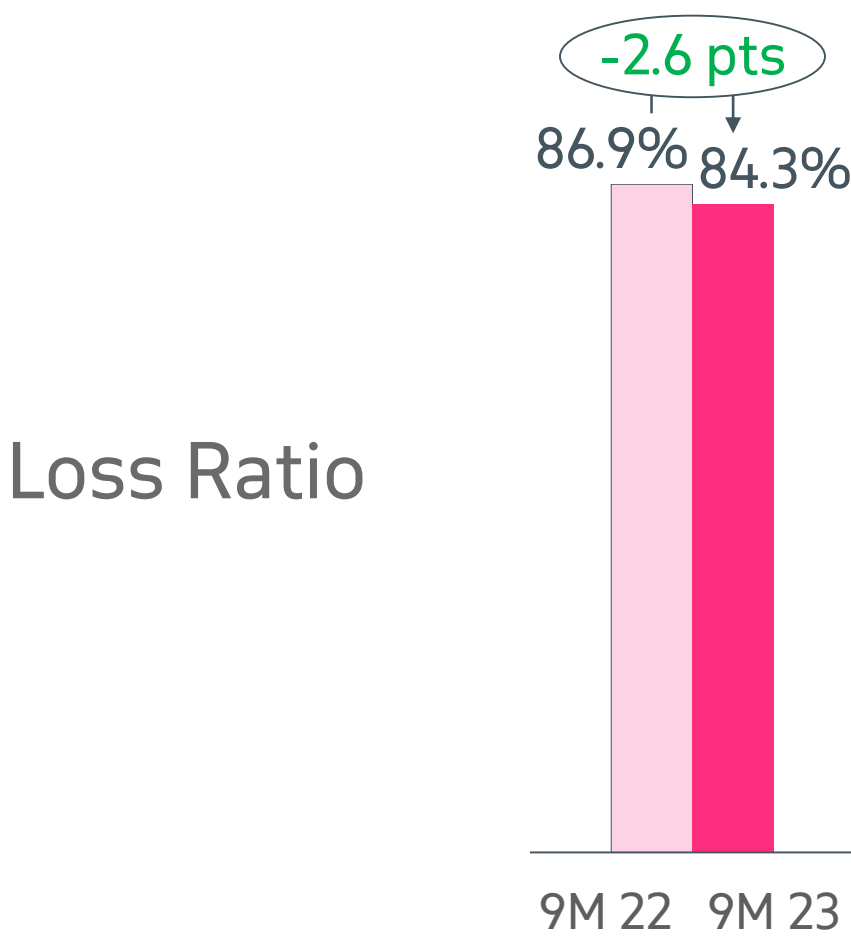
GWP 12,973 34% ▲

EBT 595 53% ▲



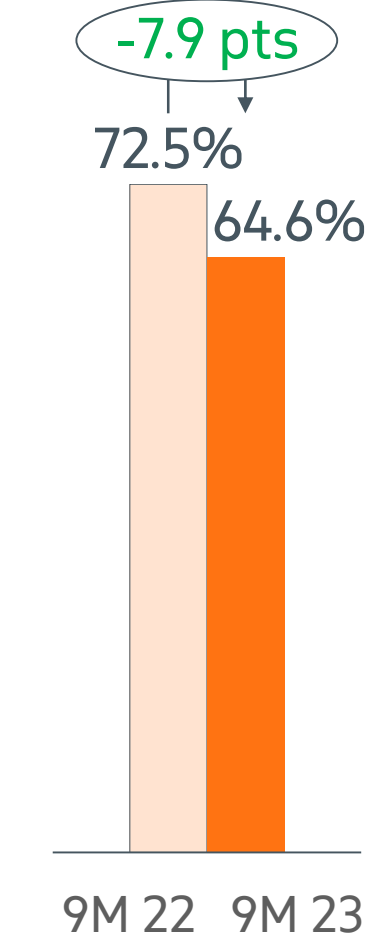
Health

GWP 8,558 30% ▲



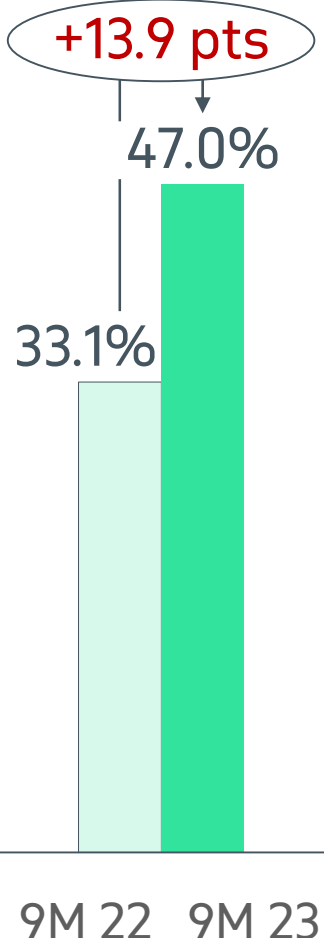
Mobility

GWP 2,172 216% ▲



General insurance

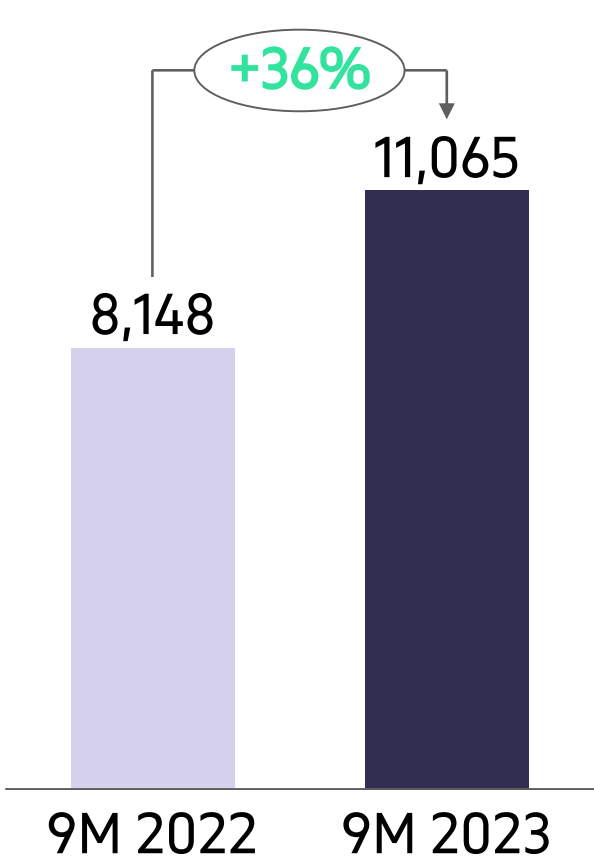
GWP 1,634 1% ▼



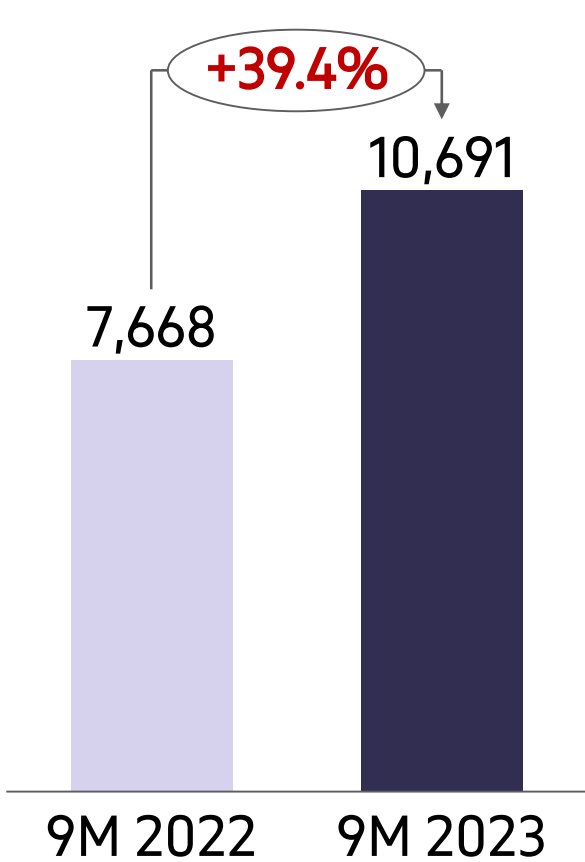
9M 2023 Tawuniya Performance (IFRS 17)

(In SAR' million)

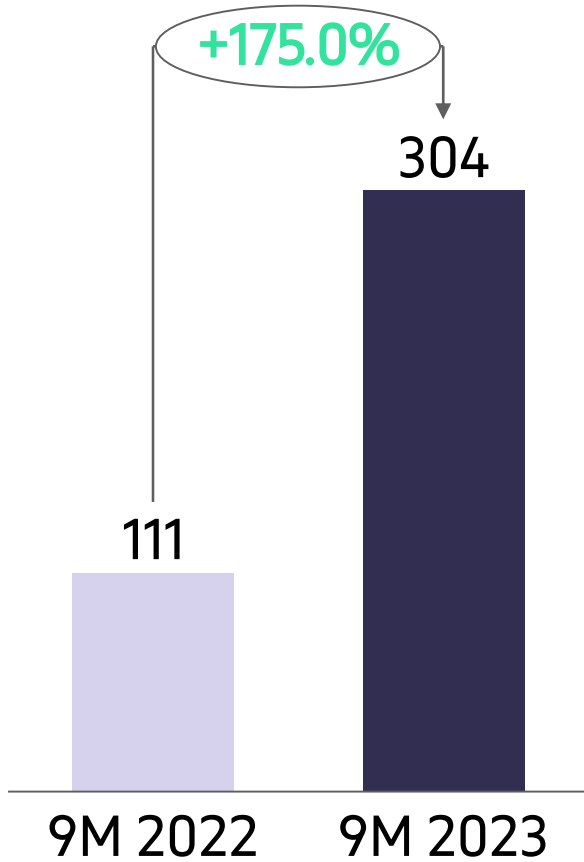
Insurance revenue



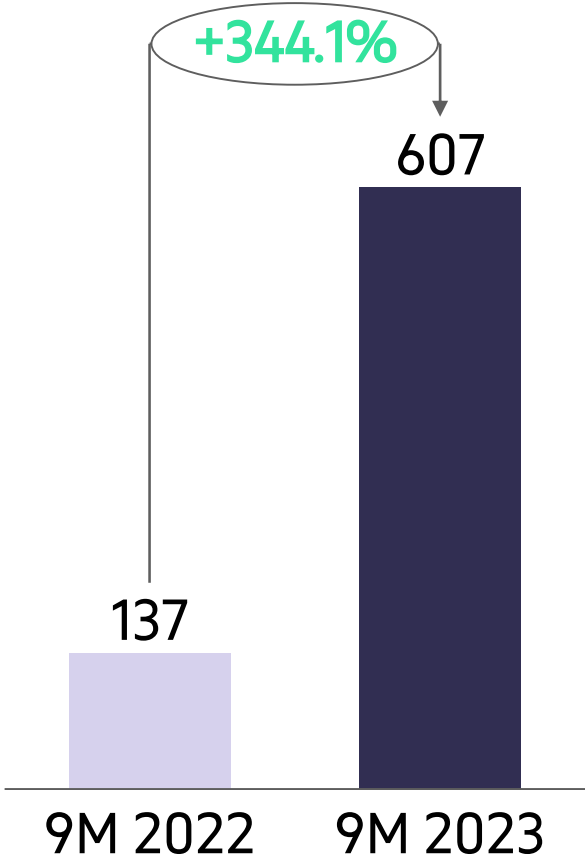
Insurance service expenses



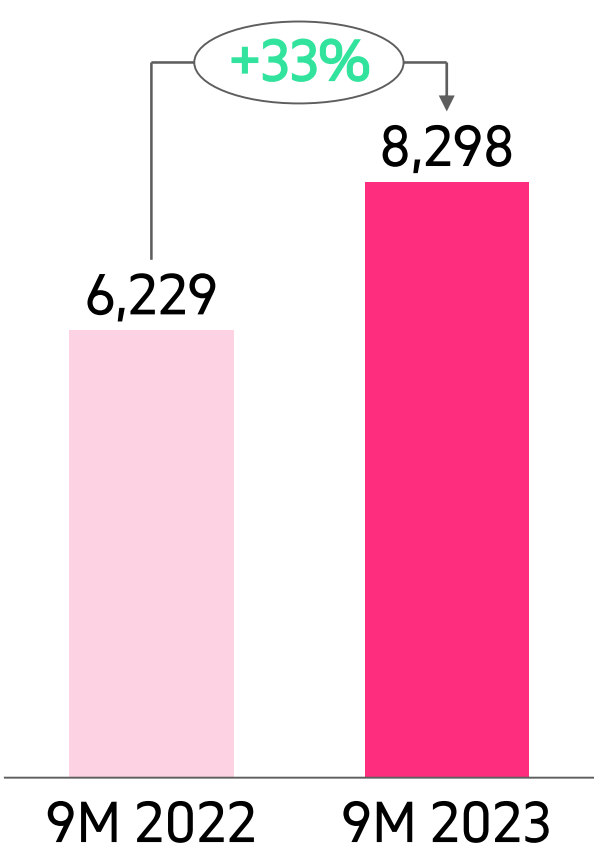
Investment Income



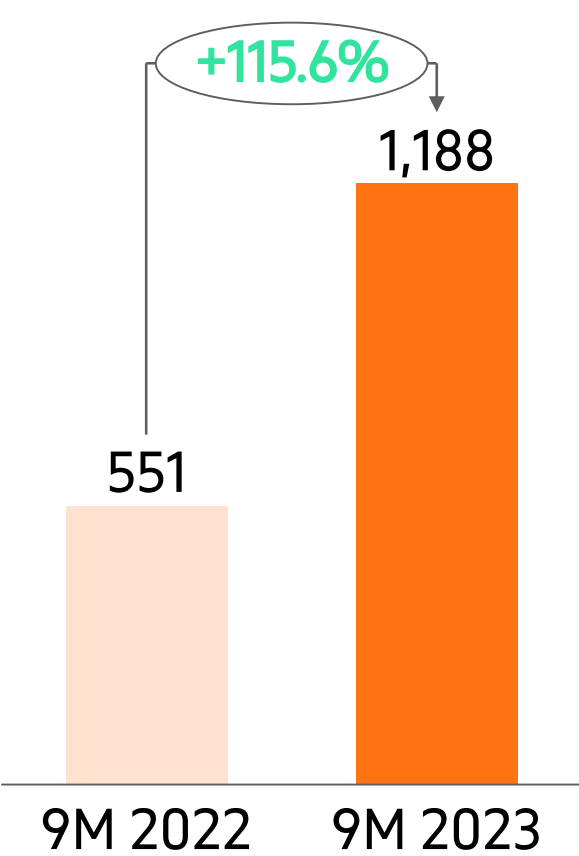
Net Income



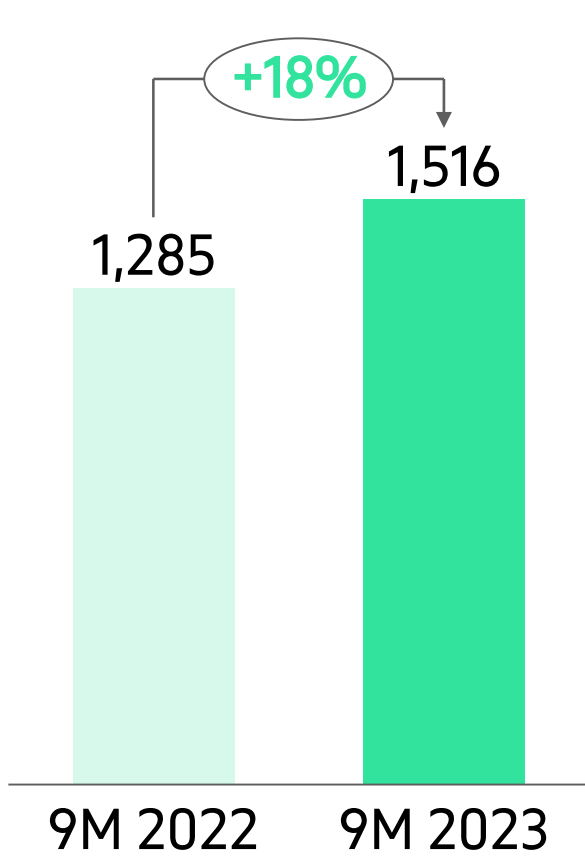
Insurance revenue
Health



Insurance revenue
Mobility



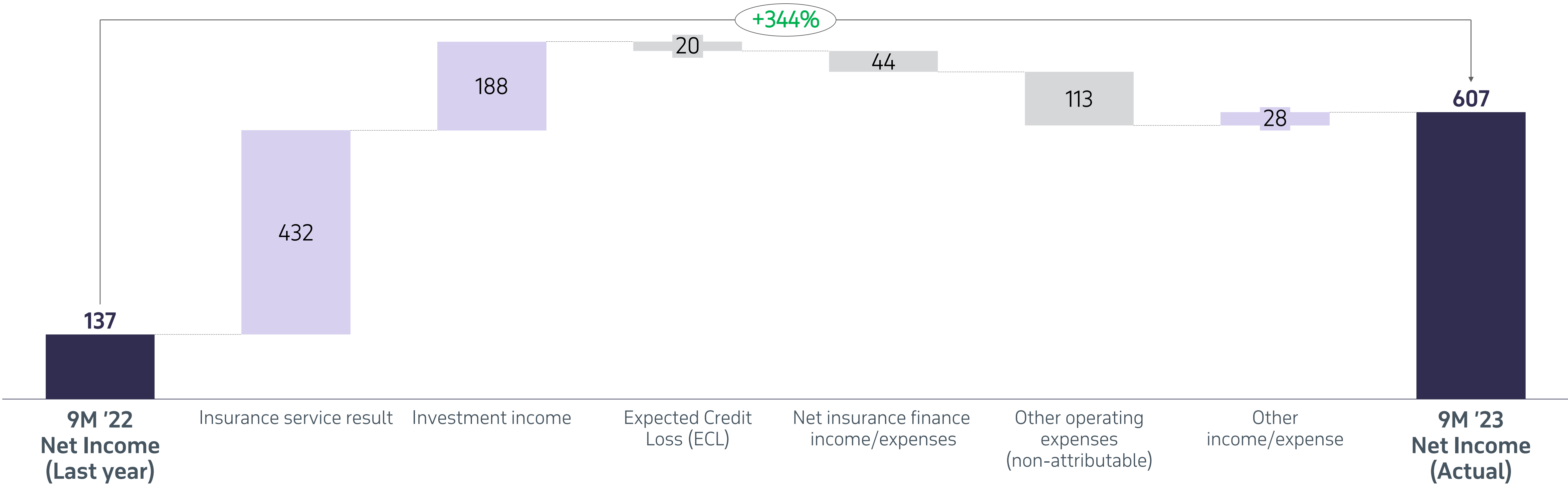
Insurance revenue
General insurance



9M 2023 Tawuniya Performance

(In SAR' Million)

Waterfall – EBT Movement IFRS 17



9M 2023 Tawuniya Performance

Consolidated P&L (IFRS 4 vs. IFRS 17) - YTD

P&L – IFRS 4			
Description	9M '23	9M '22	%
Gross premiums written	12,973	9,650	34%
Net premiums written	11,284	7,945	42%
Net premiums earned	10,211	7,419	38%
Reinsurance commissions	118	104	14%
Total revenues	10,328	7,523	37%
Net claims and other benefits incurred	(7,997)	(5,984)	34%
Policy acquisition costs	(576)	(338)	70%
Other underwriting expenses	(237)	(133)	79%
Insurance share distribution	(266)	(238)	12%
Total underwriting costs and expenses	(9,076)	(6,693)	36%
Net underwriting income	1,252	830	51%
General and administrative expenses	(858)	(617)	39%
Allowance for doubtful debts	(118)	(23)	-
Investment income, net	332	227	46%
Other (expenses) / income, net	37	10	258%
Net income (before attribution and zakat)	646	427	51%
Net income attributed to insurance operations	(51)	(37)	38%
Net income (before zakat)	595	390	53%
Loss ratio	78.3%	80.7%	(2.3 pts)
Expense ratio	20.1%	18.2%	1.9 pts
Combined ratio	96.9%	97.3%	(0.4 pts)

P&L – IFRS 17			
Description	9M '23	9M '22	%
Insurance revenue	11,065	8,148	36%
Insurance service expenses	(10,691)	(7,668)	39%
Insurance Service Result	374	480	(22%)
Allocation of reinsurance premiums	(1,403)	(1,167)	20%
Amounts recoverable from reinsurers for claims	1,745	971	80%
Reinsurance Service Result	342	(197)	274%
Net Insurance Service Result	716	284	152%
Investment income	282	94	199%
Expected credit loss allowance on financial assets	(148)	(128)	15%
Net income on financial assets	134	(34)	494%
Insurance Finance income/expense	(121)	(9)	1203%
Reinsurance Finance income/expense	62	(6)	1139%
Net insurance financial result	791	235	237%
Share of profit from equity accounted investments	22	16	35%
Other operating expenses (non-attributable)	(247)	(134)	85%
Other income (net)	42	19	115%
Net income (before zakat)	607	137	344%
Loss ratio	82.2%	85.5%	(3.3 pts)
Expense ratio	13.6%	12.7%	0.9 pts
Combined ratio	96.3%	98.3%	(2.0 pts)

9M 2023 Tawuniya Performance

Consolidated P&L - Insurance Service Result (IFRS 17)

P&L – IFRS 17	
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Other income (net)	42
Net income (before zakat)	607

IFRS 17 – Insurance Revenue & Insurance Expense Breakdown			
Description	9M '23	9M '22	%
Gross written premiums (GWP)	12,973	9,655	34%
Changes in gross unearned premiums	(1,197)	(935)	28%
Changes in ECL charge	7	(39)	(118%)
Shared pool elimination	(718)	(533)	35%
Insurance Revenue	11,065	8,148	36%

Incurred claims and other directly attributable expenses	9,806	7,210	36%
Risk adjustment due to incurred claims	556	145	283%
Changes that relate to past service	(485)	(187)	159%
Losses on onerous contracts and reversal of those losses	11	(38)	(132%)
Amortization of insurance acquisition cash flows	802	538	49%
Insurance Service Expense	10,691	7,668	39%

Insurance Service Result	374	480	(22%)
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9M 2023 Tawuniya Performance

Consolidated P&L - Reinsurance Service Result (IFRS 17)

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Net insurance financial result	(59)
Share of profit from equity accounted investments	22
Other operating expenses (non-attributable)	(247)
Other income (net)	42
Net income (before zakat)	607

IFRS 17 – Reinsurance Service Result Breakdown			
Description	9M '23	9M '22	%
Reinsurance Ceding	(1,689)	(1,710)	(1%)
Change in Reinsurance Unearned Premium Reserve (UPR)	123	409	(70%)
Reinsurance Commission Earned	111	97	14%
Shared Pool Elimination	52	37	41%
Allocation of reinsurance premiums	(1,403)	(1,167)	20%
Incurred Claims Recovery	1,540	773	99%
Risk Adjustment Due to Claims Recovery	71	221	(68%)
Changes that Relate to Past Service	104	(42)	(348%)
Loss-recovery Component	25	13	92%
Effect of Changes in Risk of Reinsurers' Non-performance	5	6	(17%)
Amounts recoverable from reinsurers for claims	1,745	971	80%
Reinsurance Service Result	342	(196)	274%

Questions



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Keep in Touch

Upcoming Events:

- 26 Nov - Tawuniya Investor Day, Riyadh
- 26-27 Feb,2024 – Saudi Capital Market Forum, Riyadh
- 4-7 Mar,2024 – EFG Hermes Investor Conference, Dubai

For More information contact us on:

Tawuniya's Investor Relations

IR@Tawuniya.com

+966 11 252 6622



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Thank You



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