

9M 2022 Tawuniya's Earnings Conference Call

Monday, November 7th, 2022

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Agenda

KSA Insurance Industry

Tawuniya Performance

Company Overview

Q&A



KSA Insurance Industry

Market Update



Minister of Finance stated that a unified regulator for the insurance sector, independent of the Saudi Central Bank (SAMA), will be announced soon.



The Saudi Central Bank (SAMA) announced the issuance of the comprehensive motor insurance rules, which aim to regulate the contractual relationship between the vehicle insurer and the insured



CHI launched the new table of benefits on Oct 1st, 2022 and applied a total of 18 new benefits to the health insurance policy, and 10 other benefits will be added and improved.

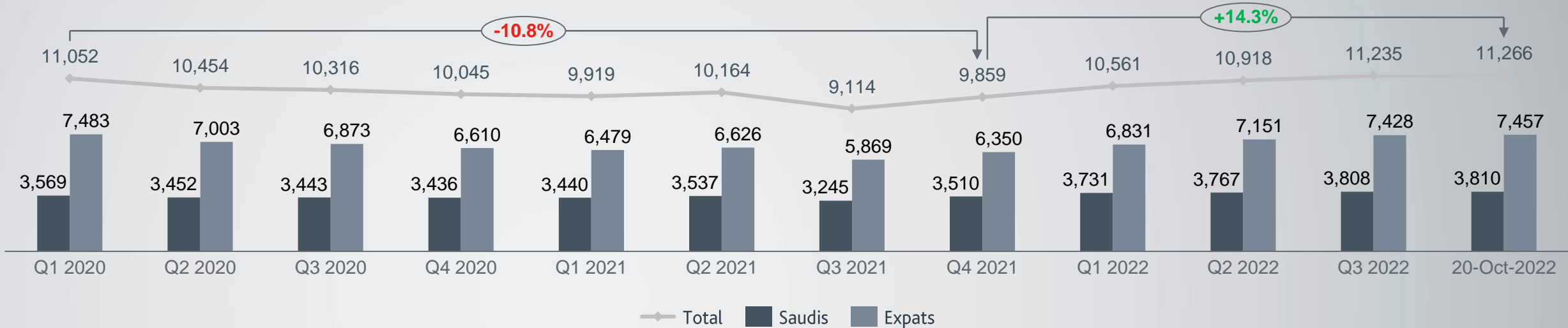


The Director of Financial Sector Development Program aims to increase the insurance sector's contribution to the Saudi non-oil GDP from 1.9% in 2019 to 2.4% in 2025, the program work on increasing the share of medical insurance to 45% in 2025, compared to 33% in 2019, and motor insurance to 77% instead of 40% in 2019.

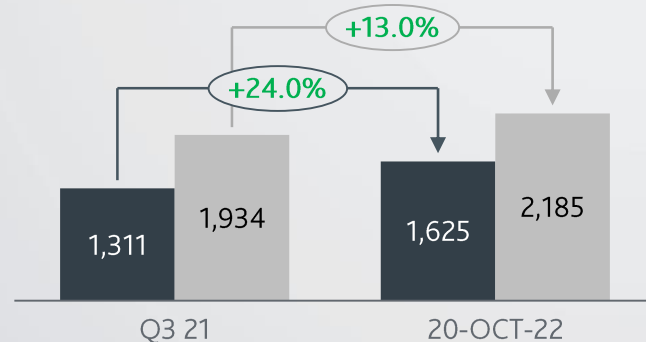
Insured Lives

(In SAR '000)

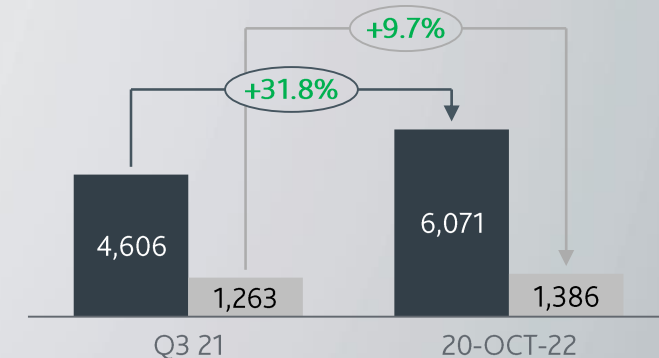
Total Insured Lives



Saudis

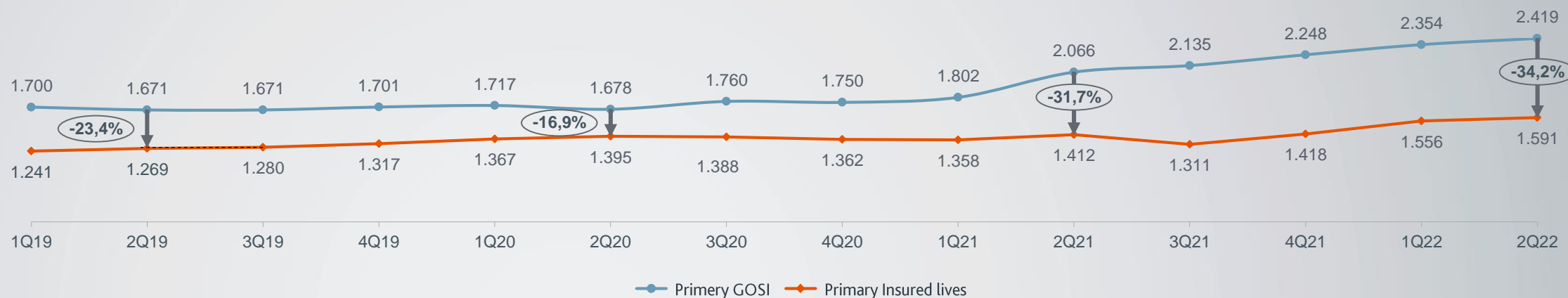


Expats

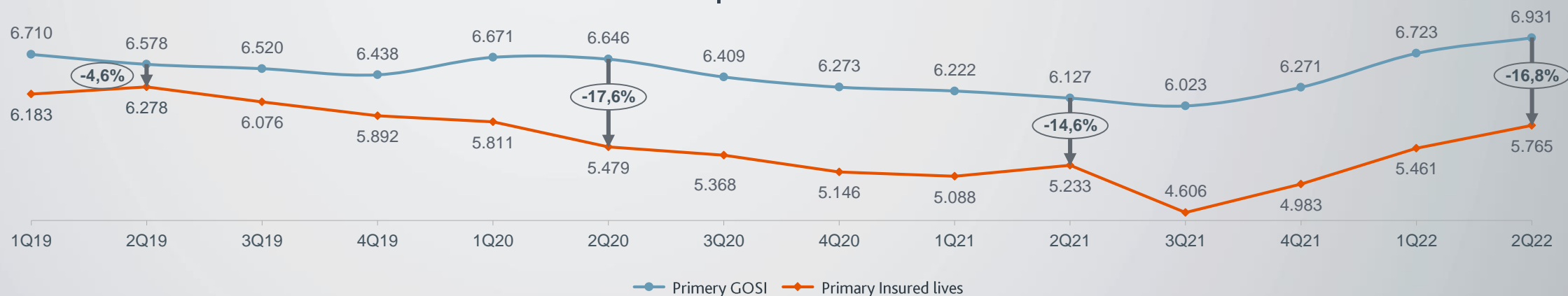


Gap and enforcement

Saudis (In SAR '000)



Expats (In SAR '000)



Tawuniya Performance

9M with good underlying result

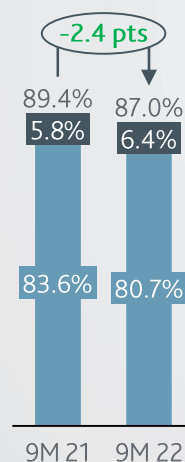
(In SAR m)

Overall

GWP **9,650** 37% ▲

EBT **390** 16%▲

Combined Ratio



Medical*

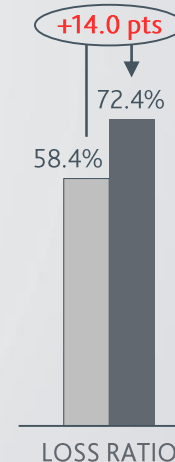
GWP **6,879** 29%▲

Loss Ratio



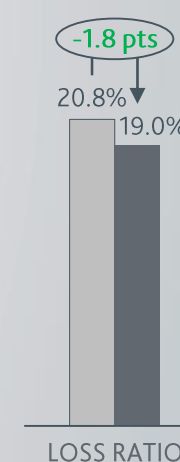
Motor

GWP **687** 56% ▲



P&C**

GWP **1,959** 61% ▲

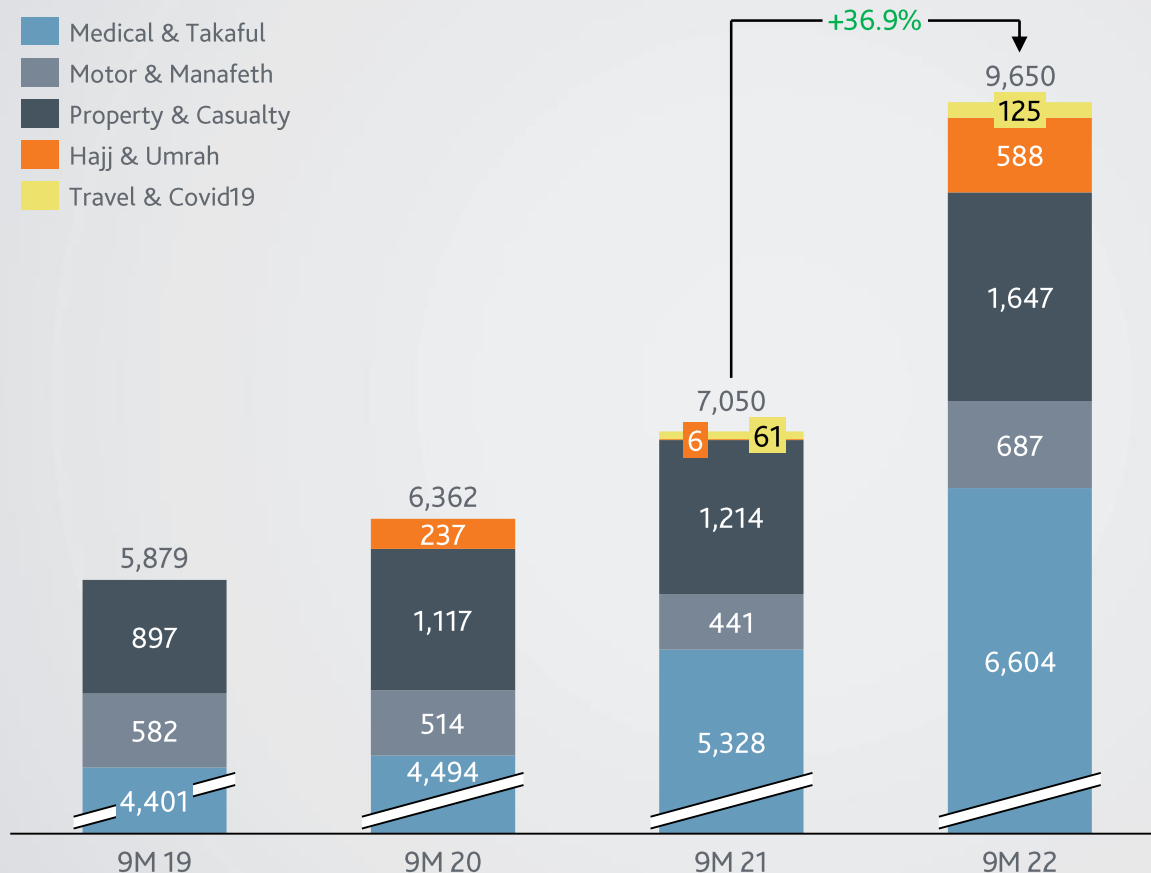


*Medical includes medical line, medical-Umrah line , and Protection & Savings line.

**P&C includes Property & Causality line, General Accident-Hajj-Umrah line, and Travel & Covid-19 line.

9M Gross Written Premium

(In SAR m)

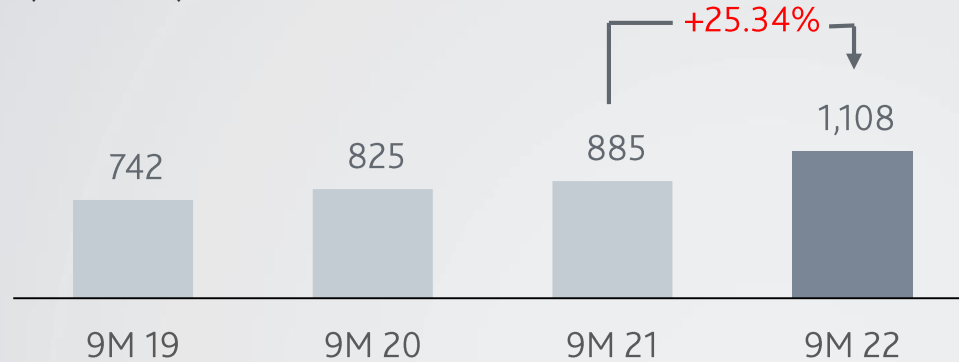


Highlights:

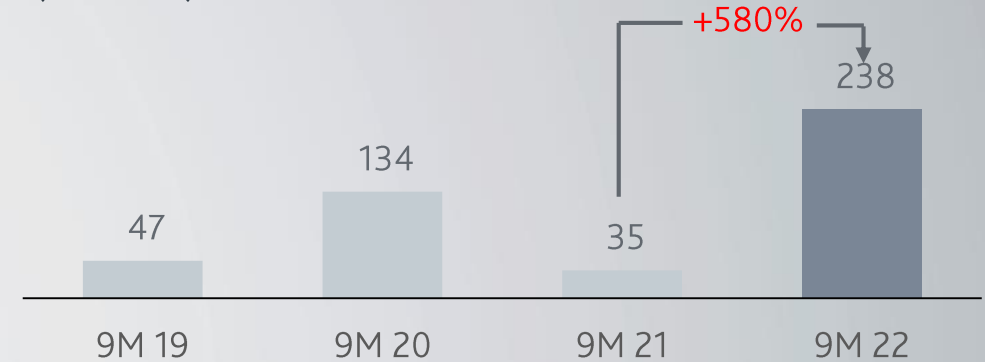
- Overall GWP up **36.9%** from 9M 21
- Medical GWP showing growth up to **23.93%** due to the increase in number of lives compared to 9M 2021, and the big price adjustment achieved in 2022
- Motor up **55.85%** including Manafeth (Manafeth 1Q21 was 1.4M) as a result of implementing smart pricing technology
- P&C up **35.99%** from 9M 21
- Hajj & Umrah up by **582 M** due to Umrah capacity getting back to normal.

Tawuniya Performance

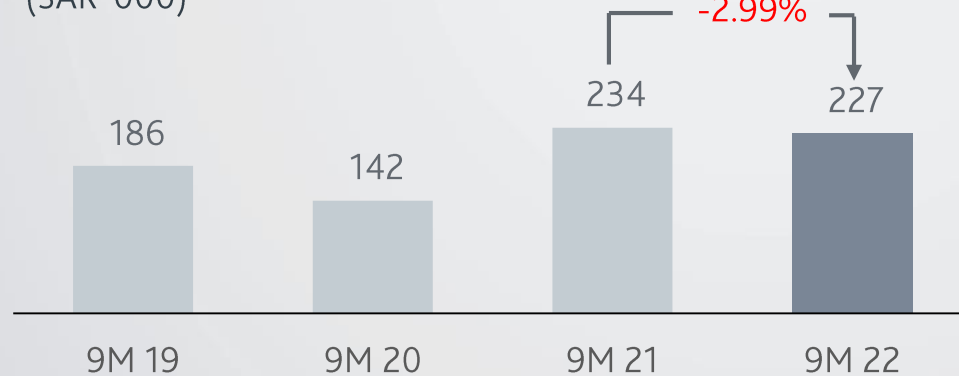
Overheads
(SAR '000)



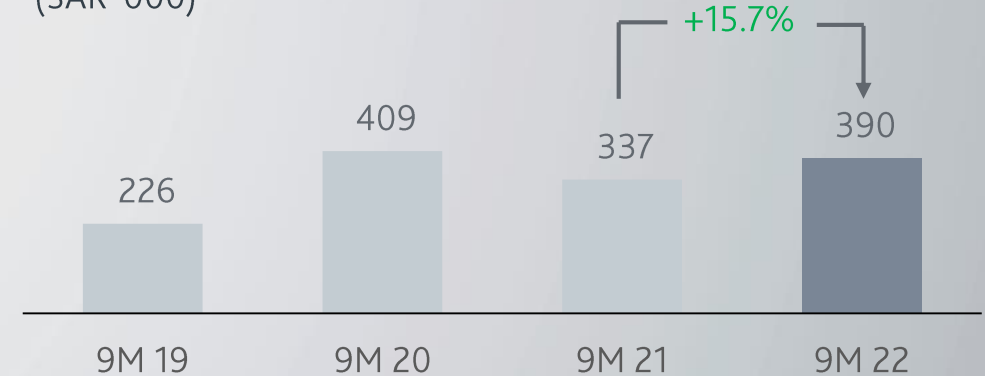
Insurance Companies Share
(SAR '000)



Investment Income
(SAR '000)



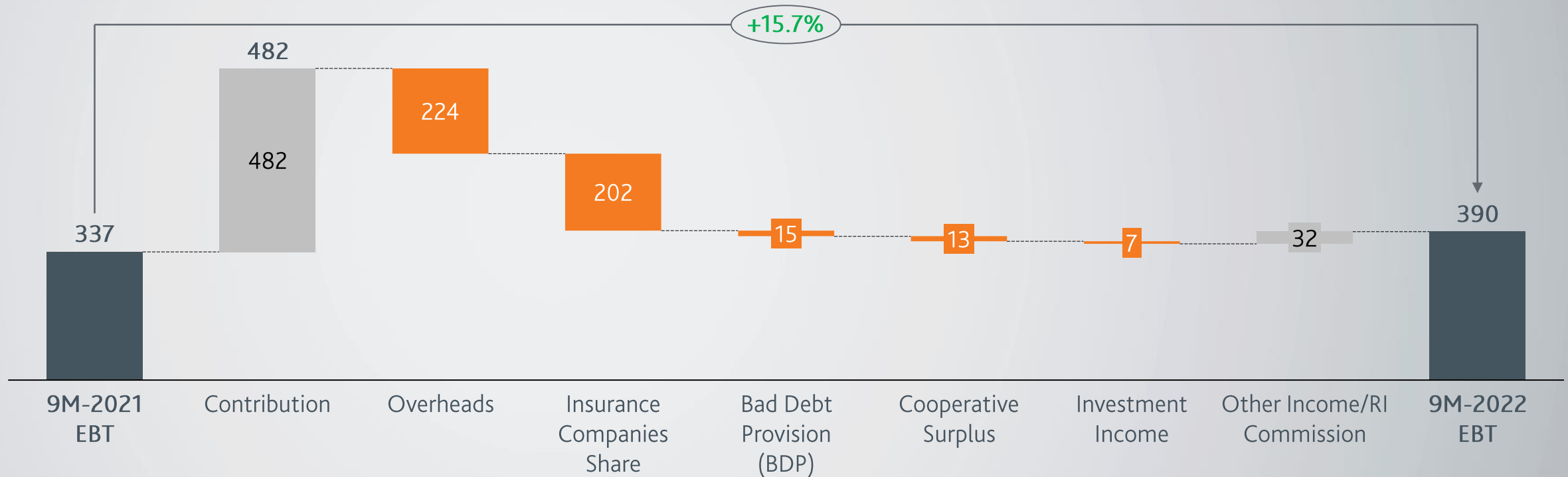
Net Income
(SAR '000)



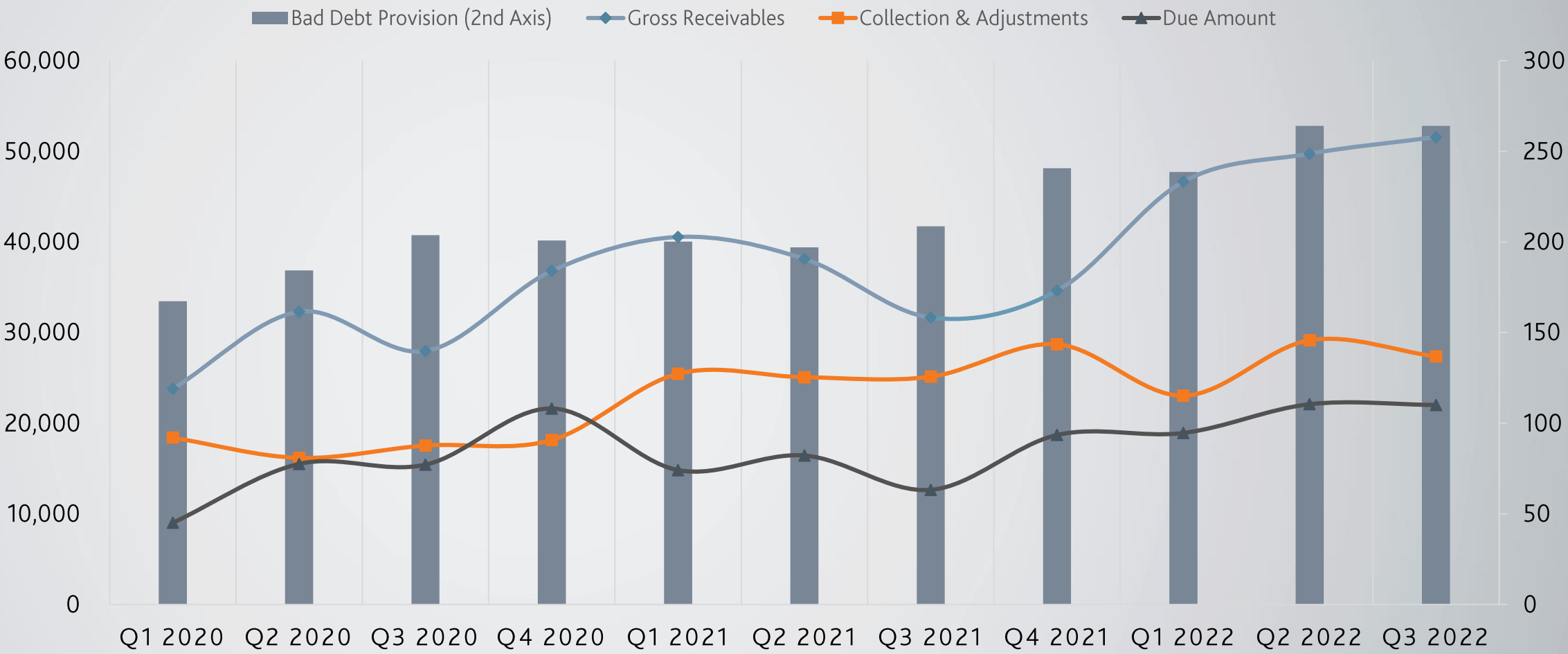
Tawuniya Performance

(In SAR m)

Waterfall – EBT Movement

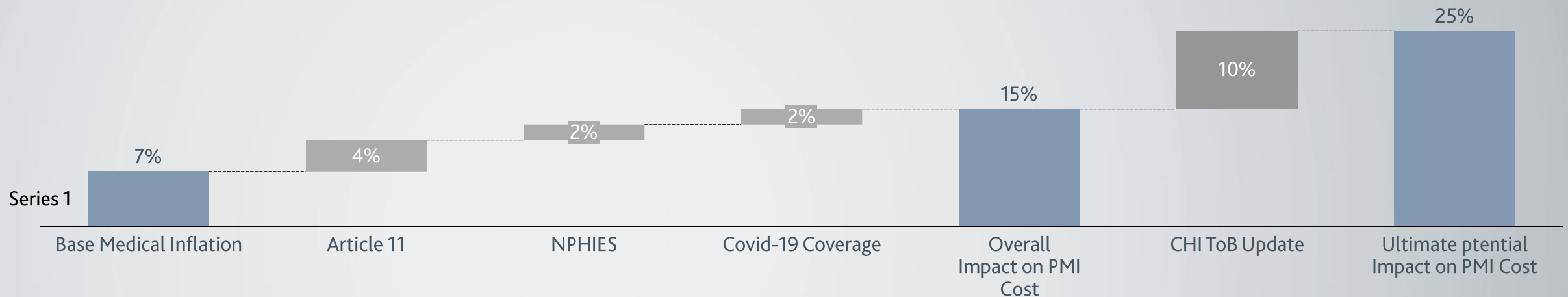


Tawuniya Performance



Medical Inflation components

Impact of PMI sector Cost



Medical Regulatory Changes

Medical inflation

Impacted by the change of members and providers behavior following Covid19 pandemic.

Article 11

CHI require insurance companies to Include all accredited governmental providers to their networks.

Nphies

Total numbers of providers enrolled in wave 1&2 are 127 & 42 respectively.

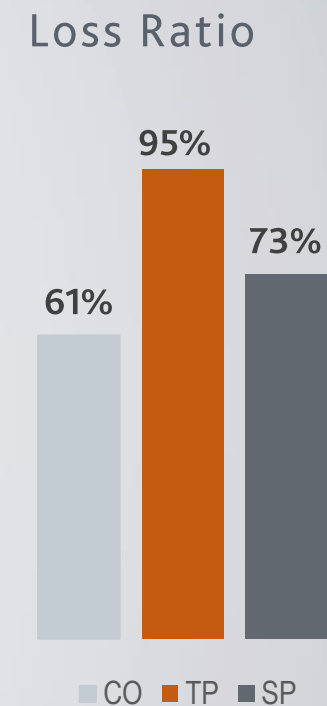
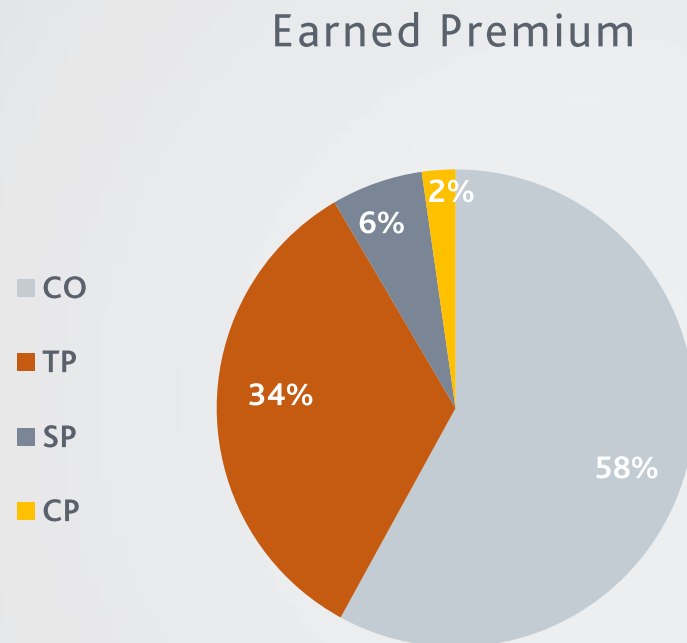
CCHI new ToB

Most of the new benefits (simple benefits) started to be implemented in Oct 2022.

Covid-19 Coverage

CHI agreed to a new medical protocol for the testing of suspected cases and the treatment of confirmed cases.

Earned Premium and Loss Ratio by Motor LoB








Tawuniya Drive

- +40,000 registrations
- 59% Active Engagement
- 92% Redemption and +2M SAR in Rewards
- Driver scores improved by average 10% in 8 weeks
- 55% increase in renewal ratio
- Drive clients Loss Ratio 5% Less than the rest of the book
- Now Including all drivers not only drivers insured by Tawuniya



Program Benefits

-  Value for Money
-  Weekly Rewards & Discounts
-  Improve Driving Behavior
-  Up to 20% Discounts at Anniversary
-  Impact Alert Technology

Premium installments

6 Months Installments



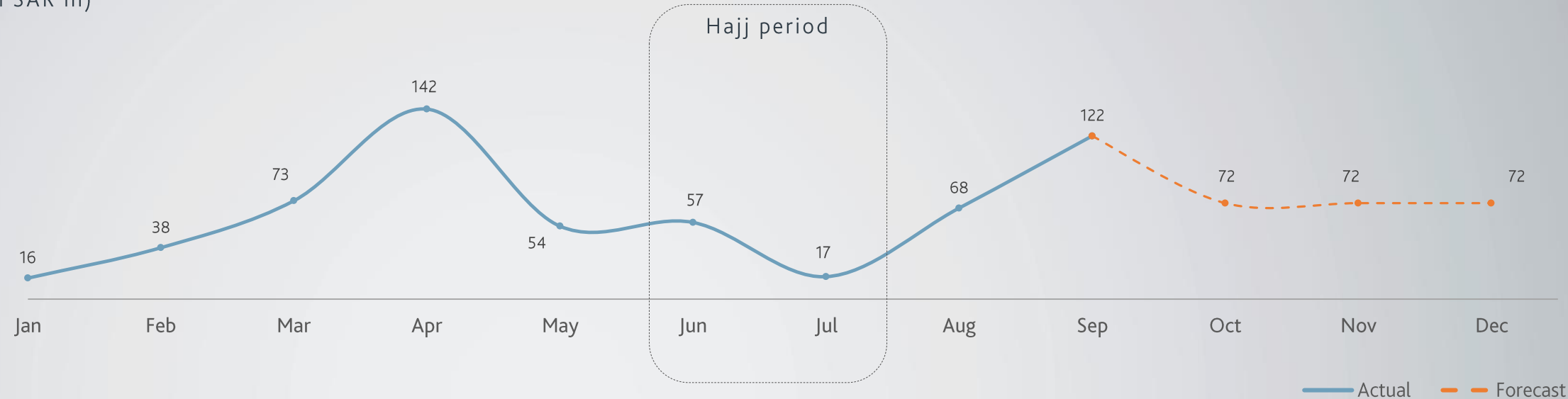
3 Months Installments



- 1st Retail insurance premium installment offering
- Expanding partnership with Tamara to offer their base
- 20K Active Clients

Hajj & Umrah GWP

(In SAR m)



P&L	9M - Actual	Q4 - Forecast	Full Year
Inflow (GWP)	588	215	803
Outflow	(581)	(213)	(794)
Tawuniya Income	7	2	9
Plus Admin. & Mangt. Fees	19	7	25
Tawuniya Net Benefit	25	9	34
Members of Pilgrims	9M - Actual	Q4 - Forecast	Full Year

Price Per Member: SAR 205
Price Per Member at Hajj: SAR 95

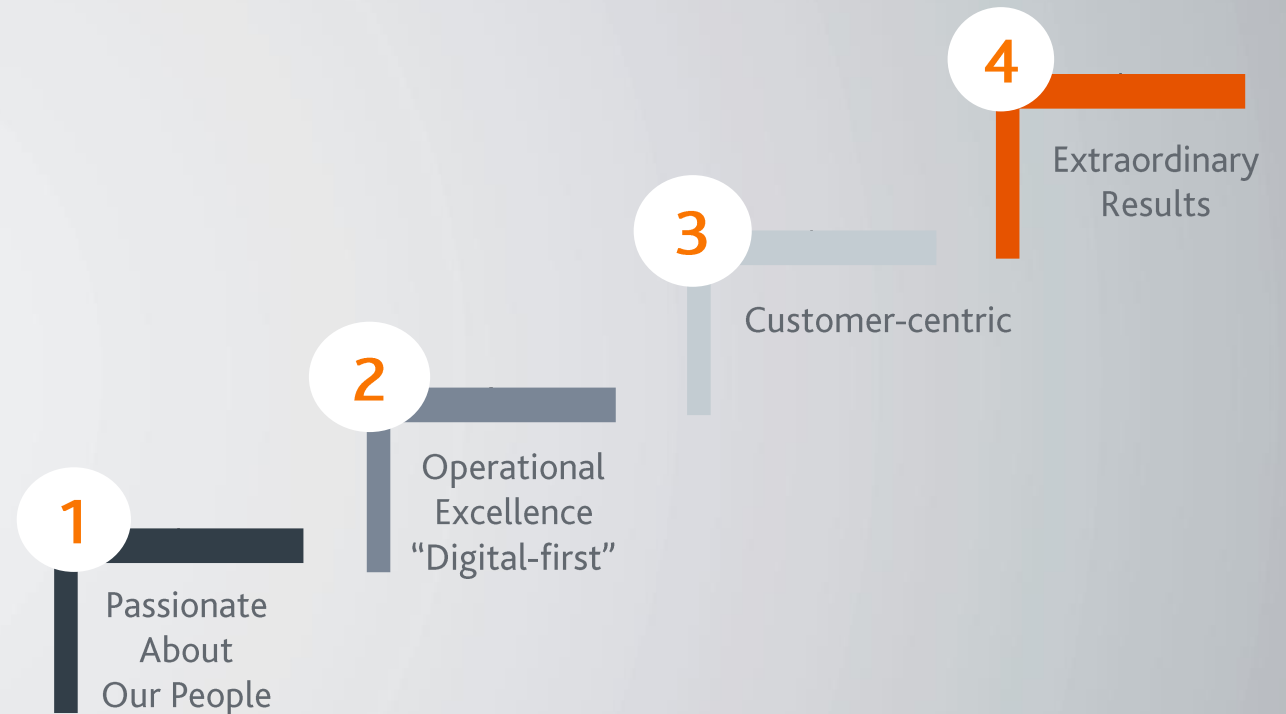
Main Outflow
MoH: 10% from Net surplus
Sejil Fees Per Member: SAR 5

Company Overview

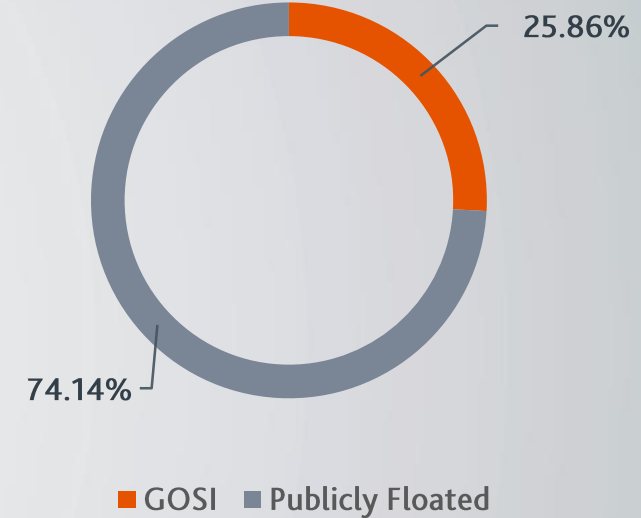
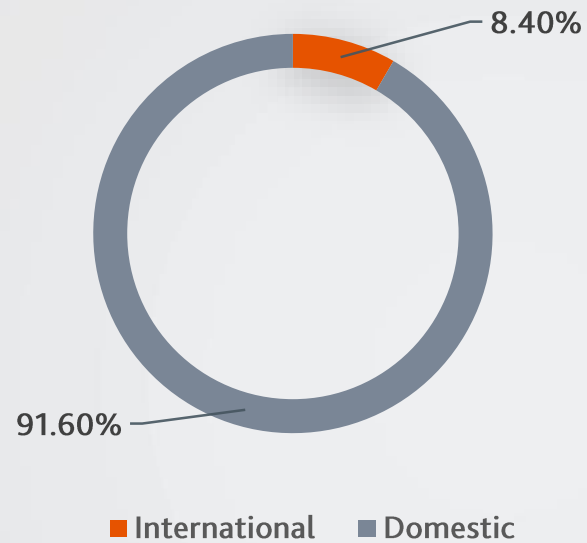
2025 Tawuniya Strategy



Our Promises





Shareholder Structure as of Sep 30th, 2022



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

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-)	Positive

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

Clients Portfolio



AVIATION



FINANCIAL



TELECOMMUNICATION



MINING & PETRO.



MANUFACTURING



OTHER



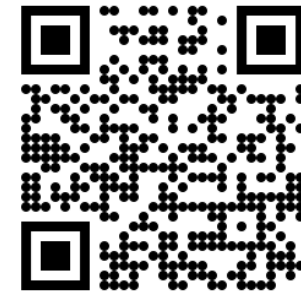
Questions

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