

# **Bupa Arabia Q1 2020 Earnings Conference Call and Webcast**

June 28<sup>th</sup>, 2020

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## Company Overview

Financial Performance

Market Outlook

Other Highlights & Achievements

COVID-19 Updates

Appendix

Abbreviations & Glossary

# Strategic Framework

We consistently strive to reflect what we stand for in everything we do



## Our Purpose

Helping people live *longer, healthier, happier lives*

## Our vision

The most trusted health insurer in KSA

## Our ambition

To accelerate Bupa Arabia's growth trajectory

## Our pillars

### Passionate about Our customers

Cementing our partnerships with key customers

Pursuing breakthrough differentiation and innovation in product and service offerings

Harnessing digitalization in customer service, claims management and operational efficiencies

Developing new distribution channels while delivering on a seamless customer experience

### People make the difference

Attracting, developing and retaining outstanding people and leaders

Taking responsibility and accountability

Creating safe and healthy workplaces

Celebrating diversity and inclusion

### Strong and sustainable performance

Driving net customer growth, revenue and profit

Protecting and growing our core customer base

Enhancing robust risk management and controls

Embedding corporate responsibility and sustainability to create shared value

Keeping data safe

## Our values

Accountable



Caring



Courageous



Authentic



Open



Passionate



Extraordinary



# Board of Directors

*Our Board plays a vital part in setting the cultural tone to put customers first*

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**Eng. Loay Hisham Nazer**  
Chairman



**David Martin Fletcher**  
Vice-Chairman



**Tal Hisham Nazer**  
Board Member



**Martin Houston**  
Board Member



**Joy Linton**  
Board Member



**Dr. Abdulla Elyas**  
Board Member - Independent



**Zaid Algwaiz**  
Board Member - Independent



**Huda M. Bin Ghoson**  
Board Member - Independent

# Chief Executive Team

*Solid team to deliver on Bupa Arabia's purpose, vision and mission*

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**Tal Nazer**  
Chief Executive Officer  
(CEO)



**Nader Ashoor**  
Chief Financial Officer  
(CFO)



**Tabish Mushtaq**  
Chief Risk Officer  
(CRO)



**Ali Sheneamer**  
Chief Business Development Officer  
(CBDO)



**Tariq Alamoudi**  
Chief Human Resources Officer  
(CHRO)



**Mohamed El Missaoui**  
Chief Operations Officer  
(COO)



**Atef Mufti**  
Chief Sales Officer  
(CSO)

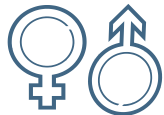
# Bupa Arabia at a Glance

Robust profitability growth & significant value creation for shareholders



20+ Years of Experience

with



1,700 Employees

serving



3.4m Members

within



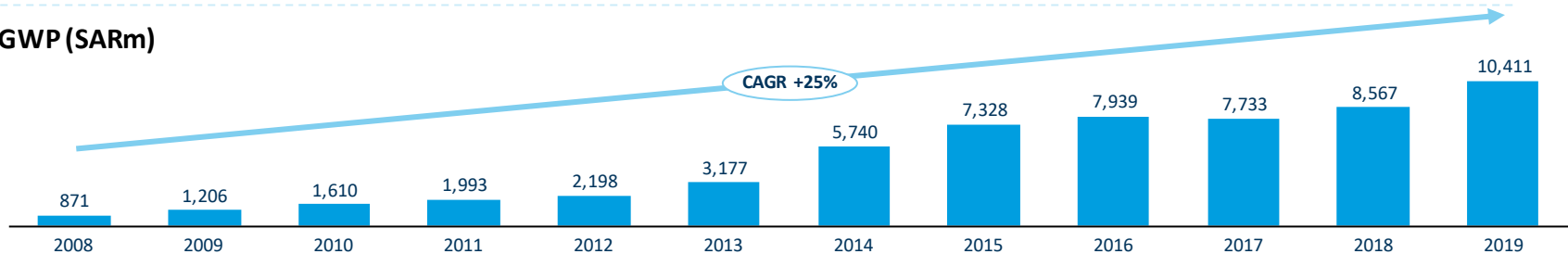
1,450 Providers

in

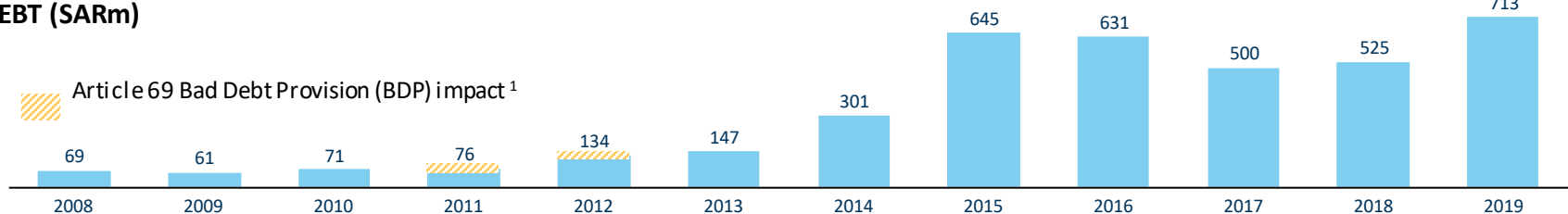


Saudi Arabia

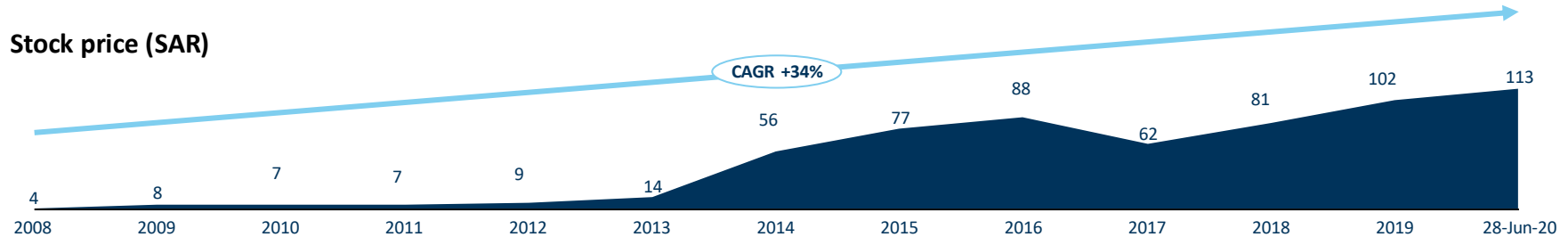
## GWP (SARm)



## EBT (SARm)



## Stock price (SAR)



Note: Impact of increase in capital; by 400m SAR in 2015 and 2018; on the stock price have been reflected retrospectively

<sup>1</sup> Profit fluctuation in 2011 and 2012 is due to BDP treatment in line with interpretation of Article 69, where a BDP provision of SR34mn was taken in 2011 and BDP recovery of SR20mn was made in 2012

Company Overview

**Financial Performance**

Market Outlook

Other Highlights & Achievements

COVID-19 Updates

Appendix

Abbreviations & Glossary

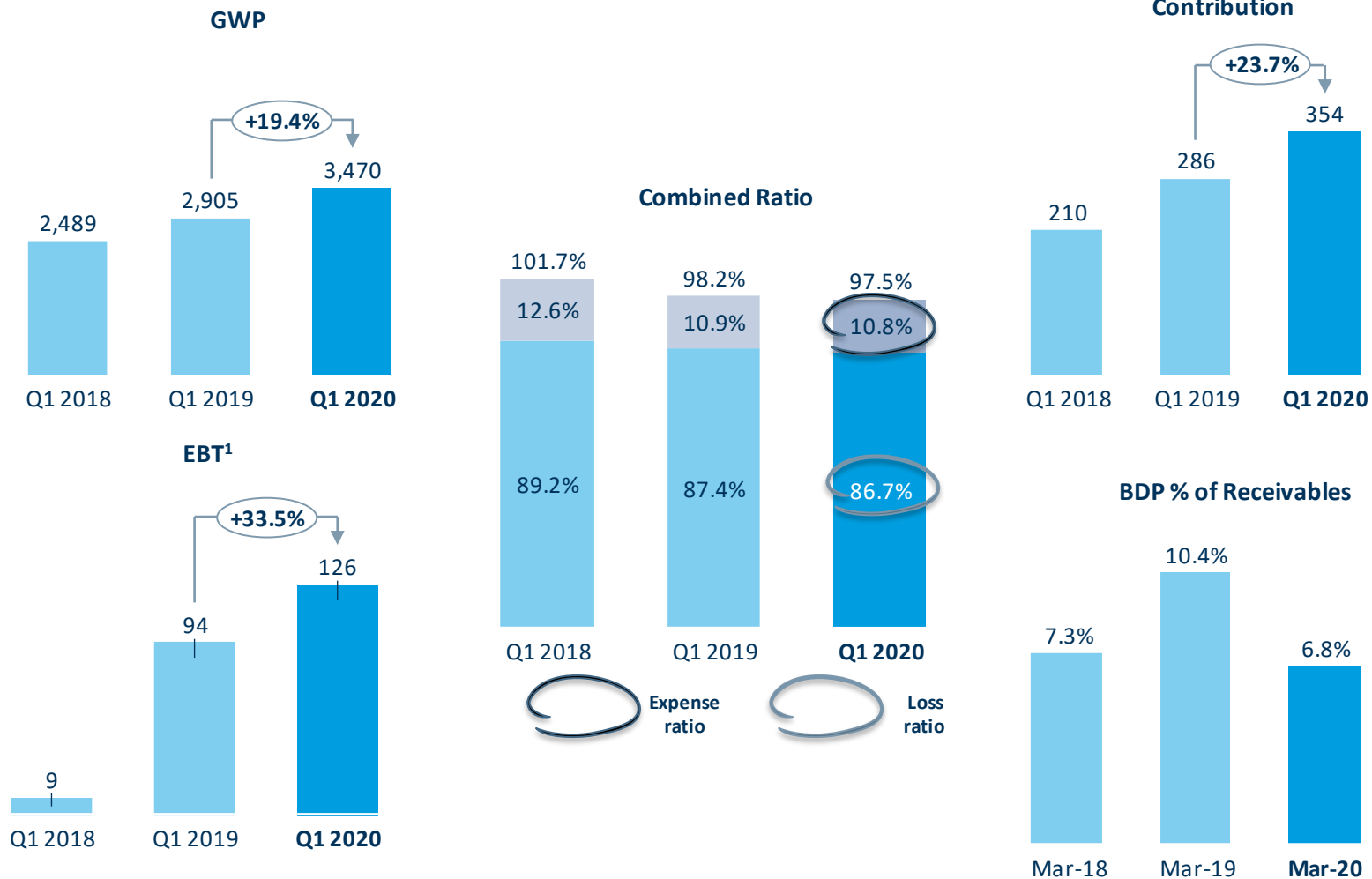


# KPIs

Q1 2020 earnings grew by 19% YoY as a result of healthy GWP & loss ratio



SR mn



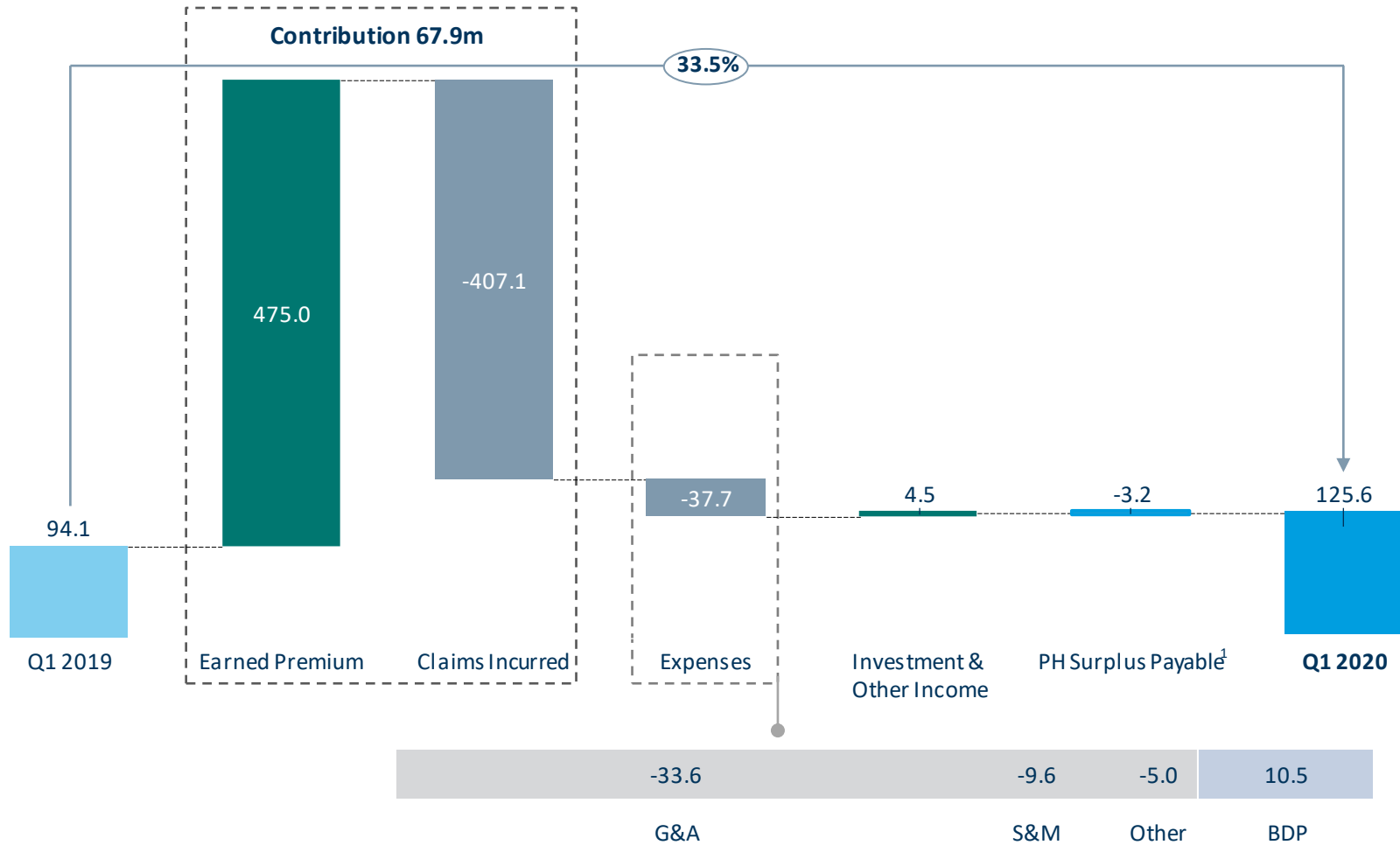
<sup>1</sup>Earnings Before Taxes and Zakat or EBT represent net income attributed to the shareholders

# EBT

EBT on the rise through favorable contribution, investment and other income



SR mn



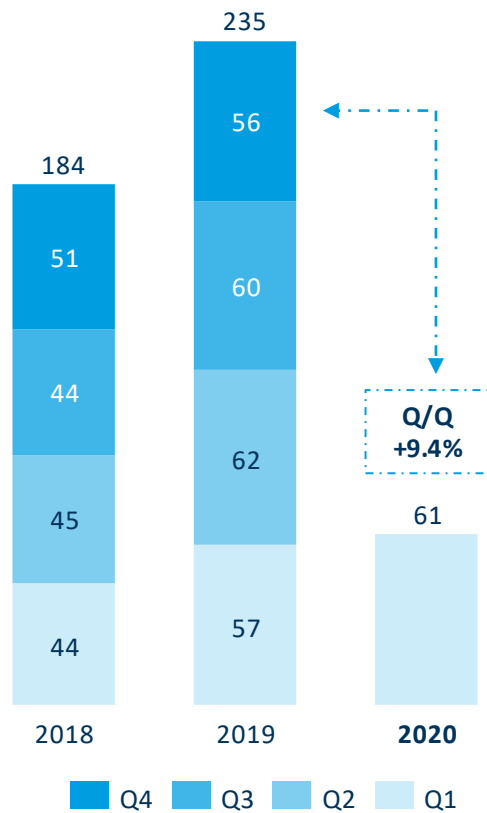
<sup>1</sup>PH: Policyholders' share of surplus from insurance operation

# Investment Portfolio and Results

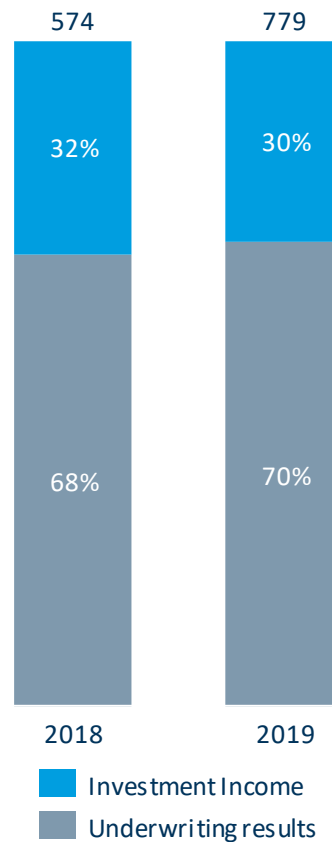
Resilient investment income through increased duration & further diversification



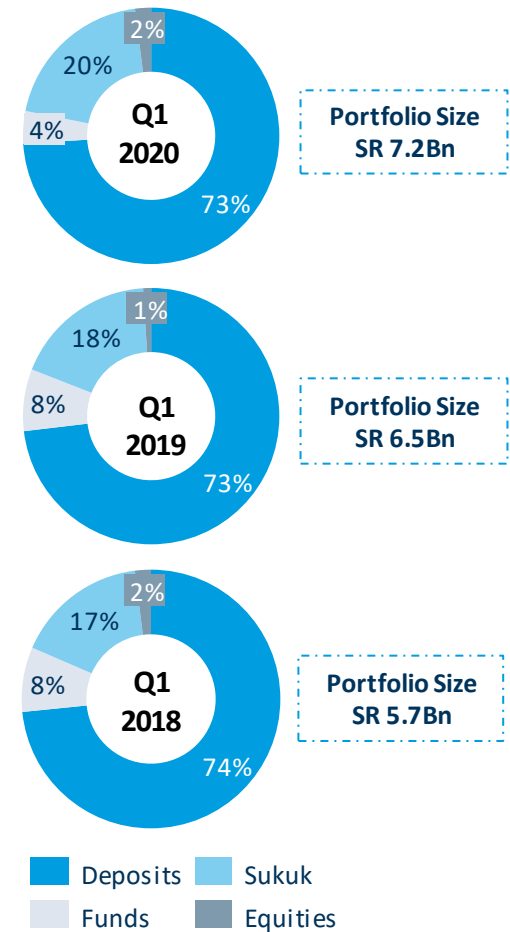
## Investment Income



## Income Breakdown<sup>1</sup>



## Asset Allocation



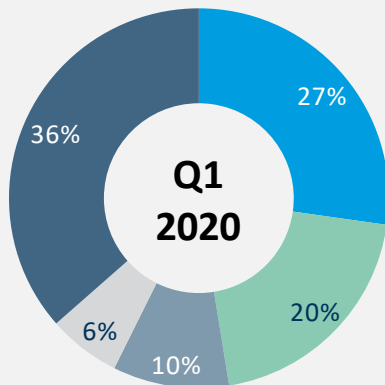
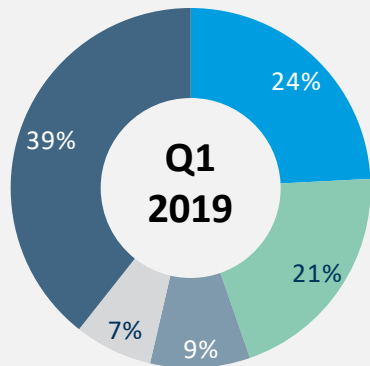
<sup>1</sup>Income breakdown represents net income attributed to the shareholders and policyholders

# Market Share and Positioning

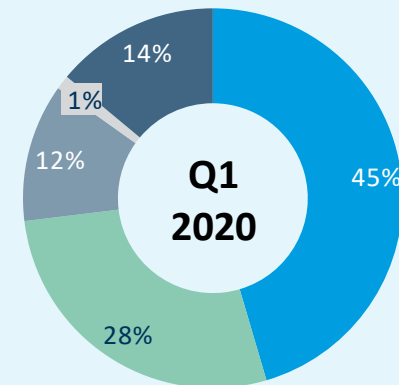
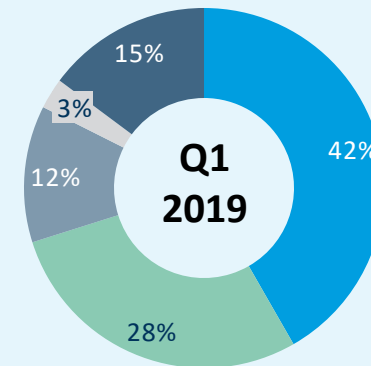
Bupa Arabia is leading the Saudi health insurance market as of Q1 2020



Total Insurance Market Share (GWP basis)



Health Insurance Market Share (GWP basis)



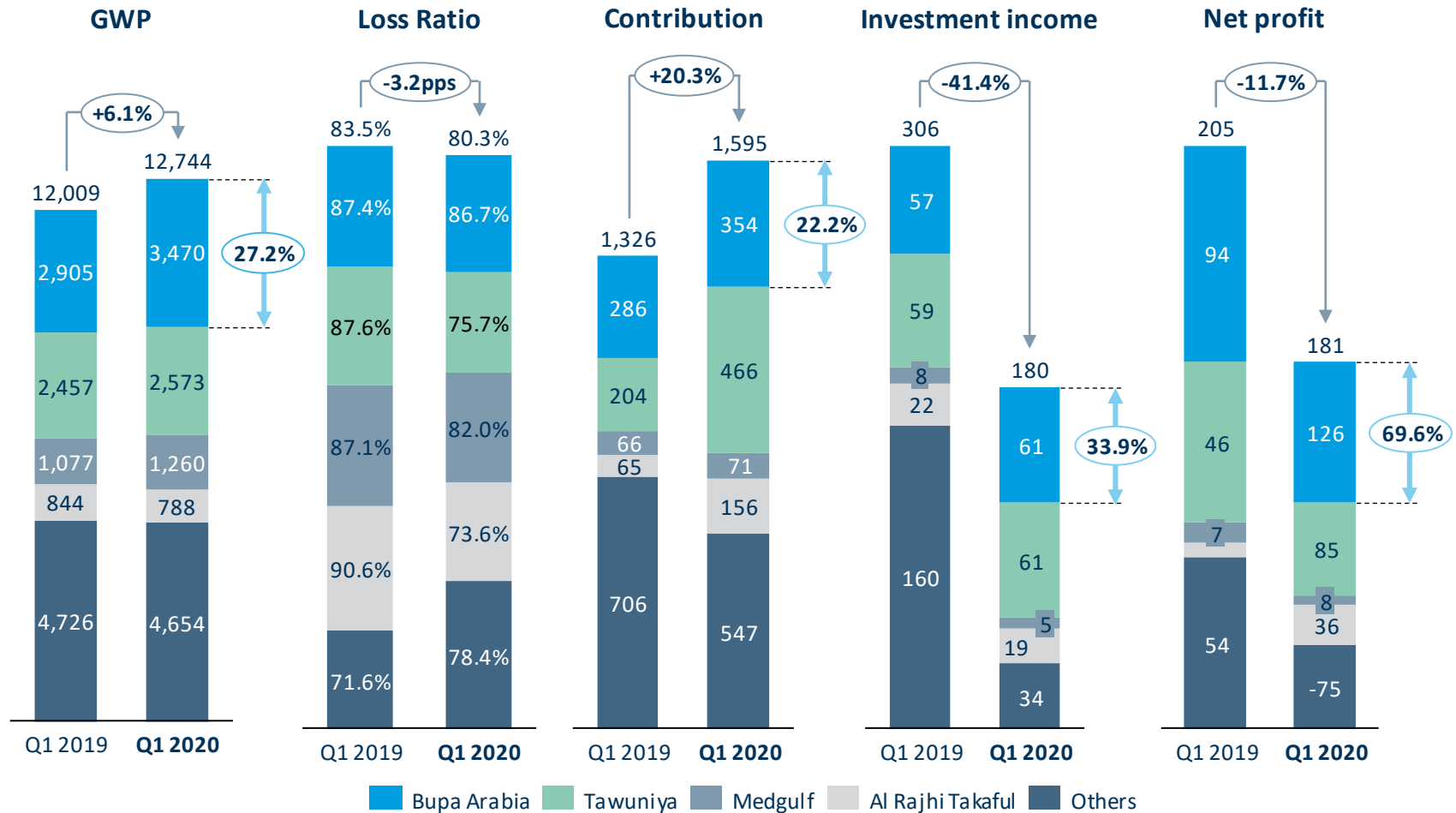
Source: respective insurance companies' filings, and others are based on estimates

# Total Insurance Market

Lower net profit and investment income despite the growth in contribution



SR mn



Source: respective insurance companies' filings, others based on estimates

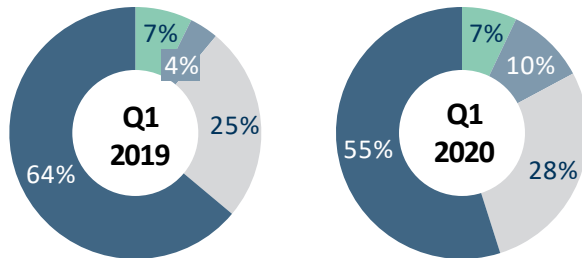
# Non-Health Insurance Market

Substantial drop in contribution at the backdrop of deteriorating loss ratios



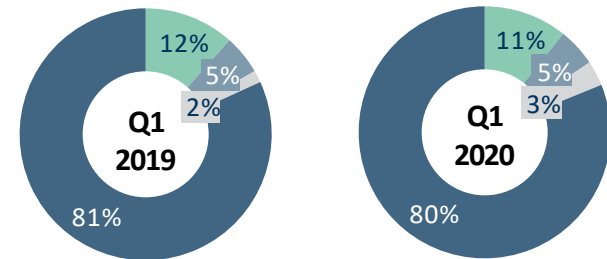
## Motor Segment

Market Share



## Other Segments<sup>1</sup>

Market Share



### GWP

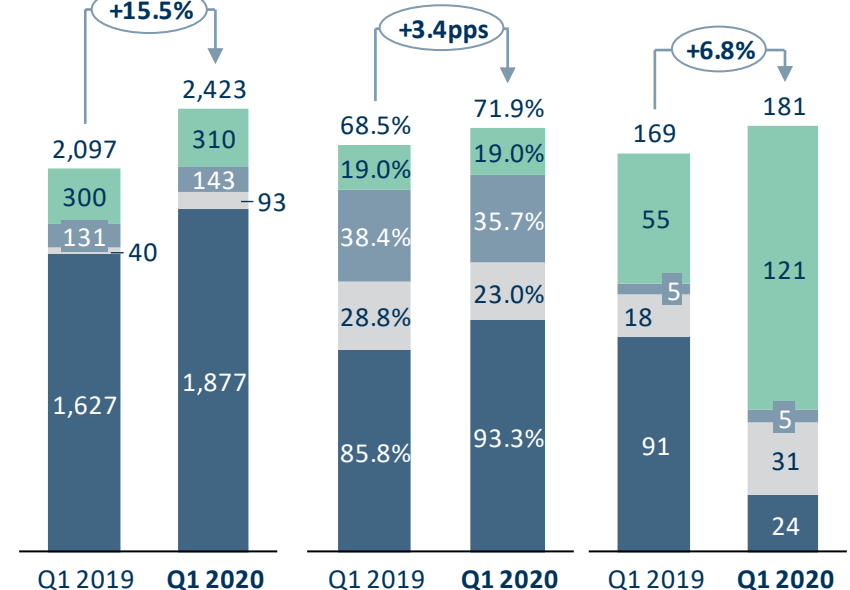
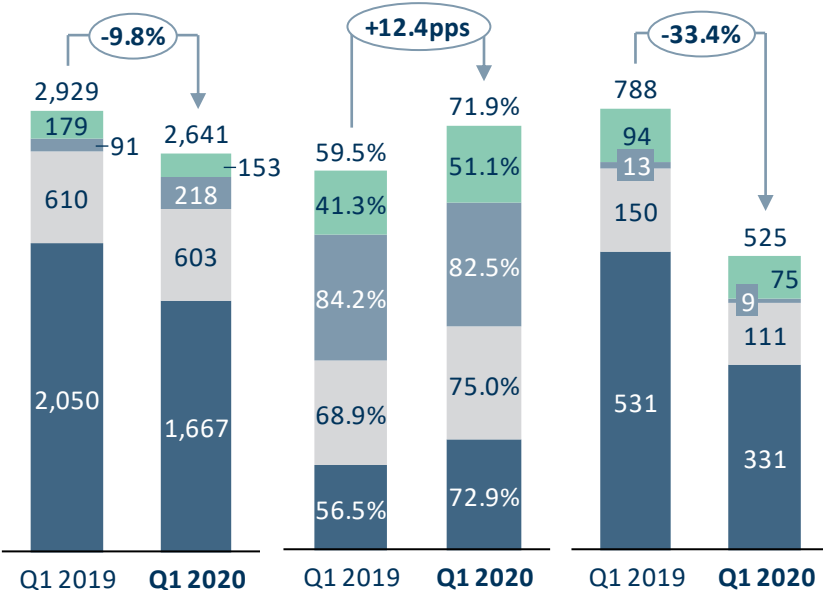
### Loss Ratio

### Contribution

### GWP

### Loss Ratio

### Contribution



Q1 2020 Webcast

Tawuniya Medgulf Al Rajhi Takaful Others

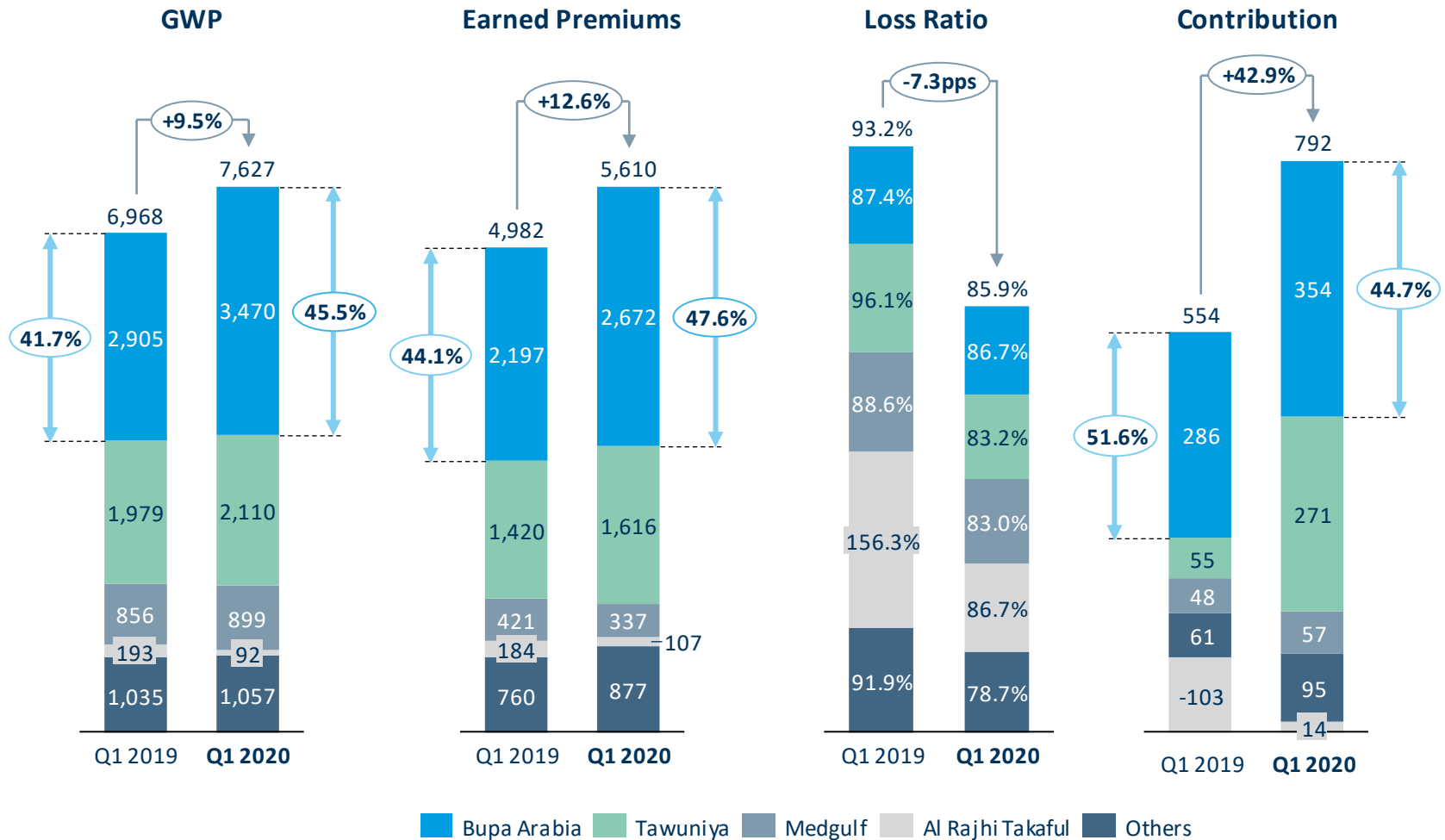
<sup>1</sup> Other segments include mainly Life, Marine, P&C and others

# Health Insurance Market

Large players driving GWP growth and loss ratio improvement for the industry



SR mn



Source: respective insurance companies' filings, others are based on estimates

## Q1 2020 Webcast

Note: Tawuniya Q1 2020 Medical insurance results are inclusive of Umrah product.

# Health Insurance Market - GWP Segmentation

Bupa Arabia is the preferred health insurer for corporates and SMEs



SR mn

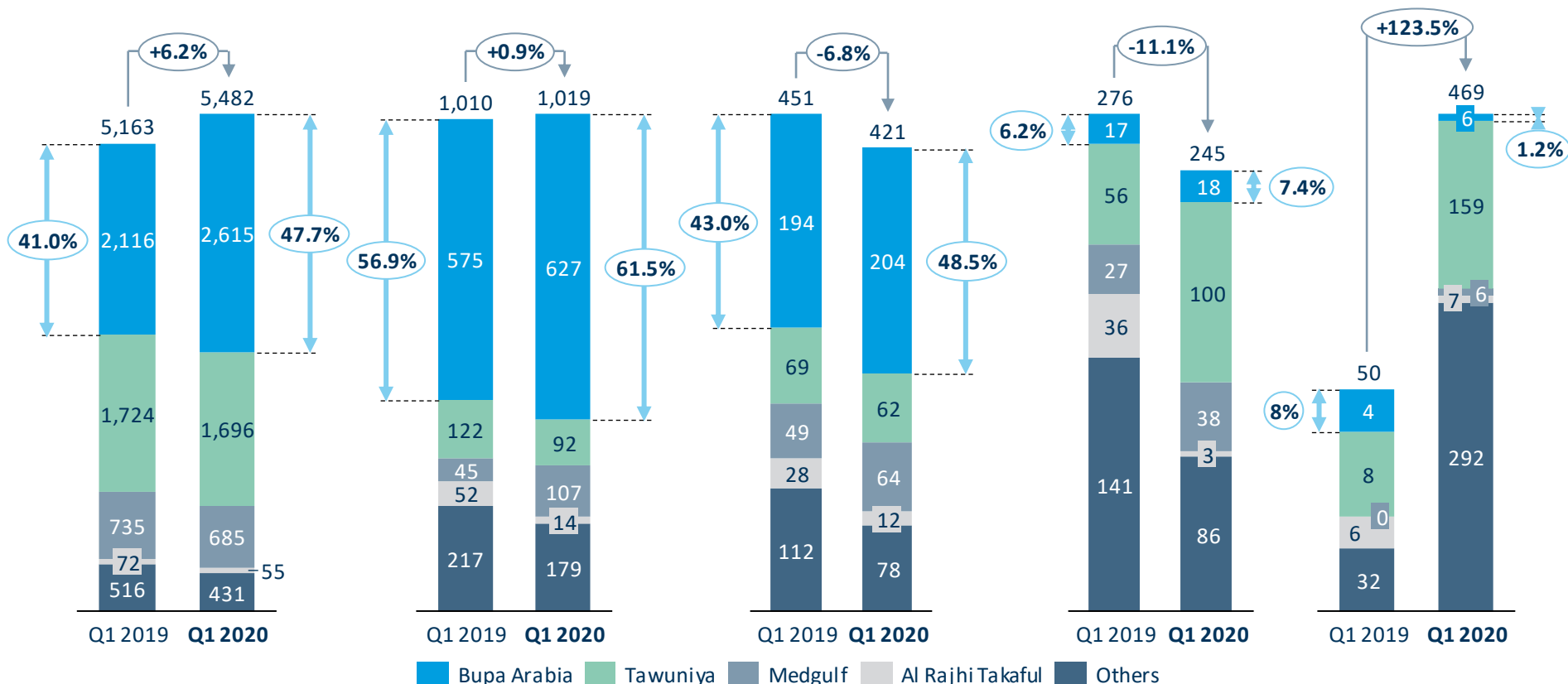
## Corporates<sup>1</sup>

## Medium Enterprises<sup>2</sup>

## Small Enterprises<sup>3</sup>

## Micro Enterprises<sup>4</sup>

## Individuals/Retail



1) Corporates: Number of Employees > 249

2) Medium: Number of Employees 50 – 249

3) Small: Number of Employees 6 – 49

4) Micro: Number of Employees 1 – 5

Source: respective insurance companies' filing, Bupa Estimates

## Q1 2020 Webcast

Note: Tawuniya Q1 2020 segmented results of Individuals/retails include GWP from Umrah product.

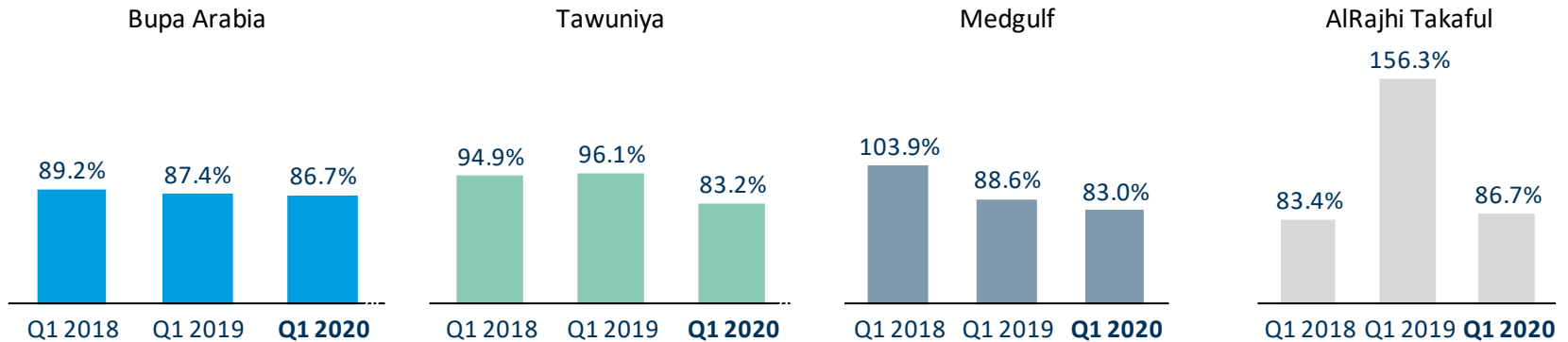


# Loss Ratio and Technical Reserves

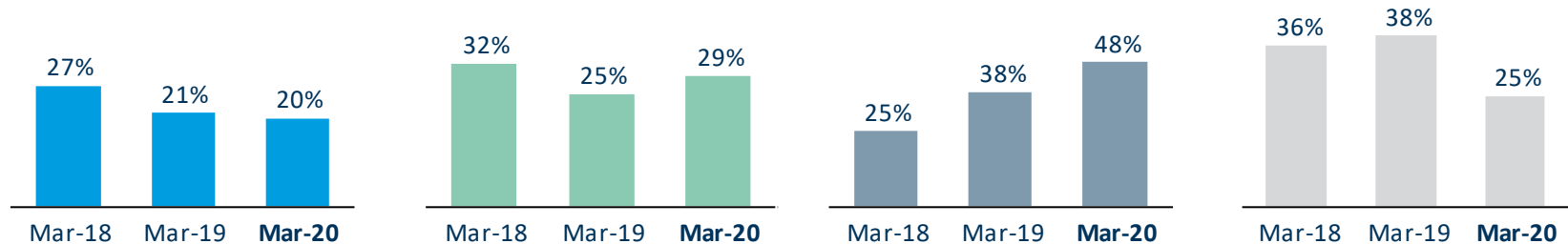
Bupa Arabia reports favorable loss ratios and consistent reserving profile



## Loss Ratio – Health Insurance Market

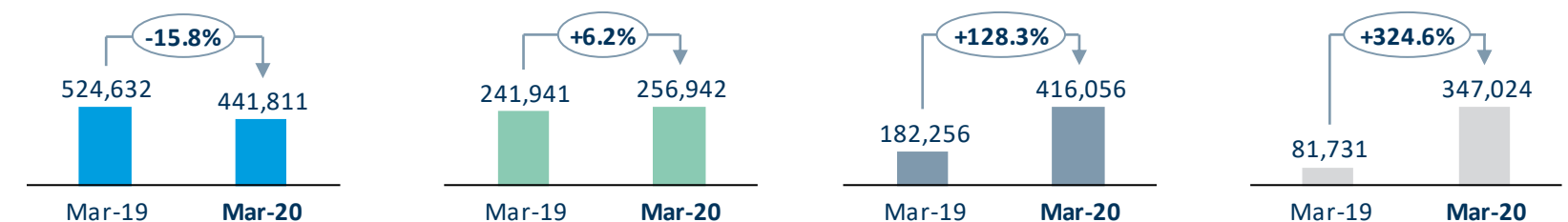


## OCP (reserves)/TTM Claims – Health Insurance Market



## Outstanding Claims <sup>1</sup>

In SAR 000'



### Q1 2020 Webcast

Source: respective insurance companies' filings

<sup>1</sup> Outstanding claims represent claims received from hospitals but not settled yet

# Agenda

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Company Overview

Financial Performance

**Market Outlook**

Other Highlights & Achievements

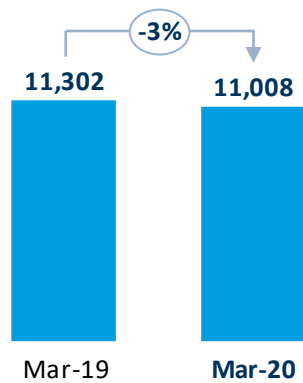
COVID-19 Updates

Appendix

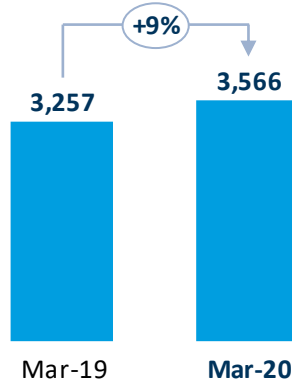
Abbreviations & Glossary

# Saudi Health Insurance Market Trends (1/2)

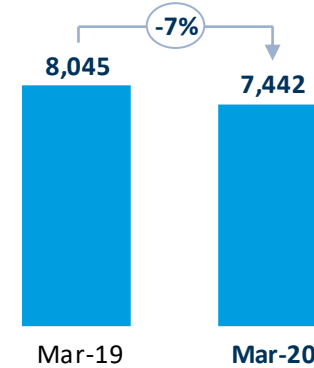
Insured lives decreased by 3% YoY driven by expats departure



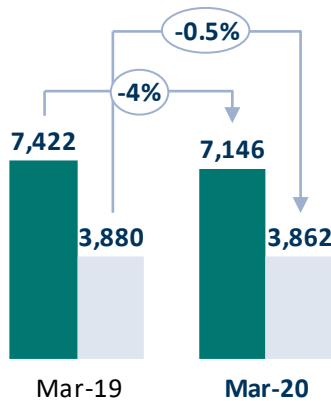
Total Insured Lives



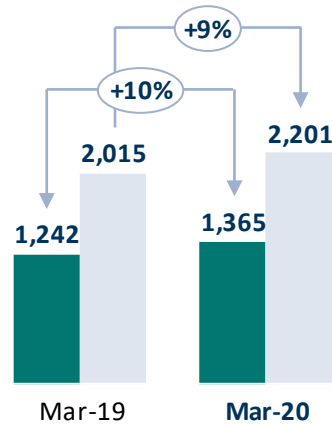
Saudi - Total



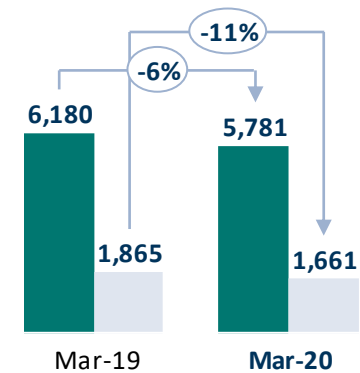
Expat - Total



Total - Primary  
Total - Dependents



Saudi - Primary  
Saudi - Dependents



Expat - Primary  
Expat - Dependents

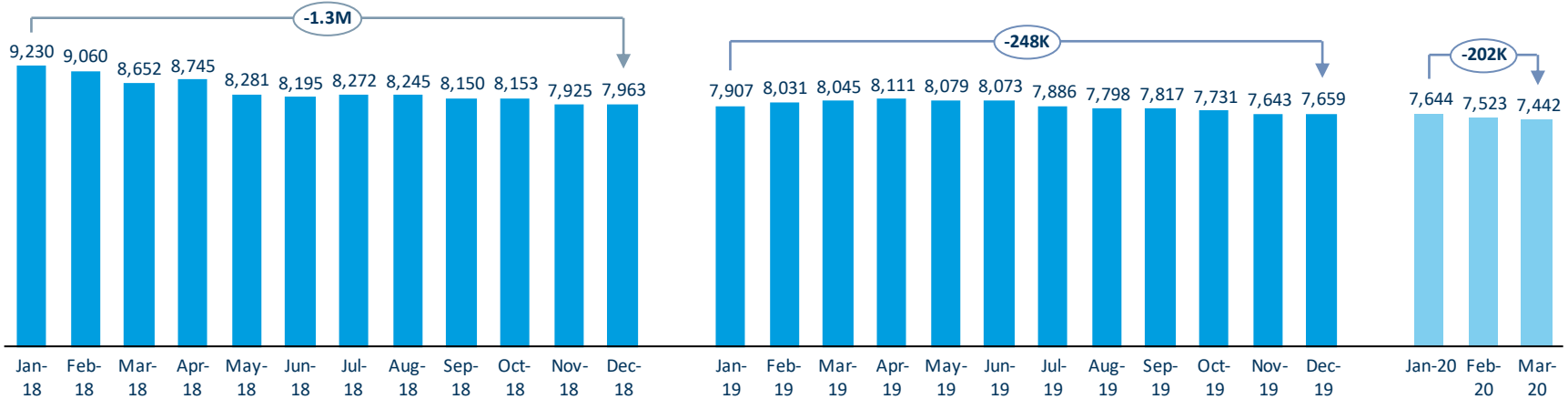
Source: Stats.gov.sa, GOSI, MoL, CCHI, and Bupa Arabia estimates

# Saudi Health Insurance Market Trends (2/2)

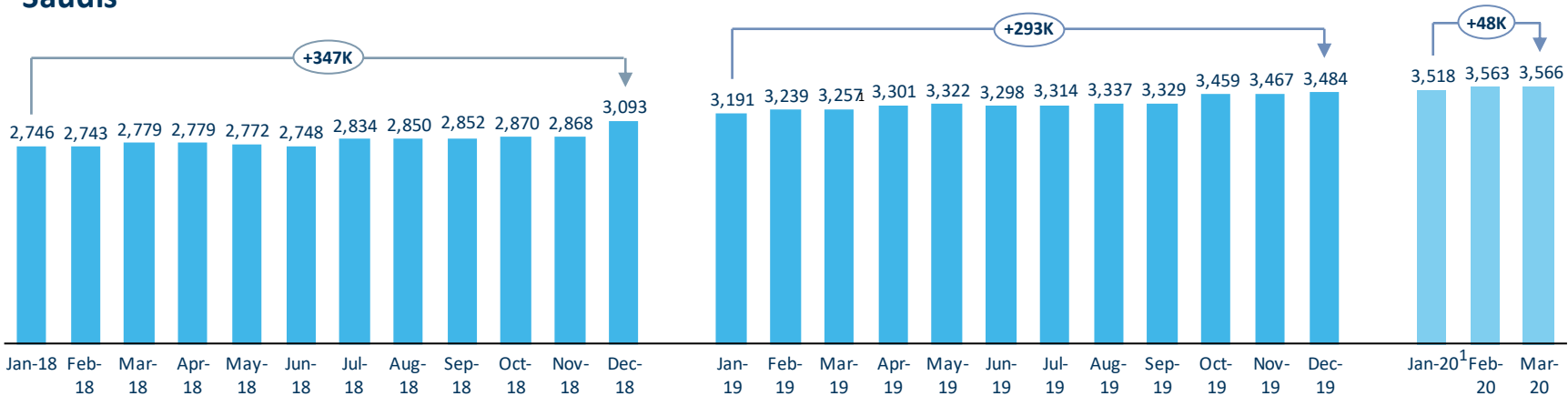
A new wave of expats' departure is looming for the remainder of 2020



## Expats



## Saudis



<sup>1</sup>Inclusive of c.200k lives from SEC's population that were uploaded into CCHI portal ahead of the start date of their insurance contract (Jan 2019)

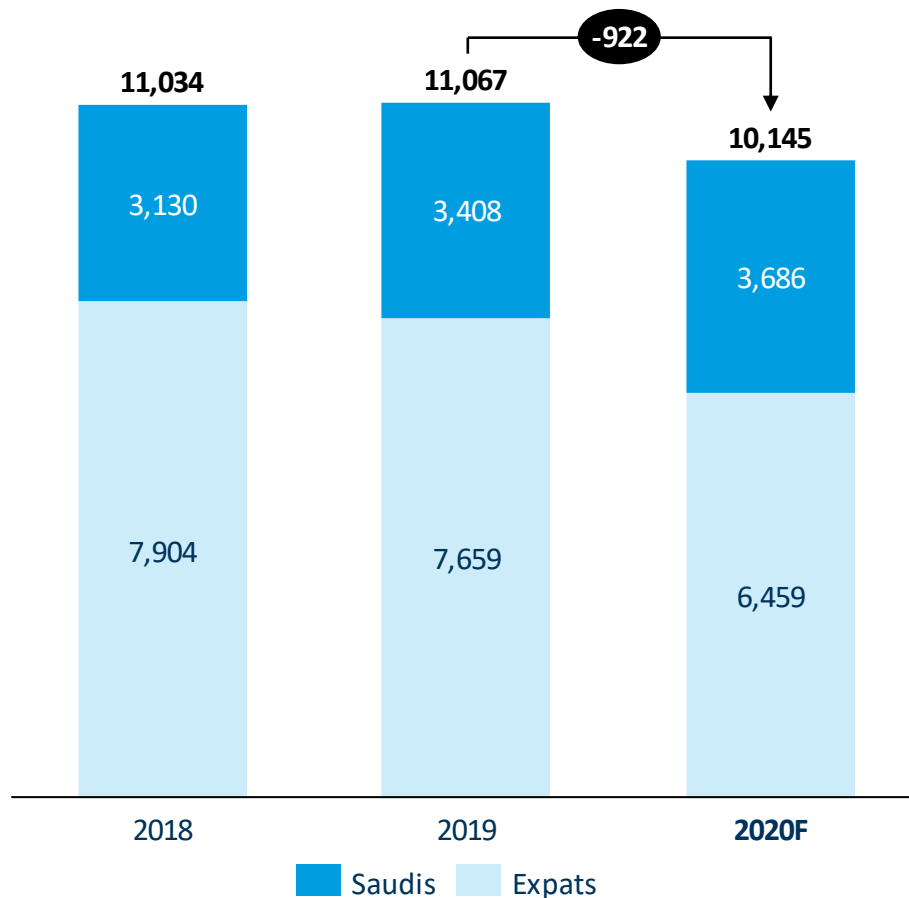
Source: CCHI website

# Saudi Health Insurance Market

Saudi addressable market is under pressure driven by a new wave of expats exodus



Total Insured Lives (in '000)



- A projected **1.2 million (according to Jadwa Investment)** expat workers to leave the local labor market
- **Additional lives from Saudis** in 2020 is forecasted at a **rate equivalent to 2019/2018** increase
- **Sectors** to be **affected** by expat departure include:



Accommodation & food services



Travel agencies



Security services



Building services (incl. contracting & construction)

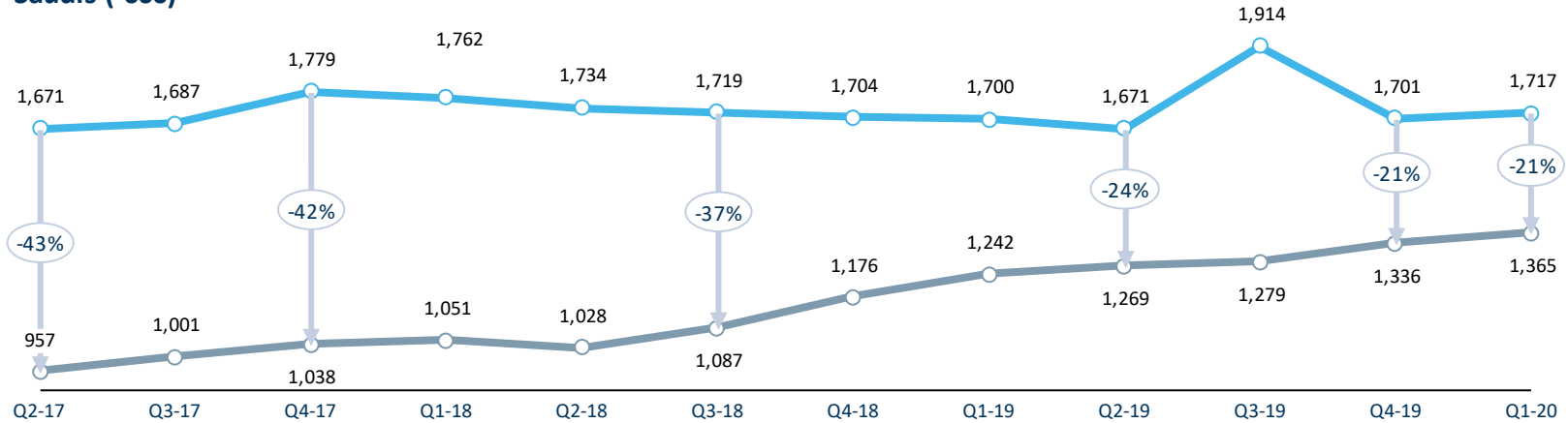
Source: Jadwa Investment – “Saudi Labor Market June 2020” & CCHI data

# Gap & Enforcement Explained

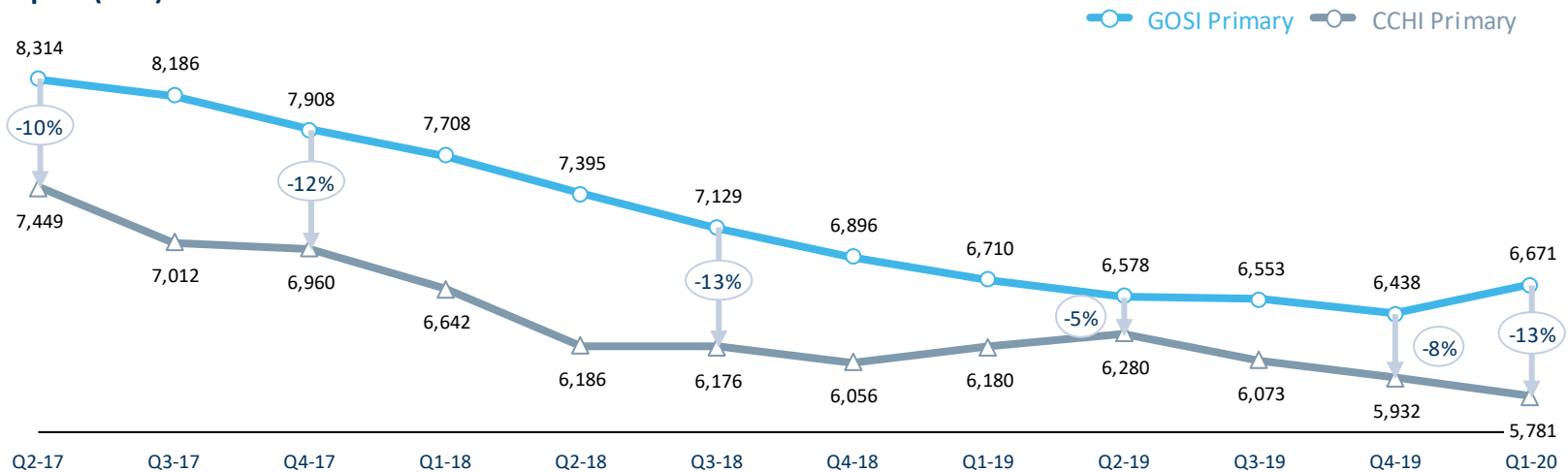
Gaps remain in the private sector with ~ 352k primary Saudis without PMI



## Saudis ('000)



## Expats ('000)



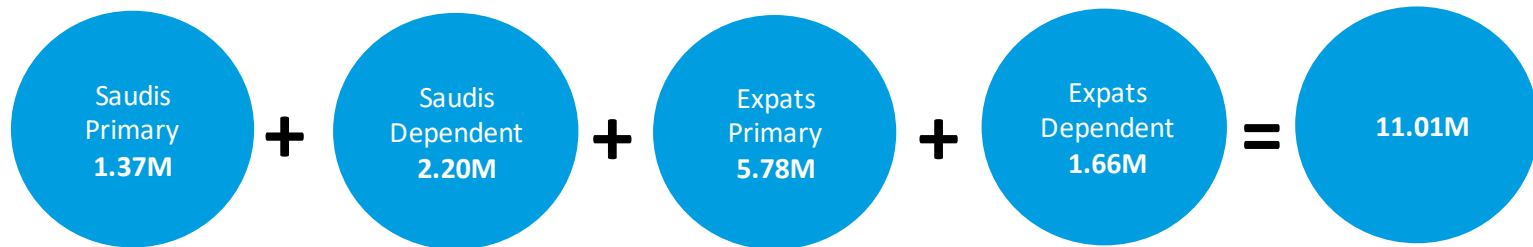
Note: Gap between GOSI and CCHI primary has shrunk significantly for Saudis and Expats reaching 365K and 500K employees respectively

# Future Growth Opportunities in Health Insurance

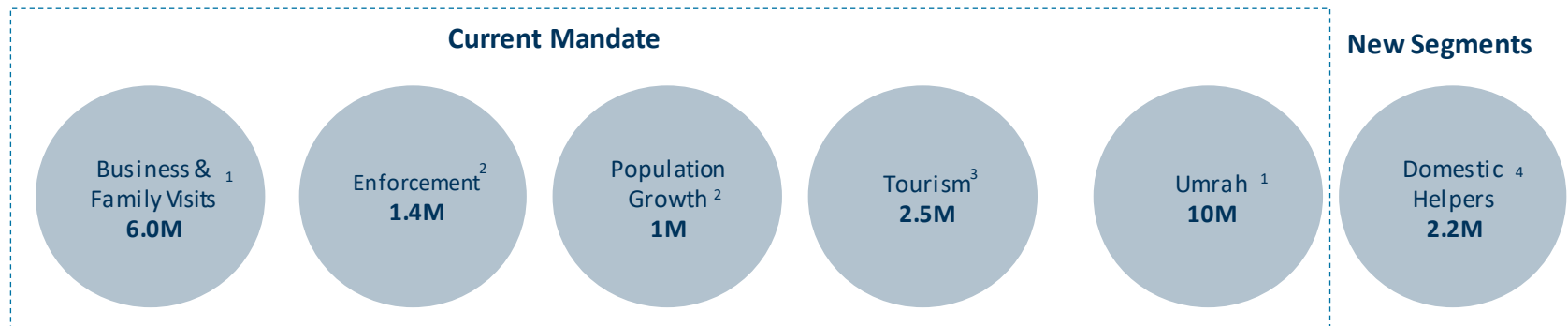
Potential addition of c.23m lives to the private healthcare sector by 2023



## Q1 2020 Contributors to the Private Healthcare Sector



## Expected contributors to lead the health insurance growth by 2023



1) GWP/life 100-200 SAR

2) GWP/life 1500-2000 SAR

3) GWP/life 140 SAR

4) GWP/life 400-600 SAR

Source: CCHI data & Bupa estimates

Company Overview

Financial Performance

Market Outlook

**Other Highlights & Achievements**

COVID-19 Updates

Appendix

Abbreviations & Glossary



# Achievements & Awards



**Ranked #8**  
Kingdom's top 20 Most Talked About Brands



**Valuable Insurance Company:**  
Bupa Arabia is the most valuable insurance company according to Forbes Middle East 2020



**Best Health Insurance Company and Best Investor Relations:**  
2018 & 2019 & 2020 from International Finance Magazine



**Ranked #7**  
Most strong brand in Saudi according to Brand Finance 2020 Ranking



**Best Healthcare Insurance Service Provider:**  
Won Global Business Outlook Awards 2020



**Ranked #66:**  
Listed among Middle East's top 100 companies in 2020 ranking in the Middle East Forbes magazine



**Best Digital Innovation in Insurance Sector:**  
Won Global Business Outlook Awards 2020



**Best Workplace and HR Practices:**  
Shortlisted as a finalist in the Gulf Sustainability and CSR Awards 2020

# Other Highlights



## BIOL interest in Bupa Arabia

Bupa to increase stake in Bupa Arabia from 39.25% to 43.25% with Nazer group remaining a long-term shareholder, subject to the completion of regulatory approvals



## Article 69 & Other support

SAMA has recently announced changing the basis of provisioning for bad debt related to insurance premiums receivables from policy contract inception date to invoice date and postponing insurance levies starting from Q1 2020



## CCHI

Relevant CCHI announcement included: i) allowing the continuity of the coverage of the health insurance policy ii) postponing the Council's collection of the financial considerations from Apr to Sep 2020 and iii) Insurance companies to settle all providers claims related to 2019 Circular # 1403



## Shares reclassification

Bupa Arabia reclassified Bupa Investment Overseas Limited (BIOL) 39.25% stake as a strategic investor on Tadawul - creating additional room for foreign investment.



## Corona Command Center

A Corona Command Center has been setup with dedicated doctors certified according to the World Health Organization (WHO) standards to answer any questions and to guide members in accordance with WHO and MOH recommendations



## MoH Contribution

Bupa Arabia announced the sum of SR 20m as a contribution to MoH's COVID-19 endowment fund



## Telemedicine

Bupa Arabia have partnered with key providers to provide members remote consultation through digital apps

Company Overview

Financial Performance

Market Outlook

Other Highlights & Achievements

**COVID-19 Updates**








Appendix

Abbreviations & Glossary

# Project Shield Team Framework

Shield team introducing sustain & deliver phase amid COVID-19 and new normal



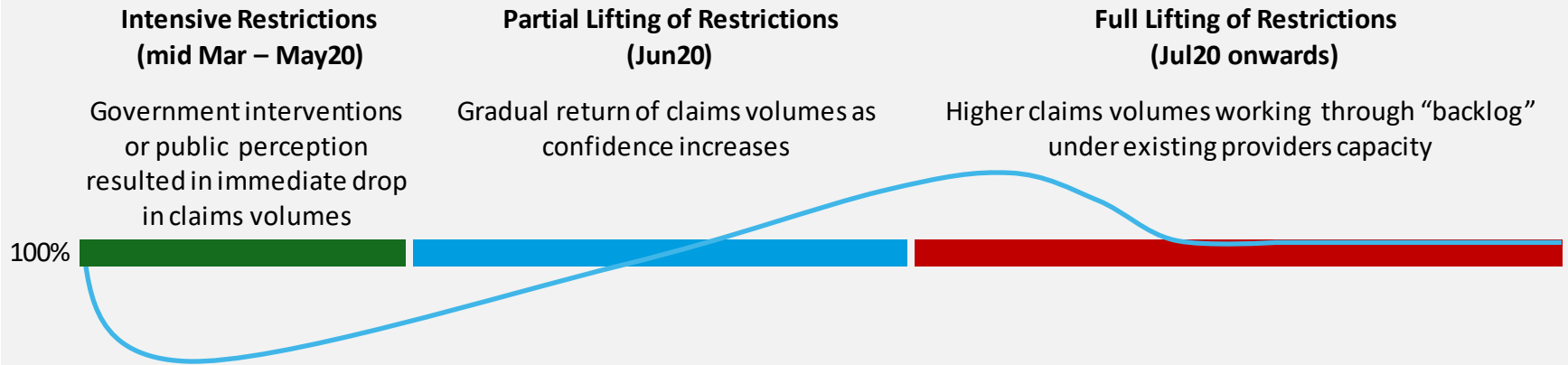
Phase					Timeframe	Status
<b>1.0</b> Activate & Stabilize	<div style="display: flex; justify-content: space-around;"> <div data-bbox="328 464 589 592">Business Continuity Plan</div> <div data-bbox="608 464 869 592">Human Resource Management</div> <div data-bbox="888 464 1149 592">Customer Management</div> <div data-bbox="1168 464 1429 592">Communication</div> </div>				8 weeks	
<b>2.0</b> Sustain & Deliver	<div style="display: flex; justify-content: space-around;"> <div data-bbox="328 778 589 906">Business Delivery</div> <div data-bbox="608 778 869 906">HR Management 2.0</div> <div data-bbox="888 778 1149 906">Stakeholders Management</div> <div data-bbox="1168 778 1429 906">Communication &amp; Engagement</div> </div>				TBD	Current focus 
<b>3.0</b> Learn & Leverage	TBD				TBD	

# Claims Behavior



On annualized basis, the short-term Q2 drop in claims are expected to be offset by deferrals

## Claims behavior



<sup>(1)</sup> Claims behavior on annualized basis, actual up to mid June and forecast from mid June onwards

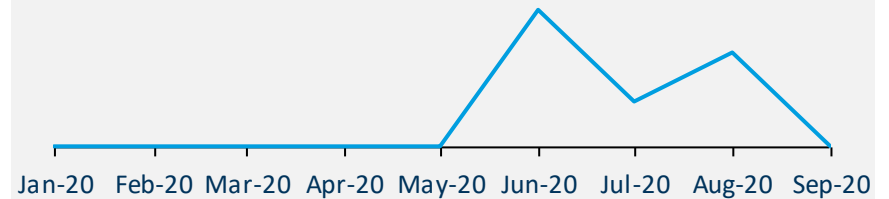
## Impact on Provider Discount

Due to the drop in claims as a result of the lockdown, a loss in provider discount is expected



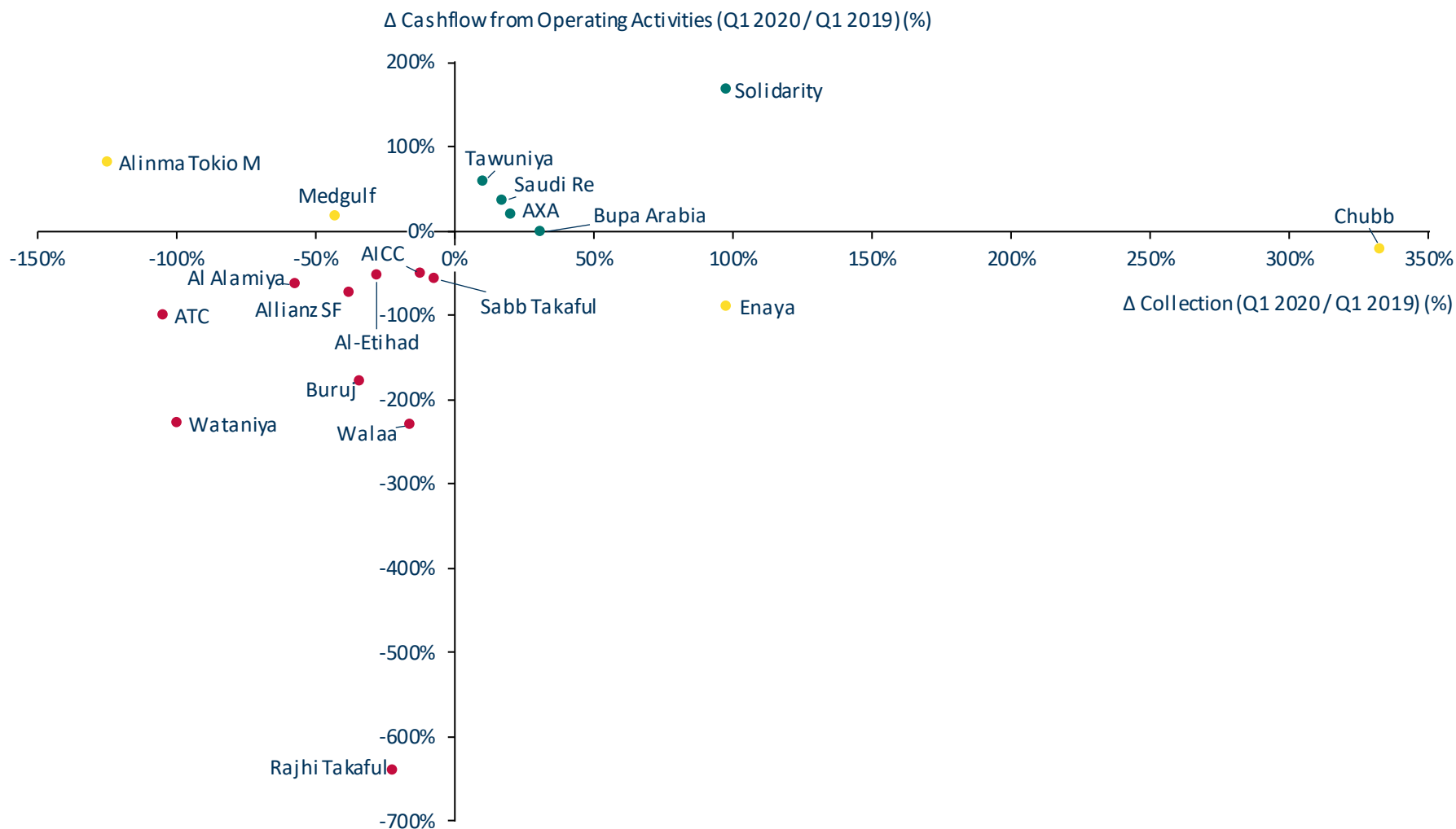
## Impact on Claims from Travel

With travel restrictions, claims are projected to increase against initial forecast



# Insurance Sector's Collection and Cashflow Analysis

Majority of the insurance companies struggling with weaker collections highly impacting their cash flow from operating activities and investment returns



# Questions & Answers



## Speakers:

**Nader Ashoor** – Chief Financial Officer

**Ali Sheneamer** – Chief Business  
Development Officer

**Ahmed Bajunaid** – Director of Asset  
Management & Business Advisory

**Mohsen Jawhar** – Head of Business Advisory  
& Investor Relations

# Agenda

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Company Overview

Financial Performance

Market Outlook

Other Highlights & Achievements

COVID-19 Updates

Appendix

Abbreviations & Glossary



# SAMA Support Packages

SAMA aims to contribute SAR 50B to support private sector in economic growth



## Private Sector Financing Support Program (PSFSP)



SME Finance

Mitigating impacts of COVID-19 on the SME sector, by reducing burden of cash flow fluctuations.



Fees of POS & E-Commerce

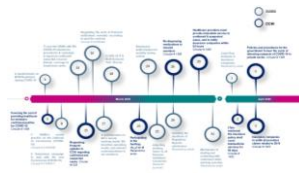
Supporting payment fees of the private sector for 3 months with a total exceeding SAR 800 million.



Finance Repayments

Coordinating with banks to facilitate finance repayments of those affected by COVID-19 in the Makkah and Medina.

### Governmental Initiatives



Authority	Initiatives
 Saudi General Authority for Investment	SAG will support SMEs through the Investment Program, Funding for Lending Program, and Loan Guarantee Program. SAG will continue to support existing SMEs. SAG will continue to support registration that has been impacted by the full lockdown of Makkah and Medina. The financial package of SMEs includes cash flow loan (SME Cash Flow), which consists of provision and completion of some government services, together with the private sector. It aims to assist SMEs in a large number of their economic activities, including: <ul style="list-style-type: none"> <li>• Supporting SMEs to complete their registration and other legal requirements.</li> <li>• Supporting SMEs to complete their registration and other legal requirements.</li> <li>• Supporting SMEs to complete their registration and other legal requirements.</li> <li>• Supporting SMEs to complete their registration and other legal requirements.</li> </ul>
 Saudi General Authority for Investment	SAG will continue to support existing SMEs. SAG will continue to support registration that has been impacted by the full lockdown of Makkah and Medina. The financial package of SMEs includes cash flow loan (SME Cash Flow), which consists of provision and completion of some government services, together with the private sector. It aims to assist SMEs in a large number of their economic activities, including: <ul style="list-style-type: none"> <li>• Supporting SMEs to complete their registration and other legal requirements.</li> <li>• Supporting SMEs to complete their registration and other legal requirements.</li> <li>• Supporting SMEs to complete their registration and other legal requirements.</li> <li>• Supporting SMEs to complete their registration and other legal requirements.</li> </ul>

Authority	Initiatives
 Makkah Region	Makkah Region will support SMEs through the Investment Program, Funding for Lending Program, and Loan Guarantee Program. Makkah Region will continue to support existing SMEs. Makkah Region will continue to support registration that has been impacted by the full lockdown of Makkah and Medina. The financial package of SMEs includes cash flow loan (SME Cash Flow), which consists of provision and completion of some government services, together with the private sector. It aims to assist SMEs in a large number of their economic activities, including: <ul style="list-style-type: none"> <li>• Supporting SMEs to complete their registration and other legal requirements.</li> <li>• Supporting SMEs to complete their registration and other legal requirements.</li> <li>• Supporting SMEs to complete their registration and other legal requirements.</li> <li>• Supporting SMEs to complete their registration and other legal requirements.</li> </ul>
 Makkah Region	Makkah Region will continue to support existing SMEs. Makkah Region will continue to support registration that has been impacted by the full lockdown of Makkah and Medina. The financial package of SMEs includes cash flow loan (SME Cash Flow), which consists of provision and completion of some government services, together with the private sector. It aims to assist SMEs in a large number of their economic activities, including: <ul style="list-style-type: none"> <li>• Supporting SMEs to complete their registration and other legal requirements.</li> <li>• Supporting SMEs to complete their registration and other legal requirements.</li> <li>• Supporting SMEs to complete their registration and other legal requirements.</li> <li>• Supporting SMEs to complete their registration and other legal requirements.</li> </ul>

Authority	Initiatives
 Bank Makkah Al-Madina	BMA will support SMEs through the Investment Program, Funding for Lending Program, and Loan Guarantee Program. BMA will continue to support existing SMEs. BMA will continue to support registration that has been impacted by the full lockdown of Makkah and Medina. The financial package of SMEs includes cash flow loan (SME Cash Flow), which consists of provision and completion of some government services, together with the private sector. It aims to assist SMEs in a large number of their economic activities, including: <ul style="list-style-type: none"> <li>• Supporting SMEs to complete their registration and other legal requirements.</li> <li>• Supporting SMEs to complete their registration and other legal requirements.</li> <li>• Supporting SMEs to complete their registration and other legal requirements.</li> <li>• Supporting SMEs to complete their registration and other legal requirements.</li> </ul>
 Bank Makkah Al-Madina	BMA will continue to support existing SMEs. BMA will continue to support registration that has been impacted by the full lockdown of Makkah and Medina. The financial package of SMEs includes cash flow loan (SME Cash Flow), which consists of provision and completion of some government services, together with the private sector. It aims to assist SMEs in a large number of their economic activities, including: <ul style="list-style-type: none"> <li>• Supporting SMEs to complete their registration and other legal requirements.</li> <li>• Supporting SMEs to complete their registration and other legal requirements.</li> <li>• Supporting SMEs to complete their registration and other legal requirements.</li> <li>• Supporting SMEs to complete their registration and other legal requirements.</li> </ul>

The program consists of three basic elements as follows:

- 1 Deferred Payments Program
- 2 Funding for Lending Program
- 3 Loan Guarantee Program

**Sama commends insurance companies on the initiative of extending individual vehicle insurance policies for two months without incurring additional cost**

This is to support the beneficiaries of the insurance coverage during current circumstances, in addition to avoid cancelling the insurance documents due to insured delay in paying the insurance premiums. Customers are provided with an opportunity to pay later.

# CCHI Support Initiatives

*Empowering and supporting the health insurance sector to face COVID-19*



## Business Owners



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**Allowing continuity of coverage** of health insurance policies from 25/05/2020 until further notice

## Insurance Companies & TPAs

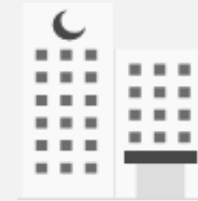


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**Postponing the Council's collection** of the financial considerations to qualify and renew the qualification of insurance companies

From 01/04/2020 until 30/09/2020 to be collected retroactively during Q1 of 2021

## Healthcare Providers



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**Extending the accreditation of healthcare services** activities from 01/04/2020 until 30/06/2020 without collecting the council for a financial fee

# Agenda

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Company Overview

Financial Performance

Market Outlook

Other Highlights & Achievements

COVID-19 Updates

Appendix

Abbreviations & Glossary

# Abbreviations

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<b>BDP</b>	Bad Debt Provision
<b>CCHI</b>	Council Of Cooperative Health Insurance
<b>CMT</b>	Crisis Management Team
<b>CR</b>	Commercial Registration
<b>EBT</b>	Earnings Before Tax
<b>G&amp;A</b>	General And Administrative Expenses
<b>GOSI</b>	General Organization for Social Insurance
<b>GWP</b>	Gross Written Premium
<b>IFM</b>	International Finance Magazine
<b>KPI</b>	Key Performance Indicator
<b>MOE</b>	Ministry of Education
<b>MOH</b>	Ministry of Health
<b>MOL</b>	Ministry of Labor
<b>NEP</b>	Net Earned Premiums
<b>OCP</b>	Outstanding Claims Provision (Known As Technical Reserve)
<b>PPS</b>	Percentage Points
<b>QoQ</b>	Quarter on Quarter
<b>SAMA</b>	Saudi Arabian Monetary Agency
<b>S&amp;M</b>	Selling And Marketing Expenses
<b>SME</b>	Small & Medium Enterprises
<b>TTM</b>	Trailing Twelve Months

# Glossary of terms



## Understanding our Financial Statements

A customer buys a one-year medical insurance policy for SR 5,000 on July 1, 2017. The coverage ends on June 30, 2018. The annual reporting period for the business in this example is for the year ended December 31, 2017.

A	Gross written premium (GWP)	5,000		When a customer buys a health insurance policy on July 1, the total premium for the duration of the contract assuming no additions or deletion is SR 5,000. This amount is classified as Gross Written Premium (GWP). Market share is measured using GWP.
B	Premiums ceded to reinsurers	-50	A*Reinsurance rate	The portion of risk that is transferred to a reinsurance company in exchange for a stated premium. In this case the reinsurer has been paid SR 50 and will be responsible for a specified risk according to the agreement with the reinsurer (reinsurance is mandatory per SAMA regulations)
C	Net written premium (NWP)	4950	A-B	The total value of the written premium that will be earned by the insurer during the duration of the contract (12 months) between July 1, 2017 and June 30, 2018
D	Unearned premium (UEP)	2475	C*50%	The portion of the premium that has not been earned in the reporting period and is recorded as a liability on the insurer's balance sheet. Since the contract was written on 1 July 2017, only half of the premium is earned in 2017
E	Net earned premium (NEP)	2475	C*50%	The net earned portion represents the expired i.e. completed amount of the net written premium; The portion of the total premium that was exposed to a potential claim loss during the completed period. If a customer is enrolled mid-year, as is the case in this example, then half of the exposure will be in the year he enrolled (2017) and half will be reflected in the year after (2018)

# Glossary of terms



F	Gross claims paid	1825		<p>The actual amount of all paid claims on behalf of the customers. There are two types of claims;</p> <ol style="list-style-type: none"> <li>1. Provider claims on direct billing and to be refunded to the customer</li> <li>2. Reimbursement claims requested by the member</li> </ol> <p>A claim is a request for payment received by the insurer to pay for services that were provided by a health care professional to an insured member. A claim may be sent by a medical provider at which the treatment was offered as a provider claim, or directly submitted by the insured member as a reimbursement claim.</p>
G	Reinsurance share	-25	F*%	<p>The portion of claims the reinsurers are responsible for in exchange for certain premium (as mentioned in Reinsurance ceded -B)</p>
H	Net claims paid	1800	F-G	<p>Net amounts paid for claims requests after deducting the reinsurer's share</p>
I	Outstanding claims provision (OCP)	200	Based on actuarial estimates	<p>The outstanding claims provision includes the "Incurred But Not Reported" claims (IBNR), which is defined as all claims that have taken place but have not been reported yet, either because the claim was not yet received by the insurer, or it has been received but not yet processed or paid by the insurer. This is also referred to as an insurer's claims reserve, and is recorded as a liability on the insurer's balance sheet. Before final payment to providers, the insurer adjudicates the claims. This is the process by which the claim is compared to the patient's health plan benefits to verify that the required information is available to process the claim, that the claim is not a duplicate, that the insurer's rules and procedures have been followed, and that the procedures performed or the services provided are for covered benefits</p>

# Glossary of terms



J	Net claims incurred	2000	H+I	All payment requests received from hospitals or members to pay for a certain service or projected to be received for the duration of the earned portion of the contract (July 1, 2017 to Dec 31, 2017)
K	Underwriting result (Contribution)	475	E-J	The surplus of net earned premium less net claims incurred is the contribution. It measures profitability of the policy before accounting for overhead costs.
L	Costs and expenses	250		Includes selling & marketing, general & administration expenses, and regulatory levies, etc.
M	Underlying trading results	725	K-L (excluding non-recurring item)	The total profit excluding one-time charges and investment income
N	Surplus from insurance operations	225	K-L	The excess amounts from the earned premium less the medical costs and all expenses (including non-recurring items) plus other income (i.e. insurance operations, investment income and all other sundry income)
O	Distribution of surplus (Cooperative Distribution)	22.5	N*10%	The SAMA regulatory required surplus to be distributed to policyholders is 10% of the surplus from insurance operations and the full surplus is distributed as follows: <ul style="list-style-type: none"> <li>• Transfer to Policyholders' payables 10%</li> <li>• Transfer to Shareholders' operation 90%</li> </ul>
<b>Ratios</b>				
	Loss ratio (LR)	81%	J/E	The net claims incurred divided by the net earned premium. It measures the % of medical claims cost versus the earned portion of all policyholders
	Expense ratio	10%	L/E	The operating expenses divided by the net earned premium
	Combined ratio	91%	(J+L)/E	The loss ratio plus the expense ratio. It is a proxy for the surplus from insurance operations

# Glossary of terms

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## Understanding Bupa Arabia's Balance Sheet

Goodwill	Goodwill represents the intangible asset which resulted from the Bupa Arabia purchase of the Saudi Health insurance portfolio from Bupa Middle East Limited E.C. in accordance with the assessment by SAMA and the prescribed SAMA guidelines of 2008. The insurance portfolio transfer agreement was completed during 2009
Fixed Assets	Fixed assets include the company's investment in new retail outlets, IT, and fixtures, equipment, machinery, etc.
Cash & Investments	All cash in the banks, investments, and statutory deposits
Working Capital	The working capital represents the operating liquidity available to the organization. The current assets include the receivables, net of bad debt provision, deferred acquisition costs, and other pre-paid expenses. The current liabilities include the technical reserves of outstanding claims provision (OCP) and unearned premium (UEP) and other accrued liabilities. Unlike many businesses, working capital is not favourable in an insurance business. This is because the premium is usually received before the claims liabilities are incurred and ultimately paid
Equity	Shareholders' equity represents the paid up capital, plus retained earnings, statutory reserve, and is net of accumulated Zakat/Income tax charges since inception
Borrowings	Generally speaking, insurance companies do not need the support of bank borrowings due to the favourable funding of working capital by customers



# THANK YOU



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