

Bupa Arabia

Earnings Presentation Q2 2024

August 2024

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Agenda

01 Bupa Arabia at a Glance

02 Financial Performance

03 Market Trends

04 Other Highlights

01

Bupa Arabia at a Glance

Bupa Arabia at a Glance

Robust profitability growth & significant value creation for shareholders



25+

Years of experience



2000+

Employees



3.5M+

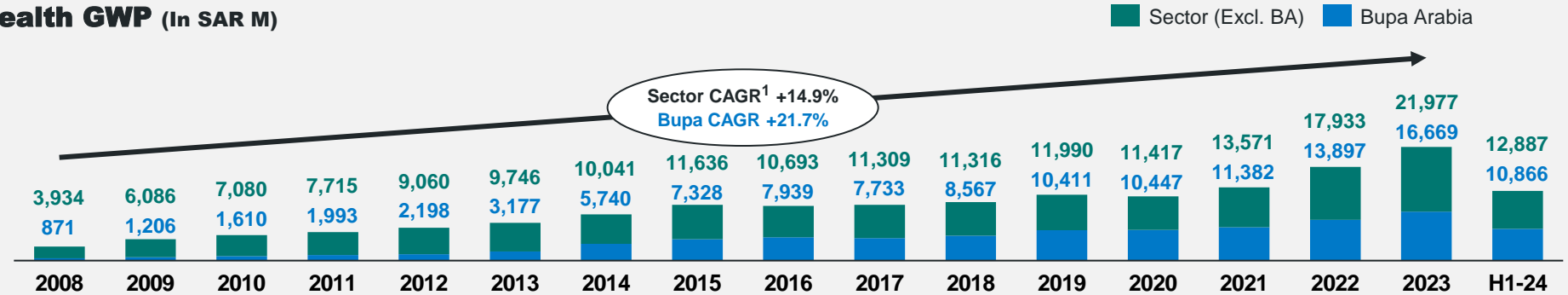
Members



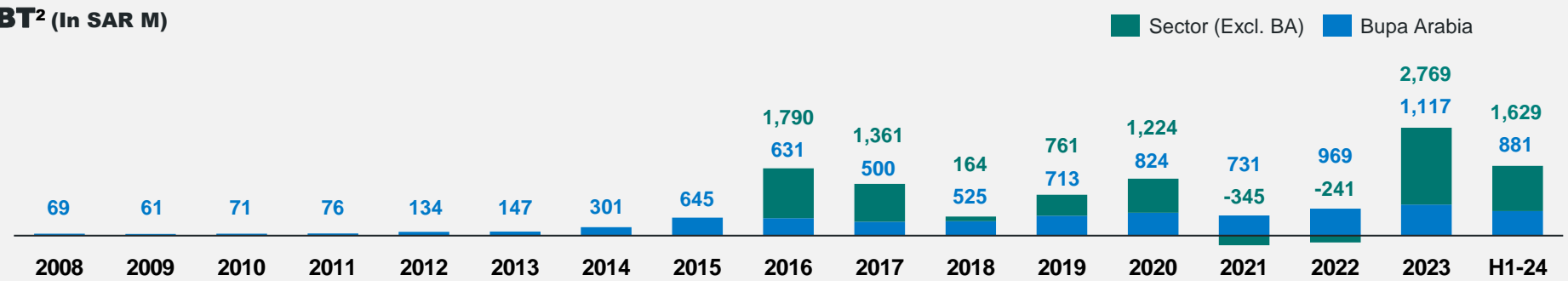
1450+

Providers in network

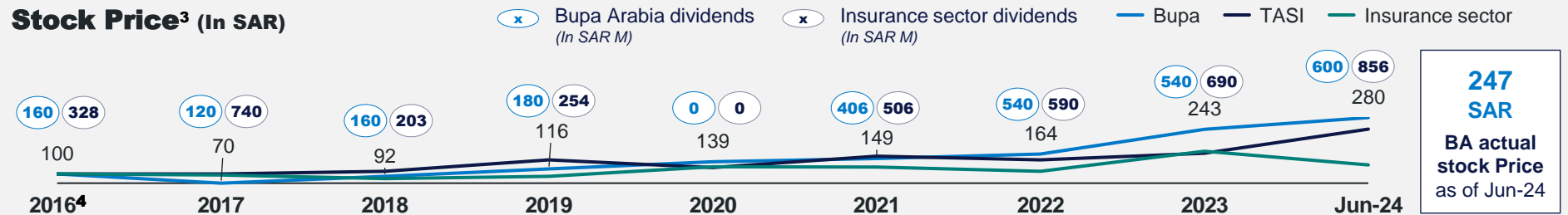
Health GWP (In SAR M)



EBT² (In SAR M)



Stock Price³ (In SAR)



Note(s): (1) Sector's CAGR is calculated based on the sum of sector GWP (incl. BA); (2) Profit fluctuation in 2011 and 2012 is due to BDP treatment in line with interpretation of Article 69, where a BDP provision of SAR 34M was taken in 2011 and BDP recovery of SAR 20M was made in 2012; (3) Stock prices of Bupa Arabia, TASI and Insurance index have been based at 100; (4) Chart begins in 2016 as data for the insurance index prior to 2016 was not available

Bupa Arabia's 3B strategy

Centered around 3 strategic pathways aiming to transform Bupa Arabia into a healthcare company by 2030



“The 3B strategy will transform Bupa Arabia from being the most trusted health insurance company to becoming the most trusted healthcare company in the Arab world.”

– Tal Nazer, Bupa Arabia CEO

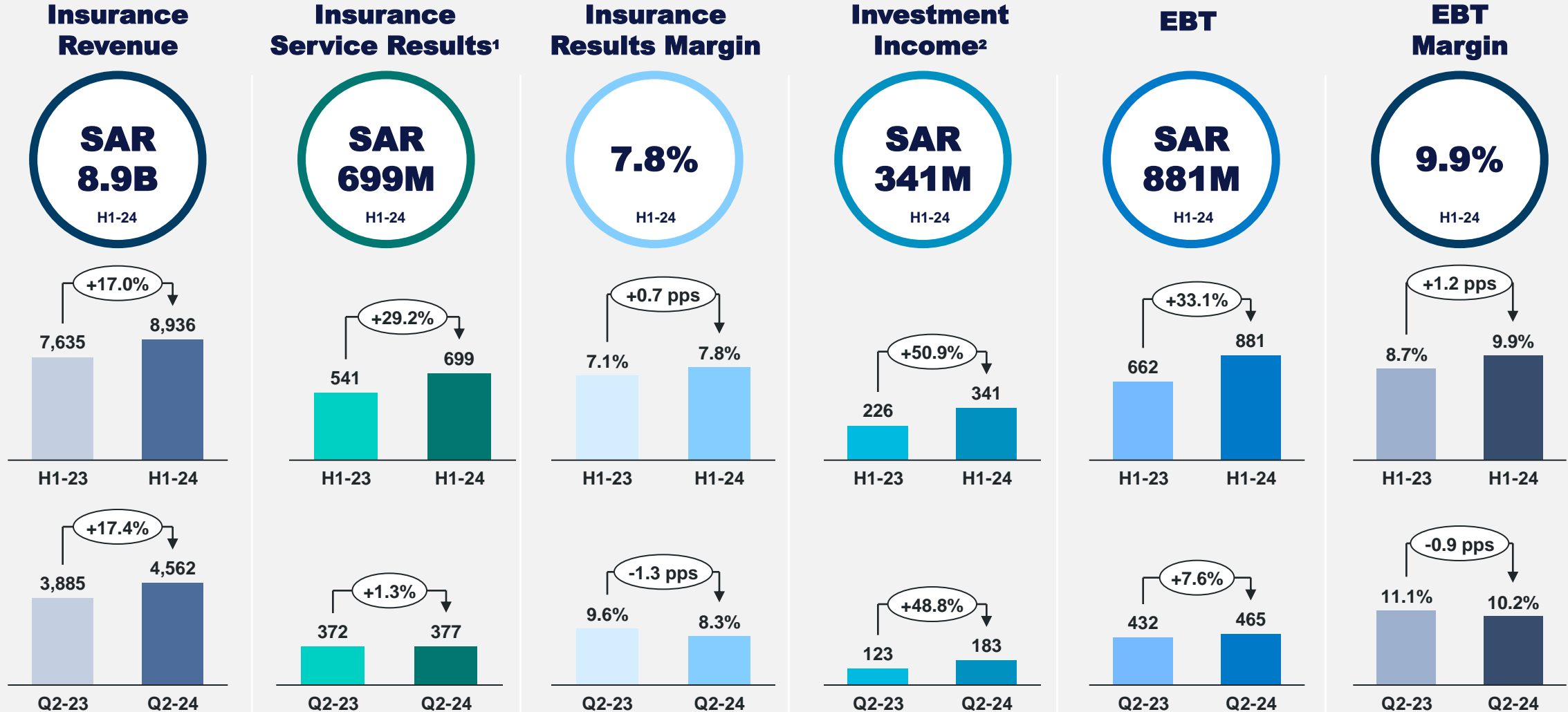


02

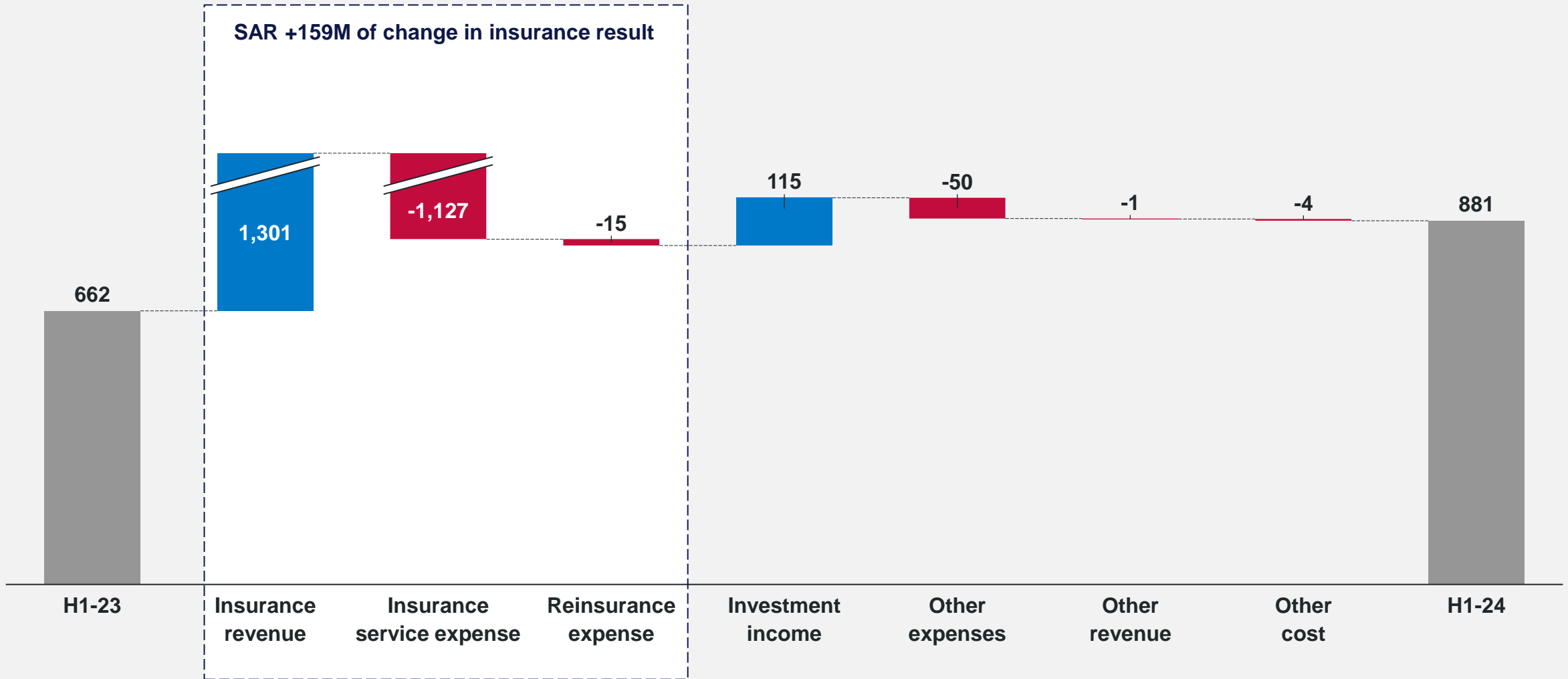
Financial Performance

Financial Highlights

H1-24 EBT increased by ~33% YoY due to favorable business performance and investment income



Note(s): (1) Insurance service results are calculated as insurance revenue minus insurance service expense and net expenses from reinsurance contracts held; (2) Investment income is calculated as the sum of investment income on financial assets at amortized cost, investment income on financial assets at fair value and net impairment loss on financial assets
 Source(s): Bupa Arabia Financials Q2 2024

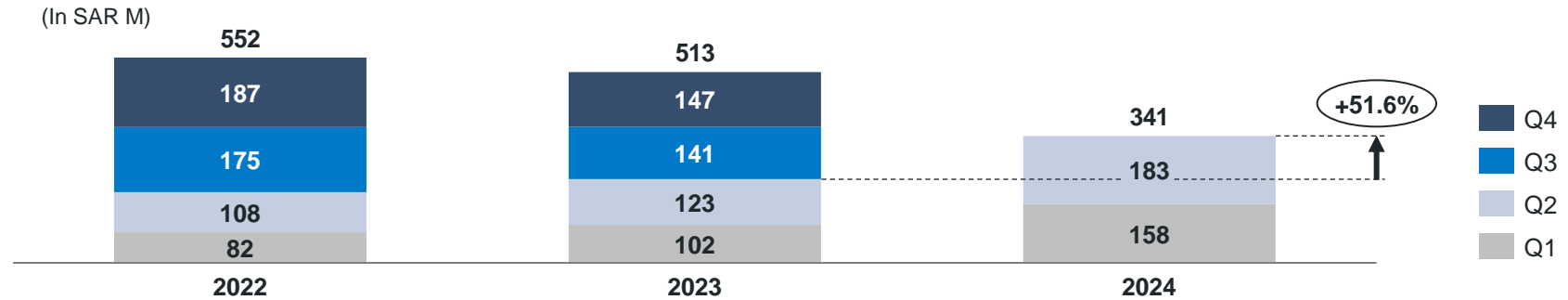


Investment Portfolio & Results

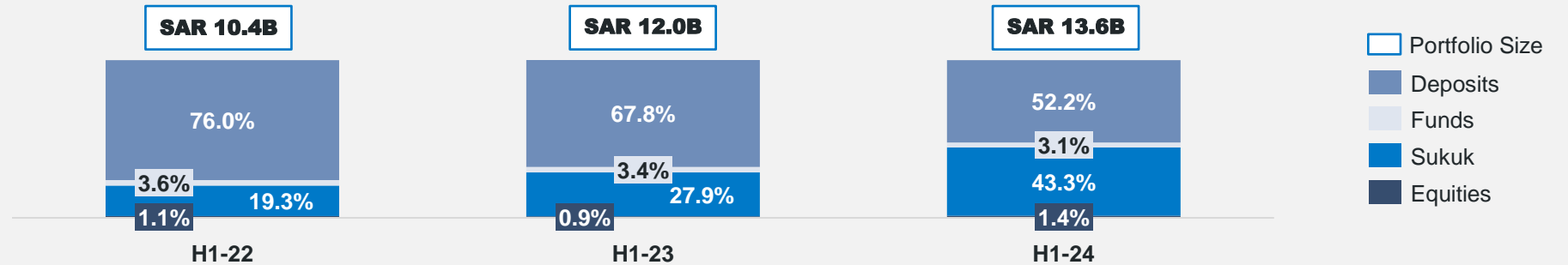
Resilient investment income given favorable interest rates, increased duration, & larger portfolio size



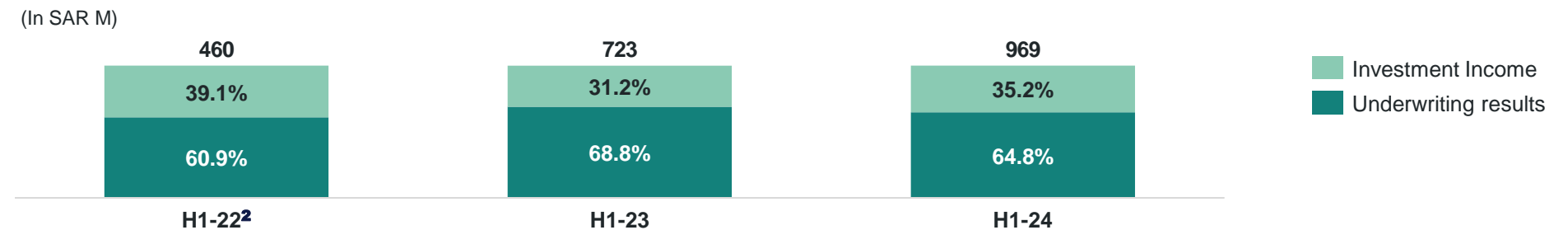
Investment income shows an increase of 52% in H1-24



Portfolio size increased YoY by 13% across different asset allocations



Income breakdown¹ shows increase of 34% in H1-24



Note(s): (1) Underwriting results include pre-tax income attributed to the shareholders and policyholders; (2) Restated numbers for 2022

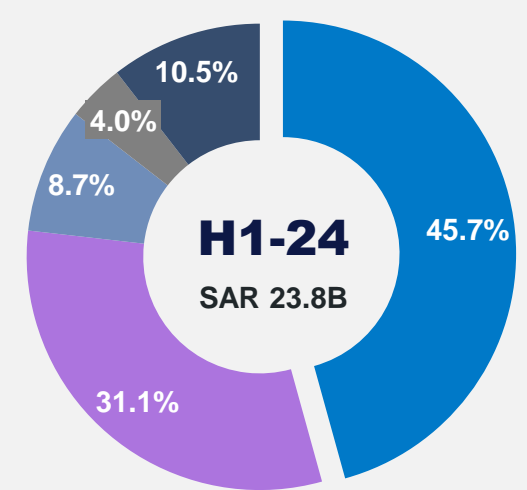
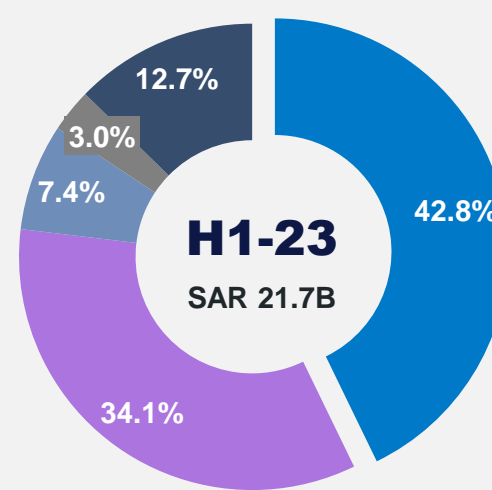
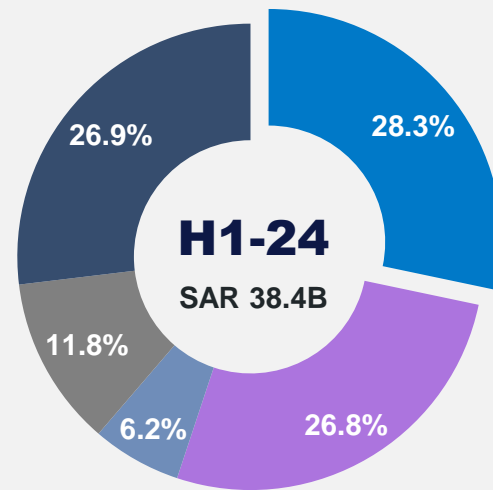
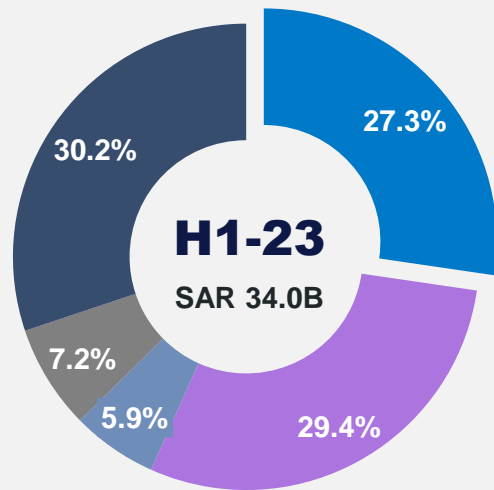
Market Share & Positioning

Bupa Arabia leads the overall insurance market, and maintains leadership within the health insurance market



Total Insurance Market Share GWP basis

Health Insurance Market Share GWP basis



■ Bupa Arabia
 ■ Tawuniya
 ■ Medgulf
 ■ Al Rajhi Takaful
 ■ Others

Note(s): Calculation of total insurance market and health insurance market excludes GWP from Saudi Reinsurance Company.
 Source(s): Respective insurance companies' filings.

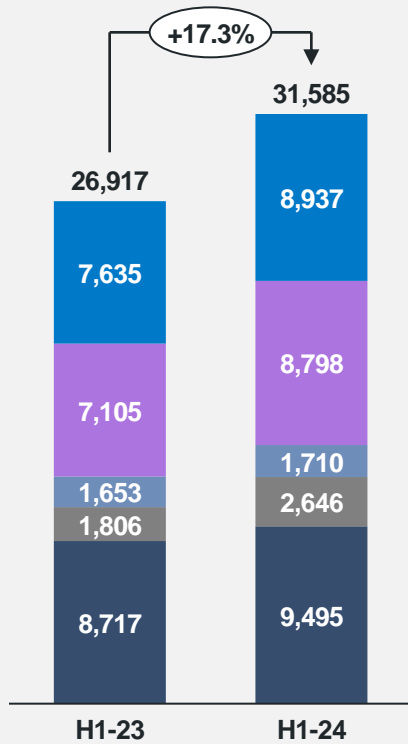
Total Insurance Market

Sustained favorable pricing, business growth, & loss ratio improvement continue to deliver healthy results

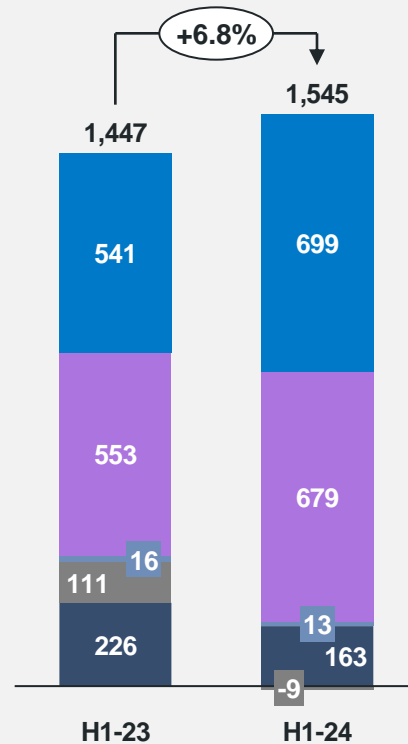


(All in SAR M)

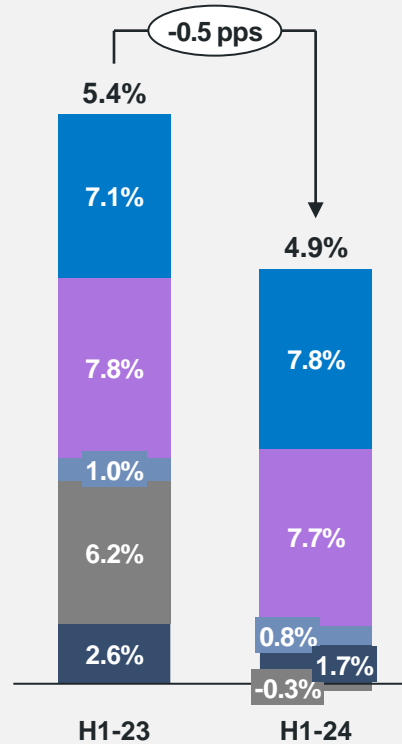
Insurance revenue



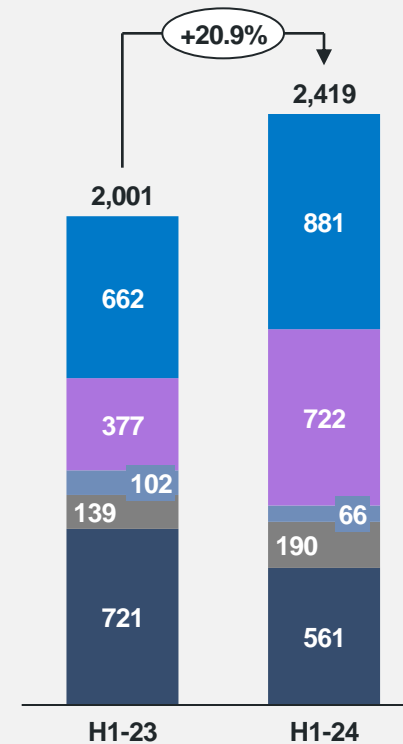
Insurance Service results



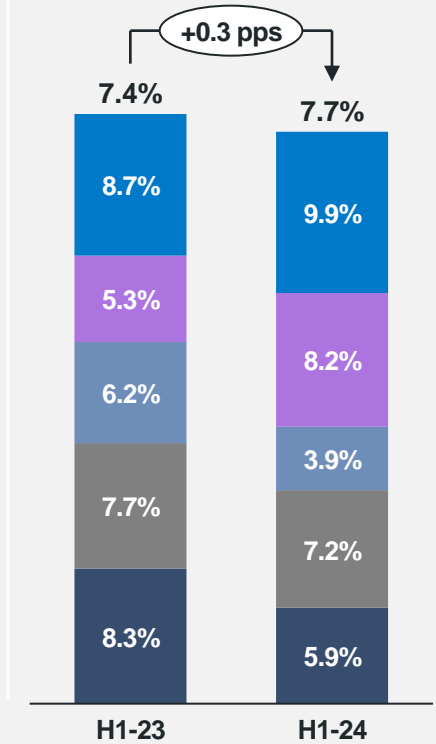
Insurance results margin



EBT



EBT margin



■ Bupa Arabia
 ■ Tawuniya
 ■ Medgulf
 ■ Al Rajhi Takaful
 ■ Others

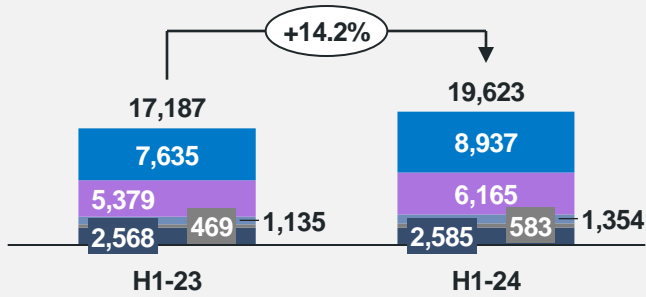
Note(s): Calculation of total insurance market excludes Saudi Reinsurance Company.
Source(s): Respective insurance companies' filings.

Health Insurance Market

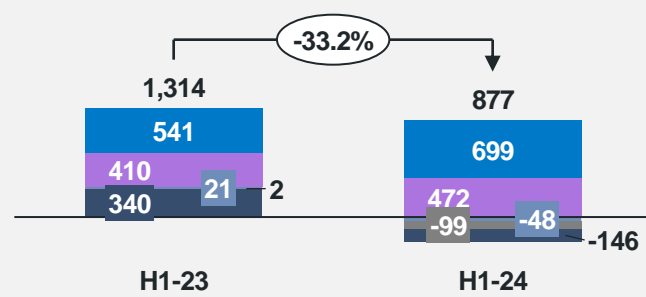
Growth observed across GWP segments as Bupa Arabia maintains leadership in corporates and SMEs



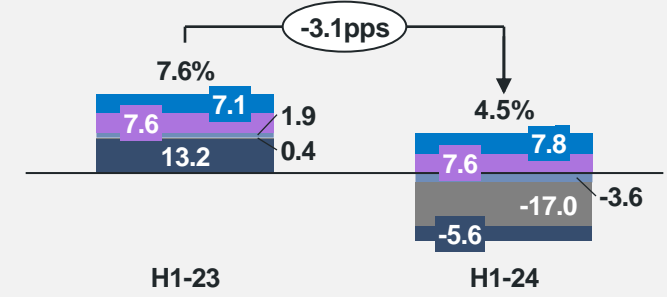
Insurance revenue¹ (In SAR M)



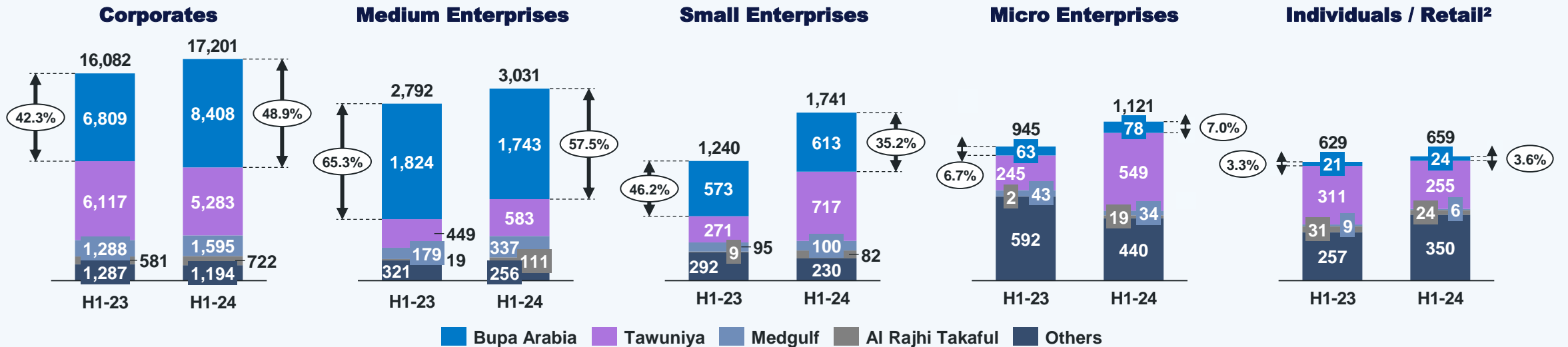
Insurance service results¹ (In SAR M)



Insurance result margin



GWP Segmentation (All in SAR M)



Note(s): Calculation of Health insurance market excludes Saudi Reinsurance Company. (1) Figures for Tawuniya include Medical Umrah insurance; and Aljazira Takaful insurance revenue and service results include a pro-rata assessment based on Q2-24, (2) Individual/Retail figures for Tawuniya include results from Medical Umrah insurance. Source(s): Respective insurance companies' filings.

03

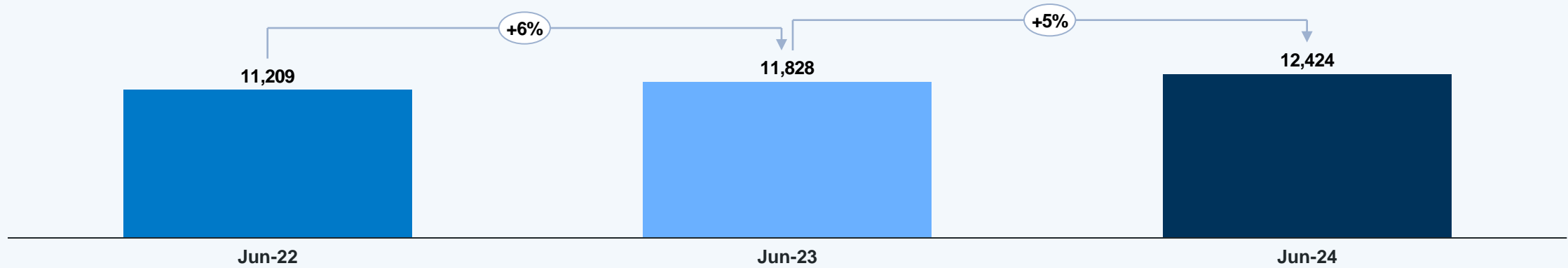
Market Trends

Saudi Health Insurance Market Trends (1/2)

Growth in H1-24 mainly driven by increase in expat lives in comparison to the same period in H1-23

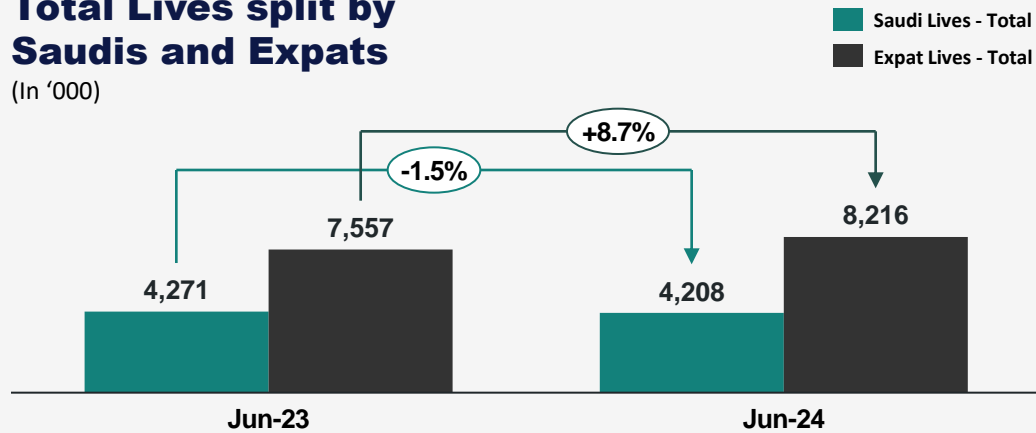


Total Insured Lives (In '000)



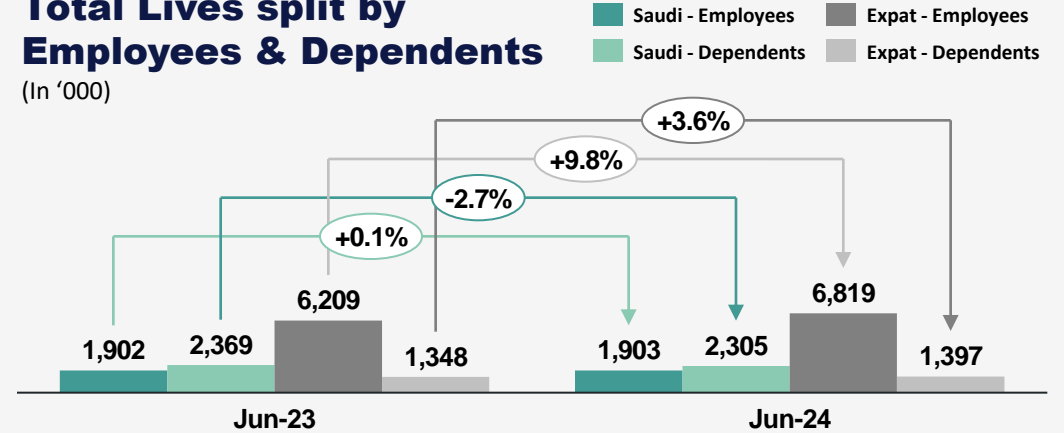
Total Lives split by Saudis and Expats

(In '000)



Total Lives split by Employees & Dependents

(In '000)



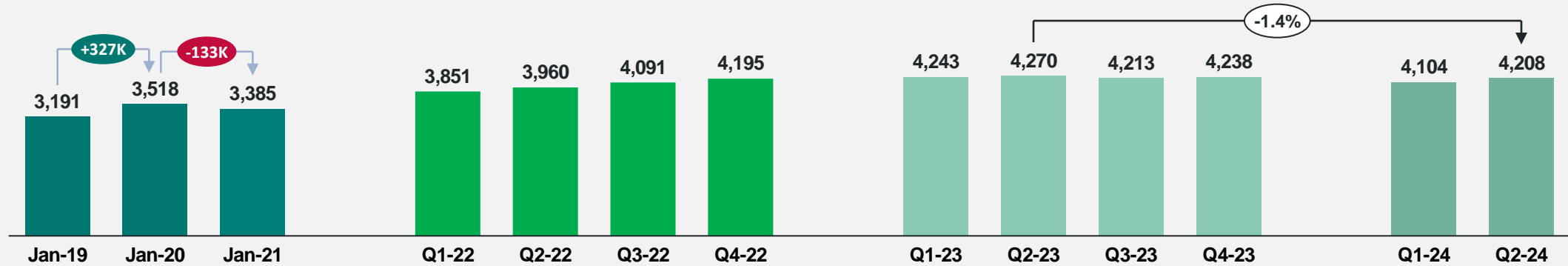
Source(s): GSTAT; GOSI; HRSD; CHI; Bupa Arabia estimates

Saudi Health Insurance Market Trends (2/2)

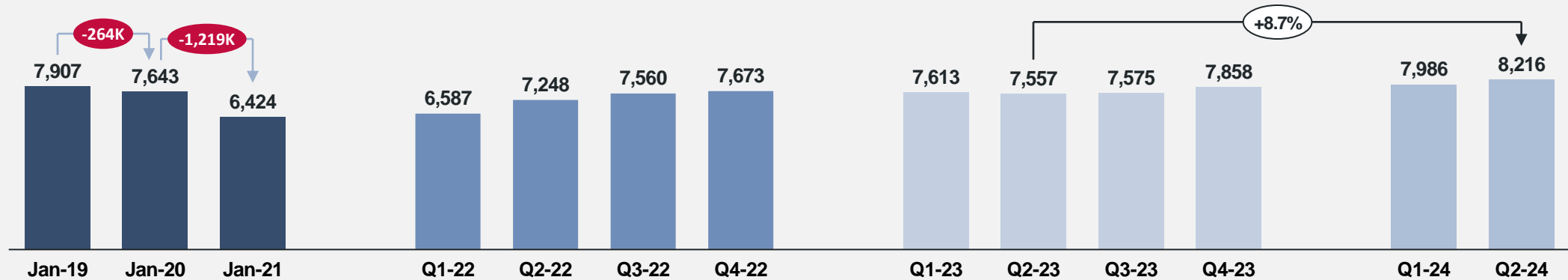
Despite overall growth, slight decline in Saudi lives in Q2-24 mainly due to Saudi dependents



Saudis (In '000)



Expats (In '000)



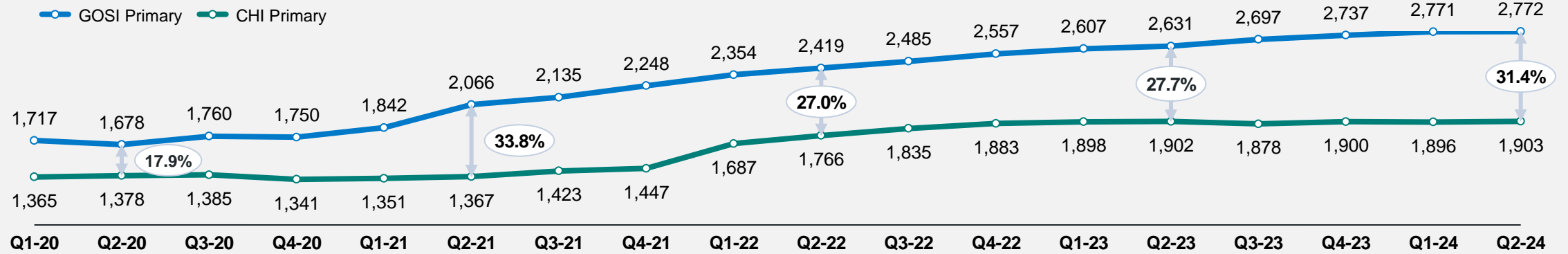
Source(s): GSTAT; GOSI; HRSD; CHI; Bupa Arabia estimates

Gap & Enforcement Explained

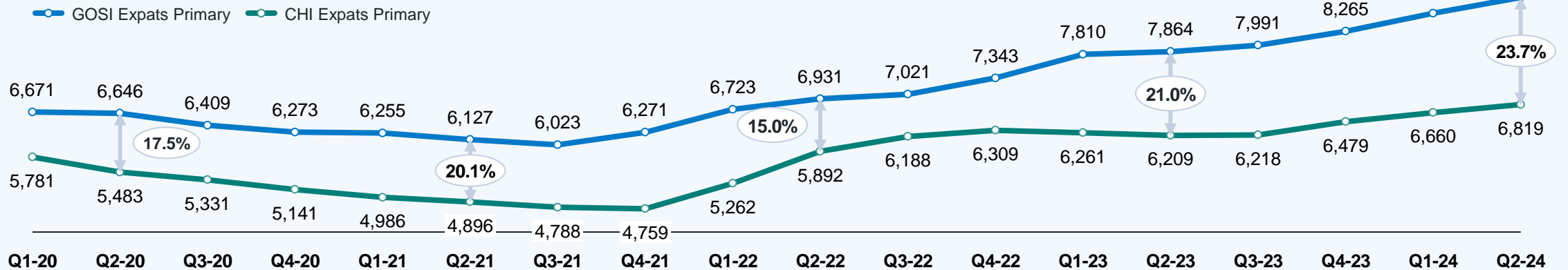
Enforcement gap remains within private sector with 869K Saudis & 2.1M Expats without Medical Insurance



Saudis (In '000)



Expats (In '000)



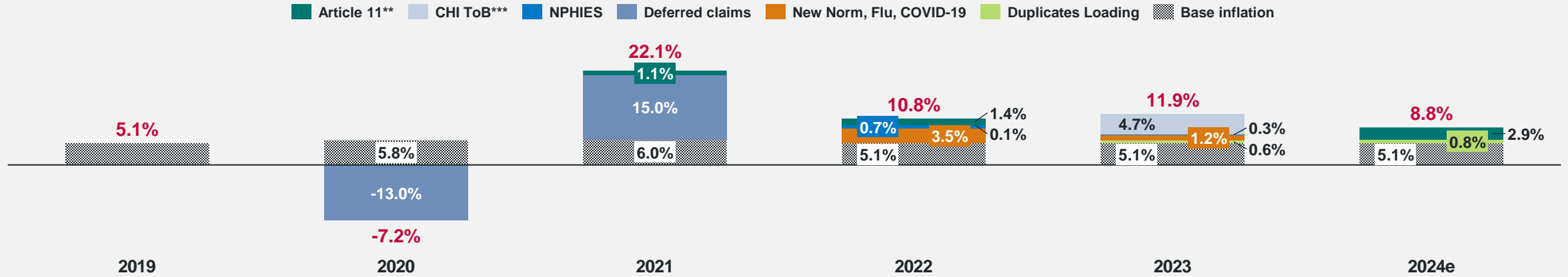
Source(s): GSTAT; GOSI; HRSD; CHI; Bupa Arabia estimates

PMI Market Challenges

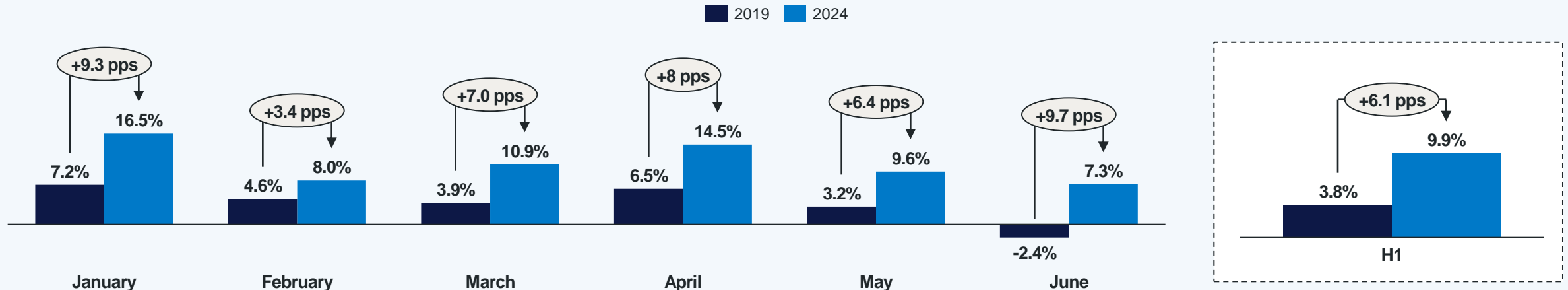
While inflation continues to be high, Q2 has shown a drop in inflation rates



Medical Inflation Overview



Inflation Breakdown (H1-24)



Source(s): Bupa Arabia Analysis

04

Other Highlights

Bupa Arabia Highlights

Key approvals obtained for Bupa Arabia, along with several developments & contract awards



Bupa Arabia issues first suitability report in June 2024, unveiling key sustainability milestones reached in 2023.



Bupa Arabia for Cooperative Insurance Co. received on June 4 the approval of the Insurance Authority (IA) to market and sell a product for upgrading medical service provider networks, aimed at individual customers in Saudi Arabia.



Bupa Arabia for Cooperative Insurance Co. renews medical insurance contract with SABIC (June 12 2024).



Bupa Arabia for Cooperative Insurance Co plans 860,000 share buyback to allocate to the employees' Long Term Incentive Plan (LTIP).



Bupa Arabia for Cooperative Insurance Co. announces the board of director's recommendation to distribute cash dividends for 2023 and invites its shareholders to attend the Extraordinary General Assembly meeting on June 30th, 2024.



Bupa Arabia for Cooperative Insurance has received the Insurance Authority license to practice insurance activity after adding the general insurance branch.

Regulatory Highlights

Continuous reforms across Saudi Health Sector and Health Insurance Sector in alignment with Vision 2030



CHI announced the start of mandatory insurance for registered domestic workers with their employers (if their number exceeds four individuals).



Insurance Authority (IA) announced transferring Health Insurance responsibilities from the Council of Health Insurance (CHI) to the Insurance Authority.



Insurance Authority (IA) issued decision to localize all sales positions in insurance products starting from April 15, 2024.



Insurance Authority held first meeting with the CEOs of insurance companies on 3rd of December 2023. This meeting emphasized the need to unify efforts and work as partners to build and develop the insurance sector.



Insurance Authority commences operations as the authorized regulator of the insurance industry in KSA, as of 23rd of November 2023.

Achievements & Awards

Bupa Arabia has been recognized with multiple awards in 2024



Insuretek 2024

- Best Insurer of the year
- Best Insurance Brand



Forbes middle East Top 100 CEOs 2024

- Tal Nazer - #1 insurance Industry



Chartered Institute of Personnel & Development

- Best Employee Engagement Initiative
- Employer of the year 2023



Council of Health Insurance Excellence

- Health insurance for the year
- Best Customer Experience
- Best C-suite 2023 Tal Nazer
- Women leader of the year
- Young achiever of the year



Kantar BrandZ awards 2023

- #1 Most Valuable Insurance Brand (KSA)
- #9 Most Valuable Brand (KSA)



SHRM MENA Awards 2023

- 1st place - Excellence in Health and Wellbeing
- 2nd place - Talent Acquisition and Retention



General Society of Surveillance (SGS) 2023

- 1st Insurance Company to acquire:
 - ISO/IEC 27001:2013
 - ISO/IEC 20000-1:2018



Digital Experience ME Awards 2023

- Best Digital Campaign
- Regional Excellence Healthcare



Saudi Capital Markets Awards (SCMA) 2023

- Best Investor Relations Program Award



Golden Shield Excellence 2023

- Best Insurance Brand
- Health Insurer of the Year



Clients Portfolio

Diverse client mix across multiple sectors



Thank you



With you for better health

Appendix

Board of Directors & Chief Executive Team

Board of Directors



Eng. Loay Hisham Nazer
Chairman



David Martin Fletcher
Vice-Chairman



Martin Houston
Board Member



Dr. Abdulla Elyas
Board Member -
Independent



Huda M. Bin Ghoson
Board Member -
Independent



Osama Shaker
Board Member -
Independent



Nigel Sullivan
Board Member



Tal Hisham Nazer
Board Member



Nader Ashoor
Board Member

Chief Executive Team



Tal Hisham Nazer
Chief Executive
Officer



Mohamed El Missaoui
Chief Executive Officer
CareConnect



Ali Sheneamer
Chief Business
Development Officer



Hatim Jamal
Chief Financial
Officer



Ahmed Bajunaid
Chief Investment
Officer



Tariq Alamoudi
Chief Human
Resources Officer



Atef Mufti
Chief Growth
Officer



Ryyan Tarabzoni
Chief Operations
Officer



Amro Shawli
Chief Governance,
Risk & Control Officer



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