The Company for Cooperative Insurance (Tawuniya)

November 8, 2026

Reinsurance recoveries and investment income lift net profit 74% YoY

Last Price: SAR 80.7 | YoY Performance: -7.3%

3Q26 FIRST TAKE

KEY TAKEAWAYS

- The Company for Cooperative Insurance (Tawuniya) reported net profit of SAR 301.7 mn in 3Q26, up 74.1% YoY, ahead of our estimate. This was driven by a higher net insurance service result and investment income, partly offset by higher operating expenses. On a sequential basis, net profit declined 6.2% QoQ. For 9M26, net profit reached SAR 911.6 mn, up 1.0% YoY.
- Insurance revenue grew 20.3% YoY to SAR 6,505.1 mn, coming in 5.3% ahead of our estimate. Total GWP rose 6.8% YoY to SAR 5,438.8 mn, driven by 36.7% growth in the Motor segment, while Health GWP declined 1.3% YoY against a strong prior year base.
- Insurance service expenses rose 36.0% YoY to SAR 6,033.8 mn, 15.8% above our estimate, driven by elevated claims in General Insurance (P&C). As a result, insurance service result before reinsurance declined 51.3% YoY to SAR 471.3 mn.
- Reinsurance recoveries of SAR 683 mn (SAR 99 mn in 3Q25), mainly in General Insurance, brought net reinsurance expense down to SAR 57.7 mn from SAR 625.9 mn in 3Q25, lifting the segment's net result to SAR 81.7 mn from SAR 47.3 mn. Consequently, the net insurance service result rose 21.1% YoY to SAR 413.6 mn, well above our SAR 219.0 mn estimate. Health remained the largest contributor at SAR 315.0 mn (+14.2% YoY), while Motor returned to profit at SAR 29.1 mn (SAR 35.8 mn in 3Q25; loss of SAR 12 mn in 2Q26).
- Combined ratio improved by 39bps YoY to 98.6%, better than our 99.7% estimate.
- Net investment income rose 25.9% YoY to SAR 233.4 mn in 3Q26, surpassing our estimate by 26.0%, while the investment portfolio stood at SAR 13.8 bn. Other operating expenses rose 18.3% YoY to SAR 289.7 mn during 3Q26.
- Based on our last review, we maintain an "Overweight" rating on Tawuniya's stock, with a target price of SAR 112/sh. The stock currently trades at a 2027e P/E and P/B of 13.2x and 1.9x, respectively.

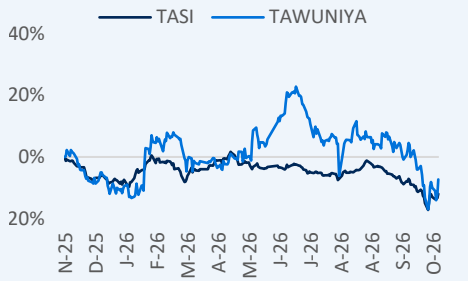
Analyst Contact:
Muhammad Adnan Afzal
Head of Sell-Side Research
muhammad.afzal@anbcapital.com.sa
+966 11 4062500 Ext. 4364

Issuer Information

Bloomberg Code	**TAWUNIYA AB**
Last Price (SAR)	**80.7**
No of Shares (mn)	**225**
Market Cap bn (SAR/USD)	**18.2 / 4.8**
52-week High / Low (SAR)	**107.7 / 71.0**
12-month ADTV (mn) (SAR/USD)	**40.1 / 10.7**
Free Float (%)	**74.1**
Foreign Holdings (%)	**19.3**

Last price as of November 4th, 2026

Relative Price Performance



Source: Bloomberg, anbc research

Financials (SAR mn)	3Q26A	3Q26E*	Var (%)	3Q25A	YoY (%)	2Q26A	QoQ (%)
Insurance service revenue	6,505	6,178	5.3	5,405	20.3	6,228	4.4
Insurance service expense	(6,034)	(5,212)	15.8	(4,438)	36.0	(8,822)	(31.6)
Ins. service result pre reinsurance	471	966	(51.2)	968	(51.3)	(2,594)	
Ins. margin pre reinsurance (%)	***7.2***	***15.6***		***17.9***		***(41.7)***	
Net reinsurance expense	(58)	(747)	(92.3)	(626)	(90.8)	2,878	
Insurance service result	414	219	88.9	342	21.1	284	45.6
Insurance service margin (%)	***6.4***	***3.5***		***6.3***		***4.6***	
Net investment income	233	185	26.0	185	25.9	236	(1.0)
Net income	302	202	49.6	173	74.1	322	(6.2)
Net margin (%)	***4.6***	***3.3***		***3.2***		***5.2***	
EPS (SAR)	1.34	0.90		0.77		1.43	

**anbc estimates*
Source: Company Financials, anbc research

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Expected return is more than +15%	Expected return is between +15% & -10%	Expected return is lower than -10%

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Contact

ANB Capital Head Office

3581 Al Mouyyad Al Jadid, Al Murabba, Riyadh 11311,

PO Box 22009, Kingdom of Saudi Arabia

Tel: +966 11 406 2500, 800 124 0055

Email: research@anbcapital.com.sa

Web: www.anbcapital.com.sa