

The Company for Cooperative Insurance

Investment income and lower operating cost support net income growth

Rating: Overweight | Target Price: SAR 180

March 12, 2026

Market Data		Valuations	2025A	2026F	2027F	2028F
Last Price (SAR)*	128.3	Net Income (SAR mn)	1,103	1,162	1,458	1,732
Target Price (SAR)	180.0	EPS (SAR)	7.4	7.8	9.7	11.6
Upside / Downside (%)	40.3	PER (x)	17.4	16.5	13.2	11.1
Market Cap (bn) (SAR/USD)	19.2/5.1	P/BV (x)	3.6	3.1	2.6	2.3
52 week High / Low (SAR)	161.0/111.8	DPS (SAR)**	2.0	2.0	2.5	3.5
12-month ADTV (mn) (SAR/USD)	47.6/12.7	Div. Yield (%)**	1.6	1.6	1.9	2.7
YTD Return (%)	9.7%	RoAE (%)	22.4	20.1	21.6	21.9
Bloomberg Code	TAWUNIYA AB	RoAA (%)	5.2	5.2	5.9	6.2

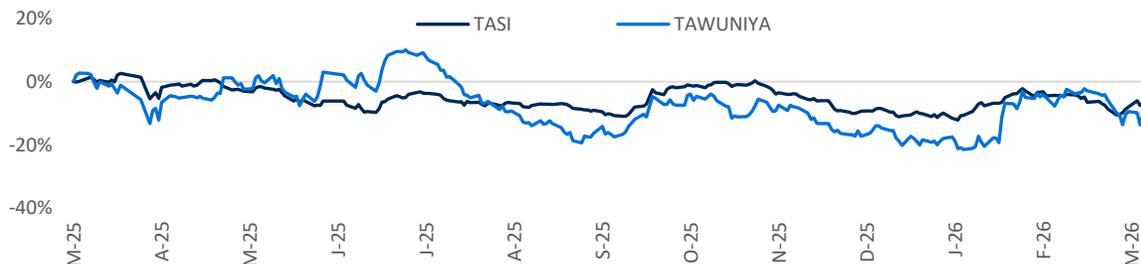
*last price as of 11th March 2026

**Estimated DPS for 2025

Financials (SAR mn)	4Q25A	4Q25E*	Var (%)	4Q24A	YoY (%)	3Q25A	QoQ (%)
Insurance service revenue	5,650	5,286	6.9	4,779	18.2	5,405	4.5
Insurance service expense	(5,073)	(4,382)	15.8	(4,037)	25.7	(4,438)	14.3
Ins. service pre reinsurance	577	905	(36.2)	741	(22.2)	968	(40.4)
Ins. service margin pre reinsurance	10.2	17.1	-	15.5	-	17.9	-
Net reinsurance expense	(578)	(582)	(0.8)	(588)	(1.7)	(626)	(7.7)
Insurance service result	(1)	322	-	154	-	342	-
Insurance service margin	0.0	6.1	-	3.2	-	6.3	-
Net investment income	210	185	13.7	188	11.6	185	13.2
Net income	201	245	(18.0)	168	19.5	173	15.9
Net margin (%)	3.6	4.6	-	3.5	-	3.2	-
EPS	1.34	1.63	(18.0)	1.12	19.5	1.16	15.9
DPS	-	2.00	-	1.50	-	-	-

*anbc estimates

Price Performance



Source: Tadawul, Bloomberg and anbc research

The Company for Cooperative Insurance (TAWUNIYA) reported a net profit of SAR 201 mn (EPS: SAR 1.34) in 4Q25, reflecting a 20% YoY increase. The result fell short of anbc's estimates by 18%. Despite a loss in insurance service result, the net income for the quarter rose YoY, due to lower other operating expenses linked to reallocating of Meena related cost and higher investment income (up 12% YoY). We maintain our 'Overweight' rating with a target price of SAR 180.0/sh.

- In 4Q25, insurance service revenue increased 18% YoY (+4.5% QoQ) reaching SAR 5,650 mn driven by growth in the medical and P&S segments, which increased 24% and 185% YoY, respectively. Revenue for the period came in ahead of anbc's estimates and Bloomberg consensus by 6.9% and 8.4%, respectively. For the full year 2025, insurance revenue reached SAR 21,403 mn, up 17% YoY. Gross written premium (GWP) for the quarter rose by 25% YoY reaching SAR 6,828 mn. For full year 2025, GWP rose to SAR 23,842 mn, up 20% YoY.
- Insurance service margin compressed to a near zero level this quarter compared to 3.2% in 4Q24. The contraction was due to medical segment recording negative insurance service margins of 1% vs. positive margins of 3% in 4Q24. The medical segment performance was attributable to higher claims on account of flu wave witnessed during Oct-25 and Nov-25. Furthermore, during the quarter, P&S segment recorded an insurance service loss of SAR 7 mn, vs. profit of SAR 14 mn in 4Q24. The decline in insurance service margins of P&C segment from 16% in 4Q24 to 9% in 4Q25, also pressurized the overall margins. However, improved pricing and higher comprehensive policy mix in the motor segment helped reduce the segment's loss from 6% in 4Q24 to 1% in 4Q25.
- Net investment income increased by 12% YoY to SAR 210 mn. The growth was driven by a larger investment portfolio, which expanded 9% YoY to SAR 12,640 mn.
- Despite negative insurance service result, overall net income increased to SAR 201 mn, up 19.5% YoY. The increase is attributable to higher investment income and lower other operating expenses (down 55% YoY). The decline in other operating expense is due to cost reallocation of Meena's physician and medical staff to insurance service expense.
- Rationalization in market dynamics, particularly in the mobility segment, along with increased pricing in the health segment, is expected to increase margins in 2026f. We expect 2026f insurance service margins to arrive at 5.6% vs. 5.2% in 2025. We maintain our 'Overweight' stance on the stock with a target price of SAR 180.0/share, offering an upside of 40.3% from the last close. Currently, the stock trades at a 2026f PE of 16.5x, compared to its three-year historic average of 22.4x.

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