



QATAR GENERAL

INSURANCE & REINSURANCE CO. Q.P.S.C.

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FY 2019 results

March 2020

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FY 2019 results highlights



Strong growth in the insurance business diminished by increase in an unusual number of major claims, additional provisions taken on a conservative basis and fair value adjustment of investment properties

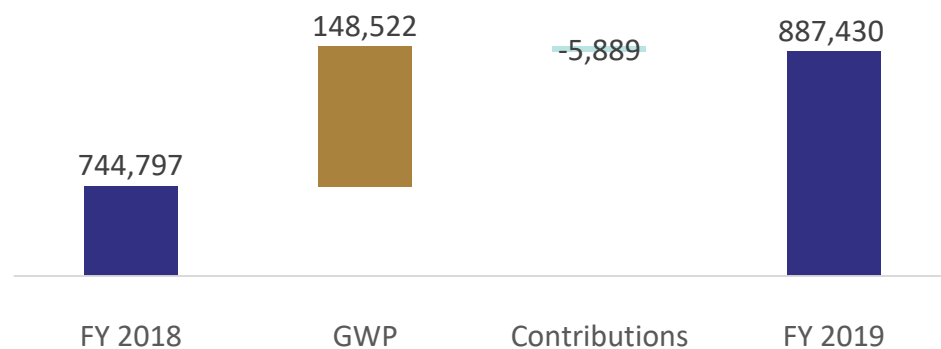
1	Insurance revenue	<ul style="list-style-type: none">▪ 19% growth in Gross Written Premiums (“GWP”) and contributions for FY 2019 in comparison to FY 2018▪ Excellent development of international insurance business with growth of 123% in GWP
2	Net claims	<ul style="list-style-type: none">▪ Unusual number of major claims during FY 2019 primarily in the energy and fire segments and additional provisions on a conservative basis▪ Net loss ratio of 96% in FY 2019 compared to 50% in FY 2018
3	Investment income	<ul style="list-style-type: none">▪ Results from investments were significantly impacted by fair value adjustments in investment properties, which also impacted 2018 and 2017 financial results
4	Total expenses	<ul style="list-style-type: none">▪ Positive impact of management cost cutting initiatives reducing operating and administrative expenses by 9%▪ Increase in total expenses mainly as a result of significant increase of net impairments on financial assets
5	Profitability	<ul style="list-style-type: none">▪ Net loss (attributable to shareholders of the Parent Company) of QAR 468m in FY 2019▪ This represents an EPS of QAR -0.535 for FY 2019
6	Outlook	<ul style="list-style-type: none">▪ Exceptional year, net loss in FY 2019 does not represent the underlying strength of QGIRCO’s business and operations. Fair value adjustments and additional provisions have no impact on the Company’s financial health▪ Measures taken by the management team have already shown a positive impact on the key focus areas and are expected to further enhance the operational and financial performance

Consolidated FY 2019 results – financial overview



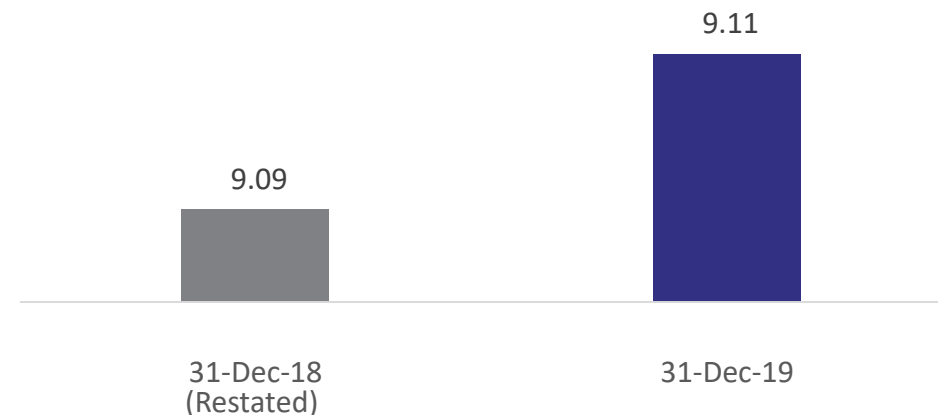
Total insurance revenue¹ (FY 2019 vs. FY 2018)

(QAR '000)



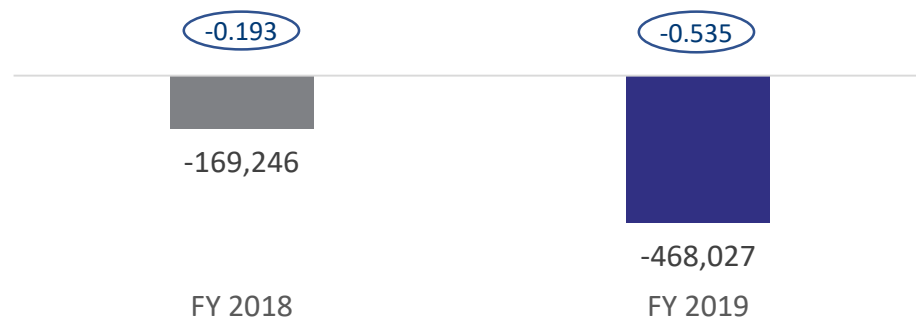
Consolidated total assets

(QAR billions)



Consolidated net loss²

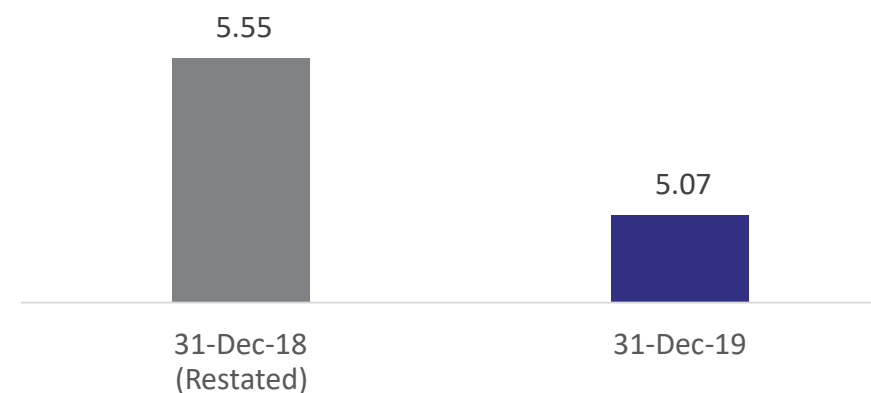
(QAR '000)



○ losses per share (QR)

Consolidated shareholders equity

(QAR billions)



1) Includes Gross Written Premium from Qatar General Insurance ("QGI") and contributions from General Takaful ("GT")

2) Consolidated net loss attributable to shareholders of the Parent Company



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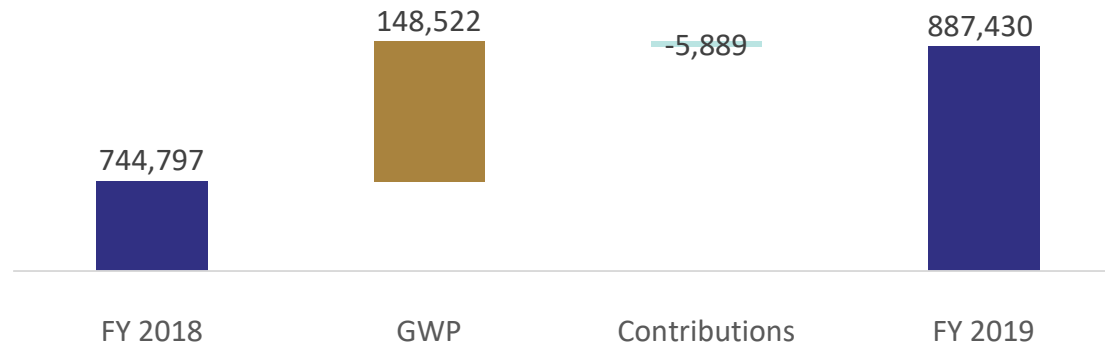
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Total insurance revenue for full year 2019



Total insurance revenue¹ (FY 2019 vs. FY 2018)

(QAR '000)

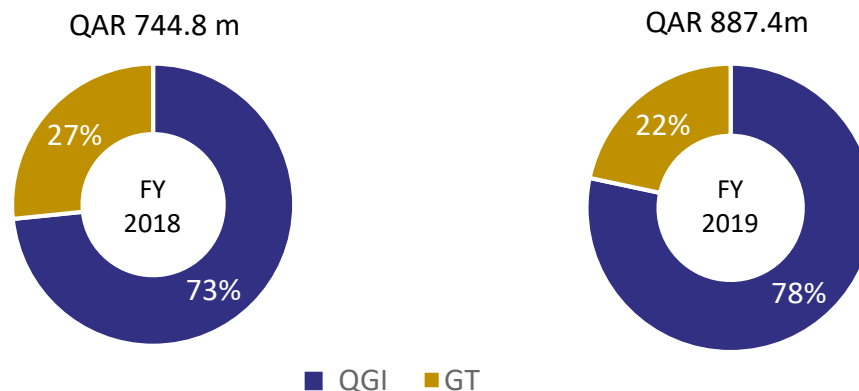


Management comments

- Maintained growth in insurance operations in FY 2019 achieving strong revenue
- Combined GWP and contributions generating QAR 877.4m - increased by 19% in FY 2019 compared to FY 2018

Total insurance revenue breakdown¹

(%)



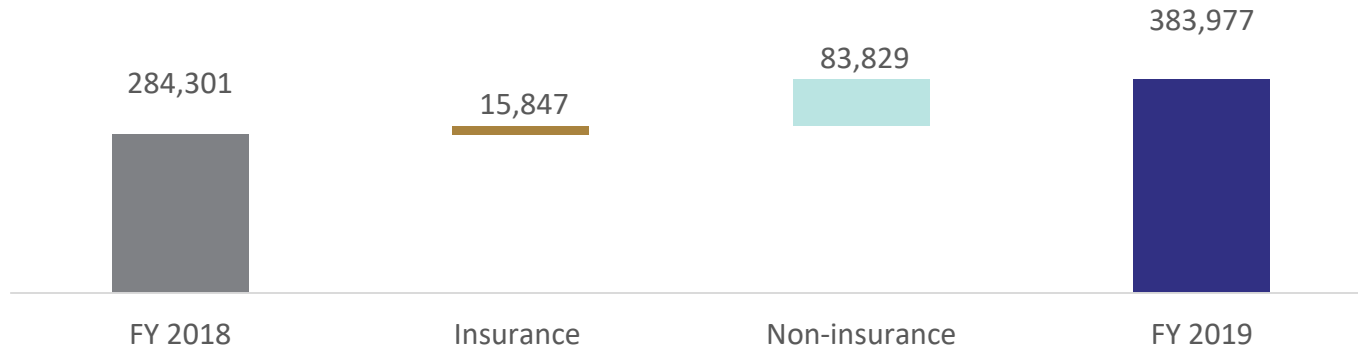
1) Includes Gross Written Premium from Qatar General Insurance ("QGI") and contributions from General Takaful ("GT")
 © Qatar General Insurance & Reinsurance

Total full year 2019 expenses



Total expenses

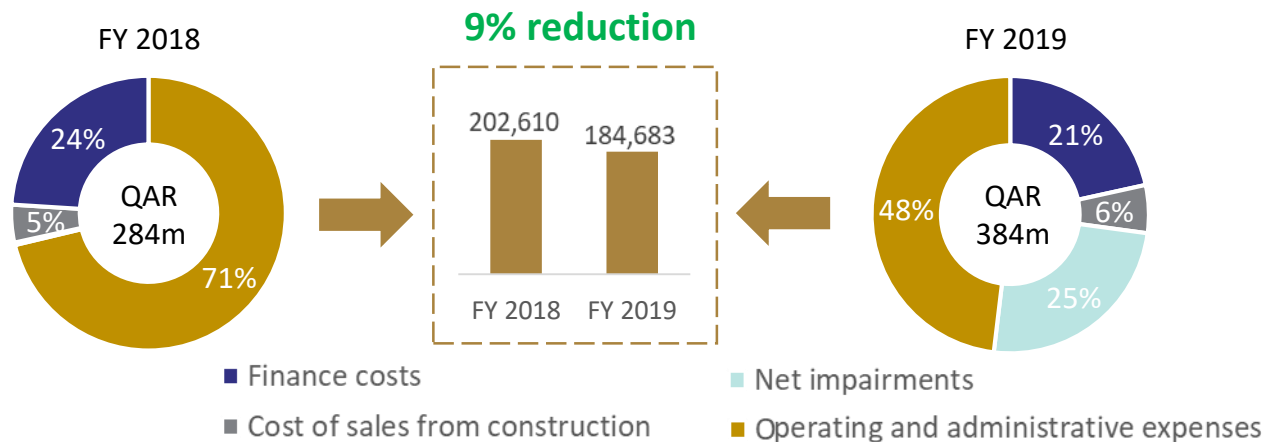
(QAR '000)



Management comments

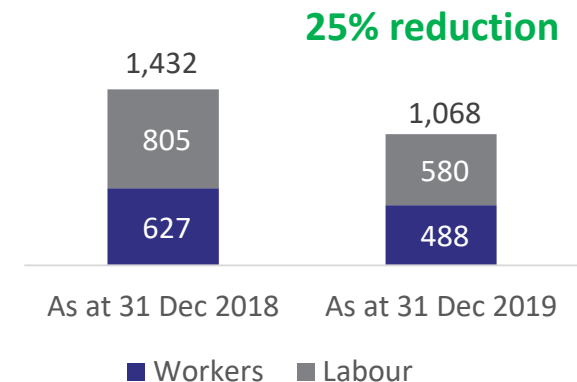
- Positive impact of management cost cutting initiatives reducing operating and administrative expenses by 9% in comparison to FY 2018
- Newly appointed members in key positions which were not filled in recent years
- Total expenses increased by 35% in FY 2019 in comparison to FY 2018 mainly as a result of a significant increase of net impairment losses on financial assets

Total expenses split



Headcount

(No. of employees)

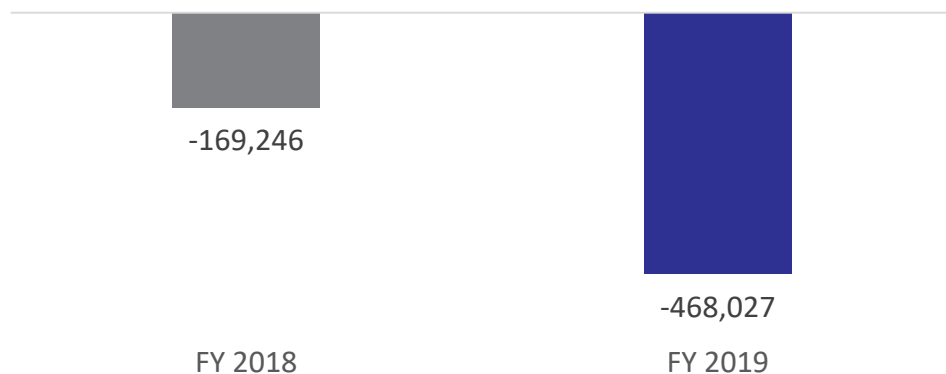


Consolidated FY 2019 net loss



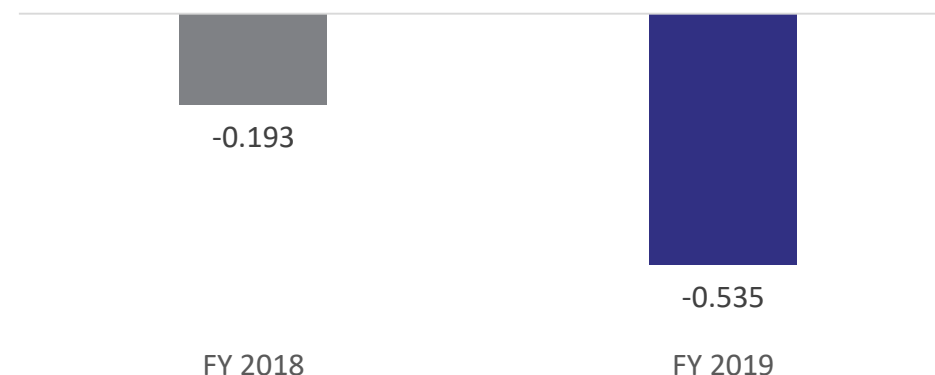
Net loss¹

(QAR '000)



Loss per share

(QAR per share)



Management comments

- Net loss primarily driven by non-insurance related operations
- Fair value losses on investment properties amounted to QAR 335.8m
- As a result, the loss per share is QAR -0.535 for FY 2019

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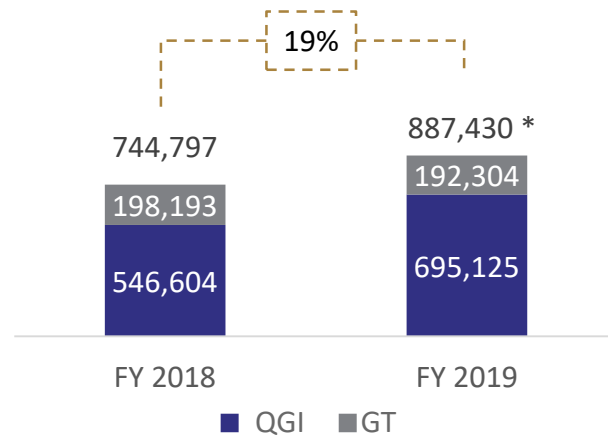
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Insurance operations overview – FY 2019



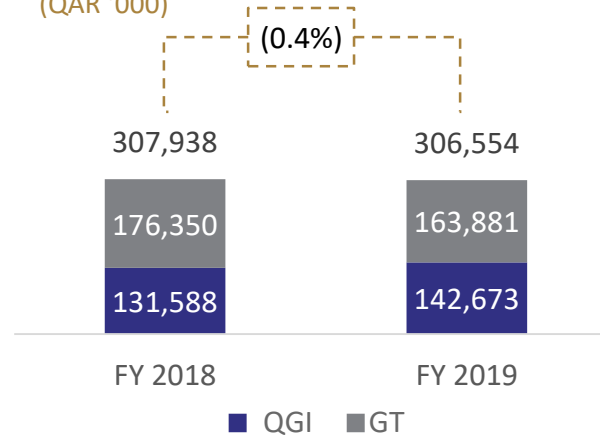
GWP and contributions

(QAR '000)



Net earned premiums and net earned contributions

(QAR '000)



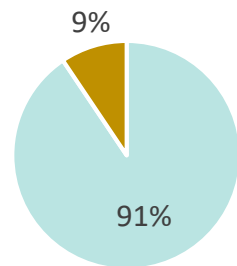
Management comments

- GWP and contributions increased significantly by 19% in FY 2019 compared to FY 2018
- Net earned premiums and net earned contributions remained constant in FY 2019
- Excellent development of international insurance business with growth of 123% GWP in FY 2019
- Unusual number of claims in the energy and fire segments, and additional provisions on a conservative basis led to a significant increase in loss ratio

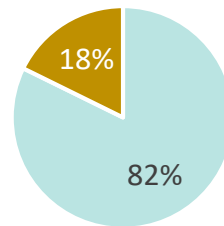
GWP – domestic vs. international¹

(%)

FY 2018: QAR 744.8 m



FY 2019: QAR 887.4m



■ Domestic ■ International

1) Includes Gross Written Premium from Qatar General Insurance ("QGI") and contributions from General Takaful ("GT")

* Discrepancies in total due to rounding

Management's view on insurance sector trends



Insurance sector trends

QGIRCO action to benefit

1

Digital transformation required to remain competitive

Program started and results becoming visible in 2020

2

InsureTech expected to become driving force

Exploring options

3

Big Data analytics capability to reduce risk

Internal assessment ongoing

4

Expanding product offering to satisfy changing customer behavior and lifestyle

Changes implemented and product offering tailored

5

Continuous change in the regulatory landscape

Close collaboration and constant dialogue with authorities in Qatar

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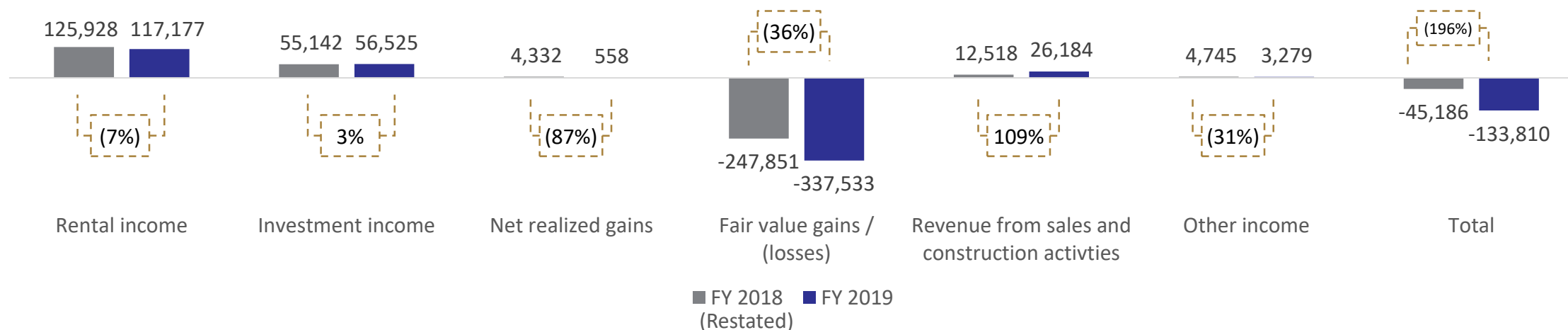
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Non-insurance operations overview – FY 2019



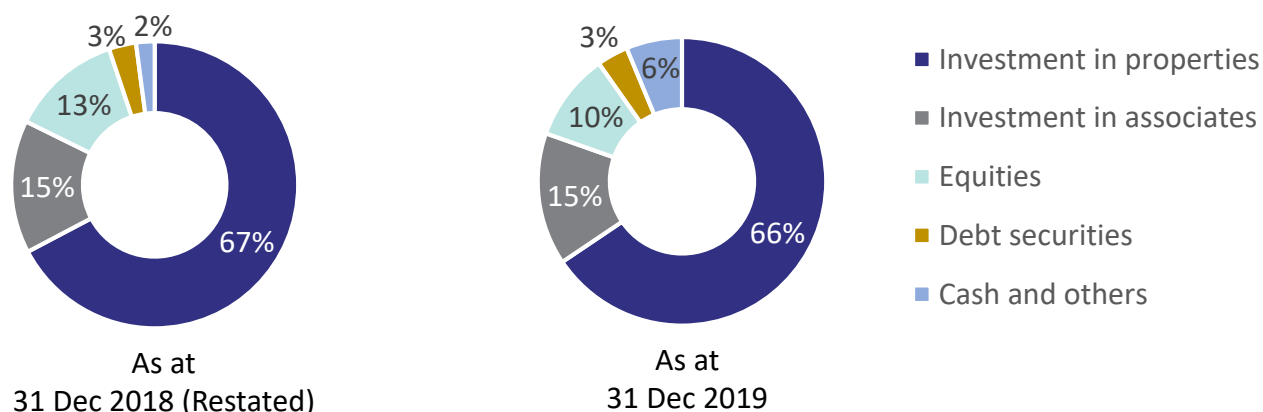
Investment income comparison between FY 2018 to FY 2019

(QAR '000)



Investment asset split by asset class

(%)



Management comments

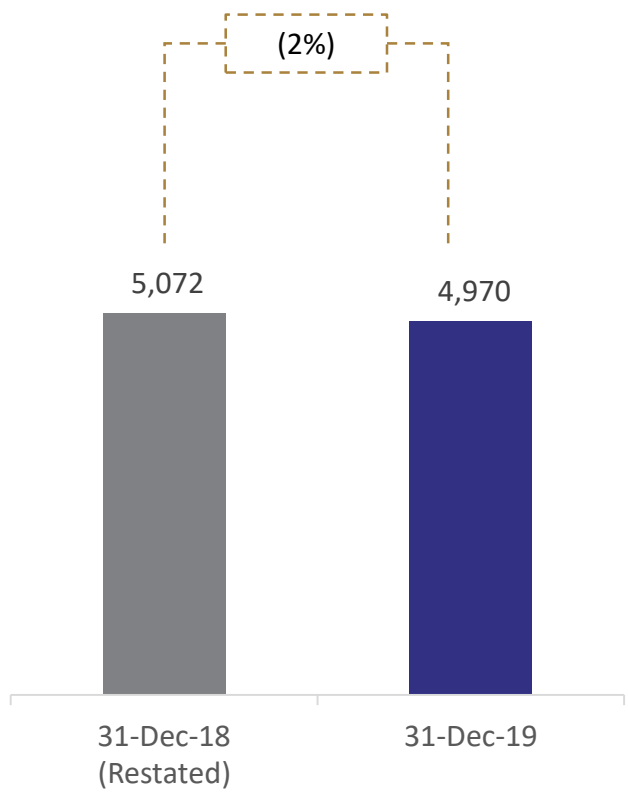
- Rental income developing in line with overall market in FY 2019 versus FY 2018
- Investment income declined mainly due to increase in fair value losses of investment properties

Non-insurance operations overview – financial position as at 31 Dec 2019



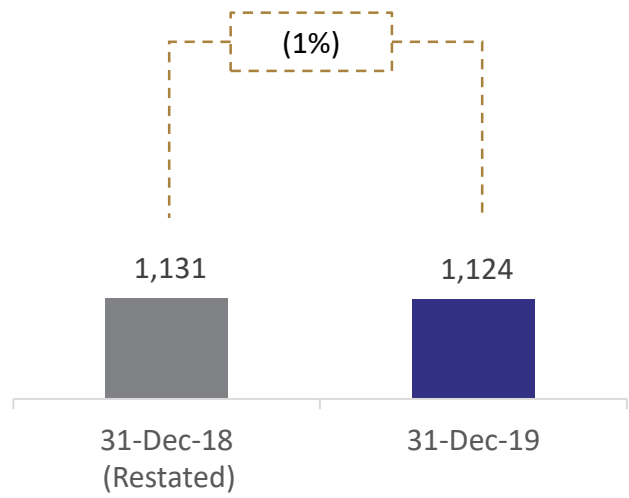
Real estate investment

(QAR millions)



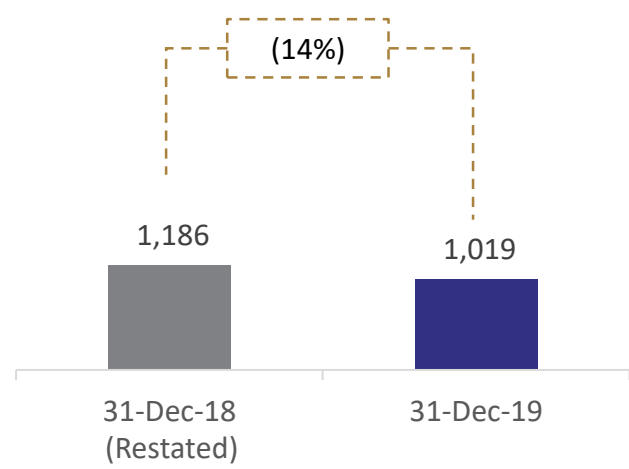
Investment in associates

(QAR millions)



Financial assets

(QAR millions)

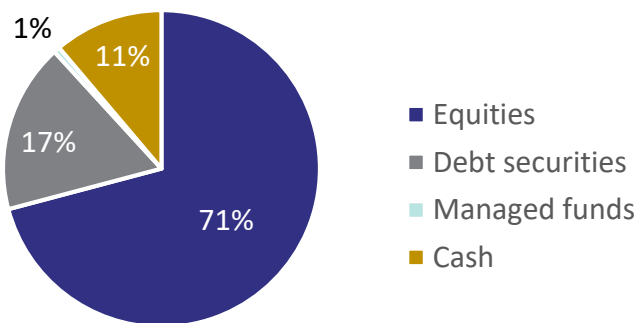


Non-insurance operations overview – As at 31 Dec 2019



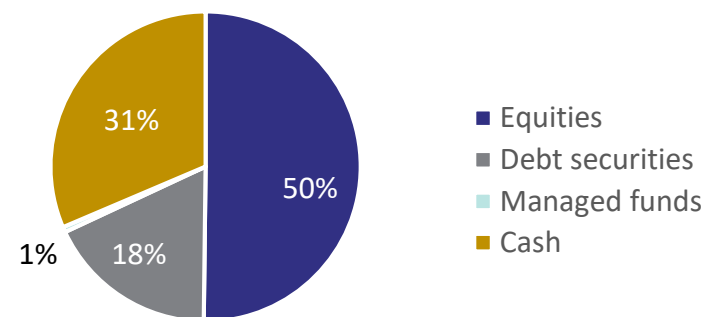
Total investment assets as at 31 Dec 2018

(%)



Total investment assets as at 31 Dec 2019

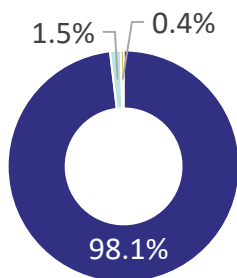
(%)



Equity and debt split by region as at 31 Dec 2018

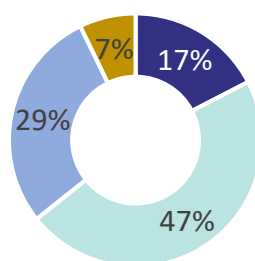
(%)

Equity breakdown



■ Qatar ■ GCC ■ Others

Debt breakdown

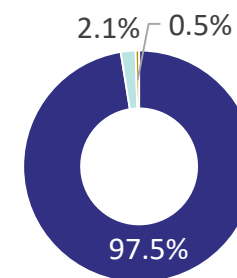


■ Qatar ■ GCC ■ Asia and Africa ■ Europe

Equity and debt split by region as at 31 Dec 2019

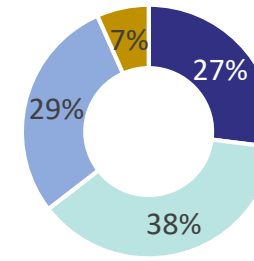
(%)

Equity breakdown*



■ Qatar ■ GCC ■ Others

Debt breakdown*



■ Qatar ■ GCC ■ Asia and Africa ■ Europe

* Discrepancies in total due to rounding
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Measures taken in 2019 and their impact



Strategic decisions taken

Appointment of Mr. Hassan Al Efrangi as the CEO of the Group and hiring of selected subject matter experts in key areas

Complete strategy review across various segments, including risk management, information technology, human resources, insurance and investments

Expand international insurance business

Lean management exercise

Liquidation of non-performing subsidiaries



Results achieved

GWP and contributions grew by 19%

International insurance business grew by 123%

9% reduction in operating and administrative expenses

Closure of 8 local branches across general insurance and takaful

Closure of Mozoon Insurance Marketing Company

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QGIRCO Group management team



Hassan Al-Efrangi
Group Chief Executive Officer

Mr. Al-Efrangi has over 20 years of experience in the financial sector. He has significant business management capabilities and has extensive experience with performance improvement, growth and leadership. He was previously the Deputy Chief Executive Officer at Al Ahli Bank.



Abdallah Barrage
Deputy Chief Executive Officer - Investment



Mohammad Elailah
Chief Operating Officer - Insurance



Adnan Abu Alhaijaa
Group Head of Risk



Georges Wakim
Group Legal Manager



Noura Al Maraghi
Head of Corporate Communication and Government Relations



Jassim Al Kuwari
Group Head of Human Resources and Administration



Ramesh Kini
Acting Head of Internal Audit



Alaa Fares
Group Chief Financial Officer



Bader Attari
Head of Underwriting – Insurance



Dimitrios Voukelatos
Deputy Head of Risk Management and Principal Actuary



Basil Falah
Group Head of Compliance



Marwan Azar
Group Head of Marketing



Hassan Taha
Legal Advisor and Secretary of the Board



Ali Mourad
Investor Relations Officer and Senior investment Analyst

* New members of the management team

QGIRCO's key investment highlights



Qatar's leader in new product mix development

First mover on:
Trade Credit, Cyber, Senior Liability

Deep understanding of the local market

More than 40 years of experience

Quick to adapt to market trends and customer preferences

Market opportunity 'SME' identified and captured in short time frame

Strong balance sheet and cash generation capability

- Excellent credit rating by AM Best
- "A- (Excellent)"

Experienced management driving efficiency and profitability

- Operating and administration expenses decrease by 9%
- First time positions created and filled



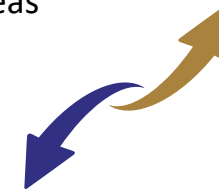
Company history

- QGIRCO was established in 1979, with the vision of providing individuals and businesses with conventional and Takaful insurance products. QGIRCO was listed on the Qatar Exchange in 1997
- QGIRCO expanded to become one of the most dominant players in the insurance industry in Qatar, with over 120 employees working in core insurance operations, serving clients through its 7 branches across the country
- QGIRCO has maintained an “A- (Excellent)” credit rating for 7 consecutive years, according to AM Best credit ratings

Product overview

Personal insurance

- Offers protection from risks associated in different areas of customer’s lives
- 10% of total insurance revenue is from sales of personal insurance products

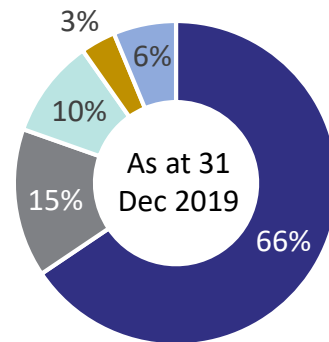


Commercial insurance

- QGIRCO offers both general and specialized insurance products for corporate clients
- Commercial insurance represents 90% of the Company’s insurance operations

Investment portfolio

- Investment in properties
- Investment in associates
- Equities
- Debt securities
- Cash and others



Recent strategic developments

- Under the leadership of Mr. Al-Efrangi, QGIRCO is undergoing significant strategic changes to align the operations of the Group to the long-term vision
- Appointment of Roland Berger for strategy alignment and business enhancement
- QGIRCO will continue to focus on both conventional and Takaful insurance products
- Efficiency and cost saving initiatives ongoing to enhance shareholder value
- Selected strategic hiring for key positions across the business

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Shareholder information

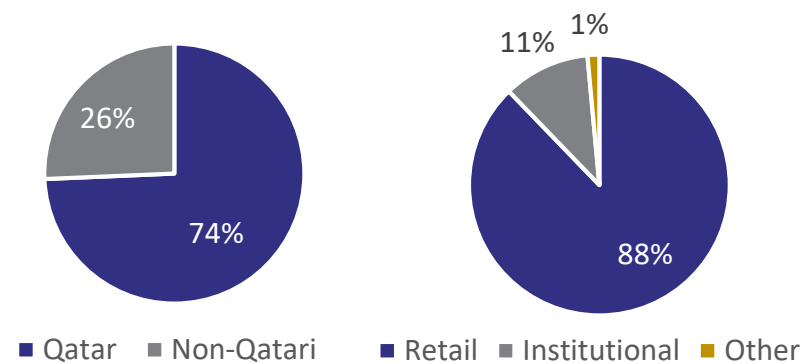


General information

Company name	Qatar General Insurance & Reinsurance
Ticker (QE)	QGRI
Market Capitalization	QAR 2.18B
Common Shares Outstanding	875.1M
Free float	77%

Figures as at 31 December 2019 and in QAR. Unless, otherwise stated.

Shareholder structure

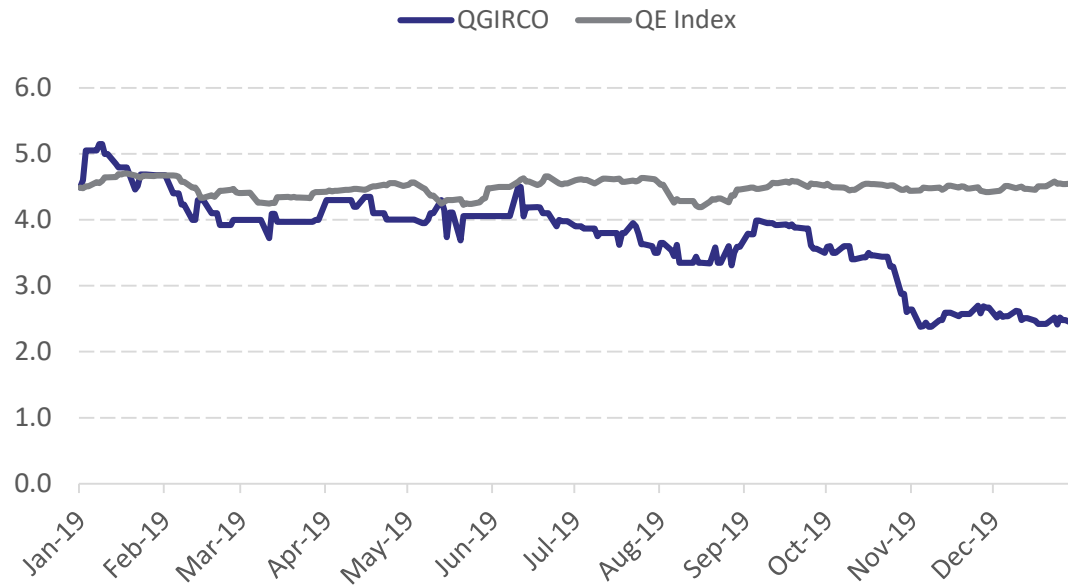


Top shareholders	Ownership (%)
Trust International Insurance and Reinsurance Co.	8.5%
Sheikh Nasser Ali Saud Al Thani	6.3%
Sheikh Ahmed Ali Saud Al Thani	5.0%

Share price performance and share trading liquidity

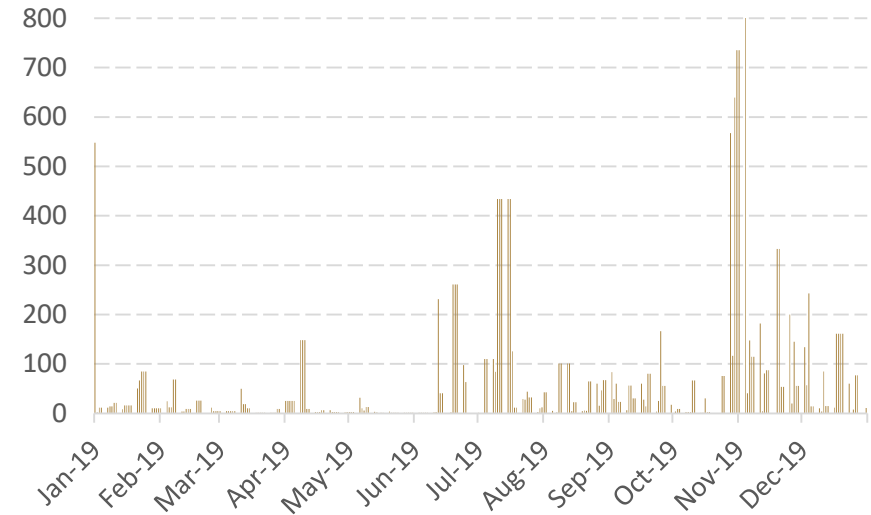


Share price performance versus QE Index during FY 2019



Share price performance (as at)	% change
Q1	(11%)
Q2	(11%)
Q3	(22%)
2019	(45%)

Share trading volume during FY 2019



Liquidity daily averages (as at)	QAR '000
Q1	110
Q2	118
Q3	169
2019	204

Investor relations contacts



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