



**QATAR GENERAL**

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

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Q2 2020 results

June 2020

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# Q2 2020 results highlights



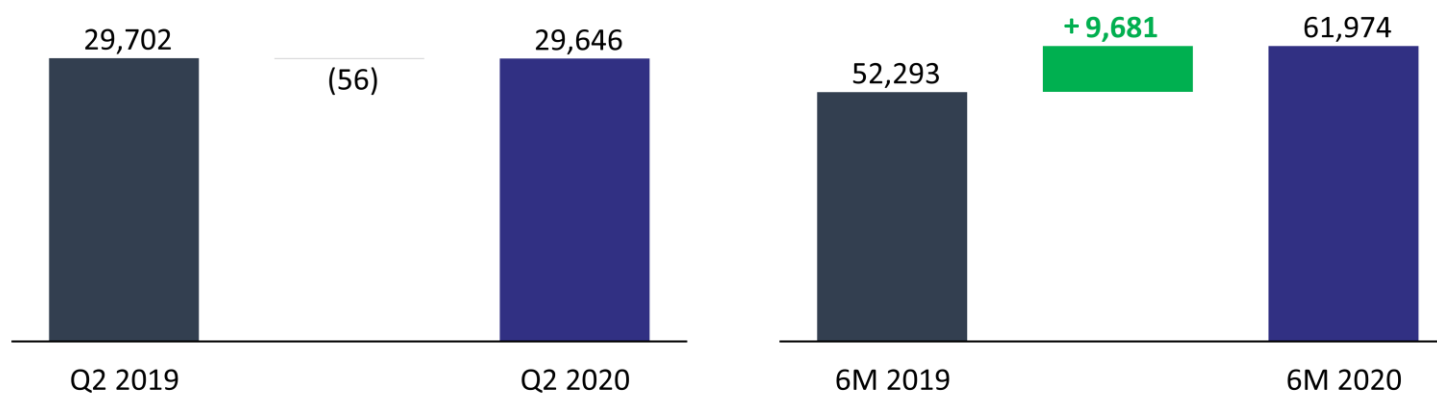
1	Insurance revenue	<ul style="list-style-type: none"><li>Net underwriting results witnessed a <b>19% increase</b> for 6M 2020 in comparison to 6M 2019</li><li>12% decrease in total insurance revenue (Gross Written Premiums (“GWP”) and Contributions) for 6M 2020 in comparison to 6M 2019</li></ul>
2	Net claims	<ul style="list-style-type: none"><li>Net claims stood at <b>QAR 27m</b>, representing a <b>31% decrease</b> for 6M 2020 in comparison to 6M 2019</li><li>Loss ratio decreased from 60% in 6M 2019 to <b>46%</b> in 6M 2020</li></ul>
3	Investment income	<ul style="list-style-type: none"><li>Results from investments were impacted by the COVID-19 pandemic, however, <b>markets are recovering from the pandemic impact resulting in a lesser fair value impact in 6M 2020 in comparison to 3M 2020</b>. In addition, results were impacted by Managements strategic decision to sell equity shares in Q4 2019</li></ul>
4	Total expenses	<ul style="list-style-type: none"><li><b>Management’s on going cost optimization initiatives and successful renegotiation of financial liabilities</b>, resulted in a <b>14% decrease</b> in operation and administrative expenses and <b>12% decrease</b> in finance costs</li><li>Total expenses stood at <b>QAR 136m</b> in 6M 2020, representing a y-o-y <b>decrease of 8%</b></li></ul>
5	Profitability	<ul style="list-style-type: none"><li>Net profit (attributable shareholders of the Parent Company) stood at <b>QAR 27m</b> in 6M 2020, representing a <b>15% y-o-y increase</b></li><li>Resulting in an EPS of <b>QAR 0.030</b> for 6M 2020</li></ul>
6	Outlook	<ul style="list-style-type: none"><li>QGIRCO’s business remained resilient during the COVID-19 pandemic and our team generated a strong net profit despite negative impacts experienced by a global decline in financial markets.</li><li>Management has taken proactive measures to enhance the profitability of QGIRCO in the insurance business and corporate activities-based on the success, QGIRCO remains committed to further optimize costs and materialize its assets to enhance shareholder value.</li><li>We would like to extend our appreciation to Mr. Hassan AlEfrangi for his guidance and support during his tenure as Group CEO and congratulate him on his new position as CEO of Ahli Bank. We also welcome Mr. Saeed Abu Gharbieh as the Acting Group CEO. Mr. Abu Gharbieh has over 34 years experience in the banking industry having held senior positions in prominent banks in the Gulf region.</li></ul>

# Consolidated Q2 2020 results – financial overview



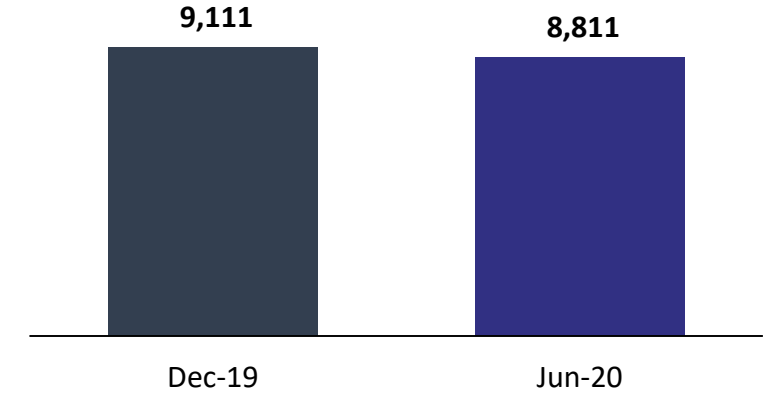
## Total underwriting results

(QAR '000)



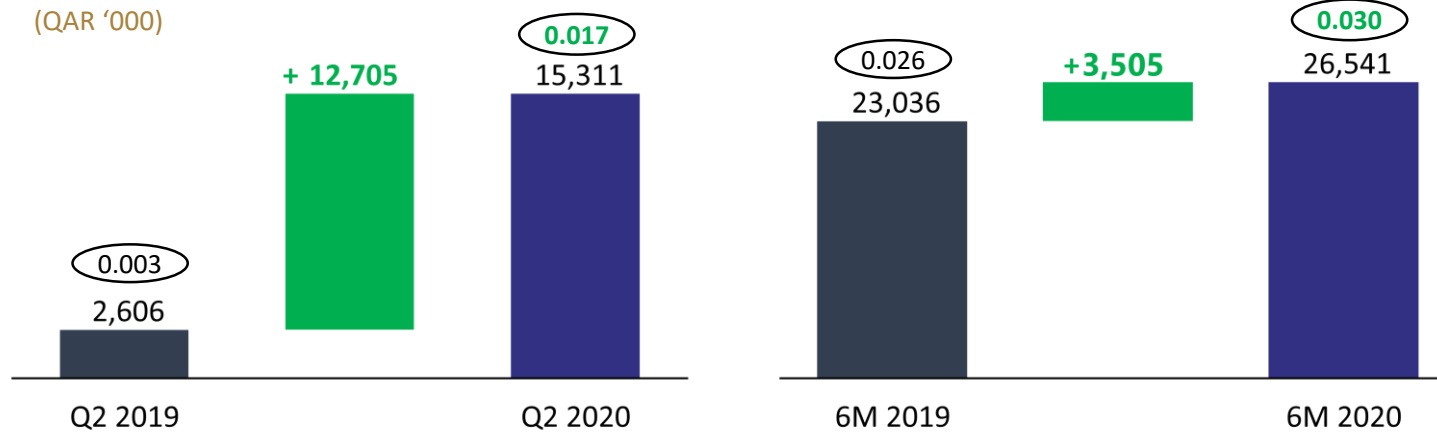
## Consolidated total assets

(QAR millions)



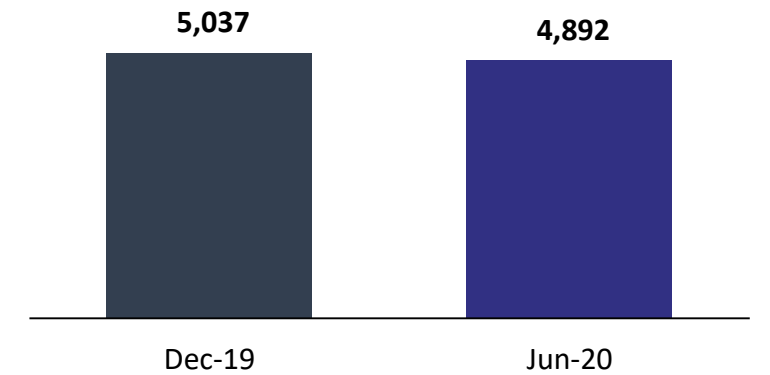
## Consolidated profit for the period<sup>1</sup>

(QAR '000)



## Consolidated total equity<sup>2</sup>

(QAR millions)



○ Earning per share (QR)

1) Consolidated net profit attributable to shareholders of the Parent Company

2) Consolidated total equity represents equity attributable to shareholders of the Parent Company



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# Consolidated Q2 2020 results – financial overview



## Consolidated <sup>1</sup>

### Total income (QAR'000) <sup>2</sup>

Q2-19 QAR 77,662	6M-19 QAR 170,851
<b>Q2-20 QAR 75,023</b> -3%	<b>6M-20 QAR 152,279</b> -11%

### Total expenses (QAR'000)

Q2-19 QAR (73,561)	6M-19 QAR (148,694)
<b>Q2-20 QAR (67,289)</b> -9%	<b>6M-20 QAR (136,101)</b> -8%

### Profit from operations (QAR'000)

Q2-19 QAR 4,101	6M-19 QAR 22,157
<b>Q2-20 QAR 7,734</b> +89%	<b>6M-20 QAR 16,178</b> -27%

### Profit for the period (QAR'000) <sup>3</sup>

Q2-19 QAR 1,978	6M-19 QAR 21,795
<b>Q2-20 QAR 14,819</b> +649%	<b>6M-20 QAR 25,602</b> +17%

## Insurance (QGI)

### Underwriting results (QAR'000)

Q2-19 QAR 29,702	6M-19 QAR 52,293
<b>Q2-20 QAR 29,646</b> -0.2%	<b>6M-20 QAR 61,974</b> +19%

### Total expenses (QAR'000)

Q2-19 QAR (28,982)	6M-19 QAR (58,767)
<b>Q2-20 QAR (29,393)</b> +1%	<b>6M-20 QAR (56,832)</b> -3%

### Profit from operations (QAR'000)

Q2-19 QAR 720	6M-19 QAR (6,474)
<b>Q2-20 QAR 253</b> -65%	<b>6M-20 QAR 5,142</b> +179%

### Profit for the period (QAR'000)

Q2-19 QAR 929	6M-19 QAR (5,617)
<b>Q2-20 QAR 2,758</b> +197%	<b>6M-20 QAR 6,804</b> +221%

## Investments

### Investment and other income (QAR'000)

Q2-19 QAR 47,960	6M-19 QAR 118,558
<b>Q2-20 QAR 45,377</b> -5%	<b>6M-20 QAR 90,305</b> -24%

### Total expenses (QAR'000)

Q2-19 QAR (44,579)	6M-19 QAR (89,927)
<b>Q2-20 QAR (37,896)</b> -15%	<b>6M-20 QAR (79,269)</b> -12%

### Profit from operations (QAR'000)

Q2-19 QAR 3,381	6M-19 QAR 28,631
<b>Q2-20 QAR 7,481</b> +121%	<b>6M-20 QAR 11,036</b> -61%

### Profit for the period (QAR'000)

Q2-19 QAR 1,049	6M-19 QAR 27,412
<b>Q2-20 QAR 12,061</b> +1050%	<b>6M-20 QAR 18,798</b> -31%

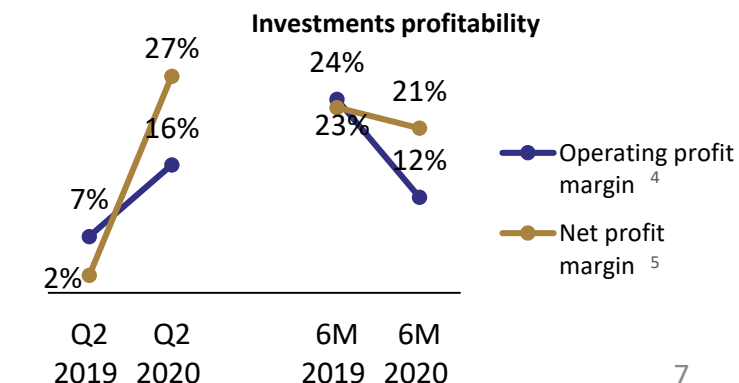
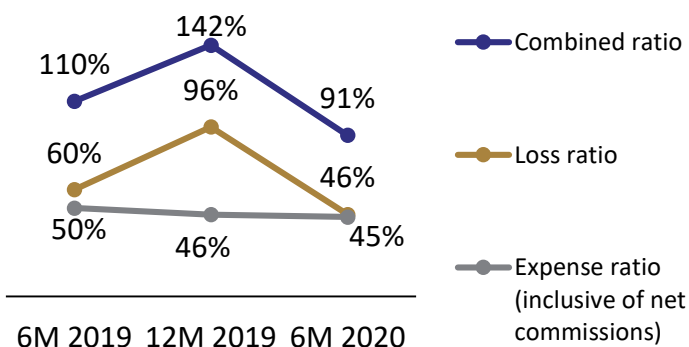
1) As shown in note 12 Segment Information in the Q2 2020 reviewed financials

2) Total Income = underwriting results plus investment and other operations results

3) Note that profit for the period includes non-controlling interest and should be added back in order to calculate profit for the period attributable of the Parent Company. Non-controlling interest amounts to QAR (628k) in Q2 2019 and QAR (492k) in Q2 2020, QAR (1,241k) in 6M 2019 and QAR (939k) in 6M 2020.

4) Operating profit margin = Investment and Other income's profit from operations divided by Investment and Other income

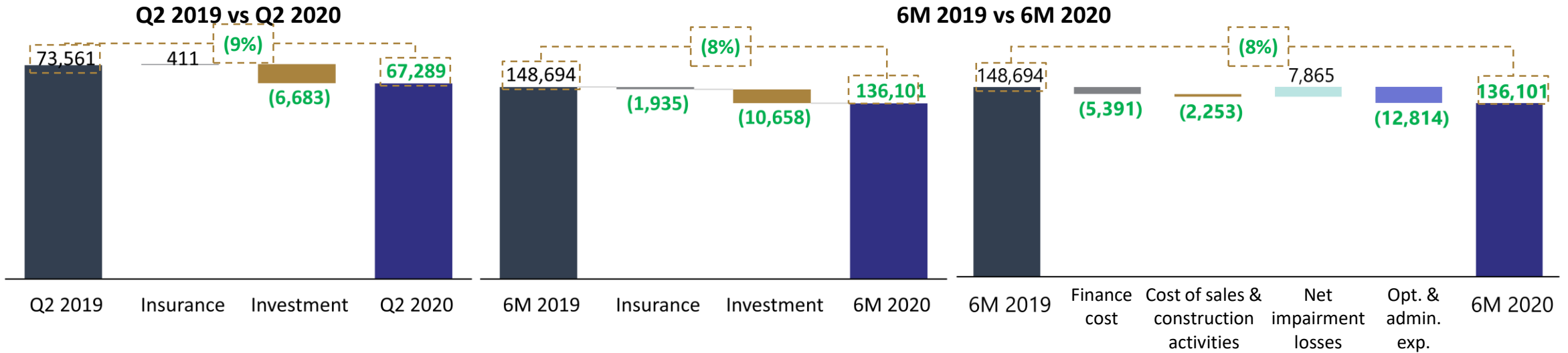
5) Profit for the period margin = Investment and Other income's profit for the period divided by Investment and Other income



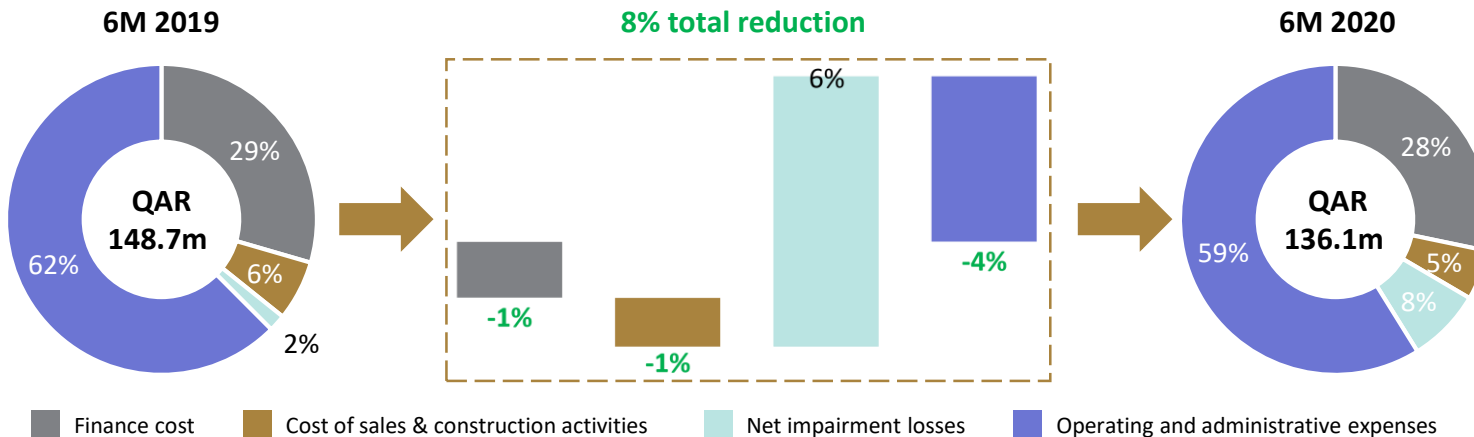
# Total Q2 2020 expenses



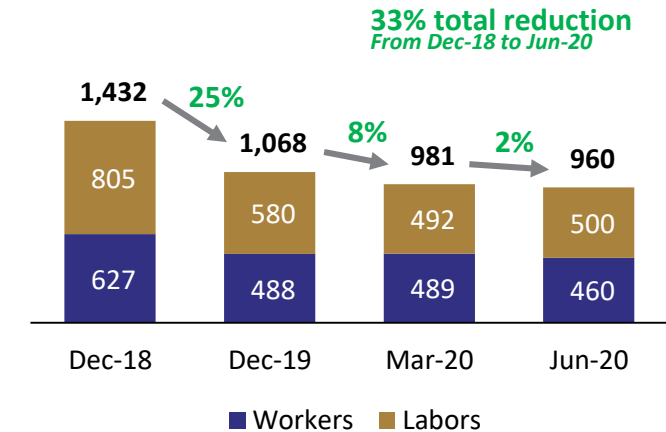
## Total expenses (QAR '000)



## Total expenses split



## Headcount (No. of employees)



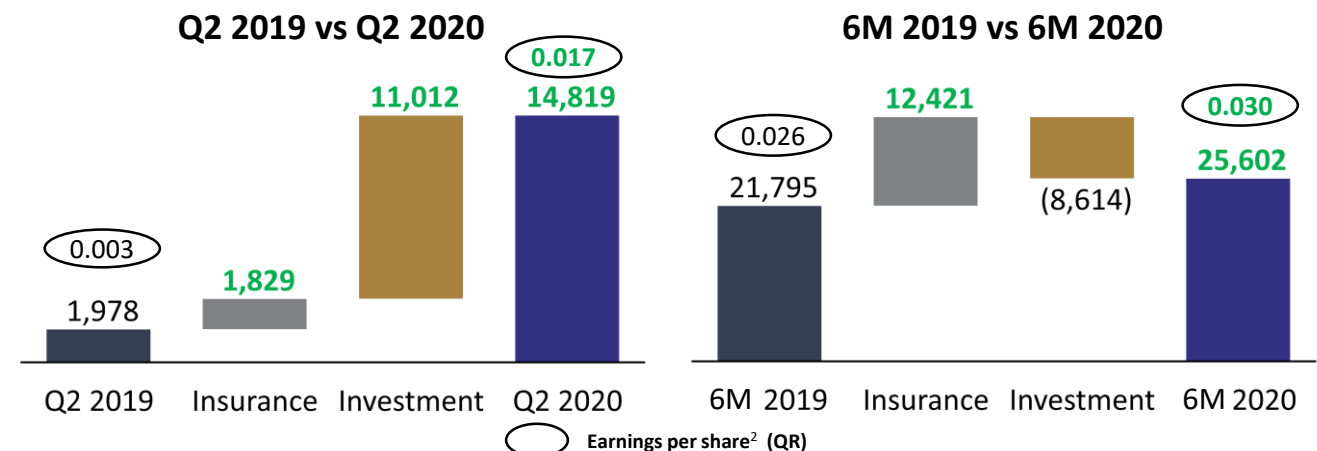


# Consolidated Q2 2020 net profit



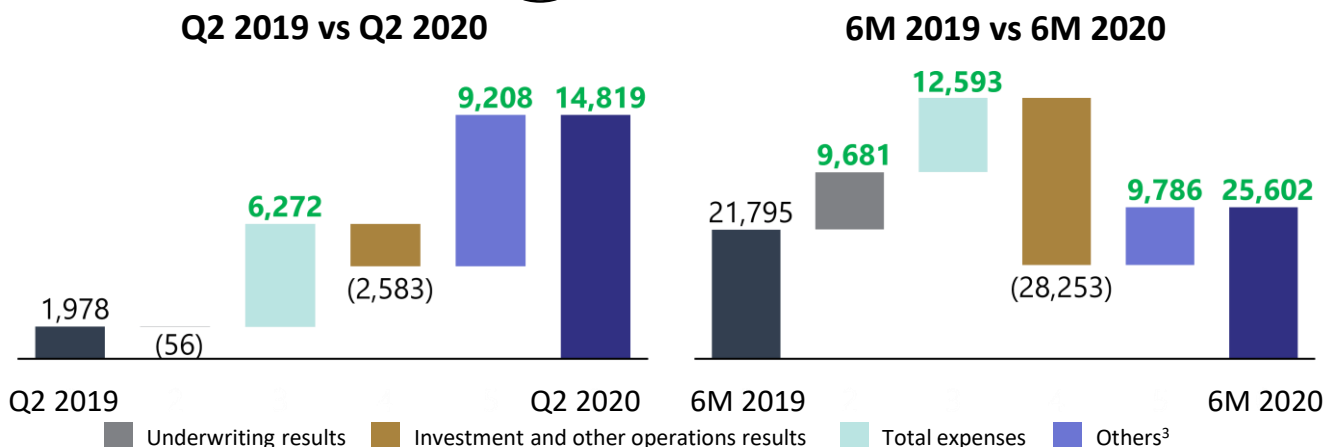
## Profit for the period<sup>1</sup>

(QAR '000)



## Management comments

- Underwriting results increased from **QAR 52m to QAR 62m, representing a 19%, Management's prudent review of its portfolio resulting in a decrease in net claims**
- Investment and other operations results were negatively impacted by the COVID-19 pandemic, inline with the market trends, which results in fair value loss
- Management **continuous lean exercise** and **proactive refinancing of its liabilities** positively impacted the Company's financials. Operating & Administration expenses experienced a **14% reduction** and finance costs experienced a **12% reduction**
- As a result, profit for the period<sup>1</sup> increased by **15%** and resulted in an earnings per share of **QAR 0.030** for 6M 2020



1) Note that profit for the period includes non-controlling interest and should be added back in order to calculate profit for the period attributable of the Parent Company. Non-controlling interest amounts to QAR (628k) in Q2 2019 and QAR (492k) in Q2 2020, QAR (1,241k) in 6M 2019 and QAR (939k) in 6M 2020.

2) EPS is calculated based on Profit attributable to shareholders of the Parent Company

3) Others include share of profit (loss) of associates, income tax expenses and profit from discontinued operations

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# Insurance operations overview – Q2 2020 financial overview



## Qatar General Insurance (“QGI”)

### Gross written premiums (QAR’000)

Q2-19 QAR 185,612	6M-19 QAR 354,508
Q2-20 QAR 149,548 -19%	6M-20 QAR 326,544 -8%

### Total underwriting results (QAR’000)

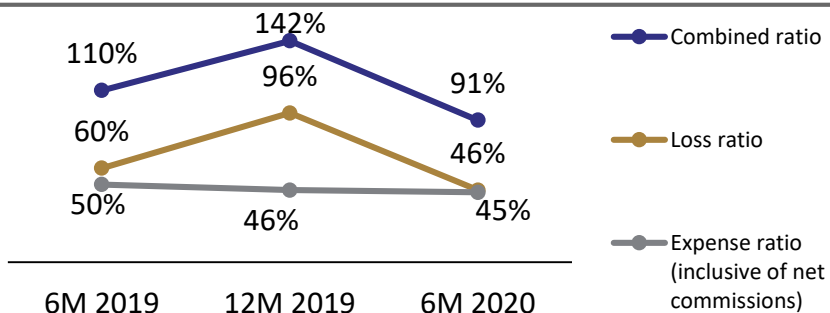
Q2-19 QAR 29,702	6M-19 QAR 52,293
Q2-20 QAR 29,646 -0%	6M-20 QAR 61,974 +19%

### Profit from operations (QAR’000)

Q2-19 QAR 720	6M-19 QAR (6,474)
Q2-20 QAR 253 -65%	6M-20 QAR 5,142 +179%

### Profit for the period (QAR’000)

Q2-19 QAR 929	6M-19 QAR (5,617)
Q2-20 QAR 2,758 +197%	6M-20 QAR 6,804 +221%



## General Takaful (“GT”)

### Contributions (QAR’000)

Q2-19 QAR 49,978	6M-19 QAR 102,797
Q2-20 QAR 36,927 -26%	6M-20 QAR 78,161 -24%

### Total underwriting results (QAR’000)

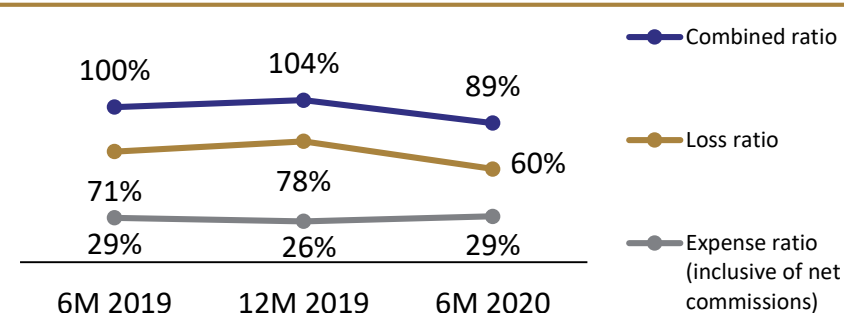
Q2-19 QAR 11,913	6M-19 QAR 19,127
Q2-20 QAR 12,948 +9%	6M-20 QAR 24,377 +27%

### Surplus for the period before wakala fees (QAR’000)

Q2-19 QAR 12,302	6M-19 QAR 19,885
Q2-20 QAR 8,978 -27%	6M-20 QAR 20,852 +5%

### Surplus for the period (QAR’000)

Q2-19 QAR 5,296	6M-19 QAR 4,956
Q2-20 QAR 3,039 -43%	6M-20 QAR 7,903 +59%

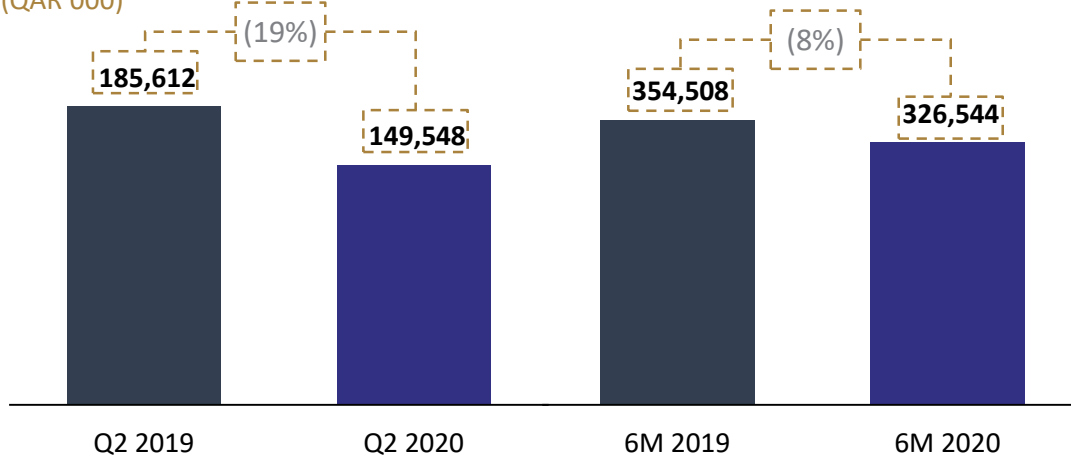


# QGI insurance operations overview – Q2 2020



## Gross earned premiums

(QAR'000)

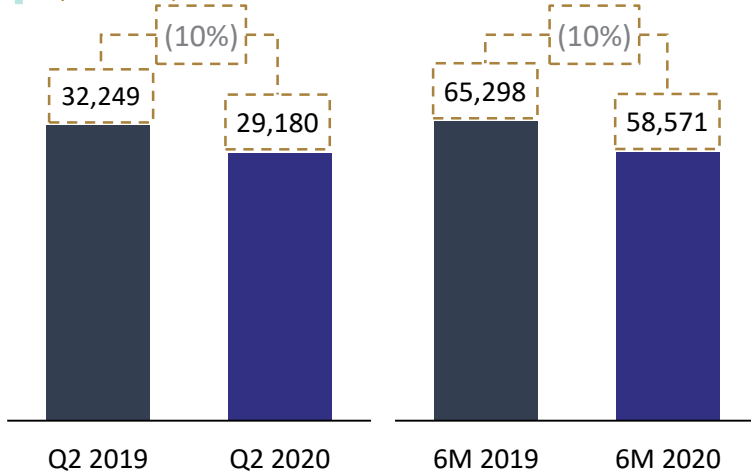


## Management comments

- Insurance operations underwent a prudent review of its portfolio, which resulted in a full reassessment, cleansing and optimization to ensure diversification and risk mitigation

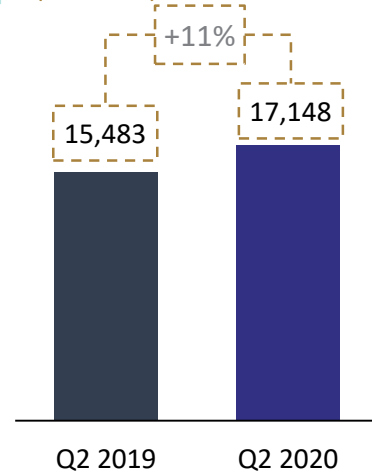
## Net earned premiums

(QAR'000)



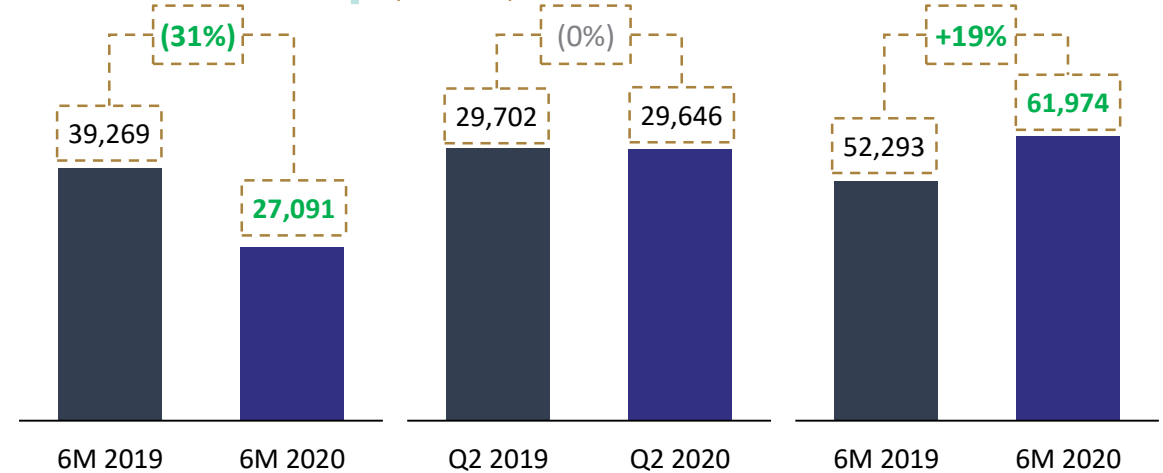
## Net claims

(QAR'000)



## Underwriting results

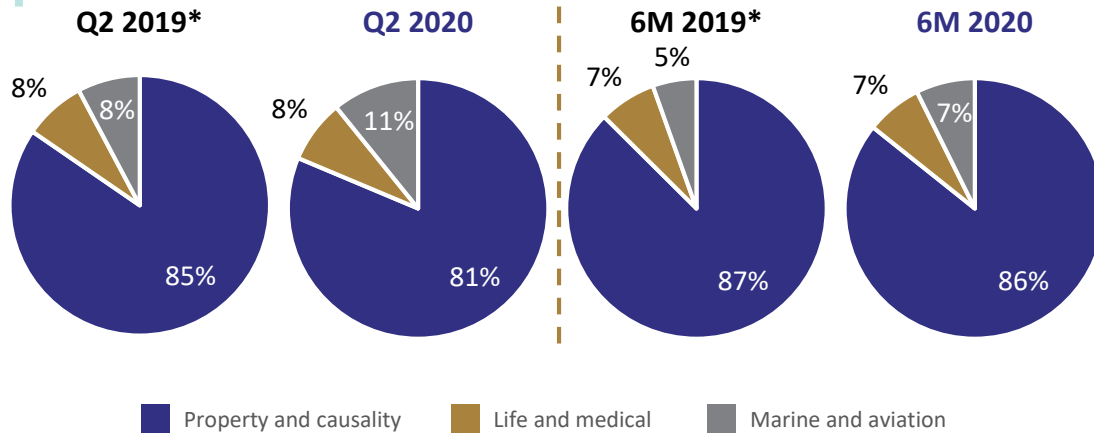
(QAR'000)



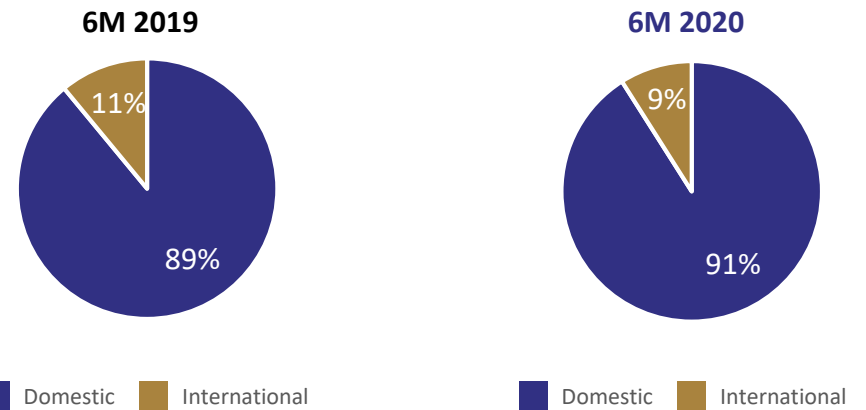
# QGI insurance operations overview – Q2 2020



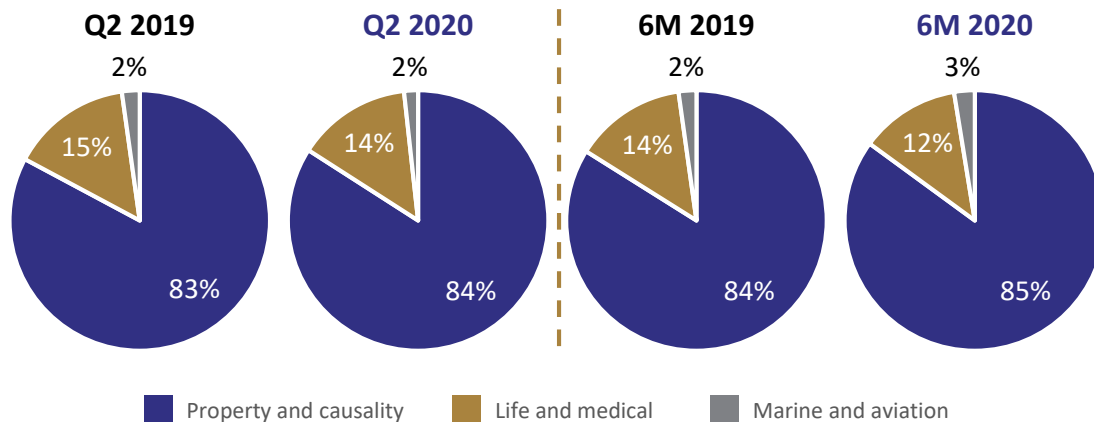
## Gross written premiums breakdown by segment



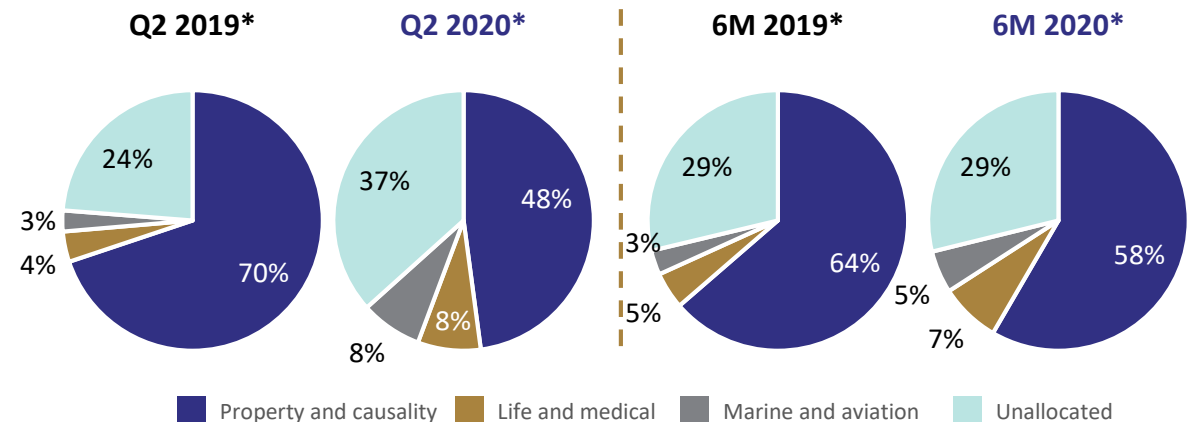
## Gross written premiums breakdown by location



## Net earned premiums breakdown by segment



## Underwriting results breakdown by segment



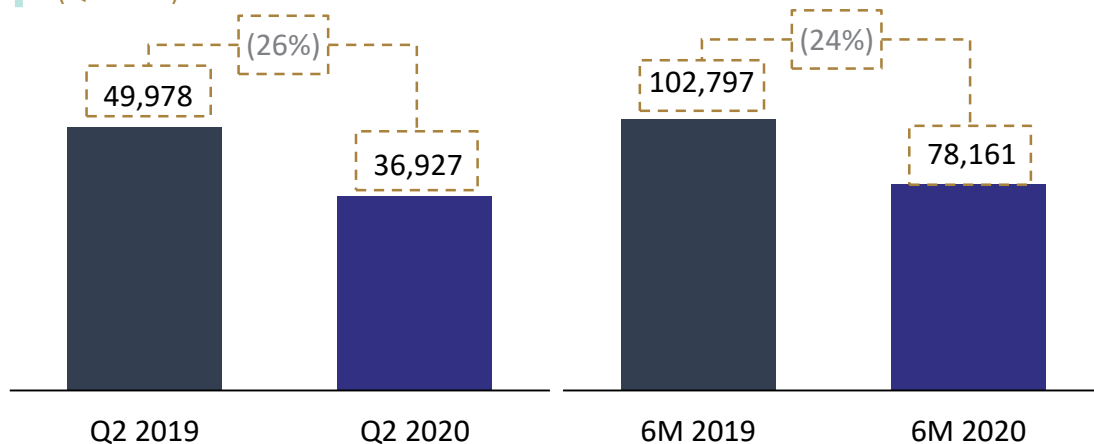
\* Discrepancies in total due to rounding

# General Takaful overview – Q2 2020



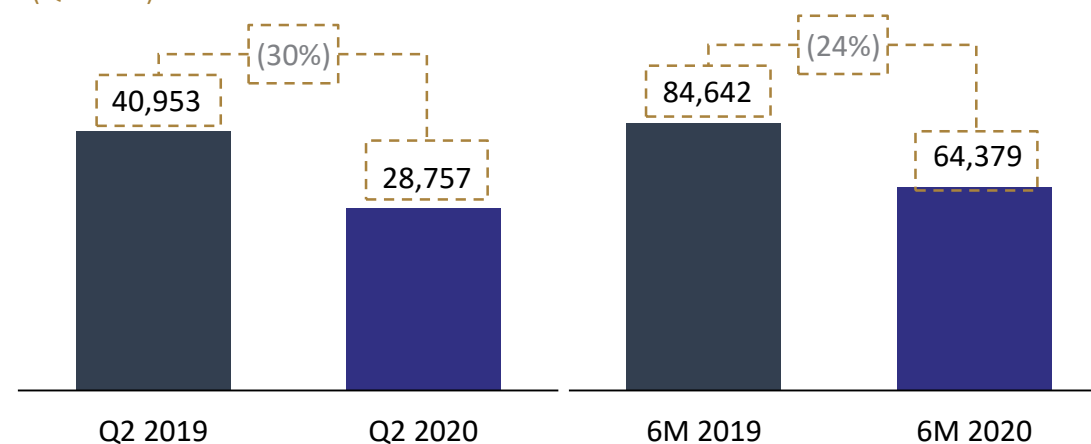
## Contributions

(QAR'000)



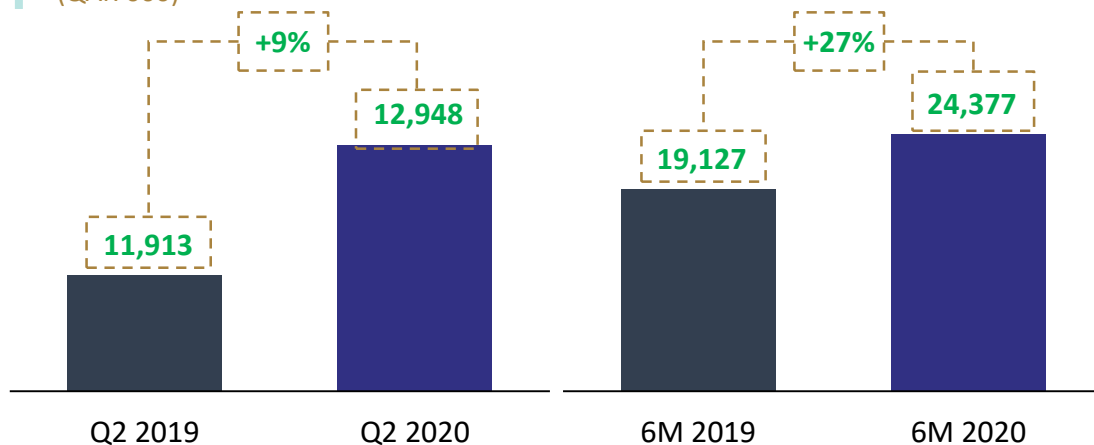
## Net earned contributions

(QAR'000)



## Underwriting results

(QAR'000)



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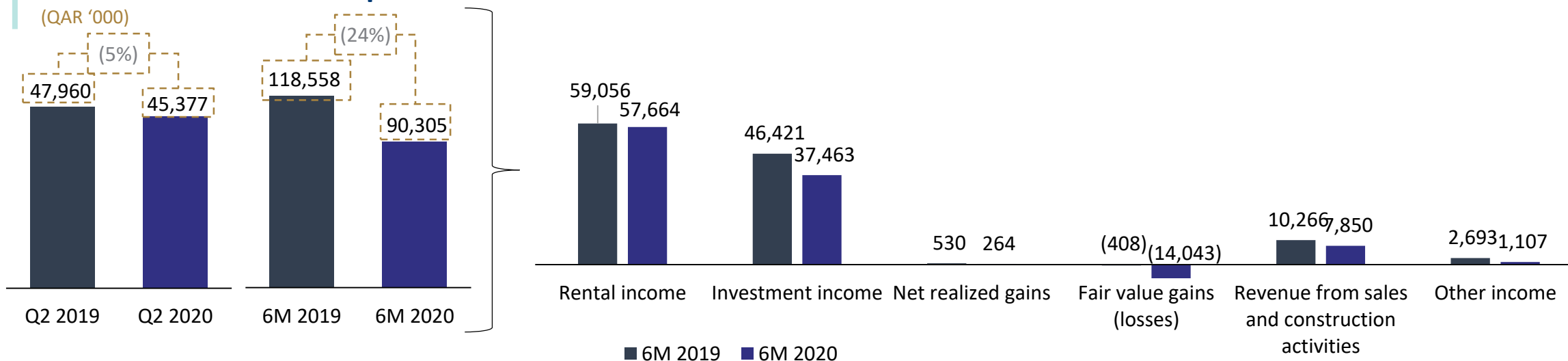


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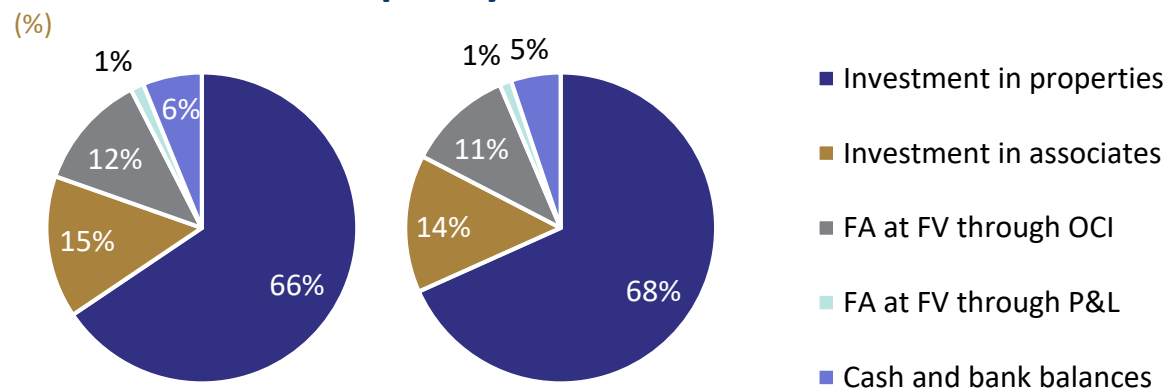
# Investments operations overview – Q2 2020



## Investment income comparison between 6M 2019 to 6M 2020



## Investment asset split by asset class



## Management comments

- Investment and other operations results were negatively impacted by the COVID-19 pandemic, however markets are recovering from the pandemic, which resulted a lesser fair value losses in 6M 2020 compared to 3M 2020
- In addition, investment and other operations results were effected by Management's decision to sell equity shares in Q4 2019, which reduced the dividends received and in turn limited the fair value losses

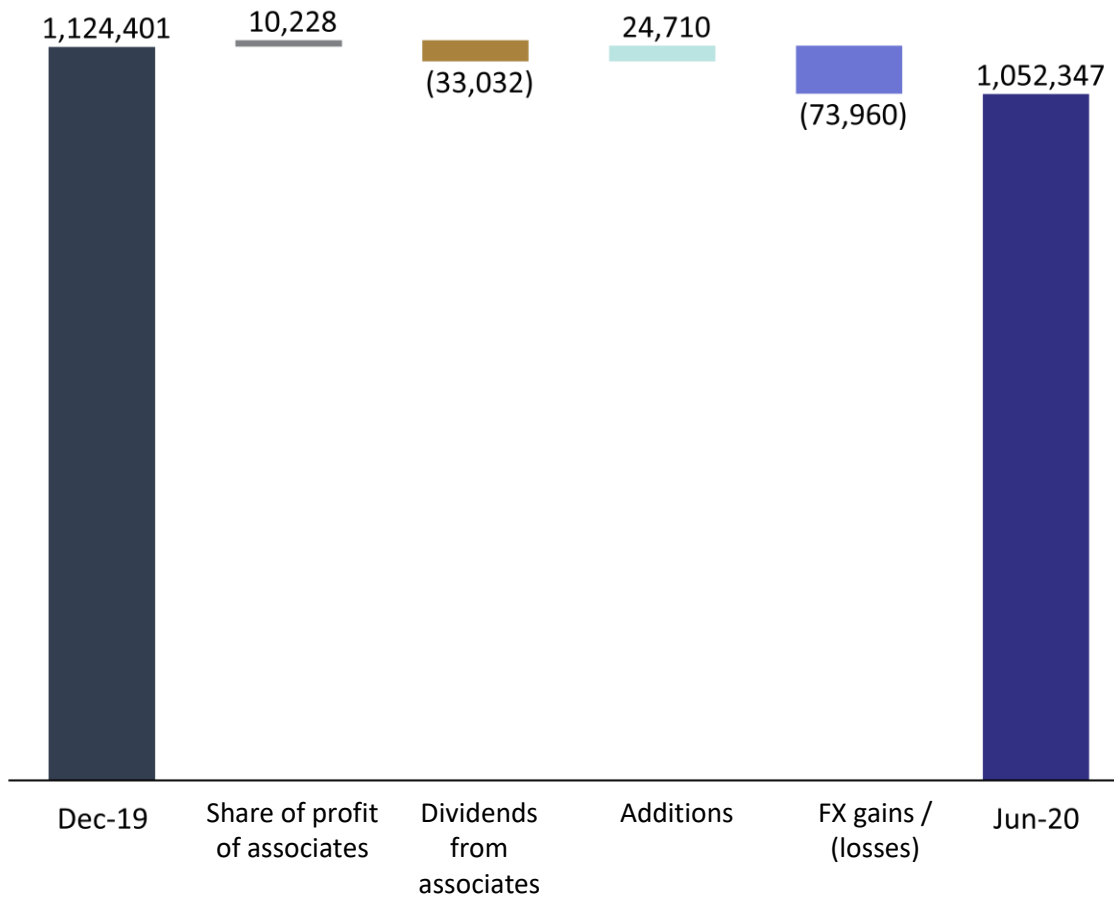


# Investments operations overview – financial position as of 30 Jun 2020



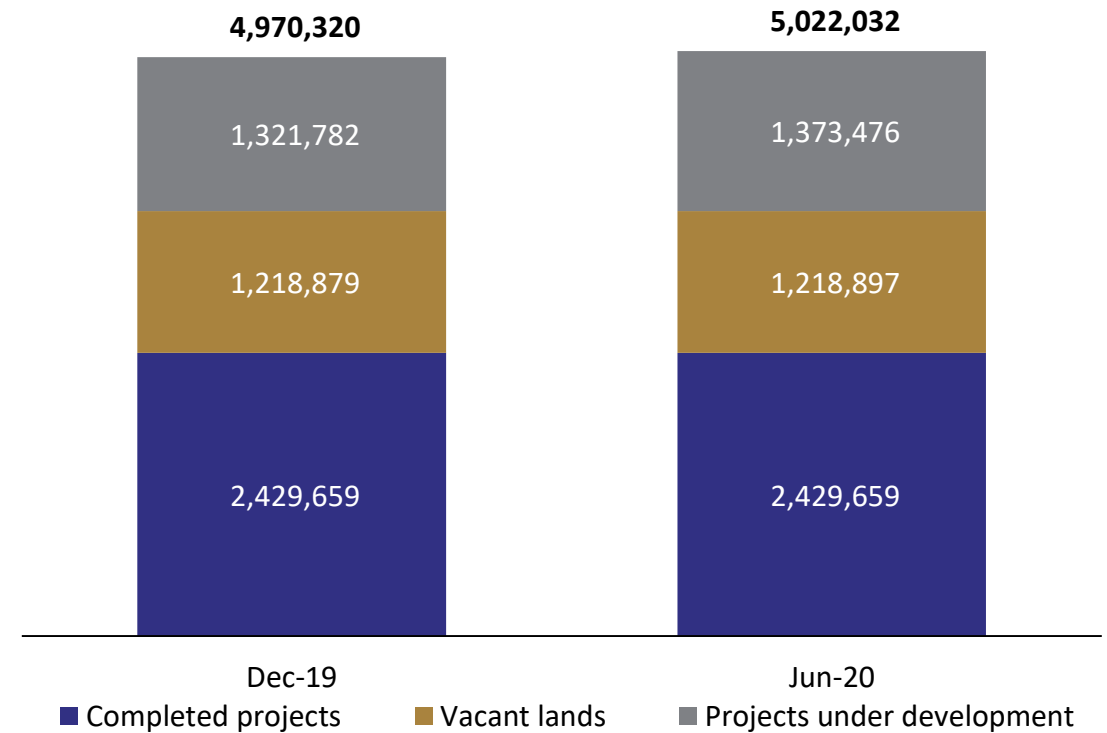
## Investment in associates

(QAR'000)



## Investment properties

(QAR'000)

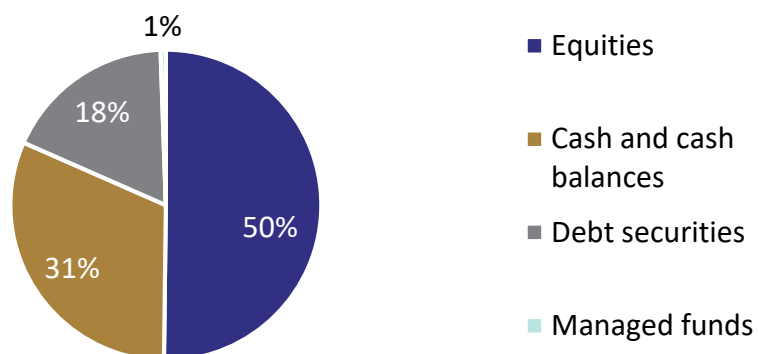


# Investments operations overview – as of 30 Jun 2020



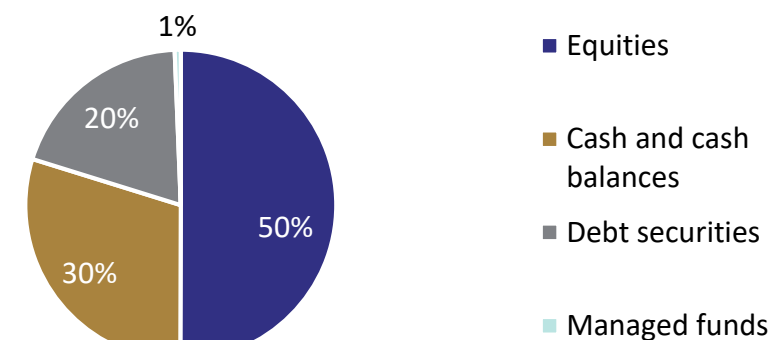
## Total investment assets as of 31 Dec 2019<sup>1</sup>

(%)



## Total investment assets as of 30 Jun 2020\*<sup>1</sup>

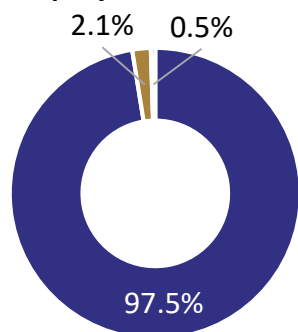
(%)



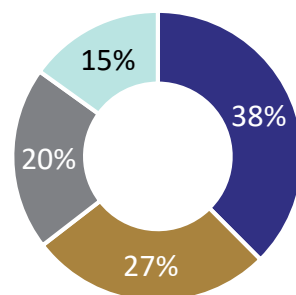
## Equity and debt split by region as of 31 Dec 2019

(%)

### Equity breakdown\*



### Debt breakdown

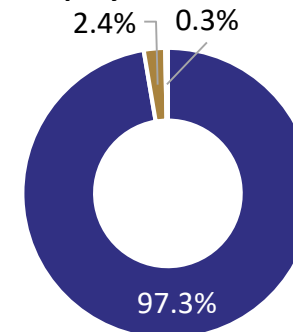


■ Qatar ■ GCC ■ Other ■ GCC ■ Qatar ■ Asia and Africa ■ Europe

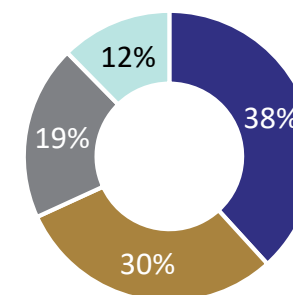
## Equity and debt split by region as of 30 Jun 2020

(%)

### Equity breakdown\*



### Debt breakdown\*



■ Qatar ■ GCC ■ Other ■ GCC ■ Qatar ■ Asia and Africa ■ Europe

1) Investment assets exclude investment properties

\* Discrepancies in total due to rounding

# Measures taken in Q2 2020 and their impact



## Strategic decisions taken

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

Lean management exercise

Proactive response to the COVID-19 pandemic



## Results achieved

Underwriting results increased by 19%

Prudent review of insurance portfolio resulting in a 31% decrease in net claims

Renegotiation of the Company's financial liabilities and achieved favorable terms

14% reduction in operating and administrative expenses

Continuation of business during the COVID-19 pandemic and digitalization of Motor Insurance

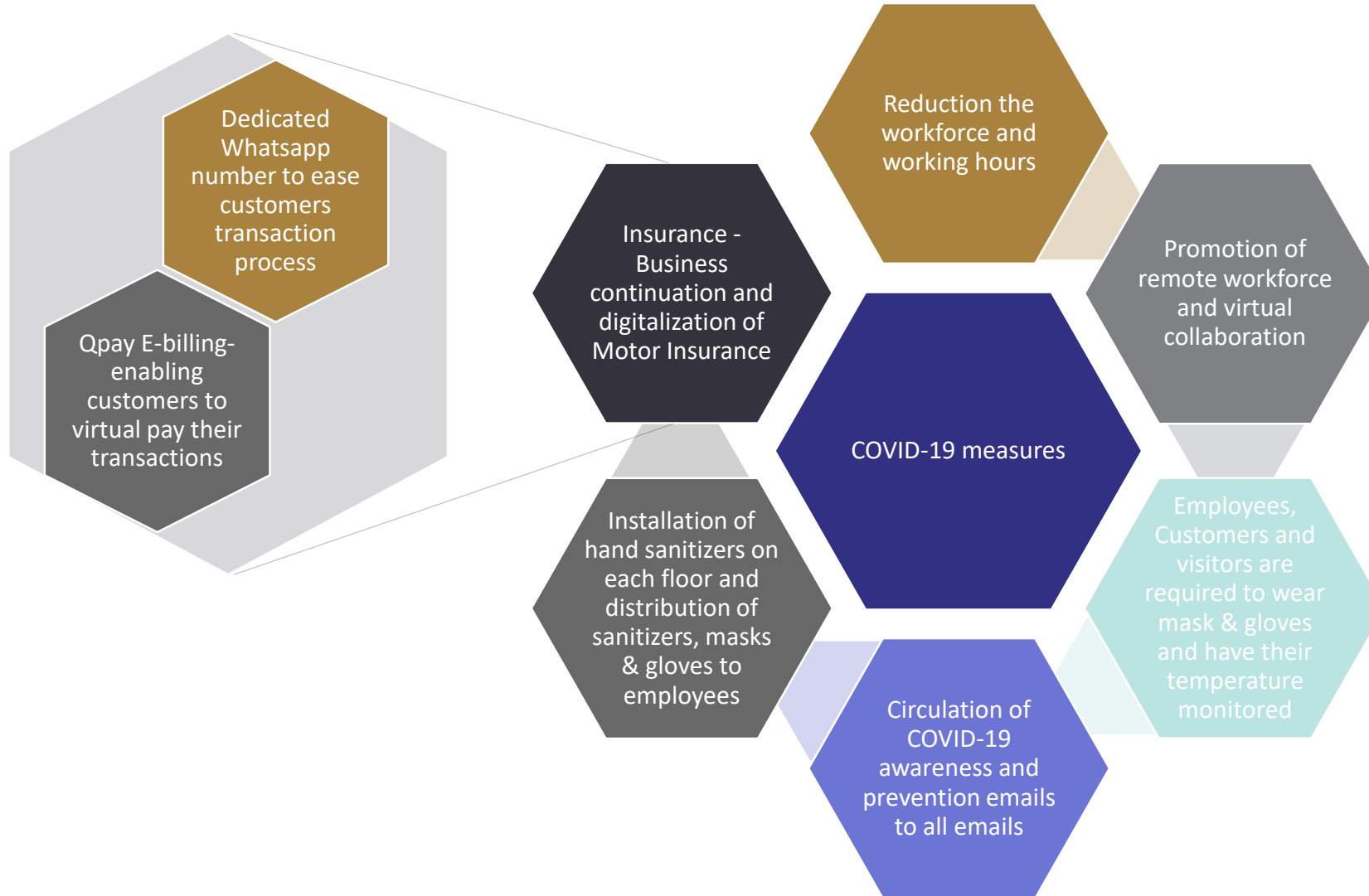
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# QGIRCO COVID-19 measures in a nutshell



# 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**

- "B++" credit rating from AM Best

**Experienced management driving efficiency and profitability**

- Operating and administration expenses decrease by 14%
- Hiring of selected subject matter experts in key areas



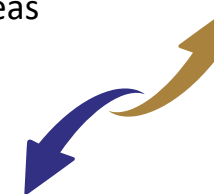
## Company history

- 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

## Product overview

### Personal insurance

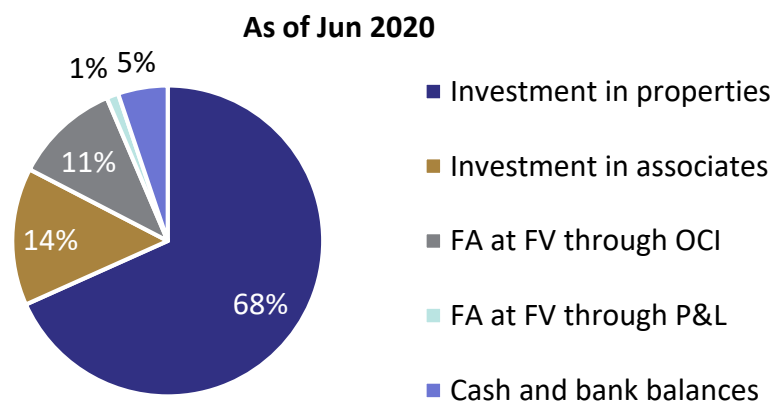
- Offers protection from risks associated in different areas of customer's lives
- 10% of total insurance revenue is from sales of personal insurance products



### 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



## Recent strategic developments

- Under the leadership of Mr. Abu Gharieh, 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

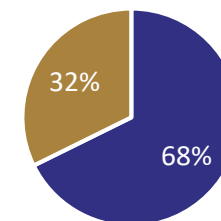
<b>Company name</b>	<b>Qatar General Insurance &amp; Reinsurance</b>
<b>Ticker (QE)</b>	<b>QGRI</b>
<b>Market Capitalization</b>	<b>QAR 1.97B</b>
<b>Common Shares Outstanding</b>	<b>875.1M</b>
<b>Free float</b>	<b>77%*</b>

Figures as at 30 June 2020 and in QAR. Unless, otherwise stated.

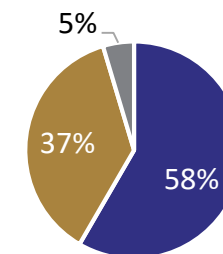
\*source: Bloomberg

## Shareholder structure

(no. of shares held)

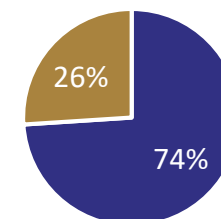


■ Qatari ■ Non-Qatari

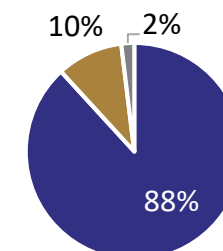


■ Retail ■ Institutional ■ Other

(no. of shareholders)



■ Qatari ■ Non-Qatari



■ Retail ■ Institutional ■ Other

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%

## Investor relations contacts

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THANK YOU