



QATAR GENERAL

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

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Q3 2020 results
September 2020

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Q3 2020 results highlights



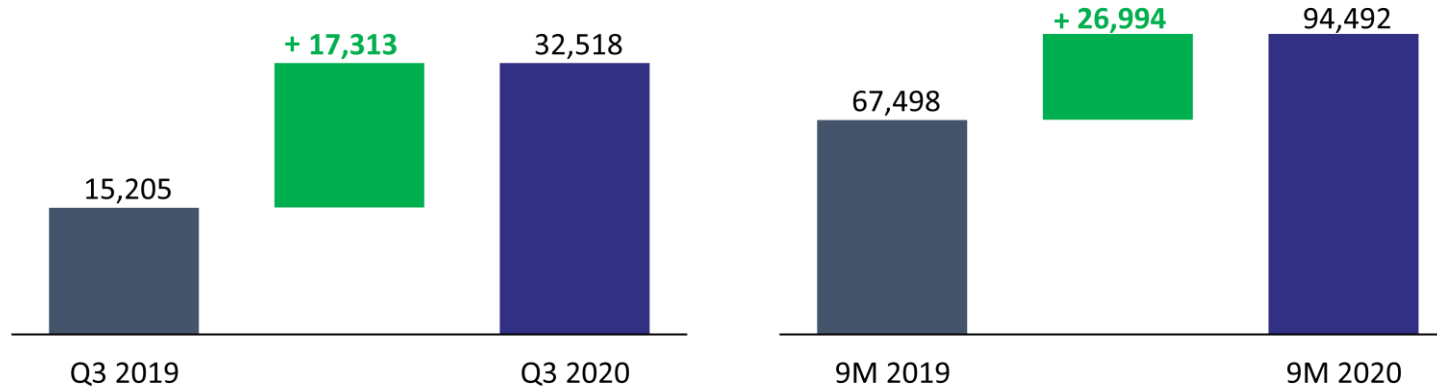
1	Insurance revenue	<ul style="list-style-type: none">▪ Net underwriting results witnessed a 40% increase for 9M 2020 in comparison to 9M 2019▪ 15% decrease in total insurance revenue (Gross Written Premiums (“GWP”) and Contributions) for 9M 2020 in comparison to 9M 2019
2	Net claims	<ul style="list-style-type: none">▪ Net claims stood at QAR 48m, representing a 38% decrease for 9M 2020 in comparison to 9M 2019▪ Loss ratio decreased from 73% in 9M 2019 to 49% in 9M 2020
3	Investment income	<ul style="list-style-type: none">▪ Results from investments were impacted by the COVID-19 pandemic, however, markets are recovering from the pandemic impact resulting in a lesser fair value impact in 9M 2020 in comparison to 3M 2020. In addition, results were positively impacted by Managements strategic decision to sell equity shares in Q4 2019
4	Total expenses	<ul style="list-style-type: none">▪ Management’s on going cost optimization initiatives and successful renegotiation of financial liabilities, resulted in a 13% decrease in operating and administrative expenses and 19% decrease in finance costs▪ Total expenses stood at QAR 181m in 9M 2020, representing a y-o-y decrease of 19%
5	Profitability	<ul style="list-style-type: none">▪ Net profit (attributable shareholders of the Parent Company) stood at QAR 74m in 9M 2020, representing a 815% y-o-y increase▪ Resulting in an EPS of QAR 0.085 for 9M 2020
6	Outlook	<ul style="list-style-type: none">▪ QGIRCO’s business remained resilient during the COVID-19 pandemic. The Company generated a strong net profit in spite of negative impacts experienced by the global pandemic.▪ Management’s rigorous reassessment and prudent risk approach to the insurance and investment portfolio, continuous cost reduction, coupled with a positive sentiment in the financial market, lead to an increase in overall profitability.▪ The Company will continue to work on increasing efficiency and further enhancing profitability, taking into consideration any repercussions that may still arise due to COVID-19 pandemic.

Consolidated Q3 2020 results – financial overview



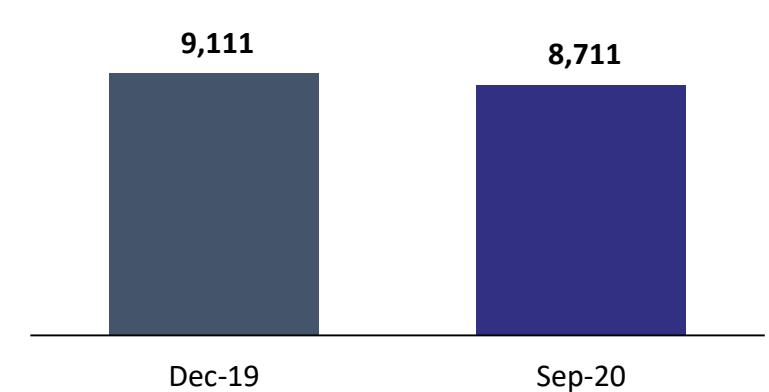
Total underwriting results

(QAR '000)



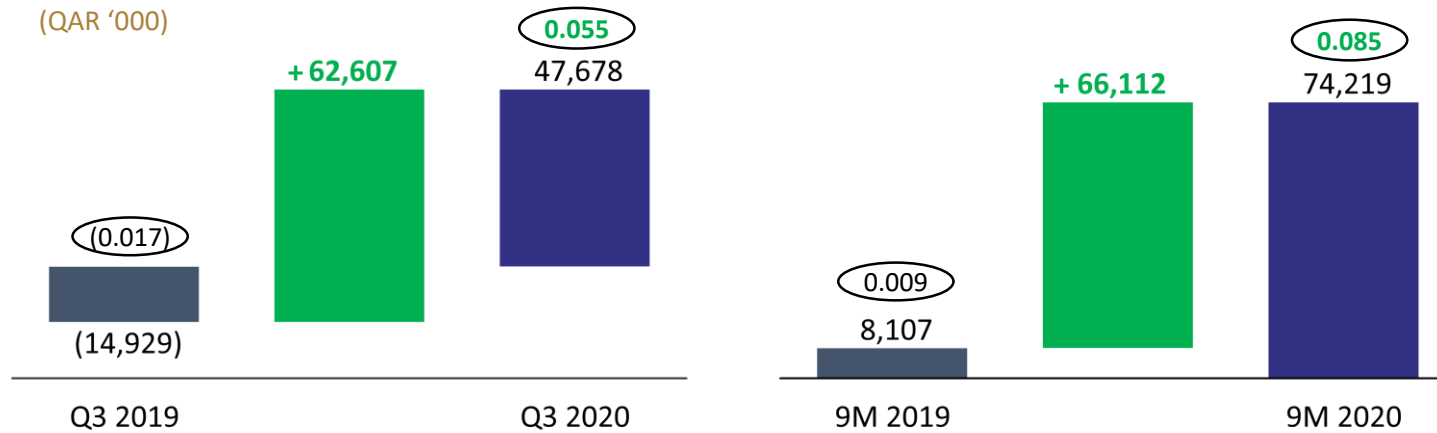
Consolidated total assets

(QAR millions)



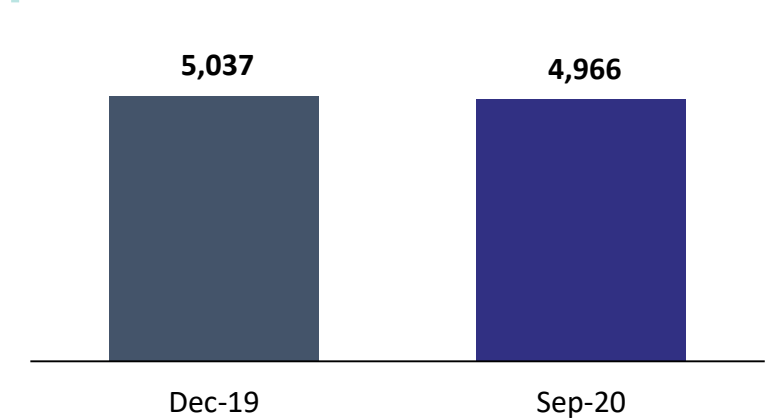
Consolidated profit for the period¹

(QAR '000)



Consolidated total equity²

(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 Q3 2020 results – financial overview



Consolidated ¹

Total income (QAR'000) ²

Q3-19 QAR 57,672 9M-19 QAR 228,523
Q3-20 QAR 92,616 +61% **9M-20 QAR 244,895 +7%**

Total expenses (QAR'000)

Q3-19 QAR (74,403) 9M-19 QAR (223,097)
Q3-20 QAR (44,588) -40% **9M-20 QAR (180,689) -19%**

Profit from operations (QAR'000)

Q3-19 QAR (16,731) 9M-19 QAR 5,426
Q3-20 QAR 48,028 +387% **9M-20 QAR 64,206 +1083%**

Profit for the period (QAR'000) ³

Q3-19 QAR (15,531) 9M-19 QAR 6,264
Q3-20 QAR 47,613 +407% **9M-20 QAR 73,215 +1069%**

Insurance (QGI)

Underwriting results (QAR'000)

Q3-19 QAR 15,205 9M-19 QAR 67,498
Q3-20 QAR 32,518 +114% **9M-20 QAR 94,492 +40%**

Total expenses (QAR'000)

Q3-19 QAR (26,711) 9M-19 QAR (85,478)
Q3-20 QAR (23,153) -13% **9M-20 QAR (79,985) -6%**

Profit from operations (QAR'000)

Q3-19 QAR (11,506) 9M-19 QAR (17,980)
Q3-20 QAR 9,365 +181% **9M-20 QAR 14,507 +181%**

Profit for the period (QAR'000)

Q3-19 QAR (10,748) 9M-19 QAR (16,365)
Q3-20 QAR 9,347 +187% **9M-20 QAR 16,151 +199%**

Investments

Investment and other income (QAR'000)

Q3-19 QAR 42,467 9M-19 QAR 161,025
Q3-20 QAR 60,098 +42% **9M-20 QAR 150,403 -7%**

Total expenses (QAR'000)

Q3-19 QAR (47,692) 9M-19 QAR (137,619)
Q3-20 QAR (21,435) -55% **9M-20 QAR (100,704) -27%**

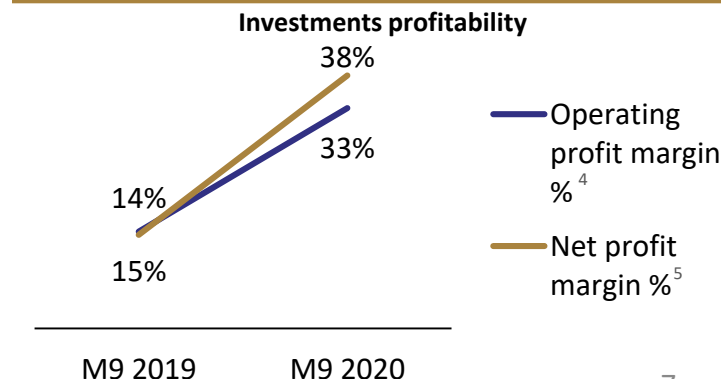
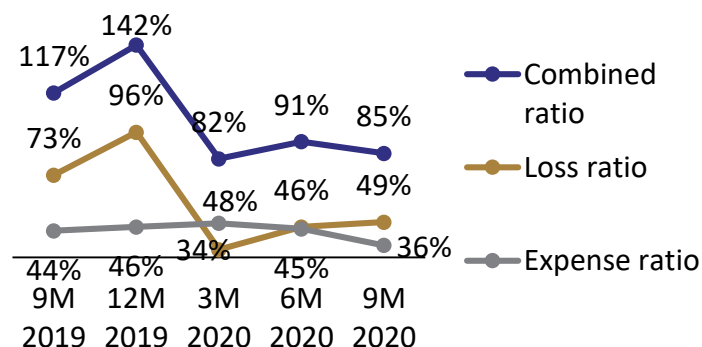
Profit from operations (QAR'000)

Q3-19 QAR (5,225) 9M-19 QAR 23,406
Q3-20 QAR 38,663 +840% **9M-20 QAR 49,699 +112%**

Profit for the period (QAR'000)

Q3-19 QAR (4,783) 9M-19 QAR 22,629
Q3-20 QAR 38,266 +900% **9M-20 QAR 57,064 +152%**

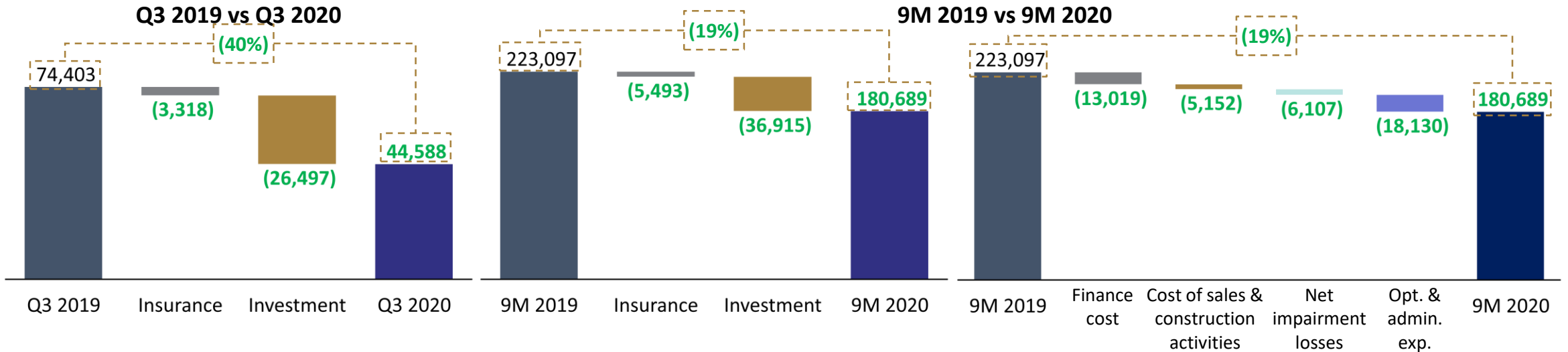
- 1) As shown in note 12 Segment Information in the Q3 2020 reviewed financials
- 2) Total Income = underwriting results plus investment and other operations results
- 3) Note that profit for the period includes non-controlling interest and should be added back in order to calculate profit for the period attributable of the Parent Company. Non-controlling interest amounts to QAR (602k) in Q3 2019 and QAR (65k) in Q3 2020, QAR (1,843k) in 9M 2019 and QAR (1,004k) in 9M 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



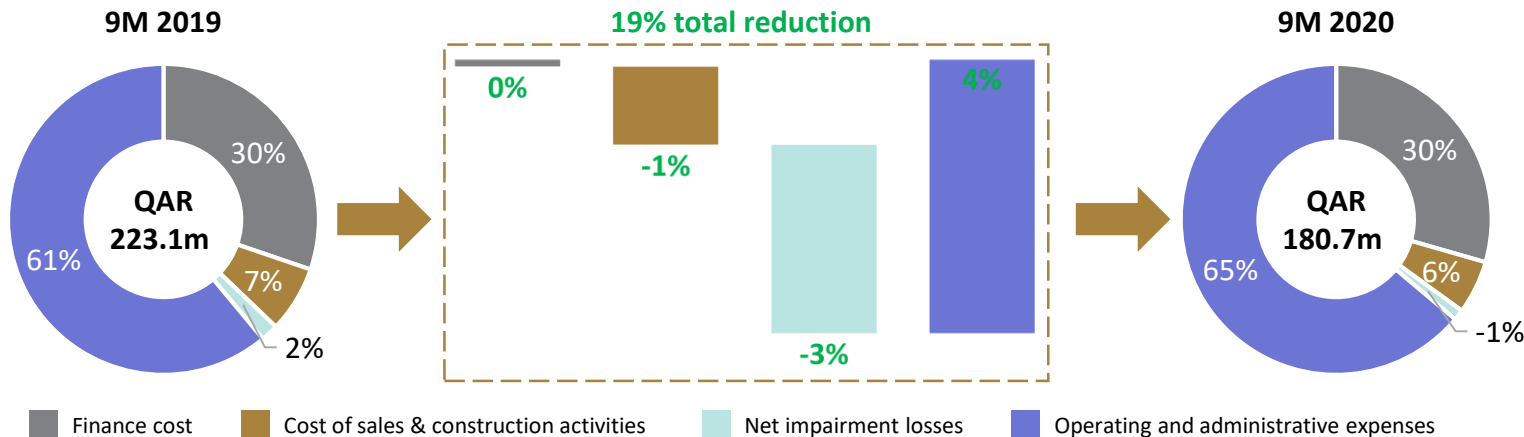
Total Q3 2020 expenses



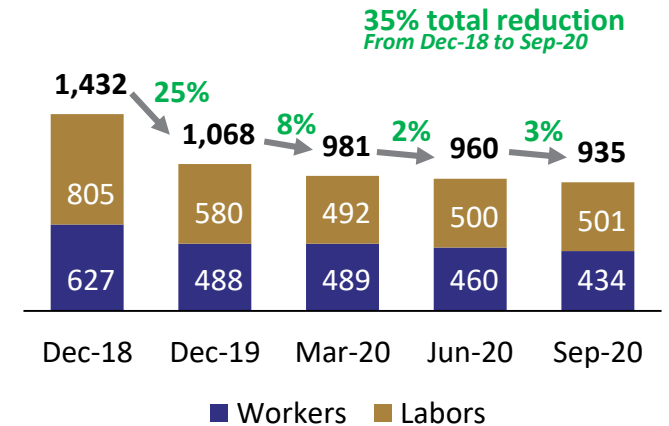
Total expenses (QAR '000)



Total expenses split



Headcount (No. of employees)

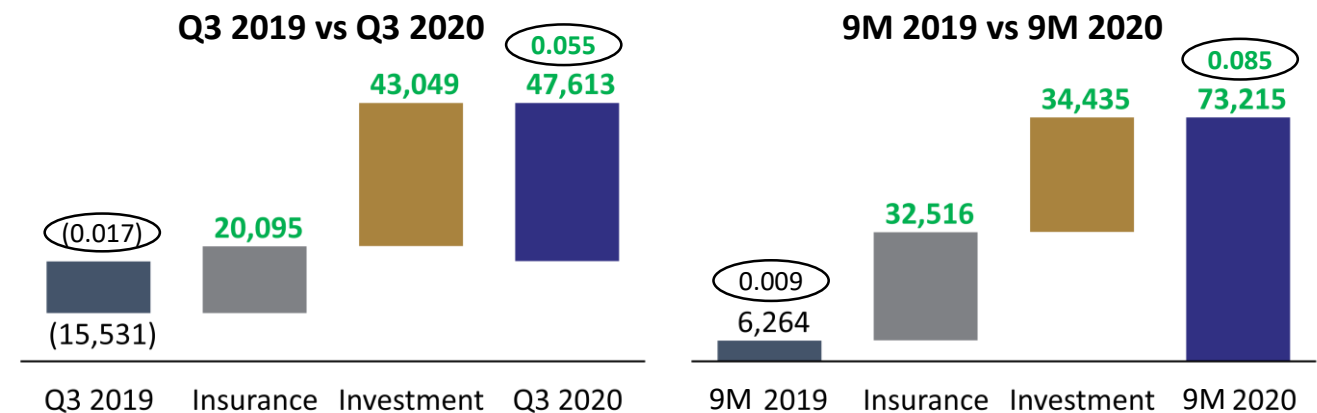


Consolidated Q3 2020 net profit



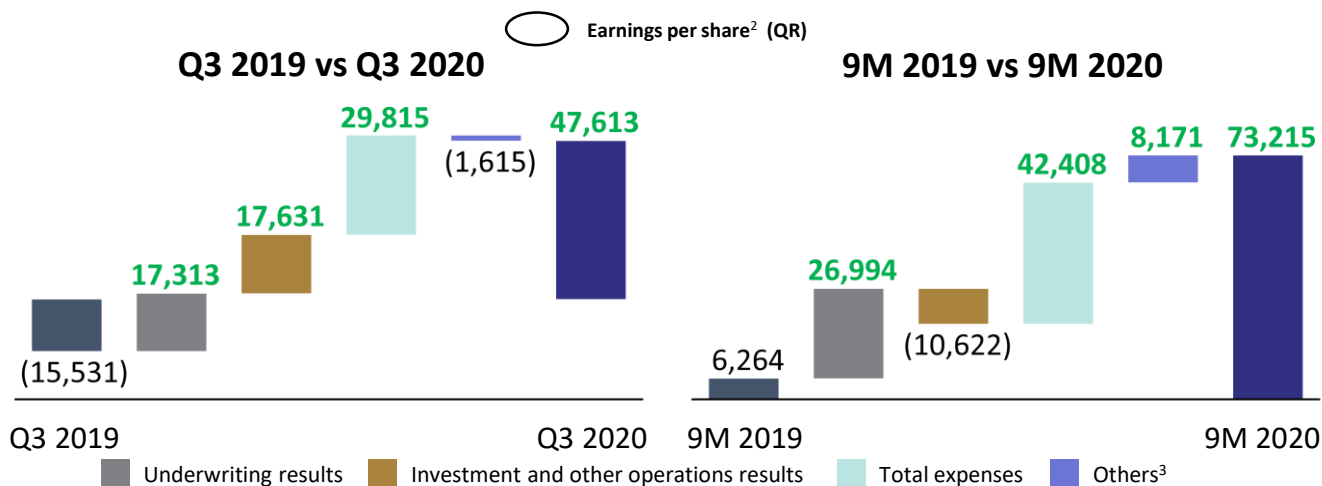
Profit for the period¹

(QAR '000)



Management comments

- Underwriting results increased from QAR 67m to QAR 94m, representing a 40% increase, driven by Management's prudent review of its insurance portfolio coupled with the positive effect of COVID-19, resulting in a decrease in net claims
- The financial sector witnessed positive signs of recovering during Q3 2020, which was reflected in investment and operations results
- Management continuous lean exercise and proactive refinancing of its liabilities positively impacted the Company's financials. Operating & Administration expenses experienced a 13% reduction and finance costs experienced a 19% reduction
- As a result, profit for the period¹ increased by 815% and resulted in an earnings per share of QAR 0.085 for 9M 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 (602k) in Q3 2019 and QAR (65k) in Q3 2020, QAR (1,843k) in 9M 2019 and QAR (1,004k) in 9M 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 – Q3 2020 financial overview



Qatar General Insurance (“QGI”)

Gross written premiums (QAR’000)

Q3-19 QAR 170,805	9M-19 QAR 525,313
Q3-20 QAR 118,348 -31%	9M-20 QAR 444,892 -15%

Total underwriting results (QAR’000)

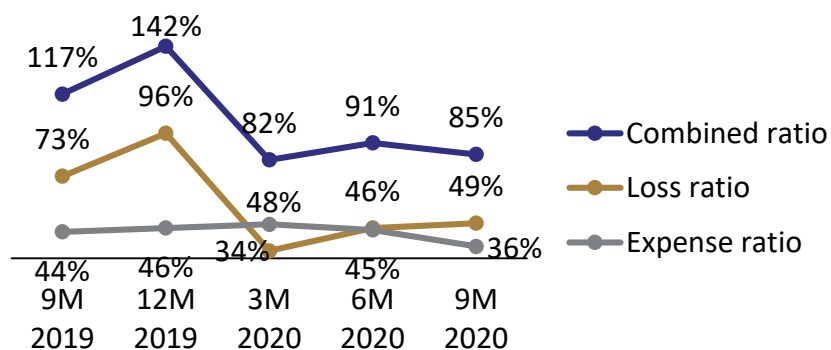
Q3-19 QAR 15,205	9M-19 QAR 67,498
Q3-20 QAR 32,518 +114%	9M-20 QAR 94,492 +40%

Profit from operations (QAR’000)

Q3-19 QAR (11,506)	9M-19 QAR (17,980)
Q3-20 QAR 9,365 +181%	9M-20 QAR 14,507 +181%

Profit for the period (QAR’000)

Q3-19 QAR (10,748)	9M-19 QAR (16,365)
Q3-20 QAR 9,347 +187%	9M-20 QAR 16,151 +199%



General Takaful (“GT”)

Contributions (QAR’000)

Q3-19 QAR 49,074	9M-19 QAR 151,870
Q3-20 QAR 49,955 +2%	9M-20 QAR 128,116 -16%

Total underwriting results (QAR’000)

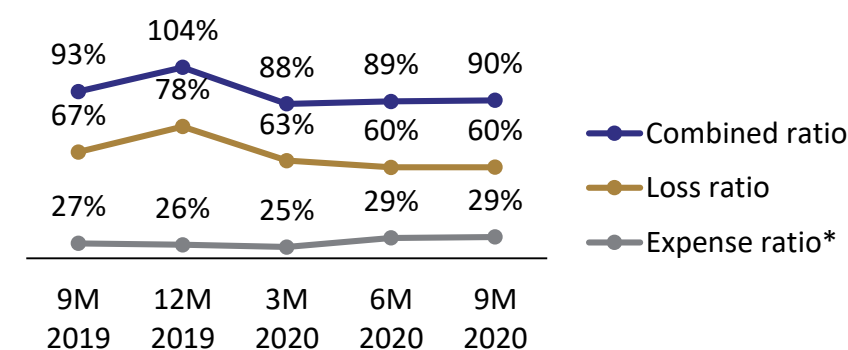
Q3-19 QAR 15,512	9M-19 QAR 34,639
Q3-20 QAR 10,886 -30%	9M-20 QAR 35,263 +2%

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

Q3-19 QAR 15,918	9M-19 QAR 35,803
Q3-20 QAR 10,800 -32%	9M-20 QAR 31,652 -12%

Surplus for the period (QAR’000)

Q3-19 QAR 8,868	9M-19 QAR 13,824
Q3-20 QAR 2,930 -67%	9M-20 QAR 10,833 -22%



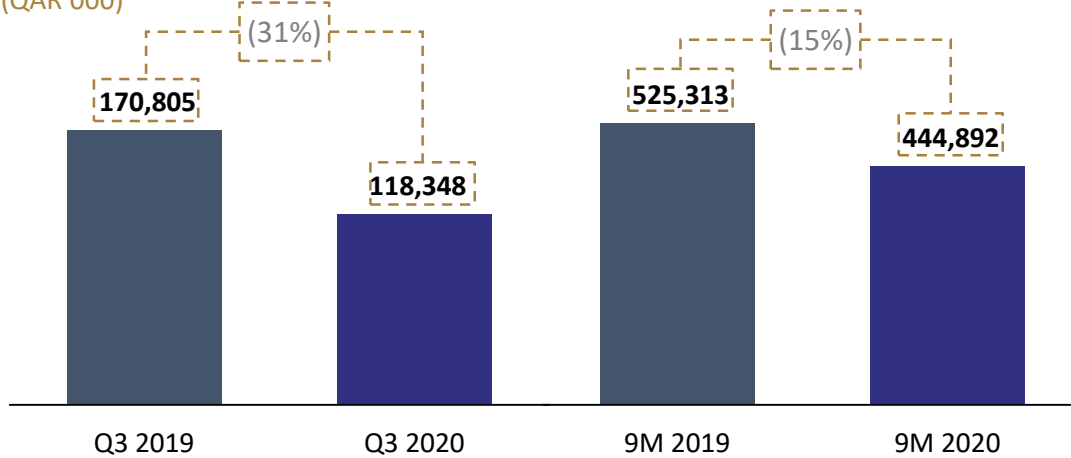
* Discrepancies in total due to rounding

QGI insurance operations overview – Q3 2020



Gross written premiums

(QAR'000)

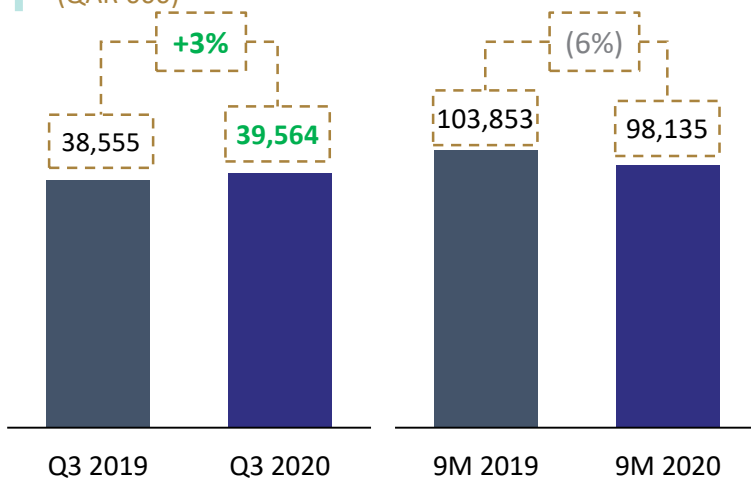


Management comments

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

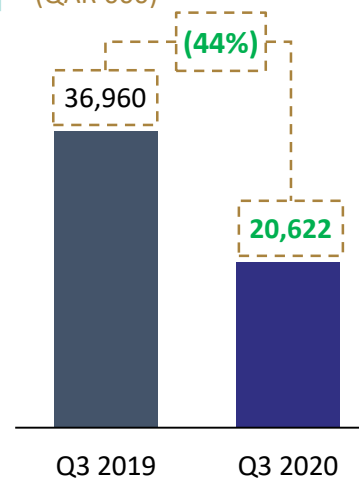
Net earned premiums

(QAR'000)



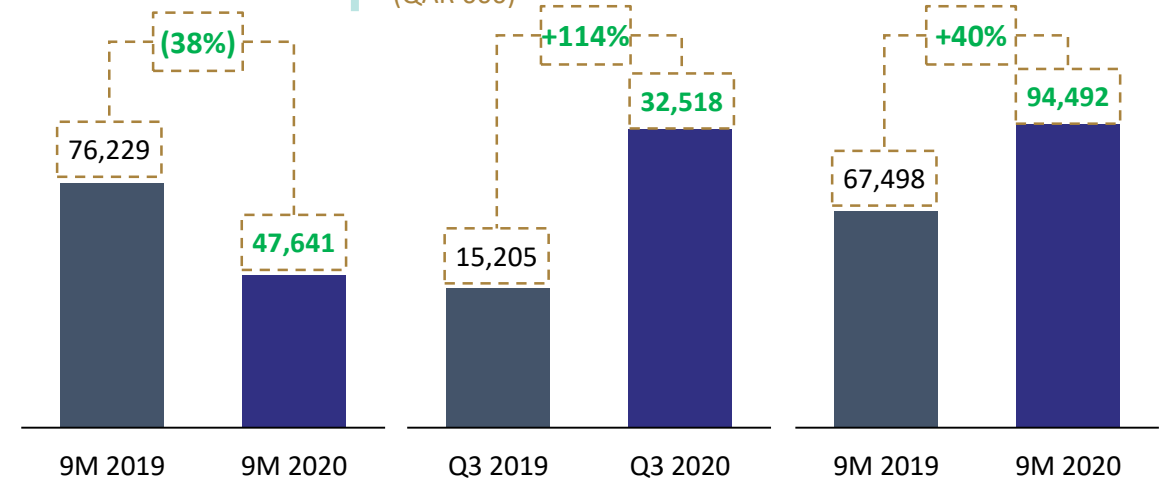
Net claims

(QAR'000)



Underwriting results

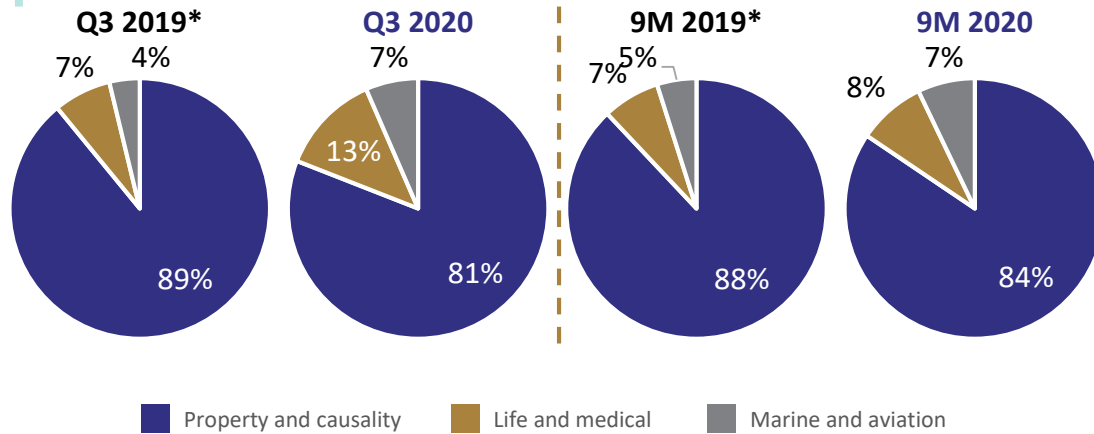
(QAR'000)



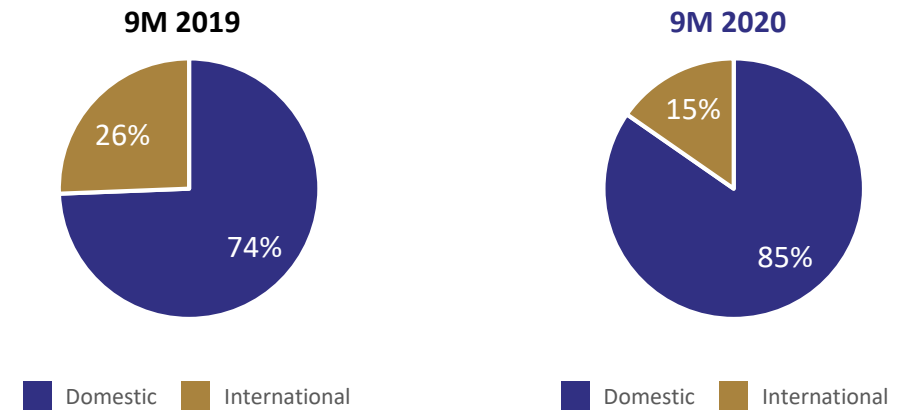
QGI insurance operations overview – Q3 2020



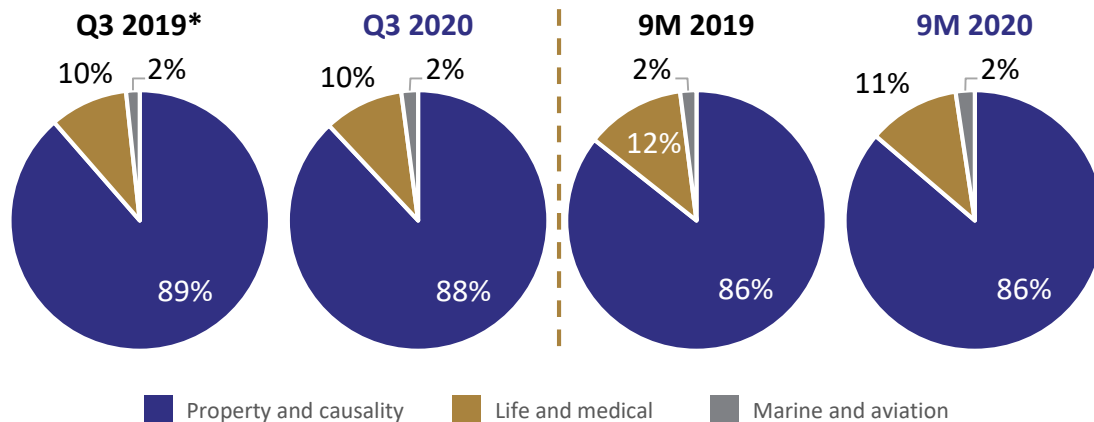
Gross written premiums breakdown by segment



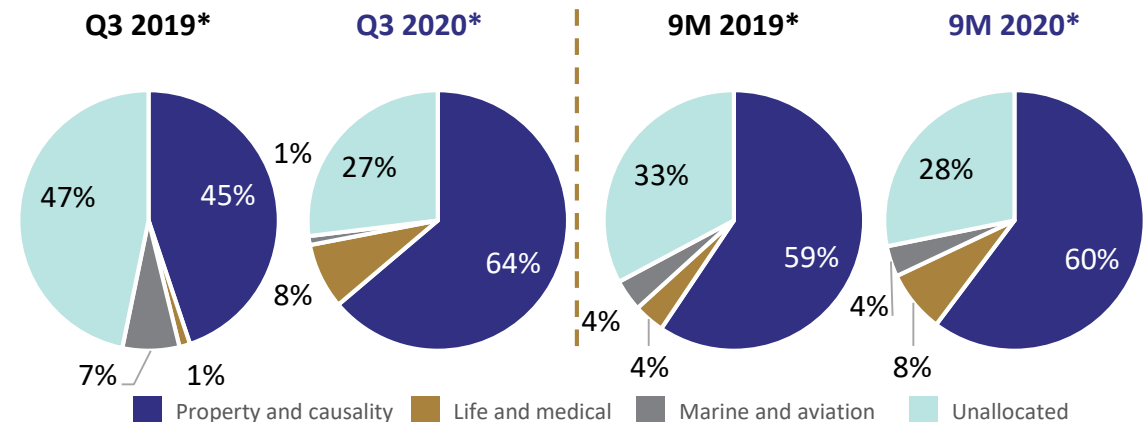
Gross written premiums breakdown by location



Net earned premiums breakdown by segment



Underwriting results breakdown by segment



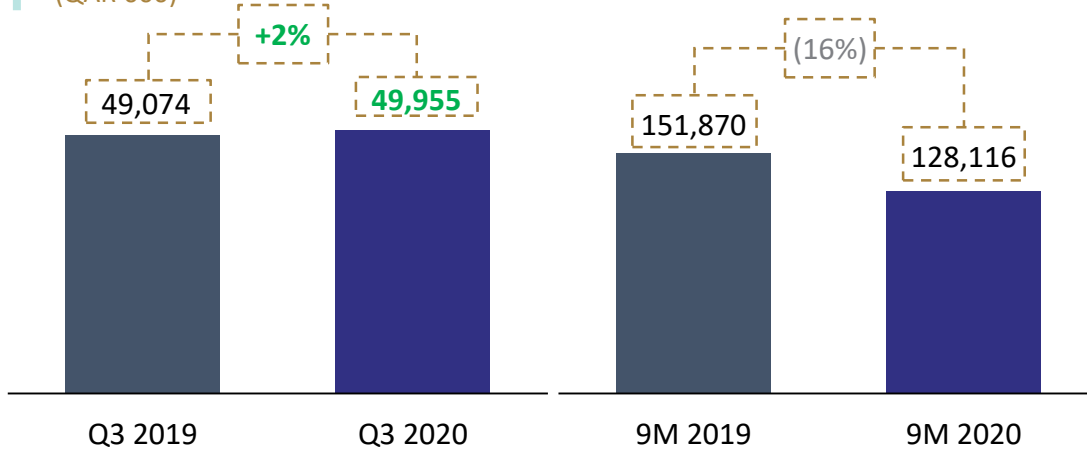
* Discrepancies in total due to rounding

General Takaful overview – Q3 2020



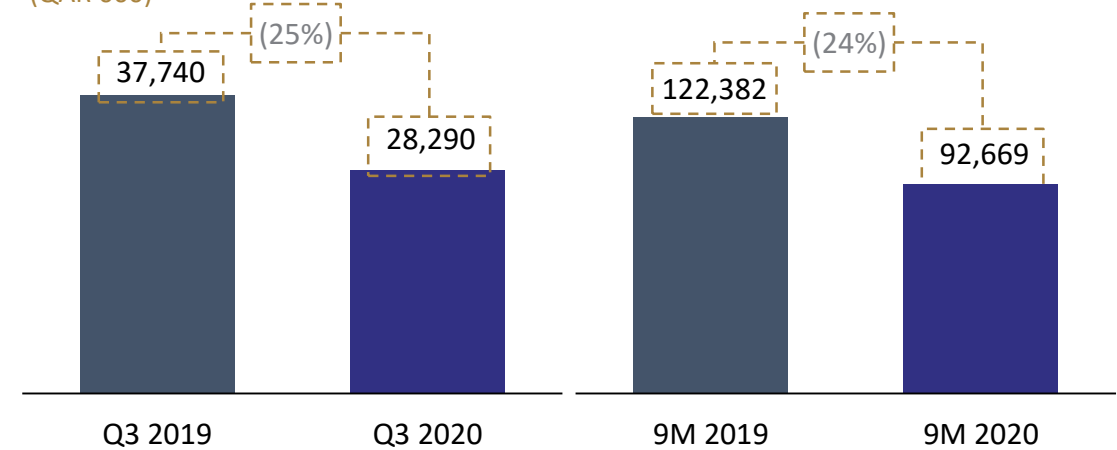
Contributions

(QAR'000)



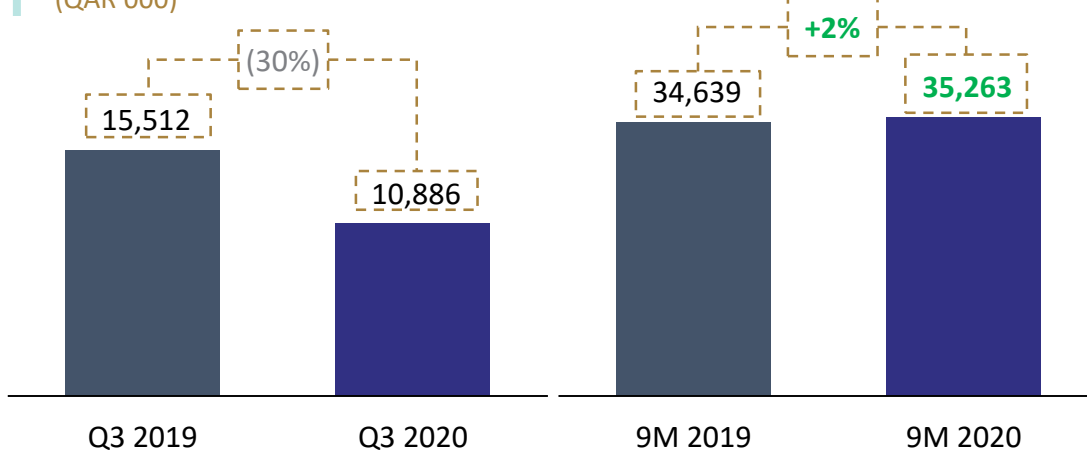
Net earned contributions

(QAR'000)



Underwriting results

(QAR'000)



Surplus for the period

(QAR'000)

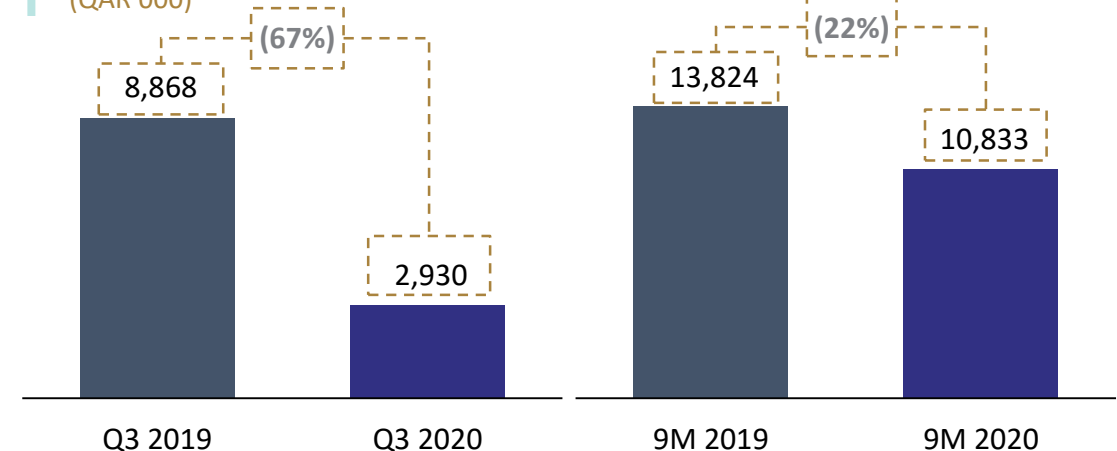


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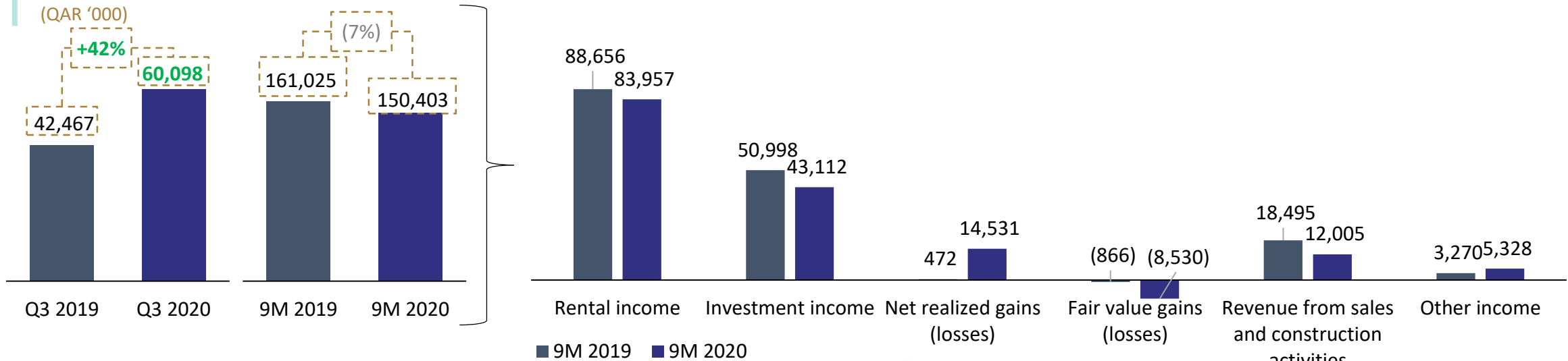


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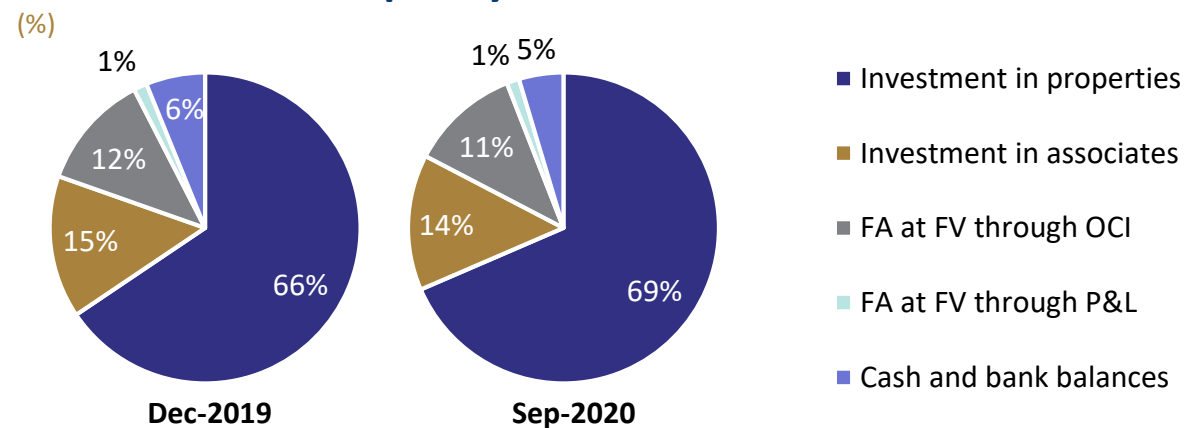
Investments operations overview – Q3 2020



Investment income comparison between 9M 2019 to 9M 2020



Investment asset split by asset class



Management comments

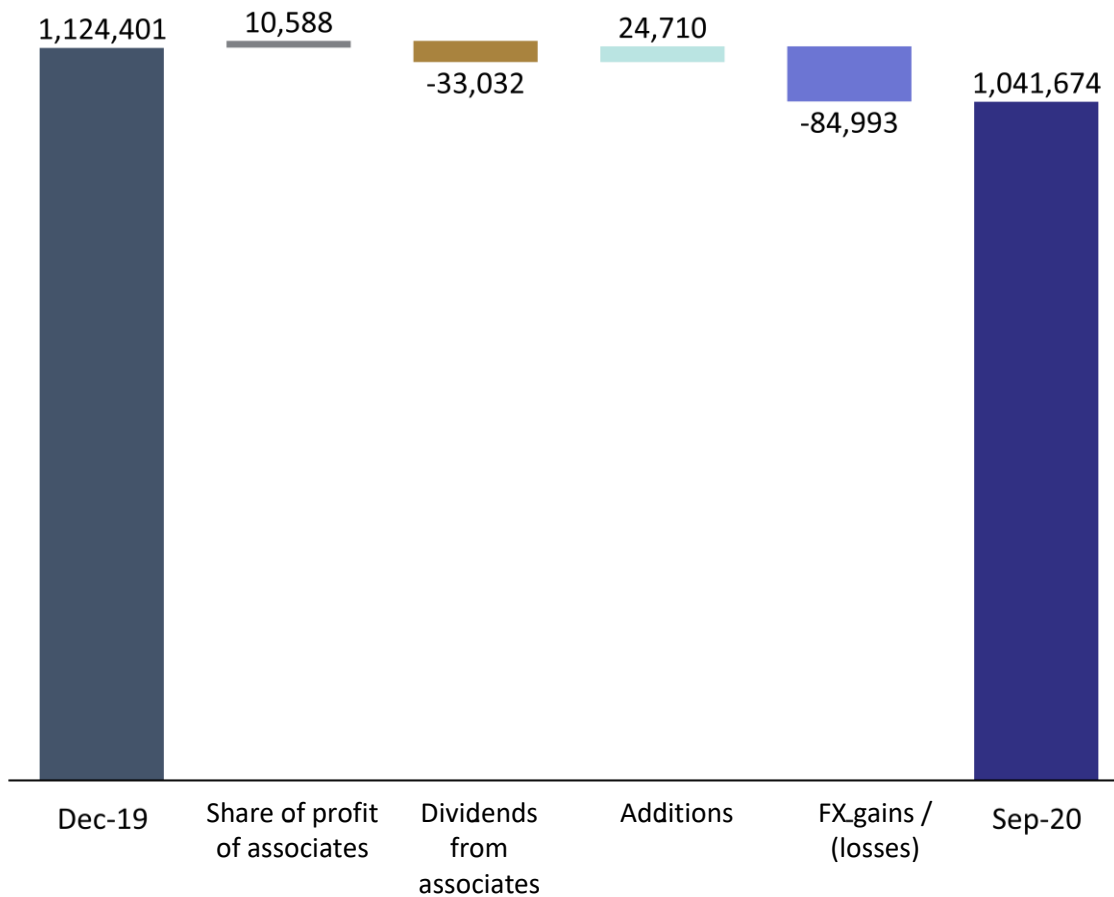
- Investment and other operations results displayed signs of recovery from the negative impact due to the COVID-19 pandemic
- In addition, Management is conducting a review and assessment of the investment portfolio to ensure high level of liquidity and risk diversification

Investments operations overview – financial position as of 30 Sep 2020



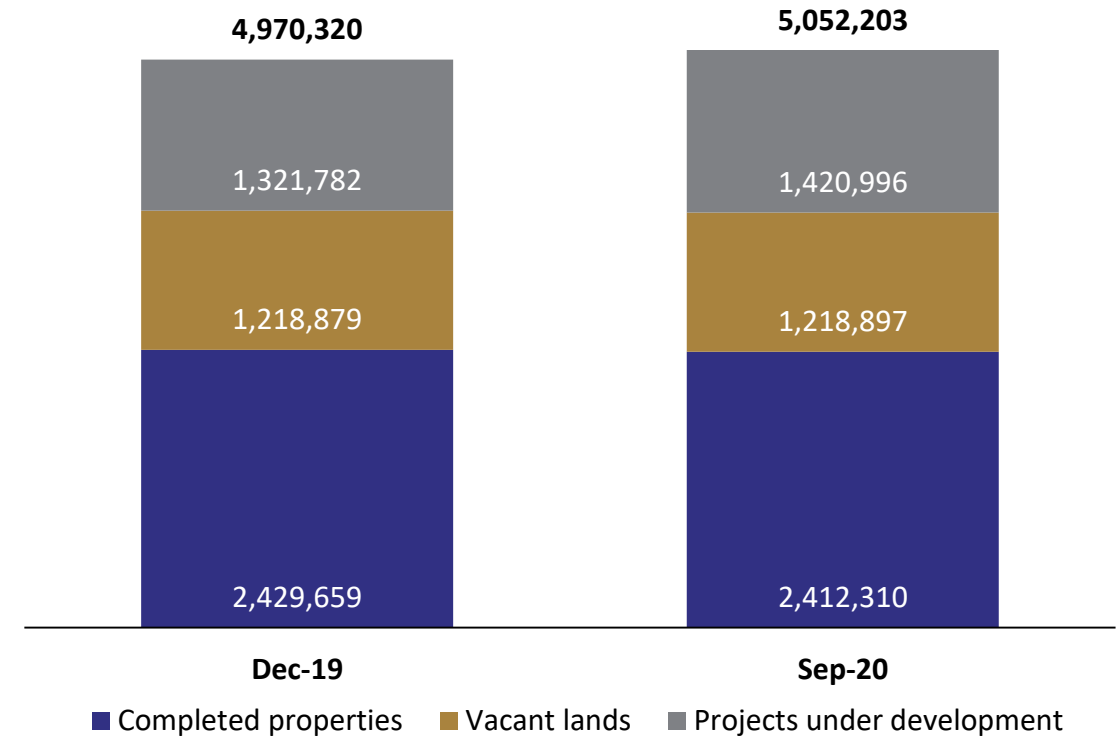
Investment in associates

(QAR'000)



Investment properties

(QAR'000)

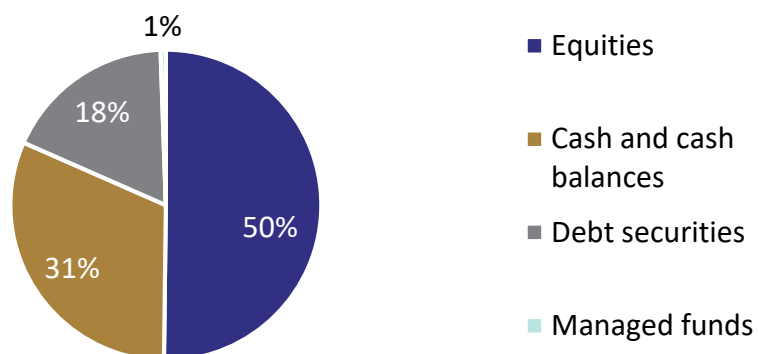


Investments operations overview – as of 30 Sep 2020



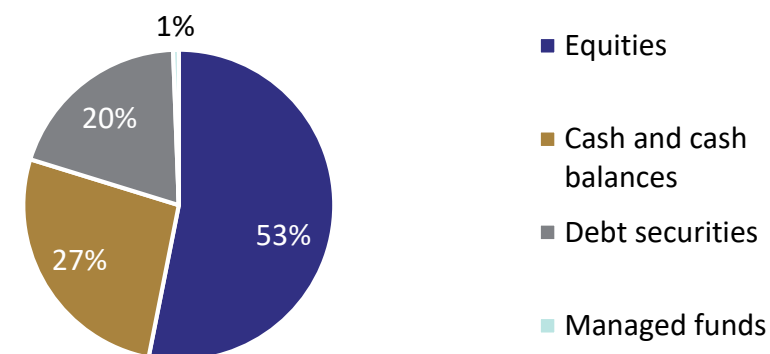
Total investment assets as of 31 Dec 2019¹

(%)



Total investment assets as of 30 Sep 2020*¹

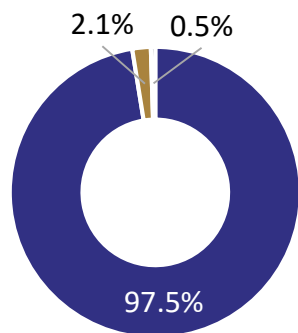
(%)



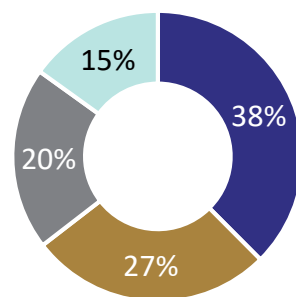
Equity and debt split by region as of 31 Dec 2019

(%)

Equity breakdown*



Debt breakdown

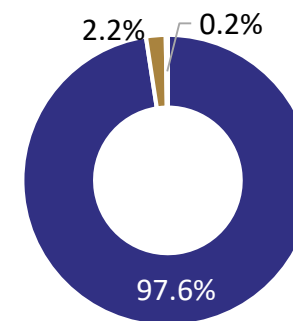


■ Qatar ■ GCC ■ Other ■ GCC ■ Qatar ■ Asia and Africa ■ Europe

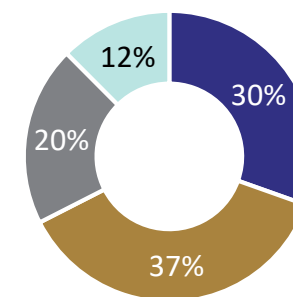
Equity and debt split by region as of 30 Sep 2020

(%)

Equity breakdown



Debt breakdown*



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

1) Investment assets exclude investment properties

* Discrepancies in total due to rounding

Measures taken in Q3 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 40%

Prudent review of insurance portfolio resulting in a 38% decrease in net claims

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

13% reduction in operating and administrative expenses

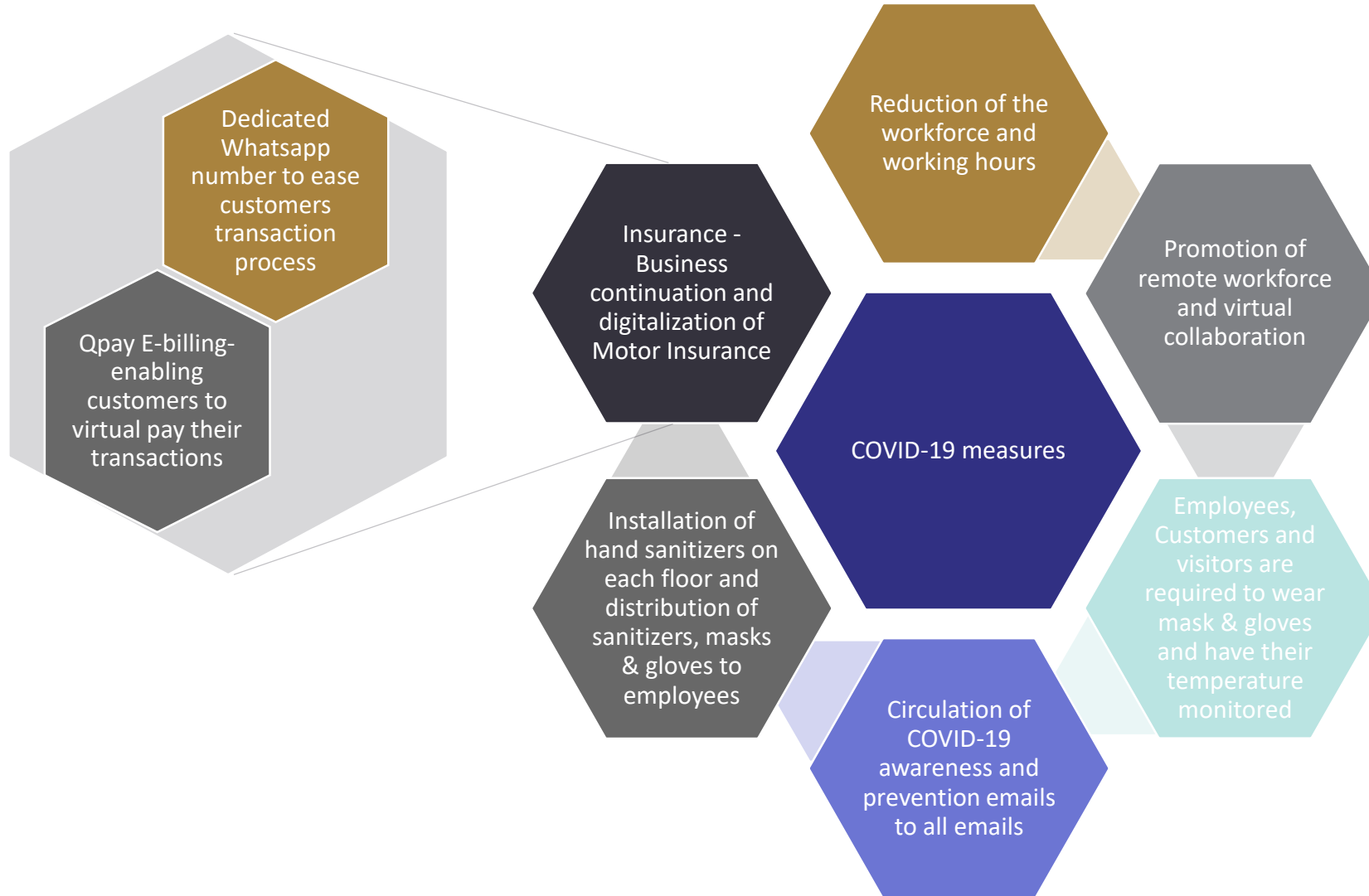
Continuation of business during the COVID-19 pandemic and digitalization of Motor Insurance

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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 decreased by 13%
- Hiring of selected subject matter experts in key areas



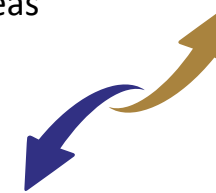
Company history

- 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 277 employees working in core insurance operations, serving clients through its 7 branches across the country

Product overview

Personal insurance

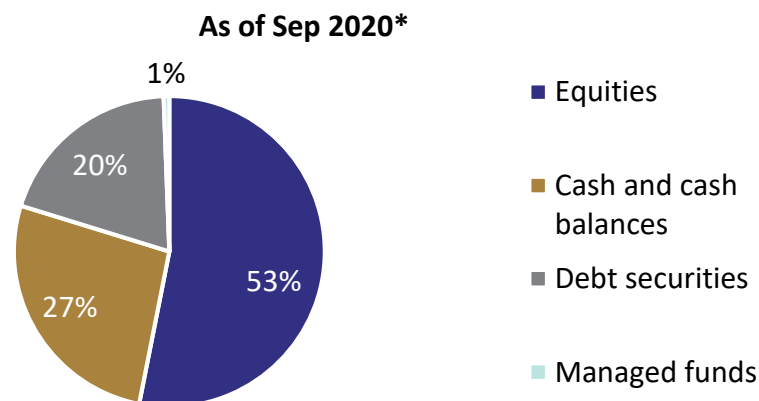
- Offers protection from risks associated in different areas of customer's lives
- 10% of total insurance revenue is from sales of personal insurance products



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



* Discrepancies in total due to rounding

Recent strategic developments

- Under the leadership of Mr. Abu Gharbieh, 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
Share price	QAR 2.02
Market Capitalization	QAR 1.77B
Common Shares Outstanding	875.1M
Free float	77%*

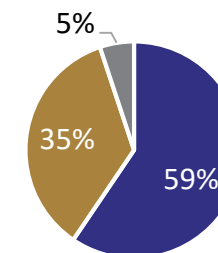
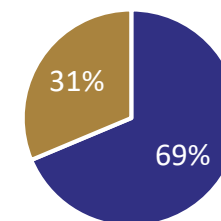
Figures as at 30 September 2020 and in QAR. Unless, otherwise stated.

*source: Bloomberg

* Discrepancies in total due to rounding

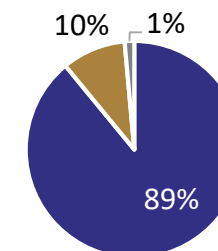
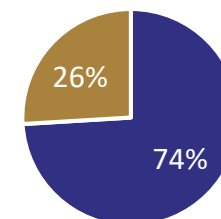
Shareholder structure*

(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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