



مجموعة قطر للتأمين  
QATAR INSURANCE GROUP

**Domestic dominance**

**Regional leadership**

**Global ambitions**

*March 2020*



Founded in 1964, Qatar Insurance Company (QIC) is the largest insurance powerhouse in the MENA region

## QIC - KEY FACTS AND FIGURES – March 2020



### Solid foundation



- ✧ QIC steadily evolved from a domestic player to a regional leader on to global ambitions over 56 years

### Strong financials



- ✧ GWP: QAR 3.7 Billion
- ✧ Expected ROE: 11% - 12%
- ✧ Total Assets: QAR 37 Billion
- ✧ Market Capitalization: QAR 6.8 billion

### Five pillar strategy



- ✧ Direct insurance
- ✧ Reinsurance
- ✧ Lloyd's insurance
- ✧ Life and Medical
- ✧ Asset Management

### Stable sources of income



- ✧ Consistent underwriting performance over 56 years
- ✧ Outstanding investment contribution

### High risk maturity



- ✧ Best in class Enterprise Risk Management practices

# 56 YEARS OF OPERATIONAL EXCELLENCE



## En route to establishing a global footprint based on domestic dominance and regional leadership

Source: S&amp;P CAPITAL IQ

MENA: QIC No 1 of 19 companies



Asia Pacific: QIC No 14 of 130 – excl. L&amp;H



World: QIC No 53 of 255 companies

QIC  
established

1964

Current Senior  
Management  
appointed

1968

1986

KQIC (Kuwait)  
and OQIC (Oman)  
established

2002

2004

Q-Life &  
Medical  
established

2009

50<sup>th</sup> Anniversary  
and acquisition of  
Antares

2011

2014

Qatar Re re-  
domiciled to  
Bermuda and opened  
a branch in Dubai

2015

Qatar Re placed USD 450mn  
perpetual non-call 5.5  
subordinated 2 Tier notes

2017

2018

Dubai  
branch  
establishedAbu Dhabi  
branch  
establishedQatar Re  
establishedQIC Europe Ltd  
established in  
MaltaAntares established  
Antares Asia in  
SingaporeOQIC IPO  
oversubscribed  
1.4 timesAcquisition of Markerstudy,  
Qatar Re ranked 26<sup>th</sup> amongst  
top 50 global reinsurers

# SUSTAINED GROWTH FROM DIVERSIFIED SOURCES



## Net profit

in QAR million

2020 Q1 **(186)**

2019 **671**

2018 **664**

2017 **424**

2016 **1052**

## Earnings per share

(restated) in QAR

**(0.063)**

**0.175**

**0.175**

**0.109**

**0.318**

## Market Capitalization

in QAR million

**6,826**

**10,321**

**11,449**

**14,423**

**20,449**

\* Q1 2020 results are impacted by the conservative approach adopted by QIC in respect of uncertainties surrounding COVID-19 pandemic, the associated lockdowns across the world and unprecedented levels of capital market volatility.

## QIC Group: Well diversified multi-pillar business set-up



Direct  
Insurance

**QIC**



Lloyd's  
Insurance

**Antares**



Life &  
Medical

**QLM Life &  
Medical**



Reinsurance

**Qatar Re**



Asset  
Management

**Epicure  
Investment  
Management**



Real Estate

**QIC Real  
Estate**



Financial strength rating "A"  
[www.standardandpoors.com](http://www.standardandpoors.com)



Financial strength rating of A (Excellent)  
[www.ambest.com](http://www.ambest.com)

\* During the last quarter of 2019, both rating agencies affirmed the Financial Strength Rating of A and revised the outlook to negative from stable.

## STRONG ACCESS TO CAPITAL



### 2017 Tier-2 Issue

Total equity increased by USD 450m

### 2016 Rights Issue

Shareholders' equity increased by c. USD 521m

### 2013 Rights Issue

Shareholders' equity increased by c. US\$265m

### 2011 Special Reserve

Creation of the Group's catastrophe special reserve

### 2005 Rights Issue

Shareholders' equity increased by USD 171m

Since 2005, our shareholders have injected a total of USD 957m in capital

\*QIC is currently in the process of issuing up to USD 300m in perpetual subordinated Tier 2 qualifying capital notes. This additional capital is expected to qualify as Tier 2 Capital under Qatar Central Bank regulations for the solvency ratio calculations.

### QIC shareholders

in %

as at Mar 2020

- Government of Qatar 13.67%
- Board of Directors 12.77%
- Qatari Royal Family 10.43%
- Foreign Institutional Investors 10.87%
- Others 52.26%



A large group of investors, namely the government, royal family members and leading business families, have maintained their investments in the Group since its inception in 1964

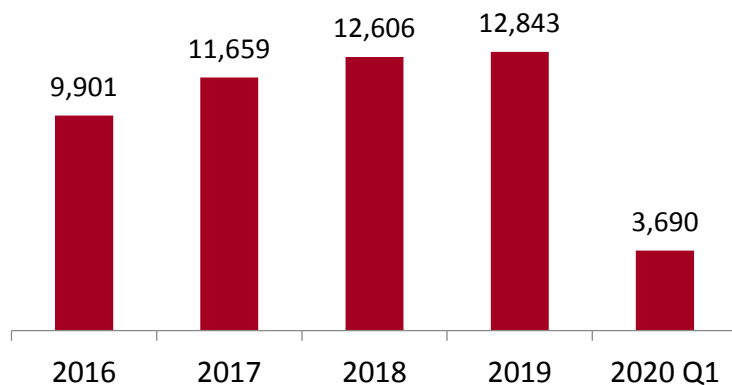


## ROBUST FINANCIAL PERFORMANCE



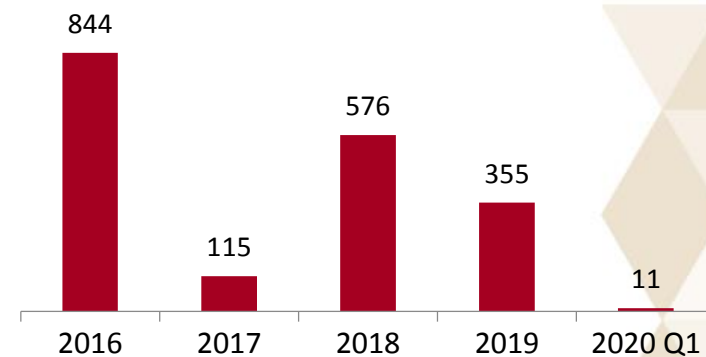
### Gross written premiums

in QAR million



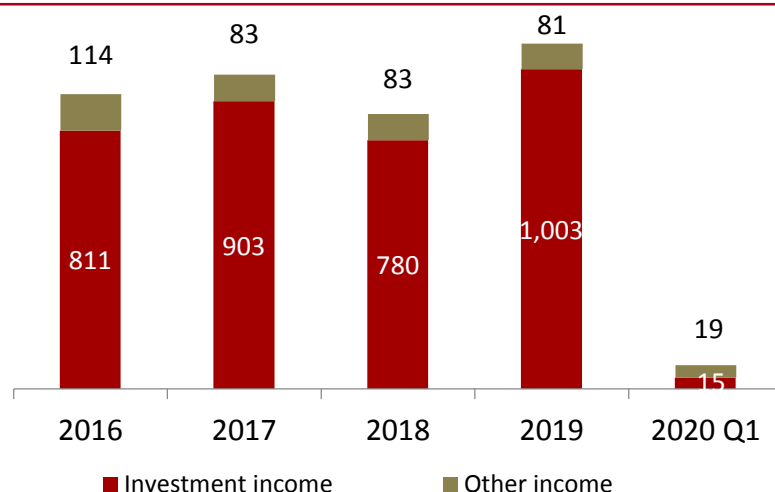
### Underwriting results

in QAR million



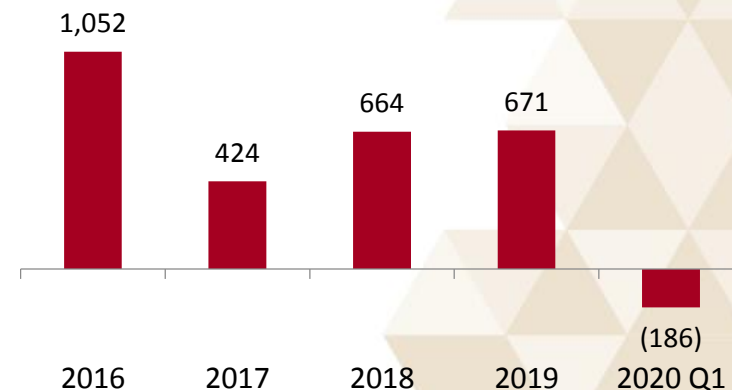
### Investment and other income

in QAR million



### Net profit

in QAR million



\* Q1 2020 results are impacted by the conservative approach adopted by QIC in respect of uncertainties surrounding COVID-19 pandemic, the associated lockdowns across the world and unprecedented levels of capital market volatility.

# Strategy





At a Glance	Strategy	Competitive Position	Performance	Organisation	Risk Management	Outlook	Appendix
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## EXPANDING GLOBALLY AND CONSOLIDATING REGIONAL LEADERSHIP



### Bermuda



- Qatar Re US & NatCat
- Qatar Re HQ

### London



- Antares Group Holdings
- Antares Lloyd's 1274 Syndicate
- Qatar Re branch
- QIC Europe branch

### Zurich



- Qatar Re Continental Europe and global operations

### Malta



- QIC Europe Ltd

### Singapore



- Antares Asia

### Gibraltar



- Zenith Insurance Plc and other non life carriers

### Doha



- QIC Group's HQ and domestic operations

### UAE



- QIC direct insurance operations (UAE)

### Muscat



- Oman Qatar Insurance Company

### Kuwait



- Kuwait Qatar Insurance Company

### Shanghai



- Antares Lloyds China 1274 Syndicate

## BROAD SPECTRUM OF CAPABILITIES



## QIC Domestic



- Personal lines
  - Motor
  - Home
  - Travel
  - PAB
- Commercial lines
  - Energy
  - Marine & Aviation
  - Medical
  - Motor
  - Property & Commercial

## Reinsurance



- Agriculture
- Credit & Surety
- Energy
- Engineering
- Facultative
- Marine & Aviation
- Motor
- Property
- Structured Finance

## Lloyd's



- Aviation
- Financial Institutions
- Marine
- Political and Financial Risk
- Professional indemnity
- Property Excess of Loss
- Terrorism

## Life &amp; Medical



- Group Life
- Credit Life
- Mortgage Life
- Group Medical

## Asset Management



- Proprietary asset management
- Third party asset management

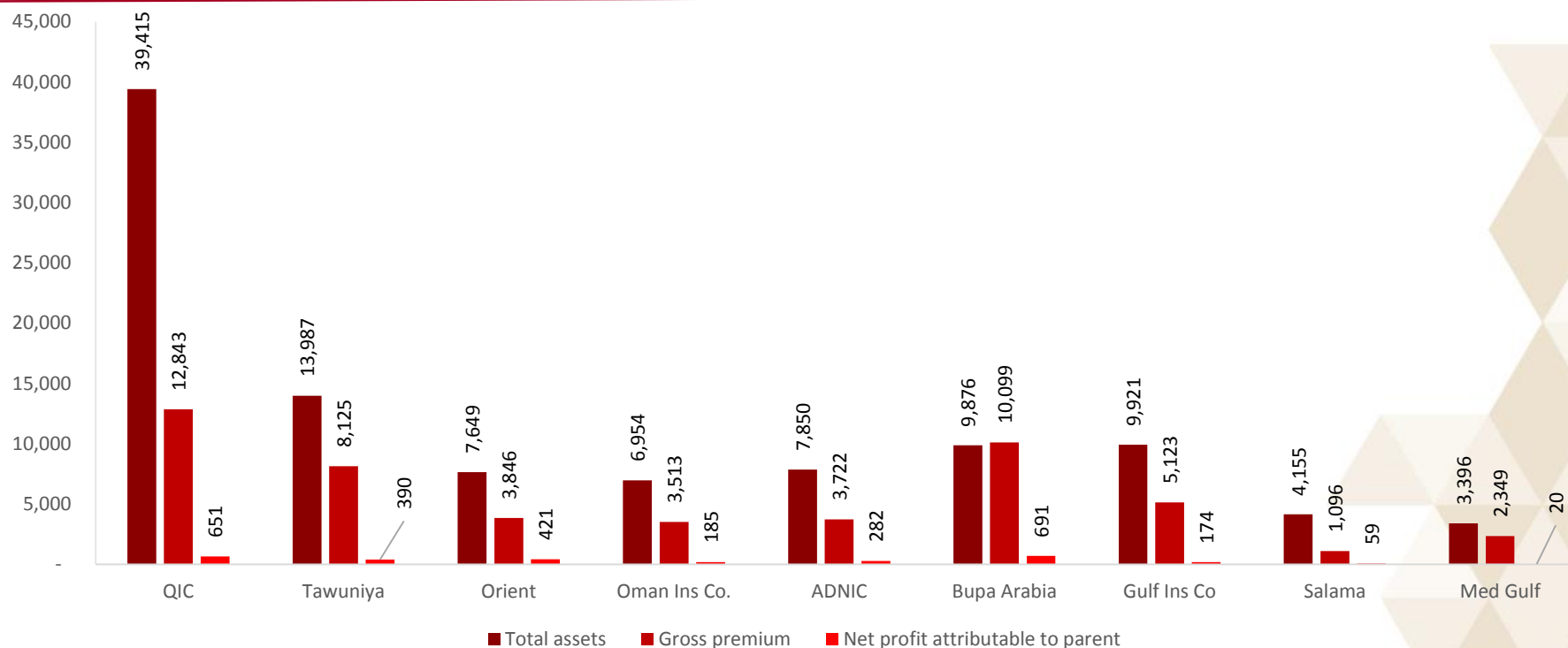
# Competitive Position



## DOMINANT POSITION IN THE MENA REGION

### Regional comparison (FY 19)

in QAR million



QIC consistently outperforms major regional insurance and reinsurance groups due to its focus on

- Technical excellence in underwriting and asset management
- Diversified growth across business segments and geographies

## SIGNIFICANT POTENTIAL FOR GLOBAL AND REGIONAL GROWTH



## QIC Domestic and regional

- Dominant market share in Qatar and ahead of its peers in MENA
- Significant growth potential in rapidly growing MENA insurance markets

## QIC domestic/regional GWP

USD 832 million

## MENA Life &amp; Non-Life

USD 50 billion



## Qatar Re

- Ranked 26<sup>th</sup> amongst top 50 global reinsurers
- Aspires to become a Top 10 reinsurer by 2025
- Continues to expand geographically and by line of business

## Qatar Re GWP

USD 2.1 billion

## GWP Top 10 reinsurers

USD 184 billion



## Antares

- Established as independent Managing Agent at Lloyd's, the world's global insurance and reinsurance market of choice
- Ranks 26<sup>th</sup> within Lloyd's by GWP
- Synergies with QIC have potential to enhance growth

## Antares GWP

USD 605 million

## GWP Lloyd's

USD 40 billion



## QIC Group

- Aspires to become a Top 50 international composite insurance group
- Well diversified by geography, lines of business and sectors
- Ranks 53 worldwide out of 255 companies

## QIC Group GWP

USD 3.5 billion

## Global Non-Life GWP

USD 1.4 trillion



# Performance



## STRONG TRACK RECORD OF TOP AND BOTTOM-LINE GROWTH..



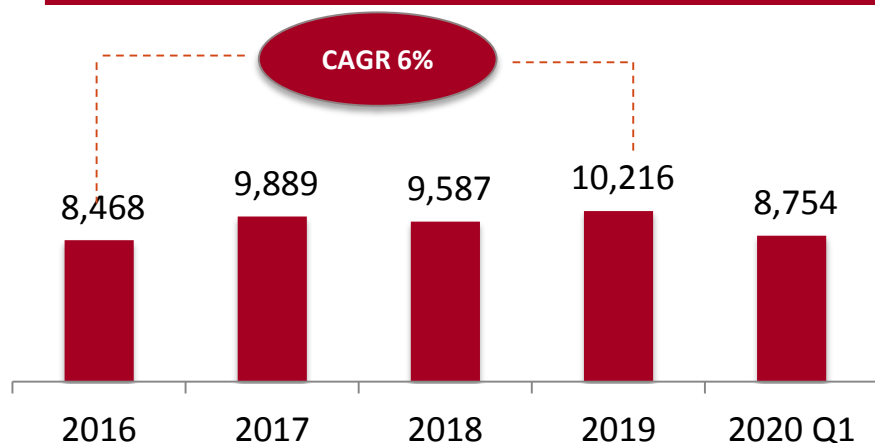
Key Highlights (QAR million)	2016	2017	2018	2019	2020 Q1
Gross premium	9,901	11,659	12,606	12,843	3,690
Underwriting results	844	115	576	355	11
Net profit	1,052	424	664	671	(186)
Investment and other income	925	986	863	1,084	34
Earnings per share ( <i>prior years restated</i> )	0.318	0.109	0.175	0.175	(0.063)
Cash dividend	15%	15%	15%	15%	--
Bonus share	15%	15%	--	--	--
Share price*	85	52	36	3.16	2.09

\*Par value of the ordinary share was reduced from Qar 10 to Qar 1 effective 27 June 2019.

For Q1 2020 results - Refer the note in page 5

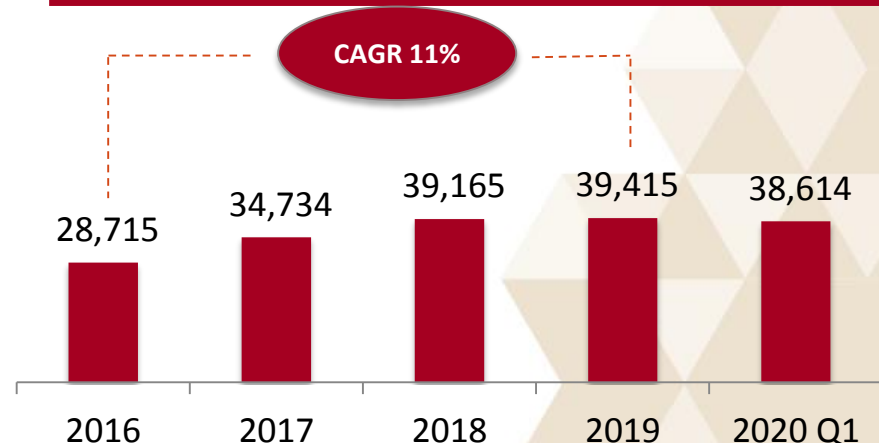
### Total Equity

in QAR million



### Total Assets

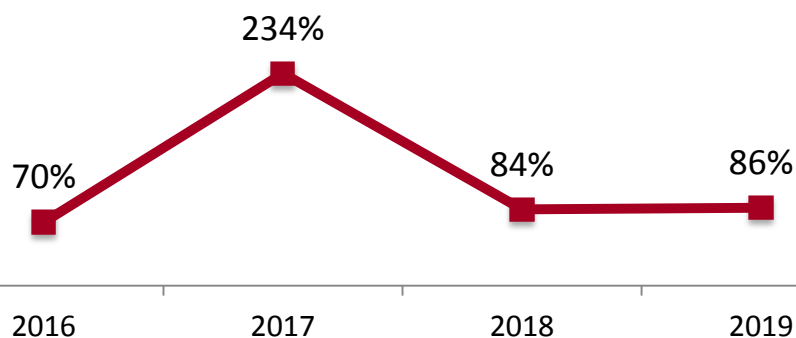
in QAR million



## ...AND SHAREHOLDER VALUE CREATION

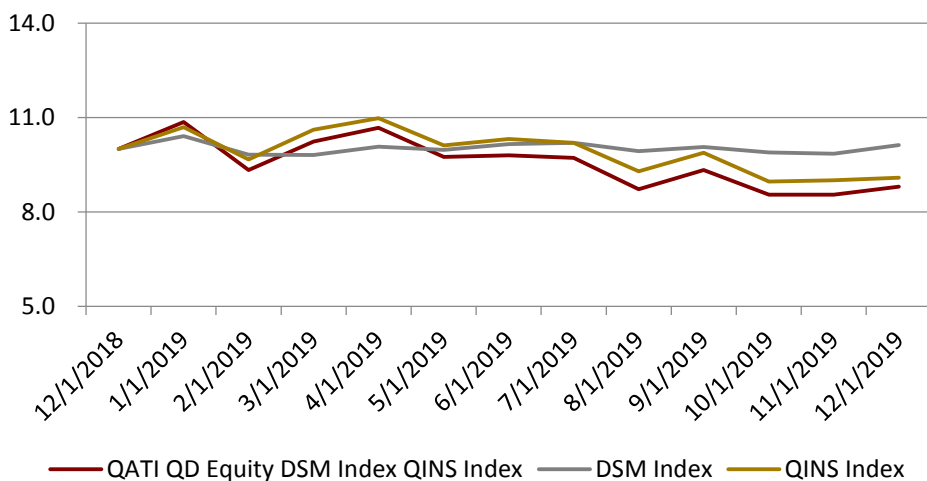


## Payout ratio

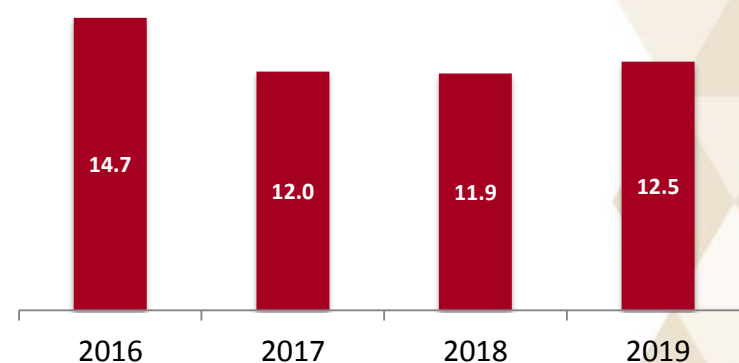


Payout ratio for 2016 & 2017 includes bonus shares of 15%

## QIC shares with QE Index and QE Insurance index

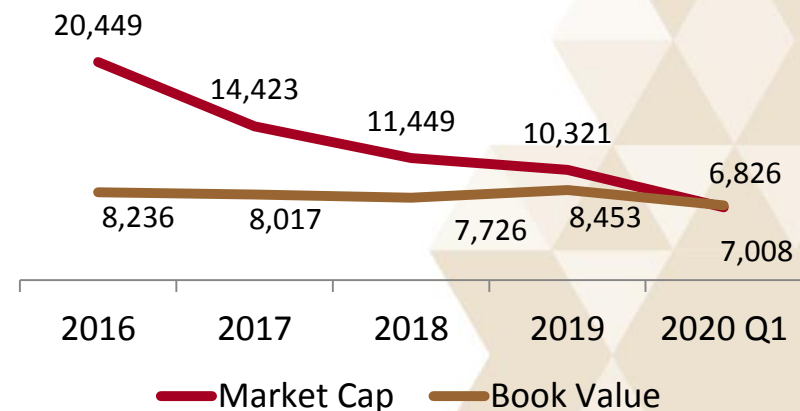


## Return on Equity (Normalised)



## Market Value

in QAR million



## KEY PERFORMANCE METRICS

120%

100%

80%

60%

40%

20%

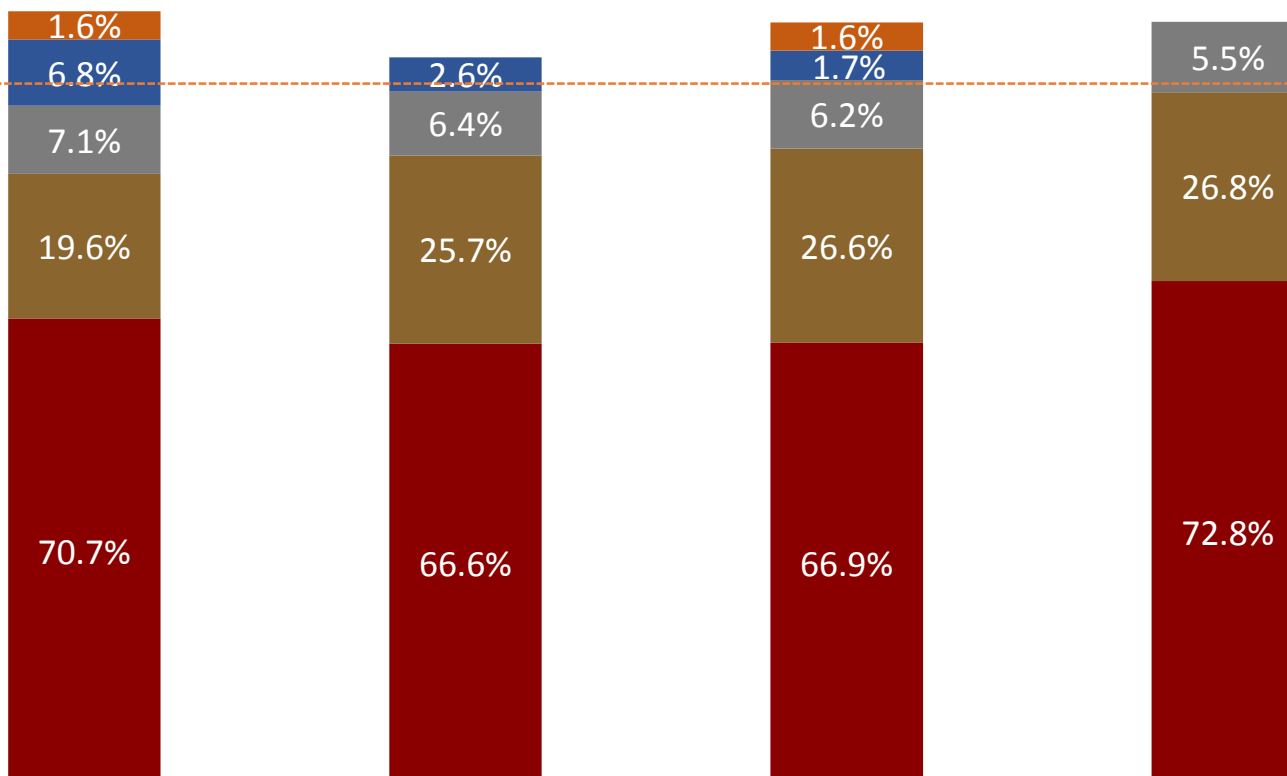
2017 - 105.8%

2018 - 101.3%

2019 - 103.0%

2020 Q1 - 105.1%

■ Loss ratio ■ Acquisition ratio ■ Expense ratio ■ CAT losses ■ Ogden rate impact

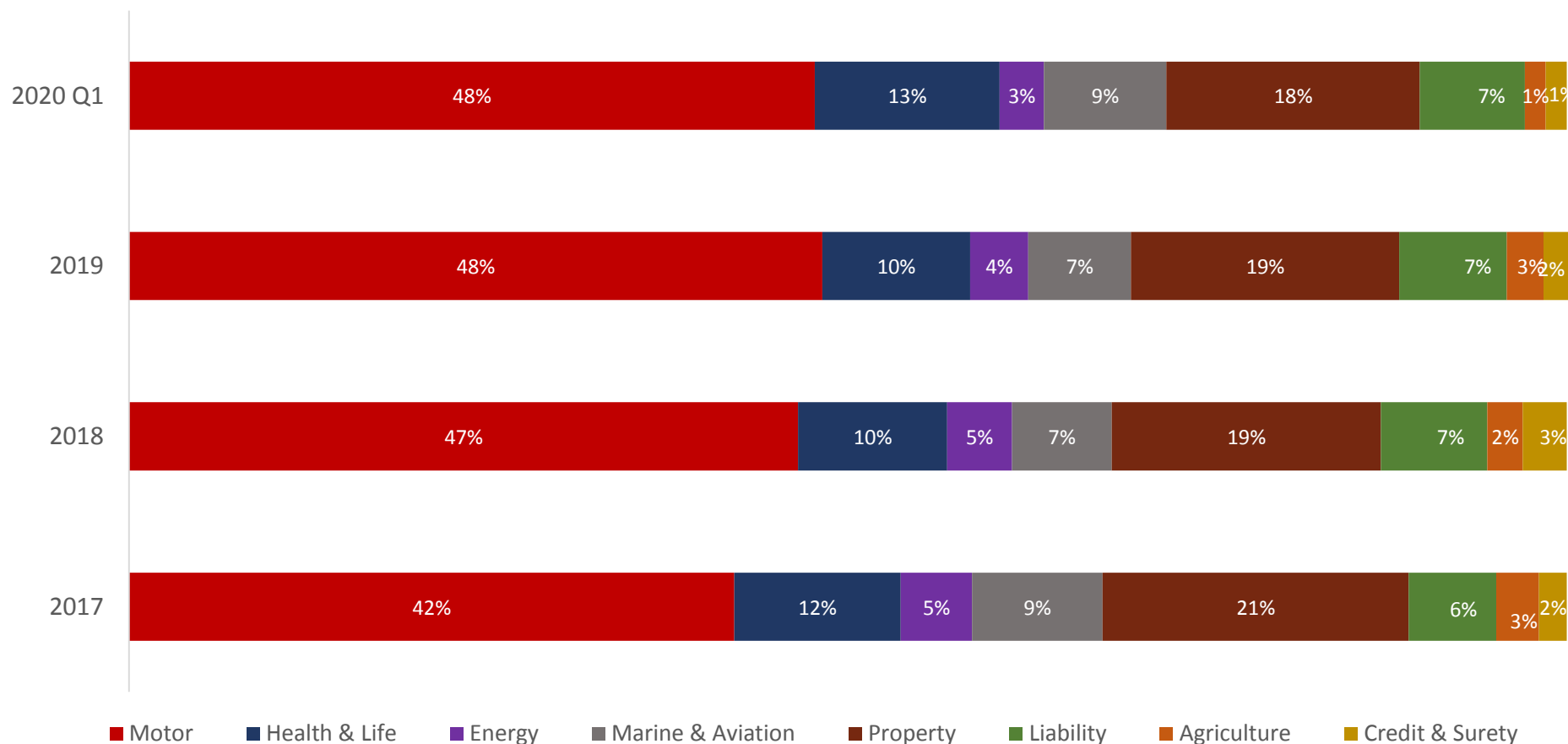


*QIC's underwriting performance in Q1 2020 was impacted by the COVID-19 pandemic and the associated lockdowns across the world. Although little is yet known as to the full extent and duration of COVID-19 and its business / economic impact, QIC has adopted a conservative approach.*

## WELL DIVERSIFIED PORTFOLIO ENHANCES CAPITAL EFFICIENCY



### Gross written Premiums - Focus on profitable growth across individual lines of business

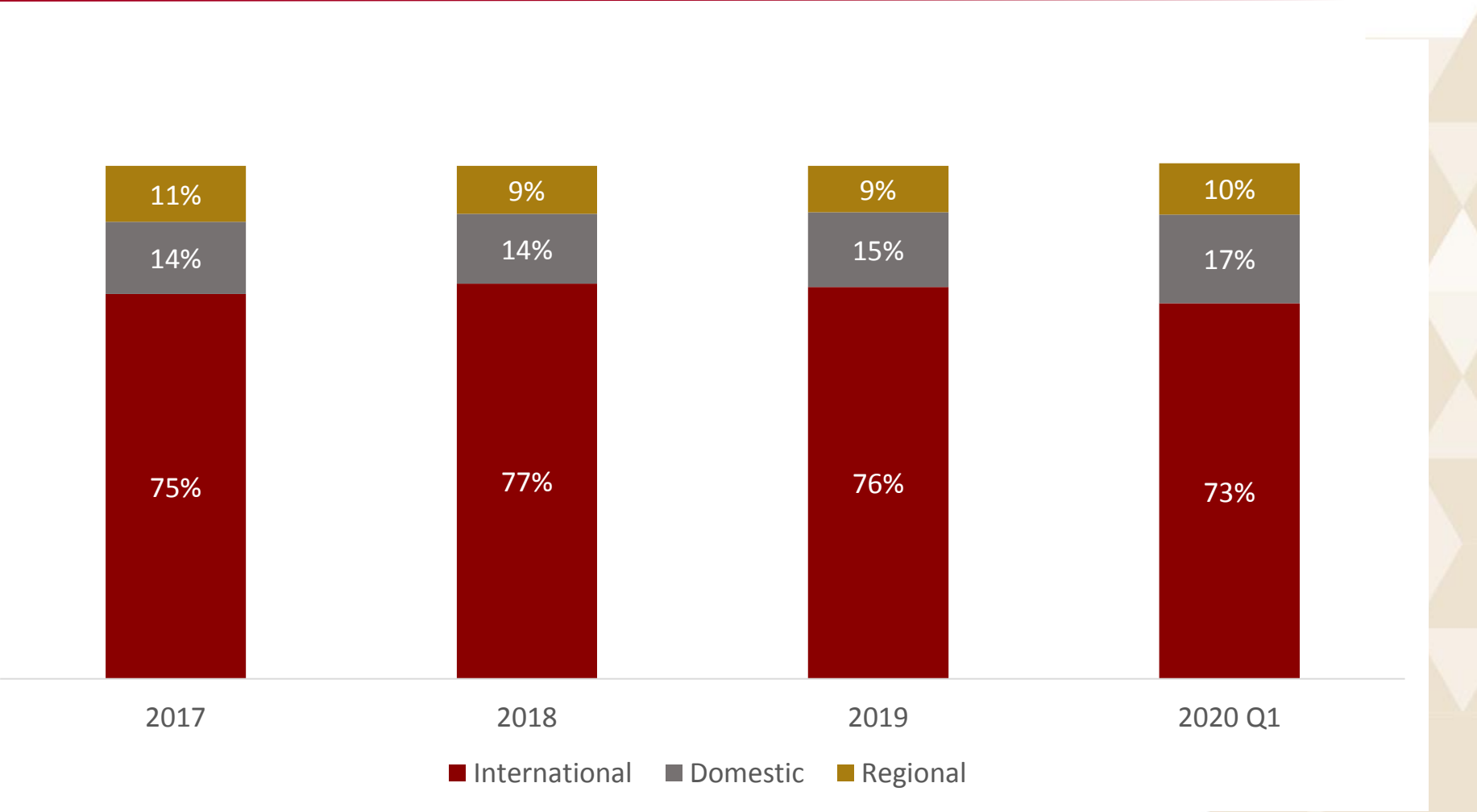




WELL DIVERSIFIED PORTFOLIO ENHANCES CAPITAL EFFICIENCY

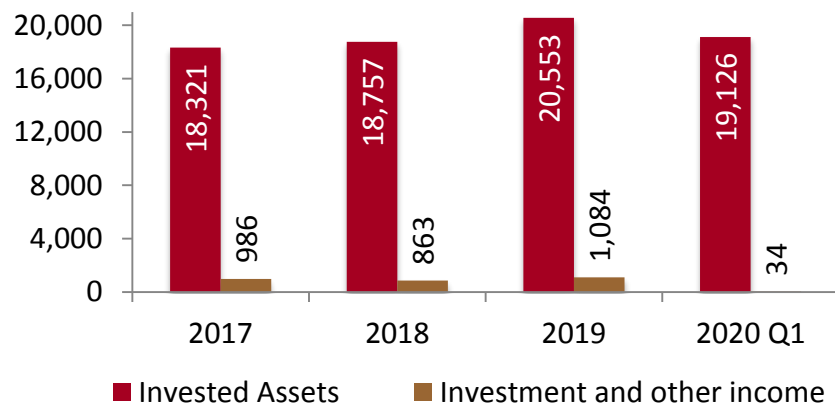


Gross written Premiums - Geographically diverse

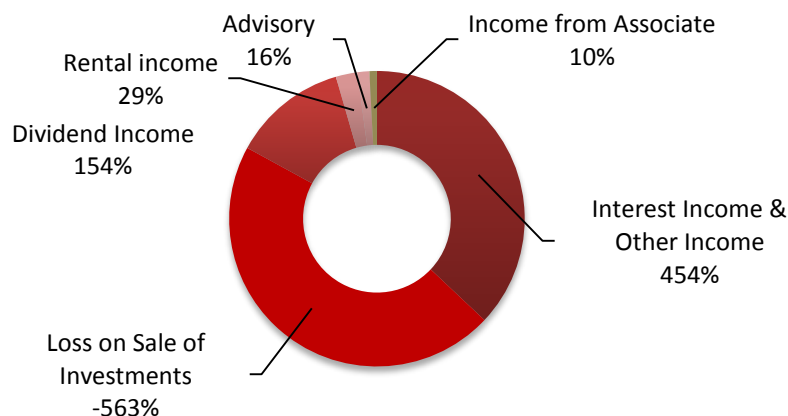


## STRONG INVESTMENT PORTFOLIO AND YIELD

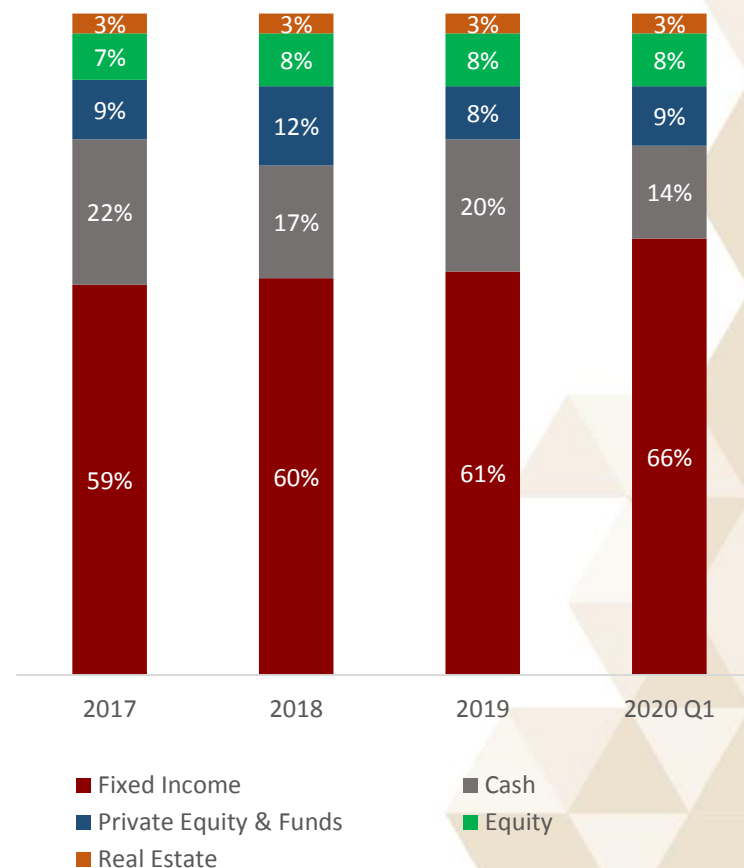
### Invested Assets vs investment and other income in QAR million



### Investment and other income composition 2020 Q1



### Investment portfolio composition

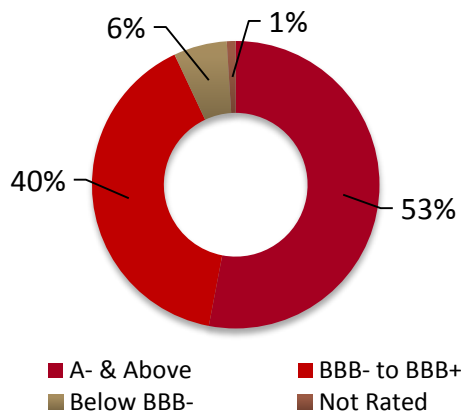


*QIC's Investment income was impacted by COVID-19 pandemic, the lockdown and an unprecedented levels of capital market volatility resulting in steep decline in equities and fall in government bond yields.*

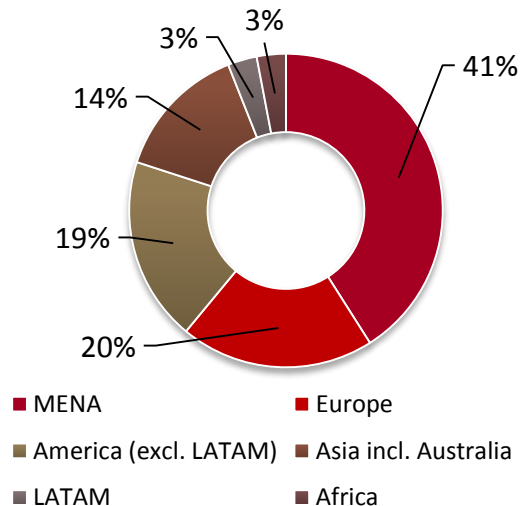


## FOCUS ON SECTOR BALANCE AND SECURITY OF INVESTMENTS

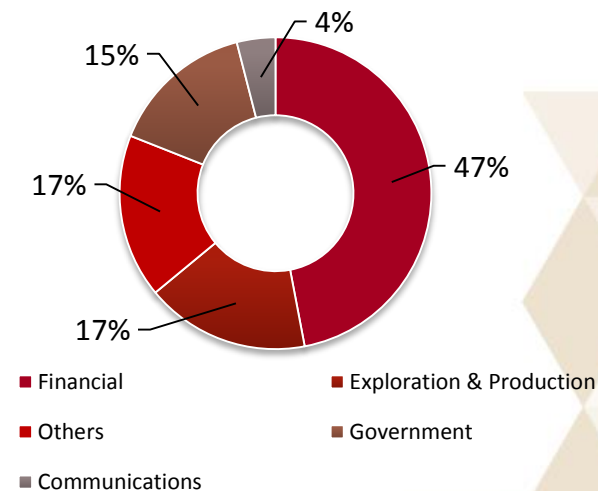
### Fixed income: Rating



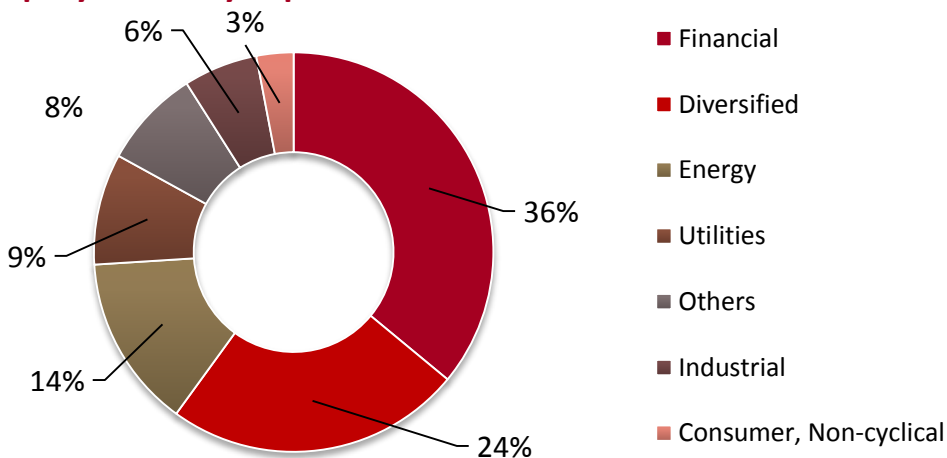
### Fixed income: Geographic mix



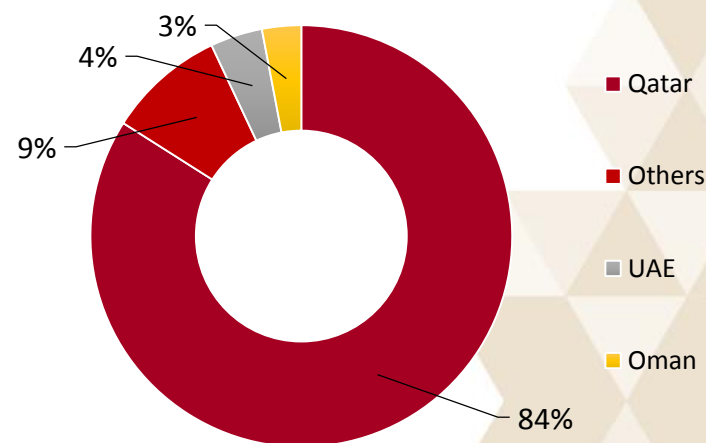
### Fixed income: Mix by sector



### Equity: Industry exposure



### Equity: Country exposure



## EXCELLENT FINANCIAL STRENGTH RATIOS



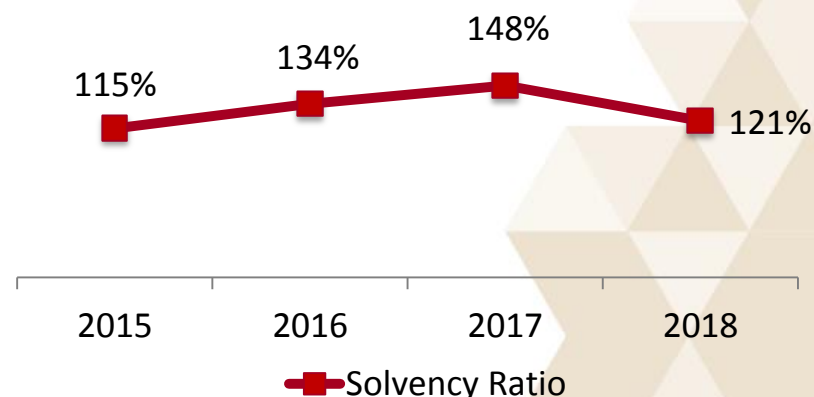
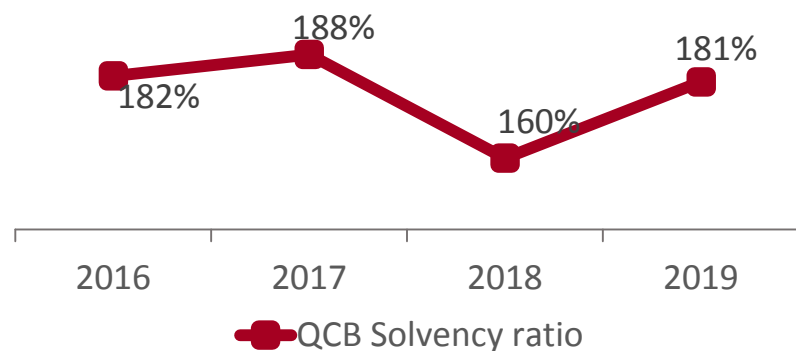
## Assets

%	2015	2016	2017	2018	2019
Invested assets to total assets	62%	67%	53%	48%	52%
Invested assets to net technical reserves	119%	139%	131%	125%	133%
Cash and bank deposits to net technical reserves	37%	63%	57%	54%	55%

## Solvency: Increased capital utilization, ratio remains strong

As per QCB	2016	2017	2018	2019
Eligible Capital	7,018	8,377	7,524	9,283
Solvency Ratio	182%	188%	160%	181%

As per S&P	2015	2016	2017	2018
Eligible Capital	7,217	8,066	9,454	9,042
Solvency Ratio	115%	134%	148%	121%



## STRONG FINANCIAL STRENGTH



### Financial strength rating for QIC



Rating: 'A' / Strong  
Outlook: Negative

- “QIC benefits from a diverse competitive position supported by its leading domestic standing, regional Gulf Cooperation Council (GCC) operations, and a substantial (re)insurance income stream from the international market, which generates about three-quarters of the group's GWP”



Rating: 'A' / (Excellent)  
Outlook: Negative

- “The ratings reflect QIC's balance sheet strength, which AM Best categorises as very strong, as well as its strong operating performance, neutral business profile and appropriate enterprise risk management (ERM).”

### QIC Group equity

in QAR million

	2018	2019	2020 Q1
Share capital	3,189.06	3,266.10	3,266.10
Share premium	2,554.49	2,759.19	2,759.19
Legal reserve	634.57	634.57	634.57
General reserve	287.00	287.00	287.00
Fair value (loss) reserve	(313.85)	177.46	(513.63)
Catastrophe special reserve	32.02	32.02	32.02
Other components of equity	60.01	(38.77)	(92.80)
Retained earnings	1,282.52	1,335.69	636.01
<b>Equity attributable to parent</b>	<b>7,725.82</b>	<b>8,453.26</b>	<b>7,008.46</b>
Non-controlling interest	245.82	147.33	130.39
Subordinated perpetual debt	1,615.60	1,615.60	1,615.60
<b>Total equity</b>	<b>9,587.24</b>	<b>10,216.19</b>	<b>8,754.45</b>



# Organisation



## STRONG GEOGRAPHIC AND SECTOR DIVERSIFICATION



### Group level



### Operations



### Sector

#### Direct Insurance:

- Personal Lines
- Commercial Lines

#### Reinsurance:

- Property & Casualty
- Facultative Lines

#### Lloyds Re/insurance:

Commercial Lines

#### Life and Medical:

- Medical Lines
- Life Lines

#### Asset management:

Proprietary and TP asset management

### Geography

Qatar  
GCC  
Europe

Global

Global

Qatar  
GCC

Global

# Risk Management

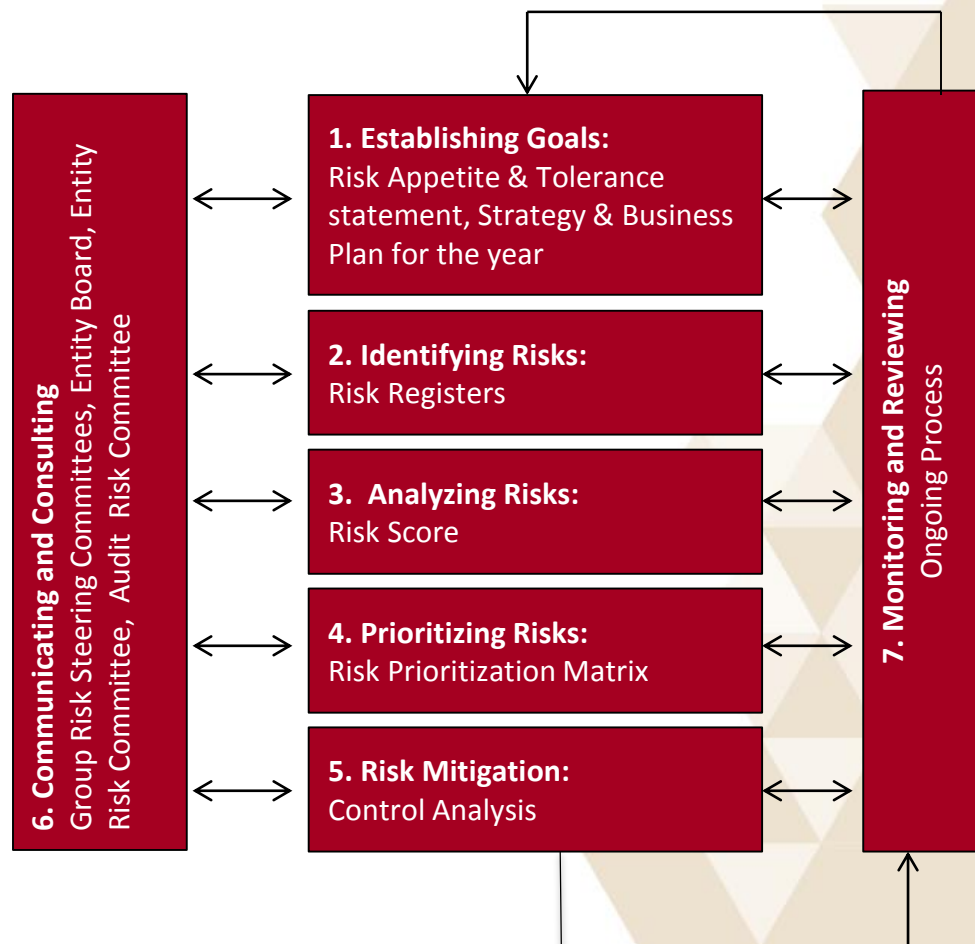


## STRICT ADHERENCE TO CLEARLY DEFINED ERM PROCEDURES

### Risk Management at QIC

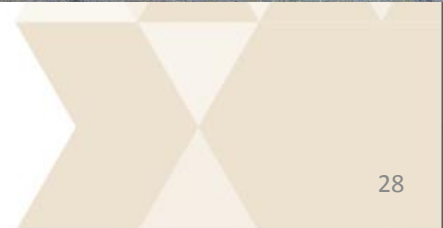
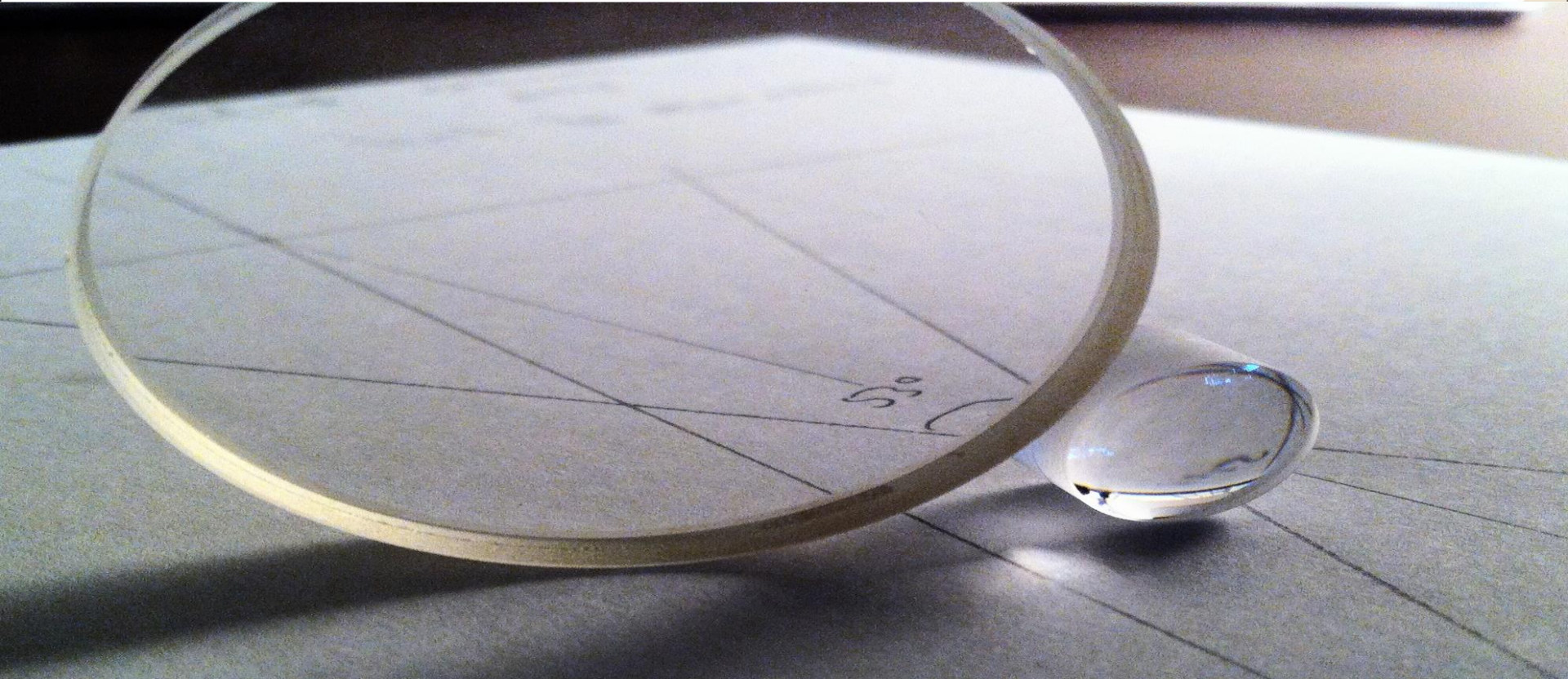
- ERM is broken down into Risk Management, Capital Management and Exposure Management
- Governance structure follows the three lines of defence model with dedicated Risk Committees in each entity of the company
- Each entity committee reports into the Group Risk Committee, which reports to the Group's Board and Audit committee
- Risks are monitored and maintained according to risk categories such as insurance, market, credit, operational and group
- Each risk is assessed for impact and probability along with the controls in place to mitigate
- Risk controls are reviewed quarterly
- QIC has in place an extensive stress and scenario testing framework
- QIC conducts analysis into emerging risks
- Risk appetite and tolerance set at the group and entity level with the position against these metrics monitored on an on-going basis

### Enterprise risk management cycle





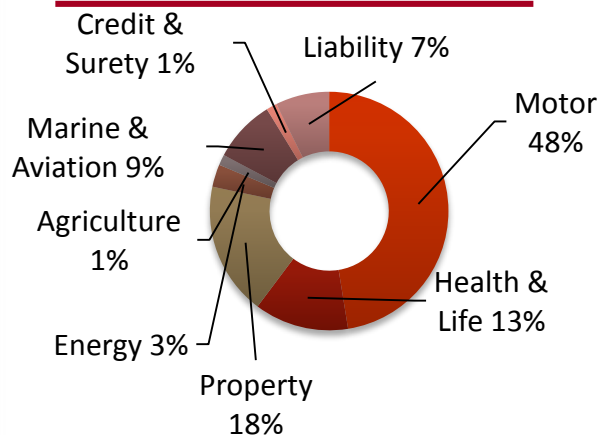
# Outlook





## ASPIRING TO BECOME A GLOBAL TOP 50 COMPOSITE INSURER

### Well-diversified business mix

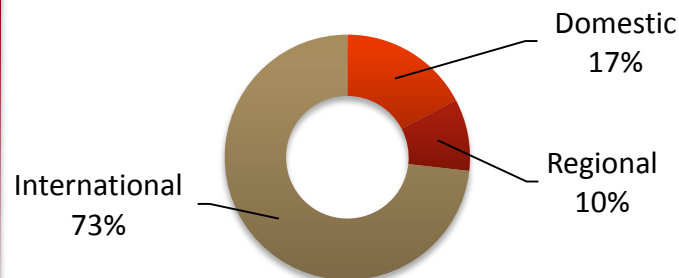


### A portfolio of powerful franchises



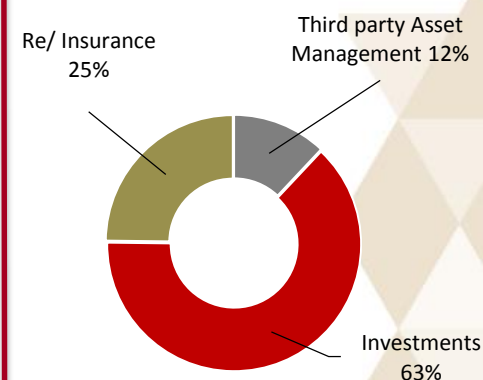
- Continue to capitalize on transactional opportunities
- Grow QIC Europe
- Expand into Asia / Pacific on the back of Qatar and Antares
- Further grow medical and life lines in the domestic and regional market

### Balanced geographical mix



- QIC Europe Ltd: Became a common platform for QIC's entry into Europe
- Use synergies with Qatar Re in reinsurance and Antares in specialty insurance
- Qatar Re: Leverage acknowledged market and product expertise to expand on a global scale, broaden product offering
- Antares: Capitalize on Lloyd's expansion and leverage synergies with Qatar Re

### Distinct sources of income



- Further build 3<sup>rd</sup> party investment capabilities
- Continue to generate investment income above index and peers

# APPENDIX

At a Glance	Strategy	Competitive Position	Performance	Organisation	Risk Management	Outlook	Appendix
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## PROFIT AND LOSS ACCOUNT, 2016 – 2020 Q1



Income Statement (QAR '000)	2016	2017	2018	2019	2020 Q1
Gross written premium	9,901,394	11,658,697	12,605,835	12,843,166	3,689,955
Net earned premium	8,359,887	8,928,623	11,345,969	10,832,013	2,776,421
Net claims incurred	(5,761,487)	(7,061,988)	(7,858,307)	(7,596,856)	(2,022,374)
Net commission	(1,754,717)	(1,751,670)	(2,911,354)	(2,879,788)	(743,204)
Net underwriting income	843,683	114,964	576,308	355,369	10,843
Investment and other income	924,851	986,023	862,654	1,084,447	34,182
G&A expenses	(716,956)	(677,380)	(774,794)	(768,901)	(231,434)
<b>Net profit</b>	<b>1,051,578</b>	<b>423,609</b>	<b>664,168</b>	<b>670,915</b>	<b>(186,409)</b>
<b>Attributable to:</b>					
Net profit – Owners of parent	1,034,018	417,593	645,942	650,874	(185,024)
Net profit – Non controlling interests	17,560	6,016	18,226	20,041	(1,385)

For Q1 2020 results - Refer the note in page 5

At a Glance	Strategy	Competitive Position	Performance	Organisation	Risk Management	Outlook	Appendix
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## BALANCE SHEET, 2016 – 2020 Q1

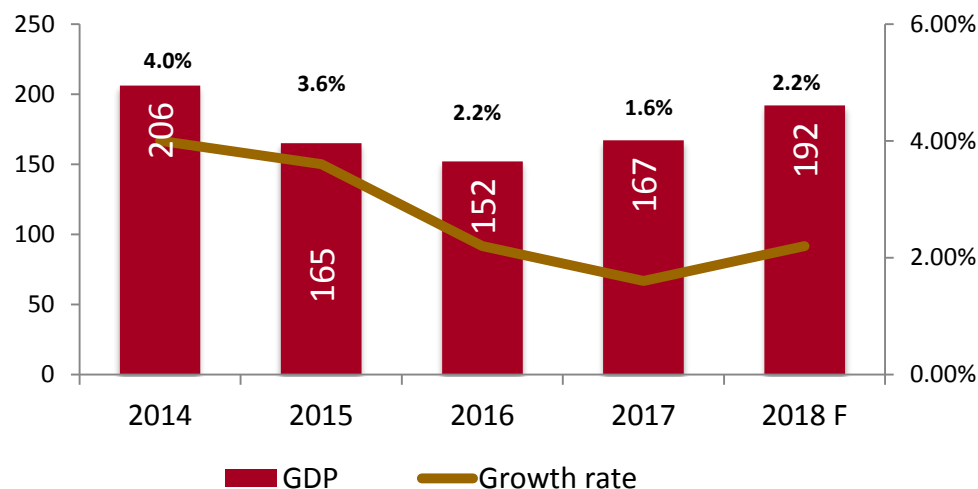


Balance Sheet (QAR '000)	2016	2017	2018	2019	2020 Q1
<b>ASSETS</b>					
Cash and cash equivalents	6,962,310	7,914,054	8,011,163	8,544,700	7,378,925
Insurance and other receivables	6,652,577	8,194,344	9,345,951	8,452,858	8,711,594
Reinsurance contract assets	2,493,439	3,774,868	5,467,185	5,099,804	5,485,144
Investments	11,573,906	13,797,023	15,021,431	15,938,130	15,767,252
Investment properties	575,818	585,789	606,372	596,004	577,468
Property and equipment	40,300	52,538	52,033	146,935	137,897
Goodwill and intangible assets	417,114	415,668	660,488	636,883	558,000
<b>TOTAL ASSETS</b>	<b>28,715,464</b>	<b>34,734,284</b>	<b>39,164,623</b>	<b>39,415,314</b>	<b>38,614,280</b>
<b>Liabilities</b>					
Short term borrowings	4,065,311	3,975,446	4,881,821	4,526,219	4,595,394
Insurance contract liabilities	13,583,283	17,717,987	20,420,997	20,499,218	21,153,908
Provisions, reinsurance and other payables	2,471,451	3,012,867	4,142,016	3,995,183	3,941,758
Long term borrowings	127,196	138,795	132,554	178,500	168,778
<b>Total liabilities</b>	<b>20,247,241</b>	<b>24,845,095</b>	<b>29,577,388</b>	<b>29,199,120</b>	<b>29,859,838</b>
<b>Equity</b>					
Share capital	2,411,387	2,773,095	3,189,059	3,266,101	3,266,101
Reserves & surplus	5,824,719	5,244,162	4,536,764	5,187,160	3,742,358
Non controlling interests	232,117	256,336	245,816	147,337	130,387
Subordinated perpetual debt		1,615,596	1,615,596	1,615,596	1,615,596
<b>Total equity</b>	<b>8,468,223</b>	<b>9,889,189</b>	<b>9,587,235</b>	<b>10,216,194</b>	<b>8,754,442</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>28,715,464</b>	<b>34,734,284</b>	<b>39,164,623</b>	<b>39,415,314</b>	<b>38,614,280</b>

## QATAR: A THRIVING ECONOMY

### GDP and real GDP growth\*

in USD billion

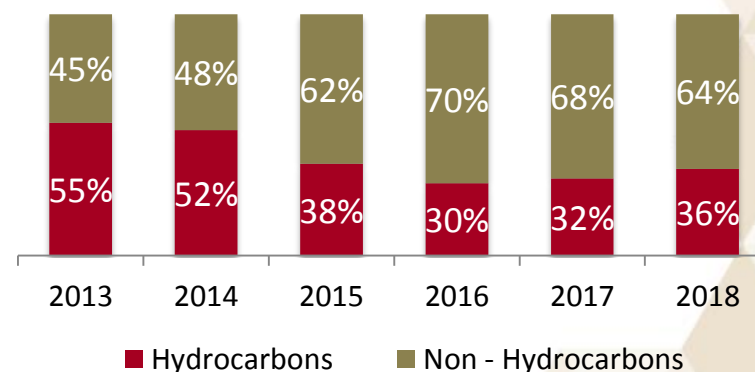


\*Source: IMF

### Strong fundamentals

- **Strong credit rating in the GCC** S&P: AA- ; Fitch: Aa3; Moody's: Aa3
- **Strong population growth** Tripled since 2003, 2.7 million in 2018, 2.8 million by 2020
- **World's highest per capita** USD 130,000 2018E

### Hydrocarbon vs. Non-hydrocarbon sectors in GDP\*



\*Source: MDPS

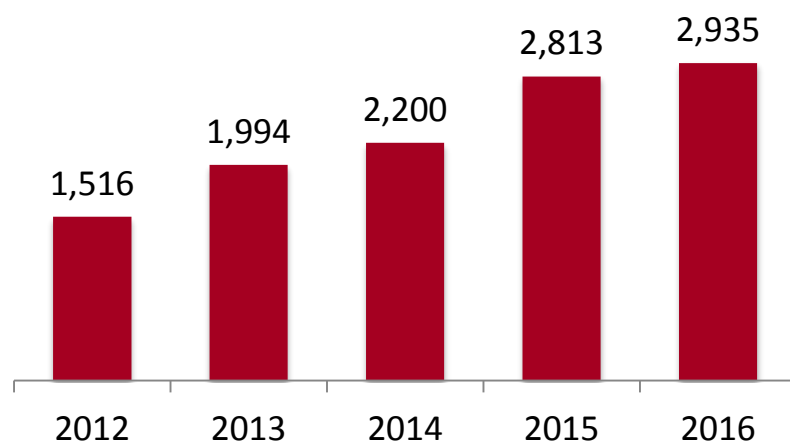
### Diversifying the economy

- **Hydrocarbon reserves** ≈ USD 25 trillion
- **World largest exporter of LNG** 77 million tonnes per annum; 2024E 110 mtpa
- **Investments into infrastructure** ≈ USD 150 billion by 2020
- **National Rail Project** ≈ USD 40 billion

## QATAR'S GROWING INSURANCE SECTOR

### Total premiums

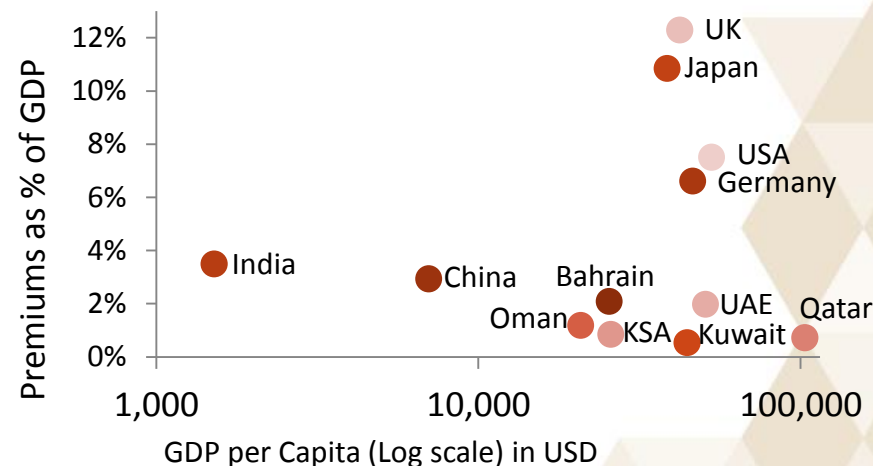
in USD million\*



\*Source: Swiss Re SIGMA

### Insurance Penetration

2016



Source: Swiss Re, Central Bank of Bahrain, EIU Country Data via BVDep

### Insurance regulation

- Qatar Central Bank (QCB) is the single financial regulator for financial institutions in Qatar
- QCB has responsibility for the design and implementation of policies relating to the regulation, control and supervision of financial services and financial markets in Qatar
- QCB pursues a consistent risk-based micro-prudential framework in line with global regulatory standards



## QIC BOARD OF DIRECTORS AND MAJOR SHAREHOLDERS



**Sheikh Khalid bin Mohammed bin Ali Al-Thani**  
Chairman & Managing Director



**Abdullah bin Khalifa Al-Attiya**  
Deputy Chairman



**Hussain Ibrahim Al-Fardan**  
Board Member



**Jassim Mohammed Al-Jaidah**  
Board Member



**Sheikh Hamad bin Faisal bin Thani Al Thani**  
Board Member



**Khalaf Ahmed Al-Mannai**  
Board Member



**Sheikh Jassim bin Hamad bin Jassim bin Jabor Al Thani**  
Board Member



**Sheikh Faisal bin Thani bin Faisal Al-Thani**  
Board Member



**Sheikh Saoud bin Khalid bin Hamad Al Thani**  
Board Member



**Ali Youssef Hussein Ali Kamal**  
Board Member



**Sheikh Abdulrahman bin Saud bin Fahad Al Thani**  
Board Member



**Khalifa A. Al Subaey**  
Group President

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