



مجموعة قطر للتأمين  
QATAR INSURANCE GROUP

**Domestic dominance**

**Regional leadership**

**Global ambitions**

*September 2018*



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

## QIC - KEY FACTS AND FIGURES – September 2018



### Solid foundation

- ✧ QIC steadily evolved from a domestic player to a regional leader on to global ambitions over 50 years

### Strong financials

- ✧ GWP: QAR 9.5 billion
- ✧ Net profit: QAR 474 million
- ✧ Market Capitalization: QAR 12 billion

### Five pillar strategy

- ✧ Direct insurance
- ✧ Lloyds insurance
- ✧ Reinsurance
- ✧ Life and Medical
- ✧ Asset Management

### Stable sources of income

- ✧ Consistent underwriting performance over 50 years
- ✧ Outstanding investment contribution

### Strong financial strength

- ✧ 'A' (Excellent) AM Best financial strength rating
- ✧ 'A' / Stable outlook, Standard & Poor's financial strength rating

### High risk maturity

- ✧ Best in class Enterprise Risk Management practices

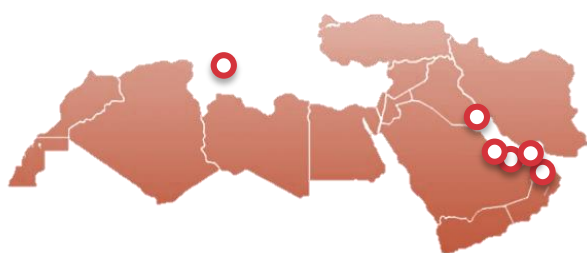
## 55 YEARS OF OPERATIONAL EXCELLENCE



## 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 116 companies



Asia Pacific: QIC No 10 of 264 – excl. L&amp;H



World: QIC No 109 of 375 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 Marker  
study Ins. Co.'s & Qatar Re  
ranked 27<sup>th</sup> amongst top  
50 global reinsurers

# SUSTAINED GROWTH FROM DIVERSIFIED SOURCES



## Net profit

in QAR million

2018 9M 474

2017 424

2016 1,052

2015 1,064

2014 1,025

## Earnings per share

(restated) in QAR

1.16

1.31

3.24

3.27

3.14

## Market Capitalization

in QAR million

12,077

14,836

20,449

15,139

14,545

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



Direct  
Insurance

QIC



Lloyds  
Insurance

Antares



Life &  
Medical

Qatar Life &  
Medical



Reinsurance

Qatar Re



Asset  
Management

QIC Asset  
Management



Real Estate

QIC Real  
Estate



Financial strength rating 'A' (strong),  
outlook stable  
[www.standardandpoors.com](http://www.standardandpoors.com)



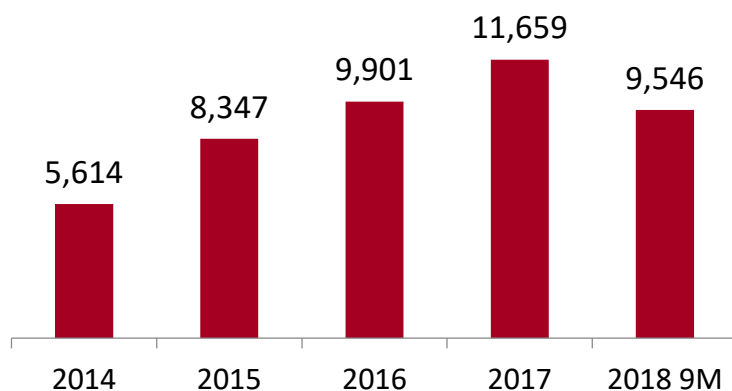
Financial strength rating of 'A' (excellent)  
[www.ambest.com](http://www.ambest.com)

## ROBUST FINANCIAL PERFORMANCE



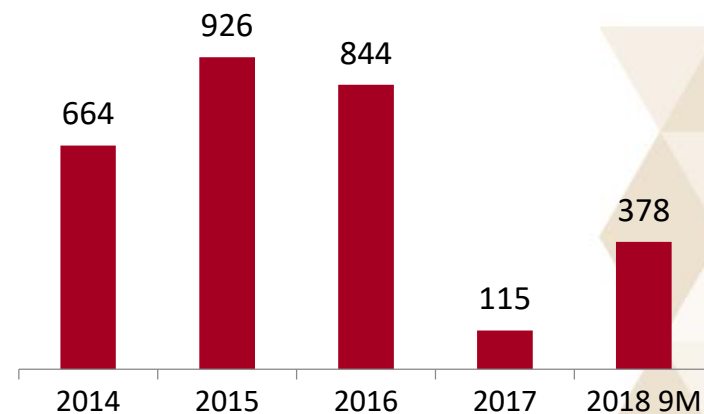
### Gross written premiums

in QAR million



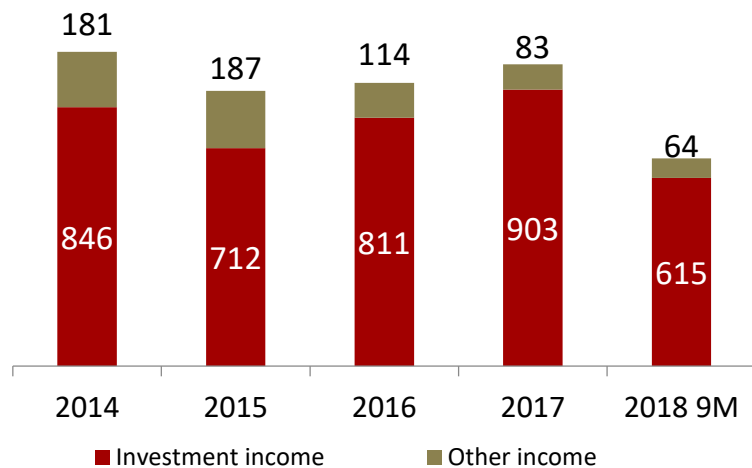
### Underwriting results

in QAR million



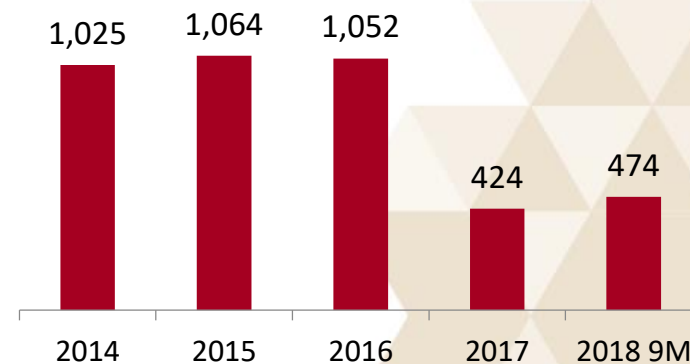
### Investment and other income

in QAR million



### Net profit

in QAR million





# 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 Lloyds 1274 Syndicate
- Qatar Re branch
- QIC Europe branch

### Zurich



- Qatar Re Continental Europe and global operations

### Malta



- QIC Europe Ltd

### Singapore



- Antares Asia

### Gibraltar



- Markerstudy Insurance Companies

### Doha



- QIC Group's HQ and domestic operations
- QIC Capital

### 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

## Lloyds



- 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

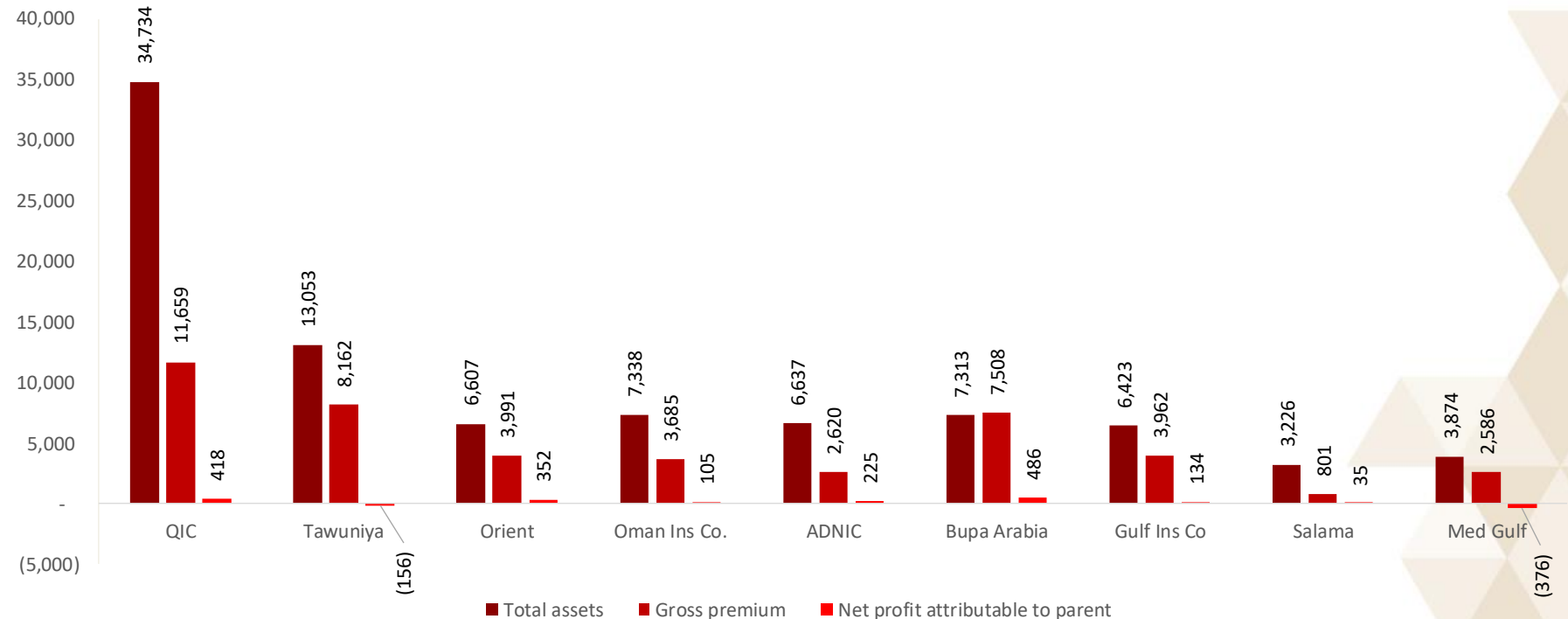
# Competitive Position



## DOMINANT POSITION IN THE MENA REGION

### Regional comparison (FY 2017)

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 835 million

**MENA Life & Non-Life**

USD 50 billion

**Qatar Re**

- Ranked 27<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 1.5 billion

**GWP Top 10 reinsurer**

USD 6 billion

**Antares**

- Established as independent Managing Agent at Lloyd's, the world's global insurance and reinsurance market of choice
- Ranks no. 28 within Lloyd's by GWP
- Synergies with QIC have potential to enhance growth

**Antares GWP**

USD 616 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
- Ranked 109 worldwide by market cap

**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..

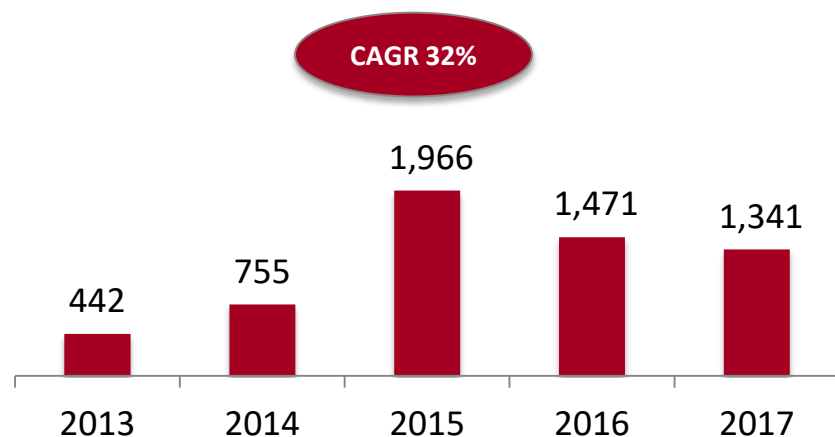


مجموعة قطر للتأمين  
QATAR INSURANCE GROUP

Key Highlights (QAR million)	2014	2015	2016	2017	2018 9M
Gross premium	5,614	8,347	9,901	11,659	9,546
Underwriting results	664	926	844	115	378
Net profit	1,025	1,064	1,052	424	474
Investment and other income	1,027	899	925	986	679
Earnings per share (restated)	3.14	3.27	3.24	1.31	1.16
Cash dividend per share	2.5	2.5	1.5	1.5	--
Bonus share	15%	10%	15%	15%	--
Share price	90.6	82	85	53.5	37.9

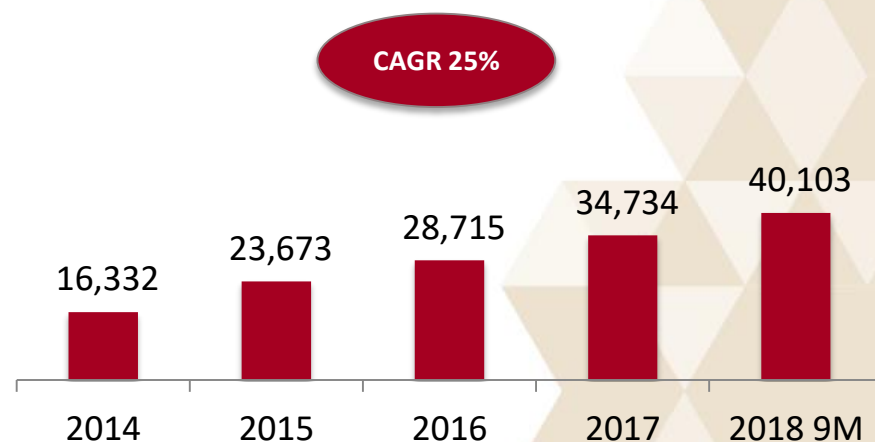
### Operating Cash Flow growth

in QAR million



### Total Assets

in QAR million



## ...AND SHAREHOLDER VALUE CREATION

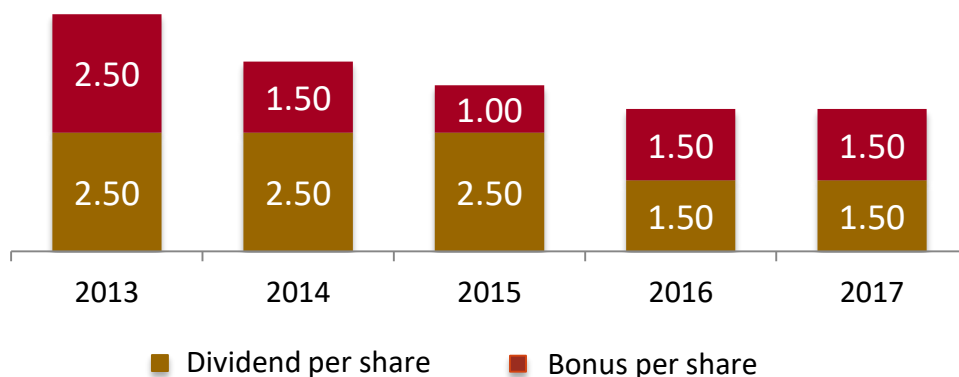


### Dividends

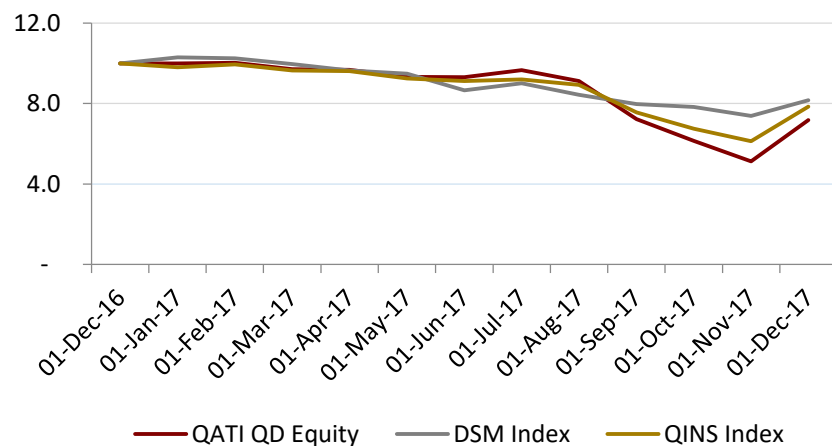
in QAR

#### Pay-out ratio

85%      64%      62%      70%      234%

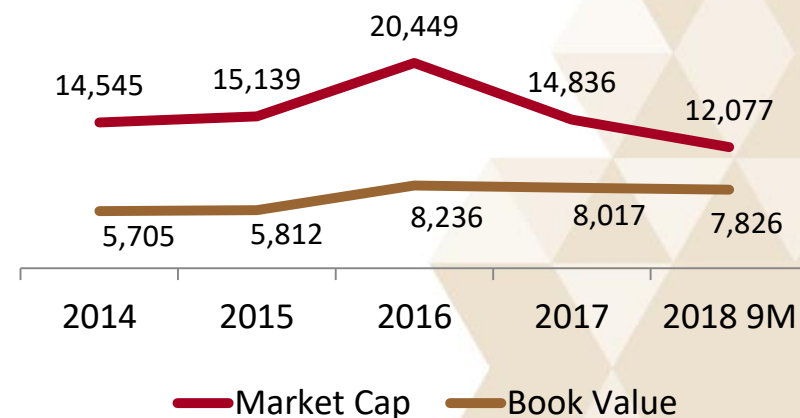


### QIC shares with QE Index and QE Insurance index



### Market Value

in QAR million

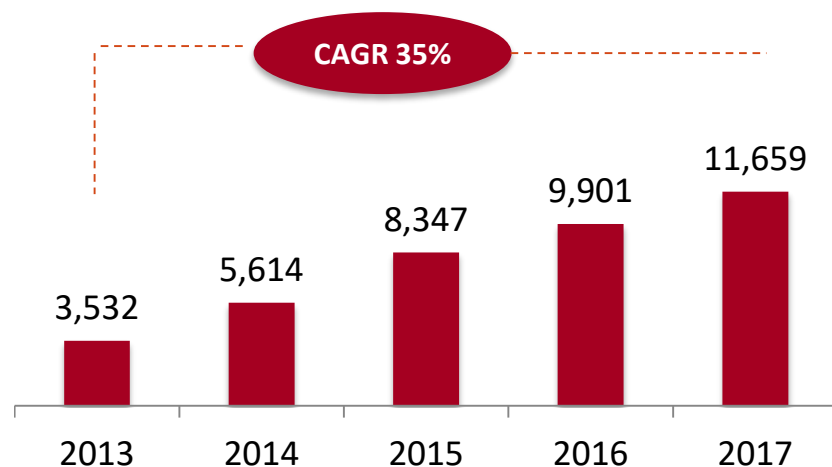


## UNDERWRITING PERFORMANCE



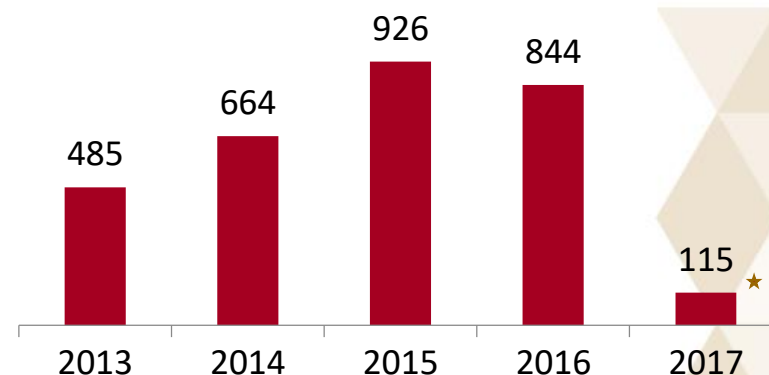
### Gross Premiums

In QAR million



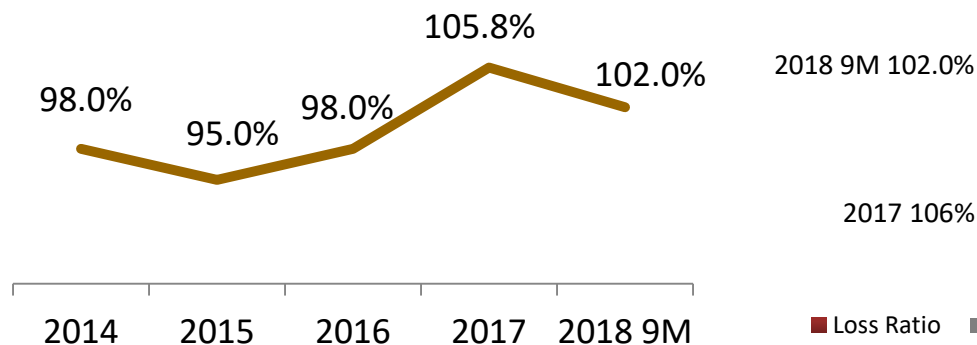
### Net Underwriting Results

In QAR million



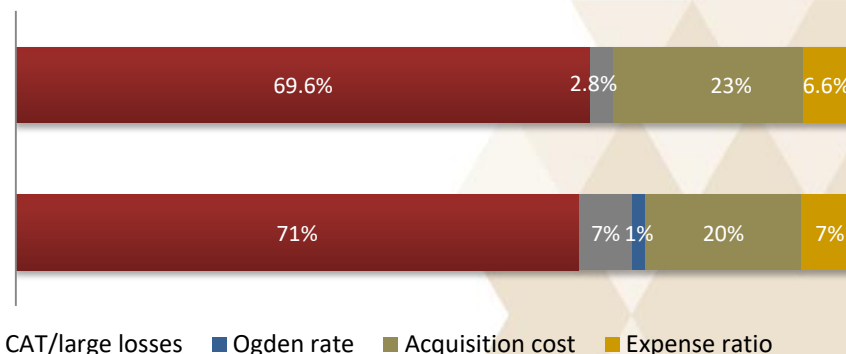
Net underwriting result of 2017 reflects impact of insured natural catastrophes in the Americas. QIC through its global operations was significantly impacted by hurricanes Harvey, Irma and Maria in the third quarter of 2017. Other major event that impacted QIC was the unexpected reduction of the Ogden discount rate in the UK in the first quarter in 2017 which forced the insurers to increase their loss reserves.

### Combined ratio



2018 9M 102.0%

2017 106%



■ Loss Ratio ■ CAT/large losses ■ Ogden rate ■ Acquisition cost ■ Expense ratio

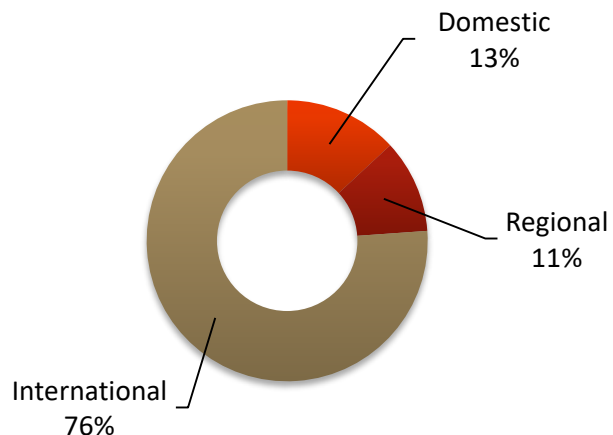


## WELL DIVERSIFIED PORTFOLIO ENHANCES CAPITAL EFFICIENCY

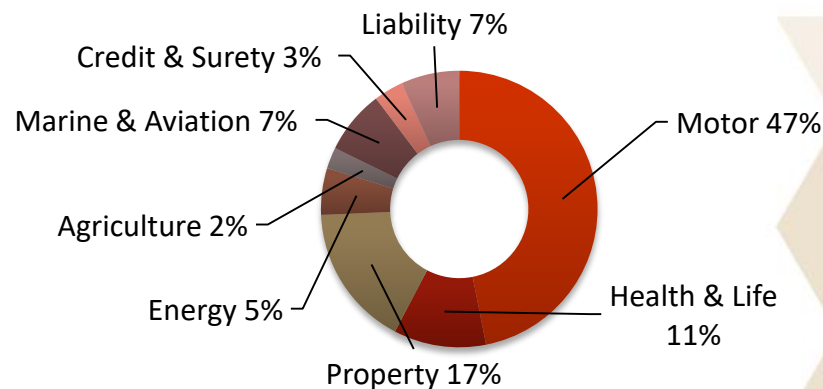


## Gross premiums, split by region

2018 9M



## Gross premiums, split by line of business 2018 9M

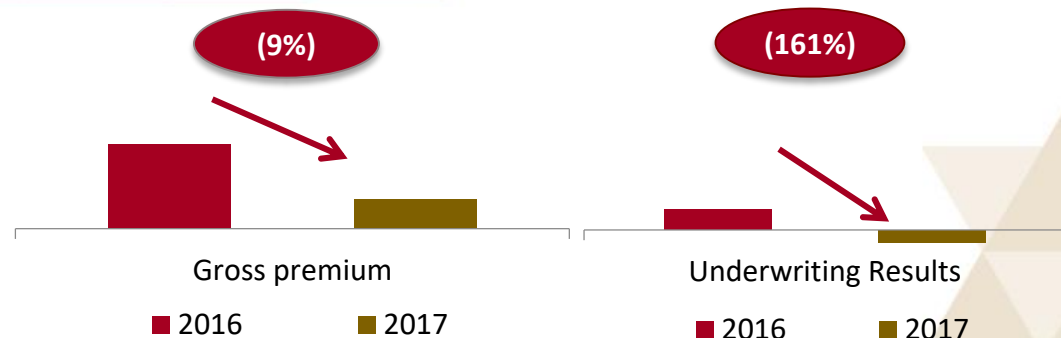


- Superior geographical and product diversification translates into high capital efficiency
- QIC is the only MENA composite insurer with a sizeable international footprint: Qatar Re, Antares and QIC Europe account for 76% of QIC's total GWP till Sep 2018
- Motor business generates 47% of the total GWP
- European and Asian business poised for particularly strong growth (based on newly established QIC Europe and Singapore office of Antares)

## STRONG TECHNICAL PERFORMANCE IN A HIGHLY COMPETITIVE ENVIRONMENT

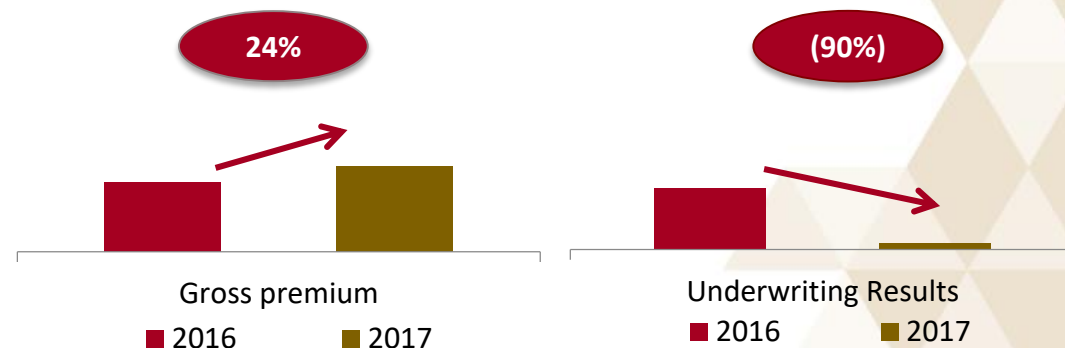
in QAR million

Marine and Aviation	2016	2017
Gross premium	1,171	1,060
Underwriting Results	118	(72)
Loss ratio	65%	90%
Insurance margin	14.8%	(9)%



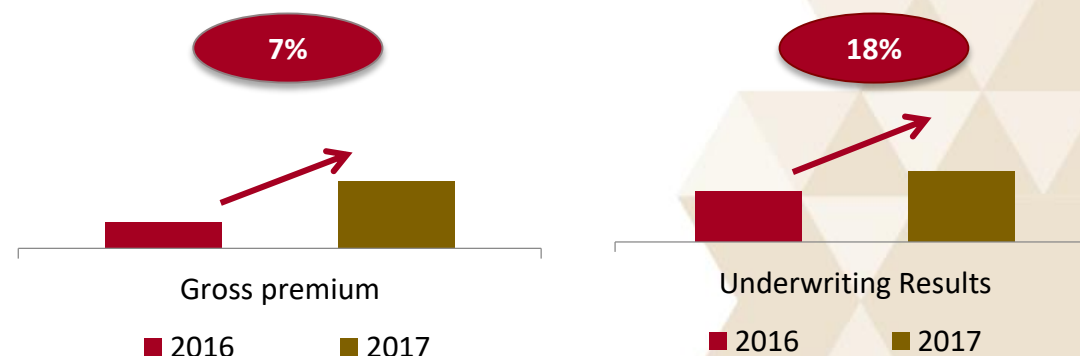
in QAR million

Property & Casualty	2016	2017
Gross premium	7,471	9,249
Underwriting Results	624	63
Loss ratio	66%	77%
Insurance margin	9.8%	0.9%



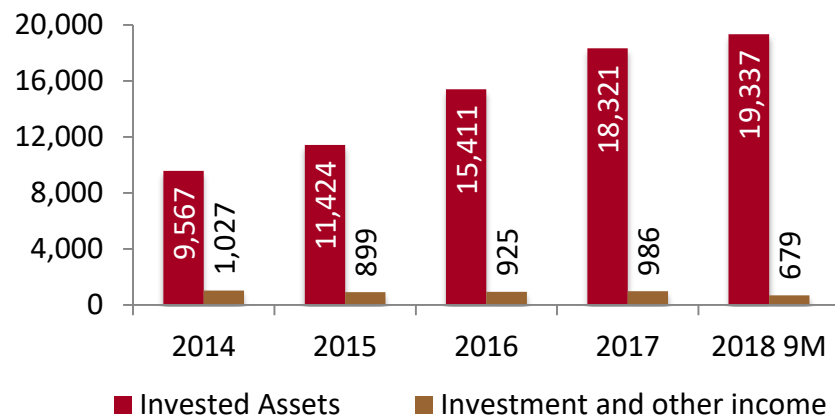
in QAR million

Life & Medical	2016	2017
Gross premium	1,259	1,350
Underwriting Results	94	111
Loss ratio	86%	85%
Insurance margin	8%	9%

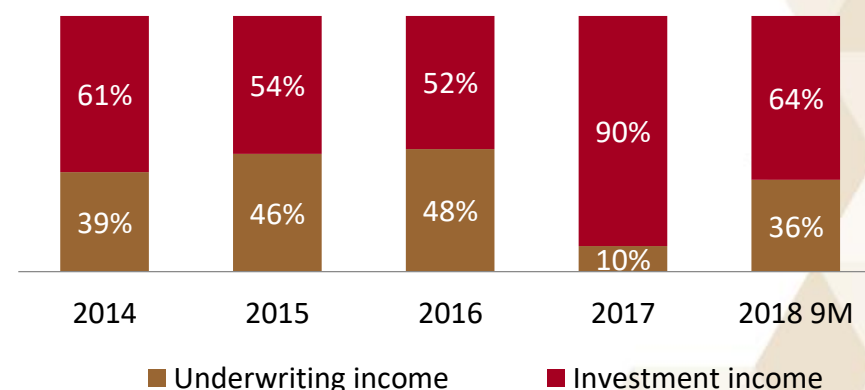


## STRONG INVESTMENT YIELD DESPITE LOW INTEREST RATE ENVIRONMENT

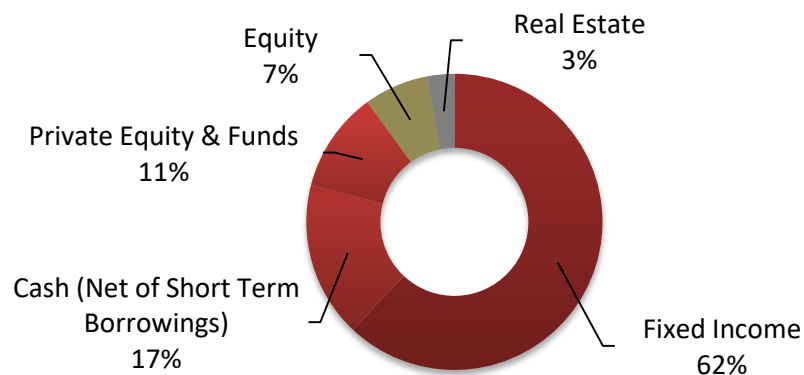
### Invested Assets vs investment and other income in QAR million



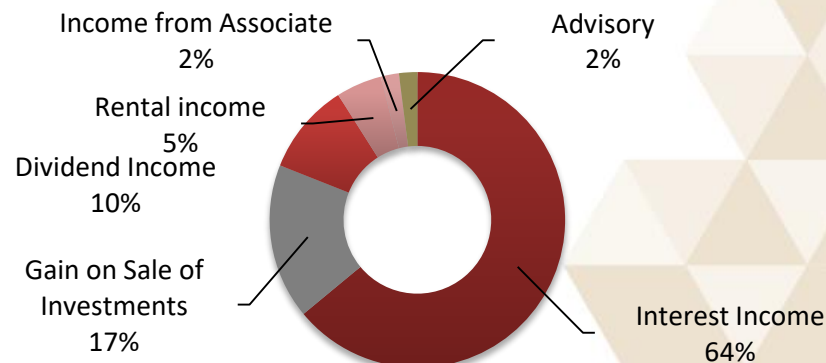
### Investment versus underwriting income



### Investment portfolio composition 2018 9M



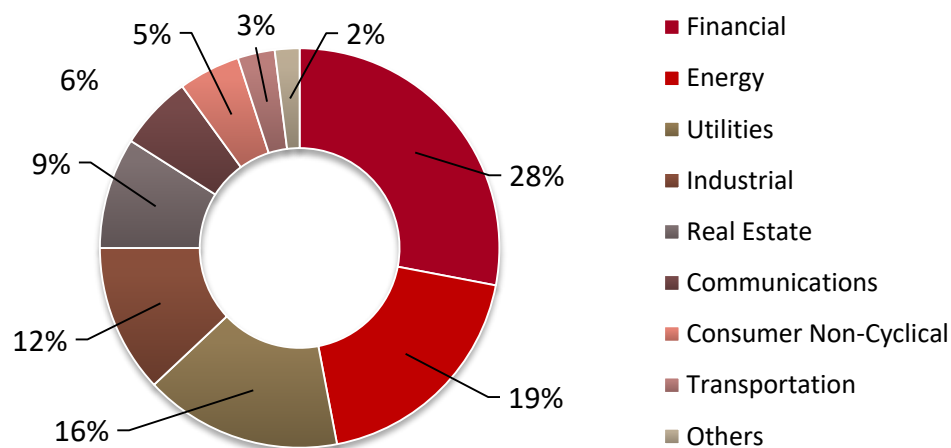
### Investment and other income composition 2018 9M



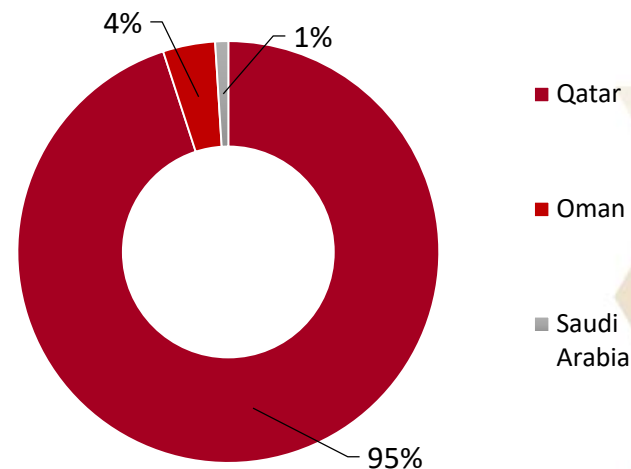


## FOCUS ON SECTOR BALANCE AND SECURITY OF INVESTMENTS

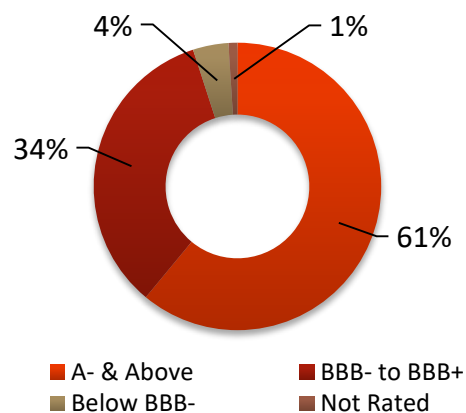
### Equity: Industry exposure



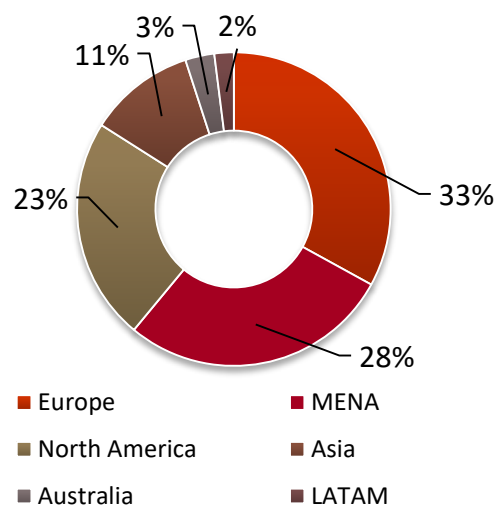
### Equity: Currency exposure



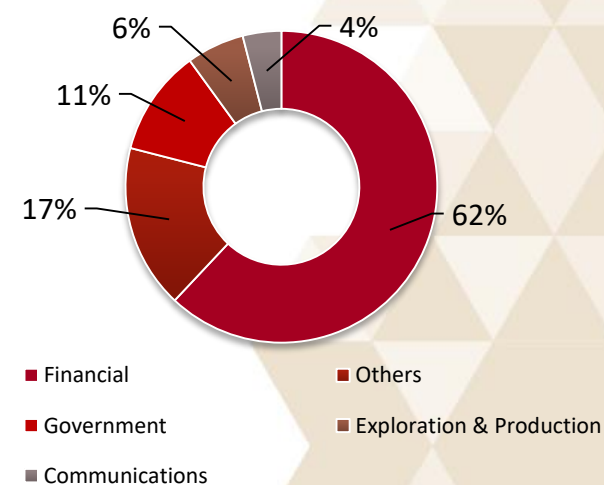
### Fixed income: Rating



### Fixed income: Geographic mix



### Fixed income: Mix by sector





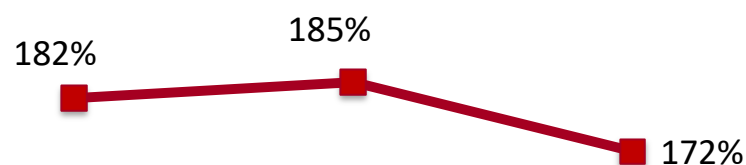
## EXCELLENT FINANCIAL STRENGTH RATIOS

### Assets

%	2013	2014	2015	2016	2017
Invested assets to total assets	71%	59%	62%	67%	53%
Invested assets to net technical reserves	339%	188%	119%	139%	131%
Cash and bank deposits to net technical reserves	137%	52%	37%	63%	57%

### Solvency: Increased capital utilization, ratio remains strong

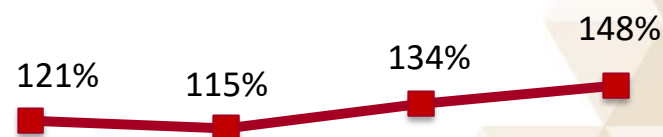
As per QCB	2016	2017	2018 Q2
Eligible Capital	7,018	8,377	7,985
Solvency Ratio	182%	188%	172%



2016 2017 2018 - Q2

■ QCB Solvency Ratio

As per S&P	2014	2015	2016	2017
Eligible Capital	6,071	7,217	8,066	9,454
Solvency Ratio	121%	115%	134%	148%



2014 2015 2016 2017

■ Solvency Ratio

## STRONG FINANCIAL STRENGTH



### Financial strength rating for QIC



Rating: **'A' / Stable**  
Outlook: **Stable**

- "We view QIC as an increasingly diversified insurance group with relatively mature operations in the still-growing Gulf Cooperation Council region, and with rapidly expanding reinsurance operations in Europe."



Rating: **'A' / (Excellent)**  
Outlook: **Stable**

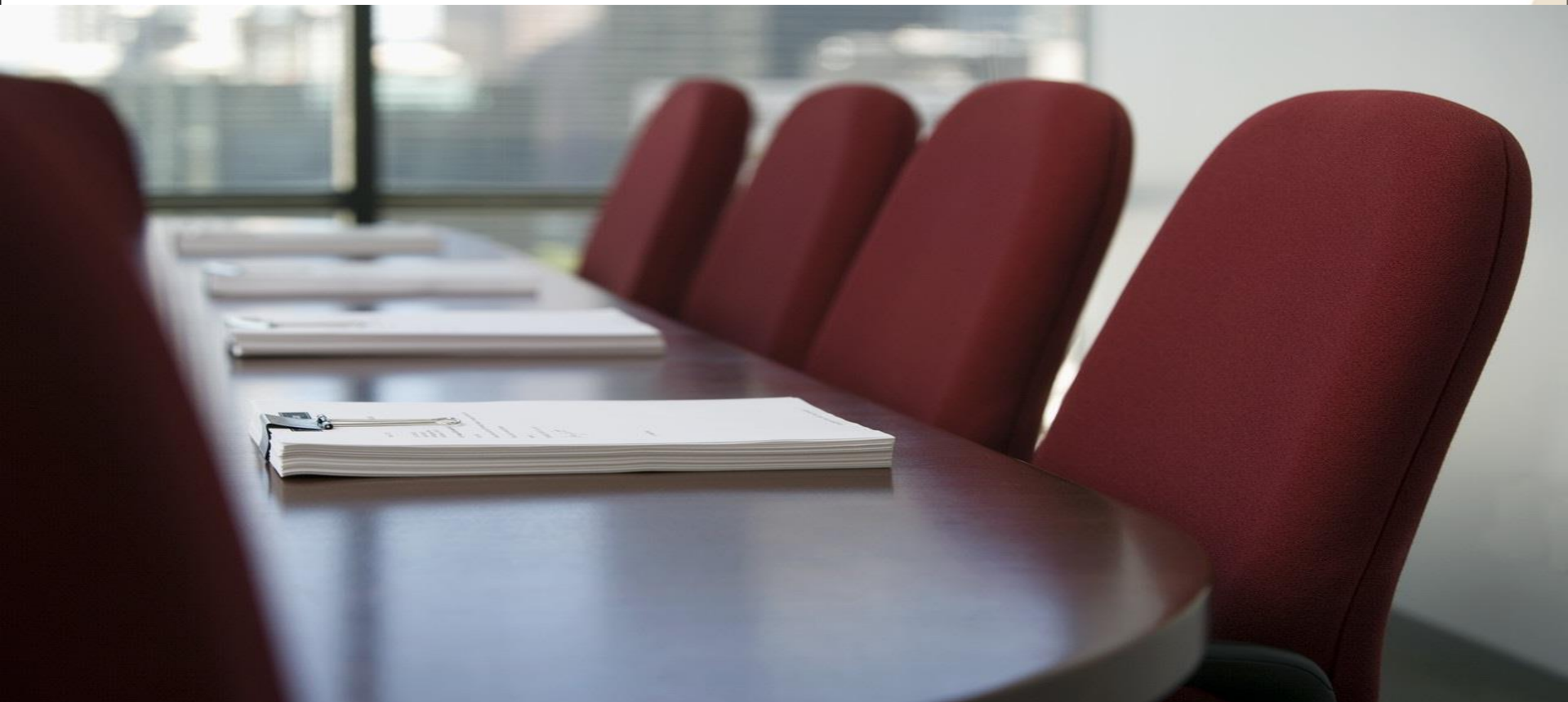
- "The ratings for Qatar Insurance Company S.A.Q. (QIC) reflect its very strong risk-adjusted capitalisation, robust underwriting performance and global business diversification."

### QIC Group equity

in QAR million

	2016	2017	2018 9M
Share capital	2,411.39	2,773.10	3,189.06
Share premium	2,554.49	2,554.49	2,487.74
Legal reserve	591.13	701.32	701.32
General reserve	287.00	287.00	287.00
Fair value (loss) reserve	110.87	(92.41)	(152.10)
Catastrophe special reserve	329.53	381.23	32.02
Foreign currency translation reserve	(15.13)	(6.83)	34.86
Retained earnings	1,966.83	1,419.36	1,246.44
<b>Equity attributable to parent</b>	<b>8,236.11</b>	<b>8,017.26</b>	<b>7,826.34</b>
Non-controlling interest	232.11	256.33	261.38
Subordinated perpetual debt	--	1,615.60	1,615.60
<b>Total equity</b>	<b>8,468.22</b>	<b>9,889.19</b>	<b>9,703.32</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

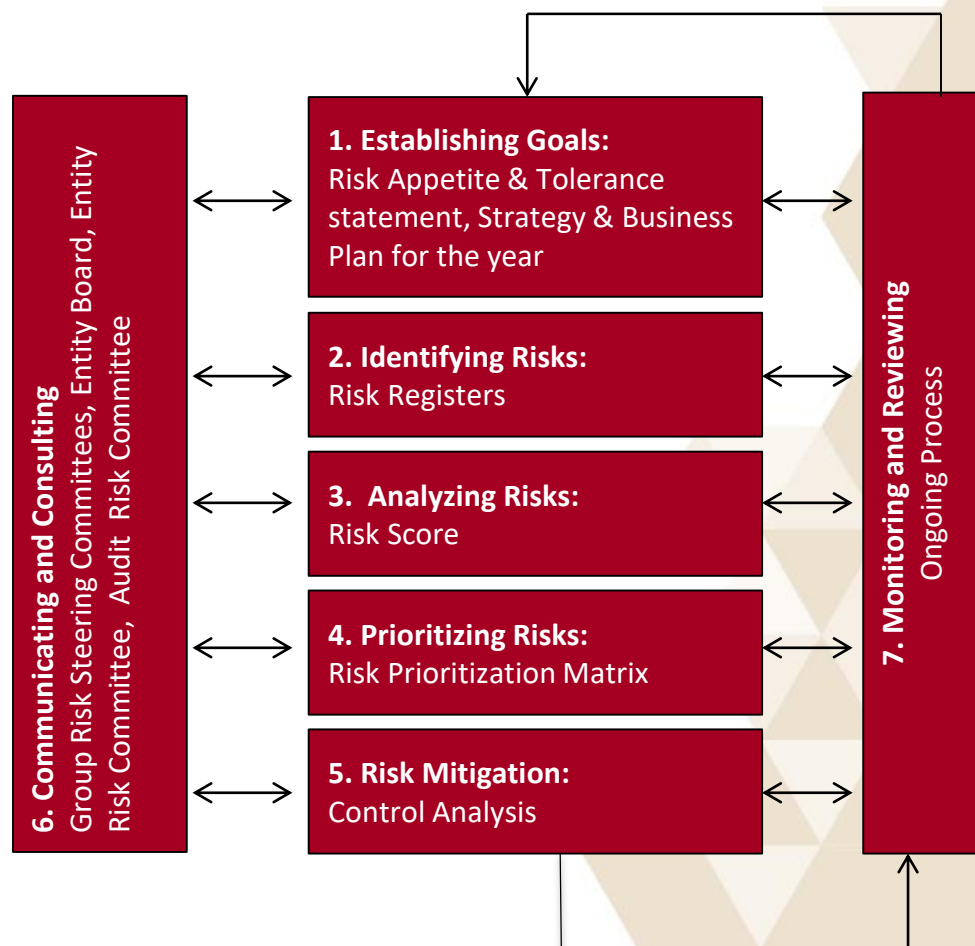


## STRICT ADHERENCE TO CLEARLY DEFINED ERM PROCEDURES

### Risk Management at QIC

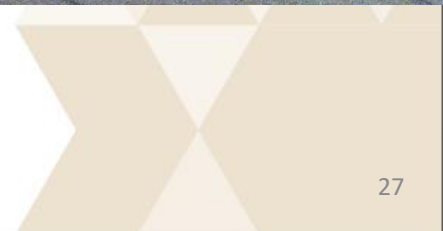
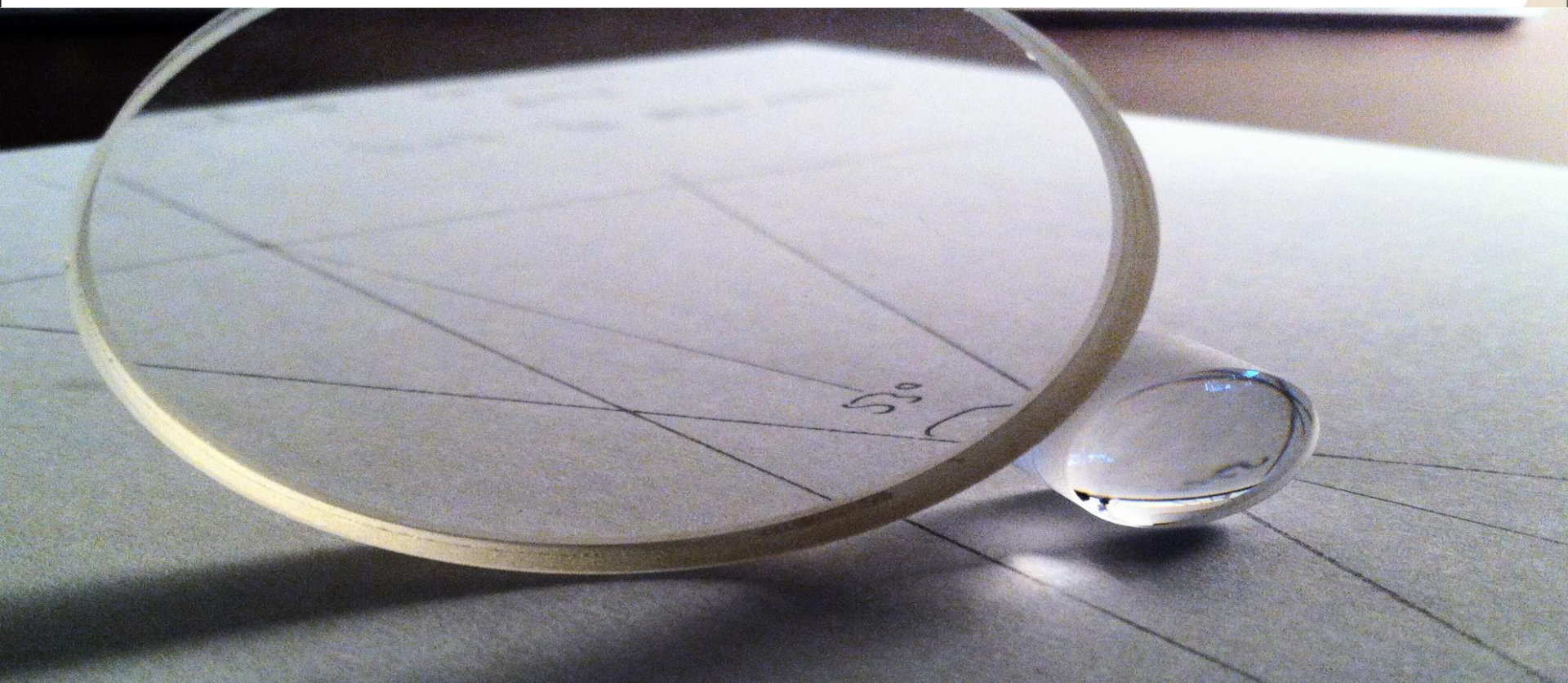
- ERM is broken down into Risk Management, Capital Management and Exposure monitoring
- Governance structure follows the three lines of defence model with dedicated Risk Committees in each entity of the company
- Each entity committee reports into the group's risk steering committee, which reports to 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 are reviewed quarterly
- QIC has in place a full-blown 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



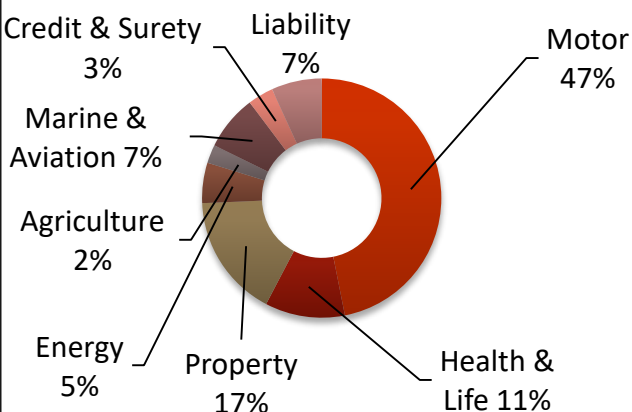


# Outlook



## ASPIRING TO BECOME A GLOBAL TOP 50 COMPOSITE INSURER

### Well-diversified business mix

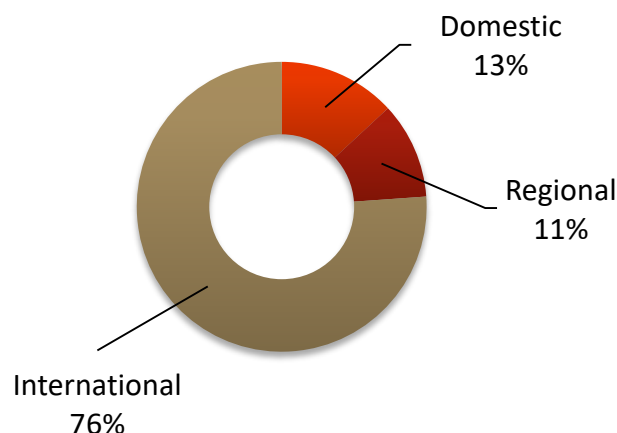


### A portfolio of powerful franchises



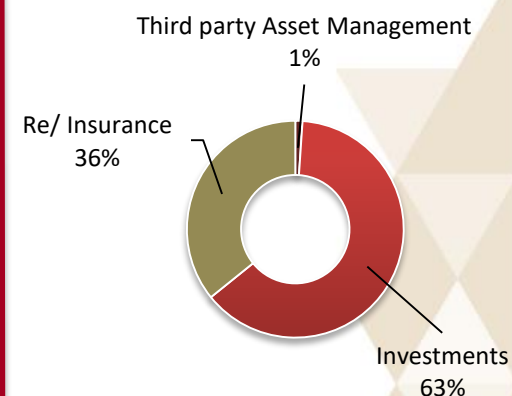
- Continue to capitalize on transactional opportunities
- Grow QIC Europe
- Expand into Asia / Pacific on the back of Qatar and Antares
- Further grow medical and life lines in the domestic and regional market

### 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, 2014 – 2018 9M



Income Statement (QAR '000)	2014	2015	2016	2017	Growth (YOY)	CAGR	2018 9M
Gross written premium	5,613,767	8,347,210	9,901,394	11,658,697	18%	28%	9,546,362
Net earned premium	3,678,344	5,787,173	8,359,887	8,928,623	7%	34%	8,247,232
Net claims incurred	(2,394,403)	(3,862,113)	(5,761,487)	(7,061,988)	23%	43%	(5,974,988)
Net commission	(620,093)	(999,317)	(1,754,717)	(1,751,670)	(0.2%)	41%	(1,898,646)
Net underwriting income	663,848	925,743	843,683	114,964	(86%)	(44%)	378,328
Investment and other income	1,027,488	898,596	924,851	986,023	7%	(1%)	678,602
G&A expenses	(665,926)	(760,350)	(716,956)	(677,380)	(6%)	1%	(582,874)
<b>Net profit</b>	<b>1,025,410</b>	<b>1,063,989</b>	<b>1,051,578</b>	<b>423,607</b>	<b>(60%)</b>	<b>(26%)</b>	<b>474,056</b>
<b>Attributable to:</b>							
Net profit – Owners of parent	1,001,833	1,043,636	1,034,018	417,593	(60%)	(25%)	451,573
Net profit – Non controlling interests	23,577	20,353	17,560	6,014	(66%)	(37%)	22,483

At a Glance	Strategy	Competitive Position	Performance	Organisation	Risk Management	Outlook	Appendix
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## BALANCE SHEET, 2014 – 2018 9M

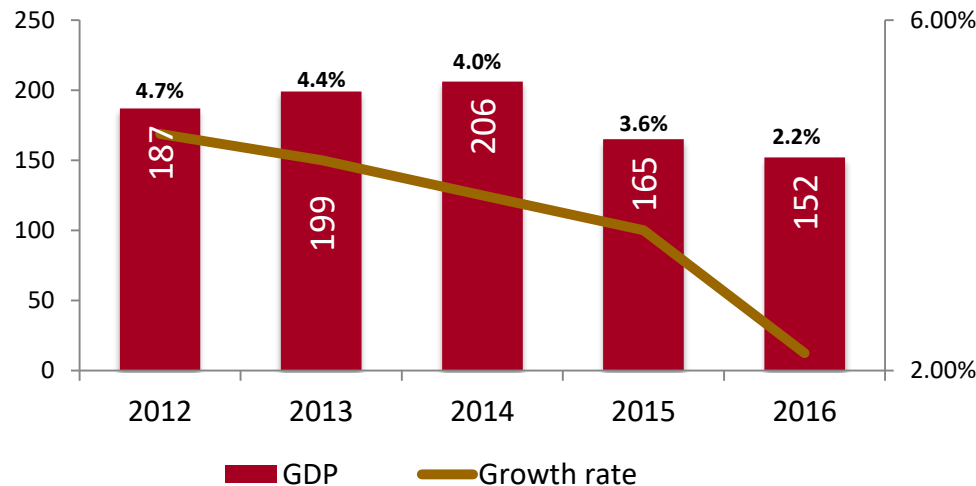


Balance Sheet (QAR '000)	2014	2015	2016	2017	2018 9M
<b>ASSETS</b>					
Cash and cash equivalents	2,646,907	3,518,760	6,962,310	7,914,054	8,401,191
Insurance and other receivables	2,820,028	6,481,460	6,652,577	8,194,344	9,565,605
Reinsurance contract assets	1,238,857	2,128,405	2,493,439	3,774,868	5,048,847
Investments	8,792,683	10,676,748	11,573,906	13,797,023	16,076,125
Investment properties	375,070	407,988	575,818	585,789	544,371
Property and equipment	38,665	41,406	40,300	52,538	52,805
Goodwill and intangible assets	420,006	418,560	417,114	415,668	414,584
<b>TOTAL ASSETS</b>	<b>16,332,216</b>	<b>23,673,327</b>	<b>28,715,464</b>	<b>34,734,284</b>	<b>40,103,528</b>
<b>Liabilities</b>					
Term borrowings	2,429,536	3,543,243	4,192,507	4,114,241	5,172,172
Insurance contract liabilities	6,318,414	11,768,077	13,583,283	17,717,987	21,232,525
Provisions, reinsurance and other payables	1,660,759	2,367,934	2,471,451	3,012,867	3,995,515
<b>Total liabilities</b>	<b>10,408,709</b>	<b>17,679,254</b>	<b>20,247,241</b>	<b>24,845,095</b>	<b>30,400,212</b>
<b>Equity</b>					
Share capital	1,605,404	1,846,214	2,411,387	2,773,095	3,189,059
Reserves & surplus	4,099,379	3,966,074	5,824,719	5,244,162	4,637,283
Non controlling interests	218,724	181,785	232,117	256,336	261,378
Subordinated perpetual debt				1,615,596	1,615,596
<b>Total equity</b>	<b>5,923,507</b>	<b>5,994,073</b>	<b>8,468,223</b>	<b>9,889,189</b>	<b>9,703,316</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>16,332,216</b>	<b>23,673,327</b>	<b>28,715,464</b>	<b>34,734,284</b>	<b>40,103,528</b>

## QATAR: A THRIVING ECONOMY

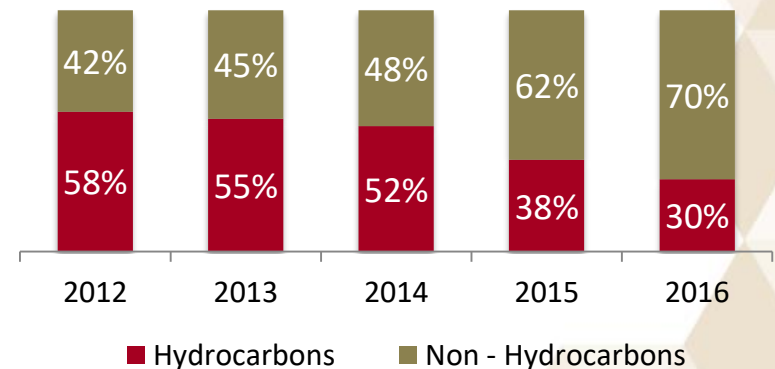
### GDP and real GDP growth\*

in USD billion



\*Source: IMF, 2017

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



\*Source: QNB Qatar Economic Insight, 2017

### Strong fundamentals

- **Strong credit rating in the GCC** S&P: AA- ; Fitch: Aa3; Moody's: Aa3
- **Strong population growth** Tripled since 2003, 2.6 million in 2016, 2.8 million by 2020
- **World's highest GDP per capita** USD 128,000 in 2016

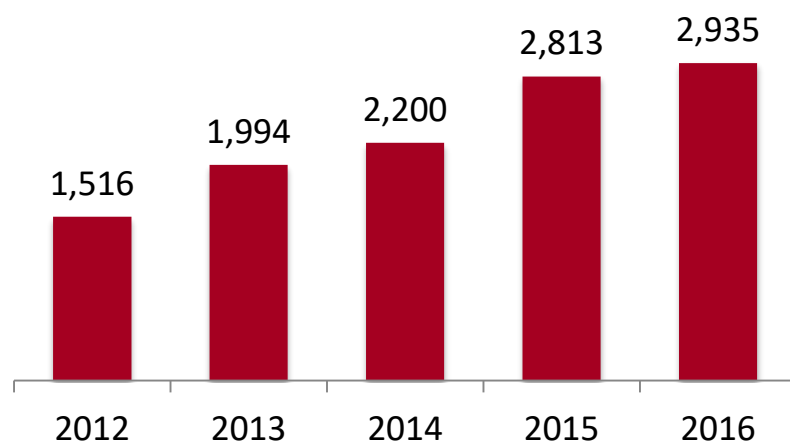
### Diversifying the economy

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

## QATAR'S GROWING INSURANCE SECTOR

### Total premiums

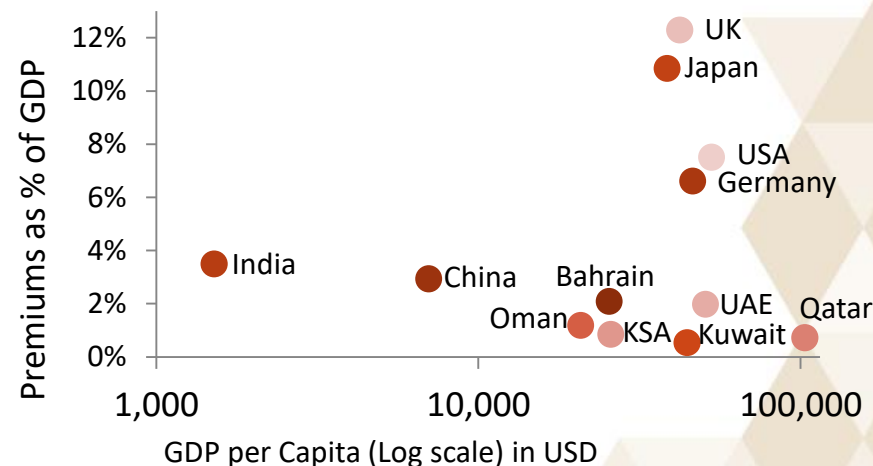
in USD million\*



\*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 International and QLM are regulated by the Qatar Financial Centre Regulatory Authority, which is in charge of the insurance sector regulation, reporting to the QCB

## QIC MANAGEMENT TEAM



**Ali Saleh Al Fadala**  
Sr. Deputy Group President  
& CEO



**Khalifa A. Al Subaey**  
Group President & CEO



**Sunil Talwar**  
Group CEO - International



**Salem Al-Mannai**  
Deputy Group President & CEO-Mena Region



**Ahmed El Tabbakh**  
SVP Group Finance and Advisor to  
the Group President & CEO



**Varghese David**  
Group Chief Financial Officer



**Sandeep Nanda**  
Group Chief Investment Officer



**Abdulla Al-Mulla**  
Group Chief Administrative Officer



**P.E. Alexander**  
Advisor to the Group President & CEO



**Mark Graham**  
Group Chief Risk Officer



**Gunther Saacke**  
CEO - Qatar Re



**Stephen Redmond**  
Managing Director-Antares



**Andy Ross**  
CEO-QEL



**Navin Kumar**  
CEO-OQIC



**Hassan H. Al Jaidah**  
CEO-KQIC



**Ilango T.**  
CEO-UAE Operations



## 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 & CEO

### QIC shareholders

in %

- **Government of Qatar** 13.90%
- **Qatari Royal Family and Associates** 14.73%
- **Board of Directors** 8.66%
- **Foreign Institutional Investors** 10.16%
- **Free Float** Remainder



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QATAR INSURANCE GROUP