



Earnings Flash Note
Al Khaleej Takaful Insurance Co.
3Q 2023 / 9M 2023



Al Khaleej Takaful Insurance Co. (AKHI)

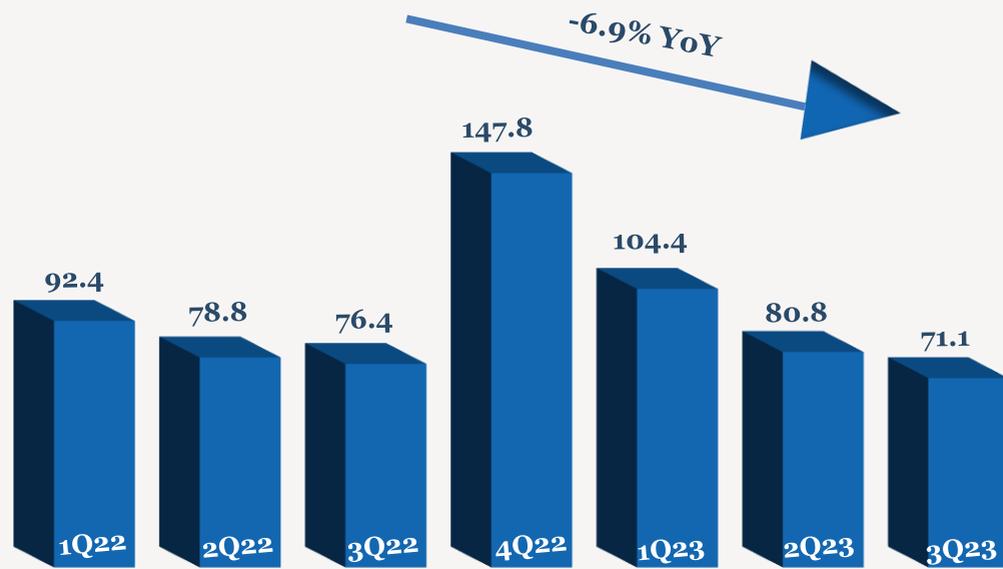
- > **Net profit decreased 19.6% YoY to QR10.5mn (-29.0% QoQ) primarily due to a surge in total expenses and higher claims in 3Q2023.** For 9M2023, net profit was up by 14.3% YoY to QR52.6mn.
- > **Gross written premium fell by 6.9% YoY to QR71.1mn (-12.1% QoQ) in 3Q2023.** For 9M2023, gross written premium was up by 3.5% YoY to QR256.3mn.
- > **Net earned premium (NEP) of QR46.0mn came higher by 17.9% YoY (-5.4% QoQ) in 3Q2023.** For 9M2023, NEP increased by 16.0% YoY to QR139.3mn.
- > **Loss ratio increased by 18.9ppts to 68.6% (+15.9ppts QoQ) owing to higher net claims incurred (+62.7% YoY, +23.2% QoQ) in 3Q2023.** For 9M2023, the loss ratio came at 59.6% (+4.8ppts YoY).
- > **For 3Q2023, EPS came at QR0.041 vs. QR0.051 in 3Q2022 while for 9M2023, EPS was 0.206 vs 0.180 in 9M2022.**
- > **As of 30th Oct 2023, the stock has increased 31.5% YTD, outperforming the QSE index, which was down by 10.9% YTD.**
- > **The stock is currently trading at a TTM P/E multiple of 13.4x, lower than its 3Y historical average of 16.8x.**

3Q/9M 2023 Earnings Performance

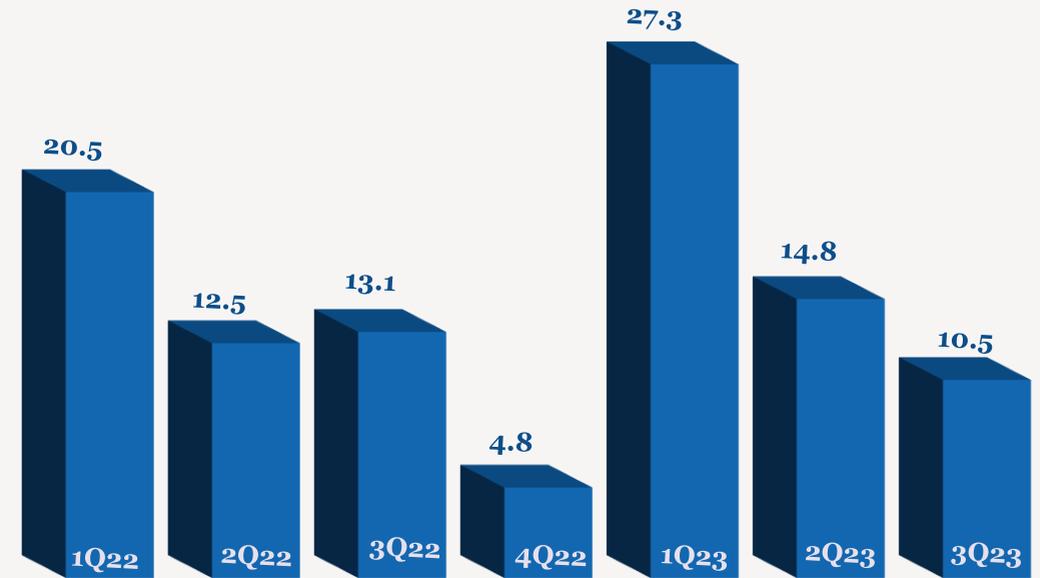
| | 3Q2023 | 3Q2022 | YoY | 2Q2023 | QoQ | 9M2023 | 9M2022 | YoY |
|-----------------------------------|--------|--------|--------|--------|--------|--------|--------|-------|
| Gross Written Premium | 71.1 | 76.4 | -6.9% | 80.8 | -12.1% | 256.3 | 247.6 | 3.5% |
| Net Earned Premium | 46.0 | 39.0 | 17.9% | 48.6 | -5.4% | 139.3 | 120.1 | 16.0% |
| Net Claims Incurred | 31.5 | 19.4 | 62.7% | 25.6 | 23.2% | 83.0 | 65.8 | 26.2% |
| Total Investment and other Income | 22.7 | 21.7 | 4.9% | 25.4 | -10.5% | 85.2 | 73.3 | 16.2% |
| Loss Ratio % | 68.6% | 49.7% | | 52.6% | | 59.6% | 54.8% | |
| Net Profit | 10.5 | 13.1 | -19.6% | 14.8 | -29.0% | 52.6 | 46.0 | 14.3% |
| EPS (QR) | 0.041 | 0.051 | -19.6% | 0.058 | -29.0% | 0.206 | 0.180 | 14.3% |

Note: Values are expressed in QR'mn unless explicitly stated

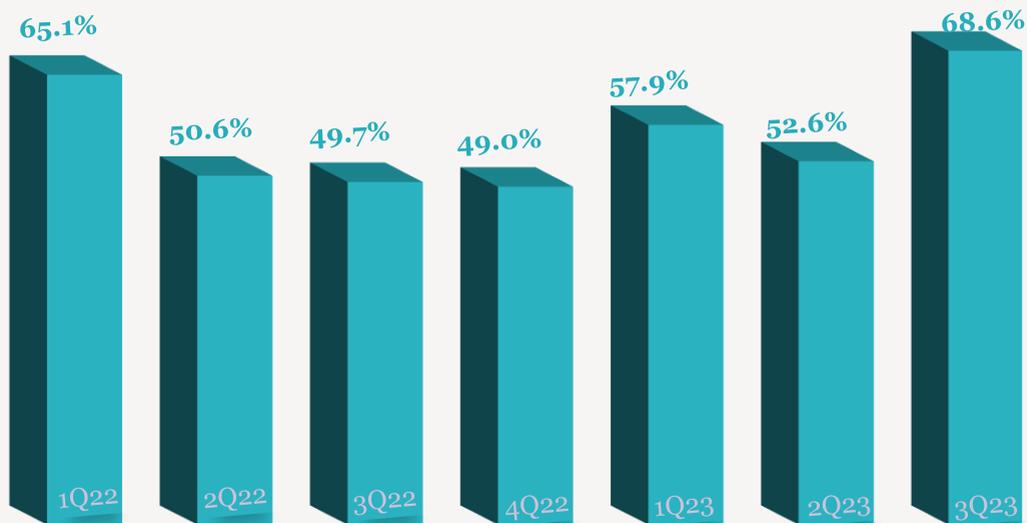
Gross Written Premium (QRmn)



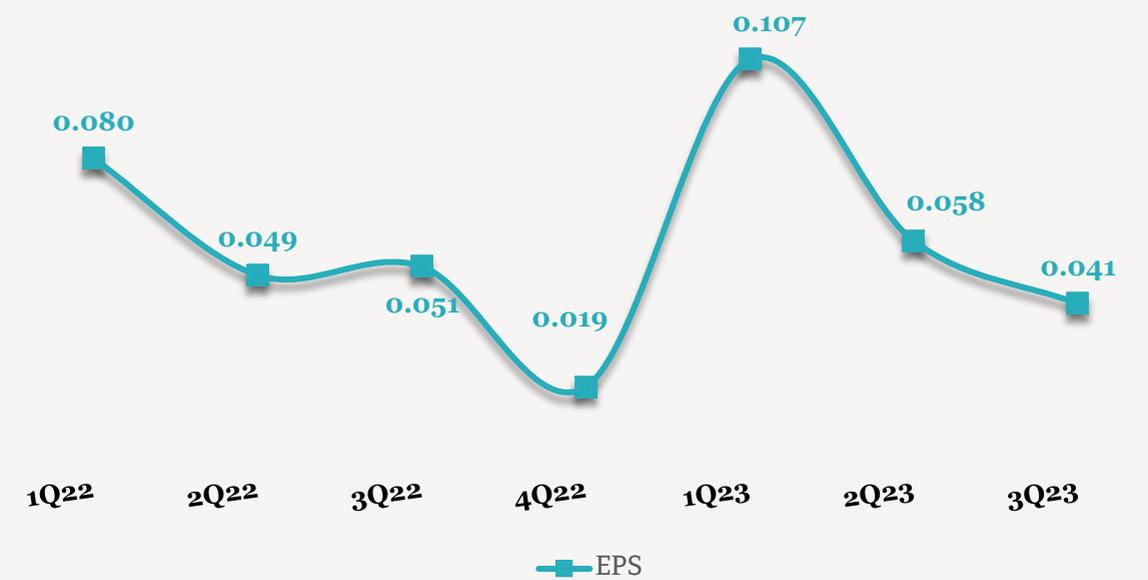
Net Income Trend (QRmn)



Loss Ratio %



EPS (QR) Trend



Contacts

QNB Financial Services Co. W.L.L.
Contact Center: (+974)4476 6666
info@qnbfs.com.qa
Doha, Qatar

Saugata Sarkar, CFA, CAIA Head
of Research
saugata.sarkar@qnbfs.com.qa

Shahan Keushgerian Senior
Research Analyst
shahan.keushgerian@qnbfs.com.qa

Phibion Makuwerere, CFA
Senior Research Analyst
phibion.makuwerere@qnbfs.com.qa

Roy Thomas
Senior Research Analyst
roy.thomas@qnbfs.com.qa

Dana Saif Al Sowaidi
Research Analyst
dana.alsowaidi@qnbfs.com.qa

Disclaimer and Copyright Notice: This publication has been prepared by QNB Financial Services Co. W.L.L. ("QNBFS") a wholly-owned subsidiary of Qatar National Bank (Q.P.S.C.). QNBFS is regulated by the Qatar Financial Markets Authority and the Qatar Exchange. Qatar National Bank (Q.P.S.C.) is regulated by the Qatar Central Bank. This publication expresses the views and opinions of QNBFS at a given time only. It is not an offer, promotion or recommendation to buy or sell securities or other investments, nor is it intended to constitute legal, tax, accounting, or financial advice. QNBFS accepts no liability whatsoever for any direct or indirect losses arising from use of this report. Any investment decision should depend on the individual circumstances of the investor and be based on specifically engaged investment advice. We therefore strongly advise potential investors to seek independent professional advice before making any investment decision. Although the information in this report has been obtained from sources that QNBFS believes to be reliable, we have not independently verified such information and it may not be accurate or complete. QNBFS does not make any representations or warranties as to the accuracy and completeness of the information it may contain, and declines any liability in that respect. For reports dealing with Technical Analysis, expressed opinions and/or recommendations may be different or contrary to the opinions/recommendations of QNBFS Fundamental Research as a result of depending solely on the historical technical data (price and volume). QNBFS reserves the right to amend the views and opinions expressed in this publication at any time. It may also express viewpoints or make investment decisions that differ significantly from, or even contradict, the views and opinions included in this report. This report may not be reproduced in whole or in part without permission from QNBFS.

COPYRIGHT: No part of this document may be reproduced without the explicit written permission of QNBFS.