

Qatar Insurance

Upgrade to Buy on compelling valuations and earnings rebound

- We increase our GWP growth for FY 18e mainly due to the pending acquisition of Markerstudy's, which should add c.32% to group GWPs.
- CR has steadily deteriorated over the last few years, partly due to NatCat losses (GBP 174m, 7.4% of group NLR, 49.5% of Qatar Re last year) and expansion into global reinsurance market. However, for FY 18e we expect a strong improvement in CR from 106.4% to 96.4% FY 18e on lower NatCat and strengthening of global reinsurance rates.
- Investment income should gradually decline as QIC de-risks its investment books (increasing their exposure to fixed income products now making up 59% of total vs. 44.0% in FY 16), with gross investment yields dropping from 7.5% to 7.1%, as the company becomes more leveraged.
- We upgrade to BUY and remove the stock from our Core Sells following a sharp decline in the share price as the stock dropped out of the FTSE EM index and most of the overhang has been absorbed. Valuation looks compelling with P/tNAV 18e of 1.2x offering a 42.3% discount to historic average (Exhibit 4), and P/E 18e of 8.6x, and base case RoE 18e of 15.1%, on the back of rebounding underwriting margins.

GWP growth to be bolstered by Markerstudy's acquisition. QIC signed an SPA to buy Markerstudy's, which underwrites more than 5% of the UK motor insurance market, generating premiums of about GBP 750m, expected to be complete by H1 18e. We pencil in y/y GWP growth of +26.2% y/y, with the acquired insurer making up 32.6% of GWPs as of FY 17 on a fully consolidated basis.

Combined ratio peaking in FY 17. We attribute this to the insurers NatCat losses of USD 174m, with loss ratio at 79.2%, up +10.2ppt y/y. We pencil in loss ratio of 70.5% and a combined ratio of 96.4% in FY 18e from 79.2% and 106.4% respectively, in-line with FY 12-16A averages. Expense ratio declined to 27.2% vs. 29.5% at YE 16, on the back of SG&A declining by -5.3% y/y. CRs of global peers Swiss Re and Munich re sit at 91.9% and 129.1%, respectively.

Higher GPW/equity leaves less room for investment risk: We expect investment income to gradually decline as QIC de-risks its investment books (reducing equity exposure from 46.9% in FY 16A to 36.9% in FY 17A), with asset yields dropping from 7.5% to 7.1% (on a gross basis), a trend we expect to continue as capital is more utilized for underwriting insurance risk with GWP/equity now at 145.4%, vs. 98.4% a few years ago, although fully offset on our numbers by the increase in underwriting margin in FY 18e.

42 days of outflows from FTSE exclusion on 15 March. This was due to its turnover ratio, which met the minimum 0.04% turnover ratio only 7 out of 12 months. We forecasted USD 57m and 42 days in outflows, which led to a 10% decline in stock price over the past few days, bringing valuations closer to idea levels.

No capital generation as DPS is prioritized, with dividends paid at QAR 415m, 98.1% of net profits for the year, resulting in limited capital generation for the insurer. QIC also raised USD 450m subordinated T2 debt, which could be earmarked for this acquisition, in our view.

We upgrade to BUY. We pencil in a return to RoE of 15.1% in FY 18e and combined ratio of 96.4%, valuation multiples look attractive with P/tNAV18e of 1.2x, P/E 18e of 8.6x, and RoE 18e of 15.1%. Its global peers trade at similar P/tNAV of 1.2. We remove QIC from our Core Sells (10pct) and increase our Core Sell position in CBQ from 2.5pct to 12.5pct due to the ramifications on IFRS 9 and expected large loss on sale of its stake in UAB.

BUY

QAR 43.6

Insurance / Qatar

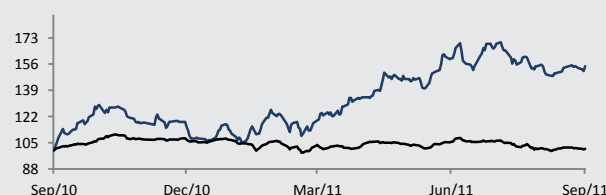
Bloomberg code	QATI QD
Market index	Qatar
Target Price	43.6
Upside (%)	24.5

Market data 19/03/2018

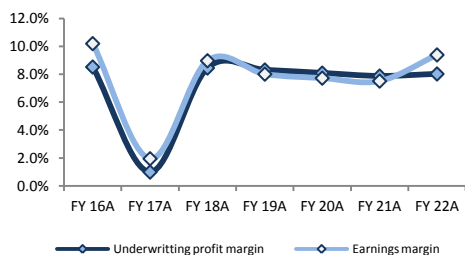
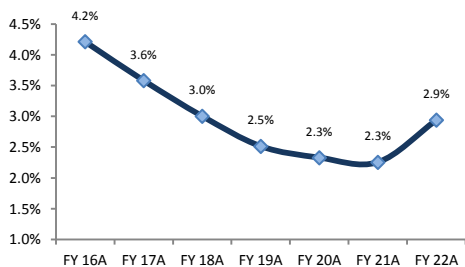
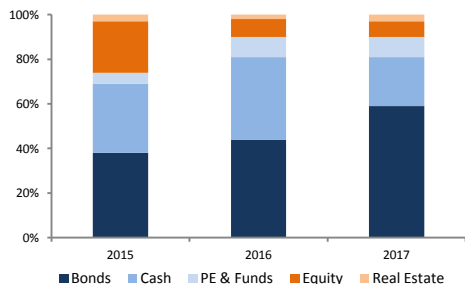
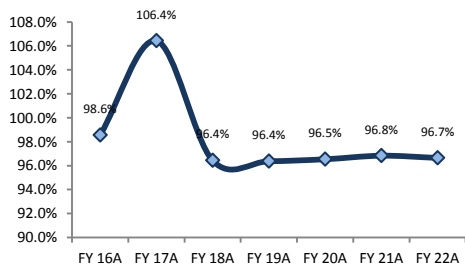
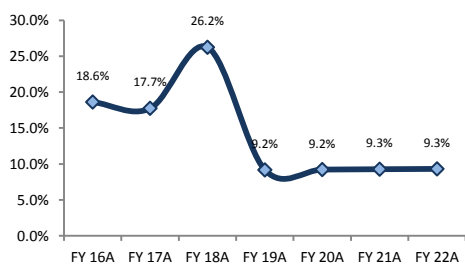
Last closing price	35.0
52 Week range	32.1-64.2
Market cap (QAR m)	11,162
Market cap (USD m)	3,043
Average Daily Traded Value (QAR m)	9.9
Average Daily Traded Value (USD m)	2.7
Free float (%)	100%

Year-end (local m)	2017	2018e	2019e	2020e
Gross Written Premiums	11,659	14,718	16,067	17,548
Underwriting Profit	115	1,245	1,336	1,421
EPS	1.31	4.07	3.96	4.16
P/E (x) (market price)	28.2	9.1	9.3	8.9
BVPS	26.02	28.89	31.67	34.64
Tangible BVPS	26.02	28.89	31.67	34.64
P/B (x) (market price)	1.4	1.3	1.2	1.1
P/TBVPS (x) (market price)	1.4	1.3	1.2	1.1
DPS	1.3	1.3	1.3	1.3
Div. yield (%)	3.5	3.5	3.5	3.6
RoAA (%)	0.7	3.5	3.1	2.9
RoAE (%)	2.7	15.1	13.4	12.9
Investments/Assets (%)	58.7	53.6	55.5	57.4
Investment Yield (%)	3.6	3.0	2.5	2.3
Net Loss Ratio	79.2	70.5	70.7	71.0
Combined Ratio	106.4	96.4	96.4	96.5
Underwriting Profit Margin	1.0	8.4	8.3	8.1
Net Profit Margin	1.9	9.0	8.0	7.7
Policy Reserves/Equity	221.0	213.5	225.9	238.0

Price Performance



Abacus Arqaam Capital Fundamental Data

Profitability

Investment Yield

Investment Exposure

Combined Ratio

Growth

Qatar Insurance Company

Year-end	2016	2017	2018e	2019e	2020e	2021e
Performance analysis						
Cession Ratio	13.4	18.1	17.6	17.5	16.9	16.4
Net Loss Ratio	69.0	79.2	70.5	70.7	71.0	71.2
Expense Ratio	29.5	27.2	26.0	25.7	25.6	25.6
Combined Ratio	98.6	106.4	96.4	96.4	96.5	96.8
Underwriting Profit Margin	8.5	1.0	8.4	8.3	8.1	7.9
Investment Yield	4.2	3.6	3.0	2.5	2.3	2.3
Net Margin	10.2	1.9	9.0	8.0	7.7	7.5
RoAE	12.4	2.7	15.1	13.4	12.9	12.5
RoAA	3.5	0.7	3.5	3.1	2.9	2.8
Net Premiums/Equity	1.0	1.1	1.3	1.3	1.3	1.3
Gross Premiums/Equity	1.2	1.5	1.7	1.6	1.6	1.6
Claims Reserve/NPE	0.9	1.0	0.9	0.9	1.0	1.0
Investment Income/Total Income	53.0	90.0	44.2	40.4	40.1	40.6

Year-end	2016	2017	2018e	2019e	2020e	2021e
Investment Exposure						
Investments/Assets	60.4	58.7	53.6	55.5	57.4	58.9
Equities/Investments	30.9	24.7	19.0	15.5	12.0	11.1
Equity/Assets (%)	29.5	23.8	24.4	24.0	23.6	23.1

Year-end	2016	2017	2018e	2019e	2020e	2021e
Liquidity/Leverage						
Policy Reserves/Gross Premiums	1.4	1.5	1.3	1.4	1.4	1.5
Policy Reserves/Net Earned Premiums	1.3	1.5	1.4	1.5	1.5	1.6
Policy Reserves/Equity	1.6	2.2	2.1	2.3	2.4	2.5
Debt/Capital	0.3	0.4	0.4	0.4	0.4	0.3
Debt/Equity (x)	0.5	0.7	0.7	0.6	0.5	0.5

Year-end	2016	2017	2018e	2019e	2020e	2021e
Growth						
Gross Premiums	18.6	17.7	26.2	9.2	9.2	9.3
Net Earned Premiums	44.5	6.8	27.4	9.9	10.0	10.0
Investments	7.9	19.4	3.9	6.2	6.3	6.4
Assets	21.3	21.0	8.4	11.4	11.2	11.9
Total Reserves	15.4	30.4	7.3	15.9	15.2	14.6
Equity	41.7	(2.7)	11.1	9.6	9.4	9.2

Year-end	2016	2017	2018e	2019e	2020e	2021e
Valuation						
P/B(x) (current price)	1.6	1.4	1.3	1.2	1.1	1.0
P/B(x) (target price)	1.6	1.7	1.5	1.4	1.3	1.2
P/E(x) (current price)	13.1	28.2	9.1	9.3	8.9	8.4
P/E(x) (target price)	13.7	61.1	10.5	10.8	10.2	9.6

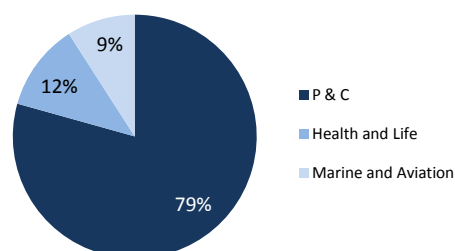
Abacus *Arqaam Capital Fundamental Data*

Investment thesis

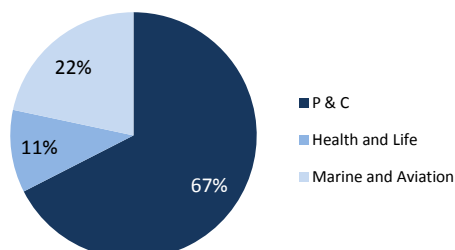
QIC invests (re)insurance premiums into its Asset Management business supporting overall RoE. However, as it grows, we expect it to start transforming into a diversified insurance company with a two-tier growth strategy across the insurance and reinsurance businesses.

We expect the growth of its Antares reinsurance business to continue to parallel Lloyds's growth profile. We expect its Qatar Re label to continue building on its strengths in Energy, Marine and Aviation.

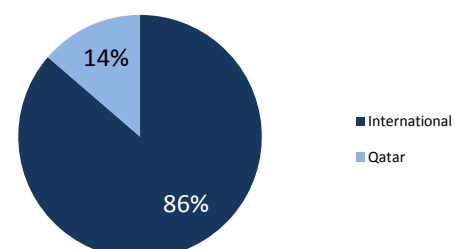
GWP Breakdown by business line:



Claims Breakdown:



GWP Breakdown by Region:



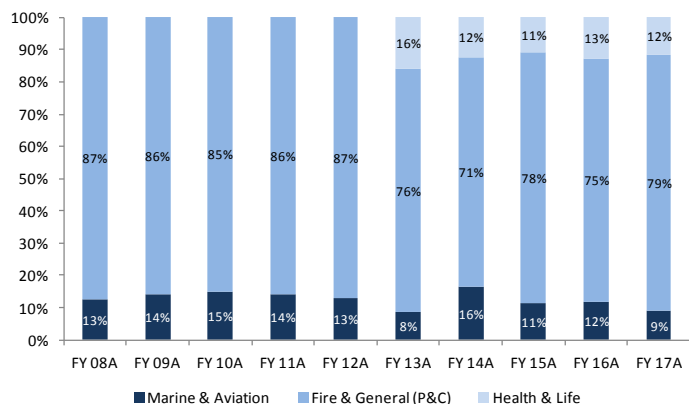
Qatar Insurance Company

Year-end	2016	2017	2018e	2019e	2020e	2021e
Income statement (mn)						
Gross Written Premiums	9,901.4	11,658.7	14,717.9	16,067.1	17,548.2	19,174.3
Ceded Premiums	1,323.3	2,108.8	2,583.6	2,805.2	2,968.9	3,140.1
Retained Premiums	8,578.1	9,549.9	12,134.3	13,261.9	14,579.3	16,034.2
Movement in Unearned Premiums	218.2	621.3	760.5	761.5	834.5	914.7
Net Premiums Earned	8,359.9	8,928.6	11,373.8	12,500.4	13,744.8	15,119.5
Commissions paid	-	-	-	-	-	-
Net commissions	(1,754.7)	(1,751.7)	(2,116.8)	(2,326.3)	(2,571.8)	(2,843.2)
Other underwriting expenses	(7.5)	(12.6)	(1.6)	(1.7)	(1.7)	(1.8)
Changes in technical reserves	(1,764.9)	(1,720.0)	(1,583.1)	(1,755.7)	(1,947.2)	(2,159.6)
Net Claims	5,769.0	7,074.6	8,013.8	8,839.5	9,754.0	10,766.9
Underwriting Profit	843.7	115.0	1,244.9	1,336.3	1,420.7	1,511.0
Investment Income	856.3	970.6	916.8	835.2	881.6	965.9
Other operating income	95.1	67.6	69.2	69.2	68.3	66.5
Investment & other income	-	-	-	-	-	-
Interest Expense	46.2	67.9	86.7	87.5	87.5	87.5
General & Administrative	715.5	677.4	838.7	881.6	943.5	1,031.2
Operating Profit	1,033.3	408.0	1,305.5	1,271.5	1,339.7	1,424.7
Distribution of surplus	-	-	-	-	-	-
Other income/(loss)	18.3	15.6	14.9	15.2	15.5	15.6
Tax	-	-	-	-	-	-
Minority Interest	(17.6)	(6.0)	25.6	28.2	31.0	34.1
Net Income	1,051.6	423.6	1,320.4	1,286.7	1,355.1	1,440.3
Reported EPS	2.82	1.31	4.07	3.96	4.16	4.42

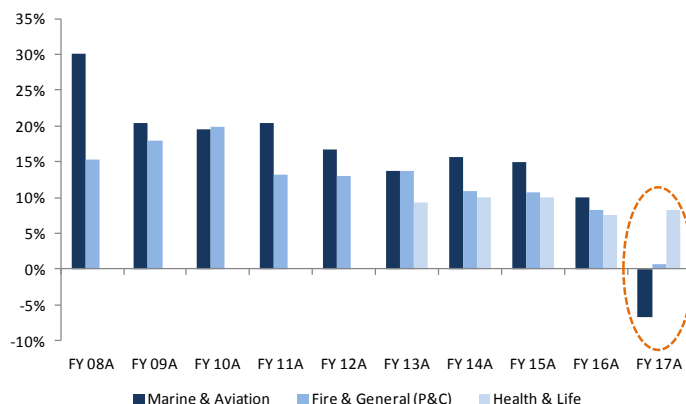
Year-end	2016	2017	2018e	2019e	2020e	2021e
Balance sheet (mn)						
Cash	6,962.3	7,914.1	7,308.1	9,877.3	12,760.9	16,105.8
Intangible Assets	1,038.9	1,316.9	1,194.1	1,203.5	1,244.1	1,292.2
Reinsurance Contract Assets	2,493.4	4,496.8	3,113.3	3,628.4	4,198.6	4,830.0
Investment Properties	575.8	585.8	578.9	572.2	545.7	517.1
Investments	11,435.1	13,654.5	14,192.3	15,071.2	16,025.6	17,056.2
Associates	138.8	142.5	153.0	163.6	174.5	185.4
Insurance Receivables	6,030.8	7,293.1	11,045.0	11,345.6	11,614.7	12,125.0
Fixed Assets	40.3	52.5	57.8	63.6	69.9	76.9
Other Assets	-	-	-	-	-	-
Total Assets	28,715.5	34,734.3	37,642.4	41,925.3	46,634.0	52,188.6
Short-term Insurance Contract Liabilities	13,583.3	17,718.0	19,015.2	22,047.5	25,399.4	29,105.0
Long-term Policyholder Liabilities	-	-	-	-	1.0	2.0
Debt	4,192.5	5,729.8	5,830.5	5,830.5	5,830.5	5,830.5
Insurance Payables	2,471.5	3,012.9	3,608.1	3,976.9	4,390.0	5,220.3
Other Liabilities	-	-	-	-	-	-
Total Liabilities	20,247.2	26,460.7	28,453.9	31,854.8	35,619.9	40,155.8
Shareholders Equity	8,236.1	8,017.3	8,906.5	9,760.3	10,673.0	11,657.5
Minority Interest	(17.6)	(6.0)	25.6	28.2	31.0	34.1
Total Equity	8,468.2	8,273.6	9,188.5	10,070.5	11,014.2	12,032.8
BVPS	23.09	26.02	28.89	31.67	34.64	37.84

Jaap Meijer, MBA, CFA
jaap.meijer@arqaamcapital.com
+971-4-5071744

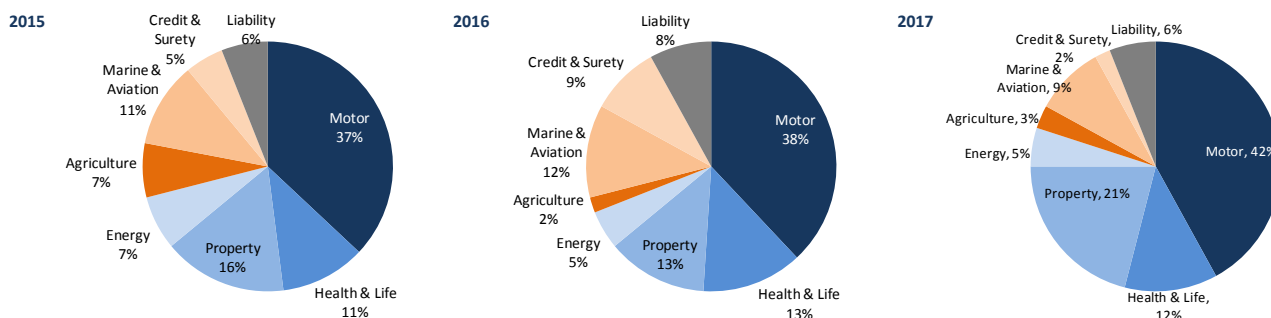
Anas Aboul Hosn
anas.aboulhosn@arqaamcapital.com
+971-4-5071918

Exhibit 1: GWP breakdown evolution (FY 08-17A)


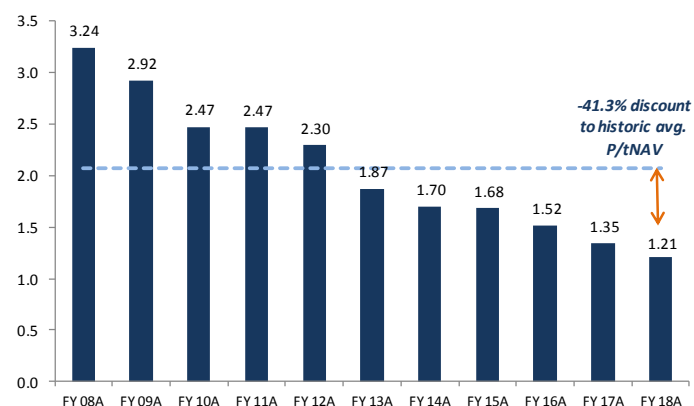
Source: Company Data, Arqaam Capital Research

Exhibit 2: Underwriting margin mainly worsening in Marine and Aviation and P&C


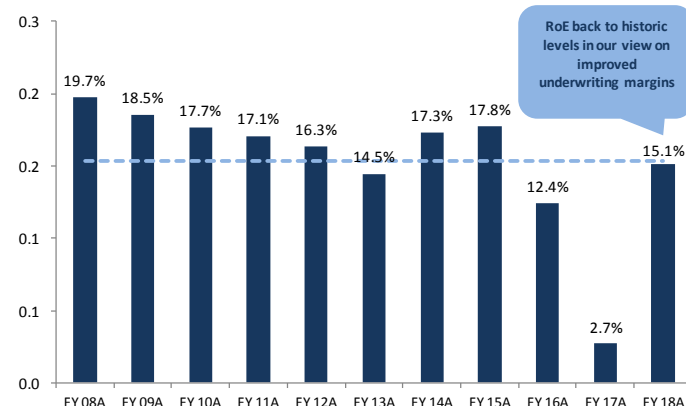
Source: Company Data, Arqaam Capital Research

Exhibit 3: Gross Written premium breakdown with motor underwriting expected to increase by another +43.6% in FY 18e, reaching QAR 8.6bn, due to Markerstudy's acquisition


Source: Company Data, Arqaam Capital Research

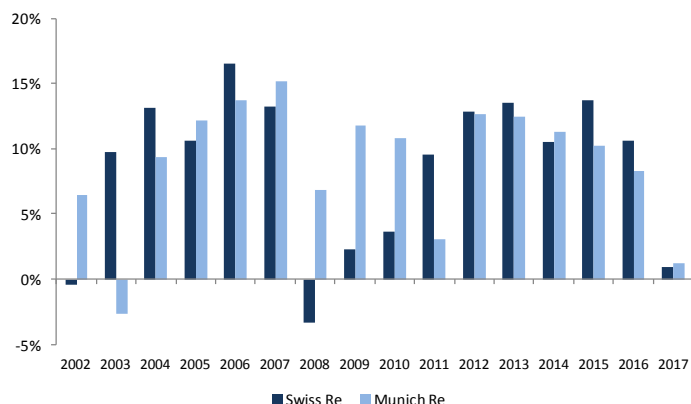
Exhibit 4: Trading at a -41.3% discount to historic avg. P/tNAV


Source: Company Data, Arqaam Capital Research

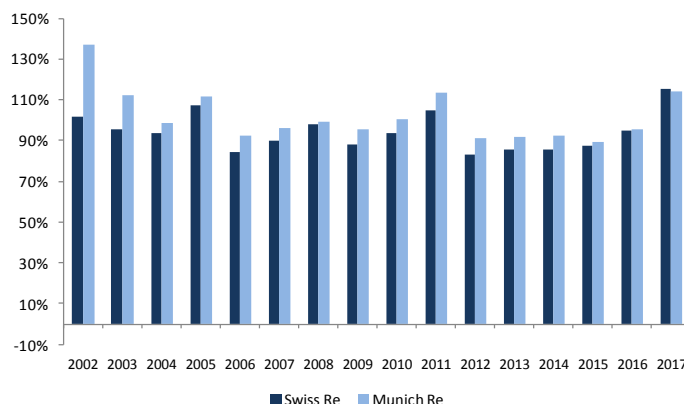
Exhibit 5: RoE expected to rebound in FY 18e on improving investment income and underwriting margins


Source: Company Data, Arqaam Capital Research

Valuations look attractive; with P/tNAV 18e offering a 41.3% discount to historic average (see Exhibit 4). We also expect a rebound in underwriting margins in FY 18e on the back of lower NatCat claims, with P&C underwriting margin dipping to 70bps in FY 17. We assume a rebound to similar levels as FY 16, where P&C underwriting margin stood at 8.4%, which should result in total underwriting margin of 8.4%, which on our numbers historically generated between 13-15% RoE, penciling in RoE 18e of 15.1%.

Exhibit 6: RoE evolution of Munich Re. and Swiss Re.


Source: Company Data, Arqaam Capital Research

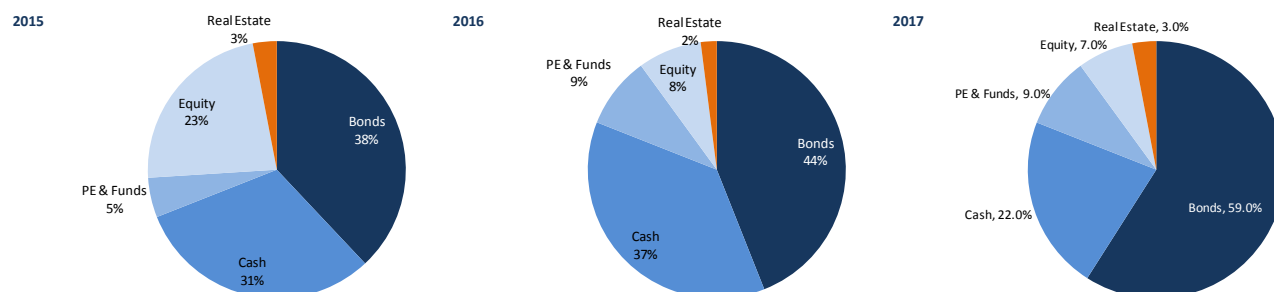
Exhibit 7: Combined Ratio evolution Munich Re. and Swiss Re.


Source: Company Data, Arqaam Capital Research

Exhibit 8: P/tNAV Munich Re and Swiss Re

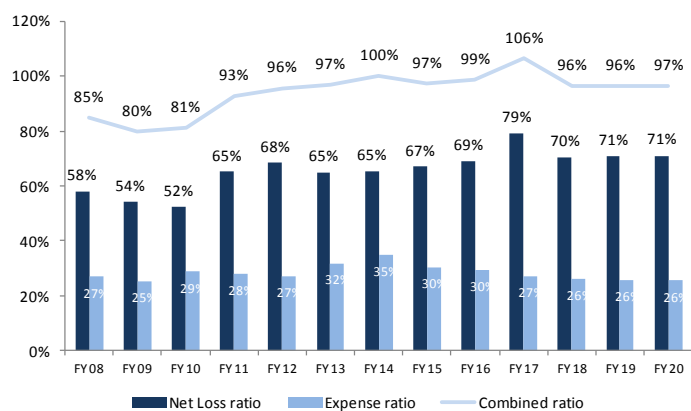

Source: Company Data, Arqaam Capital Research

Exhibit 9: Investment book leaning towards fixed income products now comprising 59.0% of total with equities at 7.0% vs. YE 15 at 23.0%



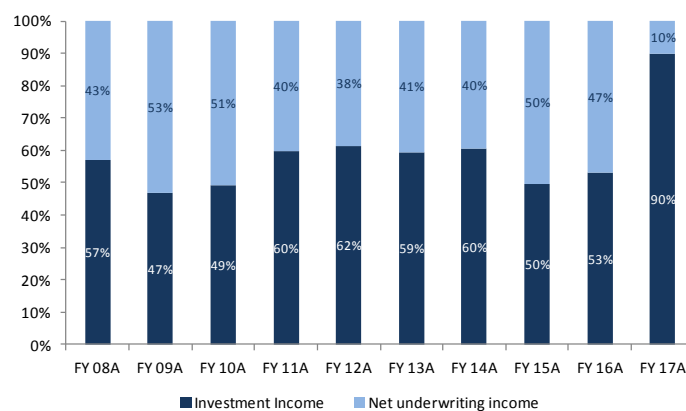
Source: Company Data, Arqaam Capital Research

Exhibit 10: Combined Ratio evolution



Source: Company Data, Arqaam Capital Research

Exhibit 11: Investment income vs. Underwriting income



Source: Company Data, Arqaam Capital Research

Exhibit 12: QIC EVA Valuation (QARm)

	2016A	2017A	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e	perp	subtotal	% of total
1 DCF													
Net profit	1,010	227	1,320	1,287	1,355	1,440	1,968	2,122	2,289	2,680	2,788		
Other adjustments	--	--	--	--	--	--	--	--	--	--	--		
Minus: excess return excess capital	1	(36)	(22)	(17)	(10)	(16)	(14)	(15)	(16)	(19)	(19)		
Return on excess capital	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%		
Tax shelter	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Adjusted net profit	1,009	263	1,343	1,304	1,365	1,456	1,982	2,136	2,305	2,699	2,807		
Capital requirements	7,403	7,999	8,635	9,347	10,065	11,191	12,464	13,871	15,425	17,238	17,927		
RoEcC	13.6%	3.3%	15.6%	13.9%	13.6%	13.0%	15.9%	15.4%	14.9%	15.7%	15.7%		
Cost of capital	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%		
Capital charge	876	947	1,022	1,107	1,192	1,325	1,476	1,642	1,826	2,041	2,122		
Economic profit	132	(684)	321	197	174	131	506	494	479	658	685		
Discount factor	0.00	0.00	1.00	0.89	0.80	0.71	0.64	0.57	0.51	0.46	0.41		
NPV of Economic Profit	--	--	321	176	139	94	324	283	245	301	685		
DCF EVA Forecast period												1,881	
Perpetual growth rate (GDP)												4.0%	
Terminal Value												8,732	
Terminal value discounted													3,568
Required Capital													8,635
Value of the insurance operations												14,084	101.6%
2 Capital surplus/deficit													
Available capital:													
Shareholders equity	8,468	8,274	9,189	10,070	11,014	12,033	13,415	14,907	16,517	18,399			
Less Goodwill & intangibles	1,039	1,317	1,194	1,203	1,244	1,292	1,358	1,452	1,560	1,692			
Less dividends	--	--	--	--	--	--	--	--	--	--			
Tangible equity	7,429	6,957	7,994	8,867	9,770	10,741	12,057	13,455	14,956	16,706			
Capital needs													
Net Written Premium (NWP)	8,578	9,550	12,134	13,262	14,579	16,034	17,641	19,416	21,376	23,797			
Claims reserves	6,851	8,571	10,154	11,910	13,857	16,017	18,412	21,068	24,015	27,283			
Equity investments	5,188	4,852	3,628	3,399	2,972	3,162	3,427	3,713	4,027	4,395			
Investment properties	576	586	579	572	546	517	489	462	436	411			
Associates	139	143	153	164	174	185	196	207	218	229			
Equity as % NWP	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%	32.0%			
Equity as % claims reserves	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%			
Equity as % of investments	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%			
Equity as % of investment properties	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%			
Equity as % of associates	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%			
Capital Requirements	7,403	7,999	8,635	9,347	10,065	11,191	12,464	13,871	15,425	17,238			
Surplus capital	26	(1,043)	(640)	(480)	(295)	(450)	(407)	(416)	(469)	(532)		(640)	-4.6%
3 Other adjustments													
Investment properties													
Capital increase													
Total adjustments	--	--	--	--	--	--	--	--	--	--		--	0.0%
4. Dividends												413	3.0%
Total Fair Value YE 2011												13,857	
Number of shares												318	
Fully diluted number of shares												318	
Fair value per share												43.6	
Current share price												35.0	
Upside												24.5%	

Source: Company Data, Arqaam Capital Research

Important Notice

1. Author, regulator and responsibility

Arqaam Capital Limited ("Arqaam") is incorporated in the Dubai International Financial Centre ("DIFC") and is authorised and regulated by the Dubai Financial Services Authority ("DFSA") to carry on financial services in and from the DIFC. Arqaam publishes and distributes (i.e. issues) all research.

Arqaam Capital Research Offshore s.a.l. is a specialist research centre in Beirut, Lebanon, which assists in the production of research issued by Arqaam.

2. Purpose

This document is provided for informational purposes only. Nothing contained in this document constitutes investment, legal, tax or other advice or guidance and should be disregarded when considering or making investment decisions. In preparing this document, Arqaam did not take into account the investment objectives, financial situation and particular needs of any particular person. Accordingly, before acting on this document, investors should independently evaluate the investments and strategies referred to herein and make their own determination of whether it is appropriate in light of their own financial circumstances and objectives.

3. Rating system

Arqaam investment research is based on the analysis of regional and country economics, industries and company fundamentals. Arqaam company research reflects a long-term (12-month) fair value target for a company or stock. The ratings bands are:

Buy	Total return >15%
Hold	0-15%
Sell	Total return <0%

In certain circumstances, ratings may differ from those implied by a fair value target using the criteria above. Arqaam policy is to maintain up-to-date fair value targets on the companies under its coverage, reflecting any material changes to the analyst's outlook on a company. Share price volatility may cause a stock to move outside the rating range implied by Arqaam's fair value target. Analysts may not necessarily change their ratings if this happens, but are expected to disclose the rationale behind their view to Arqaam clients.

4. Accuracy of information

The information contained in this document is based on current trade, statistical and other public information we consider reliable. We do not represent or warrant that such information is accurate or complete and it should not be relied upon as such. Any mention of market rumours has been derived from the markets and is not purported to be fact or reflect our opinions. Arqaam has no obligation to update, modify or amend this document or to otherwise notify a recipient thereof in the event that any opinion, forecast or estimate set forth herein, changes or subsequently becomes inaccurate. In accordance with Regulation AC of the 1934 Exchange Act, the views expressed in this research report accurately reflect the research analysts' personal views about the subject securities or issuers and are subject to change without notice. No part of the research analysts' compensation is related to the specific recommendations or views in the research report.

5. Recipients and sales and marketing restrictions

5.1 Nothing in this document should be construed as a solicitation or offer, or recommendation, to acquire or dispose of any investment or to engage in any other transaction, or to provide any investment advice or service.

5.2 This document is directed at Professional Clients and not Retail Clients within the meaning of DFSA rules. Any investments or financial products referred to herein will only be made available to clients who Arqaam is satisfied qualifies as Professional Clients. Any other persons in receipt of this document must not rely upon or otherwise act upon it.

5.3 This document is only being distributed to investors who meet certain qualifications and to whom an investment or service may be offered or promoted in accordance with relevant country restrictions. This excludes the US except for SEC registered broker-dealers (or banks in permissible "broker" or "dealer" capacity) acting on a principal or agency capacity, and major US institutional investors in accordance with SEC Rules 15a-6(a)(2). Details of other relevant country restrictions are set out on our website at <http://www.arqaamcapital.com/english/system/footer/terms-of-use.aspx>. Persons into whose possession this document comes are required to inform themselves about, and observe, such restrictions and should not rely upon or otherwise act upon this document where it is unlawful to make to such person such an offer or invitation or recommendation without compliance with any authorisation, registration or other legal requirements.

6. Risk warnings

6.1 Any prices, valuations or forecasts are indicative and are not intended to predict actual results, which may differ substantially from those reflected.

6.2 The value of an investment may go up as well as down. The value of and income from any investment may fluctuate from day to day as a result of changes in relevant economic markets (including, without limitation, foreseeable or unforeseeable changes in interest rates, foreign exchange rates, default rates, prepayment rates, political or financial conditions, etc.).

6.3 Past performance is not indicative of future results. Any opinions, estimates, valuations or projections (target prices and ratings in particular) are inherently imprecise and a matter of judgement. They are statements of opinion and not of fact, based on current expectations, estimates and projections, and rely on beliefs and assumptions. Actual outcomes and returns may differ materially from what is expressed or forecasted. There are no guarantees of future performance.

6.4 Certain transactions, including those involving futures, options, and other derivatives, give rise to substantial risk and are not suitable for all investors.

6.5 This document does not propose to identify or to suggest all of the risks (direct or indirect) which may be associated with the investments and strategies referred to herein.

7. Conflict

7.1 Arqaam and its affiliates provide full investment banking services, and they and their directors, officers and employees, may take positions which conflict with the views expressed in this document. Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients and our proprietary trading desks that reflect opinions that are contrary to the opinions expressed in this document. Our asset management area, our proprietary trading desks and investing businesses may make investment decisions that are inconsistent with the recommendations or views expressed in this document.

7.2 Arqaam may have or seek investment banking or other business relationships for which it will receive compensation from the companies that are the subject of this document.

7.3 Facts and views presented in this document have not been reviewed by, and may not reflect information known to, professionals in other Arqaam business areas, including investment banking personnel.

7.4 Emirates NBD PJSC owns 8.32% of Arqaam.

8. No warranty

Arqaam makes no representations or warranties and, to the fullest extent permitted by applicable law, we hereby expressly disclaim any and all express, implied and statutory representations and warranties of any kind, including, without limitation, any warranty as to accuracy, timeliness, completeness, merchantability, fitness for a particular purpose and/or non-infringement.

9. No liability

Arqaam will accept no liability in any event including (without limitation) negligence for any damages or loss of any kind, including (without limitation) direct, indirect, incidental, special or consequential damages, expenses or losses arising out of, or in connection with your use or inability to use this document, or in connection with any error, omission, defect, computer virus or system failure, or loss of any profit, goodwill or reputation, even if expressly advised of the possibility of such loss or damages, arising out of or in connection with your use of this document. We do not exclude our duties or liabilities under binding applicable law.

10. Copyright and Confidentiality

The entire content of this document is subject to copyright with all rights reserved and the information is private and confidential for your own personal use only. This document and the information contained herein may not be reproduced, distributed or transmitted to any other person or incorporated in any way into another document or other material without our prior written consent.

11. Governing law

English law governs this document and these disclaimers and any dispute in relation thereto shall be exclusively referred to the English Courts.