مجموعة قطر للتأمين
QATAR INSURANCE GROUP

Pioneering **Future** Horizons

BRILLIANCE | EXCELLENCE | SUCCESS

ANNUAL REPORT **2022**

Qatar • UAE • Oman • Kuwait • Bermuda • Gibraltar • London • Malta • Singapore • Zurich

ANNUAL REPORT 2022

PIONEERING FUTURE HORIZONS

HIS HIGHNESS

Sheikh Tamim Bin Hamad Al-Thani

THE AMIR OF THE STATE OF QATAR

HIS HIGHNESS

Sheikh Hamad Bin Khalifa Al-Thani

FATHER AMIR

ANNUAL REPORT 2022

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BRILLIANCE.
EXCELLENCE.
SUCCESS.

Vision

QIC Group's vision is to be recognized as the world's largest and most trusted insurance group.

Mission

The Group's mission for the future is to maintain our drive for growth and excellence through innovation, diversification, and responsible leadership. By means of existing and new strategic alliances and partnerships we aim to create the optimum framework for profitable development.

Values

At QIC Group we value each employee and acknowledge their distinctive contribution.

We value their effort, their enterprise, their contribution, and opinions.

Our group is built on teamwork, respect, and mutual trust. Each person at whatever level she or he may operate, is empowered, and will therefore make their own unique contribution.

Each employee is encouraged to be responsible for their own actions.

We encourage positive contribution, acknowledge innovation and reward excellence.

We encourage a safe workplace, comply with all laws and regulations, and strive to meet the expectations and requirements of our customers.

We value our customers as trusted partners. We value constructive feedback and candid comments and endeavor to integrate those into our business model. Honest critique is accepted as a valued contribution to our organization.

We meet our obligations to our shareholders, customers, employees, and society at large.

QIC Key Information

QR 9.8 billion

Gross written premiums for the year

QIC Key Information

QR Millions	2022	2021	2020	2019	2018
Gross premiums written	9,848	9,922	12,202	12,060	11,823
Underwriting results	25	643	(595)	282	519
Net profit attributable to parent	(648)	616	101	651	646
Investment & other Income	834	1,083	1,366	1,036	826
Cash and Investments	20,303	26,514	25,680	25,079	23,639
Total Assets	38,155	43,682	42,741	39,415	39,165
Equity attributable to parent	6,319	8,419	8,206	8,453	7,726

Our Shares	2022	2021	2020	2019	2018
Earnings per share (QR)	(0.242)	0.143	(0.004)	0.174	0.174
QIC market capitalisation (QR Millions)	6,281	8,982	7,715	10,321	11,449
Dividend per share (QR)	-	0.10	-	0.15	1.5
Share price at 31 December (QR)	1.92	2.75	2.36	3.16	35.90
Book value per share (QR)	1.93	2.58	2.51	2.59	2.37

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

Standard & Poor's

A.M. Best

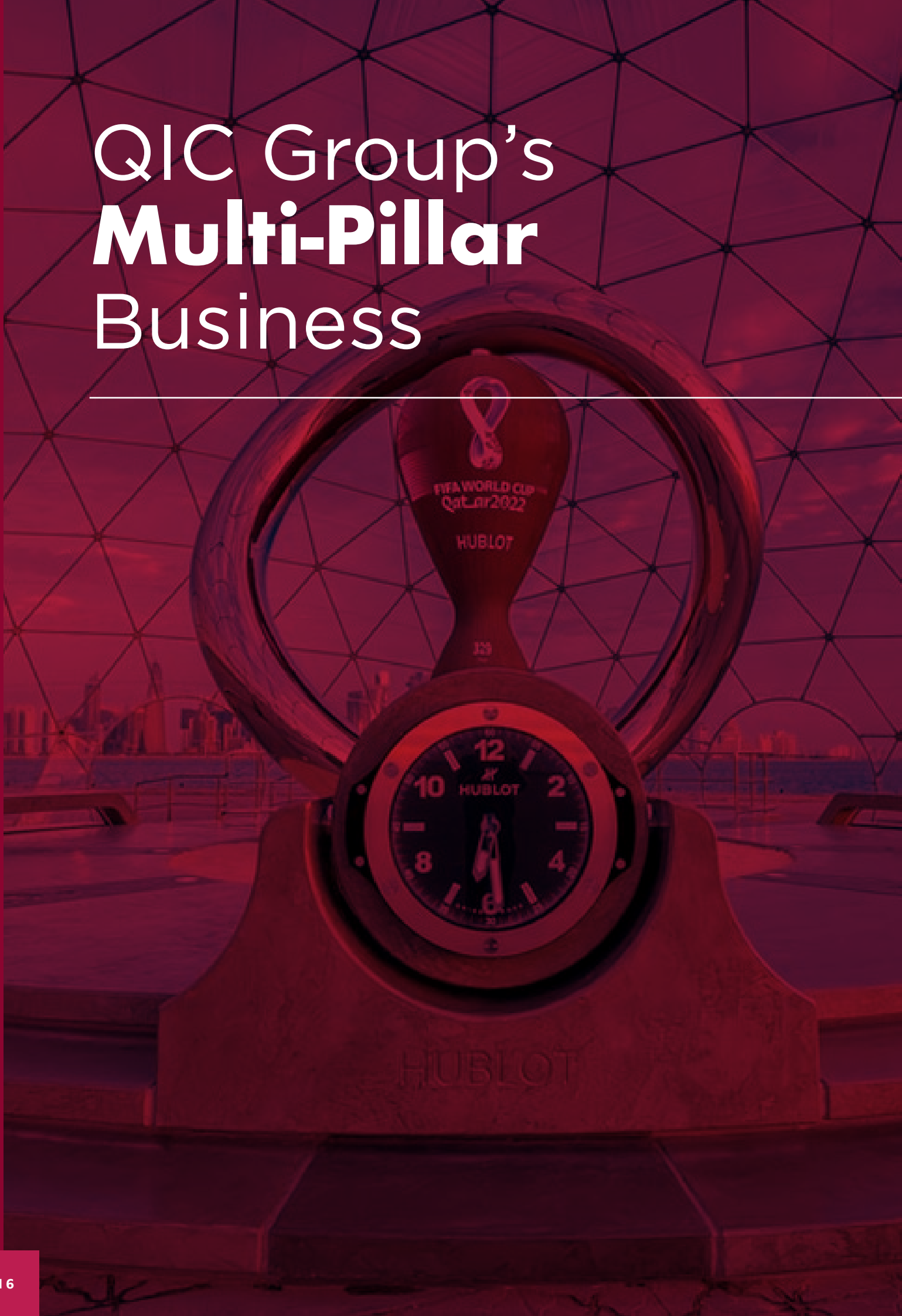
Theme Of The Year

Pioneering **Future** Horizons

Following global trends, Qatar's economic and business environment in 2022 was affected by unprecedented inflation, geopolitical tensions, frequent and severe natural catastrophe events linked to climate change and the fallout from the COVID-19 pandemic, including disruptions to supply chains, however, the country was able to emerge from the crisis in a strong position to continue forging ahead with growth plans emphasizing economic diversification in line with Qatar National Vision 2030. The pandemic has undoubtedly accelerated digitization and adoption of new technologies and in 2022, QIC continued building upon the momentum it achieved in previous years and maintained a culture of innovation while making operational efficiency and customer-centricity the focal point. QIC with its robust and stable capital base, within this turbulent environment through 2022, has once again proved its resilience to withstand. QIC succeeded in expanding its profitable domestic market business in Qatar and the MENA region and reducing exposure to high volatile severity risks in its international operations.

While uncertainties remain over the trajectory of the global economic recovery, several factors indicate that Qatar is on track for a strong performance in 2023 and beyond.QIC Group will continue being a core contributor to the development and diversification of the Qatari economy while pioneering the future horizons of the insurance industry.

QIC Group's **Multi-Pillar** Business



Qatar Insurance Company (QIC)

Qatar Insurance Company Q.S.P.C. (QIC), the parent company of QIC group of companies is a publicly listed composite insurer with a consistent performance history of over 50 years and a global underwriting footprint. Founded in 1964, QIC was the first domestic insurance company in the State of Qatar. Today, QIC is the market leader in Qatar and a dominant insurer in the GCC and MENA regions. QIC has branch offices in Dubai and Abu Dhabi. QIC's diverse portfolio of personal insurances (car, home, travel, boat, personal accident benefit) and commercial insurances (energy, marine & aviation, property & commercial, medical and motor), combined with its excellent distribution and service delivery are the key factors of the company's success.

QIC is one of the highest rated insurers in the Gulf region with a rating of 'A- (Excellent)' from A.M. Best and 'A-' from Standard & Poor's (S&P). QIC is also one of the largest insurance companies in the MENA region in terms of gross written premium and total assets. It is listed on the Qatar Stock Exchange and has a market capitalization in excess of QAR 5.5 billion. Digitalization and innovation are playing a key role in the strategic direction of QIC. The Group is embarking on an enterprise wide digital transformation program with the objective of unlocking a new potential of insurance offerings, improving customer's experience and maximizing efficiency gains. QIC was recently crowned as the best online insurance company in the Middle East at the Global Banking & Finance Review Awards 2022.

Kuwait Qatar Insurance Company (KQIC)

Established in 2004, KQIC is a subsidiary of Qatar Insurance Group. KQIC offers conventional insurance products and believes in delivering innovative retail solutions for home, travel and car insurance to every segment of its customer base. KQIC serves as a conduit to providing insurance services across the GCC and helps connect overseas insurance interests through its global network.

Oman Qatar Insurance Company (OQIC)

Oman Qatar Insurance Company (OQIC) Established in 2004, Oman Qatar Insurance Company (OQIC) is a subsidiary of Qatar Insurance Group, which has a global underwriting footprint spread across all continents. OQIC believes in delivering innovative retail solutions for Home, Travel and Car Insurances to every segment of its customer base. OQIC also serves as a conduit in providing insurance services across the GCC and helps connect overseas insurance interests through its global network.

Antares Re (Previously Qatar Re)

Antares Reinsurance Company Limited (previously known as 'Qatar Reinsurance Company Limited'), is a Class-4 Bermuda based global multi-line reinsurer writing all major Property, Casualty and Specialty lines of business. With its headquarters in Bermuda and branch offices in Zurich and London, Antares Re is situated close to the world's major reinsurance markets and to the core operations of its clients. The company, backed by a parental guarantee from QIC, also benefits from QIC's strong capital base. The company is rated 'A-' by S&P and 'A- (Excellent)' by A.M. Best.

Antares (Lloyd's of London)

Antares Managing Agency Limited (Antares) operates in Lloyd's of London, the world's prime global insurance and reinsurance market. Antares has offices in London and Singapore. This specialist insurer and reinsurer, a subsidiary of QIC Group (acts as the managing agent of Lloyd's Syndicate 1274 and is recognized for its exemplary services across the globe. Through its highly experienced team of underwriters, Antares provides a diversified range of Property, Reinsurance, Casualty and Specialty underwriting services worldwide. With its process efficiency and superlative service to clients, Antares provides not only quality and security, but also continuity, while taking a consistent approach to risk transfer. Additionally, Antares benefits from the strong security ratings of "A+" from S&P and "A (Excellent)" from A.M. Best that are assigned to Lloyd's of London.

QIC Europe Limited

QIC Europe Limited (QEL) is a Malta based insurer that also has a branch office in London. QEL is a wholly owned subsidiary of Antares Re and is regulated by the Malta Financial Services Authority (MFSA). The company's business model involves writing insurance sourced through carefully selected managing general agents (MGAs) and coinsurance partners across the European Economic Area (EEA). Backed by a full guarantee from QIC, QEL benefits from QIC Group's capital base. The company is rated 'A-' by S&P.

Epicure Investment Management LLC

As a 100% subsidiary of QIC, EIM was established in the Qatar Financial Centre (QFC) and is authorised and regulated by the Qatar Financial Centre Regulatory Authority (QFCRA). Founded in May 2019, the company manages and advises on discretionary investment portfolios, investment funds and other investment products for entities under QIC Group as well as for third-party clients. EIM manages over US$ 7 billion of investment assets across equites, fixed income and real estate.

Epicure Islamic Investment Management

Epicure Islamic Investment Management (EIIM) is a joint venture between QIC Group (51%) and QInvest LLC (49%) which commenced business operations in 2022. Like EIM, EIIM is also registered in the QFC and is authorised and regulated by the QFCRA. EIIM manages and advises on discretionary investment portfolios, investment funds and other products, in accordance with the principles of Shari'a.

Qatar Insurance Real Estate (QICR)

Qatar Insurance Real Estate WLL (QICR), a 100% subsidiary of QIC Group, specializes in real estate investments. The company's portfolio consists of real estate assets in Qatar. QICR invests in income-generating real estate assets with strong anchor tenants, with a view to earning rental income.

Anoud Technologies (Anoud Tech)

Anoud Technologies LLC (Anoud Tech) was established in the QFC in 2020 as a wholly owned subsidiary of QIC Group. Anoud Tech works in close collaboration with Swiss Re (one of the largest reinsurance companies in the world) and offers Anoud+, a best-in-class IT insurance platform, to insurers in developed and emerging markets alike. As an internally developed solution that utilizes digital technology, Anoud+ provides insurers with an efficient and comprehensive system for managing every facet of their insurance programs. The company's strategy is aligned with Qatar National Vision 2030, which emphasizes the development of a digital economy to empower the private sector and thereby reduce the nation's dependence on hydrocarbon industries.

Chairman and Managing Director Message

Dear Valued Shareholders,

I am pleased to present to you the QIC Group Annual Report for the year 2022. A year that was characterized by extremely turbulent market conditions as the complex combination of macro-economic, geopolitical, and severe natural catastrophes created a yet unseen mix of headwinds for insurers.

Within this environment, QIC proved its mettle and further expanded its profitable domestic market business in Qatar and the MENA region while reducing exposure to high volatile severity risks in its international operations.The 2022 financial results reflect the achievements of the ongoing implementation of QIC's strategic plan of expanding low-volatile business while diversifying the portfolio and fully digitalizing the MENA operations. This has helped create a strong and robust platform to cement our position as a financially strong, secure and sustainable insurance partner for all stakeholders.

Qatar is boasting a positive economic outlook for 2023 where QIC will remain fully committed to its proven strategic roadmap, with renewed focus on maximizing shareholder value while continuing to help further diversify the Qatari economy and reshape the future of insurance by leveraging and innovating the latest technological advancements.

On behalf of the Board of Directors, I would like to express my sincere appreciation and gratitude to His Highness the Amir of the State of Qatar for his visionary leadership and strategic guidance. With your support and trust, QIC Group will continue to contribute to Qatar National Vision 2030 and that are in line with Qatar's sustainable Development Goals.

Mr. Khalifa Abdulla Turki Al Subaey
Chairman and Managing Director

Board of Directors

Mr.Khalifa Abdulla Turki Al-Subaey
Chairman & Managing Director

Sheikh Faisal bin Thani bin Faisal Al Thani
Deputy Chairman

Sheikh Hamad bin Faisal bin Thani Jasim Al Thani
Independent Member

Mr. Khalaf Ahmed Al Mannai
Board Member

Sheikh Saoud bin Khalid bin Hamad Al Than i
Board Member

Sheikh Abdulrahman bin Saud bin Fahad Al Thani

Independent Member

Mr. Ali Youssef Hussain Ali Kamal

Board Member

Mr. Mohammed Jassim M A Jaida h

Board Member

Mr. Ali Hussain Ibrahim Al-Fardan

Board Member

Sheikh Tamim bin Hamad bin Jassim bin Jabor Al Thani

Board Member

Mr. Hassan bin Hassan Al-Mulla Al-Jufai ri

Board Member

QIC Board of Directors Report 2022

Dear Esteemed Shareholders,

The Board of Directors of QIC is pleased to present the Company's 58th Annual Report, which includes QIC's activities, consolidated financial statements for the year 2022 and outlook for 2023.

Being resilient in a challenging global environment

Globally, 2022 was a year challenged by unprecedented inflation , geopolitical tensions, supply chain disruptions, frequent and severe natural catastrophe events linked to climate change and a tepid global economic recovery, as the COVID-19 pandemic abated more slowly than was hoped. Inflation and interest rates rose rapidly due to the release of pent-up consumer demand and soaring energy prices. The insurance industry, hit by capital market turbulence, high natural catastrophe losses – including Hurricane Ian, the second highest insured loss in history – and reduced capacity, took a significant hit to technical results, investment incomes and earnings.

Precipitous increases in demand for goods, materials, labor, auto parts and rental vehicles, as well as ongoing supply chain disruptions have been raising claims costs during the year for personal and commercial lines of business.

QIC with its robust and stable capital base, within this turbulent environment through 2022, has once again proved its resilience to withstand. QIC succeeded to further expand its profitable domestic market business in Qatar and the MENA region, while reducing exposure to high volatile severity risks in its international operations.

Exit from low margin and loss making international direct business

In line with the Group's strategy to exit from low margin and loss making international direct business, it has been decided to divest the Gibraltar-based direct insurance carriers. QIC has received an offer for purchase from a reputable institutional buyer, which is under negotiation. The proposed divestment plan is subject to approval by the relevant authorities.

Expand our footprint in direct MENA insurance business

As part of our strategy to expand our presence in the direct insurance market of MENA (Middle East & North Africa) region, QIC through its Oman subsidiary, Oman Qatar Insurance SAOG (OQIC) have recently completed the acquisition of a leading Omani national insurer- Vision Insurance SAOG.

Oman's stable political, social and economic environment marked with good governance, provides positive growth outlook of the insurance sector. In this context, this key landmark acquisition provides a good opportunity to expand QIC's footprint in the profitable direct-line insurance market within the Gulf Cooperation Council (GCC) region.

Further leveraging our asset management capabilities

Further expanding and enhancing the Company's investment management footprint, 2022 saw the establishment of Epicure Islamic Investment Management LLC, jointly owned by QIC (51% through Epicure Holdings LLC) and QInvest

(49%). Epicure Investment Management (EIM), a wholly owned subsidiary of QIC and one of the largest regulated investment managers in Qatar, manages over USD 7 billion of investments across asset classes for its clients and has an impeccable investment track record. Epicure Islamic Investment Management, jointly owned by QIC (51 percent) and QInvest (49 percent), is a Sharia'a compliant entity, authorized and regulated by Qatar Financial Centre Regulatory Authority (QFCRA). The new company will focus on a wide range of Islamic asset management activities, ranging from investments to the development and structuring of innovative Islamic investment products.

The regional leader in digitalization capabilities

QIC is committed to creating efficient digital capabilities and improving customer experience, expanding and reshaping digital insurance landscape in the MENA region through innovation and investment in digitalization platforms. The creation of Digital Venture Partners (QIC DVP) and launching it in 2022 is a significant milestone in this digital journey. This new arm aims to build new digital ventures, leverage existing assets, partner with Big Tech and corporates and strategically invest in such high potential early-stage startups that align and gel well with our insurance digital growth story.

In recognition of QIC's significant progress made in digitization capabilities, the Company was awarded numerous accolades in 2022, including "Best Online Insurance Company in The Middle East" at The Global Banking & Finance Review Awards 2022, "Domestic General Insurer of The Year" & "Auto Insurance Initiative of The Year" in the Qatar awards at the Insurance Asia Awards 2022, and "Insurer of The Year in Qatar" for the second consecutive year at The MENA IR Awards 2023.

QIC was also proud to host the first InsurTech Hackathon in the MENA region, in partnership with Deloitte, Google Cloud and QIC Digital Venture Partners (QIC DVP). In this two-day virtual event, 50 teams from 33 countries competed to unlock enhanced customer experience in insurance solutions. The same partners also hosted the InsurTech MENA Summit 2022. In this first-of-its-kind event in the MENA region, hundreds of technology leaders, investors and insurance innovators came together to envisage improving customer experience in the mobility and health insurance verticals through new value propositions and solutions in Big Tech analytics, AI/ML, behavioral economics and conversational AI, and to officiate the Insurtech MENA ecosystem.

QIC's positioning as the MENA region's most advanced digital insurer, once again showed its value as its domestic companies continued to attract new business in the waning and post-pandemic environment. Digital solutions are proving to be an important and preferred aspect of personal lines insurance sales.

Leading the digital transformation through Anoud Technologies

Over the past years, QIC has successfully positioned itself as a technology leader in the insurance sphere. Anoud Technologies (Anoud Tech), a wholly owned global InsurTech subsidiary of QIC Group and the leading international insurance software solutions provider, in collaboration with Swiss Re the leading global reinsurer, continue to successfully market and implement its Anoud+ solution to third-party insurers in both developed and emerging markets.

During 2022, Anoud Tech successfully deployed and implemented the ACORD Data Exchange Platform and Translator (ADEPT) platform, providing a global platform for real-time data exchange, translation and transformation, connecting stakeholders across the industry. The integration of ADEPT into the Anoud+ Insurance platform allows insurer clients to send and receive ACORD Global Reinsurance and Large Commercial (GRLC) Accounting (EBOT) and Claims (ECOT) messages with their digitally enabled inward and outward trading partners.

Consistent and stable investment income

In 2022, QIC's highly experienced investment team once again proved its mettle as the MENA region's leading investment house, focusing on both sector balance and security of investments. Despite financial market turmoil, declining equity markets and tumbling fixed-income securities, the Company's own portfolio performed strongly, generating a net investment and other income of QAR 834 million for 2022. On a year-to-year basis, the investment yield came in at 4.8%.

Highlighting this strength, Antares Managing Agency Ltd ("Antares"), the Lloyd's specialist insurance and reinsurance subsidiary of QIC, topped the J.P. Morgan Asset Management's Lloyd's Peer Analysis, achieving an average annual investment return of 3.6% against the syndicate peer average of 1.6%, based on a three-year average investment return over the period from financial year 2019 to 2021. QIC was also ranked "Top Investment House" for the fourth year in a row by The Asset magazine.

Underwriting performance impacted by discontinued business and inflation

The Group's gross written premiums for the year was QAR 9.84 billion, compared to QAR 9.92 billion in 2021. Currently 45% of the Group's gross written premiums emanate from personal lines insurance written in the Middle East, U.K. and Continental Europe.

QIC's international operations – including its Lloyd's syndicate - Antares, its Bermuda based reinsurer Antares Re and QIC Europe Limited in Malta contributed gross written premiums of QAR 7 billion to the group's top line. The global insurance business however remained highly volatile during the year, where unseen combination of major headwinds challenged the insurance industry arising from unprecedented inflation and geopolitical tensions. Inflation which peaked record

levels in recent history, drove the claims ratio for the discontinued and legacy business of the Group, which had a direct impact to the underwriting income. Geopolitical tensions, in particular the Russian war on Ukraine, and the outflow from the COVID-19 pandemic continue to drive supply-chain disruptions and energy prices. Against this backdrop, underwriting results from our discontinued business of international operations were severely affected, which was large enough to impact the strong bottom line achieved in the remaining continued business. The decision to discontinue such volatile business is already showing positive results as the negative impact of the discontinued business wanes incrementally as we progress into the new underwriting years.

Meanwhile, the Group's domestic business in Qatar and MENA recorded a further growth in gross written premiums to QAR 2.8 billion, compared to QAR 2.4 billion in 2021, representing 18% growth in 2022. Our domestic business continues to remain highly attractive, contributing both to our top and bottom-line results. QIC's positioning as the most advanced digital insurers in the region proved once again its merit, as our domestic companies continued to attract new business during the pandemic – overcoming the hurdles posed in an environment where in-person meetings and physical interactions remained restricted.

The Group's net underwriting profit for 2022 was QAR 25.4 million as against a net underwriting profit of QAR 643 million in 2021.

Efficiency gains and salient results

QIC continued its commitment to operate as efficiently as possible for the benefit of both its policyholders and shareholders. We succeeded in steadily trimming our cost ratio over the past years and continued on that route through 2022. The Company further improved its already exceptional operational efficiency, achieving a healthy expense ratio for its core operations of 5.3%, a further reduction from 5.9% in 2021.

The 2022 financial results reflect achievements of the ongoing implementation of QIC's strategic plan of expanding low-volatile business while diversifying the portfolio and fully digitalizing the MENA operations. This has helped in creating a strong and robust platform to cement our position as a financially strong, secure and sustainable insurance partner for all stakeholders in the years to come.

ESG and sustainability

QIC is committed to ensuring responsible and sustainable business practices by identifying, mitigating and eliminating potential ESG risks inherent across all our operating business verticals, including insurance, reinsurance, investments and other services. The Company strives to ensure that its ESG principles and strategies are fully embedded in its business plan.

In this respect, in 2022, QIC developed an ESG framework which was approved by the Board, established an ESG and Sustainability Committee to focus and channel the Company's ESG goals and announced its commitment to support Qatar's endeavor under the Paris Agreement to reduce by 2030 the country's greenhouse gas emissions by 25%. Taking its commitment to ESG further, 2022 saw QIC become the first insurer in the Middle East to sign the United Nations Environment Programme-Finance Initiative's Principles for Sustainable Insurance (UNEP-FI PSI). With this, QIC joins a global network of insurance stakeholders committed to integrating ESG along their value chain.

Brand awareness campaign "Time for Change"

Following on from its recent rebranding, 2022 also saw QIC launch its brand awareness campaign, "Time for Change". The campaign promotes the Company's brand and commitment to innovate and lead by example, to also inspire positive change within the local community.

QIC as one of the oldest and well-recognised direct insurance brand in the MENA/ Maghreb region, in a post Covid era of consolidations and efficiency, will have a renewed focus to further develop and grow the direct insurance vertical in the region by leveraging its position as a digital insure-tech leader in personal lines and other select line of business.

Ensuring good corporate governance

Qatar Insurance Company has complied with the requirements and principles of governance in accordance with the corporate governance code for legal entities listed in the primary market - issued by the Qatar Financial Markets Authority, and in accordance with the corporate governance code for insurance companies issued by the Qatar Central Bank. The Annual Report on Corporate Governance describes the Company's compliance with the corporate governance code. The Annual Report on Corporate Governance will be submitted to Qatar Financial Markets Authority (QFMA) post-approval at the AGM.

Supporting Qatar's National Vision 2030 for the next generation

QIC remains committed to supporting the country's efforts to achieve the National Vision 2030. Firstly, QIC has a strong track record of nurturing young Qatari talent and advancing them through the ranks by exposing them to continuously more demanding corporate and leadership positions. As a result, today young Qatari nationals have found places at various levels and hierarchies of the Company's operations.

The Company is also proud to support the next generation of business leaders by holding another mentored summer internship program in 2022. The program is designed to help qualified high school and undergraduate students discover direction in which they would like to take their career forward, while gaining first-hand business experience.

QIC also signed a Memorandum of Understanding in 2022 with the Qatar Finance and Business Academy (QFBA), an agreement that outlines QIC's three-year support of QFBA's 'Kawader Malia' Program; an initiative for new graduates of both genders, designed to prepare future business leaders and decision makers in Qatar's financial and banking services sector by bridging the performance gap between "the academic and the professional".

Supporting initiatives that advance Qatari wellbeing and cultural heritage

In addition, QIC has a long history of supporting activities that showcase Qatar's rich culture and promote Qataris' connection to their environment and heritage. In 2022, for example, QIC supported S'hail 2022 - Katara International Hunting & Falcons Exhibition, which is the most significant international exhibition in the display of falcons, dedicated to preserving and promoting the art of hunting and falconry.

QIC also sponsored the Katara International Arabian Horse Festival 2022, an event organised by the Cultural Village Foundation, in collaboration with the Qatar Equestrian Federation, Qatar Racing, Equestrian Club and Qatar Foundation under the patronage of His Highness the Emir – and has committed to sponsor the 2023 Samla race – an event that promotes good health through a more active lifestyle.

Rating actions

Standard & Poor's (S&P) confirmed an A- issuer credit and financial strength rating for QIC, with a stable outlook. In December, AM Best also confirmed the Company's Financial Strength Rating to A- (Excellent), with a stable outlook. The ratings reflect QIC's balance sheet strength, which AM Best assesses as very strong, as well as its adequate operating performance, neutral business profile and appropriate enterprise risk management (ERM).

Summary of operating results in 2022

For the full year of 2022, the Group reported a consolidated net loss of QAR 637 million, before minority interest, compared to a net profit of QAR 630 million for the previous year. Taking into consideration the above, the Board proposes not to recommend any dividend for the year 2022.

Meanwhile, QIC continues to value its corporate social responsibility and provides support to its communities in cultural, sporting and educational initiatives. This year, QIC has allocated 2.5% of its profits generated from its Qatar operations (QAR 11,005,000) towards such initiatives.

2023 Outlook: Look forward with confidence and optimism

QIC looks with optimism towards 2023. The Company remains well-positioned, thanks to its well-diversified business mix, balanced geographic distribution and diverse sources of income, and will continue to take advantage of attractive business opportunities.

The past years' have demonstrated the Company's resilience in challenging market conditions. Our strategy has proved its capability to respond flexibly, such as by reducing our exposure to volatile global markets along with renewed focus to expand and grow in the direct insurance business within MENA region by enhancing our profitability through innovative growth in personal lines. Our leading, high degree of automation and digitisation has been recognised across the MENA region through numerous accolades. QIC's investments in this area deliver an improved customer experience, critical during lockdowns, but now revealed to be a durable and preferred value proposition in a very competitive post-COVID era.

Our stable bottom line driven MENA business together with our de-risked and balanced international business, backed by a diversified investment portfolio with a proven investment track record, drives us to look towards 2023 and years ahead with confidence and optimism.

QIC's Board of Directors would like to express its gratitude to the Company's management team and to all our employees for their relentless efforts and persistence to make the past year once again a success. Our sincere thanks go also to our esteemed shareholders for their unwavering support to QIC. Finally, our most profound appreciation and gratitude go to the wise leadership of H.H. Sheikh Tamim bin Hamad Al Thani, the Emir of the State of Qatar, for his outstanding support and guidance.

About Qatar Insurance Company

Qatar Insurance Company is a publicly listed composite insurer with a consistent performance history of over 58 years and a global underwriting footprint. Founded in 1964, QIC was the first domestic insurance company in the State of Qatar. Today, QIC is the market leader in Qatar and a dominant insurer in the GCC and MENA regions. QIC is the largest insurance company in the MENA region by total assets. It is listed on the Qatar Stock Exchange and has a market capitalization of QAR 6 billion. For further information on QIC, please visit www.qic-group.com.

QATAR INSURANCE GROUP (QIC)

Chief Executive Officer's (CEO) Message

ECONOMIC OUTLOOK

The year 2022 opened on an optimistic market sentiment as recovery from the effects of the pandemic signaled a strong performance, however, as the year progressed, the economic environment was dominated by macro challenges that led to a sub-optimal global growth and a combination of major headwinds challenged the insurance industry.

Geopolitical tensions, in particular the Russia-Ukraine war and the outflow from the COVID-19 pandemic continued to drive supply-chain disruptions and energy prices.Despite these challenges, strong fiscal conditions and a positive outlook for gas prices helped Qatar fare better than many other economies in the region. Qatar's economy was projected to grow by 3.9% in 2022 according to the IMF and is expected to grow by 4.9% in 2023 according to the World Bank's latest forecast. Additionally, Qatar's GDP growth next year will be the GCC's best.

Qatar's insurance sector is positioned to expand further in the upcoming years due to a growing awareness of the benefits of insurance and the emerging fintech and insurtech ecosystems that will make insurance products more accessible and affordable as well as an increased inbound in tourism to Qatar following the FIFA World Cup 2022.

FINANCIAL PERFOMRANCE

The Group's gross written premiums for the year was QAR 9.84 billion, compared to QAR 9.92 billion in 2021. Currently 45% of the Group's gross written premiums emanate from personal lines insurance written in the Middle East, U.K. and Continental Europe.QIC's international operations – including its Lloyd's syndicate - Antares, its Bermuda based reinsurer Antares Re and QIC Europe Limited in Malta contributed gross written premiums of QAR 7 billion to the group's top line. Meanwhile, the Group's domestic business in Qatar and MENA recorded a further growth in gross written premiums to QAR 2.8 billion, compared to QAR 2.4 billion in 2021, representing 18% growth in 2022. The Group's net underwriting profit for 2022 was QAR 25.4 million as against a net underwriting profit of QAR 643 million in 2021.

INVESTMENT PERFORMANCE

QIC's investment strategy, enabled by a team of experts and their impressive investment acumen helped us navigate a challenging market environment marred by geopolitical and economic uncertainties, namely the Russia-Ukraine war, high inflation and rising interest rates. The Group's net investment income amounted to QAR 871 million compared to QAR 1,125 million in FY 2021 and the Investment Yield for FY 2022 came in at 4.6% versus 5.1% in FY 2021.

EPICURE INVESTMENT MANAGEMENT

Epicure Investment Management is a 100% subsidiary of QIC Group, and a regulated investment manager based in Qatar Financial Centre. Epicure manages investment portfolios of QIC Group entities and also extends the services to third party institutional clients. In FY 2022, QIC Group acquired 51% interest in QINVEST's investment management business and renamed it Epicure Islamic Investment Management. This acquisition allows QIC Group to offer shariah as well as

conventional investment solutions to its clients. Epicure (including Epicure Islamic) is one of the largest investment managers in Qatar with assets under management exceeding US$7bn.

ANOUD TECHNOLOGIES

Anoud Technologies LLC announced the successful launch and integration of the ACORD Data Exchange Platform and Translator (ADEPT). This platform enables real-time data exchange, translation and transformation, connecting stakeholders across the insurance industry. Anoud Tech, an ACORD Solution Provider Member and Licensed Integrator Partner of ACORD Solutions Group, has integrated ADEPT into its Anoud+ Insurance platform to enable its insurance customers to send and receive ACORD Global Reinsurance and Large Commercial (GRLC) Accounting (EBOT) and Claims (ECOT) messages with their digitally enabled inward and outward trading partners.

DIGITALIZATION AND INNOVATION

Working towards the full digitalization of our products and services and contributing to creating a real digital shift within the MENA region were our key areas of focus in 2022. QIC has realized that it's the right time for customers in our region to have full control of their insurance needs online, and to get access to the best digital experiences possible. As such, we introduced "qic.online", the fastest and fully digital insurance platform that allows customers to manage their insurance needs instantly, remotely and in just a few clicks from onboarding to claims.

In addition to undertaking changes within its own operations, QIC launched the QIC Digital Venture Partners Unit, a unit that capitalizes on the Group's vast tech and investment capabilities, namely its IT subsidiary 'Anoud Technologies' and investments arm 'Epicure Investment Management' and marries it with startups' agility, entrepreneurial mindset and rapid growth potential for a robust venture building model that is capable of reshaping the insurance landscape by building new ventures and strategically investing in innovation driven early stage startups while bridging the innovation gap between the MENA region and the global insurtech ecosystem. QIC Group leveraged its strong regional and international influence and held the Insurtech MENA Summit 2022, the first of its kind hybrid event in the region.

ENTERPRISE RISK MANAGEMENT

Enterprise risk management is at the forefront of all our business decisions as an integral part of our corporate government philosophy. It is reflected in the fact that our risk based capital adequately ranks amongst the strongest levels, which is supported by our large capital base. It is further strengthened by our ability to easily access capital markets and generate organic growth. Our risk management efforts are suitably placed to match the complexity of our risk portfolio.

The risk management framework is designed to assess, control, and monitor risks from all sources, with the aim of increasing short and long-term value to the stakeholders. The risk management framework involves determining, evaluating, and managing the risks faced by the Group.

PROCESS EFFIECENCY AND AUTOMATION

The Group's continuous efforts to maximize process efficiency and automation continued to yield results in 2022. The Group further improved its already exceptional operational efficiency with a healthy administrative expense ratio for its core operations of 5.3% in 2022.

INTERNATIONAL OPERATIONS

QIC's international operations – including its Lloyd's syndicate - Antares, its Bermuda based reinsurer Antares Re and QIC Europe Limited in Malta contributed gross written premiums of QAR 7 billion to the group's top line. In line with the Group's strategy to exit from low margin and loss making international direct business, it has been decided to divest the Gibraltar-based direct insurance carriers.

AWARDS AND RECOGNISTION

QIC exceptional performance earned it several awards and recognition during 2022. Antares Managing Agency Ltd (Antares), the Lloyd's specialist insurance and reinsurance subsidiary of QIC Group, announced that Antares Syndicate 1274 ranked first for investment performance based on three-year average investment returns from FY 2019 to 2021, according to J.P. Morgan Asset Management's Lloyd's Peer Analysis. QIC was also named "Best Online Insurance Company in the Middle East" at the Global Banking & Finance Review Awards 2022. This recognizes QIC's exceptional performance in 2022 in terms of digitalization of products and services. In addition, the company has achieved a record number of customers using online channels to meet their insurance needs. QIC also won the Domestic General Insurer of The Year and Auto Insurance Initiative of The Year awards in Qatar at the Insurance Asia Awards 2022. QIC's Epicure Investment was ranked by Asset Magazine as the 'Top Investment Manager' in the MENA region for the sixth year in a row. QIC also won 'Best Insurance Leadership (GCC 2022) award for the second year in a row.

TALENT ACQUISITION AND QATARIZATION

QIC believes in finding the best talent for each role within our organization, particularly for critical and technical business positions. The company continued its commitment to identify, recruit, develop, and retain exceptional Qatari talent which is aligned with Qatar National Vision 2030. The company has made consistent efforts to nurture and develop young Qatari talent who will indeed lead the future of the financial and banking sector through various robust learning initiatives including

its contribution towards supporting QFBA's 'Kawader Malia' Program for three years.

QIC focuses on developing internal talent by offering regular trainings and certification programs. There is a greater emphasis on creating a diverse and positive workplace which brings people from different backgrounds, nationalities, and genders together offering unique perspectives which has driven innovation, product development, diversification, strategic thinking, and problem-solving.

ENVIRONMENTAL, SOCIAL, GOVERNAMCE FRAMEWORK

Environmental, Social and Governance (ESG) refers to the three central factors in measuring the sustainability and societal impact of QIC Group. In 2022, QIC Group continued its commitment to becoming a more sustainable and responsible business, in particular our objective to be in support of Qatar's ambition to reduce the country's greenhouse gas emissions by 25 percent by 2030, in line with 'Qatar National Vision 2030'. Specifically, QIC developed an Environmental, Social and Governance (ESG) framework, which the Board unanimously approved. Additionally, QIC formed an ESG committee and developed a long-term ESG strategy that will enable us to integrate ESG across our operations with the goal of balancing economic and social development while creating positive impact for people and the planet.

Additionally, in 2022, QIC signed the United Nations Environment Programme-Finance Initiative's Principles for Sustainable Insurance (UNEP-FI PSI), making it the first insurer in the Middle East to sign the global agreement. By becoming a signatory, QIC becomes part of a global network of insurance stakeholders committed to integrating ESG along their value chain. These Principles are more comprehensive than just financial metrics used typically in the industry, which will provide a platform for QIC to strengthen their business governance model.

LOOKING FORWARD

In 2023, QIC will continue its focus on further developing and growing the direct insurance vertical in the region by leveraging our position as a leader in digitalization of personal lines and other select lines of business. Additionally, we will capitalize on the momentum created in 2022 and further harness digitalization and innovation to unlock new potential for existing and future generations of customers.

Last but not least, I express my sincere gratitude to His Highness the Amir of the State of Qatar, Sheikh Tamim Bin Hamad Al Thani for his wise leadership which continues to guide the country towards prosperity and success across international and regional indicators.

Management Team

Salem Khalaf Al Mannai
Group CEO

Chirag Doshi
Group Chief Investment Officer

Ahmed El Tabbakh
Deputy CEO - International

Varghese David
Group Chief Financial Officer

C. M. Unnikrishnan
Deputy CEO - MENA Operations

Sultan Ghani
Advisor to Group CEO

Rashid Al Buainain
Group Chief Administrative Officer

Ahmed Al Jarboey
Chief Operating Officer QIC

Lars Gehrmann
Group Chief Digital Officer

Saji Philipose
Group Chief Audit Executive

Mark Graham
Group Chief Risk Officer

Entities CEOs

Michael van der Straaten
Antares Global Holdings Limited / CEO of Antares Re

Pantelis Koulovasilopoulos
CUO Long Tail & Specialty, Antares Global & CEO, QIC Europe Ltd.

Mark Graham
Antares at Lloyd's

Dimitris Papachristou
Gibraltar Based Companies

Hassan Al-Lawati
QIC Oman

Hassan Al-Jaidah
QIC Kuwait

Ilango Thiyagarajan
QIC UAE

Milestones Achieved

1964

- QIC established

1968

- QIC Dubai branch established

1986

- New management, new vision

1990

- Premium income reached QAR 100 million

1994

- LNG came to Qatar and QIC was the insurer of choice

2000

- Declaration of our Millennium Vision

2002

- QIC Abu Dhabi branch opened

2003

- Standard & Poor's rating obtained

2004

- Oman Qatar Insurance Co. established
- Kuwait Qatar Insurance Co.

2006

- Premium income crossed QAR 1 billion

2007

- QIC International established

2008

- Qatar Insurance Group established

2009

- Q-Re, our specialist reinsurance company established

2011

- Q Life & Medical Insurance Company LLC established

2012

- A.M. Best Rating obtained
- Qatar Re opened branches in Zurich and Bermuda, and a representative office in London

2013

- Premium income crossed USD 1 billion

2014

- QIC established QIC Europe Ltd (QEL)
- Antares acquisition
- Net profit crossed QAR 1 billion
- QIC's 50th Anniversary

2015

- Qatar Re ranked amongst global top 50 reinsurers
- Antares Asia, a Lloyd's Asia Platform, was established in Singapore
- Qatar Re opened a representative office in Singapore and a branch office in Dubai
- QLM established a branch in Labuan, Malaysia
- Qatar Re relocated to Bermuda
- Gross Written Premium (GWP) crossed USD 2 billion for the full year

2016

- Qatar Re ranked 35th amongst top 50 global reinsurers
- Antares joined the Lloyd's China platform in Shanghai
- Gross Written Premium (GWP) crossed QAR 9.9 billion for the full year
- Qatar Re placed USD 450 million perpetual non-call 5.5 subordinated 2 Tier notes
- QIC ranked as 'Top Investment House' from MENA Region
- OQIC IPO was oversubscribed 1.4 times
- Qatar Re, reinsurance arm of QIC won 'Bond Deal of the Year' Award

2018

- Qatar Re's Marker Study acquisition marked a significant step towards QIC's global expansion strategy
- Qatar Re opened a branch office in London
- QIC won '2017 MENA Fund Manager Performance' Award
- Qatar Rail West Bay Station to be named West Bay Qatar insurance Company
- QIC ranked as 'Top Investment House from MENA region'
- QIC Group launched QIC Learning Academy
- OQIC won 'Best Performing Company' at AIWA awards
- Qatar Re ranked 27th amongst top 50 global reinsurers
- QIC Group's representation at the Labour Law reform forum hosted by the Qatar Chamber of Commerce & Industry and international Labour Organization

2019

- Oman Qatar Insurance Company (OQIC) recognized as "Best Insurance Company for Online Services & Motor Insurance" in Oman
- QIC recognized as the 'Best Motor Insurance Company MENA'
- QIC won two prestigious awards at the MENA Fund Manager Performance Awards
- QIC won 'Best Digital
- Transformation in Insurance' Award
- QIC ranked as 'Top Investment House from MENA region'

2020

- Salem Khalaf Al Mannai appointed as Group CEO of Qatar Insurance Group
- QIC issues $300mn Tier 2 capital notes
- QIC ranked for the third year in a row as 'Top Investment House' from the MENA region.
- Forbs ranks QIC top insurance company in Middle East
- QLM listing on Qatar Exchange

2021

- 8th Middle East Insurance Industry Awards (MIIA)
- Anoud Technology first Qatari firm to export internally developed IT solutions.
- QIC Group Owned Antares tops Lloyd's Analysis for investment Performance.
- QIC Group holds "Time Capsule" event to mark the successful full fledge integration of technology in all areas of business.
- QIC ranked as "Top Investment House" in MENA by The Asset magazine.
- Top Insurance Company in The Middle East – Forbes Magazine .
- QIC Award Four Prestigious Accolades – Global Banking & Finance Review .
- Best Non-Life Insurance Company in Qatar – World Finance Magazine.
- Best Insurance Leadership GCC – CFI.co.

2022

- QIC ranked by Asset Magazine as the 'Top Investment House' in the MENA region for the fourth year in a row.
- QIC launched Digital Venture Partners Unit (DVP).
- QIC launched the first and fastest all-inclusive online insurance portal in Qatar.
- Epicure Investment Management named 'Top Asset Manager' in the Middle East.
- QIC was named 'Domestic General Insurer' and 'Auto Insurance Initiative' of the year in Qatar at Insurance Asia Awards 2022.
- QIC Group subsidiary 'Antares Managing Agency', ranked first by JP Morgan Asset Management's Lloyd's Peer Analysis for investment performance.
- QIC was crowned 'Best Online Insurance Company in the Middle East' at the Global Banking and Finance Review Awards 2022.
- QIC and QInvest LLC announced the establishment of Epicure Islamic Investment Management LLC.
- QIC won 'Best Insurance Leadership (GCC 2022) award for the second year in a row

QIC is committed to achieving an environmentally sustainable insurance and investment portfolio, in line with global climate targets. QIC shall maintain the standards of Governance, Ethics, and Human Capital Development required to achieve the UN Sustainable Development Goals.

QIC GROUP

Sustainability Report 2022

1. Introduction

Climate change, deforestation, depletion of freshwater resources, and other changes to the environment are endangering the lives and well-being of both current and future generations. Man-made disasters have bankrupted businesses and caused societal displacement. Against this background, investors, customers, employees, and regulatory authorities consider consistency, predictability, and sustainability (ESG – Environmental, Social, and Governance) as key criteria to engage with any business.

Climate change has magnified the physical risks of natural catastrophes and climate-related disasters and their adverse impact on physical properties and assets. The changes in risk dynamics, coupled with price pressure on insurance products with high carbon footprint and disruptions in insurance businesses due to the transition to carbon-neutral insurance products have had an impact on QIC's businesses and their profitability. Unlike in the past when profitability was the only criterion, investors today consider ESG to be a key benchmark for making investments. The focus on ESG now has a strong influence on market valuation of companies. Climate change affects the planet as a whole and does not know any boundary, hence it calls for action from all individuals, corporates, institutions, and governments alike.

QIC, as a responsible insurance group, has adopted an environmental, social and governance (ESG) framework and intends to be at the forefront of the industry to facilitate a sustainable environment. QIC Group CEO noted: "ESG is no longer an option and to ensure sustainable growth, we have agreed to incorporate this in our business strategy." Hence, QIC is committed to integrating ESG risks into its underwriting, investments, and operations. QIC has signed the United Nations Environment Programme - Finance Initiative's Principles for Sustainable Insurance (UNEP-FI PSI), making it the first Middle East-based insurance group to sign the global agreement.

QIC has executed several ESG-related initiatives in 2022 to improve its sustainability parameters as well as the environment around it, and these are covered in this report. The initiatives covered critical areas of governance and ethics, climate change and related physical and transition risks in underwriting, ESG integration in investments, development of human capital and the impact of QIC's operations on the environment.

This report is developed in line with the global frameworks, Global Reporting Initiative (GRI) Standards, Sustainability Accounting Standards Board (SASB) Standards: Insurance and Investments, and global independent rating agencies, wherever these frameworks and standards apply relevant to QIC's businesses. This report forms part of the QIC Annual Report 2022 and complements the QIC Corporate Governance Report 2022.

Our Sustainability Objective:

QIC has committed to supporting the formal commitment by the State of Qatar under the Paris Agreement to reduce the nation's greenhouse gas emissions by 25% by 2030.

All the ESG initiatives during 2022 with respect to key areas are as under:

2. Underwriting

Economic Losses from natural catastrophes and climate change-related disasters:

According to World Meteorological Organization (WMO) and the United Nations Office for Disaster Risk Reduction (UNDRR), climate change and increased extreme weather events have disproportionately caused a five-fold surge in natural disasters over the past 50 years. The major disasters of 2022 fell across the development spectrum, from floods in Afghanistan, Australia, Bangladesh, India, Pakistan and Thailand, drought in China, Kiribati, and Tuvalu, Tropical Storms Megi and Nalgae in the Philippines, Hurricane Ian in the USA, heatwaves in India, Japan, and Pakistan, to earthquakes in Afghanistan, Fiji, and Indonesia.

The economic losses from natural catastrophes in 2022 were estimated to be $313 billion and the period 2010-2022 saw eight out of ten costliest years on record in the history in terms of economic losses from natural catastrophes with 2011 being the costliest year ever with economic loss mounting to $676 billion. A major gap in protection exists across the world against natural and climate change-induced catastrophes (at 58% in 2022).

Mounting Insured losses from natural catastrophes and climate-related disasters:

The last decade 2013-2022 witnessed the highest insured losses from natural catastrophes at an aggregated $776 billion compared to $262 billion during the decade 1992-2001 . Insurers and reinsurers were severely affected by the increasing frequency of high-severity natural catastrophes and climate-related disasters, which had previously been infrequent and less severe. These large loss events have forced insurance companies to revisit their existing underwriting strategy, pricing, and claim assessment models.

New Insurance solutions for climate change:

Insurance companies need to enhance their technical capabilities to mitigate the evolving risks of climate change. Estimates of future losses from climate change-related disasters cannot necessarily be derived from past loss experience because of the fast-changing impacts year after year. To tackle this rapidly evolving risk landscape, new underwriting solutions, insurance products, and risk modelling tools have to be developed. Moreover, the existing pricing and transfer of climate change risks used may not be enough. Insurers and businesses as insured need to focus on both the prevention and mitigation of climate change-associated risks, to make the world more resilient.

QIC's exposure to natural catastrophes and climate change-related losses:

In 2022, premiums from natural catastrophe-exposed risks contributed approximately 3% of the total net premium underwritten by QIC Group, compared to 7% of the total net premium underwritten in 2019. This level is in line with the Group's strategy of reducing exposure to businesses with elevated natural catastrophe risks and further diversifying its insurance operations. QIC has decided to underwrite only those businesses that suitably price the risks from natural catastrophe exposures and to reject those that are underpriced.

Climate change risks consist of physical risks and transition risks. QIC manages the physical risks through defining risk appetite and tolerance limits, risk inspection and mitigation inputs, underwriting guidelines, and exposure management models (statistical models for actuarial assessments). As the insureds' businesses transition to greener and cleaner methods and areas, QIC does not expect any impact on its business due to the transition risks. The transition risks include policy risk, technology risk, market risk, and reputational risks.

Policy Risk: 70% of QIC's gross premiums were generated outside the MENA region and are mainly focused on risks in Europe and Americas. These businesses are prima facie in compliance with carbon emission and 2-degree carbon emission targets. The balancing 30% of QIC's gross premiums, which originate from the MENA region is well diversified with small sizes into different sectors and does not pose any major risk in the short term from the policy and regulatory perspectives.

Market Risk: QIC has been affected by high natural catastrophes claim payments from 2017 onwards. However, QIC has rectified its exposure to natural catastrophe risks and does not foresee major losses from these in the coming 3 to 5 underwriting years. QIC does not see any impact due to change in market demand from fossil fuel related insurance to non-fossil or reinsurance support and to meet any requirements related to change in product mix as per such changing market preference. Change in energy costs or fuel prices also do not impact the ability of QIC to come up with needed insurance products, as prices for insurance have shot up given the protection gap in the market and due to the climate change-induced insurance opportunities. QIC may increase exposure to natural catastrophe risks only under the circumstances that premiums, coverage terms, and other important parameters meet QIC's appetite and become suitable to derive profitable growth.

[1] Source: AON – 2021 Weather, Climate and Catastrophe Insight
[2] Source: Swiss Re Institute – Global Insured Losses since 1970

Technology Risk: QIC is on top of the information technology curve and is constantly upgrading itself with the changes in technologies that impact its products, operations, and system to maintain a robust, effective, and efficient sustainable business. Being in the service industry, there is no need of any capital investment in heavy plant and machineries and therefore there is no technology risks related to write-offs or due to obsolescence other than related to information technology

Reputational Risk: QIC intends to achieve a 'net zero' on emissions through its operations in offices and employees. With regard to its underwriting books, QIC does not have capacity reduction risks or lower productivity related to workforce management and planning or impact to revenues or cost of operations due to climate change risks or supply-chain disruptions. QIC's highly diversified underwriting portfolio makes it less vulnerable to any transition and reputational risk.

QIC's exposure to the energy and fossil fuel sector:

QIC's exposure to energy risks represents only 5% of its overall insurance portfolio on a gross premium basis while the energy exposure stands at just 2% on a net premium basis, as the Group reinsures a large proportion of its energy portfolio, to de-emphasize the retention of risks associated with the fossil fuels extraction and production industries. QIC's industry mix in terms of underwriting risks is well diversified and is in line with QIC's overall business strategy. It does not pose any major challenge with respect to transition risk and moving away from the oil and gas sector. QIC is mindful of the risk mitigations measures taken by the insureds in terms of the technology used before accepting any such risks in the energy space, particularly those that aid to reduce the carbon footprint and the impact of pollution like the ones that are used to reduce fugitive, unnecessary emissions, improve leak detection, carbon capture and storage technologies etc.

QIC's climate change risks exit policy:

QIC does not support climate-impacting businesses like thermal coal-fired power plants, thermal coal mines, oil sands and new Arctic energy exploration activities and is phasing out its negligible existing exposures to these industries.

Exposure management models:

In line with its philosophy of reducing exposures to natural catastrophes and climate-change risks, QIC has developed relevant risk metrics, exposure modelling, scenario analysis, stress testing and own risk and solvency assessment, in line with its risk appetite and tolerance limit at the Group as well as at the individual entity level. QIC runs exposure management /claim assessment models for all major natural catastrophes. QIC regularly expands the scope of its NatCat Exposure Management Model, in line with covering natural catastrophes such as wildfires, hurricanes, storm surges, and tropical cyclone-induced precipitations.

Over the past few years, QIC has consciously reduced its exposure to natural catastrophes in regions and perils where claims were disproportionate compared to the premium income. As a result, QIC has reduced its tolerance limits, and the overall exposures have dropped materially in 2022, and are well within the reduced risk tolerance limit.

QIC's underwriting performance on natural catastrophes and climate change:

QIC's natural catastrophe-related claims have resulted mainly from windstorms in US regions, windstorms and floods in Europe and windstorms in Japan. Since 2018, QIC has been reducing its tolerance limits and consequently, the exposure to the North Atlantic Hurricane at the end of 2022 has reduced materially. The average net claims payment from North Atlantic and North American windstorms has also fallen significantly in 2022.

QIC's work on climate research:

QIC has an R&D team focused on catastrophe pricing and analytics. This team validates historical climate data and predictive catastrophe models to help carry out actuarial assessments of catastrophe losses and incorporate these in risk pricing. QIC validates data sources, model construct mechanisms and performance of modelled losses versus actual losses. The exercise concluded that the models used can appropriately estimate the impact of modelled catastrophes and the extent of losses incurred.

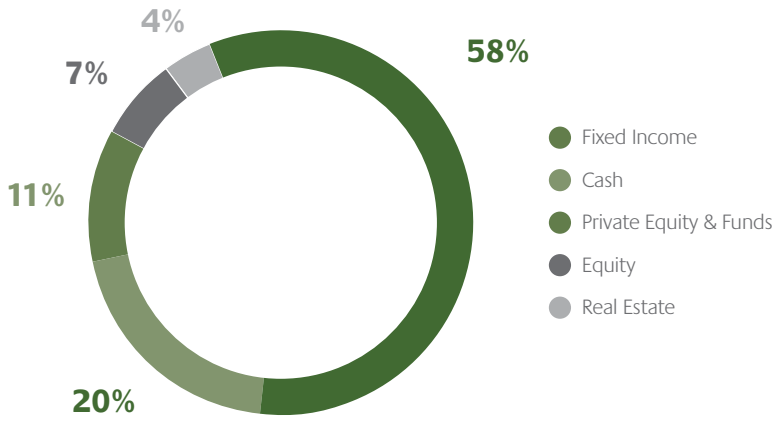
3. Investment & Treasury

QIC's investment portfolio is a key element driving the Group's financial performance. The cash flows generated from insurance operations are invested to earn industry-leading returns while maintaining the liquidity requirements to meet insurance liabilities on a timely basis.

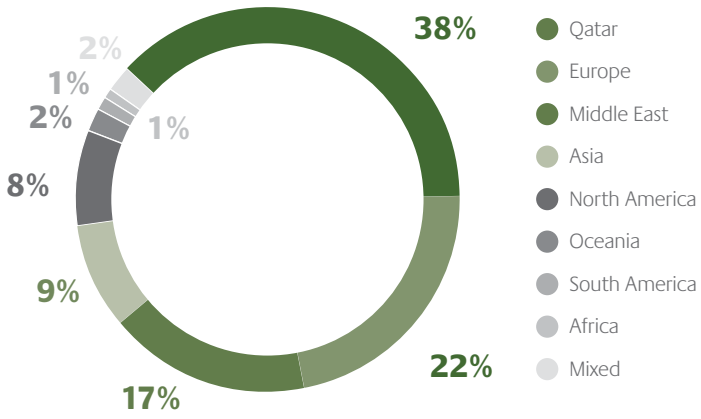
QIC has been awarded the Top Investment House in the MENA on four occasions, which reflects its industry-leading investment management capabilities. The key investment objectives of QIC are ensuring preservation of capital and policyholders' funds and achieving appropriate returns relative to the risks undertaken. QIC's business model necessitates maintaining an appropriate level of liquidity at all times to honour claim payments.

QIC's investment portfolio is predominantly composed of fixed-income securities and cash. In addition, QIC makes judicious investments in equity and other asset classes such as real estate. Being a global insurance player, QIC's investments are diversified across six continents; however, QIC consciously deploys its investments in countries with high sovereign credit ratings and which are politically and economically stable. The countries, where QIC has major investments, have S&P ratings ranging from 'AA' to 'AAA', which reflects their economic stability. Along with geography's economic stability, the investments are handpicked with a value-driven philosophy on the basis of extensive research and review, prior to execution.

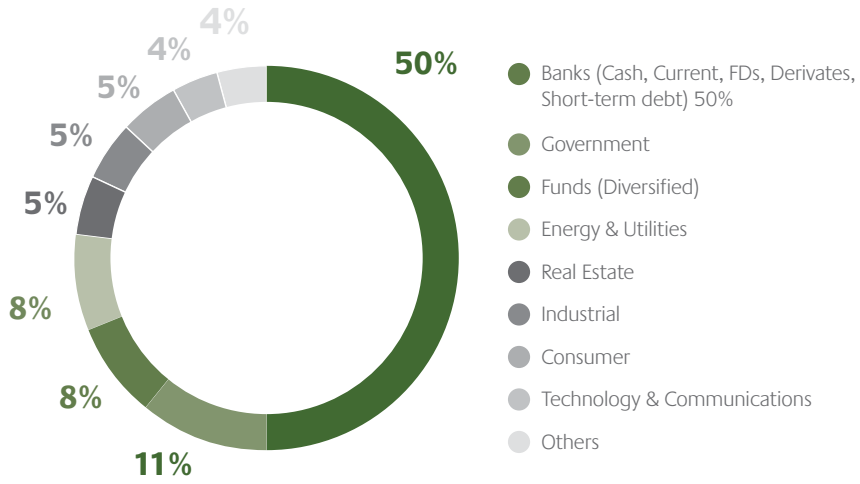
Investment - Asset Class wise - 2022
Investments: USD 4.65 billion



Investment - Geography wise - 2022
Investments: USD 4.65 billion

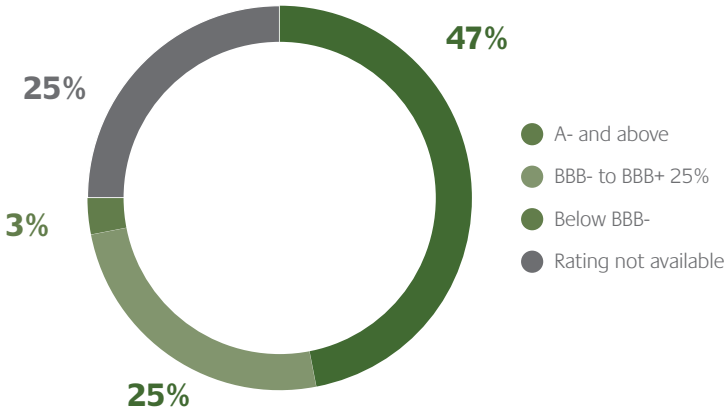


Investment - Sector wise - 2022
Investments: USD 4.65 billion



72% of the investments carry high-quality S&P credit ratings and are of investment-grades, 25% of the investments do not have credit ratings available, and only 3% of the investments are of non-investment grades, and QIC is confident of the quality of the risk.

Investment - Credit Rating wise - 2022
Investments: USD 4.65 billion



Since the past, QIC has been informally integrating ESG considerations into its investment decision-making for many years; however, in 2021 it has committed to establishing ESG integration throughout its entire investment book. QIC has created policies and frameworks for ESG and tied up with partners to source needed data and collaborate in achieving its ESG objectives and targets.

In 2022, QIC has signed the United Nations Environment Programme-Finance Initiative's Principles for Sustainable Insurance (UNEP-FI PSI) which makes QIC committed to integrating ESG in all its business operations including investments. QIC is committed to integrating ESG issues into investment decision-making and ownership practices implementing the Principles for Responsible Investments.

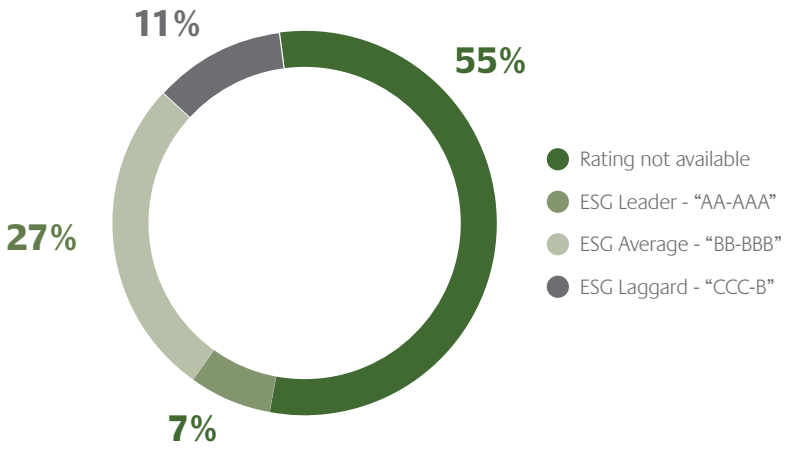
QIC's approach to ESG integration is to assess and understand the investee companies' progress in addressing the ESG risks. QIC has set up an ESG benchmark for investee companies, mainly in the form of external ratings and commits to fully exclude and divest from polluting and ESG risk-prone businesses. QIC is committed to refrain from making any further fresh investments in businesses that derive 10% or more of their revenues from thermal coal-fired power plants, thermal coal mines, oil sands or new Arctic energy exploration activities.

QIC established its ESG Committee in the year 2022, with members dedicated to the agenda of ESG integration into all business operations, including investments.

The investment portfolio of QIC is divided into two segments; one is internally managed, and the other is managed externally by top global asset managers. The ESG performance of the internally managed portfolio has been captured in terms of externally rated ESG Rating and the performance indicators are improving year after year. Clear improvement can be seen in 2022 when compared to the previous year 2021. Out of the part amounting to US 1.5 billion of the total investment book of 2021, 40% was categorized as ESG- 'Laggard and high/severe ESG risks' which in 2022 got reduced to 24% of this portion of the investment book.

QIC has been consciously monitoring its investment portfolio for any serious ESG risks-prone investments and over a period QIC is committed to eliminating or reducing the exposures to such securities and issuers.

Investment - Internally Manged - ESG Rating - 2022
Investments: USD 3.38 billion



Investment funds generated by the international operations are managed by global portfolio managers who are signatories to the UN Principles for Responsible Investment ("PRI"). QIC integrates ESG considerations into the investment process and decision-making.

The QIC Global investment approach considers low carbon investments and opportunities as a key investment criterion, in addition to risk and return goals. QIC asset managers also base investment decisions on climate change policies, biodiversity, human rights, social issues, banned weapons, anti-corruption, and the use of environmentally friendly technologies. This also includes the proactive engagement with investee companies on ESG issues on QIC's behalf, and this is evident in the favourable portfolio composition in relation to ESG.

QIC's subsidiary, Antares at Lloyd's, has an investment portfolio of approx. **US$ 932 million** and the portfolio has **MSCI ESG Rating "AA"**, which renders QIC among the leaders in ESG-integrated investments, and as a result the portfolio effectively addresses carbon risk, reputational risk, and governance risk.

Similarly, QIC's subsidiary, Antares Re (formerly Qatar Re) has assigned an external professional fund manager that manages investments of approximately US$ 340 million. That portfolio produces an **MSCI ESG Rating "A"**, which is in line with the benchmark as per the investment objectives and goals set for the fund. This portfolio also considers carbon intensity, carbon footprint, exposure to fossil fuels, coal, power generation and renewables.

Antares Re Investment Portfolio – ESG Performance

ESG Ratings **Fund: A** **Benchmark: A**

Ratings	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Fund	5%	28%	32%	24%	8%	4%	0%	0%
Benchmark	7%	28%	27%	22%	11%	5%	1%	0%

Source: MSCI

QIC's asset managers are longstanding UN PRI signatories, through which they incorporate ESG issues into their policies and practices. QIC ensures that they seek appropriate disclosure on ESG issues by the entities in which they invest, and they promote acceptance and implementation of the Principles within the investment industry.

QIC's asset managers are also signatories of the UK Stewardship code that sets out standards/expectations for asset owners/managers on how they integrate ESG issues. As per the Stewardship Code, they also need to demonstrate the manner in which they engage and collaborate with investee companies to enhance the value of assets. Some examples include meeting board members and management, writing letters to an investee company to raise ESG-related concerns, and raising key issues through a company's advisers. They are also required to describe the outcomes of the engagement that is ongoing or concluded in the preceding 12 months, undertaken directly or by others on their behalf. They have engagement and proxy voting in place that encourage high standards of corporate governance, transparency and accountability on environmental and social issues, and there are proper reviews and oversight of proxy voting in terms of corporate governance and sustainability.

4. Human Capital

QIC's businesses require highly skilled human capital, and they form the backbone of the company. Over the decades, QIC employees have contributed to growing and nurturing QIC to become one among the largest insurance companies in the MENA region, with a strong presence across the globe. One of the main prerequisites for attaining the Company's objectives and targets is hiring, upskilling, and retaining the best talent possible. The productivity in terms of premium per employee and operating income per employee developed over the last decade demonstrates the competitiveness of QIC's human resources at the regional as well as the global level. QIC puts an emphasis on the training and development of its employees, backed by best-of-the-class compensation in the industry to stay ahead of the competition as it navigates the evolving marketplace of the future.

4.1 In-house training & development

The Board and management of QIC are committed to continuous training and development of all employees and do believe that investment in training helps transform the workforce and pays rewarding dividends. QIC has a dedicated learning and development (L&D) department that creates programs focusing on the training and skill development of all its employees throughout the year. The yearly training plan gets reviewed and approved by the appropriate authority at the Senior Executive Management level.

QIC puts the new joiners through six months of rigorous on-the-job training. The nature and complexity of QIC's businesses and operations require almost one-fifth of the overall time as on-the-job training for the development and/or improvement of new and/or existing skills and expertise as required in the job. For all the employees, training and development objectives are set on the basis of skill sets and expertise that are assessed as important for the Company, and accordingly, QIC arranges classroom training, face-to-face as well as online. There are five major focus areas for training, as follows:

1. Soft skills training. This mainly covers training related to employee orientation, relationship building, impactful presentation, communication skills, remote-working, effective planning, delivering results, diversity awareness, and others.

2. Insurance business or job-related skills. QIC provides job-related training based on the requirements in areas like basics and principles of insurance, underwriting, claims, investments, actuarial, exposure management, finance, expense management, etc.

3. Leadership or management training. Team building, leading change, leading self and others, the art of persuasion, giving and receiving feedback, pre-requisites of high-performing teams,

4. Systems and tools expertise training. Training on in-house systems and tools, windows and productivity tools, insurance and investment applications, system automation, MIS and reporting dashboards.

5. Compliance, regulatory and certifications training. Mandatory training courses that all employees are required to complete in order to comply with respective compliance, regulatory, and certification requirements. The training areas include information security, cybersecurity, data protection and data privacy (GDPR), code of conduct, financial crimes, anti-money laundering, terrorism financing, and sanctions, anti-bribery, corruption, and fraud, whistle-blower protection, modern slavery, equality and diversity, business continuity planning and others.

In Qatar, QIC has conducted a total of 25 training programs running into 330 training man-days and 2,646 training hours in the financial year 2022. Similarly, in the international operations, QIC has conducted a total of 38 programmes.

4.2 Degree and certifications programmes:

QIC's growth and sustainability depend immensely on the collective talent, experience, and mindset of its workforce. QIC provides degree and certification programmes for all its employees to expand their skill sets and grow through the ranks as part of the leadership creation process in the organization. QIC focuses on professional studies related to actuarial, underwriting, finance, human resources, and post-graduate programmes in business, finance, management, and leadership. The development of employees' knowledge and experience in these areas contributes to the performance outcome of QIC in all critical business operations.

QIC also provides scholarship programmes for undertaking post-graduate or master's degrees in some of the prominent colleges and universities in the world. The number of degree and certifications programmes sponsored by QIC since 2020 to date, is as follows.

Professional Qualifications	No. of employees sponsored
Actuarial qualifications	24
Underwriting qualifications	26
Other professional qualifications	25

4.3 Partnering with educational institutes and training & development organizations

QIC partners with many educational institutions and training & development organizations that are specialized in developing skill sets related to the insurance and finance domain.

QIC, through its subsidiaries, has full membership access to Lloyds' Market Association (LMA) Academy, which provides technical learning solutions in four critical areas as below:

1. Underwriting
2. Claims
3. Finance, risk, and actuarial
4. Business operations

The LMA Academy, through a broad range of learning opportunities actively enhances the LMA members' talent pool at all career levels by providing pathways at four levels namely Foundation, Intermediate, Advanced, and Expert. LMA Academy has a dedicated learning platform from which members can access a range of online learning modules. The curriculum of the LMA Academy is designed in collaboration with Lloyd's members to suit the requirements of Lloyds, the world's insurance marketplace. The curriculum includes commercial acumen for underwriters, claims professionals, liability, reinsurance, global macroeconomics, insurance innovations, impact tolerances and scenario testing, capital modelling, pricing, and reserving. QIC employees, for whomever they are relevant and applicable, have access to these learning modules and they utilize them to learn new skills and perform better in their job roles.

QIC has also partnered with a leading technology workforce development company that helps enterprises build technology skills at scale, with expert-authored courses on today's most important technologies, tools to align skill development with business objectives, virtual instructor-led training, hands-on labs, skill assessments, and analytics. They have tech partners like Adobe, Microsoft, Oracle, Google, Stack Overflow, and Amazon Web Services. Pluralsight products include indexing tech skills across the organization and upskilling employees into modern tech roles, as well as providing visibility into development processes by pulling data related to code commits, pull requests, tickets, and more into actionable workflow reports.

In Qatar, QIC has signed a Memorandum of Understanding (MOU) with the Qatar Finance and Business Academy (QFBA), supporting QFBA's 'Kawader Malia' program for three years; an initiative designed to prepare future business leaders, and decision-makers in Qatar's financial and banking services sector by bridging the performance gap between 'the academic and the professional' for fresh graduates of both genders within the spectrum of the financial industry.

QIC has sponsored three employees from its Head Office in Doha for full scholarship programmes for higher education to develop local talent.

QIC partners with external consultants and experts to develop leadership and management skills in its employees. These experts are skilled in domains such as communicating with impact, team development solutions and others.

4.4 Graduate and traineeship programmes within QIC

QIC participates extensively in Lloyd's Early Career Programmes that offer Graduate Programmes and Apprenticeship Programmes. The graduate programme is two years long and composed of four six-month rotation placements, intended to launch the candidates into their early careers in different streams which are business, tax, internal audit, insurance, actuarial, and technology & data. The apprenticeship programmes are of 18 to 36 months duration covering different streams and consist of multiple placements, in which the apprentices at the end attain bachelor or diploma qualifications.

QIC provides graduate trainee development programmes in Doha that focus on QIC's entry-level job rotational programmes, to provide opportunities for employees to understand QIC's business operations and support career progression. QIC also offers internship programmes designed to develop professional competence and to provide interns with practical, on-the-job experience, which contributes to their academic and career development. It also helps students to plan their careers by exploring different career alternatives and prepares them to step into the real-world work environment.

4.5 Talent pipeline and succession planning

QIC has a complex business structure spread across different geographies, and its insurance, re-insurance, and allied business activities require widespread as well as highly skilled competencies and expertise. The level of competencies required for QIC to perform efficiently cannot be acquired from off-the-shelf markets or colleges/universities for placement in different hierarchies. The "Catch-them-young" policy remains, which requires constant development and nurturing of internal talent and promotions in order to place employees in respective positions in due course of their career with QIC.

From Senior Executive Management to introductory support staff level, QIC has identified the technical as well as behavioural competencies and skill sets it requires. Accordingly, the talent gaps are identified at each level and the potential candidates within the Company, including its subsidiaries are identified for their readiness and preparedness to fill in the position in course of a time period. Most of the talent pipeline is filled up by internal candidates, while the remaining are hired from the market, if internal talent is not available, or the business requires immediate hiring, or to maintain diversity.

4.6 Performance Appraisal and Awards:

QIC conducts annual performance appraisals for all of its employees in order to continuously improve their performance. The performance evaluation review aims to allow free and confidential discussions about work between employees and their direct supervisors, discuss employee progress and job performance against set objectives, and evaluate employee performance and actions required for further improvement. Performance management cycle drills down from the business planning process that results in performance planning at the company, department, and individual levels.

The performance review cycle includes:

1. Objectives and targets discussed and agreed upon between employees and managers
2. Conduct of mid-year review of the performance of all employees
3. End-of-year self-review submission by employees
4. Performance rating review, discussion, and submission by managers
5. Calibration and final ratings entered into the system

The final performance ratings are further linked to rewarding the employees in terms of promotions, bonuses, incentives, and training. The performance management review allows QIC to identify its star performers and reward them accordingly. The Company rewards employees with variable pay at all levels depending on the company, department, and individual performance contribution for the financial year.

4.7 Employee grievance redressal:

QIC has a fair and consistent employee grievance procedure in place, that can be used whenever they wish to raise a grievance or complaint in connection with their employment. The grievance procedure applies to all employees. Employees are encouraged to first raise the matter at an informal discussion with the Line Manager to resolve the issues quickly and satisfactorily. However, if the employee feels that the grievance is not dealt with properly, or if it is not appropriate to raise it with the Line Manager, then they seek the help of a formal grievance channel and refer the matter to the Pillar Head post, where grievance meetings are conducted. After careful evaluation of all facts and circumstances, employees are notified of the decisions taken in this regard. In case, a satisfactory settlement has not been reached, the matter is referred to Human Resources Department and/or the Grievance Redressal Committee as per the documented procedure to resolve and find an acceptable solution.

QIC conducts employee surveys on an annual basis to seek honest and genuine feedback from all of its employees. The survey focuses on the work environment, culture, job responsibilities, supervisor role and behaviour, employee skills, training, performance appraisals, performance incentives, career growth, promotion, and others. The survey responses are kept strictly confidential and utilized in aggregate to make further improvements in areas highlighted and echoed by a high number of employees.

4.8 Non-salary benefits:

QIC provides several non-salary benefits to employees to contribute to quality of their life. QIC's non-salary benefits act as one of its competitive advantages and have been built on homegrown ideas and feedback. QIC provides annual travel tickets, furniture and relocation allowances, interest-free car loans, free vehicle insurance cover, employee saving scheme linked to performance of QIC's shares, life and medical insurance including health check-ups and doctor consultations, gym memberships etc., depending on levels and locations. As part of the Employee Privilege Program, employees are rewarded with discounted offers on dining, flight tickets, personal loans, hotels, salons, fitness centres, electronics, jewellery, and other products and services.

4.9 Diversity & Inclusion:

QIC believes in diversity (the ways in which people differ), equity (fair treatment, access, and opportunities for all people), and inclusion (a variety of people have power, voice, and decision-making authority). In QIC, diversity is considered on the ground of ethnicity, gender, generation, disability, religious affiliation, sexual orientation, and thinking style. QIC has achieved diversity not only in talents but also in the markets it operates in, the customers it serves, and the ideas generated by its employees, which provides clear markings of the rock-solid foundation and sustainable business of QIC.

Time and again, it has been established that QIC's diverse and inclusive workforce has contributed to the company meeting or exceeding financial targets, being more innovative, and achieving better business outcomes. The focus is on removing the implicit and subconscious biases against different gender, race, nationality, age groups, religious beliefs, and others.

QIC recognizes that there is a strong business case for ensuring an inclusive environment at the workplace and that recognizing our own bias and committing to overcoming it are the first steps to building a modern, inclusive, and performance-oriented workplace. QIC provides training on Diversity and Equality as part of its annual training plan.

4.10 Human Capital related disclosures for the financial year 2022

The disclosure hereunder has been prepared in compliance with the GRI Standards 2023 for reporting on sustainability.

1. Diversity by gender in the different hierarchy levels

Employee level (Count)	Male	Female	Others	Total
C-Suite	1.0%	0.1%	0	**1.1%**
Senior Management	9.5%	1.5%	0	**11.1%**
Other Employees	59.1%	28.7%	0	**87.8%**
Total Employees	69.6%	30.4%	0	**100.0%**

2. Diversity by generations in the different hierarchy levels

Employee level (Count)	Under 30 years	30-50 years	Above 50 years	Total
C-Suite	0.0%	0.5%	0.5%	**1.1%**
Senior Management	0.1%	6.6%	4.4%	**11.1%**
Other Employees	19.4%	57.9%	10.5%	**87.8%**
Total Employees	19.5%	65.0%	15.5%	**100.0%**

3. Diversity by gender in the different employment contract

Employee Type (Count)	Male	Female	Others	Total
Permanent	67.8%	29.6%	0	**97.4%**
Temporary	1.9%	0.8%	0	**2.6%**
Total Employees	69.6%	30.4%	0	**100.0%**

4. Diversity by generation in the different employment contract

Employee Type (Count)	Under 30 years	30-50 years	Above 50 years	Total
Permanent	18.1%	64.3%	15.0%	**97.4%**
Temporary	1.4%	0.8%	0.4%	**2.6%**
Total Employees	19.5%	65.0%	15.5%	**100.0%**

5. Diversity by Gender Pay Ratio

Gender Pay	Gender Pay Ratio
Amount (QAR)	1.46 : 1

6. Diversity by Nationality

QIC has a diverse workforce consisting of 64 nationalities from 6 continents.

7. Employee Retention by Gender

New hires / left (Count)	Male	Female	Others	Total
New Hires	13.7%	6.9%	0	**20.6%**
Employees left	7.3%	4.9%	0	**12.3%**
Employees left (Voluntary)	7.3%	4.9%	0	**12.3%**
Employees left (Mandated)	0.0%	0.0%	0	**0.0%**
Employee Retention Rate	**88.6%**	**82.3%**		**86.7%**

New hires / left (Count)	Male	Female	Others	Total
New Hires	125	63	0	**188**
Employees left	67	45	0	**112**
Employees left (Voluntary)	67	45	0	**112**
Employees left (Mandated)	0	0	0	**0**
Employee Retention Rate	**89%**	**82%**		**87%**

8. Average years of service by Gender

Average service years	Male	Female	Total
No of years	6.59 years	4.87 years	6.07 years

9. Employees entitled to parental leave by Gender

No of employees (Count)	Male	Female	Others	Total
Entitled to parental leave	4	14	0	**18**
Utilized Parental Leave	4	14	0	**18**
Returned to work after parental leave	4	8	0	**12**
Returned to work and still employed after 12 months of returning from parental leave	3	7	0	**10**
Total number of employees due to return to work after taking parental leave	0	4	0	**4**
Total number of employees returning from parental leave in the prior reporting period(s)	na	na	na	**na**

10. Employees entitle to regular performance appraisal by Gender

Regular Performance Appraisal (Count)	Male	Female	Others	Total
Permanent	67.8%	29.6%	0	**97.4%**
Temporary	1.9%	0.8%	0	**2.6%**
Total	69.6%	30.4%	0	**100.0%**

5. QIC Operations – Environmental Data

QIC has been conscious of its own operations and their impact on the environment. QIC's main offices in Qatar and London run on green certified lights, while QIC has a fully automated and regulated switching facility for air conditioning linked to the working hours to save electricity and reduce QIC's carbon footprint. All the waste papers generated out of QIC operations are sent for recycling. The properties have connected wastewater generated to Municipality sewers from where it goes for recycling. The carbon emissions related to QIC operations are tabulated as below.

#	GHG Emission Calculation[4]	Measurement Units	Quantity
1	Electricity consumption	Kilowatt hours (KWh)	4,052,704
2	GHG emission from electricity consumption	Total carbondioxide (tCO2)	1,851 tonne
3	Heat (Steam) consumption	Megajoule (MJ)	1,330,359
4	GHG emission from Heat (Steam) consumption	Total carbondioxide (tCO2)	68 tonne
5	Paper consumption	tonne (t)	7.35
6	Clean water usage	kilolitre (kL)	7,881
7	Wastewater discharge	kilolitre (kL)	7,881
8	Water reclaimed	kilolitre (kL)	0
9	Total solid waste generation	tonne (t)	29.35
10	Recycled waste	tonne (t)	5.40
11	Total waste disposed	tonne (t)	29.35
12	GHG emissions from fuel consumption by company fleets	Total carbondioxide (tCO2)	77 tonne
13	Business Trips (air, rail, road)	Total carbondioxide (tCO2)	460 tonne

#	Particulars	Activities Included	Measurement Units	Quantity
1	Scope 1 GHG emission	Fuel consumption by company owned/ operated car	Total carbondioxide (tCO2)	77 tonne
2	Scope 2 GHG emission	Electricity & Heat Consumption	Total carbondioxide (tCO2)	1,919 tonne
3	Scope 3 GHG emission	Business Travel[5]	Total carbondioxide (tCO2)	460 tonne

6. Corporate Ethics, Behaviour, and Governance

QIC has a corporate governance and internal control section in place, which identifies, implements, and monitors all principles and requirements of governance standards that reflect the size, complexity, and business requirements of the company. While it meets the principles, requirements, and provisions of the local laws and regulations, it also reflects the best practices from international governance principles, frameworks, and standards. A detailed report "QIC Corporate Governance Report 2022" reflects the company's principles and practices of corporate governance. Additionally, some more details are captured here to reflect the sustainability of QIC's governance practices and business performance.

6.1 Ethical standards

QIC has a formal "Code of Conduct" that sets the ethical standards in QIC for all its stakeholders including employees, suppliers, customers, dealing with regulatory authorities, and other stakeholders. All employees including contractors go through the mandatory training of the Code of Conduct every year. The Code of Conduct has been approved by the Board of Directors. Governance and Ethics and all related reports and documents including Corporate Governance Report are placed at the Board for their review and approval.

QIC has assigned the "Group Strategy, Governance & Implementation Committee" at the senior executive management the responsibility for discussion, implementation and monitoring of corporate governance systems, policies, and ethical standards.

An external independent auditor is appointed yearly with a mandate to audit the Governance standards of QIC including its ethical standards in line with the local laws and regulations. The external auditor provides a separate independent auditor's report on QIC's Governance Standards including ethical standards, which is available on the Company's website and is accessible to all shareholders and other stakeholders.

[3] The data pertains to approx. 90% of the QIC's businesses.
[4] For GHG calculation, GHG Protocol Calculator, Government published data, other global organization data sources, and QIC calculations have been utilized.
[5] Daily Commuting of the employees from home to office and vice-versa are not covered.

QIC has a Group Internal Audit function, manned with full-time employees who are experienced and highly skilled auditors. The scope of their audits is not limited to the financial affairs of the company; rather it covers the entire operations of the Company including underwriting, claims, investments, technology, finance, human resources, compliance, legal, risk, governance, and other functions. The audits are conducted as per the annual audit plan and on a rotational basis for all functions to review internal controls around these areas of the operations.

6.2 Anti-bribery, corruption and fraud prevention, and whistleblower protection

QIC has a detailed formal policy on anti-bribery, corruption, and fraud, which applies to all employees including senior management and members of the Board of Directors. The requirements under this Policy also extend to intermediaries, suppliers, service providers, consultants or vendors doing business with the Company.

The Company has zero tolerance for bribery, corruption, and fraud and is committed to undertaking its business fairly and transparently. As per the policy, employees must exercise reasonable due diligence corresponding to the risk perceived with respect to bribery, corruption, and fraud in all business transactions with customers and third parties to prevent and detect bribery, corruption, and fraud. The Company has placed a threshold limit for gifts and hospitality, which is to support business relationships with stakeholders and in line with local laws and regulations. Responsibility for the monitoring and oversight of the anti-bribery, corruption, and fraud risks sits with the Group Compliance Department.

QIC has also implemented a Whistleblower Policy, which encourages all employees to disclose any wrongdoing that may adversely impact the company, its customers, shareholders, employees, or the public at large. This policy document advocates that an employee can report issues without fear of reprisal. The company recognizes that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the malpractice. QIC does not tolerate harassment or victimization and takes action to protect the whistle-blower that raises a concern in good faith. Even anonymous whistleblowing is also considered, depending on the factors including the seriousness of the issues raised, the credibility of the concern, and the likelihood of confirming the allegations from other sources. The company policy does not allow revealing the identity of any person who makes a whistleblowing report in good faith and who requests that his/her identity be kept confidential. Further, the company does not make any effort or tolerate any effort made by any other person or group to ascertain the identity of the whistle-blower who reported in good faith anonymously.

6.3 Shareholders and their rights

QIC's Articles of Association is the company's constitution document and lays out key rights and responsibilities of the shareholders. As per Article 6 of the Articles of Association, the ownership of any natural or legal persons may not exceed 5% of the paid-up share capital of the company except for the Government of Qatar, its related institutions, and the General Retirement and Social Insurance Authority (Civil & Military Pension Fund). However, this percentage may reach up to 10% of the paid-up share capital of the Company, with the prior approval of the Qatar Central Bank (the Main Regulatory Authority for the insurance business in Qatar).

The threshold limit has been put in place to diversify the ownership among various shareholders and to ensure better governance at the board level. However, there is no voting right limit, restriction, or disparity imposed on the shareholders who own legitimate shares of the Company. All shareholders are treated equally, and they all possess equal voting rights in proportion to their share ownership.

Similarly, Article 16 of the Articles of Association has been revised (subject to shareholders' approval in Extraordinary General Assembly) in which non-Qatari investors are allowed to own up to 100% of the Company's shares, subject to the enabling local legislation.

As per shareholders register on 31st December 2022, General Retirement and Social Insurance Authority, a public pension fund for Qatari and GCC citizens, holds 10.59% of the paid-up share capital of the Company, the Military Pension Fund owns 3.85% of the shares in the Company, and Brooq Trading Company owns 5.37% of the shares in the Company. These three shareholders own in total 19.82% of the shares of the Company and they represent the Government of Qatar and the ruling family of Qatar . The rest of the shareholdings is held by a diverse set of investors not belonging to any particular group, association, or family as essentially QIC is not a family-owned firm.

All the Board Members are elected by the shareholders in the General Assembly, except one member who is appointed by The General Retirement and Social Insurance Authority, representing its shareholding. All the remaining board members are elected by the diverse set of shareholders, as mentioned above.

As per Article 38 of the Articles of Association, the board members are elected for a period of three years which allows them time to develop a deeper understanding of the Company and provide strategic direction to the Company and its Executive Management.

6.4 Board of Directors

All the Board members have been duly elected by the shareholders and they represent no special investor group but all the shareholders as per regulation. None of the Board members are Government representatives, except one who is appointed by General Retirement and Social Insurance Authority, which is a public pension fund for Qatari and GCC citizens.

As per Article 37 of the Articles of Association, the Board members must be qualified, have sufficient knowledge of administrative matters, and have appropriate experience to perform their work effectively. The company's Board members have many years of varied experience in the financial and macroeconomic segments of the economy. Most of the Board members have held positions of executive chairman, executive vice-chairman, and CEOs in other industries including banks, investments, and other diversified businesses, wherein they are primarily responsible to manage the business, financial and risk management affairs of the companies.

As per Article 37 Clause 3 of the Articles of Association, all Board members are required to become a shareholder with a minimum holding of two million shares of the company. Those shares may not be traded, mortgaged, or subject to seizure until the Board membership expires. Independent members and representatives of the company's employees are exempted from the requirements to own the company's shares stipulated above.

7. Data Privacy and Security

7.1 Data protection and privacy policy

QIC has a comprehensive data protection policy approved by the Board of Directors, which demonstrates the company's commitment to protecting the personal data and the privacy of its customers, employees, and other counterparts. The policy governs all relevant businesses and subsidiaries and all datasets on all the systems are in the scope of the policy. QIC has also put the relevant part of the policy on its websites, wherever required, for customers and other counterparts to have direct access and understanding of how their data are being handled in QIC. The policy allows customers, and other stakeholders the right to have access to their data, the right to rectify their data, the right to request deletion of their data, the right of requesting to stop or restrict the manner in which QIC may use their data, and the right to withdraw consent to use their data.

As part of the governance process, an Executive Management Committee monitors and keeps oversight of all IT Security related activities and incidents on a regular interval basis. In case of any major breach, security incident, or any other major developments, the Board of Directors are informed and their directions on the matters are duly sought.

7.2 Certifications and external audits

QIC has maintained ISO 27001 security certificate standards since 2010. The certification scope covers all the relevant operations of QIC's businesses and applications, and it covers protecting the confidentiality, integrity, and availability of customers' data. The ISO 27001 certification audit is conducted annually by an external independent agency whereas the internal audit for the same is carried out twice yearly. As part of the internal control review and testing, general IT controls are tested and confirmed by the external auditor, a Big 4 Audit Firm, on an annual basis.

7.3 Practices and evidence with respect to data protection and privacy

The Access Control Policy is approved and implemented with the principle of the need to know and least privilege. The process of access creation, modification, and revocation is based on approval and managed through a separate IT service desk, whereas the access recertification is performed quarterly. Wherever relevant, technical controls are implemented such as multi-factor authentication. Encryption techniques with strong algorithms (AES 128) are in place to protect sensitive data.

The company does not rent, sell, or provide personal data to third parties for purposes other than completing transactions/ services. The Company commits to deleting data after a defined amount of time and does not collect personal data from third parties (except when required by law).

Security Awareness Training is provided to all employees and contractors as per the annual training plan, with sessions covering various topics including the latest cyber threats. QIC also evaluates the behavioural response of employees through simulation (like phishing tests) and analysis, and real-world interaction with malicious communications.

QIC's data protection and privacy programs cover suppliers and business partners and in order to comply with the policy and processes, inspections are conducted, wherever required, to verify their compliance and ensure that the third parties are compliant with QIC's policy and local laws and regulations.

7.4 Data breach and incident response plan

QIC has implemented IT Security Policy to limit or contain any security incidents or data breaches. Both proactive and reactive measures are in place and those processes are reviewed annually, some of them include 24x7 Managed Detection and Response (MDR), SOC (Security Operation Center) monitoring, engagement with renowned third-party for investigation and forensics, and global threat intelligence subscriptions for visibility on IT security threat landscape.

There have been no substantiated complaints received concerning breaches of customer privacy, neither from outside parties nor from regulatory bodies. There have been no identified leaks, thefts, or losses of customer data.

8. Digitization and supply chain sustainability

8.1 Digitalization and e-Governance:

In terms of digitalization of all functions, the HR and Administration function has a robust system of e-governance with digitalization exceeding 80%. QIC's underwriting process is fully digitized in terms of quote generation, quote dispatch, policy approval process, online payment, and policy documents through digital means. Its claim settlement process also works through the automated workflow that involves deep integration with garages, claim surveyors, loss adjusters etc. The direct retail business is served digitally and the control to manage and avail services is now majorly in the hands of the customers.

In recognition of the digital platform, Anoud Technologies, QIC's IT services subsidiary, was rated among the Top-10 InsurTech leaders in the World in 2021 by ACORD and Alchemy Crew. Anoud Tech has been selected by leading insurance companies in the Americas, Europe, and the MENA region. As part of these multimillion-dollar contracts, Anoud Tech digitally transforms insurance clients by deploying its integrated IT platform, Anoud+.

8.2 Supply Chain

QIC's bankers, security & capacity providers (reinsurers), brokers, intermediaries, agents, adjustors, auditors, portfolio managers, consultants, advisors, vendors, suppliers, providers, and contractors form a crucial lifeline of the QIC supply-chain network. QIC is dependent on them to service QIC customers and larger stakeholders. QIC has a transparent and fair bidding process where relevant and in case of an open bidding process like the sale of salvage, there is a transparent online-digital bidding platform.

QIC Global investments are managed by outsourced asset managers who are signatories to UN PRI 'Principle for Responsible Investment' since 2006 and 2007 and they have UN PRI score of A+ compared to the mean 'A' score which indicates QIC's use of market leaders in sustainable investments.

QFBA
أكاديمية قطر للمال والأعمال
Qatar Finance and Business Academy
QIC
مجموعة قطر للتأمين
QATAR INSURANCE GROUP
مذكرة تعاون
MEMORANDUM OF COLLABORATION

Corporate Social Responsibility Initiatives (CSR)

MENA INITIATIVES

Sponsorship the Katara International Arabian Horse Festival

As part of QIC's commitment to supporting activities that showcase Qatar's culture and its role in hosting local and international event across sports, tourism, and culture.

Blood Donation Campaign For Hamad Medical Corporation

QIC responded to HMC's call for blood donations as part of a nationwide campaign to encourage citizens and residxents to become regular donors by organizing a blood donation drive at its premises where staff donated blood.

Summer Internship

As part of our commitment to investing in and building Qatar's national human capital, we welcomed a group of high school and undergraduate students for a seven-week internship program where they gained insight into the insurance industry, practical corporate experience and built leadership and communication skills.

Sponsorship Of S'hail the International Hunting and Falcon Exhibition

QIC demonstrated its relentless effort to highlight Qatar's rich heritage and its keenness to maintain and revive the cultural legacy of Falconry by sponsoring Katara's international Hunting and Falcon's Exhibition (S'hail 2022).

MoU with Qatar Finance and Business Academy

QIC reinforced its commitment to developing and fostering Qatar's national human capital by collaborating with QFBA to support the 'Kawader program'; an initiative designed to prepare future business leaders and decision makers of the financial and banking services sector by bridging the gap between "the academic and the professional" for Qatari fresh graduates of both genders within the spectrum of the financial industry.

QIC supports Qatar's commitment under the Paris Agreement to reduce greenhouse gas emissions by 25% in 2030

QIC's Board of Directors agreed to commit the Company to support the State of Qatar's endeavor to reduce the country's greenhouse gas emissions by 25% by 2030. Under the leadership of its Group CEO, Mr. Salem Al-Mannai, QIC has developed an Environmental, Social and Governance (ESG) framework, which was also approved by the Board.

GLOBAL INITIATIVES

LONDON

Stephen Hawkins School

Providing educational support for children between the ages of two and 11 years with profound, multiple and severe learning, health and care needs.

Rainbow Trust

Providing support to families who have a child aged 0-18 years with a life-threatening or terminal illness.

Lord Mayors Appeal – Green Ribbon Appeal

Providing support to individuals suffering from mental illness.

The Royal British Legion Annual Poppy Appeal

Providing support to serving and ex-serving military personnel.

Spitalfields Farm

Providing a safe space that empowers people to make positive change to their lives, the local community, and the planet.

ZURICH

Sternschnuppe

Brings joy and variety to the lives of children living with an illness or disability.

Caritas Mountain Mission

The Zurich office spent one day in the mountains actively supporting a farmer family with daily tasks on the farm.

Theodora Stiftung

Providing entertainers that bring laughter, joy and precious moments to children with disabilities in the hospital.

GIBRALTAR

Clubhouse Gibraltar Mental Health Support

Providing support in the Community for those who have been affected by mental illness and mental health problems.

Childline

Providing a 24/7 support line offering support to children and young adults.

MALTA

The St Jeanne Antide Foundation (SJAF)

Providing support and self-empowerment to socially excluded persons, families and minority groups.

BERMUDA

Bermuda Cancer and Health Centre

Providing support for those suffering with cancer, and funding research into prevention and treatment.

WindReach

Providing an activity center that offers experiences to enrich the quality of life for people with special needs.

Prostrate and Breast Cancer Charities

Raised funds to support both Movember (prostate cancer) and Wear Pink (breast cancer).

Family Centre

Providing critical intervention services to children suffering from emotional, social, behavioral, and trauma-based challenges.

INSURTECH
MENA
SUMMIT
2022
ORGANIZED BY
Deloitte.
Google Cloud

QIC Group's Share Performance in 2022

GCC: STAYING OPTIMISTIC DESPITE GLOBAL UNCERTAINTIES

Global markets in 2022 suffered their worst year since the 2008 financial crisis on the back of Russia invasion of Ukraine and later the impact of inflation mounting globally. This was followed by unprecedented US Fed rate hikes and recession fears, all contributing to volatility in the market.

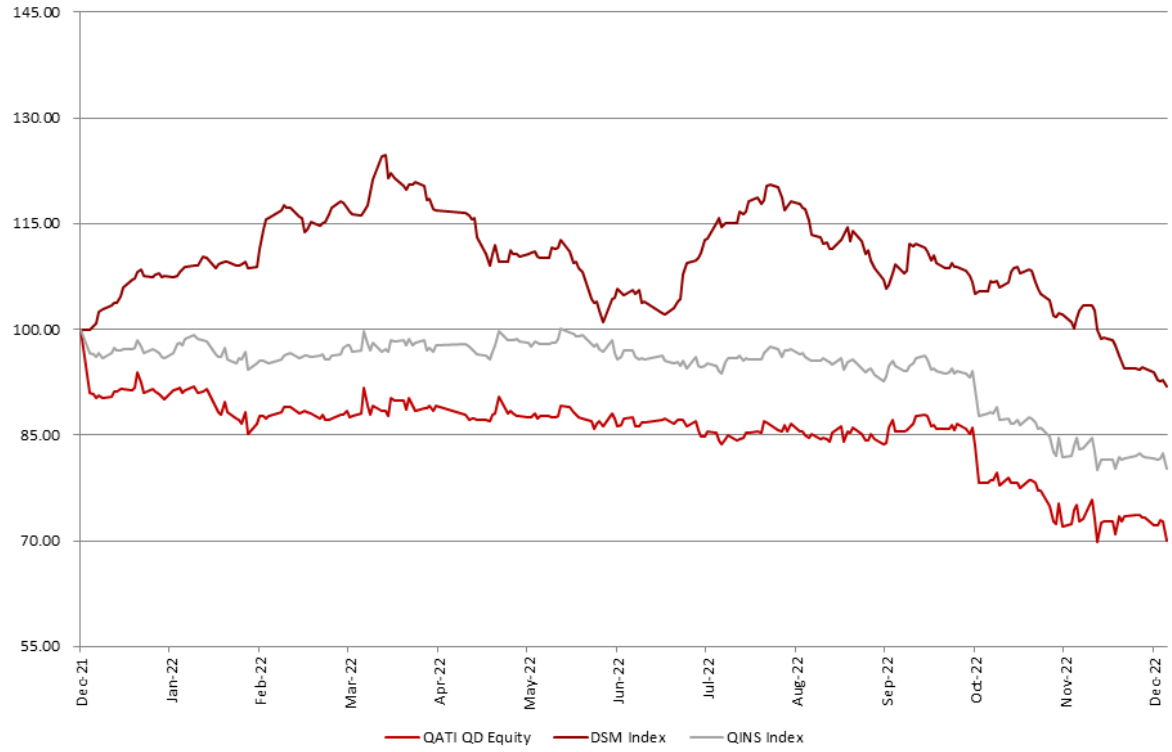
GCC equity markets outperformed their global peers during 2022 as compared to the developed and emerging markets. The S&P GCC Composite index declined 7.2 per cent versus the MSCI World index which fell 19.5 per cent and the MSCI EM index which fell 22.4 per cent. GCC markets started the year strong, with the markets reaching a peak in April, led by higher hydrocarbon prices. However, the markets reversed the gains in the second half and closed lower, in line with global markets.

S&P GCC Index decline was driven largely by Qatar (down 8.1 per cent) and Saudi (down 7.1 per cent). On the other hand, Abu Dhabi (up 20.3 per cent), Oman (up 17.6 per cent), Bahrain (up 5.5 per cent), Dubai (up 4.4 per cent) and Kuwait (up 3.5 per cent) all bucked the trend. Meanwhile, Brent crude oil closed the year at ~US$85.9 per barrel, up by 10.5 per cent, as a combination of Russia-Ukraine war and low global crude oil inventories exacerbated supply-demand imbalance.

QIC shares declined 30.0 per cent, underperforming the QE index which declined 8.1 per cent during the year. QE insurance index declined 19.8 per cent in 2022. Qatar markets were one of the best performing markets till the beginning of April 2022 with a ~25% return. Since then, the market came under severe volatility on the back of afore-mentioned reasons as with GCC and specifically the banking sector was pressured due to subdued loan growth on the back of government debt repayment. The volumes in the market started to dry in the last few weeks of the year, and due to continued selling, the market kept on drifting down, falling ~14% in the last two months of the year.

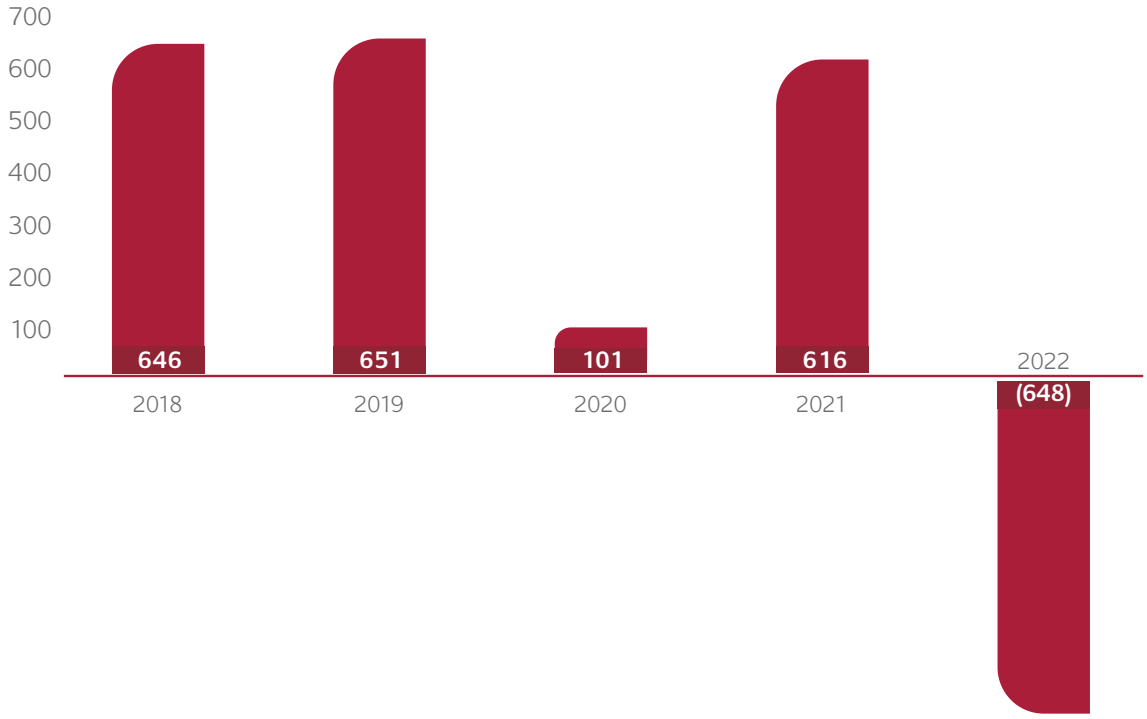
Qatar announced its budget for 2023 focusing on infrastructure, education, and health. It is likely to see an increase in civic amenities, educational institutions, hospitals, and other health facilities. Government spending in 2023 is expected to be at US$54.7 billion, with allocation for major projects to fall by 13.6 per cent, coinciding with the completion of most of the costs of hosting the World Cup. The surplus is expected to be US$8.0 billion, which will be used to pay public debt, sustain the reserves of the Qatar Central Bank, and expand the capital of the Qatar Investment Authority, reflecting the country's desire to stimulate and diversify its economy.

IMF expects a gradual recovery in Qatar with real GDP growth expected at 2.4 per cent in 2023. The growth will be in part boosted by Qatar Energy's North Field Expansion Project. Qatar Energy signed joint venture agreements with five of the world's largest oil firms to construct the North Field East, a US$29 billion project that intends to expand Qatar's annual LNG output from 77 mtpa to 110 mtpa by 2026. Increased demand and favorable energy prices for alternative natural gas supplies to Western Europe will drive the country's revenue and provide a strong economic foundation.

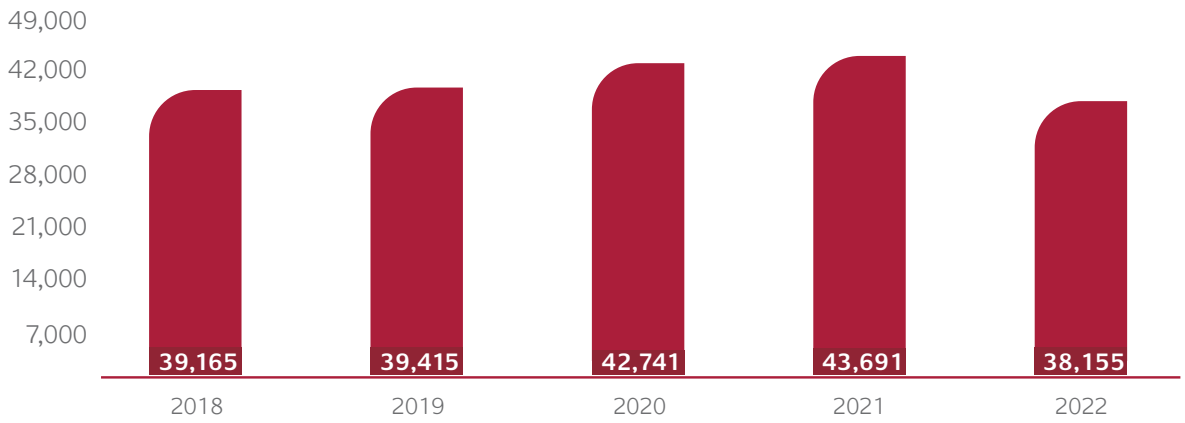


Business Performance Overview

Net Profit Attributable to Parent (QR millions)



Total Assets (QR millions)



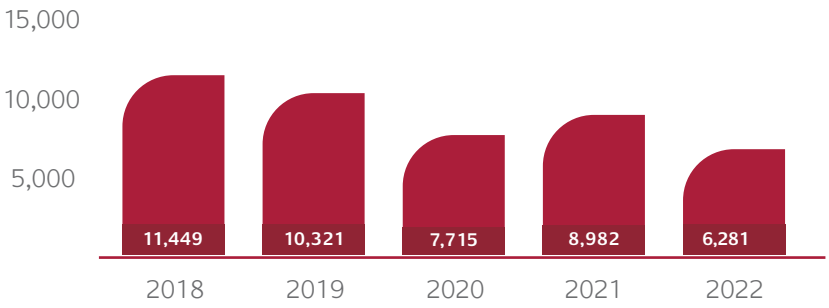
QIC Key Information

QR Millions	2022	2021	2020	2019	2018
Gross premiums written	9,848	9,922	12,202	12,060	11,823
Underwriting results	25	643	(595)	282	519
Net profit attributable to parent	(648)	616	101	651	646
Investment & other Income	834	1,083	1,366	1,036	826
Cash and Investments	20,303	26,514	25,680	25,079	23,639
Total Assets	38,155	43,682	42,741	39,415	39,165
Equity attributable to parent	6,319	8,419	8,206	8,453	7,726

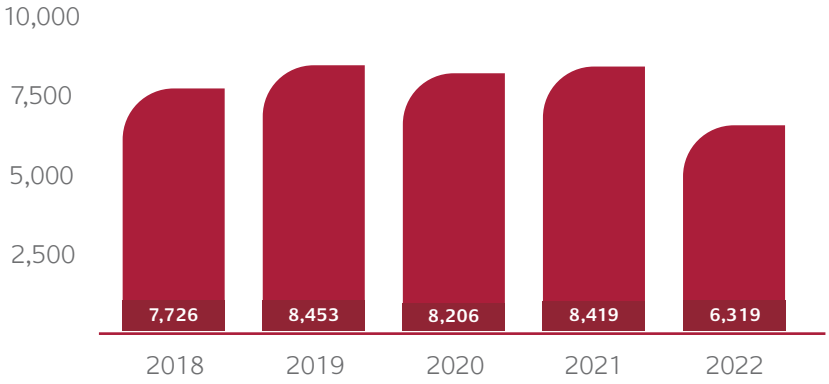
Our Shares	2022	2021	2020	2019	2018
Earnings per share (QR)	(0.242)	0.143	(0.004)	0.174	0.174
QIC market capitalisation (QR Millions)	6,281	8,982	7,715	10,321	11,449
Dividend per share (QR)	-	0.10	-	0.15	1.5
Share price at 31 December (QR)	1.92	2.75	2.36	3.16	35.90
Book value per share (QR)	1.93	2.58	2.51	2.59	2.37

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

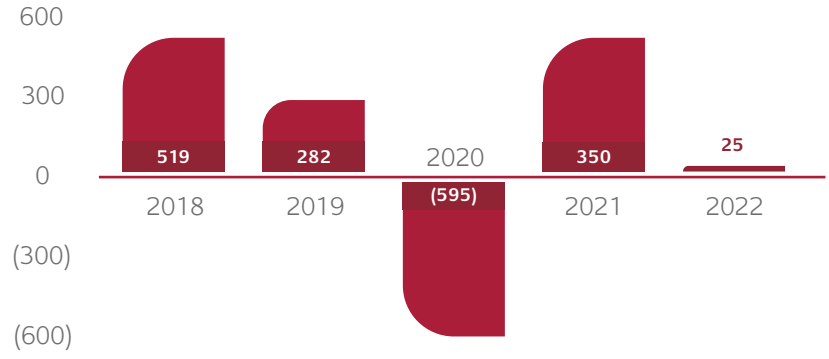
Market Capitalization (QR millions)



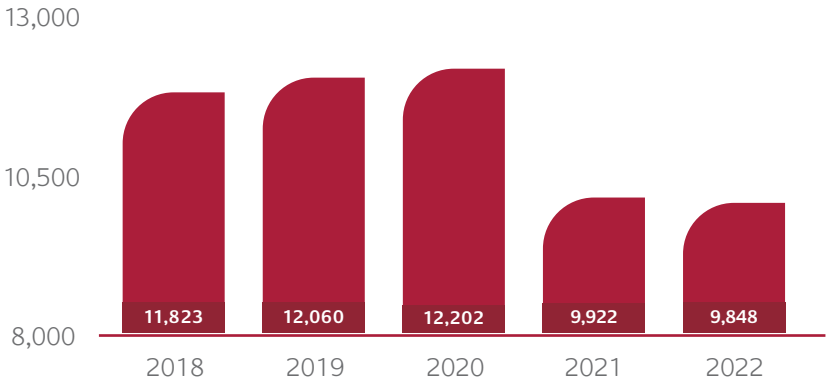
Net Equity (QR millions)



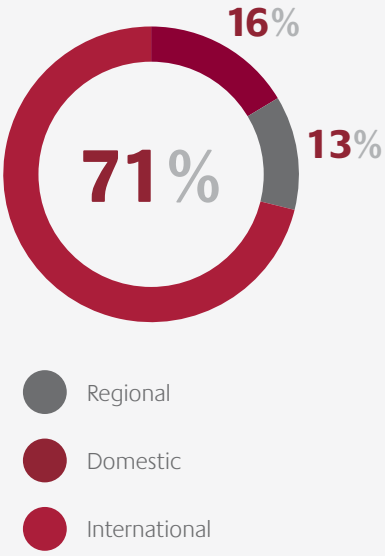
Net underwriting results (QR millions)



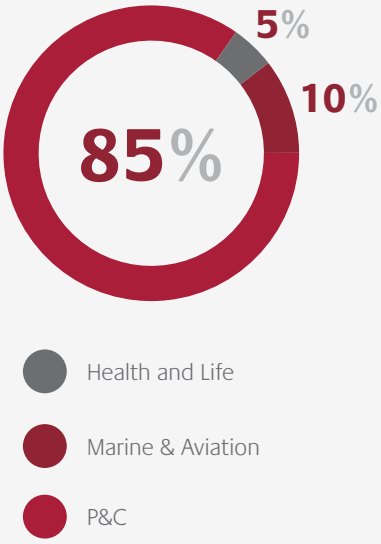
Gross premium (QR millions)



Gross premium Written Domestic vs International vs regional



Gross premium Written Line of Business



Ratio Analysis	2022	2021	2020	2019	2018
Retention Ratio (%)	79	78	67	86	86
Net technical reserves/net premium written (%)	188	185	193	139	138
Net loss reserves/net premium written (%)	140	135	144	93	95

FINANCIAL STRENGTH

Capital Structure %	2022	2021	2020	2019	2018
Invested assets to net technical reserves	117	140	137	133	125
Cash and bank deposits to net technical reserves	44	61	52	55	54

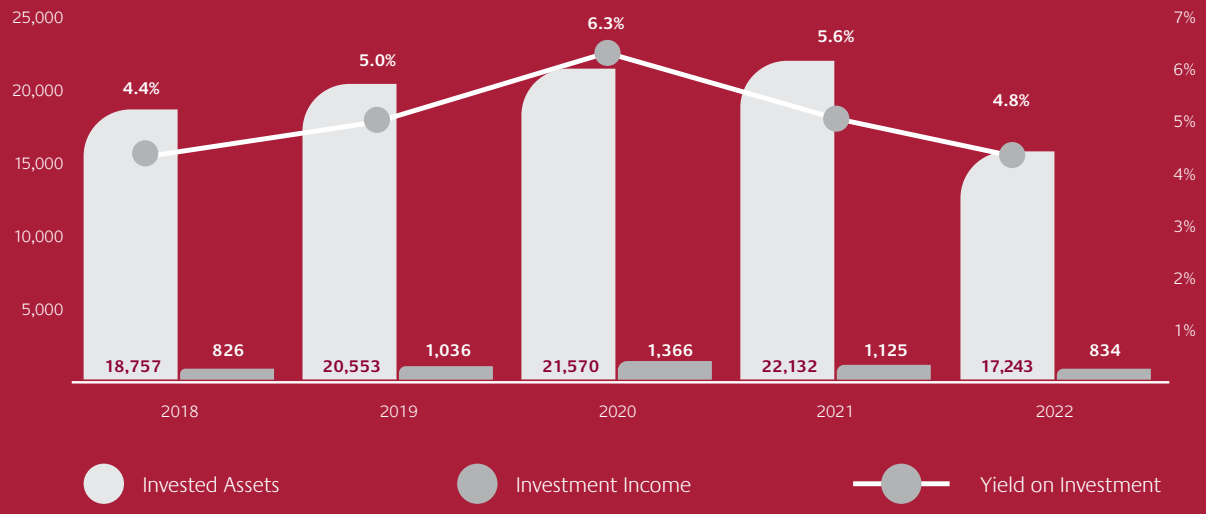
Capital Structure (QR millions)	2020	2021	2022
Share capital	3,266	3,266	3,266
Share Premium	2,759	2,759	2,759
Legal reserve	635	635	635
General reserve	287	287	287
Fair value (loss) reserve	400	190	(646)
Catastrophe special reserve	32	32	32
Other components of equity	21	37	(23)
Retained earnings	806	1,213	52
Reserves of disposal group held for sale	-	-	(44)
Equity attributable to parent	**8,206**	**8,419**	**6,319**
Non-controlling interest	87	99	98
Subordinated Perpetual Debt	2,697	2,697	2,521
Total equity	**10,990**	**11,215**	**8,938**

INVESTMENTS

All figures in QR millions

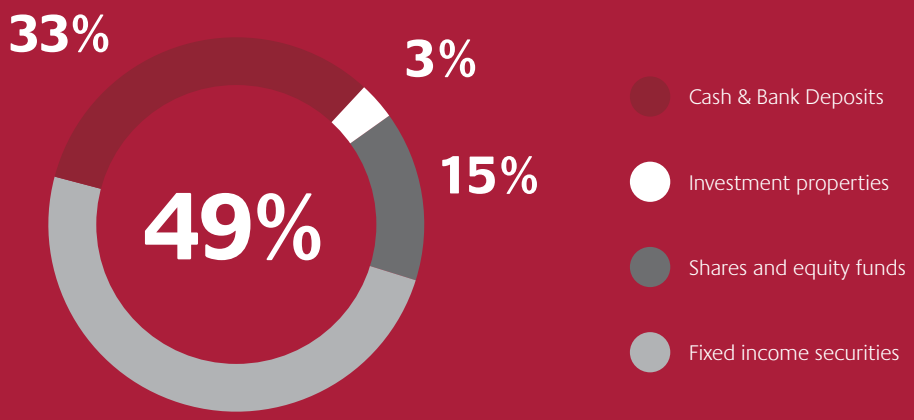
	2018	2019	2020	2021	2022
Invested Assets	18,757	20,553	21,570	19,335	17,243
Investment income	826	1,036	1,366	1,083	834
Yield on investments	4.4%	5.0%	6.3%	5.6%	4.8%

Investment & Treasury (QR Millions)



Invested Assets is presented net of short term borrowings against fixed income securities and managed funds

Distribution of investments by type



Investment results

QR millions	2022	2021	2020	2019	2018
Interest income	433	381	532	531	582
Dividends	64	35	51	65	100
Profit on sale of investments	217	556	556	209	3
Rental income	32	33	42	47	49
Advisory fee income	35	22	11	17	20
Gain on sale of investment properties	-	-	150	176	55
Others	53	56	24	(9)	17
Impairment	-	-	-	-	-
Total	834	1,083	1,366	1,036	826

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Independent auditors' report

To the Shareholders of Qatar Insurance Company Q.S.P.C.

OPINION

We have audited the consolidated financial statements of Qatar Insurance Company Q.S.P.C. (the 'Company') and its subsidiaries (together the 'Group'), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information as set out on pages 11 to 65.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ('ISAs'). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) ('IESBA Code'), together with the ethical requirements that are relevant to our audit of the Group's consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of insurance contract liabilities	
See notes 7 in the consolidated financial statements	
The Key audit matter	**How the matter was addressed in our audit**
Insurance technical reserves include Outstanding Claims reserve ("OCR"), Unearned Premiums Reserve ("UPR") and Incurred But Not Reported reserve ("IBNR"). As at 31 December 2022, the insurance technical reserves are significant to the Group's total liabilities. As disclosed in Notes 4 and 35 to the consolidated financial statements, the determination of these reserves involves significant judgment over uncertain future outcomes related to loss payments and changing risk exposure of the businesses, including ultimate full settlement of long-term policyholder liabilities. The Group uses several valuation models to support the calculations of the insurance technical reserves. The complexity of the models may give rise to errors as a result of inadequate/incomplete data, inappropriate methods and assumptions, or the design or application of the models. Economic assumptions such as investment return, inflation rates and interest rates and actuarial assumptions such as claims reported patterns, loss payment patterns, frequency and severity trends, customer behavior, along with Group's historical loss data are key inputs used to estimate these long-term liabilities. Due to the significance of estimation uncertainty associated with determination of insurance technical reserves, this is considered a key audit matter.	Our audit procedures focused on analyzing the rationale for economic and actuarial assumptions used by management along with comparison to applicable industry benchmarks in estimating insurance contract liabilities and evaluating the competence, capabilities and objectivity of the experts used by management in estimation. We involved internal actuarial experts to assist us in evaluating the reasonableness of key inputs and assumptions. We assessed the validity of management's liability adequacy testing. Our work on the liability adequacy tests included assessing the accuracy of the historical data used, and reasonableness of the projected cash flows and assumptions adopted and recalculating the insurance technical reserves on a sample basis, in the context of both the Group and industry experience and specific product features. Our procedures also include testing controls over initiation, review and approval process on claims across different lines of business, including claim settlement process. Additionally, we have performed substantive procedures to test, on a sample basis, the provision for reported claims by policyholder recorded by Management by reviewing loss assessors' reports, internal policies for reserves, and other assumptions made by Management. Furthermore, we assessed the adequacy of the disclosures relating to these reserves given in Note 4 and 32 to the consolidated financial statements.

OTHER MATTER

The consolidated financial statements of the Group as at and for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 27 February 2022.

OTHER INFORMATION

The Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditors' report thereon. Prior to the date of this auditors' report, we obtained the report of the Chairman which forms part of the Annual Report, and the remaining sections of the Annual Report are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Standards, and for such internal control as the Board of Directors determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continuing as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL REQUIREMENTS

As required by the Qatar Commercial Companies Law No. 11 of 2015, whose certain provisions were subsequently amended by Law No. 8 of 2021 ("amended QCCL") and relevant provisions of the Executive Insurance Instructions issued by the Qatar Central Bank, we also report that:

1. We have obtained all the information and explanations we considered necessary for the purposes of our audit.
2. The Company has maintained proper accounting records and its consolidated financial statements are in agreement therewith.
3. We have read the Chairman's report to be included in the Annual Report, and the financial information contained therein is in agreement with the books and records of the Company
4. We are not aware of any violations of the applicable provisions of the amended QCCL, or the terms of the Company's Articles of Association having occurred during the year which might have had a material effect on the Company's consolidated financial position or performance as at and for the year ended 31 December 2022.

Date: 22 February 2023
Doha
State of Qatar

Yacoub Hobeika
KPMG
Qatar Auditors' Registry Number 298
Licensed by QFMA: External
Auditors' License No. 120153

QATAR INSURANCE COMPANY Q.S.P.C.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2022

	Notes	2022 (QR '000)	2021 (QR '000)
ASSETS			
Cash and short-term deposits	5	**6,472,955**	9,598,999
Insurance and other receivables	6	**7,164,485**	8,574,372
Reinsurance contract assets	7	**4,414,113**	7,909,619
Investment in associates and joint venture	8	**459,576**	448,489
Investments	9	**12,734,706**	16,002,695
Investment properties	10	**636,211**	463,927
Property and equipment	11	**107,149**	126,179
Goodwill and intangible assets	12	**444,931**	557,597
		32,434,126	43,681,877
Assets held for sale	37	**5,720,943**	-
TOTAL ASSETS		**38,155,069**	43,681,877
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Short term borrowings	14.1	**3,060,490**	4,439,960
Provisions, reinsurance and other payables	13	**1,538,752**	4,166,084
Loans	14.2	**124,752**	171,262
Insurance contract liabilities	7	**19,096,605**	23,689,463
		23,820,599	32,466,769
Liabilities directly associated with the assets held for sale	37	**5,396,774**	-
TOTAL LIABILITIES		**29,217,373**	32,466,769
SHAREHOLDERS' EQUITY			
Share capital	15.1	**3,266,101**	3,266,101
Share premium	15.2	**2,759,194**	2,759,194
Legal reserve	16	**634,955**	634,567
General reserve	17	**287,000**	287,000
Fair value reserve	18	**(645,545)**	189,701
Catastrophe special reserve	19	**32,017**	32,017
Other components of equity	22	**(22,554)**	36,739
Retained earnings		**52,315**	1,213,589
Reserves of disposal group held for sale		**(44,233)**	-
Equity attributable to shareholders of the parent company		**6,319,250**	8,418,908
Non-controlling interests	31	**97,531**	98,959
TOTAL SHAREHOLDERS' EQUITY		**6,416,781**	8,517,867
Subordinated perpetual debt	21	**2,520,915**	2,697,241
TOTAL EQUITY		**8,937,696**	11,215,108
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**38,155,069**	**43,681,877**

These consolidated financial statements were approved by the Board of Directors and signed on its behalf by the following signatories on 21 February 2023.

Khalifa Abdulla Turki Al Subaey
Chairman and Managing Director

Salem Al-Mannai
Group Chief Executive Officer

The attached notes are an integral part of these consolidated financial statements

QATAR INSURANCE COMPANY Q.S.P.C.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2022

	Notes	2022 (QR '000)	2021 (QR '000)
CONTINUING OPERATIONS			
Gross premiums	23	**9,848,227**	9,921,540
Premiums ceded to reinsurers	23	**(2,020,711)**	(2,155,229)
Net premiums		**7,827,516**	7,766,311
Movement in unexpired risk reserve	23	**51,223**	202,224
Net earned premiums		**7,878,739**	7,968,535
Gross claims paid	23	**(6,654,611)**	(7,458,162)
Reinsurance recoveries	23	**548,773**	1,682,142
Movement in outstanding claims	23	**(293,407)**	381,601
Net commission	23	**(1,459,182)**	(1,935,475)
Other insurance income	23	**5,141**	4,772
Net underwriting result		**25,453**	643,413
Investment income	24	**813,072**	1,016,459
Finance costs	24	**(95,880)**	(37,862)
Net investment income		**717,192**	978,597
Advisory fee income		**35,130**	21,959
Rental income		**31,568**	32,964
Other income		**13,022**	8,098
Total investment and other income		**796,912**	1,041,618
Share of profit of associates and joint venture	8	**36,837**	41,120
TOTAL INCOME		**859,202**	1,726,151
Operating and administrative expenses	25	**(577,260)**	(699,376)
Depreciation and amortisation		**(45,319)**	(69,378)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**236,623**	957,397
Income tax expense	27	**(14,528)**	(35,710)
PROFIT AFTER TAX FROM CONTINUING OPERATIONS		**222,095**	921,687
DISCONTINUED OPERATIONS			
Loss after tax from discontinued operations	37	**(858,886)**	(291,386)
(LOSS) PROFIT AFTER TAX		**(636,791)**	630,301
(Loss) Profit attributable to:			
Shareholders of the parent		**(648,143)**	615,881
Non-controlling interests		**11,352**	14,420
		(636,791)	630,301
Earnings per share			
Basic and Diluted earnings attributable to shareholders of the parent in Qatari Riyals	26	**(0.242)**	0.143
Earnings per share for continuing operations			
Basic and Diluted earnings from continuing operations attributable shareholders of the parent in Qatari Riyals	26	**0.021**	0.232
Cash dividend per share in Qatari Riyals	15.3	**-**	0.1

The attached notes are an integral part of these consolidated financial statements

QATAR INSURANCE COMPANY Q.S.P.C.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2022

	2022 (QR '000)	2021 (QR '000)
(LOSS) PROFIT FOR THE YEAR	**(636,791)**	630,301
Other comprehensive income (OCI) OCI to be reclassified to the consolidated profit or loss in subsequent periods		
Net changes in fair value of investments at fair value through other comprehensive income during the year	**(837,804)**	(210,538)
Foreign currency translation differences on foreign operations	**(138,153)**	(25,926)
Other comprehensive loss for the year	**(975,957)**	(236,464)
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	**(1,612,748)**	393,837
Attributable to:		
Shareholders of the parent	**(1,622,084)**	379,975
Non-controlling interests	**9,336**	13,862
	(1,612,748)	393,837
Attributable to shareholders of the Parent:		
Continuing operations	**(696,995)**	379,975
Discontinued operations	**(925,089)**	-
	(1,622,084)	379,975

The attached notes are an integral part of these consolidated financial statements

QATAR INSURANCE COMPANY Q.S.P.C.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
As at and for the year ended 31 December 2022

	Attributable to shareholders of the Parent											
	Share capital (QR '000)	Share premium QR ('000)	Legal Reserve (QR '000)	General reserve (QR '000)	Fair value reserve (QR '000)	Catastrophe special reserve (QR '000)	Other components of equity (QR '000)	Retained earnings (QR '000)	Reserves of a disposal group held for sale (QR '000)	Total (QR '000)	Non-controlling interests (QR '000)	Total equity (QR '000)
At 1 January 2021	3,266,101	2,759,194	634,567	287,000	399,769	32,017	21,457	805,512	-	8,205,617	87,047	8,292,664
Profit for the year	-	-	-	-	-	-	-	615,881	-	615,881	14,420	630,301
Net change in fair value of investments at fair value through other comprehensive income (FVOCI)	-	-	-	-	(210,068)	-	-	-	-	(210,068)	(470)	(210,538)
Foreign currency translation reserve	-	-	-	-	-	-	(25,838)	-	-	(25,838)	(88)	(25,926)
Total comprehensive income for the year	-	-	-	-	(210,068)	-	(25,838)	615,881	-	379,975	13,862	393,837
Dividend paid by Subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,950)	(1,950)
Interest on Subordinated perpetual debt (Note 21)	-	-	-	-	-	-	-	(149,492)	-	(149,492)	-	(149,492)
Transfer to other components of equity	-	-	-	-	-	-	41,120	(41,120)	-	-	-	-
Transfer to sports and social activities support fund (Note 20)	-	-	-	-	-	-	-	(17,192)	-	(17,192)	-	(17,192)
At 31 December 2021	3,266,101	2,759,194	634,567	287,000	189,701	32,017	36,739	1,213,589	-	8,418,908	98,959	8,517,867
At 1 January 2022	3,266,101	2,759,194	634,567	287,000	189,701	32,017	36,739	1,213,589	-	8,418,908	98,959	8,517,867
Loss for the year	-	-	-	-	-	-	-	(648,143)	-	**(648,143)**	11,352	(636,791)
Net change in fair value of investments at fair value through other comprehensive income (FVOCI)	-	-	-	-	(835,881)	-	-	-	-	**(835,881)**	(1,923)	(837,804)
Foreign currency translation reserve	-	-	-	-	-	-	(138,060)	-	-	**(138,060)**	(93)	(138,153)
Total comprehensive income for the year	-	-	-	-	(835,881)	-	(138,060)	(648,143)	-	**(1,622,084)**	9,336	(1,612,748)
Dividend paid during the year (Note 15.3)	-	-	-	-	-	-	-	(326,610)	-	**(326,610)**	-	(326,610)
Dividend paid by Subsidiaries	-	-	-	-	-	-	-	-	-	**-**	(2,730)	(2,730)
Interest on Subordinated perpetual debt (Note 21)	-	-	-	-	-	-	-	(141,370)	-	**(141,370)**	-	(141,370)
Transfer to other components of equity	-	-	-	-			36,837	(36,837)	-	**-**	-	-
Increase in Parent share in KQIC	-	-	388	-	635	-	(2,303)	2,690	-	**1,410**	(8,034)	(6,624)
Transfer of reserves to discontinued operations	-	-	-	-	-	-	44,233	-	(44,233)	**-**	-	-
Transfer to sports and social activities support fund (Note 20)	-	-	-	-	-	-	-	(11,004)	-	**(11,004)**	-	(11,004)
At 31 December 2022	**3,266,101**	**2,759,194**	**634,955**	**287,000**	**(645,545)**	**32,017**	**(22,554)**	**52,315**	**(44,233)**	**6,319,250**	**97,531**	**6,416,781**

The attached notes are an integral part of these consolidated financial statements

QATAR INSURANCE COMPANY Q.S.P.C.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2022

	Notes	2022 (QR '000)	2021 (QR '000)
OPERATING ACTIVITIES			
Profit before tax from continuing operations		**236,623**	957,397
Loss before tax from discontinued operations	37	**(858,886)**	(291,386)
(Loss) Profit for the year		**(622,263)**	666,011
Adjustments to reconcile(loss) profit for the year to net cash flows:			
Depreciation and amortisation	10, 11	**45,319**	69,378
Impairment of investment properties		**3,798**	-
Impairment of intangible assets and net assets held for sale		**200,985**	36,853
Share of profits from investment in associates and joint venture	8	**(36,837)**	(41,120)
Impairment of investment in associate	8	**-**	15,327
Investment income and other income		**(892,792)**	(1,079,480)
Finance costs		**95,880**	37,862
Impairment loss on insurance and other receivables		**6,136**	31,373
Provisions for employees' end of service benefits	13.1	**5,195**	5,310
Operating loss before working capital changes		**(1,194,579)**	(258,486)
Working capital changes			
Decrease in insurance and other receivables		**897,980**	408,248
Decrease in insurance reserves, net		**(411,199)**	(16,222)
Decrease in provisions, reinsurance and other payables		**(1,273,830)**	(116,730)
Cash flows (used in) generated from operations		**(1,981,628)**	16,810
Payment of social and sports fund contribution		**(17,192)**	(10,797)
Income tax paid		**(11,406)**	(9,164)
Finance costs		**(95,880)**	(37,862)
Employees' end of service benefits paid	13.1	**(753)**	(63,314)
Net cash flows used in operating activities		**(2,106,859)**	(104,327)
INVESTING ACTIVITIES			
Net cash movement investments		**1,378,404**	841,157
Purchase of property and equipment	11	**(12,809)**	(28,290)
Proceeds from sale of property and equipment		**48**	268
Purchase of investment properties	10	**(256,330)**	-
Dividend received from equity accounted investments	8	**25,750**	7,500
Investment and other finance income		**892,792**	525,221
Payment for increase in stake in subsidiaries		**(40,222)**	-
Net cash flows generated from investing activities		**1,987,633**	1,345,856
FINANCING ACTIVITIES			
Interest paid on subordinated perpetual debt		**(141,370)**	(149,492)
Net movement in loan and borrowings		**(1,399,109)**	317,531
Net movement in subordinated perpetual debt		**(176,326)**	-
Dividends paid		**(329,340)**	(1,950)
Net cash flows (used in) generated from financing activities		**(2,046,145)**	166,089
Net (decrease) / increase in cash and cash equivalents		**(2,165,371)**	1,407,618
Effect of foreign currency exchange difference		**(70,162)**	(20,730)
Cash and cash equivalents at 1 January	5	**9,598,999**	8,212,111
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	5	**7,363,466**	9,598,999

The attached notes are an integral part of these consolidated financial statements

QATAR INSURANCE COMPANY Q.S.P.C.

CONSOLIDATED STATEMENT OF CASH FLOWS
As at and for the year ended 31 December 2022

1. STATUS AND OPERATIONS

Qatar Insurance Company Q.S.P.C. (the "Parent Company") is a public shareholding company incorporated in the State of Qatar in the year 1964 under Commercial Registration No. 20 and governed by the provisions of the Qatar Commercial Companies' Law and Qatar Central Bank's insurance regulations. The Parent Company and its subsidiaries (the "Group") are engaged in the business of insurance, reinsurance, real estate asset management and information technology related services. The head office of the Group is at QIC Building, Tamin Street, West Bay, P.O. Box 666, Doha, State of Qatar.

The Parent Company's shares are listed on Qatar Stock Exchange.

The Group operates in the State of Qatar, United Arab Emirates, Sultanate of Oman, State of Kuwait, United Kingdom, Switzerland, Bermuda, Singapore, Cayman Islands, Gibraltar, Jersey and Malta. The details of subsidiaries are given below:

Name of the subsidiary	Ownership		Country of incorporation	Principal activities
	2022	2021		
Antares Capital III Limited	100% (owned through AGHL)	100% (owned through AGHL)	United Kingdom	Incorporated to provide capital supporting the underwriting capacity of Antares Syndicate 1274.
Antares Capital IV Limited	100% (owned through AGHL)	100% (owned through AGHL)	United Kingdom	Incorporated to provide capital supporting the underwriting capacity of Antares Syndicate 1274.
QIC Europe Limited (QEL)	100% (owned through Antares Re)	100% (owned through Antares Re)	Malta	Primarily engaged in insurance business and reinsurance and has branch office in the United Kingdom. The Italian branch was closed in January 2022.
Qatar Insurance Company Real Estate W.L.L.	100%	100%	State of Qatar	Primarily engaged in Real Estate activities in the State of Qatar.
QEA Consulting W.L.L. ("QEA") (previously known as Qatar Economic Advisors)	100%	100%	State of Qatar	Primarily engaged in advisory services.
Qatar Insurance Group W.L.L.	100%	100%	State of Qatar	Primarily engaged in the management of QIC Group entities.
QIC Asset Management Ltd ("QICAM")	100% (owned through QEA)	100% (owned through QEA)	Cayman Islands	Holding company for investment assets.
Education Company 2 Ltd.	100%	100%	Cayman Islands	Primarily engaged in financial and other advisory services.
Epicure Managers Qatar Ltd.	100%	100%	B.V.I.	Primarily engaged in providing investment management services.
Arneb Real Estate Limited ("AREL")	100%	100%	Jersey	Primarily engaged in real estate activities.
Synergy Frimley Limited	100% (owned through AREL)	100% (owned through AREL)	Jersey	Primarily engaged in real estate activities.
Synergy Bristol Limited	100% (owned through AREL)	100% (owned through AREL)	Jersey	Primarily engaged in real estate activities.
Synergy Gatwick 1 Limited	100% (owned through AREL)	-	Jersey	Primarily engaged in real estate activities
Synergy Gatwick 2 Limited	100% (owned through AREL)	-	Jersey	Primarily engaged in real estate activities
Markerstudy Insurance Co. Ltd.	100% (owned through Antares Re)	100% (owned through Antares Re)	Gibraltar	Primarily engaged in insurance business.
West Bay Insurance Plc (Previously Zenith Insurance Plc)	100% (owned through Antares Re)	100% (owned through Antares Re)	Gibraltar	Primarily engaged in insurance business.

1. STATUS AND OPERATIONS (CONTINUED)

Name of the subsidiary	Ownership		Country of incorporation	Principal activities
	2022	2021		
Ultimate	100% (owned through Antares Re)	100% (owned through Antares Re)	Gibraltar	Was primarily engaged in insurance business. The company has been placed into runoff and has been de-registered with the insurance regulator in Gibraltar.
St Julians Insurance Co. Ltd	100% (owned through Antares Re)	100% (owned through Antares Re)	Gibraltar	Was primarily engaged in insurance business. The company has been placed into runoff.
QIC (Cayman) Limited	100%	100%	Cayman Islands	Special Purpose Vehicle for issuance of Tier 2 notes by QIC.
Anoud Technologies LLC	100% (owned through QGSL)	100% (owned through QGSL)	Qatar	Engaged in the business of rendering IT and related services.
QIC Global Limited	100% owned through AGHL	100% owned through AGHL	United Kingdom	Authorised as an insurance company.
Epicure Holdings LLC	100%	-	Qatar	The Company carries out holding company activities (with no other economic activity).
Epicure Islamic Investment Management LLC	51% owned through Epicure Holdings	-	Qatar	Primarily engaged in providing Islamic investment management services.
QIC Capital L.L.C. ("QICC")	100%	100%	State of Qatar	Holding company having equity interest in the Group's international insurance and reinsurance entities.
QIC Group Services L.L.C.	100% (owned through AGHL)	100% (owned through AGHL)	United Kingdom	Incorporated to provide capital supporting the underwriting capacity of Antares Syndicate 1274.
("QGSL") (previously known as QIC International L.L.C.)	100% (owned through QICC)	100% (owned through QICC)	State of Qatar	Was primarily engaged in insurance and reinsurance. However, it has now been de-authorised and is now licensed as a service Company.
Oman Qatar Insurance Company S.A.O.G. ("OQIC")1	58.02%	58.02%	Sultanate of Oman	Primarily engaged in insurance and reinsurance.
Kuwait Qatar Insurance Company K.S.C.C. ("KQIC")	90.94%	82.04%	State of Kuwait	Primarily engaged in insurance and reinsurance.
Antares Reinsurance Company Limited ("Antares Re") (Previously Qatar Reinsurance Company Limited)	100% (owned through QICC)	100% (owned through QICC)	Bermuda	Primarily engaged in reinsurance. Antares manages the reinsurance operations of the Group and has branch offices in Switzerland and the United Kingdom.
Antares Global Management Doha LLC (previously, QIC Global Services (Doha) LLC)	100% (owned through AGML)	100% (owned through AGML)	State of Qatar	Primarily engaged in providing services to Antares Re.
Qatar Re Underwriting Limited	100% (owned through QICC)	100% (owned through QICC)	United Kingdom	Incorporated to provide capital supporting the underwriting capacity at Lloyds.
Epicure Investment Management LLC	100% (owned through Epicure Holdings LLC)	100%	State of Qatar	Regulated Investment Manager.
Antares Global Holdings Limited ("AGHL") (previously, QIC Global Holdings Limited)	100% (owned through QICC)	100% (owned through QICC)	United Kingdom	Incorporated as a holding company.
Antares Underwriting Limited	100% (owned through AGHL)	100% (owned through AGHL)	United Kingdom	Incorporated to provide capital supporting the underwriting capacity of Antares Syndicate 1274.
Antares Managing Agency Limited ("AMAL")	100% (owned through AGHL)	100% (owned through AGHL)	United Kingdom	Incorporated to act as the managing agent for Antares Syndicate 1274.
Antares Underwriting Asia Pte. Limited	100% (owned through AMAL)	100% (owned through AMAL)	Singapore	Incorporated to participate in Lloyds Asia Scheme.
Antares Global Management Limited (U.K.) ("AGML") (previously, QIC Global Services Limited)	100% (owned through AGHL)	100% (owned through AGHL)	United Kingdom	Incorporated as a services company to provide services to the international insurance and reinsurance entities of the Group with branch offices in Malta and Gibraltar.
Antares Global Management (Bermuda) Limited (previously, QIC Global Services Bermuda Limited)	100% (through AGML)	100% (through AGML)	Bermuda	Service company.

1. STATUS AND OPERATIONS (CONTINUED)

Name of the subsidiary	Ownership		Country of incorporation	Principal activities
	2022	2021		
Antares Global Management Zurich AG (previously, QIC Global Services (Zurich) A.G.)	100% (through AGML)	100% (through AGML)	Switzerland	Service company
Antares Capital I Limited	100% (owned through AGHL)	100% (owned through AGHL)	United Kingdom	Incorporated to provide capital supporting the underwriting capacity of Antares Syndicate 1274.

Direct ownership of the Parent Company in OQIC is 51.70% whereas the remaining shares are held through group entities.

1. During the year, the Group acquired the majority of shares (51%) of Epicure Islamic Investment Management LLC. The related details are provided in note 12.

2. During the year, the Group acquired (8.9%) of the minority shares in Kuwait Qatar Insurance Company K.S.C.C. As on 31st December 2022, the Group's shareholding in KQIC is 90.94%.

1.1. Basis of preparation

Statement of compliance

The consolidated financial statements comply with the requirements of Qatar Commercial Companies Law No.11 of 2015, whose certain provisions were subsequently amended by Law No.8 of 2021. The management is in the process of taking necessary actions needed to ensure full compliance with the amended law, including amending the Articles of Association of the Company where necessary, and has concluded that any non-compliance as at the reporting date does not have a material impact on the consolidated financial statements.

Basis of accounting and measurement

The consolidated financial statements have been prepared in accordance with IFRS Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The accompanying consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments that are measured at fair value at the end of each reporting period.

Financial assets and financial liabilities are offset and the net amount reported in these consolidated statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expense are not offset in the consolidated statement of profit or loss unless required or permitted by any accounting standard or interpretation.

The consolidated financial statements provide comparative information in respect of the previous period.

The Group presents its consolidated statement of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within 12 months after reporting date (no more than 12 months) and more than 12 months after reporting date (more than 12 months) is presented in Note 32. Rest of the assts and liabilities are considered non current in nature.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Qatar Insurance Company Q.S.P.C. and its subsidiaries as at 31 December 2022 Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the shareholders of the parent and to the non-controlling interests. Losses applicable to the non-controlling interests in excess of the non-controlling interests are allocated against the interest of the Group except to the extent that the non-controlling interests have a binding obligation and is able to make an additional investment to cover losses. These consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in the consolidated profit or loss. Any investment retained is recognised at fair value.

Transactions eliminated on consolidation

Inter-company balances and transactions, and any unrealised gains arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Inter-company losses are also eliminated except to the extent it reflects impairment in the related assets.

Non-controlling interests

Non-controlling interests represent the Company's portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated statement of profit or loss, consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from the shareholders of the parent. Acquisitions of non-controlling interests are accounted for using the parent extension method, whereby, the difference between the consideration and the book value of the share of the net assets acquired is derecognized as goodwill.

Functional and presentation currency

These consolidated financial statements are presented in Qatari Riyal (QR) and rounded to the nearest thousand (QR '000), unless otherwise indicated.

The individual financial statements of the Group entities are presented in the currency of the primary economic environment in which they operate (functional currency). For the purpose of these consolidated financial statements, the results and financial position of each subsidiary are expressed in the functional currency of the Parent Company.

The assets and liabilities of foreign operations are translated to Qatari Riyal using exchange rates prevailing at the reporting date. Income and expenses are also translated to Qatari Riyal at the exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation for consolidation are recognised

in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to the consolidated profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences are recognised in the consolidated other comprehensive income.

2. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

2.1. New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). During the current period, the Group adopted the below amendments to IFRS that are effective for annual periods beginning on 1 January 2022:

Effective Date	New Amendments
1 April 2021	COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)
1 January 2022	• Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) • Annual Improvements to IFRS Standards 2018–2020 • Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) • Reference to the Conceptual Framework (Amendments to IFRS 3)

The adoption of the above amendments has had no significant impact on the year end consolidated financial statements.

2.2. Standards issued but not yet effective

The below new and amended International Financial Reporting Standards ("IFRS" or "standards") that are available for early adoption for financial years beginning on and after 1 January 2023 and have not been applied in preparing these consolidated financial statements:

Effective Date	New Amendments
1 January 2023	• IFRS 17 Insurance Contracts • Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 • Definition of Accounting Estimates – Amendments to IAS 8 • Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
1 January 2024	• Classification of Liabilities as Current or Non-current – Amendments to IAS 1 • Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
Available for optional adoption/ effective date deferred indefinitely	Sale or Contribution of Assets between an Investor and its Associate or Joint Ven-ture (Amendments to IFRS 10 and IAS 28)

2.3. New and amended standards and interpretations.

In the financial statements of 2023, the Group will apply IFRS 17 for the first time. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group has made significant progress in the implementation of IFRS 17 and is working on following areas to complete the transition to IFRS 17;

- The Group continues to work on configuring the remaining system integration and internal controls required for applying IFRS 17.
- The new accounting policies assumptions judgements and estimation techniques employed are subject to

change until the Group finalizes its first financial statements that include the data of initial application.

- Finalise the layout and disclosure of the IFRS 17 compliant annual financial statements.
- Continue engaging with the executive committee and business through various training initiatives.

2.3.1. IFRS 17 Insurance Contracts

IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods on or after 1 January 2023. The Company also needs to implement IFRS 9 "Financial Instruments" along with IFRS 17 as it needs to assess the expected credit losses on insurance related receivables. The Group will restate comparative information for 2022 applying the transitional provisions.

The management is currently working together with third party experts and it is expected that the change in the accounting systems, accounting policies and the preparation of the financial statements in accordance with IFRS 17 and IFRS 9 would be completed before the reporting timeline of Q1 2023. Accordingly, the comparative information for the year 2022 will be restated due to the adoption of such changes. Currently, the management is in the process of ascertaining a reasonable estimate of the financial impact on the net profit for the year ended 31 December 2022 and the equity as at 1 January 2022 and 31 December 2022.

The nature of the changes in accounting policies can be summarised, as follows:

2.3.1.1. Changes to classification and measurement

The adoption of IFRS 17 will not change the classification of the Group's insurance contracts.

The Group was previously permitted under IFRS 4 to continue accounting using its previous accounting policies. However, IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Company.

The Group will apply the premium allocation approach (PAA) to groups of insurance contracts that it issues and groups of reinsurance contracts that it holds where the coverage period is 12 months or less. The Group performed PAA eligibility assessment for the groups of contracts where the coverage period is more than 12 months. Based on the assessment performed, PAA measurement model is eligible and will be applied to all contracts.

The measurement principles of the PAA differ from the 'earned premium approach' used by the Group under IFRS 4 in the following key areas:

- The liability for remaining coverage reflects premiums received less deferred insurance acquisition cash flows and less amounts recognised in revenue for insurance services provided. .
- The Group expects that the time between providing each part of the services and the related premium due date will be no more than a year. Accordingly, as permitted under IFRS 17, the Group will not adjust the liability for remaining coverage to reflect the time value of money and the effect of financial risk. Where the premium due date and the related period of services are more than 12 months the Group has assessed the amount as immaterial, as such no discounting is required.
- Measurement of the liability for remaining coverage involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component (previously these may have formed part of the unexpired risk reserve provision). If at any time before and during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Group will recognize a loss in profit or loss and increase the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flow that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage.
- Measurement of the liability for incurred claims (previously claims outstanding and incurred but not reported (IBNR) claims) will be determined on a discounted probability-weighted expected value basis and includes an explicit risk adjustment for non-financial risk. The liability includes the Group's obligation to pay other incurred insurance expenses. The Group will recognize the liability for incurred claims of a group of contracts at the amount of the fulfilment cash flows relating to incurred claims. The fulfilment cash flows will be discounted (at current rates) whether or not they are expected to be paid in one year or less from the date the claims are incurred.

- The Group will allocate the acquisition cash flows to groups of insurance contracts issued or expected to be issued using a systematic and rational basis. Insurance acquisition cash flows include those that are directly attributable to a group. Where such insurance acquisition cash flows are paid (or where a liability has been recognized applying another IFRS standard) before the related group of insurance contracts is recognized, an asset for insurance acquisition cash flows is recognized. When insurance contracts are recognized, the related portion of the asset for insurance acquisition cash flows is recognized and subsumed into the measurement at initial recognition of the insurance liability for remaining coverage of the related group.
- Measurement of the asset for remaining coverage (reflecting reinsurance premiums paid for reinsurance held) is adjusted to include a loss-recovery component to reflect the expected recovery of onerous contract losses where such contracts reinsure onerous direct contracts. The Group will apply the same accounting policies to measure a group of reinsurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts.
- The Group does not issue any contracts with direct participating features.

2.3.1.2. Presentation and disclosure

IFRS 17 will significantly change how insurance contracts, reinsurance contracts are presented and disclosed in the Group's consolidated financial statements.

For presentation in the statement of financial position, the Group will aggregate insurance and reinsurance contracts issued and reinsurance contracts held, respectively and present separately:

- Portfolios of insurance and reinsurance contracts issued that are assets.
- Portfolios of insurance and reinsurance contracts issued that are liabilities.
- Portfolios of reinsurance contracts held that are assets.
- Portfolios of reinsurance contracts held that are liabilities.

The portfolios referred to above are those established at initial recognition in accordance with the IFRS 17 requirements. Portfolios of insurance contracts issued include any assets for insurance acquisition cash flows. The line-item descriptions in the statement of profit or loss and other comprehensive income will change significantly compared with last year. Currently , the Company reported the following line items:

- Gross premiums
- Premium ceded to reinsurers
- Net premiums
- Movement in unexpired risk reserve
- Gross claims paid
- Reinsurance recoveries
- Movement in outstanding claims
- Net commission
- Net underwriting result

Instead, IFRS 17 requires separate presentation of:

- Insurance revenue
- Insurance service expenses
- Net finance expense from insurance contracts
- Net finance income from reinsurance contracts
- Income or expense from reinsurance contracts held

3. USE OF ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in conformity with the IFRS requires management to make judgements, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are

recognised in the period in which the estimate is revised and in any future periods affected. The key judgements and estimates made by the Group are detailed in Note 34 and 35.

In preparing these consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2021.

4. SIGNIFICANT ACCOUNTING POLICIES

Business combination and Goodwill

Management uses the following criteria to evaluate whether a business combination has substance to apply the acquisition method or as per under uniting of interests' method where the transaction lacks substance as described in IFRS 3 – Business Combinations:

- the purpose of the transaction;
- the involvement of outside parties in the transaction, such as non-controlling interests or other third parties;
- whether or not the transaction is conducted at fair value;
- The existing activities of the entities involved in the transactions; whether or not it is bringing entities together into a reporting entity that did not exist before; and
- where a new company is established, whether it is undertaken in connection with an IPO or spin-off or other change in control and significant change in ownership.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non- controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the consolidated statement of profit or loss. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in the consolidated profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in consolidated statement of profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to

each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Investments in associates and jointly controlled entities

Associates are those entities in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. When necessary, adjustments are made to bring the accounting policies in line with those of the group.

Joint ventures are joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in associates and jointly controlled entities are accounted for using the equity method.

Under the equity method, the investment is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the associate or a joint venture. When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

The consolidated financial statements include the Group's share of profit or loss and other comprehensive income, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. The financial year end of the associate entities and the Group are uniform.

Gains resulting from downstream transactions between the Group and its associate or a joint venture are recognised in the entity's financial statements only to the extent of unrelated investors interest in the associate or joint venture. Losses are recognized to the extent it represents impairment.

Intangible assets

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at cost which is their fair value as at the date of acquisition. Subsequent to initial recognition,

- Intangible assets with finite lives are amortised over the estimated useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss.
- Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an

indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is derecognised.

The current useful lives applied to the Group's intangible assets are as follows:

Intangible assets acquired	Useful Life
Syndicate Capacity	Indefinite
Framework agreement	10 years
Non life insurance license	Indefinite

Foreign currency transactions

Foreign currency transactions are recorded in the respective functional currencies of the Group of the entities at the rates of exchange prevailing at the date of each transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the respective functional currencies at the rate of exchange prevailing at the year end. The resultant exchange differences are included in the consolidated statement of profit or loss.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. Initial recognition

Financial assets and liabilities are initially recognised on the trade date. The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from the amount. Insurance receivables are measured at the transaction price. The Day 1 gain or loss is recognised when the fair value of financial instruments at initial recognition differs from the transaction price.

b. Day 1 gain or loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in the consolidated statement of profit or loss. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in the consolidated profit or loss when the inputs become observable, or when the instrument is derecognised.

c. Measurement categories of financial assets and liabilities

The Group classifies financial assets based on the business model and the asset's contractual terms, measured at either:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); or
- Fair value through profit or loss (FVTPL)

The Group classifies and measures its derivative and trading portfolio at FVTPL. The Group may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

Financial liabilities are measured at amortised cost.

d. Measurement categories of financial assets and liabilities

The Group classifies financial assets based on the business model and the asset's contractual terms, measured at either:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); or
- Fair value through profit or loss (FVTPL)

The Group classifies and measures its derivative and trading portfolio at FVTPL. The Group may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

Financial liabilities are measured at amortised cost.

Initial recognition

a. Financial investments at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

i. Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

ii. The SPPI test

As a second step of its classification process the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test. Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de-minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

b. Debt instruments at FVOCI

The Group classifies debt instruments measured at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset meet the SPPI test

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from the consolidated OCI to the consolidated profit or loss.

c. Equity instruments at FVOCI

Upon initial recognition, the Group occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by- instrument basis.

Gains and losses on these equity instruments are never recycled to the consolidated statement of profit or loss. Dividends are recognised in the consolidated profit or loss as investment income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

d. Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis;
- The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited

Financial assets and financial liabilities at FVTPL are recorded in the consolidated statement of financial position at fair value. Changes in fair value are recorded in the consolidated profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Group's own credit risk. Such changes in fair value are recorded in the own credit reserve through OCI and do not get recycled to the consolidated profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or interest expense, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate. Dividend income from equity instruments measured at FVTPL is recorded in the consolidated profit or loss as other operating income when the right to the payment has been established.

e. Derivative financial instruments

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other

types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Group enters into derivative transactions with various counterparties. The Group uses derivative financial instruments for economic hedging purposes such as forward currency contracts and interest rate swaps to hedge its foreign currency risks interest rate risks and equity price risk, respectively. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The changes in the fair value of derivatives are included in net trading income unless hedge accounting is applied.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at FVTPL. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of FVTPL category. However, as an exception to above, a policyholder's option to surrender an insurance contract for a fixed amount (or for an amount based on a fixed amount and an interest rate) is not separated and measured at fair value even if the exercise price differs from the carrying amount of the host insurance liability.

Embedded derivatives that meet the definition of insurance contracts are treated and measured as insurance contracts.

Any gains or losses arising from changes in fair value on derivatives are taken directly to the consolidated profit or loss.

Impairment of financial assets

The Group applies a three-stage approach to measuring expected credit losses (ECL) on financial assets carried at amortised cost and debt instruments classified as FVOCI. Assets migrate through the three stages based on the change in credit quality since initial recognition.

a. Overview

The Group recognise the allowance for expected credit losses for debt financial assets not held at FVTPL.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group categorizes its debt assets other than those classified FVPL into stages as described below:

- **Stage 1:** When financial instruments are first recognised, the Group recognises an allowance based on 12 month ECLs. Stage 1 also include financial instruments where the credit risk has improved and the instrument has been reclassified from Stage 2.
- **Stage 2:** When a financial instrument has shown a significant increase in credit risk since origination, the Group records an allowance for the life time ECLs. Stage 2 also include instruments, where the credit risk has improved and the loan has been reclassified from Stage 3.
- **Stage 3:** Includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognised and treated, along with the interests calculated. When transitioning financial assets from stage 2 to stage 3, the percentage of provision made for such assets should not be less than the percentage of provision made before transition. Purchased or originated credit impaired assets are financial assets that are credit impaired on initial recognition and are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only

recognised or released to the extent that there is a subsequent change in the expected credit losses.

For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

The accounts which are restructured due to credit reasons in past 12 months will be classified under stage 2.

b. The calculation of ECLs

The Group calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- The Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon.
- The Exposure at Default ("EAD ") represents the carrying value at the reporting date.
- The Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that are expected to receive, including from the realisation of any collateral.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarised below:

- **Stage 1:** The 12 month ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.
- **Stage 2:** When a financial asset has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- **Stage 3:** For financial asset considered credit-impaired, the Group recognises the lifetime expected credit losses for these financial assets. The method is similar to that for Stage 2 assets, with the PD set at 100%.

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the consolidated statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in the consolidated OCI as an accumulated impairment amount, with a corresponding charge to the consolidated profit or loss. The accumulated loss recognised in OCI is recycled to the consolidated profit and loss upon derecognition of the assets.

c. Forward looking information

The Group, for forward looking information, relies on a broad range of forward looking information as economic inputs, such as:

- GDP growth
- Unemployment rates
- Central Bank base rates

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the consolidated financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at historical cost less accumulated depreciation and accumulated impairment losses. Investment properties are derecognised when either they have been disposed-off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the consolidated statement of profit or loss in the year of retirement or disposal.

Property and equipment

Property and equipment, including owner-occupied properties, are carried at historical cost less accumulated depreciation and accumulated impairment losses. Subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are charged to the consolidated statement of profit or loss during the financial period they are incurred.

The assets' residual values, useful lives and method of depreciation applied are reviewed and adjusted, if appropriate, at each financial year end and adjusted prospectively, if appropriate. Impairment reviews are performed when there are indicators that the carrying value may not be recoverable. Impairment losses are recognised in the consolidated statement of profit or loss as an expense.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the consolidated statement of profit or loss in the year the asset is derecognised.

Depreciation

Depreciation is provided on a straight-line basis on all property and equipment and investment properties, other than freehold land which is determined to have an indefinite life. The rates of depreciation are based upon the following estimated useful lives:

Buildings	-	15 to 30 years
Furniture & fixtures	-	2 to 5 years
Motor vehicles	-	3 years

Impairment of non-financial assets

An assessment is made at each reporting date to determine whether there is objective evidence that an asset or group of assets is impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and an impairment loss is recognised for the difference between the recoverable amount and the carrying amount. Impairment losses are recognised in the consolidated statement of profit or loss.

Provisions

The Group recognises provisions in the consolidated financial statements when the Group has a legal or constructive obligation (as a result of a past event) that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The provision is created by charging the consolidated statement of profit or loss for any obligations as per the calculated value of these obligations and the expectation of their realisation at the reporting date.

Employees' end of service benefits

National employees

With respect to national employees, the Group makes contributions to the government pension fund to the

respective local regulatory authorities as a percentage of the employees' salaries in accordance with the requirements of respective local laws pertaining to retirement and pensions, wherever required. The Group's share of contributions to these schemes, which are defined contribution schemes under International Accounting Standard (IAS) 19, Employee Benefits are charged to the consolidated statement of profit or loss in the year to which they relate.

Other employees

Provision is made for amounts payable in respect of employees' end of service benefits based on contractual obligations or respective local labour laws of the group entities, whichever is higher, and is calculated using the employee's salary and period of service at the reporting date.

Contribution to social and sports fund

Pursuant to the Qatar Law No. 13 of 2008 and the related clarifications issued in 2012, which is applicable to all Qatari listed shareholding companies with publicly traded shares, the Group has made an appropriation of 2.5% of its net profit to a state social fund.

Share capital

The Group has issued ordinary shares that are classified as equity instruments. Incremental external costs that are directly attributable to the issue of these shares are recognised in equity.

Dividend distribution

Dividend distribution to the Parent Company's shareholders is recognised as a liability in the Parent Company's consolidated financial statements in the period in which the dividends are approved by the Parent Company's shareholders.

Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Parent Company, further adjusted to the dividend appropriation for instruments eligible for additional Tier 2 Capital, by the weighted number of ordinary shares outstanding during the year. Diluted EPS is calculated by adjusting the earnings and number of shares for the effects of all dilutive instruments, if any.

Income tax

Taxation on the results for the year comprises of current tax calculated as per the fiscal regulations of the respective country in which the Group operates.

Current tax is recognised in the consolidated profit or loss as the tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax. Deferred income tax assets and liabilities are offset as there is a legally enforceable right to offset.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the consolidated statement of profit or loss for the year except to the extent that it relates to items recognised directly to consolidated other comprehensive income, in which case it is recognised in equity.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an

asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of profit or loss.

Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately in the consolidated statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations

Or

- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit or loss.

Insurance operations

Insurance and other receivables

Insurance and other receivables are recognised when due and measured on initial recognition at the fair value of the consideration received or receivable. The carrying value of the receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the consolidated statement of profit or loss. After initial measurement, insurance and other receivables are measured at amortised cost as deemed appropriate.

Insurance receivables are derecognised when the derecognition criteria for financial assets have been met.

Reinsurance contract assets

The Group cedes insurance risk in the normal course of business as part of its businesses model. Reinsurance assets represent balances recoverable from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurers' policies and are in accordance with the related reinsurance contract.

Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer. The impairment loss is recorded in the consolidated statement of profit or loss. Ceded reinsurance arrangements do not relieve the Group from its obligations to policyholders.

Reinsurance and other payables

Reinsurance and other payables are recognised when due and measured on initial recognition at the fair value of the consideration received less directly attributable transaction costs. Subsequently, reinsurance and other payables are measured at amortised cost, as deemed appropriate.

Gross premiums

Gross premiums are recognised when written and include an estimate for written premiums receivable at period end. Gross premiums comprise the total premiums receivable for the whole period of cover provided by contracts entered into during the accounting periods. Gross premiums also include any adjustments arising in the accounting period for premiums receivable in respect of business written in prior accounting periods. Premium on insurance contracts are recognised as revenue (earned premiums) proportionally over the period of coverage or using actuarial assumptions, as appropriate.

Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

Premiums ceded to reinsurers

Premiums ceded to reinsurers comprise the total premiums payable for the reinsurance cover provided by treaty or facultative contracts, or retrocession contracts entered into in the period and are recognised on the date on which the policy incepts. Reinsurance premiums also include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods. Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date.

Insurance contract liabilities

Insurance contract liabilities include the outstanding claims provision, incurred but not reported reserves and the provision for unearned premium. Insurance contract liabilities are recognised when contracts are entered into and premiums are charged.

Provision for outstanding claims

Provision for outstanding claims is recognised at the date the claims are known and covers the liability for losses and loss adjustment expenses based on loss reports from independent loss adjusters and management's best estimate.

Claims provision also includes liability for claims incurred but not reported as at the reporting date. The liability is calculated at the reporting date using a range of historic trends, empirical data and standard actuarial claim projection techniques. The current assumptions may include a margin for adverse deviations.

Unexpired risks reserve

The provision for unearned premiums represents that portion of premiums received or receivable, after deduction of the reinsurance share, which relates to risks that have not yet expired at the reporting date. The provision is recognised when contracts are entered into and premiums are charged, and is brought to account as premium income over the term of the contract in accordance with the pattern of insurance service provided under the contract. Insurance contract liabilities are derecognised when the contract expires, discharged or cancelled by any party to the insurance contract.

At each reporting date, the Group reviews its unexpired risk and a liability adequacy test is performed in accordance with IFRS 4 to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. This calculation uses current estimates of future contractual cash flows after taking account of the investment return expected to arise on assets relating to the relevant non-life insurance technical provisions.

If these estimates show that the carrying amount of the unearned premiums (less related deferred acquisition costs) is inadequate, the deficiency is recognised in the consolidated statement of profit or loss by setting up a provision for premium deficiency.

Gross claims paid

Gross claims paid include all claims paid during the year and the related external claims handling costs that are

directly related to the processing and settlement of claims.

Reinsurance recoveries

Reinsurance recoveries are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

Commissions earned and paid

Commissions earned and paid are recognised at the time the policies are underwritten or deferred and amortised over the same period over which the corresponding premiums are recognised in accordance with the pattern of insurance service provided under the contract.

Investment income

Interest income

Interest income is recognised in the consolidated statement of profit or loss as it accrues and is calculated by using the effective interest rate method, except for short-term receivables when the effect of discounting is immaterial.

Dividend income

Dividend income is recognised when the right to receive the dividends is established or when received.

Advisory fee income

Initial and other front-end fees received for rendering financial and other advisory services are deferred and recognised as revenue when the related services are rendered.

Rental income

Rental income from investment properties is recognised in the consolidated statement of profit or loss on a straight line basis over the term of operating lease and the advances and unearned portion of the rental income is recognised as a liability.

Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Currently, the management in under process of ascertaining a reasonable estimate of the financial impact on the net profit for the year ended 31 December 2022 and the equity as at 1 January 2022 and 31 December 2022.

5. CASH AND SHORT TERM DEPOSITS

	2022	2021
	(QR '000)	(QR '000)
Cash at banks	**992,261**	1,622,766
Short-term deposits	**5,480,694**	7,976,233
TOTAL CASH AND SHORT TERM DEPOSITS	**6,472,955**	9,598,999

All deposits are subject to an average variable interest rate of 4.94 % (2021: 1.99 %). The expected credit losses relating to short-term deposits measured at amortised cost amounted to QR 680 thousand (2021: QR 1,923 thousand). All the short-term deposits measured at amortised cost are in stage 1.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	2022	2021
	(QR '000)	(QR '000)
Cash at banks	992,261	1,622,766
Short-term deposits	5,480,694	7,976,233
Cash at banks and short-term deposits relating to discontinued operations	890,511	
	7,363,466	9,598,999

6. INSURANCE AND OTHER RECEIVABLES

	2022	2021
	(QR '000)	(QR '000)
Receivables from policyholders		
Due from policyholders	4,865,689	4,543,876
Impairment losses on doubtful receivables	(44,162)	(44,222)
	4,821,527	4,499,654
Receivables from reinsurers		
Due from insurance companies	1,107,582	2,275,375
Impairment losses on doubtful receivables	(56,443)	(50,247)
	1,051,139	2,225,128
Other receivables		
Derivative financial asset (Note 33)	298,802	57,793
Staff advances against indemnity	5,548	3,571
Deferred acquisition cost	406,272	1,206,607
Prepayments and others	581,197	581,619
	1,291,819	1,849,590
Total	7,164,485	8,574,372

Prepayments and others include an amount of QR 341 million (GBP: 72 million) (2021: QR 341 million (GBP 72 million)), net of ECL, as an indemnification asset, through Antares Re, for uncertainties about the settlement amounts of certain insurance liabilities acquired.

7. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS

	2022	2021
	(QR '000)	(QR '000)
Gross insurance contract liabilities		
Claims reported and unsettled	8,898,342	11,885,891
Claims incurred but not reported	5,492,795	5,679,128
Unearned premiums	4,705,468	6,124,444
	19,096,605	23,689,463
Reinsurers' share of insurance contract liabilities		
Claims reported and unsettled	2,619,358	4,077,413

Claims incurred but not reported	**821,981**	1,951,085
Unearned premiums	**972,774**	1,881,121
	4,414,113	7,909,619

Net insurance contract liabilities		
Claims reported and unsettled	**6,278,984**	7,808,478
Claims incurred but not reported	**4,670,814**	3,728,043
Unearned premiums	**3,732,694**	4,243,323
	14,682,492	15,779,844

Movements in insurance contract liabilities and reinsurance contract assets are as follows:

	2022			2021		
	Insurance contract liabilities	**Reinsurers' share**	**Net**	Insurance contract liabilities	Reinsurers' share	Net
	(QR '000)	**(QR '000)**	**(QR '000)**	(QR '000)	(QR '000)	(QR '000)
At 1 January	**17,565,019**	**6,028,498**	**11,536,521**	17,459,150	5,682,384	11,776,766
Claims incurred	**7,502,248**	**898,686**	**6,603,562**	9,022,516	2,777,497	6,245,019
Claims paid during the year	**(6,654,611)**	**(548,773)**	**(6,105,838)**	(8,736,546)	(2,387,988)	(6,348,558)
Effect of portfolio transfer and other movements	**(520,736)**	**(3,825)**	**(516,911)**	(180,101)	(43,395)	(136,706)
Transfer to discon-tinued operations	**(3,500,783)**	**(2,933,247)**	**(567,536)**	-	-	-
AT 31 DECEMBER	**14,391,137**	**3,441,339**	**10,949,798**	17,565,019	6,028,498	11,536,521

Movements in the provision for unearned premiums during the year are as follows:

	2022			2021		
	Insurance contract liabilities	**Reinsurers' share**	**Net**	Insurance contract liabilities	Reinsur-ers' share	Net
	(QR '000)	**(QR '000)**	**(QR '000)**	(QR '000)	(QR '000)	(QR '000)
At 1 January	**6,124,444**	**1,881,121**	**4,243,323**	5,621,835	1,620,480	4,001,355
Premiums written during the year	**9,848,227**	**2,020,711**	**7,827,516**	12,646,967	4,141,336	8,505,631
Premiums earned during the year	**(10,672,871)**	**(2,597,562)**	**(8,075,309)**	(12,127,461)	(3,880,695)	(8,246,766)
Effect of portfolio transfer and other movements	**(144,219)**	**-**	**(144,219)**	(16,897)	-	(16,897)
Transfer to discontinued op-eration	**(450,113)**	**(331,496)**	**(118,617)**	-	-	-
AT 31 DECEMBER	**4,705,468**	**972,774**	**3,732,694**	6,124,444	1,881,121	4,243,323

8. INVESTMENT IN ASSOCIATES AND JOINT VENTURE

	Classification	2022	2021
		(QR '000)	(QR '000)
Damaan Islamic Insurance Company "BEEMA" Q.P.S.C.	Associate	**122,481**	113,325
Al Liwan Real Estate W.L.L.	Associate	**29,895**	29,958
Massoun Insurance Services L.L.C.	Joint venture	**4,334**	3,913
QLM Life & Medical Insurance Company Q.P.S.C.	Associate	**302,866**	301,293
		459,576	448,489

Details of the investment in associates and joint venture held during the years ended 31 December 2022 and 31 December 2021 were as follows.

Name of investment	Place of incorporation	Proportion of ownership and voting power held	Principal activities
Damaan Islamic Insurance Company "BEEMA" Q.P.S.C.	State of Qatar	25% directly	Insurance and reinsurance
Al Liwan Real Estate W.L.L.	State of Qatar	38.46% directly	Real estate investment, brokerage and management
QLM Life & Medical Insurance Company Q.P.S.C.	State of Qatar	25% directly	Medical and life insurance
Massoun Insurance Services L.L.C.	State of Qatar	50% directly	Insurance marketing and distribution

Summarised financial information of the associates and joint venture are as follows:

	QLM		Others	
	2022	2021	2022	2021
	(QR '000)	(QR '000)	(QR '000)	(QR '000)
Current assets	**1,827,579**	1,951,169	**548,766**	498,884
Non-current assets	**2,397**	1,713	**387,325**	401,366
Current liabilities	**1,266,698**	1,334,714	**184,454**	152,753
Non-current liabilities	**-**	-	**205,068**	214,254
Revenues	**1,048,836**	1,026,895	**489,024**	468,152
Profit for the year	**83,290**	106,173	**60,303**	54,699
Other comprehensive income				

QLM is a listed entity in State of Qatar and based on quoted market price of its shares the fair value of investments as at 31 December 2022 is QR420 million (2021: QR: 442 million).

The movements in investment in associates and joint venture are as follows:

	2022	2021
	(QR '000)	(QR '000)
Balance at 1 January	**448,489**	430,196
Dividends received	**(25,750)**	(7,500)
Share of profits for the year	**36,837**	41,120
Impairment	**-**	(15,327)

Balance at 31 December	**459,576**	448,489

9. INVESTMENTS

	2022	2021
	(QR '000)	(QR '000)
Financial investments at fair value through profit or loss	**3,333,338**	4,080,420
Financial investments at fair value through other comprehensive income	**9,401,368**	11,922,275
	12,734,706	16,002,695

	2022	
	FVTPL	**FVOCI**
	(QR '000)	**(QR '000)**
Managed funds	**568,139**	**-**
Debt instruments	**431,876**	**9,401,368**
Qatar public shareholding companies	**546,861**	**-**
International quoted shares	**448,542**	**-**
Unquoted shares and private equity	**1,337,920**	**-**
Total	**3,333,338**	**9,401,368**

	2021	
	FVTPL	FVOCI
	(QR '000)	(QR '000)
Managed funds	699,625	-
Debt instruments	487,933	11,922,275
Qatar public shareholding companies	1,164,698	-
International quoted shares	504,075	-
Unquoted shares and private equity	1,224,089	-
Total	**4,080,420**	**11,922,275**

Investments classified as FVOCI are all stage 1. There have been no movements of investments classified as FVOCI from stage 1 to stage 2.

The expected credit losses relating to debt securities measured at FVOCI amounted to QR 16,738 thousand at 31 December 2022 (2021: QR 26,513 thousand).

10. INVESTMENT PROPERTIES

	2022
	QR'000
Cost	
At 1 January 2021	**557,590**
Additions	-
Foreign currency exchange difference	**(4,163)**
At 31 December 2021	**553,427**
Transfer to assets held for sale	**(8,137)**
Additions	**256,330**
Foreign currency exchange difference	**(68,827)**
At 31 December 2022	**732,793**
Accumulated Depreciation:	
At 1 January 2021	78,139
Charge during the year	12,043
Foreign currency exchange difference	(682)
At 31 December 2021	89,500
Transfer to assets held for sale	3,798
Charge during the year	11,701
Foreign currency exchange difference	(8,417)
At 31 December 2022	**96,582**
Net book values:	
At 31 December 2022	**636,211**
At 31 December 2021	463,927

The fair values of investment properties were estimated by the Management's external valuer having appropriate required professional qualifications and recent experience in the location and category of the property being valued, using investment method of valuation and by reference to market evidence of recent transactions for similar properties. The estimated fair value of the above investment properties as at 31 December 2022 was QR 782 million (2021: QR 554 million). The fair value measurement of all investment properties has been categorised as a level 3 fair value based on the inputs to the valuation technique used.

The following table shows the valuation technique used in determining the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value
Market comparable	• Expected market rental growth • discount rates • market multiples	The estimated fair value would in-crease or decrease if significant inputs increase or decrease

The rental income arising during the year amounted to QR 31,568 thousand (2021: QR 32,964 thousand) and the direct operating expenses (included within general and administrative expenses) arising in respect of such properties during the year was QR 10,502 thousand (2021: QR 11,724 thousand).

Properties owned by the Group in the United Kingdom with a carrying value of QR 217 million as at 31 December 2022 (2021: QR 266 million) are pledged as a security for the borrowings (see Note 14.2).

The Group has no restrictions on the realisability of its investment properties, other than the property in the United Kingdom, and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

11. PROPERTY AND EQUIPMENT

	Freehold land	Building	Furniture and fixtures	Motor vehicles	Total
	(QR '000)	(QR '000)	(QR '000)	(QR '000)	(QR '000)
Cost					
At 1 January 2021	9,709	193,570	168,237	11,917	383,433
Additions		19,258	7,616	1,416	28,290
Disposals				(457)	(457)
Foreign currency exchange difference		(1,872)	(585)		(2,457)
At 31 December 2021	9,709	210,956	175,268	12,876	408,809
Additions		3,521	8,685	603	12,809
Disposals		(83)	(7)	-	(90)
Foreign currency exchange difference		(15,613)	(6,671)	(589)	(22,873)
At 31 December 2022	9,709	198,781	177,275	12,890	398,655
Accumulated Depreciation:					
At 1 January 2021		99,647	138,580	11,720	249,947
Charge during the year		21,830	12,304	400	34,534
Disposals			268	(457)	(189)
Foreign currency exchange difference		(1,131)	(531)	-	(1,662)
At 31 December 2022		120,346	150,621	11,663	282,630
Charge during the year		12,460	8,373	575	21,408
Disposals		(42)	-		(42)
Foreign currency exchange difference		(7,693)	(4,211)	(586)	(12,490)
At 31 December 2022		125,071	154,783	11,652	291,506
Net book values:					
At 31 December 2022	**9,709**	**73,710**	**22,492**	**1,238**	**107,149**
At 31 December 2021	9,709	90,610	24,647	1,213	126,179

12. GOODWILL AND INTANGIBLE ASSETS

Movements in goodwill and intangible assets were as follows:

	Goodwill	Lloyd's syndicate capacity	Framework agreement	Non-life insurance license	Total
	(QR '000)	(QR '000)	(QR '000)	(QR '000)	(QR '000)
	(i)	*(ii) (a)*	*(ii) (c)*	*(ii) (d)*	
At 1 January 2021	145,111	266,222	179,312	29,856	620,501
Foreign currency exchange difference	-	-	(2,875)	(375)	(3,250)
Amortisation expenses	-	-	(22,801)	-	(22,801)
Impairment	-	-	(36,853)	-	(36,853)
At 31 December 2021	145,111	266,222	116,783	29,481	557,597
Addition	33,598		-	-	33,598
Foreign currency exchange difference	-	-	(19,019)	(5,086)	(24,105)
Amortisation expenses	-	-	(12,174)	-	(12,174)
Impairment	-	-	(85,590)	(24,395)	(109,985)
At 31 December 2022	**178,709**	**266,222**	**-**	**-**	**444,931**

Effective 1 January 2014, the Group acquired 100% of the share capital of Antares Holdings Limited and its subsidiaries.

Effective 25 July 2018, the Group, through its subsidiary Antares Reinsurance Company Limited ("Antares Re") acquired 100% of the share capital of Markerstudy's Gibraltar-based insurance companies.

Effective 1 October 2022, the Group acquired 51% of the share capital of Epicure Islamic Investment Management LLC.

i. Goodwill

Goodwill, amounting to QR 145.11 million that arose on acquisition of Antares Holding Limited has been allocated to Antares Holding Limited UK cash generating unit (Antares CGU). The recoverable amount of this cash generating unit is determined on the basis of its estimated valuation under the Market Approach. The method assumes that Antares CGU to follow the pattern on market capitalisation of similar Lloyd's Syndicates listed entities and their relevant book value.

The Group acquired 51% of Epicure Islamic Investment Management LLC (EIIM). Cash consideration of QR 34.5 was paid. The carrying value of the net assets of of EIIM was QR 918 thousand, accordingly an an amount QR 33.60 million goodwill arose. Additional work is going on to determine fair value of the identifiable net assets on the acquisition date and therefore, provisional accounting has been performed as of 31 December 2022. On receipts of final valuation reports and computation of related exercise, appropriate adjustments will be made to the provisional amounts in accordance with the requirements of IFRS 3, Business Combinations

Management believes that any reasonable possible changes in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount of goodwill to exceed the aggregate recoverable amount of the Antares CGU and intangible assets carrying value at year end.

ii. Intangible assets

The following table summarises the intangible assets recorded in connection with the business acquisitions:

	Amount (QR '000)	**Economic useful Life**
Lloyd's syndicate capacity	266,222	Indefinite
Framework Agreement	218,726	10 years
Non-life insurance License	27,540	Indefinite
Intangible assets as of the acquisition date	**512,488**	
Foreign currency exchange difference	(8,857)	
Accumulated amortisation expenses	(90,571)	
Impairment recognised	(146,838)	
Net intangible assets as at 31 December 2022	**266,222**	

a. Lloyd's Syndicate Capacity

The fair value of Lloyd's syndicate capacity and insurance licenses was estimated using the Market Approach using level 3 category. The Lloyd's capacity is renewed annually at no cost to the subsidiary or may be freely purchased or sold, subject to Lloyd's approval. The ability to write insurance business within the syndicate capacity is indefinite with the premium income limit being set annually by the Company, subject to Lloyd's approval. The recoverable amount was determined on the basis of regression analysis using average return on capital and certain observable data available from Lloyd's of London.

b. Framework agreement

As part of the transaction related to the sale and purchase of the Carriers, Antares and Markerstudy Group have signed a framework agreement ("Framework Agreement"), which will govern their relationship for the coming 10-year period. Under this agreement, the Carriers will have the right to first refusal for all the non-life insurance business generated by Markerstudy Group (MSG). The Framework Agreement has been valued by applying the dividend discount model ("DDM") under the Income Approach. The estimated useful life of the Framework Agreement was 10 years of which 5.5 years are left as at 31 December 2022.

The Group has performed an assessment of the carrying value of the Framework Agreement and recorded an impairment of QR 85.6 million (GBP 17.4 million) as at 31 December 2022 (2021: Nil). The recoverable amount is determined based on fair value less cost of disposal. Fair value is determined using Level 3 hierarchy.

c. Non-life insurance License

Markerstudy Group insurance companies have regulatory licenses from the Gibraltar Financial Services Commission (GFSC) to underwrite non-life insurance business in the United Kingdom and the rest of the European Union. The balance has been impaired in current year as there are not sufficient positive cash flows from this asset

13. PROVISIONS, REINSURANCE AND OTHER PAYABLES

	2022	2021
	(QR '000)	(QR '000)
Insurance claims payables	**405,065**	673,982
Due to reinsurance companies	**868,967**	2,663,359

Other payables:		
Accruals and deferred income	**197,520**	248,983
Employees' end of service benefits (see Note 13.1)	**34,062**	28,669
Derivative financial liabilities (Note 33)	**15,159**	189,770
Other liabilities	**17,979**	361,321
	1,538,752	4,166,084

13.1. Employees' end of service benefits

	2022	2021
	(QR '000)	(QR '000)
Provision at 1 January	**28,669**	86,673
Expenses recognised during the year	**5,195**	5,310
Transfers during the year	**951**	-
Payment made during the year	**(753)**	(63,314)
	34,062	28,669

14.1. Short Term Borrowings

	2022	2021
	(QR '000)	(QR '000)
Short term borrowings	**3,060,490**	4,439,960

The short term borrowings carry interest at an average rate of 2022: 4.2% per annum (2021: 0.5 % per annum).

14.2. Loans

	2022	2021
	(QR '000)	(QR '000)
Loan 1	**91,657**	127,140
Loan 2	**33,095**	44,122
31 December	**124,752**	171,262

Loan 1 - Represents mortgage loan secured by an investment property (see Note 10) and repayable in 2024.

Loan 2 - Represents mortgage loans secured by an investment property (see Note 10) and repayable in 2024.

The above loans bear fixed interest of 2.92 % (2021: 2.92%) per annum.

15. SHARE CAPITAL, SHARE PREMIUM AND DIVIDENDS

15.1. Share capital

	2022		2021	
	No of shares	QR'000	No of shares	QR'000
Authorised, Issued and Fully paid up				
Ordinary shares of QR 1 each (2021: QR 1)	**3,266,101,330**	**3,266,101**	3,266,101,330	3,266,101

All shares carry equal rights.

15.2. Share premium

Share premium is the proceeds received from the rights issue, net of any directly attributable transaction costs, are directly credited to share capital (nominal value of shares) and share premium when shares have been issued higher than their nominal value. The nominal value of the shares were recorded under share capital while the excess of the issue price over the nominal value was recorded under share premium.

15.3. Dividends

The Board of Directors proposed cash dividend of QR 0.1 per share aggregating to QR 327 million out of the profits earned during the year 2021. The proposed dividend was approved at the Annual General Meeting held on 27 March 2022.

16. LEGAL RESERVE

Legal reserve is computed in accordance with the provisions of the Qatar Central Bank (QCB) regulations, applicable provisions of Qatar Commercial Companies' Law and the Parent company's Articles of Association at 10% of the net profit for the year. On November 23, 2014, the Extra-Ordinary General Meeting approved the amendment of paragraph (1) Article (66) of the Articles of Association of the Company. The amendment states that transfers to the legal reserve shall be made until it equates 100% of the paid-up capital. The reserve is not available for distribution except in circumstances specified in the Qatar Central Bank (QCB) regulations/Qatar Commercial Companies Law. The legal reserve also includes the Group's share in legal reserve arising out of its subsidiaries.

17. GENERAL RESERVE

General reserve was formed in accordance with the provisions of applicable provisions of Qatar Commercial Companies' Law to strengthen the capital base of the Group. During the year, no amount has been transferred to the general reserve.

18. FAIR VALUE RESERVE

The fair value reserve arose from the revaluation of financial instruments measured at fair value through other comprehensive income as per the accounting policy detailed in Note 4.

19. CATASTROPHE SPECIAL RESERVE

The Group appropriated QR 51.70 million in 2017 from its retained earnings as a catastrophe special reserve in the consolidated statement of changes in equity. The formation of reserve was approved at the Board meeting held on 25 January 2011. This reserve will be utilised at the recommendation of the Board of Directors after approval at the Annual General Meeting when there is a catastrophe event.

During 2018, the Group issued bonus shares of 15% for the year 2017, of which QR 349,210 thousand was distributed from the catastrophe reserve, with the approval of QCB. The bonus share issues were approved in the Annual General Meeting held on 25 February 2018. The balance of catastrophe special reserve at 31 December 2022 is QR 32 million.

20. PROVISIONS FOR SPORTS AND SOCIAL ACTIVITIES SUPPORT FUND

According to Qatari Law No. 13 for the year 2008 and the related clarifications issued in January 2010, the Company is required to contribute 2.5% of annual consolidated net profits to the state social and sports fund. The clarification relating to Law No. 13 requires the payable amount to be recognised as a distribution of income. Hence, this is recognised in consolidated statement of changes in equity.

During the year, the Group appropriated an amount of QR 11,004 thousand (2021: QR 17,192 thousand) representing 2.5% of the calculated profit.

21. SUBORDINATED PERPETUAL DEBT

In 2017, in an effort to strengthen the capital base of Antares Reinsurance Company Limited (the "Issuer"), a subsidiary of the Group registered in Bermuda, issued subordinated Tier 2 qualifying capital notes amounting to QR 1,615,596 thousand net. These were issued through the Irish Stock Exchange, and the Parent Company acts as the guarantor to the notes. The notes were issued in the registered form at par value, in denominations of USD 200,000 and integral multiples of USD 1,000 in excess thereof. The notes do not have a stated maturity date and are perpetual in nature, and do not obligate the Issuer or the Parent Company to repay or settle by delivery of cash or another financial asset. The notes are listed on the Irish Stock Exchange. On 27th June 2022 Antares Reinsurance Company Limited offered to buy back the 4.95% Tier 2 notes at 100.20% of par value.

Antares Reinsurance Company Limited received interest from 74.75% of the noteholders. The settlement date for the 74.75% notes tendered was 18th July 2022, whereas balance 25.25% of the noteholders settled on call date 13th September 2022.

In 2020, the Group issued perpetual subordinated Tier 2 qualifying capital notes of QR 1,081,645 thousand net. The notes were issued through QIC (Cayman) Limited, a wholly owned subsidiary incorporated in the Cayman Islands, for the purpose of the issuance. These notes are perpetual in nature and qualify as Tier 2 Capital under Qatar Central Bank regulations for the solvency ratio calculations.

In 2022, the Group issued perpetual subordinated Tier 2 qualifying capital notes of QR 1,439,270 thousand net. The notes were issued through QIC (Cayman) Limited, a wholly-owned subsidiary incorporated in the Cayman Islands, for the purpose of the issuance. These notes are perpetual in nature and qualify as Tier 2 Capital under Qatar Central Bank regulations for the solvency ratio calculations. The notes are listed on the London Stock Exchange.

22. OTHER COMPONENTS OF EQUITY

Other components of equity include foreign currency translation reserve, merger reserves and share of profit from equity accounted investments. As per the Qatar Central Bank's instruction dated 4 March 2019, share of profit from equity accounted investments should be transferred from retained earnings to reserve for share of profit from equity accounted investments. Declared and received dividends from equity accounted investments are the only distributable portion of this reserve.

	Merger and acquisition reserve QR '000	**Foreign currency translation reserve QR '000**	**Reserve for share of profit from equity accounted investees QR '000**	**Total QR '000**
At 1 January 2021	(139,240)	34,792	125,905	21,457
Transfer and other movements	-	(25,838)	41,120	15,282
At 31 December 2021	(139,240)	8,954	167,025	36,739
At 1 January 2022	**(139,240)**	**8,954**	**167,025**	**36,739**
Transfer and other movements	**41,930**	**(138,060)**	**36,837**	**(59,293)**
At 31 December 2022	**(97,310)**	**(129,106)**	**203,862**	**(22,554)**

23. OPERATING SEGMENTS

a. Segment information

For management purposes, the Group is organised into six business segments. Marine & Aviation insurance (Hull & Machinery, Aviation and Cargo), Property & Casualty insurance (Motor, Retail, Property and Liability), Health & Life insurance, Real Estate, Advisory and Investments. These segments are the basis on which the Group reports its operating segment information. Operating and administrative expenses and certain other expenses are not allocated to the segments for performance monitoring purposes. No operating segments have been aggregated in arriving at the reportable segment of the Group.

23. OPERATING SEGMENTS

a. Segment information

Segment income statement for the year ended 31 December 2022

	Marine and Aviation	Property and Casualty	Health and Life	Total Insurance	Real Estate	Advisory	Investments	Un-allocated (expenes) / income	Total
	(QR '000)	(QR '000)	(QR '000)	(QR '000)	(QR '000)	(QR '000)	(QR '000)	(QR '000)	(QR '000)
Continuing operations									
Gross premiums	1,025,107	8,347,565	475,555	9,848,227	-	-	-	-	**9,848,227**
Premiums ceded to reinsurers	(384,013)	(1,621,704)	(14,994)	(2,020,711)	-	-	-	-	**(2,020,711)**
Net premiums	641,094	6,725,861	460,561	7,827,516	-	-	-	-	**7,827,516**
Movement in unexpired risk reserve	(24,420)	87,663	(12,020)	51,223	-	-	-	-	**51,223**
Net earned premiums	616,674	6,813,524	448,541	7,878,739	-	-	-	-	**7,878,739**
Gross claims paid	(333,455)	(5,899,262)	(421,894)	(6,654,611)	-	-	-	-	**(6,654,611)**
Reinsurance recoveries	33,056	479,968	35,749	548,773	-	-	-	-	**548,773**
Movement in outstanding claims (Note 1)	(106,490)	(180,227)	(6,690)	(293,407)	-	-	-	-	**(293,407)**
Net commission	(137,937)	(1,276,591)	(44,654)	(1,459,182)	-	-	-	-	**(1,459,182)**
Other insurance income (Unallocated)				5,141	-	-	-	-	**5,141**
Net underwriting result	71,848	(62,588)	11,052	25,453	-	-	-	-	**25,453**
Investment income				-	-	-	813,072	-	**813,072**
Finance Cost				-	-	-	(95,880)	-	**(95,880)**
Advisory fee				-	-	35,130	-	-	**35,130**
Rental income				-	31,568	-	-	-	**31,568**
Other Income				-	-	-	-	13,022	**13,022**
Total investment and other income				-	31,568	35,130	717,192	13,022	**796,912**
Share of profit from associates and joint venture								36,837	**36,837**
Operating and administrative expenses				(415,066)	(10,502)	(31,339)	(5,909)	(114,444)	**(577,260)**
Depreciation and amortisation				-	(12,408)	(65)	-	(32,846)	**(45,319)**
Profit / (Loss) before tax				(389,613)	8,658	3,726	711,283	(97,431)	**236,623**
Income tax expense				-	-	-	-	(14,528)	**(14,528)**
Profit for the year from continuing operations				(389,613)	8,658	3,726	711,283	(111,959)	**222,095**
Loss for the year from discontinued operations				-	-	-	-	(858,886)	**(858,886)**
Loss for the year				**(389,613)**	**8,658**	**3,726**	**711,283**	**(970,845)**	**(636,791)**

23. OPERATING SEGMENTS (CONTINUED)

a. Segment information (continued)

Segment income statement for the year ended 31 December 2021

	Marine and Aviation	Property and Casualty	Health and Life	Total Insurance	Real Estate	Advisory	Investments	Un-allocated (expenes) / income	Total
	(QR '000)	(QR '000)	(QR '000)	(QR '000)	(QR '000)	(QR '000)	(QR '000)	(QR '000)	(QR '000)
Continuing operations									
Gross premiums	889,452	8,621,669	410,419	9,921,540	-	-	-	-	**9,921,540**
Premiums ceded to reinsurers	(281,156)	(1,831,657)	(42,416)	(2,155,229)	-	-	-	-	**(2,155,229)**
Net premiums	608,296	6,790,012	368,003	7,766,311	-	-	-	-	**7,766,311**
Movement in unexpired risk reserve	3,789	248,645	(50,210)	202,224	-	-	-	-	**202,224**
Net earned premiums	612,085	7,038,657	317,793	7,968,535	-	-	-	-	**7,968,535**
Gross claims paid	(400,377)	(6,677,437)	(380,348)	(7,458,162)	-	-	-	-	**(7,458,162)**
Reinsurance recoveries	58,909	1,474,152	149,081	1,682,142	-	-	-	-	**1,682,142**
Movement in outstanding claims (Note 1)	(16,195)	416,598	(18,802)	381,601	-	-	-	-	**381,601**
Net commission	(104,504)	(1,797,021)	(33,950)	(1,935,475)	-	-	-	-	**(1,935,475)**
Other insurance income (Unallocated)	-	-	-	4,772	-	-	-	-	**4,772**
Net underwriting result	149,918	454,949	33,774	643,413	-	-	-	-	**643,413**
Investment income				-	-	-	1,016,459	-	**1,016,459**
Finance Cost				-	-	-	(37,862)	-	**(37,862)**
Advisory fee				-	-	21,959	-	-	**21,959**
Rental income				-	32,964	-	-	-	**32,964**
Other Income				-	-	-	-	8,098	**8,098**
Total investment and other income				-	32,964	21,959	978,597	8,098	**1,041,618**
Share of profit from associates and joint venture				-	-	-	-	41,120	**41,120**
Operating and administrative expenses				(472,014)	(11,724)	(28,558)	(9,371)	(177,709)	**(699,376)**
Depreciation and amortisation				-	(13,439)	(39)	-	(55,900)	**(69,378)**
Profit / (Loss) before tax				171,399	7,801	(6,638)	969,226	(184,391)	**957,397**
Income tax expense				-	-	-	-	(35,710)	**(35,710)**
Profit for the year from continuing operations				171,399	7,801	(6,638)	969,226	(220,101)	**921,687**
Profit for the year from discontinued operations				-	-	-	-	(291,386)	**(291,386)**
Profit for the year				**171,399**	**7,801**	**(6,638)**	**969,226**	**(511,487)**	**630,301**

Note 1

Movement of outstanding claims have been adjusted for the indemnification asset that the Group has realized during the year, through Antares, for uncertainties about the settlement amounts of certain insurance liabilities acquired. (Note 6).

Segment statement of financial position

Assets and liabilities of the Group are commonly used across the primary segments.

b. Geographic Information

The Group operates in two geographic markets; the domestic market in Qatar and the international markets. The following table shows the distribution of the Group's net underwriting results total assets and liabilities by geographical segment:

Insurance business segment income statement for the year

	Qatar	**International**	**Total**	Qatar	International	Total
	2022	**2022**	**2022**	2021	2021	2021
	(QR '000)	**(QR '000)**	**(QR '000)**	(QR '000)	(QR '000)	(QR '000)
Gross premium	**1,613,622**	**8,234,605**	**9,848,227**	1,333,455	8,588,085	9,921,540
Reinsurers' share of gross premiums	**(1,182,131)**	**(838,580)**	**(2,020,711)**	(944,795)	(1,210,434)	(2,155,229)
Net premiums	**431,491**	**7,396,025**	**7,827,516**	388,660	7,377,651	7,766,311
Change in unexpired risk reserve	**(73,895)**	**125,118**	**51,223**	(71,450)	273,674	202,224
Net earned premi-ums	**357,596**	**7,521,143**	**7,878,739**	317,210	7,651,325	7,968,535
Gross claims paid	**(275,213)**	**(6,379,398)**	**(6,654,611)**	(669,550)	(6,788,612)	(7,458,162)
Reinsurance recoveries	**160,045**	**388,728**	**548,773**	551,522	1,130,620	1,682,142
Movement in outstand-ing claims	**(52,208)**	**(241,199)**	**(293,407)**	2,034	379,567	381,601
Net commission	**1,403**	**(1,460,585)**	**(1,459,182)**	(2,735)	(1,932,740)	(1,935,475)
Other insurance in-come	**4,575**	**566**	**5,141**	3,689	1,083	4,772
Net underwriting results	**196,198**	**(170,745)**	**25,453**	202,170	441,243	643,413

Segment assets, liabilities and equity as at year end

	Assets		**Liabilities & Equity**	
	2022	2021	**2022**	2021
	(QR '000)	(QR '000)	**(QR '000)**	(QR '000)
Qatar	**16,221,829**	19,123,293	**12,996,562**	11,560,452
International	**21,933,240**	24,558,584	**25,158,507**	32,121,425
	38,155,069	43,681,877	**38,155,069**	43,681,877

24. NET INVESTMENT INCOME

	2022	2021
	(QR '000)	(QR '000)
Interest income	528,822	419,126
Gain on sale of investments	499,355	48,046
Unrealised gain on investments	(282,097)	507,470
Dividends	63,576	34,695
Others	3,416	7,122
	813,072	1,016,459
Finance costs	(95,880)	(37,862)
Net investment income	717,192	978,597

The interest income is net of expected credit loss reversal for the year ended 31 December 2022 amounting to QR 3,921 thousand (2021: provision of QR 26,461 thousand).

25. OPERATING AND ADMINISTRATIVE EXPENSES

	2022	2021
	(QR '000)	(QR '000)
Employee related costs	353,712	321,937
Registration and professional fees	113,996	96,229
Other operating expenses	109,552	281,210
	577,260	699,376

26. EARNINGS PER SHARE (EPS)

The basic and diluted earnings per share are the same as there are no dilutive effects on earnings.

	2022	2021
	(QR '000)	(QR '000)
Net (loss) profit attributable to shareholders of the parent Company		
Continuing operations	210,743	907,267
Less: Interest on subordinated perpetual debt (Note 21)	(141,370)	(149,492)
	69,373	757,775
Discontinued operations	(858,886)	(291,386)
	(789,513)	466,389
Weighted average number of ordinary shares (in thousand)	3,266,101	3,266,101
Earnings per share for continuing operations (QR)	0.021	0.232
Earnings per share (QR)	(0.242)	0.143

27. INCOME TAX

As per Qatar Income Tax laws and regulations, the Parent Company being a listed entity at Qatar Stock Exchange is exempted from income tax. The total tax charges pertain to the Group's subsidiaries and branches operating in Qatar and international as follows:

	2022	2021
	(QR '000)	(QR '000)
Qatari subsidiaries (i)	354	941
International subsidiaries and branches (ii)	14,174	34,769
Total tax charge	14,528	35,710

Notes:

i. The Qatari subsidiaries are subject to the applicable tax laws in the State of Qatar and accordingly liable for income tax on its taxable profits to the extent of the foreign shareholding percentage of the Parent Company at effective income tax rate of 10%.

ii. iThe international subsidiaries and branches subject to applicable tax laws in the respective jurisdictions where it operates. Current income tax assets and liabilities in these branches and subsidiaries for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates branches and subsidiaries and generates taxable income.

28. CONTINGENT LIABILITIES AND COMMITMENTS

	2022	2021
	(QR '000)	(QR '000)
Bank guarantees	3,281,745	4,153,978
Authorised future investment commitments	364,575	526,162

The Group operates the insurance industry and is subject to litigation in the normal course of its business. It is not practicable to forecast or determine the final results of all pending or threatened legal proceedings. Management does not believe that such proceedings including litigation will have a material effect on its results at consolidated financial position. The Group is also subject to insurance solvency regulations in all the territories where it operates and has complied with all the solvency regulations. There are no contingencies associated with the Group's compliance or lack of compliance with such regulations.

29. DETERMINATION OF FAIR VALUE AND HIERARCHY OF FINANCIAL INSTRUMENTS

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	Level 1	Level 2	Level 3	Total
31 December 2022	**(QR '000)**	**(QR '000)**	**(QR '000)**	**(QR '000)**
Derivative assets	-	-	298,802	298,802
Investment securities	10,572,221	824,564	1,337,921	12,734,706
	10,572,221	824,564	1,636,723	13,033,508
Derivative liabilities	-	-	15,159	15,159

	Level 1	Level 2	Level 3	Total
31 December 2021	(QR '000)	(QR '000)	(QR '000)	(QR '000)
Derivative assets	-	-	57,793	57,793
Investment securities	13,820,800	956,821	1,225,074	16,002,695
	13,820,800	956,821	1,282,867	16,060,488
Derivative liabilities	-	-	189,770	189,770

Valuation techniques

Listed investment in equity securities and debt securities

When fair values of publicly traded equity securities and debt securities are based on quoted market prices, or binding dealer price quotations, in an active market for identical assets without any adjustments, the instruments are included within Level 1 of the hierarchy.

Listed managed funds

In the absence of a quoted price in an active market, they are valued using observable inputs such as recently executed transaction prices in securities of the issuer or comparable issuers and yield curves. Adjustments are made to the valuations when necessary to recognise differences in the instrument's terms. To the extent that the significant inputs are observable, the Group categorises these investments as Level 2.

Over-the-counter derivatives

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives are classified as Level 3.

Unlisted equity investments

Unquoted equity investments are recorded at fair values adopting market approach and applying price to book value multiple to arrive at the value of investment. There are no active markets for these investments and the Group intends to hold them for the long term and these are classified as Level 3. The estimated fair value would increase (decrease) if the adjusted market multiple are higher (lower).

The Group's investment managers considers the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investing, to ensure they are reasonable and appropriate and therefore the NAV of these funds may be used as an input into measuring their fair value. In measuring this fair value, the NAV of the funds is adjusted, as necessary, to reflect restrictions on redemptions, future commitments, and other specific factors of the fund and fund manager. In measuring fair value, consideration is also paid to any transactions in the shares of the fund. Depending on the nature and level of adjustments needed to the NAV and the level of trading in the fund, the Group classifies these funds as Level 3.

Level 3 reconciliation

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 between the beginning and the end of the reporting period:

	2022	2021
	(QR '000)	(QR '000)
At 1 January	**1,282,867**	1,959,643
Net gain in fair value reserve	**235,677**	152,182
Net additions (disposals) during the year	**118,179**	(828,958)
At 31 December	**1,636,723**	1,282,867

30. RELATED PARTIES

Note 1 provides information about the Group's structure, including details of the subsidiaries and the Parent Company. The following tables provide the total amount of transactions that have been entered into with related parties for the relevant financial year.

Related parties represent major shareholders, directors and key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties.

a. Transactions with related parties

These represent transactions with related parties, i.e. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions and also, directors of the Group and companies of which they are key management personnel. Pricing policies and terms of these transactions are approved by the Group's management.

	For the year ended 31 December 2022			For the year ended 31 December 2021		
	Premiums	**Purchase of services**	**Claims**	Premiums	Purchase of services	Claims
	(QR '000)	**(QR '000)**	**(QR '000)**	(QR '000)	(QR '000)	(QR '000)
Affiliate Companies						
Al Fardan Group	**24,512**		**24,287**	18,093	2	18,424
Al Jaidah Group	**6,414**		**5,257**	5,166	-	5,422
Massoun Insurance Services L.L.C.	**890**		**-**	(2,235)	-	-
QLM Life & Medical Insurance Company Q.P.S.C.	**(18,391)**	**34,242**	**(4,507)**	15,409	4,047	29,530
Others	**1,167**	**-**	**270**	1,195	2	66
Total	**14,592**	**34,242**	**25,307**	37,628	4,051	53,442

b. Related party balances

Due from related parties	**2022**	2021
	(QR '000)	(QR '000)
Affiliate Companies		
Al Jaidah Group	**-**	532
Al Liwan Real Estate Company W.L.L.	**111**	-
QLM Life & Medical Insurance Company Q.P.S.C.	**119,454**	114,539
Others	**2,274**	2,771
Total	**121,839**	117,842

Due to related parties	**2022**	2021
	QR ''000)	(QR '000)
Affiliate Companies		
Al Jaidah Group	**444**	-
Massoun Insurance Services L.L.C	**2,889**	2,414
Al Fardan Group	**1,965**	2,469
Total	**5,298**	4,883

Compensation of key management personnel

	2022	2021
	(QR '000)	(QR '000)
Salaries and other short term benefits	**26,026**	34,538
End of service benefits	**1,927**	1,038

Outstanding related party balances at reporting date are unsecured and interest free, and no provision for impairment for these related party balances have been recorded by the Group during the year (2021: Nil).

31. NON-CONTROLLING INTERESTS

Represents the non-controlling interests of 41.98 % (2021: 41.98 %) of the share capital in Oman Qatar Insurance Company and 9.06 % (2021: 17.96%) in Kuwait Qatar Insurance Company.

32. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group in the normal course of its business derives its revenue mainly from assuming and managing insurance and investments. Through a robust governance structure, risks and returns are evaluated to produce sustainable revenues to reduce earnings volatility and increase shareholders' return. The Group's lines of business are mainly exposed to the following risks:

- Insurance risk,
- Credit risk,
- Liquidity risk,
- Market risk, and
- Operational risks

a. Governance framework

The primary objective of the Group's risk and financial management framework is to protect the Group's shareholders from events that hinder the sustainable achievement of the set financial performance objectives. Key management recognises the critical importance of having efficient and effective risk management systems in place.

The Group has established a risk management function with clear terms of reference from the Board of directors, its committees and the associated executive management committees. This is supplemented with a clear organisational structure with documented delegated authorities and responsibilities from the board of directors to executive management committees and senior managers. A group risk management policy framework which sets out the risk profiles for the Group, risk management, control and business conduct standards for the Group's operations has been put in place.

b. Capital management framework

The Group has an internal risk management framework for identifying risks to which each of its business units and the Group as a whole is exposed, quantifying their impact on economic capital. The internal framework estimates indicate how much capital is needed to mitigate the risk of insolvency to a selected remote level of risk applied to a number of tests (both financial and non-financial) on the capital position of the business.

c. Regulatory framework

Regulators are primarily interested in protecting the rights of the policyholders and monitor them closely to ensure that the Group is satisfactorily managing affairs for their benefit. At the same time, the regulators are also interested in ensuring that the Group maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters.

The operations of the Group are also subject to regulatory requirements within the jurisdictions where it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g. capital adequacy) to minimise the risk of default and insolvency on the part of the

insurance companies to meet unforeseen liabilities as these arise.

d. Asset liability management (ALM) framework

Financial risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The main risk that the Group faces due to the nature of its investments and liabilities is interest rate risk. The Group manages these positions within an ALM framework that has been developed to achieve long-term investment returns in excess of its obligations under insurance and investment contracts.

The Group's ALM is also integrated with the management of the financial risks associated with the Group's other financial assets and liabilities not directly associated with insurance and investment liabilities.

The Group's ALM also forms an integral part of the insurance risk management policy, to ensure in each period sufficient cash flow is available to meet liabilities arising from insurance and investment contracts.

e. Insurance risk

The principal risk the Group faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual compensation paid and subsequent development of long-term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

The Group manages the insurance risk through the careful selection and implementation of its underwriting strategy and guidelines together with the adequate reinsurance arrangements and proactive claims handling.

The Group principally issues general insurance contracts which constitutes mainly marine & aviation, property & casualty and health & life.

The concentration of insurance risk exposure is mitigated by careful selection and implementation of the underwriting strategy of the Group, which attempts to ensure that the risks underwritten are well diversified across a large portfolio in terms of type, level of insured benefits, amount of risk, industry and geography. Underwriting limits are in place to enforce risk selection criteria.

The Group, in the normal course of business, in order to minimise financial exposure arising from large claims, enters into contracts with other parties for reinsurance purposes. Such reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. A significant portion of the reinsurance is affected under treaty, facultative and excess-of-loss reinsurance contracts. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts.

Although the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Group's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract.

The Group has in place strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims to reduce the risk exposure of the Group. The Group further enforces a policy of actively managing and prompt pursuing of claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Group.

Key assumptions

The principal assumption underlying the liability estimates is that the Group's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year. Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example one-off occurrence, changes in market factors such as public attitude to claiming, economic conditions, as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in

settlement and changes in foreign currency rates.

Sensitivities

The general insurance claims provisions are sensitive to the key assumptions mentioned above. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

The analysis below is performed for possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, net profit and equity.

	Change in assumptions	**Impact on liabilities**	**Impact on net profit**	**Impact on equity**
		(QR '000)	**(QR '000)**	**(QR '000)**
31 December 2022				
Incurred claim cost	+10%	**(639,925)**	**639,925**	**-**
Incurred claim cost	-10%	**639,925**	**(639,925)**	**-**

	Change in assumptions	Impact on liabilities	Impact on net profit	Impact on equity
		(QR '000)	(QR '000)	(QR '000)
31 December 2022				
Incurred claim cost	+10%	(539,442)	539,442	-
Incurred claim cost	-10%	539,442	(539,442)	-

Claims Development Table

The Group maintains strong reserves in respect of its insurance business in order to protect against adverse future claims experience and developments. The following tables show the estimates of cumulative incurred claims, including both claims notified and Incurred but not reported (IBNR) for each successive accident year at each reporting date, together with cumulative payments to date. The top half of each table below illustrates how the Group's estimate of total claims outstanding for each accident year has changed at successive year-ends. The bottom half of the table reconciles the cumulative claims to the amount appearing in the Consolidated Statement of Financial Position.

With the exception of the proportional and non-proportional reinsurance business, an accident-year basis is considered to be most appropriate for the business written by the Group. Given the nature of reinsurance claims and the difficulties in identifying an accident year for each reported claim, these claims are reported separately and aggregated by reporting year (reporting year basis) – that is, with reference to the year in which the Group was notified of the claims. This presentation is different from the basis used for the claims development tables for the other insurance claims and entities of the Group, where the reference is to the actual date of the event that caused the claim (accident-year basis).

Accident year	2017	2018	2019	2020	2021	2022	Total
At end of accident year	6,319,302	6,600,243	5,797,879	6,213,877	4,698,971	4,727,886	34,358,158
One year later	5,474,586	6,724,746	6,596,806	6,538,179	5,572,969	-	-
Two years later	5,428,658	7,163,895	6,635,464	6,031,340	-	-	-
Three years later	5,770,516	7,234,789	5,724,529	-	-	-	-
Four years later	5,856,415	6,924,287	-	-	-	-	-
Five years later	6,366,872	-	-	-	-	-	-
Current estimate of cumulative claims incurred	**6,366,872**	**6,924,287**	**5,724,529**	**6,031,340**	**5,572,969**	**4,727,886**	**35,347,883**
Cumulative payments to date	(4,925,043)	(6,436,559)	(5,166,208)	(3,661,295)	(3,254,748)	(2,045,510)	(25,489,363)
Net outstanding claims provision	**1,441,829**	**487,728**	**558,321**	**2,370,045**	**2,318,221**	**2,682,376**	**9,858,520**
Reserve in respect of prior years (Before 2017)	-	-	-	-	-	-	1,091,278
Total net outstanding claims reported and unsettled and incurred but not reported	**-**	**-**	**-**	**-**	**-**	**-**	**10,949,798**
Current estimate of surplus/ (deficiency)	(47,570)	(324,044)	73,350	182,537	(873,998)		
% Surplus/ (deficiency) of initial gross reserve	**-1%**	**-5%**	**1%**	3%	-16%		

f. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The following policies and procedures are in place to mitigate the Group's exposure to credit risk.

A credit risk policy setting out the assessment and determination of what constitutes credit risk for the Group has been established and the following policies and procedures are in place to mitigate the Group's exposure to credit risk:

- Compliance with the receivable management policy is monitored and exposures and breaches are regularly reviewed for pertinence and for changes in the risk environment.
- For all classes of financial assets held by the Group, other than those relating to reinsurance contracts, the maximum credit risk exposure to the Group is the carrying value as disclosed in the consolidated financial statements at the reporting date.
- Reinsurance is placed with reinsurers approved by the management. To minimise its exposure to significant losses from reinsurer insolvencies, the Group evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurers.

At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment.

Credit exposure is limited to the carrying values of the financial assets as at the reporting date.

i. Maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for the components of consolidated statement of financial position.

	2022	2021
	(QR '000)	(QR '000)
Derivative financial assets	**298,802**	57,793
Financial investments at fair value through profit or loss (FVTPL)	**431,876**	487,933
Financial investments at fair value through other comprehensive income (FVOCI)	**9,401,368**	11,922,275
Insurance and other receivables	**6,549,411**	7,309,972
Reinsurance contract assets	**3,441,339**	6,028,498
Short-term deposits	**5,480,694**	7,976,233
	25,513,490	33,782,704

ii. Credit quality

31 December 2022	**Neither past due nor impaired**	**Past due but not impaired**	**Past due and impaired**	**Total**
	(QR '000)	**(QR '000)**	**(QR '000)**	**(QR '000)**
Derivative financial assets	**298,802**	**-**	**-**	**298,802**
Financial investments at fair value through profit or loss (FVTPL) – Debt securities	**431,876**	**-**	**-**	**431,876**
Financial investments at fair value through other comprehensive income (FVOCI) – Debt securities	**9,401,368**	**-**	**-**	**9,401,368**
Insurance and other receivables	**5,971,089**	**387,717**	**100,605**	**6,549,411**
Reinsurance contract assets	**3,441,339**	**-**	**-**	**3,441,339**
Short-term deposits	**5,480,694**	**-**	**-**	**5,480,694**
	25,052,168	**387,717**	**100,605**	**25,513,490**

31 December 2022	Neither past due nor impaired	Past due but not impaired	Past due and impaired	Total
	(QR '000)	(QR '000)	(QR '000)	(QR '000)
Derivative financial assets	57,793	-	-	57,793
Financial investments at fair value through profit or loss (FVTPL) – Debt securities	487,933	-	-	487,933
Financial investments at fair value through other comprehensive income (FVOCI) – Debt securities	11,922,275	-	-	11,922,275
Insurance and other receivables	6,223,541	991,962	94,469	7,309,972
Reinsurance contract assets	6,028,498	-	-	6,028,498
Short-term deposits	7,976,233	-	-	7,976,233
	32,696,273	991,962	94,469	33,782,704

iii. Aging analysis of neither past due nor impaired and past due but not impaired

	<30 days	**31 to 60 days**	**61 to 90 days**	**91 to 120 days**	**Above 121 days**	**Total**
31 December 2022	**(QR '000)**	**(QR '000)**	**(QR '000)**	**(QR '000)**	**(QR '000)**	**(QR '000)**
Insurance and other receivables	**5,046,931**	**220,964**	**476,355**	**327,444**	**387,717**	**6,459,411**

	<30 days	31 to 60 days	61 to 90 days	91 to 120 days	Above 121 days	Total
31 December 2022	(QR '000)	(QR '000)	(QR '000)	(QR '000)	(QR '000)	(QR '000)
Insurance and other receivables	4,738,798	591,414	594,894	392,904	991,962	7,309,972

iv. Impaired financial assets

At 31 December 2022, there are impaired reinsurance assets of QR 50,247 thousand (2021: QR 50,247 thousand), impaired receivables from policy holders of QR 50,358 thousand (2021: QR 44,222 thousand).

The Group records all impairment allowances in separate impairment allowances accounts. The movement in the allowances for impairment losses for the year are as follows:

	Impairment on insurance and reinsurance receivables	
	2022	2021
	(QR '000)	(QR '000)
At 1 January	**94,469**	92,216
Charged during the year	**6,136**	2,253
At 31 December	**100,605**	94,469

g. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities.

Liquidity requirements are monitored regularly on a daily/weekly/monthly basis and management ensures that sufficient funds are available to meet any commitments as they arise.

Maturity profiles

The table below summarises the maturity profile of the financial assets and financial liabilities of the Group based on remaining undiscounted contractual obligations, including interest payable and receivable. For insurance contracts liabilities and reinsurance assets, maturity profiles are determined based on estimated timing of net cash outflows from the recognised insurance liabilities. Unearned premiums and the reinsurers' share of unearned premiums have been excluded from the analysis as they are not contractual obligations.

	Up to a year	1-5 years	Over 5 years	Total
31 December 2022	**(QR '000)**	**(QR '000)**	**(QR '000)**	**(QR '000)**
Financial assets				
Derivative financial assets	**298,802**	-	-	**298,802**
Non-derivative financial assets				
Financial investments at fair value through profit or loss (FVTPL)	**2,901,662**	-	**431,676**	**3,333,338**
Financial investments at fair value through other comprehensive income (FVOCI)	**473,925**	**3,911,470**	**5,015,973**	**9,401,368**
Insurance receivables, net	**5,878,214**	-	-	**5,878,214**
Reinsurance contract assets	**3,441,339**	-	-	**3,441,339**
Cash and short-term deposits	**6,472,955**	-	-	**6,472,955**
	19,466,897	**3,911,470**	**5,447,649**	**28,826,016**

	Up to a year	1-5 years	Over 5 years	Total
	(QR '000)	**(QR '000)**	**(QR '000)**	**(QR '000)**
Financial liabilities				
Derivative financial liabilities	**15,159**	-	-	**15,159**
Non-derivative financial liabilities				
Trade and other payables	**405,065**	-	-	**405,065**
Insurance contract liabilities	**14,391,137**	-	-	**14,391,137**
Insurance payables	**868,967**	-	-	**868,967**
Short term borrowings	**3,060,490**	-	-	**3,060,490**
Loans	-	**124,752**	-	**124,752**
	18,740,818	**124,752**	-	**18,865,570**

	Up to a year	1-5 years	Over 5 years	Total
31 December 2021	(QR '000)	(QR '000)	(QR '000)	(QR '000)
Financial assets				
Derivative financial assets	57,793	-	-	57,793
Non-derivative financial assets				
Financial investments at fair value through profit or loss (FVTPL)	3,731,641	299,100	49,679	4,080,420
Financial investments at fair value through other comprehensive income (FVOCI)	820,477	5,422,721	5,679,077	11,922,275
Insurance receivables, net	6,728,353	-	-	6,728,353
Reinsurance contract assets	6,028,498	-	-	6,028,498
Cash and short-term deposits	9,546,540	52,459	-	9,598,999
	26,913,302	5,774,280	5,728,756	38,416,338

	Up to a year	1-5 years	Over 5 years	Total
	(QR '000)	(QR '000)	(QR '000)	(QR '000)
Financial liabilities				
Derivative financial liabilities	189,770	-	-	189,770
Non-derivative financial liabilities				
Trade and other payables	673,982	-	-	673,982
Insurance contract liabilities	17,565,019	-	-	17,565,019
Insurance payables	2,663,359	-	-	2,663,359
Short term borrowings	4,439,960	-	-	4,439,960
Loans	-	171,262	-	171,262
	25,532,090	171,262	-	25,703,352

h. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (such as exchange rates, interest rates and equity prices), whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. The Group limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in international and local equity and bond markets. In addition, the Group actively monitors the key factors that affect stock and bond market movements, including analysis of the operational and financial performance of investees.

i. Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Qatari Riyal is effectively pegged to the United Stated dollars and thus currency risk occurs only in respect of currencies other than the United States Dollar.

The Group uses various off balance sheet financial instruments, including forward foreign exchange contracts and option, to manage certain foreign currency investment exposures.

The table below summarises the Group's exposure to foreign currency exchange rate risk at the reporting date by categorising assets and liabilities and major currencies.

	USD	**EURO**	**GBP**	**Others***	**Total**
31 December 2022	**(QR '000)**	**(QR '000)**		**(QR '000)**	**(QR '000)**
Cash and short-term deposits	**1,997,049**	**28,731**	**113,346**	**4,333,829**	**6,472,955**
Insurance and other receivables	**626,740**	**388,332**	**4,398,726**	**1,750,687**	**7,164,485**
Investments	**10,847,518**	**282,671**	**591,778**	**1,012,739**	**12,734,706**
Total assets	**13,471,307**	**699,734**	**5,103,850**	**7,097,255**	**26,372,146**
Short term borrowings	**2,758,482**			**302,008**	**3,060,490**
Loans			**124,752**		**124,752**
Provisions, reinsurance and other payables	**384,516**	**(198,947)**	**213,541**	**1,139,642**	**1,538,752**
Total liabilities	**3,142,998**	**(198,947)**	**338,293**	**1,441,650**	**4,723,994**

	USD	EURO	GBP	Others*	Total
31 December 2022	(QR '000)	(QR '000)		(QR '000)	(QR '000)
Cash and short-term deposits	3,871,874	97,350	998,856	4,630,919	9,598,999
Insurance and other receivables	360,126	383,767	6,245,826	1,584,653	8,574,372
Investments	13,618,690	283,787	593,147	1,507,071	16,002,695
Total assets	17,850,690	764,904	7,837,829	7,722,643	34,176,066
Short term borrowings	3,738,540	227	640	700,553	4,439,960
Loans	-	-	171,262	-	171,262
Provisions, reinsurance and other payables	312,437	(242,493)	2,170,702	1,925,438	4,166,084
Total liabilities	4,050,977	(242,266)	2,342,604	2,625,991	8,777,306

* Included in Others is exposures in Qatari Riyals.

The Group has no significant concentration of currency risk.

The analysis below is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on the consolidated statements of income and changes in equity due to changes in the fair value of currency sensitive monetary assets.

Currency	**Changes in exchange rates**	**31 December 2022**		31 December 2021	
		Impact on profit or loss	**Impact on equity**	Impact on profit or loss	Impact on equity
		(QR '000)	**(QR '000)**	(QR '000)	(QR '000)
Euro	+10%	**31,140**	**31,140**	38,114	38,114
GBP	+10%	**70,512**	**70,512**	159,200	159,200
Total		**101,652**	**101,652**	197,314	197,314
Euro	-10%	**(31,140)**	**(31,140)**	(38,114)	(38,114)
GBP	-10%	**(70,512)**	**(70,512)**	(159,200)	(159,200)
Total		**(101,652)**	**(101,652)**	(197,314)	(197,314)

The method used for deriving sensitivity information and significant variables did not change from the previous period.

ii. Interest rate risk

Interest rate risk is the risk that the value of future cash flows from a financial instrument will fluctuate because of changes in market interest rates.

The Group invests in securities and has deposits that are subject to interest rate risk. Interest rate risk to the Group is the risk of changes in market interest rates reducing the overall return on its interest bearing securities.

The Group's interest risk policy requires managing interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest bearing financial assets and interest bearing financial liabilities.

The Group limits interest rate risk by monitoring changes in interest rates in the currencies in which its cash and

investments are denominated and has no significant concentration of interest rate risk.

The analysis below is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit or loss and equity.

Currency	Changes in exchange rates	31 December 2022		31 December 2021	
		Impact on profit or loss	**Impact on equity**	Impact on profit or loss	Impact on equity
		(QR '000)	**(QR '000)**	(QR '000)	(QR '000)
Qatari riyals	+50 basis points	**(3,444)**	**(212,619)**	(4,858)	(327,834)
Qatari riyals	-50 basis points	**3,444**	**212,619**	4,858	327,834

The Group's interest rate risk based on contractual arrangements is as follows:

31 December 2022	**Up to 1 year (QR '000)**	**1 to 5 years (QR '000)**	**Over 5 years (QR '000)**	**Total (QR '000)**	**Effective interest rate (%)**
Cash and short-term deposits	**6,411,519**	**61,436**	**-**	**6,472,955**	**4.94%**
Derivative Financial Assets	**298,802**	**-**	**-**	**298,802**	**-**
Investments – Debt instruments	**473,925**	**3,911,470**	**5,447,849**	**9,833,244**	**3.91%**
	7,184,246	**3,972,906**	**5,447,849**	**16,605,001**	

31 December 2022	Up to 1 year (QR '000)	1 to 5 years (QR '000)	Over 5 years (QR '000)	Total (QR '000)	Effective interest rate (%)
Cash and short-term deposits	9,546,511	52,488	-	9,598,999	1.99%
Derivative Financial Assets	57,793	-	-	57,793	-
Investments – Debt instruments	959,630	5,721,821	5,728,757	12,410,208	3.08%
	10,563,934	5,774,309	5,728,757	22,067,000	

iii. Price risk

Price risk is the risk that the fair value of or income from a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group's equity price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices, principally investment securities not held for the account of unit-linked business. The Group's price risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, limits on investments in each country, sector and market and careful and planned use of derivative financial instruments. The Group has no significant concentration of price risk.

The analysis below is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit or loss and equity.

	Changes in variables	31 December 2022		31 December 2021	
		Impact on profit or loss	**Impact on equity**	Impact on profit or loss	Impact on equity
		(QR '000)	**(QR '000)**	(QR '000)	(QR '000)
Qatar Market	+10%	**54,686**	**54,686**	116,470	116,470
International Markets	+10%	**44,854**	**44,854**	50,408	50,408
Qatar Market	-10%	**(54,686)**	**(54,686)**	(116,470)	(116,470)
International Markets	-10%	**(44,854)**	**(44,854)**	(50,408)	(50,408)

The method used for deriving sensitivity information and significant variables did not change from the previous period.

iv. Operational risks

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Group cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Group is able to manage the risks. The Group has detailed systems and procedures manuals with effective segregation of duties, access controls, authorisation and reconciliation procedures, staff training and assessment processes etc. with an effective compliance and internal audit framework. Business risks such as changes in environment, technology and the industry are monitored through the Group's strategic planning and budgeting process.

i. Capital management

The primary source of capital used by the Group is total equity. The Group also utilises, where it is efficient to do so, sources of capital such as subordinated perpetual debt, in addition to more traditional sources of funding. The Group manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis. The Group fully complied with the externally imposed capital requirements during the reported financial year and no changes were made to its capital base, objectives, policies and processes from the previous year. Externally imposed capital requirements are set and regulated by the Qatar Commercial Companies' Law and Qatar Central Bank regulations to ensure sufficient solvency margins. Further objectives are set by the Group to maintain a strong credit rating and healthy capital ratios in order to support its business objectives and maximise shareholders value. Group ensures that it maintains the minimum capital requirement and solvency ratio at all times as per Qatar Central Bank's requirements.

j. Classification and fair values

The following table compares the fair values of the financial instruments to their carrying values:

	31 December 2022		31 December 2021	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	(QR '000)	**(QR '000)**	(QR '000)	(QR '000)
Cash and short-term deposits	**6,472,955**	**6,472,955**	9,598,999	9,598,999
Insurance receivables	**5,878,214**	**5,878,214**	6,728,353	6,728,353
Reinsurance contract assets	**3,441,339**	**3,441,339**	6,028,498	6,028,498
Derivative financial assets	**298,802**	**298,802**	57,793	57,793
Financial investments at fair value through profit or loss (FVTPL)	**3,333,338**	**3,333,338**	4,080,420	4,080,420
Financial investments at fair value through other comprehensive income (FVOCI)	**9,401,368**	**9,401,368**	11,922,275	11,922,275
	28,826,016	**28,826,016**	38,416,338	38,416,338
Short term borrowings	**3,060,490**	**3,060,490**	4,439,960	4,439,960
Insurance and other payables	**1,274,032**	**1,274,032**	3,337,341	3,337,341
Loans	**124,752**	**124,752**	171,262	171,262
Insurance contract liabilities	**14,391,137**	**14,391,137**	17,565,019	17,565,019
	18,850,411	**18,850,411**	25,513,582	25,513,582

33. DERIVATIVE FINANCIAL INSTRUMENTS

In the ordinary course of business, the Group enters into various types of transactions that involve derivative financial instruments. A derivative financial instrument is a financial contract between two parties where payments are dependent upon movements in price in one or more underlying financial instrument, reference rate or index. Derivative financial instruments include forward contracts, swaps and equity options structures.

The table below shows the notional amounts analysed by the term to maturity. The notional amount is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at year end and are neither indicative of the market risk nor credit risk.

	Notional amount	**Derivative Asset**	**Derivative Liability**	**Within 3 months**	**3 to 12 months**
31 December 2022	**(QR '000)**	**(QR '000)**	**(QR '000)**	**(QR '000)**	**(QR '000)**
Over the Counter Derivatives					
Credit and Interest Rate Derivatives	**1,307,310**	**263,980**	**411**	**(375,926)**	**1,683,236**
Equity Derivatives	**(517,621)**	**6,402**	**323**	**(340,156)**	**(177,465)**
FX Derivatives	**2,298,149**	**28,420**	**14,425**	**371,922**	**1,926,227**
	3,087,838	**298,802**	**15,159**	**(344,160)**	**3,431,998**

	Notional amount	Derivative Asset	Derivative Liability	Within 3 months	3 to 12 months
31 December 2022	(QR '000)	(QR '000)	(QR '000)	(QR '000)	(QR '000)
Over the Counter Derivatives					
Credit and Interest Rate Derivatives	3,360,656	16,437	181,112	183,820	3,176,836
Equity Derivatives	11,305	-	4,444	11,305	-
FX Derivatives	4,340,202	41,356	4,214	262,172	4,078,030
	7,712,163	57,793	189,770	457,297	7,254,866

Various option strategies are employed for hedging, risk management and income enhancement. All calls sold are on assets held by the Group.

Credit and Interest rate and derivatives

Interest rate and credit derivatives include swap contracts to exchange one set of cash flows for another, generally fixed and floating interest payments in a single currency without exchanging principal. In the case of credit default swaps the counterparties agree to make payments with respect to defined credit events based on specified notional amounts. The forward exchange derivative contracts are over-the-counter contracts transacted in the over-the-counter market and changes in contract values are settled daily.

Equity derivatives

Equity derivatives include options and swaps and are contractual agreements in relation to a specified equity instrument at a specified price and date in the future. The equity derivative contracts are over-the-counter contracts transacted in the over-the-counter market and changes in contract values are settled daily.

Foreign Exchange derivatives

Foreign exchange derivatives include forwards and options and are contractual agreements in relation to a specified currency at a specified price and date in the future. The options are contractual agreements under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, to either buy or sell at fixed future date or at any time during a specified period, a specified amount of a currency, at a pre-determined price. The interest rate and credit derivative contracts are over-the-counter contracts transacted in the over-the-counter market and changes in contract values are settled daily.

34. CRITICAL JUDGEMENTS IN APPLYING THE GROUP ACCOUNTING POLICIES

In the process of preparing these consolidated financial statements, Management has made use of a number of judgments relating to the application of accounting policies which are described in Note 3. Those which have the most significant effect on the reported amounts of assets, liabilities, income and expense are listed below (apart from those involving estimations which are dealt within Note 35).

These judgments are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management believes that the following discussion addresses the accounting policies that require judgments.

Classification of investments

Assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding. Refer to note 4 for further information.

Estimated credit losses

Assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL. Refer to note 4 for Inputs, assumptions and techniques used for estimating impairment of financial assets for more information.

Impairment of goodwill

The Group carries out impairment testing annually in respect of the goodwill relating to the acquired subsidiaries. In carrying out the impairment analysis, Antares' market value was estimated using the price to tangible book value. Price to tangible book value was estimated to be sufficient to cover the carrying value.

The Management performs sensitivity analysis on the above and key assumptions in ascertaining its impact on the recoverable amount and impairment to the carrying value of goodwill in the consolidated financial statements. Material changes in the above assumptions may impact the recoverable amounts and may lead to an impairment to goodwill.

Impairment of Framework Agreement

In connection to the Group's plan to sell the wholly owned Gibraltar based subsidiaries (note 37), the Group has fully written-off the Framework Agreement and Non-life insurance license as part of the valuation performed

35. KEY SOURCES OF ESTIMATION UNCERTAINITY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below;

Claims made under insurance contracts

Claims and loss adjustment expenses are charged to the consolidated statement of profit or loss as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Group and management estimations for the claims incurred but not reported. The method for making such estimates and for establishing the resulting liability is continually reviewed. Any difference between actual claims and the provisions made are included in the consolidated statement of profit or loss in the year of settlement. As of 31 December 2022, the net estimate for unpaid claims amounted to QR 10,949,798 thousand (2021: QR 11,536,521 thousand).

Goodwill impairment testing

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the CGU to which goodwill is allocated. Details of the key assumptions used in the estimation of the recoverable amounts are contained in Note 12.

Impairment of Insurance and other receivables

An estimate of the collectible amount of insurance and other receivables is made when collection of the full amount is no longer probable. This determination of whether these insurance and other receivables are

impaired, entails the Group evaluating the credit and liquidity position of the policy holders and the insurance companies, historical recovery rates including detailed investigations carried out annually and feedback received from their legal department. The difference between the estimated collectible amount discounted to present value if applicable and the book amount is recognised as an expense in the consolidated statement of profit or loss. Any difference between amounts actually collected in the future periods and the amounts expected will be recognised in the consolidated statement of profit or loss at the time of collection. As of 31 December 2022, the insurance receivable and reinsurance receivables amounted to QR 4,865,689 thousand (2021: QR 4,543,876 thousand) and QR 1,107,582 thousand (2021: QR 2,275,375 thousand), respectively, and the provision for impairment on insurance receivable and reinsurance receivable amounted to QR 44,162 thousand (2021: QR 44,222 thousand) and QR 56,443 thousand (2021: QR 50,247 thousand) respectively.

Liability Adequacy Test

At each reporting date, liability adequacy tests are performed to ensure the adequacy of insurance contract liabilities. The Group makes use of the best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities in evaluating the adequacy of the liability. Any deficiency is immediately charged to the consolidated statement of profit or loss.

36. PARENTAL GUARANTEE

The Parent Company has provided unconditional parental guarantee to its subsidiary companies, Antares Reinsurance Company L.L.C. (Antares – Re), Kuwait Qatar Insurance Company and QIC Europe Ltd, Malta for the purpose of obtaining financial rating from international rating agencies.

37. DISCONTINUED OPERATIONS

The Group has a plan to sell the wholly owned Gibraltar-based subsidiaries namely West Bay Insurance Pie and Markerstudy Insurance Co. Ltd. The Group is in active discussions with a potential institutional buyer. Certain material milestones are completed. On 17 October 2022, the board executive committee provided the approval and authorized the management to conclude the transaction which was confirmed by the board of directors on 26 October 2022. The sale is expected to be completed within a year from the reporting date subject to approval from relevant regulatory authorities. The companies are classified as a disposal group held for sale and as a discontinued operation. The business of Gibraltar-based subsidiaries underwrites UK motor insurance.

	2022	2021
	(QR '000)	(QR '000)
Gross premiums	**975,524**	2,725,427
Premium ceded to reinsurers	**(727,211)**	(1,986,107)
Net premiums	**248,313**	739,320
Movement in unexpired risk reserve	**196,494**	(57,891)
Net earned premiums	**444,807**	681,429
Gross claims paid	**(1,353,985)**	(1,278,384)
Reinsurance recoveries	**679,785**	705,846
Movement in outstanding claims	**(230,033)**	(16,709)
Net commissions	**(161,493)**	(385,195)
Net underwriting results	**(620,919)**	(293,013)
Investment and other income	**38,555**	42,862
Finance costs	**(1,365)**	(822)
Net investment income	**37,190**	42,040
Total income	**(583,729)**	(250,973)
Operating and administrative expenses	**(247,028)**	(40,336)
Profit before tax from discontinued operations	**(830,757)**	(291,309)
Income tax expenses	**(28,129)**	(77)
Profit after tax from discontinued operations	**(858,886)**	(291,386)
Other comprehensive income from discontinued operations		
Net changes in fair value of debt instruments at FVOCI	-	-
Total comprehensive income for the period attributable to:		
Equity holders of the parent from discontinued operations	**(858,886)**	(291,386)
Earnings per share		
Basic/Diluted earnings from discontinued operations in Qatari Riyals	(0.263)	(0.089)

The net cash flows incurred are, as follows;-

	2022
	(QR '000)
Operating	**(742,178)**
Investing	**473,453**
Financing	-
Net increase in cash generated	**(268,725)**

The carrying amounts of assets and liabilities related to discontinued operations that are reclassified to assets and liabilities and held for sale are as follows:

	2022
	(QR '000)
Assets	
Cash and short-term deposits	**890,511**
Insurance and other receivables	**505,771**
Reinsurance contract assets	**3,264,743**
Financial investments	**1,051,781**
Property and equipment	**8,137**
Total Assets Held for Sale	**5,720,943**

Liabilities	
Provisions, reinsurance and other payables	**1,445,878**
Insurance contract liabilities	**3,950,896**
Total Liabilities related to Held for Sale	**5,396,774**

38. COMPARATIVES

Certain comparative figures of the previous year have been reclassified to conform to the current year's presentation. However, such reclassifications are not material and do not have an impact on the previously reported profit or net assets. The effect of the above to the Qatar Insurance Company Q.S.P.C. consolidated financial statements are shown below:

	Previously reported	Adjustments	Reclassified
	2022	2021	2021
	(QR '000)	(QR '000)	(QR '000)
Consolidated statement of financial position			
Insurance and other receivables	8,564,779	9,593	8,574,372
Reinsurance contract assets	7,870,753	38,866	7,909,619
Investments	16,060,488	(57,793)	16,002,695
Provisions, reinsurance and other payables	(4,232,229)	66,145	(4,166,084)
Insurance contract liabilities	(23,632,652)	(56,811)	(23,689,463)

39. IMPACT OF THE UKRAINE CONFLICT

The ongoing conflict in Ukraine has a significant impact on the global economy.

The Group is closely monitoring the situation. The extent of the impact on the Group's business and the results of its operations is largely dependent on the evolving future developments. The Group had incurred claims of QR 161.25 million (USD 44.3 million), net of reinsurance, for the period.

The Group remains robust in terms of capital, liquidity funding, and operational strength. The Group expects this uncertainty and consequent capital contraction in markets, rates, and the insurance industry.

40. EVENTS AFTER THE REPORTING PERIOD

The extraordinary general meeting of Oman Qatar Insurance Company S.A.O.G. on 27 December 2022 has approved the merger proposal of Oman Qatar Insurance Company S.A.O.G. with Vision Insurance S.A.O.G. Based on the transaction, all the assets and liabilities of Vision Insurance was transferred to Oman Qatar Insurance Company on 16 February 2023 and Vision Insurance was delisted from the Muscat stock exchange and cease to exist as a legal entity.

Corporate Governance Report

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1. INTRODUCTION

Qatar Insurance Company Q.S.P.C. ("QIC" or the "Company") was established in 1964 with the participation of the Government of Qatar together with few strategic corporate and individual investors who instigated a governance culture from its inception. The introduced practices positively developed the Company's relationship with shareholders and regulatory bodies that protect stakeholder's interests.

The culture reflected positively on the performance of the Company and its growth, transforming it into a global insurance and reinsurance group, a dominant insurer in Middle East and North Africa (MENA) region, and also one of the largest Qatari Companies.

The Company's shares were first listed on the Doha Securities Market (currently, Qatar Stock Exchange) in 1997. Over the years, the Company has expanded its global footprint through various lines of business, investments, strategic acquisitions, and establishment of new subsidiaries. The Company and its subsidiaries are collectively referred to as the "Group".

QIC has a governance and internal control system in place, which comprises constitutional documents, policies, organizational structure, and any subsequent amendments thereto. The governance and internal control system identifies, implements, and monitors all principles and requirements of high governance standards that reflect the size, complexity, and business requirements of the Company. In so doing, it fully meets the principles, requirements, and provisions of the Qatar Financial Markets Authority ("QFMA") Governance Code hereinafter called the "Governance Code", Qatar Central Bank ("QCB") Principles of Governance in Insurance Companies, hereinafter called the "Governance Principles" and also the best practices from international governance principles, frameworks, and standards wherever applicable.

The group's adherence to the Governance Code is outlined below.

2. STATEMENT OF COMMITMENT

The Board of Directors ensures that the governance structure actively identifies, responds to, and communicates all material governance matters that have an impact on the Group's ability to create value. The Board acknowledges its responsibility to ensure the integrity of the annual governance reporting process and believes that this report addresses all material governance matters appropriately and fairly.

The Board is committed to the highest standards of business integrity, ethical standards, and governance. It recognizes the Group's responsibility to conduct its affairs with prudence, transparency, accountability, fairness, and social responsibility, thereby ensuring its sustainability while safeguarding the interests of all its stakeholders. The Board also acknowledges the relationship between good governance and risk management practices for the achievement of the Group's strategic objectives and performance. The Group subscribes to a governance system where, in particular, ethics and integrity set the standards for compliance and overall functioning of the Company. It continuously reviews and modifies its structures and processes to facilitate effective leadership, control environment, and sustainable business to support the Group strategy across all the territories in which it operates.

The Board promotes and supports high standards of corporate governance and endorses the principles of the Governance Code. QIC also complies with the requirements for good corporate governance as prescribed by its main regulatory authority, the Qatar Central Bank (QCB), as well as the provisions of Law No. 11 of 2015, the Commercial Company law, Law No. 8 of 2021 amending certain provisions of Commercial Companies Law in the State of Qatar and other applicable laws and regulations. The Articles of Association has been amended to comply with the aforesaid regulatory requirements and has been approved by the Shareholders in the Extraordinary General Assembly held on 27 March 2022.

The Board is committed to the implementation of the Governance Code, Governance Principles and/or the appropriate local equivalents (for its international subsidiaries) throughout the Group. With regard to the year under review, the Board believe that the underlying principles and intents of the Governance Code and the Governance Principles are embedded in the corporate culture, internal controls, policies, and procedures governing corporate conduct. The Board is committed to continue to strengthen the principles and spirit envisioned in the above regulations in its Qatar operations, as well as Group operations outside Qatar, to the extent that is applicable and appropriate.

3. GOVERNANCE STRUCTURE

QIC has implemented an internal governance structure with defined roles and responsibilities for every constituent of the system. The Company's shareholders appoint the Board of Directors, who in turn govern the Company. The Board has established committees for specific purposes to discharge its responsibilities in an effective manner, however the overall accountability for the responsibilities assigned to and discharged by the Committees lies with the Board. The Chairman and Managing Director provides overall direction and guidance to the Board. In 2022, the Board was assisted by various Board Committees, namely the:

- Audit Committee
- Risk Management & Compliance Committee
- Nomination & Remuneration Committee
- Investment Committee
- Executive & Business Strategy Committee

Apart from the Board Committees, the Company also has management committees each responsible for a critical function. The internal control functions consist of Compliance, Risk Management, Actuarial, Governance & Internal Control and Internal Audit. These functions are an important part of the overall governance structure. The role and responsibilities of the Board, its committees, the management committees, and each of the internal control functions are set out subsequently in this report.

4. BOARD OF DIRECTORS

4.1 Board Charter

The Board Charter embraces the Governance Code, which contains corporate governance principles and recommendations. The Board Charter was developed to ensure that it is modelled and aligned with principles of sound corporate governance, as recommended by the Governance Code. The powers of the Board include: determining QIC's overall objectives; developing strategies to meet those objectives in conjunction with management; formulating a clear and concise governance policy to which QIC shall adhere; delegation and segregation of the Board's responsibilities and accountability; and evaluating the performance of the Board, its committees and individual Directors. The Board is satisfied that it has fulfilled its responsibilities in accordance with its charter for the reporting period.

The existing Board Charter was further reviewed and updated in line with Governance Code and Law No. 8 of 2021 promulgated to amend certain provisions of Commercial Companies Law No. 11 of 2015. The updated Board Charter was approved in the first Board meeting of the year 2022.

Committees' Terms of Reference

The Board Committee Charters, which describe the terms of reference of the committees are approved by the Board and incorporate the principles and the recommendations of the Governance Code.

4.2 Board Composition

Members of the Board of Directors are elected in the General Assembly of Shareholders in accordance with the rules and conditions set forth in the Commercial Companies Law and the Articles of Association of the Company. A Board Member is mandated to hold a minimum of 2,000,000 (two million) shares in the Company.

Article 97 of the Commercial Companies Law and Article 6 of the Governance Code states that one-third of the Members of the Board of Directors shall be Independent Members with the necessary expertise and are exempted from the condition of owning shares.

The Board of Directors were elected for a period of 3 years from 2020 to 2022 in the earlier Annual General Assembly Meeting (AGM) of the Company held on 25 February 2020. Further, the company's Board of Directors were reconstituted for the period (2020-2022) on 30 May 2021 as per the decision of His Excellency the Governor of Qatar Central Bank, and the Board was approved for remainder of the period.

The Company's Board Members, who are all Qataris, have several years of varied experience in financial and macro-economic segments of the economy. Particulars of the Board members, including their capacities, are set out below:

No	Name of Board member	Representing	No. of shares owned*	% of capital	Profile & Membership on other Boards	Category
1.	Mr. Khalifa Abdullah Turki Al-Subaey *Chairman & Managing Director*	Self	2,000,004	0.06%	Holds a BA in Economics and Political Science from the University of Michigan, USA (1981). He earlier worked for Qatar Petroleum before joining Qatar Insurance Company in 1986 where he last served as the Group President. He is a Vice Chairman on Damaan Islamic Insurance Company (BEEMA) Board.	Non-Independent Non-Executive
2.	Sheikh Faisal Bin Thani Bin Faisal Al Thani *Deputy Chairman*	Broog Trading Company	175,418,260	5.37%	BA in Business Administration from Marymount / USA. Executive MBA from HEC Paris, Doha-Qatar,2016. Chief Investment Officer of Africa & Asia-Pacific region at Qatar Investment Authority, Chairman of the Board of Directors of Ooredoo Group, Lesha Bank. Board Member of Qatar Airways, Deputy Chairman of Boyner Retail & Textile Investments Inc. in Turkey. Previously served as Chief Investment Officer at Qatar Foundation Endowment, Deputy Chairman of Vodafone Qatar, Board Member of Ahli Bank, Deputy Director of the Investment Management at Qatar Central Bank.	Non-Independent Non-Executive

3.	Sheikh Hamad Bin Faisal Bin Thani Jasim Al Thani *Member*	Self	-	-	BA in Political Science from the United States; Vice Chairman of the Board of Directors of Masraf Al Rayan, Board Member of Vodafone Qatar and a former Minister of Economy and Trade; Deputy Chairman of Qatari Investors Group; Board member of the Qatari Businessmen Association.	Independent Non-Executive
4.	Mr. Khalaf Ahmed Al Mannai *Member*	Government of State of Qatar (Civil Service Retirement Fund)	345,902,488	10.59%	Under Secretary of the Ministry of Finance; a member of the Board of Directors of Commercial Bank, Chairman of the Board of Directors of OQIC (Oman), Member of the Administrative Committee of Al Aqsa and Al Quds Funds "Islamic Development Bank", Jeddah .	Non-Independent Non-Executive
5.	*Sheikh Tamim Bin Hamad Bin Jassim Jabor Al Thani* ** *Member*	Al-Mirqab Capital Company	49,463,715	1.51%	Graduate with concentration in Economics from Babson College, USA.	Non-Independent Non-Executive
6.	Sheikh Saoud Bin Khalid Bin Hamad Al Thani *Member*	Self	2,000,000	0.06%	Businessman and former Minister; Chairman of the Board of Directors of QLM Life & Medical Insurance Company; Board member of Qatar Electricity & Water Company, and Woqod Company.	Non-Independent Non-Executive
7.	*Sheikh Abdulrahman bin Saud bin Fahad Al Thani* *Member*	Self	9,965,185	0.31%	BA in International Relations, MA in International Relations, 1984. International and National Security Diploma, Gonav Kennedy School of Government, Harvard University, 1994 Former Ambassador and Minister of State; Board member of Qatar National Bank, and Qatar Navigation Company.	Independent Non-Executive
8.	Mr. Ali Yousef Hussein Ali Kamal *Member*	Al Kamal International Group	9,162,700	0.28%	Bachelor's Degree in Sciences (Finance). Bachelor's Degree in Art and Science in Economics from University of Colorado, USA, CEO of Al Kamal International Group, Al Hermas Investments and other family entities. Board member of Qatar National Bank and Mannai Corporation.	Non-Independent Non-Executive

9.	Mr. Mohammed Jassim M A Jaidah *Member*	Jaidah Motors & Trading Company	25,300,000	0.77%	Holds a Business Administration in International Management from EPSCI University - ESSEC Group (Paris, France). CEO of Jaidah Group.	Non-Independent Non-Executive
10.	Mr. Ali Hussain Alfardan *Member*	Al Fardan Investment company	17,611,820	0.54%	Holds a bachelor's degree in political science from Portland State University. Vice Chairman of Alfardan Group, President of Alfardan Jewellery, Chairman of Danat Qatar, Vice Chairman of Qatar Cool, Board member of UDC; and Partner of a private international school in Qatar.	Non-Independent Non-Executive
11.	Mr. Hassan bin Hassan Al-Mulla Al-Jufairi *Member*	Self	-	-	Businessman, Owner of Hassan bin Hassan Al Mulla & Sons Company which has a representation on QNB Board	Independent Non-Executive

Mr. Salem Khalaf Al-Mannai, Group Chief Executive Officer owns 250,010 shares of QIC.

** Number of shares owned and percentage of capital as at 31/12/2022.*

*** Sheikh Tamim bin Hamad bin Jassim bin Jabor Al Thani replaced Sheikh Jassim bin Hamad bin Jassim bin Jabor Al Thani (representing Al-Mirqab Capital) with effect from November 2022.*

4.3 Board's functions and responsibilities

The Board of Directors are responsible for the management of the Group. This includes setting goals and strategies necessary to operate the Group and monitoring their implementation by the Executive Management.

The responsibilities of the Board are outlined in the Charter of the Board of Directors.

The Board has delegated certain responsibilities to its Committees, which operate within the mandate as entrusted by the Board of Directors as detailed later in this report.

4.4 Duty of trust of the members of the Board of Directors

Each member of the Board of Directors owes a duty of due diligence, care and trust to the Group and adherence to responsibilities as defined in the Charter of the Board of Directors. This also includes the principles of clear information, transparency, good faith, care, trust, and efficiency, needed to achieve the Company's interest and that of the Shareholders.

4.5 Duties of the Chairman of the Board

The Chairman of the Board is responsible for the proper functioning of the Board. He ensures that discussion on all key issues is efficient and timely, as well as fulfilling his responsibilities and powers set forth in the Commercial Companies Law and as per Governance Code. The Chairman of the Board does not participate in the membership of any of the committees.

The Chairmanship of the Board and the Chief Executive Officer of the Group are separate functions held by different individuals.

4.6 Duties of the Managing Director

- To act as a link between the Board of Directors and Executive Management to implement the objectives set by the Board of Directors and to ensure that they are efficiently achieved.
- To discuss and review the strategies and the long-term plans of the Group presented by the Executive Management and give guidance that enables the Group to meet the challenges of the market.
- To ensure that the overall business strategies are aligned with the Group objectives and targets as set by the Board of Directors.
- To approve/make recommendations to the Board of Directors for investments, restructuring, refinancing and other strategic initiatives.
- To consider the recommendations of the various Committees established by the Group.

As Managing Director, the Chairman does not discharge any executive functions but links the Board of Directors and the Executive Management to communicate the targets set and ensure their proper implementation.

4.7 Other duties of the Board of Directors

The responsibilities of the Board are outlined in the Charter of the Board of Directors, which include:

- The Board of Directors shall ensure access to information, documents and records relating to the Group and shall ensure that the Executive Management provides the Board and its Committees with all the required documents and information.
- The Board of Directors shall ensure that the Board invites members of its various committees, internal auditors, and representatives of the external auditors to attend meetings of the General Assembly of the Group.
- The Board shall ensure that procedures are laid down to orient newly appointed Board members to ensure that they have a proper understanding of the functioning of the Group, its operations, and its financial and legal aspects.
- Members of the Board of Directors are responsible for having a good understanding of their role and duties and to educate themselves in matters concerning the Group.
- The Board of Directors shall ensure that it always keeps its members up to date on developments in the field of corporate governance and best practices.
- The Board shall ensure that the members are aware of the statutes of the Group and develop clear procedures for the dismissal of members of the Board in case of frequent absence from the Board meetings.

4.8 Board Meetings

In terms of applicable provisions of Commercial Companies Law and the Governance Code, the Board shall meet at least six times in a year. During 2022, the Board held six (6) meetings as enumerated below. The Board meeting shall be deemed valid if attended by the majority of the members provided that either the Chairman or the Deputy Chairman attends the meeting.

According to the Commercial Companies Law and the Articles of Association (AOA) of the Company, if a Member of the Board fails to attend three consecutive meetings or four non-consecutive meetings without an acceptable reason, he is considered to have resigned.

Article 43 of the AOA of the Company states that the Board of Directors will meet at the invitation of its Chairman and the Chairman shall convene a meeting of the Board at the request of two of its members.

All meetings for the current year were at the invitation of the Chairman of the Board. A letter of invitation, along with the agenda of the meeting, was sent to all Board members a week in advance. This allows any member of the Board to add any other items on the agenda.

Meetings held during the year:

Meeting	Date	Members in attendance *(personally or by proxy)*
1	27 February 2022	11
2	26 April 2022	11
3	21 June 2022	11
4	7 August 2022	11
5	26 October 2022	10
6	28 December 2022	11

4.9 The Secretary of the Board

The Secretary of the Board is Mr. Ali Ali Derbala, Group Legal Advisor of the Company, a graduate in Law (1970) from the University of Alexandria, Egypt. He worked as a lawyer since his graduation in November 1970 under the Egyptian Bar Association before joining Misr Insurance Company in April 1971. Thereafter he joined QIC in November 1987 and has been the Board Secretary since 1988.

The Secretary of the Board maintains all documents of Board meetings and the reports submitted and presented to the Board. The Secretary ensures the delivery and distribution of information relating to the Company as requested by members of the Board. The Secretary arranges to provide clarifications to all queries raised by the members and provides advice to them as required. He coordinates between the Board and other stakeholders, including the Group's shareholders, management, and staff.

4.10 Committees of the Board

The Board has established permanent standing committees with specific responsibilities, which are defined in their respective Terms of Reference, to assist the Board in discharging its duties and responsibilities. The ultimate responsibility always resides with the Board and as such, it does not abdicate this responsibility to the committees.

There is full disclosure, transparency and reporting from these committees to the Board. The chairpersons of the committees attend the AGM and are available to respond to any shareholder questions. The respective committee members are all satisfied that they have fulfilled their responsibilities as set out in their respective Terms of Reference. The main functions performed by the respective committees are briefly stated hereinafter in this section.

In addition to the standing committees, the Board of Directors may form any other committees as and when required to carry out specific tasks or functions.

The board committees are as follows:

4.10.1 Investment Committee:

Committee Members:

Mr. Ali Hussain Alfardan	Chairman
Sheikh Hamad Bin Faisal Bin Thani Al Thani	Member
Mr. Ali Yousef Hussein Kamal	Member
Mr. Mohammed Jassim M A Jaidah	Member

Attendees by invitation:

Group CEO

Group Chief Investment Officer

Meetings held during the year:

Meeting	Date	Members in attendance *(personally or by proxy)*
1	27 February 2022	3
2	14 June 2022	3
3	11 September 2022	3

The Investment Committee of the Board mainly performs the following functions:

1. Frames the Investment Policy of the Group in accordance with its mandate from the Board to develop an investment strategy for its dealings in the financial markets.
2. Sets limits to the powers of management in respect of investment activities and takes the necessary decisions if these limits are exceeded.
3. Monitors the management of portfolio securities of the Group in order to achieve the best possible returns.
4. Discusses potential investment initiatives in respect of surplus funds and makes recommendations to the Board on the potential opportunities for investment partnerships.
5. Reports to the Board about the activities of the Committee and makes recommendations on issues that need the approval of the Board.

Activities during the year:

1. The Committee, in its meetings during the year, reviewed periodical reports prepared by the Investment Management team in respect of asset allocations, investment portfolio performance and compliance matrix. The committee had detailed discussions on events such as the Ukraine war and Global economic factors that have impacted the Group's investments and accordingly took steps to de-risk and rebalance its investment portfolio.
2. The Committee approved the establishment of Epicure Islamic Investment Management LLC (EIIM). EIIM jointly owned by QIC (51% through Epicure Holdings LLC) and QInvest (49%), is a Sharia'a compliant entity, authorised and regulated by Qatar Financial Centre Regulatory Authority (QFCRA). The new entity shall focus on providing a wide range of Islamic asset management activities ranging from investing to developing and structuring innovative Islamic investment products.
3. The Committee approved the purchase of Nestle's UK Headquarters located at Gatwick Airport which will enhance the Investment Property portfolio and increase the rental income of the Group.

4.10.2 Executive & Business Strategy Committee:

Committee Members:

Sheikh Faisal Bin Thani Bin Faisal Al Thani	Chairman
Sheikh Abdulrahman bin Saud bin Fahad Al Thani	Member
Mr. Ali Hussain Alfardan	Member

Attendees by invitation:

Group CEO

Deputy Group CEO - International Operations

Meetings held during the year:

Meeting	Date	Members in attendance *(personally or by proxy)*
1	22 February 2022	3
2	17 October 2022	2

The Committee performs the following functions:

1. Ensures that the vision of the Board is translated into objectives, strategies and action plans and implementation thereof.
2. Approves the short to medium term strategy and budget for the Group based on findings made as per the analysis of market share, competitive information, development opportunities, across the globe and more specifically to the markets in which the Group operates.
3. Ensures that the business plans are communicated to the Management, in timely fashion, to the extent relevant for them and monitors their execution/ implementation of the same.
4. Authorizes and approves risks, expenses exceeding the authority limits of the Group CEO or those that need specific approval of the Committee.
5. Oversees the Group's commitment to its social and environmental responsibilities.
6. Reports to the Board on its activities, observations, and recommendations.

Activities during the year:

1. The Committee approved the sale of Markerstudy Insurance Company Limited.
2. The Committee reviewed and approved the study of the organisational structure and HR for QIC Group.
3. The Committee followed up on the acquisition of Vision Insurance company in Oman.

4.10.3 Audit Committee:

As per the Governance Code, the Chairman of Audit Committee and the majority of the Committee members shall be independent members. To maintain adequate transparency, it is disclosed that the current Audit Committee composition is not in line with the Governance Code. However, the current composition of the Audit Committee is continued.

Committee Members:

Sheikh Saoud Bin Khalid Bin Hamad Al Thani	Chairman
Sheikh Hamad Bin Faisal Bin Thani Jasim Al Thani	Member
Mr. Khalaf Ahmed Al Mannai	Member

Attendees by invitation:

Group Chief Audit Executive

Meetings held during the year:

Meeting	Date	Members in attendance *(personally or by proxy)*
1	24 February 2022	2
2	19 April 2022	3
3	19 June 2022	3
4	01 August 2022	3
5	28 September 2022	2
6	19 December 2022	3

The Audit Committee is committed to undertake the following major functions:

1. Appointment/removal of internal auditor, review and approve internal audit charter, internal audit plan, review and discuss internal audit reports including quarterly internal control reports and follow up action and provide necessary guidance and direction.
2. Review the effectiveness of the Internal Audit function, including compliance with best practices and international audit standards; making coordination among the Board, Management, and Internal Audit Function, as necessitated.
3. Make necessary recommendations to the Board on the appointment/removal of external auditors, ensuring their independence, overseeing internal controls, following External Auditor's work, ensuring its compliance with international standards on auditing and preparation of financial reports as per international financial reporting standards.
4. Oversee and review the accuracy and validity of the financial statements including notes and discussing with the External Auditor on the appropriateness of the accounting decisions and estimates prior to presentation of the financial statements to the Board and General Assembly.
5. Consider and review External Auditor's reports and ensure follow up action on the recommendations; making coordination between the Internal Audit Function and External Auditor, as necessitated.
6. Review financial and accounting policies and provide requisite recommendations to the Board, as necessary.
7. Reviewing the financial, internal control and risk management systems and ensure periodic audits are conducted, as necessary.
8. Review dealings with Related Parties in line with regulatory requirements and relevant controls.
9. Manage and oversee special investigations and other assignments, as determined by the Board; report to the Board on the Committee findings, recommendations, and any other matters the Committee deems appropriate or the Board requests.

Activities during the year:

1. The Committee considered and approved the internal audit reports and the observations presented by the Internal Audit Department. However, given the size and nature of the operations these observations did not represent any significant weaknesses in the internal control systems.
2. Draft Annual Audited Financial Statements along with the

external auditor's report for the year 2021 were reviewed by the Committee and agreed for presentation before the Board.

3. Quarterly Internal Control Reports on the assessment of Internal Controls for the year 2021 and 2022 in line with Article (22) of the Governance Code were presented by the Internal Audit department and were considered and accepted by the Committee.
4. Annual Internal Control Function Report of Internal Audit function for the year 2021 was considered and accepted by the Committee.
5. Appointment of 'KPMG' as external auditors for the year 2023 was considered by the Committee and agreed for presentation before the Board.
6. The Internal Audit Plan for the year 2023 was considered and approved by the Committee.

4.10.4 Nomination and Remuneration Committee:

Committee Members:

Mr. Khalaf Ahmed Al Mannai	Chairman
Mr. Ali Yousef Hussein Kamal	Member
Mr. Ali Hussain Alfardan	Member

Attendees by invitation:

Group CEO

Group Chief Financial Officer

Meetings held during the year:

Meeting	Date	Members in attendance *(personally or by proxy)*
1	17 February 2022	3
2	25 October 2022	3

The Committee undertakes the following major tasks:

1. Identification and nomination of new Board member candidates that demonstrate the ability and oversight to make sound decisions on behalf of the Group and its shareholders and submit the list of Board membership candidates to the Board, including its recommendations.
2. Developing principles and criteria for the Company to elect the most fit candidates for Board membership.
3. Facilitation of the evaluation of the performance of the Board members and development of a succession plan for managing the Group to ensure that suitable alternatives are available on a timely basis.
4. Approval of the remuneration policy for Executive Management and employees and of the members of the Board, in line with the provisions of the Commercial Companies Law (Article 119), the articles of association (Article 60), Governance Code and Qatar Central Bank regulations.
5. Development of rules for bonus and allowances for Executive Management and employees in line with the performance assessments and results, as deemed appropriate by the Board.
6. Reporting to the Board on its activities, observations, and recommendations.

Activities during the year:

1. Approval of the overall limit of bonus to Management and employees for 2021.
2. Proposed to the Board of Directors the appropriate annual remuneration of the Board Members for 2021.
3. Conducted the annual performance assessment of the Board and its committees.
4. Approved the 2023 Board of Directors election time plan.

4.10.5 Risk Management and Compliance Committee:

Committee Members:

Sheikh Hamad Bin Faisal Bin Thani Jasim Al Thani	Chairman
Mr. Ali Youssef Hussain Kamal	Member
Mr. Mohammed Jassim M A Jaidah	Member

Attendees by invitation:

Group Chief Risk Officer

Group Chief Actuary

Senior Vice President-Group Compliance

Meetings held during the year:

Meeting	Date	Members in attendance *(personally or by proxy)*
1	21 February 2022	3
2	20 April 2022	3
3	01 August 2022	2
4	26 October 2022	2

The Risk Management and Compliance Committee is committed to undertake the following main functions:

1. Approve the risk management framework and discuss periodic risk reports in accordance with the established framework including related training. To review and approve risk policies, risk appetite and tolerance limits in line with the business profile.
2. Ensure that a structure is in place for the identification, assessment, evaluation, monitoring and reporting of various risks and monitors the key risks and controls to effectively manage such risks.
3. Review the compliance and anti-money laundering ("AML")

policies to ensure that there is an effective mechanism for monitoring, reporting, and adhering to the regulatory requirements. Reviews the related monitoring reports detailing non-compliances and remedial action put in place.

4. Review the actuarial opinions produced annually for the regulated entities including the Financial Condition Reports for the requisite entities.
5. Submit its report to the Board on the Committee activities conducted during the year.

Activities during the year:

1. Reviewed and recommended for Board approval Board Charter, Corporate Governance Report for 2021, and Board declaration on Risk Management Framework for 2021.
2. Reviewed and recommended for Board approval QIC Own Risk & Solvency Assessment Report (ORSA) for 2022 and QIC Financial Condition Report (FCR) for 2021.
3. Reviewed and approved the QIC Risk Management strategy, Risk Management policy, Own Risk & Solvency Assessment (ORSA) policy, Business Continuity updates, Compliance, Sanctions, AML policies, AML Manual and customer risk scoring methodology.
4. Reviewed the risk management and actuarial updates including the activities undertaken during the year.
5. Reviewed the compliance, AML and regulatory updates including the activities undertaken during the year.
6. Reviewed the reinsurance program update for the entities in the MENA as well as international operations.

4.11 Performance assessment of the Board, its Committees & Executive Management

The assessment for the performance of the Board and its committees is conducted by the Nomination and Remuneration Committee using a self-assessment process that takes into consideration various aspects including Board and committees activities. The Chairman of the Board also meets separately with each director to discuss the performance of the Board and its committees. Performance of executive management is assessed against the achievement of the Group's objectives, targets set by the Board, and implementation of the internal controls.

4.11.1 Board Performance Assessment:

The performance assessment of the Board has been divided into 4 sections.

a) Board Activity:

i. The involvement of the Board in the strategic and business planning process.
ii. Review of business performance against the set strategies and business plans.
iii. Sound and prudent decision-making processes and healthy and constructive discussions.
iv. Address potential conflict of interest.
v. Fully supported by the executive management.

b) Governance:

i. Review of governance structure and its effectiveness in fulfilling the related responsibilities.
ii. Upholding of core values, professional conduct standards and compliance with regulatory framework.

c) Board Membership:

i. Sufficient range of talents, skills, and experience, and effective use of them to accomplish Board's role.
ii. Open line of communication, cordial relationships, high level of trust and respect among them

d) Personal Attributes:

i. Members individually fulfilling their governance and strategic responsibilities.
ii. Making positive contribution to the Board. Well prepared and devote sufficient time required to discharge responsibilities of the Board. Share views and raise issues for discussion.

4.11.2 Executive and Business Strategy Committee (EBSC) - Performance Assessment

The performance assessment of the EBSC Committee has been divided into 2 sections.

a) Committee Activity:

i. Appropriate experience and industry knowledge to meet the Committee's objectives.
ii. Review and approval of the Company's business strategy and annual budget ensuring alignment with the Company's objectives.
iii. Review of business performance against the budgets and targets set for the year.
iv. Review and approval of acceptances of significant insurance business risks and business projects
v. Review of the Company's efforts and contribution to the economic and social well-being of the customers, employees, community, and the environment (ESG initiatives)

b) Personal Attributes:

i. Members individually understanding and fulfilling committee related responsibilities.
ii. Making positive contribution to the Committee. Well prepared and devote sufficient time required to discharge responsibilities of the Committee. Share views and raise issues for discussion.

4.11.3 Nomination and Remuneration Committee (NRC) - Performance Assessment

The performance assessment of the NRC Committee has been divided into 2 sections.

a) Committee Activity:

a. Appropriate experience and industry knowledge to meet the Committee's objectives.
b. Review and approval of the Company's remuneration policy in line with regulatory requirements.
c. Review of Board members remuneration and incentives of employees in line with remuneration policy and regulatory requirements.
d. Evaluation of performance of the Board and the Board Committees members.
e. Mechanism to ensure board member nominations represent suitable candidates for the Board's role.

b) Personal Attributes:

a. Members individually understanding and fulfilling committee related responsibilities.
b. Making positive contribution to the Committee. Well prepared and devote sufficient time required to discharge responsibilities of the Committee. Share views and raise issues for discussion.

4.11.4 Risk Management and Compliance Committee (RMCC) - Performance Assessment

The performance assessment of the RMCC Committee has been divided into 2 sections.

a) Committee Activity:

a. Appropriate experience and industry knowledge to meet the Committee's objectives.
b. Review of risk management framework including risk management strategy, policy, risk appetite and tolerance limits.
c. Review of implementation and monitoring of compliance related policies including AML/CFT and report findings and remedial action put in place.
d. Review of reports on reinsurance arrangements and actuarial updates including reserving and actuarial opinions.

b) Personal Attributes:

e. Members individually understanding and fulfilling committee related responsibilities.
f. Making positive contribution to the Committee. Well prepared and devote sufficient time required to discharge responsibilities of the Committee. Share views and raise issues for discussion.

4.11.5 Investment Committee (IC) - Performance Assessment

The performance assessment of the Investment Committee has been divided into 2 sections.

a) Committee Activity:

a. Appropriate experience and industry knowledge to meet the Committee's objectives.
b. Review of investment strategy ensuring its alignment with the Company's objectives. Review of investment limits and utilization of balances across different asset classes.
c. Review of performance of investment portfolios against the plan and suggested actions for improvements.
d. Review and approval of investment initiatives, proposals, deployment of funds, and recommendations to the Board on setting new investment ventures.

b) Personal Attributes:

a. Members individually understanding and fulfilling committee related responsibilities.
b. Making positive contribution to the Committee. Well prepared and devote sufficient time required to discharge responsibilities of the Committee. Share views and raise issues for discussion.

4.11.6 Audit Committee (AC) - Performance Assessment

The performance assessment of the Audit Committee has been divided into 2 sections.

a) Committee Activity:

a. Appropriate experience and industry knowledge to meet the Committee's objectives.
b. Review of significant accounting and reporting practices including large, complex, and unusual transactions and their impact on financial statements of the Company.
c. To oversee the accuracy and validity of the financial statements
d. Review effectiveness of the Company's management of risks and internal controls over annual and interim financial reporting, regulatory and other reporting, including information on technology security and controls.
e. Review the effectiveness of the Internal Audit Function, including compliance with best practices and international audit standards.

b) Personal Attributes:

a. Members individually understanding and fulfilling committee related responsibilities.
b. Making positive contribution to the Committee. Well prepared and devote sufficient time required to discharge responsibilities of the Committee. Share views and raise issues for discussion.

The assessments performed for 2022, demonstrated that the Board, its committees, and executive management are effective in achieving its objectives.

5. REMUNERATION OF THE BOARD AND EXECUTIVE MANAGEMENT

The remuneration policy of the Group is an integral part of the governance and incentive structure overseen by the Board. The aim is to enhance performance, encourage acceptable risk-taking behaviour and reinforce the Group's risk culture.

The Board, through delegation to the Nomination and Remuneration Committee ("NRC"), is responsible for the oversight of management's implementation of the remuneration system. The NRC reviews and assesses whether the Group's approach to remuneration is in accordance with the Governance Code and the Governance Principles and as per established processes for risk, capital, and liquidity management. The Board reviews the remuneration plans, processes, and outcomes on an annual basis.

The Group remuneration policy is reviewed annually in line with the applicable regulations.

The General Assembly determines the Directors' remuneration based on the recommendations of the Board. The remuneration is determined considering the results of the activity of the Group and the limits stipulated by the Commercial Companies Law (Article 119), the articles of association of the Company (Article 60) and the Governance Code.

The total remuneration paid to the Board of Directors was QR 15.5 million for 2021. For 2022, the total remuneration proposed to be paid to the Board of Directors shall be presented for approval of shareholders in 2023 General Assembly.

The remuneration for executive management has been disclosed under "Related Party Disclosures" in the Group's audited consolidated financial statements which forms part of the annual report for the year 2022.

6. RELATED PARTIES

For all dealings with related parties, the Group applies its policy on 'related party transactions', established in accordance with the

provisions of applicable legislation, Commercial Companies Law, QFMA Governance Code, QCB Governance Principles, and other applicable laws and regulations to ensure maximum transparency, fairness, and disclosure. For information on the related party transactions, please refer to "Related Party Disclosures" in the Group's audited consolidated financial statements which forms part of the annual report for the year 2022.

7. RISK MANAGEMENT FRAMEWORK

The risk management framework is designed to assess, control, and monitor risks from all sources, with the aim of increasing short and long-term value to the stakeholders. The risk management framework involves determining, evaluating, and managing the risks faced by the Group as below:

o Insurance risk

The Group manages its insurance risk through the careful formulation and implementation of its underwriting strategy and guidelines, together with ensuring that adequate reinsurance arrangements are in place and that claims handling is proactively carried out. The concentration of the Group's insurance risk exposure is mitigated by the Group's underwriting strategy, which attempts to ensure that the risks underwritten are diversified across a large portfolio in terms of type, level of insured benefits, amount of risk, industry, and geography. Underwriting limits are in place to ensure this diversification.

The Group, in the normal course of business and to minimise its financial exposure arising from large claims, enters into reinsurance contracts. These reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. A significant portion of the Group's underwriting is reinsured under treaty and facultative reinsurance contracts. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the terms of the reinsurance contracts.

o Operational risk

When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Group does not expect to eliminate all operational risks, but by implementing a rigorous control framework and by monitoring and responding to potential risks, the Group seeks to manage its operational risk.

The Group has policies, systems and procedures manuals designed to achieve effective segregation of duties, access controls, authorisation and reconciliation procedures, staff training and assessment processes. These procedures are backed up by a compliance and internal audit framework.

o Credit Risk

The Group has established a range of credit risk limits to manage its exposure within the defined credit risk appetite. These limits are monitored periodically. The Group's exposure to credit risk principally arises from its insurance and reinsurance receivables, its cash and cash equivalents held in bank accounts, its reinsurance contract assets, and its portfolio of available for sale fixed income securities.

o Investment Risk

The Group manages investment risk by quantifying the risks associated with each investment and only investing in accordance with the Group's investment strategy and risk profile. Any proposed investment that is outside established limits must be approved by the Board Investment Committee.

The Group seeks to limit investment risk by maintaining a diversified portfolio of investments and by continuously monitoring developments in international and local equity and bond markets. In addition, the Group actively monitors the key factors that affect stock and bond market movements, including the operational and financial performance of its investee companies.

7.1 The Governance process on risk management

The primary objective of the Group's risk management framework is to protect its shareholders from events that could cause the Group to fail in achieving its objectives. The Board Committee (RMCC) approves and monitors the implementation of the risk management strategy and is primarily responsible for the oversight of risk management in the Group. The Group CEO and the Executive Management, acting through the Group Risk Committee and the risk committees at its subsidiaries, are responsible for implementing the approved risk management strategy across the Group. Through the Group Risk Committee, the Group aims to:

- o align the Group's risk management activities with its overall corporate objectives and policies.
- o obtain a consolidated view of Group-wide risks to ensure consistent and acceptable management of risks across the Group.
- o ensure that risks are taken within prudent limits.
- o ensure that a consistent approach is taken across the Group for identifying, assessing, measuring, mitigating, monitoring, and reporting on risks.

The various heads of risk management within the Group's subsidiaries are charged with managing their entity's risk profile, monitoring the progression of risk management and the implementation of risk mitigation strategies.

Group Internal Audit periodically assesses the adequacy and effectiveness of the risk management system and the processes in place for controlling and managing risks across the Group.

7.2 Capital management

The Group's risk management framework identifies the risks to which each of its business units and the Group as a whole are exposed and quantifies the impact of these risks on the Group's economic capital. The internal risk management framework estimates indicate how much capital is needed to mitigate the risk of insolvency to a selected remote level of risk, based on a number of financial and non-financial stress tests applied to the capital position of the business.

The Group also periodically monitors its capital position to ensure it is adequate in accordance with the prescribed regulatory requirements.

7.3 Regulatory

Regulation applicable to the Group aims to ensure that the rights of the Group's policyholders are fully protected and that the Group maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters.

The operations of the Group are subject to regulatory requirements within each of the jurisdictions where it operates. These regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions (for example maintenance of a required level of capital adequacy) to ensure that the Group is able to meet its liabilities as they arise.

Compliance and Money-laundering Reporting Officers within each subsidiary also identify and assess compliance and money-laundering risks across their businesses, monitor the implementation of risk management strategies and ensure timely reporting of breaches, corrective action taken and all suspicious transactions.

7.4 Enterprise Risk Management

The Group's enterprise risk management function covers risk and capital management as well as exposure monitoring. The Group has adopted a three lines of defence risk management model which comprises:

- First line - Operational management that is responsible for managing risk through deployment and execution of controls and management oversight.
- Second line - Compliance, risk and actuarial functions, which report on the first line of defence activities from an independent perspective and challenge them; and
- Third line - Internal and external audit, which provide independent assurance.

In addition, the Group has a risk management committee in each of its subsidiaries; as well as the Group Risk Committee which, in turn, reports to the Risk Management and Compliance Committee of the Board through the Group Chief Risk Officer.

The Group's enterprise risk management cycle comprises of:

- Risk identification and assessment. Each risk identified must have an owner responsible for ensuring that the risk is effectively monitored and managed. In addition, the inter-relationship and correlation of risks is also assessed at a Group level through simulation and stress testing;
- Risk measurement.
- Risk management, including through appropriate limits, key controls, and contingency planning; and
- Risk monitoring, including through risk indicators and reporting, to ensure that business issues are identified and addressed as appropriate by management.

8. GROUP EXECUTIVE MANAGEMENT

The Group Executive Management committee, which functions under the chairmanship of the Group Chief Executive Officer, is responsible for assisting the Group Chief Executive Officer in the operational management of QIC, subject to statutory and delegated limits of authority. Its main functions are strategic direction, coordination, and performance monitoring.

The Group CEO is Mr. Salem Khalaf Al-Mannai. He is a postgraduate from the University of South Wales in Wales, and he started his career with QIC in 2001, in the motor department. After working for couple of years, he was awarded a scholarship to complete his degree in the UK. In 2006, he joined the marine department of QIC and was later appointed as the Assistant Vice President for cargo. In 2013, Mr. Mannai assumed the responsibility of the Deputy CEO of QLM. In 2015, he was appointed as the Deputy Group President & CEO of QIC MENA region. Based on his wealth of knowledge and experience, in 2019, he was assigned the position of Deputy Group President & CEO of the QIC Group and thereafter he assumed the role of Group CEO in 2020. He represents Qatar Insurance Company on the boards of QLM Life & Medical Insurance Company and other QIC Group entities. He is also the member of the Board of Directors of Qatar Finance Business Academy and QCare Holdings Limited.

The Group Executive Management supporting the Group CEO comprises the following positions:

- Deputy Group CEO - International Operations
- Deputy Group CEO-MENA Operations
- Advisor to Group CEO
- Group Legal Advisor
- Group Chief Financial Officer
- Group Chief Audit Executive
- Group Chief Investment Officer
- Group Chief Risk Officer
- Group Chief Actuary
- Group Chief Admin Officer
- Chief Digital Officer

9. MANAGEMENT COMMITTEES

The Executive Management has organized itself into standing management committees with an aim of effectively and efficiently handling the delegated responsibilities and running the day-to-day activities of the Group.

9.1 Group Executive Management Committee:

This Committee core functions are:

- Formulate and recommend Vision and Mission of the Group.
- Recommend long-term group business plan and strategy along with annual Group Budget.
- Review and recommend proposal for acquisition, merger, incorporation, sale of investment in associates and investment property.
- Recommend opening/closing branch offices or forming/closing an entity.
- Reviews major deviations against the budget exceeding the defined threshold and recommend action plan.

9.2 Group Risk Committee:

This Committee core functions are:

- To encourage and facilitate embedding a culture of effective risk management throughout the Group.
- To recommend establishment of an integrated group-wide risk management framework.
- To ensure that there is a structure in place for the identification, assessment, evaluation, monitoring and reporting of various risks.
- To ensure implementation of risk appetite, tolerance limits and risk mitigation strategy as per the Board approved limits.

9.3 Group Reserving Committee:

The main objectives of this committee are to:

- Ensure that the Reserving Policy is functioning effectively and updated, as necessary.
- Review provision for premium and claims reserves including incurred but not reported claims reserves, in accordance with accounting standards and insurance best practices.
- Review periodic reserving reports and recommend appropriate actions.

9.4 Group Strategy, Governance & Implementation Committee

The core functions of this committee are to:

- Review, reconstruct and update organisation structure group wide.
- Consider and review Group Reinsurance policy and Strategy for the Group.
- Review and challenge proposed reinsurance solution and recommend the most suitable reinsurance structure for the business individually and/or collectively.
- Periodical review of positions for redeployment, re-skilling, and succession plan and ensure its implementation.
- Review governance policies, systems, internal controls, manuals.
- Review and recommend Group IT and cyber security vision and objectives; annual Group IT strategy and plan aligned to the overall vision.
- Review periodically IT initiatives and developments and approve priorities, budgets, investments in the best business interest of the Group as a whole.
- Review security requirements and certifications, related audits and ensure issues are addressed.

10. INTERNAL CONTROL FUNCTIONS

QIC control functions are organized by consolidating them under the Governance Risk and Compliance (GRC) pillar, headed by the Group Chief Risk Officer. The Actuarial function is recognised as a separate pillar headed by the Group Chief Actuary. The approach was adopted in response to the Group's increased business complexity, the developing regulatory environment, and an increased focus on internal and external accountability. The GRC pillar has, therefore, integrated the Group's Governance, Risk, and Compliance initiatives with the aim of adding significant business value, building competitive advantage, and assisting management with the control of the business.

The requisite control functions under the GRC pillar and the Actuarial function have full access to the Risk Management and Compliance Committee of the Board and include the following functions:

- o Group Risk Management
- o Group Compliance
- o Group Governance and Internal Control

The Group Internal Audit is an independent pillar that reports directly to the Board of Directors through the Audit Committee of the Board. While the administrative reporting of Group Chief Audit Executive is to the Group CEO, the functional reporting is to the Audit Committee of the Board. The Board of Directors may call upon the Group Chief Audit Executive based on invitation to require clarifications on any of the matters that Board considers appropriate to seek independent views from the Group Internal Audit Function.

10.1 Group Risk Management

The Group's Enterprise Risk Management Function is responsible for risk management and exposure monitoring for the Group. In liaison with the different business areas, the function performs a qualitative and quantitative assessment of exposures against the defined tolerances and reports to the respective Entity Level Risk Committees, Group Risk Committee, and the Risk Management & Compliance Committee of the Board.

Additionally, stress and scenario testing is used in setting strategy and in business planning to quantify the implications of possible events and future changes in economic conditions that could have unfavourable effects on the business plan and financial standing of the Group. This analysis is used to support the development of management and mitigation strategies. The Group Risk Management function also assist other departments within the Group in emerging risk assessment, capital management, etc.

10.2 Group Compliance

The Group considers compliance with applicable laws, industry regulations, codes and its own ethical standards and internal policies to be an integral part of doing business. The Group Compliance team, together with the compliance functions of the respective subsidiaries, facilitates the management of compliance through the analysis of statutory and regulatory requirements, and the monitoring the implementation and execution thereof.

The monitoring of regulatory requirements includes due diligence procedures and the reporting to relevant agencies with an aim to combat money laundering and the financing of terrorism. In addition, the Group Compliance function undertakes screening checks against applicable sanctions watch lists.

The Group also has systems and processes in place to ensure that all the regulatory compliance and statutory requirements of QCB, QFMA and other regulators are complied with.

10.3 Group Governance and Internal Control

The Group Governance and Internal Control function aids in developing the governance and internal control framework with an aim to encourage and promote corporate governance practices and protect the interest of the shareholders and other stakeholders. It achieves this by:

- ensuring appropriate supervision and management of the Company's business.
- ensuring clear allocation of roles and responsibilities, designing controls over financial reporting to ensure the accuracy and completeness of the Company's consolidated financial statements.

Governance

The Board recognises the importance of the function and approved the Governance framework based on the Governance Charter with clear objectives aligned with those of the board of directors, its committees, and the associated executive management committees. A strong system of governance throughout the Group is essential to ensure the business runs smoothly, to aid effective decision making and to support the achievement of the objectives.

Internal Control

Internal control refers to Group's policies, procedures and practices that aid in ensuring that the Group achieves the targets set in the strategy, uses resources economically and bases management decisions on reliable information. Internal control also ensures that risk mitigation is adequately addressed. Conformance to regulations and approved ethical principles are also ensured through internal control. The Board is responsible for organising and maintaining adequate and effective internal controls, ensuring that the Group has an adequate set of guidelines and supervises internal control effectiveness and sufficiency. The Board approved internal control framework, based on the 'three lines of defence' model, which is supplemented with a clear organisational structure, documented delegated authorities, responsibilities and a system of policies and procedure manuals. The framework requires reporting of significant internal control and risk related issues to the Audit Committee

of the Board on a regular and continuing basis to ensure that the Committee and the Board have a clear view of material issues being faced and have the necessary information and tools to appropriately analyse and manage these risks.

The framework has been developed utilizing the best practice guidelines and criteria established in Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Tredway Commission (COSO) to comply with the Corporate Governance code issued by the Qatar Financial Markets Authority.

As per Article 22 of QFMA Governance Code, Quarterly Internal Control Reports are prepared and submitted by the internal auditor to the Audit Committee. The internal auditor has duly presented the Internal Control Reports to the Audit Committee based on the assessment of internal controls through performing periodic and ad-hoc risk-based audits in this financial year 2022. The assessment of the Company's compliance with internal control systems when determining and managing risks and compliance with laws and regulations have been adequate and satisfactory with some scope of improvements.

Internal Controls over Financial Reporting (ICOFR)

The Management has undertaken a formal evaluation of the adequacy of the design and operating effectiveness of ICOFR during the year. It consists of various internal controls and procedures aimed at minimizing the risk of misstatement of the financial statements.

It shall be independently reviewed by the appointed external auditor (KPMG) and their related report shall be available on the Group's website for reference.

10.4 Group Actuarial

The Group Actuarial Function supports the Group across all areas where actuarial support is typically sought and to coordinate the development of best practices across the existing actuarial teams. The areas requiring actuarial support consist of two main functions: the reserving function, which ensures the Group is adequately reserved to meet its future liabilities; the pricing function, which helps assess and drive the profitability of the business in a strategic manner.

10.5 Group Internal Audit

This function performs an independent review of the internal controls and governance systems within the Group. It reports on the existence, effectiveness and/or weaknesses of such systems, including risk management, the system for maintaining and safeguarding assets and the accuracy of the financial statements of the Group. It also reviews the effectiveness of the compliance function as an internal control tool of Management by providing assurance to the Board of the existence of sound internal control systems in the Group commensurate with size and nature of its business.

11. EXTERNAL AUDITOR

The shareholders at the Annual General Meeting of the Company held on 27 March 2022 approved the appointment of KPMG as the external auditors for the year 2022, on the recommendation of the Board of Directors. The external auditor has submitted the "Independent Auditor's Report" on the audit of the consolidated financial statements, which the forms part of the annual report for the year 2022, the Independent Assurance Report on Compliance with QFMA Governance Code as at 31st December 2022, and the Independent Assurance Report on Design, Implementation, and Operating Effectiveness of Internal Controls over Financial Reporting as at 31st December 2022 subject to approval of shareholders in 2023 General Assembly.

12. CAPITAL STOCK

The Company's authorized and issued capital is QR 3,266,101,330 divided into 3,266,101,330 shares and is fully paid. One shareholder (Broog Trading Company) other than the Government of Qatar or government entities hold a share of more than 5%. The total number of shareholders of the Company as of 31 December 2022 was 2,084 shareholders comprising government entities, banks, companies and individuals of different nationalities and there were 216 major shareholders with a shareholding above two million shares in the Company. A list of the major shareholders is attached at the end of this report.

As per the Article 28 of the Governance Code, the Company has Insider Trading Policy that prohibits the unauthorized disclosure of any non-public material information and the trading of any securities of the Company, including its shares or Tier II financing instruments by any person in possession of material non-public information.

13. RELATIONSHIP WITH SHAREHOLDERS AND STAKEHOLDERS

A. The Company keeps the channel of communication open and transparent with shareholders and other stakeholders who have all the rights to be informed by virtue of relevant laws and regulations in line with the Corporate Governance requirements.

B. The Company publishes financial information and data which is available to investors and other stakeholders on a regular basis through the Company's website and various media in addition to communication through Qatar Exchange.

C. The Company maintains a record of shareholders which is updated monthly to comply with the register of shareholders of the Company filed with the Qatar Central Securities Depository. The Qatar Exchange maintains all information relating to trading of the shares of listed companies on the stock market.

D. The shareholders are entitled to obtain a copy of the Company's statute and all other relevant documents for a fee as determined by the QFMA.

E. The shares of the Company accord equal right to the shareholders without any discrimination. In case if any share amounts are owed to the Company, restrictions are imposed on such shares in the register of shareholders to their share in the profit or assets of the Company. A shareholder whose name appears on the Company's shareholder register has the right to collect any amounts due for the share whether being dividends or a share in the Company's assets.

F. The Company's Articles of Association lay down key shareholders' rights and ownerships and the procedures to exercise those rights. The Articles also ensure protection of shareholders rights including minority shareholders in particular, in case the Company conducts major transactions.

G. Each shareholder has the right to attend the General Assembly in person or by way of proxy as per the law in force and each shareholder shall have voting rights equivalent to the number of shares held by him.

H. The Board ensures that as required in the relevant legislation and in accordance with the Company's corporate governance requirements, all employees are treated at par as per the principles of natural justice and equity without any discrimination. They are

empowered to whistle blow on any suspicious matters relating to financial reporting, internal control while providing protection to them of any retaliation, negative action, or damage.

I. The Annual General Assembly of the shareholders is held within four (4) months following the end of the fiscal year. The invitation of the meeting is published along with all the data, information, reports, and statements required for the meeting in accordance with the Commercial Companies Law, the QFMA, the rules of Qatar Exchange, and the Company's articles of association. The Company also provides a copy of these documents to all shareholders requiring such information to facilitate their discussion on the Company's performance.

J. The Annual Report includes the report of the Board of Directors to the shareholders and dividend recommendation for distribution of profits. The dividend is disbursed upon approval of the proposed distribution of profits by the General Assembly.

K. The Company ensures that the rights of stakeholders are maintained and respected, each stakeholder may request information related to his interest which the Company shall provide timely and in a manner that does not threaten other's interests or prejudice Company's interests.

Annual General Meeting

The Company conducts the General Assembly as per the procedures stipulated in the Company's Articles of Association and in compliance with laws and regulations including the Governance Code.

At the Ordinary General Assembly Meeting (AGM) held on 27 March 2022, the General Assembly approved the following:

1) The Board of Directors' report on the Company's activity and financial position for the year ended 31 December 2021 and the Company's future plans.
2) The auditors' report on the Company's financial statements for the year 2021.
3) The Company balance sheet and profit and loss statement for the year 2021.
4) The recommended profits distribution, being cash dividend of 10% from the share per value, i.e. 10 Dirham for each share and determine the date of payment.
5) Discharging of the members of the Board of Directors and approving their remuneration amounting to QR 15.5 million.
6) The Corporate Governance Report for the year 2021.
7) The Remuneration Policy for the year 2022.
8) Appointing KPMG Auditors for the Financial Year 2022 with fees of QR 1,160,212

Also, the Extraordinary General Assembly Meeting (EGM) took place on 27 March 2022 (the same date as AGM), in which the General Assembly approved the following:

1) The amended Articles of Association of the Company according to the amendments of the Commercial Companies Law No. (11) of 2015 issued by Law No. (8) of 2021, and with the directives of the Qatar Central Bank, QFMA, and the Company's work requirements.
2) Authorizes the Chairman & Managing Director or his deputy signing solo on all documents needed to amend the Articles of Association of the Company.

14. DISCLOSURE

As per QIC Compliance Policy, the Company prohibits behaviors or activities that lead to breaches of laws, noncompliance with regulations or exposes the Company to noncompliance risks. As per the policy, the Company's dealings with regulators, legal authorities, auditors etc. shall always remain fully transparent.

The Company is fully committed to all disclosure requirements including market listing as required under the legislations and regulations of various applicable regulatory authorities and has complied with the requirements set forth in this regard. The most important requirements in this regard relate to the publication of information on shares of the Company uniformly to all shareholders and investors to enable them to access all information that affects stock prices providing equal opportunities to them for their investment decision.

The Board of Directors, through the Compliance department, ensures that all the disclosures that the Company makes are accurate and the financial reports of the Company conform to applicable accounting standards and guidelines. The governance process to ensure accuracy and truth of all the disclosures in the Corporate Governance Report involves submission to the Board Risk Management and Compliance Committee for review before it is finally reviewed and approved by the Board for placing the same in the General Assembly. The Corporate Governance Report is also reviewed and audited by the External Auditor to ensure independence and authenticity.

During the year, the Company disclosed all decisions taken by the Board of Directors that were of interest to shareholders and other stakeholders. All such decisions were immediately notified to Qatar Exchange and the QFMA, in addition to publication in the local newspaper and on the website of the Company.

Pursuant to the provisions of the Commercial Companies Law and the requirements of QFMA, Qatar Exchange and the Law of the Qatar Central Bank and the regulation of financial institutions, the Company also published audited financial reports in newspapers and on the website of the Company.

Open lines of communication are maintained to ensure transparency and optimal disclosure, and stakeholders are encouraged to make their views known to the Group. Communication with institutional shareholders, the investment community and general public communication is conducted by QIC's Public Relations & Corporate Communications department. The Company has a Public Relations and Communications Policy that deals with the process of communication between the organization and its various stakeholders, both internal and external. It involves relationship-building with media and stakeholders, social media outreach, reputation management and crisis communications. As per the policy, the Group Chairman and the Group CEO shall represent QIC before media. The Official Spokespersons so appointed by QIC from time to time are authorized to represent QIC before the media to ensure appropriate communication channels are maintained.

During 2022, the Group was not subject to any material regulatory penalties for non-compliances with the provisions of the Code.

15. DISPUTES

The Group operates in the insurance industry and is subject to litigations in the normal course of its business. While it is not practicable to forecast or determine the final results of all initiated legal proceedings the Board does not believe that such proceedings including litigations will have a material effect on its operations.

16. CORPORATE SOCIAL RESPONSIBILITY

The Board is committed to the highest standards of business integrity, ethical values, and governance. It recognises QIC's responsibility to conduct its affairs with prudence, transparency, accountability, fairness, and social responsibility, thereby ensuring its sustainability while safeguarding the interests of all its stakeholders.

QIC's social responsibility efforts include the provision of support to communities in the fields of culture, sports, and health. It also allocates 2.5% of the local profits to sports and social activities support fund (QR 11,004 thousand for 2022) and shall be paid post approval of the financial statements at the AGM. The initiatives undertaken included sponsoring Katara International Arabian Horse Festival promoting Qatar's culture, sports and tourism, participating in a blood donation campaign for Hamad Medical Corporation, welcoming and grooming a group of summer interns as QIC's commitment to building Qatar's national human capital, promoting S'hail, an international Hunting and Falcon's Exhibition to maintain cultural legacy, supporting annual national sporting event Samla race, an endurance competition, and collaborating with Qatar Finance and Business Academy on an initiative 'Kawader Program' designed to prepare future business leaders and decision makers of the financial and banking services sector.

17. CONCLUSION

Since its inception, the Group is fully committed to the requirements and principles of Corporate Governance as laid down in the rules and regulations. The Group will continue to strive to achieve and implement the best possible level of Corporate Governance culture in line with best practices.

For Qatar Insurance Company Q.S.P.C

QIC Group's **Global Footprint**

QATAR

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- Al Khor
- Lulu Hypermarket (Al Gharaffa)
  Landmark (Gharaffa)
- Al Meera (Al Mansoura)
- Lulu Hypermarket (Al Massila)
- City Centre
- Ezdan Mall (Al wakra)

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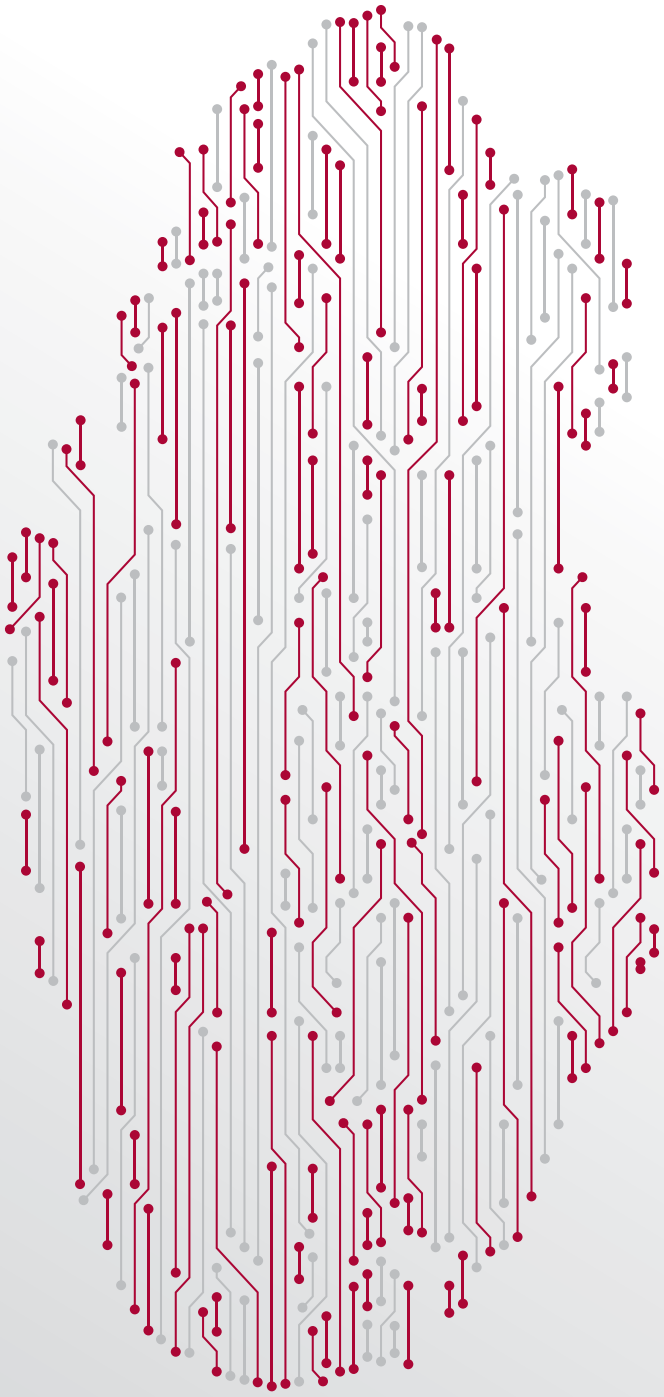
مجموعة قطر للتأمين
QATAR INSURANCE GROUP



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