

Forging Ahead with Purpose

BRILLIANCE | EXCELLENCE | SUCCESS

ANNUAL REPORT 2023

Forging Ahead with Purpose

ANNUAL REPORT 2023

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



2023 ANNUAL REPORT

QIC's achievements underscore the effectiveness of our strategic approach, which prioritizes low-severity products. Our success is further propelled by our streamlined management system and unwavering commitment to operational excellence.

Contents

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.

OATAR INSURANCE GROUP ANNUAL REPORT 2023

CICKEY Information

QR 8.5 billion

Gross written premiums for the year





Standard & Poor's

A.M. Best

QIC Key Information

QR million	2023	2022	2021	2020	2019
Gross premiums written	8,469	9,848	9,922	12,202	12,060
Insurance service result / Underwriting results	747	(465)	643	(595)	282
Net profit attributable to parent	601	(1,199)	616	101	651
Investment & other Income	922	828	1,083	1,366	1,036
Cash and Investments	19,827	20,303	26,514	25,680	25,079
Total Assets	28,682	29,827	43,682	42,741	39,415
Equity attributable to parent	6,100	5,505	8,419	8,206	8,453

Our Shares	2023	2022	2021	2020	2019
Earnings per share (QR)	0.133	(0.410)	0.143	(0.004)	0.174
QIC market capitalisation (QR Millions)	8,459	6,281	8,982	7,715	10,321
Dividend per share (QR)	0.10	-	0.10	-	0.15
Share price at 31 December (QR)	2.59	1.92	2.75	2.36	3.16
Book value per share (QR)	1.91	1.71	2.58	2.51	2.59

^{* 2022 &}amp; 2023 figures are as per IFRS 17 standard which was effective from 1-Jan-2023.

3 Prestigious Accolades

Forging ahead with purpose,

as a catalyst for **change**

The economic landscape in 2023 was largely characterised by uncertainty. High inflation, * geopolitical risk and the effects of climate change were keenly felt across Qatar and the MENA region. Disruption to supply chains also sent shockwaves around the world. However, following on some truly challenging moments, 2023 has also proven to be a year of agility, strategic foresight, and profitability.

Although QIC continues to retain its competitive edge by leading the way within the insurance sector, headwinds will challenge even the most well-capitalised firms. The ability to swiftly adapt to market changes and offer innovative services while maintaining flexibility, performance, cost efficiency and scalability will ensure that QIC reinforces its name as being synonymous with trust, confidence and leadership.



This will mean continuing to develop sophisticated digital capabilities. QIC has led the way in harnessing the power of technology to offer insightful solutions. We hope to revolutionise the insurance industry as a result. Looking to the year ahead, QIC will continue to pioneer, giving customers the best coverage options possible and the unique ability to be in full control of all their insurance needs.

QIC Group is a sophisticated, global insurance ecosystem that successfully integrated insurance and its adjacent industries, namely investment and technology through its wholly-owned subsidiaries resulting in comprehensive insurance infrastructure that embedds additional layers of protection for our customers. By offering genuine protection for customers across numerous lines of business, we demonstrate our resilience to modern challenges, as we reinforce our brand as a preferred partner for all stakeholders.

Growing and diversifying the world's economy, improving societal wellbeing, and combating the effects of climate change, continues to be top of mind. QIC is at the forefront of this drive and we continue to cement our enterprise both domestically and abroad.







GIC 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 Message



Sheikh Hamad bin Faisal bin Thani Jasim Al Thani

Chairman

Dear Valued Shareholders,

I am pleased to present to you the QIC Group Annual Report for the year 2023. Despite a year of challenges, with Qatar and the MENA region suffering from a combination of heightened geopolitical tension and stubborn inflationary pressures, we proved ourselves to be resilient. We navigated a higher rate environment, continued to invest in our digital capabilities and remained true to our customer-first approach. We have been able to successfully build our business for the future.

QIC has once again established itself domestically as the insurer of choice, and our customer-first approach has been recognised extensively throughout the industry. Meanwhile, our push to fully integrate automation and encourage process efficiency is progressing well. Sophisticated digitalization will support our ambitions, reinforce our already strong capabilities, and place us at the cutting edge of insurance technology.

QIC's strategic plan to grow in less volatile areas and de-risk our international portfolio, is working. Our achievements are being felt by our customers, our industry and the national economy. QIC continues to thrive, despite inflationary pressures which have put a drag on global economic growth, and 2023 has consolidated QIC's position as the largest domestic insurer. Once again, QIC has proven that we are a trusted partner for all stakeholders.

The Company remains well-positioned, thanks to its diversified business mix, strength of capital, and balanced geographic coverage, and will continue to take advantage of attractive business opportunities.

In line with this success, we trust that the economic outlook for 2024 will be positive. It is now time to build back better and stronger. We will renew our focus on maximising shareholder value, continue to help diversify the Qatari economy, and through the sophisticated use of technological advancements we will continue to shape our industry for the better.

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.

BOARD OF DIRECTORS



Chairman



Mr. Abdul Rahman Essa Al Mannai

Vice chairman



bin Hamad Al Thani

Member



Mr. Khalifa Abdulla **Turki Al-Subaey**



Sheikh Faisal bin Thani bin Faisal Al Thani

Member



Saud bin Fahad Al Thani

Independent Member



Mr. Ali Youssef Hussain Ali Kamal

Member



Mr. Ali Hussain Ibrahim **Al-Fardan**

Member



Sheikh Tamim bin Hamad bin Jassim bin Jabor Al Thani

Member



Mr. Mohammed Jassim M A Jaidah

Member



Mr. Ibrahim Jassim Abdul Rahman Al Othman Fakhro

Member



Board of Directors's Report

2023

Dear Esteemed Shareholders,

The Board of Directors of QIC is pleased to present the Company's 59th Annual Report, which includes QIC's activities, consolidated financial statements for the year 2023 and outlook for 2024.

Strong performance delivers a return to profitability

While 2023 was a year marked by continued geopolitical tensions and persistent but slowing inflation, the global insurance industry performed robustly. The economic outlook was a little brighter with consecutive interest rate hikes beginning to ease persistent inflation. The insurance sector, still affected by capital market turbulence and reduced capacity, managed to effectively navigate this backdrop, and enjoy one of the best years in recent times.

QIC with its robust and solid capital base and the effective execution of its set strategy returned to profitability, performing strongly across all its business verticals in 2023. Furthermore, all MENA and international insurance operations delivered profitable results reflecting the success of the change in strategy. Consequently, QIC has succeeded in reinforcing its position as a market leader through further expanding its profitable domestic market business in Qatar and the MENA region, as well as international markets, while continuing to move away from volatile and high-risk international markets. QIC has also kept in step with evolving standards and managed to be the first insurance company in the region to successfully implement the new and transformative IFRS 17 accounting standard in Q1 2023.

Buoyant growth in direct MENA business

QIC's strategy to expand its footprint in the direct insurance market of the Gulf Cooperation Council (GCC), is reflected in the major growth of the company's UAE and Oman operations in 2023. The UAE wrote in excess of AED 1.3 billion in 2023, and Oman experienced double-digit percentage growth in the same period.

The positive economic outlook for both Oman and the UAE provides a strong foundation for QIC to continue its growth

path and enhance its position as a market leader in the insurance sector.

Significant returns from strong underwriting performance

The Group's gross written premiums for the year was QAR 8.5 billion, compared to QAR 9.8 billion in 2022. Currently 32% of the Group's gross written premiums emanate from personal lines insurance written in the Middle East, UK, and Continental Europe.

The global insurance business remained less volatile in 2023 compared to the previous year, with inflation headwinds reducing. The strength of underwriting has underpinned the return to profitability in what was a turnaround story in 2023. Both domestically and internationally, operations have performed well, partly thanks to healthy combined ratios, with QIC remaining the regional leader in personal lines. Further to this, the continued and effective execution of QIC's strategy to exit loss-making and low margin international business has put the Company in a stronger position.

Meanwhile, the Group's domestic business in Qatar and MENA recorded further growth in gross written premiums to QAR 3.6 billion, compared to QAR 2.8 billion in 2022, representing 25% growth in 2023. The domestic business continues to remain highly attractive, contributing both to top and bottom-line results, reflecting QIC's position as the market leader in Qatar and the company's profile as the most advanced digital insurer in the region. QIC experienced substantial growth in the UAE throughout the year, in total writing AED 1.3 billion. In Oman, the successful merger with Vision Insurance helped to accelerate QIC's growth in the local market, particularly in medical and personal line segments. This domestic and regional success reflects 2023's strong performance, laying a solid foundation for further success in the coming year.

Regarding international operations, Antares Managing Agency Ltd ("Antares"), the Lloyd's specialist insurance and reinsurance subsidiary of QIC, continues to be the major engine for performance and growth.

The Group's Insurance Service results was a profit of QAR 747 million in 2023, compared to loss of QAR 465 million over the same period in 2022.

Robust investment income

In 2023, QIC's highly experienced investment team at its wholly owned subsidiary, Epicure Asset Management, once again proved its mettle as the MENA region's leading investment house, focusing on both sector balance and security of investments. Despite challenging financial market conditions and rising interest rates resulting in a fall in value of fixed income securities, QIC's own portfolio performed strongly, generating a net investment and other income of QAR 922 million for 2023, compared to QAR 828 million for the same period in 2022. The return on investment came in at 5.2% compared to 4.8% last year.

Efficiency gains and salient results

OIC remains committed to operate as efficiently as possible for the benefit of both its policyholders and shareholders. We succeeded in steadily trimming our cost ratio in recent years and continued this through 2023, further improving its already exceptional operational efficiency.

The 2023 financial results reflect the achievements of the implementation of QIC's refreshed strategic plan of expanding in low-volatility businesses lines, diversifying its portfolio, and fully digitalizing the MENA operations. This has helped to create a strong and robust platform to reinforce our position as a financially robust, secure, and sustainable insurance partner for all stakeholders.

Cutting-edge of insurance technology

QIC commitment to creating efficient digital capabilities and improving customer experience, is now transforming the digital insurance landscape in the MENA region at increasing speed through innovation and investment in digitalization platforms. In recognition of QIC's significant progress made in its digitization capabilities, the Company was awarded numerous accolades in 2023, including "Best Digital Insurance Company in Qatar", "Best Insurance Website in The Middle East", and "Best Insurance Website in Qatar" at the 2023 Global Brand Awards. QIC was also recognized as "Motor Insurer of the Year" at the InsureTek Golden Shield Excellence Awards 2023 for the second consecutive year. One landmark achievement in line with this recognition was the official introduction of the fully digital Mandatory Visitors' Health Insurance solution, the fastest option to get such insurance plans in Qatar, with international visitors now being able to get their Mandatory Visitors' Health Insurance policy in less than two minutes.

The continued growth and expansion of Digital Venture Partners (QIC DVP), created and launched in 2022, demonstrates QIC's promise at a grass roots level as DVP continues to build new ventures and partner with Big Tech for strategic investments.

Following the success of the inaugural InsurTech MENA Summit in 2022, QIC is proud to have hosted the event in its second year in 2023.

At the summit, QIC also launched the "MENA InsurTech start-up competition", a regional competition seeking to provide a platform that identifies and nurtures the most innovative and disruptive InsurTech startups in the region. The onsite competition was also paralleled by a virtual competition that will allow startups to participate from the wider MENA region and beyond.

QIC's position 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 more cautious post-pandemic environment. Digital solutions are proving to be an important and preferred aspect of personal lines insurance sales.

QIC's Anoud Technologies leads on digital transformation

In recent years, QIC has successfully positioned itself as a technology leader in the insurance sector. Anoud Technologies (Anoud Tech), a wholly owned global InsurTech subsidiary of QIC Group and a 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. With the help of Anoud+, a future ready, API-based platform, insurers can easily introduce new products, integrate with their distribution and affinity partners, and increase revenue streams. This technology has been recognised by other market leaders, such as Gartner, who have included it in their 2023 tool kit.

The success of Anoud Technologies and its achievements in digital insurance have been reflected in it being announced the winner of the prestigious InsurTech of the Year 2023 award.

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.

Regarding this in 2023, QIC continued to develop its's framework, which was approved by the Board, further strengthened its ESG and Sustainability Committee to focus on the Company's ESG goals and announced its commitment to support Qatar's endeavour under the Paris Agreement to reduce, by 2030, the country's greenhouse gas emissions by 25%.

In 2023, QIC became the first insurer the MENA region to become a signatory of the United Nations Environment Programme-Finance Initiative's 'Principles for Sustainable Insurance' of UNEP-Fi, and in doing so became part of a global network of insurers committed to adopting ESG principles across their business operations.

Brand awareness campaign "Confidence at every turn!"

Following its recent rebranding, QIC launched its brand awareness campaign, "Confidence at every turn!" last year. The campaign promotes the Company's brand and commitment to innovate and lead by example, while also looking to inspire and boost self confidence among the community in Qatar.

QIC is one of the oldest and most well-recognised direct insurance brands in the MENA/ Maghreb region and in a post Covid era of consolidations and efficiency, has

renewed its focus on further developing and growing its direct insurance vertical business in the region by leveraging its position as a digital insure-tech leader in personal lines and other select lines of business.

Ensuring good corporate governance

QIC 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. QIC has a strong track record of nurturing young Qatari talent and advancing them through its ranks by exposing them to continuously more demanding corporate and leadership roles. As a result, today young Qatari nationals have found places at various levels and hierarchies of QIC's operations.

The Company is also proud to support the next generation of business leaders, reflected by holding a mentored summer internship program in 2023. The program is designed to help qualified high school and undergraduate students discover the direction in which they would like to take their career forward, while gaining first-hand business experience. The award ceremony for the program was held in August.

In 2022, QIC signed a Memorandum of Understanding 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". This year, QIC was honored at the graduation ceremony of the eighth cohort of the program for its outstanding contribution.

Supporting initiatives that showcase Qatar's rich culture and advance Qatari wellbeing

In addition, QIC has a long history of supporting activities that showcase Oatar's rich culture and promote Oataris' connection to their environment and heritage. This year, for example, QIC was the official insurance sponsor for S'hail 2023 - Katara International Hunting & Falcons Exhibition, the largest international exhibitions that specializes in exhibiting Falcons and is dedicated to preserve and promote the art of hunting and falconry.

QIC were also again the platinum sponsors of the Katara International Arabian Horse Festival in 2023, organised by the Cultural Village Foundation in collaboration with the Qatar Equestrian Federation and Qatar Racing & Equestrian Club under the patronage of His Highness the



Summary of 2023 operating results

For full year 2023, the Group reported a net profit of QAR 601 million (excluding minority) compared to a net loss of QAR 1,199 million for the previous year. Taking into consideration the above, the Board proposed 10% cash dividend for the year 2023.

Meanwhile, QIC continues to value its corporate social responsibility commitment and provides support to its communities with cultural, sporting, and educational initiatives. This year, QIC has allocated 2.5% of the profits generated from its Qatar operations (QAR 13,294,000) towards such initiatives.

2024 Outlook: Looking forward with optimism and confidence

QIC looks with optimism over the year ahead – the Company remains well-positioned, thanks to its diversified business mix, strength of capital, and balanced geographic coverage, and will continue to take advantage of attractive business opportunities.

Over the past few years, the Company has demonstrated its resilience in challenging market conditions. Its continued strategic direction and execution has illustrated QIC's capability to respond flexibly, notably by reducing its participation in, and exposure to, high-risk and volatile global markets. Additionally, there is our renewed focus to grow and expand in the direct insurance business within MENA region by enhancing the company's profitability through innovative growth in personal lines. QIC's leading,

QATAR INSUR

high degree of automation and technological expertise 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 as a robust and preferred value proposition in a very competitive post-COVID era.

Our robust 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, gives us the confidence to look out over the year ahead with 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 of 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.

Sheikh Hamad bin Faisal bin Thani Jasim Al Thani

Chairman

Mr. Salem Khalaf Al Mannai

QIC Group CEO







Salem Khalaf Al Mannai

Group CEO

ECONOMIC OUTLOOK

Despite a year that saw persistent inflation place additional cost pressure on businesses and consumers, the insurance industry was able to demonstrate its resilience. Consistent rate hikes throughout the year did help to ease pressure, alleviating some of the tension felt by most across the insurance sector. QIC enjoyed a remarkable year of outperformance, achieved through a combination of strong leadership, technological innovation and dedication to our customers.

Economic sentiment going into 2024 is largely positive as we adjust to a world of higher rates. Experts mostly agree that inflationary pressures are truly beginning to subside, as the full effects of rate hikes across the globe are felt. For Qatar, economic policy itself will largely be set in line with the ambitious Qatar National Vision 2030 plan. Developing and diversifying the economy, driving social mobility, and protecting our environment, will be fundamental to setting the economic agenda. Investment in public projects, construction of the North Field LNG expansion project, as well as forays into manufacturing and trade will also bolster Qatar's economic trajectory.

Despite the monetary and fiscal challenges faced by economies across the world, Qatar's Real GDP is predicted to grow by 2% in 2024 according to the IMF. With the economic outlook for Oman and the UAE predicted to be strong, forecasts appear to provide a robust foundation for QIC to continue on its current growth path, reinforcing its position as a market leader in the insurance sector.

PERFORMANCE RESULTS

We returned to profitability and performed strongly across our various business metrics. We also saw the highly effective execution of our broader business

strategy. We have been able to navigate a difficult economic landscape resulting in our strengthened position as a market leader in Qatar and the wider MENA region.

With the global insurance industry in 2023 largely recovering from economic headwinds of the previous year, the performance results of QIC's underwriting operations thrived, driving us back into profitability. The Group's gross written premiums for the year amounted to QAR 8.5 billion. Currently 32% of the Group's gross written premiums emanate from personal lines insurance written in the Middle East, UK, and Continental Europe. QIC's leadership in personal lines insurance is strong and the business continues to grow from strength-to-strength.

QIC's performance results reinforce the excellence of our domestic franchise, which remains the flagship enterprise of our group. Our operations in Qatar and the MENA area demonstrate our outperformance at the top of our industry, cementing our position as a market leader in Doha. Domestic and MENA Gross written premiums grew from QAR 2.8 billion to QAR 3.6 billion, continuing to drive underwriting profitability. As well as the company's strong domestic performance, all international operations performed well during the year, with healthy combined ratios.

QIC grew significantly throughout the year. Our successful merger with Vision Insurance has expanded our presence in Oman. Combined with strong performance in 2023, this expansion across domestic and regional segments has poised us for more success in 2024. Alongside strong performance indicators, our decision to be the first insurance group in the region to successfully implement IFRS 17 accounting standards, will ensure we continue to implement best-in-class accounting practices.

REGIONAL GROWTH

QIC has solidified its presence as a market leader in Oman, where we experienced double-digit growth in 2023. Similarly, QIC experienced substantial growth in the UAE, with AED 1.3 billion having been written throughout the year. QIC's business strategy is to further expand its operations in the Gulf Cooperation Council (GCC) in the direct insurance. Regional growth and consolidation is a central part of our outlook in the coming months and years.

Building on the major growth of the company's UAE and Oman operations in 2023, we are confident we can continue to improve and strengthen our enterprise in the region.

INVESTMENT PERFORMANCE

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 extends the services to third party institutional clients. 2023 saw the firm reinforce its position as the MENA region's leading investment house. Despite allocations to fixed income during a year of persistent rate hikes, our highly competent investment experts enabled us to withstand challenging financial conditions. QIC's own portfolio outperformed, successfully producing net revenue of QAR 922 million for 2023. The return on investment came in at 5.2% compared to 4.8% last year.

Regarding international operations, Antares Managing Agency Ltd ("Antares"), the Lloyd's specialist insurance and reinsurance subsidiary of QIC, continues to be the major engine for performance and growth.

COST EFFECTIVE DECISION-MAKING

Ensuring we stay in control of our costs, to maximise efficiency and value for both our policyholders and shareholders, is central to our planning processes as we look to sustain future growth. Through strategic decision-making, our cost ratio over the past several years has been reduced.

Moving on from 2023, the emphasis for QIC's strategic plan is to continue to expand, prioritising business lines with steady revenue-generating features and reducing our reliance on areas more susceptible to volatility. We will also continue to invest in our digital capabilities, to facilitate expansion whilst minimising costs long-term.

DIGITALIZATION AND INNOVATION

As referred to throughout our Annual Report, QIC is committed to continuously innovating its digital capabilities. In time, this will lead to the further advancement of QIC as a group, whilst also encouraging the digital transformation of the insurance industry as a whole. We continue to invest heavily in digitizing our operations while catalysing change across the industry in MENA and beyond. As a result, QIC has been recognised by our industry with a multitude of prestigious accolades, for our work in innovating and integrating the latest advancements for insurance in the digital space.

We have been awarded, "Best Digital Insurance Company in Qatar", "Best Insurance Website in The Middle East", and "Best Insurance Website in Qatar" at the 2023 Global Brand Awards. QIC was also recognized as "Motor Insurer

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% by 2030





of the Year" at the InsureTek Golden Shield Excellence Awards 2023. Despite recent economic headwinds, QIC's efforts in the digital sphere continue at pace.

As the year progressed, qic.online rolled out new insurance offerings as needs arose: In February 2023, a new regulation was introduced mandating that all travellers to Qatar must have health insurance. In the same month qic.online offered its international customers a fully digital insurance 'Mandatory Visitors' Health Insurance solution that can be purchased from anywhere in the world in less than two minutes without the need to submit documents. Visitors can rely on solid financial protection in case of emergency medical treatments in Qatar.

QIC is committed to strengthening our services to insurers and investing in technology and we are leveraging our assets to create a digital shift within the MENA region. Digital solutions are proving to be a key driver of efficiency and quality, fully aligned with our customer-first approach. QIC Digital Venture Partners Unit (QIC DVP), the Group's most recent endeavour aims to reshape the digital insurance landscape by building new digital ventures, leveraging existing assets, partnering with Big Tech and strategically investing in early-stage startups while fostering innovation through the MENA region. In 2023, QIC DVP held the second edition of the MENA Insurtech Summit which brought together 88 C-level insurers, startup founders, investors, and other key figures in the industry to foster learning and explore new partnerships with a focus on sharing insights on the latest industry trends, innovation, investment, and digital transformation.

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.

ESG AND SUSTAINABILITY

In support of the Qatar National Vision 2030, QIC is committed to Environmental, Social and Governance (ESG) tenets, including the development of society and the protection of our environment. We integrate sustainability into our strategic business thinking and are fully committed to ensuring we de-risk ESG from all our business lines. These principles are integral to QIC's ethos and remain embedded in our business plan.

QIC's Board and ESG and Sustainability Committee are fully-focussed on realising our company's sustainability objectives. As such, we reiterate our support for the Paris Agreement, committing to reduce the country's gas emissions by 25% by 2030. Additionally, QIC became the first insurer in the MENA region to sign the United Nations Environment Programme Finance Initiative-Principles for Sustainable Insurance (UNEP-Fi PSI) making it the first insurer in the Middle East to sign the global agreement. The PSI initiative is the largest collaborative agreement between the UN and the insurance industry.

Our leadership team is responsible for mitigating our current ESG risk and eliminating those on the horizon. By neutralising the ESG risk in our operations, we can provide better value for our customers and contribute towards the building of a better society for all.

TALENT ACQUISITION AND QATARIZATION

QIC Group is committed to finding talent for the roles that are critical to QIC's business success. It is through the strength and talent of our people that we are able to perform so strongly on such a consistent basis. Qatar Vision 2030 seeks to provide Qataris with meaningful employment. The company continued its commitment to identify, recruit, develop, and retain exceptional Qatari talent, fully in line with Qatar National Vision 2030. In particular, we are focused on empowering the younger generation, supporting them to become the future leaders across the sectors Qatar depends on.

Programmes such as the 'Kawader Malia', which help young Qataris to thrive in the workforce, in addition to internships and frequent training courses, continue to develop the talent QIC and Qatar needs.

The totality of unique perspectives of a diverse work force is essential to driving innovation forward for both QIC Group and Qatar. We will continue to foster a diverse workplace that we know is vital for product development, diversification, strategic thinking, and problem-solving.

LOOKING FORWARD

Looking ahead to 2024, we see many reasons to be very positive about the future of QIC. Our broad geographical coverage, bolstered by our outstanding domestic franchise, continues to grow from strength-tostrength. Despite geopolitical, economic and industry headwinds, our firm remains nimble enough and well-capitalised to respond effectively across market scenarios. Performance is strong, and enhanced by capable investment management, we have returned to profitability. We continue to invest in our digital capabilities and reduce ESG risks of the QIC Group.

None of this would be possible without the commitment, hard-work and excellence of our dedicated teams. I would like to express our gratitude to the Group's management and to all our employees, without whom we would not be able to deliver our highly successful enterprise. I would also like to express my gratitude to our shareholders, whose belief in our business continues to drive our success.

I trust we can now build on the momentum we have generated, to shore up our market position, further improve performance, and confidently implement our ambitious plans for the years ahead. Navigating an ever-evolving landscape while ensuring relevance and profitability and meeting the diverse demands of customers will remain paramount.



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QIC GROUP MANAGEMENT



Salem Al Mannai

QIC Group CEO



Chirag Doshi

Group Chief Investment Officer



Varghese David

Group Chief Financial Officer



Ahmed El Tabbakh

Deputy CEO - International



C. M. Unnikrishnan

Deputy CEO - MENA Operations



Sultan Ghani

Advisor to Group CEO



Rashid Al Buainain

Group Chief Administrative Officer



Ahmed Al Jarboey





Saji Philipose

Group Chief Audit Executive



Lars Gehrmann

Group Chief Digital Officer



Mark Graham

Group Chief Risk Officer



Claude Perret

Group Chief Actuary

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.



Hassan Al-Lawati

QIC Oman



QIC Kuwait



Mark Graham

Antares at Lloyd's



Dimitris Papachristou

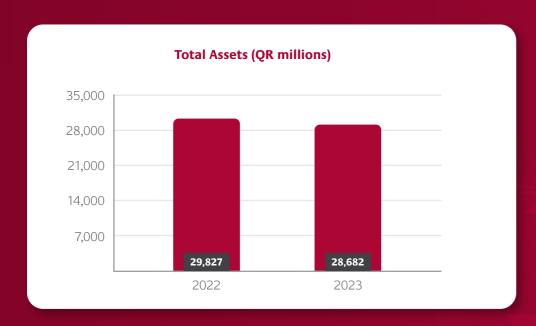
Gibraltar Based Companies

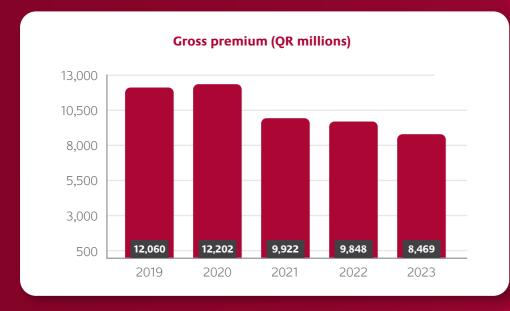


Ilango Thiyagarajan

QIC UAE

Business Performance



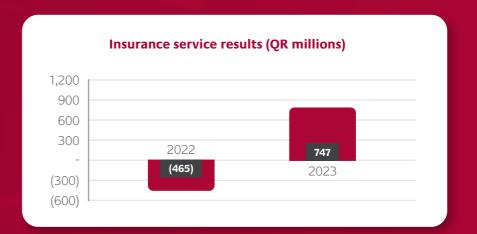


QIC Key Information

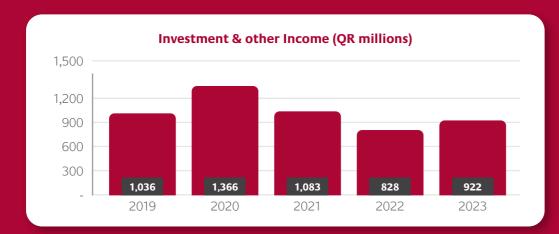
QR million	2023	2022	2021	2020	2019
Gross premiums written	8,469	9,848	9,922	12,202	12,060
Insurance service result / Underwriting results	747	(465)	643	(595)	282
Net profit attributable to parent	601	(1,199)	616	101	651
Investment & other Income	922	828	1,083	1,366	1,036
Cash and Investments	19,827	20,303	26,514	25,680	25,079
Total Assets	28,682	29,827	43,682	42,741	39,415
Equity attributable to parent	6,100	5,505	8,419	8,206	8,453

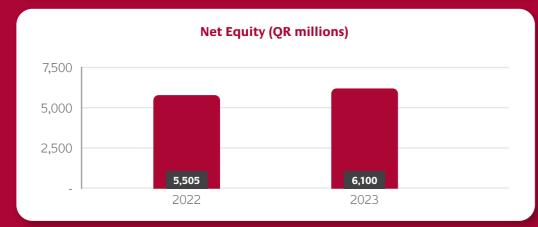
Our Shares	2023	2022	2021	2020	2019
Earnings per share (QR)	0.133	(0.410)	0.143	(0.004)	0.174
QIC market capitalisation (QR Millions)	8,459	6,281	8,982	7,715	10,321
Dividend per share (QR)	0.10	-	0.10	-	0.15
Share price at 31 December (QR)	2.59	1.92	2.75	2.36	3.16
Book value per share (QR)	1.91	1.71	2.58	2.51	2.59

^{* 2022 &}amp; 2023 figures are as per IFRS 17 standard which was effective from 1-Jan-2023.



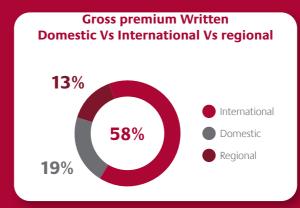


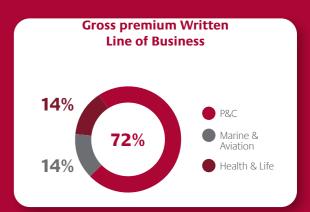












Ratio Analysis	2023	2022	2021	2020	2019
Retention Ratio (%)	81%	79%	78%	67%	86%
Net technical reserves/net premium written (%)	130%	122%	185%	193%	139%

Capital Structure %	2023	2022	2021
Invested assets to net technical reserves	198%	181%	183%
Cash and bank deposits to net technical reserves	61%	68%	79%

Capital Structure (QR millions)	2021	2022*	2023*
Share capital	3,266	3,266	3,266
Share Premium	2,759	2,759	2,759
Legal reserve	635	635	636
General reserve	287	287	287
Fair value (loss) reserve	190	(646)	(315)
Catastrophe special reserve	32	32	32
Other components of equity	37	(24)	55
Insurance finance reserve		744	534
Retained earnings	1,213	(1,512)	(1,120)
Reserves of disposal group held for sale	-	(37)	(34)
Equity attributable to parent	8,419	5,505	6,100
Non-controlling interest	99	88	146
Subordinated Perpetual Debt	2,697	2,521	2,521
Total equity	11,215	8,114	8,767

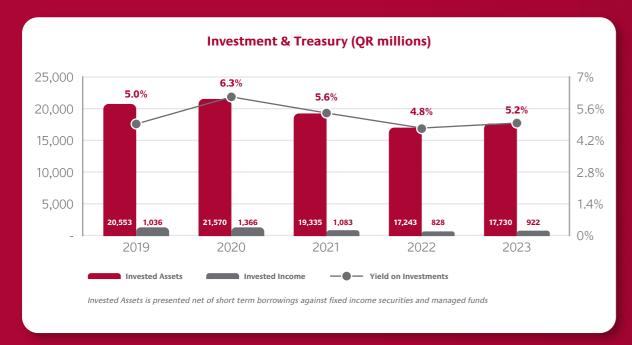
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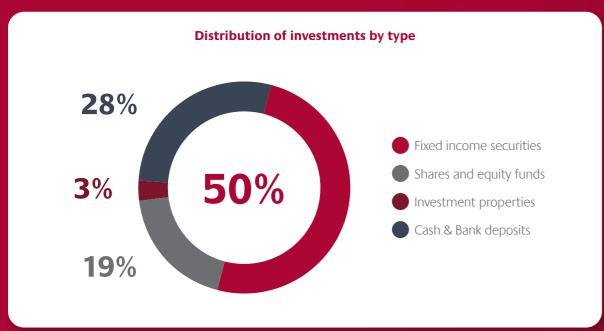
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INVESTMENTS

All figures in QR millions

	2019	2020	2021	2022	2023
Invested Assets	20,553	21,570	19,335	17,243	17,730
Investment income	1,036	1,366	1,083	828	922
Yield on investments	5.0%	6.3%	5.6%	4.8%	5.2%





Investment results

QR millions	2023	2022	2021	2020	2019
Interest income	579	433	381	532	531
Dividends	43	64	35	51	65
Profit on sale of investments	110	217	556	556	209
Rental income	46	32	33	42	47
Advisory fee income	29	35	22	11	17
Gain on sale of investment properties	-	-	-	150	176
Others	115	47	56	24	(9)
Total	922	828	1,083	1,366	1,036



2023

QIC won three prestigious awards at the Global Brands Awards 2023, including for; best digital insurance company in Qatar, best website in Qatar and best website in the MENA region.

QIC held the second edition of the MENA Insurtech Summit, bringing together expert speakers from across the insurance, technology and financial services sectors, to discuss industry trends and relevant topics.

Anoud Tech is the Fastest growing integrated insurtech platform GCC 2023 at the Annual International Finance Awards 2023.

> Anoud Tech, a wholly-owned subsidiary of QIC Group, won Insurtech of the Year at the Middle East insurance Industry Awards 2023.

> > QIC Group was named Insurer of the year in Qatar, for the second consecutive year, at the MENA IR awards 2023. The award recognised QIC's exceptional approach to product digitisation and customer service.

QIC became the first insurer in the MENA region to sign the United Nations Environment Programme Finance Initiative-Principles for Sustainable Insurance (UNEP-Fi PSI).

OIC appointed Abdallah Abdulatif Al-Ahmad as CEO of its subsidiary company, Kuwait Qatar Insurance Company (KQIC).

GIC Sustainability Report

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1. Introduction

Climate change, deforestation, depletion of freshwater resources, and other changes to the environment are endangering the lives and wellbeing 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. 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.

Qatar Insurance Company QPSC (QIC), a market leading insurance group in the MENA region, has adopted a formal ESG framework with the objective of being at the forefront of the insurance industry to facilitate a sustainable environment. Salem Al-Mannai, QIC Group CEO noted: "ESG is no longer an option and to ensure sustainable growth, we have decided to embed it into our business strategy." Consequently, QIC is committed to integrating ESG risks into all areas of its business, including underwriting, operations, and investment. 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 executed several ESG-related initiatives in 2022 and 2023 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 2023 and complements the QIC Corporate Governance Report 2023.

5.0

QIC 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 2023 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 in the last few years fell across the development spectrum including Atlantic hurricanes Harvey, Irma, Maria 2017, California wildfires 2017-18 and Australia bushfires 2019-20, floods in Pakistan 2022, Germany, and Belgium 2021, and European heatwaves 2022.

The economic losses from natural catastrophes in 2023 were estimated to be \$380 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.\(^1\) A major gap in protection exists across the world against natural and climate change-induced catastrophes (at 69% in 2023).

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

World-wide natural disasters resulted in insured losses of \$118 billion in 2023 and the 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:

Premiums from natural catastrophe-exposed risks contribute an insignificant share in the total net premium underwritten by QIC Group. 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: In FY 2023, 63% of QIC's gross premiums were generated outside the MENA region and which were underpinned by risks in Europe and the Americas. The balance 37% of QIC's gross premiums, which was generated in the MENA region, is well diversified portfolio across different industry sectors and does not pose major risks in the short term from policy and regulatory perspectives.

needed insurance products, as prices for insurance have risen due to the protection gap in the market and as a result of the climate change related risk factors. QIC may increase its exposure to Nat Cat risks only under the circumstances that premiums, coverage terms, and other important parameters meet QIC's risk appetite and have the ability to generate sustainable profitability. **Technology Risk:** QIC is an insurance industry leader in digitally transforming its operations. The company is keeping abreast of the rapid changes in technology that can impact its products, operations, and IT systems, and which could allow it to become a more efficient and sustainable business. Given its business model, does not need to make capital investment in plants and machineries and therefore there is no technology risks related to write-offs or obsolescence. However, QIC needs to ensure that its IT applications evolve continually to address the changing needs of the marketplace.

Market Risk: QIC was impacted by elevated levels of natural catastrophes (Nat Cat) claim payments from 2017 to 2022.

However, QIC has moderated its exposure to natural catastrophe risks and does not foresee major Nat Cat losses 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

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 reputational risk.

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

QIC's exposure to energy risks represents only 8% of its overall insurance portfolio on a gross premium basis while the energy exposure stands at just 4% on a net premium basis, as the Group reinsures a large proportion of its energy portfolio, to deemphasize 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 insureds in terms of the technology used before accepting any such risks in the energy space, particularly those that aid the reduction of the carbon footprint and the impact of pollution like the ones that are used to reduce fugitive and unnecessary emissions, and improve leak detection, carbon capture and other 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 managing 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 across a range of return periods, (for example including those at the 25, 100, and 250 year return periods). 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 as well as 2023 and are well within the reduced risk tolerance limit.

Climate Change-related Scenario:

The extreme natural catastrophes induced by climate change have also been assessed and analyzed to stress-test the vulnerability of QIC's underwriting book to climate change. The inherent risk of climate change exists in varying proportions in most of the insurance products of QIC, however, certain QIC businesses write property excess of loss insurance cover which has the potential to be materially impacted by losses arising from natural catastrophes. Hence, a detailed climate change assessment has been conducted in QIC's Antares Global operations, which includes those entities with the greatest natural catastrophe exposure. Analysis includes an assessment of the potential magnitude of financial loss entailed by the impacts of extreme climate change-induced events. A number of climate perils have been assessed, to consider the increased frequency and intensity due to climate change. These events have been simulated at an extreme level, and informed by a range of scenarios utilized in the industry to determine the potential financial impact on the modelled losses.

^{1.} Source: AON – 2023 Weather, Climate and Catastrophe Insight

^{2.} Source: Swiss Re Institute – Global Insured Losses since 1970

Scenarios considered include:

- a. Hurricane / Windstorms: An increase in the frequency and wind speed increase in hurricanes.
- b. Sea level rise: consequences from a rise in sea levels
- c. Tropical cyclone-induced Flooding: Increase in losses arising from flooding from tropical cyclones.
- d. Wildfire: Increase in the frequency of wildfire events

These scenarios are dependent on a number of assumptions, and these climate scenarios have been assessed individually as well as on a combined basis. The impact of financial loss has been assessed on both a gross and net of reinsurance basis.

The scenario impact has been evaluated across a range of return periods (from return periods of 2 years to 10,000 years) as well as the mean aggregate value at risk. Hurricane frequency is more impactful to gross model output for Property XL than other scenarios (hurricane intensity, tropical cyclone, sea level rise or wildfire). There is a broad pattern of lower return periods seeing the greatest increase with one in 10 years being the most impacted return period on a gross basis.

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 and 2023 has reduced materially. The average net claims payment from North Atlantic and North American windstorms has also fallen significantly in 2023 as well as 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 and Treasury

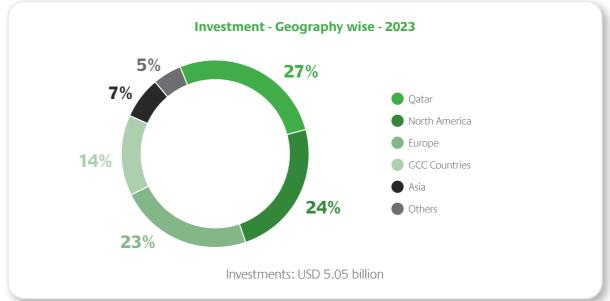
QIC's investment portfolio is a key element driving the Group's financial performance. The cash flows generated from insurance operations are invested to earn industry-leading returns while maintaining the liquidity requirements to meet insurance liabilities on a timely basis.

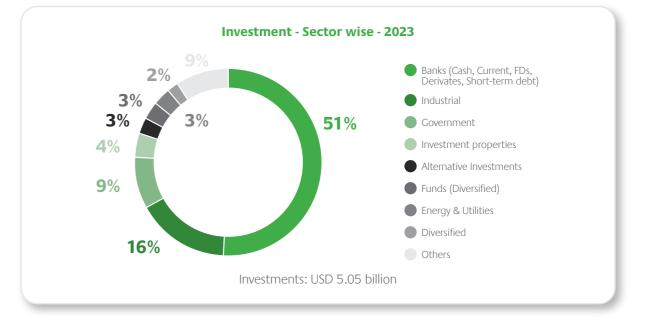
QIC has been awarded the Top Investment House in the MENA on four occasions, which reflects its industry-leading investment management capabilities. The key investment objectives of QIC are ensuring preservation of capital and policyholders' funds and achieving appropriate returns relative to the risks 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 multiple asset classes, including fixed income bonds, cash and deposits, equities, and alternative investments spanning six continents. QIC strategically allocates its investments to countries, that have high sovereign credit ratings and possess political and economic stability. These countries typically boast credit ratings ranging from 'A' to 'AAA', indicative of their robust economic foundations. 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.

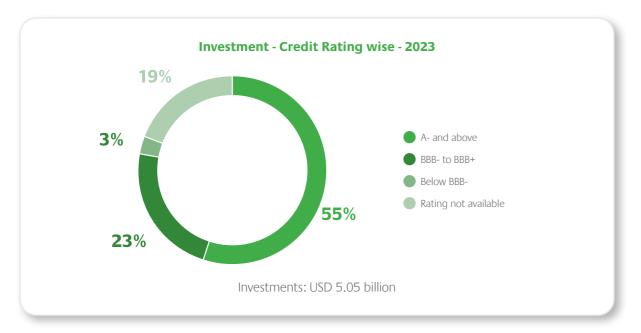
78% of the investments carry high-quality credit ratings and are of investment-grades, 19% of the investments do not have credit ratings available, and only 3% of the investments are of non-investment grades, and QIC is confident of the quality of the risk.







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For several years, QIC has been making consistent progress in integrating ESG considerations into its investment decisionmaking for many years. The outcome of this is evident in the ESG ratings of OIC's investment portfolio, OIC developed policies and frameworks for ESG and partnered with subject matter experts to facilitate the achievement of its ESG targets.

QIC signed up and continues to support the United Nations Environment Programme-Finance Initiative's Principles for Sustainable Insurance (UNEP-FI PSI).

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 working on its targets to fully exclude and divest from polluting and ESG risk-prone businesses. The ESG mandate of QIC applies to all the asset classes including fixed income, cash and deposits, equity, real estate, private equity funds, and alternative investments. Only 16% of the overall investment book did not contain any type of ESG ratings, scores, mainly because the segment represents private equity investments mainly in alternative investments, unlisted equity etc.

QIC has continually monitored 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. 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 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\$ 773 million and the portfolio has MSCI ESG Rating "A", 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\$ 374 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	ВВ	В	ссс	Not Rated
Fund	3%	35%	38%	17%	5%	1%	2%	0%
Benchmark	7%	31%	30%	19%	9%	3%	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 emphasizes 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.

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4.1 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 as well as at the Board level.

QIC puts the new joiners through six months of intensive 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 based on skill sets and expertise that are assessed as important for the Company, and accordingly, trainings are conducted in various forms including classroom training, face-to-face, and 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. QIC conducts training on team building, executive development, 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 MENA region, QIC conducted a total of 5,469 training hours in the financial year 2023. Similarly, In international operations, more extensive training programmes were conducted at different levels.

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	16
Underwriting qualifications	29
Other professional qualifications	14

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.

In Qatar, QIC has partnered 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 two 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. The programmes during 2023 focused on areas leading change, leading others, leading self, presenting with impact and assertiveness and relationship building, and others.

4.4 Graduate and traineeship programmes within OIC

QIC participates 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-thejob 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 identification of young talent and their constant development, nurturing, and internal promotions remains the long-standing policy of QIC to place employees in respective positions in due course of their career with QIC.

From Senior Executive Management to introductory support staff level, OIC 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. QIC, in its international operations, broadly identifies and nurtures successors with a 3 and 5-year time horizon.

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. The 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 including non-officer and non-sales staff. Since it's mainly performance driven it varies based 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. In QIC's international operations, the benchmark for the employee satisfaction score has been defined, achieved, and improved consistently over the years. As an outcome of the survey, the areas of action-taking, collaboration, and accountability have been identified to focus on and make further improvements thereon.

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.; all employees are provided these non-salary benefits, few may differ based on the business requirements 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 has a policy in place which prevents any forms of discrimination and during 2023 no incidents of discrimination have been lodged in QIC. During 2023, QIC, in its international operations, conducted training on Diversity and Equality as part of its annual training plan.

4.10 Human Capital-related disclosures for the FY 2023:

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	0.98%	0.00%	0	0.98%
Senior Management	24.58%	13.57%	0	38.15%
Other Employees	41.79%	19.08%	0	60.87%
Total Employees	67.35%	32.65%	0	100.00%

2. Diversity by generations in the different hierarchy levels

Employee level (Count)	Under 30 years	30-50 years	Above 50 years	Total
C-Suite	0.00%	0.49%	0.49%	0.98%
Senior Management	9.44%	20.55%	8.16%	38.15%
Other Employees	9.44%	45.23%	6.19%	60.87%
Total Employees	18.88%	66.27%	14.85%	100.00%

3. Diversity by gender in the different employment contract

Employee Type (Count)	Male	Female	Others	Total
Permanent	47.30%	19.37%	0	66.67%
Fixed Term Contracts	20.06%	13.27%	0	33.33%
Total Employees	67.35%	32.65%	0	100.00%

4. Diversity by generation in the different employment contract

Employee Type (Count)	Under 30 years	30-50 years	Above 50 years	Total
Permanent	11%	48%	8%	67%
Fixed Term Contracts	8%	18%	7%	33%
Total Employees	19%	66%	15%	100%

5. Diversity by Gender Pay Ratio

•	•	•	
Gender Pay	Ratio		1.35 : 1

5.8 59

6.0

6. Diversity by Nationality

QIC has a diverse workforce consisting of 65 nationalities from 6 continents.

7. Employee Retention by Gender

1 / /				
New hires / left (Count)	Male	Female	Others	Total
New Hires	9.34%	6.29%	0	15.63%
Employees left	10.23%	5.31%	0	15.54%
Employees left (Voluntary)	8.65%	4.62%	0	13.27%
Employees left (Mandated)	1.57%	0.69%	0	2.26%
Employee Retention Rate	84%	81%		83%

8. Average years of service by Gender

Average service years	Male	Female	Total
No of years	7.24 years	5.17 years	6.56 years

9. Employees entitled to regular performance appraisal by Gender

Regular Performance Appraisal (Count)	Male	Female	Others	Total
Permanent	47%	19%	0	67%
Temporary	20%	13%	0	33%
Total	67%	33%	0	100%

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. QIC has officially committed with the **Ministry of Environment and Climate Change, Qatar** to support plantation of **one million trees**. The carbon emissions related to QIC operations³ are tabulated as below.

#No	GHG Emission Calculation⁴	Measurement Units	Quantity
1	Electricity consumption	Kilowatt-hours (kWh)	4,623,941
2	GHG emissions from electricity consumption	Metric tonnes of carbon dioxide (tCO2)	2,117
3	Heat (Steam) consumption	Megajoules (MJ)	118,490
4	GHG emission from Heat (Steam) consumption	Metric tonnes of carbon dioxide (tCO2)	8
5	Paper consumption	Metric tonnes (t)	13.53
6	Clean water usage	kilolitres (kL)	10,437
7	Wastewater discharge	kilolitres (kL)	10,437
8	Water reclaimed	kilolitres (kL)	0
9	Total solid waste generation	tonnes (t)	37.32
10	Recycled waste	tonnes (t)	5.54
11	Total waste disposed	tonnes (t)	37.32
12	GHG emissions from fuel consumption by company fleets	Metric tonnes of carbon dioxide (tCO2)	122
13	Business Trips (air, rail, road)	Metric tonnes of carbon dioxide (tCO2)	597

#	Particulars	Activities Included	Measurement Units	Quantity
1	Scope 1 GHG emission	Fuel consumption by company owned/ operated car	Total carbon dioxide (tCO2)	122
2	Scope 2 GHG emission	Electricity and Heat Consumption	Total carbon dioxide (tCO2)	2,125
3	Scope 3 GHG emission	Business Travel ⁵	Total carbon dioxide (tCO2)	597

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 "OIC Corporate Governance Report 2023" 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

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.

QIC has a Group Internal Audit division which comprises full staff with extensive audit experience. The scope of Group Internal Audit is not limited to the OIC's financial matters, but encompasses the gamut of operations including underwriting, claims, investments, technology, finance, human resources, compliance, legal, risk, governance, and other functions. The audits are conducted in accordance with 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

^{4.} For GHG calculation, GHG Protocol Calculator, Government published data, other global organization data sources, and QIC calculations have been utilized.

^{5.} Scope 3 only considers QIC's operational activities. The GHG impact from the Underwriting and Investment Portfolio are not included. Daily Commuting of

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 10.61% of the paid-up share capital of the Company, the Military Pension Fund owns 3.97% 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 19.96% 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, QIC Group Strategy, Governance, & Implementation Committee, at Senior Executive Management level, reviews and Group IT and cyber security vision and objectives, and reviews security requirements and certifications, related audits and ensure issues are addressed. In case of any major breach, security incident, or any other major developments, the Group CEO and the Board of Directors (if required) 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 more than 90% 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 Biq 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, in line with applicable laws and regulations.

QIC collects data from customers only after their due consent obtained through proposal forms or lead form, or from the regulated insurance entities like insurance brokers, reinsurance brokers, insurance companies, and reinsurance companies only after due customer consents or agreements in place, as required and in compliance with the applicable laws and regulations. QIC does not collect any customer related data from the unregulated third parties in the open market or outside its regulated insurance business.

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.

The GDPR Regulations apply to the international operations of QIC which comprises of 65-70% of the overall business, and the projects are underway to comply with the GDPR Regulations at the Group level including MENA region.

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 its end-to-end integrated IT suite, Anoud+, Anoud Tech, QIC's IT services subsidiary, was given the Middle East InsurTech of the Year award in 2023 by Middle East Insruance Review magazine. Anoud Tech has been selected by leading insurance companies in the Americas, Europe, and the MENA region to carry out digital transformations projects.

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.



Corporate Social Responsibility

QATAR

INITIATIVES

Doha Marathon by Ooredoo 2023

QIC sponsored the Doha Marathon by Ooredoo 2023. QIC continues to support events that highlight Qatar's prominent role in the world of sports. Marathons in particular are a way for large groups of people to come together and push themselves to surpass their expectations and reach new heights.

National Sports Day

QIC organized a public event for National sports day which took place at the Katara Cultural Village and featured a variety of sports-based family activities. QIC staff, their families and the general public were all involved for a day of friendly competition, sporting activity and community bonding. QIC recognises the importance of family, friendship, and healthy activity. QIC is proud to be able to help facilitate a friendly environment, where people of all ages can come together, to enhance their communities and personal wellbeing.



Katara International Arabian Horse Festival 2023

OIC was once again the platinum sponsor of the Katara International Arabian Horse Festival 2023. The festival was organised by the Cultural Village Foundation (Katara) in partnership with the Oatar Equestrian Federation and Oatar Racing & Equestrian Club. QIC is committed to supporting events that showcase Qatar's culture, helping to generate interest and understanding of our customs and proud traditions, which make us who we are.

Football Tournament

QIC sponsored the 'Goals4Good' football tournament in Doha, organised by the Education Above All (EAA) Foundation, in support of vulnerable and marginalised children around the world. Thirty-five schools from across Qatar participated in the tournament that took place at Doha College.

Samla Race 2023 Awards

QIC was awarded for its role in sponsoring the fifth edition of the Samla Race, a gruelling endurance race which takes place across 200km. The awards ceremony was held to recognise the sponsors and organisers of the event and to award the event's champions. Supporting a thriving national sporting landscape is one of QIC's chief corporate social responsibility priorities, The race reflects Qatari youths' ability to push beyond their physical and mental limits in order to reach their goals.

Kawader Malia

Qatar Insurance Group (QIC) was recognised at the "kawader Malia" graduation ceremony, for its support towards developing young Qataris to thrive in the workforce. Through the kawader Malia programme, QIC is committed to shaping the country's workforce and preparing the next generation to become future leaders.

Summer Internship Programme

Students from a range of backgrounds and educational institutions took part in QIC's paid summer internship programme. The internship scheme allows young people to learn more about the working world, helping them to decide which direction they would like to take their career in, whilst gaining invaluable personal and professional experience.

Official sponsor of S'hail 2023

QIC was the official insurance sponsor of the 7th edition of S'hail 2023 - Katara International Hunting & Falcons Exhibition. The event is organised to help preserve the sports of hunting and falconry, raising awareness to an international audience.

Travel Mart 2023

QIC sponsored the Qatar Travel Mart (QTM) 2023. The event was an opportunity to showcase QIC's latest travel-insurance products to a wide audience, whilst promoting tourism. The event was held at the Doha Exhibition and Convention Center in November 2023.

Blood Donation Drive

QIC organised a blood donation drive at its HQ in West Bay, Doha. The blood donation drive took place in partnership with Hammad Medical Corporation's (HMC) blood donation centre, helping to keep hospitals equipped with the supplies they need to perform vital blood transfusion operations. This is QIC's sixth blood drive.



OMAN INITIATIVES

Support to a Omani Charitable Organisation

QIC Oman has set aside 20% of its CSR budget in support of the Oman Charitable Organization, as mandated by the Ministry of Commerce, Industry and Investment Promotion. The funds are utilised to assist individuals affected by natural catastrophes.

Ramadan Food Basket with Al Rahma Association

In collaboration with Al Rahma Association, QIC orchestrated the provision of essential food items and groceries to more than 100 underprivileged families during the holy month of Ramadan.

Providing Cooking Equipment with the Al Rahma Association

OQIC extended support to underprivileged families by providing cooking gas cylinders for the whole year and replacing outdated electronic equipment through collaboration with Al Rahma Association.

Support for People with Hearing **Impairments**

Sponsored training programmes for families to learn sign language, and to be provided with hearing devices too. These training programmes will be used to give people the skills they need to develop effective communication skills, especially between parents and their children.

Sponsorship of International Sickle Cell Day Event

Oman Hereditary Blood Disorder Association Actively sponsored an awareness-raising event organised by the Oman Hereditary Blood Disorder Association. The event aimed to shed light on sickle cell disease, promote premarital screening, and encourage blood donation.

Activities with Committee of Zakah of the Muttrah

Contributed to providing daily meals for 560 underprivileged students in 17 schools. Contributed to a self-employment training program designed to empower job seekers from underprivileged families.

Contribution to Environment Society of Oman (ESO)

Supported ESO's environmental conservation and awareness efforts through participation in lectures, events and cleanup campaigns at Al Hail beach.

Sponsorship of Swimming Activity for People with Down Syndrome

Oman Down Syndrome Association Sponsored a swimming activity under the auspices of the Oman Down Syndrome Association. This initiative came to bring joy to individuals with Down Syndrome, recognizing them as an integral part of our society.

Contribution to Arab Rehabilitation Center

Under the supervision of the Ministry of Social Development Supported rehabilitation services for children with autism spectrum disorder. Rehabilitation will focus on offering services such as Special Education. Occupational Therapy, Physiotherapy, Speech Therapy, Psychological Counselling and Behavioral Modification.

Sponsorship of OCA's 19th Annual Walkathon

Via the Oman Cancer Association, QIC contributed to the Oman Cancer Association's Walkathon, reinforcing QIC's commitment to raising cancer awareness and supporting effective patient programmes.

GLOBAL INITIATIVES



Crisis

Donation of unwanted gifts after the festive season to help those in need in the local community. City Harvest Donation of non-perishable food items to City Harvest London, rescuing food, people and the planet.

Future Makers by Standard Chartered

Participated in the Standard Chartered Great City Race 2023 for London's premier corporate 5k running Challenge.

Stephen Hawking School

Donated toys and sensory items to Stephen Hawking School

Lord Mayors Appeal

Green Ribbon Campaign & City Giving Day Treasure Hunt. Providing support to individuals suffering from mental illness and participating in the City Giving Day Treasure Hunt

The Royal British Legion Annual Poppy Appeal

Providing support to serving and ex-serving military personnel.

Spitalfields Farm

Team volunteer days at Spitalfields City Farm. Providing a safe space that empowers people to make positive change to their lives, the local community, and the planet.

Wrap Up London

Donation of coats to Wrap Up London to support the collection of pre-loved warm coats to be shared directly with frontline charities supporting people through cold conditions during winter.

Great Ormond Street Hospital Children's Charity

Collection and donation of toys for Christmas

NSPCC Hygiene Item Collection and Packaging

Collection of hygiene items and volunteering to package them for domestic abuse

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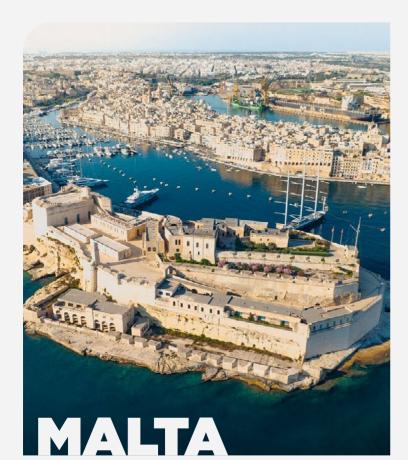
Schweizer Tafel

Donated 40 Lindt chocolate easter boxes to support the collection of surplus flawless food from wholesalers, producers and retailers and distributes free of charge to social institutions taking care of people affected by poverty.



GibSams

Operates a confidential freephone helpline and chat service to support anyone experiencing emotional distress to reduce the number of suicides in Gibraltar.



St.Helen of Anjou (SECC)

Voluntary organisation bridging two cultures (Serbia and Malta) by promoting Serbian cultural heritage.

Noahs Ark Dog Sanctuary

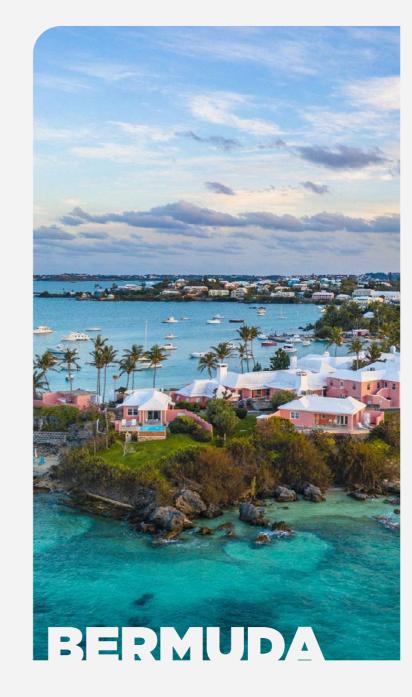
Rescuing innumerable abandoned dogs offering them comfort and medical care with many moving to homes locally and

Dr Klown

Dr Klown is a non-governmental organisation dedicated to providing clown doctor services at Mater Dei Hospital (Malta)

Hospice Malta

Providing and promoting highest standards of palliative care whilst helping and supporting families.



Planet Math

Volunteered for Planet Math to help make maths fun for children in the local community.

Support Public Schools

Bermuda Donation of stationery supplies to SPS to help equip Bermuda's public schools with the resources they need for a better-quality education.

Bermuda Lawn Tennis Association

Implement a responsible tennis methodology that supports programs and development from grassroots through to the professional level.

Bermuda Zoological Society

Support and inspire appreciation and care of island environments. We fulfil our mission through our animal habitat exhibits, which focus on species from oceanic islands, as well as related environmental education, conservation projects and research programmes.

Anonymous Santa

Gift giving to Anonymous Santa by Bermuda employees in December.

QATAR INSURANCE GROUP ANNUAL REPORT 2023

Key Facts

Figures

SOLID FOUNDATION

Steadily evolved from a domestic player to a regional player with a global presence

STRONG FINANCIALS

- Insurance Revenue: QAR 6.3 billion
- Total Assets: **QAR 28 billion**
- Total Equity: **QAR 8.8 billion**
- Market Capitalization: **QAR 8 billion**

EIGHT PILLAR STRATEGY

- Direct insurance
- Lloyd's insurance
- Reinsurance
- Asset Management
- Life and Medical
- IT Solutions
- Corporate Ventures
- Real Estate

STABLE SOURCES OF INCOME

- Consistent underwriting performace over 58 years
- Outstanding investment contribution

R INSURANCE GROUP ANNUAL REPORT 2



GCC: Staying optimistic despite global uncertainties

GCC equity markets underperformed their global peers during 2023 as compared to the developed and emerging markets. The S&P GCC Composite index was up 6.2 per cent versus the MSCI World index which was up 21.8% and the MSCI EM index which was up 7.0 per cent.

S&P GCC index performance was led by Dubai (up 21.7 per cent), Saudi Arabia (up by 14.2 per cent), Bahrain (up 4.0 per cent) and Qatar (up 1.4 per cent). Meanwhile, Oman, Kuwait, and Abu Dhabi fell 7.1 per cent, 6.5 per cent and 6.2 per cent respectively. Brent crude oil declined 10.3 per cent and closed the year at US\$77 on the back of geopolitical turmoil and concerns about the oil output levels of major producers around the world.

QIC shares were up 34.7 per cent, significantly outperforming the QE index, which was up 1.4 per cent during the year. The QE Insurance index was up 20.4 per cent in 2023. Qatar markets were rangebound for the year.

Qatar's 2024 budget forecasts total revenue of US\$55.5 bn and spending at US\$55.2 bn. There is continued focus on development of human capital with health and education sectors equaling around 20% of the total budget. The decrease in revenues compared to 2023 is largely on the back of an average oil price assumption of \$60 per barrel for 2024 instead of \$65 per barrel in 2023. The oil revenue of the state is expected to be US\$43.7 bn. The non-oil revenue

is estimated to be US\$11.8 bn, a 2.4 per cent increase due to the state's interest in economic diversification. The budget projects a fiscal surplus of QAR1.1bn.

Qatar launched its third National Development Strategy (NDS3) for the years 2024 to 2030. The strategy, chaired by Prime Minister, marks the final stage in achieving the objectives of the Qatar National Vision 2030. This plan aims to position Qatar as an advanced state, ensuring sustainable development and a high standard of living for its citizens. A key target is an average economic growth rate of 4 per cent through 2030, driven by expanding gas production and an economic diversification agenda.

According to the latest report from the IMF, Qatar's economy is expected to continue normalizing in the near term after a boost in 2022 from hosting the World Cup. The IMF forecasts a GDP growth rate of 1.9 per cent in 2024 and stated that the country demonstrates favorable economic outlook and highlighted that the conflict in the Middle East has not had a visible impact on the country. The visibility brought by the World Cup along with hosting various international events has led to the country welcoming over 4 million tourists in 2023, its highest ever tally. Medium term growth for the country's economy will be driven by its boost in LNG production from the North Field and from its implementation of NDS3.



CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT **AUDITORS**¹

REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

Independent auditors' report

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 2023, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

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 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting 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

Key Audit Matters (continued)

Transition to IFRS 17 "Insurance Contracts"

The Key audit matter

We focused on this area because

- > IFRS 17 "Insurance Contracts" (IFRS 17), which the Group adopted on 1 January 2022:
- resulted in new accounting policies. including applying the full retrospective to the extent practicable as a transition option by the Group.
- resulted in changes to the measurement of insurance and reinsurance contracts in which the Group has used the Premium Allocation Approach (PAA) and using a new estimate and judgments underlying the determination of adjustments on transition as the Group issues a wide range of insurance and reinsurance contracts; and
- significant changes in process, data, and controls that have not been subject to testing previously.
- The adjustment made to retained earnings upon transition to IFRS 17 is disclosed in note 2 of consolidated financial statements.
- The adoption of this standard has had a significant impact on the reported financial position and performance of the Group, including key performance indicators.

How the matter was addressed in our audit

Our audit procedures in this area included the following, among others:

- Evaluating the appropriateness of management's selection of accounting policies based on the requirements of IFRS 17, our business understanding, and industry practice.
- Considering the appropriateness of the transition approach, this includes evaluating management's process for identifying contracts to be assessed based on the selected transition approach.
- Validating the application of measurement model choice for selected sample groups of contracts, including testing for Premium Allocation Approach (PAA) including testing for onerosity.
- Involving own specialists to challenge key judgments and estimates made by management in relation to transition. This includes evaluating the reasonableness of management's key estimates and judgements over classification and measurement decisions.
- Evaluating the completeness of data used in preparing the transition adjustments.
- Assessing the adequacy of the Group's transitional disclosure requirements in line with IFRS 17

Key Audit Matters (continued)

Transition to IFRS 17 "Insurance Contracts"

The Key audit matter

We focused on this area because:

- Insurance contract assets/liabilities and reinsurance contract assets/liabilities as at 31 December 2023 involves:
- complex accounting requirements, including the inputs, assumptions, estimates techniques used for contract assets and liabilities and measuring components of insurance contract assets and liabilities that include:
- The estimate of future cash flows within the asset and liability for remaining coverage and asset and liability for incurred claims.
- Discounting applied to the estimates of future cash flows to reflect the time value of money and financial risk,
- Estimation of the non-financial risk adjustment.
- Contractual service margin (CSM), loss component, and loss recovery component.
- Asset and liability for remaining coverage for contracts measured under PAA.
- susceptibility to management bias and estimation uncertainty when making judgements to determine insurance contract liabilities; and
- complex disclosure requirements.

How the matter was addressed in our audit

Our audit procedures in this area included the following, among others:

- Obtain an understanding of the actuarial process for calculating reserves.
- > Identifying and testing the relevant controls.
- Perform substantive procedures over claim case reserves on a sample basis to appropriate documentation.
- > Involving specialists to assist us in evaluating the reasonableness of management's key judgments and estimates made in the measuring components of insurance and reinsurance assets and liabilities, including the selection of methods, models, input, assumptions, and estimates (consisting of the present value of future cash flows, discount rate, non-financial risk, CSM, etc.), as well as the impact of the economic uncertainties.
- Review of the management calculation and our specialist performed independent calculation of the contract asset and liability for remaining coverage and asset and liability for incurred claims and respective reinsurance amounts to ensure the calculation methods and the model (PAA) used were appropriate.
- Evaluating the competence, capabilities and objectivity of the internal or external experts used by management.
- Assessing the completeness, accuracy, and relevance of data.
- Assessing the adequacy of the disclosures in the consolidated financial statements relating to this matter against the requirements of the relevant accounting standards.

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:

- I. We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- II. The Company has maintained proper accounting records and its consolidated financial statements are in agreement therewith.
- III. We have read the Board of Director'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.
- IV. 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 2023.

Date: 14 February 2024 Doha State of Qatar Yacoub Hobeika KPMG Qatar Auditors' Registry Number 298

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QATAR INSURANCE COMPANY Q.S.P.C.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION | At 31 December 2023

	Notes	31 DEC 2023 QR' 000 (Audited)	31 DEC 2022 QR' 000 (Audited and Restated)	1 JAN 2022 QR' 000 (Restated)
ASSETS				
Cash and short-term deposits	5	5,487,061	6,473,253	9,595,733
Financial investments	9	13,264,798	12,736,579	16,060,487
Other receivables	6	225,770	524,858	834,950
Reinsurance contract assets	7	1,874,828	2,608,456	6,148,157
Insurance contract assets	7	173,460	417,546	157,509
Investment in associates and joint venture	8	440,677	457,063	448,489
Investment properties	10	634,611	636,211	463,927
Property and equipment	11	93,576	107,162	126,143
Goodwill and intangible assets	12	444,931	444,931	557,597
		22,639,712	24,406,059	34,392,992
Assets held for sale	36	6,042,564	5,421,283	-
TOTAL ASSETS	_	28,682,276	29,827,342	34,392,992
LIABILITIES AND SHAREHOLDERS' EQUITY				
LIABILITIES				
Short term borrowings	14.1	2,097,207	3,054,144	4,422,439
Other payables	13	974,778	758,764	1,359,776
Loans	14.2	132,484	124,752	171,262
nsurance contract liabilities	7	10,670,205	12,274,142	18,190,955
Reinsurance contract liabilities	7	336,376	287,673	245,235
		14,211,050	16,499,475	24,389,667
Liabilities directly associated with the assets held for sale	36	5,704,147	5,213,400	
TOTAL LIABILITIES		19,915,197	21,712,875	24,389,667
SHAREHOLDERS' EQUITY				
Share capital	15.1	3,266,101	3,266,101	3,266,101
Share premium	15.2	2,759,194	2,759,194	2,759,194
Legal reserve	16	635,754	634,955	634,567
General reserve	17	287,000	287,000	287,000
Fair value reserve	18	(315,123)	(645,718)	189,701
Catastrophe special reserve	19	32,017	32,017	32,017
Other components of equity	22	55,494	(23,677)	36,984
nsurance finance reserve		534,134	744,003	(183,452)
(Accumulated losses) / retained earnings		(1,119,604)	(1,511,749)	200,544
Reserves of disposal group held for sale	_	(34,491)	(36,858)	-
Equity attributable to shareholders of the Parent Company		6,100,476	5,505,268	7,222,656
Non-controlling interests	32	145,688	88,284	83,428
TOTAL SHAREHOLDERS' EQUITY		6,246,164	5,593,552	7,306,084
Subordinated perpetual debt	21	2,520,915	2,520,915	2,697,241
TOTAL EQUITY		8,767,079	8,114,467	10,003,325
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	_	28,682,276	29,827,342	34,392,992

These consolidated financial statements were approved by the Board of Directors and signed on its behalf by the following signatories on 14 February 2024.

Sheikh Hamad bin Faisal bin Thani Al Thani

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 2023

	Notes	2023 (QR '000) (Audited)	2022 (QR '000) (Audited & restated)
CONTINUING OPERATIONS		, ,	,
Insurance revenue	7	6,308,923	6,888,741
Insurance service expense	7	(4,478,476)	(5,895,609)
Net expenses from reinsurance contract	7	(1,082,998)	(1,457,655)
Insurance service result		747,449	(464,523)
Net finance expenses from insurance contracts	23	(238,745)	(76,506)
Net finance expenses from reinsurance contracts	23	(1,177)	(233,692)
Net insurance finance results		(239,922)	(310,198)
Investment income	24	924,834	813,390
Finance costs	24	(140,470)	(95,880)
Net investment income		784,364	717,510
Advisory fee income		28,739	35,122
Rental income		45,671	31,568
Other income		30,176	9,458
Total investment and other income		888,950	793,658
Share of profit of associates and joint venture	8	32,672	34,324
TOTAL INCOME		1,429,149	53,261
Operating and administrative expenses	26	(267,662)	(153,713)
Depreciation and amortisation		(27,397)	(45,211)
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		1,134,090	(145,663)
Income tax expense	28	(39,729)	(14,525)
PROFIT (LOSS) AFTER TAX FROM CONTINUING OPERATIONS		1,094,361	(160,188)
DISCONTINUED OPERATIONS			
Loss after tax from discontinued operation	36	(479,023)	(1,023,000)
PROFIT (LOSS) AFTER TAX		615,338	(1,183,188)
Attributable to:			
Shareholders of the parent		601,174	(1,199,095)
Non-controlling interests		14,164	15,907
		615,338	(1,183,188)
Earnings per share			
Basic and diluted earnings attributable to shareholders of the parent Qatari Riyals	27	0.133	(0.410)
Earnings per share for continuing operations			

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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 2023

	2023 QR ('000)	2022 QR (*000)
Profit / (Loss) for the year	615,338	(1,183,188)
Other comprehensive income (OCI) Items that are or may be reclassified subsequently to profit or loss Debt instruments at fair value through other comprehensive income		
Net changes in fair value of investments	331,371	(837,995)
Net finance (expense) / income from insurance contracts	(304,758)	1,942,632
Net finance income / (expense) from reinsurance contracts	94,345	(1,016,096)
Foreign currency translation differences on foreign operations	48,787	(129,568)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR	785,083	(1,224,215)
Attributable to:		
Shareholders of the parent	770,775	(1,237,435)
Non-controlling interests	14,308	13,220
	785,083	(1,224,215)
Attributable to shareholders of the Parent:		
Continuing operations	1,247,431	(155,607)
Discontinued operations	(476,656)	(1,081,828)
	770,775	(1,237,435)

Share Share Legal Carear Pair-take Carear Pair-take Pair-take Carear Pair-take Carear Pair-take Carear														
1,2,6,6,10 2,759,194 634,567 287,000 189,701 32,017 36,736 10,13,045 1,121,358 1,101,3,045 1		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)	Insurance finance reserve QR ('000)	(Accumulated losses) / retained earnings	Reserves of a disposal group held for sale QR ('000)	Total QR ('000)	Non- controlling interests QR ('000)	Total shareholders' equity QR ('000)
Fig. 77 Notice 2 3.266, 101 2.759, 194 6.34, 657 2.87, 000 189, 701 3.20, 17 3.69, 94 (183, 452) (1013, 045) (1,199, 052) (1,199,	Balance 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
2022 3.266,101 2.759,194 634,567 287,000 189,701 35,017 36,94 (139,059) 7,1199,095) 7,122,656 serve 1.00 </td <td>Impact of initial application of IFRS 17 (Note 2)</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>245</td> <td>(183,452)</td> <td>(1,013,045)</td> <td></td> <td>(1,196,252)</td> <td>(15,531)</td> <td>(1,211,783)</td>	Impact of initial application of IFRS 17 (Note 2)							245	(183,452)	(1,013,045)		(1,196,252)	(15,531)	(1,211,783)
seve	Restated balance at 1 January 2022	3,266,101	2,759,194	634,567	287,000	189,701	32,017	36,984	(183,452)	200,544		7,222,656	83,428	7,306,084
serve (836,054) (129,567) 927,281 (1199,095) 91,227 re-yeart 10,000 10,000 10,000 10,000 10,000 10,000 re-yeart 10,000 10,000 10,000 10,000 10,000 10,000 ceptain terests attail debt 10,000 10,000 10,000 10,000 10,000 10,000 ceptain terest septand thank (Nate 20) 10,000 10,000 10,000 10,000 10,000 10,000 10,000 re-yeart 10,000	Loss for the year		'	'		'				(1,199,095)	'	(1,199,095)	15,907	(1,183,188)
serve theyear	Other comprehensive loss	•	•	•	•	(836,054)		•	927,281		1	91,227	(2,686)	88,541
Find each time (Note 20)	Foreign currency translation reserve			'	1			(129,567)				(129,567)	(1)	(129,568)
Significant state of the serial debt and serial debt are state of the seri	Total comprehensive loss for the year					(836,054)	•	(129,567)	927,281	(1,199,095)		(1,237,435)	13,220	(1,224,215)
Stand debt contacts contacts contacts contact contacts contact	Dividend paid (Note 15.3)									(326,610)	1	(326,610)		(326,610)
Eutal debt C and deduty Index departations Index de	Dividend paid to non-controlling interests		•		•				•	1	1		(2,730)	(2,730)
C 388 635 174 110 999 nued operations 1 2,276 174 110 969 nued operations of equity 1 2,6858 2,63688 2,68588 2,68588 tithices support fund (Note 20) 3,266,101 2,759,194 634,955 287,000 (645,718) 32,017 744,003 (1,511,749) (36,858) 5,505,268 seve 2,266,101 2,759,194 634,955 287,000 (645,718) 32,017 744,003 (1,511,749) (36,858) 5,505,268 601,174 seve 2,266,101 2,759,194 634,955 287,000 (645,718) 32,017 744,003 (1,511,749) (36,858) 5,505,268 601,174 seve 2,266,101 2,759,194 634,955 287,000 (645,718) 32,017 744,003 (1,511,749) (36,858) 5,505,268 601,174 seve 2,266,101 2,759,194 634,955 2,870,00 645,718) 330,604 2,886 2,886 2,896	Interest on subordinated perpetual debt		1	1	1			•	•	(141,370)	1	(141,370)	1	(141,370)
nued operations -	Increase in Parent share in KQIC		•	388	•	635		(2,276)	174	110	1	(696)	(5,634)	(6,603)
of equity 34,324 - 34,324 - (11,004) - </td <td>Transfer of reserves to discontinued operations</td> <td></td> <td>1</td> <td>1</td> <td>1</td> <td></td> <td></td> <td>36,858</td> <td>•</td> <td></td> <td>(36,858)</td> <td></td> <td>1</td> <td>1</td>	Transfer of reserves to discontinued operations		1	1	1			36,858	•		(36,858)		1	1
tivities support fund (Note 20) (Audited & restated) 3,266,101 2,759,194 634,955 287,000 (645,718) 32,017 (23,677) 744,003 (1,511,749) (36,858) 5,505,268 3,206,101 2,759,194 634,955 287,000 (645,718) 32,017 (23,677) 744,003 (1,511,749) (36,858) 5,505,268 5,505,208 5,505,2	Transfer to other components of equity		1	1				34,324		(34,324)	•		1	1
Audited & restated) 3,266,101 2,759,194 634,955 287,000 (645,718) 32,017 (23,677) 744,003 (1,511,749) (36,858) 5,505,268 serve 3,266,101 2,759,194 634,955 287,000 (645,718) 32,017 (23,677) 744,003 (1,511,749) (36,858) 5,505,268 serve -	Transfer in sports and social activities support fund (Note 20)	-	'	'	1	'		'		(11,004)		(11,004)	•	(11,004)
serve accide,101 2,759,194 634,955 287,000 (645,718) 32,017 744,003 (1,511,749) (36,858) 5,505,268 serve - <td>Balance at 31 December 2022 (Audited & restated)</td> <td>3,266,101</td> <td>2,759,194</td> <td>634,955</td> <td>287,000</td> <td>(645,718)</td> <td>32,017</td> <td>(23,677)</td> <td>744,003</td> <td>(1,511,749)</td> <td>(36,858)</td> <td>5,505,268</td> <td>88,284</td> <td>5,593,552</td>	Balance at 31 December 2022 (Audited & restated)	3,266,101	2,759,194	634,955	287,000	(645,718)	32,017	(23,677)	744,003	(1,511,749)	(36,858)	5,505,268	88,284	5,593,552
me for the year -	Balance at 1 January 2023	3,266,101	2,759,194	634,955	287,000	(645,718)	32,017	(23,677)	744,003	(1,511,749)	(36,858)	5,505,268	88,284	5,593,552
serve 330,604 98,866 98,866 90,174 9,856 120,335 mefor the year 330,604 9,886 (209,869) 601,174 770,775 770,775 ginterests 1 2 330,604 2 48,866 (209,869) 601,174 2 770,775 ginterests 2 2 2 2 2 2 2 48,866 770,775 2 2 2 48,866 601,174 2 770,775 2	Profit for the year	,	'	'	'			'		601,174	'	601,174	14,164	615,338
year - - - 48,866 - - - 48,866 -	Other comprehensive income		1	1	1	330,604			(209,869)		1	120,735	223	120,958
year -	Foreign currency translation reserve		'		1		1	48,866	1	1		48,866	(62)	48,787
	Total comprehensive income for the year	•	•			330,604	•	48,866	(209,869)	601,174	•	770,775	14,308	785,083
equity (166,636) - (166,636) - (166,636) - (166,636) - (166,636) - (166,636) - (166,636) - (166,636) - (166,636) - (18,636) - (Dividend paid to non-controlling interests		1							1	'		(2,448)	(2,448)
equity 30,305 - (32,672) 2,367 3,573 - 4,363 3,573 - 4,363 1,13,294)	Interest on subordinated perpetual debt		1	1				•		(166,636)	1	(166,636)	1	(166,636)
	Transfer to other components of equity		•	•	,	,	,	30,305	•	(32,672)	2,367	•	•	1
- (13.294)	Increase due to merger (Note 1)		1	799		(6)		,		3,573	1	4,363	45,544	49,907
$(\cdot,, \cdot, \cdot)$	Transfer in sports and social activities support fund (Note 20)	- ((13,294)		(13,294)	'	(13,294)
Balance at 31 December 2023 3,266,101 2,759,194 635,754 287,000 (315,123) 32,017 55,494 534,134 (1,119,604) (34,491) 6,100,476 145,	Balance at 31 December 2023	3,266,101	2,759,194	635,754	287,000	(315,123)	32,017	55,494	534,134	(1,119,604)	(34,491)	6,100,476	145,688	6,246,164

QATAR INSURANCE COMPANY Q.S.P.C.

CONSOLIDATED STATEMENT OF CASH FLOWS | For the year ended 31 December 2023

	Notes	2023 QR ('000)	2022 QR ('000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) from continuing operations		1,134,090	(145,663)
Loss from discontinued operations	36	(479,052)	(994,871)
Profit / (loss) for the year		655,038	(1,140,534)
Adjustments for:			
Depreciation and amortisation	10, 11	37,334	45,211
Impairment of investment properties		-	3,798
Impairment of intangible assets and assets held for sale		-	109,985
Share of profit from investments in associates and joint venture	8	(32,672)	(34,324)
Investment income and other income		(732,100)	(889,538)
Finance costs		140,767	95,880
Provision for employees' end of service benefits	13.1	27,230	5,195
Net foreign exchange loss on property and equipment and investment properties		(28,696)	94,921
Net unrealised gain on investments		(121,371)	285,171
Income tax expense		(39,700)	(42,654)
		(94,170)	(1,466,889)
Working capital changes:			
- Insurance and reinsurance contracts		(986,389)	(294,872)
- OTHER RECEIVABLES		327,828	248,028
- Other payables	28	(68,602)	(172,998)
Cash used in operating activities		(821,333)	(1,686,731)
Income tax paid		(7,395)	(11,406)
Finance costs		(140,767)	(95,880)
Employees' end of service benefits paid	13.1	(2,058)	(753)
Net cash used in operating activities		(971,553)	(1,794,770)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash movements in investments		(271,555)	1,148,216
Investment income and other finance income		732,100	889,538
Acquisition of property and equipment	11	(10,394)	(12,809)
Proceeds from sale of property and equipment		16,506	48
Purchase of investment properties	10	-	(256,330)
Payment for increase in stake in subsidiaries		49,907	(40,201)
Proceeds for sale of stake in Associates		30,620	-
Dividends received from associates and joint venture	8	18,438	25,750
Net cash from investing activities		565,622	1,754,212
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest on subordinated perpetual debt		(166,636)	(141,370)
Proceeds from subordinated debt		-	(176,326)
Dividends paid (Note 15.3)		-	(326,610)
Dividend paid to non-controlling interests		(2,448)	(2,730)
Net movement of short-term borrowings		(956,937)	(1,368,295)
Repayment of loans		(7,066)	(19,639)
Net cash used in financing activities		(1,133,087)	(2,034,970)
Net decrease in cash and cash equivalents		(1,539,018)	(2,075,528)
Cash and cash equivalents at 1 January	5	7,363,766	9,595,733
Effect of foreign currency exchange differences	5	63,585	(156,439)
			(150,733)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	5	5,888,333	7,363,766

QATAR INSURANCE COMPANY Q.S.P.C.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS | As at and for the year ended 31 December 2023

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:

	Owne	ership	Country of	
Name of the subsidiary	2023	2022	incorporation	Principal activities
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. ("QGSL")	100% (owned through QICC)	100% (owned through QICC)	State of Qatar	Service Company
Oman Qatar Insurance Company S.A.O.G. ("OQIC") ¹	58.93%	58.02%	Sultanate of Oman	Primarily engaged in insurance and reinsurance.
Kuwait Qatar Insurance Company K.S.C.C. ("KQIC")	90.94%	90.94%	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% (owned through Epicure Holdings LLC)	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)	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 and a regulated Insurance agent
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.
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.

1. STATUS AND OPERATIONS (CONTINUED)

	Owne	ership	Country of	
Name of the subsidiary	2023	2022	incorporation	Principal activities
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.
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")	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)	100% (owned through AREL)	Jersey	Primarily engaged in real estate activities
Synergy Gatwick 2 Limited	100% (owned through AREL)	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	Was primarily engaged in insurance business. The company has been placed into runoff.
West Bay Insurance Plc (Previously Zenith Insurance Plc)	100% (owned through Antares Re)	100% (owned through Antares Re)	Gibraltar	Primarily engaged in insurance business.
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 and to close by Members Voluntary Liquidation in 2024.
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.
Antares Insurance Company Limited (Previously QIC Global Limited)	100% owned through AGHL	100% owned through AGHL	United Kingdom	Authorised as an insurance company.
Epicure Holdings LLC	100%	100%	Qatar	The Company carries out holding company activities (with no other economic activity).
Epicure Islamic Investment Management LLC	51% owned through Epicure Holdings	51% owned through Epicure Holdings	Qatar	Primarily engaged in providing Islamic investment management services.
Anoud Technology Systems FZ-LLC	100% (owned through Anoud Technologies LLC)	-	United Arab Emirates	Newly incorporated entity, incorporated as a representative office.
Scorpius MGA Limited	100% (owned through AGHL)	-	United Kingdom	Newly incorporated entity (subject to regulatory approval) and will be acting as insurance intermediary (non-life)".

- 1. Direct ownership of the Parent Company in OQIC is 55.989% whereas the remaining shares are held through group entities.
- 2. On 1 January 2023, Oman Qatar Insurance Company S.A.O.G. ("OQIC") has completed the 100% merger of Vision insurance. Accordingly, all the assets and liabilities of Vision Insurance is now transferred to OQIC through this acquisition.

2. 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).

This is the first full set of the Group's consolidated financial statements for the year ended on 31 December 2023 in which IFRS 17 Insurance Contracts. The related changes to material accounting policies are described in Note 3. 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 33. Rest of the assts and liabilities are considered non current in nature. 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.

Functional and presentation currency

These consolidated financial statements are presented in Qatari Riyal (QR) which is the Company's functional currency. All amount have been 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.

New standards, interpretation and amendments adopted by the Group

The below lists show the recent changes to Accounting Standards that are required to be applied by the Group with an annual reporting period beginning on 1 January 2023:

Effective Date	New accounting standard or 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.
23 May 2023	International Tax Reform-Pillar two Model Rules - Amendments to IAS 12).

The new and amendments to Accounting Standards listed in the table above did not have any effect on the financial statements of the Group except for followings:

• Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 which the Group has adopted from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

• IFRS 17 Insurance Contracts which replaces IFRS 4 Insurance Contracts have brought significant changes to the accounting for insurance and reinsurance contracts and financial instruments. As a result, the Group has restated certain comparative amounts and presented a third statement of financial position as at 1 January 2022.

2. BASIS OF PREPARATION (CONTINUED)

Transition

Changes in accounting policies resulting from the adoption of IFRS 17 have been applied using a full retrospective approach to the extent practicable. Under the full retrospective approach, at 1 January 2022 the Group:

- · Has identified, recognized and measured each group of insurance contracts as if IFRS 17 had always applied.
- · Has identified, recognized and measured assets for insurance acquisition cash flows as if IFRS 17 has always applied. However, no recoverability assessment was performed before the transition date.
- Derecognized any existing balances that would not exist had IFRS 17 always applied
- · Recognized any resulting net difference in equity and presented in statement of changes in equity

The line-item descriptions in the consolidated statement of profit or loss have been changed significantly compared with last year. previously, the Group 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 income or expense from reinsurance contracts held.
- Net finance expense from insurance contracts
- Net finance income from reinsurance contracts

The table below summarise the impact of initial application of IFRS 17:

	(As previously reported under IFRS 4) 31 December 2021 (QR '000)	Impact (QR '000)	(As reported under IFRS 17) 1 January 2022 (QR '000)
ASSETS			
Cash and short-term deposits ^B	9,598,999	(3,266)	9,595,733
Insurance / Other receivables ^A	8,564,779	(7,729,829)	834,950
Reinsurance contract assets ^A	7,870,753	(1,722,596)	6,148,157
Insurance contract assets A	-	157,509	157,509
Property and equipment ⁸	126,179	(36)	126,143
LIABILITIES			
Short term borrowings ^B	4,439,960	(17,521)	4,422,439
Provision, reinsurance / Other payables ^A	4,232,229	(2,872,454)	1,359,775

2. BASIS OF PREPARATION (CONTINUED)

Transition (continued)

Insurance contract liabilities ^A Reinsurance contract liabilities ^A	23,632,652	(5,441,697) 245,235	18,190,955 245,235
EQUITY			
Other components of equity ^B	36,739	245	36,984
Insurance finance reserve A	-	(183,452)	(183,452)
(Accumulated losses) / retained earnings	1,213,589	(1,013,045)	200,544
Non Controlling Interest [®]	98,959	(15,531)	83,428

^A denotes the impact on retained earnings due to adoption of IFRS 17 by the Group

Accounting standard issued but not yet effective

The table below lists the recent changes to the Accounting Standards that are required to be applied for annual periods beginning after 1 January 2023 and that are available for early adoption in annual periods beginning on 1 January 2023:

Effective Date	New accounting standard or amendments
1 January 2024	 Non-current Liabilities with Covenants – Amendments to IAS 1. Classification of Liabilities as Current or Non-current – Amendments to IAS 1. Lease Liability in a Sale and Leaseback – amendments to IFRS 16. Lack of Exchangeability - Amendments to IAS 21.
1 January 2025	Lack of Exchangeability - Amendments to IAS 21.
Available for optional adoption/ effective date deferred indefinitely	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

Management does not expect that the adoption of the above amended accounting standards will have a significant impact on these consolidated financial statements.

The principal accounting policies of the Group applied in the preparation of these financial statements are set out below. These policies have been applied consistently to both years presented in these financial statements, except if mentioned otherwise.

3. MATERIAL ACCOUNTING POLICIES

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 2023. 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

^B denotes other restatement and adjustments

Basis of consolidation (continued)

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.

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

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Business combination and Goodwill (continued)

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.

Subsidiaries

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.

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.

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Loss of control

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, noncontrolling 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.

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
- · 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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Intangible assets (continued)

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

Insurance and reinsurance contracts classification

Contracts under which the Group accepts significant insurance risk are classified as insurance contracts. Contracts held by the Group under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts. Insurance and reinsurance contracts also expose the Group to financial risk.

The Group issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. The Group issues life and non-life insurance to individuals and businesses. Non-life insurance products include property, marine, and health. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage because of a policyholder's accident. The Group also issues reinsurance contracts in the normal course of business to compensate other entities for claims arising from one or more insurance contracts issued by those entities.

The Group does not issue any contracts with direct participating features.

Insurance and reinsurance contracts accounting treatment

a. Separating components from insurance and reinsurance contracts

The Group assesses its non-life insurance and reinsurance products to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Group applies IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Group's products do not include any distinct components that require separation.

Some reinsurance contracts issued contain profit commission arrangements. Under these arrangements, there is a minimum guaranteed amount that the policyholder will always receive - either in the form of profit commission, or as claims, or another contractual payment irrespective of the insured event happening.

The minimum quaranteed amounts have been assessed to be highly interrelated with the insurance component of the reinsurance contacts and are, therefore, non-distinct investment components which are not accounted for separately. However, receipts and payments of these investment components are recognised outside of profit or loss.

b. Level of aggregation

IFRS 17 requires the Group to determine the level of aggregation for applying its requirements. The level of aggregation for the Group is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together.

Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder. This means that, for determining the level of aggregation, the Group identifies a contract as the smallest 'unit', i.e., the lowest common denominator.

However, the Group makes an evaluation of whether a series of contracts need to be treated together as one unit based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts. As such, what is treated as a contract for accounting purposes may

Insurance and reinsurance contracts accounting treatment (continued)

Level of aggregation (continued)

differ from what is considered as a contract for other purposes (i.e., legal or management). IFRS 17 also requires that no group for level of aggregation purposes may contain contracts issued more than one year apart. The Group has elected to group together those contracts that would fall into different groups only because law or regulation specifically constrains its practical ability to set a different price or level of benefits for policyholders with different characteristics. The Group applied a full retrospective approach for transition to IFRS 17. The portfolios are further divided by year of issue and profitability for recognition and measurement purposes.

Hence, within each year of issue, portfolios of contracts are divided into three groups, as follows:

- A group of contracts that are onerous at initial recognition (if any)
- A group of contracts that, at initial recognition, have no significant possibility of becoming onerous subsequently (if any)
- A group of the remaining contracts in the portfolio (if any)

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. The Group assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Group assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Group considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Pricing information
- Results of similar contracts it has recognised
- Environmental factors, e.g., a change in market experience or regulations

The Group divides portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition. For some groups of reinsurance contracts held, a group can comprise a single contract.

c. Recognition

The Group recognises groups of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous

The Group recognises a group of reinsurance contracts held it has entered from the earlier of the following:

• The beginning of the coverage period of the group of reinsurance contracts held. (However, the Group delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.

And

• The date the Group recognises an onerous group of underlying insurance contracts if the Group entered the related reinsurance contract held in the group of reinsurance contracts held at or before that date. The Group adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Insurance and reinsurance contracts accounting treatment (continued)

d. Contract boundary

The Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

• The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks

Or

- Both of the following criteria are satisfied:
- The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio
- The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

e. Measurement - Premium Allocation Approach

The following table summarises the accounting policy choices adopted by the Group:

	IFRS 17 Options	Adopted approach
Premium Allocation Approach (PAA) Eligibility	Subject to specified criteria, the PAA can be adopted as a simplified approach to the IFRS 17 general model	Coverage period for health insur-ance assumed is one year or less and so qualifies automatically for PAA. Both marine insurance and property insurance include con-tracts with coverage period greater than one year. However, there is no material difference in the measurement of the liability for remaining coverage between PAA and the general model, therefore, these qualify for PAA
Insurance acquisition cash flows for insurance contracts issued	Where the coverage period of all contracts within a group is no longer than one year, insurance acquisition cash flows can either be expensed as incurred, or allocated, using a systematic and rational method, to groups of insurance contracts (including future groups containing insurance contracts that are expected to arise from renewals) and then amortised over the coverage period of the related group. For groups containing contracts longer than one year, insurance acquisition cash flows must be allocated to related groups of insurance contracts and amortised over the coverage period of the related group	For all business, insurance acquisi-tion cash flows are allocated to related groups of insurance con-tracts and amortised over the cov-erage period of the related group 10 years
Liability for Remaining Coverage (LFRC), adjusted for financial risk and time value of money	Where there is no significant financing component in relation to the LFRC, or where the time between providing each part of the services and the related pre-mium due date is no more than a year, an entity is not required to make an ad-justment for accretion of interest on the LFRC.	For all businesses, there is no allowance as the premiums are received within one year of the coverage period. Where the premium due date and the related period of ser-vices are more than 12 months the Group has assessed the amount as immaterial, as such no discounting is required.
Liability for Incurred Claims, (LFIC) adjusted for time value of money.	Where claims are expected to be paid within a year of the date that the claim is incurred, it is not required to adjust these amounts for the time value of money.	For all businesses, the LFIC is adjusted for the time value of money.
Insurance finance income and expense	There is an option to disaggregate part of the movement in LFIC resulting from changes in discount rates and present this in OCI	For all business, the Group dis-aggregates part of the move-ment in LFIC resulting from changes in discount rates and present this in OCI

Insurance and reinsurance contracts accounting treatment (continued) Measurement - Premium Allocation Approach (continued)

i. Insurance contracts - initial measurement

The Group applies the premium allocation approach (PAA) to all the insurance contracts that it issues and reinsurance contracts that it holds, as:

• The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary

Or

• For contracts longer than one year, the Group has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Group has also considered qualitative factors such as the nature of the risk and types of its lines of business.

i. Insurance contracts – initial measurement

For a group of contracts that is not onerous at initial recognition, the Group measures the liability for remaining coverage

- The premiums, if any, received at initial recognition
- Minus any insurance acquisition cash flows at that date, unless the entity chooses to recognize the payment as an
- Plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows and
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Group pays or receives before the group of insurance contracts is recognised.

For all businesses, the liability for remaining coverage is not discounted to reflect the time value of money and the effect of financial risk. Where facts and circumstances indicate that contracts are onerous at initial recognition, the Group performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows.

i. Insurance contracts - initial measurement

A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

ii. Reinsurance contracts held – initial measurement

The Group measures its reinsurance assets for a group of reinsurance contracts that it holds on to the same basis as insurance contracts that it issues. However, they are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue. Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

The Group calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held. The Group uses a systematic and rational method to determine the portion of losses recognised on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Insurance and reinsurance contracts accounting treatment (continued) Measurement - Premium Allocation Approach (continued)

in the underlying group are not covered by the group of reinsurance contracts held. The loss-recovery component adjusts the carrying amount of the asset for remaining coverage

i. Insurance contracts – subsequent measurement

The Group measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus premiums received in the period
- Minus any insurance acquisition cash flows at that date, unless the entity chooses to recognize the payment as an
- Plus any amounts relating to the amortisation of the insurance acquisition cash flows recognised as an expense in the reporting period for the group
- Plus any adjustment to the financing component, where applicable
- Minus the amount recognised as insurance revenue for the services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims if any

i. Insurance contracts – subsequent measurement

The Group estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Group and include an explicit adjustment for non-financial risk (the risk adjustment). The Group adjusts the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected. Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

ii. Reinsurance contracts held – subsequent measurement

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held.

ii. Reinsurance contracts held – subsequent measurement

Where the Group has established a loss-recovery component, the Group subsequently reduces the loss-recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

iv. Insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

Insurance and reinsurance contracts accounting treatment (continued)

Measurement – Premium Allocation Approach (continued)

The Group uses a systematic and rational method to allocate:

Insurance acquisition cash flows that are directly attributable to a group of insurance contracts:

i. to that group; and

ii. to groups that include insurance contracts that are expected to arise from the renewals of the insurance contracts in that group.

Where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognised in the statement of consolidated financial position, a separate asset for insurance acquisition cash flows is recognised for each related group. The asset for insurance acquisition cash flow is derecognised from the consolidated statement of financial position when the insurance acquisition cash flows are included in the initial measurement of the related group of insurance contracts.

v. Insurance contracts – modification and derecognition

The Group derecognises insurance contracts when:

• The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired)

Or

• The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Group derecognises the initial contract and recognises the modified contract as a new contract

When a modification is not treated as a derecognition, the Group recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

f. Presentation

For presentation in the consolidated 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.

i. Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component if any) allocated to the period. The Group allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made based on the expected timing of incurred insurance service expenses and release of risk.

The Group changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Insurance and reinsurance contracts accounting treatment (continued) Presentation (continued)

ii. Loss components

The Group assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. Where this is not the case, and if at any time during the coverage period, the facts and circumstances indicate that a group of insurance contracts is onerous, the Group establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group as determined. Accordingly, by the end of the coverage period of the group of contracts the loss component will be zero.

iii. Loss-recovery components

The Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts, or when further onerous underlying insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the expected recovery of the losses.

A loss-recovery component is subsequently reduced to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

iv. Insurance finance income and expense

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

The Group disaggregates insurance finance income or expenses on insurance contracts between profit or loss and OCI.

The impact of changes in market interest rates on the value of the insurance assets and liabilities are reflected in OCI.

v. Net income or expense from reinsurance contracts held

The Group presents the amount expected to be recovered from reinsures, and allocation of reinsurance premium paid together as Net income / (expense) from reinsurance contracts separately on the face of the consolidated statement of profit or loss. The Group treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held and excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of 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.

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Financial instruments (continued)

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. 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

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued) Initial Recognition (continued) Financial investments at amortised cost (continued) Business model assessment (continued)

- · 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.

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Financial instruments (continued)
Initial Recognition (continued)

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

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)
Impairment of financial assets (continued)
The calculation of ECLs (continued)

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, 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 FVTPL 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

Financial instruments (continued)
Impairment of financial assets (continued)
The calculation of ECLs (continued)

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
- Inflation 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.

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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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 yearsFurniture & 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

Provisions (continued)

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

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Income tax (continued)

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.

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.

Investment income (continued)

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 2023 and the equity as at 1 January 2022 and 31 December 2022.

Foreign currency

a. 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.

b. Foreign operations:

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.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in conformity with International Financial Reporting Standards ("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 ongoing basis. Revisions to estimates are recognised prospectively.

4. USE OF ESTIMATES AND JUDGEMENTS (CONTINUED)

Going concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has resources to continue in the business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Estimates of future cash flows

In estimating future cash flows, the Group will incorporate, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. The assumptions will be based on internal historical claims experience as well as external data (benchmarks) to reflect the current claims and economic environment. These assumptions will also reflect expected future developments such as inflation trends or changes in legislation when these have a material chance of materializing.

Cash flows will also include direct attributable internal expenses in relation to servicing the contracts at the reporting date, whether these costs pertain to the policies such new endorsements and cancellations or whether these costs relate to settling and paying all remaining claims.

Cash flows within the boundary of a contract are those that relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts. Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

Discount rates

The IFRS17 requirement to measure liabilities for insurance contracts using current discount rates will be a significant change from the Group's current practice.

Insurance contract liabilities are calculated by discounting expected future cash flows using yield curves internally derived reflecting a fair value and market-consistent interest rates that two willing parties would accept in a liability transfer transaction.

The starting point for constructing these yield curves are risk-free rates for each major currency. These are subsequently adjusted with illiquidity premiums and credit risks for instance to derive fair value rates.

Discount rates applied for discounting of future cash flows are listed below:

	1 Year		3 Y	ears	5 Years		
	2023 (QR '000)	2022 (QR : 000)	2023 (QR '000)	2022 (QR ' 000)	2023 (QR '000)	2022 (QR '000)	
USD	5.20%	4.79%	4.42%	3.77%	4.14%	3.58%	
EUR	3.30%	3.38%	3.36%	2.49%	3.32%	2.41%	
GBP	4.59%	4.76%	4.48%	3.71%	4.26%	3.44%	
Others	5.23%	4.79%	4.46%	3.78%	4.19%	3.60%	

Risk adjustments for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects a margin that an insurer is willing to load its reserves with to reduce the uncertainty that future cash flows will exceed the expected value amount.

4. USE OF ESTIMATES AND JUDGEMENTS (CONTINUED)

Risk adjustments for non-financial risk (continued)

The Group's appetite is to set a risk adjustment no lesser than the 70th percentile and no greater than the 75th percentile, across the whole group and allowing for diversification benefit between all product lines written and territories. That is, the Group has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to a point within the 70th to 75th percentiles confidence level less the mean of an estimated probability distribution of the future cash flows.

Although the risk adjustment is calculated separately for the Insurance Liabilities and the Reinsurance Assets, it is actually on a net of reinsurance basis that the Group reviews it.

Assets for insurance acquisition cashflow

The Group applies judgement in determining the inputs used in the methodology to systematically and rationally allocate insurance acquisition cash flows to groups of insurance contracts. This includes judgements about whether insurance contracts are expected to arise from renewals of existing insurance contracts and, where applicable, the amount to be allocated to groups including future renewals and the volume of expected renewals from new contracts issued in the period. In the current and prior years, the Group did not allocate any insurance acquisition cash flows to future groups of insurance contracts, as it did not expect any renewal contracts to arise from new contracts issued in the period. In the current and prior year, the Company did not identify any facts and circumstances indicating that the assets may be impaired.

Classification of financial assets

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 (SPPI) on the principal amount outstanding. Refer to note 3 for further information.

Impairment of financial assets measured at amortised cost

The "expected credit loss" (ECL) impairment model requires forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. It also requires management to assign probability and magnitude of default to various categories of financial assets measured at amortised cost. The probability of default constitutes a key input in measuring an ECL and entails considerable judgment; it is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions, and expectations of future conditions. The magnitude of the loss in case there is a default is also an estimate of the loss arising on default; it is based on the difference between the contractual cash flows due and those that the Group would expect to receive. The Group uses considerable judgment in making the assumptions used in the ECL calculation.

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, the 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.

Other provisions and liabilities

Other provisions and liabilities are recognized in the period only to the extent management considers it probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated.

The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. Since the actual cash outflows can take place in subsequent years, the

4. USE OF ESTIMATES AND JUDGEMENTS (CONTINUED)

Other provisions and liabilities (continued)

carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances. A change in estimate of a recognized provision or liability would result in a charge or credit to profit or loss in the period in which the change occurs.

5. CASH AND SHORT TERM DEPOSITS

	2023 (QR '000)	2022 (QR '000)
Cash at banks	825,157	726,580
Short-term deposits	4,661,904	5,746,673
Total Cash and short term deposits	5,487,061	6,473,253

All deposits are subject to an average variable interest rate of 5.91 % (2022: 4.94 %). The expected credit losses relating to short-term deposits measured at amortised cost amounted to QR 1,320 thousand (2022: QR 680 thousand).

All the short-term deposits measured at amortised cost are in stage 1.

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

	2023 (QR '000)	2022 (QR '000)
Cash at banks	825,157	726,580
Short-term deposits	4,661,904	5,746,673
Cash at banks and short-term deposits relating to discontinued operations	401,272	890,513
	5,888,333	7,363,766

6. OTHER RECEIVABLES

	2023 (QR '000)	2022 (QR '000)
Prepayments and others	197,413	519,309
Staff advances against indemnity	28,357	5,549
	225,770	524,858

7. INSURANCE AND REINSURANCE CONTRACTS

a. Insurance contracts

Analysis by remaining coverage and incurred claims

Analysis by remaining coverage and incurred	CIdIIIIS.				
	Liability for rem	Liability for remaining coverage Liability for inco			
	Excluding loss component (QR '000)	Loss component (QR '000)	Present value of future cash flows (QR '000)	Risk adj. for non-financial risk (QR '000)	Total (QR '000)
Insurance contract liabilities 1 January	(1,527,974)	10,611	13,193,365	598,140	12,274,142
Insurance contract assets 1 January	(655,105)	-	230,252	7,307	(417,546)
Increase due to merger	33,843	4,909	223,635	9,745	272,132
Net insurance contract liabilities at 1 January	(2,149,236)	15,520	13,647,252	615,192	12,128,728
Total Insurance revenue	(6,308,923)	-	-	-	(6,308,923)

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Insurance service expenses						
Incurred claims and other directly attributable expenses	-	(218,156)	3,206,238	60,015	3,048,097	
Losses on onerous contracts and reversals of losses	-	217,885	6,974	277	225,136	
Changes that relate to past service – adjustments to the liability for incurred claims	-	6,228	134,156	(141,047)	(663)	
Amortisation of insurance acquisition cash flows	1,190,675	-	15,231	-	1,205,906	
Total insurance service expense	1,190,675	5,957	3,362,599	(80,755)	4,478,476	
Insurance service result	(5,118,248)	5,957	3,362,599	(80,755)	(1,830,447)	
Insurance finance expense	(55,672)	-	599,164	13	543,505	
Effect of changes in exchange rates	(16,223)	-	204,145	21,291	209,213	
Total amounts recognised in comprehensive income	(5,190,143)	5,957	4,165,908	(59,451)	(1,077,729)	
Cash flows						
Premiums received	6,230,558	-	-	-	6,230,558	
Incurred claims and other directly attributable expenses paid	-	-	(5,515,308)	-	(5,515,308)	
Insurance acquisition cashflow	(1,269,504)	-	-	-	(1,269,504)	
Total cash flows	4,961,054	-	(5,515,308)	-	(554,254)	
Insurance contract liabilities 31 December	(2,086,376)	21,464	12,182,967	552,150	10,670,205	
Insurance contract assets 31 December	(291,949)	13	114,885	3,591	(173,460)	
Net insurance contract liabilities at 31 December	(2,378,325)	21,477	12,297,852	555,741	10,496,745	
	31 December 2022 Liability for remaining coverage Liability for incurred claims					
	Excluding loss component	Loss component	Present value of future cash flows	Risk adj. for non-financial risk	Total	
Insurance contract liabilities 1 January	(QR '000) 794,383	(QR '000) 6,250	(QR '000) 16,706,950	(QR '000) 683,372	(QR '000) 18,190,955	
Insurance contract liabilities 1 January Insurance contract assets 1 January	(334,989)	0,230	175,608	1,872	(157,509)	
insurance contract assets. I January	(334,303)		173,000	1,072	(137,309)	

	31 December 2022						
	Liability for rem	aining coverage	Liability for in	curred claims			
	Excluding loss component (QR '000)	Loss component (QR '000)	Present value of future cash flows (QR '000)	Risk adj. for non-financial risk (QR '000)	Total (QR '000)		
Insurance contract liabilities 1 January	794,383	6,250	16,706,950	683,372	18,190,955		
Insurance contract assets 1 January	(334,989)	-	175,608	1,872	(157,509)		
Net insurance contract liabilities at 1 January	459,394	6,250	16,882,558	685,244	18,033,446		
Total Insurance revenue	(6,888,741)	-	-	-	(6,888,741)		
Insurance service expenses							
Incurred claims and other directly attributable expenses	-	4,361	3,943,730	157,366	4,105,457		
Losses on onerous contracts and reversals of losses	-	(182,160)	879,370	(237,133)	460,077		
Changes that relate to past service – adjustments to the liability for incurred claims	-	-	(111,791)	15,457	(96,334)		
Amortisation of insurance acquisition cash flows	1,244,249	182,160	-	-	1,426,409		
Total insurance service expense	1,244,249	4,361	4,711,309	(64,310)	5,895,609		
Insurance service result	(5,644,492)	4,361	4,711,309	(64,310)	(993,132)		
Insurance finance expenses	(54,588)	-	(557,592)	-	(612,180)		
Effect of changes in exchange rates	70,515	-	(377,075)	(15,487)	(322,047)		
Total amounts recognised in comprehensive income	(5,628,565)	4,361	3,776,642	(79,797)	(1,927,359)		
Cash flows							
Premiums received	4,184,849	-	-	-	4,184,849		
Incurred claims and other directly attributable expenses paid	-	-	(7,235,583)	-	(7,235,583)		
Insurance acquisition cashflow	(1,198,757)	-	-	-	(1,198,757)		
Total cash flows		2,986,092	(7,235,583)	(4,249,491)			
Insurance contract liabilities 31 December	(1,527,974)	10,611	13,193,365	598,140	12,274,142		
Insurance contract assets 31 December	(655,105)	-	230,252	7,307	(417,546)		
Net insurance contract liabilities at 31 December	(2,183,079)	10,611	13,423,617	605,447	11,856,596		

7. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

b. Reinsurance contracts

Analysis by remaining coverage and incurred claims:

	31 December 2023						
	Remaining Cov						
	Excluding loss recovery component (QR '000)	Loss recovery component (QR '000)	Present value of future cash flows (QR '000)	Risk adjustment for non- financial risk (QR '000)	Total (QR '000)		
Reinsurance contract assets 1 January	(647,235)	(43,675)	3,009,140	290,226	2,608,456		
Reinsurance contract liabilities 1 January	(583,633)	-	288,382	7,578	(287,673)		
Increase due to merger	16,349	1,722	168,105	6,679	192,855		
Net insurance contract liabilities at 1 January	(1,214,519)	(41,953)	3,465,627	304,483	2,513,638		
Reinsurance expenses	(3,840,965)	(1,839)	-	-	(3,842,804)		
Reinsurance service income							
Claims recovered net of reinsurance expenses	925,612	-	(190,277)	(32,982)	702,353		
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	47,138	-	867	48,005		
Changes that relate to past service – Adjustment to the Asset for incurred claims	-	-	2,007,937	1,511	2,009,448		
Total reinsurance service income	925,612	47,138	1,817,660	(30,604)	2,759,806		
Net (expenses) / income from reinsurance contracts held	(2,915,353)	45,299	1,817,660	(30,604)	(1,082,998)		
Reinsurance finance income	(52,304)	-	316,421	10	264,127		
Effect of changes in exchange rates	(6,483)	-	(640,599)	2,959	(644,123)		
Total amounts recognised in comprehensive income	(2,974,140)	45,299	1,493,482	(27,635)	(1,462,994)		
Cash flows							
Premium net of ceding commissions and other insurance service expenses paid	4,332,816		-	-	4,332,816		
Recoveries from reinsurance	(149,828)	-	(3,695,180)	-	(3,845,008)		
Total cash flows	4,182,988	-	(3,695,180)	-	487,808		
Reinsurance contract assets 31 December	579,069	3,346	1,021,489	270,924	1,874,828		
Reinsurance contract liabilities 31 December	(584,740)	-	242,440	5,924	(336,376)		
Net reinsurance contract assets at 31 December	(5,671)	3,346	1,263,929	276,848	1,538,452		

7. INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

b. Reinsurance contracts (contract)

Analysis by remaining coverage and incurred claims:

	31 December 2022					
	Remaining Covera	Remaining Coverage Component Incurred claims for contracts under				
			the PAA			
	Excluding loss recovery component (QR '000)	Loss recovery component (QR '000)	Present value of future cash flows (QR '000)	Risk adjustment for non-financial risk (QR '000)	Total (QR '000)	
Reinsurance contract assets 1 January	(1,010,365)	(41)	6,804,871	353,692	6,148,157	
Reinsurance contract liabilities 1 January	(437,732)	-	188,151	4,346	(245,235)	
Net reinsurance contract assets at 1 January	(1,448,097)	(41)	6,993,022	358,038	5,902,922	
Reinsurance expenses	(1,939,010)	-	-	-	(1,939,010)	
Reinsurance service income			200 202	52.044	414.140	
Claims recovered net of reinsurance expenses	-	-	360,202	53,944	414,146	
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	(43,634)	(851)	3,094	(41,391)	
Changes that relate to past service - Adjustment to the Asset for incurred claims	-	-	229,582	(120,982)	108,600	
Total reinsurance service income	-	(43,634)	588,933	(63,944)	481,355	
Net (expenses) / income from reinsurance contracts held	(1,939,010)	(43,634)	588,933	(63,944)	(1,457,655)	
Reinsurance finance income	-	-	(546,437)	-	(546,437)	
Effect of changes in exchange rates	(11,798)	-	(87,207)	3,710	(95,295)	
Total amounts recognised in comprehensive income	(1,950,808)	(43,634)	(44,711)	(60,234)	(2,099,387)	
Cash flows						
Premium net of ceding commissions and other insurance service expenses paid	2,168,037	-	-	-	2,168,037	
Recoveries from reinsurance	-	-	(3,650,789)	-	(3,650,789)	
Total cash flows	2,168,037	-	(3,650,789)	-	(1,482,752)	
Reinsurance contract assets 31 December	(647,235)	(43,675)	3,009,140	290,226	2,608,456	
Reinsurance contract liabilities 31 December	(583,633)	-	288,382	7,578	(287,673)	
Net reinsurance contract assets at 31 December	(1,230,868)	(43,675)	3,297,522	297,804	2,320,783	

8. INVESTMENT IN ASSOCIATES AND JOINT VENTURE

Damaan Islamic Insurance Company "BEEMA" Q.P.S.C. Al Liwan Real Estate W.L.L. Massoun Insurance Services L.L.C. QLM Life & Medical Insurance Company Q.P.S.C. (Restated)

Classification	2023 (QR '000)	2022 (QR '000)
Associate	98,364	122,481
Associate	28,375	29,895
Joint venture	4,361	4,334
Associate	309,577	300,353
	440,677	457,063

Details of the investment in associates and joint venture held during the years ended 31 December 2023 and 31 December 2022 were as follows.

	Place of incorporation and operation	Proportion of ownership and voting power held	Principal activities
Damaan Islamic Insurance Company "BEEMA" Q.P.S.C.	State of Qatar	18.75% 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	
	2023 (QR '000)	2022 (QR '000)	2023 (QR '000)	2022 (QR '000)
Current assets	1,377,444	1,476,047	489,189	548,766
Non-current assets	3,914	2,397	382,858	387,325
Current liabilities	754,092	912,687	76,208	184,454
Non-current liabilities	-	-	205,364	205,068
Revenues	1,123,639	1,048,836	513,731	489,024
Profit for the year	76,279	73,239	65,784	60,303
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 2023 is QR 219 million (2022: QR: 420 million).

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

	2023 (QR '000)	(QR '000)
Balance at 1 January	457,063	448,489
Dividends received	(18,438)	(25,750)
Share of profits for the year	32,672	34,324
Sale of stake in associates	(30,620)	-
Balance at 31 December	440,677	457,063

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9. FINANCIAL INVESTMENTS

	2023 (QR '000)	2022 (QR '000)
Financial investments at fair value through profit or loss (FVTPL)	3,719,963	3,333,338
Financial investments at fair value through other comprehensive income (FVOCI)	9,544,835	9,403,241
	13,264,798	12,736,579
	2023	
	FVTPL (QR '000)	FVOCI (QR '000)
Managed funds	605,252	-
Derivative financial investments	64,983	130,578
Debt instruments	474,997	9,414,257
Qatar public shareholding companies	547,487	-
International quoted shares	624,008	-
Unquoted shares and private equity	1,403,236	-
Total	3,719,963	9,544,835
	2022	
	FVTPL (QR '000)	FVOCI (QR '000)
Managed funds	568,139	-
Debt instruments	431,876	9,403,241
Qatar public shareholding companies	546,861	-
International quoted shares	448,542	-
Unquoted shares and private equity	1,337,920	-
Total	3 333 338	9 403 241

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 26,313 thousand at 31 December 2023 (2022: QR 21,090 thousand).

10. INVESTMENT PROPERTIES

	2023 (QR '000)
Cost:	
At 1 January 2022	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
Transfer to assets held for sale	-
Additions	-
Foreign currency exchange difference	59,802
At 31 December 2023	792,595
Accumulated Depreciation:	
At 1 January 2022	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
Transfer to assets held for sale	
Charged during the year	18,844
Foreign currency exchange difference	42,558
At 31 December 2023	157,984
Net book values:	
At 31 December 2023	634,611
At 31 December 2022	636,211

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 2023 was QR 711 million (2022: QR 782 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 increase or decrease if significant inputs increase or decrease

The rental income arising during the year amounted to QR 45,671 thousand (2022: QR 31,568 thousand) and the direct operating expenses (included within general and administrative expenses) arising in respect of such properties during the year was QR 8,749 thousand (2022: QR 10,502 thousand).

10. INVESTMENT PROPERTIES (CONTINUED)

Properties owned by the Group in the United Kingdom with a carrying value of QR 211 million as at 31 December 2023 (2022: QR 217 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 (QR '000)	Building (QR '000)	Furniture and fixtures (QR '000)	Motor vehicles (QR '000)	Total (QR '000)
Cost:					
At 1 January 2022	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)	(6,658)	(589)	(22,860)
At 31 December 2022	9,709	198,781	177,288	12,890	398,668
Acquired through merger	-	5,657	13,169	-	18,826
Additions	-	2,638	6,301	1,455	10,394
Disposals	-	(19,184)	(76)	(1,237)	(20,497)
Foreign currency exchange difference	-	7,020	2,848	672	10,540
At 31 December 2023	9,709	194,912	199,530	13,780	417,931
Accumulated Depreciation:					
At 1 January 2022	-	120,346	150,621	11,663	282,630
Charged 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
Acquired through merger		39	11,953	-	11,992
Charged during the year		9,072	8,735	683	18,490
Disposals		(3,837)	(10)	(144)	(3,991)
Foreign currency exchange difference		3,688	2,215	455	6,358
At 31 December 2023	-	134,033	177,676	12,646	324,355
Net book values:					
At 31 December 2023	9,709	60,879	21,854	1,134	93,576
At 31 December 2022	9,709	73,710	22,505	1,238	107,162

12. GOODWILL AND INTANGIBLE ASSETS

Movements in goodwill and intangible assets were as follows:

	Goodwill (QR '000)	Lloyd's syndicate capacity (QR '000)	Framework agreement (QR '000)	Non-life insur- ance license (QR '000)	Total (QR '000)
	(i)	(ii) (a)	(ii) (c)	(ii) (d)	
At 1 January 2022	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
At 31 December 2023	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 million was paid. The carrying value of the net assets of EIIM was QR 918 thousand, accordingly an amount QR 33.60 million goodwill arose.

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.

After the acquisition, Antares Reinsurance, a class 3 captive reinsurer to the Lloyds syndicate based in Bermuda, was merged with another operation within the Group as part of an internal reorganization. This internal transaction between fully owned subsidiaries has no impact on the Group.

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
Intangible assets as of the acquisition date	-	
Foreign currency exchange difference	-	
Accumulated amortisation expenses	-	
Impairment recognised	-	
Net intangible assets as at 31 December 2023	-	

12. GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

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.

As at 31 December 2022, 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.

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. OTHER PAYABLES

	2023 (QR '000)	2022 (QR '000)
Accruals and deferred income	325,065	197,520
Employees' end of service benefits (see Note 13.1)	58,392	34,062
Derivative financial liabilities (Note 34)	14,034	15,159
Other liabilities	577,287	512,023
	974,778	758,764

13.1. Employees' end of service benefits

	2023 (QR '000)	2022 (QR '000)
Provision at 1 January	34,062	28,669
Expenses recognised during the year	27,230	5,195
Transfers during the year	(842)	951
Payment made during the year	(2,058)	(753)
Provision at 31 December	58,392	34,062

14. SHORT TERM BORROWINGS

14.1. SHORT TERM BORROWINGS

	2023 (QR '000)	2022 (QR '000)
Short term borrowings	2,097,207	3,054,144

The short term borrowings carry interest at an average rate of 2023: 5.98% per annum (2022: 4.2 % per annum).

14.2. LOANS

	2023 (QR '000)	2022 (QR '000)
Loan 1	102,529	91,657
Loan 2	29,955	33,095
31 December	132,484	124,752

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 3.39 % (2022: 2.92%) per annum.

15. SHARE CAPITAL, SHARE PREMIUM AND DIVIDENDS

15.1. Share capital

	20	23	20	22
	No of shares	QR'000	No of shares	QR'000
Authorised, Issued and Fully paid up			-	
Ordinary shares of QR 1 each	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 2023. The proposed dividend will be placed for approval at the Annual General Meeting to be held on 6th March 2024 (2022: The Board proposed the non-distribution of divided for the year 2022 which was approved at the Annual General Meeting held on 19 March 2023.).

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 Oatar 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 2023 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 13,294 thousand (2022: QR 11,004 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 quarantor 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

21. SUBORDINATED PERPETUAL DEBT (CONTINUED)

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 2022, as previously reported	(139,240)	8,954	167,025	36,739
Adjustment on initial application of IFRS 17, net of tax	-	245	-	245
Restated balance at 1 January 2022 Transfer and other movements	(139,240) 34,582	9,199 (129,567)	167,025 34,324	36,984 (60,661)
Balance at 31 December 2022 (Restated)	(104,658)	(120,368)	201,349	(23,677)
Balance at 1 January 2023	(104,658)	(120,368)	201,349	(23,677)
Transfer and other movements	(2,367)	48,866	32,672	79,171
Net reinsurance contract assets at 31 December	(107,025)	(71,502)	234,021	55,494

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.

For management reporting purposes, the Group is organized into six business segments - Marine and Aviation, Property and Casualty, Health and Life, Real Estate, Advisory, and Investments. These segments are the basis on which the Group reports its operating segment information.

23. OPERATING SEGMENTS (CONTINUED)Segment information (continued)

Segment income statement for the year ended 31 December 2023

surance service expense	et expenses from reinsurance contracts held	
	nsurance service expense	nsurance service expense Net expenses from reinsurance contracts held

Reinsurance finance income for reinsurance contracts held Insurance finance expenses for insurance contracts issued

Net insurance finance result

Investment income & other income Total investment and other income Advisory fee income

Share of profit of associates and joint venture Operating and administrative expenses Total income

Profit for the year from continuing operations Loss for the year from discontinued operations

Profit for the year

Depreciation and amortisation Profit before income tax Income tax expense

784,364	1	784,364			1			
(239,922)					(239,922)	3,002	(188,087)	(54,837)
(1,177)		•	'	'	(1,177)	5,898	(13,789)	6,714
(238,745)	'		ı	ı	(238,745)	(2,896)	(174,298)	(61,551)
747,449		•			747,449	5,108	398,986	343,355
(1,082,998)					(1,082,998)	(34,087)	(232,731)	(816,180)
(4,478,476)	,	1	1	1	(4,478,476)	(756,065)	(3,004,924)	(717,487)
6,308,923	,	1		1	6,308,923	795,260	3,636,641	1,877,022
(QR '000)	(QR '000)	(QR '000)	(OR ,000)	(OB, 000)	(QR '000)	(QR '000)	(QR '000)	(OB ,000)
Total	Unallocated	Invest- ments	Investment Advisory	Real Estate	Total Insurance	Health and Life	Property and Casualty	Marine and Aviation

1	ı		784,364	1	784,364
1	45,671			1	45,671
1	ı	28,739		1	28,739
•			٠	30,176	30,176
	45,671	28,739	784,364	30,176	888,950
1	•			32,672	32,672
507,527	45,671	28,739	784,364	62,848	1,429,149
	(8,749)	(34,883)	•	(224,030)	(267,662)
•	(19,297)	(88)		(8,011)	(27,397)
507.527	17.625	(6.233)	784.364	(169.193)	1.134.090
1			1	(39,729)	(39,729)
507,527	17,625	(6,233)	784,364	(208,922)	1,094,361
,	٠		,	(479,023)	(479,023)
507,527	17,625	(6,233)	784,364	(687,945)	615,338

Segment income statement for the year ended 31 December 2022

nt Invest-	(QR '000)			1	- 717,510 35,122	'	122 717,510	,122 717,510 339) (5,909) -	3,718 711,601	3,718 711,601	3,718 711,601
Investment Advisory	(QR '000)						35,122	35,122 (31,339) (65)			
Real Estate	(QR '000)			1	31,568		31,568	31,568 (10,502) (12,408)	8,658	8,658	8,658
Total Insurance	(QR '000) 6,888,741 (5,895,609) (1,457,655)	(464,523)	(76,506)	(310,198)	1 1 1	·	1 1	(774,721)	(774,721)	(774,721)	(774,721)
Health and Life	(QR '000) 470,774 (462,058) 1,040	9,756	(334)	(12,156)							
Property and Casualty	(QR '000) 4,801,894 (3,761,936) (1,391,748)	(351,790)	(56,323)	(260,480)							
Marine and Aviation	(QR '000) 1,616,073 (1,671,615) (66,947)	(122,489)	(19,849)	(37,562)							
	Insurance revenue Insurance service expense Net expenses from reinsurance contracts held	Insurance service result	Insurance finance expenses for insurance contracts issued Reinsurance finance income for reinsurance contracts held	Net insurance finance result	Investment income & other income Rental income Advisory fee income	Other Income	Total investment and other income Share of profit of associates and joint venture	Total income Operating and administrative expenses Depreciation and amortisation	Profit before income tax Income tax expense	Profit for the year from continuing operations Loss for the year from discontinued operations	Profit for the year

(233,692)

(76,506)

(464,523)

(QR '000)

(QR '000) (QR '000)

Total

Unallocated

(260,480)	(12,156)	(310,198)	1	1	1	1	(310,198)
			1	1	717,510	•	717,510
		1	31,568			1	31,568
		1	ı	35,122		1	35,122
						9,458	9,458
			31,568	35,122	717,510	9,458	793,658
					٠	34,324	34,324
		(774,721)	31,568	35,122	717,510	43,782	53,261
		1	(10,502)	(31,339)	(2,909)	(105,963)	(153,713)
			(12,408)	(65)		(32,738)	(45,211)
		(774,721)	8,658	3,718	711,601	(94,919)	(145,663)
						(14,525)	(14,525)
		(774,721)	8,658	3,718	711,601	(109,444)	(160,188)
					٠	(1,023,000)	(1,023,000)
		(774,721)	8,658	3,718	711,601	(1,132,444)	(1,183,188)

23. OPERATING SEGMENTS (CONTINUED)

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 2023 (QR '000)	International 2023 (QR '000)	Total 2023 (QR '000)	Qatar 2022 (QR '000)	International 2022 (QR '000)	Total 2022 (QR '000)
Insurance revenue	1,489,464	4,819,459	6,308,923	1,426,268	5,462,473	6,888,741
Insurance service expense	(324,567)	(4,153,909)	(4,478,476)	(1,038,636)	(4,856,973)	(5,895,609)
Net expenses from reinsurance contracts held	(873,874)	(209,124)	(1,082,998)	(214,379)	(1,243,276)	(1,457,655)
Insurance service result	291,023	456,426	747,449	173,253	(637,776)	(464,523)
Insurance finance expenses for insurance contracts issued	(44,149)	(194,596)	(238,745)	(12,359)	(64,147)	(76,506)
Reinsurance finance income for reinsurance contracts held	42,904	(44,081)	(1,177)	9,359	(243,051)	(233,692)
Net insurance finance result	(1,245)	(238,677)	(239,922)	(3,000)	(307,198)	(310,198)

Segment assets, liabilities and equity as at year end

	Ass	ets	Liabilities	& Equity
	2023 (QR '000)	2023 (QR '000)	2023 (QR '000)	2022 (QR '000)
Qatar	10,355,786	11,474,532	13,956,624	14,626,500
International	18,326,490	18,352,810	14,725,652	15,200,842
Net insurance finance result	28,682,276	29,827,342	28,682,276	29,827,342

24. NET INVESTMENT INCOME

	2023 (QR '000)	2022 (QR '000)
Interest income	719,783	529,140
Gain on sale of investments	34,553	499,355
Unrealised gain on investments	109,647	(282,097)
Dividends	43,208	63,576
Others	17,643	3,416
	924,834	813,390
Finance costs	(140,470)	(95,880)
Net investment income	784,364	717,510

The interest income is net of provision of QR 5,833 (2022: expected credit loss reversal for the year ended 31 December 2022 amounting to QR 3,921 thousand)..

25. OPERATING AND ADMINISTRATIVE EXPENSES

	2023 (QR '000)	2022 (QR '000)
Employee related costs	157,301	169,158
Registration and professional fees	81,640	48,613
Other operating expenses	28,721	(64,058)
	267,662	153,713

26. EXPENSES BY NATURE

Expenses attributable to insurance acquisition cash flow (QR '000)	Other directly attributable expenses (QR '000)	Other operating expenses (QR '000)	Total (QR '000)
40,519	228,068	157,301	425,888
1,386,089	4,513	-	1,390,602
2,081	38,213	81,640	121,934
(224,698)	-	-	(224,698)
1,915	233,034	28,721	263,670
1,205,906	503,828	267,662	1,977,396
	to insurance acquisition cash flow (QR '000) 40,519 1,386,089 2,081 (224,698) 1,915	to insurance acquisition cash flow (QR '000) 40,519 228,068 1,386,089 4,513 2,081 38,213 (224,698) - 1,915 233,034	to insurance acquisition cash flow (QR '000) 40,519 228,068 1,386,089 2,081 38,213 (224,698) 1,915 233,034 Other directly expenses (QR '000) 40,519 228,068 157,301 1,640

For the year ended 31 December 2022	Expenses attributable to insurance acquisition cash flow (QR '000)	Other directly attributable expenses (QR '000)	Other operating expenses (QR '000)	Total (QR '000)
Employee related cost	32,037	200,828	169,158	402,023
Commission expenses	1,545,311	972		1,546,283
Registration and Professional expenses	1,293	32,465	48,613	82,371
Adjustment for amortisation of acquisition expenses other than commission	(156,156)	-	-	(156,156)
Others	3,924	115,195	(64,058)	55,061
	1,426,409	349,460	153,713	1,929,582

27. EARNINGS PER SHARE (EPS)

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

	2023 (QR '000)	2022 (Restated) (QR '000)
Net profit attributable to shareholders of the parent Company		
Continuing operations	1,080,197	(176,095)
Less: Interest on subordinated perpetual debt	(166,636)	(141,370)
	913,561	(317,465)
Discontinued operations	(479,023)	(1,023,000)
	434,538	(1,340,465)
Weighted average number of ordinary shares (in thousand)	3,266,101	3,266,101
Earnings per share for continuing operations (QR)	0.280	(0.097)
Earnings per share (QR)	0.133	(0.410)

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28. 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:

	2023 (QR '000)	2022 (QR '000)
Qatari subsidiaries (i)	1,850	330
International subsidiaries and branches (ii)	37,879	14,195
Total tax charge	39,729	14,525

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. The 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.

29. CONTINGENT LIABILITIES AND COMMITMENTS

	2023 (QR '000)	2022 (QR '000)
Bank guarantees	3,120,880	3,281,745
Authorised future investment commitments	340,434	364,575

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.

30. 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: guoted 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)

30. DETERMINATION OF FAIR VALUE AND HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

31 December 2023	Level 1 (QR '000)	Level 2 (QR '000)	Level 3 (QR '000)	Total (QR '000)
Derivative assets	-	-	195,561	195,561
Investment securities	10,803,722	862,279	1,403,236	13,069,237
	10,803,722	862,279	1,598,797	13,264,798
Derivative liabilities	-	-	14,034	14,034

31 December 2022	Level 1 (QR '000)	Level 2 (QR '000)	Level 3 (QR '000)	Total (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

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.

30. DETERMINATION OF FAIR VALUE AND HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

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:

	2023 (QR '000)	2022 (QR '000)
At 1 January	1,636,723	1,282,867
Net gain in fair value reserve	(76,547)	270,619
Net additions (disposals) during the year	38,621	83,237
At 31 December	1,598,797	1,636,723

31. 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 2023			
	Insurance Revenue QR (000)	Insurance Service expense (QR '000)	Net income from reinsurance contracts held (QR '000)	Others (QR '000)
Affiliate Companies				
Alfardan Group	28,257	(27,500)	-	1
Al Jaidah Group	6,279	(5,031)	-	-
Massoun Insurance Services L.L.C.	909	658	-	-
QLM Life & Medical Insurance Company Q.P.S.C.	5,491	(759)	(139,169)	1,078
Al Liwan Real Estate Company W.L.L.	78	(1)	-	-
Others	4,964	(60)	1,597	_
Total	45,978	(32,693)	(137,572)	1,079

31. RELATED PARTIES(CONTINUED)

	For the year ended 31 December 2023			
	Insurance Revenue QR (000)	Insurance Service expense (QR '000)	Net income from reinsurance contracts held (QR '000)	Others (QR '000)
Affiliate Companies				
Alfardan Group	21,780	(12,579)	-	-
Al Jaidah Group	6,118	(6,519)	-	-
Massoun Insurance Services L.L.C.	905	(1,297)	-	-
QLM Life & Medical Insurance Company Q.P.S.C.	1,376	(153)	55,722	2
Al Liwan Real Estate Company W.L.L.	80	18	-	-
Others	3,648	34,177	34,177	-
Total	33,907	13,647	89,899	2

Related party balances

Balances of related parties included in the consolidated statement of financial position are as follows:

_				
	As at 31 December 2023			
	Insurance Contract assets QR (000)	Reinsurance Contract Assets (QR '000)	Insurance Contract Liabilities (QR '000)	Reinsurance Contract Liabilities (QR '000)
Affiliate Companies				
Alfardan Group	-	-	17,706	-
Al Jaidah Group	-	-	5,758	-
Massoun Insurance Services L.L.C.	-	-	19,973	-
QLM Life & Medical Insurance Company Q.P.S.C.	18,596	(42,382)	2,298	47,147
Al Liwan Real Estate Company W.L.L.	-	-	6	-
Others	-	29,974	6,814	
Total	18,596	(12,408)	52,555	47,147

	As at 31 December 2022				
	Insurance Contract assets QR (000)	Reinsurance Contract Assets (QR '000)	Insurance Contract Liabilities (QR '000)	Reinsurance Contract Liabilities (QR '000)	
Affiliate Companies					
Alfardan Group	-	-	14,121	-	
Al Jaidah Group	-	-	7,090	-	
Massoun Insurance Services L.L.C.	-	-	14,795	-	
QLM Life & Medical Insurance Company Q.P.S.C.	(608)	(29,005)	(16,184)	1,635	
Al Liwan Real Estate Company W.L.L.	-	-	7	-	
Others	-	(32,490)	14,136	-	
Total	(608)	(61,495)	33,965	1,635	

All the related party receivable balances are payable on demand and in local currency. Outstanding related party balances at the reporting date are unsecured and interest free and no impairment losses relating to these balances were recognised during the current and comparative periods.

31. RELATED PARTIES (CONTINUED)

Compensation of key management personnel

The remuneration of directors and other members of key management during the period were as follows:

	2023 (QR '000)	2022 (QR '000)
Salaries and other short-term benefits	31,886	26,026
End of service benefits	25,041	1,927
	56,927	27,953

32. NON-CONTROLLING INTERESTS

Represents the non-controlling interests of 41.07% (2022: 41.98%) of the share capital in Oman Qatar Insurance Company and 9.06 % (2022: 9.06%) in Kuwait Qatar Insurance Company.

33. 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

33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Regulatory framework (continued)

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 longterm 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. Offsetting

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.

f. 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 quidelines 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.

33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Insurance risk (continued)

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.

g. 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 following table presents the impact on profit and loss statement and equity due to changes in Insurance reserves.

31 December 2023		(Increa	ise 5%)	(Decrease 5%)		
		Impact on Profit before tax	Impact on Equity (before tax)	Impact on Profit before tax	Impact on Equity (before tax)	
	Insurance contract assets	8,673	8,673	(8,673)	(8,673)	
	Reinsurance contract assets	93,741	93,741	(93,741)	(93,741)	
	Insurance contract liabilities	(533,510)	(533,510)	533,510	533,510	
	Reinsurance contract liabilities	(16,819)	(16,819)	16,819	16,819	
		(Increa	se 5%)	(Decre	ase 5%)	
	31 December 2022	(Increa Impact on Profit before tax	se 5%) Impact on Equity (before tax)	(Decrea Impact on Profit before tax	ase 5%) Impact on Equity (before tax)	
	31 December 2022 Insurance contract assets	Impact on Profit before	Impact on Equity (before	Impact on Profit before	Impact on Equity (before	
		Impact on Profit before tax	Impact on Equity (before tax)	Impact on Profit before tax	Impact on Equity (before tax)	
	Insurance contract assets	Impact on Profit before tax 20,877	Impact on Equity (before tax)	Impact on Profit before tax (20,877)	Impact on Equity (before tax) (20,877)	
	Insurance contract assets Reinsurance contract assets	Impact on Profit before tax 20,877 130,423	Impact on Equity (before tax) 20,877 130,423	Impact on Profit before tax (20,877) (130,423)	Impact on Equity (before tax) (20,877) (130,423)	

h. 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.

33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Claims Development Table (continued)

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	2018	2019	2020	2021	2022	2023	Total
At end of accident year	6,716,458	5,552,746	5,793,000	4,693,857	5,120,726	4,851,166	32,727,953
One year later	7,522,453	6,611,341	6,759,964	6,273,024	6,047,099	-	-
Two years later	7,855,172	6,759,429	6,902,127	6,723,210	-	-	-
Three years later	8,014,017	6,613,567	6,912,613	-	-	-	-
Four years later	8,094,657	7,088,193	-	-	-	-	-
Five years later	8,338,665	-	-	-	-	-	-
Net estimates of undiscounted amount of claims	8,338,665	7,088,193	6,912,613	6,723,210	6,047,099	4,851,166	39,960,946
Cumulative payments to date	(7,631,300)	(5,603,303)	(4,344,841)	(4,520,654)	(3,993,699)	(2,613,678)	(28,707,475)
Net undiscounted liability of incurred claims	707,365	1,484,890	2,567,772	2,202,556	2,053,400	2,237,488	11,253,471
Discontinued operations	-	-	-	-	-	-	(655,893)
Reserve in respect of prior years (Before 2018)	-	-	-	-	-	-	1,493,102
Effect of discounting	-	-	-	-	-	-	(611,731)
Effect of the risk adjustment for non-financial risk	-	-	-	-	-	-	278,893
Others	-	-	-	-	-	-	(445,026)
Total Net Liability of Incurred claims	-	-	-	-	-	-	11,312,816

i. 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.

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33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

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.

Derivative financial assets	
Financial investments at fair value through profit or loss (FVTPL)	
Financial investments at fair value through other comprehensive income (FVOCI)	
Other receivables	
Insurance contract assets	
Reinsurance contract assets	
Cash and short-term deposits	

2023 (QR '000)	2022 (QR '000)
195,561	298,802
3,654,980	3,333,338
9,414,257	9,401,368
225,770	524,858
173,460	417,546
1,874,828	2,608,456
5,487,061	6,473,253
21,025,917	23,057,621

Other receivables

The Group uses an allowance matrix to measure the ECLs of its other receivables. As a result, management determined that the carrying amount of these receivables did not require any adjustment because the result of applying the ECL model was immaterial.

Insurance and reinsurance contracts

At 31 December 2023, the maximum exposure to credit risk from insurance contracts is QAR 3,366 million (2022: 3,267 million), which primarily relates to premiums receivable for services that the Group has already provided, and the maximum exposure to credit risk from reinsurance contracts is QAR 1,248 million (2022: 1,652 million).

The Group deals with reinsurance companies holding a credit rating range from A and above.

Cash and short-term deposits

Management considers that its cash at bank and short-term deposit has low credit risk considering the external credit ratings of the counterparties, which are all at "investment grade and above". Impairment on cash at bank has been measured on a 12-month expected loss basis and reflects the short-term maturities of the exposures.

j. 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

33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

Maturity profiles (continued)

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.

31 December 2023	Up to a year (QR '000)	1-5 years (QR '000)	Over 5 years (QR '000)	Tota (QR '000)
Financial assets				
Derivative financial assets	195,561	-	-	195,561
Non-derivative financial assets				
Insurance contract assets	69,563	69,474	34,423	173,460
Reinsurance contract assets	606,951	950,621	317,256	1,874,828
Financial investments at fair value through profit or loss (FVTPL)	3,218,696	236,564	199,720	3,654,980
Financial investments at fair value through other comprehensive income (FVOCI)	456,990	4,618,340	4,338,927	9,414,257
Other receivables	208,720	11,003	6,047	225,770
Cash and short-term deposits	5,271,188	215,873	-	5,487,061
_	10,027,669	6,101,875	4,896,373	21,025,917
	Up to a year (QR '000)	1-5 years (QR '000)	Over 5 years (QR '000)	Tota (QR '000)
Financial liabilities				
Derivative financial assets	14,034	-	-	14,034
Non-derivative financial assets				
Insurance contract liabilities	4,279,119	4,273,598	2,117,488	10,670,20
Reinsurance contract liabilities	108,897	170,558	56,921	336,376
Other payables	866,843	67,431	40,504	974,778
Short term borrowings	2,097,207			2,097,207
Loans	-	132,484	-	132,484
_	7,366,100	4,644,071	2,214,913	14,225,084
31 December 2022	Up to a year (OR '000)	1-5 years (QR '000)	Over 5 years (QR '000)	Tota (QR ' 000
Financial assets				•
Derivative financial assets	298,802			298,802
Non-derivative financial assets				
Insurance contract assets	167,450	167,234	82,862	417,546
Reinsurance contract assets	844,454	1,322,603	441,399	2,608,456
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	3,913,343	5,015,973	9,403,24
Other receivables	513,782	6,694	4,382	524,858
Cash and short-term deposits	6,411,817	61,436		6,473,253
	11,611,892	5,471,310	5,976,292	23,059,494

33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

Maturity profiles (continued)

	Up to a year (QR '000)	1-5 years (QR '000)	Over 5 years (QR '000)	Total (QR '000)
Financial liabilities				
Derivative financial liabilities	15,159	-	-	15,159
Non-derivative financial liabilities				
Insurance contract liabilities	4,922,352	4,916,002	2,435,788	12,274,142
Reinsurance contract liabilities	93,130	145,863	48,680	287,673
Other payables	645,963	71,305	41,496	758,764
Short term borrowings	3,054,144			3,054,144
Loans		124,752		124,752
	8,730,748	5,257,922	2,525,964	16,514,634

k. 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.

31 December 2023	USD (QR '000)	EURO (QR '000)	GBP (QR '000)	Others (QR '000)	Total (QR '000)
Cash and short-term deposits	1,216,056	5,450	502,636	3,762,919	5,487,061
Other receivables	203,297	31,302	(47,884)	39,055	225,770
Financial investments	11,090,783	355,403	681,059	1,137,553	13,264,798
Insurance contract assets	172	3,082	67,390	102,816	173,460
Reinsurance contract assets	406,362	226,924	256,777	984,765	1,874,828
Total assets	12,916,670	622,161	1,459,978	6,027,108	21,025,917
Short term borrowings	1,743,395	-	-	353,812	2,097,207
Loans	-	-	132,484	-	132,484
Other payables	(1,431,453)	(218,055)	1,029,574	1,594,712	974,778
Insurance contract liabilities	3,535,354	673,512	2,392,634	4,068,705	10,670,205
Reinsurance contract liabilities	48,499	7,319	103,066	177,492	336,376
Total liabilities	3,895,795	462,776	3,657,758	6,194,721	14,211,050

33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Market risk (continued)
Currency risk (continued)

31 December 2022	USD (QR '000)	(QR '000)	(QR '000)	Others* (QR '000)	Total (QR '000)
Cash and short-term deposits	1,997,049	28,731	113,346	4,334,127	6,473,253
Other receivables	5,490	28,961	148,229	342,178	524,858
Financial investments	11,146,320	282,671	591,778	715,810	12,736,579
Insurance contract assets	256,280	-	-	161,266	417,546
Reinsurance contract assets	795,950	170,830	146,402	1,495,274	2,608,456
Total assets	14,201,089	511,193	999,755	7,048,655	22,760,692
Short term borrowings	2,752,136	-	-	302,008	3,054,144
Loans	-	-	124,752	-	124,752
Other payables	(316,652)	(259,321)	(126,341)	1,461,078	758,764
Insurance contract liabilities	4,186,115	719,988	3,050,696	4,317,343	12,274,142
Reinsurance contract liabilities	52,091	4,303	2,688	228,591	287,673
Total liabilities	6,673,690	464,970	3,051,795	6,309,020	16,499,475

^{*} 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.

		31 Decem	ber 2023	31 Decem	nber 2022
Currency	Changes in exchange rates	Impact on profit or loss (QR '000)	Impact on equity (QR '000)	Impact on profit or loss (QR '000)	Impact on equity (QR '000)
Euro	+10%	36,085	36,085	31,119	31,119
GBP	+10%	118,370	118,370	70,512	70,512
Total		154,455	154,455	101,631	101,631
Euro	-10%	(36,085)	(36,085)	(31,119)	(31,119)
GBP	-10%	(118,370)	(118,370)	(70,512)	(70,512)
Total		(154,455)	(154,455)	(101,631)	(101,631)

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.

33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Market risk (continued)

Interest rate risk (continued)

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.

		31 Decem	ber 2023	31 Decen	nber 2022
Currency	Changes in interest rates	Impact on profit or loss (QR '000)	Impact on equity (QR '000)	Impact on profit or loss (QR '000)	Impact on equity (QR '000)
Qatari riyals	+50 basis points	(5,358)	(194,722)	(3,444)	(212,619)
Qatari riyals	-50 basis points	5,358	194,722	3,444	212,619

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

31 December 2023	Up to 1 year (QR '000)	1 to 5 years (QR '000)	Over 5 years (QR '000)	Total (QR '000)	Effective interest rate (%) (QR '000)
Cash and short-term deposits	5,271,188	215,873	-	5,487,061	5.91%
Derivative Financial Assets	195,561	-	-	195,561	
Investments – Debt instruments	495,703	4,854,903	4,538,648	9,889,254	4.46%
Insurance contract assets	69,563	69,474	34,423	173,460	
Reinsurance contract assets	606,951	950,621	317,256	1,874,828	
	6,638,966	6,090,871	4,890,327	17,620,164	
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 (%) (QR '000)
Cash and short-term deposits	6,411,817	61,436	-	6,473,253	4.94%
Derivative Financial Assets	298,802	-	-	298,802	
Investments – Debt instruments	473,925	3,911,470	5,449,722	9,835,117	3.91%
Insurance contract assets	167,450	167,234	82,862	417,546	
Reinsurance contract assets	844,454	1,322,603	441,399	2,608,456	
	8,196,448	5,462,743	5,973,983	19,633,174	

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

33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Market risk (continued) Price risk (continued)

on profit or loss and equity.

		31 Decem	ber 2023	31 Decem	nber 2022
	Changes in variables	Impact on profit or loss (QR '000)	Impact on equity (QR '000)	Impact on profit or loss (QR '000)	Impact on equity (QR '000)
Qatar Market	+10%	54,749	54,749	54,686	54,686
International Markets	+10%	62,401	62,401	44,854	44,854
Qatar Market	-10%	(54,749)	(54,749)	(54,686)	(54,686)
International Markets	-10%	(62,401)	(62,401)	(44,854)	(44,854)

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.

33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

m. Classification and fair values

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

	31 Dece	mber 2023	31 Decem	nber 2022
	Carrying amount (QR '000)	Fair value (QR '000)	Carrying amount (QR '000)	Fair value (QR '000)
Cash and short-term deposits	5,487,061	5,487,061	6,473,253	6,473,253
Insurance contract assets	173,460	173,460	417,546	417,546
Reinsurance contract assets	1,874,828	1,874,828	2,608,456	2,608,456
Derivative financial assets	195,561	195,561	298,802	298,802
Financial investments at fair value through profit or loss (FVTPL)	3,719,963	3,719,963	3,333,338	3,333,338
Financial investments at fair value through other comprehensive income (FVOCI)	9,544,835	9,544,835	9,403,241	9,403,241
Total	20,995,708	20,995,708	22,534,636	22,534,636
Short term borrowings	2,097,207	2,097,207	3,054,144	3,054,144
Loans	132,484	132,484	124,752	124,752
Insurance contract liabilities	10,670,205	10,670,205	12,274,142	12,274,142
Reinsurance contract liabilities	336,376	336,376	287,673	287,673
	13,236,272	13,236,272	15,740,711	15,740,711

34. 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.

31 December 2023	Notional amount (QR '000)	Derivative Asset (QR '000)	Derivative Liability (QR '000)	Within 3 months (QR '000)	3 to 12 months (QR '000)
Over the Counter Derivatives					
Credit and Interest Rate Derivatives	904,757	129,811	8,210	(16,316)	921,073
Equity Derivatives	36,400	5,729	-	-	36,400
FX Derivatives	3,906,600	60,021	5,824	565,497	3,341,103
	4,847,757	195,561	14,034	549,181	4,298,576
31 December 2022	Notional amount (QR '000)	Derivative Asset (QR '000)	Derivative Liability (QR '000)	Within 3 months (QR '000)	3 to 12 months (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

Various option strategies are employed for hedging, risk management and income enhancement. All calls sold are on

34. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

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.

35. 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.

36. 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. 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 Group has signed a sale and purchase agreement with an institutional buyer. The sale is 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.

36. DISCONTINUED OPERATIONS (CONTINUED)

	2023	2022
	(QR '000)	(QR '000)
Insurance revenue	3,779,858	4,333,405
Insurance service expense	(3,704,030)	(5,491,952)
Net expenses from reinsurance contract	(523,192)	444,980
Insurance service result	(447,364)	(713,567)
Net finance expenses from insurance contracts	(125,429)	(651,685)
Net finance income from insurance contracts	86,444	565,709
Net insurance finance results	(38,985)	(85,976)
Investment income	85,719	41,909
Finance costs	(297)	(1,365)
Net investment income	85,422	40,544
Advisory fee income	(3,431)	(3,352)
Total investment and other income	81,991	37,192
TOTAL LOSS	(404,358)	(762,351)
Operating and administrative expenses	(74,694)	(232,399)
Depreciation and amortisation		(121)
Loss before tax from discontinued operations	(479,052)	(994,871)
Income tax benefit, net	29	(28,129)
Loss after tax from discontinued operations	(479,023)	(1,023,000)
Other comprehensive income from discontinued operations		
Net changes in fair value of debt instruments at FVOCI	2,367	(58,828)
Total comprehensive loss for the year attributable to:		
Equity holders of the parent from discontinued operations	(476,656)	(1,081,828)
Earnings per share		
Basic/Diluted earnings from discontinued operations in Qatari Riyals	(0.147)	(0.313)

The net cash flows incurred are, as follows;

2023 (QR '000)	2022 (Restated (QR '000
(423,805)	(1,353,327
(193,603)	458,749
546,835	395,447
(70,573)	(499,131)
	(QR '000) (423,805) (193,603) 546,835

36. DISCONTINUED OPERATIONS (CONTINUED)

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:

	2023 (QR '000)	2022 (Restated) (QR '000)
Assets		
Cash and short-term deposits	401,272	890,513
Financial investments	1,247,315	1,051,781
Other receivables	33,324	62,064
Reinsurance contract assets	4,352,080	3,408,788
Property and equipment	8,573	8,137
Total Assets Held for Sale	6,042,564	5,421,283
Liabilities		
Other payables	178,509	432,054
Insurance contract liabilities	5,525,638	4,781,346
Total Liabilities related to Held for Sale	5,704,147	5,213,400

37. COMPARATIVE FIGURES

Except for the adaptation of IFRS 17, certain comparative figures have been reclassified to align their presentation to the current year's structure. Such reclassifications had no effect on the comparative figures for profit or loss and other comprehensive income and changes in equity of the Company.

38. SUBSEQUENT EVENTS

There were no significant events after the reporting date, which have a bearing on the understanding of these consolidated financial statements.

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CORPORATE GOVERNANCE REPORT

2025

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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 a 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 stakeholders' 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 the 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 the 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, comprising of constitutional documents like Articles of Association, Governance Charter, Board Charter, and the policies and procedures, and manuals. The Governance and Internal Control system identifies, implements, and monitors all principles and requirements of governance standards commensurate with the size, complexity, and business requirements of the Company. It is designed in line with the best practices of international governance principles, frameworks, and standards wherever applicable.

QIC 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 "QCB Governance Principles". It meets with 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 framework identifies and 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.

The Board is committed to best standards of business integrity, ethical standards, and governance. It recognizes the Group's responsibility in prudence, transparency, accountability, fairness, and social responsibility in conduct of business that ensures 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, a robust control environment, and sustainable business practices to support the Group strategy across all the territories in which it operates.

The Board promotes and supports best standards of corporate governance and endorses the principles of the Governance Code. QIC 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 from time to time in order to duly comply with the aforesaid regulatory requirements and the same has been approved by the Shareholders at latest in the Extraordinary General Assembly held on 19 March 2023.

The Board is committed to the implementation of the QFMA Governance Code, QCB 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 QFMA Governance Code and the QCB Governance Principles are mainly embedded in the corporate culture, internal controls, policies, and procedures governing corporate conduct. The Board is committed to continuously strengthen the principles and spirit envisioned in the above regulations in its business operations.

3. QIC GOVERNANCE PRINCIPLES

Integrity: QIC upholds standards of integrity, honesty, truthfulness, and ethics in the conduct of its business.

Skill, Care, and Diligence: QIC applies skill, care, and diligence in the conduct of its business.

Accountability: QIC owns full accountability to act in the best interests of its stakeholders i.e. shareholders, customers, employees, partners, regulators, society etc.

Transparency: QIC makes open, honest, and appropriate disclosures on a timely basis to its stakeholders.

Fairness and Equity: QIC demonstrates fairness, equity, and justice in the conduct of its approach, decisions, and behavior.

Trust and Respect: QIC is built on the foundation of trust of its stakeholders and treats its stakeholders with utmost respect and dignity.

Value Creation: QIC creates business values for its stakeholders and protects them at all times.

4. PURPOSE AND OBJECTIVES

A. QIC's Purpose:

To provide financial protection to policyholders and generate shareholders' value. QIC constantly strives to deliver successfully on customer requirements at all times as a resilient organization. QIC constantly strives to generate sustainable shareholders value. To achieve its purpose, QIC is driven by certain strategic objectives.

B. Strategic Objectives:

QIC is driven by key strategic objectives listed below.

B.1 Sustainable profit growth:

- 1. QIC focuses on long-term financial stability and growth driven by profitability.
- 2. The Board of Directors and Senior Executive Management are responsible for developing and executing strategic plans that align with the company's long-term financial goals.
- 3. Effective governance involves rigorous financial oversight and risk management to protect assets and financial stability.
- 4. Combined ratio, EPS (earnings per share), and return on equity are key measurement criteria for financial stability and performance.
- 5. The combined ratio provides insight into underwriting profitability and operational efficiency, which are key indicators of financial stability.
- 6. EPS, on the other hand, offers a broader view of the company's overall profitability and its ability to generate shareholder value, which contributes to profitable growth.
- 7. Both metrics are analyzed in conjunction with other financial and operational indicators to get a comprehensive view of the Company's financial health and future growth prospects.

B.2 Innovation and Technology Leadership:

- 1. QIC utilizes and targets to expand its use of technology and innovation to broaden its risk assessment capabilities (better risk identification, optimized risk assessment, and proactive mitigation measures), streamline insurance operations, and enhance customer experience.
- 2. Utilize data analytics and artificial intelligence to expand underwriting segments, improve underwriting accuracy (claim ratio), reduce claims processing steps as well as time, and enable fraud detection.
- 3. Foster a culture of innovation and make employees focused on emerging technologies like artificial intelligence, machine learning, and blockchain for exploring new applications of these technologies in insurance and reinsurance.
- 4. Build strategic partnerships for technological advancement.

B.3 Customer Satisfaction Ratings:

- 1. Customer satisfaction ratings are measured and continuously improved as per the defined metrics in a time-bound
- 2. The focus areas will be excellent and responsive service delivery and innovative insurance solutions
- 3. Customer service excellence is measured by net promoter score (NPS), customer retention ratio, and complaints resolutions.
- 4. Innovative insurance solutions are measured by new products/solutions adoption rate, market share of new products, and customer retention rate for new products/solutions.

B.4 Among the top 50 global insurance leaders:

- 1. QIC focuses on achieving considerable market share in the regions in which QIC operates through cost advantage, product innovation, service delivery, and strategic partnerships.
- 2. Diversify global product portfolio by developing re/insurance products catering to specific risks and demands of different international markets.
- 3. Strengthen global distribution channels by establishing strategic partnerships with local insurers, brokers, and digital platforms in key markets.
- 4. Develop a comprehensive risk management framework that addresses the diverse and dynamic nature of risks in different markets.
- 5. Adhere to regulatory compliance in letter and spirit across all global operations.

5. 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 provides overall direction and quidance to the Board. In 2023, the Board was assisted by various Board Committees, namely the:

- Audit Committee
- Risk Management & Compliance Committee
- Nomination & Remuneration Committee
- Executive 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

6. BOARD OF DIRECTORS

6.1 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 aliqned 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.

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.

6.2 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 20,000,000 (twenty 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 2023 to 2025 in the Annual General Assembly Meeting (AGM) of the Company held on 19 March 2023. Further, the list of nominations for the Board of Directors was approved for the period (2023-2025) on 16 March 2023 by Qatar Central Bank. The requirements for holding minimum equity shares of the Company as non-independent Board Members stood at 2,000,000 (two million) shares was duly complied with by all the Board Members, as applicable at the time when the Annual General Assembly witnessed the election of the Board Members.

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.	Sheikh Hamad Bin Faisal Bin Thani Jasim Al Thani Chairman	General Retirement and Social Insurance Authority (Social Pension Fund)	346,659,884	10.61%	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.	Non-Independent Non-Executive
2.	Mr. Abdul Rahman Essa Al Mannai Vice-Chairman	Al-Ghariya Real Estate Investment Company	25,982,660	0.80%	Holds a degree in Aeronautical Engineering; Board Member in Nakilat, Chairman in Qatar Quarries & Building Materials Company (Gabbro) QPJSC, Board Member in Al Hosn Investment Company (Government owned; QIA/OIA partnership), Board Member in QTerminals LLC.	Non-Independent Non-Executive

3.	Mr. Khalifa Abdullah Turki Al- Subaey Member	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 leading Qatar Insurance Company since 1986. He last held the position of the Chairman and Managing Director of QIC Group. He was also the Vice Chairman of Damaan Islamic Insurance Company's (BEEMA) Board.	Independent Non-Executive
4.	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
5.	Sheikh Faisal Bin Thani Bin Faisal Al Thani Member	Brooq 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
6.	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
7.	Sheikh Tamim Bin Hamad Bin Jassim Jabor Al Thani Member	Al-Mirqab Capital Company	52,358,508	1.60%	Graduate with a concentration in Economics from Babson College, USA.	Non- Independent Non-Executive

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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. Previously, he was a Board member of Qatar Industrial Manufacturing Co and Mazaya Real Estate Development Co. Mr. Kamal previously worked with Goldman Sachs and CSFB in New York and the Qatar Embassy in Paris, France.	Non-Independent Non-Executive
9.	Mr. Mohammed Jassim M A Jaidah	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	Alfardan 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. Ibrahim Jassim Abdul Rahman Al Othman Fakhro Member	Self	106,433	0.003%	Bachelor of Science, Petroleum Engineering – University of Southern California, MBA in Business Administration from American University of Beirut He is the President & Chief Executive Officer since 2015, and member of the board of United Development Company. He is also a Board Member at Commercial Bank of Qatar.	Independent Non-Executive

Mr. Salem Khalaf Al-Mannai, Group Chief Executive Officer owns 9,500,010 shares of QIC.

6.3 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 the Board Committees, which operate within the mandate as entrusted by the Board of Directors as detailed later in this report.

6.4 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.

6.5 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 the 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.

6.6 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.

6.7 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 2023, the Board held seven (7) 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.

^{*} Number of shares owned and percentage of capital as at 31/12/2023.

Meetings held during the year:

Meeting	Date	Members in attendance (personally or by proxy)
1	21 February 2023	11
2	19 March 2023	8
3	5 May 2023	9
4	12 June 2023	11
5	14 August 2023	11
6	29 October 2023	11
7	12 December 2023	9

6.8 The Secretary of the Board

The Secretary of the Board is Mr. Khaled Abdel Majeed Ghanem, who holds a Bachelor of Commerce (Accounting Division) from Alexandria University, Arab Republic of Egypt in 2007. He joined Qatar Insurance Company in 2012 as Executive Secretary to the Group CEO, progressing to Executive Secretary to the Group President. He later served as Executive Secretary to the Chairman and Managing Director. Currently, he is serving as the Secretary of the Board of Directors in Qatar Insurance Company.

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.

6.9 The Board Committees

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. In the Board Meeting held on 19 March 2023, the Board of Directors approved the formation of new Board Committees which are listed below. The functions and responsibilities of the erstwhile Investment Committee have been merged with those of Executive Committee.

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:

6.9.1. Executive Committee

Committee members:

Mr. Abdulrahman Bin Essa Al- Mannai	Chairman
Sheikh Faisal Bin Thani Bin Faisal Al Thani	Member
Sheikh Tamim bin Hamad bin Jassim bin Jabor Al Thani	Member
Mr. Ali Hussain Ibrahim Alfardan	Member
Mr. Ali Yousuf Kamal	Member

Committee secretary:

Investor Relations Manager

Attendees by invitation:

Group CEO
Group Chief Investment Officer
Deputy Group CEO – International
Senior Vice President – Group Finance

Meetings held during the year:

Meeting	Date	Members in attendance
1	02 May 2023	5
2	11 June 2023	4
3	07 August 2023	5
4	28 August 2023	4
5	25 October 2023	3
6	11 December 2023	4

The Committee performs the following functions:

- 1. Ensures that the vision of the Board is translated into objectives, strategies, and action plans and implementations
- 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 discussed and recommended the Budget for the Board approval.
- 2. The Committee amended the minimum shares required to be held by the non-independent Board Members for board election to be 20 million shares.
- 3. The Committee approved the agreement for sale of West Bay in Gibraltar.
- 4. After financial due diligence, the Committee decided not to bid for the potential Saudi acquisition.
- 5. The Committee prepared a study on the impact on investment portfolio and investment performance in case of different recession scenarios.

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- 6. The committee approved the acquisition of Lulu Hypermarket at Al Messila from Lesha Bank for QAR 278.25 million.
- 7. The committee approved to provide parental guarantee for the New Antares UK Entity.

6.9.2. Audit Committee

Committee members:

Sheikh Abdul Rahman Bin Saud Bin Fahad Al Thani	Chairman
Mr. Mohammed Jassim Al Jaidah	Member
Mr. Ibrahim Jassim Abdul Rahman Al Othman Fakhro	Member

Committee secretary:

Group Chief Audit Executive

Attendees by invitation:

Group CEO

Meetings held during the year:

Meeting	Meeting Date	
1	19 February 2023	3
2	07 May 2023	3
3	11 June 2023	3
4	13 August 2023	3
5	25 October 2023	3
6	11 December 2023	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.
- Review the financial, internal control and risk management systems and ensure periodic audits are conducted, as
- 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, Given the size and nature of the operations, the Committee concluded that these observations did not represent any significant weaknesses in the internal control systems.
- 2. 'Key audit matters for the year 2022' was presented by KPMG external auditors to the Committee.
- 3. Ouarterly Audited Financial Statement for O2 and O3 2023 presented by KPMG were discussed and approved by the Committee for presentation to the Board.
- 4. Annual Internal Control Report for the year 2022 and Quarterly Internal Control Reports for 1st and 2nd quarters of 2023 on the assessment of Internal Controls in line with Article (22) of the Governance Code were presented by the Internal Audit department and were considered and accepted by the Committee. A review of the Internal Control Report methodology was recommended by the Committee for Q3 2023 onwards that will be tested and presented in the next Committee Meeting.
- 5. Various resolutions relating to appointment of existing auditors to provide Certification were approved by the Committee. (i.e. Appointment of the existing auditors to provide Certificate of Compliance to QCB's Instructions on RI Program and Certificate on QIC's AML/CTF Program & Disclosure based on XBRL for 2023).
- 6. Update on IESBA Revised Standards on Non-Assurance Services was presented and considered by the Committee. Concurrence resolutions were accepted and approved by the Committee.
- 7. Annual Internal Control Function Report of Internal Audit function for the year 2022 was considered and accepted by the Committee.
- 8. Appointment of external auditors for the year 2024 was discussed and approved by the Committee by circulation for presentation before the Board.
- 9. The Internal Audit Plan for the year 2024 was considered and approved by the Committee.

6.9.3. Nomination and Remuneration Committee:

Committee members:

Mr. Ali Hussain Alfardan	Chairman
Mr. Ali Yousef Hussein Kamal	Member
Mr. Ibrahim Jassim Abdul Rahman Al Othman Fakhro	Member

Committee secretary:

Group Chief Financial Officer

Attendees by invitation:

Group CEO

Meetings held during the year:

Meeting	Date	Members in attendance	
1	12 February 2023*	3	

^{*} Note: The aforementioned meeting was held before the election of new members of the Nomination and Remuneration Committee, and hence it was attended by the erstwhile Committee members.

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.
- 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 Remuneration Policy 2023 and approval of the overall limit of bonus to Management and employees for
- 2. Proposed to the Board of Directors the appropriate annual remuneration of the Board Members for 2022 subject to regulatory requirements.
- 3. Conducted the annual performance assessment of the Board and its Committees.

Note: The aforementioned meeting was held before the election of new members of the Nomination and Remuneration Committee, and hence it was attended by the erstwhile Committee members.

6.9.4. Risk Management and Compliance Committee:

Committee members:

Sheikh Saoud Bin Khalid Bin Hamad Al Thani	Chairman
Sheikh Tamim bin Hamad bin Jassim bin Jabor Al Thani	Member
Mr. Mohammed Jassim M A Jaidah	Member

Committee secretary:

Group Chief Risk Officer

Attendees by invitation:

Group CEO
Group Chief Actuary
Senior Vice President-Group Compliance

Meetings held during the year:

Meeting	Date	Members in attendance
1	16 February 2023	2
2	19 April 2023	3
3	07 August 2023	3
4	18 October 2023	3

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
- 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. Review 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 Corporate Governance Report, Committee Activity Report, and the Board declaration on Risk Management Framework for 2022.
- 2. Reviewed and recommended for Board approval changes in QIC Group Risk Appetite & Tolerance Statement, QIC Own Risk & Solvency Assessment Report (ORSA) for 2023 and QIC Financial Condition Report (FCR) for 2022.
- 3. Reviewed and approved the Group Capital Management Action Plan, OIC Risk Management strategy, Risk Management policy, Own Risk & Solvency Assessment (ORSA) policy and customer risk assessment 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 updates for the entities in the MENA and international operations.

6.10 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. The 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.

6.10.1. Board Performance Assessment

The performance assessment of the Board has been divided into four sections.

- a) Board Activities:
 - 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.

6.10.2. Executive Committee (EC) - Performance Assessment

The performance assessment of the Executive Committee has been divided into two sections.

- a) Committee Activities:
 - 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.

6.10.3. Nomination and Remuneration Committee (NRC) - Performance Assessment

The performance assessment of the NRC Committee has been divided into two 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.

6.10.4. Risk Management and Compliance Committee (RMCC) - Performance Assessment

The performance assessment of the RMCC Committee has been divided into two 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:
 - 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.

6.10.5. 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 2023, demonstrated that the Board, its committees, and executive management are effective in achieving its objectives.

7. 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 QFMA Governance Code and the QCB 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 NIL for 2022 in compliance with the Commercial Companies Law, Governance Code, and other applicable laws and regulations. For 2023, the total remuneration proposed to be paid to the Board of Directors is determined at QAR 12.94 million subject to applicable laws and regulations, shall be presented for approval of shareholders in 2023 General Assembly.

The remuneration for executive management of QIC 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 2023.

8. 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 2023.

9. 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:

Insurance risk

The Group manages its insurance risk through the careful formulation and implementation of its underwriting strategy and quidelines, 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.

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.

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.

• 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.

9.1 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:

- align the Group's risk management activities with its overall corporate objectives and policies.
- obtain a consolidated view of Group-wide risks to ensure consistent and acceptable management of risks across the
- ensure that risks are taken within prudent limits.

 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.

9.2 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.

9.3 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.

9.4 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 the following:

· 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.

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- Risk measurement.
- Risk management, including through appropriate limits, key controls, and contingency planning.
- · Risk monitoring, including through risk indicators and reporting, to ensure that business issues are identified and addressed as appropriate by management.

10. 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.

Salem Khalaf Al Mannai, Group CEO

Salem Khalaf Al Mannai assumed charge of QIC-Group, as Group CEO in 2020.

Salem has over two decades of strong insurance credentials working up the industry ladder starting up in 2001 in the motor insurance department of QIC. On return from UK in 2006 where Salem was sponsored to complete undergraduate course, he joined the marine department of QIC. Salem was later elevated as the Assistant Vice President for the Marine Department.

In 2013, Salem was promoted as the Deputy CEO of QLM, a young venture which he successfully carried it to the next level. In 2015, Salem was given a wider responsibility of managing the entire MENA (Middle East & North Africa) region of QIC, and promoted as the Deputy Group CEO, MENA region. In recognition of his contribution to the regional growth, Salem was given charge of the entire operations of QIC in 2019 as the Deputy Group President & CEO, that includes the international operations outside the MENA region as well.

He is a postgraduate in Business Management from the University of South Wales in Wales.

He represents Qatar Insurance Company on the boards of QLM Life & Medical Insurance Company and other QIC Group entities. He is also a member of the Board of Directors of Commercial Bank of Oatar and Oatar Finance Business Academy.

The Group Executive Management supporting the Group CEO comprises the following positions:

- Group Chief Investment Officer
- Deputy Group CEO International Operations
- Group Chief Financial Officer
- Deputy Group CEO-MENA Operations
- Advisor to Group CEO
- Group Chief Admin Officer
- Group Chief Digital Officer • Group Chief Audit Executive
- Group Chief Risk Officer
- Group Chief Actuary

11. 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.

11.1 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
- Recommend opening/closing branch offices or forming/closing an entity.
- · Reviews major deviations against the budget exceeding the defined threshold and recommend action plan.

11.2 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.

11.3 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.

11.4 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 solutions 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
- · 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.

12. INTERNAL CONTROL FUNCTIONS

OIC 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 have full access to the Risk Management and Compliance Committee of the Board and include the following functions:

- Group Risk Management
- Group Compliance
- 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.

12.1 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.

12.2 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.

12.3 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.

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

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 2023. 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 to the shareholders on the Group's website for reference.

12.4 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. The Group Actuarial Function has free access to the Risk Management and Compliance Committee of the Board to which it reports.

12.5 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 safequarding 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.

13. EXTERNAL AUDITOR

The shareholders at the Annual General Meeting of the Company held on 19 March 2023 approved the appointment of KPMG as the external auditors for the year 2023, on the recommendation of the Board of Directors. The external audit fees paid to the external auditors for the financial year 2023 amounted to QAR 10.17 million, plus QAR 3.50 million for other external audit-related services. 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 2023, the Independent Assurance Report on Compliance with QFMA Governance Code as at 31st December 2023, and the Independent Assurance Report on Design, Implementation, and Operating Effectiveness of Internal Controls over Financial Reporting as at 31st December 2023 subject to approval of shareholders in 2024 General Assembly.

14. CAPITAL STOCK

The Company's authorized and issued capital is OR 3.266.101.330 divided into 3.266.101.330 shares and is fully paid. Apart from the Government of Oatar or government entities, just one shareholder (Broog Trading Company) holds a share of more than 5%. The total number of shareholders of the Company as of 31 December 2023 was 2,084 shareholders comprising government entities, banks, companies and individuals of different nationalities and there were 204 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 an 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.

15. 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 19 March 2023, the General Assembly approved the following:

- 1. The Directors Report on the activities of the Company, its financial positions for the year ended 31st Dec. 2022, and the future plan.
- 2. The auditor's report for the financial information 2022.
- 3. The company's balance sheet, and its profit & loss account for the year 2022.
- 4. Non distribution of dividend for the year 2022.
- 5. Discharging the Board of Directors.
- 6. The Corporate Governance Report for the year 2022.
- 7. The remuneration policy for 2023.

- 8. Reappointing the auditors for the Financial Year 2023 with Fees of QR. (1,160,212.60).
- 9. Electing the members of the board of directors for the period (2023 2025)

Also, the Extraordinary General Assembly Meeting (EGM) took place on 19 March 2023 (the same date as AGM), in which the General Assembly approved the following:

- 1. Amend the text of Article (16) of the Company's Articles of Association to read as follows "non-Qatari investors are allowed to own up to (49%) forty-nine percent of the company's shares and allowed to own up to (100%) one hundred percent of the company's shares, when the legislation allowing this is issued.
- 2. The amendment of condition (3) of the conditions for membership in the company's board of directors stipulated in Article (37) of the company's Articles of Association to read as follows: "3-...To be a shareholder and owner of (20) Twenty Million shares of the company's capital shares ..., etc.."
- 3. Authorizes the Chairman or his deputy signing solo on all documents needed to amend the article of association of the company.

16. DISCLOSURE

The Company has zero tolerance to breach of law, non-compliance to regulations, or the behaviors / activities that expose the Company to non-compliance risks. As per the Compliance policy, the Company's dealings with regulators, legal authorities, auditors etc. shall always remain 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, as required, 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 Investor Relations department and the 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/or the Group CEO shall represent QIC before media. The Official Spokespersons appointed by QIC from time to time are authorized to represent QIC before the media to ensure appropriate communication channels are maintained.

During 2023, the following regulatory violation fines were reported:

1. QFMA notified that the immediate public disclosure to the Qatar Stock Exchange was not made before making the announcements in the local newspapers regarding the internal release of surplus capital of QIC Group Services {a 100% subsidiary of Qatar Insurance Company QSPC (QIC)} back to QIC in the financial year 2022. The public disclosure was made on 13th Dec 2022 before the internal transaction and this event neither had any impact on QIC nor affected QIC's share price. Failure to disclose events or information to QFMA and the Qatar Stock Exchange that may affect the Securities prices is a regulatory breach and a nominal levy was imposed by QFMA in 2023. QIC has since strengthened its controls around disclosures to ensure that the triggers for information needed to be published to the public and investors on the Stock Exchange are made promptly to the regulators.

- 2. QFMA notified that the complete information of the financial results for the financial year 2022 was not fully made in the local newspapers. QFMA imposed a nominal levy for the contravention of regulatory provisions. QIC has since strengthened its controls around disclosures by ensuring that the triggers for information that is needed to be published on the Stock Exchange are made promptly.
- 3. Gibraltar Financial Services Commission (GFSC) found that internal systems, forecasting, and controls around it fell below the expected regulatory standards during the period June 2022 to October 2023 in West Bay Insurance Public Limited Company (West Bay), a 100% subsidiary of QIC registered in Gibraltar. A Regulatory Settlement Agreement has been entered into between the GSFC and West Bay through a collaborative process under the guidance of the regulator and West Bay has since strengthened the internal controls around the business and settled the fines arising out of the several regulatory breaches identified.

17. DISPUTES

The Group, by virtue of the nature of its insurance operations, are required to settle legal liability claims in the normal course of its business based on Court decision. 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, as the reserves are adequately made in the financials to reflect the financial position.

18. CORPORATE SOCIAL RESPONSIBILITY

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 13.29 million for 2023) and shall be paid post approval of the financial statements at the AGM. The initiatives undertaken included sponsoring Doha Marathon 2023, 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 the 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 in the financial and banking services sector.

19. 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

Mr. Salem Khalaf Al Mannai Group CEO

Sheikh Hamad bin Faisal bin Thani Jasim Al Thani Chairman of the Board



QIC Group's Global Footprint



OATAR

QIC Headquarters

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Branch Offices

1. Abu Hamour 2 Al Khor

- 1. Lulu Hypermarket (Gharaffa)
- 2. Villaggio
- 3. Landmark
- 4. City Center
- 5. Al Meera (Mansoura)
- 6. Lulu Hypermarket (Alkhor)
- 7. Ezdan Mall (Al wakra)
- 8. Lulu Hypermarket (Al messila)

ASSET MANAGEMENT

Epicure Investment Management LLC

Regd Office: 3rd Floor QIC Annex Building Tamin Street, West Bay, Doha, Qatar Tel: +974 44962233 Email: info@qicgroup.com.qa www.qatarinsurance.com

QLM Life and Medical

QLM Life & Medical Insurance Company W.L.L.

Qatar Insurance Company (QIC) Building, Tamin Street, West Bay, PO Box: 666, Doha, Qatar

REGIONAL

DUBAI

Branch Office

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ABU DHABI

Branch Office

Shop No.1, Ground floor, Al Manara Plaza Building Opposite Madinat Zayed Shopping Centre Muroor Road, P. O. Box 73797, Abu Dhabi, UAE Tel: +971-26769466 Email: qicabudh@qicuae.com www.qicuae.com

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Head Office

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Al Khuwair Branch

Ground Floor, AL Nawras Commercial Center Building, Street Number-281, Near HSBC, Al Khuwair, Sultanate of Oman Tel: +968 24765213

Al Khoudh Branch

Building No. 312, Block no. 331, Street Name: Commercial Khoudh Tel: +968 24765224, Fax: +968 24765234

Maabilah Branch

Shop No. 811 M, Building Bo. 811, Plot No. 2223, Block No. 355, Mabella Sultanate of Oman Tel: +968 24465233

Barka Branch

Shop No-8-7, Near Micheline Tyre, Near OAB (OLD), Barka, Sultanate of Oman Tel: +968 26982562

Nizwa Branch

Shop No 6, plot No 872, Farq, Nizwa, Sultanate of Oman Tel: +968 24765243/44

Salalah Branch

Alrazikh Building, Shop# 5 & 6, Salalah Central Market Tel: +968 90690855

Oman Avenues Mall Branch

Oman Avenues Mall, Shop No 12- A (Basement), Al Sultan Qaboos street, Muscat, Sultanate of Oman Tel: +968 24765235, 24592211, Fax: +986 24765239

Al Amerat Branch

Building Number: 904, Shop no: 1, Block no: 415, Way No: 1522, Next to Omantel new Branch, Al Hajer Street, Al Amerat, Sultanate of Oman Tel: +968 24882713

Sohar Branch

Al Waqeba, Sohar, Sultanate of Oman, Way No: 1522 Tel: +968 92878097

INTERNATIONAL

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UK Branch Tel: +44 0203 598 8770 Email: QEL-info.uk@qiceuropeltd.uk www.giceuropeltd.uk

REINSURANCE

AntaresRe - Bermuda

Antares Reinsurance Company Limited, Tel: +1 441 400 5000 antaresglobal.com

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AntaresRe - London

Branch Office

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MARKERSTUDY

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