Qatar Insurance Company Q.S.P.C.

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

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Independent auditors' report

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

Opinion

We have audited the consolidated financial statements of Qatar Insurance Company Q.S.P.C. (the 'Company') and its subsidiaries (together the 'Group'), which comprise the consolidated statement of financial position as at 31 December 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 on these matters.

Independent auditors' report (continued)

Qatar Insurance Company Q.S.P.C.

Key Audit Matters (continued)

Transition to IFRS 17 "Insurance Contracts"	
The Key audit matter	**How the matter was addressed in our audit**
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.	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)

Valuation of Insurance Contract Assets and Liabilities, and Reinsurance Contract Assets and Liabilities	
The Key audit matter	**How the matter was addressed in our audit**
We focused on this area because: > Insurance contract assets/liabilities and reinsurance contract assets/liabilities as at 31 December 2023 involve: - 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.	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. > Performing substantive procedures over claims reserves on a sample basis to appropriate documentation. > Involving our own specialists: - to assist us in evaluating the reasonableness of management's key judgements and estimates made in the measuring components of insurance and reinsurance assets and liabilities, including selection of methods, models, input, assumptions and estimates (consist of present value of future cash flows, discount rate, non-financial risk, CSM, etc.), as well as the impact of the economic uncertainties; - to verify the 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.

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Independent auditors' report (continued)

Qatar Insurance Company Q.S.P.C.

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.

Independent auditors' report (continued)

Qatar Insurance Company Q.S.P.C.

Auditors' Responsibilities for the Audit of the consolidated Financial Statements (continued)

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.

Independent auditors' report (continued)

Qatar Insurance Company Q.S.P.C.

Auditors' Responsibilities for the Audit of the consolidated Financial Statements (continued)

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
Licensed by QFMA: External
Auditors' License No. 120153

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Qatar Insurance Company

Qatar Insurance Company Q.S.P.C.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	Notes	*31 December 2023 QR' 000 (Audited)*	*31 December 2022 QR' 000 (Audited and Restated)*	*1 January 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
Insurance 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
Insurance 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 SHAREHOLDER'S 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
Chairman

Salem Al-Mannai
Group Chief Executive Officer

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

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Qatar Insurance Company Q.S.C.

Qatar Insurance Company Q.S.P.C.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2023

	Note	*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			
Basic and diluted earnings from continuing operations attributable to shareholders of the parent in Qatari Riyals	27	**0.280**	(0.097)

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

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)

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As at and for the year ended 31 December 2023

	Attributable to shareholders of the Parent												
	Share capital QR ('000)	***Share premium QR ('000)***	***Legal reserve QR ('000)***	***General reserve QR ('000)***	***Fair value reserve QR ('000)***	***Catastrophe special reserve QR ('000)***	***Other components of equity QR ('000)***	***Insurance finance reserve QR ('000)***	***(Accumulated losses) / retained earnings QR ('000)***	***Reserves of a disposal group held for sale QR ('000)***	***Total QR ('000)***	***Non-controlling interests QR ('000)***	***Total shareholders' equity QR ('000)***
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
Impact of initial application of IFRS 17 (Note 2)	-	-	-	-	-	-	245	(183,452)	(1,013,045)	-	(1,196,252)	(15,531)	(1,211,783)
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
Loss for the year	-	-	-	-	-	-	-	-	(1,199,095)	-	(1,199,095)	15,907	(1,183,188)
Other comprehensive loss	-	-	-	-	(836,054)	-	-	927,281	-	-	91,227	(2,686)	88,541
Foreign currency translation reserve	-	-	-	-	-	-	(129,567)	-	-	-	(129,567)	(1)	(129,568)
Total comprehensive loss for the year	-	-	-	-	(836,054)	-	(129,567)	927,281	(1,199,095)	-	(1,237,435)	13,220	(1,224,215)
Dividend paid (Note 15.3)	-	-	-	-	-	-	-	-	(326,610)	-	(326,610)	-	(326,610)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(2,730)	(2,730)
Interest on subordinated perpetual debt	-	-	-	-	-	-	-	-	(141,370)	-	(141,370)	-	(141,370)
Increase in Parent share in KQIC	-	-	388	-	635	-	(2,276)	174	110	-	(969)	(5,634)	(6,603)
Transfer of reserves to discontinued operations	-	-	-	-	-	-	36,858	-	-	(36,858)	-	-	-
Transfer to other components of equity	-	-	-	-	-	-	34,324	-	(34,324)	-	-	-	-
Transfer in sports and social activities support fund (Note 20)	-	-	-	-	-	-	-	-	(11,004)	-	(11,004)	-	(11,004)
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
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**
Profit for the year	-	-	-	-	-	-	-	-	601,174	-	601,174	14,164	615,338
Other comprehensive income	-	-	-	-	330,604	-	-	(209,869)	-	-	120,735	223	120,958
Foreign currency translation reserve	-	-	-	-	-	-	48,866	-	-	-	48,866	(79)	48,787
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**330,604**	**-**	**48,866**	**(209,869)**	**601,174**	**-**	**770,775**	**14,308**	**785,083**
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(2,448)	(2,448)
Interest on subordinated perpetual debt	-	-	-	-	-	-	-	-	(166,636)	-	(166,636)	-	(166,636)
Transfer to other components of equity	-	-	-	-	-	-	30,305	-	(32,672)	2,367	-	-	-
Increase due to merger (Note 1)	-	-	799	-	(9)	-	-	-	3,573	-	4,363	45,544	49,907
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**	**145,688**	**6,246,164**

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

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		**(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		**63,585**	(156,439)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	5	**5,888,333**	7,363,766

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

1 STATUS AND OPERATIONS

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

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

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

The details of subsidiaries are given below:

Name of the subsidiary	*Ownership*		*Country of incorporation*	*Principal activities*
	2023	*2022*		
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)	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.

1 STATUS AND OPERATIONS (CONTINUED)

Name of the subsidiary	*Ownership*		*Country of incorporation*	*Principal activities*
	2023	*2022*		
Antares Capital III Limited	100% (owned through AGHL)	100% (owned through AGHL)	United Kingdom	Incorporated to provide capital supporting the underwriting capacity of Antares Syndicate 1274.
Antares Capital IV Limited	100% (owned through AGHL)	100% (owned through AGHL)	United Kingdom	Incorporated to provide capital supporting the underwriting capacity of Antares Syndicate 1274.
QIC Europe Limited (QEL)	100% (owned through Antares Re)	100% (owned through Antares Re)	Malta	Primarily engaged in insurance business and reinsurance and has branch office in the United Kingdom.
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 STATUS AND OPERATIONS (CONTINUED)

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).*

2 BASIS OF PREPARATION (CONTINUED)

New standards, interpretation and amendments adopted by the Group (continued)

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.

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

2 BASIS OF PREPARATION (CONTINUED)

New standards, interpretation and amendments adopted by the Group (continued)

Transition (continued)

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 [B]	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**
Insurance contract liabilities [A]	23,632,652	(5,441,697)	**18,190,955**
Reinsurance contract liabilities [A]	-	245,235	**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 [B]	98,959	(15,531)	**83,428**

[A] denotes the impact on retained earnings due to adoption of IFRS 17 by the Group
[B] denotes other restatement and adjustments

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

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.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

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

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

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.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

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.

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

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

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

Joint ventures are joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Investments in associates and jointly controlled entities are accounted for using the equity method.

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

The consolidated financial statements include the Group's share of profit or loss and other comprehensive income, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. The financial year end of the associate entities and the Group are uniform. Gains resulting from downstream transactions between the Group and its associate or a joint venture are recognised in the entity's financial statements only to the extent of unrelated investors interest in the associate or joint venture. Losses are recognized to the extent it represents impairment.

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

- Intangible assets with finite lives are amortised over the estimated useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Intangible assets (continued)

- Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on prospective basis.

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

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

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

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 guaranteed 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.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Insurance and reinsurance contracts accounting treatment (continued)

b) Level of aggregation

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 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 insurance assumed is one year or less and so qualifies automatically for PAA. Both marine insurance and property insurance include contracts 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 acquisition cash flows are allocated to related groups of insurance contracts and amortised over the coverage period of the related group

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Insurance and reinsurance contracts accounting treatment (continued)

e) Measurement – Premium Allocation Approach

	IFRS 17 Options	*Adopted approach*
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 premium due date is no more than a year, an entity is not required to make an adjustment 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 services 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 disaggregates part of the movement in LFIC resulting from changes in discount rates and present this in OCI

(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 as:

- 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 expense
- 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.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Insurance and reinsurance contracts accounting treatment (continued)

e) Measurement – Premium Allocation Approach (continued)

(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 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 expense
- 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.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Insurance and reinsurance contracts accounting treatment (continued)

e) Measurement – Premium Allocation Approach (continued)

(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.

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.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

f) Presentation (continued)

(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.

(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.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

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

b) Day 1 gain or loss
When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in the consolidated statement of profit or loss. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in the consolidated profit or loss when the inputs become observable, or when the instrument is derecognised.

c) Measurement categories of financial assets and liabilities
The Group classifies financial assets based on the business model and the asset's contractual terms, measured at either:

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

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

Financial liabilities are measured at amortised cost. 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:

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Initial Recognition (continued)

a) Financial investments at amortised cost (continued)

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

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

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

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

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

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

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

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

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

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

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

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 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.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

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 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.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Impairment of financial assets (continued)

b) The calculation of ECLs (continued)
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.

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.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Investment properties (continued)
Any gains or losses on the retirement or disposal of an investment property are recognised in the consolidated statement of profit or loss in the year of retirement or disposal.

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

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

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

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

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

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

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

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

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

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

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the consolidated statement of profit or loss for the year except to the extent that it relates to items recognised directly to consolidated other comprehensive income, in which case it is recognised in equity.

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

Group as a lessor
Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of profit or loss.

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

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification. Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately in the consolidated statement of financial position.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

Non-current assets held for sale and discontinued operations (continued)
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.

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.

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 Years*		*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 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 (CONTINUED)

(a) Insurance contracts

Analysis by remaining coverage and incurred claims:

	31 December 2023				
	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*
	(QR '000)	*(QR '000)*	*(QR '000)*	*(QR '000)*	*(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)**
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**

7 INSURANCE AND REINSURANCE CONTRACTS (CONTINUED)

(a) Insurance contracts (continued)

Analysis by remaining coverage and incurred claims:

	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*
	(QR '000)	*(QR '000)*	*(QR '000)*	*(QR '000)*	*(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 Coverage Component		*Incurred claims for contracts under the PAA*		
	Excluding loss recovery component	*Loss recovery component*	*Present value of future cash flows*	*Risk adjustment for non-financial risk*	*Total*
	(QR' 000)	*(QR' 000)*	*(QR' 000)*	*(QR' 000)*	*(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 reinsurance contract assets 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 REINSURNACE CONTRACTS (CONTINUED)

(b) Reinsurance contracts (contract)

Analysis by remaining coverage and incurred claims:

	31 December 2022				
	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					
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

	Classification	***2023 (QR '000)***	*2022 (QR '000)*
Damaan Islamic Insurance Company "BEEMA" Q.P.S.C.	Associate	**98,364**	122,481
Al Liwan Real Estate W.L.L.	Associate	**28,375**	29,895
Massoun Insurance Services L.L.C.	Joint venture	**4,361**	4,334
QLM Life & Medical Insurance Company Q.P.S.C. *(Restated)*	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.

Name of investment	*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)	*2022 (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

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).

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	*Building*	*Furniture and fixtures*	*Motor vehicles*	*Total*
	(QR '000)	*(QR '000)*	*(QR '000)*	*(QR '000)*	*(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	*Lloyd's syndicate capacity*	*Framework agreement*	*Non-life insurance license*	*Total*
	QR '000	*QR '000*	*QR '000*	*QR '000*	*QR '000*
	(i)	*(ii) (a)*	*(ii) (c)*	*(ii) (d)*	
At 1 January 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.

12 GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

(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	-	

(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 OTHER PAYABLES (CONTINUED)

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

14.1 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

	2023		*2022*	
	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 Qatar Commercial Companies' Law to strengthen the capital base of the Group. During the year, no amount has been transferred to the general reserve.

18 FAIR VALUE RESERVE

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

19 CATASTROPHE SPECIAL RESERVE

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

During 2018, the Group issued bonus shares of 15% for the year 2017, of which QR 349,210 thousand was distributed from the catastrophe reserve, with the approval of QCB. The bonus share issues were approved in the Annual General Meeting held on 25 February 2018. The balance of catastrophe special reserve at 31 December 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 guarantor to the notes. The notes were issued in the registered form at par value, in denominations of USD 200,000 and integral multiples of USD 1,000 in excess thereof. The notes do not have a stated maturity date and are perpetual in nature, and do not obligate the Issuer or the Parent Company to repay or settle by delivery of cash or another financial asset. The notes are listed on the Irish Stock Exchange. On 27th June 2022 Antares Reinsurance Company Limited offered to buy back the 4.95% Tier 2 notes at 100.20% of par value. Antares Reinsurance Company Limited received interest from 74.75% of the noteholders. The settlement date for the 74.75% notes tendered was 18th July 2022, whereas balance 25.25% of the noteholders settled on call date 13th September 2022.

21 SUBORDINATED PERPETUAL DEBT (CONTINUED)

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

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

22 OTHER COMPONENTS OF EQUITY

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

	Merger and acquisition reserve (QR '000)	*Foreign currency translation reserve (QR '000)*	*Reserve for share of profit from equity accounted investees (QR '000)*	*Total (QR '000)*
At 1 January 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	(139,240)	9,199	167,025	36,984
Transfer and other movements	34,582	(129,567)	34,324	(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
At 31 December 2023	**(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.

23 OPERATING SEGMENTS

a) Segment information

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.

Segment income statement for the year ended 31 December 2023

	Marine and aviation QR ('000)	*Property and casualty QR ('000)*	*Health and life QR ('000)*	*Total insurance QR ('000)*	*Real estate QR ('000)*	*Investment Advisory QR ('000)*	*Investments QR ('000)*	*Unallocated QR ('000)*	*Total QR ('000)*
Insurance revenue	1,877,022	3,636,641	795,260	6,308,923	-	-	-	-	**6,308,923**
Insurance service expense	(717,487)	(3,004,924)	(756,065)	(4,478,476)	-	-	-	-	**(4,478,476)**
Net expenses from reinsurance contracts held	(816,180)	(232,731)	(34,087)	(1,082,998)	-	-	-	-	**(1,082,998)**
Insurance service result	**343,355**	**398,986**	**5,108**	**747,449**	**-**	**-**	**-**	**-**	**747,449**
Insurance finance expenses for insurance contracts issued	(61,551)	(174,298)	(2,896)	(238,745)	-	-	-	-	**(238,745)**
Reinsurance finance income for reinsurance contracts held	6,714	(13,789)	5,898	(1,177)	-	-	-	-	**(1,177)**
Net insurance finance result	**(54,837)**	**(188,087)**	**3,002**	**(239,922)**					**(239,922)**
Investment income & other income				-	-	-	784,364	-	784,364
Rental income				-	45,671	-	-	-	45,671
Advisory fee income				-	-	28,739	-	-	28,739
Other Income				-	-	-	-	30,176	30,176
Total investment and other income				**-**	**45,671**	**28,739**	**784,364**	**30,176**	**888,950**
Share of profit of associates and joint venture				-	-	-	-	32,672	32,672
Total income				**507,527**	**45,671**	**28,739**	**784,364**	**62,848**	**1,429,149**
Operating and administrative expenses				-	(8,749)	(34,883)	-	(224,030)	(267,662)
Depreciation and amortisation				-	(19,297)	(89)	-	(8,011)	(27,397)
Profit before income tax				**507,527**	**17,625**	**(6,233)**	**784,364**	**(169,193)**	**1,134,090**
Income tax expense				-	-	-	-	(39,729)	(39,729)
Profit for the year from continuing operations				507,527	17,625	(6,233)	784,364	(208,922)	1,094,361
Loss for the year from discontinued operations				-	-	-	-	(479,023)	(479,023)
Profit for the year				**507,527**	**17,625**	**(6,233)**	**784,364**	**(687,945)**	**615,338**

23 OPERATING SEGMENTS (CONTINUED)

a) Segment information (continued)

Segment income statement for the year ended 31 December 2022

	Marine and aviation QR ('000)	*Property and casualty QR ('000)*	*Health and life QR ('000)*	*Total insurance QR ('000)*	*Real estate QR ('000)*	*Investment Advisory QR ('000)*	*Investments QR ('000)*	*Unallocated QR ('000)*	*Total QR ('000)*
Insurance revenue	1,616,073	4,801,894	470,774	6,888,741	-	-	-	-	6,888,741
Insurance service expense	(1,671,615)	(3,761,936)	(462,058)	(5,895,609)	-	-	-	-	(5,895,609)
Net expenses from reinsurance contracts held	(66,947)	(1,391,748)	1,040	(1,457,655)	-	-	-	-	(1,457,655)
Insurance service result	(122,489)	(351,790)	9,756	(464,523)	-	-	-	-	(464,523)
Insurance finance expenses for insurance contracts issued	(19,849)	(56,323)	(334)	(76,506)	-	-	-	-	(76,506)
Reinsurance finance income for reinsurance contracts held	(17,713)	(204,157)	(11,822)	(233,692)	-	-	-	-	(233,692)
Net insurance finance result	(37,562)	(260,480)	(12,156)	(310,198)	-	-	-	-	(310,198)
Investment income & other income				-	-	-	717,510	-	717,510
Rental income				-	31,568	-	-	-	31,568
Advisory fee income				-	-	35,122	-	-	35,122
Other Income				-	-	-	-	9,458	9,458
Total investment and other income				-	31,568	35,122	717,510	9,458	793,658
Share of profit of associates and joint venture				-	-	-	-	34,324	34,324
Total income				(774,721)	31,568	35,122	717,510	43,782	53,261
Operating and administrative expenses				-	(10,502)	(31,339)	(5,909)	(105,963)	(153,713)
Depreciation and amortisation				-	(12,408)	(65)	-	(32,738)	(45,211)
Profit before income tax				(774,721)	8,658	3,718	711,601	(94,919)	(145,663)
Income tax expense				-	-	-	-	(14,525)	(14,525)
Profit for the year from continuing operations				(774,721)	8,658	3,718	711,601	(109,444)	(160,188)
Loss for the year from discontinued operations				-	-	-	-	(1,023,000)	(1,023,000)
Profit for the year				(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

	Assets		***Liabilities & Equity***	
	2023 (QR '000)	*2022 (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
	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

For the year ended 31 December 2023	**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	**40,519**	**228,068**	**157,301**	**425,888**
Commission expenses	**1,386,089**	**4,513**	**-**	**1,390,602**
Registration and Professional expenses	**2,081**	**38,213**	**81,640**	**121,934**
Adjustment for amortisation of acquisition expenses other than commission	**(224,698)**	**-**	**-**	**(224,698)**
Others	**1,915**	**233,034**	**28,721**	**263,670**
	1,205,906	**503,828**	**267,662**	**1,977,396**

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)

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

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.

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:

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

Level 3 reconciliation (continued)

	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				
Al Fardan 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 PARTY (CONTINUED)

	For the year ended 31 December 2022			
	Insurance Revenue QR (000)	*Insurance Service expense QR (000)*	*Net income from reinsurance contracts held QR (000)*	*Others QR (000)*
Affiliate Companies				
Al Fardan 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				
Al Fardan 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**

31 RELATED PARTY (CONTINUED)

	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				
Al Fardan 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.

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

33 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

a) Governance framework

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

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

b) Capital management framework

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

c) Regulatory framework

Regulators are primarily interested in protecting the rights of the policyholders and monitor them closely to ensure that the Group is satisfactorily managing affairs for their benefit. At the same time, the regulators are also interested in ensuring that the Group maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters. The operations of the Group are also subject to regulatory requirements within the jurisdictions where it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g. capital adequacy) to minimise the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise.

d) Asset liability management (ALM) framework

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

The Group's ALM is also integrated with the management of the financial risks associated with the Group's other financial assets and liabilities not directly associated with insurance and investment liabilities. The Group's ALM also forms an integral part of the insurance risk management policy, to ensure in each period sufficient cash flow is available to meet liabilities arising from insurance and investment contracts.

e) 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 guidelines together with the adequate reinsurance arrangements and proactive claims handling.

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

33 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

f) Insurance risk (continued)

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

The Group, in the normal course of business, in order to minimise financial exposure arising from large claims, enters into contracts with other parties for reinsurance purposes. Such reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth.

A significant portion of the reinsurance is affected under treaty, facultative and excess-of-loss reinsurance contracts. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts.

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

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

Key assumptions

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

Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency rates.

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	***(Increase 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**

33 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

g) Sensitivities (continued)

31 December 2022	*(Increase 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	20,877	20,877	(20,877)	(20,877)
Reinsurance contract assets	130,423	130,423	(130,423)	(130,423)
Insurance contract liabilities	(613,707)	(613,707)	613,707	613,707
Reinsurance contract liabilities	(14,384)	(14,384)	14,384	14,384

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.

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**

33 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

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.

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.

	2023 (QR '000)	*2022 (QR '000)*
Derivative financial assets	**195,561**	298,802
Financial investments at fair value through profit or loss (FVTPL)	**3,654,980**	3,333,338
Financial investments at fair value through other comprehensive income (FVOCI)	**9,414,257**	9,401,368
Other receivables	**225,770**	524,858
Insurance contract assets	**173,460**	417,546
Reinsurance contract assets	**1,874,828**	2,608,456
Cash and short-term deposits	**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.

33 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

j) Liquidity risk (continued)

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

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

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

31 December 2023	*Up to a year (QR '000)*	*1-5 years (QR '000)*	*Over 5 years (QR '000)*	*Total (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)*	*Total (QR 000)*
Financial liabilities				
Derivative financial liabilities	**14,034**	**-**	**-**	**14,034**
Non-derivative financial liabilities				
Insurance contract liabilities	**4,279,119**	**4,273,598**	**2,117,488**	**10,670,205**
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**

33 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

j) Liquidity risk (continued)

Maturity profiles (continued)

31 December 2022	*Up to a year (QR '000)*	*1-5 years (QR '000)*	*Over 5 years (QR '000)*	*Total (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	9,403,241
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

	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.

33 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

k) Market risk (continued)

i) Currency risk (continued)

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**

31 December 2022	*USD (QR '000)*	*EURO (QR '000)*	*GBP (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.

33 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

k) Market risk (continued)

ii) Interest rate risk (continued)

Currency	***Changes in exchange rates***	***31 December 2023*** ***Impact on profit or loss (QR '000)***	***Impact on equity (QR '000)***	*31 December 2022* *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.

The Group limits interest rate risk by monitoring changes in interest rates in the currencies in which its cash and investments are denominated and has no significant concentration of interest rate risk.

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

Currency	***Changes in interest rates***	***31 December 2023*** ***Impact on profit or loss (QR '000)***	***Impact on equity (QR '000)***	*31 December 2022* *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

33 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

k) Market risk (continued)

ii) Interest rate risk

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 (%)***
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 (%)*
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 on profit or loss and equity.

		31 December 2023		*31 December 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.

33 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

k) Market risk (continued)

iii) Price risk (continued)

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.

l) 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.

m) Classification and fair values
The following table compares the fair values of the financial instruments to their carrying values:

	31 December 2023		*31 December 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
	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 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.

	2023	*2022*
		(Restated)
	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)

36 DISCONTINUED OPERATIONS (CONTINUED)

The net cash flows incurred are, as follows;

	2023 QR ('000)	2022 (Restated) QR ('000)
Operating	**(423,805)**	(1,353,327)
Investing	**(193,603)**	458,749
Financing	**546,835**	395,447
Net increase in cash generated	**(70,573)**	(499,131)

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.