

**Qatar General Insurance  
& Reinsurance Company QPSC**

**INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS**

**30 SEPTEMBER 2017**

## INDEPENDENT AUDITOR'S REVIEW REPORT

**TO THE BOARD OF DIRECTORS,  
QATAR GENERAL INSURANCE & REINSURANCE COMPANY- Q.P.S.C.  
DOHA – QATAR**

### **Introduction**

We have reviewed the accompanying interim condensed consolidated financial statements of **Qatar General Insurance & Reinsurance Company - Q.P.S.C.** (the “Company”) and its subsidiaries (together referred to as “the Group”), comprising the interim consolidated statement of financial position as of September 30, 2017 and the related interim consolidated statements of profit or loss and comprehensive income for the three month and nine month period ended September 30, 2017 and the interim consolidated statement of changes in equity and the interim consolidated statement of cash flows for the nine month period then ended, and the related explanatory notes.

The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard (IAS 34) – “Interim Financial Reporting”. Our responsibility is to express a conclusion on these Interim condensed consolidated financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of interim financial information performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – “Interim Financial Reporting”.

### **Other Matters**

The consolidated financial statements of the Group for the year ended December 31, 2016 and the interim condensed consolidated financial statements for the three month and nine month period ended September 30, 2016 were audited and were reviewed by other auditors whose reports dated March 19, 2017 and October 26, 2016 expressed an unqualified audit opinion and an unmodified review conclusion on those consolidated financial statements and the interim condensed consolidated financial statements respectively.

**Rödl & Partner**  
**Certified Public Accountants**

  
**Hikmat Mukhaimer, FCCA (UK)**  
License No. 297  
QFMA Registration Auditor's No. 120151



**Doha – Qatar**  
**October 24, 2017**

# Qatar General Insurance & Reinsurance Company QPSC

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2017

|  |        | 30 September<br>2017   | 31 December<br>2016  |
|--|--------|------------------------|----------------------|
|  | Notes  | QR '000<br>(Unaudited) | QR '000<br>(Audited) |
| <b>Assets</b>  |        |                        |                      |
| Property and equipment                                     |        | 129,008                | 104,013              |
| Investment properties                                      | 3      | 6,210,077              | 6,064,376            |
| Investment in associates                                   |        | 339,416                | 345,225              |
| Financial assets:  |        |                        |                      |
| Available-for-sale financial assets                        |        | 882,734                | 1,016,777            |
| Financial assets at fair value through profit or loss      |        | 125,989                | 164,129              |
| Receivables from related parties                           | 12 (b) | 129                    | 252                  |
| Insurance receivables                                      |        | 280,392                | 234,089              |
| Reinsurance assets   | 8      | 802,953                | 779,723              |
| Takaful participants' assets                               | 4 (a)  | 326,686                | 296,495              |
| Other assets   |        | 314,802                | 243,009              |
| Cash and bank balances                                     | 5      | 110,567                | 303,287              |
| <b>Total assets</b>  |        | <b>9,522,753</b>       | <b>9,551,375</b>     |
| <b>Equity and liabilities</b>                              |        |                        |                      |
| <b>Equity</b>  |        |                        |                      |
| Issued share capital                                       | 6      | 875,067                | 875,067              |
| Retained earnings  |        | 4,325,392              | 4,421,367            |
| Legal reserve  |        | 558,904                | 558,904              |
| Revaluation reserves                                       |        | 349,345                | 512,599              |
| <b>Equity attributable to equity holders of the Parent</b> |        | <b>6,108,708</b>       | <b>6,367,937</b>     |
| <b>Non-controlling interests</b>                           |        | <b>40,983</b>          | <b>41,122</b>        |
| <b>Total equity</b>  |        | <b>6,149,691</b>       | <b>6,409,059</b>     |
| <b>Liabilities</b>   |        |                        |                      |
| Insurance contract liabilities                             | 8      | 1,075,613              | 1,038,757            |
| Financial liabilities:                                     |        |                        |                      |
| Loans and borrowings                                       |        | 1,542,986              | 1,270,651            |
| Derivative financial instruments                           |        | 13,193                 | 19,820               |
| Payables to related parties                                | 12 (b) | 20,244                 | 81,992               |
| Insurance payables   |        | 260,449                | 231,279              |
| Employees' end-of-service benefits                         |        | 40,573                 | 37,744               |
| Takaful participants' liabilities                          | 4 (a)  | 326,686                | 296,495              |
| Other liabilities  |        | 93,318                 | 165,578              |
| <b>Total liabilities</b>                                   |        | <b>3,373,062</b>       | <b>3,142,316</b>     |
| <b>Total equity and liabilities</b>                        |        | <b>9,522,753</b>       | <b>9,551,375</b>     |

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**Nasser Bin Ali Bin Saud Al Thani**  
 Chairman and Managing Director

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**Jamal Kamel Abu Nahl**  
 Chief Executive Officer

The attached notes 1 to 15 form an integral part of these interim condensed consolidated financial statements.

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**Qatar General Insurance & Reinsurance Company QPSC**  
**INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
For the nine months ended 30 September 2017

|   | Notes | Three months ended     |                        | Nine months ended      |                        |
|---|-------|------------------------|------------------------|------------------------|------------------------|
|   |       | 30 September<br>2017   | 30 September<br>2016   | 30 September<br>2017   | 30 September<br>2016   |
|   |       | QR '000<br>(Unaudited) | QR '000<br>(Unaudited) | QR '000<br>(Unaudited) | QR '000<br>(Unaudited) |
| Gross written premiums  | 8 (b) | 161,031                | 169,061                | 461,189                | 513,497                |
| Change in unearned premiums provision   |       | (5,230)                | (28,135)               | 17,282                 | (75,344)               |
| <b>Gross earned premiums</b>  | 8 (b) | <b>155,801</b>         | 140,926                | <b>478,471</b>         | 438,153                |
| Premiums ceded to reinsurers  | 8 (b) | (112,568)              | (97,448)               | (343,561)              | (287,296)              |
| <b>Net earned premiums</b>  | 8 (b) | <b>43,233</b>          | 43,478                 | <b>134,910</b>         | 150,857                |
| Fees and commission income  |       | 6,750                  | 4,251                  | 17,975                 | 12,300                 |
| Investment income   |       | 27,492                 | 50,780                 | 156,991                | 186,598                |
| Net realised (losses) gains   |       | (213)                  | 8,789                  | (656)                  | 9,269                  |
| Fair value (losses) gains   |       | (8,775)                | 11,674                 | (35,546)               | 807                    |
| Income from construction activities   |       | 3,040                  | 13,475                 | 32,446                 | 27,057                 |
| Other operating revenue   |       | 2,320                  | 66,442                 | 4,174                  | 72,641                 |
| <b>Other revenue</b>  |       | <b>30,614</b>          | 155,411                | <b>175,384</b>         | 308,672                |
| <b>Total revenue</b>  |       | <b>73,847</b>          | 198,889                | <b>310,294</b>         | 459,529                |
| Gross claims paid   |       | (41,478)               | (31,766)               | (204,996)              | (205,927)              |
| Claims ceded to reinsurers  |       | 17,219                 | 12,698                 | 128,918                | 131,329                |
| Gross change in insurance contract liabilities  | 8 (a) | (1,544)                | (18,543)               | (54,138)               | 31,765                 |
| Change in insurance contract liabilities ceded to reinsurers  | 8 (a) | 2,147                  | 15,524                 | 40,355                 | (38,527)               |
| <b>Net claims</b>   |       | <b>(23,656)</b>        | (22,087)               | <b>(89,861)</b>        | (81,360)               |
| Finance costs   |       | (14,289)               | (11,915)               | (39,800)               | (35,181)               |
| Cost of construction activities   |       | (4,182)                | (10,901)               | (32,575)               | (22,952)               |
| Other operating and administrative expenses   |       | (41,372)               | (54,607)               | (124,538)              | (137,188)              |
| <b>Other expenses</b>   |       | <b>(59,843)</b>        | (77,423)               | <b>(196,913)</b>       | (195,321)              |
| <b>Total expenses</b>   |       | <b>(83,499)</b>        | (99,510)               | <b>(286,774)</b>       | (276,681)              |
| <b>(Loss) profit before share of profits of associates</b>  |       | <b>(9,652)</b>         | 99,379                 | <b>23,520</b>          | 182,848                |
| Share of profits of associates  |       | 5,213                  | 4,805                  | 11,626                 | 7,071                  |
| <b>(Loss) profit for the period</b>   |       | <b>(4,439)</b>         | 104,184                | <b>35,146</b>          | 189,919                |
| <b>(Loss) profit attributable to:</b>   |       |                        |                        |                        |                        |
| Equity holders of the Parent  |       | (4,403)                | 104,129                | 35,285                 | 189,778                |
| Non-controlling interests   |       | (36)                   | 55                     | (139)                  | 141                    |
|   |       | <b>(4,439)</b>         | 104,184                | <b>35,146</b>          | 189,919                |
| <b>Earnings per share</b>   |       |                        |                        |                        |                        |
| Basic and diluted (loss) profit for the period attributable to ordinary equity holders of the Parent (in Qatari Riyals per share) | 10    | <b>(0.05)</b>          | 1.19                   | <b>0.40</b>            | 2.17                   |

The attached notes 1 to 15 form an integral part of these interim condensed consolidated financial statements.

# Qatar General Insurance & Reinsurance Company QPSC

## INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 September 2017

|   | <b>Three months ended</b>    |                      | <b>Nine months ended</b>     |                      |
|---|------------------------------|----------------------|------------------------------|----------------------|
|   | <b>30 September<br/>2017</b> | 30 September<br>2016 | <b>30 September<br/>2017</b> | 30 September<br>2016 |
|   | <b>QR '000</b>               | QR '000              | <b>QR '000</b>               | QR '000              |
|   | <b>(Unaudited)</b>           | (Unaudited)          | <b>(Unaudited)</b>           | (Unaudited)          |
| <b>(Loss) profit for the period</b>                       | <b>(4,439)</b>               | 104,184              | <b>35,146</b>                | 189,919              |
| <b>Other comprehensive (loss) income</b>                  |                              |                      |                              |                      |
| Exchange differences on translating foreign operations    | (32,950)                     | 1,961                | (13,869)                     | (5,383)              |
| Net gain on cash flow hedge                               | 2,631                        | 4,763                | 6,627                        | 173                  |
| Net (loss) gain on available-for-sale financial assets    | (42,304)                     | 38,927               | (156,012)                    | (15,187)             |
| <b>Other comprehensive (loss) income for the period</b>   | <b>(72,623)</b>              | 45,651               | <b>(163,254)</b>             | (20,397)             |
| <b>Total comprehensive (loss) income for the period</b>   | <b>(77,062)</b>              | 149,835              | <b>(128,108)</b>             | 169,522              |
| <b>Total comprehensive (loss) income attributable to:</b> |                              |                      |                              |                      |
| Equity holders of the Parent                              | (77,026)                     | 149,780              | (127,969)                    | 169,381              |
| Non-controlling interests                                 | (36)                         | 55                   | (139)                        | 141                  |
|   | <b>(77,062)</b>              | 149,835              | <b>(128,108)</b>             | 169,522              |

The attached notes 1 to 15 form an integral part of these interim condensed consolidated financial statements.

# Qatar General Insurance & Reinsurance Company QPSC

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2017

| Equity attributable to equity holders of the Parent |      |                      |                   |                |                                     |                     |                 |                                     |                           |               |                                      |
|---|------|----------------------|-------------------|----------------|-------------------------------------|---------------------|-----------------|-------------------------------------|---------------------------|---------------|--------------------------------------|
|   | Note | Issued share capital | Retained earnings | Legal reserve  | Revaluation reserves                |                     |                 | Total ordinary shareholders' equity | Non-controlling interests | Total equity  |                                      |
|   |      |                      |                   |                | Available-for-sale financial assets | Revaluation surplus | Cash flow hedge |                                     |                           |               | Foreign currency translation reserve |
|   |      | QR '000              | QR '000           | QR '000        | QR '000                             | QR '000             | QR '000         | QR '000                             | QR '000                   | QR '000       |                                      |
| At 1 January 2017                                   |      | 875,067              | 4,421,367         | 558,904        | 597,183                             | 77,355              | (19,820)        | (142,119)                           | 6,367,937                 | 41,122        | 6,409,059                            |
| Profit (loss) for the period                        |      | -                    | 35,285            | -              | -                                   | -                   | -               | -                                   | 35,285                    | (139)         | 35,146                               |
| Other comprehensive (loss) income                   |      | -                    | -                 | -              | (156,012)                           | -                   | 6,627           | (13,869)                            | (163,254)                 | -             | (163,254)                            |
| Total comprehensive income (loss)                   |      | -                    | 35,285            | -              | (156,012)                           | -                   | 6,627           | (13,869)                            | (127,969)                 | (139)         | (128,108)                            |
| Shareholders dividends                              | 7    | -                    | (131,260)         | -              | -                                   | -                   | -               | -                                   | (131,260)                 | -             | (131,260)                            |
| <b>At 30 September 2017 (unaudited)</b>             |      | <b>875,067</b>       | <b>4,325,392</b>  | <b>558,904</b> | <b>441,171</b>                      | <b>77,355</b>       | <b>(13,193)</b> | <b>(155,988)</b>                    | <b>6,108,708</b>          | <b>40,983</b> | <b>6,149,691</b>                     |

The attached notes 1 to 15 form an integral part of these interim condensed consolidated financial statements.

# Qatar General Insurance & Reinsurance Company QPSC

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the nine months ended 30 September 2017

| Equity attributable to equity holders of the Parent |                            |                      |                  |   |                        |                    |   |  |                                  |                  |
|---|----------------------------|----------------------|------------------|---|------------------------|--------------------|---|--|----------------------------------|------------------|
| Revaluation reserves                                |                            |                      |                  |   |                        |                    |   |  |                                  |                  |
|   | Issued<br>share<br>capital | Retained<br>earnings | Legal<br>reserve | Available-<br>for-sale<br>financial<br>assets | Revaluation<br>surplus | Cash flow<br>hedge | Foreign<br>currency<br>translation<br>reserve | Total<br>ordinary<br>shareholders'<br>equity | Non-<br>controlling<br>interests | Total<br>equity  |
| Notes   | QR '000                    | QR '000              | QR '000          | QR '000                                       | QR '000                | QR '000            | QR '000                                       | QR '000                                      | QR '000                          | QR '000          |
| At 1 January 2016                                   | 795,515                    | 4,431,958            | 533,079          | 617,951                                       | 77,355                 | (28,515)           | (137,098)                                     | 6,290,245                                    | 2,209                            | 6,292,454        |
| Profit for the period                               | -                          | 189,778              | -                | -   | -                      | -                  | -   | 189,778                                      | 141                              | 189,919          |
| Other comprehensive (loss) income                   | -                          | -                    | -                | (15,187)                                      | -                      | 173                | (5,383)                                       | (20,397)                                     | -                                | (20,397)         |
| Total comprehensive income (loss)                   | -                          | 189,778              | -                | (15,187)                                      | -                      | 173                | (5,383)                                       | 169,381                                      | 141                              | 169,522          |
| Bonus shares issued                                 | 6                          | 79,552               | (79,552)         | -   | -                      | -                  | -   | -  | -                                | -                |
| Shareholders dividends                              | 7                          | -                    | (119,327)        | -   | -                      | -                  | -   | (119,327)                                    | -                                | (119,327)        |
| At 30 September 2016 (unaudited)                    | <u>875,067</u>             | <u>4,422,857</u>     | <u>533,079</u>   | <u>602,764</u>                                | <u>77,355</u>          | <u>(28,342)</u>    | <u>(142,481)</u>                              | <u>6,340,299</u>                             | <u>2,350</u>                     | <u>6,342,649</u> |

The attached notes 1 to 15 form an integral part of these interim condensed consolidated financial statements.

# Qatar General Insurance & Reinsurance Company QPSC

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2017

|   | 30 September<br>2017   | 30 September<br>2016   |
|---|------------------------|------------------------|
| Notes   | QR '000<br>(Unaudited) | QR '000<br>(Unaudited) |
| <b>Operating activities</b>   |                        |                        |
| Profit for the period   | 35,146                 | 189,919                |
| <i>Adjustment for:</i>  |                        |                        |
| Net change in operating assets  | 11 (118,360)           | (22,510)               |
| Net change in operating liabilities   | 11 (104,583)           | 29,962                 |
| <i>Non-cash items included in profit for the period:</i>                    |                        |                        |
| Fair value losses (gains)   | 35,546                 | (807)                  |
| Impairment recoveries on receivables  | (870)                  | (2,749)                |
| Impairment losses on available-for-sale financial assets                    | 3,806                  | 3,821                  |
| Share of profits of associates  | (11,626)               | (7,071)                |
| Depreciation of property and equipment                                      | 7,712                  | 5,987                  |
| Amortization of intangible asset  | 1,257                  | 1,257                  |
| Gain from sale of property and equipment                                    | (62)                   | (216)                  |
| Gain from sale of investment in an associate                                | -                      | (1,314)                |
| Gain from sale of available-for-sale financial assets                       | (2,921)                | (10,582)               |
| Gain from sale of financial assets at fair value through profit or loss     | (229)                  | (1,194)                |
| Net movement in outstanding claims provision                                | 8 (a) 13,783           | 6,762                  |
| Net movement in unearned premiums provision                                 | (157)                  | 20,225                 |
| Finance costs   | 39,800                 | 35,181                 |
| Provision for employees' end of service benefits                            | 3,743                  | 4,403                  |
| <b>Cash (used in) generated from operations</b>                             | <b>(98,015)</b>        | 251,074                |
| Employees' end of service benefits paid                                     | (914)                  | (1,851)                |
| <b>Net cash flows (used in) from operating activities</b>                   | <b>(98,929)</b>        | 249,223                |
| <b>Investing activities</b>   |                        |                        |
| Additions to property and equipment   | (32,713)               | (11,832)               |
| Proceeds from sale of property and equipment                                | 68                     | 640                    |
| Proceeds from sale of investment in an associate                            | -                      | 1,314                  |
| Additions to investment properties  | (136,938)              | (39,805)               |
| Dividends received from associates  | 3,407                  | 9,889                  |
| Purchase of additional shares in associates                                 | -                      | (34,229)               |
| Purchase of available-for-sale financial assets                             | (106,749)              | (43,289)               |
| Purchase of financial assets at fair value through profit or loss           | (1,186)                | -                      |
| Proceeds from sale of available-for-sale financial assets                   | 84,054                 | 70,410                 |
| Proceeds from sale of financial assets at fair value through profit or loss | 4,009                  | 11,601                 |
| <b>Net cash flows used in investing activities</b>                          | <b>(186,048)</b>       | (35,301)               |
| <b>Financing activities</b>   |                        |                        |
| Proceeds from loans and borrowings  | 521,845                | 291,882                |
| Repayment of loans and borrowings   | (255,562)              | (278,757)              |
| Finance costs paid  | (40,055)               | (35,770)               |
| Dividends paid to equity holders of the Parent                              | (131,260)              | (119,327)              |
| <b>Net cash flows from (used in) financing activities</b>                   | <b>94,968</b>          | (141,972)              |
| Net (decrease) increase in cash and cash equivalents                        | (190,009)              | 71,950                 |
| Cash and cash equivalents at the beginning of the period                    | 300,576                | 229,250                |
| <b>Cash and cash equivalents at the end of the period</b>                   | <b>5 110,567</b>       | 301,200                |
| <b>Operational cash flows from interest and dividends</b>                   |                        |                        |
| Interest paid   | (37,935)               | (34,358)               |
| Interest received   | 11,067                 | 11,281                 |
| Dividends received  | 29,395                 | 36,097                 |

The attached notes 1 to 15 form an integral part of these interim condensed consolidated financial statements.



# Qatar General Insurance & Reinsurance Company QPSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2017

### 1 CORPORATE INFORMATION

Qatar General Insurance & Reinsurance Company QPSC (the “Company” or the “Parent Company”) is a public shareholding company incorporated by Emiri Decree No. 52 of 1978 under commercial registry number 7200 and governed by the provisions of the Qatar Commercial Companies’ Law No. 11 of 2015 and the applicable provisions of Qatar Central Bank Law No. 13 of 2012. The Company and its subsidiaries (together referred to as the “Group”) are engaged in the business of general insurance and reinsurance including Islamic Takaful insurance, real estate, investment, and contracting. The shares of the Company are listed on the Qatar Exchange.

The Company has seven local branches in Qatar and one overseas branch in United Arab Emirates (in Dubai). The interim condensed consolidated financial statements incorporate the financial statements of the Company and its subsidiaries and the Group’s interest in the associates. The subsidiaries are:

| Name of the subsidiary                           | Ownership | Country of incorporation | Principal activities                          |
|--|-----------|--------------------------|---|
| Qatar General Holding Company W.L.L.             | 100%      | State of Qatar           | Investments management of the Group           |
| General Takaful Company W.L.L.                   | 100%      | State of Qatar           | Islamic insurance                             |
| General Real Estate Company W.L.L.               | 100%      | State of Qatar           | Real estate investment and management         |
| World Trade Center – Qatar W.L.L.                | 100%      | State of Qatar           | Hospitality, exhibition and events management |
| Mozoon Insurance Marketing Services W.L.L.       | 100%      | State of Qatar           | Insurance marketing services                  |
| General Tower for Real Estate Investments W.L.L. | 100%      | State of Qatar           | Real estate investment and development        |
| Oriental Enterprises W.L.L.                      | 100%      | State of Qatar           | Contracting and construction                  |
| National Rebar Formation Factory W.L.L.          | 100%      | State of Qatar           | Manufacturing of rebar                        |
| Orient Insulation Factory W.L.L.                 | 100%      | State of Qatar           | Manufacturing of insulation materials         |
| Oriental Garage W.L.L.                           | 100%      | State of Qatar           | Automobiles repair                            |
| General Company for Water and Beverages W.L.L.   | 60%       | State of Qatar           | Water bottling and beverages trading          |
| Mozoon Real Estate Company W.L.L.                | 50%       | State of Qatar           | Real estate investment and development        |

These interim condensed consolidated financial statements of the Group for the period ended 30 September 2017 were authorized for issue by the Board of Directors on 24 October 2017.

### 2 BASIS OF PREPARATION AND CHANGES TO THE ACCOUNTING POLICIES

#### Basis of preparation

The interim condensed consolidated financial statements for the nine months period ended 30 September 2017 have been prepared in accordance with IAS 34 “Interim Financial Reporting” and have been presented in Qatari Riyals which is the Company’s functional and presentation currency. All values are rounded to the nearest thousands (QR‘000) except where otherwise indicated.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2016. In addition, results for the nine months ended 30 September 2017 are not necessarily indicative of the results that maybe expected for the financial year ending 31 December 2017.

# Qatar General Insurance & Reinsurance Company QPSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2017

### 2 BASIS OF PREPARATION AND CHANGES TO THE ACCOUNTING POLICIES (CONTINUED)

#### Basis of preparation

In preparing these interim condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2016.

Group financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2016.

#### New and amended standards adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2016, except for the adoption of new standards and amendments effective as of 1 January 2017. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. Although the below new amendments apply for the first time in 2017, they do not have an impact on the interim condensed consolidated financial statements of the Group.

- Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative
- Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrecognised Losses
- Amendments to IFRS 12 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12

#### New and amended standards issued but not yet effective

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Group's interim condensed financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

- IFRS 9 Financial Instruments (effective date: 1 January 2018)
- IFRS 15 Revenue from Contracts with Customers (effective date: 1 January 2018)
- IFRS 16 Leases (effective date: 1 January 2019)
- IFRS 17 Insurance Contracts (effective date: 1 January 2021)
- Amendments to IFRS 2 Share-based Payment: Classification and Measurement of Share-based Payment Transactions (effective date: 1 January 2018)
- Amendments to IFRS 4 Insurance Contracts (effective date: 1 January 2018)
- Amendments to IFRS 7 Financial Instruments: Disclosures (effective date: 1 January 2018)
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date: 1 January 2018)
- Amendments to IAS 40 Investment Properties: Transfer of Investment Property Specific Requirements (effective date: 1 January 2018)
- Annual Improvements (2014-2016 Cycle) to IFRS 1 & IAS 28 (effective date: 1 January 2018)

### 3 INVESTMENT PROPERTIES

|  | <b>30 September<br/>2017</b> | 31 December<br>2016 |
|--|------------------------------|---------------------|
|  | <b>QR '000</b>               | QR '000             |
|  | <b>(Unaudited)</b>           | (Audited)           |
| At 1 January                           | <b>6,064,376</b>             | 5,936,607           |
| Additions                              | <b>145,701</b>               | 78,637              |
| Fair value gains                       | <b>-</b>                     | 49,132              |
| <b>At the end of the period / year</b> | <b><u>6,210,077</u></b>      | <u>6,064,376</u>    |

The Group obtains an independent valuation of its investment properties at 31 December each year. Management is of the opinion that the carrying value of investment properties has not changed significantly from the value as of 31 December 2016. The borrowing costs capitalized during the period amounted to QR 12,888 thousand (31 December 2016: QR 8,665 thousand).

# Qatar General Insurance & Reinsurance Company QPSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2017

### 4 TAKAFUL PARTICIPANTS' FUND ACCOUNTS

#### (a) Interim statement of financial position – Policyholders

|  | <b>30 September<br/>2017</b> | 31 December<br>2016   |
|--|------------------------------|-----------------------|
|  | <b>QR '000</b>               | QR '000               |
|  | <b>(Unaudited)</b>           | (Audited)             |
| <b>Assets</b>                                  |                              |                       |
| Furniture and equipment                        | 2,624                        | 3,356                 |
| Investment properties                          | 94,089                       | 81,821                |
| Financial assets:                              |                              |                       |
| Available-for-sale financial assets            | 46,075                       | 48,399                |
| Receivables from related parties               | 7,795                        | 6,341                 |
| Takaful receivables                            | 90,135                       | 64,141                |
| Retakaful assets                               | 44,606                       | 39,261                |
| Other assets                                   | 3,324                        | 11,595                |
| Cash and cash equivalents                      | <u>38,038</u>                | <u>41,581</u>         |
|  | <b><u>326,686</u></b>        | <b><u>296,495</u></b> |
| <b>Liabilities</b>                             |                              |                       |
| Takaful contract liabilities                   | 250,546                      | 229,938               |
| Financial liabilities:                         |                              |                       |
| Payables to related parties                    | 462                          | 1,370                 |
| Takaful payables                               | 57,035                       | 45,487                |
| Other liabilities                              | 13,510                       | 13,903                |
| Fair value reserve                             | <u>(1,245)</u>               | <u>128</u>            |
|  | <b><u>320,308</u></b>        | <b><u>290,826</u></b> |
| <b>Surplus at the end of the period / year</b> | <b><u>6,378</u></b>          | <b><u>5,669</u></b>   |
|  | <b><u>326,686</u></b>        | <b><u>296,495</u></b> |

# Qatar General Insurance & Reinsurance Company QPSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2017

### 4 TAKAFUL PARTICIPANTS' FUND ACCOUNTS (CONTINUED)

#### (b) Interim statement of profit or loss – Policyholders

|   | Three months ended     |                        | Nine months ended      |                        |
|---|------------------------|------------------------|------------------------|------------------------|
|   | 30 September<br>2017   | 30 September<br>2016   | 30 September<br>2017   | 30 September<br>2016   |
|   | QR '000<br>(Unaudited) | QR '000<br>(Unaudited) | QR '000<br>(Unaudited) | QR '000<br>(Unaudited) |
| Gross written contributions   | 57,491                 | 40,834                 | 178,410                | 156,030                |
| Change in unearned contributions provision                          | (1,302)                | 12,222                 | (19,280)               | 8,143                  |
| <b>Gross earned contributions</b>                                   | <b>56,189</b>          | 53,056                 | <b>159,130</b>         | 164,173                |
| Contributions ceded to retakaful companies                          | (8,392)                | (7,338)                | (22,468)               | (21,916)               |
| <b>Net earned contributions</b>                                     | <b>47,797</b>          | 45,718                 | <b>136,662</b>         | 142,257                |
| Fees and commission expenses  | (2,076)                | (1,283)                | (6,956)                | (5,458)                |
| Investment (loss) income  | (963)                  | 400                    | (614)                  | 728                    |
| Other operating revenue   | 1,030                  | 122                    | 1,306                  | 333                    |
| <b>Other expenses</b>   | <b>(2,009)</b>         | (761)                  | <b>(6,264)</b>         | (4,397)                |
| <b>Total revenue</b>  | <b>45,788</b>          | 44,957                 | <b>130,398</b>         | 137,860                |
| Gross claims paid   | (39,209)               | (26,980)               | (115,747)              | (98,423)               |
| Claims ceded to retakaful companies                                 | 1,150                  | 1,516                  | 13,672                 | 5,006                  |
| Gross change in Takaful contract liabilities                        | (1,063)                | (11,383)               | (1,328)                | (28,725)               |
| Change in Takaful contract liabilities ceded to retakaful companies | (238)                  | 486                    | 139                    | 11,134                 |
| <b>Net claims</b>   | <b>(39,360)</b>        | (36,361)               | <b>(103,264)</b>       | (111,008)              |
| Impairment recoveries   | -                      | -                      | 40                     | 13                     |
| <b>Surplus for the period before wakala fee</b>                     | <b>6,428</b>           | 8,596                  | <b>27,174</b>          | 26,865                 |
| Wakala fee  | (8,623)                | (6,125)                | (26,465)               | (22,905)               |
| <b>(Deficit) surplus for the period</b>                             | <b>(2,195)</b>         | 2,471                  | <b>709</b>             | 3,960                  |

### 5 CASH AND CASH EQUIVALENTS

The cash and cash equivalents position for cash flow purposes, net of the Group overdraft is as follows:

|                                  | 30 September<br>2017   | 31 December<br>2016  |
|----------------------------------|------------------------|----------------------|
|                                  | QR '000<br>(Unaudited) | QR '000<br>(Audited) |
| Cash and bank balances           | 110,567                | 303,287              |
| Bank overdrafts                  | -                      | (2,711)              |
| <b>Cash and cash equivalents</b> | <b>110,567</b>         | 300,576              |

# Qatar General Insurance & Reinsurance Company QPSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2017

### 6 ISSUED SHARE CAPITAL

Authorized, issued and fully paid up share capital comprises of 87,506,703 shares of QR 10 each (31 December 2016: 87,506,703 shares of QR 10 each).

| <b>30 September<br/>2017</b>         | 31 December<br>2016  |
|--------------------------------------|----------------------|
| <b>QR '000</b><br><b>(Unaudited)</b> | QR '000<br>(Audited) |
| <b><u>875,067</u></b>                | <u>875,067</u>       |

The Company did not issue any bonus shares during the period (31 December 2016: 7,955,154 shares of QR 10 each).

### 7 SHAREHOLDERS DIVIDENDS

During the period, a cash dividend of 15% of the nominal share value (QR 1.50 per share) for the year ended 31 December 2016 were approved and paid (2016: cash dividend of 15% of the nominal share value (QR 1.50 per share) and bonus shares of 10% of the share capital for the year ended 31 December 2015 were approved and paid).

# Qatar General Insurance & Reinsurance Company QPSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2017

### 8 INSURANCE CONTRACT LIABILITIES

|   | 30 September 2017               |   |                        | 31 December 2016               |   |                      |
|---|---------------------------------|---|------------------------|--------------------------------|---|----------------------|
|   | Insurance contract liabilities  | Reinsurance of insurance contract liabilities | Net                    | Insurance contract liabilities | Reinsurance of insurance contract liabilities | Net                  |
|   | Notes<br>QR '000<br>(Unaudited) | QR '000<br>(Unaudited)                        | QR '000<br>(Unaudited) | QR '000<br>(Audited)           | QR '000<br>(Audited)                          | QR '000<br>(Audited) |
| Provision for reported claims by policyholders            | 654,365                         | (525,741)                                     | 128,624                | 598,853                        | (479,772)                                     | 119,081              |
| Provision for claims IBNR                                 | 75,805                          | (48,635)                                      | 27,170                 | 78,715                         | (54,249)                                      | 24,466               |
| Provision for premiums deficiency                         | 2,715                           | -   | 2,715                  | 2,683                          | -   | 2,683                |
| Provision for unallocated loss adjustment expense         | 4,436                           | -   | 4,436                  | 2,932                          | -   | 2,932                |
| Outstanding claims provision                              | (a) 737,321                     | (574,376)                                     | 162,945                | 683,183                        | (534,021)                                     | 149,162              |
| Unearned premiums provision (reserve for unexpired risks) | (b) 338,292                     | (228,577)                                     | 109,715                | 355,574                        | (245,702)                                     | 109,872              |
|   | <u>1,075,613</u>                | <u>(802,953)</u>                              | <u>272,660</u>         | <u>1,038,757</u>               | <u>(779,723)</u>                              | <u>259,034</u>       |

#### (a) Outstanding claims provision

|  | 30 September 2017              |   |                        | 31 December 2016               |   |                      |
|--|--------------------------------|---|------------------------|--------------------------------|---|----------------------|
|  | Insurance contract liabilities | Reinsurance of insurance contract liabilities | Net                    | Insurance contract liabilities | Reinsurance of insurance contract liabilities | Net                  |
|  | QR '000<br>(Unaudited)         | QR '000<br>(Unaudited)                        | QR '000<br>(Unaudited) | QR '000<br>(Audited)           | QR '000<br>(Audited)                          | QR '000<br>(Audited) |
| At 1 January   | 683,183                        | (534,021)                                     | 149,162                | 779,633                        | (636,686)                                     | 142,947              |
| Gross / ceded change in insurance contract liabilities | 54,138                         | (40,355)                                      | 13,783                 | (96,450)                       | 102,665                                       | 6,215                |
| <b>At the end of the period / year</b>                 | <u>737,321</u>                 | <u>(574,376)</u>                              | <u>162,945</u>         | <u>683,183</u>                 | <u>(534,021)</u>                              | <u>149,162</u>       |

**Qatar General Insurance & Reinsurance Company QPSC**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the nine months ended 30 September 2017

**8 INSURANCE CONTRACT LIABILITIES (CONTINUED)**

**(b) Unearned premiums provision (reserve for unexpired risks)**

|   | 30 September 2017              |   |                | 31 December 2016               |   |                |
|---|--------------------------------|---|----------------|--------------------------------|---|----------------|
|   | Insurance contract liabilities | Reinsurance of insurance contract liabilities | Net            | Insurance contract liabilities | Reinsurance of insurance contract liabilities | Net            |
|   | QR '000                        | QR '000                                       | QR '000        | QR '000                        | QR '000                                       | QR '000        |
|   | (Unaudited)                    | (Unaudited)                                   | (Unaudited)    | (Audited)                      | (Audited)                                     | (Audited)      |
| At 1 January                              | 355,574                        | (245,702)                                     | 109,872        | 321,947                        | (223,184)                                     | 98,763         |
| Premiums written during the period / year | 461,189                        | (326,436)                                     | 134,753        | 629,949                        | (415,179)                                     | 214,770        |
| Premiums earned during the period / year  | (478,471)                      | 343,561                                       | (134,910)      | (596,322)                      | 392,661                                       | (203,661)      |
| <b>At the end of the period / year</b>    | <b>338,292</b>                 | <b>(228,577)</b>                              | <b>109,715</b> | <b>355,574</b>                 | <b>(245,702)</b>                              | <b>109,872</b> |

# Qatar General Insurance & Reinsurance Company QPSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2017

### 9 SEGMENT INFORMATION

Segment interim consolidated statement of profit or loss for the period:

|                                       | 30 September 2017      |                        |                        | 30 September 2016      |                        |                        |
|---------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|                                       | Insurance              | Investments            | Total                  | Insurance              | Investments            | Total                  |
|                                       | QR '000<br>(Unaudited) | QR '000<br>(Unaudited) | QR '000<br>(Unaudited) | QR '000<br>(Unaudited) | QR '000<br>(Unaudited) | QR '000<br>(Unaudited) |
| Gross written premiums                | 461,189                | -                      | 461,189                | 513,497                | -                      | 513,497                |
| Change in unearned premiums provision | 17,282                 | -                      | 17,282                 | (75,344)               | -                      | (75,344)               |
| <b>Gross earned premiums</b>          | <b>478,471</b>         | <b>-</b>               | <b>478,471</b>         | <b>438,153</b>         | <b>-</b>               | <b>438,153</b>         |
| Premiums ceded to reinsurers          | (343,561)              | -                      | (343,561)              | (287,296)              | -                      | (287,296)              |
| <b>Net earned premiums</b>            | <b>134,910</b>         | <b>-</b>               | <b>134,910</b>         | <b>150,857</b>         | <b>-</b>               | <b>150,857</b>         |
| Fees and commission income            | 17,975                 | -                      | 17,975                 | 12,300                 | -                      | 12,300                 |
| Investment income                     | -                      | 156,991                | 156,991                | -                      | 186,598                | 186,598                |
| Net realised (losses) gains           | -                      | (656)                  | (656)                  | -                      | 9,269                  | 9,269                  |
| Fair value (losses) gains             | -                      | (35,546)               | (35,546)               | -                      | 807                    | 807                    |
| Income from construction activities   | -                      | 32,446                 | 32,446                 | -                      | 27,057                 | 27,057                 |
| Other operating revenue               | 3,971                  | 203                    | 4,174                  | 3,452                  | 69,189                 | 72,641                 |
| <b>Other revenue</b>                  | <b>21,946</b>          | <b>153,438</b>         | <b>175,384</b>         | <b>15,752</b>          | <b>292,920</b>         | <b>308,672</b>         |
| <b>Total revenue</b>                  | <b>156,856</b>         | <b>153,438</b>         | <b>310,294</b>         | <b>166,609</b>         | <b>292,920</b>         | <b>459,529</b>         |



# Qatar General Insurance & Reinsurance Company QPSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2017

### 9 SEGMENT INFORMATION (CONTINUED)

#### Segment interim consolidated statement of profit or loss for the period: (continued)

|  | 30 September 2017      |                        |                        | 30 September 2016      |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|  | Insurance              | Investments            | Total                  | Insurance              | Investments            | Total                  |
|  | QR '000<br>(Unaudited) | QR '000<br>(Unaudited) | QR '000<br>(Unaudited) | QR '000<br>(Unaudited) | QR '000<br>(Unaudited) | QR '000<br>(Unaudited) |
| Gross claims paid  | (204,996)              | -                      | (204,996)              | (205,927)              | -                      | (205,927)              |
| Claims ceded to reinsurers                                   | 128,918                | -                      | 128,918                | 131,329                | -                      | 131,329                |
| Gross change in insurance contract liabilities               | (54,138)               | -                      | (54,138)               | 31,765                 | -                      | 31,765                 |
| Change in insurance contract liabilities ceded to reinsurers | 40,355                 | -                      | 40,355                 | (38,527)               | -                      | (38,527)               |
| <b>Net claims</b>  | <b>(89,861)</b>        | <b>-</b>               | <b>(89,861)</b>        | <b>(81,360)</b>        | <b>-</b>               | <b>(81,360)</b>        |
| Finance costs  | (1,662)                | (38,138)               | (39,800)               | (983)                  | (34,198)               | (35,181)               |
| Cost of construction activities                              | -                      | (32,575)               | (32,575)               | -                      | (22,952)               | (22,952)               |
| Other operating and administrative expenses                  | (63,814)               | (60,724)               | (124,538)              | (58,229)               | (78,959)               | (137,188)              |
| <b>Other expenses</b>  | <b>(65,476)</b>        | <b>(131,437)</b>       | <b>(196,913)</b>       | <b>(59,212)</b>        | <b>(136,109)</b>       | <b>(195,321)</b>       |
| <b>Total expenses</b>  | <b>(155,337)</b>       | <b>(131,437)</b>       | <b>(286,774)</b>       | <b>(140,572)</b>       | <b>(136,109)</b>       | <b>(276,681)</b>       |
| <b>Profit before share of profits of associates</b>          | <b>1,519</b>           | <b>22,001</b>          | <b>23,520</b>          | <b>26,037</b>          | <b>156,811</b>         | <b>182,848</b>         |
| Share of profits of associates                               | -                      | 11,626                 | 11,626                 | -                      | 7,071                  | 7,071                  |
| <b>Profit for the period</b>                                 | <b>1,519</b>           | <b>33,627</b>          | <b>35,146</b>          | <b>26,037</b>          | <b>163,882</b>         | <b>189,919</b>         |

#### Segment assets and liabilities

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

#### Geographic information

The Group operates in two geographic markets, in the State of Qatar and the United Arab Emirates. Gross written premiums in the State of Qatar amounted to QR 413,507 thousand (2016: QR 470,556 thousand) and in the United Arab Emirates amounted to QR 47,682 thousand (2016: QR 42,941 thousand).

# Qatar General Insurance & Reinsurance Company QPSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2017

### 10 EARNINGS PER SHARE

|   | Three months ended   |                      | Nine months ended    |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | 30 September<br>2017 | 30 September<br>2016 | 30 September<br>2017 | 30 September<br>2016 |
|   | (Unaudited)          | (Unaudited)          | (Unaudited)          | (Unaudited)          |
| (Loss) profit attributable to the ordinary equity holders of the Parent (QR '000) | (4,403)              | 104,129              | 35,285               | 189,778              |
| Weighted average number of shares (in thousands)                                  | <u>87,507</u>        | <u>87,507</u>        | <u>87,507</u>        | <u>87,507</u>        |
| <b>(Losses) earnings per share (in Qatari Riyals)</b>                             | <u><b>(0.05)</b></u> | <u>1.19</u>          | <u><b>0.40</b></u>   | <u>2.17</u>          |

#### Reconciliation of the number of ordinary shares outstanding (in thousands):

|  | 30 September<br>2017 | 30 September<br>2016 |
|--|----------------------|----------------------|
|  | (Unaudited)          | (Unaudited)          |
| Number of shares outstanding at 1 January                    | 87,507               | 79,552               |
| Bonus shares issued during the period                        | <u>-</u>             | <u>7,955</u>         |
| <b>Number of shares outstanding at the end of the period</b> | <u><b>87,507</b></u> | <u>87,507</u>        |

### 11 CASH GENERATED FROM OPERATING ASSETS AND LIABILITIES

|  | 30 September<br>2017    | 30 September<br>2016 |
|--|-------------------------|----------------------|
|  | QR '000                 | QR '000              |
|  | (Unaudited)             | (Unaudited)          |
| Net change in receivables from related parties | (123)                   | 1,134                |
| Net change in insurance receivables            | 46,147                  | 54,388               |
| Net change in other assets                     | <u>72,336</u>           | <u>(33,012)</u>      |
| <b>Net change in operating assets</b>          | <u><b>118,360</b></u>   | <u>22,510</u>        |
| Net change in payables to related parties      | (61,748)                | 15,890               |
| Net change in insurance payables               | 29,170                  | 7,554                |
| Net change in other liabilities                | <u>(72,005)</u>         | <u>6,518</u>         |
| <b>Net change in operating liabilities</b>     | <u><b>(104,583)</b></u> | <u>29,962</u>        |

# Qatar General Insurance & Reinsurance Company QPSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2017

### 12 RELATED PARTY DISCLOSURES

Related parties consist of shareholders, related companies and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

#### (a) Related party transactions

Transactions with related parties included in the interim consolidated statement of profit or loss were as follows:

|                    | 30 September 2017      |                              |                        |                            |                            |                          |
|--------------------|------------------------|------------------------------|------------------------|----------------------------|----------------------------|--------------------------|
|                    | Gross written premiums | Premiums ceded to reinsurers | Gross claims paid      | Claims ceded to reinsurers | Fees and commission income | Other operating expenses |
|                    | QR '000<br>(Unaudited) | QR '000<br>(Unaudited)       | QR '000<br>(Unaudited) | QR '000<br>(Unaudited)     | QR '000<br>(Unaudited)     | QR '000<br>(Unaudited)   |
| Trust Re – Bahrain | 450                    | (58,759)                     | -                      | 2,775                      | 2,659                      | (226)                    |
| Others             | 8,655                  | (13)                         | (8,585)                | -                          | -                          | (2,154)                  |

|                    | 30 September 2016      |                              |                        |                            |                            |                          |
|--------------------|------------------------|------------------------------|------------------------|----------------------------|----------------------------|--------------------------|
|                    | Gross written premiums | Premiums ceded to reinsurers | Gross claims paid      | Claims ceded to reinsurers | Fees and commission income | Other operating expenses |
|                    | QR '000<br>(Unaudited) | QR '000<br>(Unaudited)       | QR '000<br>(Unaudited) | QR '000<br>(Unaudited)     | QR '000<br>(Unaudited)     | QR '000<br>(Unaudited)   |
| Trust Re – Bahrain | -                      | (61,328)                     | -                      | 8,708                      | 2,541                      | (524)                    |
| Others             | 9,453                  | -                            | (9,261)                | -                          | -                          | (955)                    |

The compensation of key management personnel during the period were as follows:

|  | 30 September 2017      | 30 September 2016      |
|--|------------------------|------------------------|
|  | QR '000<br>(Unaudited) | QR '000<br>(Unaudited) |
| Salaries and other short-term benefits | 16,784                 | 33,096                 |
| Board of Directors' remuneration       | 6,923                  | 6,233                  |
| End-of-service benefits                | 773                    | 1,264                  |
|  | <u>24,480</u>          | <u>40,593</u>          |

# Qatar General Insurance & Reinsurance Company QPSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2017

### 12 RELATED PARTY DISCLOSURES (CONTINUED)

#### (b) Receivables from / payables to related parties

Non-insurance related balances with related parties included in the interim consolidated statement of financial position are as follows:

#### Receivables from related parties

|   |                     | <b>30 September<br/>2017</b> | 31 December<br>2016 |
|---|---------------------|------------------------------|---------------------|
|   | <b>Relationship</b> | <b>QR '000</b>               | QR '000             |
|   |                     | <b>(Unaudited)</b>           | (Audited)           |
| North Africa Energy Company W.L.L.                  | Affiliate           | <b>70</b>                    | 54                  |
| Trust Syria Insurance Company S.A.S.C.              | Associate           | <b>54</b>                    | 54                  |
| International Financial Securities Company Q.P.S.C. | Associate           | <b>3</b>                     | 11                  |
| Trust Re – Bahrain                                  | Affiliate           | <b>2</b>                     | 5                   |
| Trust Holding Ltd. Company                          | Affiliate           | -                            | 76                  |
| Trust Algeria Assurances & Reassurance S.P.A.       | Associate           | -                            | 52                  |
|   |                     | <b>129</b>                   | 252                 |

#### Payables to related parties

|                                     |                     | <b>30 September<br/>2017</b> | 31 December<br>2016 |
|-------------------------------------|---------------------|------------------------------|---------------------|
|                                     | <b>Relationship</b> | <b>QR '000</b>               | QR '000             |
|                                     |                     | <b>(Unaudited)</b>           | (Audited)           |
| Alsari Trading Company W.L.L.       | Affiliate           | <b>11,707</b>                | 73,141              |
| Falcon Readymix Company W.L.L.      | Affiliate           | <b>4,832</b>                 | 6,260               |
| Nest Investments (Holdings) Limited | Affiliate           | <b>3,703</b>                 | 2,591               |
| Trust Holding Ltd. Company          | Affiliate           | <b>2</b>                     | -                   |
|                                     |                     | <b>20,244</b>                | 81,992              |

#### (c) Insurance receivables and payables

Insurance related balances with related parties included in the interim consolidated statement of financial position are as follows:

|                             |                     | <b>30 September<br/>2017</b> | 31 December<br>2016 |
|-----------------------------|---------------------|------------------------------|---------------------|
|                             | <b>Relationship</b> | <b>QR '000</b>               | QR '000             |
|                             |                     | <b>(Unaudited)</b>           | (Audited)           |
| Trust Re – Bahrain          | Affiliate           | <b>3,179</b>                 | 12,434              |
| Other insurance receivables | Others              | <b>5,271</b>                 | 3,494               |
| Other insurance payables    | Others              | <b>(461)</b>                 | (1,091)             |

#### (d) Investment properties

The additions to investment properties in Note 3 include QR 24,031 thousand (31 December 2016: QR 18,928 thousand) in supplies from Falcon Readymix Company W.L.L.

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For the nine months ended 30 September 2017

### 12 RELATED PARTY DISCLOSURES (CONTINUED)

#### (e) Other assets

Other assets include advance payments to a related party as follows:

|                                  | <b>30 September<br/>2017</b> | 31 December<br>2016 |
|----------------------------------|------------------------------|---------------------|
|                                  | <b>QR '000</b>               | QR '000             |
|                                  | <b>(Unaudited)</b>           | (Audited)           |
| Trust Investment Holding Algeria | <u><b>75,368</b></u>         | <u>70,949</u>       |

All above disclosed balances are unsecured, interest free and settlement normally occurs in cash. There have been no guarantees provided or received for any related party receivables. The Group has not recorded any impairment of receivables relating to amounts owed by related parties during the period (31 December 2016: Nil).

### 13 CONTINGENT LIABILITIES AND COMMITMENTS

|   | <b>30 September<br/>2017</b> | 31 December<br>2016 |
|---|------------------------------|---------------------|
|   | <b>QR '000</b>               | QR '000             |
|   | <b>(Unaudited)</b>           | (Audited)           |
| <b>(a) Contingent liabilities</b>                   |                              |                     |
| Letters of guarantee                                | <u><b>115,471</b></u>        | <u>116,751</u>      |
| <b>(b) Lease commitments</b>                        |                              |                     |
| Operating lease commitments are payable as follows: |                              |                     |
| Less than one year                                  | <b>5,091</b>                 | 6,204               |
| Between one and five years                          | <u><b>3,798</b></u>          | <u>6,701</u>        |
|   | <u><b>8,889</b></u>          | <u>12,905</u>       |

### 14 FAIR VALUE MEASUREMENT

The following table provides the fair value measurement hierarchy of the Group's assets and liability that are measured at fair value.

|   |             | Quoted prices<br>in active<br>markets<br>Level 1 | Significant<br>observable<br>inputs<br>Level 2 | Significant<br>unobservable<br>inputs<br>Level 3 | Total            |
|---|-------------|--|--|--|------------------|
| <b>30 September 2017 (unaudited)</b>                  | <b>Note</b> | <b>QR '000</b>                                   | <b>QR '000</b>                                 | <b>QR '000</b>                                   | <b>QR '000</b>   |
| <b>Assets measured at fair value:</b>                 |             |  |  |  |                  |
| Investment properties                                 | 3           | -  | -  | 6,210,077  | 6,210,077        |
| Available-for-sale financial assets                   |             | 857,412  | 21,672   | -  | 879,084          |
| Financial assets at fair value through profit or loss |             | <u>125,989</u>                                   | -  | -  | <u>125,989</u>   |
|   |             | <u><b>983,401</b></u>                            | <u>21,672</u>                                  | <u>6,210,077</u>                                 | <u>7,215,150</u> |
| <b>Liability measured at fair value:</b>              |             |  |  |  |                  |
| Derivative financial instruments                      |             | -  | 13,193   | -  | <u>13,193</u>    |

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For the nine months ended 30 September 2017

### 14 FAIR VALUE MEASUREMENT (CONTINUED)

|  |      | Quoted prices<br>in active<br>markets<br>Level 1 | Significant<br>observable<br>inputs<br>Level 2 | Significant<br>unobservable<br>inputs<br>Level 3 | Total            |
|--|------|--|--|--|------------------|
| 31 December 2016 (audited)                               | Note | QR '000  | QR '000  | QR '000  | QR '000          |
| Assets measured at fair value:                           |      |  |  |  |                  |
| Investment properties                                    | 3    | -  | -  | 6,064,376  | 6,064,376        |
| Available-for-sale financial assets                      |      | 1,002,921  | 10,206   | -  | 1,013,127        |
| Financial assets at fair value through<br>profit or loss |      | 164,129  | -  | -  | 164,129          |
|  |      | <u>1,167,050</u>                                 | <u>10,206</u>                                  | <u>6,064,376</u>                                 | <u>7,241,632</u> |
| Liability measured at fair value:                        |      |  |  |  |                  |
| Derivative financial instruments                         |      | <u>-</u>   | <u>19,820</u>                                  | <u>-</u>   | <u>19,820</u>    |

Available-for-sale financial assets carried at cost amount to QR 3,650 thousand (31 December 2016: QR 3,650 thousand). As at 30 September 2017, the management has assessed that there is no indication of impairment for these available-for-sale financial assets carried at cost.

During the period, there were no transfers between Level 1, Level 2 and Level 3 (31 December 2016: Nil).

### 15 RECLASSIFICATION OF COMPARATIVE AMOUNTS

Certain comparative figures have been reclassified to conform to the presentation in the current period's interim condensed consolidated financial statements. However, such reclassifications did not have any effect on the net profit and equity of the comparative period / year.