



Qatar General Insurance and Reinsurance Co. Q.P.S.C

Board of Directors Report

Dear Esteemed Shareholders,

The Board of Directors of Qatar General Insurance and Reinsurance Co. is pleased to present you the Company's Annual report covering the activities of Qatar General Group during the year 2018 as well as its future plan. This report sets out a summary of the Group's performance and its audited Financial Statements for the past year 2018, and the External Auditor's report on the fiscal year ended 31st December 2018.

Company's Performance

Despite of the intense competitive strains and the challenging operational environment, the Group has succeeded to overcome such challenges through establishing a strategy enabling it to conclude viable and remunerative investments at all levels, besides to providing its Clients with services of the highest standards throughout procuring advanced systems and utilizing the latest techniques.

I am proud to point out that Qatar General Insurance and Reinsurance Co., as one of the leading Insurance Companies in the State of Qatar, was able to maintain and to reinforce its prominent and robust position in the Insurance market and industry, besides to extending a valuable contribution towards achieving the State's quest in alignment with Qatar's vision 2030.

We succeeded through our strong capital base and diversified investments portfolio to support our Group in continuously meeting its strategy, thus delivering a good performance during the year. In this context, I am pleased to report that QGIRCO has achieved a net profit of QR 273,912 thousand for the year ended 31st December 2018 (2017: QR 260,913 thousand).

The Group has achieved during the year a gross written premium of QR 796,194 thousand, including the Takaful business and the discontinued operations of Dubai Branch, (2017: QR 796,026 thousand), which is considered an acceptable achievement, given the severe impact of the competitive international prices on insurance premiums.

The Group has also achieved net investment results of QR 257,134 thousand for the year ended 31st December 2018 (2017: QR 250,968 thousand). The Group's total assets reached QR 10,253,867 thousand and total equity of QR 6,330,040 thousand as of 31st December 2018.

The Board of Directors hereby proposes distributing cash dividends to the shareholders at the rate of 10% of the nominal value per share, equivalent to QR 1 per share and approving the balance sheet and profit and loss accounts for the financial year ended 31st December 2018.

Credit Rating

The Group sustained its distinction by maintaining a solid credit rating, as provided by "AM Best" Agency, the global Credit Rating Agency specialized in rating Insurance Companies. Again, such



a rating reflects the strength of the Company's risk adjusted capital base and its distinguished record of operational performance, besides to the Group's remarkable capabilities with respect to risk management.

This year, we are honoured to reveal that the Company's financial strength and credit rating remains robust, as re-affirmed by A.M. Best Credit Rating Agency by granting the Company a Financial Strength Rating (FSR) of "A-" (Excellent) and a Long-Term Issuer Credit Rating (Long-Term ICR) of "a-", with a stable outlook for both ratings, thus reflecting the Company's healthy balance sheet, aside from its vigorous operational performance and adequate corporate risk management. On top of that, such a rating recognizes QGIRCO's highest level of risk-adjusted capitalization that is reinforced by high levels of liquidity, low premium leverage and a largely well-rated reinsurance panel.

Resolutions Aiming towards Growth Achievement

During the year, the Board of Directors has adopted a number of significant resolutions intended to achieve the envisaged and aspired growth and development of Qatar General Group, as follows:

- Development of the owned Land plots to the substantial benefit of the Group, while considering priorities upon such development.
- Official inauguration of the new factory of General Company For Water and Beverages, one of the Group's subsidiaries, for production of pure drinking water "Al-Rawda" in November 2018.
- In view of the current situation of the Investment markets in the region and following a lengthy consideration of the situation with respect to the Company's branch in Dubai – United Arab Emirates – the Board of Directors decided to close this branch, to the present and future best interest of the Company.

Human Resources

Qatar General Group's employees are regarded as the Group's major and most valuable asset, from which it derives its strength and good reputation.

As to Qatarisation, we were keen to align our strategy with Qatar's National Vision 2030, whereby the Board has dedicated considerable efforts towards the implementation and follow up of such a strategy, as well as towards increasing the Qatari cadres in the Company, thereby becoming one of the highly ranked Companies in Qatarisation ratio across State of Qatar.

On the other hand, it is also noteworthy that the Company delivers the highest level of training and qualifications throughout providing its staff with training courses and programmes and workshops in the areas of Insurance, Sales, Customer Services and Information Technology.

Our Focus Remains On Risks



Risk Management

Risk management represents a core component in the Company's business, thereby the Company has established and developed a set of in force Policies and Procedures covering its activities and encompassing Market Risks, Operational Risks, Liquidity Risks, Credit Risks and other risks that are managed effectively.

Internal Controls Over Financial Reporting

The Board places a high significance on the Internal Control Systems across the Company's operational areas. The Company applies best practices related to Internal Controls Over Financial Reporting (ICOFR), which comprises of a considerable number of Internal Controls aiming to mitigate flaws in financial statements reporting.

Corporate Governance

The Board is deeply committed towards Corporate Governance standards. Our team has been keen to implement the requirements stipulated in the Corporate Governance Code issued by Qatar Financials Markets Authority and the Executive Instructions for Insurance Sector and the Corporate Governance Principles issued by Qatar Central Bank. We are striving, through our robust Governance Framework, to maintain an ongoing performance improvement, while closely working to meet all local and international regulatory and statutory requirements.

As a part of the Company's robust Governance Framework, we remain complying with the Group's adopted manual related to transacting with Related Parties. Such a relation is built upon the principles of transparency and full disclosure of all these transactions and partnerships with Related Parties, such as Al-Sari Trading Company, Group of Nest Investment (Holding) Limited, North Africa Energy Company, C Vision for Trading W.L.L., Falcon Ready Mix Company, Mohammed Hamad Al Manaa Group of Companies, Al Ahli Bank and Oman Reinsurance Company. It is to be pointed out that such transactions are disclosed in the Consolidated Financial Statements of the Company under "Related Parties Disclosures". In this respect, it is also noteworthy that all transactions with Related Parties are conducted under the Board's guidance for the ultimate benefit of the Company, thus yielding rewarding proceeds. The Company succeeded to establish a prominent presence in the region, led by its investments in Algeria that resulted in a remunerative outcome to the Company's best interest.

The Group's Corporate Social Responsibility

As a national Company with a profound belief in Social responsibility towards the Community, the Group had many social contributions, as a binding responsibility, within the Group's commitment of supporting and strengthening the Social responsibility principle. In this respect, General Company for Water and Beverages concluded a Partnership Agreement with Qatar Red Crescent, being one of the most significant charitable organizations seeking Community service.



The Company's Responsibility towards Sustainable Development

Driven by its belief in the significance of adopting a sustainable approach to achieve a better future, the Company actively works towards implementing such an approach throughout its businesses, seeking to leverage its participation in the Environmental, Social and Corporate Governance as well as its responsibility towards developing and advancing the Community, creating job opportunities, boosting wealth and mitigating any environmental impact from therein.

Future Plan

The Company operates in alignment with its strategy that is established to foresee the future prospects, to study the investment opportunities and to boost its competitiveness in order to deliver rewarding proceeds to the Company's Shareholders, such as the Reinsurance Inward Business.

Dear Valued Shareholders

QGIRCO's Board extends its sincere gratitude and appreciation to Qatar Central Bank, Qatar Financial Markets Authority, Ministry of Commerce and Industry for their leading role and ongoing support to the Company.

Also, we seize this opportunity to thank the Group's Executive Management and employees for their continuous efforts and relentless endeavours to strengthen the status of the Company throughout its achievements and by sustaining a leading position in the market of Qatar.

In addition, we convey our appreciation to our esteemed Shareholders and Clients for their trust in the Company.

At last, and on behalf of the Board of Directors, I am honoured to raise our sincere appreciation and gratitude to His Highness Sheikh Tamim Bin Hamad Bin Khalifa Al Thani, the beloved Emir of Qatar, may God protect him, and his wise government for the continuing support and patronage and sincere endeavours towards building a solid and robust economy for the State of Qatar.



Nasser Bin Ali Bin Saud Al Thani
Chairman of the Board and Managing Director

