

INVITATION TO SHAREHOLDERS

FOR ATTENDING THE ORDINARY AND EXTRAORDINARY GENERAL ASSEMBLY MEETINGS OF QATAR GENERAL INSURANCE AND REINSURANCE Co. QPSC ON 12/03/2018

The Board of Directors of Qatar General Insurance & Reinsurance Company QPSC is pleased to invite you to attend the Company's Annual Ordinary and Extraordinary General Assembly Meetings to be held consequently on Monday, 12th March 2018 at Al-Rawaq Ballroom at Marriott Hotel (Doha) at 5:30PM. In case the required quorum was not met, a second meeting will be held on Wednesday, 14th March 2018 at 6:30PM at the abovementioned venue.

Agenda of the Ordinary General Assembly:

1. Discussing and approving the Board of Director's Report on the Company's activities and its financial position for the financial year ended 31st December 2017 and the Company's future plan.
2. Hearing and approving the External Auditor's Report for the financial year ended 31st December 2017.
3. Discussing and approving the Company's Balance Sheet, profit & loss accounts for the financial year ended 31st December 2017.
4. Approving the Board of Director's proposal to distribute cash dividends to the shareholders for the financial year 2017 at the rate of (22%) of the nominal value of the share (equivalent to QAR 2.2 per share).
5. Discharging the Chairman and members of the Board from liability for the financial year ended 31st December 2017, and adopt their remuneration.
6. Discussing and approving the Company's Corporate Governance Report for the year 2017.
7. Appointing the Company's External Auditor for the financial year 2018 and approving his fees.
8. Approving and adopting the Charter of the Nomination and Remuneration Committee.
9. Approving the Policy of Transacting with Related Parties.
10. Granting a share percentage of (0.2%) of Qatar General Insurance and Reinsurance Company shares in the share capital of Trust Investment Company Algeria to the benefit of the Chief Executive Officer.

Agenda of the Extra-Ordinary General Assembly:

1. Amendment of the Company's Articles of Association to comply with the Governance Code for Companies & Legal Entities Listed on the Main Market issued by decision of the Qatar Financial Markets Authority Board of Directors No. (5) of the year (2016) by amending Article No (43) of the Company's Articles of Association to be read after amendment: "Subject to the provisions of Articles (124, 125) of the Commercial Companies Law no. (11) of the year (2015), the General Assembly shall be held by an invitation from the Board of Directors at least once a year, in the place and time fixed by the Board after obtaining the approval of the Companies Control Department, and the meeting shall be held within four months following the end of the Company's fiscal year. The Board of Directors is entitled to invite the Assembly whenever it is needed. The shareholder(s) who own at least (10%) of the Company's capital shall, for serious grounds, be entitled to request for a General Assembly to

be convened. In this Case, such shareholders shall evidence, before sending any invitation, that they have deposited their shares at the Company's Head Office or at any of the accredited banks in Qatar and they shall not have the right to withdraw these shares before the completion of the Ordinary General Assembly; such mechanism is applicable with the same abovementioned percentage (10%) of the Company's capital in case the Company conducted Major Transactions that might harm the shareholders' rights in general and minorities in particular or prejudice the ownership of the Company's capital".

2. Authorizing the Chairman of the Board of Directors or Vice Chairman to solely sign all required documents necessary to amend the Company's Articles of Associations.

Nasser Bin Ali Bin Saud Al Thani
Chairman of the Board

Notes:

1. Shareholders entitled to attend the meeting are the shareholders listed as per Qatar Central Securities Depository Registrar upon the closure of trading in Qatar Stock Exchange at the same day of the General Assembly Meetings.
2. The published invitation announcement in local newspapers, Qatar Stock Exchange website and the Company's website shall be deemed as the official legal announcement to all shareholders, with no need to send special invitations by courier as per the terms of the commercial companies law no. (11) Of year (2015).
3. For Shareholders viewing, a list including all information stipulated in Article (122) of Commercial Companies law no. (11) Of year (2015) with respect to the in-kind and monetary benefits obtained by the chairman and each member of the board of directors, and remunerations, etc., shall be available at the Secretariat of the Board of Directors located at the Company's Headquarter - Ninth floor, one week before the convention of the Annual General Assembly.
4. Shareholders are requested to bring their ID cards and proxies (or Delegation letter in case of companies' Representatives) one hour before the starting time of the meeting, to ensure timely registration.
5. Should the shareholder be not able to attend in person, he may authorize another Company Shareholder to attend via a proxy (which can be found in the Company premises at Asmakh Street), after evidencing his capacity as a shareholder.
6. It is not permitted to grant a proxy to a non-shareholder in the Company, or a member of the Board of Directors.
7. The number of shares held by proxy by a given shareholder may not exceed 5% of the Company's share capital.
8. Should the delegating shareholder be a natural person residing outside the state of Qatar, the proxy is to be legalized by the Qatari Embassy in that country.
9. Should the shareholder be a legal corporate entity (Company, Authority, Organization), a written, signed and stamped proxy by the shareholder is required, attached with a copy of the Company's Commercial Registration.
10. Should the delegating shareholder be a company established outside the state of Qatar, the proxy is to be executed by the Company's representative, legalized by the Qatari Embassy in that country and attached with a copy of the Commercial Registration of the Company also legalized by the Qatari Embassy in that country.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF QATAR GENERAL INSURANCE & REINSURANCE COMPANY QPSC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Qatar General Insurance & Reinsurance Company QPSC (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 2017, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 Auditor's 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' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

Without qualifying our opinion, we would like to draw attention to:

Note 41 to these consolidated financial statements, where in it is mentioned that, the Board of Directors is in the process of reviewing the modalities of calculating the Group Chief Executive Officer's remuneration as per the terms of his employment contract, which has been approved by the Board of Directors. Cumulative adjustments, if any, as a result of such review will be recorded in Financial statements in the subsequent periods.

Note 40 to these consolidated financial statements, whereby the Board of Directors through its decision has decided to exit the insurance business in the UAE. We are not aware of any contingent liabilities related to this matter.

Further, during the year, the Dubai Branch of the Company requirements as mandated by the UAE Insurance Authority Regulations. We are not aware of any contingent liabilities related to this matter.

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 year. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as "areas of focus" in the table below. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

We identified the following key areas of focus:

Areas of focus	How our audit addressed the area of focus
Valuation of investment properties: Since investment properties of QR 5.638 billion represent significant portion of the Group's total assets, was considered a matter of most significance to our current year audit due to the magnitude of the balance in relation to the financial statements, and its valuation involves computations dependent on estimates The Group records its investment properties at fair value, with changes in fair value being recognised in the consolidated statement of profit or loss. The fair values are determined by external valuers appointed by the management. These valuations are based on estimates such as estimated rental revenues, occupancy rates, discount rates and market indicators.	<ul style="list-style-type: none">• We evaluated the objectivity, independence and expertise of the external valuers appointed by the management• We tested the accuracy and completeness of the underlying data used as inputs for the valuation• We involved our internal specialist to evaluate the reasonableness of the underlying assumptions used by the valuator by comparing the assumptions used with internal and external data.• Assessed the adequacy and completeness of the disclosures on the valuation of investment properties, presented in Note 4 of the consolidated financial statements.
Valuation of provision for reported claims by policyholders and Incurred But Not Reported Reserve: Due to the magnitude of the balances and the estimation uncertainty and subjectivity involved in the assessment of these reserves we have considered the valuation of the provision for reported claims by policyholders and IBNR as a key audit matter. Further, the measurement of these insurance contract liabilities involves significant judgment over uncertain future outcomes, mainly the ultimate total settlement value of the insurance contract liabilities, including any guarantees provided to policyholders. The Group's provision for reported claims by policyholders and incurred but not reported reserve (IBNR) represent 22% of the total liabilities. The provision for reported claims by policyholders recorded by the Group comprises of the total value of individual outstanding claims estimated by internal or external loss adjusters when a claim has been initiated. These estimates are reassessed during the various stages of the claim processing cycle and are revised based on changes in specific circumstances pertaining to each claim. The IBNR recorded by the Group represents an estimate of the liability for a claim-generating event that has taken place during the year but has not yet been reported to the Group as of 31 December 2017. IBNR is calculated at the reporting date based on the computations performed by an external actuary appointed by the management, after considering historical claim trends, empirical data and current assumptions that may include a margin for adverse deviations.	<p>Provision for reported claims by policyholders:</p> <ul style="list-style-type: none">• We tested controls over the initiation, review and approval of the claim process across the different lines of business including the claim settlement process.• We evaluated the provision for reported claims by policyholder recorded by management by reviewing the loss adjusters reports, internal policies for reserves and other assumptions made by management.• We performed a substantive analytical review on the movements in the provision for reported claims by policyholders during the year.• We tested the adequacy and completeness of the disclosures on the provision for reported claims by policyholders, presented in Note 20 of the consolidated financial statements. <p>Incurred but not reported reserve (IBNR):</p> <ul style="list-style-type: none">• We evaluated the objectivity, independence and expertise of the actuarial valuator appointed by management.• We verified the data used by external actuary to the actuarial exhibits and verified that the data on which the estimate is based is accurate and complete.• We involved our internal specialist to verify the computation and evaluate the methodology and assumptions used by the actuary by comparison to generally accepted industry practices.• We tested the adequacy and completeness of the disclosures on the IBNR, presented in Note 20 of the consolidated financial statements.

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 auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do 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 when it becomes available 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. When we read the annual report, if we conclude that there is a material misstatement therein we are required to communicate the matter (s) with those charged with governance.

Other matters

Financial statements of the Group for the year ended December 31, 2016, were audited by other independent auditors whose report dated March 19, 2017 expressed an unqualified audit opinion on those financial statements.

Responsibilities of Management and Those Charged with Governance 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 IFRSs 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 continue 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. The Audit Committee is responsible for overseeing the Group's financial reporting process.

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

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism 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 management.
- Conclude on the appropriateness of management's 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 auditor's 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 auditor's 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 Audit Committee 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 Audit Committee 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, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were most of 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 auditor's report unless law or regulation precludes public disclosures 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 Legal and Other Regulatory Matters

Furthermore, in our opinion, proper books of account have been kept by the Group and the consolidated financial statements comply with the Qatar Commercial Companies Law No. 11 of 2015, the applicable provisions of Qatar Central Bank Law No. 13 of 2012 and the Company's Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit, and are not aware of any violations of the above mentioned laws or the Company's Articles of Association having occurred during the year, which might have had a material adverse effect on the Group's financial position or performance.

Rödl & Partner- Qatar Branch
Certified Public Accountants

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

Doha- Qatar
February 14, 2018

BOARD OF DIRECTORS REPORT

Dear Esteemed Shareholders,

May peace, mercy and blessings Be Upon You

With great honour, we present to you our Company's Annual Report for the financial year ended 31 December 2017. This Report sets out a general overview of the Group's Companies performance, objectives and goals for the forthcoming year.

Company's Performance

While many companies are still suffering the impact of the prevailing unfavourable market conditions of the past year, 2017 year also came burdened with its own challenges to many companies in the State of Qatar. Nevertheless, and despite of these exceptional times, we have succeeded through our robust capital base and diversified investments portfolio, to support our Group in meeting its strategy and consequently performing well during such a year. I am pleased to report that QGIRCO has achieved a net profit of QR 261 million for the year ended 31 December 2017 (compared to QR 258 million for the year ended 31 December 2016).

We take pride in our ability to retain and strengthen the Company's notable and strong position in the insurance industry and marketplace in the State of Qatar with gross written premiums of QR 796 million (including Takaful businesses) at the end of the year, (compared to QR 838 million for the year 2016), which is regarded as a good achievement, given the severe impact of the competitive international prices on insurance premiums.

In terms of Investment returns, the Group has achieved QR 200 million for the year ended 31 December 2017 (compared to QR 237 million for the year 2016). As for the total assets it amounted to QR 9.5 billion and a total equity of QR 6.2 billion as at 31 December 2017.

The Board of Directors proposes distributing cash dividends to the shareholders at the rate of 22% of the nominal value of the share (equivalent to QR 2.2 per share), and adopting the Company's balance sheet and Profit & Loss account for the financial year ended 31 December 2017.

We are honoured to reveal that the Company's financial strength and credit rating remains stable, as 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 stable outlook for both ratings.

Diversification Towards Company's Prosperity

Within the Company's strategic approach of business diversification, arrangements are in place to enter the medical insurance industry being a milestone of the insurance industry, and are currently engaged in finalising the related platform and relevant procedures.

Resolutions Promoting Growth

Driven by the Company's best interests, the Board of Directors has adopted many significant resolutions designed to promote the aspired vigorous growth and development of Qatar General Group through developing the Company owned plots of land while taking into consideration the development priorities of these lands.

It is worth noting that the Company has acquired a number of plots in the Manateq area, and currently work is under way on its development in the near future, to the benefit of the Company, thereby emphasising the Company's contribution in advancing the robust national economy in the State of Qatar.

On the other hand, the Water and Beverages' factory construction has been completed and is expected to start operation and production by the month of April 2018.

Nurturing and Developing Our Staff To Sustain Progress

Training and developing our staff has been our investment throughout the year 2017, whilst working on enhancing their professional expertise aiming to offer them a better professional career development prospects.

During 2017, our Program known as NEXTGEN which is specifically designed for new graduates has marked the appointment of a number of young graduates to join our technical teams across the various departments of the Company.

As to Qatarisation, we were keen to align our strategy along with Qatar's National Vision 2030, and we dedicated considerable efforts towards developing and creating a distinctive and competent workforce. The Company supports the career development of Qatari youth by encouraging them to pursue the completion of all levels of education whether inside or outside the State of Qatar, in addition to providing a vital internal training, and training courses such as Business English Language and Personal Skills Services for insurance, Sales and Customer Services, and training on the Information and Communication Systems.

Besides, the Upper Management of the Company is committed towards implementing and monitoring its Qatarisation Strategy, and increasing the Qatari cadres in the Company, in order to be among the top ranked Companies as to Qatarisation ratios across the State of Qatar.

Focus Remains On Risks

Our team has been keen to implement the requirements stipulated in the Executive Instructions for Insurance and the Principles of Corporate Governance issued by Qatar Central Bank. As well, they ensured complying with the national and international regulations. Yet, we remain ready to comply with all regulatory framework amendments, whilst our team strives to take the lead in adopting upcoming improvements to the best interest of our client base. We pursue by our strong Governance Framework to maintain an ongoing performance development, while keenly working to meet all local and international regulatory and statutory requirements.

As a part of the solid Governance Framework, we continue complying with the Group's adopted manual with respect to transacting with related parties. Such a relation is built upon the principles of transparency and full disclosure for all transactions and partnerships with the related parties, such as Al-Sari Trading Company, Group of Nest Investments (Holding) Limited, Group of Trust International Companies, North Africa Energy Company and Falcon Ready Mix Company. In this respect, we would like to note that all such transactions with related parties in the region that were conducted under the Board's guidance for the ultimate benefit of the Company have yielded rewarding proceeds to our Company. The Company was able to establish a strong presence in the region led by its investments in Algeria that resulted in a productive outcome to the Company's benefit.

Dear Valued Shareholders

We extend our thanks and gratitude to the valued Shareholders and to our loyal customers for their great support and confidence. We would like to specially express our appreciation to the Group's staff and to Senior Management for their efforts and dedication towards the prosperity and vision realising of the Group.

Finally, and on behalf of the Board of Directors I am honoured to raise our sincere appreciation and gratitude to His Highness the Emir Sheikh Tamim Bin Hamad Bin Khalifa Al Thani, may God protect him, and his wise government for the continuous 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

* Note: All above information and consolidated financial statements are subject to the necessary approvals of Qatar Central Bank. For the full version of our consolidated financial statements, please visit our website: www.qgirc.com

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	2017	2016
	QR '000	QR '000
Assets		
Property and equipment	158,904	104,013
Investment properties	5,638,381	6,064,376
Investment in associates	942,591	345,225
Reinsurance assets	771,433	779,723
Financial assets:		
Insurance receivables	204,506	217,287
Receivables from related parties	166	252
Available-for-sale financial assets	905,356	1,016,777
Financial assets at fair value through profit or loss	129,148	164,129
Takaful participants' assets	296,263	286,600
Other assets	208,012	232,759
Cash and bank balances	260,056	303,287
Total assets	9,514,816	9,514,428
Equity and liabilities		
Equity		
Share capital	875,067	875,067
Legal reserve	584,995	558,904
Retained earnings	4,570,656	4,421,367
Other components of equity	165,773	512,599
Equity attributable to equity holders of the Parent	6,196,491	6,367,937
Non-controlling interests	(5,346)	41,122
Total equity	6,191,145	6,409,059
Liabilities		
Employees' end-of-service benefits	41,049	37,744
Insurance contract liabilities	1,037,447	1,038,757
Financial liabilities:		
Loans and borrowings	1,538,815	1,270,651
Derivative financial instruments	8,592	19,820
Insurance payables	245,396	220,496
Payables to related parties	21,973	81,992
Takaful participants' fund and liabilities	296,263	286,600
Other liabilities	134,136	149,309
Total liabilities	3,323,671	3,105,369
Total equity and liabilities	9,514,816	9,514,428

 Nasser Bin Ali Bin Saud Al Thani
 Chairman and Managing Director

 Jamal Kamel Abu Nahl
 Chief Executive Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2017

	2017	2016
	QR '000	QR '000
Gross written premiums	566,971	629,949
Premiums ceded to reinsurers	(387,282)	(415,179)
Net change in unearned premiums provision	3,585	(11,109)
Net earned premiums	183,274	203,661
Gross claims paid	(240,431)	(314,417)
Claims ceded to reinsurers	147,086	205,739
Gross change in insurance contract liabilities	(49,770)	96,450
Change in insurance contract liabilities ceded to reinsurers	39,205	(102,665)
Net claims	(103,910)	(114,893)
Net commission and other insurance income	26,282	18,301
Underwriting results	105,646	107,069
Investment income	200,025	236,534
Net realized gains	2,656	18,336
Fair value (losses) gains	(642,697)	56,600
Income from construction activities	41,894	34,406
Other income	942	69,687
Investment and other operations results	(397,180)	415,563
Finance costs	(54,131)	(47,993)
Cost of construction activities	(41,778)	(29,161)
Other operating and administrative expenses	(190,007)	(189,251)
Total expenses	(285,916)	(266,405)
(Loss) profit from operations	(577,450)	256,227
Share of profits of associates, net of impairment	838,363	2,027
Profit for the year	260,913	258,254
Profit attributable to:		
Equity holders of the Parent	307,381	219,341
Non-controlling interests	(46,468)	38,913
	260,913	258,254
Earnings per share		
Basic and diluted earnings per share (in Qatari Riyals per share)	3.51	2.51

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2017

	2017	2016
	QR '000	QR '000
Profit for the year	260,913	258,254
Other comprehensive loss		
<i>Items may be reclassified to profit or loss in subsequent periods</i>		
Exchange differences on translation of foreign operations	(218,048)	(5,021)
Net gain on cash flow hedge	11,228	8,695
Net loss on available-for-sale financial assets	(121,262)	(20,768)
	(328,082)	(17,094)
<i>Item not to be reclassified to profit or loss in subsequent periods</i>		
Net change in revaluation surplus	(18,744)	-
Other comprehensive loss for the year	(346,826)	(17,094)
Total comprehensive (loss) income for the year	(85,913)	241,160
Total comprehensive (loss) income attributable to:		
Equity holders of the Parent	(39,445)	202,247
Non-controlling interests	(46,468)	38,913
	(85,913)	241,160

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2017

	2017	2016
	QR '000	QR '000
Operating activities		
Profit for the year	260,913	258,254
<i>Adjustment for:</i>		
Net change in operating assets	15,307	7,288
Net change in operating liabilities	(50,829)	(43,523)
<i>Non-cash items included in profit for the year:</i>		
Fair value losses (gains)	642,697	(56,600)
Impairment losses (recoveries) on receivables	6,222	(1,392)
Impairment losses on available-for-sale financial assets	12,026	26,751
Impairment losses on investment in associates	62,503	5,765
Impairment of goodwill	14,409	-
Share of profits of associates	(900,866)	(7,792)
Depreciation of property and equipment	10,469	8,409
Amortization of intangible asset	1,676	1,676
Gain from sale of property and equipment	(68)	(216)
Gain from sale of investment in an associate	-	(1,314)
Gain from sale of available-for-sale financial assets	(14,453)	(42,538)
Gain from sale of financial assets at fair value through profit or loss	(229)	(1,235)
Net movement in outstanding claims provision	10,565	6,215
Net movement in unearned premiums provision	(3,585)	11,109
Finance costs	54,131	47,993
Provision for employees' end-of-service benefits	4,922	5,723
Cash generated from operations	125,810	224,573
Employees' end-of-service benefits paid	(1,617)	(1,921)
Net cash flows from operating activities	124,193	222,652
Investing activities		
Additions to property and equipment	(38,245)	(28,263)
Proceeds from sale of property and equipment	75	639
Proceeds from sale of investment in an associate	-	1,314
Additions to investment properties	(197,976)	(76,987)
Dividends received from associates	3,407	11,577
Purchase of additional shares in associates	-	(34,229)
Purchase of available-for-sale financial assets	(107,087)	(63,015)
Proceeds from sale of available-for-sale financial assets	100,471	97,863
Purchase of financial assets at fair value through profit or loss	(1,186)	-
Proceeds from sale of financial assets at fair value through profit or loss	4,008	12,192
Net cash flows used in investing activities	(236,533)	(78,909)
Financing activities		
Proceeds from loans and borrowings	584,890	395,747
Repayment of loans and borrowings	(327,475)	(300,095)
Finance costs paid	(54,335)	(48,742)
Dividends paid to equity holders of the Parent	(131,260)	(119,327)
Net cash flows from (used in) financing activities	71,820	(72,417)
Net (decrease) increase in cash and cash equivalents	(40,520)	71,326
Cash and cash equivalents at the beginning of the year	300,576	229,250
Cash and cash equivalents at the end of the year	260,056	300,576
Operational cash flows from interest and dividends		
Interest paid	(51,528)	(46,590)
Interest received	16,785	17,722
Dividends received	29,407	36,543

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2017

	Equity attributable to equity holders of the Parent									Non-controlling interests	Total equity
	Share capital	Legal reserve	Retained earnings	Available-for-sale financial assets	Other components of equity			Total ordinary shareholders' equity			
					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	QR '000	QR '000	
At 1 January 2017	875,067	558,904	4,421,367	597,183	77,355	(19,820)	(142,119)	6,367,937	41,122	6,409,059	
Profit (loss) for the year	-	-	307,381	-	-	-	-	307,381	(46,468)	260,913	
Other comprehensive (loss) income	-	-	-	(121,262)	(18,744)	11,228	(218,048)	(346,826)	-	(346,826)	
Total comprehensive income (loss)	-	-	307,381	(121,262)	(18,744)	11,228	(218,048)	(39,445)	(46,468)	(85,913)	
Transfer to legal reserve	-	26,091	(26,091)	-	-	-	-	-	-	-	
Shareholders dividends	-	-	(131,260)	-	-	-	-	(131,260)	-	(131,260)	
Contribution to social and sports activities fund	-	-	(741)	-	-	-	-	(741)	-	(741)	
At 31 December 2017	875,067	584,995	4,570,656	475,921	58,611	(8,592)	(360,167)	6,196,491	(5,346)	6,191,145	
At 1 January 2016	795,515	533,079	4,431,958	617,951	77,355	(28,515)	(137,098)	6,290,245	2,209	6,292,454	
Profit for the year	-	-	219,341	-	-	-	-	219,341	38,913	258,254	
Other comprehensive (loss) income	-	-	-	(20,768)	-	8,695	(5,021)	(17,094)	-	(17,094)	
Total comprehensive income (loss)	-	-	219,341	(20,768)	-	8,695	(5,021)	202,247	38,913	241,160	
Bonus shares issued	79,552	-	(79,552)	-	-	-	-	-	-	-	
Transfer to legal reserve	-	25,825	(25,825)	-	-	-	-	-	-	-	
Shareholders dividends	-	-	(119,327)	-	-	-	-	(119,327)	-	(119,327)	
Contribution to social and sports activities fund	-	-	(5,228)	-	-	-	-	(5,228)	-	(5,228)	
At 31 December 2016	875,067	558,904	4,421,367	597,183	77,355	(19,820)	(142,119)	6,367,937	41,122	6,409,059	

* Note: All above information and consolidated financial statements are subject to the necessary approvals of Qatar Central Bank. For the full version of our consolidated financial statements, please visit our website: www.qgirc.com