DOHA INSURANCE GROUP Q.P.S.C.
DOHA - QATAR

CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2021

Financial Statements approved by the BOD - subject to QCB approval

DOHA INSURANCE GROUP Q.P.S.C.

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For the year ended December 31, 2021

INDEX **Pages**

Deloitte.

Deloitte and Touche - Qatar Branch
Al Ahli Bank Building
Sheikh Suhaim Bin Hamad Street
Doha, P.O. Box 431
The State of Qatar

Tel: +974 443-41112
Fax:+974 4442 2131
www.deloitte.com

QR. 31249

RN:

INDEPENDENT AUDITOR'S REPORT

The Shareholders,
Doha Insurance Group Q.P.S.C.
Doha, Qatar

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Doha Insurance Group Q.P.S.C. (the "Company") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of profit or loss, consolidated statement of other 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 December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs').

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 these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of these consolidated financial statements for the year ended December 31, 2021. These matters were

Deloitte and Touche – Qatar Branch
Al Ahli Bank Building
Sheikh Suhaim Bin Hamad Street
Doha, P.O. Box 431
The State of Qatar

Tel: +974 443-41112
Fax:+974 4442 2131
www.deloitte.com

addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Key Audit Matters (continued)

Key Audit Matters	How our audit addressed the key audit matter
Valuation of Claims reported and unsettled, Unearned premiums ("UPR") and Claims incurred but not reported reserves ("IBNR")	

The Group's insurance contract liabilities amounts to QR. 1.3 billion and QR. 1.2 billion as at December 31, 2021 and 2020 respectively and represent a significant portion of the total liabilities. Due to the magnitude of the balances and the estimation uncertainty and subjectivity involved in the assessment of these liabilities we have considered the valuation of the insurance contract liabilities as a key audit matter. The estimation of insurance contract liabilities, in particular the outstanding claims reserve and the incurred but not reported reserve and unearned premium reserve, involves a significant degree of judgement. These liabilities are based on the best-estimate of the ultimate cost of all claims incurred but not settled at a given date, whether reported or not. A range of methods may be used to determine these reserves. Underlying these methods are a number of explicit or implicit assumptions relating to the expected settlement amount and settlement patterns of claims.
 	
Refer to the following notes of the consolidated financial statements:
 	
• Note 3 – significant accounting policies,
  - Claims
  - Liabilities adequacy test
  - Insurance contract liabilities
  - Unallocated loss adjustment expenses (ULAE)
  - Premium deficiency reserves (PDR)
• Note 4 - significant accounting judgments, estimates and assumptions
  - Provision for outstanding claims
  - Unallocated loss adjustment expenses (ULAE)
  - Unearned premium reserve
  - Premium deficiency reserves (PDR)
• Note 20 – Insurance contract liabilities.
	We performed specific audit procedures which were a combination of internal control reliance strategy and specific substantive procedures focusing on the significant areas. Such procedures, include, but not limited to;
	
	- Updating our understanding of the business process related to Valuation of Claims reported and unsettled, Unearned premiums ("UPR") and Claims incurred but not reported reserves ("IBNR") and tested the design and operating effectiveness of the relevant controls over assessment, calculation and overall conclusion of technical reserve including inputs, assumptions and methodology.
	- Use of our internal actuarial experts to assist us in evaluating reasonableness of key assumptions and methodologies used by actuarial experts of management including assessment of macro-economic considerations relating to COVID 19.
	- Assessing the accuracy of data used in calculation of these reserves.
	- Assessing the development of outstanding claims and IBNR by performing a review of retrospective historical performance of the estimates and judgements made by the Group; and
	- For a selection of claims case reserves, compare the estimated amount of the case reserve to appropriate documentation such as loss assessors' reports, internal policies for reserving and assumptions used by management.
	- We have assessed whether the related disclosures of this area are adequate in accordance with the requirements of IFRSs.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Other information

The Board of Directors is responsible for the other information. The other information comprises the Board of Directors' Report and supplementary information but does not include the consolidated financial statements and our auditor's report thereon. The Board of Directors' 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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of the Management and Those Charged With Governance for the Consolidated Financial Statements

The Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and for such internal control as the Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Management 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 Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk 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 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 reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the 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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosure is 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 those charged with governance 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 those charged with governance 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 those charged with governance, 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Report on Legal and Other Regulatory Matters

Further, as required by the Qatar Commercial Companies Law, we are also of the opinion that proper books of account were maintained by the Group and the content of the directors' report are in agreement with the Group's consolidated financial statements. We have obtained all the information and explanations which we considered necessary for the purpose of our audit. To the best of our knowledge and belief and according to the information given to us, no contraventions of the applicable provisions of Qatar Commercial Companies Law and the Company's Articles of Association were committed during the year which would materially affect the Group's financial position or its performance.

Reference to Note 3 to the consolidated financial statements, the Group is in the process of assessing the impact of the amendments of the commercial companies law, as per Law No. 8 of 2021. Management believes that the said amendments will not have a material impact on the consolidated financial statements of the Group.

Doha – Qatar

For **Deloitte & Touche**
Qatar Branch

Midhat Salha
Partner
License No. 257
QFMA Auditor License No. 120156

Financial Statements approved by the BOD - subject to QCB approval

DOHA INSURANCE GROUP Q.P.S.C.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2021

	Notes	2021 QR.	2020 QR.
ASSETS			
Cash and bank balances	8	**432,541,053**	398,385,259
Financial investments	9	**881,566,709**	622,986,243
Reinsurance contract assets	20	**900,914,325**	874,685,610
Insurance and other receivables	10	**449,857,537**	363,522,149
Investments in associates	11	**18,171,070**	17,185,813
Investment properties	12	**298,466,405**	314,148,339
Property and equipment	13	**19,827,403**	11,930,026
Right-of-use assets	26	**6,743,796**	9,820,926
Total assets		**3,008,088,298**	2,612,664,365
EQUITY AND LIABILITIES			
Equity			
Share capital	14	**500,000,000**	500,000,000
Legal reserve	15	**383,496,726**	376,169,757
Fair value reserve	16	**2,572,387**	(59,174,490)
Foreign currency translation reserve		**(2,328,694)**	1,769,980
Retained earnings		**305,600,359**	290,936,195
Total equity		**1,189,340,778**	1,109,701,442
Liabilities			
Insurance contract liabilities	20	**1,319,513,932**	1,211,324,246
Borrowings	17	**205,675,302**	53,571,475
Provisions, insurance and other payables	21	**272,324,923**	207,951,922
Employees' end of service benefits	22	**11,910,852**	17,391,026
Lease liabilities	27	**9,322,511**	12,724,254
Total liabilities		**1,818,747,520**	1,502,962,923
Total equity and liabilities		**3,008,088,298**	2,612,664,365

Nawaf Bin Nasser Bin Khaled Al Thani
Chairman

Jassim Ali A. Al-Moftah
Chief Executive Officer

DELOITTE & TOUCHE
Doha - Qatar

This statement has been prepared by the Group and stamped by the Auditors for identification purposes only.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

Financial Statements approved by the BOD - subject to QCB approval

DOHA INSURANCE GROUP Q.P.S.C.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended December 31, 2021

	Notes	2021 QR.	2020 QR.
Gross premiums		**1,120,996,679**	902,741,246
Reinsurers' share of gross premiums		**(651,302,939)**	(534,538,336)
Net premiums written		**469,693,740**	368,202,910
Change in unearned premium reserve		**(43,229,496)**	(30,987,603)
Net premiums earned		**426,464,244**	337,215,307
Commission income		**51,345,581**	38,340,455
Total underwriting revenues		**477,809,825**	375,555,762
Gross claims paid		**(349,425,690)**	(490,575,960)
Reinsurers' share of claims paid		**138,984,063**	340,318,835
Change in outstanding claims reserve		**(39,792,053)**	(37,481,537)
Commission expenses		**(69,978,198)**	(49,953,674)
Other technical expenses		**(7,535,509)**	(3,601,819)
NET UNDERWRITING RESULTS	24	**150,062,438**	134,261,607
Investment income	5	**42,455,228**	40,458,252
Share of results of associates	11	**2,013,693**	948,646
Net impairment gain / (loss) on investment securities	9	**382,148**	(1,094,913)
Net impairment loss on financial assets		**---**	(81,941)
Other income		**111,121**	2,111,156
INVESTMENT AND OTHER INCOME		**44,962,190**	42,341,200
General and administrative expenses	6	**(102,609,111)**	(83,416,922)
Impairment loss on investment properties	12	**---**	(13,900,000)
Finance cost		**(1,821,161)**	(1,838,841)
Depreciation of investment properties	12	**(7,318,682)**	(5,705,343)
Depreciation of property and equipment	13	**(2,746,343)**	(2,842,745)
Amortisation of right-of-use assets	26	**(2,035,621)**	(2,242,876)
TOTAL EXPENSES		**(116,530,918)**	(109,946,727)
PROFIT FOR THE YEAR BEFORE ALLOCATION TO DOHA TAKAFUL L.L.C.'s POLICYHOLDERS		**78,493,710**	66,656,080
Net surplus attributable to Doha Takaful L.L.C.'s policyholders		**(5,197,603)**	(6,583,257)
PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT BEFORE INCOME TAX		**73,296,107**	60,072,823
Income tax		**(26,412)**	(24,740)
PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT AFTER INCOME TAX		**73,269,695**	60,048,083
Basic and diluted earnings per share	7	**0.15**	0.12

This statement has been prepared by the Group and stamped by the Auditors for identification purposes only.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

Financial Statements approved by the BOD - subject to QCB approval

DOHA INSURANCE GROUP Q.P.S.C.
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
For the year ended December 31, 2021

	Notes	2021	2020
		QR.	QR.
Profit attributable to shareholders after income tax		**73,269,695**	60,048,083
Other comprehensive income			
Items that may be subsequently reclassified to statement of profit or loss			
Net change in fair value of debt instruments at fair value through other comprehensive income		**(1,765,599)**	2,650,546
Share of other comprehensive (loss) profit of associates	11	**(281,152)**	86,306
Exchange differences on translating foreign operations		**(4,098,674)**	3,964,616
Items that will not be subsequently reclassified to statement of profit or loss			
Net change in fair value of equity instruments designated at fair value through other comprehensive income		**64,346,808**	10,905,514
Other comprehensive income for the year		**58,201,383**	17,606,982
Total comprehensive income for the year		**131,471,078**	77,655,065

DELOITTE & TOUCHE
Doha - Qatar
Signed for Identification Purposes Only

This statement has been prepared by the Group and stamped by the Auditors for identification purposes only.

DOHA INSURANCE GROUP Q.P.S.C.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2021

	Share capital	Legal reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total
	QR.	QR.	QR.	QR.	QR.	QR.
Balance at January 1, 2020	500,000,000	370,164,949	(63,746,386)	(2,194,636)	269,323,653	1,073,547,580
Profit attributable to shareholders	--	--	--	--	60,048,083	60,048,083
Other comprehensive income for the year	--	--	13,642,366	3,964,616	--	17,606,982
Total comprehensive income for the year	--	--	13,642,366	3,964,616	60,048,083	77,655,065
Transfer to legal reserve (Note 15)	--	6,004,808	--	--	(6,004,808)	--
Social and sports activities fund (Note 18)	--	--	--	--	(1,501,203)	(1,501,203)
Gain on sale of investments	--	--	(9,070,470)	--	9,070,470	--
Dividends paid	--	--	--	--	(40,000,000)	(40,000,000)
Balance at December 31, 2020	500,000,000	376,169,757	(59,174,490)	1,769,980	290,936,195	1,109,701,442
Profit attributable to shareholders	--	--	--	--	73,269,695	73,269,695
Other comprehensive income for the year	--	--	62,300,057	(4,098,674)	--	58,201,383
Total comprehensive income for the year	--	--	62,300,057	(4,098,674)	73,269,695	131,471,078
Transfer to legal reserve (Note 15)	--	7,326,969	--	--	(7,326,969)	--
Social and sports activities fund (Note 18)	--	--	--	--	(1,831,742)	(1,831,742)
Gain on sale of investments	--	--	(553,180)	--	553,180	--
Dividends paid	--	--	--	--	(50,000,000)	(50,000,000)
Balance at December 31, 2021	**500,000,000**	**383,496,726**	**2,572,387**	**(2,328,694)**	**305,600,359**	**1,189,340,778**

Doha - Qatar

Signed for Identification Purposes Only

This statement has been prepared by the Group and stamped by the Auditors for identification purposes only.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

Financial Statements approved by the BOD - subject to QCB approval

DOHA INSURANCE GROUP Q.P.S.C.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended December 31, 2021

	Notes	2021 QR.	2020 QR.
OPERATING ACTIVITIES			
Profit attributable to shareholders before income tax		**73,269,695**	60,048,083
Adjustments for:			
Net impairment (gain) / loss on financial instruments		**(382,147)**	1,176,854
Net change in fair value of investments at FVTPL		**(373,779)**	(3,129,697)
Provision for insurance and other receivable	10	**8,607,000**	948,000
Depreciation of investment properties	12	**7,318,682**	5,772,374
Provision for employees' end of service benefits	22	**810,929**	2,360,596
Amortisation of right-of-use assets		**2,049,113**	2,242,876
Impact of remeasurement of lease		**(288,048)**	334,383
Impairment of investment property		**--**	13,900,000
Depreciation of property and equipment	13	**2,746,343**	2,842,745
Finance cost		**2,344,103**	1,838,840
Gain on disposal of property and equipment		**--**	(51,585)
Share in results of associates	11	**(2,013,693)**	(948,646)
Interest income		**(10,187,110)**	(10,892,462)
Dividend income		**(13,042,191)**	(13,846,368)
Net gain on sale of financial investments		**(4,923,212)**	(126,350)
Operating profit before changes in operating assets and liabilities		**65,935,685**	62,469,643
Increase in insurance and other receivables		**(94,942,388)**	(29,082,861)
Decrease in insurance reserves, net		**81,960,971**	71,903,868
Increase in provisions, insurance and other payables		**63,402,947**	45,088,527
Cash generated from/(used in) operations		**116,357,215**	150,379,177
Employees' end of service benefits paid	22	**(6,291,103)**	(1,525,416)
Interest paid on lease liabilities		**(522,941)**	(612,690)
Net cash flows generated from / (used in) operating activities		**109,543,171**	148,241,071
INVESTING ACTIVITIES			
Purchase of financial investments		**(315,874,240)**	(162,747,440)
Proceeds from disposal of financial investments		**125,688,743**	50,841,491
Dividend received		**13,042,191**	13,846,368
Interest received		**10,187,110**	10,892,462
Movement in deposits		**(55,144,959)**	70,633,056
Additions to investment properties	12	**(13,455)**	(3,685,435)
Additions to property and equipment	13	**(10,644,440)**	(2,716,061)
Dividends received from associates		**716,176**	--
Proceeds from disposal of property and equipment		**720**	89,191
Net cash (used in) / generated from investing activities		**(232,042,154)**	(22,846,368)

	Notes	2021 QR.	2020 QR.
FINANCING ACTIVITIES			
Payment of contribution to Social and Sports Activities Fund		**(1,501,203)**	(1,223,527)
Repayment of principal of lease liability		**(2,085,678)**	(1,226,150)
Interest expense on borrowings		**(1,821,162)**	(465,131)
Proceed from / (repayment) of borrowings		**156,412,968**	(2,764,732)
Dividends paid		**(49,360,485)**	(39,145,141)
Net cash flows used in financing activities		**101,644,440**	(44,824,681)
DECREASE IN CASH AND CASH EQUIVALENTS			80,570,022
Cash and cash equivalents at January 1	8	**161,978,694**	81,408,672
CASH AND CASH EQUIVALENTS AT DECEMBER 31 (Note 8)		**141,124,151**	161,978,694

DELOITTE & TOUCHE
Doha - Qatar
Signed for Identification Purposes Only

This statement has been prepared by the Group and stamped by the Auditors for identification purposes only.

1. ACTIVITIES

Doha Insurance Group Q.P.S.C. (the "Company") (previously known as "Doha Insurance Company Q.S.C"), is a Qatari public shareholding company registered and incorporated in the State of Qatar under Emiri Decree No. 30 issued on October 2, 1999. It is engaged in the business of insurance and reinsurance in State of Qatar. The shares of the Company are listed on Qatar Exchange in Doha.

The consolidated financial statements of the Group consolidates the assets, liabilities and operational performance of the Company and its subsidiaries (collectively referred as "the Group") detailed below.

i. On October 21, 2015, MENA RE Underwriters Limited, a limited liability company engaged in insurance intermediation and management, was incorporated in Dubai, UAE with a registration number of CL1984. The registered and paid up capital of the Subsidiary is wholly subscribed and owned by the Company.
ii. On December 21, 2016, the Company invested 100% in share capital of Barzan Technology Solutions, a company incorporated in Jordan having business activities of providing information technology solutions and also engaged in real estate and investment activities. The subsidiary has commenced its operations during the second half of the year 2017.
iii. On December 27, 2016, the Company invested 100% in the equity of Schwenke Zentrum S.a.r.l, a company duly incorporated under the laws of Grand Duchy of Luxembourg. The subsidiary is engaged in real estate holding and leasing operations for a property located in Germany.
iv. In 2006, the Company established an Islamic Takaful branch under the brand name Doha Takaful to carry out insurance and reinsurance activities in accordance with Islamic Sharia principles on a non-usury basis in all areas of insurance. On March 28, 2018, the Company has registered Doha Takaful into a separate limited liability company as Doha Takaful L.L.C., which is 100% owned by the Company.
v. On August 10, 2018, the Company invested 100% in the equity of Logistics Centre S.a.r.l., a company duly incorporated under the laws of Grand Duchy of Luxembourg. The subsidiary is engaged in real estate holding and leasing operations for a property located in Germany.
vi. On March 4, 2018, a representative office in Beirut-Lebanon under the name of "Mena Re Life" was established which aims to extend the Group's reinsurance reach in the International arena. It is part of the DIG's strategy of geographic expansion to open new markets and build on its strong credit and financial rating.
vii. On January 4, 2018, Mena Re Specialty was incorporated in England and Wales. The registered office is 54 Frenchurch Street, London, ECEM 3JY. The registered and paid up capital of the Subsidiary is wholly subscribed and owned by the Company. This wholly owned subsidiary is a dormant entity and commercial operation has not yet commenced.
viii. On June 27, 2018, the Group has established Tamina Technology Solutions, a limited liability company in Qatar. The registered and paid up capital of the Subsidiary is wholly subscribed and owned by the Company. The subsidiary is registered for trade in computer network devices and computer supplies, designing and programming special software, website design and information technology consulting. This wholly owned subsidiary is a dormant entity and commercial operation has not yet commenced.

These consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on February 20, 2022.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.1 New and revised IFRSs applied with no material effect on the consolidated financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2021, have been adopted in these consolidated financial statements.

New and revised IFRSs	Effective for annual periods beginning on or after
Impact of the initial application of COVID-19-Related Rent Concessions beyond June 30, 2021—Amendment to IFRS 16 On May 28, 2020, the IASB issued Covid 19 – related rent concessions – amendments to IFRS 16 Leases, which provides relief to lessees from applying IFRS 16 on lease modification accounting for rent concessions arising as a direct consequence of the Covid 19 pandemic by introducing a practical expedient to IFRS 16. This practical expedient was available to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021. On March 31, 2021, the Board published Covid-19-Related Rent Concessions beyond June 30, 2021 (Amendment to IFRS 16) that extends, by one year until June 30, 2022, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The amendment is effective for annual reporting periods beginning on or after April 1, 2021, with an early application permitted.	Beginning on or after June 1, 2020
Interest Rate Benchmark Reform—Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) The amendments address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to: – changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities; and – hedge accounting.	January 1, 2021

The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and amended IFRSs in issue but not yet effective and not early adopted

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective.

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IFRS 3 – Reference to the Conceptual Framework The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.	January 1, 2022
Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.	January 1, 2022 with early application permitted

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and amended IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
Annual Improvements to IFRS Standards 2018–2020 The Annual Improvements include amendments to four Standards. *IFRS 1 First-time Adoption of International Financial Reporting Standards* The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a). *IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition on financial liabilities* The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment. *IFRS 16 Leases* The amendment removes the illustration of the reimbursement of leasehold improvements.	January 1, 2022. Early application permitted.
Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories. The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.	January 1, 2022. Early application permitted.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and amended IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use (continued) If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.	
IFRS 17 Insurance Contracts IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees. In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after January 1, 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after January 1, 2023. IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied. For the purpose of the transition requirements, the date of initial application is the start if the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.	January 1, 2023

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and amended IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IAS 8 – Definition of Accounting Estimates The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications: • A change in accounting estimate that results from new information or new developments is not the correction of an error. • The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors	January 1, 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.	January 1, 2023

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and amended IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
  - Right-of-use assets and lease liabilities
  - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset

- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and amended IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.	January 1, 2023. Early application is permitted.
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.	Available for optional adoption/ effective date deferred indefinitely

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the consolidated financial statements of the Group in the period of initial application.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standard Board (IASB), and applicable provisions of Qatar Commercial Companies Law No. 11 of 2015 and applicable provisions of Qatar Central Bank's rules and regulations.

The consolidated financial statements comply with the requirements of Qatar Commercial Companies Law No.11 of 2015, whose certain provisions were subsequently amended by Law No.8 of 2021. The management is in the process of taking necessary actions needed to ensure full compliance with the amended law, including amending the Articles of Association of the Company where necessary, and has concluded that any non-compliance as at the reporting date does not have a material impact on the consolidated financial statements.

Basis of measurement

The consolidated financial statements are prepared under the historical cost convention, except for certain financial investments which are carried at fair value. The methods used to measure fair values are discussed further in Note 3.

Functional and presentational currency

The consolidated financial statements are presented in Qatari Riyal (QR), which is the Group's functional and presentational currency.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at December 31, 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group controls an investee if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements, and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (continued)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in the other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Transactions eliminated on consolidation

Inter-company balances and transactions, and any unrealised gains arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities at the reporting date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Information about significant areas of estimates and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are included in Note 4.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised.

Premiums earned

Gross premiums comprise the total premiums receivable for the whole period of cover provided by insurance contracts entered into during the accounting period. They are recognised on the date on which the policy commences and becomes effective. Premiums are taken into income over the terms of the policies to which they relate. Unearned premiums represent the portion of premiums written relating to the unexpired period of coverage calculated principally on the basis of actual number of days' method (daily pro-rata basis).

Premiums ceded to reinsurers

Reinsurance premiums comprise the total premiums paid/payable for the reinsurance cover provided by contracts entered into during the period and are recognized on the date on which the policy incepts. Reinsurance premiums also include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods. Unearned reinsurance premiums are those proportions of reinsurance premiums in a year that relate to periods of cover after the reporting date.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Commission earned and paid

Commissions earned and paid are recognised into profit or loss during the relevant period over the terms of underlying policies to which they relate similar to premiums.

Claims

Claims consist of amount payable to contract holders and third parties and related loss adjustment expenses, net of salvage and other recoveries are charged to profit or loss as incurred.

Gross outstanding claims comprise the gross estimated cost of claims incurred but not settled at the end of the reporting period, whether reported or not. Provisions for reported claims not paid as at the end of the reporting period are made on the basis of individual case estimates. In addition, a provision based on the Group's prior experience is maintained for the cost of settling claims incurred but not reported at the end of the reporting period. Any difference between the provisions at the end of the reporting period and settlements and provisions in the following year is included in the underwriting account for that year.

The Group does not discount its liability for unpaid claims as substantially all claims are expected to be paid within 12 months of the end of the reporting period.

Liabilities adequacy test

At the end of the reporting period, the Group assesses whether its recognised insurance liabilities are adequate using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of estimated future claims flows, the entire deficiency is immediately recognized in the consolidated statement of profit or loss.

Reinsurance

The Group cedes insurance risk in the normal course of business for all of its businesses. Reinsurance contract assets represent balances due from reinsurance companies. Recoverable amounts are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contract.

Reinsurance assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer. The impairment loss is immediately recognised in the profit or loss during the relevant period of impairment.

Ceded reinsurance arrangements do not relieve the Group from its immediate obligations to policyholders.

Premiums and claims on assumed reinsurance are recognised as income and expense in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsured business.

Reinsurance contract liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the associated reinsurance contract.

Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net earned premiums

Premiums, net of reinsurance, are taken to income over the terms of the related contracts or policies. The portion of premium received on in-force contracts that relates to unexpired risks at the statement of financial position date is reported as the unearned premium liability.

Investment income

Interest income

Interest income is recognised in the consolidated income statement as it accrues and is calculated by using the effective interest rate method, except for short-term receivables when the effect of discounting is immaterial.

Dividend income

Dividend income is recognised when the right to receive the dividends is established or when received.

Rental income

Rental income from investment properties is recognised in the consolidated statement of income on a straight line basis over the term of operating lease and the advances and unearned portion of the rental income is recognised as a liability.

Property and equipment

Property and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss during the relevant period in which they are incurred.

Depreciation is calculated on a straight line basis over the estimated useful life of the assets as follows:

Building	10 years
Furniture and fixtures	5 years
Computers	5 years
Vehicles	5 years
Office equipment	5 years

The estimated useful lives, residual values and depreciation methods are reviewed at each statement of financial position date, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss during the relevant period they are incurred.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment properties

Freehold land and building are considered as investment properties only when they are being held to earn rentals or capital appreciation or both.

Investment properties are carried at cost less accumulated depreciation calculated on a straight line basis over a period of 20-40 years. Land held as investment properties is not depreciated.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the consolidated statement of income in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Group's investments in associates is accounted for under the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate is disposed of.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates (continued)

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations are recognised in the profit or loss during the year in those expense categories consistent with the function of the impaired asset, except for assets previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

Assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss during the period unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Foreign operations

The individual financial statements of the Group entities are presented in the currency of the primary economic environment in which they operate (functional currency). For the purpose of these consolidated financial statements, the results and financial position of each subsidiary are expressed in the functional currency of the Parent Company.

The assets and liabilities of foreign operations are translated to Qatari Riyal using exchange rates prevailing at the reporting date. Income and expenses are also translated to Qatari Riyal at the average exchange rates for the period, unless exchange rate fluctuate significantly during the priod, in which case exchange rates at the date of transactions are used.. The exchange differences arising on the translation for consolidation are recognised in OCI.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign operations (continued)

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences are recognized in other comprehensive income.

Insurance and other receivables

Insurance and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the profit or loss during that period when there is objective evidence of that the asset is impaired. Insurance receivables are derecognised when the derecognition criteria for financial assets have been met.

Reinsurance and other payables

Reinsurance and other payables are recognized when due and measured on initial recognition at the fair value of the consideration received less directly attributable transaction costs. Subsequently, reinsurance and other payables are measured at amortised cost, as deemed appropriate.

Financial assets

Financial instruments - initial recognition and subsequent measurement

i. Initial recognition and measurement

Trade receivables and debt securities are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) – debt security, FVOCI – equity security or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments - initial recognition and subsequent measurement (continued)

ii. Classification and subsequent measurement (continued)

A debt security is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity security that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on a security-by-security basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, realising cash flows through the sale of the assets and holding it for liquidity purposes;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments - initial recognition and subsequent measurement (continued)

ii. Classification and subsequent measurement (continued)

Assessment whether contractual cash flows are solely payments of principal and interest (continued)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses arising from changes in fair value including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains, losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt securities at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses relating on the amortised cost and impairment are recognised in profit or loss. Other exchange differences and net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity securities at FVOCI	These assets are subsequently measured at fair value. Gains and losses including exchange differences are recognised in OCI and are never reclassified to profit or loss. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Impairment of financial assets

The Group recognises loss allowances for expected credit losses (ECLs) on::

- financial assets measured at amortised cost;
- debt securities measured at FVOCI; and

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition

Loss allowances for financial instruments at amortised cost are always measured at an amount equal to lifetime ECLs.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECL

The Group calculates ECLs based on scenarios to measure the expected cash shortfalls, discounted at an appropriate effective interest rate ("EIR"). Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group utilises the general approach to calculate ECL against its due from banks and for its investment in debt securities which is depedent on the rating of the Bond as determined by an External credit rating agency and the simplified approach to calculate ECL against its other financial assets carried at amortised cost and which is dependent on the Group's historical default rates related these assets.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (continued)

Measurement of ECL (continued)

The key elements used to calculate ECL are as follows:

- The Probability of Default ("PD") which is an estimate of the likelihood of default over a given time horizon. The PDs used for due from banks and investment in debt instruments are derived from a market assessment and is reliant on the type of exposure (i.e. corporate, bank, sovereign) and the rating of the counterparty. For other assets carried at amortised cost, this is calculated based on the Group's historical rate of default. PDs are estimated with consideration of economic scenarios and forward-looking information.
- The Exposure at Default ("EAD") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, and accrued interest from missed payments.
- The Loss Given Default ("LGD") is an estimate of the loss arising in the asset where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that are expected to be recovered from the counterparty taking into account the potential recovery from the realisation of any collateral. LGD is usually expressed as percentage of the EAD.

ECLs are discounted at the effective interest rate of the financial asset.

The Group allocates its assets subject to ELC calculations into one of these categories, determined as follows:

12 Month ECL	The 12 month ECL is calculated as the portion of lifetime ECLs (LTECLs) that represent the ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. The Group calculates the 12 months ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an appropriate EIR.
Life time ECL	When an instrument has shown a significant increase in credit risk since origination, the Group records an allowance for the Life time ECL. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected losses are discounted by an appropriate EIR.
Impairment	For financial instruments considered credit-impaired, the Group recognizes the lifetime expected credit losses for these instruments. The method is similar to that for LTECL assets, with the PD set at 100%.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (continued)

Measurement of ECL (continued)

Forward looking information

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the consolidated statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI with a corresponding charge to profit or loss. The accumulated gain recognised in OCI is recycled to the profit or loss upon derecognition of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is more than 360 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations, without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions
- Reference to the current fair value of another instrument that is substantially the same
- A discounted cash flow analysis or other valuation models

Leases

The Group as lessee

The Group assesses whether contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The lease liability is presented as a separate line item in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

The Group as lessee (continued)

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revise discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use of assets are presented as a separate line in the statement of financial position.

The Group applies IAS36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'Property, plant and equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other expenses' in the statement of profit or loss.

As a practical expedient, IFRS16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate consideration under the contract to each component.

Trade payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods, assets or services received, whether billed by the supplier or not. The financial liabilities are subsequently measured at amortised cost using the EIR method.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less in the consolidated statement of financial position. The cash equivalents are readily convertible to cash.

Insurance contract liabilities

Insurance contract liabilities include the outstanding claims provision, provision for claims incurred but not reported and the provision for unearned premium and deferred commissions.

Amounts payable for insurance claims reported up to the reporting period end and the amount payable to reinsurance companies are accrued as a liability payable. The insurance claims are accrued on the basis of the actual losses reported against the policies underwritten by the Group during the year.

Provision for claims incurred but not reported are computed based on past claim settlement trends to predict future claims settlement trends.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Insurance contract liabilities (continued)

Unearned premiums represent the portion of net premiums written relating to the unexpired period of risk coverage after considering the unexpired period of underlying insurance contract and any unexpired risk. The change in the provision for unearned premium is taken to the profit or loss during that period in order that revenue is recognised over the period of risk.

Unallocated loss adjustment expenses (ULAE)

Unallocated loss adjustment expenses represents an estimate of ultimate payments of losses and related settlement expenses from claims that have been reported but not paid. The loss reserve estimates are expectations of what ultimate settlement and administration of claims will cost upon final resolution. These estimated are based on facts and circumstances then known to us, review of historical settlement patterns, estimates of trends in claims frequency and severity, projections of loss costs, expected interpretations of legal theories of liability and other factors.

Premium deficiency reserves (PDR)

Premium deficiency reserves (PDR) is recognised when the ultimate expected loss which includes expected claims, claim settlement cost, deferred amortised cost and related expenses exceeds unearned premiums.

Employees' end of service benefits

The Group provides for end of service benefits to its employees as per the Qatar Labour Law. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Pension plan

The Group is also required to make contributions to a Government fund scheme for Qatari employees calculated as a percentage of the Qatari employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

Provisions

Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Contribution to social and sports fund

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

Dividend distribution

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

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently restated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. All foreign exchange differences are taken to profit or loss during that period except when it relates to items where gains or losses are recognized directly in equity, where the gain or loss is then recognized net of the exchange component in equity.

Earnings per share

Basic earnings per share is calculated by dividing profit of loss attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by adjusting the earnings and number of shares for the effect of any dilutive instruments.

Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Critical judgments and estimates

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

<u>Critical judgements</u>

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Critical judgements (continued)

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Significant increase in credit risk

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward looking information.

Judgement in identifying whether a contract includes a lease

The Management has assessed whether or not the Group has contracted for the rights to substantially all of the identifiable assets and whether the contract contains a lease and therefore the Group does have the right to obtain substantially all of the economic benefits from the use of the identifiable assets. As a result the Group has concluded that the contract does contain a lease.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows have been included in the lease liability because it is reasonably certain that the leases will be extended.

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Going concern

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

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Estimates

The key assumptions concerning the future and other sources of estimation uncertainty at the financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Discounting of lease payments

The lease payments are discounted using the Group's incremental borrowing rate ("IBR").

Impairment of financial investments

The measurement of impairment losses under IFRS 9 across relevant financial assets requires judgement, in particular for the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by the outcome of modelled ECL scenarios and the relevant inputs used.

The Group exercises its judgement in assessing whether there has been a significant increase in credit risk in relation to a specific counterparty based on qualitative factors.

The Group also exercises its judgement in determining the relevant scenarios, the related weight of each scenario and the relevant macro-economic factors while calculating the ECL.

Provision for outstanding claims

Considerable judgment by management is required in the estimation of amounts due to claimants and third parties arising from claims made under insurance contracts. Such estimates are necessarily based on significant assumptions about several factors involving varying, and possible significant, degrees of judgment and uncertainly and actual results may differ from management's estimates resulting in future changes in estimated liabilities.

In particular, estimates have to be made both for the expected ultimate cost of claims reported at the end of the reporting period and for the expected ultimate cost of claims incurred but not yet reported (IBNR) at the end of the reporting period. The primary technique adopted by management in estimating the cost of notified and IBNR claims, is that of using past claim settlement trends to predict future claims settlement trends and by using certain actuarial assumptions.

Claims requiring court or arbitration decisions are estimated individually. Independent loss adjusters normally estimate property claims. Management reviews its provisions for claims incurred, and claims incurred but not reported, on a quarterly basis.

Unallocated loss adjustment expenses (ULAE)

The Group applies paid to paid methodology to determine ULAE reserve at the year end. ULAE represents expenses not attributable to any specific claim.

Unearned premium reserve

The Group's estimate of the unearned premium reserve is based on current insurance industry practices in Qatar and other analysis. The Group monitors its premium growth periodically and ascertains that difference between the estimate calculation based on the actual number of days method (daily pro-rata basis) is not materially different had the Group calculated the reserve on an actual basis.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Estimates (continued)

Premium deficiency reserves (PDR)

Premium deficiency reserves (PDR) is calculated with reference to ultimate loss ratio and is applied to the unexpired period of the policies inforce at the reporting date. During the year, the Group has adopted a PDR methodology which is now computed at entity level rather than per line of business level. This change in methodology is not considered significant to the preparation of the financial statements.

Impairment of reinsurance and policyholders' receivable

Group has adopted deferral approach on application of IFRS 9 on the IFRS 4 generated financial assets and therefore, ECL has not been applied to reinsurance and policyholder receivable instead incurred loss model under IAS 39 has been applied.

An estimate of the collectible amount of policyholders' receivable is made when collection of the full amount is no longer probable. For individually significant amounts, the estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

The Group is exposed to disputes with, and possibility of defaults by, its reinsurers. The Group monitors on a quarterly basis the evolution of disputes with credit ratings and solvency strength of its reinsurers. Any significant credit risk increase could result in impairment of reinsurance balances from reinsurers.

Impairment of property and equipment

At each reporting date, the Group reviews the carrying amounts of its property and equipment to determine whether there is any indication that those assets have suffered from impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. The recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate rate.

Impairment of investment in associates

The Group regularly reviews its investments in associates for indicators of impairment. The Group evaluates the specific investee's profitability, liquidity, solvency and ability to generate operating cash flows from the date of acquisition and until the foreseeable future. The difference between the estimated recoverable amount and the carrying value of investment is recognised as an expense. The Group is satisfied that no impairment provision is necessary on its investments in associates.

Assessment as to whether the right-of-use assets is impaired

In estimating the recoverable amount of the right-of-use asset, the management have made assumptions about the achievable market rates for similar properties with similar lease terms. Due to the associated uncertainty, it is possible that the estimates of the amount of lease payment that will be recovered.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Estimates (continued)

Impairment of investment properties

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market price less incremental costs for disposing the asset.

Estimated useful lives of property, plant and equipment and investment properties

The costs of items of property, plant and equipment and investment properties are depreciated on a systematic basis over the estimated useful lives of the assets. Management has determined the estimated useful lives of each asset and/ or category of assets based on the following factors:

- Expected usage of the assets,
- Expected physical wear and tear, which depends on operational and environmental factors; and
- Legal or similar limits on the use of the assets.

Management has not made estimates of residual values for any items of property, plant and equipment and investment proprerty at the end of their useful lives as these have been deemed to be insignificant.

Classification of investment property

When determining whether property, plant and equipment should be classified as investment property, the Group assesses whether the property is held to earn rentals for capital appreciation or both. The Group follows the guidance of IAS 40 on classifying its investment property. If the property meets the definition, the Group assesses the suitable basis for allocation for the ratio of leased out area in proportion to the total area of the property, either on the basis of floors or square meter area rented out.

5. INVESTMENT INCOME

	2021	2020
	QR.	QR.
Dividend income	**13,042,191**	13,846,368
Interest income	**10,187,110**	10,892,462
Rental income from investment properties	**14,676,494**	12,463,375
Unrealized fair value (loss) / gain of the investments	**(373,779)**	3,129,697
Net gain on sale of financial investments	**4,923,212**	126,350
	42,455,228	40,458,252

6. GENERAL AND ADMINISTRATIVE EXPENSES

	2021	2020
	QR.	QR.
Salaries and other staff costs	**70,327,629**	61,732,766
Rent, maintenance and office expenses	**5,283,377**	4,507,370
Legal and consultation fees	**2,642,162**	2,902,157
Advertisement and business promotion	**1,730,886**	626,340
Business travel	**290,488**	316,319
Board of Directors' remuneration (Note 23)	**6,000,000**	4,000,000
Communication expenses	**1,066,827**	1,013,283
Training expenses	**1,510,336**	782,504
Government fees	**1,035,002**	892,398
Contributions	**150,000**	767,301
Printing and stationery	**182,314**	225,578
Impairment charge on insurance receivables (note 10)	**8,607,000**	948,000
Miscellaneous expenses	**3,783,090**	4,702,906
	102,609,111	83,416,922

7. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to the shareholders by the weighted average number of ordinary shares outstanding during the year.

	2021	2020
Profit for the year attributable to the shareholders (QR.)	**73,269,695**	60,048,083
Weighted average number of shares outstanding during the year	**500,000,000**	500,000,000
Basic and diluted earnings per share (QR.)	**0.15**	0.12

There are no dilutive potential ordinary shares for the years ended 2021 and 2020.

8. CASH AND CASH EQUIVALENTS

	2021	2020
	QR.	QR.
Bank balances and short term deposits	**432,259,448**	398,006,677
Cash on hand	**587,865**	550,221
Loss allowance	**(306,260)**	(171,639)
Cash and bank balances	**432,541,053**	398,385,259

Short-term deposits consist of fixed deposits amounting to QR 236,583,350 (2020: QR 236,578,203) bearing interest at the rate of 0.0% to 2.4% per annum (2020: 0.50 % to 3.00% per annum).

Reconciliation to gross cash and cash equivalents:

Cash and bank balances	**432,541,053**	398,385,259
Short term deposits maturing more than 3 months	**(291,723,162)**	(236,578,203)
Add: Loss allowance	**306,260**	171,638
Gross cash and cash equivalents	**141,124,151**	161,978,694

8. CASH AND CASH EQUIVALENTS (CONTINUED)

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Accordingly, management of the Group estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12 month ECL. Management of the Group has assessed loss allowance as at reporting date and have adjusted the loss allowance accordingly.

9. FINANCIAL INVESTMENTS

	2021 QR.	2020 QR.
Investments measured at FVTPL		
Quoted shares	**3,115,794**	4,332,995
Mutual funds	**159,149,198**	106,937,506
Debt securities with fixed interest rate	**92,267,411**	42,329,091
	254,532,403	153,599,592
Investments measured at FVOCI		
Quoted shares	**404,749,838**	336,198,046
Private equity funds and unquoted shares	**49,291,512**	45,751,323
Debt securities with fixed interest rate	**173,937,783**	88,898,878
Allowance for impairment (ECL)	**(944,827)**	(1,461,596)
	627,034,306	469,386,651
Total	**881,566,709**	622,986,243

The debt securities carry interest/profit rate at 1.3% to 13.87% (2020: 1.563% to 6.88%) per annum and have maturity periods of less than 10 years except for a debt security amounting to QR. 763,778 (2020: QR. Nil) which has a maturity period of more than 10 years.

Investments in quoted shares measured at FVOCI amounting to QR. 1,101,107 are frozen and therefore not immediately available to dispose.

Allowance for impairment against debt investments:

	December 31, 2021			
	Stage 1: 12-month ECL	**Stage 2: Lifetime ECL not credit-impaired**	**Stage 3: Lifetime ECL credit-impaired**	**Total ECL**
	QR	**QR**	**QR**	**QR**
Balance at the beginning of the year	**1,461,596**	--	--	**1,461,596**
Changes due to financial assets recognised in opening balance that have:				
Net remeasurement of loss allowance	**(516,769)**	--	--	**(516,769)**
Balance at the end of the year	944,827	--	--	944,827

9. FINANCIAL INVESTMENTS (CONTINUED)

Allowance for impairment against debt investments: (continued)

	December 31, 2020			
	Stage 1: 12-month ECL	Stage 2: Lifetime ECL not credit-impaired	Stage 3: Lifetime ECL credit-impaired	Total ECL
	QR	QR	QR	QR
Balance at the beginning of the year	366,683	--	--	366,683
Changes due to financial assets recognised in opening balance that have:				
Net remeasurement of loss allowance	1,094,913	--	--	1,094,913
Balance at the end of the year	1,461,596	--	--	1,461,596

The movement in the financial investments is shown below:

	FVOCI	**FVTPL**	**Total**
	QR.	**QR.**	**QR.**
At January 1, 2021	**469,386,651**	**153,599,592**	**622,986,243**
Purchases	**178,812,949**	**137,061,291**	**315,874,240**
Disposals	**(82,676,554)**	**(35,754,701)**	**(118,431,255)**
Fair value movements recorded in OCI / profit or loss	**62,028,029**	**(373,779)**	**61,654,250**
Impairment charge	**(516,769)**	**--**	**(516,769)**
At December 31, 2021	**627,034,306**	**254,532,403**	**881,566,709**

	FVOCI	FVTPL	Total
	QR.	QR.	QR.
At January 1, 2020	438,299,522	66,134,050	504,433,572
Purchases	65,635,353	97,112,087	162,747,440
Disposals	(37,938,900)	(12,776,241)	(50,715,141)
Fair value movements recorded in OCI / profit or loss	4,485,589	3,129,696	7,615,285
Impairment charge	(1,094,913)	--	(1,094,913)
At December 31, 2020	469,386,651	153,599,592	622,986,243

9. FINANCIAL INVESTMENTS (CONTINUED)

The denomination of investment in respective currencies in Qatari Riyals is as follows,

December 31, 2021	**US$**	**QAR**	**Others**	**Total**
	QR.	**QR.**	**QR.**	**QR.**
Fair value through profit or loss (FVTPL)				
Quoted shares	**--**	**3,115,794**	**--**	**3,115,794**
Mutual funds	**155,833,265**	**--**	**3,315,933**	**159,149,198**
Debt securities	**92,267,411**	**--**	**--**	**92,267,411**
Fair value through other comprehensive income (FVOCI)				
Quoted shares	**103,830**	**404,646,008**	**--**	**404,749,838**
Unquoted shares	**31,148,862**	**18,142,650**	**--**	**49,291,512**
Debt securities	**172,134,180**	**--**	**858,776**	**172,992,956**
	451,487,548	**425,904,452**	**4,174,709**	**881,566,709**

December 31, 2020	US$	QAR	Others	Total
	QR.	QR.	QR.	QR.
Fair value through profit or loss (FVTPL)				
Quoted shares	--	4,332,995	--	4,332,995
Mutual funds	94,267,893	11,534,586	1,135,027	106,937,506
Debt securities	42,329,091	--	--	42,329,091
Fair value through other comprehensive income (FVOCI)				
Quoted shares	--	332,095,015	4,103,031	336,198,046
Unquoted shares	28,889,441	--	16,861,882	45,751,323
Debt securities	86,542,217	--	895,065	87,437,282
	252,028,642	347,962,596	22,995,005	622,986,243

10. INSURANCE AND OTHER RECEIVABLES

	2021	2020
	QR.	QR.
Premiums and insurance receivables	**393,542,473**	310,981,510
Due from employees	**2,358,621**	2,815,198
Prepayments and others	**20,003,892**	27,324,728
Deferred acquisition cost	**33,952,551**	22,400,713
	449,857,537	363,522,149

The Group's terms of business require amounts to be paid within the underwriting year and as such these receivables are measured at cost. Arrangements with the reinsurance companies normally require settlement on a quarterly basis.

Due from policyholders comprise a large number of customers mainly within Qatar. Due from policyholders is net of provision for impairment of QR 10,427,856 (2020: QR 11,444,921). Insurance and other receivables are stated net of any impairment provision and are short term in nature. The reinsurer's shares of claims not paid by the Group at the end of the reporting period are disclosed in Note 20.

	2021	2020
	QR.	QR.
Policyholders' receivable		
Premiums receivable	**212,579,858**	126,471,113
Provision for doubtful debts	**(10,427,856)**	(11,444,921)
Net policyholders' receivable	**202,152,002**	115,026,192
Insurance and reinsurers' receivable		
Reinsurers receivable	**202,517,615**	197,458,397
Provision for doubtful debts	**(11,127,144)**	(1,503,079)
Net insurance and reinsurers' receivable	**191,390,471**	195,955,318
Premiums and insurance receivables	**393,542,473**	310,981,510

Movements in the allowance for impairment of policyholders' receivables were as follows:

	2021	2020
	QR.	QR.
At January 1	**11,444,921**	10,496,921
Charge for the year	**(1,017,065)**	948,000
At December 31	**10,427,856**	11,444,921

Movements in the allowance for insurance and reinsurers' receivable were as follows:

	2021	2020
	QR.	QR.
At January 1,	**1,503,079**	1,503,079
Charge for the year	**9,624,065**	--
At December 31	**11,127,144**	1,503,079

10. INSURANCE AND OTHER RECEIVABLES (CONTINUED)

The following table provides an age analysis of insurance and other receivables as at December 31:

			Past due but not impaired		
	Total	*Neither past due nor impaired*	*3-6 months*	*7-12 months*	*> 1 year*
	QR.	*QR.*	*QR.*	*QR.*	*QR.*
2021	**393,542,473**	**251,643,038**	**73,842,521**	**48,062,504**	**19,994,410**
2020	310,981,510	223,645,733	32,236,326	28,201,252	26,898,199

Unimpaired insurance and other receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Group to obtain collateral over financial assets and all are, therefore, unsecured.

11. INVESTMENTS IN ASSOCIATES

The Group has the following investment in associates:

	Country of incorporation	*Percentage of ownership*		*Principal activity*
		2021	2020	
Yemeni Qatari Insurance Company	Republic of Yemen	40%	40%	Insurance
Qatar unified Insurance Bureau W.L.L.	State of Qatar	25%	25%	Insurance

Movements in the investment in associates are as follows:

	2021	2020
	QR.	QR.
At January 1,	**17,185,813**	16,177,201
Equity share in net earnings	**2,013,693**	948,646
Cash dividends received	**(716,176)**	--
Share of other comprehensive (loss) / income	**(281,152)**	86,306
Foreign currency translation difference	**(31,108)**	(26,340)
At December 31,	**18,171,070**	17,185,813

11. INVESTMENTS IN ASSOCIATES (CONTINUED)

The summarized financial information of the Group's investments in associates are as follows:

	2021	2020
	QR.	QR.
Share in the associates' statement of financial position:		
Total assets	**15,571,191**	15,190,890
Total liabilities	**(3,666,082)**	(4,271,038)
Net assets	**11,905,109**	10,919,852
Additional consideration paid in excess of share in net assets	**6,265,961**	6,265,961
	18,171,070	17,185,813

	2021	2020
	QR.	QR.
Share in the associates' revenue and results		
Revenues	**7,268,357**	2,958,926
Share of results	**2,013,693**	948,646

The carrying amounts of these investments are as follows:

	2021	2020
	QR.	QR.
Yemeni Qatari Insurance Company	**8,317,863**	8,290,870
Qatar Unified Insurance Bureau W.L.L.	**9,853,207**	8,894,943
	18,171,070	17,185,813

12. INVESTMENT PROPERTIES

	2021	2020
	QR.	QR.
Cost:		
At January 1	**337,271,650**	338,812,492
Additions	**13,456**	3,685,435
Disposals	**--**	--
Impairment loss	**--**	(13,900,000)
Translation reserve	**(9,027,172)**	8,673,723
	328,257,934	337,271,650
Accumulated depreciation:		
At January 1	**(23,123,311)**	(16,866,339)
Charge during the year	**(7,318,682)**	(5,772,374)
Translation reserve	**650,464**	(484,598)
	(29,791,529)	(23,123,311)
Net carrying value	**298,466,405**	314,148,339

(i) Investment properties include an amount of QR 47,427,537, which represents the net book value as of December 31, 2021 of a property in Germany acquired in 2017 by a subsidiary, Schwenke Zentrum S.a.r.l. The fair value of the investment properties as at December 31, 2021 amounted to QR 53,693,075 and has been arrived at, on the basis of a valuation carried out by an independent valuer not related to the Group during the year.

(ii) Investment properties include an amount of QR 41,858,890, which represents the net book value as of December 31, 2021 of a property in Germany acquired in 2018 by a subsidiary, Logistics Centre S.a.r.l. The fair value of the investment properties as at December 31, 2021 amounted to QR 54,593,416 and has been arrived at, on the basis of a valuation carried out by an independent valuer not related to the Group during the year.

(iii) In addition to the investment properties mentioned in (i) and (ii) above, the Group has investment properties in the State of Qatar with carrying value of QR 209,179,977 (2020: QR 214,272,733) as of December 31, 2021. The fair value of the investment properties as at December 31, 2021 amounted to QR 250,708,431 (2020: QR 227,880,000) and has been arrived at, on the basis of a valuation carried out by an independent valuer not related to the Group during the year.

(iv) The independent valuer is a qualified consultant and has appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The basis used in determining the fair value of investment properties reflects actual market state and circumstances as of the reporting date. The fair value estimate usually reflects, amongst other things, rental income from current leases and reasonable and supportable assumptions that represent the market view of what knowledgeable, willing parties would assume about rental income from future leases in light of current market conditions, including impact of Covid-19.

(v) The Group earned rental income amounting to QR 14,676,494 during 2021 (2020: QR 12,463,375) and this has been reflected in the consolidated statement of profit or loss. Direct operating expenses of these investment properties amounting to QR 3,874,302 (2020: QR 3,453,439) have been reflected as part of rent, maintenance and office expenses.

13. PROPERTY AND EQUIPMENT

	Freehold land	Buildings	Furniture and fixtures	Computers	Vehicles	Office equipment	Total
	QR.	QR.	QR.	QR.	QR.	QR.	QR.
Cost							
At January 1, 2021	2,350,000	16,426,643	4,540,544	13,552,460	1,143,001	2,744,595	40,757,243
Additions	--	8,305,213	282,501	792,146	934,023	330,557	10,644,440
Disposals	--	--	--	--	(111,500)	--	(111,500)
At December 31, 2021	2,350,000	24,731,856	4,823,045	14,344,606	1,965,524	3,075,152	51,290,183
Accumulated depreciation							
At January 1, 2021	--	11,872,756	3,907,135	9,993,039	782,353	2,271,934	28,827,217
Depreciation for the year	--	827,689	315,804	1,179,723	224,777	198,350	2,746,343
Disposals	--	--	--	--	(110,780)	--	(110,780)
At December 31, 2021	--	12,700,445	4,222,939	11,172,762	896,350	2,470,284	31,462,780
Net carrying amounts							
At December 31, 2021	**2,350,000**	**12,031,411**	**600,106**	**3,171,844**	**1,069,174**	**604,868**	**19,827,403**

13. PROPERTY AND EQUIPMENT (CONTINUED)

	Freehold land	Buildings	Furniture and fixtures	Computers	Vehicles	Office equipment	Total
	QR.	QR.	QR.	QR.	QR.	QR.	QR.
Cost							
At January 1, 2020	2,350,000	16,335,747	4,449,512	11,232,207	1,300,209	2,570,715	38,238,390
Additions	--	90,896	91,032	2,320,253	40,000	173,880	2,716,061
Disposals	--	--	--	--	(197,208)	--	(197,208)
At December 31, 2020	2,350,000	16,426,643	4,540,544	13,552,460	1,143,001	2,744,595	40,757,243
Accumulated depreciation							
At January 1, 2020	--	11,059,606	3,524,246	8,908,025	716,870	1,935,328	26,144,075
Depreciation for the year	--	813,150	382,889	1,085,014	225,086	336,606	2,842,745
Disposals	--	--	--	--	(159,603)	--	(159,603)
At December 31, 2020	--	11,872,756	3,907,135	9,993,039	782,353	2,271,934	28,827,217
Net carrying amounts							
At December 31, 2020	2,350,000	4,553,887	633,409	3,559,421	360,648	472,661	11,930,026

14. SHARE CAPITAL

	2021	2020
	QR.	QR.
Authorized, issued and fully paid up share capital 500,000,000 shares of QR. 1 each	**500,000,000**	500,000,000

15. LEGAL RESERVE

In accordance with Qatar Central Bank regulations, 10% of net profit is required to be transferred to legal reserve until the legal reserve equals 100% of the paid up capital. This reserve is not available for distribution, except in the circumstances specified in the above law and after taking necessary Qatar Central Bank approval.

The Board of Directors resolved to transfer 10% of the net profits for the year amounting to QR 7,236,969 (2020: 10% of the net profits, amounting to QR 6,004,808) to legal reserve.

16. FAIR VALUE RESERVE

This reserve comprises the fair value changes recognised on financial assets.

	2021	2020
	QR.	QR.
Balance as at 1 January	**(59,174,490)**	(63,746,386)
Change in fair value of investments measured at FVOCI	**62,581,209**	13,556,060
Share in other comprehensive income of investment in associate	**(281,152)**	86,306
Net gain on sale of equity instruments transferred to retained earnings for investment measured at FVOCI	**(553,180)**	(9,070,470)
Balance at the end of the year	**2,572,387**	(59,174,490)

17. BORROWINGS

	2021	2020
	QR.	QR.
Loan (i)	**25,363,149**	28,744,321
Loan (ii)	**21,269,152**	24,827,154
Loan (iii)	**105,307,611**	--
Loan (iv)	**53,735,390**	--
	205,675,302	53,571,475

(i) In 2017, a loan was taken to purchase an investment property in Germany, by a subsidiary, Schwenke Zentrum S.a.r.l. which bears interest of 2.65%. It is repayable over a period of 256 months starting from May 30, 2017. The non-current portion of the loan as at year end amounted to QR 24,132,728. The loan is secured by a mortgage on investment property having net book value of QR 47,427,537 as at 31 December 2021.

(ii) Additional loan in 2018 was taken also to purchase an investment property in Germany, by a new subsidiary, Logistic Centre S.a.r.l with the rate of 1.73% annually payable in monthly installments until July 31, 2028. The non current portion of the loan is QR 19,567,401. The loan is secured by a mortgage on investment property having net book value of QR 41,858,890 as at 31 December 2021.

(iii) During the year ended December 31, 2021, the Group has availed credit facility amounting to USD 30 million (2020: USD Nil) from an investment management company to finance various investments. The facility bears interest at the rate of LIBOR + 0.8% and is repayable within one year. The facility is collateralized against investments amounting to USD 28.9 million as of reporting date (2020: USD Nil).

(iv) During the year ended December 31, 2021, the Group has availed Murabaha facility through a subsidiary, Doha Takaful L.L.C. amounting to USD 30 million (2020: USD Nil) from an investment management company to finance various investments. The expected profit pay-out rate is LIBOR + 0.85% and is repayable within one year. The facility is collateralized against investments amounting to USD 14.75 million as of reporting date (2020: USD Nil).

18. SOCIAL AND SPORTS ACTIVITIES FUND

During the year, the Group made an appropriation from retained earnings of QR. 1,831,742 (2020: QR. 1,501,203) to the Social and Sports Activities Fund of Qatar. This amount represents 2.5% of the net profit attributable to shareholders for the year ended December 31, 2021. The appropriation for the year ended December 31, 2020 has been remitted to the Public Revenues and Taxes Department during the year.

19. PROPOSED CASH DIVIDENDS

The Board of Directors held a meeting on February 20, 2022 and approved a cash dividend of 12% of the share capital amounting to QR 0.12 per share totalling to QR 60,000,000 for the year ended December 31, 2021 which are subject to the approval by the General Assembly of the Company's Shareholders (2020: QR 0.10 per share totalling to QR 50,000,000).

20. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS

	2021	2020
	QR.	QR.
Gross		
Insurance contract liabilities:		
Claims reported unsettled	**754,351,920**	741,887,961
Claims incurred but not reported	**113,895,848**	91,914,366
Unearned premiums	**440,154,370**	365,349,550
Deferred commissions	**11,111,794**	12,172,369
	1,319,513,932	1,211,324,246
Recoverable from reinsurers:		
Claims reported unsettled	**611,918,541**	614,951,811
Claims incurred but not reported	**47,274,177**	49,587,516
Unearned premiums	**241,721,607**	210,146,283
Total reinsurance contract assets	**900,914,325**	874,685,610
Net		
Claims reported unsettled	**142,433,379**	126,936,150
Claims incurred but not reported	**66,621,671**	42,326,850
Unearned premiums	**198,432,763**	155,203,267
Deferred commissions	**11,111,794**	12,172,369
	418,599,607	336,638,636

20. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

	2021			2020		
	Gross	**Reinsurers' share**	**Net**	Gross	Reinsurers' share	Net
	QR.	**QR.**	**QR.**	QR.	QR.	QR.
At January 1						
Claims	**741,887,961**	**(614,951,811)**	**126,936,150**	1,161,772,663	(1,052,000,737)	109,771,926
Claims incurred but not reported	**91,914,366**	**(49,587,516)**	**42,326,850**	53,198,708	(31,189,181)	22,009,527
	833,802,327	**(664,539,327)**	**169,263,000**	1,214,971,371	(1,083,189,918)	131,781,453
Insurance claims paid during the year	**(349,425,690)**	**138,984,063**	**(210,441,627)**	(490,575,960)	340,318,835	(150,257,125)
Incurred during the year	**383,871,131**	**(133,637,454)**	**250,233,677**	109,406,916	78,331,756	187,738,672
At December 31	**868,247,768**	**(659,192,718)**	**209,055,050**	833,802,327	(664,539,327)	169,263,000

Analysis of outstanding claims

	2021			2020		
	Gross	**Reinsurers' share**	**Net**	Gross	Reinsurers' share	Net
	QR.	**QR.**	**QR.**	QR.	QR.	QR.
Claims	**754,351,920**	**(611,918,541)**	**142,433,379**	741,887,961	(614,951,811)	126,936,150
Claims incurred but not reported	**113,895,848**	**(47,274,177)**	**66,621,671**	91,914,366	(49,587,516)	42,326,850
At December 31	**868,247,768**	**(659,192,718)**	**209,055,050**	833,802,327	(664,539,327)	169,263,000

The amounts due from reinsurers are contractually due within a maximum of three months from the date of payment of the claims.

Amounts due from reinsurers relating to claims already paid by the Group are included in insurance and other receivables (Note 10).

20. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

Analysis of unearned premium risk

	2021			2020		
	Insurance contract liabilities	**Reinsurance of liabilities**	**Net**	Insurance contract liabilities	Reinsurance of liabilities	Net
	QR.	**QR.**	**QR.**	QR.	QR.	QR.
At January 1	**365,349,550**	**(210,146,283)**	**155,203,267**	289,682,364	(165,466,700)	124,215,664
Premiums written during the year	**1,120,996,679**	**(651,302,939)**	**469,693,740**	902,741,246	(534,538,336)	368,202,910
Premiums earned during the year	**(1,046,191,859)**	**619,727,615**	**(426,464,244)**	(827,074,060)	489,858,753	(337,215,307)
At December 31	**440,154,370**	**(241,721,607)**	**198,432,763**	365,349,550	(210,146,283)	155,203,267

The following table shows the estimated cumulative reported claims, excluding IBNR, for each successive accident year at the end of each reporting period, together with cumulative payments to date:

Claims development 2021

	Accident years					
	Before 2017	**2018**	**2019**	**2020**	**2021**	**Total**
	QR.	**QR.**	**QR.**	**QR.**	**QR.**	**QR.**
Estimate of cumulative claims						
At end of the accident year	**274,019,941**	**181,097,746**	**861,495,561**	**108,348,446**	**294,341,349**	**1,719,303,043**
One year later	**156,382,503**	**187,662,224**	**467,072,421**	**148,870,929**	**--**	**959,988,077**
Two years later	**65,014,192**	**91,904,788**	**433,180,255**	**--**	**--**	**590,099,235**
Three years later	**37,537,118**	**108,565,322**	**--**	**--**	**--**	**146,102,440**
Four years later	**118,819,754**	**--**	**--**	**--**	**--**	**118,819,754**
Current estimate of cumulative claims	**118,819,754**	**108,565,322**	**433,180,255**	**148,870,929**	**294,341,349**	**1,103,777,609**
Cumulative payments to date	**(13,500,872)**	**(31,970,251)**	**(133,716,981)**	**(62,855,346)**	**(107,382,239)**	**(349,425,689)**
Total cumulative claims recognised in the statement of financial position as of December 31, 2021	**105,318,882**	**76,595,071**	**299,463,274**	**86,015,583**	**186,959,110**	**754,351,920**

Financial Statements approved by the BOD - subject to QCB approval

20. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

Claims development 2020

	Accident years					
	Before 2015	2016	2017	2018	2019	Total
	QR.	QR.	QR.	QR.	QR.	QR.
Estimate of cumulative claims						
At end of the accident year	151,958,406	100,744,807	181,099,246	861,495,561	179,249,389	1,474,547,409
One year later	173,606,488	53,001,966	187,663,724	471,909,093	--	886,181,271
Two years later	104,429,516	33,259,874	341,906,985	--	--	479,596,375
Three years later	36,226,370	167,185,161	--	--	--	203,411,531
Four years later	98,577,374	--	--	--	--	98,577,374
Current estimate of cumulative claims	98,577,374	167,185,161	341,906,985	471,909,093	179,249,389	1,258,828,002
Cumulative payments to date	(17,977,408)	(26,158,119)	(143,536,148)	(288,361,774)	(40,906,592)	(516,940,041)
Total cumulative claims recognised in the statement of financial position as of December 31, 2020	80,599,966	141,027,042	198,370,837	183,547,319	138,342,797	741,887,961

21. PROVISIONS, INSURANCE AND OTHER PAYABLES

	2021	2020
	QR.	QR.
Due to insurance and reinsurance companies	**194,795,294**	138,347,141
Trade payable	**26,443,525**	24,233,324
Dividends payable	**9,890,019**	9,250,504
Staff related accruals	**10,030,655**	10,773,578
Net surplus attributable to Islamic Takaful policyholders	**23,446,733**	18,249,127
Provision for Social and Sports Activities Fund	**1,831,742**	1,501,203
Accrued expenses and other payable	**5,886,955**	5,597,045
	272,324,923	207,951,922

22. EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognized in the consolidated statement of financial position are as follows:

	2021	2020
	QR.	QR.
As at January 1,	**17,391,026**	16,555,846
Provided during the year	**810,929**	2,360,596
End of service benefits paid	**(6,291,103)**	(1,525,416)
As at December 31,	**11,910,852**	17,391,026

23. BOARD OF DIRECTORS' REMUNERATION

During the year, the Group has accrued and paid an amount of QR 6,000,000 as Board of Directors remuneration for the year 2020, which was approved by the AGM in its meeting held on March 22, 2021.

24. SEGMENT INFORMATION

For management purposes, the Group is organized into three business segments, marine and aviation, motor, and fire and general accidents. These segments are the basis on which the Group reports its primary segment information. Other operations of the Group comprise investment and treasury for the Group's own account. There are no transactions between segments. The data with respect to segment information are as follows.

	Motor		**Marine and Aviation**		**Fire, General Accident, Group life and health**		**Total**	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020
	QR.	QR.	**QR.**	QR.	**QR.**	QR.	**QR.**	QR.
Gross premiums	**215,214,465**	205,724,982	**202,910,606**	178,811,878	**702,871,608**	518,204,386	**1,120,996,679**	902,741,246
Reinsurers' share of gross premiums	**(20,091,514)**	(11,135,211)	**(176,958,706)**	(163,760,986)	**(454,252,719)**	(359,642,139)	**(651,302,939)**	(534,538,336)
Net premiums written	**195,122,951**	194,589,771	**25,951,900**	15,050,892	**248,618,889**	158,562,247	**469,693,740**	368,202,910
Change in unearned premium reserve	**(8,263,612)**	(15,931,619)	**(8,158,812)**	1,216,251	**(26,807,072)**	(16,272,235)	**(43,229,496)**	(30,987,603)
Net premiums earned	**186,859,339**	178,658,152	**17,793,088**	16,267,143	**221,811,817**	142,290,012	**426,464,244**	337,215,307
Commissions received on ceded insurance	**3,972,257**	3,780,187	**11,874,816**	7,771,505	**35,498,508**	26,788,763	**51,345,581**	38,340,455
Total underwriting revenues	**190,831,596**	182,438,339	**29,667,904**	24,038,648	**257,310,325**	169,078,775	**477,809,825**	375,555,762
Gross claims paid	**(94,868,081)**	(82,826,132)	**(46,593,078)**	(219,955,108)	**(207,964,531)**	(187,794,720)	**(349,425,690)**	(490,575,960)
Reinsurers' share of claims paid	**7,480,282**	1,308,549	**44,736,052**	218,012,887	**88,803,729**	120,997,399	**141,020,063**	340,318,835
Change in outstanding claims reserve	**(3,288,300)**	(15,573,996)	**877,392**	3,907,927	**(37,381,145)**	(25,792,800)	**(39,792,053)**	(37,458,869)
Commissions paid	**(23,259,251)**	(18,955,269)	**(4,536,875)**	(5,435,873)	**(42,182,072)**	(25,562,532)	**(69,978,198)**	(49,953,674)
Other technical expenses	**(5,025,465)**	(2,074,959)	**(16,470)**	(98,605)	**(2,493,574)**	(1,428,255)	**(7,535,509)**	(3,601,819)
ULAE reserve movement	**--**	--	**--**	--	**--**	--	**(2,036,000)**	(22,668)
Net underwriting results	**71,870,781**	64,316,532	**24,134,925**	20,469,876	**56,092,732**	49,497,867	**150,062,438**	134,261,607
Investment and other income							**44,962,190**	42,341,200
Total expenses							**(116,530,918)**	(109,946,727)
Net surplus attributable to Takaful branch policyholders							**(5,197,603)**	(6,583,257)
Net profit before income tax							**73,296,107**	60,072,823

24. SEGMENT INFORMATION (CONTINUED)

The Group operates in the State of Qatar, UAE, Lebanon, Germany and Jordan. The associate companies operate in the State of Qatar and the Republic of Yemen.

	2021			2020		
	Qatar	**International**	**Total**	Qatar	International	Total
	QR.	**QR.**	**QR.**	QR.	QR.	QR.
Assets						
Total assets	**2,834,231,371**	**173,856,927**	**3,008,088,298**	2,446,243,966	166,420,399	2,612,664,365
Liabilities						
Insurance contract liabilities	**1,237,332,686**	**82,181,246**	**1,319,513,932**	(1,166,608,607)	(44,715,639)	(1,211,324,246)
Net surplus attributable to Islamic Takaful policyholders	**23,446,735**	**--**	**23,446,735**	(18,249,127)	--	(18,249,127)
Liabilities (other than insurance funds)	**348,482,327**	**127,304,525**	**475,786,853**	(213,118,955)	(60,270,595)	(273,389,550)
Net assets	**1,224,969,623**	**(35,628,844)**	**1,189,340,778**	1,048,267,277	61,434,165	1,109,701,442

The Group chief operating decision makers do not allocate the Group assets and liabilities to business segments, nor they allocate profit and loss items geographically.

25. RELATED PARTY TRANSACTIONS

Related party transactions

Related parties represent major shareholders, directors, 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.

Transactions with related parties

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

	2021		2020	
	Premiums	**Claims**	Premiums	Claims
	QR.	**QR.**	QR.	QR.
Major shareholders	**28,194,977**	**8,182,649**	24,705,392	7,267,366

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

	2021		2020	
	Receivables	**Claims and payables**	Receivables	Claims and payables
	QR.	**QR.**	QR.	QR.
Major shareholders	**10,973,830**	**1,010,110**	14,484,700	2,888,820

Compensation of key management personnel

The compensation of key management personnel during the year are as follows:

	2021	2020
	QR.	QR.
Board of Directors' remuneration (refer to note 23)	**6,000,000**	4,000,000
Short-term benefits of key management personnel	**8,620,000**	7,630,000
End of service and other benefits	**116667**	525,000
	14,736,667	12,155,000

Financial Statements approved by the BOD - subject to QCB approval

26. LEASES

Group as a Lessee

The Group leases several assets including land and buildings. The average lease term is 5 years.

	Right-of-use assets		
	Total	**Land *Classified as investment properties***	**Buildings**
	QR.	**QR.**	**QR.**
January 1, 2021	**12,234,026**	**2,413,100**	**9,820,926**
Disposals	**(635,821)**	**--**	**(635,821)**
Remeasurement	**(602,770)**	**(197,082)**	**(405,688)**
Amortization expense	**(2,049,113)**	**(13,492)**	**(2,035,621)**
December 31, 2021	**8,946,322**	**2,202,526**	**6,743,796**

	Right-of-use assets		
	Total	**Land *Classified as investment properties***	**Buildings**
	QR.	**QR.**	**QR.**
January 1, 2020	15,355,209	2,505,884	12,849,325
Additions	228,109	--	228,109
Remeasurement	(1,106,416)	(25,753)	(1,080,663)
Amortization expense	(2,242,876)	(67,031)	(2,175,845)
December 31, 2020	12,234,026	2,413,100	9,820,926

<u>Amounts recognised in profit and loss</u>

	December 31, 2021	December 31, 2020
	QR.	QR.
Amortisation expense on right-of-use assets	**2,035,621**	2,242,876
Interest expense on lease liabilities	**522,941**	612,690
Expense relating to short-term leases	**659,205**	489,400

27. LEASE LIABILITIES

	December 31, 2021	December 31, 2020
	QR.	QR.
Opening balance	**12,724,254**	15,965,879
Additions	**--**	228,109
Disposals	**(648,153)**	--
Remeasurement	**(667,912)**	(705,002)
Accretion of interest	**522,941**	612,690
Payments	**(2,608,619)**	(3,377,422)
Balance as at	**9,322,511**	12,724,254

	December 31, 2021	December 31, 2020
	QR.	QR.
Maturity analysis		
Not later than 1 year	**2,335,955**	2,551,041
Later than 1 year	**6,986,556**	10,173,213
	9,322,511	12,724,254

The Group does not face a significant liquidity risk with regard to its liabilities. Lease liabilities are monitored within the Group's treasury function.

28. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

The fair values of financial instruments are not materially different from their carrying values.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at year end the Group held the following financial instruments measured at fair value.

	December 31, 2021	**Level 1**	**Level 2**	**Level 3**
	QR.	**QR.**	**QR.**	**QR.**
Assets measured at fair value				
Financial investments	**881,566,709**	**832,275,197**	**31,148,861**	**18,142,651**

28. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

	December 31, 2020	Level 1	Level 2	Level 3
	QR.	QR.	QR.	QR.
Assets measured at fair value				
Financial investments	622,986,243	577,234,920	27,202,058	18,549,265

During the year ended December 31, 2021 and 2020, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

29. RISK MANAGEMENT

The Group, in the normal course of business derives its revenue mainly from underwriting and managing its insurance business and managing its liquid assets in investments. The Group's lines of business are exposed to the following risks:

- Insurance risk
- Reinsurance risk
- Liquidity risk
- Market risk
- Operational risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors approves the Group's risk management policies and meets regularly. These policies define the Group's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, align underwriting and reinsurance strategy to the corporate goals, and specify reporting requirements. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Regulatory framework

The Qatar Central Bank Executive Insurance Instructions provide the regulatory framework for the insurance industry in Qatar. All insurance companies operating in Qatar are required to follow these rules and regulations.

The following are the key regulations governing the operation of the Group:

- Internal systems and controls;
- Risk management;
- Accounting, auditing and actuarial reporting; and
- Prudential requirement.

29. RISK MANAGEMENT (CONTINUED)

The Group's Board of directors is responsible for monitoring compliance with the above regulations and has delegated authorities and responsibilities from the board of directors to ensure compliance.

Insurance risk

The principal risk the Group faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long term claims. Therefore the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, underwriting discipline, prudent claims management practices as well as the use of reinsurance arrangements.

The majority of insurance business ceded is placed on a reinsurance program covering the Group to benefit from high commission income derived from economy of scale in a portfolio which is well balanced and to spread the risk in which the Group is exposed.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Group's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract.

The Group principally issues the following types of general insurance contracts: Marine & Aviation, Fire, Property & Casualty, Motor, and General Accidents. Risks under non-life insurance policies usually cover twelve-month duration.

For general insurance contracts the most significant risks arise from climate changes, natural disasters and terrorist activities which are only covered in fire line of business.

Insurance contracts at times also cover risk for single incidents that expose the Group to multiple insurance risks. The Group has adequately reinsured for insurance risk that may involve significant litigation.

These risks vary in relation to the type of risk insured, location of the risk insured and by industry.

These risks do not vary significantly in relation to the location of the risk insured by the Group, type of risk insured and by industry.

The below risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography. Further, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the risk exposure of the Group.

29. RISK MANAGEMENT (CONTINUED)

Insurance risk (continued)

The Group further enforces a policy of actively managing and prompt pursuing of claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Group.

The Group has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events (i.e. fire line of business). The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes to a pre-determined maximum amount based on the Group's risk appetite as decided by management. In addition, the Group also have an excess of loss agreements which cover both of the catastrophic and risk excess of loss.

Property and Casualty (Fire & General Accidents)
Property and casualty insurance is designed to compensate contract holders for damage suffered to properties or for the value of property lost. Contract holder could also receive compensation for the loss of earnings caused by the inability to use the insured properties.

For property insurance contracts, the main risks are fire and business interruption. In recent years, the Group has only underwritten policies for properties containing fire detection equipment and relevant regulatory certification.

Motor
Motor insurance is designed to compensate contract holders for damage suffered to their vehicles or liability to third parties arising though accidents. Contract holders could receive compensation for the fire or theft of their vehicles.

The blood money for deaths and to injured parties and the replacement costs of motor vehicles are the key factors that influence the level of claims.

Marine & Aviation
Marine & Aviation insurance is designed to compensate contract holders for damage and liability arising through loss or damage to marine craft and accidents at sea resulting in total or partial loss of cargoes. The Group has facultative arrangement to cede significant aviation related risks.

For marine insurance, the main risks are loss or damage to marine craft and accidents resulting in the total or partial loss of cargoes.

Reinsurance risk

In common with other insurance companies, in order to minimize the financial exposure arising from large claims, the Group in the normal course of business, enters into agreements with other parties for reinsurance purposes. Such reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. A significant portion of the reinsurance is effected under treaty, facultative and excess-of-loss reinsurance contracts.

To minimize its exposure to significant losses from reinsurer insolvencies, the Group evaluates the financial condition of its reinsurers and monitors concentrations of credit risk.

Reinsurance ceded contracts do not relieve the Group from its obligation to policyholders and as a result, the Group remains liable for the portion of outstanding claims reinsured to the extent that the reinsurer fails to meet the obligations under the reinsurance agreements.

29. RISK MANAGEMENT (CONTINUED)

Concentration of risks

The Group's insurance risk relates to policies directly written in the State of Qatar Only. The segmental concentration of insurance contract liabilities is shown below:

Concentration of insurance contract liabilities by type of contract:	**2021**			2020		
	Gross liabilities	**Reinsurers' share of liabilities**	**Net liabilities**	Gross liabilities	Reinsurers' share of liabilities	Net liabilities
	QR.	**QR.**	**QR.**	QR.	QR.	QR.
Marine and Aviation	**460,207,265**	**(445,550,704)**	**14,656,561**	467,309,025	(460,871,921)	6,437,104
Motor	**183,123,148**	**(15,405,570)**	**167,717,578**	169,874,608	(13,716,045)	156,158,563
Fire and General Accidents	**675,273,147**	**(439,958,051)**	**235,315,096**	571,998,401	(400,097,644)	171,900,757
ULAE	**910,372**	**--**	**910,372**	2,142,212	--	2,142,212
Total	**1,319,513,932**	**(900,914,325)**	**418,599,607**	1,211,324,246	(874,685,610)	336,638,636

Key assumptions

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

Other key assumptions include variation in interest rates, delays in settlement and changes in foreign currency rates.

Sensitivities
The general insurance claims provision is sensitive to the above key assumptions. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process. The Group does not have any single insurance contract or a small number of related contracts that cover low frequency, high-severity risks such as earthquakes, or insurance contracts covering risks for single incidents that expose the Group to multiple insurance risks. The Group has adequately reinsured for insurance risks that may involve significant litigation.

29. RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

Sensitivities (continued)

The analysis below is performed for possible movements in key assumptions with all other assumptions held constant showing the impact on gross and net liabilities and net profit.

	Change in assumptions	Impact on liabilities	Impact on net profit
December 31, 2021			
Claims cost	+10%	25,023,368	25,023,368
Claims cost	-10%	(25,023,368)	(25,023,368)
December 31, 2020			
Claims cost	+10%	18,773,866	18,773,866
Claims cost	-10%	(18,773,866)	(18,773,866)

Financial risk

The Group's principal instruments are financial investments, receivables arising from insurance and reinsurance contracts and cash and cash equivalents. The Group does not enter into derivative transactions.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, market price risk and liquidity risk.

The Board reviews and agrees policies for managing each of these risks which are summarized as follows.

Foreign currency risk
Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Management believes that there is minimal risk of significant losses due to exchange rate fluctuations and consequently the Group does not hedge its foreign currency exposure.

Other than balances in United States Dollars, United Arab Emirate Dinar (AED) and Euro (EUR), there are no significant foreign currency financial assets due in foreign currencies included under reinsurance balances receivable.

Interest rate risk
Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is exposed to interest rate risk on its certain bank deposits. The Group limits interest rate risk by monitoring changes in interest rates in the currencies in which its cash and interest bearing investments are denominated.

The following table demonstrates the sensitivity of the consolidated statement of profit or loss to reasonably possible changes in interest rates, with all other variables held constant. There is no impact on the Group's equity.

29. RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

Interest rate risk (continued)

	Increase/ decrease in basis basis points	Effect on profit / loss for the year
		QR.
2021	**+25**	**742,783**
	-50	**(1,485,566)**
2020	+25	919,515
	-50	(1,839,031)

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. For all classes of financial assets held by the Group, the maximum credit risk exposure to the Group is the carrying value as disclosed in the statement of financial position.

Reinsurance arrangements are effected with reinsurers whose creditworthiness is assessed on the basis of satisfying minimum rating and financial strength criteria. Reinsurance is made with different reinsurance companies' in order to reduce the risk of concentration.

The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised at the statement of financial position date. Premium receivables comprise a large number of customers mainly within the State of Qatar. Five companies account for 20.62% of the accounts receivable as of December 31, 2021 (2020: 42.77%). Five reinsurance companies account for 9.11% of the reinsurance receivables as of December 31, 2021 (2020: 64.33%).

The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties. The Group's management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality.

The table below provides information regarding the credit risk exposure of the Group by classifying assets according to the credit ratings of the counterparties. AAA is the highest possible rating. Assets that fall outstide the range of AAA to BBB are classified as speculative grade.

29. RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

Credit risk

	AAA	**AA**	**BBB**	**BB**	**Unrated**	**2021**
	QR.	**QR.**	**QR.**	**QR.**	**QR.**	**QR.**
December 31, 2021						
Bank balances	--	**312,511,660**	**38,567,368**	**74,666,335**	**6,514,085**	**432,259,448**
Debt securities	**743,567**	**123,296,946**	**42,102,503**	**94,025,288**	**6,036,890**	**266,205,194**
Reinsurance contract assets	--	**900,914,325**	--	--	--	**900,914,325**
Policyholders' accounts receivable	--	**56,748,184**	--	--	**145,403,818**	**202,152,002**
Insurance and reinsurers' accounts receivable	--	**53,724,839**	--	**33,110,862**	**104,554,770**	**191,390,471**

	AAA	AA	BBB	BB	Unrated	2020
	QR.	QR.	QR.	QR.	QR.	QR.
December 31, 2020						
Bank balances	--	313,330,703	34,985,070	42,246,675	7,444,229	398,006,677
Debt securities	--	55,685,074	6,836,587	50,774,022	17,932,286	131,227,969
Reinsurance contract assets	--	874,685,610	--	--	--	874,685,610
Policyholders' accounts receivable	--	38,723,886	--	--	76,302,307	115,026,193
Insurance and reinsurers' accounts receivable	--	59,534,639	12,115,478	--	124,305,200	195,955,317

29. RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

Credit risk (continued)

Cash and cash equivalents

The Group held cash and cash equivalents of QR 432,541,053 at December 31, 2021 (2020: QR 398,385,259). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated *AA to BB-*, based on Standard and Poor's ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Group uses a similar approach for assessment of ECLs for cash and cash equivalents to that used for debt securities.

The Group recognised an impairment allowance of QR. 134,621 (2020: QR. 81,941) during the year and the cumulative impairment allowance as at December 31, 2021 is QR. 306,260 (2020: QR 171,639).

29. RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet obligation as they fall due. The Group's approach to manage liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's operations.

The Group limits its liquidity risk by ensuring bank facilities are available. The Group's terms of sales require amounts to be paid within 30-120 days of the date of issuance of policy.

The table below summarises the maturities of the Group's undiscounted financial liabilities at year end based on contractual payment dates and current market interest rates.

2021	**Less than 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**	**No term***	**Total**
	QR.	**QR.**	**QR.**		**QR.**	**QR.**
Insurance contract liabilities	**451,266,164**	--	--	--	**868,247,768**	**1,319,513,932**
Borrowings	**1,971,964**	**161,014,965**	**19,719,642**	**22,968,731**	--	**205,675,302**
Provisions, insurance and other payables	**272,353,463**	--	--	--	--	**272,353,463**
Total	**725,591,591**	**161,014,965**	**19,719,642**	**22,968,731**	**868,247,768**	**1,797,542,697**

2020	Less than 6 months	6 to 12 months	1 to 5 Years	More than 5 years	No term	Total
	QR.	QR.	QR.		QR.	QR.
Insurance contract liabilities	377,521,919	--	--	--	833,802,327	1,211,324,246
Borrowings	1,286,530	1,820,269	16,559,408	33,905,268	--	53,571,475
Provisions, insurance and other payables	207,951,922	--	--	--	--	207,951,922
Total	586,760,371	1,820,269	16,559,408	33,905,268	833,802,327	1,472,847,643

* *These liabilities does not have fixed settlement date and can be due at any point in normal course of business.*

29. RISK MANAGEMENT (CONTINUED)

Financial risk (continued)

Equity price risks

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether these changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group is exposed to other market price risk in respect of its listed equity securities and bonds. Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of equity and the value of individual stocks. The effect on equity due to a reasonably possible change in equity indices by (+/-) 10%, with all other variables held constant is as follows:

		2021		2020	
	Changes in variables	**Impact on profit**	**Impact on other comprehensive income**	Impact on profit	Impact on other comprehensive income
		QR.	**QR.**	QR.	QR.
Fair value through profit and loss	+10%	**311,579**	--	433,300	--
Fair value through other comprehensive income	+10%	--	**40,474,984**	--	33,619,805
Fair value through profit and loss	-10%	**(311,579)**	--	(433,300)	--
Fair value through other comprehensive income	-10%	--	**(40,474,984)**	--	(33,619,805)

29. RISK MANAGEMENT (CONTINUED)

Capital management

The Group has established the following capital management objectives, policies and approach to managing the risks that affect its capital position.

The capital management objectives are:

- To maintain the required level of financial stability of the Group thereby providing a degree of security to policyholders
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- To align the profile of assets and liabilities taking account of risks inherent in the business
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and shareholders
- To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value.
- To allocate capital towards the regional expansion where the ultimate goal is to spread the risk and maximize the shareholders returns through obtaining the best return on capital.

The operations of the Group are also subject to regulatory requirements within the jurisdictions where it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g. capital adequacy) to minimise the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise.

In reporting financial strength, capital and solvency is measured using the rules prescribed by the Qatar Central Bank Executive Insurance Instructions. These regulatory capital tests are based upon required levels of solvency capital and a series of prudent assumptions in respect of the type of business written.

Capital management policies
The Group's capital management policy for its insurance and non-insurance business is to hold sufficient capital to cover the statutory requirements based on the Qatar Central Bank, including any additional amounts required by the regulator as well as keeping a capital buffer above the minimum regulatory requirements, where the Group operates to maintain a high economic capital for the unforeseen risks.

Capital management approach
The Group seeks to optimize the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and secure the policyholders fund.

The Group's approach to managing capital involves managing assets, liabilities and risks in a co-ordinated way, assessing shortfalls between reported and required capital levels (by each regulated entity) on a regular basis and taking appropriate actions to influence the capital position of the Group in the light of changes in economic conditions. An important aspect of the Group's overall capital management process is the setting of target risk adjusted rates of return which are aligned to performance objectives and ensure that the Group is focused on the creation of value for shareholders. The process is ultimately subject to approval by the board.

30. FINANCIAL ASSETS AND LIABILITIES

Accounting classifications and fair values

The table below sets out the carrying amounts and fair values of the Group's financial assets and financial liabilities:

	FVTPL	*Mandatorily measured as at FVTPL*	*FVOCI – debt instruments*	*FVOCI – equity instruments*	*Amortised cost*	*Total carrying amount*	*Fair value*
	QR.	**QR.**	**QR.**	**QR.**	**QR.**	**QR.**	**QR.**
December 31, 2021							
Cash and bank balances	--	--	--	--	**432,541,053**	**432,541,053**	--
Financial investments	**251,416,609**	**3,115,794**	**172,992,956**	**454,041,350**	--	**881,566,709**	**881,566,709**
Reinsurance contract assets	--	--	--	--	**900,914,325**	**900,914,325**	--
Insurance and other receivables	--	--	--	--	**449,857,537**	**449,857,537**	--
	251,416,609	**3,115,794**	**172,992,956**	**454,041,350**	**1,783,312,915**	**2,664,879,624**	
Insurance contract liabilities	--	--	--	--	**1,319,513,932**	**1,319,513,932**	--
Borrowings	--	--	--	--	**205,675,302**	**205,675,302**	--
	--	--	--	--	**1,525,189,234**	**1,525,189,234**	--

	FVTPL	*Mandatorily measured as at FVTPL*	*FVOCI – debt instruments*	*FVOCI – equity instruments*	*Amortised cost*	*Total carrying amount*	*Fair value*
	QR.	QR.	QR.	QR.	QR.	QR.	QR.
December 31, 2020							
Cash and bank balances	--	--	--	--	398,385,259	398,385,259	--
Financial investments	149,266,597	4,332,995	87,437,282	381,949,369	--	622,986,243	622,986,243
Reinsurance contract assets	--	--	--	--	874,685,610	874,685,610	--
Insurance and other receivables	--	--	--	--	363,522,149	363,522,149	--
	149,266,597	4,332,995	87,437,282	381,949,369	1,636,593,018	2,259,579,261	
Insurance contract liabilities	--	--	--	--	1,211,324,246	1,211,324,246	--
Borrowings	--	--	--	--	53,571,475	53,571,475	--
	--	--	--	--	1,264,895,721	1,264,895,721	

* Carrying amount of remaining financial instrument approximates their fair value.

31. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The below table details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes.

	At January 1, 2021	**Financing cash flows**	**Other changes**	**At December 31, 2021**
	QR.	QR.	QR.	QR.
Payment of contribution to Social and Sports Activities Fund	**1,501,203**	**(1,501,203)**	**1,831,742**	**1,831,742**
Repayment of principal of lease liability	**12,724,254**	**(2,085,678)**	**(1,316,065)**	**9,322,511**
Interest expense on borrowings	**--**	**(1,821,162)**	**1,821,162**	**--**
Proceeds from borrowings	**53,571,475**	**156,412,968**	**(4,309,141)**	**205,675,302**
Dividends paid	**9,250,504**	**(49,360,485)**	**50,000,000**	**9,890,019**
	77,047,436	**101,644,440**	**48,027,698**	**226,719,574**

	At January 1, 2020	Financing cash flows	Other changes	At December 31, 2020
	QR.	QR.	QR.	QR.
Payment of contribution to Social and Sports Activities Fund	1,223,527	(1,223,527)	1,501,203	1,501,203
Repayment of principal of lease liability	15,965,879	(1,226,150)	(2,015,475)	12,724,254
Interest expense on borrowings	--	(465,131)	465,131	--
Borrowings repaid	52,022,222	(2,764,732)	4,313,985	53,571,475
Dividends paid	8,395,645	(39,145,141)	40,000,000	9,250,504
	77,607,273	(44,824,681)	44,264,844	77,047,436

32. COMMITMENTS AND CONTINGENCIES

Guarantees

At December 31, 2021, the Group had contingent liabilities in respect of tender guarantees, other guarantees and commitments from which it is anticipated that no material liabilities will arise, amounting to QR 14,534,714 (2020: QR 6,461,047).

Legal claims

The Group is subject to litigation and claims in the normal course of its business. The Group, based on independent legal advice, does not believe that the outcome of these cases will have a material impact on the Group's consolidated income or consolidated financial position.

33. COVID-19 IMPACT

The World Health Organization declared on March 11, 2020 the Novel Coronavirus (Covid-19) as a global pandemic. The ongoing Covid 19 pandemic has had significant impact on the global economy and this event has caused widespread disruptions to businesses and economic activity.

The Group is closely monitoring the situation and has activated its business continuity planning and other risk management practices to manage any potential business disruption, due to COVID-19 outbreak, on its operations and financial performance.

The Group has performed an assessment of COVID-19 implications on the financial results of the Group, in light of the available guidance of IFRS, and incorporated the outcome in these consolidated financial statements.

i) Insurance contract liabilities

The Group is required to assess adequacy of insurance contract liabilities at each reporting date. Due to exceptional circumstance and uncertain market conditions, the Group's actuary had special considerations on inputs and assumption for assessment of technical reserves with reference to assessment of company's exposure, insurance contract inclusion and exclusion clauses related to pendamic, potential irregular claim ratios, etc.

Also, the Group has made an assessment of outstanding claims as of December 31, 2021 and has concluded that there is no material impact on the outstanding claims due to Covid 19.

Furthermore, the Group has made an assessment of currently active insurance policies for trade credit, and workers' compensation of business. Since the business activity in these lines of business is very limited and does not include claims under pandemic situations, therefore, the Group does not foresee any unusual insurance claims arising out of these lines of business. Similarly for medical line of business, all Covid 19 impacted patients are referred to state medical facility therefore, the Group does not foresee any significant claims related to Covid 19 patients.

ii) Impact on investment portfolio

Substantial portfolio of the Group consists of investments that are carried at fair value. The Group believes that the fair values include the impact of Covid 19 and hence the investment portfolio is adjusted for the impact of Covid 19.

For unquoted investments, Group has evaluated these with reference to current economic conditions and the related impact on cash flow forecasts and has concluded that the investments are not materially impact by Covid 19.

iii) Impact on other assets and liabilities

The Group has also assessed the impact of COVID- 19 on other assets and liabilities and ensured that proper adjustments and adequate disclosures are made in the consolidated financial statements. Group has also involved real estate valuation expert to determine fair value of investment properties and accordingly impairment loss has been recognised in these consolidated financial statements.

iv) Going concern

The Group has performed an assessment of whether it is a going concern in the light of current economic conditions and all available information about future risks and uncertainties. The forecast has been revised to reflect actual performance and the related impact of the Group's expected future performance, capital and liquidity requirements.

FINANCIAL INFORMATION: DOHA TAKAFUL L.L.C. (ISLAMIC TAKAFUL)

The statement of financial position and statement of profit or loss of the Doha Takaful L.L.C. are presented below:

(i) Statement of financial position as at 31 December 2021 and 2020

	2021	2020
	QR.	QR.
Policyholders' assets		
Cash on hand	**2,729**	7,939
Bank balances (Islamic banks)	**80,568,594**	76,018,065
Reinsurance contract assets	**18,822,771**	15,189,000
Due from policyholders, insurance and reinsurance companies	**28,305,932**	17,198,050
Due from shareholder	**312,730**	--
Investment securities	**1,821,000**	--
Prepayments and other assets	**4,658,917**	4,306,331
Total participants' assets	**134,492,673**	112,719,385
SHAREHOLDER'S ASSETS		
Bank balances	**63,420,281**	81,240,365
Fixed asset, net	**370,026**	223,301
Other Assets	**1,420,829**	786,527
Due from policyholder	--	8,314,310
Investment securities	**155,704,868**	76,066,437
Total shareholder's assets	**220,916,004**	166,630,940
TOTAL ASSETS	**355,408,677**	279,350,325
PARTICIPANTS' FUNDS AND LIABILITIES		
Participants' fund		
Participants' account	**23,446,727**	18,249,127
Participants' liabilities		
Insurance contract liabilities	**76,362,869**	67,570,500
Provisions, insurance and other payables	**34,683,077**	18,585,448
Due to shareholders	--	8,314,310
Total participants' liabilities	**111,045,946**	94,470,258
Total participants' funds and liabilities	**134,492,673**	112,719,385
Shareholder's equity		
Capital	**150,000,000**	150,000,000
Legal reserve	**3,612,190**	2,565,671
Retained Earnings	**9,418,667**	11,317,694
Total shareholder's equity	**163,030,857**	163,883,365
Shareholders' Liabilities		
Accrued Expenses	**1,867,960**	1,399,282
Borrowings	**53,735,390**	--
Due to parent	**757,582**	--
Due to policyholder	**312,730**	--
Employees' end of services benefits	**1,211,485**	1,348,293
Total shareholder's' liabilities	**57,885,147**	2,747,575
Total shareholder's equity and liabilities	**220,916,004**	166,630,940
TOTAL PARTICIPANTS' FUND AND LIABILITIES AND SHAREHOLDER'S EQUITY	**355,408,677**	279,350,325

FINANCIAL INFORMATION: DOHA TAKAFUL L.L.C. (ISLAMIC TAKAFUL) (CONTINUED)

(i) Statement of profit or loss for the year ended 31 December 2021 and 2020

	2021	2020
	QR.	QR.
PARTICIPANTS' REVENUE AND EXPENSES		
REVENUE		
Net takaful revenue	**5,235,529**	6,587,826
Other income	**1,112,714**	1,234,769
General and administrative expenses	**(1,150,643)**	(1,239,338)
NET SURPLUS FOR THE YEAR TRANSFERRED TO PARTICIPANTS' FUND	**5,197,600**	6,583,257
SHAREHOLDERS' REVENUE AND EXPENSES		
REVENUE		
Wakala fees	**19,531,346**	17,942,748
Mudarabah Fees	**818,643**	864,338
Unrealized gain on financial investments	**702,897**	2,626,747
Investment income	**4,564,605**	3,944,789
Other income	**3,015**	14,514
	25,620,506	25,393,136
EXPENSES		
General and administrative expenses	**(15,129,678)**	(12,799,447)
Income tax	**(25,642)**	(18,473)
NET INCOME TO SHAREHOLDERS	**10,465,186**	12,575,216