QATAR INSURANCE COMPANY S.A.Q.

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED

DECEMBER 31, 2016

QATAR INSURANCE COMPANY S.A.Q.
CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For the year ended December 31, 2016

INDEX **Page**

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INDEPENDENT AUDITOR'S REPORT

The Shareholders
Qatar Insurance Company S.A.Q.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Qatar Insurance Company S.A.Q. (the "Parent Company") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at December 31, 2016 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2016, and its financial performance and its 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 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, 2016. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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")	
As shown in Note 7, the Group maintained three types of insurance contract liabilities during the normal course of its insurance business which are as follows;	We performed our audit procedures based on significant identified risks relating to the claims and reserving process.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

<table>
<tr><th>Key Audit Matters (Continued)</th><th>How our audit addressed the key audit matter (Continued)</th></tr>
<tr><td colspan="2">Valuation of Outstanding claims, Unearned premiums ("UPR") and Claims incurred but not reported reserves ("IBNR") (continued)</td></tr>
<tr><td>1. Outstanding claims: These claims are estimated based on internal estimates, an amount notified by lead insurers and loss adjudicators including estimated claims handling cost.

2. IBNR: Management estimates IBNR claims using estimated percentages based on historical data and trend analysis. For certain lines of non-proportional and reinsurance business written and long term credit life, IBNR has been estimated using actuarial assumptions.

3. UPR: For Middle East regional entities, the reserve has been created using the Group's reserve policy. This policy is challenged internally by sensitivity and historical performance analysis. Actuarial assumptions are applied where the underlying risk is long-term in nature and to meet the regulatory requirements. For Europe based entities, the revenue from certain lines of business has been recognised using actuarial assumptions made by in-house actuaries.

The valuation of Outstanding Claims, UPR and IBNR are subject to management's assumptions and key judgements which include range of historic trend analysis, empirical data and standard actuarial claim projection techniques. Small changes in assumptions, discount rate, data or ratio used could result in material changes to the reserves recognized by the Group.</td><td>We performed our audit procedures which were a combination of internal control reliance strategy and specific substantive procedures focusing on the significant risk. Such procedures, include, but not limited to;

• Assessing the appropriateness and consistency of reserving methodologies used in the computation of reserves held by the Group, including sensitivity of such reserves to changes in key assumptions and judgements;

• 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

• Wherever required, used Audit actuarial specialists to evaluate the estimates performed by actuarial experts for the Group's material subsidiaries.</td></tr>
</table>

<table>
<tr><th>Key Audit Matters (Continued)</th><th>How our audit addressed the key audit matter (Continued)</th></tr>
<tr><td colspan="2">Valuation of Goodwill and Intangible Assets with Indeterminate Useful Life</td></tr>
<tr><td>As stated in Note 12, The Group recognized the Goodwill and indeterminate useful life intangible assets on acquiring Antares Group, UK during the year 2014. The Group performed the impairment review on Goodwill and relevant intangible assets, as required by applicable accounting standards to assess the recoverability of the carrying value as at year end. Such procedures performed by the Group includes;

• Determining the recoverable amount of Goodwill using the market value based approach (market capitalization)

• Determining the recoverable amount of Lloyd's Syndicate capacity using the market price capacity based on regression analysis using average return on capital and other observable data available in Lloyd's Syndicate.

The procedures above performed by management involves key judgements and statistical analysis. The Group has used internal experts to perform the impairment review on the Goodwill and relevant intangible assets.</td><td>Our testing primarily focused on the key assumptions made by the Group. Our experts have assisted on the certain area of work performed by the management's internal expert. Our procedures performed includes;
• Testing the rationale for the assumptions and key judgements applied by the management;
• Whether the model used for the cash generating units ("CGUs") is appropriate as per the requirements of relevant accounting standards;
• Sensitivity analysis and average return on capital; and
• Using the observable input available in the Lloyd's market.</td></tr>
<tr><td colspan="2">Valuation of Investments</td></tr>
<tr><td>As stated in Note 9, the Group has investments in varied investments. The valuation and measurement of quoted and unquoted investment positions as at December 31, 2016 as they involve significant level of judgement and impairment assessment at the available for sale, unquoted shares and private equity level.</td><td>We have ensured the accuracy of valuation of investments by test checking the following:
1. For held for trading investments, the revaluation rates available from established market sources as at December 31, 2016; and
2. For Available for sale investments, apart from testing the valuation, we tested the management assessments of significant and prolonged decline in available for sale quoted and unquoted investments and, for any potential impairment to ascertain whether any additional impairment loss is required to be recorded at each investment level.</td></tr>
</table>

Other Information

The directors are responsible for the other information. The other information comprises the Board of Directors Report which we obtained prior to the date of this auditor's report and the Annual Report, which is expected to be made available to us after the date of this auditor's report. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed 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. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as the Board 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 Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- 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 to 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 of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Report on Other Legal and Regulatory Requirements

We are also of the opinion that proper books of account were maintained by the Group. We have obtained all the information and explanations which we considered necessary for the purpose of our audit. The financial information included in the Board of Directors' report addressed to the General assembly is in agreement with the books and records of the Company. To the best of our knowledge and belief and according to the information given to us, no contraventions of the applicable provisions of Qatar Central Bank rules, Qatar Commercial Companies Law and the Parent Company's Articles of Association were committed during the year which would materially affect the Group's activities or its financial position.

Doha – Qatar
January XX, 2017

For **Deloitte & Touche**
Qatar Branch

Walid Slim
Partner
License No. 319

QATAR INSURANCE COMPANY S.A.Q.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2016

	Notes	2016	2015 Restated	As at 1 January 2015 Restated
		(QR '000)	(QR '000)	(QR '000)
ASSETS				
Cash and cash equivalents	5	**6,962,310**	3,518,760	2,646,907
Insurance and other receivables	6	**6,652,577**	6,481,460	2,820,028
Reinsurance contract assets	7	**2,493,439**	2,128,405	1,238,857
Equity accounted investments	8	**138,841**	83,125	77,065
Investments	9	**11,435,065**	10,593,623	8,715,618
Investment properties	10	**575,818**	407,988	375,070
Property and equipment	11	**40,300**	41,406	38,665
Goodwill and intangible assets	12	**417,114**	418,560	420,006
TOTAL ASSETS		**28,715,464**	23,673,327	16,332,216
LIABILITIES AND EQUITY				
LIABILITIES				
Short term borrowings	13	**4,065,311**	3,543,243	2,429,536
Provisions, reinsurance and other payables	14	**2,471,451**	2,367,934	1,660,759
Insurance contract liabilities	7	**13,583,283**	11,768,077	6,318,414
Long term borrowings	15	**127,196**	--	--
TOTAL LIABILITIES		**20,247,241**	17,679,254	10,408,709
EQUITY				
Share capital	16	**2,411,387**	1,846,214	1,605,404
Legal reserve	17	**3,145,623**	1,514,143	1,408,179
General reserve	18	**287,000**	287,000	287,000
Fair value reserve	19	**110,870**	139,198	601,000
Catastrophe special reserve	20	**329,526**	277,344	227,251
Foreign currency translation reserve	21	**(15,133)**	--	--
Retained earnings		**1,966,833**	1,748,389	1,575,949
Equity attributable to owners of the Company		**8,236,106**	5,812,288	5,704,783
Non-controlling interests		**232,117**	181,785	218,724
TOTAL EQUITY		**8,468,223**	5,994,073	5,923,507
TOTAL LIABILITIES AND EQUITY		**28,715,464**	23,673,327	16,332,216

These consolidated financial statements were approved by the Board of Directors and signed on its behalf by the following signatories on January 24, 2017.

H.E. Sheikh Khalid Bin Mohammed Bin Ali Al-Thani
Chairman and Managing Director

Khalifa Abdulla Turki Al Subaey
Group President and Chief Executive Officer

QATAR INSURANCE COMPANY S.A.Q.

CONSOLIDATED STATEMENT OF INCOME
For the year ended December 31, 2016

	Notes	2016	2015 Restated
		(QR '000)	(QR '000)
Gross premiums	22 (a)	**9,901,394**	8,347,210
Premiums ceded to reinsurers	22 (a)	**(1,323,307)**	(1,189,778)
Net premiums		**8,578,087**	7,157,432
Movement in unexpired risk reserve	22 (a)	**(218,200)**	(1,370,259)
Net earned premiums		**8,359,887**	5,787,173
Gross claims paid	22 (a)	**(4,817,792)**	(2,973,946)
Reinsurance recoveries	22 (a)	**813,629**	708,667
Movement in outstanding claims	22 (a)	**(1,764,855)**	(1,606,230)
Net commission	22 (a)	**(1,754,717)**	(999,317)
Other insurance income	22 (a)	**7,531**	9,396
Net underwriting result		**843,683**	925,743
Investment income	23	**856,260**	739,537
Finance costs	23	**(44,798)**	(27,441)
Net investment income	23	**811,462**	712,096
Advisory fee income		**51,286**	123,063
Rental income		**39,417**	45,506
Other income		**4,424**	3,371
Total income		**1,750,272**	1,809,779
Operating and administrative expenses	24	**(684,904)**	(731,121)
Depreciation and amortisation		**(32,052)**	(29,229)
Profit before share of results from equity accounted investments		**1,033,316**	1,049,429
Share of profit from equity accounted investments		**18,262**	14,560
Profit for the year		**1,051,578**	1,063,989
Attributable to:			
Equity holders of the parent		**1,034,018**	1,043,636
Non-controlling interests		**17,560**	20,353
		1,051,578	1,063,989

Earnings per share

Basic and diluted earnings per share attributable to ordinary equity holders of the parent in Qatari Riyals (2015: Restated as a result of bonus and rights issue)	25	**4.48**	4.84
Cash dividend per share in Qatari Riyals	26	**1.50**	2.50

QATAR INSURANCE COMPANY S.A.Q.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended December 31, 2016

	2016	2015 Restated
	(QR '000)	(QR '000)
Profit for the year	**1,051,578**	1,063,989
Other comprehensive income (OCI)		
OCI to be reclassified to profit or loss in subsequent periods		
Net changes in fair value of available-for-sale financial assets	**(26,702)**	(469,815)
Foreign currency translation differences for foreign operations	**(15,133)**	**--**
Total comprehensive income to be reclassified to profit or loss in subsequent periods	**(41,835)**	(469,815)
Total comprehensive income for the year	**1,009,743**	594,174
Total comprehensive income attributable to:		
Equity holders of the parent	**989,332**	581,965
Non-controlling interests	**20,411**	12,209
	1,009,743	594,174

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

QATAR INSURANCE COMPANY S.A.Q.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2016

	Share capital	Legal reserve	General reserve	Fair value reserve	Catastrophe special reserve	Foreign currency translation	Retained earnings	Attributable to owners of the parent	Non-controlling interests	Total equity
	(QR '000)	(QR '000)	(QR '000)	(QR '000)	(QR '000)	(QR '000)	(QR '000)	(QR '000)	(QR '000)	(QR '000)
Balance as at January 1, 2015	1,605,404	1,408,179	287,000	601,000	227,251	--	1,575,949	5,704,783	218,724	5,923,507
Profit for the year	--	--	--	--	--	--	1,043,636	1,043,636	20,353	1,063,989
Net change on available for sale investments	--	--	--	(461,671)	--	--	--	(461,671)	(8,144)	(469,815)
Total comprehensive income for the year	--	--	--	(461,671)	--	--	1,043,636	581,965	12,209	594,174
Dividend for the year 2014	--	--	--	--	--	--	(401,351)	(401,351)	(7,378)	(408,729)
Issuance of bonus shares	240,810	--	--	--	--	--	(240,810)	--	--	--
Transfer to legal reserve	--	104,553	--	--	--	--	(104,553)	--	--	--
Increase in non-controlling interest	--	--	--	--	--	--	--	--	8,320	8,320
Contribution to social and sports fund	--	--	--	--	--	--	(6,272)	(6,272)	--	(6,272)
Transfer to catastrophe special reserve	--	--	--	--	50,093	--	(50,093)	--	--	--
Effect of acquisition/sale of stake in a subsidiary by NCI	--	1,411	--	(131)	--	--	(68,117)	(66,837)	(50,090)	(116,927)
Balance as at December 31, 2015	**1,846,214**	**1,514,143**	**287,000**	**139,198**	**277,344**	--	**1,748,389**	**5,812,288**	**181,785**	**5,994,073**
Profit for the year	--	--	--	--	--	--	1,034,018	1,034,018	17,560	1,051,578
Net change on available for sale investments	--	--	--	(29,553)	--	--	--	(29,553)	2,851	(26,702)
Foreign currency translation	--	--	--	--	--	(15,133)	--	(15,133)	--	(15,133)
Total comprehensive income for the year	--	--	--	(29,553)	--	(15,133)	1,034,018	989,332	20,411	1,009,743
Dividend for the year 2015	--	--	--	--	--	--	(461,554)	(461,554)	--	(461,554)
Issuance of bonus shares	184,621	--	--	--	--	--	(184,621)	--	--	--
Issuance of share rights	380,552	1,521,431	--	--	--	--	--	1,901,983	--	1,901,983
Transfer to legal reserve	--	108,891	--	--	--	--	(108,891)	--	--	--
Increase in non-controlling interest	--	--	--	--	--	--	--	--	31,015	31,015
Contribution to social and sports fund	--	--	--	--	--	--	(6,207)	(6,207)	--	(6,207)
Transfer to catastrophe special reserve	--	--	--	--	52,182	--	(52,182)	--	--	--
Effect of acquisition/sale of stake in a subsidiary by NCI	--	1,158	--	1,225	--	--	(2,119)	264	(1,094)	(830)
Balance as at December 31, 2016	**2,411,387**	**3,145,623**	**287,000**	**110,870**	**329,526**	**(15,133)**	**1,966,833**	**8,236,106**	**232,117**	**8,468,223**

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

QATAR INSURANCE COMPANY S.A.Q.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2016

	2016	2015 Restated
	(QR '000)	(QR '000)
OPERATING ACTIVITIES		
Profit for the year	**1,051,578**	1,063,989
Adjustments for :		
Depreciation of property and equipment and investment properties	**30,606**	27,783
Amortization of intangible assets, net	**1,446**	1,446
Impairment loss on investments	**1,521**	144,891
Share of profit from equity accounted investments	**(18,262)**	(14,560)
Investment income and other finance income	**(619,770)**	(857,060)
Impairment loss on doubtful receivables	**12,091**	7,503
Provision for employees' end of service benefits	**7,703**	8,761
Net foreign exchange loss on property and equipment	**1,947**	251
Gain on sale of investment properties	**(190,674)**	--
Loss on sale of property and equipment	**451**	--
Net unrealised gain on investments	**(20,682)**	73
Operating profit before working capital changes	**257,955**	383,077
Working capital changes		
Change in insurance and other receivables	**(62,604)**	(3,804,672)
Change in insurance reserves – net	**1,450,172**	4,560,116
Change in provisions, reinsurance and other payables	**(163,631)**	852,165
Cash generated from operations	**1,481,892**	1,990,686
Payment of social and sports fund contribution	**(6,207)**	(12,848)
Employees' end of service benefits paid	**(3,955)**	(11,918)
Net cash generated from operating activities	**1,471,730**	1,965,920
INVESTING ACTIVITIES		
Net cash movements in investments	**(901,808)**	(2,442,811)
Purchase of property and equipment	**(17,627)**	(18,129)
Purchase of investment properties	**(232,264)**	(45,564)
Net movement in equity accounted investments	**(48,654)**	--
Dividend received from equity accounted investment	**11,200**	8,500
Interest income and other finance income	**619,770**	857,060
Proceeds from sale of investment properties	**360,000**	--
Net cash used in investing activities	**(209,383)**	(1,640,944)

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2016

	Note	**2016**	2015 Restated
		(QR '000)	(QR '000)
FINANCING ACTIVITIES			
Dividends paid to non-controlling interests		**--**	(7,378)
Acquisition of non-controlling interests, net		**32,304**	(116,927)
Increase in non-controlling interest		**732**	8,320
Increase in share capital through rights issue		**1,901,983**	--
Net movement interest bearing borrowings		**699,237**	1,063,734
Dividends paid		**(453,053)**	(400,872)
Net cash generated from financing activities		**2,181,203**	546,877
Net increase in cash and cash equivalents		**3,443,550**	871,853
Cash and cash equivalents at the beginning of the year		**3,518,760**	2,646,907
Cash and cash equivalents at the end of the year	**5**	**6,962,310**	3,518,760

1. STATUS AND OPERATIONS

Qatar Insurance Company S.A.Q. (the "Parent Company") is a public shareholding company incorporated in the State of Qatar in the year1964 under Commercial Registration No. 20 and governed by the provisions of the Qatar Commercial Companies' Law and Qatar Central Bank regulations. The Parent Company and its subsidiaries (the "Group") are engaged in the business of insurance, reinsurance, real estate and financial advisory services.

The Group operates in the State of Qatar, United Arab Emirates, Sultanate of Oman, State of Kuwait, United Kingdom, Switzerland, Bermuda, Singapore, Malaysia and Malta. The details of subsidiaries are given below:

Name of the subsidiary	Ownership	Country of incorporation	Principal activities
QIC Capital LLC ("QICC")	95.74 % (2015: 91.79%)	State of Qatar	Incorporated as a holding company to hold equity interest in the Group's international and regional insurance entities.
QIC International L.L.C. ("QICI")	100% (owned through QICC)	State of Qatar	Primarily engaged in insurance and reinsurance. QICI manages the regional operations of the Group and has 2 overseas branches in Dubai (United Arab Emirates), and Abu Dhabi (United Arab Emirates).
Oman Qatar Insurance Company ("OQIC")	70% (owned through QICI)	Sultanate of Oman	Primarily engaged in insurance and reinsurance.
Kuwait Qatar Insurance Company ("KQIC")	82.04% (owned through QICI)	State of Kuwait	Primarily engaged in insurance and reinsurance.
Qatar Reinsurance Company Limited ("Qatar Re")	100% (owned through QICC)	Bermuda	Primarily engaged in reinsurance. Qatar Re manages the reinsurance operations of the Group and has a branch office in Switzerland, Dubai, and Singapore, and a representative office in United Kingdom.
Qatar Reinsurance Services LLC	100% (owned through Qatar Re)	State of Qatar	Primarily engaged in providing services to Qatar Re.
Qatar Re Underwriting Limited	100% (owned through QICC)	United Kingdom	Incorporated to provide capital supporting the underwriting capacity at Lloyds.
Q Life & Medical Insurance Co LLC	85%	State of Qatar	Primarily engaged in life and medical insurance business and has a branch office in Labuan, Malaysia.
Antares Group Holdings Limited ("AGHL")	100% (owned through QICC)	United Kingdom	Incorporated as a holding company.
Antares Underwriting Limited	100% (owned through AGHL)	United Kingdom	Incorporated to provide capital supporting the underwriting capacity of Antares Syndicate 1274.
Antares Managing Agency Limited ("AMAL")	100% (owned through AGHL)	United Kingdom	Incorporated to act as a managing agent for Antares Syndicate 1274.
Antares Underwriting Asia Pte. Limited	100% (owned through AMAL)	Singapore	Incorporated to participate in Lloyds Asia Scheme.
Antares Underwriting Services Limited	100% (owned through AGHL)	United Kingdom	Incorporated as a services company to provide services to AMAL and Antares Syndicate 1274.

1. STATUS AND OPERATIONS (CONTINUED)

Name of the subsidiary	Ownership	Country of incorporation	Principal activities
Antares Capital I Limited	100% (owned through AGHL)	United Kingdom	Incorporated to provide capital supporting the underwriting capacity of Antares Syndicate 1274.
Antares Capital III Limited	100% (owned through AGHL)	United Kingdom	Incorporated to provide capital supporting the underwriting capacity of Antares Syndicate 1274.
Antares Capital IV Limited	100% (owned through AGHL)	United Kingdom	Incorporated to provide capital supporting the underwriting capacity of Antares Syndicate 1274.
Antares Holding Limited	100%	Bermuda	Incorporated holding company.
QIC Europe Limited	100%	Malta	Primarily engaged in insurance business
QANIT Ltd.	100% (owned through QICI)	UAE	Primarily engaged in Real Estate activities in the UAE.
Qatar Insurance Company Real Estate W.L.L.	100%	State of Qatar	Primarily engaged in Real Estate activities in the State of Qatar.
Qatar Economic Advisors W.L.L. ("QEA")	100%	State of Qatar	Primarily engaged in financial and other advisory services.
Qatar Insurance Group W.L.L	100%	State of Qatar	Primarily engaged in the management of QIC Group entities.
CATCo Investment Management Ltd. ("CATCO-IM")	100%	Bermuda	Primarily engaged in providing investment management services.
CATCo-Re Ltd.	100% (owned through CATCO-IM)	Bermuda	Primarily engaged in issuance of fully collateralized reinsurance contracts for CATCO Re Fund.
QIC Asset Management Ltd ("QICAM")	100% (owned through QEA)	Cayman Islands	Primarily engaged in financial and other advisory services.
Education Company 2 Ltd.	100%	Cayman Islands	Primarily engaged in financial and other advisory services.
Epicure Managers Qatar Ltd.	100%	B.V.I.	Primarily engaged in providing investment management services.
Taleem Advisory Ltd.	100% (owned through QEA)	Cayman Islands	Primarily engaged in financial and other advisory services.
Arneb Real Estate Limited	100%	Jersey	Primarily engaged in real estate activities.
Synergy Frimley Limited	100% (owned through Arneb Real Estate Limited)	Jersey	Primarily engaged in real estate activities.

During the period, as a part of group restructuring, the Parent Company transferred its investment in the subsidiary, Antares Group Holding (UK) to QIC Capital LLC at the book value against the equity shares issued by QIC Capital LLC. The transaction is considered as transaction under common control and there is no gain or loss recognised in the profit or loss of the Group.

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

In the current financial year, the Group has adopted certain new and revised standards and interpretations, which are mainly:

IFRS 11	The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 Business Combinations principles for business combination accounting.

The revised standards issued by IASB and IFRIC interpretations which are effective from the accounting period commencing January 1, 2016, had no significant effect on the consolidated financial statements of the Group for the year ended December 31, 2016.

The following IASB Standards and IFRIC interpretations issued but, are not mandatory for the year ended December 31, 2016, have not yet been adopted by the Group:

- **IFRS 9 - "Financial Instruments"** was issued to replace IAS 39 – "Financial Instruments: Recognition and Measurement". IFRS 9 simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Temporary exemption: For the company with insurance contracts as per IFRS 4 and meeting the criterion for engaging in predominantly insurance activities ("Predominance criterion"), the amendment in 2016 provided the option to continue current IFRS accounting and to defer the application of IFRS 9 until the earlier application of new insurance standards or periods beginning on or after January 1, 2021(the "sunset clause"). The amendment also provides the company with insurance contracts within scope of IFRS 4 with an option to apply IFRS 9 in full nut to make an adjustment to profit or loss to remove the impact of IFRS 9 ("overlay approach"). The assessment on Predominance criterion are expected to be made at the reporting entity level and at the annual reporting date immediately preceding April 1, 2016 (e.g. December 31, 2015). Thereafter it should not be reassessed, unless there is a significant change in the entity's activities that would trigger mandatory assessment. As per the initial assessment made by the Company, IFRS 9 Financial Instruments will be applicable for annual periods beginning on or after January 1, 2018;

- **IFRS 15 Revenue from Contracts with Customer -** IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

- Certain consequential amendments to IFRS 7 "Financial Instrument disclosures" and IAS 39 (Revised) due to application of IFRS 9, detailed above.

- **Annual improvement – 2012-2014 cycle -** *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, IFRS 7 Financial Instruments: Disclosures , IAS 19 Employee Benefits and IAS 34 Interim Financial Reporting*

- The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture.

The Group is currently in the process of evaluating the potential effect of these amendments in the presentation of the consolidated financial statements.

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

A number of new standards, amendments to standards and interpretations that are not yet effective for the year ended December 31, 2016 have not been applied in preparing these consolidated financial statements. The Group does not expect the proposed amendments which will become mandatory for the consolidated financial statements for the year 2017 or thereafter, to have a significant impact on the consolidated financial statements.

3. BASIS OF PREPARATION

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the applicable provisions of the Qatar Commercial Companies Law and Qatar Central Bank regulations.

b) Basis of preparation

The accompanying consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments that are measured at fair value at the end of each reporting period.

Financial assets and financial liabilities are offset and the net amount reported in these consolidated statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expense are not offset in the consolidated statement of income unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Group.

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Group presents an additional statement of financial position at the beginning of the earliest period presented when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements. An additional statement of financial position as at January 1, 2015 is presented in these consolidated financial statements due to reclassification of items in financial statements. See Note 38.

c) Functional and presentation currency

These consolidated financial statements are presented in Qatari Riyal (QR) and rounded to the nearest thousand (QR ‘000), unless otherwise indicated.

d) Significant accounting judgements and estimates

The Group makes judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, 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.

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 and in any future years affected. The key judgements and estimates made by the Group are detailed in Notes 33 and 34.

4. SIGNIFICANT ACCOUNTING POLICIES

a) Consolidation, translation and financial instruments

i) Basis of consolidation

Subsidiaries
The consolidated financial statements incorporate the financial statements of the Parent Company and entities controlled by the Parent Company directly or indirectly as at December 31st of each year. All subsidiaries have December 31st as financial year end.

Subsidiaries are all entities over which the Group has control. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiary companies are prepared for the same reporting period as the Parent Company, using consistent accounting policies. When necessary, adjustments are made to bring the accounting policies in line with those of the group.

Control is achieved when the Parent Company directly or indirectly (i) has power over the investee, (ii) has exposure or rights to variable returns from its involvement with the investee and (iii) has the ability to use its power to effect those returns.

The Parent Company reassesses whether or not it controls an investee and facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All significant intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Parent Company.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated statement of income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

When the Group ceases to control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in the consolidated statement of income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the consolidated statement of income.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Consolidation, translation and financial instruments (continued)

i) Basis of consolidation (continued)

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

Joint ventures are joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in associates and jointly controlled entities are accounted for using the equity method.

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

The consolidated financial statements include the Group’s share of profit or loss and other comprehensive income, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases**.** The financial yearend of the associate entities and the Group are uniform.

Gains and losses resulting from downstream transactions between the Group and its associate or joint venture are recognised in the entity’s financial statements only to the extent of unrelated investors interest in the associate or joint venture.

Business combination
Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized in consolidated statement of income as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held in equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed as at date of acquisition. If the net of the acquisition date amounts of identifiable asset acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree (if any), the excess is recognized immediately in the consolidated statement of income as a bargain purchase gain.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Consolidation, translation and financial instruments (continued)

i) Basis of consolidation (continued)

Goodwill (continued)
Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated statement of income. An impairment loss recognised for goodwill is not reversed in subsequent periods

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

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

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

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

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

The current policy applied to the Group’s intangible assets is as follows:

Intangible assets acquired	*Economic Life*
Syndicate Capacity	Indefinite
Runoff services – Württembergische Versicherung AG	7 years

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Consolidation, translation and financial instruments (continued)

ii) Foreign currency

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 exchange rates prevailing at the reporting date, which do not significantly vary from the average exchange rates for the year. The exchange differences arising on the translation for consolidation are recognised in OCI.

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.

Foreign currency transactions
Foreign currency transactions are recorded in the respective functional currencies of Group entities at the rates of exchange prevailing at the date of each transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the respective functional currencies at the rate of exchange prevailing at the year end. The resultant exchange differences are included in the consolidated statement of income.

iii) Financial instruments

Financial instruments represent the Group’s financial assets and liabilities. Financial assets include cash and cash equivalents, insurance and other receivables and investments. Financial liabilities include short term borrowings, long term borrowings and other payables.

Financial asset or liability is initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated statement of income.

Recognition
The Group initially recognizes cash and cash equivalents, insurance and other receivables, short term borrowings, long term borrowings and other payables at the date that they originate. All other financial assets and liabilities are initially recognized at the trade date or settlement date when the Group becomes a party to the contractual provisions of the instrument.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Consolidation, translation and financial instruments (continued)

iii) Financial instruments (continued)

De-recognition
The Group derecognizes a financial asset when the contractual rights to receive cash flows from that asset expire or it transfers the right to receive the contractual cash flow of that asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Any interest in the transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability. The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

Measurement
The measurement of financial assets and liabilities is disclosed under accounting policy for respective financial assets and liabilities.

Fair values of financial instruments
Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties on an arm's length transaction at the measurement date. Differences can therefore arise between the book values under the historical cost method and fair value estimates.

Underlying the definition of fair value is a presumption that an enterprise is a going concern without any intention or need to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the profit or loss as they arise.

Fair values of marketable investments are determined by reference to their bid prices at the close of business at the reporting date. In respect of unquoted available for sale financial assets, the fair value is determined based on various valuation techniques, as deemed appropriate. The fair values of the Group's other financial assets and financial liabilities are not materially different from their carrying values.

Impairment of financial asset
At each reporting date, the Group assesses whether there is objective evidence that any financial asset is impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows of the asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a customer or insurer or reinsurer, indications that the customer or insurer or reinsurer will enter bankruptcy or the disappearance of an active market for a security. In addition for an investment in equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. Impairment loss on assets are recognised in the consolidated statement of income and reflected as an allowance against receivables or investments.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Insurance operations

i) Insurance and other receivables

Insurance and other receivables are recognised when due and measured on initial recognition at the fair value of the consideration received or receivable. The carrying value of the receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the consolidated statement of income. After initial measurement, insurance and other receivables are measured at amortised cost as deemed appropriate.

Insurance receivables are derecognised when the derecognition criteria for financial assets, as described in Note 4 (iii), have been met.

ii) Reinsurance contract assets

The Group cedes insurance risk in the normal course of business as part of its businesses model. Reinsurance assets represent balances recoverable from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurers' policies and are in accordance with the related 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 recorded in the income statement.

iii) 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.

iv) Gross premiums

Gross premiums are recognized when written and include an estimate for written premiums receivable at period end. Gross premiums comprise the total premiums receivable for the whole period of cover provided by contracts entered into during the accounting period. Gross premiums also include any adjustments arising in the accounting period for premiums receivable in respect of business written in prior accounting periods. Premium on insurance contracts are recognized as revenue (earned premiums) proportionally over the period of coverage or using actuarial assumptions, as appropriate. The portion of premium received on in-force contracts that relates to unexpired risks at the reporting date is reported as unearned premium reserve.

v) Premiums ceded to reinsurers

Reinsurance premiums comprise the total premiums 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 premiums written in a year that relate to periods of risk after the reporting date.

vi) Insurance contract liabilities

Insurance contract liabilities include the outstanding claims provision and the provision for unearned premium. Insurance contract liabilities are recognised when contracts are entered into and premiums are charged.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Insurance operations (continued)

vi) Insurance contract liabilities (continued)

Provision for outstanding claims

Provision for outstanding claims is recognized at the date the claims are known and covers the liability for losses and loss adjustment expenses based on loss reports from independent loss adjusters and management's best estimate.

Claims provision also includes liability for claims incurred but not reported as at the reporting date. The liability is calculated at the reporting date using a range of historic trends, empirical data and standard actuarial claim projection techniques. The current assumptions may include a margin for adverse deviations. The liability is not discounted for the time value of money.

Unexpired risks reserve

The provision for unearned premiums represents that portion of premiums received or receivable, after deduction of the reinsurance share, which relates to risks that have not yet expired at the reporting date. The provision is recognised when contracts are entered into and premiums are charged, and is brought to account as premium income over the term of the contract in accordance with the pattern of insurance service provided under the contract.
Insurance contract liabilities are derecognised when the contract expires, discharged or cancelled by any party to the insurance contract.

At each reporting date, the Group reviews its unexpired risk and a liability adequacy test is performed in accordance with IFRS 4 to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. This calculation uses current estimates of future contractual cash flows after taking account of the investment return expected to arise on assets relating to the relevant non-life insurance technical provisions. If these estimates show that the carrying amount of the unearned premiums (less related deferred acquisition costs) is inadequate, the deficiency is recognised in the income statement by setting up a provision for premium deficiency.

vii) Gross claims paid

Gross claims paid include all claims paid during the year and the related external claims handling costs that are directly related to the processing and settlement of claims.

viii) Commission earned and paid

Commissions earned and paid are recognized at the time the policies are underwritten or deferred and amortised over the same period over which the corresponding premiums are recognised in accordance with the pattern of insurance service provided under the contract.

c) Investment activities

The Group classifies its investments into financial assets at fair value through profit or loss and available for sale financial assets. The classification depends on the purpose for which the investments were acquired or originated.

i) Non-derivative financial instruments

All investments are initially recognised at cost, being the fair value of the consideration given including acquisition charges associated with the investment.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Investment activities (continued)

i) Non-derivative financial instruments (continued)

Financial assets at fair value through profit or loss (Held for trading)
Financial assets at fair value through profit or loss include financial assets held for trading and those designated upon initial recognition at fair value through profit or loss. Investments typically bought with the intention to sell in the near future are classified as held for trading. These investments are carried at fair value (marked to market) with any gain or loss arising from the change in fair value included in the profit or loss in the year in which it arises.

Available for sale – Quoted
Subsequent to initial recognition, investments which are classified “available for sale - quoted” are re-measured at fair value. The unrealised gains and losses on re-measurement to fair value are recognized in other comprehensive income and accumulated under the heading of fair value reserve until the investment is sold, collected or otherwise disposed of, or the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the consolidated statement of income for the year.

Available for sale – Unquoted shares and private equity
The fair value of these investments cannot be reliably measured due to the nature of their cash flows, these investments are therefore carried at cost less any provision for impairment.

ii) Derivative financial instruments

Derivatives are initially recognized at cost, being fair value of the consideration given or received on the date of acquisition and are subsequently remeasured at their fair value.

The fair value of a derivative is the equivalent of the unrealised gain or loss from marking to market the derivative using prevailing market rates or internal pricing models.

The resultant gains and losses on derivatives held for trading purposes are included in the consolidated statement of income.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

iii) Fair value reserve
This represents the unrealised gain or loss of the year-end fair valuation of available for sale investments. In the event of a sale or impairment, the cumulative gains or losses recognised under the investments fair value reserve are included in the consolidated statement of income for the year.

iv) Investment income

Interest income
Interest income is recognised in the 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Investment activities (continued)

v) Advisory fee income

Initial and other front-end fees received for rendering financial and other advisory services are deferred and recognised as revenue when the related services are rendered.

vi) 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.

d) General

i) 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.

ii) Short term borrowings

Short term borrowings are recognised initially at fair value, net of transaction costs incurred and it is subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of income over the period of the borrowings using the effective interest method.

iii) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at historical cost less accumulated depreciation and accumulated impairment losses.

Investment properties are derecognised when either they have been disposed-off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the consolidated statement of income in the year of retirement or disposal.

iv) Property and equipment

Property and equipment, including owner-occupied properties, are carried at historical cost less accumulated depreciation and accumulated impairment losses. Subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the expenditure will flow to the Group.

Ongoing repairs and maintenance are charged to the consolidated statement of income during the financial period they are incurred.

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) General (continued)

v) Depreciation

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

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

Depreciation methods, useful lives and residual values are reviewed and adjusted if appropriate at each financial year end.

vi) Impairment of non-financial assets

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

vii) Provisions

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

viii) Employees' end of service benefits

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

ix) 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.

x) Share capital

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

xi) Dividend distribution

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

xii) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Parent Company by the weighted number of ordinary shares outstanding during the year. Diluted EPS is calculated by adjusting the earnings and number of shares for the effects of all dilutive potential shares.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) General (continued)

xiii) Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement at the inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that asset is not explicitly specified in an arrangement.

Group as a lessee

A lease is classified as the inception date as a finance lease or an operating lease. Leases that do not transfer substantially all of the risks and rewards of ownership of an asset to the Group are classified as operating leases. Operating lease payments are recognised as an expense in the statement of income on a straight line basis over the lease term.

xiv)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.

5. CASH AND CASH EQUIVALENTS

	2016	2015
	(QR '000)	(QR '000)
Cash at banks	**1,051,817**	809,796
Short-term deposits (including time deposits)	**5,910,493**	2,708,964
Total cash and short-term deposits	**6,962,310**	3,518,760

6. INSURANCE AND OTHER RECEIVABLES

	2016	2015 Restated
	(QR '000)	(QR '000)
Receivables from policyholders		
Due from policyholders	**1,406,505**	1,106,444
Impairment losses on doubtful receivables	**(35,091)**	(27,504)
	1,371,414	1,078,940
Receivables from Reinsurers		
Due from insurance companies	**2,808,121**	3,067,764
Impairment losses on doubtful receivables	**(15,494)**	(10,989)
	2,792,627	3,056,775
Other receivables		
Staff advances against indemnity	**42,291**	40,469
Deferred acquisition cost	**621,775**	749,150
Prepayments and others	**1,824,470**	1,556,126
	2,488,536	2,345,745
	6,652,577	6,481,460

7. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS

	2016	2015 Restated*
	(QR '000)	(QR '000)
Gross insurance contract liabilities		
Claims reported and unsettled	**5,082,920**	3,838,858
Claims incurred but not reported	**3,621,709**	2,909,119
Unearned premiums	**4,878,654**	5,020,100
	13,583,283	11,768,077
Reinsurers' share of insurance contract liabilities		
Claims reported and unsettled	**1,129,879**	971,786
Claims incurred but not reported	**723,609**	334,935
Unearned premiums	**639,951**	821,684
	2,493,439	2,128,405
Net insurance contract liabilities		
Claims reported and unsettled	**3,953,041**	2,867,072
Claims incurred but not reported	**2,898,100**	2,574,184
Unearned premiums	**4,238,703**	4,198,416
	11,089,844	9,639,672

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

Movements in insurance contract liabilities and reinsurance contract assets are as follows:

	2016			2015 Restated*		
	Insurance contract liabilities	**Reinsurers' share**	**Net**	Insurance contract liabilities	Reinsurers' share	Net
	(QR '000)	**(QR '000)**	**(QR '000)**	(QR '000)	(QR '000)	(QR '000)
At January 1,	**6,747,977**	**1,306,721**	**5,441,256**	3,389,858	532,672	2,857,186
Claims incurred	**7,088,480**	**1,322,349**	**5,766,131**	5,325,727	1,451,211	3,874,516
Claims paid during the year	**(4,817,792)**	**(813,629)**	**(4,004,163)**	(2,973,946)	(708,667)	(2,265,279)
Effect of portfolio transfer and other movements	**(314,036)**	**38,047**	**(352,083)**	1,006,338	31,505	974,833
At December 31,	**8,704,629**	**1,853,488**	**6,851,141**	6,747,977	1,306,721	5,441,256

The above movements in insurance contract liabilities reflect certain portfolio transfer during the year 2015.

Movements in provision for unearned premiums during the year are as follows:

	2016			2015 Restated*		
	Insurance contract liabilities	**Reinsurers' share**	**Net**	Insurance contract liabilities	Reinsurers' share	Net
	(QR '000)	**(QR '000)**	**(QR '000)**	(QR '000)	(QR '000)	(QR '000)
At January 1,	**5,020,100**	**821,683**	**4,198,417**	2,928,556	706,186	2,222,370
Premiums written in the year	**9,901,394**	**1,323,307**	**8,578,087**	8,347,210	1,189,778	7,157,432
Premiums earned during the year	**(9,870,999)**	**(1,511,112)**	**(8,359,887)**	(6,910,442)	(1,120,263)	(5,790,179)
Effect of portfolio transfer and other movements	**(171,841)**	**6,073**	**(177,914)**	654,776	45,983	608,793
At December 31,	**4,878,654**	**639,951**	**4,238,703**	5,020,100	821,684	4,198,416

The above movements in provision for unearned premium liabilities reflect certain portfolio transfer during the year 2015.

* Certain amounts shown here do not correspond to the 2015 financial statements and reflect adjustments made, refer to Note 38.

8. EQUITY ACCOUNTED INVESTMENTS

	2016	2015
	(QR '000)	(QR '000)
Al Daman Islamic Insurance Company	**82,358**	76,363
Asteco Qatar L.L.C.	**--**	1,246
Al Liwan Real Estate W.L.L.	**49,891**	--
Massoun Insurance Services L.L.C.	**6,592**	5,516
	138,841	83,125

Details of the equity accounted companies held during the year were as follows.

Name of associate	**Place of incorporation and operation**	**Proportion of ownership and voting power held**	**Principal activities**
Al Daman Islamic Insurance Company	State of Qatar	12.5% directly and 12.5% through QICI	Insurance and reinsurance
Asteco Qatar L.L.C.	State of Qatar	20% directly	Real estate brokerage and management
Massoun Insurance Services L.L.C.	State of Qatar	50% directly	Insurance marketing and distribution
Al Manhal Properties	State of Qatar	25.5 % directly	SPV for holding real estate properties for a fund
Al Liwan Real Estate W.L.L.	State of Qatar	38.46% directly	Real estate investment, brokerage and management

Note: Asteco Qatar L.L.C. was liquidated on 30 April 2016.

8. EQUITY ACCOUNTED INVESTMENTS (CONTINUED)

Summarised financial information of the equity accounted companies are as follows:

	2016	2015
	(QR '000)	(QR '000)
Current assets	**400,970**	818,042
Non-current assets	**409,124**	42,829
Current liability	**105,723**	550,456
Non-current liability	**240,000**	1,707
Results for the year	**64,772**	52,322

	2016	2015
	(QR '000)	(QR '000)
Balance at January 1	**83,125**	77,065
Additions during the year	**49,900**	--
Dividends	**(11,200)**	(8,500)
Share of profit for the year	**18,262**	14,560
Liquidation	**(1,246)**	--
Balance at December 31	**138,841**	83,125

9. INVESTMENTS

The carrying amounts of investments at yearend were as follows:

	2016	2015 Restated*
	(QR '000)	(QR '000)
Held for trading investments		
Managed funds and shares	**926,879**	664,518
Bonds	**1,942,882**	2,298,741
Total held for trading investments	**2,869,761**	2,963,259
Available-for-sale investments		
Qatari public shareholding companies	**1,468,750**	1,893,992
Bonds	**6,347,007**	4,836,581
International quoted shares	**213,553**	425,869
Unquoted shares and private equity	**535,994**	473,922
Total available-for-sale investments	**8,565,304**	7,630,364
Total investments	**11,435,065**	10,593,623

* Certain 2015 comparative figures are restated, refer to Note 38.

10. INVESTMENT PROPERTIES

	2016	2015
	(QR '000)	(QR '000)
Net carrying value as at January 1	**407,988**	375,070
Additions during the year	**268,886**	45,564
Effect of foreign currency exchange difference	**(36,622)**	--
Disposal during the year	**(50,163)**	--
Depreciation for the year	**(14,271)**	(12,646)
Net carrying value as at December 31	**575,818**	407,988

	2016	2015
	(QR '000)	(QR '000)
Investment property		
At cost	**678,188**	510,576
Accumulated depreciation	**(102,370)**	(102,588)
Net carrying value as at December 31	**575,818**	407,988

The investment properties were estimated by the management, by reference to market evidence of recent transactions for similar properties. The estimated fair value of the above investment properties as at December 31, 2016 were QR 1,354.46 million (2015: QR 1,135.80 million).

The rental income arising during the year amounted to QR 39,417 thousand (2015: QR 45,506 thousand) and the direct operating expenses (included within general and administrative expenses) arising in respect of such properties during the period was QR 5,562 thousand (2015: QR 6,464 thousand).

Property owned by the Group in United Kingdom with a carrying value of QR 208 million as at December 31, 2016 is pledged as a security for the long term borrowings(see Note 15).

11. PROPERTY AND EQUIPMENT

	Freehold land (QR '000)	Building (QR '000)	Furniture & fixtures (QR '000)	Motor vehicles (QR '000)	Total (QR '000)
Cost:					
At January 1, 2015	9,709	40,352	84,880	13,255	148,196
Additions	--	--	16,526	1,603	18,129
Effect of foreign currency exchange difference	--	--	(542)	--	(542)
Disposals	--	--	(96)	(1,210)	(1,306)
At December 31, 2015	9,709	40,352	100,768	13,648	164,477
Additions	--	--	16,973	654	17,627
Effect of foreign currency exchange difference	--	--	(1,511)	--	(1,511)
Disposals	--	--	(244)	(1,733)	(1,977)
At December 31, 2016	**9,709**	**40,352**	**115,986**	**12,569**	**178,616**
Accumulated Depreciation:					
At January 1, 2015	--	39,748	60,527	9,256	109,531
Charge during the year	--	604	12,242	2,291	15,137
Effect of foreign currency exchange difference	--	--	(291)	--	(291)
Disposals	--	--	(96)	(1,210)	(1,306)
At December 31, 2015	--	40,352	72,382	10,337	123,071
Charge during the year	--	--	14,589	1,746	16,335
Effect of foreign currency exchange difference	--	--	436	--	436
Disposals	--	--	(109)	(1,417)	(1,526)
At December 31, 2016	--	40,352	87,298	10,666	138,316
Net book values:					
At December 31, 2016	**9,709**	**--**	**28,688**	**1,903**	**40,300**
At December 31, 2015	9,709	--	28,386	3,311	41,406

12. GOODWILL AND INTANGIBLE ASSETS

Movements in goodwill and intangible assets were as follows:

	Goodwill	Lloyd's syndicate capacity	Runoff services (WV)	Total
	QR '000	QR '000	QR '000	QR '000
	(i)	(ii)	(ii)	
On acquisition of Antares Holding Limited	145,111	266,222	10,119	421,452
Amortization expenses	--	--	(2,892)	(2,892)
At December 31, 2015	145,111	266,222	7,227	418,560
Amortization expenses	--	--	(1,446)	(1,446)
Acquisition of a subsidiary (see Note 37)	--	--	--	--
At December 31, 2016	**145,111**	**266,222**	**5,781**	**417,114**

Effective January 1, 2014, the Group acquired 100% of the share capital of Antares Holdings Limited and its subsidiary companies. The regulatory close of the transaction was completed on June 25, 2014.

(i) Goodwill

Goodwill, amounting to QR 145.11 million that arose on acquisition of Antares Holding Limited has been allocated to Antares Holding Limited UK cash generating unit (Antares CGU). The recoverable amount of this cash generating unit is determined on the basis of market value based approach. The method assumes that Antares CGU to follow the pattern on market capitalization of similar Lloyd's Syndicates listed entities and their relevant book value.

(ii) Intangible assets

The following table summarizes the intangible assets recorded in connection with the acquisition:

	Amount (QR '000)	Economic useful Life
Lloyd's syndicate capacity	266,222	Indefinite
Runoff services - Württembergische Versicherung AG	10,119	7 years
Intangible assets as of the acquisition date	276,341	
Accumulated amortisation expenses	(4,338)	
Net Intangible assets as at December 31, 2016	272,003	

(a) Lloyd's Syndicate Capacity

The fair value of Lloyd's syndicate capacity and insurance licenses was estimated using the market approach. The Lloyd's capacity is renewed annually at no cost to the subsidiary or may be freely purchased or sold, subject to Lloyd's approval. The ability to write insurance business within the syndicate capacity is indefinite with the premium income limit being set annually by the Company, subject to Lloyd's approval. The recoverable amount was determined on the basis of regression analysis using average return on capital and certain observable data available in Lloyd's Syndicate.

12. GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

(ii) Intangible assets (continued)

(b) Runoff services - Württembergische Versicherung AG (WV)

The fair value of Württembergische Versicherung AG (WV) management agreement represents the estimated amount of the run-off administration services in respect of the former UK Branch of WV which is provided by Antares Underwriting Services Limited ("AUSL"). The fair value of the agreement has been capitalized and amortized on a straight-line basis, over the estimated useful life of 7 years. The recoverable amount of WV was determined on the basis value in use calculation which uses the financial budgets covering the residual period of the management agreement and a discount rate of 10.72% (2015: 11.16%).

Management believes that any reasonable possible changes in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount of goodwill to exceed the aggregate recoverable amount of the Antares CGU and intangible assets carrying value and year end.

During the year, the Group has acquired control in Synergy Frimley Limited, Jersey, United Kingdom through the intermediate parent company: Arneb Real Estate Limited, Jersey, United Kingdom. There is no goodwill or intangibles acquired on this transaction.

13. SHORT TERM BORROWINGS

	2016	2015 Restated
	(QR '000)	(QR '000)
Short term borrowings from banks	**364,000**	364,000
Short term borrowings against fixed income securities	**3,683,649**	3,084,486
Short term borrowings against managed funds	**17,662**	94,757
	4,065,311	3,543,243

The short term borrowings from banks carry interest at an average rate of 2.0162% per annum.

14. PROVISIONS, REINSURANCE AND OTHER PAYABLES

	2016	2015 Restated
	(QR '000)	(QR '000)
Trade payables	**776,551**	574,212
Due to reinsurance companies	**738,461**	811,184
Other payables:		
Accruals & deferred income	**225,755**	679,665
Employees' end of service benefits (see Note 14.1)	**80,280**	76,532
Provision for board of directors remuneration	**18,000**	22,500
Other liabilities	**632,404**	203,841
	2,471,451	2,367,934

14.1 EMPLOYEES' END OF SERVICE BENEFITS

	2016	2015
	(QR '000)	(QR '000)
Provision at January 1	**76,532**	79,689
Expenses recognised during the year	**7,703**	8,761
Payment made during the year	**(3,955)**	(11,918)
Provision at December 31	**80,280**	76,532

15. LONG TERM BORROWINGS

Long term borrowings represent mortgage loans which bear fixed interest of 2.775% per annum are secured by an investment property (see Note10) and are repayable in 2021.

16. SHARE CAPITAL

The authorised, issued and fully paid share capital at December 31, 2016 consists of 241,138,659 equity shares of QR 10 each (December 31, 2015: 184,621,437 equity shares of QR. 10 each).

17. LEGAL RESERVE

Legal reserve is computed in accordance with the provisions of the Qatar Central Bank (QCB) regulations, applicable provisions of Qatar Commercial Companies' Law and the company's Articles of Association at 10% of the net profit for the year. On November 23, 2014, the Extra-Ordinary General Meeting approved the amendment of paragraph (1) Article (66) of the Articles of Association of the Company. This reserve is to be maintained until it equates 100% of the paid up capital and is not available for distribution except in circumstances specified in the Qatar Central Bank (QCB) regulations/Qatar Commercial Companies Law. The legal reserve also includes the Group's share in legal reserve arising out of the subsidiary companies.

18. GENERAL RESERVE

During the year no amount has been transferred to the general reserve.

19. FAIR VALUE RESERVE

The fair value reserve arose from the revaluation of available for sale investments as per the accounting policy detailed in Note 4.

20. CATASTROPHE SPECIAL RESERVE

The Group has appropriated further QR 52.18 million (2015: QR 50.09 million) from its retained earnings as a catastrophe special reserve in the consolidated statement of changes in equity. The formation of reserve was approved at the Board meeting held on January 25, 2011. This reserve will be utilised at the recommendation of the Board of Directors after approval at the Annual General Meeting when there is a catastrophe event.

21. FOREIGN CURRENCY TRANSLATION

The translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations.

22. OPERATING SEGMENTS

a) Segment information

For management purposes, the Group is organised into six business segments- Marine & Aviation insurance, Property & Casualty insurance, Health & Life insurance, Real Estate, Advisory and Investments. These segments are the basis on which the Group reports its operating segment information. No operating segments have been aggregated in arriving at the reportable segment of the Group.

Segment income statement for the year ended December 31, 2016

	Marine & Aviation	Property & Casualty	Health & Life	Total Insurance	Real Estate	Advisory	Investments	Un-allocated (expenses) / income	Total
	(QR '000)	(QR '000)	(QR '000)	(QR '000)	(QR '000)	(QR '000)	(QR'000)	(QR '000)	(QR '000)
Gross premiums	1,170,605	7,471,503	1,259,286	9,901,394	--	--	--	--	9,901,394
Premiums ceded to reinsurers	(302,622)	(977,700)	(42,985)	(1,323,307)	--	--	--	--	(1,323,307)
Net premiums	867,983	6,493,803	1,216,301	8,578,087	--	--	--	--	8,578,087
Movement in unexpired risk reserve	(73,606)	(113,944)	(30,650)	(218,200)	--	--	--	--	(218,200)
Net earned premiums	794,377	6,379,859	1,185,651	8,359,887	--	--	--	--	8,359,887
Gross claims paid	(451,348)	(3,235,910)	(1,130,534)	(4,817,792)	--	--	--	--	(4,817,792)
Reinsurance recoveries	97,031	418,137	298,461	813,629	--	--	--	--	813,629
Movement in outstanding claims	(162,093)	(1,421,025)	(181,737)	(1,764,855)	--	--	--	--	(1,764,855)
Net commission	(160,063)	(1,517,093)	(77,561)	(1,754,717)	--	--	--	--	(1,754,717)
Other insurance income (Unallocated)	--	--	--	7,531	--	--	--	--	7,531
Net underwriting result	117,904	623,968	94,280	843,683					843,683
Investment income and other income				--	--	--	815,886	--	815,886
Rental income				--	39,417				39,417
Advisory fee income					--	51,286	--	--	51,286
Total income				843,683	39,417	51,286	815,886	--	1,750,272
Operating and administrative expenses				--	(5,562)	(21,366)	--	(657,976)	(684,904)
Depreciation				--	(14,271)	(162)	--	(17,619)	(32,052)
Profit before share of results from equity accounted investments				843,683	19,584	29,758	815,886	(675,595)	1,033,316
Share of profit from equity accounted investments				--	--	--	--	18,262	18,262
Segment results				843,683	19,584	29,758	815,886	(657,333)	1,051,578

22. OPERATING SEGMENTS (CONTINUED)

a) Segment information (continued)

Segment income statement for the year ended December 31, 2015 (Restated*)

	Marine & Aviation	Property & Casualty	Health & Life	Total Insurance	Real Estate	Advisory	Investments	Un-allocated (expenses) / income	Total
	(QR '000)	(QR '000)	(QR '000)	(QR '000)	(QR '000)	(QR '000)	(QR'000)	(QR '000)	(QR '000)
Gross premiums	942,991	6,488,724	915,495	8,347,210	--	--	--	--	8,347,210
Premiums ceded to reinsurers	(215,143)	(942,893)	(31,742)	(1,189,778)	--	--	--	--	(1,189,778)
Net premiums	727,848	5,545,831	883,753	7,157,432	--	--	--	--	7,157,432
Movement in unexpired risk reserve	(20,840)	(1,238,503)	(110,916)	(1,370,259)	--	--	--	--	(1,370,259)
Net earned premiums	707,008	4,307,328	772,837	5,787,173	--	--	--	--	5,787,173
Gross claims paid	(531,091)	(1,676,588)	(766,267)	(2,973,946)	--	--	--	--	(2,973,946)
Reinsurance recoveries	198,626	297,774	212,267	708,667	--	--	--	--	708,667
Movement in outstanding claims	(108,344)	(1,440,688)	(57,198)	(1,606,230)	--	--	--	--	(1,606,230)
Net commission	(126,007)	(793,462)	(79,848)	(999,317)	--	--	--	--	(999,317)
Other insurance income (Unallocated)	--	--	--	9,396	--	--	--	--	9,396
Net underwriting result	140,192	694,364	81,791	925,743					925,743
Investment income and other income				--	--	--	715,467	--	715,467
Rental income				--	45,506	--	--	--	45,506
Advisory fee income				--	--	123,063	--	--	123,063
Total income				925,743	45,506	123,063	715,467	--	1,809,779
Operating and administrative expenses				--	(6,464)	(77,726)	--	(646,931)	(731,121)
Depreciation				--	(12,795)	(156)	--	(16,278)	(29,229)
Profit before share of results from equity accounted investments				925,743	26,247	45,181	715,467	(663,209)	1,049,429
Share of profit from equity accounted investments				--	--	--	--	14,560	14,560
Segment results				925,743	26,247	45,181	715,467	(648,649)	1,063,989

* Certain 2015 comparative figures are restated, refer to Note 38.

22. OPERATING SEGMENTS (CONTINUED)

Segment statement of financial position
Assets and liabilities of the Group are commonly used across the primary segments.

b) Geographic Information

The Group operates in two geographic markets; the domestic market in Qatar and the international markets. The following table shows the distribution of the Group's total assets and liabilities by geographical segment:

Insurance business segment income statement for the year

	Qatar	**International**	**Total**	Qatar Restated	International Restated	Total Restated
	2016	**2016**	**2016**	2015	2015	2015
	(QR '000)	**(QR '000)**	**(QR '000)**	(QR '000)	(QR '000)	(QR '000)
Gross premium	**1,660,717**	**8,240,677**	**9,901,394**	1,432,080	6,915,130	8,347,210
Reinsurers' share of gross premiums	**(498,123)**	**(825,184)**	**(1,323,307)**	(539,215)	(650,563)	(1,189,778)
Net premiums	**1,162,594**	**7,415,493**	**8,578,087**	892,865	6,264,567	7,157,432
Change in unexpired risk reserve	**(62,892)**	**(155,308)**	**(218,200)**	(75,642)	(1,294,617)	(1,370,259)
Net earned premiums	**1,099,702**	**7,260,185**	**8,359,887**	817,223	4,969,950	5,787,173
Gross claims paid	**(1,127,503)**	**(3,690,289)**	**(4,817,792)**	(762,750)	(2,211,196)	(2,973,946)
Reinsurance recoveries	**388,261**	**425,368**	**813,629**	263,693	444,974	708,667
Movement in outstanding claims	**(131,048)**	**(1,633,807)**	**(1,764,855)**	(43,594)	(1,562,636)	(1,606,230)
Net commission	**(15,009)**	**(1,739,708)**	**(1,754,717)**	(18,232)	(981,085)	(999,317)
Other insurance income	**676**	**6,855**	**7,531**	728	8,668	9,396
Net underwriting results	**215,079**	**628,604**	**843,683**	257,068	668,675	925,743

Segment assets, liabilities and equity as at yearend

	Assets		**Liabilities & Equity**	
	2016 (QR '000)	2015 Restated (QR '000)	**2016 (QR '000)**	2015 Restated (QR '000)
Qatar	**11,321,588**	7,819,541	**9,117,279**	9,585,674
International	**17,393,876**	15,853,786	**19,598,185**	14,087,653
	28,715,464	23,673,327	**28,715,464**	23,673,327

23. NET INVESTMENT INCOME

	2016	2015
	(QR '000)	(QR '000)
Gain on sale of investments (i)	**108,968**	434,235
Interest income	**390,132**	288,469
Dividends	**102,906**	120,563
Gain on sale of investment properties	**190,674**	--
Unrealised gain/(loss) on investments	**20,682**	(73)
Others	**44,419**	41,234
Less: Impairment losses	**(1,521)**	(144,891)
	856,260	739,537
Finance costs	**(44,798)**	(27,441)
Net investment income	**811,462**	712,096

(i) The profit on sale of investments during the year 2015 includes QR 338,980 thousand (USD 93,126 thousand) which represents the gain on sale of the economic rights of CATCO Investment Management Limited ("CATCo").

24. OPERATING AND ADMINISTRATIVE EXPENSES

	2016	2015
	(QR '000)	(QR '000)
Employee related costs	**432,661**	362,800
Other operating expenses	**234,243**	345,821
Board of director's remuneration	**18,000**	22,500
	684,904	731,121

25. BASIC AND DILUTED EARNINGS PER SHARE

The basic and diluted earnings per share are the same as there are no dilutive effects on earnings.

	2016	2015
	(QR '000)	(QR '000)
Profit attributable to owners of the parent	**1,034,018**	1,043,636
Weighted average number of ordinary shares	**230,908**	215,563
Basic and diluted earnings per share (QR) (2015: Restated)	**4.48**	4.84

The Group has restated the calculations of the comparative earnings per share as a result of the effect of bonus shares of 10% (i.e. 1 for every 10 shares) issued and bonus element of rights shares issued during the year. The bonus and rights share issues were approved in the Annual General Meeting held on February 21, 2016.

26. DIVIDEND, BONUS SHARES AND RIGHTS SHARES

	2016	2015
Final cash dividend (QAR '000)	**361,708**	461,553
Average number of ordinary shares (in thousand)	**241,138**	184,521
Cash dividend per share (QR)	**1.5**	2.5

The Board of Directors proposed a final cash dividend of QR 1.50 per share (2015: Dividend of QR 2.50 per share) and bonus share of 15%(3 share for every 20 shares) (2015: 1 share for every 10 shares) .The Proposed financial cash dividend amounting to QR 361,708 thousand (2015: QR 461,553 thousand) will be placed for approval at the Annual General Meeting.

The Company in its Annual General Meeting held on February 21, 2016, had called for a rights issue of 40,616,716 shares at QR 50 per share in the ratio of 1 share for every five shares held as at March 1, 2016 after bonus issue. Rights were traded through Qatar Exchange during the period from March 20, 2016 to March 30, 2016. The subscription period started from April 10, 2016 to May 1, 2016 and the allotment and listing procedures were completed on 25 May 2016. Number of subscribed shares was 38,055,079 shares. The share premium arising out of the rights issue, net of expenses, amounting to QR 1,521,431 thousand is included in the legal reserve as required by the Article 154 of Qatar Commercial Companies Law No. 11 of 2015.

27. CONTINGENT LIABILITIES AND COMMITMENTS

	2016	2015
	(QR '000)	(QR '000)
Bank guarantees	**2,165,700**	1,467,507
Authorized future investment commitments	**123,656**	71,538
	2,289,356	1,539,045

Operating leases

Future minimum lease rentals payables under non-cancellable operating leases as at the year-end are as follows:

	2016	2015
	(QR '000)	(QR '000)
Within one year	**13,734**	6,372
After one year but not more than five years	**48,391**	24,957
More than 5 years	**5,038**	--
	67,163	31,329

28. DETERMINATION OF FAIR VALUE AND FAIR VALUES HIERARCHY OF INVESTMENTS

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy. The different levels have been defined as follows:

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

	Level 1	**Level 2**	**Level 3**	**Total**
	(QR '000)	**(QR '000)**	**(QR '000)**	**(QR '000)**
December 31, 2016				
Held for trading	**1,942,882**	**926,879**	**--**	**2,869,761**
Available for sale	**8,029,310**	**--**	**535,994**	**8,565,304**
	9,972,192	**926,879**	**535,994**	**11,435,065**

	Level 1	Level 2	Level 3	Total
	(QR '000)	(QR '000)	(QR '000)	(QR '000)
December 31, 2015				
Held for trading	2,298,741	664,518	--	2,963,259
Available for sale	7,156,442	--	473,922	7,630,364
	9,455,183	664,518	473,922	10,593,623

29. RELATED PARTIES

Note 1 provides information about the Group's structure, including details of the subsidiaries and the holding company. The following tables provide the total amount of transactions that have been entered into with related parties for the relevant financial year.

a) Transactions with related parties

These represent transactions with related parties, i.e. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions and also, directors of the Group and companies of which they are key management personnel. Pricing policies and terms of these transactions are approved by the Group's management and are negotiated under normal commercial terms. Significant transactions were:

29. RELATED PARTIES (CONTINUED)

	2016	2015
	(QR '000)	(QR '000)
Premiums	**23,598**	26,469
Claims	**22,634**	13,712
Purchase of services	**40**	36

	2016	2015
	(QR '000)	(QR '000)
b) Due from related parties	**1,692**	4,442
c) Due to related parties	**19,941**	6,018
d) Compensation of key management personnel		
Salaries and other short term benefits	**53,443**	49,649
End of service benefits	**1,490**	1,345

Outstanding related party balances at reporting date are unsecured and interest free, and no bad debt expense against these related party balances has been incurred by the Group during the year (2015: Nil).

30. NON-CONTROLLING INTERESTS

Represents the non-controlling interest in QIC Capital LLC amounting to 4.26% of the share capital, 30% in Oman Qatar Insurance Company, 17.96% in Kuwait Qatar Insurance Company and 15% in Q Life & Medical Insurance Company LLC.

31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group in the normal course of its business derives its revenue mainly from assuming and managing insurance and investments. Through a robust governance structure, risks and returns are evaluated to produce sustainable revenues to reduce earnings volatility and increase shareholders' return. The Group's lines of business are mainly exposed to the following risks;

- Insurance risk,
- Credit risk,
- Liquidity risk,
- Market risk, and
- Operational risks

a) Governance framework

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

31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

a) Governance framework (continued)

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

b) Capital management framework

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

c) Regulatory framework

Regulators are primarily interested in protecting the rights of the policyholders and monitor them closely to ensure that the Group is satisfactorily managing affairs for their benefit. At the same time, the regulators are also interested in ensuring that the Group maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters.

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

d) Asset liability management (ALM) framework

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

The Group's ALM is also integrated with the management of the financial risks associated with the Group's other financial assets and liabilities not directly associated with insurance and investment liabilities.

The Group's ALM also forms an integral part of the insurance risk management policy, to ensure in each period sufficient cash flow is available to meet liabilities arising from insurance and investment contracts.

e) Insurance risk

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

The Group manages the insurance risk through the careful selection and implementation of its underwriting strategy and guidelines together with the adequate reinsurance arrangements and proactive claims handling.

31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

e) Insurance risk (continued)

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

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

The Group, in the normal course of business, in order to minimise financial exposure arising from large claims, enters into contracts with other parties for reinsurance purposes. Such reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. A significant portion of the reinsurance is affected under treaty, facultative and excess-of-loss reinsurance contracts. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts.

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

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

Key assumptions

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

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

31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

e) Insurance risk (continued)

Sensitivities

The general insurance claims provisions are sensitive to the key assumptions mentioned above. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

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

	Change in assumptions	Impact on liabilities (QR '000)	Impact on net profit (QR '000)	Impact on equity (QR '000)
December 31, 2016				
Incurred claim cost	**+10%**	**576,902**	**(576,902)**	**--**
Incurred claim cost	**-10%**	**(576,902)**	**576,902**	**--**
December 31, 2015				
Incurred claim cost	+10%	387,151	(387,151)	--
Incurred claim cost	-10%	(387,151)	387,151	--

Claims Development Table

The Group maintains strong reserves in respect of its insurance business in order to protect against adverse future claims experience and developments. The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date. The top half of each table below illustrates how the Group's estimate of total claims outstanding for each accident year has changed at successive year-ends. The bottom half of the table reconciles the cumulative claims to the amount appearing in the Consolidated Statement of Financial Position.

Claims Development Table (continued)

With the exception of the proportional and non-proportional reinsurance business, an accident-year basis is considered to be most appropriate for the business written by the Group. Given the nature of reinsurance claims and the difficulties in identifying an accident year for each reported claim, these claims are reported separately and aggregated by reporting year (reporting year basis) – that is, with reference to the year in which the Group was notified of the claims. This presentation is different from the basis used for the claims development tables for the other insurance claims and entities of the Group, where the reference is to the actual date of the event that caused the claim (accident-year basis).

31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

e) Insurance risk (continued)

Claims Development Table

Accident year	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**Total**
At end of accident year	1,528,828	1,321,630	1,856,416	2,344,870	4,632,474	5,522,794	11,684,218
One year later	1,613,829	1,279,764	1,770,884	2,231,312	4,514,694		
Two years later	1,550,628	1,330,732	1,782,539	2,244,121			
Three years later	1,581,236	1,349,170	1,764,349				
Four years later	1,601,924	1,395,907					
Five years later	1,571,683						
Current estimate of cumulative claims incurred	**1,571,683**	**1,395,907**	**1,764,349**	**2,244,121**	**4,514,694**	**5,522,794**	**17,013,548**
Cumulative payments to date	(1,471,048)	(1,196,728)	(1,424,743)	(1,582,797)	(2,529,339)	(2,117,513)	(10,322,168)
Net outstanding claims provision	**100,635**	**199,179**	**339,606**	**661,324**	**1,985,355**	**3,405,281**	**6,691,380**
Reserve in respect of prior years (Before 2011)	--	--	--	--	--		159,761
Total net outstanding claims provision	--	--	--	--	--		**6,851,141**
Current estimate of surplus/(deficiency)	(42,855)	(74,277)	92,067	100,749	117,780		
% Surplus/ (deficiency) of initial gross reserve	-3%	-5%	5%	4%	3%		

31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

f) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The following policies and procedures are in place to mitigate the Group's exposure to credit risk.

A credit risk policy setting out the assessment and determination of what constitutes credit risk for the Group has been established and the following policies and procedures are in place to mitigate the Group's exposure to credit risk:

- Compliance with the receivable management policy is monitored and exposures and breaches are regularly reviewed for pertinence and for changes in the risk environment.

- For all classes of financial assets held by the Group, other than those relating to reinsurance contracts, the maximum credit risk exposure to the Group is the carrying value as disclosed in the consolidated financial statements at the reporting date.

- Reinsurance is placed with reinsurers approved by the management. To minimise its exposure to significant losses from reinsurer insolvencies, the Group evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurers.

At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment.

Credit exposure is limited to the carrying values of the financial assets as at the reporting date.

Credit exposure by credit rating

The table below provides information regarding the credit risk exposure of the Group by classifying assets according to the Group's credit ratings of counterparties.

December 31, 2016	**Neither past due nor impaired**	**Past due but not impaired**	**Past due and impaired**	**Total**
	(QR '000)	**(QR '000)**	**(QR '000)**	**(QR '000)**
Non-derivative financial assets				
Held for trading investments				
-Debt securities	**1,942,882**	**--**	**--**	**1,942,882**
Available-for-sale investments				
-Debt securities	**6,347,007**	**--**	**--**	**6,347,007**
Insurance receivables	**3,807,116**	**356,925**	**50,585**	**4,214,626**
Reinsurance contract assets	**1,853,488**	**--**	**--**	**1,853,488**
Cash and cash equivalents	**6,962,310**	**--**	**--**	**6,962,310**
	20,912,803	**356,925**	**50,585**	**21,320,313**

31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

f) Credit risk (continued)

December 31, 2015 (Restated*)	Neither past due nor impaired	Past due but not impaired	Past due and impaired	Total
	(QR '000)	(QR '000)	(QR '000)	(QR'000)
Non- derivative financial assets				
Held for trading investments				
-Debt securities	2,298,741	--	--	2,298,741
Available-for-sale financial assets				
-Debt securities	4,836,581	--	--	4,836,581
Insurance receivables	4,045,567	90,148	38,494	4,174,209
Reinsurance contract assets	1,306,721	--	--	1,306,721
Cash and cash equivalents	3,518,760	--	--	3,518,760
	16,006,370	90,148	38,494	16,135,012

* Certain 2015 comparative figures are restated, refer to Note 38.

Age analysis of financial assets

December 31, 2016

	<30 days	**31 to 60 days**	**61 to 90 days**	**91 to 120 days**	**Above 121days**	**Total**
	(QR '000)	**(QR '000)**	**(QR '000)**	**(QR'000)**	**(QR '000)**	**(QR'000)**
Cash and cash equivalents	**2,954,823**	**2,332,457**	**1,590,389**	**34,969**	**49,672**	**6,962,310**
Insurance and other receivables	**2,131,428**	**342,450**	**921,034**	**454,495**	**407,510**	**4,256,917**
	5,086,251	**2,674,907**	**2,511,423**	**489,464**	**457,182**	**11,219,227**

December 31, 2015

	<30 days	31 to 60 days	61 to 90 days	91 to 120 days	Above 121days	Total
	(QR 000)	(QR '000)	(QR '000)	(QR'000)	(QR '000)	(QR'000)
Cash and cash equivalents	1,370,520	952,954	839,738	128,084	227,464	3,518,760
Insurance and other receivables	1,801,424	1,243,912	893,086	147,614	128,642	4,214,678
	3,171,944	2,196,866	1,732,824	275,698	356,106	7,733,438

31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

f) Credit risk (continued)

Impaired financial assets

At December 31, 2016, there are impaired reinsurance assets of QR 15,494 thousand (2015: QR 10,989 thousand), impaired insurance and other receivables of QR 35,091 thousand (2015: QR 27,504 thousand).

The Group records all impairment allowances in separate impairment allowances accounts. The movement in the allowances for impairment losses for the year are as follows:

	Impairment on insurance and reinsurance receivables	
	2016	2015
	(QR '000)	(QR '000)
At January 1,	**38,494**	30,991
Charged during the year	**12,091**	7,503
Total	**50,585**	38,494

g) Liquidity risk

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

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

Maturity profiles

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

December 31, 2016

	Up to a year	**1-5 years**	**Over 5 years**	**Total**
	(QR '000)	**(QR '000)**	**(QR '000)**	**(QR'000)**
Financial assets				
Non-derivative financial assets				
Held for trading investments	**2,869,761**	**--**	**--**	**2,869,761**
Available-for-sale financial assets				
Equity securities	**2,218,297**	**--**	**--**	**2,218,297**
Debt securities	**385,762**	**2,709,969**	**3,251,276**	**6,347,007**
Insurance receivables, net	**4,164,041**	**--**	**--**	**4,164,041**
Reinsurance contract assets	**1,129,879**	**--**	**--**	**1,129,879**
Cash and cash equivalents	**6,962,310**	**--**	**--**	**6,962,310**
	17,730,050	**2,709,969**	**3,251,276**	**23,691,295**

31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

g) Liquidity risk (continued)

	Up to a year	**1-5 years**	**Over 5 years**	**Total**
	(QR '000)	**(QR '000)**	**(QR '000)**	**(QR 000)**
Financial liabilities				
Non-derivative financial liabilities				
Trade and other payables	**856,831**	--	**--**	**856,831**
Insurance contract liabilities	**5,082,920**	--	**--**	**5,082,920**
Insurance payables	**738,461**	--	**--**	**738,461**
Short term borrowings	**4,065,311**	**--**	**--**	**4,065,311**
Long term borrowings	**--**	**127,196**	**--**	**127,196**
	10,743,523	**127,196**	**--**	**10,870,719**

December 31, 2015 (restated*)

	Up to a year	1-5 years	Over 5 years	Total
	(QR '000)	(QR '000)	(QR '000)	(QR 000)
Financial assets				
Non-derivative financial assets				
Held for trading Investments	2,963,259	--	--	2,963,259
Available-for-sale financial assets				
-Equity securities	2,793,783	--	--	2,793,783
-Debt securities	349,410	2,545,697	1,941,474	4,836,581
Insurance receivables, net	4,135,715	--	--	4,135,715
Reinsurance contract assets	971,786	--	--	971,786
Cash and cash equivalents	3,518,760	--	--	3,518,760
	14,732,713	2,545,697	1,941,474	19,219,884

	Up to a year	1-5 years	Over 5 years	Total
	(QR '000)	(QR '000)	(QR '000)	(QR 000)
Financial liabilities				
Non-derivative financial liabilities				
Trade and other payables	650,744	--	--	650,744
Insurance contract liabilities	3,838,858	--	--	3,838,858
Insurance payables	811,184	--	--	811,184
Short term borrowings	3,543,243	--	--	3,543,243
	8,844,029	--	--	8,844,029

* Certain 2015 comparative figures are restated, refer to Note 38.

31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

h) Market risk

Market risk is the risk that the fair value of or income from a financial instrument will fluctuate as a result of changes in market prices (such as exchange rates, interest rates and equity prices) , whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. The Group limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in international and local equity and bond markets. In addition, the Group actively monitors the key factors that affect stock and bond market movements, including analysis of the operational and financial performance of investees.

i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group uses various off balance sheet financial instruments, including forward foreign exchange contracts and option, to manage certain foreign currency investment exposures and for trading.

The table below summarises the Group's exposure to foreign currency exchange rate risk at the reporting date by categorising assets and liabilities and major currencies.

December 31, 2016

	USD (QR '000)	**EURO (QR '000)**	**GBP (QR '000)**	**Others (QR '000)**	**Total (QR '000)**
Cash and cash equivalents	**412,610**	**227,819**	**195,713**	**6,126,168**	**6,962,310**
Insurance and other receivables	**1,762,507**	**318,889**	**2,891,592**	**1,679,589**	**6,652,577**
Investments	**8,176,850**	**228,252**	**753,086**	**2,276,877**	**11,435,065**
TOTAL ASSETS	**10,351,967**	**774,960**	**3,840,391**	**10,082,634**	**25,049,952**
Short term borrowings	**4,065,311**	**--**	**--**	**--**	**4,065,311**
Long term borrowings	**--**	**--**	**127,196**	**--**	**127,196**
Provisions, reinsurance and other payables	**667,766**	**90,483**	**583,700**	**1,129,502**	**2,471,451**
TOTAL LIABILITIES	**4,733,077**	**90,483**	**710,896**	**1,129,502**	**6,663,958**

December 31, 2015 (Restated*)

	USD (QR '000)	EURO (QR '000)	GBP (QR '000)	Others (QR '000)	Total (QR '000)
Cash and cash equivalents	492,341	29,887	205,392	2,791,140	3,518,760
Insurance and other receivables	1,712,782	112,144	584,403	4,072,131	6,481,460
Investments	6,704,845	112,806	1,176,874	2,599,098	10,593,623
TOTAL ASSETS	8,909,968	254,837	1,966,669	9,462,369	20,593,843
Short term borrowings	3,543,243	--	--	--	3,543,243
Provisions, reinsurance and other payables	1,013,072	47,078	438,456	869,328	2,367,934
TOTAL LIABILITIES	4,556,315	47,078	438,456	869,328	5,911,177

* Certain 2015 comparative figures are restated, refer to Note 38.

31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

h) Market risk (continued)

i) Currency risk (continued)

The Group has no significant concentration of currency risk.

The analysis below is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on the consolidated statements of income and changes in equity due to changes in the fair value of currency sensitive monetary assets and liabilities including insurance contract liabilities.

		December 31, 2016		December 31, 2015	
	Changes in variables	**Impact on profit or loss**	**Impact on equity**	Impact on profit or loss	Impact on equity
		(QR '000)	**(QR '000)**	(QR '000)	(QR '000)
Currency					
Euro	+10%	**27,246**	**--**	3,540	8
GBP	+10%	**36,122**	**--**	20,128	--
Total		**63,368**	**--**	23,668	8
Euro	-10%	**(36,294)**	**--**	(3,540)	(8)
GBP	-10%	**(94,492)**	**--**	(20,128)	--
Total		**(130,786)**	**--**	(23,668)	(8)

The method used for deriving sensitivity information and significant variables did not change from the previous period.

ii) Interest rate risk

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

The Group invests in securities and has deposits that are subject to interest rate risk. Interest rate risk to the Group is the risk of changes in market interest rates reducing the overall return on its interest bearing securities.

The Group's interest risk policy requires managing interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest bearing financial assets and interest bearing financial liabilities.

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

31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

h) Market risk (continued)

ii) Interest rate risk (continued)

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

Currency	Changes in variables	**December 31, 2016** Impact on profit or loss (QR '000)	**December 31, 2016** Impact on equity (QR '000)	December 31, 2015 Impact on profit or loss (QR '000)	December 31, 2015 Impact on equity (QR '000)
Qatari Riyals	+50 basis points	**(23,317)**	**(106,313)**	(34,510)	(67,712)
Qatari Riyals	-50 basis points	**23,317**	**106,313**	34,510	67,712

The Group's interest rate risk based on contractual arrangements is as follows:

December 31, 2016

	Up to 1 year (QR '000)	**1 to 5 years (QR '000)**	**Over 5 years (QR '000)**	**Total (QR '000)**	**Effective interest rate (%)**
Cash and Cash equivalents	**6,962,310**	**--**	**--**	**6,962,310**	**2.19%**
Investments	**2,328,644**	**2,709,969**	**3,251,276**	**8,289,889**	**3.63%**
	9,290,954	**2,709,969**	**3,251,276**	**15,252,199**	

December 31, 2015

	Up to 1 year (QR '000)	1 to 5 years (QR '000)	Over 5 years (QR '000)	Total (QR '000)	Effective interest rate (%)
Cash and Cash equivalents	3,518,760	--	--	3,518,760	1.34%
Investments (Restated*)	2,070,869	2,545,697	2,518,756	7,135,322	4.41%
	5,589,629	2,545,697	2,518,756	10,654,082	

* Certain 2015 comparative figures are restated, refer to Note 38.

31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

h) Market risk (continued)

iii) Price risk

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

The Group's equity price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices, principally investment securities not held for the account of unit-linked business. The Group's price risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, limits on investments in each country, sector and market and careful and planned use of derivative financial instruments. The Group has no significant concentration of price risk.

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

		December 31, 2016		December 31, 2015	
	Changes in variables	**Impact on profit or loss**	**Impact on equity**	Impact on profit or loss	Impact on equity
		(QR '000)	**(QR '000)**	(QR '000)	(QR '000)
Qatar Market	+10%	**--**	**146,875**	--	189,399
International Markets	+10%	**92,127**	**21,355**	66,452	42,587
Qatar Market	-10%	**--**	**(146,875)**	--	(189,399)
International Markets	-10%	**(92,127)**	**(21,355)**	(66,452)	(42,587)

The method used for deriving sensitivity information and significant variables did not change from the previous period.

i) Operational risks

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Group cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Group is able to manage the risks. The Group has detailed systems and procedures manuals with effective segregation of duties, access controls, authorisation and reconciliation procedures, staff training and assessment processes etc. with an effective compliance and internal audit framework. Business risks such as changes in environment, technology and the industry are monitored through the Group's strategic planning and budgeting process.

31. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

j) Capital management

Externally imposed capital requirements are set and regulated by the Qatar Commercial Companies' Law and Qatar Central Bank regulations to ensure sufficient solvency margins. Further objectives are set by the Group to maintain a strong credit rating and healthy capital ratios in order to support its business objectives and maximise shareholders value.

The Group manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis. The Group fully complied with the externally imposed capital requirements during the reported financial year and no changes were made to its capital base, objectives, policies and processes from the previous year.

k) Classification and fair values

The following table compares the fair values of the financial instruments to their carrying values:

	December 31, 2016		December 31, 2015 (Restated)	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	(QR '000)	**(QR '000)**	(QR '000)	(QR '000)
Cash and cash equivalents	**6,962,310**	**6,962,310**	3,518,760	3,518,760
Insurance receivables	**4,164,041**	**4,164,041**	4,135,715	4,135,715
Reinsurance contract assets	**1,129,879**	**1,129,879**	971,786	971,786
Investments held for trading	**2,869,761**	**2,869,761**	2,963,259	2,963,259
Available -for-sale Investments	**8,565,304**	**8,565,304**	7,630,364	7,630,364
	23,691,295	**23,691,295**	19,219,884	19,219,884
Short term borrowings	**4,065,311**	**4,065,311**	3,543,243	3,543,243
Insurance and other payables	**2,471,451**	**2,471,451**	2,367,934	2,367,934
Insurance contract liabilities	**5,082,920**	**5,082,920**	3,838,858	3,838,858
Long term borrowings	**127,196**	**127,196**	--	--
	11,746,878	**11,746,878**	9,750,035	9,750,035

* Certain 2015 comparative figures are restated, refer to Note 38.

32. DERIVATIVE FINANCIAL INSTRUMENTS

In the ordinary course of business, the Group enters into various types of transactions that involve derivative financial instruments. A derivative financial instrument is a financial contract between two parties where payments are dependent upon movements in price in one or more underlying financial instrument, reference rate or index. Derivative financial instruments include forward contracts, swaps and equity options structures.

The table below shows the notional amounts analysed by the term to maturity. The notional amount is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at yearend and are neither indicative of the market risk nor credit risk.

December 31, 2016	**Notional amount**	**Fair value**	**Within 3 months**	**3 to 12 months**
	(QR '000)	**(QR '000)**	**(QR '000)**	**(QR '000)**
Over the Counter Derivatives:				
FX Forwards	**666,386**	**(1,517)**	**447,986**	**218,400**
FX Options	**479,991**	**(15,396)**		**479,991**
Interest Rate Swaps	**182,000**	**(977)**	**--**	**182,000**
Credit Default Swap	**1,092,000**	**6,357**	**--**	**1,092,000**
Equity and Index Swaps	**221,788**	**(1,506)**	**221,788**	**--**
Equity Options	**378,560**	**(6,860)**	**21,840**	**356,720**

Various option strategies are employed for hedging, risk management and income enhancement. All calls sold are on assets held by the Group.

33. CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

In the process of preparing these consolidated financial statements, Management has made use of a number of judgments relating to the application of accounting policies which are described in Note 3 (d). Those which have the most significant effect on the reported amounts of assets, liabilities, income and expense are listed below (apart from those involving estimations which are dealt within Note 34).

These judgments are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management believes that the following discussion addresses the accounting policies that require judgments.

Classification of investments

Quoted securities are classified either held for trading or as available for sale. The Group invests substantially in quoted securities either locally or overseas and management has primarily decided to account for them for their potential long term growth rather than the short term profit basis. Consequently, such investments are recognized as available for sale rather than at fair value through profit or loss.

Financial assets are classified as fair value through profit or loss where the assets are either held for trading or designated as at fair value through profit or loss. The Group invests in mutual and managed funds for trading purpose.

33. CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets
The Group determines whether available for sale equity financial assets are impaired when there has been a significant or prolonged decline in their fair value below cost. This determination of what is significant or prolonged requires considerable judgment by the management. In making this judgment and to identify whether impairment has occurred, the Group evaluates among other factors, the normal volatility in share price, the financial health of the investee, industry and sector performance, changes in technology and operational and financial cash flows.

Impairment of goodwill
The Group carries out impairment testing annually in respect of the goodwill relating to the acquired subsidiaries. In carrying out the impairment analysis, the Group makes the following estimates which are critical:

Growth rate
Management uses the projected cash flows over a 5 year horizon, return on capacity of 3.6% p.a. for Lloyd's capacity, price to book and median equity beta of 0.46. The growth rate used in determining the projected cash flows, return on capacity, price to book and median equity beta are estimated by taking in account the nature of the industry and the general economic growth relevant to the subsidiary in question and the Group.

Discount rate
Management discounts the cash flows using its weighted average cost of capital of 10.72% which takes into account the debt-equity structure of the Group, an estimated cost of equity based on the capital asset pricing model and an estimated long term cost of debt.

The Management performs sensitivity analysis on the above and key assumptions in ascertaining its impact on the recoverable amount and impairment to the carrying value of goodwill in the consolidated financial statements. Material changes in the above assumptions may impact the recoverable amounts and may lead to an impairment to goodwill.

34. KEY SOURCES OF ESTIMATES UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting 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;

Claims made under insurance contracts
Claims and loss adjustment expenses are charged to the consolidated statement of income as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Group and management estimations for the claims incurred but not reported. The method for making such estimates and for establishing the resulting liability is continually reviewed. Any difference between actual claims and the provisions made are included in the consolidated statement of income in the year of settlement. As of December 31, 2016, the net estimate for unpaid claims amounted to QR 6,851,141 thousand (2015: QR 5,441,255thousand).

34. KEY SOURCES OF ESTIMATES UNCERTAINTY (CONTINUED)

Impairment of Insurance and other receivables
An estimate of the collectible amount of insurance and other receivables is made when collection of the full amount is no longer probable. This determination of whether these insurance and other receivables are impaired, entails the Group evaluating the credit and liquidity position of the policy holders and the insurance companies, historical recovery rates including detailed investigations carried out during 2014 and feedback received from their legal department. The difference between the estimated collectible amount discounted to present value if applicable and the book amount is recognized as an expense in the consolidated statement of income. Any difference between amounts actually collected in the future periods and the amounts expected will be recognized in the consolidated statement of income at the time of collection. As of December 31, 2016, the insurance receivable and reinsurance receivables amounted to QR 1,406,505 thousand (2015: 1,106,444 thousand) and QR 2,808,121 thousand (2015: QR 3,067,764 thousand), respectively, and the provision for impairment on insurance receivable and reinsurance receivable amounted to QR 35,091 thousand (2015: QR 27,054 thousand) and QR 15,494 thousand (2015: QR 10,989 thousand) respectively.

Liability Adequacy Test
At each reporting date, liability adequacy tests are performed to ensure the adequacy of insurance contract liabilities. The Group makes use of the best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities in evaluating the adequacy of the liability. Any deficiency is immediately charged to the consolidated statement of income.

35. PARENTAL GUARANTEE

The Parent Company has provided unconditional parental guarantee to its subsidiary companies - QIC International L.L.C., Qatar Reinsurance Company L.L.C. (Qatar – Re), Q - Life & Medical Insurance Company L.L.C., Kuwait Qatar Insurance Company and QIC Europe Ltd, Malta for the purpose of obtaining financial rating from international rating agencies.

36. GROUP RESTRUCTURING

During the year, the Group has restructured its holding structure by transferring control over Antares Group from Parent Company to another international holding company, QIC Capital LLC to hold said subsidiaries in international jurisdiction. Any share transfer or assignment performed between the Group entities as a part of group restructuring are considered as ‘common control’ transactions.

Accordingly, there is no goodwill or gain or loss on bargain purchase recognized during this year in these consolidated financial statements. Few rearrangements that resulted in the percentage of ownership held by non-controlling interest are also directly recognized in equity.

37. BUSINESS COMBINATION

Acquisition of Synergy Frimley Limited by the Group

Effective February 3, 2016, the Group acquired 100% of the share capital of Synergy Frimley Limited, Jersey UK (“SFL”). The regulatory close of the transactions was completed as on February 3, 2016. SFL holds investment in a real estate property located in UK. The Group has acquired this company as part of its strategy to expand and diversify its Real Estate investment activities.

37. BUSINESS COMBINATION (CONTINUED)

The fair value of the identifiable assets and liabilities of Synergy Frimley Limited as at the date of acquisition, as per IFRS 3 were the following:

	Fair value recognized on (QR '000)
Assets	
Investment properties	251,370
Total assets	**251,370**
Net identifiable assets acquired	**251,370**

Gain on bargain purchase or Goodwill arising on acquisition

Goodwill arising on the business combination has been computed as follows:

	As at February 3, (QR '000)
Fair value of consideration given for acquiring controlling interest	**251,370**
Fair value of business as at the date of acquisition	**251,370**
Less: Net identifiable assets acquired in accordance with IFRS 3	**--**
Goodwill arising on acquisition	**NIL**

Since the acquisition was primarily intended to acquire an investment property, there is no intangible assets, gain on bargain purchase or Goodwill identified by the management.

Transaction and Acquisition-Related Costs
Transaction costs associated with the acquisition have been expensed and are included in the operative and administrative expenses in the consolidated statement of income and are part of operating cash flows in the consolidated statement of cash flows.

From the date of acquisition, Synergy Frimley Limited have contributed the equivalent of QR 15,155 thousand of Rental income and QR 5,105 thousand to the net profit of the Group.

38. COMPARATIVE FIGURES AND RESTATEMENT OF PRIOR YEARS' FINANCIAL INFORMATION

The financial statements for the year ended 31 December 2015 has been restated and the impact is set out below. Apart from the restatement, certain comparative figures have been reclassified to conform to current year presentation and are not material and have no impact on the previously reported profit or equity position of the group.

38. COMPARATIVE FIGURES AND RESTATEMENT OF PRIOR YEARS' FINANCIAL INFORMATION (CONTINUED)

(i) Investments and Short Term Borrowings

The Group uses fixed income securities for short-term borrowings. The Group followed an accounting policy whereby this short term borrowing is offset against the total fixed income Investments in the presentation of its financial statements.

In 2016, the Group has adapted certain clarifications issued by IASB on IAS 32 Financial Instruments: Presentation whereby it presented fixed income investments and short term borrowings on a Gross basis on the face of the statement of financial position as on 31st December 2016 and due to the principle of consistency, comparability and requirement of IAS 8, the previous year's figures will be restated retrospectively. The aforementioned restatement does not have any financial impact on the Group's net income, Earning per share, retained earnings, total equity, OCI for the period or the Group's operating, investing and financing cash flows.

(ii) Insurance Contract Liabilities and Reinsurance Contract Assets

During the year, the Group reclassified and eliminated certain reinsurance contract assets and insurance contract liabilities. This reclassification, which was made to eliminate the inter-company effects of quota share business across the Group, resulted in the restatement of comparative figures presented in these consolidated Financial Statements. The aforementioned restatement does not have any financial impact on the Group's net income, Earning per share retained earnings, total equity, OCI for the period or the Group's operating, investing and financing cash flows.

The above matters (i) and (ii) have been reclassified by restating each of the affected financial statements line items for the prior period as follows:

	As at December 31, 2015 (QR'000)		
	As reported previously	Adjustment	Restated
Statement of financial position items:			
Investments (i)	**7,414,380**	**3,179,243**	**10,593,623**
Borrowings – Short term (i)	**364,000**	**3,179,243**	**3,543,243**
Insurance contract liabilities (ii)	**15,246,247**	**(3,478,169)**	**11,768,077**
Reinsurance contract assets(ii)	**5,606,574**	**(3,478,169)**	**2,128,405**

	As at January 1, 2015 (QR'000)		
	As reported previously	Adjustment	Restated
Statement of financial position items:			
Investments (i)	6,468,082	2,247,536	8,715,618
Borrowings – Short term(i)	182,000	2,247,536	2,429,536
Insurance contract liabilities (ii)	8,331,014	(2,012,600)	6,318,414
Reinsurance contract assets (ii)	3,251,457	(2,012,600)	1,238,857

38. COMPARATIVE FIGURES AND RESTATEMENT OF PRIOR YEARS' FINANCIAL INFORMATION (CONTINUED)

iii) Other adjustments

During the year, certain figures relating to year 2015 are restated due to the outcome of audit performed by the subsidiaries' auditors. Management, accordingly, effected the changes which have no effect on the net equity or profit and loss account in these consolidated financial statements, as follows:

	As at December 31, 2015 (QR'000)		
	As reported previously	Adjustment	Restated
Statement of financial position items:			
Insurance and other receivables	**6,617,197**	**(135,737)**	**6,481,460**
Provisions, reinsurance and other payables	**2,503,671**	**(135,737)**	**2,367,934**