

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

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE SIX MONTH PERIOD ENDED
JUNE 30, 2020**

DOHA INSURANCE GROUP Q.P.S.C.

**INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION AND INDEPENDENT AUDITOR'S
REVIEW REPORT**

For the six month period ended June 30, 2020

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QR. 31249

RN: 1118/MMS/FY2020

INDEPENDENT AUDITOR'S REVIEW REPORT

**To the Board of Directors
Doha Insurance Group Q.P.S.C.
Doha – Qatar**

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Doha Insurance Group Q.P.S.C. (the “Company”) and its subsidiaries (together the “Group”), as at June 30, 2020, and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income for the three and six month periods then ended and the related interim condensed consolidated statement of changes in equity and cash flows for the six month period then ended and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial information in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on the interim condensed consolidated financial information based on our review.

Scope of review

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

Basis for Qualified Conclusion

Based on information provided to us by management, the Group did not state its insurance contract liabilities and other technical reserves as at March 31, 2020 on the basis of an actuarial valuation as of March 31, 2020, which we believe should be done in order to conform with International Financial Reporting Standards. Since insurance contract liabilities and other technical reserves as at March 31, 2020 enter into the determination of the financial performance, we were unable to determine the necessary adjustments to the profit for the three month period ended June 30, 2020 reported in the interim condensed consolidated statement of profit or loss.

Qualified Conclusion

Based on our review, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

**Doha – Qatar
August 9, 2020**

**For Deloitte & Touche
Qatar Branch**


**Midhat Salha
Partner**

License No. 257

QFMA Audit Registration 120156



DOHA INSURANCE GROUP Q.P.S.C.


INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2020

	Notes	June 30, 2020 QR (Reviewed)	December 31, 2019 QR (Audited)
ASSETS			
Cash and bank balances	4	360,261,287	388,530,233
Financial investments	5	528,742,519	504,433,572
Reinsurance contract assets	8	1,302,915,199	1,248,656,618
Insurance and other receivables		399,415,616	335,387,289
Investments in associates	6	16,615,255	16,177,201
Investment properties	7	322,078,141	321,946,153
Right-of-use assets		11,151,465	12,849,325
Property and equipment		12,341,229	12,094,315
TOTAL ASSETS		2,953,520,711	2,840,074,706
EQUITY AND LIABILITIES			
Equity			
Share capital	10	500,000,000	500,000,000
Legal reserve	11	370,164,949	370,164,949
Fair value reserve		(102,996,664)	(63,746,386)
Foreign currency translation reserve		(1,968,381)	(2,194,636)
Retained earnings		262,432,255	269,323,653
Total equity		1,027,632,159	1,073,547,580
Liabilities			
Insurance contract liabilities	8	1,634,253,762	1,513,391,387
Provisions, insurance and other payables		209,897,971	168,591,792
Borrowings	9	50,831,672	52,022,222
Employees' end of service benefits		16,612,003	16,555,846
Lease liability		14,293,144	15,965,879
Total liabilities		1,925,888,552	1,766,527,126
TOTAL EQUITY AND LIABILITIES		2,953,520,711	2,840,074,706

These interim condensed consolidated financial information were approved by the Board of Directors on August 9, 2020 and were signed on its behalf by:


Nawaf Bin Nasser Bin Khaled Al Thani
 Chairman


Jassim Ali A. Al-Moftah
 Chief Executive Officer

THE ACCOMPANYING NOTES 1-19 FORM AN INTEGRAL PART OF AND SHOULD BE READ IN CONJUNCTION WITH THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

DOHA INSURANCE GROUP Q.P.S.C.
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three and six month periods ended June 30, 2020

	Notes	For the three month period ended June 30,		For the six month period ended June 30,	
		2020	2019	2020	2019
		QR	QR	QR	QR
Gross premiums	15	217,911,646	138,095,232	475,663,947	315,468,356
Reinsurers' share of gross premiums	15	(121,367,622)	(70,270,051)	(282,156,221)	(187,445,567)
Net premiums		96,544,024	67,825,181	193,507,726	128,022,789
Change in unexpired risk reserve	15	(23,707,569)	(10,247,089)	(49,226,011)	(12,006,094)
Underwriting revenue		72,836,455	57,578,092	144,281,715	116,016,695
Claims paid	15	(41,699,840)	(78,436,244)	(121,750,918)	(169,665,268)
Reinsurers' share of claims	15	21,675,753	46,781,762	58,066,819	104,231,484
Change in outstanding claims reserve	15	(14,997,482)	7,538,181	(13,753,600)	(1,234,712)
Commissions received	15	10,595,189	9,150,320	22,349,930	13,885,066
Commissions paid	15	(12,405,679)	(10,670,553)	(25,030,673)	(17,124,944)
Other technical expenses	15	(669,446)	(342,881)	(923,189)	(931,278)
Net underwriting results		35,334,950	31,598,677	63,240,084	45,177,043
Dividend income		386,838	1,077,313	12,809,111	16,226,772
Interest income		2,487,100	3,730,477	5,800,539	7,446,199
Rental income from investment properties		2,965,279	2,822,302	5,835,207	5,904,209
Share of results of associates	6	579,210	601,306	439,522	601,306
Net gain on sale of financial assets		(65,797)	611,793	31,524	1,677,825
Unrealised gain / (loss) on investment in financial assets at fair value through profit or loss		4,448,048	2,007,416	(3,829,363)	3,434,691
Other income		643,497	24,740	634,545	45,981
Investment and other income		11,444,175	10,875,347	21,721,085	35,336,983
General and administrative expenses	14	(22,801,082)	(21,521,609)	(42,154,023)	(40,357,745)
Depreciation and amortisation of investment properties		(1,134,474)	(853,618)	(2,202,338)	(1,697,919)
Depreciation of properties and equipment		(705,132)	(653,667)	(1,404,452)	(1,310,518)
Amortization of right-of-use assets		(578,549)	--	(1,247,554)	--
Finance cost on lease liability		(169,937)	--	(419,467)	--
Finance cost on borrowings		(289,588)	(303,419)	(572,980)	(606,041)
Total expenses		(25,678,762)	(23,332,313)	(48,000,814)	(43,972,223)
Profit for the period before allocation to Takaful operation's policyholders		21,100,363	19,141,711	36,960,355	36,541,803
Net surplus attributable to Takaful operation's policyholders		(3,863,878)	(1,426,061)	(4,992,662)	(1,150,445)
Profit attributable to shareholders		17,236,485	17,715,650	31,967,693	35,391,358
Basic and diluted earnings per share	13	0.03	0.04	0.06	0.07

THE ACCOMPANYING NOTES 1-19 FORM AN INTEGRAL PART OF AND SHOULD BE READ IN CONJUNCTION WITH THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

DOHA INSURANCE GROUP Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three and six month periods ended June 30, 2020

	For the three month period ended June 30,		For the six month period ended June 30,	
	2020	2019	2020	2019
	QR	QR	QR	QR
Profit attributable to shareholders of the Parent	17,236,485	17,715,650	31,967,693	35,391,358
Other comprehensive income				
<i>Items that may be subsequently reclassified to statement of profit or loss</i>				
Share of other comprehensive (loss) / profit of associate	(156,927)	(11,042)	4,864	(11,042)
Net change in fair value of debt instruments at fair value through other comprehensive income (FVTOCI)	4,811,577	1,306,971	(851,060)	2,227,894
Exchange differences on translating foreign operations	816,597	338,799	226,255	(546,198)
	5,471,247	1,634,728	(619,941)	1,670,654
<i>Items that will not be subsequently reclassified to statement of profit or loss</i>				
Net change in fair value of equity instrument designated at fair value through other comprehensive income (FVTOCI)	28,233,802	7,933,934	(37,263,173)	10,124,373
Other comprehensive income / (loss) for the period	33,705,049	9,568,662	(37,883,114)	11,795,027
Total comprehensive income / (loss) for the period	50,941,534	27,284,312	(5,915,421)	47,186,385

THE ACCOMPANYING NOTES 1-19 FORM AN INTEGRAL PART OF AND SHOULD BE READ IN CONJUNCTION WITH THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

DOHA INSURANCE GROUP Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six month period ended June 30, 2020

	Share capital	Legal reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total
	QR	QR	QR	QR	QR	QR
Balance at January 1, 2019 (Audited)	500,000,000	365,270,841	(65,860,607)	(1,236,479)	265,919,490	1,064,093,245
Profit attributable to shareholders	--	--	--	--	35,391,358	35,391,358
Other comprehensive gain / (loss) for the period	--	--	12,341,225	(546,198)	--	11,795,027
Gain on sale of investment	--	--	(581,733)	--	581,733	--
Cash dividends paid (Note 12)	--	--	--	--	(40,000,000)	(40,000,000)
Balance at June 30, 2019 (Reviewed)	500,000,000	365,270,841	(54,101,115)	(1,782,677)	261,892,581	1,071,279,630
Balance at January 1, 2020 (Audited)	500,000,000	370,164,949	(63,746,386)	(2,194,636)	269,323,653	1,073,547,580
Profit attributable to shareholders	--	--	--	--	31,967,693	31,967,693
Other comprehensive gain (loss) for the period	--	--	(38,109,369)	226,255	--	(37,883,114)
Gain on sale of investment	--	--	(1,140,909)	--	1,140,909	--
Cash dividends paid (Note 12)	--	--	--	--	(40,000,000)	(40,000,000)
Balance at June 30, 2020 (Reviewed)	500,000,000	370,164,949	(102,996,664)	(1,968,381)	262,432,255	1,027,632,159

THE ACCOMPANYING NOTES 1-19 FORM AN INTEGRAL PART OF AND SHOULD BE READ IN CONJUNCTION WITH THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

DOHA INSURANCE GROUP Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six month period ended June 30, 2020

	For the six month period ended June 30,	
	2020	2019
	QR	QR
OPERATING ACTIVITIES		
Profit attributable to shareholders of the Parent	31,967,693	35,391,358
<i>Adjustments for:</i>		
Depreciation of property and equipment	1,404,452	1,310,518
Depreciation of investment properties	2,202,338	1,697,919
Amortization of right-of-use assets	1,247,554	--
Provision for employees' end of service benefits	1,072,877	1,097,045
Unrealised loss / (gain) on investments held at fair value through profit or loss	3,829,363	(3,434,691)
Share of results of associates	(439,522)	(601,306)
Reinsurers' share of unearned premium	(53,795,591)	(3,008,323)
Movement in unearned premium	103,021,604	15,014,416
Finance cost on lease liabilities	419,467	--
Net gain on sale of financial investments	(31,524)	(1,677,825)
Impairment loss on debt securities	310,850	--
Reversal of impairment on bank balances	(6,992)	--
Dividend income	(12,809,111)	(16,226,772)
Interest income	(5,800,539)	(7,446,199)
Finance costs on borrowings	572,980	606,041
	73,165,899	22,722,181
Movements in working capital		
Insurance and other receivables	(64,028,327)	(58,110,242)
Insurance reserves	17,377,781	1,927,039
Provisions, insurance and other payables	41,306,177	21,912,317
Cash generated from / (used in) operations	67,821,530	(11,548,705)
Payment for employees' end of service benefits	(1,016,720)	(1,416,240)
Net cash generated from / (used in) operating activities	66,804,810	(12,964,945)
INVESTING ACTIVITIES		
Dividends received	12,809,111	16,226,772
Proceeds from disposal of financial investments	9,225,584	32,937,710
Interest received	5,800,539	7,446,199
Movement in deposits	92,266,381	44,701,541
Purchase of property and equipment	(1,651,366)	(10,889,018)
Purchase of financial investments	(75,751,122)	(19,427,718)
Additions to investment properties	(1,248,754)	(24,711,504)
Net cash generated from investing activities	41,450,373	46,283,982

THE ATTACHED NOTES 1-19 FORM AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

DOHA INSURANCE GROUP Q.P.S.C.**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the six month period ended June 30, 2020

	Note	For the six month period ended June 30,	
		2020	2019
		QR	QR
FINANCING ACTIVITIES			
Repayment of borrowings		(2,049,864)	(1,408,126)
Dividends paid		(40,000,000)	(39,104,902)
Repayment of lease liabilities		(1,641,896)	--
Interest expense paid		(572,980)	(606,041)
Cash used in financing activities		(44,264,740)	(41,119,069)
Net increase / (decrease) in cash and cash equivalents		63,990,443	(7,800,032)
Cash and cash equivalents at the beginning of period		81,408,672	96,643,456
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	4	145,399,115	88,843,424

THE ATTACHED NOTES 1-19 FORM AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

DOHA INSURANCE GROUP Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six month period ended June 30, 2020

1. INCORPORATION AND ACTIVITIES

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

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

- i. On October 21, 2015, MENA RE Underwriters Limited, a limited liability company engaged in insurance intermediation and management, was incorporated in Dubai, UAE with a registration number of CL1984. The registered and paid up capital of the Subsidiary is wholly subscribed and owned by the Company.
- ii. On December 21, 2016, the Company invested 100% in share capital of Barzan Technology Solutions, a company incorporated in Jordan having business activities of providing information technology solutions and also engaged in real estate and investment activities. The subsidiary has commenced its operations during the second half of the year 2017.
- iii. On December 27, 2016, the Company invested 100% in the equity of Schwenke Zentrum S.a.r.l, a company duly incorporated under the laws of Grand Duchy of Luxembourg. The subsidiary is engaged in real estate holding and leasing operations for a property located in Germany.
- iv. In 2006, the Company established an Islamic Takaful branch under the brand name Doha Takaful to carry out insurance and reinsurance activities in accordance with Islamic Sharia principles on a non-usury basis in all areas of insurance. On March 28, 2018, the Company has registered Doha Takaful into a separate limited liability company as Doha Takaful L.L.C., which is 100% owned by the Company. The Company also prepares a separate set of financial statements of Doha Takaful L.L.C. as per the requirement of FAS - 12 General Presentation and Disclosure in the Financial Statements of Islamic Insurance Companies issued by the AAOIFI. The Doha Takaful L.L.C.s financial statements are then converted into International Financial Reporting Standards (IFRSs) compliant financial statements and included in these financial statements.
- v. On August 10, 2018, the Company invested 100% in the equity of Logistics Centre S.a.r.l., a company duly incorporated under the laws of Grand Duchy of Luxembourg. The subsidiary is engaged in real estate holding and leasing operations for a property located in Germany.
- vi. On March 4, 2018, a representative office in Beirut-Lebanon under the name of "Mena Re Life " was established which aims to extend the Group's reinsurance reach in the International arena. It is part of the DIG's strategy of geographic expansion to open new markets and build on its strong credit and financial rating. It is worth mentioning that the Group has completed all the formal procedures of establishing the office in accordance with the laws of the Lebanese Republic.

The interim condensed consolidated financial information of the Group for the six month period ended June 30, 2020 were authorised for issue by the Board of Directors on August 9, 2020.

2. BASIS OF PREPARATION

(a) Statement of compliance

The interim condensed consolidated financial information for the six month period ended June 30, 2020 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") and in conformity with Qatar Commercial Companies Law.

The interim condensed consolidated financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2019. In addition, results for the six month period ended June 30, 2020 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2020.

2. BASIS OF PREPARATION (CONTINUED)

(b) Basis of measurement

The interim condensed consolidated financial information are prepared under the historical cost convention, except for certain financial investments which are carried at fair value. The methods used to measure fair values are discussed further in Note 18.

(c) Functional and presentational currency

The interim condensed consolidated financial information are prepared in Qatari Riyal (“QR”) which is the Group’s functional and presentation currency.

Judgments, estimates and risk management

The preparation of the interim condensed consolidated financial information requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group’s annual consolidated financial statements for the year ended December 31, 2019, except as disclosed in Note 19 (Covid - 19 Impact)

The Group’s financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2019.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the Group’s annual financial statements for the year ended December 31, 2019, and the notes attached thereto, except for the adoption of certain new and revised standards, that became effective in the current period as set out below.

(i) Revised standards

Effective for annual periods beginning on or after January 1, 2020

Definition of Material - Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

The new definition states that, ‘Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.’

Definition of a Business – Amendments to IFRS 3 Business Combinations

The amendments clarify that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. IASB also clarify that a business can exist without including all of the inputs and processes needed to create outputs. That is, the inputs and processes applied to those inputs must have ‘the ability to contribute to the creation of outputs’ rather than ‘the ability to create outputs’.

Amendments to References to the Conceptual Framework in IFRS Standards

Amendments to References to the Conceptual Framework in IFRS Standards related IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework.

IFRS 7 Financial Instruments: Disclosures and IFRS 9 – Financial Instruments

Amendments regarding pre-replacement issues in the context of the IBOR reform

DOHA INSURANCE GROUP Q.P.S.C.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

For the six month period ended June 30, 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(ii) New and revised standards and interpretations but not yet effective and not early adopted**

Effective for annual periods beginning after January 1, 2023

IFRS 17 Insurance Contracts

IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 *Insurance Contracts* as at January 1, 2023.

Effective date deferred indefinitely. Early adoption is still permitted.

Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.

4. CASH AND BANK BALANCES

	June 30, 2020	December 31, 2019
	QR	QR
	(Reviewed)	(Audited)
Cash on hand	403,529	441,501
Bank balances	144,995,586	80,967,171
Deposits	214,944,878	307,211,259
Less: Loss allowance	(82,706)	(89,698)
Cash and bank balances	360,261,287	388,530,233
Less: deposits with original maturity of more than 3 months	(214,944,878)	(307,211,259)
Cash and cash equivalents	145,316,409	81,318,974

Deposits consist of fixed deposits bearing interest at the rate of 0.75% to 3.10% per annum (December 31, 2019: 0.75% to 8.00 % per annum) with original maturity period of more than three months.

Reconciliation to gross cash and cash equivalents:

	June 30, 2020	December 31, 2019
	QR	QR
	(Reviewed)	(Audited)
Cash and bank balances	360,261,287	388,530,233
Less: deposits with original maturity of more than 3 months	(214,944,878)	(307,211,259)
Add: Allowance for impairment	82,706	89,698
Gross cash and cash equivalents	145,399,115	81,408,672

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

DOHA INSURANCE GROUP Q.P.S.C.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

For the six month period ended June 30, 2020

5. FINANCIAL INVESTMENTS

The carrying amounts of financial investments were as follows:

	June 30, 2020	December 31, 2019
	QR	QR
	(Reviewed)	(Audited)
Investments held at fair value through profit or loss		
Quoted shares	4,547,128	3,893,200
Funds	88,121,943	62,240,850
Debt securities with fixed interest rate	32,451,473	--
Investments held at fair value through other comprehensive income		
- Quoted shares	281,831,460	313,868,567
- Private equity funds and unquoted shares	59,537,779	66,648,777
- Debt securities with fixed interest rate	62,930,269	58,148,861
Allowance for impairment (ECL)	(677,533)	(366,683)
	528,742,519	504,433,572

The debt securities carry interest at 3.03% and 6.88% (December 31, 2019: 3.25% to 6.88%) per annum and have maturity periods of 5 to 10 years.

6. INVESTMENTS IN ASSOCIATES

The Group has following investment in associates:

	<i>Country of incorporation</i>	<i>Percentage of ownership</i>		<i>Principal activity</i>
		June 30, 2020	December 31, 2019	
		(Reviewed)	(Audited)	
Yemeni Qatari Insurance Company	Republic of Yemen	40%	40%	Insurance
Qatar unified Insurance Bureau W.L.L.	State of Qatar	25%	25%	Insurance

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

	June 30, 2020	December 31, 2019
	QR	QR
	(Reviewed)	(Audited)
Share in the associates' statement of financial position:		
Total assets	14,639,359	15,080,481
Total liabilities	(4,290,065)	(5,169,241)
Net assets	10,349,294	9,911,240
Additional consideration paid in excess of share in net assets	6,265,961	6,265,961
	16,615,255	16,177,201

DOHA INSURANCE GROUP Q.P.S.C.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

For the six month period ended June 30, 2020

6. INVESTMENTS IN ASSOCIATES (CONTINUED)

Movements in the investment in associates are as follows:

	June 30, 2020	December 31, 2019
	QR	QR
	(Reviewed)	(Audited)
Net carrying value at the beginning of the period / year	16,177,201	16,069,469
Equity share in net earnings	439,522	609,793
Cash dividends received	--	(466,176)
Share of other comprehensive loss of associate	4,864	(72,267)
Foreign currency translation difference	(6,332)	36,382
Net carrying value at the ending of the period / year	16,615,255	16,177,201

7. INVESTMENT PROPERTIES

	June 30, 2020	December 31, 2019
	QR	QR
	(Reviewed)	(Audited)
Net carrying value at the beginning of the period / year	321,946,153	269,973,893
Transfer from property and equipment	--	7,182,349
Right-of-use assets under IFRS 16	--	2,684,876
Additions	1,248,754	47,875,772
Depreciation and amortization for the period / year	(2,202,338)	(3,548,121)
Exchange rate adjustments	1,085,572	(2,222,616)
Net carrying value at the end of the period / year	322,078,141	321,946,153

- i.) Investment properties as of June 30, 2020 include an amount of QR 49,270,255 (December 31, 2019: QR 49,714,618), which represents the net book value of a property in Germany acquired in 2017 by Schwenke Zentrum S.a.r.l, a subsidiary of the Group. The Company has recognized rental income of QR 2,163,422 (June 30, 2019: QR 2,432,187) relating to the said property. Management using internal review during December 2019, estimated the fair value of the property at QR 49,904,199.
- ii.) In 2018, the Group purchased additional property in Germany by its subsidiary, Logistic Centre S.a.r.l. with the net book value of QR 44,547,900 (December 31, 2019: QR 44,609,336). The Company recognized rental income of QR. 2,035,647 (June 30: 2019: QR 1,719,333) relating to the said property. Management using internal review as at December 31, 2019, estimated the fair value of the property at QR 53,509,665.
- iii.) In addition to the investment properties mentioned in (i) and (ii) above, the Group has investment properties in the State of Qatar with a carrying value of QR 228,259,986 as of June 30, 2020 (December 31, 2019: 227,937,199). The fair value of the investment properties as of June 30, 2020 and December 31, 2019 amounted to QR. 253,797,862 and has been arrived on the basis of a valuation carried out by an independent valuer not related to the Group.

Management did not obtain a revised estimate of fair value as of June 30, 2020 due to the material valuation uncertainties existing during the period as a result of the Covid 19 current circumstances. Management believes that the fair value of the investment properties has not changed since the last assessment done in December 2019.

DOHA INSURANCE GROUP Q.P.S.C.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

For the six month period ended June 30, 2020

8. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS

	June 30, 2020	December 31,
	QR	QR
	(Reviewed)	(Audited)
Gross		
Insurance contract liabilities:		
Claims reported unsettled	1,153,170,061	1,161,772,663
Claims incurred but not reported	76,017,899	53,198,708
Unearned premiums	392,703,967	289,682,364
Deferred commissions	12,361,835	8,737,652
	<u>1,634,253,762</u>	<u>1,513,391,387</u>
Recoverable from reinsurers:		
Claims reported unsettled	1,039,717,719	1,052,000,737
Claims incurred but not reported	43,935,188	31,189,181
Re-insurers' share in unearned premiums	219,262,292	165,466,700
	<u>1,302,915,199</u>	<u>1,248,656,618</u>
Net		
Claims reported unsettled	113,452,342	109,771,926
Claims incurred but not reported	32,082,711	22,009,527
Unearned premiums	173,441,675	124,215,664
Deferred commissions	12,361,835	8,737,652
	<u>331,338,563</u>	<u>264,734,769</u>

DOHA INSURANCE GROUP Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six month period ended June 30, 2020

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

(a) Outstanding claims provision

	June 30, 2020 (Reviewed)			December 31, 2019 (Audited)		
	Gross	Reinsurers'	Net	Gross	Reinsurers'	Net
	QR	share QR	QR	QR	share QR	QR
At the beginning of the period / year						
Claims reported unsettled	1,161,772,663	(1,052,000,737)	109,771,926	428,407,189	(308,491,684)	119,915,505
Claims incurred but not reported	53,198,708	(31,189,181)	22,009,527	52,461,079	(30,500,486)	21,960,593
	<u>1,214,971,371</u>	<u>(1,083,189,918)</u>	<u>131,781,453</u>	<u>480,868,268</u>	<u>(338,992,170)</u>	<u>141,876,098</u>
Insurance claims paid during the period / year	(121,750,918)	58,066,819	(63,684,099)	(290,754,840)	143,771,415	(146,983,425)
Incurred during the period / year	135,967,507	(58,529,808)	77,437,699	1,024,857,943	(887,969,163)	136,888,780
At the end of the period / year	<u>1,229,187,960</u>	<u>(1,083,652,907)</u>	<u>145,535,053</u>	<u>1,214,971,371</u>	<u>(1,083,189,918)</u>	<u>131,781,453</u>

(b) Analysis of outstanding claims

	June 30, 2020 (Reviewed)			December 31, 2019 (Audited)		
	Gross	Reinsurers'	Net	Gross	Reinsurers'	Net
	QR	share QR	QR	QR	share QR	QR
Claims reported unsettled	1,153,170,061	(1,039,717,719)	113,452,342	1,161,772,663	(1,052,000,737)	109,771,926
Claims incurred but not reported	76,017,899	(43,935,188)	32,082,711	53,198,708	(31,189,181)	22,009,527
At the end of the period/year	<u>1,229,187,960</u>	<u>(1,083,652,907)</u>	<u>145,535,053</u>	<u>1,214,971,371</u>	<u>(1,083,189,918)</u>	<u>131,781,453</u>

DOHA INSURANCE GROUP Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six month period ended June 30, 2020

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

(c) Unearned premium reserve

	June 30, 2020			December 31, 2019		
	(Reviewed)			(Audited)		
	Gross	Reinsurers'	Net	Gross	Reinsurers'	Net
	QR	share	QR	QR	QR	QR
At the beginning of the period / year	289,682,364	(165,466,700)	124,215,664	274,291,854	(162,424,457)	111,867,397
Gross premiums during the period / year	475,663,947	(282,156,221)	193,507,726	655,913,479	(403,575,861)	252,337,618
Earned insurance premiums during the period / year	(372,642,344)	228,360,629	(144,281,715)	(640,522,969)	400,533,618	(239,989,351)
At the end of the period / year	392,703,967	(219,262,292)	173,441,675	289,682,364	(165,466,700)	124,215,664

DOHA INSURANCE GROUP Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six month period ended June 30, 2020

9. BORROWINGS

Total borrowings as at June 30, 2020 amounts to QR 50,831,672 with the following details:

- i. In 2017, a loan was taken to purchase an investment property in Germany, by a subsidiary, Schwenke Zentrum S.a.r.l., which bears interest of 2.65%. It is repayable over a period of 256 months. The non-current portion of the loan as at period end amounted to QR 25,923,235. The loan is secured by a mortgage on the investment property amounting to QR 49,270,255. The carrying amount of the loan is QR 27,103,799 at June 30, 2020 (December 31, 2019: QR 27,573,718).
- ii. In 2018, additional loan was taken to purchase an investment property in Germany, by a subsidiary, Logistic Centre S.a.r.l. with the rate of 1.73%. It is payable in monthly instalments until July 31, 2028. The non-current portion of the loan as at period end amounted to QR 22,072,431. The loan is secured by a mortgage on the investment property amounting to QR 44,547,900. The carrying amount of the loan is QR 23,727,873 at June 30, 2020 (December 31, 2019: QR 24,448,504).

10. SHARE CAPITAL

	June 30, 2020	December 31, 2019
	QR	QR
	(Reviewed)	(Audited)
Authorized, issued and fully paid up share capital 500,000,000 shares of QR 1 each, effective July 1, 2019	<u>500,000,000</u>	<u>500,000,000</u>

11. LEGAL RESERVE

In accordance with Qatar Central Bank's Law No. 13 of 2012 as amended, 10% of net profit is required to be transferred to legal reserve until the legal reserve equals 100% of the paid up capital. The balance under this reserve is not available for distribution, except in the circumstances specified in the above law and after Qatar Central Bank approval.

The Group did not make any transfer from the profit for the period as the required amount will be transferred by year end.

DOHA INSURANCE GROUP Q.P.S.C.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

For the six month period ended June 30, 2020

12. DIVIDENDS

The Board of Directors proposed in its meeting held on February 12, 2020 to distribute a cash dividend of 8% of the share capital amounting to QR 0.8 per share totalling to QR 40,000,000 for the year ended December 31, 2019 which were duly approved by the General Assembly of the Company's Shareholders on March 24, 2020 (2019: QR 0.08 per share totalling to QR 40,000,000).

13. EARNINGS PER SHARE

	For the three - month period ended June 30,		For the six - month period ended June 30,	
	2020 (Reviewed)	2019 (Reviewed)	2020 (Reviewed)	2019 (Reviewed)
Profit attributable to the shareholders (QR)	17,236,485	17,715,650	31,967,693	35,391,358
Weighted average number of shares outstanding during the period	500,000,000	500,000,000	500,000,000	500,000,000
Basic and diluted earnings per share (QR)	0.03	0.04	0.06	0.07

a) Diluted Earnings Per Share

No separate diluted earnings per share were calculated since the diluted earnings per share were equal to the basic earnings per share.

14. GENERAL AND ADMINISTRATIVE EXPENSES

	For the three month period ended June 30,		For the six month period ended June 30,	
	2020 QR (Reviewed)	2019 QR (Reviewed)	2020 QR (Reviewed)	2019 QR (Reviewed)
Salaries, wages and other benefits	17,200,868	14,864,104	31,667,966	28,895,834
Rent, maintenance and office expenses	1,835,649	1,855,123	2,213,908	3,212,800
Legal and consultation fees	582,910	1,025,844	1,109,120	1,920,074
Advertisement and business promotion	62,085	347,225	326,502	722,075
Board remuneration	2,000,000	--	2,000,000	--
Government fees	175,805	195,330	407,559	405,300
Business travel	75,081	395,465	273,560	762,040
Printing and stationery	50,274	60,224	157,933	136,207
Miscellaneous expenses	818,410	2,778,294	3,997,475	4,303,415
	22,801,082	21,521,609	42,154,023	40,357,745

DOHA INSURANCE GROUP Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six month period ended June 30, 2020

15. SEGMENT INFORMATION

For management purposes, the Group is organised into three business segments, marine and aviation, motor, and fire and general accident. These segments are the basis on which the Group reports its primary segment information. Other operations of the Group comprise investment and cash management for the Group's own account. There are no material transactions between segments.

The Group operates primarily in the State of Qatar and the rest of operations outside Qatar are to support the core insurance and investment operations of the Company in the State of Qatar.

	Motor		Marine and Aviation		Fire and General Accident		Total	
	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,
	2020	2019	2020	2019	2020	2019	2020	2019
For the six month ended	QR	QR	QR	QR	QR	QR	QR	QR
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Gross premiums	114,955,718	78,729,747	72,230,658	50,066,399	288,477,571	186,672,210	475,663,947	315,468,356
Reinsurers' share of gross premiums	(5,062,455)	(9,650,619)	(61,799,651)	(39,913,984)	(215,294,115)	(137,880,964)	(282,156,221)	(187,445,567)
Net premiums	109,893,263	69,079,128	10,431,007	10,152,415	73,183,456	48,791,246	193,507,726	128,022,789
Change in unexpired risk reserve	(29,555,035)	(6,463,606)	(2,664,594)	(3,500,824)	(17,006,382)	(2,041,664)	(49,226,011)	(12,006,094)
Underwriting revenue	80,338,228	62,615,522	7,766,413	6,651,591	56,177,074	46,749,582	144,281,715	116,016,695
Claims paid	(36,547,808)	(46,064,702)	(3,057,733)	(1,158,987)	(82,145,377)	(122,441,579)	(121,750,918)	(169,665,268)
Reinsurers' share of claims	724,285	930,376	1,878,417	801,846	55,464,117	102,499,262	58,066,819	104,231,484
Change in outstanding claims reserve	(7,542,978)	4,897,842	696,261	507,852	(6,583,990)	(6,640,406)	(13,430,707)	(1,234,712)
Commissions received	3,996,966	745,087	4,335,808	1,915,835	14,017,156	11,224,144	22,349,930	13,885,066
Commissions paid	(10,423,375)	(5,879,471)	(1,935,627)	(1,224,486)	(12,671,671)	(10,020,987)	(25,030,673)	(17,124,944)
Other technical expenses	(594,945)	(246,666)	(96,905)	(246,426)	(231,339)	(438,186)	(923,189)	(931,278)
Unallocated loss adjustment expenses	--	--	--	--	--	--	(322,893)	--
Net underwriting results	29,950,373	16,997,988	9,586,634	7,247,225	24,025,970	20,931,830	63,240,084	45,177,043
Investment and other income							21,721,085	35,336,983
Total expenses							(48,000,814)	(43,972,223)
Net surplus attributable to Takaful operation's policyholders							(4,992,662)	(1,150,445)
Profit for the period							31,967,693	35,391,358

DOHA INSURANCE GROUP Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six month period ended June 30, 2020

15. SEGMENT INFORMATION (CONTINUED)

For the three month ended	Motor		Marine and Aviation		Fire and General Accident		Total	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	QR (Reviewed)	QR (Reviewed)	QR (Reviewed)	QR (Reviewed)	QR (Reviewed)	QR (Reviewed)	QR (Reviewed)	QR (Reviewed)
Gross premiums	55,837,932	34,367,810	32,552,536	26,647,084	129,521,178	77,080,338	217,911,646	138,095,232
Reinsurers' share of gross premiums	(2,346,114)	(1,617,711)	(24,200,256)	(17,540,851)	(94,821,252)	(51,111,489)	(121,367,622)	(70,270,051)
Net premiums	53,491,818	32,750,099	8,352,280	9,106,233	34,699,926	25,968,849	96,544,024	67,825,181
Change in unexpired risk reserve	(11,256,402)	(461,446)	(4,653,383)	(5,452,393)	(7,797,784)	(4,333,250)	(23,707,569)	(10,247,089)
Underwriting revenue	42,235,416	32,288,653	3,698,897	3,653,840	26,902,142	21,635,599	72,836,455	57,578,092
Claims paid	(9,407,295)	(22,188,598)	(283,441)	(903,741)	(32,009,104)	(55,343,905)	(41,699,840)	(78,436,244)
Reinsurers' share of claims	176,356	341,107	242,293	601,469	21,257,104	45,839,186	21,675,753	46,781,762
Change in outstanding claims reserve	(7,186,442)	2,890,876	(441,261)	135,315	(7,046,886)	4,511,990	(14,674,589)	7,538,181
Commissions received	1,364,774	282,084	2,216,808	1,251,040	7,013,607	7,617,196	10,595,189	9,150,320
Commissions paid	(4,619,819)	(2,956,673)	(678,228)	(1,044,385)	(7,107,632)	(6,669,495)	(12,405,679)	(10,670,553)
Other technical expenses	(399,559)	(336,001)	(51,881)	(84,529)	(218,006)	77,649	(669,446)	(342,881)
Unallocated loss adjustment expenses	--	--	--	--	--	--	(322,893)	--
Net underwriting results	22,163,431	10,321,448	4,703,187	3,609,009	8,791,225	17,668,220	35,334,950	31,598,677
Investment and other income							11,444,175	10,875,347
Total expenses							(25,678,762)	(23,332,313)
Net surplus attributable to Takaful operation's policyholders							(3,863,878)	(1,426,061)
Profit for the period							17,236,485	17,715,650

DOHA INSURANCE GROUP Q.P.S.C.

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For the six month period ended June 30, 2020

15. SEGMENT INFORMATION (CONTINUED)

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

	June 30, 2020 (Reviewed)			December 31, 2019 (Audited)		
	Qatar QR	International QR	Total QR	Qatar QR	International QR	Total QR
Asset						
Total assets	2,814,808,502	138,712,209	2,953,520,711	2,677,286,750	162,787,956	2,840,074,706
Liabilities						
Insurance contract liabilities	(1,609,874,139)	(24,379,623)	(1,634,253,762)	(1,494,322,110)	(19,069,277)	(1,513,391,387)
Net surplus attributable to Islamic Takaful policyholders	(16,658,532)	--	(16,658,532)	(11,665,870)	--	(11,665,870)
Other liabilities	(217,636,013)	(57,340,245)	(274,976,258)	(181,282,681)	(60,187,188)	(241,469,869)
Net assets	970,639,818	56,992,341	1,027,632,159	990,016,089	83,531,491	1,073,547,580

DOHA INSURANCE GROUP Q.P.S.C.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

For the six month period ended June 30, 2020

16. RELATED PARTY DISCLOSURES**Related party transactions**

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

Related party transactions

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

	June 30, 2020		June 30, 2019	
	(Reviewed)		(Reviewed)	
	Premiums	Claims	Premiums	Claims
	QR	QR	QR	QR
Major shareholders	<u>16,267,048</u>	<u>3,223,970</u>	<u>13,487,537</u>	<u>4,208,990</u>

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

	June 30, 2020		December 31, 2019	
	(Reviewed)		(Audited)	
	Receivables	Claims and payables	Receivables	Claims and payables
	QR	QR	QR	QR
Major shareholders	<u>15,794,749</u>	<u>1,789,420</u>	<u>11,500,176</u>	<u>280,262</u>

Compensation of key management personnel

The remuneration of directors and other members of key management during the period was as follows:

	June 30, 2020	June 30, 2019
	QR	QR
	(Reviewed)	(Reviewed)
Board remuneration	2,000,000	--
Short-term benefits	2,190,000	2,190,000
End of service and other benefits	262,500	262,500
	<u>2,452,500</u>	<u>2,452,500</u>

DOHA INSURANCE GROUP Q.P.S.C.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

For the six month period ended June 30, 2020

17. CONTINGENCIES AND COMMITMENTS**Guarantees**

At June 30, 2020, the Group had contingent liabilities in respect of tender guarantees and other guarantees from which it is anticipated that no material liabilities will arise, amounting to QR 8,270,554 (December 31, 2019: QR. 10,143,296).

Legal claims

The Group is subject to litigations in the normal course of its business. The Group does not believe that the outcome of these court cases will have a material impact on the Group's income or financial position.

18. FINANCIAL INSTRUMENTS

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique: Level 1: Quoted prices (unadjusted) prices in active markets for identical assets or liabilities that the Group can access at the measurement date; Level 2: Inputs other than quoted prices included within level 1 that are observable for the assets of liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. The following table provides the fair value measurement hierarchy of the Group's financial asset and liabilities at June 30, 2020 and December 31, 2019:

	June 30, 2020	Level 1	Level 2	Level 3
	QR.	QR.	QR.	QR.
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
<i>Assets measured at fair value</i>				
Investments in financial assets	528,742,519	469,204,740	59,537,779	--
	December 31, 2019	Level 1	Level 2	Level 3
	QR.	QR.	QR.	QR.
	(Audited)	(Audited)	(Audited)	(Audited)
<i>Assets measured at fair value</i>				
Investments in financial assets	504,433,572	437,784,796	66,648,776	--

DOHA INSURANCE GROUP Q.P.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

For the six month period ended June 30, 2020

18. FINANCIAL INSTRUMENTS (CONTINUED)

	FVTPL	Mandatorily measured as at FVTPL	FVOCI – debt instruments and funds	FVOCI – equity instruments and funds	Amortised cost	Total carrying amount	Fair value
	QR	QR	QR	QR	QR	QR	QR
<i>June 30, 2020 (Reviewed)</i>							
Cash and bank balances	--	--	--	--	360,261,287	360,261,287	--
Financial investments	120,573,416	4,547,128	62,252,736	341,369,239	--	528,742,519	528,742,519
Reinsurance contract assets	--	--	--	--	1,302,915,199	1,302,915,199	--
Insurance and other receivables	--	--	--	--	399,415,616	399,415,616	--
	<u>120,573,416</u>	<u>4,547,128</u>	<u>62,252,736</u>	<u>341,369,239</u>	<u>2,062,592,102</u>	<u>2,591,334,621</u>	<u>528,742,519</u>
Insurance contract liabilities	--	--	--	--	1,634,253,762	1,634,253,762	--
Borrowings	--	--	--	--	50,831,672	50,831,672	--
	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,685,085,434</u>	<u>1,685,085,434</u>	<u>--</u>
	FVTPL	Mandatorily measured as at FVTPL	FVOCI – debt instruments and funds	FVOCI – equity instruments and funds	Amortised cost	Total carrying amount	Fair value
	QR	QR	QR	QR	QR	QR	QR
<i>December 31, 2019 (Audited)</i>							
Cash and bank balances	--	--	--	--	388,530,233	388,530,233	--
Financial investments	62,240,850	3,893,200	57,782,178	380,517,344	--	504,433,572	504,433,572
Reinsurance contract assets	--	--	--	--	1,248,656,618	1,248,656,618	--
Insurance and other receivables	--	--	--	--	335,387,289	335,387,289	--
	<u>62,240,850</u>	<u>3,893,200</u>	<u>57,782,178</u>	<u>380,517,344</u>	<u>1,972,574,140</u>	<u>2,477,007,712</u>	<u>504,433,572</u>
Insurance contract liabilities	--	--	--	--	1,513,391,387	1,513,391,387	--
Borrowings	--	--	--	--	52,022,222	52,022,222	--
	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,565,413,609</u>	<u>1,565,413,609</u>	<u>--</u>

18. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Valuation techniques and assumptions applied for the purposes of measuring fair value.

Fair value measurements recognised in the interim condensed consolidated statement of financial position.

Investments in financial assets that are presented in level 1 has active markets, thus, corresponding fair value are determinable while investments presented in level 2 has used net asset valuations and discounted future cash flows based on observable market data.

19. COVID-19 IMPACT

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

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

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

i) Insurance contract liabilities

The Group is required to assess adequacy of insurance contract liabilities at each reporting date. Due to exceptional circumstance and uncertain market conditions, the Group has involved actuarial expert to assess its technical reserves based on the updated inputs and assumptions as at June 30, 2020.

Also, the Group has made an assessment of outstanding claims as of June 30, 2020 and has concluded that there is no material impact on the outstanding claims due to Covid 19.

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

ii) Impact on investment portfolio

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

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

19. COVID-19 IMPACT (CONTINUED)

iii) Impact on other assets and liabilities

The Group has also assessed the impact of COVID- 19 on other assets and liabilities and ensured that proper adjustments and adequate disclosures are made in the interim condensed consolidated financial information. The circumstances under Covid 19 have created material valuation uncertainties related to properties, however, management believes that there have been no significant change in the fair value of properties from the date of the latest valuations conducted in 2019.

iv) Going concern

The Group has performed an assessment of whether it is a going concern in the light of current economic conditions and all available information about future risks and uncertainties. The forecast has been revised to reflect actual performance and the related impact of the Group's expected future performance, capital and liquidity requirements. The impact of COVID-19 may continue to evolve, but at the present time the forecast show that the Group has sufficient resources to continue in operational existence and its going concern position remains largely unaffected and unchanged from December 31, 2019. As a result, these interim condensed consolidated financial information have been appropriately prepared on a going concern basis.

v) Subsequent events

The implications of the COVID-19 and the explosion in Lebanon are ongoing and the outcome of this event is unknown and therefore the impact on the Group for conditions that arose after the period end i.e. "non-adjusting events" in line with IAS 10 "Subsequent events" cannot be reasonably quantified at the date of issuance of these interim condensed consolidated financial information.

DOHA INSURANCE GROUP Q.P.S.C.

SUPPLEMENTARY INFORMATION

For the six month period ended June 30, 2020

INTERIM CONDENSED FINANCIAL INFORMATION: DOHA TAKAFUL L.L.C. (ISLAMIC INSURANCE)

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

(i) Interim condensed statement of financial position

	June 30, 2020	December 31, 2019
	QR	QR
	(Reviewed)	(Audited)
Policyholder's assets		
Cash on hand	8,466	6,279
Bank balances (Islamic banks)	74,794,137	72,609,288
Reinsurance contract assets	13,075,570	8,545,202
Due from policyholders, insurance and reinsurance companies	21,334,545	16,215,467
Due from parent	769,205	--
Prepayments and other assets	5,451,586	3,060,700
Total policyholder's assets	115,433,509	100,436,936
Shareholder's assets		
Bank balances	82,442,405	93,581,641
Due from policyholders	13,492,662	25,717,224
Financial investments FVTPL	61,556,370	5,038,325
Fixed asset	238,550	193,318
Other assets	1,730,481	1,074,520
Total shareholder's assets	159,460,468	125,605,028
Total assets	274,893,977	226,041,964
Shareholder's equity		
Share capital	150,000,000	110,000,000
Legal reserve	1,308,149	1,308,149
Retained earnings	6,281,302	11,762,471
Fair value reserve	--	10,871
Total shareholder's equity	157,589,451	123,081,491
Shareholder's liability		
Accrued expenses	1,871,017	2,523,537
Total shareholder's equity and liability	159,460,468	125,605,028
Policyholders' fund		
Policyholders' fund	16,658,532	11,665,870
Policyholder liabilities		
Takaful contract liabilities	66,995,787	49,709,698
Provisions, insurance and other payables	18,286,528	13,344,143
Due to shareholders	13,492,662	25,717,225
Total policyholder liabilities	98,774,977	88,771,066
Total policyholder's equity and liabilities	115,433,509	100,436,936
Total policyholder's funds and liabilities and total shareholder's equity and liability	274,893,977	226,041,964

DOHA INSURANCE GROUP Q.P.S.C.

SUPPLEMENTARY INFORMATION

For the six month period ended June 30, 2020

INTERIM CONDENSED FINANCIAL INFORMATION: DOHA TAKAFUL L.L.C. (ISLAMIC INSURANCE)**(ii) Interim condensed statement of profit or loss**

	Three month period ended June 30,		Six month period ended June 30,	
	2020	2019	2020	2019
	QR	QR	QR	QR
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Policyholder's revenue and expenses				
Revenue				
Net takaful gain	3,812,282	1,343,432	4,821,893	980,954
Other income	276,160	379,599	777,568	773,303
	4,088,442	1,723,031	5,599,461	1,754,257
Expenses				
General and administrative expenses	(224,564)	(296,970)	(606,799)	(603,812)
Net surplus for the period transferred to policyholder's fund	3,863,878	1,426,061	4,992,662	1,150,445
Shareholder's revenue and expenses				
Revenue				
Wakala fees	4,982,141	3,019,986	10,441,140	6,499,167
Mudarabah fees	193,313	265,720	544,298	541,312
Investment income	1,824,306	1,710,698	1,648,702	2,176,751
Other Income	13,950	22,992	13,950	22,992
	7,013,710	5,019,396	12,648,090	9,240,222
Expenses				
General and administrative expenses	(3,139,453)	(3,224,547)	(6,366,778)	(5,471,639)
Net income to shareholder	3,874,257	1,794,849	6,281,312	3,768,583