

**Doha Insurance Group Q.P.S.C.
Doha - Qatar**

Condensed Consolidated Interim Financial Information

**For the nine month period ended
30 September 2022**

Doha Insurance Group Q.P.S.C.

**Condensed Consolidated Interim Financial Information and Independent Auditor's Review Report
For the nine month period ended 30 September 2022**

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Independent auditors' report on review of condensed consolidated interim financial information

To the Shareholders of Doha Insurance Group Q.P.S.C.

Introduction

We have reviewed the accompanying 30 September 2022 condensed consolidated interim financial information of Doha Insurance Group Q.P.S.C (the "Company") and its subsidiaries (together the "Group"), which comprise;

- the condensed consolidated interim statement of financial position as at 30 September 2022;
- the condensed consolidated interim statement of profit or loss for the three-month and nine-month periods ended 30 September 2022;
- the condensed consolidated interim statement of comprehensive income for three-month and nine-month periods ended 30 September 2022;
- the condensed consolidated interim statement of changes in equity for the nine-month period ended 30 September 2022;
- the condensed consolidated interim statement of cash flows for the nine-month period ended 30 September 2022; and
- notes to the condensed consolidated interim financial information.

The Board of Directors of the Company is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standards 34, 'Interim Financial Reporting' ('IAS 34'). Our responsibility is to express a conclusion on this condensed consolidated interim 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 and 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.



Independent auditors' report on review of condensed consolidated interim financial information (continued)

Doha Insurance Group Q.P.S.C.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2022 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Other Matter

The condensed consolidated interim financial information and the consolidated financial statement of the Group as at and for the nine month period ended 30 September 2021 and as at and for the year ended 31 December 2021 were reviewed and audited by another auditor who expressed an unmodified review conclusion and unmodified opinion on those condensed consolidated interim financial information and consolidated financial statements on 27 October 2021 and on 10 March 2022 respectively.

26th of October 2022
Doha
State of Qatar

Yacoub Hobeika
KPMG
Qatar Auditor's Registry Number 289
Licensed by QFMA: External
Auditor's License No. 120153



Doha Insurance Group Q.P.S.C.

Condensed consolidated interim statement of financial position
As at 30 September 2022

In Qatari Riyals

	Notes	30 September 2022 (Reviewed)	31 December 2021 (Audited)
ASSETS			
Cash and bank balances	3	522,986,342	432,541,053
Financial investments	4	819,617,314	881,566,709
Insurance and other receivables	5	528,624,522	449,857,537
Investment properties	6	284,271,432	298,466,405
Investments in associates	7	20,098,249	18,171,070
Reinsurance contract assets	8	1,154,933,087	900,914,325
Property and equipment		17,689,215	19,827,403
Right-of-use assets		5,156,936	6,743,796
TOTAL ASSETS		3,353,377,097	3,008,088,298
EQUITY and liabilities			
Equity			
Share capital	10	500,000,000	500,000,000
Legal reserve	11	383,496,726	383,496,726
Fair value reserve		(14,822,307)	2,572,387
Foreign currency translation reserve		(8,520,830)	(2,328,694)
Retained earnings		335,949,319	305,600,359
Total equity		1,196,102,908	1,189,340,778
Liabilities			
Insurance contract liabilities	8	1,614,552,316	1,319,513,932
Provisions, insurance, and other payables		351,988,206	272,324,923
Borrowings	9	169,551,370	205,675,302
Provision for employees' end of service benefits		13,296,643	11,910,852
Lease liability		7,885,654	9,322,511
Total liabilities		2,157,274,189	1,818,747,520
TOTAL EQUITY AND LIABILITIES		3,353,377,097	3,008,088,298

This condensed consolidated interim financial information was approved by the Board of Directors on 26 October 2022 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 1-20 form an integral part of and should be read in conjunction with these condensed consolidated interim financial information

Doha Insurance Group Q.P.S.C.

Condensed consolidated interim statement of profit or loss
For the three month and nine month periods ended 30 September 2022

In Qatari Riyals

Notes	For the three month period ended 30 September		For the nine month period ended 30 September		
	2022 (Reviewed)	2021 (Reviewed)	2022 (Reviewed)	2021 (Reviewed)	
Gross premiums	15	376,276,162	271,390,034	1,235,696,703	849,915,814
Reinsurers' share of gross premiums	15	(265,480,349)	(177,269,161)	(864,322,052)	(498,957,295)
Net premiums		110,795,813	94,120,873	371,374,651	350,958,519
Unearned premium reserve	15	(8,295,411)	4,350,898	(38,004,417)	(43,803,074)
Underwriting revenue		102,500,402	98,471,771	333,370,234	307,155,445
Claims paid	15	(80,596,597)	(59,378,353)	(262,046,334)	(228,659,539)
Reinsurers' share of claims	15	22,103,361	22,237,794	101,588,420	80,147,913
Change in outstanding claims reserve	15	1,009,145	(20,056,124)	820,521	(40,211,024)
Commissions received	15	14,201,786	10,105,225	53,102,953	37,611,121
Commissions paid	15	(21,093,363)	(16,258,569)	(63,707,470)	(48,895,632)
Other technical expenses	15	(3,168,785)	(1,767,929)	(7,241,121)	(4,372,293)
Net underwriting results		34,955,949	33,353,815	155,887,203	102,775,991
Dividend income		1,125,313	890,537	18,091,804	11,650,284
Interest income		3,666,456	2,890,985	11,208,067	6,982,904
Rental income from investment properties		3,209,248	3,706,292	10,337,760	11,101,545
Share of results of associates	7	1,859,537	133,956	2,516,670	941,881
Net loss on sale of financial assets		(1,270,543)	2,509,436	(1,851,964)	3,447,258
Unrealised loss on investment in financial assets at fair value through profit or loss – net		(724,095)	(572,055)	(13,745,158)	2,824,706
Depreciation of investment properties		(1,696,664)	(1,813,077)	(5,399,244)	(5,530,913)
Finance cost on borrowings		(420,538)	(743,968)	(1,888,644)	(1,315,523)
Other income		849,362	544,893	992,704	721,732
Investment and other income		6,598,076	7,546,999	20,261,995	30,823,874
General and administrative expenses	14	(26,359,345)	(24,750,697)	(79,705,078)	(70,411,554)
Depreciation of properties and equipment		(856,534)	(722,374)	(2,665,673)	(2,018,529)
Amortization of right-of-use assets		(539,755)	(511,073)	(1,746,056)	(1,565,984)
Finance cost on lease liability		(126,221)	(160,470)	(355,701)	(420,942)
Total expenses		(27,881,855)	(26,144,614)	(84,472,508)	(74,417,009)
Profit for the period before allocation to Takaful operation's policyholders		13,672,170	14,756,200	91,676,690	59,182,856
Profit for the period before allocation to Takaful operation's policyholders		13,672,170	14,756,200	91,676,690	59,182,856
Net surplus attributable to Takaful operation's policyholders		(967,363)	(410,369)	(3,488,077)	(4,355,048)
Profit attributable to shareholders		12,704,807	14,345,831	88,188,613	54,827,808
Income tax		-	-	(24,598)	(25,642)
Profit attributable to shareholders after tax		12,704,807	14,345,831	88,164,015	54,802,166
Basic and diluted earnings per share	13	0.03	0.03	0.18	0.11



The accompanying notes 1-20 form an integral part of and should be read in conjunction with these condensed consolidated interim financial information

Doha Insurance Group Q.P.S.C.

Condensed consolidated interim statement of comprehensive income
For the three month and nine month periods ended 30 September 2022

In Qatari Riyals

	For the three month period ended 30 September		For the nine month period ended 30 September	
	2022 (Reviewed)	2021 (Reviewed)	2022 (Reviewed)	2021 (Reviewed)
Profit attributable to shareholders of the Parent after tax	12,704,807	14,345,831	88,164,015	54,802,166
Other comprehensive income				
<i>Items that may be subsequently reclassified to statement of profit or loss</i>				
Share of other comprehensive profit / (loss) of associates	(30,374)	(85,191)	388,267	(372,691)
Net change in fair value of debt instruments at fair value through other comprehensive income (FVTOCI)	(3,048,511)	(400,852)	(12,166,343)	(129,765)
Exchange differences on translating foreign operations	(2,663,736)	(1,253,624)	(6,192,135)	(2,992,053)
	<u>(5,742,621)</u>	<u>(1,739,667)</u>	<u>(17,970,211)</u>	<u>(3,494,509)</u>
<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)	533,442	11,487,914	(3,431,674)	49,704,830
Other comprehensive (loss) / income for the period	(5,209,179)	9,748,247	(21,401,885)	46,210,321
Total comprehensive (loss)/income for the period	(7,495,628)	24,094,078	66,762,130	101,012,487



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The accompanying notes 1-20 form an integral part of and should be read in conjunction with these condensed consolidated interim financial information

Doha Insurance Group Q.P.S.C.

**Condensed consolidated interim statement of changes in equity
For the nine month period ended 30 September 2022**

In Qatari Riyals

	Share Capital	Legal reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total
Balance at January 1, 2021 (Audited)	500,000,000	376,169,757	(59,174,490)	1,769,980	290,936,195	1,109,701,442
Profit attributable to shareholders after tax	-	-	-	-	54,802,166	54,802,166
Other comprehensive income for the period	-	-	49,202,374	(2,992,053)	-	46,210,321
Gain on sale of investment	-	-	(477,068)	-	477,068	-
Cash dividends paid (Note 12)	-	-	-	-	(50,000,000)	(50,000,000)
Balance at 30 September 2021 (Reviewed)	<u>500,000,000</u>	<u>376,169,757</u>	<u>(10,449,184)</u>	<u>(1,222,073)</u>	<u>296,215,429</u>	<u>1,160,713,929</u>
Balance at January 1, 2022 (Audited)	500,000,000	383,496,726	2,572,387	(2,328,694)	305,600,359	1,189,340,778
Profit attributable to shareholders after tax	-	-	-	-	88,164,015	88,164,015
Other comprehensive income for the period	-	-	(17,394,695)	(6,192,135)	2,184,945	(21,401,885)
Cash dividend paid (Note 12)	-	-	-	-	(60,000,000)	(60,000,000)
Balance at September 30, 2022 (Reviewed)	<u>500,000,000</u>	<u>383,496,726</u>	<u>(14,822,308)</u>	<u>(8,520,829)</u>	<u>335,949,319</u>	<u>1,196,102,908</u>



The accompanying notes 1-20 form an integral part of and should be read in conjunction with these condensed consolidated interim financial information

Doha Insurance Group Q.P.S.C.

Condensed consolidated interim statement of cash flows
For the nine month period ended 30 September 2022

In Qatari Riyals

	For the nine month period ended 30 September	
	2022 (Reviewed)	2021 (Reviewed)
	Note	
OPERATING ACTIVITIES		
Profit attributable to shareholders of the Parent before tax	88,188,613	54,802,166
<i>Adjustments for:</i>		
Depreciation of property and equipment	2,665,673	2,018,529
Depreciation of investment properties	5,399,244	5,530,913
Amortization of right-of-use assets	1,586,860	1,565,984
Provision for employees' end of service benefits	1,559,469	1,736,007
Unrealised loss / (gain) on investments held at fair value through profit or loss	13,745,158	(2,824,706)
Share of results of associates	(2,516,670)	(941,881)
Reinsurers' share of unearned premium	(274,482,369)	(31,754,159)
Movement in unearned premium	312,486,783	75,557,231
Finance cost on lease liabilities	355,701	420,942
Net loss / (gain) on sale of financial assets	1,851,964	(3,447,258)
Impairment reversal on debt securities	-	(491,650)
Impairment loss on bank balances	-	15,605
Dividend income	(18,091,804)	(11,650,284)
Interest income	(11,208,067)	(6,982,904)
Finance cost on borrowings	1,888,644	1,315,523
	123,429,199	84,870,058
Movements in working capital		
Insurance and other receivables	(78,766,985)	(87,165,756)
Insurance reserves	(37,912,006)	42,112,249
Provisions, insurance, and other payables	79,693,283	40,568,666
Cash generated from operations	86,443,491	80,385,217
Income tax	(24,598)	-
Payment for employees' end of service benefits	(145,138)	(7,646,980)
Net cash generated from operating activities	86,273,755	72,738,237
INVESTING ACTIVITIES		
Dividends received	18,091,804	11,650,284
Dividend received from associate	1,000,000	-
Purchase of financial investments	(109,520,671)	(249,384,870)
Proceeds from disposal of investments	186,465,338	60,479,919
Interest received	11,208,067	6,982,904
Movement in deposits with original maturity of more than six months	10,419,546	(19,993,520)
Purchase of property and equipment	(527,484)	(1,948,605)
Purchase to investment properties	(2,740,386)	(13,455)
Net cash generated from / (used in) investing activities	114,396,214	(192,227,343)
FINANCING ACTIVITIES		
(Repayment) / Proceeds of borrowings	(36,123,932)	144,761,752
Dividends paid	(60,000,000)	(50,000,000)
Repayment of lease liabilities	(1,792,558)	(2,219,494)
Interest expense paid	(1,888,644)	(1,315,523)
Cash (used in) generated from financing activities	(99,805,134)	91,226,735
Net increase/(decrease) in cash and cash equivalents	100,864,835	(28,262,371)
Cash and cash equivalents at the beginning of period	141,124,151	161,978,694
Effect of exchange rate fluctuations on cash held	-	-
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	3 241,988,986	133,716,323

The accompanying notes 1-20 form an integral part of and should be read in conjunction with these condensed consolidated interim financial information

Doha Insurance Group Q.P.S.C.

Notes to the condensed consolidated interim financial information For the nine month period ended 30 September 2022

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 condensed consolidated interim 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 21 October 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 21 December 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 27 December 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 28 March 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 10 August 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 4 March 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.
- vii. On 4 January 2018, Mena Re Speciality was incorporated in England and Wales. The registered office is 54 Fenchurch Street, London, ECEM 3JY. The registered and paid up capital of the Subsidiary is wholly subscribed and owned by the Company. This wholly owned subsidiary is a dormant entity and commercial operation has not yet commenced.
- viii. On 27 June 2018, the Group has established Tamina Technology Solutions, a limited liability company in Qatar. The registered and paid up capital of the Subsidiary is wholly subscribed and owned by the Company. The subsidiary is registered for trade in computer network devices and computer supplies, designing and programming special software, website design and information technology consulting. This wholly owned subsidiary is a dormant entity and commercial operation has not yet commenced.

The condensed consolidated interim financial information of the Group for the nine month period ended 30 September 2022 were authorised for issue by the Board of Directors on 26 October 2022.

Doha Insurance Group Q.P.S.C.

Notes to the condensed consolidated interim financial information For the nine month period ended 30 September 2022

2. Basis of preparation and significant accounting policies

(a) Statement of compliance

The condensed consolidated interim financial information for the nine month period ended 30 September 2022 has been prepared in accordance with IAS 34 "Interim Financial Reporting".

The condensed consolidated interim financial information does 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 31 December 2021, prepared in accordance with IFRS.

In addition, the results of the nine month period ended 30 September 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

(b) Basis of measurement

The condensed consolidated interim financial information is 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 presentation currency

The condensed consolidated interim financial information is presented in Qatari Riyal ("QAR"), which is the Group's functional currency.

(d) Judgments, estimates and risk management

The preparation of these condensed consolidated interim financial information require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and 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 31 December 2021.

The Group's financial risk management objectives and policies are consistent with those disclosed in the Consolidated Financial Statements for the year ended 31 December 2021.

The accounting policies used in the preparation of this condensed consolidated interim financial statement are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2021, 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) New and amended IFRS Standards that are effective for the current year

	<i>Effective for annual periods beginning on or after</i>
<i>New and revised IFRSs</i>	
COVID-19-Related Rent Concessions beyond 30 June 2021 – Amendment to IFRS 16	1 April 2021
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)	1 January 2022
Annual Improvements to IFRS Standards 2018–2020	
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	
Reference to the Conceptual Framework (Amendments to IFRS 3)	

The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years.

2. Basis of preparation and significant accounting policies (continued)**(ii) New and amended IFRSs in issue but not yet effective and not early adopted**

New and revised IFRSs	Effective for annual periods beginning on or after
<i>Classification of Liabilities as Current or Noncurrent– Amendments to IAS 1</i>	January 1, 2023
<i>IFRS 17 Insurance Contracts,</i>	January 1, 2023
<i>Disclosure of Accounting Policies –Amendments to IAS 1 and IFRS Practice Statement 2</i>	January 1, 2023
<i>Definition of Accounting Estimate –Amendments to IAS 8</i>	January 1, 2023
<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12</i>	January 1, 2023
<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)</i>	Available for optional adoption/effective date deferred indefinitely

IFRS 17 Insurance Contracts - Standard issued in May 2018

IFRS 17 Insurance Contracts establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The standard is effective for annual periods beginning on or after 1 January 2023 with an earlier application is permitted.

IFRS 17 provides comprehensive guidance on accounting for insurance contracts and investment contracts with discretionary participation features. For general insurance contracts, IFRS 17 requires discounting of loss reserves expected to be paid in more than one year as well as risk adjustment, for which confidence level equivalent disclosure will be required.

The management is currently assessing the impact IFRS 17 may have on the Group financial statements.

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

3. Cash and bank balances

	30 September 2022 (Reviewed)	31 December 2021 (Audited)
Cash on hand	656,910	587,865
Bank balances and term deposits	522,635,692	432,259,448
Allowance for impairment	(306,260)	(306,260)
Cash and bank balances	<u>522,986,342</u>	<u>432,541,053</u>

Term deposits consist of fixed deposits amounting to QR. 281,303,616 (2021: QR 291,723,162) bearing interest at the rate of 0.5% to 4.25% per annum (31 December 2021: 0.0% to 2.4 % per annum).

Doha Insurance Group Q.P.S.C.

Notes to the condensed consolidated interim financial information For the nine month period ended 30 September 2022

In Qatari Riyals

3. Cash and bank balances (continued)

Reconciliation to gross cash and cash equivalents:

	30 September 2022 (Reviewed)	31 December 2021 (Audited)
Cash and bank balances	522,986,342	432,541,053
Less: deposits with original maturity of more than 3 months	(281,303,616)	(291,723,162)
Add: Allowance for impairment	306,260	306,260
Gross cash and cash equivalents	<u>241,988,986</u>	<u>141,124,151</u>

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.

4. Financial investments

The carrying amounts of financial investments were as follows:

	30 September 2022 (Reviewed)	31 December 2021 (Audited)
Investments held at fair value through profit or loss		
Quoted shares	-	3,115,794
Funds	153,174,030	159,149,198
Debt securities with fixed interest rate	-	92,267,411
Investments held at amortized cost		
Debt securities with fixed interest rate	92,203,111	-
Investments held at fair value through other comprehensive income		
Quoted shares	399,033,932	404,749,838
Private equity funds and unquoted shares	37,044,622	49,291,512
Debt securities with fixed interest rate	139,106,446	173,937,783
Allowance for impairment	(944,827)	(944,827)
	<u>819,617,314</u>	<u>881,566,709</u>

The debt securities carry interest at 1.30% and 8.6% (31 December 2021: 1.3% to 13.87%) per annum and have maturity periods between 1 to 29 years. During the year on 31 May 2022 debt securities with fixed interest rate amounting to QAR 90,314,133 were reclassified from fair value through profit or loss to amortized cost due to change in business model of the Company.

5. Insurance and other receivable

	30 September 2022 (Reviewed)	31 December 2021 (Audited)
Premiums and insurance receivables – net	460,741,653	393,542,473
Due from employees	2,425,482	2,358,621
Prepayments and others	26,654,218	20,003,892
Deferred acquisition cost	38,803,169	33,952,551
	<u>528,624,522</u>	<u>449,857,537</u>

Doha Insurance Group Q.P.S.C.

**Notes to the condensed consolidated interim financial information
For the nine month period ended 30 September 2022**

In Qatari Riyals

6. Investment properties

	30 September 2022 (Reviewed)	31 December 2021 (Audited)
Net carrying value at the beginning of the period / year	298,466,405	314,148,339
Additions	2,740,386	13,456
Depreciation and amortization for the period / year	(5,399,244)	(7,318,682)
Translation reserve	(11,536,115)	(8,376,708)
Net carrying value at the end of the period / year	<u>284,271,432</u>	<u>298,466,405</u>

7. Investments in associates

The Group has following investment in associates:

	<i>Country of incorporation</i>	<i>Percentage of ownership</i>		<i>Principal activity</i>
		30 September 2022 (Reviewed)	31 December 2021 (Audited)	
Yemeni Qatari Insurance Company	Republic of Yemen	40%	40%	Insurance
Qatar unified Insurance Bureau W.L.L.	State of Qatar	25%	25%	Insurance

Movements in the investment in associates are as follows:

	30 September 2022 (Reviewed)	31 December 2021 (Audited)
At the beginning of the period / year	18,171,070	17,185,813
Equity share in net earnings	2,516,670	2,013,693
Cash dividends received	(1,000,000)	(716,176)
Share of other comprehensive income / (loss) of associate	388,267	(281,152)
Foreign currency translation difference	22,242	(31,108)
At the ending of the period / year	<u>20,098,249</u>	<u>18,171,070</u>

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

	30 September 2022 (Reviewed)	31 December 2021 (Audited)
Share in the associates' statement of financial position:		
Total assets	17,773,533	15,571,191
Total liabilities	(3,941,246)	(3,666,082)
Net assets	<u>13,832,287</u>	<u>11,905,109</u>
Additional consideration paid in excess of share in net assets	6,265,962	6,265,961
	<u>20,098,249</u>	<u>18,171,070</u>
Share in the associates' revenue and results:		
Revenues	5,308,447	7,268,357
Share of results	<u>2,516,670</u>	<u>2,013,693</u>

Doha Insurance Group Q.P.S.C.

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For the nine month period ended 30 September 2022**

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7. Investments in associates (continued)

The carrying amounts of these investments are as follows:

	30 September 2022 (Reviewed)	31 December 2021 (Audited)
Yemeni Qatari Insurance Company	9,020,939	8,317,863
Qatar Unified Insurance Bureau W.L.L.	<u>11,077,310</u>	<u>9,853,207</u>
	<u>20,098,249</u>	<u>18,171,070</u>

8. Insurance contract liabilities and reinsurance contract assets

	30 September 2022 (Reviewed)	31 December 2021 (Audited)
Gross		
Insurance contract liabilities:		
Claims reported unsettled	715,763,201	754,351,920
Claims incurred but not reported	131,200,437	113,895,848
Unearned premiums	752,641,153	440,154,370
Deferred commissions	<u>14,947,525</u>	<u>11,111,794</u>
	<u>1,614,552,316</u>	<u>1,319,513,932</u>
Recoverable from reinsurers:		
Claims reported unsettled	579,956,659	611,918,541
Claims incurred but not reported	58,772,452	47,274,177
Re-insurers' share in unearned premiums	<u>516,203,976</u>	<u>241,721,607</u>
	<u>1,154,933,087</u>	<u>900,914,325</u>
Net		
Claims reported unsettled	135,806,542	142,433,379
Claims incurred but not reported	72,427,984	66,621,671
Unearned premiums	236,437,178	198,432,763
Deferred commissions	<u>14,947,525</u>	<u>11,111,794</u>
	<u>459,619,229</u>	<u>418,599,607</u>

8. Insurance contract liabilities and reinsurance contract assets (continued)**(a) Outstanding claims provision**

	30 September 2022 (Reviewed)		31 December 2021 (Audited)	
	Gross	Reinsurers' share	Gross	Reinsurers' share
At the beginning of the period / year				
Claims reported unsettled	754,351,918	(611,918,548)	741,887,961	(614,951,811)
Claims incurred but not reported	113,895,850	(47,274,170)	91,914,366	(49,587,516)
	<u>868,247,768</u>	<u>(659,192,718)</u>	<u>833,802,327</u>	<u>(664,539,327)</u>
Insurance claims paid during the period / year	(262,046,334)	101,588,420	(349,425,690)	138,984,063
Incurred during the period / year	240,762,205	(81,124,811)	383,871,131	(133,637,454)
At the end of the period / year	<u>846,963,639</u>	<u>(638,729,109)</u>	<u>868,247,768</u>	<u>(659,192,718)</u>
		142,433,370		126,936,150
		<u>66,621,680</u>		<u>42,326,850</u>
		209,055,050		169,263,000
		<u>(160,457,914)</u>		<u>(210,441,627)</u>
		159,637,394		250,233,677
		<u>208,234,530</u>		<u>209,055,050</u>

(b) Analysis of outstanding claims

	30 September 2022 (Reviewed)		31 December 2021 (Audited)	
	Gross	Reinsurers' share	Gross	Reinsurers' share
Claims reported unsettled	715,763,201	(579,956,659)	754,351,920	(611,918,541)
Claims incurred but not reported	131,200,437	(58,772,452)	113,895,848	(47,274,177)
At the end of the period/year	<u>846,963,638</u>	<u>(638,729,111)</u>	<u>868,247,768</u>	<u>(659,192,718)</u>
		135,806,542		142,433,379
		<u>72,427,985</u>		<u>66,621,671</u>
		208,234,527		209,055,050

(c) Unearned premium reserve

	30 September 2022 (Reviewed)		31 December 2021 (Audited)	
	Gross	Reinsurers' share	Gross	Reinsurers' share
At the beginning of the period / year	440,154,370	(241,721,607)	365,349,550	(210,146,283)
Gross premiums during the period / year	1,235,696,703	(864,322,052)	1,120,996,679	(651,302,939)
Earned insurance premiums during the period / year	(923,209,916)	589,839,682	(1,046,191,859)	619,727,615
At the end of the period / year	<u>752,641,157</u>	<u>(516,203,977)</u>	<u>440,154,370</u>	<u>(241,721,607)</u>
		198,432,763		155,203,267
		<u>371,374,651</u>		<u>469,693,740</u>
		(333,370,234)		(426,464,244)
		<u>236,437,180</u>		<u>198,432,763</u>

Doha Insurance Group Q.P.S.C.

Notes to the condensed consolidated interim financial information For the nine month period ended 30 September 2022

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9. Borrowings

	30 September 2022 (Reviewed)	31 December 2021 (Audited)
Loan (i)	21,285,222	25,363,149
Loan (ii)	17,412,100	21,269,152
Loan (iii)	78,303,000	105,307,611
Loan (iv)	52,551,048	53,735,390
	<u>169,551,370</u>	<u>205,675,302</u>

	Currency	Nominal interest rate	Year of maturity	Face Value	Carrying amount
Loan (i)	EUR	2.65%	31 March 2027	4,526,461	6,048,198
Loan (ii)	EUR	1.73%	31 July 2028	2,322,764	4,990,141
Loan (iii)	USD	LIBOR + 0.8%	Revolving Loan		20,500,000
Loan (iv)	USD	LIBOR + 0.85%	Revolving Loan		15,011,585

- i. In 2017, a loan was taken to purchase an investment property in Germany, by a subsidiary, Schwenke Zentrum S.a.r.l., which bears interest of 2.65%. It is repayable over a period of 256 months starting from May 30, 2017. The non-current portion of the loan as at period end amounted to QR 20,192,291 (31 December 2021: QR 24,132,728). The loan is secured by a mortgage on the investment property amounting to QR 40,461,820 at September 30, 2022 (31 December 2021: QR 47,427,537).
- 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% annually payable in monthly instalments until July 31, 2028. The non-current portion of the loan as at period end amounted to QR 15,910,882 (31 December 2021: QR 19,567,401). The loan is secured by a mortgage on the investment property amounting to QR 35,599,579 (31 December 2021: QR 41,858,890).
- iii. In 2021, the Group has availed credit facility amounting to USD 30 million from an investment management company to finance various investments. The facility bears interest at the rate of LIBOR + 0.8% and is repayable within one year. The facility is collateralized against investments amounting to USD 34.3 million as of reporting date.
- iv. In 2021, the Group has availed Murabaha facility through a subsidiary, Doha Takaful L.L.C. amounting to USD 30 million from an investment management company to finance various investments. The expected profit pay-out rate is LIBOR + 0.85% and is repayable within one year. The facility is collateralized against investments amounting to USD 30.1 million as of reporting date.

10. Share capital

	30 September 2022 (Reviewed)	31 December 2021 (Audited)
Authorized, issued, and fully paid up share capital 500,000,000 shares of QR 1 each	<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.

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12. Dividends

The Board of Directors approved in its meeting held on 22 February 2022 to distribute a cash dividend of 12% of the share capital amounting to QR 0.12 per share totalling to QR 60,000,000 for the year ended 31 December 2021 which were duly approved by the General Assembly of the Company's Shareholders on 22 March 2022 (2021: QR 0.10 per share totalling to QR 50,000,000).

13. Earnings per share

	For the three month period ended 30 September		For the ninth month period ended 30 September	
	2022	2021	2022	2021
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Profit attributable to the shareholders (QR)	12,704,807	14,345,831	88,164,015	54,802,166
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	0.03	0.18	0.11

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 30 September		For the ninth month period ended 30 September	
	2022	2021	2022	2021
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Salaries, wages and other benefits	17,358,575	18,320,163	56,598,585	53,194,719
Rent, maintenance and office expenses	1,471,933	1,247,242	4,251,913	3,955,784
Legal and consultation fees	1,279,302	571,504	2,641,618	1,796,885
Advertisement and business promotion	271,710	599,079	1,086,665	1,162,764
Board remuneration	1,750,000	1,500,000	5,250,000	4,500,000
Government fees	183,399	201,051	697,848	798,308
Business travel	120,004	111,828	270,252	197,920
Printing and stationery	43,724	20,083	197,044	167,084
Miscellaneous expenses	3,880,698	2,179,747	8,711,153	4,638,090
	26,359,345	24,750,697	79,705,078	70,411,554

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15. Segment information

For management purposes, the Group is organised into three business segments: motor, marine and aviation, 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	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021	30 September 2022	30 September 2021	30 September 2022	30 September 2021
Gross premiums	179,631,430	164,586,987	218,076,195	155,208,819	837,989,078	530,120,008	1,235,696,703	849,915,814
Reinsurers' share of gross premiums	(12,725,988)	(9,568,654)	(210,592,336)	(141,125,524)	(641,003,728)	(348,263,117)	(864,322,052)	(498,957,295)
Net premiums	166,905,442	155,018,333	7,483,859	14,083,295	196,985,350	181,856,891	371,374,651	350,958,519
Change in unearned premium reserve	(10,602,181)	(8,484,380)	3,463,481	(3,354,276)	(30,865,717)	(31,964,418)	(38,004,417)	(43,803,074)
Underwriting revenue	156,303,261	146,533,953	10,947,340	10,729,019	166,119,633	149,892,473	333,370,234	307,155,445
Claims paid	(80,507,832)	(71,262,442)	(7,398,603)	(4,282,089)	(174,139,899)	(153,115,008)	(262,046,334)	(228,659,539)
Reinsurers' share of claims	1,582,620	1,188,760	7,107,381	4,045,815	92,898,419	74,913,338	101,588,420	80,147,913
Change in outstanding claims reserve	(17,554,699)	(14,492,939)	(562,663)	79,732	18,983,636	(26,845,169)	866,274	(41,258,376)
Commissions received	2,456,631	3,632,869	11,959,880	8,967,167	38,686,442	25,011,085	53,102,953	37,611,121
Commissions paid	(18,807,778)	(17,656,324)	(5,202,182)	(2,497,927)	(39,697,510)	(28,741,381)	(63,707,470)	(48,895,632)
Other technical expenses	(5,696,376)	(3,516,971)	(16,017)	(13,962)	(1,528,728)	(841,360)	(7,241,121)	(4,372,293)
Unallocated loss adjustment expenses	-	-	-	-	-	-	(45,753)	1,047,352
Net underwriting results	37,775,827	44,426,906	16,835,136	17,027,755	101,321,993	40,273,978	155,887,203	102,775,991
Investment and other income	-	-	-	-	-	-	20,261,995	37,670,310
Total expenses	-	-	-	-	-	-	(84,472,508)	(81,263,445)
Net surplus attributable to	-	-	-	-	-	-	(3,488,077)	(4,355,048)
Takaful operation's policyholders	-	-	-	-	-	-	(24,598)	(25,642)
Income tax	-	-	-	-	-	-	88,164,015	54,802,166
Profit for the period	-	-	-	-	-	-	88,164,015	54,802,166

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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.

	30 September 2022 (Reviewed)		31 December 2021 (Audited)	
	Qatar	International	Qatar	International
Asset		Total		Total
Total assets	3,204,028,147	3,354,587,396	2,834,231,371	3,008,088,298
Liabilities				
Insurance contract liabilities	1,542,337,191	69,931,352	1,237,332,686	82,181,246
Net surplus attributable to Islamic Takaful policyholders	23,446,735	-	23,446,735	-
Other liabilities	476,471,361	45,087,544	348,482,327	127,304,525
Net assets	1,161,772,860	35,540,353	1,224,969,623	(35,628,844)
		1,197,313,213		1,189,340,778

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.

Major shareholder represents shareholders having more than 1% of shareholding.

Related party transactions

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

	30 September 2022 (Reviewed)		30 September 2021 (Reviewed)	
	Premiums	Claims	Premiums	Claims
Major shareholders	<u>45,072,854</u>	<u>9,731,578</u>	<u>23,883,546</u>	<u>4,731,071</u>

Related party balances

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

	30 September 2022 (Reviewed)		31 December 2021 (Audited)	
	Insurance and other receivable	Provisions, insurance, and other payables	Insurance and other receivable	Provisions, insurance, and other payables
Major shareholders	<u>22,561,082</u>	<u>1,915,295</u>	<u>10,973,830</u>	<u>1,010,110</u>

Compensation of key management personnel

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

	30 September 2022 (Reviewed)	30 September 2021 (Reviewed)
Board remuneration (Note 14)	5,250,000	4,500,000
Short-term benefits	3,465,000	3,465,000
End of service and other benefits	131,250	247,914
	<u>8,846,250</u>	<u>8,212,914</u>

17. Contingencies and commitments**Guarantees**

At September 30, 2022, 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 18,268,760 (31 December 2021: QR. 14,534,714).

Legal claims

The Group is subject to litigations and claims 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 30 September 2022 and 31 December 2021:

	30 Sept 2022 (Reviewed)	Level 1 (Reviewed)	Level 2 (Reviewed)	Level 3 (Reviewed)
<i>Assets measured at fair value</i>				
Investments in financial assets	<u>819,617,314</u>	<u>782,572,692</u>	<u>18,803,295</u>	<u>18,241,327</u>
	31 December 2021 (Audited)	Level 1 (Audited)	Level 2 (Audited)	Level 3 (Audited)
<i>Assets measured at fair value</i>				
Investments in financial assets	<u>881,566,709</u>	<u>832,275,197</u>	<u>31,148,861</u>	<u>18,142,651</u>

During the period ended 30 September 2022 and year ended 31 December 2021, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

Valuation technique for level 3 investments:

Equity investment	Valuation Technique
Jubail Development Company	Jubail Development Company (JDC) is predominantly a real estate development company with real estate assets in the eastern district of Saudi Arabia. Based on Jubail Development's nature of business, the net market value of its assets is used to measure its fair value.
SAMENA	The net book value of the company is used to measure the fair value of the investments.

19. Impact of economic uncertainties

The Group has considered the potential impacts of the current economic uncertainties on account of COVID 19 and recent international disputes in determination of the reported amounts of the financial and non-financial assets, and these are considered to represent management's best assessment based on observable information. Markets however remain volatile, and the recorded amounts remain sensitive to market fluctuations.

The Group is closely monitoring the situation and has activated its business continuity planning and other risk management practices to manage the potential impact which current economic uncertainties may have on its operations and financial performance.

20. Subsequent events

There were no significant events after the reporting date, which have a bearing on the understanding of this financial information.

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