

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

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION AND  
INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE THREE MONTH PERIOD ENDED  
MARCH 31, 2021**

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

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

For the three month period ended March 31, 2021

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QR. 31249

RN: 1818/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 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 March 31, 2021, and the related interim condensed consolidated statements of profit or loss and comprehensive income, changes in equity and cash flows for the three month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this 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. 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*

We were unable to complete our review of the technical reserves as at March 31, 2020 as the Group had not completed its actuarial assessment of the Claims Incurred but Not Reported Reserves (IBNR”), Unallocated Loss Adjustment Expenses Reserve (“ULAE”) and Premium Deficiency Reserve (“PDR”) included within the technical reserves. Our review conclusion on the interim financial information for the three month period ended March 31, 2020 was modified accordingly. Our conclusion on the current period interim financial information is also modified because of the possible effect of this matter on the comparability of the current period’s figures and prior period’s figures.

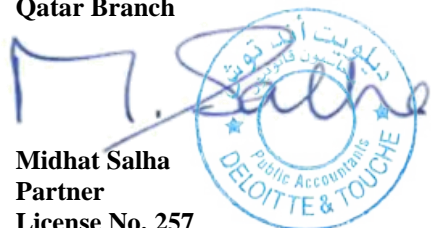
### *Qualified Conclusion*

Except for the adjustments to the interim financial information in respect of prior period’s figures that we might have become aware of had it not been for the situation described above, 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 Standards 34 “Interim Financial Reporting”.

**Doha – Qatar  
28 April 2021**

**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 March 31, 2021

|  | Notes | March 31,<br>2021<br>QR<br>(Reviewed) | December 31,<br>2020<br>QR<br>(Audited) |
|--|-------|---------------------------------------|---|
| <b>ASSETS</b>                            |       |                                       |   |
| Cash and bank balances                   | 4     | 330,207,160                           | 398,385,259                             |
| Financial investments                    | 5     | 715,872,407                           | 622,986,243                             |
| Reinsurance contract assets              | 8     | 949,396,311                           | 874,685,610                             |
| Insurance and other receivables          |       | 462,649,234                           | 363,522,149                             |
| Investments in associates                | 6     | 16,816,213                            | 17,185,813                              |
| Investment properties                    | 7     | 307,498,116                           | 314,148,339                             |
| Right-of-use assets                      |       | 8,760,445                             | 9,820,926                               |
| Property and equipment                   |       | 11,541,346                            | 11,930,026                              |
| <b>TOTAL ASSETS</b>                      |       | <b>2,802,741,232</b>                  | <b>2,612,664,365</b>                    |
| <b>EQUITY AND LIABILITIES</b>            |       |                                       |   |
| <b>Equity</b>                            |       |                                       |   |
| Share capital                            | 10    | 500,000,000                           | 500,000,000                             |
| Legal reserve                            | 11    | 376,169,757                           | 376,169,757                             |
| Fair value reserve                       |       | (36,350,362)                          | (59,174,490)                            |
| Foreign currency translation reserve     |       | (603,799)                             | 1,769,980                               |
| Retained earnings                        |       | 264,804,875                           | 290,936,195                             |
| <b>Total equity</b>                      |       | <b>1,104,020,471</b>                  | <b>1,109,701,442</b>                    |
| <b>Liabilities</b>                       |       |                                       |   |
| Insurance contract liabilities           | 8     | 1,319,723,262                         | 1,211,324,246                           |
| Provisions, insurance and other payables |       | 298,129,524                           | 207,951,922                             |
| Borrowings                               | 9     | 50,488,009                            | 53,571,475                              |
| Employees' end of service benefits       |       | 18,713,693                            | 17,391,026                              |
| Lease liability                          |       | 11,666,273                            | 12,724,254                              |
| <b>Total liabilities</b>                 |       | <b>1,698,720,761</b>                  | <b>1,502,962,923</b>                    |
| <b>TOTAL EQUITY AND LIABILITIES</b>      |       | <b>2,802,741,232</b>                  | <b>2,612,664,365</b>                    |

These interim condensed consolidated financial information were approved by the Board of Directors on April 28, 2021 and were signed on its behalf by:

\_\_\_\_\_  
**Nawaf Bin Nasser Bin Khaled Al Thani**  
 Chairman

  
**DELOITTE & TOUCHE**  
 Jassim Ali A. Al-Moftah  
 Chief Executive Officer  
 Doha, Qatar  
**28 APR 2021**  
 Signed for Identification  
 Purposes Only

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 month periods ended March 31, 2021

|  | Notes | For the three month period ended March 31, |               |
|--|-------|--|---------------|
|  |       | 2021                                       | 2020          |
|  |       | QR   | QR            |
|  |       | (Reviewed)                                 | (Reviewed)    |
| Gross premiums   | 15    | 315,178,070                                | 257,752,301   |
| Reinsurers' share of gross premiums  | 15    | (189,714,290)                              | (160,788,599) |
| <b>Net premiums</b>  |       | <b>125,463,780</b>                         | 96,963,702    |
| Change in unexpired risk reserve   | 15    | (24,341,432)                               | (25,518,442)  |
| <b>Underwriting revenue</b>  |       | <b>101,122,348</b>                         | 71,445,260    |
| Claims paid  | 15    | (81,863,222)                               | (80,051,078)  |
| Reinsurers' share of claims  | 15    | 27,385,398                                 | 36,391,066    |
| Change in outstanding claims reserve   | 15    | (8,288,115)                                | 1,243,882     |
| Commissions received   | 15    | 14,741,187                                 | 11,754,741    |
| Commissions paid   | 15    | (16,617,912)                               | (12,624,994)  |
| Other technical expenses   | 15    | (1,012,769)                                | (253,743)     |
| <b>Net underwriting results</b>  |       | <b>35,466,915</b>                          | 27,905,134    |
| Dividend income  |       | 9,140,927                                  | 12,422,273    |
| Interest income  |       | 2,297,883                                  | 3,313,439     |
| Rental income from investment properties   |       | 3,514,800                                  | 2,869,928     |
| Share of results of associates   | 6     | 38,264                                     | (139,688)     |
| Net gain on sale of financial assets   |       | 2,932,696                                  | 97,321        |
| Unrealised loss on investment in financial assets at fair value through profit or loss - net |       | (317,598)                                  | (8,277,411)   |
| Other income / (loss)  |       | 50,034                                     | (8,952)       |
| <b>Investment and other income</b>   |       | <b>17,657,006</b>                          | 10,276,910    |
| General and administrative expenses  | 14    | 24,130,983                                 | 19,352,941    |
| Depreciation and amortisation of investment properties                                       |       | 1,855,699                                  | 1,067,864     |
| Depreciation of properties and equipment   |       | 679,766                                    | 699,320       |
| Amortization of right-of-use assets  |       | 540,475                                    | 669,005       |
| Finance cost on lease liability  |       | 154,960                                    | 249,530       |
| Finance cost on borrowings   |       | 283,467                                    | 283,392       |
| <b>Total expenses</b>  |       | <b>27,645,350</b>                          | 22,322,052    |
| <b>Profit for the period before allocation to Takaful operation's policyholders</b>          |       | <b>25,478,571</b>                          | 15,859,992    |

DELOITTE & TOUCHE  
Doha-Qatar

28 APR 2021

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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

For the three month periods ended March 31, 2021

|   |              | <b>For the three month<br/>period ended March 31,</b> |                   |
|---|--------------|---|-------------------|
|   | <u>Notes</u> | <u>2021</u>   | <u>2020</u>       |
|   |              | <b>QR</b>   | <b>QR</b>         |
|   |              | <b>(Reviewed)</b>                                     | <b>(Reviewed)</b> |
| <b>Profit for the period before allocation to Takaful operation's policyholders</b> |              | <b>25,478,571</b>                                     | 15,859,992        |
| Net surplus attributable to Takaful operation's policyholders                       |              | <b>(1,609,891)</b>                                    | (1,128,784)       |
| <b>Profit attributable to shareholders</b>  |              | <b>23,868,680</b>                                     | 14,731,208        |
| Income tax  |              | <b>--</b>   | --                |
| <b>Profit attributable to shareholders after tax</b>                                |              | <b>23,868,680</b>                                     | 14,731,208        |
| <b>Basic and diluted earnings per share</b>   | 13           | <b>0.05</b>   | 0.03              |

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**DOHA INSURANCE GROUP Q.P.S.C.****INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the three month periods ended March 31, 2021

|   | <b>For the three month<br/>period ended March 31,</b> |                   |
|---|---|-------------------|
|   | <b>2021</b>   | <b>2020</b>       |
|   | <b>QR</b>   | <b>QR</b>         |
|   | <b>(Reviewed)</b>                                     | <b>(Reviewed)</b> |
| <b>Profit attributable to shareholders after tax</b>  | <b>23,868,680</b>                                     | 14,731,208        |
| <b>Other comprehensive income</b>   |   |                   |
| <i>Items that may be subsequently reclassified to statement of profit or loss</i>                                   |   |                   |
| Share of other comprehensive (loss) /profit of associate  | (243,932)   | 161,791           |
| Net change in fair value of debt instruments at fair value through other comprehensive income (FVTOCI)              | (846,438)   | (5,662,637)       |
| Exchange differences on translating foreign operations  | (2,373,779)   | (590,342)         |
|   | <b>(3,464,149)</b>                                    | (6,091,188)       |
| <i>Items that will not be subsequently reclassified to statement of profit or loss</i>                              |   |                   |
| Net change in fair value of equity instruments designated at fair value through other comprehensive income (FVTOCI) | 23,914,498  | (65,496,975)      |
| <b>Other comprehensive income / (loss) for the period</b>   | <b>20,450,349</b>                                     | (71,588,163)      |
| <b>Total comprehensive income / (loss) for the period</b>   | <b>44,319,029</b>                                     | (56,856,955)      |

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three month period ended March 31, 2021

|  | <b>Share<br/>capital</b> | <b>Legal reserve</b> | <b>Fair value<br/>reserve</b> | <b>Foreign currency<br/>translation<br/>reserve</b> | <b>Retained<br/>earnings</b> | <b>Total</b>         |
|--|--------------------------|----------------------|-------------------------------|---|------------------------------|----------------------|
|  | <b>QR</b>                | <b>QR</b>            | <b>QR</b>                     | <b>QR</b>   | <b>QR</b>                    | <b>QR</b>            |
| 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                | --                       | --                   | --                            | --  | 14,731,208                   | 14,731,208           |
| Other comprehensive loss for the period            | --                       | --                   | (70,997,821)                  | (590,342)   | --                           | (71,588,163)         |
| Gain on sale of investment                         | --                       | --                   | (1,140,909)                   | --  | 1,140,909                    | --                   |
| Cash dividends paid (Note 9)                       | --                       | --                   | --                            | --  | (40,000,000)                 | (40,000,000)         |
| <b>Balance at March 31, 2020 (Reviewed)</b>        | <b>500,000,000</b>       | <b>370,164,949</b>   | <b>(135,885,116)</b>          | <b>(2,784,978)</b>                                  | <b>245,195,770</b>           | <b>976,690,625</b>   |
| 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                | --                       | --                   | --                            | --  | 23,868,680                   | 23,868,680           |
| Other comprehensive income / (loss) for the period | --                       | --                   | 22,824,128                    | (2,373,779)   | --                           | 20,450,349           |
| Cash dividends paid (Note 9)                       | --                       | --                   | --                            | --  | (50,000,000)                 | (50,000,000)         |
| <b>Balance at March 31, 2021 (Reviewed)</b>        | <b>500,000,000</b>       | <b>376,169,757</b>   | <b>(36,350,362)</b>           | <b>(603,799)</b>                                    | <b>264,804,875</b>           | <b>1,104,020,471</b> |

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Doha-Qatar

**28 APR 2021**

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FINANCIAL INFORMATION



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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the three month period ended March 31, 2021

|   | <b>For the three month<br/>period ended March 31,</b> |              |
|---|---|--------------|
|   | <b>2021</b>   | <b>2020</b>  |
|   | <b>QR</b>   | <b>QR</b>    |
| <b>OPERATING ACTIVITIES</b>   |   |              |
| Profit attributable to shareholders of the Parent before tax                      | <b>23,868,680</b>                                     | 14,731,208   |
| <i>Adjustments for:</i>   |   |              |
| Depreciation of property and equipment  | <b>679,766</b>  | 699,320      |
| Depreciation of investment properties   | <b>1,855,699</b>                                      | 1,067,864    |
| Amortization of right-of-use assets   | <b>540,475</b>  | 669,005      |
| Provision for employees' end of service benefits                                  | <b>1,576,757</b>                                      | 579,102      |
| Unrealised (gain) / loss on investments held at fair value through profit or loss | <b>317,598</b>  | 8,277,411    |
| Share of results of associates  | <b>(38,264)</b>                                       | 139,688      |
| Reinsurers' share of unearned premium   | <b>(49,528,588)</b>                                   | (52,309,127) |
| Movement in unearned premium  | <b>73,870,019</b>                                     | 77,827,566   |
| Finance cost on lease liabilities   | <b>154,960</b>  | 249,530      |
| Net gain on sale of financial investments   | <b>(2,932,696)</b>                                    | (97,321)     |
| Impairment loss on debt securities  | <b>--</b>   | 9,085        |
| Impairment loss on bank balances  | <b>--</b>   | 8,696        |
| Dividend income   | <b>(9,140,927)</b>                                    | (12,422,273) |
| Interest income   | <b>(2,297,883)</b>                                    | (3,313,439)  |
| Finance costs on borrowings   | <b>283,467</b>  | 283,392      |
|   | <b>39,209,063</b>                                     | 36,399,707   |
| <b>Movements in working capital</b>   |   |              |
| Insurance and other receivables   | <b>(99,127,085)</b>                                   | (63,179,633) |
| Insurance reserves  | <b>9,346,884</b>                                      | 1,595,857    |
| Provisions, insurance and other payables  | <b>90,177,599</b>                                     | 40,301,020   |
| Cash generated from operations  | <b>39,606,461</b>                                     | 15,116,951   |
| Payment for employees' end of service benefits                                    | <b>(254,090)</b>                                      | (677,733)    |
| Interest paid on lease liability  | <b>--</b>   | (249,530)    |
| <b>Net cash generated from operating activities</b>                               | <b>39,352,371</b>                                     | 14,189,688   |
| <b>INVESTING ACTIVITIES</b>   |   |              |
| Dividends received  | <b>9,140,927</b>                                      | 12,422,273   |
| Purchase of financial investments   | <b>(82,162,863)</b>                                   | (17,731,367) |
| Proceeds from disposal of financial investments                                   | <b>14,715,925</b>                                     | 9,182,781    |
| Interest received   | <b>2,297,883</b>                                      | 3,313,439    |
| Movement in deposits with original maturity of more than three months             | <b>21,610,075</b>                                     | 83,335,768   |
| Purchase of property and equipment  | <b>(291,085)</b>                                      | (1,399,640)  |
| Additions to investment properties  | <b>(13,455)</b>                                       | (1,024,425)  |
| <b>Net cash (used in) / generated from investing activities</b>                   | <b>(34,702,593)</b>                                   | 88,098,829   |

DELOITTE & TOUCHE  
Doha-Qatar

28 APR 2021

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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 three month period ended March 31, 2021

|  | Note | For the three month<br>period ended March 31, |                     |
|--|------|---|---------------------|
|  |      | 2021  | 2020                |
|  |      | QR  | QR                  |
| <b>FINANCING ACTIVITIES</b>                            |      |   |                     |
| Repayment of borrowings                                |      | (241,402)                                     | (1,180,053)         |
| Dividends paid   |      | (50,000,000)                                  | (40,000,000)        |
| Repayment of lease liabilities                         |      | (692,934)                                     | (654,110)           |
| Interest expense paid                                  |      | (283,467)                                     | (283,392)           |
| <b>Cash used in financing activities</b>               |      | <b>(51,217,803)</b>                           | <b>(42,117,555)</b> |
| Net (decrease) / increase in cash and cash equivalents |      | (46,602,868)                                  | 60,170,962          |
| Cash and cash equivalents at the beginning of period   |      | 161,978,694                                   | 81,318,974          |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>  | 4    | <b>115,375,826</b>                            | <b>141,489,936</b>  |

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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 three month period ended March 31, 2021

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#### 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.
- vii. On January 4, 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 June 27, 2018, the Group has established Tamina Technology Solutions, a limited liability company in Qatar. The registered and paid up capital of the Subsidiary is wholly subscribed and owned by the Company. The subsidiary is registered for trade in computer network devices and computer supplies, designing and programming special software, website design and information technology consulting. This wholly owned subsidiary is a dormant entity and commercial operation has not yet commenced.

The interim condensed consolidated financial information of the Group for the three month period ended March 31, 2021 were authorised for issue by the Board of Directors on April 28, 2021.

#### 2. BASIS OF PREPARATION

##### *(a) Statement of compliance*

The interim condensed consolidated financial information for the three month period ended March 31, 2020 has been prepared in accordance with IAS 34 "Interim Financial Reporting" 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, 2020.

## DOHA INSURANCE GROUP Q.P.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three month period ended March 31, 2021

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#### 2. BASIS OF PREPARATION

*(a) Statement of compliance (continued)*

In addition, the results of the three month period ended March 31, 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

*(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 presentation currency*

The interim condensed consolidated financial information are presented in Qatari Riyal (“QAR”), which is the Company’s functional currency.

*Judgments, estimates and risk management*

The preparation of these interim condensed consolidated financial information requires 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 December 31, 2020.

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, 2020.

#### 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, 2020, 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**

| <b><u>New and revised IFRSs</u></b>  | <b><u>Effective for annual periods beginning on or after</u></b> |
|--|--|
| Interest Rate Benchmark Reform—Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)  | January 1, 2021  |
| The amendments address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to: – changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities; and – hedge accounting. |  |
| The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.  |  |

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

For the three month period ended March 31, 2021

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(ii) New and amended IFRSs in issue but not yet effective and not early adopted**

| <b><u>New and revised IFRSs</u></b>   | <b><u>Effective for annual periods beginning on or after</u></b>   |
|---|--|
| Amendments to IFRS 3 - Reference to the Conceptual Framework  | January 1, 2022  |
| Amendments to IAS 16 - Property, Plant and Equipment—Proceeds before Intended Use   | January 1, 2022  |
| Amendments to IAS 37 - Onerous Contracts – Cost of Fulfilling a Contract  | January 1, 2022  |
| Annual Improvements to IFRS Standards 2018-2020 Cycle - Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture   | January 1, 2022  |
| IFRS 17 <i>Insurance Contracts</i>  | January 1, 2023  |
| 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 <i>Insurance Contracts</i> as at January 1, 2023. |  |
| Amendments to IAS 1- Classification of Liabilities as Current or Non-current  | January 1, 2023  |
| Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)   | January 1, 2023  |
| Definition of Accounting Estimates (Amendments to IAS 8)  | January 1, 2023  |
| Amendments to IFRS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Investments in Associates and Joint Ventures</i> (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.   | Effective date deferred indefinitely. Adoption is still permitted. |

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.

**4. CASH AND BANK BALANCES**

|                                 | <b>March 31,<br/>2021</b> | December 31,<br>2020 |
|---------------------------------|---------------------------|----------------------|
|                                 | <b>QR</b>                 | QR                   |
|                                 | <b>(Reviewed)</b>         | (Audited)            |
| Cash on hand                    | <b>730,249</b>            | 550,221              |
| Bank balances and term deposits | <b>329,648,550</b>        | 398,006,677          |
| Loss allowance                  | <b>(171,639)</b>          | (171,639)            |
| Cash and bank balances          | <b><u>330,207,160</u></b> | <u>398,385,259</u>   |

Term deposits consist of fixed deposits amounting to QR. 219,204,703 (2020: QR 236,578,203) bearing interest at the rate of 0.2% to 2.80% per annum (December 31, 2020: 0.5% to 3.00 % per annum).

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

For the three month period ended March 31, 2021

**4. CASH AND BANK BALANCES (CONTINUED)**

Reconciliation to gross cash and cash equivalents:

|   | <b>March 31,<br/>2021</b> | December 31,<br>2020 |
|---|---------------------------|----------------------|
|   | <b>QR</b>                 | QR                   |
|   | <b>(Reviewed)</b>         | (Audited)            |
| Cash and bank balances                                      | <b>330,207,160</b>        | 398,385,259          |
| Less: deposits with original maturity of more than 3 months | <b>(215,002,973)</b>      | (236,578,203)        |
| Add: Allowance for impairment                               | <b>171,639</b>            | 171,638              |
| Gross cash and cash equivalents                             | <b><u>115,375,826</u></b> | <u>161,978,694</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.

**5. FINANCIAL INVESTMENTS**

The carrying amounts of financial investments were as follows:

|   | <b>March 31,<br/>2021</b> | December 31,<br>2020 |
|---|---------------------------|----------------------|
|   | <b>QR</b>                 | QR                   |
|   | <b>(Reviewed)</b>         | (Audited)            |
| Investments held at fair value through profit or loss             |                           |                      |
| Quoted shares   | <b>15,960,700</b>         | 9,845,495            |
| Funds   | <b>152,146,287</b>        | 106,937,506          |
| Debt securities with fixed interest rate                          | <b>50,196,054</b>         | 42,329,091           |
| Investments held at fair value through other comprehensive income |                           |                      |
| - Quoted shares   | <b>355,188,283</b>        | 330,685,546          |
| - Private equity funds and unquoted shares                        | <b>47,056,052</b>         | 45,751,323           |
| - Debt securities with fixed interest rate                        | <b>96,786,627</b>         | 88,898,878           |
| Allowance for impairment (ECL)                                    | <b>(1,461,596)</b>        | (1,461,596)          |
|   | <b><u>715,872,407</u></b> | <u>622,986,243</u>   |

The debt securities carry interest at 1.57% and 7.07% (December 31, 2020: 1.563% 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<br/>incorporation</i> | <i>Percentage of ownership</i> |                      | <i>Principal activity</i> |
|---------------------------------------|-------------------------------------|--------------------------------|----------------------|---------------------------|
|                                       |                                     | <b>March 31,<br/>2021</b>      | December 31,<br>2020 |                           |
|                                       |                                     | <b>(Reviewed)</b>              | (Audited)            |                           |
| Yemeni Qatari Insurance Company       | Republic of Yemen                   | <b>40%</b>                     | 40%                  | Insurance                 |
| Qatar unified Insurance Bureau W.L.L. | State of Qatar                      | <b>25%</b>                     | 25%                  | Insurance                 |

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

For the three month period ended March 31, 2021

**6. INVESTMENTS IN ASSOCIATES (CONTINUED)**

Movements in the investment in associates are as follows:

|  | <b>March 31,<br/>2021</b> | December 31,<br>2020 |
|--|---------------------------|----------------------|
|  | <b>QR</b>                 | QR                   |
|  | <b>(Reviewed)</b>         | (Audited)            |
| <b>At the beginning of the period / year</b>   | <b>17,185,813</b>         | 16,177,201           |
| Equity share in net earnings                   | <b>38,264</b>             | 948,646              |
| Cash dividends received                        | <b>(250,000)</b>          | --                   |
| Share of other comprehensive loss of associate | <b>(243,932)</b>          | 86,306               |
| Foreign currency translation difference        | <b>86,068</b>             | (26,340)             |
| <b>At the ending of the period / year</b>      | <b>16,816,213</b>         | 17,185,813           |

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

|  | <b>March 31,<br/>2021</b> | December 31,<br>2020 |
|--|---------------------------|----------------------|
|  | <b>QR</b>                 | QR                   |
|  | <b>(Reviewed)</b>         | (Audited)            |
| Share in the associates' statement of financial position:      |                           |                      |
| Total assets   | <b>13,512,083</b>         | 15,190,890           |
| Total liabilities  | <b>(2,711,831)</b>        | (4,271,038)          |
| Net assets   | <b>10,800,252</b>         | 10,919,852           |
| Dividend Received  | <b>(250,000)</b>          | --                   |
| Additional consideration paid in excess of share in net assets | <b>6,265,961</b>          | 6,265,961            |
|  | <b>16,816,213</b>         | 17,185,813           |
| Share in the associates' revenue and results:                  |                           |                      |
| Revenues   | <b>179,949</b>            | 2,958,926            |
| Share of results   | <b>38,264</b>             | 948,646              |

The carrying amounts of these investments are as follows:

|                                       | <b>March 31,<br/>2021</b> | December 31,<br>2020 |
|---------------------------------------|---------------------------|----------------------|
|                                       | <b>QR</b>                 | QR                   |
|                                       | <b>(Reviewed)</b>         | (Audited)            |
| Yemeni Qatari Insurance Company       | <b>8,348,675</b>          | 8,290,870            |
| Qatar Unified Insurance Bureau W.L.L. | <b>8,467,538</b>          | 8,894,943            |
|                                       | <b>16,816,213</b>         | 17,185,813           |

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

For the three month period ended March 31, 2021

**7. INVESTMENT PROPERTIES**

|   | <b>March 31,<br/>2021</b> | December 31,<br>2020 |
|---|---------------------------|----------------------|
|   | <b>QR</b>                 | QR                   |
|   | <b>(Reviewed)</b>         | (Audited)            |
| <b>Net carrying value at the beginning of the period / year</b> | <b>314,148,339</b>        | 321,946,153          |
| Additions   | <b>13,455</b>             | 3,685,435            |
| Depreciation and amortization for the period / year             | <b>(1,855,699)</b>        | (5,772,374)          |
| Impairment loss   | <b>--</b>                 | (13,900,000)         |
| Exchange rate adjustments                                       | <b>(4,807,979)</b>        | 8,189,125            |
| <b>Net carrying value at the end of the period / year</b>       | <b>307,498,116</b>        | <b>314,148,339</b>   |

- i.) Investment properties as of March 31, 2021 include an amount of QR 50,072,705 (December 31, 2020: QR 52,713,693), 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 fair value of the investment properties as at December 31, 2020 amounted to QR 56,467,073 and has been arrived at, on the basis of a valuation carried out by an independent valuer not related to the Group.
- ii.) Investment properties as of March 31, 2021 include an amount of QR 44,325,936 (December 31, 2020: QR 47,161,913), which represents the net book value of a property in Germany acquired in 2018 by a subsidiary, Logistics Centre S.a.r.l. The fair value of the investment properties as at December 31, 2020 amounted to QR 59,788,665 and has been arrived at, on the basis of a valuation carried out by an independent valuer not related to the Group.
- iii.) In addition to the investment properties mentioned in (i) and (ii) above, the Group has investment properties in the State of Qatar with carrying value of QR 213,099,475 (December 31, 2020: QR 214,272,733) as of March 31, 2021. The fair value of the investment properties as at December 31, 2020 amounted to QR 227,880,000 and has been arrived at, on the basis of a valuation carried out by an independent valuer not related to the Group.
- iv.) The independent valuer is a qualified consultant and has appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The basis used in determining the fair value of investment properties reflects actual market state and circumstances as of December 31, 2020. The fair value estimate usually reflects, amongst other things, rental income from current leases and reasonable and supportable assumptions that represent the market view of what knowledgeable, willing parties would assume about rental income from future leases in light of current market conditions, including impact of Covid-19.
- v.) The Group earned rental income amounting to QR 3,514,800 (March 31, 2020: QR 2,869,928) for the period ended March 31, 2021 and this has been reflected in the interim condensed consolidated statement of profit or loss.

Management did not obtain a revised estimate of fair value as of March 31, 2021 as management believes that the fair value of the investment properties has not changed since the last assessment done in December 2020.



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

For the three month period ended March 31, 2021

**8. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS**

|   | <b>March 31,<br/>2021</b> | December 31,<br>2020 |
|---|---------------------------|----------------------|
|   | <b>QR</b>                 | QR                   |
|   | <b>(Reviewed)</b>         | <b>(Audited)</b>     |
| <b>Gross</b>                            |                           |                      |
| <b>Insurance contract liabilities:</b>  |                           |                      |
| Claims reported unsettled               | 763,042,323               | 741,887,961          |
| Claims incurred but not reported        | 104,230,227               | 91,914,366           |
| Unearned premiums                       | 439,219,569               | 365,349,550          |
| Deferred commissions                    | 13,231,143                | 12,172,369           |
|   | <u>1,319,723,262</u>      | <u>1,211,324,246</u> |
| <b>Recoverable from reinsurers:</b>     |                           |                      |
| Claims reported unsettled               | 630,653,528               | 614,951,811          |
| Claims incurred but not reported        | 59,067,912                | 49,587,516           |
| Re-insurers' share in unearned premiums | 259,674,871               | 210,146,283          |
|   | <u>949,396,311</u>        | <u>874,685,610</u>   |
| <b>Net</b>                              |                           |                      |
| Claims reported unsettled               | 132,388,795               | 126,936,150          |
| Claims incurred but not reported        | 45,162,315                | 42,326,850           |
| Unearned premiums                       | 179,544,698               | 155,203,267          |
| Deferred commissions                    | 13,231,143                | 12,172,369           |
|   | <u>370,326,951</u>        | <u>336,638,636</u>   |

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three month period ended March 31, 2021

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

**(a) Outstanding claims provision**

|  | March 31, 2021<br>(Reviewed) |                            |                    | December 31, 2020<br>(Audited) |                            |                    |
|--|------------------------------|----------------------------|--------------------|--------------------------------|----------------------------|--------------------|
|  | Gross<br>QR                  | Reinsurers'<br>share<br>QR | Net<br>QR          | Gross<br>QR                    | Reinsurers'<br>share<br>QR | Net<br>QR          |
| At the beginning of the period / year          |                              |                            |                    |                                |                            |                    |
| Claims reported unsettled                      | 741,887,966                  | (614,951,811)              | 126,936,155        | 1,161,772,663                  | (1,052,000,737)            | 109,771,926        |
| Claims incurred but not reported               | 91,914,361                   | (49,587,516)               | 42,326,845         | 53,198,708                     | (31,189,181)               | 22,009,527         |
|  | <u>833,802,327</u>           | <u>(664,539,327)</u>       | <u>169,263,000</u> | 1,214,971,371                  | (1,083,189,918)            | 131,781,453        |
| Insurance claims paid during the period / year | (81,863,222)                 | 27,385,398                 | (54,477,824)       | (490,575,960)                  | 340,318,835                | (150,257,125)      |
| Incurred during the period / year              | 115,333,445                  | (52,567,512)               | 62,765,933         | 109,406,916                    | 78,331,756                 | 187,738,672        |
| At the end of the period / year                | <u>867,272,550</u>           | <u>(689,721,441)</u>       | <u>177,551,109</u> | <u>833,802,327</u>             | <u>(664,539,327)</u>       | <u>169,263,000</u> |

**(b) Analysis of outstanding claims**

|                                  | March 31, 2021<br>(Reviewed) |                            |                    | December 31, 2020<br>(Audited) |                            |                    |
|----------------------------------|------------------------------|----------------------------|--------------------|--------------------------------|----------------------------|--------------------|
|                                  | Gross<br>QR                  | Reinsurers'<br>share<br>QR | Net<br>QR          | Gross<br>QR                    | Reinsurers'<br>share<br>QR | Net<br>QR          |
| Claims reported unsettled        | 763,042,323                  | (630,653,529)              | 132,388,794        | 741,887,961                    | (614,951,811)              | 126,936,150        |
| Claims incurred but not reported | 104,230,227                  | (59,067,912)               | 45,162,315         | 91,914,366                     | (49,587,516)               | 42,326,850         |
| At the end of the period/year    | <u>867,272,550</u>           | <u>(689,721,441)</u>       | <u>177,551,109</u> | <u>833,802,327</u>             | <u>(664,539,327)</u>       | <u>169,263,000</u> |

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three month period ended March 31, 2021

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

**(c) Unearned premium reserve**

|   | March 31, 2021<br>(Reviewed) |                            |                      | December 31, 2020<br>(Audited) |                            |                      |
|---|------------------------------|----------------------------|----------------------|--------------------------------|----------------------------|----------------------|
|   | Gross<br>QR                  | Reinsurers'<br>share<br>QR | Net<br>QR            | Gross<br>QR                    | Reinsurers'<br>share<br>QR | Net<br>QR            |
| At the beginning of the period / year                 | 365,349,550                  | (210,146,283)              | 155,203,267          | 289,682,364                    | (165,466,700)              | 124,215,664          |
| Gross premiums during the period / year               | 315,178,070                  | (189,714,289)              | 125,463,781          | 902,741,246                    | (534,538,336)              | 368,202,910          |
| Earned insurance premiums during the period /<br>year | <u>(241,308,051)</u>         | <u>140,185,701</u>         | <u>(101,122,350)</u> | <u>(827,074,060)</u>           | <u>489,858,753</u>         | <u>(337,215,307)</u> |
| At the end of the period / year                       | <u>439,219,569</u>           | <u>(259,674,871)</u>       | <u>179,544,698</u>   | <u>365,349,550</u>             | <u>(210,146,283)</u>       | <u>155,203,267</u>   |

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

For the three month period ended March 31, 2021

**9. BORROWINGS**

|           | <b>March 31,<br/>2021</b> | December 31,<br>2020 |
|-----------|---------------------------|----------------------|
|           | <b>QR</b>                 | QR                   |
|           | <b>(Reviewed)</b>         | (Audited)            |
| Loan (i)  | <b>27,178,279</b>         | 28,744,321           |
| Loan (ii) | <b>23,309,730</b>         | 24,827,154           |
|           | <b>50,488,009</b>         | 53,571,475           |

- i. In 2017, a loan was taken to purchase an investment property in Germany, by a subsidiary, Schwenke Zentrum S.a.r.l., which bears interest of 2.65%. It is repayable over a period of 256 months starting from May 30, 2017. The non-current portion of the loan as at period end amounted to QR 25,930,093 (December 31, 2020: QR 27,447,565). The loan is secured by a mortgage on the investment property amounting to QR 50,072,705 at March 31, 2021 (December 31, 2020: QR 52,713,693).
- 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 21,571,479 (December 31, 2020: QR 23,017,112). The loan is secured by a mortgage on the investment property amounting to QR 44,325,936 (December 31, 2020: QR 47,161,913).

**10. SHARE CAPITAL**

|   | <b>March 31,<br/>2021</b> | December 31,<br>2020 |
|---|---------------------------|----------------------|
|   | <b>QR</b>                 | QR                   |
|   | <b>(Reviewed)</b>         | (Audited)            |
| Authorized, issued and fully paid up share capital<br>500,000,000 shares of QR 1 each, effective July 1, 2019 | <b>500,000,000</b>        | 500,000,000          |

**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.

**12. DIVIDENDS**

The Board of Directors approved in its meeting held on February 22, 2021 to distribute a cash dividend of 10% of the share capital amounting to QR 0.10 per share totalling to QR 50,000,000 for the year ended December 31, 2020 which were duly approved by the General Assembly of the Company's Shareholders on March 22, 2021 (2020: QR 0.08 per share totalling to QR 40,000,000).

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

For the three month period ended March 31, 2021

**13. EARNINGS PER SHARE**

|   | <b>For the three - month<br/>period ended March 31,</b> |                   |
|---|---|-------------------|
|   | <b>2021</b>   | <b>2020</b>       |
|   | <b>(Reviewed)</b>                                       | <b>(Reviewed)</b> |
| Profit attributable to the shareholders after tax (QR)          | <b>23,868,680</b>                                       | 14,731,208        |
| Weighted average number of shares outstanding during the period | <b>500,000,000</b>                                      | 500,000,000       |
| Basic and diluted earnings per share (QR)                       | <b>0.05</b>   | 0.03              |

**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**

|                                       | <b>For the three month<br/>period ended March 31,</b> |                   |
|---------------------------------------|---|-------------------|
|                                       | <b>2021</b>   | <b>2020</b>       |
|                                       | <b>QR</b>   | <b>QR</b>         |
|                                       | <b>(Reviewed)</b>                                     | <b>(Reviewed)</b> |
| Salaries, wages and other benefits    | <b>18,468,827</b>                                     | 14,467,098        |
| Rent, maintenance and office expenses | <b>1,396,451</b>                                      | 378,259           |
| Legal and consultation fees           | <b>660,271</b>  | 526,210           |
| Advertisement and business promotion  | <b>318,609</b>  | 264,417           |
| Board remuneration                    | <b>1,500,000</b>                                      | --                |
| Government fees                       | <b>343,172</b>  | 231,754           |
| Business travel                       | <b>46,817</b>   | 198,479           |
| Printing and stationery               | <b>64,256</b>   | 107,659           |
| Miscellaneous expenses                | <b>1,332,580</b>                                      | 3,179,065         |
|                                       | <b>24,130,983</b>                                     | 19,352,941        |

## DOHA INSURANCE GROUP Q.P.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three month period ended March 31, 2021

#### 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.

|   | <u>Motor</u>          |                | <u>Marine and Aviation</u> |                | <u>Fire and General Accident</u> |                | <u>Total</u>          |                |
|---|-----------------------|----------------|----------------------------|----------------|----------------------------------|----------------|-----------------------|----------------|
|   | <u>March 31, 2021</u> | March 31, 2020 | <u>March 31, 2021</u>      | March 31, 2020 | <u>March 31, 2021</u>            | March 31, 2020 | <u>March 31, 2021</u> | March 31, 2020 |
|   | <u>QR</u>             | QR             | <u>QR</u>                  | QR             | <u>QR</u>                        | QR             | <u>QR</u>             | QR             |
|   | <u>(Reviewed)</u>     | (Reviewed)     | <u>(Reviewed)</u>          | (Reviewed)     | <u>(Reviewed)</u>                | (Reviewed)     | <u>(Reviewed)</u>     | (Reviewed)     |
| Gross premiums  | <b>64,126,844</b>     | 59,117,786     | <b>38,919,574</b>          | 39,678,122     | <b>212,131,652</b>               | 158,956,393    | <b>315,178,070</b>    | 257,752,301    |
| Reinsurers' share of gross premiums                           | <b>(5,220,593)</b>    | (2,716,341)    | <b>(35,935,946)</b>        | (37,599,395)   | <b>(148,557,751)</b>             | (120,472,863)  | <b>(189,714,290)</b>  | (160,788,599)  |
| <b>Net premiums</b>   | <b>58,906,251</b>     | 56,401,445     | <b>2,983,628</b>           | 2,078,727      | <b>63,573,901</b>                | 38,483,530     | <b>125,463,780</b>    | 96,963,702     |
| Change in unexpired risk reserve                              | <b>(10,177,548)</b>   | (18,298,633)   | <b>499,373</b>             | 1,988,789      | <b>(14,663,257)</b>              | (9,208,598)    | <b>(24,341,432)</b>   | (25,518,442)   |
| <b>Underwriting revenue</b>                                   | <b>48,728,703</b>     | 38,102,812     | <b>3,483,001</b>           | 4,067,516      | <b>48,910,644</b>                | 29,274,932     | <b>101,122,348</b>    | 71,445,260     |
| Claims paid   | <b>(25,688,364)</b>   | (27,140,513)   | <b>(756,763)</b>           | (2,774,292)    | <b>(55,418,095)</b>              | (50,136,273)   | <b>(81,863,222)</b>   | (80,051,078)   |
| Reinsurers' share of claims                                   | <b>294,011</b>        | 547,929        | <b>644,120</b>             | 1,636,124      | <b>26,447,264</b>                | 34,207,013     | <b>27,385,398</b>     | 36,391,066     |
| Change in outstanding claims reserve                          | <b>(4,310,371)</b>    | (356,536)      | <b>(173,762)</b>           | 1,137,522      | <b>(3,516,620)</b>               | 462,896        | <b>(8,000,753)</b>    | 1,243,882      |
| Commissions received  | <b>2,355,153</b>      | 2,632,192      | <b>3,553,216</b>           | 2,119,000      | <b>8,832,818</b>                 | 7,003,549      | <b>14,741,187</b>     | 11,754,741     |
| Commissions paid  | <b>(6,714,747)</b>    | (5,803,556)    | <b>(1,638,289)</b>         | (1,257,399)    | <b>(8,264,876)</b>               | (5,564,039)    | <b>(16,617,912)</b>   | (12,624,994)   |
| Other technical expenses                                      | <b>(820,851)</b>      | (195,386)      | <b>(8,432)</b>             | (45,024)       | <b>(183,486)</b>                 | (13,333)       | <b>(1,012,769)</b>    | (253,743)      |
| Unallocated loss adjustment expenses                          | --                    | --             | --                         | --             | --                               | --             | <b>(287,362)</b>      | --             |
| <b>Net underwriting results</b>                               | <b>13,843,537</b>     | 7,786,942      | <b>5,103,091</b>           | 4,883,447      | <b>16,807,649</b>                | 15,234,745     | <b>35,466,915</b>     | 27,905,134     |
| Investment and other income                                   |                       |                |                            |                |                                  |                | <b>17,657,006</b>     | 10,276,910     |
| Total expenses  |                       |                |                            |                |                                  |                | <b>(27,645,350)</b>   | (22,322,052)   |
| Net surplus attributable to Takaful operation's policyholders |                       |                |                            |                |                                  |                | <b>(1,609,891)</b>    | (1,128,784)    |
| Income tax  |                       |                |                            |                |                                  |                | --                    | --             |
| <b>Profit for the period</b>                                  |                       |                |                            |                |                                  |                | <b>23,868,680</b>     | 14,731,208     |

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the three month period ended March 31, 2021

**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.

|   | <b>March 31, 2021 (Reviewed)</b> |                             |                        | <b>December 31, 2020 (Audited)</b> |                             |                     |
|---|----------------------------------|-----------------------------|------------------------|------------------------------------|-----------------------------|---------------------|
|   | <b>Qatar<br/>QR</b>              | <b>International<br/>QR</b> | <b>Total<br/>QR</b>    | <b>Qatar<br/>QR</b>                | <b>International<br/>QR</b> | <b>Total<br/>QR</b> |
| <b>Asset</b>  |                                  |                             |                        |                                    |                             |                     |
| Total assets  | <b>2,646,784,463</b>             | <b>155,956,769</b>          | <b>2,802,741,232</b>   | 2,446,243,966                      | 166,420,399                 | 2,612,664,365       |
| <b>Liabilities</b>  |                                  |                             |                        |                                    |                             |                     |
| Insurance contract liabilities                            | <b>(1,272,516,260)</b>           | <b>(47,207,002)</b>         | <b>(1,319,723,262)</b> | (1,166,608,607)                    | (44,715,639)                | (1,211,324,246)     |
| Net surplus attributable to Islamic Takaful policyholders | <b>(19,859,018)</b>              | --                          | <b>(19,859,018)</b>    | (18,249,127)                       | --                          | (18,249,127)        |
| Other liabilities   | <b>(282,110,616)</b>             | <b>(77,027,865)</b>         | <b>(359,138,481)</b>   | (213,118,955)                      | (60,270,595)                | (273,389,550)       |
| <b>Net assets</b>   | <b>1,072,298,569</b>             | <b>31,721,902</b>           | <b>1,104,020,471</b>   | 1,048,267,277                      | 61,434,165                  | 1,109,701,442       |

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

For the three month period ended March 31, 2021

**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:

|                    | <b>March 31, 2021</b>    |                         | <b>March 31, 2020</b> |                  |
|--------------------|--------------------------|-------------------------|-----------------------|------------------|
|                    | <b>(Reviewed)</b>        |                         | <b>(Reviewed)</b>     |                  |
|                    | <b>Premiums</b>          | <b>Claims</b>           | <b>Premiums</b>       | <b>Claims</b>    |
|                    | <b>QR</b>                | <b>QR</b>               | <b>QR</b>             | <b>QR</b>        |
| Major shareholders | <u><b>12,355,782</b></u> | <u><b>1,493,671</b></u> | <u>13,690,024</u>     | <u>1,839,664</u> |

*Related party balances*

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

|                    | <b>March 31, 2021</b>    |                            | <b>December 31, 2020</b> |                            |
|--------------------|--------------------------|----------------------------|--------------------------|----------------------------|
|                    | <b>(Reviewed)</b>        |                            | <b>(Audited)</b>         |                            |
|                    | <b>Receivables</b>       | <b>Claims and payables</b> | <b>Receivables</b>       | <b>Claims and payables</b> |
|                    | <b>QR</b>                | <b>QR</b>                  | <b>QR</b>                | <b>QR</b>                  |
| Major shareholders | <u><b>15,238,925</b></u> | <u><b>184,045</b></u>      | <u>17,485,890</u>        | <u>13,500</u>              |

**Compensation of key management personnel**

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

|                                   | <b>March 31, 2021</b>   | <b>March 31, 2020</b> |
|-----------------------------------|-------------------------|-----------------------|
|                                   | <b>QR</b>               | <b>QR</b>             |
|                                   | <b>(Reviewed)</b>       | <b>(Reviewed)</b>     |
| <i>Board remuneration</i>         |                         |                       |
| Short-term benefits               | <b>1,500,000</b>        | 1,095,000             |
| End of service and other benefits | <b>131,250</b>          | 131,250               |
|                                   | <u><b>1,631,250</b></u> | <u>1,226,250</u>      |



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

For the three month period ended March 31, 2021

**17. CONTINGENCIES AND COMMITMENTS****Guarantees**

At March 31, 2021, 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 13,863,035 (December 31, 2020: QR. 6,461,047).

**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 March 31, 2021 and December 31, 2020:

|                                      | <b>March 31,<br/>2021</b> | <b>Level 1</b>            | <b>Level 2</b>           | <b>Level 3</b>           |
|--------------------------------------|---------------------------|---------------------------|--------------------------|--------------------------|
|                                      | <b>QR.</b>                | <b>QR.</b>                | <b>QR.</b>               | <b>QR.</b>               |
|                                      | <b>(Reviewed)</b>         | <b>(Reviewed)</b>         | <b>(Reviewed)</b>        | <b>(Reviewed)</b>        |
| <i>Assets measured at fair value</i> |                           |                           |                          |                          |
| Investments in financial assets      | <b><u>715,872,407</u></b> | <b><u>668,765,094</u></b> | <b><u>28,558,049</u></b> | <b><u>18,549,264</u></b> |
|                                      | December 31,<br>2020      | 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      | <b><u>622,986,243</u></b> | <b><u>577,234,920</u></b> | <b><u>27,202,058</u></b> | <b><u>18,549,265</u></b> |

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

**18. FINANCIAL INSTRUMENTS (CONTINUED)**

**Fair value measurements**

The fair value of financial instruments at period end approximate their carrying value.

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. IMPACT OF COVID-19**

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 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. In order to ensure technical reserves are appropriately recorded with reference to current economic and market conditions, the Group has involved actuarial expert to assess its technical reserves based on the updated inputs and assumptions as at March 31, 2021.

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

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

**ii) Impact on investment portfolio**

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

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

**19. IMPACT OF COVID-19 (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 2020.

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, 2020. As a result, these interim condensed consolidated financial information have been appropriately prepared on a going concern basis.

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

**SUPPLEMENTARY INFORMATION**

For the three month period ended March 31, 2021

**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**

|  | <b>March 31,<br/>2021</b> | <b>December 31,<br/>2020</b> |
|--|---------------------------|------------------------------|
|  | <b>QR<br/>(Reviewed)</b>  | <b>QR<br/>(Audited)</b>      |
| <b>Policyholder's assets</b>   |                           |                              |
| Cash on hand   | 9,083                     | 7,939                        |
| Bank balances (Islamic banks)  | 81,789,881                | 76,018,065                   |
| Reinsurance contract assets  | 19,073,133                | 15,189,000                   |
| Due from policyholders, insurance and reinsurance companies                                    | 20,237,860                | 17,198,050                   |
| Due from parent  | --                        | --                           |
| Prepayments and other assets   | 4,325,131                 | 4,306,331                    |
| <b>Total policyholder's assets</b>   | <b>125,435,088</b>        | <b>112,719,385</b>           |
| <b>Shareholder's assets</b>  |                           |                              |
| Bank balances  | 62,998,818                | 81,240,365                   |
| Due from policyholders   | 10,236,740                | 8,314,310                    |
| Financial investments FVTPL  | 94,259,833                | 76,066,437                   |
| Fixed asset  | 207,726                   | 223,301                      |
| Other assets   | 1,092,994                 | 786,527                      |
| <b>Total shareholder's assets</b>  | <b>168,796,111</b>        | <b>166,630,940</b>           |
| <b>TOTAL ASSETS</b>  | <b>294,231,199</b>        | <b>279,350,325</b>           |
| <b>Policyholders' fund</b>   |                           |                              |
| Policyholders' fund  | 19,859,018                | 18,249,127                   |
| <b>Policyholder liabilities</b>  |                           |                              |
| Takaful contract liabilities   | 72,178,895                | 67,570,500                   |
| Provisions, insurance and other payables   | 17,467,180                | 18,585,448                   |
| Due to shareholders  | 10,236,740                | 8,314,310                    |
| Due to parent  | 5,693,255                 | --                           |
| <b>Total policyholder liabilities</b>  | <b>105,576,070</b>        | <b>94,470,258</b>            |
| <b>Total policyholder's equity and liabilities</b>   | <b>125,435,088</b>        | <b>112,719,385</b>           |
| <b>Shareholder's equity</b>  |                           |                              |
| Share capital  | 150,000,000               | 150,000,000                  |
| Legal reserve  | 2,565,671                 | 2,565,671                    |
| Retained earnings  | 12,703,727                | 11,317,694                   |
| <b>Total shareholder's equity</b>  | <b>165,269,398</b>        | <b>163,883,365</b>           |
| <b>Shareholder's liability</b>   |                           |                              |
| End of service benefits  | 1,524,809                 | 1,348,293                    |
| Accrued expenses   | 2,001,904                 | 1,399,282                    |
|  | 3,526,713                 | 2,747,575                    |
| <b>Total shareholder's equity and liability</b>  | <b>168,796,111</b>        | <b>166,630,940</b>           |
| <b>Total policyholder's funds and liabilities and total shareholder's equity and liability</b> | <b>294,231,199</b>        | <b>279,350,325</b>           |

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

## SUPPLEMENTARY INFORMATION

For the three month period ended March 31, 2021

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

|  | <b>Three month<br/>period ended March 31,</b> |                    |
|--|---|--------------------|
|  | <b>2020</b>                                   | <b>2020</b>        |
|  | <b>QR</b>                                     | <b>QR</b>          |
|  | <b>(Reviewed)</b>                             | <b>(Reviewed)</b>  |
| <b>Policyholder's revenue and expenses</b>                           |   |                    |
| <b>Revenue</b>   |   |                    |
| Net takaful gain   | 1,595,592                                     | 1,009,611          |
| Other income   | 151,812                                       | 501,408            |
|  | <u>1,747,404</u>                              | <u>1,511,019</u>   |
| <b>Expenses</b>  |   |                    |
| General and administrative expenses                                  | (137,513)                                     | (382,235)          |
|  | <u>(137,513)</u>                              | <u>(382,235)</u>   |
| <b>Net surplus for the period transferred to policyholder's fund</b> | <u>1,609,891</u>                              | <u>1,128,784</u>   |
| <b>Shareholder's revenue and expenses</b>                            |   |                    |
| <b>Revenue</b>   |   |                    |
| Wakala fees  | 4,505,999                                     | 5,458,999          |
| Mudarabah fees   | 106,268                                       | 350,985            |
| Investment income  | 877,707                                       | (175,604)          |
| Other income   | (94,717)                                      | --                 |
|  | <u>5,395,257</u>                              | <u>5,634,380</u>   |
| <b>Expenses</b>  |   |                    |
| General and administrative expenses                                  | (4,009,224)                                   | (3,227,325)        |
|  | <u>(4,009,224)</u>                            | <u>(3,227,325)</u> |
| <b>Net income to shareholder</b>                                     | <u>1,386,033</u>                              | <u>2,407,055</u>   |