

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

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

DOHA INSURANCE GROUP Q.P.S.C.

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

For the nine month period ended September 30, 2020

INDEX	Page
Independent auditor's review report	--
Interim condensed consolidated statement of financial position	1
Interim condensed consolidated statement of profit or loss	2 to 3
Interim condensed consolidated statement of comprehensive income	4
Interim condensed consolidated statement of changes in equity	5
Interim condensed consolidated statement of cash flows	6 to 7
Notes to the interim condensed consolidated financial information	8 to 24
Supplementary information	25 to 26

QR. 31249

RN: 1406/MMS/FY2020

INDEPENDENT AUDITOR'S REVIEW REPORT

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

Introduction

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

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not presented fairly, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Doha – Qatar
October 28, 2020

For Deloitte & Touche
Qatar Branch



Midhat Salha
Partner
License No. 257
QFMA Audit Registration 120156

DOHA INSURANCE GROUP Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at September 30, 2020

	Notes	September 30, 2020 QR (Reviewed)	December 31, 2019 QR (Audited)
ASSETS			
Cash and bank balances	4	412,274,717	388,530,233
Financial investments	5	596,504,152	504,433,572
Reinsurance contract assets	8	1,191,319,489	1,248,656,618
Insurance and other receivables		399,097,026	335,387,289
Investments in associates	6	16,926,248	16,177,201
Investment properties	7	323,836,010	321,946,153
Right-of-use assets		10,391,755	12,849,325
Property and equipment		12,342,072	12,094,315
TOTAL ASSETS		2,962,691,469	2,840,074,706
EQUITY AND LIABILITIES			
Equity			
Share capital	10	500,000,000	500,000,000
Legal reserve	11	370,164,949	370,164,949
Fair value reserve		(79,087,615)	(63,746,386)
Foreign currency translation reserve		(586,091)	(2,194,636)
Retained earnings		275,571,790	269,323,653
Total equity		1,066,063,033	1,073,547,580
Liabilities			
Insurance contract liabilities	8	1,539,083,691	1,513,391,387
Provisions, insurance and other payables		275,419,006	168,591,792
Borrowings	9	51,709,167	52,022,222
Employees' end of service benefits		16,951,675	16,555,846
Lease liability		13,464,897	15,965,879
Total liabilities		1,896,628,436	1,766,527,126
TOTAL EQUITY AND LIABILITIES		2,962,691,469	2,840,074,706

These interim condensed consolidated financial information were approved by the Board of Directors on October 28, 2020 and were signed on its behalf by:



Nawaf Bin Nasser Bin Khaled Al Thani
Chairman



Jassim Ali A. Al-Moftah
Chief Executive Officer

This statement has been prepared by the Company and stamped by the Auditors 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 and nine month periods ended September 30, 2020

	Notes	For the three month period ended September 30,		For the nine month period ended September 30,	
		2020	2019	2020	2019
		QR (Reviewed)	QR (Reviewed)	QR (Reviewed)	QR (Reviewed)
Gross premiums	15	218,442,657	192,200,645	694,106,604	507,669,001
Reinsurers' share of gross premiums	15	(133,349,022)	(137,165,472)	(415,505,243)	(324,611,039)
Net premiums		85,093,635	55,035,173	278,601,361	183,057,962
Change in unexpired risk reserve	15	6,987,639	3,181,290	(42,238,372)	(8,824,804)
Underwriting revenue		92,081,274	58,216,463	236,362,989	174,233,158
Claims paid	15	(53,284,552)	(64,884,470)	(175,035,470)	(234,549,738)
Reinsurers' share of claims	15	17,979,974	24,614,076	76,046,793	128,845,560
Change in outstanding claims reserve	15	(22,234,923)	6,340,116	(35,988,523)	5,105,404
Commissions received	15	8,899,263	6,770,191	31,249,193	20,655,257
Commissions paid	15	(12,561,872)	(8,410,887)	(37,592,545)	(25,535,831)
Other technical expenses	15	(1,229,016)	(213,967)	(2,152,205)	(1,145,245)
Net underwriting results		29,650,148	22,431,522	92,890,232	67,608,565
Dividend income		666,518	157,643	13,475,629	16,384,415
Interest income		2,775,055	3,834,513	8,575,594	11,280,712
Rental income from investment properties		3,133,744	2,857,250	8,968,951	8,761,459
Share of results of associates	6	569,187	(149,891)	600,711	451,415
Net gain on sale of financial assets		3,731,821	891,199	(97,542)	2,569,024
Unrealised (loss) / gain on investment in financial assets at fair value through profit or loss - net		(1,188,883)	(234,163)	(749,361)	3,200,528
Other (loss) / income		(1,236,255)	9,205	(601,710)	55,186
Investment and other income		8,451,187	7,365,756	30,172,272	42,702,739
General and administrative expenses	14	20,746,346	23,153,304	62,900,369	63,511,049
Depreciation and amortisation of investment properties		1,693,374	776,805	3,895,712	2,474,724
Depreciation of properties and equipment		725,582	619,186	2,130,034	1,929,704
Amortization of right-of-use assets		434,020	--	1,681,574	--
Finance cost on lease liability		135,902	--	555,369	--
Finance cost on borrowings		307,880	263,727	880,860	869,768
Total expenses		24,043,104	24,813,022	72,043,918	68,785,245
Profit for the period before allocation to Takaful operation's policyholders		14,058,231	4,984,256	51,018,586	41,526,059

DELOITTE & TOUCHE
Doha - Qatar
28 OCT 2020

This statement has been prepared by the Company and stamped by the Auditors 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 and nine month periods ended September 30, 2020

Notes	For the three month period ended September 30,		For the nine month period ended September 30,	
	2020 QR (Reviewed)	2019 QR (Reviewed)	2020 QR (Reviewed)	2019 QR (Reviewed)
Profit for the period before allocation to Takaful operation's policyholders	14,058,231	4,984,256	51,018,586	41,526,059
Net surplus attributable to Takaful operation's policyholders	(1,176,744)	(363,934)	(6,169,406)	(1,514,379)
Profit attributable to shareholders	12,881,487	4,620,322	44,849,180	40,011,680
Income tax	(22,892)	--	(22,892)	--
Profit attributable to shareholders after tax	12,858,595	4,620,322	44,826,288	40,011,680
Basic and diluted earnings per share 13	0.03	0.01	0.09	0.08

DELOITTE & TOUCHE
Doha - Qatar

28 OCT 2020

**Signed for Identification
Purposes Only**

This statement has been prepared by the Company and stamped by the Auditors 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 COMPREHENSIVE INCOME

For the three and nine month periods ended September 30, 2020

	For the three month period ended September 30,		For the nine month period ended September 30,	
	2020	2019	2020	2019
	QR	QR	QR	QR
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Profit attributable to shareholders after tax	12,858,595	4,620,322	44,826,288	40,011,680
Other comprehensive income				
<i>Items that may be subsequently reclassified to statement of profit or loss</i>				
Share of other comprehensive profit / (loss) of associate	170,939	(61,225)	175,803	(72,267)
Net change in fair value of debt instruments at fair value through other comprehensive income (FVTOCI)	640,263	473,922	(210,797)	2,701,816
Exchange differences on translating foreign operations	1,382,290	(1,602,481)	1,608,545	(2,148,679)
	<u>2,193,492</u>	<u>(1,189,784)</u>	<u>1,573,551</u>	<u>480,870</u>
<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)	23,378,787	(10,889,676)	(13,884,386)	(765,303)
Other comprehensive income / (loss) for the period	<u>25,572,279</u>	<u>(12,079,460)</u>	<u>(12,310,835)</u>	<u>(284,433)</u>
Total comprehensive income / (loss) for the period	<u>38,430,874</u>	<u>(7,459,138)</u>	<u>32,515,453</u>	<u>39,727,247</u>

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

DOHA INSURANCE GROUP Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine month period ended September 30, 2020

	Share capital	Legal reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total
	QR	QR	QR	QR	QR	QR
Balance at January 1, 2019 (Audited)	500,000,000	365,270,841	(65,860,607)	(1,236,479)	265,919,490	1,064,093,245
Profit attributable to shareholders after tax	--	--	--	--	40,011,680	40,011,680
Other comprehensive gain / (loss) for the period	--	--	1,864,256	(2,148,679)	--	(284,423)
Gain on sale of investment	--	--	(581,733)	--	581,733	--
Cash dividends paid (Note 12)	--	--	--	--	(40,000,000)	(40,000,000)
Balance at September 30, 2019 (Reviewed)	<u>500,000,000</u>	<u>365,270,841</u>	<u>(64,578,084)</u>	<u>(3,385,158)</u>	<u>266,512,903</u>	<u>1,063,820,502</u>
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 after tax	--	--	--	--	44,826,288	44,826,288
Other comprehensive (loss) / gain for the period	--	--	(13,919,380)	1,608,545	--	(12,310,835)
Gain on sale of investment	--	--	(1,421,849)	--	1,421,849	--
Cash dividends paid (Note 12)	--	--	--	--	(40,000,000)	(40,000,000)
Balance at September 30, 2020 (Reviewed)	<u>500,000,000</u>	<u>370,164,949</u>	<u>(79,087,615)</u>	<u>(586,091)</u>	<u>275,571,790</u>	<u>1,066,063,033</u>

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

DOHA INSURANCE GROUP Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine month period ended September 30, 2020

	For the nine month period ended September 30,	
	2020	2019
	QR	QR
OPERATING ACTIVITIES		
Profit attributable to shareholders of the Parent before tax	44,849,180	40,011,680
<i>Adjustments for:</i>		
Depreciation of property and equipment	2,130,034	1,929,704
Depreciation of investment properties	3,895,712	2,474,724
Amortization of right-of-use assets	1,681,574	
Provision for employees' end of service benefits	1,550,737	1,561,180
Unrealised loss / (gain) on investments held at fair value through profit or loss	749,361	(3,200,528)
Share of results of associates	(600,711)	(451,415)
Reinsurers' share of unearned premium	(51,193,579)	(26,110,544)
Movement in unearned premium	93,431,951	34,935,346
Finance cost on lease liabilities	555,369	--
Net (gain) / loss on sale of financial investments	97,542	(2,569,024)
Impairment loss on debt securities	2,165,480	--
Impairment loss on bank balances	28,654	--
Dividend income	(13,475,629)	(16,384,415)
Interest income	(8,575,594)	(11,280,712)
Finance costs on borrowings	880,860	869,768
	<u>78,170,941</u>	<u>21,785,764</u>
Movements in working capital		
Insurance and other receivables	(63,709,737)	(93,944,846)
Insurance reserves	40,791,061	(4,069,991)
Provisions, insurance and other payables	106,827,213	72,319,503
Cash generated from / (used in) operations	162,079,478	(3,909,570)
Payment for employees' end of service benefits	(1,154,908)	(2,402,175)
Income tax paid	(22,892)	--
Net cash generated from / (used in) operating activities	<u>160,901,678</u>	<u>(6,311,745)</u>
INVESTING ACTIVITIES		
Dividends received	13,475,629	16,384,415
Proceeds from disposal of financial investments	32,639,982	45,423,024
Interest received	8,575,594	11,280,712
Movement in deposits with original maturity of more than three months	70,927,904	14,929,637
Purchase of property and equipment	(2,377,792)	(12,208,280)
Purchase of financial investments	(141,642,325)	(21,477,662)
Additions to investment properties	(1,931,890)	(32,007,265)
Net cash (used in) / generated from investing activities	<u>(20,332,898)</u>	<u>22,324,581</u>

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 nine month period ended September 30, 2020

	Note	For the nine month period ended September 30,	
		2020 QR	2019 QR
FINANCING ACTIVITIES			
Repayment of borrowings		(2,706,523)	(2,113,048)
Dividends paid		(40,000,000)	(40,328,041)
Repayment of lease liabilities		(2,280,355)	--
Interest expense paid		(880,860)	(869,768)
Cash used in financing activities		(45,867,738)	(43,310,857)
Net increase / (decrease) in cash and cash equivalents		94,701,042	(27,298,021)
Cash and cash equivalents at the beginning of period		81,408,672	96,643,456
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	4	176,109,714	69,345,435

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 nine month period ended September 30, 2020

1. INCORPORATION AND ACTIVITIES

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

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

- i. On October 21, 2015, MENA RE Underwriters Limited, a limited liability company engaged in insurance intermediation and management, was incorporated in Dubai, UAE with a registration number of CL1984. The registered and paid up capital of the Subsidiary is wholly subscribed and owned by the Company.
- ii. On December 21, 2016, the Company invested 100% in share capital of Barzan Technology Solutions, a company incorporated in Jordan having business activities of providing information technology solutions and also engaged in real estate and investment activities. The subsidiary has commenced its operations during the second half of the year 2017.
- iii. On December 27, 2016, the Company invested 100% in the equity of Schwenke Zentrum S.a.r.l, a company duly incorporated under the laws of Grand Duchy of Luxembourg. The subsidiary is engaged in real estate holding and leasing operations for a property located in Germany.
- iv. In 2006, the Company established an Islamic Takaful branch under the brand name Doha Takaful to carry out insurance and reinsurance activities in accordance with Islamic Sharia principles on a non-usury basis in all areas of insurance. On March 28, 2018, the Company has registered Doha Takaful into a separate limited liability company as Doha Takaful L.L.C., which is 100% owned by the Company. The Company also prepares a separate set of financial statements of Doha Takaful L.L.C. as per the requirement of FAS - 12 General Presentation and Disclosure in the Financial Statements of Islamic Insurance Companies issued by the AAOIFI. The Doha Takaful L.L.C.s financial statements are then converted into International Financial Reporting Standards (IFRSs) compliant financial statements and included in these financial statements.
- v. On August 10, 2018, the Company invested 100% in the equity of Logistics Centre S.a.r.l., a company duly incorporated under the laws of Grand Duchy of Luxembourg. The subsidiary is engaged in real estate holding and leasing operations for a property located in Germany.
- vi. On March 4, 2018, a representative office in Beirut-Lebanon under the name of "Mena Re Life " was established which aims to extend the Group's reinsurance reach in the International arena. It is part of the DIG's strategy of geographic expansion to open new markets and build on its strong credit and financial rating. It is worth mentioning that the Group has completed all the formal procedures of establishing the office in accordance with the laws of the Lebanese Republic.
- 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 susbdairy is a dormant entity and commerical 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 supplie, designing and programming special software, website design and information technology consulting. This wholly owned susbdairy is a dormant entity and commerical operation has not yet commenced.

The interim condensed consolidated financial information of the Group for the nine month period ended September 30, 2020 were authorised for issue by the Board of Directors on October 28, 2020.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

DOHA INSURANCE GROUP Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine month period ended September 30, 2020

2. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

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

(b) Basis of measurement

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

(c) Functional and presentational currency

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

Judgments, estimates and risk management

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

(i) Revised standards

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

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

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

Definition of a Business – Amendments to IFRS 3 Business Combinations

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

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

For the nine month period ended September 30, 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(i) Revised standards (continued)***Amendments to References to the Conceptual Framework in IFRS Standards*

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

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

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

(ii) New and revised standards and interpretations but not yet effective and not early adopted

Effective for annual periods beginning after January 1, 2023

IFRS 17 Insurance Contracts

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

Effective date deferred indefinitely. Early adoption is still permitted.

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

4. CASH AND BANK BALANCES

	September 30, 2020	December 31, 2019
	QR (Reviewed)	QR (Audited)
Cash on hand	527,587	441,501
Bank balances	127,582,127	80,967,171
Deposits	284,283,355	307,211,259
Less: Loss allowance	(118,352)	(89,698)
Cash and bank balances	<u>412,274,717</u>	<u>388,530,233</u>

Deposits includes deposits bearing interest/profit at the rate of 0.75% to 3.00% per annum (December 31, 2019: 0.75% to 8.00 % per annum) with original maturity period of more than three months.

Reconciliation to gross cash and cash equivalents:

	September 30, 2020	December 31, 2019
	QR (Reviewed)	QR (Audited)
Cash and bank balances	412,274,717	388,530,233
Less: deposits with original maturity of more than 3 months	(236,283,355)	(307,211,259)
Add: Allowance for impairment	118,352	89,698
Gross cash and cash equivalents	<u>176,109,714</u>	<u>81,408,672</u>

DOHA INSURANCE GROUP Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine month period ended September 30, 2020

4. CASH AND BANK BALANCES (CONTINUED)

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

5. FINANCIAL INVESTMENTS

The carrying amounts of financial investments were as follows:

	September 30, 2020	December 31, 2019
	QR	QR
	(Reviewed)	(Audited)
Investments held at fair value through profit or loss		
Quoted shares	4,771,556	3,893,200
Funds	105,446,667	62,240,850
Debt securities with fixed interest rate	42,974,006	--
Investments held at fair value through other comprehensive income		
- Quoted shares	306,190,019	313,868,567
- Private equity funds and unquoted shares	52,399,181	66,648,777
- Debt securities with fixed interest rate	87,254,886	58,148,861
Allowance for impairment (ECL)	(2,532,163)	(366,683)
	596,504,152	504,433,572

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

6. INVESTMENTS IN ASSOCIATES

The Group has following investment in associates:

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

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

	September 30, 2020	December 31, 2019
	QR	QR
	(Reviewed)	(Audited)
Share in the associates' statement of financial position:		
Total assets	14,572,517	15,080,481
Total liabilities	(3,912,230)	(5,169,241)
Net assets	10,660,287	9,911,240
Additional consideration paid in excess of share in net assets	6,265,961	6,265,961
	16,926,248	16,177,201

DOHA INSURANCE GROUP Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine month period ended September 30, 2020

6. INVESTMENTS IN ASSOCIATES (CONTINUED)

Movements in the investment in associates are as follows:

	September 30, 2020	December 31, 2019
	QR	QR
	(Reviewed)	(Audited)
Net carrying value at the beginning of the period / year	16,177,201	16,069,469
Equity share in net earnings	600,711	609,793
Cash dividends received	--	(466,176)
Share of other comprehensive loss of associate	175,803	(72,267)
Foreign currency translation difference	(27,467)	36,382
Net carrying value at the ending of the period / year	16,926,248	16,177,201

7. INVESTMENT PROPERTIES

	September 30, 2020	December 31, 2019
	QR	QR
	(Reviewed)	(Audited)
Net carrying value at the beginning of the period / year	321,946,153	269,973,893
Transfer from property and equipment	--	7,182,349
Right-of-use assets under IFRS 16	--	2,684,876
Additions	1,931,890	47,875,772
Depreciation and amortization for the period / year	(3,895,712)	(3,548,121)
Exchange rate adjustments	3,853,679	(2,222,616)
Net carrying value at the end of the period / year	323,836,010	321,946,153

- i.) Investment properties as of September 30, 2020 include an amount of QR 50,493,776 (December 31, 2019: QR 49,714,618), which represents the net book value of a property in Germany acquired in 2017 by Schwenke Zentrum S.a.r.l, a subsidiary of the Group. The Company has recognized rental income of QR 3,383,737 (September 30, 2019: QR 3,690,601) relating to the said property. Management using internal review during December 2019, estimated the fair value of the property at QR 52,316,019.
- ii.) In 2018, the Group purchased additional property in Germany by its subsidiary, Logistic Centre S.a.r.l. with the net book value of QR 45,202,757 (December 31, 2019: QR 44,609,336). The Company recognized rental income of QR. 3,164,410 (September 30: 2019: QR 2,581,933) relating to the said property. Management using internal review as at December 31, 2019, estimated the fair value of the property at QR 63,763,604.
- iii.) In addition to the investment properties mentioned in (i) and (ii) above, the Group has investment properties in the State of Qatar with a carrying value of QR 228,139,477 as of September 30, 2020 (December 31, 2019: 227,937,199). The fair value of the investment properties as of December 31, 2019 amounted to QR. 253,797,862 and has been arrived on the basis of a valuation carried out by an independent valuer not related to the Group.

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

DOHA INSURANCE GROUP Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine month period ended September 30, 2020

8. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS

	September 30, 2020	December 31, 2019
	QR	QR
	(Reviewed)	(Audited)
Gross		
Insurance contract liabilities:		
Claims reported unsettled	1,052,435,552	1,161,772,663
Claims incurred but not reported	89,993,633	53,198,708
Unearned premiums	383,114,315	289,682,364
Deferred commissions	13,540,191	8,737,652
	<u>1,539,083,691</u>	<u>1,513,391,387</u>
Recoverable from reinsurers:		
Claims reported unsettled	925,920,095	1,052,000,737
Claims incurred but not reported	48,739,114	31,189,181
Re-insurers' share in unearned premiums	216,660,280	165,466,700
	<u>1,191,319,489</u>	<u>1,248,656,618</u>
Net		
Claims reported unsettled	126,515,457	109,771,926
Claims incurred but not reported	41,254,519	22,009,527
Unearned premiums	166,454,035	124,215,664
Deferred commissions	13,540,191	8,737,652
	<u>347,764,202</u>	<u>264,734,769</u>

DOHA INSURANCE GROUP Q.P.S.C.
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
 For the nine month period ended September 30, 2020

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

(a) Outstanding claims provision

	September 30, 2020 (Reviewed)		December 31, 2019 (Audited)	
	Gross QR	Reinsurers' share QR	Gross QR	Reinsurers' share QR
At the beginning of the period / year		Net QR		Net QR
Claims reported unsettled	1,161,772,663	(1,052,000,737)	428,407,189	(308,491,684)
Claims incurred but not reported	53,198,708	(31,189,181)	52,461,079	(30,500,486)
	1,214,971,371	(1,083,189,918)	480,868,268	(338,992,170)
Insurance claims paid during the period / year	(175,035,470)	76,046,793	(290,754,840)	143,771,415
Incurred during the period / year	102,493,284	32,483,916	1,024,857,943	(887,969,163)
At the end of the period / year	1,142,429,185	(974,659,209)	1,214,971,371	(1,083,189,918)

(b) Analysis of outstanding claims

	September 30, 2020 (Reviewed)		December 31, 2019 (Audited)	
	Gross QR	Reinsurers' share QR	Gross QR	Reinsurers' share QR
Claims reported unsettled	1,052,435,552	(925,920,095)	1,161,772,663	(1,052,000,737)
Claims incurred but not reported	89,993,633	(48,739,114)	53,198,708	(31,189,181)
At the end of the period/year	1,142,429,185	(974,659,209)	1,214,971,371	(1,083,189,918)
		Net QR		Net QR
		126,515,457		109,771,926
		41,254,519		22,009,527
		167,769,976		131,781,453

DOHA INSURANCE GROUP Q.P.S.C.
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
 For the nine month period ended September 30, 2020

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

(c) Unearned premium reserve

	September 30, 2020 (Reviewed)		December 31, 2019 (Audited)	
	Gross QR	Reinsurers' share QR	Gross QR	Reinsurers' share QR
At the beginning of the period / year	289,682,364	124,215,664	274,291,854	(162,424,457)
Gross premiums during the period / year	694,106,604	(415,505,243)	655,913,479	(403,575,861)
Earned insurance premiums during the period / year	(600,674,653)	364,311,663	(640,522,969)	400,533,618
At the end of the period / year	<u>383,114,315</u>	<u>(216,660,280)</u>	<u>289,682,364</u>	<u>(165,466,700)</u>
		<u>Net QR</u>		<u>Net QR</u>
		124,215,664	274,291,854	111,867,397
		278,601,361	655,913,479	252,337,618
		(236,362,990)	(640,522,969)	(239,989,351)
		<u>166,454,035</u>	<u>289,682,364</u>	<u>124,215,664</u>

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

For the nine month period ended September 30, 2020

9. BORROWINGS

Total borrowings as at September 30, 2020 amounts to QR 51,709,167 with the following details:

- i. In 2017, a loan was taken to purchase an investment property in Germany, by a subsidiary, Schwenke Zentrum S.a.r.l., which bears interest of 2.65%. It is repayable over a period of 256 months. The non-current portion of the loan as at period end amounted to QR 19,076,906. The loan is secured by a mortgage on the investment property amounting to QR 50,493,776. The carrying amount of the loan is QR 27,657,137 at September 30, 2020 (December 31, 2019: QR 27,573,718).
- ii. In 2018, additional loan was taken to purchase an investment property in Germany, by a subsidiary, Logistic Centre S.a.r.l. with the rate of 1.73%. It is payable in monthly instalments until July 31, 2028. The non-current portion of the loan as at period end amounted to QR 22,336,983. The loan is secured by a mortgage on the investment property amounting to QR 44,547,900. The carrying amount of the loan is QR 24,052,030 at September 30, 2020 (December 31, 2019: QR 24,448,504).

10. SHARE CAPITAL

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

11. LEGAL RESERVE

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

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

12. DIVIDENDS

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

13. EARNINGS PER SHARE

	<u>For the three - month period ended September 30,</u>		<u>For the nine - month period ended September 30,</u>	
	<u>2020</u> (Reviewed)	<u>2019</u> (Reviewed)	<u>2020</u> (Reviewed)	<u>2019</u> (Reviewed)
Profit attributable to the shareholders after tax (QR)	<u>12,858,595</u>	<u>4,620,322</u>	<u>44,826,288</u>	<u>40,011,680</u>
Weighted average number of shares outstanding during the period	<u>500,000,000</u>	<u>500,000,000</u>	<u>500,000,000</u>	<u>500,000,000</u>
Basic and diluted earnings per share (QR)	<u>0.03</u>	<u>0.01</u>	<u>0.09</u>	<u>0.08</u>

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.

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

For the nine month period ended September 30, 2020

14. GENERAL AND ADMINISTRATIVE EXPENSES

	For the three month period ended September 30,		For the nine month period ended September 30,	
	2020	2019	2020	2019
	QR	QR	QR	QR
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Salaries, wages and other benefits	14,687,765	17,476,387	46,355,731	46,372,221
Rent, maintenance and office expenses	1,116,837	345,172	3,330,745	3,557,972
Legal and consultation fees	869,785	573,926	1,978,905	2,494,000
Advertisement and business promotion	73,874	508,465	400,376	1,230,540
Board remuneration	999,997	652,500	2,999,997	1,947,500
Government fees	337,025	268,784	744,584	674,084
Business travel	49,375	296,450	322,935	1,058,490
Printing and stationery	37,198	51,864	195,131	188,071
Miscellaneous expenses	2,574,490	2,979,756	6,571,965	5,988,181
	<u>20,746,346</u>	<u>23,153,304</u>	<u>62,900,369</u>	<u>63,511,049</u>

DOHA INSURANCE GROUP Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine month period ended September 30, 2020

15. SEGMENT INFORMATION

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

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

	Motor		Marine and Aviation		Fire and General Accident		Total	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	QR (Reviewed)	QR (Reviewed)	QR (Reviewed)	QR (Reviewed)	QR (Reviewed)	QR (Reviewed)	QR (Reviewed)	QR (Reviewed)
For the nine month ended								
Gross premiums	162,762,523	111,197,404	129,921,821	128,146,157	401,422,260	268,325,440	694,106,604	507,669,001
Reinsurers' share of gross premiums	(9,919,868)	(10,973,713)	(115,187,767)	(114,239,080)	(290,397,608)	(199,398,246)	(415,505,243)	(324,611,039)
Net premiums	152,842,655	100,223,691	14,734,054	13,907,077	111,024,652	68,927,194	278,601,361	183,057,962
Change in unexpired risk reserve	(23,829,693)	(4,058,050)	(1,930,536)	(2,890,181)	(16,478,143)	(1,876,573)	(42,238,372)	(8,824,804)
Underwriting revenue	129,012,962	96,165,641	12,803,518	11,016,896	94,546,509	67,050,621	236,362,989	174,233,158
Claims paid	(55,715,094)	(69,311,916)	(3,974,647)	(1,679,550)	(115,345,729)	(163,558,272)	(175,035,470)	(234,549,738)
Reinsurers' share of claims	873,529	1,050,254	2,669,372	1,192,995	72,503,892	126,602,311	76,046,793	128,845,560
Change in outstanding claims reserve	(15,465,272)	6,033,785	756,665	240,602	(20,141,491)	(1,168,983)	(34,850,098)	5,105,404
Commissions received	4,072,361	759,931	6,054,875	3,344,380	21,121,957	16,550,946	31,249,193	20,655,257
Commissions paid	(14,696,862)	(8,610,936)	(3,722,692)	(2,576,935)	(19,172,997)	(14,347,960)	(37,592,545)	(25,535,831)
Other technical expenses	(1,305,259)	(331,564)	(97,905)	(287,933)	(749,041)	(525,748)	(2,152,205)	(1,145,245)
Unallocated loss adjustment expenses	--	--	--	--	--	--	(1,138,425)	--
Net underwriting results	46,776,365	25,755,195	14,489,186	11,250,455	32,763,100	30,602,915	92,890,232	67,608,565
Investment and other income							30,172,272	42,702,739
Total expenses							(72,043,918)	(68,785,245)
Net surplus attributable to Takaful operation's policyholders							(6,169,406)	(1,514,379)
Income tax							(22,892)	
Profit for the period							44,826,288	40,011,680

DOHA INSURANCE GROUP Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine month period ended September 30, 2020

15. SEGMENT INFORMATION (CONTINUED)

	Motor		Marine and Aviation		Fire and General Accident		Total	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	QR (Reviewed)	QR (Reviewed)	QR (Reviewed)	QR (Reviewed)	QR (Reviewed)	QR (Reviewed)	QR (Reviewed)	QR (Reviewed)
For the three month ended								
Gross premiums	47,806,805	32,467,658	57,691,163	78,079,758	112,944,689	81,653,229	218,442,657	192,200,645
Reinsurers' share of gross premiums	(4,857,413)	(1,323,094)	(53,388,116)	(74,325,096)	(75,103,493)	(61,517,282)	(133,349,022)	(137,165,472)
Net premiums	42,949,392	31,144,564	4,303,047	3,754,662	37,841,196	20,135,947	85,093,635	55,035,173
Change in unexpired risk reserve	5,725,342	2,405,558	734,058	610,643	528,239	165,089	6,987,639	3,181,290
Underwriting revenue	48,674,734	33,550,122	5,037,105	4,365,305	38,369,435	20,301,036	92,081,274	58,216,463
Claims paid	(19,167,286)	(23,247,213)	(916,914)	(520,563)	(33,200,352)	(41,116,692)	(53,284,552)	(64,884,470)
Reinsurers' share of claims	149,244	119,878	790,955	391,149	17,039,775	24,103,049	17,979,974	24,614,076
Change in outstanding claims reserve	(7,922,294)	1,135,943	60,404	(267,250)	(13,557,501)	5,471,423	(21,419,391)	6,340,116
Commissions received	75,395	14,844	1,719,067	1,428,545	7,104,801	5,326,802	8,899,263	6,770,191
Commissions paid	(4,273,487)	(2,731,465)	(1,787,065)	(1,352,449)	(6,501,320)	(4,326,973)	(12,561,872)	(8,410,887)
Other technical expenses	(710,314)	(84,897)	(1,000)	(41,507)	(517,702)	(87,563)	(1,229,016)	(213,967)
Unallocated loss adjustment expenses							(815,532)	--
Net underwriting results	16,825,992	8,757,212	4,902,552	4,003,230	8,737,136	9,671,082	29,650,148	22,431,522
Investment and other income							8,451,187	7,365,756
Total expenses							(24,043,104)	(24,813,022)
Net surplus attributable to Takaful operation's policyholders							(1,176,744)	(363,934)
Income tax							(22,892)	
Profit for the period							12,858,595	4,620,322

DOHA INSURANCE GROUP Q.P.S.C.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
For the nine month period ended September 30, 2020

15. SEGMENT INFORMATION (CONTINUED)

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

	September 30, 2020 (Reviewed)		December 31, 2019 (Audited)	
	Qatar QR	International QR	Qatar QR	International QR
Asset				
Total assets	2,814,509,732	148,181,737	2,962,691,469	2,840,074,706
Liabilities				
Insurance contract liabilities	(1,507,556,071)	(31,527,620)	(1,539,083,691)	(1,513,391,387)
Net surplus attributable to Islamic Takaful policyholders	(17,835,276)	--	(17,835,276)	(11,665,870)
Other liabilities	(280,581,771)	(59,127,698)	(339,709,469)	(60,187,188)
Net assets	<u>1,008,536,614</u>	<u>57,526,419</u>	<u>1,066,063,033</u>	<u>83,531,491</u>
			990,016,089	<u>1,073,547,580</u>
			(181,282,681)	<u>(241,469,869)</u>
			(11,665,870)	<u>(11,665,870)</u>
			--	<u>--</u>
			(19,069,277)	<u>(19,069,277)</u>
			2,677,286,750	<u>162,787,956</u>
			2,840,074,706	<u>2,840,074,706</u>

DOHA INSURANCE GROUP Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine month period ended September 30, 2020

16. RELATED PARTY DISCLOSURES

Related party transactions

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

Related party transactions

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

	September 30, 2020 (Reviewed)		September 30, 2019 (Reviewed)	
	Premiums QR	Claims QR	Premiums QR	Claims QR
Major shareholders	<u>21,875,835</u>	<u>4,746,997</u>	<u>17,480,416</u>	<u>6,374,154</u>

Related party balances

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

	September 30, 2020 (Reviewed)		December 31, 2019 (Audited)	
	Receivables QR	Claims and payables QR	Receivables QR	Claims and payables QR
Major shareholders	<u>11,225,073</u>	<u>3,305,870</u>	<u>11,500,176</u>	<u>280,262</u>

Compensation of key management personnel

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

	September 30, 2020 QR (Reviewed)	September 30, 2019 QR (Reviewed)
Board remuneration	2,999,997	1,947,500
Short-term benefits	3,285,000	3,285,000
End of service and other benefits	393,750	393,750
	<u>6,678,747</u>	<u>5,626,250</u>

DOHA INSURANCE GROUP Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine month period ended September 30, 2020

17. CONTINGENCIES AND COMMITMENTS

Guarantees

At September 30, 2020, the Group had contingent liabilities in respect of tender guarantees and other guarantees from which it is anticipated that no material liabilities will arise, amounting to QR 10,145,111 (December 31, 2019: QR. 10,143,296).

Legal claims

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

18. FINANCIAL INSTRUMENTS

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

	September 30, 2020	Level 1	Level 2	Level 3
	QR. (Reviewed)	QR. (Reviewed)	QR. (Reviewed)	QR. (Reviewed)
<i>Assets measured at fair value</i>				
Investments in financial assets	<u>596,504,152</u>	<u>544,104,971</u>	<u>52,399,181</u>	--
	December 31, 2019	Level 1	Level 2	Level 3
	QR. (Audited)	QR. (Audited)	QR. (Audited)	QR. (Audited)
<i>Assets measured at fair value</i>				
Investments in financial assets	<u>504,433,572</u>	<u>437,784,796</u>	<u>66,648,776</u>	--

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. COVID-19 IMPACT

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

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

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

i) Insurance contract liabilities

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

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

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

ii) Impact on investment portfolio

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

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

DOHA INSURANCE GROUP Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the nine month period ended September 30, 2020

19. COVID-19 IMPACT (CONTINUED)

iii) Impact on other assets and liabilities

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

iv) Going concern

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

v) Subsequent events

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

DOHA INSURANCE GROUP Q.P.S.C.

SUPPLEMENTARY INFORMATION

For the nine month period ended September 30, 2020

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

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

(i) Interim condensed statement of financial position

	September 30, 2020	December 31, 2019
	QR (Reviewed)	QR (Audited)
Policyholder's assets		
Cash on hand	6,516	6,279
Bank balances (Islamic banks)	70,684,082	72,609,288
Reinsurance contract assets	14,968,355	8,545,202
Due from policyholders, insurance and reinsurance companies	19,042,654	16,215,467
Due from parent	5,216,638	--
Prepayments and other assets	--	3,060,700
Total policyholder's assets	109,918,245	100,436,936
Shareholder's assets		
Bank balances	79,251,600	93,581,641
Due from policyholders	4,691,154	25,717,224
Financial investments FVTPL	77,268,394	5,038,325
Fixed asset	240,008	193,318
Other assets	1,243,602	1,074,520
Total shareholder's assets	162,694,758	125,605,028
TOTAL ASSETS	272,613,003	226,041,964
Policyholders' fund		
Policyholders' fund	17,835,276	11,665,870
Policyholder liabilities		
Takaful contract liabilities	69,968,581	49,709,698
Provisions, insurance and other payables	16,535,052	13,344,143
Due to shareholders	4,691,154	25,717,225
Due to parent	888,182	--
Total policyholder liabilities	92,082,969	88,771,066
Total policyholder's equity and liabilities	109,918,245	100,436,936
Shareholder's equity		
Share capital	150,000,000	110,000,000
Legal reserve	1,308,149	1,308,149
Retained earnings	9,063,071	11,762,471
Fair value reserve	--	10,871
Total shareholder's equity	160,371,220	123,081,491
Shareholder's liability		
Accrued expenses	2,323,538	2,523,537
Total shareholder's equity and liability	162,694,758	125,605,028
Total policyholder's funds and liabilities and total shareholder's equity and liability	272,613,003	226,041,964

DOHA INSURANCE GROUP Q.P.S.C.

SUPPLEMENTARY INFORMATION

For the nine month period ended September 30, 2020

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

(ii) Interim condensed statement of profit or loss

	Three month		Nine month	
	period ended September 30,		period ended September 30,	
	2020	2019	2020	2019
	QR	QR	QR	QR
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Policyholder's revenue and expenses				
Revenue				
Net takaful gain	1,381,295	284,880	6,203,188	1,265,834
Other income	255,660	367,682	1,033,228	1,140,985
	<u>1,636,955</u>	<u>652,562</u>	<u>7,236,416</u>	<u>2,406,819</u>
Expenses				
General and administrative expenses	(460,211)	(288,628)	(1,067,010)	(892,440)
	<u>(460,211)</u>	<u>(288,628)</u>	<u>(1,067,010)</u>	<u>(892,440)</u>
Net surplus for the period transferred to policyholder's fund	<u>1,176,744</u>	<u>363,934</u>	<u>6,169,406</u>	<u>1,514,379</u>
Shareholder's revenue and expenses				
Revenue				
Wakala fees	4,019,530	3,453,440	14,460,670	9,952,607
Mudarabah fees	178,962	257,378	723,260	798,690
Investment income	1,943,101	875,980	3,591,803	3,052,144
Other Income	564	--	14,514	23,579
	<u>6,142,157</u>	<u>4,586,798</u>	<u>18,790,247</u>	<u>13,827,020</u>
Expenses				
General and administrative expenses	(3,360,398)	(2,924,094)	(9,727,176)	(8,395,733)
	<u>(3,360,398)</u>	<u>(2,924,094)</u>	<u>(9,727,176)</u>	<u>(8,395,733)</u>
Net income to shareholder	<u>2,781,759</u>	<u>1,662,704</u>	<u>9,063,071</u>	<u>5,431,287</u>