

**Qatar Insurance Company Q.S.P.C**  
**INTERIM CONDENSED CONSOLIDATED**  
**FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITOR'S REVIEW REPORT**  
**FOR THE NINE MONTHS PERIOD ENDED**  
**30 SEPTEMBER 2020**

## INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF QATAR INSURANCE COMPANY Q.S.P.C. AND ITS SUBSIDIARIES

### Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Qatar Insurance Company Q.S.P.C (the "Parent Company") and its subsidiaries (collectively "the Group") as at 30 September 2020, comprising of the interim consolidated statement of financial position as at 30 September 2020 and the related interim consolidated statements of income and comprehensive income for the three months and nine months period ended 30 September 2020, the related interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the nine months period then ended, and the related explanatory notes.

The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### Scope of review

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently 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 statements are not prepared, in all material respects, in accordance with IAS 34.

### Other matter

We draw attention to the fact that the interim condensed consolidated financial statements for the three months period from 1 July 2019 to 30 September 2019 and nine months period from 1 January 2019 to 30 September 2019 were neither audited nor reviewed. These are presented for comparison purposes only and our conclusion does not extend to cover the results for those periods.

  
Ahmed Sayed  
of Ernst and Young  
Auditor's Registration No. 326 Doha

Date: 27 October 2020  
Doha





شركة قطر للتأمين  
Qatar Insurance Company Q.S.P.C.

## Qatar Insurance Company Q.S.P.C.

### INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2020

		<b>30 September 2020</b>	<b>31 December 2019</b>
	<i>Notes</i>	<b>QR ('000)</b> <b>(Reviewed)</b>	<b>QR ('000)</b> <b>(Audited)</b>
<b>ASSETS</b>			
Cash and cash equivalents	3	<b>8,640,785</b>	8,544,700
Insurance and other receivables	4	<b>8,903,700</b>	8,452,858
Reinsurance contract assets	5	<b>6,951,649</b>	5,099,804
Equity accounted investments		<b>151,615</b>	149,638
Investments	6	<b>16,833,392</b>	15,788,492
Investment properties	7	<b>575,568</b>	596,004
Property and equipment		<b>132,548</b>	146,935
Goodwill and intangible assets		<b>613,349</b>	636,883
<b>TOTAL ASSETS</b>		<b>42,802,606</b>	39,415,314
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>LIABILITIES</b>			
Short term borrowings		<b>4,791,565</b>	4,526,219
Provisions, reinsurance and other payables		<b>4,396,903</b>	3,995,183
Insurance contract liabilities	5	<b>23,012,233</b>	20,499,218
Long term borrowings		<b>174,831</b>	178,500
<b>TOTAL LIABILITIES</b>		<b>32,375,532</b>	29,199,120
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	12	<b>3,266,101</b>	3,266,101
Share premium	12	<b>2,759,194</b>	2,759,194
Legal reserve	13	<b>634,567</b>	634,567
General reserve		<b>287,000</b>	287,000
Fair value reserve		<b>57,659</b>	177,462
Catastrophe special reserve		<b>32,017</b>	32,017
Other components of equity	14	<b>(58,771)</b>	(38,772)
Retained earnings		<b>597,319</b>	1,335,692
<b>Equity attributable to shareholders of the Parent Company</b>		<b>7,575,086</b>	8,453,261
Non-controlling interests		<b>154,747</b>	147,337
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>7,729,833</b>	8,600,598
Subordinated perpetual debt	15	<b>2,697,241</b>	1,615,596
<b>TOTAL EQUITY</b>		<b>10,427,074</b>	10,216,194
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>42,802,606</b>	39,415,314

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

Khalifa Abdulla Turki Al Subaey  
Group President

The accompanying notes are an integral part of these interim consolidated financial statements

Qatar Insurance Company Q.S.P.C

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the nine months period ended 30 September 2020

	<i>For the three months period ended</i>		<i>For the nine months period ended</i>	
	<i>30 September 2020</i>	<i>30 September 2019</i>	<i>30 September 2020</i>	<i>30 September 2019</i>
	<i>Note (QR '000) (Reviewed)</i>	<i>(QR '000) (Unreviewed)</i>	<i>(QR '000) (Reviewed)</i>	<i>(QR '000) (Unreviewed)</i>
Gross premiums	2,969,362	3,420,267	10,203,122	9,805,515
Premiums ceded to reinsurers	(1,345,364)	(439,312)	(3,144,102)	(1,174,689)
Net premiums	1,623,998	2,980,955	7,059,020	8,630,826
Movement in unexpired risk reserve	535,523	(455,500)	327,509	(775,872)
<b>Net earned premiums</b>	<b>2,159,521</b>	<b>2,525,455</b>	<b>7,386,529</b>	<b>7,854,954</b>
Gross claims paid	(1,765,472)	(2,023,508)	(5,973,939)	(6,800,979)
Reinsurance recoveries	191,117	512,710	1,154,853	1,329,733
Movement in outstanding claims	(202,615)	(311,876)	(956,023)	44,139
Net commission	(457,193)	(615,758)	(1,697,581)	(2,014,746)
Other insurance income	1,234	1,877	2,776	6,401
<b>Net underwriting result</b>	<b>(73,408)</b>	<b>88,900</b>	<b>(83,385)</b>	<b>419,502</b>
Investment income	293,890	215,428	439,127	714,479
Finance costs	(11,055)	(31,630)	(40,860)	(104,365)
<b>Net investment income</b>	<b>282,835</b>	<b>183,798</b>	<b>398,267</b>	<b>610,114</b>
Advisory fee income	776	1,636	8,393	8,686
Rental income	9,892	10,842	30,526	34,750
Other income	4,401	166	5,660	329
<b>Total investment and other income</b>	<b>297,904</b>	<b>196,442</b>	<b>442,846</b>	<b>653,879</b>
Share of profit from equity accounted investments	3,894	3,742	11,352	10,442
<b>TOTAL INCOME</b>	<b>228,390</b>	<b>289,084</b>	<b>370,813</b>	<b>1,083,823</b>
Operating and administrative expenses	(137,125)	(180,385)	(437,272)	(511,102)
Depreciation and amortization	(19,293)	(25,499)	(56,618)	(61,490)
<b>PROFIT / (LOSS) BEFORE INCOME TAX</b>	<b>71,972</b>	<b>83,200</b>	<b>(123,077)</b>	<b>511,231</b>
Income tax	(4,131)	(2,102)	(7,576)	(10,971)
<b>PROFIT / (LOSS) AFTER TAX FOR THE PERIOD</b>	<b>67,841</b>	<b>81,098</b>	<b>(130,653)</b>	<b>500,260</b>
<i>Attributable to:</i>				
Equity holders of the parent	60,458	75,313	(147,380)	485,231
Non-controlling interests	7,383	5,785	16,727	15,029
	<b>67,841</b>	<b>81,098</b>	<b>(130,653)</b>	<b>500,260</b>
<b>Earnings per share</b>				
Basic and diluted earnings / (loss) per share attributable to ordinary equity holders of the parent in Qatari Riyals	<b>0.007</b>	<b>0.017</b>	<b>(0.073)</b>	<b>0.130</b>

The accompanying notes are an integral part of these interim consolidated financial statements

Qatar Insurance Company Q.S.P.C

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months period ended 30 September 2020

	<i>For the three months period ended</i>		<i>For the nine months period ended</i>	
	<i>30 September 2020</i>	<i>30 September 2019</i>	<i>30 September 2020</i>	<i>30 September 2019</i>
	<i>QR ('000)</i>	<i>QR ('000)</i>	<i>QR ('000)</i>	<i>QR ('000)</i>
	<i>(Reviewed)</i>	<i>(Unreviewed)</i>	<i>(Reviewed)</i>	<i>(Unreviewed)</i>
<b>Profit / (loss) for the period</b>	<b>67,841</b>	81,098	<b>(130,653)</b>	500,260
<b>Other comprehensive income (OCI)</b>				
<b>OCI to be reclassified to profit or loss in subsequent periods</b>				
<i>Debt instruments at fair value through other comprehensive income</i>				
Net changes in fair value during the period	239,984	62,631	(119,674)	440,126
Foreign currency translation differences foreign operations	13,424	(12,173)	(32,547)	(16,176)
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>	<b>321,249</b>	131,556	<b>(282,874)</b>	924,210
<i>Attributable to:</i>				
Equity holders of the Parent	313,641	124,400	(298,534)	901,516
Non-controlling interests	7,608	7,156	15,660	22,694
<b>Total comprehensive (loss) / income for the period</b>	<b>321,249</b>	131,556	<b>(282,874)</b>	924,210

Qatar Insurance Company Q.S.P.C

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months period ended 30 September 2020

	<i>Share capital</i>	<i>Share premium</i>	<i>Legal reserve</i>	<i>General reserve</i>	<i>Fair value reserve</i>	<i>Catastrophe special reserve</i>	<i>Other components of equity</i>	<i>Retained earnings</i>	<i>Attributable to owners of the Parent Company</i>	<i>Non-controlling interests</i>	<i>Total equity</i>
	<i>QR ('000)</i>	<i>QR ('000)</i>	<i>QR ('000)</i>	<i>QR ('000)</i>	<i>QR ('000)</i>	<i>QR ('000)</i>	<i>QR ('000)</i>	<i>QR ('000)</i>	<i>QR ('000)</i>	<i>QR ('000)</i>	<i>QR ('000)</i>
<b>At 1 January 2020 (Audited)</b>	<b>3,266,101</b>	<b>2,759,194</b>	<b>634,567</b>	<b>287,000</b>	<b>177,462</b>	<b>32,017</b>	<b>(38,772)</b>	<b>1,335,692</b>	<b>8,453,261</b>	<b>147,337</b>	<b>8,600,598</b>
Loss for the period	-	-	-	-	-	-	-	(147,380)	(147,380)	16,727	(130,653)
Foreign currency translation	-	-	-	-	-	-	(31,351)	-	(31,351)	(1,196)	(32,547)
Net change in investments at fair value through other comprehensive income (FVOCI)	-	-	-	-	(119,803)	-	-	-	(119,803)	129	(119,674)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(119,803)</b>	<b>-</b>	<b>(31,351)</b>	<b>(147,380)</b>	<b>(298,534)</b>	<b>15,660</b>	<b>(282,874)</b>
Dividend for the period 2019 (Note 11)	-	-	-	-	-	-	-	(489,915)	(489,915)	(8,250)	(498,165)
Interest on subordinated perpetual debt	-	-	-	-	-	-	-	(89,726)	(89,726)	-	(89,726)
Transfer to other components of equity	-	-	-	-	-	-	11,352	(11,352)	-	-	-
<b>At 30 September 2020 (Reviewed)</b>	<b>3,266,101</b>	<b>2,759,194</b>	<b>634,567</b>	<b>287,000</b>	<b>57,659</b>	<b>32,017</b>	<b>(58,771)</b>	<b>597,319</b>	<b>7,575,086</b>	<b>154,747</b>	<b>7,729,833</b>

The accompanying notes are an integral part of these interim consolidated financial statements

Qatar Insurance Company Q.S.P.C

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the nine months period ended 30 September 2020

	<i>Share capital</i>	<i>Share premium</i>	<i>Legal reserve</i>	<i>General reserve</i>	<i>Fair value reserve</i>	<i>Catastrophe special reserve</i>	<i>Other components of equity</i>	<i>Retained earnings</i>	<i>Attributable to owners of the Parent Company</i>	<i>Non-controlling interests</i>	<i>Total equity</i>
	<i>QR ('000)</i>	<i>QR ('000)</i>	<i>QR ('000)</i>	<i>QR ('000)</i>	<i>QR ('000)</i>	<i>QR ('000)</i>	<i>QR ('000)</i>	<i>QR ('000)</i>	<i>QR ('000)</i>	<i>QR ('000)</i>	<i>QR ('000)</i>
At 1 January 2019 (Audited)	3,189,059	2,554,492	634,567	287,000	(313,851)	32,017	60,012	1,282,527	7,725,823	245,816	7,971,639
Impact of Adopting IFRS 16	-	-	-	-	-	-	-	3,033	3,033	57	3,090
At 1 January 2019 (Adjusted)	3,189,059	2,554,492	634,567	287,000	(313,851)	32,017	60,012	1,285,560	7,728,856	245,873	7,974,729
Profit for the period	-	-	-	-	-	-	-	485,231	485,231	15,029	500,260
Foreign currency translation	-	-	-	-	-	-	(16,176)	-	(16,176)	-	(16,176)
Net change in investments at fair value through other comprehensive income (FVOCI)	-	-	-	-	432,461	-	-	-	432,461	7,665	440,126
Total comprehensive income for the period	-	-	-	-	432,461	-	(16,176)	485,231	901,516	22,694	924,210
Dividend for the period 2018 (Note 11)	-	-	-	-	-	-	-	(478,359)	(478,359)	-	(478,359)
Interest on subordinated perpetual debt	-	-	-	-	-	-	-	(60,811)	(60,811)	-	(60,811)
Transfer to other components of equity	-	-	-	-	-	-	10,442	(10,442)	-	-	-
Issuance of shares (Note 12)	77,042	204,702	-	-	(8,107)	-	(139,238)	(7,248)	127,151	(127,151)	-
At 30 September 2019 (Unreviewed)	3,266,101	2,759,194	634,567	287,000	110,503	32,017	(84,960)	1,213,931	8,218,353	141,416	8,359,769

The accompanying notes are an integral part of these interim consolidated financial statements

**Qatar Insurance Company Q.S.P.C**

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

For the nine months period ended 30 September 2020

	<i>For the nine months period ended</i>	
	<i>30 September 2020</i>	<i>30 September 2019</i>
	<i>QR ('000)</i>	<i>QR ('000)</i>
<i>Notes</i>	<i>(Reviewed)</i>	<i>(Unreviewed)</i>
<b>OPERATING ACTIVITIES</b>		
(Loss) / profit before tax	(123,077)	511,231
<i>Adjustments for:</i>		
Depreciation and amortisation	56,618	61,490
Share of profit from investments in equity accounted investments	(11,352)	(10,442)
Investment income and other income	(403,927)	(610,443)
Impairment loss on insurance and other receivables	6,697	8,538
Provision for employees' end of service benefits	3,956	5,248
Loss on disposal of property and equipment	452	3,091
<b>Operating loss before working capital changes</b>	<b>(470,633)</b>	<b>(31,287)</b>
<i>Working capital changes</i>		
Change in insurance and other receivables	(457,539)	(706,876)
Change in insurance reserves – net	661,170	663,223
Change in provisions, reinsurance and other payables	391,508	(9,973)
<b>Cash flows from / (used in) operations</b>	<b>124,506</b>	<b>(84,913)</b>
Income tax paid	(5,151)	(2,367)
Employees' end of service benefits paid	(4,814)	(347)
<b>Net cash flows from / (used in) operating activities</b>	<b>114,541</b>	<b>(87,627)</b>
<b>INVESTING ACTIVITIES</b>		
Net cash movements in investments	(1,164,574)	537,722
Investment income and other finance income	403,927	610,443
Purchase of property and equipment	(11,523)	(10,891)
Dividend received from equity accounted investments	9,375	9,250
Purchase of investment properties	7 (556)	(2,169)
<b>Net cash flows (used in)/ from investing activities</b>	<b>(763,351)</b>	<b>1,144,355</b>
<b>FINANCING ACTIVITIES</b>		
Interest on subordinated perpetual debt	(81,081)	(81,081)
Dividends paid	(489,915)	(478,359)
Net movement of borrowings	265,770	(534,235)
Proceeds from subordinated perpetual debt	15 1,081,645	-
Dividends paid to non-controlling interests	(8,250)	-
<b>Net cash flows from / (used in) financing activities</b>	<b>768,169</b>	<b>(1,093,675)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>119,359</b>	<b>(36,947)</b>
Effect of foreign currency exchange differences	(23,274)	(12,006)
Cash and cash equivalents at 1 January	8,544,700	8,011,163
<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b>	<b>3 8,640,785</b>	<b>7,962,210</b>

The accompanying notes are an integral part of these interim consolidated financial statements



## **1 STATUS AND OPERATIONS**

Qatar Insurance Company Q.S.P.C. (the “Parent Company”) is a public shareholding company incorporated in the State of Qatar in the year 1964 under Commercial Registration No. 20 and governed by the provisions of the Qatar Commercial Companies’ Law and Qatar Central Bank’s insurance regulations. The Parent Company and its subsidiaries (the “Group”) are engaged in the business of insurance, reinsurance, real estate and financial advisory services. The head office of the Group is at QIC Building, Tamin Street, West Bay, P.O. Box 666, Doha, State of Qatar.

The Parent Company’s shares are listed on Qatar Stock Exchange.

The Group operates in the State of Qatar, United Arab Emirates, Sultanate of Oman, State of Kuwait, United Kingdom, Switzerland, Bermuda, Singapore, Labuan (Malaysia), Gibraltar, Italy, Jersey and Malta.

## **2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

### **2.1 Basis of preparation**

The interim condensed consolidated financial statements for the nine month period ended 30 September 2020 have been prepared in accordance with IAS 34 - “Interim Financial Reporting” and the applicable provisions of the Qatar Central Bank regulations, under the historical cost convention except for certain financial instruments which are stated at fair value.

The interim condensed consolidated financial statements are presented in Qatari Riyals (“QR”), which is the Group’s functional and presentation currency except as otherwise indicated, financial information presented in QR has been rounded to the nearest thousand.

The interim condensed consolidated financial statements 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 31 December 2019. In addition, results for the nine months period ended 30 September 2020 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2020.

Changes to significant accounting policies are described in Note 2.2.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2019 except for noted above.

These interim consolidated financial statements were approved by the Board of Directors and signed on its behalf on 27 October 2020.

### **2.2 New standards, interpretations and amendments adopted by the Group**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of new standards effective as of 1 January 2020. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments and interpretations apply for the first time in 2020, but do not have an impact on the interim condensed consolidated financial statements of the Group

**2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.3 New and revised IFRSs in issue but not yet effective**

The following new accounting standard and interpretations have been issued but are not yet effective. The Group is currently evaluating the impact of these new standards.

**IFRS 17 Insurance Contracts - Standard issued in May 2018**

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

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

In order to further evaluate the effects of adopting IFRS 17, an IFRS 17 Group Implementation Team has been set up sponsored by the Group Chief Financial Officer, comprising senior management from Finance, Risk, Operations and Investment Operations.

Implementation team has successfully completed the first phase (Gap analysis) and currently working on the detailed operational and financial impact.

**2.4 Use of estimates and judgments**

The preparation of the interim condensed consolidated financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make judgements, 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.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In preparing these interim consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2019.

**3 CASH AND CASH EQUIVALENTS**

	<i>30 September 2020 QR ('000) (Reviewed)</i>	<i>31 December 2019 QR ('000) (Audited)</i>
Cash at banks	1,175,351	1,857,957
Short-term deposits	<u>7,465,434</u>	<u>6,686,743</u>
	<u><b>8,640,785</b></u>	<u><b>8,544,700</b></u>

All deposits are subject to an average variable interest rate of 2.195 % (2019: 3.276 %). The expected credit losses relating to short-term deposits measured at amortised cost amounted to QR 4,436 thousand (2019: QR 1,905 thousand). All instruments measured at amortised cost were in stage 1.

**4 INSURANCE AND OTHER RECEIVABLES**

	<i>30 September 2020 QR ('000) (Reviewed)</i>	<i>31 December 2019 QR ('000) (Audited)</i>
<b>Receivables from policyholders</b>		
Due from policyholders	3,936,567	2,882,260
Impairment losses on doubtful receivables	<u>(47,428)</u>	<u>(43,691)</u>
	<u>3,889,139</u>	<u>2,838,569</u>
<b>Receivables from reinsurers</b>		
Due from insurance companies	3,072,956	3,457,913
Impairment losses on doubtful receivables	<u>(46,425)</u>	<u>(43,465)</u>
	<u>3,026,531</u>	<u>3,414,448</u>
<b>Other receivables</b>		
Staff advances against indemnity	55,806	55,910
Deferred acquisition cost	1,467,207	1,468,488
Prepayments and others	<u>465,017</u>	<u>675,443</u>
	<u>1,988,030</u>	<u>2,199,841</u>
	<u>8,903,700</u>	<u>8,452,858</u>

Prepayment and others include an amount of USD 111 million (QR 404 million) (2019: QR 383 million) as an indemnification asset, through Qatar Re, for uncertainties about the settlement amounts of certain insurance liabilities acquired. Nil fair value was assigned to the indemnification asset as at the acquisition-date or as subsequently re-measured for the purposes of disclosure in the Group's consolidated financial statements for the year ended 31 December 2019.

**5 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS**

	<i>30 September 2020 QR ('000) (Reviewed)</i>	<i>31 December 2019 QR ('000) (Audited)</i>
<b>Gross insurance contract liabilities</b>		
Claims reported and unsettled	11,395,275	10,598,797
Claims incurred but not reported	5,022,104	3,885,558
Unearned premiums	<u>6,594,854</u>	<u>6,014,863</u>
	<u>23,012,233</u>	<u>20,499,218</u>
<b>Reinsurers' share of insurance contract liabilities</b>		
Claims reported and unsettled	3,572,258	3,431,016
Claims incurred but not reported	1,585,945	685,499
Unearned premiums	<u>1,793,446</u>	<u>983,289</u>
	<u>6,951,649</u>	<u>5,099,804</u>
<b>Net insurance contract liabilities</b>		
Claims reported and unsettled	7,823,017	7,167,781
Claims incurred but not reported	3,436,159	3,200,059
Unearned premiums	<u>4,801,408</u>	<u>5,031,574</u>
	<u>16,060,584</u>	<u>15,399,414</u>

**6 INVESTMENTS**

	<i>30 September 2020 QR ('000) (Reviewed)</i>	<i>31 December 2019 QR ('000) (Audited)</i>
Financial investments at fair value through other comprehensive income (FVOCI)	<b>13,569,767</b>	11,915,361
Financial investments at fair value through profit or loss (FVTPL)	<b>3,263,625</b>	3,873,131
	<b><u>16,833,392</u></b>	<b><u>15,788,492</u></b>

Investments classified as FVOCI are all stage 1 except QR 916,495 thousand stage 2 debt instruments. There have been no movements of investments classified as FVOCI from stage 1 to stage 2.

The expected credit losses relating to debt securities measured at FVOCI amounted to QR 52,249 thousand at 30 September 2020 (2019: QR 18,181 thousand). The expected credit losses relating to securities at FVOCI in stage 1 was QR 30,451 thousand (2019: QR 14,295 thousand) and stage 2 was QR 21,798 thousand (2019: QR 3,886 thousand).

**7 INVESTMENT PROPERTIES**

	<i>30 September 2020 QR ('000) (Reviewed)</i>	<i>31 December 2019 QR ('000) (Audited)</i>
Balance as at 1 January	<b>596,004</b>	606,372
Additions	<b>556</b>	929
Effect of foreign currency exchange difference	<b>(7,686)</b>	6,260
Disposal	-	(1,619)
Depreciation	<b>(13,306)</b>	(15,938)
<b>At 30 September / 31 December</b>	<b><u>575,568</u></b>	<b><u>596,004</u></b>

The rental income arising during the period amounted to QR 30,526 thousand (2019: QR 34,750 thousand) and direct operating expenses (included within general and administrative expenses) arising in respect of such properties during the period was QR 9,194 thousand (2019: QR 12,726 thousand).

The fair value of investment properties were estimated by Management's external valuer, by reference to market evidence of recent transactions for similar properties. The estimated fair value of the above investment properties as at 31 December 2019 were QR 1,215.22 million. Management believes that the fair value as at 30 September 2020 does not materially differ from the fair value on 31 December 2019 had the fair valuation been carried out on that date.

**8 RELATED PARTY DISCLOSURES**

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**

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

**8 RELATED PARTY DISCLOSURES (CONTINUED)****Related party transactions (continued)**

The following tables provide the total amount of transactions that have been entered into with related parties for the relevant financial period.

	<i>30 September 2020 QR ('000) (Reviewed)</i>	<i>30 September 2019 QR ('000) (Unreviewed)</i>
Premium	<u>16,409</u>	<u>16,543</u>
Purchase of services	<u>5</u>	<u>12</u>
Claims	<u>14,369</u>	<u>20,270</u>

**Related party balances**

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

	<i>30 September 2020 QR ('000) (Reviewed)</i>	<i>31 December 2019 QR ('000) (Audited)</i>
<b>(a) Due from related parties</b>	<u>11,308</u>	<u>19,009</u>
<b>(b) Due to related parties</b>	<u>7,930</u>	<u>18,355</u>

Outstanding related party balances at the reporting date are unsecured and interest free and no impairment losses relating to these balances were recognised during the period (2019: Nil).

**Compensation of key management personnel**

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

	<i>30 September 2020 QR ('000) (Reviewed)</i>	<i>30 September 2019 QR ('000) (Unreviewed)</i>
Salaries and other short term benefits	<u>8,043</u>	<u>30,067</u>
End of service benefits	<u>1,312</u>	<u>1,429</u>
	<u>9,355</u>	<u>31,496</u>

## Qatar Insurance Company Q.S.P.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months period ended 30 September 2020

#### 9 SEGMENT INFORMATION

For management reporting purposes, the Group is organised into six business segments - Marine & Aviation, Property & Casualty, Health & Life, Real Estate, Advisory and Investments. These segments are the basis on which the Group reports its operating segment information.

#### Segment income statement for the nine months period ended 30 September 2020

	<i>Marine and aviation</i>	<i>Property and casualty</i>	<i>Health and life</i>	<i>Total insurance</i>	<i>Real estate</i>	<i>Advisory</i>	<i>Investments</i>	<i>Unallocated income (expenses)</i>	<i>Total</i>
	<i>QR ('000)</i>	<i>QR ('000)</i>	<i>QR ('000)</i>	<i>QR ('000)</i>	<i>QR ('000)</i>	<i>QR ('000)</i>	<i>QR ('000)</i>	<i>QR ('000)</i>	<i>QR ('000)</i>
Gross premiums	784,749	8,423,711	994,662	10,203,122	-	-	-	-	10,203,122
Premiums ceded to reinsurers	(237,137)	(2,843,166)	(63,799)	(3,144,102)	-	-	-	-	(3,144,102)
Net premiums	547,612	5,580,545	930,863	7,059,020	-	-	-	-	7,059,020
Movement in unexpired risk reserve	(37,335)	429,900	(65,056)	327,509	-	-	-	-	327,509
Net earned premiums	510,277	6,010,445	865,807	7,386,529	-	-	-	-	7,386,529
Gross claims paid	(387,534)	(4,849,726)	(736,679)	(5,973,939)	-	-	-	-	(5,973,939)
Reinsurance recoveries	75,133	1,025,785	53,935	1,154,853	-	-	-	-	1,154,853
Movement in outstanding claims	46,539	(960,020)	(42,542)	(956,023)	-	-	-	-	(956,023)
Net commissions	(99,791)	(1,552,296)	(45,494)	(1,697,581)	-	-	-	-	(1,697,581)
Other insurance income (unallocated)	-	-	-	2,776	-	-	-	-	2,776
<b>Net underwriting results</b>	<b>144,624</b>	<b>(325,812)</b>	<b>95,027</b>	<b>(83,385)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(83,385)</b>
Rental income	-	-	-	-	30,526	-	-	-	30,526
Advisory fees	-	-	-	-	-	8,393	-	-	8,393
Investment income and other income	-	-	-	-	-	-	444,787	-	444,787
Finance cost	-	-	-	-	-	-	(40,860)	-	(40,860)
<b>Total income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(83,385)</b>	<b>30,526</b>	<b>8,393</b>	<b>403,927</b>	<b>-</b>	<b>359,461</b>
Operating and administrative expenses	-	-	-	-	(9,194)	(20,270)	-	(407,808)	(437,272)
Depreciation and amortization	-	-	-	-	(13,306)	(36)	-	(43,276)	(56,618)
Profit before share of profit from equity accounted investments	-	-	-	(83,385)	8,026	(11,913)	403,927	(451,084)	(134,429)
Share of profit from equity accounted investments	-	-	-	-	-	-	-	11,352	11,352
<b>(Loss) / profit before income tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(83,385)</b>	<b>8,026</b>	<b>(11,913)</b>	<b>403,927</b>	<b>(439,732)</b>	<b>(123,077)</b>

**Qatar Insurance Company Q.S.P.C.**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the nine months period ended 30 September 2020

**9 SEGMENT INFORMATION (CONTINUED)**

Segment income statement for the nine-month period ended 30 September 2019

	<i>Marine and aviation QR ('000)</i>	<i>Property and casualty QR ('000)</i>	<i>Health and life QR ('000)</i>	<i>Total insurance QR ('000)</i>	<i>Real estate QR ('000)</i>	<i>Advisory QR ('000)</i>	<i>Investments QR ('000)</i>	<i>Unallocated income (expenses) QR ('000)</i>	<i>Total QR ('000)</i>
Gross premiums	619,140	8,146,122	1,040,253	9,805,515	-	-	-	-	9,805,515
Premiums ceded to reinsurers	(132,919)	(999,204)	(42,566)	(1,174,689)	-	-	-	-	(1,174,689)
Net premiums	486,221	7,146,918	997,687	8,630,826	-	-	-	-	8,630,826
Movement in unexpired risk reserve	(3,460)	(618,710)	(153,702)	(775,872)	-	-	-	-	(775,872)
Net earned premiums	482,761	6,528,208	843,985	7,854,954	-	-	-	-	7,854,954
Gross claims paid	(626,935)	(5,432,206)	(741,838)	(6,800,979)	-	-	-	-	(6,800,979)
Reinsurance recoveries	105,245	1,237,402	(12,914)	1,329,733	-	-	-	-	1,329,733
Movement in outstanding claims	107,199	(105,511)	42,451	44,139	-	-	-	-	44,139
Net commissions	(100,389)	(1,857,464)	(56,893)	(2,014,746)	-	-	-	-	(2,014,746)
Other insurance income (unallocated)	-	-	-	6,401	-	-	-	-	6,401
Net underwriting results	(32,119)	370,429	74,791	419,502	-	-	-	-	419,502
Rental income	-	-	-	-	34,750	-	-	-	34,750
Advisory fees	-	-	-	-	-	8,686	-	-	8,686
Investment income and other income	-	-	-	-	-	-	714,808	-	714,808
Finance cost	-	-	-	-	-	-	(104,365)	-	(104,365)
Total income	-	-	-	419,502	34,750	8,686	610,443	-	1,073,381
Operating and administrative expenses	-	-	-	-	(12,726)	(19,928)	-	(478,448)	(511,102)
Depreciation and amortization	-	-	-	-	(11,919)	(36)	-	(49,535)	(61,490)
Profit before share of profit from equity accounted investments	-	-	-	419,502	10,105	(11,278)	610,443	(527,983)	500,789
Share of profit from equity accounted investments	-	-	-	-	-	-	-	10,442	10,442
(Loss) / profit before income tax	-	-	-	419,502	10,105	(11,278)	610,443	(517,541)	511,231

**Segment statement of financial position**

Assets and liabilities of the Group are commonly used across the primary segments.

Qatar Insurance Company Q.S.P.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months period ended 30 September 2020

9 SEGMENT INFORMATION (CONTINUED)

Segment income statement for the three months period ended 30 September 2020

	<i>Marine and aviation QR ('000)</i>	<i>Property and casualty QR ('000)</i>	<i>Health and life QR ('000)</i>	<i>Total insurance QR ('000)</i>	<i>Real estate QR ('000)</i>	<i>Advisory QR ('000)</i>	<i>Investments QR ('000)</i>	<i>Unallocated income (expenses) QR ('000)</i>	<i>Total QR ('000)</i>
Gross premiums	197,582	2,552,630	219,150	2,969,362	-	-	-	-	2,969,362
Premiums ceded to reinsurers	(56,687)	(1,264,692)	(23,985)	(1,345,364)	-	-	-	-	(1,345,364)
Net premiums	140,895	1,287,938	195,165	1,623,998	-	-	-	-	1,623,998
Movement in unexpired risk reserve	21,874	416,889	96,760	535,523	-	-	-	-	535,523
Net earned premiums	162,769	1,704,827	291,925	2,159,521	-	-	-	-	2,159,521
Gross claims paid	(101,956)	(1,409,230)	(254,286)	(1,765,472)	-	-	-	-	(1,765,472)
Reinsurance recoveries	14,468	140,498	36,151	191,117	-	-	-	-	191,117
Movement in outstanding claims	50,415	(210,244)	(42,786)	(202,615)	-	-	-	-	(202,615)
Net commissions	(31,416)	(416,444)	(9,333)	(457,193)	-	-	-	-	(457,193)
Other insurance income (unallocated)	-	-	-	1,234	-	-	-	-	1,234
<b>Net underwriting results</b>	<b>94,280</b>	<b>(190,593)</b>	<b>21,671</b>	<b>(73,408)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(73,408)</b>
Rental income	-	-	-	-	9,892	-	-	-	9,892
Advisory fees	-	-	-	-	-	776	-	-	776
Investment income and other income	-	-	-	-	-	-	298,291	-	298,291
Finance cost	-	-	-	-	-	-	(11,055)	-	(11,055)
<b>Total income</b>				<b>(73,408)</b>	<b>9,892</b>	<b>776</b>	<b>287,236</b>	<b>-</b>	<b>224,496</b>
Operating and administrative expenses	-	-	-	-	(1,029)	(19,829)	-	(116,267)	(137,125)
Depreciation and amortization	-	-	-	-	(3,834)	(36)	-	(15,423)	(19,293)
Profit before share of profit from equity accounted investments				(73,408)	5,029	(19,089)	287,236	(131,690)	68,078
Share of profit from equity accounted investments	-	-	-	-	-	-	-	3,894	3,894
<b>(Loss) / profit before income tax</b>				<b>(73,408)</b>	<b>5,029</b>	<b>(19,089)</b>	<b>287,236</b>	<b>(127,796)</b>	<b>71,972</b>



**Qatar Insurance Company Q.S.P.C.**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the nine months period ended 30 September 2020

**9 SEGMENT INFORMATION (CONTINUED)**

Segment income statement for the three months period ended 30 September 2019

	<i>Marine and aviation QR ('000)</i>	<i>Property and casualty QR ('000)</i>	<i>Health and life QR ('000)</i>	<i>Total insurance QR ('000)</i>	<i>Real estate QR ('000)</i>	<i>Advisory QR ('000)</i>	<i>Investments QR ('000)</i>	<i>Unallocated income (expenses) QR ('000)</i>	<i>Total QR ('000)</i>
Gross premiums	164,926	2,949,849	305,492	3,420,267	-	-	-	-	3,420,267
Premiums ceded to reinsurers	(33,618)	(399,548)	(6,146)	(439,312)	-	-	-	-	(439,312)
Net premiums	131,308	2,550,301	299,346	2,980,955	-	-	-	-	2,980,955
Movement in unexpired risk reserve	18,614	(465,344)	(8,770)	(455,500)	-	-	-	-	(455,500)
Net earned premiums	149,922	2,084,957	290,576	2,525,455	-	-	-	-	2,525,455
Gross claims paid	(187,617)	(1,542,468)	(293,423)	(2,023,508)	-	-	-	-	(2,023,508)
Reinsurance recoveries	55,107	425,726	31,877	512,710	-	-	-	-	512,710
Movement in outstanding claims	31,684	(355,549)	11,989	(311,876)	-	-	-	-	(311,876)
Net commissions	(30,722)	(563,062)	(21,974)	(615,758)	-	-	-	-	(615,758)
Other insurance income (unallocated)	-	-	-	1,877	-	-	-	-	1,877
Net underwriting results	18,374	49,604	19,045	88,900	-	-	-	-	88,900
Rental income	-	-	-	-	10,842	-	-	-	10,842
Advisory fees	-	-	-	-	-	1,636	-	-	1,636
Investment income and other income	-	-	-	-	-	-	215,594	-	215,594
Finance cost	-	-	-	-	-	-	(31,630)	-	(31,630)
Total income	-	-	-	88,900	10,842	1,636	183,964	-	285,342
Operating and administrative expenses	-	-	-	-	(6,019)	(6,715)	-	(167,651)	(180,385)
Depreciation and amortization	-	-	-	-	(3,897)	(13)	-	(21,589)	(25,499)
Profit before share of profit from equity accounted investments	-	-	-	88,900	926	(5,092)	183,964	(189,240)	79,458
Share of profit from equity accounted investments	-	-	-	-	-	-	-	3,742	3,742
(Loss) / profit before income tax	-	-	-	88,900	926	(5,092)	183,964	(185,498)	83,200

**Segment statement of financial position**

Assets and liabilities of the Group are commonly used across the primary segments.

**Qatar Insurance Company Q.S.P.C.**

**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

At 30 September 2020

**10 BASIC AND DILUTED EARNINGS PER SHARE**

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

	<i>For the three months period ended</i>		<i>For the nine months period ended</i>	
	<i>30 September 2020</i>	<i>30 September 2019</i>	<i>30 September 2020</i>	<i>30 September 2019</i>
	<i>(QR '000)</i>	<i>(QR '000)</i>	<i>(QR '000)</i>	<i>(QR '000)</i>
	<i>(Reviewed)</i>	<i>(Unreviewed)</i>	<i>(Reviewed)</i>	<i>(Unreviewed)</i>
Net profit or (loss) attributable to owners of the Parent Company (QR '000)	<b>60,458</b>	75,313	<b>(147,380)</b>	485,231
Less: Interest on subordinated perpetual debt	<b>(37,320)</b>	(20,270)	<b>(89,726)</b>	(60,811)
	<b>23,138</b>	55,043	<b>(237,106)</b>	424,420
Weighted average number of ordinary shares ('000)	<b>3,266,101</b>	3,266,101	<b>3,266,101</b>	3,266,101
<b>Basic and diluted earnings / (loss) per share (QR)</b>	<b>0.007</b>	<b>0.017</b>	<b>(0.073)</b>	0.130

**11 DIVIDEND, RIGHTS AND BONUS SHARES**

A final cash dividend distribution of QR 0.15 per share (2019: Dividend of QR 1.50 per share) was approved at the Annual General Meeting held on 25 February 2020 and distributed by the Parent Company during the nine months period ended 30 September 2020.

A private rights issue shares issuance was approved at the Annual General Meeting held on 26 February 2019 for number of share of 7,042,580 to the minority shareholders in QIC Capital to acquire their shares (4.26%) as a part of Group restructuring by owning 100% of this company.

**12 SHARE CAPITAL AND SHARE PREMIUM**

**12.1 Share capital**

	<i>30 September 2020</i>	<i>31 December 2019</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>
<i>Authorised, issued and fully paid up</i> Share capital (QR'000)	<b>3,266,101</b>	3,266,101
Number of shares of QR 1 each	<b>3,266,101,330</b>	3,266,101,330

**12.2 Share premium**

Share premium is the proceeds received from the rights issue, net of any directly attributable transaction costs. The nominal value of the shares were recorded under share capital while the excess of the issue price over the nominal value was recorded under share premium.

### 13 LEGAL RESERVE

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

### 14 OTHER COMPONENTS OF EQUITY

Other components of equity include foreign currency translation reserve, merger reserves and share of profit from equity accounted investments. As per the Qatar Central Bank's instruction dated 4 March 2019, share of profit from equity accounted investments should be transferred from retained earnings to reserve for share of profit from equity accounted investments accordingly the prior year retained earnings have been reclassified. Declared and received dividends from equity accounted investments are the only distributable portion of this reserve.

### 15 SUBORDINATED PERPETUAL DEBT

In 2017, in an effort to strengthen the capital base of Qatar Re (the "Issuer"), a subsidiary of the Group registered in Bermuda, subordinated Tier 2 qualifying capital notes amounting to QR 1,615,596 thousand net. These were issued through the Irish Stock Exchange, and the Parent Company acts as the guarantor to the notes. The notes were issued in registered form at par value, in denominations of USD 200,000 and integral multiples of USD 1,000 in excess thereof. The notes do not have a stated maturity date and are perpetual in nature, and do not obligate the Issuer to repay or settle by delivery of cash or another financial asset.

During the period, the Group issued perpetual subordinated Tier 2 qualifying capital notes of QR 1,082,455 (USD 300 million). The notes were issued through QIC (Cayman) Limited, wholly owned subsidiary incorporated in the Cayman Islands, for the purpose of the issuance These notes are perpetual in nature and qualify as Tier 2 Capital under Qatar Central Bank regulations for the solvency ratio calculations.

### 16 COMMITMENTS AND CONTINGENT LIABILITIES

	<i>30 September 2020 QR ('000) (Reviewed)</i>	<i>31 December 2019 QR ('000) (Audited)</i>
Bank guarantees	3,210,239	2,956,856
Authorised future investment commitments	<u>304,888</u>	<u>385,641</u>
	<u><u>3,515,127</u></u>	<u><u>3,342,497</u></u>

### 17 FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

	<i>Level 1 (QR '000)</i>	<i>Level 2 (QR '000)</i>	<i>Level 3 (QR '000)</i>	<i>Total (QR '000)</i>
<i>30 September 2020 (reviewed)</i>				
Derivative assets held for risk management	-	18,170	-	18,170
Investment securities	<u>14,199,119</u>	<u>831,678</u>	<u>1,784,425</u>	<u>16,815,222</u>
	<u><u>14,199,119</u></u>	<u><u>849,848</u></u>	<u><u>1,784,425</u></u>	<u><u>16,833,392</u></u>

**17 FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)**

<i>31 December 2019 (audited)</i>	<i>Level 1 (QR '000)</i>	<i>Level 2 (QR '000)</i>	<i>Level 3 (QR '000)</i>	<i>Total (QR '000)</i>
Derivative assets held for risk management	-	9,010	-	9,010
Investment securities	<u>13,405,104</u>	<u>738,781</u>	<u>1,635,597</u>	<u>15,779,482</u>
	<u>13,405,104</u>	<u>747,791</u>	<u>1,635,597</u>	<u>15,788,492</u>

There were no transfers from Level 1 or Level 2 during the period. The Level 3 balance increased due to additions of QR 48,607 thousand and increase in fair value movement of QR 106,446 thousand during the period.

**18 IMPACT OF COVID-19**

The ongoing COVID-19 pandemic has had a significant impact on the global economy and the ability of individuals, businesses, and governments to operate. Across the globe, travel, trade, business, working arrangements and consumption have been materially impacted by the pandemic.

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

The Group may be impacted by any policies, practices, laws, or regulations introduced by governments which require or compel insurers to defer insurance premiums, pay claims in relation to COVID-19 losses which would not otherwise be payable under the relevant policy or in the normal course of business. The extent of the impact on our business and results of operations is largely dependent on the evolving future developments and the actions taken globally to address its impact. The Group had incurred claims of QR 378.9 million (USD 104.1 million), net of reinsurance, for the nine months period ended 30 September 2020.

The Group's investment portfolio is exposed to the current market volatility. Investment portfolios have certain exposures in economies that are relatively dependent on the price of crude oil. The Group has also an exposure of a loan due from a managing general agency (MGA). The management of the group and the MGA have mutually agreed to extend the repayment, given the current circumstances. Due to the uncertainties about global markets and economic performance, changes have been incorporated in the Expected Credit Loss (ECL) calculation to reflect the observable current Macro-Economic factors and forward-looking information

The Group's capital, liquidity and funding positions remain robust and the Group remains operationally strong in the face of unprecedented global uncertainty presented by the COVID-19 pandemic. The Group expects this uncertainty and consequent capital contraction to influence rates across wholesale and reinsurance markets.