

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS**

**FOR THE THREE MONTHS PERIOD ENDED  
31 MARCH 2020**

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مجموعة قطر للتأمين  
QATAR INSURANCE GROUP

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

### INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2020

	Notes	31 March 2020 (Unaudited) (QR '000)	31 December 2019 (Audited) (QR '000)
<b>ASSETS</b>			
Cash and cash equivalents	3	7,378,925	8,544,700
Insurance and other receivables		8,711,594	8,452,858
Reinsurance contract assets	4	5,485,144	5,099,804
Equity accounted investments		148,681	149,638
Investments	5	15,616,571	15,788,492
Investment properties	6	577,468	596,004
Property and equipment		137,897	146,935
Goodwill and intangible assets		558,000	636,883
<b>TOTAL ASSETS</b>		<b>38,614,280</b>	<b>39,415,314</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>LIABILITIES</b>			
Short term borrowings		4,595,394	4,526,219
Provisions, reinsurance and other payables		3,941,758	3,995,183
Insurance contract liabilities	4	21,153,908	20,499,218
Long term borrowings		168,778	178,500
<b>TOTAL LIABILITIES</b>		<b>29,859,838</b>	<b>29,199,120</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	7.1	3,266,101	3,266,101
Share premium	7.2	2,759,194	2,759,194
Legal reserve	8	634,567	634,567
General reserve		287,000	287,000
Fair value reserve		(513,627)	177,462
Catastrophe special reserve		32,017	32,017
Other components of equity	9	(92,796)	(38,772)
Retained earnings		636,003	1,335,692
<b>Equity attributable to shareholders of the parent Company</b>		<b>7,008,459</b>	<b>8,453,261</b>
Non-controlling interests		130,387	147,337
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>7,138,846</b>	<b>8,600,598</b>
Subordinated perpetual debt	10	1,615,596	1,615,596
<b>TOTAL EQUITY</b>		<b>8,754,442</b>	<b>10,216,194</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>38,614,280</b>	<b>39,415,314</b>

#### Notes:

- \* The above figures pertain to the 1<sup>st</sup> Quarter and are not indicative of the company's full year performance.
- \* These results have been published in accordance with the stipulations of Offering and Listing of Securities Rulebook issued by Qatar Financial Market Authority
- \* The figures for the 3 month period ended March 31, 2020 are not reviewed by external auditors.

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

Khalifa Abdulla Turki Al Subaey  
Group President

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

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

### INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three month period ended 31 March 2020

	Notes	31 March 2020 (Unaudited) (QR '000)	31 March 2019 (Unaudited) (QR '000)
Gross premiums	11	3,689,955	3,525,743
Premiums ceded to reinsurers	11	(656,808)	(486,249)
Net premiums	11	3,033,147	3,039,494
Movement in unexpired risk reserve	11	(256,726)	(216,201)
<b>Net earned premiums</b>	11	<b>2,776,421</b>	<b>2,823,293</b>
Gross claims paid	11	(2,129,629)	(2,338,381)
Reinsurance recoveries	11	346,467	304,100
Movement in outstanding claims	11	(239,746)	95,380
Net commission	11	(743,204)	(720,491)
Other insurance income	11	534	2,383
<b>Net underwriting result</b>	11	<b>10,843</b>	<b>166,284</b>
Investment income		30,986	311,053
Finance costs		(16,125)	(35,956)
<b>Net investment income</b>		<b>14,861</b>	<b>275,097</b>
Advisory fee income		5,245	3,427
Rental income		9,754	11,128
Other income		279	99
<b>Total investment and other income</b>		<b>30,139</b>	<b>289,751</b>
Share of profit from equity accounted investments		4,043	3,102
<b>TOTAL INCOME</b>		<b>45,025</b>	<b>459,137</b>
Operating and administrative expenses		(150,008)	(160,024)
Depreciation and amortisation		(76,563)	(20,224)
<b>(LOSS) / PROFIT BEFORE INCOME TAX</b>		<b>(181,546)</b>	<b>278,889</b>
Income tax		(4,863)	(6,777)
<b>(LOSS) / PROFIT AFTER TAX FOR THE PERIOD</b>		<b>(186,409)</b>	<b>272,112</b>
<i>Attributable to:</i>			
Equity holders of the parent		(185,024)	266,096
Non-controlling interests		(1,385)	6,016
		<b>(186,409)</b>	<b>272,112</b>
<b>Earnings per share</b>			
Basic and diluted earnings per share attributable to ordinary equity holders of the parent in Qatari Riyals	13	(0.063)	0.075

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

### INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three month period ended 31 March 2020

	31 March 2020 (Unaudited) QR ('000)	31 March 2019 (Unaudited) QR ('000)
<b>(Loss) / profit for the period</b>	<b>(186,409)</b>	272,112
<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	(698,403)	240,671
Foreign currency translation differences foreign operations	(58,067)	21,118
<b>TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD</b>	<b>(942,879)</b>	533,901
<i>Attributable to:</i>		
Equity holders of the Parent	(934,180)	524,097
Non-controlling interests	(8,699)	9,804
<b>Total comprehensive (loss) / income for the period</b>	<b>(942,879)</b>	533,901

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

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

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three month period ended 31 March 2020

	Share capital QR ('000)	Share premium QR ('000)	Legal reserve QR ('000)	General reserve QR ('000)	Fair value reserve QR ('000)	Catastrophe special reserve QR ('000)	Other components of equity QR ('000)	Retained earnings QR ('000)	Attributable to owners of the Parent Company		Non-controlling interests QR ('000)	Total equity QR ('000)
									QR ('000)	QR ('000)		
<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	-	-	-	-	-	-	-	(185,024)	(185,024)	(1,385)	(186,409)	
Foreign currency translation	-	-	-	-	-	-	(58,067)	-	(58,067)	-	(58,067)	
Net change in investments at fair value through other comprehensive income (FVOCI)	-	-	-	-	(691,089)	-	-	-	(691,089)	(7,314)	(698,403)	
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(691,089)</b>	<b>-</b>	<b>(58,067)</b>	<b>(185,024)</b>	<b>(934,180)</b>	<b>(8,699)</b>	<b>(942,879)</b>	
Dividend for the period 2019 (Note 14)	-	-	-	-	-	-	-	(489,915)	(489,915)	(8,251)	(498,166)	
Interest on subordinated perpetual debt (Note 10)	-	-	-	-	-	-	-	(20,707)	(20,707)	-	(20,707)	
Transfer to other components of equity (Note 9)	-	-	-	-	-	-	4,043	(4,043)	-	-	-	
<b>At 31 March 2020 (Unaudited)</b>	<b>3,266,101</b>	<b>2,759,194</b>	<b>634,567</b>	<b>287,000</b>	<b>(513,627)</b>	<b>32,017</b>	<b>(92,796)</b>	<b>636,003</b>	<b>7,008,459</b>	<b>130,387</b>	<b>7,138,846</b>	

The attached notes are an integral part of these consolidated financial statements

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

### INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three month period ended 31 March 2020

	Share capital QR ('000)	Share premium QR ('000)	Legal reserve QR ('000)	General reserve QR ('000)	Fair value reserve QR ('000)	Catastrophe special reserve QR ('000)	Other components of equity QR ('000)	Retained earnings QR ('000)	Attributable to owners of the Parent Company		Non-controlling interests QR ('000)	Total equity QR ('000)
									QR ('000)	QR ('000)		
<b>At 1 January 2019 (Audited)</b>	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	
Profit for the period	-	-	-	-	-	-	-	266,096	266,096	6,016	272,112	
Foreign currency translation	-	-	-	-	-	-	21,118	-	21,118	-	21,118	
Net change in investments at fair value through other comprehensive income (FVOCI)	-	-	-	-	236,883	-	-	-	236,883	3,788	240,671	
<b>Total comprehensive income for the period</b>	-	-	-	-	236,883	-	21,118	266,096	524,097	9,804	533,901	
Dividend for the period 2018 (Note 14)	-	-	-	-	-	-	-	(478,359)	(478,359)	-	(478,359)	
Interest on subordinated perpetual debt (Note 10)	-	-	-	-	-	-	-	(20,270)	(20,270)	-	(20,270)	
Transfer to other components of equity (Note 9)	-	-	-	-	-	-	3,102	(3,102)	-	-	-	
Issuance of shares (Note 14)	77,042	204,702	-	-	(8,107)	-	(139,240)	(7,248)	127,149	(127,149)	-	
<b>At 31 March 2019 (Unaudited)</b>	3,266,101	2,759,194	634,567	287,000	(85,075)	32,017	(55,008)	1,039,644	7,878,440	128,471	8,006,911	

The attached notes are an integral part of these consolidated financial statements

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

**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**

For the three month period ended 31 March 2020

	<i>31 March 2020 (Unaudited) (QR '000)</i>	<i>31 March 2019 (Unaudited) (QR '000)</i>
<i>Notes</i>		
<b>OPERATING ACTIVITIES</b>		
(Loss) / profit before tax	<b>(181,546)</b>	278,889
<i>Adjustments for:</i>		
Depreciation of property and equipment and investment properties	<b>12,261</b>	8,111
Amortization of intangible assets, net	<b>64,302</b>	5,829
Share of profit from equity accounted investments	<b>(4,043)</b>	(3,102)
Investment income and other income	<b>(189,962)</b>	(209,890)
Impairment loss on insurance and other receivables	<b>926</b>	2,119
Provisions for employees' end of service benefits	<b>3,668</b>	1,538
Net foreign exchange loss / (gain) on property and equipment and investment properties	<b>20,966</b>	(11,270)
Loss on sale of property and equipment	<b>168</b>	2,370
Net unrealised loss / (gain) on financial investments	<b>166,957</b>	(81,655)
<b>Operating loss before working capital changes</b>	<b>(106,303)</b>	(7,061)
<b>Working capital changes</b>		
Change in insurance and other receivables	<b>(259,662)</b>	(857,291)
Change in insurance reserves – net	<b>269,350</b>	300,522
Change in provisions, reinsurance and other payables	<b>(41,951)</b>	495,570
<b>Cash used in operations</b>	<b>(138,566)</b>	(68,272)
Income tax paid	<b>(5)</b>	(2,582)
Employees' end of service benefits paid	<b>(167)</b>	-
<b>Net cash used in operating activities</b>	<b>(138,738)</b>	(70,842)
<b>INVESTING ACTIVITIES</b>		
Net cash movements in investments	<b>(693,439)</b>	217,337
Purchase of property and equipment	<b>(5,264)</b>	(4,918)
Purchase of investment properties	<b>(556)</b>	(3,411)
Dividend received from equity accounted investments	<b>5,000</b>	5,000
Investment income and other finance income	<b>189,962</b>	209,890
<b>Net cash (used in) / generated from investing activities</b>	<b>(504,297)</b>	423,898
<b>FINANCING ACTIVITIES</b>		
Interest paid on subordinated perpetual debt	<b>(40,541)</b>	(40,541)
Net proceeds (repayment) of borrowings	<b>68,491</b>	(353,054)
Dividends paid	<b>(498,166)</b>	(478,359)
<b>Net cash used in financing activities</b>	<b>(470,216)</b>	(871,954)
<b>Net decrease in cash and cash equivalents</b>	<b>(1,113,251)</b>	(518,898)
Effect of foreign currency exchange difference	<b>(52,524)</b>	26,219
Cash and cash equivalents at 1 January	<b>8,544,700</b>	8,011,163
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	<b>7,378,925</b>	7,518,484

The attached notes are an integral part of these consolidated financial statements



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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended 31 March 2020

### 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. Qatar Reinsurance Company Limited, a subsidiary, has issued a subordinated Tier 2 qualifying capital notes that were issued in 2017 through the Irish Stock Exchange (Note 10).

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

#### 2.1 Basis of preparation

The interim condensed consolidated financial statements for the three month period ended 31 March 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.

These 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 three months period ended 31 March 2020 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2020.

These interim condensed consolidated financial statements were approved by the Board of Directors and signed on its behalf on 28 April 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

#### 2.3 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.

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

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

For the three month period ended 31 March 2020

**2 BASIS OF PREPARATION (CONTINUED)**

**2.3 Use of estimates and judgments (continued)**

In preparing these interim condensed 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>31 March 2020 QR ('000) (Unaudited)</i>	<i>31 December 2019 QR ('000) (Audited)</i>
Cash at banks	2,099,707	1,857,957
Short-term deposits	<u>5,279,218</u>	<u>6,686,743</u>
<b>Total cash and short-term deposits, net of ECL</b>	<u><b>7,378,925</b></u>	<u><b>8,544,700</b></u>

**4 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS**

	<i>31 March 2020 QR ('000) (Unaudited)</i>	<i>31 December 2019 QR ('000) (Audited)</i>
<b>Gross insurance contract liabilities</b>		
Claims reported and unsettled	10,694,715	10,598,797
Claims incurred but not reported	3,888,434	3,885,558
Unearned premiums	<u>6,570,759</u>	<u>6,014,863</u>
	<u><b>21,153,908</b></u>	<u><b>20,499,218</b></u>
<b>Reinsurers' share of insurance contract liabilities</b>		
Claims reported and unsettled	3,308,946	3,431,016
Claims incurred but not reported	967,349	685,499
Unearned premiums	<u>1,208,849</u>	<u>983,289</u>
	<u><b>5,485,144</b></u>	<u><b>5,099,804</b></u>
<b>Net insurance contract liabilities</b>		
Claims reported and unsettled	7,385,769	7,167,781
Claims incurred but not reported	2,921,085	3,200,059
Unearned premiums	<u>5,361,910</u>	<u>5,031,574</u>
	<u><b>15,668,764</b></u>	<u><b>15,399,414</b></u>

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

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

For the three month period ended 31 March 2020

**5 INVESTMENTS**

	<i>31 March 2020 QR ('000) (Unaudited)</i>	<i>31 December 2019 QR ('000) (Audited)</i>
Financial investments at fair value through profit or loss (FVTPL)	3,682,778	3,873,131
Financial investments at fair value through other comprehensive income (FVOCI)	11,933,793	11,915,361
	<u>15,616,571</u>	<u>15,788,492</u>

**6 INVESTMENT PROPERTIES**

	<i>31 March 2020 QR ('000) (Unaudited)</i>	<i>31 December 2019 QR ('000) (Audited)</i>
Net carrying value as at January 1	596,004	606,372
Additions	556	929
Effect of foreign currency exchange difference	(15,361)	6,260
Disposal	-	(1,619)
Depreciation	(3,731)	(15,938)
<b>Net carrying value as at March/December 31</b>	<u>577,468</u>	<u>596,004</u>

The fair values of investment properties were estimated by the 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 was QR 1,215.22 million. Management believes that the fair value as at 31 March 2020 does not materially differ from the fair value on 31 December 2019 had the fair valuation been carried out on that date.

The rental income arising during the period amounted to QR 9,754 thousand (2019: QR 11,128 thousand) and the direct operating expenses (included within general and administrative expenses) arising in respect of such properties during the year was QR 3,497 thousand (2019: QR 4,105 thousand).

**7 SHARE CAPITAL AND SHARE PREMIUM**

**7.1 Share capital**

*Authorised, issued and fully paid up*

	<i>31 March 2020 (Unaudited)</i>	<i>31 December 2019 (Audited)</i>
Share capital (QR'000)	<u>3,266,101</u>	<u>3,266,101</u>
Number of shares of QR 1 each	<u>3,266,101,330</u>	<u>3,266,101,330</u>

**7 SHARE CAPITAL AND SHARE PREMIUM (CONTINUED)**

**7.2 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.

**8 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.

**9 OTHER COMPONENTS OF EQUITY**

Other components of equity includes foreign currency translation reserve, merger reserves and share of profit from associates.

As per the Qatar Central Bank's instruction dated 4 March 2019, share of profit from associates should be transferred from retained earnings to reserve for share of profit from associates. Declared and received dividends from associates are the only distributable portion of this reserve.

**10 SUBORDINATED PERPETUAL DEBT**

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 were issued in 2017 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.

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended 31 March 2020

### 11 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 three months period ended 31 March 2020

	Marine and Aviation (QR '000)	Property and Casualty (QR '000)	Health and Life (QR '000)	Total Insurance (QR '000)	Real Estate (QR '000)	Advisory (QR '000)	Investments (QR '000)	Un-allocated (expenses) / income (QR '000)	Total (QR '000)
Gross premiums	314,689	2,901,103	474,163	3,689,955	-	-	-	-	3,689,955
Premiums ceded to reinsurers	(90,931)	(543,536)	(22,341)	(656,808)	-	-	-	-	(656,808)
Net premiums	223,758	2,357,567	451,822	3,033,147	-	-	-	-	3,033,147
Movement in unexpired risk reserve	(57,487)	(43,249)	(155,990)	(256,726)	-	-	-	-	(256,726)
Net earned premiums	166,271	2,314,318	295,832	2,776,421	-	-	-	-	2,776,421
Gross claims paid	(156,491)	(1,829,505)	(143,633)	(2,129,629)	-	-	-	-	(2,129,629)
Reinsurance recoveries	22,935	421,010	(97,478)	346,467	-	-	-	-	346,467
Movement in outstanding claims	5,636	(226,736)	(18,646)	(239,746)	-	-	-	-	(239,746)
Net commission	(31,369)	(696,025)	(15,810)	(743,204)	-	-	-	-	(743,204)
Other insurance income (Unallocated)	-	-	-	534	-	-	-	-	534
Net underwriting result	6,982	(16,938)	20,265	10,843	-	-	-	-	10,843
Investment income	-	-	-	-	-	-	30,986	-	30,986
Finance Cost	-	-	-	-	-	-	(16,125)	-	(16,125)
Rental income	-	-	-	-	9,754	-	-	-	9,754
Advisory fee and other income	-	-	-	-	-	5,245	279	-	5,524
Share of profit from equity accounted investments	-	-	-	-	-	-	-	4,043	4,043
Total income	-	-	-	10,843	9,754	5,245	15,140	4,043	45,025
Operating and administrative expenses	-	-	-	-	(3,497)	(706)	-	(145,805)	(150,008)
Depreciation	-	-	-	-	(3,731)	-	-	(72,832)	(76,563)
Segment results	6,982	(16,938)	20,265	10,843	2,526	4,539	15,140	(214,594)	(181,546)

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the three month period ended 31 March 2020

### 11 SEGMENT INFORMATION (CONTINUED)

Segment income statement for the three month period ended 31 March 2019

	Marine and Aviation (QR '000)	Property and Casualty (QR '000)	Health and Life (QR '000)	Total Insurance (QR '000)	Real Estate (QR '000)	Advisory (QR '000)	Investments (QR '000)	Un-allocated (expenses) / income (QR '000)	Total (QR '000)
Gross premiums	282,765	2,826,968	416,010	3,525,743	-	-	-	-	3,525,743
Premiums ceded to reinsurers	(76,197)	(385,633)	(24,419)	(486,249)	-	-	-	-	(486,249)
Net premiums	206,568	2,441,335	391,591	3,039,494	-	-	-	-	3,039,494
Movement in unexpired risk reserve	(55,083)	(44,130)	(116,988)	(216,201)	-	-	-	-	(216,201)
<b>Net earned premiums</b>	<b>151,485</b>	<b>2,397,205</b>	<b>274,603</b>	<b>2,823,293</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,823,293</b>
Gross claims paid	(263,341)	(1,900,448)	(174,592)	(2,338,381)	-	-	-	-	(2,338,381)
Reinsurance recoveries	30,789	352,435	(79,124)	304,100	-	-	-	-	304,100
Movement in outstanding claims	67,103	(3,038)	31,315	95,380	-	-	-	-	95,380
Net commission	(3,343)	(703,144)	(14,004)	(720,491)	-	-	-	-	(720,491)
Other insurance income (Unallocated)	-	-	-	2,383	-	-	-	-	2,383
<b>Net underwriting result</b>	<b>(17,307)</b>	<b>143,010</b>	<b>38,198</b>	<b>166,284</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>166,284</b>
Investment income	-	-	-	-	-	-	311,053	-	311,053
Finance Cost	-	-	-	-	-	-	(35,956)	-	(35,956)
Rental income	-	-	-	-	11,128	-	-	-	11,128
Advisory fee and other income	-	-	-	-	-	3,427	99	-	3,526
Share of profit from equity accounted investments	-	-	-	-	-	-	-	3,102	3,102
<b>Total income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>166,284</b>	<b>11,128</b>	<b>3,427</b>	<b>275,196</b>	<b>3,102</b>	<b>459,137</b>
Operating and administrative expenses	-	-	-	-	(3,470)	(6,948)	-	(149,606)	(160,024)
Depreciation	-	-	-	-	(4,653)	(12)	-	(15,559)	(20,224)
<b>Segment results</b>	<b>(17,307)</b>	<b>143,010</b>	<b>38,198</b>	<b>166,284</b>	<b>3,005</b>	<b>(3,533)</b>	<b>275,196</b>	<b>(162,063)</b>	<b>278,889</b>

### Segment assets and liabilities

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 three month period ended 31 March 2020

### 12 RELATED PARTIES

Note 1 provides information about the Group's structure, including details of the subsidiaries and the holding Company. The following tables provide the total amount of transactions that have been entered into with related parties for the relevant financial period.

Related parties represent major shareholders, directors and key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties. Transactions with related parties policy was approved by the Annual General Assembly held on 25 February 2020.

#### a) Transactions with related parties

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 also, 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. Significant transactions were:

	<i>31 March 2020 (QR '000) (Unaudited)</i>	<i>31 March 2019 (QR '000) (Unaudited)</i>
Premiums	7,272	6,012
Claims	8,507	5,954
Purchase of services	1	-

#### b) Related party balances

	<i>31 March 2020 (QR '000) (Unaudited)</i>	<i>31 December 2019 (QR '000) (Audited)</i>
Due from related parties	<u>21,933</u>	<u>19,009</u>
Due to related parties	<u>19,231</u>	<u>18,355</u>

#### c) Compensation of key management personnel

	<i>31 March 2020 (QR '000)</i>	<i>31 March 2019 (QR '000)</i>
Salaries and other short term benefits	10,538	11,307
End of service benefits	<u>437</u>	<u>476</u>
	<u>10,975</u>	<u>11,783</u>

Outstanding related party balances at reporting date are unsecured and interest free, and no provision for impairment for these related party balances have been recorded by the Group during the period (2019: Nil).

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the three month period ended 31 March 2020

### 13 BASIC AND DILUTED EARNINGS PER SHARE

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

	<i>31 March 2020 (QR '000) (Unaudited)</i>	<i>31 March 2019 (QR '000) (Unaudited)</i>
Net (loss) / profit attributable to owners of the parent Company	<b>(185,024)</b>	266,096
Less: Interest on subordinated perpetual debt (Note 10)	<b>(20,270)</b>	(20,045)
	<b>(205,294)</b>	246,051
Weighted average number of ordinary shares	<b>3,266,101</b>	3,266,101
<b>Basic and diluted earnings per share (QR)</b>	<b>(0.063)</b>	0.075

### 14 DIVIDENDS

A final cash dividend distribution of QR 1.50 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 three month period ended 31 March 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.

### 15 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>31 March 2020 (Unaudited)</i>	<i>Level 1 (QR '000)</i>	<i>Level 2 (QR '000)</i>	<i>Level 3 (QR '000)</i>	<i>Total (QR '000)</i>
Investment securities	13,129,996	734,201	1,620,336	15,484,533
Derivative assets held for risk management	-	132,038	-	132,038
	<b>13,129,996</b>	<b>866,239</b>	<b>1,620,336</b>	<b>15,616,571</b>
<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>
Investment securities	13,405,104	738,781	1,635,597	15,779,482
Derivative assets held for risk management	-	9,010	-	9,010
	<b>13,405,104</b>	<b>747,791</b>	<b>1,635,597</b>	<b>15,788,492</b>



## **16 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'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.

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. Group expects this uncertainty and consequent capital contraction to influence rates across wholesale and reinsurance markets

Due to the uncertainties about global markets and economies performance, no material changes have been incorporated in the Expected Credit Loss (ECL) calculation to reflect the observable current Macro-Economic factors and forward-looking information.

## **17 SUBSEQUENT EVENT**

The Group currently intends to issue perpetual subordinated Tier 2 qualifying capital notes up to a maximum of USD 300 million. The notes will be perpetual in nature and are expected to qualify as Tier 2 Capital under Qatar Central Bank regulations for the solvency ratio calculations.

## **18 COMPARATIVE AMOUNTS**

Certain comparative figures of the previous year have been reclassified to conform to the current year's presentation. However, such reclassifications are not material and do not have an impact on the previously reported surplus or net assets.