

GULF INTERNATIONAL SERVICES Q.P.S.C.

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REVIEW REPORT AS AT AND FOR THE
SIX-MONTH PERIOD ENDED 30 JUNE 2020**

GULF INTERNATIONAL SERVICES Q.P.S.C.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REVIEW REPORT
AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2020**

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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the Board of Directors of Gulf International Services Q.P.S.C.
Doha, State of Qatar

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Gulf International Services Q.P.S.C. (the "Company"), and its subsidiaries (together referred to as the "Group") as at 30 June 2020, the condensed consolidated interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the condensed consolidated interim financial statements (the "condensed consolidated interim financial statements"). The Board of Directors of the Company is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed consolidated interim financial statements 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 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 condensed consolidated interim financial statements as at and for the six-month period ended 30 June 2020 are not prepared, in all material respects, in accordance with IAS 34 "*Interim Financial Reporting*".

12 August 2020
Doha
State of Qatar


Gopal Balasubramaniam
KPMG
Qatar Auditors' Registry Number 251
Licensed by QFMA: External
Auditors' License No. 120153

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

In thousands of Qatari Riyals

	Note	30 June 2020 (Reviewed)	31 December 2019 (Audited)
ASSETS			
Non-current assets			
Property and equipment	5	6,261,294	6,421,124
Goodwill	6	303,559	303,559
Right of use assets	12	56,997	68,659
Contract assets		2,443	7,381
Equity-accounted investees	1	254,263	5,235
Financial investments	7	293,559	288,318
Total non-current assets		7,172,115	7,094,276
Current assets			
Inventories		233,754	215,491
Contract assets		13,433	9,529
Due from related parties	18 (b)	457,254	501,237
Financial investments	7	291,174	342,218
Trade and other receivables	8	849,565	766,322
Reinsurance contract assets		987,641	929,964
Short term investments		187,667	229,382
Cash and bank balances	9	703,093	678,447
Total current assets		3,723,581	3,672,590
TOTAL ASSETS		10,895,696	10,766,866
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10	1,858,409	1,858,409
Legal reserve		366,295	366,295
General reserve		74,516	74,516
Foreign currency translation reserve		(26,992)	(11,578)
Fair value reserve		(1,159)	(1,095)
Retained earnings		1,330,864	1,294,376
Equity attributable to equity holders of the Parent		3,601,933	3,580,923
Non-controlling interest		112	-
Total equity		3,602,045	3,580,923
LIABILITIES			
Non-current liabilities			
Lease liabilities	12	36,820	45,456
Loans and borrowings	13	3,875,377	3,862,016
Contract liabilities		2,052	5,741
Provision for decommissioning costs		41,598	41,598
Provision for employees' end of service benefits		88,387	91,281
Total non-current liabilities		4,044,234	4,046,092
Current liabilities			
Bank overdraft	9	8	8
Lease liabilities	12	25,908	27,478
Dividends payable	11	77,218	78,488
Loans and borrowings	13	817,546	825,212
Trade and other payables		790,301	841,857
Due to related parties	18 (b)	25,181	33,299
Reinsurance contract liabilities		1,500,056	1,317,242
Contract liabilities		13,199	16,267
Total current liabilities		3,249,417	3,139,851
Total liabilities		7,293,651	7,187,698
TOTAL EQUITY AND LIABILITIES		10,895,696	10,766,866

These condensed consolidated interim financial statements were approved by the Company's Board of Directors and signed on its behalf by the following on 12 August 2020:



Khalid Bin Khalifa Al-Thani
Chairman



Saad Rashid Al-Muhannadi
Board member

The notes on pages 6 to 23 are an integral part of these condensed consolidated interim financial statements.

GULF INTERNATIONAL SERVICES Q.P.S.C.

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

In thousands of Qatari Riyals

	Note	Six-month period ended 30 June 2020 (Reviewed)	Six-month period ended 30 June 2019 (Reviewed)
Revenue	14	1,558,976	1,471,152
Direct costs	15	(1,300,808)	(1,263,362)
Gross profit		258,168	207,790
Other income	16	68,344	13,584
General and administrative expenses		(105,788)	(91,846)
(Loss)/ gain on financial assets at fair value through profit and loss		(28,521)	21,738
Provision/ (reversal of provision) for impairment of financial assets		8,625	(216)
Other expenses		(7,447)	(13,808)
Operating profit		193,381	137,242
Finance income		18,235	16,346
Finance cost		(98,115)	(124,779)
Net finance cost		(79,880)	(108,433)
Share of (loss)/ profit of equity-accounted investees, net of tax		(204)	494
Profit for the period before tax		113,297	29,303
Income tax expense	17	(59,331)	-
Profit for the period after tax		53,966	29,303
<i>Attributable to:</i>			
Equity holders of the Parent		54,041	29,303
Non-controlling interest		(75)	-
		53,966	29,303
Profit for the period after tax		53,966	29,303
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Equity investments at Fair Value Through Other Comprehensive Income (FVTOCI) – change in fair value		(7,977)	6,116
Items that may be reclassified subsequently to profit or loss			
Foreign operations – foreign currency translation difference		(15,414)	(1,677)
Other comprehensive (loss)/ income for the period		(23,391)	4,439
Total comprehensive income for the period		30,575	33,742
<i>Attributable to:</i>			
Equity holders of the Parent		30,650	33,742
Non-controlling interest		(75)	-
		30,575	33,742
Earnings per share			
Basic and diluted earnings per share (Qatari Riyals)	21	0.029	0.016

The notes on pages 6 to 23 are an integral part of these condensed consolidated interim financial statements.

GULF INTERNATIONAL SERVICES Q.P.S.C.

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

In thousands of Qatari Riyals

	Share capital	Legal reserve	General reserve	Foreign currency translation reserve	Fair value reserve	Retained earnings	Equity attributable to equity holders of the Parent	Non- controlling interest	Total equity
Balance at 1 January 2019 (Audited)	1,858,409	364,698	74,516	(11,501)	(7,536)	1,253,475	3,532,061	-	3,532,061
<i>Total comprehensive income for the period</i>									
Profit for the period	-	-	-	-	-	29,303	29,303	-	29,303
Other comprehensive income	-	-	-	(1,677)	6,116	-	4,439	-	4,439
Total comprehensive income	-	-	-	(1,677)	6,116	29,303	33,742	-	33,742
Balance at 30 June 2019 (Reviewed)	1,858,409	364,698	74,516	(13,178)	(1,420)	1,282,778	3,565,803	-	3,565,803
Balance at 1 January 2020 (Audited)	1,858,409	366,295	74,516	(11,578)	(1,095)	1,294,376	3,580,923	-	3,580,923
Adjustment*	-	-	-	-	-	(9,640)	(9,640)	-	(9,640)
Balance at 1 January 2020 (Adjusted)	1,858,409	366,295	74,516	(11,578)	(1,095)	1,284,736	3,571,283	-	3,571,283
Non-controlling interest in subsidiary acquired	-	-	-	-	-	-	-	187	187
<i>Total comprehensive income for the period</i>									
Profit for the period	-	-	-	-	-	54,041	54,041	(75)	53,966
Other comprehensive income	-	-	-	(15,414)	(7,977)	-	(23,391)	-	(23,391)
Total comprehensive income	-	-	-	(15,414)	(7,977)	54,041	30,650	(75)	30,575
Fair value reserve transferred to retained earnings	-	-	-	-	7,913	(7,913)	-	-	-
Balance at 30 June 2020 (Reviewed)	1,858,409	366,295	74,516	(26,992)	(1,159)	1,330,864	3,601,933	112	3,602,045

*This represents staff bonus related to one of the subsidiaries of the Company for the year ended 31 December 2019 which was approved by the Board of Directors prior to the approval of financial statements for the year ended 31 December 2019. On materiality grounds, management of the Group has decided to account for this as an adjustment to retained earnings as at 1 January 2020.

The notes on pages 6 to 23 are an integral part of these condensed consolidated interim financial statements.

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

In thousands of Qatari Riyals

	Six-month period ended 30 June 2020 (Reviewed)	Six-month period ended 30 June 2019 (Reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before tax	113,297	29,303
Adjustments for:		
Depreciation of property and equipment	208,158	210,578
Depreciation of right-of-use assets	11,662	14,112
Provision for employees' end of service benefits	9,683	9,101
(Gain) / loss on disposal of property and equipment	(35)	5,060
Write-off of property and equipment	200	-
Impairment loss on property and equipment	3,806	-
Net movement of financial assets at fair value through profit or loss	28,994	(20,437)
Net gain / loss from disposal of financial investments	1,621	(5,284)
Impairment loss on goodwill	7,328	-
Amortization of finance cost related to borrowings	3,919	3,562
Provision for slow moving inventories	379	3,338
(Reversal of provision)/ provision for impairment of financial assets	(8,625)	216
Tax benefit recognised pursuant to a MOU (Note 16/ 17)	(59,331)	-
Profit distribution from managed investment funds	(1,911)	(1,980)
Share of loss/ (profit) from joint venture	204	(494)
Finance income	(18,235)	(16,346)
Finance costs	98,115	124,779
Dividends income	(4,318)	(3,902)
	<u>394,911</u>	<u>351,606</u>
Changes in:		
Inventories	(18,642)	2,275
Contract assets	1,034	9,293
Contract liabilities	(6,757)	(14,352)
Trade and insurance receivables, prepayments and due from related parties	(105,885)	(189,444)
Trade and insurance payables, accruals and due to related parties	121,384	194,599
Cash generated from operations	386,045	353,977
Employees' end of service benefits paid	(12,633)	(5,800)
Net cash generated from operating activities	373,412	348,177
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(62,839)	(54,725)
Acquisition of financial investments	(135,325)	(119,628)
Net movement in term deposits with maturities in excess of three months	41,715	(98,225)
Finance income received	18,235	17,780
Proceeds from disposal and maturity of financial assets	142,851	99,613
Proceeds from disposal of property and equipment	35	9,531
Net movement in cash at banks – restricted for dividend	1,270	5,085
Profit distribution from managed investment funds	1,911	1,980
Dividends received	4,318	3,902
Net movement in restricted bank balances	157,417	(22,511)
Investment in joint venture	(249,232)	(3,650)
Net cash used in investing activities	(79,644)	(160,848)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans and borrowings	417,144	309,400
Repayment of loans and borrowings	(415,369)	(468,256)
Dividends paid	(1,270)	(5,085)
Finance costs paid	(96,130)	(116,395)
Cash received on acquisition of subsidiary	1,395	-
Payment of lease liabilities	(12,190)	(17,984)
Net cash used in financing activities	(106,420)	(298,320)
Net increase / (decrease) in cash and cash equivalents	187,348	(110,991)
Effects of movement in exchange rates on cash and cash equivalents	(3,841)	(987)
Cash and cash equivalents at beginning of period	438,601	542,005
Cash and cash equivalents at the end of the period	622,108	430,027

The notes on pages 6 to 23 are an integral part of these condensed consolidated interim financial statements.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**
1. REPORTING ENTITY

Gulf International Services Q.P.S.C. (the "Company") is a Company incorporated on 13 February 2008 in the State of Qatar under the commercial registration number 38200 as a Qatari Shareholding Company. The principal activity of the Company is to operate as a holding company. As per the Extra Ordinary General Assembly Resolution and in accordance with the new Qatar Commercial Companies Law No 11 of 2015, the legal form of the Company has been changed to Qatari Public Joint Stock Company (Q.P.S.C.) in 2018. The registered office of the Company is situated in Doha, State of Qatar.

These condensed consolidated interim financial statements comprise of the Company and its subsidiaries (together referred to as the 'Group'). The Group is primarily involved in provision of drilling, aviation, insurance and reinsurance and catering services (Note 22).

The Company was initially incorporated by Qatar Petroleum ("QP") as a sole shareholder with an initial capital of QR 5 million on 13 February 2008 which is the date of incorporation of the Company.

On 26 May 2008, QP listed 70% of the Company's issued share capital on Qatar Exchange. An extraordinary general assembly held on 4 November 2012 approved the amendments to the Articles of Association in which it increased the ownership limit of General Retirement and Social Insurance Authority (GRSIA). Subsequently, as per the instructions of the Supreme Council of Economic Affairs, QP divested 20% of its stake in the Company to the GRSIA. However, QP is the ultimate parent of the Company as it holds special share and thus controls the Company.

These condensed consolidated interim financial statements comprise the condensed interim financial statements of the Company and below stated unlisted wholly owned direct subsidiaries as at the end of the reporting date:

Name of the Company	Relationship	Country of incorporation	Percentage of holding	
			30 June 2020	31 December 2019
Al Koot Insurance & Reinsurance Company P.J.S.C. (Al Koot)	Subsidiary	Qatar	100%	100%
Amwaj Catering Services Limited. Q.P.S.C. (Amwaj)	Subsidiary	Qatar	100%	100%
Gulf Helicopters Company Q.P.S.C. (GHC)	Subsidiary	Qatar	100%	100%
Gulf Drilling International Limited Q.P.S.C. (GDI)	Subsidiary	Qatar	100%	100%

Also, these condensed consolidated interim financial statements includes the share of profit/ loss and other comprehensive income from joint ventures accounted for using equity method and consolidates the sub-subsidiaries of one of the Company's subsidiary on line by line basis:

Name of the Company	Relationship	Country of incorporation	Percentage of holding	
			30 June 2020	31 December 2019
Gulf Med Aviation Services Limited	Joint venture	Malta	49%	49%
Air Ocean Maroc	Joint venture	Morocco	49%	49%
United Helicharters Private Limited (UHPL)	Subsidiary / joint venture	India	90%	62%
Al Maha Aviation Company	Subsidiary	Libya*	92%	92%
Redstar Havacilik Hizmetleri A.S.	Subsidiary	Turkey*	49%	49%
Gulf Helicopters Investment & Leasing Company	Subsidiary	Morocco	100%	100%

During the current period, the Group acquired additional 28% of the shares and voting interests in UHPL. As a result, the Group's equity interest in UHPL increased from 62% to 90%, granting it the control of UHPL and accordingly it is classified as subsidiary (Note 20).

Other than UHPL, the Group fully (100%) consolidated the above subsidiaries because the local owners do not have extensive knowledge of the aviation industry and they deferred to the Group the overall management, operations and benefits of these entities.

Amount included in equity accounted investee at 30 June 2020 mainly includes QR 249.23 million related to investment in Gulf Drill L.L.C, a new joint venture of Gulf Drilling International Limited Q.P.S.C. (31 December 2019 QR Nil).

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

2. BASIS OF ACCOUNTING

These condensed consolidated interim financial statements for the six months ended 30 June 2020 have been prepared in accordance with IAS 34 Interim Financial Reporting, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2019 ("last annual financial statements"). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

3. USE OF JUDGEMENT AND ESTIMATES

In preparing these condensed consolidated interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied in the last annual financial statements.

4. CHANGE IN SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2019, except for accounting for income tax expense which is calculated as per the new Qatar Income Tax Law No. 24 of 2018 and Executive Regulations issued subsequently (Note 17).

Certain amendments to standards are effective from 1 January 2020 but they did not have a material effect on these condensed consolidated interim financial statements.

4.1 New standards, amendments and interpretations effective from 1 January 2020

During the current period, the Group adopted the below amendments to International Financial Reporting Standards ("IFRS") that are effective for annual periods beginning on 1 January 2020:

- Amendments to references to conceptual framework in IFRS standards
- Amendments to IFRS 3 "Business Combinations" of definition of business
- Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" of definition of material.
- Amendments to IFRS 9, IAS 39 and IFRS 7 of interest rate benchmark reform

The adoption of these amendments have had no significant impact on these condensed consolidated interim financial statements.

4.2 New standards, amendments and interpretations not yet effective, but available for early adoption

The below new and amended International Financial Reporting Standards ("IFRS" or "standards") that are available for early adoption for financial years beginning after 1 January 2021 and they have not been applied in preparing these condensed consolidated interim financial statements:

Effective for year beginning 1 January 2021	• IFRS 17 "Insurance Contracts"
Effective for year beginning 1 January 2022	• Amendments to IAS 1 "Presentation of Financial Statements" on classification of liabilities as current or non-current
Effective date deferred indefinitely / available for optional adoption	• Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" on sale or contribution of assets between an investor and its associate or joint venture

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

In thousands of Qatari Riyals

5. PROPERTY AND EQUIPMENT

	30 June 2020 (Reviewed)	31 December 2019 (Audited)
Cost		
At 1 January	10,442,400	10,615,756
Additions during the period / year	62,839	177,597
Acquisition of subsidiary	3,683	-
Disposals during the period / year	(235)	(295,010)
Write-offs during the period / year	(200)	(31,224)
Transfer to other assets during the period / year	-	(23,465)
Foreign currency translation	(13,271)	(1,254)
Balance at 30 June / 31 December	<u>10,495,216</u>	<u>10,442,400</u>
Accumulated depreciation		
At 1 January	4,021,276	3,895,445
Acquisition of subsidiary	2,538	-
Depreciation charge for the period / year	208,158	434,350
On disposals during the period / year	(235)	(285,835)
On write-offs during the period / year	-	(22,679)
Impairment loss recognised during the period / year	3,806	-
Foreign currency translation	(1,621)	(5)
Balance at 30 June / 31 December	<u>4,233,922</u>	<u>4,021,276</u>
Net book value		
At 30 June / 31 December	<u>6,261,294</u>	<u>6,421,124</u>

6. GOODWILL

	30 June 2020 (Reviewed)	31 December 2019 (Audited)
Goodwill - at cost	<u>303,559</u>	<u>303,559</u>

On 31 May 2012, the Group acquired 100% shares of Amwaj Catering Services Limited Q.P.S.C., a company incorporated in the State of Qatar, resulting in a goodwill of QR 303,559.

The recoverable amount of the goodwill is determined based on a value in use calculation, which is based on the projected cash flows of the financial budgets last approved by the Board of Directors covering a five-year period, and a pre-tax discount rate at 8.4% per annum (2019: 8.4%). The management believes that any reasonable possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount to materially exceed the recoverable amount.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

In thousands of Qatari Riyals

7. FINANCIAL INVESTMENTS

The carrying amounts of the Group's financial investments are as follows:

	30 June 2020 (Reviewed)	31 December 2019 (Audited)
<i>Investments measured at fair value through profit and loss</i>		
- Held for trading debt securities (i)	228,221	245,953
- Quoted shares in Qatari public shareholding companies	62,953	96,265
	291,174	342,218
<i>Investments measured at fair value through other comprehensive income</i>		
- Quoted shares in Qatari public shareholding companies	18,836	19,698
- Quoted debt securities	215,122	209,020
- Quoted managed investment funds	59,598	59,597
- Unquoted shares	3	3
	293,559	288,318
	584,733	630,536

Presented in the condensed consolidated interim statement of financial position as:

Current assets	291,174	342,218
Non-current assets	293,559	288,318
Total financial investments	584,733	630,536

- (i) These represent financial assets held with banks. These are acquired and incurred principally for the purpose of selling or repurchasing it in the near term or to take advantage of short-term market movements.
- (ii) Investments at fair value through profit or loss and at fair value through other comprehensive income except unquoted shares, have been valued using Level 1 measurement basis and there have been no transfers between Level 1 and Level 2 fair value measurements.

8. TRADE AND OTHER RECEIVABLES

	30 June 2020 (Reviewed)	31 December 2019 (Audited)
Trade and insurance receivables	720,972	630,703
Accrued income	38,154	37,165
Advances	880	97
Prepayments	60,819	42,771
Deposits	2,003	1,999
Other receivables	63,770	90,968
	886,598	803,703
Less: Impairment of financial assets (Note 8.1)	(37,033)	(37,381)
	849,565	766,322

8.1 Movement in the provision for impairment of financial assets were as follows:

	30 June 2020 (Reviewed)	31 December 2019 (Audited)
Balance at 1 January	37,381	39,254
Provision during the period / year	6,878	3,898
Reversal during the period / year	(7,226)	(1,489)
Write offs during the period / year	-	(4,282)
At 30 June / 31 December	37,033	37,381

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

In thousands of Qatari Riyals

9. CASH AND CASH EQUIVALENTS

	30 June 2020 (Reviewed)	31 December 2019 (Audited)
Cash on hand	871	699
Cash at bank		
- Current and call accounts	526,024	424,614
- Fixed and term deposits (1) & (2)	176,494	253,256
	703,389	678,569
Impairment of cash and bank balances (IFRS 9)	(296)	(122)
Cash and bank balances as per consolidated statement of financial position	703,093	678,447
Less: Cash at banks – restricted funds	(4,055)	(161,472)
Less: Cash at banks – restricted for dividend	(77,218)	(78,488)
Less: Bank overdraft (3)	(8)	(8)
Add back: Impairment of cash and bank balances	296	122
	(80,985)	(239,846)
Cash and cash equivalents as per condensed consolidated interim statement of cash flows	622,108	438,601

- (1) These fixed deposits held with banks are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes, capable of being readily convertible to a known amount of cash and with an insignificant risk of changes in value.
- (2) As at 30 June 2020, these fixed deposits are held with local commercial banks with original maturity of up to one year or less.
- (3) The Group's bank overdraft has a credit limit of Euro 350,000 and bears interest at EURIBOR plus 2.75% per annum (2019: EURIBOR plus 2.75%).

10. SHARE CAPITAL

	30 June 2020 (Reviewed)	31 December 2019 (Audited)
Issued and paid up capital	1,858,409	1,858,409

10.1 As per the instructions from the Qatar Financial Markets Authority, the Company's Annual General Assembly on 10 March 2019 approved a 10 for 1 share split i.e. 10 new shares with a par value of QAR 1 each were exchanged for 1 old share with a par value of QAR 10 each. This has led to an increase in the number of authorized shares from 200,000,000 to 2,000,000,000 and issued, subscribed and paid up shares from 185,840,869 to 1,858,408,690. The stock split was exercised on 27 June 2019. Consequently, weighted average number of shares outstanding has been retrospectively adjusted.

The Company has an authorised share capital of QR 2,000 million, divided into 1 special share of nominal value of QR 1 and 1,999,999,999 ordinary shares of each of nominal value of QR 1 each. As at period end the Company has issued and paid up capital of QR 1,858,409 thousand (2019: QR 1,858,409 thousand) which consists of 1 special share of nominal value of QR 1 and 1,858,408,689 ordinary shares each of nominal value of QR 1 (2019: 1 special share of nominal value of QR 10 and 185,840,868 ordinary shares each of nominal value of QR 10). The special share is owned by Qatar Petroleum and may not be cancelled or redeemed without the consent of the said special shareholder. Special Share may be transferred only to the Government, any Government Corporation or any QP affiliate. QP exercises the control over the Company by virtue of holding the Special Share. All ordinary shares carry equal rights.

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11. DIVIDENDS PAYABLE

The Board of Directors has proposed no cash dividend for the year ended 31 December 2019 .

Below is the movement in dividends payable balance during the period/year:

	30 June 2020 (Reviewed)	31 December 2019 (Audited)
At 1 January	78,488	86,464
Dividends paid during the period / year	(1,270)	(7,976)
At 30 June / 31 December	77,218	78,488

12. RIGHT OF USE ASSETS AND LEASE LIABILITIES

The details of Group's right-of-use assets are as follows:

	30 June 2020 (Reviewed)	31 December 2019 (Audited)
Balance at 1 January	68,659	-
Impact of initial application of IFRS 16	-	113,910
Adjusted balance at 1 January	68,659	113,910
Addition during the period	-	6,302
Depreciation charge for the period	(11,662)	(26,423)
Adjustment	-	(25,130)
	56,997	68,659

Depreciation is allocated in condensed consolidated interim statement of profit or loss as follows:

	30 June 2020 (Reviewed)	30 June 2019 (Reviewed)
Direct cost	11,262	13,712
General and administrative expenses	400	400
	11,662	14,112

In relation to above right-of-use assets, the Group has recorded lease liabilities as below:

	30 June 2020 (Reviewed)	31 December 2019 (Audited)
Balance at 1 January	72,934	-
Impact of initial application of IFRS 16	-	113,910
Adjusted balance at 1 January	72,934	113,910
Additions during the period / year	-	6,302
Finance costs for the period / year	1,984	4,681
Rentals paid during the period / year	(12,190)	(26,829)
Adjustment	-	(25,130)
	62,728	72,934

Lease liabilities are presented in condensed consolidated interim statement of financial position as follows:

	30 June 2020 (Reviewed)	31 December 2019 (Audited)
Non-current	36,820	45,456
Current	25,908	27,478
	62,728	72,934

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13. LOANS AND BORROWINGS

	30 June 2020 (Reviewed)	31 December 2019 (Audited)
Loans related to drilling segment (i)	4,503,019	4,439,577
Loan related to aviation segment (ii)	62,905	84,357
Other borrowings (iii)	140,053	180,267
	<u>4,705,977</u>	<u>4,704,201</u>
Less: Unamortised finance cost associated with raising Finance	(13,054)	(16,973)
	<u>4,692,923</u>	<u>4,687,228</u>

Loans and borrowings are further categorised into Islamic and non- Islamic borrowings as follows:

Islamic borrowings	3,331,251	2,097,065
Non-Islamic borrowings	1,361,672	2,590,163
	<u>4,692,923</u>	<u>4,687,228</u>

Presented in the condensed consolidated interim statement of financial position as follows:

	30 June 2020 (Reviewed)	31 December 2019 (Audited)
Non-current portion	3,875,377	3,862,016
Current portion	817,546	825,212
	<u>4,692,923</u>	<u>4,687,228</u>

- (i) The borrowings are related to the Company's subsidiary, Gulf Drilling International Q.P.S.C. ("GDI"). GDI have entered into various borrowing arrangements with different banks. All facilities bears interest rates varying between 3 months LIBOR plus 1.35% - 2.70% (2019: LIBOR plus 1.35% - 2.70%). The loans are to be repaid in quarterly installments. The loans obtained by GDI are unsecured.

Further, in May 2017, the GDI entered into a Master Murabaha facility of US\$ 925 million with a local Islamic Bank. The proceeds of the facility will be utilized on the GDI's general corporate purposes and the settlement or refinancing of the outstanding various loan facilities. The loan is unsecured and has an effective interest of LIBOR plus 2.70%, and repayable in lump sum upon maturity on 31 December 2023. GDI has drawn down from the facility US\$ 648 million as of 30 June 2020 (2019: US\$ 533 million).

- (ii) The borrowings are related to the Company's subsidiary, Gulf Helicopters Company Q.P.S.C. ("GHC"). GHC have entered into various borrowing arrangements with different banks. All facilities bears interest rates varying between 3 months LIBOR plus 1.35% - 2.75% (2019: LIBOR plus 1.35% - 2.75%). The loans are to be repaid in quarterly installments. The loans obtained by GHC are unsecured.
- (iii) On 20 April 2014, the Company obtained a syndicated Murabaha facility of US\$ 80 million from a local Islamic Bank located in Qatar, along with the additional amount of US\$ 80 million, details in below, to finance the acquisition of the additional 30% of GDI. The effective profit rate is 6 months LIBOR plus 1.45% (2019: LIBOR plus 1.45%). The loan is repayable in 15 semi-annual instalments with the first instalment started in April 2015 and is unsecured.

On 20 April 2014, the Company obtained a loan of US\$ 80 million from a local commercial bank located in Qatar to finance the acquisition of the additional 30% of GDI. The effective interest rate is 6 months LIBOR plus 1.45% (2018: LIBOR plus 1.45%). The loan is repayable in 14 semi-annual instalments with the first instalment started in April 2015 and is unsecured.

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14. REVENUE**Revenue streams**

The Group mainly generates revenue from the catering, aviation, drilling and insurance and reinsurance services.

	Six-month period ended 30 June 2020 (Reviewed)	Six-month period ended 30 June 2019 (Reviewed)
Revenue from contracts with customers (1)	1,088,940	1,088,883
Revenue from insurance contracts (2)	470,036	382,269
	1,558,976	1,471,152

(1) Revenue from contracts with customers**A. Disaggregation of revenue from contracts with customers**

In the following table, revenue from contracts with customers is disaggregated by primary major products and service lines and timing of revenue recognition.

Major products/ service lines	Six-month period ended 30 June 2020 (Reviewed)	Six-month period ended 30 June 2019 (Reviewed)
Revenue from drilling and ancillary services		
- Drilling and ancillary services	521,827	587,769
Revenue from aviation services		
- Aviation revenues	305,678	273,364
- Maintenance and repair operation revenue	33,642	19,050
- Training revenue	784	1,133
	340,104	293,547
Revenue from catering and related services		
- Catering services	108,785	90,458
- Manpower services	81,987	87,673
- Accommodation and housekeeping services	21,597	13,789
- Function and events revenue	3,311	4,562
- Other revenues	11,329	11,085
	227,009	207,567
	1,088,940	1,088,883

B. Timing of revenue recognition

	Six-month period ended 30 June 2020 (Reviewed)	Six-month period ended 30 June 2019 (Reviewed)
Products and services transferred at a point in time	106,456	62,893
Products and services transferred over time	982,484	1,025,990
Revenue from contracts with customers	1,088,940	1,088,883

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14. REVENUE (CONTINUED)**(2) Revenue from insurance contracts**

	Six-month period ended 30 June 2020 (Reviewed)	Six-month period ended 30 June 2019 (Reviewed)
Gross insurance revenue	470,036	382,269

The details of gross insurance is as follows:

	Six-month period ended 30 June 2020 (Reviewed)	Six-month period ended 30 June 2019 (Reviewed)
Gross premium	761,861	703,760
Movement in unearned premium, gross	(291,755)	(320,676)
Net commission income	(70)	(815)
Gross insurance revenue	470,036	382,269

15. DIRECT COSTS

	Six-month period ended 30 June 2020 (Reviewed)	Six-month period ended 30 June 2019 (Reviewed)
Gross insurance expense (Note 15.1)	412,652	384,130
Direct cost of aviation and related services	223,443	206,389
Direct cost of catering and related services	230,633	211,087
Direct cost of drilling and ancillary services	434,080	461,756
	1,300,808	1,263,362

15.1 GROUP INSURANCE EXPENSE

	Six-month period ended 30 June 2020 (Reviewed)	Six-month period ended 30 June 2019 (Reviewed)
Reinsurance cession	412,151	167,302
Movement in unearned premium, reinsurance	(140,811)	-
Net claims incurred	134,029	212,126
Brokerage cost	7,283	4,702
Gross insurance expense	412,652	384,130

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16. OTHER INCOME

	Six-month period ended 30 June 2020 (Reviewed)	Six-month period ended 30 June 2019 (Reviewed)
Income tax benefit recognised pursuant to an MOU*	59,331	-
Others	9,013	13,584
	68,344	13,584

* This represents the tax benefit that the Group has received as a result of settlement of income tax of the Company and its local subsidiaries through the defined arrangement between the public shareholding company, Qatar Petroleum and the Ministry of Finance as per the Memorandum of Understanding. (Note 17).

17. INCOME TAX EXPENSE

Income tax expense is recognised at an amount determined by multiplying the profit/ (loss) before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate, prevailing in the State of Qatar and other tax jurisdictions, expected for the full financial year, adjusted for the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate used in these condensed consolidated interim financial statements may differ from the management's estimate of the effective tax rate for the annual consolidated financial statements.

In light of the provisions of the new Qatar Income Tax Law No. 24 of 2018 and related Executive Regulations issued subsequently, on 4 February 2020, Qatar Petroleum (the parent of the Company), Ministry of Finance and the General Tax Authority have reached an agreement through a Memorandum of Understanding ("the MOU") which provided a mechanism for the settlement of the income tax on share of profit attributable to certain companies listed on Qatar Exchange together with their subsidiaries and joint ventures and included in the said MOU. Gulf International Services Q.P.S.C. (GIS) and all four of its local subsidiaries (Note 1) were included in the said MOU. The MOU also states that the tax amounts due on the share of the public shareholding companies will be recorded in the books and in the tax returns to be submitted to General Tax Authority. The Group has calculated income tax for the year ended 31 December 2019 amounting to QR 21,027 and for the six-month period ended 30 June 2020 amounting to QR 38,304 and charged the total amount of QR 59,331 to profit or loss for the period ended 30 June 2020.

To recognise the tax benefit arising to the Group from the said MOU, the Group has recognised the total income tax amounting to (QR 59,331) as other income which otherwise should have been payable to General Tax Authority (Note 16).

18. RELATED PARTIES

The Group, in the ordinary course of business, carries out transactions with other business enterprises that fall within the definition of related parties as per International Accounting Standard (IAS) 24 "Related Parties". The balances with related parties as at the period end and the transactions during the period, are disclosed as follows:

a) Transactions with related parties

	Six-month period ended 30 June 2020 (Reviewed)	Six-month period ended 30 June 2019 (Reviewed)
Revenue – Parent, associate and affiliated entities	991,907	715,792
Direct and other operating expenses – Parent, associate and affiliated entities	74,138	54,343

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18. RELATED PARTIES (CONTINUED)**b) Related party balances**

Name of entity	Relationship	Due from		Due to	
		30 June 2020 (Reviewed)	31 December 2019 (Audited)	30 June 2020 (Reviewed)	31 December 2019 (Audited)
Qatar Petroleum	Parent Company	245,288	250,928	17,939	24,922
Qatargas Operating Company Limited	Affiliate	-	132,654	-	-
Qatargas Company Limited	Affiliate	140,846	17,938	-	-
Qatar Petrochemical Company (QAPCO) Q.P.J.S.C.	Affiliate	-	1,683	-	-
Qatar Fuel Company (WOQOD) Q.P.S.C.	Affiliate	15,488	12,874	1,938	3,525
Oryx GTL Limited	Affiliate	53	12,829	-	-
United Helicharters Private Limited	Affiliate	-	13,729	-	-
Qatar Fertilizer Company (QAFCO)	Affiliate	-	1,256	-	-
Ras Laffan Olefins Limited	Affiliate	-	301	-	-
Gasal Limited	Affiliate	-	89	-	-
Others*	Affiliates	59,019	73,217	5,304	4,852
		460,694	517,498	25,181	32,299
Provision for impairment of financial assets		(3,440)	(16,261)	-	-
		457,254	501,237	25,181	33,299

*Amount due to other related parties includes Board of Directors' remuneration of QR 415 (31 December 2019: QR 2,000).

The above balances are of trading nature, bear no interest or securities and are receivable/ payable on demand.

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18. RELATED PARTIES (CONTINUED)**c) Remuneration of key management personnel**

	Six-month period ended 30 June 2020 (Reviewed)	Six-month period ended 30 June 2019 (Reviewed)
<i>Compensation of key management personnel</i>		
Salaries and other benefits	17,565	18,253

19. CONTINGENCIES AND COMMITMENTS

	30 June 2020 (Reviewed)	31 December 2019 (Audited)
<i>Contingent liabilities:</i>		
Guarantees against performance bonds	386,708	364,429
Claims under dispute	9,553	3,376
Group's share in contingencies of joint ventures (1)	-	4,004
	30 June 2020 (Reviewed)	31 December 2019 (Audited)
<i>Commitments:</i>		
Capital commitments	-	11,806

- (1) These contingent liabilities and commitments pertains to Group's share of interest in equity joint ventures, incorporated as limited liability entities in the respective country of incorporation.

It is not anticipated that any material liabilities will arise from the commitments which were issued in the normal course of business.

20. ACQUISITION OF SUBSIDIARY

On 2 February 2020, the Group acquired additional 28% of the shares and voting interests in United Helicharters Private Limited (UHPL). As a result, the Group's equity interest in UHPL increased from 62% to 90%, granting it the control of UHPL.

Consideration transferred

Total consideration for additional shares	7,851
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Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

Property and equipment (Note 5)	1,145
Inventories	1,305
Trade and other receivables	3,708
Cash and bank balances	1,395
Provision for employees' end of service benefits	(56)
Trade and other payables	(5,630)
Total identifiable net assets acquired	1,867

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20. ACQUISITION OF SUBSIDIARY (CONTINUED)**Goodwill**

Goodwill arising from the acquisition has been recognised as follows:

Consideration transferred	7,851
NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities of UHPL	187
Fair value of pre-existing interest in UHPL	1,157
Fair value of identifiable net assets acquired	(1,867)
Goodwill	<u><u>7,328</u></u>

The remeasurement to fair value of the Group's existing 62% interest in UHPL resulted in a gain of QR 1,157 and is included in 'Other income' (Note 16).

Immediately after the acquisition, the Group has impaired the entire amount of goodwill and is included in 'Other expenses'.

21. EARNINGS PER SHARE

Basic earnings per share have been calculated by dividing the profit for the period by the adjusted weighted average number of equity shares outstanding at the end of the reporting period.

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

	Six-month period ended 30 June 2020 (Reviewed)	Six-month period ended 30 June 2019 (Reviewed)
Profit for the period (QR '000)	<u><u>53,966</u></u>	<u><u>29,303</u></u>
Adjusted weighted average number of equity shares (Note 10)	<u><u>1,858,408,690</u></u>	<u><u>1,858,408,690</u></u>
Basic and diluted earnings per share (QR)	<u><u>0.029</u></u>	<u><u>0.016</u></u>

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22. OPERATING SEGMENTS

The Group has four reportable segments, as described below. The segments offer different products and services, and are managed separately because they require different technology and marketing strategies and also incorporated as separate legal entities. For each of the segments, the Board of Directors reviews internal management reports on at least a quarterly basis. The following summary describes the operations of each reportable segment:

- Insurance: Provides insurance and reinsurance services
- Aviation: Provides helicopter transportation services in Qatar and India. Also operating as a provider of helicopter services throughout the Middle East, Libya, Turkey and Morocco. The aviation segment includes the information relating to Gulf Helicopters Group's joint ventures and its subsidiaries.
- Catering: Provides catering, manpower and related services
- Drilling: Provides drilling and ancillary services

The following table presents the information regarding the Group's operating segments including its subsidiaries:

For the six-month period ended 30 June 2020 (Reviewed)	Insurance	Aviation	Catering	Drilling	Total
Segment revenue	471,261	340,104	245,145	521,827	1,578,337
Inter-segment revenue	(1,225)	-	(18,136)	-	(19,361)
External revenue	<u>470,036</u>	<u>340,104</u>	<u>227,009</u>	<u>521,827</u>	<u>1,558,976</u>
Segment profit/ (loss) before tax	<u>12,481</u>	<u>362,268</u>	<u>4,688</u>	<u>(43,983)</u>	<u>335,454</u>
Segment assets	<u>2,571,707</u>	<u>1,478,246</u>	<u>355,982</u>	<u>5,861,670</u>	<u>10,267,605</u>
Segment liabilities	<u>1,949,279</u>	<u>299,819</u>	<u>230,018</u>	<u>4,660,694</u>	<u>7,139,810</u>
For the six-month period ended 30 June 2019 (Reviewed)	Insurance	Aviation	Catering	Drilling	Total
Segment revenue	384,073	293,510	227,155	587,769	1,492,507
Inter-segment revenue	(1,804)	37	(19,588)	-	(21,355)
External revenue	<u>382,269</u>	<u>293,547</u>	<u>207,567</u>	<u>587,769</u>	<u>1,471,152</u>
Segment profit/ (loss) before tax	<u>11,647</u>	<u>71,979</u>	<u>3,820</u>	<u>(45,421)</u>	<u>42,025</u>
Segment assets (At 31 December 2019) (Audited)	<u>2,387,306</u>	<u>1,563,280</u>	<u>346,491</u>	<u>5,920,551</u>	<u>10,217,628</u>
Segment liabilities (At 31 December 2019) (Audited)	<u>1,752,914</u>	<u>282,727</u>	<u>225,215</u>	<u>4,665,952</u>	<u>6,926,808</u>

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22. OPERATING SEGMENTS (CONTINUED)**Reconciliation of reportable segments profit or loss**

	Six-month period ended 30 June 2020 (Reviewed)	Six-month period ended 30 June 2019 (Reviewed)
Total profit for reportable segments	335,454	42,025
Other un-allocable profit or loss (Profit or loss of Parent Company)	471,702	130,608
Elimination of dividends from subsidiaries to Parent Company	(420,508)	(137,648)
Depreciation associated to purchase price allocation	(5,681)	(5,682)
Fair value gain on land and building	(267,670)	-
Consolidated profit for the period	113,297	29,303
	30 June 2020 (Reviewed)	31 December 2019 (Audited)

Reconciliation of reportable segments total assets

Total assets for reportable segments	10,267,605	10,217,628
Other un-allocable assets	3,125,226	2,716,207
Elimination of investments in subsidiaries	(2,574,398)	(2,574,398)
Assets relating to purchase price allocation	111,664	117,344
Asset relating to Goodwill	303,559	303,559
Elimination of inter-segment assets	(70,290)	(13,474)
Elimination of fair value gain on assets transferred within the Group	(267,670)	-
Consolidated total assets for the period / year	10,895,696	10,766,866

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss or total assets since 31 December 2019.

23. FINANCIAL INSTRUMENTS AT FAIR VALUE

The fair value of financial investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities at the close of business at the end of the reporting period.

For financial instruments where there is no active market, the fair value is determined by using valuation techniques. Such techniques include using recent arm's length transactions, reference to the current market value of another instrument which is substantially the same and/or discounted cash flow analysis. For discounted cash flow techniques, estimated future cash flows are based on management's best estimates and the discount rate used is a market related rate for a similar instrument.

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23. FINANCIAL INSTRUMENTS AT FAIR VALUE (CONTINUED)

If the fair values cannot be measured reliably, these financial instruments are measured at cost.

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. The carrying value of the financial assets and liabilities approximates their fair values. The estimated fair values of the Group's major financial instruments are provided in the tables below:

30 June 2020 (Reviewed)	Fair value through profit or loss	Fair value through OCI	Others amortized cost/ other financial liabilities	Total carrying value	Fair Value
Assets					
Cash and bank balances	-	-	703,093	703,093	703,093
Short term investments	-	-	187,667	187,667	187,667
Trade and other receivables	-	-	787,866	787,866	787,866
Reinsurance share of outstanding claims	-	-	987,641	987,641	987,641
Due from related parties	-	-	457,254	457,254	457,254
Financial investments	291,176	293,557	-	584,733	584,733
	291,176	293,557	3,123,521	3,708,254	3,708,254
Liabilities					
Loans and borrowings	-	-	4,692,923	4,692,923	4,692,923
Due to related parties	-	-	25,181	25,181	25,181
Trade and other payables	-	-	316,241	316,241	316,241
Reinsurance contract liabilities	-	-	1,500,056	1,500,056	1,500,056
Lease liabilities	-	-	62,728	62,728	62,728
Dividend payable	-	-	77,218	77,218	77,218
Bank overdraft	-	-	8	8	8
	-	-	6,674,355	6,674,355	6,674,355

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23. FINANCIAL INSTRUMENTS AT FAIR VALUE (CONTINUED)

31 December 2019 (Audited)	Fair value through profit or loss	Fair value through OCI	Others amortized cost/ other financial liabilities	Total carrying value	Fair Value
Assets					
Cash and bank balances	-	-	678,447	678,447	678,447
Short term investments	-	-	229,382	229,382	229,382
Trade and other receivables	-	-	723,454	723,454	723,454
Reinsurance share of outstanding claims	-	-	929,964	929,964	929,964
Due from related parties	-	-	501,237	501,237	501,237
Financial investments	342,220	288,316	-	630,536	630,536
	<u>342,220</u>	<u>288,316</u>	<u>3,062,484</u>	<u>3,693,020</u>	<u>3,693,020</u>
Liabilities					
Loans and borrowings	-	-	4,687,228	4,687,228	4,687,228
Due to related parties	-	-	33,299	33,299	33,299
Trade and other payables	-	-	420,046	420,046	420,046
Reinsurance contract liabilities	-	-	1,317,242	1,317,242	1,317,242
Lease liabilities	-	-	72,934	72,934	72,934
Reinsurance premium payable	-	-	389,699	389,699	389,699
Dividend payable	-	-	78,488	78,488	78,488
Bank overdraft	-	-	8	8	8
	<u>-</u>	<u>-</u>	<u>6,998,944</u>	<u>6,998,944</u>	<u>6,998,944</u>

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24. IMPACT OF COVID-19

The coronavirus ("COVID-19") pandemic has spread across various geographies globally, causing disruption to business and economic activities. COVID-19 has brought about uncertainties in the global economic environment.

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.

Based on the study performed by the management, there were no material impacts of the current economic volatility in determination of the reported amounts of the financial and non-financial assets and these are considered to represent management's best assessment based on observable information. Markets however remain volatile and the recorded amounts remain sensitive to market fluctuations.

25. COMPARATIVE FIGURES

The comparative figures for the previous year have been reclassified, where necessary, in order to conform to the current period's presentation. Such reclassifications do not affect the previously reported net profits, net assets or equity.