

Doha Insurance Company Q.S.C.

INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2014

REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF DOHA INSURANCE COMPANY Q.S.C.

Introduction

We have reviewed the accompanying interim condensed financial statements of Doha Insurance Company Q.S.C. (the "Company") as at 30 June 2014, comprising of the interim statement of financial position as at 30 June 2014 and the related interim statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended and the related explanatory information. The Board of Directors is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Financial Reporting Standards "IAS" 34 – *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

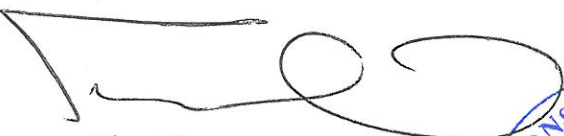
We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.

Other Matters

The interim condensed financial statements of the Company as at 30 June 2013 were reviewed and the financial statements as of 31 December 2013 were audited by another auditor, whose reports dated 18 July 2013 and 22 January 2014, respectively, expressed an unmodified review conclusion and audit opinion on those financial statements.


Firas Qoussous
of Ernst & Young
Auditor's Registration No. 236

Date: 20 July 2014
Doha



Doha Insurance Company Q.S.C.

INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	<i>Notes</i>	<i>30 June 2014 QR (Unaudited)</i>	<i>31 December 2013 QR (Audited)</i>
ASSETS			
Cash and bank balances	3	486,908,167	187,153,577
Financial investments	4	509,004,522	357,860,552
Reinsurance contract assets	5	296,279,869	570,433,700
Insurance and other receivables		138,644,363	98,948,567
Investment in an associate		6,399,119	5,935,730
Investment properties		24,504,642	25,192,886
Property and equipment		<u>73,264,280</u>	<u>73,858,660</u>
TOTAL ASSETS		<u>1,535,004,962</u>	<u>1,319,383,672</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	6	500,000,000	257,400,000
Legal reserve	7	302,931,403	109,139,129
Fair value reserves		78,938,864	60,650,742
Foreign currency translation reserve		(63,096)	(80,742)
Proposed cash dividends	8	-	51,480,000
Retained earnings		<u>123,891,014</u>	<u>69,946,711</u>
Total equity		<u>1,005,698,185</u>	<u>548,535,840</u>
Liabilities			
Insurance contract liabilities	5	419,422,373	685,542,451
Provisions, insurance and other payables		97,450,073	75,442,571
Employees' end of service benefits		<u>12,434,331</u>	<u>9,862,810</u>
Total liabilities		<u>529,306,777</u>	<u>770,847,832</u>
TOTAL EQUITY AND LIABILITIES		<u>1,535,004,962</u>	<u>1,319,383,672</u>

Nawaf Bin Nasser Bin Khaled Al Thani
Chairman

Bassam Hussein
Chief Executive Officer

The attached notes 1 to 16 form part of these interim condensed financial statements.

Doha Insurance Company Q.S.C.
INTERIM STATEMENT OF INCOME
For the six months period ended 30 June 2014

		<i>Six month period ended</i>	
		<i>30 June</i>	<i>30 June</i>
		<i>2014</i>	<i>2013</i>
<i>Notes</i>		<i>QR</i>	<i>QR</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
	Gross premiums	299,554,941	275,709,473
	Reinsurers' share of gross premiums	<u>(226,994,074)</u>	<u>(210,483,960)</u>
	Net premiums	72,560,867	65,225,513
	Change in unexpired risk reserve	<u>(2,913,832)</u>	<u>(2,213,689)</u>
	Earned insurance premiums	69,647,035	63,011,824
	Commissions received	15,864,861	14,824,551
	Change in deferred commissions	<u>(88,540)</u>	<u>1,378,246</u>
	Total underwriting revenues	9 85,423,356	79,214,621
	Claims paid	9 (81,630,171)	(46,366,875)
	Reinsurers' share of claims	9 53,553,131	19,335,352
	Change in outstanding claims reserve	9 (5,031,390)	(9,527,984)
	Commissions paid	9 (3,964,773)	(3,101,692)
	NET UNDERWRITING RESULTS	9 <u>48,350,153</u>	<u>39,553,422</u>
	Dividend income	16,968,981	14,673,714
	Interest income	2,058,892	1,482,873
	Rental income from investment properties	2,846,876	2,770,575
	Net gain on sale of financial investments	24,085,461	6,376,130
	Impairment of financial investments	(1,500,000)	(1,000,000)
	Share of results of an associate	445,743	410,778
	Unrealised loss on held for trading investments	(458,060)	(173,042)
	Other income	<u>286,695</u>	<u>39,324</u>
	INVESTMENT AND OTHER INCOME	<u>44,734,588</u>	<u>24,580,352</u>
	Salaries and other staff costs	21,149,622	18,080,623
	General and administrative expenses	10 13,158,825	8,146,885
	Depreciation of investment properties	688,244	688,243
	Depreciation of property and equipment	<u>815,203</u>	<u>779,169</u>
	TOTAL EXPENSES	<u>35,811,894</u>	<u>27,694,920</u>
	PROFIT FOR THE PERIOD BEFORE ALLOCATION TO TAKAFUL BRANCH POLICYHOLDERS	57,272,847	36,438,854
	Net surplus attributable to Takaful branch policyholders	16 (3,328,544)	(300,984)
	PROFIT ATTRIBUTABLE TO SHAREHOLDERS	<u>53,944,303</u>	<u>36,137,870</u>
	Basic and diluted earnings per share	11 <u>1.37</u>	<u>1.25</u>

The attached notes 1 to 16 form part of these interim condensed financial statements.

Doha Insurance Company Q.S.C.

INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months period ended 30 June 2014

	<i>Six month period ended</i>	
	<i>30 June</i>	<i>30 June</i>
	<i>2014</i>	<i>2013</i>
	<i>QR</i>	<i>QR</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Profit attributable to shareholders	53,944,303	36,137,870
Other comprehensive income		
Recognised gains on available-for-sale investments	24,085,461	6,376,130
Transfer to statement of income on impairment of available-for-sale investments	1,500,000	1,000,000
Net movement in fair value of available-for-sale investments	(7,297,339)	2,178,902
Exchange differences on translating foreign operations	17,646	(61,424)
Other comprehensive income for the period	18,305,768	9,493,608
Total comprehensive income for the period	72,250,071	45,631,478

The attached notes 1 to 16 form part of these interim condensed financial statements.

Doha Insurance Company Q.S.C.

INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months period ended 30 June 2014

	Share capital QR	Legal reserve QR	Fair value reserve QR	Foreign currency translation reserve QR	Proposed cash dividends QR	Proposed bonus shares QR	Retained earnings QR	Total QR
Balance at 1 January 2014	257,400,000	109,139,129	60,650,742	(80,742)	51,480,000	-	69,946,711	548,535,840
Profit attributable to shareholders	-	-	-	-	-	-	53,944,303	53,944,303
Other comprehensive income for the period	-	-	18,288,122	17,646	-	-	-	18,305,768
Total comprehensive income for the period	-	-	18,288,122	17,646	-	-	53,944,303	72,250,071
Increase in share capital (Note 6)	242,600,000	193,792,274	-	-	-	-	-	436,392,274
Cash dividend paid (Note 8)	-	-	-	-	(51,480,000)	-	-	(51,480,000)
Balance at 30 June 2014 (Unaudited)	500,000,000	302,931,403	78,938,864	(63,096)	-	-	123,891,014	1,005,698,185
Balance at 1 January 2013	234,000,000	102,434,522	35,585,551	(52,043)	23,400,000	23,400,000	62,761,396	481,529,426
Profit attributable to shareholders	-	-	-	-	-	-	36,137,870	36,137,870
Other comprehensive income (loss) for the period	-	-	9,555,032	(61,424)	-	-	-	9,493,608
Total comprehensive income (loss) for the period	-	-	9,555,032	(61,424)	-	-	36,137,870	45,631,478
Cash dividend paid (Note 8)	-	-	-	-	(23,400,000)	-	-	(23,400,000)
Bonus shares issued (Note 8)	23,400,000	-	-	-	-	(23,400,000)	-	-
Balance at 30 June 2013 (Unaudited)	257,400,000	102,434,522	45,140,583	(113,467)	-	-	98,899,266	503,760,904

The attached notes 1 to 16 form part of these interim condensed financial statements.

Doha Insurance Company Q.S.C.

INTERIM STATEMENT OF CASH FLOWS

For the six months period ended 30 June 2014

	<i>Six month period ended</i>	
	<i>30 June</i>	<i>30 June</i>
	<i>2014</i>	<i>2013</i>
<i>Notes</i>	<i>QR</i>	<i>QR</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
OPERATING ACTIVITIES		
Profit attributable to shareholders	53,944,303	36,137,870
<i>Adjustments for:</i>		
Depreciation of property and equipment	815,203	779,169
Depreciation of investment properties	688,244	688,243
Provision for employees' end of service benefits	2,571,521	588,612
Impairment of financial investments	1,500,000	1,000,000
Impairment of insurance and other receivables	3,500,000	1,900,000
Unrealised loss on held for trading investments	458,060	173,042
Share of results of an associate	(445,743)	(410,778)
Reinsurers' share of unearned premium	6,308,277	8,206,277
Movement in unearned premium	(9,222,109)	(5,992,585)
Net gain from sale of financial investments	(24,085,461)	(6,376,130)
Gain on disposal of property and equipment	(41,500)	-
Dividend income	(16,968,981)	(14,673,714)
Interest income	(2,058,892)	(1,482,897)
Operating profit before changes in operating assets and liabilities	16,962,922	20,537,109
Increase in insurance and other receivables	(43,195,796)	(22,887,651)
Decrease in insurance reserves	10,947,585	8,149,732
Increase in provisions, insurance and other payables	23,683,656	3,911,155
Cash generated from operations	8,398,367	9,710,345
Employees' end of service benefits paid	-	(372,542)
Net cash generated from operating activities	8,398,367	9,337,803
INVESTING ACTIVITIES		
Purchase of financial investments	(244,505,427)	(87,719,095)
Proceeds from disposal of financial investments	133,776,980	19,195,767
Dividend received	16,968,981	14,673,714
Interest received	2,058,892	1,482,873
Purchase of investment properties	-	(1,661,479)
Purchase of property and equipment	(342,822)	-
Proceeds from disposal of property and equipment	163,499	13,920
Net cash used in investing activities	(91,879,897)	(54,014,300)
FINANCING ACTIVITIES		
Payment of contribution to social and sports activities fund	(1,676,154)	(1,507,148)
Proceeds from rights issue	436,392,274	-
Dividends paid	(51,480,000)	(23,400,000)
Net cash from (used in) financing activities	383,236,120	(24,907,148)
INCREASE (DECREASE) IN CASH AND BANK BALANCES	299,754,590	(69,583,645)
Cash and bank balances at 1 January	187,153,577	171,432,206
CASH AND BANK BALANCES AT 30 JUNE	486,908,167	101,848,561

The attached notes 1 to 16 form part of these interim condensed financial statements.

Doha Insurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2014

1 ACTIVITIES

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

During the year 2006, the Company established an Islamic Takaful branch under the brand name Doha Takaful (the "Branch") to carry out insurance and reinsurance activities in accordance with Islamic Sharia principles on a non-usury basis in all areas of insurance. The financial information of the Branch are disclosed in Note 16 to the interim condensed financial statements.

The interim condensed financial statements of the Company for the six months period ended 30 June 2014 include the results of the Company and the Branch.

These interim condensed financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 20 July 2014.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed financial statements of the Company for the six months period ended 30 June 2014 have been prepared in accordance with the International Financial Reporting Standards 34 - "Interim Financial Reporting" under the historical cost convention except for certain financial instruments which have been stated at fair value.

The interim condensed financial statements do not contain all information and disclosures required for the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 December 2013. In addition, the results for the six-month period ended 30 June 2014 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2014.

2.2 New standards and amendments

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2013, except for the adoption of new and amended standards and interpretations effective as of 1 January 2013 as noted below:

<i>Standard</i>	<i>Content</i>
IFRS 1	First-time Adoption of International Financial Reporting Standards – Government loans
IFRS 7	Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities – Amendments to IFRS 7
IFRS 10	Consolidated Financial Statements, IAS 27 Separate Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IAS 1	Presentation of Items of Other Comprehensive Income – Amendments to IAS 1
IAS 19	Employee Benefits (Revised)
IAS 28	Investments in Associates and Joint Ventures

These new standards and amendments affected presentation only and had no impact on the Company's financial position or performance.

Doha Insurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months ended at 30 June 2014

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 New standards and amendments (continued)

In addition, the following standards have been issued but not yet effective:

<i>Topics</i>	<i>Effective dates</i>
IFRS 9 <i>Financial Instruments</i>	1 January 2018
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	1 January 2014
IAS 32 <i>Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32</i>	1 January 2014
IAS 39 <i>Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39</i>	1 January 2014
IFRIC Interpretation 21 <i>Levies</i> (IFRIC 21)	1 January 2014

The Company will assess the impact of the above standards on its financial position and performance when it becomes effective.

3 CASH AND BANK BALANCES

	<i>30 June 2014 QR (Unaudited)</i>	<i>31 December 2013 QR (Audited)</i>
Bank balances and short term deposits	486,747,866	186,884,514
Cash on hand	<u>160,301</u>	<u>269,063</u>
	<u>486,908,167</u>	<u>187,153,577</u>

Cash and bank balances include fixed deposits amounting to QR 415,264,250 (31 December 2013: QR 130,068,000) bearing interest rate ranging from 0.65% to 1.6% per annum and maturing within a period of 1 to 3 months.

4 FINANCIAL INVESTMENTS

The carrying amounts of financials investments were as follows:

	<i>30 June 2014 QR (Unaudited)</i>	<i>31 December 2013 QR (Audited)</i>
<i>Held for trading:</i>		
- Quoted shares	15,227,704	-
<i>Available-for-sale investments:</i>		
- Quoted shares	401,340,545	263,292,884
- Unquoted funds and shares	64,714,264	69,843,845
- Debt securities with fixed interest rate	<u>27,722,009</u>	<u>24,723,823</u>
	<u>509,004,522</u>	<u>357,860,552</u>

The debt securities carry interest rate ranging from 3 % to 6% per annum and has a maturity period of 5 to 10 years. None of these assets had been impaired at the end of the reporting period.

Doha Insurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months ended at 30 June 2014

5 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (continued)

(b) Provision for unearned premiums

	30 June 2014 (Unaudited)		31 December 2013 (Audited)	
	Insurance contract liabilities	Reinsurance contract assets	Insurance contract liabilities	Reinsurance contract assets
	QR	QR	QR	QR
At 1 January	203,382,838	(161,298,967)	183,769,582	(141,617,091)
Gross premiums during the period/year	299,554,941	(226,994,074)	516,669,468	(410,411,989)
Earned insurance premiums during the period/year	(290,332,832)	220,685,797	(497,056,212)	390,730,113
At the end of the period/year	212,604,947	(167,607,244)	203,382,838	(161,298,967)
				42,083,871
				106,257,479
				(106,326,099)

(c) Deferred commissions

	30 June 2014 (Unaudited)		31 December 2013 (Audited)	
	Insurance contract liabilities	Reinsurance contract assets	Insurance contract liabilities	Reinsurance contract assets
	QR	QR	QR	QR
At 1 January	8,667,457	-	9,681,802	-
Gross/ceded change in contract liabilities	88,540	-	(1,014,345)	-
At the end of the period/year	8,755,997	-	8,667,457	-
				9,681,802
				(1,014,345)
				8,667,457

Doha Insurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months ended at 30 June 2014

6 SHARE CAPITAL

	<i>Issued and fully paid up 30 June 2014 QR (Unaudited)</i>	<i>Issued and fully paid up 31 December 2013 QR (Audited)</i>
Share capital (QR)	<u>500,000,000</u>	<u>257,400,000</u>
Number of shares of QR 10 each	<u>50,000,000</u>	<u>25,740,000</u>

On 10 March 2014, the Board of Directors announced the resolution adopted by the extraordinary general assembly of Shareholders held on 17 February 2014 to increase the share capital of the Company to QR 500,000,000 through the issuance of 24,260,000 new shares for the current shareholders with the par value of QR 10 and premium of QR 8 per share. The subscription was completed on 7 April 2014.

7 LEGAL RESERVE

As required by Qatar Commercial Companies Law No. 5 of 2002, the excess of the nominal amount of the shares issued during the year amounting to QR 193,792,274 has been credited to the legal reserve. The legal reserve is not available for distribution except in circumstances specified in the said law.

During 2014, as a result of the rights issue, the Company's legal reserve exceeds 50% of the share capital. However, in accordance with Qatar Central Bank's Law No. 13 of 2012 Article No. 120 item 3, 10% of net profit for the year is required to be transferred to legal reserve until the legal reserve equals 100% of the paid up capital. The Company did not make any transfer from the profit of the period as the required amount will be transferred by year end.

8 DIVIDENDS

Cash dividend of 20% of the nominal share value (QR 2 per share) for the year ended 31 December 2013 were approved and paid (2012: cash dividend of 10% of the nominal share value (QR 1 per share) and a bonus share of 10% of the share capital were approved and paid).

Doha Insurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months ended at 30 June 2014

9 NET UNDERWRITING RESULTS

	Motor		Marine and Aviation		Fire and General Accident		Total	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	QR	QR	QR	QR	QR	QR	QR	QR
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Gross premiums	51,167,308	54,800,451	92,028,183	83,196,373	156,359,450	137,712,649	299,554,941	275,709,473
Reinsurers' share of gross premiums	(5,693,690)	(13,063,281)	(83,712,096)	(76,355,985)	(137,588,288)	(121,064,694)	(226,994,074)	(210,483,960)
Net premiums	45,473,618	41,737,170	8,316,087	6,840,388	18,771,162	16,647,955	72,560,867	65,225,513
Change in unexpired risk reserve	(1,494,579)	308,331	(569,973)	(2,141,791)	(849,280)	(380,229)	(2,913,832)	(2,213,689)
Earned insurance premiums	43,979,039	42,045,501	7,746,114	4,698,597	17,921,882	16,267,726	69,647,035	63,011,824
Commissions received	317,080	1,142,967	4,366,203	4,582,668	11,181,578	9,098,916	15,864,861	14,824,551
Change in deferred commissions	349,954	(437,127)	134,820	140,631	(573,314)	1,674,742	(88,540)	1,378,246
Total underwriting revenues	44,646,073	42,751,341	12,247,137	9,421,896	28,530,146	27,041,384	85,423,356	79,214,621
Claims paid	(23,793,252)	(24,458,864)	(3,878,742)	(1,713,928)	(53,958,177)	(20,194,083)	(81,630,171)	(46,366,875)
Reinsurers' share of claims	917,886	250,874	3,412,997	1,992,754	49,222,248	17,091,724	53,553,131	19,335,352
Change in outstanding claims reserve	(5,167,600)	(5,483,636)	142,592	(503,021)	(6,382)	(3,541,327)	(5,031,390)	(9,527,984)
Commissions paid	(683,625)	(634,628)	(296,473)	(131,766)	(2,984,675)	(2,335,298)	(3,964,773)	(3,101,692)
Net underwriting results	15,919,482	12,425,087	11,627,511	9,065,935	20,803,160	18,062,400	48,350,153	39,553,422

Doha Insurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2014

10 GENERAL AND ADMINISTRATIVE EXPENSES

	<i>30 June 2014 QR (Unaudited)</i>	<i>30 June 2013 QR (Unaudited)</i>
Impairment of insurance and other receivables	3,500,000	1,900,000
Board of Directors' remuneration	3,500,000	2,750,000
Rent, maintenance and office expenses	2,373,556	1,189,777
Advertisement and business promotion	1,520,325	629,360
Legal and consultation fees	1,041,091	524,449
Business travel	344,664	346,621
Government fees	285,667	133,382
Printing and stationery	236,862	308,457
Miscellaneous expenses	356,660	364,839
	<u>13,158,825</u>	<u>8,146,885</u>

11 EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the profit attributable to the shareholders by the weighted average number of ordinary shares outstanding during the period.

	<i>30 June 2014 QR (Unaudited)</i>	<i>30 June 2013 QR (Unaudited)</i>
Profit attributable to the shareholders (QR)	<u>53,944,303</u>	<u>36,137,870</u>
Weighted average number of shares outstanding during the period	<u>39,472,550</u>	<u>28,828,129</u>
Basic earnings per share (QR)	<u>1.37</u>	<u>1.25</u>

The Company has restated the calculations of the comparative earnings per share as a result of the effect of stock rights issue. The stock rights issue was approved in the extraordinary Annual General Meeting held on 17 February 2014.

The weighted average number of shares has been calculated as follows:

	<i>30 June 2014 QR (Unaudited)</i>	<i>30 June 2013 QR (Unaudited) (Restated)</i>
Weighted average number of shares at 1 January	25,740,000	25,740,000
Effects of rights issue	<u>13,732,550</u>	<u>3,088,129</u>
Weighted average number of shares at 30 June	<u>39,472,550</u>	<u>28,828,129</u>

During the period, the Company increased its share capital by rights issue. Therefore, the basic and diluted earnings per share of QR 1.40 previously reported as at 30 June 2013 have been restated to effect this transaction.

Doha Insurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2014

12 CLASSIFICATION AND FAIR VALUES

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable and willing parties on an arm's length basis. Since the accompanying interim condensed financial statements have been prepared under the historical cost convention, carrying values of certain financial instruments as recorded could therefore be different from the fair value. However, in the opinion of management, the fair values of the financial assets and liabilities are not considered significantly different from their book values as most of these items are either short-term in nature or re-valued frequently.

Fair value hierarchy:

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	<i>Note</i>	<i>Level 1 QR (Unaudited)</i>	<i>Level 2 QR (Unaudited)</i>	<i>Level 3 QR (Unaudited)</i>	<i>Total QR (Unaudited)</i>
30 June 2014 (Unaudited)					
Financial assets					
Available-for-sale	4	401,340,545	58,955,661	-	460,296,206
Held for trading	4	15,227,704	-	-	15,227,704
		416,568,249	58,955,661	-	475,523,910
31 December 2013 (Audited)					
Financial assets					
Available-for-sale	4	263,292,884	64,687,056	-	327,979,940
		263,292,884	64,687,056	-	327,979,940

13 SEGMENT INFORMATION

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

The data with respect to segment information is disclosed in note 9 to the interim condensed financial statements.

The Company operates in the State of Qatar only. The associate company operates in the Republic of Yemen.

Doha Insurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2014

13 SEGMENT INFORMATION (continued)

Revenues, expenses, assets and liabilities of the Company and its Islamic Takaful Branch are as follows:

	30 June 2014 (Unaudited)		30 June 2013 (Unaudited)	
	Conventional insurance QR	Takaful insurance QR	Conventional insurance QR	Takaful insurance QR
Gross premiums	276,733,069	22,821,872	255,421,074	20,288,399
Reinsurers' share of gross premiums	(218,046,267)	(8,947,807)	(200,369,502)	(10,114,458)
Net premiums	58,686,802	13,874,065	55,051,572	10,173,941
Change in unexpired risk reserve	(1,437,068)	(1,476,764)	(1,919,459)	(294,230)
Earned insurance premiums	57,249,734	12,397,301	53,132,113	9,879,711
Commissions received	15,561,814	303,047	14,522,572	301,979
Change in deferred commissions	(70,028)	(18,512)	1,366,073	12,173
Wakala fee	2,890,477	(2,890,477)	1,972,657	(1,972,657)
Total underwriting revenues	75,631,997	9,791,359	70,993,415	8,221,206
Claims paid	(73,554,474)	(8,075,697)	(41,678,836)	(4,688,039)
Reinsurers' share of claims	50,253,131	3,300,000	19,309,214	26,138
Change in outstanding claims reserve	(4,076,004)	(955,386)	(6,709,047)	(2,818,937)
Commissions paid	(3,621,043)	(343,730)	(2,712,699)	(388,993)
Total insurance expenses	(30,998,390)	(6,074,813)	(31,791,368)	(7,869,831)
Net underwriting results	44,633,607	3,716,546	39,202,047	351,375
Investment and other income	44,557,783	176,805	24,406,191	174,161
Total expenses	(35,247,087)	(564,807)	(27,470,368)	(224,552)
PROFIT FOR THE PERIOD	53,944,303	3,328,544	36,137,870	300,984

Doha Insurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months ended at 30 June 2014

13 SEGMENT INFORMATION (continued)

	30 June 2014 (Unaudited)		31 December 2013 (Audited)	
	Conventional insurance QR	Takaful insurance QR	Conventional insurance QR	Takaful insurance QR
Asset				
Total assets	1,484,838,646	50,166,316	1,535,004,962	1,319,383,672
Liabilities				
Insurance contract liabilities	(383,404,237)	(36,018,136)	(419,422,373)	(685,542,451)
Net surplus attributable to Islamic Takaful policyholders	-	(6,864,892)	(6,864,892)	(1,661,741)
Liabilities (other than insurance contract liabilities)	(100,736,224)	(2,283,288)	(103,019,512)	(83,643,640)
Net assets	1,000,698,185	5,000,000	1,005,698,185	548,535,840
			543,535,840	5,000,000

Doha Insurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months ended at 30 June 2014

14 RELATED PARTY DISCLOSURES

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

Related party transactions

Transactions with related parties included in the interim statement of income are as follows:

	<i>30 June 2014 (Unaudited)</i>		<i>31 December 2013 (Audited)</i>	
	<i>Premiums</i>	<i>Claims</i>	<i>Premiums</i>	<i>Claims</i>
	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
Major shareholders	<u>5,208,248</u>	<u>1,163,350</u>	<u>6,735,791</u>	<u>724,455</u>

Related party balances

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

	<i>30 June 2014 (Unaudited)</i>		<i>31 December 2013 (Audited)</i>	
	<i>Receivables</i>	<i>Claims and payables</i>	<i>Receivables</i>	<i>Claims and payables</i>
	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
Major shareholders	<u>4,914,637</u>	<u>367,607</u>	<u>5,042,480</u>	<u>229,353</u>

Compensation of key management personnel

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

	<i>30 June 2014 QR (Unaudited)</i>	<i>30 June 2013 QR (Unaudited)</i>
Board of Directors' remuneration	3,500,000	2,750,000
Short-term benefits	1,794,000	1,794,000
End of service and other benefits	<u>3,984,000</u>	<u>3,696,000</u>
	<u>9,278,000</u>	<u>8,240,000</u>

15 CONTINGENCIES AND COMMITMENTS

Guarantees

At 30 June 2014, the Company had contingent liabilities in respect of tender guarantees and other guarantees from which it is anticipated that no material liabilities will arise, amounting to QR 4,140,103 (31 December 2013: QR 1,442,535).

Legal claims

The Company is subject to litigation in the normal course of its business. The Company, based on independent legal advice, does not believe that the outcome of these court cases will have a material impact on the Company's income or financial position.

Doha Insurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six months ended at 30 June 2014

16 ISLAMIC TAKAFUL BRANCH OF DOHA INSURANCE COMPANY Q.S.C.

The interim statement of financial position and interim statement of income of the Branch are presented below:

(i) Interim statement of financial position for the period/ year

	<i>30 June 2014 QR (Unaudited)</i>	<i>31 December 2013 QR (Audited)</i>
PARTICIPANTS' OPERATIONS ASSETS		
Cash on hand	5,434	5,000
Bank balances (Islamic banks)	21,307,594	23,454,784
Reinsurance contract assets	12,322,649	12,805,327
Due from policyholders	4,071,351	5,270,702
Due from insurance and reinsurance companies	10,747,654	3,291,790
Prepayments and other assets	1,537,208	852,030
Property and equipment	174,426	149,044
TOTAL ASSETS	50,166,316	45,828,677
PARTICIPANTS' FUNDS AND LIABILITIES		
Participants' fund		
Participants' account	11,864,892	8,536,348
Liabilities		
Insurance contract liabilities	36,018,136	34,512,881
Provisions, insurance and other payables	2,283,288	2,779,448
Total liabilities	38,301,424	37,292,329
TOTAL PARTICIPANTS' FUND AND LIABILITIES	50,166,316	45,828,677

(ii) Interim statement of income for the period

	<i>Six month period ended</i>	
	<i>30 June 2014 QR (Unaudited)</i>	<i>30 June 2013 QR (Unaudited)</i>
PARTICIPANTS' REVENUES AND EXPENSES		
REVENUE		
Net Takaful revenue	3,716,546	351,375
Other income	176,805	174,161
	3,893,351	525,536
EXPENSES		
General and administrative expenses	(546,365)	(192,741)
Depreciation expense	(18,442)	(31,811)
TOTAL TAKAFUL EXPENSES	(564,807)	(224,552)
NET SURPLUS FOR THE PERIOD TRANSFERRED TO PARTICIPANTS' FUND	3,328,544	300,984