

**DOHA INSURANCE COMPANY – Q.S.C.**  
**DOHA – QATAR**

**INTERIM CONDENSED**  
**FINANCIAL STATEMENTS**  
**FOR THE SIX MONTH**  
**PERIOD ENDED JUNE 30, 2005**  
**TOGETHER WITH**  
**ACCOUNTANTS' REVIEW REPORT**

**DOHA INSURANCE COMPANY – Q.S.C.**  
**DOHA - QATAR**  
**JUNE 30, 2005**

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QR. 31249

**ACCOUNTANTS' REVIEW REPORT**

**The Shareholders**

**Doha Insurance Company – Q.S.C.**

**Doha - Qatar**

We have reviewed the accompanying interim consolidated balance sheet of **Doha Insurance Company - Q.S.C.**, as of June 30, 2005 and the related interim statements of income, changes in shareholders' equity and cash flows for the six month period then ended. These interim condensed financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our review.

We conducted our review in accordance with **International Standard on Auditing** applicable to review engagements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim condensed financial statements are free of material misstatement. A review is limited primarily to inquiries of Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not presented fairly, in all material respects, in accordance with **International Accounting Standard No. 34**.

For **Deloitte & Touche**

**Doha - Qatar**  
**July 24, 2005**

**Muhammad Bahemia**  
**License No. 103**

**DOHA INSURANCE COMPANY – Q.S.C.**  
**DOHA - QATAR**

**INTERIM BALANCE SHEET**  
**JUNE 30, 2005**

<b><u>ASSETS</u></b>	<b><u>Note</u></b>	<b><u>June 30,</u></b> <b><u>2005</u></b> <b><u>(Reviewed)</u></b> <b><u>QR.</u></b>	<b><u>June 30,</u></b> <b><u>2004</u></b> <b><u>(Reviewed)</u></b> <b><u>QR.</u></b>	<b><u>December 31,</u></b> <b><u>2004</u></b> <b><u>(Audited)</u></b> <b><u>QR.</u></b>
<b>Assets:</b>				
Cash and bank balances	3	28,107,884	46,772,749	54,490,077
Investments		225,796,861	114,261,912	124,675,202
Accounts receivable		14,415,441	8,258,542	22,685,564
Reinsurance balances receivable		5,253,395	4,943,103	6,607,905
Prepayments and other debit balances		3,508,593	3,703,275	1,230,559
Investment properties	4	28,797,701	29,844,129	29,320,915
Property and equipment	5	7,357,261	8,452,600	7,779,172
<b>Total Assets</b>		<b>313,237,136</b>	<b>216,236,310</b>	<b>246,789,394</b>
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>				
<b>Liabilities:</b>				
Bank loan	6	5,205,584	6,772,763	5,988,615
Insurance reserves		23,812,968	15,895,450	17,882,235
Accounts payable		525,222	354,282	635,386
Reinsurance balances payable		6,380,862	5,501,439	19,869,055
Accruals and other credit balances		6,219,973	4,207,519	6,415,362
<b>Total Liabilities</b>		<b>42,144,609</b>	<b>32,731,453</b>	<b>50,790,653</b>
<b>Shareholders' Equity:</b>				
Share capital		127,240,000	127,240,000	127,240,000
Legal reserve		7,834,609	4,461,048	5,915,642
Fair value reserve		101,040,720	30,269,854	29,867,806
Proposed dividend		--	--	15,268,800
Retained earnings		34,977,198	21,533,955	17,706,493
<b>Total Shareholders' Equity</b>		<b>271,092,527</b>	<b>183,504,857</b>	<b>195,998,741</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>313,237,136</b>	<b>216,236,310</b>	<b>246,789,394</b>

Sheikh Nawaf Bin Nasser Khaled Al-Thani  
Chairman

Bassem Hussein  
General Manager

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED FINANCIAL STATEMENTS

**DOHA INSURANCE COMPANY – Q.S.C.**  
**DOHA - QATAR**

**INTERIM STATEMENT OF INCOME**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2005**

		<b>For the Six Month Period Ended June 30,</b>	
	<b><u>Note</u></b>	<b><u>2005</u></b>	<b><u>2004</u></b>
		<b><u>(Reviewed)</u></b>	<b><u>(Reviewed)</u></b>
		<b>QR.</b>	<b>QR.</b>
<b>Income:</b>			
Net insurance revenue	7	7,160,493	3,911,775
Income from sale of investments		11,850,313	8,604,652
Interest income		444,467	473,988
Income from investment properties		1,634,400	1,634,400
Investments income		4,107,108	3,805,504
Other income		295,493	173,695
		-----	-----
<b>Total Income</b>		<b>25,492,274</b>	<b>18,604,014</b>
		-----	-----
<b>Expenses:</b>			
Salaries and other staff costs		(3,147,964)	(2,687,791)
General and administrative expenses		(1,939,903)	(1,636,878)
Depreciation of property and equipment and investments properties		(1,214,735)	(1,194,570)
		-----	-----
<b>Total Expenses</b>		<b>(6,302,602)</b>	<b>(5,519,239)</b>
		-----	-----
<b>Net Income for the Period</b>		<b>19,189,672</b>	<b>13,084,775</b>
		=====	=====
Earnings Per Share	8	1.51	1.03
		=====	=====
Number of shares		12,724,000	12,724,000
		=====	=====

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED FINANCIAL STATEMENTS

**DOHA INSURANCE COMPANY – Q.S.C.**  
**DOHA - QATAR**

**INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2005**

	<b>For the Six Month Period Ended June 30,</b>	
	<b><u>2005</u></b>	<b><u>2004</u></b>
	<b>(Reviewed)</b>	<b>(Reviewed)</b>
	<b>QR.</b>	<b>QR.</b>
<b><u>Operating Activities:</u></b>		
Net income for the period	19,189,672	13,084,775
Adjustments for:		
Depreciation of property and equipment and investment properties	1,214,735	1,194,570
Net movement in insurance reserves	5,930,733	2,518,763
	-----	-----
	26,335,140	16,798,108
Accounts receivable	8,270,123	(1,173,577)
Reinsurance balances receivable	1,354,510	(2,048,106)
Prepayments and other debit balances	(2,278,034)	(2,037,165)
Accounts payable	(110,164)	96,261
Reinsurance balances payable	(13,488,193)	1,514,951
Accruals and other credit balances	(195,389)	803,322
	-----	-----
<b>Net Cash From Operating Activities</b>	<b>19,887,993</b>	<b>13,953,794</b>
	-----	-----
<b><u>Investing Activities:</u></b>		
Net cash movement in investments	(29,948,745)	1,566,758
Purchase of property and equipment	(269,610)	(160,965)
Purchase of investment properties	--	(6,500)
Proceeds on sale of property and equipment	--	23,436
	-----	-----
<b>Net Cash (Used in) From Investing Activities</b>	<b>(30,218,355)</b>	<b>1,422,729</b>
	-----	-----
<b><u>Financing Activities:</u></b>		
Dividends paid	(15,268,800)	(10,179,200)
Bank loan	(783,031)	(783,137)
	-----	-----
<b>Net Cash Used in Financing Activities</b>	<b>(16,051,831)</b>	<b>(10,962,337)</b>
	-----	-----
Net (Decrease) Increase in Cash and Cash Equivalent	(26,382,193)	4,414,186
Cash and cash equivalents at the beginning of the period	54,490,077	42,358,563
	-----	-----
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>28,107,884</b>	<b>46,772,749</b>
	=====	=====

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED FINANCIAL STATEMENTS

**DOHA INSURANCE COMPANY – Q.S.C.**  
**DOHA - QATAR**

**NOTES TO INTERIM CONDENSED**  
**FINANCIAL STATEMENTS**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2005**

**1. Activities:**

Doha Insurance Company – Q.S.C., is a public shareholding company governed by the Amiri Decree No. 3 of 1999 promulgated on October 2, 1999. The Company issued and fully paid capital is stated at QR. 127,240,000 divided into 12,724,000 shares of QR. 10 each.

The Company is engaged in the business of Marine, Motor Fire and General Insurance.

**2. Significant Accounting Policies:**

These interim condensed financial statements are prepared in accordance with IAS 34 “Interim Financial Reporting”. The accounting policies used in the preparation of these interim condensed financial statements are consistent with those used in the annual financial statements for the year ended December 31, 2004 and should be read in conjunction with the 2004 annual financial statements and the notes attached thereto.

The financial statement are prepared under the historical cost basis except for the measurement at fair value of available-for-sale investments.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would be also appropriate to anticipate or defer such costs at the end of the financial year.

**3. Cash and Banks Balances:**

	<b><u>June 30,</u></b>	<b><u>December 31,</u></b>	
	<b><u>2005</u></b>	<b><u>2004</u></b>	
	<b><u>(Reviewed)</u></b>	<b><u>(Reviewed)</u></b>	
	<b><u>QR.</u></b>	<b><u>QR.</u></b>	
		<b><u>2004</u></b>	
		<b><u>(Audited)</u></b>	
		<b><u>QR.</u></b>	
Demand deposits and cash	10,089,440	27,545,602	18,121,609
Time deposits	18,018,444	19,227,147	36,368,468
	-----	-----	-----
Total	28,107,884	46,772,749	54,490,077
	=====	=====	=====

**4. Investment Properties:**

	<u>June 30,</u>	<u>December 31,</u>	
	<u>2005</u>	<u>2004</u>	
	<u>(Reviewed)</u>	<u>(Reviewed)</u>	
	<u>QR.</u>	<u>QR.</u>	
		<u>2004</u>	
		<u>(Audited)</u>	
		<u>QR.</u>	
Investment properties	30,901,859	30,901,859	30,901,859
Less: Accumulated depreciation	(2,104,158)	(1,057,730)	(1,580,944)
	-----	-----	-----
<b>Net</b>	<b>28,797,701</b>	<b>29,844,129</b>	<b>29,320,915</b>
	=====	=====	=====

**5. Property and Equipment:**

	<u>June 30,</u>	<u>December 31,</u>	
	<u>2005</u>	<u>2004</u>	
	<u>(Reviewed)</u>	<u>(Reviewed)</u>	
	<u>QR.</u>	<u>QR.</u>	
		<u>2004</u>	
		<u>(Audited)</u>	
		<u>QR.</u>	
Opening net book value for the period / year	7,779,172	8,986,484	8,986,483
Additions for the period / year	269,610	160,965	164,488
Depreciation for the period / year	(691,521)	(671,413)	(1,341,959)
Disposals for the period / year	--	(23,436)	(29,840)
	-----	-----	-----
<b>Net</b>	<b>7,357,261</b>	<b>8,452,600</b>	<b>7,779,172</b>
	=====	=====	=====

**6. Bank Loan:**

	<u>June 30,</u>	<u>December 31,</u>	
	<u>2005</u>	<u>2004</u>	
	<u>(Reviewed)</u>	<u>(Reviewed)</u>	
	<u>QR.</u>	<u>QR.</u>	
		<u>2004</u>	
		<u>(Audited)</u>	
		<u>QR.</u>	
Bank term loan – current portion	1,566,060	1,566,060	1,566,060
Bank term loan – non-current portion	3,639,524	5,206,703	4,422,555
	-----	-----	-----
<b>Total</b>	<b>5,205,584</b>	<b>6,772,763</b>	<b>5,988,615</b>
	=====	=====	=====

The above loan is repayable in half yearly installments of US \$ 215,000 each. (Total loan facility US \$.2,060,0000). The loan carries interest at six month Libor plus 1% per annum.

**7. Net Insurance Revenue:**



**For the Six Month Period Ended June 30,**

	Marine	Motor	Fire, Medical and General Insurance	June 30,	
				2005 (Reviewed)	2004 (Reviewed)
	QR.	QR.	QR.	QR.	QR.
<b>Revenue:</b>					
Premium	18,577,140	14,555,870	29,205,833	62,338,843	34,106,779
Reinsurance share	(17,463,040)	(2,789,737)	(25,619,880)	(45,872,657)	(23,998,423)
Net premium	1,114,100	11,766,133	3,585,953	16,466,186	10,108,356
Reinsurance commissions, net	644,705	144,788	2,756,136	3,545,629	2,760,388
<b>Total Revenues</b>	<b>1,758,805</b>	<b>11,910,921</b>	<b>6,342,089</b>	<b>20,011,815</b>	<b>12,868,744</b>
<b>Expenses:</b>					
Claims paid	330,969	6,470,578	2,230,007	9,031,554	8,018,534
Reinsurance's share	(265,914)	(7,489)	(1,837,562)	(2,110,965)	(1,580,328)
<b>Net Claims</b>	<b>65,055</b>	<b>6,463,089</b>	<b>392,445</b>	<b>6,920,589</b>	<b>6,438,206</b>
Excess of revenue over Insurance claims	1,693,750	5,447,832	5,949,644	13,091,226	6,430,538
Movement in insurance reserves				(5,930,733)	(2,518,763)
<b>Net Insurance Revenue</b>				<b>7,160,493</b>	<b>3,911,775</b>

**8. Earnings Per Share:**

Earnings per share is calculated by dividing the net profit attributable to the ordinary equity holders of the Company by the number of ordinary shares outstanding during the period.

**9. Contingent Liabilities:**

	June 30,		December 31,
	2005 (Reviewed) QR.	2004 (Reviewed) QR.	2004 (Audited) QR.
Bank guarantees	775,103	701,278	585,728



**DOHA INSURANCE COMPANY – Q.S.C.**  
**DOHA - QATAR**

**INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2005**

	Share Capital	Legal Reserve	Fair Value Reserve	Proposed Dividend	Retained Earnings	Total
	----- QR.	----- QR.	----- QR.	----- QR.	----- QR.	----- QR.
<b>Balance at January 1, 2004 (Audited)</b>	<b>127,240,000</b>	<b>3,152,571</b>	<b>19,248,962</b>	<b>10,179,200</b>	<b>9,757,657</b>	<b>169,578,390</b>
Dividends paid	--	--	--	(10,179,200)	--	(10,179,200)
Net profit for the period	--	--	--	--	13,084,775	13,084,775
Transfer to legal reserve	--	1,308,477	--	--	(1,308,477)	--
Net movement in cumulative changes in fair value of investments	--	--	11,020,892	--	--	11,020,892
<b>Balance at June 30, 2004 (Reviewed)</b>	<b>127,240,000</b>	<b>4,461,048</b>	<b>30,269,854</b>	<b>--</b>	<b>21,533,955</b>	<b>183,504,857</b>
<b>Balance at January 1, 2005 (Audited)</b>	<b>127,240,000</b>	<b>5,915,642</b>	<b>29,867,806</b>	<b>15,268,800</b>	<b>17,706,493</b>	<b>195,998,741</b>
Dividends paid	--	--	--	(15,268,800)	--	(15,268,800)
Net profit for the period	--	--	--	--	19,189,672	19,189,672
Transfer to legal reserve	--	1,918,967	--	--	(1,918,967)	--
Net movement in cumulative changes in fair value of investments	--	--	71,172,914	--	--	71,172,914
<b>Balance at June 30, 2005 (Reviewed)</b>	<b>127,240,000</b>	<b>7,834,609</b>	<b>101,040,720</b>	<b>--</b>	<b>34,977,198</b>	<b>271,092,527</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED FINANCIAL STATEMENTS