

**DOHA INSURANCE GROUP Q.P.S.C.
(PREVIOUSLY, "DOHA INSURANCE COMPANY Q.S.C")
DOHA - QATAR**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE SIX MONTH PERIOD ENDED
JUNE 30, 2017**

DOHA INSURANCE GROUP Q.P.S.C

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REVIEW REPORT

For the six month period ended June 30, 2017

INDEX	Page
Independent auditor's review report	--
Interim condensed consolidated statement of financial position	1
Interim condensed consolidated statement of profit or loss	2
Interim condensed consolidated statement of comprehensive income	3
Interim condensed consolidated statement of changes in equity	4
Interim condensed consolidated statement of cash flows	5 to 6
Notes to the interim condensed consolidated financial statements	7 to 18

QR. 31249

RN: 000180/MMS/FY2018

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Board of Directors
Doha Insurance Group Q.P.S.C.
Doha – Qatar

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Doha Insurance Group Q.P.S.C. (the “Company”) and its subsidiaries (together the “Group”), as at June 30, 2017, and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on the interim condensed consolidated 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 the 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 consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

INDEPENDENT AUDITOR'S REVIEW REPORT (CONTINUED)

Other matters

The interim condensed consolidated financial statements of the Group as at June 30, 2016 and the annual consolidated financial statements as at December 31, 2016 were reviewed and audited by another auditor whose reports dated August 8, 2016 and March 6, 2017, respectively, expressed an unmodified review conclusion and audit opinion on those consolidated financial statements.

**Doha – Qatar
August 6, 2017**



**For Deloitte & Touche
Qatar Branch**

**Midhat Salha
Partner
License No. 257
QFMA Audit Registration 120156**

DOHA INSURANCE GROUP Q.P.S.C

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2017

	Notes	June 30, 2017 QR (Reviewed)	December 31, 2016 QR (Audited)
ASSETS			
Cash and cash equivalents	3	469,043,739	516,025,395
Financial investments	4	465,114,553	478,389,968
Reinsurance contract assets	5	383,212,429	265,152,573
Insurance and other receivables		199,397,345	181,524,222
Investments in associates		19,061,682	16,362,429
Investment properties	8	214,604,938	157,488,651
Properties and equipment		10,946,741	8,658,774
TOTAL ASSETS		1,761,381,427	1,623,602,012
EQUITY AND LIABILITIES			
Equity			
Share capital	6	500,000,000	500,000,000
Legal reserve	7	355,029,233	355,029,233
Fair value reserve		7,107,389	48,429,720
Foreign currency translation reserve		713,211	(1,255,776)
Retained earnings		175,781,780	171,825,804
Total equity		1,038,631,613	1,074,028,981
Liabilities			
Insurance contract liabilities	5	591,651,783	427,053,927
Provisions, insurance and other payables		83,224,298	106,497,839
Bank loan	10	31,730,086	--
Employees' end of service benefits		16,143,647	16,021,265
Total liabilities		722,749,814	549,573,031
TOTAL EQUITY AND LIABILITIES		1,761,381,427	1,623,602,012

Nawaf Bin Nasser Bin Khaled Al Thani
Chairman

Jassim Ali A. Al-Moftah
Chief Executive Officer

THE ATTACHED NOTES FORM AN INTEGRAL PART OF THESE INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

DOHA INSURANCE GROUP Q.P.S.C

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six month period ended June 30, 2017

	Notes	For the six month period ended June 30,	
		2017 QR (Reviewed)	2016 QR (Reviewed)
Gross premiums	13	284,882,356	280,035,583
Reinsurers' share of gross premiums	13	(161,345,897)	(185,687,113)
Net premiums		123,536,459	94,348,470
Change in unexpired risk reserve	13	(23,687,568)	(14,622,865)
Underwriting revenue		99,848,891	79,725,605
Claims paid	13	(52,517,622)	(84,946,063)
Reinsurers' share of claims	13	14,859,867	43,937,572
Change in outstanding claims reserve	13	(22,850,432)	5,179,837
Commissions received	13	15,866,083	16,771,262
Commissions paid	13	(16,601,553)	(11,572,876)
Other technical expenses	13	(1,096,445)	(774,000)
Net underwriting results		37,508,789	48,321,337
Dividend income		15,342,578	20,639,240
Interest income		7,317,186	5,449,962
Rental income from investment properties		4,049,054	2,966,729
Share of results of associates		2,730,313	2,816,105
Net gain on sale of financial investments		6,092,207	1,441,729
Unrealised gain on held-for-trading investments		(2,630,759)	(843,941)
Impairment of financial investments		(4,444,911)	(26,452,909)
Other income		--	361,603
Investment and other income		28,455,668	6,378,518
General and administrative expenses	11	(32,367,271)	(31,174,060)
Depreciation of investment properties		(688,244)	(688,244)
Depreciation of properties and equipment		(1,117,881)	(1,088,339)
Finance cost		(134,476)	--
Total expenses		(34,307,872)	(32,950,643)
Profit for the period before allocation to takaful branch policyholders		31,656,585	21,749,212
Net deficit/(surplus) attributable to Takaful branch policyholders	16	2,299,391	(776,309)
Profit attributable to shareholders		33,955,976	20,972,903
Basic and diluted earnings per share	12	0.68	0.42

THE ATTACHED NOTES FORM AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

DOHA INSURANCE GROUP Q.P.S.C**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the six month period ended June 30, 2017

	For the six month period ended June 30,	
	2017 QR (Reviewed)	2016 QR (Reviewed)
Profit attributable to shareholders	33,955,976	20,972,903
Other comprehensive income		
<i>Items that may be reclassified subsequently to statement of profit or loss</i>		
Transfer to consolidated statement of income on impairment of available-for-sale investments	4,444,911	26,452,909
Share of other comprehensive income of associate	(31,061)	--
Recognised gains on available-for-sale investments	6,092,207	1,163,603
Exchange differences on translating foreign operations	1,968,987	(1,088,817)
Net movement in fair value of available-for-sale investments	<u>(51,828,388)</u>	<u>(24,060,884)</u>
Other comprehensive (loss) / income for the period	<u>(39,353,344)</u>	<u>2,466,811</u>
Total comprehensive (loss) / income for the period	<u>(5,397,368)</u>	<u>23,439,714</u>

THE ATTACHED NOTES FORM AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

DOHA INSURANCE GROUP Q.P.S.C

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six month period ended June 30, 2017

	Share capital	Legal reserve	Fair value reserve	Foreign currency translation reserve	Proposed cash dividends	Retained earnings	Total
	QR	QR	QR	QR	QR	QR	QR
Balance at January 1, 2016 (Audited)	500,000,000	340,579,308	68,722,807	(82,211)	50,000,000	115,832,345	1,075,052,249
Profit attributable to shareholders	--	--	--	--	--	20,972,903	20,972,903
Other comprehensive income for the period	--	--	3,555,628	(1,088,817)	--	--	2,466,811
Total comprehensive income for the period	--	--	3,555,628	(1,088,817)	--	20,972,903	23,439,714
Cash dividends paid (Note 9)	--	--	--	--	(50,000,000)	--	(50,000,000)
Balance at June 30, 2016 (Reviewed)	500,000,000	340,579,308	72,278,435	(1,171,028)	--	136,805,248	1,048,491,963
Balance at January 1, 2017 (Audited)	500,000,000	355,029,233	48,429,720	(1,255,776)	--	171,825,804	1,074,028,981
Profit attributable to shareholders	--	--	--	--	--	33,955,976	33,955,976
Other comprehensive loss for the period	--	--	(41,322,331)	1,968,987	--	--	(39,353,344)
Total comprehensive loss for the period	--	--	(41,322,331)	1,968,987	--	33,955,976	(5,397,368)
Cash dividends paid (Note 9)	--	--	--	--	--	(30,000,000)	(30,000,000)
Balance at June 30, 2017 (Reviewed)	500,000,000	355,029,233	7,107,389	713,211	--	175,781,780	1,038,631,613

THE ATTACHED NOTES FORM AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

DOHA INSURANCE GROUP Q.P.S.C

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six month period ended June 30, 2017

	For the six month period ended June 30,	
	2017	2016
	QR	QR
	(Reviewed)	(Reviewed)
OPERATING ACTIVITIES		
Profit attributable to shareholders	33,955,976	20,972,903
Adjustments for:		
Depreciation of property and equipment	1,035,894	1,088,339
Depreciation of investment properties	688,244	1,376,488
Provision for employees' end of service benefits	1,639,632	1,350,436
Impairment of financial investments	4,444,911	26,452,909
Unrealised loss on investments held at fair value through profit or loss	2,698,136	843,941
Share in results of associates	(2,730,313)	(2,816,105)
Reinsurers' share of unearned premium	28,947,217	(18,533,242)
Movement in unearned premium	(52,634,784)	33,156,107
Net gain on sale of financial investments	(6,092,207)	(597,788)
Dividend income	(15,342,578)	(20,639,240)
Interest income	(7,317,186)	(5,449,962)
Loss / (gain) on disposal of properties and equipment	77,973	(196,500)
Finance cost	134,476	--
	<u>(10,494,609)</u>	<u>37,008,286</u>
Movements in working capital		
Insurance and other receivables	(18,244,211)	(35,401,305)
Insurance reserves	70,596,656	(6,370,899)
Provisions, insurance and other payables	(23,761,635)	(3,147,101)
Cash generated by / (used in) operations	18,096,201	(7,911,019)
Payment for employees' end of service benefits	(1,517,250)	(2,260,677)
Net cash generated by / (used in) operating activities	<u>16,578,951</u>	<u>(10,171,696)</u>
INVESTING ACTIVITIES		
Dividends received	15,342,578	20,639,240
Proceeds from disposal of financial investments	19,127,353	10,777,815
Interest received	7,317,186	5,449,962
Proceeds from return of investment in an associate	--	3,500,000
Proceeds from disposal of properties and equipment	--	770,991
Purchase of property and equipment	(3,401,834)	(1,774,175)
Purchase of financial investments	(48,194,049)	(16,038,926)
Purchase of investment properties	(57,804,531)	--
Net cash (used in) / generated by investing activities	<u>(67,613,297)</u>	<u>23,324,907</u>

THE ATTACHED NOTES FORM AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

DOHA INSURANCE GROUP Q.P.S.C**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the six month period ended June 30, 2017

	For the six month period ended June 30,	
	2017	2016
	QR	QR
	(Reviewed)	(Reviewed)
FINANCING ACTIVITIES		
Bank loan	31,730,086	--
Dividends paid	(29,511,907)	(50,000,000)
Interest expense paid	(134,476)	--
Cash generated by / (used in) financing activities	2,083,703	(50,000,000)
Net decrease in cash and cash equivalents	(48,950,643)	(36,846,789)
Effect of foreign currency difference on cash and cash equivalent	1,968,987	--
Cash and cash equivalents at the beginning of period	516,025,395	467,930,245
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD (NOTE 3)	469,043,739	431,083,456

THE ATTACHED NOTES FORM AN INTEGRAL PART OF THESE INTERIM CONDENSED FINANCIAL STATEMENTS

DOHA INSURANCE GROUP Q.P.S.C

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2017

1. INCORPORATION AND ACTIVITIES

Doha Insurance Group Q.P.S.C. (the “Company”) (previously known as “Doha Insurance Company Q.S.C”), is a Qatari public shareholding company registered and incorporated in the State of Qatar under Emiri Decree No. 30 issued on October 2, 1999 and is engaged in the business of insurance and reinsurance in Qatar. The shares of the Company are listed on Qatar Exchange. The Company, by a resolution passed in Extraordinary General Assembly held on March 7, 2017, changed its name to “Doha Insurance Group Q.P.S.C”.

In 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, not separately reviewed by the auditors, are disclosed in Note 16 to the interim condensed consolidated financial statements as other information. During the period, the Branch was changed to a company with a limited liability.

The consolidated financial statements of the Group include the financial statements of the Parent Company and subsidiaries.

On October 21, 2015, MENA RE Underwriters Limited, a limited liability company engaged in insurance intermediation and management, was established and incorporated in Dubai, UAE with a registration number of CL1984. The registered paid up capital of the Subsidiary is wholly subscribed and owned by the Company.

On December 21, 2016, the Company invested 100% in share capital of Barzan Technology Solutions, a company incorporated in Jordan having business activities of providing information technology solutions and also engaged in real estate and investment activities. The subsidiary is yet to commence its commercial operations.

On December 27, 2016, the Company invested 100% in the equity of Schwenke Zentrum S.a.r.l, a company duly incorporated under the laws of Grand Duchy of Luxembourg and engaged in real estate business.

The interim condensed consolidated financial statements of the Company for the six month period ended June 30, 2017 were authorised for issue by the Board of Directors on August 6, 2017.

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six month period ended June 30, 2017 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements are prepared in Qatari Riyal (“QR”) which is the Group’s functional and presentation currency.

DOHA INSURANCE GROUP Q.P.S.C

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2017

2. BASIS OF PREPARATION (CONTINUED)

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual consolidated financial statements as at December 31, 2016. In addition, results for the six month period ended June 30, 2017 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2017.

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual consolidated financial statements for the year ended December 31, 2016.

The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2016, and the notes attached thereto, except for certain new and revised standards and interpretations, that became effective in the current period which have introduced certain changes. Some of these new and revised Standards and Interpretations are only changes in terminology, and some are substantive but have had no material effect on the reported results or financial position of the Group.

3. CASH AND CASH EQUIVALENTS

	<u>June 30, 2017</u>	<u>December 31,</u>
	<u>QR</u>	<u>2016</u>
	<u>(Reviewed)</u>	<u>QR</u>
		<u>(Audited)</u>
Cash on hand	184,308	178,716
Cash in bank	93,532,973	80,619,261
Short-term deposit	375,326,458	435,227,418
	<u>469,043,739</u>	<u>516,025,395</u>

Short-term deposits consist of fixed deposits bearing interest at the rate of 2.75% to 3.25% per annum (December 31, 2016: 2.75% to 3.25% per annum) with original maturity period of one to three months.

DOHA INSURANCE GROUP Q.P.S.C

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six month period ended June 30, 2017

4. FINANCIAL INVESTMENTS

The carrying amounts of financials investments were as follows:

	<u>June 30, 2017</u>	<u>December 31,</u> <u>2016</u>
	QR	QR
	(Reviewed)	(Audited)
<i>Investments held at fair value through profit or loss</i>		
- Quoted shares	8,878,976	7,628,342
<i>Available-for-sale investments:</i>		
- Quoted shares	327,068,682	344,338,983
- Unquoted funds and shares	94,881,122	92,941,222
- Debt securities with fixed interest rate	34,285,773	33,481,421
	<u>465,114,553</u>	<u>478,389,968</u>

The debt securities carry interest rate ranging from 3% to 6% per annum and has a maturity period of 5 to 10 years. During the period ended June 30, 2017, the Group recognised an impairment loss on its available-for-sale investments amounting to QR. 4,444,911 (June 30, 2016: QR. 26,452,909). The financial investments measured at fair value using Level 1 valuation technique as of June 30, 2017 amounted to QR 370,233,431 (December 31, 2017: QR 355,282,775).

5. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS

	<u>June 30, 2017</u>	<u>December 31,</u> <u>2016</u>
	QR	QR
	(Reviewed)	(Audited)
Gross		
Insurance contract liabilities:		
Claims reported unsettled	316,348,384	207,331,605
Claims incurred but not reported	20,469,689	17,523,396
Unearned premiums	254,833,710	202,198,926
Total insurance contract liabilities	<u>591,651,783</u>	<u>427,053,927</u>
Recoverable from reinsurers:		
Claims reported unsettled	231,869,422	142,756,782
Unearned premiums	151,343,007	122,395,791
Total reinsurance contract assets	<u>383,212,429</u>	<u>265,152,573</u>
Net		
Claims reported unsettled	84,478,962	64,574,823
Claims incurred but not reported	20,469,689	17,523,396
Unearned premiums	103,490,703	79,803,135
	<u>208,439,354</u>	<u>161,901,354</u>

DOHA INSURANCE GROUP Q.P.S.C

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six month period ended June 30, 2017

5. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

	30 June 2017 (Reviewed)		31 December 2016 (Audited)	
	Reinsurers' share		Reinsurers' share	
	Gross QR	Net QR	Gross QR	QR
(c) Unearned premium reserve				
At the beginning of the period / year	202,198,926	79,803,135	168,277,520	62
Gross premiums during the period/year	284,878,612	123,811,404	515,510,292	175
Earned insurance premiums during the period/year	(232,243,828)	(100,123,836)	(481,588,886)	(157)
At the end of the period / year	254,833,710	103,490,703	202,198,926	79

DOHA INSURANCE GROUP Q.P.S.C

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six month period ended June 30, 2017

6. SHARE CAPITAL

	<u>June 30, 2017</u>	<u>December 31,</u> <u>2016</u>
	QR	QR
	(Reviewed)	(Audited)
Authorised, issued and paid up: (50,000,000 ordinary shares of QR 10 each)	<u>500,000,000</u>	<u>500,000,000</u>

7. LEGAL RESERVE

In accordance with Qatar Central Bank's Law No. 13 of 2012 as amended, 10% of net profit is required to be transferred to legal reserve until the legal reserve equals 100% of the paid up capital. The balance under this reserve is not available for distribution, except in the circumstances specified in the above law and after Qatar Central Bank approval.

The Group did not make any transfer from the profit of the period as the required amount will be transferred by year end.

8. INVESTMENT PROPERTIES

Investment properties as of June 30, 2017 include an amount of QR 55,543,816, which represents a property in Germany acquired during the period by Schwenke Zentrum S.a.r.l, a subsidiary. The transfer of legal title in respect of this property is currently in progress. The Company has recognized rental income of QR 745,055 relating to the property as all risks and rewards of ownership have passed to the subsidiary.

9. DIVIDENDS

The Board of Directors proposed in its meeting held on January 30, 2017 to distribute a cash dividend of 6% of the share capital amounting to QR 0.60 per share totaling to QR 30,000,000 for the year ended December 31, 2016 which were duly approved by the General Assembly of the Company's Shareholders as at March 3, 2017 (2016: QR 1 per share totaling to QR 50,000,000).

10. BANK LOAN

Bank loan as of June 30, 2017 amounts to QR 31,730,086 and bears interest at the rate of 2.65% per annum. The loan was primarily taken to purchase an investment property in Germany, by a subsidiary. It is repayable over a period of 256 months. The non-current portion of the loan as at period end amounted to QR 30,594,315. The loan is secured by a mortgage on the investment property amounting to QR 55,543,816.

DOHA INSURANCE GROUP Q.P.S.C**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

For the six month period ended June 30, 2017

11. GENERAL AND ADMINISTRATIVE EXPENSES

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
	QR	QR
	(Reviewed)	(Reviewed)
Salaries, wages and other benefits	25,856,204	24,589,685
Rent, maintenance and office expenses	2,234,158	2,467,051
Legal and consultation fees	985,371	851,767
Advertisement and business promotion	451,575	794,148
Board of Directors' remuneration (Note 14)	--	750,000
Government fees	328,932	669,991
Business travel	430,492	337,349
Printing and stationery	109,370	172,135
Miscellaneous expenses	1,971,169	541,934
	<u>32,367,271</u>	<u>31,174,060</u>

12. EARNINGS PER SHARE

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
	QR	QR
	(Reviewed)	(Reviewed)
Profit attributable to the shareholders	<u>33,955,976</u>	<u>20,972,903</u>
Weighted average number of shares outstanding during the period	<u>50,000,000</u>	<u>50,000,000</u>
Basic and diluted earnings per share	<u>0.68</u>	<u>0.42</u>

13. SEGMENT INFORMATION

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

The Group operates primarily in the State of Qatar and the rest of operations outside Qatar are to support the core insurance and investment operations of the Company in the State of Qatar.

DOHA INSURANCE GROUP Q.P.S.C
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
For the six month period ended June 30, 2017

13. SEGMENT INFORMATION (CONTINUED)

The Group operates in the State of Qatar, UAE, Luxembourg and Jordan. The associate companies operate in the State of Qatar and the Republic of Yemen.

	30 June 2017 (Reviewed)		31 December 2016 (Audited)		
	Qatar QR	International QR	Qatar QR	International QR	Total QR
Asset					
Total assets	1,690,589,110	70,792,317	1,601,786,226	21,815,786	1,623,602,012
Liabilities					
Insurance contract liabilities	(591,651,783)	--	(427,053,927)	--	(427,053,927)
Net surplus attributable to Islamic Takaful policyholders	(2,894,436)	--	(5,193,827)	--	(5,193,827)
Other liabilities	(97,038,090)	(31,165,505)	(102,836,455)	(14,488,822)	(117,325,277)
Net assets	999,004,801	39,626,812	1,066,702,017	7,326,964	1,074,028,981

DOHA INSURANCE GROUP Q.P.S.C**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

For the six month period ended June 30, 2017

14. RELATED PARTY DISCLOSURES**Related party transactions**

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

Related party transactions

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

	<u>30 June 2017 (Reviewed)</u>		<u>31 December 2016 (Audited)</u>	
	Premiums QR	Claims QR	Premiums QR	Claims QR
Major shareholders	<u>23,004,852</u>	<u>1,501,054</u>	<u>6,014,164</u>	<u>1,276,380</u>

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

	<u>30 June 2017 (Reviewed)</u>		<u>31 December 2016 (Audited)</u>	
	Receivables QR	Claims and payables QR	Receivables QR	Claims and payables QR
Major shareholders	9,371,407	1,530,094	1,926,575	1,751,294
Associates	--	1,687,500	--	1,687,500
	<u>9,371,407</u>	<u>3,217,594</u>	<u>1,926,575</u>	<u>3,438,794</u>

Compensation of key management personnel

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

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
	QR (Reviewed)	QR (Reviewed)
Board of Directors' remuneration	--	750,000
Short-term benefits	1,680,000	1,200,000
End of service and other benefits	8,585,000	8,075,000
	<u>10,265,000</u>	<u>10,025,000</u>

DOHA INSURANCE GROUP Q.P.S.C**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

For the six month period ended June 30, 2017

15. CONTINGENCIES AND COMMITMENTS**Guarantees**

At June 30, 2017, the Group 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 5,603,825 (December 31, 2016: QR. 5,043,605).

Legal claims

The Group is subject to litigations in the normal course of its business. The Group does not believe that the outcome of these court cases will have a material impact on the Group's income or financial position.

16. OTHER INFORMATION: ISLAMIC TAKAFUL BRANCH OF THE COMPANY

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

(i) Interim statement of financial position as at period / year end

	<u>June 30, 2017</u> QR	<u>December 31, 2016</u> QR (Audited)
PARTICIPANTS' OPERATIONS ASSETS		
Cash on hand	3,280	9,200
Bank balances (Islamic banks)	39,532,150	40,292,865
Reinsurance contract assets	3,481,306	7,716,652
Due from policyholders	13,126,617	17,461,271
Due from insurance and reinsurance companies	4,847,296	4,309,442
Prepayments and other assets	13,875	18,876
Properties and equipment	145,395	179,213
TOTAL ASSETS	<u>61,149,919</u>	<u>69,987,519</u>
PARTICIPANTS' FUNDS AND LIABILITIES		
Participants' fund		
Participants' account	<u>7,894,436</u>	<u>10,193,827</u>
Liabilities		
Insurance contract liabilities	44,024,139	41,070,490
Provisions, insurance and other payables	<u>9,231,344</u>	<u>18,723,202</u>
Total liabilities	<u>53,255,483</u>	<u>59,793,692</u>
TOTAL PARTICIPANTS' FUND AND LIABILITIES	<u>61,149,919</u>	<u>69,987,519</u>

DOHA INSURANCE GROUP Q.P.S.C**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**For the six month period ended June 30, 2017

**16. OTHER INFORMATION: ISLAMIC TAKAFUL BRANCH OF THE COMPANY
(CONTINUED)****(ii) Interim statement of income for the period**

	Six month period ended June 30,	
	<u>2017</u>	<u>2016</u>
	QR	QR
PARTICIPANTS' REVENUES AND EXPENSES		
REVENUE		
Net Takaful (loss) / revenue	(2,404,713)	692,789
Other income	<u>476,074</u>	<u>403,402</u>
	(1,928,639)	1,096,191
EXPENSES		
General and administrative expenses	<u>(370,752)</u>	<u>(319,882)</u>
NET (DEFICIT) / SURPLUS FOR THE PERIOD TRANSFERRED TO PARTICIPANTS' FUND		
	<u>(2,299,391)</u>	<u>776,309</u>