

DOHA INSURANCE COMPANY Q.S.C.

**INTERIM CONDENSED
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE SIX MONTH PERIOD ENDED
JUNE 30, 2012**

DOHA INSURANCE COMPANY Q.S.C.

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

For the six month period ended June 30, 2012

INDEX	Page
Independent auditor's review report	--
Interim condensed statement of financial position	1
Interim condensed statement of income	2
Interim condensed statement of comprehensive income	3
Interim condensed statement of changes in equity	4
Interim condensed statement of cash flows	5
Notes to the interim condensed financial statements	6 to 13

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INDEPENDENT AUDITOR'S REVIEW REPORT

**The Board of Directors
Doha Insurance Company Q.S.C.
Doha, Qatar**

We have reviewed the accompanying interim condensed financial statements of Doha Insurance Company Q.S.C. (the "Company"), comprising the interim condensed statement of financial position as at June 30, 2012 and the related interim condensed statements of income, comprehensive income, changes in equity and cash flows for the six month period then ended, and certain selected notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed financial statements based on our 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 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.

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 International Accounting Standard 34 "Interim Financial Reporting".

For Deloitte & Touche



**Midhat Salha
License No. 257**

**Doha - Qatar
July 25, 2012**

DOHA INSURANCE COMPANY Q.S.C.

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
As at June 30, 2012

		June 30, 2012	December 31, 2011
	Notes	QR (Reviewed)	QR (Audited)
ASSETS			
Cash and bank balances	3	178,051,824	168,014,872
Financial investments	4	250,152,040	256,017,134
Reinsurance contract assets		629,493,577	667,398,559
Insurance and other receivables		147,309,683	119,199,029
Investment in an associate		5,275,892	4,736,854
Investment properties		27,257,379	27,935,438
Property and equipment		72,200,703	67,451,868
Total assets		1,309,741,098	1,310,753,754
EQUITY AND LIABILITIES			
EQUITY			
Share capital		234,000,000	180,000,000
Legal reserve		96,405,928	96,405,928
Cumulative changes in fair value		36,313,549	59,156,622
Foreign currency translation reserve		147,558	(102,713)
Retained earnings		98,237,715	56,811,203
Proposed bonus shares		--	54,000,000
Total equity		465,104,750	446,271,040
LIABILITIES			
Insurance contract liabilities		743,741,750	766,225,483
Provisions, insurance and other payables		91,157,219	90,117,442
Employees' end of service benefits		9,737,379	8,139,789
Total liabilities		844,636,348	864,482,714
TOTAL EQUITY AND LIABILITIES		1,309,741,098	1,310,753,754

.....
Sheikh Nawaf Bin Nasser Bin Khaled Al Thani
Chairman

.....
Mr. Bassam Hussein
Chief Executive Officer

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

DOHA INSURANCE COMPANY Q.S.C.

INTERIM CONDENSED STATEMENT OF INCOME
For the six month period ended June 30, 2012

	Notes	Six month period ended	
		June 30,	June 30,
		2012	2011
		QR	QR
		(Reviewed)	(Reviewed)
Gross premiums		296,011,406	259,451,990
Reinsurers' share of gross premiums		(232,581,598)	(206,325,154)
Net premiums		63,429,808	53,126,836
Change in unexpired risk reserve		(2,558,904)	(382,558)
Earned insurance premiums		60,870,904	52,744,278
Commissions received		18,730,165	12,260,049
Change in deferred commissions		(2,213,349)	699,803
Total underwriting revenues		77,387,720	65,704,130
Claims paid		(42,410,850)	(396,564,167)
Reinsurers' share of claims		25,059,701	378,457,763
Change in outstanding claims reserve		(10,648,996)	(3,871,253)
Commissions paid		(3,451,962)	(2,750,311)
NET UNDERWRITING RESULTS	5	45,935,613	40,976,162
Dividend income		11,617,929	10,656,352
Interest income		1,732,627	2,126,591
Rental income from investment properties		2,893,916	2,970,191
Net gain on sale of financial investments		4,622,266	1,741,569
Share of profit from an associate		288,767	112,063
Other income		299,527	1,061,927
INVESTMENTS AND OTHER INCOME		21,455,032	18,668,693
Salaries and other staff costs		19,013,652	15,610,679
General and administrative expenses	6	6,542,695	4,683,320
Depreciation of property and equipment		459,097	699,677
Depreciation of investment properties		688,028	687,897
TOTAL EXPENSES		26,703,472	21,681,573
PROFIT FOR THE PERIOD BEFORE ALLOCATION TO TAKAFUL BRANCH POLICYHOLDERS		40,687,173	37,963,282
Net surplus/(deficit) attributable to Takaful branch policyholders		739,339	(482,381)
PROFIT ATTRIBUTABLE TO SHAREHOLDERS		41,426,512	37,480,901
Basic/diluted earnings per share	7	1.77	1.60

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

DOHA INSURANCE COMPANY Q.S.C.**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**
For the six month period ended June 30, 2012

	Six month period ended	
	June 30, 2012	June 30, 2011
	QR	QR
	(Reviewed)	(Reviewed)
Profit attributable to shareholders	<u>41,426,512</u>	<u>37,480,901</u>
Other comprehensive income		
Foreign currency translation reserve	250,271	(88,283)
Net movement in fair value of available-for-sale investments during the period	<u>(22,843,073)</u>	<u>(5,507,651)</u>
Other comprehensive income for the period	<u>(22,592,802)</u>	<u>(5,595,934)</u>
Total comprehensive income for the period	<u>18,833,710</u>	<u>31,884,967</u>

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

DOHA INSURANCE COMPANY Q.S.C.

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six month period ended June 30, 2012

	Share capital	Legal reserve	Cumulative changes in fair value	Foreign currency translation reserve	Proposed cash dividends	Retained earnings	Total
	QR	QR	QR	QR	QR	QR	QR
Balance at January 1, 2011 (audited)	180,000,000	96,405,928	61,025,577	7,079	45,000,000	46,611,861	429,050,445
Total comprehensive income for the period	--	--	(5,507,651)	(88,283)	--	37,480,901	31,884,967
Cash dividends	--	--	--	--	(45,000,000)	--	(45,000,000)
Balance at June 30, 2011 (reviewed)	180,000,000	96,405,928	55,517,926	(81,204)	--	84,092,762	415,935,412
	Share capital	Legal reserve	Cumulative changes in fair value	Foreign currency translation reserve	Proposed bonus shares	Retained earnings	Total
	QR	QR	QR	QR	QR	QR	QR
Balance at January 1, 2012 (audited)	180,000,000	96,405,928	59,156,622	(102,713)	54,000,000	56,811,203	446,271,040
Total comprehensive income for the period	--	--	(22,843,073)	250,271	--	41,426,512	18,833,710
Bonus shares issued	54,000,000	--	--	--	(54,000,000)	--	--
Balance at June 30, 2012 (reviewed)	234,000,000	96,405,928	36,313,549	147,558	--	98,237,715	465,104,750

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

DOHA INSURANCE COMPANY Q.S.C.

INTERIM CONDENSED STATEMENT OF CASH FLOWS
For the six month period ended June 30, 2012

	Six Month Period Ended	
	June 30,	June 30,
	2012	2011
Note	QR (Reviewed)	QR (Reviewed)
OPERATING ACTIVITIES		
Profit attributable to shareholders	41,426,512	37,480,901
<i>Adjustments for:</i>		
Depreciation of property and equipment	459,097	699,679
Depreciation of investment properties	688,028	687,897
Provision for employees' end of service benefits	1,597,590	2,145,064
Gain on disposal of property and equipment	(6,280)	(28,700)
Share of profits from an associate	(288,767)	(112,063)
Reinsurers' share of unearned premium	(10,737,730)	(8,685,796)
Movement in unearned premium	13,296,636	9,068,356
Income from sale of financial investments	(4,622,266)	(1,741,569)
Dividend income	(11,617,929)	(10,656,352)
Interest income	(1,732,627)	(2,066,980)
Operating profit before changes in operating assets and liabilities	28,462,264	26,790,437
Increase in insurance and other receivables	(28,110,654)	355,223,849
Decrease/(increase) in insurance reserves	12,862,343	(360,365,385)
Increase/(decrease) in provisions, insurance and other payables	2,680,785	(4,150,521)
Cash generated from operations	15,894,738	17,498,380
Employees' end of service benefits paid	--	--
Net cash generated by operating activities	15,894,738	17,498,380
INVESTING ACTIVITIES		
Purchase of financial investments	(33,820,522)	(25,846,758)
Proceeds from disposal of financial investments	21,464,809	18,441,366
Dividend received	11,617,929	10,656,352
Interest received	1,732,627	2,126,591
Time deposits with maturities in excess of 3 months	(1,516,701)	--
Purchase of property and equipment	(5,207,932)	(5,347,358)
Purchase of investment properties	(9,969)	(4,690)
Proceed from sale of property and equipment	6,280	28,700
Net cash (used in)/generated by investing activities	(5,733,479)	54,203
FINANCING ACTIVITY		
Dividends paid	--	(45,000,000)
Payment of Social and sports fund contribution	(1,641,008)	--
Net cash used in financing activity	(1,641,008)	(45,000,000)
Increase / (decrease) in cash and cash equivalents	8,520,251	(27,447,417)
Cash and cash equivalents at the beginning of the period	168,014,872	162,475,181
Cash and cash equivalents at the end of the period	176,535,123	135,027,764
3		

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

1. CORPORATE INFORMATION

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 October 2, 1999, listed on Qatar Exchange. The Company is engaged in the business of insurance and reinsurance.

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 interim condensed financial statements for the six months period ended June 30, 2012 include the results of the Company and the Branch.

These interim condensed financial statements were authorized for issue by the Board of Directors on August 1, 2012.

2. BASIS OF PREPARATION AND 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, 2011, except for the adoption of certain revised Standards and Interpretations which are effective as of January 1, 2012. Adoption of these Standards did not have any effect on the financial position or performance of the Company. These interim condensed consolidated financial statements should be read in conjunction with the year 2011 annual consolidated financial statements and notes attached thereto.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards. In addition, results for the six month ended June 30, 2012 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2012.

The interim condensed financial statements are prepared in Qatari Riyals.

DOHA INSURANCE COMPANY Q.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six month period ended June 30, 2012

3. CASH AND CASH EQUIVALENTS

	June 30, 2012	December 31, 2011
	QR	QR
	(Reviewed)	(Audited)
Cash and bank balances	178,051,824	168,014,872
<i>Less: Deposits with maturity of more than 3 months</i>	(1,516,701)	--
Cash and cash equivalents	<u>176,535,123</u>	<u>168,014,872</u>

Cash and bank balances include fixed deposits amounting to QR 108,186,688 (December 31, 2011: QR.106,870,572) bearing interest rate of 1.25% to 2.75% and maturing within a period of 1 to 6 months.

4. FINANCIAL INVESTMENTS

The carrying amounts of financial investments were as follows:

	June 30, 2012	December 31, 2011
	QR	QR
	(Reviewed)	(Audited)
Available-for-sale investments:		
- <i>Quoted shares</i>	175,461,989	181,924,331
- <i>Unquoted shares and investment funds</i>	59,169,723	74,092,803
- <i>Debt securities with fixed interest rate</i>	<u>15,520,328</u>	<u>--</u>
	<u>250,152,040</u>	<u>256,017,134</u>

DOHA INSURANCE COMPANY Q.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
For the six month period ended June 30, 2012

5. NET UNDERWRITING RESULTS

	Motor		Marine and Aviation		Fire and General Accident		Total	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
	QR	QR	QR	QR	QR	QR	QR	QR
Gross premiums	46,763,520	40,652,712	104,086,940	65,787,340	145,160,946	153,011,938	296,011,406	259,451,990
Reinsurers' share of gross premiums	(4,255,523)	(4,094,318)	(98,862,505)	(63,150,448)	(129,463,570)	(139,080,388)	(232,581,598)	(206,325,154)
Net premiums	42,507,997	36,558,394	5,224,435	2,636,892	15,697,376	13,931,550	63,429,808	53,126,836
Change in unexpired risk reserve	(2,379,841)	(1,190,058)	527,264	1,279,219	(706,327)	(471,719)	(2,558,904)	(382,558)
Earned insurance premiums	40,128,156	35,368,336	5,751,699	3,916,111	14,991,049	13,459,831	60,870,904	52,744,278
Commissions received	201,660	205,308	5,301,005	2,522,505	13,227,500	9,532,236	18,730,165	12,260,049
Change in deferred commissions	66,096	158,906	(901,035)	37,376	(1,378,410)	503,521	(2,213,349)	699,803
Total underwriting revenues	40,395,912	35,732,550	10,151,669	6,475,992	26,840,139	23,495,588	77,387,720	65,704,130
Claims paid	(18,116,072)	(15,981,163)	(1,094,530)	(1,934,324)	(23,200,248)	(378,648,680)	(42,410,850)	(396,564,167)
Reinsurers' share of claims	693,412	544,546	887,196	1,779,527	23,479,093	376,133,690	25,059,701	378,457,763
Change in outstanding claims reserve	(4,141,536)	(3,366,746)	(496,968)	302,025	(6,010,492)	(806,532)	(10,648,996)	(3,871,253)
Commissions paid	(786,136)	(624,540)	(388,802)	(97,994)	(2,277,024)	(2,027,777)	(3,451,962)	(2,750,311)
Net underwriting results	18,045,580	16,304,647	9,058,565	6,525,226	18,831,468	18,146,289	45,935,613	40,976,162

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
For the six month period ended June 30, 2012

6. GENERAL AND ADMINISTRATIVE EXPENSES

	Six month period ended	
	June 30, 2012 QR (Reviewed)	June 30, 2011 QR (Reviewed)
Rent, maintenance and office expenses	1,216,832	745,779
Provision for Board of Directors' remuneration	2,750,000	2,000,000
Advertisement and business promotion	610,014	300,670
Legal and consultation fee	235,000	165,437
Business travel	352,210	422,676
Printing and stationery	227,128	136,253
Government fees	366,451	105,336
Miscellaneous expenses	785,060	807,169
	<u>6,542,695</u>	<u>4,683,320</u>

7. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period.

	Six month period ended	
	June 30, 2012 (Reviewed)	June 30, 2011 (Restated)
Profit attributable to the shareholders (QR)	<u>41,426,512</u>	<u>37,480,901</u>
Weighted average number of shares outstanding during the period	<u>23,400,000</u>	<u>23,400,000</u>
Basic/diluted earnings per share (QR)	<u>1.77</u>	<u>1.60</u>

The Company has restated the calculations of the comparative earnings per share as a result of the effect of bonus issue of 30% (3 for every 10 shares). The bonus issue was approved on the Annual General Meeting held on February 28, 2012.

8. SEGMENT INFORMATION

For management purposes, the Company is organised into three business segments, motor, marine and aviation, fire and general accident. These segments are the basis on which the Company reports its primary segment information.

Management monitors the operating results of the business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net underwriting results.

Other operations of the Company comprise of investment and cash management for the Company's own account. There are no transactions between segments.

The statement of income data with respect to segment information is as disclosed in Note 5 to the financial statements. The Company operates in the State of Qatar only.

As the Company's activities are performed on an integrated basis, a segmental analysis of assets and liabilities between these segments would not be meaningful.

DOHA INSURANCE COMPANY Q.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six month period ended June 30, 2012

8. SEGMENT INFORMATION (CONTINUED)

Revenues, expenses, assets and liabilities of the Company and its Islamic Takaful branch for the six month period ended June 30, are as follows:

	June 30, 2012 (Reviewed)		June 30, 2011 (Reviewed)	
	Conventional Insurance QR	Takaful Insurance QR	Total QR	Total QR
Gross premiums	278,506,742	17,504,664	296,011,406	259,451,990
Reinsurers' share of gross premiums	(224,521,325)	(8,060,273)	(232,581,598)	(206,325,154)
Net premiums	53,985,417	9,444,391	63,429,808	53,126,836
Change in unexpired risk reserve	(1,193,895)	(1,365,009)	(2,558,904)	(382,558)
Earned insurance premiums	52,791,522	8,079,382	60,870,904	52,744,278
Commissions received	18,436,270	293,895	18,730,165	12,260,049
Change in deferred commissions	(2,387,498)	174,149	(2,213,349)	699,803
Wakala fee	1,848,362	(1,848,362)	--	--
Total underwriting revenues	70,688,656	6,699,064	77,387,720	65,704,130
Claims paid	(39,217,755)	(3,193,095)	(42,410,850)	(396,564,167)
Reinsurers' share of claims	25,059,701	--	25,059,701	378,457,763
Change in outstanding claims reserve	(6,786,485)	(3,862,511)	(10,648,996)	(3,871,253)
Commissions paid	(3,101,009)	(350,953)	(3,451,962)	(2,750,311)
Total expenses	(24,045,548)	(7,406,559)	(31,452,107)	(24,727,968)
Net underwriting results	46,643,108	(707,495)	45,935,613	40,976,162
Investment and other income	21,299,565	155,467	21,455,032	18,668,693
Total expenses	(26,516,161)	(187,311)	(26,703,472)	(21,681,573)
Profit for the period	41,426,512	(739,339)	40,687,173	37,963,282

DOHA INSURANCE COMPANY Q.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
For the six month period ended June 30, 2012

8. SEGMENT INFORMATION (CONTINUED)

	June 30, 2012 (Reviewed)		December 31, 2011 (Audited)	
	Conventional Insurance QR	Takaful Insurance QR	Conventional Insurance QR	Takaful Insurance QR
Assets				
Total assets	1,277,407,769	32,333,329	1,278,348,294	32,405,460
Liabilities				
Insurance contract liabilities	(723,846,952)	(19,894,798)	(748,314,531)	(17,910,952)
Net surplus attributable to Islamic Takaful policyholders	--	(3,650,215)	--	(4,389,554)
Liabilities (other than insurance contract liabilities)	(93,456,067)	(3,788,316)	(88,762,723)	(5,104,954)
Net assets	460,104,750	5,000,000	441,271,040	5,000,000
				Total QR
				1,310,753,754
				(766,225,483)
				(4,389,554)
				(93,867,677)
				446,271,040

9. COMMITMENTS AND CONTINGENCIES*Guarantees*

At June 30, 2012, 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 1,398,486 (December 31, 2011 – QR 541,763).

Legal claims

The Company, in common with the significant majority of insurers, is subject to litigation in the normal course of its business. The Company, based on 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.

Capital expenditure commitments

	June 30, 2012	December 31, 2011
	QR	QR
	(Reviewed)	(Audited)
Land under development	--	2,455,302

The Company entered into a contract to acquire a plot of land at Marina Project - Lusail Qatar for a total value of QR 65,474,510 and during the period, the Company has fully settled its liability to the seller.