

Doha Insurance Company Q.S.C.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2016

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

Introduction

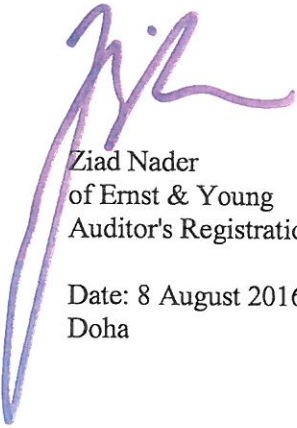
We have reviewed the accompanying interim condensed consolidated statement of financial position of Doha Insurance Company Q.S.C. and its subsidiary (collectively referred to as the "Group") as of 30 June 2016 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 *Interim Financial Reporting (IAS 34)*. Our responsibility is to express a conclusion on these interim condensed consolidated 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 consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.


Ziad Nader
of Ernst & Young
Auditor's Registration No. 258



Date: 8 August 2016
Doha

Doha Insurance Company Q.S.C.

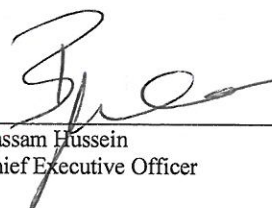
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Notes	30 June 2016 QR (Reviewed)	31 December 2015 QR (Audited)
ASSETS			
Cash and cash equivalents	3	431,083,456	467,930,245
Financial investments	4	546,843,018	564,725,341
Reinsurance contract assets	5	263,117,668	212,267,187
Insurance and other receivables		146,157,602	110,756,297
Investments in associates		11,425,712	13,198,424
Investment properties		158,176,894	158,865,138
Properties and equipment		8,596,353	9,173,252
TOTAL ASSETS		1,565,400,703	1,536,915,884
EQUITY AND LIABILITIES			
Equity			
Share capital	6	500,000,000	500,000,000
Legal reserve	7	340,579,308	340,579,308
Fair value reserve		72,278,435	68,722,807
Foreign currency translation reserve		(1,171,028)	(82,211)
Proposed cash dividends	8	-	50,000,000
Retained earnings		136,805,248	115,832,345
Total equity		1,048,491,963	1,075,052,249
Liabilities			
Insurance contract liabilities	5	415,872,840	356,770,393
Provisions, insurance and other payables		84,775,684	87,922,785
Employees' end of service benefits		16,260,216	17,170,457
Total liabilities		516,908,740	461,863,635
TOTAL EQUITY AND LIABILITIES		1,565,400,703	1,536,915,884



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 consolidated financial statements.

Doha Insurance Company Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the six months period ended 30 June 2016

	Notes	Six months period ended	
		30 June 2016 QR (Reviewed)	30 June 2015 QR (Reviewed)
Gross premiums	9	280,035,583	315,092,805
Reinsurers' share of gross premiums	9	(185,687,113)	(226,810,295)
Net premiums	9	94,348,470	88,282,510
Change in unexpired risk reserve	9	(14,622,865)	(12,505,676)
Earned insurance premiums	9	79,725,605	75,776,834
Commissions received	9	15,580,199	15,542,326
Change in deferred commissions	9	1,191,063	2,001,270
Total underwriting revenues	9	96,496,867	93,320,430
Claims paid	9	(84,946,063)	(47,128,479)
Reinsurers' share of claims	9	43,937,572	13,527,970
Change in outstanding claims reserve	9	5,179,837	(6,823,235)
Commissions paid	9	(11,572,876)	(5,169,773)
Other technical expenses	9	(774,000)	(684,073)
NET UNDERWRITING RESULTS	9	48,321,337	47,042,840
Dividend income		20,639,240	21,307,837
Interest income		5,449,962	3,642,228
Rental income from investment properties		2,966,729	2,847,768
Share of results of associates		2,816,105	911,940
Net gain on sale of financial investments		1,441,729	6,738,916
Unrealised (loss) gain on held-for-trading investments		(843,941)	97,050
Impairment of financial investments		(26,452,909)	-
Other income		361,603	270,138
INVESTMENT AND OTHER INCOME		6,378,518	35,815,877
Salaries and other staff costs		24,589,685	26,213,797
General and administrative expenses	10	6,584,375	9,322,091
Depreciation of investment properties		688,244	688,244
Depreciation of properties and equipment		1,088,339	887,930
TOTAL EXPENSES		32,950,643	37,112,062
PROFIT FOR THE PERIOD BEFORE ALLOCATION TO TAKAFUL BRANCH POLICYHOLDERS		21,749,212	45,746,655
Net surplus attributable to Takaful branch policyholders	16	(776,309)	(1,253,472)
PROFIT ATTRIBUTABLE TO SHAREHOLDERS		20,972,903	44,493,183
Basic and diluted earnings per share	11	0.42	0.89

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

Doha Insurance Company Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months period ended 30 June 2016

	<i>Six month period ended</i>	
	<i>30 June 2016 QR (Reviewed)</i>	<i>30 June 2015 QR (Reviewed)</i>
Profit attributable to shareholders	20,972,903	44,493,183
Other comprehensive income		
Recognised gains on available-for-sale investments	1,163,603	5,190,569
Net movement in fair value of available-for-sale investments	(24,060,884)	6,574,040
Transfer to consolidated statement of income on impairment of available-for-sale investments	26,452,909	-
Exchange differences on translating foreign operations	(1,088,817)	(239)
Other comprehensive income for the period	2,466,811	11,764,370
Total comprehensive income for the period	23,439,714	56,257,553

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

Doha Insurance Company Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months period ended 30 June 2016

	Share capital QR	Legal reserve QR	Fair value reserve QR	Foreign currency translation reserve QR	Proposed cash dividends QR	Retained earnings QR	Total QR
Balance at 1 January 2016	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 (loss) for the period	-	-	3,555,628	(1,088,817)	-	-	2,466,811
Total comprehensive income (loss) for the period	-	-	3,555,628	(1,171,028)	-	20,972,903	23,439,714
Cash dividends paid (Note 8)	-	-	-	-	(50,000,000)	-	(50,000,000)
Balance at 30 June 2016 (Reviewed)	500,000,000	340,579,308	72,278,435	(1,171,028)	-	136,805,248	1,048,491,963
Balance at 1 January 2015	500,000,000	318,385,903	126,492,841	(81,972)	50,000,000	79,832,900	1,074,629,672
Profit attributable to shareholders	-	-	-	-	-	44,493,183	44,493,183
Other comprehensive income (loss) for the period	-	-	11,764,609	(239)	-	-	11,764,370
Total comprehensive income (loss) for the period	-	-	11,764,609	(239)	-	44,493,183	56,257,553
Cash dividends paid (Note 8)	-	-	-	-	(50,000,000)	-	(50,000,000)
Balance at 30 June 2015 (Reviewed)	500,000,000	318,385,903	138,257,450	(82,211)	-	124,326,083	1,080,887,225

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

Doha Insurance Company Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months period ended 30 June 2016

	Notes	Six month period ended	
		30 June	30 June
		2016	2015
		QR	QR
		(Reviewed)	(Reviewed)
OPERATING ACTIVITIES			
Profit attributable to shareholders		20,972,903	44,493,183
<i>Adjustments for:</i>			
Depreciation of properties and equipment		1,088,339	887,930
Depreciation of investment properties		1,376,488	688,244
Provision for employees' end of service benefits		1,350,436	4,025,685
Impairment of insurance and other receivables	10	-	500,000
Unrealised loss (gain) on held for trading investments		843,941	(2,573,143)
Share of results of associates		(2,816,105)	(911,940)
Reinsurers' share of unearned premium		(18,533,242)	25,598,037
Movement in unearned premium		33,156,107	(13,092,361)
Net gain from sale of financial investments		(597,788)	(6,835,966)
Dividend income		(20,639,240)	(21,307,837)
Interest income		(5,449,962)	(3,642,228)
Gain on disposal of properties and equipment		(196,500)	-
Impairment of financial investments		26,452,909	-
Operating profit before changes in operating assets and liabilities		37,008,286	27,829,604
<i>Changes in operating assets and liabilities:</i>			
(Increase) decrease in insurance and other receivables		(35,401,305)	14,898,491
(Increase) decrease in insurance reserves		(6,370,899)	4,821,965
Decrease in provisions, insurance and other payables		(3,147,101)	(2,979,222)
Cash (used in) from operations		(7,911,019)	44,570,838
Employees' end of service benefits paid		(2,260,677)	(172,554)
Net cash (used in) from operating activities		(10,171,696)	44,398,284
INVESTING ACTIVITIES			
Purchase of financial investments		(16,038,926)	(91,267,291)
Proceeds from disposal of financial investments		10,777,815	88,247,906
Dividend received		20,639,240	21,307,837
Interest received		5,449,962	3,642,228
Purchase of investment properties		-	(136,425,226)
Purchase of properties and equipment		(1,774,175)	(1,100,385)
Proceeds from return of investment in an associate		3,500,000	380,531
Proceeds from disposal of properties and equipment		770,991	-
Net cash from (used in) investing activities		23,324,907	(115,214,400)
FINANCING ACTIVITY			
Dividends paid	8	(50,000,000)	(50,000,000)
Net cash used in a financing activity		(50,000,000)	(50,000,000)
DECREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents balances at 1 January		467,930,245	467,475,244
CASH AND CASH EQUIVALENTS AT 30 JUNE	3	431,083,456	346,659,128

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

Doha Insurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2016

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.

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 are disclosed in Note 16 to the interim condensed consolidated financial statements.

In 21 October 2015, MENA RE Underwriters Limited (the "Subsidiary"), a limited liability company, was established and incorporated in Dubai, UAE under the Companies Law, Dubai International Financial Centre (DIFC) Law No.2 of 2009. The initial registered paid up capital of the Subsidiary is wholly owned by the Company.

The Company and its subsidiary (together referred to as the "Group") are engaged in the business of insurance and reinsurance, and insurance intermediation and management in Qatar and in United Arab Emirates (UAE), respectively.

The interim condensed consolidated financial statements of the Group for the six months period ended 30 June 2016 include the results of the Company, the subsidiary and the Branch.

These interim condensed consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 8 August 2016.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements of the Group for the six months period ended 30 June 2016 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 consolidated financial statements do not contain all information and disclosures required for the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2015. In addition, the results for the six-month period ended 30 June 2016 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016.

2.2 Amendments, annual improvements adopted by the Group

The following amendments to standards have been applied by the Group in preparation of these interim condensed consolidated financial statements. The amendments to the below standards did not have any material impact to the Group, but they may result in additional disclosures at year end:

<i>Standard</i>	<i>Content</i>
IFRS 14	Regulatory Deferral Accounts
Amendments to IFRS 11	Joint Arrangements :Accounting for Acquisition of Interests
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to IAS 27	Equity Method in Separate Financial Statements
Amendments to IAS 1	Disclosure Initiative
Amendments to IFRS 10, IFRS 12 and IAS 28	Applying the Consolidation Exception

Doha Insurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2016

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Annual improvements 2012-2014 Cycle

These improvements are effective for annual periods beginning on or after 1 January 2016. They include:

<i>Standard</i>	<i>Content</i>
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations
IFRS 7	Financial Instruments: Disclosures
IAS 19	Employee Benefits
IAS 34	Interim Financial Reporting
Amendments to IAS 27	Equity Method in Separate Financial Statements

The adoption of the above did not result in any changes to previously reported net profit or equity of the Group.

2.3 Standards issued but not yet effective

The below mentioned standards, interpretations and amendments to standards are not yet effective. The Group is currently evaluating the impact of these new standards. The Group will adopt these new standards on the respective effective dates.

<i>Standard</i>	<i>Content</i>
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses (Effective 1 January 2017)
Amendments to IAS 7	Disclosure Initiative (Effective 1 January 2017)
IFRS 9	Financial Instruments (Effective 1 January 2018)
IFRS 15	Revenue from Contracts with Customers (Effective 1 January 2018)
IFRS 16	Leases (Effective 1 January 2019)

3 CASH AND CASH EQUIVALENTS

	<i>30 June 2016 QR (Reviewed)</i>	<i>31 December 2015 QR (Audited)</i>
Bank balances and short term deposits	430,914,379	467,533,043
Cash on hand	169,077	397,202
	<u>431,083,456</u>	<u>467,930,245</u>

Cash and bank balances include fixed deposits amounting to QR 334,227,710 (31 December 2015: QR 382,158,461) bearing interest rate ranging from 2.85% to 3.05% (2015: 1.25% to 2.0%) per annum and maturing within a period of 1 to 3 months.

Doha Insurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2016

4 FINANCIAL INVESTMENTS

The carrying amounts of financials investments were as follows:

	<i>30 June 2016 QR (Reviewed)</i>	<i>31 December 2015 QR (Audited)</i>
<i>Investments held at fair value through profit or loss</i>		
- Quoted shares	5,762,460	7,838,600
<i>Available-for-sale investments:</i>		
- Quoted shares	423,828,396	452,482,201
- Unquoted funds and shares	80,830,056	72,652,069
- Debt securities with fixed interest rate	<u>36,422,106</u>	<u>31,752,471</u>
	<u>546,843,018</u>	<u>564,725,341</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 30 June 2016, the Group recognised an impairment loss on its available-for-sale investments amounting to QR 26,452,909 (2015: Nil).

5 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS

	<i>30 June 2016 QR (Reviewed)</i>	<i>31 December 2015 QR (Audited)</i>
Gross		
Insurance contract liabilities:		
Claims reported unsettled	196,240,192	169,709,386
Claims incurred but not reported	15,367,884	14,761,288
Unearned premiums	201,433,627	168,277,520
Deferred commissions	<u>2,831,137</u>	<u>4,022,199</u>
Total insurance contract liabilities	<u>415,872,840</u>	<u>356,770,393</u>
Recoverable from reinsurers:		
Claims reported unsettled	138,490,447	106,173,208
Unearned premiums	<u>124,627,221</u>	<u>106,093,979</u>
Total reinsurance contract assets	<u>263,117,668</u>	<u>212,267,187</u>
Net		
Claims reported unsettled	57,749,745	63,536,178
Claims incurred but not reported	15,367,884	14,761,288
Unearned premiums	76,806,406	62,183,541
Deferred commissions	<u>2,831,137</u>	<u>4,022,199</u>
	<u>152,755,172</u>	<u>144,503,206</u>

Doha Insurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2016

5 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

(a) Outstanding claims provision

	30 June 2016 (Reviewed)		31 December 2015 (Audited)	
	Gross QR	Reinsurers' share QR	Net QR	Gross QR
At 1 January				
Claims	169,709,386	(106,173,208)	63,536,178	267,817,133
Claims incurred but not reported	14,761,288	-	14,761,288	13,066,165
	184,470,674	(106,173,208)	78,297,466	280,883,298
Insurance claims paid during the period/year	(84,946,063)	43,937,572	(41,008,491)	(149,692,894)
Incurred during the period/year	112,083,465	(76,254,811)	35,828,654	53,280,270
	211,608,076	(138,490,447)	73,117,629	184,470,674
				Reinsurers' share QR
			(209,807,828)	58,009,305
				13,066,165
			(209,807,828)	71,075,470
			81,078,218	(68,614,676)
			22,556,402	75,836,672
			(106,173,208)	78,297,466

(b) Provision for unearned premiums

	30 June 2016 (Reviewed)		31 December 2015 (Audited)	
	Insurance contract liabilities QR	Reinsurance contract assets QR	Net QR	Insurance contract liabilities QR
At 1 January				
Gross premiums during the period/year	168,277,520	(106,093,979)	62,183,541	207,129,014
Earned insurance premiums during the period/year	280,035,583	(185,687,113)	94,348,470	494,082,164
	(246,879,476)	167,153,871	(79,725,605)	(532,933,658)
	201,433,627	(124,627,221)	76,806,406	168,277,520
				Reinsurance contract assets QR
			(156,311,252)	50,817,762
			(346,469,280)	147,612,884
			396,686,553	(136,247,105)
			(106,093,979)	62,183,541

Doha Insurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2016

5 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

(c) Analysis of outstanding claims

	30 June 2016 (Reviewed)		31 December 2015 (Audited)	
	Gross QR	Reinsurers' share QR	Gross QR	Reinsurers' share QR
Claims incurred but not reported	196,240,192	(138,490,447)	169,709,386	(106,173,208)
	15,367,884	-	14,761,288	-
At the end of the period/year	<u>211,608,076</u>	<u>(138,490,447)</u>	<u>184,470,674</u>	<u>(106,173,208)</u>
				<u>63,536,178</u>
				<u>14,761,288</u>
				<u>78,297,466</u>

Doha Insurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2016

6 SHARE CAPITAL

	<i>Issued and fully paid up 30 June 2016 QR (Reviewed)</i>	<i>Issued and fully paid up 31 December 2015 QR (Audited)</i>
Share capital (QR)	<u>500,000,000</u>	<u>500,000,000</u>
Number of shares of QR 10 each	<u>50,000,000</u>	<u>50,000,000</u>

7 LEGAL RESERVE

As required by Qatar Commercial Companies Law No. 11 of 2015, 10% of the profit for the year should be transferred to legal reserve. Such transfers may be discontinued at the option of the Group when the legal reserve equates to 50% of the share capital. However, in accordance with Qatar Central Bank 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 DIVIDENDS

The Board of Directors decided in its meeting held on 31 January 2016 and proposed to the General Assembly to approve a cash dividend of 10% of the share capital amounting to QR 1 per share totaling to QR 50,000,000 for the year ended 31 December 2015. The proposed dividend was approved by the shareholders during the General Assembly and was settled during the period (2015: QR 1 per share totaling to QR 50,000,000).

Doha Insurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2016

9 NET UNDERWRITING RESULTS

	Motor		Marine and Aviation		Fire and General Accident		Total	
	30 June 2016 QR (Reviewed)	30 June 2015 QR (Reviewed)	30 June 2016 QR (Reviewed)	30 June 2015 QR (Reviewed)	30 June 2016 QR (Reviewed)	30 June 2015 QR (Reviewed)	30 June 2016 QR (Reviewed)	30 June 2015 QR (Reviewed)
Gross premiums	61,291,504	74,103,312	50,704,411	75,783,171	168,039,668	165,206,322	280,035,583	315,092,805
Reinsurers' share of gross premiums	(6,952,330)	(13,037,846)	(42,726,951)	(66,474,478)	(136,007,832)	(147,297,971)	(185,687,113)	(226,810,295)
Net premiums	54,339,174	61,065,466	7,977,460	9,308,693	32,031,836	17,908,351	94,348,470	88,282,510
Change in unexpired risk reserve	(4,987,894)	(3,767,373)	(1,903,651)	(5,379,435)	(7,731,320)	(3,358,868)	(14,622,865)	(12,505,676)
Earned insurance premiums	49,351,280	57,298,093	6,073,809	3,929,258	24,300,516	14,549,483	79,725,605	75,776,834
Commissions received	450,595	730,247	2,460,586	5,035,503	12,669,018	9,776,576	15,580,199	15,542,326
Change in deferred commissions	478,325	1,018,588	528,585	(484,343)	184,153	1,467,025	1,191,063	2,001,270
Total underwriting revenues	50,280,200	59,046,928	9,062,980	8,480,418	37,153,687	25,793,084	96,496,867	93,320,430
Claims paid	(37,612,051)	(32,844,415)	(1,904,928)	(1,142,087)	(45,429,084)	(13,141,977)	(84,946,063)	(47,128,479)
Reinsurers' share of claims	1,067,789	2,186,450	1,636,872	890,322	41,232,911	10,451,198	43,937,572	13,527,970
Change in outstanding claims reserve	7,453,486	(4,952,799)	453,114	(460,210)	(2,726,763)	(1,410,226)	5,179,837	(6,823,235)
Commissions paid	(2,481,855)	(1,925,698)	(313,907)	(485,034)	(8,777,114)	(2,759,041)	(11,572,876)	(5,169,773)
Other technical expenses	(330,747)	(654,362)	(1,050)	(800)	(442,203)	(28,911)	(774,000)	(684,073)
Net underwriting results	18,376,822	20,856,104	8,933,081	7,282,609	21,011,434	18,904,127	48,321,337	47,042,840

Doha Insurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2016

10 GENERAL AND ADMINISTRATIVE EXPENSES

	<i>30 June</i> <i>2016</i> <i>QR</i> <i>(Reviewed)</i>	<i>30 June</i> <i>2015</i> <i>QR</i> <i>(Reviewed)</i>
Rent, maintenance and office expenses	2,467,051	1,938,910
Legal and consultation fees	851,767	576,844
Advertisement and business promotion	794,148	1,312,091
Board of Directors' remuneration (Note 14)	750,000	2,750,000
Government fees	669,991	354,726
Business travel	337,349	249,526
Printing and stationery	172,135	187,259
Impairment of insurance and other receivables	-	500,000
Miscellaneous expenses	541,934	1,452,735
	<u>6,584,375</u>	<u>9,322,091</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</i> <i>2016</i> <i>QR</i> <i>(Reviewed)</i>	<i>30 June</i> <i>2015</i> <i>QR</i> <i>(Reviewed)</i>
Profit attributable to the shareholders (QR)	<u>20,972,903</u>	<u>44,493,183</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 (QR)	<u>0.42</u>	<u>0.89</u>

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)

Doha Insurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2016

12 CLASSIFICATION AND FAIR VALUES (CONTINUED)

30 June 2016	Note	Level 1 QR (Reviewed)	Level 2 QR (Reviewed)	Level 3 QR (Reviewed)	Total QR (Reviewed)
<i>Assets measured at fair value</i>					
Financial investments	4	429,590,856	-	80,830,056	510,420,912
31 December 2015	Note	Level 1 QR (Audited)	Level 2 QR (Audited)	Level 3 QR (Audited)	Total QR (Audited)
<i>Assets measured at fair value</i>					
Financial investments	4	460,320,801	-	72,652,069	532,972,870

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 transactions between segments.

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

The Group operates in the State of Qatar only. The associate companies operate in the State of Qatar and Republic of Yemen.

Doha Insurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2016

13 SEGMENT INFORMATION (CONTINUED)

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

	30 June 2016 (Reviewed)		30 June 2015 (Reviewed)		Total QR
	Conventional insurance QR	Takaful insurance QR	Conventional insurance QR	Takaful insurance QR	
Gross premiums	258,061,728	21,973,855	289,631,803	25,461,002	315,092,805
Reinsurers' share of gross premiums	(178,160,019)	(7,527,094)	(217,145,217)	(9,665,078)	(226,810,295)
Net premiums	79,901,709	14,446,761	72,486,586	15,795,924	88,282,510
Change in unexpired risk reserve	(12,764,132)	(1,858,733)	(12,141,970)	(363,706)	(12,505,676)
Earned insurance premiums	67,137,577	12,588,028	60,344,616	15,432,218	75,776,834
Commissions received	15,064,773	515,426	14,819,806	722,520	15,542,326
Change in deferred commissions	859,752	331,311	1,653,140	348,130	2,001,270
Wakala fee	4,007,398	(4,007,398)	4,589,559	(4,589,559)	-
Total underwriting revenues	87,069,500	9,427,367	81,407,121	11,913,309	93,320,430
Claims paid	(74,620,182)	(10,325,881)	(39,124,521)	(8,003,958)	(47,128,479)
Reinsurers' share of claims	43,753,482	184,090	13,488,459	39,511	13,527,970
Change in outstanding claims reserve	3,002,546	2,177,291	(4,586,691)	(2,236,544)	(6,823,235)
Commissions paid	(10,812,109)	(760,767)	(4,699,131)	(470,642)	(5,169,773)
Other technical expenses	(764,689)	(9,311)	(671,443)	(12,630)	(684,073)
Total insurance expenses	(39,440,952)	(8,734,578)	(35,593,327)	(10,684,263)	(46,277,590)
Net underwriting results	47,628,548	692,789	45,813,794	1,229,046	47,042,840
Investment and other income	5,975,116	403,402	35,605,290	210,587	35,815,877
Total expenses	(32,630,761)	(319,882)	(36,925,901)	(186,161)	(37,112,062)
PROFIT FOR THE PERIOD	20,972,903	776,309	44,493,183	1,253,472	45,746,655

Doha Insurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2016

13 SEGMENT INFORMATION (CONTINUED)

	30 June 2016 (Reviewed)		31 December 2015 (Audited)	
	Conventional insurance QR	Takaful insurance QR	Conventional insurance QR	Takaful insurance QR
Asset				
Total assets	1,509,079,644	56,321,059	1,472,433,901	64,481,983
		1,565,400,703		1,536,915,884
Liabilities				
Insurance contract liabilities	(381,395,787)	(34,477,053)	(317,549,519)	(39,220,874)
Net surplus attributable to Islamic Takaful policyholders	-	(5,200,620)	-	(4,424,310)
Liabilities (other than insurance contract liabilities)	(84,191,894)	(11,643,386)	(84,832,133)	(15,836,799)
Net assets	1,043,491,963	5,000,000	1,070,052,249	5,000,000
		1,048,491,963		1,075,052,249

Doha Insurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2016

14 RELATED PARTY DISCLOSURES

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 statement of income are as follows:

	<i>30 June 2016 (Reviewed)</i>		<i>31 December 2015 (Audited)</i>	
	<i>Premiums QR</i>	<i>Claims QR</i>	<i>Premiums QR</i>	<i>Claims QR</i>
Major shareholders	<u>6,664,873</u>	<u>806,967</u>	<u>8,375,926</u>	<u>1,855,084</u>

Related party balances

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

	<i>30 June 2016 (Reviewed)</i>		<i>31 December 2015 (Audited)</i>	
	<i>Receivables QR</i>	<i>Claims and payables QR</i>	<i>Receivables QR</i>	<i>Claims and payables QR</i>
Major shareholders	<u>4,299,193</u>	<u>1,615,214</u>	<u>2,199,470</u>	<u>1,176,060</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 2016 QR (Reviewed)</i>	<i>30 June 2015 QR (Reviewed)</i>
Board of Directors' remuneration	750,000	2,750,000
Short-term benefits	1,200,000	1,096,000
End of service and other benefits	<u>8,075,000</u>	<u>7,565,000</u>
	<u>10,025,000</u>	<u>11,411,000</u>

15 CONTINGENCIES AND COMMITMENTS

Guarantees

At 30 June 2016, 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 3,161,230 (31 December 2015: QR2,964,370).

Legal claims

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

Doha Insurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2016

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 2016 QR (Reviewed)</i>	<i>31 December 2015 QR (Audited)</i>
PARTICIPANTS' OPERATIONS ASSETS		
Cash on hand	8,800	8,785
Bank balances (Islamic banks)	39,875,111	37,093,244
Reinsurance contract assets	3,677,929	7,771,881
Due from policyholders	9,245,120	11,778,295
Due from insurance and reinsurance companies	3,289,347	7,525,321
Prepayments and other assets	11,083	56,389
Properties and equipment	213,669	248,068
TOTAL ASSETS	56,321,059	64,481,983
PARTICIPANTS' FUNDS AND LIABILITIES		
Participants' fund		
Participants' account	10,200,620	9,424,310
Liabilities		
Insurance contract liabilities	34,477,053	39,220,874
Provisions, insurance and other payables	11,643,386	15,836,799
Total liabilities	46,120,439	55,057,673
TOTAL PARTICIPANTS' FUND AND LIABILITIES	56,321,059	64,481,983

(ii) Interim statement of income for the period

	<i>Six month period ended</i>	
	<i>30 June 2016 QR (Reviewed)</i>	<i>30 June 2015 QR (Reviewed)</i>
PARTICIPANTS' REVENUES AND EXPENSES		
REVENUE		
Net Takaful revenue	692,789	1,229,046
Other income	403,402	210,587
	1,096,191	1,439,633
EXPENSES		
General and administrative expenses	(319,882)	(186,161)
NET SURPLUS FOR THE PERIOD TRANSFERRED TO PARTICIPANTS' FUND	776,309	1,253,472