

QATAR INSURANCE COMPANY S.A.Q.

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE SIX MONTH PERIOD ENDED
JUNE 30, 2013**

QATAR INSURANCE COMPANY S.A.Q.

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

For the six month period ended June 30, 2013

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INDEPENDENT AUDITOR'S REVIEW REPORT

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Qatar Insurance Company S.A.Q. (the "Company"), and its subsidiaries (together the "Group") as of June 30, 2013, 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 related explanatory notes. Management is responsible for the preparation and 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 these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standards 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 International Accounting Standard 34 – "Interim Financial Reporting".

For Deloitte & Touche

**Doha - Qatar
July 23, 2013**

**Muhammad Bahemia
License No. 103**

QATAR INSURANCE COMPANY S.A.Q.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2013

	Notes	June 30, 2013	December 31, 2012
		QR ('000) (Reviewed)	QR ('000) (Audited)
ASSETS			
Cash and bank balances	3	4,230,659	2,123,876
Insurance and other receivables		1,480,939	703,395
Reinsurance contract assets	4	2,395,653	1,950,278
Equity accounted investments		72,404	70,403
Investments	5	3,531,200	2,933,103
Investment properties	6	393,677	438,636
Property and equipment	7	35,369	31,890
TOTAL ASSETS		12,139,901	8,251,581
LIABILITIES AND EQUITY			
LIABILITIES			
Short term borrowings		1,446,000	--
Provisions, reinsurance and other payables		984,237	817,982
Insurance contract liabilities	4	4,774,484	3,640,986
Total liability		7,204,721	4,458,968
EQUITY			
Share capital	12	1,284,323	891,891
Legal reserve		1,301,982	464,360
General reserve		287,000	287,000
Fair value reserve		640,608	663,496
Catastrophe special reserve		189,606	159,090
Retained earnings		1,048,931	1,154,517
Equity attributable to owners of the parent company		4,752,450	3,620,354
Non-controlling interest		182,730	172,259
Total equity		4,935,180	3,792,613
TOTAL LIABILITIES AND EQUITY		12,139,901	8,251,581

These interim condensed consolidated financial statements were approved by the Board of Directors and signed on its behalf by the following on July 23, 2013.

.....
Khalid Bin Mohammed Bin Ali Al-Thani
Chairman and Managing Director

.....
Khalifa Abdulla Turki Al Subaey
Group President and Chief Executive Officer

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

QATAR INSURANCE COMPANY S.A.Q.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the six month period ended June 30, 2013

	Notes	Six month period ended	
		June 30, 2013	June 30, 2012
		QR ('000) (Reviewed)	QR ('000) (Reviewed)
Gross premiums	9	2,051,149	1,468,883
Premiums ceded to reinsurers	9	(583,817)	(639,993)
Net premiums		1,467,332	828,890
Movement in unexpired risk reserve	9	(590,772)	(92,060)
Net earned premiums		876,560	736,830
Gross claims paid	9	(722,129)	(662,899)
Reinsurance recoveries	9	285,023	273,615
Movement in outstanding claims	9	(97,352)	(160,676)
Net commissions	9	(96,869)	(77,569)
Net underwriting results	9	245,233	109,301
Investment income		342,294	286,327
Rental income		24,127	23,549
Other income		1,278	1,965
Total income		612,932	421,142
Operating and administrative expenses		(169,410)	(110,750)
Depreciation		(11,017)	(11,253)
Profit before share of profit from equity accounted investments		432,505	299,139
Share of profit from equity accounted investments		2,002	3,169
Net profit for the period		434,507	302,308
<i>Attributable to:</i>			
Owners of parent		415,275	302,764
Non-controlling interests		19,232	(456)
Net profit for the period		434,507	302,308
Basic and diluted earnings per share in Qatari Riyals (2012: Restated as a result of rights and bonus effect)	10	3.48	2.78

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

QATAR INSURANCE COMPANY S.A.Q.**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**For the six month period ended June 30, 2013

	Six months period ended	
	June 30, 2013	June 30, 2012
	QR ('000)	QR ('000)
	(Reviewed)	(Reviewed)
Net profit for the period	434,507	302,308
Other comprehensive income		
Net changes in fair value of available-for-sale financial asset	(30,288)	(92,013)
Total comprehensive income for the period	404,219	210,295
<i>Attributable to:</i>		
Owners of the parent	392,387	206,490
Non-controlling interest	11,832	3,805
Total comprehensive income for period	404,219	210,295

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

QATAR INSURANCE COMPANY S.A.Q.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six month period ended June 30, 2013

	Share capital	Legal reserve	General reserve	Fair value reserve	Catastrophe special reserve	Retained earnings	Attributable to owners of the parent company	Non-controlling interest	Total equity
	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)
Balance at January 1, 2012(Audited)	743,243	473,121	287,000	674,163	129,498	1,032,335	3,339,360	189,501	3,528,861
Net profit for the period	--	--	--	--	--	302,764	302,764	(456)	302,308
Net change in the fair value of available for sale investments	--	--	--	(96,274)	--	--	(96,274)	4,261	(92,013)
<i>Total comprehensive income for the period</i>	--	--	--	(96,274)	--	302,764	206,490	3,805	210,295
Dividend for the year 2011	--	--	--	--	--	(297,297)	(297,297)	(8,164)	(305,461)
Issuance of bonus shares	148,648	--	--	--	--	(148,648)	--	--	--
Effects of acquiring part of non-controlling interests in a subsidiary	--	--	--	--	--	(11,052)	(11,052)	(29,937)	(40,989)
Transfer to legal reserve	--	74,325	--	--	--	(74,325)	--	--	--
Transfer to catastrophe special reserve	--	--	--	--	29,592	(29,592)	--	--	--
Balance at June 30, 2012(Reviewed)	891,891	547,446	287,000	577,889	159,090	774,185	3,237,501	155,205	3,392,706
Balance at January 1, 2013 (Audited)	891,891	464,360	287,000	663,496	159,090	1,154,517	3,620,354	172,259	3,792,613
Net profit for the period	--	--	--	--	--	415,275	415,275	19,232	434,507
Net change in the fair value of available-for-sale investments	--	--	--	(22,888)	--	--	(22,888)	(7,400)	(30,288)
<i>Total comprehensive income for the period</i>	--	--	--	(22,888)	--	415,275	392,387	11,832	404,219
Dividend for the year 2012	--	--	--	--	--	(222,972)	(222,972)	(9,796)	(232,768)
Issuance of bonus shares	178,379	--	--	--	--	(178,379)	--	--	--
Increase in non-controlling interest	--	--	--	--	--	--	--	8,435	8,435
Transfer to legal reserve	--	88,994	--	--	--	(88,994)	--	--	--
Rights issue of shares	214,053	748,628	--	--	--	--	962,681	--	962,681
Transfer to catastrophe special reserve	--	--	--	--	30,516	(30,516)	--	--	--
Balance at June 30, 2013 (Reviewed)	1,284,323	1,301,982	287,000	640,608	189,606	1,048,931	4,752,450	182,730	4,935,180

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

QATAR INSURANCE COMPANY S.A.Q.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six month period ended June 30, 2013

	Six month period ended	
	June 30,	June 30,
	2013	2012
<u>Note</u>	QR ('000)	QR ('000)
	(Reviewed)	(Reviewed)
OPERATING ACTIVITIES		
Profit for the period	434,507	302,308
<i>Adjustments for:</i>		
Depreciation of property and equipment and investment properties	11,017	11,253
Share of profit from equity accounted investments	(2,002)	(3,169)
Rental and investment income	(347,957)	(309,876)
Provision for bad and doubtful debts	1,324	--
Provision for employees' end of service benefits	4,454	3,539
Gain on disposal of property and equipment	(18,464)	--
	<u>82,879</u>	<u>4,055</u>
Working capital adjustments		
Change in insurance and other receivables	(778,868)	(236,026)
Change in insurance reserves – net	688,124	252,736
Change in provisions, reinsurance and other payables	163,488	73,132
Cash generated from operations	<u>155,623</u>	<u>93,897</u>
Employees' end of service benefits paid	(1,685)	(1,137)
Net cash from operating activities	<u>153,938</u>	<u>92,760</u>
INVESTING ACTIVITIES		
Net cash movements in investments	(628,385)	(135,591)
Acquisition of non-controlling interests in a subsidiary	--	(40,989)
Purchase of property and equipment	(8,104)	(4,015)
Purchase of investment properties	(1,283)	--
Rental and investment income received	347,957	309,876
Proceeds from sales of property and equipment	58,313	269
Net cash (used in) from investing activities	<u>(231,502)</u>	<u>129,550</u>
FINANCING ACTIVITIES		
Dividends paid to non controlling interest	(9,796)	(8,164)
Increase in non-controlling interests	8,435	--
Proceeds from rights issue	962,681	--
Net proceeds of short term borrowings	1,446,000	482,000
Dividends paid	(222,973)	(297,297)
Net cash from financing activities	<u>2,184,347</u>	<u>176,539</u>
INCREASE IN CASH AND CASH EQUIVALENTS	2,106,783	398,849
Cash and cash equivalents at January 1	<u>2,123,876</u>	<u>2,080,720</u>
CASH AND CASH EQUIVALENTS AT JUNE 30	<u>4,230,659</u>	<u>2,479,569</u>

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

QATAR INSURANCE COMPANY S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2013

1. STATUS AND OPERATIONS

Qatar Insurance Company S.A.Q. (the "Parent Company") is a public shareholding company incorporated in the State of Qatar in 1964 under Commercial Regulation No. 20 and governed by the provisions of the Qatar Companies' Law. The Company and its subsidiaries ("the Group") are engaged in business of insurance, re-insurance, real estate and financial advisory services.

The Group operates in the State of Qatar, United Arab Emirates, Sultanate of Oman, Kuwait, London, Switzerland and Malta. The interim condensed consolidated financial information incorporates the financial information of the Company and its subsidiaries all of which having December 31 as a financial year end. The subsidiaries are:

Name of the subsidiary	Ownership	Country of incorporation	Principal activities
QIC International L.L.C. ("QICI")	84.60%	State of Qatar	Primarily engaged in insurance and reinsurance. QICI manages the international operations of the Group and has 2 overseas branches in Dubai (United Arab Emirates), and Abu Dhabi (United Arab Emirates), a representative office in Malta, and two subsidiaries as detailed below:
Oman Qatar Insurance Company ("OQIC")	70% (owned through QICI)	Sultanate of Oman	Primarily engaged in insurance and reinsurance.
Kuwait Qatar Insurance Company ("KQIC")	82.04% owned through QICI)	State of Kuwait	Primarily engaged in insurance and reinsurance.
Q-Re L.L.C.	95.38% (39.74% owned through QICI)	State of Qatar	Primarily engaged in reinsurance.
QANIT Ltd.	100% (owned through QICI)	UAE	Primarily engaged in Real Estate activities in the UAE.
Qatar Insurance Company Real Estate	100%	State of Qatar	Primarily engaged in Real Estate activities in the State of Qatar.
Qatar Economic Advisors	100%	State of Qatar	Primarily engaged in financial and other advisory services.
Qatar Insurance Group	100%	State of Qatar	Primarily engaged in the management of QIC Group entities.
CATCo Investment Management Ltd.	100%	Bermuda	Primarily engaged in providing investment management services.
CATCo-Re Ltd.	100%	Bermuda	Primarily engaged in issuance of fully collateralized reinsurance contracts for CATCo Re Fund.
Q Life & Medical Insurance Company L.L.C.	85%	State of Qatar	The Company is engaged in life and medical insurance business.

QATAR INSURANCE COMPANY S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2013

1. STATUS AND OPERATIONS (CONTINUED)

Name of the subsidiary	Ownership	Country of incorporation	Principal activities
Epicure Managers Qatar Ltd.	100%	BVI	Primarily engaged in providing investment management services.
QIC International	84.6%	State of Qatar	The subsidiary is incorporated under the Ministry of Trade and Business regime and is inoperative at the moment.
QIC Capital	100%	State of Qatar	The subsidiary is incorporated under the QFCRA regime and is inoperative at the moment.

The Group is in process of forming an asset management Company namely QIC Asset Management Co. L.L.C. under QFCRA regulation in Qatar.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The interim condensed consolidated financial statements for the six months ended June 30, 2013 have been prepared in accordance with IAS 34 Interim Financial Reporting, under the historical cost convention except for certain financial instruments which are stated at fair value.

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 Group's annual consolidated financial statements as at December 31, 2012. In addition, results for the six month period ended June 30, 2013 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2013.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2012 except for the adoption of new and revised standards and interpretations effective as of January 1, 2013.

In the current financial year, the Group has adopted certain new and revised standards and interpretations, which are mainly:

IAS 1	Presentation of items of other comprehensive income
IFRS 10	Consolidated Financial Statements
IAS 27	Separate Financial Statements
IFRS 11	Joint arrangements
IAS 28	Investments in Associates and Joint Ventures
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurements

The adoption of these new / revised standards and interpretations did not have any impact on the financial position or financial performance of the Group as of and for the period ended June 30, 2013. In addition to the above, the Group has also adopted the following new accounting policy.

The Gross premiums from the reinsurance treaty has been accounted by the Group on receipt of intimation from the brokers or other insurance intermediaries or companies. Minimum Deposit Premium received has been recognised over the period of reinsurance coverage with periodical adjustment for variable premiums. Acquisition costs are deferred to the extent they are deemed recoverable from future gross profits of the policies.

The interim condensed consolidated financial statements are prepared in thousands of Qatari Riyal (QR).

QATAR INSURANCE COMPANY S.A.Q.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six month period ended June 30, 2013

3. CASH AND CASH EQUIVALENTS

	June 30, 2013	December 31, 2012
	QR ('000)	QR ('000)
	(Reviewed)	(Audited)
Cash and demand deposits	268,320	147,364
Time deposits	3,962,339	1,976,512
Cash and bank balances	<u>4,230,659</u>	<u>2,123,876</u>

4. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS

	June 30, 2013	December 31, 2012
	QR ('000)	QR ('000)
	(Reviewed)	(Audited)
Gross insurance contract liabilities		
Claims reported and unsettled	2,458,902	2,342,533
Claims incurred but not reported	290,244	196,931
Unearned premiums	2,025,338	1,101,522
	<u>4,774,484</u>	<u>3,640,986</u>
Reinsurers' share of insurance contract liabilities		
Claims reported and unsettled	1,437,723	1,383,085
Claims incurred but not reported	135,977	78,283
Unearned premiums	821,953	488,910
	<u>2,395,653</u>	<u>1,950,278</u>
Net insurance contract liabilities		
Claims reported and unsettled	1,021,179	959,448
Claims incurred but not reported	154,267	118,648
Unearned premiums	1,203,385	612,612
	<u>2,378,831</u>	<u>1,690,708</u>

QATAR INSURANCE COMPANY S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2013

5. INVESTMENTS

	June 30, 2013	December 31, 2012
	QR ('000) (Reviewed)	QR ('000) (Audited)
Held for trading investments		
Managed Funds	<u>111,023</u>	<u>142,322</u>
Available-for-sale investments		
Qatari public shareholding Companies	1,724,724	1,430,191
Bonds	2,480,535	1,988,919
Less : Margin collaterals	<u>(1,603,985)</u>	<u>(1,311,925)</u>
Quoted shares	419,500	308,036
Unquoted shares and private equity investments	<u>399,403</u>	<u>375,560</u>
Total available for sale investments	<u>3,420,177</u>	<u>2,790,781</u>
Total	<u><u>3,531,200</u></u>	<u><u>2,933,103</u></u>

6. INVESTMENT PROPERTIES

	June 30, 2013	December 31, 2012
	QR ('000) (Reviewed)	QR ('000) (Audited)
Net book value at January 1	438,636	453,223
Additions	1,283	--
Depreciation	(6,416)	(14,587)
Disposals (net)	<u>(39,826)</u>	<u>--</u>
Net book value at June 30/December 31	<u><u>393,677</u></u>	<u><u>438,636</u></u>

The rental income arising during the period amounted to QR 24,127 thousands (2012: QR 23,549 thousands) and the direct operating expenses (included within general and administrative expenses) arising in respect of such properties during the period was QR 2,185 thousands (2012: QR 2,880 thousands).

QATAR INSURANCE COMPANY S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2013

7. PROPERTY AND EQUIPMENT

	June 30, 2013	December 31, 2012
	QR ('000) (Reviewed)	QR ('000) (Audited)
Net book value at January 1,	31,890	26,142
Additions	8,104	14,526
Depreciation	(4,601)	(8,382)
Disposals (net)	(24)	(396)
Net book value at June 30/December 31	35,369	31,890

8. RELATED PARTY DISCLOSURES

(a) Transactions carried out with related parties

These represent transactions with related parties, i.e. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions and directors of the Group and companies of which they are key management personnel. Pricing policies and terms of these transactions are approved by the Group's management and are negotiated under normal commercial terms.

	June 30, 2013	June 30, 2012
	QR ('000) (Reviewed)	QR ('000) (Reviewed)
Premium	13,391	3,899
Purchase of services	4,050	6,335
Claims	1,768	615

	June 30, 2013	December 31, 2012
	QR ('000) (Reviewed)	QR ('000) (Audited)
(b) Due from related parties	7,907	14,831

(c) Compensation of key management personnel

	June 30, 2013	June 30, 2012
	QR ('000) (Reviewed)	QR ('000) (Reviewed)
Salaries and other short term benefits	4,082	2,631
End of service benefits	2,049	565
	6,131	3,196

Outstanding related party balances at the reporting date are unsecured and interest free and impairment relating to these balances were recognised during the period (2012: Nil).

QATAR INSURANCE COMPANY S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2013

9. SEGMENT INFORMATION

a) Segment information

For management reporting purposes, the Group is organised into four business segments - Marine & Aviation, Fire & General, Real Estate and Investments. These segments are the basis on which the Group reports its operating segment information.

Segment income statement for the period ended June 30, 2013

	Marine & Aviation	Fire & General	Total Insurance	Real Estate	Investments and advisory	Un-allocated (Expenses)/ Income	Total
	QR('000)	QR('000)	QR('000)	QR('000)	QR('000)	QR('000)	QR('000)
Gross premiums	170,473	1,880,676	2,051,149	--	--	--	2,051,149
Premiums ceded to reinsurers	(83,466)	(500,351)	(583,817)	--	--	--	(583,817)
Net premiums	87,007	1,380,325	1,467,332	--	--	--	1,467,332
Movement in unexpired risk reserve	(11,924)	(578,848)	(590,772)	--	--	--	(590,772)
Net earned premiums	75,083	801,477	876,560	--	--	--	876,560
Gross claims paid	(125,340)	(596,789)	(722,129)	--	--	--	(722,129)
Reinsurance recoveries	76,118	208,905	285,023	--	--	--	285,023
Movement in outstanding claims	6,176	(103,528)	(97,352)	--	--	--	(97,352)
Net commissions	(5,646)	(91,223)	(96,869)	--	--	--	(96,869)
Net underwriting results	26,391	218,842	245,233	--	--	--	245,233
Rental income			--	24,127	--	--	24,127
Investment income and other income			--	--	342,294	1,278	343,572
Total income			245,233	24,127	342,294	1,278	612,932
Operating and administrative expenses			(92,627)	(2,185)	(24,893)	(49,705)	(169,410)
Depreciation			(2,100)	(7,217)	(51)	(1,649)	(11,017)
Profit before share of profit from equity accounted investments			150,506	14,725	317,350	(50,076)	432,505
Share of profit from equity accounted investments			--	--	--	2,002	2,002
Segment results			150,506	14,725	317,350	(48,074)	434,507

QATAR INSURANCE COMPANY S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the six month period ended June 30, 2013

9. SEGMENT INFORMATION (CONTNUED)

a) Segment information (continued)

Segment income statement for the period ended June 30, 2012

	Marine & Aviation	Fire & General	Total Insurance	Real Estate	Investments and advisory	Un-allocated (Expenses)/ Income	Total
	QR('000)	QR('000)	QR('000)	QR('000)	QR('000)	QR('000)	QR('000)
Gross premiums	191,852	1,277,031	1,468,883	--	--	--	1,468,883
Premiums ceded to reinsurers	(97,583)	(542,410)	(639,993)	--	--	--	(639,993)
Net premiums	94,269	734,621	828,890	--	--	--	828,890
Change in unexpired risk reserve	(12,680)	(79,380)	(92,060)	--	--	--	(92,060)
Net earned premiums	81,589	655,241	736,830	--	--	--	736,830
Gross claims paid	(49,593)	(613,306)	(662,899)	--	--	--	(662,899)
Reinsurance recoveries	27,771	245,844	273,615	--	--	--	273,615
Movement in outstanding claims	(41,097)	(119,579)	(160,676)	--	--	--	(160,676)
Net commissions	(6,171)	(71,398)	(77,569)	--	--	--	(77,569)
Net underwriting result	<u>12,499</u>	<u>96,802</u>	109,301	--	--	--	109,301
Rental income			--	23,549	--	--	23,549
Investment income and other income			--	--	288,292	--	288,292
Total income			109,301	23,549	288,292	--	421,142
Operating and administrative expenses			(74,610)	(2,880)	(15,137)	(18,123)	(110,750)
Depreciation			(2,804)	(7,276)	(50)	(1,123)	(11,253)
Profit before share of profit from equity accounted investments			31,887	13,393	273,105	(19,246)	299,139
Share of profit from equity accounted investments			--	--	--	3,169	3,169
Segment results			<u>31,887</u>	<u>13,393</u>	<u>273,105</u>	<u>(16,077)</u>	<u>302,308</u>

Segment assets and liabilities

Assets and liabilities of the Group are commonly used across the primary segments.

b) Geographic information

The Group operates in two geographic markets; the domestic market in Qatar and the international markets.

QATAR INSURANCE COMPANY S.A.Q

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2013

10. BASIC AND DILUTED EARNINGS PER SHARE

The basic and diluted earnings per share for the period are the same as there are no dilutive effects on earnings.

	June 30, 2013	June 30, 2012
	QR ('000) (Reviewed)	QR ('000) (Reviewed)
Net profit attributable to owners of the parent company	<u>415,275</u>	<u>302,764</u>
Weighted average number of ordinary shares (2012: Restated)	<u>119,294</u>	<u>108,996</u>
Basic and diluted earnings per share (QR) (2012: Restated)	<u>3.48</u>	<u>2.78</u>

The Group has restated the calculations of the comparative earnings per share as a result of the effect of bonus issue of 20% (1 for every 5 shares) and effect of the bonus element of the rights issue during the period. The bonus issue was approved on the Annual General Meeting held on February 17, 2013.

11. DIVIDEND, BONUS SHARES AND RIGHT SHARES

A final cash dividend, amounting to QR 222,972,000 and a bonus share issue of QR 178,379,000 for the year 2012 (2011: Cash dividend QR 297,297,000 and bonus share issue QR: 148,648,500) had been approved by the Shareholders at the Annual General Meeting and issued by the Group.

Subsequent to the Annual General Meeting, the Board of Directors of the Company called for a rights issue of 21,405,384 shares at QR 45 per share in the ratio of 1 share for every five shares held as at February 14, 2013 after bonus issue. The shares were offered at a premium of QR 35 per share during the subscription period of March 4, 2013 to March 25, 2013 and the allotment and listing procedures were completed during the period. The share premium arising out of the rights issue, net of expenses, amounting to QR 748,628,000 is included in the legal reserve as required by the Article 154 of Qatar Commercial Companies Law No: 5 of 2002.

12. SHARE CAPITAL

The authorised, issued and fully paid share capital at June 30, 2013 consists of equity shares 128,432,304 of QR 10 each (2012: 89,189,160 equity shares of QR. 10 each).

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the six month period ended June 30, 2013

13. COMMITMENTS AND CONTINGENT LIABILITIES

	June 30, 2013	December 31, 2012
	QR ('000) (Reviewed)	QR ('000) (Audited)
Bank guarantees	39,989	40,806
Authorised future investment commitments	64,930	68,149
	104,919	108,955

Operating leases

Future minimum lease rentals payable under non-cancellable operating leases as at period end are as follows:

	2013	2012
	QR ('000) (Reviewed)	QR ('000) (Reviewed)
Within one year	3,420	9,566
After one year but not more than five years	20,520	20,520
More than five years	27,360	27,360
	51,300	57,446

14. COMPARATIVE FIGURES

Certain comparative figures for the previous period have been reclassified, where necessary, in order to conform to the current period's presentation. Such reclassifications do not affect the previously reported operational performance, net assets or equity of the Group.