

**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, 2014**

**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, 2014

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**QR. 31247**

## **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, 2014 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".

**Doha - Qatar  
July 14, 2014**

**For Deloitte & Touche  
Qatar Branch**

**Muhammad Bahemia  
Partner  
License No. 103**

**QATAR INSURANCE COMPANY S.A.Q.**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at June 30, 2014

	Notes	<b>June 30, 2014</b>	December 31, 2013
		<b>QR ('000) (Reviewed)</b>	QR ('000) (Audited)
<b>ASSETS</b>			
Cash and cash equivalents	4	4,162,254	3,351,905
Insurance and other receivables		2,764,272	1,164,615
Reinsurance contract assets	5	3,398,747	2,151,318
Equity accounted investments		72,808	81,611
Investments	6	5,353,666	4,462,270
Investment properties	7	381,224	387,197
Property and equipment	8	39,090	33,592
Goodwill	3	421,452	--
<b>TOTAL ASSETS</b>		<b>16,593,513</b>	<b>11,632,508</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Short term borrowings		1,296,000	746,200
Provisions, reinsurance and other payables		1,553,767	910,005
Insurance contract liabilities	5	8,229,055	4,594,615
<b>Total liabilities</b>		<b>11,078,822</b>	<b>6,250,820</b>
<b>EQUITY</b>			
Share capital	13	1,605,404	1,284,323
Legal reserve		1,382,424	1,304,293
General reserve		287,000	287,000
Fair value reserve		542,355	750,868
Catastrophe special reserve		227,253	189,606
Retained earnings		1,250,173	1,371,364
<b>Equity attributable to owners of the parent company</b>		<b>5,294,609</b>	<b>5,187,454</b>
Non-controlling interests		220,082	194,234
<b>Total equity</b>		<b>5,514,691</b>	<b>5,381,688</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>16,593,513</b>	<b>11,632,508</b>

These interim condensed consolidated financial statements were approved by the Board of Directors and signed on its behalf by the following on July 14, 2014.

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

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

**QATAR INSURANCE COMPANY S.A.Q.**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME**

For the six month period ended June 30, 2014

	Notes	Six month period ended	
		June 30, 2014	June 30, 2013
		QR ('000) (Reviewed)	QR ('000) (Reviewed)
Gross premiums	10	3,211,480	2,051,149
Premiums ceded to reinsurers	10	(775,298)	(583,817)
<b>Net premiums</b>		<b>2,436,182</b>	<b>1,467,332</b>
Movement in unexpired risk reserve	10	(801,141)	(590,772)
<b>Net earned premiums</b>		<b>1,635,041</b>	<b>876,560</b>
Gross claims paid	10	(1,375,926)	(722,129)
Reinsurance recoveries	10	577,029	285,023
Movement in outstanding claims	10	(209,706)	(97,352)
Net commissions	10	(239,652)	(96,869)
<b>Net underwriting results</b>	10	<b>386,786</b>	<b>245,233</b>
Investment income		562,787	342,294
Rental income		21,896	24,127
Other income		6,826	1,278
<b>Total income</b>		<b>978,295</b>	<b>612,932</b>
Operating and administrative expenses		(316,885)	(169,410)
Depreciation		(13,528)	(11,017)
<b>Profit before share of profit from equity accounted investments</b>		<b>647,882</b>	<b>432,505</b>
Share of profit from equity accounted investments		8,547	2,002
<b>Profit for the period</b>		<b>656,429</b>	<b>434,507</b>
<i>Attributable to:</i>			
Owners of parent company		635,486	415,275
Non-controlling interests		20,943	19,232
<b>Profit for the period</b>		<b>656,429</b>	<b>434,507</b>
Basic and diluted earnings per share in Qatari Riyals (2013: Restated as a result of rights and bonus effect)	11	3.96	2.74

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, 2014

	<b>Six month period ended</b>	
	<b>June 30, 2014</b>	June 30, 2013
	<b>QR ('000)</b>	QR ('000)
	<b>(Reviewed)</b>	(Reviewed)
<b>Profit for the period</b>	<b>656,429</b>	434,507
<b>Other comprehensive income</b>		
Net changes in fair value of available-for-sale investments	<b>(207,909)</b>	(30,288)
<b>Total comprehensive income for the period</b>	<b>448,520</b>	404,219
<i>Attributable to:</i>		
Owners of the parent company	<b>426,215</b>	392,387
Non-controlling interests	<b>22,305</b>	11,832
<b>Total comprehensive income for the period</b>	<b>448,520</b>	404,219

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, 2014

	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, 2013 (Audited)	891,891	464,360	287,000	663,496	159,090	1,154,517	3,620,354	172,259	3,792,613
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 interests	--	--	--	--	--	--	--	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)	--	--	--
<b>Balance at June 30, 2013 (Reviewed)</b>	<b>1,284,323</b>	<b>1,301,982</b>	<b>287,000</b>	<b>640,608</b>	<b>189,606</b>	<b>1,048,931</b>	<b>4,752,450</b>	<b>182,730</b>	<b>4,935,180</b>
Balance at January 1, 2014 (Audited)	1,284,323	1,304,293	287,000	750,868	189,606	1,371,364	5,187,454	194,234	5,381,688
Profit for the period	--	--	--	--	--	635,486	635,486	20,943	656,429
Net change in the fair value of available- for-sale investments	--	--	--	(209,271)	--	--	(209,271)	1,362	(207,909)
<i>Total comprehensive income for the period</i>	--	--	--	(209,271)	--	635,486	426,215	22,305	448,520
Dividend for the year 2013	--	--	--	--	--	(321,081)	(321,081)	(6,186)	(327,267)
Issuance of bonus shares	321,081	--	--	--	--	(321,081)	--	--	--
Increase in non-controlling interests	--	--	--	--	--	--	--	8,093	8,093
Transfer to legal reserve	--	75,294	--	--	--	(75,294)	--	--	--
Effect of acquisition/sale of stake in subsidiary by minority	--	2,837	--	758	--	(1,574)	2,021	1,636	3,657
Transfer to catastrophe special reserve	--	--	--	--	37,647	(37,647)	--	--	--
<b>Balance at June 30, 2014 (Reviewed)</b>	<b>1,605,404</b>	<b>1,382,424</b>	<b>287,000</b>	<b>542,355</b>	<b>227,253</b>	<b>1,250,173</b>	<b>5,294,609</b>	<b>220,082</b>	<b>5,514,691</b>

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, 2014

	<b>Six month period ended</b>	
	<b>June 30,</b>	<b>June 30,</b>
<u>Note</u>	<b>2014</b>	<b>2013</b>
	<b>QR ('000)</b>	<b>QR ('000)</b>
	<b>(Reviewed)</b>	<b>(Reviewed)</b>
<b>OPERATING ACTIVITIES</b>		
Profit for the period	<b>656,429</b>	434,507
<i>Adjustments for:</i>		
Depreciation of property & equipment and investment properties	<b>13,528</b>	11,017
Share of profit from equity accounted investments	<b>(8,547)</b>	(2,002)
Investment income and other finance income	<b>(584,683)</b>	(347,957)
Provision for bad and doubtful debts	<b>1,587</b>	1,324
Provision for employees' end of service benefits	<b>5,694</b>	4,454
Gain on disposal of property and equipment	<b>--</b>	(18,464)
	<b>84,008</b>	82,879
<b>Working capital adjustments</b>		
Change in insurance and other receivables	<b>(854,277)</b>	(778,868)
Change in insurance reserves – net	<b>1,019,603</b>	688,124
Change in provisions, reinsurance and other payables	<b>147,406</b>	163,488
<b>Cash generated from operations</b>	<b>396,740</b>	155,623
Social fund contribution paid	<b>(12,848)</b>	--
Employees' end of service benefits paid	<b>(1,593)</b>	(1,685)
<b>Net cash from operating activities</b>	<b>382,299</b>	153,938
<b>INVESTING ACTIVITIES</b>		
Net cash movements in investments	<b>602,790</b>	(628,385)
Purchase of property and equipment	<b>(8,982)</b>	(8,104)
Purchase of investment properties	<b>(385)</b>	(1,283)
Investment income and other finance income	<b>584,683</b>	347,957
Acquisition of subsidiary	<b>(1,178,164)</b>	--
Dividend received from equity accounted investments	<b>9,850</b>	--
Withdrawal of investment in equity accounted investments	<b>7,500</b>	--
Proceeds from disposal of property and equipment	<b>--</b>	58,313
<b>Net cash from/ (used in) investing activities</b>	<b>17,292</b>	(231,502)
<b>FINANCING ACTIVITIES</b>		
Dividends paid to non-controlling interest	<b>(6,186)</b>	(9,796)
Increase in non-controlling interests	<b>8,093</b>	8,435
Proceeds from rights issue	<b>--</b>	962,681
Net proceeds of short term borrowings	<b>549,800</b>	1,446,000
Dividends paid	<b>(303,925)</b>	(222,973)
<b>Net cash from financing activities</b>	<b>247,782</b>	2,184,347
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents at January 1	<b>3,351,905</b>	2,123,876
Add: Acquired through business combination	<b>162,976</b>	--
<b>CASH AND CASH EQUIVALENTS AT JUNE 30</b>	<b>4,162,254</b>	4,230,659

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, 2014

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#### **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 Registration No. 20 and governed by the provisions of the Qatar Companies’ Law. The Parent 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, United Kingdom, Switzerland, Bermuda and Malta. The interim condensed consolidated financial information incorporates the financial information of the Parent Company and its subsidiaries all of which having December 31 as a financial year end. The subsidiaries are:

<b>Name of the subsidiary</b>	<b>Ownership</b>	<b>Country of incorporation</b>	<b>Principal activities</b>
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.
Qatar Reinsurance Company L.L.C. (Previously known as Q-Re LLC)	55.38% directly and 40% owned through QICI	State of Qatar	Primarily engaged in reinsurance. Qatar-Re manages the reinsurance operations of the Group and has a branch office in Switzerland, Bermuda and a representative office in United Kingdom.
Q Life & Medical Insurance Co LLC	85 %	State of Qatar	Primarily engaged in life and medical insurance business.
Antares Holdings Limited ( AHL)	100 %	Bermuda	Incorporated as an holding company for participation in Antares Syndicate 1274
Antares Reinsurance Limited ( ARL)	100% (owned through AHL)	Bermuda	Incorporated as a Class 3 reinsurer for participation in Antares Syndicate 1274
Antares Underwriting Limited	100% (owned through ARL)	United Kingdom	Incorporated to provide capital supporting the underwriting capacity of Antares Syndicate 1274.
Antares Managing Agency Limited (AMAL)	100% (owned through ARL)	United Kingdom	Incorporated to act as a managing agent for Antares Syndicate 1274.
Antares Underwriting Services Limited	100% (owned through ARL)	United Kingdom	Incorporated as a services company to provide services to AMAL and Antares Syndicate 1274.

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

For the six month period ended June 30, 2014

**1. STATUS AND OPERATIONS (CONTINUED)**

<b>Name of the subsidiary</b>	<b>Ownership</b>	<b>Country of incorporation</b>	<b>Principal activities</b>
Antares Capital I Limited	100% (owned through ARL)	United Kingdom	Incorporated to provide capital supporting the underwriting capacity of Antares Syndicate 1274.
Antares Capital III Limited	100% (owned through ARL)	United Kingdom	Incorporated to provide capital supporting the underwriting capacity of Antares Syndicate 1274.
Antares Capital IV Limited	100% (owned through ARL)	United Kingdom	Incorporated to provide capital supporting the underwriting capacity of Antares Syndicate 1274.
QANIT Ltd.	100% (owned through QICI)	UAE	Primarily engaged in Real Estate activities in the UAE.
Qatar Insurance Company Real Estate S.P.C.	100%	State of Qatar	Primarily engaged in Real Estate activities in the State of Qatar.
Qatar Economic Advisors S.P.C.	100%	State of Qatar	Primarily engaged in financial and other advisory services.
Qatar Insurance Group S.P.C.	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.
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 L.L.C.	100%	State of Qatar	Incorporated as a holding company to hold equity interest in asset management initiatives of the Group.
LCP Holdings Ltd.	51% owned through QIC Capital L.L.C.	Cayman Islands	Primarily engaged in financial and other advisory services.
Taleem Advisory Ltd.	100% owned through Qatar Economic Advisors S.P.C.	Cayman Islands	Primarily engaged in financial and other advisory services.

## **QATAR INSURANCE COMPANY S.A.Q.**

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six month period ended June 30, 2014

#### **2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

The interim condensed consolidated financial statements for the six month period ended June 30, 2014 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, 2013. In addition, results for the six month period ended June 30, 2014 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2014.

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, 2013 except for the adoption of new and revised standards and interpretations effective as of January 1, 2014.

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

IAS 39	Amendments to IAS 39: Financial Instruments: recognition and measurement relating to novation
IFRS 10, 11 and 12	Amendments to IFRS 10, 11, 12 and IAS 27 relating to Investment Entities
IAS 32	Amendments to IAS 32: Financial Instruments: Presentation relating to offsetting financial assets and financial liabilities
IFRIC 21	Levies

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, 2014.

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

#### **3. BUSINESS COMBINATIONS**

##### ***Acquisition of Antares Holdings Limited and its subsidiary companies by the Group***

Effective January 1, 2014, the Group acquired control of Antares Holdings Limited and its subsidiary companies. The regulatory close of the transactions was completed on 25th June 2014. Antares Holdings Limited and its subsidiaries through its participation in Antares Syndicate 1274 are providers of global insurance and reinsurance products. The Group has acquired this company as part of its internationalization strategy to build a significant P&C and specialty insurance footprint.

The fair value of the identifiable assets and liabilities of Antares Holdings Limited and its subsidiary companies as at the date of acquisition, as per IFRS 3 were the following.

	<b>Fair value recognized on acquisition as at January 1, 2014</b>
	<b>QR '000</b>
	<b>(Unaudited)</b>
<b>Assets</b>	
Bank balances and cash	162,976
Insurance and other receivables	746,967
Reinsurance contract assets	589,365
Investments	1,705,095
Property, plant & equipment	3,686
<b>Total assets</b>	<b>3,205,089</b>
<b>Liabilities</b>	
Insurance liabilities	1,956,773
Provisions, reinsurance and other payables	491,604
<b>Total liabilities</b>	<b>2,448,377</b>
<b>Net identifiable assets acquired</b>	<b>756,712</b>

## **QATAR INSURANCE COMPANY S.A.Q.**

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six month period ended June 30, 2014

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#### **3. BUSINESS COMBINATIONS (CONTINUED)**

##### **Goodwill arising on acquisition**

Goodwill arising on the business combination has been computed as follows:

	<b>As at January 1, 2014</b>
	<b>QR '000</b>
Fair value of consideration given for controlling interest	1,178,164
Fair value of business as at the date of acquisition	1,178,164
Less: Net identifiable assets acquired in accordance with IFRS 3	(756,712)
<b>Goodwill arising on acquisition</b>	<b>421,452</b>

The interim condensed consolidated financial statements include the results of Antares Holdings Limited and its subsidiaries for the 6 month period from the acquisition date. From the date of acquisition, Antares Holdings Limited and its subsidiaries have contributed the equivalent of QR 752,031 thousand of Gross premium written and QR 75,833 thousand to the net profit of the Group.

The Group plans to finalise its Purchase Price Allocation (PPA) for the acquisition within the allowable one year period from acquisition date to determine any difference between the cost of investment and the net fair value of the Antares Holdings Limited and its subsidiaries identifiable assets and liabilities. Accordingly, the carrying value of assets, liabilities and goodwill may be adjusted on completion of PPA.

Transaction costs associated with the acquisition have been expensed and are included in the operative and administrative expenses in the interim condensed consolidated statement of income and are part of operating cash flows in the interim condensed consolidated statement of cash flows.

##### **Goodwill**

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised directly in the interim condensed consolidated statement of income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

## QATAR INSURANCE COMPANY S.A.Q.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2014

#### 4. CASH AND CASH EQUIVALENTS

	<b>June 30, 2014</b>	December 31, 2013
	<b>QR ('000)</b> <b>(Reviewed)</b>	QR ('000) (Audited)
Cash and demand deposits	247,199	402,370
Time deposits	<b>3,915,055</b>	2,949,535
	<b><u>4,162,254</u></b>	<u>3,351,905</u>

#### 5. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS

	<b>June 30, 2014</b>	December 31, 2013
	<b>QR ('000)</b> <b>(Reviewed)</b>	QR ('000) (Audited)
<b>Gross insurance contract liabilities</b>		
Claims reported and unsettled	<b>3,110,766</b>	2,031,821
Claims incurred but not reported	<b>1,416,790</b>	571,233
Unearned premiums	<b>3,701,499</b>	1,991,561
	<b><u>8,229,055</u></b>	<u>4,594,615</u>
<b>Reinsurers' share of insurance contract liabilities</b>		
Claims reported and unsettled	<b>1,648,905</b>	1,057,036
Claims incurred but not reported	<b>411,468</b>	212,131
Unearned premiums	<b>1,338,374</b>	882,151
	<b><u>3,398,747</u></b>	<u>2,151,318</u>
<b>Net insurance contract liabilities</b>		
Claims reported and unsettled	<b>1,461,861</b>	974,785
Claims incurred but not reported	<b>1,005,322</b>	359,102
Unearned premiums	<b>2,363,125</b>	1,109,410
	<b><u>4,830,308</u></b>	<u>2,443,297</u>

## QATAR INSURANCE COMPANY S.A.Q.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2014

#### 6. INVESTMENTS

	<b>June 30, 2014</b>	December 31, 2013
	<b>QR ('000) (Reviewed)</b>	QR ('000) (Audited)
<b>Held for trading investments</b>		
Managed Funds	<b>1,973,302</b>	151,159
<b>Available-for-sale investments</b>		
Qatari public shareholding Companies	<b>1,446,393</b>	1,834,958
Bonds	<b>2,152,571</b>	3,193,524
Less : Margin collaterals	<b>(1,260,478)</b>	(1,627,373)
International quoted shares	<b>600,924</b>	527,362
Unquoted shares and private equity investments	<b>440,954</b>	383,385
Total available for sale investments	<b>3,380,364</b>	4,311,856
<b>Total investments</b>	<b>5,353,666</b>	4,463,015
<b>Less: Impairment loss recognised</b>	<b>--</b>	(745)
<b>Total investments</b>	<b>5,353,666</b>	4,462,270

#### 7. INVESTMENT PROPERTIES

	<b>June 30, 2014</b>	December 31, 2013
	<b>QR ('000) (Reviewed)</b>	QR ('000) (Audited)
Net book value at January 1	<b>387,197</b>	438,636
Additions	<b>385</b>	1,332
Depreciation	<b>(6,358)</b>	(12,945)
Disposals (net)	<b>--</b>	(39,826)
<b>Net book value at June 30/December 31</b>	<b>381,224</b>	387,197

The rental income arising during the period amounted to QR 21,896 thousand (2013: QR 24,127 thousand) and the direct operating expenses (included within general and administrative expenses) arising in respect of such properties during the period was QR 1,975 thousand (2013: QR 2,185 thousand).

## QATAR INSURANCE COMPANY S.A.Q.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2014

#### 8. PROPERTY AND EQUIPMENT

	<b>June 30, 2014</b>	December 31, 2013
	<b>QR ('000) (Reviewed)</b>	QR ('000) (Audited)
Net book value at January 1,	33,592	31,890
Additions	8,982	16,533
Acquisition through business combination (Note 3)	3,686	--
Depreciation	(7,170)	10,455
Disposals (net)	--	4,376
<b>Net book value at June 30/ December 31</b>	<b>39,090</b>	<b>33,592</b>

#### 9. 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.

	<b>June 30, 2014</b>	June 30, 2013
	<b>QR ('000) (Reviewed)</b>	QR ('000) (Reviewed)
Premium	20,821	13,391
Purchase of services	4,804	4,050
Claims	107	1,768
<b>(b) Due from related parties</b>	<b>7,858</b>	6,222
<b>(c) Due to related parties</b>	<b>1,016</b>	--

##### (d) Compensation of key management personnel

	<b>June 30, 2014</b>	June 30, 2013
	<b>QR ('000) (Reviewed)</b>	QR (('000)(Reviewed)
Salaries and other short term benefits	15,614	4,082
End of service benefits	3,787	2,049
	<b>19,401</b>	<b>6,131</b>

Outstanding related party balances at the reporting date are unsecured and interest free and no impairment losses relating to these balances were recognised during the period (2013: Nil).

**QATAR INSURANCE COMPANY S.A.Q.**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six month period ended June 30, 2014

**10. 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, 2014**

	<b>Marine &amp; Aviation</b>	<b>Fire &amp; General</b>	<b>Total Insurance</b>	<b>Real Estate</b>	<b>Investments</b>	<b>Advisory</b>	<b>Un-allocated (Expenses)/ Income</b>	<b>Total</b>
	<b>QR ('000)</b>	<b>QR ('000)</b>	<b>QR ('000)</b>	<b>QR ('000)</b>	<b>QR ('000)</b>	<b>QR ('000)</b>	<b>QR ('000)</b>	<b>QR ('000)</b>
Gross premiums	633,750	2,577,730	3,211,480	--	--	--	--	3,211,480
Premiums ceded to reinsurers	(212,812)	(562,486)	(775,298)	--	--	--	--	(775,298)
Net premiums	420,938	2,015,244	2,436,182	--	--	--	--	2,436,182
Movement in unexpired risk reserve	(93,499)	(707,642)	(801,141)	--	--	--	--	(801,141)
Net earned premiums	327,439	1,307,602	1,635,041	--	--	--	--	1,635,041
Gross claims paid	(244,160)	(1,131,766)	(1,375,926)	--	--	--	--	(1,375,926)
Reinsurance recoveries	81,860	495,169	577,029	--	--	--	--	577,029
Movement in outstanding claims	(42,467)	(167,239)	(209,706)	--	--	--	--	(209,706)
Net commissions	(52,573)	(187,079)	(239,652)	--	--	--	--	(239,652)
<b>Net underwriting results</b>	<b>70,099</b>	<b>316,687</b>	<b>386,786</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>386,786</b>
Rental income	--	--	--	21,896	--	--	--	21,896
Investment income and other income	--	--	--	--	512,067	50,720	6,826	569,613
<b>Total income</b>	<b>--</b>	<b>--</b>	<b>386,786</b>	<b>21,896</b>	<b>512,067</b>	<b>50,720</b>	<b>6,826</b>	<b>978,295</b>
Operating and administrative expenses	--	--	--	(1,975)	--	(30,012)	(284,898)	(316,885)
Depreciation	--	--	--	(6,358)	--	(27)	(7,143)	(13,528)
<b>Profit before share of profit from equity accounted investments</b>	<b>--</b>	<b>--</b>	<b>386,786</b>	<b>13,563</b>	<b>512,067</b>	<b>20,681</b>	<b>(285,215)</b>	<b>647,882</b>
Share of profit from equity accounted investments	--	--	--	--	--	--	8,547	8,547
<b>Segment results</b>	<b>--</b>	<b>--</b>	<b>386,786</b>	<b>13,563</b>	<b>512,067</b>	<b>20,681</b>	<b>(276,668)</b>	<b>656,429</b>



**QATAR INSURANCE COMPANY S.A.Q.**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six month period ended June 30, 2014

**10. SEGMENT INFORMATION (CONTNUED)**

**a) Segment information (continued)**

Segment income statement for the period ended June 30, 2013

	Marine & Aviation	Fire & General	Total Insurance	Real Estate	Investments	Advisory	Un-allocated (Expenses)/ Income	Total
	QR ('000)	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
Change 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)
<b>Net underwriting result</b>	<b>26,391</b>	<b>218,842</b>	<b>245,233</b>	--	--	--	--	<b>245,233</b>
Rental income	--	--	--	24,127	--	--	--	24,127
Investment income and other income	--	--	--	--	302,907	39,387	1,278	343,572
<b>Total income</b>	--	--	<b>245,233</b>	<b>24,127</b>	<b>302,907</b>	<b>39,387</b>	<b>1,278</b>	<b>612,932</b>
Operating and administrative expenses	--	--	--	(2,185)	--	(24,893)	(142,332)	(169,410)
Depreciation	--	--	--	(7,217)	--	(51)	(3,749)	(11,017)
<b>Profit before share of profit from equity accounted investments</b>	--	--	<b>245,233</b>	<b>14,725</b>	<b>302,907</b>	<b>14,443</b>	<b>(144,803)</b>	<b>432,505</b>
Share of profit from equity accounted investments	--	--	--	--	--	--	2,002	2,002
<b>Segment results</b>	--	--	<b>245,233</b>	<b>14,725</b>	<b>302,907</b>	<b>14,443</b>	<b>(142,801)</b>	<b>434,507</b>

**Segment assets and liabilities**

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

## **QATAR INSURANCE COMPANY S.A.Q**

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six month period ended June 30, 2014

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#### **10. SEGMENT INFORMATION (CONTNUED)**

##### **b) Geographic information**

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

#### **11. 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.

	<b>June 30, 2014</b>	<b>June 30, 2013</b>
	<b>QR ('000) (Reviewed)</b>	<b>QR ('000) (Reviewed)</b>
Net profit attributable to owners of the parent company	<b>635,486</b>	<b>415,275</b>
Weighted average number of ordinary shares (2013: Restated)	<b>160,540</b>	<b>151,470</b>
<b>Basic and diluted earnings per share (QR) (2013: Restated)</b>	<b>3.96</b>	<b>2.74</b>

The Group has restated the calculations of the comparative earnings per share as a result of the effect of bonus issue of 25% (1 for every 4 shares) and effect of the bonus element of the rights issue during the preceding period. The bonus issue was approved on the Annual General Meeting held on February 16, 2014.

#### **12. DIVIDEND AND BONUS SHARES**

A final cash dividend, amounting to QR 2.5 per share and a bonus share issue of 25% (1 share for every 4 shares) for the year 2013 (2013: Cash dividend QR 2.5 per share and bonus share issue 20%) had been approved by the Shareholders at the Annual General Meeting and issued by the Company during the six month period ended June 30, 2013.

#### **13. SHARE CAPITAL**

The authorised, issued and fully paid share capital at June 30, 2014 consists of equity shares 160,540,380 of QR 10 each (2013: 128,432,304 equity shares of QR. 10 each).

## **QATAR INSURANCE COMPANY S.A.Q.**

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS** For the six month period ended June 30, 2014

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#### **14. COMMITMENTS AND CONTINGENT LIABILITIES**

	<b>June 30, 2014</b>	December 31, 2013
	<b>QR ('000) (Reviewed)</b>	QR ('000) (Audited)
Bank guarantees	<b>397,265</b>	41,753
Authorised future investment commitments	<b>71,817</b>	81,803
	<b>469,082</b>	123,556

#### **Operating leases**

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

	<b>June 30, 2014</b>	December 31, 2013
	<b>QR ('000) (Reviewed)</b>	QR ('000) (Reviewed)
Within one year	<b>7,173</b>	7,173
After one year but not more than five years	<b>28,693</b>	28,693
More than five years	<b>10,162</b>	13,749
	<b>46,028</b>	49,615