

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, 2016

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, 2016

INDEX	Page
Independent auditor's review report	--
Interim condensed consolidated statement of financial position	1
Interim condensed consolidated statement of income	2
Interim condensed consolidated statement of comprehensive income	3
Interim condensed consolidated statement of changes in equity	4
Interim condensed consolidated statement of cash flows	5
Notes to the interim condensed consolidated financial statements	6 to 15

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 financial statements of Qatar Insurance Company S.A.Q. (the "Company") and its subsidiaries (together the "Group") comprising the interim condensed consolidated statement of financial position as at June 30, 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 certain 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 and 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 19, 2016**

**For Deloitte & Touche
Qatar Branch**



**Walid Slim
Partner
License No. 319**


QATAR INSURANCE COMPANY S.A.Q.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2016

	Notes	June 30, 2016 QR ('000) (Reviewed)	December 31, 2015 QR ('000) (Audited)
ASSETS			
Cash and cash equivalents	3	5,492,234	3,518,760
Insurance and other receivables		7,746,688	6,617,197
Reinsurance contract assets	4	2,818,898	2,210,333
Equity accounted investments		137,774	83,125
Investments	5	8,224,844	7,414,380
Investment properties	6	364,832	407,988
Property and equipment	7	38,727	41,406
Goodwill and intangible assets		417,837	418,560
TOTAL ASSETS		25,241,834	20,711,749
LIABILITIES AND EQUITY			
LIABILITIES			
Short term borrowings		564,000	364,000
Provisions, reinsurance and other payables		2,819,337	2,503,670
Insurance contract liabilities	4	13,857,733	11,850,006
Total liabilities		17,241,070	14,717,676
EQUITY			
Share capital	12	2,411,387	1,846,214
Legal reserve		3,141,095	1,514,143
General reserve		287,000	287,000
Fair value reserve		90,949	139,198
Catastrophe special reserve		329,526	277,344
Retained earnings		1,547,047	1,748,389
Equity attributable to owners of the parent company		7,807,004	5,812,288
Non-controlling interests		193,760	181,785
Total equity		8,000,764	5,994,073
TOTAL LIABILITIES AND EQUITY		25,241,834	20,711,749

These interim condensed consolidated financial statements were approved by the Board of Directors and signed on its behalf by the following on July 19, 2016.



.....
Khalaf Ahmed Al-Mannai
Board Member



.....
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, 2016

	Notes	For the six month period ended	
		June 30, 2016	June 30, 2015
		QR ('000) (Reviewed)	QR ('000) (Reviewed)
Gross premiums	9	5,481,678	3,812,934
Premium ceded to reinsurers	9	(821,534)	(662,703)
Net premiums		4,660,144	3,150,231
Movement in unexpired risk reserve	9	(754,176)	(946,103)
Net earned premiums		3,905,968	2,204,128
Gross claims paid	9	(1,890,446)	(1,238,994)
Reinsurance recoveries	9	366,095	336,096
Movement in outstanding claims	9	(1,085,617)	(435,652)
Net commissions	9	(862,161)	(446,654)
Other insurance income	9	3,973	5,712
Net underwriting results	9	437,812	424,636
Investment income		480,390	406,658
Advisory fees		6,587	58,483
Rental income		12,852	21,853
Other income		1,628	993
Total income		939,269	912,623
Operating and administrative expenses		(323,030)	(314,012)
Depreciation and amortisation		(12,447)	(14,594)
Profit before share of profit from equity accounted investments		603,792	584,017
Share of profit from equity accounted investments		9,749	9,760
Profit for the period		613,541	593,777
<i>Attributable to:</i>			
Owners of the parent company		602,156	577,496
Non-controlling interests		11,385	16,281
Profit for the period		613,541	593,777
Basic and diluted earnings per share in Qatari Riyal (2015: Restated as a result of bonus and rights issue)	10	2.73	2.68

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, 2016

	For the six month period ended	
	June 30, 2016	June 30, 2015
	QR ('000) (Reviewed)	QR ('000) (Reviewed)
Profit for the period	613,541	593,777
Other comprehensive income		
Net changes in fair value of available-for-sale investments	(48,577)	(140,754)
Total comprehensive income for the period	<u>564,964</u>	<u>453,023</u>
<i>Attributable to:</i>		
Owners of the parent company	551,121	437,920
Non-controlling interests	13,843	15,103
Total comprehensive income for the period	<u>564,964</u>	<u>453,023</u>

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, 2016

	Share capital QR ('000)	Legal reserve QR ('000)	General reserve QR ('000)	Fair value reserve QR ('000)	Catastrophe special reserve QR ('000)	Retained earnings QR ('000)	Attributable to owners of the parent company		Non-controlling interest QR ('000)	Total equity QR ('000)
							QR ('000)	QR ('000)		
Balance at January 1, 2015	1,605,404	1,408,179	287,000	601,000	227,251	1,575,949	5,704,783	218,724	5,923,507	
Profit for the period	--	--	--	--	--	577,496	577,496	16,281	593,777	
Net change in the fair value of available-for-sale investments	--	--	--	(139,576)	--	--	(139,576)	(1,178)	(140,754)	
<i>Total comprehensive income for the period</i>	--	--	--	(139,576)	--	577,496	437,920	15,103	453,023	
Dividend for the year 2014	--	--	--	--	--	(401,351)	(401,351)	(7,373)	(408,724)	
Issuance of bonus shares	240,810	--	--	--	--	(240,810)	--	--	--	
Increase in non-controlling interests	--	--	--	--	--	--	--	8,321	8,321	
Transfer to legal reserve	--	101,093	--	--	--	(101,093)	--	--	--	
Transfer to catastrophe special reserve	--	--	--	--	50,091	(50,091)	--	--	--	
Balance at June 30, 2015 (Reviewed)	1,846,214	1,509,272	287,000	461,424	277,342	1,360,100	5,741,352	234,775	5,976,127	
Balance at January 1, 2016	1,846,214	1,514,143	287,000	139,198	277,344	1,748,389	5,812,288	181,785	5,994,073	
Profit for the period	--	--	--	--	--	602,156	602,156	11,385	613,541	
Net change in the fair value of available-for-sale investments	--	--	--	(51,035)	--	--	(51,035)	2,458	(48,577)	
<i>Total comprehensive income for the period</i>	--	--	--	(51,035)	--	602,156	551,121	13,843	564,964	
Dividend for the year 2015	--	--	--	(51,035)	--	(461,554)	(461,554)	--	(461,554)	
Issuance of bonus shares	184,621	--	--	--	--	(184,621)	--	--	--	
Issuance of right shares	380,552	1,521,431	--	--	--	--	1,901,983	--	1,901,983	
Net movement in non-controlling interest and others	--	1,158	--	2,786	--	(778)	--	(1,868)	1,298	
Transfer to legal reserve	--	104,363	--	--	--	(104,363)	--	--	--	
Transfer to catastrophe special reserve	--	--	--	--	52,182	(52,182)	--	--	--	
Balance at June 30, 2016 (Reviewed)	2,411,387	3,141,095	287,000	90,949	329,526	1,547,047	7,807,004	193,760	8,000,764	

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, 2016

	For the six month period ended	
	June 30, 2016	June 30, 2015
Note	QR ('000) (Reviewed)	QR ('000) (Reviewed)
OPERATING ACTIVITIES		
Profit for the period	613,541	593,777
<i>Adjustments for:</i>		
Depreciation and amortisation	12,447	14,594
Share of profit from equity accounted investments	(9,749)	(5,725)
Investment income and other finance income	(466,267)	(486,994)
Provision for bad and doubtful debts	5,749	1,992
Provision for employees' end of service benefits	4,383	3,679
Gain on sale of investment properties	(152,539)	--
Loss on disposal of property and equipment, net	334	398
	<u>7,899</u>	<u>121,721</u>
Working capital adjustments		
Change in insurance and other receivables	(1,135,240)	(1,371,411)
Change in insurance reserves – net	1,399,164	1,381,755
Change in provisions, reinsurance and other payables	147,196	120,513
Cash generated from operations	<u>419,019</u>	<u>252,578</u>
Employees' end of service benefits paid	(3,244)	(9,019)
Net cash generated from operating activities	<u>415,775</u>	<u>243,559</u>
INVESTING ACTIVITIES		
Net cash movements in investments	(850,349)	(3,968)
Purchase of property and equipment	(5,351)	(10,019)
Purchase of investment properties	(11,036)	--
Proceeds from sale of investment properties	360,000	--
Investment income and other finance income	427,675	486,994
Dividend received from equity accounted investments	5,000	4,492
Additions to equity accounted investment	(20,000)	--
Net cash (used in) / generated from investing activities	<u>(94,061)</u>	<u>477,499</u>
FINANCING ACTIVITIES		
Issuance of right shares	1,901,983	--
Dividends paid to non-controlling interest	--	(7,373)
Increase in non-controlling interests and dividends paid	1,298	8,321
Net proceeds of short term borrowings	200,000	868,800
Dividends paid	(451,521)	(398,888)
Net cash generated from financing activities	<u>1,651,760</u>	<u>470,860</u>
INCREASE IN CASH AND CASH EQUIVALENTS	<u>1,973,474</u>	<u>1,191,918</u>
Cash and cash equivalents at January 1	3,518,760	2,646,907
CASH AND CASH EQUIVALENTS AT JUNE 30	<u>5,492,234</u>	<u>3,838,825</u>

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, 2016

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 Commercial 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, State of Kuwait, United Kingdom, Switzerland, Bermuda, Singapore, Malaysia and Malta. The interim condensed consolidated financial information incorporates the financial information of the Parent Company and its subsidiaries all of which having December 31st as their financial year end. The details of subsidiaries are given below:

<u>Name of the subsidiary</u>	<u>Ownership</u>	<u>Country of incorporation</u>	<u>Principal activities</u>
QIC Capital LLC ("QICC")	95.70 % (2015: 91.79%)	State of Qatar	Incorporated as a holding company to hold equity interest in the Group's international and regional insurance entities.
QIC International L.L.C. ("QICI")	100% (owned through QICC)	State of Qatar	Primarily engaged in insurance and reinsurance. QICI manages the regional operations of the Group and has 2 overseas branches in Dubai (United Arab Emirates), and Abu Dhabi (United Arab Emirates).
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 Limited ("Qatar Re")	100% (owned through QICC)	Bermuda	Primarily engaged in reinsurance. Qatar Re manages the reinsurance operations of the Group and has a branch office in Switzerland, Dubai and a representative offices in United Kingdom and Singapore.
Qatar Reinsurance Services LLC	100% (owned through Qatar Re)	State of Qatar	Primarily engaged in providing services to Qatar Re.
Qatar Re Underwriting Limited	100% (owned through QICC)	United Kingdom	Incorporated to provide capital supporting the underwriting capacity at Lloyds.
Q Life & Medical Insurance Co LLC	85%	State of Qatar	Primarily engaged in life and medical insurance business and has a branch office in Labuan, Malaysia.
Antares Group Holdings Limited ("AGHL")	100% (owned through QICC)	United Kingdom	Incorporated as a holding company.
Antares Underwriting Limited	100% (owned through AGHL)	United Kingdom	Incorporated to provide capital supporting the underwriting capacity of Antares Syndicate 1274.
Antares Managing Agency Limited ("AMAL")	100% (owned through AGHL)	United Kingdom	Incorporated to act as a managing agent for Antares Syndicate 1274.
Antares Underwriting Asia Pte. Limited	100% (owned through AMAL)	Singapore	Incorporated to participate in Lloyds Asia Scheme.
Antares Underwriting Services Limited	100% (owned through AGHL)	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, 2016

1. STATUS AND OPERATIONS (CONTINUED)

<u>Name of the subsidiary</u>	<u>Ownership</u>	<u>Country of Incorporation</u>	<u>Principal activities</u>
Antares Capital I Limited	100% (owned through AGHL)	United Kingdom	Incorporated to provide capital supporting the underwriting capacity of Antares Syndicate 1274.
Antares Capital III Limited	100% (owned through AGHL)	United Kingdom	Incorporated to provide capital supporting the underwriting capacity of Antares Syndicate 1274.
Antares Capital IV Limited	100% (owned through AGHL)	United Kingdom	Incorporated to provide capital supporting the underwriting capacity of Antares Syndicate 1274.
Antares Holding Limited	100%	Bermuda	Incorporated holding company.
QIC Europe Limited	100%	Malta	Primarily engaged in insurance business
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. ("QEA")	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. ("CATCO-IM")	100%	Bermuda	Primarily engaged in providing investment management services.
CATCo-Re Ltd.	100% (owned through CATCO-IM)	Bermuda	Primarily engaged in issuance of fully collateralized reinsurance contracts for CATCO Re Fund.
QIC Asset Management Ltd ("QICAM")	100% owned through QEA.	Cayman Islands	Primarily engaged in financial and other advisory services.
Education Company 2 Ltd.	100% owned through QEA.	Cayman Islands	Primarily engaged in financial and other advisory services.
Lagoon Capital Partners Ltd	100% owned through LCP Holdings Ltd.	UAE	Primarily engaged in financial and other advisory services.
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 Economy and Commerce regime and is inoperative at the moment.
LCP Holdings Ltd.	100% owned through QICAM (2015: 51% owned through QIC Capital L.L.C.)	Cayman Islands	Primarily engaged in financial and other advisory services.
Taleem Advisory Ltd.	100% owned through QEA.	Cayman Islands	Primarily engaged in financial and other advisory services.

During the period, the Parent Company transferred its investment in the subsidiary, Antares Group Holding (UK) to QIC Capital LLC at the book value against additional equity shares of QIC Capital LLC. The transaction is considered as transaction under common control and there is no gain or loss recognised in the profit or loss of the Group.

QATAR INSURANCE COMPANY S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the six month period ended June 30, 2016

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The interim condensed consolidated financial statements for the six month period ended June 30, 2016 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, 2015. In addition, results for the six month period ended June 30, 2016 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2016.

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, 2015.

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

- Annual improvements to IFRSs 2012-2014 cycle Amendments to change or issue clarifications on IFRSs- IFRS 5, IFRS 7, IAS 19 and IAS 34.
- Amendments relating to consolidation Amendments to issue clarifications on IFRSs- IFRS 10, IFRS 12 and IAS 27.

The adoption of these 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, 2016.

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, 2016

3. CASH AND CASH EQUIVALENTS

	June 30, 2016	December 31, 2015
	QR ('000) (Reviewed)	QR ('000) (Audited)
Cash and demand deposits	647,896	809,796
Time deposits maturing within 3 months	4,844,338	2,708,964
	<u>5,492,234</u>	<u>3,518,760</u>

4. INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS

	June 30, 2016	December 31, 2015
	QR ('000) (Reviewed)	QR ('000) (Audited)
Gross insurance contract liabilities		
Claims reported and unsettled	4,958,554	3,973,680
Claims incurred but not reported	3,276,675	2,820,668
Unearned premiums	5,622,504	5,055,658
	<u>13,857,733</u>	<u>11,850,006</u>
Reinsurers' share of insurance contract liabilities		
Claims reported and unsettled	560,879	1,106,608
Claims incurred but not reported	1,294,823	249,491
Unearned premiums	963,196	854,234
	<u>2,818,898</u>	<u>2,210,333</u>
Net insurance contract liabilities		
Claims reported and unsettled	4,397,675	2,867,072
Claims incurred but not reported	1,981,852	2,571,177
Unearned premiums	4,659,308	4,201,424
	<u>11,038,835</u>	<u>9,639,673</u>

QATAR INSURANCE COMPANY S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the six month period ended June 30, 2016

5. INVESTMENTS

	<u>June 30, 2016</u>		<u>December 31, 2015</u>
	QR ('000)		QR ('000)
	(Reviewed)		(Audited)
Held for trading investments			
Managed Funds	<u>2,848,627</u>		<u>2,868,502</u>
Available-for-sale investments			
Qatari public shareholding Companies	1,658,008		1,893,992
Bonds	6,460,226	4,836,581	
Less : Margin collaterals	<u>(3,665,686)</u>	<u>(3,084,486)</u>	1,752,095
International quoted shares	463,251		425,869
Unquoted shares and private equity investments	<u>460,418</u>		<u>473,922</u>
Total available for sale investments	<u>5,376,217</u>		<u>4,545,878</u>
Total investments	<u>8,224,844</u>		<u>7,414,380</u>

6. INVESTMENT PROPERTIES

	<u>June 30, 2016</u>	<u>December 31, 2015</u>
	QR ('000)	QR ('000)
	(Reviewed)	(Audited)
Net book value at January 1	407,988	375,070
Additions	11,036	45,564
Disposal	(50,164)	--
Depreciation	(4,028)	(12,646)
Net book value at June 30/December 31	<u>364,832</u>	<u>407,988</u>

The rental income arising during the period amounted to QR 12,852 thousand (2015: QR 21,853 thousand) and direct operating expenses (included within general and administrative expenses) arising in respect of such properties during the period was QR 2,920 thousand (2015: QR 2,077 thousand).

During the period, the Group has sold an investment property to a related party (Associate) for a sale consideration of QR 360,000 thousand and has recognised a net gain of QR 152,539 thousand, net of certain expenses.

QATAR INSURANCE COMPANY S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the six month period ended June 30, 2016

7. PROPERTY AND EQUIPMENT

	<u>June 30, 2016</u>	<u>December 31, 2015</u>
	QR ('000) (Reviewed)	QR ('000) (Audited)
Net book value at January 1,	41,406	38,665
Additions	5,351	18,129
Effect of foreign currency exchange difference	(327)	(251)
Depreciation	(7,696)	(15,137)
Disposals/write off (net)	(7)	—
Net book value at June 30/ December 31	<u><u>38,727</u></u>	<u><u>41,406</u></u>

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.

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
	QR ('000) (Reviewed)	QR ('000) (Reviewed)
Premium	<u>10,319</u>	<u>16,484</u>
Purchase of services	<u>112</u>	<u>120</u>
Claims	<u>10,020</u>	<u>7,162</u>
Sale of investment property to an associate (Note 6)	<u>360,000</u>	<u>—</u>
	<u>June 30, 2016</u>	<u>Dec 31, 2015</u>
	QR ('000) (Reviewed)	QR ('000) (Audited)
(b) Due from related parties	<u>2,356</u>	<u>4,442</u>
(c) Due to related parties	<u>11,969</u>	<u>6,018</u>

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
	QR ('000) (Reviewed)	QR ('000) (Reviewed)
(d) Compensation of key management personnel		
Salaries and other short term benefits	27,347	25,105
End of service benefits	<u>745</u>	<u>745</u>
	<u><u>28,092</u></u>	<u><u>25,850</u></u>

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 (2015: Nil).

QATAR INSURANCE COMPANY S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2016

9. SEGMENT INFORMATION

a) Segment information

For management reporting purposes, the Group is organised into four business segments - Marine & Aviation, Fire & General, Health & Life, 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, 2016

	Marine & Aviation		Property & Casualty		Health & life		Total Insurance		Real Estate		Investments		Un-allocated (Expenses)/Income		Total	
	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)	QR ('000)
Gross premiums	614,938	4,110,017	756,723	5,481,678	-	-	-	-	-	-	-	-	-	-	5,481,678	-
Premiums ceded to reinsurers	(144,069)	(654,060)	(23,405)	(821,534)	-	-	-	-	-	-	-	-	-	-	(821,534)	-
Net premiums	470,869	3,455,957	733,318	4,660,144	-	-	-	-	-	-	-	-	-	-	4,660,144	-
Change in unexpired risk reserve	(97,563)	(528,309)	(128,304)	(754,176)	-	-	-	-	-	-	-	-	-	-	(754,176)	-
Net earned premiums	373,306	2,927,648	605,014	3,905,968	-	-	-	-	-	-	-	-	-	-	3,905,968	-
Gross claims paid	(191,532)	(1,183,431)	(515,483)	(1,890,446)	-	-	-	-	-	-	-	-	-	-	(1,890,446)	-
Reinsurance recoveries	44,728	171,896	149,471	366,095	-	-	-	-	-	-	-	-	-	-	366,095	-
Movement in outstanding claims	(79,996)	(862,267)	(143,354)	(1,085,617)	-	-	-	-	-	-	-	-	-	-	(1,085,617)	-
Net commissions	(66,889)	(755,135)	(40,137)	(862,161)	-	-	-	-	-	-	-	-	-	-	(862,161)	-
Other insurance income (Unallocated)	-	-	-	3,973	-	-	-	-	-	-	-	-	-	-	3,973	-
Net underwriting results	79,617	298,711	55,511	437,812	-	-	-	-	-	-	-	-	-	-	437,812	-
Rental income	-	-	-	-	12,852	-	-	-	-	-	-	-	-	-	12,852	-
Advisory fees	-	-	-	-	-	6,587	-	-	-	-	-	-	-	-	6,587	-
Investment income and other income	-	-	-	-	-	-	482,018	-	-	-	-	-	-	-	482,018	-
Total income	437,812	12,852	6,587	482,018	12,852	6,587	482,018	-	-	-	-	-	-	-	939,269	-
Operating and administrative expenses	-	(2,920)	(13,061)	(307,049)	(4,028)	(79)	-	-	-	-	-	-	-	-	(307,049)	-
Depreciation	-	-	-	(8,340)	-	-	-	-	-	-	-	-	-	-	(8,340)	-
Profit before share of profit from equity accounted investments	437,812	5,904	482,018	315,389	5,904	6,553	482,018	-	-	-	-	-	-	-	603,792	-
Share of profit from equity accounted investments	-	-	-	9,749	-	-	-	-	-	-	-	-	-	-	9,749	-
Segment results	437,812	5,904	482,018	305,640	5,904	(6,553)	482,018	-	-	-	-	-	-	-	613,541	-

QATAR INSURANCE COMPANY S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the six month period ended June 30, 2016

9. SEGMENT INFORMATION (CONTINUED)

a) Segment information (continued)

Segment income statement for the period ended June 30, 2015

	Marine & Aviation	Property & Casualty	Health & life	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)	QR ('000)
Gross premiums	546,817	2,766,472	499,645	3,812,934	--	--	--	--	3,812,934
Premiums ceded to reinsurers	(121,016)	(533,271)	(8,416)	(662,703)	--	--	--	--	(662,703)
Net premiums	425,801	2,233,201	491,229	3,150,231	--	--	--	--	3,150,231
Change in unexpired risk reserve	(75,541)	(773,773)	(96,789)	(946,103)	--	--	--	--	(946,103)
Net earned premiums	350,260	1,459,428	394,440	2,204,128	--	--	--	--	2,204,128
Gross claims paid	(235,740)	(679,095)	(324,159)	(1,238,994)	--	--	--	--	(1,238,994)
Reinsurance recoveries	74,412	183,154	78,530	336,096	--	--	--	--	336,096
Movement in outstanding claims	(55,926)	(365,215)	(14,511)	(435,652)	--	--	--	--	(435,652)
Net commissions	(67,874)	(290,206)	(88,574)	(446,654)	--	--	--	--	(446,654)
Other insurance income (Unallocated)	--	--	--	5,712	--	--	--	--	5,712
Net underwriting results	65,132	308,066	45,726	424,636	--	--	--	--	424,636
Rental income	--	--	--	--	21,853	--	--	--	21,853
Advisory fees	--	--	--	--	--	--	58,483	--	58,483
Investment income and other income	--	--	--	--	--	407,651	--	--	407,651
Total income	424,636	21,853	21,853	424,636	21,853	407,651	58,483	--	912,623
Operating and administrative expenses	--	--	(3,489)	--	(3,489)	--	(36,216)	(274,307)	(314,012)
Depreciation	--	--	(6,416)	--	(6,416)	--	(82)	(8,096)	(14,594)
Profit before share of profit from equity accounted investments	424,636	11,948	11,948	424,636	11,948	407,651	22,185	(282,403)	584,017
Share of profit from equity accounted investments	--	--	--	--	--	--	--	9,760	9,760
Segment results	424,636	11,948	11,948	424,636	11,948	407,651	22,185	(272,643)	593,777

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, 2016

9. SEGMENT INFORMATION (CONTINUED)

b) Geographic information

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

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, 2016	June 30, 2015
	QR ('000) (Reviewed)	QR ('000) (Reviewed)
Net profit attributable to owners of the parent company (QR '000)	602,156	577,496
Weighted average number of ordinary shares (2015: Restated) (QR '000)	220,509	215,563
Basic and diluted earnings per share (QR) (2015: Restated)	2.73	2.68

The Group has restated the calculations of the comparative earnings per share as a result of the effect of bonus shares of 10% (i.e. 1 for every 10 shares) issued and bonus element of rights shares issued during the period. The bonus and rights share issue was approved in the Annual General Meeting held on February 21, 2016.

11. DIVIDEND, RIGHTS AND BONUS SHARES

A final cash dividend distribution of QR 2.50 per share (2015: Dividend of QR 2.50 per share) and bonus share of 10% (i.e. 1 shares for every 10 shares) was approved at the Annual General Meeting held on February 21, 2016 and distributed by the Company during the six month period ended June 30, 2016.

Subsequent to the Annual General Meeting, the Board of Directors of the Company called for a rights issue of 40,616,716 shares at QR 50 per share in the ratio of 1 share for every five shares held as at March 1, 2016 after bonus issue. Rights were traded through Qatar Exchange during the period from March 20, 2016 to March 30, 2016. The subscription period started from April 10, 2016 to May 1, 2016 and the allotment and listing procedures were completed during the period. Number of subscribed shares was 38,055,079 shares. The share premium arising out of the rights issue, net of expenses, amounting to QR 1,521,431 thousand is included in the legal reserve as required by the Article 154 of Qatar Commercial Companies Law No. 11 of 2015.

12. SHARE CAPITAL

The authorized, issued and fully paid share capital as at June 30, 2016 consists of 241,138,659 equity shares of QR 10 each (December 31, 2015: 184,621,437 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, 2016

13. COMMITMENTS AND CONTINGENT LIABILITIES

	<u>June 30, 2016</u>	<u>December 31, 2015</u>
	QR ('000) (Reviewed)	QR ('000) (Audited)
Bank guarantees	1,646,395	1,467,507
Authorised future investment commitments	113,974	71,538
	<u>1,760,369</u>	<u>1,539,045</u>

Operating leases

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

	<u>June 30, 2016</u>	<u>December 31, 2015</u>
	QR ('000) (Reviewed)	QR ('000) (Audited)
Within one year	6,401	6,372
After one year but not more than five years	21,871	24,957
More than five years	--	--
	<u>28,272</u>	<u>31,329</u>

14. COMPARATIVE FIGURES

During the year, the Company has reclassified certain insurance assets and liabilities that has resulted in the following amendments to the previous year figures.

	<u>December 31, 2015</u>	<u>Reclassification</u>	<u>June 30, 2016</u>
Insurance contract assets	5,606,574	(3,396,241)	2,210,333
Insurance contract liabilities	15,246,247	(3,396,241)	11,850,006

Such reclassifications do not affect the previously reported financial performance, net assets or equity.