

**DOHA INSURANCE COMPANY Q.S.C.
DOHA - QATAR**

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

DOHA INSURANCE COMPANY Q.S.C.

**INTERIM CONDENSED 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
Doha Insurance Company Q.S.C.
Doha - Qatar**

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Doha Insurance Company Q.S.C. (the "Company") as at June 30, 2013, and the related interim condensed 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 financial statements in accordance with International Accounting Standard 34 – "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

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 condensed 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 financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 – "Interim Financial Reporting".

**Doha - Qatar
July 18, 2013**

For Deloitte & Touche


**Muhammad Bahemia
License No. 103**

DOHA INSURANCE COMPANY Q.S.C.

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at June 30, 2013

		June 30, 2013	December 31, 2012
	Notes	QR (Reviewed)	QR (Audited)
ASSETS			
Cash and bank balances	3	101,848,561	171,432,206
Financial investments	4	376,146,332	292,864,883
Reinsurance contract assets		747,830,923	708,298,517
Insurance and other receivables		121,382,791	100,395,115
Investment in an associate		5,436,954	5,087,600
Investment properties		25,881,129	26,569,373
Property and equipment		74,217,632	73,349,245
Total assets		1,452,744,322	1,377,996,939
EQUITY AND LIABILITIES			
EQUITY			
Share capital		257,400,000	234,000,000
Legal reserve		102,434,522	102,434,522
Cumulative changes in fair value		45,140,583	35,585,551
Foreign currency translation reserve		(113,467)	(52,043)
Retained earnings		98,899,266	62,761,396
Proposed cash dividends		--	23,400,000
Proposed bonus shares		--	23,400,000
Total equity		503,760,904	481,529,426
LIABILITIES			
Insurance contract liabilities		871,387,031	821,491,203
Provisions, insurance and other payables		67,705,236	65,301,229
Employees' end of service benefits		9,891,151	9,675,081
Total liabilities		948,983,418	896,467,513
TOTAL EQUITY AND LIABILITIES		1,452,744,322	1,377,996,939

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

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

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

DOHA INSURANCE COMPANY Q.S.C.

INTERIM CONDENSED STATEMENT OF INCOME

For the six month period ended June 30, 2013

	Notes	Six month period ended	
		June 30, 2013	June 30, 2012
		QR	QR
		(Reviewed)	(Reviewed)
Gross premiums		275,709,473	296,011,406
Reinsurers' share of gross premiums		(210,483,960)	(232,581,598)
Net premiums		65,225,513	63,429,808
Change in unexpired risk reserve		(2,213,689)	(2,558,904)
Earned insurance premiums		63,011,824	60,870,904
Commissions received		14,824,551	18,730,165
Change in deferred commissions		1,378,246	(2,213,349)
Total underwriting revenues		79,214,621	77,387,720
Claims paid		(46,366,875)	(42,410,850)
Reinsurers' share of claims		19,335,352	25,059,701
Change in outstanding claims reserve		(9,527,984)	(10,648,996)
Commissions paid		(3,101,692)	(3,451,962)
NET UNDERWRITING RESULTS	5	39,553,422	45,935,613
Dividend income		14,673,714	11,617,929
Interest income		1,482,873	1,732,627
Rental income from investment properties		2,770,575	2,893,916
Net gain on sale of financial investments		6,376,130	4,622,266
Share of profit from an associate		410,778	288,767
Unrealised loss on held for trading		(173,042)	--
Impairment of financial investments		(1,000,000)	--
Other income		39,324	299,527
INVESTMENTS AND OTHER INCOME		24,580,352	21,455,032
Salaries and other staff costs		18,080,623	19,013,652
General and administrative expenses	6	8,146,885	6,542,695
Depreciation of property and equipment		779,169	459,097
Depreciation of investment properties		688,243	688,028
TOTAL EXPENSES		27,694,920	26,703,472
PROFIT FOR THE PERIOD BEFORE ALLOCATION TO TAKAFUL BRANCH POLICYHOLDERS		36,438,854	40,687,173
Net (deficit)/surplus attributable to Takaful branch policyholders		(300,984)	739,339
PROFIT ATTRIBUTABLE TO SHAREHOLDERS		36,137,870	41,426,512
Basic/diluted earnings per share	7	1.40	1.61

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

DOHA INSURANCE COMPANY Q.S.C.**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

For the six month period ended June 30, 2013

	Six month period ended	
	June 30,	June 30,
	2013	2012
	QR	QR
	(Reviewed)	(Reviewed)
Profit attributable to shareholders	36,137,870	41,426,512
Other comprehensive income		
Foreign currency translation reserve	(61,424)	250,271
Net movement in fair value of available-for-sale investments during the period	9,555,032	(22,843,073)
Other comprehensive income for the period	9,493,608	(22,592,802)
Total comprehensive income for the period	45,631,478	18,833,710

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

DOHA INSURANCE COMPANY Q.S.C.

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six month period ended June 30, 2013

	Share capital	Legal reserve	Cumulative changes in fair value	Foreign currency translation reserve	Proposed cash dividend	Proposed bonus shares	Retained earnings	Total
	QR	QR	QR	QR	QR	QR	QR	QR
Balance at January 1, 2012 (audited)	180,000,000	96,405,928	59,156,622	(102,713)	--	54,000,000	56,811,203	446,271,040
Total comprehensive income for the period	--	--	(22,843,073)	250,271	--	--	41,426,512	18,833,710
Bonus shares issued	54,000,000	--	--	--	--	(54,000,000)	--	--
Balance at June 30, 2012 (reviewed)	234,000,000	96,405,928	36,313,549	147,558	--	--	98,237,715	465,104,750

	Share capital	Legal reserve	Cumulative changes in fair value	Foreign currency translation reserve	Proposed cash dividend	Proposed bonus shares	Retained earnings	Total
	QR	QR	QR	QR	QR	QR	QR	QR
Balance at January 1, 2013 (audited)	234,000,000	102,434,522	35,585,551	(52,043)	23,400,000	23,400,000	62,761,396	481,529,426
Total comprehensive income for the period	--	--	9,555,032	(61,424)	--	--	36,137,870	45,631,478
Dividend paid	--	--	--	--	(23,400,000)	--	--	(23,400,000)
Bonus shares issued	23,400,000	--	--	--	--	(23,400,000)	--	--
Balance at June 30, 2013 (reviewed)	257,400,000	102,434,522	45,140,583	(113,467)	--	--	98,899,266	503,760,904

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

DOHA INSURANCE COMPANY Q.S.C.

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the six month period ended June 30, 2013

	Note	Six month period ended	
		June 30,	June 30,
		2013	2012
		QR	QR
		(Reviewed)	(Reviewed)
OPERATING ACTIVITIES			
Profit attributable to shareholders		36,137,870	41,426,512
<i>Adjustments for:</i>			
Depreciation of property and equipment		779,169	459,097
Depreciation of investment properties		688,244	688,028
Provision for employees' end of service benefits		588,612	1,597,590
Impairment of financial investments		1,000,000	--
Unrealised loss on held for trading		173,042	--
Gain on disposal of property and equipment		--	(6,280)
Share of profits from an associate		(410,778)	(288,767)
Reinsurers' share of unearned premium		8,206,277	(10,737,730)
Movement in unearned premium		(5,992,585)	13,296,636
Income from sale of financial investments		(6,376,130)	(4,622,266)
Dividend income		(14,673,714)	(11,617,929)
Interest income		(1,482,873)	(1,732,627)
Operating profit before changes in operating assets and liabilities		18,637,134	28,462,264
Increase in insurance and other receivables		(20,987,676)	(28,110,654)
Decrease in insurance reserves		8,149,732	12,862,343
Increase in provisions, insurance and other payables		3,911,155	2,680,785
Cash generated from operations		9,710,345	15,894,738
Employees' end of service benefits paid		(372,542)	--
Net cash generated by operating activities		9,337,803	15,894,738
INVESTING ACTIVITIES			
Purchase of financial investments		(87,719,095)	(33,820,522)
Proceeds from disposal of financial investments		19,195,767	21,464,809
Dividend received		14,673,714	11,617,929
Interest received		1,482,873	1,732,627
Time deposits with maturities in excess of 3 months		--	(1,516,701)
Purchase of property and equipment		(1,661,479)	(5,207,932)
Purchase of investment properties		--	(9,969)
Proceed from sale of property and equipment		13,920	6,280
Net cash used in investing activities		(54,014,300)	(5,733,479)
FINANCING ACTIVITY			
Dividends paid		(23,400,000)	--
Payment of Social and sports fund contribution		(1,507,148)	(1,641,008)
Net cash used in financing activity		(24,907,148)	(1,641,008)
(Decrease)/Increase in cash and cash equivalents		(69,583,645)	8,520,251
Cash and cash equivalents at the beginning of the period		171,432,206	168,014,872
Cash and cash equivalents at the end of the period	3	101,848,561	176,535,123

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

DOHA INSURANCE COMPANY Q.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six month period ended June 30, 2013

1. CORPORATE INFORMATION

Doha Insurance Company Q.S.C. (the "Company") is a Qatari shareholding company registered and incorporated in the State of Qatar under Emiri Decree No. 30 issued on October 2, 1999, listed on Qatar Exchange. The Company is engaged in the business of insurance and reinsurance.

In 2006, the Company established an Islamic Takaful branch under the brand name Doha Takaful (the "Branch") to carry out insurance and reinsurance activities in accordance with Islamic Sharia principles on a non-usury basis in all areas of insurance.

The interim condensed financial statements for the six months period ended June 30, 2013 include the results of the Company and the Branch.

These interim condensed financial statements were authorized for issue by the Board of Directors on July 22, 2013.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The interim condensed 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 have been stated at fair value.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual 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 financial statements are consistent with those followed in the preparation of the Company's annual 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 Company has adopted certain new and revised standards and interpretations, mainly including:

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 Company as of and for the period ended June 30, 2013.

DOHA INSURANCE COMPANY Q.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six month period ended June 30, 2013

3. CASH AND CASH EQUIVALENTS

	June 30, 2013	December 31, 2012
	QR	QR
	(Reviewed)	(Audited)
Bank balances and short term deposits	101,543,153	171,182,803
Cash on hand	305,408	249,403
	<u>101,848,561</u>	<u>171,432,206</u>

Cash and bank balances include fixed deposits amounting to QR 31,741,600 (December 31, 2012: QR.135,311,947) bearing interest rate of 0.65% to 3.00% with original maturity period of 1 to 3 months.

4. FINANCIAL INVESTMENTS

The carrying amounts of financial investments were as follows:

	June 30, 2013	December 31, 2012
	QR	QR
	(Reviewed)	(Audited)
Held for trading:		
- <i>Quoted shares</i>	9,768,204	--
Available-for-sale investments:		
- <i>Quoted shares</i>	264,089,891	213,434,310
- <i>Unquoted shares and investment funds</i>	72,488,855	59,270,353
- <i>Debt securities with fixed interest rate</i>	29,799,382	20,160,220
	<u>376,146,332</u>	<u>292,864,883</u>

DOHA INSURANCE COMPANY Q.S.C.

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

5. NET UNDERWRITING RESULTS

	Motor		Marine and Aviation		Fire and General Accident		Total	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
	QR	QR	QR	QR	QR	QR	QR	QR
Gross premiums	54,800,451	46,763,520	83,196,373	104,086,940	137,712,649	145,160,946	275,709,473	296,011,406
Reinsurers' share of gross premiums	(13,063,281)	(4,255,523)	(76,355,985)	(98,862,505)	(121,064,694)	(129,463,570)	(210,483,960)	(232,581,598)
Net premiums	41,737,170	42,507,997	6,840,388	5,224,435	16,647,955	15,697,376	65,225,513	63,429,808
Change in unexpired risk reserve	308,331	(2,379,841)	(2,141,791)	527,264	(380,229)	(706,327)	(2,213,689)	(2,558,904)
Earned insurance premiums	42,045,501	40,128,156	4,698,597	5,751,699	16,267,726	14,991,049	63,011,824	60,870,904
Commissions received	1,142,967	201,660	4,582,668	5,301,005	9,098,916	13,227,500	14,824,551	18,730,165
Change in deferred commissions	(437,127)	66,096	140,631	(901,035)	1,674,742	(1,378,410)	1,378,246	(2,213,349)
Total underwriting revenues	42,751,341	40,395,912	9,421,896	10,151,669	27,041,384	26,840,139	79,214,621	77,387,720
Claims paid	(24,458,864)	(18,116,072)	(1,713,928)	(1,094,530)	(20,194,083)	(23,200,248)	(46,366,875)	(42,410,850)
Reinsurers' share of claims	250,874	693,412	1,992,754	887,196	17,091,724	23,479,093	19,335,352	25,059,701
Change in outstanding claims reserve	(5,483,636)	(4,141,536)	(503,021)	(496,968)	(3,541,327)	(6,010,492)	(9,527,984)	(10,648,996)
Commissions paid	(634,628)	(786,136)	(131,766)	(388,802)	(2,355,298)	(2,277,024)	(3,101,692)	(3,451,962)
Net underwriting results	12,425,087	18,045,580	9,065,935	9,058,565	18,062,400	18,831,468	39,553,422	45,935,613

DOHA INSURANCE COMPANY Q.S.C.**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

For the six month period ended June 30, 2013

6. GENERAL AND ADMINISTRATIVE EXPENSES

	Six month period ended	
	June 30, 2013 QR (Reviewed)	June 30, 2012 QR (Reviewed)
Rent, maintenance and office expenses	1,189,777	1,216,832
Provision for Board of Directors' remuneration	2,750,000	2,750,000
Advertisement and business promotion	629,360	610,014
Legal and consultation fee	524,449	235,000
Business travel	346,621	352,210
Printing and stationery	308,457	227,128
Government fees	133,382	366,451
Miscellaneous expenses	2,264,839	785,060
	<u>8,146,885</u>	<u>6,542,695</u>

7. EARNINGS PER SHARE

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

	Six month period ended	
	June 30, 2013 (Reviewed)	June 30, 2012 (Restated)
Profit attributable to the shareholders (QR)	<u>36,137,870</u>	<u>41,426,512</u>
Weighted average number of shares outstanding during the period	<u>25,740,000</u>	<u>25,740,000</u>
Basic/diluted earnings per share (QR)	<u>1.40</u>	<u>1.61</u>

The Company has restated the calculations of the comparative earnings per share as a result of the effect of bonus issue of 10% (1 for every 10 shares). The bonus issue was approved on the Annual General Meeting held on March 13, 2013.

8. SEGMENT INFORMATION

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

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

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

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

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

DOHA INSURANCE COMPANY Q.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six month period ended June 30, 2013

8. SEGMENT INFORMATION (CONTINUED)

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

	Conventional Insurance		Takaful Insurance		Total		Conventional Insurance		Takaful Insurance		Total	
	QR	QR	QR	QR	QR	QR	QR	QR	QR	QR	QR	QR
Gross premiums	255,421,074	20,288,399	275,709,473	278,506,742	17,504,664	296,011,406	(200,369,502)	(10,114,458)	(210,483,960)	(8,060,273)	(232,581,598)	
Reinsurers' share of gross premiums												
Net premiums	55,051,572	10,173,941	65,225,513	53,985,417	9,444,391	63,429,808	(1,919,459)	(294,230)	(2,213,689)	(1,365,009)	(2,558,904)	
Change in unexpired risk reserve												
Earned insurance premiums	53,132,113	9,879,711	63,011,824	52,791,522	8,079,382	60,870,904	14,522,572	301,979	14,824,551	293,895	18,730,165	
Commissions received							1,366,073	12,173	1,378,246	174,149	(2,213,349)	
Change in deferred commissions							1,972,657	(1,972,657)	--	(1,848,362)	--	
Wakala fee												
Total underwriting revenues	70,993,415	8,221,206	79,214,621	70,688,656	6,699,064	77,387,720						
Claims paid	(41,678,836)	(4,688,039)	(46,366,875)	(39,217,755)	(3,193,095)	(42,410,850)	19,309,214	26,138	19,335,352	--	25,059,701	
Reinsurers' share of claims							(6,709,047)	(2,818,937)	(9,527,984)	(3,862,511)	(10,648,996)	
Change in outstanding claims reserve							(2,712,697)	(388,995)	(3,101,692)	(350,953)	(3,451,962)	
Commissions paid												
Total expenses	(31,791,366)	(7,869,833)	(39,661,199)	(24,045,548)	(7,406,559)	(31,452,107)	39,202,049	351,373	39,553,422	(707,495)	45,935,613	
Net underwriting results	24,406,190	174,162	24,580,352	46,643,108	155,467	21,455,032						
Investment and other income				21,299,565								
Total expenses	(27,470,368)	(224,552)	(27,694,920)	(26,516,161)	(187,311)	(26,703,472)						
Profit for the period	36,137,871	300,983	36,438,854	41,426,512	(739,339)	40,687,173						

DOHA INSURANCE COMPANY Q.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the six month period ended June 30, 2013

8. SEGMENT INFORMATION (CONTINUED)

	June 30, 2013 (Reviewed)			December 31, 2012 (Audited)		
	Conventional Insurance	Takaful Insurance	Total	Conventional Insurance	Takaful Insurance	Total
	QR	QR	QR	QR	QR	QR
Assets						
Total assets	1,407,432,470	45,311,852	1,452,744,322	1,336,055,358	41,941,581	1,377,996,939
Liabilities						
Insurance contract liabilities	(837,450,158)	(33,936,873)	(871,387,031)	(791,947,903)	(29,543,300)	(821,491,203)
Net surplus attributable to Islamic Takaful policyholders	--	(2,175,591)	(2,175,591)	--	(1,874,607)	(1,874,607)
Liabilities (other than insurance contract liabilities)	(73,315,978)	(2,104,818)	(75,420,796)	(67,578,029)	(5,523,674)	(73,101,703)
Net assets	496,666,334	7,094,570	503,760,904	476,529,426	5,000,000	481,529,426

9. COMMITMENTS AND CONTINGENCIES

Guarantees

At June 30, 2013, the Company had contingent liabilities in respect of tender guarantees and other guarantees from which it is anticipated that no material liabilities will arise, amounting to QR 859,868 (December 31, 2012 – QR 659,097).

Legal claims

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