

DOHA INSURANCE COMPANY Q.S.C.

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2012**

DOHA INSURANCE COMPANY Q.S.C.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For the year ended December 31, 2012

INDEX	Page
Independent auditor's report	--
Statement of income	1
Statement of comprehensive income	2
Statement of financial position	3
Statement of changes in equity	4
Statement of cash flows	5
Notes to the financial statements	6 to 40

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INDEPENDENT AUDITOR'S REPORT

The Shareholders
Doha Insurance Company Q.S.C.
Doha, Qatar

Report on the financial statements

We have audited the accompanying financial statements of Doha Insurance Company Q.S.C. (the "Company"), which comprise of the statement of financial position as at December 31, 2012 and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company management's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Doha Insurance Company Q.S.C. as of December 31, 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Legal and Regulatory Requirements

We are also of the opinion that proper books of account were maintained by the Company and the contents of the directors' report are in agreement with the Company's financial statements. We have obtained all the information and explanations which we considered necessary for the purpose of our audit. To the best of our knowledge and belief and according to the information given to us, no contraventions of the Commercial Companies Law No.5 of 2002 or the Company's Articles of Association were committed during the year which would materially affect the Company's activities or its financial position.

For Deloitte & Touche



Doha - Qatar
January 30, 2013

Midhat Salha
License No. 257

DOHA INSURANCE COMPANY Q.S.C.

STATEMENT OF INCOME

For the year ended December 31, 2012

	Notes	December 31, 2012 QR.	December 31, 2011 QR.
Gross premiums	5	468,862,103	419,357,813
Reinsurers' share of gross premiums	5	(362,657,137)	(323,742,070)
Net premiums	5	106,204,966	95,615,743
Change in unexpired risk reserve	5	(4,464,427)	(1,185,911)
Earned insurance premiums	5	101,740,539	94,429,832
Commissions received	5	31,204,649	23,155,680
Change in deferred commissions	5	(2,882,990)	(107,642)
Total underwriting revenues	5	130,062,198	117,477,870
Claims paid	5	(377,122,183)	(430,927,181)
Reinsurers' share of claims	5	332,845,137	396,127,230
Change in outstanding claims reserve	5	(7,018,345)	264,197
Commissions paid	5	(5,413,430)	(4,850,451)
NET UNDERWRITING RESULTS		73,353,377	78,091,665
Dividend income		9,502,771	9,075,817
Interest income		3,456,646	3,338,160
Rental income from investment properties		5,767,916	5,907,191
Net gain on sale of financial investments	6	10,231,220	5,476,257
Profit distribution from unquoted funds and shares		4,275,000	5,718,235
Share of profit of an associate	12	300,076	896,856
Other income		161,856	1,801,044
INVESTMENT AND OTHER INCOME		33,695,485	32,213,560
Salaries and other staff costs		(35,159,844)	(30,764,824)
General and administrative expenses	7	(11,602,552)	(11,901,190)
Impairment of financial investments	9	—	(334,751)
Depreciation of investment properties	13	(1,376,035)	(1,375,890)
Depreciation of property and equipment	14	(1,139,444)	(739,400)
TOTAL EXPENSES		(49,277,875)	(45,116,055)
PROFIT FOR THE YEAR BEFORE ALLOCATION TO TAKAFUL BRANCH POLICYHOLDERS		57,770,987	65,189,170
Net deficit attributable to Takaful branch policyholders		2,514,948	656,309
PROFIT ATTRIBUTABLE TO SHAREHOLDERS		60,285,935	65,845,479
Basic/diluted earnings per share	22	2.58	2.81

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

DOHA INSURANCE COMPANY Q.S.C.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2012

	<u>December 31, 2012</u> QR.	<u>December 31, 2011</u> QR.
Profit attributable to shareholders	<u>60,285,935</u>	<u>65,845,479</u>
Other comprehensive income		
Net movement in fair value of available for sale investments	(23,571,071)	(1,868,955)
Exchange differences on translating foreign operations	<u>50,670</u>	<u>(109,792)</u>
Other comprehensive income for the year	<u>(23,520,401)</u>	<u>(1,978,747)</u>
Total comprehensive income for the year	<u>36,765,534</u>	<u>63,866,732</u>

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DOHA INSURANCE COMPANY Q.S.C.

STATEMENT OF FINANCIAL POSITION

As at December 31, 2012

	Notes	December 31, 2012 QR.	December 31, 2011 QR.
ASSETS			
Cash and bank balances	8	171,432,206	168,014,872
Financial investments	9	292,864,883	256,017,134
Reinsurance contract assets	10	708,298,517	667,398,559
Insurance and other receivables	11	100,395,115	119,199,029
Investment in an associate	12	5,087,600	4,736,854
Investment properties	13	26,569,373	27,935,438
Property and equipment	14	73,349,245	67,451,868
TOTAL ASSETS		1,377,996,939	1,310,753,754
EQUITY AND LIABILITIES			
Equity			
Share capital	15	234,000,000	180,000,000
Legal reserve	16	102,434,522	96,405,928
Cumulative changes in fair value		35,585,551	59,156,622
Foreign currency translation reserve		(52,043)	(102,713)
Retained earnings		62,761,396	56,811,203
Proposed cash dividends	18	23,400,000	--
Proposed bonus shares	18	23,400,000	54,000,000
Total equity		481,529,426	446,271,040
Liabilities			
Insurance contract liabilities	10	821,491,203	766,225,483
Provisions, insurance and other payables	19	65,301,229	90,117,442
Employees' end of service benefits	20	9,675,081	8,139,789
Total liabilities		896,467,513	864,482,714
TOTAL EQUITY AND LIABILITIES		1,377,996,939	1,310,753,754

Sheikh Nawaf Bin Nasser Bin Khaled Al Thani
Chairman

Mr. Bassam Hussein
Chief Executive Officer

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

DOHA INSURANCE COMPANY Q.S.C.

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2012

	Share capital	Legal reserve	Cumulative changes in fair value	Foreign currency translation reserve	Proposed cash dividends	Proposed bonus shares	Retained earnings	Total
	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.
Balance at January 1, 2012	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 year	--	--	(23,571,071)	50,670	--	--	60,285,935	36,765,534
Social and sports fund contribution	--	--	--	--	--	--	(1,507,148)	(1,507,148)
Transfer to legal reserve	--	6,028,594	--	--	--	--	(6,028,594)	--
Bonus shares issued (note 18)	54,000,000	--	--	--	--	(54,000,000)	--	--
Proposed cash dividends	--	--	--	--	23,400,000	--	(23,400,000)	--
Proposed issued of bonus shares	--	--	--	--	--	23,400,000	(23,400,000)	--
Balance at December 31, 2012	234,000,000	102,434,522	35,585,551	(52,043)	23,400,000	23,400,000	62,761,396	481,529,426

	Share capital	Legal reserve	Cumulative changes in fair value	Foreign currency translation reserve	Proposed cash dividends	Proposed bonus shares	Retained earnings	Total
	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.
Balance at January 1, 2011	180,000,000	96,405,928	61,025,577	7,079	45,000,000	--	46,611,861	429,050,445
Total comprehensive income for the year	--	--	(1,868,955)	(109,792)	--	--	65,845,479	63,866,732
Social and sports fund contribution	--	--	--	--	--	--	(1,646,137)	(1,646,137)
Proposed issue of bonus shares (note 18)	--	--	--	--	--	54,000,000	(54,000,000)	--
Dividends paid	--	--	--	--	(45,000,000)	--	--	(45,000,000)
Balance at December 31, 2011	180,000,000	96,405,928	59,156,622	(102,713)	--	54,000,000	56,811,203	446,271,040

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