

Doha Insurance Company Q.S.C.

INTERIM CONDENSED FINANCIAL STATEMENTS

30 June 2015

REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF DOHA INSURANCE COMPANY Q.S.C.

Introduction

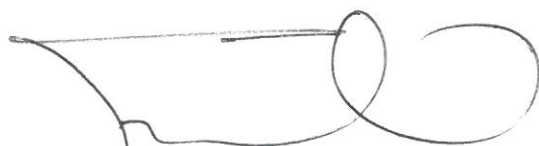
We have reviewed the accompanying interim condensed financial statements of Doha Insurance Company Q.S.C. (the "Company") as at 30 June 2015, comprising of the interim statement of financial position as at 30 June 2015 and the related interim statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended and the related explanatory information. The Board of Directors is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Financial Reporting Standards "IAS 34 – *Interim Financial Reporting*" ("IAS 34"). 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 the International Standard 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 financial statements are not prepared, in all material respects, in accordance with IAS 34.



Firas Qoussous
of Ernst & Young
Auditor's Registration No. 236



Date: 15 July 2015
Doha

Doha Insurance Company Q.S.C.

INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	<i>Notes</i>	30 June 2015 QR (Reviewed)	<i>31 December 2014 QR (Audited)</i>
ASSETS			
Cash and cash equivalents	3	346,659,128	467,475,244
Financial investments	4	622,143,925	597,950,822
Reinsurance contract assets	5	290,928,836	366,119,080
Insurance and other receivables		129,682,490	144,990,662
Investments in associates		8,828,458	8,297,288
Investment properties		159,553,381	23,816,399
Property and equipment		7,932,490	7,720,035
Asset held-for-sale		<u>65,474,510</u>	<u>65,474,510</u>
TOTAL ASSETS		<u>1,631,203,218</u>	<u>1,681,844,040</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	6	500,000,000	500,000,000
Legal reserve	7	318,385,903	318,385,903
Fair value reserve		138,257,450	126,492,841
Foreign currency translation reserve		(82,211)	(81,972)
Proposed cash dividends	8	-	50,000,000
Retained earnings		<u>124,326,083</u>	<u>79,832,900</u>
Total equity		<u>1,080,887,225</u>	<u>1,074,629,672</u>
Liabilities			
Insurance contract liabilities	5	436,472,884	494,335,487
Provisions, insurance and other payables		97,937,810	100,826,713
Employees' end of service benefits		<u>15,905,299</u>	<u>12,052,168</u>
Total liabilities		<u>550,315,993</u>	<u>607,214,368</u>
TOTAL EQUITY AND LIABILITIES		<u>1,631,203,218</u>	<u>1,681,844,040</u>

Nawaf Bin Nasser Bin Khaled Al Thani
Chairman

Bassam Hussein
Chief Executive Officer

The attached notes 1 to 16 form part of these interim condensed financial statements.

Doha Insurance Company Q.S.C.
INTERIM STATEMENT OF INCOME
For the six months period ended 30 June 2015

	Notes	Six months period ended	
		30 June	30 June
		2015	2014
		QR	QR
		(Reviewed)	(Reviewed)
Gross premiums		315,092,805	299,554,941
Reinsurers' share of gross premiums		(226,810,295)	(226,994,074)
Net premiums	9	88,282,510	72,560,867
Change in unexpired risk reserve		(12,505,676)	(2,913,832)
Earned insurance premiums	9	75,776,834	69,647,035
Commissions received		15,542,326	15,864,861
Change in deferred commissions		2,001,270	(88,540)
Total underwriting revenues	9	93,320,430	85,423,356
Claims paid	9	(47,128,479)	(81,630,171)
Reinsurers' share of claims	9	13,527,970	53,553,131
Change in outstanding claims reserve	9	(6,823,235)	(5,031,390)
Commissions paid	9	(5,169,773)	(3,964,773)
Other technical expenses	9	(684,073)	-
NET UNDERWRITING RESULTS	9	47,042,840	48,350,153
Dividend income		21,307,837	16,968,981
Interest income		3,642,228	2,058,892
Rental income from investment properties		2,847,768	2,846,876
Net gain on sale of financial investments		6,738,916	25,766,139
Share of results of an associate		911,940	445,743
Unrealised gain (loss) on held-for-trading investments		97,050	(2,138,738)
Impairment of financial investments		-	(1,500,000)
Other income		270,138	286,695
INVESTMENT AND OTHER INCOME		35,815,877	44,734,588
Salaries and other staff costs		26,213,797	21,149,622
General and administrative expenses	10	9,322,091	13,158,825
Depreciation of investment properties		688,244	688,244
Depreciation of property and equipment		887,930	815,203
TOTAL EXPENSES		37,112,062	35,811,894
PROFIT FOR THE PERIOD BEFORE ALLOCATION TO TAKAFUL BRANCH POLICYHOLDERS		45,746,655	57,272,847
Net surplus attributable to Takaful branch policyholders	16	(1,253,472)	(3,328,544)
PROFIT ATTRIBUTABLE TO SHAREHOLDERS		44,493,183	53,944,303
Basic and diluted earnings per share	11	0.89	1.37

The attached notes 1 to 16 form part of these interim condensed financial statements.

Doha Insurance Company Q.S.C.

INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months period ended 30 June 2015

	<i>Six month period ended</i>	
	<i>30 June 2015 QR (Reviewed)</i>	<i>30 June 2014 QR (Reviewed)</i>
Profit attributable to shareholders	44,493,183	53,944,303
Other comprehensive income		
Recognised gains on available-for-sale investments	5,190,569	24,085,461
Net movement in fair value of available-for-sale investments	6,574,040	(7,297,339)
Transfer to statement of income on impairment of available-for-sale investments	-	1,500,000
Exchange differences on translating foreign operations	(239)	17,646
Other comprehensive income for the period	11,764,370	18,305,768
Total comprehensive income for the period	56,257,553	72,250,071

Doha Insurance Company Q.S.C.

INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months period ended 30 June 2015

	Share capital QR	Legal reserve QR	Fair value reserve QR	Foreign currency translation reserve QR	Proposed cash dividends QR	Retained earnings QR	Total QR
Balance at 1 January 2015	500,000,000	318,385,903	126,492,841	(81,972)	50,000,000	79,832,900	1,074,629,672
Profit attributable to shareholders	-	-	-	-	-	44,493,183	44,493,183
Other comprehensive income (loss) for the period	-	-	11,764,609	(239)	-	-	11,764,370
Total comprehensive income (loss) for the period	-	-	11,764,609	(239)	-	44,493,183	56,257,553
Cash dividends paid (Note 8)	-	-	-	-	(50,000,000)	-	(50,000,000)
Balance at 30 June 2015 (Reviewed)	500,000,000	318,385,903	138,257,450	(82,211)	-	124,326,083	1,080,887,225
Balance at 1 January 2014	257,400,000	109,139,129	60,650,742	(80,742)	51,480,000	69,946,711	548,535,840
Profit attributable to shareholders	-	-	-	-	-	53,944,303	53,944,303
Other comprehensive income for the period	-	-	18,288,122	17,646	-	-	18,305,768
Total comprehensive income for the period	-	-	18,288,122	17,646	-	53,944,303	72,250,071
Increase in share capital	242,600,000	193,792,274	-	-	-	-	436,392,274
Cash dividends paid (Note 8)	-	-	-	-	(51,480,000)	-	(51,480,000)
Balance at 30 June 2014 (Reviewed)	500,000,000	302,931,403	78,938,864	(63,096)	-	123,891,014	1,005,698,185

The attached notes 1 to 16 form part of these interim condensed financial statements.

Doha Insurance Company Q.S.C.

INTERIM STATEMENT OF CASH FLOWS

For the six months period ended 30 June 2015

	Notes	Six month period ended	
		30 June 2015 QR (Reviewed)	30 June 2014 QR (Reviewed)
OPERATING ACTIVITIES			
Profit attributable to shareholders		44,493,183	53,944,303
<i>Adjustments for:</i>			
Depreciation of property and equipment		887,930	815,203
Depreciation of investment properties		688,244	688,244
Provision for employees' end of service benefits		4,025,685	2,571,521
Impairment of insurance and other receivables	10	500,000	3,500,000
Unrealised (gain) loss on held for trading investments		(2,573,143)	458,060
Share of results of associates		(911,940)	(445,743)
Reinsurers' share of unearned premium		25,598,037	6,308,277
Movement in unearned premium		(13,092,361)	(9,222,109)
Net gain from sale of financial investments		(6,835,966)	(24,085,461)
Dividend income		(21,307,837)	(16,968,981)
Interest income		(3,642,228)	(2,058,892)
Gain on disposal of property and equipment		-	(41,500)
Impairment of financial investments		-	1,500,000
Operating profit before changes in operating assets and liabilities		27,829,604	16,962,922
Decrease (increase) in insurance and other receivables		14,898,491	(43,195,796)
Decrease in insurance reserves		4,821,965	10,947,585
(Decrease) increase in provisions, insurance and other payables		(2,979,222)	23,683,656
Cash generated from operations		44,570,838	8,398,367
Employees' end of service benefits paid		(172,554)	-
Net cash generated from operating activities		44,398,284	8,398,367
INVESTING ACTIVITIES			
Purchase of financial investments		(91,267,291)	(244,505,427)
Proceeds from disposal of financial investments		88,247,906	133,776,980
Dividend received		21,307,837	16,968,981
Interest received		3,642,228	2,058,892
Purchase of investment properties		(136,425,226)	-
Purchase of property and equipment		(1,100,385)	(342,822)
Proceeds from return of investment in an associate		380,531	-
Proceeds from disposal of property and equipment		-	163,499
Net cash used in investing activities		(115,214,400)	(91,879,897)
FINANCING ACTIVITIES			
Dividends paid	8	(50,000,000)	(51,480,000)
Payment of contribution to social and sports activities fund		-	(1,676,154)
Proceeds from rights issue		-	436,392,274
Net cash (used in) from financing activities		(50,000,000)	383,236,120
(DECREASE) INCREASE IN CASH AND BANK BALANCES		(120,816,116)	299,754,590
Cash and bank balances at 1 January		467,475,244	187,153,577
CASH AND BANK BALANCES AT 30 JUNE	3	346,659,128	486,908,167

The attached notes 1 to 16 form part of these interim condensed financial statements.

1 ACTIVITIES

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 2 October 1999 and is engaged in the business of insurance and reinsurance in Qatar. The shares of the Company are listed on Qatar Exchange.

During the year 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 financial information of the Branch are disclosed in Note 16 to the interim condensed financial statements.

The interim condensed financial statements of the Company for the six months period ended 30 June 2015 include the results of the Company and the Branch.

These interim condensed financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 15 July 2015.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed financial statements of the Company for the six months period ended 30 June 2015 have been prepared in accordance with the International Financial Reporting Standards 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 contain all information and disclosures required for the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 December 2015. In addition, the results for the six-month period ended 30 June 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015.

2.2 New and amended standards and interpretations

The following new and amended accounting standards became effective in 2015 and have been adopted by the Company in preparation of these interim condensed financial statements as applicable. While they did not have any material impact on these interim condensed financial statements, they may require additional disclosures in the annual financial statements for the year ending 31 December 2015.

- Defined Benefit Plans: Employee Contributions (Amendment to IAS 19)
- Annual Improvements 2010 - 2012 Cycle
- Annual Improvements 2011 - 2013 Cycle

These new standards and amendments affected presentation only and had no impact on the Company's financial position or performance.

2.3 Standards issued but not yet effective

The following new accounting standards have been issued but are not yet effective. The Company is currently evaluating the impact of these standards.

<i>Standard</i>	<i>Content</i>
IFRS 9	Financial Instruments (Effective 1 January 2018)
IFRS 14	Regulatory Deferral Accounts (Effective 1 January 2016)
IFRS 15	Revenue from Contracts with Customers (Effective 1 January 2017)
Amendments to IFRS 11: Joint Arrangements	Accounting for Acquisition of Interests (Effective 1 January 2016)
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation (Effective 1 January 2016)
Amendments to IAS 27	Equity Method in Separate Financial Statements (Effective 1 January 2016)

3 CASH AND BANK BALANCES

	<i>30 June 2015 QR (Reviewed)</i>	<i>31 December 2014 QR (Audited)</i>
Bank balances and short term deposits	346,374,497	467,299,889
Cash on hand	<u>284,631</u>	<u>175,355</u>
	<u>346,659,128</u>	<u>467,475,244</u>

Cash and bank balances include fixed deposits amounting to QR 270,926,500 (31 December 2014: QR 388,199,246) bearing interest rate ranging from 1.65% to 2.0% (2014: 0.65% to 1.6%) per annum and maturing within a period of 1 to 3 months.

4 FINANCIAL INVESTMENTS

The carrying amounts of financials investments were as follows:

	<i>30 June 2015 QR (Reviewed)</i>	<i>31 December 2014 QR (Audited)</i>
<i>Investments held at fair value through profit or loss</i>		
- Quoted shares	9,009,844	15,869,580
<i>Available-for-sale investments:</i>		
- Quoted shares	511,546,754	479,545,678
- Unquoted funds and shares	72,155,495	70,975,374
- Debt securities with fixed interest rate	<u>29,431,832</u>	<u>31,560,190</u>
	<u>622,143,925</u>	<u>597,950,822</u>

The debt securities carry interest rate ranging from 3 % to 6% per annum and has a maturity period of 5 to 10 years. None of these assets had been impaired at the end of the reporting period.

5 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS

	<i>2015</i> <i>QR</i> <i>(Reviewed)</i>	<i>2014</i> <i>QR</i> <i>(Audited)</i>
Gross		
Insurance contract liabilities:		
Claims reported unsettled	223,277,890	267,817,133
Claims incurred but not reported	14,638,330	13,066,165
Unearned premiums	194,234,759	207,129,014
Deferred commissions	4,321,905	6,323,175
Total insurance contract liabilities	<u>436,472,884</u>	<u>494,335,487</u>
Recoverable from reinsurers:		
Claims reported unsettled	160,017,515	209,807,828
Unearned premiums	130,911,321	156,311,252
Total insurance contract assets	<u>290,928,836</u>	<u>366,119,080</u>
Net		
Claims reported unsettled	63,260,375	58,009,305
Claims incurred but not reported	14,638,330	13,066,165
Unearned premiums	63,323,438	50,817,762
Deferred commissions	4,321,905	6,323,175
	<u>145,544,048</u>	<u>128,216,407</u>

Doha Insurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2015

5 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS

(a) Outstanding claims provision

	30 June 2015 (Reviewed)		31 December 2014 (Audited)		
	Gross QR	Reinsurers' share QR	Net QR	Reinsurers' share QR	Net QR
At 1 January					
Claims	267,817,133	(209,807,828)	58,009,305	(409,134,733)	53,731,668
Claims incurred but not reported	13,066,165	-	13,066,165	-	10,625,755
	280,883,298	(209,807,828)	71,075,470	(409,134,733)	64,357,423
Insurance claims paid during the period/year	(47,128,479)	13,527,970	(33,600,509)	95,424,998	(55,170,016)
Incurred during the period/year	4,161,401	36,262,343	40,423,744	103,901,907	61,888,063
	237,916,220	(160,017,515)	77,898,705	(209,807,828)	71,075,470

(b) Provision for unearned premiums

	30 June 2015 (Reviewed)		31 December 2014 (Audited)			
	Insurance contract liabilities QR	Reinsurance contract assets QR	Net QR	Insurance contract liabilities QR	Reinsurance contract assets QR	Net QR
At 1 January						
Gross premiums during the period/year	207,129,014	(156,311,252)	50,817,762	(161,298,967)	42,083,871	
Earned insurance premiums during the period/year	315,092,805	(226,810,295)	88,282,510	(403,053,662)	130,661,655	
	(327,987,060)	252,210,226	(75,776,834)	408,041,377	(121,927,764)	
At the end of the period/year	194,234,759	130,911,321	63,323,438	207,129,014	156,311,252	50,817,762

Doha Insurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2015

5 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (continued)

	30 June 2015 (Reviewed)		31 December 2014 (Audited)	
	Insurance contract liabilities QR	Reinsurance contract assets QR	Insurance contract liabilities QR	Reinsurance contract assets QR
(c) Deferred commissions				
At 1 January	6,323,175	-	8,667,457	-
Gross/ceded change in contract liabilities	(2,001,270)	-	(2,344,282)	-
At the end of the period/year	<u>4,321,905</u>	<u>-</u>	<u>6,323,175</u>	<u>-</u>
				Net QR
				<u>8,667,457</u>
				<u>(2,344,282)</u>
				<u>6,323,175</u>

Doha Insurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2015

6 SHARE CAPITAL

	<i>Issued and fully paid up 30 June 2015 QR (Reviewed)</i>	<i>Issued and fully paid up 31 December 2014 QR (Audited)</i>
Share capital (QR)	<u>500,000,000</u>	<u>500,000,000</u>
Number of shares of QR 10 each	<u>50,000,000</u>	<u>50,000,000</u>

7 LEGAL RESERVE

As required by Qatar Commercial Companies Law No. 11 of 2015, the excess of the nominal amount of the shares issued during the previous year amounting to QR 193,792,274 has been credited to the legal reserve. The legal reserve is not available for distribution except in circumstances specified in the Commercial Law.

During 2014, as a result of the rights issue, the Company's legal reserve exceeds 50% of the share capital. However, in accordance with Qatar Central Bank's Law No. 33 of 2006 as amended, 10% of net profit for the year is required to be transferred to legal reserve until the legal reserve equals 100% of the paid up capital.

The Company did not make any transfer from the profit of the period as the required amount will be transferred by year end.

8 DIVIDENDS

The Board of Directors decided in its meeting held on 25 January 2015 and proposed to the General Assembly to approve a cash dividend of 10% of the share capital amounting to QR 1 per share totaling to QR 50,000,000 for the year ended 31 December 2014. The proposed dividend was approved by the shareholders during the General Assembly and was settled during the period (2014: QR 2 per share totaling to QR 51,480,000).

Doha Insurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2015

9 NET UNDERWRITING RESULTS

	Motor		Marine and Aviation		Fire and General Accident		Total	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	QR	QR	QR	QR	QR	QR	QR	QR
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Gross premiums	74,103,312	51,167,308	75,783,171	92,028,183	165,206,322	156,359,450	315,092,805	299,554,941
Reinsurers' share of gross premiums	(13,037,846)	(5,693,690)	(66,474,478)	(83,712,096)	(147,297,971)	(137,588,288)	(226,810,295)	(226,994,074)
Net premiums	61,065,466	45,473,618	9,308,693	8,316,087	17,908,351	18,771,162	88,282,510	72,560,867
Change in unexpired risk reserve	(3,767,373)	(1,494,579)	(5,379,435)	(569,973)	(3,358,868)	(849,280)	(12,505,676)	(2,913,832)
Earned insurance premiums	57,298,093	43,979,039	3,929,258	7,746,114	14,549,483	17,921,882	75,776,834	69,647,035
Commissions received	730,247	317,080	5,035,503	4,366,203	9,776,576	11,181,578	15,542,326	15,864,861
Change in deferred commissions	1,018,588	349,954	(484,343)	134,820	1,467,025	(573,314)	2,001,270	(88,540)
Total underwriting revenues	59,046,928	44,646,073	8,480,418	12,247,137	25,793,084	28,530,146	93,320,430	85,423,356
Claims paid	(32,844,415)	(23,793,252)	(1,142,087)	(3,878,742)	(13,141,977)	(53,958,177)	(47,128,479)	(81,630,171)
Reinsurers' share of claims	2,186,450	917,886	890,322	3,412,997	10,451,198	49,222,248	13,527,970	53,553,131
Change in outstanding claims reserve	(4,952,799)	(5,167,600)	(460,210)	142,592	(1,410,226)	(6,382)	(6,823,235)	(5,031,390)
Commissions paid	(1,925,698)	(683,625)	(485,034)	(296,473)	(2,759,041)	(2,984,675)	(5,169,773)	(3,964,773)
Other technical expenses	(654,362)	-	(800)	-	(28,911)	-	(684,073)	-
Net underwriting results	20,856,104	15,919,482	7,282,609	11,627,511	18,904,127	20,803,160	47,042,840	48,350,153

Doha Insurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2015

10 GENERAL AND ADMINISTRATIVE EXPENSES

	<i>30 June 2015 QR (Reviewed)</i>	<i>30 June 2014 QR (Reviewed)</i>
Board of Directors' remuneration (Note 14)	2,750,000	3,500,000
Rent, maintenance and office expenses	1,938,910	2,373,556
Advertisement and business promotion	1,312,091	1,520,325
Legal and consultation fees	576,844	1,041,091
Impairment of insurance and other receivables	500,000	3,500,000
Government fees	354,726	285,667
Business travel	249,526	344,664
Printing and stationery	187,259	236,862
Miscellaneous expenses	1,452,735	356,660
	<u>9,322,091</u>	<u>13,158,825</u>

11 EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the profit attributable to the shareholders by the weighted average number of ordinary shares outstanding during the period.

	<i>30 June 2015 QR (Reviewed)</i>	<i>30 June 2014 QR (Reviewed)</i>
Profit attributable to the shareholders (QR)	<u>44,493,183</u>	<u>53,944,303</u>
Weighted average number of shares outstanding during the period	<u>50,000,000</u>	<u>39,472,550</u>
Basic earnings per share (QR)	<u>0.89</u>	<u>1.37</u>

The weighted average number of shares for the period ended 30 June 2015 and 2014 has been calculated as follows:

	<i>30 June 2015 QR (Reviewed)</i>	<i>30 June 2014 QR (Reviewed)</i>
Weighted average number of shares at 1 January	50,000,000	25,740,000
Effects of rights issue	-	13,732,550
Weighted average number of shares at 30 June	<u>50,000,000</u>	<u>39,472,550</u>

12 CLASSIFICATION AND FAIR VALUES

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable and willing parties on an arm's length basis. Since the accompanying interim condensed financial statements have been prepared under the historical cost convention, carrying values of certain financial instruments as recorded could therefore be different from the fair value. However, in the opinion of management, the fair values of the financial assets and liabilities are not considered significantly different from their book values as most of these items are either short-term in nature or re-valued frequently.

Fair value hierarchy:

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

30 June 2015 (Reviewed)	<i>Note</i>	<i>Level 1 QR (Reviewed)</i>	<i>Level 2 QR (Reviewed)</i>	<i>Level 3 QR (Reviewed)</i>	<i>Total QR (Reviewed)</i>
<i>Assets measured at fair value</i>					
Financial investments	4	520,556,598	86,288,215	-	606,844,817
<i>31 December 2014 (Audited)</i>					
	<i>Note</i>	<i>Level 1 QR (Audited)</i>	<i>Level 2 QR (Audited)</i>	<i>Level 3 QR (Audited)</i>	<i>Total QR (Audited)</i>
<i>Assets measured at fair value</i>					
Financial investments	4	495,415,258	82,406,207	-	577,821,469

13 SEGMENT INFORMATION

For management purposes, the Company is organised into three business segments, marine and aviation, motor and fire and general accident. These segments are the basis on which the Company reports its primary segment information. Other operations of the Company comprise investment and cash management for the Company's own account. There are no transactions between segments.

The data with respect to segment information is disclosed in note 9 to the interim condensed financial statements.

The Company operates in the State of Qatar only. The associate companies operate in the State of Qatar and Republic of Yemen.

Doha Insurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2015

13 SEGMENT INFORMATION (continued)

	30 June 2015 (Reviewed)		31 December 2014 (Audited)	
	Conventional insurance QR	Takaful insurance QR	Conventional insurance QR	Takaful insurance QR
Asset				
Total assets	1,575,876,899	55,326,319	1,631,203,218	1,681,844,040
Liabilities				
Insurance contract liabilities	(403,123,831)	(33,349,053)	(436,472,884)	(494,335,487)
Net surplus attributable to Islamic Takaful policyholders	-	(6,462,188)	(6,462,188)	(5,208,716)
Liabilities (other than insurance contract liabilities)	(96,865,843)	(10,515,078)	(107,380,921)	(107,670,165)
Net assets	1,075,887,225	5,000,000	1,080,887,225	1,074,629,672

14 RELATED PARTY DISCLOSURES

Related parties represent major shareholders, directors and key management personnel of the Company and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

Related party transactions

Transactions with related parties included in the interim statement of income are as follows:

	<i>30 June 2015 (Reviewed)</i>		<i>31 December 2014 (Audited)</i>	
	<i>Premiums QR</i>	<i>Claims QR</i>	<i>Premiums QR</i>	<i>Claims QR</i>
Major shareholders	<u>5,714,318</u>	<u>119,832</u>	<u>6,821,640</u>	<u>732,621</u>

Related party balances

Balances with related parties included in the interim statement of financial position are as follows:

	<i>30 June 2015 (Reviewed)</i>		<i>31 December 2014 (Audited)</i>	
	<i>Receivables QR</i>	<i>Claims and payables QR</i>	<i>Receivables QR</i>	<i>Claims and payables QR</i>
Major shareholders	<u>4,153,856</u>	<u>1,045,098</u>	<u>1,741,466</u>	<u>991,323</u>

Compensation of key management personnel

The remuneration of directors and other members of key management during the period was as follows:

	<i>30 June 2015 QR (Reviewed)</i>	<i>30 June 2014 QR (Reviewed)</i>
Board of Directors' remuneration	<u>2,750,000</u>	<u>3,500,000</u>
Short-term benefits	<u>1,096,000</u>	<u>1,794,000</u>
End of service and other benefits	<u>7,565,000</u>	<u>3,984,000</u>
	<u>11,411,000</u>	<u>9,278,000</u>

15 CONTINGENCIES AND COMMITMENTS**Guarantees**

At 30 June 2015, 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 5,404,871 (31 December 2014: QR 2,904,885).

Legal claims

The Company is subject to litigation in the normal course of its business. The Company, based on independent 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.

Doha Insurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2015

16 ISLAMIC TAKAFUL BRANCH OF DOHA INSURANCE COMPANY Q.S.C.

The interim statement of financial position and interim statement of income of the Branch are presented below:

(i) Interim statement of financial position for the period/ year

	<i>30 June 2015 QR (Reviewed)</i>	<i>31 December 2014 QR (Audited)</i>
PARTICIPANTS' OPERATIONS ASSETS		
Cash on hand	4,596	5,193
Bank balances (Islamic banks)	33,013,879	28,784,825
Reinsurance contract assets	3,745,386	7,865,023
Due from policyholders	7,922,238	8,236,333
Due from insurance and reinsurance companies	6,801,810	9,324,041
Prepayments and other assets	3,601,248	30,081
Property and equipment	237,162	267,256
TOTAL ASSETS	55,326,319	54,512,752
PARTICIPANTS' FUNDS AND LIABILITIES		
Participants' fund		
Participants' account	11,462,188	10,208,716
Liabilities		
Insurance contract liabilities	33,349,053	35,216,570
Provisions, insurance and other payables	10,515,078	9,087,466
Total liabilities	43,864,131	44,304,036
TOTAL PARTICIPANTS' FUND AND LIABILITIES	55,326,319	54,512,752

(ii) Interim statement of income for the period

	<i>Six month period ended</i>	
	<i>30 June 2015 QR (Reviewed)</i>	<i>30 June 2014 QR (Reviewed)</i>
PARTICIPANTS' REVENUES AND EXPENSES		
REVENUE		
Net Takaful revenue	1,229,046	3,716,546
Other income	210,587	176,805
	1,439,633	3,893,351
EXPENSES		
General and administrative expenses	(186,161)	(546,365)
Depreciation expense	-	(18,442)
TOTAL TAKAFUL EXPENSES	(186,161)	(564,807)
NET SURPLUS FOR THE PERIOD TRANSFERRED TO PARTICIPANTS' FUND	1,253,472	3,328,544