

**Qatar General Insurance and
Reinsurance Company S.A.Q.**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

31 MARCH 2014

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF QATAR GENERAL INSURANCE & REINSURANCE COMPANY S.A.Q.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Qatar General Insurance and Reinsurance Company S.A.Q. (the "Company") and its subsidiaries, (together referred to as the "Group"), as at 31 March 2014, comprising of the interim consolidated statement of financial position as at 31 March 2014 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 – *Interim Financial Reporting* ("IAS 34"). 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 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 and consequently 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 IAS 34.

Ziad Nader
of Ernst & Young
Auditor's Registration No. 258

Date: 23 April 2014
Doha

Qatar General Insurance and Reinsurance Company S.A.Q.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2014

		31 March 2014	31 December 2013
	Notes	QR '000 (Unaudited)	QR '000 (Audited)
Assets			
Property and equipment		67,194	63,626
Investment properties	3	4,277,239	4,277,199
Equity accounted investees	4	398,757	392,366
Financial assets:			
Available-for-sale financial assets	5(a)	1,097,001	1,023,184
Financial assets at fair value through profit or loss	5(b)	185,860	171,623
Receivables from related parties	5(c)	8,747	9,141
Insurance receivables	5(d)	259,038	228,843
Reinsurance assets		528,950	483,770
Takaful participants' assets	6(a)	231,905	205,119
Other assets	7	123,014	117,650
Cash and cash equivalents	8	87,951	151,083
Total assets		7,265,656	7,123,604
Equity and liabilities			
Equity attributable to equity holders of the Parent			
Issued share capital	9	691,753	576,461
Retained earnings		3,069,733	3,224,192
Legal reserve		348,497	348,497
Revaluation reserves	10	701,954	628,433
		4,811,937	4,777,583
Non-controlling interests		1,974	1,847
Total equity		4,813,911	4,779,430
Liabilities			
Insurance contract liabilities	12	761,771	688,322
Financial liabilities:			
Borrowings		1,020,357	982,994
Derivative financial instruments	13	39,479	39,129
Payables to a related party	14	108	53
Insurance payables	15	280,700	295,653
Employees' end-of-service benefits	16	29,470	28,908
Takaful participants' liabilities	6(a)	231,905	205,119
Other liabilities	17	87,955	103,996
Total liabilities		2,451,745	2,344,174
Total equity and liabilities		7,265,656	7,123,604

.....
Nasser Bin Ali Bin Saud Al Thani
Chairman and Managing Director

.....
Jamal Kamel Abu Nahl
Chief Executive Officer and Board Member

The attached notes 1 to 33 form part of these interim condensed consolidated financial statements.

Qatar General Insurance and Reinsurance Company S.A.Q.

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the Three Months Ended 31 March 2014

		Three months ended 31 March 2014	Three months ended 31 March 2013
	Notes	QR '000 (Unaudited)	QR '000 (Unaudited)
Gross written premiums	19(a)	197,558	196,265
Change in unearned premiums provision	19(a)	<u>(59,565)</u>	<u>(47,553)</u>
Gross earned premiums	19(a)	137,993	148,712
Premiums ceded to reinsurers	19(b)	<u>(87,840)</u>	<u>(97,302)</u>
Net earned premiums		50,153	51,410
Fees and commission income	20	5,196	1,811
Investment income	21	40,943	39,263
Net realised gains	22	317	14,106
Fair value gains	23	14,237	3,133
Other operating revenue	24	<u>3,798</u>	<u>2,589</u>
Other revenue		64,491	60,902
Total revenue		114,644	112,312
Gross claims paid	25(a)	(46,090)	(49,558)
Claims ceded to reinsurers	25(b)	14,392	15,831
Gross change in insurance contract liabilities	25(c)	(13,884)	29,998
Change in insurance contract liabilities ceded to reinsurers	25(d)	<u>8,061</u>	<u>(33,224)</u>
Net claims		(37,521)	(36,953)
Finance costs	26	(9,416)	(3,850)
Other operating and administrative expenses	27	<u>(27,854)</u>	<u>(26,267)</u>
Other expenses		(37,270)	(30,117)
Total expenses		<u>(74,791)</u>	<u>(67,070)</u>
Profit before share of profits of associates		39,853	45,242
Share of profits of associates		<u>7,576</u>	<u>(975)</u>
Profit for the period		<u>47,429</u>	<u>44,267</u>
Profit attributable to:			
Equity holders of the Parent		47,302	44,143
Non-controlling interests		<u>127</u>	<u>124</u>
		<u>47,429</u>	<u>44,267</u>
Earnings per share			
Basic and diluted profit for the period attributable to ordinary equity holders of the Parent (in Qatari Riyals per share)	28	<u>0.68</u>	<u>0.64</u>

The attached notes 1 to 33 form part of these interim condensed consolidated financial statements.

Qatar General Insurance and Reinsurance Company S.A.Q.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Three Months Ended 31 March 2014

	Three months ended 31 March 2014	Three months ended 31 March 2013
	QR '000 (Unaudited)	QR '000 (Unaudited)
Profit for the period	47,429	44,267
Other comprehensive income		
Exchange differences on translating foreign operations	(2,024)	-
Net loss on cash flow hedging	(350)	-
Net gain on available-for-sale financial assets	<u>75,895</u>	<u>17,710</u>
Other comprehensive income for the period	73,521	17,710
Total comprehensive income for the period	<u>120,950</u>	<u>61,977</u>
Total comprehensive income attributable to:		
Equity holders of the Parent	120,823	61,853
Non-controlling interests	<u>127</u>	<u>124</u>
	<u>120,950</u>	<u>61,977</u>

The attached notes 1 to 33 form part of these interim condensed consolidated financial statements.

Qatar General Insurance and Reinsurance Company S.A.Q.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Three Months Ended 31 March 2014

Equity attributable to equity holders of the Parent											
	Notes	Issued share capital	Retained earnings	Legal reserve	Revaluation reserves			Total	Non-controlling interests	Total equity	
					Available-for-sale financial assets	Revaluation surplus	Cash flow hedging				Foreign currency translation reserve
		QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	
At 1 January 2014		576,461	3,224,192	348,497	637,549	77,355	(39,129)	(47,342)	4,777,583	1,847	4,779,430
Profit for the period		-	47,302	-	-	-	-	-	47,302	127	47,429
Other comprehensive income		-	-	-	75,824	-	(350)	(1,953)	73,521	-	73,521
Total comprehensive income		-	47,302	-	75,824	-	(350)	(1,953)	120,823	127	120,950
Bonus shares issued during the period	9	115,292	(115,292)	-	-	-	-	-	-	-	-
Dividends paid during the period	11	-	(86,469)	-	-	-	-	-	(86,469)	-	(86,469)
At 31 March 2014		691,753	3,069,733	348,497	713,373	77,355	(39,479)	(49,295)	4,811,937	1,974	4,813,911

The attached notes 1 to 33 form part of these interim condensed consolidated financial statements.

Qatar General Insurance and Reinsurance Company S.A.Q.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Three Months Ended 31 March 2014

Equity attributable to equity holders of the Parent										
Notes	Issued share capital	Retained earnings	Legal reserve	Revaluation reserves				Total	Non-controlling interests	Total equity
				Available-for-sale financial assets	Revaluation surplus	Cash flow hedging	Foreign currency translation reserve			
	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000
At 1 January 2013	501,270	1,433,648	135,399	506,979	77,355	(51,029)	(26,742)	2,576,880	1,295	2,578,175
Profit for the period	-	44,143	-	-	-	-	-	44,143	124	44,267
Other comprehensive income	-	-	-	17,710	-	-	-	17,710	-	17,710
Total comprehensive income	-	44,143	-	17,710	-	-	-	61,853	124	61,977
Bonus shares issued during the period	9	75,191	(75,191)	-	-	-	-	-	-	-
Dividends paid during the period	11	-	(50,127)	-	-	-	-	(50,127)	-	(50,127)
At 31 March 2013	<u>576,461</u>	<u>1,352,473</u>	<u>135,399</u>	<u>524,689</u>	<u>77,355</u>	<u>(51,029)</u>	<u>(26,742)</u>	<u>2,588,606</u>	<u>1,419</u>	<u>2,590,025</u>

The attached notes 1 to 33 form part of these interim condensed consolidated financial statements.

Qatar General Insurance and Reinsurance Company S.A.Q.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the Three Months Ended 31 March 2014

		Three months ended 31 March 2014	Three months ended 31 March 2013
	Notes	QR '000 (Unaudited)	QR '000 (Unaudited)
Operating activities			
Profit for the period		47,429	44,267
<i>Adjustment for:</i>			
Net change in operating assets	29	(80,369)	(282)
Net change in operating liabilities	29	42,508	9,604
<i>Non-cash items included in profit for the period</i>			
Fair value gains	23	(14,237)	(3,133)
Impairment losses (recoveries)	27	25	(25)
Share of (profits) losses of associates	4	(7,576)	975
Gain from sale of property and equipment		(15)	-
Depreciation of property and equipment		1,056	1,183
Employees' end-of-service benefits		562	366
Net cash flows (used in) from operating activities		<u>(10,617)</u>	<u>52,955</u>
Investing activities			
Net movement in available-for-sale financial assets		2,007	15,900
Purchase of property and equipment		(4,633)	(342)
Proceeds from sale of property and equipment		24	-
Purchase of investment properties	3	(40)	(9,595)
Investments in equity accounted investees	4	(768)	-
Net cash flows (used in) from investing activities		<u>(3,410)</u>	<u>5,963</u>
Financing activities			
Movement in bank loans		32,491	11,270
Finance costs paid on bank loans	26	(9,020)	(3,484)
Dividends paid to equity holders of the Parent	11	(86,469)	(50,127)
Net cash flows used in financing activities		<u>(62,998)</u>	<u>(42,341)</u>
Net (decrease) increase in cash and cash equivalents		(77,025)	16,577
Cash and cash equivalents at the beginning of the period		154,676	42,256
Cash and cash equivalents at the end of the period	8	<u>77,651</u>	<u>58,833</u>
Operational cash flows from interest and dividends			
Interest paid	26	9,029	3,559
Interest received		2,403	2,312
Dividends received		36,380	34,047

The attached notes 1 to 33 form part of these interim condensed consolidated financial statements.

Qatar General Insurance and Reinsurance Company S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended 31 March 2014

1 CORPORATE INFORMATION

Qatar General Insurance and Reinsurance Company S.A.Q. (the “Company” or the “Parent Company”) is a public shareholding company incorporated by Emiri Decree No. 52 of 1978 under commercial registry number 7200 and governed by the provisions of the Qatar Commercial Companies’ Law No. 5 of 2002. The Company and its subsidiaries (together referred to as the “Group”) are engaged in the business of general insurance and reinsurance including Islamic Takaful insurance, real estate and investment management. The shares of the Company are listed on the Qatar Exchange.

The Company has seven local branches in Qatar and one overseas branch in United Arab Emirates (in Dubai). The interim condensed consolidated financial statements incorporate the financial statements of the Company and its subsidiaries and the Group’s interest in the associates. The subsidiaries are:

Name of the subsidiary	Ownership	Country of incorporation	Principal activities
Qatar General Holding Company S.P.C.	100%	State of Qatar	Primarily engaged in managing investments of the Group.
General Takaful Company S.P.C.	100%	State of Qatar	Primarily engaged in Islamic insurance.
General Real Estate Company S.P.C.	100%	State of Qatar	Primarily engaged in real estate investment and management.
World Trade Center S.P.C.	100%	State of Qatar	Official recognized licensee of the World Trade Center Association.
Mazoon Insurance Marketing Services S.P.C.	100%	State of Qatar	Insurance marketing services.
Mazoon Real Estate Company W.L.L.	50%	State of Qatar	Real estate investment and development.
General Water and Beverages Company W.L.L.	60%	State of Qatar	Water bottling and foodstuff trading.

These interim condensed consolidated financial statements of the Group for the three months period ended 31 March 2014 were authorized for issue by the Board of Directors on 23 April 2014.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements for the three months ended 31 March 2014 have been prepared in accordance with IAS 34 “Interim Financial Reporting” and have been presented in Qatar Riyals which is the Company’s functional and presentation currency and all values are rounded to the nearest thousands (QR’000) except where otherwise indicated.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2013. In addition, results for the three months ended 31 March 2014 are not necessarily indicative of the results that maybe expected for the financial year ending 31 December 2014.

In preparing these condensed consolidated interim financial information, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2013.

Group financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2013.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Changes in accounting policies and disclosures

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 31 December 2013, except for the new standards and interpretations effective as of 1 January 2014. However, they do not impact the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group.

The nature and the impact of each new standard or amendment is described below:

Investment Entities - Amendments to IFRS 10, IFRS 12 and IAS 27

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 Consolidated Financial Statements. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact on the Group.

Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32

These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These amendments have no impact on the Group.

Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments have no impact on the Group as the Group has not novated its derivatives during the current or prior periods.

Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36

These amendments remove the unintended consequences of IFRS 13 Fair Value Measurement on the disclosures required under IAS 36 Impairment of Assets. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which an impairment loss has been recognised or reversed during the period.

IFRIC 21 Levies

IFRIC 21 is applicable to all levies other than outflows that are within the scope of other standards (e.g., IAS 12) and fines or other penalties for breaches of legislation. The interpretation clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability is recognized before the specified minimum threshold is reached. This interpretation has no impact on the Group.

3 INVESTMENT PROPERTIES

	31 March 2014	31 December 2013
	QR '000 (Unaudited)	QR '000 (Audited)
At 1 January	4,277,199	2,139,173
Additions	40	96,745
Reclassifications	-	39,449
Fair value gains	-	2,001,832
At the end of the period/year	<u>4,277,239</u>	<u>4,277,199</u>

Qatar General Insurance and Reinsurance Company S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended 31 March 2014

4 EQUITY ACCOUNTED INVESTEEES

	31 March 2014	31 December 2013
	QR '000 (Unaudited)	QR '000 (Audited)
At 1 January	392,366	288,903
Equity accounted investees	768	11,668
Increase in investment in equity accounted investee	-	98,616
Share of profits of associates	7,576	24,646
Dividends received from equity accounted investees	-	(10,867)
Exchange differences on translating foreign operations	(1,953)	(20,600)
At the end of the period/year	<u>398,757</u>	<u>392,366</u>

5 FINANCIAL ASSETS

		31 March 2014	31 December 2013
	Notes	QR '000 (Unaudited)	QR '000 (Audited)
Available-for-sale financial assets	(a)	1,097,001	1,023,184
Financial assets at fair value through profit or loss	(b)	185,860	171,623
Receivables from related parties	(c)	8,747	9,141
Insurance receivables	(d)	259,038	228,843
		<u>1,550,646</u>	<u>1,432,791</u>

(a) Available-for-sale financial assets

	31 March 2014	31 December 2013
	QR '000 (Unaudited)	QR '000 (Audited)
Equity securities	913,777	835,851
Debt securities	144,192	148,112
Managed funds	39,032	39,221
	<u>1,097,001</u>	<u>1,023,184</u>

Available-for-sale investee carried at cost amounts to QR 2.99 million (2013: QR 2.92 million).

Qatar General Insurance and Reinsurance Company S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended 31 March 2014

5 FINANCIAL ASSETS (continued)

(b) Financial assets at fair value through profit or loss

	31 March 2014	31 December 2013
	QR '000 (Unaudited)	QR '000 (Audited)
Equity securities	185,860	171,623

(c) Receivables from related parties

	31 March 2014	31 December 2013
	QR '000 (Unaudited)	QR '000 (Audited)
Trust Insurance Company – Amman	3,798	3,798
Gulf Petroleum Limited	3,571	3,571
International Financial Securities	7	7
Others	1,371	1,765
	8,747	9,141

(d) Insurance receivables

	31 March 2014	31 December 2013
	QR '000 (Unaudited)	QR '000 (Audited)
Due from policyholders	204,304	202,222
Due from insurers and reinsurers	41,470	16,053
Due from agents, brokers and intermediaries	5,125	4,794
Claims recoveries	8,139	5,774
	259,038	228,843

(e) Determination of fair value and fair values hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within Level 1 of the fair value hierarchy whereby the fair value is determined according to quoted market prices in an active market (that are unadjusted) for identical assets or liabilities (Note 32).

Qatar General Insurance and Reinsurance Company S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended 31 March 2014

6 TAKAFUL PARTICIPANTS' FUND ACCOUNTS

(a) Statement of financial position – Policyholders

	31 March 2014	31 December 2013
	QR '000	QR '000
	(Unaudited)	(Audited)
Assets		
Investment properties	98,383	98,383
Furniture and equipment	3,119	2,720
Available-for-sale financial assets	30,090	28,288
Receivables from related parties	2,480	12,232
Insurance receivables	48,719	38,159
Reinsurance assets	24,298	13,705
Other assets	7,384	7,140
Cash and cash equivalents	17,432	4,492
	231,905	205,119
Liabilities		
Insurance contract liabilities	178,970	151,813
Payables to a related party	830	604
Insurance payables	30,625	24,870
Employees' end-of-service benefits	3,512	3,393
Other liabilities	6,925	9,739
Fair value reserve	1,163	(640)
	222,025	189,779
Surplus at the end of the period/year	9,880	15,340
	231,905	205,119

(b) Statement of comprehensive income – Policyholders

	Three months ended 31 March 2014	Three months ended 31 March 2013
	QR '000	QR '000
	(Unaudited)	(Audited)
Gross written contributions	66,717	46,783
Reinsurance cessions	(10,981)	(4,225)
Wakala fee	(10,008)	(7,020)
Retained contributions	45,728	35,538
Unearned contribution adjustment	(10,201)	(10,080)
Commission expense, net	(3,664)	(1,245)
Other income	65	44
Net contributions	31,928	24,257
Claims paid	(36,774)	(26,691)
Claims recovered	4,596	3,664
Reinsurance cessions	957	453
Outstanding claims adjustment	(6,362)	(6,833)
Net claims	(37,583)	(29,407)
Insurance losses	(5,655)	(5,150)
Other income	195	132
Deficit for the period	(5,460)	(5,018)

Qatar General Insurance and Reinsurance Company S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Three Months Ended 31 March 2014

7 OTHER ASSETS

		31 March 2014	31 December 2013
	Note	QR '000 (Unaudited)	QR '000 (Audited)
Staff receivables		1,201	1,097
Prepayments		1,752	921
Accrued interest		3,099	1,884
Advance payments against investments		68,621	63,452
Other receivables	(a)	48,341	50,296
		123,014	117,650

(a) Other receivables include an amount of QR 13.67 million (2013: QR 13.67 million) which represents amounts due from the disposal of the Group's investment in the Lebanese Canadian Bank in 2011.

8 CASH AND CASH EQUIVALENTS

The cash and cash equivalents position for cash flow purposes, net of the Group overdraft is as follows:

		31 March 2014	31 December 2013
		QR '000 (Unaudited)	QR '000 (Audited)
Cash and cash equivalents		87,951	151,083
(Bank overdrafts) cash facilities		(10,300)	3,593
		77,651	154,676

9 ISSUED SHARE CAPITAL

Authorized, issued and fully paid up share capital of 69,175,260 shares of QR 10 each (2013: 57,646,050 shares of QR 10 each).

		31 March 2014	31 December 2013
		QR '000 (Unaudited)	QR '000 (Audited)
		691,753	576,461

During the year, the Group issued 11,529,210 bonus shares of QR 10 each (2013: 7,519,050 shares of QR 10 each).

Qatar General Insurance and Reinsurance Company S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended 31 March 2014

10 REVALUATION RESERVES

		31 March 2014	31 December 2013
	Notes	QR '000 (Unaudited)	QR '000 (Audited)
Available-for-sale financial assets	(a)	713,373	637,549
Revaluation surplus	(b)	77,355	77,355
Cash flow hedging	(c)	(39,479)	(39,129)
Foreign currency translation reserve	(d)	(49,295)	(47,342)
		<u>701,954</u>	<u>628,433</u>

(a) Available-for-sale financial assets

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired. The movement in the balances are as follows:

	31 March 2014	31 December 2013
	QR '000 (Unaudited)	QR '000 (Audited)
At 1 January	637,549	506,979
Fair value change during the period/year	75,824	152,219
Transferred to consolidated statement of income on sale of investments	-	(21,649)
At the end of the period/year	<u>713,373</u>	<u>637,549</u>

(b) Revaluation surplus

One of the associate companies of the Group has revalued its properties and a revaluation surplus was directly recognized in the statement of other comprehensive income of the associate. The Group has recognized its proportionate share of the revaluation surplus amounting to QR 77.36 million, in equity under the revaluation reserve.

(c) Cash flow hedging

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedges related to hedge transactions that have not yet affected profit or loss.

(d) Foreign currency translation reserve

The translation reserve comprises of all foreign currency differences arising from the translation of investments in foreign associates, at the closing exchange rates.

11 DIVIDENDS

Cash dividend of 15% of the nominal share value (QR 1.50 per share) and a bonus share of 20% of the share capital for the year ended 31 December 2013 were approved and paid (2012: cash dividend of 10% of the nominal share value (QR 1 per share) and a bonus share of 15% of the share capital were approved and paid).

Qatar General Insurance and Reinsurance Company S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended 31 March 2014

12 INSURANCE CONTRACT LIABILITIES

	31 March 2014			31 December 2013			
	Insurance contract liabilities	Reinsurance of liabilities	Net	Insurance contract liabilities	Reinsurance of liabilities	Net	
	Notes	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Audited)	QR '000 (Audited)	
Provision for reported claims by policyholders		417,556	(327,287)	90,269	403,671	(319,226)	84,445
Provision for claims IBNR		53,075	(25,444)	27,631	53,076	(25,444)	27,632
Outstanding claims provision	(a)	470,631	(352,731)	117,900	456,747	(344,670)	112,077
Provision for unearned premiums	(b)	291,140	(176,219)	114,921	231,575	(139,100)	92,475
		<u>761,771</u>	<u>(528,950)</u>	<u>232,821</u>	<u>688,322</u>	<u>(483,770)</u>	<u>204,552</u>

(a) Outstanding claims provision

	31 March 2014			31 December 2013			
	Insurance contract liabilities	Reinsurance of liabilities	Net	Insurance contract liabilities	Reinsurance of liabilities	Net	
	Note	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Audited)	QR '000 (Audited)	
At 1 January		456,747	(344,670)	112,077	433,595	(337,405)	96,190
Gross/ ceded change in contract liabilities	25	13,884	(8,061)	5,823	23,152	(7,265)	15,887
At the end of the period/year		<u>470,631</u>	<u>(352,731)</u>	<u>117,900</u>	<u>456,747</u>	<u>(344,670)</u>	<u>112,077</u>

Qatar General Insurance and Reinsurance Company S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended 31 March 2014

12 INSURANCE CONTRACT LIABILITIES (continued)

(b) Provision for unearned premiums

	31 March 2014			31 December 2013			
	Insurance contract liabilities	Reinsurance of liabilities	Net	Insurance contract liabilities	Reinsurance of liabilities	Net	
	Note	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Audited)	QR '000 (Audited)	QR '000 (Audited)
At 1 January		231,575	(139,100)	92,475	189,472	(98,804)	90,668
Premiums written during the period/year	19	197,558	(124,959)	72,599	560,255	(352,459)	207,796
Premiums earned during the period/year	19	(137,993)	87,840	(50,153)	(518,152)	312,163	(205,989)
At the end of the period/year		291,140	(176,219)	114,921	231,575	(139,100)	92,475

Qatar General Insurance and Reinsurance Company S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended 31 March 2014

13 DERIVATIVE FINANCIAL INSTRUMENTS

	31 March 2014			31 December 2013		
	Assets	Liabilities	Notional amount	Assets	Liabilities	Notional amount
	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Audited)	QR '000 (Audited)	QR '000 (Audited)
Derivatives held as cash flow hedges:						
Interest rate swap	-	39,479	492,750	-	39,129	456,250
Derivatives held as trading:						
Put options	-	-	-	-	-	4,944

Interest rate swaps

The Group entered into interest rate swap contracts designated as a hedge of expected future LIBOR interest rate payable. Under the terms of the interest rate swap contracts, the Group pays a fixed rate of interest and receives floating LIBOR rates. The terms of the interest rate swap contracts have been negotiated to match the terms of the underlying commitments. As at 31 March 2014, the measurement of the fair value of the hedge resulted in an amount of QR 39.48 million (2013: QR 39.13 million) being recognized in equity as a cash flow hedge reserve.

Options

Options are contractual agreements that convey the right, but not the obligation, for the purchaser either to buy or sell a specified amount of a financial instrument at a fixed price, either at a fixed future date or at any time within a specified period.

The Group purchases and sells options through regulated exchanges and in the over-the-counter markets. Options purchased by the Group provide the Group with the opportunity to purchase (call options) or sell (put options) the underlying asset at an agreed-upon value either on or before the expiration of the option. The Group is exposed to credit risk on purchased options only to the extent of their carrying amount, which is their fair value.

Options written by the Group provide the purchaser the opportunity to purchase from or sell to the Group the underlying asset at an agreed-upon value either on or before the expiration of the option.

The put options expired in January 2014 and were not exercised.

Qatar General Insurance and Reinsurance Company S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended 31 March 2014

14 PAYABLES TO A RELATED PARTY

	31 March 2014	31 December 2013
	QR '000 (Unaudited)	QR '000 (Audited)
Trust Insurance Company – Bahrain	108	53

15 INSURANCE PAYABLES

	31 March 2014	31 December 2013
	QR '000 (Unaudited)	QR '000 (Audited)
Due to policyholders	114,811	139,785
Due to insurers and reinsurers	149,251	140,097
Due to agents, brokers and intermediaries	16,638	15,771
	280,700	295,653

16 EMPLOYEES' END-OF-SERVICE BENEFITS

	31 March 2014	31 December 2013
	QR '000 (Unaudited)	QR '000 (Audited)
At 1 January	28,908	26,875
Provided during the period/year	624	2,560
Paid during the period/year	(62)	(527)
At the end of the period/year	29,470	28,908

17 OTHER LIABILITIES

	31 March 2014	31 December 2013
	QR '000 (Unaudited)	QR '000 (Audited)
Staff payables	7,359	5,272
Accrued interest	1,704	3,210
Accrued expenses	3,474	8,751
Other payables	75,418	86,763
	87,955	103,996

Qatar General Insurance and Reinsurance Company S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended 31 March 2014

18 SEGMENT INFORMATION

Segment interim consolidated statement of financial position at 31 March 2014:

	Conventional insurance	Takaful insurance	Investments including real estate	Adjustments and eliminations	Total
	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)
Assets					
Property and equipment	15,353	-	51,841	-	67,194
Investment properties	43,366	34,178	4,199,695	-	4,277,239
Equity accounted investees	4,843	-	393,914	-	398,757
Investments in subsidiaries	130,000	-	-	(130,000)	-
Financial assets:					
Available-for-sale financial assets	664,254	16,155	416,592	-	1,097,001
Financial assets at fair value through profit or loss	118,969	-	66,891	-	185,860
Receivables from related parties	4,371	-	4,376	-	8,747
Insurance receivables	259,038	-	-	-	259,038
Reinsurance assets	528,950	-	-	-	528,950
Takaful participants' assets	-	231,905	-	-	231,905
Other assets	1,469,775	2,007	(1,348,768)	-	123,014
Cash and cash equivalents	64,786	17,432	5,733	-	87,951
Total assets	3,303,705	301,677	3,790,274	(130,000)	7,265,656

Qatar General Insurance and Reinsurance Company S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended 31 March 2014

18 SEGMENT INFORMATION (continued)

Segment interim consolidated statement of financial position at 31 March 2014 (continued):

	Conventional insurance	Takaful insurance	Investments including real estate	Adjustments and eliminations	Total
	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)
Equity and liabilities					
Equity attributable to equity holders of Parent					
Issued share capital	691,753	30,000	100,000	(130,000)	691,753
Retained earnings	289,285	28,621	2,873,590	(121,763)	3,069,733
Legal reserve	348,497	-	-	-	348,497
Revaluation reserves	398,414	4,600	177,177	121,763	701,954
	<u>1,727,949</u>	<u>63,221</u>	<u>3,150,767</u>	<u>(130,000)</u>	<u>4,811,937</u>
Non-controlling interests	-	-	1,974	-	1,974
Total equity	<u>1,727,949</u>	<u>63,221</u>	<u>3,152,741</u>	<u>(130,000)</u>	<u>4,813,911</u>
Liabilities					
Insurance contract liabilities	761,771	-	-	-	761,771
Financial liabilities:					
Borrowings	494,292	-	526,065	-	1,020,357
Derivative financial instruments	-	-	39,479	-	39,479
Payables to a related party	108	-	-	-	108
Insurance payables	280,700	-	-	-	280,700
Employees' end-of-service benefits	26,694	-	2,776	-	29,470
Takaful participants' liabilities	-	231,905	-	-	231,905
Other liabilities	12,191	6,551	69,213	-	87,955
Total liabilities	<u>1,575,756</u>	<u>238,456</u>	<u>637,533</u>	<u>-</u>	<u>2,451,745</u>
Total equity and liabilities	<u>3,303,705</u>	<u>301,677</u>	<u>3,790,274</u>	<u>(130,000)</u>	<u>7,265,656</u>

Qatar General Insurance and Reinsurance Company S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended 31 March 2014

18 SEGMENT INFORMATION (continued)

Segment consolidated statement of financial position at 31 December 2013:

	Conventional insurance	Takaful insurance	Investments including real estate	Adjustments and eliminations	Total
	QR '000 (Audited)	QR '000 (Audited)	QR '000 (Audited)	QR '000 (Audited)	QR '000 (Audited)
Assets					
Property and equipment	13,874	-	49,752	-	63,626
Investment properties	43,367	34,178	4,199,654	-	4,277,199
Equity accounted investees	4,074	-	388,292	-	392,366
Investments in subsidiaries	130,000	-	-	(130,000)	-
Financial assets:					
Available-for-sale financial assets	618,540	14,697	389,947	-	1,023,184
Financial assets at fair value through profit or loss	110,028	-	61,595	-	171,623
Receivables from related parties	4,371	-	4,770	-	9,141
Insurance receivables	228,843	-	-	-	228,843
Reinsurance assets	483,770	-	-	-	483,770
Takaful participants' assets	-	205,119	-	-	205,119
Other assets	1,458,448	5,436	(1,346,234)	-	117,650
Cash and cash equivalents	127,897	20,142	3,044	-	151,083
Total assets	3,223,212	279,572	3,750,820	(130,000)	7,123,604

Qatar General Insurance and Reinsurance Company S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended 31 March 2014

18 SEGMENT INFORMATION (continued)

Segment consolidated statement of financial position at 31 December 2013 (continued):

	Conventional insurance	Takaful insurance	Investments including real estate	Adjustments and eliminations	Total
	QR '000 (Audited)	QR '000 (Audited)	QR '000 (Audited)	QR '000 (Audited)	QR '000 (Audited)
Equity and liabilities					
Equity attributable to equity holders of Parent					
Issued share capital	576,461	30,000	100,000	(130,000)	576,461
Retained earnings	474,048	15,159	2,856,748	(121,763)	3,224,192
Legal reserve	348,497	-	-	-	348,497
Revaluation reserves	347,053	3,142	156,475	121,763	628,433
	<u>1,746,059</u>	<u>48,301</u>	<u>3,113,223</u>	<u>(130,000)</u>	<u>4,777,583</u>
Non-controlling interests	-	-	1,847	-	1,847
Total equity	<u>1,746,059</u>	<u>48,301</u>	<u>3,115,070</u>	<u>(130,000)</u>	<u>4,779,430</u>
Liabilities					
Insurance contract liabilities	688,322	-	-	-	688,322
Financial liabilities:					
Borrowings	462,255	-	520,739	-	982,994
Derivative financial instruments	-	-	39,129	-	39,129
Payables to a related party	53	-	-	-	53
Insurance payables	295,653	-	-	-	295,653
Employees' end-of-service benefits	26,202	-	2,706	-	28,908
Takaful participants' liabilities	-	205,119	-	-	205,119
Other liabilities	4,668	26,152	73,176	-	103,996
Total liabilities	<u>1,477,153</u>	<u>231,271</u>	<u>635,750</u>	<u>-</u>	<u>2,344,174</u>
Total equity and liabilities	<u>3,223,212</u>	<u>279,572</u>	<u>3,750,820</u>	<u>(130,000)</u>	<u>7,123,604</u>

Qatar General Insurance and Reinsurance Company S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended 31 March 2014

18 SEGMENT INFORMATION (continued)

Segment interim consolidated statement of income for the three months ended 31 March 2014:

	Conventional insurance	Takaful insurance	Investments including real estate	Adjustments and eliminations	Total
	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)
Gross written premiums	197,558	-	-	-	197,558
Change in unearned premiums provision	(59,565)	-	-	-	(59,565)
Gross earned premiums	137,993	-	-	-	137,993
Premiums ceded to reinsurers	(87,840)	-	-	-	(87,840)
Net earned premiums	50,153	-	-	-	50,153
Fees and commission income	5,196	-	-	-	5,196
Investment income	21,448	116	19,841	(462)	40,943
Net realised gains	317	-	-	-	317
Fair value gains	8,941	-	5,296	-	14,237
Other operating revenue	502	3,296	-	-	3,798
Other revenue	36,404	3,412	25,137	(462)	64,491
Total revenue	86,557	3,412	25,137	(462)	114,644

Qatar General Insurance and Reinsurance Company S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended 31 March 2014

18 SEGMENT INFORMATION (continued)

Segment interim consolidated statement of income for the three months ended 31 March 2014 (continued):

	Conventional insurance	Takaful insurance	Investments including real estate	Adjustments and eliminations	Total
	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)
Gross claims paid	(46,090)	-	-	-	(46,090)
Claims ceded to reinsurers	14,392	-	-	-	14,392
Gross change in insurance contract liabilities	(13,884)	-	-	-	(13,884)
Change in contract liabilities ceded to reinsurers	8,061	-	-	-	8,061
Net claims	(37,521)	-	-	-	(37,521)
Finance costs	(951)	(161)	(8,304)	-	(9,416)
Other operating and administrative expenses	(20,876)	-	(7,440)	462	(27,854)
Other expenses	(21,827)	(161)	(15,744)	462	(37,270)
Total expenses	(59,348)	(161)	(15,744)	462	(74,791)
Profit before share of profits of associates	27,209	3,251	9,393	-	39,853
Share of profits of associates	-	-	7,576	-	7,576
Profit for the period	27,209	3,251	16,969	-	47,429

Qatar General Insurance and Reinsurance Company S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended 31 March 2014

18 SEGMENT INFORMATION (continued)

Segment interim consolidated statement of income for the three months ended 31 March 2013:

	Conventional insurance	Takaful insurance	Investments including real estate	Adjustments and eliminations	Total
	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)
Gross written premiums	196,265	-	-	-	196,265
Change in unearned premiums provision	(47,553)	-	-	-	(47,553)
Gross earned premiums	148,712	-	-	-	148,712
Premiums ceded to reinsurers	(97,302)	-	-	-	(97,302)
Net earned premiums	51,410	-	-	-	51,410
Fees and commission income	1,811	-	-	-	1,811
Investment income	20,248	-	19,477	(462)	39,263
Net realised gains	1,679	1,316	7,823	3,288	14,106
Fair value gains	2,442	-	691	-	3,133
Other operating revenue	242	2,347	-	-	2,589
Other revenue	26,422	3,663	27,991	2,826	60,902
Total revenue	77,832	3,663	27,991	2,826	112,312

Qatar General Insurance and Reinsurance Company S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended 31 March 2014

18 SEGMENT INFORMATION (continued)

Segment interim consolidated statement of income for the three months ended 31 March 2013 (continued):

	Conventional insurance	Takaful insurance	Investments including real estate	Adjustments and eliminations	Total
	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)
Gross claims paid	(49,558)	-	-	-	(49,558)
Claims ceded to reinsurers	15,831	-	-	-	15,831
Gross change in insurance contract liabilities	29,998	-	-	-	29,998
Change in contract liabilities ceded to reinsurers	(33,224)	-	-	-	(33,224)
Net claims	(36,953)	-	-	-	(36,953)
Finance costs	(1,330)	(95)	(2,425)	-	(3,850)
Other operating and administrative expenses	(19,599)	-	(7,130)	462	(26,267)
Other expenses	(20,929)	(95)	(9,555)	462	(30,117)
Total expenses	(57,882)	(95)	(9,555)	462	(67,070)
Profit before share of profits of associates	19,950	3,568	18,436	3,288	45,242
Share of profits of associates	-	-	(975)	-	(975)
Profit for the period	19,950	3,568	17,461	3,288	44,267

Qatar General Insurance and Reinsurance Company S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended 31 March 2014

19 NET EARNED PREMIUMS

(a) Gross earned premiums

		Three months ended 31 March 2014	Three months ended 31 March 2013
	Note	QR '000 (Unaudited)	QR '000 (Unaudited)
Insurance contracts	12(b)	197,558	196,265
Change in unearned premiums provision		<u>(59,565)</u>	<u>(47,553)</u>
	12(b)	<u>137,993</u>	<u>148,712</u>

(b) Premiums ceded to reinsurers

		Three months ended 31 March 2014	Three months ended 31 March 2013
	Note	QR '000 (Unaudited)	QR '000 (Unaudited)
Insurance contracts	12(b)	(124,959)	(119,662)
Change in unearned premiums provision		<u>37,119</u>	<u>22,360</u>
	12(b)	<u>(87,840)</u>	<u>(97,302)</u>
Net earned premiums		<u>50,153</u>	<u>51,410</u>

20 FEES AND COMMISSION INCOME

		Three months ended 31 March 2014	Three months ended 31 March 2013
		QR '000 (Unaudited)	QR '000 (Unaudited)
Reinsurance commission income		5,084	1,717
Policyholders administration fees		<u>112</u>	<u>94</u>
		<u>5,196</u>	<u>1,811</u>

Qatar General Insurance and Reinsurance Company S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended 31 March 2014

21 INVESTMENT INCOME

	Three months ended 31 March 2014	Three months ended 31 March 2013
	QR '000	QR '000
	(Unaudited)	(Unaudited)
Investment properties		
Rental income	2,160	2,904
Financial assets at fair value through profit or loss		
Dividend income	8,370	5,670
Available-for-sale financial assets		
Interest income	2,119	2,020
Dividend income	28,010	28,377
Cash and cash equivalents		
Interest income	284	292
	40,943	39,263

22 NET REALISED GAINS

	Three months ended 31 March 2014	Three months ended 31 March 2013
	QR '000	QR '000
	(Unaudited)	(Unaudited)
Available-for-sale financial assets		
Equity securities net of impairment	316	12,434
Debt securities	1	1,672
	317	14,106

23 FAIR VALUE GAINS

	Three months ended 31 March 2014	Three months ended 31 March 2013
	QR '000	QR '000
	(Unaudited)	(Unaudited)
Fair value gains on financial assets at fair value through profit or loss other than derivatives	14,237	3,133

Qatar General Insurance and Reinsurance Company S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended 31 March 2014

24 OTHER OPERATING REVENUE

	Three months ended 31 March 2014	Three months ended 31 March 2013
	QR '000 (Unaudited)	QR '000 (Unaudited)
Shareholder's income from Takaful operations	3,296	242
Miscellaneous income	502	2,347
	<u>3,798</u>	<u>2,589</u>

25 NET CLAIMS

	Three months ended 31 March 2014	Three months ended 31 March 2013
Note	QR '000 (Unaudited)	QR '000 (Unaudited)
(a) Gross claims paid		
Gross claims paid	52,412	55,571
Claims recovered	<u>(6,322)</u>	<u>(6,013)</u>
	<u>46,090</u>	<u>49,558</u>
(b) Claims ceded to reinsurers		
Claims ceded to reinsurers	<u>(14,392)</u>	<u>(15,831)</u>
(c) Gross change in insurance contract liabilities		
Provision for reported claims by policyholders	12(a) <u>13,884</u>	<u>(29,998)</u>
(d) Change in insurance contract liabilities ceded to reinsurers		
Provision for reported claims by policyholders	12(a) <u>(8,061)</u>	<u>33,224</u>
Net claims	<u>37,521</u>	<u>36,953</u>

26 FINANCE COSTS

	Three months ended 31 March 2014	Three months ended 31 March 2013
	QR '000 (Unaudited)	QR '000 (Unaudited)
Interest expense	9,020	3,484
Interest on reinsurance premium reserves	9	75
	<u>9,029</u>	<u>3,559</u>
Bank charges	<u>387</u>	<u>291</u>
	<u>9,416</u>	<u>3,850</u>

Qatar General Insurance and Reinsurance Company S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended 31 March 2014

27 OTHER OPERATING AND ADMINISTRATIVE EXPENSES

	Three months ended 31 March 2014	Three months ended 31 March 2013
	QR '000	QR '000
	(Unaudited)	(Unaudited)
Employee benefits expenses	20,270	19,811
Depreciation of property and equipment	1,056	1,183
Board of Directors' remuneration	1,000	1,380
Occupancy expenses	999	802
Consultancy expenses	723	244
Travel expenses	464	207
Marketing expenses	261	279
Net foreign exchange adjustments	101	(191)
Impairment losses (recoveries)	25	(25)
Other expenses	2,955	2,577
	27,854	26,267

28 EARNINGS PER SHARE

	Three months ended 31 March 2014	Three months ended 31 March 2013
	QR '000	QR '000
	(Unaudited)	(Unaudited)
Profit attributable to the ordinary equity holders of the Parent	47,302	44,143
Weighted average number of shares	69,175	69,175
Earnings per share (in Qatari Riyals)	0.68	0.64

Qatar General Insurance and Reinsurance Company S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended 31 March 2014

29 CASH GENERATED FROM OPERATING ASSETS AND LIABILITIES

	31 March 2014	31 March 2013
	QR '000	QR '000
	(Unaudited)	(Unaudited)
Net change in receivables from related parties	(394)	(3,812)
Net change in insurance receivables	30,220	4,632
Net change in reinsurance assets	45,180	(12,734)
Net change in other assets	5,363	12,196
Net change in operating assets	80,369	282
Net change in insurance contract liabilities	73,449	15,681
Net change in payables to a related party	55	-
Net change in insurance payables	(14,953)	16,904
Net change in other liabilities	(16,043)	(22,981)
Net change in operating liabilities	42,508	9,604

30 RELATED PARTY DISCLOSURES

Related party transactions

Related parties consist of shareholders, related companies and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Compensation of key management personnel

The compensation of key management personnel during the period were as follows:

	Three months ended 31 March 2014	Three months ended 31 March 2013
	QR '000	QR '000
	(Unaudited)	(Unaudited)
Board of Directors' remuneration	1,000	1,380
Salaries and other short-term benefits	8,667	11,779
End-of-service benefits	96	90
	9,763	13,249

Related party balances

The receivables from and payables to related parties are disclosed in Note 5(c) and Note 14, respectively. These amounts are unsecured, interest free and settlement normally occurs in cash. There have been no guarantees provided or received for any related party balances.

Qatar General Insurance and Reinsurance Company S.A.Q.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended 31 March 2014

31 CONTINGENT LIABILITIES AND CONTRACT COMMITMENTS

	31 March 2014	31 March 2013
	QR '000	QR '000
	(Unaudited)	(Audited)
Contingent liabilities:		
Letters of guarantee	12,075	11,430

Contract commitments:

The Group entered into a construction contract for the construction of the World Trade Centre Tower in the State of Qatar. The total contract commitment is QR 520 million, of which QR 468 million (2013: QR 468 million) has been paid as at the reporting date. The outstanding commitment amounts to QR 52 million (2013: QR 52 million).

32 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 consolidated 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)

		Level 1	Level 2	Level 3	Total
	Notes	QR '000	QR '000	QR '000	QR '000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
31 March 2014					
Financial assets					
Available-for-sale	5 (a)	1,072,384	21,624	-	1,094,008
Fair value through profit or loss	5 (b)	185,860	-	-	185,860
		1,258,244	21,624	-	1,279,868
Financial liability					
Derivative financial instruments	13	-	39,479	-	39,479
31 December 2013					
Financial assets					
Available-for-sale	5 (a)	998,464	21,800	-	1,020,264
Fair value through profit or loss	5 (b)	171,623	-	-	171,623
		1,170,087	21,800	-	1,191,887
Financial liability					
Derivative financial instruments	13	-	39,129	-	39,129

33 RECLASSIFICATION OF COMPARATIVE AMOUNTS

Certain comparative figures have been reclassified to conform to the presentation in the current period's interim consolidated financial statements. However, such reclassifications did not have any effect on the net profit and equity of the comparative period.