

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

**INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

31 MARCH 2015

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS 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 2015, comprising of the interim consolidated statement of financial position as at 31 March 2015 and the related interim consolidated statements of profit or loss, 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: 18 April 2015
Doha

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

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

		31 March 2015	31 December 2014
	Notes	QR '000 (Unaudited)	QR '000 (Audited)
Assets			
Property and equipment		69,725	70,220
Investment properties	3	5,006,012	5,005,196
Equity accounted investees		345,818	370,711
Financial assets:			
Available-for-sale financial assets		1,107,413	1,176,331
Financial assets at fair value through profit or loss		184,664	199,396
Receivables from related parties	4	704	804
Insurance receivables		239,224	198,331
Reinsurance assets	9	575,440	545,776
Takaful participants' assets	5 (a)	239,656	298,464
Other assets		190,596	186,882
Cash and cash equivalents	6	206,953	501,627
Total assets		8,166,205	8,553,738
Equity and liabilities			
Equity attributable to equity holders of the Parent			
Issued share capital	7	795,515	691,753
Retained earnings		3,680,453	3,844,630
Legal reserve		440,499	440,499
Revaluation reserves		618,169	698,919
		5,534,636	5,675,801
Non-controlling interests		2,131	2,114
Total equity		5,536,767	5,677,915
Liabilities			
Insurance contract liabilities	9	811,361	769,321
Financial liabilities:			
Borrowings		1,087,202	1,303,680
Derivative financial instruments		37,023	34,853
Payables to related parties	10	3,280	3,360
Insurance payables		255,907	272,445
Employees' end-of-service benefits		27,135	27,584
Takaful participants' liabilities	5 (a)	239,656	298,464
Other liabilities		167,874	166,116
Total liabilities		2,629,438	2,875,823
Total equity and liabilities		8,166,205	8,553,738

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

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Jamal Kamel Abu Nahl
Chief Executive Officer and Board Member

The attached notes 1 to 17 form an integral part of these interim condensed consolidated financial statements.

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

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the Three Months Period Ended 31 March 2015

		31 March 2015	31 March 2014
	Notes	QR '000 (Unaudited)	QR '000 (Unaudited)
Gross premiums	9 (b)	202,932	197,558
Change in unearned premiums provision		<u>(57,278)</u>	<u>(59,565)</u>
Gross earned premiums	9 (b)	145,654	137,993
Premiums ceded to reinsurers	9 (b)	<u>(101,369)</u>	<u>(87,840)</u>
Net earned premiums		44,285	50,153
Fees and commission income		7,386	8,441
Investment income		94,362	40,943
Net realised gains on investments		3,584	317
Fair value (losses) gains		(14,732)	14,237
Other operating revenue		<u>1,069</u>	<u>553</u>
Other revenue		91,669	64,491
Total revenue		135,954	114,644
Gross claims paid		(44,444)	(46,090)
Claims ceded to reinsurers		16,827	14,392
Gross change in insurance contract liabilities	9 (a)	15,238	(13,884)
Change in insurance contract liabilities ceded to reinsurers	9 (a)	<u>(3,753)</u>	<u>8,061</u>
Net claims		<u>(16,132)</u>	<u>(37,521)</u>
Finance costs		(10,638)	(9,416)
Other operating and administrative expenses		<u>(36,112)</u>	<u>(27,854)</u>
Other expenses		<u>(46,750)</u>	<u>(37,270)</u>
Total expenses		<u>(62,882)</u>	<u>(74,791)</u>
Profit before share of profits of associates		73,072	39,853
Share of profits of associates		<u>4,881</u>	<u>7,576</u>
Profit for the period		<u><u>77,953</u></u>	<u><u>47,429</u></u>
Profit attributable to:			
Equity holders of the Parent		77,936	47,302
Non-controlling interests		<u>17</u>	<u>127</u>
		<u><u>77,953</u></u>	<u><u>47,429</u></u>
Earnings per share			
Basic and diluted profit for the period attributable to ordinary equity holders of the Parent (in Qatari Riyals per share)	12	<u><u>0.98</u></u>	<u><u>0.59</u></u>

The attached notes 1 to 17 form an integral 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 Period Ended 31 March 2015

	31 March 2015	31 March 2014
	QR '000	QR '000
	(Unaudited)	(Unaudited)
Profit for the period	77,953	47,429
Other comprehensive (loss) income		
Exchange differences on translating foreign operations	(29,634)	(2,024)
Net loss on cash flow hedging	(2,170)	(350)
Net (loss) gain on available-for-sale financial assets	(48,946)	75,895
Other comprehensive (loss) income for the period	(80,750)	73,521
Total comprehensive (loss) income for the period	(2,797)	120,950
Total comprehensive (loss) income attributable to:		
Equity holders of the Parent	(2,814)	120,823
Non-controlling interests	17	127
	(2,797)	120,950

The attached notes 1 to 17 form an integral 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 Period Ended 31 March 2015

Equity attributable to equity holders of the Parent										
Revaluation reserves										
	Issued share capital	Retained earnings	Legal reserve	Available- for-sale financial assets	Revaluation surplus	Cash flow hedging	Foreign currency translation reserve	Total ordinary shareholders' equity	Non- controlling interests	Total equity
Notes	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000
At 1 January 2015 (audited)	691,753	3,844,630	440,499	740,111	77,355	(34,853)	(83,694)	5,675,801	2,114	5,677,915
Profit for the period	-	77,936	-	-	-	-	-	77,936	17	77,953
Other comprehensive loss	-	-	-	(48,946)	-	(2,170)	(29,634)	(80,750)	-	(80,750)
Total comprehensive loss	-	77,936	-	(48,946)	-	(2,170)	(29,634)	(2,814)	17	(2,797)
Bonus shares issued during the period	7	103,762	-	-	-	-	-	-	-	-
Dividends paid during the period	8	-	(138,351)	-	-	-	-	(138,351)	-	(138,351)
At 31 March 2015 (unaudited)	795,515	3,680,453	440,499	691,165	77,355	(37,023)	(113,328)	5,534,636	2,131	5,536,767

The attached notes 1 to 17 form an integral part of these interim condensed consolidated financial statements.

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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the Three Months Period Ended 31 March 2015

Equity attributable to equity holders of the Parent											
	Notes	Issued share capital	Retained earnings	Legal reserve	Revaluation reserves			Foreign currency translation reserve	Total ordinary shareholders' equity	Non-controlling interests	Total equity
					Available-for-sale financial assets	Revaluation surplus	Cash flow hedging				
		QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000
At 1 January 2014 (audited)		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		-	-	-	75,895	-	(350)	(2,024)	73,521	-	73,521
Total comprehensive income		-	47,302	-	75,895	-	(350)	(2,024)	120,823	127	120,950
Bonus shares issued during the period	7	115,292	(115,292)	-	-	-	-	-	-	-	-
Dividends paid during the period	8	-	(86,469)	-	-	-	-	-	(86,469)	-	(86,469)
At 31 March 2014 (unaudited)		<u>691,753</u>	<u>3,069,733</u>	<u>348,497</u>	<u>713,444</u>	<u>77,355</u>	<u>(39,479)</u>	<u>(49,366)</u>	<u>4,811,937</u>	<u>1,974</u>	<u>4,813,911</u>

The attached notes 1 to 17 form an integral 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 Period Ended 31 March 2015

		31 March 2015	31 March 2014
	Notes	QR '000 (Unaudited)	QR '000 (Unaudited)
Operating activities			
Profit for the period		77,953	47,429
<i>Adjustment for:</i>			
Net change in operating assets	13	(74,121)	(80,369)
Net change in operating liabilities	13	27,180	42,508
<i>Non-cash items included in profit for the period:</i>			
Fair value losses (gains)		14,732	(14,237)
Impairment (reversals) losses		(50)	25
Share of profits of associates		(4,881)	(7,576)
Loss (gain) from sale of property and equipment		2	(15)
Depreciation of property and equipment		1,146	1,056
Employees' end-of-service benefits		(449)	562
Net cash flows from (used in) operating activities		41,512	(10,617)
Investing activities			
Purchase of property and equipment		(653)	(4,633)
Proceeds from sale of property and equipment		-	24
Purchase of investment properties	3	(816)	(40)
Investments in equity accounted investees		-	(768)
Dividends received from equity accounted investees		381	-
Net change in available-for-sale financial assets		19,732	2,007
Net cash flows from (used in) investing activities		18,644	(3,410)
Financing activities			
Movement on bank loans		(227,330)	32,491
Finance costs paid on bank loans		(10,156)	(9,020)
Dividends paid to equity holders of the Parent		(138,351)	(86,469)
Net cash flows used in financing activities		(375,837)	(62,998)
Net decrease in cash and cash equivalents		(315,681)	(77,025)
Cash and cash equivalents at the beginning of the period		503,568	154,676
Cash and cash equivalents at the end of the period	6	187,887	77,651
Operational cash flows from interest and dividends			
Interest paid		10,261	9,029
Interest received		4,268	2,403
Dividend received		44,917	36,380

The attached notes 1 to 17 form an integral 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 Period Ended 31 March 2015

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 – Qatar S.P.C.	100%	State of Qatar	Official recognized licensee of the World Trade Center Association.
Mozoon Insurance Marketing Services S.P.C.	100%	State of Qatar	Primarily engaged in insurance marketing services.
General Tower for Real Estate Investments S.P.C.	100%	State of Qatar	Primarily engaged in real estate investment and development.
General Company for Water and Beverages W.L.L.	60%	State of Qatar	Primarily engaged in water bottling and foodstuff trading.
Mozoon Real Estate Company W.L.L.	50%	State of Qatar	Primarily engaged in real estate investment and development.

The interim condensed consolidated financial statements of the Group for the three months period ended 31 March 2015 were authorized for issue by the Board of Directors on 18 April 2015.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements for the three months period ended 31 March 2015 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. 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 financial statements, and should be read in conjunction with the Group’s annual financial statements as at 31 December 2014. In addition, results for the three months ended 31 March 2015 are not necessarily indicative of the results that maybe expected for the financial year ending 31 December 2015.

In preparing these interim condensed consolidated financial statements, 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 2014.

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 2014.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 New standards, interpretations and amendments adopted by the Group

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 2014, except for the adoption of new standards and interpretations effective as of 1 January 2015. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. Although these new standards and amendments apply for the first time in 2015, they do not have a material impact on 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:

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. This amendment is not relevant to the Group, since none of the entities within the Group has defined benefit plans with contributions from employees or third parties.

Annual Improvements 2010-2012 Cycle

These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these interim condensed consolidated financial statements. They include:

IFRS 2 Share-based Payment

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition;
- A performance target must be met while the counterparty is rendering service;
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group;
- A performance condition may be a market or non-market condition; and
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

These amendments do not impact the Group's accounting policies.

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable). This is consistent with the Group's current accounting policy, and thus this amendment does not impact the Group's accounting policy.

IFRS 8 Operating Segments

The amendments are applied retrospectively and clarify that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar';
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 New standards, interpretations and amendments adopted by the Group (continued)

Annual Improvements 2010-2012 Cycle (continued)

IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that an asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. The Group did not record any revaluation adjustments during the current interim period.

IAS 24 *Related Party Disclosures*

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant for the Group as it does not receive any management services from other entities.

Annual Improvements 2011-2013 Cycle

These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these interim condensed consolidated financial statements. They include:

IFRS 3 *Business Combinations*

The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:

- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3;
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

The Company is not a joint arrangement, and thus this amendment is not relevant for the Group and its subsidiaries.

IFRS 13 *Fair Value Measurement*

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable). The Group does not apply the portfolio exception in IFRS 13.

IAS 40 *Investment Property*

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. In previous periods, the Group has relied on IFRS 3, not IAS 40, in determining whether an acquisition is of an asset or is a business acquisition. Thus, this amendment does not impact the accounting policy of the Group.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Period Ended 31 March 2015

3 INVESTMENT PROPERTIES

	31 March 2015	31 December 2014
	QR '000	QR '000
	(Unaudited)	(Audited)
At 1 January	5,005,196	4,277,199
Additions	816	62,004
Disposals	-	(31,814)
Fair value gains	-	697,807
At the end of the period/year	<u>5,006,012</u>	<u>5,005,196</u>

4 RECEIVABLES FROM RELATED PARTIES

	31 March 2015	31 December 2014
	QR '000	QR '000
	(Unaudited)	(Audited)
Nest Investments (Holdings) Ltd	588	253
Trust Syria Insurance	54	54
Trust Algeria Assurances and Reassurances	39	39
Trust Re – Bahrain	14	-
International Financial Securities	9	9
Trust International Insurance Company (Cyprus) Ltd	-	449
	<u>704</u>	<u>804</u>

Insurance receivables include amounts due from related parties as follows:

	31 March 2015	31 December 2014
	QR '000	QR '000
	(Unaudited)	(Audited)
Trust Re – Bahrain	91	91
Trust International Insurance Company (Cyprus) Ltd – Amman	83	83
Others	1	1
	<u>175</u>	<u>175</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Period Ended 31 March 2015

5 TAKAFUL PARTICIPANTS' FUND ACCOUNTS

(a) Statement of financial position – Policyholders

	31 March 2015	31 December 2014
	QR '000 (Unaudited)	QR '000 (Audited)
Assets		
Furniture and equipment	2,470	2,611
Investment properties	65,948	65,961
Financial assets:		
Available-for-sale financial assets	60,177	65,270
Receivables from shareholders	4,483	43,865
Takaful receivables	35,761	48,308
Retakaful assets	28,821	57,456
Other assets	11,313	6,160
Cash and cash equivalents	30,683	8,833
	239,656	298,464
Liabilities		
Takaful contract liabilities	203,491	222,034
Financial liabilities:		
Payables to a related party	298	266
Takaful payables	19,625	45,069
Employees' end-of-service benefits	4,663	3,777
Other liabilities	20,710	18,791
Fair value reserve	2,325	3,661
	251,112	293,598
(Deficit) surplus at the end of the period/year	(11,456)	4,866
	239,656	298,464

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Period Ended 31 March 2015

5 TAKAFUL PARTICIPANTS' FUND ACCOUNTS (CONTINUED)

(b) Statement of revenues and expenses – Policyholders

	31 March 2015	31 March 2014
	QR '000	QR '000
	(Unaudited)	(Audited)
Gross contributions	62,979	66,717
Change in unearned contributions provision	(2,858)	(25,626)
Gross earned contributions	60,121	41,091
Contributions ceded to retakaful companies	(6,798)	4,444
Net earned contributions	53,323	45,535
Fees and commission expense	(1,680)	(3,599)
Investment income	924	114
Other operating revenue	140	81
Other expenses	(616)	(3,404)
Total revenue	52,707	42,131
Gross claims paid	(82,972)	(32,178)
Claims ceded to retakaful companies	30,887	957
Gross change in takaful contract liabilities	21,401	(6,984)
Change in takaful contract liabilities ceded to retakaful companies	(28,898)	622
Net claims	(59,582)	(37,583)
(Deficit) surplus for the period before wakala fee	(6,875)	4,548
Wakala fee	(9,447)	(10,008)
Deficit for the period	(16,322)	(5,460)

6 CASH AND CASH EQUIVALENTS

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

	31 March 2015	31 December 2014
	QR '000	QR '000
	(Unaudited)	(Audited)
Cash and cash equivalents	206,953	501,627
Bank overdrafts	(19,066)	1,940
	187,887	503,567

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Period Ended 31 March 2015

7 ISSUED SHARE CAPITAL

Authorized, issued and fully paid up share capital of 79,551,549 shares of QR 10 each (2014: 69,175,260 shares of QR 10 each).

31 March 2015	31 December 2014
QR '000 (Unaudited)	QR '000 (Audited)
<u>795,515</u>	<u>691,753</u>

During the period, the Company issued 10,376,289 bonus shares of QR 10 each (2014: 11,529,210 shares of QR 10 each).

8 DIVIDENDS

During the period, cash dividend of 20% of the nominal share value (QR 2.00 per share) and a bonus share of 15% of the share capital for the year ended 31 December 2014 were approved and paid (2014: 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).

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Period Ended 31 March 2015

9 INSURANCE CONTRACT LIABILITIES

	31 March 2015			31 December 2014		
	Insurance contract liabilities	Reinsurance of insurance contract liabilities	Net	Insurance contract liabilities	Reinsurance of insurance contract liabilities	Net
	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Audited)	QR '000 (Audited)	QR '000 (Audited)
Provision for reported claims by policyholders	402,257	(302,754)	99,503	417,495	(306,507)	110,988
Provision for claims IBNR	64,198	(36,859)	27,339	64,198	(36,859)	27,339
Outstanding claims provision (a)	466,455	(339,613)	126,842	481,693	(343,366)	138,327
Provision for unearned premiums (b)	344,906	(235,827)	109,079	287,628	(202,410)	85,218
	<u>811,361</u>	<u>(575,440)</u>	<u>235,921</u>	<u>769,321</u>	<u>(545,776)</u>	<u>223,545</u>

(a) Outstanding claims provision

	31 March 2015			31 December 2014		
	Insurance contract liabilities	Reinsurance of insurance contract liabilities	Net	Insurance contract liabilities	Reinsurance of insurance contract liabilities	Net
	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Audited)	QR '000 (Audited)	QR '000 (Audited)
At 1 January	481,693	(343,366)	138,327	456,747	(344,670)	112,077
Gross / ceded change in contract liabilities	(15,238)	3,753	(11,485)	24,946	1,304	26,250
At the end of the period/year	<u>466,455</u>	<u>(339,613)</u>	<u>126,842</u>	<u>481,693</u>	<u>(343,366)</u>	<u>138,327</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Period Ended 31 March 2015

9 INSURANCE CONTRACT LIABILITIES (CONTINUED)

(b) Provision for unearned premiums

	31 March 2015			31 December 2014		
	Insurance contract liabilities	Reinsurance of insurance contract liabilities	Net	Insurance contract liabilities	Reinsurance of insurance contract liabilities	Net
	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Audited)	QR '000 (Audited)	QR '000 (Audited)
At 1 January	287,628	(202,410)	85,218	231,575	(139,100)	92,475
Premiums written during the period/year	202,932	(134,786)	68,146	616,454	(425,706)	190,748
Premiums earned during the period/year	(145,654)	101,369	(44,285)	(560,401)	362,396	(198,005)
At the end of the period/year	344,906	(235,827)	109,079	287,628	(202,410)	85,218

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10 PAYABLES TO RELATED PARTIES

	31 March 2015	31 December 2014
	QR '000 (Unaudited)	QR '000 (Audited)
Trust International Insurance Company (Cyprus) Ltd – Amman	2,024	1,949
Trust Re – Bahrain	-	148
Alsari Trading Company	1,256	1,263
	3,280	3,360

Insurance payables include amounts due to related parties as follows:

	31 March 2015	31 December 2014
	QR '000 (Unaudited)	QR '000 (Audited)
Trust International Insurance Company (Cyprus) Ltd – Amman	(5,360)	4,017
Trust Re – Bahrain	755	(952)
Others	(790)	(1,199)
	(5,395)	1,866

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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11 SEGMENT INFORMATION

Segment interim consolidated statement of profit or loss

For management reporting purposes, the Group is organised into two business segments - insurance and investments. These segments are on the basis on which the Group reports its operating segment information.

	31 March 2015			31 March 2014		
	Insurance	Investments	Total	Insurance	Investments	Total
	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Gross premiums	202,932	-	202,932	197,558	-	197,558
Change in unearned premiums provision	(57,278)	-	(57,278)	(59,565)	-	(59,565)
Gross earned premiums	145,654	-	145,654	137,993	-	137,993
Premiums ceded to reinsurers	(101,369)	-	(101,369)	(87,840)	-	(87,840)
Net earned premiums	44,285	-	44,285	50,153	-	50,153
Fees and commission income	7,386	-	7,386	8,441	-	8,441
Investment income	-	94,362	94,362	-	40,943	40,943
Net realised gains on investments	-	3,584	3,584	-	317	317
Fair value (losses) gains	-	(14,732)	(14,732)	-	14,237	14,237
Other operating revenue	1,069	-	1,069	553	-	553
Other revenue	8,455	83,214	91,669	8,994	55,497	64,491
Total revenue	52,740	83,214	135,954	59,147	55,497	114,644

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Period Ended 31 March 2015

11 SEGMENT INFORMATION (CONTINUED)

	31 March 2015			31 March 2014		
	Insurance	Investments	Total	Insurance	Investments	Total
	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)
Gross claims paid	(44,444)	-	(44,444)	(46,090)	-	(46,090)
Claims ceded to reinsurers	16,827	-	16,827	14,392	-	14,392
Gross change in insurance contract liabilities	15,238	-	15,238	(13,884)	-	(13,884)
Change in insurance contract liabilities ceded to reinsurers	(3,753)	-	(3,753)	8,061	-	8,061
Net claims	(16,132)	-	(16,132)	(37,521)	-	(37,521)
Finance costs	(483)	(10,155)	(10,638)	(396)	(9,020)	(9,416)
Other operating and administrative expenses	(18,276)	(17,836)	(36,112)	(17,548)	(10,306)	(27,854)
Other expenses	(18,759)	(27,991)	(46,750)	(17,944)	(19,326)	(37,270)
Total expenses	(34,891)	(27,991)	(62,882)	(55,465)	(19,326)	(74,791)
Profit before share of profits of associates	17,849	55,223	73,072	3,682	36,171	39,853
Share of profits of associates	-	4,881	4,881	-	7,576	7,576
Profit for the period	17,849	60,104	77,953	3,682	43,747	47,429

Segment assets and liabilities

Assets and liabilities of the Group are commonly used across the primary segments.

Geographic information

The Group operates in two geographic markets, in the State of Qatar and the United Arab Emirates.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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12 EARNINGS PER SHARE

	31 March 2015	31 March 2014
	(Unaudited)	(Unaudited)
Profit attributable to the ordinary equity holders of the Parent (QR '000)	77,936	47,302
Weighted average number of shares (in thousands)	79,552	79,552
Earnings per share (in Qatari Riyals)	0.98	0.59

The weighted average number of ordinary shares outstanding in 2015 is 79,551,549 (2014: 69,175,260) after taking into account bonus shares issued of 10,376,289 (2014: 11,529,210).

13 CASH GENERATED FROM OPERATING ASSETS AND LIABILITIES

	31 March 2015	31 March 2014
	QR '000	QR '000
	(Unaudited)	(Unaudited)
Net change in receivables from related parties	(100)	(394)
Net change in insurance receivables	40,843	30,220
Net change in reinsurance assets	29,664	45,180
Net change in other assets	3,714	5,363
Net change in operating assets	74,121	80,369
Net change in insurance contract liabilities	42,040	73,449
Net change in payables to related parties	(80)	55
Net change in insurance payables	(16,538)	(14,953)
Net change in other liabilities	1,758	(16,043)
Net change in operating liabilities	27,180	42,508

14 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.

Transactions with related parties included in the interim consolidated statement of profit or loss were as follows:

	31 March 2015	31 March 2014
	QR '000	QR '000
	(Unaudited)	(Unaudited)
The Parent Company and its subsidiaries		
Gross premiums	393	388
Premiums ceded to reinsurers	(14,074)	(8,791)
Gross claims paid	(2,270)	(3,104)
Claims ceded to reinsurers	12,309	6,672
Fees and commission income	352	304
Other operating and administrative expenses	(381)	(425)

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Period Ended 31 March 2015

14 RELATED PARTY DISCLOSURES (CONTINUED)

Transactions with related parties included in the statement of revenues and expenses - Policyholders under takaful participants fund accounts were as follows:

	31 March 2015	31 March 2014
	QR '000	QR '000
	(Unaudited)	(Unaudited)
General Takaful Company		
Contributions ceded to retakaful companies	(6,678)	(5,660)
Claims ceded to retakaful companies	30,676	957
Fees and commission income	1,364	1,189

Payables to related parties included in the statement of financial position - Policyholders are as follows:

	31 March 2015	31 December 2014
	QR '000	QR '000
	(Unaudited)	(Audited)
General Takaful Company		
Takaful payables	22,880	81

Compensation of key management personnel

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

	31 March 2015	31 March 2014
	QR '000	QR '000
	(Unaudited)	(Unaudited)
Board of Directors' remuneration	2,462	1,000
Salaries and other short-term benefits	10,996	7,283
End-of-service benefits	142	134
	<u>13,600</u>	<u>8,417</u>

Related party balances

Receivables from and payables to related parties of the Parent Company and its subsidiaries as well as insurance receivables from and payables to related parties are disclosed in Note 4 and Note 10, 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 receivables.

15 CONTINGENT LIABILITIES AND COMMITMENTS

	31 March 2015	31 December 2014
	QR '000	QR '000
	(Unaudited)	(Audited)
(a) Contingent liabilities		
Letters of guarantee	<u>10,876</u>	<u>10,753</u>

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15 CONTINGENT LIABILITIES AND COMMITMENTS (CONTINUED)

	31 March 2015	31 December 2014
	QR '000	QR '000
	(Unaudited)	(Audited)
(b) Lease commitments		
Operating lease commitments are payable as follows:		
Less than one year	1,869	1,853
Between one and five years	952	910
	2,821	2,763

16 FAIR VALUE MEASUREMENT

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

		Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
31 March 2015 (Unaudited)	Note	QR '000	QR '000	QR '000	QR '000
Assets measured at fair value:					
Investment properties	3	-	-	5,006,012	5,006,012
Available-for-sale		1,084,814	19,606	-	1,104,420
At fair value through profit or loss		184,664	-	-	184,664
		1,269,478	19,606	5,006,012	6,295,096
Liability measured at fair value:					
Derivative financial instruments		-	37,023	-	37,023
31 December 2014 (Audited)	Note	QR '000	QR '000	QR '000	QR '000
Assets measured at fair value:					
Investment properties	3	-	-	5,005,196	5,005,196
Available-for-sale		1,151,614	21,724	-	1,173,338
At fair value through profit or loss		199,396	-	-	199,396
		1,351,010	21,724	5,005,196	6,377,930
Liability measured at fair value:					
Derivative financial instruments		-	34,853	-	34,853

During the period, there were no transfers between Level 1, Level 2 and Level 3 (2014: Nil).

17 RECLASSIFICATION OF COMPARATIVE AMOUNTS

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