

**QATAR GENERAL INSURANCE AND REINSURANCE  
COMPANY S.A.Q.**

**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL INFORMATION**

**FOR SIX MONTHS PERIOD ENDED 30 JUNE 2010**

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

**Condensed Consolidated Interim Financial Information**  
**As at and for six months period ended 30 June 2010**

---

<b>CONTENTS</b>	<b>Page (s)</b>
Independent auditors' review report	1
<b>Condensed consolidated interim financial information</b>	
Condensed consolidated interim statement of financial position	2
Condensed consolidated interim statement of income	3
Condensed consolidated interim statement of comprehensive income	4
Condensed consolidated interim statement of changes in equity	5 - 6
Condensed consolidated interim statement of cash flows	7
Notes to the condensed consolidated interim financial information	8 - 17

## **Independent auditors' report on review of condensed consolidated interim financial information**

To  
The Board of Directors  
Qatar General Insurance and Reinsurance Company S.A.Q  
Doha  
State of Qatar

### **Introduction**

We have reviewed the accompanying condensed consolidated interim statement of financial position of Qatar General Insurance and Reinsurance Company S.A.Q (the "Company") and its subsidiaries (together referred as the "Group") as at 30 June 2010 and the condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the six month period then ended and the related notes (together referred to as the "condensed consolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed consolidated interim financial information 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 Company."* 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 condensed consolidated interim financial information as at 30 June 2010 is not prepared, in all material respects, in accordance with IAS 34 *"Interim Financial Reporting"*.

20 July 2010  
Doha  
State of Qatar

Ahmed Hussain  
KPMG  
Qatar Auditors' Registry Number 197

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**

As at 30 June 2010

In thousands of Qatari Riyals

	Note	30 June 2010 (Reviewed)	31 December 2009 (Audited) (Restated)
<b>ASSETS</b>			
Cash and cash equivalents	4	44,683	110,007
Statutory deposits		6,000	6,000
Insurance and other receivables	5	200,353	191,805
Due from related parties	6 (a)	138,622	116,395
Reinsurance contract assets	7	480,532	354,822
Investments - Held for trading	8	55,227	44,991
Investments - Available for sale	8	745,807	709,907
Investment properties	9	1,541,468	1,542,542
Investment in associates		222,885	231,524
Takaful participants' assets	10	76,978	56,675
Buildings under construction		134,064	75,308
Property and equipment		21,894	20,959
<b>TOTAL ASSETS</b>		<b>3,668,513</b>	<b>3,460,935</b>
<b>LIABILITIES</b>			
Accounts payables		138,736	167,103
Insurance contract liabilities	7	689,210	558,721
Short term borrowings		316,356	262,962
Other liabilities		126,832	137,240
Employees' end of service benefits		19,341	20,284
Due to related parties	6 (b)	32,357	11,167
Takaful fund and participants' liabilities		76,978	56,675
<b>TOTAL LIABILITIES</b>		<b>1,399,810</b>	<b>1,214,152</b>
<b>EQUITY</b>			
Share capital		319,688	255,750
Legal reserve		88,867	80,260
Fair value reserve		415,803	383,178
Revaluation reserve		77,355	77,355
Foreign currency translation reserve		(14,315)	(1,663)
Retained earnings		1,380,805	1,451,403
<b>Total equity attributable to equity holders</b>		<b>2,268,203</b>	<b>2,246,283</b>
Non-controlling interest		500	500
<b>TOTAL EQUITY</b>		<b>2,268,703</b>	<b>2,246,783</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>3,668,513</b>	<b>3,460,935</b>

These condensed consolidated interim financial information were approved by the Board of Directors and were signed on their behalf by the following on 20 July 2010.

Sheikh Mohamed Bin Ali Bin Saud Al Thani  
Vice Chairman

Member of the Board

The attached notes 1 to 13 form part of these condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME**

**For the six month period ended 30 June 2010**

In thousands of Qatari Riyals

	Note	Six month period ended 30 June	
		2010 (Reviewed)	2009 (Reviewed)
Gross premiums	3	297,128	316,855
Premiums ceded to reinsurers	3	(178,996)	(181,770)
Net premiums		118,132	135,085
Movement in unearned premiums	7	(16,983)	(14,300)
<b>Net earned premiums</b>		<b>101,149</b>	<b>120,785</b>
Net commission income	3	14,511	14,283
Other income – technical	3	260	478
<b>Underwriting revenue</b>		<b>115,920</b>	<b>135,546</b>
Gross claims paid		(168,401)	(158,334)
Claims recovered from reinsurers		94,993	67,027
Movement in outstanding claims	7	12,204	533
<b>Net claims incurred</b>	3	<b>(61,204)</b>	<b>(90,774)</b>
<b>Net underwriting revenue</b>	3	<b>54,716</b>	<b>44,772</b>
Net investment income		68,962	69,399
Other income		1,358	3,774
<b>Total income</b>		<b>125,036</b>	<b>117,945</b>
General and administration expenses		(59,151)	(46,861)
<b>Net profit for the period</b>		<b>65,885</b>	<b>71,084</b>
<b>Basic and diluted earnings per share (QR)</b>	11	<b>2.06</b>	2.22

The attached notes 1 to 13 form part of these condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME**

**For the six month period ended 30 June 2010**

In thousands of Qatari Riyals

	<b>Six month period ended 30 June</b>	
	<b>2010</b> (Reviewed)	<b>2009</b> (Reviewed)
Profit for the period	65,885	71,084
<b>Other comprehensive income</b>		
Foreign currency translation difference for foreign operations	(12,652)	(5,580)
Net changes in fair value of available-for-sale financial assets	47,583	(45,252)
Net changes in fair value of available-for-sale financial assets transferred to profit or loss	(14,958)	(20,706)
<b>Total comprehensive income for the period</b>	<b>85,858</b>	<b>(454)</b>

The attached notes 1 to 13 form part of these condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**

**For the six month period ended 30 June 2010**

In thousands of Qatari Riyals

	Share capital	Legal reserve	Fair value reserve	Revaluation surplus	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2009 (before restatement)	204,600	57,633	410,536	77,355	(924)	410,893	1,160,093	-	1,160,093
Transfer of accumulated fair value gain on investment property to retained earnings (note 2 (a)(i))	-	-	-	-	-	1,041,652	1,041,652	-	1,041,652
Balance at 1 January 2009	204,600	57,633	410,536	77,355	(924)	1,452,545	2,201,745	-	2,201,745
<u>Total comprehensive income for the period</u>									
Profit for the period	-	-	-	-	-	71,084	71,084	-	71,084
<u>Other comprehensive income</u>									
Foreign currency translation differences	-	-	-	-	(5,580)	-	(5,580)	-	(5,580)
Change in fair value of available for sale investments	-	-	(45,252)	-	-	-	(45,252)	-	(45,252)
Transfers to income statement on account of disposal of available for sale investments	-	-	(20,706)	-	-	-	(20,706)	-	(20,706)
	-	-	(65,958)	-	(5,580)	71,084	(454)	-	(454)
<u>Transactions with owners directly recorded in equity</u>									
Issue of bonus shares – 2008	51,150	-	-	-	-	(51,150)	-	-	-
Dividends paid – 2008	-	-	-	-	-	(61,380)	(61,380)	-	(61,380)
Transfer to legal reserve – 2008	-	22,627	-	-	-	(22,627)	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-
Balance at 30 June 2009 (Reviewed)	255,750	80,260	344,578	77,355	(6,504)	1,388,472	2,139,911	-	2,139,911

The attached notes 1 to 13 form part of these condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (CONTINUED)**

For the six month period ended 30 June 2010

In thousands of Qatari Riyals

	Share capital	Legal reserve	Fair value reserve	Revaluation surplus	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2010 (before restatement)	255,750	80,260	383,178	77,355	(1,663)	361,805	1,156,685	500	1,157,185
Impact of change in accounting policy for 2008 (note 2 (a)(i))	-	-	-	-	-	1,041,652	1,041,652	-	1,041,652
Impact of change in accounting policy for 2009	-	-	-	-	-	47,946	47,946	-	47,946
Balance at 1 January 2009	255,750	80,260	383,178	77,355	(1,663)	1,451,403	2,246,283	500	2,246,783
<b><u>Total comprehensive income for the period</u></b>									
Profit for the period	-	-	-	-	-	65,885	65,885	-	65,885
<b><u>Other comprehensive income</u></b>									
Foreign currency translation differences	-	-	-	-	(12,652)	-	(12,652)	-	(12,652)
Change in fair value of available for sale investments	-	-	47,583	-	-	-	47,583	-	47,583
Transfers to income statement on account of disposal of available for sale investments	-	-	(14,958)	-	-	-	(14,958)	-	(14,958)
	-	-	32,625	-	(12,652)	65,885	85,858	-	85,858
<b><u>Transactions with owners directly recorded in equity</u></b>									
Issue of bonus shares – 2009	63,938	-	-	-	-	(63,938)	-	-	-
Dividends paid – 2009	-	-	-	-	-	(63,938)	(63,938)	-	(63,938)
Transfer to legal reserve – 2009	-	8,607	-	-	-	(8,607)	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-
Balance at 30 June 2010 (Reviewed)	319,688	88,867	415,803	77,355	(14,315)	1,380,805	2,268,203	500	2,268,703

The attached notes 1 to 13 form part of these condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**

For the six month period ended 30 June 2010

In thousands of Qatari Riyals

	<b>Six month period ended 30 June</b>	
	<b>2010</b> (Reviewed)	2009 (Reviewed)
<b>OPERATING ACTIVITIES</b>		
Net profit for the period	65,885	71,084
Adjustments for :		
Depreciation	1,530	2,356
Profit on sale of property and equipment	-	(8)
Profit on sale of investments	(14,958)	(17,625)
Revaluation (gain) / loss on trading securities	(3,975)	350
Income from investment in associate companies	(6,726)	(4,671)
Impairment loss on investments	-	628
	41,756	52,114
<i>Changes in operating assets and liabilities:</i>		
Insurance and other receivables	(8,548)	(9,245)
Due from related parties	(22,227)	(11,875)
Reinsurance contract assets	(125,710)	(159,460)
Insurance contracts liabilities	130,489	173,227
Accounts payables	(28,367)	(40,648)
Other liabilities	(11,351)	(4,872)
Due to related parties	21,190	659
<b>Net cash used in operating activities</b>	<b>(2,768)</b>	<b>(100)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(1,391)	(1,383)
Purchase of investment securities	(25,874)	(18,562)
Purchase of shares in associate companies	-	850
Purchase of investment property	-	(3,197)
Additions to buildings under construction	(58,756)	(15,502)
Proceeds from sale of investment securities	31,296	31,329
Proceeds from sale of property and equipment	-	8
<b>Cash flows used in investing activities</b>	<b>(54,725)</b>	<b>(6,457)</b>
<b>FINANCING ACTIVITIES</b>		
Dividends paid	(63,938)	(61,380)
Dividends received from associates	2,713	5,130
Movement in short term borrowings	53,394	(46,675)
<b>Cash flows used in financing activities</b>	<b>(7,831)</b>	<b>(102,925)</b>
<b>Decrease in cash and cash equivalents</b>	<b>(65,324)</b>	<b>(109,482)</b>
Cash and cash equivalents at the beginning of the period	110,007	162,328
<b>Cash and cash equivalents at the end of the period (note 4)</b>	<b>44,683</b>	<b>52,846</b>

The attached notes 1 to 13 form part of these condensed consolidated interim financial information.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

**For the six month period ended 30 June 2010**

---

**1 LEGAL STATUS AND PRINCIPAL ACTIVITIES**

Qatar General Insurance and Reinsurance Company S.A.Q. ("the 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. The Company and its subsidiaries (together referred to as "the Group") are engaged in the business of general insurance including Islamic takaful insurance, reinsurance, real estate and investment management. The shares of the Group are listed in Qatar Exchange.

The Company has four local branches in Qatar and one overseas branch in United Arab Emirates (in Dubai). The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries all of which have 31 December year end. The subsidiaries are:

<b>Name of the subsidiary</b>	<b>Ownership</b>	<b>Country of incorporation</b>	<b>Principal activities</b>
Qatar General Holding Company S.P.C.	100%	State of Qatar	Primarily engaged in managing investment portfolio of the Group
General Takaful Company S.P.C.	100%	State of Qatar	Primarily engaged in Islamic insurance

**2 BASIS OF PREPARATION**

**a) Statement of compliance**

This condensed consolidated interim financial information is prepared in accordance with International Accounting Standard ("IAS") 34 – *Interim Financial Reporting*. They do not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2009. In addition, results of the six month period ended 30 June 2010 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2010.

This condensed consolidated interim financial information incorporates the financial statements of the Company, its branches and subsidiary companies. All significant inter-company / branch transactions and balances are eliminated on consolidation.

The interim condensed financial information is prepared in Qatari Riyals and all values are rounded to the nearest thousands (QR' 000) except where otherwise indicated.

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those followed in the preparation of the Group's consolidated annual financial statements for the year ended 31 December 2009, except for the following:

**(i) Accounting for investment property:**

During the period ended 30 June 2010, the Group changed its accounting policy with respect to the subsequent measurement of investment property from the cost model to the fair value model, with changes in fair value recognised in profit or loss. The Group believes that subsequent measurement using the fair value model provides more relevant information about the financial performance of these assets.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six month period ended 30 June 2010

In thousands of Qatari Riyals

## 2 BASIS OF PREPARATION

*(i) Accounting for investment property (continued):*

This change in accounting policy was applied retrospectively and had no impact on earnings per share as the investment properties were not revalued at the reporting periods. The following table summarises the transitional adjustments made to the condensed consolidated interim statement of financial position on implementation of the new accounting policy.

	Investment property	Retained earnings / profit or loss
Net Book Value as at 31 December 2008	455,238	410,893
Restatement effect on opening balances	1,041,652	1,041,652
Restated balances at 31 December 2008	1,496,890	1,452,545
Balance as reported 31 December 2009	452,944	361,805
Restatement effect on opening balances	1,041,652	1,041,652
<i>Effect on retained earnings for the year:</i>		
Increase in fair value of investment properties in 2009	45,652	45,652
Adjustment for additions made to investment property	(394)	(394)
Add back of depreciation on investment property	2,688	2,688
Restated balances at 31 December 2009	1,542,542	1,451,403
Transfer of investment property to property and equipment	(1,074)	-
Investment properties as at 30 June 2010	1,541,468	-
Restated opening retained earnings as at 1 January 2010	-	1,451,403

There is no effect on the condensed consolidated interim statement of income in the current period or corresponding period as the Group has not revalued its investment properties as at 30 June 2009 and 30 June 2010 respectively.

*(ii) Standards, amendments and interpretations issued but not yet effective*

The following new standards, amendments to standards and interpretations relevant to the Group which have been issued but are not yet effective for the period ended 31 March 2010 have not been applied in preparing these condensed interim financial statements:

(a) *IFRS 9, 'Financial instruments'*, issued in December 2009 is the first standard issued as part of a wider project to replace IAS 39. This addresses the classification and measurement of financial assets and is likely to affect the Group's accounting for its financial assets. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is not applicable until 1 January 2013 but can be early adopted. The Group is in the process of evaluating the impact of this change.

(b) *Revised IAS 24, 'Related party disclosures'* issued in November 2009 supersedes the earlier standard issued in 2003. The revised standard amends the definition of a related party and modifies certain related party disclosure requirements for government-related entities. The revised standard will result into changes in certain disclosure relating to related parties. The revised standard is required to be applied from 1 January 2011. Earlier application, in whole or in part, is permitted.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**For the six month period ended 30 June 2010**

In thousands of Qatari Riyals

**3 OPERATING SEGMENTS**

	Insurance				Total insurance	Investments	Real estate	Others	30 June 2010 (Reviewed)
	General accident	Fire	War and Marine	Engineering and others					
Gross premiums	105,309	12,277	10,680	168,862	297,128	-	-	-	297,128
Premium ceded to reinsurers	(5,335)	(11,294)	(8,058)	(154,309)	(178,996)	-	-	-	(178,996)
Net premium	99,974	983	2,622	14,553	118,132	-	-	-	118,132
Movement in unearned premium	(16,227)	(35)	358	(1,079)	(16,983)	-	-	-	(16,983)
Net earned premium	83,747	948	2,980	13,474	101,149	-	-	-	(101,149)
Net commission	316	2,735	1,734	9,726	14,511	-	-	-	14,511
Other income – technical	189	51	19	1	260	-	-	-	260
Net claims incurred	(55,153)	(884)	(644)	(4,523)	(61,204)	-	-	-	(61,204)
<b>Net underwriting revenue</b>	<b>29,099</b>	<b>2,850</b>	<b>4,089</b>	<b>18,678</b>	<b>54,716</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54,716</b>
Interest expense	-	-	-	-	-	-	(13,972)	-	(13,972)
Share of profit of associates	-	-	-	-	-	6,726	-	-	6,726
Income from other investments	-	-	-	-	-	56,813	5,423	-	62,236
Other income	-	-	-	-	-	-	-	1,358	1,358
Depreciation	-	-	-	-	(1,460)	(70)	-	-	(1,530)
General and administration expenses	-	-	-	-	-	-	-	(43,649)	(43,649)
<b>Net profit for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>53,256</b>	<b>63,469</b>	<b>(8,549)</b>	<b>(42,291)</b>	<b>65,885</b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**For the six month period ended 30 June 2010**

In thousands of Qatari Riyals

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

**3 OPERATING SEGMENTS (CONTINUED)**

	Insurance				Total insurance	Investments	Real estate	Others	30 June 2009 (Reviewed)
	General accident	Fire	War and Marine	Engineering and others					
Gross premiums	122,727	13,863	7,938	172,327	316,855	-	-	-	316,855
Premium ceded to reinsurers	(5,430)	(12,188)	(5,992)	(158,160)	(181,770)	-	-	-	(181,770)
Net premium	117,297	1,675	1,946	14,167	135,085	-	-	-	135,085
Movement in unearned premium	(12,421)	(937)	1,505	(2,447)	(14,300)	-	-	-	(14,300)
Net earned premium	104,876	738	3,451	11,720	120,785	-	-	-	120,785
Net commission	(306)	2,935	1,456	10,198	14,283	-	-	-	14,283
Other income – technical	234	3	43	198	478	-	-	-	478
Net claims incurred	(80,075)	(2,040)	(2,041)	(6,618)	(90,774)	-	-	-	(90,774)
Net underwriting revenue	24,729	1,636	2,909	15,498	44,772	-	-	-	44,772
Interest expense	-	-	-	-	-	-	(3,770)	-	(3,770)
Share of profit of associates	-	-	-	-	-	4,671	-	-	4,671
Income from other investments	-	-	-	-	-	59,153	5,575	-	64,728
Other income	-	-	-	-	-	-	-	3,774	3,774
Depreciation	-	-	-	-	(1,186)	-	(1,170)	-	(2,356)
General and administration expenses	-	-	-	-	-	-	-	(40,735)	(40,735)
Net profit for the period	-	-	-	-	43,586	63,824	635	(36,961)	71,084

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

**For the six month period ended 30 June 2010**

In thousands of Qatari Riyals

**3 OPERATING SEGMENTS (CONTINUED)**

**Segmental assets and liabilities:**

	<b>Assets</b>		<b>Liabilities &amp; equity</b>	
	<b>30 June 2010</b>	31 December 2009	<b>30 June 2010</b>	31 December 2009
Insurance				
i. Conventional insurance	892,084	799,988	2,500,027	2,191,656
ii. Islamic insurance	76,978	56,675	76,978	56,675
Investments	1,023,919	986,422	493,158	718,563
Real estate	1,675,532	1,617,850	598,350	494,041
<b>Total</b>	<b>3,668,513</b>	<b>3,460,935</b>	<b>3,668,513</b>	<b>3,460,935</b>

**4 CASH AND CASH EQUIVALENTS**

	<b>30 June 2010 (Reviewed)</b>	31 December 2009 (Audited)
Cash on hand	212	330
Cash at bank	44,471	109,677
<b>Total cash and cash equivalents</b>	<b>44,683</b>	<b>110,007</b>

**5 INSURANCE AND OTHER RECEIVABLES**

	<b>30 June 2010 (Reviewed)</b>	31 December 2009 (Audited)
Due from policy holders	183,100	174,112
Due from insurance / reinsurance companies	72,644	62,241
Impairment allowance for doubtful receivables	(62,621)	(59,717)
<b>Insurance contract receivables</b>	<b>193,123</b>	<b>176,636</b>
Staff loans	1,169	5,287
Accrued rental income	-	5,531
Prepayments and others	6,348	8,608
Impairment allowance for doubtful receivables	(287)	(4,257)
<b>Total insurance and other receivables</b>	<b>200,353</b>	<b>191,805</b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

**For the six month period ended 30 June 2010**

In thousands of Qatari Riyals

**6 RELATED PARTY TRANSACTIONS**

These represent transactions with related parties, i.e. shareholders, companies affiliated to the shareholders, directors and senior management of the Group and companies of which they are principal owners. The details of the related party transactions during the period are as follows:

<b>Name of the related party</b>	<b>Nature of relationship</b>	<b>Type of transaction</b>	<b>30 June 2010 (Reviewed)</b>	<b>31 December 2009 (Audited)</b>
General Takaful Company S.P.C.	Subsidiary	Expenses incurred on behalf of the Parent	-	349
		Intercompany sales of insurance policies	2,594	-
		Expenses incurred on behalf of the subsidiary	202	-
		Transfer of end of service benefits of employees transferred	-	696
Qatar General Holding Company S.A.Q.	Subsidiary	Transfer of project under progress to subsidiary	-	60,668
		Expenses incurred on behalf of the subsidiary	14,037	-
Trust Bank Algeria	Associate	Amount paid for increase in share capital	-	23,752
		Amount (repaid) / paid for increase in share capital subject to approval of Central Bank of Algeria	-	85,748
Trust Investment Algeria	Associate	Advance to Trust Investment for capital increase	4,028	-

The related party balances were as follows:

**a) Due from related parties:**

	<b>30 June 2010 (Reviewed)</b>	<b>31 December 2009 (Audited)</b>
Trust Syria Insurance Company S.A.S.C.	270	270
Trust Algeria Investment Company	21,249	17,221
Trust Algeria Assurances and Reassurances	3,766	3,680
Gulf Petroleum Limited W.L.L.	3,650	3,650
Lebanese Canadian Bank	196	-
Trust Bank Algeria	81,720	85,748
Trust Insurance Company – Amman	23,762	5,326
Al Sari Trading Company	3,068	500
Trust Palestine	49	-
Trust Insurance Company - Bahrain	892	-
	<b>138,622</b>	<b>116,395</b>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six month period ended 30 June 2010

In thousands of Qatari Riyals

6 RELATED PARTY TRANSACTIONS (CONTINUED)

	<b>30 June 2010 (Reviewed)</b>	31 December 2009 (Audited)
<b>b) Due to related parties:</b>		
Lebanese Canadian Bank	-	9,220
Trust Insurance Company – Amman	30,505	-
Trust Insurance Company - Bahrain	1,480	1,476
Nest investments	372	471
	<b>32,357</b>	<b>11,167</b>
<b>c) Compensation paid to key management personnel</b>		
Salaries and other short term benefits	<b>7,955</b>	13,196
End of service benefits	<b>1,402</b>	109

7 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS

	<b>30 June 2010 (Reviewed)</b>	31 December 2009 (Audited)
<b>Gross insurance contract liabilities</b>		
Claims reported but outstanding	493,107	394,724
Claims incurred but not reported	34,667	34,667
Unearned premiums	161,436	129,330
	<b>689,210</b>	<b>558,721</b>
<b>Reinsurers' share of insurance contract liabilities</b>		
Claims reported but outstanding	403,448	292,861
Claims incurred but not reported	22,992	22,992
Unearned premiums	54,092	38,969
	<b>480,532</b>	<b>354,822</b>
<b>Total reinsurance contract assets</b>		
<b>Net insurance contract liabilities</b>		
Claims reported but outstanding	89,659	101,863
Claims incurred but not reported	11,675	11,675
Unearned premiums	107,344	90,361
	<b>208,678</b>	<b>203,899</b>
<b>Total net insurance contract liabilities</b>		

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six month period ended 30 June 2010

In thousands of Qatari Riyals

7 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)

Movements in claims provision during the period are as follows:

	30 June 2010 (Reviewed)			31 December 2009 (Audited)		
	Insurance contract liabilities	Reinsurance of insurance contract liabilities	Net	Insurance contract liabilities	Reinsurance of insurance contract liabilities	Net
At 1 January	429,391	(315,853)	113,538	360,460	(246,358)	114,102
Movements during the period	98,383	(110,587)	(12,204)	68,931	(69,495)	(564)
<b>At 31 December</b>	<b>527,774</b>	<b>(426,440)</b>	<b>101,334</b>	429,391	(315,853)	113,538

Movement in provision for unearned premiums during the period are as follows:

	30 June 2010 (Reviewed)			31 December 2009 (Audited)		
	Insurance contract liabilities	Reinsurance of insurance contract liabilities	Net	Insurance contract liabilities	Reinsurance of insurance contract liabilities	Net
At 1 January	129,330	(38,969)	90,361	285,506	(189,325)	96,181
Premiums written in the period	297,128	(178,996)	118,132	504,550	(295,067)	209,483
Premiums earned during the period	(265,022)	163,873	(101,149)	(660,726)	445,423	(215,303)
<b>At 30 June</b>	<b>161,436</b>	<b>(54,092)</b>	<b>107,344</b>	129,330	(38,969)	90,361

8 INVESTMENT IN SECURITIES

The carrying amounts of investments at 31 December were as follows:

	30 June 2010 (Reviewed)	31 December 2009 (Audited)
<b>Held for trading securities</b>		
Quoted shares	51,608	44,991
Bonds – debt instruments	3,619	-
Total held for trading securities	55,227	44,991
<b>Available-for-sale investments</b>		
Local portfolio – quoted	584,426	555,975
Local portfolio – unquoted	9,400	14,450
Foreign portfolio	36,562	44,981
Managed funds	41,528	32,531
Bonds- debt instruments	73,891	61,970
Total available for sale investments	745,807	709,907
<b>Total investment in securities</b>	<b>801,034</b>	<b>754,898</b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

**For the six month period ended 30 June 2010**

In thousands of Qatari Riyals

**9 INVESTMENT PROPERTY**

	<b>30 June 2010 (Reviewed)</b>	<b>31 December 2009 (Audited) (Restated)</b>
Net book value at 1 January (before restatement)	1,542,542	452,944
Fair value gain transferred to retained earnings **	-	1,089,598
Transfer of investment property to property and equipment	(1,074)	-
Net book value as at	<b>1,541,468</b>	1,542,542

\*\* As per note 2 (a)(i), the Group changed its accounting policy for measurement of investment property from the cost model to the fair value model with retrospective effect, restating the comparative balances and recognising accumulating fair value gain in retained earnings. The fair values were determined based on the valuation carried out by external independent valuers as on 31 December 2008 and 31 December 2009 respectively.

The policy of the management is to revalue the investment properties at each reporting period. The management of the Group believes that the fair values of the investment properties as at 31 December 2009 approximates to the fair values as of 30 June 2010.

**10 TAKAFUL PARTICIPANTS' FUND ACCOUNTS**

**STATEMENT OF FINANCIAL POSITION**

	<b>30 June 2010 (Reviewed)</b>	<b>31 December 2009 (Audited)</b>
<b>ASSETS</b>		
Cash and bank	42,526	34,136
Investments – available for sale	5,756	-
Insurance contract receivables	23,040	15,535
Due from a related party	1,627	-
Reinsurance contract assets	1,994	2,484
Other assets	694	3,164
Furniture and equipment	1,341	1,356
	<b>76,978</b>	56,675
<b>LIABILITIES</b>		
Accounts payable	10,826	9,284
Due to a related party	-	1,210
Insurance contract payables	17,554	15,308
Net unearned contributions	33,215	23,339
Other payables	1,816	1,157
	63,411	50,298
Surplus for the period	13,567	6,377
	<b>76,978</b>	56,675

**10 TAKAFUL PARTICIPANTS' FUND ACCOUNTS (CONTINUED)****STATEMENT OF POLICYHOLDERS' REVENUES AND EXPENSES**

	Six month period ended 30 June	
	2010 (Reviewed)	2009 (Reviewed)
Gross contributions	44,416	29,133
Reinsurance cessions	(5,464)	(3,796)
Retained premium	38,952	25,337
Unearned premium adjustment	(9,876)	(8,083)
Net commission income	874	1,011
Other income – technical	914	465
<b>Net contributions</b>	<b>30,864</b>	<b>18,730</b>
Claims paid	(20,967)	(10,424)
Claims recovered	4,042	1,937
Outstanding claims adjustment	(2,736)	(6,634)
<b>Net claims</b>	<b>(19,661)</b>	<b>(15,121)</b>
Net takaful income	11,203	3,609
Other income	228	(2,873)
General and administrative expenses	(4,241)	66
Surplus for the period	7,190	802

**11 BASIC AND DILUTED EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the net profit for the period by weighted average number of ordinary shares outstanding as at the statement of financial position date. The basic and diluted earnings per share are the same as there are no dilutive effects on earnings.

	Six month period ended 30 June	
	2010 (Reviewed)	2009 (Reviewed) (Restated)
Net profit for the period	65,885	71,084
Weighted average number of shares (in '000s)	31,969	31,969
Earnings per QR 10 per share (in Qatar Riyal)	<b>2.06</b>	<b>2.22</b>

**12 DIVIDEND PAID**

A dividend, amounting to QR 63,937,500 for the year 2009 (2008: QR 61,380,000) along with a bonus share of one share for every four shares held, totalling to 6,393,750 shares has been approved at the Annual General Meeting on 01 March 2010. The same has been distributed by the Group.

**13 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

	30 June 2010 (Reviewed)	31 December 2009 (Audited)
Letters of guarantee	8,018	5,297