

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

**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL INFORMATION**

**FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2011**

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

**Condensed consolidated interim financial information**  
**As at and for six month period ended 30 June 2011**

---

<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 - 19

## **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 2011 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").

The Board of Directors 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 2011 is not prepared, in all material respects, in accordance with IAS 34 *"Interim Financial Reporting"*.

24 July 2011  
Doha  
State of Qatar

Ahmed Hussain  
KPMG  
Qatar Auditors' Registry Number 197

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**

As at 30 June 2011

In thousands of Qatari Riyals

	Note	30 June 2011 (Reviewed)	31 December 2010 (Audited)
<b>ASSETS</b>			
Cash and cash equivalents	4	50,289	54,402
Statutory deposits		6,000	6,000
Insurance and other receivables	5	277,052	272,921
Due from related parties	6 (a)	148,816	140,465
Reinsurance contract assets	7	389,196	402,342
Investments - Held for trading	9	132,845	70,093
Investments - Available- for- sale	9	878,165	909,398
Investment properties	10	1,762,801	1,667,832
Investment in equity-accounted investees	11	251,781	238,386
Takaful participants' assets	12	95,190	92,722
Property and equipment		20,411	21,317
<b>TOTAL ASSETS</b>		<b>4,012,546</b>	<b>3,875,878</b>
<b>LIABILITIES</b>			
Accounts payables		188,495	172,460
Insurance contract liabilities	7	583,013	598,434
Other liabilities		109,848	120,880
Employees' end of service benefits		19,248	18,898
Due to related parties	6 (b)	24,744	29,148
Loans and borrowings	8	511,302	357,143
Takaful fund and participants' liabilities	12	95,190	92,722
<b>TOTAL LIABILITIES</b>		<b>1,531,840</b>	<b>1,389,685</b>
<b>EQUITY</b>			
Share capital		447,563	319,688
Legal reserve		100,811	88,867
Fair value reserve		540,217	581,469
Revaluation reserve		77,355	77,355
Foreign currency translation reserve		(5,657)	(13,065)
Retained earnings		1,319,918	1,431,465
<b>Equity attributable to equity holders of the Company</b>		<b>2,480,207</b>	<b>2,485,779</b>
Non-controlling interest		499	414
<b>TOTAL EQUITY</b>		<b>2,480,706</b>	<b>2,486,193</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>4,012,546</b>	<b>3,875,878</b>

These condensed consolidated interim financial information were approved by the Board of Directors and were signed on their behalf by the following on 24/7/2011

\_\_\_\_\_  
 Sheikh Nasser Bin Ali Bin Saud Al Thani  
**Chairman and Managing Director**

\_\_\_\_\_  
**Member of the Board**

The attached notes 1 to 15 form part of these condensed consolidated interim financial information.

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME

For the six month period ended 30 June 2011

In thousands of Qatari Riyals

	Note	Six month period ended 30 June	
		2011 (Reviewed)	2010 (Reviewed)
Gross premiums	3	262,656	297,128
Premiums ceded to reinsurers	3	(144,575)	(178,996)
Net premiums		118,081	118,132
Movement in unearned premiums	7	(12,307)	(16,983)
<b>Net earned premiums</b>		<b>105,774</b>	101,149
Net commission income	3	12,161	14,511
Other income – technical	3	189	260
<b>Underwriting revenue</b>		<b>118,124</b>	115,920
Gross claims paid		(128,353)	(168,401)
Claims ceded to reinsurers		55,498	94,993
Movement in outstanding claims	7	14,582	12,204
<b>Net claims incurred</b>	3	<b>(58,273)</b>	(61,204)
<b>Net underwriting revenue</b>	3	<b>59,851</b>	54,716
Net investment income		87,765	68,962
Other income		7,157	1,358
<b>Total income</b>		<b>154,773</b>	125,036
General and administrative expenses		(56,521)	(45,179)
Finance cost		(22,022)	(13,972)
<b>Profit for the period</b>		<b>76,230</b>	65,885
<b>Profit attributable to:</b>			
Equity holders of the Company		76,225	65,885
Non-controlling interests		5	-
<b>Net profit for the period</b>		<b>76,230</b>	65,885
<b>Basic and diluted earnings per share (QR)</b>	13	<b>1.70</b>	1.47

The attached notes 1 to 15 form part of these condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME**

**For the six month period ended 30 June 2011**

In thousands of Qatari Riyals

	<b>Six month period ended 30 June</b>	
	<b>2011 (Reviewed)</b>	<b>2010 (Reviewed)</b>
Profit for the period	<b>76,230</b>	65,885
<b>Other comprehensive income</b>		
Foreign currency translation differences - foreign operations	7,408	(12,652)
Net changes in fair value of available-for-sale financial assets	(19,762)	47,583
Net changes in fair value of available-for-sale financial assets reclassified to profit or loss	(21,490)	(14,958)
<b>Total comprehensive income for the period</b>	<b>42,386</b>	<b>85,858</b>
<b>Comprehensive income attributable to:</b>		
Equity holders of the Company	42,381	85,858
Non-controlling interests	5	-
<b>Total comprehensive income for the period</b>	<b>42,386</b>	<b>85,858</b>

The attached notes 1 to 15 form part of these condensed consolidated interim financial information.

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

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

**For the six month period ended 30 June 2011**

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	255,750	80,260	383,178	77,355	(1,663)	1,451,403	2,246,283	500	2,246,783
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	65,885	65,885	-	65,885
Other comprehensive income			32,625	-	(12,652)	-	19,973	-	19,973
Total comprehensive income for the period	-	-	32,625	-	(12,652)	65,885	85,858	-	85,858
<u>Transactions with equity holders directly recognised in equity</u>									
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)	-	-	-
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 15 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 2011

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 2011	319,688	88,867	581,469	77,355	(13,065)	1,431,465	2,485,779	414	2,486,193
<b>Total comprehensive income for the period</b>									
Profit for the period	-	-	-	-	-	76,225	76,225	-	76,225
Other comprehensive income	-	-	(41,252)	-	7,408	-	(33,844)	-	(33,844)
Total comprehensive income for the period	-	-	(41,252)	-	7,408	76,225	42,381	-	42,381
<b><u>Transactions with equity holders directly recognised in equity</u></b>									
Issue of bonus shares – 2010	127,875	-	-	-	-	(127,875)	-	-	-
Dividends paid – 2010	-	-	-	-	-	(47,953)	(47,953)	-	(47,953)
Transfer to legal reserve	-	11,944	-	-	-	(11,944)	-	-	-
Net movement of non-controlling interests	-	-	-	-	-	-	-	85	85
<b>Balance at 30 June 2011 (Reviewed)</b>	<b>447,563</b>	<b>100,811</b>	<b>540,217</b>	<b>77,355</b>	<b>(5,657)</b>	<b>1,319,918</b>	<b>2,480,207</b>	<b>499</b>	<b>2,480,706</b>

The attached notes 1 to 15 form part of these condensed consolidated interim financial information.



**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**

For the six month period ended 30 June 2011

In thousands of Qatari Riyals

	<b>Six month period ended 30 June</b>	
	<b>2011 (Reviewed)</b>	<b>2010 (Reviewed)</b>
<b>Cash flows from operating activities</b>		
Profit for the period	76,230	65,885
Adjustments for :		
Depreciation	1,543	1,530
Gain on sale of investments	(24,467)	(14,958)
Revaluation gain on held for trading securities	(11,493)	(3,975)
Share of profit of equity-accounted investees	(2,507)	(6,726)
	39,306	41,756
Change in:		
- insurance and other receivables	(4,131)	(8,548)
- due from related parties	(8,351)	(22,227)
- reinsurance contract assets	13,146	(125,710)
- insurance contracts liabilities	(15,421)	130,489
- accounts payables	16,035	(28,367)
- other liabilities	(10,682)	(11,351)
- due to related parties	(4,404)	21,190
<b>Net cash from / (used in) operating activities</b>	<b>25,498</b>	<b>(2,768)</b>
<b>Cash flows from investing activities</b>		
Acquisition of property and equipment	(637)	(1,391)
Acquisition of investment securities	(70,847)	(25,874)
Investment in equity accounted investees	(7,814)	-
Acquisition of investment property	(94,969)	(58,756)
Proceeds from sale of investments	34,036	31,296
<b>Net cash used in investing activities</b>	<b>(140,231)</b>	<b>(54,725)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(47,953)	(63,938)
Dividends from equity accounted investees	4,334	2,713
Movement in loans and borrowings – short term	154,159	53,394
Net movement in non-controlling interest	80	-
<b>Net cash from / (used in) financing activities</b>	<b>110,620</b>	<b>(7,831)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(4,113)</b>	<b>(65,324)</b>
Cash and cash equivalents at 1 January	54,402	110,007
<b>Cash and cash equivalents at 30 June (note 4)</b>	<b>50,289</b>	<b>44,683</b>

The attached notes 1 to 15 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 2011**

**1 REPORTING ENTITY**

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 2 of 2002. 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.

During the current period, the Group has changed its islamic takaful insurance model from Mudaraba to Hybrid model. The Hybrid model uses the principles of both Wakala and Mudaraba, whereby the shareholder receives a fixed wakala fee 20% of gross insurance premium, in addition to the share in the realised investment gains on the policyholders' contributions. The administrative costs of underwriting are covered by the Wakala fee and borne by the shareholder.

The Company has four local branches in Qatar and one overseas branch in United Arab Emirates (in Dubai). The consolidated financial information incorporates the financial information of the Company and its subsidiaries and the Group's interest in the associates. 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
General Real Estate Company S.P.C.	100%	State of Qatar	Primarily engaged in real estate business
World Trade Center S.P.C.	100%	State of Qatar	Official authorised licensee of World Trade Center Association.
Mazoon Real Estate Company W.L.L.	50%	State of Qatar	Owning and development of property and real estate business
Arab Danish Dairy W.L.L.	60%	State of Qatar	Manufacturing and processing of dairy products

**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 2010. In addition, results of the six month period ended 30 June 2011 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2011.

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.

**2 BASIS OF PREPARATION (continued)**

**a) Statement of compliance (continued)**

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 2010.

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 2010.

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 2010.

**(i) Application of new standards, amendments to standards and interpretations**

The Group has adopted following new standard and interpretations as of 1 January 2011:

*IAS 24 Related Party Transactions (Amendment)*

The adoption of the amendment did not have any impact on the financial position or performance of the Group as of and for the period ended 30 June 2011.

**(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 30 June 2011 have not been applied in preparing these condensed consolidated interim financial information:

- *IFRS 9, 'Financial instruments'*, issued in December 2009 is the first standard issued as part of a wider project to replace IAS 39.
- *IFRS 10 Consolidated Financial Statements* - Effective for periods beginning on or after 1 January 2013.
- *IFRS 11 Joint Arrangements* - Effective for periods beginning on or after 1 January 2013.
- *IFRS 12 Disclosure of Interests in Other Entities* - Effective for periods beginning on or after 1 January 2013.
- *IFRS 13 Fair Value Measurement* - Effective for periods beginning on or after 1 January 2013

These standards are not applicable until 1 January 2013 but can be early adopted. The Group management is in the process of evaluating the impact of this change for future periods.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**For the six month period ended 30 June 2011**

In thousands of Qatari Riyals

**3 OPERATING SEGMENTS**

The Group is organised into six main operating segments. The results of each of the operating segments which are being reviewed regularly by the Chief Operating Decision Maker are stated below:

	Insurance				Total insurance	Investments	Real estate	Others	30 June 2011 (Reviewed)
	General accident	Fire	War and Marine	Engineering and others					
Gross premiums	98,317	10,410	8,811	145,118	262,656	-	-	-	262,656
Premium ceded to reinsurers	(5,445)	(9,345)	(6,632)	(123,153)	(144,575)	-	-	-	(144,575)
Net premium	92,872	1,065	2,179	21,965	118,081	-	-	-	118,081
Movement in unearned premium	(21,596)	(435)	432	9,292	(12,307)	-	-	-	(12,307)
Net earned premium	71,276	630	2,611	31,257	105,774	-	-	-	105,774
Net commission income	(335)	2,346	1,570	8,580	12,161	-	-	-	12,161
Other income – technical	168	2	15	4	189	-	-	-	189
Net claims incurred	(48,566)	1,611	(477)	(10,841)	(58,273)	-	-	-	(58,273)
<b>Net underwriting revenue</b>	<b>22,543</b>	<b>4,589</b>	<b>3,719</b>	<b>29,000</b>	<b>59,851</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,851</b>
Finance cost	-	-	-	-	(1,146)	(13,595)	(7,281)	-	(22,022)
Share of profit of equity-accounted investees	-	-	-	-	-	2,507	-	-	2,507
Income from other investments	-	-	-	-	-	78,101	7,157	-	85,258
Other income	-	-	-	-	-	-	-	7,157	7,157
Depreciation	-	-	-	-	(1,431)	(112)	-	-	(1,543)
General and administrative expenses	-	-	-	-	-	-	-	(54,978)	(54,978)
<b>Profit for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57,274</b>	<b>66,901</b>	<b>(124)</b>	<b>(47,821)</b>	<b>76,230</b>

**NOTES TO THE CONDENSED CONSOLIDATED INERIM FINANCIAL INFORMATION**  
**For the six month period ended 30 June 2011**

In thousands of Qatari Riyals

**3 OPERATING SEGMENTS (CONTINUED)**

	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 income	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)
Net underwriting revenue	29,099	2,850	4,089	18,678	54,716	-	-	-	54,716
Finance cost	-	-	-	-	-	(2,799)	(11,173)	-	(13,972)
Share of profit of equity-accounted investees	-	-	-	-	-	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)
Profit for the period	-	-	-	-	53,256	60,670	(5,750)	(42,291)	65,885

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six month period ended 30 June 2011

In thousands of Qatari Riyals

4 CASH AND CASH EQUIVALENTS

	<b>30 June 2011 (Reviewed)</b>	31 December 2010 (Audited)
Cash on hand	275	139
Cash at bank	50,014	54,263
<b>Total cash and cash equivalents</b>	<b>50,289</b>	54,402

5 INSURANCE AND OTHER RECEIVABLES

	<b>30 June 2011 (Reviewed)</b>	31 December 2010 (Audited)
Due from policyholders	194,552	204,584
Due from insurance / reinsurance companies	93,668	80,192
Impairment allowance for doubtful receivables	(65,887)	(64,084)
<b>Insurance contract receivables</b>	<b>222,333</b>	<b>220,692</b>
Staff loans	1,237	987
Accrued rental income	5,061	5,180
Advance paid to construction contractor	41,111	49,336
Wakala fee receivable	7,922	-
Prepayments and others	3,390	1,015
Impairment allowance for doubtful receivables	(4,002)	(4,289)
<b>Total insurance and other receivables</b>	<b>277,052</b>	<b>272,921</b>

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:

Name of the related party	Nature of relationship	Type of transaction	30 June 2011 (Reviewed)	31 December 2010 (Audited)
General Takaful Company S.P.C.	Subsidiary	Expenses incurred on behalf of the parent	472	844
		Intercompany sales of insurance policies	-	2,594
		Expenses incurred on behalf of the subsidiary	-	1,150
Qatar General Holding Company S.A.Q.	Subsidiary	Finance costs paid by the parent company on behalf of the subsidiary	20,876	21,033
		Transfer of investment properties from the parent	-	521,732
		Transfer of end of service benefits of employees transferred	-	997
Trust Investment Algeria	Associate	Advance to Trust Investment for capital increase	3,642	6,022
Oman Reinsurance Company	Associate	Increase in the equity stake in associate	2,372	-

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

**For the six month period ended 30 June 2011**

In thousands of Qatari Riyals

**6 RELATED PARTY TRANSACTIONS (CONTINUED)**

The related party balances were as follows:

	<b>30 June 2011 (Reviewed)</b>	<b>31 December 2010 (Audited)</b>
<b>a) Due from related parties:</b>		
Trust Syria Insurance Company S.A.S.C.	270	216
Trust Algeria Investment Company	26,885	23,243
Trust Algeria Assurances and Reassurances	3,641	3,641
Gulf Petroleum Limited W.L.L.	3,671	3,650
Lebanese Canadian Bank	-	2,950
Trust Bank Algeria	80,164	80,208
International Financial Securities Q.S.C.	10,819	3,757
Trust Insurance Company – Amman	21,948	19,731
Al Sari Trading Company	580	3,069
Nest International	109	-
Trust Palestine	49	-
Trust Insurance Company – Bahrain	680	-
	<b>148,816</b>	<b>140,465</b>

	<b>30 June 2011 (Reviewed)</b>	<b>31 December 2010 (Audited)</b>
<b>b) Due to related parties:</b>		
Trust Insurance Company – Bahrain	-	616
Trust Insurance Company – Amman	24,735	28,437
Trust Insurance Company – Libya	9	
Nest investments	-	95
	<b>24,744</b>	<b>29,148</b>
<b>c) Compensation paid to key management personnel</b>		
Salaries and other short term benefits	<b>10,532</b>	15,608
End of service benefits	<b>182</b>	92

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

For the six month period ended 30 June 2011

In thousands of Qatari Riyals

**7 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS**

	<b>30 June 2011 (Reviewed)</b>	31 December 2010 (Audited)
<b>Gross insurance contract liabilities</b>		
Claims reported but outstanding	335,360	355,649
Claims incurred but not reported	33,875	33,875
Unearned premiums	213,778	208,910
<b>Total insurance contract liabilities</b>	<b>583,013</b>	598,434
<b>Reinsurers' share of insurance contract liabilities</b>		
Claims reported but outstanding	261,953	267,660
Claims incurred but not reported	22,200	22,200
Unearned premiums	105,043	112,482
<b>Total reinsurance contract assets</b>	<b>389,196</b>	402,342
<b>Net insurance contract liabilities</b>		
Claims reported but outstanding	73,407	87,989
Claims incurred but not reported	11,675	11,675
Unearned premiums	108,735	96,428
<b>Total net insurance contract liabilities</b>	<b>193,817</b>	196,092

Movements in claims provision during the period are as follows:

	<b>30 June 2011 (Reviewed)</b>			31 December 2010 (Audited)		
	<b>Insurance contract liabilities</b>	<b>Reinsurance of insurance contract liabilities</b>	<b>Net</b>	Insurance contract liabilities	Reinsurance of insurance contract liabilities	Net
At 1 January	389,524	(289,860)	99,664	429,391	(315,853)	113,538
Movements during the period / year	(20,289)	5,707	(14,582)	(39,867)	25,993	(13,874)
<b>At 30 June / 31 December</b>	<b>369,235</b>	<b>(284,153)</b>	<b>85,082</b>	389,524	(289,860)	99,664



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

For the six month period ended 30 June 2011

In thousands of Qatari Riyals

**7 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS (CONTINUED)**

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

	30 June 2011 (Reviewed)			31 December 2010 (Audited)		
	Insurance contract liabilities	Reinsurance of insurance contract liabilities	Net	Insurance contract liabilities	Reinsurance of insurance contract liabilities	Net
At 1 January	208,910	(112,482)	96,428	129,330	(38,969)	90,361
Premiums written during the period	262,656	(144,575)	118,081	518,565	(317,072)	201,493
Premiums earned during the period / year	(257,788)	152,014	(105,774)	(438,985)	243,559	(195,426)
<b>At 30 June / 31 December</b>	<b>213,778</b>	<b>(105,043)</b>	<b>108,735</b>	208,910	(112,482)	96,428

**8 LOANS AND BORROWINGS**

	30 June 2011 Reviewed
Balance as at 1 January 2011	357,143
<i>New loans</i>	
Term Loan 1	255,076
Term Loan 2	68,583
	680,802
Repayment of loan	(169,500)
	<b>511,302</b>

**Term loan 1**

This represents a credit facility obtained from a local bank in Qatar. The principal of the loan will be repaid in full at maturity.

**Term loan 2**

This represents the loan obtained from a local bank in Qatar for the construction of a real estate project (Wold Trade Center Tower) in the State of Qatar.

	30 June 2011 (Reviewed)	31 December 2010 (Audited)
Loans and borrowings - short term	-	357,143
Loans and borrowings - long term	511,302	-
	<b>511,302</b>	357,143

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six month period ended 30 June 2011

In thousands of Qatari Riyals

9 INVESTMENT IN SECURITIES

The carrying amounts of investments were as follows:

	<b>30 June 2011 (Reviewed)</b>	31 December 2010 (Audited)
<b>Held for trading investments</b>		
Quoted shares	127,226	64,779
Bonds – debt instruments	5,619	5,314
<b>Total held for trading investments</b>	<b>132,845</b>	70,093
<b>Available-for-sale investments</b>		
Local portfolio – quoted	711,752	746,738
Local portfolio – unquoted	9,327	9,326
Foreign shares	31,500	36,486
Managed funds	37,689	37,098
Bonds- debt instruments	87,897	79,750
<b>Total available for sale investments</b>	<b>878,165</b>	909,398
<b>Total investment in securities</b>	<b>1,011,010</b>	979,491

10 INVESTMENT PROPERTY

	<b>30 June 2011 (Reviewed)</b>	31 December 2010 (Audited)
Investment properties	1,545,967	1,545,967
Investment properties under construction	216,834	121,865
<b>Carrying value as at</b>	<b>1,762,801</b>	1,667,832

The movement in investment properties is as follows:

	<b>30 June 2011 (Reviewed)</b>	31 December 2011 (Audited)
<i>Carrying value</i>		
Investment properties	1,545,967	1,542,542
Buildings under construction	121,865	75,308
Additions during the period / year	94,969	46,557
Reclassification made during the period / year	-	2,423
Transfer of investment property to property and equipment	-	(1,074)
Increase in fair value of investment properties during the period / year	-	2,076
<b>Carrying value as at</b>	<b>1,762,801</b>	1,667,832

The policy of the management is to revalue the investment properties at each financial period end. The management of the Group believes that the fair values of the investment properties as at 31 December 2010 approximates to the fair values as of 30 June 2011.

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

For the six month period ended 30 June 2011

In thousands of Qatari Riyals

**11 INVESTMENT IN EQUITY-ACCOUNTED INVESTEEES**

The investment in equity-accounted investees includes in investment in Lebanese Canadian Bank (LCB) amounting to QR 35.5 million. On 22 June 2011, an acquisition deal between LCB and Societe Generale de Banque au Liban (SGBL) has been signed and submitted to the central bank of Lebanon for final approval, where SGBL has agreed to acquire the assets of LCB. The finalisation of the acquisition deal is subject to the completion of due diligence process and approval by the central bank in Lebanon.

**12 TAKAFUL PARTICIPANTS' FUND ACCOUNTS***Statement of financial position – policyholders*

	<b>30 June 2011 (Reviewed)</b>	<b>31 December 2010 (Audited)</b>
<b>ASSETS</b>		
Cash and bank balances	48,362	57,050
Due from a related party	1,654	767
Insurance contract receivables	20,659	22,844
Reinsurance contract assets	266	10,117
Other receivables	1,164	95
Furniture and equipment	919	1,112
Available-for-sale investments	22,166	737
	<b>95,190</b>	<b>92,722</b>
<b>LIABILITIES</b>		
Accounts payable	12,202	15,440
Insurance contract liabilities	61,656	61,149
Other payables	10,238	1,928
Fair value reserve	(280)	76
	<b>83,816</b>	<b>78,593</b>
Surplus for the period / year	11,374	14,129
	<b>95,190</b>	<b>92,722</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six month period ended 30 June 2011

In thousands of Qatari Riyals

## 12 TAKAFUL PARTICIPANTS' FUND ACCOUNTS

*Statement of policyholders' revenues and expenses*

	Six month period ended 30 June	
	2011 (Reviewed)	2010 (Reviewed)
Gross contributions	39,609	44,416
Reinsurance cessions	(6,085)	(5,464)
Wakala fee	(7,922)	-
Retained premium	25,602	38,952
Unearned premium adjustment	(3,055)	(9,876)
Net commission income	1,103	874
Other income – technical	125	914
<b>Net contributions</b>	<b>23,775</b>	<b>30,864</b>
Claims paid	(23,731)	(20,967)
Claims recovered	4,055	4,042
Outstanding claims adjustment	(7,305)	(2,736)
<b>Net claims</b>	<b>(26,981)</b>	<b>(19,661)</b>
Net Takaful income	(3,206)	11,203
Other income	451	228
General and administrative expenses	-	(4,241)
<b>(Deficit) / surplus for the period</b>	<b>(2,755)</b>	<b>7,190</b>

## 13 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the 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	
	2011 (Reviewed)	2010 (Audited) (Restated)
Profit for the period	76,230	65,885
Weighted average number of shares (in '000s)	44,756	44,756
Earnings per QR 10 per share (in Qatar Riyal)	<b>1.70</b>	1.47

## 14 DIVIDEND PAID

A final dividend, amounting to QR 47,953,200 for the year 2010 (2009: QR 63,937,500) along with a bonus share of 40% of the share capital for the year ended 31 December 2010, totalling to 12,787,520 shares (2009: 6,393,750 shares) has been approved at the Annual General Meeting on 05 February 2011. The same has been paid and distributed by the Group during the period.

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

**For the six month period ended 30 June 2011**

In thousands of Qatari Riyals

**15 CONTINGENT LIABILITIES AND CONTRACT COMMITMENTS**

**Contingent liabilities:**

	<b>30 June 2011 (Reviewed)</b>	<b>31 December 2010 (Audited)</b>
Letters of guarantee	<b>5,016</b>	4,050

**Contract commitments:**

During the year ended 31 December 2010, the Group had entered into a construction contract with Arabtec Construction W.L.L. for the construction of World Trade Centre Tower in State of Qatar. The total contract commitment is QR 520 million, of which QR 139.10 million has been paid as at the reporting date. The outstanding commitment as at the reporting date amounted to QR 380.90 million.