

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

**INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

30 JUNE 2013

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

Interim condensed consolidated financial information
As at and for the six month period ended 30 June 2013

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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 30 June 2013, comprising of the interim consolidated statement of financial position as at 30 June 2013 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-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: 28 July 2013
Doha

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

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

		30 June 2013	31 December 2012
	Notes	QR '000 <i>Unaudited</i>	QR '000 <i>Audited</i>
Assets			
Property and equipment		99,653	100,079
Investment properties	3	2,819,593	2,139,173
Equity accounted investees	4	275,336	288,904
Financial assets:			
Available-for-sale financial assets	5(a)	924,555	878,456
Financial assets at fair value through profit or loss	5(b)	189,041	160,475
Receivables from related parties	5(c)	50,128	53,970
Insurance receivables	5(d)	261,724	236,887
Reinsurance assets	6	459,525	434,151
Takaful participants' assets	7(a)	229,449	195,061
Other assets	8	220,563	197,413
Cash and cash equivalents	9	23,909	29,979
Total assets		<u>5,553,476</u>	<u>4,714,548</u>
Equity and liabilities			
Equity attributable to equity holders of parent			
Issued share capital		576,461	501,270
Retained earnings		2,050,308	1,433,648
Legal reserve		135,399	135,399
Revaluation reserves		575,148	506,563
		<u>3,337,316</u>	<u>2,576,880</u>
Non-controlling interests		<u>1,565</u>	<u>1,295</u>
Total equity		<u>3,338,881</u>	<u>2,578,175</u>
Liabilities			
Insurance contract liabilities	10	678,561	620,718
Financial liabilities:			
Borrowings	11	895,380	899,406
Derivative financial instruments	12	39,393	51,029
Payables to a related party	13	68	68
Insurance payables	14	258,801	227,115
Employees' end-of-service benefits		27,666	26,874
Takaful participants' liabilities	7(a)	229,449	195,061
Other liabilities	15	85,277	116,102
Total liabilities		<u>2,214,595</u>	<u>2,136,373</u>
Total equity and liabilities		<u>5,553,476</u>	<u>4,714,548</u>

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

.....
 Member of the Board

The attached notes 1 to 31 form part of these interim condensed consolidated financial statements.

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

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the Six Months Ended 30 June 2013

	Notes	30 June 2013 QR '000 <i>Unaudited</i>	30 June 2012 QR '000 <i>Unaudited</i>
Gross premiums	17(a)	271,836	235,588
Premiums ceded to reinsurers	17(b)	<u>(171,583)</u>	<u>(137,640)</u>
Net premiums		100,253	97,948
Fees and commission income	18	25,249	36,139
Investment income	19	54,878	43,922
Net realised gains and losses	20	24,677	3,129
Fair value gains and losses	21	683,700	(9,896)
Other operating revenue		<u>701</u>	<u>4,689</u>
Other revenue		789,205	77,983
Total revenue		889,458	175,931
Gross claims paid	22(a)	(115,778)	(89,488)
Claims ceded to reinsurers	22(b)	52,918	35,670
Gross change in contract liabilities	22(c)	(2,763)	(9,498)
Change in contract liabilities ceded to reinsurers	22(d)	<u>(5,612)</u>	<u>(5,931)</u>
Net claims		(71,235)	(69,247)
Finance costs	23	(7,633)	(7,737)
Other operating and administrative expenses	24	<u>(65,201)</u>	<u>(56,543)</u>
Other expenses		(72,834)	(64,280)
Total expenses		(144,069)	(133,527)
Profit before share of profits of associates		745,389	42,404
Share of profits of associates	4	<u>(3,141)</u>	<u>25,454</u>
Profit for the period		742,248	67,858
Profit attributable to:			
Equity holders of the parent		741,978	67,576
Non-controlling interests		<u>270</u>	<u>282</u>
		742,248	67,858
Earnings per share			
Basic and diluted, profit for the period attributable to ordinary equity holders of the parent	26	<u>12.88</u>	<u>1.18</u>

The attached notes 1 to 31 form part of these interim condensed consolidated financial statements.

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

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Six Months Ended 30 June 2013

	Notes	30 June 2013 QR '000 <i>Unaudited</i>	30 June 2012 QR '000 <i>Unaudited</i>
Profit for the period		742,248	67,858
Other comprehensive income			
Exchange differences on translating foreign operations	27	(10,289)	(6,760)
Net loss on cash flow hedges	27	11,636	(3,714)
Net gain on available-for-sale assets	27	67,238	(51,547)
Other comprehensive income for the period		<u>68,585</u>	<u>(62,021)</u>
Total comprehensive income for the period		<u>810,833</u>	<u>5,837</u>
Total comprehensive income attributable to:			
Equity holders of the parent		810,563	5,555
Non-controlling interests		<u>270</u>	<u>282</u>
		<u>810,833</u>	<u>5,837</u>

The attached notes 1 to 31 form part of these interim condensed consolidated financial statements.

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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Six Months Ended 30 June 2013

Equity attributable to equity holders of the parent											
	Note	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 2013 (audited)		501,270	1,433,648	135,399	506,979	77,355	(51,029)	(26,742)	2,576,880	1,295	2,578,175
Profit for the period		-	741,978	-	-	-	-	-	741,978	270	742,248
Other comprehensive income		-	-	-	67,238	-	11,636	(10,289)	68,585	-	68,585
Total comprehensive income		-	741,978	-	67,238	-	11,636	(10,289)	810,563	270	810,833
Issue of bonus shares		75,191	(75,191)	-	-	-	-	-	-	-	-
Dividends paid during the year	25	-	(50,127)	-	-	-	-	-	(50,127)	-	(50,127)
At 30 June 2013 (unaudited)		576,461	2,050,308	135,399	574,217	77,355	(39,393)	(37,031)	3,337,316	1,565	3,338,881

The attached notes 1 to 31 form part of these interim condensed consolidated financial statements.

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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Six Months Ended 30 June 2012

Equity attributable to equity holders of the parent										
Notes	Issued share capital	Retained earnings	Legal reserve	Revaluation reserves				Total ordinary shareholders' equity	Non-controlling interests	Total equity
				Available-for-sale financial assets	Revaluation surplus	Cash flow hedging	Foreign currency translation reserve			
	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000
At 1 January 2012 (audited)	447,562	1,392,484	117,843	578,528	77,355	(49,752)	(16,618)	2,547,402	734	2,548,136
Profit for the period	-	67,576	-	-	-	-	-	67,576	282	67,858
Other comprehensive income	-	-	-	(51,547)	-	(3,714)	(6,760)	(62,021)	-	(62,021)
Total comprehensive income	-	67,576	-	(51,547)	-	(3,714)	(6,760)	5,555	282	5,837
Issue of bonus shares	53,708	(53,708)	-	-	-	-	-	-	-	-
Dividends paid during the year	-	(58,183)	-	-	-	-	-	(58,183)	-	(58,183)
At 30 June 2012 (unaudited)	<u>501,270</u>	<u>1,348,169</u>	<u>117,843</u>	<u>526,981</u>	<u>77,355</u>	<u>(53,466)</u>	<u>(23,378)</u>	<u>2,494,774</u>	<u>1,016</u>	<u>2,495,790</u>

The attached notes 1 to 31 form part of these interim condensed consolidated financial statements.

Qatar General Insurance and Reinsurance Company S.A.Q.
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the Six Months Ended 30 June 2013

	Notes	30 June 2013 QR '000 <i>Unaudited</i>	30 June 2012 QR '000 <i>Unaudited</i>
Operating activities			
Profit for the year		742,248	67,858
<i>Adjustment for:</i>			
Net change in operating assets	28	(73,666)	(215,877)
Net change in operating liabilities	28	58,704	49,952
 <i>Non-cash items included in profit for the year</i>			
Fair value gains and losses	21	(683,700)	9,896
Share of profit of associates	4	3,141	(25,454)
Depreciation of property and equipment		2,556	2,660
Employees' end of service benefits		790	682
Net cash flows from / (used in) operating activities		<u>50,073</u>	<u>(110,283)</u>
 Investing activities			
Purchase of property and equipment		(2,128)	(599)
Investments in equity accounted investees	4	-	(11,121)
Dividends received from equity accounted investees	4	138	4,000
Net cash flows used in investing activities		<u>(1,990)</u>	<u>(7,720)</u>
 Financing activities			
Proceeds from bank loans		19,270	146,967
Finance costs paid on bank loans		(6,982)	(6,912)
Dividends paid to equity holders of the parent	25	(50,127)	(58,183)
Net cash flows (used in) / from financing activities		<u>(37,839)</u>	<u>81,872</u>
 Net increase / (decrease) in cash and cash equivalents			
		10,244	(36,131)
Cash and cash equivalents at beginning of period		1,116	17,784
Cash and cash equivalents at the end of period	9	<u>11,360</u>	<u>(18,347)</u>
 Operational cash flows from interest and dividends			
Interest paid	23	7,056	7,368
Interest received		5,282	4,132
Dividend received		43,747	34,082

The attached notes 1 to 31 form part of these interim condensed consolidated financial statements.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Six Month Period Ended 30 June 2013

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 5 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 on the Qatar Exchange.

The Company has seven 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 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 %	Qatar State of	Primarily engaged in Islamic insurance
General Real Estate Company S.P.C.	100 %	State of Qatar	Primarily engaged in real estate investment and management
World Trade Center S.P.C.	100 %	State of Qatar	Official recognized licensee of World Trade Center Association.
Mazoon Insurance Marketing Services S.P.C.	100 %	State of Qatar	Insurance marketing services
Mazoon Real Estate Company W.L.L.	50 %	State of Qatar	Real estate investment and development
Arab Danish Diary W.L.L.	60 %	State of Qatar	Manufacturing and processing of dairy products

These interim condensed consolidated financial statements of the Group for the six months period ended 30 June 2013 were authorized for issue by the Board of Directors on 28 July 2013.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2013 have been prepared in accordance with IAS 34 “Interim Financial Reporting” (“IAS 34”) and have been presented in Qatar Riyals which is the Company’s functional and presentation currency and all values are rounded to the nearest thousands (QR ‘000) except where otherwise indicated.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual financial statements as at 31 December 2012. In addition, results for the six months ended 30 June 2013 are not necessarily indicative of the results that maybe expected for the financial year ending 31 December 2013.

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 2012.

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 2012.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Significant accounting policies

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 financial statements for the year ended 31 December 2012, except for the adoption of new standards and interpretations as of 1 January 2013, as noted below:

During the period, the Group has adopted the following standards effective for the annual period beginning on or after 1 January 2013.

IFRS 7 Financial Instruments (Disclosures)

The amendment requires additional quantitative and qualitative disclosures relating to transfers of financial assets, when:

- Financial assets are derecognised in their entirety, but the entity has a continuing involvement in them (e.g., options or guarantees on the transferred assets); and
- Financial assets are not derecognised in their entirety.

The amended disclosures are more extensive and onerous than previous disclosures. This amendment did not have any impact on the Group.

The following amendments to standards became effective in 2013, but did not have any impact on the accounting policies, financial position or performance of the Group.

<i>Standard/ Interpretation</i>	<i>Content</i>
IAS 12	Income Taxes – Tax recovery of underlying assets (Amendment)
IFRS 1	First-time adoption – Severe hyperinflation and removal of fixed dates for first time adopters (Amendment)
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IAS 1	Presentation of Items of Other Comprehensive Income (Amendment)
IAS 19	Employee Benefits (Revised)

The Group is currently considering the implications of the new IFRS's which are effective for future accounting periods and has not early adopted any of the new Standards as listed below:

<i>Standard/ Interpretation</i>	<i>Content</i>	<i>Effective date</i>
IFRS 9	Financial Instruments: Classification & Measurement (Part 1)	1 January 2015

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the Six Month Period Ended 30 June 2013

3 INVESTMENT PROPERTIES

		30 June 2013	31 December 2012
	Notes	QR '000	QR '000
		<i>Unaudited</i>	<i>Audited</i>
At 1 January		2,139,173	1,857,446
Additions	28	9,866	241,867
Fair value gains and losses	21	670,554	39,860
At 30 June / 31 December		<u>2,819,593</u>	<u>2,139,173</u>

4 EQUITY ACCOUNTED INVESTEEES

		30 June 2013	31 December 2012
	Notes	QR '000	QR '000
		<i>Unaudited</i>	<i>Audited</i>
At 1 January		288,904	215,606
Investments in equity accounted investees		-	39,917
Share of profits of associates		(3,141)	56,529
Dividends received from equity accounted investees		(138)	(13,024)
Exchange differences on translating foreign operations	27	(10,289)	(10,124)
At 30 June / 31 December		<u>275,336</u>	<u>288,904</u>

5 FINANCIAL INSTRUMENTS OTHER THAN DERIVATIVE FINANCIAL INSTRUMENTS AND FAIR VALUES OF FINANCIAL INSTRUMENTS

		30 June 2013	31 December 2012
	Notes	QR '000	QR '000
		<i>Unaudited</i>	<i>Audited</i>
Available-for-sale financial assets	(a)	924,555	878,456
Financial assets at fair value through profit or loss	(b)	189,041	160,475
Receivables from related parties	(c)	50,128	53,970
Insurance receivables	(d)	261,724	236,887
		<u>1,425,448</u>	<u>1,329,788</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Month Period Ended 30 June 2013

5 FINANCIAL INSTRUMENTS OTHER THAN DERIVATIVE FINANCIAL INSTRUMENTS AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Available-for-sale financial assets

	30 June 2013	31 December 2012
Notes	QR '000 <i>Unaudited</i>	QR '000 <i>Audited</i>
Equity securities	733,568	664,998
Debt securities	122,356	144,699
Managed funds	68,631	68,759
	<u>924,555</u>	<u>878,456</u>

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

	30 June 2013	31 December 2012
Notes	QR '000 <i>Unaudited</i>	QR '000 <i>Audited</i>
Equity securities	151,559	131,832
Deposits with credit institutions	37,482	28,643
	<u>189,041</u>	<u>160,475</u>

(c) Receivables from related parties

	30 June 2013	31 December 2012
Notes	QR '000 <i>Unaudited</i>	QR '000 <i>Audited</i>
Trust Algeria Investment Company	37,064	37,064
Trust Insurance Company - Amman	3,894	4,040
Trust Algeria Assurances and Reassurances	3,680	3,680
Gulf Petroleum Limited W.L.L.	3,433	3,732
Nest Investments	726	595
Al Sari Trading Company	580	580
Trust Insurance Company - Cyprus	448	448
Trust Syria Insurance Company S.A.S.C.	271	271
Life Insurance Company - Egypt	32	32
International Financial Securities	-	3,528
	<u>50,128</u>	<u>53,970</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the Six Month Period Ended 30 June 2013

5 FINANCIAL INSTRUMENTS OTHER THAN DERIVATIVE FINANCIAL INSTRUMENTS AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(d) Insurance receivables

	30 June 2013	31 December 2012
Notes	QR '000 <i>Unaudited</i>	QR '000 <i>Audited</i>
Due from policyholders	204,297	188,006
Due from insurers and reinsurers	43,392	34,254
Due from agents, brokers and intermediaries	7,083	9,237
Claims recoveries	6,952	5,390
	<u>261,724</u>	<u>236,887</u>
Impairment allowance		
At 1 January	49,156	42,601
Impairment charge for the period / year	-	6,555
Recoveries	(25)	-
At 30 June / 31 December	<u>49,131</u>	<u>49,156</u>

(e) Determination of fair value and fair values hierarchy

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

6 REINSURANCE ASSETS

	30 June 2013	31 December 2012
Notes	QR '000 <i>Unaudited</i>	QR '000 <i>Audited</i>
Reinsurance of insurance contracts	<u>459,525</u>	<u>434,151</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Month Period Ended 30 June 2013

7 TAKAFUL PARTICIPANTS' FUND ACCOUNTS

(a) Statement of financial position - Policyholders

	30 June 2013	31 December 2012
Notes	QR '000	QR '000
	<i>Unaudited</i>	<i>Audited</i>
Assets		
Investment properties	68,356	-
Furniture and equipment	2,502	2,296
Available-for-sale investments	34,036	33,399
Insurance receivables	62,471	56,485
Other assets	3,776	3,723
Bank balances and cash	58,308	99,158
	<u>229,449</u>	<u>195,061</u>
Liabilities		
Insurance contract liabilities	140,681	118,602
Payables to a related party	268	143
Insurance payables	29,797	27,929
Employees' end of service benefits	3,214	3,030
Other liabilities	45,947	31,810
Fair value reserve	(747)	(174)
	<u>219,160</u>	<u>181,340</u>
Surplus end of the period	<u>10,289</u>	<u>13,721</u>
	<u>229,449</u>	<u>195,061</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the Six Month Period Ended 30 June 2013

7 TAKAFUL PARTICIPANTS' FUND ACCOUNTS (continued)

(b) Statement of revenues and expenses - Policyholders

	30 June 2013	31 December 2012
Notes	QR '000 <i>Unaudited</i>	QR '000 <i>Audited</i>
Gross contributions	97,212	152,803
Reinsurance cessions	(8,662)	(22,776)
Wakala fee	<u>(14,582)</u>	<u>(30,561)</u>
Retained premium	73,968	99,466
Unearned premium adjustment	(19,607)	(28,849)
Commission expense, net	(2,991)	(2,160)
Other income - Technical	<u>94</u>	<u>191</u>
Net contributions	<u>51,464</u>	<u>68,648</u>
Claims paid	(58,697)	(71,200)
Claims recovered	7,311	14,006
Reinsurance cessions	1,973	443
Outstanding claims adjustment	<u>(6,126)</u>	<u>(13,311)</u>
Net claims	<u>(55,539)</u>	<u>(70,062)</u>
Insurance losses	(4,075)	(1,414)
Other income	<u>643</u>	<u>577</u>
Deficit for the period	<u><u>(3,432)</u></u>	<u><u>(837)</u></u>

8 OTHER ASSETS

	30 June 2013	31 December 2012
Notes	QR '000 <i>Unaudited</i>	QR '000 <i>Audited</i>
Staff receivables	1,055	1,128
Prepayments	1,491	899
Accrued interest	959	1,127
Other receivables	<u>217,058</u>	<u>194,259</u>
	<u><u>220,563</u></u>	<u><u>197,413</u></u>

- (a) Other receivables include an amount of QR 46.96 million (2012: QR 46.96 million) which represents balances due from the disposal of the Group's investment in the Lebanese Canadian Bank in 2011. In addition, the account includes advances for capital increases in an associate amounting to QR 98.62 million (2012: QR 98.62 million).

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Six Month Period Ended 30 June 2013

9 CASH AND CASH EQUIVALENTS

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

		30 June 2013	31 December 2012
	Notes	QR '000 <i>Unaudited</i>	QR '000 <i>Audited</i>
Cash and cash equivalents		23,909	29,979
Bank overdrafts	11	<u>(12,549)</u>	<u>(28,863)</u>
		<u><u>11,360</u></u>	<u><u>1,116</u></u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Month Period Ended 30 June 2013

10 INSURANCE CONTRACT LIABILITIES

	30 June 2013 (Unaudited)			31 December 2012 (Audited)			
	Insurance contract liabilities	Reinsurance of liabilities	Net	Insurance contract liabilities	Reinsurance of liabilities	Net	
	Notes	QR '000	QR '000	QR '000	QR '000	QR '000	
Provision for reported claims by policyholders		378,592	(300,827)	77,765	377,274	(307,882)	69,392
Provision for claims IBNR		55,417	(28,908)	26,509	53,972	(27,465)	26,507
Outstanding claims provision	10 (a)	434,009	(329,735)	104,274	431,246	(335,347)	95,899
Provision for unearned premiums	10 (b)	244,552	(129,790)	114,762	189,472	(98,804)	90,668
		<u>678,561</u>	<u>(459,525)</u>	<u>219,036</u>	<u>620,718</u>	<u>(434,151)</u>	<u>186,567</u>

(a) Outstanding claims provision

	30 June 2013 (Unaudited)			31 December 2012 (Audited)			
	Insurance contract liabilities	Reinsurance of liabilities	Net	Insurance contract liabilities	Reinsurance of liabilities	Net	
	Notes	QR '000	QR '000	QR '000	QR '000	QR '000	
At 1 January		431,246	(335,347)	95,899	380,112	(300,780)	79,332
Gross / ceded change in contract liabilities	22	2,763	5,612	8,375	51,134	(34,567)	16,567
At 30 June / 31 December		<u>434,009</u>	<u>(329,735)</u>	<u>104,274</u>	<u>431,246</u>	<u>(335,347)</u>	<u>95,899</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Month Period Ended 30 June 2013

10 INSURANCE CONTRACT LIABILITIES (continued)

(b) Provision for unearned premiums

	Notes	30 June 2013 (Unaudited)			31 December 2012 (Audited)		
		Insurance contract liabilities	Reinsurance of liabilities	Net	Insurance contract liabilities	Reinsurance of liabilities	Net
		QR '000	QR '000	QR '000	QR '000	QR '000	QR '000
At 1 January		189,472	(98,804)	90,668	163,265	(79,503)	83,762
Premiums written in the year	17	326,916	(202,569)	124,347	500,180	(297,646)	202,534
Premiums earned during the year	17	<u>(271,836)</u>	<u>171,583</u>	<u>(100,253)</u>	<u>(473,973)</u>	<u>278,345</u>	<u>(195,628)</u>
At 30 June / 31 December		<u>244,552</u>	<u>(129,790)</u>	<u>114,762</u>	<u>189,472</u>	<u>(98,804)</u>	<u>90,668</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the Six Month Period Ended 30 June 2013

11 BORROWINGS

		30 June 2013	31 December 2012
	Notes	QR '000 <i>Unaudited</i>	QR '000 <i>Audited</i>
Bank overdrafts	9	12,549	28,863
Term loans		<u>882,831</u>	<u>870,543</u>
		<u><u>895,380</u></u>	<u><u>899,406</u></u>

(a) Current borrowings

		30 June 2013	31 December 2012
	Notes	QR '000 <i>Unaudited</i>	QR '000 <i>Audited</i>
Bank overdrafts	9	12,549	28,863
Term loans		<u>424,591</u>	<u>-</u>
		<u><u>437,140</u></u>	<u><u>28,863</u></u>

(b) Non-current borrowings

		30 June 2013	31 December 2012
	Notes	QR '000 <i>Unaudited</i>	QR '000 <i>Audited</i>
Term loans		<u>458,240</u>	<u>870,543</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Month Period Ended 30 June 2013

12 DERIVATIVE FINANCIAL INSTRUMENTS

Notes	30 June 2013 (Unaudited)			31 December 2012 (Audited)		
	Assets	Liabilities	Notional amount	Assets	Liabilities	Notional amount
	···'QR	···'QR	···'QR	···'QR	···'QR	···'QR
Derivatives held as cash flow hedges:						
Interest rate swaps	-	(39,393)	٣٢٢,١٤٠	-	(٥١,٠٢٩)	٣٠٠,٣٠٠

The Group entered into interest rate swap contracts designated as hedge of expected future LIBOR interest rate payable. Under the terms of the interest rate swap contracts, the Group pays a fixed rate of interest and receives floating LIBOR rates. The terms of the interest rate swap contracts have been negotiated to match the terms of the underlying commitments. As at June 2013, the measurement of the fair value of the hedge resulted in an amount of QR 39.39 million (2012: QR 51.03 million) being recognised in equity as a cash flow hedge reserve.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Month Period Ended 30 June 2013

13 PAYABLES TO A RELATED PARTY

	30 June 2013	31 December 2012
Notes	QR '000	QR '000
	<i>Unaudited</i>	<i>Audited</i>
Trust Insurance Company - Bahrain	<u>68</u>	<u>68</u>

14 INSURANCE PAYABLES

	30 June 2013	31 December 2012
Notes	QR '000	QR '000
	<i>Unaudited</i>	<i>Audited</i>
Due to policyholders	116,220	111,537
Due to insurers and reinsurers	133,124	109,574
Due to agents, brokers and intermediaries	<u>9,457</u>	<u>6,004</u>
	<u>258,801</u>	<u>227,115</u>

15 OTHER LIABILITIES

	30 June 2013	31 December 2012
Notes	QR '000	QR '000
	<i>Unaudited</i>	<i>Audited</i>
Staff payables	1,546	11,542
Accrued expenses	3,511	7,494
Other payables	<u>80,220</u>	<u>97,066</u>
	<u>85,277</u>	<u>116,102</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the Six Month Period Ended 30 June 2013

16 SEGMENT INFORMATION

Segment statement of financial position at 30 June 2013:

	Insurance operations	Investments including real estate	Adjustments and eliminations	Total Unaudited
	QR '000	QR '000	QR '000	QR '000
Assets				
Property and equipment	16,844	82,809	-	99,653
Investment properties	10,028	2,809,565	-	2,819,593
Equity accounted investees	3,246	272,090	-	275,336
Investments in subsidiaries	100,000	(99,380)	(620)	-
Financial assets:				
Available-for-sale financial assets	582,113	342,442	-	924,555
Financial assets at fair value	139,152	49,889	-	189,041
Receivables from related parties	4,467	45,661	-	50,128
Insurance receivables	261,724	-	-	261,724
Reinsurance assets	443,491	-	16,034	459,525
Takaful participants' assets	215,372	-	14,077	229,449
Other assets	1,558,552	(1,338,068)	79	220,563
Cash and cash equivalents	20,047	3,862	-	23,909
Total assets	3,355,036	2,168,870	29,570	5,553,476
Equity and liabilities				
Equity attributable to equity holders of parent				
Issued share capital	576,461	-	-	576,461
Retained earnings	662,917	1,486,791	(99,400)	2,050,308
Legal reserve	140,418	22,370	(27,389)	135,399
Revaluation reserves	331,185	110,563	133,400	575,148
	1,710,981	1,619,724	6,611	3,337,316
Non-controlling interests	-	1,470	95	1,565
Total equity	1,710,981	1,621,194	6,706	3,338,881
Liabilities				
Insurance contract liabilities	662,524	-	16,037	678,561
Financial liabilities:				
Borrowings	470,789	424,591	-	895,380
Derivative financial instruments	-	51,029	(11,636)	39,393
Payables to a related party	68	-	-	68
Insurance payables	258,801	-	-	258,801
Employees' end-of-service benefits	25,110	2,556	-	27,666
Takaful participants' liabilities	215,372	-	14,077	229,449
Other liabilities	11,391	69,500	4,386	85,277
Total liabilities	1,644,055	547,676	22,864	2,214,595
Total equity and liabilities	3,355,036	2,168,870	29,570	5,553,476

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the Six Month Period Ended 30 June 2013

16 SEGMENT INFORMATION (continued)

Segment statement of financial position at 31 December 2012:

	Insurance operations	Investments including real estate	Adjustments and eliminations	Total Audited
	QR '000	QR '000	QR '000	QR '000
Assets				
Property and equipment	17,685	82,394	-	100,079
Investment properties	9,778	2,129,395	-	2,139,173
Equity accounted investees	6,409	282,495	-	288,904
Investments in subsidiaries	100,000	(99,380)	(620)	-
Financial assets:				
Available-for-sale financial assets	563,682	314,774	-	878,456
Financial assets at fair value through profit or loss	115,768	44,707	-	160,475
Receivables from related parties	4,613	49,357	-	53,970
Insurance receivables	236,887	-	-	236,887
Reinsurance assets	424,832	-	9,319	434,151
Takaful participants' assets	177,330	-	17,731	195,061
Other assets	1,554,203	(1,356,979)	189	197,413
Cash and cash equivalents	17,575	12,404	-	29,979
Total assets	3,228,762	1,459,167	26,619	4,714,548
Equity and liabilities				
Equity attributable to equity holders of parent				
Issued share capital	501,270	-	-	501,270
Retained earnings	770,678	796,472	(133,502)	1,433,648
Legal reserve	121,446	22,704	(8,751)	135,399
Revaluation reserves	298,291	83,221	125,051	506,563
	1,691,685	902,397	(17,202)	2,576,880
Non-controlling interests	-	1,761	(466)	1,295
Total equity	1,691,685	904,158	(17,668)	2,578,175
Liabilities				
Insurance contract liabilities	611,399	-	9,319	620,718
Financial liabilities:				
Borrowings	487,193	412,213	-	899,406
Derivative financial instruments	-	51,029	-	51,029
Payables to a related party	68	-	-	68
Insurance payables	227,115	-	-	227,115
Employees' end-of-service benefits	24,469	2,405	-	26,874
Takaful participants' liabilities	177,330	-	17,731	195,061
Other liabilities	9,503	89,362	17,237	116,102
Total liabilities	1,537,077	555,009	44,287	2,136,373
Total equity and liabilities	3,228,762	1,459,167	26,619	4,714,548

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the Six Month Period Ended 30 June 2013

16 SEGMENT INFORMATION (continued)

Segment income statement for the period ended 30 June 2013:

	Insurance operations	Investments including real estate	Adjustments and eliminations	Total Unaudited
	QR '000	QR '000	QR '000	QR '000
Gross premiums	271,836	-	-	271,836
Premiums ceded to reinsurers	(171,583)	-	-	(171,583)
Net premiums	100,253	-	-	100,253
Fees and commission income	25,249	-	-	25,249
Investment income	30,103	25,698	(923)	54,878
Net realised gains and losses	5,936	15,453	3,288	24,677
Fair value gains and losses	13,146	670,554	-	683,700
Other operating revenue	701	-	-	701
Other revenue	75,135	711,705	2,365	789,205
Total revenue	175,388	711,705	2,365	889,458
Gross claims paid	(115,778)	-	-	(115,778)
Claims ceded to reinsurers	52,918	-	-	52,918
Gross change in contract liabilities	(2,763)	-	-	(2,763)
Change in contract liabilities ceded to reinsurers	(5,612)	-	-	(5,612)
Net claims	(71,235)	-	-	(71,235)
Finance costs	(2,778)	(4,855)	-	(7,633)
Other operating and administrative expenses	(52,710)	(13,414)	923	(65,201)
Other expenses	(55,488)	(18,269)	923	(72,834)
Total expenses	(126,723)	(18,269)	923	(144,069)
Profit before share of profits of associates	48,665	693,436	3,288	745,389
Share of profits of associates	600	(3,741)	-	(3,141)
Profit for the period	49,265	689,695	3,288	742,248

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the Six Month Period Ended 30 June 2013

16 SEGMENT INFORMATION (continued)

Segment income statement for the period ended 30 June 2012:

	Insurance operations	Investments including real estate	Adjustments and eliminations	Total Unaudited
	QR '000	QR '000	QR '000	QR '000
Gross premiums	235,588	-	-	235,588
Premiums ceded to reinsurers	(137,640)	-	-	(137,640)
Net premiums	97,948			97,948
Fees and commission income	36,139	-	-	36,139
Investment income	19,963	24,882	(923)	43,922
Net realised gains and losses	4,566	(1,115)	(322)	3,129
Fair value gains and losses	(9,896)	-	-	(9,896)
Other operating revenue	19,746	7	(15,064)	4,689
Other revenue	70,518	23,774	(16,309)	77,983
Total revenue	168,466	23,774	(16,309)	175,931
Gross claims paid	(89,488)	-	-	(89,488)
Claims ceded to reinsurers	35,670	-	-	35,670
Gross change in contract liabilities	(9,498)	-	-	(9,498)
Change in contract liabilities ceded to reinsurers	(5,931)	-	-	(5,931)
Net claims	(69,247)	-	-	(69,247)
Finance costs	(2,799)	(4,938)	-	(7,737)
Other operating and administrative expenses	(45,999)	(11,468)	924	(56,543)
Other expenses	(48,798)	(16,406)	924	(64,280)
Total expenses	(118,045)	(16,406)	924	(133,527)
Profit before share of profits of associates	50,421	7,368	(15,385)	42,404
Share of profits of associates	382	25,072	-	25,454
Profit for the period	50,803	32,440	(15,385)	67,858

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the Six Month Period Ended 30 June 2013

16 SEGMENT INFORMATION (continued)

Geographic information:

	Qatar	United Arab Emirates	Total Unaudited
	QR '000	QR '000	QR '000
Period ended 30 June 2013			
Gross premiums from external customers	245,560	26,276	271,836
Non-current assets	4,109,264	9,873	4,119,137
Period ended 30 June 2012			
Gross premiums from external customers	219,078	16,510	235,588
Non-current assets	3,398,437	8,175	3,406,612

17 NET PREMIUMS

(a) Gross premiums on insurance contracts

		30 June 2013	30 June 2012
	Notes	QR '000	QR '000
		<i>Unaudited</i>	<i>Unaudited</i>
Insurance contracts	10(b)	326,916	297,233
Change in unearned premiums provision		<u>(55,080)</u>	<u>(61,645)</u>
	10(b)	<u>271,836</u>	<u>235,588</u>

(b) Premiums ceded to reinsurers on insurance contracts

		30 June 2013	30 June 2012
	Notes	QR '000	QR '000
		<i>Unaudited</i>	<i>Unaudited</i>
Insurance contracts	10(b)	(202,569)	(176,679)
Change in unearned premiums provision		<u>30,986</u>	<u>39,039</u>
	10(b)	<u>(171,583)</u>	<u>(137,640)</u>
Total net premiums		<u>100,253</u>	<u>97,948</u>

18 FEES AND COMMISSION INCOME

		30 June 2013	30 June 2012
	Notes	QR '000	QR '000
		<i>Unaudited</i>	<i>Unaudited</i>
Reinsurance commission income		10,482	20,178
Policyholders administration fees		<u>14,767</u>	<u>15,961</u>
		<u>25,249</u>	<u>36,139</u>

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

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19 INVESTMENT INCOME

	30 June 2013	30 June 2012
Notes	QR '000 <i>Unaudited</i>	QR '000 <i>Unaudited</i>
Rental income from investment properties	5,849	5,708
Financial assets at fair value through profit or loss (held for trading purposes)		
Interest income	991	946
Dividend income	6,417	6,017
Available-for-sale financial assets		
Interest income	4,230	3,017
Dividend income	37,330	28,065
Cash equivalents		
Interest income	61	169
	<u>54,878</u>	<u>43,922</u>

20 NET REALISED GAINS AND LOSSES

	30 June 2013	30 June 2012
Notes	QR '000 <i>Unaudited</i>	QR '000 <i>Unaudited</i>
Financial assets at fair value through profit or loss		
Realised gains and losses	<u>7,629</u>	<u>(4,263)</u>
Available-for-sale financial assets		
Realised gains		
Equity securities	13,631	7,240
Debt securities	3,417	205
Realised losses		
Debt securities	<u>-</u>	<u>(53)</u>
	<u>17,048</u>	<u>7,392</u>
Total net realised gains and losses	<u>24,677</u>	<u>3,129</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Month Period Ended 30 June 2013

21 FAIR VALUE GAINS AND LOSSES

		30 June 2013	30 June 2012
	Notes	QR '000	QR '000
		<i>Unaudited</i>	<i>Unaudited</i>
Fair value gains on investment properties	3	670,554	-
Fair value gains and losses on financial assets at fair value through profit or loss other than derivatives		<u>13,146</u>	<u>(9,896)</u>
		<u>683,700</u>	<u>(9,896)</u>

22 NET CLAIMS

		30 June 2013	30 June 2012
	Notes	QR '000	QR '000
		<i>Unaudited</i>	<i>Unaudited</i>
(a) Gross claims paid			
Gross claims paid		128,201	99,099
Claims recoveries		<u>(12,423)</u>	<u>(9,611)</u>
		<u>115,778</u>	<u>89,488</u>
(b) Claims ceded to reinsurers			
Claims ceded to reinsurers		<u>(52,918)</u>	<u>(35,670)</u>
(c) Gross change in contract liabilities			
Provision for reported claims by policyholders		2,763	4,667
Provision for claims IBNR		<u>-</u>	<u>4,831</u>
	10(a)	<u>2,763</u>	<u>9,498</u>
(d) Change in contract liabilities ceded to reinsurers			
Provision for reported claims by policyholders	10(a)	<u>5,612</u>	<u>5,931</u>
Net claims		<u>71,235</u>	<u>69,247</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Month Period Ended 30 June 2013

23 FINANCE COSTS

	30 June 2013	30 June 2012
Notes	QR '000 <i>Unaudited</i>	QR '000 <i>Unaudited</i>
Interest expense	6,941	7,277
Interest on reinsurance premium reserves	115	91
	<u>7,056</u>	<u>7,368</u>
Bank charges	577	369
	<u>7,633</u>	<u>7,737</u>

24 OTHER OPERATING AND ADMINISTRATIVE EXPENSES

	30 June 2013	30 June 2012
Notes	QR '000 <i>Unaudited</i>	QR '000 <i>Unaudited</i>
Employee benefits expenses	41,205	36,539
Fees and commission expense	5,339	3,819
Occupancy expenses	2,633	2,315
Depreciation on property and equipment	2,556	2,660
Board of Directors' remuneration	2,233	2,600
Consultancy expenses	1,332	970
Travel expenses	1,127	1,130
Marketing expenses	1,027	865
Net foreign exchange adjustments	(248)	(174)
Other expenses	7,997	5,819
	<u>65,201</u>	<u>56,543</u>

25 DIVIDEND PAID

The Board of Directors proposed a cash dividend of 10% of the nominal share value (QR 1 per share) and a bonus share of 15% of the share capital for the year ended 31 December 2012.

The dividend payment was approved at the Annual General Meeting held on 13 March 2013.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Month Period Ended 30 June 2013

26 EARNINGS PER SHARE

	30 June 2013	30 June 2012
Notes	QR '000	QR '000
	<i>Unaudited</i>	<i>Unaudited</i>
Profit for the period	742,248	67,858
Weighted average number of shares	<u>57,646</u>	<u>57,646</u>
Earnings per share (in Qatari Riyals)	<u><u>12.88</u></u>	<u><u>1.18</u></u>

27 COMPONENTS OF OTHER COMPREHENSIVE INCOME

	30 June 2013	30 June 2012
Notes	QR '000	QR '000
	<i>Unaudited</i>	<i>Unaudited</i>
Exchange differences on translating of foreign operations	4 (10,289)	(6,760)
Cash flow hedges: Gains (losses) arising during the year	11,636	(3,714)
Available-for-sale financial assets: Gains (losses) arising during the year	67,238	(51,547)
Other comprehensive income for the period	<u><u>68,585</u></u>	<u><u>(62,021)</u></u>

28 CASH GENERATED FROM OPERATING ACTIVITIES

	30 June 2013	30 June 2012
Notes	QR '000	QR '000
	<i>Unaudited</i>	<i>Unaudited</i>
Net change in investment properties	3 9,866	106,339
Net change in available-for-sale financial assets	(21,139)	27,942
Net change in financial assets at fair value through profit or loss	15,420	(54,286)
Net change in receivables from related parties	(3,842)	29,779
Net change in insurance receivables	24,837	63,799
Net change in reinsurance assets	25,374	35,118
Net change in other assets	<u>23,150</u>	<u>7,186</u>
Net change in operating assets	<u><u>73,666</u></u>	<u><u>215,877</u></u>
Net change in insurance contract liabilities	57,843	73,152
Net change in payables to a related party	-	(11)
Net change in insurance payables	31,686	43,369
Net change in other liabilities	<u>(30,825)</u>	<u>(66,558)</u>
Net change in operating liabilities	<u><u>58,704</u></u>	<u><u>49,952</u></u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Six Month Period Ended 30 June 2013

29 RELATED PARTY DISCLOSURES

transactions Related party

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

Compensation of key management personnel

The compensation of key management personnel during the year are as follows:

	30 June 2013	30 June 2012
Notes	QR '000	QR '000
	<i>Unaudited</i>	<i>Unaudited</i>
Salaries and other short-term benefits	10,074	9,460
End of service benefits	83	59
	<u>10,157</u>	<u>9,519</u>

Related party balances

The receivables from and payables to related parties are disclosed in Note 5(c) and Note 13, 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.

30 CONTINGENT LIABILITIES AND CONTRACT COMMITMENTS

Contingent liabilities

	30 June 2013	31 December 2012
Notes	QR '000	QR '000
	<i>Unaudited</i>	<i>Audited</i>
Letters of guarantee	<u>12,868</u>	<u>13,833</u>

Contract commitments:

The Group had entered into a construction contract for the construction of World Trade Centre Tower in State of Qatar. The total contract commitment is QR 520 million, of which QR 407 million (31 December 2012: QR 313.36 million) has been paid as at the reporting date. The outstanding commitment as at the reporting date amounted to QR 113 million (31 December 2012: QR 206.64 million).

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the Six Month Period Ended 30 June 2013

31 RECLASSIFICATION OF COMPARATIVE AMOUNTS

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

The reclassifications are summarised below:

Interim consolidated statement of income	Reclassified 30 June 2012 QR'000	Previous 30 June 2012 QR'000	Amount of the Reclassification QR'000
Fee and commission income	36,139	-	36,139
Net commission income	-	16,358	(16,358)
Other income	-	17,391	(17,391)
Other income - technical	-	145	(145)
	36,139	33,894	2,245
Investment income	43,922	65,774	(21,852)
Share of profits of associate	25,454	-	25,454
	69,376	65,774	3,602
Net realised gains and losses	3,129	-	3,129
Fair value gains and losses	(9,896)	-	(9,896)
Other operating revenue	4,689	-	4,689
Finance costs	(7,737)	(7,280)	(457)
General and administrative expenses	(56,543)	(53,231)	(3,312)
Total	39,157	39,157	-

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the Six Month Period Ended 30 June 2013

31 RECLASSIFICATION OF COMPARATIVE AMOUNTS (continued)

Interim consolidated statement of financial position	Reclassified 31 December 2012 QR'000	Previous 31 December 2012 QR'000	Amount of the Reclassification QR'000
Property and equipment	<u>100,079</u>	<u>99,999</u>	<u>80</u>
Financial assets at fair value through profit or loss	<u>160,475</u>	<u>131,832</u>	<u>28,643</u>
Receivables from related parties	<u>53,970</u>	<u>73,335</u>	<u>(19,365)</u>
Insurance receivables	236,887	421,470	(184,583)
Other assets	197,413	-	197,413
	<u>434,300</u>	<u>421,470</u>	<u>12,830</u>
Reinsurance assets	<u>434,151</u>	<u>432,619</u>	<u>1,532</u>
Takaful participants' assets	<u>195,061</u>	<u>191,185</u>	<u>3,876</u>
Takaful participants' liabilities	<u>(195,061)</u>	<u>(191,185)</u>	<u>(3,876)</u>
Cash and cash equivalents	29,979	55,055	(25,076)
Statutory deposits	-	6,000	(6,000)
	<u>29,979</u>	<u>61,055</u>	<u>(31,076)</u>
Insurance contract liabilities	(620,718)	(614,086)	(6,632)
Borrowings	(899,406)	(897,315)	(2,091)
Derivative financial instruments	(51,029)	-	(51,029)
Payables to a related party	(68)	(33,665)	33,597
Insurance payables	(227,115)	(187,525)	(39,590)
Other liabilities	(116,102)	(189,203)	73,101
	<u>(1,914,438)</u>	<u>(1,921,794)</u>	<u>7,356</u>
Total	<u>(701,484)</u>	<u>(701,484)</u>	<u>-</u>