

**Qatar General Insurance  
& Reinsurance Company PJSC**

**INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS**

**30 JUNE 2016**

## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF QATAR GENERAL INSURANCE & REINSURANCE COMPANY PJSC**

### **Introduction**

We have reviewed the accompanying interim consolidated statement of financial position of Qatar General Insurance & Reinsurance Company PJSC (the “Company”) and its subsidiaries (together referred to as the “Group”) as at 30 June 2016, and the related interim consolidated statements of profit or loss and comprehensive income for the three-month and six-month period ended 30 June 2016, the interim consolidated statement of changes in equity and the interim consolidated statement of cash flows for the six-month period then ended, and the related explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with 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 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: 31 July 2016  
Doha

# Qatar General Insurance & Reinsurance Company PJSC

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

		30 June 2016	31 December 2015
	Notes	QR '000 (Unaudited)	QR '000 (Audited)
<b>Assets</b>			
Property and equipment		86,732	84,582
Investment properties	4	5,962,222	5,936,607
Investment in associates		345,318	324,749
Financial assets:			
Available-for-sale financial assets		998,412	1,057,424
Financial assets at fair value through profit or loss		156,751	167,618
Receivables from related parties	13 (b)	1,505	940
Insurance receivables		240,315	201,399
Reinsurance assets	9	826,295	859,870
Takaful participants' assets	5 (a)	299,050	281,001
Other assets		229,981	264,190
Cash and bank balances	6	244,799	231,202
<b>Total assets</b>		<b>9,391,380</b>	<b>9,409,582</b>
<b>Equity and liabilities</b>			
<b>Equity attributable to equity holders of the Parent</b>			
Issued share capital	7	875,067	795,515
Retained earnings		4,318,728	4,431,958
Legal reserve		533,079	533,079
Revaluation reserves		463,645	529,693
		<b>6,190,519</b>	6,290,245
<b>Non-controlling interests</b>		<b>2,295</b>	2,209
<b>Total equity</b>		<b>6,192,814</b>	6,292,454
<b>Liabilities</b>			
Insurance contract liabilities	9	1,098,481	1,101,580
Financial liabilities:			
Borrowings		1,245,977	1,172,590
Derivative financial instruments		33,105	28,515
Payables to related parties	13 (b)	69,010	57,461
Insurance payables		214,734	241,185
Employees' end-of-service benefits		34,950	33,942
Takaful participants' liabilities	5 (a)	299,050	281,001
Other liabilities		203,259	200,854
<b>Total liabilities</b>		<b>3,198,566</b>	3,117,128
<b>Total equity and liabilities</b>		<b>9,391,380</b>	<b>9,409,582</b>

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

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

The attached notes 1 to 16 form an integral part of these interim condensed consolidated financial statements.

**Qatar General Insurance & Reinsurance Company PJSC**  
**INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
For the Six Months Period Ended 30 June 2016

	Notes	Three months ended		Six months ended	
		30 June 2016	30 June 2015	30 June 2016	30 June 2015
		QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)
Gross written premiums	9 (b)	162,571	115,356	344,436	318,288
Change in unearned premiums		(4,818)	22,979	(47,209)	(34,299)
<b>Gross earned premiums</b>	9 (b)	<b>157,753</b>	138,335	<b>297,227</b>	283,989
Premiums ceded to reinsurers	9 (b)	(97,364)	(90,136)	(189,848)	(191,505)
<b>Net earned premiums</b>		<b>60,389</b>	48,199	<b>107,379</b>	92,484
Fees and commission income		1,407	3,057	8,049	10,443
Investment income		50,791	50,629	135,818	144,991
Net realised gains (losses)		703	(1,101)	480	2,483
Fair value losses		(3,488)	(1,602)	(10,867)	(16,334)
Income from construction activities		8,108	2,459	13,582	2,459
Other operating revenue		2,689	4,730	6,199	5,799
<b>Other revenue</b>		<b>60,210</b>	58,172	<b>153,261</b>	149,841
<b>Total revenue</b>		<b>120,599</b>	106,371	<b>260,640</b>	242,325
Gross claims paid		(133,677)	(49,459)	(174,161)	(93,903)
Claims ceded to reinsurers		103,467	22,490	118,631	39,317
Gross change in insurance contract liabilities	9 (a)	67,908	(45,044)	50,308	(29,806)
Change in insurance contract liabilities ceded to reinsurers	9 (a)	(67,761)	43,122	(54,051)	39,369
<b>Net claims</b>		<b>(30,063)</b>	(28,891)	<b>(59,273)</b>	(45,023)
Finance costs		(12,324)	(10,003)	(23,266)	(20,641)
Cost of construction activities		(6,952)	(1,910)	(12,051)	(1,910)
Other operating and administrative expenses		(40,874)	(36,644)	(82,581)	(72,756)
<b>Other expenses</b>		<b>(60,150)</b>	(48,557)	<b>(117,898)</b>	(95,307)
<b>Total expenses</b>		<b>(90,213)</b>	(77,448)	<b>(177,171)</b>	(140,330)
<b>Profit before share of profits of associates</b>		<b>30,386</b>	28,923	<b>83,469</b>	101,995
Share of profits of associates		1,606	15,847	2,266	20,728
<b>Profit for the period</b>		<b>31,992</b>	44,770	<b>85,735</b>	122,723
<b>Profit attributable to:</b>					
Equity holders of the Parent		31,951	44,747	85,649	122,683
Non-controlling interests		41	23	86	40
		<b>31,992</b>	44,770	<b>85,735</b>	122,723
<b>Earnings per share</b>					
Basic and diluted profit for the period attributable to ordinary equity holders of the Parent (in Qatari Riyals per share)	11	<b>0.37</b>	0.51	<b>0.98</b>	1.40

The attached notes 1 to 16 form an integral part of these interim condensed consolidated financial statements.

# Qatar General Insurance & Reinsurance Company PJSC

## INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Six Months Period Ended 30 June 2016

	Three months ended		Six months ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	QR '000	QR '000	QR '000	QR '000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Profit for the period</b>	<b>31,992</b>	44,770	<b>85,735</b>	122,723
<b>Other comprehensive (loss) income</b>				
Exchange differences on translating foreign operations	(3,405)	(9,484)	(7,344)	(39,118)
Net (loss) gain on cash flow hedge	(1,006)	6,574	(4,590)	4,404
Net (loss) gain on available-for-sale financial assets	(27,625)	523	(54,114)	(48,423)
<b>Other comprehensive loss for the period</b>	<b>(32,036)</b>	(2,387)	<b>(66,048)</b>	(83,137)
<b>Total comprehensive (loss) income for the period</b>	<b>(44)</b>	42,383	<b>19,687</b>	39,586
<b>Total comprehensive (loss) income attributable to:</b>				
Equity holders of the Parent	(85)	42,360	19,601	39,546
Non-controlling interests	41	23	86	40
	<b>(44)</b>	42,383	<b>19,687</b>	39,586

The attached notes 1 to 16 form an integral part of these interim condensed consolidated financial statements.

# Qatar General Insurance & Reinsurance Company PJSC

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Six Months Period Ended 30 June 2016

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 hedge				Foreign currency translation reserve
		QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	
At 1 January 2016 (audited)		795,515	4,431,958	533,079	617,951	77,355	(28,515)	(137,098)	6,290,245	2,209	6,292,454
Profit for the period		-	85,649	-	-	-	-	-	85,649	86	85,735
Other comprehensive loss		-	-	-	(54,114)	-	(4,590)	(7,344)	(66,048)	-	(66,048)
Total comprehensive income (loss)		-	85,649	-	(54,114)	-	(4,590)	(7,344)	19,601	86	19,687
Bonus shares issued	7	79,552	(79,552)	-	-	-	-	-	-	-	-
Dividends paid	8	-	(119,327)	-	-	-	-	-	(119,327)	-	(119,327)
<b>At 30 June 2016 (unaudited)</b>		<b>875,067</b>	<b>4,318,728</b>	<b>533,079</b>	<b>563,837</b>	<b>77,355</b>	<b>(33,105)</b>	<b>(144,442)</b>	<b>6,190,519</b>	<b>2,295</b>	<b>6,192,814</b>

The attached notes 1 to 16 form an integral part of these interim condensed consolidated financial statements.

# Qatar General Insurance & Reinsurance Company PJSC

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the Six Months Period Ended 30 June 2016

Equity attributable to equity holders of the Parent										
Revaluation reserves										
	Issued share capital	Retained earnings	Legal reserve	Available- for-sale financial assets	Revaluation surplus	Cash flow hedge	Foreign currency translation reserve	Total ordinary shareholders' equity	Non- controlling interests	Total equity
Notes	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000
At 1 January 2015 (audited)	691,753	3,844,630	440,499	740,111	77,355	(34,853)	(83,694)	5,675,801	2,114	5,677,915
Profit for the period	-	122,683	-	-	-	-	-	122,683	40	122,723
Other comprehensive loss	-	-	-	(48,423)	-	4,404	(39,118)	(83,137)	-	(83,137)
Total comprehensive income (loss)	-	122,683	-	(48,423)	-	4,404	(39,118)	39,546	40	39,586
Bonus shares issued	7	103,762	(103,762)	-	-	-	-	-	-	-
Dividends paid	8	-	(138,351)	-	-	-	-	(138,351)	-	(138,351)
At 30 June 2015 (unaudited)	<u>795,515</u>	<u>3,725,200</u>	<u>440,499</u>	<u>691,688</u>	<u>77,355</u>	<u>(30,449)</u>	<u>(122,812)</u>	<u>5,576,996</u>	<u>2,154</u>	<u>5,579,150</u>

The attached notes 1 to 16 form an integral part of these interim condensed consolidated financial statements.

**Qatar General Insurance & Reinsurance Company PJSC**  
**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the Six Months Period Ended 30 June 2016

		<b>30 June 2016</b>	30 June 2015
	<b>Notes</b>	<b>QR '000 (Unaudited)</b>	QR '000 (Unaudited)
<b>Operating activities</b>			
Profit for the period		<b>85,735</b>	122,723
<i>Adjustment for:</i>			
Net change in operating assets	<b>12</b>	<b>30,214</b>	(75,823)
Net change in operating liabilities	<b>12</b>	<b>(15,596)</b>	(8,327)
<i>Non-cash items included in profit for the period:</i>			
Fair value losses		<b>10,867</b>	16,334
Impairment recoveries on receivables		<b>(2,749)</b>	(551)
Share of profits of associates		<b>(2,266)</b>	(20,728)
(Gain) loss from sale of property and equipment		<b>(216)</b>	7
Depreciation of property and equipment		<b>3,878</b>	2,950
Amortization of intangible asset		<b>838</b>	140
Employees' end of service benefits		<b>1,008</b>	(363)
<b>Net cash flows from operating activities</b>		<b>111,713</b>	36,362
<b>Investing activities</b>			
Acquisition of a subsidiary, net of cash acquired	<b>3</b>	-	(88,938)
Purchase of property and equipment		<b>(6,452)</b>	(4,510)
Proceeds from sale of property and equipment		<b>640</b>	-
Purchase of investment properties	<b>4</b>	<b>(25,615)</b>	(17,490)
Dividends received from associates		<b>8,201</b>	2,181
Investments in associates		<b>(34,229)</b>	-
Net movement in available-for-sale financial assets		<b>5,279</b>	22,784
<b>Net cash flows used in investing activities</b>		<b>(52,176)</b>	(85,973)
<b>Financing activities</b>			
Net movement in term loans		<b>85,995</b>	(129,111)
Finance costs on term loans		<b>(22,235)</b>	(19,938)
Dividends paid to equity holders of the Parent	<b>8</b>	<b>(119,327)</b>	(138,351)
<b>Net cash flows used in financing activities</b>		<b>(55,567)</b>	(287,400)
Net increase (decrease) in cash and cash equivalents		<b>3,970</b>	(337,011)
Cash and cash equivalents at the beginning of the period		<b>229,250</b>	503,567
<b>Cash and cash equivalents at the end of the period</b>	<b>6</b>	<b>233,220</b>	166,556
<b>Operational cash flows from interest and dividends</b>			
Interest paid		<b>22,391</b>	20,068
Interest received		<b>8,095</b>	7,850
Dividend received		<b>35,749</b>	46,634

The attached notes 1 to 16 form an integral part of these interim condensed consolidated financial statements.



# Qatar General Insurance & Reinsurance Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Period Ended 30 June 2016

### 1 CORPORATE INFORMATION

Qatar General Insurance & Reinsurance Company PJSC (the “Company” or the “Parent Company”) is a public shareholding company incorporated by Emiri Decree No. 52 of 1978 under commercial registry number 7200 and governed by the provisions of the Qatar Commercial Companies’ Law No. 11 of 2015. The Company and its subsidiaries (together referred to as the “Group”) are engaged in the business of general insurance and reinsurance including Islamic Takaful insurance, real estate, investment, and contracting. The shares of the Company are listed on the Qatar Exchange.

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

Name of the subsidiary	Ownership	Country of incorporation	Principal activities
Qatar General Holding Company W.L.L.	100%	State of Qatar	Investments management of the Group.
General Takaful Company W.L.L.	100%	State of Qatar	Islamic insurance.
General Real Estate Company W.L.L.	100%	State of Qatar	Real estate investment and management.
World Trade Center – Qatar W.L.L.	100%	State of Qatar	Hospitality, exhibition and events management.
Mozoon Insurance Marketing Services W.L.L.	100%	State of Qatar	Insurance marketing services.
General Tower for Real Estate Investments W.L.L.	100%	State of Qatar	Real estate investment and development.
Oriental Enterprises W.L.L.	100%	State of Qatar	Contracting and construction.
General Company for Water and Beverages W.L.L.	60%	State of Qatar	Water bottling and beverages trading.
Mozoon Real Estate Company W.L.L.	50%	State of Qatar	Real estate investment and development.

These interim condensed consolidated financial statements of the Group for the period ended 30 June 2016 were authorized for issue by the Board of Directors on 31 July 2016.

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### Basis of preparation

The interim condensed consolidated financial statements for the six months period ended 30 June 2016 have been prepared in accordance with IAS 34 “Interim Financial Reporting” and have been presented in Qatari Riyals which is the Company’s functional and presentation currency. All values are rounded to the nearest thousands (QR’000) except where otherwise indicated.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2015. In addition, results for the six months ended 30 June 2016 are not necessarily indicative of the results that maybe expected for the financial year ending 31 December 2016.

In preparing these interim condensed consolidated financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2015.

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 2015.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### **New standards, interpretations and amendments adopted by the Group**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2015, except for the adoption of new standards and interpretations effective as of 1 January 2016. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Although these new standards and amendments apply for the first time in 2016, they do not have a material impact on the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group. The nature and the impact of each new standard or amendment is described below:

#### ***IFRS 14 Regulatory Deferral Accounts***

IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and OCI. The standard requires disclosure of the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. IFRS 14 is effective for annual periods beginning on or after 1 January 2016. Since the Group is an existing IFRS preparer and is not involved in any rate-regulated activities, this standard does not apply.

#### ***Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests***

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 Business Combinations principles for business combination accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation if joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Group as there has been no interest acquired in a joint operation during the period.

#### ***Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation***

The amendments clarify the principle in IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is a part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact to the Group given that the Group has not used a revenue-based method to depreciate its non-current assets.

#### ***Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants***

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41 Agriculture. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20 Accounting for Government Grants and Disclosure of Government Assistance will apply. The amendments are retrospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact to the Group as the Group does not have any bearer plants.

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

#### **Amendments to IAS 27 *Equity Method in Separate Financial Statements***

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in their separate financial statements will have to apply that change retrospectively. First-time adopters of IFRS electing to use the equity method in their separate financial statements will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Group's consolidated financial statements.

#### **Annual Improvements 2012-2014 Cycle**

These improvements are effective for annual periods beginning on or after 1 January 2016. They include:

#### **IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations***

Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This amendment must be applied prospectively.

#### **IFRS 7 *Financial Instruments: Disclosures***

##### (i) Servicing contracts

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments.

##### (ii) Applicability of the amendments to IFRS 7 to condensed interim financial statements

The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment must be applied retrospectively.

#### **IAS 19 *Employee Benefits***

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment must be applied prospectively.

#### **IAS 34 *Interim Financial Reporting***

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment must be applied retrospectively. These amendments do not have any impact on the Group's consolidated financial statements.

#### **Amendments to IAS 1 *Disclosure Initiative***

The amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss

**2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Annual Improvements 2012-2014 Cycle (continued)**

**Amendments to IAS 1 *Disclosure Initiative* (continued)**

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. These amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Group's consolidated financial statements.

**Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception***

The amendments address issues that have arisen in applying the investment entities exception under IFRS 10 Consolidated Financial Statements. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries. These amendments must be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Group as the Group does not apply the consolidation exception.

**3 BUSINESS COMBINATIONS**

On 2 June 2015, the Group acquired 100% of the voting shares of Orientals Enterprises W.L.L. and obtained control over its financial and operating activities. Orientals Enterprises W.L.L. was established as a Single Person Company and registered under commercial registry number 21830. The principal activities of Orientals Enterprises W.L.L. are trading in steel and insulation materials as well as contracting and construction activities. The Group acquired Orientals Enterprises W.L.L. to support the Group's real estate activities as well as to diversify the source of income.

**Assets acquired and liabilities assumed**

The fair values of the identifiable assets and liabilities of Orientals Enterprises W.L.L. as at the date of acquisition were:

	<b>Fair value recognised on acquisition</b>
	<b>QR '000</b>
<b>Assets</b>	
Intangible asset	21,789
Property and equipment	15,171
Investment properties (Note 4)	44,946
Available-for-sale financial assets	8,533
Other assets	20,905
Cash and cash equivalents	2,664
	<b>114,008</b>
<b>Liabilities</b>	
Borrowings	586
Employees' end-of-service benefits	2,718
Other liabilities	33,511
	<b>36,815</b>
<b>Total identifiable net assets at fair value</b>	<b>77,193</b>
Goodwill arising from acquisition	14,409
<b>Purchase consideration transferred</b>	<b>91,602</b>

# Qatar General Insurance & Reinsurance Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Period Ended 30 June 2016

### 3 BUSINESS COMBINATIONS (CONTINUED)

	<b>Fair value recognised on acquisition</b>
	<b>QR '000</b>
<b>Analysis of cash flows on acquisition:</b>	
Cost of the acquisition	<b>(91,602)</b>
Net cash acquired with the subsidiary	<b>2,664</b>
<b>Net cash flows on acquisition</b>	<b><u>(88,938)</u></b>

The goodwill of QR 14.41 million represents future synergies expected to arise in the combined operations, the value of new contracts going forward, and the value of the workforce and management and other future business which is not separately recognized. Goodwill is allocated entirely to the investment segment. Acquisition-related costs were recognised in profit or loss and included in other operating and administrative expenses.

### 4 INVESTMENT PROPERTIES

	<b>30 June 2016</b>	31 December 2015
Note	<b>QR '000 (Unaudited)</b>	QR '000 (Audited)
At 1 January	<b>5,936,607</b>	5,005,196
Acquired through acquisition of a subsidiary	<b>3</b> -	44,946
Additions*	<b>25,615</b>	108,193
Fair value gains	<b>-</b>	778,272
<b>At the end of the period / year</b>	<b><u>5,962,222</u></b>	<u>5,936,607</u>

The Group obtains an independent valuation of its investment properties at 31 December each year. Management is of the opinion that the carrying value of investment properties has not changed significantly from the value as of 31 December 2015 based on its internal assessment.

### 5 TAKAFUL PARTICIPANTS' FUND ACCOUNTS

#### (a) Interim statement of financial position – Policyholders

	<b>30 June 2016</b>	31 December 2015
	<b>QR '000 (Unaudited)</b>	QR '000 (Audited)
<b>Assets</b>		
Furniture and equipment	<b>3,712</b>	3,074
Investment properties	<b>77,059</b>	73,826
Financial assets:		
Available-for-sale financial assets	<b>56,918</b>	57,362
Receivables from related parties	<b>5,775</b>	4,927
Takaful receivables	<b>69,308</b>	44,610
Retakaful assets	<b>43,153</b>	32,126
Other assets	<b>15,676</b>	12,182
Cash and cash equivalents	<b>27,449</b>	52,894
	<b><u>299,050</u></b>	<u>281,001</u>

# Qatar General Insurance & Reinsurance Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Period Ended 30 June 2016

### 5 TAKAFUL PARTICIPANTS' FUND ACCOUNTS (CONTINUED)

#### (a) Interim statement of financial position – Policyholders (continued)

##### Liabilities

Takaful contract liabilities	238,648	217,227
Financial liabilities:		
Payables to related parties	1,253	807
Takaful payables	49,058	56,721
Other liabilities	9,769	36,653
Fair value reserve	<u>(1,167)</u>	<u>(60)</u>
	297,561	311,348
<b>Surplus (deficit) at the end of the period / year</b>	<u><b>1,489</b></u>	<u><b>(30,347)</b></u>
	<u><b>299,050</b></u>	<u><b>281,001</b></u>

#### (b) Interim statement of profit or loss – Policyholders

	Three months ended		Six months ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	QR '000	QR '000	QR '000	QR '000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Gross written contributions	55,451	65,021	115,196	128,000
Change in unearned contributions provision	<u>(1,849)</u>	<u>(5,167)</u>	<u>(4,079)</u>	<u>(8,025)</u>
<b>Gross earned contributions</b>	<b>53,602</b>	<b>59,854</b>	<b>111,117</b>	<b>119,975</b>
Contributions ceded to retakaful companies	<u>(5,729)</u>	<u>(8,598)</u>	<u>(14,578)</u>	<u>(15,396)</u>
<b>Net earned contributions</b>	<u><b>47,873</b></u>	<u><b>51,256</b></u>	<u><b>96,539</b></u>	<u><b>104,579</b></u>
Fees and commission expenses	(2,427)	(1,443)	(4,175)	(3,123)
Investment income	24	23	328	947
Other operating revenue	<u>129</u>	<u>158</u>	<u>211</u>	<u>298</u>
<b>Other expenses</b>	<u><b>(2,274)</b></u>	<u><b>(1,262)</b></u>	<u><b>(3,636)</b></u>	<u><b>(1,878)</b></u>
<b>Total revenue</b>	<u><b>45,599</b></u>	<u><b>49,994</b></u>	<u><b>92,903</b></u>	<u><b>102,701</b></u>
Gross claims paid	(35,848)	(42,839)	(71,443)	(125,811)
Claims ceded to retakaful companies	1,970	1,559	3,490	32,446
Gross change in Takaful contract liabilities	(4,374)	(22,042)	(17,342)	(641)
Change in Takaful contract liabilities ceded to retakaful companies	<u>5,546</u>	<u>3,120</u>	<u>10,648</u>	<u>(25,778)</u>
<b>Net claims</b>	<u><b>(32,706)</b></u>	<u><b>(60,202)</b></u>	<u><b>(74,647)</b></u>	<u><b>(119,784)</b></u>
Impairment recoveries on receivables	<u>-</u>	<u>-</u>	<u>13</u>	<u>-</u>
<b>Surplus (deficit) for the period before wakala fee</b>	<b>12,893</b>	(10,208)	<b>18,269</b>	(17,083)
Wakala fee	<u>(7,818)</u>	<u>(9,047)</u>	<u>(16,780)</u>	<u>(18,494)</u>
<b>Surplus (deficit) for the period</b>	<u><b>5,075</b></u>	<u><b>(19,255)</b></u>	<u><b>1,489</b></u>	<u><b>(35,577)</b></u>

# Qatar General Insurance & Reinsurance Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Period Ended 30 June 2016

### 6 CASH AND CASH EQUIVALENTS

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

	<b>30 June 2016</b>	31 December 2015
	<b>QR '000 (Unaudited)</b>	QR '000 (Audited)
Cash and bank balances	<b>244,799</b>	231,202
Bank overdrafts	<b>(11,579)</b>	(1,952)
<b>Cash and cash equivalents</b>	<b><u>233,220</u></b>	<u>229,250</u>

### 7 ISSUED SHARE CAPITAL

Authorized, issued and fully paid up share capital comprises of 87,506,703 shares of QR 10 each (2015: 79,551,549 shares of QR 10 each).

	<b>30 June 2016</b>	31 December 2015
	<b>QR '000 (Unaudited)</b>	QR '000 (Audited)
	<b><u>875,067</u></b>	<u>795,515</u>

During the period, the Company issued 7,955,154 bonus shares of QR 10 each (2015: 10,376,289 shares of QR 10 each).

### 8 DIVIDENDS

During the period, a cash dividend of 15% of the nominal share value (QR 1.5 per share) and a bonus share of 10% of the share capital for the year ended 31 December 2015 were approved and paid (2015: cash dividend of 20% of the nominal share value (QR 2.00 per share) and a bonus share of 15% of the share capital for the year ended 31 December 2014 were approved and paid).

# Qatar General Insurance & Reinsurance Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Period Ended 30 June 2016

### 9 INSURANCE CONTRACT LIABILITIES

	30 June 2016			31 December 2015		
	Insurance contract liabilities	Reinsurance of insurance contract liabilities	Net	Insurance contract liabilities	Reinsurance of insurance contract liabilities	Net
	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Audited)	QR '000 (Audited)	QR '000 (Audited)
Provision for reported claims by policyholders	662,448	(545,922)	116,526	717,059	(600,104)	116,955
Provision for claims IBNR	62,829	(36,363)	26,466	62,574	(36,582)	25,992
Provision for premiums deficiency	2,900	(350)	2,550	-	-	-
Provision for unallocated loss adjustment expense	1,148	-	1,148	-	-	-
Outstanding claims provision (a)	729,325	(582,635)	146,690	779,633	(636,686)	142,947
Provision for unearned premiums (reserve for unexpired risks) (b)	369,156	(243,660)	125,496	321,947	(223,184)	98,763
	<u>1,098,481</u>	<u>(826,295)</u>	<u>272,186</u>	<u>1,101,580</u>	<u>(859,870)</u>	<u>241,710</u>

#### (a) Outstanding claims provision

	30 June 2016			31 December 2015		
	Insurance contract liabilities	Reinsurance of insurance contract liabilities	Net	Insurance contract liabilities	Reinsurance of insurance contract liabilities	Net
	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Audited)	QR '000 (Audited)	QR '000 (Audited)
At 1 January	779,633	(636,686)	142,947	481,693	(343,366)	138,327
Gross / ceded change in contract liabilities	<u>(50,308)</u>	<u>54,051</u>	<u>3,743</u>	<u>297,940</u>	<u>(293,320)</u>	<u>4,620</u>
At the end of the period / year	<u>729,325</u>	<u>(582,635)</u>	<u>146,690</u>	<u>779,633</u>	<u>(636,686)</u>	<u>142,947</u>



**Qatar General Insurance & Reinsurance Company PJSC**

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

For the Six Months Period Ended 30 June 2016

**9 INSURANCE CONTRACT LIABILITIES (CONTINUED)**

**(b) Provision for unearned premiums (reserve for unexpired risks)**

	30 June 2016			31 December 2015		
	Insurance contract liabilities	Reinsurance of insurance contract liabilities	Net	Insurance contract liabilities	Reinsurance of insurance contract liabilities	Net
	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)
At 1 January	321,947	(223,184)	98,763	287,628	(202,410)	85,218
Premiums written during the period / year	344,436	(210,324)	134,112	627,256	(426,550)	200,706
Premiums earned during the period / year	(297,227)	189,848	(107,379)	(592,937)	405,776	(187,161)
<b>At the end of the period / year</b>	<b>369,156</b>	<b>(243,660)</b>	<b>125,496</b>	<b>321,947</b>	<b>(223,184)</b>	<b>98,763</b>

# Qatar General Insurance & Reinsurance Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Period Ended 30 June 2016

### 10 SEGMENT INFORMATION

Segment interim consolidated statement of profit or loss for the period ended 30 June 2016:

	30 June 2016			30 June 2015		
	Insurance	Investments	Total	Insurance	Investments	Total
	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)
Gross written premiums	344,436	-	344,436	318,288	-	318,288
Change in unearned premiums provision	(47,209)	-	(47,209)	(34,299)	-	(34,299)
<b>Gross earned premiums</b>	<b>297,227</b>	<b>-</b>	<b>297,227</b>	<b>283,989</b>	<b>-</b>	<b>283,989</b>
Premiums ceded to reinsurers	(189,848)	-	(189,848)	(191,505)	-	(191,505)
<b>Net earned premiums</b>	<b>107,379</b>	<b>-</b>	<b>107,379</b>	<b>92,484</b>	<b>-</b>	<b>92,484</b>
Fees and commission income	8,049	-	8,049	10,443	-	10,443
Investment income	-	135,818	135,818	-	144,991	144,991
Net realised gains	-	480	480	-	2,483	2,483
Fair value losses	-	(10,867)	(10,867)	-	(16,334)	(16,334)
Income from construction activities	-	13,582	13,582	-	2,459	2,459
Other operating revenue	4,023	2,176	6,199	4,755	1,044	5,799
<b>Other revenue</b>	<b>12,072</b>	<b>141,189</b>	<b>153,261</b>	<b>15,198</b>	<b>134,643</b>	<b>149,841</b>
<b>Total revenue</b>	<b>119,451</b>	<b>141,189</b>	<b>260,640</b>	<b>107,682</b>	<b>134,643</b>	<b>242,325</b>

# Qatar General Insurance & Reinsurance Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Period Ended 30 June 2016

### 10 SEGMENT INFORMATION (CONTINUED)

Segment interim consolidated statement of profit or loss for the period ended 30 June 2016 (continued):

	30 June 2016			30 June 2015		
	Insurance	Investments	Total	Insurance	Investments	Total
	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)
Gross claims paid	(174,161)	-	(174,161)	(93,903)	-	(93,903)
Claims ceded to reinsurers	118,631	-	118,631	39,317	-	39,317
Gross change in insurance contract liabilities	50,308	-	50,308	(29,806)	-	(29,806)
Change in insurance contract liabilities ceded to reinsurers	(54,051)	-	(54,051)	39,369	-	39,369
<b>Net claims</b>	<b>(59,273)</b>	<b>-</b>	<b>(59,273)</b>	<b>(45,023)</b>	<b>-</b>	<b>(45,023)</b>
Finance costs	(626)	(22,640)	(23,266)	(703)	(19,938)	(20,641)
Cost of construction activities	-	(12,051)	(12,051)	-	(1,910)	(1,910)
Other operating and administrative expenses	(38,065)	(44,516)	(82,581)	(37,318)	(35,438)	(72,756)
<b>Other expenses</b>	<b>(38,691)</b>	<b>(79,207)</b>	<b>(117,898)</b>	<b>(38,021)</b>	<b>(57,286)</b>	<b>(95,307)</b>
<b>Total expenses</b>	<b>(97,964)</b>	<b>(79,207)</b>	<b>(177,171)</b>	<b>(83,044)</b>	<b>(57,286)</b>	<b>(140,330)</b>
<b>Profit before share of profits of associates</b>	<b>21,487</b>	<b>61,982</b>	<b>83,469</b>	<b>24,638</b>	<b>77,357</b>	<b>101,995</b>
Share of profits of associates	-	2,266	2,266	-	20,728	20,728
<b>Profit for the period</b>	<b>21,487</b>	<b>64,248</b>	<b>85,735</b>	<b>24,638</b>	<b>98,085</b>	<b>122,723</b>

#### Segment assets and liabilities

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

#### Geographic information

The Group operates in two geographic markets, in the State of Qatar and the United Arab Emirates. Gross written premiums in the State of Qatar amounted to QR 315 million (2015: QR 292 million) and the United Arab Emirates amounted to QR 29 million (2015: QR 26 million).

# Qatar General Insurance & Reinsurance Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Period Ended 30 June 2016

### 11 EARNINGS PER SHARE

	Three months ended		Six months ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit attributable to the ordinary equity holders of the Parent (QR '000)	31,951	44,747	85,649	122,683
Weighted average number of shares (in thousands)	87,507	87,507	87,507	87,507
<b>Earnings per share (in Qatari Riyals)</b>	<b>0.37</b>	<b>0.51</b>	<b>0.98</b>	<b>1.40</b>

#### Reconciliation of the number of ordinary shares outstanding (in thousands):

	30 June 2016	30 June 2015
	(Unaudited)	(Unaudited)
Number of shares outstanding at 1 January	79,552	69,175
Bonus shares issued during the period	7,955	10,377
<b>Number of shares outstanding at the end of the period</b>	<b>87,507</b>	<b>79,552</b>

During 2016, the Group issued bonus shares for the year 2015. Accordingly, the previously reported earnings per share for the six months period ended 30 June 2015 have been restated for the effect of this transaction. There were no potentially diluted shares outstanding at any time during the period and therefore the diluted earnings per share is equal to the basic earnings per share.

### 12 CASH GENERATED FROM OPERATING ASSETS AND LIABILITIES

	30 June 2016	30 June 2015
	QR '000	QR '000
	(Unaudited)	(Unaudited)
Net change in receivables from related parties	565	(394)
Net change in insurance receivables	36,167	13,539
Net change in reinsurance assets	(33,575)	47,975
Net change in other assets	(33,371)	14,703
<b>Net change in operating assets</b>	<b>(30,214)</b>	<b>75,823</b>
Net change in insurance contract liabilities	(3,099)	64,105
Net change in payables to related parties	11,549	5,752
Net change in insurance payables	(26,451)	(35,862)
Net change in other liabilities	2,405	(42,322)
<b>Net change in operating liabilities</b>	<b>(15,596)</b>	<b>(8,327)</b>

# Qatar General Insurance & Reinsurance Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Period Ended 30 June 2016

### 13 RELATED PARTY DISCLOSURES

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.

#### (a) Related party transactions

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

	30 June 2016					
	Gross written premiums	Premiums ceded to reinsurers	Gross claims paid	Claims ceded to reinsurers	Fees and commission income	Other operating expenses
	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)
Trust Re – Bahrain*	-	(30,505)	-	7,165	1,453	(64)
Trust International Insurance Company (Cyprus) Ltd – Amman*	-	-	-	-	-	(77)
Others	6,473	-	(4,094)	-	-	(669)

	30 June 2015					
	Gross written premiums	Premiums ceded to reinsurers	Gross claims paid	Claims ceded to reinsurers	Fees and commission income	Other operating expenses
	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)	QR '000 (Unaudited)
Trust Re – Bahrain*	-	(3,736)	-	746	4,635	(162)
Trust International Insurance Company (Cyprus) Ltd – Amman*	-	-	-	-	-	(942)
Others	7,510	-	(2,841)	-	-	(1,235)

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

	30 June 2016	30 June 2015
	QR '000 (Unaudited)	QR '000 (Unaudited)
Salaries and other short-term benefits	17,200	18,598
Board of Directors' remuneration	5,055	4,555
End-of-service benefits	991	364
	<b>23,246</b>	<b>23,517</b>

# Qatar General Insurance & Reinsurance Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Period Ended 30 June 2016

### 13 RELATED PARTY DISCLOSURES (CONTINUED)

#### (b) Receivables from / payables to related parties

Non-insurance related balances with related parties included in the interim consolidated statement of financial position are as follows:

#### Receivables from related parties

	<b>30 June 2016</b>	31 December 2015
	<b>QR '000</b>	QR '000
	<b>(Unaudited)</b>	(Audited)
Nest Investments (Holdings) Limited	<b>1,370</b>	767
Trust Syria Insurance Company S.A.S.C.	<b>54</b>	54
North Africa Energy Company W.L.L.	<b>42</b>	-
Trust Algeria Assurances & Reassurance S.P.A.	<b>39</b>	39
Trust Re – Bahrain	-	14
Falcon Readymix Company W.L.L.	-	66
	<b>1,505</b>	940

#### Payables to related parties

	<b>30 June 2016</b>	31 December 2015
	<b>QR '000</b>	QR '000
	<b>(Unaudited)</b>	(Audited)
Alsari Trading Company W.L.L.	<b>67,316</b>	57,327
Trust International Insurance Company (Cyprus) Ltd – Amman	<b>190</b>	134
Trust Re – Bahrain	<b>8</b>	-
Falcon Readymix Company W.L.L.	<b>1,496</b>	-
	<b>69,010</b>	57,461

#### (c) Insurance receivables and payables

Insurance related balances with related parties included in the interim consolidated statement of financial position are as follows:

	<b>30 June 2016</b>	31 December 2015
	<b>QR '000</b>	QR '000
	<b>(Unaudited)</b>	(Audited)
Trust Re – Bahrain*	<b>22,119</b>	8,030
Trust International Insurance Company (Cyprus) Ltd – Amman*	<b>5,112</b>	(103)
Other insurance receivables	<b>5,534</b>	3,572
Other insurance payables	<b>(3,497)</b>	(3,059)

\* Trust International Insurance Company (Cyprus) Ltd – Amman were the reinsurance administrator through whom transactions were directed to various reinsurance service providers until 30 December 2015. Effective 31 December 2015, Trust Re – Bahrain has taken over the functions of reinsurance administration from Trust International Insurance Company (Cyprus) Ltd. The stated balances will be settled as per the runoff agreement between the two firms.

# Qatar General Insurance & Reinsurance Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Period Ended 30 June 2016

### 13 RELATED PARTY DISCLOSURES (CONTINUED)

#### (d) Investment properties

The additions to investment properties in Note 4 included QR 4.69 million (2015: QR 21.25 million) in supplies from Falcon Readymix Company W.L.L.

#### (e) Other assets

As at 30 June 2016, other assets include advance payments to Falcon Readymix Company W.L.L. of QR 400 thousand (2015: QR 2,933 thousand).

All above disclosed balances are unsecured, interest free and settlement normally occurs in cash. There have been no guarantees provided or received for any related party receivables.

### 14 CONTINGENT LIABILITIES AND COMMITMENTS

	30 June 2016	31 December 2015
	QR '000 (Unaudited)	QR '000 (Audited)
<b>(a) Contingent liabilities</b>		
Letters of guarantee	<u>15,604</u>	<u>15,188</u>
<b>(b) Lease commitments</b>		
Operating lease commitments are payable as follows:		
Less than one year	3,258	4,899
Between one and five years	<u>1,337</u>	<u>983</u>
	<u>4,595</u>	<u>5,882</u>

### 15 FAIR VALUE MEASUREMENT

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

		Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
30 June 2016 (unaudited)	Note	QR '000	QR '000	QR '000	QR '000
<b>Assets measured at fair value:</b>					
Investment properties	4	-	-	5,962,222	5,962,222
Available-for-sale		974,585	17,184	-	991,769
At fair value through profit or loss		<u>156,751</u>	-	-	<u>156,751</u>
		<u>1,131,336</u>	<u>17,184</u>	<u>5,962,222</u>	<u>7,110,742</u>
<b>Liability measured at fair value:</b>					
Derivative financial instruments		-	33,105	-	<u>33,105</u>

# Qatar General Insurance & Reinsurance Company PJSC

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Period Ended 30 June 2016

### 15 FAIR VALUE MEASUREMENT (CONTINUED)

		Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
31 December 2015 (audited)	Note	QR '000	QR '000	QR '000	QR '000
Assets measured at fair value:					
Investment properties	4	-	-	5,936,607	5,936,607
Available-for-sale		1,032,371	18,410	-	1,050,781
At fair value through profit or loss		167,618	-	-	167,618
		<u>1,199,989</u>	<u>18,410</u>	<u>5,936,607</u>	<u>7,155,006</u>
Liability measured at fair value:					
Derivative financial instruments		-	28,515	-	28,515

Available-for-sale financial assets carried at cost amount to QR 6.64 million (2015: QR 6.64 million). As at 30 June 2016, the management has assessed that there is no indication of impairment for these available-for-sale financial assets carried at cost.

During the period, there were no transfers between Level 1, Level 2 and Level 3 (2015: Nil)

### 16 RECLASSIFICATION OF COMPARATIVE AMOUNTS

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

The reclassifications are summarised below:

Interim consolidated statement of profit or loss	After reclassification 30 June 2015	As previously reported 30 June 2015	Effect of the reclassification
	QR '000	QR '000	QR '000
Fees and commission income	10,443	10,174	269
Other operating revenue	5,799	6,068	(269)
	<u>16,242</u>	<u>16,242</u>	<u>-</u>
Interim consolidated statement of financial position	After reclassification 31 December 2015	As previously reported 31 December 2015	Effect of the reclassification
	QR '000	QR '000	QR '000
Receivables from related parties	940	874	66
Other liabilities	(200,854)	(200,788)	(66)
	<u>(199,914)</u>	<u>(199,914)</u>	<u>-</u>