

**QATAR ISLAMIC INSURANCE COMPANY Q.S.C**

**CONDENSED INTERIM  
FINANCIAL INFORMATION**

**30 JUNE 2010**

**Qatar Islamic Insurance Company Q.S.C**

**Condensed interim financial information  
For the six month period ended 30 June 2010**

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## **Independent report on review of condensed interim financial information**

To  
The Board of Directors  
Qatar Islamic Insurance Company Q.S.C  
Doha, State of Qatar

### **Introduction**

We have reviewed the accompanying condensed statement of financial position of Qatar Islamic Insurance Company Q.S.C (the "Company") as at 30 June 2010 and the related condensed statement of income (policyholders), condensed statement of income (shareholders), statement of comprehensive income, statement of changes in equity and statement of cash flows for the six month period then ended (The "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### **Scope of review**

Except as explained in the following paragraph, 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 Company." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The results of the operation of the associate company amounting to QR 1,944,931 have been included in the condensed interim financial information on the basis of management accounts provided by the associate company, which have not been audited or reviewed by us or any other independent auditors.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of 30 June 2010 is not prepared, in all material respects, in accordance with IAS 34 "*Interim Financial Reporting*".

20 July 2010  
Doha  
State of Qatar

Ahmed Hussain  
KPMG  
Qatar Auditors Registry Number 197

**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2010**

In Qatari Riyals

	Notes	30 June 2010 Reviewed	31 December 2009 Audited
<b>POLICYHOLDERS' ASSETS</b>			
Cash and banks	3	36,675,719	42,564,136
Contributions receivable		20,970,904	14,540,741
Cheques under collection		1,500,000	7,811,936
Reinsurance contract assets	4	34,812,352	49,037,421
Due from reinsurers		1,831,697	4,032,708
Available for sale investments	5	89,072,062	86,047,730
Prepaid expenses and other assets		11,337,776	6,613,097
Investment properties	6	48,834,899	49,436,702
Property and equipment	7	8,460,971	7,379,293
Properties under construction		33,924,385	31,674,385
<b>TOTAL POLICYHOLDERS' ASSETS</b>		<b>287,420,765</b>	299,138,149
<b>SHAREHOLDERS' ASSETS</b>			
Cash and banks	3	37,848,530	69,979,185
Available for sale investments	5	88,226,279	84,632,564
Investments in associates		46,984,095	41,158,277
Investment in properties	6	59,405,292	60,170,773
Property under construction		33,924,385	31,674,385
<b>TOTAL SHAREHOLDERS' ASSETS</b>		<b>266,388,581</b>	287,615,184
<b>TOTAL ASSETS</b>		<b>553,809,346</b>	586,753,333

The attached notes 1 to 14 form an integral part of this condensed interim financial information

**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2010**

In Qatari Riyals

	Notes	30 June 2010 Reviewed	31 December 2009 Audited
<b>LIABILITES AND SURPLUS OF POLICYHOLDERS</b>			
Due to reinsurers		22,349,967	19,757,426
Insurance contract liabilities	4	121,142,240	131,348,715
Payables and other liabilities		15,341,133	19,126,991
Distributable surplus		-	12,065,495
Fair value reserve		(12,250,724)	601,941
Unclaimed surplus		33,886,976	27,205,395
Retained surplus		106,951,173	89,032,186
<b>TOTAL LIALIBILITY AND SURPLUS</b>		<b>287,420,765</b>	299,138,149
<b>SHAREHOLDERS' LIABILITIES</b>			
Dividends payable		18,172,446	16,655,648
Provisions		4,434,020	7,526,382
<b>TOTAL SHAREHOLDERS' LIABILITIES</b>		<b>22,606,466</b>	24,182,030
<b>SHAREHOLDERS' EQUITY</b>			
Share capital		150,000,000	150,000,000
Legal reserve		61,878,445	61,878,445
General reserve		1,540,888	1,540,888
Fair value reserve		(11,803,349)	479,929
Retained earnings		42,166,131	49,533,892
<b>Total Equity</b>		<b>243,782,115</b>	263,433,154
<b>TOTAL SHAREHOLDERS' LIABILITY AND EQUITY</b>		<b>266,388,581</b>	287,615,184
<b>TOTAL LIABILITIES, SURPLUS OF POLICYHOLDERS AND SHAREHOLDERS' EQUITY</b>		<b>553,809,346</b>	586,753,333

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

\_\_\_\_\_  
 Sheikh. Abdulla Bin Thani Bin Abdulla Al Thani  
*Chairman*

\_\_\_\_\_  
 Jassim Ali AL-Sadi  
*General Manager*

The attached notes 1 to 14 form an integral part of this condensed interim financial information

## CONDENSED STATEMENT OF INCOME (POLICYHOLDERS)

For the six month period ended 30 June 2010

In Qatari Riyals

	Notes	Six month period ended 30 June	
		2010 Reviewed	2009 Reviewed
Gross contributions	10	94,044,994	86,091,415
Wakala fee	10	(16,509,726)	(14,618,666)
Re-Takaful share of gross contributions	10	(35,943,738)	(34,293,040)
<b>Net contributions</b>		<b>41,591,530</b>	37,179,709
Movement in unexpired premium		(4,076,547)	1,836,425
<b>Net earned contributions</b>		<b>37,514,983</b>	39,016,134
Net commission	10	3,197,270	2,576,790
<b>Underwriting income</b>		<b>40,712,253</b>	41,592,924
Gross claims paid	10	(35,606,337)	(26,122,374)
Movement in outstanding claims		57,953	(5,952,721)
Re-Takaful and other recoveries	10	8,505,201	3,261,537
		<b>(27,043,183)</b>	(28,813,558)
<b>Net underwriting results</b>		<b>13,669,070</b>	12,779,366
Net Investment income		4,249,917	2,155,103
<b>Total surplus for the period</b>		<b>17,918,987</b>	14,934,469
Balance at 1 January 2010		89,032,186	84,205,452
Surplus for the period		17,918,987	14,934,469
<b>Retained surplus at 30 June 2010</b>		<b>106,951,173</b>	99,139,121

The attached notes 1 to 14 form an integral part of this condensed interim financial information

## CONDENSED STATEMENT OF INCOME (SHAREHOLDERS)

For the six month period ended 30 June 2010

In Qatari Riyals

	Notes	Six month period ended 30 June	
		2010 Reviewed	2009 Reviewed
<b>Income</b>			
Income from shareholder's investments		10,014,062	4,199,327
Income from investment in associates		1,944,931	3,300,000
Wakala fee		16,509,726	14,618,666
Rental income		2,822,675	2,584,095
Shareholders' share in policyholders' Investment income		7,892,702	4,002,334
Other income		421,183	-
<b>Total income</b>		<b>39,605,279</b>	28,704,422
Depreciation of investment properties – apportioned		(801,027)	(615,227)
General and administrative expenses – apportioned		(8,672,013)	(9,912,147)
<b>Total expenses</b>		<b>(9,473,040)</b>	(10,527,374)
<b>Net profit for the period</b>		<b>30,132,239</b>	18,177,048
<b>Basic and diluted earnings per share (QR)</b>	11	<b>2.01</b>	1.21

The attached notes 1 to 14 form an integral part of this condensed interim financial information

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME (SHAREHOLDERS)**

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

In Qatari Riyals

	<b>Six month period ended 30 June</b>	
	<b>2010 Reviewed</b>	<b>2009 Reviewed</b>
Profit for the period	30,132,239	18,177,048
<b>Other comprehensive income</b>		
Net unrealised change in fair value of available-for-sale financial assets	(12,283,278)	(704,743)
<b>Total comprehensive income for the period</b>	<b>17,848,961</b>	<b>17,472,305</b>

The attached notes 1 to 14 form an integral part of this condensed interim financial information

**CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY**

For the six month period ended 30 June 2010

In Qatari Riyals

	Share Capital	Legal reserve	General reserve	Fair value reserve	Retained earnings	Total equity
Balance as at 1 January 2009	150,000,000	58,452,568	1,540,888	9,625,115	63,701,005	283,319,576
<b>Total comprehensive income for the period</b>						
Profit for the period	-	-	-	-	18,177,048	18,177,048
Other comprehensive income for the period						
Net change in the fair value of available for sale investments				(704,743)	-	(704,743)
<i>Total comprehensive income for the period</i>				(704,743)	18,177,048	17,472,305
Dividends paid for 2008	-	-	-	-	(45,000,000)	(45,000,000)
Balance at 30 June 2009	150,000,000	58,452,568	1,540,888	8,920,372	36,878,053	255,791,881
Balance as at 1 January 2010	150,000,000	61,878,445	1,540,888	479,929	49,533,892	263,433,154
<b>Total comprehensive income for the period</b>						
Profit for the period					30,132,239	30,132,239
Other comprehensive income for the period						
Net change in the fair value of available for sale investments				(12,283,278)	-	(12,283,278)
<i>Total comprehensive income for the period</i>	-	-	-	(12,283,278)	30,132,239	17,848,961
Dividends paid for 2009	-	-	-	-	(37,500,000)	(37,500,000)
<b>Balance at 30 June 2010</b>	<b>150,000,000</b>	<b>61,878,445</b>	<b>1,540,888</b>	<b>(11,803,349)</b>	<b>42,166,131</b>	<b>243,782,115</b>

The attached notes 1 to 14 form an integral part of this condensed interim financial information.

**CONDENSED STATEMENT OF CASH FLOWS**  
**For the six month period ended 30 June 2010**

In Qatari Riyals

	<b>Six months ended 30 June</b>	
	<b>2010 Reviewed</b>	2009 Reviewed
<b>OPERATING ACTIVITIES</b>		
Net profit for the period	30,132,239	18,177,048
Surplus from insurance operations	17,918,987	14,934,469
Adjustments for :	48,051,226	33,111,517
Depreciation for property and equipment and investment properties	1,813,032	1,209,689
Share of profit of associates	(1,944,931)	(3,300,000)
Investment income	(20,028,125)	(11,545,039)
Operating profit before working capital changes	27,891,202	19,476,167
Change in contribution and reinsurance receivables	(4,229,152)	(4,610,645)
Change in cheque under collection	6,311,936	-
Change in prepayments and other assets	(1,436,935)	(3,359,551)
Change in reinsurance contract assets	14,225,069	2,739,847
Change in due to reinsurers	2,592,541	8,190,430
Change in insurance contract liabilities	(10,206,475)	1,376,448
Change in provisions	(3,092,362)	-
Change in payables and other liabilities	(3,785,858)	(8,023,383)
<b>Cash from operating activities</b>	<b>28,269,966</b>	15,789,313
Board of Directors' remuneration paid	-	(1,575,000)
Dividends paid	(35,983,202)	(37,954,933)
<b>Net cash used in operating activities</b>	<b>(7,713,236)</b>	(23,740,620)
<b>INVESTING ACTIVITIES</b>		
Acquisition of property and equipments	(1,527,416)	(388,063)
Investment income received	16,740,381	10,897,786
Net movement in properties under construction	(4,500,000)	(7,201,610)
Net investment in associates	(3,880,897)	2,346,000
Net movement in investments	(31,753,990)	(14,032,886)
<b>Net cash flows used in investing activities</b>	<b>(24,921,922)</b>	(8,378,773)
<b>FINANCING ACTIVITIES</b>		
Movement in policyholders' surplus	(5,383,914)	(2,529,195)
Movement in deposits	4,165,048	39,941,441
<b>Cash flows used in financing activities</b>	<b>(1,218,866)</b>	37,412,246
<b>Decrease in cash and cash equivalents during the period</b>	<b>(33,854,024)</b>	5,292,853
Cash and cash equivalents at the beginning of the period	59,488,754	11,524,367
<b>Cash and cash equivalents at the end of the period</b>	<b>25,634,730</b>	16,817,220

The attached notes 1 to 14 form an integral part of this condensed interim financial information

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**

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

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**1 LEGAL STATUS AND OPERATIONS**

Qatar Islamic Insurance Company (Q.S.C.) (“the Company”) was incorporated in the State of Qatar on 30 October 1993 as a closed Qatari shareholder company under Qatar Companies Law No. 11 of 1981 with Registration No: 16584. On 12 December 1999 the Company changed its status to a public listed company and accordingly listed its shares on the Qatar Exchange (formerly known as Doha Securities Market).

The Company is primarily engaged in the business of underwriting general, Takaful (Life) and health non-interest insurance in accordance with the provisions of Islamic Sharia. The Company also invests its capital and other resources in all related activities.

**2 SIGNIFICANT ACCOUNTING POLICIES**

**(a) Statement of compliance**

This condensed interim financial information is prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting. The accounting policies used in the preparation of the condensed interim financial information are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2009.

The condensed interim financial information does not contain all the information and disclosures required for full annual financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the financial statements of the Company as at and for the year ended 31 December 2009. In addition, results for the six month period ended 30 June 2010 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2010.

The condensed interim financial information is prepared in Qatari Riyals and all values are rounded to the nearest Qatari Riyals except when otherwise indicated.

**(b) Significant accounting judgement, estimates and assumptions**

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial information, the significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2009.

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

The following International Accounting Standards (“IAS”) and IFRIC interpretations issued, but are not mandatory for the year ended 31 December 2009, have not yet been adopted by the Company:

IFRS 9 Financial Instruments was issued to replace IAS 39. IFRS 9 simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset. IFRS 9 Financial Instruments will be applicable for annual periods beginning on or after 1 January 2013. The Company is currently in the process of evaluating the potential effect of this amendment in the presentation of the financial statements.

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

In Qatari Riyals

۲ **CASH AND BANK BALANCES**

	<b>30.06.2010 Reviewed</b>	<b>31.12.2009 Audited</b>
<b>Policyholders</b>		
Cash on hand	382,303	159,425
Investment deposits (Islamic banks)	11,040,989	18,607,750
Saving accounts (Islamic banks)	25,252,427	23,796,961
<b>Total - policyholders</b>	<b>36,675,719</b>	<b>42,564,136</b>
<b>Shareholders</b>		
Investment deposits	37,848,530	69,979,185
<b>Total – shareholders</b>	<b>37,848,530</b>	<b>69,979,185</b>
<b>Total cash and bank balances</b>	<b>74,524,249</b>	<b>112,543,321</b>
Less:- Deposits maturity over three months	(48,889,519)	(53,054,567)
<b>Total cash and cash equivalents</b>	<b>25,634,730</b>	<b>59,488,754</b>

۴ **INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS**

	<b>30.06.2010 Reviewed</b>	<b>31.12.2009 Audited</b>
<b>Gross Insurance contract liabilities</b>		
Claims reported unsettled	42,472,994	48,921,795
Unearned contributions	78,669,246	82,426,920
<b>Total</b>	<b>121,142,240</b>	<b>131,348,715</b>
<b>Reinsurers' share of Insurance liabilities</b>		
Claims reported unsettled	10,344,868	16,735,716
Unearned premiums	24,467,484	32,301,705
<b>Total</b>	<b>34,812,352</b>	<b>49,037,421</b>
<b>Net Insurance liabilities</b>		
Claims reported unsettled	32,128,126	32,186,079
Unearned premiums	54,201,762	50,125,215
<b>Total</b>	<b>86,329,888</b>	<b>82,311,294</b>

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

In Qatari Riyals

◦ INVESTMENTS

	<b>30.06.2010 Reviewed</b>	31.12.2009 Audited
<b>Available-for-sale investments</b>		
Quoted shares	124,974,722	84,320,732
Fair value reserve	(24,054,074)	1,081,870
Total available for sale investments	100,920,648	85,402,602
Unquoted shares	76,377,692	85,277,692
<b>Total available for sale investments - net</b>	<b>177,298,340</b>	170,680,294

	Policyholders	Shareholders	Totals
Quoted shares	63,133,940	61,840,782	124,974,722
Fair value reserve	(12,250,724)	(11,803,349)	(24,054,073)
Total Quoted share at fair value	50,883,216	50,037,433	100,920,649
Unquoted shares	38,188,846	38,188,846	76,377,692
<b>30.06.2010 (Reviewed) Total available for sale investments</b>	<b>89,072,062</b>	<b>88,226,279</b>	<b>177,298,341</b>
31.12.2009 (Audited) Total available for sale investments	86,047,730	84,632,564	170,680,294

∩ INVESTMENT PROPERTIES

	<b>30.06.2010 Reviewed</b>	31.12.2009 Audited
Balance as at 1 January	109,607,475	78,313,218
Additions	-	33,442,225
Depreciation	(1,367,284)	(2,147,968)
<b>Net book value at 30 June/31 December</b>	<b>108,240,191</b>	109,607,475

	<b>30.06.2010 Reviewed</b>	31.12.2009 Audited
Investment properties –policyholders	48,834,899	49,436,702
Investment properties –shareholders	59,405,292	60,170,773
<b>Net book value at 30 June/31 December</b>	<b>108,240,191</b>	109,607,475

The management has internally valued the investment properties based on equivalent investment properties in the Qatari Market and estimates that the fair value of the investment properties as at 30 June 2009 amounted to QR. 192,000,000.

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

In Qatari Riyals

**▼ PROPERTY AND EQUIPMENT**

	<b>30.06.2010</b> <b>Reviewed</b>	31.12.2009 Audited
Net book value at 1 January	7,379,293	7,278,344
Additions	1,527,416	624,875
Depreciation	(445,738)	(474,424)
Disposals (net)	-	(49,502)
<b>Net book value at 30 June / 31 December</b>	<b>8,460,971</b>	<b>7,379,293</b>

**▲ INVESTMENT IN ASSOCIATES**

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

<b>Name of Associate</b>	<b>Principal Activity</b>	<b>Place of incorporation</b>	<b>Capital</b>	<b>2009</b>	<b>2008</b>
Tashelaat Islamic Co. W.L.L.	Islamic Financing	Qatar	60,000,000	51%	51%
Al Muqawel Co. W.L.L.	Construction	Qatar	3,000,000	51%	51%

Though the Company has 51% shareholding, it does not have power to govern the financial and operating policy decisions of the investee companies.

Al Muqawel Co. W.L.L. has not commenced its operations yet.

**¶ RELATED PARTIES**

**(a) Transactions with related parties**

These represent transactions with related parties, i.e. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions and directors of the Company and companies of which they are key management personnel. Significant transactions were:

	<b>30.06.2010</b> <b>Reviewed</b>	30.06.2009 Reviewed
Premium	<b>2,568,511</b>	2,493,000
Claims	<b>2,611,189</b>	2,084,477

**(b) Compensation of key management personnel**

	<b>30.06.2010</b> <b>Reviewed</b>	30.06.2009 Reviewed
Salaries and other short term benefits	840,000	1,005,000
Employees' end of service benefits	320,000	460,000
<b>Total</b>	<b>1,160,000</b>	<b>1,465,000</b>

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the six month period ended 30 June 2010

In Qatari Riyals

## 1. NET UNDERWRITING RESULTS

	Marine and Aviation (Reviewed)		Motors (Reviewed)		General Accident (Reviewed)		Takaful and Health (Reviewed)		Totals (Reviewed)	
	30,June 2010	30,June 2009	30,June 2010	30,June 2009	30,June 2010	30,June 2009	30,June 2010	30,June 2009	30,June 2010	30,June 2009
<b>Gross contributions</b>	3,150,267	3,706,577	41,677,440	42,028,086	30,045,594	27,094,883	19,171,693	13,261,868	94,044,994	86,091,415
Less: Wakala Fees	(543,371)	(630,118)	(7,462,392)	(7,144,823)	(5,244,967)	(4,623,385)	(3,258,996)	(2,220,340)	(16,509,726)	(14,618,666)
Re-Takaful contribution	(1,583,230)	(1,941,202)	(10,022,191)	(10,788,458)	(21,657,091)	(19,784,410)	(2,681,226)	(1,778,970)	(35,943,738)	(34,293,040)
<b>Net contributions</b>	<b>1,023,666</b>	1,135,257	<b>24,192,857</b>	24,094,805	<b>3,143,536</b>	2,687,088	<b>13,231,471</b>	9,262,558	<b>41,591,530</b>	37,179,709
Movement in unexpired risk	13,137	110,067	(1,570,438)	(1,569,611)	(690,560)	(117,665)	(1,828,686)	3,413,634	(4,076,547)	1,836,425
<b>Net earned contributions</b>	<b>1,036,803</b>	1,245,324	<b>22,622,419</b>	22,525,194	<b>2,452,976</b>	2,569,423	<b>11,402,785</b>	12,676,192	<b>37,514,983</b>	39,016,134
Commissions, net	158,574	26,210	2,218,984	1,713,158	807,155	955,026	12,557	(117,605)	3,197,270	2,576,790
<b>Net underwriting income</b>	<b>1,195,377</b>	1,271,535	<b>24,841,403</b>	24,238,352	<b>3,260,131</b>	3,524,450	<b>11,415,342</b>	12,558,588	<b>40,712,253</b>	41,592,924
<b>Expenses:</b>										
Gross claims	(254,915)	(545,499)	(23,699,776)	(21,762,050)	(6,460,868)	(1,166,937)	(5,190,778)	(2,647,888)	(35,606,337)	(26,122,374)
Movement in outstanding claims	116,883	(276,476)	(2,210,922)	(5,016,534)	2,131,455	(776,995)	20,538	117,284	57,953	(5,952,721)
Re-Takaful recoveries	441,077	431,080	1,767,298	1,584,773	3,665,562	491,846	2,631,264	753,838	8,505,201	3,261,537
<b>Net claims incurred</b>	<b>303,045</b>	(390,895)	<b>(24,143,401)</b>	(25,193,812)	<b>(663,851)</b>	(1,452,085)	<b>(2,538,846)</b>	(1,776,766)	<b>(27,043,183)</b>	(28,813,558)
<b>Net underwriting income</b>	<b>1,498,422</b>	880,639	<b>698,002</b>	(955,460)	<b>2,596,280</b>	2,072,365	<b>8,889,865</b>	10,781,822	<b>13,669,070</b>	12,779,366

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

In Qatari Riyals

**11 BASIC AND DILUTED EARNINGS PER SHARE**

Basic earnings per share amounts are calculated by dividing the net profit for the period attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding at the balance sheet date.

The basic and diluted earnings per share are the same as there are no dilutive effects on earnings.

	<b>30.06.10 Reviewed</b>	30.06.09 Reviewed
Net profit attributable to shareholders	<b>30,132,239</b>	18,177,048
Weighted average number of ordinary shares	<b>15,000,000</b>	15,000,000
<b>Basic earnings per share (QR)</b>	<b>2.01</b>	1.21

**12 DIVIDEND PAID**

A cash dividend of 25% of share capital totalling QR. 37,500,000 for the year 2009 (2008: QR 45,000,000) has been approved at the Annual General Meeting. As of 30 June 2010, the dividends payable amounted to QR. 18,172,446.

**13 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS**

	<b>30.06.10 Reviewed</b>	31.12.09 Audited
Bank guarantees	<b>4,666,549</b>	6,530,803

**Operating leases**

Future minimum lease rentals payables under non-cancellable operating leases as at 30 June 2010 are insignificant and immaterial.

**14 OPERATING SEGMENT**

For management purposes, the Company is organised into six business segments- Marine and Aviation, Motor, General accident, Takaful and health, real estate and Investments. These segments are the basis on which the Company reports its operating primary segment information.