

Al Khaleej Insurance & Reinsurance Company Q.S.C.

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

30 JUNE 2008

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF AL KHALEEJ INSURANCE & REINSURANCE COMPANY Q.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Al Khaleej Insurance & Reinsurance Company Q.S.C. (the “Company”) and its subsidiary (the “Group”) as at 30 June 2008, comprising of the interim condensed consolidated balance sheet as at 30 June 2008 and the related interim condensed consolidated statements of income, changes in equity and cash flows for the six months period then ended and explanatory notes. Management 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. The interim condensed consolidated financial statements of the Company as of 30 June 2007 were reviewed and the consolidated financial statements as of 31 December 2007 were audited by another auditor, whose reports dated 10 July 2007 and 20 January 2008 respectively, expressed an unqualified review conclusion and audit opinion on those statements.

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 performed 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.

Firas Qoussous
of Ernst & Young
Auditor's Registration No. 236

Date: 22 July 2008
Doha

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

At 30 June 2008

	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>30 June</i>	<i>31 December</i>
	<i>2008</i>	<i>2007</i>
<i>Notes</i>	<i>QR</i>	<i>QR</i>
ASSETS		
Cash and investments:		
Cash and cash equivalents	40,185,518	36,552,535
Time deposits	2,000,000	67,903,641
Available for sale investments	3 <u>568,312,432</u>	<u>445,911,120</u>
	<u>610,497,950</u>	<u>550,367,296</u>
Receivable arising from insurance contracts	49,448,466	50,267,855
Reinsurance balances receivable	30,017,475	12,018,995
Reinsurers' share of unexpired risks	43,710,314	47,036,211
Reinsurers' share of outstanding claims	23,356,233	57,053,037
Other receivables and prepayments	1,995,190	2,400,300
Investment properties	155,144,566	101,659,391
Property and equipment	8,506,834	8,585,031
Capital work-in-progress	8,919,572	4,559,508
	<u>321,098,650</u>	<u>283,580,328</u>
TOTAL ASSETS	<u>931,596,600</u>	<u>833,947,624</u>
EQUITY AND LIABILITIES		
Capital		
Share capital	4 142,296,000	101,640,000
Statutory reserve	71,200,000	71,200,000
General reserve	48,971	-
Proposed bonus shares	-	40,656,000
Proposed cash dividends	-	26,328,000
Cumulative changes in fair values	350,352,199	307,713,500
Retained earnings	<u>124,495,002</u>	<u>20,898,124</u>
Total equity	<u>688,392,172</u>	<u>568,435,624</u>
Liabilities		
Insurance funds:		
Unexpired risk	98,065,034	97,792,227
Gross outstanding claims	56,747,532	87,230,963
Claims incurred but not reported	<u>8,865,929</u>	<u>8,751,809</u>
	<u>163,678,495</u>	<u>193,774,999</u>
Surplus of takaful operations	<u>9,016,058</u>	<u>5,767,333</u>
Accounts payable and other liabilities	41,754,295	47,959,850
Reinsurance balance payable	24,944,571	15,367,653
Provision for employees' end of service benefits	<u>3,811,009</u>	<u>2,642,165</u>
	<u>70,509,875</u>	<u>65,969,668</u>
Total liabilities	<u>243,204,428</u>	<u>265,512,000</u>
TOTAL EQUITY AND LIABILITIES	<u>931,596,600</u>	<u>833,947,624</u>

.....
Abdullah Ali Alansari
Director

.....
Karam Ahmad Mahmoud
Asst. General Manager

The attached notes 1 to 8 form part of these interim condensed consolidated financial statements.

Al Khaleej Insurance & Reinsurance Company Q.S.C.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

Six months period ended 30 June 2008

	Notes	<i>Six Months Period Ended</i>	
		<i>30 June 2008 QR (Reviewed)</i>	<i>30 June 2007 QR (Reviewed)</i>
Gross written premiums		137,976,284	130,501,771
Reinsurance premiums ceded		<u>(76,410,408)</u>	<u>(71,157,291)</u>
		<u>61,565,876</u>	<u>59,344,480</u>
Movement in unearned premiums		<u>(4,023,203)</u>	<u>(8,786,476)</u>
Net insurance premium revenue		<u>57,542,673</u>	<u>50,558,004</u>
Commissions received on ceded reinsurance		13,641,738	11,292,297
Claims incurred		(62,881,362)	(45,458,872)
Reinsurers' share of claims incurred		20,470,805	5,244,301
Commissions paid		<u>(4,541,469)</u>	<u>(2,653,439)</u>
NET UNDERWRITING RESULTS	5	<u>24,232,385</u>	<u>18,982,291</u>
Interest income		1,238,397	756,247
Dividend income		21,076,904	10,042,680
Gains on sale of available for sale investments		58,720,324	13,970,084
Rental income		2,643,000	2,393,000
Other income		<u>13,978,208</u>	<u>392,889</u>
TOTAL INVESTMENT AND OTHER INCOME		<u>97,656,833</u>	<u>27,554,900</u>
General and administrative expenses		(14,292,246)	(9,733,814)
Depreciation		<u>(569,229)</u>	<u>(787,870)</u>
		<u>(14,861,475)</u>	<u>(10,521,684)</u>
PROFIT FOR THE PERIOD BEFORE ALLOCATION TO TAKAFUL POLICY HOLDERS		<u>107,027,743</u>	<u>36,015,507</u>
Net surplus attributable to Takaful policyholders		<u>(3,248,725)</u>	<u>(3,094,907)</u>
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	6	<u>103,779,018</u>	<u>32,920,600</u>
BASIC/DILUTED EARNINGS PER SHARE	6	<u>7.29</u>	<u>2.31</u>

The attached notes 1 to 8 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six months period ended 30 June 2008

	<i>Six Months Period Ended</i>	
	30 June 2008 QR (Reviewed)	30 June 2007 QR (Reviewed)
OPERATING ACTIVITIES		
Profit for the period attributable to shareholders	103,779,018	32,920,600
Adjustments for:		
Movement in unearned premium (net)	3,598,704	9,792,410
Depreciation	569,229	787,870
Interest income	(1,238,397)	(756,247)
Gains on sale of available for sale investments	(58,720,324)	(13,970,084)
Dividend income	(21,076,904)	(10,042,680)
Rental income	(2,643,000)	(2,393,000)
Loss on sale of property and equipments	879	-
Profit on sale of investment properties	(12,907,346)	-
Provision for employees' end of service benefits	1,211,332	141,534
Operating profit before changes in operating assets and liabilities	12,573,191	16,480,403
Receivable arising from insurance contract	819,389	(9,039,269)
Reinsurance balances receivable	(17,998,480)	(13,379,700)
Reinsurers' share of outstanding claims	33,696,804	5,770,044
Other receivables and prepayments	405,110	(3,468,138)
Gross outstanding claims	(30,483,431)	2,790,266
Claims incurred but not reported	114,120	4,631
Accounts payable and other liabilities	(6,662,704)	37,574,747
Reinsurance balance payable	9,576,918	(834,208)
Employees' end of service benefits paid	(42,488)	(24,243)
Net cash from operating activities	1,998,429	35,874,533
INVESTING ACTIVITIES		
Net movement in investment securities	(79,762,613)	(18,643,332)
Purchase of property and equipment/work-in-progress	(4,733,020)	(121,760)
Proceeds from sale of property and equipments	3,800	-
Purchase of investments properties	(94,088,967)	(12,288,832)
Proceeds from sale of investment properties	53,388,383	-
Time deposit with maturities in excess of 3 months	65,903,641	(14,151,380)
Interest income	1,238,397	756,247
Investment and dividend income	79,797,228	24,012,764
Rental income	2,643,000	2,393,000
Net cash from (used in) investing activities	24,389,849	(18,043,293)
FINANCING ACTIVITIES		
Dividend paid	(19,870,851)	(30,492,000)
Distribution to directors	(6,000,000)	(2,600,000)
Other adjustments	-	(1,538,327)
Net surplus attributable to Takaful policyholders	3,248,725	(44,980)
Payment of Zakat	(182,140)	(89,040)
Proceeds from sale of fractional shares arising from bonus share issue	48,971	-
Net cash used in financing activities	(22,755,295)	(34,764,347)
INCREASE IN CASH AND CASH EQUIVALENTS	3,632,983	(16,933,107)
Cash and cash equivalents at the beginning of the period	36,552,535	36,750,283
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	40,185,518	19,817,176

The attached notes 1 to 8 form part of these interim condensed consolidated financial statements.

Al Khaleej Insurance & Reinsurance Company Q.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 30 June 2008

	<i>Share capital QR</i>	<i>Statutory reserve QR</i>	<i>General reserve QR</i>	<i>Proposed dividends QR</i>	<i>Proposed issue of bonus shares QR</i>	<i>Cumulative changes in fair values QR</i>	<i>Retained earnings QR</i>	<i>Total QR</i>
Balance at 1 January 2008	101,640,000	71,200,000	-	26,328,000	40,656,000	307,713,500	20,898,124	568,435,624
Recognised gains and losses on available for sale investments during the period	-	-	-	-	-	(58,720,324)	-	(58,720,324)
Net movement in fair value of available for sale investments during the period	-	-	-	-	-	101,359,023	-	101,359,023
Total income and expense for the period recognised directly in equity	-	-	-	-	-	42,638,699	-	42,638,699
Profit for the period	-	-	-	-	-	-	103,779,018	103,779,018
Total income and expense for the period	-	-	-	-	-	42,638,699	103,779,018	146,417,717
Bonus shares issues for 2007	40,656,000	-	-	-	(40,656,000)	-	-	-
Gain on sale of fractional shares arising from bonus share issue	-	-	48,971	-	-	-	-	48,971
Dividend paid for 2007	-	-	-	(26,328,000)	-	-	-	(26,328,000)
Zakat paid	-	-	-	-	-	-	(182,140)	(182,140)
Balance at 30 June 2008	142,296,000	71,200,000	48,971	-	-	350,352,199	124,495,002	688,392,172

Continued...

The attached notes 1 to 8 form part of these interim condensed consolidated financial statements.

Al Khaleej Insurance & Reinsurance Company Q.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

Six months ended 30 June 2008

	<i>Share capital QR</i>	<i>Statutory reserve QR</i>	<i>General reserve QR</i>	<i>Proposed dividends QR</i>	<i>Cumulative changes in fair values QR</i>	<i>Retained earnings QR</i>	<i>Total QR</i>
Balance at 1 January 2007	<u>101,640,000</u>	<u>26,404,018</u>	<u>24,000,000</u>	<u>30,492,000</u>	<u>346,672,601</u>	<u>27,859,239</u>	<u>557,067,858</u>
Recognised gains and losses on available for sale investments during the period	-	-	-	-	(13,970,084)	-	(13,970,084)
Net movement in fair value of available for sale investments during the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,721,433)</u>	<u>-</u>	<u>(34,721,433)</u>
Total income and expense for the period recognised directly in equity	-	-	-	-	(48,691,517)	-	(48,691,517)
Profit for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,920,600</u>	<u>32,920,600</u>
Total income and expense for the period	-	-	-	-	(48,691,517)	32,920,600	(15,770,917)
Distribution to directors	-	-	-	-	-	(2,600,000)	(2,600,000)
Dividends	-	-	-	(30,492,000)	-	-	(30,492,000)
Zakat paid	-	-	-	-	-	(89,040)	(89,040)
Other adjustment (related to Takaful branch)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,538,327)</u>	<u>(1,538,327)</u>
Balance at 30 June 2007	<u><u>101,640,000</u></u>	<u><u>26,404,018</u></u>	<u><u>24,000,000</u></u>	<u><u>-</u></u>	<u><u>297,981,084</u></u>	<u><u>56,552,472</u></u>	<u><u>506,577,574</u></u>

The attached notes 1 to 8 form part of these interim condensed consolidated financial statements.

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Al Khaleej Insurance & Reinsurance Company Q.S.C. (the “Company”) is a Qatari shareholding company registered and incorporated in the State of Qatar under Emiri Decree No. 53 issued on 21 December 1978 and is engaged in the business of insurance, reinsurance and life insurance (Takaful) through the Islamic Takaful Branch.

During 2002, the Company established Islamic Takaful Insurance (the “Branch”) to carry out insurance and reinsurance activities in accordance with Islamic Sharia’a principles on a non-usury basis in all areas of insurance.

On 17 March 2008, the Company’s Branch was established as a wholly owned subsidiary under the brand name Qatar Takaful Company (the “Subsidiary”).

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months period ended are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

The interim condensed consolidated financial statements do not contain all information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual financial statements as at 31 December 2007. The results for the six months ended 30 June 2008 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2008.

ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of the interim condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2007.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
At 30 June 2008

3 AVAILABLE FOR SALE INVESTMENTS

The carrying amounts of available for sale investment securities at 30 June 2008 were as follows:

	<i>(Reviewed)</i> 30 June <i>2008</i> QR	<i>(Audited)</i> <i>31 December</i> <i>2007</i> QR
Quoted investments		
Equity local shares	529,570,790	432,513,687
Equity foreign funds	6,098,165	6,519,326
Bonds	2,784,600	2,784,600
Unquoted investments		
Equity local shares	9,357,931	6,149,487
Equity foreign funds	32,557,590	10,000,664
Managed portfolio	<u>3,171,580</u>	<u>3,171,580</u>
Total	583,540,656	461,139,344
Less: Allowance for impairment losses	<u>15,228,224</u>	<u>15,228,224</u>
Total investments	<u>568,312,432</u>	<u>445,911,120</u>

4 SHARE CAPITAL

	<i>(Reviewed)</i> 30 June <i>2008</i> Numbers	<i>(edAudit)</i> <i>31 December</i> <i>2007</i> Numbers
<i>Authorised</i>		
Ordinary shares of QR 10 each	<u>14,229,600</u>	<u>10,164,000</u>
	QR	QR
<i>Issued and fully paid up capital</i>		
Ordinary shares of QR 10 each	<u>142,296,000</u>	<u>101,640,000</u>

During the period, the authorised, issued and fully paid up capital was increased by QR 40,656,000 by way of bonus share issue approved by the Annual General Assembly of the shareholders.

Al Khaleej Insurance & Reinsurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2008

5 SEGMENT INFORMATION

The Company operates in the general insurance and Islamic Takaful segments in the State of Qatar. For management purposes the Company is organised into five business segments, Marine & Aviation, Fire, General accident, Motor and Takaful (life insurance). These segments are the basis on which the Company reports its primary segment information. An analysis of the gross written premiums, net premiums, commission income, net claims paid, commission paid, movement in insurance reserves and net insurance revenue for the period ended 30 June 2008 for its main classes of business is disclosed below:

	<i>Marine & Aviation</i>		<i>Fire</i>		<i>General Accident</i>		<i>Motor</i>		<i>Takaful (life)</i>		<i>Total</i>	
	<i>June 2008</i>	<i>June 2007</i>	<i>June 2008</i>	<i>June 2007</i>	<i>June 2008</i>	<i>June 2007</i>	<i>June 2008</i>	<i>June 2007</i>	<i>June 2008</i>	<i>June 2007</i>	<i>June 2008</i>	<i>June 2007</i>
	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
Revenues												
Insurance premium revenue	9,160,398	7,462,155	14,389,973	13,990,728	56,244,273	53,113,860	54,158,527	51,051,215	4,023,113	4,883,813	137,976,284	130,501,771
Insurance premium ceded to reinsurers	(8,192,436)	(6,411,086)	(13,972,826)	(13,471,368)	(50,027,152)	(48,748,376)	(3,417,304)	(1,966,676)	(800,691)	(559,785)	(76,410,409)	(71,157,291)
Net insurance premium revenue	967,962	1,051,069	417,147	519,360	6,217,121	4,365,484	50,741,223	49,084,539	3,222,422	4,324,028	61,565,875	59,344,480
Commission income	2,146,134	1,875,931	2,197,019	1,867,734	8,028,466	6,547,578	1,270,119	809,466	-	191,588	13,641,738	11,292,297
Total revenue	3,114,096	2,927,000	2,614,166	2,387,094	14,245,587	10,913,062	52,011,342	49,894,005	3,222,422	4,515,616	75,207,613	70,636,777
Expenses												
Claims paid	1,229,224	1,267,074	9,918,724	253,161	10,267,754	4,673,935	36,985,738	32,018,408	1,287,047	378,194	59,688,487	38,590,772
Reinsurer's share	(964,810)	(1,129,181)	(9,097,744)	(231,122)	(9,147,685)	(3,622,369)	(103,003)	(21,897)	(1,157,564)	(239,732)	(20,470,806)	(5,244,301)
Net claims	264,414	137,893	820,980	22,039	1,120,069	1,051,566	36,882,735	31,996,511	129,483	138,462	39,217,681	33,346,471
Commission paid	278,378	257,168	340,076	186,445	1,787,033	859,750	1,828,881	911,016	286,603	439,060	4,520,971	2,653,439
Total expenses	542,792	395,061	1,161,056	208,484	2,907,102	1,911,316	38,711,616	32,907,527	416,086	577,522	43,738,652	35,999,910
Movement in insurance reserves	63,604	205,136	692,391	2,208,046	(914,903)	461,632	(4,680,256)	(14,744,629)	(2,397,412)	(3,784,761)	(7,236,576)	(15,654,576)
Net insurance revenue	2,634,908	2,737,075	2,145,501	4,386,656	10,423,582	9,463,378	8,619,470	2,241,849	408,924	153,333	24,232,385	18,982,291

As the Company's activities are performed on an integrated basis, a segmental analysis of assets and liabilities between these segments would not be meaningful.

Al Khaleej Insurance & Reinsurance Company Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2008

5 SEGMENT INFORMATION (continued)

Revenues, expenses, assets and liabilities of the Company and its Islamic Takaful Insurance branch are as follows:

	2008			2007		
	<i>Al Khaleej Insurance & Reinsurance Company QR</i>	<i>Qatar Takaful Company QR</i>	<i>Total QR</i>	<i>Al Khaleej Insurance & Reinsurance Company QR</i>	<i>Qatar Takaful Company QR</i>	<i>Total QR</i>
Revenues						
Insurance premium revenue	104,922,772	33,053,512	137,976,284	113,482,282	17,019,489	130,501,771
Insurance premium ceded to reinsurers	(56,458,397)	(19,952,012)	(76,410,409)	(63,776,032)	(7,381,259)	(71,157,291)
Net insurance premium revenue	48,464,375	13,101,500	61,565,875	49,706,250	9,638,230	59,344,480
Commission income	8,207,757	5,433,981	13,641,738	7,443,816	3,848,481	11,292,297
Total revenue	56,672,132	18,535,481	75,207,613	57,150,066	13,486,711	70,636,777
Expenses						
Claims paid	52,855,957	6,832,530	59,688,487	34,332,436	4,258,336	38,590,772
Reinsurer's share	(17,875,317)	(2,595,489)	(20,470,806)	(4,671,612)	(572,689)	(5,244,301)
Net claims	34,980,640	4,237,041	39,217,681	29,660,824	3,685,647	33,346,471
Commission paid	2,829,044	1,691,926	4,520,970	1,708,936	944,503	2,653,439
Total expenses	37,809,684	5,928,967	43,738,651	31,369,760	4,630,150	35,999,910
Movement in insurance reserves	(2,285,338)	(4,951,238)	(7,236,576)	(11,252,374)	(4,402,202)	(15,654,576)
Net insurance revenue	16,577,110	7,655,276	24,232,386	14,527,932	4,454,359	18,982,291
Assets						
Total assets	874,322,414	57,274,186	931,596,600	785,640,392	48,307,232	833,947,624
Liabilities						
Insurance funds	(138,062,324)	(25,616,171)	(163,678,495)	(174,372,896)	(19,402,103)	(193,774,999)
Net surplus attributable to Takaful Branch policyholders	-	(9,016,058)	(9,016,058)	-	(5,767,333)	(5,767,333)
Liabilities (other than insurance funds)	(57,350,426)	(13,159,449)	(70,509,875)	(58,226,177)	(7,743,491)	(65,969,668)
Net assets	678,909,664	9,482,508	688,392,172	553,041,319	15,394,305	568,435,624

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
At 30 June 2008

6 BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period. During the current period, the Company issued bonus shares for the year 2007. Accordingly, the previously reported earnings per share have been restated for the effect of the bonus share issue made during the period.

	<i>30 June 2008</i>	<i>30 June 2007 (Restated)</i>
Profit for the period attributable to the shareholders (QR)	<u>103,779,018</u>	<u>32,920,600</u>
Weighted average number of shares outstanding during the period (i)	<u>14,229,600</u>	<u>14,229,600</u>
Basic earnings per share (QR)	<u>7.29</u>	<u>2.31</u>

Notes

(i) The weighted average number of shares has been calculated as follows:

	<i>30 June 2008 Numbers</i>	<i>30 June 2007 Numbers</i>
Qualifying shares at beginning of the period	<u>10,164,000</u>	10,164,000
Effect of bonus shares issued	<u>4,065,600</u>	<u>4,065,600</u>
Weighted average number of shares at end of the period	<u>14,229,600</u>	<u>14,229,600</u>

(ii) There were no potentially dilutive shares outstanding at any time during the period. Therefore, the diluted earnings per share are equal to the basic earnings per share.

7 COMMITMENTS AND CONTINGENCIES

Guarantees

At 30 June 2008, the Company had contingent liabilities in respect of tender guarantees and other guarantees from which it is anticipated that no material liabilities will arise, amounting to QR 1,816,538 (31 December 2007 – Audited: QR 602,757).

Legal claims

The Company, in common with the significant majority of insurers, is subject to litigation in the normal course of its business. The Company, based on independent legal advice, does not believe that the outcome of these court cases will have a material impact on the Company's income or financial position.

8 COMPARATIVE INFORMATION

The comparative figures for the previous period/year have been reclassified where necessary in order to confirm to the current period's presentation.