

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

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

30 JUNE 2009

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 subsidiaries (the “Group”) as at 30 June 2009, comprising of the interim condensed consolidated statement of financial position as at 30 June 2009 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and 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 International Financial Reporting Standard IAS 34 - *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit performed in accordance with International Standards on Auditing. Consequently, it 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 2009
Doha

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2009

		<i>30 June 2009 QR (Reviewed)</i>	<i>31 December 2008 QR (Audited)</i>
ASSETS			
Cash and cash equivalents		31,282,443	51,068,244
Time deposits		100,000	100,000
Available for sale investments	3	317,695,102	338,707,192
Investment in an associate		21,454,007	21,454,007
Receivable arising from insurance contracts		55,478,216	61,115,922
Reinsurance balances receivable		10,171,428	8,847,939
Reinsurers' share of unexpired risks		50,454,945	56,823,861
Reinsurers' share of outstanding claims		23,124,157	20,446,064
Other receivable and prepayments		12,838,428	3,387,029
Investment properties		175,033,046	162,634,288
Property and equipment		8,768,196	9,038,948
Capital work-in-progress		11,852,788	11,345,440
TOTAL ASSETS		<u>718,252,756</u>	<u>744,968,934</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		142,296,000	142,296,000
Statutory reserve		71,711,531	71,711,531
General reserve		48,971	48,971
Proposed cash dividends		-	42,688,800
Cumulative changes in fair value		126,297,201	153,618,492
Retained earnings		108,301,647	64,530,942
Total equity		<u>448,655,350</u>	<u>474,894,736</u>
LIABILITIES			
Liabilities arising from insurance contracts:			
Unexpired risk		110,980,908	113,191,328
Gross outstanding claims		58,182,773	51,463,824
Claims incurred but not reported		13,541,139	13,447,235
		<u>182,704,820</u>	<u>178,102,387</u>
Surplus of takaful operations		10,303,739	8,722,818
Accounts payable and other liabilities		51,755,149	51,564,687
Reinsurance balance payable		20,377,665	27,577,535
Provision for employees' end of service benefits		4,456,033	4,106,771
		<u>76,588,847</u>	<u>83,248,993</u>
Total liabilities		<u>269,597,406</u>	<u>270,074,198</u>
EQUITY AND LIABILITIES		<u>718,252,756</u>	<u>744,968,934</u>

.....
Abdulla Bin Mohammed Jaber Al Thani
Chairman

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

The attached notes 1 to 6 form part of these interim condensed consolidated financial statements.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

Six Months Period Ended 30 June 2009

	Notes	<i>Six Months Period Ended</i>	
		<i>30 June</i>	<i>30 June</i>
		<i>2009</i>	<i>2008</i>
		<i>QR</i>	<i>QR</i>
		<i>(Reviewed)</i>	<i>(Reviewed)</i>
Gross premiums		138,216,722	137,976,284
Reinsurers' share of gross premiums		(71,013,239)	(76,410,408)
Net premiums		67,203,483	61,565,876
Change in unexpired risk reserve		(4,819,269)	(4,023,203)
Earned insurance premiums		62,384,214	57,542,673
Commissions received on ceded reinsurance		14,404,381	13,641,738
Claims incurred		(65,087,274)	(62,881,362)
Reinsurers' share of claims incurred		17,916,770	20,470,805
Commissions paid		(4,699,228)	(4,541,469)
NET UNDERWRITING RESULTS	4	24,918,863	24,232,385
Interest income		219,579	1,238,397
Dividend income		27,834,379	21,076,904
Net gain on sale of available for sale investments		5,730,559	58,720,324
Rental income		3,003,764	2,643,000
Other income		514,440	13,978,208
TOTAL INVESTMENT AND OTHER INCOME		37,302,721	97,656,833
General and administrative expenses		(13,441,037)	(14,292,246)
Depreciation		(1,160,918)	(569,229)
TOTAL EXPENSES		(14,601,955)	(14,861,475)
PROFIT FOR THE PERIOD BEFORE ALLOCATION TO TAKAFUL POLICY HOLDERS		47,619,629	107,027,743
Net surplus attributable to Takaful policyholders		(3,848,924)	(3,248,725)
PROFIT ATTRIBUTABLE TO SHAREHOLDERS		43,770,705	103,779,018
Basic/diluted earnings per share	5	3.08	7.29

The attached notes 1 to 6 form part of these interim condensed consolidated financial statements.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME

Six Months Period Ended 30 June 2009

	<i>Six Months Period Ended</i>	
	<i>30 June</i>	<i>30 June</i>
	<i>2009</i>	<i>2008</i>
	<i>QR</i>	<i>QR</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
Profit attributable to shareholders	<u>43,770,705</u>	<u>103,779,018</u>
Other comprehensive income		
Recognised gains and losses on available-for-sale investments during the period	(5,730,559)	(58,720,324)
Net movement in fair value of available for sale investments during the period	<u>(21,590,732)</u>	<u>101,359,023</u>
Other comprehensive (loss) income for the period	<u>(27,321,291)</u>	<u>42,638,699</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>16,449,414</u>	<u>146,417,717</u>

The attached notes 1 to 6 form part of these interim condensed consolidated financial statements.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six months period ended 30 June 2009

	<i>Six Months Period Ended</i>	
	30 June 2009 QR (Reviewed)	30 June 2008 QR (Reviewed)
OPERATING ACTIVITIES		
Profit attributable to shareholders for the period	43,770,705	103,779,018
Adjustments for:		
Movement in unearned premium (net)	4,158,496	3,598,704
Depreciation	1,160,918	569,229
Interest income	(219,579)	(1,238,397)
Net gain on sale of available for sale investments	(5,730,559)	(58,720,324)
Dividend income	(27,834,379)	(21,076,904)
Rental income	(3,003,764)	(2,643,000)
(Gain) Loss on sale of property and equipment	(13,250)	879
Provision for employees' end of service benefits	349,262	1,211,332
Profit on sale of investment properties	-	(12,907,346)
Operating profit before changes in operating assets and liabilities	12,637,850	12,573,191
Receivable arising from insurance contract	5,637,706	819,389
Reinsurance balances receivable	(1,323,489)	(17,998,480)
Reinsurers' share of outstanding claims	(2,678,093)	33,696,804
Other receivables and prepayments	(9,451,399)	405,110
Gross outstanding claims	6,718,949	(30,483,431)
Claims incurred but not reported	93,904	114,120
Accounts payable and other liabilities	(5,075,430)	(6,662,704)
Reinsurance balance payable	(7,199,870)	9,576,918
Employees' end of service benefits paid	-	(42,488)
Net cash from operating activities	9,510,988	1,998,429
INVESTING ACTIVITIES		
Net movement in available for sale investments	(578,642)	(21,042,289)
Purchase of investments properties	(13,130,000)	(94,088,967)
Purchase of property and equipment	(177,674)	(372,956)
Proceeds from sale of property and equipments	32,000	3,800
Capital work-in-progress	(507,348)	(4,360,064)
Interest received	219,579	1,238,397
Dividend received	27,834,379	21,076,904
Rental income	3,003,764	2,643,000
Time deposit with maturities in excess of 3 months	-	65,903,641
Proceeds from sale of investment properties	-	53,388,383
Net cash from investing activities	16,696,058	24,389,849
FINANCING ACTIVITIES		
Dividend paid	(40,973,768)	(19,870,851)
Net surplus attributable to Takaful policyholders	1,580,921	3,248,725
Distribution to directors	(6,600,000)	(6,000,000)
Payment of Zakat	-	(182,140)
Proceeds from sale of fractional shares arising from bonus share issue	-	48,971
Net cash used in financing activities	(45,992,847)	(22,755,295)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(19,785,801)	3,632,983
Cash and cash equivalents at 1 January	51,068,244	36,552,535
CASH AND CASH EQUIVALENTS AT 30 JUNE	31,282,443	40,185,518

The attached notes 1 to 6 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 Period Ended 30 June 2009

	<i>Share capital QR</i>	<i>Statutory reserve QR</i>	<i>General reserve QR</i>	<i>Proposed cash dividends QR</i>	<i>Cumulative changes in fair value QR</i>	<i>Retained earnings QR</i>	<i>Total QR</i>
Balance at 1 January 2009	<u>142,296,000</u>	<u>71,711,531</u>	<u>48,971</u>	<u>42,688,800</u>	<u>153,618,492</u>	<u>64,530,942</u>	<u>474,894,736</u>
Profit attributable to shareholders	-	-	-	-	-	43,770,705	43,770,705
Other comprehensive loss for the period	-	-	-	-	(27,321,291)	-	(27,321,291)
Total comprehensive income for the period	-	-	-	-	(27,321,291)	43,770,705	16,449,414
Cash dividends	-	-	-	(42,688,800)	-	-	(42,688,800)
Balance at 30 June 2009	<u>142,296,000</u>	<u>71,711,531</u>	<u>48,971</u>	<u>-</u>	<u>126,297,201</u>	<u>108,301,647</u>	<u>448,655,350</u>

The attached notes 1 to 6 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 Period Ended 30 June 2008

	<i>Share capital QR</i>	<i>Statutory reserve QR</i>	<i>General reserve QR</i>	<i>Proposed cash dividends QR</i>	<i>Proposed issue of bonus shares QR</i>	<i>Cumulative changes in fair value QR</i>	<i>Retained earnings QR</i>	<i>Total QR</i>
Balance at 1 January 2008	<u>101,640,000</u>	<u>71,200,000</u>	<u>-</u>	<u>26,328,000</u>	<u>40,656,000</u>	<u>307,713,500</u>	<u>20,898,124</u>	<u>568,435,624</u>
Profit attributable to shareholders	-	-	-	-	-	-	103,779,018	103,779,018
Other comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,638,699</u>	<u>-</u>	<u>42,638,699</u>
Total comprehensive income for the period	-	-	-	-	-	42,638,699	103,779,018	146,417,717
Bonus shares issued for 2007	40,656,000	-	-	-	(40,656,000)	-	-	-
Gain on sale of fractional shares arising from bonus share issue	-	-	48,971	-	-	-	-	48,971
Cash dividends	-	-	-	(26,328,000)	-	-	-	(26,328,000)
Zakat paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(182,140)</u>	<u>(182,140)</u>
Balance at 30 June 2008	<u>142,296,000</u>	<u>71,200,000</u>	<u>48,971</u>	<u>-</u>	<u>-</u>	<u>350,352,199</u>	<u>124,495,002</u>	<u>688,392,172</u>

The attached notes 1 to 6 form part of these interim condensed consolidated financial statements.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2009

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. The Company and its subsidiaries (the “Group”) are engaged in the business of insurance, reinsurance and life insurance (Takaful) and real estate investment.

The interim condensed consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. The subsidiaries are:

<i>Name of subsidiary</i>	<i>Ownership</i>	<i>Country of incorporation</i>	<i>Principal activities</i>
Qatar Takaful Company (QTC)	100%	Qatar	Primarily engaged in activities in accordance with Islamic Sharia’a principles on a non usury basis in all areas of insurance.
Methaq Holding Company (MHC)	100%	Qatar	Primarily engaged in real estate investments.

The interim condensed consolidated financial statements were authorised for issue by the Board of Directors on 22 July 2009.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months period ended 30 June 2009 have been prepared in accordance with IAS 34 - *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual financial statements as at 31 December 2008. The results for the six months ended 30 June 2009 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2009.

ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2008, except as noted below.

During the period, the Group has adopted the following standards effective for the annual periods beginning on or after 1 January 2009.

IAS 1 ‘Presentation of Financial Statements’ (Revised):

The revised standard requires changes in equity arising from transactions with owners in their capacity as owners (i.e. owner changes in income) to be presented in the statement of changes in equity. All other changes in equity (i.e. non-owner changes in equity) are required to be presented separately in a performance statement (consolidated statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity.

IFRS 8 ‘Operating segments’:

The new standard which replaced IAS 14 ‘Segment reporting’ requires a ‘management approach’ under which segment information is presented on the same basis as that used for internal reporting purposes. Adoption of this Standard did not have any effect on the financial position or performance of the Group. The Group determined that the operating segments were the same as the business segments previously identified under IAS 14. IFRS 8 disclosures are shown in Note 4.

3 AVAILABLE FOR SALE INVESTMENTS

The carrying amounts of available for sale investment securities were as follows:

	<i>30 June 2009 QR (Reviewed)</i>	<i>31 December 2008 QR (Audited)</i>
Quoted investments		
Local equity shares	267,625,389	290,247,635
Foreign equity shares	4,007,186	3,790,106
Debt securities	2,784,600	2,784,600
Unquoted investments		
Local equity shares	27,591,487	27,591,487
Foreign equity shares	14,588,635	11,121,784
Managed investment portfolio	1,097,805	3,171,580
	<u>317,695,102</u>	<u>338,707,192</u>

4 SEGMENT INFORMATION

The Group operates in the conventional insurance and takaful insurance segments in the State of Qatar. For management purposes, the Group is organised into five business segments, Marine and Aviation, Fire, General Accident, Motor, and Takaful (Life Insurance).

Management monitors the operating results of the business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net underwriting results.

Other operations of the Group comprise investment and cash management for the Group's own account. There are no transactions between segments.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2009

4 SEGMENT INFORMATION (continued)

The data with respect to segment information is as follows:

	<i>Marine & Aviation</i>		<i>Fire</i>		<i>General Accident</i>		<i>Motor</i>		<i>Takaful (life)</i>		<i>Total</i>	
	<i>June 2009</i>	<i>June 2008</i>	<i>June 2009</i>	<i>June 2008</i>	<i>June 2009</i>	<i>June 2008</i>	<i>June 2009</i>	<i>June 2008</i>	<i>June 2009</i>	<i>June 2008</i>	<i>June 2009</i>	<i>June 2008</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												
Gross premiums	7,335,246	9,160,398	19,483,341	14,389,973	47,482,810	56,244,273	58,984,187	54,158,527	4,931,138	4,023,113	138,216,722	137,976,284
Reinsurers' share of gross premiums	(6,095,961)	(8,192,436)	(18,710,244)	(13,972,826)	(41,737,101)	(50,027,152)	(3,151,902)	(3,417,304)	(1,318,031)	(800,691)	(71,013,239)	(76,410,409)
Net premiums	1,239,285	967,962	773,097	417,147	5,745,709	6,217,121	55,832,285	50,741,223	3,613,107	3,222,422	67,203,483	61,565,875
Commissions received on ceded reinsurance	1,784,707	2,146,134	2,758,610	2,197,019	7,033,038	8,028,466	2,726,451	1,270,119	101,575	-	14,404,381	13,641,738
Total revenue	3,023,992	3,114,096	3,531,707	2,614,166	12,778,747	14,245,587	58,558,736	52,011,342	3,714,682	3,222,422	81,607,864	75,207,613
Expenses												
Claims paid	791,968	1,229,224	641,586	9,918,724	14,514,925	10,267,754	42,340,167	36,985,738	1,000,681	1,287,047	59,289,327	59,688,487
Reinsurers' share of claims	(633,886)	(964,810)	(579,619)	(9,097,744)	(13,409,808)	(9,147,685)	(840,742)	(103,003)	(866,206)	(1,157,564)	(16,330,261)	(20,470,806)
Net claims	158,082	264,414	61,967	820,980	1,105,117	1,120,069	41,499,425	36,882,735	134,475	129,483	42,959,066	39,217,681
Commission paid	296,223	278,378	432,675	340,076	1,443,282	1,787,033	2,164,854	1,828,881	362,194	286,603	4,699,228	4,520,971
Total expenses	454,305	542,792	494,642	1,161,056	2,548,399	2,907,102	43,664,279	38,711,616	496,669	416,086	47,658,294	43,738,652
Movement in insurance reserves	(363,643)	63,604	(197,261)	692,391	(27,177)	(914,903)	(7,121,412)	(4,680,256)	(1,321,214)	(2,397,412)	(9,030,707)	(7,236,576)
Net underwriting results	2,206,044	2,634,908	2,839,804	2,145,501	10,203,171	10,423,582	7,773,045	8,619,470	1,896,799	408,924	24,918,863	24,232,385

As the Group'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 2009

4 SEGMENT INFORMATION (continued)

Revenues, expenses, assets and liabilities of the Company and its subsidiaries for the six months period ended 30 June are as follows:

	30 June 2009				30 June 2008		
	<i>Al Khaleej Insurance & Reinsurance Company QR</i>	<i>Qatar Takaful Company QR</i>	<i>Methaq Holding 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							
Gross premiums	107,522,379	30,694,343	-	138,216,722	104,922,772	33,053,512	137,976,284
Reinsurers' share of gross premiums	(57,567,179)	(13,446,060)	-	(71,013,239)	(56,458,397)	(19,952,012)	(76,410,409)
Net premiums	49,955,200	17,248,283	-	67,203,483	48,464,375	13,101,500	61,565,875
Commissions received on ceded reinsurance	10,132,773	4,271,608	-	14,404,381	8,207,757	5,433,981	13,641,738
Total revenue	60,087,973	21,519,891	-	81,607,864	56,672,132	18,535,481	75,207,613
Expenses							
Claims paid	49,521,952	9,767,375	-	59,289,327	52,855,957	6,832,530	59,688,487
Reinsurers' share of claims	(13,926,015)	(2,404,246)	-	(16,330,261)	(17,875,317)	(2,595,489)	(20,470,806)
Net claims	35,595,937	7,363,129	-	42,959,066	34,980,640	4,237,041	39,217,681
Commission paid	2,992,582	1,706,646	-	4,699,228	2,829,044	1,691,926	4,520,970
Total expenses	38,588,519	9,069,775	-	47,658,294	37,809,684	5,928,967	43,738,651
Movement in insurance reserves	(5,578,097)	(3,452,610)	-	(9,030,707)	(2,285,338)	(4,951,239)	(7,236,577)
Net underwriting results	15,921,357	8,997,506	-	24,918,863	16,577,110	7,655,275	24,232,385
Assets							
Total assets	603,781,960	93,375,960	21,094,836	718,252,756	874,322,414	57,274,186	931,596,600
Liabilities							
Insurance funds	(141,408,281)	(41,296,539)	-	(182,704,820)	(138,062,324)	(25,616,171)	(163,678,495)
Net surplus attributable to Takaful policyholders	-	(10,303,739)	-	(10,303,739)	-	(9,016,058)	(9,016,058)
Liabilities (other than insurance funds)	(64,868,239)	(11,720,608)	-	(76,588,847)	(57,350,426)	(13,159,449)	(70,509,875)
Net assets	397,505,440	30,055,074	21,094,836	448,655,350	678,909,664	9,482,508	688,392,172

5 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. In 2008, the Company issued bonus shares for the year 2007.

	30 June 2009 (Reviewed)	30 June 2008 (Reviewed)
Profit for the period attributable to the shareholders (QR)	<u>43,770,705</u>	<u>103,779,018</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>3.08</u>	<u>7.29</u>

Notes

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

	30 June 2009 Numbers	30 June 2008 Numbers
Qualifying shares at 1 January	14,229,600	10,164,000
Effect of bonus shares issued	<u>-</u>	<u>4,065,600</u>
Weighted average number of shares at 30 June	<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.

6 COMMITMENTS AND CONTINGENCIES

Guarantees

At 30 June 2009, the Group 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 1,297,951 (31 December 2008 – Audited: QR 517,946).

Legal claims

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