

**AL KHALEEJ TAKAFUL INSURANCE COMPANY Q.P.S.C.
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 30 September 2018

In Qatari Riyals

	Notes	30 September 2018 (Reviewed)	31 December 2017 (Audited)
Policyholders' assets			
Cash and bank balances	6	28,999,173	25,802,938
Investments at fair value through equity	8	23,102,637	19,289,219
Time deposits		3,650,000	-
Takaful balances receivable	9	49,189,822	47,056,304
Retakaful balances receivable	10	33,633,600	37,574,871
Retakaful share of unearned contributions	7	53,471,531	59,695,530
Retakaful share of gross outstanding claims	7	72,199,330	78,241,712
Other receivables and prepayments	11	32,227,490	29,922,801
Investment properties	12	32,538,027	33,261,198
Fixed assets		420,750	673,200
Total policyholders' assets		329,432,360	331,517,773
Shareholders' assets			
Cash and bank balances	6	15,962,651	12,212,025
Time deposits		100,000	100,000
Investments at fair value through equity	8	249,934,433	243,533,755
Assets held for sale		21,454,007	21,454,007
Investments in associate	13	7,509,253	10,509,253
Insurance balances receivable	9	7,402	253,264
Reinsurers balances receivable	10	206,211	384,821
Reinsurers share of gross outstanding claims	7	1,590,364	1,613,823
Other receivables and prepayments	11	42,150,404	33,536,008
Investment properties	12	221,149,537	222,770,682
Fixed assets		11,499,883	13,283,796
Property under development		46,234,907	45,821,069
Total shareholders' assets		617,799,052	605,472,503
Total assets		947,231,412	936,990,276

The Interim Condensed Statement of Financial Position continues on next page.

**AL KHALEEJ TAKAFUL INSURANCE COMPANY Q.P.S.C.
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**

As at 30 September 2018

In Qatari Riyals

	Notes	30 September 2018 (Reviewed)	31 December 2017 (Audited)
Participants' fund			
Surplus in participants' fund		28,966,735	10,568,495
Fair value reserve		2,493,463	(1,889,000)
		31,460,198	8,679,495
Policyholder's liabilities			
Unearned contributions	7	108,893,947	112,463,193
Gross outstanding claims	7	90,808,661	97,889,681
Claims incurred but not reported	7	3,275,340	3,730,697
Accounts payable and other liabilities		31,248,699	30,918,153
Retakaful and takaful balances payable		54,994,791	65,336,554
Dividends payable to policyholders		8,750,724	12,500,000
Total liabilities of policyholders		297,972,162	322,838,278
Total liabilities and surplus of policyholders		329,432,360	331,517,773
Shareholders' liabilities			
Gross outstanding claims	7	1,387,618	1,411,152
Islamic bank facilities		64,027,106	73,761,268
Accounts payable and other liabilities		31,891,583	31,608,650
Reinsurers and insurance balances payable		2,012,378	2,104,545
Employees' end of service benefits		4,528,789	4,799,268
Total shareholders' liabilities		103,847,474	113,684,883
Shareholders' equity			
Share capital		255,279,024	255,279,024
Legal reserve		232,951,190	232,951,190
General reserve		75,477	75,477
Fair value reserve		11,633,647	(1,474,400)
Retained earnings		14,012,240	4,956,329
Total shareholders' equity		513,951,578	491,787,620
Total shareholders' liabilities and equity		617,799,052	605,472,503
Total liabilities, surplus of policyholders and shareholders' equity		947,231,412	936,990,276

These interim condensed consolidated financial statements were approved by the Company's Board of Directors on 25 October 2018 and signed on their behalf by:



Mr. Ali Reda Al Banai
Board Member and Managing Director
for Executive Management



Mr. Abdulla Ali Al Ansari
Board Member

The notes from pages 10 to 20 form an integral part of the interim condensed consolidated financial statements.

AL KHALEEJ TAKAFUL INSURANCE COMPANY Q.P.S.C.
CONDENSED CONSOLIDATED STATEMENT OF POLICYHOLDERS' REVENUES AND EXPENSES

For the three and nine month period ended 30 September 2018

In Qatari Riyals

	For the three month period ended 30 September		For the nine month period ended 30 September	
	2018 (Reviewed)	2017 (Reviewed)	2018 (Reviewed)	2017 (Reviewed)
Takaful revenues				
Gross contributions	63,751,820	63,169,548	214,570,272	223,143,660
Retakaful share of gross contribution	(36,253,605)	(38,774,509)	(130,331,372)	(148,005,447)
	27,498,215	24,395,039	84,238,900	75,138,213
Movement in unearned contributions	(440,683)	(706,170)	(3,425,505)	(572,026)
Net contributions	27,057,532	23,688,869	80,813,395	74,566,187
Retakaful commission and other takaful income	5,286,952	7,503,883	16,672,398	21,007,998
Change in deferred commission	234,405	(1,059,785)	1,148,186	(1,569,867)
Total takaful revenue	32,578,889	30,132,967	98,633,979	94,004,318
Takaful expenses				
Gross claims paid	(32,071,891)	(25,895,241)	(88,912,804)	(88,262,037)
Retakaful share of claims paid	18,451,315	13,640,697	47,999,567	48,539,680
Net claims paid	(13,620,576)	(12,254,544)	(40,913,237)	(39,722,357)
Movement in outstanding claims	(2,233,997)	3,894,343	1,038,640	4,422,301
Movement in technical reserves	(35,107)	497,089	455,350	548,206
Commission and other takaful expenses	(6,584,399)	(5,068,509)	(16,588,169)	(15,594,565)
Total takaful expenses	(22,474,079)	(12,931,621)	(56,007,416)	(50,346,415)
Net surplus from takaful operations	10,104,810	17,201,346	42,626,563	43,657,903
Income from deposits	115,653	49,794	266,480	168,189
Dividend income	82,455	123,574	1,135,509	998,875
Rental income	612,000	612,000	1,836,000	1,836,000
Total Surplus	10,914,918	17,986,714	45,864,552	46,660,967
Other Expenses				
Wakala fees	(7,085,189)	(8,179,366)	(23,552,491)	(28,084,968)
Depreciation	(320,726)	(331,480)	(975,620)	(986,374)
Other expenses	(578,190)	(137,876)	(672,994)	(224,749)
Mudarib Expenses	(567,138)	(549,757)	(2,265,207)	(2,102,145)
Total other expenses	(8,551,243)	(9,198,479)	(27,466,312)	(31,398,236)
Surplus of revenues over expenses	2,363,675	8,788,235	18,398,240	15,262,731

The notes from pages 10 to 20 form an integral part of the interim condensed consolidated financial statements.

AL KHALEEJ TAKAFUL INSURANCE COMPANY Q.P.S.C.
 CONDENSED CONSOLIDATED STATEMENT OF POLICYHOLDERS' SURPLUS
 For the nine month period ended 30 September 2018

In Qatari Riyals

	For the nine month period ended 30 September	
	2018 (Reviewed)	2017 (Reviewed)
Retained surplus balance at beginning of the period	10,568,495	8,562,036
Surplus for the period	<u>18,398,240</u>	<u>15,262,731</u>
Total surplus at end of the period	28,966,735	23,824,767
Adjustment on policyholders surplus	-	23,685
Distribution to policyholders during the period	<u>-</u>	<u>-</u>
Retained surplus balance at end of the period	<u>28,966,735</u>	<u>23,848,452</u>

The notes from pages 10 to 20 form an integral part of the interim condensed consolidated financial statements.

**AL KHALEEJ TAKAFUL INSURANCE COMPANY Q.P.S.C.
CONDENSED CONSOLIDATED INCOME STATEMENT**

For the three and nine month period ended 30 September 2018

In Qatari Riyals

	For the three month period ended 30 September		For the nine month period ended 30 September	
	2018 (Reviewed)	2017 (Reviewed)	2018 (Reviewed)	2017 (Reviewed)
Shareholders' revenues and expenses				
Claims paid	-	(81,814)	-	(81,814)
Re-takaful share of claims paid	-	3,714	-	3,714
Net claims paid	-	(78,100)	-	(78,100)
Movement in outstanding claims	-	-	75	-
Total insurance expenses	-	(78,100)	75	(78,100)
(Deficit) / surplus from insurance operations	-	(78,100)	75	(78,100)
Investments and other income				
Wakala income	7,085,189	8,179,366	23,552,491	28,084,968
Mudarib income	567,138	549,757	2,265,207	2,102,145
Income from deposits	3,556	1,417	6,092	13,265
Dividend income	(1,265,527)	446,775	8,584,735	12,638,763
Net realized (losses) / gains on sale of investment at fair value through equity	1,469,360	6,377,975	(2,846,931)	9,485,777
Gain on disposal of investment property	-	-	-	200,000
Gain on disposal of fixed assets	(200)	30,395	3,027	30,395
Rental income / (loss), Net	1,012,233	(7,733,724)	2,353,129	(8,098,100)
Other income	173	301,363	274,483	397,749
Total investment and other income	8,871,922	8,153,324	34,192,233	44,854,962
Expenses				
General and administrative expenses	(5,550,000)	(5,959,639)	(18,660,984)	(19,842,512)
Finance cost	(911,150)	(1,069,803)	(2,749,310)	(3,246,937)
Depreciation	(1,114,359)	(867,371)	(3,726,103)	(2,867,563)
Impairment loss on investment at fair value through equity	-	-	-	(2,186,974)
Total expenses	(7,575,509)	(7,896,813)	(25,136,397)	(28,143,986)
Net Income	1,296,413	178,411	9,055,911	16,632,876
Basic and diluted earnings per share (QR Per share) (note 18)	0.05	0.01	0.35	0.65

The notes from pages 10 to 20 form an integral part of the interim condensed consolidated financial statements.

**AL KHALEEJ TAKAFUL INSURANCE COMPANY Q.P.S.C.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

For the nine month period ended 30 September 2018

In Qatari Riyals

	Share capital	Legal reserve	General reserve	Proposed cash dividends	Fair value reserve	Retained earnings	Total
Balance as at 1 January 2018 (Audited)	255,279,024	232,951,190	75,477	-	(1,474,400)	4,956,329	491,787,620
Movement in fair value reserve	-	-	-	-	13,108,047	-	13,108,047
Net income for the period	-	-	-	-	-	9,055,911	9,055,911
Balance as at 30 September 2018 (Reviewed)	255,279,024	232,951,190	75,477	-	11,633,647	14,012,240	513,951,578
Balance as at 1 January 2017 (Audited)	255,279,024	232,931,770	75,477	15,316,741	31,326,979	4,786,403	539,716,394
Movement in fair value reserve	-	-	-	-	(43,030,329)	-	(43,030,329)
Net income for the period	-	-	-	-	-	16,632,876	16,632,876
Dividends declared	-	-	-	(15,316,741)	-	-	(15,316,741)
Balance as at 30 September 2017 (Reviewed)	255,279,024	232,931,770	75,477	-	(11,703,350)	21,419,279	498,002,200

The notes from pages 10 to 20 form an integral part of the interim condensed consolidated financial statements.

AL KHALEEJ TAKAFUL INSURANCE COMPANY Q.P.S.C.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine month period ended 30 September 2018

In Qatari Riyals

	Note	For the nine month period ended 30 September	
		2018 (Reviewed)	2017 (Reviewed)
Cash flows from operating activities			
Net income for the period		9,055,911	16,632,876
Policyholders' surplus for the period		18,398,240	15,262,731
		<u>27,454,151</u>	<u>31,895,607</u>
<i>Adjustments for :</i>			
Adjustment on Policyholder surplus		-	23,685
Depreciation of fixed assets and investment properties		4,701,723	3,853,937
Income from deposits		(272,572)	(181,454)
Dividend income		(9,720,244)	(12,638,763)
Gain on sale of fixed assets		(3,027)	(30,395)
Rental Income		(4,189,129)	(4,799,570)
		<u>17,970,902</u>	<u>18,123,047</u>
Operating profit before working capital changes			
<i>Changes in:</i>			
Takaful balances receivable		(1,887,656)	(9,584,325)
Retakaful balances receivable		4,119,881	(8,773,087)
Retakaful share of unearned contributions		6,223,999	732,752
Retakaful share of outstanding claims		6,065,841	1,605,100
Other receivable and prepayments		(10,919,085)	11,737,487
Unearned contributions		(3,569,246)	(991,764)
Gross outstanding claims		(7,104,554)	(6,027,412)
Claims incurred but not reported		(455,357)	(606,459)
Accounts payable and other liabilities		613,479	(21,725,254)
Retakaful balances payable		(10,433,930)	628,883
		<u>624,274</u>	<u>(14,881,032)</u>
Cash from / (used in) operating activities			
Employees' end of service benefits – Net		(270,479)	(686,268)
		<u>353,795</u>	<u>(15,567,300)</u>
Net cash from / (used in) operating activities			
Cash flows from investing activities			
Movement in investments at fair value through equity		7,276,414	10,493,966
Purchase of investment property		-	(1,986,931)
Acquisition of fixed assets		(329,287)	(352,533)
Proceeds from disposal of fixed assets		11,270	32,500
Acquisition of property under development		(413,838)	(831,726)
Income from deposits received		272,572	181,454
Dividends received from associates		3,000,000	-
Dividends income received		9,720,244	12,638,763
Net movement in short term deposits		(5,000,000)	-
Net movement in term deposits		(3,650,000)	-
Rental income received		4,189,129	4,799,570
		<u>15,076,504</u>	<u>24,975,063</u>
Net cash from investing activities			
Cash flows from financing activities			
Net movement in Islamic bank facilities		(9,734,162)	(12,671,257)
Dividends paid to shareholders		-	(15,316,741)
Dividends paid to policyholders		(3,749,276)	-
		<u>(13,483,438)</u>	<u>(27,987,998)</u>
Net cash used in financing activities			
Net increase / (decrease) in cash and cash equivalents		1,946,861	(18,580,235)
Cash and cash equivalents at 1 January		38,014,963	54,790,391
Cash and cash equivalents at 30 September	6	<u>39,961,824</u>	<u>36,210,156</u>

The notes from pages 10 to 20 form an integral part of the interim condensed consolidated financial statements.