

**AL KHALEEJ TAKAFUL INSURANCE COMPANY Q.P.S.C.  
(FORMERLY KNOWN AS “AL KHALEEJ TAKAFUL GROUP Q.P.S.C.”)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**As at 30 June 2018**

In Qatari Riyals

|  | <b>30 June<br/>2018</b> | 31 December<br>2017 |
|--|-------------------------|---------------------|
|  | <b>(Reviewed)</b>       | (Audited)           |
| <b>Policyholders' assets</b>                 |                         |                     |
| Cash and bank balances                       | 33,982,969              | 25,802,938          |
| Investments at fair value through equity     | 20,456,008              | 19,289,219          |
| Takaful balances receivable                  | 53,846,709              | 47,056,304          |
| Retakaful balances receivable                | 23,724,747              | 37,574,871          |
| Retakaful share of unearned contributions    | 53,684,236              | 59,695,530          |
| Retakaful share of gross outstanding claims  | 73,135,597              | 78,241,712          |
| Other receivables and prepayments            | 31,091,033              | 29,922,801          |
| Investment properties                        | 32,774,604              | 33,261,198          |
| Fixed assets                                 | 504,900                 | 673,200             |
| <b>Total policyholders' assets</b>           | <b>323,200,803</b>      | 331,517,773         |
| <b>Shareholders' assets</b>                  |                         |                     |
| Cash and bank balances                       | 17,868,911              | 12,212,025          |
| Time deposits                                | 100,000                 | 100,000             |
| Investments at fair value through equity     | 236,159,033             | 243,533,755         |
| Assets held for sale                         | 21,454,007              | 21,454,007          |
| Investments in associate                     | 7,509,253               | 10,509,253          |
| Insurance balances receivable                | 3,640                   | 253,264             |
| Reinsurers balances receivable               | 246,211                 | 384,821             |
| Reinsurers share of gross outstanding claims | 1,590,364               | 1,613,823           |
| Other receivables and prepayments            | 43,256,600              | 33,536,008          |
| Investment properties                        | 221,705,058             | 222,770,682         |
| Fixed assets                                 | 12,020,930              | 13,283,796          |
| Property under development                   | 46,150,467              | 45,821,069          |
| <b>Total shareholders' assets</b>            | <b>608,064,474</b>      | 605,472,503         |
| <b>Total assets</b>                          | <b>931,265,277</b>      | 936,990,276         |

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

As at 30 June 2018

In Qatari Riyals

|   | <b>30 June<br/>2018</b> | 31 December<br>2017 |
|---|-------------------------|---------------------|
|   | <b>(Reviewed)</b>       | (Audited)           |
| <b>Participants' fund</b>   |                         |                     |
| Surplus in participants' fund   | 26,603,060              | 10,568,495          |
| Fair value reserve  | (370,268)               | (1,889,000)         |
|   | <b>26,232,792</b>       | 8,679,495           |
| <b>Policyholder's liabilities</b>   |                         |                     |
| Unearned contributions  | 108,901,739             | 112,463,193         |
| Gross outstanding claims  | 89,510,930              | 97,889,681          |
| Claims incurred but not reported  | 3,240,240               | 3,730,697           |
| Accounts payable and other liabilities                                      | 32,217,203              | 30,918,153          |
| Retakaful and takaful balances payable                                      | 51,873,299              | 65,336,554          |
| Dividends payable to policyholders  | 11,224,600              | 12,500,000          |
| <b>Total liabilities of policyholders</b>                                   | <b>296,968,011</b>      | 322,838,278         |
| <b>Total liabilities and surplus of policyholders</b>                       | <b>323,200,803</b>      | 331,517,773         |
| <b>Shareholders' liabilities</b>  |                         |                     |
| Gross outstanding claims  | 1,387,618               | 1,411,152           |
| Islamic bank facilities   | 64,942,924              | 73,761,268          |
| Accounts payable and other liabilities                                      | 34,015,473              | 31,608,650          |
| Reinsurers and insurance balances payable                                   | 1,914,263               | 2,104,545           |
| Employees' end of service benefits  | 4,682,758               | 4,799,268           |
| <b>Total shareholders' liabilities</b>                                      | <b>106,943,036</b>      | 113,684,883         |
| <b>Shareholders' equity</b>   |                         |                     |
| 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  | 99,920                  | (1,474,400)         |
| Retained earnings   | 12,715,827              | 4,956,329           |
| <b>Total shareholders' equity</b>   | <b>501,121,438</b>      | 491,787,620         |
| <b>Total shareholders' liabilities and equity</b>                           | <b>608,064,474</b>      | 605,472,503         |
| <b>Total liabilities, surplus of policyholders and shareholders' equity</b> | <b>931,265,277</b>      | 936,990,276         |

Mr. Ali Reda Al Bennai  
Board Member

Sheikh Saud Abdulla Moh'd Jabor Al Thani  
Chief Executive Officer

**AL KHALEEJ TAKAFUL INSURANCE COMPANY Q.P.S.C.  
(FORMERLY KNOWN AS “AL KHALEEJ TAKAFUL GROUP Q.P.S.C.”)**

**CONDENSED CONSOLIDATED STATEMENT OF POLICYHOLDERS’ REVENUES AND EXPENSES**

**For the three and six month period ended 30 June 2018**

In Qatari Riyals

|   | For the three month period<br>ended 30 June |                            | For the six month period ended<br>30 June |                            |
|---|---|----------------------------|---|----------------------------|
|   | 2018<br>(Reviewed)                          | 2017<br>(Reviewed)         | 2018<br>(Reviewed)                        | 2017<br>(Reviewed)         |
| <b>Takaful revenues</b>                       |   |                            |   |                            |
| Gross contributions                           | 63,205,524                                  | 59,450,676                 | 150,818,452                               | 159,974,112                |
| Retakaful share of gross contribution         | <u>(41,609,919)</u>                         | <u>(39,557,426)</u>        | <u>(94,077,767)</u>                       | <u>(109,230,938)</u>       |
|   | 21,595,605                                  | 19,893,250                 | 56,740,685                                | 50,743,174                 |
| Movement in unearned contributions            | <u>(1,352,801)</u>                          | <u>1,142,562</u>           | <u>(2,984,822)</u>                        | <u>134,144</u>             |
| Net contributions                             | 20,242,804                                  | 21,035,812                 | 53,755,863                                | 50,877,318                 |
| Retakaful commission and other takaful income | 4,271,967                                   | 5,831,509                  | 11,385,446                                | 13,504,115                 |
| Change in deferred commission                 | <u>499,634</u>                              | <u>93,188</u>              | <u>913,781</u>                            | <u>(510,082)</u>           |
| <b>Total takaful revenue</b>                  | <b><u>25,014,405</u></b>                    | <b><u>26,960,509</u></b>   | <b><u>66,055,090</u></b>                  | <b><u>63,871,351</u></b>   |
| <b>Takaful expenses</b>                       |   |                            |   |                            |
| Gross claims paid                             | (26,215,981)                                | (31,091,118)               | (56,840,913)                              | (62,366,796)               |
| Retakaful share of claims paid                | <u>12,001,381</u>                           | <u>17,793,973</u>          | <u>29,548,252</u>                         | <u>34,898,983</u>          |
| Net claims paid                               | (14,214,600)                                | (13,297,145)               | (27,292,661)                              | (27,467,813)               |
| Movement in outstanding claims                | 1,783,031                                   | 2,818,182                  | 3,272,637                                 | 527,958                    |
| Movement in technical reserves                | 267,454                                     | 558,477                    | 490,457                                   | 51,117                     |
| Commission and other takaful expenses         | <u>(5,104,500)</u>                          | <u>(4,507,960)</u>         | <u>(10,003,770)</u>                       | <u>(10,526,056)</u>        |
| <b>Total takaful expenses</b>                 | <b><u>(17,268,615)</u></b>                  | <b><u>(14,428,446)</u></b> | <b><u>(33,533,337)</u></b>                | <b><u>(37,414,794)</u></b> |
| <b>Net surplus from takaful operations</b>    | <b><u>7,745,790</u></b>                     | <b><u>12,532,063</u></b>   | <b><u>32,521,753</u></b>                  | <b><u>26,456,557</u></b>   |
| Income from deposits                          | 102,584                                     | 57,472                     | 150,827                                   | 118,395                    |
| Dividend income                               | 80,821                                      | 770,084                    | 1,053,054                                 | 875,301                    |
| Rental income                                 | <u>612,000</u>                              | <u>612,000</u>             | <u>1,224,000</u>                          | <u>1,224,000</u>           |
| <b>Total Surplus</b>                          | <b><u>8,541,195</u></b>                     | <b><u>13,971,619</u></b>   | <b><u>34,949,634</u></b>                  | <b><u>28,674,253</u></b>   |
| <b>Other Expenses</b>                         |   |                            |   |                            |
| Wakala fees                                   | (8,365,385)                                 | (9,164,136)                | (16,467,302)                              | (19,905,602)               |
| Depreciation                                  | (328,791)                                   | (412,941)                  | (654,894)                                 | (654,894)                  |
| Other expenses                                | (43,327)                                    | (23,852)                   | (94,804)                                  | (86,873)                   |
| Mudarib Expenses                              | <u>(555,903)</u>                            | <u>(1,007,690)</u>         | <u>(1,698,069)</u>                        | <u>(1,552,388)</u>         |
| <b>Total other expenses</b>                   | <b><u>(9,293,406)</u></b>                   | <b><u>(10,608,619)</u></b> | <b><u>(18,915,069)</u></b>                | <b><u>(22,199,757)</u></b> |
| <b>Surplus of revenues over expenses</b>      | <b><u>(752,211)</u></b>                     | <b><u>3,363,000</u></b>    | <b><u>16,034,565</u></b>                  | <b><u>6,474,496</u></b>    |

**AL KHALEEJ TAKAFUL INSURANCE COMPANY Q.P.S.C.  
(FORMERLY KNOWN AS “AL KHALEEJ TAKAFUL GROUP Q.P.S.C.”)**

**CONDENSED CONSOLIDATED STATEMENT OF POLICYHOLDERS’ SURPLUS**

**For the six month period ended 30 June 2018**

In Qatari Riyals

|  | <b>For the six month period ended 30<br/>June</b> |                            |
|--|---|----------------------------|
|  | <b>2018<br/>(Reviewed)</b>                        | <b>2017<br/>(Reviewed)</b> |
| Retained surplus balance at beginning of the period  | 10,568,495  | 8,562,036                  |
| Surplus for the period                               | <u>16,034,565</u>                                 | <u>6,474,496</u>           |
| Total surplus at end of the period                   | 26,603,060  | 15,036,532                 |
| Distribution to policyholders during the period      | <u>-</u>  | <u>-</u>                   |
| <b>Retained surplus balance at end of the period</b> | <b><u>26,603,060</u></b>                          | <b><u>15,036,532</u></b>   |

**AL KHALEEJ TAKAFUL INSURANCE COMPANY Q.P.S.C.  
(FORMERLY KNOWN AS "AL KHALEEJ TAKAFUL GROUP Q.P.S.C.")**

**CONDENSED CONSOLIDATED INCOME STATEMENT**

For the three and six month period ended 30 June 2018

In Qatari Riyals

|  | For the three month period<br>ended 30 June |                    | For the Six month period ended<br>30 June |                    |
|--|---|--------------------|---|--------------------|
|  | 2018<br>(Reviewed)                          | 2017<br>(Reviewed) | 2018<br>(Reviewed)                        | 2017<br>(Reviewed) |
| <b>Shareholders' revenues<br/>and expenses</b>   |   |                    |   |                    |
| Claims paid  | -   | 12,767             | -   | -                  |
| Re-takaful share of claims<br>paid   | -   | -                  | -   | -                  |
| Net claims paid  | -   | 12,767             | -   | -                  |
| Movement in outstanding<br>claims  | -   | -                  | 75  | -                  |
| <b>Total insurance expenses</b>  | -   | 12,767             | <b>75</b>                                 | -                  |
| <b>Surplus from insurance<br/>operations</b>   | -   | 12,767             | <b>75</b>                                 | -                  |
| <b>Investments and other<br/>income</b>  |   |                    |   |                    |
| Wakala income  | 8,365,385                                   | 9,164,136          | 16,467,302                                | 19,905,602         |
| Mudarib income   | 555,903                                     | 1,007,690          | 1,698,069                                 | 1,552,388          |
| Income from deposits   | 1,576                                       | 5,946              | 2,536                                     | 11,848             |
| Dividend income  | 2,236,333                                   | 2,199,232          | 9,850,262                                 | 12,191,988         |
| Net realized (losses) / gains<br>on sale of investment at fair<br>value through equity | (1,527,072)                                 | 2,452,561          | (4,316,291)                               | 3,107,802          |
| Gain on disposal of<br>investment property   | -   | -                  | -   | 200,000            |
| Gain on disposal of fixed<br>assets  | 3,227                                       | -                  | 3,227                                     | -                  |
| Rental income / (loss), Net  | 884,089                                     | (1,308,670)        | 1,340,896                                 | (364,376)          |
| Other income   | 273,181                                     | 96,386             | 274,310                                   | 96,386             |
| <b>Total investment and other<br/>income</b>   | <b>10,792,622</b>                           | 13,617,281         | <b>25,320,311</b>                         | 36,701,638         |
| <b>Expenses</b>  |   |                    |   |                    |
| General and administrative<br>expenses   | (6,899,410)                                 | (6,672,331)        | (13,110,984)                              | (13,882,873)       |
| Finance cost   | (914,429)                                   | (1,077,292)        | (1,838,160)                               | (2,177,134)        |
| Depreciation   | (1,048,320)                                 | (1,109,802)        | (2,611,744)                               | (2,000,192)        |
| Impairment loss on<br>investment at fair value<br>through equity                       | -   | (2,186,974)        | -   | (2,186,974)        |
| <b>Total expenses</b>  | <b>(8,862,159)</b>                          | (11,046,399)       | <b>(17,560,888)</b>                       | (20,247,173)       |
| <b>Net Income</b>  | <b>1,930,463</b>                            | 2,583,649          | <b>7,759,498</b>                          | 16,454,465         |
| <b>Basic and diluted earnings<br/>per share (QR Per share)<br/>(note 18)</b>           | <b>0.08</b>                                 | 0.1                | <b>0.30</b>                               | 0.64               |

**AL KHALEEJ TAKAFUL INSURANCE COMPANY Q.P.S.C.  
(FORMERLY KNOWN AS “AL KHALEEJ TAKAFUL GROUP Q.P.S.C.”)**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

**For the six month period ended 30 June 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               | -                  | -                  | -               | -                       | 1,574,320          | -                 | 1,574,320          |
| Net income for the period                    | -                  | -                  | -               | -                       | -                  | 7,759,498         | 7,759,498          |
| <b>Balance as of 30 June 2018 (Reviewed)</b> | <b>255,279,024</b> | <b>232,951,190</b> | <b>75,477</b>   | <b>-</b>                | <b>99,920</b>      | <b>12,715,827</b> | <b>501,121,438</b> |
| 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               | -                  | -                  | -               | -                       | (26,159,983)       | -                 | (26,159,983)       |
| Net income for the period                    | -                  | -                  | -               | -                       | -                  | 16,454,465        | 16,454,465         |
| Dividends declared                           | -                  | -                  | -               | (15,316,741)            | -                  | -                 | (15,316,741)       |
| <b>Balance as at 30 June 2017 (Reviewed)</b> | <b>255,279,024</b> | <b>232,931,770</b> | <b>75,477</b>   | <b>-</b>                | <b>5,166,996</b>   | <b>21,240,868</b> | <b>514,694,135</b> |

**AL KHALEEJ TAKAFUL INSURANCE COMPANY Q.P.S.C.  
(FORMERLY KNOWN AS “AL KHALEEJ TAKAFUL GROUP Q.P.S.C.”)**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

**For the six month period ended 30 June 2018**

In Qatari Riyals

|   | <b>For the six month period ended<br/>30 June</b> |                     |
|---|---|---------------------|
|   | <b>2018<br/>(Reviewed)</b>                        | 2017<br>(Reviewed)  |
| <b>Cash flows from operating activities</b>                   |   |                     |
| Net income for the period                                     | 7,759,498   | 16,454,465          |
| Policyholders' surplus for the period                         | <u>16,034,565</u>                                 | <u>6,474,496</u>    |
|   | 23,794,063  | 22,928,961          |
| <i>Adjustments for :</i>                                      |   |                     |
| Depreciation of fixed assets and investment properties        | 3,266,638   | 2,655,086           |
| Income from deposits  | (153,363)   | (130,243)           |
| Dividend income   | (10,903,316)                                      | (12,191,988)        |
| Gain on sale of fixed assets                                  | (3,227)   | -                   |
| Rental Income   | <u>(2,564,896)</u>                                | <u>(859,624)</u>    |
| <b>Operating profit before working capital changes</b>        | <b>13,435,899</b>                                 | 12,402,192          |
| <i>Changes in:</i>  |   |                     |
| Takaful balances receivable                                   | (6,540,781)                                       | (10,016,952)        |
| Retakaful balances receivable                                 | 13,988,734  | (3,060,319)         |
| Retakaful share of unearned contributions                     | 6,011,294   | 526,052             |
| Retakaful share of outstanding claims                         | 5,129,574   | 444,402             |
| Other receivable and prepayments                              | (10,888,824)                                      | (290,982)           |
| Unearned contributions  | (3,561,454)                                       | (1,220,459)         |
| Gross outstanding claims                                      | (8,402,285)                                       | (972,372)           |
| Claims incurred but not reported                              | (490,457)   | (109,371)           |
| Accounts payable and other liabilities                        | 3,705,873   | (17,900,992)        |
| Retakaful balances payable                                    | <u>(13,653,537)</u>                               | <u>4,853,985</u>    |
| <b>Cash used in operating activities</b>                      | (1,265,964)                                       | (15,344,816)        |
| Employees' end of service benefits – Net                      | <u>(116,510)</u>                                  | <u>(464,720)</u>    |
| <b>Net cash used in operating activities</b>                  | <b>(1,382,474)</b>                                | (15,809,536)        |
| <b>Cash flows from investing activities</b>                   |   |                     |
| Movement in investments at fair value through equity          | 9,300,985   | 4,931,592           |
| Purchase of investment property                               | -   | (1,237,950)         |
| Acquisition of fixed assets                                   | (291,297)   | (305,380)           |
| Proceeds from disposal of fixed assets                        | 11,270  | -                   |
| Acquisition of property under development                     | (329,398)   | (441,835)           |
| Income from deposits  | 153,363   | 130,243             |
| Dividends received from associates                            | 3,000,000   | -                   |
| Dividends income received                                     | 10,903,316  | 12,191,988          |
| Rental income   | <u>2,564,896</u>                                  | <u>859,624</u>      |
| <b>Net cash from investing activities</b>                     | <b>25,313,135</b>                                 | 16,128,282          |
| <b>Cash flows from financing activities</b>                   |   |                     |
| Net movement in Islamic bank facilities                       | (8,818,344)                                       | (8,414,321)         |
| Dividends paid to policyholders                               | <u>(1,275,400)</u>                                | <u>(15,316,741)</u> |
| <b>Net cash used in financing activities</b>                  | <b>(10,093,744)</b>                               | (23,731,062)        |
| <b>Net increase / (decrease) in cash and cash equivalents</b> | <b>13,836,917</b>                                 | (23,412,316)        |
| Cash and cash equivalents at 1 January                        | <u>38,014,963</u>                                 | <u>54,790,391</u>   |
| <b>Cash and cash equivalents at 30 June</b>                   | <b>51,851,880</b>                                 | 31,378,075          |

**AL KHALEEJ TAKAFUL INSURANCE COMPANY Q.P.S.C.  
(FORMERLY KNOWN AS “AL KHALEEJ TAKAFUL GROUP Q.P.S.C.”)**

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

**As at and for the six month period ended 30 June 2018**

In Qatari Riyals

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