



الخليج للتأمين التكافلي
AlKhaleej Takaful Insurance

Al Khaleej Takaful Insurance Company Q.P.S.C.
Condensed Consolidated Interim Financial Information
30 September 2022

Al Khaleej Takaful Insurance Company Q.P.S.C.

Condensed Consolidated Interim Financial Information
30 September 2022

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Independent auditors' report on review of condensed consolidated interim financial information

To the Shareholders of Al Khaleej Takaful Insurance Company Q.P.S.C.

Introduction

We have reviewed the accompanying condensed consolidated interim financial information of Al Khaleej Takaful Insurance Company Q.P.S.C. (the "Company") and its subsidiaries (together the "Group") as at and for the nine months ended 30 September 2022 which includes:

- The condensed consolidated statement of financial position as at 30 September 2022;
- The condensed consolidated statement of policyholders' revenues and expenses for the three month and nine month period ended 30 September 2022;
- The condensed consolidated statement of policyholders' surplus for the nine month period ended 30 September 2022,
- The condensed consolidated income statement for the three month and nine month periods ended 30 September 2022,
- The condensed statement of changes in shareholders' equity for the nine month period ended 30 September 2022,
- The condensed consolidated statement of cash flows for the nine month period ended 30 September 2022, and
- Notes to the condensed consolidated interim financial information.

The Board of Directors of the Company is responsible for the preparation and presentation of these condensed consolidated interim financial information in accordance with Financial Accounting Standards ('FAS') issued by the Accounting and Auditing Organization for Islamic Financial Institutions ('AAOIFI'). Our responsibility is to express a conclusion on these condensed consolidated interim financial information 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 conducted in accordance with Auditing Standards for Islamic Financial Institutions 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 condensed consolidated interim financial information as at and for the nine month period ended 30 September 2022 is not prepared, in all material respects, in accordance with Financial Accounting Standards issued by AAOIFI.

26 October 2022
Doha
State of Qatar

Yacoub Hobeika

Qatar Auditor's Registry Number 289

KPMG

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License No. 120153



Al Khaleej Takaful Insurance Company Q.P.S.C.

Condensed consolidated statement of financial position
As at 30 September 2022

in Qatari Riyals

	Notes	30 September 2022 (Reviewed)	31 December 2021 (Audited)
Policyholders' assets			
Cash and bank balances	6	28,743,353	73,675,444
Time deposits	6	47,300,000	-
Investments at fair value through equity	8 (a)	19,941,964	18,609,071
Takaful balances receivable		59,204,221	58,970,919
Retakaful balances receivable		64,009,523	40,924,231
Retakaful contract assets	7	139,927,048	162,108,525
Deferred commission	7	8,144,936	11,946,382
Other receivables and prepayments		16,946,886	15,342,694
Investment properties	9	28,916,011	29,570,389
Total policyholders' assets		413,133,942	411,147,655
Shareholders' assets			
Cash and bank balances	6	50,466,707	96,302,829
Time deposits	6	113,750,000	90,100,000
Investments at fair value through equity	8 (a)	108,028,501	62,844,104
Investments at fair value through income statement	8 (b)	7,300,000	7,300,000
Takaful balances receivable		58,240	58,240
Retakaful balances receivable		136,808	136,808
Retakaful contract assets	7	398,721	398,721
Other receivables and prepayments		12,744,542	11,389,991
Investment properties	9	240,236,170	243,764,580
Property and equipment	10	2,537,530	2,975,874
Investment in associates	11	47,274,188	45,923,202
Total shareholders' assets		582,931,407	561,194,349
Total assets		996,065,349	972,342,004

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



The notes from pages 11 to 31 form an integral part of the condensed consolidated interim financial information.

Al Khaleej Takaful Insurance Company Q.P.S.C.

Condensed consolidated statement of financial position (continued)
As at 30 September 2022

in Qatari Riyals

	Notes	30 September 2022 (Reviewed)	31 December 2021 (Audited)
Policyholder's equity			
Retained surplus		31,317,381	35,818,764
Fair value reserve	15	9,331,943	7,974,573
Total policyholders' equity		40,649,324	43,793,337
Policyholder's liabilities			
Takaful contract liabilities	7	281,605,749	290,676,197
Deferred commission income	7	6,004,196	8,505,792
Accounts payable and other liabilities		27,053,291	24,635,220
Takaful balances payable		18,533,922	21,405,280
Retakaful balances payable		37,754,322	20,512,977
Distributable surplus		1,533,138	1,618,852
Total policyholders' liabilities		372,484,618	367,354,318
Total policyholders' equity and liabilities		413,133,942	411,147,655
Shareholders' liabilities			
Takaful contract liabilities	7	400,000	400,000
Ijarah liabilities		4,355,797	4,231,477
Accounts payable and other liabilities		20,007,141	22,279,656
Takaful balances payable		1,060,509	1,060,509
Retakaful balances payable		-	372,668
Provision for income tax	17	2,173	20,757
Employees' end of service benefits		5,777,460	5,539,281
Total shareholders' liabilities		31,603,080	33,904,348
Shareholders' equity			
Share capital	12	255,279,020	255,279,020
Legal reserve	13	245,574,763	245,574,763
General reserve	14	75,477	75,477
Fair value reserve	15	1,785,563	4,606,734
Reserve for share of associates		14,125,859	13,965,967
Retained earnings		34,487,645	7,788,040
Total shareholders' equity		551,328,327	527,290,001
Total shareholders' liabilities and equity		582,931,407	561,194,349
Total liabilities, surplus of policyholders' and shareholders' equity		996,065,349	972,342,004

This condensed consolidated interim financial information was approved by the Company's Board of Directors on 26 October 2022 and signed on their behalf by:

Sheikh Abdullah Bin Ahmed Abdullah Al Thani
Chairman

Abdulla Ali Al-Assiri
Chief Executive Officer

The notes from pages 11 to 31 form an integral part of the condensed consolidated interim financial information.

Al Khaleej Takaful Insurance Company Q.P.S.C.

Condensed consolidated statement of policyholders' revenues and expenses
For the three and nine months period ended 30 September 2022

in Qatari Riyals

	For the three months period ended 30 September		For the nine months period ended 30 September	
	2022 (Reviewed)	2021 (Reviewed)	2022 (Reviewed)	2021 (Reviewed)
Takaful revenues				
Gross contributions	76,360,188	70,089,588	247,593,653	232,801,714
Retakaful share of gross contributions	(38,748,180)	(35,658,393)	(125,245,992)	(121,106,225)
Net retained contributions	37,612,008	34,431,195	122,347,661	111,695,489
Movement in unearned contributions	1,411,305	(412,383)	(2,214,691)	(12,372,538)
Net earned contributions	39,023,313	34,018,812	120,132,970	99,322,951
Retakaful commission and other takaful income	5,666,960	4,191,533	22,886,498	21,249,708
Change in deferred commission	(464,281)	1,175,393	(1,299,850)	1,391,493
Total takaful revenue	44,225,992	39,385,738	141,719,618	121,964,152
Takaful expenses				
Gross claims paid	(33,811,374)	(32,790,030)	(98,569,194)	(86,162,659)
Retakaful share of claims paid	14,405,030	14,742,880	43,651,031	40,778,440
Net claims paid	(19,406,344)	(18,047,150)	(54,918,163)	(45,384,219)
Movement in outstanding claims	951,614	1,591,159	(6,866,629)	(2,882,881)
Movement in claims incurred but not reported reserves	(924,279)	463,000	(4,029,709)	222,503
Commission and other takaful expenses	(7,898,775)	(8,320,183)	(25,954,479)	(22,540,677)
Total takaful expenses	(27,277,784)	(24,313,174)	(91,768,980)	(70,585,274)
Net surplus from takaful operations	16,948,208	15,072,564	49,950,638	51,378,878
Investment loss of takaful policy holders	(1,501)	(22,734)	(1,501)	(25,829)
Income from deposits	667,330	41,557	1,081,125	261,132
Dividend income	-	(6,595)	831,120	910,143
Net rental income / (expense)	204,000	-	204,000	-
Other income	-	-	178,371	13,151
Total surplus	17,818,037	15,084,792	52,243,753	52,537,475
Other expenses				
Wakala fees	(15,410,687)	(14,284,060)	(51,442,933)	(44,423,519)
Depreciation	(218,126)	(218,126)	(654,378)	(654,378)
Other expenses	(1,150,817)	(873,840)	(3,166,454)	(2,383,415)
Modaraba expenses	(609,930)	(8,565)	(1,481,371)	(811,023)
Total other expenses	(17,389,560)	(15,384,591)	(56,745,136)	(48,272,335)
Surplus / (Deficit) of revenues over expenses	428,477	(299,799)	(4,501,383)	4,265,140

The notes from pages 11 to 31 form an integral part of the condensed consolidated interim financial information.

Al Khaleej Takaful Insurance Company Q.P.S.C.

**Condensed consolidated statement of policyholders' surplus
For the nine months period ended 30 September 2022**

in Qatari Riyals

	For the nine months period ended 30 September	
	2022	2021
	(Reviewed)	(Reviewed)
Retained surplus balance at the beginning of the period	35,818,764	28,663,298
(Deficit) / Surplus for the period	(4,501,383)	4,265,140
Retained surplus balance at the end of the period	31,317,381	32,928,438



The notes from pages 11 to 31 form an integral part of the condensed consolidated interim financial information.

Al Khaleej Takaful Insurance Company Q.P.S.C.

Condensed consolidated income statement
For the three and nine months period ended 30 September 2022

in Qatari Riyals

	Notes	For the three months period ended 30 September		For the nine months period ended 30 September	
		2022	2021	2022	2021
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Shareholders' revenues and expenses					
Claims paid		5,200	5,200	5,200	6,240
Re-insurance share of claims paid		-	-	-	-
Net claims paid		5,200	5,200	5,200	6,240
Movement in outstanding claims		-	-	-	-
Total insurance income		5,200	5,200	5,200	6,240
Surplus from insurance operations		5,200	5,200	5,200	6,240
Investments and other income					
Wakala income		15,410,687	14,284,060	51,442,933	44,423,519
Mudarib income		609,930	8,565	1,481,371	811,023
Income from deposits		500,487	646,195	1,637,684	910,310
Dividend income		1,025,399	127,634	2,760,820	1,974,265
Net realized gain on sale of investments		684,690	-	2,679,237	12,448,219
Share of result of associate		-	-	2,798,469	-
Loss on disposal of property and equipment		-	-	(987)	-
Net rental income		2,966,814	2,775,559	8,766,651	6,214,913
Other income		162,590	296,668	724,980	907,107
Total investment and other income		21,360,597	18,138,681	72,291,158	67,689,356
Expenses					
General and administrative expenses	16	(6,865,394)	(6,834,607)	(21,934,126)	(20,816,092)
Depreciation		(1,400,643)	(1,190,454)	(4,232,488)	(3,733,235)
Amortization of deferred ijarah		(41,294)	-	(124,320)	-
Total expenses		(8,307,331)	(8,025,061)	(26,290,934)	(24,549,327)
Net income		13,058,466	10,118,820	46,005,424	43,146,269
Basic and diluted earnings per share (QR per share)					
	20	0.051	0.040	0.180	0.169



The notes from pages 11 to 31 form an integral part of the condensed consolidated interim financial information.

Al Khaleej Takaful Insurance Company Q.P.S.C.

**Condensed consolidated statement of changes in shareholders' equity
For the nine months period ended 30 September 2022**

in Qatari Riyals

	Share Capital	Legal reserve	General reserve	Fair value reserve	Reserve for share of profits of associates	Retained earnings	Total
	QR.	QR.	QR.	QR.	QR.	QR.	QR.
Balance as at 1 January 2022 (Audited)	255,279,020	245,574,763	75,477	4,606,734	13,965,967	7,788,040	527,290,001
Net income for the period	-	-	-	-	-	46,005,424	46,005,424
Movement in fair value reserve of associate	-	-	-	1,191,094	-	-	1,191,094
Movement in fair value reserve	-	-	-	(4,012,265)	-	-	(4,012,265)
Transfer to reserve for share of profit from associates	-	-	-	-	159,892	(159,892)	-
Dividends (Note 21)	-	-	-	-	-	(19,145,927)	(19,145,927)
Balance as at end of 30 September 2022 (Reviewed)	255,279,020	245,574,763	75,477	1,785,563	14,125,859	34,487,645	551,328,327
Balance at 1 January 2021 (as previously reported)	255,279,020	241,552,033	75,477	(6,272,956)	-	(13,514,821)	477,118,753
Effect of restatement	-	-	-	3,993,975	12,929,270	-	16,923,245
Balance at 1 January 2021 (restated)	255,279,020	241,552,033	75,477	(2,278,981)	12,929,270	(13,514,821)	494,041,998
Net income for the period	-	-	-	-	-	43,146,269	43,146,269
Movement in fair value reserve	-	-	-	882,507	-	-	882,507
Dividends (Note 21)	-	-	-	-	-	(12,763,951)	(12,763,951)
Balance as at end of 30 September 2021 (Reviewed)	255,279,020	241,552,033	75,477	(1,396,474)	12,929,270	16,867,497	525,306,823



The notes from pages 11 to 31 form an integral part of the condensed consolidated interim financial information.

Al Khaleej Takaful Insurance Company Q.P.S.C.

Condensed consolidated statement of cash flows
For the nine months period ended 30 September 2022

in Qatari Riyals

Note	For the nine months period ended 30 September	
	2022 (Reviewed)	2021 (Reviewed)
Cash flows from operating activities		
Policyholders' (deficit) / surplus for the period	(4,501,383)	4,265,140
Net income for the period	46,005,424	43,146,269
	41,504,041	47,411,409
<i>Adjustments for:</i>		
Depreciation of fixed assets and investment properties	4,886,866	4,387,613
Amortization of deferred ijarah cost	124,320	-
Income from deposits	(2,718,809)	(1,171,442)
Dividend income	(3,591,940)	(2,884,408)
Rental income	(8,970,651)	(6,214,913)
Write off property under development	-	84,920
Loss on disposal of fixed assets	987	-
Net realized gain on sale of investments	(2,677,736)	(12,422,390)
Share of results from associate	(2,798,469)	-
Provision for employees' end of service benefits	728,651	410,806
Operating profit before working capital changes	26,487,260	29,601,595
<i>Changes in:</i>		
Takaful balances receivable	(233,302)	(4,794,845)
Retakaful balances receivable	(23,085,292)	(10,288,908)
Retakaful share of unearned contributions	(4,629,515)	(1,099,374)
Retakaful share of outstanding claims	25,469,520	30,620,736
Deferred commission	3,801,446	(3,137,582)
Other receivables and prepayments	(2,958,743)	6,003,895
Unearned contributions	6,844,206	13,471,912
Gross outstanding claims	(18,602,891)	(27,737,855)
Claims incurred but not reported - net	4,029,709	(222,503)
Deferred commission income	(2,501,596)	1,746,089
Accounts payable and other liabilities	(1,404,704)	(6,030,004)
Takaful balances payable	(2,871,358)	(1,262,061)
Retakaful balances payable	16,868,677	7,414,366
Cash generated from operating activities	27,213,417	34,285,461
Employees' end of service benefits paid	(490,472)	(15,820)
Income tax – paid	(18,584)	-
Net cash generated from operating activities	26,704,361	34,269,641
Cash flows from investing activities		
Additions of investment at fair value through equity	(91,050,480)	(60,470,099)
Proceeds from disposal of investment at fair value through equity	44,458,981	75,007,308
Additions of investment at fair value through income statement	(3,029,000)	-
Net proceeds from redemption of investments at fair value through income statement	3,126,050	1,251,975
Acquisition of fixed assets	(266,721)	(1,371,115)
Income from deposits	2,718,809	1,171,442
Dividend income received	3,591,940	2,884,408
Dividend received from associates	2,638,577	-
Rental income	8,970,651	6,214,913
Net movement in term deposits	(70,950,000)	(100,000,000)
Acquisition of investment properties	-	(292,202)
Net cash used in investing activities	(99,791,193)	(75,603,370)



The notes from pages 11 to 31 form an integral part of the condensed consolidated interim financial information.

Al Khaleej Takaful Insurance Company Q.P.S.C.

Condensed consolidated statement of cash flows (continued)

For the nine months period ended 30 September 2022

in Qatari Riyals

Cash flows from financing activities		
Dividends paid to shareholders	(17,595,667)	(11,938,289)
Surplus distributed to policyholders	(85,714)	9,879
Net cash used in financing activities	(17,681,381)	(11,928,410)
Net decrease in cash and cash equivalents	(90,768,213)	(53,262,139)
Cash and cash equivalents at 1 January	169,978,273	194,633,488
Cash and cash equivalents at 30 September	6 79,210,060	141,371,349



The notes from pages 11 to 31 form an integral part of the condensed consolidated interim financial information.

Al Khaleej Takaful Insurance Company Q.P.S.C.

Notes to the condensed consolidated interim financial information For the nine months period ended 30 September 2022

1. LEGAL STATUS AND ACTIVITIES

Al Khaleej Takaful Insurance Company Q.P.S.C. (the "Company") (Formerly known as "Al Khaleej Takaful Group Q.P.S.C.") is a Qatari shareholding company registered and incorporated in the State of Qatar under Emiri Decree No. 53 issued on 21 December 1978 and listed on Qatar Exchange. The Company's registered address is Grand Hamad Street, Doha 4555, Qatar. The Company and its subsidiaries (together referred to as the "Group") are engaged in the business of insurance, reinsurance, Takaful insurance and real estate investment.

Name of Subsidiary	Ownership	Country of incorporation	Principal Activities
Qatar Takaful Co. W.L.L	100%	Qatar	Primarily engaged in activities in accordance with Islamic Sharia 'a principles on a non-usury basis in all areas of insurance.
Mithaq Investments W.L.L	100%	Qatar	Primarily engaged in investments.

This condensed consolidated interim financial information were authorized for issue in accordance with a resolution of the Board of Directors on 26 October 2022.

2. BASIS OF PREPARATION

a) Statement of compliance and preparation

The condensed consolidated interim financial information have been prepared in accordance with Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI"). In line with AAOIFI, for matters that are not covered by FAS, the Group uses the guidance from the relevant International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Accordingly, the condensed consolidated interim financial information have been prepared in accordance with the guidance provided by International Accounting Standard 34 – 'Interim Financial Reporting'.

The condensed consolidated interim financial information have been prepared under the historical cost basis except for certain financial instruments which are measured at fair value, in accordance with the principal accounting policies as set out below.

The condensed consolidated interim financial information are presented in Qatari Riyals ("QR."), which is the Group's functional and presentational currency, and all values are rounded to the nearest QR.

The condensed consolidated interim financial information do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2021. In addition, results for the nine months period ended September 30, 2022 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2022.

In preparing this 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 2021.

**Notes to the condensed consolidated interim financial information
For the nine months period ended 30 September 2022**

2. BASIS OF PREPARATION (CONTINUED)

b) Significant accounting judgment, estimates and assumptions

The preparation of the condensed consolidated interim financial information in conformity with FAS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are consistent with those applied to the annual financial statements as at 31 December 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended 31 December 2021, except as noted below:

During the period, the Company applied the following standard in preparation of these condensed consolidated interim financial information. The adoption of the below standard did not result in changes to previously reported net results or equity of the Company, but they may result in additional disclosures at year end:

a) FAS 37 Financial Reporting by Waqf Institutions

AAOIFI has issued FAS 37 in 2020. The objective of this standard is to establish principles of financial reporting by Waqf institutions, which are established and operated in line with sharia 'a principles and rules. The implementation of this comprehensive standard is expected, in turn, to contribute towards improving effectiveness and efficiency of operations of Waqfs, maximizing benefits to the beneficiaries and encouraging proper accountability and management. The adoption of this standard did not have any impact on the condensed consolidated interim financial information of the Group.

b) FAS 38 Wa'ad, Khiyar and Tahawwut

AAOIFI has issued FAS 38 "Wa'ad, Khiyar and Tahawwut" in 2020. The objective of this standard is to prescribe the accounting and reporting principles for recognition, measurement and disclosure in relation to Shari'ah compliant Wa'ad (promise), Khiyar (option) and Tahawwut (hedging) arrangements for Islamic financial institutions. Wa'ad and Khiyar are used by institutions in various forms. Some are ancillary to other transactions, whereas a few are used as primary products. This standard intends to provide accounting principles for both of these, as well as the Tahawwut transactions which are normally based on Wa'ad or Khiyar, or a series or combination thereof. The adoption of this standard did not have any impact on the condensed consolidated interim financial information of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) New standards, amendments and interpretations issued but not yet effective

The Group has not yet applied the following new and revised FASs that have been issued but are not yet effective:

i. FAS 1 (Revised 2021) - General Presentation and Disclosures in the Financial Statements

AAOIFI has issued revised FAS 1 in 2021. The revised FAS 1 supersedes the earlier FAS 1 General Presentation and Disclosures in the Financial Statements of Islamic Banks and Financial Institutions and introduces the concepts of quasi-equity, off-balance-sheet assets under management and other comprehensive income to enhance the information provided to the users of the financial statements. This standard shall be effective for the financial periods beginning on or after 1 January 2023 with early adoption permitted. The Group is currently evaluating the impact of the above standards

ii. FAS 39 - Financial Reporting for Zakah

AAOIFI has issued FAS 39 in 2021. This standard improves upon and supersedes FAS 9 on "Zakah" and aims at setting out the accounting treatment of Zakah in the books of the institutions, including the presentation and disclosure by an Islamic financial institution. The accounting and financial reporting requirements such as recognition, presentation and disclosure requirements of this standard shall apply to institutions that are obliged to pay Zakah on behalf of certain or all stakeholders. Institutions that are not obliged to pay Zakah shall apply the disclosure requirements of this standard for certain or all stakeholders, as relevant.

This standard shall be effective for the financial periods beginning on or after 1 January 2023 with early adoption permitted. The Group is currently evaluating the impact of the above standards

4. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements as at and for the year ended December 31, 2021.

5. SHARI'A SUPERVISORY BOARD

The Group's business activities are subject to the supervision of a sharia 'a committee appointed by the Shareholders. The sharia 'a Supervisory Board performs a supervisory role in order to determine whether the operations of the Group are conducted in accordance with sharia 'a rules and principles.

6. CASH AND BANK BALANCES

For the purpose of the condensed consolidated interim statement of cash flows, cash and cash equivalents comprise the following balances with original maturities of less than three months.

Cash and cash equivalents at the end of the reporting period as shown in the condensed consolidated interim statement of cash flows can be reconciled to the related items in the condensed consolidated interim statement of financial position as follows:

	30 September 2022	31 December 2021
	(Reviewed)	(Audited)
Policyholders		
Cash on hand	189,703	-
Investment deposits (Islamic banks) (1) & (4)	47,300,000	-
Call accounts (Islamic banks) (2)	27,044,794	67,656,714
Current accounts (3)	1,508,856	6,018,730
Total	76,043,353	73,675,444
Shareholders		
Cash on hand	1,000	10,000
Investment deposits (Islamic banks) (1) & (4)	113,750,000	90,100,000
Call accounts (Islamic banks) (2)	14,045,286	45,540,184
Current accounts (3)	36,420,421	50,752,645
Total	164,216,707	186,402,829
Total cash and bank balances	240,260,060	260,078,273
Less: deposits with original maturity of more than three months	(161,050,000)	(90,100,000)
Total cash and cash equivalents	79,210,060	169,978,273

- (1) Investment deposits earn profit at rates ranging from 2.50% to 3.75% (31 December 2021: 0.9% to 1.2%).
- (2) Call accounts earn profit at rates ranging from 0.25% to 0.75% (31 December 2021: 0.25% to 0.75%).
- (3) Included in current accounts non-Islamic bank accounts used for the policyholder's contributions paid by credit cards.
- (4) Investment deposits includes deposit kept in Masraf Al Rayan and Qatar First bank which is due to be matured till June 2023.

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the Qatar Central Bank. Accordingly, the management of the Group estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL. None of the balances with banks at the end of the reporting period are past due, and taking into account the historical default experience and the current credit ratings of the bank, the management of the Group have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

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7. RETAKAFUL CONTRACT ASSETS AND TAKAFUL CONTRACT LIABILITIES

	30 September 2022		31 December 2021	
	(Reviewed)		(Audited)	
	Policyholders	Shareholders	Policyholders	Shareholders
Gross insurance/takaful contract liabilities				
Claims reported unsettled	97,502,106	400,000	116,104,997	400,000
Claims incurred but not reported and other technical reserves	49,071,237	-	46,383,000	-
Unearned contributions and mathematical reserves	135,032,406	-	128,188,200	-
Deferred commissions	6,004,196	-	8,505,792	-
Total	287,609,945	400,000	299,181,989	400,000
Reinsurers' / Retakaful share of insurance/takaful liabilities				
Claims reported unsettled	56,008,839	398,721	81,478,359	398,721
Claims incurred but not reported and other technical reserves	27,585,424	-	28,926,896	-
Unearned contributions and mathematical reserves	56,332,785	-	51,703,270	-
Deferred commissions	8,144,936	-	11,946,382	-
Total	148,071,984	398,721	174,054,907	398,721
Net insurance/takaful liabilities				
Claims reported unsettled	41,493,267	1,279	34,626,638	1,279
Claims incurred but not reported and other technical reserves	21,485,813	-	17,456,104	-
Unearned contributions and mathematical reserves	78,699,621	-	76,484,930	-
Deferred commissions	(2,140,740)	-	(3,440,590)	-
Total	139,537,961	1,279	125,127,082	1,279

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7. RETAKAFUL CONTRACT ASSETS AND TAKAFUL CONTRACT LIABILITIES (CONTINUED)

7.1 Movement in Retakaful Contract Assets and Takaful Contract Liabilities

	30 September 2022 (Reviewed)		
	Policyholders	Shareholders	Net
	Gross takaful liabilities	Retakaful contract assets	Net
At January 1			
Reported claims	116,104,997	81,478,359	34,626,638
Unearned contributions and mathematical reserves	128,188,200	51,703,270	76,484,930
IBNR and other technical reserves	46,383,000	28,926,896	17,456,104
Total	290,676,197	162,108,525	128,567,672
Movement during the period / year			
Reported claims	(18,602,891)	(25,469,520)	6,866,629
Unearned contributions and mathematical reserves	6,844,206	4,629,515	2,214,691
IBNR and other technical reserves	2,688,237	(1,341,472)	4,029,709
Total	(9,070,448)	(22,181,477)	13,111,029
Balances at 30 September 2022			
Reported claims	97,502,106	56,008,839	41,493,267
Unearned contributions and mathematical reserves	135,032,406	56,332,785	78,699,621
IBNR and other technical reserves	49,071,237	27,585,424	21,485,813
Total	281,605,749	139,927,048	141,678,701
		Gross takaful liabilities	400,000
		Retakaful contract assets	398,721
		Net	1,279

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7. RETAKAFUL CONTRACT ASSETS AND TAKAFUL CONTRACT LIABILITIES (CONTINUED)

7.1 Movement in Retakaful Contract Assets and Takaful Contract Liabilities (continued)

	31 December 2021 (Audited)			
	Policyholders		Shareholders	
	Gross takaful liabilities	Retakaful contract assets	Retakaful contract assets	
			Gross takaful liabilities	
			Net	
			Net	
At January 1				
Reported claims	152,566,954	121,705,909	400,000	398,721
Unearned contributions and mathematical reserves	122,864,974	60,808,289	-	-
IBNR and other technical reserves	48,946,753	31,641,699	-	-
Total	324,378,681	214,155,897	400,000	398,721
				1,279
				1,279
<i>Movement during the period / year</i>				
Reported claims	(36,461,957)	(40,227,550)	-	-
Unearned contributions and mathematical reserves	5,323,226	(9,105,019)	-	-
IBNR and other technical reserves	(2,563,753)	(2,714,803)	-	-
Total	(33,702,484)	(52,047,372)	-	-
				3,765,593
				14,428,245
				151,050
				18,344,888
Balances at 31 December 2021				
Reported claims	116,104,997	81,478,359	400,000	398,721
Unearned contributions and mathematical reserves	128,188,200	51,703,270	-	-
IBNR and other technical reserves	46,383,000	28,926,896	-	-
Total	290,676,197	162,108,525	400,000	398,721
				1,279
				1,279

8. FINANCIAL INVESTMENTS**A. INVESTMENTS AT FAIR VALUE THROUGH EQUITY**

Investments classified as fair value through equity are presented in the condensed consolidated interim statement of financial position as follows:

	30 September 2022		31 December 2021	
	(Reviewed)		(Audited)	
	Policyholders	Shareholders	Policyholders	Shareholders
	QR.	QR.	QR.	QR.
Quoted investments (i)				
Local equity shares*	19,423,572	55,339,549	18,039,779	35,128,380
Foreign equity shares	518,392	1,036,785	569,292	1,138,585
Other equity investment	-	32,905,027	-	-
Total (1)	19,941,964	89,281,361	18,609,071	36,266,965
Unquoted investments (ii)				
Local equity shares	-	18,747,140	-	26,577,139
Total (2)	-	18,747,140	-	26,577,139
Total investments at fair value through equity (1+2)	19,941,964	108,028,501	18,609,071	62,844,104

- (i) The quoted investments constitute mainly securities listed in Qatar Exchange.
(ii) The unquoted investments represent investments in companies in which the Group is a founding shareholder.

* Investments in equity consists of shareholders quoted investment amounting to QR. 2,092,500 that is frozen and therefore not immediately disposable.

The movement on investments at fair value through equity is as follows:

	30 September 2022		31 December 2021	
	(Reviewed)		(Audited)	
	Policyholders	Shareholders	Policyholders	Shareholders
	QR.	QR.	QR.	QR.
Balance at January 1	18,609,071	62,844,104	17,228,094	80,089,475
Additions	-	91,050,480	1,365,263	68,182,157
Disposals	(24,477)	(41,853,818)	(1,984,505)	(83,276,843)
Impairment	-	-	(1,718,260)	(9,036,400)
Changes in fair value	1,357,370	(4,012,265)	3,718,479	6,885,715
Balance at end	19,941,964	108,028,501	18,609,071	62,844,104

8. FINANCIAL INVESTMENTS (CONTINUED)

B. INVESTMENTS AT FAIR VALUE THROUGH INCOME STATEMENT

Investments classified as fair value through income statement are presented in the condensed consolidated statement of financial position as follows:

	30 September 2022 (Reviewed)		31 December 2021 (Audited)	
	Policyholders	Shareholders	Policyholders	Shareholders
Investments (i)	-	7,300,000	-	7,300,000

(i) This represents investment funds managed by Q-invest SQN income fund, which has stated interest rate of 7% per annum (2021: 7% per annum) and is due to be mature in October 2024.

	30 September 2022 (Reviewed)		31 December 2021 (Audited)	
	Policyholders	Shareholders	Policyholders	Shareholders
Balance at January 1	-	7,300,000	1,251,975	7,300,000
Additions	-	3,029,000	-	-
Disposals / redemption	-	(3,029,000)	(1,251,975)	-
Balance at end of period / year	-	7,300,000	-	7,300,000

9. INVESTMENT PROPERTIES

Investment properties comprise investment in lands and buildings acquired to earn rental income and for capital appreciation from such properties. The movement in investment properties during the year was as follows:

a) Policyholders	Land	Buildings	Total
Cost:			
Balance at 1 January 2021 / 31 December 2021 / 30 September 2022	17,352,540	17,885,077	35,237,617
Accumulated Depreciation:			
Balance at 1 January 2021	-	4,794,724	4,794,724
Depreciation for the year	-	872,504	872,504
Balance at 31 December 2021	-	5,667,228	5,667,228
Depreciation for the period	-	654,378	654,378
Balance at 30 September 2022	-	6,321,606	6,321,606
Carrying amounts			
31 December 2021 (Audited)	17,352,540	12,217,849	29,570,389
30 September 2022 (Reviewed)	17,352,540	11,563,471	28,916,011

9. INVESTMENT PROPERTIES (CONTINUED)

b) Shareholders	Right of use Assets -			Total
	Land	Land	Buildings	
Cost:				
Balance at 1 January 2021	-	147,701,028	73,047,794	220,748,822
Additions during the year	-	40,292,201	-	40,292,201
Transfer from Property and equipment (Note 10)	-	6,251,500	15,132,683	21,384,183
Transfer to right of use asset	30,500,000	(30,500,000)	-	-
Addition to right of use asset	4,290,481	-	-	4,290,481
Balance at 31 December 2021 / 30 September 2022	34,790,481	163,744,729	88,180,477	286,715,687
Accumulated Depreciation:				
Balance at 1 January 2021	-	-	25,717,479	25,717,479
Depreciation for the year	869,762	-	3,834,777	4,704,539
Transfer from fixed assets (Note 10)	-	-	12,529,089	12,529,089
Balance at 31 December 2021	869,762	-	42,081,345	42,951,107
Depreciation for the period	652,326	-	2,876,084	3,528,410
Balance at 30 September 2022	1,522,088	-	44,957,429	46,479,517
Carrying amounts				
December 31, 2021 (Audited)	33,920,719	163,744,729	46,099,132	243,764,580
30 September 2022 (Reviewed)	33,268,393	163,744,729	43,223,048	240,236,170

As at December 31, 2021, the fair value of the Group's investment property was determined by external, independent valuer, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties. The fair value represents the amount at which the assets could be exchanged between knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction at the date of valuation. As at December 31, 2021, the fair value at the date of valuation amounted to QR 277 million.

The Group has not carried out any independent valuation as of September 30, 2022, since management believes that the market condition has not changed significantly compared to December 31, 2021, the date on which an independent valuation has been conducted.

10. PROPERTY AND EQUIPMENT

a) Policyholders	Computer QR.	Total QR.
Cost:		
Balance as at 1 January 2021 / 31 December 2021	2,777,628	2,777,628
Disposals during the period	(2,777,628)	(2,777,628)
Balance as at 30 September 2022	-	-
Accumulated Depreciation:		
Balance as at 1 January 2021 / 31 December 2021	2,777,628	2,777,628
Disposals during the period	(2,777,628)	(2,777,628)
Balance as at 30 September 2022	-	-
Carrying amounts		
Balance as at 1 January 2021 / 31 December 2021 / 30 September 2022	-	-

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10. PROPERTY AND EQUIPMENT (CONTINUED)

b) Shareholders	Freehold land	Buildings	Computer and equipment	Furniture and fixtures	Motor vehicle	Work in progress	Total
Cost:							
Balance as at 1 January 2021	6,251,500	15,050,694	7,774,181	9,071,921	503,000	81,989	38,733,285
Additions during the year	-	-	387,185	1,117,864	-	-	1,505,049
Transfers during the year (Note 9)	(6,251,500)	(15,050,694)	-	-	-	(81,989)	(21,384,183)
Balance at 31 December 2021 (Audited)	-	-	8,161,366	10,189,785	503,000	-	18,854,151
Additions during the period	-	-	84,695	182,026	-	-	266,721
Disposals during the period	-	-	-	(119,649)	-	-	(119,649)
Balance at 30 September 2022 (Reviewed)	-	-	8,246,061	10,252,162	503,000	-	19,001,223
Accumulated Depreciation:							
Balance as at 1 January 2021	-	12,447,100	5,883,248	8,825,714	74,515	81,989	27,312,566
Depreciation for the year	-	-	411,127	583,073	100,600	-	1,094,800
Transfer during the year (Note 9)	-	(12,447,100)	-	-	-	(81,989)	(12,529,089)
Balance at 31 December 2021 (Audited)	-	-	6,294,375	9,408,787	175,115	-	15,878,277
Depreciation for the period	-	-	293,549	335,079	75,450	-	704,078
Disposals during the period	-	-	-	(118,662)	-	-	(118,662)
Balance at 30 September 2022 (Reviewed)	-	-	6,587,924	9,625,204	250,565	-	16,463,693
Carrying amounts							
Balance at 31 December 2021 (Audited)	-	-	1,866,991	780,998	327,885	-	2,975,874
Balance at 30 September 2022 (Reviewed)	-	-	1,658,137	626,958	252,435	-	2,537,530

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11. INVESTMENT IN ASSOCIATES

The Group has two investments in associates, Qatar Unified Bureau Insurance W.L.L and Bahrain National Life Assurance Company B.S.C. Qatar Unified Bureau Insurance W.L.L incorporated in Qatar, in which the Group has 25% of the interest. It is principally engaged in takaful. Qatari Unified Bureau Insurance W.L.L is not publicly listed. Bahrain National Life Assurance Company B.S.C. is incorporated in Bahrain, in which the Group has 25% of the interest. It is principally engaged in insurance business.

<u>Name of Associate</u>	<u>Principal Activity</u>	<u>Country of incorporation</u>	<u>2022</u>	<u>2021</u>
Qatari Unified Bureau Insurance W.L.L.	Takaful Insurance	Qatar	25%	25%
Bahrain National Life Assurance Company B.S.C	Insurance	Kingdom of Bahrain	25%	25%
			30 September 2022	31 December 2021
			(Reviewed)	(Audited)
Balance as at 1 January			45,923,202	44,886,505
Share of profit for the period / year			2,798,469	1,286,697
Dividends received during the period / year			(2,638,577)	(250,000)
Movement in fair value reserve			1,191,094	-
At 31 December 2021 / 30 September 2022			47,274,188	45,923,202

12. SHARE CAPITAL

	30 September 2022	31 December 2021
	(Reviewed)	(Audited)
<i>Authorized, issued and paid-up capital</i>		
Share capital of QR 1 each (QR)	<u>255,279,020</u>	<u>255,279,020</u>
Number of shares of QR 1 each	<u>255,279,020</u>	<u>255,279,020</u>

13. LEGAL RESERVE

Legal reserve is computed in accordance with the provisions of the Qatar Central Bank (QCB) regulations, Qatar Commercial Companies' Law and the company's Articles of Association at 10% of the net profit for the year. This reserve is to be maintained until it equates 100% of the paid-up capital and is not available for distribution except in circumstances specified in the Qatar Central Bank (QCB) regulations and Qatar Commercial Companies Law. The transfer for the year 2022 will be done at year end.

14. GENERAL RESERVE

As per the articles of association of the company, the directors may create a general reserve in shareholders equity to meet the contribution deficiency that may arise. During the current and comparative years, there was no transfer to the general reserve.

15. FAIR VALUE RESERVES

Fair value reserves comprise of cumulative net change in the fair value of equity securities designated the fair value through equity. Change in fair value reserve from investments at fair value through equity:

	30 September 2022		31 December 2021	
	(Reviewed)		(Audited)	
	Policyholders	Shareholders	Policyholders	Shareholders
	QR.	QR.	QR.	QR.
Quoted investments				
At 1 January	7,974,573	612,759	4,361,200	(1,047,577)
<i>Net movement during the year</i>				
Disposal of investments	477	(49,312)	-	835,597
Fair value change during the year	1,356,893	(3,962,953)	3,613,373	824,739
At 30 September / 31 December	9,331,943	(3,399,506)	7,974,573	612,759
Unquoted investments				
At 1 January	-	-	(105,106)	(5,225,379)
Net movement	-	-	105,106	5,225,379
At 30 September / 31 December	-	-	-	-
Investment in associates				
At 1 January	-	3,993,975	-	3,993,975
Movement in fair value reserve of associates	-	1,191,094	-	-
At 30 September / 31 December	-	5,185,069	-	3,993,975
Total At 30 September / 31 December	9,331,943	1,785,563	7,974,573	4,606,734

16. GENERAL AND ADMINISTRATION EXPENSES

	30 September 2022	30 September 2021
	(Reviewed)	(Reviewed)
Staff costs	16,484,000	15,675,414
Governmental expenses	505,412	619,802
Repair and maintenance	870,071	957,862
Insurance expenses	89,444	235,009
Marketing and advertising	1,046,980	875,055
Professional fees	1,167,017	949,170
Electricity and water and postal expenses	684,354	707,161
Refreshment and stationery	378,571	265,304
Sharia supervisory board fee	150,000	150,000
Bank charges	214,017	82,713
Miscellaneous	344,260	298,602
	21,934,126	20,816,092

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17. INCOME TAX EXPENSES

Based on the New Executive Regulations to the Income Tax Law (No.24 of 2018), subsidiaries and companies owned by listed entities shall now be taxable to the extent of non-Qatari shareholding in the listed company.

Therefore, since the Group has investment in subsidiaries and other companies and are therefore taxable during the current year. Tax is charged at a rate of 10% of the taxable income to the extent of non-Qatari shareholding.

18. RELATED PARTIES**(a) Related party transactions**

These represent transaction with related parties. 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. Pricing policies and terms of these transactions are approved by the Group's management and are negotiated under normal commercial terms. Significant transactions during the period were

	30 September 2022		30 September 2021	
	(Reviewed)		(Reviewed)	
	Contributions	Claims	Contributions	Claims
Board of Directors	914,104	-	780,292	43,862

(b) Compensation of key management personnel:

	30 September	30 September
	2022	2021
	(Reviewed)	(Reviewed)
Salaries and other short-term benefits	2,779,995	2,361,974
Employees' end of service benefit for the period	116,037	34,156
	2,896,032	2,396,130

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19. SEGMENT REPORTING

(a) Net underwriting results (Policyholders' and Shareholders')

For the period ended September 30, 2022 (Reviewed):

	Marine & Aviation	Fire & General accident	Motor	Takaful & Medical	Total
Gross contributions	13,256,674	76,100,910	78,244,178	79,991,891	247,593,653
Retakaful share of gross contributions	(10,887,087)	(63,665,084)	(5,326,355)	(45,367,466)	(125,245,992)
Retained contributions	2,369,587	12,435,826	72,917,823	34,624,425	122,347,661
Movement in unearned contributions	168,669	(455,870)	(1,021,356)	(906,134)	(2,214,691)
Net retained contributions	2,538,256	11,979,956	71,896,467	33,718,291	120,132,970
Retakaful commission and other takaful income	1,730,324	19,121,495	1,586,560	448,119	22,886,498
Change in deferred commission	58,482	2,035,651	(2,974,913)	(419,070)	(1,299,850)
Total insurance revenue	4,327,062	33,137,102	70,508,114	33,747,340	141,719,618
Gross claims paid	(2,327,574)	(13,311,662)	(37,317,270)	(45,607,488)	(98,563,994)
Retakaful share of claims paid	1,740,257	14,304,434	2,309,483	25,296,857	43,651,031
Net claims	(587,317)	992,772	(35,007,787)	(20,310,631)	(54,912,963)
Movement in outstanding claims	464,847	(1,924,404)	(6,118,679)	711,607	(6,866,629)
Movement in claims incurred but not reported reserves	(10,227)	(206,303)	1,160,541	(4,973,720)	(4,029,709)
Commission and other takaful expenses	(829,306)	(4,889,719)	(13,033,061)	(7,202,393)	(25,954,479)
Net claims incurred	(962,003)	(6,027,654)	(52,998,986)	(31,775,137)	(91,763,780)
Net surplus from insurance operations	3,365,059	27,109,448	17,509,128	1,972,203	49,955,838

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19. SEGMENT REPORTING (CONTINUED)

(a) Net underwriting results (Policyholders' and Shareholders') (continued)

For the period ended September 30, 2021 (Reviewed):

	Marine & Aviation	Fire & General accident	Motor	Takaful and Medical	Total
Gross contributions	12,078,265	69,022,271	77,081,780	74,619,398	232,801,714
Retakaful share of gross contributions	(10,121,995)	(59,503,334)	(5,580,623)	(45,900,273)	(121,106,225)
Retained contributions	1,956,270	9,518,937	71,501,157	28,719,125	111,695,489
Movement in unearned contributions	(236,546)	(1,544,604)	(5,247,349)	(5,344,039)	(12,372,538)
Net retained contributions	1,719,724	7,974,333	66,253,808	23,375,086	99,322,951
Retakaful commission and other takaful income	1,828,086	16,832,780	1,654,772	934,070	21,249,708
Change in deferred commission	(64,778)	(1,917,620)	1,781,276	1,592,615	1,391,493
Total insurance revenue	3,483,032	22,889,493	69,689,856	25,901,771	121,964,152
Gross claims paid	(712,080)	(14,541,138)	(30,983,112)	(39,920,089)	(86,156,419)
Retakaful share of claims paid	567,708	13,492,121	2,282,971	24,435,640	40,778,440
Net claims	(144,372)	(1,049,017)	(28,700,141)	(15,484,449)	(45,377,979)
Movement in outstanding claims	(369,737)	(432,299)	(2,103,547)	22,702	(2,882,881)
Movement in claims incurred but not reported reserves	(178,155)	192,488	1,478,542	(1,270,372)	222,503
Commission and other takaful expenses	(559,836)	(3,329,169)	(12,164,874)	(6,486,798)	(22,540,677)
Net claims incurred	(1,252,100)	(4,617,997)	(41,490,020)	(23,218,917)	(70,579,034)
Net surplus from insurance operations	2,230,932	18,271,496	28,199,836	2,682,854	51,385,118

19. SEGMENT REPORTING (CONTINUED)

(b) Business segments

The Group's main business segment (Policyholders' and Shareholders') are as follows:

For the period ended 30 September 2022:

	<u>Underwriting</u>	<u>Investments</u>	<u>Real Estate</u>	<u>Unallocated</u>	<u>Total</u>
Net income	49,955,838	11,786,954	4,663,543	(24,902,294)	41,504,041
Total assets	347,922,850	182,544,653	269,152,181	196,445,665	996,065,349
Total liabilities	346,891,836	-	4,355,797	52,840,065	404,087,698

For the period ended 30 September 2021 / year ended 31 December 2021:

	<u>Underwriting</u>	<u>Investments</u>	<u>Real Estate</u>	<u>Unallocated</u>	<u>Total</u>
Net income	51,385,118	16,478,240	2,776,901	(23,228,850)	47,411,409
Total assets	348,219,270	134,676,377	273,334,969	216,111,388	972,342,004
Total liabilities	344,552,275	-	4,231,477	52,474,914	401,258,666

(c) Geographical segments

The Group operates in the State of Qatar only.

20. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the profit for the period attributable to shareholders by the weighted average number of ordinary shares outstanding during the period.

	For the three months period ended September		For the nine months period ended September	
	2022 (Reviewed)	2021 (Reviewed)	2022 (Reviewed)	2021 (Reviewed)
Profit attributable to shareholders	13,058,466	10,118,820	46,005,424	43,146,269
Weighted average number of ordinary shares*	255,279,020	255,279,020	255,279,020	255,279,020
Basic earnings per share (QR)	0.051	0.040	0.180	0.169

*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.

21. DIVIDEND DECLARED AND PAID

The General Assembly has approved in their meeting dated 22 March 2022 to distribute cash dividends of QR 0.075 per share amounting to QR 19,145,927.

The General Assembly has approved in their meeting dated 28 March 2021 to distribute cash dividends of QR 0.05 per share amounting to QR 12,763,951.

22. MUDAREB SHARE AND WAKALA FEES

Mudarib fees are calculated at a rate of 70% (2021: 70%) of the net income received on the investments of the policyholders. The actual rate for each year is determined by the Sharia Supervisory Board after co-ordination with the Group's Board of Directors.

The Wakala fee is provided to shareholders at the rate of 26% of net retained contribution as approved by the Board and Sharia 'a supervisory board as on their meeting dated 10 March 2022 (2021: 21% of net retained contribution from 1 January 2021 to 30 April 2021 and 26% from 1 May to 31 December 2021).

Al Khaleej Takaful Insurance Company Q.P.S.C.

**Notes to the condensed consolidated interim financial information
For the nine months period ended 30 September 2022**

23. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group's financial assets (cash and bank balances, time deposits, investments at fair value through equity, investments at fair value through income statement, takaful balances receivable and other receivables and prepayments) and financial liabilities (distributable surplus, bank overdraft, and accounts payable and other liabilities) are measured at amortized cost and not at fair value. Management believes that the carrying values of these financial assets and financial liabilities as at the reporting date are a reasonable approximation of their fair values.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: Techniques that use inputs that have a significant effect on the recorded fair values are not based on observable market data.

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23. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classification and fair values
As at 30 September 2022 (reviewed):

	Carrying Value					Fair Value		
	Fair value through equity	Amortized cost	Financial liabilities	Total carrying amount	Level 1	Level 2		Level 3
Financial assets measured at fair value								
Policyholders								
Investments at fair value through equity	19,941,964	-	-	19,941,964	19,941,964	-	-	-
Financial assets not measured at fair value								
Bank balances and time deposits	-	76,043,353	-	76,043,353	-	-	-	-
Takaful balances receivable	-	59,204,221	-	59,204,221	-	-	-	-
Retakaful balances receivable	-	64,009,523	-	64,009,523	-	-	-	-
Other receivables and prepayments	-	16,946,886	-	16,946,886	-	-	-	-
Financial liabilities not measured at fair value								
Takaful payable balance	-	-	(18,533,922)	(18,533,922)	-	-	-	-
Retakaful payable balance	-	-	(37,754,322)	(37,754,322)	-	-	-	-
Accounts payable and other liabilities	-	-	(27,053,291)	(27,053,291)	-	-	-	-
Dividends for policyholders	-	-	(1,533,138)	(1,533,138)	-	-	-	-
Financial assets measured at fair value								
Shareholders								
Investments at fair value through equity	108,028,501	-	-	108,028,501	89,281,361	-	-	18,747,140
Investments at fair value through income statement	7,300,000	-	-	7,300,000	-	7,300,000	-	-
Financial assets not measured at fair value								
Bank balances and time deposits	-	164,216,707	-	164,216,707	-	-	-	-
Takaful balances receivable	-	58,240	-	58,240	-	-	-	-
Retakaful balances receivable	-	136,808	-	136,808	-	-	-	-
Other receivables and prepayments	-	12,744,542	-	12,744,542	-	-	-	-
Financial liabilities not measured at fair value								
Takaful payable balance	-	-	(1,060,509)	(1,060,509)	-	-	-	-
Retakaful payable balance	-	-	(20,007,141)	(20,007,141)	-	-	-	-
Accounts payable and other liabilities	-	-	(5,777,460)	(5,777,460)	-	-	-	-
Employees' end of service benefits	-	-	(111,719,783)	(111,719,783)	-	-	-	-
	135,270,465	393,360,280	(111,719,783)	416,910,962				

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23. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classification and fair values (continued)

As at 31 December 2021 (Audited):

	Fair value through equity	Carrying Value			Fair Value		
		Amortized cost	Financial liabilities	Total carrying amount	Level 1	Level 2	Level 3
<i>Financial assets measured at fair value</i>							
<i>Policyholders</i>							
Investments at fair value through equity	18,609,071	-	-	18,609,071	18,609,071	-	-
<i>Financial assets not measured at fair value</i>							
Bank balances and time deposits	-	73,675,444	-	73,675,444	-	-	-
Takaful balances receivable	-	58,970,919	-	58,970,919	-	-	-
Retakaful balances receivable	-	40,924,231	-	40,924,231	-	-	-
Other receivables and prepayments	-	15,342,694	-	15,342,694	-	-	-
<i>Financial liabilities not measured at fair value</i>							
Takaful payable balance	-	-	(21,405,280)	(21,405,280)	-	-	-
Retakaful payable balance	-	-	(20,512,977)	(20,512,977)	-	-	-
Accounts payable and other liabilities	-	-	(24,635,220)	(24,635,220)	-	-	-
Dividends for policyholders	-	-	(1,618,852)	(1,618,852)	-	-	-
<i>Financial assets measured at fair value</i>							
<i>Shareholders</i>							
Investments at fair value through equity	62,844,104	-	-	62,844,104	36,266,965	-	26,577,139
Investments at fair value through income statement	7,300,000	-	-	7,300,000	-	7,300,000	-
<i>Financial assets not measured at fair value</i>							
Bank balances and time deposits	-	186,402,829	-	186,402,829	-	-	-
Takaful balances receivable	-	58,240	-	58,240	-	-	-
Retakaful balances receivable	-	136,808	-	136,808	-	-	-
Other receivables and prepayments	-	11,389,991	-	11,389,991	-	-	-
<i>Financial liabilities not measured at fair value</i>							
Takaful payable balance	-	-	(1,060,509)	(1,060,509)	-	-	-
Retakaful payable balance	-	-	(372,668)	(372,668)	-	-	-
Accounts payable and other liabilities	-	-	(22,279,656)	(22,279,656)	-	-	-
Employees' end of service benefits	-	-	(5,539,281)	(5,539,281)	-	-	-
	88,753,175	386,901,156	(97,424,443)	378,229,888			

During the period ended 30 September 2022 and year ended 31 December 2021, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

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23. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The reconciliation of Level 3 is as follows:

	Policyholder		Shareholder	
	30 September 2022 (Reviewed)	31 December 2021 (Audited)	30 September 2022 (Reviewed)	31 December 2021 (Audited)
At the beginning of the period / year	-	1,624,889	26,577,139	30,388,160
Fair value losses during the period / year	-	(1,613,154)	-	(3,811,021)
Redemption during the period / year	-	(11,735)	(7,829,999)	-
At the ending of the period / year	-	-	18,747,140	26,577,139

24. IMPACT OF COVID 19

The coronavirus ("COVID-19") pandemic has spread across various geographies globally, causing disruption to business and economic activities. COVID-19 has brought uncertainties in the global economic environment.

The Group is closely monitoring the situation and has activated its business continuity planning and other risk management practices to manage the potential business disruption COVID-19 outbreak may have on its operations and financial performance.

The Group has considered potential impacts of the current economic volatility in determination of the reported amounts of the Group's financial and non-financial assets, and these are considered to represent management's best assessment based on observable information. Markets however remain volatile and the recorded amounts remain sensitive to market fluctuations.