

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

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

**Condensed Consolidated Interim Financial Information
30 June 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 six months ended 30 June 2022 which includes:

- The condensed consolidated statement of financial position as at 30 June 2022;
- The condensed consolidated statement of participants' revenues and expenses for the three and six months period ended 30 June 2022;
- The condensed consolidated statement of policyholders' surplus for the six months period ended 30 June 2022,
- The condensed consolidated income statement for the three and six months periods ended 30 June 2022,
- The condensed statement of changes in shareholders' equity for the six months period ended 30 June 2022,
- The condensed consolidated statement of cash flows for the six months period ended 30 June 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 six months ended 30 June 2022 is not prepared, in all material respects, in accordance with Financial Accounting Standards issued by AAOIFI.

01 August 2022
Doha
State of Qatar

A handwritten signature in blue ink, appearing to read 'Yacoub Hobeika', with a large, sweeping flourish underneath.

Yacoub Hobeika
Qatar Auditor's Registry Number 289
KPMG
Licensed by QFMA: External Auditor's
License No. 120153

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

**Condensed consolidated statement of financial position
As at 30 June 2022**

In Qatari Riyals

	Notes	June 30, 2022 (Reviewed)	December 31, 2021 (Audited)
Policyholders' assets			
Cash and bank balances	6	45,467,004	73,675,444
Time deposits	6	27,300,000	-
Investments at fair value through equity	8 (a)	20,060,222	18,609,071
Takaful balances receivable		64,230,401	58,970,919
Retakaful balances receivable		64,621,547	40,924,231
Retakaful contract assets	7	148,560,436	162,108,525
Deferred commission	7	8,888,814	11,946,382
Other receivables and prepayments		12,798,103	15,342,694
Investment properties	9	29,134,137	29,570,389
Total policyholders' assets		421,060,664	411,147,655
Shareholders' assets			
Cash and bank balances	6	55,381,661	96,302,829
Time deposits	6	93,750,000	90,100,000
Investments at fair value through equity	8 (a)	107,867,191	62,844,104
Investments at fair value through income statement	8 (b)	10,329,000	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		12,852,340	11,389,991
Investment properties	9	241,412,308	243,764,580
Property and equipment	10	2,721,485	2,975,874
Investment in associates	11	47,274,188	45,923,202
Total shareholders' assets		572,181,942	561,194,349
Total assets		993,242,606	972,342,004

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



The notes from pages 11 to 29 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 June 2022

		In Qatari Riyals	
	Notes	June 30, 2022 (Reviewed)	December 31, 2021 (Audited)
Policyholder's equity			
Retained surplus		30,888,904	35,818,764
Fair value reserve	15	9,425,724	7,974,573
Total policyholders' equity		40,314,628	43,793,337
Policyholder's liabilities			
Takaful contract liabilities	7	291,755,122	290,676,197
Deferred commission income	7	6,283,794	8,505,792
Accounts payable and other liabilities		22,975,233	24,635,220
Takaful balances payable		20,622,016	21,405,280
Retakaful balances payable		37,576,656	20,512,977
Distributable surplus		1,533,215	1,618,852
Total policyholders' liabilities		380,746,036	367,354,318
Total policyholders' equity and liabilities		421,060,664	411,147,655
Shareholders' liabilities			
Takaful contract liabilities	7	400,000	400,000
Ijarah liabilities		4,314,503	4,231,477
Accounts payable and other liabilities		19,708,981	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		5,717,813	5,539,281
Total shareholders' liabilities		31,203,979	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	4,493,665	4,606,734
Reserve for share of associates		14,125,859	13,965,967
Retained earnings		21,429,179	7,788,040
Total shareholders' equity		540,977,963	527,290,001
Total shareholders' liabilities and equity		572,181,942	561,194,349
Total liabilities, surplus of policyholders' and shareholders' equity		993,242,606	972,342,004

This condensed consolidated interim financial information was approved by the Company's Board of Directors on 1st August 2022 and signed on their behalf by:


 Sheikh Abdulrahman Bin Fahad Jabor Al Thani
 Managing Director


 Abdulla Ali Al-Assiri
 Chief Executive Officer

The notes from pages 11 to 29 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 six months period ended 30 June 2022**

In Qatari Riyals

	For the three months period ended 30 June		For the six months period ended 30 June	
	2022 (Reviewed)	2021 (Reviewed)	2022 (Reviewed)	2021 (Reviewed)
Takaful revenues				
Gross contributions	78,791,195	76,146,406	171,233,465	162,712,126
Retakaful share of gross contributions	<u>(44,237,116)</u>	<u>(41,283,284)</u>	<u>(86,497,812)</u>	<u>(85,447,832)</u>
Net retained contributions	34,554,079	34,863,122	84,735,653	77,264,294
Movement in unearned contributions	<u>9,241,880</u>	<u>(3,287,590)</u>	<u>(3,625,996)</u>	<u>(11,960,155)</u>
Net earned contributions	43,795,959	31,575,532	81,109,657	65,304,139
Retakaful commission and other takaful income	9,157,887	7,585,875	17,219,538	17,058,175
Change in deferred commission	<u>(1,951,957)</u>	<u>(6,968)</u>	<u>(835,569)</u>	<u>216,100</u>
Total takaful revenue	<u>51,001,889</u>	<u>39,154,439</u>	<u>97,493,626</u>	<u>82,578,414</u>
Takaful expenses				
Gross claims paid	(35,024,110)	(31,541,094)	(64,757,820)	(53,372,629)
Retakaful share of claims paid	<u>17,132,054</u>	<u>17,684,323</u>	<u>29,246,001</u>	<u>26,035,560</u>
Net claims paid	(17,892,056)	(13,856,771)	(35,511,819)	(27,337,069)
Movement in outstanding claims	(3,201,995)	(3,015,692)	(7,818,243)	(4,474,040)
Movement in claims incurred but not reported reserves	(1,048,956)	(63,069)	(3,105,430)	(240,497)
Commission and other takaful expenses	<u>(9,288,263)</u>	<u>(6,855,507)</u>	<u>(18,055,704)</u>	<u>(14,220,494)</u>
Total takaful expenses	<u>(31,431,270)</u>	<u>(23,791,039)</u>	<u>(64,491,196)</u>	<u>(46,272,100)</u>
Net surplus from takaful operations	<u>19,570,619</u>	<u>15,363,400</u>	<u>33,002,430</u>	<u>36,306,314</u>
Investment loss of takaful policy holders	-	(3,095)	-	(3,095)
Income from deposits	257,989	123,407	413,795	219,575
Dividend income	580,398	598,154	831,120	916,738
Other income	-	-	178,371	13,151
Total surplus	<u>20,409,006</u>	<u>16,081,866</u>	<u>34,425,716</u>	<u>37,452,683</u>
Other expenses				
Wakala fees	(16,292,132)	(15,675,650)	(36,032,246)	(30,139,459)
Depreciation	(218,126)	(218,126)	(436,252)	(436,252)
Other expenses	(1,094,035)	(762,916)	(2,015,637)	(1,509,575)
Modaraba expenses	<u>(586,871)</u>	<u>(502,925)</u>	<u>(871,441)</u>	<u>(802,458)</u>
Total other expenses	<u>(18,191,164)</u>	<u>(17,159,617)</u>	<u>(39,355,576)</u>	<u>(32,887,744)</u>
Surplus / (Deficit) of revenues over expenses	<u>2,217,842</u>	<u>(1,077,751)</u>	<u>(4,929,860)</u>	<u>4,564,939</u>



The notes from pages 11 to 29 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 six months period ended 30 June 2022

In Qatari Riyals

	For the six months period ended 30 June	
	2022 (Reviewed)	2021 (Reviewed)
Retained surplus balance at beginning of the period	35,818,764	28,663,298
(Deficit) / Surplus for the period	(4,929,860)	4,564,939
Retained surplus balance at end of the period	30,888,904	33,228,237



The notes from pages 11 to 29 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 six months period ended 30 June 2022**

In Qatari Riyals

	Notes	For the three months period ended 30 June		For the six months period ended 30 June	
		2022 (Reviewed)	2021 (Reviewed)	2022 (Reviewed)	2021 (Reviewed)
Shareholders' revenues and expenses					
Claims paid		-	-	-	1,040
Re-insurance share of claims paid		-	-	-	-
Net claims paid		-	-	-	1,040
Movement in outstanding claims		-	-	-	-
Total insurance income		-	-	-	1,040
Surplus from insurance operations		-	-	-	1,040
Investments and other income					
Wakala income		16,292,132	15,675,650	36,032,246	30,139,459
Mudarib income		586,871	502,925	871,441	802,458
Income from deposits		697,018	131,044	1,137,197	264,115
Dividend income		305,412	178,317	1,735,421	1,846,631
Net realized gain on sale of investment at fair value through equity		495,143	104,011	1,994,547	12,448,219
Share of result of associate		-	-	2,798,469	-
Loss on disposal of property and equipment		(987)	-	(987)	-
Net rental income		2,944,247	2,257,223	5,799,837	3,439,354
Other income		314,420	298,854	562,390	610,439
Total investment and other income		21,634,256	19,148,024	50,930,561	49,550,675
Expenses					
General and administrative expenses	16	(7,714,555)	(6,793,383)	(15,068,732)	(13,981,485)
Depreciation		(1,418,206)	(1,157,764)	(2,831,845)	(2,542,781)
Amortisation of deferred ijarah		(41,408)	-	(83,026)	-
Total expenses		(9,174,169)	(7,951,147)	(17,983,603)	(16,524,266)
Net income		12,460,087	11,196,877	32,946,958	33,027,449
Basic and diluted earnings per share (QR per share)	20	0.049	0.044	0.129	0.129



The notes from pages 11 to 29 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 six months period ended 30 June 2022

In Qatari Riyals

	Share Capital	Legal reserve	General reserve	Fair value reserve	Reserve for share of profits of associates	Retained earnings / (Accumulated loss)	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	-	-	-	-	-	32,946,958	32,946,958
Movement in fair value reserve of associate	-	-	-	1,191,094	-	-	1,191,094
Movement in fair value reserve	-	-	-	(1,304,163)	-	-	(1,304,163)
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 June 2022 (Reviewed)	255,279,020	245,574,763	75,477	4,493,665	14,125,859	21,429,179	540,977,963
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	-	-	-	-	-	33,027,449	33,027,449
Movement in fair value reserve	-	-	-	(1,097,993)	-	-	(1,097,993)
Dividends (Note 21)	-	-	-	-	-	(12,763,951)	(12,763,951)
Balance as at end of 30 June 2021 (Reviewed)	255,279,020	241,552,033	75,477	(3,376,974)	12,929,270	6,748,677	513,207,503



The notes from pages 11 to 29 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 six months period ended 30 June 2022**

In Qatari Riyals

	Note	For the six months period ended 30 June	
		2022 (Reviewed)	2021 (Reviewed)
Cash flows from operating activities			
Net income for the period		32,946,958	33,027,449
Policyholders' (deficit) / surplus for the period		(4,929,860)	4,564,939
		<u>28,017,098</u>	<u>37,592,388</u>
<i>Adjustments for:</i>			
Depreciation of fixed assets and investment properties		3,268,097	2,979,033
Amortisation of deferred ijarah cost		83,026	-
Income from deposits		(1,550,992)	(483,690)
Dividend income		(2,566,541)	(2,763,369)
Rental income		(5,799,837)	(3,439,354)
Write off of property under development		-	84,920
Loss on disposal of fixed assets		987	-
Net realized gain on sale of investment at fair value through equity		(1,994,547)	(12,445,124)
Share of results from associate		(2,798,469)	-
Provision for employees' end of service benefits		637,703	245,235
Operating profit before working capital changes		17,296,525	21,770,039
<i>Changes in:</i>			
Takaful balances receivable		(5,259,482)	(12,596,667)
Retakaful balances receivable		(23,697,316)	(12,814,077)
Retakaful share of unearned contributions		(8,770,136)	(5,028,465)
Retakaful share of outstanding claims		19,824,282	52,635,119
Deferred commission		3,057,568	(2,276,655)
Other receivable and prepayments		1,082,242	5,734,749
Unearned contributions		12,473,476	16,988,620
Gross outstanding claims		(12,006,038)	(48,161,079)
Claims incurred but not reported		3,105,430	240,497
Deferred commission income		(2,221,998)	2,060,555
Accounts payable and other liabilities		(6,166,985)	(9,182,042)
Takaful balances payable		(783,264)	(527,744)
Retakaful balances payable		16,691,011	11,245,990
Cash generated from operating activities		14,625,315	20,088,840
Employees' end of service benefits paid		(459,171)	(2,368)
Income tax – paid		(18,584)	-
Net cash generated from operating activities		14,147,560	20,086,472
Cash flows from investing activities			
Additions of investment at fair value through equity		(67,787,958)	(60,470,099)
Proceeds from disposal of investment at fair value through equity		23,455,255	74,491,577
Additions of investment at fair value through income statement		(3,029,000)	-
Net proceeds from redemption of investments at fair value through income statement		-	818,472
Acquisition of fixed assets		(226,171)	(1,141,674)
Income from deposits		1,550,992	483,690
Dividend income received		2,566,541	2,763,369
Dividend received from associates		2,638,577	-
Rental income		5,799,837	3,439,354
Net movement in term deposits		(30,950,000)	(70,000,000)
Acquisition of investment properties		-	(292,202)
Net cash used in investing activities		(65,981,927)	(49,907,513)



The notes from pages 11 to 29 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 six months period ended 30 June 2022

In Qatari Riyals

Cash flows from financing activities		
Dividends paid to shareholders	(17,209,604)	(11,356,888)
Surplus distributed to policyholders	(85,637)	15,578
Net cash used in financing activities	(17,295,241)	(11,341,310)
Net decrease in cash and cash equivalents	(69,129,608)	(41,162,351)
Cash and cash equivalents at 1 January	169,978,273	194,633,488
Cash and cash equivalents at 30 June	6 100,848,665	153,471,137



The notes from pages 11 to 29 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 six months period ended 30 June 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.

These condensed consolidated interim financial information were authorized for issue in accordance with a resolution of the Board of Directors on 01 August 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 six months period ended June 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.

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 Shari'ah 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 Shari'a Committee appointed by the Shareholders. The Shari'a Supervisory Board performs a supervisory role in order to determine whether the operations of the Group are conducted in accordance with Shari'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 June 2022	31 December 2021
	(Reviewed)	(Audited)
Policyholders		
Cash on hand	98,810	-
Investment deposits (Islamic banks) (1) & (4)	27,300,000	-
Call accounts (Islamic banks) (2)	40,378,335	67,656,714
Current accounts (3)	4,989,859	6,018,730
Total	72,767,004	73,675,444
Shareholders		
Cash on hand	11,537	10,000
Investment deposits (Islamic banks) (1) & (4)	93,750,000	90,100,000
Call accounts (Islamic banks) (2)	8,238,870	45,540,184
Current accounts (3)	47,131,254	50,752,645
Total	149,131,661	186,402,829
Total cash and bank balances	221,898,665	260,078,273
Less: deposits with original maturity of more than three months	(121,050,000)	(90,100,000)
Total cash and cash equivalents	100,848,665	169,978,273

- (1) Investment deposits earn profit at rates ranging from 1.61% to 2.85% (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.

7. RETAKAFUL CONTRACT ASSETS AND TAKAFUL CONTRACT LIABILITIES

	30 June 2022		31 December 2021	
	(Reviewed)		(Audited)	
	Policyholders	Shareholders	Policyholders	Shareholders
Gross insurance/takaful contract liabilities				
Claims reported unsettled	104,098,959	400,000	116,104,997	400,000
Claims incurred but not reported and other technical reserves	46,994,487	-	46,383,000	-
Unearned contributions and mathematical reserves	140,661,676	-	128,188,200	-
Deferred commissions	6,283,794	-	8,505,792	-
Total	298,038,916	400,000	299,181,989	400,000
Reinsurers' / retakaful share of insurance/takaful liabilities				
Claims reported unsettled	61,654,077	398,721	81,478,359	398,721
Claims incurred but not reported and other technical reserves	26,432,953	-	28,926,896	-
Unearned contributions and mathematical reserves	60,473,406	-	51,703,270	-
Deferred commissions	8,888,814	-	11,946,382	-
Total	157,449,250	398,721	174,054,907	398,721
Net insurance/takaful liabilities				
Claims reported unsettled	42,444,882	1,279	34,626,638	1,279
Claims incurred but not reported and other technical reserves	20,561,534	-	17,456,104	-
Unearned contributions and mathematical reserves	80,188,270	-	76,484,930	-
Deferred commissions	(2,605,020)	-	(3,440,590)	-
Total	140,589,666	1,279	125,127,082	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 June 2022		31 December 2021	
	(Reviewed)		(Audited)	
	Policyholders	Shareholders	Policyholders	Shareholders
	QR.	QR.	QR.	QR.
Quoted investments (i)				
Local equity shares*	19,508,809	46,947,003	18,039,779	35,128,380
Foreign equity shares	551,413	1,102,827	569,292	1,138,585
Other equity investment	-	33,240,222	-	-
Total (1)	20,060,222	81,290,052	18,609,071	36,266,965
Unquoted investments (ii)				
Local equity shares	-	26,577,139	-	26,577,139
Total (2)	-	26,577,139	-	26,577,139
Total investments at fair value through equity (1+2)	20,060,222	107,867,191	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. 2,207,500 that is frozen and therefore not immediately disposable.

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

	30 June 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	-	67,787,958	1,365,263	68,182,157
Disposals	-	(21,460,708)	(1,984,505)	(83,276,843)
Impairment	-	-	(1,718,260)	(9,036,400)
Changes in fair value	1,451,151	(1,304,163)	3,718,479	6,885,715
Balance at end	20,060,222	107,867,191	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 June 2022 (Reviewed)		31 December 2021 (Audited)	
	Policyholders	Shareholders	Policyholders	Shareholders
Investments (i)	-	10,329,000	-	7,300,000

(i) This includes an investment in foreign sukuk and 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 June 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	-	-
Redemption	-	-	(1,251,975)	-
Balance at end of period / year	-	10,329,000	-	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 June 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	-	436,252	436,252
Balance at 30 June 2022	-	6,103,480	6,103,480
Carrying amounts			
31 December 2021 (Audited)	17,352,540	12,217,849	29,570,389
30 June 2022 (Reviewed)	17,352,540	11,781,597	29,134,137

9. INVESTMENT PROPERTIES (CONTINUED)

b) Shareholders	Right of use Assets - Land	Land	Buildings	Total
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 June 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	434,883	-	1,917,389	2,352,272
Balance at 30 June 2022	1,304,645	-	43,998,734	45,303,379
Carrying amounts				
December 31, 2021 (Audited)	33,920,719	163,744,729	46,099,132	243,764,580
30 June 2022 (Reviewed)	33,485,836	163,744,729	44,181,743	241,412,308

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 June 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 June 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 June 2022	-	-
Carrying amounts		
Balance as at 1 January 2021 / 31 December 2021 / 30 June 2022	-	-

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	-	-	54,520	171,651	-	-	226,171
Disposals during the period	-	-	-	(119,649)	-	-	(119,649)
Balance at 30 June 2022 (Reviewed)	-	-	8,215,886	10,241,787	503,000	-	18,960,673
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	-	-	194,919	234,354	50,300	-	479,573
Disposals during the period	-	-	-	(118,662)	-	-	(118,662)
Balance at 30 June 2022(Reviewed)	-	-	6,489,294	9,524,479	225,415	-	16,239,188
Carrying amounts							
Balance at 31 December 2021 (Audited)	-	-	1,866,991	780,998	327,885	-	2,975,874
Balance at 30 June 2022 (Reviewed)	-	-	1,726,592	717,308	277,585	-	2,721,485

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

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In Qatari Riyals

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 June 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 June 2022			47,274,188	45,923,202

12. SHARE CAPITAL

	30 June 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 2021 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 June 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	-	127,003	-	835,597
Fair value change during the year	1,451,151	(1,431,166)	3,613,373	824,739
At 30 June / 31 December	9,425,724	(691,404)	7,974,573	612,759
Unquoted investments				
At 1 January	-	-	(105,106)	(5,225,379)
Net movement	-	-	105,106	5,225,379
At 30 June / 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 June / 31 December	-	5,185,069	-	3,993,975
Total				
At 30 June / 31 December	9,425,724	4,493,665	7,974,573	4,606,734

16. GENERAL AND ADMINISTRATION EXPENSES

	30 June 2022	30 June 2021
	(Reviewed)	(Reviewed)
Staff costs	11,227,020	10,513,764
Governmental expenses	459,112	416,422
Repair and maintenance	676,504	746,080
Insurance expenses	89,444	235,009
Marketing and advertising	757,194	527,853
Professional fees	680,290	735,383
Electricity and water and postal expenses	411,350	338,231
Refreshment and stationery	244,342	152,244
Sharia supervisory board fee	100,000	100,000
Bank charges	162,089	50,452
Miscellaneous	261,387	166,047
	15,068,732	13,981,485

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 June 2022		30 June 2021	
	(Reviewed)		(Reviewed)	
	Contributions	Claims	Contributions	Claims
Board of Directors	609,272	-	596,038	-

(b) Compensation of key management personnel:

	30 June 2022	30 June 2021
	(Reviewed)	(Reviewed)
Salaries and other short-term benefits	1,793,070	1,720,577
Employees' end of service benefit for the period	102,719	19,791
	1,895,789	1,740,368

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

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19. SEGMENT REPORTING

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

	Marine & Aviation	Fire & General accident	Motor	Takaful & Medical	Total
<i>For the period ended June 30, 2022 (Reviewed):</i>					
Gross contributions	8,595,268	51,729,346	53,110,954	57,797,897	171,233,465
Retakaful share of gross contributions	(6,700,464)	(42,569,210)	(3,277,497)	(33,950,641)	(86,497,812)
Retained contributions	1,894,804	9,160,136	49,833,457	23,847,256	84,735,653
Movement in unearned contributions	(8,937)	(375,480)	(1,243,002)	(1,998,577)	(3,625,996)
Net retained contributions	1,885,867	8,784,656	48,590,455	21,848,679	81,109,657
Retakaful commission and other takaful income	1,247,466	14,577,082	1,109,229	285,761	17,219,538
Change in deferred commission	18,634	1,974,421	(2,894,793)	66,169	(835,569)
Total insurance revenue	3,151,967	25,336,159	46,804,891	22,200,609	97,493,626
Gross claims paid	(2,184,735)	(10,384,461)	(21,503,518)	(30,685,106)	(64,757,820)
Retakaful share of claims paid	1,639,586	9,714,782	1,621,149	16,270,484	29,246,001
Net claims	(545,149)	(669,679)	(19,882,369)	(14,414,622)	(35,511,819)
Movement in outstanding claims	443,252	(1,040,682)	(7,822,783)	601,970	(7,818,243)
Movement in claims incurred but not reported reserves	91,240	(368,284)	(115,152)	(2,713,234)	(3,105,430)
Commission and other takaful expenses	(609,585)	(3,607,631)	(8,929,325)	(4,909,163)	(18,055,704)
Net claims incurred	(620,242)	(5,686,276)	(36,749,629)	(21,435,049)	(64,491,196)
Net surplus from insurance operations	2,531,725	19,649,883	10,055,262	765,560	33,002,430

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

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19. SEGMENT REPORTING (CONTINUED)

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

	Marine & Aviation	Fire & General accident	Motor	Takaful and Medical	Total
<i>For the period ended June 30, 2021 (Reviewed):</i>					
Gross contributions	8,060,333	48,976,787	50,441,840	55,233,166	162,712,126
Retakaful share of gross contributions	(6,415,630)	(42,497,302)	(3,572,119)	(32,962,781)	(85,447,832)
Retained contributions	1,644,703	6,479,485	46,869,721	22,270,385	77,264,294
Movement in unearned contributions	(232,491)	(1,717,347)	(2,630,531)	(7,379,786)	(11,960,155)
Net retained contributions	1,412,212	4,762,138	44,239,190	14,890,599	65,304,139
Retakaful commission and other takaful income	1,444,667	13,233,460	1,453,500	926,548	17,058,175
Change in deferred commission	(109,473)	(1,944,180)	870,245	1,399,508	216,100
Total insurance revenue	2,747,406	16,051,418	46,562,935	17,216,655	82,578,414
Gross claims paid	(276,673)	(13,720,423)	(17,246,423)	(22,128,070)	(53,371,589)
Retakaful share of claims paid	364,536	12,108,399	1,382,565	12,180,060	26,035,560
Net claims	87,863	(1,612,024)	(15,863,858)	(9,948,010)	(27,336,029)
Movement in outstanding claims	(357,459)	375,878	(4,930,976)	438,517	(4,474,040)
Movement in claims incurred but not reported reserves	(85,543)	(211,934)	(175,808)	232,788	(240,497)
Commission and other takaful expenses	(427,474)	(2,355,022)	(7,273,517)	(4,164,481)	(14,220,494)
Net claims incurred	(782,613)	(3,803,102)	(28,244,159)	(13,441,186)	(46,271,060)
Net surplus from insurance operations	1,964,793	12,248,316	18,318,776	3,775,469	36,307,354

19. SEGMENT REPORTING (CONTINUED)

(b) Business segments

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

For the period ended 30 June 2022:

	<u>Underwriting</u>	<u>Investments</u>	<u>Real Estate</u>	<u>Unallocated</u>	<u>Total</u>
Net income	33,002,430	8,910,549	2,928,287	(16,824,168)	28,017,098
Total assets	359,661,971	185,530,601	270,546,445	177,503,589	993,242,606
Total liabilities	359,231,312	-	4,314,503	48,404,200	411,950,015

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

	<u>Underwriting</u>	<u>Investments</u>	<u>Real Estate</u>	<u>Unallocated</u>	<u>Total</u>
Net income	36,307,354	15,692,183	1,147,347	(15,554,496)	37,592,388
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 June		For the six months period ended June	
	2022 (Reviewed)	2021 (Reviewed)	2022 (Reviewed)	2021 (Reviewed)
Profit attributable to shareholders	12,460,087	11,196,877	32,946,958	33,027,449
Weighted average number of ordinary shares*	255,279,020	255,279,020	255,279,020	255,279,020
Basic earnings per share (QR)	0.049	0.044	0.129	0.129

*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).

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.

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

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In Qatari Riyals

23. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classification and fair values

As at 30 June 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	20,060,222	-	-	20,060,222	20,060,222	-	-
Financial assets not measured at fair value							
Bank balances and time deposits	-	72,767,004	-	72,767,004			
Takaful balances receivable	-	64,230,401	-	64,230,401			
Retakaful balances receivable	-	64,621,547	-	64,621,547			
Other receivables and prepayments	-	12,798,103	-	12,798,103			
Financial liabilities not measured at fair value							
Takaful payable balance	-	-	(20,622,016)	(20,622,016)			
Retakaful payable balance	-	-	(37,576,656)	(37,576,656)			
Accounts payable and other liabilities	-	-	(22,975,233)	(22,975,233)			
Dividends for policyholders	-	-	(1,533,215)	(1,533,215)			
Financial assets measured at fair value							
Shareholders							
Investments at fair value through equity	107,867,191	-	-	107,867,191	81,290,052	-	26,577,139
Investments at fair value through income statement	10,329,000	-	-	10,329,000	3,029,000	7,300,000	-
Financial assets not measured at fair value							
Bank balances and time deposits	-	149,131,661	-	149,131,661			
Takaful balances receivable	-	58,240	-	58,240			
Retakaful balances receivable	-	136,808	-	136,808			
Other receivables and prepayments	-	12,852,340	-	12,852,340			
Financial liabilities not measured at fair value							
Takaful payable balance	-	-	(1,060,509)	(1,060,509)			
Retakaful payable balance	-	-	-	-			
Accounts payable and other liabilities	-	-	(19,708,981)	(19,708,981)			
Employees' end of service benefits	-	-	(5,717,813)	(5,717,813)			
	138,256,413	376,596,104	(109,194,423)	405,658,094			

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23. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classification and fair values (continued)

As at 31 December 2021 (Audited):

	Carrying Value			Total carrying amount	Fair Value		
	Fair value through equity	Amortized cost	Financial liabilities		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 June 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.

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.