

**Al Khaleej Takaful Insurance Company Q.P.S.C.**  
**Condensed Consolidated Interim Financial Information**  
**30 June 2023**

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

**Condensed Consolidated Interim Financial Information**  
**30 June 2023**

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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 month period ended 30 June 2023 which includes:

- The condensed consolidated statement of financial position as at 30 June 2023;
- The condensed consolidated statement of policyholder' / contributors' revenues and expenses for the three and six month period ended 30 June 2023;
- The condensed consolidated statement of policyholders' / contributors' surplus for the six month period ended 30 June 2023;
- The condensed consolidated income statement for the three and six month period ended 30 June 2023;
- The condensed statement of changes in shareholders' equity for the six month period ended 30 June 2023;
- The condensed consolidated statement of cash flows for the six month period ended 30 June 2023; 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 month ended 30 June 2023 is not prepared, in all material respects, in accordance with Financial Accounting Standards issued by AAOIFI.

31 July 2023  
Doha  
State of Qatar

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.

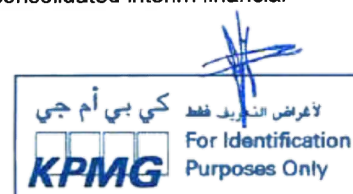
Condensed consolidated statement of financial position  
As at 30 June 2023

In Qatari Riyals

	Notes	30 June 2023 (Reviewed)	31 December 2022 (Audited)
<b>Policyholders' / contributors' assets</b>			
Cash and bank balances	6	17,197,439	25,561,444
Time deposits	6	40,950,000	47,300,000
Investments at fair value through equity	8 (a)	16,442,173	17,205,614
Takaful balances receivable		56,000,356	55,959,128
Retakaful balances receivable		73,674,036	63,977,424
Retakaful contract assets	7	155,280,339	131,365,734
Deferred commission	7	12,633,609	7,613,551
Other receivables and prepayments		13,736,546	14,692,999
Investment properties	9	28,265,217	28,697,885
<b>Total policyholders' / contributors' assets</b>		<b>414,179,715</b>	<b>392,373,779</b>
<b>Shareholders' assets</b>			
Cash and bank balances	6	66,507,108	44,491,451
Time deposits	6	123,750,000	133,750,000
Investments at fair value through equity	8 (a)	105,879,337	102,445,939
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		6,004,839	6,256,023
Investment properties	9	234,437,730	237,873,326
Property and equipment	10	4,717,388	4,156,295
Investment in associates	11	46,348,139	52,172,388
<b>Total shareholders' assets</b>		<b>595,538,310</b>	<b>589,039,191</b>
<b>Total assets</b>		<b>1,009,718,025</b>	<b>981,412,970</b>

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

The notes from pages 11 to 30 form an integral part of the condensed consolidated interim financial information.

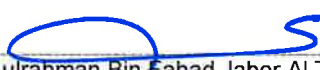



Al Khaleej Takaful Insurance Company Q.P.S.C.

Condensed consolidated statement of financial position (continued)  
As at 30 June 2023

		In Qatari Riyals	
	Notes	30 June 2023	31 December 2022
		(Reviewed)	(Audited)
<b>Policyholder's / contributors' equity</b>			
Retained surplus		31,186,570	31,615,506
Fair value reserve	15	5,832,152	6,595,593
<b>Total policyholders' / contributors' equity</b>		<b>37,018,722</b>	<b>38,211,099</b>
<b>Policyholder's / contributors' liabilities</b>			
Takaful contract liabilities	7	300,301,101	269,954,428
Deferred commission income	7	10,395,332	5,097,782
Accounts payable and other liabilities		21,487,341	27,054,846
Takaful balances payable		15,844,832	18,144,412
Retakaful balances payable		29,132,387	33,911,212
<b>Total policyholders' / contributors' liabilities</b>		<b>377,160,993</b>	<b>354,162,680</b>
<b>Total policyholders' / contributors' equity and liabilities</b>		<b>414,179,715</b>	<b>392,373,779</b>
<b>Shareholders' liabilities</b>			
Takaful contract liabilities	7	400,000	400,000
Ijarah liabilities		4,054,753	4,396,972
Accounts payable and other liabilities		21,753,689	26,388,238
Takaful balances payable		1,060,509	1,060,509
Provision for income tax	17	2,173	2,276
Employees' end of service benefits		6,528,168	5,908,817
<b>Total shareholders' liabilities</b>		<b>33,799,292</b>	<b>38,156,812</b>
<b>Shareholders' equity</b>			
Share capital	12	255,279,020	255,279,020
Legal reserve	13	251,133,353	251,133,353
General reserve	14	75,477	75,477
Fair value reserve	15	(7,879,032)	(2,180,972)
Reserve for share of associates		16,808,347	19,024,059
Retained earnings		46,321,853	27,551,442
<b>Total shareholders' equity</b>		<b>561,739,018</b>	<b>550,882,379</b>
<b>Total shareholders' liabilities and equity</b>		<b>595,538,310</b>	<b>589,039,191</b>
<b>Total liabilities, surplus of policyholders' / contributors' and shareholders' equity</b>		<b>1,009,718,025</b>	<b>981,412,970</b>

This condensed consolidated interim financial information was approved by the Company's Board of Directors on 31 July 2023 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 30 form an integral part of the condensed consolidated interim financial information.

Condensed consolidated statement of policyholders' / contributors' revenues and expenses  
For the three and six month period ended 30 June 2023

In Qatari Riyals

	For the three month period ended 30 June		For the six month period ended 30 June	
	2023 (Reviewed)	2022 (Reviewed)	2023 (Reviewed)	2022 (Reviewed)
<b>Takaful revenues</b>				
Gross contributions	80,831,621	78,791,195	185,277,866	171,233,465
Retakaful share of gross contributions	<u>(40,687,903)</u>	<u>(44,237,116)</u>	<u>(80,877,885)</u>	<u>(86,497,812)</u>
Net retained contributions	40,143,718	34,554,079	104,399,981	84,735,653
Movement in unearned contributions	<u>8,479,750</u>	<u>9,241,880</u>	<u>(11,051,290)</u>	<u>(3,625,996)</u>
Net earned contributions	48,623,468	43,795,959	93,348,691	81,109,657
Retakaful commission and other takaful income	7,048,732	9,157,887	19,491,668	17,219,538
Change in deferred commission	<u>(803,169)</u>	<u>(1,951,957)</u>	<u>(277,492)</u>	<u>(835,569)</u>
<b>Total takaful revenue</b>	<u>54,869,031</u>	<u>51,001,889</u>	<u>112,562,867</u>	<u>97,493,626</u>
<b>Takaful expenses</b>				
Gross claims paid	(36,460,877)	(35,024,110)	(76,408,681)	(64,757,820)
Retakaful share of claims paid	<u>7,355,411</u>	<u>17,132,054</u>	<u>20,297,236</u>	<u>29,246,001</u>
Net claims paid	(29,105,466)	(17,892,056)	(56,111,445)	(35,511,819)
Movement in outstanding claims	2,342,110	(3,201,995)	4,765,708	(7,818,243)
Movement in claims incurred but not reported reserves	1,166,982	(1,048,956)	(146,486)	(3,105,430)
Commission and other takaful expenses	<u>(7,916,980)</u>	<u>(9,288,263)</u>	<u>(17,780,397)</u>	<u>(18,055,704)</u>
<b>Total takaful expenses</b>	<u>(33,513,354)</u>	<u>(31,431,270)</u>	<u>(69,272,620)</u>	<u>(64,491,196)</u>
<b>Net surplus from takaful operations</b>	<u>21,355,677</u>	<u>19,570,619</u>	<u>43,290,247</u>	<u>33,002,430</u>
Rental income	204,000	-	510,000	-
Income from deposits	602,179	257,989	1,200,058	413,795
Dividend income	578,190	580,398	834,770	831,120
Other income	<u>-</u>	<u>-</u>	<u>117,779</u>	<u>178,371</u>
<b>Total surplus</b>	<u>22,740,046</u>	<u>20,409,006</u>	<u>45,952,854</u>	<u>34,425,716</u>
<b>Other expenses</b>				
Wakala fees	(17,571,162)	(16,292,132)	(41,812,923)	(36,032,246)
Depreciation	(217,529)	(218,126)	(432,668)	(436,252)
Other expenses	(1,186,024)	(1,094,035)	(2,354,819)	(2,015,637)
Modaraba expenses	<u>(969,063)</u>	<u>(586,871)</u>	<u>(1,781,380)</u>	<u>(871,441)</u>
<b>Total other expenses</b>	<u>(19,943,778)</u>	<u>(18,191,164)</u>	<u>(46,381,790)</u>	<u>(39,355,576)</u>
<b>Surplus / (Deficit) of revenues over expenses</b>	<u><b>2,796,268</b></u>	<u><b>2,217,842</b></u>	<u><b>(428,936)</b></u>	<u><b>(4,929,860)</b></u>



The notes from pages 11 to 30 form an integral part of the condensed consolidated interim financial information.

	For the six month period ended 30 June	
	2023 (Reviewed)	2022 (Reviewed)
Retained surplus balance at beginning of the period	31,615,506	35,818,764
Deficit for the period	(428,936)	(4,929,860)
<b>Retained surplus balance at end of the period</b>	<b>31,186,570</b>	<b>30,888,904</b>





Condensed consolidated income statement  
For the three and six month period ended 30 June 2023

In Qatari Riyals

	Notes	For the three month period ended 30 June		For the six month period ended 30 June	
		2023 (Reviewed)	2022 (Reviewed)	2023 (Reviewed)	2022 (Reviewed)
<b>Shareholders' revenues and expenses</b>					
Claims paid		38,229	-	40,309	-
Re-insurance share of claims paid		-	-	-	-
Net claims paid		38,229	-	40,309	-
Movement in outstanding claims		-	-	-	-
<b>Total insurance income</b>		<b>38,229</b>	<b>-</b>	<b>40,309</b>	<b>-</b>
<b>Surplus from insurance operations</b>		<b>38,229</b>	<b>-</b>	<b>40,309</b>	<b>-</b>
<b>Investments and other income</b>					
Wakala income		17,571,162	16,292,132	41,812,923	36,032,246
Mudarib income		969,063	586,871	1,781,380	871,441
Income from deposits		1,872,413	697,018	3,494,189	1,137,197
Dividend income		1,309,411	305,412	3,677,881	1,735,421
Net realized gain on sale of investment at fair value through equity		4,465	495,143	258,996	1,994,547
Share of result of associate		-	-	4,416,500	2,798,469
Loss on disposal of property and equipment		-	(987)	-	(987)
Net realized gain on sale of investment property		331,036	-	331,036	-
Rental income		3,122,440	3,277,490	6,267,630	6,537,330
Other income		212,661	314,420	418,277	562,390
<b>Total investment and other income</b>		<b>25,392,651</b>	<b>21,967,499</b>	<b>62,458,812</b>	<b>51,668,054</b>
<b>Expenses</b>					
General and administrative expenses	16	(8,322,713)	(8,047,798)	(16,562,425)	(15,806,225)
Depreciation		(1,507,263)	(1,418,206)	(3,014,568)	(2,831,845)
Amortisation of deferred ijarah		(40,942)	(41,408)	(82,001)	(83,026)
Impairment loss on investments at fair value through equity		(757,508)	-	(757,508)	-
<b>Total expenses</b>		<b>(10,628,426)</b>	<b>(9,507,412)</b>	<b>(20,416,502)</b>	<b>(18,721,096)</b>
<b>Net income</b>		<b>14,802,454</b>	<b>12,460,087</b>	<b>42,082,619</b>	<b>32,946,958</b>
<b>Basic and diluted earnings per share (QR per share)</b>	20	<b>0.058</b>	0.049	<b>0.165</b>	0.129

The notes from pages 11 to 30 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 month period ended 30 June 2023

In Qatari Riyals

	Share capital QR.	Legal reserve QR.	General reserve QR.	Fair value reserve QR.	Reserve for share of profits of associates QR.	Retained earnings QR.	Total QR.
Balance as at 1 January 2023 (Audited)	255,279,020	251,133,353	75,477	(2,180,972)	19,024,059	27,551,442	550,882,379
Net income for the period	-	-	-	-	-	42,082,619	42,082,619
Movement in fair value reserve of associate	-	-	-	(3,608,537)	-	-	(3,608,537)
Movement in fair value reserve	-	-	-	(2,089,523)	-	-	(2,089,523)
Transfer to reserve for share of profit from associates	-	-	-	-	(2,215,712)	2,215,712	-
Dividends (Note 21)	-	-	-	-	-	(25,527,920)	(25,527,920)
<b>Balance as at end of 30 June 2023 (Reviewed)</b>	<b>255,279,020</b>	<b>251,133,353</b>	<b>75,477</b>	<b>(7,879,032)</b>	<b>16,808,347</b>	<b>46,321,853</b>	<b>561,739,018</b>
Balance 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)
<b>Balance as at end of 30 June 2022 (Reviewed)</b>	<b>255,279,020</b>	<b>245,574,763</b>	<b>75,477</b>	<b>4,493,665</b>	<b>14,125,859</b>	<b>21,429,179</b>	<b>540,977,963</b>

The notes from pages 11 to 30 form an integral part of the condensed consolidated interim financial information.



**Condensed consolidated statement of cash flows  
For the six month period ended 30 June 2023**

In Qatari Riyals

	Note	For the six month period ended 30 June	
		2023	2022
		(Reviewed)	(Reviewed)
<b>Cash flows from operating activities</b>			
Net income for the period		42,082,619	32,946,958
Policyholders' / contributors' deficit for the period		(428,936)	(4,929,860)
		<u>41,653,683</u>	<u>28,017,098</u>
<i>Adjustments for:</i>			
Depreciation of fixed assets and investment properties		3,447,236	3,268,097
Amortisation of deferred ijarah cost		82,001	83,026
Income from deposits		(4,694,247)	(1,550,992)
Dividend income		(4,512,651)	(2,566,541)
Rental income		(6,777,630)	(6,537,330)
Loss on disposal of fixed assets		-	987
Gain on sale of investment property		(331,036)	-
Net realized gain on sale of investments		(258,996)	(1,994,547)
Share of results from associate		(4,416,500)	(2,798,469)
Provision for employees' end of service benefits		644,794	637,703
Impairment loss on investment at fair value through equity		757,508	-
		<u>25,594,162</u>	<u>16,559,032</u>
<i>Changes in:</i>			
Takaful balances receivable		(41,228)	(5,259,482)
Retakaful balances receivable		(9,696,612)	(23,697,316)
Retakaful contract assets		(23,914,605)	13,548,089
Deferred commission		(5,020,058)	3,057,568
Other receivable and prepayments		1,207,637	1,082,242
Takaful contract liabilities		30,346,673	1,078,925
Deferred commission income		5,297,550	(2,221,998)
Accounts payable and other liabilities		(11,819,690)	(6,166,985)
Takaful balances payable		(2,299,580)	(783,264)
Retakaful balances payable		(4,778,825)	16,691,011
		<u>4,875,424</u>	<u>13,887,822</u>
<b>Cash generated from operating activities</b>		<u>4,875,424</u>	<u>13,887,822</u>
Employees' end of service benefits paid		(25,443)	(459,171)
Income tax – paid		(103)	(18,584)
		<u>4,849,878</u>	<u>13,410,067</u>
<b>Net cash generated from operating activities</b>		<u>4,849,878</u>	<u>13,410,067</u>
<b>Cash flows from investing activities</b>			
Additions of investment at fair value through equity		(8,965,714)	(67,787,958)
Proceeds from disposal of investment at fair value through equity		2,891,665	23,455,255
Additions of investment at fair value through income statement		(656,177)	(3,029,000)
Proceeds from disposal of investment at fair value through income statement		708,793	-
Acquisition of fixed assets		(1,271,929)	(226,171)
Income from deposits		4,694,247	1,550,992
Dividend income received		4,512,651	2,566,541
Dividend received from associates		6,632,212	2,638,577
Rental income		6,777,630	6,537,330
Net movement in term deposits		16,350,000	(30,950,000)
Acquisition of investment property		(22,100)	-
Proceeds from sale of investment property		1,485,000	-
		<u>33,136,278</u>	<u>(65,244,434)</u>
<b>Net cash generated from / (used in) investing activities</b>		<u>33,136,278</u>	<u>(65,244,434)</u>



The notes from pages 11 to 30 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 month period ended 30 June 2023**

In Qatari Riyals

<b>Cash flows from financing activities</b>		
Dividends paid to shareholders	(23,910,284)	(17,209,604)
Surplus distributed to policyholders / contributors	-	(85,637)
Payment of ijarah liabilities	(424,220)	-
<b>Net cash used in financing activities</b>	<b>(24,334,504)</b>	<b>(17,295,241)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>13,651,652</b>	<b>(69,129,608)</b>
Cash and cash equivalents at 1 January	70,052,895	169,978,273
<b>Cash and cash equivalents at 30 June</b>	<b>6 83,704,547</b>	<b>100,848,665</b>



The notes from pages 11 to 30 form an integral part of the condensed consolidated interim financial information.

## **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.

<b>Name of Subsidiary</b>	<b>Ownership</b>	<b>Country of incorporation</b>	<b>Principal Activities</b>
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 31 July 2023.p

## **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 Financial Accounting Standard 41 – ‘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, 2022. In addition, results for the six month period ended June 30, 2023 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2023.

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 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 2022.

## **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 2022, 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:

### **i. 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. There is no obligation to pay Zakah on the Group, therefore adoption of this standard did not have any impact on this condensed consolidated interim financial information.

### **ii. FAS 41 Interim Financial Reporting**

AAOIFI has issued FAS 41 in 2022. This standard prescribes the principles for the preparation of condensed interim financial information and the relevant presentation and disclosure requirements, emphasizing the minimum disclosures specific to Islamic financial institutions in line with various financial accounting standards issued by AAOIFI. This standard also provides an option for the institution to prepare a complete set of financial statements at interim reporting dates in line with the respective FAS's. 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)**

#### **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 2024 with early adoption permitted. The Group is currently evaluating the impact of the above standards.

#### **ii. FAS 42 - Presentation and Disclosures in the Financial Statements of Takaful Institutions**

AAOIFI has issued FAS 42 in December 2022 which superseded FAS 12 "General Presentation and Disclosures in the Financial Statements of Islamic Insurance Companies". The new standard should be read in conjunction with the amended FAS 1 "General Presentation and Disclosures in the Financial Statements" and below FAS 43 "Accounting for Takaful: Recognition and Measurement". The objective of this standard is to set out the overall requirements for the presentation of financial statements, the minimum requirement for the contents of and disclosures in the financial statements and a recommended structure of financial statements that facilitates fair presentation in line with Shari'a principles and rules for takaful institutions. This standard shall be effective for the financial periods beginning on or after 1 January 2025 with early adoption permitted if adopted alongside FAS 43, provided that FAS 1 "General Presentation and Disclosures in the Financial Statements" has already been adopted or simultaneously adopted. The Group is currently evaluating the impact of the above standard.

#### **iii. FAS 43 – Accounting for Takaful: Recognition and Measurement**

AAOIFI has issued FAS 43 in December 2022 which should be read in conjunction with the above FAS 42 "Presentation and Disclosures in the Financial Statements of Takaful Institutions". The objective of this standard is to set out the principles for the recognition and measurement of takaful arrangements and ancillary transactions with the objective of faithfully representing the information related to these arrangements to the relevant stakeholders. This standard shall be effective for the financial periods beginning on or after 1 January 2025 with early adoption permitted if adopted alongside FAS 42. The Group is currently evaluating the impact of the above standard.

### **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, 2022.

### **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:

	<b>30 June 2023</b>	31 December 2022
	<b>(Reviewed)</b>	(Audited)
<b>Policyholders / contributors</b>		
Cash on hand	876,683	-
Investment deposits (Islamic banks) (1) & (4)	40,950,000	47,300,000
Call accounts (Islamic banks) (2)	14,638,718	23,509,617
Current accounts (3)	1,682,038	2,051,827
<b>Total</b>	<b>58,147,439</b>	72,861,444
<b>Shareholders</b>		
Cash on hand	1,155	1,000
Investment deposits (Islamic banks) (1) & (4)	123,750,000	133,750,000
Call accounts (Islamic banks) (2)	37,066,182	9,094,347
Current accounts (3)	29,439,771	35,396,104
<b>Total</b>	<b>190,257,108</b>	178,241,451
<b>Total cash and bank balances</b>	<b>248,404,547</b>	<b>251,102,895</b>
Less: deposits with original maturity of more than three months	(164,700,000)	(181,050,000)
<b>Total cash and cash equivalents</b>	<b>83,704,547</b>	<b>70,052,895</b>

- (1) Investment deposits earn profit at rates ranging from 3.80% to 5.80% (31 December 2022: 1.65% to 5.75%).
- (2) Call accounts earn profit at rates ranging from 0.25% to 0.75% (31 December 2022: 0.25% to 0.75%).
- (3) Included in current accounts non-Islamic bank accounts used for the policyholders' contributions paid by credit cards.
- (4) Investment deposits includes deposit kept in Islamic bank which is due to be matured till June 2024.

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 2023		31 December 2022	
	(Reviewed)		(Audited)	
	Policyholders	Shareholders	Policyholders	Shareholders
<b>Gross insurance/takaful contract liabilities</b>				
Claims reported unsettled	96,776,035	400,000	96,297,747	400,000
Claims incurred but not reported and other technical reserves	50,723,097	-	47,002,630	-
Unearned contributions and mathematical reserves	152,801,969	-	126,654,051	-
Deferred commissions	10,395,332	-	5,097,782	-
<b>Total</b>	<b>310,696,433</b>	<b>400,000</b>	<b>275,052,210</b>	<b>400,000</b>
<b>Reinsurers' / retakaful share of insurance/takaful liabilities</b>				
Claims reported unsettled	63,605,841	398,721	58,361,845	398,721
Claims incurred but not reported and other technical reserves	30,795,769	-	27,221,788	-
Unearned contributions and mathematical reserves	60,878,729	-	45,782,101	-
Deferred commissions	12,633,609	-	7,613,551	-
<b>Total</b>	<b>167,913,948</b>	<b>398,721</b>	<b>138,979,285</b>	<b>398,721</b>
<b>Net insurance/takaful liabilities</b>				
Claims reported unsettled	33,170,194	1,279	37,935,902	1,279
Claims incurred but not reported and other technical reserves	19,927,328	-	19,780,842	-
Unearned contributions and mathematical reserves	91,923,240	-	80,871,950	-
Deferred commissions	(2,238,277)	-	(2,515,769)	-
<b>Total</b>	<b>142,782,485</b>	<b>1,279</b>	<b>136,072,925</b>	<b>1,279</b>

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

7.1 Movement in Retakaful Contract Assets and Takaful Contract Liabilities

	30 June 2023 (Reviewed)			30 June 2022 (Reviewed)		
	Policyholders Gross takaful liabilities	Retakaful contract assets	Net	Shareholders Gross takaful liabilities	Retakaful contract assets	Net
At January 1						
Reported claims	96,297,747	58,361,845	37,935,902	400,000	398,721	1,279
Unearned contributions and mathematical reserves	126,654,051	45,782,101	80,871,950	-	-	-
IBNR and other technical reserves	47,002,630	27,221,788	19,780,842	-	-	-
<b>Total</b>	<b>269,954,428</b>	<b>131,365,734</b>	<b>138,588,694</b>	<b>400,000</b>	<b>398,721</b>	<b>1,279</b>
<i>Movement during the period / year</i>						
Reported claims	478,288	5,243,996	(4,765,708)	-	-	-
Unearned contributions and mathematical reserves	26,147,918	15,096,628	11,051,290	-	-	-
IBNR and other technical reserves	3,720,467	3,573,981	146,486	-	-	-
<b>Total</b>	<b>30,346,673</b>	<b>23,914,605</b>	<b>6,432,068</b>	<b>-</b>	<b>-</b>	<b>-</b>
Balances at 30 June 2023						
Reported claims	96,776,035	63,605,841	33,170,194	400,000	398,721	1,279
Unearned contributions and mathematical reserves	152,801,969	60,878,729	91,923,240	-	-	-
IBNR and other technical reserves	50,723,097	30,795,769	19,927,328	-	-	-
<b>Total</b>	<b>300,301,101</b>	<b>155,280,339</b>	<b>145,020,762</b>	<b>400,000</b>	<b>398,721</b>	<b>1,279</b>

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

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

	31 December 2022			31 December 2022		
	(Audited)			(Audited)		
	Policyholders			Shareholders		
	Gross takaful liabilities	Retakaful contract assets	Net	Gross takaful liabilities	Retakaful contract assets	Net
At January 1						
Reported claims	116,104,997	81,478,359	34,626,638	400,000	398,721	1,279
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	<u>290,676,197</u>	<u>162,108,525</u>	<u>128,567,672</u>	<u>400,000</u>	<u>398,721</u>	<u>1,279</u>
<i>Movement during the period / year</i>						
Reported claims	(19,807,250)	(23,116,514)	3,309,264	-	-	-
Unearned contributions and mathematical reserves	(1,534,149)	(5,921,169)	4,387,020	-	-	-
IBNR and other technical reserves	619,630	(1,705,108)	2,324,738	-	-	-
Total	<u>(20,721,769)</u>	<u>(30,742,791)</u>	<u>10,021,022</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balances at 31 December 2022						
Reported claims	96,297,747	58,361,845	37,935,902	400,000	398,721	1,279
Unearned contributions and mathematical reserves	126,654,051	45,782,101	80,871,950	-	-	-
IBNR and other technical reserves	47,002,630	27,221,788	19,780,842	-	-	-
Total	<u>269,954,428</u>	<u>131,365,734</u>	<u>138,588,694</u>	<u>400,000</u>	<u>398,721</u>	<u>1,279</u>

## 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 2023		31 December 2022	
	(Reviewed)		(Audited)	
	Policyholders	Shareholders	Policyholders	Shareholders
	QR.	QR.	QR.	QR.
<b>Quoted investments (i)</b>				
Local equity shares*	15,934,184	51,884,373	16,669,460	51,634,870
Foreign equity shares	507,989	1,015,982	536,154	1,072,310
Other equity investment	-	34,231,842	-	30,991,619
<b>Total (1)</b>	<b>16,442,173</b>	<b>87,132,197</b>	<b>17,205,614</b>	<b>83,698,799</b>
<b>Unquoted investments (ii)</b>				
Local equity shares	-	18,747,140	-	18,747,140
<b>Total (2)</b>	<b>-</b>	<b>18,747,140</b>	<b>-</b>	<b>18,747,140</b>
<b>Total investments at fair value through equity (1+2)</b>	<b>16,442,173</b>	<b>105,879,337</b>	<b>17,205,614</b>	<b>102,445,939</b>

- (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. 1,947,500 that is frozen and therefore not immediately disposable.

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

	30 June 2023		31 December 2022	
	(Reviewed)		(Audited)	
	Policyholders	Shareholders	Policyholders	Shareholders
	QR.	QR.	QR.	QR.
Balance at January 1	17,205,614	102,445,939	18,609,071	62,844,104
Additions	-	8,965,714	-	97,391,478
Disposals	-	(2,685,285)	(24,477)	(46,581,736)
Impairment	-	(757,508)	-	(3,229,107)
Changes in fair value	(763,441)	(2,089,523)	(1,378,980)	(7,978,800)
<b>Balance at end</b>	<b>16,442,173</b>	<b>105,879,337</b>	<b>17,205,614</b>	<b>102,445,939</b>

**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 2023 (Reviewed)		31 December 2022 (Audited)	
	Policyholders	Shareholders	Policyholders	Shareholders
Investments (i)	-	<b>7,300,000</b>	-	<b>7,300,000</b>

(i) This represents investment funds managed by Q-invest SQN income fund, which has stated interest rate of 7% per annum (2022: 7% per annum) and is due to be mature in October 2024.

	30 June 2023 (Reviewed)		31 December 2022 (Audited)	
	Policyholders	Shareholders	Policyholders	Shareholders
Balance at January 1	-	7,300,000	-	7,300,000
Additions	-	656,177	-	3,011,592
Redemption	-	(656,177)	-	(3,011,592)
Balance at end of period / year	-	<b>7,300,000</b>	-	<b>7,300,000</b>

**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 / contributors	Land	Buildings	Total
<b>Cost:</b>			
Balance at 1 January 2022 / 31 December 2022 / 30 June 2023	17,352,540	17,885,077	35,237,617
<b>Accumulated Depreciation:</b>			
Balance at 1 January 2022	-	5,667,228	5,667,228
Depreciation for the year	-	872,504	872,504
Balance at 31 December 2022	-	6,539,732	6,539,732
Depreciation for the period	-	432,668	432,668
Balance at 30 June 2023	-	6,972,400	6,972,400
<b>Carrying amounts</b>			
31 December 2022 (Audited)	17,352,540	11,345,345	28,697,885
<b>30 June 2023 (Reviewed)</b>	<b>17,352,540</b>	<b>10,912,677</b>	<b>28,265,217</b>

9. INVESTMENT PROPERTIES (CONTINUED)

b) Shareholders	Right of use Assets - Land	Land	Buildings	Total
<b>Cost:</b>				
Balance at 1 January 2022	34,790,481	163,744,729	88,180,477	286,715,687
Disposal during the year	-	-	(1,974,056)	(1,974,056)
Balance at 31 December 2022	34,790,481	163,744,729	86,206,421	284,741,631
Additions during the period	-	-	22,100	22,100
Disposal during the period	-	-	(1,971,358)	(1,971,358)
Balance at 31 December 2022 / 30 June 2023	34,790,481	163,744,729	84,257,163	282,792,373
<b>Accumulated Depreciation:</b>				
Balance at 1 January 2022	869,762	-	42,081,345	42,951,107
Depreciation for the year	869,762	-	3,834,779	4,704,541
Disposals during the year	-	-	(787,343)	(787,343)
Balance at 31 December 2022	1,739,524	-	45,128,781	46,868,305
Depreciation for the period	434,886	-	1,868,846	2,303,732
Disposals during the year	-	-	(817,394)	(817,394)
Balance at 30 June 2023	2,174,410	-	46,180,233	48,354,643
<b>Carrying amounts</b>				
December 31, 2022 (Audited)	33,050,957	163,744,729	41,077,640	237,873,326
<b>30 June 2023 (Reviewed)</b>	<b>32,616,071</b>	<b>163,744,729</b>	<b>38,076,930</b>	<b>234,437,730</b>

As at December 31, 2022, 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, 2022, 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, 2023, since management believes that the market condition has not changed significantly compared to December 31, 2022, the date on which an independent valuation has been conducted.

10. PROPERTY AND EQUIPMENT

a) Policyholders / contributors	Computer QR.	Total QR.
<b>Cost:</b>		
Balance as at 1 January 2022 / 31 December 2022 / 30 June 2023	2,777,628	2,777,628
<b>Accumulated Depreciation:</b>		
Balance as at 1 January 2022 / 31 December 2022 / 30 June 2023	2,777,628	2,777,628
Balance as at 1 January 2022 / 31 December 2022 / 30 June 2023	-	-

**10. PROPERTY AND EQUIPMENT (CONTINUED)**

b) Shareholders	Computer and equipment	Furniture and fixtures	Motor vehicle	Total
<b>Cost:</b>				
Balance as at 1 January 2022	8,161,366	10,189,785	503,000	18,854,151
Additions during the year	2,026,284	185,151	-	2,211,435
Disposals during the year	-	(119,649)	-	(119,649)
Balance at 31 December 2022 (Audited)	10,187,650	10,255,287	503,000	20,945,937
Additions during the period	402,230	301,699	568,000	1,271,929
Balance at 30 June 2023 (Reviewed)	<u>10,589,880</u>	<u>10,556,986</u>	<u>1,071,000</u>	<u>22,217,866</u>
<b>Accumulated Depreciation:</b>				
Balance as at 1 January 2022	6,294,375	9,408,787	175,115	15,878,277
Depreciation for the year	488,520	440,907	100,600	1,030,027
Disposals during the year	-	(118,662)	-	(118,662)
Balance at 31 December 2022 (Audited)	6,782,895	9,731,032	275,715	16,789,642
Depreciation for the period	428,319	216,551	65,966	710,836
Balance at 30 June 2023 (Reviewed)	<u>7,211,214</u>	<u>9,947,583</u>	<u>341,681</u>	<u>17,500,478</u>
<b>Carrying amounts</b>				
Balance at 31 December 2022 (Audited)	3,404,755	524,255	227,285	4,156,295
Balance at 30 June 2023 (Reviewed)	<u>3,378,666</u>	<u>609,403</u>	<u>729,319</u>	<u>4,717,388</u>

**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.

Name of Associate	Principal Activity	Country of incorporation	2023	2022
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%
			<b>30 June 2023</b>	31 December 2022
			<b>(Reviewed)</b>	<b>(Audited)</b>
Balance as at 1 January			52,172,388	45,923,202
Share of profit for the period / year			4,416,500	7,696,669
Dividends received during the period / year			(6,632,212)	(2,638,577)
Movement in fair value reserve			(3,608,537)	1,191,094
<b>At 31 December 2022 / 30 June 2023</b>			<b><u>46,348,139</u></b>	<b><u>52,172,388</u></b>

## 12. SHARE CAPITAL

	<b>30 June 2023</b>	31 December 2022
	<b>(Reviewed)</b>	(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 period 2023 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:

	<b>30 June 2023</b>		31 December 2022	
	<b>(Reviewed)</b>		(Audited)	
	<b>Policyholders</b>	<b>Shareholders</b>	Policyholders	Shareholders
	QR.	QR.	QR.	QR.
<b>Quoted investments</b>				
At 1 January	6,595,593	(7,366,041)	7,974,573	612,759
<i>Net movement during the period / year</i>			-	-
Disposal of investments	-	(345,846)	477	(386,843)
Fair value change during the period / year	(763,441)	(1,743,677)	(1,379,457)	(7,591,957)
<b>At 30 June / 31 December</b>	<u>5,832,152</u>	<u>(9,455,564)</u>	<u>6,595,593</u>	<u>(7,366,041)</u>
<b>Investment in associates</b>				
At 1 January	-	5,185,069	-	3,993,975
Movement in fair value reserve of associates	-	(3,608,537)	-	1,191,094
<b>At 30 June / 31 December</b>	-	<u>1,576,532</u>	-	<u>5,185,069</u>
<b>Total</b>				
<b>At 30 June / 31 December</b>	<u><u>5,832,152</u></u>	<u><u>(7,879,032)</u></u>	<u><u>6,595,593</u></u>	<u><u>(2,180,972)</u></u>



**16. GENERAL AND ADMINISTRATION EXPENSES**

	<u>30 June 2023</u> (Reviewed)	<u>30 June 2022</u> (Reviewed)
Staff costs	12,215,590	11,227,020
Governmental expenses	515,135	459,112
Repair and maintenance	622,536	676,504
Investment properties operating expenses	651,138	737,493
Insurance expenses	96,706	89,444
Marketing and advertising	546,451	757,194
Professional fees	496,279	680,290
Electricity and water and postal expenses	486,611	411,350
Refreshment and stationery	225,095	244,342
Travel expenses	55,398	-
Sharia supervisory board fee	100,000	100,000
Bank charges	216,035	162,089
Miscellaneous	335,451	261,387
	<u><b>16,562,425</b></u>	<u>15,806,225</u>

**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

	<u>30 June 2023</u> (Reviewed)		<u>30 June 2022</u> (Reviewed)	
	Contributions	Claims	Contributions	Claims
Board of Directors	<u>1,089,667</u>	-	<u>609,272</u>	-

**(b) Compensation of key management personnel:**

	<u>30 June 2023</u> (Reviewed)	<u>30 June 2022</u> (Reviewed)
Salaries and other short-term benefits	1,985,942	1,793,070
Employees' end of service benefit for the period	26,844	102,719
	<u><b>2,012,786</b></u>	<u>1,895,789</u>

19. SEGMENT REPORTING

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

	<b>Marine &amp; Aviation</b>	<b>Fire &amp; General accident</b>	<b>Motor</b>	<b>Takaful &amp; Medical</b>	<b>Total</b>
<i>For the period ended June 30, 2023 (Reviewed):</i>					
Gross contributions	8,728,821	55,810,351	55,314,024	65,424,670	185,277,866
Retakaful share of gross contributions	(7,131,575)	(46,036,519)	(3,763,328)	(23,946,463)	(80,877,885)
<b>Retained contributions</b>	<b>1,597,246</b>	<b>9,773,832</b>	<b>51,550,696</b>	<b>41,478,207</b>	<b>104,399,981</b>
Movement in unearned contributions	(376,079)	(1,079,825)	(1,818,784)	(7,776,602)	(11,051,290)
<b>Net retained contributions</b>	<b>1,221,167</b>	<b>8,694,007</b>	<b>49,731,912</b>	<b>33,701,605</b>	<b>93,348,691</b>
Retakaful commission and other takaful income	1,571,402	15,704,349	1,697,083	518,834	19,491,668
Change in deferred commission	(365,084)	(3,822,462)	1,961,364	1,948,690	(277,492)
<b>Total insurance revenue (1)</b>	<b>2,427,485</b>	<b>20,575,894</b>	<b>53,390,359</b>	<b>36,169,129</b>	<b>112,562,867</b>
Gross claims paid	(453,998)	(8,384,580)	(31,261,239)	(36,268,555)	(76,368,372)
Retakaful share of claims paid	427,524	6,594,299	1,007,628	12,267,785	20,297,236
<b>Net claims</b>	<b>(26,474)</b>	<b>(1,790,281)</b>	<b>(30,253,611)</b>	<b>(24,000,770)</b>	<b>(56,071,136)</b>
Movement in outstanding claims	(112,377)	120,848	5,260,014	(502,777)	4,765,708
Movement in claims incurred but not reported reserves	21,741	(143,923)	131,128	(155,432)	(146,486)
<b>Net claims incurred (2)</b>	<b>(117,110)</b>	<b>(1,813,356)</b>	<b>(24,862,469)</b>	<b>(24,658,979)</b>	<b>(51,451,914)</b>
Commission and other takaful expenses (3)	(450,345)	(2,662,238)	(9,400,836)	(5,266,978)	(17,780,397)
<b>Net surplus from insurance operations (1+2+3)</b>	<b>1,860,030</b>	<b>16,100,300</b>	<b>19,127,054</b>	<b>6,243,172</b>	<b>43,330,556</b>

19. SEGMENT REPORTING (CONTINUED)

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

	Marine & Aviation	Fire & General accident	Motor	Takaful and 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 (1)	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)
Net claims incurred (2)	(10,657)	(2,078,645)	(27,820,304)	(16,525,886)	(46,435,492)
Commission and other takaful expenses (3)	(609,585)	(3,607,631)	(8,929,325)	(4,909,163)	(18,055,704)
Net surplus from insurance operations (1+2+3)	2,531,725	19,649,883	10,055,262	765,560	33,002,430

## 19. SEGMENT REPORTING (CONTINUED)

### (b) Business segments

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

For the period ended 30 June 2023:

	<u>Underwriting</u>	<u>Investments</u>	<u>Real Estate</u>	<u>Unallocated</u>	<u>Total</u>
Net income	43,330,556	13,124,886	4,290,265	(19,092,024)	<b>41,653,683</b>
Total assets	356,329,548	175,969,649	262,702,947	214,715,881	<b>1,009,718,025</b>
Total liabilities	357,134,161	-	4,054,753	49,771,371	<b>410,960,285</b>

For the period ended 30 June 2022 / year ended 31 December 2022:

	<u>Underwriting</u>	<u>Investments</u>	<u>Real Estate</u>	<u>Unallocated</u>	<u>Total</u>
Net income	33,002,430	9,648,042	2,928,287	(17,561,661)	28,017,098
Total assets	332,371,050	179,123,941	266,571,211	203,346,768	981,412,970
Total liabilities	328,568,343	-	4,396,972	59,354,177	392,319,492

### (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 month period ended June		For the six month period ended June	
	2023 (Reviewed)	2022 (Reviewed)	2023 (Reviewed)	2022 (Reviewed)
Profit attributable to shareholders	<b>14,802,454</b>	12,460,087	<b>42,082,619</b>	32,946,958
Weighted average number of ordinary shares*	<b>255,279,020</b>	255,279,020	<b>255,279,020</b>	255,279,020
Basic earnings per share (QR)	<b>0.058</b>	0.049	<b>0.165</b>	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 15 March 2023 to distribute cash dividends of QR 0.1 per share amounting to QR 25,527,920.

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.

## 22. MUDAREB SHARE AND WAKALA FEES

Mudarabah fees are calculated at a rate of 70% (2022: 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% (2022: 26%) of gross written contribution (excluding 100% gross written contribution from fronting business) as approved by the Sharia 'a supervisory board in their meeting dated 10 March 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.

23. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classification and fair values

As at 30 June 2023 (reviewed):

	Carrying Value			Fair Value			
	Fair value through equity	Amortized cost	Financial liabilities	Total carrying amount	Level 1	Level 2	Level 3
<b>Financial assets measured at fair value</b>							
<b>Policyholders / contributors</b>							
Investments at fair value through equity	16,442,173	-	-	16,442,173	16,442,173	-	-
<b>Financial assets not measured at fair value</b>							
Bank balances and time deposits	-	58,147,439	-	58,147,439			
Takaful balances receivable	-	56,000,356	-	56,000,356			
Retakaful balances receivable	-	73,674,036	-	73,674,036			
Other receivables and prepayments	-	13,736,546	-	13,736,546			
<b>Financial liabilities not measured at fair value</b>							
Takaful payable balance	-	-	(15,844,832)	(15,844,832)			
Retakaful payable balance	-	-	(29,132,387)	(29,132,387)			
Accounts payable and other liabilities	-	-	(21,487,341)	(21,487,341)			
<b>Financial assets measured at fair value</b>							
<b>Shareholders</b>							
Investments at fair value through equity	105,879,337	-	-	105,879,337	87,132,197	-	18,747,140
Investments at fair value through income statement	7,300,000	-	-	7,300,000	-	7,300,000	-
<b>Financial assets not measured at fair value</b>							
Bank balances and time deposits	-	190,257,108	-	190,257,108			
Takaful balances receivable	-	58,240	-	58,240			
Retakaful balances receivable	-	136,808	-	136,808			
Other receivables and prepayments	-	6,004,839	-	6,004,839			
<b>Financial liabilities not measured at fair value</b>							
Takaful payable balance	-	-	(1,060,509)	(1,060,509)			
Accounts payable and other liabilities	-	-	(21,753,689)	(21,753,689)			
Employees' end of service benefits	-	-	(6,528,168)	(6,528,168)			
	<b>129,621,510</b>	<b>398,015,372</b>	<b>(95,806,926)</b>	<b>431,829,956</b>			

Notes to the condensed consolidated interim financial information  
For the six month period ended 30 June 2023

In Qatari Riyals

23. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classification and fair values (continued)

As at 31 December 2022 (Audited):

	Carrying Value				Fair Value		
	Fair value through equity	Amortized cost	Financial liabilities	Total carrying amount	Level 1	Level 2	Level 3
<i>Financial assets measured at fair value</i>							
<i>Policyholders / contributors</i>							
Investments at fair value through equity	17,205,614	-	-	17,205,614	17,205,614	-	-
<i>Financial assets not measured at fair value</i>							
Bank balances and time deposits	-	72,861,444	-	72,861,444			
Takaful balances receivable	-	55,959,128	-	55,959,128			
Retakaful balances receivable	-	63,977,424	-	63,977,424			
Other receivables and prepayments	-	14,692,999	-	14,692,999			
<i>Financial liabilities not measured at fair value</i>							
Takaful payable balance	-	-	(18,144,412)	(18,144,412)			
Retakaful payable balance	-	-	(33,911,212)	(33,911,212)			
Accounts payable and other liabilities	-	-	(27,054,846)	(27,054,846)			
<i>Financial assets measured at fair value</i>							
<i>Shareholders</i>							
Investments at fair value through equity	102,445,939	-	-	102,445,939	83,698,799	-	18,747,140
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	-	178,241,451	-	178,241,451			
Takaful balances receivable	-	58,240	-	58,240			
Retakaful balances receivable	-	136,808	-	136,808			
Other receivables and prepayments	-	6,256,023	-	6,256,023			
<i>Financial liabilities not measured at fair value</i>							
Takaful payable balance	-	-	(1,060,509)	(1,060,509)			
Accounts payable and other liabilities	-	-	(26,388,238)	(26,388,238)			
Employees' end of service benefits	-	-	(5,908,817)	(5,908,817)			
	126,951,553	392,183,517	(112,468,034)	406,667,036			

During the period ended 30 June 2023 and year ended 31 December 2022, 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.

### 23. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The reconciliation of Level 3 is as follows:

	Policyholder		Shareholder	
	30 June 2023 (Reviewed)	31 December 2022 (Audited)	30 June 2023 (Reviewed)	31 December 2022 (Audited)
At the beginning of the period / year	-	-	18,747,140	26,577,139
Fair value losses during the period / year	-	-	-	-
Redemption during the period / year	-	-	-	(7,829,999)
<b>At the ending of the period / year</b>	<b>-</b>	<b>-</b>	<b>18,747,140</b>	<b>18,747,140</b>

### 24. RECLASSIFICATION OF COMPARATIVE AMOUNTS

Certain comparative figures have been reclassified to conform to the presentation in the current year's condensed consolidated interim financial information. However, such reclassifications did not have any effect on the net profit and equity of the comparative years.

### 25. POTENTIAL IMPACT OF ECONOMIC UNCERTAINTIES

The Group does not hold any exposures to countries directly involved in the recent international disputes. However, the Group has considered any potential impact of the current economic uncertainties in determination of the reported amounts of the financial and non-financial assets, where relevant, and these are considered to represent the management's best assessment based on observable information. Markets however remain volatile and the recorded amounts remain sensitive to market fluctuations.