

Al Khaleej Takaful Insurance Company Q.P.S.C.
Condensed Consolidated Interim Financial Information
31 March 2024

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

**Condensed Consolidated Interim Financial Information
For the period ended 31 March 2024**

Contents	Page(s)
Independent auditors' report on review of condensed consolidated interim financial information	1-2
Condensed consolidated interim financial information:	
Condensed consolidated statement of financial position	3-4
Condensed consolidated statement of policyholders' revenues and expenses	5
Condensed consolidated statement of policyholders' surplus	6
Condensed consolidated income statement	7
Condensed consolidated statement of comprehensive income	8
Condensed consolidated statement of changes in shareholders' equity	9
Condensed consolidated statement of cash flows	10
Notes to the condensed consolidated interim financial information	11 - 30



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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 three month period ended 31 March 2024 which includes:

- The condensed consolidated statement of financial position as at 31 March 2024;
- The condensed consolidated statement of policyholders' revenues and expenses for the three month period ended 31 March 2024;
- The condensed consolidated statement of policyholders' surplus for the three month period ended 31 March 2024,
- The condensed consolidated income statement for the three month periods ended 31 March 2024,
- The condensed consolidated statement of comprehensive income for the three month periods ended 31 March 2024,
- The condensed statement of changes in shareholders' equity for the three month period ended 31 March 2024,
- The condensed consolidated statement of cash flows for the three month period ended 31 March 2024, and
- Notes to the condensed consolidated interim financial information.

The Board of Directors is responsible for the preparation and presentation of these condensed consolidated interim financial information in accordance with FAS 41, "Interim Financial Reporting". Our responsibility is to express a conclusion on this 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.



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

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 three month period ended 31 March 2024 is not prepared, in all material respects, in accordance with FAS 41, "Interim Financial Reporting".

30 April 2024
Doha
State of Qatar

Yacoub Hobeika
Qatar Auditor's Registry Number 289
KPMG
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Al Khaleej Takaful Insurance Company Q.P.S.C.

**Condensed consolidated statement of financial position
As at 31 March 2024**

in Qatari Riyals

	Notes	31 March 2024 (Reviewed)	31 December 2023 (Audited)
Policyholders' assets			
Cash and cash equivalents	6	24,539,174	24,763,022
Time deposits	6	50,950,000	40,950,000
Investment securities	8	16,217,004	16,059,689
Takaful balances receivable		52,462,340	48,211,553
Retakaful balances receivable		59,536,924	49,846,117
Retakaful contract assets	7	207,003,826	166,926,517
Deferred commission	7	10,898,011	10,666,396
Other receivables and prepayments		13,575,136	13,731,278
Investment properties	9	28,739,797	28,739,797
Total policyholders' assets		463,922,212	399,894,369
Shareholders' assets			
Cash and cash equivalents	6	65,180,428	49,085,784
Time deposits	6	103,750,000	128,750,000
Investment securities	8	158,149,426	158,559,655
Retakaful contract assets	7	398,721	398,721
Other receivables and prepayments		8,449,482	6,642,038
Right-of-use assets		27,710,459	27,927,902
Investment properties	9	205,859,103	205,859,103
Property and equipment	10	4,476,432	4,870,475
Investment in associate	11	51,508,824	57,624,756
Total shareholders' assets		625,482,875	639,718,434
Total assets		1,089,405,087	1,039,612,803

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 31 March 2024

in Qatari Riyals

	Notes	31 March 2024 (Reviewed)	31 December 2023 (Audited)
Policyholder's equity			
Retained surplus		23,322,381	28,103,677
Fair value reserve	15	6,649,111	6,491,796
Total policyholders' equity		29,971,492	34,595,473
Policyholder's liabilities			
Takaful contract liabilities	7	354,079,825	296,086,823
Deferred commission income	7	10,546,622	9,276,143
Accounts payable and other liabilities		33,130,997	26,817,344
Takaful balances payable		17,787,493	16,933,738
Retakaful balances payable		18,405,783	16,184,848
Total policyholders' liabilities		433,950,720	365,298,896
Total policyholders' equity and liabilities		463,922,212	399,894,369
Shareholders' liabilities			
Takaful contract liabilities	7	400,000	400,000
Ijarah liabilities		3,966,456	4,136,276
Accounts payable and other liabilities		22,917,312	30,076,386
Takaful balances payable		1,060,509	1,060,509
Provision for income tax		2,173	2,173
Employees' end of service benefits		6,823,435	6,669,094
Total shareholders' liabilities		35,169,885	42,344,438
Shareholders' equity			
Share capital	12	255,279,020	255,279,020
Legal reserve	13	255,279,020	255,279,020
General reserve	14	75,477	75,477
Fair value reserve	15	(1,276,136)	2,179,238
Real estate reserve		28,236,722	28,236,722
Reserve for share of associates		22,919,981	28,025,661
Retained earnings		29,798,906	28,298,858
Total shareholders' equity		590,312,990	597,373,996
Total shareholders' liabilities and equity		625,482,875	639,718,434
Total policyholders' and shareholders' liabilities and equity		1,089,405,087	1,039,612,803

This condensed consolidated interim financial information was approved by the Group's Board of Directors on 30 April 2024 and signed on their behalf by:


Sheikh Abdullah Bin Ahmed Abdullah Al Thani
Chairman


Abdulla Ali Al-Assiri
Chief Executive Officer

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



Condensed consolidated statement of policyholders' revenues and expenses
For the three month period ended 31 March 2024

in Qatari Riyals

	For the three month period ended 31 March	
	2024 (Reviewed)	2023 (Reviewed) (Restated)
Takaful revenues		
Gross contributions	165,091,464	104,446,245
Retakaful share of gross contributions	(98,305,718)	(40,189,982)
Net retained contributions	66,785,746	64,256,263
Movement in unearned contributions	(15,324,730)	(19,531,040)
Net earned contributions	51,461,016	44,725,223
Retakaful commission and other takaful income	6,484,398	12,442,936
Change in deferred commission	(1,038,864)	525,677
Total takaful revenue	56,906,550	57,693,836
Takaful expenses		
Gross claims paid	(37,272,137)	(39,947,804)
Retakaful share of claims paid	12,969,266	12,941,825
Net claims paid	(24,302,871)	(27,005,979)
Movement in outstanding claims	(2,088,702)	2,423,598
Movement in claims incurred but not reported reserves	(502,261)	(1,313,468)
Commission and other takaful expenses	(9,774,895)	(9,863,417)
Total takaful expenses	(36,668,729)	(35,759,266)
Net surplus from takaful operations	20,237,821	21,934,570
Income from deposits	840,032	597,879
Dividend income	249,311	256,580
Rental income	306,000	306,000
Other income	-	117,779
Total surplus	21,633,164	23,212,808
Other expenses		
Wakala fees	(24,176,916)	(24,241,761)
Other expenses	(1,260,803)	(1,168,795)
Mudarabah fee	(976,741)	(812,317)
Total other expenses	(26,414,460)	(26,222,873)
Deficit of revenues over expenses	(4,781,296)	(3,010,065)



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 policyholders' surplus
For the three month period ended 31 March 2024

in Qatari Riyals

	For the three month period ended 31 March	
	2024 (Reviewed)	2023 (Reviewed) (Restated)
Retained surplus balance at the beginning of the period	28,103,677	31,366,221
Deficit for the period	(4,781,296)	(3,010,065)
Retained surplus balance at the end of the period	23,322,381	28,356,156



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 income statement
For the three month period ended 31 March 2024

in Qatari Riyals

	Notes	For the three month period ended 31 March	
		2024 (Reviewed)	2023 (Reviewed) (Restated)
Shareholders' revenues and expenses			
Claims paid		-	2,080
Re-insurance share of claims paid		-	-
Net claims paid		-	2,080
Movement in outstanding claims		-	-
Total insurance income		-	2,080
Surplus from insurance operations		-	2,080
Investments and other income			
Wakala fee		24,176,916	24,241,761
Mudarabah fee		976,741	812,317
Income from deposits and sukuks		2,360,353	1,621,776
Dividend income		2,940,309	2,368,470
Net realized gain on sale of investments		181,222	254,531
Share of result of associates		2,894,320	4,416,500
Rental income		2,989,340	3,145,190
Other income		250,511	205,616
Total investment and other income		36,769,712	37,066,161
Expenses			
General and administrative expenses	16	(9,068,953)	(8,239,712)
Depreciation		(632,311)	(561,743)
Amortization of deferred ijarah		(40,580)	(41,059)
Total expenses		(9,741,844)	(8,842,514)
Net income		27,027,868	28,225,727
Basic and diluted earnings per share (QR per share)	20	0.106	0.111



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

**Condensed consolidated statement of comprehensive income
For the three month period ended 31 March 2024**

in Qatari Riyals

	For the three month period ended 31 March	
	2024 (Reviewed)	2023 (Reviewed) (Restated)
Net income	27,027,868	28,225,727
Other comprehensive income (OCI)		
<i>Items that may be subsequently classified to consolidated income statement</i>		
Fair value changes of equity-type investments classified as fair value through other comprehensive income	(2,445,122)	(3,613,912)
Net change in the share of other comprehensive income of investment in associates	(1,010,252)	(3,608,537)
Total other comprehensive income / (loss) for the period	(3,455,374)	(7,222,449)
Total comprehensive income for the period	23,572,494	21,003,278



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 three month period ended 31 March 2024

in Qatari Riyals

	Share capital	Legal reserve	General reserve	Fair value reserve	Real estate reserve	Reserve for share of profits of associates	Retained earnings	Total
Balance at 1 January 2024 (Audited)	255,279,020	255,279,020	75,477	2,179,238	28,236,722	28,025,661	28,298,858	597,373,996
Net income for the period	-	-	-	-	-	-	27,027,868	27,027,868
Movement in fair value reserve	-	-	-	(2,445,122)	-	-	-	(2,445,122)
Movement in fair value reserve of Associate	-	-	-	(1,010,252)	-	-	-	(1,010,252)
Transfer to reserve for share of profits of associates	-	-	-	-	-	(5,105,680)	5,105,680	-
Dividends (Note 21)	-	-	-	-	-	-	(30,633,500)	(30,633,500)
Balance as at 31 March 2024 (Reviewed)	255,279,020	255,279,020	75,477	(1,276,136)	28,236,722	22,919,981	29,798,906	590,312,990
Balance at 1 January 2023	255,279,020	251,598,182	75,477	(2,180,972)	30,193,722	19,024,059	3,548,998	557,538,486
Net income for the period (Restated)	-	-	-	-	-	-	28,225,727	28,225,727
Movement in fair value reserve	-	-	-	(3,613,912)	-	-	-	(3,613,912)
Movement in fair value reserve of Associate	-	-	-	(3,608,537)	-	-	-	(3,608,537)
Transfer to reserve for share of profits of associates	-	-	-	-	-	416,500	(416,500)	-
Dividends (Note 21)	-	-	-	-	-	-	(25,527,920)	(25,527,920)
Balance as at 31 March 2023 (Reviewed) (Restated) (Note 25)	<u>255,279,020</u>	<u>251,598,182</u>	<u>75,477</u>	<u>(9,403,421)</u>	<u>30,193,722</u>	<u>19,440,559</u>	<u>5,830,305</u>	<u>553,013,844</u>



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

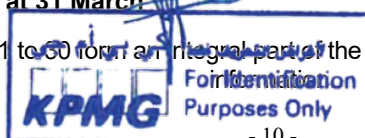
Al Khaleej Takaful Insurance Company Q.P.S.C.

**Condensed consolidated statement of cash flows
For the three month period ended 31 March 2024**

in Qatari Riyals

Note	For the three month period ended	
	31 March	
	2024 (Reviewed)	2023 (Reviewed) (Restated)
Cash flows from operating activities		
Net income for the period	27,027,868	28,225,727
Policyholders' deficit for the period	(4,781,296)	(3,010,065)
	<u>22,246,572</u>	<u>25,215,662</u>
<i>Adjustments for:</i>		
Depreciation of fixed assets and right-of-use assets	632,311	561,743
Amortization of deferred ijarah cost	40,580	41,059
Income from deposits and sukuks	(3,200,385)	(2,219,655)
Dividend income	(3,189,620)	(2,625,050)
Rental income	(3,295,340)	(3,451,190)
Net realized gain on sale of investments	(181,222)	(254,531)
Share of results from associate	(2,894,320)	(4,416,500)
Provision for employees' end of service benefits	154,341	150,285
	<u>10,312,917</u>	<u>13,001,823</u>
Operating profit before working capital changes		
<i>Changes in:</i>		
Takaful balances receivable	(4,250,787)	(7,991,065)
Retakaful balances receivable	(9,690,807)	(10,953,380)
Retakaful contract assets	(40,077,309)	(16,770,486)
Deferred commission	(231,615)	(4,820,832)
Other receivable and prepayments	(1,651,302)	1,125,707
Takaful contract liabilities	57,993,002	35,191,396
Deferred commission income	1,270,479	4,295,155
Accounts payable and other liabilities	(707,891)	(12,732,501)
Takaful balances payable	853,755	(1,644,016)
Retakaful balances payable	<u>2,220,935</u>	<u>6,523,391</u>
	<u>16,041,377</u>	<u>5,225,192</u>
Cash generated from operating activities		
Employees' end of service benefits paid	-	(6,792)
	<u>16,041,377</u>	<u>5,218,400</u>
Net cash generated from operating activities		
Cash flows from investing activities		
Additions of investment at fair value through other comprehensive income	(7,021,022)	(6,388,649)
Proceeds from disposal of investment at fair value through other comprehensive income	5,273,656	2,836,589
Additions of investment at fair value through income statement	-	(656,177)
Proceeds from disposal of investment at fair value through income statement	-	708,793
Net movement in sukuks at amortised cost	(106,305)	-
Acquisition of fixed assets	(20,825)	(438,662)
Income from deposits and sukuks received	3,200,385	2,219,655
Dividend income received	3,189,620	2,625,050
Dividend received from associates	8,000,000	4,000,000
Rental income	3,295,340	3,451,190
Net movement in term deposits	15,000,000	6,350,000
	<u>30,810,849</u>	<u>14,707,789</u>
Net cash generated from investing activities		
Cash flows from financing activities		
Dividends paid to shareholders	(30,771,030)	(22,173,842)
Payment of ijarah liabilities	(210,400)	(424,220)
	<u>(30,981,430)</u>	<u>(22,598,062)</u>
Net cash used in financing activities		
Net increase / (decrease) in cash and cash equivalents		
Cash and cash equivalents at 1 January	73,848,806	70,052,895
Cash and cash equivalents at 31 March	<u>6</u> <u>89,719,602</u>	<u>67,381,022</u>

The notes from pages 11 to 50 form an integral part of the condensed consolidated interim financial



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

Notes to the condensed consolidated interim financial information For the three month period ended 31 March 2024

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 Takaful and other investments.

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.

*The subsidiary of the Group is in the process of liquidation in accordance with the Qatar Central Bank’s circular No. 2 of 2023.

This condensed consolidated interim financial information were authorized for issue in accordance with a resolution of the Board of Directors on 30 April 2024.

2. BASIS OF PREPARATION

a) Statement of compliance and preparation

This condensed consolidated interim financial information has been prepared in accordance with FAS 41, “Interim Financial Reporting. For matters that are not covered by FAS issued by the Accounting and Auditing Organization for Islamic Financial Institutions (“AAOIFI”), the Group uses the guidance from the relevant IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”).

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

The condensed consolidated interim financial information is 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 does 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, 2023. In addition, results for the three month period ended March 31, 2024 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2024.

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 2023.

2. BASIS OF PREPARATION (CONTINUED)

i. 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 2023.

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 2023, 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 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.

The Group has adopted the standard and applied changes in certain presentation and disclosures in condensed consolidated interim financial information for the period. The adoption of this standard did not have any significant impact on recognition and measurement on this condensed consolidated interim financial information.

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 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ii. 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, 2023.

5. SHARI'A SUPERVISORY BOARD

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

6. CASH AND BANK BALANCES

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

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

	31 March 2024	31 December 2023
	(Reviewed)	(Audited)
Policyholders		
Cash in hand	1,505,172	619,460
Investment deposits (Islamic banks)* (1)	50,950,000	40,950,000
Call accounts (Islamic banks) (2)	20,716,579	22,920,583
Current accounts (3)	<u>2,317,423</u>	<u>1,222,979</u>
Total	<u>75,489,174</u>	<u>65,713,022</u>
Shareholders		
Cash on hand	1,000	1,000
Investment deposits (Islamic banks)* (1)	103,750,000	128,750,000
Call accounts (Islamic banks) (2)	21,547,765	3,355,577
Current accounts (3)	<u>43,631,663</u>	<u>45,729,207</u>
Total	<u>168,930,428</u>	<u>177,835,784</u>
Total cash and bank balances	244,419,602	243,548,806
Less: deposits with original maturity of more than three months	<u>(154,700,000)</u>	<u>(169,700,000)</u>
Total cash and cash equivalents	<u>89,719,602</u>	<u>73,848,806</u>

- (1) Investment deposits earn profit at rates ranging from 5.70% to 6.15% (31 December 2023: 2.65% to 5.80%).
- (2) Call accounts earn profit at rates ranging from 0.25% to 0.75% (31 December 2023: 0.25% to 0.75%).
- (3) Included in current accounts non-Islamic bank accounts used for the policyholder's contributions paid by credit cards.

*Investment deposits includes deposit kept in Islamic Banks which is due to be matured in December 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

	31 March 2024		31 December 2023	
	(Reviewed)		(Audited)	
	Policyholders	Shareholders	Policyholders	Shareholders
Gross insurance/takaful contract liabilities				
Claims reported unsettled	114,044,169	400,000	116,905,750	400,000
Claims incurred but not reported and other technical reserves	38,226,434	-	46,008,730	-
Unearned contributions and mathematical reserves	201,809,222	-	133,172,343	-
Deferred commissions	10,546,622	-	9,276,143	-
Total	364,626,447	400,000	305,362,966	400,000
Reinsurers' / Retakaful share of insurance/takaful liabilities				
Claims reported unsettled	83,733,182	398,721	88,683,465	398,721
Claims incurred but not reported and other technical reserves	18,535,772	-	26,820,329	-
Unearned contributions and mathematical reserves	104,734,872	-	51,422,723	-
Deferred commissions	10,898,011	-	10,666,396	-
Total	217,901,837	398,721	177,592,913	398,721
Net insurance/takaful liabilities				
Claims reported unsettled	30,310,987	1,279	28,222,285	1,279
Claims incurred but not reported and other technical reserves	19,690,662	-	19,188,401	-
Unearned contributions and mathematical reserves	97,074,350	-	81,749,620	-
Deferred commissions	(351,389)	-	(1,390,253)	-
Total	146,724,610	1,279	127,770,053	1,279

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

Notes to the condensed consolidated interim financial information
For the three month period ended 31 March 2024

in Qatari Riyals

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

7.1 Movement in Retakaful Contract Assets and Takaful Contract Liabilities

	31 March 2024 (Reviewed)					
	Policyholders			Shareholders		
	Gross takaful liabilities	Retakaful contract assets	Net	Gross takaful liabilities	Retakaful contract assets	Net
At January 1						
Reported claims	116,905,750	88,683,465	28,222,285	400,000	398,721	1,279
Unearned contributions and mathematical reserves	133,172,343	51,422,723	81,749,620	-	-	-
IBNR and other technical reserves	46,008,730	26,820,329	19,188,401	-	-	-
Total	296,086,823	166,926,517	129,160,306	400,000	398,721	1,279
<i>Movement during the period</i>						
Reported claims	(2,861,581)	(4,950,283)	2,088,702	-	-	-
Unearned contributions and mathematical reserves	68,636,879	53,312,149	15,324,730	-	-	-
IBNR and other technical reserves	(7,782,296)	(8,284,557)	502,261	-	-	-
Total	57,993,002	40,077,309	17,915,693	-	-	-
Balances at 31 March 2024						
Reported claims	114,044,169	83,733,182	30,310,987	400,000	398,721	1,279
Unearned contributions and mathematical reserves	201,809,222	104,734,872	97,074,350	-	-	-
IBNR and other technical reserves	38,226,434	18,535,772	19,690,662	-	-	-
Total	354,079,825	207,003,826	147,075,999	400,000	398,721	1,279

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

Notes to the condensed consolidated interim financial information
For the three month period ended 31 March 2024

in Qatari Riyals

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

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

31 December 2023

(Audited)

	Policyholders			Shareholders		
	Gross takaful liabilities	Retakaful contract assets	Net	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	-	-	-
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>
<i>Movement during the year</i>						
Reported claims	20,608,003	30,321,620	(9,713,617)	-	-	-
Unearned contributions and mathematical reserves	6,518,292	5,640,622	877,670	-	-	-
IBNR and other technical reserves	(993,900)	(401,459)	(592,441)	-	-	-
Total	<u>26,132,395</u>	<u>35,560,783</u>	<u>(9,428,388)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balances at 31 December 2023						
Reported claims	116,905,750	88,683,465	28,222,285	400,000	398,721	1,279
Unearned contributions and mathematical reserves	133,172,343	51,422,723	81,749,620	-	-	-
IBNR and other technical reserves	46,008,730	26,820,329	19,188,401	-	-	-
Total	<u>296,086,823</u>	<u>166,926,517</u>	<u>129,160,306</u>	<u>400,000</u>	<u>398,721</u>	<u>1,279</u>

8. INVESTMENTS SECURITIES

	31 March 2024 (Reviewed)		31 December 2023 (Audited)	
	Policyholders	Shareholders	Policyholders	Shareholders
Investments at amortized cost (i)				
Quoted debt investments				
State of Qatar Sukuk	-	3,442,149	-	3,409,254
Foreign Sukuk	-	23,346,247	-	23,341,117
Total (a)	-	26,788,396	-	26,750,371
Unquoted debt investments				
State of Qatar Sukuk	-	5,218,262	-	5,173,337
Foreign Sukuk	-	3,379,999	-	3,356,644
Total (b)	-	8,598,261	-	8,529,981
Total investments at amortized cost (a+b) (1)	-	35,386,657	-	35,280,352
Investments at fair value through other comprehensive income				
Quoted equity investments (ii)				
Local equity shares*	15,733,950	56,824,940	15,559,183	59,974,168
Foreign equity shares	483,054	966,109	500,506	1,001,013
Other equity investment	-	38,924,580	-	36,256,982
Total (a)	16,217,004	96,715,629	16,059,689	97,232,163
Unquoted equity investments (iii)				
Local equity shares	-	18,747,140	-	18,747,140
Foreign equity shares	-	-	-	-
Total (b)	-	18,747,140	-	18,747,140
Total investments at fair value through other comprehensive income (a+b) (2)	16,217,004	115,462,769	16,059,689	115,979,303
Investments at fair value through income statement				
Investments (iv) (3)	-	7,300,000	-	7,300,000
Total investment securities (1+2+3)	16,217,004	158,149,426	16,059,689	158,559,655

- (i) The quoted investments constitute mainly securities listed in Qatar Stock Exchange.
(ii) The unquoted investments represent investments in companies in which the Group is a founding shareholder.
(iii) Investments at fair value through income statement represents investment funds managed by Q-Invest SQN income fund has stated interest rate of 7% per annum (2023 :7% per annum) and is due to be mature in October 2024.

*Investments in equity includes shareholders quoted investment amounting to QR 1,687,500 that is frozen and therefore not immediately disposable.

8. INVESTMENTS SECURITIES (CONTINUED)

The movement in investments at amortized cost is as follows:

	31 March 2024		31 December 2023	
	Policyholders	Shareholders	Policyholders	Shareholders
Balance at 1 January	-	35,280,352	-	-
Accrued income	-	106,305	-	-
Addition during the year	-	-	-	35,280,352
Balance at end of period / year	-	35,386,657	-	35,280,352

The management of the Group estimates the loss allowance on investments at amortized cost with at the end of the reporting period at an amount equal to 12-month ECL. None of the investments at amortized 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 issuers, the management of the Group have assessed that there is no impairment, and hence have not recorded any loss allowances on these investments.

The movement in investments at fair value through other comprehensive income is as follows:

	31 March 2024		31 December 2023	
	Policyholders	Shareholders	Policyholders	Shareholders
Balance at 1 January	16,059,689	115,979,303	17,205,614	102,445,939
Additions	-	7,021,022	-	23,183,562
Disposals	-	(5,092,434)	-	(11,729,175)
Impairment	-	-	(1,042,128)	(5,830,467)
Changes in fair value	157,315	(2,445,122)	(103,797)	7,909,444
Balance at end of period / year	16,217,004	115,462,769	16,059,689	115,979,303

The movement in investments at fair value through income statement is as follows:

	31 March 2024		31 December 2023	
	Policyholders	Shareholders	Policyholders	Shareholders
Balance at 1 January	-	7,300,000	-	7,300,000
Addition	-	-	-	656,177
Redemptions	-	-	-	(656,177)
Balance at end of period / year	-	7,300,000	-	7,300,000

Note 1:

Investments at amortized cost, investments at fair value through other comprehensive income and investments at fair value through income statement are presented in the consolidated statement of financial position as follows:

	31 March 2024		31 December 2023	
	Policyholders	Shareholders	Policyholders	Shareholders
Investments securities	16,217,004	158,149,426	16,059,689	158,559,655

9. INVESTMENT PROPERTIES

Investment properties comprise investment in lands and buildings acquired to earn rental income and for capital appreciation from such properties.

	31 March 2024		31 December 2023	
	Policyholders	Shareholders	Policyholders	Shareholders
Balance at 1 January	28,739,797	205,859,103	28,448,600	211,478,476
Addition	-	-	-	22,100
Disposal	-	-	-	(1,534,470)
Changes in fair value	-	-	291,197	(4,107,003)
Balance at 31 March / 31 December	<u>28,739,797</u>	<u>205,859,103</u>	<u>28,739,797</u>	<u>205,859,103</u>

As at 31 March 2024, the fair value of the Group's investment properties has been arrived on the basis of a valuation carried out as at 31 December 2023 by external, independent property valuers, having appropriate recognised 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 the valuation. The estimated fair value of the above investment properties as at 31 March 2024 amounted to QR 234.59 million (31 December 2023: QR 234.59 million), and the management believes that the fair value as at 31 March 2024 does not materially differ from the fair value on 31 December 2023 had the fair valuation been carried out on that date.

- (i) The Group has no restriction on the realizability of its investment properties and has no contractual liabilities either to purchase, construct or develop investment.
- (ii) Used valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied. The valuer used the market comparable approach for land and the depreciated replacement cost approach for commercial, residential and industrial properties.

10. PROPERTY AND EQUIPMENT

a) Policyholders	Computer	Total
Cost:		
Balance as at 1 January 2023 / 31 December 2023 / 31 March 2024	2,777,628	2,777,628
Accumulated Depreciation:		
Balance as at 1 January 2023 / 31 December 2023 / 31 March 2024	2,777,628	2,777,628
Balance as at 1 January 2023 / 31 December 2023 / 31 March 2024	-	-

10. PROPERTY AND EQUIPMENT (CONTINUED)

b) Shareholders	<u>Computer and equipment</u>	<u>Furniture and fixtures</u>	<u>Motor vehicle</u>	<u>Total</u>
Cost:				
Balance at 1 January 2023	10,187,650	10,255,287	503,000	20,945,937
Additions during the year	855,051	940,698	568,000	2,363,749
Disposals during the year	-	-	(470,000)	(470,000)
Balance at 31 December 2023 (Audited)	11,042,701	11,195,985	601,000	22,839,686
Additions during the period	16,450	4,375	-	20,825
Disposals during the period	-	-	-	-
Balance at 31 March 2024 (Reviewed)	<u>11,059,151</u>	<u>11,200,360</u>	<u>601,000</u>	<u>22,860,511</u>
Accumulated Depreciation:				
Balance at 1 January 2023	6,782,895	9,731,032	275,715	16,789,642
Additions during the year	873,260	475,325	145,004	1,493,589
Disposals during the year	-	-	(314,020)	(314,020)
Balance at 31 December 2023 (Audited)	7,656,155	10,206,357	106,699	17,969,211
Additions during the period	235,666	149,151	30,051	414,868
Disposals during the period	-	-	-	-
Balance at 31 March 2024 (Reviewed)	<u>7,891,821</u>	<u>10,355,508</u>	<u>136,750</u>	<u>18,384,079</u>
Carrying amounts				
Balance at 31 December 2023 (Audited)	<u>3,386,546</u>	<u>989,628</u>	<u>494,301</u>	<u>4,870,475</u>
Balance at 31 March 2024 (Reviewed)	<u>3,167,330</u>	<u>844,852</u>	<u>464,250</u>	<u>4,476,432</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.

<u>Name of Associate</u>	<u>Principal Activity</u>	<u>Country of incorporation</u>	<u>2024</u>	<u>2023</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%
			31 March 2024	31 December 2023
			(Reviewed)	(Audited)
Balance as at 1 January			57,624,756	52,172,388
Share of profit for the period / year			2,894,320	15,633,815
Dividends received during the period / year			(8,000,000)	(6,632,213)
Movement in fair value reserve			(1,010,252)	(3,549,234)
At 31 December 2023 / 31 March 2024			<u>51,508,824</u>	<u>57,624,756</u>

12. SHARE CAPITAL

	31 March 2024	31 December 2023
	(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 period 2024 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:

	31 March 2024		31 December 2023	
	Policyholders	Shareholders	Policyholders	Shareholders
Quoted investments				
At 1 January	6,491,796	543,403	6,595,593	(7,366,041)
<i>Net movement during the period / year</i>				
Disposal of investments	-	(7,057)	-	274,677
Fair value change during the period / year	157,315	(2,438,065)	(103,797)	7,634,767
At 31 March /31 December (1)	<u>6,649,111</u>	<u>(1,901,719)</u>	<u>6,491,796</u>	<u>543,403</u>
Unquoted investments				
At 1 January	-	-	-	-
Net movement	-	-	-	-
At 31 March /31 December (2)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investment in Associates				
At 1 January	-	1,635,835	-	5,185,069
Movement in fair value reserve of associate	-	(1,010,252)	-	(3,549,234)
At 31 March /31 December (3)	<u>-</u>	<u>625,583</u>	<u>-</u>	<u>1,635,835</u>
At 31 March /31 December (1+2+3)	<u>6,649,111</u>	<u>(1,276,136)</u>	<u>6,491,796</u>	<u>2,179,238</u>

16. GENERAL AND ADMINISTRATION EXPENSES

	31 March 2024	31 March 2023
	(Reviewed)	(Reviewed)
Staff costs	6,656,953	5,863,402
Governmental expenses	525,703	493,065
Repair and maintenance	145,955	420,807
Investment properties operating expenses	376,336	254,037
Marketing and advertising	307,557	185,456
Professional fees	198,266	199,850
Electricity and water and postal expenses	280,559	224,979
Refreshment and stationery	82,739	154,772
Sharia supervisory board fee	50,000	50,000
Bank charges	113,334	108,119
Miscellaneous	331,551	285,225
	<u>9,068,953</u>	<u>8,239,712</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.

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. The management of the Group have assessed that the amount of income tax expenses is not material, hence have not recorded any expenses in this condensed consolidated interim financial information.

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:

	31 March 2024		31 March 2023	
	(Reviewed)		(Reviewed)	
	Contributions	Claims	Contributions	Claims
Board of Directors	<u>51,507</u>	-	<u>949,446</u>	-

(b) Compensation of key management personnel:

	31 March 2024	31 March
	(Reviewed)	2023
		(Reviewed)
Salaries and other short-term benefits	1,096,075	979,432
Employees' end of service benefit for the period	13,496	13,348
	<u>1,109,571</u>	<u>992,780</u>

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

Notes to the condensed consolidated interim financial information
For the three month period ended 31 March 2024

in Qatari Riyals

19. SEGMENT REPORTING

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

	<u>Marine & Aviation</u>	<u>Fire & General accident</u>	<u>Motor</u>	<u>Takaful & Medical</u>	<u>Total</u>
<i>For the period ended March 31, 2024 (Reviewed):</i>					
Gross contributions	2,133,699	30,434,574	32,010,367	100,512,824	165,091,464
Retakaful share of gross contributions	<u>(1,370,322)</u>	<u>(23,345,041)</u>	<u>(1,755,234)</u>	<u>(71,835,121)</u>	(98,305,718)
Retained contributions	763,377	7,089,533	30,255,133	28,677,703	66,785,746
Movement in unearned contributions	<u>92,164</u>	<u>(2,389,669)</u>	<u>(3,151,178)</u>	<u>(9,876,047)</u>	(15,324,730)
Net retained contributions	855,541	4,699,864	27,103,955	18,801,656	51,461,016
Retakaful commission and other takaful income	287,534	5,301,515	652,264	243,085	6,484,398
Change in deferred commission	<u>109,287</u>	<u>(1,378,705)</u>	<u>(152,896)</u>	<u>383,450</u>	(1,038,864)
Total insurance revenue (1)	<u>1,252,362</u>	<u>8,622,674</u>	<u>27,603,323</u>	<u>19,428,191</u>	<u>56,906,550</u>
Gross claims paid	(92,216)	(6,175,725)	(12,658,141)	(18,346,055)	(37,272,137)
Retakaful share of claims paid	<u>84,926</u>	<u>5,597,284</u>	<u>472,895</u>	<u>6,814,161</u>	12,969,266
Net claims	(7,290)	(578,441)	(12,185,246)	(11,531,894)	(24,302,871)
Movement in outstanding claims	(231,290)	526,404	(2,486,853)	103,037	(2,088,702)
Movement in claims incurred but not reported reserves	<u>317,899</u>	<u>696,467</u>	<u>(725,297)</u>	<u>(791,330)</u>	(502,261)
Net claims incurred (2)	<u>79,319</u>	<u>644,430</u>	<u>(15,397,396)</u>	<u>(12,220,187)</u>	<u>(26,893,834)</u>
Commission and other takaful expenses (3)	(156,864)	(1,963,550)	(5,582,162)	(2,072,319)	(9,774,895)
Net surplus from insurance operations (1+2+3)	<u>1,174,817</u>	<u>7,303,554</u>	<u>6,623,765</u>	<u>5,135,685</u>	<u>20,237,821</u>

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

Notes to the condensed consolidated interim financial information
For the three month period ended 31 March 2024

in Qatari Riyals

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 March 31, 2023</i>					
<i>(Reviewed):</i>					
Gross contributions	2,924,057	28,868,097	32,708,900	39,945,191	104,446,245
Retakaful share of gross contributions	(1,925,473)	(23,129,296)	(1,842,743)	(13,292,470)	(40,189,982)
Retained contributions	998,584	5,738,801	30,866,157	26,652,721	64,256,263
Movement in unearned contributions	(422,608)	(2,555,108)	(4,624,532)	(11,928,792)	(19,531,040)
Net retained contributions	575,976	3,183,693	26,241,625	14,723,929	44,725,223
Retakaful commission and other takaful income	892,747	10,317,154	1,029,865	203,170	12,442,936
Change in deferred commission	(1,966)	(3,219,133)	2,497,339	1,249,437	525,677
Total insurance revenue (1)	1,466,757	10,281,714	29,768,829	16,176,536	57,693,836
Gross claims paid	(201,741)	(5,818,083)	(15,605,885)	(18,320,015)	(39,945,724)
Retakaful share of claims paid	197,942	4,848,925	547,801	7,347,157	12,941,825
Net claims	(3,799)	(969,158)	(15,058,084)	(10,972,858)	(27,003,899)
Movement in outstanding claims	(49,106)	502,097	2,927,029	(956,422)	2,423,598
Movement in claims incurred but not reported reserves	17,483	(219,465)	(280,015)	(831,471)	(1,313,468)
Net claims incurred (2)	(35,422)	(686,526)	(12,411,070)	(12,760,751)	(25,893,769)
Commission and other takaful expenses (3)	(173,899)	(1,387,467)	(5,532,882)	(2,769,169)	(9,863,417)
Net surplus from insurance operations (1+2+3)	1,257,436	8,207,721	11,824,877	646,616	21,936,650

19. SEGMENT REPORTING (CONTINUED)

(b) Business segments

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

For the period ended 31 March 2024:

	<u>Underwriting</u>	<u>Investments</u>	<u>Real Estate</u>	<u>Unallocated</u>	<u>Total</u>
Net income	20,237,821	9,465,547	3,037,317	(10,494,113)	22,246,572
Total assets	405,788,996	225,875,254	262,309,359	195,431,478	1,089,405,087
Total liabilities	402,280,232	-	3,966,456	62,873,917	469,120,605

For the period ended 31 March 2023 / year ended 31 December 2023:

	<u>Underwriting</u>	<u>Investments</u>	<u>Real Estate</u>	<u>Unallocated</u>	<u>Total</u>
Net income (Restated)	21,936,650	9,515,736	3,192,688	(9,429,412)	25,215,662
Total assets	341,762,326	232,244,100	262,526,802	203,079,575	1,039,612,803
Total liabilities	339,942,061	-	4,136,276	63,564,997	407,643,334

(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 March	
	2024 (Reviewed)	2023 (Reviewed) (Restated)
Profit attributable to shareholders	27,027,868	28,225,727
Weighted average number of ordinary shares*	255,279,020	255,279,020
Basic earnings per share (QR)	<u>0.106</u>	<u>0.111</u>

*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 17 March 2024 to distribute cash dividends of QR 0.12 per share amounting to QR 30,633,500 for the financial year ended 31 December 2023.

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 for the financial year ended 31 December 2022.

22. MUDARABAH AND WAKALA FEES

Mudarabah fees are calculated at a rate of 70% (2023: 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% (2023: 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.

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

Notes to the condensed consolidated interim financial information
For the three month period ended 31 March 2024

in Qatari Riyals

23. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classification and fair values

As at 31 March 2024 (reviewed):

	Carrying Value			Total carrying amount	Fair Value		
	Fair value through equity	Amortized cost	Financial liabilities		Level 1	Level 2	Level 3
Financial assets measured at fair value							
Policyholders							
Investments at fair value through other comprehensive income	16,217,004	-	-	16,217,004	16,217,004		
Financial assets not measured at fair value							
Bank balances and time deposits	-	75,489,174	-	75,489,174			
Takaful balances receivable	-	52,462,340	-	52,462,340			
Retakaful balances receivable	-	59,536,924	-	59,536,924			
Other receivables and prepayments	-	13,575,136	-	13,575,136			
Financial liabilities not measured at fair value							
Takaful payable balance	-	-	(17,787,493)	(17,787,493)			
Retakaful payable balance	-	-	(18,405,783)	(18,405,783)			
Accounts payable and other liabilities	-	-	(33,130,997)	(33,130,997)			
Financial assets measured at fair value							
Shareholders							
Investments at fair value through other comprehensive income	115,462,769	-	-	115,462,769	96,715,629		18,747,140
Investments at fair value through income statement	7,300,000	-	-	7,300,000		7,300,000	
Financial assets not measured at fair value							
Bank balances and time deposits	-	168,930,428	-	168,930,428			
Other receivables and prepayments	-	8,449,482	-	8,449,482			
Investment in sukuk at amortised costs	-	35,386,657	-	35,386,657			
Financial liabilities not measured at fair value							
Takaful payable balance	-	-	(1,060,509)	(1,060,509)			
Accounts payable and other liabilities	-	-	(22,917,312)	(22,917,312)			
Employees' end of service benefits	-	-	(6,823,435)	(6,823,435)			
	138,979,773	413,830,141	(100,125,529)	452,684,385			

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

**Notes to the condensed consolidated interim financial information
For the three month period ended 31 March 2024**

in Qatari Riyals

23. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classification and fair values (continued)

As at 31 December 2023 (Audited):

	Carrying Value				Fair Value		
	Fair value through equity	Amortized cost	Financial liabilities	Total carrying amount	Level 1	Level 2	Level 3
Assets measured at fair value							
Policyholders							
Investments at fair value through equity	16,059,689	-	-	16,059,689	16,059,689		
Assets not measured at fair value							
Bank balances and time deposits	-	65,713,022	-	65,713,022			
Takaful balances receivable	-	48,211,553	-	48,211,553			
Retakaful balances receivable	-	49,846,117	-	49,846,117			
Other receivables and prepayments	-	13,731,278	-	13,731,278			
Liabilities not measured at fair value							
Takaful balances payable	-	-	(16,933,738)	(16,933,738)			
Retakaful balances payable	-	-	(16,184,848)	(16,184,848)			
Accounts payable and other liabilities	-	-	(26,817,344)	(26,817,344)			
Assets measured at fair value							
Shareholders							
Investments at fair value through equity	115,979,303	-	-	115,979,303	97,232,163		18,747,140
Investments at fair value through income statement	7,300,000	-	-	7,300,000		7,300,000	
Assets not measured at fair value							
Bank balances and time deposits	-	177,835,784	-	177,835,784			
Other receivables and prepayments	-	6,642,038	-	6,642,038			
Investment in sukuk at amortised costs	-	35,280,352	-	35,280,352			
Liabilities not measured at fair value							
Takaful balances payable	-	-	(1,060,509)	(1,060,509)			
Accounts payable and other liabilities	-	-	(30,076,386)	(30,076,386)			
Employees' end of service benefits	-	-	(6,669,094)	(6,669,094)			
	<u>139,338,992</u>	<u>397,260,144</u>	<u>(97,741,919)</u>	<u>438,857,217</u>			

During the period ended 31 March 2024 and year ended 31 December 2023, 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	
	31 March 2024 (Reviewed)	31 December 2023 (Audited)	31 March 2024 (Reviewed)	31 December 2023 (Audited)
At the beginning of the period / year	-	-	18,747,140	18,747,140
Fair value losses during the period / year	-	-	-	-
Redemption during the period / year	-	-	-	-
At the ending of the period / year	-	-	18,747,140	18,747,140

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. RESTATEMENT OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The comparative figures for the three month period ended 31 March 2023 have been restated due to the following:

Management decided to change the measurement method of its investment properties and apply the fair value model effective on 1 January 2023. Previously, the Group measured its investment properties using the cost model. The change in the accounting policy has been applied retrospectively. The effects of the restatement to the condensed consolidated statement of policyholders' revenues and expenses and the condensed consolidated income statement are summarised below:

Effect on the condensed consolidated statement of policyholders' revenue and expenses:

	As previously reported for three month period ended 31 March 2023	Adjustments	As restated for three month period ended 31 March 2023
Depreciation	(215,139)	215,139	-

Effect on the condensed consolidated income statement:

	As previously reported for three month period ended 31 March 2023	Adjustments	As restated for three month period ended 31 March 2023
Depreciation	(1,507,305)	945,562	(561,743)

26. 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.