

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

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

**Condensed Consolidated Interim Financial Information
30 June 2024**

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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 30 June 2024 condensed consolidated interim financial information of Al Khaleej Takaful Insurance Company Q.P.S.C. (the "Company") and its subsidiaries (together the "Group"), which includes:

- The condensed consolidated statement of financial position as at 30 June 2024;
- The condensed consolidated statement of policyholders' revenues and expenses for the three-month and six-month periods ended 30 June 2024;
- The condensed consolidated statement of policyholders' surplus for the six-month period ended 30 June 2024;
- The condensed consolidated income statement for the three-month and six-month periods ended 30 June 2024;
- The condensed consolidated statement of comprehensive income for the three-month and six-month periods ended 30 June 2024;
- The condensed consolidated statement of changes in shareholders' equity for the six-month period ended 30 June 2024;
- The condensed consolidated statement of cash flows for the six-month period ended 30 June 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 30 June 2024 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with FAS 41, "Interim Financial Reporting".

31 July 2024
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 2024**

in Qatari Riyals

	Notes	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Policyholders' assets			
Cash and cash equivalents	6	41,125,857	24,763,022
Time deposits	6	40,950,000	40,950,000
Investment securities	8	14,887,497	16,059,689
Takaful balances receivable		50,905,762	48,211,553
Retakaful balances receivable		52,731,297	49,846,117
Retakaful contract assets	7	195,080,753	166,926,517
Deferred commission	7	11,399,091	10,666,396
Other receivables and prepayments		16,990,035	13,731,278
Investment properties	9	28,739,797	28,739,797
Total policyholders' assets		452,810,089	399,894,369
Shareholders' assets			
Cash and cash equivalents	6	44,305,690	49,085,784
Time deposits	6	133,749,901	128,750,000
Investment securities	8	163,401,122	158,559,655
Retakaful contract assets	7	398,721	398,721
Other receivables and prepayments		38,140,707	6,642,038
Right-of-use assets		27,493,016	27,927,902
Investment properties	9	205,859,103	205,859,103
Property and equipment	10	5,097,102	4,870,475
Investment in associate	11	10,720,767	57,624,756
Total shareholders' assets		629,166,129	639,718,434
Total policyholders' and shareholders' assets		1,081,976,218	1,039,612,803

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



The notes from pages 12 to 33 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 2024

in Qatari Riyals

	Notes	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Policyholder's equity			
Retained surplus		22,608,507	28,103,677
Fair value reserve	15	5,454,893	6,491,796
Total policyholders' equity		28,063,400	34,595,473
Policyholder's liabilities			
Takaful contract liabilities	7	335,556,437	296,086,823
Deferred commission income	7	11,327,888	9,276,143
Accounts payable and other liabilities		33,008,706	26,817,344
Takaful balances payable		16,764,945	16,933,738
Retakaful balances payable		28,088,713	16,184,848
Total policyholders' liabilities		424,746,689	365,298,896
Total policyholders' equity and liabilities		452,810,089	399,894,369
Shareholders' liabilities			
Takaful contract liabilities	7	400,000	400,000
Ijarah liabilities		4,006,913	4,136,276
Accounts payable and other liabilities		22,562,588	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		7,273,489	6,669,094
Total shareholders' liabilities		35,305,672	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	(3,211,506)	2,179,238
Real estate reserve		28,236,722	28,236,722
Reserve for share of associates		4,152,211	28,025,661
Retained earnings		54,049,513	28,298,858
Total shareholders' equity		593,860,457	597,373,996
Total shareholders' liabilities and equity		629,166,129	639,718,434
Total policyholders' and shareholders' liabilities and equity		1,081,976,218	1,039,612,803

This condensed consolidated interim financial information was approved by the Group's Board of Directors on 31 July 2024 and signed on their behalf by:



Sheikh Mohamed Fahad M J Al Thani
Vice Chairman



Abdulla Ali Al-Assiri
Chief Executive Officer

The notes from pages 12 to 33 form an integral part of the condensed consolidated interim financial information.

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

Condensed consolidated statement of policyholders' revenues and expenses
For the three-month and six-month periods ended 30 June 2024

in Qatari Riyals

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2024 (Reviewed)	2023 (Reviewed) (Restated)	2024 (Reviewed)	2023 (Reviewed) (Restated)
Takaful revenues				
Gross contributions	97,650,327	80,831,621	262,741,791	185,277,866
Retakaful share of gross contributions	(57,662,620)	(40,687,903)	(155,968,338)	(80,877,885)
Net retained contributions	39,987,707	40,143,718	106,773,453	104,399,981
Movement in unearned contributions	6,786,901	8,479,750	(8,537,829)	(11,051,290)
Net earned contributions	46,774,608	48,623,468	98,235,624	93,348,691
Retakaful commission and other takaful income	9,552,813	7,048,732	16,037,211	19,491,668
Change in deferred commission	(280,186)	(803,169)	(1,319,050)	(277,492)
Total takaful revenue	56,047,235	54,869,031	112,953,785	112,562,867
Takaful expenses				
Gross claims paid	(42,548,437)	(36,460,877)	(79,820,574)	(76,408,681)
Retakaful share of claims paid	11,694,750	7,355,411	24,664,016	20,297,236
Net claims paid	(30,853,687)	(29,105,466)	(55,156,558)	(56,111,445)
Movement in outstanding claims	30,848	2,342,110	(2,057,854)	4,765,708
Movement in claims incurred but not reported reserves	(217,434)	1,166,982	(719,695)	(146,486)
Commission and other takaful expenses	(8,110,134)	(7,916,980)	(17,885,029)	(17,780,397)
Total takaful expenses	(39,150,407)	(33,513,354)	(75,819,136)	(69,272,620)
Net surplus from takaful operations	16,896,828	21,355,677	37,134,649	43,290,247
Income from deposits	884,421	602,179	1,724,453	1,200,058
Dividend income	632,909	578,190	882,220	834,770
Rental income	204,000	204,000	510,000	510,000
Other income	-	-	-	117,779
Total surplus	18,618,158	22,740,046	40,251,322	45,952,854
Other expenses				
Wakala fees	(16,873,038)	(17,571,162)	(41,049,954)	(41,812,923)
Other expenses	(1,213,477)	(1,186,024)	(2,474,280)	(2,354,819)
Mudarabah fees	(1,110,228)	(969,063)	(2,086,969)	(1,781,380)
Impairment loss on investments at fair value through other comprehensive income	(135,289)	-	(135,289)	-
Total other expenses	(19,332,032)	(19,726,249)	(45,746,492)	(45,949,122)
Surplus / (Deficit) of revenues over expenses	(713,874)	3,013,797	(5,495,170)	3,732



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

Condensed consolidated statement of policyholders' surplus
For the six-month period ended 30 June 2024

in Qatari Riyals

	For the six-month period ended 30 June	
	2024 (Reviewed)	2023 (Reviewed) (Restated)
Retained surplus balance at the beginning of the period	28,103,677	31,366,221
(Deficit) / Surplus for the period	(5,495,170)	3,732
Retained surplus balance at the end of the period	22,608,507	31,369,953



The notes from pages 12 to 33 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 and six-month periods ended 30 June 2024

in Qatari Riyals

	Notes	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2024	2023	2024	2023
		(Reviewed)	(Reviewed) (Restated)	(Reviewed)	(Reviewed) (Restated)
Shareholders' revenues and expenses					
Claims paid		-	38,229	-	40,309
Re-insurance share of claims paid		-	-	-	-
Net claims paid		-	38,229	-	40,309
Movement in outstanding claims		-	-	-	-
Total insurance income		-	38,229	-	40,309
Surplus from insurance operations		-	38,229	-	40,309
Investments and other income					
Wakala fees		16,873,038	17,571,162	41,049,954	41,812,923
Mudarabah fees		1,110,228	969,063	2,086,969	1,781,380
Income from deposits & sukuks		2,295,654	1,872,413	4,656,007	3,494,189
Dividend income		206,273	1,309,411	3,146,582	3,677,881
Net realized gain on sale of investments		428,271	4,465	609,493	258,996
Share of result of associates		-	-	2,894,320	4,416,500
Loss on sale of investment property		-	(49,470)	-	(49,470)
Rental income		2,977,240	3,122,440	5,966,580	6,267,630
Gain on sale of investment in associates		1,079,994	-	1,079,994	-
Other income		3,104,476	212,661	3,354,987	418,277
Total investment and other income		28,075,174	25,012,145	64,844,886	62,078,306
Expenses					
General and administrative expenses	16	(10,296,506)	(8,322,713)	(19,365,459)	(16,562,425)
Depreciation		(600,454)	(583,978)	(1,232,765)	(1,145,721)
Amortisation of deferred ijarah		(40,457)	(40,942)	(81,037)	(82,001)
Impairment loss on investments at fair value through other comprehensive income		(1,410,125)	(757,508)	(1,410,125)	(757,508)
Total expenses		(12,347,542)	(9,705,141)	(22,089,386)	(18,547,655)
Net income		15,727,632	15,345,233	42,755,500	43,570,960
Basic and diluted earnings per share (QR per share)					
	20	0.062	0.060	0.167	0.171

The notes from pages 12 to 33 form an integral part of the condensed consolidated interim financial information.

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

Condensed consolidated statement of comprehensive income
For the three-month and six-month periods ended 30 June 2024

in Qatari Riyals

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2024	2023	2024	2023
	(Reviewed)	(Reviewed) (Restated)	(Reviewed)	(Reviewed) (Restated)
Net income	15,727,632	15,345,233	42,755,500	43,570,960
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	(1,369,090)	1,524,389	(3,814,212)	(2,089,523)
Net change in the share of other comprehensive income of investment in associates	(566,280)	-	(1,576,532)	(3,608,537)
Total other comprehensive loss for the period	(1,935,370)	1,524,389	(5,390,744)	(5,698,060)
Total comprehensive income for the period	13,792,262	16,869,622	37,364,756	37,872,900



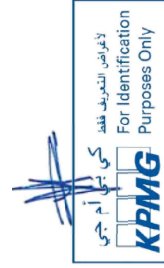
The notes from pages 12 to 33 form an integral part of the condensed consolidated interim financial information.

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 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	-	-	-	-	-	-	42,755,500	42,755,500
Movement in fair value reserve	-	-	-	(3,814,212)	-	-	-	(3,814,212)
Movement in fair value reserve of Associate	-	-	-	(1,576,532)	-	-	-	(1,576,532)
Movement in reserve for share of profits of associates	-	-	-	-	-	(23,873,450)	13,628,655	(10,244,795)
Dividends (Note 21)	-	-	-	-	-	-	(30,633,500)	(30,633,500)
Balance as at 30 June 2024 (Reviewed)	255,279,020	255,279,020	75,477	(3,211,506)	28,236,722	4,152,211	54,049,513	593,860,457
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)	-	-	-	-	-	-	43,570,960	43,570,960
Movement in fair value reserve	-	-	-	(2,089,523)	-	-	-	(2,089,523)
Movement in fair value reserve of Associate	-	-	-	(3,608,537)	-	-	-	(3,608,537)
Transfer to reserve for share of profits of associates	-	-	-	-	-	(2,215,712)	2,215,712	-
Dividends (Note 21)	-	-	-	-	-	-	(25,527,920)	(25,527,920)
Balance as at 30 June 2023 (Reviewed) (Restated) (Note 25)	255,279,020	251,598,182	75,477	(7,879,032)	30,193,722	16,808,347	23,807,750	569,883,466



The notes from pages 12 to 33 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 2024**

in Qatari Riyals

Note	For the six-month period ended	
	30 June	
	2024 (Reviewed)	2023 (Reviewed) (Restated)
Cash flows from operating activities		
Net income for the period	42,755,500	43,570,960
Policyholders' deficit for the period	(5,495,170)	3,732
	<u>37,260,330</u>	<u>43,574,692</u>
<i>Adjustments for:</i>		
Depreciation of fixed assets and right-of-use assets	1,232,765	1,145,721
Amortisation of deferred ijarah cost	81,037	82,001
Income from deposits and sukuks	(6,380,460)	(4,694,247)
Dividend income	(4,028,802)	(4,512,651)
Rental income	(6,476,580)	(6,777,630)
Net realized gain on sale of investments	(609,493)	(258,996)
Loss on sale of investment property	-	49,470
Share of results from associate	(2,894,320)	(4,416,500)
Provision for employees' end of service benefits	604,395	644,794
Impairment loss on investment at fair value through other comprehensive income	1,545,414	757,508
Gain on sale of investment in associates	(1,079,994)	-
	<u>19,254,292</u>	<u>25,594,162</u>
Operating profit before working capital changes		
<i>Changes in:</i>		
Takaful balances receivable	(2,694,209)	(41,228)
Retakaful balances receivable	(2,885,180)	(9,696,612)
Retakaful contract assets	(28,154,236)	(23,914,605)
Deferred commission	(732,695)	(5,020,058)
Other receivable and prepayments	(34,757,426)	1,207,637
Takaful contract liabilities	39,469,614	30,346,673
Deferred commission income	2,051,745	5,297,550
Accounts payable and other liabilities	(712,862)	(11,819,690)
Takaful balances payable	(168,793)	(2,299,580)
Retakaful balances payable	11,903,865	(4,778,825)
	<u>2,574,115</u>	<u>4,875,424</u>
Cash generated from operating activities		
Employees' end of service benefits paid	-	(25,443)
Income tax – paid	-	(103)
	<u>2,574,115</u>	<u>4,849,878</u>
Net cash generated from operating activities		
Cash flows from investing activities		
Additions of investment at fair value through other comprehensive income	(24,143,576)	(8,965,714)
Proceeds from disposal of investment at fair value through other comprehensive income	14,678,073	2,891,665
Additions of investment at fair value through income statement	(1,942,773)	(656,177)
Proceeds from disposal of investment at fair value through income statement	2,164,574	708,793
Net movement in sukuks at amortised cost	(212,609)	-
Acquisition of fixed assets	(1,024,506)	(1,271,929)
Income from deposits and sukuks received	6,380,460	4,694,247
Dividend income received	4,028,802	4,512,651
Dividend received from associates	10,014,423	6,632,212
Rental income	6,476,580	6,777,630
Net movement in term deposits	(4,999,901)	16,350,000
Acquisition of investment property	-	(22,100)
Proceeds from sale of investment property	-	1,485,000
Proceeds from sale of Investment in associates	29,042,553	-
	<u>40,462,100</u>	<u>33,136,278</u>
Net cash generated from investing activities		



The notes from pages 12 to 33 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 2024

in Qatari Riyals

	For the six-month period ended	
	30 June	
Note	2024	2023
	(Reviewed)	(Reviewed) (Restated)
Cash flows from financing activities		
Dividends paid to shareholders	(31,243,074)	(23,910,284)
Payment of ijarah liabilities	(210,400)	(424,220)
Net cash used in financing activities	(31,453,474)	(24,334,504)
Net increase in cash and cash equivalents	11,582,741	13,651,652
Cash and cash equivalents at 1 January	73,848,806	70,052,895
Cash and cash equivalents at 30 June	85,431,547	83,704,547
6		



The notes from pages 12 to 33 form an integral part of the condensed consolidated interim financial information.

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

Notes to the condensed consolidated interim financial information As at and for the six-month period ended 30 June 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 Stock 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 Shari’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 31 July 2024.

2 BASIS OF PREPARATION

a) Statement of compliance and preparation

The condensed consolidated interim financial information have been prepared in accordance with FAS 41, “Interim Financial Reporting) 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 IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”).

The condensed consolidated interim financial information have 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 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, 2023. In addition, results for the six-month period ended June 30, 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)

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 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 shari'a committee appointed by the Shareholders. The shari'a Supervisory Board performs a supervisory role in order to determine whether the operations of the Group are conducted in accordance with Shari'a rules and principles.

6. CASH AND BANK BALANCES

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

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

	30 June 2024	31 December 2023
	(Reviewed)	(Audited)
Policyholders		
Cash in hand	1,261,608	619,460
Investment deposits (Islamic banks)* (1)	40,950,000	40,950,000
Call accounts (Islamic banks) (2)	38,197,464	22,920,583
Current accounts (3)	1,666,785	1,222,979
Total	82,075,857	65,713,022
Shareholders		
Cash on hand	1,000	1,000
Investment deposits (Islamic banks)* (1)	133,749,901	128,750,000
Call accounts (Islamic banks) (2)	7,518,550	3,355,577
Current accounts (3)	36,786,140	45,729,207
Total	178,055,591	177,835,784
Total cash and bank balances	260,131,448	243,548,806
Less: deposits with original maturity of more than three months	(174,699,901)	(169,700,000)
Total cash and cash equivalents	85,431,547	73,848,806

(1) Investment deposits earn profit at rates ranging from 5.50% 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 June 2025.

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 2024		31 December 2023	
	(Reviewed)		(Audited)	
	Policyholders	Shareholders	Policyholders	Shareholders
Gross takaful contract liabilities				
Claims reported unsettled	106,970,184	400,000	116,905,750	400,000
Claims incurred but not reported and other technical reserves	36,501,015	-	46,008,730	-
Unearned contributions and mathematical reserves	192,085,238	-	133,172,343	-
Deferred commissions	11,327,888	-	9,276,143	-
Total	346,884,325	400,000	305,362,966	400,000
Retakaful share of takaful liabilities				
Claims reported unsettled	76,690,045	398,721	88,683,465	398,721
Claims incurred but not reported and other technical reserves	16,592,919	-	26,820,329	-
Unearned contributions and mathematical reserves	101,797,789	-	51,422,723	-
Deferred commissions	11,399,091	-	10,666,396	-
Total	206,479,844	398,721	177,592,913	398,721
Net takaful liabilities				
Claims reported unsettled	30,280,139	1,279	28,222,285	1,279
Claims incurred but not reported and other technical reserves	19,908,096	-	19,188,401	-
Unearned contributions and mathematical reserves	90,287,449	-	81,749,620	-
Deferred commissions	(71,203)	-	(1,390,253)	-
Total	140,404,481	1,279	127,770,053	1,279

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

7.1 Movement in Retakaful Contract Assets and Takaful Contract Liabilities

	30 June 2024 (Reviewed)			
	Policyholders	Shareholders	Net	
	Gross takaful liabilities	Retakaful contract assets	Gross takaful liabilities	
			Retakaful contract assets	
			Net	
At January 1				
Reported claims	116,905,750	88,683,465	400,000	398,721
Unearned contributions and mathematical reserves	133,172,343	51,422,723	-	-
IBNR and other technical reserves	46,008,730	26,820,329	-	-
Total	296,086,823	166,926,517	400,000	398,721
<i>Movement during the period</i>				
Reported claims	(9,935,566)	(11,993,420)	-	-
Unearned contributions and mathematical reserves	58,912,895	50,375,066	-	-
IBNR and other technical reserves	(9,507,715)	(10,227,410)	-	-
Total	39,469,614	28,154,236	-	-
Balances at 30 June 2024				
Reported claims	106,970,184	76,690,045	400,000	398,721
Unearned contributions and mathematical reserves	192,085,238	101,797,789	-	-
IBNR and other technical reserves	36,501,015	16,592,919	-	-
Total	335,556,437	195,080,753	400,000	398,721
				1,279
				1,279

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		Net
	Gross takaful liabilities	Retakaful contract assets	Gross takaful liabilities	Retakaful contract assets	
<i>At January 1</i>					
Reported claims	96,297,747	58,361,845	400,000	398,721	1,279
Unearned contributions and mathematical reserves	126,654,051	45,782,101	-	-	-
IBNR and other technical reserves	47,002,630	27,221,788	-	-	-
Total	269,954,428	131,365,734	400,000	398,721	1,279
<i>Movement during the year</i>					
Reported claims	20,608,003	30,321,620	-	-	-
Unearned contributions and mathematical reserves	6,518,292	5,640,622	-	-	-
IBNR and other technical reserves	(993,900)	(401,459)	-	-	-
Total	26,132,395	35,560,783	-	-	-
<i>Balances at 31 December 2023</i>					
Reported claims	116,905,750	88,683,465	400,000	398,721	1,279
Unearned contributions and mathematical reserves	133,172,343	51,422,723	-	-	-
IBNR and other technical reserves	46,008,730	26,820,329	-	-	-
Total	296,086,823	166,926,517	400,000	398,721	1,279

8. INVESTMENTS SECURITIES

	30 June 2024 (Reviewed)		31 December 2023 (Audited)	
	Policyholders	Shareholders	Policyholders	Shareholders
Investments at amortised cost				
Quoted debt investments				
State of Qatar Sukuk	-	3,475,043	-	3,409,254
Foreign Sukuk	-	23,351,377	-	23,341,117
Total (a)	-	26,826,420	-	26,750,371
Unquoted debt investments				
State of Qatar Sukuk	-	5,263,186	-	5,173,337
Foreign Sukuk	-	3,403,355	-	3,356,644
Total (b)	-	8,666,541	-	8,529,981
Total investments at amortised cost (a+b) (1)	-	35,492,961	-	35,280,352
Investments at fair value through other comprehensive income				
Quoted equity investments (i)				
Local equity shares*	14,410,054	64,900,548	15,559,183	59,974,168
Foreign equity shares	477,443	954,888	500,506	1,001,013
Other equity investment	-	36,005,585	-	36,256,982
Total (a)	14,887,497	101,861,021	16,059,689	97,232,163
Unquoted equity investments (ii)				
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)	14,887,497	120,608,161	16,059,689	115,979,303
Investments at fair value through income statement				
Investments (iii) (3)	-	7,300,000	-	7,300,000
Total investment securities (1+2+3)	14,887,497	163,401,122	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 and 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 1,760,000 that is frozen and therefore not immediately disposable.

8. INVESTMENTS SECURITIES (CONTINUED)

8.1 The movement in investments at amortised cost is as follows:

	30 June 2024		31 December 2023	
	Policyholders	Shareholders	Policyholders	Shareholders
Balance at 1 January	-	35,280,352	-	-
Accrued income	-	212,609	-	-
Addition during the year	-	-	-	35,280,352
Balance at end of period / year	-	35,492,961	-	35,280,352

The management of the Group estimates the loss allowance on investments at amortised cost with at the end of the reporting period at an amount equal to 12-month ECL. None of the investments at amortised 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.

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

	30 June 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	-	24,143,576	-	23,183,562
Disposals	-	(14,290,381)	-	(11,729,175)
Impairment	(135,289)	(1,410,125)	(1,042,128)	(5,830,467)
Changes in fair value	(1,036,903)	(3,814,212)	(103,797)	7,909,444
Balance at end of period / year	14,887,497	120,608,161	16,059,689	115,979,303

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

	30 June 2024		31 December 2023	
	Policyholders	Shareholders	Policyholders	Shareholders
Balance at 1 January	-	7,300,000	-	7,300,000
Additions	-	1,942,773	-	656,177
Disposals	-	(1,942,773)	-	(656,177)
Balance at end of period / year	-	7,300,000	-	7,300,000

Note 1:

Investments at amortised 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:

	30 June 2024		31 December 2023	
	Policyholders	Shareholders	Policyholders	Shareholders
Investments securities	14,887,497	163,401,122	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.

	30 June 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 30 June / 31 December	28,739,797	205,859,103	28,739,797	205,859,103

As at 30 June 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 30 June 2024 amounted to QR 234.59 million (31 December 2023: QR 234.59 million), and the management believes that the fair value as at 30 June 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) Valuation model that are 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 / 30 June 2024	2,777,628	2,777,628
Accumulated Depreciation:		
Balance as at 1 January 2023 / 31 December 2023 / 30 June 2024	2,777,628	2,777,628
Balance as at 1 January 2023 / 31 December 2023 / 30 June 2024	-	-

10. PROPERTY AND EQUIPMENT (CONTINUED)

b) Shareholders	Computer and equipment	Furniture and fixtures	Motor vehicle	Capital work-in- progress	Total
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	153,683	23,224	-	847,599	1,024,506
Disposals during the period	-	-	-	-	-
Balance at 30 June 2024 (Reviewed)	11,196,384	11,219,209	601,000	847,599	23,864,192
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	475,222	263,818	58,839	-	797,879
Disposals during the period	-	-	-	-	-
Balance at 30 June 2024 (Reviewed)	8,131,377	10,470,175	165,538	-	18,767,090
Carrying amounts					
Balance at 31 December 2023 (Audited)	3,386,546	989,628	494,301	-	4,870,475
Balance at 30 June 2024 (Reviewed)	3,065,007	749,034	435,462	847,599	5,097,102

11. INVESTMENT IN ASSOCIATES

The Group has two investments in associates, Qatari Unified Bureau Insurance W.L.L and Bahrain National Life Assurance Company B.S.C. Qatari 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 had 25% of the interest. It is principally engaged in insurance business. During the current period, management has sold the 25% equity interest in Bahrain National Life Assurance Company B.S.C. for BHD 3,000,000 which is equivalent to QAR 29,042,553.

Name of Associate	Principal Activity	Country of incorporation	2024	2023
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%

Al Khaleej Takaful Insurance Company Q.P.S.C.**Notes to the condensed consolidated interim financial information
As at and for the six-month period ended 30 June 2024**

in Qatari Riyals

11. INVESTMENT IN ASSOCIATES (CONTINUED)

	30 June 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	(10,014,423)	(6,632,213)
Disposal of The Bahrain National Life Assurance Company B.S.C.	(38,207,354)	-
Movement in fair value reserve	(1,576,532)	(3,549,234)
At 30 June 2024 / 31 December 2023	<u>10,720,767</u>	<u>57,624,756</u>

12. SHARE CAPITAL

	30 June 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:

	30 June 2024		31 December 2023	
	Policyholders	Shareholders	Policyholders	Shareholders
Quoted investments				
At 1 January	6,491,796	543,403	6,595,593	(7,366,041)
Net movement during the period / year				
Disposal of investments	-	(7,264)	-	274,677
Fair value change during the period / year	(1,036,903)	(3,806,948)	(103,797)	7,634,767
At 30 June /31 December (1)	5,454,893	(3,270,809)	6,491,796	543,403
Unquoted investments				
At 1 January	-	-	-	-
Net movement	-	-	-	-
At 30 June/31 December (2)	-	-	-	-
Investment in Associates				
At 1 January	-	1,635,835	-	5,185,069
Movement in fair value reserve of associate	-	(1,576,532)	-	(3,549,234)
At 30 June /31 December (3)	-	59,303	-	1,635,835
At 30 June /31 December (1+2+3)	5,454,893	(3,211,506)	6,491,796	2,179,238

16. GENERAL AND ADMINISTRATION EXPENSES

	30 June 2024 (Reviewed)	30 June 2023 (Reviewed)
Staff costs	13,858,394	12,215,590
Governmental expenses	566,233	515,135
Repair and maintenance	438,815	622,536
Investment properties operating expenses	789,968	651,138
Marketing and advertising	983,414	546,451
Professional fees	790,995	496,279
Electricity and water and postal expenses	587,694	486,611
Refreshment and stationery	210,405	225,095
Shari'a supervisory board fee	100,000	100,000
Bank charges	216,857	216,035
Miscellaneous	822,684	487,555
	19,365,459	16,562,425

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:

	30 June 2024 (Reviewed)		30 June 2023 (Reviewed)	
	Contributions	Claims	Contributions	Claims
Board of Directors	159,779	-	1,089,667	-

(b) Compensation of key management personnel:

	30 June 2024 (Reviewed)	30 June 2023 (Reviewed)
Salaries and other short-term benefits	2,192,625	1,985,942
Employees' end of service benefit for the period	26,993	26,844
	<u>2,219,618</u>	<u>2,012,786</u>

19. SEGMENT REPORTING

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

	Marine & Aviation	Fire & General accident	Motor	Takaful & Medical	Total
<i>For the period ended June 30, 2024 (Reviewed):</i>					
Gross contributions	7,034,947	55,937,851	55,764,943	144,004,050	262,741,791
Retakaful share of gross contributions	(5,516,135)	(45,649,293)	(3,502,633)	(101,300,277)	(155,968,338)
Retained contributions	1,518,812	10,288,558	52,262,310	42,703,773	106,773,453
Movement in unearned contributions	36,950	(2,459,730)	1,462,371	(7,577,420)	(8,537,829)
Net retained contributions	1,555,762	7,828,828	53,724,681	35,126,353	98,235,624
Retakaful commission and other takaful income	1,078,644	12,816,971	1,710,857	430,739	16,037,211
Change in deferred commission	(18,849)	(1,638,145)	(585,973)	923,917	(1,319,050)
Total insurance revenue (1)	2,615,557	19,007,654	54,849,565	36,481,009	112,953,785
Gross claims paid	(639,482)	(11,021,581)	(26,767,355)	(41,392,156)	(79,820,574)
Retakaful share of claims paid	401,527	9,652,651	1,021,054	13,588,784	24,664,016
Net claims	(237,955)	(1,368,930)	(25,746,301)	(27,803,372)	(55,156,558)
Movement in outstanding claims reserves	(69,258)	558,780	(2,495,348)	(52,028)	(2,057,854)
Movement in claims incurred but not reported reserves	320,148	978,071	(1,211,234)	(806,680)	(719,695)
Net claims incurred (2)	12,935	167,921	(29,452,883)	(28,662,080)	(57,934,107)
Commission and other takaful expenses (3)	(495,635)	(3,566,496)	(9,722,726)	(4,100,172)	(17,885,029)
Net surplus from insurance operations (1+2+3)	2,132,857	15,609,079	15,673,956	3,718,757	37,134,649

19. SEGMENT REPORTING (CONTINUED)

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

	Marine & Aviation	Fire & General accident	Motor	Takaful and Medical	Total
<i>For the period ended June 30, 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)
Retained contributions	1,597,246	9,773,832	51,550,696	41,478,207	104,399,981
Movement in unearned contributions	(376,079)	(1,079,825)	(1,818,784)	(7,776,602)	(11,051,290)
Net retained contributions	1,221,167	8,694,007	49,731,912	33,701,605	93,348,691
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)
Total insurance revenue (1)	2,427,485	20,575,894	53,390,359	36,169,129	112,562,867
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
Net claims	(26,474)	(1,790,281)	(30,253,611)	(24,000,770)	(56,071,136)
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)
Net claims incurred (2)	(117,110)	(1,813,356)	(24,862,469)	(24,658,979)	(51,451,914)
Commission and other takaful expenses (3)	(450,345)	(2,662,238)	(9,400,836)	(5,266,978)	(17,780,397)
Net surplus from insurance operations (1+2+3)	1,860,030	16,100,300	19,127,054	6,243,172	43,330,556

19. SEGMENT REPORTING (CONTINUED)

(b) Business segments

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

For the period ended June 30, 2024:

	<u>Underwriting</u>	<u>Investments</u>	<u>Real Estate</u>	<u>Unallocated</u>	<u>Total</u>
Net income	37,134,649	13,447,655	5,960,657	(19,282,631)	37,260,330
Total assets	392,591,481	189,009,386	262,091,916	238,283,435	1,081,976,218
Total liabilities	393,198,492	-	4,006,913	62,846,956	460,052,361

For the period ended June 30, 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)	43,330,556	13,124,886	6,215,064	(19,092,024)	43,578,482
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.

	<u>For the three-month period ended June</u>		<u>For the six-month period ended June</u>	
	2024 (Reviewed)	2023 (Reviewed) (Restated)	2024 (Reviewed)	2023 (Reviewed) (Restated)
Profit attributable to shareholders	15,727,632	15,345,233	42,755,500	43,570,960
Weighted average number of ordinary shares*	255,279,020	255,279,020	255,279,020	255,279,020
Basic earnings per share (QR)	0.062	0.060	0.167	0.171

*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 Shari'a 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 Shari'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 amortised 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 2024 (reviewed):

	Carrying Value			Fair Value			
	Fair value through equity	Amortised cost	Financial liabilities	Total carrying amount	Level 1	Level 2	Level 3
Financial assets measured at fair value							
Policyholders							
Investments at fair value through other comprehensive income	14,887,497	-	-	14,887,497	14,887,497		
Financial assets not measured at fair value							
Bank balances and time deposits	-	82,075,857	-	82,075,857			
Takaful balances receivable	-	50,905,762	-	50,905,762			
Retakaful balances receivable	-	52,731,297	-	52,731,297			
Other receivables and prepayments	-	16,990,035	-	16,990,035			
Financial liabilities not measured at fair value							
Takaful payable balance	-	-	(16,764,945)	(16,764,945)			
Retakaful payable balance	-	-	(28,088,713)	(28,088,713)			
Accounts payable and other liabilities	-	-	(33,008,706)	(33,008,706)			
Financial assets measured at fair value							
Shareholders							
Investments at fair value through other comprehensive income	120,608,161	-	-	120,608,161	101,861,021		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	-	178,055,591	-	178,055,591			
Other receivables and prepayments	-	38,140,707	-	38,140,707			
Investment in sukuk at amortised costs	-	35,492,961	-	35,492,961			
Financial liabilities not measured at fair value							
Takaful payable balance	-	-	(1,060,509)	(1,060,509)			
Accounts payable and other liabilities	-	-	(22,562,588)	(22,562,588)			
Employees' end of service benefits	-	-	(7,273,489)	(7,273,489)			
	142,795,658	454,392,210	(108,758,950)	488,428,918			

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	Amortised 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 30 June 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	
	30 June 2024 (Reviewed)	31 December 2023 (Audited)	30 June 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 six-month period ended 30 June 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 six- month period ended 30 June 2023	Adjustments	As restated for six- month period ended 30 June 2023
Depreciation	(432,668)	432,668	-

Effect on the condensed consolidated income statement:

	As previously reported for six- month period ended 30 June 2023	Adjustments	As restated for six-month period ended 30 June 2023
Net realized gain on sale of investment property	331,036	(331,036)	-
Loss on sale of investment property		(49,470)	(49,470)
Depreciation	(3,014,568)	1,868,847	(1,145,721)

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.