Qatar Islamic Insurance Group Q.P.S.C.

Condensed Consolidated Interim Financial Information

For the six month period ended
30 June 2023

Qatar Islamic Insurance Group Q.P.S.C.

Condensed Consolidated Interim Financial Information
For the six month period ended 30 June 2023

Contents **Pages**

Independent auditor's 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 statement of shareholders' income	7
Condensed consolidated statement of changes in shareholders' equity	8
Condensed consolidated statement of cash flows	9
Notes to the condensed consolidated interim financial information	10 - 25

KPMG
Zone 25 C Ring Road
Street 230, Building 246
P.O Box 4473, Doha
State of Qatar
Telephone: +974 4457 6444
Fax: +974 4436 7411
Website: home.kpmg/qa

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

To the Shareholders of Qatar Islamic Insurance Group Q.P.S.C.
Doha – Qatar

Introduction

We have reviewed the accompanying 30 June 2023 condensed consolidated interim financial information of Qatar Islamic Insurance Group Q.P.S.C. (the "Company") and its subsidiary (together the "Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 June 2023;
- the condensed consolidated statement of policyholders' revenues and expenses for the three and six-month period ended 30 June 2023;
- the condensed consolidated statement of policyholders' surplus for the six-month period ended 30 June 2023;
- the condensed consolidated statement of shareholders' income for the three and six-month period ended 30 June 2023;
- the condensed consolidated statement of changes in shareholders' equity for the six-month period ended 30 June 2023;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2023;
- notes to the condensed consolidated interim financial information.

The Board of Directors of the Group is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with Financial Accounting Standard 41, "Interim Financial Reporting" issued by the Accounting and Auditing Organization for Islamic Financial Institutions ('AAOIFI'). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

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

To the Shareholders of Qatar Islamic Insurance Group Q.P.S.C.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Auditing standards for Islamic Financial Institutions and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2023 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with FAS 41, "Interim Financial Reporting" issued by AAOIFI.

Other Matter

The condensed consolidated interim financial information of the Group for the six month period ended 30 June 2022 and the annual consolidated financial statements for the year ended 31 December 2022 were reviewed and audited by another auditor, whose review report dated 8 August 2022 and audit report dated 13 February 2023 expressed an unmodified conclusion and opinion respectively.

08 August 2023
Doha
State of Qatar

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

Qatar Islamic Insurance Group Q.P.S.C.

Condensed consolidated statement of financial position
As at 30 June 2023

In Qatari Riyals

	Notes	30 June 2023 (Reviewed)	31 December 2022 (Audited)
Policyholders' assets			
Cash and bank balances	7	**172,385,172**	174,239,184
Contributions receivable		**121,924,404**	86,755,891
Due from retakaful		**67,041,742**	78,983,181
Retakaful contract assets	8	**245,105,493**	212,258,544
Investments at fair value through equity	9 (a)	**48,065,458**	53,336,711
Investments at fair value through income statement	9 (b)	**4,301,870**	3,875,200
Investment properties	10	**109,003,840**	110,203,840
Prepayments and other assets		**41,267,197**	44,928,728
Investment in associates	11	**20,942,204**	21,742,204
Fixed assets		**11,797,997**	12,256,517
Total policyholders' assets		**841,835,377**	798,580,000
Shareholders' assets			
Cash and bank balances	7	**274,119,136**	283,170,590
Investments at fair value through equity	9 (a)	**8,517,460**	10,703,338
Investments at fair value through income statement	9 (b)	**3,839,298**	3,436,701
Investment properties	10	**119,455,885**	120,855,885
Investment in associates	11	**88,978,107**	87,935,637
Right-of-use assets		**957,633**	1,155,767
Total shareholders' assets		**495,867,519**	507,257,918
Total assets		**1,337,702,896**	1,305,837,918

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The notes on pages 10 to 25 are an integral part of these condensed consolidated interim financial information.

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Qatar Islamic Insurance Group - Q.P.S.C. - C.R. No. 16584 - P.O.Box: 22676 Doha, Qatar Phone: +974 4465 88 88 - Fax: 4455 0111 - qiic@qiic.com.qa - www.qiic.com.qa

Qatar Islamic Insurance Group Q.P.S.C.

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

	Notes	30 June 2023 (Reviewed)	31 December 2022 (Audited)
Policyholder's liabilities			
Due to retakaful		**53,569,530**	55,425,073
Takaful contract liabilities	8	**505,212,722**	445,241,867
Payables and other liabilities		**52,697,544**	52,926,864
Unclaimed surplus		**26,492,251**	18,510,004
Total policyholder's liabilities		**637,972,047**	572,103,808
Policyholder's equity			
Fair value reserve	9 (c)	**3,546,766**	7,942,703
Real estate reserve		**10,158,849**	11,358,849
Foreign currency reserve for investments at fair value through equity		**(3,488,015)**	(3,209,159)
Reserve for share of profit from associates		**(800,000)**	-
Retained surplus		**194,445,730**	210,383,799
Total policyholder's equity		**203,863,330**	226,476,192
Total policyholder's equity and liabilities		**841,835,377**	798,580,000
Shareholders' liabilities			
Unclaimed dividends		**16,914,788**	15,285,523
Ijarah liabilities		**1,148,553**	1,341,224
Payables and other liabilities		**27,175,221**	34,366,713
Total shareholders' liabilities		**45,238,562**	50,993,460
Shareholders' equity			
Share capital	12	**150,000,000**	150,000,000
Legal reserve	13	**145,530,035**	145,530,035
General reserve		**1,540,888**	1,540,888
Foreign currency reserve for investments at fair value through equity		**(3,488,012)**	(3,209,156)
Fair value reserve	9 (c)	**(1,241,708)**	845,696
Real estate reserve		**6,381,875**	7,781,875
Reserve for share of profit from associates		**5,977,265**	4,934,795
Retained earnings		**145,928,614**	148,840,325
Total shareholders' equity		**450,628,957**	456,264,458
Total shareholders' liabilities and equity		**495,867,519**	507,257,918
Total policyholders and shareholders' liabilities and equity		**1,337,702,896**	1,305,837,918

These condensed consolidated interim financial information were approved by the Group's Board of Directors on 08 August 2023 and signed on their behalf by:

Mr. Jamal Abdulla Al Jamal
Chairman

Mr. Ali Ibrahim Al Abdulghani
Group President

The notes on pages 10 to 25 are an integral part of these condensed consolidated interim financial information.

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

In Qatari Riyals

	Notes	For the three month period ended 30 June		For the six month period ended 30 June	
		2023 (Reviewed)	2022 (Reviewed) (Restated)	**2023** (Reviewed)	2022 (Reviewed) (Restated)
Takaful revenues					
Gross contributions	15	**135,154,667**	120,713,063	**282,456,073**	250,052,003
Retakaful share of gross contributions	15	**(43,081,721)**	(43,224,008)	**(94,815,777)**	(82,944,365)
Net retained contributions		**92,072,946**	77,489,055	**187,640,296**	167,107,638
Changes in unearned contributions	15	**853,760**	(470,351)	**(10,986,104)**	(12,434,720)
Earned contributions		**92,926,706**	77,018,704	**176,654,192**	154,672,918
Commission (expense) / income	15	**(5,646,507)**	(4,838,554)	**(6,748,888)**	(3,237,538)
Changes in deferred commission		**(356,168)**	(352,157)	**(799,822)**	407,651
Total takaful revenues		**86,924,031**	71,827,993	**169,105,482**	151,843,031
Takaful expenses					
Gross claims paid	15	**61,292,989**	35,974,899	**99,658,864**	67,269,170
Changes in outstanding claims	15	**10,732,465**	(2,824,697)	**16,137,802**	(3,311,852)
Retakaful share of claims paid	15	**(14,260,574)**	(13,368,809)	**(28,354,602)**	(24,881,152)
Total takaful expenses	15	**57,764,880**	19,781,393	**87,442,064**	39,076,166
Net surplus from takaful operations	15	**29,159,151**	52,046,600	**81,663,418**	112,766,865
Net investment income		**2,739,497**	2,609,156	**6,431,950**	6,519,672
Depreciation of right-of-use assets		**-**	(90,283)	**-**	(180,566)
Amortisation of deferred Ijarah costs		**-**	(12,139)	**-**	(25,194)
Wakala fees	17	**(42,374,620)**	(33,196,092)	**(82,881,453)**	(68,764,300)
Mudaraba fees	17	**(2,191,598)**	(2,087,325)	**(5,145,560)**	(5,215,738)
Impairment loss on investments at fair value through equity		**-**	-	**-**	-
Fair value gain / (loss)		**49,766**	(42,446)	**49,766**	(24,409)
Net provision for impairment on financial assets		**(150,000)**	-	**(150,000)**	(4,500,000)
Share of losses from associates		**(400,000)**	(295,922)	**(800,000)**	(295,922)
Other expenses		**(133,496)**	-	**(133,496)**	-
Net (deficit) / surplus for the period		**(13,301,300)**	18,931,549	**(965,375)**	40,280,408

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Condensed consolidated statement of policyholders' surplus
For the six month period ended 30 June 2023 In Qatari Riyals

	For the six month period ended 30 June	
	2023 (Reviewed)	2022 (Reviewed) (Restated)
Retained surplus balance at the beginning of the period	**210,383,799**	203,196,689
Transfer to reserve for share of loss from associates	**800,000**	-
Movement in real estate reserves	**1,200,000**	-
(Deficit) / surplus for the period	**(965,375)**	40,280,408
Total surplus at the end of the period	**211,418,424**	243,477,097
Distribution to policyholders during the period	**(16,972,694)**	(17,095,160)
Retained surplus balance at the end of the period	**194,445,730**	226,381,937

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Qatar Islamic Insurance Group Q.P.S.C.

Condensed consolidated statement of shareholders' income
For the six month period ended 30 June 2023

In Qatari Riyals

	Notes	For the three month period ended 30 June		For the six month period ended 30 June	
		2023 (Reviewed)	2022 (Reviewed) (Restated)	**2023 (Reviewed)**	2022 (Reviewed) (Restated)
Revenues					
Shareholders' investments revenues		**1,980,984**	1,258,532	**3,516,617**	2,682,689
Share of profits of associates		**3,197,163**	1,823,249	**7,372,470**	3,031,827
Wakala fees	17	**42,374,620**	33,196,092	**82,881,453**	68,764,300
Rental income		**1,617,550**	1,501,350	**3,245,350**	2,970,450
Shareholders' mudaraba fees for managing investment portfolio of policyholders	17	**2,191,598**	2,087,325	**5,145,560**	5,215,738
Other income		**78,181**	77,112	**154,317**	120,476
Total revenues		**51,440,096**	39,943,660	**102,315,767**	82,785,480
Expenses					
Depreciation of right-of-use assets		**(99,065)**	(99,065)	**(198,131)**	(198,131)
Amortisation of deferred Ijarah costs		**(7,014)**	(17,004)	**(26,096)**	(34,913)
General and administrative expenses		**(13,636,419)**	(13,855,603)	**(32,997,267)**	(29,260,512)
Impairment loss on investment at fair value through equity		**(689,212)**	-	**(689,212)**	-
Fair value gain / (loss) on investment at fair value through income statement		**25,698**	(42,446)	**25,698**	(24,409)
Share of loss from investment in associates		**(400,000)**	(295,922)	**(800,000)**	(295,922)
Reserve on investment properties		**(700,000)**	-	**(1,400,000)**	-
Board of Directors' remunerations		**(1,000,000)**	-	**(2,000,000)**	-
Total expenses		**(16,506,012)**	(14,310,040)	**(38,085,008)**	(29,813,887)
Net Income		**34,934,084**	25,633,620	**64,230,759**	52,971,593
Basic / diluted earnings per share (QR)	16	**0.23**	0.17	**0.43**	0.35

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Qatar Islamic Insurance Group Q.P.S.C.

Condensed consolidated statement of changes in shareholders' equity
For the six month period ended 30 June 2023

In Qatari Riyals

	Share capital	Legal reserve	General reserve	Fair value reserve	Foreign currency reserve for investments at fair value through equity	Real estate reserve	Reserve for share of profits from associates	Retained earnings	Total
Balance as at 1 January 2023	150,000,000	145,530,035	1,540,888	845,696	(3,209,156)	7,781,875	4,934,795	148,840,325	456,264,458
Net income for the period	-	-	-	-	-	-	-	64,230,759	64,230,759
Movement in fair value reserve	-	-	-	(2,087,404)	-	-	-	-	(2,087,404)
Change in foreign currency translation reserve	-	-	-	-	(278,856)	-	-	-	(278,856)
Movement in real estate reserve	-	-	-	-	-	(1,400,000)	-	1,400,000	-
Transfer to reserve for share of profits of associates	-	-	-	-	-	-	1,042,470	(1,042,470)	-
Dividends paid	-	-	-	-	-	-	-	(67,500,000)	(67,500,000)
Balance as at 30 June 2023 (Reviewed)	**150,000,000**	**145,530,035**	**1,540,888**	**(1,241,708)**	**(3,488,012)**	**6,381,875**	**5,977,265**	**145,928,614**	**450,628,957**
Balance as at 1 January 2022	150,000,000	135,123,292	1,540,888	877,312	(2,776,552)	-	894,774	139,157,201	424,816,915
Net income for the period (Restated)	-	-	-	-	-	-	-	52,971,593	52,971,593
Movement in fair value reserve	-	-	-	163,034	-	-	-	-	163,034
Change in foreign currency translation reserve	-	-	-	-	(264,180)	-	-	-	(264,180)
Transfer to reserve for share of profits of associates	-	-	-	-	-	-	2,735,905	(2,735,905)	-
Dividends paid	-	-	-	-	-	-	-	(60,000,000)	(60,000,000)
Balance as at 31 June 2022 (Reviewed) (Restated) (Note 20)	150,000,000	135,123,292	1,540,888	1,040,346	(3,040,732)	-	3,630,679	129,392,889	417,687,362

The notes on pages 10 to 25 are an integral part of these condensed consolidated interim financial information.

Qatar Islamic Insurance Group Q.P.S.C.

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

In Qatari Riyals

	Notes	For the six month period ended 30 June 2023 (Reviewed)	2022 (Reviewed) (Restated)
Cash flows from operating activities			
Net income for the period		**64,230,759**	52,971,593
Policyholders' surplus for the period		**(965,375)**	40,280,408
		63,265,384	93,252,001
Adjustments for:			
Depreciation of fixed assets		**715,801**	582,883
Depreciation of right-of-use assets		**198,131**	378,697
Amortisation of deferred Ijarah cost		**26,096**	60,107
Net realised gain on sale of investment at fair value through equity		**(623,385)**	-
Provision for employees' end of service benefits		**866,548**	350,857
Share of profit of associates	11	**(5,772,470)**	(2,439,983)
Impairment for investment at fair value through equity		**1,378,424**	-
Fair value gain on investment at fair value through income statement		**(75,464)**	81,392
Fair value gain / (loss) on investment properties		**2,600,000**	-
Expected credit loss on financial assets		**150,000**	4,500,000
Operating profit before working capital changes		**62,729,065**	96,765,954
Changes in:			
Contributions receivable		**(35,318,513)**	(32,650,279)
Prepayments and other assets		**3,661,531**	523,022
Retakaful contract asset		**(32,846,949)**	(27,326,893)
Due from / to retakaful - net		**10,085,896**	21,759,660
Takaful contract liabilities		**59,970,855**	36,380,953
Payables and other liabilities		**(8,027,862)**	4,501,259
Cash from operating activities		**60,254,023**	99,953,676
Employees' end of service benefits paid		**(259,495)**	(73,647)
Finance costs paid		**(26,096)**	(60,107)
Net cash from operating activities		**59,968,432**	99,819,922
Cash flows from investing activities			
Acquisition of fixed assets		**(257,281)**	(4,973,937)
Acquisition of investment properties		**-**	(199,341)
Purchase of investments at fair value through equity	9 (a)	**(11,919,164)**	(10,094,090)
Purchase of investments at fair value through income statement	9 (b)	**(753,803)**	(2,495,000)
Proceeds from sales of investments at fair value through equity	9 (a)	**11,580,203**	8,822,888
Proceeds from sale of investments at fair value through income statement		**-**	1,676,186
Gross movement in investment deposits		**(2,996,545)**	(29,328,440)
Dividends received from associates	11	**5,530,000**	1,510,000
Net cash generated from / (used in) investing activities		**1,183,410**	(35,081,734)
Cash flows from financing activities			
Surplus distributed to policyholders		**(8,990,447)**	(7,006,126)
Payment of principal portion of Ijarah liabilities		**(192,671)**	(356,660)
Dividends paid		**(65,870,735)**	(55,466,985)
Net cash used in financing activities		**(75,053,853)**	(62,829,771)
Net movement in cash and cash equivalents		**(13,902,011)**	1,908,417
Cash and cash equivalents at 1 January		**158,339,178**	161,982,591
Cash and cash equivalents at 30 June	7	**144,437,167**	163,891,008

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1. Incorporation and activities

Qatar Islamic Insurance Group (Q.P.S.C.) (‘the Parent Company”) was incorporated in the State of Qatar on 30 October 1993 as a closed Qatari shareholder company under Qatar Companies Law No. 11 of 1981 under Commercial Registration No. 16584. On 12 December 1999 the Company changed its status to a public listed company and accordingly listed its shares on the Qatar exchange market. The Company’s registered address is C Ring Road – opposite Gulf Cinema, P.O. Box: 22676, Doha.

The Parent Company is primarily engaged in the business of underwriting general, property, motor, takaful and health (life) in accordance with the provisions of Islamic Shari’a. The Company also invests its capital and other resources in all related activities.

The Group has incorporated a fully owned subsidiary “Qatar Islamic Real Estate Investment Group” which did not commence its operations as of 30 June 2023.

These condensed consolidated interim financial information were authorized for issue in accordance with a resolution of the Board of Directors on 08 August 2023.

2. Basis of preparation

a) Statement of compliance

These condensed consolidated interim financial information have been prepared in accordance with Financial Accounting Standards (“FAS”) issued by the Accounting and Auditing Organization for Islamic Financial Institutions (“AAOIFI”). In line with the requirements of AAOIFI, for matters that are not covered by FAS, the Group uses the guidance from the relevant International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). Accordingly, these condensed consolidated interim financial information have been prepared in accordance with the guidance provided by Financial Accounting Standard 41 – ‘Interim Financial Reporting’.

The condensed consolidated interim financial information does not contain all 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 31 December 2022. In addition, results for the six-month period ended 30 June 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

The condensed consolidated interim financial information have been prepared on the historical cost basis, except for certain financial investments classified as “investments at fair value through equity” and “investment at fair value through income statement” which are measured at fair value.

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.

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 recognised in the period in which the estimate is revised and in any future period 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 consolidated financial statements as at 31 December 2022.

3. Significant accounting policies

3.1 New standards, amendments, and interpretations effective for annual periods beginning on or after 1 January 2023

1) FAS 39 Financial Reporting for Zakah

AAOIFI has issued FAS 39 Financial Reporting for Zakah in 2021. The objective of this standard is to establish principles of financial reporting related to Zakah attributable to different stakeholders of an Islamic financial Institution. This standard supersedes FAS 9 Zakah and is effective for the financial reporting periods beginning on or after 1 January 2023 with an option to early adopt.

This standard shall apply to institution with regard to the recognition, presentation and disclosure of Zakah attributable to relevant stakeholders. While computation of Zakah shall be applicable individually to each institution within the Group, this standard shall be applicable on all consolidated and separate / standalone financial statements of an institution.

This standard does not prescribe the method for determining the Zakah base and measuring Zakah due for a period. An institution shall refer to relevant authoritative guidance for determination of Zakah base and to measure Zakah due for the period. (for example: AAOIFI Shari'a standard 35 Zakah, regulatory requirements or guidance from Shari'a supervisory board, as applicable).

The Group has assessed the impact of the adoption of this standard and there is no significant impact on the Group's condensed consolidated interim financial information.

2) FAS 41 Interim financial reporting

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

The Group has assessed the impact of the adoption of this standard and there is no significant impact on the Group's condensed consolidated interim financial information.

3.2 New standards, amendments, and interpretations issued but not yet effective

1) FAS 1 General Presentation and Disclosures in the Financial Statements

AAOIFI has issued the revised FAS 1 General Presentation and Disclosures in the Financial Statements in 2021. This standard describes and improves the overall presentation and disclosure requirements prescribed in line with the global best practices and supersedes the earlier FAS 1. It is applicable to all the Islamic Financial Institutions and other institutions following AAOIFI FAS's. This standard is effective for the financial reporting periods beginning on or after 1 January 2024 with an option to early adopt.

The revision of FAS 1 is in line with the modifications made to the AAOIFI conceptual framework for financial reporting.

The Group will assess the impact of the adoption of this standard on the consolidated financial statements.

3. Significant accounting policies (continued)

3.2 New standards, amendments, and interpretations issued but not yet effective (continued)

1) FAS 1 General Presentation and Disclosures in the Financial Statements (continued)

Some of the significant revisions to the standard are as follows:

a) Revised conceptual framework is now integral part of the AAOIFI FAS's;

b) Definition of Quassi equity is introduced;

c) Definitions have been modified and improved;

d) Concept of comprehensive income has been introduced;

e) Institutions other than Banking institutions are allowed to classify assets and liabilities as current and non-current;

f) Disclosure of Zakah and Charity have been relocated to the notes;

g) True and fair override has been introduced;

h) Treatment for change in accounting policies, change in estimates and correction of errors has been introduced;

i) Disclosures of related parties, subsequent events and going concern have been improved;

j) Improvement in reporting for foreign currency, segment reporting;

k) Presentation and disclosure requirements have been divided into three parts. First part is applicable to all institutions, second part is applicable only to banks and similar IFI's and third part prescribes the authoritative status, effective date an amendments to other AAOIFI FAS's; and

l) The illustrative financial statements are not part of this standard and will be issued separately.

The Group is assessing the impact of the adoption of this standard and expects changes in certain presentation and disclosures in its consolidated financial statements in line with the wider market practice.

2) FAS 40 Financial Reporting for Islamic Financing Windows

This standard requires conventional financial institutions offering Islamic financial services through an Islamic financing window to prepare and present the financial statements of Islamic finance window in line with the requirements of this standard, read with other AAOIFI FAS's. This standard provides principles of financial reporting including the presentation and disclosure requirements applicable to Islamic finance windows.

This standard supersedes FAS 18 – Islamic financial services offered by Conventional Financial Institutions and is effective for the financial reporting periods beginning on or after 1 January 2024 with an option to early adopt.

The Group will assess the impact of the adoption of this standard on the consolidated financial statements.

3. Significant accounting policies (continued)

3.2 New standards, amendments, and interpretations issued but not yet effective (continued)

3) FAS 42 Presentation and Disclosures in the Financial Statements of Takaful Institutions

This standard sets out the principles for the presentation and disclosure in the financial statements of Takaful Institutions and prescribes the set of financial statements that the institutions should periodically publish to satisfy the common information needs of users of financial statements. Further this standard also establishes the general principles of presentation of information and adequately reflecting the rights and obligations of different stakeholders within the Takaful business model. This standard should be read in conjunction with FAS 43 – Accounting for Takaful Recognition and Measurement.

This standard supersedes the existing FAS 12 General presentation and disclosures in the financial statements of Islamic Insurance Companies and introduces following key changes:

a) the standard is aligned with the AAOIFI Conceptual Framework for Financial Reporting (Revised 2020) and FAS 1 General Presentation and Disclosures in the Financial Statements;
b) the presentation and disclosure in the standard have been amended to be aligned with the Sharia principles and rules relating to Takaful, whereby the Takaful operator is distinct from the participants' funds (including participants' Takaful fund (PTF) and participants' investment fund (PIF));
c) the PTF and PIF are considered to be off-balance sheet assets under management, therefore, separate from the Takaful Operator;
d) statements for the managed PTF and managed PIF have been introduced, including separate statements for financial position and financial activities of the managed PTF;
e) disclosures of Zakah, Charity and Qard funds have been relocated to the notes to the financial statements in line with FAS 1; and
f) new definitions of Takaful, Takaful institution, Takaful operator, PIF and PTF have been introduced.

This standard is applicable to all Takaful institutions regardless of their legal form or size, including Takaful window operations and is effective for the financial reporting periods beginning on or after 1 January 2025 with an option to early adopt.

The Group will assess the impact of the adoption of this standard on the consolidated financial statements.

4) FAS 43 Accounting for Takaful Recognition and Measurement

This standard supersedes the following FAS; FAS 13 – Disclosure of Bases for Determining and Allocation Surplus or Deficit in Islamic Insurance Companies; FAS 15 – Provisions and Reserves in Islamic Insurance Companies and FAS 19 – Contributions in Islamic Insurance Companies introduces following key changes:

a) the standard is aligned with the AAOIFI Conceptual Framework for Financial Reporting (Revised 2020) and FAS 1 General Presentation and Disclosures in the Financial Statements;
b) the principal accounting treatments in respect of Takaful arrangements have been aligned with the globally generally accepted accounting principles and newer regulatory requirements (where applicable);
c) new accounting treatments have been introduced in respect of matters which were not addressed or superseded standards or were not in line with the global best practices, particularly with regard to the accounting for provisions (or liability, as appropriate) for Takaful arrangements and accounting treatment and presentation for the investment component;
d) accounting treatments mapped in the standard are mapped to the Sharia principles and rules relating to Takaful, including the rights and obligations of respective stakeholders of Takaful arrangements;
e) new definitions for the accounting terms in respect of the newly introduced accounting treatments, as well as, improved definitions for earlier used terms, have been incorporated; and
f) accounting treatments respect to ancillary transactions have been introduced, particularly the transactions and balances between various stakeholders of Takaful institutions, eg. Accounting for Wakala fees an Qard Hassan.

3. Significant accounting policies (continued)

3.2 New standards, amendments, and interpretations issued but not yet effective (continued)

4) FAS 43 Accounting for Takaful Recognition and Measurement (continued)

Under the transitional provisions of this standard, following approaches are prescribed upon first time adoption:

1) A full retrospective approach – whereby the effects of transition shall be incorporated from the beginning of the earliest period presented in the financial statements; however, the disclosure of the effect of such adoption in each line item and to the basic and diluted earnings per share shall not be mandatory; or
2) A modified retrospective approach – whereby effects of transition shall be taken to retained earnings, as well as accumulated surplus or deficit in the respective Takaful funds at the beginning of the current financial period; or
3) A fair value option – whereby the Takaful residual margin or loss component of the provision for the remaining entitlement period, at the transition date (beginning of the current period) shall be determined as the difference between fair value of Takaful arrangements at that date and the fair value of the fulfilment cashflows measured at that date, and the corresponding effects shall be adjusted in the retained earnings of Takaful institution, as well as accumulated surplus or deficit in the respective Takaful funds.

This standard shall apply to Takaful institutions (including in their capacity of being Takaful operators) and their managed participants' Takaful fund (PTF) and managed participants investment funds (PIF) in respect of the following, a) Takaful arrangements, including re-Takaful arrangements issued; b) re-Takaful arrangements held; c) investment contracts with or without discretionary features that are issued along with, and part of, the Takaful arrangements; and d) ancillary transactions related to Takaful operations. This standard is effective for the financial reporting periods beginning on or after 1 January 2025 with an option to early adopt.

The Group will assess the impact of the adoption of this standard and expects on the consolidated financial statements.

4. Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2022.

5. Shari'a supervisory board

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

6. Segment reporting

The following table presents the assets and liabilities information regarding the Group's operating segments for the period ended 30 June 2023 / year ended 31 December 2022 / period ended 30 June 2022:

For the period ended 30 June 2023:

	Underwriting	**Investments**	**Real Estate**	**Unallocated***	**Total**
Net income	**(1,218,035)**	**16,087,379**	**645,350**	**47,750,690**	**63,265,384**
Total assets	**475,338,836**	**621,148,705**	**228,459,725**	**12,755,630**	**1,337,702,896**
Total liabilities	**665,147,268**	**16,914,788**	**-**	**1,148,553**	**683,210,609**

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

	Underwriting	Investments	Real Estate	Unallocated*	Total
Net income (June 2022) (Restated)	44,002,565	6,775,198	2,970,450	39,503,788	93,252,001
Total assets (December 2022)	422,926,344	638,439,565	231,059,725	13,412,284	1,305,837,918
Total liabilities (December 2022)	606,470,521	15,285,523	-	1,341,224	623,097,268

* Includes Wakala income.

7. Cash and bank balances

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

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
Policyholders		
Cash on hand	**525,179**	400,334
Investment deposits (Islamic banks) (1)	**102,996,545**	100,000,000
Current accounts (2)	**18,471,090**	45,029,182
Saving accounts (Islamic banks)	**50,764,332**	29,181,642
Total for policyholders (1)	**172,757,146**	174,611,158
Less: provision for impairment on bank balances	**(371,974)**	(371,974)
Total as per the condensed statement of financial position	**172,385,172**	174,239,184
Shareholders		
Investment deposits (Islamic banks) (1)	**200,000,000**	200,000,000
Current accounts (2)	**133,127**	190,030
Saving accounts (Islamic banks)	**74,543,439**	83,537,990
Total for shareholders (2)	**274,676,566**	283,728,020
Less: provision for impairment on bank balances	**(557,430)**	(557,430)
Total as per the condensed consolidated statement of financial position	**274,119,136**	283,170,590
Total cash and bank balances before provision (1+2)	**447,433,712**	458,339,178
Less: investment deposits with original maturities of more than ninety days	**(302,996,545)**	(300,000,000)
Total cash and cash equivalents as per the condensed consolidated statement of cash flows	**144,437,167**	158,339,178

(1) Investment deposits earn profit at rates ranging from 2.5% to 5.7% (2022: 1.6% to 3.25%).

(2) Included in current accounts are non-Islamic bank accounts used for the policyholder’s contributions paid by credit cards.

8. Retakaful contract assets and takaful contract liabilities

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
Gross takaful contract liabilities		
Claims reported unsettled	**173,460,561**	143,167,012
Claims incurred but not reported and other reserves	**100,315,639**	100,533,188
Unearned contributions	**231,436,522**	201,541,667
Total	**505,212,722**	445,241,867
Retakaful share of takaful liabilities		
Claims reported unsettled	**118,839,632**	102,529,006
Claims incurred but not reported and other reserves	**37,191,549**	39,563,977
Unearned contributions	**89,074,312**	70,165,561
Total	**245,105,493**	212,258,544
Net takaful liabilities		
Claims reported unsettled	**54,620,929**	40,638,006
Claims incurred but not reported and other reserves	**63,124,090**	60,969,211
Unearned contributions	**142,362,210**	131,376,106
Total	**260,107,229**	232,983,323

The amounts due from retakaful are contractually due within a maximum of 3 months from the date of the payment of the claims.

9. Financial investments

a. Investments at fair value through equity

	30 June 2023 (Reviewed)		31 December 2022 (Audited)	
	Policyholders	**Shareholders**	Policyholders	Shareholders
Quoted investments (1)	**39,215,370**	**4,715,087**	39,291,701	4,014,577
Less: cumulative change in fair value	**4,210,264**	**(837,452)**	8,628,031	1,271,782
Quoted investments (1)	**43,425,634**	**3,877,635**	47,919,732	5,286,359
Unquoted investments (2)	**7,737,146**	**7,737,143**	7,868,387	7,868,386
Less: foreign currency reserve for investments at fair value through equity	**(3,488,016)**	**(3,488,013)**	(3,209,159)	(3,209,157)
Less: cumulative change in fair value	**(587,803)**	**(587,803)**	(587,803)	(587,803)
Unquoted investments (2)	**3,661,327**	**3,661,327**	4,071,425	4,071,426
Debt investments (3)	**1,088,683**	**1,088,684**	1,477,570	1,477,569
Less: cumulative change in fair value	**(75,695)**	**(75,695)**	(97,525)	(97,525)
Less: impairment loss	**(34,491)**	**(34,491)**	(34,491)	(34,491)
Debt investments (3)	**978,497**	**978,498**	1,345,554	1,345,553
Total investments at fair value through equity (1+2+3)	**48,065,458**	**8,517,460**	53,336,711	10,703,338

(i) The quoted investments constitute of securities listed on the Qatar Stock Exchange.

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

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
Balance at January 1	**64,040,049**	47,766,390
Additions	**11,919,164**	25,179,069
Disposals	**(10,956,818)**	(11,530,534)
Impairment loss	**(1,378,424)**	-
Cumulative change in fair value	**(6,483,341)**	3,490,333
Change in foreign currency reserve for investments at fair value through equity for the period / year	**(557,712)**	(865,209)
Balance at 30 June / 31 December	**56,582,918**	64,040,049

b. Investments classified as fair value through income statement

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

	30 June 2023 (Reviewed)		31 December 2022 (Audited)	
	Policyholders	**Shareholders**	Policyholders	Shareholders
30 June / 31 December	**4,301,870**	**3,839,298**	3,875,200	3,436,701

This constitutes an investment in a local sukuk.

9. Financial investments (continued)

b. Investments classified as fair value through income statement (continued)

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

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
Balance at 1 January	**7,311,901**	5,797,900
Additions	**753,803**	3,263,056
Disposals	**-**	(1,676,186)
Fair value gain / (loss)	**75,464**	(72,869)
30 June / 31 December	**8,141,168**	7,311,901

c. Fair value reserve

Change in fair value reserve for investments at fair value through equity:

	30 June 2023 (Reviewed)		31 December 2022 (Audited)	
	Policyholders	**Shareholders**	Policyholders	Shareholders
Quoted investments				
Balance at 1 January	**8,628,031**	**1,271,782**	9,983,630	1,251,552
Net movement during the period / year	**(4,417,767)**	**(2,109,234)**	(1,355,599)	20,230
Quoted investments – At fair values (1)	**4,210,264**	**(837,452)**	8,628,031	1,271,782
Unquoted investments (2))	**(587,803)**	**(587,803)**	(587,803)	(587,803)
Other Investments (3)	**(75,695)**	**(75,695)**	(97,525)	(97,525)
Investment in associates (4)	**-**	**259,242**	-	259,242
Balance at 30 June / 31 December (1+2+3+4)	**3,546,766**	**(1,241,708)**	7,942,703	845,696

10. Investment properties

	30 June 2023 (Reviewed)		31 December 2022 (Audited)	
	Policyholders	**Shareholders**	Policyholders	Shareholders
Cost:				
At 1 January	**110,203,840**	**120,855,885**	118,170,002	127,520,003
Additions during the period / year	**-**	**-**	67,300	132,041
Net fair value loss	**(1,200,000)**	**(1,400,000)**	(8,033,462)	(6,796,159)
At 30 June / 31 December	**109,003,840**	**119,455,885**	110,203,840	120,855,885

As at 30 June 2023, the fair value of the Group's investment properties has been arrived on the basis of a valuation, with slight changes in the assumption based on the current market situation, carried out as at 31 December 2022 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 2023 amounted to QR 228.5 million (31 December 2022: QR 231.05 million), and the management believes that the fair value as at 30 June 2023 does not materially differ from the fair value on 31 December 2022 had the fair valuation been carried out on that date.

11. Investment in associates

The Group has the following investment in associates:

Name of Associate	***Principal Activity***	***Country of incorporation***	***2023***	*2022*
Tashelaat Islamic Co. W.L.L.**	Islamic Financing	Qatar	**51%**	51%
Al Muqawel Co. W.L.L. **	Construction	Qatar	**51%**	51%
Qatari Unified Insurance Bureau W.L.L.	Takaful Insurance	Qatar	**25%**	25%
Mackeen Holding Co. Q.S.C.*	Real Estate Investment	Qatar	**10%**	10%

*The Group is having 10% holding in Mackeen Holding Group but due to significant influence demonstrated by the Group's representation in Board of Directors, it is treated as associate of the Group.

**Despite having 51% ownership in Tasheelat Islamic Company W.L.L. and Al Muqawwel Company W.L.L., the Group does not have control over the operations of the company. There is only significant influence, therefore, the Group is not consolidating them as subsidiaries and treating them as associates.

Movements in investment in associates are as follows:

	30 June 2023 (Reviewed)		31 December 2022 (Audited)	
	Policyholders	**Shareholders**	Policyholders	Shareholders
At January 1	**21,742,204**	**87,935,637**	23,941,448	85,785,052
Share of (losses) / profits for the period / year	**(800,000)**	**6,572,470**	(1,625,801)	5,550,021
Dividends received during the period / year	**-**	**(5,530,000)**	**-**	(1,510,000)
Less: Impairment for investment in associates	**-**	**-**	(573,443)	(1,889,436)
At 30 June / 31 December	**20,942,204**	**88,978,107**	21,742,204	87,935,637

12. Share capital

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
Authorized, issued and paid up capital		
150,000,000 shares at QR 1	**150,000,000**	150,000,000

13. Legal reserve

According to QCB Law No. 13 of 2012, 10% of the profit for the year is required to be transferred to the legal reserve until the reserve equals 100% of paid up capital. No transfer has been made for the period ended 30 June 2023, as the Group will transfer the required amount by 31 December 2023.

14. Related parties

(a) Related parties 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 Group 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 / year were:

	30 June 2023 (Reviewed)	30 June 2022 (Reviewed)
Related party		
Premiums	**81,417,105**	86,083,868
Claims	**7,396,989**	2,914,194

(b) Balances included within contribution receivables and payables:

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
Name of related party		
Mackeen Holding Company Q.S.C.	**(2,433)**	875
Ezdan Holding Group Q.P.S.C.	**8,122,093**	7,944,682
Qatar International Islamic Bank Q.P.S.C.	**1,008,658**	68,090,342
Tashelaat Islamic Company W.L.L.	**282,891**	716,938
Medicare Group Q.P.S.C.	**9,840,422**	4,097,396
SAK Holding Group	**905,535**	3,327,386

(c) Compensation of key management personnel

	30 June 2023 (Reviewed)	30 June 2022 (Reviewed)
Salaries and other short term benefits	**4,028,658**	3,525,268

15. Net underwriting results

	General accidents		Motor vehicles		Takaful and health		Total	
	30 June 2023 (Reviewed)	30 June 2022 (Reviewed)	**30 June 2023 (Reviewed)**	30 June 2022 (Reviewed)	**30 June 2023 (Reviewed)**	30 June 2022 (Reviewed)	**30 June 2023 (Reviewed)**	30 June 2022 (Reviewed)
Gross contributions	**59,082,068**	53,211,901	**100,386,978**	91,376,048	**122,987,027**	105,464,054	**282,456,073**	250,052,003
Retakaful share of gross contributions	**(45,227,838)**	(41,881,365)	**(21,124,851)**	(14,328,493)	**(28,463,088)**	(26,734,507)	**(94,815,777)**	(82,944,365)
Net retained contributions	**13,854,230**	11,330,536	**79,262,127**	77,047,555	**94,523,939**	78,729,54	**187,640,296**	167,107,638
Changes in unearned contributions	**(2,336,023)**	(1,488,558)	**(423,601)**	(5,755,735)	**(8,226,480)**	(5,190,427	**(10,986,104)**	(12,434,720)
Earned contributions	**11,518,207**	9,841,978	**78,838,526**	71,291,820	**86,297,459**	73,539,12	**176,654,192**	154,672,918
Commission paid	**7,431,258**	12,241,402	**(4,072,947)**	(5,109,839)	**(10,107,199)**	(10,369,101)	**(6,748,888)**	(3,237,538)
Changes in deferred commission	**(243,416)**	11,284	**(556,406)**	396,367	**-**	-	**(799,822)**	407,651
Total takaful revenue / (1)	**18,706,049**	22,094,664	**74,209,173**	66,578,348	**76,190,260**	63,170,019	**169,105,482**	151,843,031
Gross claims paid	**12,060,421**	8,182,084	**47,910,222**	38,422,599	**39,688,221**	20,664,48	**99,658,864**	67,269,170
Changes in outstanding claims	**5,989,534**	(8,409,125)	**20,732,804**	1,918,828	**(10,584,536)**	3,178,44	**16,137,802**	(3,311,852)
Retakaful share of claims paid	**(7,153,262)**	(7,370,573)	**(1,611,402)**	(2,163,481)	**(19,589,938)**	(15,347,098)	**(28,354,602)**	(24,881,152)
Total takaful expenses (2)	**10,896,693**	(7,597,614)	**67,031,624**	38,177,946	**9,513,747**	8,495,834	**87,442,064**	39,076,166
Net surplus from takaful operations (1-2)	**7,809,356**	29,692,278	**7,177,549**	28,400,402	**66,676,513**	54,674,185	**81,663,418**	112,766,865

16. Basic earnings per share

Basic 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 30 June		For the six month period ended 30 June	
	2023 (Reviewed)	2022 (Reviewed) (Restated)	**2023 (Reviewed)**	2022 (Reviewed) (Restated)
Profit attributable to shareholders	**34,934,084**	25,633,620	**64,230,759**	52,971,593
Weighted average number of ordinary shares	**150,000,000**	150,000,000	**150,000,000**	150,000,000
Basic earnings per share (QR)	**0.23**	0.17	**0.43**	0.35

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.

17. Mudarib share and Wakala fees

Mudarib fees are calculated at a rate of 80% (2022: 80%) 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 27.5% from 1 January 2023 to 7 May 2023 and 33% from 8 May 2023 to 30 June 2023 (2022: 27.5%) of gross contribution for the period as approved by the Board of Directors and the Sharia'a Supervisory Board.

18. Contingent liabilities

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
Bank guarantees and manager cheques	**4,901,955**	4,629,606
Performance bond	**8,099,417**	7,237,048

19. Measurement of fair values

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 which are based on unobservable market data.

19. Measurement of fair values (continued)

Accounting classification and fair values

As at 30 June 2023:	Carrying value				Fair value		
	Fair value	Amortized cost	Financial liabilities	Total carrying amount	Level 1	Level 2	Level 3
Financial assets measured at fair value (Policyholders)							
Investments at fair value through equity	48,065,458	-	-	48,065,458	44,404,131	-	3,661,327
Investment classified at fair value through income statement	4,301,870	-	-	4,301,870	4,301,870	-	-
Financial assets not measured at fair value (Policyholders)							
Cash and bank balances	-	172,385,172	-	172,385,172	-	-	-
Contribution receivable	-	121,924,404	-	121,924,404	-	-	-
Due from retakaful	-	67,041,742	-	67,041,742	-	-	-
Other assets	-	41,267,197	-	41,267,197	-	-	-
Financial liabilities not measured at fair value (Policyholders)							
Due to retakaful	-	-	(53,569,530)	(53,569,530)	-	-	-
Payables and other liabilities	-	-	(52,697,544)	(52,697,544)	-	-	-
Unclaimed surplus	-	-	(26,492,251)	(26,492,251)	-	-	-
Financial assets measured at fair value (Shareholders)							
Investments at fair value through equity	8,517,460	-	-	8,517,460	4,856,133	-	3,661,327
Investment classified at fair value through income statement	3,839,298	-	-	3,839,298	3,839,298	-	-
Financial assets not measured at fair value (Shareholders)							
Cash and bank balances	-	274,119,136	-	274,119,136	-	-	-
Financial liabilities not measured at fair value (Shareholders)							
Unclaimed dividends	-	-	(16,914,788)	(16,914,788)	-	-	-
Ijarah liabilities	-	-	(1,148,553)	(1,148,553)	-	-	-
Payables and other liabilities	-	-	(27,175,221)	(27,175,221)	-	-	-
	64,724,086	**676,737,651**	**(177,997,887)**	**563,463,850**			

19. Measurement of fair values (continued)

Accounting classification and fair values (continued)

As at 31 December 2022:

	Carrying value				Fair value		
	Fair value	**Amortized cost**	**Financial liabilities**	**Total carrying amount**	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at fair value (Policyholders)							
Investments at fair value through equity	53,336,711	-	-	53,336,711	49,265,286	-	4,071,425
Investment classified at fair value through income statement	3,875,200	-	-	3,875,200	3,875,200	-	-
Financial assets not measured at fair value (Policyholders)							
Cash and bank balances	-	174,239,184	-	174,239,184	-	-	-
Contribution receivable	-	86,755,891	-	86,755,891	-	-	-
Due from retakaful	-	78,983,181	-	78,983,181	-	-	-
Other assets	-	44,928,728	-	44,928,728	-	-	-
Financial liabilities not measured at fair value (Policyholders)							
Due to retakaful	-	-	(55,425,073)	(55,425,073)	-	-	-
Payables and other liabilities	-	-	(52,926,864)	(52,926,864)	-	-	-
Unclaimed surplus	-	-	(18,510,004)	(18,510,004)	-	-	-
Financial assets measured at fair value (Shareholders)							
Investments at fair value through equity	10,703,338	-	-	10,703,338	6,631,912	-	4,071,426
Investment classified at fair value through income statement	3,436,701	-	-	3,436,701	3,436,701	-	-
Financial assets not measured at fair value (Shareholders)							
Cash and bank balances	-	283,170,590	-	283,170,590	-	-	-
Financial liabilities not measured at fair value (Shareholders)							
Unclaimed dividends	-	-	(15,285,523)	(15,285,523)	-	-	-
Ijarah liabilities	-	-	(1,341,224)	(1,341,224)	-	-	-
Payables and other liabilities	-	-	(34,366,713)	(34,366,713)	-	-	-
	71,351,950	668,077,574	(177,855,401)	561,574,123			

During the periods/ year ended 30 June 2023 and 31 December 2022, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements. The Level 3 balance decreased due to the foreign currency fluctuation and impairment loss during the period.

19. Measurement of fair values (continued)

Level 3 reconciliation

The following table shows a reconciliation of all movements in the fair value of financial instruments categorized within Level 3 between the beginning and the end of the reporting period:

	30 June 2023 (Reviewed)	31 December 2022 (Audited)
At 1 January	**8,142,851**	7,214,362
Additions during the period / year	**-**	1,793,697
Impairment loss	**(262,485)**	-
Net movement in foreign currency reserve	**(557,712)**	(865,208)
At 30 June / 31 December	**7,322,654**	8,142,851

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values at 30 June 2023 and 31 December 2022 for assets and liabilities measured at fair value as well as the significant unobservable inputs used.

Type	**Valuation technique**	**Significant unobservable inputs**	**Inter-relationship between significant unobservable inputs and fair value measurement**
Unquoted equity instruments	At each reporting period, the management internally estimates the fair values of unquoted equity instruments using adjusted net asset value method.	Not applicable	Not applicable

20. Restatement of the condensed consolidated interim financial information

The comparative figures for the six month period ended 30 June 2022 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 2022. 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 statement of shareholders' income are summarised below.

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

	As previously reported for six month period ended 30 June 2022 QR	***Adjustments QR***	***As restated for six month period ended 30 June 2022 QR***
Net investment income	5,490,388	1,029,284	6,519,672
Mudaraba fees	(4,392,310)	(823,427)	(5,215,737)

20. Restatement of the condensed consolidated interim financial information (continued)

Effect on the condensed consolidated statement of shareholders' income:

	As previously reported for six month period ended ***30 June 2022***	***Adjustments***	***As restated for six month period ended*** ***30 June 2022***
	QR	***QR***	***QR***
Shareholders' mudaraba fees for managing investment portfolio of policyholders	4,392,310	823,427	5,215,737
Depreciation of investment properties	(1,603,163)	1,603,163	-

21. Events after the reporting period

There were no significant subsequent events which have a bearing on the understanding of these condensed consolidated interim financial information.

Independent Auditors' review report on pages 1 and 2.