

**AL KHALEEJ TAKAFUL GROUP Q.P.S.C.
DOHA – QATAR**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AS AT AND
FOR THE SIX MONTH
PERIOD ENDED JUNE 30, 2017
TOGETHER WITH
INDEPENDENT AUDITOR'S REVIEW REPORT**

**AL KHALEEJ TAKAFUL GROUP Q.P.S.C.
DOHA – QATAR**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AS AT AND
FOR THE SIX MONTH
PERIOD ENDED JUNE 30, 2017**

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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**TO THE BOARD OF DIRECTORS
AL KHALEEJ TAKAFUL GROUP Q.P.S.C.**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Al Khaleej Takaful Group Q.P.S.C. (the "Company") and its subsidiaries (together referred to as the "Group") as at and for the six month period ended 30 June 2017, comprising of the interim consolidated statement of financial position as at 30 June 2017 and the related interim consolidated statement of profit or loss, interim consolidated statement of comprehensive income, interim consolidated statement of changes in participants' fund, interim consolidated statement of changes in shareholders' equity and interim consolidated statement of cash flows for the six-month period then ended and the related explanatory notes.

The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the financial accounting standards issued by the accounting and auditing organization for Islamic Financial institutions (AAOIFI) and IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements 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 performed in accordance with the auditing standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions. Consequently, it 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with the financial accounting standards issued by the accounting and auditing organization for Islamic Financial institutions (AAOIFI) and IAS 34 "Interim Financial Reporting".

Rödl & Partner


Hikmat Mukhaimer

(License No.297)

QFMA Registration Auditor's No. 120151

**Doha-Qatar
August 3, 2017**



AL KHALEEJ TAKAFUL GROUP Q.P.S.C.
DOHA - QATAR

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2017

	Note	June 30, 2017 QR. (Reviewed)	December 31, 2016 QR. (Audited)
ASSETS			
Policyholders' assets			
Bank balances and cash		2,673,189	4,693,655
Investments classified at fair value through equity	3	19,561,900	20,460,680
Takaful balances receivable		61,251,786	50,899,071
Retakaful balances receivable		48,470,648	45,410,329
Retakaful share of unearned contributions		66,335,550	66,861,602
Retakaful share of gross outstanding claims		89,246,447	89,687,233
Other receivables and prepayments		57,655,410	69,247,346
Investment property		30,613,680	31,100,274
Property and equipment		841,500	1,009,800
Total policyholders' assets		376,650,110	379,369,990
Shareholders' assets			
Bank balances and cash		28,704,886	50,096,736
Time deposits		100,000	100,000
Investments classified at fair value through equity	3	278,087,296	308,851,286
Asset held for sale		21,454,007	21,454,007
Investment in associate		6,870,000	6,870,000
Takaful balances receivable		370,137	705,900
Retakaful balances receivable		384,821	384,821
Retakaful share of gross outstanding claims		1,613,823	1,617,439
Other receivables and prepayments		31,616,132	19,733,214
Investment property		225,463,854	225,082,937
Property and equipment		12,005,641	12,843,420
Property under development		47,351,070	46,909,235
Total shareholders' assets		654,021,667	694,648,995
TOTAL ASSETS		1,030,671,777	1,074,018,985

The accompanying notes 1 to 7 form part of these interim condensed consolidated financial statements.

AL KHALEEJ TAKAFUL GROUP Q.P.S.C.
DOHA - QATAR

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2017 (CONTINUED)

	June 30, 2017	December 31, 2016
	QR.	QR.
SHAREHOLDERS' EQUITY, PARTICIPANTS' FUND AND LIABILITIES	(Reviewed)	(Audited)
Shareholders' equity		
Share capital	255,279,024	255,279,024
Legal reserve	232,931,770	232,931,770
General reserve	75,477	75,477
Proposed cash dividends	--	15,316,741
Fair value reserve	5,166,996	31,326,979
Retained earnings	21,240,868	4,786,403
Total shareholders' equity	514,694,135	539,716,394
Shareholders' liabilities		
Liability arising from takaful contracts:		
Gross outstanding claims	1,411,152	1,414,780
Islamic bank facilities	82,373,715	90,788,036
Accounts payable and other liabilities	48,800,382	55,522,782
Retakaful and takaful balances payable	372,668	372,668
Employees' end of service benefits	6,369,615	6,834,335
	137,916,380	153,517,821
Total shareholders' liabilities	139,327,532	154,932,601
Shareholders' equity and liabilities	654,021,667	694,648,995
Participants' fund		
Surplus in participants' fund	15,036,532	8,562,036
Participants' fair value reserve	5,466,759	6,037,954
	20,503,291	14,599,990
Policyholders' liabilities		
Liabilities arising from takaful contracts:		
Unearned contributions	117,332,457	118,552,916
Gross outstanding claims	111,321,052	112,289,796
Claims incurred but not reported	4,007,627	4,116,998
	232,661,136	234,959,710
Accounts payable and other liabilities	63,210,131	74,388,723
Retakaful and takaful balances payable	60,275,552	55,421,567
Total policyholders' liabilities	123,485,683	129,810,290
Participants' fund and policyholders liabilities	376,650,110	379,369,990
TOTAL SHAREHOLDERS' EQUITY, PARTICIPANTS' FUND AND LIABILITIES	1,030,671,777	1,074,018,985

.....
Saoud Bin Abdulla Mohd J. Al-Thani
Chief Executive Officer

.....
Abdulla Bin Ali Mohamed Al Ansari
Board Member

The attached notes 1 to 7 form part of these interim condensed consolidated financial statements.

AL KHALEEJ TAKAFUL GROUP Q.P.S.C.
DOHA - QATAR

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (POLICY HOLDERS)
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2017

		Three Month period ended June 30,		Six Month period ended June 30,	
	Note	2017	2016	2017	2016
		QR.	QR.		
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
POLICYHOLDERS' REVENUES AND EXPENSES					
Gross contributions		59,450,676	63,248,864	159,974,112	164,188,005
Retakaful share		(39,557,426)	(40,130,167)	(109,230,938)	(110,035,220)
Retained contributions		19,893,250	23,118,697	50,743,174	54,152,785
Movement in unearned contributions		1,142,562	4,014,017	134,144	4,916,830
Net retained contributions		21,035,812	27,132,714	50,877,318	59,069,615
Retakaful commission and other takaful income		5,831,509	4,761,069	13,504,115	13,053,545
Change in deferred commissions		93,188	--	(510,082)	--
Total takaful revenues		26,960,509	31,893,783	63,871,351	72,123,160
Claims Paid		(31,091,118)	(31,383,519)	(62,366,796)	(63,064,682)
Retakaful share of claims paid		17,793,973	12,635,223	34,898,983	27,106,242
Net claims paid		(13,297,145)	(18,748,296)	(27,467,813)	(35,958,440)
Movement in outstanding claims		2,818,182	1,070,447	527,958	454,410
Movement in IBNR		558,477	(60,677)	51,117	(419,356)
Commission and other takaful expenses		(4,507,960)	(5,771,513)	(10,526,056)	(13,371,505)
Total takaful expenses		(14,428,446)	(23,510,039)	(37,414,794)	(49,294,891)
SURPLUS FROM TAKAFUL OPERATIONS					
	4	12,532,063	8,383,744	26,456,557	22,828,269
Investment income of takaful policyholders		770,084	250,946	875,301	626,573
Income from deposits		57,472	68,785	118,395	68,785
Real-estate rental income		612,000	816,000	1,224,000	816,000
Total policyholders revenues		13,971,619	9,519,475	28,674,253	24,339,627
OTHER EXPENSES					
Wakala fees		(9,164,136)	(7,871,771)	(19,905,602)	(15,925,559)
Depreciation		(412,941)	(890,729)	(654,894)	(1,108,257)
Other expenses		(23,852)	336,340	(86,873)	(56,315)
Mudarib Expenses		(1,007,690)	(600,323)	(1,552,388)	(755,678)
Total other expenses		(10,608,619)	(9,026,483)	(22,199,757)	(17,845,809)
SURPLUS FOR THE PERIOD					
TRANSFERRED TO PARTICIPANTS' FUND		3,363,000	492,992	6,474,496	6,493,818

The accompanying notes 1 to 7 form part of these interim condensed consolidated financial statement

AL KHALEEJ TAKAFUL GROUP Q.P.S.C.
DOHA - QATAR

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (SHAREHOLDERS)
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2017

		Three Month Period Ended June 30,		Six Month Period Ended June 30,	
	Note	2017	2016	2017	2016
		QR.	QR.	QR.	QR.
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
SHAREHOLDERS' REVENUES AND EXPENSES					
Claims paid		12,767	(221,480)	--	(330,370)
Retakaful's share of claims paid		--	--	--	107,026
Net claims paid		12,767	(221,480)	--	(223,344)
Movement in outstanding claims		--	(736,004)	--	(313,779)
Total takaful expenses		12,767	(957,484)	--	(537,123)
SURPLUS (DEFICIT) FROM TAKAFUL OPERATIONS	4	12,767	(957,484)	--	(537,123)
INVESTMENT AND OTHER INCOME					
Wakala income		9,164,136	7,871,771	19,905,602	15,925,559
Mudarib income		1,007,690	600,323	1,552,388	755,678
Income from deposits		5,946	14,813	11,848	25,855
Dividend income		2,199,232	2,515,034	12,191,988	14,975,937
Net realized gains on sale of investment classified at fair value through equity		2,452,561	921,082	3,107,802	3,482,645
Gain on disposal of investment property		--	--	200,000	--
Rental (loss)		(1,308,670)	(716,819)	(364,376)	(871,752)
Other Income		96,386	318,041	96,386	318,041
Total shareholders' revenue		13,617,281	11,524,245	36,701,638	34,611,963
EXPENSES					
General and administrative expenses		(6,672,331)	(7,358,718)	(13,882,873)	(15,353,014)
Depreciation		(1,109,802)	(936,007)	(2,000,192)	(1,861,109)
Finance cost		(1,077,292)	(1,672,679)	(2,177,134)	(2,023,902)
Impairment on investment classified at fair value through equity		(2,186,974)	--	(2,186,974)	--
Total expenses		(11,046,399)	(9,967,404)	(20,247,173)	(19,238,025)
SHAREHOLDERS' PROFIT FOR THE PERIOD		2,583,649	599,357	16,454,465	14,836,815
Basic/Diluted Earnings Per Share	5			0.64	0.58

The accompanying notes 1 to 7 form part of these interim condensed consolidated financial statements

AL KHALEEJ TAKAFUL GROUP Q.P.S.C.
DOHA - QATAR

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2017

	Three Month Period Ended June 30,		Six Month Period Ended June 30,	
	2017	2016	2017	2016
	QR.	QR.		
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Shareholders' profit for the period	2,583,649	599,357	16,454,465	14,836,815
Other comprehensive income				
Net change in fair value of investments classified at fair value through equity	(22,085,120)	(19,455,226)	(26,159,983)	(29,031,887)
Total other comprehensive (loss) for the period	(22,085,120)	(19,455,226)	(26,159,983)	(29,031,887)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(19,501,471)	(18,855,869)	(9,705,518)	(14,195,072)

The attached notes 1 to 7 form part of these interim condensed consolidated financial statements.

AL KHALEEJ TAKAFUL GROUP Q.P.S.C.
DOHA - QATAR

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN PARTICIPANTS' FUNDS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2017

	Surplus in Participants' fund <u>QR.</u> (Reviewed)	Fair Value Reserve <u>QR.</u> (Reviewed)	Total <u>QR.</u> (Reviewed)
Balance as at 1 January 2017	8,562,036	6,037,954	14,599,990
Surplus for the period	6,474,496	--	6,474,496
Net change in fair value of investments classified at fair value through equity	--	(571,195)	(571,195)
Balance as at 30 June 2017	<u>15,036,532</u>	<u>5,466,759</u>	<u>20,503,291</u>
 Balance as at 1 January 2016	 (8,808,346)	 5,579,844	 (3,228,502)
Surplus for the period	6,493,818	--	6,493,818
Net change in fair value of investments classified at fair value through equity	--	826,653	826,653
Balance as at 30 June 2016	<u>(2,314,528)</u>	<u>6,406,497</u>	<u>4,091,969</u>

The attached notes 1 to 7 form part of these interim condensed consolidated financial statements.

AL KHALEEJ TAKAFUL GROUP Q.P.S.C.
DOHA - QATAR

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2017

	Share Capital	Legal Reserve	General Reserve	Proposed Cash Dividends	Fair Value Reserve	Retained Earnings	Total
	QR.	QR.	QR.	QR.	QR.	QR.	QR.
Balance at 1 January 2017	255,279,024	232,931,770	75,477	15,316,741	31,326,979	4,786,403	539,716,394
Shareholders' profit for the period	--	--	--	--	--	16,454,465	16,454,465
Other Comprehensive loss for the period	--	--	--	--	(26,159,983)	--	(26,159,983)
Total comprehensive loss for the period	--	--	--	--	(26,159,983)	16,454,465	(9,705,518)
Cash dividends paid	--	--	--	(15,316,741)	--	--	(15,316,741)
Balance at 30 June 2017	255,279,024	232,931,770	75,477	--	5,166,996	21,240,868	514,694,135
Balance at 1 January 2016	255,279,024	231,602,641	75,477	25,527,902	48,110,372	9,702,407	570,297,823
Shareholders' profit for the period	--	--	--	--	--	14,836,815	14,836,815
Other Comprehensive loss for the period	--	--	--	--	(29,031,887)	--	(29,031,887)
Total comprehensive loss for the period	--	--	--	--	(29,031,887)	14,836,815	(14,195,072)
Cash dividends paid	--	--	--	(25,527,902)	--	--	(25,527,902)
Balance at 30 June 2016	255,279,024	231,602,641	75,477	--	19,078,485	24,539,222	530,574,849

The accompanying notes 1 to 7 form part of these interim condensed consolidated financial statements.

AL KHALEEJ TAKAFUL GROUP Q.P.S.C.
DOHA – QATAR

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2017

	Six Month Period Ended June 30,	
	2017	2016
	QR.	QR.
	(Reviewed)	(Reviewed)
OPERATING ACTIVITIES		
Participants' surplus for the period	6,474,496	6,493,818
Shareholders' profit for the period	16,454,465	14,836,815
	22,928,961	21,330,633
Adjustment for:		
Depreciation	2,655,086	2,969,366
Income from Deposits	(130,243)	(94,640)
Dividend income	(12,191,988)	(14,975,937)
Rental income (loss)	(859,624)	55,752
Provision for employees' end of service benefits	426,773	507,432
Net Operating profit before changes in working capital	12,828,965	9,792,606
Takaful balances receivable	(10,016,952)	3,517,535
Retakaful balances receivable	(3,060,319)	(1,432,834)
Retakaful's share of unearned contribution	526,052	319,927
Retakaful's share of gross outstanding claims	444,402	(6,912,053)
Other receivables and prepayments	(290,982)	(13,841,364)
Total outstanding claims	(972,372)	6,771,422
Unearned contribution	(1,220,459)	(6,131,520)
Claims incurred but not reported	(109,371)	411,713
Accounts payable and other liabilities	(17,900,992)	(13,281,299)
Retakaful and takaful balances payable	4,853,985	18,855,910
Cash used in operating activities	(14,918,043)	(1,929,957)
Employees' end of service benefits paid	(891,493)	(970,688)
Net cash used in operating activities	(15,809,536)	(2,900,645)
INVESTING ACTIVITIES		
Movement in investments classified at fair value through equity	4,931,592	(14,711,400)
Purchase of investment property	(1,237,950)	(1,193,500)
Property under development	(441,835)	(661,770)
Income from deposits received	130,243	94,640
Dividends income received	12,191,988	14,975,937
Rental income (loss)	859,624	(55,752)
Purchase of property and equipment	(305,380)	--
Net cash from (used in) investing activities	16,128,282	(1,551,845)
FINANCING ACTIVITIES		
Net Movements in Islamic bank facilities	(8,414,321)	(1,917,542)
Dividend paid	(15,316,741)	(25,527,209)
Net cash used in financing activities	(23,731,062)	(27,444,751)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(23,412,316)	(31,897,241)
Cash and cash equivalents at 1 January	54,790,391	77,334,675
CASH AND CASH EQUIVALENTS AT 30 June	31,378,075	45,437,434

The accompanying notes from 1 to 7 form part of these interim condensed consolidated financial statements.

AL KHALEEJ TAKAFUL GROUP Q.P.S.C.
DOHA – QATAR

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2017

1. LEGAL STATUS AND ACTIVITIES

Al Khaleej Takaful Group Q.P.S.C. (the "Company") is a Qatari shareholding company registered and incorporated in the State of Qatar under Emiri Decree No. 53 issued on 21 December 1978 and listed on Qatar Exchange. The Company and its subsidiaries (together referred to as the "Group") are engaged in the business of Takaful insurance and retakaful, and real estate investment.

As per extraordinary general meeting held at 5th of April 2017, The decision has been approved to change the name of the company from Al-khaleej-Takaful Group to Al-khaleej Takaful Insurance and the commercial registration of the company was updated and the company is on the process of completing the remaining process.

<u><i>Name of Subsidiary</i></u>	<u><i>Ownership</i></u>	<u><i>Country of incorporation</i></u>	<u><i>Principal Activities</i></u>
Qatar Takaful Co. W.L.L	100%	Qatar	Primarily engaged in activities in accordance with Islamic Sharia'a principles on a non-usury basis in all areas of takaful insurance.
Mithaq Investments W.L.L	100%	Qatar	Primarily engaged in investments.

The interim condensed consolidated financial statements were approved from board of directors at August 3, 2017

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES
Basis of preparation

The interim condensed consolidated financial statements are prepared in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions and the International Accounting Standard (IAS) 34 - *Interim Financial Reporting*. For matters for which no AAOIFI standards exist, the Group applies the relevant International Financial Reporting Standards (IFRS).

The interim condensed consolidated financial statements are presented in Qatari Riyals, which is the functional and presentation currency of the Group.

The interim condensed consolidated financial statements 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 31 December 2016. The results for the six months period ended 30 of June 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017

AL KHALEEJ TAKAFUL GROUP Q.P.S.C.
DOHA – QATAR

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2017

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2016 except for the new and amended conceptual framework financial accounting standards effectively dated for the periods started from 1 January 2017, which were prepared in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (the "AAOIFI") and applicable provisions of the Qatar Commercial Company's Law No. 11 of 2015. For matters which are not covered by AAOIFI standards, including "Interim Financial Reporting", the Group uses the International Financial Reporting Standards (the "IFRSs").

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 of June 2017.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interest
- Derecognizes the cumulative translation differences, recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

AL KHALEEJ TAKAFUL GROUP Q.P.S.C.
DOHA – QATAR

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2017

3. INVESTMENTS CLASSIFIED AT FAIR VALUE THROUGH EQUITY

The carrying amounts of the Group's investments were as follows:

	June 30, 2017	December 31, 2016
	QR	QR
	(Reviewed)	(Audited)
Policyholders		
Quoted investments		
Local equity shares	11,107,882	12,008,184
Foreign equity shares	1,232,612	903,504
Unquoted investments		
Local equity shares	1,900,000	1,900,000
Foreign equity shares	5,321,406	5,648,992
	19,561,900	20,460,680
Shareholders		
Quoted investments		
Local equity shares	183,775,483	228,374,057
Foreign equity shares	1,841,128	1,266,083
Debt securities	360,855	360,855
Unquoted investments		
Local equity shares	62,961,602	52,645,666
Foreign equity shares	28,802,042	25,858,439
Mutual funds	346,186	346,186
	278,087,296	308,851,286

4. SEGMENT INFORMATION

For management purposes, the Group is organized into five business segments, Marine and Aviation, Fire, General Accident, Motor and Takaful Insurance.

Management monitors the operating results of the business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net underwriting results.

Other operations of the Group comprise investment and cash management for the Group's own account. There are no transactions between segments.

AL KHALEEJ TAKAFUL GROUP Q.P.S.C.
DOHA - QATAR

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2017

4. SEGMENT INFORMATION (Continued)

The data with respect to segment information is disclosed as follows. The data for the six months period ended June 30, 2017 relates to both the policyholders' and shareholders' operations.

	Marine & Aviation	Fire	General accident + Energy+ Eng.	Motor	Takaful + Medical	Total
	June 2017	June 2017	June 2017	June 2017	June 2017	June 2017
	QR	QR	QR	QR	QR	QR
Revenue						
Gross contributions	5,368,197	21,253,027	38,636,030	47,545,308	47,171,550	159,974,112
Retakaful share of gross contributions	(4,853,518)	(19,727,858)	(35,380,015)	(8,953,349)	(40,316,198)	(109,230,938)
Retained contributions	514,679	1,525,169	3,256,015	38,591,959	6,855,352	50,743,174
Movement in unearned contributions	20,378	(348,241)	(490,609)	897,658	54,958	134,144
Net retained contributions	535,057	1,176,928	2,765,406	39,489,617	6,910,310	50,877,318
Retakaful commission and other takaful income	1,328,288	2,518,045	6,060,998	2,414,310	1,182,474	13,504,115
Change in deferred commission	(3,954)	193,382	296,147	(223,658)	(771,999)	(510,082)
Total revenue	1,859,391	3,888,355	9,122,551	41,680,269	7,320,785	63,871,351
Expenses						
Claims paid	(851,021)	(7,172,108)	(9,240,490)	(28,378,475)	(16,724,702)	(62,366,796)
Retakaful share of claims paid	815,548	5,990,675	9,694,744	3,993,618	14,404,398	34,898,983
Net claims paid	(35,473)	(1,181,433)	454,254	(24,384,857)	(2,320,304)	(27,467,813)
Movement in outstanding claims	148,633	1,008,534	(368,276)	(523,335)	262,402	527,958
Movement in IBNR	21,855	151,281	(24,626)	(78,500)	(18,893)	51,117
Commission and other takaful expenses	(234,125)	(605,024)	(1,568,456)	(4,636,275)	(3,482,176)	(10,526,056)
Total expenses	(99,110)	(626,642)	(1,507,104)	(29,622,967)	(5,558,971)	(37,414,794)
Surplus from takaful operations	1,760,281	3,261,713	7,615,447	12,057,302	1,761,814	26,456,557

As the Group's activities are performed on an integrated basis, a segmental analysis of assets and liabilities between these segments would not be meaningful

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4. SEGMENT INFORMATION (Continued)

The data with respect to segment information is disclosed as follows. The data for the six months period ended June 30, 2017 relates to both the policyholders' and shareholders' operations.

	Marine & Aviation June 2016 QR	Fire June 2016 QR	General accident + Energy+ Eng. June 2016 QR	Motor June 2016 QR	Takaful + Medical June 2016 QR	Total June 2016 QR
Revenue						
Gross contributions	6,325,248	20,994,402	41,869,709	51,580,746	43,417,900	164,188,005
Retakaful share of gross contributions	(5,736,838)	(20,220,211)	(39,152,142)	(10,489,167)	(34,436,862)	(110,035,220)
Retained contributions	588,410	774,191	2,717,567	41,091,579	8,981,038	54,152,785
Movement in unearned contributions	28,999	(135,404)	31,577	5,302,824	(311,166)	4,916,830
Net retained contributions	617,409	638,787	2,749,144	46,394,403	8,669,872	59,069,615
Retakaful commission and other takaful income	1,313,252	2,682,833	5,583,996	2,868,733	604,731	13,053,545
Total revenue	1,930,661	3,321,620	8,333,140	49,263,136	9,274,603	72,123,160
Expenses						
Claims paid	(1,445,381)	(5,091,558)	(7,747,714)	(36,700,540)	(12,409,859)	(63,395,052)
Retakaful share of claims paid	1,207,818	4,549,138	5,316,928	5,206,136	10,933,248	27,213,268
Net claims	(237,563)	(542,420)	(2,430,786)	(31,494,404)	(1,476,611)	(36,181,784)
Movement in outstanding claims	185,045	(214,056)	853,212	(288,291)	(395,279)	140,631
Movement in IBNR	27,388	(34,387)	3,030	(348,452)	(66,935)	(419,356)
Commission and other takaful expenses	(352,788)	(553,655)	(1,381,720)	(5,670,132)	(5,413,210)	(13,371,505)
Total expenses	(377,918)	(1,344,518)	(2,956,264)	(37,801,279)	(7,352,035)	(49,832,014)
Surplus from takaful operations	1,552,743	1,977,102	5,376,876	11,461,857	1,922,568	22,291,146

As the Group's activities are performed on an integrated basis, a segmental analysis of assets and liabilities between these segments would not be meaningful.

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5. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period.

	<u>June 30,</u>	
	<u>2017</u>	<u>2016</u>
	<u>(Reviewed)</u>	<u>(Reviewed)</u>
Profit for the period attributable to the shareholders (QR.)	<u>16,454,465</u>	<u>14,836,815</u>
Number of shares	<u>25,527,902</u>	<u>25,527,902</u>
Basic/Diluted earnings per share (QR.)	<u>0.64</u>	<u>0.58</u>

There were no potentially dilutive shares outstanding at any time during the period. Therefore, the diluted earnings per share are equal to the basic earnings per share.

6. QATAR TAKAFUL COMPANY W.L.L

According to the decision of Qatar Central bank governor no (1) of 2014, the policies of properties and responsibilities including all rights and all of its obligations should be transferred from Qatar Takaful company to Al Khaleej Takaful Group company.

The required procedures are in process and in accordance with the plan submitted by the company to the Qatar Central Bank.

7. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current period's presentation. The changes have been made to improve the quality of information presented and do not affect the previously reported net shareholders profit or equity.