AKTI

الخليج للتأمين التكافلي

AlKhaleej Takaful Insurance

Annual Report 2024

His Highness

Sheikh Tamim bin Hamad Al Thani

The Amir of the State of Qatar

His Highness

Sheikh Hamad bin Khalifa Al Thani

The Father Amir

Contents

Board of Directors

SHK. ABDULLA BIN AHMED AL AHMED AL-THANI
CHAIRMAN

SHK. MOH'D BIN FAHAD MOH'D J. AL-THANI
VICE CHAIRMAN

SHK. TAMIM BIN FAHAD MOH'D J. ALTHANI
MANAGING DIRECTOR

MR. ABDULLA ALI MOH'D A. AL-ANSARI
MEMBER

SHK. MOH'D ABDUL RAHMAN J. AL- THANI
MEMBER

SHK. JASSIM HAMAD NASER J. AL-THANI
MEMBER

MR. NASER KHALID KHALIFA A. AL-ATIA
MEMBER

MR. SAAD NASER RASHID S. AL-KAABI
MEMBER

SHK. HAMAD ABDULAZIZ NASER AL-THANI
MEMBER

Who We Are

AlKhaleej Takaful Insurance Company was established in 1979 to provide all kinds of conventional insurance and reinsurance services and since then we are proud of the experience and distinguished services we offer for over 40 years. On 2010, it has become a Takaful Insurance company in compliance with Islamic Sharia` principles.

Honored by the trust that our valued customers have placed in us, we always strive to continue to provide our services in a distinctive way, and value the precious time of both corporate and individual customers, reinforcing the confidence and credibility that we are proud of.

Since its inception, the company has, and still is, contributing to the process of economic progress and development witnessed by the country under its wise leadership, through providing insurance coverage for governmental infrastructure projects, and through insuring assets and property for companies and individuals.

The company has a strong balance sheet with an adequate capital base and excellent liquidity ratios,- supported by reinsurance agreements with distinguished international reinsurance companies with prominent credit ratings .

Board of Directors Report 2024

We are pleased to present to you the financial results and performance of the company, and the governance report for the financial year ending 31/12/2024.

The year 2024 witnessed several developments in the company's sustainable growth journey, while implementing the ambitious strategy set by the Board. Despite the economic, operational and competitive challenges in the insurance sector and the investment sector that we witnessed in 2024, thanks to God Almighty, the company achieved growth in its financial results, as net profits rose to 75,700,019 Qatari Riyals, a growth of 17% compared to 2023, as a result of the increase in various investment returns to 121,895,638 Qatari Riyals, in addition to the growth in the overall technical performance indicators of the insurance sector, as contributions increased to reach 463,522,897 Qatari Riyals, a growth of about 39%, and the Net Surplus in Takaful Operations rose to 83,291,907 Qatari Riyals, a growth of 14% over the previous year. As a result of this performance, the Board of Directors recommends distributing a cash dividend to shareholders amounting to 15% of the company's capital.

We always look to the future with great faith and confidence and strive with deliberate steps to enhance the digital transformation strategy adopted by the company to keep pace with customer needs, improve their experience and increase operational efficiency. We have carried out several projects and procedures that have improved the experience of electronic services for our customers, as well as the Company website and the electronic payment platform to which we have added the installment payment service, and a number of other applications are being updated to facilitate their use. We also continue to allocate material and human resources to enhance digital solutions and cybersecurity and seek to develop digital capabilities to benefit from artificial intelligence tools in the areas of issuing and renewing policies, registering claims and other support services.

The Board of Directors has prioritized continuing to enhance governance policies and applications by reviewing and updating internal controls that protect and benefit the company's shareholders and stakeholders. The company also continues to develop its work in the field of environmental, social and institutional governance in accordance with the best international standards and practices in order to establish a culture of sustainability and accountability to ensure that all employees adhere to good governance standards.

Since human capital has been and still is the primary source of success, the company has continued to attract highly qualified technical and financial cadres and develop its employees to improve the quality of services we provide to our customers and to implement the next steps in our ambitious plans.

Finally, and as a culmination of the achievements and strong technical performance, the global rating agency (AM Best) has assigned an A- Excellent financial strength rating and an (a-) long-term credit rating with a stable outlook to our company .

On behalf of the Board of Directors, I express my sincere gratitude and appreciation to His Highness Sheikh Tamim bin Hamad Al Thani, and his wise government, and His Excellency the Governor of Qatar Central Bank for their continuously support, encouragement, guidance and sincere efforts that have had a great impact on the growth and stability of the insurance sector in the State of Qatar.

The Board would also express its thanks to the Company's valued customers for their continuous support to the Company, as well as the executive management and all employees for their efforts that led to achievements of these results.

Thanks

Abdulla Bin Ahmed Abdulla Al Thani

Chairman of the Board of Directors

CEO's Message

Dear Shareholders,

Greetings,

I am pleased to present to you the annual report of Al Khaleej Takaful Insurance Company for the year 2023.

We are proud to be one of the leading insurance service providers in Qatar with innovative insurance solutions that comply with Islamic Sharia principles. The company has continued - by the grace of God - to grow and achieved an increase in profits by XX% with growth in technical areas, including total contributions, net contribution, and net technical results. In this regard, and due to the continued quality of our technical performance and the development of corporate governance systems in the company, our credit rating has been upgraded from BBB to BBB+ (stable) by S&P Global in May 2023.

Since inception, our company has maintained stability, quality and diversity in providing its insurance products to our valued customers, by investing in a team of distinguished professionals in various

lines of insurance business, which in return helped us meet the requirements of the fast-growing Qatari market and maintain growth and development in quantity and quality, with the help and support of our partners.

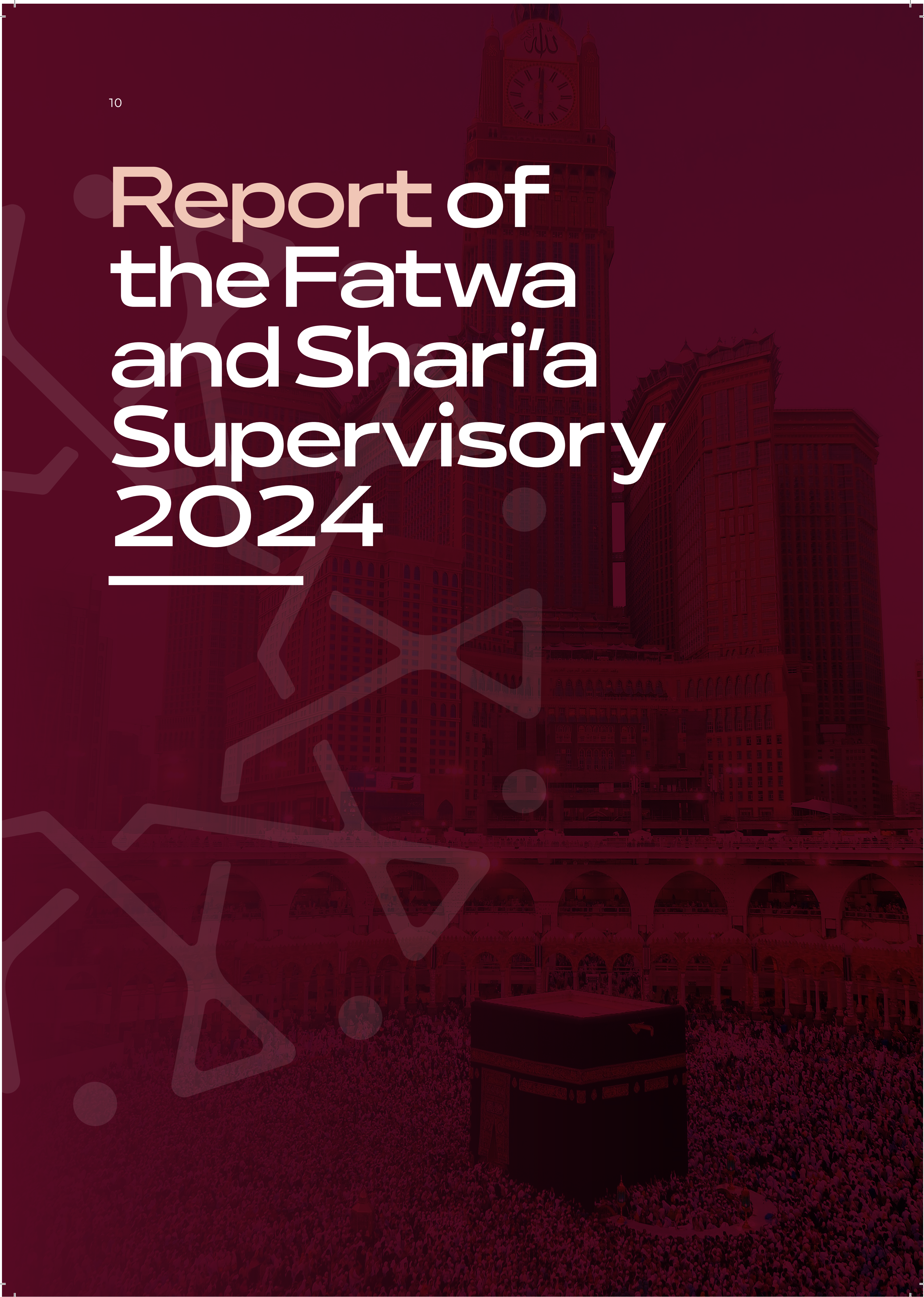
To build on our strengths, the company has developed a long-term strategic plan based on great confidence in the continuous growth of the Qatari economy and the insurance sector, and accordingly, the results of the year 2022 was a step in this plan to be followed - God willing – by other steps of growth in the future.

In conclusion, I would like to thank all the company's customers for their trust, and I also would like to thank our partners in the sector and all the team for their sincere efforts during the year.

Thanks

Mr. Abdullah Ali Al Assiri

Cheif executive officer



Report of the Fatwa and Shari'a Supervisory 2024

Dear Shareholders,

Greetings,

All praise and Thanks be to Allah, and peace and Blessing be upon His Messenger. Based on the letter of assignment, we present to your attendees the following report:

We have reviewed the principles used and the transactions and applications contracts provided by Alkhaleej Takaful Insurance Company during the period from 01/01/2024 to 31/12/2024.

We are responsible for implementing the provisions and principles of Shari'a management. Our responsibility is limited to expressing an independent opinion based on our monitoring of Takaful operations and management guidance. In compliance with the provisions of the Shari's regarding Al Khaleej Takaful Insurance Company and in preparing a report to the shareholders.

We conducted our audit, which included checking the documentation and procedure of the company through legal auditing. We also planned and implemented our monitoring in order to obtain all the information that we deemed necessary to provide us with sufficient evidence to give reasonable assurance that Al Khaleej Takafu Company did not violate the provisions of Islamic Shari'a.

We have calculated zakaah on the equity for this year, noting that the shareholders are paying zakaah on their shares and no zakaah on the participants in their contributions.

We believe that:

1. The contracts and transactions concluded by AlKhaleej Takaful Insurance during the year ended 31/12/2024, which we have reviewed do not conflict with the provisions and principled of Islamic law.
2. AlKhaleej Takaful Insurance has already separated the two accounts, the accountholders account and the company account, and takes into account the principles of Takaful Insurance and its foundation, and the process of surplus is valid on the basis of Islamic insurance.
3. The company has committed to the percentage of speculation and agency that belong to the company according to the decision of the Fatwa and Shari'a Supervisory Board
4. That the distribution of profits and the loss of loss in investment account consistent with the basis we adopted in accordance with the provisions and principles of Islamic law.
5. We reviewed the financial position, balance sheet and income and expenses account of Al Khaleej Takafu Insurance Company for 2024. We discussed the shareholders account, the account of the participants, the calculation of profits and surpluses, and the validity of the information on the legal aspects, and found them not inconsistent with the general principles and principles of Islamic insurance.

We would like to thank the Board of Directors, the Executive Chairman and the Executive Management, which has been able to liquidate all shares that do not comply with Islamic Shari'a, while adhering to the provisions of the Shari'a to build the Islamic economy and achieve its goals.

We also pray to Allah to bless the shareholders and dealer with the company, and to protect our dear country from any misfortune.

Dr . Ali Mohiuddin Qara Daghi

Head of the Fatwa & Shari'a Supervisory

Overview of the company's performance and achievements for 2024

Al Khaleej Takaful Insurance, February 2025

Executive Summary 2024

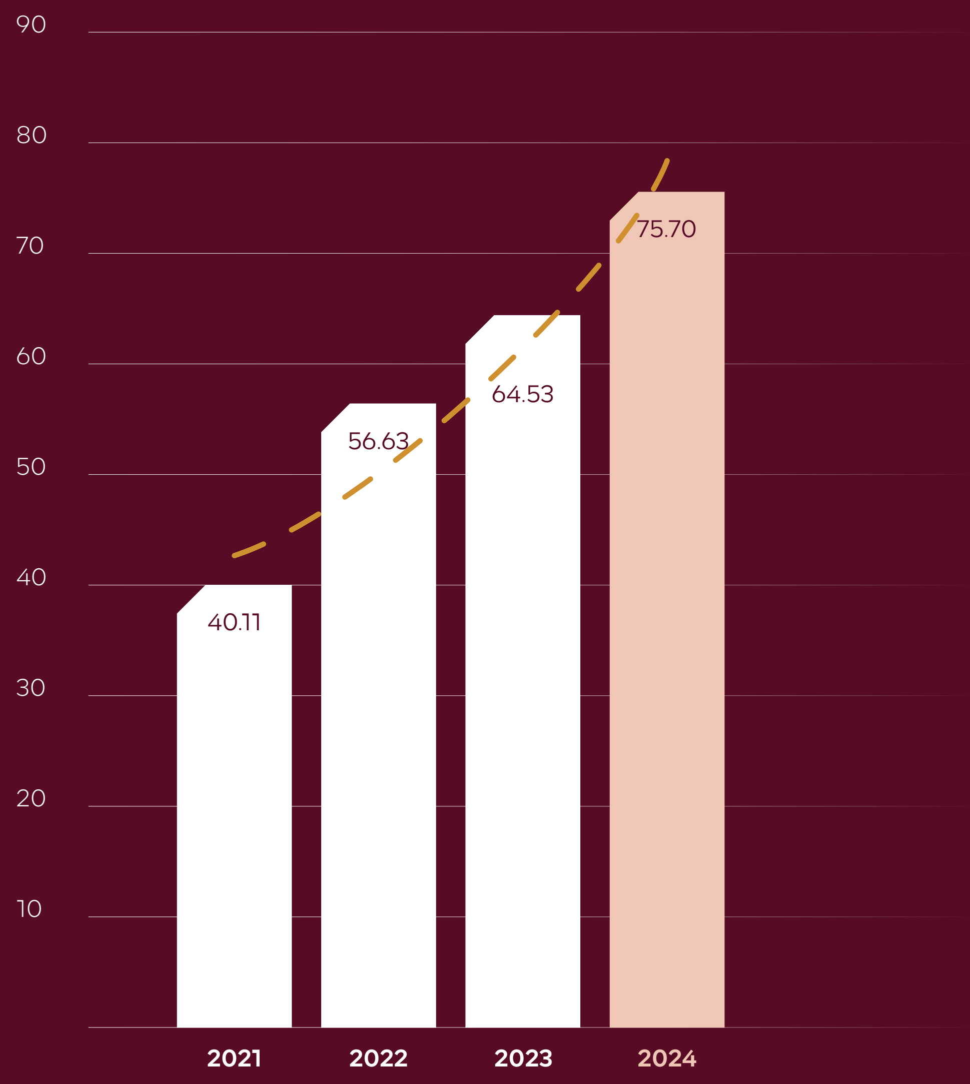
- **17%** ⬆ Profits grew to 75.70 million Qatari Riyals, marking an increase of 17%
- The insurance sector is experiencing an improvement in its technical indicators.
- **12%** ⬆ Investment returns achieved a growth rate of 12%.
- **6%** ⬆ There was a 6% rise in costs.
- Ongoing efforts to enhance internal processes.
- Expanding in the local market and strengthening the company’s competitive position.

Financial Performance Summary

Figures in Thousands QAR

	2021 (Restated)	2022 (Restated)	2023	2024	%
Net income from Investment	18,318	29,283	29,877	40,486	36%
Net income from Operation "Takaful insurance"	59,395	69,283	75,083	81,423	8%
Other Income	1,107	893	6,003	3,747	(38%)
General & administrative expenses	(30,955)	(39,234)	(41,463)	(44,120)	6%
Depreciation	(5,799)	(1,900)	(2,363)	(2,474)	5%
Amortisation of deferred Ijarah costs"	(153)	(165)	(164)	(162)	1%
Board of directors remuneration	(1,800)	(1,630)	(2,445)	(3,200)	31%
Net Income	40,113	56,530	64,529	75,700	17%
Earnings per share increased	0.157	0.221	0.253	0.297	17%
Deficit of revenues over expenses	4,265	(4,864)	(4,101)	(1,501)	63%

Net Profit

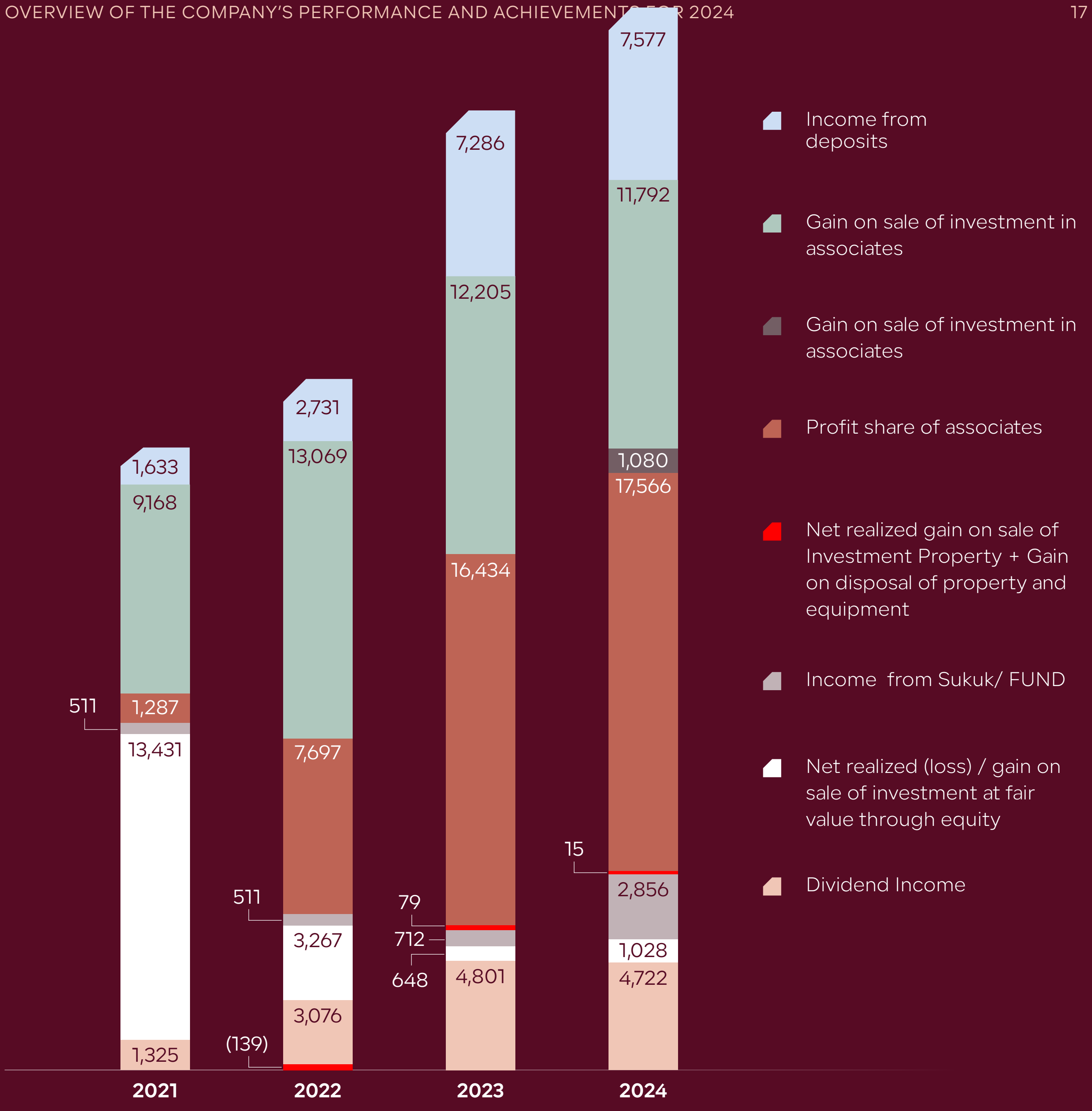


- The company achieved a net profit of 75.70 million Qatari Riyals for the year 2024, reflecting a 17% growth compared to the net profit of 64.52 million Qatari Riyals for the same period in 2023.
- Earnings per share increased to 0.297 Qatari Riyals in 2024, up from 0.253 Qatari Riyals in 2023.
- General & administrative expenses amounted to 44.12 million Qatari Riyals for 2024, marking a 6% increase compared to the previous period.
- Net investment revenues amounted to QAR 40.48 million for the year 2024, compared to QAR 29.87 million for the same period in 2023, a growth of 36%. Insurance revenues amounted to QAR 81.42 million for the year 2024, compared to QAR 75.08 million for the same period in 2023, reflecting an 8% growth.
- Other revenues amounted to 3.74 million Qatari Riyals for 2024, compared to 6.00 million Qatari Riyals in 2023, showing a decline of 38%.

Investment Sector Performance

Figures in Thousands QAR

	2021 (Restated)	2022 (Restated)	2023	2024	%
Dividend Income	1,325	3,076	4,801	4,722	(2%)
Net realized (loss) / gain on sale of investment at fair value through equity	13,431	3,267	648	1,028	59%
Income from Sukuk/ FUND	511	511	712	2,856	301%
Net realized gain on sale of Investment Property + Gain on disposal of property and equipment	-	(139)	79	15	(81%)
Profit share of associates	1,287	7,697	16,434	17,566	7%
Gain on sale of investment in associates	-	-	-	1,080	-
Rental Income	9,168	13,069	12,205	11,792	(3%)
Income from deposits	1,633	2,731	7,286	7,577	4%
Total Investment Revenue	**27,355**	**30,213**	**42,165**	**46,636**	**11%**
Impairment loss on investment at fair value through equity	(9,036)	(3,229)	(5,830)	(2,922)	50%
ECL on amortization cost	-	-	-	(161)	-
Impairment on ROU Properties	-	-	(4,253)	-	100%
Fair value Gain / loss on Investment Properties	-	2,299	(2,150)	(3,078)	43%
Impairment loss on receivable	-	-	(54)	10	118%
Net Investment Revenue	**18,318**	**29,283**	**29,877**	**40,486**	**36%**



- Dividend income amounted to QAR 4.72 million for the year 2024, a decrease of 2% compared to the same period in 2023.
- Investments through the income statement achieved QAR 2.85 million for the year 2024, a 301% increase compared to the period in 2023.
- Net realized gains on sale of investments is QAR 1.03 million for the year 2024, an increase of 59% compared to the same period in 2023.
- Share of profit from associates amounted to QAR 17.56 million for the year 2024, compared to QAR 16.43 million for the same period in 2023, an increase of 7%.
- Income from deposits revenues grew by 4%, reaching QAR 7.57 million in 2024, compared to QAR 7.28 million in 2023.

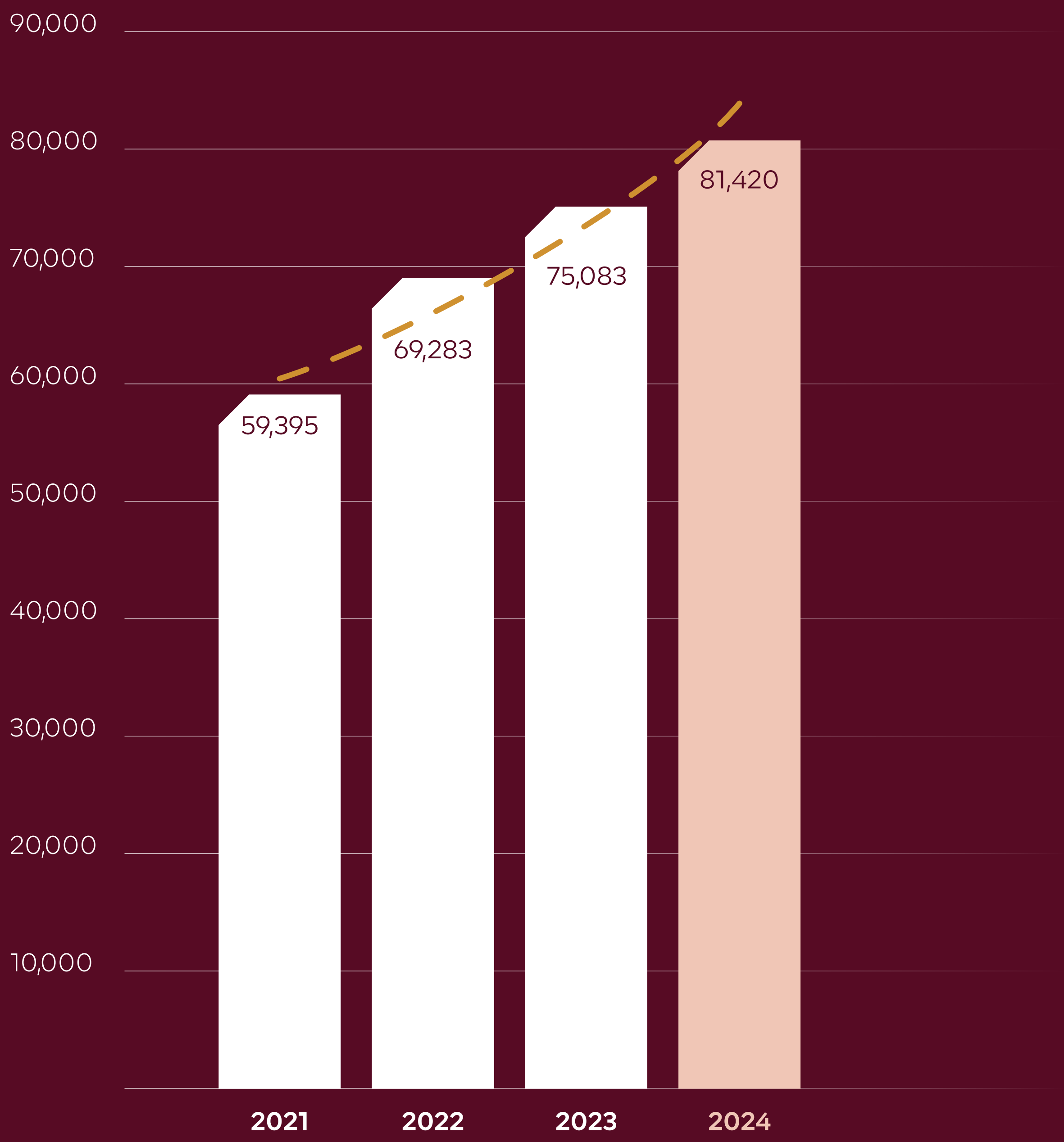
* According to financial accounting standards, the provision for expected credit losses on the Sukuk was calculated at 161 thousand Qatari riyals for the year 2024.

Insurance Revenue

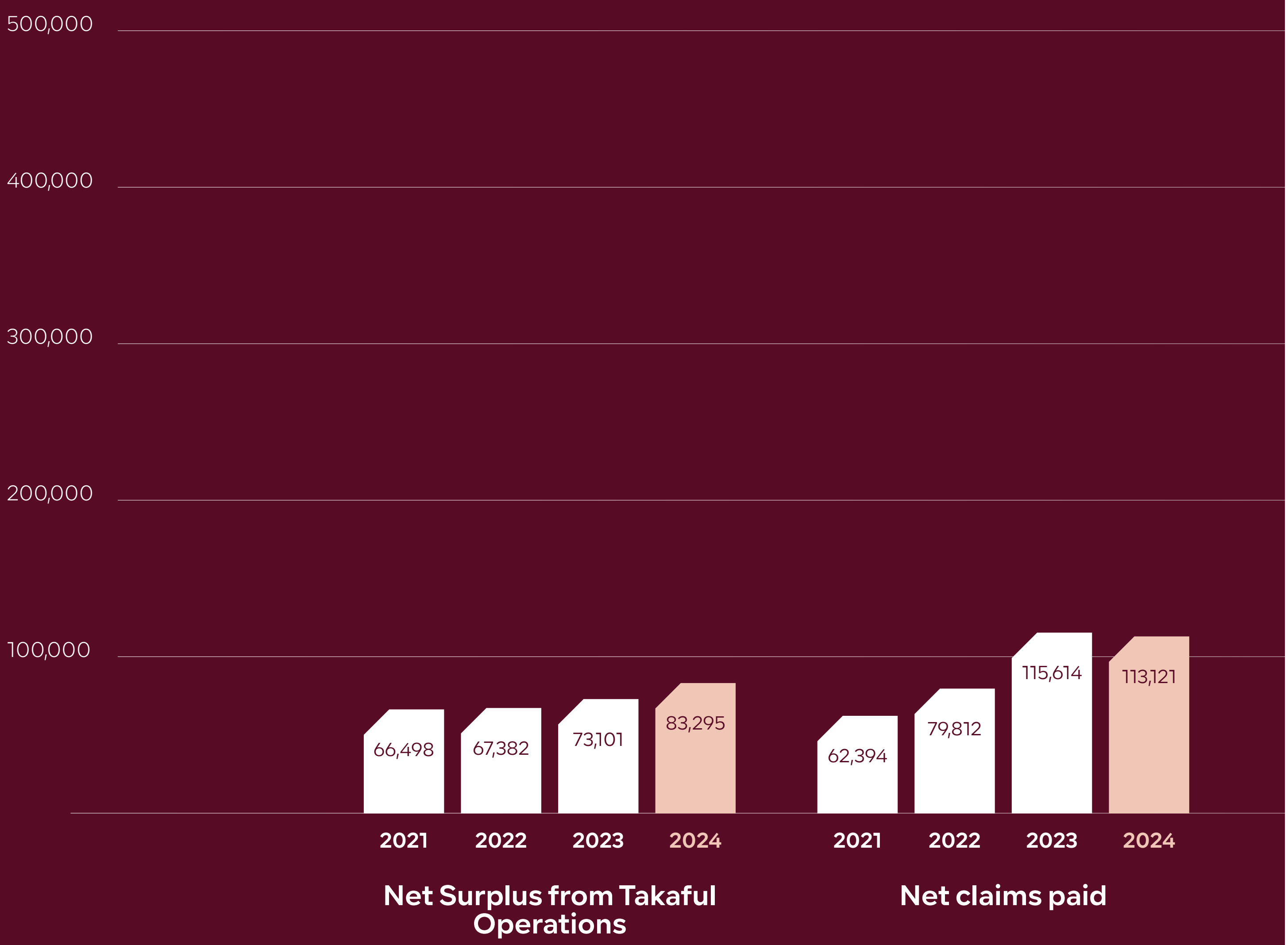
Figures in Thousands QAR

	2021 (Restated)	2022 (Restated)	2023	2024	%
Wakala	58,450	67,272	72,622	77,675	7%
Mudarib	945	2,011	2,461	3,745	52%
Other Revenue from Takaful	10	14	46	3	-92%
Total Insurance Revenue	**59,395**	**69,283**	**75,083**	**81,420**	**8%**

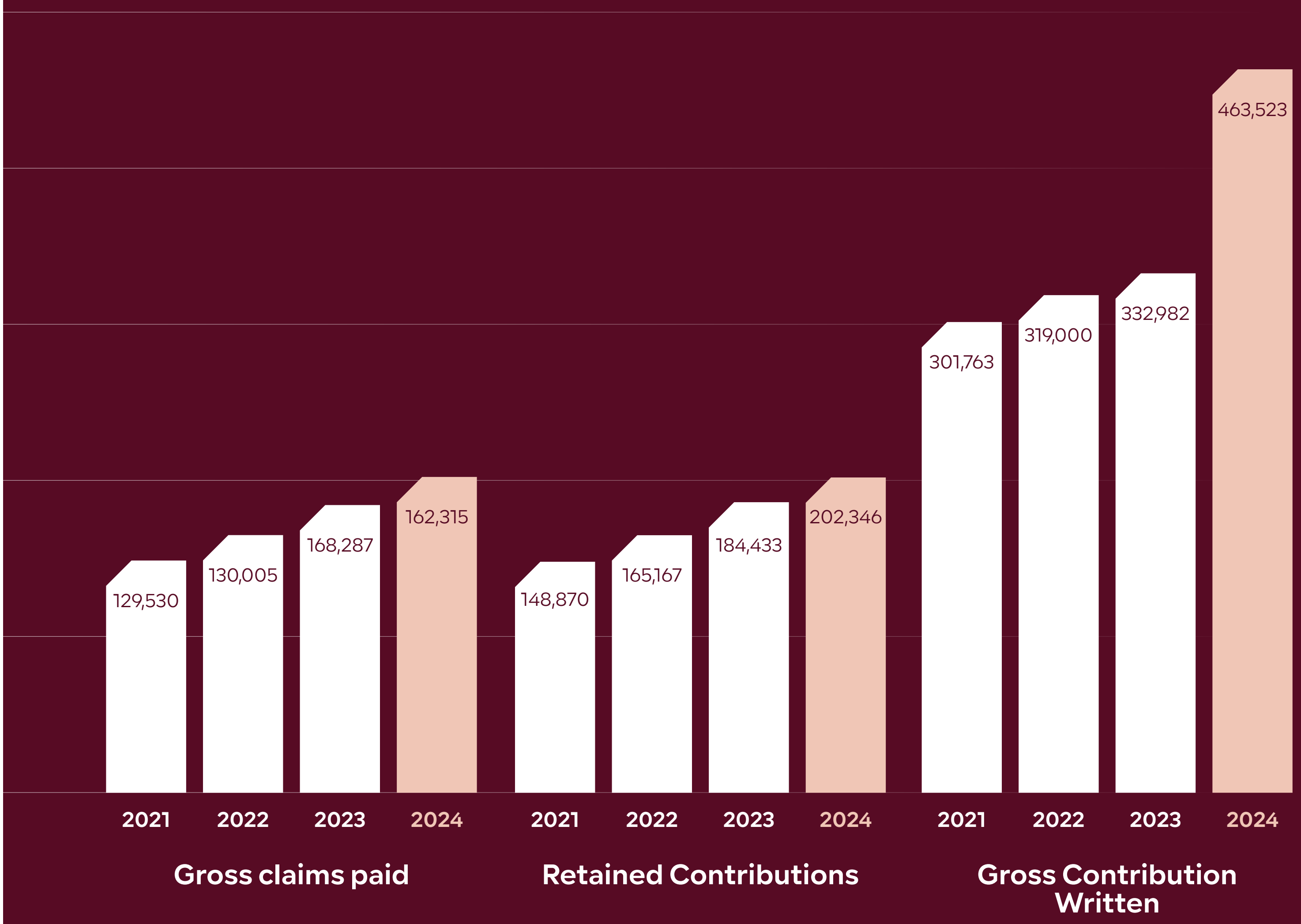
Total Insurance Revenue (Figures in Thousands QAR)



Insurance Sector Performance

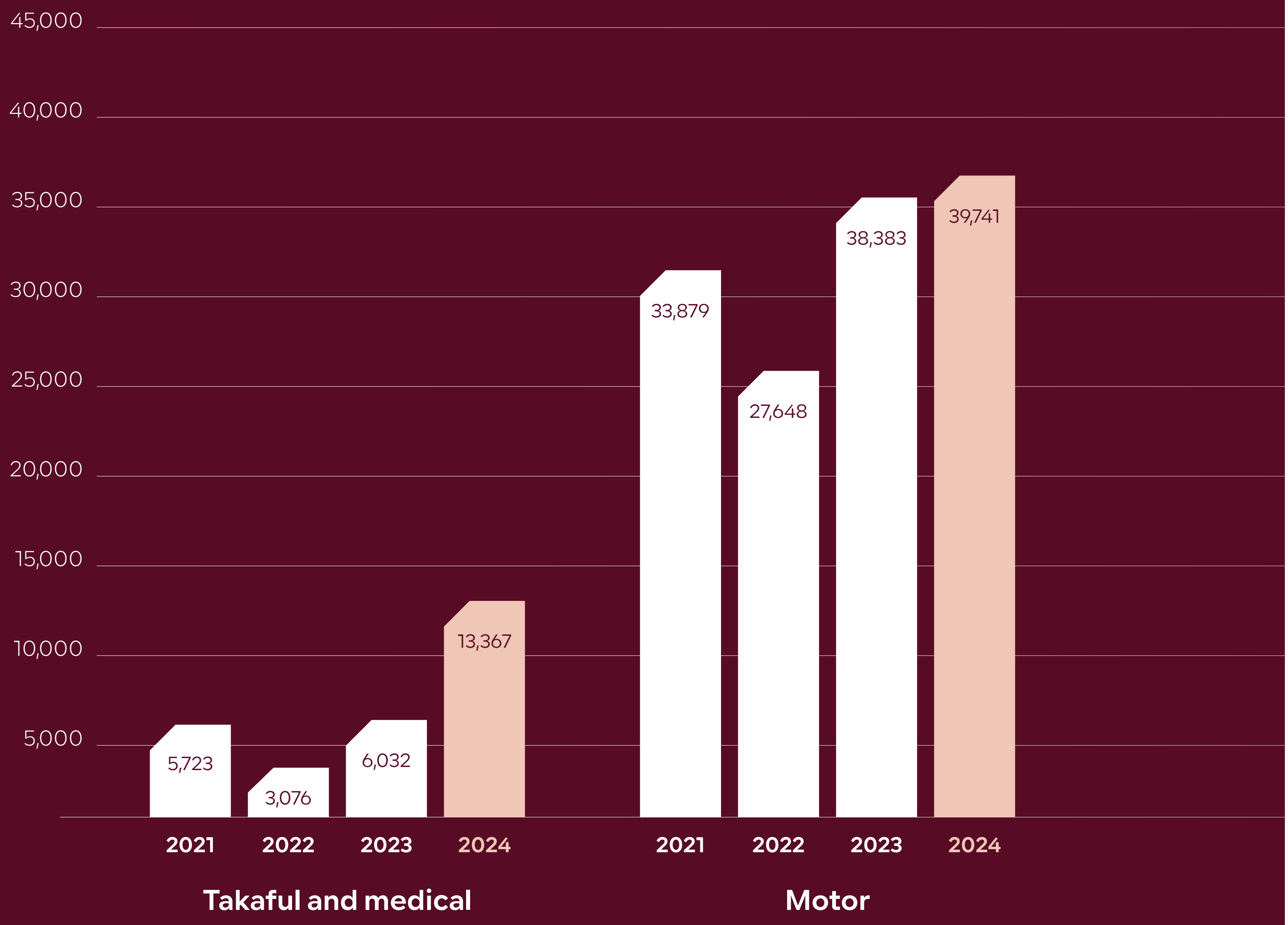


- Gross contributions increased by 39%, reaching 463.52 million Qatari Riyals for the year 2024 compared to 332.98 million Qatari Riyals for the same period in 2023.
- The net underwriting surplus amounted to 83.29 million Qatari Riyals for 2024, compared to 73.10 million Qatari Riyals, reflecting a 14% rise for the same period in 2023.
- Earned contributions reached 202.35 million Qatari Riyals for 2024, compared to 184.43 million Qatari Riyals, marking a 10% increase for the same period in 2023.

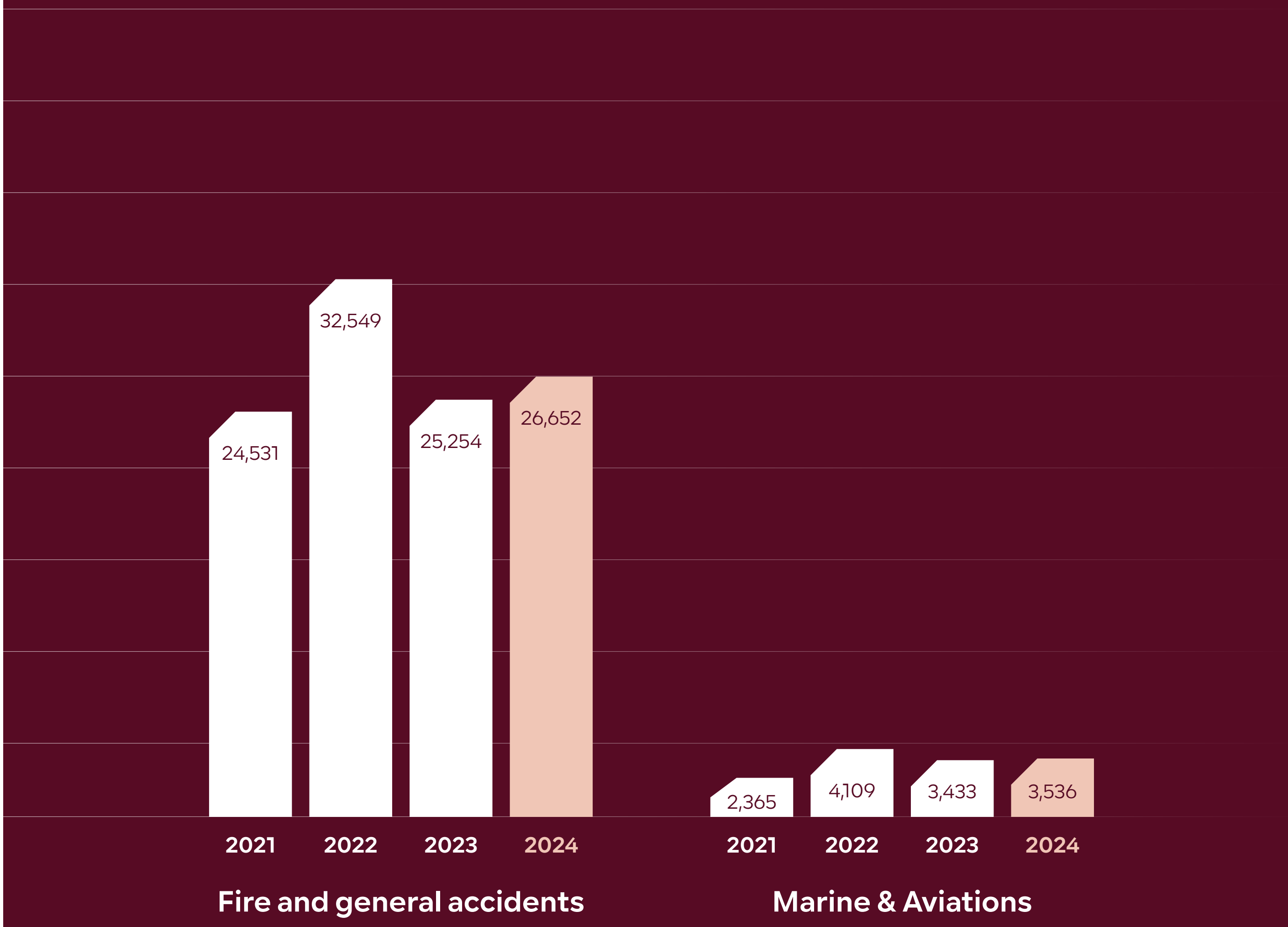


- Claims Paid amounted to 162.31 million Qatari Riyals, showing a 4% decrease during 2024 compared to 168.29 million Qatari Riyals for the same period in 2023.
- Additionally, net claims decreased by 2%, reaching 113.12 million Qatari Riyals for 2024 compared to 115.61 million Qatari Riyals for the same period in 2023.

Net Surplus from Insurance Operations



- The Takaful and Medical division achieved a growth rate of 122%, with subscription profits reaching 13.36 million Qatari Riyals for the year 2024 compared to 6.03 million Qatari Riyals for the same period in 2023.
- This was followed by the Fire and General Accidents division, which saw a 6% increase, with subscription profits amounting to 26.65 million Qatari Riyals for 2024 compared to 25.25 million Qatari Riyals for the same period in 2023.



- The Motor division also recorded a 4% growth, with subscription profits reaching 39.74 million Qatari Riyals for 2024 compared to 38.38 million Qatari Riyals for the same period in 2023.
- Finally, the Marine and Aviation division experienced a 3% rise, with subscription profits totaling 3.54 million Qatari Riyals for 2024 compared to 3.43 million Qatari Riyals for the same period in 2023

Corporate Governance Report

For the year 2024

Compliance Assessment with the Qatar Financial Markets Authority's Corporate Governance Code for Companies and Legal Entities Listed on the Main Market

To the Management

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

Doha, Qatar

Dear Sirs,

The Board of Directors of the Company is responsible for preparing the corporate governance report that covers the requirements of Article 4 of the Code. **The Board of Directors provided their assessment whether Company has a process in place to comply with Qatar Financial Markets Authority's Corporate Governance Code for Companies and Legal Entities Listed on the Main Market (the 'Statement')**, which was included as part of the annual corporate governance report.

This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Statement that is free from material misstatement, whether due to fraud or error. The Board of Directors is responsible for ensuring that management and staff involved with the preparation of the Statement are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units. The Board of Directors is also responsible for compliance with all applicable laws and regulations applicable to activities of the Company.

Criteria

The criteria for this engagement is an assessment of the process for compliance with Qatar Financial Markets Authority's Corporate Governance Code for Companies and Legal Entities Listed on the Main Market.

Agreed Upon Procedures

Our engagement was undertaken in accordance with the principles as stipulated in the International Standards on Related Services (ISRS 4400) applicable to agreed-upon procedures engagements.

Following procedures were performed to ascertain compliance with abovementioned "Statement":

Examining the assessment completed by the Board of Directors to validate whether the Company has a process in place to comply with Qatar Financial Markets Authority's Corporate Governance Code for Companies and Legal Entities Listed on the Main Market.

Examining the supporting evidence provided by the Board of Directors to validate the Company's compliance with the articles of the Code; and

Conducting additional procedures as deemed necessary to validate the Company's compliance with the Code (e.g. review governance policies, procedures and practices, etc.).

We report our compliance assessment below;

With respect to item 1,2, and 3, based on the results of the procedures performed which are reflected in the accompanied corporate governance report , we found no material weaknesses in the **"Statement"** for the year ended December 31, 2024.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Statement nor of the underlying records or other sources from which the **"Statement"** was extracted.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on our agreed upon procedures performed, nothing has come to our attention that causes us to believe that the Board of Directors' Statement does not present fairly, in all material respects, that the Company has a process in place to comply with Qatar Financial Markets Authority's Corporate Governance Code for Companies and Legal Entities Listed on the Main Market, as at 31 December 2024.

Restriction of Use of Our Report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Board of Directors and management of the Company for any purpose or in any context. Any party other than the Board of Directors and management of the company who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Board of Directors and management of the company for our work or for the conclusions we have reached.

Dr. Sultan Hassan Al Dosari

Dr. Sultan Al Dosari & Partners Chartered Accountants

Member Firm of Grant Thornton International Limited

Doha, State of Qatar

License no: 109

Chairman's Foreword to Shareholders

In the Name of Allah, Most Gracious Most Merciful.

Dear Shareholders,

Greetings,

We, the Board of Directors of AlKhaleej Takaful Insurance Company Q.P.S.C. (the "Company") and its subsidiaries (together "the Group"), are pleased to present to you the Corporate Governance Report for the year ended 31 December 2024, as part of the annual report issued by the Company. This report represents the annual disclosure of governance practices implemented by the company during financial year 2024 in accordance with the corporate governance code for legal entities listed in the main market issued by the Qatar Financial Markets Authority.

The Board of Directors of the Company (the "Board") is committed to maintaining high standards of corporate governance aligned with the needs of the company and the interests of all our stakeholders, and ensuring that values, attitudes and behaviors are consistent across the business. The Board believes that effective and robust corporate governance is essential to protecting shareholder value, delivering sustainable growth and ensuring that the Company operates in a responsible and transparent manner.

The Board has continued to evolve its corporate governance framework in order to ensure that the highest standards of corporate governance and best practices are applied across all business functions and operations and, in particular, to continue to implement the requirements of the QFMA Corporate Governance Code to ensure transparency and to maintain investors' trust.

The Board acknowledges its responsibility to oversee the management of the Company and we are confident that the Board and the Executive Management team of AlKhaleej Takaful Insurance have appropriate and sufficiently robust governance policies and procedures in place to ensure that the Company operates in the best interests of its shareholders.

On behalf of the Board of Directors of AlKhaleej Insurance and the Management, we thank our valued shareholders for their continued trust.

Sheikh / Abdullah bin Ahmed Abdullah Al Thani

Chairman of the Board

Corporate Governance at Glance

1. Company's Profile

AlKhaleej Takaful Insurance (AKTI) Company was established in 1979 as a traditional insurance company to provide insurance and reinsurance services of all kinds. It is a public shareholding company listed on the Doha Securities Market (Qatar Stock Exchange) since 1997.

Since 2010, the company has turned into a symbiotic insurance company in consistent with the principles of Islamic Sharia. The company is proud of its experience and outstanding services provided for more than 40 years.

The Company always strives to develop its Insurance policies and related services and to provide them in a distinguished manner to its customers with pride in their trust and to maintain their loyalty to the Company and their valuable time.

Since its foundation, the company has contributed to the development and economic development of the country under its wise leadership by providing insurance coverage for government infrastructure projects and securing assets and property for companies and individuals.

The company's annual balance sheets confirm that it has a sufficient and strong capital base, and a good liquidity ratio, supported by reinsurance agreements with leading of international reinsurance companies having prestigious credit rating.

2. Scope of implementation of governance and adherence to its principles

Corporate Governance entails a collection of systems by which a company is controlled, directed and operated-with specific focus on people, policies and processes, with the aim of meeting our customers', shareholders' and other stakeholders' expectations.

The company is committed to the application of the principles of corporate governance to highest level and has derived its values from a system which integrates ethics, corporate integrity and leading compliant practices. Transparency, fairness, disclosure and accountability have been central to the working philosophy of the Company, its management and the Board of Directors.

To this end, the Company's corporate governance framework takes into account the principles adopted and standards set by Qatar Financial Markets Authority pursuant to Decision No.5 of 2016, and Principles of Governance for Insurance Companies issued by the Qatar Central Bank, taking into account achieving justice among stakeholders, nondiscrimination between them, promoting transparency and disclosure, and making information available to them in a timely manner.

3. Governance Practices at Al Khaleej Takaful Insurance

The Board of Directors is keen to review and update the company's governance applications whenever necessary, to develop rules of professional conduct, to present the public interest of the company, and the rights of stakeholders over the private interest.

The company is always updating and developing its procedures and structures to ensure its continuity in compliance with governance standards and risk management to achieve transparency, justice and social responsibility.

In addition to the efforts that have been made, the Company will continue its efforts to ensure compliance with the provisions of the Code.

Board of Directors

1. The Board of Directors' Structure and Composition

In accordance with Articles of Association, AKTI Board is currently composed of nine (9) members elected for the period (2024-2026) at the company's general assembly meeting held on 17th March 2024. The board members are in compliance with the conditions set by the law and hold a range of experience in the related industry and the financial sector. Details of our Board members are below:

S. No	Name of Member	Position	Capacity	Shares Numbers	Shares Percentage
1	SHK. Abdullah bin Ahmed Abdullah Al-Thani Representing Le Mirage Real Estate	Chairman	Non-Independent Non-executive	2,552,790	1%
2	SHK. Muhammad bin Fahad Muhammad Jabr Al-Thani	Vice Chairman	Non-Independent Non-executive	4,484,199	1.76%
3	SHK. Tamim bin Fahad Muhammad Jabr Al Thani Representing Fahad Muhammed Jabr Holding	Managing Director	Non-Independent Non-executive	6,795,348	2.66
4	Mr. Abdullah Ali Muhammad Al-Ansari	Member of the Board of Directors	Non-Independent Non-executive	2,576,000	1.01
5	SHK. Mohammed bin Abdul Rahman Jabr Al-Thani Representing Dar Al Aamal Real Estate Co.	Member of the Board of Directors	Non-Independent Non-Executive	3,216,894	1,26%
6	SHK. Jassim bin Hamad Nasser Jassim Al-Thani	Member of the Board of Directors	Independent Non-Executive		
7	Mr. Nasser Khaled Khalifa Abdullah Al-Attiyah	Member of the Board of Directors	Independent Non-Executive		
8	Mr. Saad Nasser Rashid Saree Al Kaabi Representing Tamask Real Estate Company	Member of the Board of Directors	Non-Independent Non-Executive	2,553,000	1%
9	SHK. Hamad Bin Abdulaziz Naser Al-Thani	Member of the Board of Directors	Independent Non-Executive		

In compliance with Article (6) of the QFMA Corporate Governance Code, one third of the Board is composed of independent members and the majority is composed of non-executive Board members.

2. Board of Directors Profiles

The members of the Board of Directors are qualified with sufficient knowledge and satisfy the conditions for Board membership as set out in Article 5 of the QFMA Corporate Governance Code. A brief profile of BoD members is as follows:

S. No	Name of Member	Profile (Academic Qualification & Experience)
1	SHK. Abdullah bin Ahmed Abdullah Al-Thani Representing Le Mirage Real Estate	Shk. Abdullah, is a Qatari Businessman. He holds an Honors degree in International relations and Political economics from the United Kingdom. He is serving other entities in following capacity: 1. Sharaka Holdings - Chairman BoD. 2. Tasali Entertainment (Kidzania Doha) – Chairman BoD. 3. Alijarah Holding Q.S.C – Member BoD.
2	SHK. Muhammad bin Fahad Muhammad Jabr Al-Thani	Shk. Muhammad bin Fahad, is a Qatari Businessman. He holds Bachelor's degree in Public Administration. He has served at various key positions in Doha Bank and Qatar Central Bank.
3	SHK. Tamim bin Fahad Muhammad Jabr Al Thani Representing Fahad Muhammed Jabr Holding	Shk. Tamim bin Fahad, is a Qatari Businessman. He holds Master Degree in Business Administration. He is serving as Board member in Mazaya Real Estate Development Company .
4	Mr. Abdullah Ali Muhammad Al-Ansari	Mr. Abdullah, is a Qatari Businessman. He holds Bachelors degree in Geography. He is serving as Board member in following other entities: 1. Zad Holding Company; 2. Nishan Real Estate Investment Development Company.
5	SHK. Mohammed bin Abdul Rahman Jabr Al-Thani Representing Dar Al Aamal Real Estate Co.	Shk. Mohammad, is a Qatar Businessman. He is studying at South Eastern University, UK, majoring in Business Administration, He is serving as Board member in other private equities .
6	SHK. Jassim bin Hamad Nasser Jassim Al-Thani	Shk. Jassim, holds Master Degree in Finance and management from University of Essex – UK. He is serving as advisor to the CEO Al Diyar Qatari Group and member BoD in Qatar Bahrain Bridge Foundation. He has got extensive knowledge and experience in financial data analysis, new business development, risk management, banking systems, corporate finance, entrepreneurship and development of real estate investment projects in Europe and USA.
7	Mr. Nasser Khaled Khalifa Abdullah Al-Attiyah	Mr. Nasser, holds Bachelor degree in Law - Graduated from the British Royal Naval College. He has served in Legal Office of Coasts and Borders Security at the Ministry of Interior. He is serving as Board Member in Doha Bank .
8	Mr. Saad Nasser Rashid Saree Al Kaabi Representing Tamask Real Estate Company	Mr. Saad, holds Master Degree in International Business from Coventry University – UK and a Bachelors degree in Business Administration from University of applied Sciences Jordan.
9	SHK. Hamad Bin Abdulaziz Naser Al-Thani	Shk. Hamad Abdelaziz Al-Thani, holds an Higher National Diploma (HND) from London College UCK, a Bachelor's degree in Business Management from East London University and a Master's in Business Administration with a focus on Innovative Management from Coventry University .

3. Combination of Positions

Each Board member has provided the renewed annual written acknowledgment, for the year 2024, to the Company Secretary confirming that he does not and shall not combine board membership positions in a manner that would breach the requirements of the QFMA Corporate Governance Code under article (7) .

4. Key Functions and Responsibilities of the Board

The Board of Directors' role is to represent the shareholders and be accountable to them for creating and delivering sustainable value through the effective governance of the business. The Board is responsible for approving the overall business strategy of AKTI and for ensuring that a high standard of governance is adhered to throughout the business. This role has been fully illustrated through the Articles of Association of the Company and its relevant by-laws, the Commercial Companies Law No. (11) for 2015 and the Corporate Governance Code for Companies and Legal Entities listed on the main market issued by Qatar Financial Markets Authority, in particular articles (8) and (9), which were incorporated in the Board of Directors Charter. The following are the responsibilities of the Board of Directors as per the Board of Directors Charter:

a. Oversee the Company's management in the optimal way;
b. Develop systems and controls for internal control and general supervision thereof;
c. Ensure compliance with relevant laws, regulations, company's articles of association and its commitment to disclose information to shareholders, creditors, and other stakeholders;
d. Exercise sound and objective judgement on all corporate matters independent from executive management;
e. Ensure the effectiveness of, and the reporting on, the Company's system of corporate governance;
f. Develop clear and specific policies and procedures for membership in the Board of Directors;
g. Protect the Company from illegal, arbitrary or inappropriate business and practices;
h. Develop a formal policy that regulates the relationship with stakeholders in order to protect them and preserve their rights;
i. Develop policies and procedures that ensure the company's compliance with laws and regulations;
j. is responsible for the approval of nominations for appointment and preparation of the succession plan for senior executive management;
k. Developing a clear and written policy that defines the basis and method for awarding board members' remunerations, incentives and rewards of the senior executive management and employees of the company;
l. Inviting all shareholders to attend the meeting of the General Assembly in the manner prescribed by law;
m. Approval of nominations for appointment and preparation of the succession plan for senior executive management;
n. Establishing a mechanism for dealing and cooperating with financial service providers, credit rating and other service providers;
o. Develop awareness programs necessary to spread the culture of self-monitoring and risk management in the company.

5. Delegation of Authorities

Without prejudice to the terms of reference of the General Assembly, the Board shall assume all powers and authorities necessary for the management of the company and may delegate to its committees the exercise of some of its powers, and it may form one or more special committees to carry out specific tasks, provided that the decision to form them stipulates the nature of those tasks.

AKTI maintains a clear separation between the roles of the Chairman, Managing Director and Chief Executive Officer with a clear division of responsibilities as follows:

a. The Chairman is responsible for the operation, leadership and governance of the Board, ensuring its overall effectiveness;
b. The Managing Director is the focal point for communication between CEO and the board of Directors in matters assigned to him by the Board of Directors in strategic and operational principles.
c. The Chief Executive Officer is responsible for the management of the business and implementation of the Company's overall strategy and policy.

6. Duties of Board Chairman

The Chairman is responsible for ensuring the proper functioning of the Board in an appropriate and effective manner, including timely receipt of complete and accurate information by the Board Members and his duties and responsibilities including, but not limited to, chairing the Board and general meetings ensuring efficient conduct of meetings, encouraging effective participation of Board members.The key duties and responsibilities of the Chairman of the Board of Directors defined in the Board Charter, are as follows:

a. Approving the agenda for each meeting of the Board of Directors;
b. Responsible for the workflow of the Board of Directors in an appropriate and effective way;
c. Ensuring that the members of the Board of Directors obtain the information, documents and records of the company in a timely manner;
d. Ensuring that the Board discusses all key issues effectively and in a timely manner;
e. Encouraging members to participate in the Board's affairs to ensure that the Board works in the interest of the company;
f. Creating effective communication channels with Shareholders and ensure their opinions is heard on the Board;
g. Promoting constructive relations between Non-Executive & Executive members of the Board; and
h. Keeping the members constantly informed about implementation of provisions of the Code.

7. Obligations of Board Members

Each member of Board of Directors accepts and acknowledges the obligations owed to the Company as set out in the Board Charter in accordance with the requirements of Article 12 of the QFMA Corporate Governance Code which include but not limited to the following:

a. Participation in the meetings of the Board of Directors, its committees, providing opinion on strategic matters, key appointments, operating model and performance of the company;
b. Prioritize interests of the company and its stakeholders over their personal interests;
c. Monitor the company's performance in achieving its planned objectives and review performance reports on periodic basis;
d. Ensures compliance with the development in rules related to corporate governance;
e. Provide their skills, experiences and qualifications to the Board of Directors, its committees by attending meetings;
f. Effective participation in the Company's general assemblies, and achieving its members' demands in a balanced and fair manner;
g. Disclosure of financial and trade relations, and litigants, including the judicial, which may affect negatively on carrying out the tasks and functions assigned to them; and
h. Not to make any statements, data or Information without prior written permission from the Chairman.

8. Board Meetings

AKTI held a total of seven (7) BoD meetings during the financial year ended on December 31, 2024. Details of meetings attended by each Board member is provided hereunder:

S. No	Name	Designation	Meetings Attended
1	SHK. Abdullah bin Ahmed Abdullah Al-Thani	Chairman	7/7
2	SHK. Muhammad bin Fahad Muhammad Jabr Al -Thani	Vice Chairman	4/7
3	SHK. Tamim Bin Fahad Moh'd Jabr Al-Thani	Managing Director	6/6
4	Mr. Abdullah Ali Muhammad Al-Ansari	Member	7/7
5	SHK. Mohammed bin Abdul Rahman Jabr Al- Thani	Member	5/7
6	SHK. Jassim bin Hamad Nasser Jassim Al-Thani	Member	7/7
7	Mr. Nasser Khaled Khalifa Abdullah Al-Attiyah	Member	5/7
8	Mr. Saad Nasser Rashid Saree Al Kaabi	Member	5/7
9	SHK. Hamad Bin Abdulaziz Naser Al-Thani	Member	6/6

8.1. Board Meetings Schedule:

Meetings of the Board of Directors convened as per following schedule:

S. No	Board Meeting	Date of Board Meeting
1	First meeting of the Board of Directors	February 14, 2024
2	Second meeting of the Board of Directors	March 21, 2024
3	Third meeting of the Board of Directors	April 30, 2024
4	Fourth meeting of the Board of Directors	June 12, 2024
5	Fifth meeting of the Board of Directors	July 31, 2024
6	Sixth meeting of the Board of Directors	October 30, 2024
7	Seventh meeting of the Board of Directors	December 15, 2024

9. Board Performance /Achievements

In 2024, the Board consistently convened a series of regular meetings, ensuring no fewer than (7) sessions throughout the annual financial year. These meetings were strategically designed to achieve essential governance objectives and oversee the successful implementation of key initiatives. Note worthy accomplishments and milestones reached by the Board during this period are summarized below:

A. Comprehensive Strategic Plan, Action Plan and Estimated Budget

The Board participated and discussed the revised comprehensive strategic plan and the basic objectives of the company in light of the expected changes in the Qatari insurance market, and in light of this it identified and approved the business plans and risk management policies. The Board also discussed the estimated budget and work plan for the coming years.

B. Company's Performance

The Board followed up and monitored the Company's financial performance and discussed and approved its quarterly and annual financial statements compared to the specific business plans.

C. Performance of the committees emanating from the Board

Elected in 2024, the board promptly established the committees, aligning with legal and governance regulations. Throughout the year, the board closely monitored and assessed their performance, including:

I. Audit and Risk Committee Performance

The Board followed up the performance of the Committee, and reviewed the topics it discussed during 2024, including the quarterly and annual financial statements reports, the Own Risk solvency Assessment Report (ORSA), the Company's Financial Condition Report (FCR), the nomination of the external auditor and then following up on his work after approving his appointment, approving the internal audit plan, studying and reviewing the auditors' and anti-money laundering reports, the policies and procedures adopted by it, and reports on the risk, internal control systems issued by Internal audit, discussed and approved.

II. Investment Committee

The Board followed up on the performance of the Committee and reviewed the topics discussed during the year, including its approved strategy and periodic reports prepared by the Committee on the investment portfolio and the exit from Bahrain National Life Insurance Company, as well as its recommendations on investing in listed funds compliant with Islamic Sharia, and partnership with Doha Bank, and discussed and approved them.

III. Policies, Remuneration, Nomination and Governance Committee

The Board followed up on the performance of the committee, reviewed and approve the criteria for determining annual employee bonuses, recommendation of board of directors' remunerations, governance report and conducting the annual evaluation of the performance of the Board and its committees, approving the opening of nominations for membership in the Board of Directors for the period 2024-2026, submitting a list of candidates for the Board membership to the Board of Directors and its recommendations regarding them, and submitting reports to the Board regarding its activities, and discussed and approved them.

IV. General

Supervise the company's governance system and monitor its effectiveness, and make the necessary adjustments and amend it if necessary.

10. Board of Directors' Evaluation

A self-evaluation of the performance of the Board and its committees was carried out according to the questionnaire form approved by the Board.

The Nominations Committee reviewed the self-evaluation forms and submitted its report to the Board of Directors, which evaluates the overall performance of the Board and its committees in accordance with the requirements of the governance framework.

The results of the evaluation showed that the Board of Directors had fully complied with the provisions of laws and regulations, the governance framework, the transparency and disclosure procedures and any other regulations and rules governing the Board of Directors mandate. Accordingly, the Board's performance showed its supposed strengths and did not show any weakness.

11. Board Members' Induction and Continuous Professional Development

AKTI's executive management keeps the Board Members fully cognizant of all significant requirements, rules and regulations relating to general corporate governance through constant updates provided to the Board Members during the Board meetings and Audit Committee meetings.

12. Board Remuneration

Law No. (11) of 2015, the "Promulgating the Commercial Companies Law" (the "Commercial Companies Law"), and the QFMA Corporate Governance Code requires that Board remuneration shall not exceed 5% of the Company's net profit after deductions to the legal reserve, and payment of dividends to the shareholders of not owning less than 5% of the paid-up capital.

In accordance with the Articles of Association of the Company and the provisions of Qatar commercial companies law no. 11 of 2015, the Board of Directors' remuneration for the year 2024 was recommended to be 3,200,000 (2023:QAR 2,440,000) by the Board of Directors. This proposal to be presented to the shareholders in the subsequent Annual General meeting of the company to be held on March 17th 2025 and to be approved by the General Assembly subject to prior notification of same to regulatory bodies.

13. Board Committees

The Board has established three Board Committees :

- Audit and Risk Committee
- Policies, Remuneration, Nominations and Governance Committee
- Investment Committee

The above committees assist the Board in discharging its responsibilities. The Committees operate in line with their respective charters approved by the Board. The charters set out their roles, responsibilities, scope of authority, composition, and procedures for reporting to the Board. The charter of each committee has verified that it is in line with the Articles of Association of the Company and the Commercial Companies Law No. 11 for 2015, the Corporate Governance Code of the Qatar Financial Markets Authority as well as the related instructions of the Qatar Central Bank.

A. Audit and Risk Committee :

Composition of Committee and details of meeting

The Audit Committee is appointed by the Board of Directors, with most of its members, including the Chairman, being independent. The Committee consists of two independent members and one non-independent member, assisting AKTI's Board in overseeing the integrity of the Company's financial statements. It also provides consultancy to the Board on the efficiency and adequacy of internal control systems and arrangements for risk management. The Committee is also responsible for ensuring that internal and external audit functions are independent and objective. In addition, the Committee advises the Board on all matters that need attention and seek a decision. The Committee also puts great importance on investigating any violations in the Company. The composition of Audit Committee is as follows:

S. No	Name of Member	Status	Independence	Number of Meetings Attended
1	Mr. Nasser Khaled Khalifa Abdullah Al-Attiyah	Chairman	Non-Independent Non-executive	6/6
2	SHK. Moh'd bin Abdulrahman Al-Thani	Member	Non-Independent Non-executive	5/6
3	SHK. Hamad bin Abdulaziz Al- Thani	Member	Independent Non-executive	5/5

Key Accomplishments of Audit Committee

In 2024, the Committee completed several major works including:

First: External Control:

- Discussed the 2024 external audit proposals, nominated KPMG as external auditors for the year ended 2024, and recommended to the Board of Directors for approval.
- Discussed the 2023 annual financial statements and recommended them to the Board for approval.
- Reviewed the quarterly and semi-annual financial statements for 2024 and recommended their approval to the Board.
- Discussed the audit offers for the Anti-Money Laundering and Combating the Financing of Terrorism Regulations for 2024, nominated Russell Bedford, and recommended their approval to the Board.

Second: Internal Control:

- Discussed and approved the internal audit plan for 2024.
- Reviewed and approved the plans for the Compliance and Anti-Money Laundering and Combating the Financing of Terrorism Department for 2024 and 2025, recommended them to the Board for approval.
- Reviewed and approved the reports from the Compliance and Anti-Money Laundering and Combating the Financing of Terrorism Department for 2023 and 2024, recommending them to the Board for approval.
- Discussed the internal reports on Fire, Marine, Motor Underwriting, and Legal Departments.
- Approved the reappointment of PWC and GT to provide professional services in internal audit and internal control over financial reports, respectively and to increase their professional fees.
- Approved the Own Risk Solvency Assessment Report (ORSA) as of 31/12/2023, recommended it be submitted to the Board for approval.
- Approved the Financial Condition Report (FCR) as of 31/12/2023, recommended it be submitted to the Board of Directors for approval.
- Reviewed the annual report on the Committee's activities in 2023, approved it, and recommended its adoption by the Board.

Third: Policies and Procedures:

- Discussed and approved amendments to the updated Anti-Money Laundering and Combating the Financing of Terrorism Policy, recommending them to the Board for adoption.
- Discussed and approved the updated Insider Trading Policy, recommended it to the Board for adoption.

- Discussed and approved the Disclosure and Transparency Policy, recommended it to the Board for adoption.
- Discussed and approved the updated risk management framework, including risk strategy, risk management risk appetite statement, and risk policies and procedures, recommending it to the Board for adoption.

Based on the annual evaluation of the committee's work, the Board of Directors is satisfied with its performance, implementation of its responsibilities and recommendations made during the year ending on December 31, 2024.

B. Policies, Remuneration, Nominations and Governance Committee and its meetings

The board after election constitute the Policies, Remuneration, Nominations and Governance Committee from three board member who has the experience necessary for exercising the committee functions which is responsible for the review of AKTI's HR framework and compensation programs. The Committee makes recommendations to the Board on the remuneration, allowances and terms of service of the Company's senior executives to ensure that they are fairly rewarded for their individual contributions to the company developing general principles and criteria used by General Assembly members to elect the fittest among the candidate for board membership, developing, a succession plan for managing the company, receiving candidacy request for board membership, submitting the list of board membership candidates to the board including its recommendation and submitting an annual report to the board member including comprehensive analyze of the board performance. The committee details along with details of meetings attended by each member are as follows:

S. No	Board of Directors	Status	Independence	Number of Meetings Attended
1	SHK. Muhammad bin Fahad Muhammad Jabr Al Thani	Chairman	Non-Independent Non-executive	1/1
2	Mr. Abdullah Ali Muhammad Al-Ansari	Member	Non-Independent Non-executive	1/1
3	SHK. Mohammed bin Abdul Rahman Jabr Al Thani	Member	Non-Independent Non-executive	1/1

Key Accomplishments of Policies, Remuneration, Nominations and Governance Committee

In 2024, the Committee completed several major works including:

- Announced the opening of nominations for nine seats for the Board membership for the 2024-2026 term.
- Reviewed, discussed, and evaluated applications for Board of Directors membership for the 2024-2026 term.
- Submitted the list of Board of Directors candidates to the Board, along with recommendations, and sending a copy to the regulatory authorities.
- Discussed the members' self-evaluation forms, which include a comprehensive analysis of the Council's performance for 2024, approved them, and submitted them to the Board.
- Discussed and approved the principles for calculating bonuses for executive management and employees for 2023, along with the associated forms.
- Discussed and approved the remuneration for the members of the Board of Directors, the CEO, and the Executive Management for 2023.
- Discussed and approved the 2023 Corporate Governance Report.
- Reviewed and discussed the comprehensive report outlining the committee's activities for 2023.

Based on the annual evaluation of the committee's work, the Board of Directors is satisfied with its performance, implementation of its responsibilities and recommendations made during the year ending on December 31, 2024.

C. Investment Committee and its meetings

The Investment committee assists the Board in everything related to the investment policy and strategy, discusses available investment initiatives and opportunities before it submits its recommendations in this regard, monitors the performance of the securities portfolio, develops the investment strategy in accordance with the mandate granted to it by the Board, and submits its reports to the Board. The committee details along with number of meetings attended by each member are as follows:

S. No	Board of Directors	Status	Independence	Number of Meetings Attended
1	SHK. Tamim bin Fahad Muhammad Jabr Al Thani	Chairman	Non-Independent Non-executive	6/6
2	SHK. Jassim bin Hamad Nasser Jassim Al Thani	Member	Independent Non-executive	7/7
3	Mr. Saad Nasser Rashid Saree Al Kaabi	Member	Non-Independent Non-executive	6/7

Key Accomplishments of Investment Committee

The Investments Committee held Seven (7) meetings during the financial year 2024 and the Committee completed several major works including:

First: Investment Strategy:
- The committee discussed, adopted, and recommended the investment strategy and planned objectives for the 2025-2027 period.

Second: Portfolio of Investments in Securities:
- Monitored the performance of the investment portfolio and discussed related matters.
- Follow up on exit from investment in Bahrain National Life Insurance Company.
- Discussing and determining the criteria for investment in Sukuk, approving them and recommending them to be presented to the Board for approval.
- Approval of the preparation of a comprehensive study of the partnership opportunity with Sharq Insurance Company, owned by Doha Bank, and determining the strategic fit and feasibility .
- Reviewed and discussed the events following the sale of our investment in the Kingdom of Bahrain, assessed the situation, and made the necessary decisions based on the evaluation.
- Discussed the results of the study and evaluated the strategic fit for the opportunity to acquire Sharq Insurance Company, recommended to move forward with signing the memorandum of understanding.
- Discussed investing in Sharia-compliant listed funds, approved the proposed amount by executive management, and recommended it to the Board for approval.

Third: Real Estate Investment Portfolio:
- Monitored the performance of the real estate investment portfolio during the year.

Fourth: General:
- Reviewed and approved the annual report on the Committee's performance during 2023 and recommended its presentation to the Board of Directors for approval.

Based on the annual evaluation of the committee's work, the Board of Directors is satisfied with its performance, implementation of its responsibilities and recommendations made during the year ending on December 31, 2024.

14. Company Secretary

The Company Secretary is the focal point for communication with the Board of Directors and senior management and plays a key role in the administration of important corporate governance matters. Currently, the position of Company Secretary is occupied by Mr. Fawaz Subhi Muflih Al-Nimr, based on the decision of the Board of Directors at its second meeting on 21/3/2024.The Company Secretary has the following key responsibilities:

1. Entry of the Board's decisions into the register prepared for this purpose by date of its issuance;
2. Sending the invitation to the members of the Board, along with the agenda, before the date set for the meeting, and receiving the members' requests to add one or more items to the agenda and confirming the date of its submission;

3. Issuing and preparing the minutes of the board's meetings specifying the names of the present and absent members, recording key agenda items and related decisions, and proving the members' objections to any decision issued by the Board;
4. Recording the meetings held by the Board in the register prepared for this purpose, arranged in chronological order according to the date of its convening, showing the following: the present and absent members, the decisions taken by the Board at the meeting and the objections, if any;
5. Maintaining the minutes of the Board's meetings, its decisions, its reports, and all records and correspondence of the Board and its correspondence in paper and electronic records as custodian of these records;
6. Full coordination between the Chairman and the members of the Board, between the members among themselves, and between the Board and the concerned parties and stakeholders, including shareholders, management and employees;
7. Enabling the president and members to have quick access to all the company's documents and papers, as well as its information and data;
8. Preserving the declarations of the members of the Board not to combine the positions that they are prohibited from combining in accordance with the law and the provisions of this system.

Qualification of Company Secretary

Mr. Fawaz Subhi Muflih Al-Nimr holds a university degree in accounting, a professional certificate, and is a member of the Jordanian Association of Auditors. He has sufficient professional experience in the affairs of listed financial companies.

15. Executive Management

The Board supervises the performance of the executive management consisting of the CEO and those directly reportable to him, as they bear responsibility for the management of the company's financial performance.

The details about the qualification and designations of executive management of the company is tabulated below:

Name	Designation	Qualification
Mr. Abdullah Ali Al-Assiri	Chief Executive Officer	Masters in Financial Affairs
Mr. Nasser Abdullah Ibrahim Al-Emadi	Chief Financial Officer	Bachelor of Financial Management
Mr. Haitham-Qais Al Mudaries	Chief Technical Officer	Fellow of the Insurance Institute of Canada
Mr. Fawwaz Sobhy Mofleh Alnimer	Chairman Office Manager	Bachelor of Accounting - JCPA
Mr. Nasr Nasr Radwan Majali	Legal Consultant	Bachelor of Law
Mr. Lakshmi N. S. Ramachandran	Director of the General Insurance Department	Bachelor of Commerce
Mr. Nabil Farid-Karama	Executive Director of Medical and Takaful	Bachelor of Science
Mr. Punit Kumar Jain	Finance Manager	Certified Management Accountant
Mr. Issa Das	Head of IT	B.Sc Computer Science
Mr. Samer Safwat Mohamed	Marketing & Business Development Manager	Bachelor's degree in Accounting
Mr. Yasser Kayssi	Executive Manager - Reinsurance Department	Bachelor of Science in Business Management

Executive management experience and qualifications

The senior executive management has sufficient academic and professional experience and qualifications in the field of insurance, reinsurance, finance, accounting, investment, and information technology, that enables it to supervise and manage its daily operations to achieve the strategic objectives in all their dimensions. In addition to the existence of internal committees that meet periodically to discuss and develop the technical, operational and administrative work frame for which they are responsible according to their authority.

Responsibilities and authorities of the executive management

The executive management is responsible for carrying out and implementing the company's strategic plans approved by the Board of Directors, and follows up on the daily work and operational plans, through which the Board of Directors is informed of the changes or challenges that the company and the insurance market is going through locally and regionally. It is keen to propose and adopt appropriate financial, investment and insurance policies and procedures for the company and have them approved by the Board. Based on the powers granted to it by the board, it monitors the approves budgets, works to adhere to them, and submits the required periodic reports to the board and its executive committees

Remuneration for Executive Management

Total remuneration paid to executive management in financial year 2024 amounted 1,820,000 which is also submitted to the respective regulator(s).

Internal controls and Risk management

1. Internal Controls Mechanism

Internal control refers to AKTI's policies, procedures and practices that aid in ensuring that the company achieves the targets set in the strategy, uses resources economically and bases management decisions on reliable information. Internal control also ensures that risk mitigation is adequately addressed. Conformance to regulations and approved ethical principles are also ensured through internal control.

AKTI's Internal controls mechanism aims to ensure that the Board and management are able to fulfill the Company's business objectives. An effective internal control framework contributes to safeguarding the shareholders' investment and the Company's assets. The objective of AKTI's internal control framework is to ensure that internal controls are established; that policies and procedures are properly documented, maintained and adhered to, and are incorporated by the Company within its normal management and governance processes.

The Board of Directors is responsible for the company's internal control system, and the Board has approved a comprehensive set of documents including the organizational structure, grade and salary structure, job descriptions, policies and procedures, and the delegation of financial and operational authority to regulate the company's operations.

This is examined by the AKTI's Compliance and Internal Audit teams on an ongoing basis. Internal Audit also provides independent assurance over the internal control system and reports momentous issues to the Audit Committee in accordance with the approved risk based Internal audit plan.

2. Assessment of Internal Control over Financial Reporting

In accordance with the requirements set out in the Governance Code for Companies and Legal Entities Listed on the Main Market Issued by the QFMA's Board, pursuant to Decision No. (5) of 2016, management performs an ongoing process of identifying, evaluating, and managing the risks faced by AlKhaleej Takaful Insurance Company as well as establishes and maintains effective controls for the risks identified, including those over financial reporting.

The Company carries out the review of its internal controls over financial reporting on an annual basis with respect to all material financial balances, whereby the management assesses the adequacy of design and operating effectiveness of such internal controls over financial reporting. The management assessment of Internal controls over financial reporting is performed on the basis of criteria established in Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Management has assessed the adequacy of design and the operating effectiveness of the Company's internal controls over financial reporting as of 31 December 2024. Based on the assessment, management has concluded that the internal controls over financial reporting are adequately designed and operating effectively with no material weaknesses identified.

AKTI's operating policies and procedures are considered to be adequate and effective, while recognizing that such system is designed to mitigate rather than eliminate the risk of failure to achieve business objectives and can provide reasonable but not absolute assurance against material misstatement or loss.

3. Internal Audit

Company has co-sourced internal audit function and appointed an audit firm as internal auditors which directly reports to the Audit and Risk Committee of the Board of Directors. The Internal Audit team review business and technology processes to identify the risks, review the controls, make recommendations and track management action plans until completion to enable better management of the business by identifying those aspects of the business that could be controlled more effectively.

The Internal Audit team has the independence to report objectively on any function without being constrained by line management through reporting to the Audit and risk committee of the Company. The Internal Audit team monitors and supports key governance structures and activities to ensure ongoing effectiveness. The team also identifies and promotes good business practices and reviews the Company's financial and accounting policies and processes to evaluate and assess any relevant risks in that context.

The risk-based internal audit plan is formulated by the Internal Auditors and approved by the Audit and Risk Committee covering various areas of AKTI's operations. The internal auditors can access, at all times, to all accounts, books, records, systems and individuals in order to fulfil its audit responsibilities.

The Internal Auditors submits quarterly periodic reports to the Audit and Risk Committee, including, but not limited to, the extent of compliance with internal control systems and the management of risks facing the company.

4. External Auditors

The purpose of appointing an External Auditor is to provide objective assurance to the Board and shareholders that the financial statements have been prepared in accordance with all related laws, regulations and IFRS and that they fairly represent the financial position and performance of the Company in all material aspects.

KPMG currently holds the position of AKTI's External Auditors and they conduct a full audit at the end of the Company's financial year in additional to a review of the Company's half-year results. The decision to re-appoint KPMG as the External Auditors of AKTI was approved by the shareholders of the Company at the Annual General Assembly which took place on **17-March-2024** at a remuneration of QAR 368,000 for audit scope and QAR 173,000 for non audit scope. The External Auditors attend the Annual General Assembly to present their report and to answer queries from shareholders.

There have been no qualified opinions reported by our external auditors on AKTI's interim and semi-annual financial statements for financial year 2024.

5. Risk Management

AlKhaleej Takaful Insurance Company operates a comprehensive ongoing risk management and assessment programme within the business. The primary objectives are to balance the risks the business takes with potential reward, support the achievement of corporate strategy and anticipate any future threats. The Company believes a vigilant and robust approach to risk management enables informed decision making, provides senior management with appropriate visibility of relevant business risks, defines the level of risk the Company is willing to take and facilitates risk based assurance activity. The Company's enterprise risk management function covers risk and capital management as well as exposure monitoring. The Company has adopted a three lines of defence risk management model which comprises:

- First line - Operational management who is responsible for managing risk through deployment and execution of controls and management oversight;
- Second line - Compliance, risk and actuarial functions, which report on the first line of defence activities from an independent perspective and challenge them; and
- Third line - Internal and external audit, which provide independent assurance.

AKTI's risk management framework is in line with the components of the COSO Model, which support monitoring, recording, analysis and reporting on risks. AKTI's business risk register is subject to a periodic review as it is prepared by the company's management team for each business unit.

The risk management framework is designed to assess, control, and monitor risks from all sources, with the aim of increasing short and long-term value to the stakeholders. The risk management framework involves determining, evaluating, and managing the risks faced by the company as below:

A. Insurance Risk

The Insurance risks are represented in the Takaful contracts issued by the company and the resulting obligations after underwriting Insurance policies, as well as the price fluctuations related to underwritten contracts, which are summarized as follows:

I. Takaful Risks

These risks are represented in realizing the underwritten risks in the various insurance divisions including fire, general accidents, cars, marine, term life and health, and the fluctuation between actual and expected claims.

The Company manages its insurance risk through the careful formulation and implementation of its underwriting strategy and guidelines, together with ensuring that adequate reinsurance arrangements are in place and that claims handling is proactively carried out. The concentration of the Group's insurance risk exposure is mitigated by the Group's underwriting strategy, which attempts to ensure that the risks underwritten are diversified across a large portfolio in terms of type, level of insured benefits, amount of risk, industry, and geography. The Company, in the normal course of business and to minimize its financial exposure arising from large claims, enters into reinsurance contracts.

These reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. A significant portion of the Company's underwriting is reinsured under treaty and facultative reinsurance contracts. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the terms of the reinsurance contracts.

II. Re-Takaful Risks

The company, as is the practice with other insurance companies, enters into re-Takaful agreements to reduce its exposure to losses resulting from large claims. It may be exposed to reinsurance risks as a result of the financial solvency of reinsurance company and may result into significant financial losses. In order to limit the reinsurance risks, the company considers dealing with reinsurers distributed in multiple geographical areas, with solvency and a strong credit rating, and their conditions are evaluated annually, and in light of the results of the evaluation, the continuity of the relationship is determined.

B. Operational risk

When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company does not expect to eliminate all operational risks, but by implementing a rigorous control framework and by monitoring and responding to potential risks, the Company seeks to manage its operational risk.

The Company has policies, systems and procedures manuals designed for all core and support functions to achieve effective segregation of duties, access controls, authorization and reconciliation procedures, staff training and assessment processes. These procedures are backed up by a compliance and internal audit framework.

C. Investment Risk

The Investment risk is represented in the fluctuation of the fair value prices of the financial instrument in the market due to several internal or external factors associated with each investment.

The Company manages investment risk by quantifying the risks associated with each investment and only investing in accordance with the Company's investment strategy and risk profile. Any proposed investment that is outside established limits must be approved by the Board Investment Committee. The Company seeks to limit investment risk by maintaining a diversified portfolio of investments and by continuously monitoring developments in international and local equity and bond markets. In addition, the Company actively monitors the key factors that affect stock and bond market movements, including the operational and financial performance of its investee companies.

D. Credit Risk

Credit risks are represented by the inability of one of the parties to the financial instrument to fulfill their obligations in terms of insurance premiums and others, which leads to risk of financial loss to the company The Company's exposure to credit risk principally arises from its insurance and reinsurance receivables, its cash and cash equivalents held in bank accounts, its reinsurance contract assets, and its return from Investment portfolio.

The Company has established a range of credit risk limits to manage its exposure within the defined credit risk appetite. These limits are monitored periodically. Further, the credit risks are constantly monitored by a specialized committee that evaluates and follows up customers and the limits granted to them, and exerts due diligence when granting any credit limits to customers.

E. Liquidity Risk

Liquidity risk relates to inability of the company to fulfill its financial obligations when they fall due. This risk is monitored continuously on regular basis to ensure that sufficient funds are available to meet the company's needs and obligations by linking deposits for restricted terms that enable it to meet the payments due to creditors when due to be paid. Periodic reports are prepared regularly which indicate the liquidity needs of the company and the retention of sufficient cash resources to finance the same.

F. Other Market Risks

Other market risks are further categorized into following :

I. **Foreign currency risk** is that the fair value of financial instruments will fluctuate due to changes in foreign currency rates. There are no significant financial assets denominated in foreign currencies; therefore, there is little risk of achieving losses in this item.

II. **Profit rate risk** arises when company is exposed to the risk of fluctuating "profit" rates on its deposits with Islamic banks. In order to reduce these risks, these prices are continuously monitored and the necessary decisions are made in timely manner to address the same.

6. Regulatory Compliance

The Company considers compliance with applicable laws, industry regulations, codes and its own ethical standards and internal policies to be an integral part of doing business. The Company's Compliance team facilitates the management of compliance through the analysis of statutory and regulatory requirements, and monitoring the implementation and execution thereof.

The monitoring of regulatory requirements includes due diligence procedures and the reporting to relevant agencies with an aim to combat money laundering and the financing of terrorism. Compliance and Money-laundering Reporting Officer also identifies and assesses the compliance and money-laundering risks across the business functions, monitor the implementation of risk management strategies and ensure timely reporting of breaches and corrective action taken for all suspicious transactions. In addition, the Compliance function undertakes screening checks against applicable sanctions watch lists.

The Company has also put in place the systems and processes to ensure that all the regulatory requirements are complied with.

7. Fatwa and Sharia Supervisory Board :

Since our company is working to provide Takaful Islamic insurance services, the company is supervised from a Shariah perspective by a Fatwa and Sharia Supervision Board which is appointed by Company's Board of Directors. The Committee consists of renowned and qualified Shariah scholars that are independent of the Company and its Board of Directors.

The Fatwa and Sharia Supervision Board is headed by Prof. Dr. Ali Muhyiddin Al Qardagi and include Dr. Sultan Ibrahim Al Hashemi and Dr. Nayef Nahar Al Shammari as board members. The Board provides a binding opinion and conduct oversight on everything related to the application of the provisions of Islamic Sharia.

The Chairman of the Supervisory Board shall clarify the provisions of Islamic Sharia on all inquiries and transactions and follows up on the compliance and implementation of these provisions by the executive management of the company. The Chairman shall also give the necessary instructions to the executive management to organize the company's business from the Sharia aspects.

The Chairman of the Fatwa and Sharia's Supervisory Board shall present an annual report addressing to the company's shareholders and members of its general assembly on the company's business during the ending financial year to give an impartial opinion on the extent to which the company's management adheres to the principles of Islamic Sharia in its transactions or not, and then shall present it to the general assembly at its annual meeting.

Disclosure and Transparency

1. Disclosure Obligations

The Company is fully committed to all disclosure requirements including market listing as required under the legislations and regulations of various applicable regulatory authorities and has complied with the requirements set forth in this regard.

The company has disclosure and transparency policy which emphasize how to deal with rumors inconsistent with QFMA legislation.

The most important requirements in this regard relate to the publication of information on shares of the Company uniformly to all shareholders and investors to enable them to access all information that affects stock prices providing equal opportunities to them for their investment decision(s). The Board of Directors, through the Compliance department, ensures that all the disclosures that the Company makes are accurate and the financial reports of the Company conform to applicable accounting standards and guidelines. Also, information about the chairman and members of the board of directors and major shareholders, their ownership in the company's shares, their practical experiences, and about unfair dealings - if any - with any related party, have been disclosed.

During the year, the Company disclosed all decisions taken by the Board of Directors that were of interest to shareholders and the investing public and brokers. All such decisions were immediately notified to Qatar Exchange and the QFMA, in addition to publication in the local newspaper and on the website of the Company. Pursuant to the provisions of the Commercial

Companies Law and the requirements of QFMA, Qatar Exchange and the Law of the Qatar Central Bank and the regulation of financial institutions, the Company also published audited financial reports on the website of the Company.

During 2024, the Company was not subject to any material regulatory penalties for non-compliances with the provisions of the Code.

2. Conflict of Interest, transparency and upholding the Company's Interests :

The Company adopts a policy that ensures the confidentiality and integrity for any reports of illegal actions relating to employees and general performance measures, which are clarified in AKTI's Code of Conduct. The Code includes the expected behavior of employees, particularly regarding compliance with laws and regulations. Employees must avoid conflicts of interest, particularly in commercial transactions, business administration and activities, using the Company's assets, records and information, and relationships with related parties outside the Company. No employee may accept or request gifts or bribes, loans or bonuses, prizes or commissions. The Company is resolved to combat all forms of conflicts of interest in addition to other matters.

Furthermore, the Company complies with Articles 108, 109, 110 and 111 of the Commercial Companies Law No. 11 for 2015 which define Internal controls requirements related to the Chairman and members of the Board of Directors in their relationship with the company.

The Board of Directors, senior executive management, company employees, and service providers are aware that all information related to AlKhaleej Takaful Insurance Company or its subsidiaries and clients shall be confidential information and may not be exploited to achieve personal or family purposes or any other benefits that are not based on the law.

3. Disclosure of Securities Trading

The company shall adopt rules and procedures for identifying the insider, whether by virtue of his position or who has access to material data by virtue of his duties that would positively or negatively affect the investment decision of the dealers on the company's shares. The company has insider trading policy together with clear rules and procedures regulating trading of the insiders in the securities issued by the company.

The company notifies the members of the Board of Directors, the executive management, and all informed members of the rules and procedures, as well as the prohibition period that is determined by the regulatory authorities and the controls that are determined by these authorities in order to adhere to them in the event that any of them wishes to trade in the company's shares. The Qatar Central Securities Depository Company shall be informed of the data of the insiders, members of the Board of Directors, and the executive management to prohibit their trading or disclose their trading.

4. Disclosure of Transactions with Related Parties :

The company performs its activities in the various insurance sectors, and as a result, it deals with a number of classified parties related to it in accordance with the laws, governance systems, and accounting standards, and these transactions shall be conducted on a commercial basis and it was during the year 2024 as follows:

Description	Amount
Contributions	2,744,568
Claims	742,027

Stakeholders' Rights

1. Shareholders' Equality Rights

AlKhaleej Takaful Insurance Company is committed to protecting shareholders' and stakeholders' rights in accordance with the required by-laws, regulations and as part of its corporate governance framework. To accomplish this, AKTI exercises diligence and care in conducting its operations, including effective and efficient use of resources to maximize shareholder benefits.

The company's Articles of Association and its internal regulations guarantee the shareholders to exercise their legal rights on an equality basis, such as obtaining profits, disposing off shares, accessing information directly or through the company's website, participating in meetings, voting on decisions, and accessing information in a way that it does not conflict with the interests of the company. This record shall be managed in accordance with the applicable rules.

2. Register of Shareholders [Ownership]

The Qatar Central Depository Company shall perform the tasks, powers and management of the shareholder register by proving trading operations such as buying and selling, transfer of ownership in any way, registration, mortgage and others in accordance with the applicable procedures in the Qatari financial market.

The Qatar Central Depository Company maintain a record of shareholders for our company and all listed companies, and based on this record, no shareholder's ownership exceeds the limit permitted by the laws and the company's articles of association. On a monthly basis, the company shall obtain a record of its shareholders, as well as when the general assembly convenes, to approve it in recording attendance and distributing profits to shareholders.

The company's articles of association shall include the rights granted to shareholders under the relevant laws and regulations. The Board of Directors shall ensure respect for all shareholders' rights in a way that achieves justice and equality by providing shareholders with detailed data on the company's governance, financial statements and other important information on the company's website and the media.

3. Shareholder's right to obtain information

The company's Articles of Association and its regulations guarantee the shareholders' access to information that can be disclosed and enable them to exercise their rights without harming the interests of the company or the rights of other shareholders. The company shall provide all information of interest to shareholders and enables them to fully exercise their rights and the company shall provide a set of information of interest to the shareholders on its website, including:

- Disclosure of the company's results and data in accordance with applicable laws, and regulations.
- Invite investors to the periodic conference call.
- Reply to investors and discuss their queries on financial and operational performance received by the Investor Relations Department.
- Developing the company's website and publishing data, disclosures and financial reports through it.
- Advertising in newspapers and other media.

4. Shareholders' rights related to the General Assembly

The Articles of Association of the company includes organizing the rights of shareholders related to the meeting of the General Assembly, including:

- The right of the shareholder or shareholders who own at least 10% of the company's capital to request that the General Assembly be convened in accordance with the procedures specified by the laws and regulations in this regard.
- The right to request the inclusion of certain issues in the agenda of the General Assembly and to discuss it in the meeting if the Board did not include it and the Assembly decided so.
- The right to attend the meetings of the General Assembly and the opportunity to actively participate in it, to participate in its deliberations, to discuss the topics on the agenda, and to facilitate everything that would lead to knowledge of the date and place of the assembly, the issues listed on the agenda, and the rules governing discussions and asking questions.
- The shareholder's right to authorize on his behalf, by virtue of a special power of attorney, another shareholder who is not a member of the Board to attend the meeting of the General Assembly, provided that the number of shares held by the representative in this capacity does not exceed 5% of the company's capital.
- The right of the shareholder to direct questions to the members of the Board and their obligation to answer them to the extent that does not expose the interest of the company to harm, and his right to resort to the General Assembly if he considers that the answer to his question is not sufficient.
- The right to vote on the decisions of the General Assembly and to facilitate everything that would lead to knowledge of the rules and procedures that govern the voting process.
- The right of the shareholder to object to any decision that he deems to be issued in the interest of a certain class of shareholders or harm it or bring special benefit to the members of the Board or others without regard to the interest of the company and to record it in the minutes of the meeting, and the right to invalidate the decisions he objected to in accordance with the provisions of the law in this regard

5. Shareholders' rights regarding voting, electing members of the Board of Directors & distributing profits

The Board of Directors of the company consists of nine members, three of whom are independent in accordance with the company's Articles of Association. The company is obligated to disclose the candidates for membership of the Board and to inform the shareholders of the information about all the candidates and their CVs, and the shareholder's right to vote by himself or through his legal representative in the meetings of the company's general assembly in accordance with the legal requirements. Starting with issuing the invitation and notifying them of the topics on the agenda and disclosing the results of the meeting upon its completion, which is done by traditional means or by means of modern technology or both.

Shareholders can use the right to vote without any restrictions or procedural obstacles in the meeting of the General Assembly in person or by authorizing another shareholder to vote on his behalf, and the company shall enable the shareholder to exercise this right and facilitate his procedures.

The Articles of Association also determined the basis for distributing profits to shareholders and the reserves that must be deducted from the profits, and then the profits approved by the General Assembly will be distributed to the shareholders registered with the depository on the last trading day specified by the regulatory authorities.

6. Shareholders' rights related to major deals

The articles of association of the company include that the company must adhere to the mechanisms specified by the regulatory authorities when concluding major transactions to protect the rights of shareholders in general, and minority shareholders in particular. The financial statements include the disclosure of the capital structure.

The company is eager to treat all shareholders fairly in the General Assembly meeting, and the company's articles of association allows minority shareholders to object to large deals that may harm their interests or upset the capital structure, and to prove their objection in the minutes of the meeting, and to invalidate the objected deals in accordance with the law and the company's articles of association.

7. Rights of Stakeholders (non-shareholders)

The company respects the rights of stakeholders in the company including policyholders, suppliers, employees and others. The company is obligated to provide the information it has regarding the stakeholders, concedes any grievance filed by them, which is investigated and decided within earliest possible timeframe in accordance with applicable laws as well as Internal policies and procedures of the company and without prejudicing or harming the interests of others, threatening them.

The Board believes in equal rights of employees and ensures that as required in the relevant legislation and in accordance with the Company's corporate governance requirements, all employees are treated equally as per the principles of natural justice and equity without any discrimination.

8. Community rights

The company was established more than four decades ago, and since then it has been seeking to contribute to increasing insurance awareness and developing the local community economically and socially through a number of initiatives which include but not limited to following:

- Enhancing, developing and directing training programs and attracting Qatari cadres wishing to engage in the insurance sector.
- Providing job opportunities and jobs for the local community.
- Contribute to the costs and scholarships of a number of Qatari students in their university studies.
- Contribute to donations, and support companies through purchases or services that they obtain from the local market.
- Compliance with the rules of sustainability, and the provision of insurance coverage of all kinds.
- Sponsoring and supporting Al-Arabi Sport Clup.

General

1. Corporate Social Responsibility (CSR)

AKTI's approach to Corporate Social Responsibility centers on the idea of creating shared value for all stakeholders through economic, environmental and social actions. Accordingly, the CSR program has four pillars: Community, Workplace, Nutrition & Well-being, and Environment & Sustainability. At AKTI, the heart of the shared value concept rests on the ability of a company to create private value and to transform this into public value for the society.

The Company has committed to contributing 2.5% of its annual profit to Social and Sports Fund. In this perspective the company has allocated QAR 1,892,500 being 2.5% of AlKhaleej profit for the year 2024.

2. Issues, violations and disputes :

The Company is operating in the insurance industry which is subject to lawsuits in its normal course of business. AKTI's Board of Directors and its top management are keen to implement all rules and regulations outlined in corporate governance and legal entities listed on the main market order issued by Qatar Financial Markets Authority and Commercial Companies Law No. (11) for 2015.

While it is not practicable to forecast or determine the final results of all initiated legal proceedings, the Board does not believe that legal proceedings including litigations will have material effect on the overall operations of the company.

Independent reasonable assurance report

To the Shareholders of
Al Khaleej Takaful Insurance Company Q.P.S.C.
Report on Internal Controls over Financial Reporting

In accordance with Article 24 of the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market ("the Code") issued by the Qatar Financial Markets Authority ("QFMA"), we were engaged by the Board of Directors of Al Khaleej Takaful Insurance Company Q.P.S.C. ("the Company") and its subsidiaries (together referred to as "the Group") to carry out a reasonable assurance engagement over Board of Directors' description of the processes and internal controls and assessment of the suitability of the design, implementation and operating effectiveness of the Group's internal controls over financial reporting (the 'ICOFR') as at 31 December 2024 (the "ICOFR Statement").

Responsibilities of the Board of Directors

The Board of Directors of the Company is responsible for preparation and fair presentation of the ICOFR Statement in accordance with the control objectives set out in the criteria.

The ICOFR Statement, which was signed by the Chairman and Chief Executive Officer and shared with KPMG on 28 February 2025 and is to be included in the annual report of the Group, includes the following:

- the Board of Directors' assessment of the suitability of design, implementation and operating effectiveness of the ICOFR;
- the description of the process and internal controls over financial reporting for the processes of underwriting, claims, retakaful, investments, investment property, property and equipment, human resource and administration, cash and treasury, entity level controls, general ledger and financial reporting and general IT controls
- designing, implementing and testing controls to achieve the stated control objectives;
- identification of control gaps and failures, how they are remediated, and procedures set to prevent such failures or to close control gaps; and
- planning and performance of the management's testing, and identification of the control deficiencies.

The Board of Directors is responsible for establishing and maintaining internal controls over financial reporting based on the criteria established in Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO" or "COSO Framework").

This responsibility includes designing, implementing, maintaining and testing internal controls relevant to the preparation and fair presentation of the ICOFR Statement that is free from material misstatement, whether due to fraud or error. It also includes developing the control objectives in line with the COSO Framework; designing, implementing and effectively operating controls to achieve the stated control objectives; selecting and applying policies, making judgments and estimates that are reasonable in the circumstances, and maintaining adequate records in relation to the appropriateness of the Group's ICOFR.

The Board of Directors is also responsible for preventing and detecting fraud and for identifying and ensuring that the Group complies with laws and regulations applicable to its activities. The Board of Directors is responsible for ensuring that management and staff involved with the preparation of the ICOFR Statement are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

Our Responsibilities

Our responsibility is to examine the ICOFR Statement prepared by the Group and to issue a report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the ICOFR Statement is fairly presented, in all material respects, in accordance with the control objectives set out therein.

We apply International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the suitability of the design, implementation and operating effectiveness of the Group's internal controls over financial reporting, whether due to fraud or error.

Our engagement also included assessing the appropriateness of the Group's ICOFR, and the suitability of the criteria used by the Group in preparing and presenting the ICOFR Statement in the circumstances of the engagement, evaluating the overall presentation of the ICOFR Statement, and whether the internal controls over financial reporting are suitably designed, implemented and are operating effectively as of 31 December 2024 based on the COSO Framework. Reasonable assurance is less than absolute assurance.

The procedures performed over the ICOFR Statement include, but are not limited to, the following:

- Conducted inquiries with management of the Group to gain an understanding of the risk assessment and scoping exercise conducted by management;
- Examined the in-scope areas using materiality at the Group's consolidated financial statement level;
- Assessed the adequacy of the following:
  - Process level control documentation and related risks and controls as summarized in the Risk & Control Matrix ("RCM");
  - Control Environment, Risk Assessment, Monitoring, and Information and Communication (CERAMIC) controls documentation and related risks and controls as summarized in the RCM;
  - Risk arising from Information Technology and controls as summarized in the RCM;
  - Disclosure controls as summarized in the RCM.
- Obtained an understanding of the methodology adopted by management for internal control design and implementation testing.
- Inspected the walkthrough and design and implementation testing completed by management and conducted independent walkthrough testing, on a sample basis, as deemed necessary.
- Assessed the significance of any internal control weaknesses identified by management;
- Assessed the significance of any additional gaps identified through the procedures performed.
- Examined the management plans for testing the operating effectiveness to evaluate the reasonableness of tests with respect to the nature, extent and timing thereof, and whether the testing responsibilities have been appropriately assigned;
- Examined the management's testing documents to assess whether the operating effectiveness testing of key controls has been performed by the management in accordance with the management testing plan; and
- Re-performed tests on key controls to gain comfort on the management testing of operating effectiveness.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the ICOFR Statement nor of the underlying records or other sources from which the ICOFR Statement was extracted.

We have made such enquiries of the auditors of significant components within the Group concerned and have reviewed their work to the extent necessary to form our conclusion. We remain solely responsible for our conclusion.

The Board of Directors is responsible for the other information. The other information comprises the information to be included in the Group's annual report which is expected to be made available to us after the date of this report. The ICOFR Statement and our reasonable assurance report thereon will be included in the annual report. When we read the annual report if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors.

Characteristics and Limitations of the ICOFR Statement

Non-financial information is subject to more inherent limitations than financial information, given the characteristics of the Board of Directors' Report on Internal Controls over Financial Reporting and the methods used for determining such information. Because of the inherent limitations of internal controls over financial reporting including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Therefore, internal controls over financial reporting may not prevent or detect all errors or omissions in processing or reporting transactions and consequently cannot provide absolute assurance that the control objectives will be met. Also, projections of any evaluation of the internal controls over financial reporting to future periods are subject to the risk that the internal control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Furthermore, the controls activities designed, and operated as of 31 December 2024 covered by our assurance report will not have retrospectively remedied any weaknesses or deficiencies that existed in relation to the internal controls over the financial reporting prior to the date those controls were placed in operation.

The ICOFR Statement is prepared to meet the common needs of a broad range of users and may not, therefore, include every aspect of the information that each individual user may consider important in its own particular environment.

Criteria

The criteria for this engagement are the control objectives based on the COSO Framework against which the design, implementation and operating effectiveness of the controls is measured or evaluated.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, based on the results of our reasonable assurance procedures, the Board of Directors' ICOFR Statement as of 31 December 2024 that the controls were properly designed and implemented and operated effectively in accordance with the COSO framework is, in all material respects, fairly stated.

Restriction of Use of Our Report

Our report is prepared for the shareholders of the Company and QFMA solely.

Our report is designed to meet the requirements of the QFMA's Corporate Governance Code and to discharge the responsibilities assigned to external auditors as specified in Article 24 of the Code. Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the shareholders of the Company and QFMA for any purpose or in any context. Any party other than the shareholders of the Company and QFMA who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the shareholders of the Company and QFMA for our work, for this independent reasonable assurance report, or for the conclusions we have reached.

Our report is released to the shareholders of the Company and QFMA on the basis that it shall not be copied, referred to or disclosed, in whole (save for the Company's own internal purposes) or in part, without our prior written consent

12 March 2025

Doha

State of Qatar

Yacoub Hobeika

KPMG

Qatar Auditors' Registry Number 289

Licensed by QFMA: External

Auditors' License No. 120153

Attachment: Board of Directors Statement on ICOFR

Independent limited assurance report

To the Shareholders of

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

Report on the Company's compliance with its Articles of Association and the provisions of the Qatar Financial Markets Authority's law and relevant legislations including the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market

In accordance with Article 24 of the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market ("the Code") issued by the Qatar Financial Markets Authority ("QFMA"), we were engaged by the Board of Directors of Al Khaleej Takaful insurance Company Q.P.S.C ("the Company") to carry out a limited assurance engagement over Board of Directors' assessment (a) whether the Company has a process in place to comply with its Articles of Association, the provisions of the QFMA's law and relevant legislations; and (b) whether the Company is in compliance with the provisions of the Code during the year ended 31 December 2024, together referred to as "the Corporate Governance Statement".

Responsibilities of the Board of Directors

The Board of Directors of the Company is responsible for:

- preparation and fair presentation of the Corporate Governance Statement in accordance with the Code. The Board of Directors provided the Corporate Governance Statement, which was shared with KPMG on 04 March 2025 ('Appendix 1').
- designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Corporate Governance Statement that is free from material misstatement, whether due to fraud or error.
- preventing and detecting fraud and for identifying and ensuring that the Company has a process in place to comply with its Articles of Association, the provisions of the QFMA's law and relevant legislations and compliance with the provisions of the Code.
- ensuring that management and staff involved with the preparation of the Corporate Governance Statement are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

Our Responsibilities

Our responsibility is to examine the Corporate Governance Statement prepared by the Company and to report thereon in the form of an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the Corporate Governance Statement is fairly presented in all material respects, in accordance with the requirements as per Article 24(4) of the Code.

We apply International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on our understanding of the Company's process for compliance with its Articles of Association, the provisions of the QFMA's law and relevant legislations, and its compliance with the provisions of the Code and other engagement circumstances, and our consideration of areas where material non-compliances are likely to arise.

In obtaining an understanding of the Company's process for compliance with its Articles of Association, the provisions of the QFMA's law and relevant legislations, and its compliance with provisions of the Code and other engagement circumstances, we have considered the process used to prepare the Corporate Governance Statement in order to design limited assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's process or internal control over the preparation and fair presentation of the Corporate Governance Statement.

Our engagement also included assessing the appropriateness of the Company's process for compliance with its Articles of Association, the provisions of the QFMA's law and relevant legislations and its compliance with the provisions of the Code, the suitability of the criteria used by the Company in preparing the Corporate Governance Statement in the circumstances of the engagement, evaluating the appropriateness of the methods, policies and procedures used in the preparation of the Corporate Governance Statement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our limited assurance procedures do not involve assessing the qualitative aspects or effectiveness of the procedures adopted by the Board of Directors to comply with the requirements of the provisions of the Code.

The procedures performed over the Corporate Governance Statement included, but were not limited to:

- Examining the assessment completed by the Board of Directors to validate whether the Company has a process in place to comply with its Articles of Association, the provisions of the QFMA's law and relevant legislations, and whether it is in compliance with the provisions of the Code;
- Examining the supporting evidence provided by the Board of Directors to validate the Company's compliance with the Code; and
- Conducting additional procedures as deemed necessary to validate the Company's compliance with the Code (e.g. review governance policies, procedures and practices, etc.).

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Corporate Governance Statement nor of the underlying records or other sources from which the Corporate Governance Statement was extracted.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information to be included the Company's annual corporate governance report which will be made part of the annual report which is expected to be made available to us after the date of this report. The Corporate Governance Statement and our limited assurance report thereon will be included in the annual report. When we read the corporate governance report and the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors.

Characteristics and Limitations of the Corporate Governance Statement

Many of the procedures followed by entities to adopt governance and legal requirements depend on the personnel applying the procedure, their interpretation of the objective of such procedure, their assessment of whether the compliance procedure was implemented effectively, and in certain cases would not maintain audit trail. It is also noticeable that the design of compliance procedures would follow best practices that vary from one entity to another, which do not form a clear set of criteria to compare with. Non-financial information is subject to more inherent limitations than financial information, given the characteristics of the Board of Directors' assessment on the process in place to ensure compliance with the Company's Articles of Association, the provisions of the QFMA's law and relevant legislations and compliance with the provisions of the Code and the methods used for determining such information.

Because of the inherent limitations of internal controls over compliance with relevant laws and regulations, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

The Corporate Governance Statement is prepared to meet the common needs of a broad range of users and may not, therefore, include every aspect of the information that each individual user may consider important in its own particular environment.

Criteria

The criteria for this engagement is the process for compliance with the Company's Articles of Association, the provisions of the QFMA's law and relevant legislations and compliance with the provisions of the Code.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Board of Directors' Corporate Governance Statement for the year ended 31 December 2024 that

(a) the Company has a process in place to comply with its Articles of Association, the provisions of the QFMA's law and relevant legislations; and

(b) the Company is in compliance with the provisions of the Code;

is not, in all material respects, fairly stated in accordance with the requirements as per Article 24(4) of the Code.

Restriction of Use of Our Report

Our report is prepared for the shareholders of the Company and QFMA solely.

Our report is designed to meet the requirements of the QFMA's Corporate Governance Code and to discharge the responsibilities assigned to external auditors as specified in Article 24 of the Code. Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the shareholders of the Company and QFMA for any purpose or in any context. Any party other than the shareholders of the Company and QFMA who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the shareholders of the Company and QFMA for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report is released to the shareholders of the Company and QFMA on the basis that it shall not be copied, referred to or disclosed, in whole (save for the Company's own internal purposes) or in part, without our prior written consent.

12 March 2025

Doha

State of Qatar

Yacoub Hobeika

KPMG

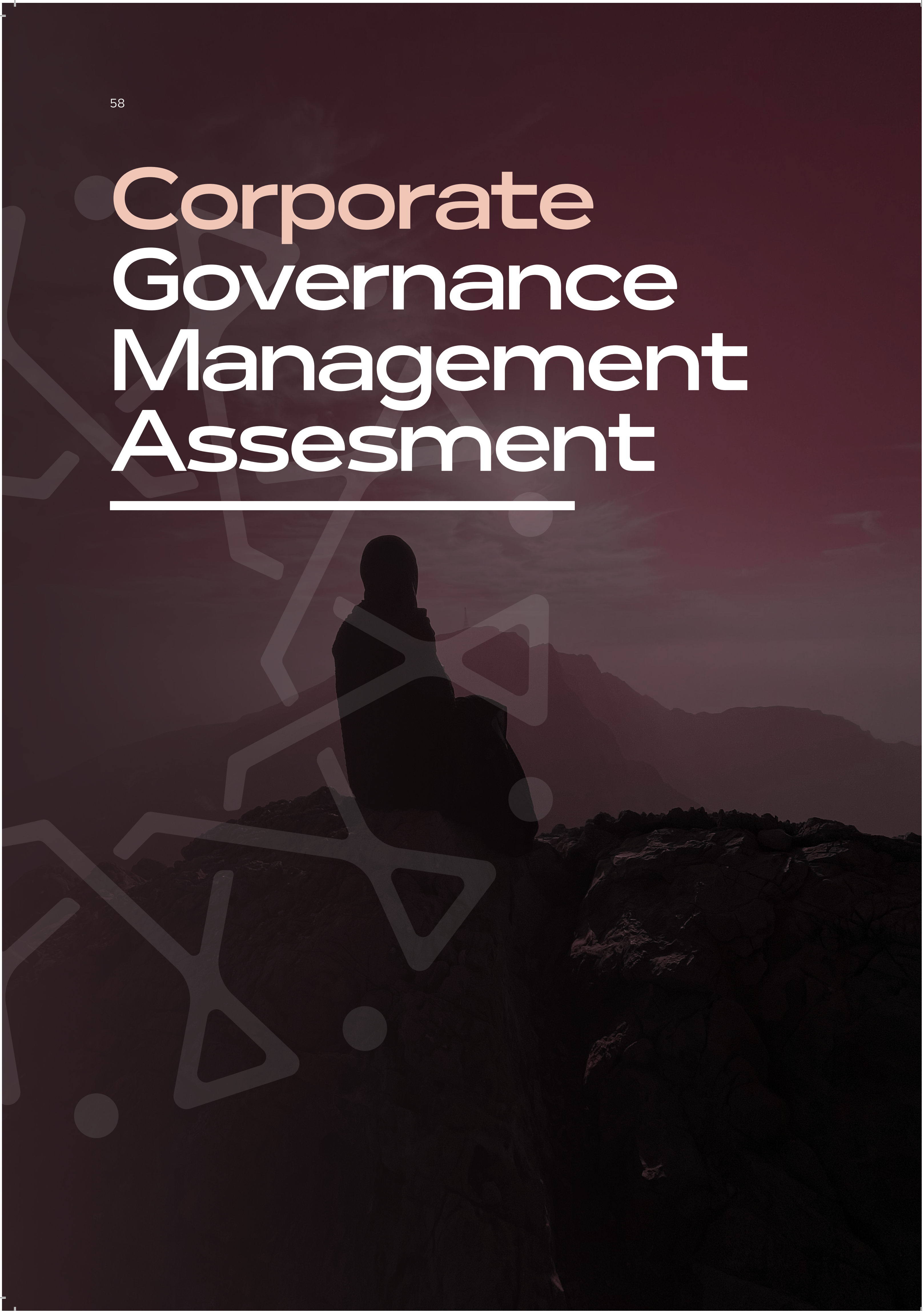
Qatar Auditors' Registry Number 289

Licensed by QFMA: External

Auditors' License No. 120153

Appendix 1: Board of Directors assessment on the process for compliance with the Company's Articles of Association, the provisions of the QFMA's law and relevant legislations and compliance with the provisions of the Code.

Corporate Governance Management Assesment



To

KPMG Qatar

25 C-Ring Road

PO Box 4473

Doha, State of Qatar

04 March 2025

Dear Sirs,

Al Khaleej Takaful insurance Company Q.P.S.C ("the Company") carried out an assessment of its compliance with its Articles of Associations and the provisions of the Qatar Financial Markets Authority (QFMA)'s law and relevant legislations applicable to the Company, including the provisions of Corporate Governance code for Companies & Legal Entities Listed on the Main Market ("the Code") published on 15th May 2017 and concluded that the Company has a process to ensure compliance with its Articles of Associations and the provisions of the QFMA's law and relevant legislations, and is in compliance with the provisions of the Code during the year ended 31 December 2024 with the exception of the following:

#	Description of Non-Compliance	Reference
1		
2		
3		
4		
5		

Summary of the assessment of the Company compliance completed by the Board of Directors is Annexed below.

Sheikh Abdullah Bin Ahmed Abdullah Al Thani

Chairman

Abdulla Ali Al-Assiri

Chief Executive Officer

Summary of assessment of the Company's compliance with its Articles of Associations, and the provisions of the QFMA's law and relevant legislations, including the provisions of the Code completed by the Board of Directors.

A. Assessment of compliance with the Article of association and the provisions of the QFMA's law relevant legislations

The following is a description of the process(s) that is/are in place to ensure compliance with the Article of association and the provisions of the QFMA's law and relevant legislations:

Al Khaleej Takaful Insurance Company Q.P.S.C. maintains a robust corporate governance framework to ensure compliance with the provisions of the Law, the QFMA's law and regulations and other relevant legislation and applicable regulatory requirements issued by the Qatar Central Bank (QCB). The framework in place at the Company to institutionalize corporate governance and includes the following components as an example

The legislation including rules and regulations that is relevant to the Company includes:

1. Corporate Governance Framework
2. Code of Ethics and Professional Conduct
3. Segregation of the Board and Executive Management Duties
4. Independent Control Functions
5. Conflict of Interest & Insider Trading Policy
6. Board' Remuneration Policy
7. Succession Plan Policy
8. Stakeholder' Policy

Al Khaleej Takaful Insurance Company Q.P.S.C. follows QFMA regulations that are applicable includes QFMA Law No. 8/2012 and all QFMA's law and regulations and other relevant legislation including the provisions of the Governance Code for Companies & Legal Entities Listed on the Main Market (The Code).

B. Assessment of compliance with the provisions of the Code

#	Code Reference	Compliant	Non-Compliant	Not Applicable	Description of Non-Compliance
1.	Article (2)	√			
2.	Article (3)	√			
3.	Article (4)	√			
4.	Article (5)	√			
5.	Article (6)	√			
6.	Article (7)	√			
7.	Article (8)	√			
8.	Article (9)	√			
9.	Article (10)	√			
10.	Article (11)	√			
11.	Article (12)	√			
12.	Article (13)	√			
13.	Article (14)	√			
14.	Article (15)	√			
15.	Article (16)	√			
16.	Article (17)	√			

#	Code Reference	Compliant	Non-Compliant	Not Applicable	Description of Non-Compliance
17.	Article (18)	√			
18.	Article (19)	√			
19.	Article (20)	√			
20.	Article (21)	√			
21.	Article (22)	√			
22.	Article (23)	√			
23.	Article (24)	√			
24.	Article (25)	√			
25.	Article (26)	√			
26.	Article (27)	√			
27.	Article (28)	√			
28.	Article (29)	√			
29.	Article (30)	√			
30.	Article (31)	√			
31.	Article (32)	√			
32.	Article (33)	√			

#	Code Reference	Compliant	Non-Compliant	Not Applicable	Description of Non-Compliance
33.	Article (34)	√			
34.	Article (35)	√			
35.	Article (36)	√			
36.	Article (37)	√			
37.	Article (38)	√			
38.	Article (39)	√			

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

Consolidated financial statements

31 December 2024

Independent auditors' report

To the Shareholders of

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

Opinion

We have audited the consolidated financial statements of Al Khaleej Takaful Insurance Q.P.S.C. (the 'Company') and its subsidiaries (together the 'Group'), which comprise the consolidated statement of financial position as at 31 December 2024 and the consolidated statements of policyholders' revenues and expenses, consolidated statement of policyholders' surplus, consolidated statement of shareholders' income, consolidated statement of shareholders' comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and the results of its operations, changes in consolidated policyholders' surplus, changes in consolidated shareholders' equity and its consolidated cash flows for the year then ended in accordance with the Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Takaful Contract Liabilities

See Note 4(G),5 and 10 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
We focused on this area because: • The Group's takaful contract liabilities represent 68% of its total liabilities relating to claims reported unsettled, claims incurred but not reported and other technical reserves and unearned contributions and mathematical reserves. • the valuation of these takaful liabilities involves significant judgement regarding uncertainty in the estimation of future benefits payments and assessment of frequency and severity of claims. Estimating the reserves for claims incurred but not reported ('IBNR') and unearned contribution reserves ('UCR) involves undertaking significant judgements and assumptions along with the use of actuarial projections and techniques hence, we considered this to be a key audit matter; and • internal claim development methods and actuarial models are used to support the calculation of insurance technical reserves. The complexity of the models may give rise to errors as a result of inaccurate/incomplete data, or the design or application of the models may be inappropriate. Assumptions used in actuarial models, such as historical claims, which can be used to project the trend of future claims, is set up in applying estimates and judgements based on the experience analysis and future expectations by management	Our audit procedures with the assistance of our specialists where applicable, included among others: • testing the design and operating effectiveness of the key controls around recording of reserving process for reported claims, unreported claims and unearned contribution. • testing samples of outstanding claims and related Retakaful recoveries, focusing on those with most significant impact on the consolidated financial statements, to assess whether claims and related recoveries are appropriately estimated. • for major lines of business, assessing the reasonableness of the key assumptions, such as loss ratios, risk factors, claims adjustment expenses, frequency, and severity of claims, which were used in the valuation models and comparing them to the Group's historical data. • evaluating whether reserving was consistent in approach, with sufficient justification for changes in assumptions using our industry knowledge to benchmark the Group's reserving methodologies and estimates of losses, focusing on lines of business with most inherent uncertainty. • assessing the competence, capabilities and objectivity of the external independent actuarial experts engage by the Group. • testing the appropriateness of information provided to external independent actuarial experts engaged by the Group and considered their scope of work and findings to corroborate adequacy of management estimates on claims reserving; and evaluating the adequacy of the Group's disclosures related to takaful contract liabilities in the consolidated financial statements by reference to the requirements of the relevant accounting standards.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with FAS, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Qatar Commercial Companies Law No. 11 of 2015, whose certain provisions were subsequently amended by Law No. 8 of 2021 ("amended QCCL") and relevant provisions of the Executive Insurance Instructions issued by the Qatar Central Bank, we also report that:

I. We have obtained all the information and explanations we considered necessary for the purposes of our audit.

II. The Company has maintained proper accounting records and its consolidated financial statements are in agreement therewith.

III. We have not been provided with the report of the Board of directors to determine whether there is any financial information contained therein agrees with the books and records of the Group.

IV. We are not aware of any violations of the applicable provisions of the amended QCCL, or the terms of the Company's Articles of Association having occurred during the year which might have had a material effect on the Company's consolidated financial position or performance as at and for the year ended 31 December 2024.

18 February 2025

Doha

State of Qatar

Yacoub Hobeika

KPMG

Qatar Auditors' Registry Number 289

Licensed by QFMA: External

Auditors' License No. 120153

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

Consolidated statement of financial position

As at 31 December 2024 In Qatari Riyals

	Notes	31 December 2024	31 December 2023
Policyholders' assets			
Cash and cash equivalents	6	48,542,902	24,763,022
Time deposits	6	50,000,000	40,950,000
Investment securities	7	16,711,779	16,059,689
Takaful balances receivable	8	52,719,754	48,211,553
Retakaful balances receivable	9	44,882,435	49,846,117
Retakaful contract assets	10	165,630,321	166,926,517
Deferred commission	10	10,647,348	10,666,396
Other receivables and prepayments	11	14,861,244	13,731,278
Investment properties	13	28,061,100	28,739,797
Total policyholders' assets		432,056,883	399,894,369
Shareholders' assets			
Cash and cash equivalents	6	41,245,573	49,085,784
Time deposits	6	155,100,000	128,750,000
Investment securities	7	208,330,334	158,559,655
Retakaful contract assets	10	74,760	398,721
Other receivables and prepayments	11	7,145,368	6,642,038
Right-of-use assets	12	27,058,130	27,927,902
Investment properties	13	202,585,391	205,859,103
Property and equipment	14	3,987,023	4,870,475
Investment in associate	15	25,385,269	57,624,756
Total shareholders' assets		670,911,848	639,718,434
Total assets		**1,102,968,731**	1,039,612,803

The Consolidated Statement of Financial Position continues next page.

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

Consolidated statement of financial position

As at 31 December 2024 In Qatari Riyals

	Notes	31 December 2024	31 December 2023
Policyholders' equity			
Retained surplus		26,602,642	28,103,677
Fair value reserve	25	7,279,175	6,491,796
Total policyholders' equity		33,881,817	34,595,473
Policyholders' liabilities			
Takaful contract liabilities	10	298,276,576	296,086,823
Deferred commission income	10	9,040,223	9,276,143
Accounts payable and other liabilities	18	16,286,721	26,817,344
Takaful balances payable	16	16,750,532	16,933,738
Retakaful balances payable	17	57,821,014	16,184,848
Total policyholders' liabilities		398,175,066	365,298,896
Total policyholders' equity and liabilities		432,056,883	399,894,369
Shareholders' liabilities			
Takaful contract liabilities	10	75,000	400,000
Ijarah liabilities	26	4,073,199	4,136,276
Accounts payable and other liabilities	18	30,340,104	30,076,386
Takaful balances payable	16	1,060,509	1,060,509
Provision for income tax	28	2,173	2,173
Employees' end of service benefits	20	7,599,117	6,669,094
Total shareholders' liabilities		43,150,102	42,344,438
Shareholders' equity			
Share capital	21	255,279,020	255,279,020
Legal reserve	22	255,279,020	255,279,020
General reserve	23	75,477	75,477
Fair value reserve	25	1,522,047	2,179,238
Real estate reserve	13	26,352,439	28,236,722
Reserve for share of associates	32	18,823,799	28,025,661
Retained earnings		70,429,944	28,298,858
Total shareholders' equity		627,761,746	597,373,996
Total shareholders' liabilities and equity		670,911,848	639,718,434
Total policyholders' and shareholders' liabilities and equity		**1,102,968,731**	1,039,612,803

These consolidated financial statements were approved by the Group's Board of Directors on 18 February 2025 and signed on their behalf by:

Sheikh Abdullah Bin Ahmed Abdullah Al Thani
Chairman

Abdulla Ali Al-Assiri
Chief Executive Officer

The attached notes 8 to 89 form an integral part of these consolidated financial statements.

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

Consolidated statement of policyholders' revenues and expenses

For the year ended 31 December 2024

In Qatari Riyals

	Notes	2024	2023
Takaful revenues			
Gross contributions	34	463,522,897	332,982,311
Retakaful share of gross contribution	34	(256,213,616)	(147,671,579)
Net retained contributions		**207,309,281**	185,310,732
Net movement in unearned contributions and mathematical reserves	34	(4,963,237)	(877,670)
Earned contributions		**202,346,044**	184,433,062
Retakaful commission and other takaful income	34	24,595,181	28,503,336
Change in deferred commission	34	216,872	(1,125,516)
Total takaful revenue		227,158,097	211,810,882
Takaful expenses			
Gross claims paid	34	(162,314,586)	(168,332,065)
Retakaful share of claims paid	34	49,193,522	52,672,461
Net claims paid		**(113,121,064)**	(115,659,604)
Changes in outstanding claims	34	1,155,391	9,713,617
Changes in claims incurred but not reported reserves and other technical reserves	34	321,897	592,441
Commission and other takaful expenses	34	(32,222,414)	(33,401,371)
Total takaful expenses		(143,866,190)	(138,754,917)
Net surplus from takaful operations		83,291,907	73,055,965
Wakala fee	39	(77,675,052)	(72,622,264)
Mudarabah fee	39	(3,744,994)	(2,460,754)
Income from deposits		3,472,298	2,600,721
Dividend income		890,980	834,770
Rental income		1,122,000	1,122,000
Impairment loss on investments at fair value through other comprehensive income		(135,289)	(1,042,128)
Net provision for impairment on financial assets		(3,076,053)	(1,157,400)
Fair value (loss) / gain on investment properties	13	(678,697)	291,197
Net investment expense		(79,824,807)	(72,433,858)
Other income		32,588	124,899
Other expenses		(5,000,723)	(4,848,040)
Deficit of revenues over expenses		**(1,501,035)**	(4,101,034)

The attached notes 8 to 89 form an integral part of these consolidated financial statements.

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

Consolidated statement of policyholders' surplus

For the year ended 31 December 2024

In Qatari Riyals

	Notes	2024	2023
Retained surplus balance at the beginning of the year		28,103,677	31,366,221
Transferred to policyholder surplus (Note 24)		-	838,490
Deficit for the year		(1,501,035)	(4,101,034)
Retained surplus balance at end of the year		**26,602,642**	28,103,677

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

Consolidated shareholders' income statement

For the year ended 31 December 2024 In Qatari Riyals

	Notes	2024	2023
Shareholders' revenues and expenses			
Claims paid	34	2,384	45,509
Net claims paid		2,384	45,509
Changes in outstanding claims	34	1,039	-
Total takaful income		**3,423**	45,509
Surplus from takaful operations		**3,423**	45,509
Investments income			
Wakala fee	39	77,675,052	72,622,264
Mudarabah fee	39	3,744,994	2,460,754
Net realized gains on sale of investments		1,028,395	648,154
Dividend income		5,190,838	6,112,138
Rental income		11,791,960	12,205,360
Income from deposits and sukuks		9,964,276	7,486,785
Share of profit from associates		17,565,907	15,633,815
Loss on sale of investment property		-	(49,470)
Gain on sale of property and equipment		15,000	128,220
Impairment loss on investment securities		(3,082,850)	(5,830,467)
Impairment loss on right-of-use assets	12	-	(4,253,293)
Fair value loss on investment properties	13	(3,077,928)	(2,150,003)
Gain on sale of investment in associates		1,079,994	-
Net investment income		**121,895,638**	105,014,257
Expenses			
General and administrative expenses	27	(44,119,984)	(41,462,691)
Depreciation		(2,473,966)	(2,363,351)
Amortisation of deferred ijarah	26	(161,580)	(163,524)
Reversal / (provision) for impairment on financial assets		9,941	(54,059)
Board of directors' remuneration	29	(3,200,000)	(2,444,964)
Total expenses		**(49,945,589)**	(46,488,589)
Other income		3,746,547	6,003,408
Net Income before income tax		**75,700,019**	64,574,585
Income Tax	28	-	-
Net Income after income tax		**75,700,019**	64,574,585
Basic and diluted earnings per share (QR per share)	36	**0.297**	0.253

The attached notes 8 to 89 form an integral part of these consolidated financial statements.

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

Consolidated shareholders' comprehensive income statement

For the year ended 31 December 2024 In Qatari Riyals

	2024	2023
Net income after income tax	**75,700,019**	64,574,585
Other comprehensive income (OCI)		
Items that may be subsequently classified to consolidated income statement		
Fair value changes of equity-type investments classified as fair value through other comprehensive income	926,427	7,909,444
Net change in the share of other comprehensive income reserves of associates	**(1,583,618)**	(3,549,234)
Total other comprehensive (loss) / income for the year	**(657,191)**	4,360,210
Total comprehensive income for the year	**75,042,828**	68,934,795

The attached notes 8 to 89 form an integral part of these consolidated financial statements.

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

Consolidated statement of changes in shareholders' equity

For the year ended 31 December 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 as 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 after income tax	-	-	-	-	-	-	64,574,585	64,574,585
Movement in fair value reserve	-	-	-	7,909,444	-	-	-	7,909,444
Movement in fair value reserve of real estate	-	-	-	-	(1,957,000)	-	-	(1,957,000)
Movement in fair value reserve of Associate	-	-	-	(3,549,234)	-	-	-	(3,549,234)
Transfer to reserve for share of profits of associates	-	-	-	-	-	9,001,602	(9,001,602)	-
Transfer to legal reserve	-	3,680,838	-	-	-	-	(3,680,838)	-
Social and sports fund appropriation	-	-	-	-	-	-	(1,614,365)	(1,614,365)
Dividends (Note 41)	-	-	-	-	-	-	(25,527,920)	(25,527,920)
Balance as at 31 December 2023 / 1 January 2024	**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 after income tax	-	-	-	-	-	-	75,700,019	75,700,019
Movement in fair value reserve	-	-	-	926,427	-	-	-	926,427
Movement in fair value reserve of real estate	-	-	-	-	(1,884,283)	-	-	(1,884,283)
Movement in fair value reserve of Associate	-	-	-	(1,583,618)	-	-	-	(1,583,618)
Transfer to reserve for share of profits of associates	-	-	-	-	-	(9,201,862)	(1,042,933)	(10,244,795)
Social and sports fund appropriation	-	-	-	-	-	-	(1,892,500)	(1,892,500)
Dividends (Note 41)	-	-	-	-	-	-	(30,633,500)	(30,633,500)
Balance as at 31 December 2024	**255,279,020**	**255,279,020**	**75,477**	**1,522,047**	**26,352,439**	**18,823,799**	**70,429,944**	**627,761,746**

The attached notes 8 to 89 form an integral part of these consolidated financial statements.

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

Consolidated statement of cash flows

For the year ended 31 December 2024

In Qatari Riyals

	Notes	2024	2023
Cash flows from operating activities			
Net income before tax for the year		75,700,019	64,574,585
Policyholders' deficit for the year		(1,501,035)	(4,101,034)
		74,198,984	60,473,551
Adjustments for: Depreciation of property and equipment and right-of-use assets	12 & 14	2,473,966	2,363,351
Amortization of deferred ijarah cost	26	161,580	163,524
Income from deposits and sukuks		(13,436,574)	(10,087,506)
Dividend income		(6,081,818)	(6,946,908)
Net realized gain through sale of investments		(1,028,395)	(648,154)
Gain on sale of property and equipment		(15,000)	(128,220)
Loss on sale of investment property		-	49,470
Provision for employees' end of service benefits	20	976,937	1,043,914
Impairment loss on investment securities	7	3,218,139	6,872,595
Impairment loss right-of-use assets	12	-	4,253,293
Fair value loss on investment properties	13	3,756,625	1,858,806
Net provision for impairment on financial assets		3,066,112	1,211,459
Rental Income		(12,913,960)	(13,327,360)
Share of profit of associates	15	(17,565,907)	(15,633,815)
Gain on sale of investment in associates		(1,079,994)	-
Operating profit before working capital changes		**35,730,695**	31,518,000
Changes in: Takaful balances receivable		(7,574,313)	6,594,356
Retakaful balances receivable		4,963,682	14,268,115
Retakaful contract assets		1,620,157	(35,560,783)
Deferred commission		19,048	(3,052,845)
Other receivables and prepayments		(1,633,296)	575,706
Takaful contract liabilities		1,864,753	26,132,395
Deferred commission income		(235,920)	4,178,361
Accounts payable and other liabilities		(11,172,413)	385,317
Takaful balance payable		(183,206)	(372,184)
Retakaful balances payable		41,636,166	(17,726,364)
Cash generated from operating activities		**65,035,353**	26,940,074
Employees' end of service benefits – paid	20	(46,914)	(283,637)
Income tax – paid		-	(103)
Net cash generated from operating activities		**64,988,439**	26,656,334

The Consolidated Statement of cash flows continues next page.

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

Consolidated statement of cash flows

For the year ended 31 December 2024

In Qatari Riyals

	Notes	2024	2023
Cash flows from investing activities			
Additions to investment at fair value through other comprehensive income		(39,126,367)	(23,183,562)
Proceeds from sale of investment at fair value through other comprehensive income		21,738,839	12,324,713
Additions to investments at fair value through income statement		(2,068,642)	(656,177)
Proceeds from sale of investments at fair value through income statement		5,946,475	708,793
Net movement in sukuks at amortised cost		(37,389,012)	(35,280,352)
Acquisition of property and equipment	14	(720,742)	(2,363,749)
Proceeds from sale of property and equipment	14	15,000	284,200
Acquisition of investment properties	13	(1,688,499)	(22,100)
Proceeds from sale of investment properties	13	-	1,485,000
Income from deposits and sukuks		13,436,574	10,087,506
Dividend income received		6,081,818	6,946,908
Dividend received from associates		10,014,422	6,632,213
Rental income		12,913,960	13,327,360
Net movement in term deposits		(35,400,000)	11,350,000
Proceeds from sale of investment in associates		29,042,553	-
Net cash (used in) / generated from investing activities		**(17,203,621)**	1,640,753
Cash flows from financing activities			
Dividends paid to shareholders		(31,620,492)	(24,076,956)
Payment of ijarah liabilities	26	(224,657)	(424,220)
Net cash used in financing activities		**(31,845,149)**	(24,501,176)
Net increase in cash and cash equivalents		**15,939,669**	3,795,911
Cash and cash equivalents at 1 January		73,848,806	70,052,895
Cash and cash equivalents at 31 December		**89,788,475**	73,848,806

The attached notes 8 to 89 form an integral part of these consolidated financial statements.

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

Notes to the consolidated financial statements

As at and for the year ended 31 December 2024

3. Legal status and activities

Al Khaleej Takaful Insurance Company Q.P.S.C. (the "Company") is a Qatari public shareholding company registered and incorporated in the State of Qatar under Emiri Decree No. 53 issued on 21 December 1978 and listed on Qatar Exchange. The Company's registered address is Grand Hamad Street, Doha 4555 Qatar. The Company and its subsidiaries (together referred to as the "Group") are engaged in the business of Takaful and other investments.

The principal subsidiaries of the Group and direct ownership percentages for the current and comparative years are as follows:

Name of Subsidiary	Ownership	Country of incorporation	Principal Activities
Qatar Takaful Co. W.L. L*	100%	Qatar	Primarily engaged in activities in accordance with Islamic Sharia principles on a non-usury basis in all areas of takaful.
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.

4. Basis of preparation

a) Statement of compliance and preparation

These consolidated financial statements have been prepared in accordance with Financial Accounting Standards ('FAS') issued by the Accounting and Auditing Organization for Islamic Financial Institutions ('AAOIFI').

In accordance with the provisions of the Articles of Association of the Company, which require the segregation and separate reporting of transactions and balances relating to policyholders and shareholders, all risks and rewards arising from the takaful business are attributable to the policyholders and the consolidated financial statements have been prepared accordingly.

Prior to the year 2010, the Group was undertaking conventional insurance business. The Group converted its business to takaful business on 1 January 2010. Accordingly, as of that, the Group discontinued conventional insurance business and all outstanding insurance policies were transferred to the shareholders' accounts. Any related claims/recoveries resulting from these policies are separately shown under shareholders' consolidated income statement.

In line with the requirements of AAOIFI, for matters that are not covered by FAS, the Group uses guidance from the relevant International Financial Reporting Standard ('IFRS') as issued by the International Accounting Standards Board ('IASB').

b) Principal financial statements

As per FAS - 12 General Presentation and Disclosure in the Financial Statement of Islamic takaful Companies issued by the AAOIFI, the Group is required to present the consolidated statements of financial position comprising shareholders' and policyholders' assets and liabilities and the consolidated statements of shareholders' income, policyholders' revenues and expenses, policyholders' surplus or deficit, changes in shareholders' equity, and cash flows.

c) Functional and presentational currency

The consolidated financial statements are presented in Qatari Riyal (QR), which is the Group's functional and presentational currency. Amounts presented have been rounded off to the nearest QR.

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

Notes to the consolidated financial statements

As at and for the year ended 31 December 2024

d) Basis of measurement

These consolidated financial statements have been prepared under the historical cost basis except for certain "investments at fair value through other comprehensive income", "investments at fair value through income statements" and "investment properties" that are measured at fair value, in accordance with the principal accounting policies as set out below.

e) Significant accounting judgment, estimates and assumptions

The preparation of the consolidated financial statements 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 prospectively.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are described in note 5.

5. Standards, Interpretations and amendments to the published accounting and reporting standards

5.1. New standard, interpretations and amendments effective from 1 January 2024

During the year, the Group applied the following standards and amendments to standards in preparation of these consolidated financial statements. The adoption of the below standards and amendments to standards did not result in changes to previously reported net results or equity of the Group and has no effect on the consolidated financial statements.

i) FAS 1 (Revised 2021) - 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.

During the year the Group has adopted FAS 1 (revised). As a result of this adoption following changes made to the primary statements of the Group:

Primary statements introduced

- Statement of Shareholders' comprehensive income

As a result of adoption of FAS 1 certain figures have been regrouped or represented to be consistent with the current year presentation. Such regrouping did not affect previously reported net profits, total assets, total liabilities and total equity of the Group. Further the Group has elected to present statement of shareholders' income and statement of shareholders' comprehensive income as two separate statements.

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

Notes to the consolidated financial statements

As at and for the year ended 31 December 2024

5.2. New standards, amendments and interpretations issued but not 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

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.

g) 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.

ii) FAS 43 – Accounting for Takaful: Recognition and Measurement

This standard supersedes 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, 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 Consolidated 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, e.g. Accounting for Wakala fees an Qard Hassan.

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Notes to the consolidated financial statements

As at and for the year ended 31 December 2024

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

a) 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

b) 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

c) 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.

Management is expecting that adoption of this standard will have material impact on the consolidated financial statements of the Group, however, management is in the process of assessing the impact.

iii) FAS 48 – Promotional Gifts and Prizes

This standard prescribes accounting and financial reporting requirements applicable to promotional gifts and prizes awarded by the Islamic financial institutions. The standard categorizes them into a) promotional gifts where entitlement occurs instantly; b) promotional prizes that are announced in advance to be awarded at a future date and c) loyalty programs where the obligation is accumulated over the period.

This standard is effective for the financial periods beginning on or after 1 January 2026, with an option to early adopt.

The Group does not expect any significant impact on the adoption of this standard.

5.3. New and amended standards and interpretations

In the financial statements of 2025, the Group will apply FAS 43 for the first time. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group has made significant progress in the implementation of FAS 43 and is working on following areas to complete the transition to FAS 43:

- The Group continues to work on configuring the remaining system integration and internal controls required for applying FAS 43.
- The new accounting policies assumptions, judgements and estimation techniques employed are subject to change until the Group finalizes its first consolidated financial statements that include the data of initial application.
- Finalise the layout and disclosure of the FAS 43 compliant annual consolidated financial statements.
- Continue engaging with the executive committee and business through various training initiatives.

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Notes to the consolidated financial statements

As at and for the year ended 31 December 2024

5.3.1. FAS 43 "Accounting for Takaful: Recognition and Measurement"

FAS 43 replaces IFRS 4 Insurance Contracts for annual periods on or after 1 January 2025. The Group will follow a full retrospective approach and will restate comparative information for 2024 applying the transitional provisions.

The management is currently working together with third party experts, and it is expected that the change in the accounting systems, accounting policies and the preparation of the consolidated financial statements in accordance with FAS 43 would be completed before the reporting timeline of Q1 FY2025. Accordingly, the comparative information for the year 2024 will be restated due to the adoption of such changes. Currently, the management is in the process of ascertaining a reasonable estimate of the financial impact on the net profit for the year ended 31 December 2024 and the equity as at 1 January 2024 and 31 December 2024.

5.3.1.1. Changes to classification and measurement

The nature of the changes in accounting policies can be summarised, as follows:

The adoption of FAS 43 will not change the classification of the Group's takaful arrangements.

The Group was previously permitted under IFRS 4 to continue accounting using its previous

accounting policies. However, FAS 43 establishes specific principles for the recognition and measurement of takaful arrangements issued and re-takaful arrangements held by the Group.

The Group will apply the contribution allocation approach (CAA) to groups of takaful arrangements that it issues and groups of re-takaful arrangements that it holds where the entitlement period is 12 months or less. The Group performed CAA eligibility assessment for the groups of arrangements where the entitlement period is more than 12 months. Based on the assessment performed, CAA measurement model is eligible and will be applied to all arrangements.

The measurement principles of the CAA differ from the 'earned contribution approach' used by the Group under IFRS 4 in the following key areas:

- On initial recognition, the provision for remaining entitlement period is measured under CAA as follows:
  - the contribution, if any, received (or receivable) at initial recognition;
  - less: wakala fee;
  - less: any Takaful acquisition cashflows at that date unless these are recognised as expenses; and
  - add or less: the amount arising from the derecognition at the date of the asset or liability recognised for Takaful acquisition cashflows.
- The Group expects that the time between providing each part of the services and the related contribution due date will be no more than a year. Where the contribution due date and the related period of services are more than 12 months the Group has assessed that the difference between total expected cash outflows and their fair values is not material, and hence such the difference is not recorded as deferred cost. However, for credit life, where the contribution due date and the related service period extend beyond 12 months, the Group has assessed amount as material, and has thus adjusted the fair value of provision for remaining entitlement period accordingly.
- Measurement of the provision for remaining entitlement period involves an explicit evaluation of risk adjustment for non-financial risk when a group of arrangements is onerous in order to calculate a loss component (previously these may have formed part of the unexpired risk reserve provision). If at any time before and during the entitlement period, facts and circumstances indicate that a group of arrangements is onerous, then the Group will recognize a loss in participant's takaful fund and increase the provision for remaining entitlement period to the extent that the current estimates of the fulfilment cash flow that relate to remaining entitlement exceed the carrying amount of the provision for remaining entitlement period.
- Measurement of the liability for incurred claims for benefits (previously claims outstanding and incurred but not reported (IBNR) claims) will be determined on a expected value basis and includes an explicit risk adjustment for non-financial risk. The liability includes the Company's obligation to pay other incurred takaful expenses. The Group will recognize the liability for incurred claims for benefits of a group of arrangements at the amount of the fulfilment cash flows relating to incurred claims. In case the cash outflows are spread over a period of more than

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

Notes to the consolidated financial statements

As at and for the year ended 31 December 2024

one year, and the difference between the total expected cash outflows and their fair value is material, Group will adjust the carrying amount of the provision for remaining entitlement period to its fair value and will record such difference initially as deferred cost.

- The Group will allocate the acquisition cash flows to groups of takaful arrangements issued or expected to be issued using a systematic and rational basis. Takaful acquisition cash flows include those that are directly attributable to a Group. Where such takaful acquisition cash flows are paid (or where a liability has been recognized applying another FAS standard) before the related group of takaful arrangements is recognized, an asset for takaful acquisition cash flows is recognized. When takaful arrangements are recognized, the related portion of the asset for takaful acquisition cash flows is recognized and subsumed into the measurement at initial recognition of the takaful provision for remaining entitlement period of the related group.
- Measurement of the asset for remaining entitlement period (reflecting re-takaful contributions paid for re-takaful held) is adjusted to include a loss-recovery component to reflect the expected recovery of onerous arrangement losses where such arrangements re-insure onerous direct arrangements. The Group will apply the same accounting policies to measure a group of re-takaful arrangements, adapted where necessary to reflect features that differ from those of takaful arrangements. For Credit life also the Group will not adjust future cash flows for the difference between the total cash flows and the fair value of those cash flows aligning this approach with other lines of business.
- Wakala fee charged by takaful operator to participant's takaful fund will be amortised based on the service provided pattern for Credit life, however, for other lines of business this will be recognised at the inception.
- Takaful acquisition service costs (or gains), including the allocation charges related to the takaful arrangement that is received (or receivable) and paid (or payable) before the Takaful arrangement is recognised will be recorded as an expense or income in the books of the Group immediately, except for Credit life where this will be amortised over amortised based on the earning pattern. For commission amounts classified as acquisition expenses, the Group has assumed no receivables or payables, as these amounts are netted off with the contribution. To avoid undue costs and effort, the Group assumes these amounts are settled immediately, given their insignificance.
- The Group does not issue any arrangements with direct participating features.

5.3.1.2. Presentation and disclosure

FAS 43 will significantly change how takaful arrangements, re-takaful arrangements are presented and disclosed in the Group's consolidated financial statements.

For presentation in the consolidated statement of financial position, the Group will aggregate takaful and re-takaful arrangements issued and re-takaful arrangements held, respectively and present separately:

- Portfolios of takaful and re-takaful arrangements issued that are assets
- Portfolios of takaful and re-takaful arrangements issued that are liabilities
- Portfolios of re-takaful arrangements held that are assets
- Portfolios of re-takaful arrangements held that are liabilities

The portfolios referred to above are those established at initial recognition in accordance with the FAS 43 requirements. Portfolios of takaful arrangements issued include any assets for takaful acquisition cash flows. The line-item descriptions in the consolidated statement of policyholders' revenue and expenses will change significantly compared with last year. Currently, the Group reported the following line items:

- Gross contributions
- Re-takaful share of gross contribution
- Net retained contributions
- Net movement in unearned contributions and mathematical reserves
- Earned contributions
- Retakaful commission and other takaful income
- Change in deferred commission

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- Gross claims paid
- Retakaful share of claims paid
- Changes in outstanding claims
- Changes in claims incurred but not reported reserves and other technical reserves
- Commission and other takaful expenses
- Net surplus from takaful operations
- Wakala fees
- Instead, FAS 43 requires separate presentation of:
- Takaful contributions
- Takaful costs
- Re-takaful net result
- Amortisation of deferred cost (related to provision of takaful arrangements)
- Amortisation of deferred income (related to retakaful arrangements held)
- Other participants' expense/income.

6. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by the Group entities except for the changes resulting from the adoption of new accounting standards during the current year as mentioned in note 3.

A. Basis of Consolidation

(i) Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee,
- Rights arising from other contractual arrangements, and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss is attributed to the equity holders of the parent of the Group and to the non-controlling interest, even if this results in the non-controlling interest having a deficit balance. When necessary, adjustments are made to the

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

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As at and for the year ended 31 December 2024

financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

(ii) Non-controlling interest

The Group treats transactions with non-controlling interest as transactions with equity holders of the Group. For purchases from non-controlling interest, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interest are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in consolidated income statement. The fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint arrangement or financial asset. In addition, any amounts previously recognized in equity in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other equity are reclassified to consolidated income statement.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in equity is reclassified to consolidated income statement where appropriate.

(iii) Transactions eliminated on consolidation

Intra-group balances, income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

B. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group.

Gross contributions

Gross contributions (contributions) represent policies underwritten during the year, net of refunds and discounts granted. Gross contributions for Takaful business are recognized when due.

Net commission expenses and advance commission

Net commission expenses are amortized over the period in which the related contributions are earned. Net commission income that relates to periods of risk that extend beyond the end of the financial year is included under "Deferred commission income" in the consolidated statement of financial position.

Wakala fee

The Shareholders' fund is entitled for an annual fixed management fee for Takaful Contributions received during the year. 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).

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Notes to the consolidated financial statements

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Mudarabah share

The Mudarabah share represents management fee payable to the shareholders by the policyholders for managing their investments. A rate of 70% ((2023: 70%) of the net income received on the investments of the policyholders are recognized as Mudarabah share. The actual rate for each year is determined by the Sharia Supervisory Board with co-ordination with the Group's Board of Directors.

Dividend income

Dividend income from investments is recognized when the Group's right to receive payment has been established.

Rental Income

Rental income is recognized in the consolidated income statement on a straight-line basis over the ijarah term.

Income from deposits

Income from deposits with banks is accounted for on the basis of the Group's share of profits distributed by the banks taking into account the principal outstanding.

C. Retakaful share of contributions

Retakaful share of contributions are amounts paid to reinsurers in accordance with the Retakaful contracts of the Group. The Retakaful share of contributions are recognized on the date on which the policy incepts.

D. Claims

Claims consist of amounts payable to policyholders and third parties and related loss adjustment expenses, net of salvage and other recoveries and are charged to consolidated statement of policyholders' revenue and expenses as incurred. Gross outstanding claims comprise the gross estimated cost of claims incurred but not settled at the end of the reporting period.

Provisions for reported claims not paid as at the end of the reporting period are made on the basis of individual case estimates. The case estimates are based on the assessed amounts of individual losses and where loss assessments have not been carried out, the estimates are established in light of currently available information, past experience of similar claims and in some cases in relation to the sums insured. Case estimates are reviewed periodically to ensure that the recognized outstanding claim amounts are adequate to cover expected future payments including expected claims settlement costs and are updated as and when new information becomes available.

The Group does not discount its liability for unpaid claims as substantially all claims are expected to be paid within 12 months of the reporting period.

E. Commission / deferred commission

It represents commission received and paid on contributions from subscription of takaful policies, this commission is deferred and amortized over the period in which the related contributions are earned.

F. Unexpired risk reserve (unearned contribution)

Contribution income under a policy is recognized over the period of takaful from the date of inception of the policy to which it relates to its expiry.

The reserve for unexpired risk represents the estimated portion of net contribution income which relates to periods of takaful subsequent to the consolidated statement of financial position date. The reserve is calculated using the actual

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number of days method. The reinsurers' share on estimated liability of OCR, IBNR and unexpired takaful contribution is separately classified as Retakaful assets in the consolidated statement of financial position.

The Unearned Contribution Reserve (UCR) for pre-claims liabilities under takaful policies is determined by apportioning the contribution over the duration of each policy, i.e., each policy contribution is divided by 'the total number of days for which cover is provided under a policy' and multiplied by 'the un-expired number of days. For Engineering, a non-linear formula is used to determine the Unearned Contribution Reserve. For Engineering products such as Contractors' and Erection (All Risks), risk increases linearly with the duration of the project such that the risk faced is 100% at the expiry of the contract. The rate at which the contribution is earned is deemed to increase at the same rate at which the risk faced increases over the Lifetime of the policy. This results in the majority of the contribution being earned towards the expiry of the policy. For Marine Cargo policies, the Group is using 25% of written contribution as it's unearned contribution reserve.

G. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Provision for outstanding claims

Provision for outstanding claims is recognized at the date the claims are known and covers the liability for loss and loss adjustment expenses based on loss reports from independent loss adjusters and management best estimate. The method for making such estimates and for establishing the resulting liability is continually reviewed.

Claims incurred but not reported (IBNR)

Claims provision also includes a liability for claims incurred but not reported as at the consolidated statement of financial position date. An independent actuarial expert is appointed every subsequent year to assess the adequacy of reserves to meet future outstanding liabilities. The liability is generally calculated at the reporting date after considering the independent actuarial report, historic trends, empirical data and current assumptions that may include a margin for adverse deviations. The liability is not discounted for the time value of money.

Provision for contribution deficiency (CDR)

At the end of each reporting period, provision is made for contribution deficiency arising from general takaful contracts where the expected value of claims and expenses attributable to the unexpired periods of policies in force at the reporting date exceeds the unearned contribution provision and already recorded claim liabilities in relation to such policies. The provision for contribution deficiency is made by reference to classes of business at the date of consolidated statement of financial position based on actuarial estimates.

Mathematical reserves

Mathematical reserves are calculated as the actuarial value of the accrued future cash flows, which takes the actual risk into account. Insurers' assets are valued on the basis of their real market value (best estimate).

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Defined contribution plans

Under Labor law, the Group is required to make contributions to a government fund scheme for Qatari employees calculated as a percentage of the Qatari employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

Employees' end of service benefits

A provision is made for employees end of service benefits which is payable on completion of employment. The provision is calculated in accordance with Qatari Labour Law based on employees' salaries and accumulated periods of service.

The Group has no expectation of settling its employees' end of service benefits obligation in near term. The provision is not discounted as the difference between the provision stated in the consolidated statement of financial position and net present value is not expected to be significant.

H. Surplus in policyholders' funds

Surplus on policyholders' fund represents accumulated gains on takaful activities and are distributed among the participants by underwriting year on development of business. The timing, quantum and basis of distribution is decided by the Sharia Supervisory Board of the Group.

I. Takaful balances receivable

Takaful balances receivable are stated at original invoice amount, less any impairment for doubtful debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred. If there is an objective evidence that the contribution receivable is impaired, as a result of one or more events that occurred after the initial recognition, the Group reduces the carrying amount of the takaful receivable accordingly and recognizes that impairment loss in the Consolidated statement of policyholders' revenue and expenses.

Provision for impairment in takaful balances receivable is estimated on a systematic basis after analyzing the receivables as per their ageing.

For certain categories of assets, such as takaful balances receivable, assets that are assessed not to be impaired individually are in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial assets is reduced by the impairment loss directly for all financial assets with the exception of contribution receivables, where the carrying amount is reduced through the use of an allowance account. When a contribution receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the consolidated income statement/consolidated statement of policyholders' revenue and expenses.

J. Retakaful Assets

The Group cedes takaful risk in the normal course of business for all of its businesses. Retakaful contract assets represent balances due from Retakaful companies. Recoverable amounts are estimated in a manner consistent with the outstanding claims provision and are in accordance with the Retakaful contract.

Retakaful assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the re-takaful asset that the Group may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Group

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will receive from the Retakaful. The impairment loss is recorded in the consolidated statement of policyholders' revenues and expenses.

Ceded Retakaful arrangements do not relieve the Group from its obligations to policyholders.

Contributions and claims on assumed Retakaful are recognized as income and expenses in the same manner as they would be if the Retakaful were considered direct business, taking into account the product classification of the reinsured business.

Retakaful contract liabilities represent balances due to Retakaful companies. Amounts payable are estimated in a manner consistent with the associated Retakaful contract.

Contributions and claims are presented on a gross basis for both ceded and assumed Retakaful.

K. Investment securities

Investment securities comprise investments in debt-type and equity-type financial instruments.

Classification

Under FAS 33 "Investment in Sukuks, shares and similar instruments", each investment is to be categorized as investment in:

a) equity-type instruments.

b) debt-type instruments, including (monetary and non-monetary); and

c) other investment instruments

Unless irrevocable initial recognition choices provided in para 10 of the standard are exercised, an institution shall classify investments as subsequently measured at either of (i) amortized cost, (ii) fair value through other comprehensive income or (iii) fair value through income statement, on the basis of both:

a) the Group's business model for managing the investments; and

b) the expected cash flow characteristics of the investment in line with the nature of the underlying Islamic finance contracts.

(i) Amortized cost

An investment shall be measured at amortized cost if both of the following conditions are met:

a) the investment is held within a business model whose objective is to hold such investment in order to collect expected cashflows till maturity of the instrument; and

b) the investment represents either a debt-type instrument or other investment instrument having reasonable determinable effective yield.

(ii) Fair value through other comprehensive income

An investment shall be measured at fair value through other comprehensive income if both of the following conditions are met:

a) the investment is held within a business model whose objective is achieved by both collecting expected cash flows and selling the investment; and

b) the investment represents a non-monetary debt-type instrument or other investment instrument having reasonable determinable effective yield.

(iii) Fair value through income statement

An investment shall be measured at fair value through income statement unless it is measured at amortized cost or at fair value through other comprehensive income or if irrevocable classification at initial recognition is applied.

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Irrevocable classification at initial recognition

The Group may make an irrevocable election to designate a particular investment, at initial recognition, being:

a) an equity-type instrument that would otherwise be measured at fair value through income statement, to present subsequent changes in fair value through other comprehensive income; and

b) a non-monetary debt-type instrument or other investment instrument, as measured at fair value through income statement if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or correlated liabilities or recognizing the gains and losses on them on different bases.

Recognition and derecognition

Investment securities are recognized at the trade date i.e. the date that the Group contracts to purchase or sell the asset, at which date the Group becomes party to the contractual provisions of the instrument. Investment securities are derecognized when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risk and rewards of ownership.

Measurement

a) Initial recognition

Investment securities are initially recognized at fair value plus transaction costs, except for transaction costs incurred to acquire investments at fair value through income statement which are charged to consolidated statement of policyholders' revenue and expenses and income.

b) Subsequent measurement

Investments at fair value through income statement are remeasured at fair value at the end of each reporting period and the resultant remeasurement gains or losses are recognized in the consolidated statement of policyholders' revenue and expenses and consolidated statement of income in the period in which they arise.

Investments classified at amortized cost are measured at amortized cost using the effective profit method less any impairment allowance. All gains or losses arising from the amortization process and those arising on de-recognition or impairment of the investments, are recognized in the consolidated statement of policyholders' revenue and expenses and consolidated statement of income.

Investments at fair value through other comprehensive income are remeasured at their fair values at the end of each reporting period and the resultant gain or loss, arising from a change in the fair value of investments are recognized in the consolidated statement of changes in equity and presented in a separate fair value reserve within equity. When the investments classified as fair value through other comprehensive income are sold, impaired, collected or otherwise disposed of, the cumulative gain or loss previously recognized in the consolidated statement of changes in equity is transferred to the consolidated statement of policyholders' revenue and expenses and consolidated statement of income.

Investments which do not have a quoted market price or other appropriate methods from which to derive a reliable measure of fair value when on a continuous basis cannot be determined, are stated at cost. If on a subsequent date, a reliable measure of fair value is determinable, the investment shall be measured at fair value.

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Measurement principles

- Amortized cost measurement

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus capital repayments, plus or minus the cumulative amortization using the effective profit method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment. The calculation of the effective profit rate includes all fees and points paid or received that are an integral part of the effective profit rate.

- Fair value measurement

Fair value is the amount for which an asset could be exchanged, or an obligation settled between well informed and willing parties (seller and buyer) in an arm's length transaction. The Group measures the fair value of quoted investments using the market bid price for that instrument at the close of business on the statement of financial position date. For investment where there is no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument, which is substantially the same or is based on the assessment of future cash flows. The cash equivalent values are determined by the Group by discounting future cash flows at current profit rates for contracts with similar term and risk characteristics.

L. Financial assets

All financial assets are recognized at the time when Group becomes a party to the contractual provisions of the instrument and derecognized when the Group loses control on contractual rights that comprise the financial assets. Any gains or losses on derecognition of financial assets are taken to consolidated statement of income directly.

Financial assets are classified into the following specified categories: investments at fair value through income statement, investments at fair value through other comprehensive income and other financial assets (cash at banks). The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition to the net carrying amount on initial recognition.

I. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances and short-term deposits with an original maturity of three months or less. Cash and cash equivalents are carried at amortized cost in the consolidated statement of financial position.

For the purpose of cash flow, cash and cash equivalents are shown net of bank overdrafts.

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II. Impairment of financial assets

The Group recognizes loss allowances for Expected Credit Losses (ECL) on the other financial instruments that are not measured at FVTIS.

The Group measures loss allowances for other financial instruments on which credit risk has not increased significantly since their initial recognition, for which they are measured as 12-month ECL.

The Group classifies assets and exposures into three categories based on the nature of risks involved (i.e. credit risk and other risks) and prescribes three approaches for assessing losses for each of these categories of assets: 1) Credit Losses approach, 2) Net Realizable Value approach ("NRV") and 3) Impairment approach.

For the purpose of this standard, the assets and exposures shall be categorized, as under:

a) Assets and exposures subject to credit risk (subject to credit losses approach):
   (i) Receivables; and
   (ii) Off-balance sheet exposures.
b) other financing and investment assets and exposures subject to risks other than credit risk (subject to impairment approach).

Credit losses approach

This approach uses a dual measurement approach for receivables and off-balance sheet exposures, under which the loss allowance is measured as either a 12-month expected credit loss or a lifetime expected credit loss.

- Expected credit losses ('ECL')

This credit losses approach with a forward-looking 'expected credit loss' model applies to financial assets which are subject to credit risk. A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk (SICR);
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing group of similar financial assets for the purposes of measuring ECL.

- Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

- Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the financed counterparty or issuer.

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- A breach of contract such as a default or past due event.
- The disappearance of an active market for a security because of financial difficulties.

Impairment approach

Assets (or group of assets with common characteristics) subject to impairment approach shall include other financing and investment assets and exposures subject to risks other than credit risk, other than investments carried at fair value through income statement.

Impairment loss is the amount by which the carrying amount of assets exceeds its recoverable amount. In case of investments carried at fair value through other comprehensive income, a significant or prolong decline of fair value of an investment below its cost is also objective evidence of impairment. If any such evidence exists for equity-type investments classified as fair value through other comprehensive income, the cumulative loss previously recognized in the statement of changes in equity is removed from equity and recognized in the consolidated statement of income.

III. Change in estimate and reversal

The Group shall re-assess the estimates of impairment, credit losses (including changes in respective stages of credit risk), provisions for off-balance sheet exposures, provisions against onerous commitments and contracts and adjustment for net realizable value at each reporting date.

Changes in estimate (including reversals) shall be recognized in the consolidated income statement for the period of their re-assessment.

For investments at fair value through other comprehensive income, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

When an investment at fair value through other comprehensive income is considered to be impaired, cumulative gains or losses previously recognized in equity are reclassified to the consolidated income statement / statement of policyholders' revenue and expenses for the year.

Impairment losses previously recognized through the consolidated income statement are subsequently reversed through the income statement if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

IV. Derecognition of financial assets

The derecognition of a financial asset takes place when the Group no longer controls the contractual rights that comprise the financial asset, which is normally the case when the asset is sold, or all the cash flows attributable to the asset are passed through to an independent party.

V. Offsetting

Financial assets and liabilities are offset only when there is legally enforceable right to set off the recognized amounts and the Group intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

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M. Investment properties

Land and buildings are considered as investment properties only when they are being held to earn rentals or for long term capital appreciation or both.

Investment properties are measured initially at cost, includes all directly attributable costs including the borrowing costs that are directly attributable to the construction of the assets and excludes the cost of day-to-day servicing of an investment property. Subsequent to the initial recognition, investment properties are stated at fair value, which reflects market condition at the reporting date. Any unrealized gains arising from the change in the fair value of investment properties carried at fair value is recognized in equity against the "real estate reserve". Any unrealized losses resulting from remeasurement at fair value of investment properties carried at fair value is adjusted in real estate reserve to the extent of the available credit balance of this reserve. In case such losses exceed the available balance, the unrealized losses are recognized in the consolidated income statement. In case there are unrealized losses that have been recognized in the consolidated income statement in a previous financial year, the unrealized gains related to the current financial year is recognized to the extent of crediting back such previous losses in the consolidated income statement. Any excess of such gains over such prior-year losses is added to the real estate reserve.

Fair values are determined based on an annual valuation performed by accredited external independent valuers applying a valuation model recommended by the International Valuation Standards Committee.

An item of investment property is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the consolidated income statement in the year the asset is derecognized after adjusting the available balance on the real estate reserve account attributable to the asset disposed.

N. Investment in associates (equity-accounted investees)

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but not control or joint control over those policies.

The results of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is recognized initially in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses in an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount.

Any impairment loss recognized is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial

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recognition in accordance with FAS 30. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for

all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate is disposed of. When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

O. Property and equipment

Recognition and measurement

Property and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized net within other income in consolidated income statement.

Subsequent costs

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in consolidated income statement as incurred.

Depreciation

Depreciation is calculated on a straight-line method over the estimated useful lives of fixed asset other than freehold land which is determined to have an indefinite life as follows:

Computer and equipment	5 years
Furniture and fixtures	5 years
Vehicles	5 years

The estimated useful lives, residual values and depreciation methods are reviewed at each financial year end and adjusted if appropriate, with the effect of any changes in estimate accounted for on prospective basis.

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Gain or (Losses) on Disposal

The gain or loss arising on the disposal of an item of fixed assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated income statement.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognized in consolidated profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognized in consolidated income statement and presented in the revaluation reserve. Any loss is recognized in profit or loss. However, to the extent that an amount is included in the revaluation surplus for that property, the loss is recognized in consolidated income statement and reduces the revaluation surplus within equity.

P. Right-of-use assets

Recognition and measurement

Right-of-use assets are recognized at the ijarah commencement date at cost, which comprises the initial amount of the ijarah liability (see accounting policy "Ijarah liabilities") adjusted for any prepaid and accrued ijarah expense made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any ijarah incentives received.

Subsequent measurement

Items of right-of-use assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of a right-of-use asset using the straight-line method over the earlier of the ijarah term and its useful life. It is depreciated over its useful life, if the ijarah agreement either transfers ownership of the right-of-use asset to the Group by the end of the ijarah term or reflects that the Group will exercise a purchase option at the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment.

In addition, the carrying value of a right of use asset may be periodically adjusted for certain remeasurements of the related ijarah liability (see accounting policy "Ijarah liabilities").

Derecognition

An item of a right-of-use asset is derecognized at the earlier of end of the ijarah term, cancellation of ijarah contract or transfer of control of the underlying asset. In case control of the underlying asset passes to the Group the carrying value of the right-of-use asset is reclassified to property and equipment or investment property, as the case may be.

Q. Impairment of non-financial assets

At each statement of financial position date, the Group reviews the carrying amounts of its tangible assets (fixed assets and investment property) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating

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units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated income statement unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

R. General and administrative expenses

General and administrative expenses are charged to the consolidated income statement of shareholders.

S. Foreign currencies

Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently restated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. All foreign exchange differences are taken to the profit or loss except when it relates to items where gains or losses are recognized directly in equity, where the gain or loss is then recognized net of the exchange component in equity.

T. Fair values

The Group measures financial and certain non-financial instruments at fair value at each consolidated financial position date. Fair value related disclosures for such instruments are disclosed in the following notes:

- financial assets at fair value through other comprehensive income in Note 7.
- financial assets at fair value through income statement in Note 7.
- quantitative disclosures of fair value measurement hierarchy in Note 38.
- disclosures for valuation methods, significant estimates and assumptions in Note 38.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring fair value measurement such as unquoted financial assets at fair value through other comprehensive income and for non-recurring measurement.

External valuers are involved in the valuation of significant assets and liabilities, such as takaful contract liabilities. Involvement of external valuers is decided upon annually by the management after discussion with and approval by the Group's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Group, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Financial assets at fair value through other comprehensive income / profit or loss

- Quoted equity instruments

The fair value of equity instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices for assets at the close of business on the consolidated statement of financial position date.

- Managed funds

The fair value of managed funds that are actively traded in organized secondary financial market is determined by reference to published net asset values and offer prices at the close of business on the consolidated statement of financial position date.

- Unquoted equity instruments

At each reporting period, the management internally estimates the fair values of unquoted equity instruments using adjusted net asset value method.

- Quoted bonds and debt instruments

The fair value of debt instruments that are actively traded in organized and secondary financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities at the close of business on the consolidated statement of financial position date.

- Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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U. Income Tax

Income tax

Income tax expenses recognized in the consolidated statement of income statement, comprises current and deferred tax attributed to the non-Qatari shareholders of the subsidiaries of the Group.

Current tax

Current tax comprises the expected tax payable on the taxable profit for the year. It is calculated on the basis of the tax laws enacted (Income Tax Law No. 24 of the year 2018) or substantively enacted at the reporting date in the State of Qatar. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts that are expected to be paid to the General Tax Authority.

Deferred tax

Deferred tax is recognized in respect of temporary differences arising between the carrying amounts of assets and liabilities reported in the Group's financial statements and their respective amounts used for tax purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled using tax rates based on tax laws that have been enacted or substantially enacted by the reporting date in the State of Qatar.

Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

As at the reporting date, the Group did not have significant temporary differences between the carrying amount of assets or liabilities on its statement of financial position and their respective amounts used for tax purposes.

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V. Ijarah

Group as a lessee (Operating lease)

At inception of a contract, the Group assesses whether a contract is, or contains, an ijarah. A contract is, or contains, an ijarah if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either the Group has the right to operate the asset; or the Group designed the asset in a way that predetermines how and for what purpose it will be used.

Where it is established that the Group is a lessee, a right-of-use asset (See accounting policy "Right-of-use assets") and an ijarah liability are recognized at the ijarah commencement date.

The Ijarah liability is initially recognized net of (i) gross amount of total Ijarah rentals payable for the Ijarah term and (ii) related deferred Ijarah cost, being the difference between the gross Ijarah liability and the prime cost of right-of-use asset. Deferred Ijarah cost is amortized over the Ijarah term based on effective rate of return method to consolidated income statement within other operating and administrative expenses.

Ijarah payments included in the measurement of the ijarah liability comprise the following:

- fixed ijarah rentals less any incentives receivable.
- variable ijarah rentals including the supplementary rentals duly measured at best estimates applying the index rates and other assumptions as of the commencement date.
- payments of additional rentals, if any, for terminating the ijarah, if the ijarah term reflects the lessee exercising an option to terminate the ijarah, subject to Sharia requirements.

- **Short-term ijarah and ijarah of low-value assets**

The Group has elected not to recognize right-of-use assets and ijarah liabilities for short-term ijarah of properties that have an ijarah term of 12 months or less and ijarah of low-value assets. The Group recognizes the ijarah payments associated with these ijarah as an expense on a straight-line basis over the ijarah term.

Ijarah – Group as a lessee (Finance lease)

Ijarah of property and equipment where the Group had substantially all the risks and rewards of ownership were classified as finance ijarah. Finance ijarah were capitalized at the inception of the ijarah at the lower of the fair value of the leased property and the present value of the minimum ijarah payments. Each ijarah payment was allocated between the liability and ijarah cost so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of ijarah cost, were shown on the consolidated statement of financial position as finance ijarah liabilities. The cost element of the ijarah cost was charged to consolidated profit or loss over the ijarah period so as to produce a constant periodic rate of return on the remaining balance of the liability for each period. The assets acquired under finance ijarah were depreciated on a straight-line basis over the shorter of the ijarah term and their useful economic life, unless there was reasonable certainty that the Group would obtain ownership by the end of the lease term, in which case the assets were depreciated over their estimated useful lives.

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Ijarah in which a significant portion of the risks and rewards of ownership are retained by the lessor were classified as operating ijarah. Payments made under operating ijarah (net of any incentives received from the lessor) were charged to consolidated profit or loss on a straight-line basis over the period of the ijarah.

W. Earnings per share

Basic earnings per share is calculated by dividing profit of loss attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by adjusting the earnings and number of shares for the effect of any dilutive instruments.

X. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Segment results that are reported to senior management includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and head office expenses. All operating segments' operating results are reviewed regularly by the management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

For management purposes, the Group is organized into business units based on its business activities and has four reportable segments: takaful, investment, real estate and unallocated. Takaful segment represents the results of takaful and Retakaful business.

Further, takaful segment is organized into four major takaful lines that it manages and operates independently. The major takaful lines are:

- Marine and Aviation: issuing contracts to cover every step of the distribution chains, including goods in transit, storage, and project cargo for specialist shipments and to protect organizations from the many varied risks to any vessels.
- General Accident: issuing contracts that provide comprehensive cover to the insured's properties.
- Life and medical: providing cover to protect insured financially from unforeseen accidents that cause bodily injury or harm. The cover compensates for accidental death/injury, permanent/temporary disability, medical expenses, and emergency transportation costs.
- Motor: issuing contracts that provide comprehensive cover to the insured's motor vehicles and third party.

Y. Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's Consolidated financial statements in the period in which the dividends are approved by the Group's shareholders.

Z. Shari'a supervisory board

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

AA. General reserve

As per the articles of association of the Group, the directors may create a general reserve in shareholders equity to meet the contribution deficiency that may arise.

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AB. 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.

AC. Share of profit from associates

As per the Qatar Central Bank's instructions dated 4 March 2019, the gross share of profits from associates should be transferred from retained earnings to the reserve for share of profits of associates. Declared and received dividends from associates are the distributable portion of this reserve.

7. Critical judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 4, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

- Impairment of non-financial assets

The Group's management reviews and tests the carrying value of assets (except for investment property that is measured at fair value) when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determines the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs to.

- Investment property valuation

The fair value of investment property is determined by independent real estate valuation experts with recent experience in the location and category of property being valued. The fair values are based on market value, being the estimated amount for which a property could be exchanged on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein parties had each acted knowledgeably. Refer note 13 for details of assumptions and estimation uncertainties at 31 December 2024.

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- Impairment of contributions receivable

The Group's management reviews periodically items classified as receivables to assess whether a provision for impairment should be recorded in the consolidated statement of profit or loss. Management estimates the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgement and uncertainty.

- Claims made under takaful contracts

The estimation of the ultimate liability arising from claims made under takaful contracts is the Group's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the Group will ultimately pay for such claims. The ultimate cost of setting claims is estimated using a range of loss reserving methods. These techniques assume that the Group's own claims experience is indicative of future claims development patterns and therefore ultimate claims cost.

The assumptions used, including loss ratios and future claims inflation are implicitly derived from the historical claims development data on which the projections are based, although judgment is applied to assess the extent to which past trends might not apply in the future trends are expected to emerge. Also, the estimation for claims IBNR using statistical models include an estimation made to meet certain contingencies such as unexpected and unfavourable court judgments which may require a higher payout than originally estimated and settlement of claims, which may take longer than expected, resulting in actual payouts being higher than estimated.

Claims and loss adjustment expenses are charged to income as incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Group and management estimations for the claims incurred but not reported. The method for making such estimates and for establishing the resulting liability is continually reviewed. Any difference between the actual and the provisions made are included in the consolidated statement of policyholders' revenue and expenses in the year of settlement.

- Liability adequacy test

At each reporting date, liability adequacy tests are performed to ensure the adequacy of the takaful liabilities. In performing these tests, current best estimates of future cash flows and claims handling and administration expenses are used. Any deficiency is presented separately, under the policyholders' liabilities and equity in the consolidated statement of financial position.

- Going concern

Management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. The Company has been profitable, and it has positive net asset and working capital positions. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

- Impairment of investments at fair value through other comprehensive income

The Company follows the guidance of FAS 33 "Investment in Sukuk, Shares and Similar Instruments" to determine when investment at fair value through other comprehensive income is impaired. This determination requires significant judgment. In making this judgement, the Company assesses, among other factors, whether objective evidence of impairment exists. The Company determines that investment securities are impaired when there has been a 'significant' or 'prolonged' decline in the fair value below its cost. The determination of what is 'significant' i.e. decline in market value by 30%, or 'prolonged' i.e. continues decline for nine months, requires judgment and is assessed based on qualitative and quantitative factors, for each investment securities separately. In making a judgment on impairment, the Company evaluates

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among other factors, evidence of deterioration in the financial health of the entity, impact of delay in execution, industry and sector performance, changes in technology and operational and financing cash flows.

8. Cash and cash equivalents

For the purposes of statement of cash flows, cash and cash equivalents include cash on hand and in banks and term deposits with original maturities of less than three months. Cash and cash equivalents at the end of the financial year as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	2024	2023
Policyholders		
Cash in hand	2,105,124	619,460
Investment deposits (Islamic Banks)* (1)	50,000,000	40,950,000
Call accounts (Islamic banks) (2)	46,077,554	22,920,583
Current accounts (3)	360,224	1,222,979
Total	**98,542,902**	65,713,022
Shareholders		
Cash in hand	4,000	1,000
Investment deposits (Islamic Banks)* (1)	155,100,000	128,750,000
Call accounts (Islamic banks) (2)	12,252,535	3,355,577
Current accounts (3)	28,989,038	45,729,207
Total	**196,345,573**	177,835,784
Cash and cash equivalents in the consolidated statement of financial position	**294,888,475**	243,548,806
Less: deposits with original maturity more than three months	(205,100,000)	(169,700,000)
Cash and cash equivalents in the consolidated statement of cash flows	**89,788,475**	73,848,806

(1) Investment deposits earn profit at rates ranging from 4.45% to 6.15% (31 December 2023: 2.60% to 6.15%).

(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 policyholders' contributions paid by credit cards.

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

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9. Investments securities

	31 December 2024		31 December 2023	
	Policyholders	Shareholders	Policyholders	Shareholders
Investments at amortized cost (i)				
Quoted debt investments				
State of Qatar Sukuk	-	31,615,829	-	8,582,591
Foreign Sukuk	-	41,053,535	-	26,697,761
Less: allowance for impairment (Stage 1)	-	(160,891)	-	-
Total investments at amortized cost (1)	**-**	**72,508,473**	-	35,280,352
Investments at fair value through other comprehensive income				
Quoted equity investments (ii)				
Local equity shares*	16,228,424	75,421,573	15,559,183	59,974,168
Foreign equity shares	483,355	966,712	500,506	1,001,013
Other equity investment	-	37,374,300	-	36,256,982
Total (a)	**16,711,779**	**113,762,585**	16,059,689	97,232,163
Unquoted equity investments (iii)				
Local equity shares	-	18,409,276	-	18,747,140
Foreign equity shares	-	-	-	-
Total (b)	**-**	**18,409,276**	-	18,747,140
Total investments at fair value through other comprehensive income (a+b) (2)	**16,711,779**	**132,171,861**	16,059,689	115,979,303
Investments at fair value through income statement				
Investments (iv) (3)	**-**	**3,650,000**	-	7,300,000
Total investment securities (1+2+3)	**16,711,779**	**208,330,334**	16,059,689	158,559,655

(i) The fair value of investments carried at amortized cost as at 31 December 2024 amounted to QR 72,656,971 (2023: QR 35,645,808).

(ii) The quoted investments constitute mainly securities listed in Qatar Stock Exchange.

(iii) The unquoted investments represent investments in companies in which the Group is a founding shareholder.

(iv) Investments at fair value through income statement represents investment funds managed by Q-Invest SQN income fund has stated interest rate of 7% per annum (2023 :7% per annum) and is due to be mature in November 2025.

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* Investments in equity include shareholders quoted investment amounting to QR 1,950,000 that is frozen and therefore not immediately disposable.

The movement in investments at amortized cost is as follows:

	31 December 2024		31 December 2023	
	Policyholders	Shareholders	Policyholders	Shareholders
Balance at 1 January	-	35,280,352	-	-
Amortised income	-	468,818	-	-
Addition during the year	-	36,920,194	-	35,280,352
Allowance for impairment	-	(160,891)	-	-
Balance at 31 December	**-**	**72,508,473**	-	35,280,352

The management of the Group estimates the loss allowance on investments at amortized cost with at the end of the reporting period at an amount equal to 12-month ECL. None of the investments at amortized at the end of the reporting period are past due and taking into account the historical default experience and the current credit ratings of the issuers, the management of the Group has determined the allowance for impairment on these investments, considering the aforementioned factors.

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

	31 December 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	-	39,126,367	-	23,183,562
Disposals	-	(20,938,277)	-	(11,729,175)
Impairment	(135,289)	(2,921,959)	(1,042,128)	(5,830,467)
Changes in fair value	787,379	926,427	(103,797)	7,909,444
Balance at 31 December	**16,711,779**	**132,171,861**	16,059,689	115,979,303

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

	31 December 2024		31 December 2023	
	Policyholders	Shareholders	Policyholders	Shareholders
Balance at 1 January	-	7,300,000	-	7,300,000
Addition during the year	-	2,068,642	-	656,177
Disposals / redemptions during the year	-	(5,718,642)	-	(656,177)
Balance at 31 December	**-**	**3,650,000**	-	7,300,000

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Note 1:

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

	31 December 2024		31 December 2023	
	Policyholders	**Shareholders**	Policyholders	Shareholders
Investments securities	**16,711,779**	**208,330,334**	16,059,689	158,559,655

10. Takaful balances receivable

	2024		2023	
	Policyholders	**Shareholders**	Policyholders	Shareholders
Corporate	46,942,359	55,840	49,433,762	55,840
Retail	624,277	2,400	640,385	2,400
Government	8,336,113	-	1,156,826	-
	55,902,749	**58,240**	51,230,973	58,240
Less: Allowance for impairment	**(3,182,995)**	**(58,240)**	(3,019,420)	(58,240)
Balance at 31 December	**52,719,754**	**-**	48,211,553	-

Takaful receivables comprise a large number of customers mainly within the State of Qatar. Four companies account for 34% of the accounts receivable as of 31 December 2024 (2023: 27%).

Takaful receivable includes QAR 1,728,068 which is due from related parties. (Note 33(b))

	2024	2023
Aging:		
0-60 days	19,334,795	20,389,810
61-120 days	15,893,684	15,014,185
121-180 days	13,106,681	4,345,877
181-365 days	4,267,251	6,693,189
Above 365 days	3,358,578	4,846,152
Total	**55,960,989**	51,289,213

Unimpaired takaful receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Group to obtain collateral over financial assets and all are, therefore, unsecured. Takaful receivables comprise a large number of customers mainly within Qatar and are stated net of any impairment provision and are short term in nature.

The movement on the allowance for impairment of receivables as follows:

	2024	2023
Balance at 1 January	3,077,660	2,599,391
Written off during the year	-	-
Charge for the year	163,575	478,269
Balance at 31 December	**3,241,235**	3,077,660

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The Group's terms of business require amounts to be paid within the underwriting year and as such these receivables are measured at cost. Arrangements with the retakaful companies normally require settlement on a quarterly basis.

11. Retakaful balances receivable

	2024		2023	
	Policyholders	**Shareholders**	Policyholders	Shareholders
Local reinsurers	43,646,210	-	45,311,262	-
Foreign reinsurers	4,736,316	-	6,922,468	9,941
	48,382,526	**-**	52,233,730	9,941
Less: Allowance for impairment	(3,500,091)	-	(2,387,613)	(9,941)
Balance at 31 December	**44,882,435**	**-**	49,846,117	5

The movement on the allowance for impairment of Retakaful receivables as follows:

	2024	2023
Balance at 1 January	2,397,554	2,230,848
Written off during the year	-	(94,142)
Charge for the year	1,102,537	260,848
Balance at 31 December	**3,500,091**	**2,397,554**

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12. Retakaful contract assets and takaful contract liabilities

	2024		2023	
	Policyholders	**Shareholders**	Policyholders	Shareholders
Gross takaful contract liabilities				
Claims reported unsettled	107,916,830	75,000	116,905,750	400,000
Claims incurred but not reported and other technical reserves	34,615,137	-	46,008,730	-
Unearned contributions and mathematical reserves	155,744,609	-	133,172,343	-
Deferred commissions	9,040,223	-	9,276,143	-
Total	**307,316,799**	**75,000**	305,362,966	400,000
Retakaful share of takaful liabilities				
Claims reported unsettled	80,849,936	74,760	88,683,465	398,721
Claims incurred but not reported and other technical reserves	15,748,633	-	26,820,329	-
Unearned contributions and mathematical reserves	69,031,752	-	51,422,723	-
Deferred commissions	10,647,348	-	10,666,396	-
Total	**176,277,669**	**74,760**	177,592,913	398,721
Net takaful liabilities				
Claims reported unsettled	27,066,894	240	28,222,285	1,279
Claims incurred but not reported and other technical reserves	18,866,504	-	19,188,401	-
Unearned contributions and mathematical reserves	86,712,857	-	81,749,620	-
Deferred commissions	(1,607,125)	-	(1,390,253)	-
Total	**131,039,130**	**240**	127,770,053	1,279

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12.1. Movement in Retakaful Contract Assets and Takaful Contract Liabilities

	31 December 2024					
	Policyholders			Shareholders		
	Gross takaful liabilities	Retakaful contract assets	Net	Gross takaful liabilities	Retakaful contract assets	Net
Balance at 1 January 2024						
Reported claims (a)	116,905,750	88,683,465	28,222,285	400,000	398,721	1,279
Unearned contributions and mathematical reserves (b)	133,172,343	51,422,723	81,749,620	-	-	-
IBNR and other technical reserves (a)	46,008,730	26,820,329	19,188,401	-	-	-
Total	**296,086,823**	**166,926,517**	**129,160,306**	**400,000**	**398,721**	**1,279**
Movement during the year						
Reported claims (a)	(8,988,920)	(7,833,529)	(1,155,391)	(325,000)	(323,961)	(1,039)
Unearned contributions and mathematical reserves (b)	22,572,266	17,609,029	4,963,237	-	-	-
IBNR and other technical reserves (a)	(11,393,593)	(11,071,696)	(321,897)	-	-	-
Total	**2,189,753**	**(1,296,196)**	**3,485,949**	**(325,000)**	**(323,961)**	**(1,039)**
Balance at 31 December 2024						
Reported claims (a)	107,916,830	80,849,936	27,066,894	75,000	74,760	240
Unearned contributions and mathematical reserves (b)	155,744,609	69,031,752	86,712,857	-	-	-
IBNR and other technical reserves (a)	34,615,137	15,748,633	18,866,504	-	-	-
Total	**298,276,576**	**165,630,321**	**132,646,255**	**75,000**	**74,760**	**240**

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	31 December 2023					
	Policyholders			Shareholders		
	Gross takaful liabilities	Retakaful contract assets	Net	Gross takaful liabilities	Retakaful contract assets	Net
Balance at 1 January 2023						
Reported claims (a)	96,297,747	58,361,845	37,935,902	400,000	398,721	1,279
Unearned contributions and mathematical reserves (b)	126,654,051	45,782,101	80,871,950	-	-	-
IBNR and other technical reserves (a)	47,002,630	27,221,788	19,780,842	-	-	-
Total	269,954,428	131,365,734	138,588,694	400,000	398,721	1,279
Movement during the year						
Reported claims (a)	20,608,003	30,321,620	(9,713,617)	-	-	-
Unearned contributions and mathematical reserves (b)	6,518,292	5,640,622	877,670	-	-	-
IBNR and other technical reserves (a)	(993,900)	(401,459)	(592,441)	-	-	-
Total	26,132,395	35,560,783	(9,428,388)	-	-	-
Balance at 31 December 2023						
Reported claims (a)	116,905,750	88,683,465	28,222,285	400,000	398,721	1,279
Unearned contributions and mathematical reserves (b)	133,172,343	51,422,723	81,749,620	-	-	-
IBNR and other technical reserves (a)	46,008,730	26,820,329	19,188,401	-	-	-
Total	296,086,823	166,926,517	129,160,306	400,000	398,721	1,279

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(a) Outstanding claims and claims incurred but not reported and other provisions for policyholders and shareholders

	31 December 2024			31 December 2023		
	Gross	Reinsurers' share	Net	Gross	Reinsurers' share	Net
Balance at 1 January						
Claims	117,305,750	89,082,186	28,223,564	96,697,747	58,760,566	37,937,181
IBNR and other reserves	46,008,730	26,820,329	19,188,401	47,002,630	27,221,788	19,780,842
	163,314,480	**115,902,515**	**47,411,965**	143,700,377	85,982,354	57,718,023
Takaful claims paid during the year	(9,313,920)	(8,157,490)	(1,156,430)	20,608,003	30,321,620	(9,713,617)
Incurred during the year	(11,393,593)	(11,071,696)	(321,897)	(993,900)	(401,459)	(592,441)
Balance at 31 December	**142,606,967**	**96,673,329**	**45,933,638**	163,314,480	115,902,515	47,411,965

Analysis of outstanding claims and claims incurred but not reported and other provisions for policyholders and shareholders

	31 December 2024			31 December 2023		
	Gross	Reinsurers' share	Net	Gross	Reinsurers' share	Net
Claims	107,991,830	80,924,696	27,067,134	117,305,750	89,082,186	28,223,564
IBNR and other reserves	34,615,137	15,748,633	18,866,504	46,008,730	26,820,329	19,188,401
Balance at 31 December	**142,606,967**	**96,673,329**	**45,933,638**	163,314,480	115,902,515	47,411,965

(b) Analysis of unearned contribution risk

	31 December 2024			31 December 2023		
	Takaful contract liabilities	Retakaful of liabilities	Net	Takaful contract liabilities	Retakaful of liabilities	Net
Balance at 1 January	133,172,343	51,422,723	81,749,620	126,654,051	45,782,101	80,871,950
Contributions written during the year	463,522,897	256,213,616	207,309,281	332,982,311	147,671,579	185,310,732
Contributions earned during the year	(440,950,631)	(238,604,587)	(202,346,044)	(326,464,019)	(142,030,957)	(184,433,062)
Balance at 31 December	**155,744,609**	**69,031,752**	**86,712,857**	133,172,343	51,422,723	81,749,620

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12.2. Claim Development Table

The following table shows the estimated cumulative incurred claims, including claims notified for each successive accident year at the end of each reporting period, together with cumulative payments to date:

Claim Development Table - 2024

	Accident Year					
	2020 and before	2021	2022	2023	2024	Total
Estimate of cumulative claims						
At end of the accident year	989,388,426	77,534,051	76,524,470	101,606,311	98,070,350	
One year later	27,275,232	33,923,233	43,658,536	46,935,605		
Two years later	10,554,517	5,297,925	8,911,407			
Three years later	11,207,353	2,245,272				
Four years later	2,599,855					
Cumulative payments to date	(1,041,025,383)	(119,000,481)	(129,094,413)	(148,541,916)	(98,070,350)	**(1,535,732,543)**
Current estimate of cumulative claims	1,064,096,681	122,702,908	135,029,731	201,247,889	155,262,301	**1,678,339,510**
Total cumulative claims recognized in the statement of financial position as of 31 December 2024	**23,071,298**	**3,702,427**	**5,935,318**	**52,705,973**	**57,191,951**	**142,606,967**

Claim Development Table - 2023

	Accident Year					
	2019 and before	2020	2021	2022	2023	Total
Estimate of cumulative claims						
At end of the accident year	850,079,684	44,477,315	77,534,051	76,524,470	104,246,297	
One year later	59,787,496	26,981,192	33,923,233	43,823,686		
Two years later	22,621,765	8,062,740	5,305,425			
Three years later	7,807,593	4,653,468				
Four years later	10,402,183					
Cumulative payments to date	(950,698,721)	(84,174,715)	(116,762,709)	(120,348,156)	(104,246,297)	(1,376,230,598)
Current estimate of cumulative claims	967,033,539	89,999,082	127,499,064	147,572,021	207,441,372	1,539,545,078
Total cumulative claims recognized in the statement of financial position as of 31 December 2023	16,334,818	5,824,367	10,736,355	27,223,865	103,195,075	163,314,480

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13. Other receivables and Prepayments

	2024		2023	
	Policyholders	**Shareholders**	Policyholders	Shareholders
Refundable deposits	2,195,273	288,119	2,142,692	288,119
Employee advances	246,852	-	260,362	-
Advances and prepayments	48,720	974,220	440,320	1,093,332
Accrued revenue	898,884	1,971,297	297,084	1,435,933
Cases receivable	15,156,501	1,523,480	11,894,217	1,510,850
Others (1)	943,276	81,540,014	1,524,865	81,465,566
	19,489,506	**86,297,130**	16,559,540	85,793,800
Less: Allowance for impairment	(4,628,262)	(79,151,762)	(2,828,262)	(79,151,762)
Balance at 31 December	**14,861,244**	**7,145,368**	13,731,278	6,642,038

Included in the shareholders other receivables is an amount of QR 76 million at 31 December 2024 (31 December 2023: QR 76 million) which is a receivable from the former chief executive officer of the Group. The Group recorded the provision against the receivable of QR 76 million in 2020.

The movement on the allowance for impairment of other receivable as follows:

	2024	2023
Balance at 1 January	81,980,024	81,507,682
Charge for the year	1,800,000	472,342
Balance at 31 December	**83,780,024**	81,980,024

14. Right of use Assets

a) Shareholders	2024	2023
Cost:		
Balance at 1 January	30,537,188	34,790,481
Impairment on right-of-use assets	-	(4,253,293)
Balance at 31 December	**30,537,188**	30,537,188
Accumulated Depreciation:		
Balance at 1 January	2,609,286	1,739,524
Depreciation	869,772	869,762
Balance at 31 December	**3,479,058**	2,609,286
Carrying amount		
Balance at 31 December	**27,058,130**	27,927,902

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15. Investment properties

Investment properties comprise investment in lands and buildings acquired to earn rental income and for capital appreciation from such properties. The movement in investment properties during the year was as follows:

a) Policyholders	2024	2023
Balance at 1 January	28,739,797	28,448,600
Changes in fair value	(678,697)	291,197
Balance at 31 December	**28,061,100**	28,739,797

b) Shareholders	2024	2023
Balance at 1 January	205,859,103	211,478,476
Additions during the year	1,688,499	22,100
Disposal during the year	-	(1,534,470)
Changes in fair value	(4,962,211)	(4,107,003)
Balance at 31 December	**202,585,391**	205,859,103

Investment properties consist of:	31 December 2024	31 December 2023
a) Policyholders		
Land	13,723,600	14,346,797
Building	14,337,500	14,393,000
Total investment properties	**28,061,100**	28,739,797
b) Shareholders		
Land	130,872,049	133,233,563
Building	71,713,342	72,625,540
Total investment properties	**202,585,391**	205,859,103

As at 31 December 2024, the fair value of the Group's investment properties has been arrived on the basis of a valuation carried out by external, independent property valuers, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. The fair value was determined based on a combination of a depreciated replacement cost approach and a market approach that reflects recent transaction prices for similar properties. The fair value represents the amount at which the assets could be exchanged between knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction at the date of valuation. As at 31 December 2024, the fair value at the date of valuation amounted to QR 230.65 million (2023: QR 234.59 million) for investment properties for shareholders and policyholders.

(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 properties.

(ii) The valuer has used combination of a depreciated replacement cost approach and a market approach model for the investment properties which is most commonly used approach in the State of Qatar.

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Movement of the real estate reserve as follows:

	31 December 2024		31 December 2023	
	Policyholders	Shareholders	Policyholders	Shareholders
Balance at 1 January	-	28,236,722	-	30,193,722
Net fair value change during the year	-	(1,884,283)	-	(1,957,000)
Balance at 31 December	**-**	**26,352,439**	-	28,236,722

Description of valuation techniques used and key inputs to valuation of investment properties:

Type of property	Valuation technique	Significant unobservable inputs	Range weighted average
Commercial, residential, and industrial properties	Depreciated replacement cost (DRC) approach	Construction cost (sq. ft.)	QR 51 - 251
Vacant Land and residential properties	Market approach		QR 380 - 1,470

- Depreciated replacement cost approach

Depreciated replacement cost approach is a valuation method which appraisers and real estate investors use to estimate the value of an existing property by calculating the cost to replace the property with a new one of similar size, quality, and location, taking into account the depreciation of the existing property. The unit of comparison applied by the Group is the price per square foot (sq ft).

- Market approach

Under the market approach, a property's fair value is estimated based on comparable transactions. The market approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. The unit of comparison applied by the Group is the price per square foot (sq ft).

The fair value measurement for all of the investment properties has been categorized at level 3 fair value based on the inputs to the valuation technique used.

Sensitivity analysis

As at 31 December 2024, if the price per square foot for investment properties had been higher/lower by 1% with all other variables held constant, the change in the fair value of investment properties would have been QR 2.30 million (2023: QR 2.34 million) higher/lower.

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16. Property and equipment

a) Shareholders	Computer and equipment	Furniture and fixtures	Motor vehicle	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	11,042,701	11,195,985	601,000	22,839,686
Additions during the year	627,884	92,858	-	720,742
Disposals during the year	-	-	(33,000)	(33,000)
Balance at 31 December 2024	**11,670,585**	**11,288,843**	**568,000**	**23,527,428**
Accumulated Depreciation:				
Balance at 1 January 2023	6,782,895	9,731,032	275,715	16,789,642
Depreciation for the year	873,260	475,325	145,004	1,493,589
Disposals during the year	-	-	(314,020)	(314,020)
Balance at 31 December 2023	7,656,155	10,206,357	106,699	17,969,211
Depreciation for the year	967,240	521,313	115,641	1,604,194
Disposals during the year	-	-	(33,000)	(33,000)
Balance at 31 December 2024	**8,623,395**	**10,727,670**	**189,340**	**19,540,405**
Carrying amounts				
Balance at 31 December 2023	3,386,546	989,628	494,301	4,870,475
Balance at 31 December 2024	**3,047,190**	**561,173**	**378,660**	**3,987,023**

17. Investment in Associate

The Group has two investments in associates, Qatar Unified Bureau Insurance W.L.L. and Bahrain National Life Assurance Company B.S.C. Qatar Unified Bureau Insurance W.L.L. incorporated in Qatar, in which the Group has 25% of the interest. It is principally engaged in takaful insurance business. Qatari Unified Bureau Insurance W.L.L. is not publicly listed. Bahrain National Life Assurance Company B.S.C. is incorporated in Bahrain, in which the Group has 25% of the interest. It is principally engaged in insurance business. During the current year, 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%

Movements in investment in the associate are as follows:

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	2024	2023
Balance at 1 January	57,624,756	52,172,388
Share of profit for the year	17,565,907	15,633,815
Dividends received during the period / year	(10,014,422)	(6,632,213)
Disposal of the Bahrain National Life Assurance Company B.S.C.	(38,207,354)	-
Movement in fair value reserve	(1,583,618)	(3,549,234)
Balance at 31 December	**25,385,269**	57,624,756

The following table summarizes the financial information of the Associate as included in the financial statements of the Group.

	2024	2023
Total assets	98,218,234	295,502,495
Total liabilities	(18,407,244)	(112,683,775)
Net assets (100%)	79,810,990	182,818,720
The Group's Share of net assets (25%)	19,952,748	45,704,680
Revenue	237,248,310	134,569,890
The Group's Share of profit (25%)	17,565,907	15,633,815

The share of profit from the associates are given below.

	2024	2023
Qatar Unified Bureau Insurance W.L.L.	14,671,587	11,217,315
Bahrain National Life Assurance Company B.S.C.	2,894,320	4,416,500
Balance at 31 December	**17,565,907**	15,633,815

18. Takaful balances payable

	2024		2023	
	Policyholders	Shareholders	Policyholders	Shareholders
Corporate	15,330,290	987,162	15,523,561	987,162
Retail	110,871	-	107,236	-
Government	1,309,371	73,347	1,302,941	73,347
Balance at 31 December	**16,750,532**	**1,060,509**	16,933,738	1,060,509

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19. Retakaful balances payable

	2024		2023	
	Policyholders	**Shareholders**	Policyholders	Shareholders
Local reinsurers	158,886	-	756,763	-
Foreign reinsurers	57,662,128	-	15,428,085	-
Balance at 31 December	**57,821,014**	**-**	16,184,848	-

20. Accounts payable and other liabilities

	2024		2023	
	Policyholders	**Shareholders**	Policyholders	Shareholders
Accruals and provisions	14,056,558	2,415,249	22,164,954	2,540,041
Contribution received in advance	1,067,748	-	2,461,655	-
Dividends payable	-	13,852,544	-	14,839,536
Provision for staff bonus	-	4,096,447	-	3,996,828
Provision for staff leave	-	2,355,782	-	2,051,385
Provision for social and sports activities contribution (Note 31)	-	1,892,500	-	1,614,365
Board of Directors remuneration (Note 29)	-	3,284,967	-	2,524,967
Deferred rental income	-	376,095	-	376,095
Others	1,162,415	2,066,520	2,190,735	2,133,169
Balance at 31 December	**16,286,721**	**30,340,104**	26,817,344	30,076,386

21. Distributable Surplus

	2024	2023
Balance at 1 January	-	838,490
Distributed during the year	-	-
Transfer to Policyholders Surplus	-	(838,490)
Balance at 31 December	**-**	-

22. Employees' end of service benefits

	2024	2023
Balance at 1 January	6,669,094	5,908,817
Charge for the year	976,937	1,043,914
Paid during the year	(46,914)	(283,637)
Balance at 31 December	**7,599,117**	6,669,094

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23. Share Capital

	2024	2023
Authorized, issued and paid-up capital		
Share capital of QR 1 each (QR)	**255,279,020**	255,279,020
No. of shares of QR 1 each (Nos.)	**255,279,020**	255,279,020

24. 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. During the year the Group has not transferred any amount to the statutory reserve as it equates 100% of the paid-up capital (2023: QR 3,680,838).

25. 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.

26. Policyholder surplus

During the year, the Sharia Supervisory Board has resolved to transfer unclaimed surplus outstanding for more than 5 years amounting to QR Nil (2023: QR 838,490) from the distributable surplus account to the policyholders' retained surplus.

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27. Fair Value Reserve

Fair value reserves comprise of cumulative net change in the fair value of equity securities designated at fair value through other comprehensive income.

Change in fair value reserve from investments at fair value through other comprehensive income:

	2024		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 year				
Disposal of investments	-	(7,264)	-	274,677
Fair value change during the year	787,379	933,691	(103,797)	7,634,767
At 31 December (1)	**7,279,175**	**1,469,830**	6,491,796	543,403
Unquoted investments				
At 1 January	**-**	**-**	**-**	**-**
Net movement	-	-	-	-
At 31 December (2)	-	-	-	-
Investment in Associates				
At 1 January	-	1,635,835	-	5,185,069
Movement in fair value reserve of associate	-	(1,583,618)	-	(3,549,234)
At 31 December (3)	**-**	**52,217**	-	1,635,835
At 31 December (1+2+3)	**7,279,175**	**1,522,047**	6,491,796	2,179,238

28. Ijarah liabilities

The movements of ijarah liabilities were as follows:

	2024	2023
Balance at 1 January	4,136,276	4,396,972
Addition	-	-
Payment	(224,657)	(424,220)
Amortization of deferred ijarah	161,580	163,524
	4,073,199	4,136,276

On 1 January 2021 the Group entered into a ijarah contract with the Ministry of Municipality & Environment Doha Municipality obtaining exclusive rights to use of the lands for QR 150, QR 12,500 and QR 5,033 per month. The ijarah bears an implicit discount rate of 4% per annum and is effectively secured as the rights to the ijarah asset revert to the lessor in the event of default. As per the accounting policy of the Group, the group is amortizing the ROA for these plots of land on 40 years.

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29. General and administration expenses

	2024	2023
Staff costs	30,196,174	27,744,875
Governmental expenses	645,310	634,755
Repair and maintenance	980,682	822,556
Investment properties operating expenses	1,744,879	2,600,268
Marketing and advertising	3,276,126	3,667,559
Professional fees	3,493,052	2,624,395
Electricity and telephone	1,220,657	1,083,077
Refreshment and stationery	456,886	611,392
Sharia supervisory board fee	200,000	200,000
Bank charges	698,133	683,262
Miscellaneous	1,208,085	790,552
	44,119,984	41,462,691

30. Income tax expenses

Based on the New Executive Regulations to the Income Tax Law (No.24 of 2018), subsidiaries and companies owned by listed entities shall now be taxable to the extent of non-Qatari shareholding in the listed company.

Therefore, since the Group has investment in subsidiaries and other companies and are therefore taxable during the current year. Tax is charged at a rate of 10% of the taxable income to the extent of non-Qatari shareholding.

31. Board of Directors' remuneration

In accordance with the Articles of Association of the Company and the provisions of Qatar commercial companies law No.11 of 2015, the Board of Directors' remuneration for the year 2024 has been proposed at QR 3,200,000 (2023: QR 2,444,964). The provision is subject to the approval by the forthcoming shareholders general assembly.

32. Sharia supervisory board

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

33. Social and sports contribution fund

Pursuant to the Qatar Law No. 13 of 2008 and the related clarifications issued in 2010, which is applicable to all Qatari listed shareholding companies with publicly traded equity, the Group has made an appropriation of 2.5% of its net profit to social and sports fund amounting to QR 1,892,500 (2023: 1,614,365).

34. Reserve for share of profits of associates

As per the Qatar Central Bank's instructions dated 4 March 2019, share of profits of associates should be transferred from the retained earnings to reserve for share of profits of associates. Declared and received dividends from associates are distributable portion of this reserve. During the year, the Group has transferred an amount of QR (9,201,862) to this reserve (2023: 9,001,602).

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35. Related parties

a) Transactions with related parties

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 year are as follows:

Nature of transactions	2024	2023
Contribution	2,744,568	345,863
Claims	742,027	903,847

b) Receivable from related parties

Nature of Relationship	2024	2023
Board members	**1,736,686**	153,670

*Takaful receivables from related parties are added to takaful receivables (Note 8).

c) Payable to related parties

Nature of Relationship	2024	2023
Board members	**8,618**	8,555

**Claims payable to related parties are added to the takaful payables (Note 15).

d) Compensation of key management personnel

	2024	2023
Board of directors' remuneration (Note 29)	3,200,000	2,444,964
Salaries and other short-term benefits	4,382,688	4,202,612
Employees' end of service benefit	54,282	54,133
	7,636,970	6,701,709

36. Segment Information

For management purposes, the Group is organized into business units based on its business activities and has four reportable segments: takaful, investment, real estate and unallocated. Takaful segment represents the results of takaful and Retakaful business. Further, takaful segment is organized into four major takaful lines – Marine & Aviation, General Accident (Fire, General Accident, Energy & Engineering), Motor and Takaful & Medical. These segments are the basis on which the Group reports its primary segment information. Other operations of the Group comprise investment and treasury for the Group's own account. There are no transactions between segments. The operating and administrative expenses and certain other expenses are not allocated to the takaful lines for performance monitoring purpose. The data with respect to segment information are as follows.

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a) Segment consolidated policyholders' revenues and expenses and shareholders' income statement

	2024				
	Underwriting	Investments	Real Estate	Unallocated	Total
Gross contributions	463,522,897	-	-	-	**463,522,897**
Retakaful share of gross contributions	(256,213,616)	-	-	-	(256,213,616)
Net retained contributions	**207,309,281**	-	-	-	**207,309,281**
Movement in unearned contributions and mathematical reserves	(4,963,237)	-	-	-	(4,963,237)
Net earned contributions	**202,346,044**	-	-	-	**202,346,044**
Retakaful commission and other takaful income	24,595,181	-	-	-	**24,595,181**
Change in deferred commission	216,872	-	-	-	216,872
Total takaful revenue	227,158,097	-	-	-	227,158,097
Gross claims paid	(162,312,202)	-	-	-	**(162,312,202)**
Retakaful share of claims paid	49,193,522	-	-	-	49,193,522
Net claims paid	**(113,118,680)**	-	-	-	**(113,118,680)**
Movement in outstanding claims	1,156,430	-	-	-	**1,156,430**
Movement in claims incurred but not reported and other technical reserves	321,897	-	-	-	**321,897**
Commission and other takaful expenses	(32,222,414)	-	-	-	(32,222,414)
Total takaful expenses	(143,862,767)	-	-	-	(143,862,767)
Net surplus from takaful operations	83,295,330	-	-	-	83,295,330
Dividend Income	-	6,081,818	-	-	6,081,818
Net realized gain on sale of investments	-	1,028,395	-	-	1,028,395
Rental income	-	-	12,913,960	-	12,913,960
Income from deposits and sukuks	-	13,436,574	-	-	13,436,574
Share of profit from associates	-	17,565,907	-	-	17,565,907
Gain on sale of property and equipment	-	-	-	15,000	15,000
Gain on sale of investment in associates	-	1,079,994	-	-	1,079,994
Net provision for impairment	-	(3,218,139)	-	(3,066,112)	(6,284,251)
Fair value loss on investment properties	-	-	(3,756,625)	-	(3,756,625)
Net investment income	-	35,974,549	9,157,335	(3,051,112)	42,080,772
Other income	-	-	-	3,779,135	3,779,135
Depreciation	-	-	(869,772)	(1,604,194)	(2,473,966)
General and administrative expenses	-	-	-	(44,119,984)	(44,119,984)
Amortization of deferred ijarah	-	-	(161,580)	-	(161,580)
Other expenses	-	-	-	(5,000,723)	(5,000,723)
Board of directors' remuneration	-	-	-	(3,200,000)	(3,200,000)
Total other expenses	-	-	(1,031,352)	(50,145,766)	(51,177,118)
Profit / (loss) before tax	83,295,330	35,974,549	8,125,983	(53,196,878)	74,198,984
Income tax	-	-	-	-	-
Profit / (loss) after tax	**83,295,330**	**35,974,549**	**8,125,983**	**(53,196,878)**	**74,198,984**

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	2023				
	Underwriting	Investments	Real Estate	Unallocated	Total
Gross contributions	332,982,311	-	-	-	332,982,311
Retakaful share of gross contributions	(147,671,579)	-	-	-	(147,671,579)
Net retained contributions	185,310,732	-	-	-	185,310,732
Movement in unearned contributions and mathematical reserves	(877,670)	-	-	-	(877,670)
Net earned contributions	184,433,062	-	-	-	184,433,062
Retakaful commission and other takaful income	28,503,336	-	-	-	28,503,336
Change in deferred commission	(1,125,516)	-	-	-	(1,125,516)
Total takaful revenue	211,810,882	-	-	-	211,810,882
Gross claims paid	(168,286,556)	-	-	-	(168,286,556)
Retakaful share of claims paid	52,672,461	-	-	-	52,672,461
Net claims paid	(115,614,095)	-	-	-	(115,614,095)
Movement in outstanding claims	9,713,617	-	-	-	9,713,617
Movement in claims incurred but not reported and other technical reserves	592,441	-	-	-	592,441
Commission and other takaful expenses	(33,401,371)	-	-	-	(33,401,371)
Total takaful expenses	(138,709,408)	-	-	-	(138,709,408)
Net surplus from takaful operations	73,101,474	-	-	-	73,101,474
Dividend Income	-	6,946,908	-	-	6,946,908
Net realized gain on sale of investments	-	648,154	-	-	648,154
Rental income	-	-	13,327,360	-	13,327,360
Income from deposits	-	10,087,506	-	-	10,087,506
Share of profit from associates	-	15,633,815	-	-	15,633,815
Loss on sale of investment property	-	-	(49,470)	-	(49,470)
Loss on sale of property and equipment	-	-	-	128,220	128,220
Net provision for impairment	-	(6,872,595)	(4,253,293)	(1,211,459)	(12,337,347)
Fair value loss on investment properties	-	-	(1,858,805)	-	(1,858,805)
Net investment income	-	26,443,788	7,165,791	(1,083,239)	32,526,340
Other income	-	-	-	6,128,307	6,128,307
Depreciation	-	-	(869,762)	(1,493,589)	(2,363,351)
General and administrative expenses	-	-	-	(41,462,691)	(41,462,691)
Amortization of deferred ijarah	-	-	(163,524)	-	(163,524)
Other expenses	-	-	-	(4,848,040)	(4,848,040)
Board of directors' remuneration	-	-	-	(2,444,964)	(2,444,964)
Total other expenses	-	-	(1,033,286)	(44,120,977)	(45,154,263)
Profit / (loss) before tax	73,101,474	26,443,788	6,132,505	(45,204,216)	60,473,551
Income tax	-	-	-	-	-
Profit / (loss) after tax	73,101,474	26,443,788	6,132,505	(45,204,216)	60,473,551

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Segment assets and liabilities

	2024				
	Underwriting	Investments	Real Estate	Unallocated	Total
Policyholders' assets					
Cash and bank balances	48,542,902	-	-	-	48,542,902
Time deposits	50,000,000	-	-	-	50,000,000
Investment securities	-	16,711,779	-	-	16,711,779
Takaful balances receivable	52,719,754	-	-	-	52,719,754
Retakaful balances receivable	44,882,435	-	-	-	44,882,435
Retakaful contract assets	165,630,321	-	-	-	165,630,321
Deferred commission	10,647,348	-	-	-	10,647,348
Other receivables and prepayments	-	-	-	14,861,244	14,861,244
Investment properties	-	-	28,061,100	-	28,061,100
Total policyholders' assets	**372,422,760**	**16,711,779**	**28,061,100**	**14,861,244**	**432,056,883**
Shareholders' assets					
Cash and bank balances	-	-	-	41,245,573	41,245,573
Time deposits	-	-	-	155,100,000	155,100,000
Investment securities	-	208,330,334	-	-	208,330,334
Takaful balances receivable	-	-	-	-	-
Retakaful balances receivable	-	-	-	-	-
Retakaful contract assets	74,760	-	-	-	74,760
Other receivables and prepayments	-	-	-	7,145,368	7,145,368
Right-of-use assets	-	-	27,058,130	-	27,058,130
Investment properties	-	-	202,585,391	-	202,585,391
Property and equipment	-	-	-	3,987,023	3,987,023
Investments in associate	-	25,385,269	-	-	25,385,269
Total shareholders' assets	**74,760**	**233,715,603**	**229,643,521**	**207,477,964**	**670,911,848**
Total assets	**372,497,520**	**250,427,382**	**257,704,621**	**222,339,208**	**1,102,968,731**

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	2024				
	Underwriting	Investments	Real Estate	Unallocated	Total
Policyholder's liabilities					
Takaful contract liabilities	298,276,576	-	-	-	298,276,576
Deferred commission income	9,040,223	-	-	-	9,040,223
Accounts payable and other liabilities	-	-	-	16,286,721	16,286,721
Takaful balances payable	16,750,532	-	-	-	16,750,532
Retakaful balances payable	57,821,014	-	-	-	57,821,014
Total policyholders' liabilities	381,888,345	-	-	16,286,721	398,175,066
Shareholders' liabilities					
Takaful contract liabilities	75,000	-	-	-	75,000
Ijarah liabilities	-	-	4,073,199	-	4,073,199
Accounts payable and other liabilities	-	-	-	30,340,104	30,340,104
Takaful balances payable	1,060,509	-	-	-	1,060,509
Provision for income tax	-	-	-	2,173	2,173
Employees' end of service benefits	-	-	-	7,599,117	7,599,117
Total shareholders' liabilities	**1,135,509**	**-**	**4,073,199**	**37,941,394**	**43,150,102**
Total liabilities	**383,023,854**	**-**	**4,073,199**	**54,228,115**	**441,325,168**

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	2023				
	Underwriting	Investments	Real Estate	Unallocated	Total
Policyholders' assets					
Cash and bank balances	24,763,022	-	-	-	24,763,022
Term Deposits	40,950,000	-	-	-	40,950,000
Investments securities	-	16,059,689	-	-	16,059,689
Takaful balances receivable	48,211,553	-	-	-	48,211,553
Retakaful balances receivable	49,846,117	-	-	-	49,846,117
Retakaful contract assets	166,926,517	-	-	-	166,926,517
Deferred commission	10,666,396	-	-	-	10,666,396
Other receivables and prepayments	-	-	-	13,731,278	13,731,278
Investment properties	-	-	28,739,797	-	28,739,797
Total policyholders' assets	341,363,605	16,059,689	28,739,797	13,731,278	399,894,369
Shareholders' assets					
Cash and bank balances	-	-	-	49,085,784	49,085,784
Time deposits	-	-	-	128,750,000	128,750,000
Investments securities	-	158,559,655	-	-	158,559,655
Takaful balances receivable	-	-	-	-	-
Retakaful balances receivable	-	-	-	-	-
Retakaful contract assets	398,721	-	-	-	398,721
Other receivables and prepayments	-	-	-	6,642,038	6,642,038
Right-of-use assets	-	-	27,927,902	-	27,927,902
Investment properties	-	-	205,859,103	-	205,859,103
Property and equipment	-	-	-	4,870,475	4,870,475
Investments in associate	-	57,624,756	-	-	57,624,756
Total shareholders' assets	398,721	216,184,411	233,787,005	189,348,297	639,718,434
Total assets	341,762,326	232,244,100	262,526,802	203,079,575	1,039,612,803

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	2023				
	Underwriting	Investments	Real Estate	Unallocated	Total
Policyholder's liabilities					
Takaful contract liabilities	296,086,823	-	-	-	296,086,823
Deferred commission income	9,276,143	-	-	-	9,276,143
Accounts payable and other liabilities	-	-	-	26,817,344	26,817,344
Takaful balances payable	16,933,738	-	-	-	16,933,738
Retakaful balances payable	16,184,848	-	-	-	16,184,848
Distributable surplus	-	-	-	-	-
Total policyholders' liabilities	338,481,552	-	-	26,817,344	365,298,896
Shareholders' liabilities					
Takaful contract liabilities	400,000	-	-	-	400,000
Ijarah liabilities	-	-	4,136,276	-	4,136,276
Accounts payable and other liabilities	-	-	-	30,076,386	30,076,386
Takaful balances payable	1,060,509	-	-	-	1,060,509
Provision for income tax	-	-	-	-	-
Employees' end of service benefits	-	-	-	2,173	2,173
Total shareholders' liabilities	1,460,509	-	4,136,276	36,747,653	42,344,438
Total liabilities	339,942,061	-	4,136,276	63,564,997	407,643,334

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b) Net underwriting results (policyholders' and shareholders')

For the year ended 31 December 2024

	Marine & Aviation	General Accident	Motor	Takaful and Medical	Total
Gross contributions	14,591,144	88,175,550	114,915,951	245,840,252	463,522,897
Retakaful share of gross contributions	(10,924,125)	(72,062,787)	(7,143,430)	(166,083,274)	(256,213,616)
Retained contribution	**3,667,019**	**16,112,763**	**107,772,521**	**79,756,978**	**207,309,281**
Movement in unearned contributions and mathematical reserves	(88,562)	(512,200)	1,713,479	(6,075,954)	(4,963,237)
Net retained contributions	**3,578,457**	**15,600,563**	**109,486,000**	**73,681,024**	**202,346,044**
Retakaful commission and other takaful income	1,804,185	19,167,930	2,693,164	929,902	24,595,181
Change in deferred commission	29,148	32,475	(465,384)	620,633	216,872
Total takaful revenue (1)	**5,411,790**	**34,800,968**	**111,713,780**	**75,231,559**	**227,158,097**
Gross claims paid	(1,532,600)	(23,185,754)	(57,399,891)	(80,193,957)	(162,312,202)
Retakaful share of claims paid	993,327	20,669,220	2,534,367	24,996,608	49,193,522
Net claims paid	**(539,273)**	**(2,516,534)**	**(54,865,524)**	**(55,197,349)**	**(113,118,680)**
Movement in outstanding claims	(744,948)	(1,090,519)	3,098,264	(106,367)	1,156,430
Movement in claims incurred but not reported reserve and other technical reserves	321,813	939,256	(600,667)	(338,505)	321,897
Net claims incurred (2)	**(962,408)**	**(2,667,797)**	**(52,367,927)**	**(55,642,221)**	**(111,640,353)**
Commission and other takaful expenses (3)	(913,784)	(5,461,826)	(19,604,974)	(6,241,830)	(32,222,414)
Net surplus from takaful operations (1+2+3)	**3,535,598**	**26,671,345**	**39,740,879**	**13,347,508**	**83,295,330**

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	Marine & Aviation	General Accident	Motor	Takaful and Medical	Total
Gross contributions	15,946,210	91,445,741	108,299,374	117,290,986	332,982,311
Retakaful share of gross contributions	(13,014,695)	(76,237,819)	(8,187,420)	(50,231,645)	(147,671,579)
Retained contribution	2,931,515	15,207,922	100,111,954	67,059,341	185,310,732
Movement in unearned contributions and mathematical reserves	(437,841)	(1,543,330)	(386,497)	1,489,998	(877,670)
Net retained contributions	2,493,674	13,664,592	99,725,457	68,549,339	184,433,062
Retakaful commission and other takaful income	2,244,833	22,954,598	2,697,900	606,005	28,503,336
Change in deferred commission	(197,027)	(2,937,895)	1,862,077	147,329	(1,125,516)
Total takaful revenue (1)	4,541,480	33,681,295	104,285,434	69,302,673	211,810,882
Gross claims paid	(1,117,768)	(24,239,064)	(61,243,577)	(81,686,147)	(168,286,556)
Retakaful share of claims paid	977,909	21,454,764	3,204,530	27,035,258	52,672,461
Net claims paid	(139,859)	(2,784,300)	(58,039,047)	(54,650,889)	(115,614,095)
Movement in outstanding claims	(108,508)	(428,921)	10,316,354	(65,308)	9,713,617
Movement in claims incurred but not reported reserve and other technical reserves	(28,275)	(431,880)	204,025	848,571	592,441
Net claims incurred (2)	(276,642)	(3,645,101)	(47,518,668)	(53,867,626)	(105,308,037)
Commission and other takaful expenses (3)	(831,912)	(4,782,379)	(18,383,781)	(9,403,299)	(33,401,371)
Net surplus from takaful operations (1+2+3)	3,432,926	25,253,815	38,382,985	6,031,748	73,101,474

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c) Business segments

The Group's main business segments (policyholders' and shareholders') are as follows:

As at and for the year ended 31 December 2024:

	Underwriting	Investments	Real Estate	Unallocated	Total
Net income	83,295,330	35,974,549	8,125,983	(53,196,878)	**74,198,984**
Total assets	372,497,520	250,427,382	257,704,621	222,339,208	**1,102,968,731**
Total liabilities	383,023,854	-	4,073,199	54,228,115	**441,325,168**

As at and for the year ended 31 December 2023:

	Underwriting	Investments	Real Estate	Unallocated	Total
Net income	73,101,474	26,443,788	6,132,505	(45,204,216)	60,473,551
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

d) Geographical segments

The Group operates in the State of Qatar only.

37. Contingent liabilities

	2024	2023
Bank guarantees (1)	**3,517,901**	437,500
Tender bond (1)	**1,451,448**	712,940

Legal claims

The takaful sector of the Group is subject to litigations and is continuously involved in legal proceedings arising in its normal course of business. The Group carries adequate provisions against such litigations which are included as part of takaful contract liabilities.

(1) Bank guarantees and tender bonds

These relates to tenders and guarantees submitted to obtain government takaful contracts against QR 4.969 million.

38. Basic and diluted earnings per share

Basic and diluted earnings per share is calculated by dividing the profit for the year attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.

	2024	2023
Profit / (loss) attributable to shareholders	**75,700,019**	64,574,585
Weighted average number of ordinary shares (*)	**255,279,020**	255,279,020
Basic earnings per share (QR)	**0.297**	0.253

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*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.

39. Financial instruments and risk management

Governance framework

The primary objective of the Group's risk and financial management framework is to protect the Group's shareholders from events that hinder the sustainable achievement of the set financial performance objectives. Key management recognizes the critical importance of having efficient and effective risk management systems in place.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors meets regularly to assess and identify the Group's risk, to review structure to ensure the appropriate quality and diversification of assets, and to ensure that underwriting and retakaful are in line with the Group's strategy and goals. The Group's Board of Directors has overall responsibility to identify and analyses the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Regulatory framework

The Qatar Central Bank Executive Insurance Instructions provide the regulatory framework for the insurance industry in Qatar. All insurance companies operating in Qatar are required to follow these rules and regulations.

The following are the key regulations governing the operation of the Group:

- Internal systems and controls.
- Risk management.
- Accounting, auditing, and actuarial reporting; and
- Prudential requirement.

The Group's Board of directors is responsible for monitoring compliance with the above regulations and has delegated authorities and responsibilities from the board of directors to ensure compliance.

Capital management framework

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the group defines as net operating income divided by total shareholders' equity. The Group's objectives when managing capital is:

- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To provide an adequate return to shareholders by pricing takaful and investment contracts commensurately with the level of risk.

The capital structure of the Group consists of issued capital, reserves and retained earnings.

The Group in the normal course of its business derives its revenue mainly from assuming and managing takaful and investments risks for profit. The Group's lines of business are mainly exposed to the following risks.

- Takaful risk,
- Retakaful risk,
- Credit risk,
- Liquidity risk,
- Market risks, and
- Equity risk

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Takaful risk

The principal risk the Group faces under takaful contracts is that the actual claims and benefits payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

The Group manages the takaful risk through the careful selection and implementation of its underwriting strategy guidelines together with the adequate Retakaful arrangements and proactive claims handling.

The Group principally issues general takaful contracts which constitute mainly marine and aviation, Motor, Fire and general, and Takaful and health. The concentration of takaful risk exposure is mitigated by diversifying the risk under-written and ensuring that such risks are across a large portfolio in terms of type, level of insured benefits, amount of risk and industry.

The Group, in the normal course of business, in order to minimize financial exposure arising from large claims, enters into contracts with other parties for Retakaful purposes. Such Retakaful arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. A significant portion of the Retakaful is affected under treaty, facultative and excess-of-loss Retakaful contracts. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the Retakaful contracts.

Although the Group has Retakaful arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded takaful, to the extent that any reinsurer is unable to meet its obligations assumed under such Retakaful agreements. The Group's placement of Retakaful is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single Retakaful contract.

The Group has in place strict claim review to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims to reduce the risk exposure of the Group. The Group further enforces a policy of actively managing and prompt pursuing of claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Group.

In accordance with Takaful framework, the Group's shareholders do not bear the risks associated with takaful operations where it uses takaful fund, retained surplus and Retakaful agreements to mitigate such risks. In case of insufficient funds in the takaful fund to meet its obligations, the Group grants it an interest free loan and repayable in a number of years that to be determined by the Group's board of directors after consultation with Sharia Supervisory Board.

- Key assumptions - Takaful risk

The principal assumption underlying the liability estimates is that the Group's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year. Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example one-off occurrence changes in market factors such as public attitude to claiming, economic conditions, as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimated. Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency rates.

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- Frequency and severity of claims

The frequency and severity of claims can be determined after consideration of several factors as follows:

- Past experience of the claims.
- Economic level.
- Laws and regulations; and
- Public awareness

The Group manages these risks through its underwriting strategy, adequate Retakaful arrangements and proactive claims handling. The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry, and geography.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Group has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of a fraudulent claim. The Group has the right to re-price the risk on renewal. Takaful contracts also entitle the Group to pursue third parties for payment of some or all costs (for example, subrogation). The Retakaful arrangements include proportional and non-proportional coverage. The effect of such Retakaful arrangements is that the Group should not suffer major takaful losses.

The Group has specialized claims units dealing with the mitigation of risks surrounding general takaful claims. This unit investigates, adjusts and settles all general takaful claims. The general takaful claims are reviewed individually regularly and adjusted to reflect the latest information on the underlying facts, current law, jurisdiction, contractual terms and conditions, and other factors. The Group actively manages settlements of general takaful claims to reduce its exposure to unpredictable developments.

Sources of uncertainty in the estimation of future claim payments

Claims on general takaful contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, a larger element of the claims provision relates to incurred but not reported claims (IBNR) which are settled over a short to medium term period.

There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures adopted. The compensation paid on these contracts is the monetary awards granted for the loss suffered by the policyholders or third parties (for third party liability covers).

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation values and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claim's exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The liability for these contracts comprise a provision for IBNR, a provision for reported claims not yet paid and a provision for unexpired risks as at the consolidated statement of financial position date.

In calculating the estimated cost of unpaid claims (both reported and not), the Group's estimation techniques are a combination of loss-ratio-based estimates (where the loss ratio is defined as the ratio between the ultimate cost of takaful claims and takaful premiums earned in a particular financial year in relation to such claims) and an estimate based upon actual claims experience using predetermined formula where greater weight is given to actual claims experience as time passes. An actuarial valuation is done every year to ensure the adequacy of the reserves.

Claims development

The Group maintains strong reserves in respect of its takaful business in order to protect against adverse future claims experience and developments. The uncertainties about the amount and timing of claim payments are generally resolved within one year.

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Process used to decide on assumptions

The risks associated with these takaful contracts are complex and subject to a number of variables that complicate quantitative sensitivity analysis. The exposure of the Group to claims associated with general takaful is material. This exposure is concentrated in Qatar where significant transactions take place.

The Group uses assumptions based on a mixture of internal and actuarial report to measure its general takaful related claims liabilities. Internal data is derived mostly from the Group's monthly claims reports and screening of the actual takaful contracts carried out at year-end to derive data for the contracts held. The Group has reviewed the individual contracts and their actual exposure to claims. This information is used to develop scenarios related to the latency of claims that are used for the projections of the ultimate number of claims.

The table below sets out the concentration of outstanding claims provision by type of contract:

	2024			2023		
	Gross Reserves	**Retakaful Reserves**	**Net Reserves**	Gross Reserves	Retakaful Reserves	Net Reserves
Marine and aviation	5,129,141	(3,902,158)	**1,226,983**	5,668,577	(5,186,542)	482,035
General accident	74,754,226	(67,343,785)	**7,410,441**	82,052,184	(75,732,263)	6,319,921
Motor	21,876,276	(4,649,395)	**17,226,881**	25,315,603	(4,990,457)	20,325,146
Takaful and Medical	6,232,187	(5,029,358)	**1,202,829**	4,269,386	(3,172,924)	1,096,462
	107,991,830	**(80,924,696)**	**27,067,134**	117,305,750	(89,082,186)	28,223,564

Sensitivity analysis

The reasonableness of the estimation process is tested by an analysis of sensitivity around several scenarios.

The sensitivity of the Company's income to takaful risks is as follows:

		2024		2023	
	Change in assumptions	**Impact on net earned contributions**	**Impact on equity**	Impact on net earned contributions	Impact on equity
Loss ratio	**+5%** **-5%**	**10,117,302** **(10,117,302)**	**(10,117,302)** **10,117,302**	9,221,653 (9,221,653)	(9,221,653) 9,221,653

The sensitivity to a 5% increase/decrease in gross loss ratios is the same both net and gross of Retakaful as this increase does not result in any material excess of loss Retakaful limits being reached.

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Retakaful risk

The Group, in the normal course of business, in order to minimize financial exposure arising from large claims, enters into contracts with other parties for Retakaful purposes. Such Retakaful arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. A significant portion of the Retakaful is affected under treaty, facultative and excess-of-loss Retakaful contracts.

To minimize its exposure to significant losses from Retakaful insolvencies, the Group evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurers.

The Group only deals with reinsurers approved by the management, which are generally international companies that are rated by international rating agencies or other GCC.

Retakaful ceded contracts do not relieve the Group from its obligations to policyholders and as a result the Group remains liable for the portion of outstanding claims reinsured to the extent that the reinsurer fails to meet the obligations under the Retakaful agreements.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. For all classes of financial assets held by the Group, the maximum credit risk exposure to the Group is the carrying value as disclosed in the consolidated statement of financial position.

A credit risk policy setting out the assessment and determination of what constitutes credit risk for the Group has been established and policies and procedures are in place to mitigate the Group's exposure to credit risk:

Compliance with the policy is monitored and exposures and breaches are regularly reviewed for pertinence and for changes in the risk environment.

The table below shows the maximum exposure to credit risk for the components of the statement of financial position:

	Note	2024	2023
Credit risk exposure by financial assets type:			
Cash at bank	6	87,679,351	73,228,346
Time deposits	6	205,100,000	169,700,000
Investment securities	7	72,669,364	35,280,352
Takaful receivables	8	55,960,989	51,289,213
Retakaful receivables	9	48,382,526	52,243,671
Other receivables	11	105,786,636	102,353,340
Total exposure		**575,578,866**	484,094,922

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Age analysis

31 December 2024	< 60 days	61 to 120 days	121 to 180 days	181 to above 365 days	Total
Takaful balance receivable	19,334,795	15,893,684	13,106,681	7,625,829	55,960,989
Retakaful receivable	22,652,001	10,688,614	9,482,119	5,559,792	48,382,526
Total	**41,986,796**	**26,582,298**	**22,588,800**	**13,185,621**	**104,343,515**

31 December 2023	< 60 days	61 to 120 days	121 to 180 days	181 to above 365 days	Total
Takaful balance receivable	20,389,810	15,014,185	4,345,877	11,539,341	51,289,213
Retakaful receivable	23,828,964	10,484,841	5,579,017	12,350,849	52,243,671
Total	44,218,774	25,499,026	9,924,894	23,890,190	103,532,884

Cash at bank

The Group's cash at bank is held with banks which were rated by Moody's as shown in the table below:

	2024	2023
Credit ratings		
AA2	499,523	-
A1	100,784,593	111,879,770
A2	112,590,022	76,639,031
A3	441,196	-
Ba2	-	429,049
Baa1	78,464,017	53,980,496
	292,779,351	242,928,346

Management considers that its cash at bank has low credit risk based on the above external credit ratings of the counterparties, which are all at "investment grade" (above Baa3). Impairment on cash at bank has been measured on a 12-month expected loss basis and reflects the short-term maturities of the exposures.

The carrying amounts of the cash at bank of the Group did not require any adjustment because the result of applying the ECL model was immaterial.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial liabilities.

Liquidity requirements are monitored on a daily/weekly/monthly basis and management ensures that sufficient funds are available to meet any commitments as they arise.

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Maturity profiles

The table below summarizes the undiscounted maturity profile of the financial assets and financial liabilities of the Group based on remaining undiscounted contractual obligations, including interest payable and receivable. For takaful contracts liabilities and Retakaful assets, maturity profiles are determined based on estimated timing of net cash outflows from the recognized takaful liabilities. Unearned contributions and the reinsurer's share of unearned contributions have been excluded from the analysis as they are not contractual obligations.

31 December 2024	Up to a year	1 to 5 years	Total
Financial and takaful assets			
Investment securities	9,004,050	42,599,901	51,603,951
Takaful receivables	52,719,754	-	52,719,754
Retakaful contract assets	165,705,081	-	165,705,081
Retakaful receivables	44,882,435	-	44,882,435
Time deposits	205,000,000	100,000	205,100,000
Cash and cash equivalents	89,788,475	-	89,788,475
Total	**567,099,795**	**42,699,901**	**609,799,696**

31 December 2024	Up to a year	1 to 5 years	Total
Financial and takaful liabilities			
Takaful balance payable	17,811,041	-	17,811,041
Retakaful balance payable	57,821,014	-	57,821,014
Takaful contract liabilities	298,351,576	-	298,351,576
Payables and other liabilities	46,626,825	-	46,626,825
Ijarah Liabilities	52,648	296,564	349,212
Total	**420,663,104**	**296,564**	**420,959,668**

31 December 2023	Up to a year	1 to 5 years	Total
Investment securities	7,300,000	24,923,922	32,223,922
Takaful receivables	48,211,553	-	48,211,553
Retakaful contract assets	167,325,238	-	167,325,238
Retakaful receivables	49,846,117	-	49,846,117
Time deposits	169,600,000	100,000	169,700,000
Cash and cash equivalents	73,848,806	-	73,848,806
Total	516,131,714	25,023,922	541,155,636

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31 December 2023	Up to a year	1 to 5 years	Total
Financial and takaful liabilities			
Takaful balance payable	17,994,247	-	17,994,247
Retakaful balance payable	16,184,848	-	16,184,848
Takaful contract liabilities	296,486,823	-	296,486,823
Payables and other liabilities	56,893,730	-	56,893,730
Ijarah Liabilities	48,676	274,190	322,866
Total	387,608,324	274,190	387,882,514

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. The Group limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in international and local equity and bond markets. In addition, The Group actively monitors the key factors that affect stock and bond market movements, including analysis of the operational and financial performance of investees.

i. Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Qatari Riyal is effectively pegged to the United Stated dollars and thus currency risk occurs only in respect of currencies other than the United States Dollar. The Group's exposure to currency risk is minimal, since most of the transactions are either in Qatari Riyals or in US Dollars.

ii. Interest rate risk

The Group is exposed to interest rate risk related to the Islamic security deposits.

- Fair value sensitivity analysis for variable interest rate

A change of 100 basis points in interest rates at the reporting date would have increased or (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or (Loss)	
	31 December 2024	31 December 2023
Cash flow sensitivity – Call / deposit accounts	**2,051,000**	1,697,000

A decrease of 100 basis points in interest rate at the reporting date would have exactly the same but opposite impact in equity and profit or loss.

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Equity price risk

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group's equity price risk exposure relates to financial assets whose values will fluctuate as a result of changes in market prices.

The Group limits equity price risk by maintaining a diversified portfolio and by monitoring the developments in equity markets. The majority of the Group's equity investments comprise securities quoted on the Qatar Exchange.

The following table demonstrates the sensitivity of the effect of cumulative changes in fair value of the Group to reasonably possible changes in the prices of equities, with all other variables held constant. The effect of change in equity prices is expected to be equal and opposite to the effect of the increase shown.

	Changes in equity prices	Effect on equity / Income statement	Effect on profit
2024			
Investments at fair value through other comprehensive income	±5%	**7,444,182**	**-**
2023			
Investments at fair value through other comprehensive income	**±5%**	**6,601,949**	**-**

Capital Management

The Group's capital management policy for its takaful and non–takaful business is to hold sufficient capital to cover the statutory requirements based on the Qatar Central Bank's instructions, including any additional amounts required by the regulator as well as to maintain investor, creditor, and market confidence and to sustain future development of the business. The Group monitors the return on capital, which is defined as profit for the year divided by total equity.

The Group's objectives when managing capital is:

- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To provide an adequate return to shareholders by pricing takaful and investment contracts commensurately with the level of risk.

The operations of the Group are also subject to regulatory requirements within the jurisdictions in which it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g., capital adequacy) to minimize the risk of default and insolvency on the part of the takaful companies to meet unforeseen liabilities as they arise. The Group and its regulated subsidiaries in general have complied with the requirements throughout the financial year. In reporting financial strength, capital and solvency are measured using the rules prescribed by the Qatar Central Bank. These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written.

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40. Fair value measurement

The Group's assets and liabilities are measured at amortized cost and not at fair value. Management believes that the carrying values of these financial assets and financial liabilities as at the reporting date are a reasonable approximation of their fair values.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: Techniques that use inputs that have a significant effect on the recorded fair values are not based on observable market data.

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Accounting classification and fair values of asset and liabilities

As at 31 December 2024:

	Carrying Value				Fair Value		
	Fair value	Amortized cost	Financial liabilities	Total carrying amount	Level 1	Level 2	Level 3
Assets measured at fair value							
Policyholders							
Investments at fair value through other comprehensive income	16,711,779	-	-	**16,711,779**	16,711,779		
Assets not measured at fair value							
Bank balances and time deposits	-	98,542,902	-	**98,542,902**			
Takaful balances receivable	-	52,719,754	-	**52,719,754**			
Retakaful balances receivable	-	44,882,435	-	**44,882,435**			
Other receivables and prepayments	-	14,861,244	-	**14,861,244**			
Liabilities not measured at fair value							
Takaful balances payable	-	-	(16,750,532)	**(16,750,532)**			
Retakaful balances payable	-	-	(57,821,014)	**(57,821,014)**			
Accounts payable and other liabilities	-	-	(16,286,721)	**(16,286,721)**			
Assets measured at fair value							
Shareholders							
Investments at fair value through other comprehensive income	132,171,861	-	-	**132,171,861**	113,762,585		18,409,276
Investments at fair value through income statement	3,650,000	-	-	**3,650,000**		3,650,000	
Assets not measured at fair value							
Bank balances and time deposits	-	196,345,573	-	**196,345,573**			
Other receivables and prepayments	-	7,145,368	-	**7,145,368**			
Investment in sukuk at amortised costs	-	72,508,473	-	**72,508,473**			
Liabilities not measured at fair value							
Takaful balances payable	-	-	(1,060,509)	**(1,060,509)**			
Accounts payable and other liabilities	-	-	(30,340,104)	**(30,340,104)**			
Employees' end of service benefits	-	-	(7,599,117)	(7,599,117)			
	152,533,640	**487,005,749**	**(129,857,997)**	**509,681,392**			

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As at 31 December 2023:

In Qatari Riyals

	Carrying Value				Fair Value		
	Fair value	Amortized cost	Financial liabilities	Total carrying amount	Level 1	Level 2	Level 3
Assets measured at fair value							
Policyholders							
Investments at fair value through other comprehensive income	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 other comprehensive income	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)			
	139,338,992	**397,260,144**	**(97,741,919)**	**438,857,217**			

During the years ended 31 December 2024 and 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.

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The reconciliation of Level 3 is as follows:

	Policyholder		Shareholder	
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023
At the beginning of the year	-	-	18,747,140	18,747,140
Fair value losses during the year	-	-	(337,864)	-
Redemption during the year	-	-	-	-
At the ending of the year	**-**	**-**	**18,409,276**	18,747,140

Sensitivity information for unquoted equity investments

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy of the Group's unquoted equity investments is based on the price-to-earnings ratio in which the value of unquoted shares is related to the earnings attributable to each share rather than the dividend payable on such share.

A 5% variation in the valuation will result in the value of unquoted equity investments to increase/decrease by QR 920,464 (2023: QR 937,357).

41. Mudarabah and Wakala fees

Mudarabah fees are calculated at a rate of 70% (2023: 70%) of the net income received on the investments of the policyholders. The actual rate for each year is determined by the Sharia Supervisory Board after co-ordination with the Company'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).

42. Zakat

The articles of Association of the Group do not authorize management to pay Zakat on behalf of the shareholders. The responsibility of paying Zakat rests with the shareholders.

43. Dividend declared and paid

The Board of Directors has proposed in their meeting to distribute cash dividends of QR 0.15 per share amounting to QR 38,291,853. The proposed dividends are subject to the approval of the General Assembly meeting.

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.

44. Subsequent events

There were no significant events after the reporting date, which have bearing on the understanding of these consolidated financial statements.

45. Approval of consolidated financial statements

The consolidated financial statements were approved by the Board of Directors and authorized for issue on 18 February 2025.