

Al Khaleej Takaful Insurance Company Q.P.S.C.
Condensed Consolidated Interim Financial Information
31 March 2025

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

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

**To the Shareholders of
Al Khaleej Takaful Insurance Company Q.P.S.C.**

Introduction

We have reviewed the accompanying 31 March 2025 condensed consolidated interim financial information of Al Khaleej Takaful Insurance Company Q.P.S.C. (the "Company") and its subsidiaries (together the "Group"), which includes:

- The condensed consolidated statement of financial position as at 31 March 2025;
- The condensed consolidated statement of policyholders' revenues and expenses for the three-month period ended 31 March 2025;
- The condensed consolidated statement of policyholders' surplus for the three-month period ended 31 March 2025;
- The condensed consolidated statement of shareholders' income for the three-month period ended 31 March 2025;
- The condensed consolidated statement of shareholders' comprehensive income for the three-month period ended 31 March 2025;
- The condensed consolidated statement of changes in shareholders' equity for the three-month period ended 31 March 2025;
- The condensed consolidated statement of cash flows for the three-month period ended 31 March 2025; and
- Notes to the condensed consolidated interim financial information.

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

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in



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

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

Scope of Review (continued)

accordance with Auditing Standards for Islamic Financial Institutions and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2025 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with FAS 41, "Interim Financial Reporting".

08 May 2025
Doha
State of Qatar

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

**Condensed consolidated statement of financial position
As at 31 March 2025**

In Qatari Riyals

	Notes	31 March 2025 (Reviewed)	31 December 2024 (Audited) (Restated)	1 January 2024 (Audited) (Restated)
Policyholders' assets				
Cash and cash equivalents	4	48,870,616	48,542,902	24,763,022
Time deposits	4	40,000,000	50,000,000	40,950,000
Investment securities	5	16,812,526	16,711,779	16,059,689
Retakaful arrangement asset	6	169,649,472	104,995,457	146,052,638
Other receivables and prepayments		14,319,393	14,861,244	13,731,278
Investment properties		28,061,100	28,061,100	28,739,797
Total policyholders' assets		317,713,107	263,172,482	270,296,424
Shareholders' assets				
Cash and cash equivalents	4	35,801,839	41,245,573	49,085,784
Time deposits	4	120,100,000	155,100,000	128,750,000
Investment securities	5	220,827,950	208,330,334	158,559,655
Retakaful arrangement asset		74,760	74,760	398,721
Other receivables and prepayments		9,476,610	7,145,368	6,642,038
Right-of-use assets		26,840,687	27,058,130	27,927,902
Investment properties		203,596,683	202,585,391	205,859,103
Property and equipment		3,648,953	3,987,023	4,870,475
Investment in associate		25,385,269	25,385,269	57,624,756
Total shareholders' assets		645,752,751	670,911,848	639,718,434
Total assets		963,465,858	934,084,330	910,014,858

The Consolidated Statement of Financial Position continues next page.



The attached notes from 1 to 15 form an integral part of these condensed consolidated interim financial information.

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

Condensed consolidated statement of financial position (continued)
As at 31 March 2025

In Qatari Riyals

	Notes	31 March 2025 (Reviewed)	31 December 2024 (Audited) (Restated)	1 January 2024 (Audited) (Restated)
Policyholders' equity				
Retained surplus		54,901,348	52,846,651	52,637,227
Fair value reserve		7,379,922	7,279,175	6,491,796
Total policyholders' equity		62,281,270	60,125,826	59,129,023
Policyholders' liabilities				
Takaful arrangement liabilities	6	234,748,641	186,759,935	184,350,057
Accounts payable and other liabilities		20,683,196	16,286,721	26,817,344
Total policyholders' liabilities		255,431,837	203,046,656	211,167,401
Total policyholders' equity and liabilities		317,713,107	263,172,482	270,296,424
Shareholders' liabilities				
Takaful arrangement liabilities		1,135,509	1,135,509	1,460,509
Ijarah liabilities		4,113,279	4,073,199	4,136,276
Accounts payable and other liabilities		21,803,944	30,340,104	30,076,386
Deferred wakala income		36,983,131	30,802,838	29,370,564
Provision for income tax		2,173	2,173	2,173
Employees' end of service benefits		7,786,293	7,599,117	6,669,094
Total shareholders' liabilities		71,824,329	73,952,940	71,715,002
Shareholders' equity				
Share capital		255,279,020	255,279,020	255,279,020
Legal reserve		255,279,020	255,279,020	255,279,020
General reserve		75,477	75,477	75,477
Fair value reserve		(1,093,372)	1,522,047	2,179,238
Real estate reserve		26,352,439	26,352,439	28,236,722
Reserve for share of associates		18,823,799	18,823,799	28,025,661
Retained earnings / accumulated losses		19,212,039	39,627,106	(1,071,706)
Total shareholders' equity		573,928,422	596,958,908	568,003,432
Total shareholders' liabilities and equity		645,752,751	670,911,848	639,718,434
Total policyholders' and shareholders' liabilities and equity		963,465,858	934,084,330	910,014,858

These consolidated financial statements were approved by the Group's Board of Directors on 8 May 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 from 1 to 15 form an integral part of these condensed consolidated interim financial information.

Condensed consolidated statement of policyholders' revenues and expenses
For the three-month period ended 31 March 2025

In Qatari Riyals

	For the three-month period ended 31 March	
	2025	2024
	(Reviewed)	(Reviewed) (Restated)
Takaful revenues	124,525,992	96,452,267
Takaful service expense	(55,691,595)	(54,932,269)
Net expenses from re-takaful arrangement	(65,355,749)	(39,456,454)
Takaful service results	3,478,648	2,063,544
Net finance expenses from takaful arrangements	(1,836,609)	(1,561,280)
Net finance income from re-takaful arrangements	1,292,206	1,102,540
Net surplus from takaful operations	2,934,245	1,604,804
Income from deposits	765,696	840,032
Dividend income	224,379	249,311
Rental income	306,000	306,000
Mudarabah fee	(907,253)	(976,741)
Other income	101,101	-
Other expenses	(1,369,471)	(1,260,803)
Surplus of revenues over expenses	2,054,697	762,603



The attached notes from 1 to 15 form an integral part of these condensed consolidated interim financial information.

Condensed consolidated statement of policyholders' surplus
For the three-month period ended 31 March 2025

In Qatari Riyals

	For the three-month period ended 31 March	
	2025	2024
	(Reviewed)	(Reviewed) (Restated)
Retained surplus balance at the beginning of the year	52,846,651	52,637,227
Surplus for the period	2,054,697	762,603
Retained surplus balance at end of the period	54,901,348	53,399,830



The attached notes from 1 to 15 form an integral part of these condensed consolidated interim financial information.

Condensed consolidated shareholders' income statement
For the three-month period ended 31 March 2025

In Qatari Riyals

	For the three-month period ended 31 March	
	2025 (Reviewed)	2024 (Reviewed) (Restated)
Income		
Wakala fee – earned	20,556,331	18,715,107
Mudarabah fee	907,253	976,741
Net realized gain on sale of investment	484,640	181,222
Dividend income	2,724,671	2,940,309
Rental income	2,831,140	2,989,340
Income from deposits and sukuks	2,906,681	2,360,353
Share of profit from associates	-	2,894,320
Other income	365,739	250,511
Total income	30,776,455	31,307,903
Expenses		
General and administrative expenses	(10,770,144)	(9,068,953)
Depreciation	(589,445)	(632,311)
Amortisation of deferred ijarah	(40,080)	(40,580)
Impairment loss on investment securities	(1,500,000)	-
Total expenses	(12,899,669)	(9,741,844)
Net Income	17,876,786	21,566,059
Basic and diluted earnings per share (QR per share)	0.070	0.084



The attached notes from 1 to 15 form an integral part of these condensed consolidated interim financial information.

Condensed consolidated shareholders' comprehensive income statement
For the three-month period ended 31 March 2025

In Qatari Riyals

	For the three-month period ended 31 March	
	2025	2024
	(Reviewed)	(Reviewed) (Restated)
Net income	17,876,786	21,566,059
Other comprehensive income (OCI)		
<i>Items that may be subsequently classified to consolidated income statement</i>		
Fair value changes of equity-type investments classified as fair value through other comprehensive income	(2,615,419)	(2,445,122)
Net change in the share of other comprehensive income reserves of associates	-	(1,010,252)
Total other comprehensive loss	(2,615,419)	(3,455,374)
Total comprehensive income for the period	15,261,367	18,110,685



The attached notes from 1 to 15 form an integral part of these condensed consolidated interim financial information.

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

**Condensed consolidated statement of changes in shareholders' equity
For the three-month period ended 31 March 2025**

In Qatari Riyals

	Share capital	Legal reserve	General reserve	Fair value reserve	Real estate reserve	Reserve for share of profits of associates	Retained earnings / accumulated losses	Total
Balance at 1 January 2025 (Restated)	255,279,020	255,279,020	75,477	1,522,047	26,352,439	18,823,799	39,627,106	596,958,908
Net income for the period	-	-	-	-	-	-	17,876,786	17,876,786
Movement in fair value reserve	-	-	-	(2,615,419)	-	-	-	(2,615,419)
Movement in fair value reserve of Associate	-	-	-	-	-	-	-	-
Transfer to reserve for share of profits of associates	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	(38,291,853)	(38,291,853)
Balance as at 31 March 2025	255,279,020	255,279,020	75,477	(1,093,372)	26,352,439	18,823,799	19,212,039	573,928,422
Balance at 1 January 2024 (as previously reported)	255,279,020	255,279,020	75,477	2,179,238	28,236,722	28,025,661	28,298,858	597,373,996
Effect of restatement (Note 15)	-	-	-	-	-	-	(29,370,564)	(29,370,564)
Balance at 1 January 2024 (Restated)	255,279,020	255,279,020	75,477	2,179,238	28,236,722	28,025,661	(1,071,706)	568,003,432
Net income for the period (Restated)	-	-	-	-	-	-	21,566,059	21,566,059
Movement in fair value reserve	-	-	-	(2,445,122)	-	-	-	(2,445,122)
Movement in fair value reserve of Associate	-	-	-	(1,010,252)	-	-	-	(1,010,252)
Transfer to reserve for share of profits of associates	-	-	-	-	-	(5,105,680)	5,105,680	-
Dividends	-	-	-	-	-	-	(30,633,500)	(30,633,500)
Balance as at 31 March 2024 (Restated)	255,279,020	255,279,020	75,477	(1,276,136)	28,236,722	22,919,981	(5,033,467)	555,480,617

The attached notes from 1 to 15 form an integral part of these condensed consolidated interim financial information.



Al Khaleej Takaful Insurance Company Q.P.S.C.
**Condensed consolidated statement of cash flows
For the three-month period ended 31 March 2025**

In Qatari Riyals

	For the three-month period ended 31 March	
	2025	2024
	(Reviewed)	(Reviewed) (Restated)
Cash flows from operating activities		
Net income for the period	17,876,786	21,566,059
Policyholders' surplus for the period	2,054,697	762,603
	19,931,483	22,328,662
<i>Adjustments for:</i>		
Depreciation	589,445	632,311
Amortisation of deferred ijarah cost	40,080	40,580
Income from deposits and sukuks	(3,672,377)	(3,200,385)
Net realised gains on sale of investments	(484,640)	(181,222)
Dividend income	(2,949,050)	(3,189,620)
Impairment loss on investment securities	1,500,000	-
Provision for employees' end of service benefits	187,176	154,341
Rental income	(3,137,140)	(3,295,340)
Share of profit of associates	-	(2,894,320)
	12,004,977	10,395,007
Operating profit before working capital changes		
<i>Changes in:</i>		
Retakaful arrangement asset	(64,654,015)	(44,660,213)
Other receivables and prepayments	(1,789,391)	(1,651,302)
Takaful arrangement liabilities	47,988,706	47,203,967
Accounts payable and other liabilities	(4,139,685)	(707,891)
Deferred wakala income	6,180,293	5,461,809
	(4,409,115)	16,041,377
Cash (used in) / generated from operating activities		
Employees' end of service benefits – paid	-	-
Net cash (used in) / generated from operating activities	(4,409,115)	16,041,377
Cash flows from investing activities		
Additions to investment at fair value through other comprehensive income	(6,454,346)	(7,021,022)
Proceeds from sale of investment at fair value through other comprehensive income	8,828,495	5,273,656
Net movement in sukuks at amortised cost	(18,502,544)	(106,305)
Addition to property and equipment	(33,932)	(20,825)
Addition to investment properties	(1,011,292)	-
Income from deposits and sukuks	3,672,377	3,200,385
Dividend income received	2,949,050	3,189,620
Dividend received from associates	-	8,000,000
Rental income	3,137,140	3,295,340
Net movement in term deposits	45,000,000	15,000,000
	37,584,948	30,810,849
Net cash generated from investing activities		
Cash flows from financing activities		
Dividends paid to shareholders	(38,291,853)	(30,771,030)
Payment of ijarah liabilities	-	(210,400)
	(38,291,853)	(30,981,430)
Net cash used in financing activities		
Net (decrease) / increase in cash and cash equivalents	(5,116,020)	15,870,796
Cash and cash equivalents at 1 January	89,788,475	73,848,806
Cash and cash equivalents at 31 March	84,672,455	89,719,602

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The attached notes from 1 to 15 form an integral part of these condensed consolidated interim financial information.

**Notes to the condensed consolidated interim financial information
As at and for the three-month period ended 31 March 2025**

1. 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 Stock Exchange. The Company's registered address is Grand Hamad Street, Doha 4555 Qatar. The Company and its subsidiaries (together referred to as the "Group") are engaged in the business of Takaful and other investments.

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.

This condensed consolidated interim financial information was authorized for issue in accordance with a resolution of the Board of Directors on 8 May 2025.

2. Basis of preparation

a) Statement of compliance and preparation

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

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

The condensed consolidated interim financial information is presented in Qatari Riyals ("QR."), which is the Group's functional and presentational currency, and all values are rounded to the nearest QR.

The condensed consolidated interim financial information does not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2024. In addition, results for the three-month period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2024.

**Notes to the condensed consolidated interim financial information
As at and for the three-month period ended 31 March 2025**

2. Basis of preparation (continued)

b) Significant accounting judgment, estimates and assumptions

The preparation of the condensed consolidated interim financial information in conformity with FAS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are consistent with those applied to the annual consolidated financial statements as at 31 December 2024.

3. Significant accounting policies

The significant accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended 31 December 2024, except as noted below:

During the period, the Group applied FAS 42 – Presentation and Disclosures in the Financial Statements of Takaful Institutions and FAS 43 – Accounting for Takaful: Recognition and Measurement in preparation of these condensed consolidated interim financial information. The related changes to significant accounting policies are described in Note 3 (a).

New standards, amendments and interpretations issued effective from 1 January 2025

a) Change in significant accounting policies

In this condensed consolidated interim financial, the Group has transitioned to the FAS 42 – Presentation and Disclosures in the Financial Statements of Takaful Institutions and FAS 43 – Accounting for Takaful: Recognition and Measurement, as issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). These new standards replace the previously applied financial reporting framework and introduce significant changes in the recognition, measurement, and presentation of Takaful activities.

A summary of major changes are presented below, followed by details of the various aspects of the new standards:

i. Transition to new standards

FAS 43 also prescribes the transition approaches that must be applied to determine the opening transition balances. The Group has adopted a modified retrospective approach and will restate comparative information for 2024 applying the transitional provisions.

- Identified, recognised and measured each group of takaful arrangements as if FAS 43 had always been applied;
- Identified, recognised and measured assets for takaful acquisition cash flows and deferred wakala as if FAS 43 had always been applied.
- Derecognised any existing balances that would not exist had FAS 43 always been applied. These included some acquisition cost assets, receivables and payables, and provisions for ECL and bad debts that are attributable to existing takaful arrangements. Under FAS 43, they are included in the measurement of the takaful arrangements;
- Recognised any resulting net difference in equity.

3. Significant accounting policies (continued)

a) Change in significant accounting policies (continued)

i. Transition to new standards (continued)

Arrangements within the scope of FAS 43 must now apply the prescribed measurement models. FAS 43 permits three possible measurement models namely the General Approach (GA), the Contribution Allocation Approach (CAA) and the Variable Fee Approach (VFA).

The Company uses the CAA to measure groups of takaful arrangements issued and retakaful arrangements held with a entitlement period of one year or less. For groups of arrangements where the entitlement period is over one year, the Group performs an assessment to determine if the CAA would produce a measurement of the provision for remaining entitlement period materially different from the one produced by the GA. Based on the results of the assessment, the Group determines that all takaful arrangements issued, and retakaful arrangements held are measured by the CAA measurement approach.

ii. Presentation and disclosures

- FAS 42 ensures that presentation and disclosure align with Shari'ah principles, emphasizing the clear distinction between the Takaful operator and the Participants' Takaful Fund (PTF).
- PTF is classified as off-balance-sheet assets under management, ensuring they remain distinct from the Takaful operator's own funds.
- Contributions, claims, and surplus/deficit movements are presented based on the revised Takaful accounting model.

iii. Recognition of takaful revenue and expense

- Written contributions are no longer recognized as revenue in the consolidated financial statements. Instead, takaful revenue is recognized over the term of takaful arrangement.
- Similarly, acquisition costs and wakala charges are expensed over time.
- Paid claims and offsetting release in Outstanding Claims Liabilities are no longer considered expense items in the financial statements. Instead, claim expenses are recognized when the claim is incurred (current service) or as an adjustment to liabilities (past service).

iv. Recognition of Takaful Liabilities

- Provision for remaining entitlement period is recognized at the inception of each policy, representing the unearned contributions adjusted for acquisition costs and wakala.
- A Liability for Incurred Claims (LIC) is recognized upon the occurrence of insured events, measured based on expected cash outflows including claims settlement expenses.

v. Measurement of Takaful Arrangement Liabilities

- The measurement of takaful liabilities considers the fair value of future cashflows, where significant, and incorporates risk adjustments as required by the standard.
- Onerous arrangements, if identified, are separately recognized based on expected future deficits.

3. Significant accounting policies (continued)

a) Change in significant accounting policies (continued)

vi. Unit of Account

The Group manages Takaful arrangements issued by product lines within an operating segment, where each product line includes arrangements that are subject to similar risks. All Takaful arrangements within a product line represent a portfolio of arrangements. Each portfolio is further disaggregated into groups of arrangements that are issued within a calendar year (annual cohorts) and are:

- (i) arrangements that are onerous at initial recognition;
- (ii) arrangements that at initial recognition have no significant possibility of becoming onerous subsequently; or
- (iii) a group of remaining arrangements.

These groups represent the level of aggregation at which Takaful arrangements are initially recognised and measured. Such groups are not subsequently reconsidered.

Since all of the Group's Takaful arrangements are measured using the CAA, the Group assumes that no such arrangements are onerous at initial recognition, unless facts and circumstances indicate otherwise.

If facts and circumstances indicate that some arrangements are onerous, an additional assessment is performed to distinguish onerous arrangements from non-onerous ones. For non-onerous arrangements, the Group assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether arrangements have a significant possibility of becoming onerous. This assessment is performed at a portfolio level, unless a arrangement is specifically flagged as being subject to non-standard underwriting or pricing for that segment.

Portfolios of Retakaful arrangements held are assessed for aggregation separately from portfolios of Takaful arrangements issued. Applying the grouping requirements to Retakaful arrangements held, the Group aggregates Retakaful arrangements held concluded within a calendar year (annual cohorts) into groups of:

- (i) arrangements for which there is a net gain at initial recognition, if any;
- (ii) arrangements for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and
- (iii) remaining arrangements in the portfolio, if any.

vii. Recognition

Groups of takaful arrangements issued are initially recognised from the earliest of the following:

- the beginning of the entitlement period;
- the date when the first payment from the participants is due or actually received, if there is no due date; and
- when the Group determines that a group of arrangements becomes onerous.

Retakaful arrangements held are recognised as follows:

- a group of retakaful arrangements held that provide proportionate entitlement (quota share retakaful) is recognized at the later of:
 - the beginning of the entitlement period of the group; and
 - the initial recognition of any underlying takaful arrangement;
 - all other groups of retakaful arrangements held are recognized from the beginning of the entitlement period of the group of retakaful arrangements held;

3. Significant accounting policies (continued)

a) Change in significant accounting policies (continued)

viii. Initial and subsequent measurement

The Group uses the CAA to measure its takaful arrangements issued and retakaful arrangements held as:

- The entitlement period is less than one year or;
- The entitlement period is more than one year however measurement of the provision for the remaining entitlement period is deemed to not differ materially from the one that would be produced applying the GA.

For takaful arrangements issued, takaful acquisition cash flows are allocated to a group and the wakala charges levied on it are deferred and recognised over the assumed entitlement period of arrangements in a group. For retakaful arrangements held, net ceding commissions are recognised over the assumed entitlement period of underlying arrangements in a group.

The carrying amount of a group of takaful arrangements issued at the end of each reporting period is the sum of:

- the provision for the remaining entitlement period; and
- the Liability for Incurred Claims (LIC), comprising the FCF related to past service allocated to the Group at the reporting date.

The carrying amount of a group of retakaful arrangements held at the end of each reporting period is the sum of:

- the remaining entitlement period; and
- the incurred claims, comprising the FCF related to past service allocated to the Group at the reporting date.

ix. Provision for the remaining entitlement period

For takaful arrangements issued, on initial recognition, the Group measures the provision for the remaining entitlement period as the amount of contributions received, less any acquisition cash flows paid and wakala charges levied.

For Retakaful arrangements held, on initial recognition, the Group measures the remaining entitlement period at the amount of ceding contributions paid, minus net ceding commissions received.

For Takaful arrangements issued, at each of the subsequent reporting dates, the provision for the remaining entitlement period is:

- increased for contributions received in the period;
- decreased for takaful acquisition cash flows paid in the period;
- decreased for the amounts of expected contribution receipts recognized as takaful revenue for the services provided in the period; and
- increased for the amortization of takaful acquisition cash flows and wakala in the period recognized as takaful service expenses.

For Retakaful arrangements held, at each of the subsequent reporting dates, the remaining entitlement period is:

- increased for ceding contributions paid in the period;
- decreased for net ceding commissions received in the period;
- decreased for the expected amounts of ceding contributions and ceding commissions recognized as net retakaful expenses for the services received in the period.

3. Significant accounting policies (continued)

a) Change in significant accounting policies (continued)

ix. Provision for the remaining entitlement period (continued)

The Group does not adjust the provision for the remaining entitlement period for takaful arrangements issued and the remaining entitlement for retakaful arrangements held for the effect of the time value of money, because takaful contributions are due within one year of providing entitlement.

The Group allows for expected contribution write-offs by adjusting the expected contribution receipts recognised as takaful revenue. The Group adjusts the remaining entitlement period for retakaful arrangements held for the effect of the risk of reinsurer's non-performance.

There are no investment components within takaful arrangements issued and retakaful arrangements held.

If facts and circumstances indicate that a group of takaful arrangements measured under the CAA is onerous on initial recognition or becomes onerous subsequently, the Group increases the carrying amount of the provision for the remaining entitlement period to the liability that would have been determined under the GA measurement model for this group of takaful arrangements. The amount of such an increase is recognised in takaful service expenses, and a loss component is established for the amount of the loss recognised. Subsequently, the loss component is remeasured at each reporting date as the difference between the liability determined under the GA relating to the future service and the carrying amount of the provision for the remaining entitlement period without the loss component.

When a loss is recognised on initial recognition of an onerous group of underlying takaful arrangements or on addition of onerous underlying takaful arrangements to that group, the carrying amount of the asset for remaining entitlement period for retakaful arrangements held measured under the CAA is increased by the amount of income recognised in profit or loss and a loss-recovery component is established or adjusted for the amount of income recognised. The referred income is calculated by multiplying the loss recognised on underlying takaful arrangements by the percentage of claims on underlying takaful arrangements that the Group expects to recover from the retakaful arrangements held that are entered into before or at the same time as the loss is recognised on the underlying takaful arrangements.

When underlying takaful arrangements are included in the same group with takaful arrangements issued that are not reinsured, the Group applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying takaful arrangements.

The Group does not have any retakaful arrangements held measured under the CAA with underlying arrangements measured under the GA.

x. Liability for Incurred Claims (LIC)

The LIC is measured based on the estimated Fair Value of future cash flows, which is usually lower than the nominal value for cashflows more than 12 months in the future. Some portfolios have significant amounts of claims paid after 12 months of date of loss. Hence, for consistency, the Group has decided to use Fair Value in estimating the LIC for all takaful arrangements.

3. Significant accounting policies (continued)

a) Change in significant accounting policies (continued)

xi. Amounts recognized in Statement of Financial Activity for PTF

Takaful revenue

As the Group provides takaful arrangement services, it reduces the provision for the remaining entitlement period and recognises takaful revenue. The amount of takaful revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that the Group expects to be entitled to in exchange for those services.

For groups of takaful arrangements measured under the CAA, the Group recognises takaful revenue based on the passage of time over the entitlement period of a group of arrangements.

Takaful service expenses

Takaful service expenses include the following:

- (i) Incurred claims and benefits, excluding investment components;
- (ii) Other incurred directly attributable takaful service expenses;
- (iii) Takaful acquisition cash flows amortization;
- (iv) Wakala charges amortization;
- (v) Changes that relate to past service – changes in the FCF relating to the LIC;
- (vi) Changes that relate to future service – changes in the FCF that result in onerous arrangements losses or reversals of those losses; and

For arrangements measured under the CAA, amortization of takaful acquisition cash flows and wakala charges is based on the passage of time.

Other expenses not meeting the above categories are included in other operating and administrative expenses in the consolidated statement of policyholders' revenues and expenses.

Net income (expenses) from retakaful arrangements held

The Group presents financial performance of groups of retakaful arrangements held on a net basis in net income (expenses) from retakaful arrangements held, comprising the following amounts:

- Retakaful expenses;
- Incurred claims recovery;
- Other incurred directly attributable takaful service expenses;
- Effect of changes in risk of reinsurer non-performance;
- Changes relating to past service (i.e. adjustments to incurred claims).

Retakaful expenses are recognised similarly to takaful revenue. The amount of retakaful expenses recognised in the reporting period depicts the transfer of received takaful arrangement services at an amount that reflects the portion of ceding contributions that the Group expects to pay in exchange for those services.

For groups of retakaful arrangements held measured under the CAA, the Group recognises retakaful expenses based on the passage of time over the entitlement period of a group of arrangements.

Ceding commissions that are not contingent on claims of the underlying arrangements issued reduce ceding contributions and are accounted for as part of retakaful expenses.

Takaful finance income or expenses

Takaful finance income or expenses comprise the change in the carrying amount of the groups of takaful arrangements respectively arising from:

- the effect of the time value of money and changes in the time value of money; and
- the effect of financial risk and changes in financial risk.

3. Significant accounting policies (continued)

b) New standards, amendments and interpretations issued but not yet effective

The Group has not yet applied the following new and revised FASs that have been issued but are not yet effective:

i. FAS 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.

ii. FAS 49 – Financial Reporting for Institutions Operating in Hyperinflationary Economies

This standard outlines the principles governing financial reporting, including accounting treatments, presentation of financial statements and necessary disclosures for institutions applying AAOIFI FAS, operating within hyperinflationary economies.

This standard also prescribes a definition of a hyperinflationary economy and provides guidance on as to how to determine whether an economy qualifies as hyperinflationary.

This standard shall be effective for the financial periods beginning or after 1 January 2026. Early adoption of the standard is encouraged.

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

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4. 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:

	31 March 2025	31 December 2024
	(Reviewed)	(Audited)
Policyholders		
Cash in hand	1,461,889	2,105,124
Investment deposits (Islamic Banks)* (1)	40,000,000	50,000,000
Call accounts (Islamic Banks) (2)	44,766,408	46,077,554
Current accounts (3)	2,642,319	360,224
Total	88,870,616	98,542,902
Shareholders		
Cash in hand	4,000	4,000
Investment deposits (Islamic Banks)* (1)	120,100,000	155,100,000
Call accounts (Islamic Banks) (2)	6,578,914	12,252,535
Current accounts (3)	29,218,925	28,989,038
Total	155,901,839	196,345,573
Cash and cash equivalents in the consolidated statement of financial position	244,772,455	294,888,475
Less: deposits with original maturity more than three months	(160,100,000)	(205,100,000)
Cash and cash equivalents in the consolidated statement of cash flows	84,672,455	89,788,475

(1) Investment deposits earn profit at rates ranging from 4.25% to 6.10% (31 December 2024: 4.45% to 6.15%).

(2) Call accounts earn profit at rates ranging from 0.25% to 0.75% (31 December 2024: 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.

5. Investments securities

	31 March 2025		31 December 2024	
	Policyholders	Shareholders	Policyholders	Shareholders
Investments at amortized cost (i)				
Quoted debt investments				
State of Qatar Sukuk	-	31,688,114	-	31,615,829
Foreign Sukuk	-	59,483,794	-	41,053,535
Less: allowance for impairment (Stage 1)	-	(160,891)	-	(160,891)
Total investments at amortized cost (1)	-	91,011,017	-	72,508,473
Investments at fair value through other comprehensive income				
Quoted equity investments (ii)				
Local equity shares*	16,347,009	70,234,444	16,228,424	75,421,573
Foreign equity shares	465,517	931,035	483,355	966,712
Other equity investment	-	36,592,178	-	37,374,300
Total (a)	16,812,526	107,757,657	16,711,779	113,762,585
Unquoted equity investments (iii)				
Local equity shares	-	18,409,276	-	18,409,276
Foreign equity shares	-	-	-	-
Total (b)	-	18,409,276	-	18,409,276
Total investments at fair value through other comprehensive income (a+b) (2)	16,812,526	126,166,933	16,711,779	132,171,861
Investments at fair value through income statement				
Investments (iv) (3)	-	3,650,000	-	3,650,000
Total investment securities (1+2+3)	16,812,526	220,827,950	16,711,779	208,330,334

(i) The fair value of investments carried at amortized cost as at 31 March 2025 amounted to QR 93,484,762 (2024: QR 72,656,971).

(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 (2024 :7% per annum) and is due to be mature in November 2025.

*Investments in equity include shareholders quoted investment amounting to QR 1,775,000 that is frozen and therefore not immediately disposable.

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5. Investments securities (continued)

The movement in investments at amortized cost is as follows:

	31 March 2025		31 December 2024	
	Policyholders	Shareholders	Policyholders	Shareholders
Balance at 1 January	-	72,508,473	-	35,280,352
Amortised income	-	128,139	-	468,818
Addition during the year	-	18,374,405	-	36,920,194
Allowance for impairment	-	-	-	(160,891)
Balance at end of period				
/ year	-	91,011,017	-	72,508,473

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 March 2025		31 December 2024	
	Policyholders	Shareholders	Policyholders	Shareholders
Balance at 1 January	16,711,779	132,171,861	16,059,689	115,979,303
Additions	-	6,454,346	-	39,126,367
Disposals	-	(8,343,855)	-	(20,938,277)
Impairment	-	(1,500,000)	(135,289)	(2,921,959)
Changes in fair value	100,747	(2,615,419)	787,379	926,427
Balance at end of period / year	16,812,526	126,166,933	16,711,779	132,171,861

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

	31 March 2025		31 December 2024	
	Policyholders	Shareholders	Policyholders	Shareholders
Balance at 1 January	-	3,650,000	-	7,300,000
Addition during the year	-	-	-	2,068,642
Disposals / redemptions during the year	-	-	-	(5,718,642)
Balance at end of period / year	-	3,650,000	-	3,650,000

Note 1:

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

	31 March 2025		31 December 2024	
	Policyholders	Shareholders	Policyholders	Shareholders
Investments securities	16,812,526	220,827,950	16,711,779	208,330,334

6. Takaful and retakaful arrangement

	31 March 2025	31 December 2024
	(Reviewed)	(Audited) (Restated)
Policyholders		
Takaful arrangement liabilities (a)	<u>234,748,641</u>	<u>186,759,935</u>
Re-takaful arrangement assets (b)	<u>169,649,472</u>	<u>104,995,457</u>

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

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6. Takaful and retakaful arrangement (continued)

a) Takaful arrangement liabilities

Analysis by remaining entitlement period and incurred claims for the three-month period ended on 31 March 2025

	Provision for the remaining entitlement period		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of future cashflows	Risk Adjustment	
Takaful arrangement liabilities as at 1 January 2025 (Restated)	(30,724,544)	(4,435,340)	(145,122,130)	(6,477,921)	(186,759,935)
Takaful arrangement assets as at 1 January 2025	-	-	-	-	-
Net takaful arrangement liabilities as at 1 January 2025 (Restated)	(30,724,544)	(4,435,340)	(145,122,130)	(6,477,921)	(186,759,935)
Takaful revenue	124,525,992	-	-	-	124,525,992
Takaful service expenses	(30,303,264)	2,270,233	(28,496,125)	837,561	(55,691,595)
Incurred claims and other expenses	-	-	(30,182,839)	(992,147)	(31,174,986)
Amortisation of takaful acquisition cash flows	(30,303,264)	-	-	-	(30,303,264)
Losses on onerous arrangements and reversals of those losses	-	2,270,233	-	-	2,270,233
Changes to liabilities for incurred claims	-	-	1,686,714	1,829,708	3,516,422
Takaful service result	94,222,728	2,270,233	(28,496,125)	837,561	68,834,397
Takaful finance expenses	(5,129)	-	(1,831,480)	-	(1,836,609)
Total changes in the statement of policyholders' revenues and expenses	94,217,599	2,270,233	(30,327,605)	837,561	66,997,788
Cash flows:					
Contributions received	(197,704,579)	-	-	-	(197,704,579)
Claims and other expenses paid	-	-	44,463,427	-	44,463,427
Takaful acquisition cash flows	38,254,658	-	-	-	38,254,658
Total cash flows	(159,449,921)	-	44,463,427	-	(114,986,494)
Net takaful arrangement liabilities as at 31 March 2025	(95,956,866)	(2,165,107)	(130,986,308)	(5,640,360)	(234,748,641)
Takaful arrangement liabilities as at 31 March 2025	(95,956,866)	(2,165,107)	(130,986,308)	(5,640,360)	(234,748,641)
Takaful arrangement assets as at 31 March 2025	-	-	-	-	-
Net takaful arrangement liabilities as at 31 March 2025	(95,956,866)	(2,165,107)	(130,986,308)	(5,640,360)	(234,748,641)

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6. Takaful and retakaful arrangement (continued)
a) Takaful arrangement liabilities (continued)

Analysis by remaining entitlement period and incurred claims for the year ended on 31 December 2024

	Provision for the remaining entitlement period		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of future cashflows	Risk Adjustment	
Takaful arrangement liabilities as at 1 January 2024 (Restated)	(5,738,998)	(4,326,538)	(167,920,203)	(7,364,318)	(184,350,057)
Takaful arrangement assets as at 1 January 2024	-	-	-	-	-
Net takaful arrangement liabilities as at 1 January 2024 (Restated)	(5,738,998)	(4,326,538)	(167,920,203)	(7,364,318)	(184,350,057)
Takaful revenue	440,847,461	-	-	-	440,847,461
Takaful service expenses	(108,484,244)	(108,802)	(139,193,587)	886,397	(246,900,236)
Incurred claims and other expenses	-	-	(154,338,756)	(5,320,689)	(159,659,445)
Amortisation of takaful acquisition cash flows	(108,484,244)	-	-	-	(108,484,244)
Losses on onerous arrangements and reversals of those losses	-	(108,802)	-	-	(108,802)
Changes to liabilities for incurred claims	-	-	15,145,169	6,207,086	21,352,255
Takaful service result	332,363,217	(108,802)	(139,193,587)	886,397	193,947,225
Takaful finance expenses	(15,254)	-	(4,245,028)	-	(4,260,282)
Total changes in the statement of policyholders' revenues and expenses	332,347,963	(108,802)	(143,438,615)	886,397	189,686,943
Cash flows:					
Contributions received	(467,230,975)	-	-	-	(467,230,975)
Claims and other expenses paid	-	-	165,236,688	-	165,236,688
Takaful acquisition cash flows	109,897,466	-	-	-	109,897,466
Total cash flows	(357,333,509)	-	165,236,688	-	(192,096,821)
Net takaful arrangement liabilities as at 31 December 2024	(30,724,544)	(4,435,340)	(145,122,130)	(6,477,921)	(186,759,935)
Takaful arrangement liabilities as at 31 December 2024	(30,724,544)	(4,435,340)	(145,122,130)	(6,477,921)	(186,759,935)
Takaful arrangement assets as at 31 December 2024	-	-	-	-	-
Net takaful arrangement liabilities as at 31 December 2024	(30,724,544)	(4,435,340)	(145,122,130)	(6,477,921)	(186,759,935)

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6. Takaful and retakaful arrangement (continued)

b) Retakaful arrangement assets

Analysis by remaining entitlement period and incurred claims for the three-month period ended on 31 March 2025

	Assets for remaining entitlement period		Amounts recoverable on incurred claims		Total
	Excluding loss - recovery component	Loss - recovery component	Estimates of present value of future cashflows	Risk Adjustment	
Retakaful arrangement assets as at 1 January 2025 (Restated)	111,088	-	100,272,003	4,612,366	104,995,457
Retakaful arrangement liabilities as at 1 January 2025	-	-	-	-	-
Net retakaful arrangement assets as at 1 January 2025 (Restated)	111,088	-	100,272,003	4,612,366	104,995,457
An allocation of retakaful contribution	(64,571,645)	-	-	-	(64,571,645)
Amounts recoverable from reinsurers for incurred claims	-	-	(123,548)	(660,556)	(784,104)
Amounts recoverable for incurred claims and other expenses	-	-	6,342,703	209,872	6,552,575
Changes to amounts recoverable for incurred claims	-	-	(6,466,251)	(870,428)	(7,336,679)
Net income or expense from retakaful arrangements held	(64,571,645)	-	(123,548)	(660,556)	(65,355,749)
Retakaful finance income	4,727	-	1,287,479	-	1,292,206
Total changes in the statement of policyholders' revenues and expenses	(64,566,918)	-	1,163,931	(660,556)	(64,063,543)
Cash flows:					
Contributions paid	140,071,433	-	-	-	140,071,433
Amounts received	-	-	(11,353,875)	-	(11,353,875)
Total cash flows	140,071,433	-	(11,353,875)	-	128,717,558
Net retakaful arrangement assets as at 31 March 2025	75,615,603	-	90,082,059	3,951,810	169,649,472
Retakaful arrangement assets as at 31 March 2025	75,615,603	-	90,082,059	3,951,810	169,649,472
Retakaful arrangement liabilities as at 31 March 2025	-	-	-	-	-
Net retakaful arrangement assets as at 31 March 2025	75,615,603	-	90,082,059	3,951,810	169,649,472

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6. Takaful and retakaful arrangement (continued)

b) Retakaful arrangement assets (continued)

Analysis by remaining entitlement period and incurred claims for the year ended on 31 December 2024

	Assets for remaining entitlement period		Amounts recoverable on incurred claims		Total
	Excluding loss-recovery component	Loss - recovery component	Estimates of present value of future cashflows	Risk Adjustment	
Retakaful arrangement assets as at 1 January 2024 (Restated)	26,871,536	-	113,850,308	5,330,794	146,052,638
Retakaful arrangement liabilities as at 1 January 2024	-	-	-	-	-
Net retakaful arrangement assets as at 1 January 2024 (Restated)	26,871,536	-	113,850,308	5,330,794	146,052,638
An allocation of retakaful contributions	(213,788,443)	-	-	-	(213,788,443)
Amounts recoverable from reinsurers for incurred claims	-	-	28,687,055	(718,428)	27,968,627
Amounts recoverable for incurred claims and other expenses	-	-	41,544,574	1,459,524	43,004,098
Changes to amounts recoverable for incurred claims	-	-	(12,857,519)	(2,177,952)	(15,035,471)
Net income or expense from retakaful arrangements held	(213,788,443)	-	28,687,055	(718,428)	(185,819,816)
Retakaful finance income	13,729	-	3,450,919	-	3,464,648
Total changes in the statement of policyholders' revenues and expenses	(213,774,714)	-	32,137,974	(718,428)	(182,355,168)
Cash flows:					
Contributions paid	187,014,266	-	-	-	187,014,266
Amounts received	-	-	(45,716,279)	-	(45,716,279)
Total cash flows	187,014,266	-	(45,716,279)	-	141,297,987
Net retakaful arrangement assets as at 31 December 2024 (Restated)	111,088	-	100,272,003	4,612,366	104,995,457
Retakaful arrangement assets as at 31 December 2024 (Restated)	111,088	-	100,272,003	4,612,366	104,995,457
Retakaful arrangement liabilities as at 31 December 2024	-	-	-	-	-
Net retakaful arrangement assets as at 31 December 2024 (Restated)	111,088	-	100,272,003	4,612,366	104,995,457

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7. General and administration expenses

	31 March 2025	31 March 2024
	(Reviewed)	(Reviewed)
Staff costs	7,186,942	6,656,953
Governmental expenses	414,747	525,703
Repair and maintenance	210,654	145,955
Investment properties operating expenses	578,220	376,336
Marketing and advertising	702,776	307,557
Professional fees	496,955	198,266
Electricity and water and postal expenses	334,887	280,559
Refreshment and stationery	175,066	82,739
Sharia supervisory board fee	50,000	50,000
Bank charges	271,836	113,334
Miscellaneous	348,061	331,551
	10,770,144	9,068,953

8. 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 period are as follows:

Nature of transactions	31 March 2025	31 March 2024
	(Reviewed)	(Reviewed)
Contribution	260,748	51,507
Claims	1,588	-

b) Compensation of key management personnel:

	31 March 2025	31 March 2024
	(Reviewed)	(Reviewed)
Salaries and other short-term benefits	1,098,410	1,096,075
Employees' end of service benefit for the period	13,348	13,496
	1,111,758	1,109,571

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9. Segment Information

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

For the period ended 31 March 2025

	Marine & Aviation	General Accident	Motor	Takaful and Medical	Total
Takaful revenues	3,763,438	21,902,521	28,759,516	70,100,517	124,525,992
Takaful service expense	(737,210)	1,390,829	(22,396,295)	(33,948,919)	(55,691,595)
Net expenses from re-takaful arrangement	(2,374,380)	(21,411,044)	(997,576)	(40,572,749)	(65,355,749)
Takaful service results	651,848	1,882,306	5,365,645	(4,421,151)	3,478,648
Net finance expenses from takaful arrangements	(92,916)	(1,189,014)	(318,495)	(236,184)	(1,836,609)
Net finance income from re-takaful arrangements	68,891	1,059,503	54,706	109,106	1,292,206
Net surplus from takaful operations	627,823	1,752,795	5,101,856	(4,548,229)	2,934,245

For the period ended 31 March 2024

	Marine & Aviation	General Accident	Motor	Takaful and Medical	Total
Takaful revenues	3,766,734	20,064,553	28,644,305	43,976,675	96,452,267
Takaful service expense	(400,489)	(3,387,672)	(28,990,378)	(22,153,730)	(54,932,269)
Net expenses from re-takaful arrangement	(3,063,431)	(14,324,937)	(490,725)	(21,577,361)	(39,456,454)
Takaful service results	302,814	2,351,944	(836,798)	245,584	2,063,544
Net finance expenses from takaful arrangements	(106,155)	(952,935)	(273,788)	(228,402)	(1,561,280)
Net finance income from re-takaful arrangements	95,329	858,460	43,652	105,099	1,102,540
Net surplus from takaful operations	291,988	2,257,469	(1,066,934)	122,281	1,604,804

9. Segment Information (continued)

b) Business segments

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

As at and for the period ended 31 March 2025:

	<u>Underwriting</u>	<u>Investments</u>	<u>Real Estate</u>	<u>Unallocated</u>	<u>Total</u>
Net income	23,490,576	5,606,067	2,879,617	(12,044,777)	19,931,483
Total assets	258,594,848	383,125,745	258,498,470	63,246,795	963,465,858
Total liabilities	272,867,281	-	4,113,279	50,275,606	327,256,166

As at and for the period ended 31 March 2024 / year ended 31 December 2024:

	<u>Underwriting</u>	<u>Investments</u>	<u>Real Estate</u>	<u>Unallocated</u>	<u>Total</u>
Net income (<i>Restated</i>)	20,319,911	9,465,547	3,037,317	(10,494,113)	22,328,662
Total assets (<i>Restated</i>)	203,613,119	405,527,382	257,704,621	67,239,208	934,084,330
Total liabilities (<i>Restated</i>)	218,698,282	-	4,073,199	54,228,115	276,999,596

c) Geographical segments

The Group operates in the State of Qatar only.

10. 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.

	For the three-month period ended March	
	2025	2024
	(Reviewed)	(Reviewed) (Restated)
Profit attributable to shareholders	17,876,786	21,566,059
Weighted average number of ordinary shares*	255,279,020	255,279,020
Basic earnings per share (QR)	<u>0.070</u>	<u>0.084</u>

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

11. Dividend declared and paid

The General Assembly has approved in their meeting dated 17 March 2025 to distribute cash dividends of QR 0.15 per share amounting to QR 38,291,853 for the financial year ended 31 December 2024.

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.

12. Mudarabah and Wakala fees

Mudarabah fees are calculated at a rate of 70% (2024: 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% (2024: 26%) of gross written contribution (excluding 100% gross written contribution from fronting business).

**Notes to the condensed consolidated interim financial information
As at and for the three-month period ended 31 March 2025**

13. 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.

During the years ended 31 March 2025 and year ended 31 December 2024, 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.

14. Reclassification of comparative amounts

Certain comparative figures have been reclassified to conform to the presentation in the current year's condensed consolidated interim financial information. However, such reclassifications did not have any effect on the net profit and equity of the comparative years.

15. Restatement of the condensed consolidated interim financial information

The comparative figures have been restated due to the following:

The Group has decided to apply the modified retrospective approach while transitioning to the FAS 42 – Presentation and Disclosures in the Financial Statements of Takaful Institutions and FAS 43 – Accounting for Takaful: Recognition and Measurement, as issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). In addition, the Contribution Allocation Approach (CAA), which is an optional simplified measurement model in FAS 43 has been applied by the Group to the majority of the takaful arrangements in all business segments because the following criteria are met at the date of the transition:

- Takaful arrangements and loss-occurring retakaful arrangements: The entitlement period of each arrangement in the group is one year or less.
- Risk-attaching retakaful arrangements: The Group reasonably expects that the resulting measurement of the asset for remaining entitlement period would not differ materially from the result of applying the accounting policies in FAS 43.

According to that, the condensed consolidated statement of financial position, statement of policyholders' revenues and expenses, shareholders' income statement, changes in shareholders' equity and cash flows have been restated. The adjustments mainly impacted the following line items of the condensed consolidated statement of financial position, condensed consolidated statement of policyholders' revenues and expenses, and condensed consolidated shareholders' income statement respectively:

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

Condensed consolidated statement of financial position	As at 1 January 2024 as previously stated and reclassified	Adjustments	As at 1 January 2024 as restated
Policyholders' assets			
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)	-
Retakaful arrangement asset	-	146,052,638	146,052,638
Policyholders' equity			
Retained surplus	28,103,677	24,533,550	52,637,227
Policyholders' liabilities			
Takaful contract liabilities	296,086,823	(296,086,823)	-
Deferred commission income	9,276,143	(9,276,143)	-
Takaful balances payable	16,933,738	(16,933,738)	-
Retakaful balances payable	16,184,848	(16,184,848)	-
Takaful arrangement liabilities	-	184,350,057	184,350,057
Shareholders' liabilities			
Deferred wakala income	-	29,370,564	29,370,564
Shareholders' equity			
Retained earnings	28,298,858	(29,370,564)	(1,071,706)

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

Condensed consolidated statement of financial position	As at 31 December 2024 as previously stated and reclassified	Adjustments	As at 31 December 2024 as restated
Policyholders' assets			
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)	-
Retakaful arrangement asset	-	104,995,457	104,995,457
Policyholders' equity			
Retained surplus	26,602,642	26,244,009	52,846,651
Policyholders' liabilities			
Takaful contract liabilities	298,276,576	(298,276,576)	-
Deferred commission income	9,040,223	(9,040,223)	-
Takaful balances payable	16,750,532	(16,750,532)	-
Retakaful balances payable	57,821,014	(57,821,014)	-
Takaful arrangement liabilities	-	186,759,935	186,759,935
Shareholders' liabilities			
Deferred wakala income	-	30,802,838	30,802,838
Shareholders' equity			
Retained earnings	70,429,944	(30,802,838)	39,627,106

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

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

	<i>As previously reported for three- month period ended</i>		<i>As restated for three-month period ended</i>
	31 March 2024	Adjustments	31 March 2024
Net surplus from takaful operations	20,237,821	(18,633,017)	1,604,804
Wakala fees	(24,176,916)	24,176,916	-

Effect on the condensed consolidated shareholders' income statement:

	<i>As previously reported for three- month period ended</i>		<i>As restated for three-month period ended</i>
	31 March 2024	Adjustments	31 March 2024
Wakala fees	24,176,916	(24,176,916)	-
Wakala fees – earned	-	18,715,107	18,715,107
Basic and diluted earnings per share (QR per share)	0.106	(0.021)	0.084